

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:816
ANSWERED ON:24.02.2006
BANK BRANCHES ABROAD
Pathak Shri Brajesh

Will the Minister of FINANCE be pleased to state:

- (a) whether Punjab National Bank has any proposal for setting up its branches abroad;
- (b) if so, the countries where such branches are likely to be set up;
- (c) the policy of the Government for opening branches of nationalised banks abroad;
- (d) the number of overseas bank branches presently operated by various nationalised banks, bank-wise and locations-wise;
- (e) the details of profit/loss earned/incurred by overseas bank branches;
- (f) the reasons for incurring losses; and
- (g) the steps taken by the Government to further expand the operations of nationalised banks?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

- (a) & (b) Reserve Bank of India has approved the following proposals of Punjab National Bank to open offices abroad:-

Country	Place	Type of presence
Hong Kong	Hong Kong	Brand
Singapore	Singapore	OTi shore Banking Unit
Canada	Vancouver	Fully owned Subsidiary
United Kingdom	London	Subsidiary

(c) All Indian banks are allowed to open branches abroad based on certain prudential parameters keeping in view their over-all ability to withstand international competition. Banks are also permitted to enter into joint ventures with Banks abroad as also set up subsidiaries.

(d) The bank-wise details of overseas bank branches of nationalised banks as on 20th February, 2006 are at Annex.

(e) & (f) The overseas bank branches of public sector banks have earned a total post tax profit of USD 165.59 million during the year 2004-05. Four branches namely SBI - Sydney and Muscat, Bank of India - Industrial Area and Westlands, Kenya have incurred a total loss of USD 0.62 million during the year 2004-05, as these branches were newly opened and were yet to establish themselves.

(g) To enable the PSBs to carry out their functions efficiently and without impediment, Govt. has announced an autonomy package for the public sector banks on 22.02.2005 which, inter-alia, allows them with approval of their Boards, to pursue new lines of business as part of overall business strategy and make suitable acquisitions of companies or businesses, close/merge unviable branches, open overseas offices, set up subsidiaries and exit a line of business.