ABSTRACT
Banking is today an integral part of our everyday life. Gone are the days when banking industry used to operate in a protected environment. Liberalisation, Privatisation and Globalisation have opened floodgates of competition. Opening of modern banks has also given banking industry new taste in competition. Bankers can no more bank on walk-in-business and relax in cozy offices. Information technology has not only enhanced customer’s awareness level but has made them demanding. Their expectation level is galloping. Demands and priorities are changing every day. The influence of the Internet upon the choice and delivery of products and services has made the situation acerbic. Customers no more want age-old banking products; they cannot be fooled and taken for a ride by changing the wrapper of the product. Never in the history of banking has the power so firmly been in the hands of customers as it is today. The struggle for survival in the cut throat competitive market is the biggest challenge of the time. For facing competition there has to be determination and skill of innovation. This has led to the embracing innovative business practices by various banks in India. The present paper highlights the historical backdrop, need and structure of banking industry and future prospects of banking industry with growth drivers and key concerns.

KEY WORDS: Banking, Liberalisation, globalization, competitive market.