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Class: B.Com (Prog.)Sem - VI

Subject: Banking and Insurance

Topic: Internet Banking

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**E-Banking or Internet banking**

Online banking also known as internet banking, e-banking, or virtual banking, is an electronic payment system that enables customers of a bank or other financial institution to conduct a range of financial transactions through the financial institution's website. Internet banking is a term used to describe the process whereby a client executes banking transactions via electronic means. This type of banking uses the internet as the chief medium of delivery by which banking activities are executed. The activities clients are able to carry out are can be classified to as transactional and non transactional.

**Advantages of E-banking or Internet banking**

**1. Convenience:** Banks that offer internet banking are open for business transactions anywhere a client might be as long as there is internet connection. Apart from periods of website maintenance, services are available 24 hours a day and 365 days round the year. In a scenario where internet connection is unavailable, customer services are provided round the clock via telephone.

**2. Low cost banking service:** E-banking helps in reducing the operational costs of banking services. Better quality services can be ensured at low cost.

**3. Higher interest rate:** Lower operating cost results in higher interest rates on savings and lower rates on mortgages and loans offers from the banks. Some banks offer high yield certificate of deposits and don't penalize withdrawals on certificate of deposits, opening of accounts without minimum deposits and no minimum balance.

**4. Transfer services:** Online banking allows automatic funding of accounts from long established bank accounts via electronic funds transfers.

**5. Ease of monitoring:** A client can monitor his/her spending via a virtual wallet through certain banks and applications and enable payments.

**6. Ease of transaction:** The speed of transaction is faster relative to use of ATM's or customary banking.

**7. Discounts:** The credit cards and debit cards enables the Customers to obtain discounts from retail outlets.

**8. Quality service:** E-Banking helps the bank to provide efficient, economic and quality service to the customers. It helps the bank to create new customer and retaining the old ones successfully.

**9. Any time cash facility:** The customer can obtain funds at any time from ATM machines.