

BANKER

BABU3.0

BANKS VS NBFC



A bank is a financial institution that accepts deposits from the public and creates a demand deposit while simultaneously making loans

बैंक एक वित्तीय संस्थान है जो जनता से जमा स्वीकार करता है और ऋण देने के साथ-साथ मांग जमा भी बनाता है

RBI

BANKING REG. ACT, 1949



As per Section 5(b) of the Banking Regulation Act, 1949 , “banking” means the accepting, for the purpose of lending or investment, of deposits of money from the public, repayable on demand or otherwise, and withdraw-able by cheque, draft, order or otherwise.

बैंकिंग विनियमन अधिनियम, **1949** की धारा **5 (बी)** के अनुसार, "बैंकिंग" का अर्थ है उधार देने या निवेश के उद्देश्य से जनता से धन जमा स्वीकार करना, जिसे मांग पर या अन्यथा चुकाया जा सके और चेक द्वारा निकाला जा सके। , मसौदा, आदेश या अन्यथा।

भारतीय स्टेट बैंक
State Bank Of India

New Delhi
Kapil Bazar NH, 65 Ram Ghat
Mahadev Road - 110025
IFC CODE - SBIN0011256

01012020
D D M M Y Y Y Y

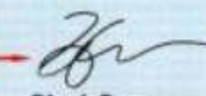
PAY **Teach Lane** जो या उनके आदेश पर OR ORDER

रुपये RUPEES **Five Thousand Only**

अंश को ₹ **5000/-**

चैक नं. 8563261452630 VALID FOR Rs. 100000/- & UNDER

Prefix : 1518900002

Here Signature 
Dipak Das
Please sign above

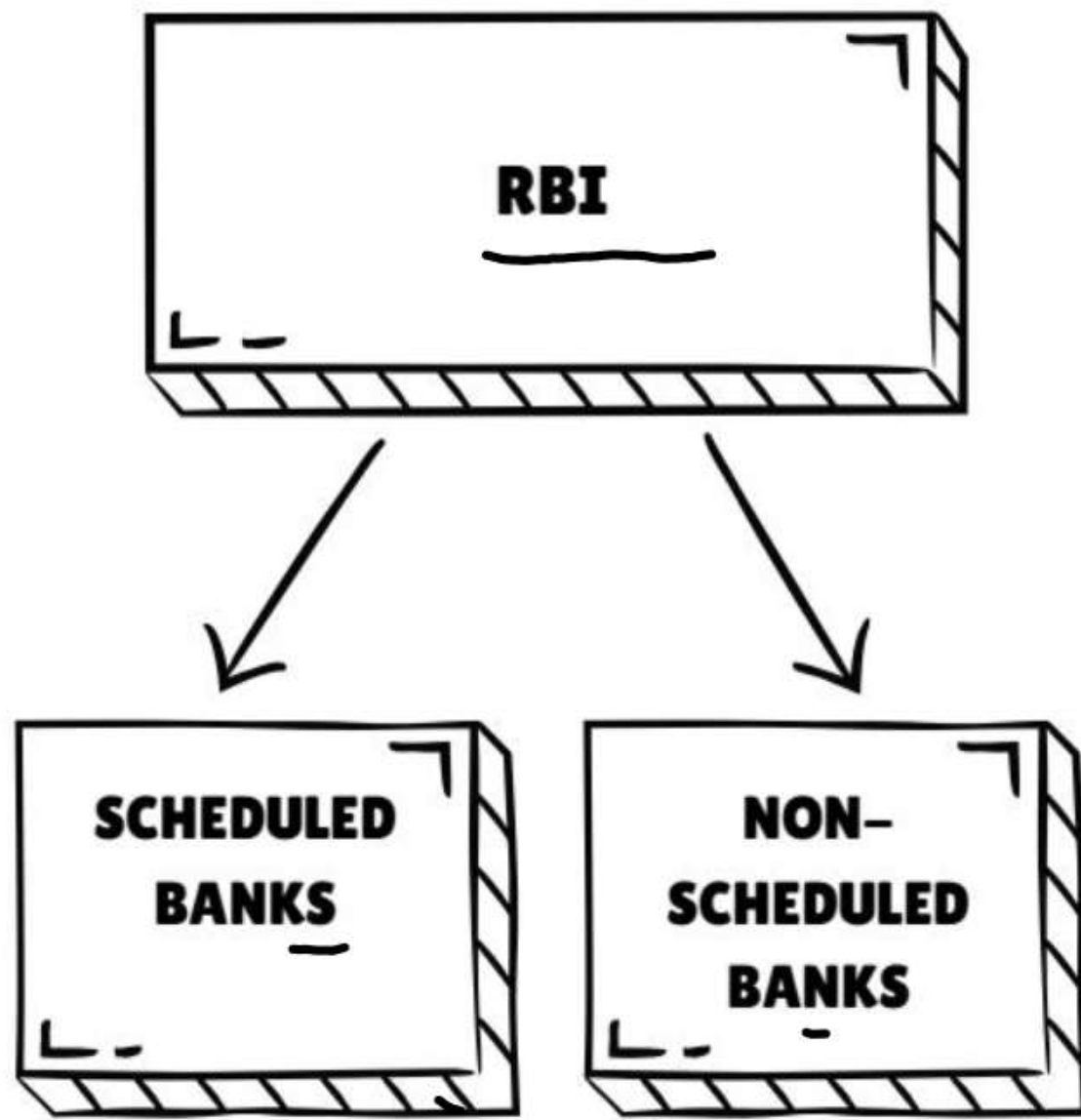
MULTI-CITY CHEQUE Payable at Par at All Branches of SBI

⑈950020⑈ 6950020324 002860⑈ 31

Cheque No MICR Code RBI A/C NO Transaction Code

Types OF

BANKS



CLASSIFICATION OF BANKS

- **Scheduled Banks under the Banking System in India refer to those financial institutions that are listed in the 2nd Schedule of the Reserve Bank of India Act, 1934**
- **Non-Scheduled Banks under the Banking System in India refer to those financial institutions that don't meet the criteria to be included in the 2nd Schedule of the Reserve Bank of India Act, 1934.**
- **The Only existing Non-scheduled Banks are Local Area Banks.**

SCHEDULED BANKS



RBI CLASSIFIES BANKS AS SCHEDULED BANKS WHICH ARE UNDER SECTION 2(E) OF RBI ACT, 1934

PARAMETERS

- Banks have to maintain a paid up capital of 5 lakh rupees.
- Maintain CRR. **CASH RESERVE RATIO**
- Authorised to borrow funds from RBI
- RBI allows Scheduled Banks to raise debts and loans at bank rates.

500 cr - 1000 cr
PAID UP
CAP

TYPES

COMMERCIAL BANKS

- ✓ Public Sector Banks
- ✓ Private Sector Banks
- ✓ Foreign Sector Banks

PROBABLE TYPES

- ✓ PAYMENT BANKS
- ✓ SMALL FINANCE BANKS
- ✓ COOPERATIVE BANKS

PUBLIC SECTOR BANKS



ANY BANK IN WHICH THE GOVT. OF INDIA OWN ATLEAST 51% SHARES IS CALLED A PUBLIC SECTOR BANKS

NATIONALIZATION

Nationalisation of Private Banks happened on 1969 and 1980 which led to the creation of 20 Public Sector Banks.

At present, India has 12 Public Sector Banks

FEATURES

HQ : Within India
For Profit Organisation
Involved in Commercial and Welfare activities like Priority Sector Lending and Government Business

MERGERS

- In April 2017, 5 associate banks were merged with SBI
- Bhartiya Mahila Bank was also merged along with RBI
- Oriental Bank of Commerce
- United Bank of India : PNB
- Syndicate Bank : Canara
- Allahabad Bank : Indian Bank
- Andhra Bank, Corporation Bank : UBI
- Dena Bank, Vijaya Bank : Bank of Baroda

State Bank of India	1955	Mumbai, India
Punjab National Bank	1908	New Delhi, India
Bank of Baroda	1908	Gujarat, India
Canara Bank	1906	Bangalore, India
Union Bank of India	1919	Mumbai, India
Bank of India	1906	Mumbai, India
Indian Bank	1907	Chennai, India
Central Bank of India	1911	Mumbai, India
Indian Overseas Bank	1937	Chennai, India
UCO Bank	1943	Kolkata, India
Bank of Maharashtra	1935	Pune, India
Punjab & Sindh Bank	1894	Rajendra Place New Delhi, India

PSU banks	FY24	FY23	FY22	FY21
SBI	61,077 	50,232	31,676	20,410
Bank of Baroda	17,788	14,110	7,272	829
Canara Bank	14,554	10,604	5,678	2,558
Union Bank of India	13,649	8,433	5,232	2,906
PNB - 228% 	8,245	2,507	3,457	2,022
Indian Bank	8,063	5,282	3,945	3,005
Bank of India	6,318	4,023	3,405	2,160
Bank of Maharashtra	4,055	2,602	1,152	550
Indian Overseas Bank	2,656	2,099	1,710	832
Central Bank of India	2,549	1,582	1,045	-888
UCO Bank	1,654	1,862	930	167
Punjab and Sind Bank 	595	1,313	1,039	-2,733
Total	141,203	104,649	66,541	31,818

PRIVATE SECTOR BANKS



PRIVATE BANKS ARE FINANCIAL INSTITUTIONS OWNED AND OPERATED BY PRIVATE SHAREHOLDERS, DRIVEN BY A PROFIT MOTIVE.

PRIVATISATION

Private Banks were setup after which some of them were nationalised.

However, in 1993, New Private Banks were given the license.

FEATURES

HQ : Within India

For Profit Organisation

Majorly owned by Private Sector

Two Types : Old and New Private Banks

1993
(BEFORE)

1993 - AFTER

PRIVATE BANKS

21 PRIVATE BANKS ARE WORKING RIGHT NOW IN INDIA

Bank name ⇅	Established ⇅	Headquarters ⇅
Axis Bank	1993	Mumbai, Maharashtra
Bandhan Bank	2015	Kolkata, West Bengal
CSB Bank	1920	Thrissur, Kerala
City Union Bank	1904	Kumbakonam, Tamil Nadu
DCB Bank	1930	Mumbai, Maharashtra
Dhanlaxmi Bank	1927	Thrissur, Kerala
Federal Bank	1931	Kochi, Kerala
HDFC Bank	1994	Mumbai, Maharashtra
ICICI Bank	1994	Mumbai, Maharashtra
IDBI Bank	1964	Mumbai, Maharashtra

IDFC First Bank	2015	Mumbai, Maharashtra
IndusInd Bank	1994	Mumbai, Maharashtra
Jammu & Kashmir Bank	1938	Srinagar, Jammu and Kashmir
Karnataka Bank	1924	Mangaluru, Karnataka
Karur Vysya Bank	1916	Karur, Tamil Nadu
Kotak Mahindra Bank	2003	Mumbai, Maharashtra
Nainital Bank	1922	Nainital, Uttarakhand
RBL Bank	1943	Mumbai, Maharashtra
South Indian Bank	1929	Thrissur, Kerala
Tamilnad Mercantile Bank	1921	Thoothukkudi, Tamil Nadu
Yes Bank	2004	Mumbai, Maharashtra

FOREIGN BANKS



BANKS THAT SERVE CUSTOMERS OUTSIDE OF THEIR OWN COUNTRY ARE REFERRED TO AS "FOREIGN BANKS."

IMPORTANCE

99.1%

100 AYC

1 AC - FOR. BANKS

FUNCTIONING

- raise the volume of the country's exports and imports
- provide more job possibilities for the country's skilled workers.

Foreign banks in India account for only 1% of the country's branch network, but they contribute 11% of the country's banking sector profits.

WOS/BRANCH + RECIPROCITY

A FOREIGN BANK IS A SCHEDULED BANK ONLY WHEN AN INDIAN BANK IN THE FOREIGN BANK'S COUNTRY IS A SCHEDULED BANK

HSBC



PUBLIC BANK



SHINHAN BAN



UOB



CIMB BANK

Standard
Chartered



WOORI BANK



HONG LEONG BANK

RRB



REGIONAL RURAL BANKS WERE SETUP TO ADDRESS THE RURAL BANKING NEEDS.

COMMITTEE

The Narasimham Committee on Rural Credit (1975) recommended the establishment of Regional Rural Banks (RRBs).

FIRST RRB

The first RRB was Prathma Bank which was setup on 2nd October, 1975 in Muradabad, Uttar Pradesh

COMPOSITION

50% : Government of India
15% : State Government
35% : Sponsored Bank
Sponsored Bank is a Public Sector Bank which provides expertise and investment

COOPERATIVE BANKS



THE BANKS OPERATE ON THE PRINCIPLES OF COOPERATION AND MUTUAL BENEFIT FOR THEIR MEMBERS.

REGISTRATION AND REGULATION

States' Cooperative Societies Act
RBI/NABARD AND RCS

REQUIREMENTS

OF

CO-OPERATIVE SOCIETIES

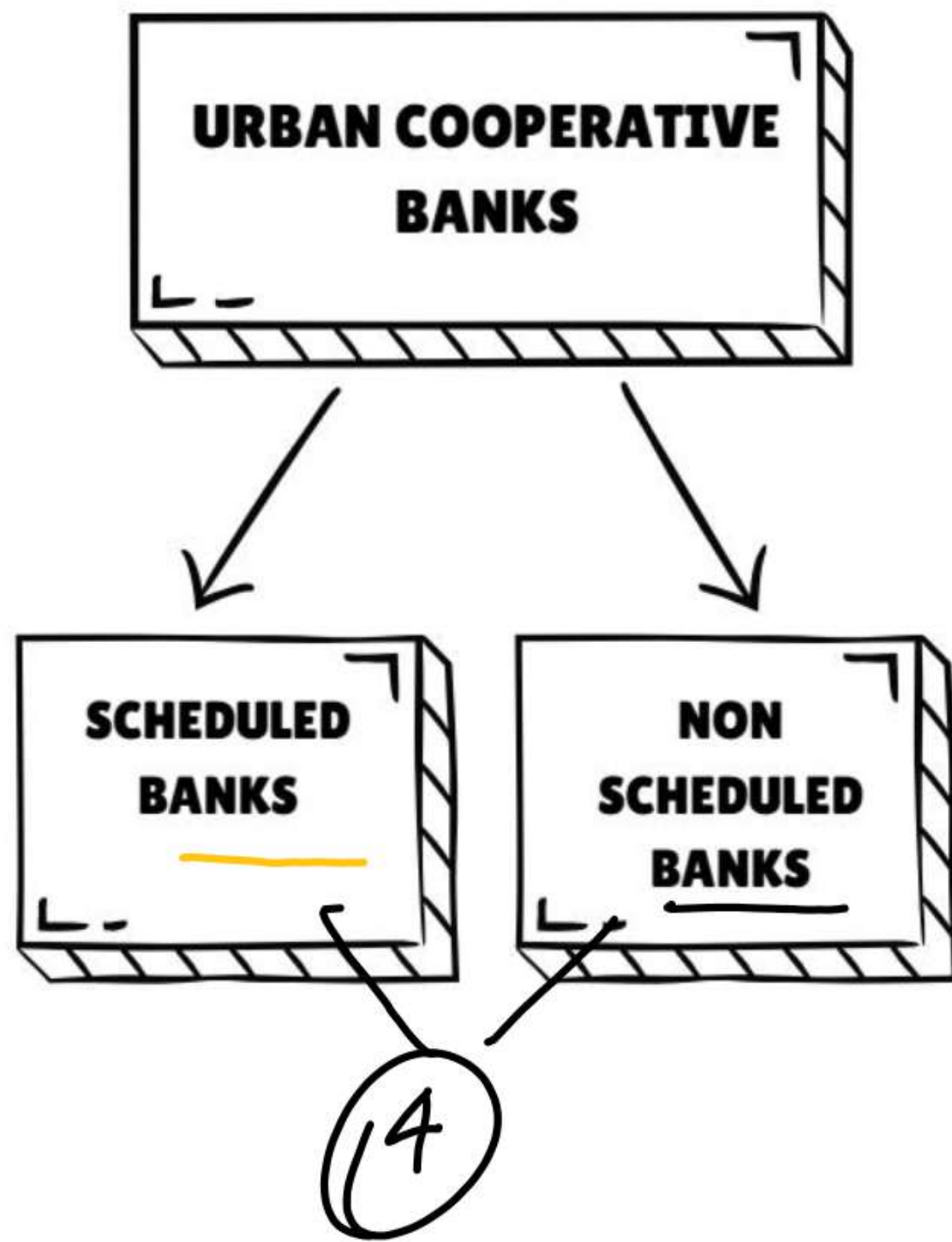
STRUCTURE

Co-operative banks are divided into
Urban and Rural Cooperative Banks
Rural : Short term and Long term
Urban : Divided based on Asset Size

(LOAN/DEPOSIT)

UNIQUENESS

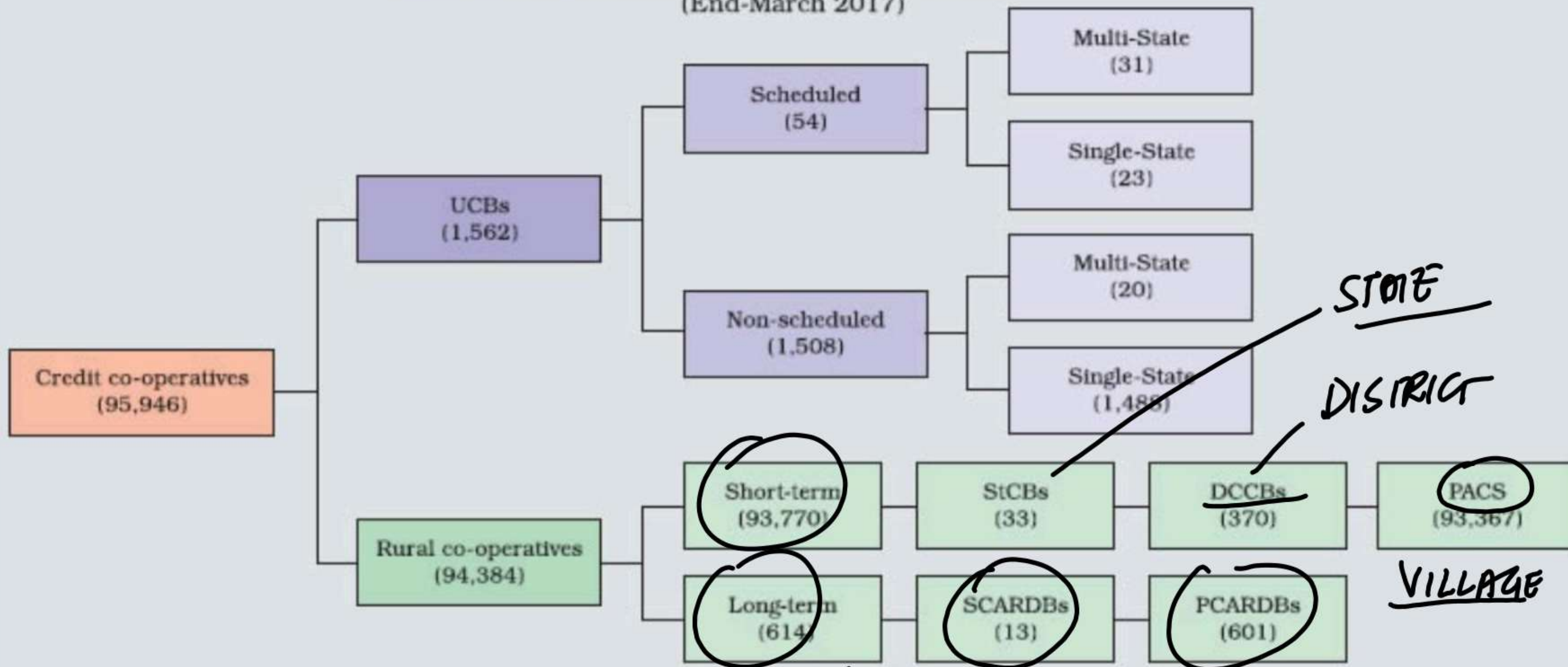
Borrowers are member shareholders,
so they have some influence on the
lending policy of the banks, on account
of their voting power.



NATIONALISATION OF BANKS

- **Tier 1** with all unit UCBs and salary earner's UCBs (irrespective of deposit size) and all other UCBs having deposits up to Rs 100 crore.
- **Tier 2** with UCBs of deposits between Rs 100 crore and Rs 1,000 crore.
- **Tier 3** with UCBs of deposits between Rs 1,000 crore and Rs 10,000 crore.
- **Tier 4** with UCBs of deposits more than Rs 10,000 crore.
- **Tier 1 UCBs** shall maintain a minimum CAR of 9 per cent of risk-weighted assets (RWAs) on an ongoing basis. **Tier 2 to tier 4 UCBs** shall maintain a minimum **CAR of 12 per cent of RWAs**

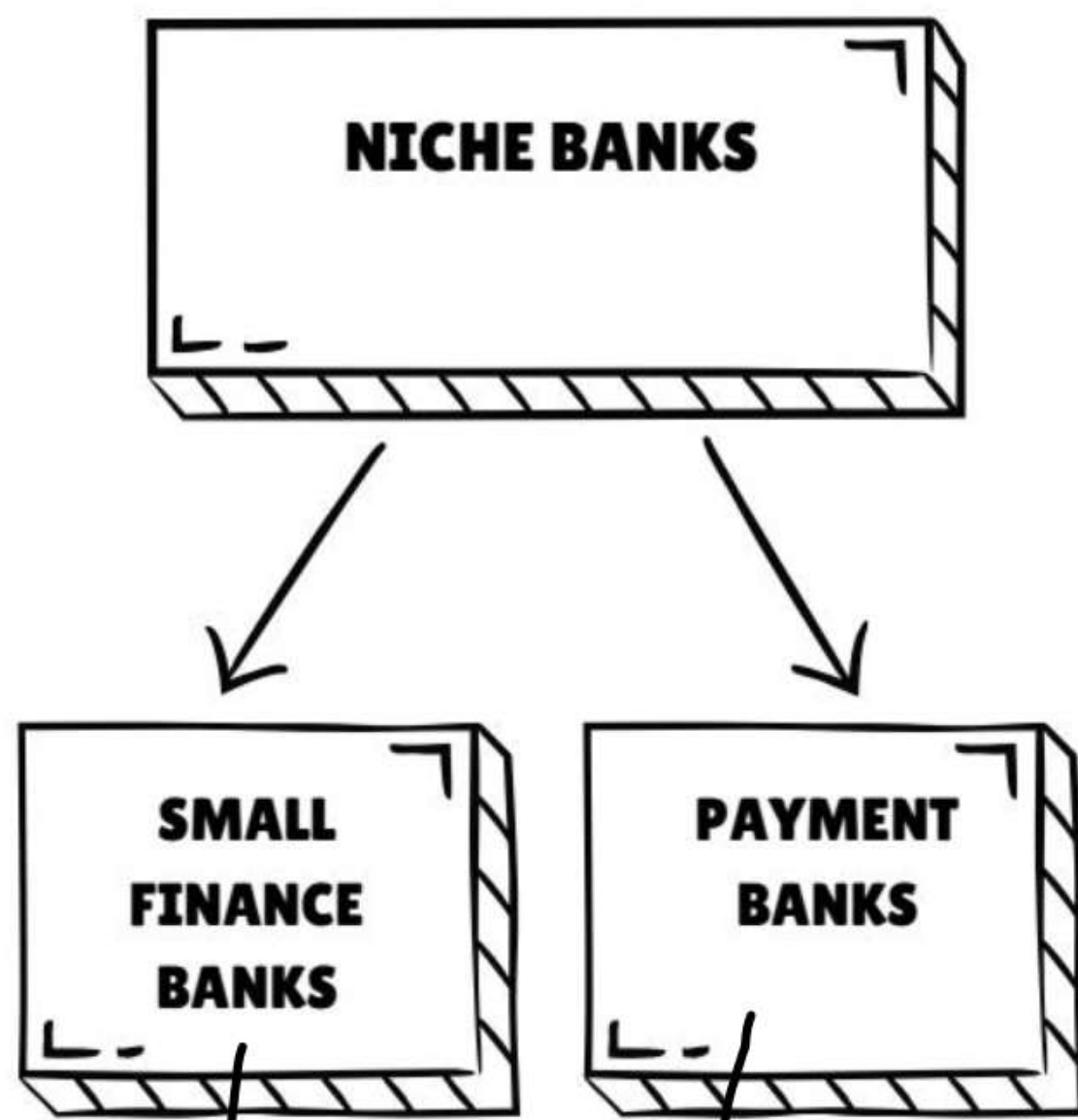
Chart VI.1: Structure of Co-operative Credit Institutions in India
(End-March 2017)



StCBs: State Co-operative Banks; DCCBs: District Central Co-operative Banks; PACS: Primary Agricultural Credit Societies; SCARDBs: State Co-operative Agriculture and Rural Development Banks; PCARDBs: Primary Co-operative Agriculture and Rural Development Banks.

Notes: 1. Figures in parentheses indicate the number of institutions at end-March 2017 for UCBs and at end-March 2016 for rural co-operatives.

2. For rural co-operatives, the number of co-operatives refers to reporting co-operatives.



SMALL FINANCE BANKS

- provide financial services to the unserved and unbanked region of the country.
- They are registered as a public limited company under the Companies Act, 2013.
- SFBs will be given scheduled bank status once they commence their operations, and found suitable as per Section 42 of the Reserve Bank of India Act, 1934.
- They work as **Differentiated** banks and do not possess **Universal Bank** license.

SCHEDULED BANK

CONVERT
SMALL FIN. BANK

NICHE
BANKS
MLM

LOAN 25 LAKH
50% ERM
LOAN

UNIVERSAL BANK CRITERIA

ON TAP LICENCE

+
GLIDE PATH

ROUTE

1

Minimum Net Worth
Requirement: - 1000 Cr

2

Track Record - 5Y - WORK

3

TWO FY - PROFIT
Financial Performance Criteria

4

15% / STOCK EXCHANGE
CAR, Listing, Gross NPA and Net NPA
3% / 1%

Small Finance Bank	Foundation Date
<u>AU Small Finance Bank</u>	1996
<u>Capital Small Finance Bank</u>	2000
<u>Equitas Small Finance Bank</u>	2007
<u>ESAF Small Finance Bank</u>	1992
<u>Fincare Small Finance Bank</u>	2007
<u>Jana Small Finance Bank</u>	2008
<u>Northeast Small Finance Bank</u>	2017
<u>Shivalik SFB</u>	2009
<u>Suryoday Small Finance Bank</u>	2005
<u>Utkarsh Small Finance Bank</u>	2009
<u>Unity Small Finance Bank</u>	2021
<u>Ujjivan Small Finance Bank</u>	2005

#StrongerTogether



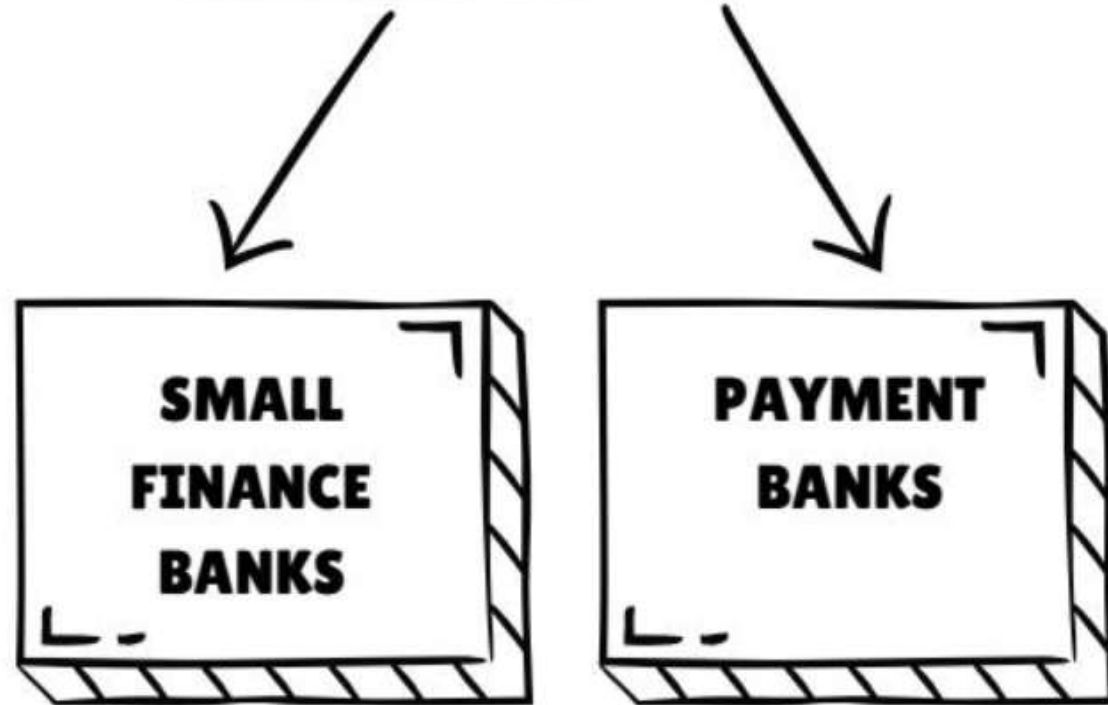
fincare
Small Finance Bank

IS
NOW



AU
SMALL
FINANCE
BANK

NICHE BANKS



PAYMENT BANKS

- A payments bank is like any other bank, but operating on a smaller scale without involving any credit risk.
- It can accept demand deposits (up to Rs 2 lakh), offer remittance services, mobile payments/transfers/purchases and other banking services like ATM/debit cards, net banking and third-party fund transfers.
- It does not issue loans and credit cards
- widen the spread of payment and financial services to small business, low-income households, migrant labour workforce in secured technology-driven environment.

Script New Chapters of Growth
with IPPB as **Business Correspondents**

APSE+

- Full Money in IPPB Account
- Address to Address Fund Transfer
- Balance Enquiry
- Mini Statement

Account Opening

Fund Transfer (NEFT/IMPS)

Bill Payments

Account Upgradation

Account Services

And Many More...

Payment Banks in India

S. No.	Name	Headquarters
1.	Airtel Payments Bank Limited	New Delhi
2.	India Post Payments Bank Limited	New Delhi
3.	Fino Payments Bank Limited	Navi Mumbai
4.	Paytm Payments Bank Limited	Noida, UP
5.	Jio Payments Bank Limited	Navi Mumbai
6.	NSDL Payments Bank Limited	Mumbai

NBFC

Basis of Deposits

Deposit Taking NBFC : Bajaj Finance
Non Deposit Taking NBFCs : Muthoot Finance

Basis of Their Activity

NBFC-Non-Operative
Financial Holding Company
(NOFHC)

Basis of Their Activity

Infrastructure Debt Fund (IDF-NBFC)
Micro Finance Institutions (NBFC-MFI)
Infrastructure Debt Fund (IDF-NBFC)
Non-Banking Financial Company-Factors
(NBFC-Factors)

Basis of Their Activity

Systematically Important Core
Investment Company (CIC-ND-SI)
Infrastructure Finance Company (IFC)
Micro Finance Institutions (NBFC-MFI)

Basis of Their Activity

Asset Finance Company
Loan Company
Mortgage Guarantee Company
Investment Company

Basis of Their Assets Size

Systematically Important NBFCs :
Bajaj Finserv
Non-systematically Important NBFCs
: Magma Fincorp



TO BE CONTINUED

