



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA

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## Survey on International Trade in Banking Services, 2021-22

Today, the Reserve Bank released the [results](#) of 2021-22 round of the survey on International Trade in Banking Services (ITBS). This annual survey focuses on cross-border fund-based banking services (e.g., deposits, credit) as well as financial auxiliary services with explicit / implicit fees / commissions charged to customers for foreign branches and overseas subsidiaries (including joint ventures) of Indian banks as well as foreign banks operating in India (details of the services are given in the [Annex](#)).

The latest round of the survey covers fourteen Indian banks having overseas branches/subsidiaries and 45 foreign banks having branches/subsidiaries in India. Due to merger/closure of some branches during the year, Indian banks have reported 117 overseas branches (121 branches reported in the previous survey round), whereas select Indian banks increased their overseas presence through subsidiaries ([Table 1](#)).

### Highlights

- Consolidated balance sheets of overseas branches and subsidiaries of Indian banks recorded marginal increase during 2021-22 in Rupee terms but contracted by (-)1.4 per cent and (-)1.8 per cent, respectively, when valued in US dollar terms due to cross-currency movements. On the other hand, the foreign banks in India have expanded their consolidated balance sheet by 10.3 per cent in Rupee terms and by 7.0 per cent in US dollar terms ([Table 2](#)).
- Lending by all three categories of banks increased during 2021-22.
- Deposits, which constituted less than a third of total liabilities of overseas branches of Indian banks, increased by 9.2 per cent in US dollar terms during the year. Foreign banks in India have also been recording steady growth in deposits and their reliance on deposit mobilisation is higher (over 60 per cent of total liabilities).
- In synchrony with easy monetary conditions during 2021-22, interest income and expenses of overseas branches of Indian banks recorded a decline; their total income and expenses also came down. Total income of foreign banks in India also declined due to 25 per cent decline in non-interest income ([Table 3](#)).
- Return on assets for foreign banks in India declined to 5.8 per cent in 2021-22 (6.6 per cent in the previous year) but remained higher than that for overseas branches of Indian banks (1.6 per cent in 2021-22) ([Table 3](#)).
- During 2021-22, fee income of foreign banks in India rose by 19 per cent, whereas it declined by nearly 10 per cent for overseas branches of Indian banks. Over two-third of total fee income emanated from credit related services,

foreign exchange trading services, payment and money transmission services and trade finance related services ([Table 4](#)).

- Branches of Indian banks in the United Kingdom (UK) generated highest fee income, followed by those in United Arab Emirates (UAE), Singapore and Hong Kong ([Table 5](#)).

**Press Release: 2022-2023/1032**

**(Yogesh Dayal)**  
Chief General Manager

**Table 1: Employment Distribution – Bank-groups (end-March)**

	Indian Banks' Branches Operating Abroad		Indian Banks' Subsidiaries Operating Abroad*		Foreign Banks' Branches# in India	
	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22
Total number of branches	121	117	377	429	311	858**
Number of Employees	3,164	3,035	4,943	5,792	23,930	28,087**
<i>of which:</i>						
Local	1,917	1,801	4,452	4,668	23,747	27,935
Indians	1,222	1,207	468	474		
Others	25	27	23	650	183	152

\*including Joint ventures of Indian banks

\*\*The figures are high due to the merger of Lakshmi Vilas Banks with DBS w.e.f. November 27, 2020

# foreign banks' branches include their subsidiaries in India.

Notes:

1. Data are provisional.
2. Due to rounding off of figures, the constituent items may not add up to the totals.
3. Financial Year-end FBIL rates were used for Rupee-US Dollar conversion.
4. The above notes are applicable for all tables.

**Table 2: Consolidated Balance Sheet Items – Bank-groups (end-March)**

Items	Amount in ₹ Crore		Amount in US\$ Billion	
	2020-21	2021-22	2020-21	2021-22
<b>Indian Banks' Branches Operating Abroad</b>				
Credit extended	684,808	774,179	93.2	102.1
Deposits mobilised	398,630	448,575	54.2	59.2
<b>Total Assets/Liabilities</b>	<b>1,377,352</b>	<b>1,400,749</b>	<b>187.4</b>	<b>184.8</b>
<b>Indian Banks' Subsidiaries Operating Abroad</b>				
Credit extended	103,555	108,953	14.1	14.4
Deposits mobilised	108,969	110,539	14.8	14.5
<b>Total Assets/Liabilities</b>	<b>164,176</b>	<b>165,669</b>	<b>22.3</b>	<b>21.9</b>
<b>Foreign Banks' Branches in India</b>				
Credit extended	415,312	471,673	56.5	62.2
Deposits mobilised	758,361	845,481	103.2	111.5
<b>Total Assets/Liabilities</b>	<b>1,236,476</b>	<b>1,364,416</b>	<b>168.2</b>	<b>180.0</b>

**Table 3: Consolidated Income and Expenditure – Bank-groups**

(Amount in ₹ Crore)

	Indian Banks' Branches Operating Abroad		Indian Banks Subsidiaries Operating Abroad		Foreign Banks' Branches Operating in India	
	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22
Total Income	29,494	22,914	6,959	7,488	81,406	79,288
(i) Interest Income	24,577	18,883	6,274	6,157	63,304	65,717
(ii) Non-Interest Income	4,917	4,031	685	1,331	18,102	13,571
Total Expenditure	29,563	19,691	5,866	5,734	59,273	60,637
(i) Interest expenses	15,763	9,846	3,318	2,757	21,394	21,438
(ii) other expenses	13,800	9,845	2,548	2,977	37,878	39,199
	<b>Ratio (per cent)</b>					
Total income to total assets	2.1	1.6	4.2	4.5	6.6	5.8
Interest Income to total assets	1.8	1.3	3.8	3.7	5.1	4.8
Total expenses to total liabilities	2.1	1.4	3.6	3.5	4.8	4.4
Interest expenses to total liabilities	1.1	0.7	2.0	1.7	1.7	1.6

**Table 4: Activity-wise Composition of Fee Income from Banking Services – Bank-groups**

(Amount in ₹ Crore)

Banking Service	Indian Banks' Branches Operating Abroad		Foreign Banks' Branches Operating in India	
	2020-21	2021-22	2020-21	2021-22
Deposit Account Management Services (DAM)	84	76	218	218
Credit Related Services (CRS)	2,761	2,505	662	1,057
Financial Leasing Services (FLS)	0	0	0	0
Trade Finance Related Services (TFR)	764	737	1,149	1,502
Payment and Money Transmission Services (PMT)	284	331	1,266	1,459
Fund Management Services (FMS)	0	0	368	417
Financial Consultancy and Advisory Services (FCA)	16	13	760	1,044
Underwriting Services (US)	0	10	200	150
Clearing and Settlement Services (CCS)	63	84	28	44
Derivative, Stock, Securities, Foreign Exchange Trading Services (DER)	1,103	835	2,948	3,161
Other Financial Services (OFS)	1,949	1,748	1,123	1,333
<b>Total</b>	<b>7,022</b>	<b>6,339</b>	<b>8,723</b>	<b>10,384</b>

Note: Other financial services include sundry interest income, commission and miscellaneous income, etc.

**Table 5: Country-wise and Activity-wise Banking Services – Bank groups**  
(Amount in ₹ crore)

<b>Indian Banks' Branches Operating Abroad</b>								
Country		Bahrain	Hong Kong	Singapore	United Arab Emirates	United Kingdom	Other countries	Total
CRS	2020-21	148	244	143	215	1,595	415	<b>2,761</b>
	2021-22	111	88	207	322	1,362	416	<b>2,505</b>
DER	2020-21	36	62	63	58	848	36	<b>1,103</b>
	2021-22	14	3	40	85	648	46	<b>835</b>
OFS	2020-21	147	25	97	62	1,600	17	<b>1,949</b>
	2021-22	96	4	73	124	1,440	11	<b>1,748</b>
TFR	2020-21	16	84	132	61	140	332	<b>764</b>
	2021-22	18	107	204	80	75	254	<b>737</b>
Other Services	2020-21	9	98	22	66	3	248	<b>446</b>
	2021-22	8	105	28	68	0	304	<b>513</b>
<b>All Services</b>	<b>2020-21</b>	<b>356</b>	<b>512</b>	<b>457</b>	<b>463</b>	<b>4,186</b>	<b>1,048</b>	<b>7,022</b>
	<b>2021-22</b>	<b>248</b>	<b>307</b>	<b>551</b>	<b>678</b>	<b>3,525</b>	<b>1,030</b>	<b>6,339</b>
<b>Indian Banks Subsidiaries Operating Abroad</b>								
		Canada	Kenya	Nepal	United Kingdom	Other countries	Total	
CRS	2020-21	71	0	36	41	55	<b>203</b>	
	2021-22	79	0	37	99	57	<b>272</b>	
DAM	2020-21	22	0	0	12	7	<b>41</b>	
	2021-22	38	0	8	5	10	<b>61</b>	
DER	2020-21	6	9	37	16	21	<b>89</b>	
	2021-22	5	7	38	27	18	<b>95</b>	
OFS	2020-21	14	8	11	0	15	<b>48</b>	
	2021-22	17	34	15	136	98	<b>300</b>	
PMT	2020-21	6	5	22	48	30	<b>111</b>	
	2021-22	8	5	35	36	36	<b>120</b>	
TFR	2020-21	20	4	41	11	27	<b>103</b>	
	2021-22	34	3	58	12	26	<b>133</b>	
Other Services	2020-21	3	0	0	0	2	<b>5</b>	
	2021-22	5	0	0	2	257	<b>264</b>	
<b>All Services</b>	<b>2020-21</b>	<b>143</b>	<b>25</b>	<b>146</b>	<b>127</b>	<b>158</b>	<b>600</b>	
	<b>2021-22</b>	<b>188</b>	<b>49</b>	<b>192</b>	<b>315</b>	<b>502</b>	<b>1,246</b>	

## Banking Services Covered in the Survey

Banking services include, acceptance of deposits and lending (core banking services), and the other financial services (para-banking services) like payment services, securities trading, asset management, financial advice, settlement and clearing service, etc. With the improvements in economic integration of financial markets and activities, the international trade in banking services has significantly increased.

The General Agreement on Trade in Services (GATS) of World Trade Organisation (WTO) framework envisages that the delivery of any commercial services can be through four different modes, viz., Mode 1 – Cross Border Service, Mode 2 – Consumption abroad, Mode 3 – Commercial presence and Mode 4 – movement of natural persons. In Mode 3, the bank has a commercial presence in the territory of the service importing country and the service is delivered therein. The commercial presence can be through various investment vehicles like representative offices, branches, subsidiaries, associates and correspondents.

A Technical Group on Statistics for International Trade in Banking Services (TG-SITBS) was set up by the Reserve Bank of India including members from Ministry of Finance, Ministry of Commerce and various departments of the Bank.

The TG-SITBS, after examining the different data sources available in the Reserve Bank, recommended collection of activity-wise international trade in banking services through annual surveys and suggested that initially the data may be collected on banking services from foreign banks operating in India and Indian banks having operations abroad. The TG-SITBS also recommended that a suitable questionnaire with explanatory notes should be prepared / framed in consultation with the banks and suggested conducting annual survey from the financial year 2006-07. Accordingly, a survey schedule was prepared after detailed discussions with the major Indian banks with overseas presence and foreign banks operating in India.

Banking services covered in this survey include financial auxiliary services such as (i) deposit account management services, (ii) credit related services, (iii) financial leasing services, (iv) trade finance related services, (v) payment and money transmission services, (vi) fund management services, (vii) financial consultancy and advisory services, (viii) underwriting services, (ix) clearing and settlement services, (x) derivative, stock, securities and foreign exchange trading services, and (xi) other financial services. While carrying out the banking business, banks cater to the financial services needs of the residents of the country of operation as well as non-residents of that country. Keeping this in view, the survey also collected the information with bifurcation of financial services rendered to residents and non-residents separately.

### Services Covered

- **Deposit Account Management Services (DAM)** include fees and commissions charged to or received from the deposit account holders, for maintaining deposit accounts such as fee for cheque book, fee for internet banking, commission on draft and other instrument provided, penalty for not maintaining minimum balance, etc. and any other fees charged to deposit account holders. Any fees charged to NRE / FCNR (B) account have to be reported as fees charged to Non-residents.

- **Credit Related Services (CRS)** include fees received for credit-related or lending related services like credit processing fees, late payment or default charges and early redemption charges. Charges for facility and management fees, fees for renegotiating debt terms, mortgage fees, etc. also to be reported here.
- **Financial Leasing Services (FLS)** include fees or commission received for arranging or entering into financial lease contracts. This also includes fees received directly or deducted from the proceedings.
- **Trade Finance Related Services (TFR)** include commission or fees charged for arranging trade finance like buyers' and suppliers' credit, fees for establishing/originating, maintaining or arranging standby letters of credit, letter of indemnity, lines of credit, fees for factoring services, bankers' acceptance, issuing financial guaranty, commitment fees, handling charges for trade bills.
- **Payment and Money Transmission Services (PMT)** include fees or charges for electronic fund transfer services like SWIFT, TT, wire transfer, etc. ATM network services, annual credit / debit card fees, Interchange charges, fees for point of services, etc. also have to be reported here. Further, charges on the customer for making remittances abroad or receiving remittances from abroad have to be reported here.
- **Fund Management Services (FMS)** include fee or income received for managing or administering financial portfolios, all forms of collective investment management, pension fund management, custodial, depository and trust services. Commission or fees for safe custody of shares / equities, transaction fee for custodian account, communication cost or any other fees / charges related to custodian account should also be reported.
- **Financial Consultancy and Advisory Services (FCA)** include fees for advisory, intermediation and other auxiliary financial services including credit reference and analysis, portfolio research and advice, advice on mergers and acquisitions and on corporate restructuring and strategy. Arrangement / management fees for Private placement of share / equities are also to be included.
- **Underwriting Services (US)** include underwriting fees, earning from buying and reselling an entire or substantial portion of newly issued securities.
- **Clearing and Settlement Services (CCS)** include settlement and clearance services for financial assets, including securities, derivative products, and other negotiable instruments.
- **Derivative, Stock, Securities, Foreign Exchange Trading Services (DER)** include commissions, margin fees, etc. received for carrying out financial derivative transactions, placement services, and redemption fees. Earnings received on banks' own account as well as on behalf of customers for carrying out foreign exchange trading has to be reported under this item. Explicit brokerage fees and commissions for foreign exchange brokerage services are also to be reported. Earnings received on banks' own account for carrying out trading in derivative, stock, securities etc.