

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED QUESTION NO: 1121
TO BE ANSWERED ON THE 8th FEBRUARY, 2019/MAGHA 19, 1940 (SAKA)

QUESTION
Closure of PSU Bank Branches

1121: SHRI G. HARI:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Public Sector Banks (PSBs) are expected to close down around 70 of their total 216 foreign branches and other operations by the end of this year in order to cut costs and preserve capital and if so, the details thereof;
- (b) whether the banks have initiated sale of non-core assets, closure of unviable branches and other steps to reduce capital and if so, the details thereof; and
- (c) whether so far they have closed down 37 overseas operations and other 60-70 operations will be closed down by the end of the year and if so, the details thereof?

ANSWER

To be answered by
THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI SHIV PRATAP SHUKLA)

(a) to (c): Banks pursue rightsizing and rationalisation of their branch network and other operations for cost efficiency and synergy benefits, and invest in and monetise non-core assets as per business strategy on an ongoing basis.

A reforms agenda based on recommendations made by Whole-Time Directors and senior executives of Public Sector Banks (PSBs) was referred by the Government to PSBs in January 2018 for appropriate action as per approval of bank Boards. The agenda covered, *inter alia*, rationalisation of overseas operations for cost efficiencies and synergies in overseas markets based on competitive strength and viability, and monetisation of non-core assets to strengthen the bank and focus on core business. As per information furnished by PSBs, 54 overseas operations were identified for rationalisation and as of 15.1.2019, 29 overseas operations have been rationalised for cost efficiencies and synergies in overseas markets.
