

## **Indian Banking new vision**

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### **Abstract**

Banking, the world over, has been changing at a spectacular pace. This change is due to multifarious factors like the need to be efficient in function, thirst for becoming a finance superpower than mere banks, the growing importance of private banking. The decade of 90 has witnessed a sea change in the way banking is done in India. Technology has made a tremendous impact on banking. 'Anywhere banking and anytime banking' have become a reality.

**Keywords:** banking, risk and business

### **Introduction**

A bank is a financial institution and a financial intermediary that accepts deposits and channels who deposits into lending activity. A Bank links together customers that have capital deficits and customers with capital surpluses. Bank offers many different channels to access their banking and other services Automated Teller Machine (ATM), a branch in location, mail, mobile banking, online banking, telephone banking, video banking, and DSA.

Banking has gone through many dramatic changes in the last two decades. National/International trade has a major impact on the need to operate the banking system on a global basis. The larger banking entities, by virtue of their economic power, economic size, and high economic performance, have a high capability to influence the market trends and global growth of banks in all parts of the world.

The banking sector is one of the most important economic sectors and the most influential and responsive to charges. Banking activity can be divided into Business banking, mobile banking, internet banking, private banking, investment banking, ATM banking, corporate banking, and retail banking

### **Business Banking**

"Banking Business" means the business of perceiving money or current or deposit an account, paying and collecting cheques were drawn by or paid in by customers. A business bank is a type of bank that provides services such as accepting deposits, making business loans and offering basic investment products.

### **Mobile Banking**

Mobile banking is a system that allows customers of a financial institution to conduct a number of financial transactions through a mobile device such as mobile phones or personal digital assistants. Mobile banking is until recently (2010). Most offer been performed via SMS or the mobile web.

### **Internet Banking**

Internet banking or E-banking means any user with a personal computer and a browser can get connected to his bank's website to perform any of the virtual banking

functions. In an interest banking system, the bank has a centralized database that is web-enabled. The following terms are for electronics banking: Personal computer banking, virtual banking, online banking, home banking, remote banking.

### **Private Banking**

Private banking is banking, investment, and financial service provided by banks to private individuals who invest in sizeable assets. This banking provides wealth management services to high net worth individuals and families. The term private refers to customer service rendered on a more personal basis than in mass-market retail banking

### **Investment Banking**

Investment banking is a financial institution that assists individuals, corporations, and governments in raising capital by underwriting or acting as the client's agent in the issuance of securities. In other words, investment banking is related to activities on the financial markets. However, some are owned by the government or are non-profit organizations.

### **ATM Banking**

ATM is designed to perform the most functions of bank. An ATM is also known as an automated banking machine. It is an electronic telecommunications devise that enables the clients of a finical institution to perform financial transactions without the need for a cashier, human clerk or bank teller.

### **Corporate Banking**

This type of banking is directed at large business entities. Corporate banking is also known as business banking, refers to the aspects of banking that deals with corporate customers. The term was original used in the USA to distinguish it from investment banking.

### **Retail Banking**

Banking in which banking institutions execute transactions directly with customers and small businesses. Retail banking comprises a wide variety of products and services

including checking and saving accounts, certificates of deposits, mortgage, and foreign currency remittance services. There are various products of retail banking. These are:- saving and transaction accounts, personal loans, debit and credit cards, etc.

### **Working Principle**

Law of a large number, probabilistic modeling critical success factors:-

- Distribution-Branch, Channels
- Branding
- Pricing
- Risk Management
- Retail loans constitute 7 and of our economy versus 35% in their Asian countries.
- Retail assets are at only 25% of the total banking as5sets
- 41% of India's adult population is unbanked.
- 73% of farm households have no access to institutional credit
- Number of loan accounts, 14% of adult population
- Share of money lenders in rural dept has moved from 17% in 1991 to 38% in 2002

### **Risk**

Banks face a number of risks in order to conduct their business and how well these risks are managed, understood is a key driver behind profitability and how much capital a bank is required to hold. Some of the main risks faced by the bank are credit risk, liquidity risk, market risk, operational risk, reputation risk and microeconomics risk.

### **Conclusion**

Thus the present paper throw slight on the various aspects of banking and risks faced by it. Due to globalizations, we can say that there is a big gap between traditional and modern banking.

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