

Banking: Definition and Evolution

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Abstract— Banking plays a very important role in the country's economy. The purpose of this paper is to know various definitions of the word 'Bank', its evolution and its changes. The data has been gathered through secondary sources including the report of RBI, other articles written by eminent authors. This paper concludes that there is a drastic change in the role of banking since its existence to till today, playing a vital role in economic and social development of Indian society.

Index Terms—Banking, Economy, Evolution, Money .

1 INTRODUCTION

The bank is a financial institution which deals with debits and credits. It lends, accepts and deposits money, builds the gap between the lenders and the borrowers. Banks are not only dealing with money but are also producers of money [2].

The lack of transferability of goods or services was confusing at the time of barter system which brought the currency into existence to measure in terms of exchange. Everyone uses money. We work for it, think about it and all want it. The growth and creation of money was not tangible, while it was the way to get the things we need and desire [3].

Banks have come all the way from temples to current world with no change in the basic business practice, that is to provide loans to one who needs and protect depositor's money [4]. The development of the economy of the country is through all the sections of the society but due to the illiteracy and un-awareness of technology usage the growth of economy is lagging [1].

With the advent of globalization, the banking sector has improved its services in response to the increase in competitive pressure and demand for economic growth [19].

2 OBJECTIVES

- i. To understand how banking came into existence
- ii. The need for the existence and growth of the banks
- iii. To find the changes in the banking definition with the changes in its services

3 METHODOLOGY

This paper was basically a generalized paper and descriptive study. It tries to review how the banking came into the existence. It completely relies on the secondary data, which was collected from the websites, prowess database, previous articles and journals published by eminent faculty.

4 REVIEW OF LITERATURE

4.1 BANK DEFINITION

The bank is a financial institution which deals with cash inflows, outflows, credits etc. It lends money to the needy, accepts the deposits, acts as intermediary between the lenders

and the borrowers. They will not only deal with money but are also the producers of the money [2].

4.1.1 DEFINITIONS

- Walter Leaf defined the bank, "A bank is a person or corporation which holds itself out to receive from the public, deposits payable on demand by cheque".
- According to Horace White, "as a manufacture of credit and a machine for facilitating exchange" [2].
- Professor Kinley defined bank as, "A bank is an establishment where individuals makes advances of money as may be required and safely made, and to which individuals entrust money when not required by them for use" [2].
- The Companies Act of India defines Bank as "A Bank is a financial institution which accepts money from the public for the purpose of lending or investment repayable on demand or otherwise withdrawable by cheques, drafts or order or otherwise".
- R P Kent defined, "Bank is a financial institution which acts as an intermediary and deals in loans and advances"[5].
- P A Samuelson defined, "Bank provides service to its clients and in turn receives perquisites in different forms".
- W Hock defined, "Bank is such an institution which creates money by money only."
- Sir John Pagette defined, "Bank is such a financial institution which collects money in current, savings or fixed deposit account; collects cheques as deposits and pays money from the depositors account through cheques."
- Indian Company Law 1936 defines Bank as "a banking company which receives deposits through current account or any other forms and allows withdrawal through cheques or promissory notes" [5].
- Keeping in view different definitions of the bank, a bank can be defined as "the financial institution which borrows the money from the depositor and lends it to the needy" [6].

4.2 EVOLUTION OF BANKS

Banks have been around since the first currencies were brought into existence and even before that [4].

Before the development of money (the medium of exchange), barter system was in use, people would obtain the goods and services in exchange of other goods or services. Two persons each having some goods would enter into an agreement to trade.

In the ancient period, the tax of goods may be reasonable but it was difficult to carry and such kind of payment was not desirable. The empires were in a need to pay for exchange of goods with more ease. In place of impermanent bills coins of different sizes and metals were used [4].

The second stage of evolution was people started using the receipts given by the goldsmiths as the medium of exchange. People purchased various things against these receipts.

This period was when merchants started lending the portion of their deposits to earn profits which comes in the form of interest which was the third stage of evolution. Goldsmith started the business of lending, also paid more interests to attract the depositors.

It was the time when people were eager to earn more profits and the borrowers also increased. So for such business the regular financial institutions came into existence which is known as the fourth stage of evolution [15].

Now the central bank and the reserve banks are the monetary authority to manage the currency, money supply and interest rates [7].

Central banks in most developed nations are to be independent from political inferences [11,2]. The growth in the trade increased the number of banks and its activities were broadened. The merchant bankers dealt with all activities from underwriting bonds to foreign loans. Still the control by executive and legislative bodies exists [12, 13, 14].

4.2.1 MONEY IN USE

The lack of transferability of goods or services was confusing and inefficient. In order to resolve these problems the commodity money came into existence, a kind of good that acts as a currency. The American Colonialists used the dried corn in 17th and 18th century for transactions to buy and sell the things which were valuable, durable, portable, desirable and easily storable. Then came into existence the precious metal gold, silver and copper to purchase and sell the things which is the second type of money called Fiat money. As the metals were scarce and economy was growing quickly, it was difficult to mine enough metal to reach the supply of currency requirements [3]. Currency came into existence with taxation policy [4].

4.2.2 EXISTENCE OF BANKS

In the early ages the wealth was not secure. Due to the fear of robbery people buried their wealth underground but this was not satisfactory. People started finding the ways to hide as it gained more importance [4]. After a long search people found the reliable people to hide their wealth with gold

smiths. Gold Smiths were trusted to be reliable as they were financially sound and had very strong iron safes to keep gold, money etc [15].

These coins were required to be kept in a safest place. During ancient times, the houses didn't have safety lockers. The wealthy people maintained their accounts in the temples under the priests whom one hoped to be devout and honest [4].

The records of Ancient Babylon, Greece and Rome suggested that the temples gave loans out keeping the money safe. It was true that in major cities most of the temples were financial centers but were ransacked during the wars. Wealthy merchants started lending money to the needy people with interest rate. Temples generally handled large loans and this raised to new type of money lenders [4].

The Bank of England was the first bank to issue the bank notes in 1661 [8]. It was hand written initially with the value of money, the bearer. The standard printed notes from £20 to £1000 were printed in 1745. It was in 1855, the complete printed notes that did not require cashier's signature and the name of the payee [9].

The first overdraft facility was used by the Royal Bank of Scotland in 1720 [10]. In 1797 when England was threatened by war, Parliament authorized the Bank of England and country bankers to issue the notes of low denomination [11].

THE FIRST BANK

The great architects, romans and the administrators took banking out of temples and organized them with separate buildings. Still the money lenders profited out of this, but the legal trade and governmental spending was done through the institutional banks [4]. Julius Caesar was the first person to allow the banks to takeover the land in case of non payments of loan. This was the historical shift from the creditor and debtor, as previously the debtors or creditors debts were passed on to their youngster's till their death

Eventually, the roman empire deteriorated but some of its banking institutions remained in the form of Pope bankers. The various rulers of Europe noted the advantage of banking institutions, they began to take loans using their powers to make-up for hard times which unnecessarily led to wars, army competitions with the neighbouring kingdoms leading to heavy debts. The first bankruptcy was in 1557, when Phillip II of Spain managed to burden his kingdom with so much debt [4].

MODERN BANKING

Adam Smith's "Invisible hand" theory established banking in the British Empire. His views empowered in self-regulation of economy, the state's involvement in the banking sector and in the whole economy was managed to minimize by the bankers.

Initially, Smith's ideas were not benefitted to the American Banking Industry as the average life was only five years and the notes became worthless after the banks became defaulted. The state chartered bank could issue only the banknotes

against the gold and silver coins which were in their reserve.

After all these, there came the robbery of the banks which brought the insurance in existence to reduce the risks. The national bank which accepted all the bank notes at par was established by the secretary of the treasury, Alexander Hamilton. This national bank after the cancellations, stops, starts created a uniform national currency thus creating a liquid market. By imposing the lawless rules on state banks, the national banks pushed the competition [15].

MERCHANT BANKS

The banking history began around 2000 BC in Assyria and Sumeria from the merchants who gave the grain loans to the traders who carried the goods between the cities and the farmers. In 14th century, the families of Bardi and Peruzzi living in the cities of Italy dominated banking establishing branches in many parts of Europe. Banca Monte dei Paschi di Siena is the oldest bank still operating since 1472 in Italy.

Most of the economic duties that were handled by national banks apart from the regular business banking activities like financing and loans were taken by merchant bankers as the national banking system was isolated. During this period the merchant bankers spread their services internationally in political and financial power like Goldman Sachs, Kuhn, Loeb and J P Morgan and Company. Most of them relied on commissions from the foreign bonds to build up the capital.

Earlier the bank could disclose the capital reserve as it did not had any legal obligation. the bank was under no legal obligation to disclose the capital reserve. The ability to survive large and issuing the above average loans making losses did not matter for banks while bank's reputation and history mattered. Many banks were on and off but family held merchant banks were successful.

The Federal Reserve Bank was formed in 1913, which was prompted to the government by J. P. Morgan. With its establishment the financial power and political power increased and America become global lender for world war I.

Importantly, domestic banking have come to the conclusion where the advent of insurance, mortgages and deposits by which an individual can easily access to credit.

During the 20th century, the development in the technology and telecommunications made the drastic changes to banking operations and is widely geographic spread. The financial crisis of 2007-2008 has tighten the regulations including the largest banks leading to many bank failures.

Now with the changing environment of the customers, business requirements and passage of time the activities of the banking are changing [15].

4.3 EVOLUTION OF BANKS IN INDIA

From the vedic period beginning of 1750 BC there are evidences of loans of the ancient India. During Mauryan rule, an instrument called Adesha, an order to a banker to pay the third person with a desire was in use which is now called as the bill of exchange as per our understanding today. During Buddhist period, the letters of credit was in use given in large

towns [8].

In the modernized banking every bank started issuing overdraft in order to earn more profits, this led to non maintenance of adequate reserves which caused financial crises. Now to maintain the goodwill of the bank, every government has the central bank whose instructions should be followed by all the commercial banks [15].

By the end of 16th century and during 17th the banking functions like transferring of funds, accepting deposits, money lending, money changing were combined with the issuance of bank debts which were the substitutes for silver and gold coins.

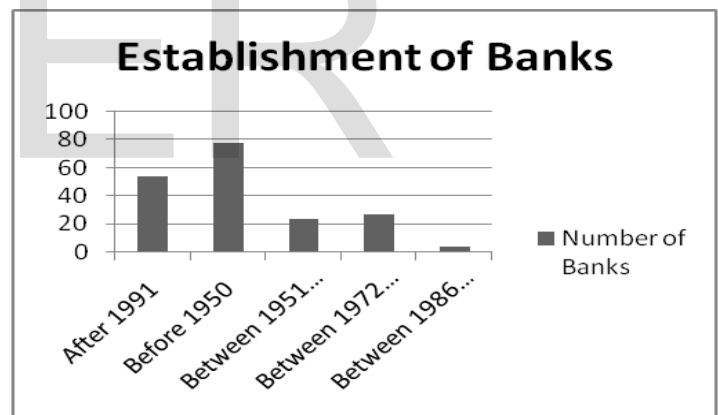
Banks became important for funding by the end of the 17th century, which led to the changes in the government regulations. The new banking implementations promoted the industrial growth by making the convenient means of payments.

4.3.1 ESTABLISHMENT OF BANK

The Reserve Bank of India is the central banking authority of India vested with extensive powers and for banking supervision [15].

The banking sector is the most important and the base for economy and its development of the country. Banking sector yields more than 70% of the funds flowing in the country.

Fig.1 Graphical representation of establishment of banks in India



Source: Prowess database
Refer Table 1

The Primary functions of any bank are:

- Payment of Operations
- To secure people's deposits and savings
- To issue the loans to individuals and the companies

In India the banking system is categorized in two stages:

1. Pre-Independence stage (1786-1947)
2. Post-Independence stage (1947 - till date)

Pre-Independence Phase (1786-1947)

The origin of the Bank in India was in the last decade of 18th century by British housing agencies in Kolkata and Mumbai in 1786 with the foundation of Bank of Calcutta.

In 19th century the three presidency banks under the British East India Company: Bank of Madras, Bank of Bombay and Bank of Bengal were established. The three presidency banks

merged together and formed the Imperial Bank of India which is now known as the State Bank of India.

- In 1865, Allahabad Bank was set up which is the first Indian owned
- The Punjab National Bank was established in 1895
- In 1906, the Bank of India was found
- Under Indian ownership many commercial banks like Canara bank, Indian bank, Central Bank of India, Bank of Mysore and Bank of Baroda were established between 1906 and 1913.
- With the recommendation of Hilton-Young commission the Central Bank of India, RBI was established in 1935

During this time, the Banking system was only covered by urban population, agricultural and rural sector was neglected.

Post- Independence Phase (1947 to till)

The Post-independence period is further divided into three stages:

1. Pre nationalization period
2. Post nationalization period
3. Liberalisation period

The banking industry was under private ownership during the independence. The rural population was dependent on small money lenders in order to fulfill their requirements. For solving such issues and for the development of the economy, Reserve Bank of India was nationalized by the government in 1949. The Imperial Bank was nationalized in 1955 which is now known as the State Bank of India. In 1949 the banking regulations were enacted.

Nationalisation Period (1969 to 1991)

In 1969, 14 major banks were nationalized by the Government of India where deposits were more than 50 crores.

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

After nationalization the Indian Banking System was highly developed but was not covered for rural and weaker section of the society. In order to solve these problems the Narasimhan Committee was formed in 1974 which recommended the establishment of Regional Rural Banks (RRB) whose main objective was to extend the credit to the rural section of the society. After the second wave of nationalization, the lending to the priority section was raised to 40% after which 6 more banks were nationalized in 1980.

1. Vijaya bank
2. Punjab and Sindh Bank
3. Oriental Bank of Commerce
4. New Bank of India
5. Corporation Bank
6. Andhra Bank

Liberalisation Phase (1991 to till date)

To improve the profitability and the financial stability of the public sector banks, the government of India has set up a committee under the leadership of M. Narasimhan which recommended several measures for changes in the banking system in India [2].

The major recommendations of the banks was to make banks strong and competitive, stable of the financial system.

Banks play an important role in productive investment opportunities from mobilizing the savings and in exerting the sound corporate governance whose development is crucial for economic growth [16].

Reserve Bank of India has been continuously stimulating the banking sector to extend the banking network by extending its branches [17,18].

Table 1.

Bank Name	Age Group	Year of incorporation
A B Bank Ltd.	After 1991	1996
A P Mahesh Co-Operative Urban Bank Ltd.	Between 1972 and 1985	1978
A U Small Finance Bank Ltd.	After 1991	1996
Abhyudaya Co-Op. Bank Ltd.	Between 1951 and 1971	1964
Abu Dhabi Commercial Bank Ltd.	Between 1972 and 1985	1980
Ahmedabad Mercantile Cooperative Bank Ltd.		
Allahabad Bank	Before 1950	1865
American Express Bank Ltd.	Between 1951 and 1971	1960
American Express Banking Corpn.		
American Express Intl. Banking Corpn.		
Andhra Bank	Before 1950	1923
Andhra Pradesh Grameena Vikas Bank		
Andhra Pragathi Grameena Bank		
Antwerp Diamond Bank N V	After 1991	2002

Apex Co-Operative Bank		
Apna Co-Operative Urban Bank Ltd.		
Apna Sahakari Bank Ltd.	Between 1951 and 1971	1968
Australia & New Zealand Banking Group Ltd.		
Axis Bank Ltd.	After 1991	1993
B N P Paribas		
Banares State Bank Ltd. [Merged]	Before 1950	1946
Bandhan Bank Ltd.	After 1991	2014
Bank Muscat Al Ahli Al Omani		
Bank Muscat S A O G	After 1991	1998
Bank Of America N A	Between 1951 and 1971	1964
Bank Of Bahrain & Kuwait Bsc	Between 1986 and 1990	1990
Bank Of Baroda	Before 1950	1908
Bank Of Ceylon	After 1991	1992
Bank Of India	Before 1950	1906
Bank Of Madura Ltd. [Merged]	Before 1950	1943
Bank Of Maharashtra	Before 1950	1935
Bank Of Nova Scotia	Before 1950	1900
Bank Of Punjab Ltd. [Merged]	After 1991	1994
Bank Of Rajasthan Ltd. [Merged]	Before 1950	1943
Bank Of Tokyo Mitsubishi Ufj (India Branch)		
Bank Of Tokyo-Mitsubishi U F J Ltd.	After 1991	1992
Banque Nationale De Paris	Before 1950	1860
Barclays Bank Plc	After 1991	1994
Bareilly Corporation Bank Ltd. [Merged]	Before 1950	1928
Baroda Gujarat Gramin Bank		
Bhandari Co-Operative Bank Ltd.	Before 1950	1919
Bharat Co-Op. Bank (Mumbai) Ltd.	Between 1972 and 1985	1977
Bharat Overseas Bank Ltd. [Merged]	Between 1972 and	1973

	1985	
Bharat Sahakari Bank Ltd.	Between 1972 and 1985	1978
Bharatiya Mahila Bank Ltd. [Merged]	After 1991	2013
Bombay Mercantile Co-Op. Bank Ltd.	Before 1950	1939
British Bank Of The Middle East	Between 1986 and 1990	1989
Canara Bank	Before 1950	1906
Capital Small Finance Bank Ltd.	After 1991	1999
Catholic Syrian Bank Ltd.	Before 1950	1920
Central Bank Of India	Before 1950	1911
Centurion Bank Of Punjab Ltd. [Merged]	After 1991	1994
Chase Manhattan Bank N A [Merged]	After 1991	1994
Chembur Nagarik Sahakari Bank Ltd.	Between 1972 and 1985	1974
Chinatrust Commercial Bank	After 1991	1995
Cho Hung Bank	Before 1950	1897
Citibank N A	Before 1950	1902
Citizencredit Co-Op. Bank Ltd.	Before 1950	1920
City Co-Op. Bank Ltd.	Before 1950	1943
City Union Bank Ltd.	Before 1950	1904
Co-Operative Bank Of Ahmedabad Ltd.	Between 1951 and 1971	1968
Co-Operative Bank Of Rajkot Ltd.		
Coastal Local Area Bank Ltd.	After 1991	1999
Commerzbank A G	After 1991	1995
Commonwealth Bank Of Australia	After 1991	2010
Coperatieve Rabobank U A		
Corporation Bank	Before 1950	1906
Cosmos Co-Operative Bank Ltd.	Before 1950	1906
Credit Agricole Corporate & Invst. Bank		
Credit Lyonnais	Between	1990

	1986 and 1990	
Credit Suisse A G (Mumbai)	After 1991	2010
D B S Bank Ltd.	After 1991	1995
D C B Bank Ltd.	After 1991	1995
Deccan Merchants Co-Op. Bank Ltd.	Before 1950	1917
Dena Bank	Before 1950	1938
Deutsche Bank A G	Between 1972 and 1985	1980
Dhanlaxmi Bank Ltd.	Before 1950	1927
Doha Bank		
Doha Bank Q S C		
Dombivli Nagari Sahakari Bank Ltd.	Between 1951 and 1971	1970
Dresdner Bank A.G.	After 1991	1995
Equitas Small Finance Bank Ltd.	After 1991	1993
Esaf Small Finance Bank Ltd.	After 1991	2016
Excellent Co-Operative Bank Ltd.	Between 1951 and 1971	1962
Federal Bank Ltd.	Before 1950	1931
Firststrand Bank Ltd.	After 1991	2008
Ganesh Bank Of Kurundwad Ltd. [Merged]	Before 1950	1949
Global Trust Bank Ltd. [Merged]	After 1991	1993
Greater Bombay Co-Op. Bank Ltd.	Between 1951 and 1971	1952
Gujarat Industrial Co-Op. Bank Ltd.	Between 1951 and 1971	1970
Gujarat State Co-Op. Bank Ltd.	Between 1951 and 1971	1959
H D F C Bank Ltd.	After 1991	1994
H S B C Bank Oman S A O G	After 1991	1992
Haryana Gramin Bank		
Hongkong & Shanghai Banking Corpn. Ltd.	Before 1950	1865
Hooseini Co-Operative Credit Socy. Ltd.		
I C I C I Bank Ltd.	After 1991	1994
I D B I Bank Ltd.	After 1991	1994
I D B I Bank Ltd. [Merged]	After 1991	1995

I D F C Bank Ltd.	After 1991	2014
I N G Bank N V	After 1991	1993
I N G Vysya Bank Ltd. [Merged]	Before 1950	1930
Indian Bank	Before 1950	1907
Indian Overseas Bank	Before 1950	1936
Indusind Bank Ltd.	After 1991	1994
Industrial & Commercial Bank Of China Ltd.		
Industrial Bank Of Korea		
J P Morgan Chase Bank, National Association		
J S C Vtb Bank		
Jain Sahakari Bank Ltd.	Before 1950	1945
Jammu & Kashmir Bank Ltd.	Before 1950	1938
Janakalyan Sahakari Bank Ltd.	Between 1972 and 1985	1974
Janaseva Sahakari Bank (Borivli) Ltd.	Between 1972 and 1985	1980
Janata Sahakari Bank Ltd.	Before 1950	1949
K B C Bank N V.		
Kalupur Commercial Co-Op. Bank Ltd.	Between 1951 and 1971	1970
Kapol Co-Op. Bank Ltd.	Before 1950	1939
Karad Urban Co-Op. Bank Ltd.	Before 1950	1917
Karnataka Bank Ltd.	Before 1950	1924
Karur Vysya Bank Ltd.	Before 1950	1916
Kerala Gramin Bank		
Kokan Mercantile Co-Op. Bank Ltd.	Between 1951 and 1971	1969
Kotak Mahindra Bank Ltd.	Between 1972 and 1985	1985
Krishna Bhima Samruddhi Local Area Bank Ltd.	After 1991	1999
Krung Thai Bank Public Co. Ltd.	After 1991	1995
Kunbi Sahakari Bank Ltd.	Before 1950	1922
Kurla Nagarik Sahakari Bank Ltd.	Before 1950	1950

Lakshmi Vilas Bank Ltd.	Before 1950	1927
Lord Krishna Bank Ltd. [Merged]	Before 1950	1940
Madhya Pradesh Rajya Sahakari Bank Maryadit	Between 1951 and 1971	1964
Madhyanchal Gramin Bank		
Mahakaushal Kshetriya Gramin Bank	Between 1972 and 1985	1984
Mahanagar Co-Op. Bank Ltd.	Between 1972 and 1985	1973
Maharashtra Gramin Bank		
Malad Sahakari Bank Ltd.	Between 1972 and 1985	1975
Mandvi Co-Operative Bank Ltd. [Merged]	Between 1972 and 1985	1973
Mangal Co-Op. Bank Ltd.	Between 1972 and 1985	1975
Mapusa Urban Co-Op. Bank Of Goa Ltd.		
Maratha Mandir Co-Op. Bank Ltd. [Merged]	Before 1950	1947
Maratha Sahakari Bank Ltd.	Before 1950	1946
Mashreqbank P S C	Between 1972 and 1985	1980
Memon Co-Op. Bank Ltd.	Between 1951 and 1971	1966
Mizuho Bank Ltd.	Between 1986 and 1990	1990
Model Co-Op. Bank Ltd.	Between 1972 and 1985	1972
Mogaveera Co-Op. Bank Ltd.	Before 1950	1946
Morgan Guaranty Trust Co. Of New York [Merged]		
Mumbai District Central Co-Op. Bank Ltd.		
N K G S B Co-Op. Bank Ltd.	Before 1950	1917
N S D L Payments Bank Ltd.	After 1991	2016
Nainital Bank Ltd.	Before 1950	1922

Narmada Jhabua Gramin Bank		
National Australia Bank Ltd.		
National Bank Of Abu Dhabi		
National Co-Op. Bank Ltd.	Before 1950	1947
Navanirman Co-Op. Urban Bank Ltd.		
Nedungadi Bank Ltd. [Merged]	Before 1950	1913
New India Co-Op. Bank Ltd.	Between 1951 and 1971	1967
Oriental Bank Of Commerce	Before 1950	1943
Oversea-Chinese Banking Corpn. Ltd.	Before 1950	1932
Patan Co-Operative Bank Ltd.	Between 1972 and 1985	1981
Paytm Payments Bank Ltd.	After 1991	2016
Pinakini Grameena Bank		
Progressive Co-Op. Bank Ltd.	Between 1972 and 1985	1984
Pt Bank Maybank Indonesia T B K	After 1991	1996
Punjab & Maharashtra Co-Op. Bank Ltd.	Between 1972 and 1985	1983
Punjab & Sind Bank	Before 1950	1908
Punjab National Bank	Before 1950	1895
R B L Bank Ltd.	Before 1950	1933
R S Co-Operative Bank Ltd.	After 1991	1996
Rabobank International		
Raghuvanshi Co-Op. Bank Ltd.	Between 1972 and 1985	1977
Royal Bank Of Scotland N V		
S B E R Bank		
S B I Commercial & Intl. Bank Ltd. [Merged]	After 1991	1994
S B M Bank (Mauritius) Ltd.		
Sakura Bank Ltd. [Merged]	After 1991	1995
Samasta Nagar Co-Op.		

Bank Ltd.		
Sangli Bank Ltd. [Merged]	Before 1950	1916
Santhal Parganas Gramin Bank		
Saptagiri Grameena Bank		
Saraswat Co-Operative Bank Ltd.	Before 1950	1918
Sarva U P Gramin Bank		
Satara Sahakari Bank Ltd.	Between 1951 and 1971	1960
Saurashtra Gramin Bank		
Scotia Bank		
Shalini Sahakari Bank Ltd.	Between 1972 and 1985	1982
Shamrao Vithal Co-Op. Bank Ltd.	Before 1950	1906
Shinhan Bank	After 1991	1996
Shree Suvarna Sahakari Bank Ltd.	Between 1951 and 1971	1969
Shreeji Bhatia Co-Op. Bank Ltd.		
Shri Arihant Co-Op. Bank Ltd.		
Siam Commercial Bank	After 1991	1995
Societe Generale	Between 1972 and 1985	1985
Solapur District Central Co-Op. Bank Ltd.	Before 1950	1918
Sonali Bank	Between 1972 and 1985	1974
South Gujarat Local Area Bank Ltd. [Merged]	After 1991	2000
South Indian Bank Ltd.	Before 1950	1928
South Indian Co-Op. Bank Ltd.	Before 1950	1919
Sree Narayana Guru Co-Op. Bank Ltd.		
Srinivasaperumal Bank Ltd.	Before 1950	1935
Standard Chartered Bank - India Branches	Between 1951 and 1971	1960
Standard Chartered Grindlays Bank Ltd. [Merged]	Before 1950	1854
State Bank Of Bikaner	Between	1963

& Jaipur [Merged]	1951 and 1971	
State Bank Of Hyderabad [Merged]	Before 1950	1942
State Bank Of India	Between 1951 and 1971	1955
State Bank Of Indore [Merged]	Between 1951 and 1971	1960
State Bank Of Mauritius Ltd.		
State Bank Of Mysore [Merged]	Before 1950	1913
State Bank Of Patiala [Merged]	Before 1950	1917
State Bank Of Saurashtra [Merged]	Before 1950	1902
State Bank Of Travancore [Merged]	Before 1950	1945
State Transport Co-Op. Bank Ltd.	Between 1951 and 1971	1953
Subhadra Local Area Bank Ltd.		
Sumitomo Bank Ltd. [Merged]		
Sumitomo Mitsui Banking Corpn.	After 1991	2005
Suryoday Small Finance Bank Ltd.	After 1991	2008
Syndicate Bank	Before 1950	1925
T J S B Sahakari Bank Ltd.	Between 1972 and 1985	1972
Tamil Nadu State Apex Co-Op. Bank Ltd.	Before 1950	1905
Tamilnad Mercantile Bank Ltd.	Before 1950	1921
Times Bank Ltd. [Merged]	After 1991	1994
Toronto-Dominion Bank	After 1991	1998
U B S Ag	After 1991	2008
U F J Bank Ltd.		
Uco Bank	Before 1950	1943
Ujjivan Small Finance Bank Ltd.	After 1991	2016
Union Bank Of India	Before 1950	1919
United Bank Of India	Before 1950	1950
United Overseas Bank - Mumbai Branch		
United Western Bank	Before	1936

Ltd. [Merged]	1950	
Utkarsh Small Finance Bank Ltd.	After 1991	2016
Vaishya Sahakari Bank Ltd.	Before 1950	1945
Vasant Sahakari Bank Ltd.	Between 1951 and 1971	1969
Veerashaiva Co-Op. Bank Ltd.	Between 1972 and 1985	1973
Vijaya Bank	Between 1972 and 1985	1980
Vima Kamgar Co-Op. Bank Ltd.	Between 1951 and 1971	1960
Vinayak Local Area Bank Ltd.	After 1991	1999
Wai Urban Co-Op. Bank Ltd.	Before 1950	1919
Westpac Banking Corpn.		
Woori Bank		
Yes Bank Ltd.	After 1991	2003
Zoroastrian Co-Op. Bank Ltd.	Before 1950	1927

Recommendations

- More nationalization of the banks.
- Foreign banks were allowed to open their offices and their subsidiaries in India
- Public and private sector banks to be considered equally by the Reserve Bank of India and the government of India to have more competition.
- It was emphasized that the banks should follow the progressive functions such as retail banking, merchant banking, underwriting etc. along with the traditional banking activities.
- Setting up of joint ventures were permitted for foreign banks and Indian banks with other forms of advanced financial services.

Recent Development in Indian Banking Sector:

- 10 private companies got license from the RBI to enter in the banking sector. They were Centurion Bank, IDBI Bank, Times Bank, HDFC Bank, Axis Bank, Bank of Punjab, Global Trust Bank, ICICI Bank, IndusInd Bank and Development Credit Bank.
- Yes Bank and Kotak Mahindra Bank got the license in the year 2003 and 2004 from RBI.
- RBI grants approval to IDFC and Bandhan Financial Services to set up banks in 2014 [2].

5 CONCLUSION

Indian banking industry is one of the most growing and affluent industries. As banking plays an active role, its systems

in any country should be effective, efficient for the economic development of the country.

This shows that there is a great change in the banking. As the population is increasing the need for the money and wants are increasing which is changing the economy. Increase in the population, increase in the needs and wants increased the value of money. For the growth of money and its control, there existed the institutions called banks which controlled the circulation and production of currency. This gave the opportunities to many businesses to exist, employment, increase in competition and the changes in the lifestyle.

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