

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4862
ANSWERED ON:02.09.2011
SBI'S GLOBAL PRESENCE
Siricilla Shri Rajaiah

Will the Minister of FINANCE be pleased to state:

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- (a) whether some public Sector Banks including State Bank of India (SBI) have proposals to expand their global presence;
- (b) if so, the details thereof, country-wise alongwith the revenue likely to be generated from such expansion; and
- (c) the reaction of the Government?

Answer

The Minister of State in the Ministry of Finance (Shri Namu Narain Meena)

(a) to (c): Indian banks are opening their branches abroad under a policy framework of Reserve Bank of India (RBI) and Government of India. The banks are opening their branches abroad based on commercial considerations, host country regulations, presence of ethnic Indians, reciprocity and business potential of the place. Under Section 23(1)(b) of Banking Regulation Act, 1949, no banking company incorporated in India shall open a new place of business outside India, without obtaining prior permission of Reserve Bank of India.

While giving the approval for opening offices, RBI/Government of India desires that only banks, which have capacity to survive in a competitive global market are allowed presence abroad.

Banks are generally guided by commercial considerations and future business potential as perceived by them, while making proposals for their overseas expansion.

State Bank of India has informed that the bank proposes to open additional branches/ offices in Bahrain, Bangladesh, China, Germany, Hongkong, United Kingdom, South Africa and Sri Lanka.