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Determinants and Entry Modes of the Internationalization of the Indian Banking Sector

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Abstract
Due to advancement in technology & access to global markets Internationalization of Banking sectors is increasing day by day in the corporate world. International factors becoming more & more globalized in majorly influence-banking institutions.
The motivation for the internalization enforced the players, nations to implement diverse approaches at diverse periods to endure the companies in this international format. The banks held onto differing approaches, for example, sprinkler system, water-fall technique & mix of sprinkler &water-fall methodology as a method for their internationalization. The primary results of the present part shows that the determinant factors instigating internationalization of Indian Banks are, for example, utilizing parameters of proprietorship preferences, internationalization points of interest &location advantage. Indian banks supported branch method of entry in correlation of different techniques for their internationalization & the angles like host nation, exchange cross fringes, bank internationalization are discovered significant determinants factors for internationalization of Indian banks.

Keywords: *Determinant factors, Indian Commercial Banks, Modes of Entry for Internalization, Market Penetration Strategies for Internationalisation*

I. INTRODUCTION

Banks are reflected as one of the strongest factor of economic growth, though globalisation is producing global village for merchandises and business, banks are one-step forward in this task. It has become feasible because fund mobilization and delivery of banking products and services worldwide has become certainly easier because of the initiation of the technology.

In the recent times, there has been a radical fall in worldwide barricades for competition in the economic services industry. Policies such as deregulation has allowed alliance crossways more aloof & diverse kinds of financial establishments. Developments in data handling, communications, and financial technologies have eased better terrestrial scope by letting organizations to cope greater information runs from more locations & to assess and manage risks at lesser cost without being geologically near to the consumer. Besides, development in the global actions of nonfinancial businesses has urged larger demands for organizations that could offer financial services across the nations.

In the whole world, it is the service sector, which is rising & has a major share in Gross Domestic Product in almost each nation. India is no exclusion from this scenario. The share of service industry in 2017-18 in India accounts for 54 per cent of GDP. This is not merely the leading segments in the GDP of India but also fascinating considerably the overseas investment &giving contribution to exports & offering occupation. Inside the service segment, it is the banking sector, which, has been significantly affected by the procedure of globalisation. Globalisation has influenced the service segment both directly &indirectly by method of growing interdependence of nationwide financial markets

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&equivalent internationalisation of organisations correspondingly.

II. BANKING INTERNATIONALISATION: A HISTORIC APPROACH

Internationalisation of banks is not a novel concept. Since the nineteenth century it has been there. As per Jones (1990), there are two major breakers of international banking. First was happened in 19^{th} century from the 1830s & the second one was happened in 1960s. First breaker was happened because of British institutions & then it was combined by other banks of Europe. Worldwide banks had their branch organizes overpoweringly engaged in abroad landscapes explicitly in the pieces of the British Empire, especially Australasia & Southern Africa & regions of ongoing settlement, especially Latin America. Outside penetration of the residential financial frameworks of Britain, mainland Europe or the United States was nearly non-existent. Subsequently, glorious systems were the principle factor in explaining the heading taken by global banking in the nineteenth century. During the primary breaker of banking internationalization, similar organizations performed household retail banking, exchange money, & speculation banking regularly.

Second breaker was led by the American banks in the 1960s, however during the 1980s Japanese organizations became progressively protuberant. There were more cross-investments in banking amid advanced nations happened during that time. International banks varied from the nineteenth-century wave in their topographical location & products. As per Jones, (1990), "the first international banks established subdivisions in worldwide financial centres, since the birth of the Euro-dollar market in London in the late 1950s until the rise of offshore centres & the growth of the Asian Dollar market (Bahrain, Singapore & Hong Kong) in the 1970s. However, beyond these financial centres, multinational banks were far more concerned with developed economies than their predecessors had been. While American banks were active in Western Europe, stimulated by the Euro-dollar market, European & Japanese banks invested in a direct & unprecedented manner in the United States. During this wave, trade finance, servicing corporate customers from their country, & retail banking were all found".

Reserve Bank of India was very conservative in giving permission for banks to go abroad till about the year 2000. It was only later that the RBI relaxed its rules & banks could go abroad a bit more easily. This pace picked up in the next few years as many Indian business houses expanded their operations overseas particularly between 2005 & 2011.

III. BANKING INTERNATIONALISATION: THE BASIS OF THE DEVELOPMENT STRATEGY

The speed of cross-border alliance of financial institutes has enlarged during the previous few years, & has lately stretched the retail banking market. Then the question arises that banks headquartered in specific nations established outlets or divisions in foreign nations.

As indicated by Grubel, 1977 & Aliber, 1984, worldwide banking profoundly grounded on the hypothesis of direct outside interest in assembling, as cutting edge by Kindleberger (1969), Vernon (1966) & Caves (1971). As per this elucidation, global banks have some relative recompenses. Banks approach abroad to serve their neighbourhood clients who have moved to overseas, "which is every so often called the gravitational draw impact". Overall banking creates in proportionate with direct outside endeavour as banks try to encounter the enthusiasm for banking organizations of worldwide associations abroad. This bank lead of traveling to another country is viewed as a self-cautious approach principal to comfort the bolstered trade with the local gatekeepers of abroad firms so the general improvement of information resultant from the bank-client alliance would not be anticipated by a contender bank. By then, general assistance banks in like manner do

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some trade with neighbourhood & well off individuals by giving them specific administrations & data fundamental for business & capital market dealings inside their intrinsic countries.

At that point, universal help banks likewise do some exchange with nearby & wealthy people by giving them specific administrations & data basic for business & capital market dealings inside their natural countries.

The clarification of the reasons about why a bank amplifies overseas could be comprehended in cost theoretic terms à la Grubel: "The continuous commercial contacts between the bank & manufacturing firm permit the bank to have access to information about the firm's financial conditions at such a low cost & high speed that it is in a better position than any other competitor to evaluate & respond to the firm's demand for loans". Thus, "the ability to draw on the information & personal contacts between the bank's & manufacturing firm's parents in a [foreign country] at very low marginal cost represents the main source of comparative advantage that the bank's foreign branch has in dealing with the firm's subsidiary abroad in competition with the local banks" (Grubel, 1977). With this estimation, it could be understood that the internalisation of info is considered the main benefit of the international bank.

Truthfully, as worried by Focarelli & Pozzolo (2000), "the pattern of bank international shareholdings followed that of the economic integration between countries: banks extended their activities abroad in order to provide services to their home-country clients in international transactions; afterwards, with a growing understanding of the foreign market (in particular of regulatory & institutional aspects) &a developed network of relationships with local financial institutions, some banks were induced to increase the range of their operations & provide services to the local population too. Although this account is likely to be accurate in general (...) *today the actual pattern of bank international shareholdings depends on a wider range of factors than just the overall degree of economic integration between countries*".

The advanced upsurge of bank internationalization isn't simply by budgetary organizations resulting their overall relations, yet additionally expanding by overall banks searching for to expand their occasions in the monetary markets of the host country generally done through the accomplishment of mass, controlling stakes, or the obtaining of minority, non-controlling stakes. Thusly, the current system of all inclusive, by and large banks is proposed at developing their exercises into some close by cash related markets by a linkage of branches & better joining into the nearby market, however earlier overall bank approaches were prepared by & large to serve their nation of origin (corporate) clients, & also to give some sustenance to national associations to course the overall financial market. Such a novel approach has been, to an increasingly imperative entirety, enthused by the steady suppleness (or even now & again the annulment) of legitimate requirements concerning the nearness of all inclusive banks in nearby markets, both in made & making countries (Freitas, 1999).

Barely any ongoing works endeavour to make a blueprint of expansion for the present rush of banking internationalization. Most extreme basic explanations is associated with the impacts of the upsurge in banking rivalry delivered by financial deregulation. Because of edges & expenses are secured in nearby money related administrations markets, budgetary organizations seek after to stretch out unfamiliar to create more prominent incomes. In this way, with banks' net premium edges under slipping weight because of the upsurge of banking rivalry, & as the enormous budgetary foundations are all in all established in develop economies (with low potential for development) a few banks seek after to extend topographically in business sectors with the chance of development with better net premium edges.

Banking internationalization impacts from the inclination towards an upsurge in the base scale required a bank to continue serious so as to improve its ability to deliver great returns. Extra explanation is that there are conceivable hazard decrease gains from the disparity of income from complex items, client gatherings & geologies in multi-action budgetary administrations segments, & these additions upsurge with the amount of exercises embraced.

IV. REVIEW OF LITERATURE

The financial business is a piece of the administration enterprises, & offers the greater part of the general highlights of administration. With serious human aptitudes & information installed in the business, the attributes of non-tradability of banking items (Meng, 2009) decide the area & method of section in their internationalization procedure.

V. THEORITICAL FRAMEWORK:

To portray the internationalization there are various speculations which enlighten the internationalization, for example, the product life cycle theories, Hymer's hypothesis, internalization hypothesis, mixed hypothesis, & the gravity model. However, greater part of these speculations are relevant to assembling territory. To diminish fabricating charges, mechanical organizations may choose to build up their creation stages in abroad nations having low-priced master work. Though, banking is a non-substantial assistance business that have creation just as utilization reason at the indistinguishable spot. Taken as a client inclining business, banks increment their exchange worthwhile & enormous markets (Focarelli & Pozzolo, 2001). Causes influencing by & large Internationalization additionally can be determinants of banking. Subsequently, it is likely to outline determinants of by & large Internationalization to those of banking area Internationalization. However, analysts have built up just two hypotheses viz., disguise hypothesis & diverse hypothesis that are appropriate to explain why banks underwrite in abroad countries (Kim, 2010).

Initially Internalization hypothesis affirms that a firm neglects to degree an efficacious outside market to make benefit by utilizing its assets singular in the locally established nation & that is the reason, it could make inward market just by searching for commercial prospects & underwriting overseas, in geologically extended regions. Hereafter, a bank will contribute overseas when its personal market is immersed & it does not possess more possibilities to grow exchange its own nation. Thusly, a bank travelsoverseas by putting resources into different markets.

Next hypothesis for example Dunning's hypothesis of varied worldview likewise clarifies the comparable idea with some additional highlights in it (Dunning, 1979 &1998). This hypothesis is additionally perceived as OLI worldview that means three sorts of advantages, for example, possession, locational & disguise benefits. Possession advantage is a favourable position that an organization possess over its adversaries, such as: progressed mechanical preferences. Locational advantage is abenefit that an organization has in the objective nation, which is anenormous market to help as far as populace, high reserve funds, modest & master work & more belongings. Disguise advantage happens when an organization consents to go abroad itself to achieve more return as opposed to permitting to a differentbusiness. Consequently, Dunning's hypothesis considers all highlights of an assistance business& offers the response why an abroad bank will travel to another country (Dunning, 1979).

That abroad banks from the homebased nations go into the host country to help their homebased customers should have built up the first base in the host country (Mutinelli & Piscitello, 2001). There are theoretic & experiential proof that propose 'following the customer'. It expresses that, for example, if a client vehicle organization from a country enters the host nation to broaden its

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business, a bank in the home based country follows its customer in the host country to offer its financial offices. In relations of factors for Internationalisation, one of the greatest widespread theoretic outlines of firm's internationalization is "Dunning's eclectic theory that pressures the importance of location-specific, ownership-specific & internalization-specific factors in the internalisation decisions (Williams, 1997). It explains why banks decide to invest abroad, where they invest, & why they select to enter foreign markets & obtain profits".

Location-specific causes mention to the attraction of a host nation & comprise market seeking &competition inside that nation. In Ownership-specific aspects, banks are required to have unique rewards that could overcome native contestants with competitive working costs in the host nation. In addition, Internalization-specific factors mention to the paybacks produced because of dropping operation costs by substituting the market apparatus with an inner business.

According to Lu & Beamish (2001), "companies prefer to see the intensity of their trade relationships like exporting, foreign direct investments & alliances to expand their internationalisation with their counterpart countries. In another words they prefer the countries in which they have scaled up their exports & have better FDI investments & good alliance". Knight & Cavusgil (2004) suggested that, "due to the rapid globalisation of the world economy, companies prefer to go international right from the time of founding rather step by step approach to internationalisation". Berger, Ongena & Smith (2004) suggested that, "internationalisation of banks mainly focuses on the determinants of the cross border expansion of banks & further states that larger banks find it easier to overcome the barriers of regulatory & cultural barriers of internationalisation of banks". Curry, Fung & Justin (2003) found, "while entering markets, banks mainly choose correspondent bank representative offices, foreign branch bank, foreign subsidiary bank or offshore banks as entering foreign markets". Mulder & Westerheuis (2015) supported that, "the internationalisation can be explained by variables. viz., size of home country, exports to the rest of the world, FDI to the rest of the world, countries level of income & its financial development".

VI. SIGNIFICANCE OF THE STUDY

Be that as it may, the globalization unfurled the key issues for arriving into the overall markets, still there is a broad hole in the methodologies grasped by various parts & differing organizations in internationalization of their exercises, extending from their size, understanding to the straightforwardness in working together by diverse host nations. Consequently, there is a necessity to discover the various systems grasped by Indian business banks & the causes influencing their procedures. The current examination is an undertaking right now. The examination aims to discover the techniques grasped by the specific Indian banks for their internationalization & to discover the reason &factors for internationalization of these banks.

VII. OBJECTIVES

To discover the determinant reasons for the diverse entry modes approved by the banks for their internationalization.

The greater part of the Indian Banks have trailed three of the section modes for internationalization, for example, branch passage mode, backup passage mode & joint endeavour passage mode. For the most part banks have supported branch as a passage mode in contrast with the different ranges, for example, auxiliary, joint endeavour & delegate workplaces & different workplaces. In a branch passage mode, branches perform practically all the financial exercises heavily influenced by the mother bank. A branch method of section has its own deficiencies as well. Large lump of speculations are involved both in ceaseless gear & in workers. The speculation would be more if the banks spread in retail banking. To evacuate these issues, businesses pick backup firm method of section over branch mode. Backup strategy has benefit of lawful & bookkeeper opportunity by following the guidelines &directions of the financial framework in the nation in which it is arranged. It is a select technique for goals for the extension of exchange where the regulations& legitimate layout of the nation precludes the development of branches. Backup firms relish the freedom of dynamic & helped from the wrecks of maternal banking.

VIII. RESEARCH METHODOLOGY

The present part is examining in nature. For the lead of the present examination, optional information is utilized to look at the reasons for the investigation. Auxiliary information has been assembled from the sites of RBI, Indian business banks, IMF, World Bank & different databases. The example edge of the investigation is all the Indian business banks having least ten central station abroad & ought to have utilized in any event three of the passage modes normally utilized for internationalization, for example, branch section mode, backup section mode & joint endeavourentry mode. Appropriately, State Bank of India (SBI), Bank of India (BOI), Bank of Baroda (BOB), Punjab National Bank & ICICI Bank considered for the present examination. The research in the current chapter focuses the determinant factors for internationalisation of the Indian Banking Sector taking into consideration the Dunning Eclectic theory, strategies adopted by Indian banks have been discussed to provide a comprehensive approach to elaborate the internationalisation in the Indian Banking Sector.

DISCUSSIONS

Table 1: Country-wise branches of Indian Banks at Overseas Centres as on January 31, 2018 shows the breakup of country wise branches of Indian Banks at Overseas Centres.

“	Public Sector Banks												Private sector			Total
Name of the Country	State Bank of India	Bank of India	Bank of Baroda	Union Bank of India	Punjab National Bank	Allah abad Bank	Indian Bank	Indian Overseas Bank	UCO Bank	Canara Bank	Syndicate Bank	IDBI Bank	ICICI Bank	AXIS Bank	HDFC Bank	
Australia	1	-	1	1	-	-	-	-	-	-	-	-	-	-	-	3
Bahamas Island (Nassau)	1	-	1	-	-	-	-	-	-	-	-	-	-	-	-	2
Bahrain	2	-	1	-	-	-	-	-	-	1	-	-	1	-	1	6
Bangladesh	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4
Belgium	1	1	1	1	-	-	-	-	-	-	-	-	-	-	-	4
Cambodia	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	1
Cayman Islands	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	1
Channel Islands	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	1
China	2	1	1	-	-	-	-	-	-	1	-	-	1	1	-	7
France	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	2
Fiji Islands	-	-	9	-	-	-	-	-	-	-	-	-	-	-	-	9
Germany	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1
Hong Kong	1	2	1	1	2	1	-	2	2	1	-	-	2	1	1	17
Israel	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1
Japan	2	2	-	-	-	-	-	-	-	-	-	-	-	-	-	4
Kenya	-	6	-	-	-	-	-	-	-	-	-	-	-	-	-	6

Maldives Islands	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**4**
Mauritius	-	-	9	-	-	-	-	-	-	-	-	-	-	-	-	**9**
Qatar	-	-	-	-	-	-	-	-	-	-	-	-	1(QFC)	-	-	**1**
Saudi Arabia	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**1**
Seychelles	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	**1**
Singapore	6	1	1	-	-	-	1	1	2	-	-	-	3	1	-	**16**
Sri Lanka	4	-	-	-	-	-	3	2	-	-	-	-	1	1	-	**11**
South Africa	1	1	2	-	-	-	-	-	-	1	-	-	1	-	-	**6**
South Korea	1	-	-	-	-	-	-	1	-	-	-	-	-	-	-	**2**
Sultanate of Oman	1	-	4	-	-	-	-	-	-	-	-	-	-	-	-	**5**
Thailand	-	-	-	-	-	-	-	2	-	-	-	-	-	-	-	**2**
United Kingdom	12	7	10	-	-	-	-	-	-	2	1	-	-	-	-	**32**
United State of America	3	2	1	-	-	-	-	-	-	1	-	-	1	-	-	**8**
United Arab Emirates	1 (DIFC)	1 (DIFC)	6 + 1 (DIFC)	1 (DIFC)	1 (DIFC)	-	-	-	-	1 (DIFC)	-	1 (DIFC)	1 (DIFC)	1 (DIFC)	1 (DIFC)	**16**
Myanmar	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**1**
Vietnam	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	**1**
Total	**52**	**29**	**50**	**4**	**3**	**1**	**4**	**8**	**4**	**8**	**1**	**1**	**12**	**5**	**3**	**185"**

"Source: https://rbidocs.rbi.org.in/rdocs/Content/pdfs/71206.pdf)"

IX. DETERMINANTS OF INTERNATIONALIZATION ON THE INDIAN BANKING SECTOR

Determinants could be grouped under three diversecategories such as locational advantage factors, ownership factor & internationalization factors. First factors i.e. Locational advantage factors contains factors likewise host country trade; freedom; host country bank freedom; host country political freedom; host country trading across borders; host country starting business Index. Second factors i.e. Ownership factor contains bank assets as a factor &the third factors i.e. Internationalization factors covers the review of host country FDI (from Indian to host country).

1. Locational Advantage Factors
2. Ownership Factor
3. Internationalization Factors

These major heads have been further categorised into following sub heads:

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1. **Locational Advantage Factors:**

Among the host country factors, we consider the impact of legal restrictions on foreign bank operations, entry requirements, & corporate taxes. In addition, we examine the role of differences in the degree of legal responsibility by parent banks vis-a'- vis the liabilities of their branches & backups, by taking a gander at the effect of proportions of host nation monetary & political dangers. Guidelines seem to paramount affect banks' hierarchical structure. Remote banks are more averse to work as branches in nations that limit their exercises & where guideline makes it hard to set up new banks.

As indicated by Slager (2006) guidelines could be an impetus to internationalize for banks in nations where there are solid guidelines & restricted development openings in the nation of origin. Residential guideline as a motivator for banks to internationalize suggests that there may be explanation behind the bank to move in another nation because of more opportunity & less administrative limitations in the host nation (Slager, 2006). Guidelines of significance right now are assessments, trade guidelines, entry boundaries & money related approaches. The guideline perspective is additionally talked about in the examination from Brealey & Kaplanis (1996) where remote bank entering can increase beneficial guideline or expense treatment relying upon the various specialists. For instance the host nation can invigorate the pace of development to decrease local business & pull in outside passage which the remote banks can pick up productivity from. Host nation financial & political dangers affect banks' authoritative structure, recommending that distinctions in parent banks' duties vis-a'- vis branches & auxiliaries assume a significant job in deciding banks' hierarchical structure. Global companies requisite to decide future dangers to an association structure from political hazard & future dangers from the nation's monetary condition, the two of which influence the gainfulness & peril of speculation (McGowan et.al., 2013, p.3).

Branches are less normal in nations with profoundly dangerous macroeconomic situations, where parent banks appear to incline toward the "hard" shield of restricted obligation gave by backups to the "delicate" assurance of ring-fencing arrangements. In any case, confronted with dangers coming from conceivable government intercession & other major political occasions, parent banks are bound to work as branches. This isn't really astounding given the arrangements that shield parent banks from the liabilities of their outside branches in occasions, for example, wars, revolts, or self-assertive activities by remote governments. Under those conditions, banks are in reality increasingly uncovered as auxiliaries, which regularly have higher capital & save necessities & bigger interests in neighbourhood fixed resources, comparative with branches

- Host country trade freedom
- Host country bank freedom
- Host country political freedom
- Host country trading across borders
- Host country starting business index

2. **Ownership Factors**

   Bank Assets

Bank assets in the host country:

The nearness of abroad belongings has been considered to upsurge banking interest in the host nation (Moshirian, 2001). He calls attention to that abroad presence in have countries makes it cooler for banks to expand their overall propelling exercises & make these exercises simpler & increasingly powerful. In addition, these existences could likewise diminish operational exchange costs in the host nations, for example,

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those alluding to media communications, getting & handling data, & encouraging universal credit development.In the case of developing nations, Clarke et al. (2003) ponder that overseas banks arrive the indigenous market over the acquirement of anindigenous bank or the formation of novel operations & try to take advantage from the market possible of these nations. Subsequently, growingoverseas assets could be a reason for Banks to enlarge their trade in developing nations&henceforthenlarge banking Internationalisation.

3. Internationalization Factors

a) Host country FDI (from Indian to host country)
b) The internationalisation experience of selected banks in terms of counting their presence in number at different countries by different modes of entry for their internationalisation (in number)
c) Host country trade (Imports & Exports)

Ball & Tschoegl (1982) found out that banks usuallyembroil in foreign direct investment (FDI) by means of one of the subsequent four organisational methods: "(1) representative office, (2) agency, (3) branch office & (4) subsidiary". Organization is lawfully part of its parent organization in the first three mentioned organisational structures. Moreover, subsidiary is an autonomouslawfulobject, combined in the host country (Ball & Tschoegl, 1982). As per Ball & Tschoegl (1982), the dissimilar market entry mannersassist the headquarters not only with dissimilardrives in connection to bank's internationalisation strategy, but also describe the services provided by the overseas entity to its clients. However,itrest on the Foreign direct investment Policy of the host countries& some time home nations also createlimitations on establishingheadquarters in a specific nation. Numerousnations have limitations on the worldwide operations of their national banks, likewisefencesaverting their entrance into particular nations. (Engwall & Johanson, 1990). However, the globalisation unfolded the keyfootraces for penetrating into the worldwide markets, yet there is a large gap in the approachesembraced by diverse sectors &diverse companies in internationalisation of their activities, ranging from their size, & experience to the ease in doing business by different host countries. Therefore, it is significant to understand the determinants of the internationalization on the Banking sector as this aid a Banking institution to choose the mode of entry suitable to the nation.

Table 2: Different Modes of Entry Adopted by the Indian Commercial Banks for Internationalisation

"Sr. No.	Name of the Bank	Branch	Subsidiary	Joint Venture Bank	Representative Office	Other offices	Total
1.	Allahabad Bank	1	--	--	--	--	1
2.	Andhra Bank	--	--	--	2	--	2
3.	Bank of Baroda	50	9	2	--	9	70
4.	Bank of India	29	5	-	4	--	38
5.	Canara Bank	8	1	--	1	--	10

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6.	Corporation Bank	--	--	--	2	--	2
7.	Dena Bank	--	--	--	1	--	1
8.	Indian Bank	4	--	--	--	--	4
9.	Indian Overseas Bank	8	--	--	1	3	12
10.	IDBI Bank	1	--	--	--	--	1
11.	Punjab National Bank	3	2	2	4	--	11
12.	State Bank of India	52	5	4	8*	23	92
13.	Syndicate Bank	1	--	--	--	--	1
14.	UCO Bank	4	--	--	1	--	5
15.	Union Bank of India	4	1	--	3	--	8
16.	United Bank of India	--	--	--	2	--	2
17.	Oriental Bank of Commerce	--	--	--	1	--	1
18.	HDFC Bank Ltd.	3	--	--	3	--	6
19.	ICICI Bank Ltd.	12	2	--	5	--	19
20.	IndusInd Bank Ltd.	--	--	--	3	--	3
21.	Axis Bank Ltd	5	1	--	3	--	9
22.	Federal Bank	--	--	--	2	--	2
23.	Kotak Mahindra Bank	--	--	--	1	--	1
24.	Yes Bank	--	--	--	1	--	1
	TOTAL	**185**	**26**	**8**	**48**	**35**	**302”**

“Source: https://rbidocs.rbi.org.in/rdocs/Content/pdfs/71206.pdf)”

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Table 3: List of subsidiaries of Indian Banks abroad as on January 31, 2018

“SNo.	Name of the Bank	Name of the Centre	Remarks
1.	SBI (Canada) Ltd.	Toronto Vancouver, Mississauga	100% by SBI
2.	SBI (California) Ltd.	Los Angeles, Artesia, San Jose (Silicon Valley)	100% by SBI
3.	Bank of Baroda (Uganda) Ltd.	Uganda	51% by BOB
4.	Bank of Baroda (Kenya) Ltd.	Kenya	86.71% by BOB
5.	Bank of Baroda (U.K.) Nominee Ltd.	London, UK	100% by BOB
6.	Bank of Baroda (Botswana) Ltd.	Gaborone, Botswana	100% by BOB
7.	Bank of Baroda (Guyana)Inc.	Georgetown Guyana (South America)	100% by BOB
8.	ICICI Bank UK Ltd	London (UK)	100% by ICICI Bank
9.	ICICI Bank Canada Ltd	Toronto (Canada)	100% by ICICI Bank
10.	Bank of Baroda (Tanzania)	Tanzania	100% by BOB
11.	Bank SBI Indonesia	Indonesia	99% by SBI
12.	SBI International (Mauritius) Ltd.	Mauritius, Port Louis	96.36% by SBI
13.	Punjab National Bank International Limited (PNBIL)	UK, London	100% by PNB
14.	Bank of Baroda (Trinidad and Tobago) Limited	Trinidad & Tobago	100% by BoB
15.	PT Bank of India Indonesia TBK	Indonesia	76% by BoI
16.	Bank of Baroda (Ghana) Ltd	Ghana	100% by BoB
17.	Bank of India (Tanzania) Ltd	Tanzania, Dar-Es Salaam	100% by BoI
18.	Druk PNB Bank	Bhutan (Thimpu)	PNB

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	Ltd		
19.	Bank of Baroda (New Zealand) Ltd	New Zealand (Auckland)	BoB
20.	Bank of India (New Zealand) Ltd.	New Zealand (Auckland)	BoI
21.	Bank of India (Uganda) Ltd.	Uganda (Kampala)	BoI
22.	Axis Bank UK Limited	United Kingdom, London	100% by Axis Bank
23.	Bank of India (Botswana) Ltd.	Gaborone, Botswana	100% by BoI
24.	State Bank of India (Botswana) Ltd.	Gaborone, Botswana	100% by SBI
25.	Union Bank of India (UK) Ltd.	London, UK	100% by UBI
26.	Canara Bank (Tanzania) Limited	Tanzania	Canara Bank"

"Source: https://rbidocs.rbi.org.in/rdocs/Content/pdfs/71206.pdf)"

Table 4: List of Representative offices of Indian Banks as on January 31, 2018

"Sr.No.	Name of the Bank	Centre
1.	Andhra Bank	UAE (Dubai)
2.		USA (New Jersey)
3.	Axis Bank Ltd	UAE (Abu Dhabi)
4.		UAE (Dubai)
5.		Bangladesh (Dhaka)
6.	Bank of India	China (Beijing)
7.		Indonesia (Jakarta)
8.		UAE (Dubai)
9.		Myanmar (Yangon)
10.	Canara Bank	UAE (Sharjah)
11.	Corporation Bank	Hong Kong
12.		UAE (Dubai)
13.	Dena Bank	UK (London)
14.	Federal Bank Ltd	UAE (Abu Dhabi)
15.		UAE (Dubai)
16.	HDFC Bank Ltd	UAE (Abu Dhabi)
17.		UAE (Dubai)

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18.		Kenya (Nairobi)
19.	ICICI Bank Ltd	UAE (Abu Dhabi)
20.		Bangladesh (Dhaka)
21.		Indonesia (Jakarta)
22.		Malaysia (Kuala Lumpur)
23.		UAE (Dubai)
24.	Indian Overseas Bank	UAE (Dubai)
25.	IndusInd Bank Ltd.	UK (London)
26.		UAE (Dubai)
27.		UAE (Abu Dhabi)
28.	Kotak Mahindra Bank	UAE (Dubai)
29.	Oriental Bank of Commerce	UAE (Dubai)
30.		Australia (Sydney)
31.	Punjab National Bank	China (Shanghai)
32.		UAE (Dubai)
33.		Dhaka (Bangladesh)
34.		Egypt (Cairo)
35.		Iran (Tehran)
36.		Philippines (Manila)
37.	State Bank of India	Turkey (Istanbul)
38.		USA (Washington)
39.		Sau Paulo(Brazil)
40.		UAE (Dubai)*
41.		UAE (Dubai)*
42.		China (Beijing)
43.	Union Bank of India	China (Shanghai)
44.		UAE (Abu Dhabi)
45.	United Bank of India	Bangladesh (Dhaka)
46.		Myanmar (Yangon)
47.	Yes Bank	UAE (Abu Dhabi)
48.	UCO	Tehran (Iran)"

"Source: https://rbidocs.rbi.org.in/rdocs/Content/pdfs/71206.pdf)"

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Table 5: List of Joint Ventures of Indian Banks abroad as on January 31, 2018

“Sr.No.	Name of the Bank	Name of the Centre	Remarks
1.	Bank of Bhutan	Bhutan	SBI 20%
2.	Indo Zambia Bank Ltd.	Zambia	BOB 20% BOI 20% CBI 20%
3.	Nepal SBI Bank Ltd.	Kathmandu (Nepal)	SBI 55.10%
4.	Everest Bank Ltd.	Nepal	PNB 20%
5.	Commercial Indo Bank LLC	Moscow, Russia	SBI 60% Canara Bank40%
6.	Sterling Bank PLC	Nigeria (Lagos)	SBI 8.86%
7.	India International Bank (Malaysia) Bhd.	Malaysia (Kuala Lumpur)	BOB 40% IOB 35% Andhra Bank 25%
8.	JSC Tengri Bank	Kazakhstan	PNB 49%”

“Source: https://rbidocs.rbi.org.in/rdocs/Content/pdfs/71206.pdf)”

Table 6: Country-wise other banking offices of Indian Banks at Overseas Centres as on January 31,2018

EBSU – Electronic Banking Service Unit; EC - Extension Counter; IVC – Indian Visa Centres; MO - Marketing office; SO - Sub office; RC – Remittance centre; RHO – Regional Head Office

“Name of the Country	State Bank of India	Bank of Baroda	Indian Overseas Bank	Total
Bahrain	RC – 1	-	-	1
Bangladesh	IVCs – 12	-	-	12
Singapore	-	-	RC – 2	2
Sri Lanka	EC – 2	-	EC - 1	3

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South Africa	MO – 2 SO – 4	-	-	6
UAE	RHO – 1	EBSUs – 9	-	10
United Kingdom	EC – 1	-	-	1
Total	**23**	**9**	**3**	**35"**

"Source: https://rbidocs.rbi.org.in/rdocs/Content/pdfs/71206.pdf)"

SBI supported 60 percent as branch mode, 19.76 percent through different workplaces mode, 10.46 percent delegate workplaces mode & 4.65 percent each for auxiliaries & Joint Ventures modes; while BOI favoured 71.43 percent through branch mode, 14.28 percent through auxiliary mode & 11.43 percent as agent mode & 2.85 percent as joint endeavour mode by not selecting different workplaces as a section mode. Sway picked 70.83 percent through branch mode 12.50 percent each through auxiliary & other office mode & 2.77 percent joint endeavour mode & 1.39 percent as agent office method of passage. PNB utilized 30.77 percent, 38.46 percent, 23.07 percent & 7.69 percent through branch, delegate workplaces, auxiliary & joint endeavour mode separately, & ICICI favoured 47.62 percent, 14.28 percent & 38.10 percent by branch, backup & agent modes individually.From the Table 2 it is clear that for the most part banks have supported branch as an entry mode in contrast with the various choices, for example, auxiliary, joint endeavour &agent workplaces & different workplaces. In a branch entry mode, branches play out all the financial activities underneath the control of the mother bank. This method of entry has its own disadvantages as well. Since right now, speculations are included both in nonstop gear & in workers. It would turn out to be more if the banks spread in retail banking. To overawe these issues, organizations favor backup firm method of entry to branch mode. This mode has increase of legitimate & bookkeeper opportunity by following the standards & rules of the financial framework in the country in which it is arranged. It is a restrictive way of goals for the extension of exchange where the rules & legal premise of the country precludes the arrangement of divisions. Backup firms relish the self-sufficiency of dynamic & assuaged from the wrecks of maternal banking.

In the present examination U.K. (Joined Kingdom) is the supported goal to work through branch mode for the chose banks, for example, State Bank of India (SBI), Bank of India (BOI) while the Punjab National Bank (PNB) & private area bank ICICI supported United Kingdom for their auxiliary entry mode. BOB utilized a similar country for both section & auxiliary mode in their method of internationalization such as: waterfall strategy, sprinkler strategy &the combination of water fall strategy & sprinkler strategy i.e., waterfall-sprinkler strategy.

There are various techniques for systems available for showcase infiltration by the banks for their internationalization, for example, cascade methodology, sprinkler procedure & the mix of water fall methodology & sprinkler procedure i.e., cascade sprinkler methodology.

Waterfall strategy

It notices to the moderate market infiltration specifically countries by the banks by assorted methods of entry. Right now, gradually enters one country advertise & subsequent to making its market at that point result to another country showcase. This technique normally needs an extensive stretch & generally preferred by littler banks as a result of their limited assets. The Bank

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of India & ICICI Bank have embraced this technique.

Sprinkler strategy

This system notification to the concurrent invasion by the banks in varying nation markets. The banks which are getting a handle on this framework relishes the upside of first mover & grasps favourable circumstances & see just as structures barricades for the contenders who may plan to enter the nation promote later. This method needs assets extensively by the banks to outline their market in different nations with in a minor of time. Now & again it might be a test for the banks in sorting out the benefits in view of high-risk incorporation in using different assignments consistently in contrasting nations. The State Bank of India practices this method just in the present examination that plainly understands that the bank is capable to have the bit of leeway being an immense bank & organized to go up against the challenges displayed by this strategy.

Combined Waterfall-Sprinkler Strategy

It is the blend of both the above-talked about systems, where in a banks favor at first with water fall methodology to have essential experience & afterward trails the sprinkler technique to expand its internationalization methodology & might return by & by to cascade procedure in countries with good settings. Bank of Baroda utilized Waterfall-sprinkler methodology for internationalization by method of branch as a passage mode.

X. CONCLUSION

The key deductions can be drawn from the above-discussed analyses:

Together from a verifiable exact & hypothetical diagnostic perspective, there are strong intentions to believe that the methodology of coalition in the financial business is a worldwide marvel resultant from monetary deregulation & innovative varieties. The tale phase of bank internationalization is an aftereffect of this strategy, with money related foundations searching for differentiating their activities in their items & administrations, as well as topographically upsurge their base size of tasks to proceed with serious & improve their ability to create great returns.

The new pattern of bank internationalization is occurring not simply by money related establishments following their overall affiliations serving generally home country customers yet additionally by a superior joining into the local markets.

Determinants could be grouped under three diverse categories such as locational advantage factors, ownership factor & internationalization factors. First factors i.e. Locational advantage factors contains factors likewise host country trade; freedom; host country bank freedom; host country political freedom; host country trading across borders; host country starting business Index. Second factors i.e. Ownership factor contains bank assets as a factor & the third factors i.e. Internationalization factors covers the review of host country FDI (from Indian to host country).

1. Locational Advantage Factors
2. Ownership Factor
3. Internationalization Factors

In the context of Indian Banking Sector Internationalization factor is the major determinant of Internationalization along with host trade freedom, bank internationalisation & trade across borders are found noteworthy determinant factors for internationalisation of the selected banks in the present chapter.

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