

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2636  
ANSWERED ON:09.12.2011  
FOREIGN AND PRIVATE BANKS  
Gavit Shri Manikrao Hodlya

**Will the Minister of FINANCE be pleased to state:**

- (a) the number of foreign banks and private sector banks alongwith their branches in the country, as on date, State-wise and bank-wise;
- (b) whether the said banks have opened their branches in villages, tribal areas and small towns during each of the last three years and the current year;
- (c) if so, the details thereof, State-wise and bank-wise and if not, the reasons therefor; and
- (d) the corrective steps taken / being taken by the Government in this regard?

**Answer**

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

(a) The bank-wise and state-wise number of functioning private sector / foreign banks and their branches as on 30.09.2011 is at Annex I and II respectively.

(b) & (c): The bank-wise and State-wise details of branches opened during the financial year 2008-09, 2009-10, 2010-11 and 2011-12(Upto September, 11) by foreign banks and private sector banks in Rural, Semi-urban, Urban and Metropolitan are at Annex III and IV respectively.

(d): Keeping in view the goal of bringing banking services to identified 72,800 villages with population above 2000 by March 2012, and thereafter progressively to all villages over a period of time, banks have been advised vide RBI circular dated July 15, 2011, that . while preparing their Annual Branch Expansion Plan (ABEP), they should allocate at least 25 percent of the total number of branches proposed to be opened during a year in unbanked rural (Tier 5 and Tier 6 ) centres (unbanked rural centres would mean centres that do not have a brick and mortar structure of any scheduled commercial bank for customer based banking transaction).

From the year 2006, Scheduled Commercial Banks have been permitted to adopt the Business Facilitator (BF) / Business Correspondent (BC) model for delivery of banking services in the unbanked and underbanked areas of the country. A variety of entities/ individuals had been permitted by the Reserve Bank to act as BCs.

Under the aegis of the World Trade Organisation (WTO), India is committed to allow foreign banks to open 12 branches in a year. RBI may however, go beyond WTO commitments of 12 licenses, if foreign banks open offices in unbanked/under banked areas.