

Important Topics Exposition:

[The important information of this chapter has been provided here at a glance.]

A. Various Electronic Banking Products and Services:

Development of computer and electronic products paved the way for innovative electronic products in banking business. Bangladesh has also progressed in electronic banking keeping pace with the modern world. In such a service, banking facility is available for 24 hours. We shall now be familiarized with various electronic banking products:

- 1) Debit Card and Credit Card
- 2) ATM
- 3) Phone Banking
- 4) SMS Banking
- 5) Internet Banking
- 6) Any Branch Banking
- 7) Call Centre

1) Debit Card and Credit Card:

This is a kind of plastic card, which a bank issues for its clients. Through this card, a client can purchase without any cash and withdraw money through ATM machine whenever needed. Debit card is used if the client has money in his/her account. The main difference between a debit card and a credit card is, a client can purchase with his/her debit only if there is money in his/her account, but he/she can buy products on credit even if he/she does not have money in the bank account. Credit card is a form of personal loan, which the client has to pay with interest after a certain period of time. In this case, there is no obligation to have a bank account of the client.

2) ATM:

ATM (Automated Teller Machine) is an electronic device through which a client can make some primary transactions such as withdrawing money, balance information, deposit cash or cheques without any help or presence of bank employees. This is a kind of plastic card, which a bank issues for its clients. A client can, therefore withdraw money by using this machine beyond 10 A. M. to 5 P. M. office hours.



ATM

3) Phone Banking:

This is a kind of banking service by which clients can make their banking transactions using phone. In this case, the service is provided after verification of the client's identity.



Phone Banking

4) SMS Banking:

Providing various types of banking service such as account balance information, request for cheque book etc. through SMS is called SMS banking.



SMS Banking

5) Internet Banking:

Now-a-days client can transact his account through internet by using a website and a password. Client can check his statement of account and can pay bill by internet service.



Internet Banking

6) Any Branch Banking:

A client with account in one branch of the bank can make transaction from any other branch of the country by availing this service. For example, a client after opening his account at branch in Dhanmondi, Dhaka can make transaction in any branch located in Chittagong if he is provided this service.



Any Branch Banking

B. Prospect of Modern Electronic Banking System and Bangladesh:

- Electronic banking system is now providing valuable banking facilities including money transfer, delivery of remittance and 24 hour banking services to remote areas of the country.
- To provide these services, a large investment is initially required by the bank.
- Greater number people can be provided these services through a small number of skilled employees by charging commission and service charge.
- Banking facilities are more convenient in terms of both service and income.
- E-banking is gaining a huge acceptance in Bangladesh. Electronic banking is playing a vital role in providing a large number of people living in distant locations of the country.
- Banking system has a growing popularity every day because it can facilitate banking service 24 hours a day.
- Clients of banks in Bangladesh are becoming more inclined to E-banking facilities day by day because the service is becoming cheaper and more easily available in present competitive market.

CQs for Self-assessment (Board CQ):

1. Mr. Saymon has a bank account in Zinuk Bank at Monoharpur Branch, Comilla. Every month the foreign remittance of his son is deposited to his bank account. After maintaining the family expenditure, some money remains in his bank account. In this way Tk. 20 lack has been deposited in his account within last ten years. With the advice of a bank officer, Mr. Saymon withdraws Tk. 18 lack and deposited it to another account for 10 years. He will get the whole money with @ 14% interest at the end of the periods.
 - a. What is credit card/ debit card?
 - b. Explain deposit pension scheme/ loan deposit account..
 - c. What type of bank account did Mr. Syamon open in Zinuk Bank later on? Explain.
 - d. Evaluate the importance of bank deposit of Mr. Syamon in overall national economic development.