

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1824
ANSWERED ON:17.07.2009
OPENING BANK BRANCHES IN RURAL AREAS
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Will the Minister of FINANCE be pleased to state:

- (a) whether private sector banks are opening their branches rapidly as compared to that of the public sector banks;
- (b) if so, the details thereof and the year-wise number of branches of Public Sector Banks(PCBs) targeted to be opened during the Eleventh Five Year Plan and the achievement made so far;
- (c) whether any representation has been received by the Government for opening of more bank branches in rural and remote hilly areas of the country; and
- (d) if so, the details thereof and the action taken by the Government thereon?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) & (b): The year-wise details of number of bank branches of public sector banks and private sector banks opened recently is given below:

Number of branches of Public Sector Banks & Private Sector Banks opened
Branches/offices (including administrative office) opened during

	April 1, 2005 to March 31, 2006	April 1, 2006 to March 31, 2007	April 1, 2007 to March 31, 2008	April 1, 2008 to March 31, 2009 (P)
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Bank Group	Total	Total	Total	Total
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Public Sector Banks	1025	1756	2892	2351
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Private Sector Banks	494	825	991	890
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(P) : Provisional Source: RBI

The opening of bank branches is governed by the provisions of Section 23 of the Banking Regulation Act 1949 under which it is mandatory for commercial banks to obtain prior approval of the RBI before opening a new branch/office. There is no target set for the 11th Five Year Plan for opening of bank branches. However, the Bank Authorisation Policy takes into account the medium term corporate strategy for banks and public interest and gives weightage to provisions of banking facilities in underbanked districts.

(c) & (d): The Government is aware that despite the expansion of banking network in the country, there are still some areas that remain under-banked or unbanked. Keeping this in mind, an amount Rs.100 crore have been set aside during the current year as a one-time grant-in-aid to ensure provision of at least one center/Point of Sales (POS) for banking services in each of the unbanked blocks in the country.