

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

RAJYA SABHA
UNSTARRED QUESTION NO. 1999

ANSWERED ON TUESDAY, MARCH 10, 2026/ 19 PHALGUNA, 1947 (SAKA)

SALE OF THIRD-PARTY FINANCIAL PRODUCTS BY PUBLIC SECTOR BANKS

1999 SHRI A. A. RAHIM:

Will the Minister of FINANCE be pleased to state:

- (a) the Public Sector Banks currently engaged in the sale of third-party financial products
- (b) the total revenue earned by each Public Sector Bank from commissions or fees through the sale of third-party products during the last five years, year-wise;
- (c) whether Government has examined concerns regarding pressure on bank employees to meet targets for selling such third-party products, if so, the findings thereof;
- (d) if not, whether Government is ready to conduct a study; and
- (e) whether Government is ready to ban the sale of third-party products and services in PSBs?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) to (e): As per the Reserve Bank of India (Commercial Banks – Undertaking of Financial Services) Directions, 2025, commercial banks, including Public Sector Banks (PSBs) are permitted to act as an agent of a third-party product or service provider, to facilitate the sale of the latter's financial products or services (e.g., insurance, mutual fund, pension fund, etc.) to its own customers.

Total revenue earned by PSBs from commission or fees through the sale of third-party products during the last five years is annexed.

The Reserve Bank of India (RBI) has recently issued Draft Directions: Reserve Bank of India (Commercial Banks - Responsible Business Conduct) Amendment Directions, 2026, which contains comprehensive instructions to all Commercial Banks, including, inter-alia, to ensure that their policies and practices neither create incentives for mis-selling nor encourage employees to 'push' the sale of products, along with to ensure that no incentive is directly / indirectly received by the employees engaged in marketing / sales of third-party products from the third-party. The Draft Directions also seeks commercial banks to put in place a comprehensive policy for marketing and sales of their own/ third-party financial products, while covering aspects related to criteria for determination of suitability and appropriateness of products offered to customers, and having a robust feedback mechanism. RBI has sought comments / feedback on the said draft Directions from public / other stakeholders and the final directions shall be published post incorporating feedback from the stakeholders.

Reply to Part(b) of the said Rajya Sabha Question no. 1999 for answer on 10.3.2026 regarding Sale of third-party financial products - by Public Sector Banks**

(₹ in Crores)

S.no.	Bank	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
1	Bank of Baroda	206.42	301.18	395.66	492.51	508.75
2	Bank of India	149.30	158.04	208.26	228.90	308.41
3	Bank of Maharashtra	23.08	31.87	36.28	41.96	51.63
4	Canara Bank	290.82	356.34	425.78	444.10	542.50
5	Central Bank of India	65.50	80.01	97.29	135.51	144.59
6	Indian Bank	63.98	85.01	136.35	163.21	180.58
7	Indian Overseas Bank	32.46	33.50	42.88	45.13	49.01
8	Punjab National Bank	456.57	497.10	542.33	623.28	746.26
9	Punjab & Sind Bank	10.95	26.00	22.29	27.26	27.65
10	UCO Bank	16.57	27.03	55.76	68.11	66.62
11	Union Bank of India	243.05	279.75	357.85	387.44	564.60
12	State Bank of India	2,168.80	2,858.12	3,622.96	3,870.69	4,522.92

#Source: Public Sector Banks

**includes Insurance (Life and Non-life), Mutual Funds, Credit Cards, Demat accounts
