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REVIEW ARTICLE

COMMERCIAL BANKING IN INDIA IN THE WAKE OF FINANCIAL INCLUSION

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ABSTRACT

Paradigm shift in the Indian financial sector has taken place during the past five decade with transformation from class banking to mass banking (1969), coverage expansion through introduction of RRB and lead bank scheme, financial sector reform (1991) transforming banking structure from traditional brick-and-mortar branches to mechanized banking through technological up-gradation. Despite all such financial sector progress in breadth and length, inability of providing basic banking services to the unprivileged sections has been an unproved assertion of recent years. Low propensity to save and invest has constrained capital formation which in turn affected growth process of LDCs and developing nations. The urgency of pro-poor growth has been felt in the current five year plan as an alternative formula for economic inclusion of vulnerable sections which in turn has been expected to accelerate the growth process. Initiative in this direction has been taken by GOI, RBI and NABARD jointly since 2005 aiming at enrolling the unreached sections through banking services and facilities. The skewed pattern of the banking sector growth regionally has been assumed to be a source of disparity in the financial sector and one of the parameters of financial exclusion. The present study is an attempt to understand if any regional disparity exists or not in the growth of scheduled commercial banks in India in terms of deposit, credit, number of branch offices and population group wise distribution of banking centers. An attempt was made to understand the pattern of financial inclusion in Assam in terms of district level banking coverage and progress of various public sector banks in branch expansion across various districts till 2010 end.

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INTRODUCTION

Low propensity to save and invest has constrained capital formation which in turn affected growth process of LDCs and developing nations. The question of poverty has received greater attention in recent literature than the question of removal of poverty. With the deadline target of United Nations about halving the poverty by 2015 as an agenda of Millennium Development Goal. The urgency of pro-poor growth has been felt in the current five year plan as an alternative formula for economic inclusion of vulnerable sections which in turn has been expected to accelerate the growth process. Economists has identified that growth process to certain extent is endogenous on financial development. Availability of finance is no doubt the essence of an efficient economic system and lack of the same could grind down the very objective of inclusive growth. Delivery of financial services at affordable cost to vast sections of disadvantaged and low income groups of the society has become the exhortation in the financial circles in recent years. Paradigm shift in the Indian financial sector has taken place during the past five decade with transformation from class banking to mass banking (1969), coverage expansion through introduction of RRB and lead bank scheme, financial sector reform (1991) transforming

banking structure from traditional brick-and-mortar branches to mechanized banking through technological up-gradation. Despite all such financial sector progress in breadth and length, inability of providing basic banking services to the unprivileged sections has been an unproved assertion of recent years. Initiative in this direction has been taken by GOI, RBI and NABARD jointly since 2005 aiming at enrolling the unreached sections through banking services and facilities. India with around 60, 000 bank branches has the fourth largest banking infrastructure in the world but 94 per cent of its 6,00,000 odd villages still don't have a single branch (Menon, 2007). If we glimpse at the global financial development picture than we can observe that India lagging behind OECD countries in various respect. During 2008, Indian banks per 1 lakh population was 6.6 as against 10-69 of OECD nations, with a deposit account of 467.4 per 1000 people as against 976 – 1671 per 1000 people of OECD nations. The amount of loan per 1000 people was only 89.03 compared with 248 – 513 of OECD nations. There were only 3.28 ATM per one lakh people in India as against 47-167 of OECD nations till 2008. About 51.4 per cent of the farmer households are financially excluded from both formal and informal sources of credit (Narendra, 2011). The task of financial inclusion plan in the reduction of regional disparities is not less critical as the gross bank credit continue to increase disproportionately. The share of urban and metro branches has been growing

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disproportionately. At present about 16,000 populations on an average is served by a bank in India. The number of commercial bank per one lakh of population in some advanced developing nations are (30.86) US, (18.35) UK, (37.99) Switzerland, (6.2) India, (6.87) Sri Lanka, (4.73) Pakistan. If the country needs to reduce the population per branch than there is a need of opening another 30,000 odd additional branches in semi urban and rural areas of the country (Narendra, 2011).

Rationale of the Study

The skewed pattern of the banking sector growth regionally has been assumed to be a source of disparity in the financial sector and one of the parameters of financial exclusion. The present study is an attempt to understand if any regional disparity exists or not in the growth of scheduled commercial banks in India in terms of deposit, credit, number of branch offices and population group wise distribution of banking centers. The study also seeks to understand district level banking coverage in the village areas of Assam in recent years.

Objectives of the Study

- To understand whether pre financial inclusion period is different from financial inclusion period in-terms of number of branches, population group wise number of branches, number of account of gross bank credit and aggregate bank deposit.
- To verify the disparity in the growth of Scheduled Commercial Banking amongst the N.E states and at inter-regional level.
- To understand district level progress of financial inclusion in terms of banking coverage in the village areas of Assam.

Hypothesis

- The number of bank branches, population group wise branches, number of account of gross bank credit and aggregate bank deposit have remained uniform in both pre and inclusion period.
- There is no disparity in the growth of scheduled commercial banking amongst N.E states and at interregional level for the study period.
- District level village banking coverage has recorded a satisfactory progress for financial inclusion in Assam.

Data Source and Methodology

Present study is based on macro level time series data on various aspects of Scheduled Commercial Banking across N.E states and at interregional level. The data source was various issues of Basic Statistical Returns of Commercial Banks in India, RBI. Period of present study is 1996-2010. Information relating to number of branch expansion in Assam has been collected from SLBC, Assam. The CAGR¹ has been estimated for overall period (1996-2010) and two sub periods (1996-2004) and (2005-2010). In order to understand whether banking

sector has undergone change or not during the financial inclusion period following ANOVA models have been fitted with time dummy as presented in equation (a),(b),(c) respectively.

$$Y_i = \alpha_1 + \beta_1 D_i + U_i$$

$$X_i = \alpha_2 + \beta_2 D_i + U_i$$

$$Z_i = \alpha_3 + \beta_3 D_i + U_i$$

Where, Y is number of Office of Scheduled Commercial Banks (SCBs), X is number of Account Depositing Money in SCBs, Z is number of Account taking Credit from SCBs

D is dummy variable such that,

D = 0 for pre financial inclusion period (1996-2004)

= 1 for financial inclusion period (2005-2010)

i is period of study 1996 -2010

β_1 , β_2 and β_3 are the slope coefficients of time dummy

U_i is well behaved error term

Again, for understanding pattern of population group wise banking sector change following three models were fitted;

$$R_j = \alpha_4 + \beta_4 D_j + U_j$$

$$S_j = \alpha_5 + \beta_5 D_j + U_j$$

$$B_j = \alpha_6 + \beta_6 D_j + U_j$$

Where, R_t is banking centre in Rural Area, S_t is banking centre in Semi Urban Area,

B_t is banking centre in Urban Area,

F is dummy variable such that,

F = 0 for pre financial inclusion period (1996-2004)

= 1 for financial inclusion period (2005-2009)

j is period of study 1996 -2009

β_4 , β_5 and β_6 are the slope coefficients of time dummy

Review of Early Studies

Goyal (2008) made an attempt to understand the cause of poor financial inclusion in NER. The study highlighted transaction costs are a major issue. The branch expansion in NER has been constrained by peculiar topography, sparse and scattered population, difficult terrain with transport bottlenecks, poor law and order condition in some areas etc. Pattern of disparity in banking across N.E states outlined by Mohanty (2011) highlighting the causes for existence of such disparity. *The RBI's Committee on the Financial Sector Plan for Northeastern Region* (RBI, 2006) highlighted that the number of bank branches in NE region has increased marginally whereas population has increased at an alarming rate leading to high average population per branch office in the region. Inadequate and uneven distribution of bank branches (mostly concentrated around the state capitals and district headquarters). Narendra (2011) analyzed the inter-state differences in the growth of gross bank credit and deposit with disproportionate increase in the number of urban and metro branches. From an interview with D Subbarao for understanding the progress of financial inclusion in N.E region, Khaund (2011) expressed that the difficult terrain, lower population densities, poor infrastructure, inadequate communication facilities and law and order disruptions has made financial inclusion more challenging in N.E region. He also highlighted that the low share of N.E in terms of spread of banking coverage and total

Compound Annual Growth Rate (CAGR) estimated with $\ln Y = \beta_0 + \beta_1 t + U$ where t is time period and U_t is well behaved error term

number of ATM to that of the country's total are difficult terrain, frequent power cut, problem of digital connectivity and security, lack of infrastructure.

Empirical Observations

Refer to Table 1; it can be observed that except N.E region the number of branch office of SCB has undergone change during financial inclusion period compared with pre inclusion period in rest of regions of India. The financial inclusion period has brought some change in the number of account of aggregate bank deposit in rest of N.E states except Arunachal Pradesh, Meghalaya and Nagaland. At the inter-regional level the financial inclusion period is different from pre inclusion period in-terms of number of account of aggregate bank deposit in all regions of India. The number of account of gross bank credit has also experienced change in rest of N.E states except Arunachal Pradesh, Manipur and Meghalaya. At the interregional level the number of account of gross bank credit registered change during inclusion period compared with pre inclusion period in rest of India except Eastern, Central and N.E region.

urban banking. Amongst NE states banking centre in urban area recorded change in Assam, Meghalaya and Manipur and across all the regions of the country during inclusion period compared with pre inclusion period. Importantly time dummy coefficient for semi urban and urban banking observed to be positively significant while that of rural banking being negatively significant during the financial inclusion period both at inter regional level and amongst N.E states. The picture of regional level growth of SCB in India is presented in table 3. In-terms of number of branch office of SCB the financial inclusion period is characterized by recovery in the growth rate in all N.E states with growth of Mizoram (3.5% p.a), Nagaland (3.4% p.a) and Tripura (3.1% p.a) suppressed the growth of rest of N.E states while Manipur registering smallest growth. At the inter-regional level financial inclusion period registered higher growth for central, western, southern and northern region in-terms of number of branch office. Growth of bank office in N.E region has been observed to be lowest compared with rest of regions of India at all three periods under observation.

Table 1. ANOVA Estimates of SCB on Number of office, Deposit and Credit Account

Country/ State/Region	Number of Office of Scheduled Commercial Banks (1996-2010)	Number of Account of Aggregate Bank Deposit (1996-2010)	Number of Account of Gross Bank Credit (1996-2010)
Estimated Dummy Coefficient	β_1	β_2	β_3
India	6794.83** (2.3)	105000000* (3.6)	33561481* (5.6)
Assam	55.39 (1.59)	1295792** (2.7)	384966.2* (3.4)
North Eastern Region#	86.1 (1.6)	1742685** (2.5)	6999584 (1.4)
Arunachal Pradesh	2.7 (1.5)	-1962.9 (0.04)	1647303 (1.4)
Manipur	-5.5** (2.8)	57763.7** (2)	9279.678 (1.1)
Meghalaya	9.3*** (2)	58697.1 (1.5)	196418.1 (1.6)
Mizoram	6.1*** (2)	65061.6** (2.4)	25228.2* (5.5)
Nagaland	6.1** (2.2)	42549.2 (1.3)	40683.9* (3.8)
Tripura	12.02 (1.6)	224784.3** (2.7)	-68841*** (2)
Eastern Region	741.3*** (2)	11885465** (2.9)	-929886.3 (0.57)
Central Region	1069.6*** (2)	18841960* (3.1)	808461.3 (0.47)
Western Region	999.6** (2.2)	20252353* (3.8)	11708561* (3.8)
Southern Region	2190.1** (2.4)	36066432* (4.1)	11366728** (2.3)
Northern Region	1708.3** (2.6)	16026643* (3.4)	3532641* (5.2)

#Excluding Sikkim, *Significant at .01 per cent level, ** Significant at .05 per cent level, *** significant at .10 per cent level

Source: Self estimation based on Various Issues of Basic Statistical Returns for Commercial Banks, RBI

Refer to Table 2 we can observe the pattern of population group wise banking in India. Period of financial inclusion is no doubt different from pre inclusion period in-terms of rural banking for all the N.E states as well as across various regions of India. However, the estimated dummy coefficient has been observed to be negatively significant for all. Again in-terms of semi urban banking except Mizoram inclusion period is different from pre inclusion period for all other N.E states. However, the estimated dummy coefficient of Assam has been observed to be negatively significant. At the regional level inclusion period is different from pre inclusion period in semi

Refer to Table 4; Except Nagaland and Tripura the rural banking in most of the N.E states has not recorded any significant improvement in growth rate during financial inclusion period compared with pre inclusion period. The rural banking has registered negative growth for the overall study period (1996-2009) across N.E states and at inter-regional level in India. Assam and Manipur has made some recovery in growth rate in semi urban banking with Arunachal Pradesh recording fall in growth rate during financial inclusion period. At the regional level period of financial inclusion registered low rate of improvement in growth rate for most of the regions

Table 2. ANOVA Estimates of SCB in Rural, Semi Urban and Urban Areas

Country/ State/Region	Banking Centre in Rural Area (1996-2009)	Banking Centre in Semi Urban Area (1996-2009)	Banking Centre in Urban Area (1996-2009)
	β_4	β_5	β_6
India	-2129* (9.6)	797.1* (72.7)	102.2* (74)
Assam	-57.4* (4.2)	-6.9* (11.9)	1.8* (8.9)
North Eastern Region#	-104.1* (5.4)	21.8* (17.2)	3.6* (8.9)
Arunachal Pradesh	-7.6* (4.1)	5.2* (4.3)	0.00
Manipur	-10.8* (4.5)	1.7* (7.4)	0.78* (3.9)
Meghalaya	-7.7* (12.1)	5* (117)	1* (932)
Mizoram	-5.4* (8.1)	3.0	0.00
Nagaland	-2.5* (5.2)	2.8* (13.8)	0.00
Tripura	-12.7* (9.3)	11* (714)	0.00
Eastern Region	-288.8* (9.5)	125.1* (41.7)	21.6* (45)
Central Region	-513.2* (9.4)	207.4* (112.5)	19.6* (111.1)
Western Region	-372* (10.2)	111.8* (51.8)	13.1* (30.2)
Southern Region	-562.4* (9.1)	175.6* (37.7)	26.6* (17.4)
Northern Region	-288.5* (11.6)	155.2* (84)	17.6* (53.1)

#Excluding Sikkim, *Significant at .01 per cent level, ** Significant at .05 per cent level, *** significant at .10 per cent level

Source: Self estimation based on Various Issues of Basic Statistical Returns for Commercial Banks, RBI

Table 3. State and Regional level CAGR of Number of Office of Commercial Banks (%)

Year	1996-2010	1996-2004	2005-2010
State/Region	Overall Period	Pre Inclusion Period	Inclusion Period
Arunachal Pradesh	0.53	-0.01	2.70
Assam	0.56	0.00002	2.60
Manipur	-0.97	-1.66	0.46
Meghalaya	0.70	0.37	2.47
Mizoram	0.97	0.33	3.45
Nagaland	1.01	0.14	3.39
Tripura	0.86	0.37	3.12
Eastern Region	0.87	0.60	2.79
Central Region	1.06	0.71	3.26
Western Region	1.33	1.19	3.44
Southern Region	1.59	1.32	3.87
Northern Region	2.08	1.84	4.50
North Eastern Region#	0.57	0.02	2.62
All India	1.37	1.09	3.57

#Excluding Sikkim, Source: Self estimation based on Various Issues of Basic Statistical Returns for Commercial Banks, RBI

Table 4. Population Group wise Banking Sector Growth

Year	1996-2009			1996-2004			2005-2009		
State/ Region	Overall Period			Pre Inclusion Period			Inclusion Period		
	Rural Area	Semi Urban Area	Urban Area	Rural Area	Semi Urban Area	Urban Area	Rural Area	Semi Urban Area	Urban Area
Arunachal Pradesh	-2.08	19.58	0.00	-2.38	32.19	0.00	-0.42	3.21	0.00
Assam	-1.16	-0.97	4.29	-1.33	-0.21	2.64	-0.98	1.38	0.00
Manipur	-3.77	1.17	7.75	-3.86	-0.63	8.42	-2.05	2.43	0.00
Meghalaya	-0.72	5.48	7.09	-0.27	0	0.00	-0.17	0	0.00
Mizoram	-1.02	4.76	0.00	0	0	0.00	-1.99	0	0.00
Nagaland	-0.92	3.31	0.00	-0.85	1.38	0.00	0.62	0	0.00
Tripura	-1.4	6.25	0.00	-0.89	0	0.00	0.83	0	0.00
Eastern Region	-0.5	1.5	2.92	-0.33	-0.07	0.32	-0.08	0.59	0.68
Central Region	-0.86	2.33	2.85	-0.57	0.11	0.00	-0.08	0.22	0.38
Western Region	-1.22	1.6	2.57	-0.69	0.18	-0.35	-0.37	0.27	-0.72
Southern Region	-1.09	0.75	2.79	-0.73	-0.06	0.39	0.3	0.3	-2.46
Northern Region	-0.73	3.02	3.85	-0.4	0.22	-0.46	0.31	0.16	0.19
North Eastern Region#	-1.26	1.84	4.3	-1.24	0.6	2.64	-0.74	0.63	0.00
All India	-0.86	1.49	2.98	-0.56	0.04	0.14	-0.06	0.32	0.53

#Excluding Sikkim,

Source: Self Estimation based on the figures of BSR(Various issues), RBI

of India except Northern region while for N.E states the growth rate has remained identical for both periods. If we look at the Growth of Number of Credit and Deposit Account in SCB as presented in Table 5 explains that, Amongst the N.E states the Assam, Manipur, Mizoram, Nagaland, Tripura registered higher growth in-terms of number of account of gross bank credit during inclusion period while the growth of Arunachal Pradesh and Meghalaya was negative during the same period. If we look at the comparative picture the number of account of gross bank credit has registered an increase in growth rate across all regions of India except N.E region during financial inclusion period. Number of account of aggregate bank deposit has recorded largest improvement in Mizoram amongst other N.E states during both financial inclusion period as well as overall study period. At the inter-regional level the growth of Southern region was highest during inclusion period. Number of account of gross bank credit registered highest growth in Assam during the overall study period with Tripura registering lowest growth amongst N.E states.

Again at the inter-regional level Eastern region recorded lowest growth in this respect during overall period of study. During overall study period Arunachal Pradesh recorded smallest growth in number of account of aggregate bank deposit amongst other N.E states. At the regional level Western region registered highest growth in number of account of aggregate bank deposit with N.E region recording smallest growth during the overall study period. Again if we look into the District Level Progress of Bank Branch Expansion in Rural Assam (2010-2011) as presented in Table 6 explains that In line with financial inclusion program there was a plan to cover 842 villages (having *minimum population over 2000 in each village*) in Assam by Dec'2011. Till Sept'2010 about 117 villages has been covered by new branches. The Committee on Financial Sector Plan (CFSP) in Assam has felt Dhubri district as maximum needy (as it proposed to cover 150 villages by Dec'2011) in terms of village to be covered by new branches out of 26 districts. Till Sept'2010 about 11 villages in Dhubri district has been covered. Less urgency has been felt to cover villages in Kokrajhar and Udalguri districts by CFSP, 2010-2011.

Table 5. CAGR of Credit and Deposit of Scheduled Commercial Banks (%)

Year	1996-2010		1996-2004		2005-2010	
	Overall Period		Pre Inclusion Period		Inclusion Period	
	Number of Account of Gross Bank Credit	Number of Account of Aggregate Bank Deposit	Number of Account of Gross Bank Credit	Number of Account of Aggregate Bank Deposit	Number of Account of Gross Bank Credit	Number of Account of Aggregate Bank Deposit
Arunachal Pradesh	13.99	-0.91	0.07	-6.69	-36.89	9.19
Assam	30.21	0.02	-5.47	-0.43	7.92	8.27
Manipur	0.17	1.69	-9.79	-2.58	10.69	10.68
Meghalaya	7.36	0.75	-1.31	-1.91	-6.27	7.04
Mizoram	8.62	2.94	5.33	-5.94	11.78	14.44
Nagaland	6.15	0.75	-7.98	-4.74	14.86	10.16
Tripura	-3.99	2.31	-3.16	-0.46	9.01	10.29
Eastern Region	-6.94	2.1	-3.74	1.02	23.06	7.56
Central Region	-2.43	2.74	0.11	1.75	20.12	8.63
Western Region	10.62	3.75	4.02	3.54	27.26	8.46
Southern Region	7.99	3.74	8.03	2.21	13.12	9.39
Northern Region	5.37	2.8	3.04	2.15	8.28	7.8
North Eastern Region #	7.34	1.67	-4.6	-1.09	-14.08	8.65
All India	5.51	3.05	1.58	2.04	11.09	8.5

#Excluding Sikkim Source: Self Estimation based on the figures of BSR (Various Issues), RBI

Table 6. District Wise Status of Branch Expansion in Assam during Financial Inclusion Period

District wise Allotment of Villages	Number of Villages Allotted for 2010-11	Number of Villages Covered upto Sept'2010
Baksa	72	0
Barpeta	44	2
Bongaigaon	18	0
Cachar	76	0
Darrang	13	4
Dhemaji	4	0
Dhubri	150	11
Dibrugarh	16	0
Goalpara	28	4
Golaghat	39	7
Hailakandi	10	0
Jorhat	62	20
Kamrup	1	5
Kamrup Metro	8	3
Karbi Anglong	14	2
Karimganj	18	1
Kokrajhar	0	4
Lakhimpur	9	3
Sonitpur	13	8
Tinsukia	28	5
Udalguri	0	0
Morigaon	13	1
Nagaon	91	19
Sibsagar	58	15
Nalbari	53	3
Chirang	4	0
Assam	842	117

Source: State Level Banker's Committee, Assam, 2011

Table 7. Bank Wise Status of District level Villages Covered in Assam

Name of Bank Alloted	Number of Villages Allotted for 2010-11	Number of Villages Covered upto '2010
AGVB	210	5
Central Bank	10	0
Punjab National Bank	10	0
State Bank of India	324	112
Syndicate Bank	2	0
UCO Bank	49	0
Union Bank	13	0
Vijaya Bank	1	0
Allahabad Bank	9	0
Bank of Baroda	0	0
AXIS Bank	0	0
Dena Bank	0	0
Federal Bank	0	0
United bank of India	199	0
ICICI Bank	0	0
Indusind Bank	0	0
Indian Bank	0	0
Bank of India	1	0
Indian Overseas Bank	2	0
LDRB	12	0
Total	842	117

Source: State Level Banker's Committee, Assam, 2011

Bank Wise Status of District level Villages Covered in Assam being presented in Table 7 expresses that amongst the various banks the SBI, AGVB, UBI were allotted the major role in village level branch expansion in Assam. About 34.57 % of the target was fulfilled by SBI in village level branch coverage till Dec' 2010. The coverage of AGVB and UBI has not been observed to be satisfactory out of targeted number of village till Dec'2010.

Observations of the study

Number of branch office of SCB has registered change in all regions of India except NER during financial inclusion period. Although there has been some recovery in growth rate in most of the NE states with Manipur registering smallest growth during inclusion period. But, at the interregional level the CAGR of NER lags behind rest of India during all three period under observation. Financial inclusion period has brought some change in the number of account of aggregate bank deposit in all regions of India with the CAGR recording an increase for all regions except NER at inter regional level. The CAGR of number of account of aggregate bank deposit of NER has lag behind that of rest of regions of India for the overall study period. At the inter-regional level Western region recorded significant growth during overall period of study while Southern region during financial inclusion period. Amongst the NE states, Mizoram recorded largest growth in both financial inclusion period as well as overall study period. The CAGR of gross bank credit has registered an increase across all regions of India except N.E region during financial inclusion period. Amongst the N.E states, Assam recoded highest growth in the number of account of aggregate bank credit during the overall study period with Tripura registering lowest growth. Again at the inter-regional level Eastern region recoded lowest growth in this respect during overall period of study. The picture of rural banking has not been observed to be satisfactory during all three period under observation both at inter regional level as well as amongst N.E states. Growth of semi urban banking in Assam has recorded a negative growth during the overall study despite there has been some recovery in the growth rate in the state during financial inclusion period.

Amongst other N.E states Manipur made some recovery in the growth rate during financial inclusion period with Arunachal Pradesh recording fall in growth rate during the same period. Except Northern region the period of financial inclusion has registered low improvement in growth rate for most of the regions of India, while that of N.E region the growth rate has remained identical for both pre and financial inclusion periods. The growth of semi urban banking in Northern region has been observed to be highest while that of Southern region being lowest for overall study period. It is undeniable that growth of SCB in India has greatest concentration in urban areas at inter regional level for the overall period of study. Interesting to mention that N.E region has dominated rest of regions of India in terms of concentration urban banking with Manipur registering highest growth in urban banking amongst other N.E states for the overall study period. As per SLBC report, in line with financial inclusion plan for Assam about 14% of the targeted villages were covered by new branches till Sept'2010 with deadline up to Dec'2011. In Assam the Committee on Financial Sector Plan (CFSP),2010-2011 felt villages of Dhubri district as most needy to enroll with new branches while villages Kokrajar and Udalguri as least needy. Amongst the various banks the SBI,AGVB,UBI were allotted the major role in village level branch expansion in Assam. About 34.57 % of the target was fulfilled by SBI in village level branch coverage till Dec' 2010. The coverage of AGVB and UBI has not been observed to be satisfactory till Dec'2010 out of targeted number of villages assigned.

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