

Business Administration

Project Report on

“An Appraisal of Online Banking System of Selected Commercial Banks of Bangladesh”

Prepared for

Dr. Tanbir Ahmed Chowdhury
Chairperson of the Department of Business Administration,
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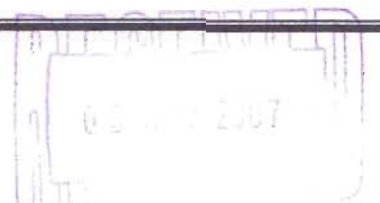
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To

Dr. Tanbir Ahmed Chowdhury

Chairperson of the Department of Business Administration

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Subject: Submission of Project Report.

Dear Sir,

It is my great honor to submit the project report **“An Appraisal of Online Banking System of Selected Commercial Banks of Bangladesh”** as part of my BBA degree requirement. I have tried my best to fulfill the requirement of the course.

Doing project on online banking system in Bangladesh for 3 months helped me to fulfill the requirement of preparing the project report & subsequent of this report is a very valuable experience for me as it helps to combine practical & theoretical knowledge.

I am very grateful to you because of your consideration regarding my report, which provided me the opportunity to do this project report.

If you have any question or inquiry, please just make a call.

Sincerely Yours



.....
Tasnuva Huq

2003-1-10-147

Acknowledgement

In preparing this report I have got the assistance of some respectful individuals. Without the co-operation of them it would be not possible for me to prepare this project report.

At the very beginning, I would like to express my deepest gratitude to the almighty Allah for giving me the strength and the ability to finish the task within the scheduled time.

I also thank and express my gratitude to my internal supervisor Dr. Tanvir Ahmed Chowdhury, Senior Lecturer, East West University. Without his guidance and valuable suggestion it was very difficult for me to prepare this report.

Then I would like to thank the Career Counseling Center, East West University for allowing me to do the final Project.

I also want to thank Ms. Mashiyat Mahbub, Mr. Suprio Roy, Dr. MD. Arif Bin Fattah. During my project I have enjoyed the company of them. My heartiest gratitude goes to everyone of EBL, BRAC BANK LIMITED, DBL, HSBC, STANSARD CHARTERED BANK for their friendly attitude.

EXECUTIVE SUMMARY

Today it is the area of science and technology. Almost all the sector of life is being influenced by it. Business and economic sector also have got the strong blow of it. As far as the present perspective is concerned; today's people want faster service to cop up with the modern life and online banking gives the banking sector a spectacular fastness. Even a year back it was merely a luxury but soon the people realize its necessity. So online banking becomes the demand of the people. Now the people concentrate on improved, smart and fastness service from online banking sector. As online banking gives all facilities of security as well as faster money/fund transaction the demand for online banking is gradually increasing although in a country like Bangladesh. In the following description, documents and pictorial representation will help us to realize the necessity of on line banking and there by to implement in our banking sector as well.

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CHAPTER – 01

Introduction

1.1 Origin of the Report:

This report on “**An Appraisal of Online Banking System of Selected Commercial Banks of Bangladesh**” was initiated as part of the project work, which is a BBA degree requirement of the department of Bachelors of Business Administration of EWU. A 3 months project work, under the supervision of Dr. Tanbir Ahmed Chowdhury, Chairperson of Business Administration, East West University.

1.2 Online Banking:

It is a system, which allowing individuals to perform banking activities at home, via the internet. Some online banks are traditional banks, which also offer online banking, while others are online only and have no physical presence. Online banking through traditional banks enable customers to perform all routine transactions, such as account transfers, balance inquiries, bill payments, and stop-payment requests, and some even offer online loan and credit card applications. Account information can be accessed anytime, day or night and can be done from anywhere. A few online banks update information in real-time, while others do it daily. Once information has been entered, it doesn't need to be re-entered for similar subsequent checks, and future payments can be scheduled to occur automatically. Many banks allow for file transfer between their program and popular accountin1.1 software parka to simplify record keeping. Despite the advantages, there are a few drawbacks. It does take sonic time to set up and get used to

an online account. Also some banks only offer online banking in a limited area. In addition, when an account holder pays online, he/she may have to put in a check request as much as two weeks before the payment is due, but the bank may withdraw the money from the account the day that request is received, meaning the person has lost up to two weeks of interest on that payment. Online-only banks have a few additional drawbacks: an account holder has to mail in deposits (other than direct deposits), and some services that traditional banks offer are difficult or impossible for online-only banks to offer, such as traveler's checks and cashier's checks.

1.3 Origin of Online Banking:

The advent of the Internet and the popularity of personal computers presented both an opportunity and a challenge for the banking industry. For years, financial institutions have used powerful computer networks to automate millions of daily transactions; today, often the only paper record is the customer's receipt at the point of sale. Now that its customers are connected to the Internet via personal computers, banks envision similar economic advantages by adapting those same internal electronic processes to home use.

From the Banks' view online banking as a powerful "value added" tool to attract and retain new customers while helping to eliminate costly paper handling and teller interactions in an increasingly competitive banking environment.

1.4 Problems Statement:

To determine the factors i.e. telecommunication infrastructure, legal frameworks, efficient manpower, authentication, confidentiality, encryption mechanism, public infrastructures, speed of data communication, electronic payment gateway system, centralized on-line banking, digital system, latest banking technologies, clearing system, check truncation system in banking, which are responsible to success of Online Banking system.

1.5 Objectives of the Report:

This report has been prepared considering a number of objectives. The objectives are:

- To determine an overview of Bangladesh Banking System
- To appraise the online banking system in Bangladesh
- To identify the problems of online banking system in Bangladesh
- To identify the operational procedures of the credit card divisions of 5 different banks
- To learn about the Credit Card's features and additional services of that 5 banks have given the organization a unique competitive advantage
- To identify the customer satisfaction level of 5 different commercial banks in Bangladesh by online banking system
- To provide with suggestions for the improvement of online banking system in Bangladesh

1.6 Scope & Methodology of the Report:

The report is mainly prepared to appraise the performance of online banking system in Bangladesh. To achieve the objectives of the report, the information mainly collects from the different web sites & mainly the websites of the 5 selected commercial banks like Eastern Bank, BRAC Bank, Dutch-Bangla Bank, Standard Chartered Bank & HSBC Bank. These banks have the online banking facilities. Most of the data has been collected from secondary sources. The collected data are mainly from the last 5 years. The information also have been collected from the annual reports of the banks & others public materials like books, journals & reports.

The relevant & required data have been collected basically from one source:

Secondary Sources:

- Websites of 5 different banks
- Annual report provided by the banks
- Books, journals, news papers & reports

1.7 Limitations:

Limitation, which I have faced while doing my project report are discussed below:

- Large-scale research was not possible due to time constraints
- Relevant data & document collection were difficult
- Next, many of the analysis on the obtained data are based upon my sole interpretation. This in result might bring some biases, as lack of knowledge and depth of understanding might hinder me to produce an absolute authentic and meaningful report
- Non availability of data in a systematic way

CHAPTER – 02

An Overview of Banking System in Bangladesh

2.1 History of Banking Sector

The Jews in Jerusalem introduced a kind of banking in the form of money lending before the birth of Christ. The word 'bank' was probably derived from the word 'bench' as during ancient time Jews used to do money -lending business sitting on long benches.

First modern banking was introduced in 1668 in Stockholm as 'Savings Pis Bank' which opened up a new era of banking activities throughout the European Mainland.

In the South Asian region, early banking system was introduced by the Afgan traders popularly known as Kabuliwallas. Muslim businessmen from Kabul, Afganistan came to India and started money lending business in exchange of interest sometime in 1312 A.D. They were known as 'Kabuliawallas'.

2.2 History of Banking System in Bangladesh

The banking system at independence consisted of two branch offices of the former State Bank of Pakistan and seventeen large commercial banks, two of which were controlled by Bangladeshi interests and three by foreigners other than West Pakistanis. There were fourteen smaller commercial banks. Virtually all banking services were concentrated in urban areas. The newly independent government immediately designated the Dhaka branch of the State Bank of Pakistan as the central bank and renamed it the Bangladesh Bank. The bank was responsible for regulating currency, controlling credit and monetary policy, and administering exchange control and the official foreign exchange

reserves. The Bangladesh government initially nationalized the entire domestic banking system and proceeded to reorganize and rename the various banks. Foreign-owned banks were permitted to continue doing business in Bangladesh. The new banking system succeeded in establishing reasonably efficient procedures for managing credit and foreign exchange. The primary function of the credit system throughout the 1970s was to finance trade and the public sector, which together absorbed 75 percent of total advances.

The government's encouragement during the late 1970s and early 1980s of agricultural development and private industry brought changes in lending strategies. Managed by the Bangladesh Krishi Bank, a specialized agricultural banking institution, lending to farmers and fishermen dramatically expanded. The number of rural bank branches doubled between 1977 and 1985, to more than 3,330. Denationalization and private industrial growth led the Bangladesh Bank and the World Bank to focus their lending on the emerging private manufacturing sector. Scheduled bank advances to private agriculture, as a percentage of sectorial GDP, rose from 2 percent in FY 1979 to 11 percent in FY 1987, while advances to private manufacturing rose from 13 percent to 53 percent.

One major exception to the management problems of Bangladeshi banks was the Grameen Bank, begun as a government project in 1976 and established in 1983 as an independent bank. In the late 1980s, the bank continued to provide financial resources to the poor on reasonable terms and to generate productive self-employment without external assistance. Its customers were landless persons who took small loans for all types of economic activities, including housing. About 70 percent of the borrowers were women, who were otherwise not much represented in institutional finance. Collective rural enterprises also could borrow from

the Grameen Bank for investments in tube wells, rice and oil mills, and power looms and for leasing land for joint cultivation. The average loan by the Grameen Bank in the mid-1980s was around Tk2,000 (US\$65), and the maximum was just Tk18,000 (for construction of a tin-roof house). Repayment terms were 4 percent for rural housing and 8.5 percent for normal lending operations. The Grameen Bank was expanding rapidly, planning to have 500 branches throughout the country by the late 1980s.

2.3 Recent Status of Banking System in Bangladesh

At the moment financial sector reform programs are underway. Private Banks and insurance companies with few exceptions are functioning creditably. Uttara, Pubali and Rupali Banks which were formally owned by the GOB were privatized. Shadaran Bima Corporation's (General Insurance) 49% shares are contemplated to be off loaded in the local stock markets soon.

Bangladesh pursues a liberal market economy. Bangladesh Bank is the apex bank of the country responsible for promoting healthy growth and development of the banking system. Banks and insurance companies, both in the private and public sectors, are operating freely and contributing to the economy.

There are other specialized financial institutions to support the Industrial Promotion and Development Corporation (IPDC) of Bangladesh and the Investment Corporation of Bangladesh (ICB) provide equity support to public limited companies in the private sector. The government has recently replaced the Controller of Capital Issues by establishing a full fledged Securities and Exchange Commission with enhanced power for the growth and development of the Securities market in Bangladesh. Liberal fiscal policy has resulted in the highest foreign reserve.

During the last three years a number of steps have been taken to strengthen the country's banking system. These include improvement of the regulatory environment. Enforcement of loan classification guidelines and recapitalization of nationalized commercial banks. Over the past two years, there has been a massive infusion of taka 32,000 million in the NCBs in the shape of government bonds to make up for capital and provisioning shortfalls.

The commercial banks are now diversifying and strengthening their portfolio. They have increased term lending. Up to April 1994 they have sanctioned term loans totaling taka 10,260 million. Disbursement agricultural loans stood at taka 9,660 million 31 % increase over the same period in 1993. NCBs have introduced loan programs in off-farm and agro-based activities. NCBs, BSB and BSR have been able to rehabilitate 471 sick industrial units which have created 21,000 new jobs.

2.4 Bangladesh Bank

Bangladesh Bank (**BB**) has been working as the central bank since the country's independence. Its prime jobs include issuing of currency, maintaining foreign exchange reserve and providing transaction facilities of all public monetary matters. **BB** is also responsible for planning the government's monetary policy and implementing it thereby.

Bangladesh has a mixed banking system comprising nationalized, private and foreign commercial banks. Bangladesh Bank is the central bank of the country and is in charge of monetary policies of the Government and controls all commercial banks.

2.5 Recent Status of Banking Services

2.5.1 Accounts, Current, FDR, PDS, Deposit Scheme

Current Account: Generally this sort of account opens for business purpose. Customers can withdraw money once or more against their deposit. No interest can be paid to the customers in this account. If the amount of deposit is below taka 1,000 on an average the bank has authority to cut taka 50 from each account as incidental charge after every six months. Against this account loan facility can be ensured. Usually one can open this account with taka 500. One can open this sort of account through cash or check/bill. All the banks follow almost the same rules for opening current account.

2.5.2 Savings Bank Account

Usually customers open this sort of account at a low interest for only security. This is also an initiative to create people's savings tendency. Generally, this account is to be opened at taka 100. Interest is to be paid in June and December after every six months. If money is withdrawn twice a week or more than taka 10,000 is withdrawn (if 25% more compared to total deposit) then interest is not paid. This account guarantees loan. Almost all the banks follow the same rules in the field of savings account, except foreign banks for varying deposit. On an average, all the banks give around six percent interest.

2.5.3 Internet Banking

Customers need an Internet access service. As an Internet Banking customer, he will be given a specific user ID and a confident password. The customer can then view his account balances online. It is the industry-standard method used to protect communications over the Internet.

To ensure that customers' personal data cannot be accessed by anyone but them, all reporting information has been secured using Version and Secure Sockets Layer (SSL).

2.5.4 Home Banking

Home banking frees customers of visiting branches and most transactions will be automated to enable them to check their account activities transfer fund and to open L/C sitting in their own desk with the help of a PC and a telephone. Electronic Banking Services for Windows (EBSW)

Electronic Banking Service for Windows (EBSW) provides a full range of reporting capabilities, and a comprehensive range of transaction initiation options.

The customers will be able to process all payments as well as initiate L/Cs and amendments, through EBSW. They will be able to view the balances of all accounts, whether with Standard Chartered or with any other banks using SWIFT. Additionally, transactions may be approved by remote authorization even if the approver is out of station.

2.5.5 Automated Teller Machine (ATM)

Automated Teller Machine (ATM), a new concept in modern banking, has already been introduced to facilitate subscribers 24 hour cash access through a plastic card. The network of ATM installations will be adequately extended to enable customers to non-branch banking beyond banking.

2.5.6 Tele Banking

Tele Banking allows customers to get access into their respective banking information 24 hours a day. Subscribers can update themselves by making a phone call. They can transfer any amount of deposit to other accounts irrespective of location either from home or office.

2.5.7 SWIFT

SWIFT is a bank owned non-profit co-operative based in Belgium servicing the financial community worldwide. It ensures secure messaging having a global reach of 6,495 Banks and Financial Institutions in 178 countries, 24 hours a day. SWIFT global network carries an average 4 million message daily and estimated average value of payment messages is USD 2 trillion.

SWIFT is a highly secured messaging network enables Banks to send and receive Fund Transfer, L/C related and other free format messages to and from any banks active in the network.

Having SWIFT facility, Bank will be able to serve its customers more profitable by providing L/C, Payment and other messages efficiently and with utmost security. Especially it will be of great help for our clients dealing with Imports, Exports and Remittances etc.

2.6 Number and Types of Banks

The number of banks in all now stands at **49** in Bangladesh. Out of the 49 banks, **4 are Nationalized Commercial Banks (NCBs)**, **28 local private commercial banks**, **12 foreign banks** and the **rest five are Development Financial Institutions (DFIs)**.

Sonali Bank is the largest among the NCBs while Pubali is leading in the private ones. Among the **12 foreign banks**, Standard Chartered has become the largest in the country. Besides the scheduled banks, Samabai (Cooperative) Bank, Ansar-VDP Bank, Karmasansthan (Employment) Bank and Grameen bank are functioning in the financial sector. The number of total branches of all scheduled banks is 6,038 as of June 2000. Of the branches, 39.95 per cent (2,412) are located in the urban areas and 60.05 per cent (3,626) in the rural areas. Of the branches NCBs hold 3,616, private commercial banks 1,214, foreign banks 31 and specialized banks 1,177.

Bangladesh Bank (**BB**) regulates and supervises the activities of all banks. The BB is now carrying out a reform program to ensure quality services by the banks.

A. Nationalized Commercial Banks

Name of the Banks	No. of Branches- Inland	No. of Branches- Outland
Sonali Bank	1306	1
Janata Bank	898	4
Agrani Bank	903	-
Rupali Bank	513	1

B. Specialized or Development Banks:

Name of the Banks	No. of Branches- Inland	No. of Branches- Outland
Bangladesh Krishi Bank	844	-
Rajshahi Krishi Unnayan Bank	301	-
Bangladesh Shilpa Bank (BSB)	15	-
Bangladesh Shilpa Rin Sangstha(BSRS)	5	-
Bank of Small Industries & Commerce Bangladesh Ltd.	-	-

C. Foreign Commercial Banks:

Name of the Banks	No. of Branches- Inland	No. of Branches- Outland
American Express Bank Ltd.	2	-
Credit and Agricol Indosuez (Bank)	2	-
The Standard Chartered Bank	6	-
ANZ Grindlays Bank PLC	10	-
Habib Bank Ltd.	2	-
State Bank of India	1	-
Citi Bank NA	1	-
National Bank of of Pakistan	1	-
Hanif Bank	1	-

Dutch Bangla Bank	7	-
HSBC	2	-
Muslim Commercial Bank	2	-

D. Private Commercial Banks :

Name of the Banks	No. of Branches- Inland	No. of Branches- Outland
Pubali Bank Ltd.	350	-
Uttara Bank Ltd.	198	-
Arab Bangladesh Bank	60	1
International Finance & Investment & Commerce Bank Limited (IFIC)	58	2
Islamic Bank Bangladesh Ltd.	110	-
South-East Bank LTD.	12	-
National Bank Ltd.	66	-
Bank of Small Industries and Commerce Bangladesh Ltd.	25	-
The City Bank Ltd.	76	-
Eastern Bank Ltd. (EBL)	21	-
United Commercial Bank Ltd. (UCBL)	79	-
National Credit and Commerce Bank Ltd. (NCC)	27	-
Al-Baraka Bank Bangladesh Ltd.	34	-

Social Investment Bank Ltd.	-	-
Prime Bank Ltd.	21	-
Bangladesh Commerce Bank Ltd.	24	-
Dhaka Bank Ltd.	12	-
Mercantile Bank Ltd.	9	-
Al-Arafah Islami Bank Ltd.	35	-
EXIM Bank Ltd.	1	-
Mutual Trust Bank	-	-
First Security Bank Ltd.	-	-
Bank Asia Ltd.	-	-
The Trust Bank Ltd.	-	-
Shah Jalal Bank Limited (Based on Islamic Shariah)	-	-
Standard Bank Ltd.	6	-
One Bank	-	-
The Premier Bank	4	-

E. Others:

1. Ansar VDP Unnayan Bank
2. Bangladesh Samabai Bank Ltd. (BSBL)
3. Grameen Bank
4. Karmasansthan Bank

Source: Bangladesh Bank

Link: <http://www.asiatradehub.com/bangladesh/banks.asp>

CHAPTER – 03

Bangladesh: Money and Banking Sector Review

Bangladesh: Money and Banking sector review

3.1 Monetary & Credit Policy:

The monetary and credit policy for the financial year that ended in June, 2000 was formulated with the objective of full utilization of domestic resources and rapid economic growth through priorities for agriculture, industry, export, and expansion and strengthening of the private sector, at the same time keeping inflation within tolerable limits. A modern expansionary monetary and credit policy was adopted in order to make good the losses to agriculture, industry, and infrastructure by the devastating floods of 1998. After the flood the economy remained sluggish in the first quarter of 1999-2000 and the private sector demand for credit shrank. In view of this, the Annual Development Program (ADP) was expanded and development activities in the private sector were geared up. As a result, the public sector absorbed credit at an accelerated rate. Though credit to the private sector picked up towards the end of the year, the overall annual growth was smaller than programmed, although gross domestic credit expanded a

3.2 The Special Case of Offshore Internet Banking:

Offshore banking centers are "offshore" to the extent that they deliver financial and corporate services to non-residents of the banking center's jurisdiction. As a document by the Offshore Group of Banking Supervisors argues:

The term "**Offshore**" is interpreted by some as meaning that the location in which services are provided is itself "Offshore"; for example, an island in the Caribbean or the Pacific. In fact the term should be used

to describe the actions of the citizens of individual countries who wish to enjoy financial services outside their own jurisdiction in centers that offer certain freedoms otherwise not available to them. From this perspective, the "Offshore" activity relates to the behavior of the customer, not that of the institution delivering the financial or business services. In short, "**offshore**" can refer to financial services being offered to a customer whose home jurisdiction is unable or unwilling to provide them. In this sense, offshore Internet banks are "offshore" not only because their Internet servers may deliver banking and financial services across an international border without the necessity of physical travel by the customer seeking available services. In a sense, the customer's PC becomes equivalent to a branch office of a foreign financial service provider. Increased confidentiality, coupled with problems of determining the jurisdiction of Internet transactions, and the difficulty of tracking such transactions, combine to make Internet offshore banks a serious new challenge to established oversight mechanisms. Currently available banking services in the Internet "offshore" domain included:

- Incorporation
- Currency Exchange
- Trading of Stocks and Bonds, Portfolio Management
- Letters of Credit, Loans
- Numbered Accounts
- Insurance Products
- Establishment and maintenance of trust agreements.

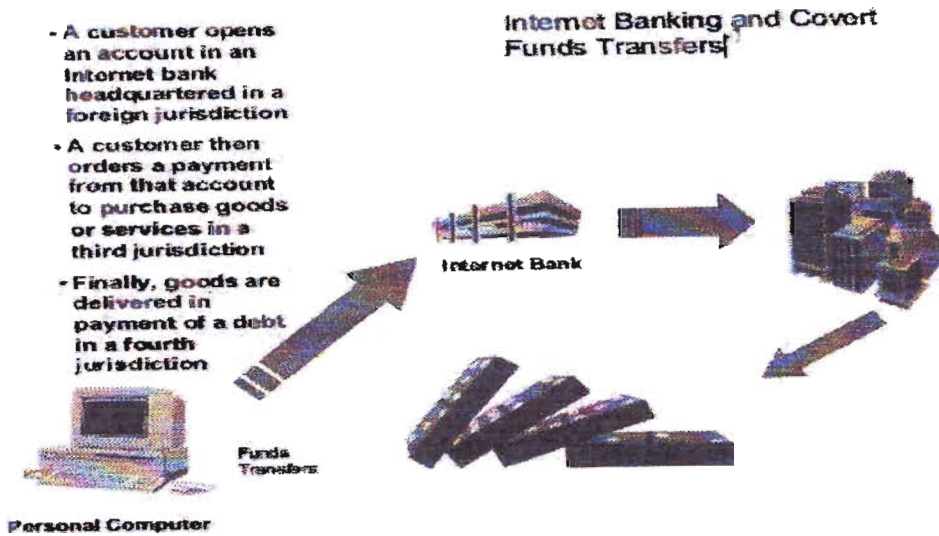


Figure 4.1. An Example of Concealed Funds Transfers using Cyberpayments and an Internet Bank

Example of Online Payment System

Law enforcement and regulatory authorities throughout the world share a concern that criminals may seek to use offshore financial centers operating on the Internet to launder money and commit financial fraud. In particular, criminals may seek to (1) exploit weaknesses in Internet bank internal controls and government oversight to conceal money laundering and financial fraud; (2) utilize "secrecy havens" to impede international investigations of suspected criminal activity by exploiting differences in encryption laws and bank secrecy to conceal potential evidence; or (3) operate a wholly fraudulent Internet bank to defraud customers.⁵ The following figure provides a schematic of one method of concealing funds transfers generated at an offshore Internet bank from law enforcement authorities in one's home country.

Source: Banking Journals

CHAPTER - 04

Online Banking

4.1 Online Banking:

Online banking (or **Internet banking**) is a term used for performing transactions, payments etc. over the Internet through a bank, credit union or building society's secure website. This allows customers to do their banking outside of bank hours and from anywhere where Internet access is available. In most cases a web browser is utilized and any normal Internet connection is suitable. No special software or hardware is usually needed. This is a system, which is allowing individuals to perform banking activities at home via the internet. Some online banks are traditional banks, which also offer online banking, while others are online only and have no physical presence. Online banking through traditional banks enable customers to perform all routine transactions, such as account transfers, balance inquiries, bill payments, and stop-payment requests, and some even offer online loan and credit card applications. Account information can be accessed anytime, day or night and can be done from anywhere. A few online banks update information in real-time, while others do it daily. Once information has been entered, it doesn't need to be re-entered for similar subsequent checks, and future payments can be scheduled to occur automatically. From the Banks' point of view online banking as a powerful "**value added**" tool to attract and retain new customers while helping to eliminate costly paper handling and teller interactions in an increasingly competitive banking environment.

4.2 History of Online Banking:

Thousands of years ago at the dawn of human civilization, agricultural society evolved from the plough. In the second half of the eighteenth century, with the advent of the steam engine the industrial revolution took place in Europe. Now at the dawn of the new millennium another revolution of entirely different kind is taking place across the globe a silent revolution, much more powerful and all pervasive – it is information technology revolution. No wonder that the present age is being called the information age. Online Banking is another born child of human brain which is originated from the revolution of information technology.

Online banking began on **October 6, 1995**, when Presidential Savings Bank offered its customers an online alternative to traditional brick and mortar banking.

4.3 Features of Online Banking

Online Banking usually offers such features as:

- Bank statements, with the possibility to import data in a personal finance program such as Quicken or Microsoft Money
- Electronic bill payment
- Funds transfer between a customer's own checking and savings accounts, or to another customer's account
- Investment purchase or sale
- Loan applications and transactions, such as repayments
- Account aggregation to allow the customers to monitor all of their accounts in one place whether they are with their main bank or with other institutions.

- There are a growing number of so-called virtual banks that operate exclusively online. These online banks have low costs compared to traditional banks and so they often offer higher interest rates.

4.4 Problems Faced in Online Banking:

To determine the factors i.e. telecommunication infrastructure, legal frameworks, efficient manpower, authentication, confidentiality, encryption mechanism, public infrastructures, speed of data communication, electronic payment gateway system, centralized on-line banking, digital system, latest banking technologies, clearing system, check truncation system in banking, which are responsible to success of Online Banking system.

4.5 Customers' Benefits Online Banking:

- **Convenience:**

Unlike our corner bank, online banking sites never close; they're available 24 hours a day, seven days a week and they're only a mouse click away.

- **Ubiquity:**

If we're out of state or even out of the country when a money problem arises, we can log on instantly to our online bank and take care of business, 24/7.

- **Transaction Speed:**

Online bank sites generally execute and confirm transactions at or quicker than ATM processing speeds.

- **Efficiency:**

We can access and manage all of our bank accounts, including IRAs, CDs, even securities, from one secure site.

- **Effectiveness:**

Many online banking sites now offer sophisticated tools, including account aggregation, stock quotes, rate alerts and portfolio managing programs to help we manage all of our assets more effectively. Most are also compatible with money managing programs such as Quicken and Microsoft Money.

4.6 Disadvantages of Online Banking:

- **Start-up May Take Time:**

In order to register for bank's online program, the main will probably have to provide ID and sign a form at a bank branch. If we and our spouse wish to view and manage our assets together online, one of we may have to sign a durable power of attorney before the bank will display all of our holdings together.

- **Learning Curve:**

Banking sites can be difficult to navigate at first. Plan to invest some time and/or read the tutorials in order to become comfortable in our virtual lobby.

- **Bank Site Changes:**

Even the largest banks periodically upgrade their online programs, adding new features in unfamiliar places. In some cases, we may have to re-enter account information.

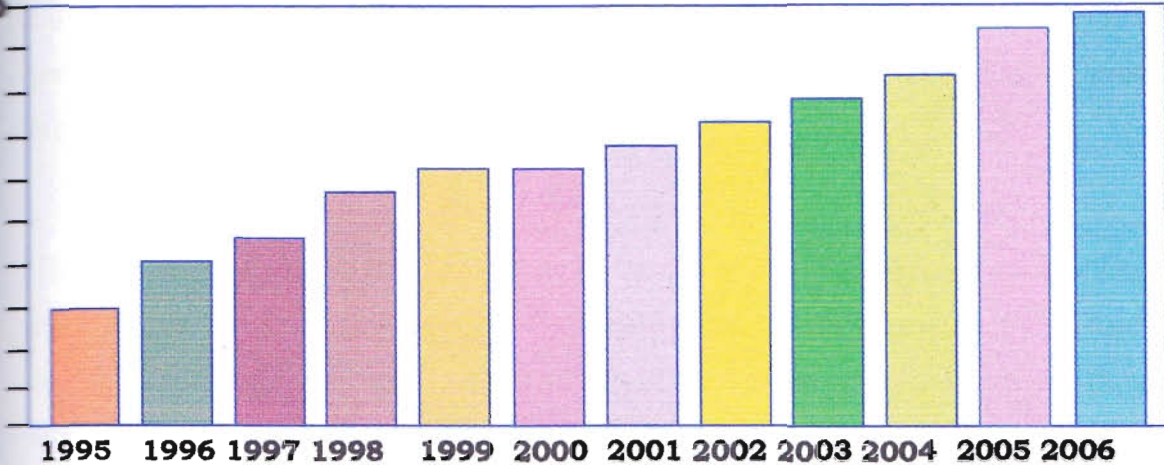
- **The Trust Thing:**

For many people, the biggest hurdle to online banking is learning to trust it. Did my transaction go through? Did I push the transfer button once or twice? Best bet: always print the transaction receipt and keep it with our bank records until it shows up on our personal site and/or our bank statement.

CHAPTER - 05

Taxonomy of Online Banking

5.1 Number of Banks:



IDC estimates that by 2003, 15,845 banks will offer online services mostly via the web, up from 1,150 in 1998. Nearly 6.6 million US households bank online in 1998, a number expected to increase to more than 32 million by 2003.

1 in 5 new online bank customers are likely to abandon setting up accounts due to time consuming red tape and complicated deposit procedures, according to a survey published by *Frederick Schneider's Research*. Up to 80% of those who began to open up accounts online did not complete the process. Despite this, 80% of those who use online banking services prefer them to traditional banks, according to a survey that polled 444 respondents from an opt-in list, commissioned by e-funds and the Deluxe Corporation.

5.2 Brick-to-Click Banks:


Today, most large national banks, many regional banks and even smaller banks and credit unions offer some form of online banking, variously known as PC banking, home banking, electronic banking or Internet banking. Those that do are sometimes referred to as "brick-to-click" banks, both to distinguish them from brick-and-mortar banks that have yet to offer online banking, as well as from online or "virtual" banks that have no physical branches or tellers whatsoever.

The challenge for the banking industry has been to design this new service channel in such a way that its customers will readily learn to use and trust it. After all, banks have spent generations earning our trust; they aren't about to risk that on a Web site that is frustrating, confusing or less than secure.

Most of the large banks now offer fully secure, fully functional online banking for free or for a small fee. Some smaller banks offer limited access or functionality; for instance, you may be able to view your account balance and history but not initiate transactions online. As more banks succeed online and more customers use their sites, fully functional online banking likely will become as commonplace as automated teller machines.

5.3 Virtual Banks:

If we don't mind foregoing the teller window, lobby cookie and kindly bank president, a "virtual" or a-bank may save we very real money. Virtual banks are banks without bricks; from the customer's perspective,



they exist entirely on the Internet, where they offer pretty much the same range of services and adhere to the same federal regulations as our corner bank.

Virtual banks pass the money they save on overhead like buildings and tellers along to our in the form of higher yields, lower fees and more generous account thresholds.

The major disadvantage of virtual banks revolves around ATMs. Because they have no ATM machines, virtual banks typically charge the same surcharge that our brick-and-mortar bank would if we used another bank's automated teller. Likewise, many virtual banks won't accept deposits via ATM; we'll have to either deposit the check by mail or transfer money from another account.

5.4 Electronic Banking:

It is an umbrella term for the process by which a customer may perform banking transactions electronically without visiting a brick-and-mortar institution. The following terms all refer to one form or another of electronic banking: personal computer (PC) banking, Internet banking, virtual banking, online banking, home banking, remote electronic banking and phone banking. PC banking and Internet or online banking is the most frequently used designations. It should be noted, however, that the terms used to describe the various types of electronic banking are often used interchangeably.

5.5 PC Banking:

It is a form of online banking that enables customers to execute bank transactions from a PC via a modem. In most PC banking ventures, the

bank offers the customer a proprietary financial software program that allows the customer to perform financial transactions from his or her home computer. The customer then dials into the bank with his or her modem, downloads data, and runs the programs that are resident on the customer's computer. Currently, many banks offer PC banking systems that allow customers to obtain account balances and credit card statements, pay bills, and transfer funds between accounts.

5.6 Internet Banking:

Sometimes called online banking, is an outgrowth of PC banking. Internet banking uses the Internet as the delivery channel by which to conduct banking activity, for example, transferring funds, paying bills, viewing checking and savings account balances, paying mortgages, and purchasing financial instruments and certificates of deposit. An Internet banking customer accesses his or her accounts from browser software that runs Internet banking programs resident on the bank's World Wide Web server, not on the user's PC. Net Banker defines a "true Internet bank" as one that provides account balances and some transactional capabilities to retail customers over the World Wide Web. Internet banks are also known as virtual, cyber, net, interactive, or web banks.

To date, more banks have established an advertising presence on the Internet- primarily in the form of informational or interactive web sites- than have created transactional web sites. However, a number of Banks that do not yet offer transactional Internet banking services have indicated on their web sites that they will offer such banking activities in the future.

Although Internet banks offer many of the same services as do traditional brick-and-mortar Banks, analysts view Internet banking as a means of

retaining increasingly sophisticated customers, of developing a new; customer base, and of capturing a greater share of depositor assets. A typical Internet bank site specifies the types of transactions offered and provides information about account security.

Because Internet banks generally have lower operational and transactional costs than do traditional brick and-mortar banks, they are often able to offer low-cost checking and high-yield Certificates of deposit. Internet banking is not limited to a physical site; some Internet banks exist without physical branches, for example, Tele-bank (Arlington, Virginia) and Bank net (UK). Further, in some cases, web banks are not restricted to conducting transactions within national borders and have the ability to make transactions involving large amounts of assets instantaneously. According to industry analysts, electronic banking provides a variety of attractive possibilities for remote account access, including:

- Availability of inquiry and transaction services around the clock;
- worldwide connectivity;
- Easy access to transaction data, both recent and historical; and
- "Direct customer control of international movement of funds without intermediation of financial institutions in customer's jurisdiction."

OPENING AN ACCOUNT There are several ways to open and fund an electronic banking account in the United States. Customers who have existing accounts at brick-and-mortar banks and want to begin using electronic banking services may simply ask their institution for the software needed for PC banking or obtain a password for Internet banking. Either approach requires minimal paperwork. Once they have joined the system, customers have electronic access to all of their

accounts at the bank. New customers can establish an account either by completing a PC banking application form and mailing it to an institution offering such a service or by accessing a bank's web site and applying online for Internet banking. In either instance, the customer can fund the new online account with a check, wire transfer, or other form of remittance. No physical interface between the customer and the institution is required.

Customers need an Internet access service. As an Internet Banking customer, he will be given a specific user ID and a confident password. The customer can then view his account balances online. It is the industry-standard method used to protect communications over the Internet.

To ensure that customers' personal data cannot be accessed by anyone but them, all reporting information has been secured using Version and Secure Sockets Layer (SSL) Protocol.

5.7 Home Banking:

Home banking frees customers of visiting branches and most transactions will be automated to enable them to check their account activities transfer fund and Electronic Banking Services for Windows (EBSW).

Electronic Banking Service for Windows (EBSW) provides a full range of reporting capabilities, and a comprehensive range of transaction initiation options.

The customers will be able to process all payments as well as initiate L/Cs and amendments, through EBSW. They will be able to view the balances of all accounts, whether with Standard Chartered or with any

other banks using SWIFT. Additionally, transactions may be approved by remote authorization even if the approver is out of station.

5.8 Automated Teller Machine (ATM):

Automated Teller Machine (ATM), a new concept in modern banking, has already been introduced to facilitate subscribers 24 hour cash access through a plastic card. The network of ATM installations will be adequately extended to enable customers to non-branch banking beyond banking.



5.9 Tele Banking:

Tele Banking allows customers to get access into their respective banking information 24 hours a day. Subscribers can update themselves by making a phone call. They can transfer any amount of deposit to other accounts irrespective of location either from home or office.



5.10 SWIFT:

SWIFT is a bank owned non-profit co-operative based in Belgium servicing the financial community worldwide. It ensures secure messaging having a global reach of 6,495 Banks and Financial Institutions in 178 countries, 24 hours a day. SWIFT global network carries an average 4 million message daily and estimated average value of payment messages is USD 2 trillion.

SWIFT is a highly secured messaging network enables Banks to send and receive Fund Transfer, L/C related and other free format messages to and from any banks active in the network.

Having SWIFT facility, Bank will be able to serve its customers more profitable by providing L/C, Payment and other messages efficiently and with utmost security. Especially it will be of great help for our clients dealing with Imports, Exports and Remittances etc.



CHAPTER – 06

Security

Online Banking Security:

Inevitably we will have to depend to a large extent on the experts who have and continue to devise sophisticated methods. The key components of three methods, which will help maintain a high level of public confidence in an open network environment, include:

1. Security
2. Authentication
3. Certification
4. Non-repudiation
5. Privacy

6.1 Security:

Although the publicly accessible internet is generally less secure than the direct dial-in access system, both types of connections are vulnerable to interception and alteration.

6.2 Authentication:

Authentication is a process that provides confidence to the message receiver on the identity to the sender and the integrity of the message itself. In a digital environment, authentication is achieved through the use of a digital signature, which is analogous to a handwritten signature. This piece of data asserts that a named person wrote or

otherwise agreed to the document to which the signature is attached. Authentication is usually implemented through the use of Encryption technology. Encryption is the transformation of data into an unreadable form. The purpose of encryption is to provide secrecy by keeping the information hidden.

6.3 Certification:

A trusted third party is a necessary part of the internet banking process. A certificate authority is a trusted third party that verifies identities in cyberspace. Certificates issued by certifying authorities are issued to deter and detect an entry from impersonating another using a fake key.

6.4 Non-Repudiation:

Non-repudiation is the undeniable proof of participation by both the sender and receiver in a transaction. It is one of the reasons public key encryption was developed.

6.5 Confidentiality:

Confidentiality deals with protecting the contents of message or data transmitted over the internet from unauthorized people. Like: you want to protect your credit card information when you want to purchase something over the internet.

Security Resolve Strategy:

With Internet banking, as with traditional banking methods, security is a primary concern. At Capital Crossing Bank, we have taken many precautions to see that your information is transmitted safely and

securely. Recent methods in Internet banking system security are used to increase and monitor the integrity and security of the system.

The security of Capital Crossing Bank's online banking application is addressed at three levels. The level is the security of customer information as it is sent from the customer's PC to the Web server. The second area concerns the security of the environment in which the Internet banking server and customer information database resides. Finally, security measures are in places that are designed to prevent unauthorized users from attempting to log into the online banking section of the Web site.

The following section explains the components cryptography and firewalls of Capital Crossing Bank's security architecture, and will provide some helpful ways to protect your password. Capital Crossing Bank's Security Architecture Cryptography Capital Crossing Bank uses the latest technologies for protecting confidential information as it crosses the World Wide Web (WWW). These technologies include the use of:

- **Digital Certificates** - which are a block of data that associates a public key with a particular user, in this instance Capital Crossing Bank's Internet Banking Server. The contents of these certificates are digitally signed in such a method that a standard browser can verify that the certificate has not been tampered with or altered.
- **Digital Signature** - In this process, signer signs the message and sign can be verified by anyone that it really comes from signer, so signer can not forget later and nobody can modify the message while in transit.

To ensure authenticity, receiver can verify the signature and understand that the message really comes from sender.

- **Public/Private Key Cryptography** - uses two different numbers where anything encrypted with one, must be decrypted with the other. Only one is made known to the public while the other is kept secret. Anything encrypted with the public key may only be decrypted using the private key. This is used to make information secret from all others except the intended recipient. If something is first encrypted with the private key, it can only be made readable with the public key. In this way the person decrypting the message can verify the sender.
- **Private Key Cryptography** - which is slightly different than Public/Private Key. Private Key uses the same key for encryption and decryption. Thus, anyone knowing the key can both send and receive messages. The advantage is that these algorithms are much more efficient.
- **Cryptographic Hashing** - which doesn't encrypt a message at all? Instead, it is a method for verifying that the contents of a message have not been modified since the hash was calculated.
- **IP Level Security** – IP security is designed to secure communication across LAN, WAN and Internet. In the age of information. Technology many attacks like IP spoofing and various forms of eavesdropping and packet sniffing may occur. Through these sorts of attacks can get authentication and read transmission like logon information and database content.

6.6 Firewalls and Routers:

While there are important security issues associated with electronic transactions, strict internal procedures are also in place within Capital Crossing Bank, controlling every aspect of bank administration from training employees to confirming customer transactions to preventing service interruptions.

The Bank is protected by a system of filtering routers and firewall (s). Filtering routers verify the source and destination of each transaction. Firewalls shield the bank's customer service network from outside sources. Through these systems, internal accounts are protected from outside access, and the structure of the Bank's internal networks is invisible to outside observers.

All incoming Internet Protocol packets are actually addressed to the external interface of the firewall and all outgoing packets are addressed to the internal interface of the firewall. In this way, all inside addresses are protected from outside access, and the structure of the financial institution's Intranet is invisible to the public Internet. Additionally, the proxy firewall creates extensive logs of all network traffic which enables centralized auditing and security breach detection.

6.7 Password:

Another important security measure and most important in the online banking is password. It is the key element to securitize the online banking system. These transactions are protected by individual password. Every individual customer has his or her own password. Without this password a person can not access his or her account. The risk of the password is that, anyone who gets the password of a person's account, he can access that person's accounts easily. So password should be secret.

CHAPTER - 07

Feasibility of E-payment Tools

Although e-commerce has no national boundaries by its virtue, domestic use of e-commerce is the key drivers for both promotion of e-commerce and increasing GDP through trade. The following viability matrix examines the feasibility of common e-payment methods in the current context of Bangladesh:

E-payment Tools	Viability
Payment against delivery is the most basic method of e-payment. The customer orders online and pays upon reception of the goods. The payment is collected either by the company delivering the goods, (i.e. post), or directly by the seller. The cost for buyer and seller, however, is fairly high.	This Payment system does not match with definition of e-payment as it does not use any form of digital technology for payment. But this is the most viable option in the context of Bangladesh as this procedure is quite easy to put in place without installing any technical requirement, and secure for both the buyer and the seller. Introduction of prepaid card can reduce risk of payment for the seller and also minimize the cost of payment collection.
Debit and/or credit cards are another method of e-payment. Upon purchasing the goods the customer enters his card details, usually the card number, expiry date and Card Security Code (CSC)	In Bangladesh there are two different types of credit cards available: 1. International Credit card 2. Local Credit card. Use of International credit card is

number. Several layers of security are usually installed on concerned websites to ensure security of the information. This information needs to pass through Online Payment Gateway which is a system that verifies the information with concern Bank. The system informs the customer that the operation has been successful. The customer then receives a digital invoice showing the payment details. The payment is made directly from the customer's card account to the seller's bank account. Banks or other financial institutions usually issue credit and debit cards.

not a viable option as the requirement for obtaining International credit card is to complicate making it beyond the reach of general citizens.

Use of Local Credit card is increasing in metropolitan areas in a promising velocity. However, absence of Online payment gateway has made this option unfeasible.

In **Bank transfer** once the customer has ordered goods online, she/he receives bank coordinates by email. Upon reception, the customer transfers the required amount to the company bank account and the delivery is initiated. Both buyer and seller are required to hold a bank account, preferably with e-banking access. For the consumer, this method bears the risk of non-delivery, but

Bank Transfer is another option that can be implemented with affordable technological upgrade and monetary policy reform. Currently a couple of multinational bank and a pair of domestic bank is giving its customers e-access to its customer. However, bank transfer using online media is limited to within the accounts of same bank.

<p>it is very secure for the seller. Sellers often propose free-of-charge money-back guarantees, offered through third parties, to reduce the risk for the buyer and make this payment method more attractive.</p>	
<p>E-billing is a recently developed e-payment method, where e-bills are sent to the buyer's e-mail account and e-banking account. The customer then pays the bill through using her/his e-banking account. E-bills facilitate regular payments, such as telephone or utilities.</p>	<p>This payment method is in use in Bangladesh. Utility bills like mobile phone companies sending their bills to the customer which can be paid through ATM or using e-banking of the relevant banks. Some government utilities can also be paid using this method.</p>
<p>P2P Payment through a third party provider, such as PayPal or Paybox, is another widely proposed and viable option. PayPal, for instance, is a web-based application ensuring a secure transfer of funds between member accounts, using bank transfers or a credit card. Once the merchant has installed an appropriate platform on a website, PayPal will take care of the entire payment process through the Internet. Both buyer and seller have to be PayPal members and have PayPal</p>	<p>While PayPal emerge as a secured and trusted payment method, its viability baskets with its requirement for credit card for opening account with them for buyers.</p>

accounts. The company relies on the existing infrastructure used by financial institutions and credit card companies. The amounts credited to each PayPal account, are placed in pooled bank accounts and then used for transactions. Paypal is therefore a payment facilitator and not a financial institution. Transactions are secured by a fraud prevention mechanism. PayPal verifies users, when they register on the website, through credit checks and verification against third party databases. PayPal, however, is explicitly not in a position to guarantee that the identity of the user is correct, and therefore an element of insecurity remains. The system is free for the user, but there is a fee structure in place for those members who wish to receive payments. In addition to the basic service, PayPal offers a number of additional services such as a money-back guarantee for purchases paid through PayPal. Under this system, the entire

<p>responsibility for the payment process rests with the external provider. In exchange, the provider receives from the merchant a fixed rate, and a percentage on the transactions generated through the platform. PayPal is a service provider and does not get involved in payment disputes nor offer arbitration services. For all the above e-payments, the consumer receives an invoice and a payment confirmation via e-mail, which provides tangible evidence for payment.</p>	
<p>A card based virtual wallet, also referred as Smart Card, substitute's banknotes or coins to facilitate the payment of small values, such as transport tickets, parking fees and tolls. The value is stored in a microprocessor chip implanted in a plastic card. It is a general and flexible type of payment complementing the traditional means such as cash, cheques or credit cards.</p>	<p>This option could be a viable alternative to credit card. Some private sector companies are underway in launching this product. However, use smart card over the internet is further constrained by the Online Payment Gateway.</p>
<p>Mobile payment (m-payment) is defined as a payment made through the use of a mobile</p>	<p>Several Private sector mobile phone companies are accepting payment in a limited scale in Bangladesh</p>

telephone. The amount is debited to the monthly phone invoice or from the pre-paid card. This new payment method came into sight in 2002 and is usually used for micro-payments. The access for m-payment can be done through a voice access, short message services (SMS), or wireless application protocol (WAP). To secure payment, the authentication is done through the personal identification number (PIN). The customer enters the correct PIN only once, and the payment is accepted. M-payment services are put in place by the mobile service providers, and often in cooperation with banks. The use of m-payment is increasing faster than that of other methods of payment because of the growth mobile telephone penetration in developed and developing countries. In addition, m-payment is easy to use and well secured, as the authentication through the PIN reduces risk.

using mobile payment. The products or services that can be paid through this method are limited to value added services of mobile phone companies like ring tone download, news and information service, logo, cartoon etc.

Source: www.paypal.com & Journals

Key Challenges:

- Immediate implementation of Online Payment Gateway for Local credit card by the central bank in collaboration with commercial banks.
- Formations of monetary policy allowing inter bank account transfer using electronic media.
- Introduction of micro payment prepaid card, local smart card for instance, ordering online and home delivery of goods by private sector initiative. This is card based payment system should be followed by introduction of Online Payment Gateway for using over the net.
- Partnership among mobile phone operators and financial institutions to implement mobile-payment methods for micro payments.

History of Credit Card:

The use of Plastic Money originated in the United States during the 1920s, when individual companies, such as hotel chains and oil companies, began issuing them to customers for purchases made at those businesses. This use increased significantly after World War II. In 1951, Diners Club issued the first Charge Card to 200 customers who could use it at 27 restaurants in New York. With this system, the Credit Card Company charged cardholders an annual fee and billed them on a monthly or yearly basis. Another major Charge Card was established in 1958 as the American Express Card by the American Express Company. Later in the late '50s, the Credit Card concept emerged where the bank credits the account of the merchant as sales slips are received and assembles charges to be billed to the cardholder at the end of the billing period. The cardholder, in turn, pays the bank either the entire balance or in monthly installments with interest. The first Credit Card 'Bank America card' was issued by Bank of America in late 1958 in California,

USA. This system was licensed in other states starting in 1966, and was renamed as VISA in 1976. At the same time, three different groups of banks that were not franchisees of Bank of America began activities that would later merge to become today's MasterCard International.

Both organizations originally set out signing up member banks to issue cards, enroll merchants, and/or both. Competition was fierce. Banks that offered one card could not handle the other, thus losing money. More importantly, the merchants themselves were being forced to turn down sales from customers who did not carry the same card the merchant accepted. In 1978 the MasterCard International and VISA International organizations agreed to a concept of duality, in other words, banks could honor and issue both Credit Cards.

CHAPTER – 08

An Overview of Online Banking in Bangladesh

In Bangladesh, online banking was started in 1996. Standard Chartered Bank first of all introduced the online banking system in Bangladesh. Now every private commercial bank in Bangladesh provides this banking service to their valuable customers. Even now many nationalized banks also start to provide this system through internet, tele communication system. Here we mainly cover 5 selected private commercial banks of Bangladesh which provide this service.



Simple Math

8.1 EASTERN BANK LTD (EBL):

Eastern Bank Limited is the preferred choice in banking for friendly and personalized services, cutting edge technology, tailored solutions for business needs, global reach in trade and commerce and high yield on investments, assuring Excellence in Banking Services. The leading private sector of banks in Bangladesh offering a full range of Personal, Corporate, International Trade, Foreign Exchange, Lease Finance and Capital Market services.



EBL, a private commercial bank, has offered several internet based application for banking functions to its clients including individuals, small and medium businesses, and corporate account holders. However, EBL charges additional fees for using their Internet banking facilities. Currently EBL is offering the following list of e-banking facilities.

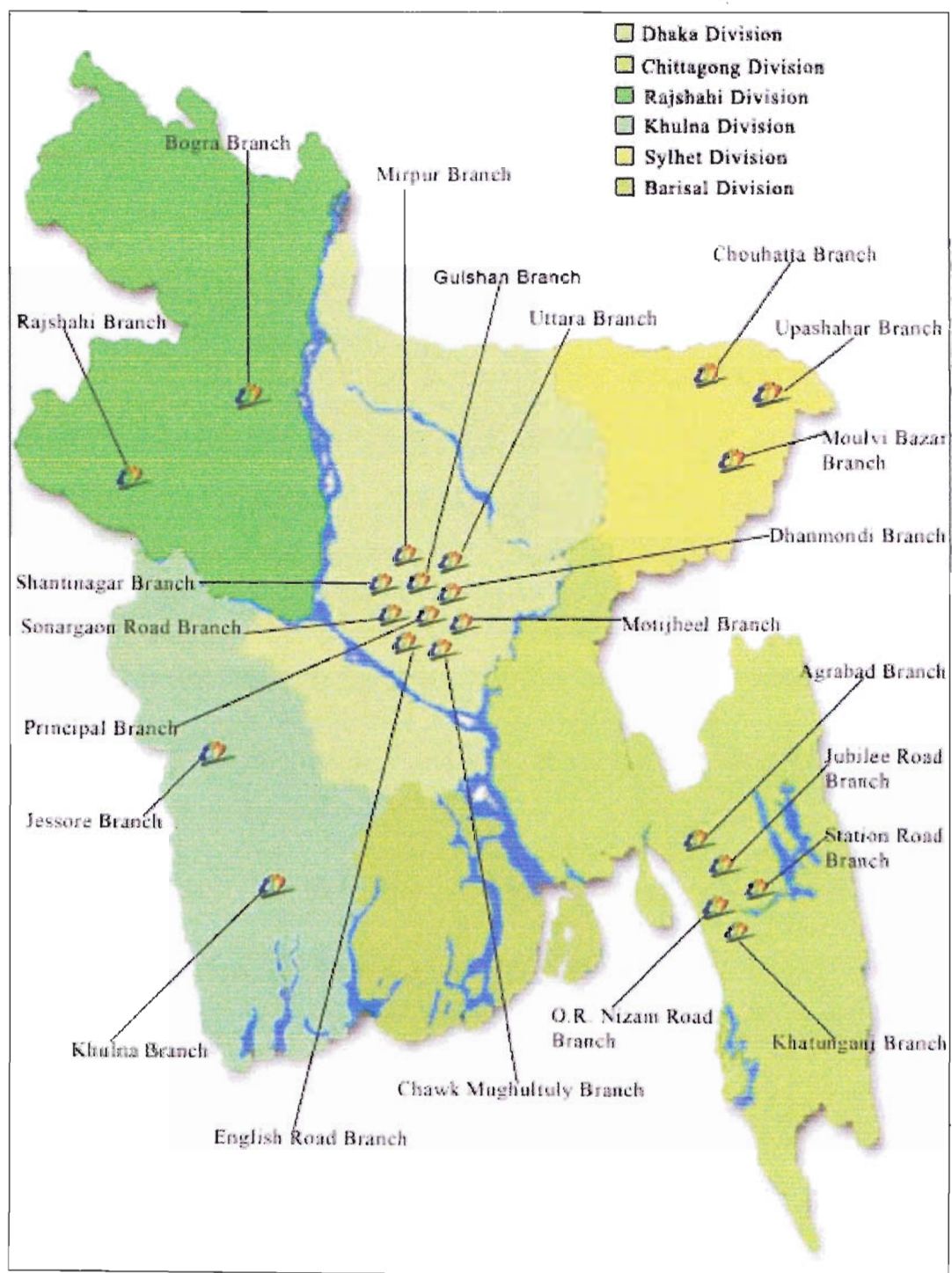
EBL management consisting of dynamic bankers from foreign banks working environment could assess the benefits out of Information Technology [IT] in utilizing it to maximum through their experience. Their guideline and streamlined decision making has played a pivotal role in the implementation process of Flex cube software in the branches.

EBL is the pioneer Bank in laying foundation to the world class banking software in Bangladesh. No other private Banks in Bangladesh could implement foreign banking software with success in the past. The concerned IT resources worked relentlessly over the months played a significant role behind the successful implementation of Flex cube banking software in EBL branches.

Transformation to New Platform:

EBL started its journey from a meager information technology platform. The branches were operating in a standalone/decentralized environment using local software where limitations were in abundance. It was limited from the delivery channels perspective for providing the customers with maximum benefits in terms of banking products and services. The most private banks in Bangladesh generally have been less competitive with their MNC bank counter parts. The sense of customer support and service at these private banks, literally, were not up to the par with what the customers came to expect from these MNC banks. So, for obvious reasons privates started losing businesses to these MNC banks.

Eastern Bank Limited Bangladesh provides online banking services, E-commerce Banking, EBPP Services, E-Banking facility, E commerce Transaction, E-commerce Banking could be provided effectively. All the branches of Eastern Bank Ltd will come under one online Banking network so that clients will enjoy the Online banking services in Bangladesh. Eastern bank Ltd will help to enjoy Online banking service in Bangladesh. Electronic Banking service in Bangladesh provides a new step of Electronic Banking in Bangladesh. Eastern bank ltd also helps for real time banking in Bangladesh.



Locations of EBL in Bangladesh

EBL with New ICT Infrastructure Features:

Essentially, EBL was not in a well connected situation. Data Communication was limited to secluded offices in a very limited fashion. EBL now is a different scenario. EBL HO is now connected with the branches all around Bangladesh. Here is a breakdown of what the data communication infrastructure looks like today:

- High Speed DDN and Radio Link connectivity between Branches and the Head Office.
- Local Area Network (LAN) - providing data network connectivity at the Head Office and the Branches.
- Metropolitan Area Network (MAN) - connecting the DHK branches with HO, CTG branches with Agrabad and SYL branches with Chouhatta.
- Wide Area Network (WAN) - enabling the data network circle between Head Office and the Branches.
- Solid foundation over data and network security implementation

Benefits from New ICT Infrastructure Features:

Previous Status		Present Status
Standalone systems	= >	Centralized system
Branch Banking		Anywhere Banking
Anywhere Banking		EOD at Data Centre
Telegraphic Transfers		Online Inter-branch transfer
Hold accounts		Online Inter-branch transfer
Produce MIS at Branch		Centralized MIS
Poor 'Control' reports		Improved 'Control' reports
Audit needs branch visit		MIS available at Head Office
Information on paper		Information in CIF
On Card Signature/Pix		Digital Signature/Pix
No Funds Management		Automatic Sweep-in/Out

EBL Banking Benefits:

Flex cube banking software automated in all branches of EBL has the adaptability for incorporating the delivery channels like, Internet Banking, Tele-Banking, ATM/POS, Home Banking, Wireless Access Protocol, Call Centre are all superb services which a customer can avail in due course. EBL's repertoire of hardware is highly sophisticated as no other banks in Bangladesh has availed this in recent times.

- Anywhere 24 hours * 7 days banking
- Internet banking, Tele banking and ATM/POS
- One Stop Shop for all your banking need
- Significantly reduced time in banking transactions
- Sophisticated Customer Information at the fingertips and can be provided anytime
- Online Inter-branch Transfer
- Any Branch Pay Order System
- Digital Signature/Photo image while transacting
- Display Customers Balance, Transactions, Statements online
- Automatic Sweep in & out
- Locker Service Availability
- EBL 5 to 9 Extended Service
- Bill payment -
 - Utility Services Bill
 - Tuition Fees
 - Mobile Phone Bills
- Fast Cash
- Fast Loan
- Auto Loan
- Consumer Loans
- High Performance Account

- Savings Insurance Account
- Monthly Income Plan
- Monthly Deposit Plan

Online Banking System in EBL:

Flex cube is the Internet banking solution that delivers the Corporate, Consumer and Investment Banking products to bank's customers over the Net. Internet banking module is a secure, robust and extensible web banking solution. It is anchored on a reusable component framework that complies with industry standards. Conceived specifically to exploit the potential of the web, new banking platform delivers a modular solution addressing Consumer, Corporate and Investment Banking. Customers will be able to transfer funds, inquire balance, request for cheque book, pay utility bills on-line etc.

Visa Electron Online Debit Card:

First time ever in Bangladesh!!!

Unique Features:

- With EBL Visa Electron customer can now draw cash from the Q-cash ATM network, 24 hours a day through out the year. No need to carry excess cash in wallet. ATM card is electronically linked to the EBL account.
- EBL Visa Electron is also accepted at Visa merchants with Electronic P.O.S Visa Symbol, where customer can pay for merchandise and services.
- Acceptance - Hassle free acceptance at network of Q-Cash ATMs currently 10 and to be expanded up to 50 by July 2004 and approximately 1000 POS deployed in major cities.

- Photo card - Displays the photo & signature on front of the card for enhanced security.

Other Facilities:

- Account balance checking from ATMs
- PIN change facility
- Cheque book request
- Mini statement inquiry
- Statement request

Additional EBL Services:

- Available EBL Internet Banking facility
- Card for joint account holders as well
- Real time online transaction.
- Services of well-trained relationship managers at any of our 22 real-time branches.

Internet Banking in EBL:

EBL Internet banking application addresses the needs of small, individual and corporate account holders of the bank. This application provides a comprehensive range of banking services that enable the customer to meet most of their banking requirements over the Net.

List of Transactions:

- Account Operations and Inquiries
- Fund Transfers and Payments
- Utility Bill Payment
- Deposits
- Loans
- Inquiries and other services

Account Operations & Inquires through Internet:

Account Summary:

The customer will be able to view the list of Current, Savings, Term Deposit and loan accounts held and the Current Balances in each account in the account currency and the customer's preferred currency.

Account Details:

The customer can choose a particular account (Savings, Current account, Term Deposit or Loan account) and see the account details depending on the type of the account. The details show different balances (collected, uncollected, available etc) and information relating to interest and charges.

Float Inquiry:

The customer can view the details of uncollected balances, with day-wise break-up.

Account Activity:

The customer can see transaction activity in a given account for a date range supported by the host.

Cheque Book Request:

The customer can make a request for a cheque book for an account choosing the number of leaves desired from the set that the Bank offers.

Stop Cheque Request:

The customer can choose an Account and enter the cheque number/range of cheque numbers for which the cheque encashment

should be stopped. Customer can also specify the reason for stopping the encashment. This is an online transaction only.

Cheque Status Inquiry:

The customer can choose an Account and enter the cheque number for which the status should be viewed. In case the cheque is returned or stopped the reason for rejection will also be shown.

Statement Download in ASCII Format:

The user can download the account statement for the current accounts, savings accounts and loans accounts.

Fund Transfers & Payments:

The customer can choose to transfer funds by selecting different mode of transfers. Funds can be transferred between accounts of the corporate, to a third party account or to other banks using prevalent payment systems. The user will be allowed to select source and destination accounts depending upon his rights on the accounts for that corporate. Incase of external transfers, the user will be allowed to select the source account and specify the beneficiary details plus any additional payment details. If required, EBL INTERNET BANKING APPLICATION can also support future dated transfers.

Utility Bill Payment:

The customer can make Utility Bill Payments to utility companies as set up by the Bank by transferring funds from his/her Savings or checking accounts.

Deposits:

The user can view all the deposits maintained by the corporate. EBL INTERNET BANKING APPLICATION will provide the user with all the details of the deposits and allow to modifying certain parameters.

Request for Rollover of Deposits:

The user can request for a rollover of a deposit upon maturity.

Request for Premature Closure of Deposits:

The customer can redeem/e-cash a deposit prior to maturity.

Inquiries & Other Services:

Interest Rates Inquiry:

The customer can query on the interest rates offered on Savings & Term Deposit Products offered by the Bank through internet service.

Foreign Exchange Rates Inquiry:

The customer can to view on-line Forex quotes (spot and forward), forward cover rates, view existing Forex contracts and initiate foreign exchange contracts.

Messages & Bulletins:

The customer can send requests in the form of messages to the bank through internet. This will help the marketing team to provide a solution for any request-based transaction. The messages are sent as free-format text and the user can compose new messages, save existing messages (including draft messages), reply to any messages sent by the bank and delete the messages.

This facility can be used by the customer only to correspond with the banks and not for corresponding with other customers.

Product Information:

The Bank would be able to publish its promotional material to the customers using internet.

Change Password:

The customer can voluntarily change the Internet password using this function. In addition the user is forced to change the password by the system as per the password policy defined by the bank.

8.2 Dutch-Bangla Bank Limited



Dutch-Bangla Bank Limited

YOUR TRUSTED PARTNER

Background:

Dutch-Bangla Bank Limited (the Bank) is a scheduled commercial bank. The Bank was established under the Bank Companies Act 1991 and incorporated as a public limited company under the Companies Act 1994 in Bangladesh with the primary objective to carry on all kinds of banking business in Bangladesh. The Bank is listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited.

DBBL a Bangladesh European private joint venture scheduled commercial bank commenced formal operation from June 3, 1996. The head office of the Bank is located at Senakalyan Bhaban (4th floor), 195, Motijheel C/A, Dhaka, Bangladesh. The Bank commenced its banking business with one branch on 4 July 1996.

Mission:

Dutch-Bangla Bank engineers enterprise and creativity in business and industry with a commitment to social responsibility. "Profits alone" do not hold a central focus in the Bank's operation; because "man does not live by bread and butter alone".

Vision:

Dutch-Bangla Bank dreams of better Bangladesh, where arts and letters, sports and athletics, music and entertainment, science and education, health and hygiene, clean and pollution free environment and above all a

society based on morality and ethics make all our lives worth living. DBBL's essence and ethos rest on a cosmos of creativity and the marvel-magic of a charmed life that abounds with spirit of life and adventures that contributes towards human development

Core Objectives:

Dutch-Bangla Bank believes in its uncompromising commitment to fulfill its customer needs and satisfaction and to become their first choice in banking. Taking cue from its pool esteemed clientele, Dutch-Bangla Bank intends to pave the way for a new era in banking that upholds and epitomizes its vaunted marques "Your Trusted Partner".

Dutch-Bangla Bank Limited

DBBL a Bangladesh European private joint venture scheduled commercial bank. Dutch- Bangla Bank offers following rang of e-banking facilities: [Dutch-Bangla Bank Limited, <http://www.dbbbl.com.bd/> accesses on July 26, 2007]

- (a) **Account Summary:** The Customer will be able to view the list of Current, Saving, Term Deposit and Loan accounts with the current balance.
- (b) **Account Details:** The Customer can choose a particular account and see the account details including unclear fund, limit, interest accrued etc.
- (c) **Account Activity:** The customer can see or print his transaction activity in a given account for a particular period.

(d) **Transfer Funds:** The customer can transfer funds from one of his accounts to another of his accounts within the bank.

(e) **Third Party Transfer:** The customer can transfer funds from one of his accounts to another customer's account within the bank.

(f) **Pay Bills:** The customer can pay his utility bill (like Electricity, WASA, GAS, Telephone, Mobile, ISP etc.)

(g) **Standing Instructions:** The customer can setup, modify or delete standing instructions for transferring fund from one of his account to another account (his account or 3rd party).

(h) **Open/Modify Term Deposit:** The customer can open a term deposit by transferring funds from one of his current or savings accounts with the bank. He can also modify the TD and redeem / part-redeem it.

(i) **Loan Repayments:** The customer can make payment of the loan installment from his CASA account.

(j) **Statement Request:** The customer can make a request for account statement for a required period. The bank will manually service this request.

(k) **Cheque Book Request:** The customer can make a request for a Cheque book.

(l) **Cheque Status Inquiry:** The customer can choose an account and enter the Cheque number for which the status should be viewed.

(m) **Stop Payment Cheque:** The customer can mark his Cheque leaf as stop payment.



(n) **Interest Rate Inquiry:** The customer can query on the interest rates on CASA & Term Deposit Products.

(o) **Foreign Exchange Rate Inquiry:** The customer can query on the Foreign Exchange (FX) Rates using this function.

(p) **Refill Pre-Paid Card:** The customer can buy a refill number for his pre-paid mobile phone or ISP link.

(q) **Change Password:** The customer can change his Internet Banking Password using this function.

Extra Features for Corporate Customer:

(a) **Letter of Credit:** The customer can initiate the LC application through Internet Banking.

(b) **Bank Guarantee:** The customer can initiate the Bank Guarantee through Internet Banking.

(c) **Limits Query:** The customer can view his Loan Limits and Limits Utilization through Internet Banking.

Dutch-Bangla Bank provides a comprehensive user manual on using Internet banking freely downloadable.

Two Flexible ways of remitting money

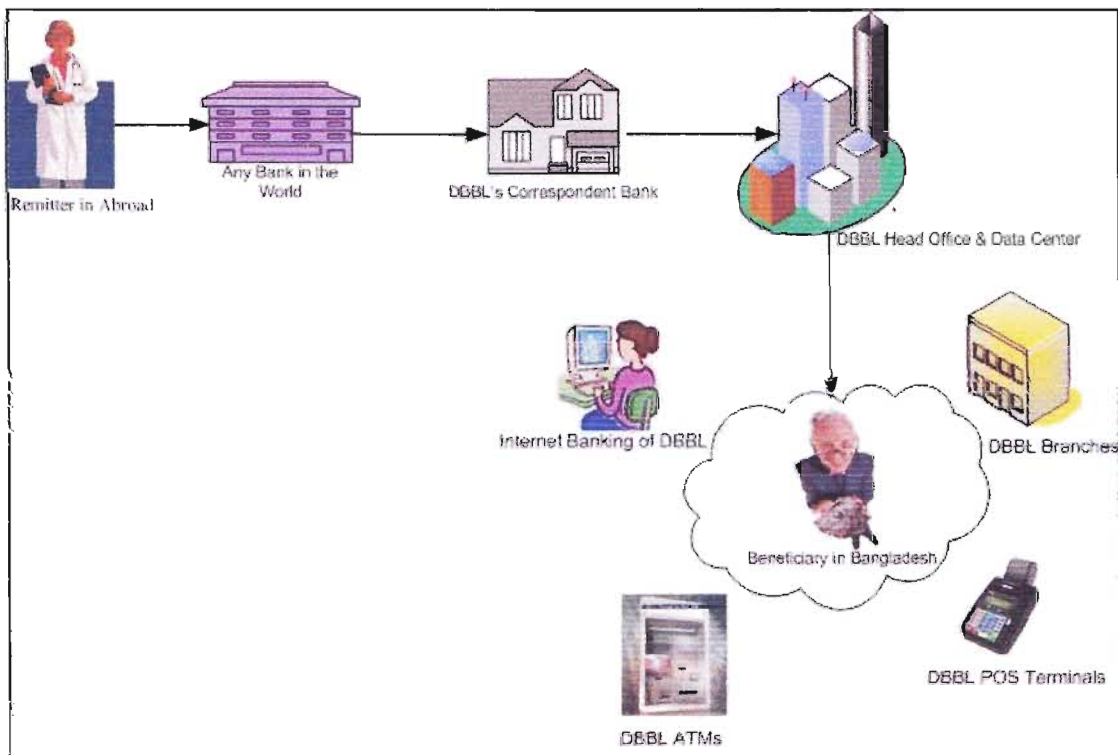
DBBL introduces two flexible ways of remitting money to Bangladesh using its Truly On-Line Banking. These are:

1. Direct remittance to the beneficiary's account

To avail this service your beneficiary needs to open an account with any branch of DBBL. You can now send money directly to the beneficiary's account from any bank in the world. Please follow the procedure mentioned in "[What to do to remit money to Bangladesh](#)". Your beneficiary's account will be credited within few hours from the International Division of Head Office of the Bank. This is possible due to the centralized on-line system of the bank.

Now your beneficiary can go to any branch or ATM of DBBL and withdraw cash; go to any POS terminal of DBBL and purchase goods & services using DBBL-NEXUS card; or use Internet Banking service of DBBL to do banking or pay various bills.

DBBL is also going to introduce Credit Card – both Local and International with a global brand.



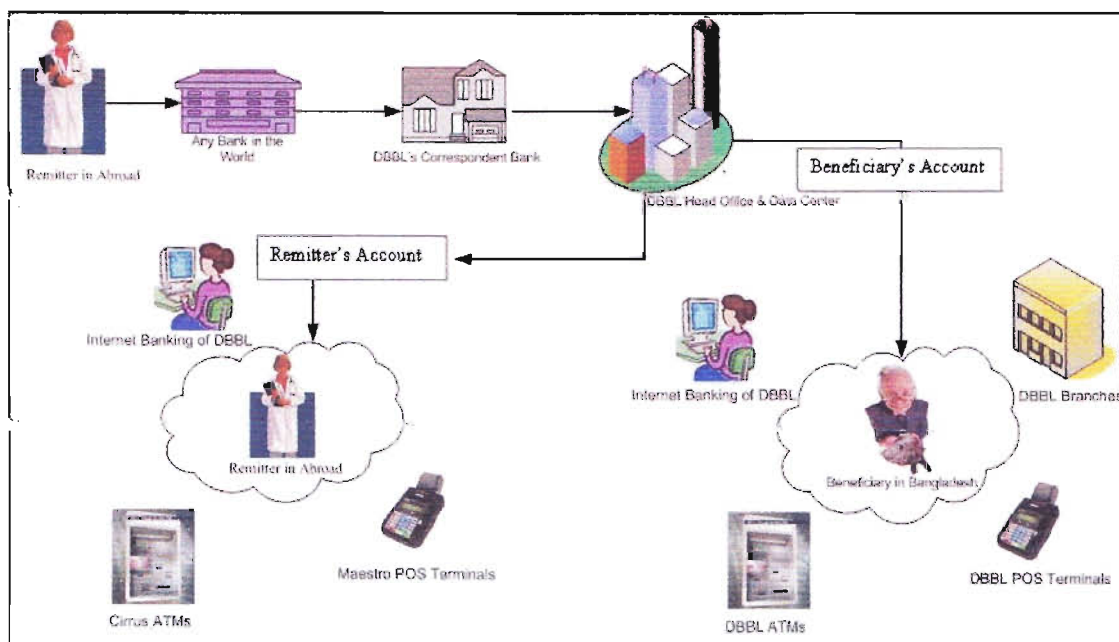
2. Remittance to the Remitter's account

This is the most flexible system for the remitter. To avail this service you need to open one account for yourself and another account for your beneficiary with any branch of DBBL. All the necessary forms for opening account are available in this web site. Kindly print or down load the forms and after filled-in please send to any branch of DBBL. The addresses of the DBBL branches are also available in this web site.

Now as usual, you can remit money to your own account any time from any bank in the world. Please follow the procedure mentioned in "What to do to remit money to Bangladesh". Once you send money to your account with DBBL, your money will grow with us. You can use Internet Banking facility of DBBL to manage your cash efficiently. You can open FDR from your account, pay bills / loan installments, or provide standing instruction to transfer a fixed amount of money in a particular day of a specified period (say month, quarter, year etc.) to your beneficiary's account. You can also monitor your all accounts regularly including checking of your account statements. All these can be performed by you sitting abroad at any time through internet. Using Maestro-Cirrus debit card of DBBL, you can withdraw money from any of the 300,000 cirrus ATMs in around 100 countries. You can also make payments for purchases in more than 800,000 Maestro outlets (POS terminals) worldwide.

On the other hand, your beneficiary will get money as per your instruction given through internet. You can modify or cancel the instruction any time if you want to do so. All the instructions will be carried out by the system automatically.

Now your beneficiary can go to any branch or ATM of DBBL and withdraw cash; go to any POS terminal of DBBL and purchase goods or services using DBBL-NEXUS card; or use Internet Banking service of DBBL to do banking or pay various bills.



Remit money to BANGLADESH
from anywhere of the world
within few hours

Take help of DBBL Truly Online Banking System

- DBBL handles your remittance entirely **FREE OF COST**.
- Your money will reach to Bangladesh within few hours.
- You can enjoy Internet Banking facility. You can even check through Internet that your money already reaches to your account or to the beneficiary as per your instruction.
- You can pay utility bills, fixed installments from your account through Internet. No need to come to the Bank.
- You or the beneficiary of your remittance can take the money from any Branches of DBBL, no matter where the account is domiciled.
- You or the beneficiary of your remittance can use ATM or POS terminal to withdraw or use cash.

Whom do you want to send money? What to do?

- If you want to send money to your own account, then you need to open an account in your name with any Branch of DBBL of your choice.
- If you want to send money to any person of your choice, he/she needs to have an account with any Branch of DBBL.
- Even you can send money through DBBL to any person having an account with any Bank in Bangladesh. However, we suggest you to open account with DBBL or ask your beneficiary of remittance to open account with DBBL to enjoy the tremendous facilities of **ON-LINE Banking** of DBBL.

What to do to remit money to Bangladesh?

1. Step in to your bank.
2. Go to the "Customer Transfer" desk.
3. Tell the bank-officer that you want to send money to Bangladesh through DBBL (SWIFT BIC: DBBL BD DH).
4. Give the following SSI of DBBL to bank-officer who needs this to remit the money promptly.

Standard Settlement Instruction (SSI) of Dutch-Bangla Bank Limited (SWIFT BIC-DBBLBDDH)			
Currency	Account with institution	SWIFT BIC	Account Number
AUD	HSBC Bank Australia-Sydney	HKBAAU2SSYD	342011-796083041
CAD	Bank of Nova Scotia-Toronto	NOSCCATT	527120110817
CHF	Commerzbank-Frankfurt	COBADEFF	400871524500-CHF
EUR	Commerzbank-Frankfurt	COBADEFF	400871524500-EUR
GBP	Standard Chartered Bank-London	SCBLGB2L	01-7064829-01
JPY	Bank of Tokyo-Mitsubishi-Tokyo	BOTKJPJT	653-0444251
USD	Standard Chartered Bank-New York	SCBLUS33	3582058387-001



8.3 BRAC Bank Limited



Banking Service:

BRAC Bank offer different kinds and types of banking service. They offer online banking, phone banking, and internet banking and now days they also offer SMS banking.

They provide different kinds of debit cards and credit card. For shopping they offer different debit cards. With that card the consumer only can shop.

They also offer phone banking. With BRAC Bank 24 hours Phone Banking, the accounts are just a call away. Enjoy the convenience of banking anytime, anywhere simply by pressing a few buttons on your phone.

Customer can check their account information, last balance, check related service etc.

They also introduce SMS banking. With the help of SMS banking you can check your last transaction, Balance information. If customers want to activate their SMS service, then call 01711439067 or SMS +3939. They will also get a SMS alert for high volume transactions in their account. With then help of SMS banking customer can check their account anywhere and anytime.

Phone Banking:



With BRAC Bank 24 hours Phone Banking, your accounts are just a call away. Enjoy the convenience of banking anytime, anywhere simply by pressing a few buttons on your phone.

- Account detail
- Balance inquiry
- Product Information

- Cheque related services

EZee Account:

'Banking That Sets You Free' BRAC Bank offers - EZee Account a non-cheque interest bearing account for small savers who are in frequent need of transaction. Customers don't need to write a cheque or stand in a long queue to draw their own money from BRAC Bank. Customer can get an ATM card to operate their account round the clock.

Features

- 24 hour access to ATMs and POS
- Interest on daily balance
- No minimum balance
- No ledger fees

ATM Debit Card Features:



- Draw money up to BDT 20,000 per day
- Check balance statements of your ATM and POS transactions
- Get a Mini Statement
- Change PIN number
- Get FAST CASH
- Use it in BRAC Bank POS outlets to pay
- 24 hour hotline available to resolve queries and problem

Aarong ATM Card:



It's a co-branded ATM Card with special cash back feature. Unlike other ATM cards, the holder of this card can enjoy 5% cash back facility while shopping at any Aarong outlet and the discount shall be automatically credited to customer's account with BRAC Bank.

Facilities

- 24-hour access to ATM's across Bangladesh
- Access to countrywide designated POS (Point of Sales)

DIA Gold ATM Card:



It's a co-branded ATM Card with special cash back and cash discount feature. Unlike other ATM cards, the holder of this card can enjoy **10%** cash back facility while buying diamond products and **8% cash discount** on the making charge of purchased gold items at any DIA GOLD outlet.

8.5 Standard Chartered Bank:



Standard Chartered bank has been operating in Bangladesh for long time. The bank has positioned itself as a unique business serving the local business community with due professional and ethical fervor. The bank now has 18 branches in critical business places of the country and intends to expand its presence all over the country to further penetrate the local customer and business segment. SCB is not only the leading foreign bank of the country but also one of the few banks that have revolutionized the banking service industry through adoption of modern technology and process with a view to enhancing customer satisfaction. As a group the bank has cemented its position especially in the Asia and African region with more than 500 offices in 52 countries of the world.

Standard Chartered as a bank operates globally with key business objectives and specific business areas to specialize in. Some major areas where SCB specializes as a bank are: Consumer Banking, Corporate Banking, Treasury service and Custodial Service etc.

Standard Chartered bank is a solid, forward looking and modern foreign bank with a long record of sound performance and dynamic trends in worldwide financial activities adopting an aggressive customer focused banking system. Therefore, it is imperative for the bank to be aware of the level of satisfaction of the clients in the consumer banking division related to various service dimensions.

Standard Chartered Bank has been the market leader in credit card market in Bangladesh since they first introduced the local currency based Credit Card. It has a lot of features and offerings in this particular product. The features are: 24 hours call centre, Insta-buy facilities, wider acceptance, cash advance facilities, reward facilities, cheque book facilities, Insurance facilities and lot more. The operational procedure of this division is fully online based. It has been found from the satisfaction survey of our report that almost all of the customers are happy with Standard Chartered Credit card. But little improvement in the service is also necessary for better satisfaction of the customers. The fees and charges are relatively higher of SCB credit cards. The bank should give a closer look into this matter to retain its customers from the competitors who offer lower price for their products.

Personal Banking:

Standard Chartered offers premium retail banking services to individual customers with a large variety of deposit and loan products. Our Consumer Banking business continuously meets the challenges of developing new products and services to match the specific requirements of customers. In Bangladesh Standard Chartered offers 24-hour service through its Money link ATM network and Phone link. Phone banking is to enhance customer convenience. Standard Chartered has pioneered off site Money link ATMs in Dhaka and Chittagong and is in the process of building a network of off-site Money link ATMs in Bangladesh. Our aim is to offer excellent service on a '4-Dour basis.

(<http://www.standardchartered.com/bd/cb/cbhome.htm>, retrieved in 22nd June 2007)

Services:

Tele Banking Service:

Standard Chartered Bank is the first bank in the country to offer automated 24-hour Phone banking service. Our phone banking services include balance enquiry, fund transfer, change of TIN, cheque book request. Statement request, foreign currency exchange rate etc., which are available through telephones from the comfort of home, office or car.

Other services available during the working hours include account opening information, remittance query. Stop payment instruction, request for draft, renewal of fixed deposit, change of address etc.

Phone link service is offered to all customers free of charge.



Master Card

Standard Chartered Bank launched Money link ATM in 1994, the first bank to offer this service in Bangladesh. Money link ATM set vice is free charge. Offering the following features:

- Cash Withdrawal & deposit
- Cheque deposit
- Cheque book request
- Change of PIN
- Printing of mini-statement
- Payment of utility bills.

Online Services:

Web Bank is the Internet banking site for Standard Chartered's Corporate and Institutional Customers. It combines convenience and security in one comprehensive and easy to use platform. Web Bank users have access to Cash Management, Securities Services and Continuous Linked Settlement Solutions as well as Trade, Lending and FX information system that leverage on Standard Chartered's extensive international network. For more information on Web Bank, or to register, please contact your Relationship Manager today.

Standard Chartered's best-in-class **Internet Banking Services** ranked #1 for **Overall** Satisfaction in the East & Partners' survey of Asian Corporate Transaction and e-Banking Markets.

Internet Security: Their role in ensuring that their data is safe.

1. Standard Chartered will never send us emails embedded with hyperlinks to Web Bank. Standard Chartered will never email or call us asking to disclose our login user ID and password. If we ever receive any such emails or calls, supposedly from Standard Chartered, please call their local Standard Chartered customer service representative before we do anything else. Never reveal our login user ID and password to anyone.
2. In logging on to Standard Chartered's websites, we should always personally enter the relevant Standard Chartered domain name in our web browser and not accept links or redirections from emails or other websites.

3. Before we type in your login information (login user ID/password), you should check that a secure channel has been established. We can do this by checking that the Web Bank address starts with the letters "https://" and that an unbroken key or closed padlock can be seen in the bottom of our screen. We can also view a copy of the Web Bank server authentication certificate by clicking on the key or padlock at the bottom of our browser.

4. If we have any doubts about a website, claiming to represent Standard Chartered, please call our local Standard Chartered customer service representative.

5. We have been issued with a login user ID and a password so that we can securely use the online service(s) provided by Standard Chartered. We must not divulge our login information or password to any party, verbally or in writing, or use them in connection with any other system, especially any other Internet connected system.

6. Our password should be kept confidential at all times, and not be divulged to anyone, including anyone claiming to be from Standard Chartered. It should be memorized and should not, under any circumstances, be written down or stored on our computer's hard disk, a diskette, or any other insecure device. We should change your password regularly.

8.5 HSBC Bank:



The HSBC Group, one of the world's largest banking and financial services organizations, had its beginnings in Asia more than 130 years ago. The Group has some 9,500 offices in 79 countries and territories in Europe, the Asia-Pacific region, the Americas, the Middle East and Africa.

Customer Service Centers have the following services:

Features:

- > Account opening;
- > We can apply for any of our loan products and know detailed features of all of our products from our r -Customer Service Officers stationed at Customer Service Centre from 9 a.m. to 10 p.m., 7 days a week;
- > ATMs;
- > Easy Pay Machine;
- > Access to Call Centre;
- > Phone banking;

<http://www.bd.hsbc.com/bd/daynight/customer.htm>, Retrieved on 22nd July 2007

ATM Card:

With our ATM cards, you can access and carry out most of your personal banking transactions 24-hours a day, 365 days a year.

With an ATM card, we can perform a wide range of transactions through our Automatic Teller Machines (ATM) at any time that is convenient to you, day or night.

HSBC Bank Bangladesh:

HSBC bank is another foreign owned bank that offers limited e-banking facilities only to its corporate clients. HSBCnet which is HSBC's Global Internet Banking Channel where corporate clients can check balances, download statements and make payments within HSBC accounts.

[HSBC Bangladesh, <http://www.bd.hsbc.com/bd/corp/business.htm> accessed on January, 2006]

Tele Banking:

Tele banking is our 24-hour automated telephone banking service. With this fast, convenient and secure service, our banking is just a phone call away.

Phone Banking:

- Check the balances on our primary and linked accounts;
- Transfer money between our accounts;
- Hear details of our last five transactions.
- Order statements;
- Order cheque books;
- Pay bills to pre-designated third parties in local currency;
- Enquire about time deposit interest rates;
- Open or renew a time deposit;
- Report about stolen or lost ATM card;
- Enquire about foreign exchange rate;

It is very easy to use. If we have Phone banking number (PBN) and Personal Identification number (PIN), just call at 8620346 and we can control our account at the touch of a button.

ELECTRONIC Banking:

Access your account from your PC 24-hours a day, 365 days a year from anywhere the world with Hexagon, our global electronic banking system.

Payment & Collection:

Country Wide Payments:

Most corporate treasurers cannot afford to spend time worrying about routine payments. HSBC in Bangladesh has the technology to put you in better control of routine operations and has been successfully handling payment requirement throughout the nation for its corporate clients. We provide you with benefits, which include:

- Reduction in payment time.
- Availability of payment details through hexagon.
- Easy reconciliation of payments/receipts through Hexagon statement.
- Centralization of control of payments.
- Network coverage of almost 200 locations nation-wide.

CHAPTER – 09

Summery of the Finding & Conclusion

Findings:

With my little experience in my final project (An Appraisal of Online Banking System of Selected Commercial Banks of Bangladesh) in comparison with vast and complex banking system it is very difficult for me to recommend. I observed and find something regarding the aspects of their banking. On the basis of my observation and finding I would like to recommend the following recommendations –

- People want more secure online banking.
- In the tele-banking they don't happy.
- People want more ATM booths.
- In Bangladesh, everybody is not aware about online banking.
- Most of the people are not happy with the charge for their online banking service.
- Some customers are also found some difficulties when they use ATM or other online service.
- Some are not happy with the online server and some are afraid of Credit Card Laundering.
- In my research I found in 100% of population 68% don't have any online bank account.
- Some are not know how to use this banking,
- And on the other hand some people want more service in online banking with different features.
- The bank should try to arrange more training programs for their officials. Quality training will help the official to enrich them with

more recent knowledge.

- Bank can introduce more advance **MIS** system to mobilize its day to day activities. It will help the employee to do their works more quickly and maintaining their quality of work.

Conclusion:

Internet Banking makes the Bank as close as in the home of the customer. Because online banking system allowing individuals to perform banking activities at home, via internet online banking through enable customers to perform all routine transactions, such as account transfers, balance inquiries, bill payment and stop-payment requests and some even offer online loan and credit card application. Online Banking eliminates the difference between day and night. As through online banking is a customer can get all the banking service at 24 hours a day and seven days in a week. Online banking make as be with our bank at everywhere. If a person is out of state or even out of the country when a money problem arises, he can log on instantly in his online bank and take card of business. Many online banking sites now offer sophisticated tools, including account aggregation, stock gusts, rate alerts and portfolio managing programs to help we manage all of our assets more effectively. Online banking in Bangladesh is not standardized as in developed country. One people are also less aware about online banking. People want more secure online banking. ATM booths are not sufficient to serve the people properly in our country. Most of the people in our country are not happy with the charge for their online banking service. So, online services must have to be user-friendly. Many people in our country do not know

how to use this system and other people want more service from this sector. So make internet banking and online banking popular in our country. The banks that provide internet banking have to make people aware of it and have to come up with a new innovative service.

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