

e-banking and its challenges

TAPAN KANTI SARKAR

Nowadays information technology defines how we communicate and do business. IT has changed our service delivery and communication pattern with stakeholders. Our local industry, which invested few years ago, has started harvesting the benefit of information technology investment.

The investment increasing rapidly as it is enabling business to reach more customers quickly than competitors. It also enables to serve more customers in more efficient manner than before.

All those competitive advantages are directly complementing revenue and bottom line.

Nowadays other than technology service providers, financial industries are putting remarkable investment in technology. During the initial years, international automation was a priority. Now they are investing more to extend more convenient experience in customer service such as online banking, debit/credit cards, internet banking. Today, it is evident that e-commerce will control the business.

Electronic currency through the card industry has given the first phase of experience of e-commerce to our customers. But that has reached a limit as it is yet to be chargeable through internet. That remains still the key factor for true e-commerce succession.

Fortunately regulator has responded to customers' demands. Bangladesh Bank is about to launch the gateway to facilitate currency use in the internet.

It is needless to mention that e-commerce will bring enormous opportunities to merchants and financial institutions. We have a

huge untouched population which is yet to be directly connected with financial institution. The cost of service delivery is competitive because of density. The local culture is still open to receive promotion. However, all opportunities come with some challenges.

Starting from 24/7 customer service to critical back-office integration, all services are expected to be up and running with zero downtime. On the top of that customer preference will be changing time to time. Customer relationship management will be more complex and dynamic. Challenges of reducing transactional and operation costs will also come into play.

It will bring challenge for regulator also. Bangladesh bank started some e-banking service and facing part of challenges. The challenges includes the balance between convenience and security, designing products that offer a balance between competitive pricing and functionality, keeping abreast with dynamism of customer needs and innovation and lack of proper legislative framework to support the growth of e-banking.

In addition to those there are some other factors, for example, some customers still like human face and their unwillingness to change.

Those are the challenges that can be managed by the long operational experience of the financial industry. But a serious challenge which is totally new to the industry is "Information Technology Security". Lack of trained people, lack of management awareness and inadequate infrastructure are making this the most critical issue ahead.

According to the Symantec Internet Security Threat Report July-December 2007 Bank Accounts and Credit Cards are the major targets of Cyber attack:

Goods and services	Percentage
Bank accounts	22
Credit cards	13
Full identities	9
eBay accounts	7
Scams	7
Mailers	6
Email addresses	5
Email passwords	5
Drop (request or offer)	5
Proxies	5

Considering the challenge and impact on the business, we need to take this issue into serious consideration. We have to mitigate it with management willingness, trained people, best process, regular practice and making it as part of regular business.

Current concern regarding security of information transfer in e-banking is on the session layer protocols and the flaws in end-to-end computing. A secure end-to-end transaction requires a secure protocol and robust technological infrastructure to communicate over un-trusted channels and a recognised cipher at both end-points for ensuring multi-phased authentication method. The solution addresses the use of secure protocols and authentication method because trusted channels do not really exist in most of the environment, especially since the business is dealing with linking to the average consumers.

From the customer perspective it is important to know the nature of attack may affect them.

They can be affected through **social engineering** which is a technique of convincing people for gathering confidential information.

Malware (viruses, worms, Trojan) is the computer program written in order to harm computers or servers. These malwares can steal sensitive information of users such as PIN number, password etc.

With **Phishing** cyber criminals motivate users to enter their confidential information on fake web site.

Then there is simple **Trojans** which is limited to a handful of e-banking applications. It usually steals username, password, one time password, session information, URL and sends it back to attacker.

Generic Trojans is in the wild since 2007, but still in development phase. It may attack any e-banking or any web application.

There is no alternative to arrange user awareness program on regular basis.

The solutions to the security issues require the use of software-based systems or hardware-based systems or a hybrid of the two. These software-based solutions involve the use of encryption algorithms, private and public keys, and digital signatures to form software packets known as 'Secure Electronic Transaction' used by MasterCard and Pretty Good Privacy. Hardware-based solutions such as the Smartcard and the MicroChip provide better protection for the confidentiality of personal information.

In order for e-banking to grow, the security and the privacy aspects need to be improved.

The Author is president, CTO forum Bangladesh, CTO NCC Bank. e-mail:tkts446@hotmail.com

Samsung launches new oversized smartphone



South Korean models pose with Samsung Electronics smartphone Galaxy Note II in Seoul on September 26.

PHOTO: AFP

AFP, Seoul

Samsung on Wednesday launched the newest version of its oversized smartphone Galaxy Note, just a week after Apple's iPhone 5 hit shelves, in an apparent bid to outpace its rival with a wider range of gadgets.

The South Korean electronics giant said the Galaxy Note II -- first unveiled at a trade fair in Berlin last month -- will eventually hit stores in 128 nations including the United States, where the firm's recently lost a \$1.05 billion patent case to Apple.

The gadget is slightly bigger than the firm's flagship smartphone Galaxy S series and comes with a stylus "S pen" to write notes or draw on the screen.

"We believe global sales of Galaxy Note II for the first three months will be more than three times those of the previous version," J.K. Shin, the head of Samsung Electronics' mobile unit, told reporters.

The world's top smartphone maker has sold more than 10 million units of the first Galaxy Note since its debut in November and more than 20 million of the latest Galaxy S III, which was launched in late May.

"It took us some time to establish this new product category in the global market... but now we get far better response than the past," Shin said.

The launch comes after a flurry of new devices from major phone makers including Apple, whose iPhone 5 just days ago enjoyed a record launch week-end with sales topping five million.

Samsung's smaller rival LG Electronics last week put on sale the new version of its headline Optimus G, hopes it will help the world's number five phonemaker meet its goal to sell 80 million mobile phones this year.

Galaxy Note II -- powered by Google's Android software -- is equipped with a new 1.6 GHz quad-core processor that helps run multiple applications faster than the dual-core processor of the previous version.

About 15.1 centimetres long (5.9 inches), 8 centimetres wide, 9.4 millimetres thin and featuring a 5.5-inch touchscreen, it allows users to split the screen in half to view two programmes at once.

"You can exchange chat messages or take part in a video conference while checking e-mails, or take notes while watching a video speech by famous speakers," said Shin.

Samsung has been embroiled in a long-running patent battle with Apple in 10 countries, including the United States and Germany, with the two rivals accusing each other of stealing design and technology.

Last month the South Korean firm was ordered to pay Apple \$1.05 billion in damages for illegally copying iPhone and iPad features for its Galaxy S smartphones.

Google's Schmidt hits out at mobile patent war

AFP, Seoul

Google executive chairman Eric Schmidt has criticised raging patent disputes in the global mobile industry, warning that they stifled innovation and reduced consumer choice.

"Google stands for innovation as opposed to patent wars... The last thing we want to see are innovation and particular products being stopped," he said at an event in Seoul to launch Google's new Nexus 7 tablet PC.

Global smartphone giants Samsung Electronics and Apple are currently locked in a long-running patent battle over design and technology in 10 nations including the United States and Japan.

Schmidt declined to comment on any specific case, but was due to meet Samsung's mobile chief JK Shin later on Thursday. The South Korean firm uses Google's Android platform on its smartphones and tablets.

Last month, a California jury ordered Samsung to pay Apple \$1.05 billion in damages for illegally copying iPhone and iPad features for its Galaxy S smartphones.

Apple, which has filed patent infringement actions on earlier versions of the Galaxy S series, added the newest Galaxy S III to the list in a fresh complaint filed on September 1.

Schmidt pointed to estimates that there are some 200,000 mobile patents with "complicated" and "overlapping" technical specifications.

"I think one of the worst things that has



Eric Schmidt

happened in the last few years is the belief that somehow, because there are so many patents... that one vendor could stop the sale of another vendor's devices," Schmidt said.

This "literally prevents choice, prevents innovation. And I think that's a very bad outcome", he added.

Google's launch of the Nexus 7 tablet in South Korea is aimed at expanding its share of a lucrative market led by Apple's iPad with devices that use the Internet search firm's own software.

The seven-inch tablet, powered by the latest generation of Android software called "Jelly Bean", is being made for Google by Taiwan-based Asus and weighs about as much as a paperback book.

The device -- already launched in the United States, Canada, Australia, Britain and Japan -- is priced at 299,000 won (\$268).

3D BIM technology for construction industry comes to Bangladesh

IT & TELECOM DESK

Tekla, a leading international brand specialising in 3D BIM technology for the construction industry, has started its operation in Bangladesh.

Tekla announced it at a launch event, at a hotel in the capital recently.

Tekla will offer its 3D BIM software especially to the pre-engineering buildings (PEB) segment in the country through its official local partner Win-Win Infosys Ltd.

Tekla started its journey in Bangladesh with the target to expand its business in South Asia.

At the event Nirmalya Chatterjee, chief operating officer of Tekla India spoke about the benefits and competitive superiority of the software for the booming construction industry in Bangladesh. He said that for a developing nation like Bangladesh, Tekla BIM software will help in decreasing the project run-through time, increase construction co-ordination, provide better design management and increase cost savings.

This will assist project development team for carrying out errorless projection of requirements of project materials aided by accurate measurement matrices.

Managing Director of Win-Win Infosys Ltd, Hassan Tariq was also present at the event.



TECHPHOTO

PHOTO: AFP

Japanese auto manufacturer Toyota Motor's home-living-assistance robot, 'Human Support Robot (HSR)', picks up a small object from the floor to hand to an operator (R) during a demonstration at the annual Home Care and Rehabilitation Exhibition in Tokyo on September 26. Learning from service dogs, Toyota engineers designed the HSR not only to grab things with its arm but also to pick up a piece of paper or plastic sheet by using suction at the end of the arm.

Angry Birds maker hopes Bad Piggies will help it fly again

REUTERS, Helsinki

Angry Birds-maker Rovio Entertainment will be hoping to prove it's no one-hit wonder when it launches Bad Piggies, just as players seem to be tiring of the game they've been addicted to for the past three years.

The new game will feature pigs which strike back at the birds who attacked them with slingshots in Angry Birds.

A hit on app stores would give the Finnish company a boost as it

looks to a possible stock market flotation next year. Some analysts put its market value at between \$6 billion and \$9 billion, nearly on a par with another top Finnish tech name, phone maker Nokia Oyj.

Rovio was founded in 2003 and became a global phenomenon after it launched Angry Birds for Apple Inc's iPhone in late 2009.

It has remained at the top of gaming charts, with more than a billion downloads, and had 200 million monthly users at the end of 2011. That compares for instance

with the 240 million attracted by offerings from U.S.-based Zynga Inc, such as the Facebook-based Farmville.

But there are signs Rovio is losing its momentum.

Amazing Alex, the first non-Angry Birds game in more than two years from Rovio, hit No. 1 on download charts in July but has since slumped to outside the top 50, while Angry Birds Space has dropped fast from the top-grossing lists.