



IBM Software Universe
Smarter Businesses, Smarter Industries.

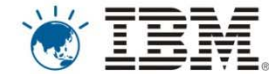
8th March 2011, Pan Pacific, Dhaka.



Smarter Financial Services

Mr. Kartik Padmanabhan
Country Manager, Lotus Software
IBM India/SA

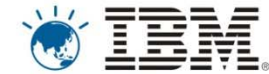




The world is smaller and flatter.

The world is connected:
economically, socially and technically.

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The need for progress is clear.

2.5 billion

Population of the world that does not use formal financial services to save or borrow¹

70%

Percentage of retail banking customers who have had at least one negative experience during the past year.

93%

of the 285 million electronic attacks in 2008 were focused on the finance sector, well over half detected by third parties.²

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The opportunity for progress is clear.

350k
new clients

Microfinance:

Grameen Foundation

An accurate, near-real-time information platform enabling them to predict requirements; for capital and expand their micro-loans, insurance accounts and other banking functions and to grow from 70,000 to 350,000 low-income clients.

30% over
growth target

Self service:

First National Bank of Omaha

The bank implemented a first-of-a-kind self-service solution that improved customer satisfaction and led to customer growth at 30% over target.

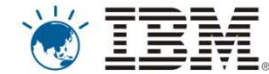
90%
fewer audits

Financial crime experience:

South American institution

Reduced audits of suspicious operations by applying pattern recognition, anomaly detection, risk analysis and predictive modeling capabilities to reduce the number of suspicious operations that required auditing by more than 90%.

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There are dramatic forces of change across financial institutions

ECONOMY

Weak conditions impact investment decisions and reduce need for financial services

COMPETITION

Intensified competition with increased M&A, divestitures and entrance of non-bank service providers

CLIENTS

Rapidly evolving expectations for offerings, service unbiased advice, and convenience



TRUST

Rebuilding trust and confidence across the system is critical to future growth and stability

REGULATION

Radically increased oversight ushering in a new era of increased government intervention

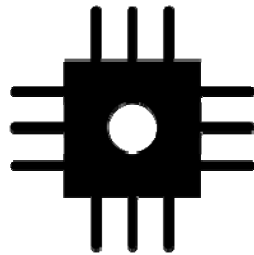
CAPITALIZATION

Mature markets and emerging markets alike focus on rebuilding their capital reserves



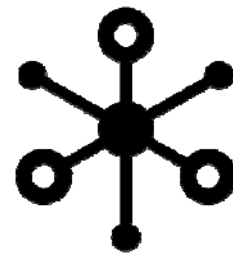
The smart bank anticipates client needs & delivers innovative products faster than the competition.

They are doing so by getting...



INSTRUMENTED

enabling businesses to measure and control data at the atomic level, allowing them to sense and respond quickly and precisely.



INTERCONNECTED

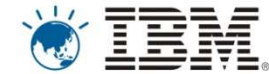
built on interconnected data that enables innovation, advances straight through processing and delivers single source of the truth.



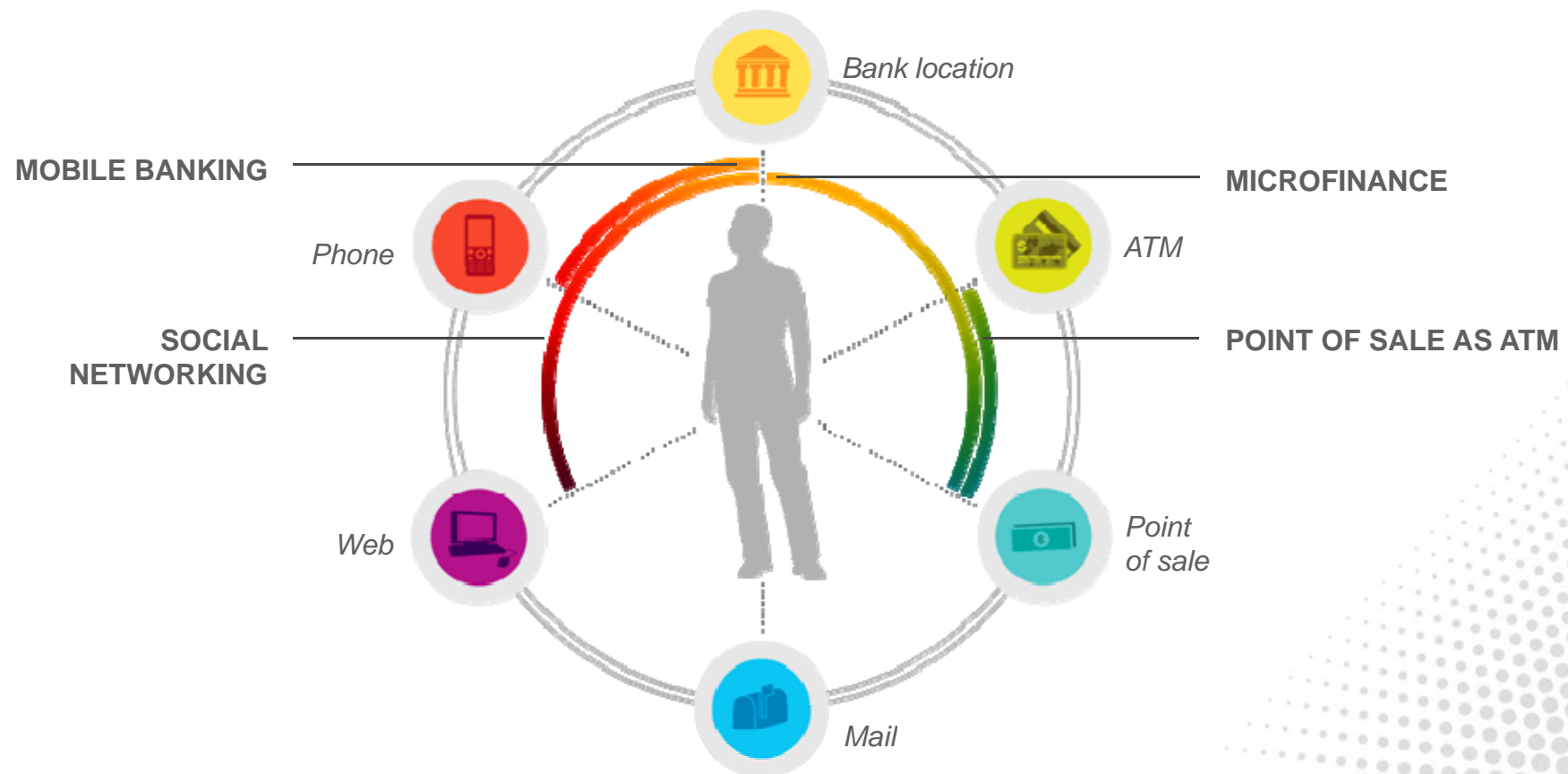
INTELLIGENT

enabling rapid, intelligent analysis of a vast mix of structured and unstructured data to improve insight and decision making

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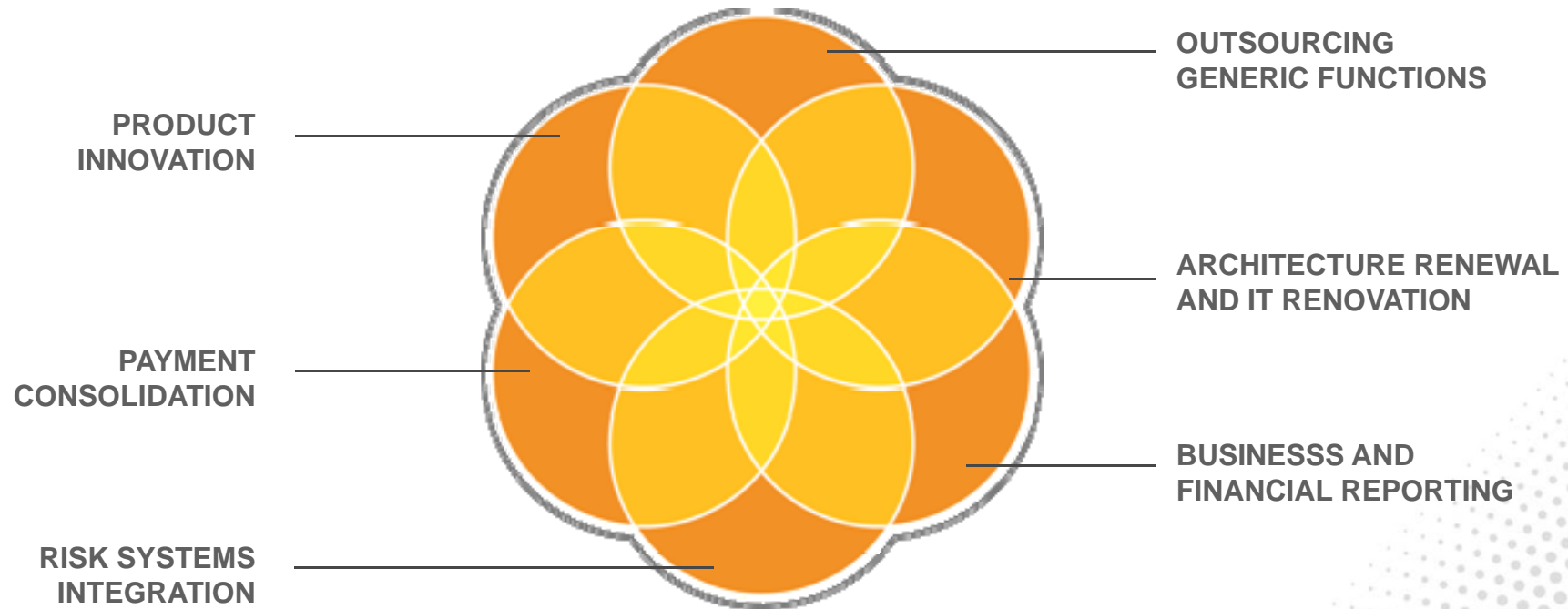
A **SMART** financial institution **tailors** products & services, on-demand and **delivers** them through an ever-evolving and increasingly interconnected set of channels.



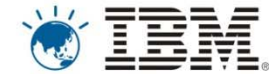
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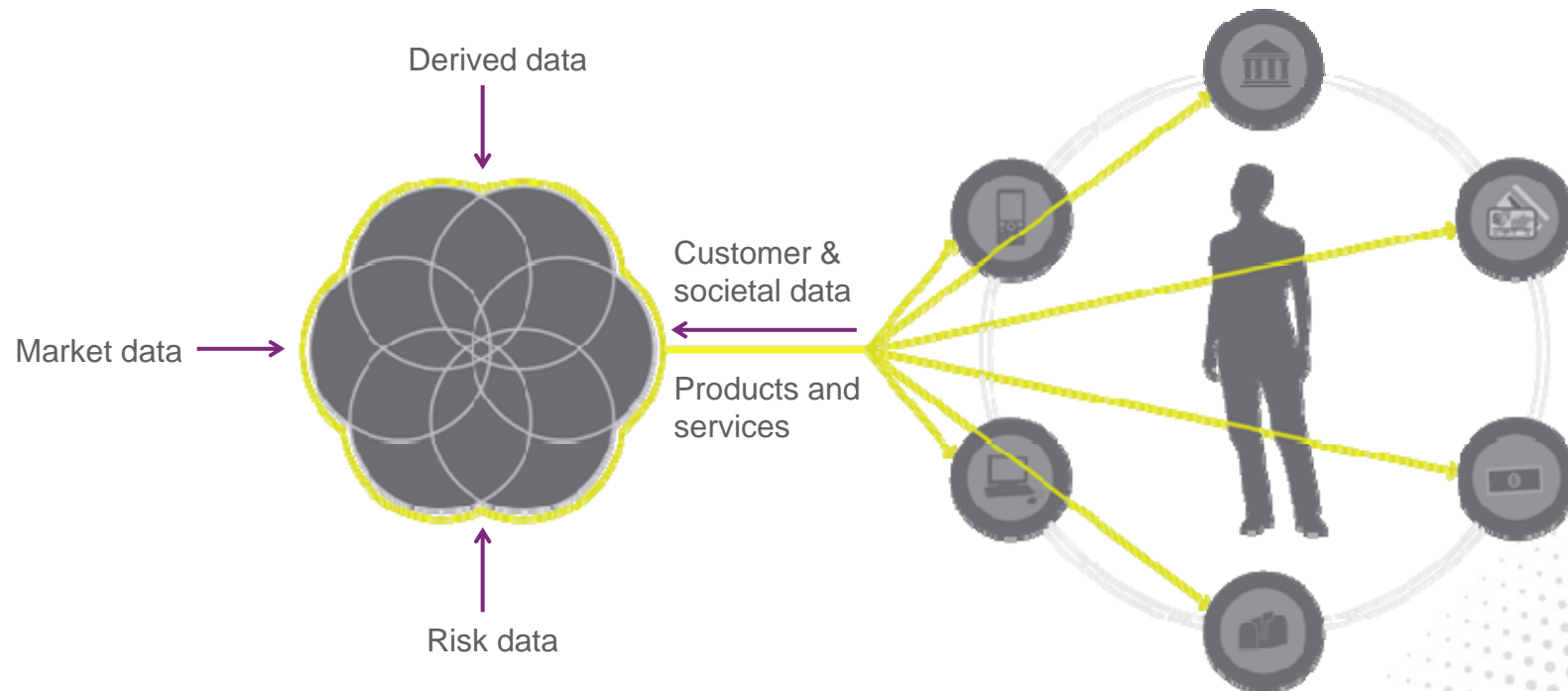
A **SMART** financial institution is built around an **optimized and integrated** back office – to cut costs, drive speed and further innovation.



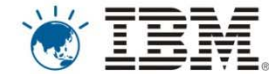
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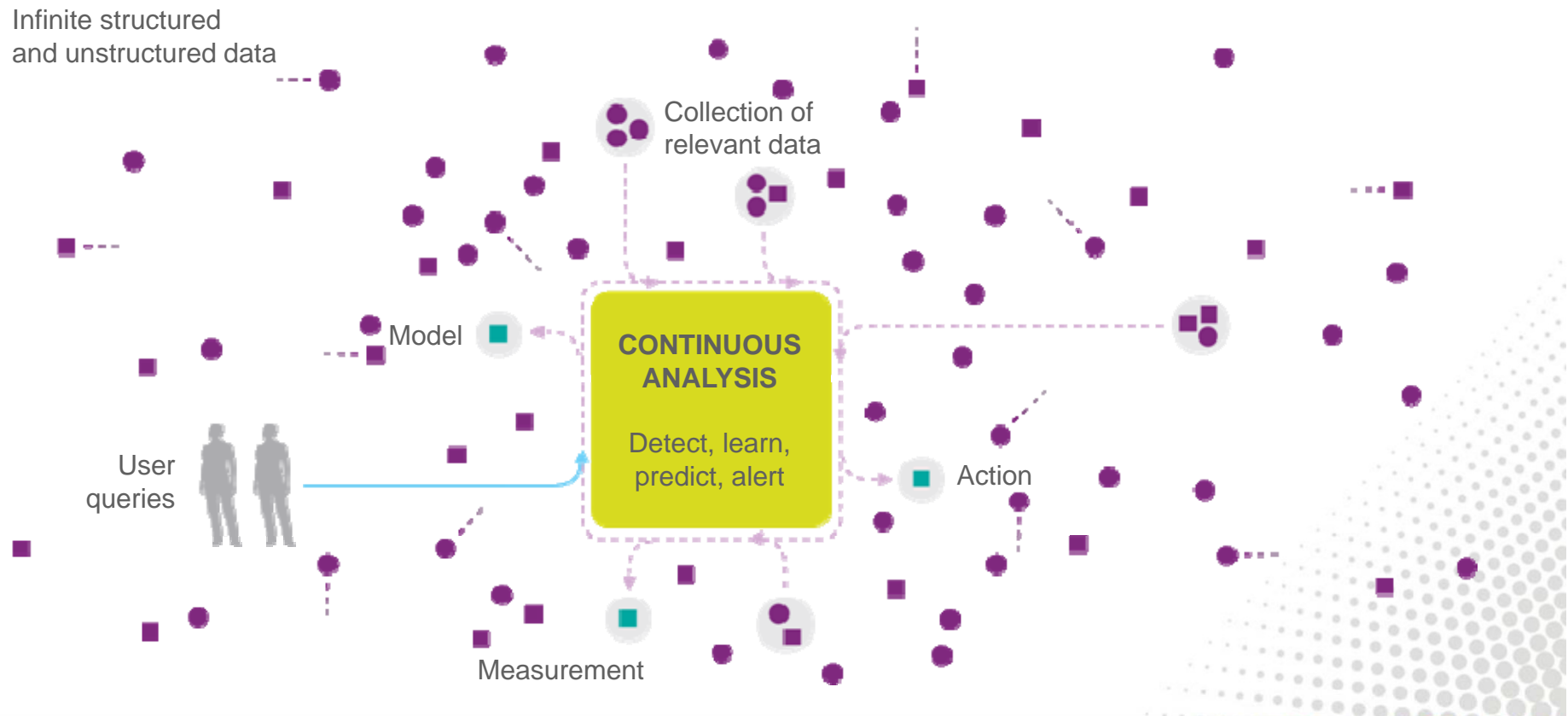
A **SMART** financial institution must constantly **absorb, measure and model** large volumes of data from a wide array of sources, and apply this data **quickly** to ensure a streamlined, customer-centric experience.



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A **SMART** financial institution **capitalizes** on the vast quantities of information continuously generated in today's marketplace with **new business intelligence** approach that can make sense & use of data

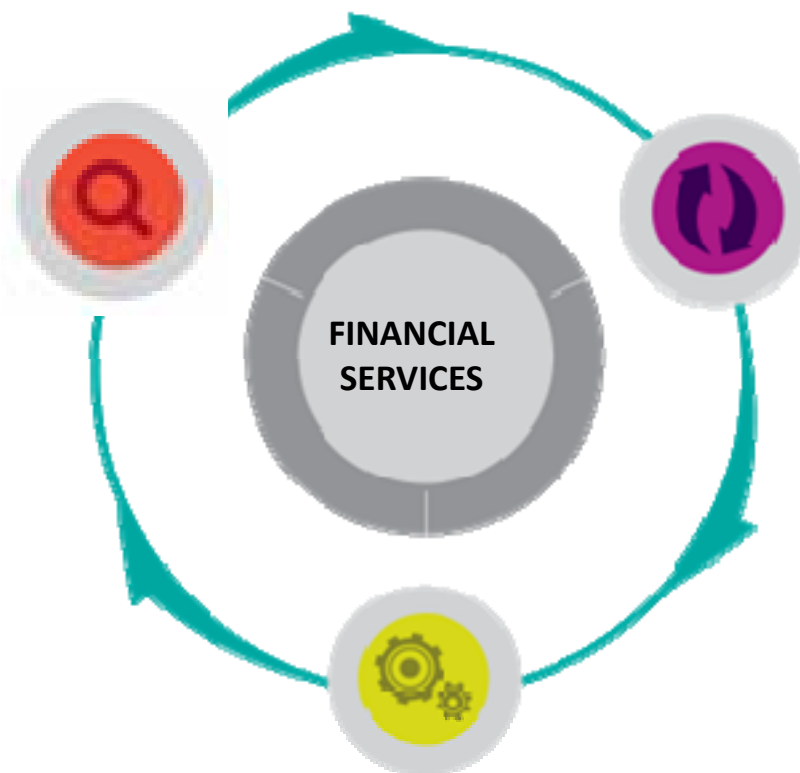


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Winners focus on three key imperatives



REINVENT THE BUSINESS MODEL
Drive a simplified and streamlined agile enterprise that balances growth, efficiency and business resiliency



DEVELOP NEW INTELLIGENCE

Develop enterprise-wide capabilities to enable informed judgment, client-centricity and profitable growth

INTEGRATE RISK MANAGEMENT
Achieve compliance objectives while mitigating operational risk, fighting crime and optimizing financial returns

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**REINVENT THE
BUSINESS MODEL**



DEVELOP NEW
INTELLIGENCE

INTEGRATE RISK
MANAGEMENT

SMART is....

- Ensuring valid trade-settlement, flawless financial record-keeping & meet regulatory requests in time
- Providing a source of new payments services while creating faster processing speed and reduced errors
- Accelerating new business growth by taking a new path to Internet banking

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Smarter Banking: Reinvent the business model



Depository Trust & Clearing Corporation

Increased overall transaction processing capacity by 77%, helped handle 3X volume with a 100% reliability rate.



Bank of New York Mellon:

Streamlined operations to achieve a 90% reduction in manual touch points in the check clearing process—cutting processing errors and required remediation.



SBI Sumishin Net Bank

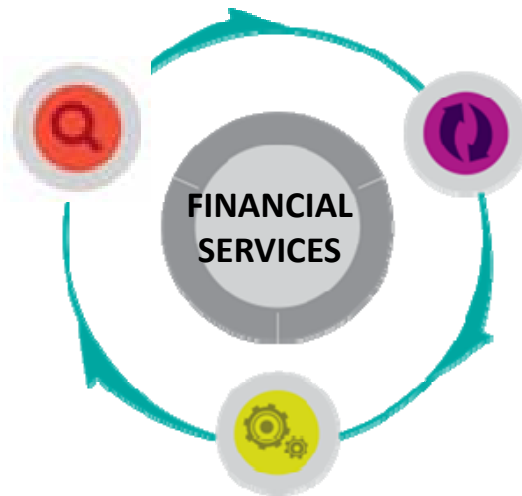
A single view of the client across many lines of business, helps create customized products quickly, cross-sell and up-sell in real time via the Web.



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REINVENT THE
BUSINESS MODEL



INTEGRATE RISK
MANAGEMENT

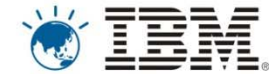
DEVELOP NEW
INTELLIGENCE

SMART is....

- Putting the spotlight on service innovation in its “branch of the future”
- Driving sales and service with predictive analysis of real-time customer data
- Delivering more reliable service to customers through real-time IT monitoring

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Smarter Banking: Develop New Intelligence



First National Bank of Omaha:

Improved customer satisfaction and stronger customer relationships through a more engaging banking experience.



A Large Middle East Bank:

Builds a holistic, 360-degree view of customers with real-time financial data, helping predict which offerings and marketing efforts are most likely to succeed.

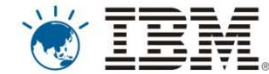


Dutch Financial Services Company:

Encourages proactive identification and resolution of issues and bottlenecks before they affect users, thanks to a more comprehensive view of the network.



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REINVENT THE
BUSINESS MODEL



DEVELOP NEW
INTELLIGENCE

**INTEGRATE RISK
MANAGEMENT**

SMART is....

- Enabling simultaneous settlement to eliminate risk
- Enabling smarter fraud and money laundering detection and prevention
- Preventing fraud and criminal activities with automated, real-time monitoring

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Smarter Banking: Integrate Risk Management



CLS Bank

Eliminating the need for intermediaries transforms the way FX trades are done, dramatically reducing risk and making the global financial system safer.



A Large American Bank:

Securely determines whether to allow a customer to open an account and monitors transaction activity based on the risk score.



A Large Forex Company: Helps increase overall security and identify trade irregularities more quickly with automated pattern detection based on real-time transaction data.

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IBM's solution strategy is aligned with the needs of the banking industry and the financial markets.

FOR A FOCUS ON...



Delivering a client-centric customer experience across all banking channels – while creating new intelligence and balancing the cost of information.



Achieving integrated risk management—optimizing financial and operational risk.



Realizing significant cost savings by simplifying, streamlining and smart sourcing.



Increasing the efficiency of payments systems while developing innovative offerings and strengthening client relationships.

EXAMPLE IBM INVESTMENT AREAS

Sales & Service

- Channel Optimization
- Channel Integration
- Process Optimization
- Collaboration & Communications

Customer Insight

- CRM Strategy
- Marketing and Customer Analytics
- Retail Branch Performance
- Sales Productivity
- Customer Data Integration

Financial Risk

- Credit Analytics
- Systemic Risk

Operational and IT Risk

- Monitoring and Reporting

Financial Crimes

- Integrated Fraud Platform

Governance and Compliance

- Compliance Information Lifecycle Management

Process Agility

- Business Process Modeling and Re-engineering
- ### Application Modernization
- Package Implementation
 - Progressive Renovation

Infrastructure Transformation

- High performance computing
- Cloud computing
- Energy Efficient Technology
- Network Optimization

Payments Process Efficiency

- SWIFTNet Modernization

Retail Payments

- Lender Business Process Services

Corporate Services

- Global Liquidity Management

Payments Compliance

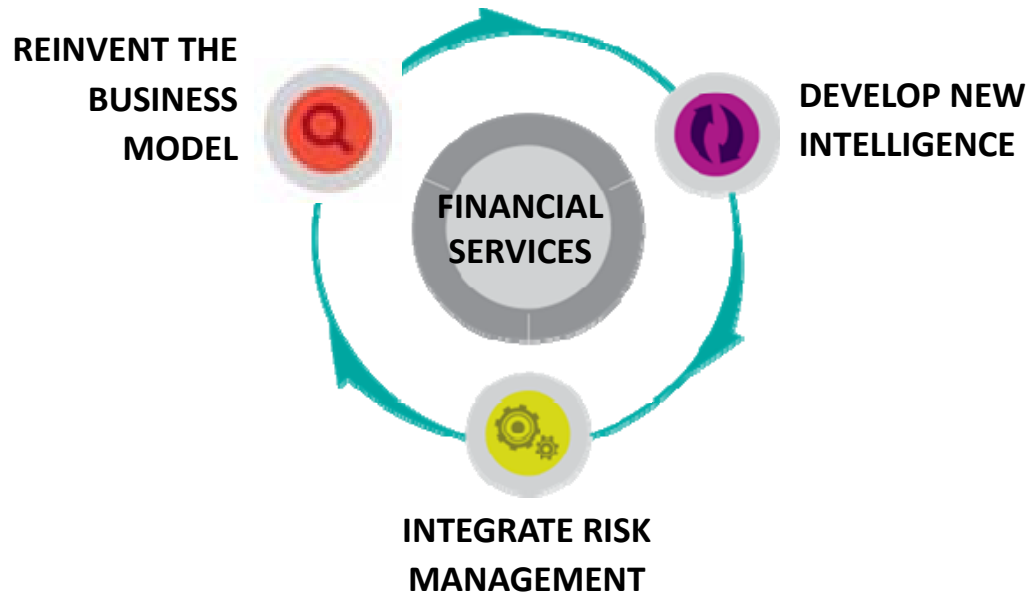
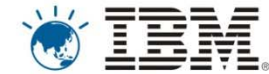
- Payments Card Industry Compliance

Digital Payments

- Mobile Payments

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Topics we will cover today....

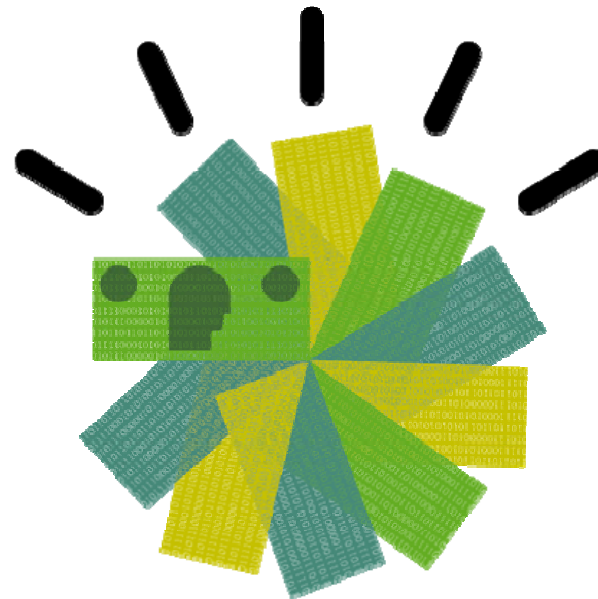


- IBM BSFI Industry Solutions - Enabling speed, flexibility & choice in solution deployment
- Banking Performance Management
- Managing Security, Risk & Compliance in BFSI
- Securing Enterprise Data for Banks
- Managing Quality & Security of Banking Applications
- Unified Business Process Management for Collaborative Process Improvement
- Payment Systems: Evolution and Framework
- Better Customer Service Through Exceptional Web Experiences

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This mandate for change is a mandate for smart.



Thank you

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