**37TH MEETING OF SLBC SUB-COMMITTEE ON**

**BRANCH OPENING & IT ENABLED FINANCIAL INCLUSION**

**DATE : 17.08.2021 TIME : 11:30 PM THROUGH VIDEO CONFERENCING**

Minutes

The 37th meeting of SLBC Sub-Committee on Branch Opening and IT Enabled Financial Inclusion was held on 17th of August 2021. It was chaired by General Manager and Convenor, SLBC Bihar and was attended by representatives from RBI, NABARD, SBI, Finance Department, Govt. of Bihar and member banks. The list of participants is attached as Annexure-I.

Shri Ajit Kumar Mishra, Assistant General Manager (SLBC) welcomed the participants and requested the Convenor SLBC for giving his opening remarks.

2. **Shri Manoj Kumar Gupta, General Manager and Convenor, SLBC** Bihar made his opening remarks and shared his views which is summarized below:

The Sub-Committee has been functioning very sincerely under the guidance and support of RBI, Patna and has been able to extend banking facilities throughout the State in such a way that now there is no unbanked centre in the State. However, in every SLBC meeting , including the last one dated 22nd June 2021 chaired by Hon’ble Chief Minister , the State Govt. has been stressing up on opening of brick and mortar branches in all Panchayats of Bihar. We know that the decision of opening branches is taken by banks considering viability and profitability. In Bihar out of 8,411 panchayats, there are no brick and mortar branches in 4,615 panchayats.

In a recently held meeting with SLBC Convenor, it was requested by the Principal Secretary, Finance, Govt. of Bihar that banks should endeavour to open at least 50 ATMs during current FY in Gram Panchayats where there are no ATMs. Govt. is inclined to allot space for opening ATMs in Gram Panchayat Raj Bhawans. Member banks are requested to take note of this and if they agree, SLBC may work out a bank-wise tentative target and share the same for confirmation of member banks.

One of the major agenda of today’s meeting is to have a discussion on the status of Financial Inclusion and Financial Literacy initiatives / measures / facilities being provided in the State, the road blocks and the way forward. SLBC had received a detailed agenda from RBI in this regard and had submitted the related data after collecting from member banks. We will have detailed discussion on these agenda items also in this meeting.

 3. **Shri Shiv Anant Shanker, General Manager (FIDD), RBI, Patna** delivered his key note address which included the following points:

Thanks to the General Manager and Convenor, SLBC for putting the objectives of this meeting precisely and concisely. As already mentioned, a Special SLBC meeting is to be organized which will be different from the regular SLBC. Unlike regular SLBC, it will focus entirely on various aspects of Financial Inclusion and Financial Literacy in the State.

Banks have worked well in the State in extending banking services through banking outlets and Bihar has no unbanked centre. It is commendable. However, Panchayats are centre of all activities so far as people of villages residing under Panchayats are concerned and in that way we may conceive Panchayat as a unit. We have heard the views of Hon’ble Chief Minister in this regard during many meetings wherein he has expressed strong desire of the Government to have at least one brick and mortar branch in each Panchayat, especially where Panchayat Bhavans have already been constructed. In this meeting, we will discuss and find ways how we can increase our presence in Panchayats within a short span of time , say six months , through brick and mortar branches. We will also explore as to how we can reach out through CSPs and other modes of financial inclusion and strengthen the FI ecosystem in the State.

As credit extension is one of the key components of Financial Inclusion , we will discuss this also. We can set for ourselves targets for achieving our PMEGP targets quickly without waiting for the FY to advance to its fag end. We will also discuss on PM SVANidhi and credit to MSMEs in general. For Savings part of FI, we will discuss on opening of savings accounts of SHG members of JEEVIKA . We will also discuss about adoption of schools by banks for opening of the savings bank accounts of students of class 8 onwards and make them conversant with banking transactions. Team RBI will carry forward the entire discussion with your active participation.

4. **Shri Rakesh Dubey , Assistant General Manager, RBI** discussed in details the various action points related to FI & FL and requested the member banks to share their divergent views , if any, on action points and timelines for action else this Sub-Committee will take these points / timelines as confirmed by them. He discussed the undernoted points:

**(A) Physical and digital access to banking services :**

**(i)** Each Bank may submit an action plan to open a brick and mortar branch in at least

three Panchayats. The Plan may be intimated to SLBC Bihar, latest by August 31, 2021.

**(ii)** Each bank may submit an action plan to operationalize Business Correspondents (BCs)/CSPs in 10 Panchayats. The Plan may be intimated to SLBC Bihar, latest by August 31, 2021.

**[B] Usage of Financial Services :**

**(iii)** All the members of SHGs of the JEEViKA should be covered with at least one bank account.

**(iv)** All the members of the JEEViKA should be covered with PMJJBY, PMSBY and APY.

**(v)** Banks should improve the credit flow through schemes like PMEGP and PM SVANidhi. Banks should achieve 80% of target under PMEGP by December 2021. Banks should reduce the pendency of cases under the PM SVANidhi.

**[C] Financial Literacy and Skill development initiatives:**

**(vi)** All the helplines of the FLCs should be functional and the numbers of the same should be adequately disseminated at the ground level. Further, the FLCs may also keep a record of the number of issues addressed through these numbers as a measure of good practice.

**(vii)** Adoption of one Government School in each district to Bihar to disseminate financial awareness, by taking up following activities:

1. FI/FL training to teachers.
2. FI/FL training to students of class 9th and above.
3. Refresher training courses
4. Facilitate account opening of students in the bank.

The details of the identified school may be shared with the SLBC Bihar, latest by August 31, 2021.

**(viii)** Sponsor banks should ensure timely release of payments as the per the Standard Operating Procedure of the CFLs.

**(ix)** Banks should endeavour to increase the credit linkage to RSETIs in Phases, to achieve 40% credit linkage by December 2021 and 50% credit linkage by March 2022.

**(x)** Providing training to the Master trainer and the FL-Community Resource Persons (CRPs) of JEEViKA by adopting multi-stakeholder approach for enhancing financial awareness.

**(xi)** Preparation of booklets by RBI containing various financial literacy messages in Hindi,

Maithili, Magahi and Bhojpuri, for different target audiences such as Farmers, SHGs, Small entrepreneurs etc.

**(xii)** Preparation of Step by step procedure booklet by RBI on various government schemes.

**(xiii)** Inclusion of Financial Education in school curriculum by Govt. of Bihar.

(xiv) Sensitization programme to be conducted jointly by RBI and NABARD to enhance the awareness level of operating bank functionaries regarding FPOs Joint

**[D] Expansion and Deepening of Digital Payment System:**

**(xv)** To scale up the Expansion of digital payments project in the two more districts.

5. Shri Ajit Kumar Mishra , AGM, SLBC advised that Arwal and Sheikhpura may be adopted for 100% digitization looking at their literacy rate and branch penetration.

6. Expressing her views on Fi & FL , **Ms. Preeti Thomas , AGM, NABARD** informed the participants of the Sub-Committee that NABARD has taken many steps for furthering FI. NABARD has a Financial Inclusion Fund. Grant assistance is available o commercial banks, RRBs , Cooperative Banks for FI activities like Micro ATMs, PoS, mPoS etc.

The potential available under JLG financing in the State is not being exploited. Only Small Finance banks are mostly doing it. It needs encouragement from Commercial Banks because there are many farmers / villagers who are not having any collateral to offer but are in need of fund for economic activities.

NABARD is also running Livelihood and Enterprise Development Programmes for woman SHGs. She appealed to the member banks to entertain credit proposals of these trained SHGs and assist them in self employment.

7. **Shri Rajiv Kumar, representative from Finance Department, Govt. of Bihar** told that he was glad to learn that RBI and SLBC are working together to publish the FI & FL book and expressed his hope that it would be done as planned. He told that the total number of bank branches in the State as on 30.06.2021 has decreased as compared to the number as on 31.03.2021. This may be due to recent merger of banks and needs to be covered up by opening new branches. While opening branches, banks should bear in mind the fact that number of panchayats not covered by Brick & Mortar Branches are more in North Bihar. Banks should focus on them while opening CSPs.

It is good to have one ATM per branch in the State but we are lagging far behind.

8. Shri Ajit Kumar Mishra , AGM, SLBC facilitated the discussion of remaining agenda items by presenting a power point presentation in which the following points were covered :

(i) Status of ATM penetration : District-wise and bank-wise

(ii) Number of branches : District-wise and bank-wise .

He appealed that member banks having number of ATMs less than number of Branches should endeavor to open more ATMs.

(iii) In all SLBC meetings, including the last one (76th SLBC on 22.06.2021) Bihar Government has been pointing out the availability of lower number of branches per lakh of population as compared to the national average and requesting banks to open more and more branches in rural areas so that all branches have at least one brick and mortar branch. In a recent meeting also of the SLBC Convenor held with Bihar Govt. the matter was raised and they advised that SLBC member banks together should open at least 50 branches in Gram Panchayat areas during the current FY 2021-22. A call has to be taken in this regard. During course of discussion, it was agreed that SLBC would decide bank-wise target and convey the same to concerned member banks.

(iv) Banks have done excellent in opening accounts and 97% of State population is covered by savings bank account. Let us keep it up.

(v) Under Micro insurance, we have to go a long way as only 15% and 5.75% of eligible population is covered under PMJJBY and PMSBY respectively. Central Government has launched “Jan Suraksha” campaign on 15.08.2021 which will run up to 14.08.2022. Member banks are requested to put in their best efforts under this campaign and book maximum number of proposals.

(vi) In APY we have been doing well as a State and figuring among the performers pan-India. However, now Bihar has been classified under Big States ( from medium States) and will have face tough competition. So , let us perform more than earlier.

(vi) Under digital literacy, we have achieved more than 99%, say 100%, of digitalization of all bank accounts in Jehanabad district by offering them at least one digital product. Only a few banks e.g. Axis Bank ,Canara Bank, Bandhan Bank, IDBI etc. are a bit behind the finish line. They should buck up.

At last, AGM, SLBC requested all member banks to submit the required information / data on Action Points of this meeting within the timeline as these will have to be collated for presentation in the Special SLBC.

He extended vote of thanks to all participants for their active participation in the meeting.

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**37TH MEETING OF SLBC SUB-COMMITTEE ON**

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**ACTION POINTS**

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|  | **Indicator** | **Sl.No.** | **Details of Action Point** | **Concerned Stakeholder** |
| A | Physical and digital access to banking services. | 1 | Each Bank may submit an action plan to open a brick and mortar branch in at least three Panchayats.The Plan may be intimated to SLBC Bihar, latest by August 31, 2021. | Opening of New branches has been restricted under PCA framework since May 2017 for our bank. |
| 2 | Each bank may submit an action plan to operationalize Business Correspondents (BCs)/CSPs in 10 Panchayats.The Plan may be intimated to SLBC Bihar, latest by August 31, 2021. | Appointment of new BCs is done By Head Office at corporate level. |
|  |  | 3 | Banks to open 50 ATMs during current FY 2021-22 in Gram Panchayats [ one ATM in one gram panchayat ] not having any ATM.Bank-wise target is as under :

|  |  |  |
| --- | --- | --- |
| Sl.No. | Name of Bank | Target for ATMs to be opened |
| 1 | State Bank of India | 6 |
| 2 | Central Bank of India | 4 |
| 3 | Punjab National Bank | 4 |
| 4 | Canara bank | 4 |
| 5 | UCO Bank | 4 |
| 6 | Bank of Baroda | 4 |
| 7 | Union Bank of India | 4 |
| 8 | Bank of India | 4 |
| 9 | Indian Bank | 4 |
| 10 | Axis Bank | 3 |
| 11 | ICICI Bank | 3 |
| 12 | IDBI Bank | 2 |
| 13 | HDFC bank | 2 |
| 14 | Bandhan Bank | 2 |

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| B | Usage of Financial Services | 4 | All the members of SHGs of the JEEViKA should be covered with at least one bank account. | In case of new credit linkage all members of JEEVIKA are opening their own individual accounts and in case of old credit linked accounts we are trying to open the individual member’s account.  |
| 5 | All the members of the JEEViKA should be covered with PMJJBY, PMSBY and APY. | We have instructed our branches to cover all JEEVIKA with fresh linkage with PMJJBY, PMSBY and APY.  |
| 6 | Banks should improve the credit flow through schemes like PMEGP and PMSVANidhi. Banks should achieve 80% of target under PMEGP by December 2021.Banks should reduce the pendency of cases under the PMSVANidhi. | We are trying to achieve the targets within the specified period through the specified schemes. |
| C | Financial Literacy and Skill development initiatives. | 7 | All the helplines of the FLCs should be functional and the numbers of the same should be adequately disseminated at the ground level. Further, the FLCs may also keep a record of the number of issues addressed through these numbers as a measure of good practice. | Helpline of the FLCs are functional. We are having two FLC in two districts.The helpline are as follows:**Bhagalpur District**-Mr. Rajiv Kumar **Help line no**. 7488069594/9934293242..**Banka District**- Mr. Sashi Kant Jha **Help Line No**.- 9771621701 |
| 8 | Adoption of one Government School in each district to Bihar to disseminate financial awareness, by taking up following activities:1. FI/FL training to teachers.
2. FI/FL training to students of class 9th and above.
3. Refresher training courses
4. Facilitate account opening of students in the bank.

The details of the identified school may be shared with the SLBC Bihar, latest by August 31, 2021. | Kendriya Vidyalaya, IOC Township, Begusarai adopted. Activities mentioned will be conducted soon.  |
| 9 | Sponsor banks should ensure timely release of payments as the per the Standard Operating Procedure of the CFLs. | NA |
| 10 | Banks should endeavour to increase the credit linkage to RSETIs in Phases, to achieve 40% credit linkage by December 2021 and 50% credit linkage by March 2022. | We are trying to achieve the targets of credit linkage as specified by SLBC. |
| 11 | Providing training to the Master trainer and the FL-Community Resource Persons (CRPs) of JEEViKA by adopting multi-stakeholder approach for enhancing financial awareness. | NA |
| 12 | Preparation of booklets containing various financial literacy messages in Hindi, Maithili, Magahi and Bhojpuri, for different target audiences such as Farmers, SHGs, Small entrepreneurs etc. | NA |
| 13 | Preparation of Step by step procedure booklet on various government schemes. | NA |
| 14 | Inclusion of Financial Education in school curriculum | NA |
| D | Expansion and Deepening of Digital Payment System | 15 | To scale up the expansion of digital payments project in the two more districts. | NA |

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