

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

UNSTARRED QUESTION No. 1723

ANSWERED ON MONDAY, JULY 31, 2023/ SRAVANA 9, 1945 (SAKA)

New Branches of SBI

1723. SHRI VISHNU DAYAL RAM

Will the Minister of FINANCE be pleased to state:

- (a) the salient features of the branch expansion policy of Public Sector Banks (PSBs);
- (b) the year-wise number of branches of PSBs opened in rural areas during the current plan period;
- (c) whether any survey has been conducted by the State Bank of India in this regard and if so, the details thereof; and
- (d) the time by which the new branches of State Bank of India are likely to be opened?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR BHAGWAT KARAD)

(a) to (d): In terms of the revised guidelines issued by Reserve Bank of India (RBI) *vide* circular dated May 18, 2017, the term "Branch" has been substituted by "Banking Outlet (BO)" which includes both brick and mortar branches and Business Correspondent (BC) outlets to enable Banks in expanding their network even in remote rural areas in a cost-effective manner for hassle free services to customers in rural areas. Moreover, rolling out of banking outlets in uncovered areas is a continuous process, looked after by the State/ UT Level Bankers' Committee (SLBC/ UTLBC), in consultation with the concerned State/ UT Government, member banks and other stakeholders. Banks, however, inter-alia, consider proposals for opening banking outlets in the light of RBI's instructions, their business plans and their commercial viability.

Further, RBI has granted general permission to domestic Scheduled Commercial Banks (excluding Regional Rural Banks) to open banking outlets including branch at any place in the country, without seeking prior approval of RBI in each case, subject to at least 25 percent of the total number of banking outlets opened during a financial year being in unbanked rural centres i.e. centres having population less than 10,000 (Tier 5 and Tier 6 centres).

The year-wise number of branches of PSBs opened in rural areas during the current plan period, is as under—

FY	Total Branches opened	Out of which, number of rural branches opened
2018-19	430	128
2019-20	545	130
2020-21	651	75
2021-22	476	100
2022-23	927	316

Source: RBI

SBI has informed that a survey for opening of new branches has been carried out in 80 villages.
