

An Analysis of the Pros and Cons Faced by Retail Banking in the Context of the Indian Banking Industry

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Abstract: *India ranks second in attractiveness as a retail banking destination among 30 emerging nations, as stated in a report published by A.T. Kearney, a worldwide management consulting firm. India has experienced a transition from providing loans in large quantities to providing loans to individual customers, especially in private sector banks. The Housing Loan holds a major role and constitutes around 50 to 60 percent of the total credit of nearly all banks. The retail banking portfolio in India is multifaceted. Although there is a clear change in the quantity and characteristics of products being offered and the methods used to deliver banking services, there is also a worry that the expansion of retail banking is focused more on assets and lacks a proportional increase in liabilities (retail deposits). Another issue of concern is the lack of outreach by banks to those with lower incomes. Nevertheless, Indian banks have already initiated the incorporation of individuals who were previously excluded from conventional banking services. In order to promote the expansion of retail banking, banks have been enhancing their services through various channels, while still prioritizing the bank branch as the major focal point*

Keywords: Retail banking, Indian banking sector, problems, scope, possibilities