

Indian Banking System: An Overview

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Abstract: *Today, we are having a fairly well developed banking system with different classes of banks public sector banks, foreign banks, private sector banks, both old and new generation, regional rural banks and co- operative banks with the Reserve Bank of India as the fountain Head of the system. In the banking field, there has been an unprecedented growth and diversification of banking industry has been so stupendous that it has no parallel in the annals of banking anywhere in the world. In most emerging markets, banks' assets comprise well over 80% of total financial sector assets, whereas these figures are significantly lower in developed economies. In most emerging market economies, the five largest banks (usually domestic) account for over two-thirds of bank assets. These figures are much lower in developed economies. Another difference in the banking industry in developed and emerging economies is the degree of internationalization of banking operations. Internationalization defined as the share of foreign-owned banks as a percentage of total bank assets, tends to be much lower in emerging economies. This pattern is, however, not uniform within world regions. The banking industry has experienced a series of significant transformations in the last few decades. Among the most important of them is the change in the type of organizations that dominate the landscape. Since the eighties, banks have increased the scope and scale of their activities and several banks have become very large institutions with a presence in multiple regions of the country. The paper examines the Trends and progress of Indian banking industry.*

Keywords: Indian Banking Sector, Emerging Trends & Progress and Emerging Economies.

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