

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA

UNSTARRED QUESTION NO. †3670

TO BE ANSWERED ON THE 16TH MARCH 2018/ PHALGUN 25, 1939 (SAKA)

PSBs Branches in Foreign Countries

†3670. SHRI PRATAPRAJADHAV:

SHRI ASHOK MAHADEORAO RETI:

Will the Minister of FINANCE be pleased to state:

- (a) the number of branches of Public Sector Banks (PSBs) operating in foreign countries along with the number of them running in losses, bank and country-wise;
- (b) the details of amount to be paid by these PSBs to the Government of the respective countries;
- (c) whether the Government has directed all the PSBs to regulate the network of the domestic and foreign branches in view to strengthen their financial position and if so, the details thereof;
- (d) whether the Government has advised the banks to close their branches running in loss and if so, the names of the banks which have taken initiative in this regard and the number of branches closed so far location and bank-wise; and
- (e) whether the Government proposes to take any other steps to revive the branches running in losses and if so, the details thereof and if not, the reasons therefor?

ANSWER

The Minister of State in the Ministry of Finance
(SHRISHIV PRATAPSHUKLA)

(a): As per data reported by PSBs, 159 branches of PSBs are operating in foreign countries, of which 41 branches were in loss in the financial year (FY) 2016-17. Bank-wise and country-wise details of the branches in loss in FY 2016-17 are at Annex-1.

(b): As per data reported by PSBs, details of amount to be paid by PSBs to the Government of their respective location are at Annex-2.

(c) to (e): A reforms agenda based on recommendations made by Whole-Time Directors and senior management of PSBs has been referred by the Government to PSBs for appropriate action as per approval of bank Boards. The agenda covers, *inter alia*, rationalisation of overseas operations for cost efficiencies and synergies in overseas markets, based on competitive strength and viability, and a differentiated banking strategy to leverage bank's competitive advantage which may include branch network rationalisation for a strong regional connect.

All PSBs having foreign branches (*viz.*, Allahabad Bank, Bank of Baroda, Bank of India, Canara Bank, IDBI Bank, Indian Bank, Indian Overseas Bank, Punjab National Bank, State Bank of India, Syndicate Bank, UCO Bank and Union Bank of India) have jointly taken the initiative to prepare a note in mutual consultation for rationalisation of their foreign branches. Action on closure of branches identified by banks is at various stages.

Banks take a view on branch operations, including their revival, based on commercial considerations.

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Bank-wise and country-wise details of PSB branches operating in foreign countries, which were in loss in FY 2016-17

S.No.	Country	No. of branches
1	Australia	1
2	Bahamas	2
3	Bangladesh	1
4	Cambodia	1
5	Channell Island	1
6	France	1
7	China(Hong Kong)	6
8	Kenya	2
9	Myanmar	1
10	Oman	1
11	Singapore	2
12	South Africa	4
13	Sri Lanka	4
14	Thailand	1
15	United Arab Emirates	5
16	United Kingdom	7
17	Vietnam	1

Source: Banks

S.No.	Bank	No. of branches
1	Bank of Baroda	7
2	Bank of India	8
3	Canara Bank	4
4	IDBI Bank	1
5	Indian Bank	1
6	Indian Overseas Bank	5
7	Punjab National Bank	2
8	State Bank of India	9
9	Syndicate Bank	1
10	UCO Bank	1
11	Union Bank of India	2

Source: Banks

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S.N.	Bank	Country with foreign branches of the bank	Amount to be paid by the bank to the Government of the country in column (3)	
			Amount in crore Rs.	Details
(1)	(2)	(3)	(4)	(5)
1	IDBI Bank	Dubai	0.37	Value Added Tax (VAT)
2	Canara Bank	Bahrain	0.08	Social insurance and renewal of commercial registration
3	Canara Bank	Dubai	0.09	Registration fee
4	Canara Bank	China (Hong Kong)	0.002	Business Registration fee
5	Bank of India	USA	2.29	Quarterly assessment fee payable to New York State Department of Financial Services
6	Bank of Baroda	Mauritius	0.33	Trade fees and property tax
7	Bank of Baroda	Oman	0.10	Commercial registration renewal and municipality charges
8	Bank of Baroda	USA	3.02	Payable to New York State Department of Financial Services for general assessment covering operating expenses

Source: Public Sector Banks
