



# E-Banking

# Introduction

- ⦿ E-Banking or Electronic Banking is a major innovation in the field of Banking.
- ⦿ Earlier Banking was conducted in a very traditional manner, there were no such innovations.
- ⦿ Information revolution led to the evolution of internet , which lead to E-Commerce continued by evolution of E-Banking.



# What is E - Banking ?

## E-BANKING

- ④ Modern banking is virtual banking.
- ④ Virtual Banking means a customer cannot see the bank but with the help of technology he can conduct the banking activities anywhere in the world.
- ④ The major types of virtual banking services includes:
  1. Automated Teller Machines (ATMs)
  2. Smart Cards
  3. Phone banking
  4. Home banking
  5. Internet banking

# Explain the features of E-banking?

- ❖ AVAILABLE 24\*7
- ❖ SAVE COST
- ❖ GLOBALLY ACCEPTANCE
- ❖ UTILITY ORIENTED FOR PROVIDER AND CUSTOMER
- ❖ SAVE TIME AND ENERGY
- ❖ LOWER THE TRANSACTION
- ❖ PERFORMS BOTH TRANSACTIONAL AND NON TRANSACTIONAL ACTIVITY
- ❖ USED THROUGH PHONES, WIRELESS OR BROADBAND CONNECTION

# Advantages

- **Very convenient.** Online banking is a totally easy thing to do. In the comfort of your home or offices.
- **Unlimited service.** The services and various features of your bank are always available seven days a week and 24 hours daily.
- **No time constraint.** Online banking is also stress free because it never closes unlike the traditional banking that has cut-off time.
- **Easy way of payment.** Bill payments can also be handled properly and smartly. Instead of waiting for certain due dates, you can easily pay all your transactions using your computer and in coordination with your bank.
- **Smart.** Online banking is also ubiquitous or simply put smart. This enables you to do troubleshooting regarding any problem that may arise from your business.
- **Higher interest rate.** Another great advantage of online banking is the interest rates which basically range between 5% to 3.40% annually. Unlike the traditional banking, online banking can earn you a better interest or return of investment both in your savings and checking account.

# Disadvantages

- Understanding the usage of internet banking might be **difficult for a beginner** at the first go. Though there are some sites which offer a demo on how to use internet banking, but all does not offer this facility. So, a person who is new to internet banking might face some difficulty.
- You cannot have access to internet banking if **you don't have an internet connection**.
- Security of transactions is a big issue. Your account information might get **hacked** by unauthorized people over the internet.
- **Password security** is a must. After getting your net banking password, do change it and memorize it otherwise your account may be misused by someone who gets to know your password inadvertently.
- You cannot use internet banking, in case, the **bank's server is down**.
- Another issue is that sometimes it becomes difficult to note whether your transaction was **successful or not**.

# **VARIOUS FORMS OF E-BANKING**

# Internet Banking

- ⦿ It has helped in banking at the click of a mouse.
- ⦿ In internet banking , customer of a bank with a pc can log on to the bank website & conduct basic functions.





# Tele-banking

- ⦿ It means banking over phone.
- ⦿ Mainly used for marketing banking services.
- ⦿ A customer can do entire Non-Cash related banking over phone anywhere at anytime
- ⦿ With fall in mobile phone rates mobile banking will emerge as one of the most cost effective delivery channel.



Telebanking

# Smart Cards



- It is a chip based card (micro chip containing monetary value)
- When a transaction is made using the card, the value is debited & balances comes down.
- It is used for making purchases without the need of any pin.
- It is a powerful card which carries out functions of ATM card , Credit Card , Debit Card.

# Automated Teller Machines (ATMs)



- ⑥ ATMs are widely used electronic channels in banking.
- ⑥ It is a computer controlled device at which the customers can make withdrawals, check balance without involving any individuals.
- ⑥ To use this system customers are given a plastic card which contains the customer's name & account no.
- ⑥ Customer is given a pin number. Whenever he wants to use it he needs to enter pin number.
- ⑥ Mostly ATMs are near to branches but nowadays ATMs are available at places like malls, theaters, stations etc.



# ELECTRONIC FUND TRANSFER

- EXCHANGE OF MONEY FROM ONE ACCOUNT TO ANOTHER THROUGH COMPUTER
- Cardholder-initiated transactions, using a payment card such as a credit or debit card
- Direct deposit payment initiated by the payer
- Direct debit payments, sometimes called *electronic checks*, for which a business debits the consumer's bank accounts for payment for goods or services
- Wire transfer via an international banking network such as SWIFT
- Electronic bill payment in online banking, which may be delivered by EFT or paper check
- Transactions involving stored value of electronic money, possibly in a private currency

**THANK YOU  
FROM,  
PROF.SAKSHI SHIVHARE**