

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA

UNSTARRED QUESTION NO.†4579

TO BE ANSWERED ON THE 12th August, 2016/ Shravana 21, 1938 (SAKA)

Improve Functioning in Banks

QUESTION

†4579. SHRIMATI MALA RAJYA LAXMI SHAH:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has any proposals/plans for improving the functioning in State Bank of India;
- (b) if so, the details thereof;
- (c) whether the Government privatise some of the works for improving the functioning of the banks; and
- (d) if so, the details thereof?

ANSWER

The Minister of State in the Ministry of Finance

(SHRI SANTOSH KUMAR GANGWAR)

(a) to (d): Government has prescribed key performance indicators including profitability and reduction in Non-Performing Assets (NPAs) to be achieved by all Public Sector Banks including State Bank of India. RBI Guidelines on Managing Risks and Code of Conduct in Outsourcing of Financial Services by banks states that banks which choose to outsource financial services should not outsource core management functions including Internal Audit, Compliance function and decision-making functions like determining compliance with KYC norms for opening deposit accounts, according sanctions for loans (including retail loans) and management of investment portfolio.
