

IN THE NAME OF ALLAH, THE MOST GRACIOUS, THE MOST
MERCIFUL

**A Speech by His Excellency the Governor of SAMA in the Opening
Ceremony of the Conference on Information Security in
The Banking Sector**

On Monday 26/10/1426 H, corresponding to 27/11/2005 G

It is my pleasure to welcome and thank you for attending this annual forum which is an important occasion for enhancing information security in the banking sector in the kingdom, hoping that it will contribute to promoting the awareness of information technology's users and lead to more development in banks' technological systems which, in turn, will support the economy and push the wheel of progress forward.

Dear brothers

SAMA has been working for many years on establishing the electronic transactions infrastructure in the banking sector. It has focused on setting up secure technological systems for payments, remittances and settlements among related parties.

SAMA has realized since a long time the positive impact of electronic systems at both the short and long run levels, especially in the economic and

business fields, witnessing swift transformation from traditional methods to advanced technological systems in keeping with contemporary changes in business regulation.

E-commerce with its technologies and various applications is deemed as one of the most important and latest developments in field of commercial business and activities. Many governments, companies and institutions are endeavoring to provide their services electronically to save time, effort and money.

Application of E-commerce concept implies a lot of positive economic dimensions the most important of which is raising competence and efficiency of operations and procedures applied in various sectors at the top of which are banks. We can see, for example, that banks' customers can now perform many of their banking transactions through the internet due to the collaboration of SAMA and banks to facilitate and accelerate the provision of these services, concentrating on improvement of their quality, reduction of errors and accelerating response speed.

The banks operating in the Kingdom of Saudi Arabia have made important and leading strides in the pursuit of maximum utilization of technology. Currently, all Saudi banks are providing their banking services via the internet compared to two banks in 2000 G. These developments were associated with diversification and excellence in banking products and services provided via the internet to the extent that they compare well with

their counterparts in most developed countries. Studies indicate that the ratio of these banks' customers who benefit from banking services through the internet was about 15 percent of total number of customers in 2004 G, and rose to 18 percent in 2005 G. The ratio is expected to reach 22 percent in 2006 G.

Dear audience,

This interest in modern technology and internet services may be accompanied by some real risks. Therefore, information security is the cornerstone for making this technology work. When the user of this technology feels secure, he will be motivated to reuse it and depend on it in the future. Without information security, the risk of losing rights will increase and confidence in this technology will be lost.

Therefore, SAMA has focused from the beginning on building strong information security systems compatible with what has been technologically achieved in other systems. It has set forth appropriate and comprehensive security policies and measures. It has concentrated on the strategic target of information security: reducing risks in the modern banking systems' environment, so that customers may practice their businesses freely and confidently.

In this context, I should not miss the opportunity to indicate that SAMA has also concentrated on several important regulatory objectives to make this development smooth, including:

1. Setting security and prudential plans and measures for banking transactions and circulating them to all banks operating in the Kingdom.
2. Forming permanent official committees specialized in information security, including all these banks, for exchanging experiences and information about common risks, such as viruses and security gaps.
3. Commitment to strict standards of information security and establishing effective infrastructure such as, the project of the E-commerce Trust Center implemented by SAMA in cooperation with banks. This project provides solutions for many security risks hindering expansion in services through the Internet. It essentially depends on PKI through which electronic signatures are issued apart from maintaining data credibility.

Dear Audience,

I can say that Saudi banks have achieved great progress in the field of information security technology. The future challenge for them is the focus on how to deal with threats and bridge gaps, as well as spreading awareness among users in this field. We hope that banks will pay attention to implementing information security policies related to banking services via the

Internet issued by SAMA in 2001, which are currently updated to cope with latest technological developments.

The role of banks is not only limited to providing banking services through the Internet, but they need to exert more efforts in educating and encouraging customers to use modern technologies and how to deal with them securely.

Finally, I would like to invite the honorable audience to give their comments and suggestions to the Organizing Committee and contribute to the success of this conference. I wish you all success and good luck, and may the peace, mercy and blessings of Allah be upon you.