

BANK OF INDIA



Company Background

The Bank of India (BOI) was set up in 1906 and was nationalised in 1969 along with 13 other banks. BOI began operations with one office in Mumbai, and currently it has approximately 2,628 branches in India. BOI came out with an IPO in 1997.

BOI provides a wide range of banking products and financial services to corporate and retail customers. The bank provides specialised services for businesses (dealing in foreign exchange), NRIs, merchant banking, etc. Apart from this, it also has specialised branches that deal in asset recovery, hi-tech agricultural finance, lease finance and treasury, and small scale industries. Recently, the bank has diversified into offering products (and services) such as mutual funds, venture capital, depository services, bullion trading and credit cards.

BOI is a leading player in retail banking and it was the first nationalised bank to establish a fully computerised branch and an ATM facility in India. It has a strong network of approximately 270 branches that provide export credit. BOI is among the top banks in India that provide export credit to industries such as diamond export. The bank is among those that have been offering banker services to the Bombay Stock Exchange and are managing the latter's clearing house since 1921.

The Bank of India has initiated many services to meet the worldwide needs of its clients and leverage its domestic banking strengths. The bank has a global presence through its branches

in London, Tokyo, New York, Paris, Hong Kong, Singapore, etc

Recently, the bank held centenary celebrations. It is listed in India on the Bombay Stock Exchange and the National Stock Exchange of India Limited. BOI has recorded an annual income of EUR 1527 million for the year ending 31 March 2006.

Bank of India in the EU

BOI has a network of approximately 24 branches abroad (which also includes four representative offices). It became the first nationalised bank of India to establish a presence in London by opening a branch in 1946. It was also the first Indian bank to open a branch in continental Europe (Paris) in 1974. Its international business revenues contribute approximately 16 per cent to the bank's total revenues. In June 1997, the bank established the India Desk to cater exclusively to NRIs and India-related business.

Bank of India in the UK

The Bank of India operates in the UK through its various established branches. Its first UK office was established in London in 1946. It was the first branch outside India and is authorised and regulated by the UK Financial Services Authority. BOI has witnessed a significant growth in its business since its inception in the UK. The bank acquired a major boost to its revenues after of the opening up of Indian economy.

Currently, BOI has six branches in the UK –

London, Birmingham, Eastham, Wembley, Leicester, and Manchester. BOI has also a branch in Channel Islands i.e., Jersey Branch.

It undertakes both retail and corporate banking activities. The bank's operations are primarily targeted at NRIs. These operations include providing deposit, credit and remittances services. BOI has also used letter of credit as an effective financial mechanism to offer credit services to its clients in the UK.

Bank of India in France

In 1974, BOI became the first Indian bank to start operations in continental Europe (Paris). In France, the bank focuses on trade finance, loan syndications, forex dealings, remittances and India-related business. It is the only Indian bank in Paris that provides retail banking services to its clients. BOI has highly-efficient single-point information and banking liaisons for its EU customers.

Factors for Success

Offshore Credit Services

The Bank of India has a locally incorporated branch in the UK. Apart from retail services, it also provides cross-border loans to joint ventures and wholly owned subsidiaries of Indian companies. This helps these Indian companies to secure loans, allowing them to increase their presence in the EU. The bank facilitates Indian companies in raising trade finance, letters of credit or project finance for their business ventures in the EU. This has enabled the bank's growth, since many Indian companies are venturing in the EU.

Technology Implementation

The Bank of India has been the leading bank in India to adopt new technologies to provide better services to its consumers. The bank has been able to offer high-quality technology-based products and services to its customers. This has assisted it in tapping the EU market. The bank has successfully

integrated technology to support applications such as tele-banking, internet banking, signature retrieval system, fax on demand and remote access terminal services for its corporate clients. It has also put in place effective monitoring and control mechanisms to provide efficient services to its customers.

Leveraging Special Services

The Bank of India is strategically targeting Non-Resident Indians (NRIs). It facilitates NRIs in their personal financial services needs such as remitting money to India. The bank provides NRIs the facility of transferring funds to BOI accounts in India in an efficient and cost-effective manner. Since the EU has a substantial Indian population, the bank has grown rapidly and has been successful in the EU. It offers personal and corporate banking services as well as specialist services, including forex dealings, loan syndications, etc, to its customers in the EU.

Future Plans

BOI is planning to increase its presence in the EU by opening new branches and offering complete financial services to its customers, including guidance for entering the market, loans, remittances, etc. BOI has plans to open a branch in Antwerp (Belgium) to cater to the requirements of diamond merchants, traders and in this segment BOI is market leader in India. BOI will have 9 branches in the EU to service its customers.

BOI also plans to enhance its services to Indian companies that are investing in the UK. It has plans to assist them in generating corporate and project finance for their investments abroad. It plans to increase its focus on other diversified services, apart from banking services such as venture capital, merchant banking, etc. The bank also hopes to leverage IT technology and develop quality products and services for increasing its reach and gaining competitive advantage.

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