

# CORE BANKING

## ***Abstract***

Core Banking System, it is a centralized database system that covers the entire banking transactions needed. These days, banks want to be customer-centric, not product-centric; at the same time, they are more cost-conscious: they look to technology to reduce overhead and save cost out of each transaction of the Financial Institution.

The desire to retain existing customers and attract new ones remains a key business driver as banks seek to differentiate themselves from the competition. And as retail banks look to refresh their core-processing platform, it is essential to consider which technologies will produce the best combination of return on investment and flexibility to accommodate future changes in the business.

A new management team that joined mandated to give the bank a clear focus in the market place, to establish strong corporate governance and to achieve cost savings. As well, the bank wished to position itself for growth.

The vendor of core banking system had announced that it planned to withdraw the application. To replace the withdrawn application, the bank was forced to migrate to a new core banking system or alternatively, to change its operating model to outsource IT services and back-office processing.

The proposed project Core banking customer & corporate includes Financial Institution Infrastructure, customer Management and Customer Overview, Accounts Management, Payments, Management Information.

## ***Existing System***

In the early days of banking technology, the network/backend infrastructure used to be decentralized. This meant that each branch had its own server(s), banking applications, database(s), and other such assorted hardware/software.

Decentralized networks had their own set of problems in terms of the cost and management fronts. The decentralized model involves huge capital expenditure and resources (trained manpower, hardware, etc). In the decentralized model, there is no coordination or one central control point. This was an acceptable scenario till multi-channel came into the picture. With these concepts came the need for a centralized database. The database had to be updated instantaneously irrespective of the branch or channel the customer used. The networks had to be run and managed with lesser costs.

Although data centers were being used by some of the banking majors, they were never considered as being capable of being a central operations hub. Things changed when banks realized the cost benefits of swapping the decentralized model to centralized data center architecture.

## ***Proposed System***

Organizations today can benefit from the availability of these alternatives and evaluate how they can best benefit from them in the short to long term.

Full treasury centralization is today more accessible than ever. The traditional centralizing structures are still the preferred options, but payment factories are becoming more critical as the integration layer between treasury and the rest of the organization. Furthermore, strategic outsourcing is lowering the investment and project risk barriers and can significantly reduce the execution time of a centralization initiative if not even leap-frog some of the intermediate phases.

While organizational centralization is a concept that is well understood, its practical application faces many challenges that often lead to a slow progression towards fully centralized management models. Transition can take different forms and can proceed at different speeds depending on the corporate organization.

Individual business as well as form-wide initiatives, driven by cost efficiency, process integration or performance visibility, generate new centralization-fostering opportunities

The use of reference to centralization terminology requires some qualifications:

- Strategic coordination – the less intrusive form, relying on policies, procedures and guidelines centrally issued.
- Compliance control – based on a formal and strict compliance and reporting framework, which could extend to central approval for certain activities
- Mandated execution – involving the transfer of some value-adding activities to a central entity
- Functional consolidation – migration and reorganization of entire activities into a new infrastructure

Over the past decade functional centralization has experienced a strong acceleration thanks to rapid developments in application technology and communication protocols. By breaking down some of the barriers to effective exchange, access and circulation of data and information, the functional distribution of tasks and activities can be designed in a more flexible manner. Business applications can be deployed as single global installations and accessed remotely and securely. They can interface more easily with other systems and integrate a number of independent or standalone processes. The

combination of these features takes centralization to a new level of sophistication and at the same time makes it more accessible and appropriate to a broader number of organizations.

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“Centralization” is commonly associated with a number of strong benefits that range from pure cost savings to control improvement, full compliance with corporate policies, process standardization, increased productivity and expertise consolidation

### ***Scope of the System***

*The proposed system scope is to be accessed the user anywhere. He can access his details form the Net and he can view his details. The admin, manager can access all the information related to the Entire organization.*

## ***Module Description***

There are 3 modules in the Core Banking

- 1.Admin
- 2.Manager
- 3.Cashier

### 1. ADMIN

The administrator having the following responsibilities. He can have the Add Account Type information, he can add the new branch details and edit the branch details , he can register new employee in the bank , He can change the employee details , He can view and change the admin profile , he can view the messages and send messages , he can also view the customer account details .

### 2. MANAGER

The manager having the following responsibilities he can update the customer personal Details , he can view the statement information , he can view all the messages and send messages to the all other employees in the organization and he can also view The balance information of the Customer .

### 3 . CASHIER

The cashier having the following responsibilities. He can create new account information He can view all the information related to the accounts, he can also deposit, withdraw, Transmit the amount from one account to the account, Generate account Statement view balance, send messages, and view messages.

## ***Features to be implemented***

- *Session management*
- *Connection pooling*
- *Normalized database*
- *Prevention of duplication login*
- *Design patterns*
- *Three-tier architecture*
- *Maintainability*
- *Easy deployment with Ant script.*
- *Exception handling*
- *Client-side validations*

## ***Technologies to be used***

- *Web Presentation: HTML, CSS*
- *Client – side Scripting: Javascript*
- *Programming Language: Java*
- *Web based Technologies: JNDI, Servlets, JSP*

- **Database Connectivity API: JDBC**
- **Build Tool: ANT**
- **Debug Tool: Log 4J**
- **CASE tool: Rational Rose, Visual Paradigm, Enterprise Architect**
- **Backend Database: Oracle/SQL Server/MY SQL/MS Access**
- **Operating System: Windows XP/2000/2003, LINUX, Solaris**
- **J2EE Web/Application Server: Tomcat/Weblogic/WebSphere/JBoss/Glass Fish**
- **IDEs: Eclipse with My Eclipse plug-ins/Net Beans/RAD**
- **Browser: IE/Mozilla**

## ***Hardware requirements***

- **Pentium processor**      -----      **233 MHZ or above**
- **RAM Capacity**      -----      **128MB**
- **Hard Disk**      -----      **20GB**
- **Floppy disk**      -----      **1.44 MB**
- **CD-ROM Drive**      -----      **32 HZ**
- **KEYBOARD**      -----      **108 Standard**

