

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:861
ANSWERED ON:01.03.2013
CRITERIA FOR OPENING NEW FOREIGN BANKS
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Will the Minister of FINANCE be pleased to state:

- (a) the number of foreign banks operating in the country, bank and State / UT-wise;
- (b) if so, the details of criteria/guidelines fixed for opening new foreign banks and branches of existing banks in the country;
- (c) whether the Government / Reserve Bank of India (RBI) proposes to relax the laid down norms to facilitate opening of more foreign banks in the country; and
- (d) if so, the details thereof?

Answer

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

- (a): The branch-wise and State-wise details of foreign banks operating in the country as on 25.02.2013 are given in Annex.
- (b) to (d): Under the aegis of the World Trade Organization (WTO), India is committed to allow foreign banks to open 12 branches in a year. RBI may, however, go beyond the WTO commitments of 12 branch licenses, if the foreign banks open offices in unbanked / under-banked areas. While considering applications for opening of branches by the foreign banks, RBI also considers the nature and scope of banking facilities provided by these banks to common persons particularly in under-banked areas; actual credit flow to the priority sector; pricing of products and overall efforts for promoting financial inclusion including introduction of appropriate new products; the enhanced use of technology for delivery of banking services; etc.