

Term paper on ddbl  
mobile banking.  
chittagong  
cantonment public  
college.

[Finance](#), [Banking](#)



----- 1. 0 Introduction Dutch-Bangla Bank Limited (DBBL) has for the first time introduced its mobile banking service expanding the banking service from cities to remote areas. " Mobile banking is an alternative to the traditional banking through which banking service can be reached at the doorsteps of the deprived section of the society,"

----- 1. 1 Origin of the Report This report is an outcome of one month Chittagong Cantonment Public College program prepared as the requirement of BBA program of the school of Business.

The work on this report was carried out as Field based Report writing and presentation program on Dutch-Bangla Bank Mobile Banking in Bangladesh at the Mobile Banking Office, Agrabad MB Office, Shah Amir Plaza(1stFloor), 534/535, Sheikh Mujib Road Agrabad , Chittagong. This report is assigned and approved by academicsupervisor Mr. Mohammed Abu Taher, Lecturer, Department of Business Administration, Chittagong Cantonment Public College. The report is entitled as Field based Report writing and presentation program on Dutch-Bangla Bank Mobile Banking in Bangladesh.

----- . 2 Objective of the study 1. To prepare a formal study on Mobile Banking System in the perspective of Bangladesh. 2. To know the acceptability level of transaction by Mobile Banking by rural people. 3. To find out the way of increasing the operational area of Mobile Banking in Bangladesh. 4. To identify the level of security and confidentiality of Mobile Banking in Bangladesh. 5. To find out the reasons of backwardness of Mobile Banking in rural area of Bangladesh. 6. To find out the remedies of the problems to implement mobile banking for rural people

----- . 3 Methodology of the study The

methodology exercised for this study is as follows: Types of Data: For this study both primary and secondary data has been used. a) Primary Source: Primary data have been collected from general people and user of cell phone and bank users. In order to collect the detail data, participatory observation method has also been used. b) Secondary Source: Beside primary data, necessary secondary data have been collected from the Newspapers, websites, textbooks, research articles, government publications and various published research works on mobile banking.

----- 1. 4 Limitations of the study Maximum effort was given to make the study a successful one, but it suffers from some limitation those were apparently unavoidable. The major ones were: ? Shortage of time period: The major limitation faced to carry out this project was mainly time constraints. The time constraint of the study hindering the course of vast area and time for preparing a report within the mentioned period is really difficult. ? Secrecy of Management: The authority of DBBL did not disclose much information for keeping the organization confidential.

They have restriction to disclose some secret information to other. So, some data could not be collected for confidentiality or secrecy of management. ? Green field sector: One of the major limitations of this report is that no previous study is done before. So, secondary information was scarce. ? Busy working environment: The officials had some times been unable to provide information because of their huge routine work. That is why we do not gather vast knowledge about the critical issues. It is really difficult to gather data from the place where people do not know me for a long time. Lack of information: In the website, Mobile banking related

information was limited. ----- 2. 0

Organizational overview DBBL was the first bank in Bangladesh to be fully automated. The Electronic-Banking Division was established in 2002 to undertake rapid automation and bring modern banking services into this field. Full automation was completed in 2003 and hereby introduced plastic money to the Bangladeshi masses. DBBL also operates the nation's largest ATM fleet and in the process drastically cut consumer costs and fees by 80%.

Moreover, DBBL choosing the low profitability route for this sector has surprised many critics. DBBL had pursued the mass automation in Banking as a CSR activity and never intended profitability from this sector. As a result it now provides unrivaled banking technology offerings to all its customers. Because of this mindset, most local banks have joined DBBL's banking infrastructure instead of pursuing their own. Even with a history of hefty technological investments and an even larger donations, consumer and investor confidence has never waned.

Dutch-Bangla Bank stock set the record for the highest share price in the Dhaka Stock Exchange in 2008. ----- 2. 1

Pioneer of Mobile Banking Dutch-Bangla Bank Limited (DBBL) has for the first time introduced its mobile banking service at 1st April, 2011 & expanding the banking service from cities to remote areas. Bangladesh Bank Governor Atiur Rahman yesterday inaugurated the service by depositing Tk 2, 000 and withdrawing Tk 1, 500 through Banglalink and Citycell mobile networks in Motijheel area. ----- 2. 2

Achievement of DBBL on Mobile Banking sector Awards received by DBBL for launching best mobile

banking services: ----- 2. 3 Agent of DBBL  
 Mobile Banking - Agents Mobile Banking - Agents : ( Total = 13721 )  
 Dhaka Division ( 5422 )| Chittagong Division ( 2368 )| Sylhet Division ( 830 )|  
 Barisal Division ( 812 )| Rangpur Division ( 1489 )| Khulna Division ( 1305 )|  
 Rajshahi Division ( 1495 )| ----- . 4 DBBL

Mobile Banking Model Dutch-Bangla Bank Limited (DBBL), a technology savvy commercial bank in Bangladesh, started Mobile Banking on 31 March, 2011. DBBL has followed a unique model for deployment of the Mobile Banking in Bangladesh. DBBL model has the following characteristics:| 1| Bank-led model: DBBL Mobile Banking is a Bank-led model to fulfill the basic banking needs utilizing mobile phones in Bangladesh where only 24% of the adult population has bank accounts, but 60% are using mobile phones.

This is contrary to the Mobile Banking in developed countries where almost 100% of the adult people have bank account, and as such there is no need for discharging basic banking activities using mobile phones, rather there is a requirement for the banks to discharge conventional banking services over the existing bank accounts more conveniently using mobile phones. | 2| Vision: The vision of the DBBL Mobile Banking is to promote Banking to the unbanked (unlike other models in developing countries which promote P2P or ' SendMoney'), and to develop savings habit among the unbanked.

Accordingly DBBL Mobile Banking started with and providing highest importance to the registration with proper KYC, Cash-in and Cash-out activities. Other activities like P2P, disbursement of foreign remittance, salary/wages, government's/other allowances, air-time top-up, buying goods

and services etc are considered as the by-product of the basic banking services. | 34| An account, not a wallet: DBBL Mobile Banking considers the deposit of the customer as balance in his mobile account like balance in the savings or current accounts, not as electronic money or wallet.

Four parties involved: DBBL Mobile Banking has involved four parties – Bank, Mobile Network Operators (MNO), Agents and Customers with a commission model to suit each of the parties. The commission charged to the customers is acceptable to them (customers), and at the same time it is motivational for the Bank, MNO and agents to run their respective business. Highest priority is given to the benefits of customers and agents. | 5| Four Cash movement tiers: Customers can cash-in/cash-out at agents, agents at super agents and the super agents at bank branches. Thus || the cash is ultimately deposited at a bank branch. To make the transactions convenient, provision has been kept for the customers and agents to perform the transaction directly at bank branches/ATMs. | 6| Four Geographical tiers: To have better and close supervision on the customers, agents and super agents, develop the mobile banking market, quick and localized data entry during customer registration, and the dispute management, the country has been divided into four tiers – territory, upozila, district and division. |

----- . 5 Number of Customer in Comparison with others. 2. 6 ----- 2. 6 Comparison between DBBL Mobile Banking & bKash SL NO| Service Features| DBBL| Bkash| Remarks for DBBL| 1| Registration | Free| Free| Tk 100/- initial deposit for approval| 2| Cash in at Bank| Free| N/A| | 3| Cash in at agent| 1%| Free| | 4| Cash out at Branch| Free| N/A| | 5| Cash out at ATM| Free| 2%| | 6| Cash

out at agent| 2%| 1. 85%| Expecting to reduce the fee to 1% | 7| Inward  
Foreign Remittance| Free| N/A| | ----- 3. 1

Mobile banking system Mobile Banking is a Banking process without bank branch which provides financial services to unbanked communities efficiently and at affordable cost. Mobile banking is a term used for performing balance checks, account transactions, payments, credit applications and other banking transactions through a mobile device such as a mobile phone or Personal Digital Assistant. The mobile banking services were offered over SMS, a service known as SMS banking. ----- 3.

2 Current situation of Mobile Banking in Bangladesh Mobile banking is a new technology in Bangladesh. Mobile banking is a term used for performing balance checks, account transactions, payment, etc via mobile device such as mobile phones. Most people heard about it but not have a clear idea, almost 94% people heard about mobile banking and 6% haven't heard about mobile banking. Mobile banking started from 31st March 2011. Dutch Bangla Bank Limited pioneered in mobile banking services in Bangladesh.

Dutch-Bangla Bank Limited launched the service in collaboration with mobile phone operators Banglalink, and CityCell. Primarily mobile banking will provide the clients with cash deposit, cash withdrawal, merchant payment, utility payment, salary disbursement, foreign remittance, and fund transfer services. Nine other banks have also been licensed by the Bangladesh Bank to introduce mobile banking. Bangladesh Bank governor Atiur Rahman inaugurated the service through depositing money in and withdrawing cash from two DBBL-authorized mobile service centers at Naya Paltan and Purana Paltan areas in the city.

Mobile banking is a new concept, because of this, it would be a little more expensive for the users. The aim of mobile banking is to bring more people under the umbrella of banking service. Government thinks it has a great prospect as it is a new technology in digital Bangladesh. But in Bangladesh many people think traditionally, because they cannot think it has any facility to use mobile banking. 69% people feel mobile banking has prospect in Bangladesh whereas 31% think it has no prospect in Bangladesh as many people will not feel interest or have belief on mobile banking.

----- 3. 3 DBBL's Mobile Banking Services and offers a) Customer relation b) Cash deposit c) Cash withdrawal d) Foreign remittance e) Salary disbursement f) Person to person transfer (P2P) g) Air time top up h) Balance inquiry ----- 3. 4

DBBL's Mobile Banking procedure The users will have to pay a service charge of Tk50 for depositing Tk5, 000 and Tk 100 to withdraw the same amount of money.

The service charge will be whichever amount is higher between Tk5 and 1 percent of the deposited money at the cash-in end and whichever amount is higher between Tk10 and 2 per cent of the money withdrawn from the cash-out end. Any Banglalink, airtel or CityCell mobile user can register as a recipient of the service by paying a Tk10 fee to any authorized agent point of the DBBL or any retailer of CityCell, airtel and Banglalink. After registration, the users will be given a personal identification number and a check digit ranging from one to nine which will be added to his/her mobile number that will act as security measures.



Every user will need his/her mobile set, check digit and PIN for making any transaction. " Customer's money is safe as no one can withdraw money without taking possession of the mobile set, PIN and the check digit all together, no one will be able to deposit unwanted money into a mobile banking account without knowing the check digit, although the mobile number is publicly known. " The mobile banking is a part of digitalizing the banking sector and the central bank's plan to bring the masses under financial inclusion. ----- 3. 5 Future prospect of Mobile Banking in Bangladesh Based on the 'International Review of Business Research Papers' from World business Institute, Australia, following are the key functional trends possible in world of Mobile Banking. With the advent of technology and increasing use of smart phone and tablet based devices, the use of Mobile Banking functionality would enable customer connect across entire customer life cycle much comprehensively than before.

With this scenario, current mobile banking objectives of say building relationships, reducing cost, achieving new revenue stream will transform to enable new objectives targeting higher levelgoals such as building brand of the banking organization. Emerging technology and functionalities would enable to create new ways of lead generation, prospecting as well as developing deep customer relationship and mobile banking world would achieve superior customer experience with bi-directional communications.

Illustration of objective based functionality enrichment In Mobile Banking Communicationenrichment: - Video Interaction with agents, advisors.

\* Pervasive Transactions capabilities: - Comprehensive " Mobile wallet" \*

CustomerEducation: - " Test drive" for demos of banking services. \* Connect

with new customer segment: - Connect with Gen Y - Gen Z using games and social network ambushed to surrogate bank's offerings. \* Content monetization: - Micro level revenue themes such as music, e-book download . \* Vertical positioning: - Positioning offerings over mobile banking specific industries. \* Horizontal positioning: - Positioning offerings over mobile banking across all the industries. ----- 3. 6

History of Mobile Banking in Abroad Improving access to financial services, such as savings, deposits, insurance and remittances, is vital to reducing poverty. Savings can help poor people to invest in productive assets like livestock, a loan may help to expand business activities, and insurance can provide income for a family if a breadwinner becomes sick. In many developing countries, however, 9 out of 10 people do not have a bank account or access to basic financial services.

Poor people are often not considered viable customers by the formal financial sector as their transaction sizes are small, and many live in remote areas beyond the reach of banks branch networks. Informal banking services such as microfinance and village savings and loan associations remain limited in their reach. The first mobile banking and payment initiatives were announced during 1999 (the same year that Fundamenta deployed their first prototype). The first major deployment was made by a company called Pay box (largely supported financially by Deutsche Bank).

The company was founded by two young German's (Mathias Entemann and Eckart Ortwein) and successfully deployed the solution in Germany, Austria, Sweden, Spain and the UK. At about 2003 more than a million people were

registered on Pay box and the company was rated by Gartner as the leader in the field. Unfortunately Deutsche Bank withdraws their financial support and the company had to reorganize quickly. All but the operations in Austria closed down. Another early starter and also identified as a leader in the field was a Spanish initiative (backed by BBVA and Telefonica), called Mobi Pago.

The name was later changed to Mobi Pay and all banks and mobile operators in Spain were invited to join. The product was launched in 2003 and many retailers were acquired to accept the special USSD payment confirmation. Because of the complex shareholding and the constant political challenges of the different owners, the product never fulfilled the promise that it had. With no marketing support and no compelling reason for adoption, this initiative is floundering at the moment. Many other large players announced initiatives and ran pilots with big fanfare, but never showed traction and all initiatives were ultimately discontinued.

Some of the early examples are the famous vending machines at the Helsinki airport supported by a system from Nokia. Siemens made announcements in conjunction with listed and high-flying German e-commerce company, Brokat. Brokat also won the lucrative Vodafone contract in 2002, but crashed soon afterwards when it runs out of funds. Israel (as can be expected) produced a large number of mobile payment start-ups. Of the many, only one survived - Trivnet. Others like Adamtech (with a technically sound solution called Cell pay) and Paytt disappeared after a number of pilots but without any successful production deployments.

Initiatives in Norway, Sweden and France never got traction. France Telecom launched an ambitious product based on a special mobile phone with an integrated card reader. The solution worked well, but never became popular because of the unattractive, special phone that participants needed in order to perform these payments. Since 2004, mobile banking and payment industry has come of age. Successful deployments with positive business cases and big strategic impact have been seen recently. 3. 7

#### ----- Mobile Banking services

Mobile banking can offer service such as the following: Account information:

- i. Mini- statement and checking of account history
  - ii. Alerts on account activity or passing of set thresholds
  - iii. Monitoring of term deposits
  - iv. Access to loan statements
  - v. Access to card statements
  - vi. Mutual funds/equity statement
  - vii. Insurance policy management
  - viii. Pension plan management
  - ix. Status on cheque, stop payment on cheque.
- Payment and transfers:
- i. Domestic and international fund transfers
  - ii. Micro-payment handling
  - iii. Mobile recharging
  - iv. Commercial payment processing
  - v. Bill payment processing
- Person to Person payment
- Investment:
- i. Portfolio management service
  - ii. Real-time stock quotes
  - iii. Personalized alerts and notification on security prices
- Support:
- i. Status of request for credit including mortgage approval, and insurance
  - ii. Coverage
  - iii. Check (cheque) book and card requests
  - iv. Exchange of data messages and email, including complaint submission and tracking
  - v. ATM location
- Content service:
- i. General information such as weather up dates, news
  - ii. Loyalty-related offers
  - iii. Location-based services ----- . 8

Basic Mobile Banking Technologies There are four fundamental approaches to mobile

banking. The first two rely on technologies that are standard features on almost all cell phones. Interactive Voice Response (IVR): If we have ever called our credit card issuer and meander through a confusion of prompts -- " For English, press 1; for account information, press 2" - then you're familiar with interactive voice response. In mobile banking, it works like this: Banks advertise a set of numbers to their customers. a) Customers dial an IVR number on their mobile phones. ) They are greeted by a stored electronic message followed by a menu of options. c) Customers select an option by pressing the corresponding number on their keypads. d) A text-to-speech program reads out the desired information. IVR is the least sophisticated and the least " mobile" of all the solutions. In fact, it doesn't require a mobile phone at all. It also only allows for inquiry-based transactions, so customers can't use it for more advanced services. -----

### 3. 9 Mobile Banking Business Model Banking models is evolving.

If mobile banking is being used to attract low-income populations in often rural locations, the business model will depend on banking type. These models differ primarily on the question that who will establish the relationship (account opening, deposit taking, lending etc. ) to the end customer. Bank-focused model The bank-focused model emerges when a traditional bank uses non-traditional low-cost delivery channels to provide banking services to its existing customers. Example: range from use of automatic teller machines (ATMs) to internet banking or mobile phone banking to provide certain limited banking services to bank's customers.

**Bank-led model** The bank-led model offers a distinct alternative to conventional branch-based banking in that customer conducts financial transactions through mobile phone instead of at bank branches or through bank employees. This model promises the potential to substantially increase the financial services outreach by using retailers or mobile phones.

**Non-bank-led model** The non-bank-led model is where a bank has a limited role in the day-to-day account management. Typically its role in this model is limited to safe-keeping of funds.

Account management functions are conducted by a non-bank who has direct contact with individual customers. ----- 3. 10

**Advantage of Mobile Banking** The biggest advantage that mobile banking offers to banks is that it drastically cuts down the costs of providing service to the customers. For example an average teller or phone transaction costs about \$2. 36 each, whereas an electronic transaction costs only about \$0. 10 each. Additionally, this new channel gives the bank ability to cross-sell up-sell their other complex banking products and services such as vehicle loans, credit cards etc.

For service providers, Mobile banking offers the next surest way to achieve growth. Countries like Korea where mobile penetration is nearing saturation, mobile banking is helping service providers increase revenues from the now static subscriber base. Service providers are increasingly using the complexity of their supported mobile banking services to attract new customers and retain old ones. A very effective way of improving customer

service could be to inform customers better. Credit card fraud is one such area.

A bank could, through the use of mobile technology, inform owners each time purchases above a certain value have been made on their card. This way the owner is always informed when their card is used, and how much money was taken for each transaction. Similarly, the bank could remind customers of outstanding loan repayment dates, dates for the payment of monthly installments or simply tell them that a bill has been presented and is up for payment. The customers can then check their balance on the phone and authorize the required amounts for payment. The customers can also request for additional information.

They can automatically view deposits and withdrawals as they occur and also pre-schedule payments to be made or cheques to be issued. Similarly, one could also request for services like stop cheque or issue of a cheque book over one's mobile phone. There are number of reasons that should persuade banks in favor of mobile phones. They are set to become a crucial part of the total banking services experience for the customers. Also, they have the potential to bring down costs for the bank itself. Through mobile messaging and other such interfaces, banks provide value added services to the customer at marginal costs.

Such messages also bear the virtue of being targeted and personal making the services offered more effective. They will also carry better results on account of better customer profiling. Yet another benefit is the anywhere/anytime characteristics of mobile services. A mobile is almost

always with the customer. As such it can be used over a vast geographical area. The customer does not have to visit the bank ATM or a branch to avail of the bank's services. Research indicates that the number of footfalls at a bank's branch has fallen down drastically after the installation of ATMs.

As such with mobile services, a bank will need to hire even less employees as people will no longer need to visit bank branches apart from certain occasions. With Indian telecom operators working on offering services like money transaction over a mobile, it may soon be possible for a bank to offer phone based credit systems. This will make credit cards redundant and also aid in checking credit card fraud apart from offering enhanced customer convenience. The use of mobile technologies is thus a winwin proposition for both the banks and the bank's customers.

The banks add to this personalized communication through the process of automation. For instance, if the customer asks for his account or card balance after conducting a transaction, the installed software can send him an automated reply informing of the same. These automated replies thus save the bank the need to hire additional employees for servicing customer needs. ----- 3. 11 Disadvantage of Mobile

Banking Security: Security experts generally agree that mobile banking is safer than computer banking because very few viruses and Trojans exist for phones.

That does not mean mobile banking is immune to security threats, however. Mobile users are especially susceptible to a phishing-like scam called "smishing." It happens when a mobile banking user receives a fake text



message asking for bank account details from a hacker posing as a financial institution. Many people have fallen for this trick and had money stolen through this scam. Online banking is usually done through an encrypted connection so that hackers cannot read transmitted data, but consider the consequences if your mobile device is stolen.

While all banking applications require us to enter a password or PIN, many people configure their mobile devices to save passwords, or use insecure passwords and PINs that are easy to guess. Compatibility: We need a smart phone to get the most out of mobile banking. Mobile banking is not available on every device. Some banks do not provide mobile banking at all. Others require you to use a custom mobile banking application only available on the most popular smart phones, such as the Apple iPhone and RIM Blackberry. Third-party mobile banking software is not always supported.

If we do not own a smart phone, the types of mobile banking we can do are usually limited. Checking bank account balances via text message is not a problem, but more advanced features such as account transfers are generally not available to users of " dumb phones. " Cost: The cost of mobile banking might not appear significant if we already have a compatible device, but we still need to pay data and text messaging fees. Some financial institutions charge an extra fee for mobile banking service, and we may need to pay a fee for software. These extra charges quickly add up, especially if we access mobile banking ----- 4. 1 Incentive disbursement utilizing Mobile Banking DBBL providing incentive disbursement services by utilizing mobile banking. This is very quick &

convenient process of incentive disbursement. Some companies are signed agreement with DBBL for this service. Such as: Dutch-Bangla Bank (DBBL) and D. Net has signed an agreement on August 07, 2012 on Mobile Banking Services at the Head Office of DBBL. The agreement was signed by Dr. Ananya Raihan, Executive Director of D. Net and Mr. K. S. Tabrez, Managing Director of DBBL on behalf of their respective organizations.

Under this agreement, field level agents of D. Net will receive their commission in their DBBL Mobile Banking Accounts. After receiving their incentive, commission, salary in their mobile accounts, the agents will be able to withdraw/ deposit cash from any nearby agent or DBBL branches, withdraw money from any DBBL ATM, transfer money to other mobile accounts, buy goods and services from retailers and pay utility bills throughout the country and moreover will get the opportunity of “ Banking with a bank”. Dr. Ananya Raihan, Executive Director of D. Net and Mr. K. S.

Tabrez, Managing Director of DBBL sign on behalf of their respective organizations. ----- 4. 2 Salary payment utilizing Mobile Banking DBBL providing salary payment services by utilizing mobile banking. This service makes quick salary payment to large number of employee in organization. Some company signed agreement with DBBL for this service. Such as: Dutch-Bangla Bank (DBBL) and Bengal Group of Industries have signed an agreement on Mobile Banking Services at the DBBL Head Office on June 06, 2012. The agreement was signed by Mr. Humayun Kabir, Director, Bengal Group of Industries and Mr.

Mir Mominul Huq, Head of Mobile Banking, DBBL on behalf of their respective organizations. Under this agreement, employees of Bengal Group of Industries will receive their monthly salaries in their DBBL Mobile Banking Accounts. After receiving their salaries in their mobile accounts, employees will be able to withdraw/ deposit cash from any nearby agent, DBBL branches and ATMs, transfer money to other mobile accounts, buy goods and services from retailers and pay utility bills throughout the country and moreover will get the opportunity of banking with a bank. Mr. Mir Mominul Huq, Head of Mobile Banking and Mr.

Humayun Kabir, Director, Bengal Group of Industries, DBBL on behalf of their respective organizations. ----- 4. 3 Real Cardless ATM Transaction utilizing Mobile Banking At DBBL, the mobile banking customers physically go to an ATM, push the " Mobile Banking" marked button, type their mobile account number, the amount to withdraw, their PIN and push the " Correct" marked button. The customers then receive a Push-sms or IVR call to their mobile phone from the Mobile Banking system requesting them to type their PIN again on their mobile phone.

The customers then type their PIN and the ATM dispenses the requested money. In the DBBL process, the customers operate the ATM using their mobile phone instead of a debit or credit card. DBBL has innovated a real cardless ATM transaction for the first time in the world which is AML compliant, convenient and secure, protecting you from the risk of ATM frauds like skimming. Real Cardless ATM Transactions For the first time in the world.

----- 4. 4 Prepaid Top-UP utilizing Mobile Banking.

All the Dutch-Bangla Bank Mobile Banking account holders no longer have to take the time and trouble of finding and visiting a nearby location to top-up their mobile phone talk time/airtime. With the convenience of Dutch-Bangla Bank Mobile Banking, they can top up their own or someone else's talk time/airtime free of charge. anytime. anywhere. Top-up using with Mobile Banking. ----- 5. 1 Implementation of Mobile Banking through Rural People Rural poor people living on less than 140 taka a day, they can receive banking services via their mobile phones.

It probably won't happen, but it would be amazing if it did. ? Increase Interest to Use: Many rural people heard about mobile banking. But they yet have not felt that they should use it as they are happy to use traditional banking system. Some people feel interest to use it. About 55% people feel they should use it and 45% people haven't feel to use mobile banking. ? Make easy transfer of money: The problem of domestic remittances is often overlooked. large cities like Dhaka are home to millions of migrants who would love to send money back to their families elsewhere in the country but who are unbanked and have no real means of doing so.

But they want to send money to village. The ability to remit money domestically with little more than a text message could be revolutionary. ? Transfer international remittance: People's international remittances, which already a big part of national income, can be transferred by mobile phone to their relatives. Mobile banking has ability to send money directly from mobile

phone to mobile phone is orders of magnitude easier and cheaper. ? Reduce Cost and increase saving: About 75% rural people are poor, they lives under poverty line.

It is convenient, affordable and it is much more effective in developing savings habits, it will make access to banking and advanced payment transactions at affordable cost. All people know that its cost is not higher than traditional banking. Around 56% people say its cost is lower, 20% say same and 24% say it is affordable than traditional banking. ? Make them banked: Then there's the emphasis on the rural people to introduce in banking. Although the rural people are more likely to be unbanked and therefore in need of mobile banking services, they haven't been directly targeted by many of the first wave of mobile banking providers.

The rural people, of course, are both a new customer segment and generally the very last adopters of any new technology. It's hard to sell banking services to someone who neither knows nor understands what a bank is. ? Motivate them to use their Accounts: Another risk is that the goal will be reached but in name only, people might have mobile-banking accounts, and might even automatically get such an account when they get their phone. But the accounts might not be used, and in so far as they are used, they might be use only for payments and not for real banking services.

So they have to be motivated. ? Make it easy to use: It is much more effective in developing savings habits. Its using system is also easy. Anyone can use it. Poor rural people are often not considered viable customers by the formal financial sector as their transaction sizes are small, and many live

in remote areas beyond the reach of banks branch networks. ? Aware them that Mobile Banking is better than Traditional Banking: Mobile banking is real time on-line banking. Show them how mobile banking is on-line banking and it takes less time than traditional banking.

It will make access to banking and advanced payment, transactions at affordable cost. ? Introduce Time Saving banking: Mobile banking is available anytime, anywhere throughout the country. So it can save one's time. But about 70% people think that mobile banking can save their time, where as 30% think it cannot save time. ? Make secure and trust worthy banking: Make mobile banking much safer and safeguard against fraudulent transactions, and one can trust mobile banking as traditional banking system. Show them it has secured pin code which is known by the user, and also has a check digit without it no one can deposit money.

The poor rural people often have greater familiarity and trust with mobile phone companies than formal banking institutions. ? Save them from unnecessary harassment: Informal banking services such as microfinance and village savings and loan associations remain limited in their reach. So, mobile banking system develops to bring poor rural people into banking system. 83% people face or heard no problem to use mobile banking. But 17% people heard or face problems to use it like sometimes transaction do not reach at time, cannot operate it easily as traditional banking. Make a promise to serve better: The promise of mobile banking for the rural people is that mobile phone providers have managed to get a degree of penetration among the country's rural people. Mobile phone providers are likely to

continue in the direction they're headed in at the moment, staying away from banking regulation, confining themselves largely to payments rather than fully-fledged banking, and targeting their entire customer base without any particular emphasis on the bottom of the pyramid.

Will the mobile phone companies sign on, even if they see lots of regulatory headaches and very few profits by doing so? The answer to that question could be the given by the mobile companies and banks.

----- 5. 2 Benefits of Mobile Banking in Prospective of rural people. Mobile banking has several benefits for peoples, specially for rural poor people: ? Mobile banking Makes Life Easier: It is real time on-line banking, available anytime, anywhere throughout the country. It is convenient, affordable and secure; it is much more effective in developing savings habits ?

Speedy and safeguard: It will make access to banking and advanced payment transactions at affordable cost. It is much safer, speedy and safeguard against fraudulent transactions. All of the characteristics of mobile banking make life easier. ? Secure: In mobile banking is Secure, a confidential pin code is used by the user. PIN ensures security of money and protects fraudulent transactions. So mobile banking is fully secured. ? Any time access: One benefit of mobile banking is a very speedy process. Transaction can be done anytime anywhere quickly in less time. 00% people believe that it is a speedy process. ? Small account for poor: Mobile banking started with the idea to bring the poor rural under the umbrella of banking sector especially rural poor as there are not much bank facilities, also there

savings is low so they feel shy to go to bank. ? Easy to use: Its using system is also easy. Anyone can use it. ? Easy way to send money: People are like to send money easily to their relatives; Mobile banking has ability to send money directly by mobile phone. People can get the service of easy transferring money through mobile banking. Remittance transfer: International remittances can be transferred by mobile phone to one country to another. Mobile banking has ability to send money directly from mobile phone to mobile phone. ? Increase banking activities: Although the rural people are unbanked by mobile banking services they are converted into banked people. It is developing savings habits, it will make access to banking and advanced payment transactions. ----- 5. 3

Challenges for a Mobile Banking Solutions Key challenges in developing sophisticated mobile banking applications are: . Handset operability: There are a large number of different mobile phone devices and it is a big challenge for banks to offer mobile banking solution on any type of device. Some of these devices support Java ME and others support SIM Application Toolkit, a WAP browser, or only SMS. Initial interoperability issues however have been localized, with countries like India using portals like R-World to enable the limitations of low end java based phones, while focus on areas such as South Africa have defaulted to the USSD as a basis of communication achievable with any phone.

The desire for interoperability is largely dependent on the banks themselves, where installed applications (Java based or native) provide better security, are easier to use and allow development of more complex capabilities similar to those of internet banking while SMS can provide the basics but becomes



difficult to operate with more complex transactions. There is a myth that there is a challenge of interoperability between mobile banking applications due to perceived lack of common technology standards for mobile banking.

In practice it is too early in the service lifecycle for interoperability to be addressed within an individual country, as very few countries have more than one mobile banking service provider. In practice, banking interfaces are well defined and money movements between banks follow the ISO-8583 standard. As mobile banking matures, money movements between service providers will naturally adopt the same standards as in the banking world. On January 2009, Mobile Marketing Association (MMA) Banking Sub-Committee, chaired by CellTrust and VeriSign Inc. published the Mobile Banking Overview for financial institutions in which it discussed the advantages and disadvantages of Mobile Channel Platforms such as Short Message Services (SMS), Mobile Web, Mobile Client Applications, SMS with Mobile Web and Secure SMS. 2. Security: Security of financial transactions, being executed from some remote location and transmission of financial information over the air, are the most complicated challenges that need to be addressed jointly by mobile application developers, wireless network service providers and the banks' IT departments.

The following aspects need to be addressed to offer a secure infrastructure for financial transaction over wireless network: \* Physical part of the hand-held device. If the bank is offering smart-card based security, the physical security of the device is more important. \* Security of any thick-client application running on the device. In case the device is stolen, the hacker

should require at least an ID/Password to access the application. \* Authentication of the device with service provider before initiating a transaction. This would ensure that unauthorized devices are not connected to perform financial transactions. User ID / Password authentication of bank's customer. ? Encryption of the data being transmitted over the air. \* Encryption of the data that will be stored in device for later / off-line analysis by the customer. \* One-time passwords (OTP's) is the latest tool used by financial and banking service providers in the fight against cyber fraud. Instead of relying on traditional memorized passwords, OTPs are requested by consumers each time they want to perform transactions using the online or mobile banking interface. When the request is received the password is sent to the consumer's phone via SMS.

The password is expired once it has been used or once its scheduled life-cycle has expired. Because of the concerns made explicit above, it is extremely important that SMS gateway providers can provide a decent quality of service for banks and financial institutions in regards to SMS services. Therefore, the provision of service level agreements (SLAs) is a requirement for this industry; it is necessary to give the bank customer delivery guarantees of all messages, as well as measurements on the speed of delivery, throughput, etc. SLAs give the service parameters in which a messaging solution is guaranteed to perform. . Application distribution: Due to the nature of the connectivity between bank and its customers, it would be impractical to expect customers to regularly visit banks or connect to a web site for regular upgrade of their mobile banking application. It will be expected that the mobile application itself check the upgrades and updates

and download necessary patches (so called "Over the Air" updates). However, there could be many issues to implement this approach such as upgrade / synchronization of other dependent components.

----- 5. Problems to implement of Mobile Banking through rural people Key challenges in developing a sophisticated mobile banking application through rural people are: \* Poverty: Poverty is a main problem of 3rd world country like Bangladesh. Rural people are not able to buy their food easily, so how they can buy a mobile phone or open an account in bank? \* Illiterate people: A big amount of rural people are illiterate, so they are not aware of banking system yet. So they are not interested in mobile banking system. \* Weak infrastructure: The socio economic infrastructure is very weak in Bangladesh.

About more than 80% rural people has no account in traditional banking system, where mobile banking is a new concept, people have doubt about mobile banking. \* Lack of trust: As it is a new method of banking people haven't 100% faith on it. So, people don't want to take any risk by giving suggestion to use it. Rural people feel it will not make life easier as it may not be trust worthy and it is not secured as they cannot fully trust on online banking than traditional banking system. \* Lack of awareness: The rural people have lack of awareness they feel upper class or middle class people can use mobile banking. Operating complexity: Handset operability is a vital problem of Mobile Banking There are a large number of different mobile phone devices and it is a big challenge for banks to offer mobile banking solution on any type of device. There is a problem that there is a challenge of interoperability between mobile banking applications due to perceived

lack of knowledge in technology standards for mobile banking. \* Security: Security of financial transactions, being executed from some remote location and transmission of financial information over the air, are the most complicated challenges that need to be addressed jointly by mobile application developers, wireless network service providers and the banks' IT departments. When Security of any thick-client application running on the device. In case the device is stolen, the hacker should require at least an ID/Password to access the application. Banks unable to meet the performance and reliability expectations may lose customer confidence. 6. 0

----- Mobile Banking at a Glance

----- 6. 1 What is Mobile Banking?

Mobile banking is a Banking process without bank branch which provides financial service to unbanked communities efficiently and at affordable cost. To provide banking and financial service through mobile technology devices i. e mobile phone called mobile banking. -----

6. 2 Benefits of Mobile Banking: \* Real time on-line banking. \* Available anytime, anywhere throughout the country. \* It is convenient, affordable and secure. \* It is much more effective in developing saving habits. \* It will make access to banking and advanced payment transactions at affordable cost. It is much safe, speedy and safeguard against fraudulent transactions. 6. 3

----- What does DBBL Mobile Banking offer? \* Customer Registration. \* Cash-in (Cash deposit). \* Cash-out (Cash withdrawal) \* Foreign Remittance. \* Salary disbursement. \* Person to person transfer (P2P). \* Mobile Top-Up. \* Balance inquiry. 6. 4

----- Where to register? Customer can register

at any authorized agent point of DBBL who can display “ DBBL Agent Certificate” and “ DBBL Mobile Banking Banner”. . How to register mobile account? \* Customer fills up the KYC Form and submits to agent along with his or her photograph and national ID. \* Agent goes to Customer Registration Menu from his or her mobile and inserts customer’s mobile number. \* Customer receives an IVR call or USSD prompt and in reply, she or he gives 4-digit PIN number at his or her choice. \* A Mobile Account is created in DBBL system which is his or her mobile number +one check digit. \* Customer receives a confirmation SMS which contains his or her Mobile Account Number. 2 . Why PIN is required?

PIN is required to be inputted during cash withdrawal from an Agent Point of DBBL or DBBL Branch or DBBL ATM. PIN ensure security of your money and protect fraudulent transactions. 3. Why PIN is strictly confidential? PIN is the key for transaction of Mobile Banking. Only correct match of PIN & Mobile Number can access the Mobile Account. PIN is needed to verify the A/C owner by the system. If a PIN is disclosed, respective account is at risk; therefore, PIN should be handled very carefully. 4. Why Check Digit? Mobile number is public and known to many people.

Without knowing your check digit, none will be able to deposit money at your account, thus it helps to keep your mobile account confidential. On the other hand, a check digit eliminates typing error, thus protects sending or depositing money to a wrong account. 5. Which Telco’s Mobile can be registered? Customer having any mobile from any mobile operator can be registered for DBBL Mobile Banking at any nominated agent point of the

bank. 6. What are the necessary documents for registration? \* Duly filled in KYC form. \* Photograph of account holder. National ID or any other acceptable ID with photograph. 7. What is my Mobile Account Number? Your mobile account number is your mobile number with an additional check digit. For example, if your mobile number is 01233445566 and check digit is 3, then your mobile number account will be 012334455663. 8. What type of mobile set is required? Any type of mobile set can be used for DBBL mobile banking. 9. How much initial deposit is required? Customer can open a DBBL Mobile Account with an initial deposit of taka 100/- (one hundred) only. 10. Can I deposit and withdraw money immediately after registration?

You can deposit money immediately after registration. However, you can withdraw after your account is fully registered. Bank officer verify the information on the registration form (KYC form) and authorizes the account for full registration. Normally 1-2 working days are required for full registration. After your account is fully registered, you will get an SMS notification.

----- 7. 1 Findings 1. Maximum people are unknown with DBBL Mobile Banking. 2. Maximum rural people are illiterate. 3. DDBL Mobile Banking only provides Savings Account facility not others. . DBBL not providing merchant payment service. 5. Sometimes facing network problem. 6. DBBL do not sanction loan by Mobile Banking. 7. Cash inflow & outflow charge is higher. 8. Hide information/ Not provide real information. 9. Difficult to collect necessary information. 10. Limited number of Mobile Banking Branch.

----- 7. 2  
Recommendations After reviewing these problems, we can follow the

following recommendations: ? Increase Awareness: The rural people have lack of awareness and they haven't much faith on it.

So banks and mobile phone companies and government have to make them aware about mobile banking. ? Interest to Use: Banks and mobile phone companies and government have to promote the mobile banking system and grow interest in peoples mind. ? Develop infrastructure: The socio economic infrastructure is very weak. Government has to develop the infrastructure to ensure education to all and then people can gather knowledge and they can remove their doubt about mobile banking. ? Make easier to use: Mobile banking system is easy, but to rural people it is not so easy to use.

Mobile companies and banks have to make the process easier than now. ? Reduce cost: I think the current mobile banking provider DBBL charge much for transaction. To grow interest in peoples mind transaction cost has to reduce. ? Security: Security is the main barrier which has to ensure for mobile banking process. And many people have doubt in their mind about that. So the process has to make more Trust Worthy ? Campaign: Rural people are not aware about banking system. About more than 80% of people has no account in traditional banking system, where mobile banking is a new concept.

So it is essential to make campaigns in village to village to aware them. ? Tell the people about the benefits: Mobile banking is a banking process that offers financial services like cash deposit, cash withdrawal, merchant payment, utility payment, salary disbursement, remittance inflow and outflow and government allowance disbursement through mobile gadgets. ?

Develop operability: Make easy and effective operating of mobile phone to banking like using Short Message Services (SMS), Mobile Web, Mobile Client Applications, SMS with Mobile Web and Secure SMS will increase mobile banking activities. Ensure security through wireless network: The physical security of the mobile device is more important. Security of any ID/Password is more important. ? Ensure reliability: With mobile banking, the customer may be sitting in any part of the world (true anytime, anywhere banking) and hence banks need to ensure that the systems are up and running in a true 24 x 7 fashion will increase banks performance and reliability of customer.

----- 7. 3 Conclusion The growth of mobile banking technology is increasingly hard to ignore.

Analyst firm & Research reports that nearly 50 percent of all mobile users in the United States will be using mobile banking within four years use mobile financial services today. With the advent of technology and increasing use of smart phone and tablet based devices, the use of Mobile Banking functionality would enable customer connect across entire customer life cycle much comprehensively than before. Mobile banking can play a vital role both banking and mobile sector. It has also impact on social sector too. One day Mobile banking will make rural people's life easier than today.

Although it has been tried on the best level to make this report informative and better but limitations are inevitable for any report. Finally, we would like to say the overall performance of DBBL Mobile Banking section is excellent. Their progressive trends are quite consistent and steady. This will help the Bank and facilitate as a market leader in Banking sector.



----- Abbreviations DBBL= Dutch-Bangla Bank Limited. KYC= Know Your Customer. IVR= Interactive Voice Response. USSD= Unstructured Supplementary Service Data.

UISC= Union information and Service center. P2P= Person to person. ATM= Automated Teller Machine. PIN= Personal identification number.

----- Questionnaire 1. DBBL Mobile banking division can provide services according to customer demand. \* Yeas \* No 2.

What are the major constraint's of mobile banking?

..... 3. What are the objectives of DBBL ?

..... 4. How many mobile Banking Account DBBL have?

..... 5. What is the latest service of DBBL Mobile Banking?

..... 6. Is rural people can easily adopt DBBL Mobile Banking service.

..... 7. What is DBBL Future plan ? .....

..... 8. What new service DBBL want to add with existing service?

..... 9. Is Mobile Banking Division of DBBL profitable .

..... 10. What are the major problem can you face?

..... 11. What are the difference between DBBL Mobile Banking and bkaash ?

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..... 12.

What are the security measure taken from DBBL for Mobile account?

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... 13. How do you provide foreign Remittance and Air - Time Top- up service?

..... 14.

What are the CSR activities DBBL perform?

.....

..... 15. How DBBL Sanction loan to its customer by Mobile banking?

..... 16. Why DBBL can't sign deal with Gramen Phone and Robi ? But they are holding first and second position among Mobile phone operator.

..... 17.

In case of traditional Banking there is no charge for deposite or withdraw but in Mobile Banking customer have to pay charges for both deposite or withdraw. Why? .....

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