



2010 IBM System z 银行业创新论坛

智慧银行灵动Z远 持续创新共领未来



Seizing an opportunity for innovation to build up a smarter bank

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Smart Banking requires changes to the way banks currently operate

1. Rapidly transforming from national banks to become *global banks*
2. Provide customers with innovative products through all channels effectively, efficiently and speedily – *Customer-centric and Process-oriented*
3. Current banking systems were built to handle transaction volume rather than enabling business, need to *Transform to Modern Core Systems*





Current China banking systems are built to process huge transaction volumes efficiently

Volume	
Number of	Core Banking
Avg . # of Customers	100 - 200 million
Avg . # of Accounts	400 - 600 million
Avg . # Users	100,000 – 200,000
Avg . # On-line Branches	8,000 - 10,000
Avg. Response Times	3 – 5 sec
Transactions / day (peak)*	70 - 90 million

* The average transaction volume would be 65% - 70% of peak

Plus 24x7 availability

Source: IBM analysis

China Banks need to change to meet new challenges and become Global Banks

Current China Bank operational challenges

Customer Service

- Long queues at branches
- Different channel management (teller, internet, call center)
- Ability to show good customer service and product management

Inflexible Core Banking

- Customer demands for sophisticated products are currently hampered by bank systems inflexibility
- Long product development and product introduction to the market
- Customer information resides in multiple systems resulting in no single view of the customer

Insufficient risk measures & unavailable information

- Insufficient customer insights and low product holdings
- Commoditized and low product value
- Adoption of international standards and management
- Risk exposure – limited ability to analyze
- Limited profit and costs drivers for product, customer and channel

Global banks require

1

**Integrated
Multi-channels**

2

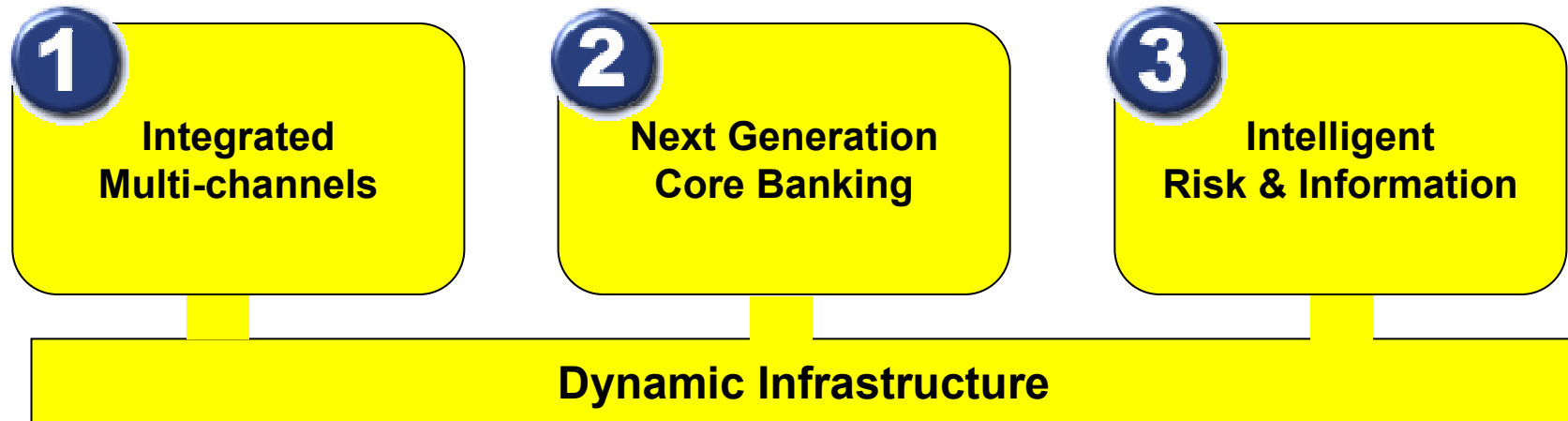
**Next Generation
Core Banking**

3

**Intelligent
Risk & Information**

China Banks need to transform its capabilities in 3 key areas:

- (1) Integrated Multi-Channel, (2) Next Generation Core Banking,
(3) Intelligent Risk and Information



... supported by a dynamic infrastructure

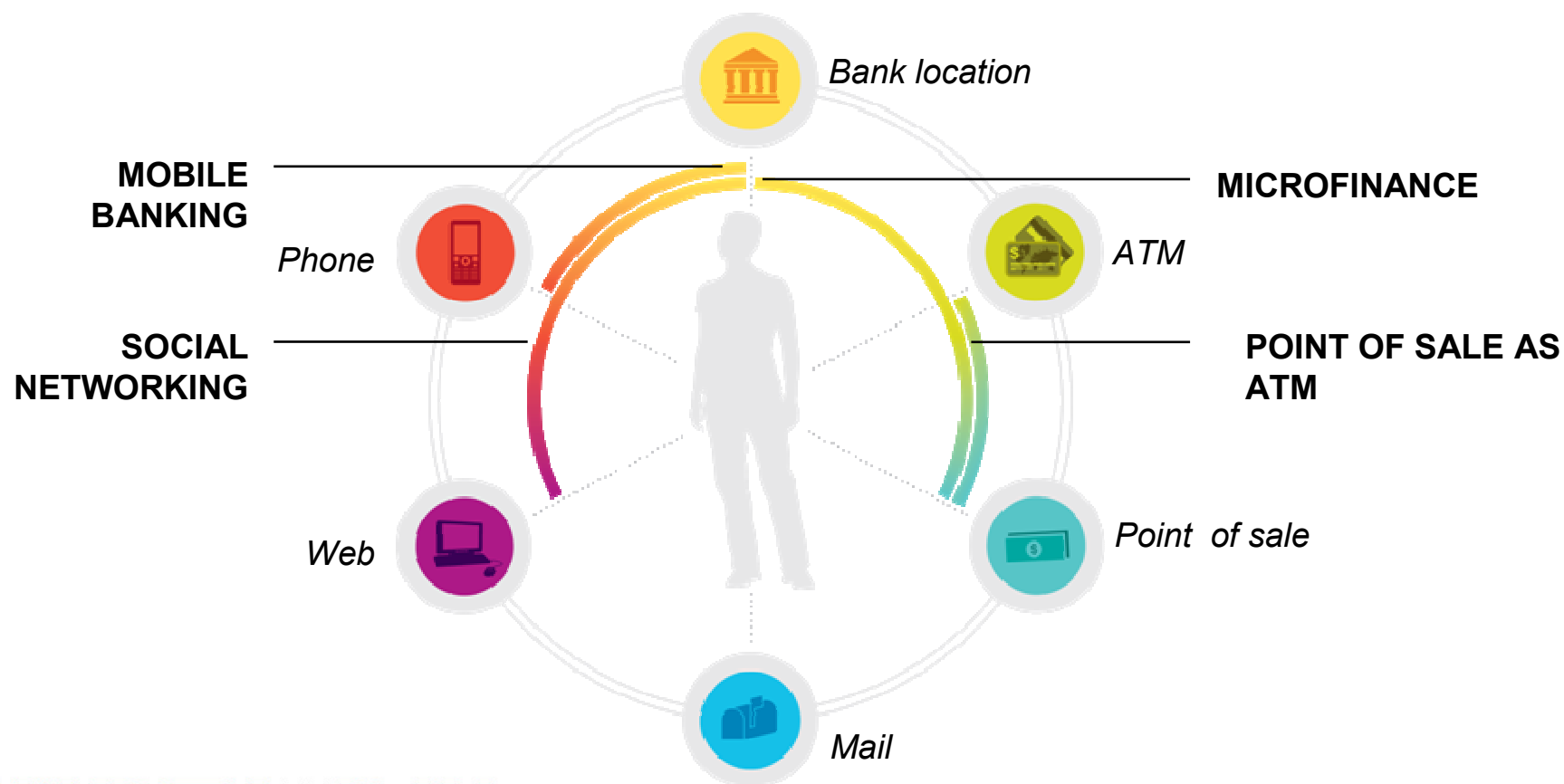


... and establish long term partnership with key business and technology partners

Smart Banking: 1) Integrated Multi-Channel

The Smart Bank

tailors products and services on demand and delivers them through an ever-evolving and increasingly interconnected set of channels.



Smart Banking: 1) Integrated Multi-Channel

The Smart Bank is customer centric



Smart Banking: 1) Integrated Multi-Channel The Smart Bank

Adopt new technology to offer a consistent service in different channel

- Product & service access conveniently
- Transaction execution transparently
- Contact with client by the channel on demand
- Integrated information



[Contratar Bankinter Telefonía Móvil](#)

Sáquele partido a su teléfono móvil con Bankinter.



Si tiene un móvil con **acceso a Internet** entonces tiene el banco en su móvil con el que podrá realizar entre otras las siguientes operativas:

- Consultar saldo.
- Transferencias.
- Compra/venta de valores.

[Conozca el Banco en el móvil](#)



Podrá acceder a su información bancaria y operar a través de **mensajes cortos SMS**:

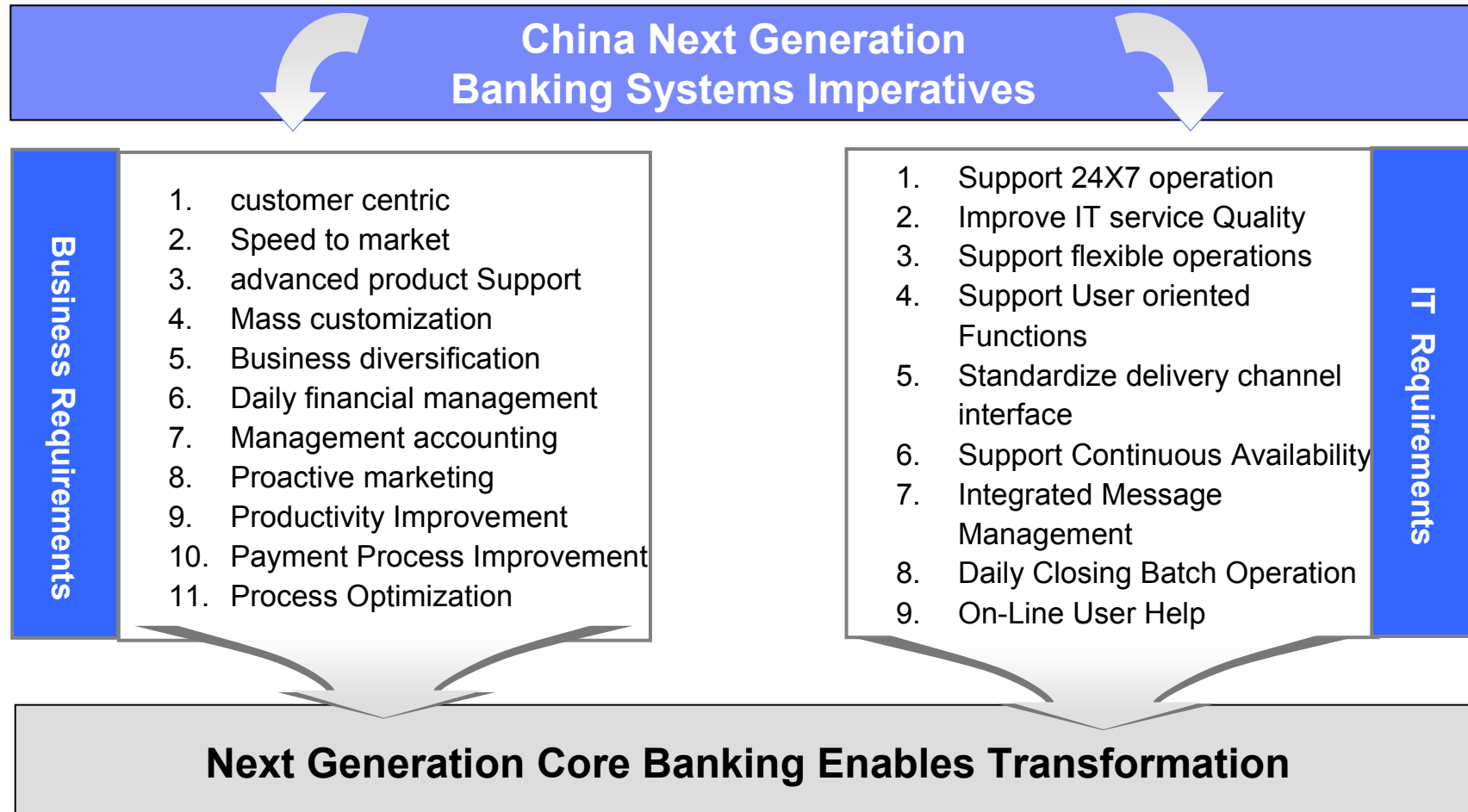
- Cargos e ingresos en cuenta.
- Compra/venta de valores.
- Pago de recibos.
- Cargos con tarjetas.

[Cómo funciona el banco por SMS](#)



Smart Banking: (2) Next Generation Core Banking The Smart Bank

modernizes its core banking system from legacy transaction processing to the Next Generation Banking Systems



Smart Banking: (3) Intelligent Risk & Information

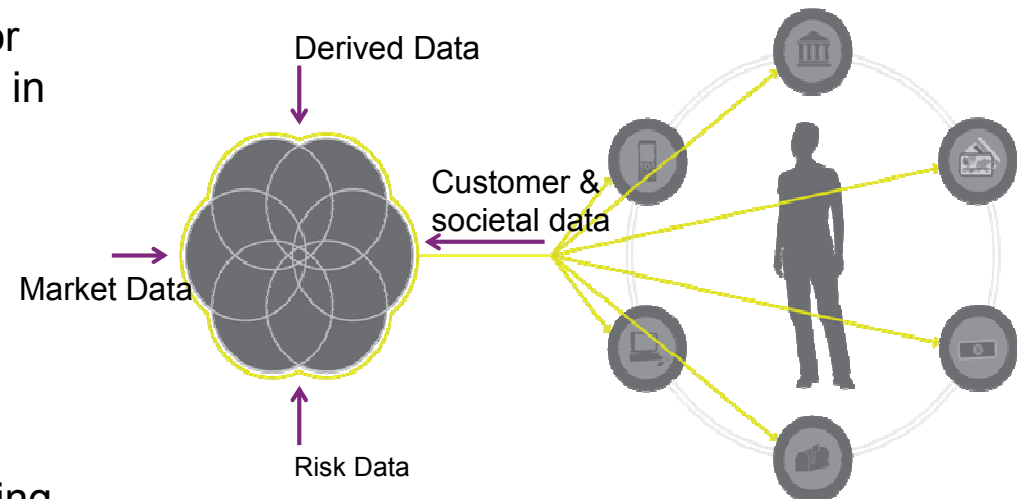
The Smart Bank

- An organization with integrated risk management, means to look across various risk silos to ensure a streamlined & customer-centric experience.
- Measure, Model and analysis for a better understand the firm's full set of risks and make decision for an action.

• **Financial Risk:** such as risk in credit, market, liquidity. A system is necessary for diagnosing and detecting for a risky event in advance.

• **Governance & compliance:** comply to new regulation from 2011. strengthen monitoring procedure and information disclosure to ensure risk governance.

• **Financial criminal** fraud internally and externally. To build up a real time monitoring mechanism to prevent the fraud event.

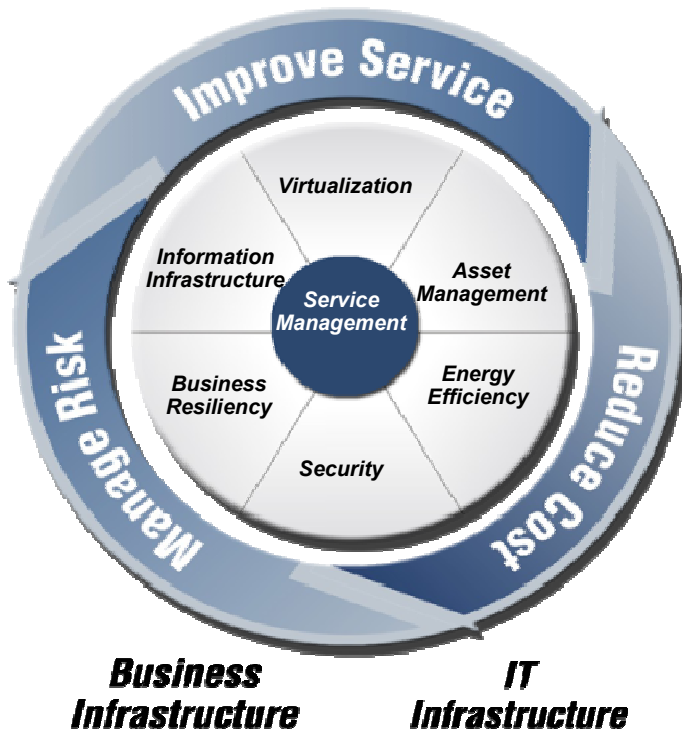


Smarter way to analyze a large of volume transaction data
with an advanced judgment capability in the changing market

Smart Banking: (4) Dynamic Infrastructure

The Smart Bank

Responsive to business needs through dynamic IT infrastructure



Service Mgt

An automated controlling system to have advanced insight to business and IT

Asset Mgt

Maximize the asset value of business and IT by utilizing standardized solution

Virtualization

Improve resources utilization rate by using virtualization solution to reduce cost and provide new service quickly

Energy Efficiency

GREEN and sustainable development

Business Resiliency

Business agility for a changing market

Information Infrastructure

Offers a end-to-end infrastructure solution with low risk and regulation complied

Security

A secured and regulation complied solution to achieve security objectives

Smart Banking: adapt to changing business environment, flexible IT infrastructure to meet various needs from customers, organizations and partners

To transform into Smart Global Banks, China Banks must transform by modernizing its legacy core systems, adopt and adapt best-in-class capabilities provided by international solutions, and chart out its own journey

