



Bharatiya Mahila Bank (BMB) to be merged with State Bank of India (SBI) to ensure greater banking services outreach to a larger number of women, at a faster pace

Union Government is committed to enhance the access to financial services to the population at large and women in particular

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The Government of India has decided to merge the Bharatiya Mahila Bank (BMB) with the State Bank of India (SBI) to ensure greater banking services outreach to a larger number of women, at a faster pace. The objectives of affordable credit to women as well as propagation of women-centric products need to be quickly achieved through a wider network and lower cost of funds.

The decision to merge BMB with SBI has been taken in view of the advantage of the large network of SBI among other things. In the three years since BMB was established, it has extended loans of Rs 192 crores to women borrowers, while the SBI group has provided loans of about Rs.46,000 crore to women borrowers. SBI has a large outreach of more than 20,000 branches and lowest cost of funds in the sector. Out of the total workforce of around 2 lakh employees in SBI, 22% are women. SBI group already has 126 exclusive all-women branches across the country while BMB has only seven. The proportion of administrative and managerial cost in BMB is much higher to reach the same coverage. For the same cost, a much higher volume of loans to women could be given through SBI.

The Union Government is committed to enhance the access to financial services to the population at large and women in particular. Under the Pradhan Mantri Jan-Dhan Yojana, preference is given to women for overdraft facility. Pradhan Mantri Mudra Yojana had 73% women borrowers in the previous financial year.

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