CORE BANKING SOLUTION
FULL FORM OF “CORE”

The abbreviation CORE stands for “Centralized Online Real-time Exchange”
Core Banking System refers to a centralized system or a network created by a bank and its branches.

CORE allows the bank customers to access, manage and perform basic transactions from any branch of the bank they hold an account in.
Definition:

CORE banking system is defined as the aggregate package of solutions that provide the basic functions of a bank including primary product processes to manage retail banking products and services.
Objectives of CORE banking:

- To improve the customer experience.
- To ensure customer convenience and allows ‘anytime and anywhere’ banking with right product at a right time.
- To generate and provide the statutory and regulatory reports to the regulators of the Government.
Objectives of CORE banking:

- To provide electronic mass payment system.
- To increase customer satisfaction and loyalty.
- To provide fast services i.e. transaction processing and clearings.
- To provide technical benefits like integrated solution.
Objectives of CORE banking:

- To make informed decisions with the help of facts and figures.
- To provide operational benefits.
- To improve operational efficiency of the bank.
Ingredients of CORE banking

- There are four important ingredients of Core BANKING. They are:
  - 1] General Ledger
  - 2] Customer Information System
  - 3] Deposit and Loan System
  - 4] Management Information System
GENERAL LEDGER

In the core banking system there is centralized General Ledger system, within which there is a large number of sub-ledgers of individual branch level general ledger rolled up to the regional general ledger. These are further rolled up to banks general ledger. The financial transactions from all the locations of the bank are reflected and the ledgers are updated. The General Ledger system performs rollups to report at branch, region, zone, country wise head office and any other level that is required by the bank or financial institution.
In the CIS system, the bank stores all the information related to the customer along with this unique CIS number. It includes his name, address, phone number, employment, credit history, email id, specimen signature and all relevant data. All this information is stored in a centralized CIS system allowing the customer to visit any branch to carry out transactions with the bank. When the customer transacts business at any branch of the bank the CIS system shows the branch staff the information about that customer as well as the accounts linked to that customer and also the latest balance in each of the accounts.
Deposit and Loan System

Banks accept money in various types of deposit accounts held by their customers. These include current accounts, savings accounts, time deposits and many other variations of these such as current accounts with overdraft. Cash credit etc.

Loan system also works on the principal as deposit system.
Management Information System (MIS)

The core business of the bank is accepting deposits and lending. The information about these transactions is available with the bank. The users of core banking systems can access this information with Management Information System.
Advantages:

- It cuts down time for core operations of banking.
- It improves banking operations which address customer demands and industry consolidation.
- It helps to solve errors easily due to eradication of multiple entries.
Advantages:

- It helps in continuous merging of back office data and self service operations.
- It facilitates centre accounting customer information and transaction processing functions.
- It helps in easily introducing new financial products and manage changes in existing products.
Advantages:

- As the centralized database is created, it helps in introducing new products and services.
- It simplifies work at branches.
- It increases operational efficiency.
THANK YOU