

BANKING GLOP: PLAIN VANILLA TO ADVENT GRADE

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ABSTRACT

The Indian banking sector has seen unprecedented growth along with remarkable improvement in its quality of assets and efficiency since economic liberalisation began in the early 1990s. From providing plain vanilla banking services, banks have gradually transformed themselves into universal banks. ATMs, Internet banking, mobile banking and social banking have made "anytime anywhere banking" the norm now. The Indian Banking system which was dominated by public sector banks as accounting for nearly three-fourths of total assets and income was done by public sector banks is now facing stiff competition from private sector banks. The transformed banking system has led to a falling share of public sector banks and increasing share of the new private sector banks, which were set up around mid-1990s. The private sector banks with limited branches and moderate ATM networks have been able to attract customers, expanding their asset and liability business with both speed and volume with high tech platforms. The outreach of Indian banking system has increased in terms of expansion of branches/ATMs with the onset of new technology. New Technology not just in terms of having a fully automated back-end accounting system, but also in terms of being able to provide the bank's customers with superior and innovative products with greater convenience by using new channels of marketing which has made all the difference. The financial performance of banks also improved as reflected in their increased profitability. Even the non-performing loans have decreased considerably in recent times.

KEY WORDS: Public sector banks, Private sector banks, ATM.

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