



Internship Report

An Analysis on the Present
Scenario of Internet
Banking in Bangladesh:
Problems, Prospects &
Recommendations



UNITED INTERNATIONAL UNIVERSITY

Internship

Report

On

The Present Scenario of Internet Banking in Bangladesh:

Problems, Prospects & Recommendations

Submitted to:

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Letter of Transmittal

6th August 2019

Dr. Salma Karim
Professor
School of Business and Economics
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Subject: **Submission of Internship report.**

Dear Ma'am,

I would like to submit my report titled 'An Analysis on the Present Scenario of Internet Banking in Bangladesh: Problems, Prospects and Recommendations' prepared as a part of the requirement for BBA program of United International University.

I have successfully completed my internship program in The City Bank Limited and I worked there as an intern for three months. Working on this report was a great learning experience for me as I got to learn the differences between practical and theoretical work. I hope you will find the report to be systematic and reliable.

I would like to take this opportunity to thank you for all the support and guidelines that you have provided, which I hope to continue getting in the future.

Sincerely yours,
Sumaiya Akter
Id: 111 151 322
School of Business and Economics
United International University



Acknowledgement

Before starting the report, I would want to express my gratefulness to Almighty Allah for making me capable of performing my duties and responsibilities sincerely and honestly as an intern and completing the report in time.

I would like to convey my utmost gratitude to the people by whose support I completed this report. A special appreciation to my academic supervisor Prof. Dr. Salma Karim, who encouraged me with stimulating suggestions and inspiration and guided me through the whole process to organize my report.

Furthermore, I would also like to thank and recognize the crucial role of the staff of The City Bank Ltd. (CBL) who gave me permission to use all the necessary equipment and the resources in completing the report. A special thank goes to my fellow colleagues for advising me through the period with suggestions and especially my branch manager Gazi Azizul Hoque for providing a friendly working environment for me and all of my colleagues.

Last but not the least, I wish to thank my university for making me capable of undertaking all the responsibilities rationally and UIU Career Counseling Center for providing me with a great opportunity to work in a renowned organization like City Bank Ltd.



Declaration

I am Sumaiya Akter, student of School of Business and Economics (Accounting) of United International University, Bangladesh, do hereby declare that the internship Report on "**An Analysis on the Present Scenario of Internet Banking in Bangladesh: Problems, Prospects and Recommendations**" is an original work and has not been previously submitted for any degree, diploma, title, or recognition.



Executive Summary

From the ancient period to the present day the functions of banking have changed a lot. Banking is now more developed than ever with enhanced modern technologies. Internet Banking (IB) also known as Electronic Banking (E-Banking) is the latest branch of banking which is aiding the banking activities for customers.

The concept of internet banking is not yet familiar to all the people of Bangladesh but its popularity is ever growing. This report tries to extract the present scenario of Internet banking in Bangladesh.

Despite having some risks associated with internet banking it has bright prospects. With proper actions taken, this would be one of the biggest sectors of finance one day. Many successful foreign and local banks have already got their hands on the right measures.

Among many other banks The City Bank Ltd. has developed an advanced IB platform for its customers. They had developed an android app and website called Citytouch with the highest customer satisfaction rate.

This paper would further present a detailed analysis of all the statements on internet banking of Bangladesh.



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Chapter – 1

Introduction



1.1 Introduction

From the very inception of the Internet, it has mustered the attention of individuals and organizations. Because of its omnipresence, the Internet is often denoted as the revolution that would transform the way people live and work.

However, in terms of banking services traditional branch-based retail banking remains the most widespread method for conducting banking transactions. But as technology facilitates the ways in which personal financial services are designed and delivered are also being radically changed.

In recent years, Internet Banking has become a worldwide phenomenon. As the banking sector moves toward Internet banking for commercial purposes, it has been regarded as a fascinating case for service innovation. Customers can have direct access to their financial information and can carry out financial transactions without even going to the bank.

Over the years the banking industry has developed many information technologies which have had an enormous effect in increasing flexibility in payment methods and more user-friendly banking services. Internet banking and other electronic payment systems are new, and the advancement and transmission of these technologies by financial organizations are expected to result in a more proficient banking system.

However to ensure the success of Internet banking in a country many other factors must be ensured beforehand, such as the success of internet access, new online banking features, domestic progress of internet usage, legal and regulatory framework. As a developing country, Bangladesh is facing slow growth in internet banking because of the constraints in internet access. Still, the budding development of this sector is remarkable as more and more customers are getting enticed by the services.

This development is converting people toward a marketplace of progressively mature customers. Thus it is the concern of marketers to define and comprehend the needs of mature clientele. Traditional interactive services promotional models must be taken under renovation as the demographic outline of the population is changing rapidly. At



present mature bank customers have plenty of purchasing power, and it is anticipated that in the future they are more likely to spend large sums on the financial services.

This would benefit banks as there would be much lower operating costs by offering IB services, which require less staff and fewer physical branches. Customers will also benefit from the convenience, promptness and round-the-clock availability of IB services.

At present, there are 59 scheduled banks in Bangladesh among which 41 local private banks, nine foreign and six state-owned and eight Islamic shariah based banks. Among those, approximately 11 banks provide internet banking services to customers("Financial System," n.d.). The City Bank Ltd. is one of the banks to provide firsthand IB services to customers.

1.2 Literature Review

The developments in information technology have paved the way to more flexible payment methods and more user-friendly banking services. According to Akinci, Aksoy and Atilgan online banking and other electronic payment systems are new, and the development and diffusion of these technologies by financial institutions is expected to result in a more efficient banking system. (Akinci, Aksoy, & Atilgan, 2004)

Meanwhile, the banking industry has also been looking for new methods to expand its customer base and to counteract the aggressive marketing effort of those non-traditional banking entities. (*Graven*, 2000)

Larger banks that maintain expensive branch networks tend to have the greatest incentive to adopt e-banking services. (Mohiuddin, 2014)

This service delivery channel is seen as powerful because it can retain current Web-based customers who continue using banking services from any location. Moreover, Internet banking provides opportunities for the bank to develop its market by attracting a new customer base from existing Internet users (Suganthi et al., 2001; Dannenberg and







Kellner, 1998; Zineldin, 1995).

This is, however, merely theory so far. Things have not moved as quickly as some anticipated in turning this into reality in the banking sector. Some research shows that most consumer banking customers rank Internet banking as less important than other technology-based delivery channels, such as ATMs and telebanking (Aladwani, 2001; Suganthi et al., 2001).

1.3 Rationale of the Study

This study fulfills the partial requirement of the Internship program of BBA curriculum at the United International University. The internship program allows students to get an idea about the professional environment. The program helps students to interpret the theoretical concepts into real life experiences.

The internship program serves the following purposes:

-  To acquire and organize detail knowledge on job responsibility.
-  To experience the real business world.
-  To associate the actual scenarios with the lessons learned in UIU.
-  To accomplish the prerequisite of BBA Program.

1.4 Objective of the Study

The topic of the study is the present scenario of Internet banking in Bangladesh. So the objective of the study is to show the current situation of IB. Throughout the report, it will display the problems, prospects and the recommendations related to IB. The study will also recognize the potential of IB and how it can change future banking activities in a positive way.



This study precisely involves the subsequent aspects:

- 🚩 To Understand and state the basic concept of Internet Banking.
- 🚩 To identify the benefits of Internet Banking.
- 🚩 To discover major risks related to Internet Banking.
- 🚩 To explain the customer perspective of Internet Banking in Bangladesh.
- 🚩 To exhibit the Internet Banking system of the City Bank Ltd.
- 🚩 To explore the Internet Banking mobile applications available in Bangladesh.

1.5 Scope of the Study

A study is always based on some motives. Basically, the ground of this study is to fulfill a requirement as a part of BBA program but it would also provide an insight into the Internet Banking scenario of Bangladesh. As banks are now taking new routes to provide services that are convenient to customers, IB is one of the greatest achievements of all. So this study will lead into the IB situation in Bangladesh. The report would present the variety of latest products of IB and about the market condition of those.

1.6 Methodology

The report has been prepared by following a few steps in a systematic manner. The first step was the selection of the topic followed by data collection, findings, analysis and final report preparation. The whole process of the methodology followed in making the report is explained further.



Selection of the topic:

The topic of IB was chosen as it was found interesting. It was thoroughly discussed and approved by the supervisor.

Sources of Data:

Both primary and secondary sources have been used in this study.

Primary Source:

Primary Data was mostly derived from direct interview with walk-in customers and the executives of The City Bank Ltd. practical deskwork has also facilitated with primary data.

Secondary Source:




Secondary data sources were CBL's own website, annual reports, journals, brochures, articles, different websites etc.

Software

To enter references and provide citation, reference management software Mendeley has been used.

1.7 Limitation

The major complications faced while preparing the report were:

-  The unavailability of the latest data on IB
-  The insufficiency of information.
-  Restriction of authority on some issues.



- 🚩 Inaccessibility of some information due to security and other corporate restrictions.
- 🚩 Non-accessibility of the IT sector.
- 🚩 Lack of opportunity to access to internal data.
- 🚩 Lack of cooperation of respondents.



Chapter – 2

Overview of the Company



2.1 Company Overview

The City Bank Ltd. commenced its journey as one amongst the first generation Commercial Banks operating in Bangladesh in 1983. Now it has become a leading bank among the oldest five Commercial Banks in Bangladesh. It opened its first branch at heart of the capital city at B.B. (Bangabandhu) Avenue. It was the vision of 12 insightful entrepreneurs who had the courage of taking immense uncertainties and risks that made the founding of the bank possible. Those sponsor directors began the journey with an authorized capital of taka 1.5 Billion.

The bank has 130 branches across the country. It has over 3,230 employees to manage over 1,600,000 customers. Among them 100,000 customers with digital banking experience. It had set up over 369 ATM booths of its own and ATM sharing arrangement with a partner bank that has more than 1150 ATMs in places all over the country. There are 7 priority centers, 3 airport lounges and 5 AMEX service centers. The bank has over 923,497 cards issued. ("Annual_Report_2017_1542607972.pdf," n.d.)

Out of the few local banks, City Bank is one which does not follow the traditional, decentralized, geographically managed, branch-based business or profit model. Basically, the business and operation of the bank are managed vertically from the head office through 4 discrete business divisions namely Corporate & Investment Banking; Retail Banking; SME Banking; & Treasury & Market Risks. The internet banking and the card division fall under the Retail Banking.

The services of City Bank incorporate wide diversified areas of trade, commerce & industry which tailored to the explicit needs of the customers and are eminent by an exceptional level of prompt and personal attention. Over the years the Bank has prolonged the spectrums of Its Services. The widespread and ever-growing domestic network offers and carries various products and services to the doorsteps of millions. The City Bank Limited is the first in Bangladesh to introduce dual currency Credit Cards, ATM and Online services which have created fascination among the clients. CBL was




one of the 12 Banks of Bangladesh among the 500 Banks in Asia for its asset, deposit & profit as evaluated by "ASIA WEEK" In the Year 2000. Other than that, The City Bank Limited received the "Top Ten Company" award from the Prime Minister of the People's Republic Of Bangladesh.


2.1.1 Product and Services

As CBL is a banking organization, all the products are embedded with services;

A. Credit Cards


 American Express: From 2010 CBL has franchised the AMEX into Bangladesh through 3 categories and also available in dual currency mode.

- I. Silver
- II. Gold
- III. Platinum

 VISA: It is an international and it issues in both Local Currency (Taka) & Foreign Currency (US Dollar) in 2 categories and also available in dual currency mode,

- I. Silver
- II. Gold

B. Debit Cards or ATM Cards

 City Maxx American Express Card: CBL issued the City maxx card as default card for any account holder, so therefor it has no specific categories as compared to credit cards.

C. Special Cards

 Master Card: It's a totally a specialized card which can be used as a debit card.



D. Retail Banking Service

- 🚩 All the general banking services, like Bank Accounts, Student Accounts etc.
- 🚩 Various types of Schemes are also offered by retail banking like Deposits, Savings Accounts etc.
- 🚩 Various types of Loans, like Consumer loan, Education loan, Health Loan etc.

E. SME Banking Service

CBL has a wide range of SME banking services through 3 individual wings;

- 🚩 Medium Segment SME Service.
- 🚩 Small Segment SME Service.
- 🚩 Agro SME Service.

F. Wholesale Banking Service





CBL also offered a wide range of services under the wholesale banking service. Those are defined as,

- 🚩 Long term Finance
- 🚩 Midterm Finance
- 🚩 Structured Finance
- 🚩 Cash Management
- 🚩 Project Management

There are lots of other services offered by CBL which can be listed as below:

- 🚩 Priority Banking Service



-  Shephire service
-  Corporate Banking Servicer
-  City Touch (Advance Internet Banking)
-  Trade Services (Foreign and Local)

2.1.2 CBL Subsidiaries

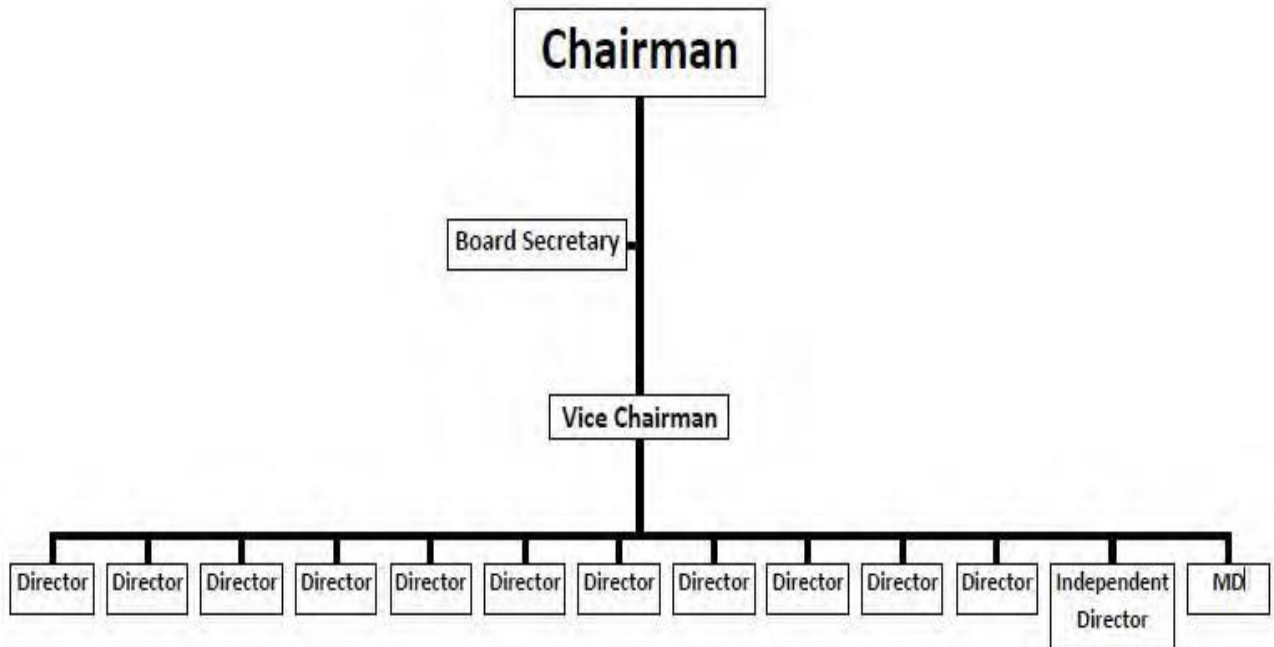
The City Bank limited have subsidies two different individual business organizations, those are

1. City Capital Resource
2. City Brokerage



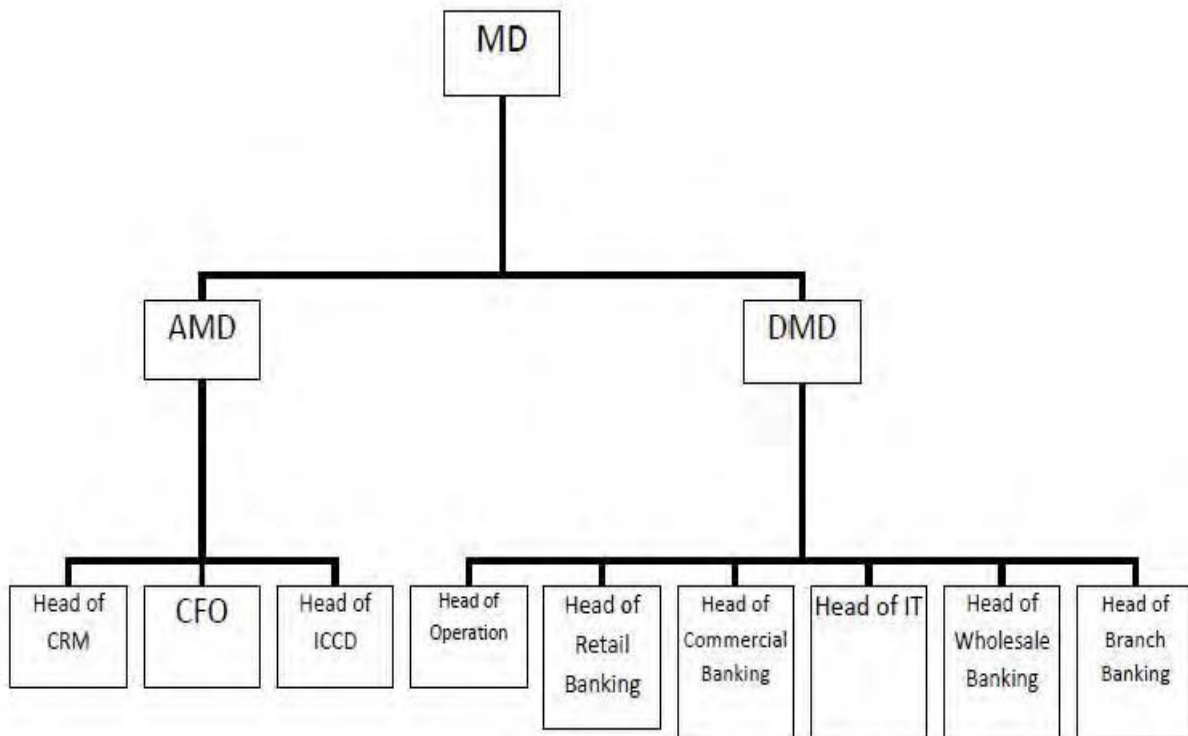
2.2 Organization organogram

2.2.1 Board of Directors



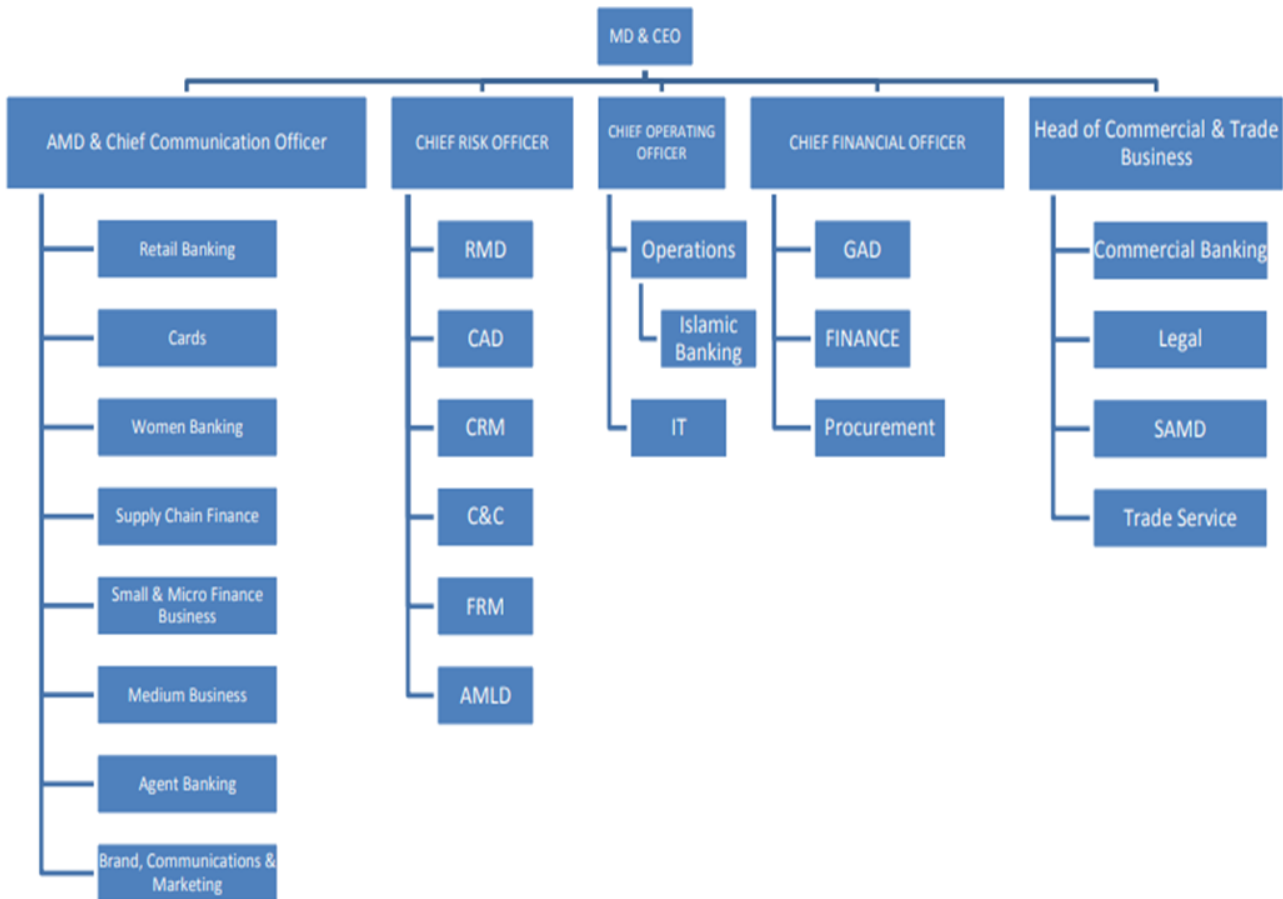


2.2.2 Management Committee



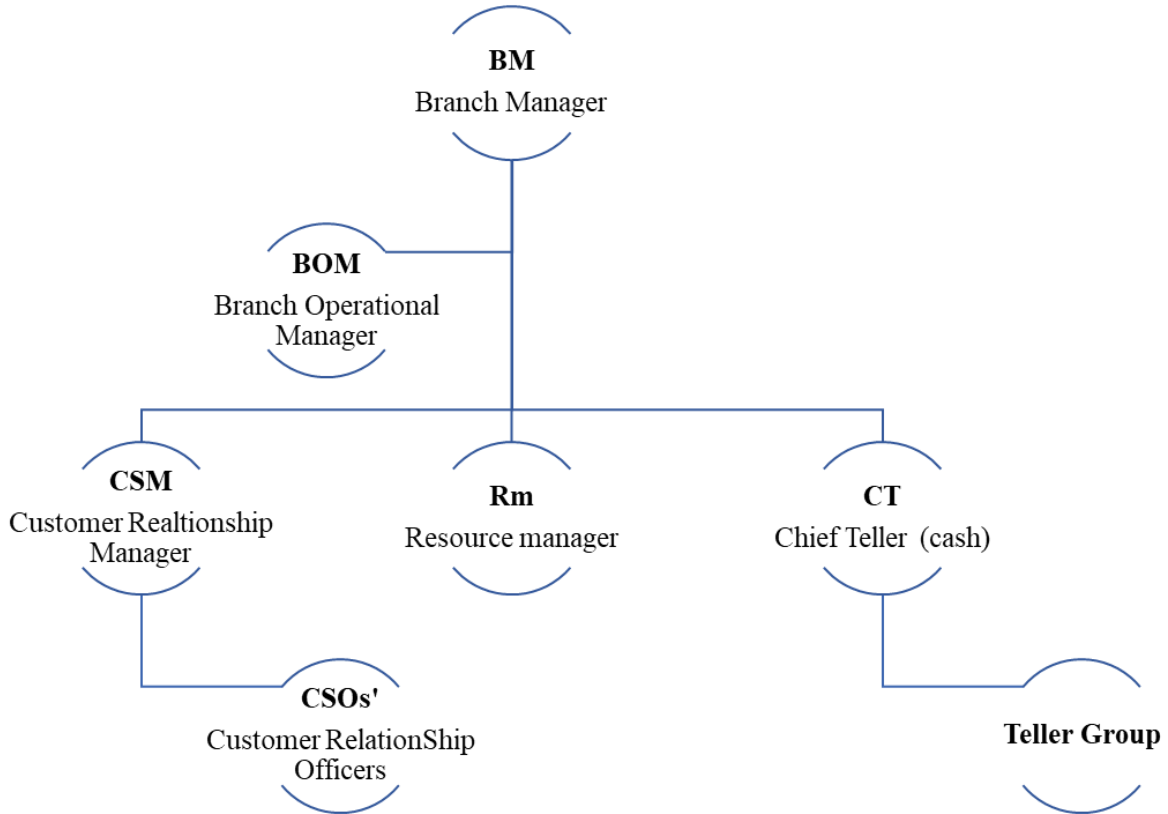


2.2.3 Divisional Management





2.2.4 Branch Management Organogram of the City Bank Ltd:





2.3 Functions of Different Division at City Bank

2.3.1 Financial Division

- 🚩 Financial planning, budget preparation and supervising
- 🚩 Payment of salary
- 🚩 Controlling inter-branch transaction
- 🚩 Payment of bills
- 🚩 Preparation / Review of returns and statement
- 🚩 Preparation of financial reports and annual reports
- 🚩 Maintenance of Provident Fund, Gratuity, Superannuation Fund
- 🚩 Reconciliation

2.3.2 Credit Risk Management (CRM)

- 🚩 Loan administration
- 🚩 Loan disbursement
- 🚩 Project assessment
- 🚩 Processing and approving credit schemes of the branches
- 🚩 Documentation, CIB (Credit Information Bureau) report etc.
- 🚩 Arraying different credit facilities
- 🚩 Providing associated statements to the Bangladesh Bank and other departments



2.3.3 Human Resource Division

- 🚩 Recruiting
- 🚩 Training and development
- 🚩 Reimbursement, employee benefit, leave and service rules program
- 🚩 Assignment and performance appraisal of employees
- 🚩 Preparing related reports
- 🚩 Reporting to the Executive Committee/Board on related issues
- 🚩 Promotional campaigning and press release

2.3.4 Information Technology (IT) Department

- 🚩 Software development
- 🚩 Network administration and expansion
- 🚩 Member banks resolution
- 🚩 Data entry and processing
- 🚩 Procurement of hardware and maintenance

2.3.5 Branch Control and Inspection Division

Controlling different function of the branches and search for development

- 🚩 Conducting internal audit and inspection both regularly and unexpectedly
- 🚩 Ensuring acquiescence with Bangladesh Bank (BB), scrutinizing BB's inspection and external audit reports



Chapter – 3

History of Internet Banking



3.1 History of Internet Banking

Banking as a function is as important to the society as much as to the economy. Bill Gates once said, “Banking is necessary, banks are not.” (“Banking is necessary, Banks are not- Bill Gates-Programicasia,” n.d.) This reference conveys the message that the typical branch banking system is going to become extinct in order to be surrogated by internet banking which continues to entice new users. While tying their customers closer to the bank, the adoption of new technology would also advance the customer service level. It would also offset the aggressive marketing effort of those non-traditional banking entities.

The early version of what was considered internet banking began in 1981. New York City was the first place in the U.S. to test out the innovative way of doing business by delivering remote services as four of its major banks — Citibank, Chase Manhattan, Chemical Bank and Manufacturers Hanover — made home-banking access available to their customers. (“History of Online Banking: How Internet Banking Went Mainstream | GOBankingRates,” n.d.)

From 1981 to 2019 internet banking has come a long way. What was started as a test operation has now become a fully functioning division in most of the banks.

In Bangladesh, IB system is not so far behind from the developed countries. The popularity of IB is uprising. In Bangladesh, many banks have already launched Internet Banking. Amongst those HSBC, City Bank, BRAC Bank, Bank Asia, Jamuna Bank, Janata Bank, Southeast Bank, AB Bank, First Security Islami Bank, Mercantile Bank, Premier Bank etc are in action already. Some of those are known as online banking, some are Internet Banking, providing various facilities. (*Internet Banking in Bangladesh* » *BankInfoBD*, n.d.)



Chapter - 4

Findings and Analysis



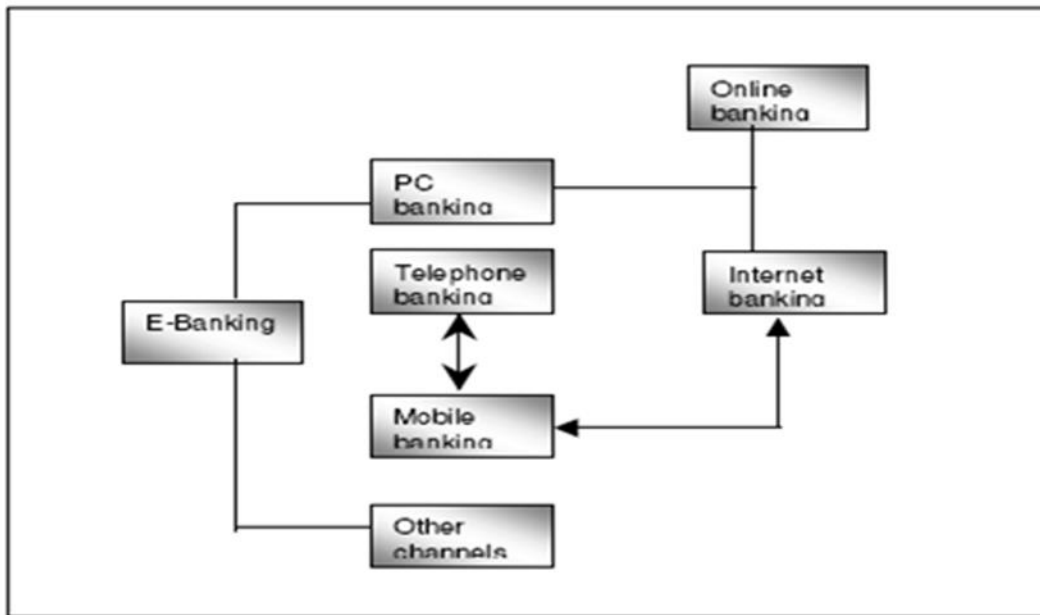
4.1.1 Concept of Internet Banking

Internet banking or E-Banking are synonymous to each other. Internet banking has been defined as web-based Banking (Hertzum, Jørgensen, & Nørgaard, 2004). When the banking activities are done over the World Wide Web it falls under internet banking. As the technology becomes more widespread, banking structures are changing accordingly. IB has eased both a banker's job and customers' financing activities. Internet banking lets bankers do most of their work over the web and customers to keep track of their accounts and avail other services. IB has changed the perception of the world of banking. Customers now want everything on their fingertips. IB has brought banking Within the reach of customers. From paying bills to even transferring funds, it has all become possible to do just with one touch because of IB.

4.1.2 Conceptual Framework Overview of E-Banking

Electronic Banking or e-banking refers to the banking atmosphere within which banking information, as well as transactions moves and conducted through the electronic medium. It includes any technology that allows a bank to do business electronically. E-banking has different attributes like Internet banking, Online Banking and e-payments.

E-banking could also be understood as a term that covers all these ways of banking business electronically. The following illustration portrays the different form of e-banking services:



It can be seen from this illustration that the internet banking is simultaneously linked with online banking and mobile banking.

4.2 Benefits of Internet Banking

The benefits of Internet banking are as follows:

Ease of Transactions:

Customers can withdraw money with ease even without writing pieces of cheque from ATM facilities. They can even transfer money from one account to another and pay bills through the internet.

Time Saver:

As customers do not have to come to the bank more often it saves them a lot of time. The automation of banking activities has also saved a great deal of time.

Market Expansion:



Due to IB, both national and international markets have merged and expanded. It is now possible to make a purchase and pay from any corner of the world through IB.

Increase In Customers:

The modern facilities and the expansion of the banking industry are attracting more and more customers. So number of customers are growing day by day.

Cost Reduction:

In case of manual banking system, most of the work was done on manpower. So the operating cost was very high. Now by using IB the number of employees has been reduced so thus the cost.

Branches Reduced:

Due to IB people would not have to go physically to banks in further future. So setting up a branch would be unnecessary, which would cause a reduction in the number of branches and in operating cost.

Transferring Of Money:

Customers would not have to go to a bank and write deposit slip, cheque or a draft to transfer their funds. They can do it through IB.

Checking of Account:

Customers can check their balance of account and get bank statements sitting at home and makes the payments without traveling. It would save their time and expenses.

Utility Bills Payment:

Customers can pay utility bills like telephone, gas, electricity and water to the concerned departments without going to the bank physically.

Reduction in Paper Work:

The conventional banking practice is manual and paper based. IB is gradually replacing the paper transactions in the banks to reduce the paperwork.


4.3 The Risks associated with Internet Banking


The rise of the internet and new technologies have created new threats for banks. Banks have to face new challenges which are created by IB. The different types of risk of Internet Banking are as follows:


- 🚩 **Credit Risk:** Internet Banking lets its users apply for credit from anyplace around the world. There is a risk associated with earnings or capital from a customer who has failed to meet his/her financial obligations. Banks find it difficult to identify the identity of a customer. The banks will also have difficulty in verifying the collateral against a particular loan. An individual can also represent himself/herself as someone else and apply for a loan.
- 🚩 **Interest Rate Risk:** IB also creates the risk to earnings or capital arising from fluctuations in interest rates. IB can draw a large pool of deposits and loans. The internet allows customers to compare interest rates of different banks from the websites. This puts a stress on the interest rates. Banks often need to react with the changes in interest rates in the market place. The interest rates can change due to the changes in maturities of different investments, due to the changing rate among different returns. The differences between the scheduling of rate changes and the timing of the different cash flows can also affect the interest risk.
- 🚩 **Liquidity Risk:** Banks can often face difficulty of failing to meet its obligations. IB increases asset and deposit volatility. Favorable interest rates encourage some customers to simply maintain their deposit accounts and they often bring cash out and deposit in other banks if a more favorable rate is offered. In order to avoid such situations, proper asset/liability and loan management schemes should be used.
- 🚩 **Price Risk:** Another risk to earnings or capital arising from changes in the value of traded portfolios of financial instruments is price risk. This is a risk which arises from activities such as dealing, position taking in interest rate, foreign exchange, equity and commodity markets. Banks are vulnerable to price risks if they create




or expand the current deposit brokering, loan sales or securitization programs. All of these activities can create price risks for the banks if they carry out IB activities.

 **Foreign Exchange Risks:** When the assets of one currency are funded by liabilities in another currency is foreign exchange risk. Social, political and Economic development can increase foreign exchange risks. Customers of different countries can take unpredictable positions using IB. The lower costs of dealings allow them to get occupied in such activities. Sometimes banks have higher holding transactions and investments in foreign currencies which increases the foreign exchange risks.


 **Transactions risk:** This risk to earnings and capital that arises from fraud, error, and also the inability to deliver services or products, or to take care of a competitive position or to manage information. Transaction risk that may happen with IB products if these are not properly organized, not properly executed and not properly monitored. Banks which provide IB should always try to meet their customers' expectations and satisfy them by guaranteeing them that they have the accurate product mix and also have the competence to deliver accurate, timely and reliable services.


 **Compliance Risk:** The risks to earnings or capital that arises from the violations of nonconformance with the laws, rules, regulations, the prescribed practices and moral standards of a country. This risk can affect the reputation of a bank, business prospects and position in the minds of its customers. Banks should be careful in understanding and inferring the laws of different countries. Banks ought to be careful in the privacy of customer and taking customer consent wherever necessary.

 **Reputation Risk:** This risk that contains a current and prospective impact on earnings and capital that arises from adverse public judgement. Reputational risk can affect the bank's ability to create new relationships with prospective customers and to hold existing ones. Banks that have IB facilities ought to be concerned about the reputation risk as it can create a financial loss for the bank



to taper its customer base etc. The services of IB should overcome limited availability, poor response rate etc. Proper observation of the websites is required so that hyperlinks of the website do not like to unqualified endorsements of other websites. These issues should be put into considerations as customers are likely to switch to other banks if they find flaws in the IB services of a particular bank.

 **Strategic Risk:** This is the risk of earnings or capital that arises from adequate business selections and therefore the improper implementation of business decisions. Many bank managers and senior officers do not perceive the way to implement the strategic and technical aspects of IB. A proper cost-benefit analysis is essential for this purpose. The organization should have the proper structure, resources and proficiency to carry out IB.

 **Information Security Risk:** One of the major risks to earnings and capital is information security risk which arises when the security features are not strong enough. This can expose the organization to malevolent hacker or insider attacks, viruses and other attacks. Data theft, fraud are other unethical practices.

4.4 Customer Perspective on Internet Banking

The concept of IB is relatively new for the customers of Bangladesh. Many people in Bangladesh are technology ignorant. Many customers do not even use internet. Apart from that insufficient computer literacy and information technology also works as an obstacle for digital banking. Internet as well as Internet Banking services do not even cover the whole country. Besides the IB facilities are focused only around urban people.

Along with some bright prospects, IB encompasses some financial risks as well. The major risks associated with IB includes operational risks (e.g. security risks, system design, implementation and maintenance risks); customer misuse of products and services risks; legal risks (e.g. without proper legal support, money laundering may be influenced); strategic risks; reputation risks (e.g. in case the bank fails to provide secure



and trouble-free IB services, this will cause reputation risk); credit risks; market risks; and liquidity risks. Because customers are aware of these risks they do not always trust IB.

The available internet banking apps are not very flexible and user-friendly. That is one more reason customers like to avail the banking facilities by physically coming to the bank.

Moreover, the customers who use IB services are quite satisfied with the convenience that it brings. But that is a small percentage of customers who avail banking services. Among those IB users, most are from the younger generation as they are more tech savvy.

4.5 IB division of The City Bank Ltd.

The internet banking branch of City bank is an independent division. This division works with all the internal and external internet banking activities. There are 3 core departments of which works with internet banking.

 Finacle

 Ababil

 Citytouch

4.5.1 Finacle

Finacle is City bank's internet banking system which allows employees to process all the banking activities over the internet. It is the bank's internal processing system for CASA. Apart from the bank employees no one else is allowed to use the finacle website. As it has confidentiality issues, much information could not be gathered about this department. But the core functions of Finacle are;



- 🚩 Allowing customers to withdraw cash from account at any branch of the Bank irrespective of location.
- 🚩 Depositing cash in customers account at any branch of the Bank irrespective of location.
- 🚩 Depositing cash in other's account at any branch of the Bank irrespective of location.
- 🚩 Transferring money from customers account with any branch of the Bank.

4.5.2 Ababil

Ababil is another internal processing system. It does the functions same as Finacle but only for the Islamic Banking accounts. It is not as much used as finacle because the Islamic Banking product which is called City Manarah is a relevantly small division of City bank.

4.5.3 Citytouch

Citytouch is the digital banking service or the online banking portal of City Bank. It lets its customers to handle their accounts from a cloud-based system. They can use Citytouch from either website or google app. This service has made branch banking convenient by allowing customers to use it in their internet-enabled devices. It lets the customers shop from leading retailers, buy air tickets, pay bills of mobile phone, credit cards & schools; transfer funds, keep track of accounts: Current, Savings, Fixed deposit or Loan and do much more through Citytouch.

4.5.3.1 Services of Citytouch

The services available via Citytouch internet banking are as follows;

- 🚩 *Transfer money from Citytouch to bKash*



Managing finances has become more convenient because of it. Money can be transferred from City Bank account to bKash using Citytouch. The service is free of charge.

 *Use Citytouch to open DPS and FD accounts*

FD and DPS accounts can be opened even without visiting the branch. Up to 90% loan facility against FD and DPS account is available through Citytouch.

 *Use Citytouch for Pay Order*


Request for your Pay order can be requested without visiting the branch. Pay order will be ready on the following working day.

 *Place Positive Pay instruction against your issued cheque*

When giving somebody a cheque, positive pay instruction could be placed through Citytouch.

*For Corporate/Proprietorship account: cheque amount BDT 1 lac and above

*For Individual account: cheque amount BDT 5 lac and above

 *Use Citytouch to send or receive money through e-mail*

Money can be sent to anyone even if the recipient does not have a City Bank account. The recipients can credit in any preferred bank accounts

 *Use Citytouch to send money to anyone with “Cash by code”*

Money can be sent to anyone instantly. Recipient can withdraw money from all City ATMs across the country.

 *Real-time online registration*

Customers do not have to visit the bank to register for Citytouch Digital Banking. They can use it by simply downloading the app from the app store or by visiting www.citytouch.com.bd to register and enjoy banking on the go.

 *Other Services include:*



Transfer funds

View account statements

Manage bank accounts

Mobile top-ups

Pay credit card and utility bills

Activate or block your debit and credit cards

Debit and credit card PIN change

Issue, stop and manage your cheque books

Buy domestic air tickets, movie tickets and many more

Enjoy Citytouch Digital Banking from 350 City ATMs

4.6 Top 5 Internet Banking Apps in Bangladesh

City Bank (CityTouch)

The City Bank Ltd. is one of the first few to introduce an internet banking app to their clients. The app was launched to make banking easier, faster, more secure and convenient to the clients. The app has been a success from its beginning. It has not just made the old consumers more attached to City Bank's banking system, but also pushed many new customers to migrate from their banks to City Bank only because of the app's convenience and brilliant performance.

Features that City Touch app contain:

- I. Fund transfer and account details with summarized version
- II. Deposits, loans and card management
- III. Customer service request through app



- IV. Personalization, customization and transaction security check by customers.
- V. Printed Account Statement in the form of short & for a particular period.
- VI. Two-factor authentication (2fa) & user security for highly secure service.
- VII. User request for user Interface service.
- VIII. Detail Product lists & Product information via ibanking app.
- IX. Instant bill payment such as tuition fees, mobile phone bills, insurance premium, club payments, internet bill payments etc. through the app.
- X. Internet shopping for over hundreds of leading retailers across Bangladesh.
- XI. Services checkbook requests, stop cheques, activation or blocking cards and Card PIN changing through the app.
- XII. Air tickets purchase from top domestic airlines such as Novo Air, Regent Airways and US Bangla Airlines through the app.
- XIII. Bill payment for any Visa, Master or Amex credit cards issued in Bangladesh through the app.
- XIV. Finding nearest City Bank ATMs and branch locations on-the-go.
- XV. Transferring money to VISA debit cards for 18 enlisted banks.
- XVI. Scheduling payments for specific dates.

****Rating: 4.5 (Google Play Store)***

Eastern Bank Ltd (EBL SKYBANKING)

Eastern Bank limited is another top trading bank in Bangladesh which followed efficient cost management, boost consistent productivity gains through unified coordination between business functions, and focus on widening banking horizon to convey sustained growth. EBL SKYBANKING is a mobile phone app based banking service by



Eastern Bank Ltd. which clients can access through any smartphone or tab and perform all the basic banking services when required.

Features that EBL SkyBanking app contains:

- I. Transaction history (both in BDT & USD) and account information checking
- II. Fund transfer both from EBL and other banks Pay bills
- III. Instant top-up to mobile phone
- IV. Positive pay instruction and place service request
- V. Direct contact with the bank
- VI. Branch locator.
- VII. EBL zip and discount partners search.

****Rating: 4.4 (Google Play Store)***

Mutual Trust Bank (MTB Smart Banking)

Mutual Trust Bank was incorporated as a Public Limited Company on September 29, 1999. MTB is continuously working to offer new and improved services to serve their consumers better. To take this endeavor to a new level, they have introduced Mobile App for Smartphone devices, which allow users continuous access to their accounts. MTB users can make selected financial transactions, through their mobile phone with this value-added service from any part of the world.

Features that MTB Smart Banking contains:

- I. Detailed Account Statements
- II. Cheque Book Requests services
- III. Fund Transfers to other MTB bank accounts
- IV. Easy mobile top-ups facility
- V. Utility Bill Payments



VI. Advanced credit card services & bill payments

VII. Locate all MTB Branches and ATMs

***Rating: 4.3 (Google Play Store)**

Standard Chartered Bank (SC Mobile Banking)

Standard Chartered Bank is one of the largest international banks in Bangladesh. SCB introduced its internet banking app named SC Mobile Bangladesh. The app has the simplest and basic features of an internet banking app and has some scope of great advancement.

Features that SC Mobile Bangladesh contains:

- I. Quick access to user accounts.
- II. All kind of bill payments
- III. Fund transfer
- IV. Supervise online transaction histories

*** Rating: 4.0 (Google Play Store)**

BRAC Bank (BRAC BANK Mobile)

BRAC Bank started its journey of IB with BRAC Bank Mobile Apps. Customers can avail banking facilities on the go from their Smartphone. This application supposed to allow users to perform all kind of banking activities in real time while this app requires a lot of improvements on the basic level.

Features that BRAC BANK Mobile contain:

- I. Fund Transfer to any BRAC Bank Account
- II. Quick Mobile Top-up
- III. BRAC Bank Credit Card Bill Payment (BDT)
- IV. Qubee Bill Payment



- V. Monitor account related Information with Balances in details
- VI. Loan Account Information
- VII. Mini and Detailed Statement review
- VIII. Beneficiary Management
- IX. SMS Banking Facility via app
- X. two-factor authentication security system

*** Rating: 3.4 (Google Play Store)**

If the app features of the above mentioned banking apps are compared, according to service varieties and user acceptance, Citytouch internet banking app clearly offers the most prominent internet banking services to their users. City touch mobile app has already grabbed a huge satisfied customer base with its advanced banking facilities and highly secure platform. It integrates the scheme of paying by Visa, Master or Amex credit cards issued in Bangladesh, which is still absent in the prospect of other internet banking apps. Its online shopping feature has made shopping easier. City Bank has been awarded as the 'Best Digital Internet Bank 2017' for the third time by one of the world's top financial and business magazines 'Global Finance'. This full-fledged and highly secured banking app's contribution to such accomplishment has undeniably earned the recognition as an Internet Banking platform for simplifying advance banking services.

Source: Brain Station 23



Chapter – 5

Recommendations and Conclusion



5.1 Recommendations

As the newest generation of E-banking, IB has opened up a new set of opportunities to the banking and financial industry. Internet banking helps a customer to get prompt service from anywhere through a computer or a smartphone. Customers are now growing increasingly comfortable with the digital lifestyle and seek the power of technology. In future IB will play a vital role in order to promote automated service provided to the potential customers. In order to empower Internet banking to flourish in near future some steps should be taken as follows;

- According to the context of Bangladesh, the majority of the people do not know about IB nor do they use internet. To make people accept IB as a general banking activity, the concept of IB has to be conveyed to the people. Only when they understand IB, they would be able to make the decision whether to use IB or not. Along with that people have to have access to the internet from every corner of the country for the country to get digitalized. The Government can put more emphasis on providing internet access all over the country to make IB accessible.
- There are many benefits of IB which need to be communicated to the customers. But with all the benefits involved there is one matter of concern that is, increase in unemployment. With automation and reduction in number of bank branches due to IB soon there would be less number of jobs, which would affect the economy sooner or later. For that bankers must develop an IB system that would create more employment opportunities for people. They can assign more IB agents and train them to help customers, which will create scope of employment.
- IB has been associated with many types of risks. But it is not like that those cannot be covered with proper measures. If proper policies taken the risks would become minor. To reduce the credit risk, transaction risk and information security risk IB surveillance must be increased. For compliance risk and reputation risk security law must be enforced. Better rates & lower service charges should be



applied to reduce interest rate risk, liquidity risk, price risk and foreign exchange risk.

- 🚩 Customers are relatively new to internet banking and customers who use IB majority of them find it difficult to use. For their convenience IB system should be made more flexible. IB services should be according to the customers' expectation and satisfaction. Quality of delivery service - including both delivery speed and delivery reliability should be improved. Many customers are not accustomed to English interface so they need Bangla interface for the ease of using IB. IB services should resolve the entire problems very quickly that the customer face in online transaction. All these can create a positive perspective of customers towards IB.
- 🚩 City Bank's internal IB system is sufficient but those could be more efficient. Processing should be made faster so that customers do not have to wait for long. The comprehensive set of internet banking products can help run the banking business more efficiently by computerizing many of the critical banking activities and cooperating electronically with banks. For Citytouch, it can be more user-friendly and prompt. The security features are good but customers sometimes find it difficult and time consuming.
- 🚩 There are many Internet Banking apps available now and here the top 5 apps have been distinguished. But these apps too have some basic problems. Customers complain that these often run slow. So the apps should be developed to run faster. The apps should be user-friendly. They should be compatible with the devices. Customers should have quicker access to the user account.
- 🚩 Marketing and sales force for IB should be developed to attract customers.
- 🚩 Skilled human resources are prerequisite for the development of IB.
- 🚩 All banks should develop their own website and smartphone apps.
- 🚩 Apps should have better IT infrastructure and proper security features.



5.2 Conclusion

As fast as businesses are changing, the standard of living is changing as well. All the business industries are going through drastic changes. Everything is likely to be automated in the future. People do not say it but it is undeniable that Bangladesh is getting digitalized faster than they think it would. The banking industry has shown the best progress among other industries by far. People want to get everything on the palm of their hand. Banks are constantly trying to provide ease of access to their customers. Even if many people are not aware of IB but the number of IB users are increasing every day. To hook customers to this particular service sufficient online security must be enforced.

In case of the existing banks that provide IB services, City Bank Ltd. has proved its worth. It provides the best IB services through its smartphone app. It has the best infrastructure and security features.

With IB banks can provide more service to the ever-growing number of customers. This lessens the stuffs' work. It also saves a great deal of time and cuts off the cost of money for both stuff and customers.

The success of Internet banking will take things further to make Bangladesh a digital country. One day the banking industry will be much enhanced by the wonderful movement of IB and enrich the national economy.



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Appendix

List of Acronyms

Acronyms	Elaborations
CBL	The City Bank Limited
A/C	Account
IB	Internet Banking
E-banking	Electronic Banking
BB	Bangabandhu
MD	Managing Director
DMD	Deputy Managing Director
BM	Branch Manager
BOM	Branch Operation Manager
ECO	Executive Cash Officer
SCO	Senior Cash Officer
JCO	Junior Cash Officer
RM	Relationship Manager
CSO	Customer Service Officer
CSM	Customer Service Manager
CC	Cash Credit
FC	Foreign Currency
IPO	Initial Public Offering
IR	Interest Rate
LC	Letter of Credit
SD	Service Delivery
AML	Anti-Money Laundering Division
OD	Overdraft
OPSD	Operation Project and Service Division
ADC	Alternative Delivery Channel