SUB THEMES

ROLE OF E- COMMERCE IN INDIA BANKING SECTOR

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ABSTRACT

The banking sector plays a vital role in the development of one country’s economy. The growth of banking sector depends upon the services provided by them to the customers in various aspects. The growing trend of banking services is found significant after the new economic reforms in India. A well-regulated banking system is a key comfort for local and foreign stakeholders in any country. Prudent banking regulation is recognized as one of the reasons why India was less affected by the global financial crisis. Banks can be broadly categorised as Commercial Banks or Co-operative Banks.

Banks which meet specific criteria are included in the second schedule of the RBI Act, 1934. These are called scheduled banks. They may be commercial banks or cooperative banks. Scheduled banks are considered to be safer, and are entitled to special facilities like re-finance from RBI. Inclusion in the schedule also comes with its responsibilities of reporting to RBI and maintaining a percentage of its demand and time liabilities as Cash Reserve Ratio (CRR) with RBI.

Key Words: Banking, internet banking, Reserve bank, structure

INTRODUCTION

How is the banking industry responding to the rapid development of on-line commerce? Evidence suggests that many banks are beginning to deliver credit and deposit products electronically. In addition, some large banks are developing products designed exclusively for e-commerce. As banks venture into the electronic arena, however, they are finding that new opportunities bring new operational and strategic risks.

Many companies are embracing "e-commerce," or business conducted on-line over computer networks, as a means of expanding markets, improving customer service, reducing costs, and enhancing productivity.1 Companies have traditionally used computers to manage their product and customer data. Now, however, advances in networking technology have enabled firms to streamline their transactions with suppliers, distributors, and retailers through the electronic exchange of information.

Like other companies, banks are taking steps to expand the use of networking technology in their business operations. For these institutions, however, the advent of electronic commerce poses questions as well as opportunities. Will the role of banks in e-commerce basically mirror their role in traditional commerce? Or will banks offer new products that will change the nature of the banking business as e-commerce expands? What risks might accompany such a shift in banks’ traditional business?

In this edition of Current Issues, we explore the possible implications of e-commerce for banks’ business activities. We find that banks are beginning to use the Internet to deliver traditional banking products in more efficient ways. In addition, we report that some banks have taken the further step of developing new products designed specifically to facilitate e-commerce participation by their customer.

Our analysis of banks’ entry into e-commerce includes a look at the strategic and operational risks banks may face in this arena. E-commerce will create new forms of competition and compel banks to make choices about the services they offer, the size of their branch networks, and the extent of their support for interbank payment networks. Participation in e-commerce will also increase banks’ exposure to technological problems. Banks’ success in coping with such challenges will help determine the scale of their influence in the electronic marketplace.

The main Objective of this research paper

Is to review the implementation of IT in the Banking Industry. Technological in- novation’s have enabled the industry to open up new delivery channels, seeking the help of IT to deal with the challenges that a new economy poses. The Objectives of the present study are:

1) To study the rapid advancement occurring in the banking sector.

2) To analyse the performance of existing technology-based products offered by the banks in India and its future prospects

METHODOLOGY:

The present review paper is based on the Secondary data. It analyses the available literature on Banking technology and various existing and upcoming innovative products of-freed by banks in India. The Secondary data pertaining to the study was obtained from the various journals, books, newspapers, and websites of the concerned Banks.

THEORETICAL FRAMEWORK:

Banking sector plays a very important and crucial role in the development of Indian economy with the use of techology, there had been an increase in penetration, productivity and efficiency of banking practices. It has not only increased the cost effectiveness but also has helped in making small value transactions feasible.

EMERGING TRENDS IN MANAGEMENT

New Trends in Management

Due to the rapid development of science and technology, globalization in business, transportation, and communication system, increase the new pace of economic development emerge various new perspectives in management that a manager must apply to today's obstacles. Some of the recent trends in management are as follows:

About Management

According to Harold Koontz, "Management is an art of getting things done through and with the people in formally organised groups. It is an art of creating an environment in which people can perform and individuals can cooperate towards the attainment of group goals". As a manager, one has to effectively manage the employees to get better outcomes. Practises implemented by the managers for better management are known as Recent Trends in

Management.

Emerging Trends in Management

Managerial trends keep changing from time to time based on dynamic market conditions. Some of the emerging trends in management are:

Total Quality Management

Total Quality Management (TQM) is a systematic approach followed by the entire organisation to efficiently achieve the company's objectives to provide services and products with a high level of quality that satisfies the customer. TQM aims at continuous improvement of practises in the organisation.

The Principles of TQM are as follows:

Customer Focussed- Customer satisfaction is the basis for determining the quality. An organisation may perform various methods to promote better quality but ultimately quality is determined by the customer.

Continuous Improvement- Continuous improvement steers an organisation towards creativity to find more ways and become more competitive and meet the stakeholder expectation.

Total Employee Involvement- All employees are committed to performing and accomplishing common goals when an appropriate environment is provided for them.

Process-Centric- The processes are well defined in this approach and are continuously monitored to find variations.

Systematic and Strategic Approach- A systematic and strategic approach is involved to accomplish the mission, vision and goals set by the organisation.

Decision Making- Data collection and analysis play an integral part in performance evaluation and decision making.

Crisis Management

A crisis is any situation that poses a threat to an organisation or its stakeholders. Such situations are something that cannot be predicted or prevented. However, what organisations can control is how they respond to the crisis. Crises can be grouped as follows:

1. **Natural Disasters**
2. **Confrontational Crisis**
3. **Rumours**
4. **Technological Crisis**
5. **Workplace Violence**
6. **Organisational Misdeeds**
7. **Malevolence**
8. **Man-made Disaste**r

Risk Management

A risk is an uncertain event happening in an organisation that may lead to a positive or negative result. It is a future event that has not occurred. A risk that has already taken place is considered an issue. Risk Management is a process of identifying, assessing and prioritising risks followed by the application of resources to minimise or control or monitor the impact of negative future events or to take maximum advantage of positive risks.

Change Management

Change is to modify or make something different from the previous state of a thing or a condition. Change management is a process in which the organisation implements change by preparing and supporting the employees, taking necessary steps for change, etc. Monitoring the activities before and after the change is implemented to ensure its success.
Change often includes many different entities in an organisation. A systematic approach is

to be followed to bring in the transition and alleviate disruption. There can be resistance to change by people or processes or systems that are outdated.

Globalisation

Due to globalisation, various global business practises have emerged. Global management refers to practises followed to manage the international business. When a business runs in different countries, its managers face challenges in such global scenarios. There is a need to have proper planning, decision making, controlling and organising because of the differences in time zones, distances and cultural factors. Communication is the key to leading the employees across borders.

Global managers must have a thorough understanding of environmental and competitive issues. Apart from the generic trends, there are specific trends related to operations, human resources and marketing management. A few are mentioned below.

Recent Trends in Operations Management

Supply Chain Management- Supply chain managers have the responsibility to fulfil the end-user needs at a quick pace because of shorter product life cycles, demanding customers and technology expansions. Supply chains are now revamped to incorporate digitalization along with traditional physical operations to create improvement in business outcomes.

Shrinking Product Life Cycle- In contrast to the earlier years where a product developed would stay in the market for a longer period, the need to rapidly change in a short period due to the fast-expanding technologies can be seen nowadays. Organisations are forced to bring in the rapid development of products to be more competitive and innovative, thus a product gets replaced by a new one quickly.

Computer-aided Design and Manufacturing- In this age of computerization, the design and manufacturing of products with the help of computers make operations more efficient and quicker.

Recent Trends in Marketing Management

Customer Relationship Management- This plays a very important role in retaining customers by maintaining a good relationship with them by addressing their grievances on time and offering them desired products and services.

Emphasis on Quality, Customer Satisfaction, and Retention- Marketers emphasise providing the best quality to customers and also intend to “offer more for less” to give utmost satisfaction to their customers. This helps in retaining their customers for the long term.

Recent Trends in Human Resource Management

Workforce diversity is the inclusion of people in an organisation based on various aspects such as age, gender, cultural background, physical abilities, and disabilities, etc. Organisations that embrace workforce diversity will have a wide pool of applicants to choose from as their employees. When people from different backgrounds collaborate, they bring in innovation and new ideas to solve organisational problems and promote business

growth. A problem will be dealt with in different perspectives from different people in contrast to a homogeneous group or an individual's perception which may be limited. Different people think differently because of the experiences they come from, different backgrounds and having solved problems in different manners in the past. It also attracts diverse customers.

Trends in Leadership Management

Soft Skills Development

As a leader one needs to interact with numerous people. They are experts in different areas and they have different technical skill sets. Soft skills play a vital role in communicating with all these people. Soft skills include time management, interactive skills, communication skills, cultural intelligence, etc. Technical skills also referred to as ‘hot skills’ are specific to a role but soft skills are learnt over time and experience. Soft skills enable satisfaction in the workplace, improve the performance of employees, build a positive work environment, increase leadership potential. Hence firms are investing in soft skills training courses for their employees.

Gender Balance

Nowadays women are seen in leadership roles and they are very successful. In the workspace, gender equality is seen, it leads to professional growth and overall development. Many female managers have set an example for successful leadership Programs.it improves the economic growth of the country. It increases performance and enhances the reputation of the organisation. It helps in talent recognition and retaining employees. Many companies are trying to reach gender equality.

Remote Working

Post pandemic, the entire world shifted to remote working and It is very flexible. Before the pandemic, people used to work remotely for various reasons like health, child care, etc. The latest technologies smoothen the process of remote work. work-life balance is achieved. It helps in recruiting people from different countries, backgrounds and also helps in having a pool of talent that promotes the growth of the business.

Flat Organisational Structures

Flat organisational structures enhance the communication between the employees, morality, and help in decision making. It enhances the responsibility of employees and improves job satisfaction.

Self-development

As the world is progressing with the latest technologies, competition increases. So there is a need to update yourself. At every stage of your career path, master your role and don’t be outdated.

External Consultants

When leaders accept that they don’t know about these specific topics, then consultants from outside are given an opportunity. They can share their experiences and knowledge. They can facilitate communication skills, leadership skills, interactive skills, time management and other technical skills.

#1 Workforce Diversity

Workforce diversity is the involvement of heterogeneous types of employees in the organisation who represents their age, gender, and ethnicity. Due to changes in population dimensions, improved workforce, social pressure, and increased globalisation the diversity is constantly increasing.

The world’s increasing globalisation requires more interaction among people from diverse cultures, beliefs, and backgrounds. People no longer live and work in an insular marketplace, they are now part of the worldwide economy with competition coming from nearly every continent. Due to these reasons, profit and non-profit organisations need more diversity to become more creative and open to change.
Managing diversity in the workplace has become an important issue for management today. An efficient manager has to manage a diverse workforce from both an individual and organisational approach. May from an individual approach he has to develop a better environment like understanding, empathy, tolerance, and willingness to communicate with his employees. And, from an organisational approach may he has to develop policies, training, practices, and good

culture in the organisation.

#2 Outsourcing

Outsourcing means getting resources from outside. It is the process of providing some parts of jobs to other organizations to bring quality and get the benefit of specialization.

It is an important means of reducing costs and improving quality. If an organization performs every activity by itself, it may not be able to perform the activity efficiently and the quality of product or service may also be inferior. Thus, organizations have to identify certain areas that can be outsourced to minimize the cost of operation and increase the quality of products.

#3 Knowledge Management

Knowledge management is the process that helps organizations to identify, select, organize, disseminate, and transfer important information and expertise for organizational prosperity. It emphasizes that knowledge can be turned into business ideas and used for the success of the organization. The effective management of knowledge enables management for effective and efficient problem solving, dynamic learning, strategic planning, and decision making.

It focuses on identifying knowledge, explicating it in such a way that it can be shared formally, and showing its value through reuse. For organizational success, knowledge, as a form of capital, must be exchangeable among persons, and must be able to grow. And, for problem-solving, knowledge, must be captured, so that knowledge management can promote organizational learning, and lead to further knowledge creation.

#4 Learning Organization

Learning organization involves institutions where there is the provision of continuous learning to adapt to the changing environment of businesses. You know, the business environment is an ever-changing process. So, to bring new concepts into the business, the innovation of new ideas, models, design, structure, and technology is essential. A business organization performing at the highest level today will not remain the same in the future if there is no provision of learning.

For better learning in the organization, all employees should share information, ideas, knowledge, and work as a team. To cope with the changing environment and new technology, business organizations need to have qualified employees with learning capabilities.

#5 Time Management

Time management is prioritizing the activities for using time effectively. It is used for scheduling time. Time is a unique and most important resource and if it is wasted, it can never be recovered.

Time management may help employees who are suffering from a lack of planning, sort out their priorities, etc. It is about balancing different aspects of life which makes the goal achievable. But remember time is always limited.

#6 Business Process Reengineering (BPR)

Business process reengineering is a new trend in the management field. It purports that the way work is done should be fundamentally and radically changed so that every effort of the firm is driven to achieve customer satisfaction and thereby greater performance and profitability.

Reengineering is about radical change. It does not mean slight and incremental changes, leaving the basic structure as it was. It means starting from “Scratch”. Reengineering involves redefining the process. It is essential in a condition when the current effort is insufficient for the organisations to satisfy their customers.

#7 Conflict Management

Conflict refers to all kinds of opposition or antagonistic interaction between or among individuals and groups. It exists when one party has hampered or is about to hamper the accomplishment of goals.

The manager should identify the reasons for conflicts and solve them through proper ways such as skill encouragement, handling constructive conflict, and resolving dysfunctional conflicts.

#8 Stress Management

Stress refers to the body's psychological, physiological, and emotional response to any demand. Stress occurs when the pressure is greater than resources. Large workload, long work hours, fewer resources, less job security are the major causes of stress to the employees.

Stress management is concerned with taking some steps to minimize work stress among working staff. Steps may include changing lifestyle, changing in thinking, and changing in behaviour.

#9 Participative Management

It means involving subordinates in the decision-making process with their immediate superiors. Here, both the manager and the subordinates are involved in the decision-making process. It increases the value of the employees by considering them as part of the management.

Participative management empowers subordinates who know the actual problems and can contribute to better decision-making. It is necessary to consults employees of different inter-dependent departments to bring uniformity in their performance.

#10 Green Management

Green management focuses on environmental conservation for the sustainable development of business activities. It focuses on promotions of green technology that presents the most viable way of meeting with the new green-related activities

EMERGING TRENDS IN BANKING SECTOR IN INDIA

Banking Structure in India A well-regulated banking system is a key comfort for local and foreign stake-holders in any country. Prudent banking regulation is recognized as one of the reasons why India was less affected by the global financial crisis. Banks can be broadly categorized as Commercial Banks or Co-operative Banks. Banks which meet specific criteria are included in the second schedule of the RBI Act, 1934.

These are called scheduled banks. They may be commercial banks or cooperative banks. Scheduled banks are considered to be safer, and are entitled to special facilities like re-finance from RBI. Inclusion in the schedule also comes with its responsibilities of reporting to RBI and maintaining a percentage of its demand and time liabilities as Cash Reserve Ratio (CRR) with RBI

Banking Structure in India

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OBJECTIVES OF THE STUDY

1. To examine recent trends and developments in banking sector

2. To present the technological developments in Indian banking sector

3. To study the emerging trends in banking technology.

The Reserve Bank of India:

The RBI is the supreme monetary and banking authority in the country and has the responsibility to control the banking system in the country. It keeps the reserves of all scheduled banks and hence is known as the "Reserve Bank".

Public Sector Banks:

• State Bank of India and its Associates (8)

• Nationalized Banks (19)

• Regional Rural Banks Sponsored by Public Sector Banks (196)

RESERVE BANK OF INDIA COMMERCIAL BANKS

NATIONALISED PRIVATE

CO OPERATIVE BANKS
SHORT TERM
AGRICULTURAL CREDIT
URBAN CREDIT
LONG TERM
DEVELOPMENT BANKS
EXIM INDUSTRIAL; AGRICULTURE

Private Sector Banks:

• Old Generation Private Banks (22)

• Foreign New Generation Private Banks (8)

• Banks in India (40)

Co-operative Sector Banks:

• State Co-operative Banks

• Central Co-operative Banks

• Primary Agricultural Credit Societies

• Land Development Banks

• State Land Development Banks

Development Banks:

Development Banks mostly provide long term finance for setting up industries. They also provide short-term finance (for export and import activities)

Industrial Finance Co-operation of India (IFCI)

Industrial Development of India (IDBI)

Industrial Investment Bank of India (lIBI)
Small Industries Development Bank of India (SIDBI)

National Bank for Agriculture and Rural Development (NABARD)

Export-Import Bank of India

Commercial banks

Commercial banks comprising public sector banks, foreign banks, and private sector banks represent the most important financial intermediary in the Indian financial system. The changes in banking structure and control have resulted due to wider geographical spread and deeper penetration of rural areas, higher mobilization of deposits, reallocation of bank credit to priority activities, and lower operational autonomy for a bank management. Public sector commercial banks, dominate the commercial banking scene in the country. The largest **commercial Banks in India is SBI**

Cooperative Bank

These banks play a vital role in mobilizing savings and stimulating agricultural investment. Co-operative credit institutions account for the second largest proportion of 44.6% of totalinstitutional credit. The co-operative sector is very much useful for rural people. The co-operative banking sector is divided into the following categories.

State co-operative Banks

Central co-operative banks

Primary Agriculture Credit Societies

Development Banks

A development bank: may be defined as a financial institution concerned with providing all types of financial assistance to business units in the form of loans, underwriting, investment and guarantee operations and promotional activities-economic development in general and industrial development. A development bank: is basically a term lending institution. It is a multipurpose financial institution with a broad development outlook. The industrial finance corporation of India, the first development bank: was established in 1948.

Subsequently many other institutions were set-up. Ex. IDBI, IFCI, SIDBI etc.

Functions of Development Banks

- Fostering industrial growth
- Providing Long term assistant
- Balanced development
- Providing Promotional services

• Infrastructure building

• Entrepreneur Development

• Fulfilling Socio economic objectives

The Role of Reserve Bank of India (RBI) -Banker's Bank

The Reserve Bank of India (RBI) is the central bank of India, and was established on April 1, 1935 in accordance with the provisions of the Reserve Bank of India Act, 1934. Since its inception, it has been headquartered in Mumbai. Though originally privately owned, RBI has been fully owned by the Government of India since nationalization in 1949. RBI is governed by a central board (headed by a Governor) appointed by the Central Government has 22 regional offices across India. The Reserve Bank of India was set up on the recommendations of the Hilton Young Commission.

DEVELOPMENTS IN INDIAN BANKING SECTOR

Credit Card: Credit Card is "post-paid" or "pay later" card that draws from a credit line-money made available by the card issuer (bank) and gives one a grace period to pay. If the amount is not paid full by the end of the period, one is charged interest

Debit Cards

Debit Card is a "prepaid" or "pay now" card with some stored value. Debit Cards quickly debit or subtract money from one's savings account, or if one were taking out cash. Every time a person uses the card, the merchant who in turn can get the money transferred to his account from the bank of the buyers, by debiting an exact amount of purchase from the card. To get a debit card along with a Personal Identification Number (PIN).

Automatic Teller Machine:

The ATMs are used by banks for making the customers dealing easier. ATM card is a device that allows customer who has an ATM card to perform routine banking transaction at any time without interacting with human teller. It provides exchange

services. This service helps the customer to withdraw money even when the banks are closed. This can be done by inserting the card in the ATM and entering the Personal Identification Number and secret Password. It allows the customers

1. To transfer money to and from accounts.

2. To view account information.

3. To order cash.
4. To receive cash.

Electronic Funds Transfer (EFT):

The system called electronic fund transfer (EFT) automatically transfers money from one account to another. This system facilitates speedier transfer of funds electronically from any branch to any other branch. In this system the sender. and the receiver of funds may be in different cities and may even bank with different banks. Funds transfer within the same city is also permitted. The scheme has been in operation Telebanking: Telebanking refers to banking on phone services. A customer can access information about his/her account through a telephone call and by giving the coded

Personal Identification Number (PIN) to the bank. Telebanking is extensively user friendly and effective
in nature.

Mobile Banking:

A new revolution in the realm of e-banking is the emergence of mobile banking. On-line banking is now moving to the mobile world, giving everybody with a mobile phone access to real-time banking services, regardless of their location. It provides a new way to pick up information and interact with the banks to carry out the relevant banking business. The potential of mobile banking is limitless and is expected to be a big success. Booking and paying for travel and even tickets is also expected to be a growth area. This is a very flexible way of transacting banking business.

Internet Banking:

Internet banking involves use of internet for delivery of banking products and services. Banking is no longer confined to the branches where one has to approach the branch in person, to withdraw cash or deposits a cheque or request a statement of accounts. In internet banking, any inquiry or transaction is processed online without any reference to the branch (anywhere banking) at any time.

Benefits of Internet Banking:

Reduce the transaction costs of offering several banking services and diminishes the need for longer numbers of expensive brick and mortar branches and staff.

Increase convenience for customers, since they can conduct

National Electronic Funds Transfer (NEFT):

National Electronic Funds Transfer (NEFT) is a nation-wide system that facilitates individuals, firms and corporate to electronically transfer funds from any bank branch to any individual, firm or corporate having an account with any other bank branch in the country.

In order to issue the instruction, the transferor should know not only the beneficiary's bank account number but also the IFSC (Indian Financial System Code) of the concerned bank. IFSC is an alpha-numeric code that uniquely identifies a bank-branch participating in the NEFT system. This is a 11 digit code with the first 4 alpha characters representing the bank, and the last 6 numeric characters representing the branch. The 5th character is 0 (zero). IPSC is used by the NEFT system to route the messages to the destination banks / branches

…Real Time Gross Settlement (RTGS):

RTGS transfers are instantaneous unlike National Electronic Funds Transfer (NEFT) where the transfers are batched together and effected at hourly intervals. RBI allows the RTGS facility for transfers above Rsllakhs. The RBI window is open on weekdays from 9 am to 4.30 pm; on Saturdays from 9 am to 12.30 pm

Society for Worldwide Interbank Financial Telecommunications (SWIFT):

SWIFT is solely a carrier of messages. It does not hold funds nor does it manage accounts on behalf of customers, nor does it store financial information on an on-going basis. As a data carrier, SWIFT transports messages between two financial institutions. This activity involves the secure exchange of proprietary data while ensuring its confidentiality and integrity. **SWIFT**, which has its headquarters in Belgium, has developed an 8-alphabet Bank Identifier Code (BIC). The BIC helps identify the bank

SARFAESI Act

Banks utilize the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) as an effective tool for NPA recovery. It is possible where non-performing assets are backed by securities charged to the Bank by way of hypothecation or mortgage or assignment. Upon loan default, banks can seize the securities (except agricultural land) without intervention of the court.

The SARFAESI Act, 2002 gives powers of "seize and desist" to banks. Banks can give a notice in writing to the defaulting borrower requiring it to discharge its liabilities within 60 days. If the borrower fails to comply with the notice, the Bank may take recourse to one or more of the following measures:
…Take possession of the security for the loan

...Sale or lease or assign the right over the security

...Manage the same or appoint any person to manage the same

The SARFAESI Act also provides for the establishment of asset reconstruction companies regulated by RBI to acquire assets from banks and financial institutions. The Act provides for sale of financial assets by banks and financial institutions to asset reconstruction companies (ARCs). RBI has issued guidelines to banks on the process to be followed for sales of financial assets to ARCs.

SARFAESI gives another window for banks and financial institutions to enforce their security interest without the intervention of Civil Court or the Debt Recovery Tribunal (DRT). If the lender also holds security through a pledge of any moveable assets, or guarantee of any person, then it can sell the pledged goods or proceed against the guarantor without initiating any action against the secured assets.

Under SARFAESI, the bank or financial institution needs to give 60-day notice to the defaulter, giving details of the amount payable and the secured asset intended to be enforced by the secured. creditor, in the event of non-payment of the secured debt. The effect of this notice is that the borrower is barred from transferring the property mentioned in the notice.
If the dues are not paid during the notice period, then the secured creditor gets the following

Rights:

1.Take possession of the secured assets, and transfer it by lease, assignment, or sale for realization of money.

2.Appoint a manager to manage the secured assets that have been re-possessed. 3.Take over management of the secured assets, and transfer it by lease, assignment or sale for realization of money.

4.Give notice to any person who has acquired the secured asset from the borrower, and from whom any money is due or may become due to the borrower, to pay the moneys to the secured creditor. Such payment to the secured creditor will be a valid discharge of the person's dues to the borrower

BASEL Framework Bank for International Settlements (BIS) :

Established on 17 May 1930, the BIS is the world's oldest international financial organization. It has its head office in Basel, Switzerland. BIS fosters co-operation among central banks and other agencies in pursuit of monetary and financial stability. It fulfills this mandate by acting as:A forum to promote discussion and policy analysis among central banks and within the international financial community A centre for economic and monetary research A prime counterparty for central banks in their financial transactions Agent or trustee in connection with international financial operations Every two months, the BIS hosts in Basel, meetings of Governors and senior officials of member central banks.

The meetings provide an opportunity for participants to discuss the world economy and financial markets, and to exchange views on topical issues of central bank interest or concern. BIS also organizes frequent meetings of experts on monetary and financial stability issues, as well as on more technical issues such as legal matters, reserve management, IT systems, internal audit, and technical cooperation.

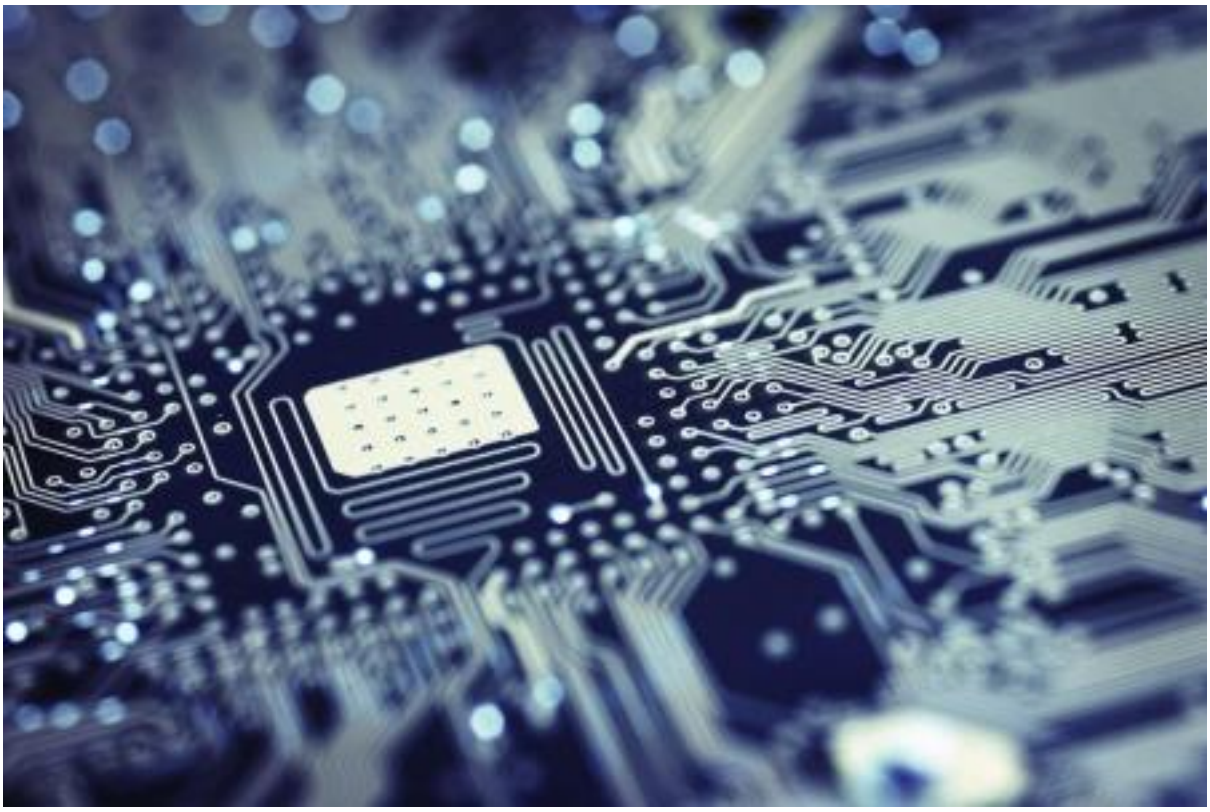
BIS is a hub for sharing statistical information among central banks. It publishes statistics on global banking, securities, foreign exchange and derivatives markets. Through seminars and workshops organized by its Financial Stability Institute (FSI), the BIS disseminates knowledge among its various stake-holders

Role of Information Technology (IT) In Banking Sector

Banking environment has become highly competitive today. To be able to survive and grow in the changing market environment banks are going for the latest technologies, which is being perceived as an 'enabling resource' that can help in developing learner and more flexible structure that can respond quickly to the dynamics of a fast-changing market scenario.

1.It is also viewed as an instrument of cost reduction and effective communication with people and institutions associated with the banking business

2.Information Technology enables sophisticated product development, better market infrastructure, implementation of reliable techniques for control of risks and helps the financial intermediaries to reach geographically distant and diversified markets.



E-Banking

Many banks have modernized their services with the facilities of computer and electronic equipment’s. The electronics revolution has made it possible to provide ease and flexibility in banking operations to the benefit of the customer. The e-banking has made the customer say good-bye to huge account registers and large paper bank accounts

The e-banks, which may call as easy bank offers the following services to its customers

• Credit Cards - Debit Cards
• ATM • E-Cheques
• EFT (Electronic Funds Transfer)
• D-MAT Accounts • Mobile Banking
• Telephone Banking
• Internet Banking
• EDI (Electronic Data Interchange)

Benefits of E-banking

To the Customer Anywhere Banking no matter wherever the customer is in the world. Balance enquiry, request for services, issuing instructions etc., from anywhere in the world is possible. Anytime Banking - Managing funds in real time and most importantly, 24 hours a day, 7days a week.

Convenience acts as a tremendous psychological benefit all the time.

Brings down "Cost of Banking" to the customer over a period a period. Cash withdrawal from any branch / ATM. On-line purchase of goods and services including online payment for the same. Innovative, scheme, addresses competition and present the bank as technology driven in the banking sector market.

Reduces customer visits to the branch and thereby human intervention. Inter-branch reconciliation is immediate thereby reducing chances of fraud and misappropriation On-line banking is an effective medium of promotion of various schemes of the bank, a marketing tool indeed. Integrated customer data paves way for individualized and customized services.

CONCLUSION

The banking today is re-defined and re-engineered with the use of Information Technology and it is sure that the future of banking will offer more sophisticated services to the customers with the continuous product and process innovations. Thus, there is a paradigm shift from the seller's market to buyer's market in the industry and finally it affected at the banker's level to change their approach from "conventional banking to convenience banking" and "mass banking to class banking". The shift has also increased the degree of accessibility of a common man

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