

Nationalization of Banks in India

1st January 1949 → RBI was nationalised

1955 → Imperial Bank of India was nationalised and renamed as SBI

Phase-I

Fourteen (14) large commercial banks whose reserves are more than Rs. 50 crore each were nationalised on July 19, 1969.

Phase-II

On 15th April 1980 6 Private sector banks were nationalised whose reserve were more than 200 crore.

Nationalization of RBI:

- It is the central bank of India.
- It was established on April 1, 1935, with a capital of Rs 5 crore. This capital of Rs. 5 crore was divided into 5 lakh equity shares of Rs 100 each.
- In the beginning, the ownership of almost all the share capitals was with the non-government share holders.
- It was nationalised on January 1, 1949 as government acquired the private share holdings.

Governors of RBI:

1st Governor of RBI

Sir Osborne A. Smith

1st Indian Governor of RBI

CD Deshmukh

Nationalization of Imperial Bank of India (SBI):

It was created in January, 1921 by amalgamation of three presidency banks – banks of Bengal, Bank of Bombay and Bank of Madras.

After nationalization in 1955, its name was changed to State Bank of India.

State Bank of India:

It is the biggest/largest commercial bank in the public sector of India.

It has more than 27000 ATMs as on March 2011.

SBI has 21,500 branches including Associate banks.

SBI is the 2nd largest commercial bank in the world in no of branches. (1st ICBC of China in case of no of branches and Balance sheet strength)

State bank has 5 subsidiaries (earlier it was 7). Those are:-

1. State Bank of Bikaner & Jaipur
2. State Bank of Hyderabad
3. State bank of Mysore
4. State Bank of Patiala
5. State Bank of Travancore
6. State Bank of Indore (2009)
7. State bank of Saurashtra (2008)

State Bank of Saurashtra and state bank of Indore were merged with SBI in the year 2008 and 2009 respectively.

Nationalization of Banks Phase-I

In order to have more control over the banks, 14 large commercial banks whose reserves were more than Rs 50 crore each, were nationalised on July 19, 1969.

The banks were:-

1. The central bank of India
2. Bank of India
3. Punjab National Bank
4. Canara Bank
5. United Commercial Bank
6. Syndicate Bank
7. Bank of Baroda
8. United Bank of India
9. Union Bank of India
10. Dena Bank
11. Allahabad Bank
12. Indian Bank
13. Indian Overseas bank
14. Bank of Maharastra

Nationalization of Banks Phase-II

On 15th April 1980, those 6 private sector banks whose reserves were more than Rs 200 Crore each were nationalised. These banks were:-

1. Andhra Bank
2. Punjab and Sindh Bank
3. New Bank of India(1993+PNB)
4. Vijaya Bank
5. Corporation Bank
6. Oriental Bank of Commerce

In September 1993, THE NEW BANK ONK OF INDIA was merged with the Punjab national bank.

These nationalised banks, together with regional rural banks (RRBs), come under the category of Public sector commercial banks. The other kinds of commercial banks are private sector and foreign commercial banks.

At Present there are $19+1+1=21$ Nationalised Banks besides the RBI.

Mahendra's