

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

STARRED QUESTION NO:336  
ANSWERED ON:27.04.2012  
RURAL BANKING PENETRATION RATIO  
Begum Tabassum ;Rajesh Shri M. B.

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

- (a) whether the present banking penetration ratio in the rural areas across the country is low;
- (b) if so, the details thereof alongwith the reasons therefor;
- (c) whether the number of rural branches of public sector banks have decreased over the last five years;
- (d) if so, the details thereof alongwith the reasons therefor; and
- (e) the steps taken/being taken by the Government to improve the banking penetration ratio in the rural areas across the country?

**Answer**

The Minister of Finance (Shri PRANAB MUKHERJEE)

(a)to (e):- A statement is laid on the table of the House.

Statement is laid on the Table of the House in respect of Starred Question No.336 for 27.04.2012 tabled by Shri M.B.Rajesh and Shrimati Tabassum Hasan regarding Rural Banking Penetration Ratio.

(a) and (b) :-As per Reserve Bank of India (RBI), the total number of functioning bank branches in the country as on 31st March, 2012 are as under:-

Rural Branches	Semi Urban Branches	Urban Branches	Metropolitan Branches	Total
34,671	24,133	18,056	16,799	93,659
(37.02%)	(25.77%)	(19.28%)	(17.93%)	

(c) & (d):-The position of number of public sector banks branches in rural areas in the last five years is given hereunder-

Year	PSB Rural Branch (Nos.)	All Banks (including RRBs)Rural Branches
2008	18,443	30,864
2009	18,875	31,542
2010	19,610	32,503
2011	20,457	33,683
2012	21,140	34,671

The number of branches in rural areas has been steadily increasing.

(e) Under the Financial Inclusion Plan `Swabhimaan`, banking services have been extended to over 74,000 villages having population of 2000 or above through bank branches, business correspondents and mobile banking. Ultra Small Branches are also now being established at these habitations, where a bank official will visit the village on a predetermined day and time every week.

As per the extant Branch Authorization Policy of RBI, general permission has been granted to domestic Scheduled Commercial Banks (other than RRBs) to open branches in centres with a population up to 99,999 and in all centres of the North-Eastern States and Sikkim, subject to reporting. In order to further expand the banking network, RBI has advised that while preparing their Annual Branch Expansion Plan, the banks should allocate at least 25 percent of the branches proposed to be opened during a year in unbanked rural centres with population upto 9999.