

authenticator is the bank that issued the card. The financial transaction is secure when the private key is used in conjunction with the public key. Not even the merchant will know the credit card number.

When the VISA/Microsoft joint effort was discussed at a meeting of bankers in May, there was lively objection to the possibility that Microsoft might have an unfair advantage over other software houses not in on the design phase. The company's spokesman said that the "open specification" promise should put those concerns to rest. The matter, a critical one for the future of electronic banking, will be revisited at the July meeting of FSTC in Toronto.

### **First National Bank of Omaha teamed with CyberCash to provide secure payment services on the Internet.**

The Merchant Processing Division serves the bank's more than 44,000 merchant clients in all 50 states. Last year it processed 165 million transactions, worth \$11.1 billion.

In a separate announcement, CyberCash said that the US Department of Commerce has approved its strongly-encrypted software for export, which may be the first such license. [The government doesn't like to export strongly-encrypted software because international terrorists may use it to defeat law enforcement.] Now consumers anywhere in the world can download the company's payment system and use it to make secure purchases over the World Wide Web — provided that the merchants they're dealing with also have the software.

### **The ABA's Bankers Electronic Network (BEN) will soon give bankers their own private online forums for discussing professional issues.**

Now rescheduled to roll out at the ABA annual convention in San Francisco in October, BEN will include a nationwide bulletin-board system and facilities to help state associations set up their own BBSs. Once the infrastructure is in place, it will be a simple matter to set up a discussion group on any professional topic that interests enough bankers. The topic that has generated by far the most pre-inauguration interest is compliance, also the favorite topic of members of the Colorado Bankers Association in the BBS they have operated for two years. The Colorado association has offered some 25 bulletin boards in all, on such topics as ag lending, young bankers, legal matters, and chat lines to bank boards of directors.

### **A small community bank got the jump on the big boys with online community services and home banking.**

Well before bigger banks launched pilot projects in Internet banking, Apollo Trust, a \$110 million-assets bank serving an isolated community of 15,000 in western Pennsylvania, was offering online home banking via a community bulletin board system.

This June, Apollo inaugurated an online check-imaging service that replaced its microfilm sorter and is expected to speed check searches and eventually save about \$30,000 a year in postage for sending checks back to customers. In the works is a service that will let customers access their account information online using such PC financial software as Quicken and Money.

Besides home banking, the Apollo Trust system gives everyone in the community free access to its bulletin board, which posts items of interest from the local Chamber of Commerce, YMCA, schools, and anybody else who has something to tell the community. Any business can put up a notice about its offerings or job openings. A local email system lets people in Apollo, Pa exchange messages and hold discussions. The bank monitors 100% of all discussions and enforces rules of decorum.

Throughout every day, the bank's satellite receiver picks up weather reports, discussions about

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hobbies and other topics of interest, games, and educational software. The bulletin-board system delivers all of this free as a community service.

Apollo Trust also provides the town's only local access to the Internet, also via the bulletin board system. The bank's customers get free but limited access; noncustomers pay a low fee of \$100 a year. High school students can get on free, with parents' consent. It's also free to the town library. Once on the Internet, users can send email messages to anywhere, browse the World Wide Web, download data, and roam the libraries of the world.

Ray Muth, EVP and director of Apollo Trust, sums up: **"We believe that we're redefining the traditional role of a community bank by providing people in a small, economically-challenged area with a resource to compete globally."**

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Our purpose is to help bankers use the Internet to stay close to their customers, improve operations, and increase profits. We welcome comments and suggestions.

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