
Sound Technical Capacity Building Workshop on Afghanistan's Accession to WTO

**Experience from India in opening and regulating the
banking sector - An Introduction**

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Why Regulate Financial Sector

- To Preserve Systemic Stability and preventing Contagion effect
- To ensure public confidence and orderly development of market
- Regulation of banking important to ensure depositor's interests.
 - Banks are “special” as they accept and deploy large amount of public money in fiduciary capacity.
 - Leverage funds through credit creation
 - Because of their role in the payment and settlement systems



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Role of RBI as Regulator & Supervisor

- RBI as regulator and supervisor of banking system overseas:
 - Commercial Banks
 - All India Financial Institutions
 - Urban Cooperative Banks
 - Regional Rural Banks, District Central Coop Banks and State Coop Banks
 - NBFCs
- Range of activities as regulator :
 - Licensing
 - Prescribing capital requirements
 - Monitoring governance
 - Setting prudential regulation to ensure solvency & liquidity of banks
 - Prescribing lending to certain priority sectors
 - Initiating new regulation



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Other regulators in financial Sector

- Security Exchange Board of India
- Insurance Regulatory and Development Authority
- Pension Fund Regulatory and Development Authority
- Financial Stability & Development Council (FSDC) - Apex Council headed by FM, with explicit intention of strengthening and institutionalising the mechanism for maintaining financial stability. Financial sector regulators like SEBI, RBI, PFRDA and IRDA are the members of FSDC.



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Overview of banking sector as on March 31, 2012

Parameter	Public Sector banks	Private Sector banks	Foreign banks	All SCBs
Number of banks	26	20	40	86
Number of branches	69498	13408	323	83229
Share in total capital	58.43%	26.18%	15.39%	100%
Share in total deposits	77.51%	18.20%	4.29%	100%
Share in total advances	76.43%	19.04%	4.53%	100%
ROA	0.88	1.53	1.76	1.08
CRAR	13.23	16.21	16.76	14.25
Net NPAs	1.53	0.46	0.61	1.28



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Foreign banks

- As on March 31, 2012, there were 40 foreign banks with 323 offices operating in India.
- The balance sheet assets accounted for 7% of the total assets of SCBs as on March 31, 2012 as against 8.5% as on March 31, 2009.



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Year	Share of assets of foreign banks in total SCB assets
End-Mar 1991	4.7
End-Mar 1995	6.5
End-Mar 2000	7.2
End-Mar 2001	7.6
End-Mar 2002	7.0
End-Mar 2003	6.9
End-Mar 2004	6.9
End-Mar 2005	6.5
End-Mar 2006	7.2
End-Mar 2007	7.9
End-Mar 2008	8.4
End-Mar 2009	8.5
End-Mar 2010	7.2
End-Mar 2011	6.8
End-Mar 2012	7.0



Share of financial sector in Services Sector and GDP

Year	Share of Financial Sector in Services	Share of Banking in Services	Share of Insurance in Services	Share of Services* Sector in GDP
1950-51	2.8	2.1	0.7	34.6
1960-61	3.6	2.7	0.9	36.6
1970-71	4.2	3.2	1.1	40.9
1980-81	5.3	4.0	1.3	45.3
1990-91	7.8	6.4	1.4	49.6
2000-01	9.6	8.5	1.2	57.0
2010-11	12.6	10.2	2.4	65.2

预览已结束，完整报告链接和二维码如下：

https://www.yunbaogao.cn/report/index/report?reportId=5_7068

