



# Securing The Digital Financial Services Transformation

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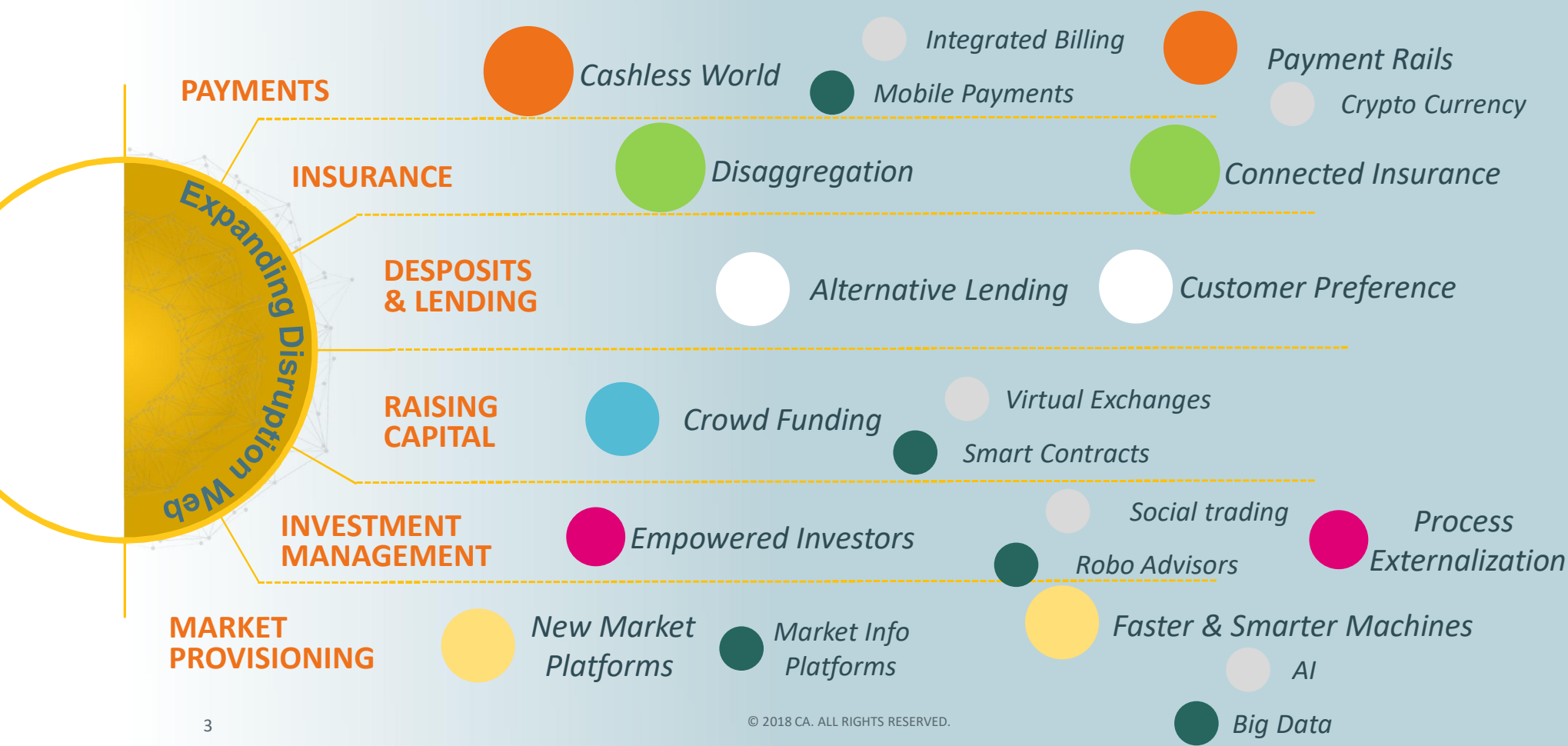
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# DIGITAL DEMOCRATIZES FINANCIAL SERVICES

WEF "Future of Financial Services" 2016



## ***This is The Realization...***

*"there is a very high correlation between digital engagement and share of wallet"*

*PWC Digital Study*

PWC 2014 Retail Banking 2020, Revolution or Evolution



**80%**

*80% wallet share  
determined by  
primacy of relationship*



**74%**

*74% banks using digital  
to open new markets*

***Customer behavior is changing because of...***

*Choice, Trust, Information, Expectations, Voice*

**CUSTOMER DIGITAL RELATIONSHIP IS THE NEW SOURCE OF VALUE**

*New Requirements*

# FINANCIAL SERVICES DIGITAL RELATIONSHIPS



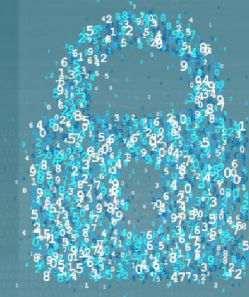
**CUSTOMER  
EXPERIENCE**



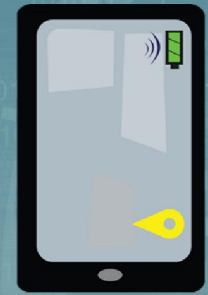
**BANKING  
as a SERVICE**



**SOCIAL  
BANKING**



**CYBER  
SECURITY**



**MOBILE  
BANKING**



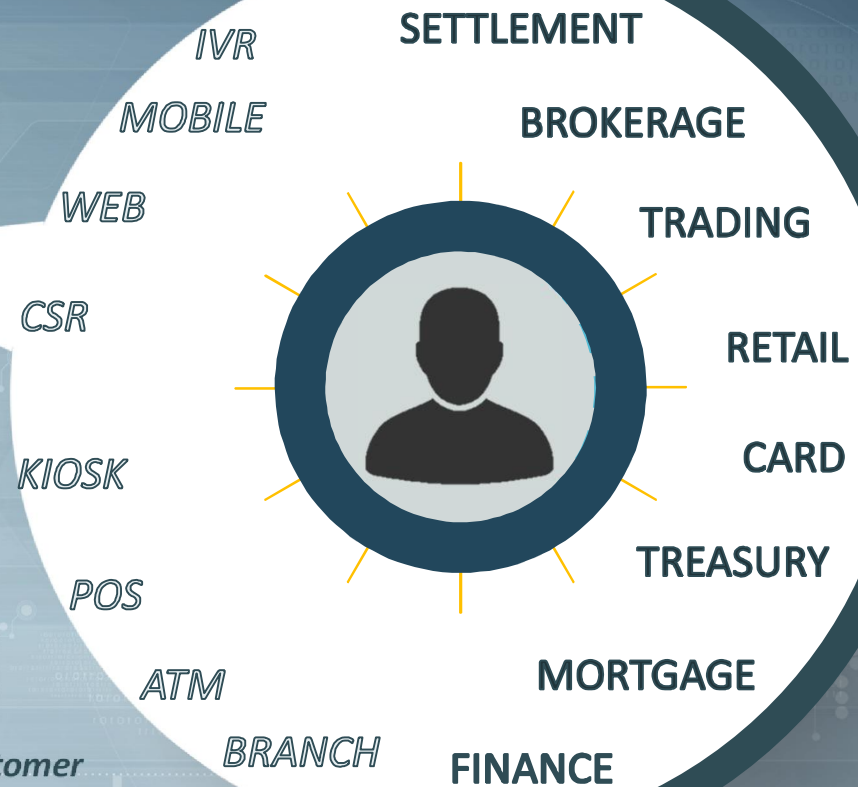
## Omni Channel EXPERIENCE



61%

*Of banks consider a customer  
centric model key to digital  
transformation*

PWC 2014 Retail Banking 2020, Revolution or Evolution



# BANKING AS A SERVICE

*Use The Fin Tech Revolution to Increase Distribution*

*Unlocking The Potential of The Application Economy*

*Current usage of API's within the banking sector*

**20% Public**

**20% Partner**

**60% Internal**

Payment  
APIs

Credit  
Scoring

Payment  
Services

Service  
Catalog

Customer  
360 View

Transaction  
History

Proprietary  
Data

AuthN  
AuthZ



**88%**

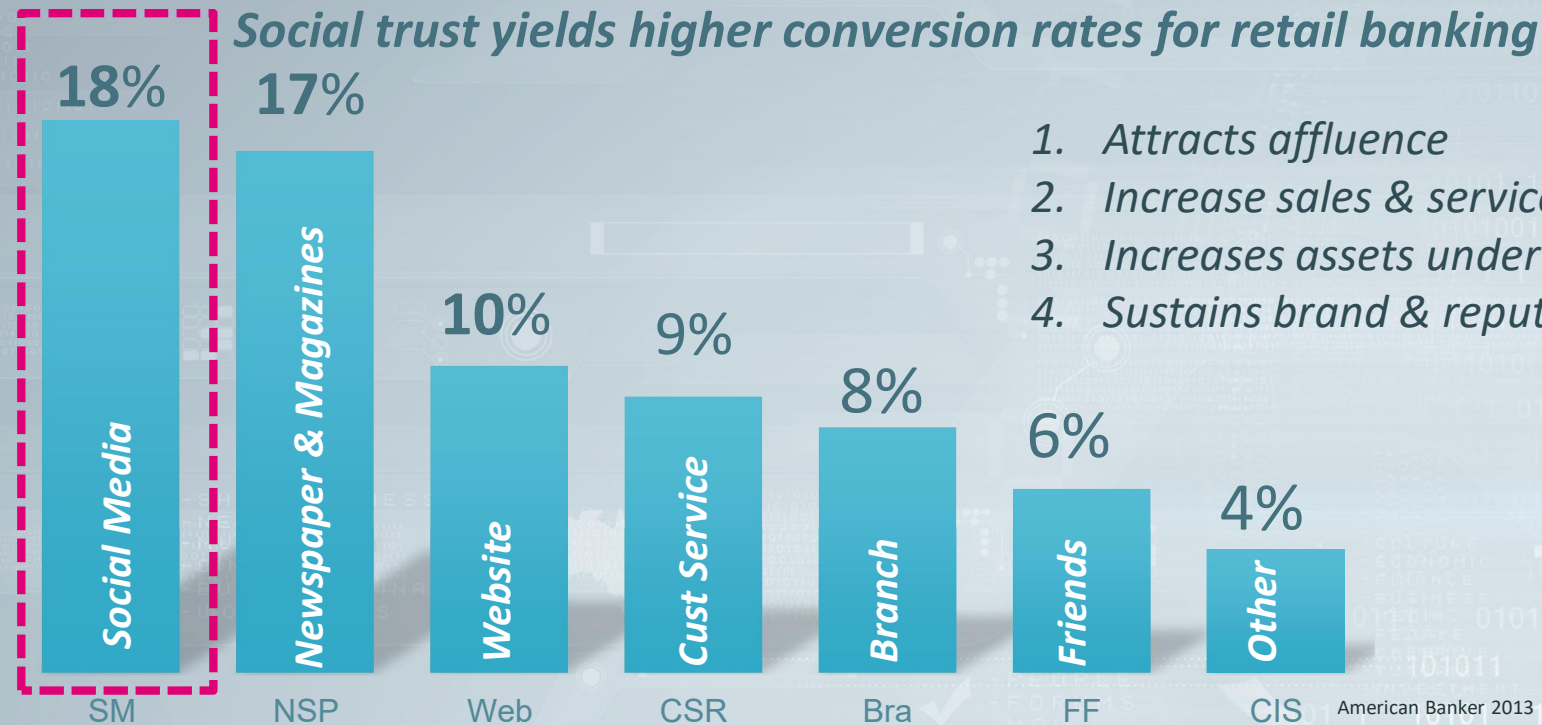
*Of banks think API's are necessary to  
streamline regulatory compliance and to  
leverage big data*

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Open Bank Project , "State of the Market", Nov 2015

# THE MOST ENGAGING BANKS WIN

*Digital Enables The Social Banking Revolution*



1. Attracts affluence
2. Increase sales & services
3. Increases assets under management
4. Sustains brand & reputation

American Banker 2013  
[American Banker 2013, Why Social Will Lead to Your Next Sale](#)

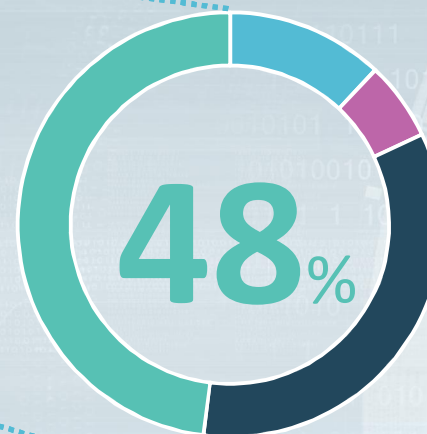


# BANKS GET ATTACKED BECAUSE THAT'S WHERE THE MONEY IS

*A Lens from VDBIR on how banks get breached*

## Digital Identity Reduces The Attack Surface

60%  
Lost stolen,  
weak or  
phished  
credentials



### REDUCE THE ATTACK SURFACE:

Multifactor  
Authentication

Threat  
Analytics

Privileged  
Access Control

Other

DOS

Skimmers

Web App Attacks

Verizon Data Breach Investigation Report (Financial Services) 2016

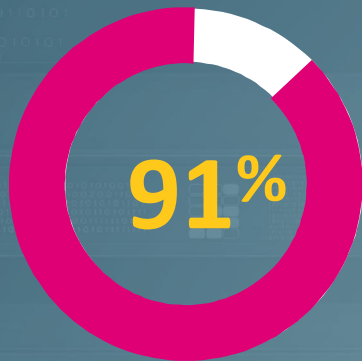
# INCREASED SECURITY RISK & COMPLIANCE BREAKS THE BANK

*Streamlining the compliance activities can restore balance*

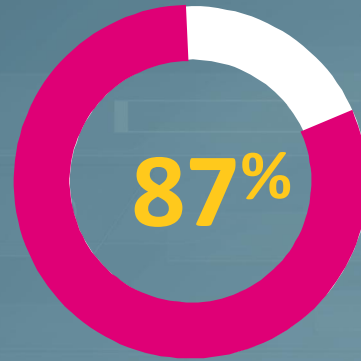
*“We estimate that governance, risk & compliance cost (GRC) account for 15% to 20% of the total “run the bank” cost base of most major banks”* Bain & Co Regulation Tech Sept 2016

# Why go Digital?

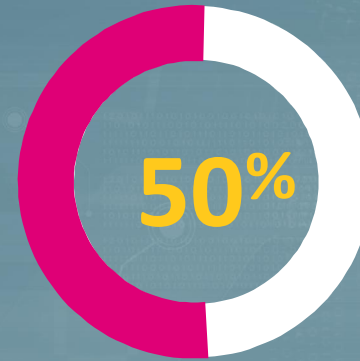
## Organizations That Embrace Digital EXPERIENCE GREAT RESULTS



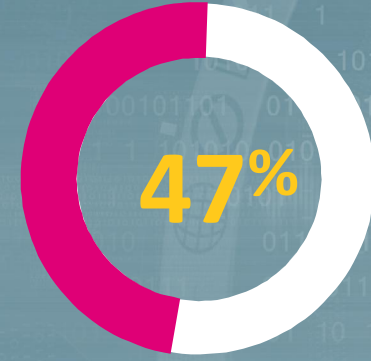
*Increased Reach  
& Distribution*



*Increased Customer  
Retention*



*Improved  
Growth*



*Improved  
NPS Scores*

***Coleman Parkes Study of 1700 Companies World Wide***

[CA Technologies Coleman Parkes Study](#)

*Financial Services Companies have everything to gain ...*

**40%** *a fully digital bank could gain as much as*  
***improvement in earnings (EBITDA)***

McKinsey Study of European Banks  
[McKinsey 2014, Rise of the Digital Bank](#)

*Technologies Needed to Secure  
Digital Transformation*

# **ACCESS & AUTHENTICATION** **TECHNOLOGY IS THE FOUNDATION**



## **SINGLE SIGN-ON**

A single identity for all my  
services – fewer  
passwords to remember



## **ADVANCED AUTHENTICATION**

Make sure I am who I say I  
am, proportional to the  
sensitivity of transaction



## **DIRECTORY SERVICES**

Connect my identity to the  
attributes necessary to deliver  
service multi-channel



## **RAPID APP API SECURITY**

Provide consistent security  
across online mobile & digital  
channels



# HARNESS THE POWER OF IDENTITY

*Unlock the Potential of Digital Relationships*



**SIMPLIFY ACCESS  
CROSS-CHANNEL**



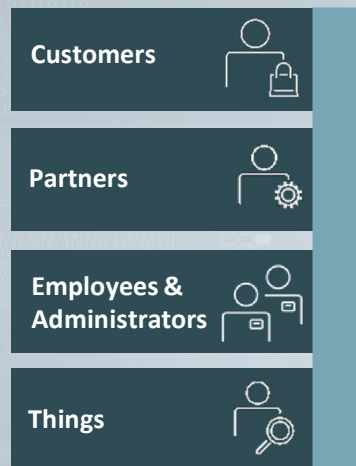
**INTEGRATE DIGITAL  
& NON-DIGITAL**



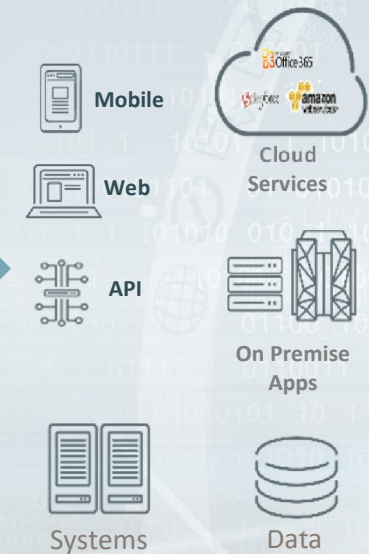
**SECURE CUSTOMER  
EXPERIENCE**

# BUILDING TRUSTED DIGITAL RELATIONSHIP

## USERS



## RESOURCES



# TRUSTED DIGITAL RELATIONSHIP COMPONENTS

## USERS



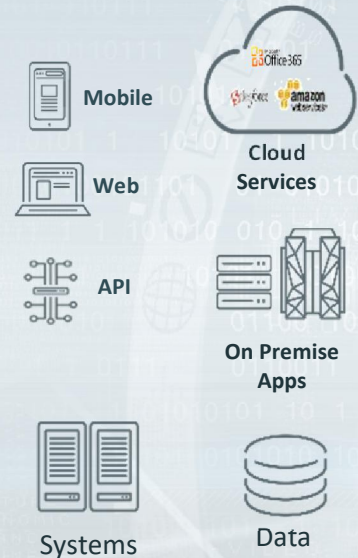
Productivity

Connectivity

Privacy

Transparency

## RESOURCES



# INDIA'S LARGEST DIGITAL BANK

*A banking multi-channel strategy – mobile, web & social*

*Using API Driven Architecture & Digital Identity  
for faster time to market and innovation*

## Industry first features:

*Favorites  
for faster  
transactions*

*Chat services  
and  
authenticated  
call*

*Rail  
ticket  
booking*

*Touch ID  
login and  
watch  
banking*

*Forex  
purchases*



# Banca LaCaixa

*Spain's Third Largest Bank Embraces Social*

## OBJECTIVES

*Expand services*

*Adapt to changing behavior*

*Attract millennial customers*

*Improve social influence*



## WHAT THEY DID

*Single digital/social identity*

*Single credentials for access*

*Personalized experience*

*Enable transactions via Facebook*





# Bank Hapoalim

## Israel's Largest Bank Embraces Digital Relationship Transformation

*"Our vision is open banking inviting startups to join us and initiate their innovation.  
We have opened API's to share data so startups can leverage this to kick start their projects"*

Avi Kochva, CIO Hapoalim

### OBJECTIVES

*Grow market share from 32% to 50%*  
*Enable a hybrid branch & online experience*  
*Embrace fin tech revolution*  
*Increase customer satisfaction*

### WHAT THEY DID

*Digital branches*  
*Customer digital identity*  
*Omni-channel experience*  
*API driven architecture*



The background of the slide is a grid of squares in various shades of teal and dark blue. The squares are arranged in a pattern that is slightly offset, creating a sense of depth and movement. The colors range from a very dark, almost blackish-blue to a lighter, more vibrant teal.

# Thank You for Listening

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## *List of Citations Financial Services Digital Transformation...*

WEF "Future of Financial Services" 2016

Fin Tech News,"Overview of API's and Banking as a Service & Fin Tech" 2016

CA Technologies Industry Research Financial Services

2016 Verizon Data Breach Investigation Report Financial Services

Open Bank Project , "State of the Market", Nov 2015

American Banker 2013, Why Social Will Lead to Your Next Sale

Mckinsey 2014, The Digital Battle Banks Must Win

CA Technologies, DBS Customer Success Story

Nerd Wallet 2016, Best Robo Advisors 2016 Top Picks

Mckinsey 2014, Rise of the Digital Bank

PWC 2014 Retail Banking 2020, Revolution or Evolution

PWC The New Digital Tipping Point

CA Technologies Coleman Parkes Study

Bain & Co 2016 , Regulation Tech Article

Trulioo 2016, Are compliance costs breaking the bank