ROLE OF FDI IN INDIAN BANKING SECTOR

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ABSTRACT

FDI inflows are essentially long-term in nature and are primarily driven by growth prospects of
the Indian economy and confidence of international investors in India as an attractive long-term.
Foreign Direct Investment as seen as an important source of non, debt inflows and expertise to
help smaller companies in these emerging markets to expand and increase international sales.
Due to FDI, the competitive and reform force have led to the emergence of internet, e-banking,
ATMs, credit cards and mobile banking too, to let banks attract and retain customers. This apart
retail lending has emerged as another major opportunity for banks. This paper briefly discusses
the role of FDI in Indian Banking sector.

KEY WORDS: FDI, International investors, debt inflows, banking sector.