

New year brings new hope, opportunity

What's next after the historic events of 2008

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Editor's Note: We asked several prominent business and industry leaders with direct ties to Morris County to share with us their own economic forecasts for 2009. All of them are principals with their organizations with sufficient knowledge and experience to apply national and international issues to local topics of interest.

As a general outline, we asked them to consider a few key questions:

- 1. How would you describe the economy this year?*
- 2. What steps will your business take to grow in 2009?*

From there, it was up to them. Their forecasts follow.

Banking



By Kevin M. Lenihan, CEO, Indus American Bank

Being the CEO of an ethnically focused community bank, I'm often asked: Are we affected differently than other banks by the economic downturn? What do I foresee going forward into 2009 and beyond?

Before I address the first question, Indus American Bank is a New Jersey-chartered and FDIC-insured institution. We are locally owned and only do business in the US. We primarily lend to individuals and **small businesses** that are in and around the communities where we have branches. We currently have five locations, three in New Jersey and two in New York. Although the majority of our customers are of South Asian heritage, they live and work locally and, as such, are equally affected by the economic slowdown.

Fortunately, as a community bank, we did not engage in any subprime lending and thus the bank maintains a very clean loan portfolio. We recently opened a new office in Hicksville, Long Island and looking to move from our mini branch in Parsippany (inside Pathmark supermarket at Troy Hills Plaza) to larger newer space nearby.

As far as 2009 is concerned, the banking industry in general will continue to struggle with the aftermath of lax lending standards employed primarily by larger institutions and the deleveraging in the financial system. It will also be characterized by a return to basic banking, which stresses savings over spending. The new Obama administration will usher in changes in the way financial institutions will be regulated. I expect many of the federal and state banking agencies will be consolidated, thus a new, more focused and progressive structure will emerge.

Given the recent banking powers granted to larger corporations, I believe we will see greater competition for deposits and thus consumers will eventually see higher returns for their savings dollars. I also believe the "bigger is better" or "too big to fail" philosophies will be re-examined, as the recent federal bailout can be testament.