## List of Enclosure

<table>
<thead>
<tr>
<th>List of Enclosure</th>
<th>Page No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Questionnaire</td>
<td>629</td>
</tr>
<tr>
<td>2 Calculation of table no. 7.2.28</td>
<td>640</td>
</tr>
<tr>
<td>3 Copies of paper published- 5 papers</td>
<td>641</td>
</tr>
<tr>
<td>4 Copies of certificate of Seminars/ conference attended- 3 seminars/ conference</td>
<td></td>
</tr>
</tbody>
</table>
Dear sir/ madam,

I am Sunil Lohiya, Student of Ph.D, V.R. Patel collage of commerce, Mehsana affiliated with, Hemchandracharya North Gujarat University, Patan.

As a part of my Ph.D. degree. I seek your kind help. I am studying on “A study of customer perspective for innovative banking practices of selected public sector and private sector banks in Gujarat”. I seek your kind co-operation. I would be very much thankful to you for your efforts to fill in the following questionnaire for my research work.

This Questionnaire has divided into three sections:

Section-1 Personal information.
Section-2 Internet banking habit of the people and innovative banking services.
Section-3 Customer’s perspective of innovative banking practices.

I assure you that the information provided by you would be strictly for research purpose and would be kept confidential.

Without your esteemed help, this work will be incomplete one. So your kind co-operation will be highly appreciated and if you are interested to know the result of the study, I would be happy to share my experience and result of the study with you.

Thank you
Yours faithfully
Sunil Lohiya
Questionnaire-1

Section-1 :- Personal information

1). Name: ………………………………………………………………………………………………
2). Address: ………………………………………………………………………………………………

………………………………………………………………………………………………………………

3). Gender: [Please ? ]
   Male   □   Female   □

4). Age: [Please ? ]
   Below 18 □  18 to 25 □
   26 to 35 □  36 to 45 □
   Above 45 □

5). Marital status: [ Please ? ]
   Married □   Unmarried □

6). Education qualification: [Please ? ]
   Below SSC □   SSC □
   HSC □   Graduate □
   Post Graduate □   Professional □
   Any other …………………

7). Occupation: [ Please ? ]
   Government Service □   Private Service □
   Agriculture □   House Wife □
   Own Business □   Any other………………

8). Monthly Income: [ Please ? ]
   Below 5000 □   5000 to 15000 □
   15001 to 30000 □   30001 to 45000 □
   Above 45000 □
Section 2: Main Question

A). Internet Banking habit of the Customer

9). Name of your Bank, Which you have an account:-……………………………………

10). Your Bank is a…. [Please ? ]
     Public sector bank □ Private sector bank □

11). Do you have account transaction with multiple banks? [Please ? ]
     Yes □ No. □

12). How many times do you use telephone banking services per month? [Please ? ]
     1 times □ 2 to 3 times □
     4 to 5 times □ 6 to 10 times □
     Over 10 times □

13). Do you access to internet? [Please ? ]
     Yes □ No □

14). What are the main reason that you typically visit your bank branch? [Please ? ]
     Withdraw cash □ Make deposit □
     Get Advice □ Balance inquiry □
     Any other……………………

15). Have you performed any of the following activities on-line?
     Purchased product □ Sold product □
     Tax filing □ Banking activities □
     Movies/music □
16. What browser do you use for online banking? [Please?]
   - Internet Explorer (IE6) [ ]
   - Opera mini [ ]
   - Mozilla firefox [ ]
   - Netscape [ ]
   - Safari [ ]
   - Google chrome [ ]
   - Any other………………

17. What operating system do you use for on-line banking? [Please?]
   - Window [ ]
   - Mac [ ]
   - Linux [ ]
   - Android [ ]
   - Any other………………

18. Did you read your banking agreement privacy and security policies of your bank? [Please?]
   - Yes [ ]
   - No [ ]
   - Don’t Know [ ]

19. Do you use a unique password for on-line banking? [Please?]
   - Yes [ ]
   - No [ ]

**B). Innovative banking services**

20. Are you aware of the services offered by the bank to its customer? [Please?]

<table>
<thead>
<tr>
<th>Innovative Services offered by bank</th>
<th>Aware</th>
<th>Aware not using</th>
<th>Not aware</th>
</tr>
</thead>
<tbody>
<tr>
<td>ATM</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EFP (Electric fund transfer)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBP (Electric bill payment)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>E-Cheque</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Internet banking</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Tele banking</td>
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<td></td>
<td></td>
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<tr>
<td>Mobile banking</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Credit card</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debit card</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Demat account</td>
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<td></td>
<td></td>
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<tr>
<td>Digicash</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Netcash</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
21). What are the technology based services provided by your bank? [Please ? ]

<table>
<thead>
<tr>
<th>Innovative Services offered by your bank</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>ATM</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EFP (Electric fund transfer)</td>
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<td></td>
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<tr>
<td>EBP (Electric bill payment)</td>
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<tr>
<td>E-Cheque</td>
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<td>E-Zwich</td>
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<tr>
<td>Internet banking</td>
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<td>Tele banking</td>
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<td>Mobile banking</td>
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<td>Credit card</td>
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<td>Debit card</td>
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<tr>
<td>Digicash</td>
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<td></td>
</tr>
<tr>
<td>Netcash</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

22). The internet banking services, I am using with my bank. [Please ? ]

<table>
<thead>
<tr>
<th>Services</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fund transfer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bill payment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Demand draft</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash credit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Safe deposit locker</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Housing loan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Car loan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal loan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Calculate loan payment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product rate information</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Check balance one line</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Any other specify</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

23). What are the main reason that you chose particular bank for internet banking activities? [Please ? ]

- The excellence service [ ]
- The familiarity [ ]
- The brand name [ ]
- The traditionalist [ ]
- Any other..........................
24). What are the main reason that you opened an Internet bank account? [Please ?]

Time saving      □      Convenience      □
Safe and secure   □      Easy to operate □
Any other..........□

25). Do you feel that the internet account creation procedure is.. [Please ?]

Difficult        □      Easy              □
Time consuming    □      complex           □
Costly            □      Lack of evidence □

26). Have you ever had to pay hidden charges for any transaction through internet banking? [Please ?]

Yes              □      No                □
If yes, please give detailed information in the space given below.
........................................................................................................................................
........................................................................................................................................
........................................................................................................................................
...

27). How much charges do you pay when using Internet banking? [Please ?]

Daily Expenses                Annual Expenses
Below Rs. 5                   Rs.200 to Rs. 500 □
Rs. 5 to Rs. 15               Rs.501 to Rs.1000 □
Rs. 15 to Rs. 25              Above Rs. 1000 □
Above Rs.25                   □

28). Do you ever find difficulty when using Innovative banking services? [Please ?]

Yes                      □      No                 □
If yes, which types of difficulty do you face? [Please ?]
Server down               □      Java Script does not supported □
Net failure               □      Flash players does not supported □
Payment gateway does not open  Power failure

29). Which other facilities do you expect from your bank? [Please?]
1. Reduce costs of Internet banking transaction.
2. Improve customer services
3. Improve distribution channels
4. Reap operational benefit
5. Provide effective proof of banking transaction.
6. Provide modern banking facilities
7. Easy EFT transaction
8. More ATM branches
9. Update bank website regularly
10. Mobile alerts of every banking transaction.
11. Provide Internet banking user prompt.

Section 3:  
Customer’s perspective of Innovative Banking Services
Please put “?” for your answer in the appropriate box

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Customer’s perception Parameters</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>disagree</th>
<th>Strongly disagree</th>
</tr>
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<tbody>
<tr>
<td>1</td>
<td>Service level</td>
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</tr>
<tr>
<td>1</td>
<td>Accurate services</td>
<td>5</td>
<td>4</td>
<td>3</td>
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<td>2</td>
<td>Quick service</td>
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<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
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<td>3</td>
<td>Secured ATMs</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>4</td>
<td>Error free internet banking</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>5</td>
<td>Easy to connectivity</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
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<td>6</td>
<td>No error in services</td>
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<td>4</td>
<td>3</td>
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<td>Personal attention</td>
<td>5</td>
<td>4</td>
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<td>2</td>
<td>1</td>
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<td>8</td>
<td>I have confidence in the bank services</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>9</td>
<td>The website design is attractive.</td>
<td>5</td>
<td>4</td>
<td>3</td>
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<td>1</td>
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<tr>
<td>10</td>
<td>The banks give proper response of your request.</td>
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<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
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<tr>
<td></td>
<td>The bank is easy accessible by telephone</td>
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<td>5</td>
<td>4</td>
<td>3</td>
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<tr>
<td></td>
<td>It is easy to find what I need on the website.</td>
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<td>12</td>
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<td>5</td>
<td>4</td>
<td>3</td>
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<tr>
<td></td>
<td>The bank does not issue my personal information.</td>
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<td>13</td>
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<td>5</td>
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<tr>
<td></td>
<td>The bank quickly solves your problem.</td>
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<td>14</td>
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<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
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<tr>
<td></td>
<td>I quickly complete bank transaction.</td>
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<td>15</td>
<td></td>
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<td>Trust</td>
<td></td>
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<tr>
<td>1</td>
<td>I trust internet banking site.</td>
<td>5</td>
<td>4</td>
<td>3</td>
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<tr>
<td>II</td>
<td>Internet banking site keeps customer’s best interest in mind.</td>
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<td>2</td>
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<td>4</td>
<td>3</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>II</td>
<td>Internet banking site keeps quick action against problem.</td>
<td></td>
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<td>3</td>
<td></td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
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<tr>
<td>II</td>
<td>I trust in internet banking for making decision.</td>
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<td>4</td>
<td></td>
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<td>4</td>
<td>3</td>
<td>2</td>
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<tr>
<td>II</td>
<td>I trust bank site upgradation.</td>
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<td>3</td>
<td>2</td>
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<td>5</td>
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<td></td>
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<tr>
<td>III</td>
<td>Useful</td>
<td></td>
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<tr>
<td>1</td>
<td>The internet banking improves my performance of banking activities.</td>
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<td>1</td>
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<td>5</td>
<td>4</td>
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<tr>
<td>III</td>
<td>The internet banking makes easier to do my banking activities.</td>
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<td>2</td>
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<td>4</td>
<td>3</td>
<td>2</td>
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</tr>
<tr>
<td>III</td>
<td>Internet banking site useful for my banking account/ transaction/ connections.</td>
<td></td>
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<td>3</td>
<td></td>
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<td>4</td>
<td>3</td>
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<tr>
<td>III</td>
<td>Internet banking flexible to interact with.</td>
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<tr>
<td>4</td>
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<td>5</td>
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<tr>
<td>III</td>
<td>I find out internet banking is clear and understandable.</td>
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<td>5</td>
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<td>4</td>
<td>3</td>
<td>2</td>
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</tr>
<tr>
<td>III</td>
<td>Internet banking is influenced by friend, media and family.</td>
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<tr>
<td>6</td>
<td></td>
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<td>4</td>
<td>3</td>
<td>2</td>
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</tr>
<tr>
<td>III</td>
<td>Using innovative banking services ought to enhance my effectiveness on the job.</td>
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<td>7</td>
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<td>4</td>
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<tr>
<td>III</td>
<td>Using electronic commerce would</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>8</td>
<td></td>
<td>5</td>
<td>4</td>
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<tr>
<td></td>
<td>make it easier to do my job.</td>
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</tr>
<tr>
<td>9</td>
<td>I would find electronic commerce useful in my job</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>10</td>
<td>I would find out innovative banking services is convenient for anytime banking.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
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### IV Satisfaction level

<p>| | | | | | |</p>
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</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>This bank does not meet my need</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>2</td>
<td>The bank is far from my expectations of an ideal bank.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>I am satisfied with my bank</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>4</td>
<td>Before choosing a bank, I consider its performance.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>5</td>
<td>I am satisfy with my bank services.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
</tbody>
</table>

### V Behavior of Employees

<p>| | | | | | |</p>
<table>
<thead>
<tr>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Employees of the bank pay special attention to you.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>2</td>
<td>Employees of the bank solve your problem.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>Employees of the bank provide fast enough services</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>4</td>
<td>Employees of the bank well dress and appearance</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>5</td>
<td>Employees of the bank willing to help.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>6</td>
<td>Employees of the bank solve problem when they promise to do.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>7</td>
<td>Easy to contacting branch manager.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>8</td>
<td>Employees of the bank provide service with user friendly approaches.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>9</td>
<td>Branch manager of the bank provides future services</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>10</td>
<td>Employees of the bank provide retail banking and tailoring facilities.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
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</tbody>
</table>
Questionnaire-2

Personal Information

1. Name: ............................................................................................................
2. Designation: ....................................................................................................
3. Address: ...........................................................................................................

Banks manager’s positive response according to Innovative banking

<table>
<thead>
<tr>
<th>Sr. no.</th>
<th>Positive response</th>
<th>Tick Mark</th>
</tr>
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<tbody>
<tr>
<td>1</td>
<td>Innovative banking is anymore/anytime</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Innovative banking save lot of time</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Mobile banking has a user friendly interface</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Mobile banking makes banking activities hassle free</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Innovative banking through made financial transactions of even smaller denominations</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Innovative banking provides lower cost of services</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Transfer and deposit money easy way</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Invest in share market</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Request cheque book on-line</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>View Mini Statements on ATM</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>View Loan statements on-line</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>View Credit Card Statements on-line</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Invest in Mutual funds on-line</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Stop payment on cheques immediately</td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>Functionality to stop payments</td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>Personal Identification Number provision</td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>Updating passbook</td>
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5. Banks manager’s negative response according to Innovative banking

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<tr>
<th>Sr. no.</th>
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<tbody>
<tr>
<td>1</td>
<td>Time wasted service</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Theft and fraud</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Long queues</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Inconvenient branch locations</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Poor service</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Poor bank infrastructure</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Cheque clearance too late</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>shortage of staff</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>shortage of basic infrastructure</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>No service customization</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Not accessible for 24 hours</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>errors in recording transaction</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Total negative response</strong></td>
<td></td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Sr. no.</th>
<th>Negative response</th>
<th>Tick mark</th>
</tr>
</thead>
<tbody>
<tr>
<td>18</td>
<td>Payment of Bills, like telephone bill, electricity bill</td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>Transfer and deposit money on-line</td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>Check account balance</td>
<td></td>
</tr>
<tr>
<td>21</td>
<td>Pay insurance premium on-line</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Total positive response</strong></td>
<td></td>
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Appendix-2
Calculation of Table no.7.2.28
Classification of respondents according to their age group and service level of the private sector bank

<table>
<thead>
<tr>
<th>Scale</th>
<th>Age group wise response</th>
<th>Multiply by scale</th>
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<tbody>
<tr>
<td></td>
<td>Below 18</td>
<td>18 to 25</td>
</tr>
<tr>
<td>S. Agree</td>
<td>16</td>
<td>215</td>
</tr>
<tr>
<td>Agree</td>
<td>29</td>
<td>637</td>
</tr>
<tr>
<td>Neutral</td>
<td>62</td>
<td>860</td>
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<tr>
<td>Disagree</td>
<td>44</td>
<td>480</td>
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<tr>
<td>S. disagree</td>
<td>29</td>
<td>253</td>
</tr>
<tr>
<td>Total</td>
<td>180</td>
<td>2445</td>
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</tbody>
</table>

Statement of service level

1. Below 18 12 respondents x 15 Statement = 180 Total response
2. 18 to 25 163 respondents x 15 Statement = 2445 Total response
3. 26 to 35 221 respondents x 15 Statement = 3315 Total response
4. 36 to 45 89 respondents x 15 Statement = 1335 Total response
5. Above 45 15 respondents x 15 Statement = 225 Total response
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<td>NIVEDHA LAKSHMI AND ZAHIDA JABEEN</td>
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<td>HISTORIOGRAPHIC METAFICTION AND RUSHDIE'S MIDNIGHT'S CHILDREN</td>
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<td>DIFFERENT TYPES OF SYMBOLS AND THEME USED BY EUGENE O'NEILL IN THE EMPEROR JONES</td>
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<td>N. B. MASAL</td>
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<td>5</td>
<td>THE WOMEN'S SUFFRAGE MOVEMENT IN INDIA</td>
<td>22</td>
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<td>MUKUT CH. BARUAH</td>
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<td>6</td>
<td>VALUE CHAIN UP-GRADATION IN BAMBOO SECTOR FOR SOCIO-ECONOMIC DEVELOPMENT IN TRIPURA NORTHEAST INDIA</td>
<td>25</td>
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<td></td>
<td>MOHD. ARSHAD1 AND MD.SELIM REZA2</td>
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<td>7</td>
<td>RECENT TRENDS ON JIHAD</td>
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<td>PURNAMAND. N. SANGALAD</td>
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<td>13</td>
<td>COMPARISON BETWEEN CONVENTIONAL CONCRETE AND STEEL FIBRE REINFORCED CONCRETE</td>
<td>OM V. VAIDYA1 AND VALESSON VARGHESE2</td>
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<td>A STUDY ON PROXIMATE COMPOSITION AND MINERAL CONTENTS IN THE MEAT OF FRESH WATER CRAB PARATELPHUSA EDUNTULA, ALCOCK, COMMONLY FOUND IN ASSAM, INDIA.</td>
<td>NABANITA PATHAK</td>
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<td>TO STUDY AND ANALYSE THE INFLUENCE OF MOBILE PHONE TECHNOLOGY ON DIFFERENT SECTIONS OF THE SOCIETY IN CHANGING THEIR SOCIAL BEHAVIOUR</td>
<td>MEHAR SINGH</td>
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<td>16</td>
<td>LOW NOISE AMPLIFIER DESIGN AND SIMULATION BY USING BIPOLAR JUNCTION TRANSISTOR</td>
<td>MAULIK B. PATEL, ABHISEK CHOBAY AND SUNIL B. PATEL</td>
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<td>17</td>
<td>A STUDY OF SPATIAL DISTRIBUTION OF URBAN SETTLEMENT IN MARATHWADA (MAHARASHTRA)</td>
<td>MAHESH P. RATNAPARKHI</td>
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<td>18</td>
<td>IMPACT OF PILGRIM TOURISM IN J&amp;K ECONOMY: A CASE STUDY OF SHRI MATA VAISHNO DEVI PILGRIMAGE</td>
<td>VIREDH ROUNDAL</td>
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<td>MOBILE BANKING TRENDS</td>
<td>SUNIL LOHIYA</td>
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<td>DISTRICT WISE ALLOCATION OF FUNDS TO THE HYDERABAD KARNATAKA REGION UNDER THE NATIONAL RURAL HEALTH MISSION</td>
<td>SHILPA BHIMRAO GAONKAR AND ANAND KITTUR</td>
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<td>INDIAN EMPLOYMENT: PRE AND POST REFORM</td>
<td>S.V. SOWANI</td>
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<td>पुनर्वसित कर्णक्षेर व पुनर्वसनात कृषिक्षेरचे योगदान : एक संशोधन प्राज्ञक्षेर टांकसाठे</td>
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<td>“राज्याभाषा हिंदी कितनी सही कितनी प्रेरक”</td>
<td>ग्रामीण पार्टील</td>
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<td>COMBINING ABILITY ANALYSIS IN EGGPLANT (SOLANUM MELONGENA L.)</td>
<td>PACHIYAPPAN. R, K. SARAVANAN AND R.KUMAR</td>
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<td>Single Copy</td>
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Mobile banking Trends

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Abstract:
M-Banking is fast growing in India as cost effectiveness. It is virtual banking model to used banking in anywhere anytime whenever it requirement. M-Banking service used without paper, so it is help to the society make greener planet. M-Banking provided services without any restrictions. Customers have not visit branch, so its cost beneficiary of all kind.
M-Banking means used banking services over through mobile network. Over the last few years the mobile and wireless market has been one of the fastest growing markets in the world and it is still growing at a rapid pace.

M-Banking services used by customer through checking account balance transfer, enquiry services, Demat enquiry, interbank mobile payment services, mobile top-up services, Bill payment, purchasing, payment reminder and cheques status. Mobile banking is popular among the customer which income approximately between 1 to 5 lacs. It means middle class family used M-Banking for their convenience.

The main facts that the mobile is a easiest way of access internet and used technology based services through internet. It is force economy to fast growing because of all the things done by one touch. Let see the M-Banking development.

1. SCOPE AND OPPORTUNITIES

Over the last few years, in Indian banks have spent crore of rupees to provide electronic banking system. They invested large amount of rupees in improving the IT system and have to process number of new electronic banking services. Indian banking profitability is mainly from Retail banking. E-channels are part of retail banking and its play major role in reducing cost and provide effective services to the customer. Mobile phones have become an essential communication tool for almost every individual, M-Banking in India is set of explode approximately 494.45 million urban Indian are used their mobile phone to access banking services during quarter end of April 2012. Over the past few years, mobile has been one of the fast growing markets in the world especially in Asian countries like India, China and Indonesia. The Indian population increased 1.9% in per year and 921.021 cr subscriber crossed in April 2012.
In India every person has a two or three mobile because of easily affordable handsets price, lower tariff plans and better network competition. Both rural and urban customers are major contributors to this phenomenal growth.

2. MOBILE BANKING DEVELOPMENT

In the world of m-banking, Philippines leads with over 3.5 million user split between SMART money and...
G-CASH, in India the same way Airtel money can provide this types of virtual money transfer services to the customers. Airtel make partnership to the Axis bank and the service named Airtel money super account, it is collaboration with axis bank to provide virtual banking services to the customers. In South Africa WIZZIT operating these services successfully. Kenyans bank also provides M-KESHO and M-PESA facilities.

A) SMART MONEY

Smart money was launched in December 2000. It is a world's first electronic wallet card linked to a mobile phone which won the 2001 GSM Awards for most Innovative GSM wireless service to customer. Customer can open account in Banco-de-Oro and forward text message to BDO like “Money” to 343 and entered desired six digit password, choose account then press ok, BDO can provide sixteen digit smart money account number for operating account.

After registering their SMART money account, customer can purchase a SMART card to transfer cash to their smart money account. It can be used thousand of shops and restaurants. Customer can pay utility bills or transfer money from one SMART card to other smart cards over 3.5 a millions of people used this service to transfer money into Philippines country.

B) G-CASH

This service was launched in October 2004, by Globe Business. It is a message based transaction system. Customers do not need bank account or a card. G-cash is able to provide M-banking service without open any account or buy any card. Customer visited Globe business canter or any accredited G-cash partner and request to do cash transaction; customer needs a valid email id for transactions. Globe Business own maintains all transactions of customers and settlement between retailers and customers. G-cash ATM card can only be used for withdrawing money from G-cash account. Applying for G-cash ATM charged Php 100.00, G-cash has no security feature available but G-cash have easy sign-up process has attracted lots of customers. Now a day they have more subscribers than smart money.

C). M-PESA

This service was launched in April 2007 by Safaricom in Kenya. M-Pesa classified as M-means Mobile and Pesa means Swahili for money, so it's simply called mobile money. It is a mobile based services provided by Safaricom Kenya, who is Kenya's largest mobile network operator. For used this service customers do not hold any bank account. The M-Pesa application is installed on the mobile sim card and its works all handsets, M-Pesa services spread quickly and has became the most successful mobile phone based financial service provider. In 2012 approximately 17 million M-Pesa account registered in Kenya.

D). WIZZIT

This service was launched in 2004 by Wizzit payment system Pvt Ltd., Wizzit provides basic banking services for the unbanked and under banked. In South Africa Wizzit is a branchless banking business activities, it means that the service designed for customers so that made transaction without the need of visit bank branch.

Wizzit is formally division of the South African bank of Athens but its brand owned and their operations are run by group of independent entrepreneurship. Wizzit had a 250000 customers in South Africa, it is provides service in 11 official languages of South Africa, company also launched project in Namibia and Romania.

Wizzit also provided a Maestro branded debit card to the customers, customers can purchase and get cash back from retail outlets and withdraw money at ATM, Wizzit company branded the service as “a bank in your pocket”, it is also promotes Wizzit as “The easy way to pay” for customers.

E). AIRTIL MONEY

This service was launched in 2011 Bharati Airtel in India Airtel money is an account on your mobile phone then customers can deposit money in Airtel money account and used the balance to pay various products and service through simple menu bar in mobile hand set. Now a day, Axis bank and Bharti Airtel has launched banking and payment services on Airtel's mobile platform. This service is identified as “Airtel Money Super account powered by Axis Bank”. Customers open account in Axis bank that offers banking
transaction through mobile networks. This service aimed to provide bank services in unbanked area where greater need of money transfer. Airtel mobile customer can visit nearest outlets and open “Airtel money super account” on their mobile phones by provided necessary document from the bank branch.

3. M-BANKING BUSINESS MODELS:-

Business models for the M-banking classified into three categories namely 7.

1. **Virtual Banking Model:-**
   Under the virtual banking model, the customers to purchase goods and services through their own mobile instruments and payment are debited into the mobile prepaid card. Customers also used their balance as per virtual currency, whereby users can purchase; this model suffers from legal weakness that in India.

2. **Bank on Mobile Model:-**
   Under the Bank on mobile model, MSP (Mobile Service Provide) enter into business with a bank to offer m-banking services to the customer. Customers used these types of banking services through getting password and PIN confirmed as per MSP and Bank security infrastructure. Bank provide Software installation to the customers, user operate their account through this software easily.

3. **Alternative Banking Model:-**
   Under this model, customers can use their own mobile instruments for banking activities; it is easy to use just get internet connection into the mobile and customers needs to register his mobile number, mobile instruments with the bank. The mobile operator role in this service is limited.

4. **M-Banking issues:-**
   New techniques brings with it some legal issues, if these issues are resolved effectively then technology can prove big boom for that located area. M-banking, covering most of areas like urban, rural, semi urban, semi rural and metro city etc., M-banking, wide spread over the country so its scope became large, M-banking services is transparent so user can easily check her or his status regularly.

5. **Security Mechanism8:-**
   The Mobile GSM network has some security mechanism to prevent activities like SIM cloning and stop illegally used handsets.

4. **GSM AUTHENTICATION CENTER**
   The GSM authentication center is used to authenticate each SIM card that attempts to connect to the GSM network. The SIM card authentication takes place when a mobile station initially attempts to connect to the network.

5. **AUTHENTICATION PROCEDURE**
   The authentication of the SIM depends on a shared secret key between SIM card and the AUC called Ki. This secret key is embedded into the SIM card during manufacture and it is also securely replicated into the AUC. The mobile returns the International Mobile Equipment Identity number; this number is forwarded to the EIR (Equipment Identity Register). The EIR authorizes the subscriber and responds back to the SIM with the status, if the mobile is authorized the SGSN informs the HLR and PDP Context activation begins.

6. **STRATEGIES FOR M-BANKING BECAME MORE POPULAR**
   M-Banking is fast growing sector in India, so it is a necessary that more people aware for Mobile related banking services9.

1. Bank should provide system architecture to the customer, how the M-banking works.
2. Bank should provide demo version of services.
3. Bank should convince to customer of service identified.
4. Bank should provide account operation booklet.
5. Bank should provide 24x7 customer care help service.
6. Bank should provide accurate trainee staff for customer help.
7. Bank Tray to provide banking facilities in almost rural area because most of Indian population resides in rural area.

7. RBI GUIDELINES FOR OPERATIVE ACCOUNT

RBI issued operative guidelines under section 18 of the Payment and Settlement System Act., 2007 in October 2008 and they have been modified in December 2009, which permit banks to provide mobile banking transactions.

The guidelines also permit banks to extend this facility through their business correspondents. Complaints arising out of mobile banking facility are also covered under the Banking Ombudsman Scheme of RBI. The mobile banking guidelines were further relaxed in May, 2011 to permit mobile banking transactions without end to end encryption upto Rs. 5000/- and in December, 2011 to remove the transaction limit of Rs. 50,000/- per customer per day. The brief summary of these guidelines are given below:-

6 Only such banks which are licensed and supervised in India have a permitted to offer mobile payment services to residents of India.
7 The services should be restricted for KYC/AML compliant.
8 Bank should provided this service based on Indian rupees.
9 M-banking user customer can followed time to time KYC/AML guidelines issued by the RBI.
10 Banks should offer mobile banking service to their own customers.
11 Banks should have a system of registration before commencing mobile based payment service to a customer.
12 There can be two levels of mobile based banking service – The first or basic level in the nature of information like balance enquiry, SMS alert, balance status of last five transactions and other account related information.
13 The second level in the nature of financial transactions such as payments, transfers and stop payments.

8. TRAI ISSUES NEW GUIDELINES FOR MOBILE BANKING

The Telecom Regulatory Authority of India (TRAI) has issued new guidelines for mobile phone banking to make banking through mobile phones faster and safer.

Under the Mobile Banking Regulations Act., 2012, the telecom operators will have to give banks and customers option to use SMSes, Interactive Voice Response (IVR) and unstructured supplementary services data (USSD) for transactions. The regulator also wants service providers to facilitate the bank to use WAP or SIM Application ToolKit. The TRAI notes that the operators have already been using these platforms therefore they do not need to make additional investments.

The TRAI says its new regulations will ensure mobile operators offer good services to banks that launch mobile banking services. “Mobile banking consists of banking transactions and the use of mobile networks for communicating through mobile phones by the customer for such transactions. The entire transaction depends on the capability of the mobile network to deliver a fast, reliable and cost-effective method of communication,” the regulatory body said.

As per new guidelines, the response time for delivery of message during mobile banking generated by either customer or the bank will be within the stipulated time frame of up to 10 seconds for SMS, IVR, WAP and STK and up to 2 seconds for USSD. The regulator has also directed that transactions such as cash deposit, cash withdrawal, money transfer and balance enquiry should be completed in not more than two stages.

9. MOBILE DENSITY

Mobile densities described are as under as per TRAI and CAGR reports:-

1 Cell phone tele density is still very low in India at around 6%, In comparison to China’s cell phone density is at around 35%.
2 In the past two years, the number of people using mobiles has increased three times.
3 Indian cellular services market is projected to reach $24 billion by the end of 2009, a CAGR (Controller auditor general report) of 35.6%, comparison to Japan region in 2004 with a CAGR of 67%.
4 As on April 30, 2012, there were 921.02 million mobile subscribers in India, according to data provided by the TRAI. Fixed Phone users already lag behind by 31.89 million.
5 Mobile Number Portability requests increased from 41.88 million subscribers at the end of March 2012 to 45.89 million at the end of April 2012.

6 Active wireless subscribers on the date of Peak VLR in April 2012 are 686.58 Million, 74.55% of the total subscribers.

7 Broadband subscription reached 13.95 Million in April 2012 from 13.79 Million in March 2012.

10 CUSTOMER SERVICES:

The customer protection issues assume a special significance in view of the fact that the delivery of banking services through mobile phones is relatively new. Some of the key issues in this regard and the legal aspects pertaining to them are given below:13

1 Bank must identify their customer related with integrity and reputation of the perspective customers.
2 Bank must identify the mandatory disclosure of risks, the disclosure template indicates in banks website with printed material.
3 Banks may consider covering the risks arising out of fraudulent transactions through appropriate insurance scheme
4 The jurisdiction area of legal settlement would be within India.

CONCLUSION:

In the end m-banking not only helps a bank to reduce their cost but also helps to maintain its valuable customers. Bank facilitates to customer anywhere anytime banking services with lowest cost rate. Mobile banking helps both, the customer and bank, so every bank try to provide these types of technology based service to the customers. This is technology era so every bank has necessary adopted m-banking services and stay in market competition, otherwise it is very though retain in market of banking.

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Biometric identification and verification techniques
-A future of ATM Banking System

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Abstract:
This study report focuses on usability of leading edge of Biometric verification technique. The researcher discusses biometric techniques in general and focus upon the usability phases and various issues associated with customers perspective and use interphase also. Bank provides to its customer off-site and on-site ATM services, so bank customer easily visited a bank ATM and withdraw money easily. But recent periods for the security perspective bank activities need though securities and password strength so customers account may be secured.

KEYWORDS: -
Biometric, ATM, Banking, ATM technique.

1. INTRODUCTION:-
Today, many people have PINs (personnel identification number) and password for an operating multiple devices like car, radio, mobile and ATM machines; herein it is a major difficulty facing by customers like usability, memorability and security. Password makes difficulty to remember, some of the people write on password on piece of paper, card and diary. People are permitted to choose their own password they tend to select and easily remember or guessed like, 111, 9999, and 0000. Biometric technique may allow to away from these types of difficult problem. Biometric ATM operates only a man physically present actually at the place of operating ATM machines. In early 90s, the Biometric industry was established; it has been driven by a manly system central approach with unique digital identifier extraction.

2. ATM MACHINES:-
"ATM" stands for Automated Teller Machine. This machine allows the account holder to have transactions with their own accounts without allowing them to access the entire bank's database. ATM machine was invented by John sheppardbaren on June 1967 at Barclays bank in Enfield, United Kingdom.
In India, Hong Kong and Shanghai banking corporation (HSBC) installed first ATM in 1987. Indian bank and Citi bank introduced ATMs at various stages.

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Biometric refers to any and all of variety of identification technique which are based on some physical behavioural characteristics. Biometric ATM support only at ATM machine which is facilitates these types of services. The ATMs are network connected centralised computer system with controls ATMs. The biometric identification is possible at an ATM and identification data stored in main bank branch.

Generally an ATM machine operates in two stages, first card slot and second key guard. Most of the ATMs use magnetic strip card and personal identification number to identified account holders. The Biometric ATM solution consists of central server which holds a repository of customer finger prints and verification of accounts. The central server provides platforms of independent; it uses java run time on UNIX and oracle/ McIntosh SQL server customisation to bas 24 switches.

Biometric ATM technique divides into various parts namely:

- Physiological technique.
- Included finger, hand and fingerprint
- Geometry technique.
- Included eye, retinas, iris, face, and wrist (vein)
- Behavioral technique.
- Included Voice, signature, typing and pointing.

**Figure:-1 Biometric ATM technique**

Fingerprint verification:-

In this technique, Bank customer's finger matching a minutiae and straight pattern and unique marks in finger print. (see figure:-1)

Hand geometry:-

Hand geometry is a biometric solution that reads a person's hand and/or fingers for access. This technique concerned with measuring the physical characteristics of the customer hand and fingers. (see figure:-1)

Voice verification:-

This technique followed some types of word, key, number soughted by the customers at the front of ATM machines and Biometric ATM machines recognition voice and identify the customers voice next process has been done. (see figure:-1)
Retinal scanning:-

This technique used to identify the unique patterns of the retina of the customers. Retinal scanning devices are the most accurate physical biometric available today since there is no known way to replicate a retina. (See figure:-1)

Iris scanning:-

Iris scanning is eye related biometric systems. Iris scans analyze the features that exist in the colored tissue surrounding the pupil of an eye, it is utilized a conventional camera element and requires no intimate contract between user and reader. (See figure:-1)

Facial recognition:-

Facial recognition analyzes the characteristics of a person's face. Access is permitted only if a match is found. The process works when a user faces a digital video camera, usually standing about two feet from it, where the overall facial structure, including distances between eyes, nose, mouth, and jaw edges are measured. (See figure:-1)

Signature verification:-

The technology examines such dynamics writing speed of the persons, directions of writing, and pressure of ball point writing. (See figure:-1)

Vascular patterns:-

Vascular patterns described a full picture of the veins in a person's hand or face. The thickness and location of these veins are believed to be unique enough to an individual to be used to verify a person's identity. (See figure:-1)

Keystroke recognition:-

This keystroke recognition technology has recently gained in the music industry; this information would be used to protect songs pirates against unauthorized distribution and illegal use. (See figure:-1)

There are various banking products of biometric but the most commonly used biometrics are fingerprint scanning, voice recognition, retina scan and face recognition.

1. Developing Biometric ATM

1. Palm print

Palm print biometrics is a system that measures the physical characteristics of an individual's palm. The specified palm is placed on a reader where the measurements are taken.

2. Vein pattern

Vein pattern matching involves scanning the vein patterns on the back of a customer's hand. The customer's place their hand into a reader. Inside a small black and white camera and LED array are used to capture the digital image. There is difficulty of identify vein pattern changing over a time.

3. Ear shape, body odor and gait analysis

Ear shape is a physical biometric that measures the shape of the ear structure. This ATM works same manner of facial recognition.

4. Body odor

Body odor is a system that analyzes the natural body odor given off by an individual. Electronic sensors are used to gather the odor, such as the back of the hand.
5. GAIT ANALYSIS

Gait analysis is the analysis of the way an individual walks. This usually includes some sort of mat with sensors that an individual will then walk across. Measurements of the speed, pressure applied by the foot.

2. Solar Biometric System:-

The union bank of India established first solar power ATMs, enabled voice biometric system in Ghawadi village at Ludhiana district on March 25th, 2011. Union bank of in started this facility with the help of M/s vortex and IIT Chennai. This ATM machine ideal for rural area because of power supply is a critical factor rural area.

The Chennai-based Vortex Engineering co. gets large number of order from State Bank of India for deploying 545 ATMs across rural areas at a cost of Rs. 18 crore, out of this over 300 will be solar powered ATM machine.

3. Biometric ATM process

Biometrical authentication systems works on two modules, i.e. “identification” and “verification”. A biometric sample is taken of the user, which then can later on be used to compare with, this types of biometric system called compare and identify when a user requests to be authenticated. The sample which is called "biometric template" that is taken during enrollment is saved into the system and after that the system has something to compare a user with when he tries to authenticate. When the given biometric sample matches the one in the system, you are authenticated and get access account and when there isn’t a match; you don’t access account. The whole process of authentication can also be monitored.

If, a customer’s face is used as the mode of verification, then his will be captured in different angles and stored in the system. The same process followed in voice recording, eyes verification, fingerprint, DNA and other types of verification.

4. Choosing a biometric device

Choice of an appropriate biometric device would depend on the physical attributes and device accuracy. Authentication should be work on less time and provide fast identification on accurate manner.

5. Mobile ATM:- Banks on wheels

Since the start of this century mobile ATMs have been around in India, but its services is provide in limited areas like Mumbai, Chandigarh and Kochi. Till date only a few banks like ICICI, Bank of India, State Bank of Patiala, and Citibank have this types of mobile ATM. In the Kumbh mela 2004 Ujjain, State Bank of Patiala had a profitable outing by employing a Mobile ATM.

Mobile ATMs usefulness

Mobile ATMs are useful at celebration events like sports, trade fairs, social gatherings, etc. where there’s a high probability of a large number of transactions.

Bank can save extra costs related with opening new branches.

Banks get a wider coverage for their schemes and policies.

Barrier of Mobile ATM

Network and security issues can be a concern at times.

Initial investment is between twenty to forty lakhs depending upon the cost of the Mobile VAN

The per day cost of operating ATM is Rs 3,

The pattern of plying the van in different areas, maintenance and vehicle registration are very costly.

6. Biometric ATM in India:-

State bank of India and ICICI bank both public and private sector bank have already launching biometric ATM facilities in rural areas. ICICI was the first bank who launched a biometric ATM in Guntur district of Andhra Pradesh state in May 2005.

Fujistu co. invented a palm vein authentication technology in 2005. Bank of Tokyo Mitsubishi has
launched palm vein ATMs in Japan16. In India, ICICI Bank has planned to install 500-600 ATMs in smaller rural areas; Citigroup has installed two biometric ATM machines in Bandra and other in Hyderabad. Andhra bank has planned to install Biometric ATM in Hyderabad and Secunderabad17. K. Ramkrishnan, chairman and managing director of Andhra Bank said that “Besides, many educated customers are preferring bio-metric ATMs as it adds to the safety and security of their money. Keeping this in view, we are planning to take this technology to the masses.”

The Andhra bank intends to roll out mobile biometric-access ATMs at Kakinada, Visakhapatnam and Tirupati during this financial year, with plans to launch 20 such ATMs across the country by 201018. At present, the bank has an ATM card base of 23.63 lakh and expects to increase this to 30 lakh by this fiscal-end19. Union Bank of India opened its first talking ATM in Ahmedabad, it has set another ATM in Mumbai at Passport seva kendra in Thane20. Union bank planned to open another 100 such ATMs in different regions. The Catholic Syrian Bank has set up its first ATM at Ozhur in Malappuram district of Kerala in 201121.

RBI had recently allowed NBFC to open and operate White Label ATMs (WLAs) across the country. These non banking entities have now planned to open about 80,000 operating WLAs in the coming six to eight months.

7. BENEFITS OF BIOMETRIC:-

Biometric ATM is emerging technology, banks can apply this technology on ATM and became favorite in rural people resides in small villages who avoid using ATM machine. Benefits of biometric ATM are given below:-

- Ideal medium for uneducated rural people.
- It provide strong authentication.
- Ideal medium for Indian rural masses.
- It is works accurate.
- It is easy to use.
- It is used instead of PIN number.
- It is provide string authentication.
- It is easy to operating.
- Various types of hidden expenses can be avoided
- Flexibility to any time operating system.
- Low operation cost.
- Fast enough speed.

8. LIMITATION OF BIOMETRIC ATM

Benefits and Limitation are two side of one coin, Biometric ATM is use full for every aspects, but its limitations are given below:-

- It is depends on user acceptability.
- System cost and accuracy are biggest technical problem.
- Multifactor authentication sometimes makes big issue.
- PIN. Credit card, smart card, voice recognition can be stolen.
- Fingerprint worn with hard labor work or age
- Voices became weak because of illness
- Signatures vary depending on the emotional state of the subject manner.
- Face change over time due to injury.
- Burns diseases, rings, stress level also affect the performance of a biometric ATM.

Biometric ATMs are expensive security solution.

CONCLUSION:-

This biometric ATM system is highly secure because it works information contained within body parts. Biometrics is uniquely bound to individuals and may offer organizations a stronger method of authentication and verification. Biometric ATM is very useful to rural people perspective, it is easy to operate and maintenance with lower cost, there are also certain considerations that bank organizations need to think about when deciding whether or not to implement a biometric ATM solution. But in the coming...
years, every bank need to expand his branch same thing bank also want to installed ATM both rural and urban area. The illiteracy level of rural people does not use ATM, so it is necessary for every bank to implements technology based Biometric ATM system in every manner. In the future, Biometric ATM will become a very famous in near year.

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INTRODUCTION

The Internet is playing a major role for the world of business including the banking industry. Technology has become an important part of corporate sector. Banks have been using the Internet as one of their distribution channels because Internet Banking services benefit both the banks and their customers. It has become the most profitable distribution channel of the banks because it can help banks to save costs. It is convenient for the customers to execute their bank transactions or contact their banks faster, anytime and anywhere banking facilities.

In India, banks as well as other financial institution have entered the world of IT and computer networking. The Indian Financial Network (FININET) 1, a wide area satellite based network using VSAT technology, was jointly set up by the Reserve Bank of India and Institute for Development and Research in Banking Technology (IDRBT) at Hyderabad to facilitate connectivity within the Indian financial sector.

ABSTRACT:

This research paper aims to identify the currents trend of innovative banking practices in India and explores major factors responsible for internet banking and customer's perception on various internet applications provided by the bank. Banking activities can affect by the services quality, satisfaction level, trust, perceived behavior of the customer and usefulness of the services. In India almost 960.9 million people used internet till the end of May 2012, it seems that there is a bright future of the innovative banking services in India. India's telecommunication network is the third largest in the world on the basis of its customer and now a day, it is become the world's most competitive and one of the fastest growing telecom markets. India has the world's second largest mobile phone user base with over 929.37 million users as of May 2012. The paper concludes by highlighting customers' needs.

THEORETICAL FRAMEWORK

Innovative banking, EFT, CBS, Credit card, Banking technology

KEYWORD:-

Innovative banking, EFT, CBS, Credit card, Banking technology
Innovative Banking

Innovative banking means the broader application of new methods and techniques, new scheme in the field of deposit mobilization, deployment of credit and bank management, for the example bank have introduced various types of schemes like retirement scheme, Akshaynidhi scheme, pension plan, money lending scheme such as education loans, car finance, home loans, household goods finance etc. Besides these, many banks have started Sunday bank branches, anytime anywhere banking module and mobile banking for the benefit of the customers.2

Innovative banking is a higher order constructed which consists of several distribution channel, it should be noted that electronic banking is provide a bigger platform than just banking via internet.

PRE INNOVATIVE BANKING

The period after 1964 clearly described as the phase of ‘Innovative banking’. It is time (1964-67) where there was an increasing concern about the problem of concentration of economic power in few hands. The main features of pre-innovative banking phase are Social control, Nationalization, Bank credit to priority sectors.

The Mahalanobis Committee (1964), the Committee on Distribution of Income and Levels of Living, The Monopolies Inquiry Commission (1965), The Managing Agency Inquiry Committee (1966), The Industrial planning and licensing policy (1967) and The Industrial Licensing policy inquiry Committee (1969) formed significant reports in the basis of changes in Indian Banking. These committees provided a strong platform for the revolutionary changes in the structure, operation, policies, practices and services of banking in India.3

TECHNOLOGY BASED INNOVATIVE BANKING SERVICES

Technology based innovative banking services helpful for bank for competition with other banks, herewith some technology based services are given below:-

ATM (AUTOMATIC TELLER MACHINE):

"ATM" stands for Automated Teller Machine. This machine allows the account holder to have transactions with their own accounts without allowing them to access the entire bank's database. ATM machine was invented by John shepphardbaren on June 1967 at Barclays bank in Enfield, United Kingdom.4

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Bank Group</th>
<th>Number Of branch</th>
<th>Number of ATM</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Nationalised Bank</td>
<td>19396</td>
<td>10233</td>
</tr>
<tr>
<td>2</td>
<td>State Bank Group</td>
<td>16062</td>
<td>7146</td>
</tr>
<tr>
<td>3</td>
<td>Old Private Bank</td>
<td>4078</td>
<td>644</td>
</tr>
<tr>
<td>4</td>
<td>New Private Bank</td>
<td>4264</td>
<td>5166</td>
</tr>
<tr>
<td>5</td>
<td>Foreign Bank</td>
<td>293</td>
<td>784</td>
</tr>
<tr>
<td>Total</td>
<td>64634</td>
<td>24645</td>
<td>49289</td>
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(Source: RBI Bulletin, November, 2009)
In India, Hong Kong and Shanghai banking corporation (HSBC) installed first ATM in 1987. Indian bank and Citi bank introduced ATMs at various stages.

CBS (CORE BANKING SOLUTION):-

Core banking is all about knowing customers’ needs. Provide them with the right products at the right channels. 24 hours a day, 7 day a week using technology aspects like internet, mobile, ATM. Core banking function will include deposit accounts loans, mortgages and payments. Bank makes these services available across multiple channels like ATMs, internet banking and branches.

NET BANKING:-

Internet has made banking very fast and name its new and changed ‘avatar’ is ‘online banking’ or the ‘Net banking’. Net banking provided banking service over the internet or electronic medium. In India, ICICI Bank, Global Trust Bank, HDFC Bank, IDBI Bank and some other banks have provided the facility of Net banking to their customers.

MOBILE BANKING:-

M-banking is that banking in which a person can check about or transact from his account from anywhere in world with the help of his mobile. The wireless customer based in India is given below:-

<table>
<thead>
<tr>
<th>Sr No</th>
<th>Operator</th>
<th>Subscriber base</th>
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<tbody>
<tr>
<td>1</td>
<td>Bharati Airtel</td>
<td>183290119</td>
</tr>
<tr>
<td>2</td>
<td>Reliance Communication</td>
<td>153548424</td>
</tr>
<tr>
<td>3</td>
<td>Vodafone Essar</td>
<td>151284403</td>
</tr>
<tr>
<td>4</td>
<td>Idea Cellular</td>
<td>114209668</td>
</tr>
<tr>
<td>5</td>
<td>BSNL</td>
<td>81229732</td>
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</table>

(Source:- Various company’s websites)
ICICI has also started another interesting banking service by the name of billjunction.com. It claims that it is the first bill presentation and payment service of the country. 929.37 million mobile user in May 2012.

**TELE BANKING:**

The customer can access his account and by following the user-friendly menu, entire banking can be done through “Interactive Voice Response” system. With sufficient numbers of hunting lines made available.

Most of mobile service provider and other financial institute provide these facilities through telephone.

**CREDIT CARD:**

Credit cards were invented by American businessman Frank Menomura, he invited some of his friends for dinner in a hotel. Suddenly at the time of payment, he discovered that he forgot to bring the purse.

He phoned his wife to send the cash and decided to develop a foolproof system to avoid such a position in future. This way credit card came into existence in 1950 in India, 1966 'Dinar club' introduced credit card, in August 1980, credit card facility was provided by central bank by establishing relations with Mastercard.

The card holder gets the freedom from the risk of carry cash, every card also carries an insurance facility, it also carries the facility of getting tickets from the ticket window for the railways and it has also become status symbol.

**SMART CARD:**

The automated chip card was invented by German rocket scientist Helmut Gro'ttrap in 1968. A smart card usually contains an embedded 8-bit microprocessor, a kind of computer chip. The microprocessor is under a contact pad on one side of the card. Think of the microprocessor as replacing the usual magnetic stripe present on a credit card or debit card.

Smart card is much more popular in Europe than in the U.S. in Europe. The health insurance and banking industries use smart cards extensively. Every German citizen has a smart card for health insurance.

Electronic Fund Transfer (EFT)

In India the fund transfer are basically done through mail transfer, draft or telegraphic transfer. In case of telegraphic transfer the department of telecommunication was the sole provider of telephone, telex and telegram facilities. The different forms of Electronic fund Transfer prevalent in the use are as under.

1. EFT through Electronic Data Interchange
2. Banknet
3. RBINET
4. IDRBI VSAT Network
5. EFT from points of sales
6. Electronic cash
7. Swift global system for funds transfer
8. Electronic clearing settlement

At the end of the para it is also concluded that EDI (Electronic data interchange), EBP (Electronic bill payment), MICR clearing house, SWIFT, RTGS and E-cheque are also the form of Innovative banking services.

**VARIOUS TYPES OF INNOVATIVE BANKING SERVICES**

Important innovations in banking which have been introduced in recent times are as follows:-
Social banking:

The commercial banks of India have adopted a new policy orientation to meet the socio-economic responsibility of the country. The important aspects of social orientation are open bank branches in the rural area, provide credit facilities to the small industries, banks should formulate area wise schemes and plans, bank help in critical situation in earth quake, SBI undertake village adoption scheme under financial development of the village. The union bank has adopted 101 villages across the country for the UAG endeavour. The officers of the VKCs in consultation with the Branch Manager and Regional Manager have identified a backward village near their command area and have prepared a credit cum development plan for the village for basic needs in Rural Infrastructure, Production, Investment and Consumption needs, besides Banking.

CREDIT CARD FACILITY

Commercial banks introduced the credit card facility in the early 1980s. A credit card is a convenient medium for purchase goods and consumes services without using money directly by hand.

DIVERSIFICATION

The commercial banks in India have diversified into many related areas, such as Merchant banking, Mutual funds, Venture capital and Equipment leasing.

MERCHANT BANKING

Merchant banking was formally started, when Grind lays bank received the license from Reserve Bank of India in 1967. At the end of 1991 eight commercial banks have started merchant banking facilities. Merchant banking activities are regulated by SEBI, companies Act, securities contracts Act and listing guidelines of stock exchange. Merchant bank provided financial help in investment project; manage foreign currency bonds, equipment leasing, mergers and takeover, revaluation of assets.

MUTUAL FUNDS

UTI has a monopoly of mutual fund business in India. Mutual funds are either open-ended or closed-ended financial intermediaries which obtain the resources by selling units or shares.

HIRE PURCHASE CREDIT

Hire purchase means purchase of goods on the basis of installments. Hire purchase or installment credit refers to term loans provided for the purchased of consumer goods.

FACTORING SERVICE

The first factoring service in India has been started by the SEBI, namely “the SEBI commercial and factoring service limited”. In India, the SBI and Canara bank are the only two banks which have set up separate subsidiaries for undertaking factoring services.

OFFSHORE BANKING

Offshore banking is the cross border intermediation of funds and provision of services by banks residing in offshore financial centers (OFCs) to nonresidents.

VENTURE CAPITAL

Venture capital is a financial intermediary, means that it takes the investors capital and invests it directly in portfolio companies. Venture capital only invests in private companies it means companies cannot be immediately traded on a public exchange.
FUTURE OF INNOVATIVE CUSTOMER SERVICES

A number of measures have been taken to improve the quality of customer services offered by the banks to depositors and borrowers. Important factors among these are given:

1. Bank Converted all branches into CBS
3. Banks should follow Basell norms, rules and regulation.
4. RBI also started Electric funds transfer in Mumbai and Chennai.
5. Indian banking community started regular SWIFT training courses.
6. Shared Payment Network System was started at Mumbai in 1997.
7. India's most of bank open branch in small rural area and facilitate banking services into rural area.

CONCLUSION:

Thus, the end of the paper it is concluded that Innovative banking techniques help bank to competition with other bank. Technology change far so year, it is necessary for the all bank to upgrade his bank services with the showing changes in time era. Big or small bank are open branches in rural area and spread over the country. Recent time bank provide retail banking facilities. Banking services directly affected by various factors like service level, trust, usefulness, satisfaction and behavior of the employee. First, the quality of Web sites has a direct and an indirect impact on both satisfaction and trust level of the customer. Banks have to redesign their Web sites with a view to enhancing usability and usefulness. Bank privacy policy and agreement related information truly classified with the customers because of most of the customers feel fraud deficit so can't use e-banking facilities. Internet banking is convenient and flexible ways of banking and it also have various transaction related benefits. Thus, Providing Internet banking is increasingly becoming a “need to have” than a “nice to have” service.

REFERENCE:

3. Ibid. P: 16.
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KYC Standard And Anti Money Laundering Act (AMLA)
Special Reference To Indian Banking System

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Abstract:
The international community's consider money laundering is serious crime, so bank fights for that make some stringent law and regulation for measures to prevent the financial system being used for laundering process of crime. Government takes initial step and issuing KYC norms, standard and AMLA Act. KYC is a client identification process that verifies and maintains records of the customers. KYC norms were introduced by Reserve bank of India and prevention of Money Laundering Act (PMLA), in 2002. RBI has monitoring all banks and financial institutions to put in place a policy framework to know their customers before opening new account. The purpose was to prevent money laundering, terrorist financing, theft and so on. This conceptual research paper focus on clear awareness and provide clarity of KYC norms and its benefits to society, bank and country.

KEYWORDS:-
KYC, AMLA, PMLA, RBI guidelines, FATF

INTRODUCTION
Reserve bank of India issued certain guidelines for the banks were advised to follow certain customer identification for opening of accounts and monitoring transaction of appropriate authority. The Financial Action Task Force (FATF) on Anti Money Laundering (AML) standard and Combating Financing of Terrorism (CFT) recommendations for drawing up certain guidelines for “Know your customer”. The detailed guidelines issued on Customer Due Diligence (CDD) for recommendations of the Financial Action Task force1. The Guideline of the paper issued by the BASEL committee on banking activities supervision.

KNOW YOUR CUSTOMER (KYC)
KYC means know your customer. It is important in recent days because of drugs smuggling, terrorism, financial fraud, money laundering and arms dealing that banks know whom their customers are. Banks must be comfortable with the bonafides and the integrity of their customers2. The customer identification should entail verification an introductory reference from an existing account holders/
person known to the or on the basis of documents provide by the customer. It is an imperative that the banker knows as much as possible about his customer.

OBJECTIVE OF KYC

1. To avoid opening account with fictitious name and address.
2. To weed out bad customers.
3. To avoid money laundering activity.
4. To minimize fraud and risk protect bank's reputation.
5. To restrict criminal elements.

ANTI MONEY LAUNDERING

Money laundering has a big problem in worldwide threatening the stability of various regions by actively supporting and strengthening terrorist networks and criminal entity, drug trafficking and terrorism pose a risk to financial institutions globally.

WHAT IS IDENTIFICATION?

Identification means identify a customer as per documents provide by the customer covering the elements of his identity. The following are some of the documents which branch can accept for establishing identity of the customers.

Customer should give self attested identity proof for both their resident and identity proof.

Identification established by submitting following documents to the bank branch.

**Figure:-1**

<table>
<thead>
<tr>
<th>Status</th>
<th>Documents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual</td>
<td>Legal name and any other name used&lt;br&gt;1. Passport&lt;br&gt;2. PAN card&lt;br&gt;3. Voter identity card&lt;br&gt;4. Driving license&lt;br&gt;5. Id card&lt;br&gt;6. Letter from recognized public authority</td>
</tr>
<tr>
<td>Individual</td>
<td>Permanent address proof&lt;br&gt;1. Bank account statement&lt;br&gt;2. Letter from recognized public authority&lt;br&gt;3. Telephone bill&lt;br&gt;4. Electricity bill&lt;br&gt;5. Ration card</td>
</tr>
<tr>
<td>Companies</td>
<td>Name of the company&lt;br&gt;1. Certificate of incorporation&lt;br&gt;2. Memorandum of association&lt;br&gt;3. Articles of association</td>
</tr>
</tbody>
</table>
| Companies | Principal place of business<br>1. Certificate of incorporation<br>2. Memorandum of association
| Partnerships | Name of the partner<br>1. Registration certificate<br>2. Partnership Deed |
| Partnerships | Permanent address<br>1. Permanent address certificate<br>2. Date proof<br>3. Partner's date of birth <br>4. Letter of authority granted by partner to act on behalf of the firm |
| Partnerships | Telephone and Fax no. of the firm |
| Partnerships | PAN allotment letter

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**WHAT IS VERIFICATION?**

Verification is the process of seeking satisfactory evidence of those with whom the branch does business. This process mainly focuses on customer's identity correctness and information provided by him. The best available evidence of the identity should be obtained and verify the origin of the country.

**WHY IT’S NECESSARY?**

- It is useful for the bank should know his customers.
- Bank should know about their customers business and as far as possible the nature of their earnings income.
- It is a process that bank has been identifying which person involved in criminal content.
- A banker loses the statutory protection available under section 131 of the Negotiable Instruments Act if it is proved that he was negligent while opening an account.
- If you know your customer well then bank provide necessary services for his requirement.
- Regulators have made KYC mandatory, The Securities and Exchange Board of India has mandated it for mutual funds and broking accounts, the Insurance Regulatory Development Authority (IRDA) while buying insurance and the Forwards Markets & Commission (FMC) for commodity trading.

**The Reserve Bank of India Guidelines**

In India, The Reserve Bank of India has been issuing guidelines on KYC. In August 2002, the Reserve Bank reinforced its instructions stating:

1. No account is opened in fictitious/ benami name.
2. Parameters like risk perception are clearly defined in terms of nature of business.
3. Customer residents proof, mode of payments, business turnover, social and financial status etc. to clearly categorization.
4. Necessary checks before opening a new account so as to ensure that the identity of the customer does not match and criminal entity.
5. Branches are advised to prepare a profile for each new customer based on risk categorization.
6. The key principle of the “know your customer” procedure should be the identification of an individual/corporate opening an account. The customer identification should entail verification through an introductory reference from an existing account holder.
7. The board of directors of the bank should have in place adequate procedures to verify the bonafide identification of individuals. There should also be processes to monitor transactions of a suspicious nature.
8. This instruction raised the requirement of giving PAN to transactions of Rs. 50,000 or more (earlier it was Rs. 10,000 – August 1976).
9. There must be good control systems plus audits and checks to ensure the bank adheres to its KYC policies.

**KYC policies key elements:**

<table>
<thead>
<tr>
<th>Trust</th>
<th>1. Registration certificate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2. Power of attorney granted to a partner of the firm to transact on behalf of.</td>
</tr>
<tr>
<td></td>
<td>3. Any official documents to identify the trustee, settlers and beneficiaries those holding power of attorney, founders, managers, directors and their address</td>
</tr>
<tr>
<td></td>
<td>4. Resolution of the managing body of the foundation.</td>
</tr>
</tbody>
</table>

**Names and address of the founder, managers and directors.**
KYC policies incorporating the following four key elements:

1. Customer Acceptance Policy (CAP)
2. Customer Identification Procedures (CIP)
3. Monitoring of Transactions
4. Risk management

**CUSTOMER ACCEPTANCE POLICY (CAP)**

The Customer Acceptance Policy must ensure that explicit guidelines are in place on the following aspects of customer relationship in the bank. No account is opened in any benami name, customer should be classified as per nature of business, activity, mode of payments and his turnover as well as its financial status etc. to enable categorization of customer into low, medium and high risk.

Bank should collect necessary documentation requirements and other information respecting different categories depending on perceived risk. A customer is permitted to act on behalf of any other person or entity should be clearly conformity with the established law and practice of banking. Bank must be checks before opening a new account and ensure that the identity of the customer does not match with any criminal person. Banks should prepare a risk categorization profile for each new customer.

**CUSTOMER IDENTIFICATION PROCEDURE (CIP)**

Customer identification means identifying the customer by verifying various documents related with customer to establish his authentic identity, whether his regular or occasional business and the purpose of made relationship of bank.

Customer should provide his address as well recent passport size photograph and establish his identification.

**MONITORING OF TRANSACTIONS**

Monitoring is an essential element of effective KYC procedures. Banks can effectively control and reduce their risk only if they have an understanding of the normal and reasonable activity of the customer. This type of risk identify as per customers regular pattern of activity and transactions period. Monitoring will depend on the risk sensitivity of the customer's account. Bank should maintain proper record of all transaction of the customers up to ₹10 lakh.
ADHERENCE TO FOREIGN CONTRIBUTION REGULATION ACT (FCRA), 1976

This FCRA Facilitate receipt of Foreign Contribution for genuine purpose without compromising National security concerns. Banks should also adhere to the instructions on the provisions of the Foreign Contribution Regulation Act, 1976 cautioning them to open accounts or collect cheques only in favor of associations that are registered under the Act by the Government of India10. A certificate to the effect that the association is registered with the Government of India should be obtained from the concerned associations at the time of opening of the account. FCRA Act is to regulate the acceptance and utilization of foreign contribution or foreign hospitality by certain persons, with a view to ensuring that parliamentary institutions, political associations and academic working in the important areas of national life may function in a manner consistent with the values of a sovereign democratic republic.

REMITTANCES

Banks must ensure that any remittance of funds by way of demand draft, mail/telegraphic transfer or travelers’ cheques for value of Rs.50,000 and above is effected by way of debit to the customers’ account or against cheques and not against cash payment11.

Customer Education

Customer education is an important part of KYC programme because customer lead to a lot of questioning to bank branch. Banks are trying to prepared specific literature or information pamphlets etc. so as to educate customer know the objective of the KYC programme and provide necessary information and helpful to the bank12.

TERRORISM FINANCE

RBI has been circulating lists of terrorist entities notified by the Government of India to banks so that banks may exercise caution if any transaction is detected with such entities13.

KYC PROCEDURE IN CREDIT CARDS

Banks are engaged in the business of issuing a variety of electronic cards that are used by customers for buying goods and services, drawing cash from ATMs, and can be used for electronic transfer of funds. Further, marketing of these cards is generally done through the services of agents14. Banks should ensure that appropriate KYC procedures are duly applied before issuing the cards to the customers. It is also desirable that agents are also subjected to KYC measures.

IMPORTANCE OF RBI GUIDELINES

It should be noted that RBI guidelines are issued under Section 35 (A) of the Banking Regulation Act, 1949 and any contravention will attract penalties under the relevant provisions of the Act. Banks are advised to bring the guidelines to the notice of their branches and controlling offices. RBI guidelines also apply to the branches and majority owned subsidiaries located abroad, especially, in countries that do not or insufficiency apply the Financial Actions Task Force (FATF) recommendations, to the extent local laws permit. When local applicable laws and regulations prohibit implementation of these guidelines, that fact should be brought to the notice of Reserve Bank15.

KYC AND LOWER INCOME GROUPS

In October 2005, the RBI stated that these guidelines should not be an excuse for banks to keep the poor away from the banking system. Though the KYC guidelines require an individual opening a new account to produce a number of identification documents, these could be done away with for lower income groups. The RBI has asked banks to ensure that the inability of the lower income group to produce documents to establish their identity and address does not lead to their financial exclusion and denial of banking services16. A simplified procedure could be provided for opening of account in respect of those persons who do not intend to keep balances above Rs. 50,000 and whose total credit in one year is not expected to exceed Rs.100,00
CONCLUSION

The KYC and AMLO measures internal monitoring, reporting and verification of customers. Banks prove that it should be obey the RBI guidelines. KYC ensure that no one can use his/her account for benami name and customer share all the necessary information to the bank so bank can easily verify the customers business identity and his status. This facility is very useful for every aspect because active terrorist group have faced problem for this KYC norms. KYC has been provided better sustainable market for business transaction. The Financial Action Task Force (FATF) on Anti Money Laundering (AMLA) standard and Combating Financing of Terrorism (CFT) recommendations for Know Your Customer policy for every financial institute established in India, so SEBI, IRDA and RBI mandatory implemented this KYC norms and standards for every Institute working in India.

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12. RBI Master Circular - RBI/2010-11/75 DBOD. AML. BC. No. 2 14 .01.001/2010-11 dated 01.07.20, Report available at:-
http://www.moneyschool.indiamoney.com/money-gyan
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Introduction to Indian Banking System

The AMLA Act: Overview of the Act and its Impact on Financial Institutions
Indian Streams Research Journal

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BANCASSURANCE – A New Viable Strategy For Indian Financial Sector

Sunil Lohiya
Hemchandracharya North Gujarat University-Patan

Abstract:

Now a day, the banking industry and insurance industry have been rapidly changed. Banking sector and Insurance sector contributes in nation GDP growth; it is life line of any economy. The Indian economy completely changed due to LPG policy introduced by Indian government, the pace of market expand due to LPG policy. The insurance company provided cutting cost services due to competition. In view to reach huge untapped market, the concept of Bancassurance was introduced by the IRDA. Bancassurance is a new and an emerging model of channel of distribution life insurance policy. In India, customers were used to monopolistic attitude of public sector insurance companies because of Government ownership. But now a day, the customers to move over to private insurance companies that are collaborated with foreign companies which are less known to the Indian public would take little more time. The present conceptual based research paper focus on objective, benefits, limitations, awareness and future perspective of Bancassurance

KEYWORD:
Bancassurance, Insurance, Bank, Life insurance, Co-branded business.

INTRODUCTION:

The rapid growth of financial markets is one of the significant developments in Indian economy after LPG policy implementation. Financial deregulation and innovations have changed whole structure and functioning of financial markets. The financial companies are searching highly distribution channel for far reaching the customer. The financial market became more aggressive due to price competition, marketing costs, and product differentiation. Insurance sector and Banking sector has emerged make new opportunity. Bank and insurance company provide enhanced new services to the customer; it is also satisfy customers need. Bank provides his customer's various types of normal fee based insurance services. Now a day, financial markets completely changed and new approach is required for market. The new form of Bank and insurance collaboration is known as Bancassurance, researcher has identified its structural based in India and its benefits, limitation encountered.

DEFINES BANCASSURANCE

Bancassurance is a combination of two words i.e., banc + assurance, this term identified that bank selling insurance products. Bancassurance term first appeared in France in 1980, it is also define that bank sale insurance policy through their wide distribution channel. Bancassurance is defined to mean banks dealing in insurance products of both life and non-life type in any forms. Bancassurance is very familiar word in European countries. In India Government issued notification under Banking Regulation Act which is allowed to Indian bank to distribute insurance policy, IRDA passed a notification in October 2002 on 'Corporate Agency' regulation. It is a phenomenon where insurance policy distributed by authorized
According to IRDA, ‘Bancassurance’ refers to banks acting as corporate agents for insurers to distribute insurance products”.

In Indian context various types of Bancassurance model available, which is identified that how bank have done his insurance work with the help of insurance company and without help of insurance company.

HISTORICAL POINT OF BANCASSURANCE

Bancassurance term first appeared in France in 1980, to define the sale of insurance products through banks' distribution channels. This term is extremely familiar among the European countries as banks selling insurance products in most of these countries are a common feature. Banks are being used as an effective alternate channel to distribute insurance products either as 'stand-alone insurance products' or 'add-ons to the bank products' by way of combining the insurance with typical banking products/services.

In India context on march 2000 RBI amendment and IRDA’s 2002 notification that Banks culturally more acceptance financial institute for Insurance. Private sector bank and private sector insurance companies are more active and beneficiaries of Bancassurance. It is apparent that there is a natural collaboration between banks and insurance companies. Banks derives revenue from sale of insurance major banks doing business on joint venture and ownership models. Banks works all works as per customer need and customer's benefits, Bancassurance model provides customer to provide necessary financial services.

Bancassurance is highly successful in Europe, Portugal and France approximately 70% of the insurance products were sold through banking channel.

BANCASSURANCE IN INDIA

Indian insurance market rapidly growth in next 10 years, it is stated that India accounts not even 1% of the contribution in global insurance markets. However, studies of the insurance company pointed that Indian insurance future will be bright. Indian insurance market quite silent as longer period because of tradition system of sales insurance policy, therefore, the new channel of distribution is needed, it is a Bank + Insurance company, it's also known as Bancassurance. As per March 2008, the number of Insurance companies works in India are as given below.

<table>
<thead>
<tr>
<th>Life Insurance Companies</th>
<th>15 Private Insurance Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1 Public Insurance Company (LIC)</td>
</tr>
<tr>
<td>Non- life Insurance Companies</td>
<td>9 Private Insurance Companies</td>
</tr>
<tr>
<td></td>
<td>4 Public Insurance Company</td>
</tr>
</tbody>
</table>

As the insurance sector is aggressive rapid growth, in terms of business as well as tough competition has become inevitable, so new distribution channel would become necessary.

Bank + Insurance company collaboration in India

The growth of Bancassurance was phenomenal in India of initial years of opening. The Bancassurance premium collection became Rs. 21947 crore in the financial year 2009-10 which is7.31% of the total premium income of life and non-life insurance sectors in India. Bank received total compensation in 2009-10 approximately Rs. 2744 crore. Bancassurance in India context are given below :-
RBI Guidelines for the Bank doing Insurance Business

Any scheduled commercial bank would be permitted to undertake insurance business as agent of insurance companies on fee basis, without any risk participation. The subsidiaries of banks will also be allowed to undertake distribution of insurance products on agency basis.

Banks which satisfy the eligibility criteria given below will be permitted to set up a joint venture company for undertaking insurance business with risk participation, subject to safeguards. The eligibility criteria for joint venture participant are as under:

- The net worth of the bank should not be less than ` 500 crores;
- The CRAR of the bank should not be less than 10 percent;
- The level of non-performing assets should be reasonable;
- The bank should have net profit for the last three consecutive years;
- The track record of the performance of the subsidiaries, if any, of the concerned bank should be satisfactory.

Table no: 1

<table>
<thead>
<tr>
<th>Insurance Company</th>
<th>Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Birla Sun Life Insurance</td>
<td>Bank of Rajasthan, Andhra Bank, Bank of Muscat, Development Credit Bank, Deutsche Bank and Catholic Syrian Bank</td>
</tr>
<tr>
<td>Axa Life Insurance</td>
<td>Lakshmi Vilas Bank, American Express Bank and ABN AMRO Bank</td>
</tr>
<tr>
<td>HDFC Life Insurance</td>
<td>Union Bank Of India</td>
</tr>
<tr>
<td>Bajaj Life Insurance</td>
<td>Canara Bank, Lakshmi Vilas Bank, American Express Bank and ABN AMRO Bank</td>
</tr>
<tr>
<td>HDFC Standard Life Insurance</td>
<td>Syndicate Bank, Corporation Bank and Standard Chartered bank.</td>
</tr>
<tr>
<td>ICICI Prudential</td>
<td>Corporation Bank, Overseas Bank of India, Vijaya Bank, Bank of Commerce.</td>
</tr>
<tr>
<td>Tata AIG</td>
<td>SBI, BNP Paribas</td>
</tr>
</tbody>
</table>

(Source: www.bimaonline.com)
A subsidiary of a bank will not normally be allowed to join the insurance company on risk participation basis. Subsidiaries would include bank subsidiaries undertaking merchant banking, securities, mutual fund, leasing finance, housing finance business etc.

**MONITORING STAGE**

Monitoring of the Bancassurance partners can be done by IRDA and RBI. IRDA inspect by every stages of distribution level of the insurance policy and largest component of the expenses.

Code of Conduct followed by Bancassurance partners

Any malfeasance by the bank staff shall be strictly dealt with RBI.

Banking Ombudsmen may be mandated by RBI to accept complaints from policyholder, whenever bank staff found in default.

Claim settlement of insurance policy may be done through as per the agreement between banker and insurance company.

Bancassurance shall be provided detailed service level agreement to the policy holder.

Insurer must provided detailed information regarding KYC norms issued by the RBI.

Bank staff shall compulsorily analysed product than after sell out.

Senior staff of bank and insurer has set up review complaints at pre-ombudsmen stage at end of every quarter.

<table>
<thead>
<tr>
<th>Name of the country</th>
<th>Regulatory process</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indonesia</td>
<td>Bancassurance Starting: 1990 Monitoring: The sales process governed through central government</td>
</tr>
<tr>
<td>Singapore</td>
<td>Bancassurance Starting: 1992 Monitoring: Regulatory monitors sales practices through regular fact finding process</td>
</tr>
<tr>
<td>Malaysia</td>
<td>Bancassurance Starting: 1996 Monitoring: Regulatory monitors sales practices through regular fact finding process</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>Bancassurance Starting: 2001 Monitoring: Sales control processes are generally validated by the insurer themselves</td>
</tr>
<tr>
<td>UK</td>
<td>Bancassurance Starting: 2001 Monitoring: The regulator exercises regular monitoring through compliance visits</td>
</tr>
<tr>
<td>China</td>
<td>Bancassurance Starting: 2001 Monitoring: Detailed study is done and the conclusion are revised on order to lift restrictions stating that banks were no longer limited to being agents for one insurance</td>
</tr>
<tr>
<td>Japan</td>
<td>Bancassurance Starting: 2000 Monitoring: The bancassurance channel introduced in 2001 and fully deregulated Banks usually have non-exclusive distribution agreements with several companies, but the regulation imposes restrictions to protect consumers, respect privacy and security of data</td>
</tr>
<tr>
<td>India</td>
<td>Bancassurance Starting: 2003 Monitoring: IRDA (Insurance Regulatory and Development Authority) and RBI (Reserve Bank of India) control and monitoring all the stages of the insurance process.</td>
</tr>
</tbody>
</table>

(Source: Insurance Regulatory and Development Authority, Report of the Committee on BANCASSURANCE)
BANCASSURANCE – A New Viable Strategy For Indian Financial Sector

BANCASSURANCE: STRUCTURAL CLASSIFICATION

Integrated model

Bancassurance means the distribution of insurance products to a bank’s client base, the business models of Bancassurance vary widely from country to country, it's model is divided into various types. Integrated model popular in European countries like France, Italy, and Spain operate either through fully owned insurance subsidiaries or through joint ventures that company have exclusive distribution agreement with the bank. Insurance activity is integrated with the bank’s routine processes. Banks are collected premiums directly through customer's account. Bank staff perform specialized insurance advisers, this integrated model very successful business.

Non-integrated model

This model instance work in UK, the sale of life insurance products has been limited by regulatory boards. Customer can done investment in insurance by the help of insurance advisors who have minimum qualification regarding insurance policy, so bank set up financial authorized advisor network and sell life insurance products.

Open architecture model

This model is instance Japan, bank collaborate with several insurance company and try to provide various types of insurance product where customers requirement in some cases banks product specifically tailored for their customers demand and white labeled strong competition among insurance and banking sector. Bank tailored their product and attract customer.

BANCASSURANCE PRODUCT BASED CLASSIFICATION

Stand-alone Insurance Products

In this model Bancassurance involves in marketing based of the insurance products through referral model or corporate agency, bank and insurance company one or more items sold by the bank customers. However, the products of bank and insurance will have their respective brand too, e.g., HDFC bank selling of life insurance products of Tata AIG.

Bancassurance Structural classification in India

Every banks try to satisfy customer need and provide better services, so it is necessary that what customer requirement. Bank create portfolio of financial assets, financial risks and financial security. This models min strategy is blending of insurance product as a value addition while promoting its own products. Bank sells the insurance products without any additional efforts. Bank charges normal fees and giving an insurance cover.

In India context Bancassurance model can be classified as under
Integrated Model

In this model, insurance companies and banks work together, distributing insurance policies and earning profits as well as facing losses. In India, this model is known as "Joint Venture," comparing to the referral model and corporate agency, this model is very complex. Bank functions are fully universal in this model.

Referral Model

Referral models are costlier than corporate agency models. Inequitable relationships between the banker and the insurer have resulted in higher premiums for policyholders. The referral system is not available to bancassurers. Referral models are simple arrangements between banks and insurance companies, with bank access to customer data parts only leading to business leads. Co-operative banks started this method of bancassurance.

Corporate Agency

This model is more popular in India. Under this model, banks act as corporate agents for the insurance company, purposefully for fees/commission/charges. It is mentioned that insurance companies bear all insurance-based risk factors. This model is appropriate in the Indian context because banks give a large number of customers to the insurance company, so insurance companies manage both risk and reputation.

Bancassurance Distribution Pattern

- Bank offering insurance products
- Bank selling an insurance product on an exclusive basis.
- Bank selling a product of their subsidiary basis.
- Challenges encountered in Bancassurance in India
- The challenges for the bank encountered in India are given below.
- Manage conflict level of interest between insurer and bank.
- To take motivating skill at the operating level.
- Creating an environment in the bank's top level management.
- Setting up an absolute distribution system.
- Bringing work related with customer awareness.
- Reach from rural areas.
- Spread bank branches.
- Counseling to bank customer regarding insurance policy.

Benefits for the Banks

- Bank receive large number of non-interest income.
- Bank get new customer.
- Bank branch get target profit.
- Leverage on their extensive customer bases and increase customer retention.
- Bank made financial assets.
- Bank became financially strong and made competition with competitor.
- Revenue will deposit into the bank customers get benefits of tax relief.
- Provide various types of financial services to clients.
- Bank provide his customer tailor based service so, satisfaction level of the customer became high.

Benefits for the Insurance Company

- Access bank customer directly.
- Used Bank distribution channel.
- Directly debited premium in bank account.
- Capturing premium and make bank financial assets.
- Introducing various types of co-branded product.
- Attract bank customer with walk in distance.
BANCASSURANCE – A New Viable Strategy For Indian Financial Sector

Potential market for cross selling policy

PROBLEM PROSPECTUS

Integration with different types of financial constitutions
The problem of interest arises in different forms
In India insurance companies face a large number of natural calamities which breaks up the profitability level of insurance companies.
In India, customers do not believe in the private sector, so public sector banks and insurance companies do not operate easily. Private sector banks work with better service levels.
Government should make the regulatory form easier for the banks and insurance companies.

CONCLUSION

The banks get their commission for selling insurance products and in the same way the insurance companies get the widespread networking of their branches without any cost. The advantage for customers is that, in insurance business, trust plays a greater role in attracting customers, especially the relationship between insurers and insured for a long time. Customers always attract by the public sector insurance companies in a monopolistic attitude, so private sector banks and insurance companies have a large number of business markets. Private insurance companies collaborate with foreign companies which are not known to Indian people. Under the circumstances, insurance companies collaborate with banks and introduce various types of tailor-made services to the customers. Bancassurance will provide a better distribution channel for the insurance company with the help of banks. Banks spread all over the countries so insurance companies do not have any branch section requirement. Bank and insurance companies manage all the things well with the get a structural benefit of the Bancassurance model available in the country.

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Hemchandracharya North Gujarat University-Patan

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