

# UNIT 26 – BANKING - Short Notes on CBS...

Hello Readers,

Here we are providing Short Notes on Core Banking Solutions - one of the hot topic asked in the Interviews. Hope you like the post!!!

The term CORE means - Centralized Online Real-time Exchange.

## What is CBS?

CBS refers to the software applications for recording transactions, storing customer information, calculating interest and completing the process of passing entries in a single database.

## What CBS does?

CBS enables accessing of complete customer account details centrally. It makes it possible for a bank customer to access his bank account through whichever channel he prefers like internet banking, mobile banking, ATM etc.

## CBS in India

This initiative was taken by the banks on the basis of 'First Rangarajan Committee report' on bank computerisation submitted in the year 1984.

The committee was constituted under the chairmanship of Dr. C. Rangarajan (Then deputy governor of RBI).

Old generation banks initially were hesitant about this but with the advent of new generation private sector banks in India during 1994-1996, the real era of bank marketing started and these banks started to offer any-where and any-time banking facilities to its customers.

Syndicate Bank was the first among the Public Sector Banks to implement Core Banking.

First CBS branch of Syndicate bank was Jayanagar Branch in Bangalore.

## Benefits of CBS

### A. Benefits for the customers

- Through CBS a bank customer can avail banking facilities (transactions) 24x7.
- It is time saving, convenient and efficient.

### B. Benefits for the banks

- This paradigm shift in banking has revolutionised the speed, efficiency and reach of the delivery systems. It gives greater customer satisfaction which is essential for every bank in this day an age.
- Since it offers alternate channels than brick and mortar banking, it is a viable alternative to opening new branches, therefore reduces a bank's operational costs.
- Alternative for extended working hours.
- Reduces long queues in bank cash counters.



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