

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
LOK SABHA
UNSTARRED QUESTION NO-†212
ANSWERED ON-18.11.2019

FOREIGN BANKS

†212. SHRI CHANDESHWAR PRASAD:

Will the Minister of FINANCE be pleased to state:

- (a) the number of foreign banks in operation in the country including Bihar at present;
- (b) the number of foreign banks which have shown interest in opening their branches in the country;
- (c) whether the Government has not made it mandatory for foreign banks to open their branches in rural areas and to provide loans for farmers and scheduled castes/scheduled tribes for employment on the lines of Indian Banks; and
- (d) if so, the details thereof?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI ANURAG SINGH THAKUR)

(a): As per data reported by Reserve Bank of India (RBI), as on date, 46 foreign banks are operating in India including two banks operating in wholly-owned subsidiary (WOS) mode. With regard to the information on foreign banks operating in Bihar, RBI has apprised that as on 1.11.2019, one branch of foreign banks is operationalised in Bihar.

(b) to (d): RBI has apprised that 15 banks have shown interest in opening their branches in India. RBI has also apprised that foreign banks except those operating in WOS mode require prior approval of RBI for opening branches in India. RBI has further apprised that the foreign banks open their branches in India based on their commercial judgement. With regard to banks operating in WOS mode, RBI has informed that at least 25 percent of the total number of branches opened during the financial year must be opened in unbanked rural (Tier 5 and Tier 6) centres, *i.e.*, centres that do not have a brick and mortar structure of any scheduled commercial bank for customer-based banking transactions.

With regard to whether it is mandatory for foreign banks to provide loans to farmers and scheduled castes/scheduled tribes for employment on the lines of Indian Banks, RBI has apprised that foreign banks have to comply with RBI's extant priority sector guidelines. These guidelines provide for foreign banks with 20 branches and above to lend 40 percent of Adjusted Net Bank Credit (ANBC) or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher to priority sector including lending to Weaker Section including, *inter-alia*, scheduled castes/scheduled tribes.
