

**MD Speech on E – Banking and Information Security, 12<sup>th</sup>**  
**August, 2008**

Honorable Chief Guest, Delegates, Distinguished Guests, Executives,  
Ladies and Gentlemen

AOA,

It is an honor for me to welcome you to the “E-BANKING & INFORMATION SECURITY” session And I thank all of you for joining the session. I am grateful to the Honorable Chief Guest for gracing the occasion and thank our sponsors and our co-organizers, Ecommerce Gateway, for being incredible in playing their part.

It is certainly a pleasure to have with us the most prominent speakers, IT experts, corporate executives and thought leaders. And I welcome you all to exchange views and ideas on “E-BANKING & INFORMATION SECURITY”.

Ladies and gentlemen,

The motive behind PSEB’s initiative to chair session on “E-Banking and Information Security ” is simple: We want to provide you an excellent opportunity to meet with the experts, share the views, collaborate and get in touch with the most up-to-date and advanced “E-Banking and Information Security” trends & international best practices.

I would like to highlight the role and trends of the Information Technology and Telecommunications practiced with the Banking sector.

With advancement in technologies, public awareness and ease of use, e-banking has now fast becoming a preferred mode of banking rather than an alternate channel. In developed countries majority of the customers do not visit their banks even for months if not years. This global trend is now being followed in Pakistan as well.

Banks are now coming up with new products entirely based on remote banking, be it internet banking, ATMs, Phone Banking, IVR-based banking or the latest trend, Mobile Banking, which has the biggest growth potential. The State Bank of Pakistan is also facilitating financial institutions by issuing timely guidelines in line with international best practices taking care of customers' interest while regulating such transactions within the legal framework for financial transactions issued from time to time.

This increasing tendency of e-banking transactions has raised information security issues that are to be taken care of more stringently. Fortunately, mechanism and institutions are in place in Pakistan to tackle these tricky issues. The Federal Investigation Agency of Pakistan has played a very active role with a proactive approach. Its National Response Unit for Cyber Crimes (NR3C) has very professional and trained staff to tackle matters related to information security including financial transactions. Regulations and laws are now in place in Pakistan Penal Code as well to deal with Cyber

crimes that includes financial crimes. Web-based security has been increased many folds by the financial institutions. Efforts have been made by all concerned to secure all channels of transactions, be it mobile, voice or web-based banking.

The awareness created by electronic media, access to information and adopting modern modes of life has resulted in exponential increase in electronic transactions in Pakistan. In the last five years, online branches have gone up by 5 times, ATMs by 4 times, cardholders by 8 times, electronic transactions by 4 times, respectively. The volume of annual electronic transactions is now touching about 300 Billion Pak Rupees. Dealing with such gigantic figures requires special attention and measures from financial institutions.

Under the guidance of SBP, banks have now introduced many easy-to-use, tested and internationally recognized security features in financial transactions. Risks and fraud management units are in place in each bank to tackle issues including that of electronic transactions.

The Information Security offered by banks for web-based, phone or mobile banking is world class. Mandatory feature of all electronic transaction is the security authentication by every user for each transaction. Without personal authentication no transaction can be carried out.

Ladies and gentlemen,

Pakistan is undoubtedly better placed than many advanced countries when it comes to information security and electronic banking. PSEB

will continue to patronize and encourage use of electronic banking and urge institutions to adopt latest and advances information security measures for all types of financial transactions. PSEB equally encourage Pakistan IT industry to take full benefits of the opportunities and come up with the world class solutions to cater the needs of ever growing banking industry.

I hope that this session will certainly be an enlightening experience and transfer much knowledge value to our attendees.

Thank you.