## New Generation Banks

“New generation banks are not just banks who are involved in the implementing a new strategy for the sake of survival.

In this process the bank that excels with its innovative strategy is to be considered as a new generation bank as the those strategies used to exhibit customer service and welfare.

## Development in New Generation Banks

1. **Internet**

Internet is a networking of computers. In this marketing message can be transferred and received worldwide. The data can be sent and received in any part of the world. In no time, internet facility can do many a job for us. It includes the following:

* This net can work as electronic mailing system.
* It can have access to the distant database, which may be a newspaper of foreign country.
* Customers can exchange their ideas through Internet and can make contact with anyone who is a linked with internet.

## Society for Worldwide Inter-bank Financial Telecommunications (SWIFT):

SWIFT, as a co-operative society was formed in May 1973 with 239 participating banks from 15 countries with its headquarters at Brussels. It started functioning in May 1977. RBI and 27 other public sector banks as well as 8 foreign banks in India have obtained the membership of the SWIFT. SWIFT provides have rapid, secure, reliable and cost effective mode of transmitting the financial messages worldwide. SWIFT is a method of the sophisticated message transmission of international repute. This is highly cost effective, reliable and safe means of fund transfer.

* This network also facilitates the transfer of messages relating to fixed deposit, interest payment, debit-credit statements, foreign exchange etc.
* This service is available throughout the year, 24 hours a day.
* This system ensure against any loss of mutilation against transmission.

## Automated Teller Machine (ATM):

ATM is an electronic machine, which is operated by the customer himself to make deposits, withdrawals and other financial transactions. ATM is a step in improvement in customer service. ATM facility is available to the customer 24 hours a day. The customer is issued an ATM card.

## Cash Dispensers

Cash withdrawal is the basic service rendered by the bank branches. The cash payment is made by the cashier or teller of the cash dispenses is an alternate to time saving. The operations by this machine are cheaper than manual operations and this machine is cheaper and fast than that of ATM. The customer is provided with a plastic card, which is magnetically coated. After completing the formalities, the machine allows the machine the transactions for required amount.

## Electronic Clearing Service

In 1994, RBI appointed a committee to review the mechanization in the banks and also to review the electronic clearing service. The committee recommended in its report that electronic clearing service-credit clearing facility should be made available to all corporate bodies/Government institutions for making repetitive low value payment like dividend, interest, refund, salary, pension or commission, it was also recommended by the committee Electronic Clearing Service-Debit clearing may be introduced for pre- authorized debits for payments of utility bills, insurance premium and instalments to leasing and financing companies.

## Bank net:

Bank net is a first national level network in India, which was commissioned in February 1991. It is communication network established by RBI on the basis of recommendation of the committee appointed by it under the chairmanship of the executive director T.N.A. Lyre. Bank net has two phases: Bank net-I and Bank net- II.

## Areas of Operation and Application of Bank net

* The message of banking transaction can be transferred in the form of codes from the city to the other.
* Quick settlement of transactions and advices.
* Improvement in customer service-withdrawal of funds is possible from any member branch.
* Easy transfer of data and other statements to RBI.
* Useful in foreign exchange dealings.
* Access to SWIFT through Bank net is easily possible.

## Chip Card

The customer of the bank is provided with a special type of credit card which bears customer’s name, code etc. The credit amount of the customer account is written on the card with magnetic methods. The computer can read these magnetic spots. When the customer uses this card, the credit amount written on the card starts decreasing. After use of number of times, at one stage, the balance becomes nil on the card. At that juncture, the card is of no use. The customer has to deposit cash in his account for re-use of the card. Again the credit amount is written on the card by magnetic means.

## Phone Banking

Customers can now dial up the bank’s designed telephone number and he by dialing his ID number will be able to get connectivity to bank’s designated computer. The software provided in the machine interactive with the computer asking him to dial the code number of service required by him and suitably answers him. By using Automatic voice recorder (AVR) for simple queries and transactions and manned phone terminals for complicated queries and transactions, the customer can actually do entire non-cash relating banking on telephone: Anywhere, Anytime.

## Tele-banking

Tele banking is another innovation, which provided the facility of 24 hour banking to the customer. Tele-banking is based on the voice processing facility available on bank computers. The caller usually a customer calls the bank anytime and can enquire balance in his account or other transaction history. In this system, the computers at bank are connected to a telephone link with the help of a modem. Voice processing facility provided in the software. This software identifies the voice of caller and provides him suitable reply. Some banks also use telephonic answering machine but this is limited to some brief functions. This is only telephone answering system and now Tele-banking. Tele banking is becoming popular since queries at ATM’s are now becoming too long.

## Internet Banking

Internet banking enables a customer to do banking transactions through the bank’s website on the Internet. It is a system of accessing accounts and general information on bank products and services through a computer while sitting in its office or home. This is also called virtual banking. It is more or less bringing the bank to your computer.

## Mobile Banking

Mobile banking facility is an extension of internet banking. With recent developments in handset designs and mobile software, this is a trend which has already caught focus of majority of the banks. The bank is in association with the cellular service providers offers this service. For this service, mobile phone should either be SMS or WAP enabled. These facilities are available even to those customers with only credit card accounts with the bank.

## Any where Banking

With expansion of technology, it is now possible to obtain financial details from the bank from remote locations. Basic transaction can be effected from faraway places. Automated Teller Machines are playing an important role in providing remote services to the customers. Withdrawals from other stations have been possible due to inter-station connectivity of ATM’s. The Rangarajan committee had also suggested the installation of ATM at non-branch locations, airports, hotels, Railway stations, Office Computers, Remote Banking is being further extended to the customer’s office and home.

## Kiosks

Information Kiosks can now also provide services such as standing order maintenance, providing loan quotes, passbook printing, document scanning and statement printing.

# Technological Development in new Generation Banks

Developments in the field of information technology strongly support the growth and inclusiveness of the banking sector by facilitating inclusive economic growth. IT improves the front end operations with back end operations and helps in bringing down the transaction costs for the customers. proper usage of Information Technologies and Modern Amenities such as:

1. ATM, Mobile Banking – SMS, Telephone Banking
2. On-line Banking, Internet, Email, Datanet, RBI Net, Nicnet, I-Net, Etc...
3. Home Banking, Electronic Payment, Cash Dispensers
4. Real-time gross settlement systems (RTGS)
5. National Electronic Fund Transfer (NEFT)
6. Electronic Clearing System(ECS), Electronic Fund Transfer Systems(EFT)
7. Pin Number based Transaction for:
   1. Magnetic Cards – Smart Cards, Credit Cards & Debit Cards.
   2. Teller Machines at the Bank Counters, Etc...
8. Offshore Banking / Overseas Banking Services

