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ceo interview

“We were seen as a bank that cannot make decisions”

Underneath a flashy branding campaign, many fundamental changes appear to be taking place at Bank of Baroda because of swift decision-making and a people-centric approach led by chairman and managing director Anil Khandelwal.

Interviewed by Emmanuel Daniel  
Written by Elena Torrijos

**W**hen Anil Khandelwal took over the reins of Bank of Baroda (BoB) in

March 2005 after one year at the helm another state-owned bank, it was a coming home of sorts, to the institution where he had spent most of his 30-odd year career in the public sector. As a long-time government servant, the BoB chairman and managing director could have easily slipped into the role of yet another bureaucrat making the kind of unremarkable decisions that would merely keep the Mumbai-based bank afloat for many years.

But he did not.

Instead, he moved quickly, making bold decisions such as signing one of the country's largest bank technology transformation deals and replacing the 97-year old bank's logo as part of an extensive brand overhaul. Soon, analysts who had written the slow-growing bank were changing their recommendations to a 'buy' from a 'sell.'

“I don't want the next generation to say that the bank was run by rogues and scoundrels and so the bank collapsed. I want the next generation to remember that in my own humble way I am able to create a bank for the next century. That is the passion. That is the vision,” Khandelwal says.

His flair for the dramatic is revealed in the way he speaks, stressing words the way a parent reads aloud a bedtime story. He explained that he was motivated to reform the bank to continue the legacy of its founder, “the great Maharajah of Baroda” and he was acutely aware that all 40,000 of its employees were relying on him.

Since it was founded in 1908 by Maharajah Sayajirao III in the industrial town of Baroda in Gujarat province, BoB has grown to establish a footprint of 2,800 branches nation-

wide. With a presence in 21 countries, it has earned a reputation for strong international operations.

### The vision

The vision is drawn from his early years at BoB, as well the study of many fields. He has a degree in chemical engineering, a masters in business administration, a doctorate in management, a degree in law and did his postgraduate in training and development. Not surprisingly, his emphasis at BoB has been in persuading, training and building.

Armed with his many qualifications and years of experience, Khandelwal is determined to restore the bank to its former glory. Its credit growth has been minimal – when the industry was growing its loan books at 25-30 percent in 2004, BoB's expansion was a mere three percent. It has also suffered in size rankings: it is now the fourth largest state-owned bank, two spots below its rank in 2000, behind the State Bank of India. This does not sit well with Khandelwal, who aims to get the bank back to its previous position by its centenary rolls around in the year 2008.

“The view (of previous management) was we should improve the spreads rather than worry too much on the balance sheet size. Now my thought was that balance sheet size is equally important because what happens when your bank lags... perception goes down. So when I joined (again) I found a certain sense of loss amongst people because our bank has been left behind by many players,” Khandelwal recounts.

He is astonished that the bank did not achieve more, despite its run. “See, what happens when 40,000 people, they don't understand what is your assumption (about focusing on spreads). Second thing is, if you have 2,800

branches and if you don't grow, what the hell do they do? What the hell do they do? People almost lost the habit of making loans and advances,” he adds in disgust.

One of Khandelwal's early exploits was to tackle the way the bank is perceived. In June, he appointed the vice-captain of the Indian cricket team Rahul Dravid, often referred to as “Mr Dependable,” to project a hardworking, dedicated and committed image. Khandelwal also had the bank's logo changed, unveiling a white and vermilion-coloured double-B with a sun emanating its rays from one corner, called the Baroda Sun.

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“Brand change really created miracles, more than what I expected,” exclaims Khandelwal. A strong marketing push, together with customer-service initiatives such as 12- or 24-hour operations in more than a 100 branches, has pushed credit growth to 16 percent in the first-half of the end-March 2006 fiscal year. In one month, a bank savings campaign attracted one million customers.

Khandelwal also strengthened the bank's financial position. In June, he transferred Rs66.2 billion (\$1.5 million) worth of bonds from the available for sale category to a held-to-maturity account to insulate the bank from tak-

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