

Scheduled banks in India means the State Bank of India constituted under the State Bank of India Act, 1955 (23 of 1955), a subsidiary bank as defined in the State Bank of India (Subsidiary Banks) Act, 1959 (38 of 1959), a corresponding new bank constituted under section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 (5 of 1970), or under section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980 (40 of 1980), or any other bank being a bank included in the Second Schedule to the Reserve Bank of India Act, 1934 (2 of 1934), but does not include a Cooperative bank.

Scheduled banks are public sector (nationalized) banks, private banks and foreign banks operating in India.

### **Public Sector Banks:**

To have a control on the financial sector, in the year 1969 the Government of India nationalised the following 14 banks in India:

1. Central Bank of India
2. Bank of Maharashtra
3. Dena Bank
4. Punjab National Bank
5. Syndicate Bank
6. Canara Bank
7. Indian Bank
8. Indian Overseas Bank
9. Bank of Baroda
10. Union Bank
11. Allahabad Bank
12. United Bank of India
13. UCO Bank
14. Bank of India

The second phase of nationalization of Indian banks took place in the year 1980 where in the following six banks were nationalized:

1. Andhra Bank
2. Corporation Bank
3. New Bank of India (Merged with Punjab National Bank in 1993)
4. Oriental Bank of Commerce
5. Punjab and Sindh Bank

## 6. Vijaya Bank

There are two other banks categorised under Public sector banks, which are:

1. Bharatiya Mahila Bank
2. IDBI Bank

### **Private Sector Banks:**

1. Axis Bank
2. Bandhan Bank
3. Catholic Syrian Bank
4. City Union Bank
5. Development Credit Bank
6. Dhanlaxmi Bank
7. Federal Bank
8. HDFC Bank
9. ICICI Bank
10. IDFC Bank
11. IndusInd Bank
12. ING Vysya Bank (merged with Kotak Mahindra Bank in 2015)
13. Jammu and Kashmir Bank
14. Karnataka Bank
15. Karur Vysya Bank
16. Kotak Mahindra Bank
17. Lakshmi Vilas Bank
18. Nainital Bank
19. Ratnakar Bank
20. South Indian Bank
21. Tamilnad Mercantile Bank
22. Yes Bank

### **Foreign Banks:**

The Foreign Banks are incorporated outside India and operate branches in India:

1. AB Bank Ltd
2. Abu Dhabi Commercial Bank Ltd
3. American Express Banking Corporation
4. Australia and New Zealand Banking Group Ltd

5. Bank of Bahrain & Kuwait BSC
6. Bank of Nova Scotia
7. Bank Internasional Indonesia
8. Bank of Ceylon
9. Bank of America
10. Barclays Bank Plc
11. BNP Paribas
12. Citibank N.A.
13. Commonwealth Bank of Australia
14. Credit Agricole Corporate & Investment Bank
15. Credit Suisse A.G
16. CTBC Bank Co.,Ltd.
17. DBS Bank Ltd.
18. Deutsche Bank
19. Doha Bank
20. FirstRand Bank Ltd
21. HSBC Ltd
22. Industrial & Commercial Bank of China Ltd
23. Industrial Bank of Korea
24. J.P. Morgan Chase Bank N.A.
25. JSC VTB Bank
26. KBC Bank NV
27. Korea Exchange Bank
28. Krung Thai Bank Public Co. Ltd.
29. Mashreq Bank PSC
30. Mizuho Bank Ltd
31. National Bank of Abu Dhabi PJSC
32. National Australia Bank
33. Rabobank International
34. Sberbank
35. Shinhan Bank
36. Societe Generale
37. Sonali Bank Ltd
38. State Bank of Mauritius
39. Standard Chartered Bank
40. Sumitomo Mitsui Banking Corporation
41. The Bank of Tokyo- Mitsubishi UFJ, Ltd.
42. The Royal Bank of Scotland N.V.
43. UBS AG
44. United Overseas Bank Ltd

45. Westpac Banking Corporation

46. Woori Bank

### **Principle activities of Scheduled Commercial Banks**

- **Retail Banking:** Retail banking may be defined as doing banking business with individual customers. It caters both to the assets and liabilities side of the balance sheet of the bank like fixed deposits, savings bank and current accounts on the liabilities side and personal loans, housing loans, auto loans and educational loans on the asset side. There are also ancillary activities under retail banking like credit cards, debit cards and depository services. Retail banking is the key profit driver of the bank and the risk is very well diversified. The various products offered under Retail Banking is as follows:

#### Retail Deposit Products

- i. Savings Bank account
- ii. Current Account
- iii. Recurring Deposit account
- iv. Term Deposit account
- v. Zero Balance account

#### Retail Loan Products

- i. Home Loans
- ii. Auto Loans
- iii. Consumer Loans
- iv. Personal Loans
- v. Educational Loans
- vi. Small Trade advances
- vii. Crop loans
- viii. Credit Cards

#### Retail Services

- i. Safe Deposit lockers
- ii. Depository Services
- iii. Bancassurance Products

- Wholesale Banking: Wholesale banking caters to corporates, multinational companies and public sector companies. Wholesale banking also can also be referred to as corporate banking or commercial banking. The banks offer innovative products to these customers after understanding the risk profile of each corporate customer. The various products offered under Wholesale/Corporate/Commercial banking are:

#### Fund Based Products

- i. Term Lending
- ii. Working Capital Finance
- iii. Short Term Finance
- iv. Bill Discounting
- v. Structured Finance
- vi. Export Credit

#### Non Fund Based Products

- i. Bank Guarantees
- ii. Letter of Credit
- iii. Collection of Bills and Documents

#### Value Added Services

- i. Cash Management Services
- ii. Vendor Financing
- iii. Corporate Salary accounts
- iv. Forex Desk
- v. Derivatives Desk
- vi. Tax Collection
- vii. Money Market Desk
- viii. Bankers to Right and Public issue of shares
- ix. National Electronic Fund Transfer (NEFT)
- x. Real Time Gross Settlement (RTGS)
- xi. Electronic Clearing Services (ECS)

#### Internet Banking Services

- i. Payment Gateway Services
- ii. Corporate Internet Banking

- International Banking: Banking services catering cross border transactions are called international banking. The products offered under International Banking are:

#### Export Products

- i. Export Packing Credit
- ii. Export Bill Negotiation
- iii. Export Bill Purchased and Discounted
- iv. Export Bill Collection Services
- v. Bank Guarantees
- vi. Rupee advance against export bills

#### Import Products

- i. Import Collection Bill Services
- ii. Direct Import Bills
- iii. Advance Payment towards Imports
- iv. Import Letter of Credit
- v. Bank Guarantees

#### Remittance Services

- i. Foreign Inward Remittances
  - ii. Foreign Outward Remittances
- Universal Banking: Universal Banking offers variety of services like banking, insurance, mutual funds, capital market related products like share broking, commodity broking, investment type products like sale of gold, government bonds, advisory services and merchant banking under one roof. The positive factors of doing universal banking is that the banks will be able to cross sell and deep sell the products and earn interest income and fee come. The customer is benefitted since he gets all his financial needs under one roof.