

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:410

ANSWERED ON:06.12.2013

INCREASE IN BANK BRANCHES

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Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has conducted any survey/study to increase the branches of both public and private sector banks in the country;
- (b) if so, the details and outcome thereof;
- (c) the details of the branches of public and private sector banks opened in the rural areas during the last three years and the current financial year, bank and State/UTwise;
- (d) the number of new branches proposed to be set up by the PSBs over the next two years in the country; and
- (e) the steps taken/proposed to be taken by the Government to increase the number of bank branches in both rural and urban areas of the country?

Answer

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

(a) and (b) :- No, Madam.

(c) to (e):- As reported by Reserve Bank of India (RBI), the details of branches opened by public and private sector banks in rural areas during last three years are given in Annex 1 and Annex 2 respectively. Public Sector Banks (PSBs) plan to open branches in terms of their Annual Branch Expansion Plan(ABEP). As per ABEP for 2013-14, PSBs had planned to open 7889 branches, out of which 2710 branches have been opened by end of September 2013.

In order to extend the reach of banking in terms of extant Branch Authorisation Policy of RBI,

(i) General permission has been granted to domestic Scheduled Commercial Banks, (other than RRBs) to open branches, in Tier 2 to Tier 6 centres (with population up to 99,999) which include rural centres and tribal areas, and in rural, semi urban and urban centres of the North Eastern States and Sikkim, and to open mobile branches in Tier 3 to Tier 6 centres (with population up to 49,999) which include rural centres and in rural, semi urban and urban centres of the North Eastern States and Sikkim subject to reporting

(ii) Domestic Scheduled Commercial Banks, while preparing their Annual Branch Expansion Plan (ABEP), should allocate at least 25% of the total number of branches proposed to be opened during a year in unbanked rural (Tier 5 and Tier 6) centres.