

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
STARRED QUESTION NO. *122
TO BE ANSWERED ON THE 4TH MARCH, 2016 / PHALGUNA 14, 1937 (SAKA)

BANKING REFORMS

***122 ADV. CHINTAMAN NAVASHA WANAGA:
ADV. JOICE GEORGE:**

Will the Minister of FINANCE be pleased to state:

- (a) whether the performance of majority of PSU banks have been found to be dismal and if so, the details thereof along with the reasons therefor;
- (b) whether the Government proposes to unleash major banking reforms so as to safeguard the interests of customers, investors and banks and if so, the details thereof;
- (c) whether any roadmap has been drawn for the purpose and if so, the details thereof;
- (d) whether the Government also proposes to plan, to improve in the governance of PSBs, and if so, the details thereof; and
- (e) the strategy/steps proposed to be taken by the Government to speed up reforms in the banking sector?

ANSWER

THE FINANCE MINISTER
(SHRI ARUN JAITLEY)

(a) to (e): A Statement is laid on the Table of the House.

Sample Only

STATEMENT FOR LOK SABHA STARRED QUESTION NO. *122 FOR 4TH MARCH, 2016 REGARDING BANKING REFORMS TABLED BY ADV. CHINTAMAN NAVASHA WANAGA AND ADV. JOICE GEORGE, MEMBERS OF PARLIAMENT.

(a) to (e):

The Government formally reviews the performance of Public Sector Banks (PSBs) every quarter after their quarterly results. The last such review based on September 2015 quarter results, was done in the month of November 2015. The review covered credit growth, deposit growth, net profit and asset quality among others. Quantitative details of the review are **annexed**.

The reasons for the comparatively lower profitability of Public Sector Banks is higher provisioning due to stress on account of low global and domestic demand, stalled large projects and lower corporate profits, as identified in the last review. The Government has put in place a comprehensive framework for improving the financial health of PSBs called Indradhanush, which inter-alia include reforms in the Appointments process, creation of Banks Board Bureau to recommend whole time directors and chairmen, four years Capitalisation programme to remain compliant with Basel- III norms, Destressing PSBs through various policy interventions, Empowerment through no interference policy, Framework of accountability through key performance indicators and Governance reforms.

Sample Only

BANK	Deposits (Global)			Advances (Global)			Net Profit			GNPA (%)		
	Mar-15	Sep'15	Growth (%)	Mar-15	Sep'15	Growth (%)	Mar-15	Sep'15	Gr (YoY)	Mar-15	Sep'15	Growth (%)
Allahabad Bank	1,93,424	1,88,151	-2.73	1,53,095	1,51,949	-0.75	621	324	27.55	5.46	5.26	-3.66
Andhra Bank	1,55,012	1,65,985	7.08	1,29,576	1,30,908	1.03	638	454	80.88	5.31	5.71	7.53
Bank of Baroda	6,17,560	6,12,458	-0.83	4,37,280	4,26,568	-2.45	3398	1177	-52.29	3.72	5.56	49.46
Bank of India	5,31,907	5,25,195	-1.26	4,11,726	3,95,785	-3.87	1709	-997	-162.63	5.39	7.55	40.07
Bank of Maharashtra	1,22,119	1,26,800	3.83	1,01,210	1,00,092	-1.10	451	131	-53.38	6.33	7.98	26.07
Canara Bank	4,73,840	4,85,206	2.40	3,34,937	3,28,387	-1.96	2703	1008	-29.71	3.89	4.27	9.77
Central Bank of India	2,55,572	2,68,753	5.16	1,94,967	1,94,594	-0.19	606	316	7.12	6.09	6.86	12.64
Corporation Bank	1,99,346	2,04,228	2.45	1,47,708	1,45,213	-1.69	584	393	0.23	4.81	5.32	10.60
Dena Bank	1,15,936	1,06,430	-8.20	80,629	77,204	-4.25	265	54	-59.49	5.45	6.84	25.50
I.O.B.I.	2,59,836	2,39,282	-7.91	2,15,792	2,13,406	-1.11	873	255	13.36	5.88	6.92	17.61
Indian Bank	1,69,225	1,72,711	2.06	1,28,832	1,25,292	-2.75	1005	585	12.10	4.40	4.61	4.68
Indian Overseas Bank	2,46,049	2,33,026	-5.29	1,79,041	1,76,516	-1.41	-454	-536	-2161.54	8.33	11.00	32.05
Oriental Bank of Comm.	2,04,010	1,99,201	-2.36	1,48,039	1,50,082	1.38	497	559	-14.76	5.18	5.70	10.04
Punjab National Bank	5,01,379	5,39,924	7.69	3,80,534	3,80,958	0.11	3062	1342	-32.25	6.55	6.36	-2.90
Punjab & Sindh Bank	86,715	86,152	-0.65	64,796	64,884	0.14	121	168	25.36	4.76	4.92	3.36
Syndicate bank	2,55,388	2,63,722	3.26	2,05,804	2,08,178	1.15	1523	634	-20.81	3.13	3.72	18.85
UCO Bank	2,14,337	2,16,464	0.99	1,51,812	1,43,598	-5.41	1138	413	-33.94	6.76	8.51	25.89
Union Bank of India	3,16,870	3,30,665	4.35	2,62,757	2,54,022	-3.32	1781	1177	13.61	4.96	6.12	23.39
United Bank of India	1,08,818	1,11,447	2.42	69,070	68,681	-0.56	256	114	4.00	9.49	8.90	-6.22
Vijaya Bank	1,26,343	1,23,286	-2.42	87,692	87,026	-0.76	439	258	-15.51	2.78	3.98	43.17
Bhartiya Mahila Bank	751	920	22.49	352	446	26.68	20	14	5.56	0.00	0.00	0.00
State Bank of India	15,76,793	16,34,115	3.64	13,35,424	13,70,701	2.64	13102	7571	17.40	4.25	4.15	-2.35
SB of Bik. & Jaipur	84,239	89,146	5.82	71,153	69,954	-1.68	777	451	35.42	4.14	4.20	1.45
State Bank of Hyderabad	1,30,166	1,31,051	0.68	1,05,053	1,05,301	0.24	1317	627	16.54	4.59	4.92	7.19
State Bank of Mysore	66,064	69,353	4.98	53,296	51,926	-2.57	409	226	27.68	4.00	4.19	4.75
State Bank of Patiala	91,987	99,899	8.60	80,648	79,980	-0.83	362	223	2.76	5.41	6.73	24.40
State Bank of Travancore	91,077	97,112	6.63	69,907	67,328	-3.69	335	184	166.67	3.37	3.82	13.35
All PSBs	71,94,762	73,20,682	1.75	56,01,130	55,68,980	-0.57	37539	17124	-19.66	4.97	5.71	14.83

Sample Only