

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

RAJYA SABHA
UNSTARRED QUESTION NO-888

ANSWERED ON TUESDAY, DECEMBER 3, 2024/AGRAHAYANA 12, 1946 (SAKA)

EXPANDING THE BRANCHES OF BANK OF BARODA

888. SHRI VIVEK K. TANKHA

Will the Minister of FINANCE be pleased to state:-

- (a) what further steps the Ministry is considering to expand Bank of Baroda's branch network in the UAE, especially in emirates like Ajman, Umm Al Quwain, and Fujairah, to enhance banking accessibility for blue-collar workers;
- (b) what alternative solutions or partnerships the Ministry is exploring to improve financial inclusion for this diaspora given the challenges faced by Indian blue-collar workers in accessing banking services; and
- (c) the update on the feasibility of implementing the Business Correspondent model or similar strategies to extend banking services to remote areas for Indian workers in the UAE?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

(a) to (c): The opening of overseas branches/offices by Indian banks is based on the commercial judgement of the respective banks.

The Bank of Baroda (BoB) has apprised that it had branches in Umm Al Quwain and Fujairah earlier, however, both the branches were closed, as these were running in losses and commercially not viable. Subsequently, BoB, in 2014, applied for fresh license for opening of a branch in Fujairah, which was declined by the Central Bank of UAE. BoB has further informed that presently it does not have any plans to expand its branch network in the mentioned Emirates, *i.e.* Ajman, Umm Al Quwain and Fujairah.

Regarding financial inclusion of blue-collar workers, BOB has apprised that it is offering banking services to blue-collar employees by way of special zero balance savings accounts, through which customers can make payments using bank's digital channels, such as debit card, mobile banking and internet banking and also remit funds to home country at a very competitive rate. Further, BoB is also onboarding blue-collar employees of corporates banking with it. Also, UAE operations of BoB has launched TAB banking solution for opening CASA accounts, which enhances the customer onboarding experience through digital mode and specifically help in onboarding of such customers.

With regard to the implementation of Business Correspondent model, BoB has informed that there are no guidelines in respect of Business Correspondent model, approved by the local regulator, the Central Bank of UAE. Also, no bank in UAE has implemented / is following the mechanism of Business Correspondent model.
