



**IBM Software Universe**  
Smarter Businesses, Smarter Industries.

8th March 2011, Pan Pacific, Dhaka.

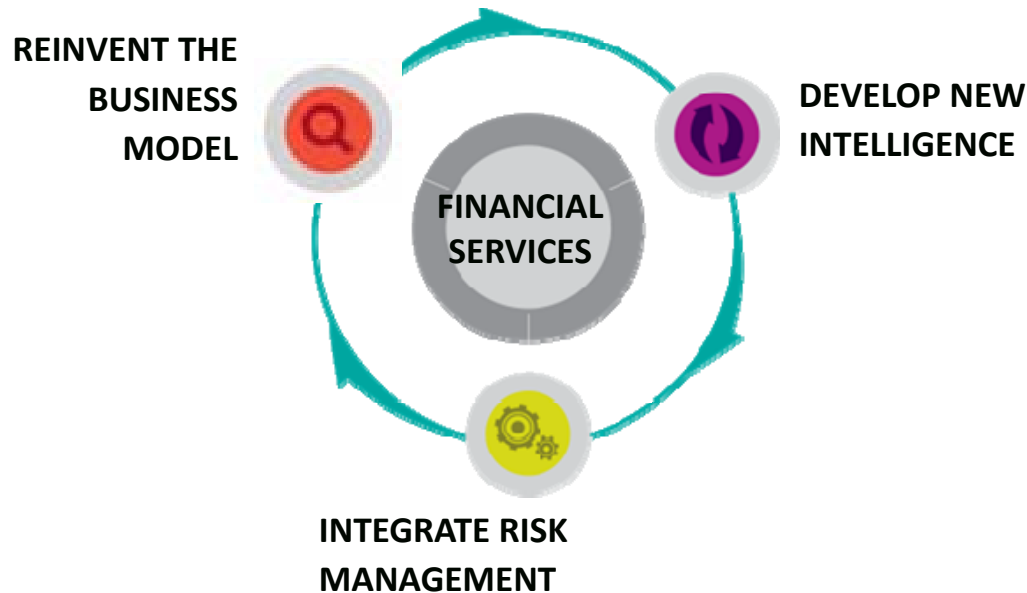


## **IBM Industry Solutions for BFSI**

**Rajeev Narayanan**  
**Country Leader, Industry Products**  
**IBM India/SA**

V.1.0

# A Smarter BFSI focuss on three key imperatives....



## • **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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# What we are hearing from our Customers ?

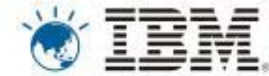


- 1 Ability to respond to change and communicate well – with faster time to market
- 2 Banks more closely linked to ‘Value to Customer’, Improve Customer Profitability at the same time
- 3 Plan for Growth, Be Local with Global Best Practices
- 4 Ability to gauge, and interpret risks and take massive action
- 5 Simplicity – value for money, one face to the bank, integrated payments, safe and secure



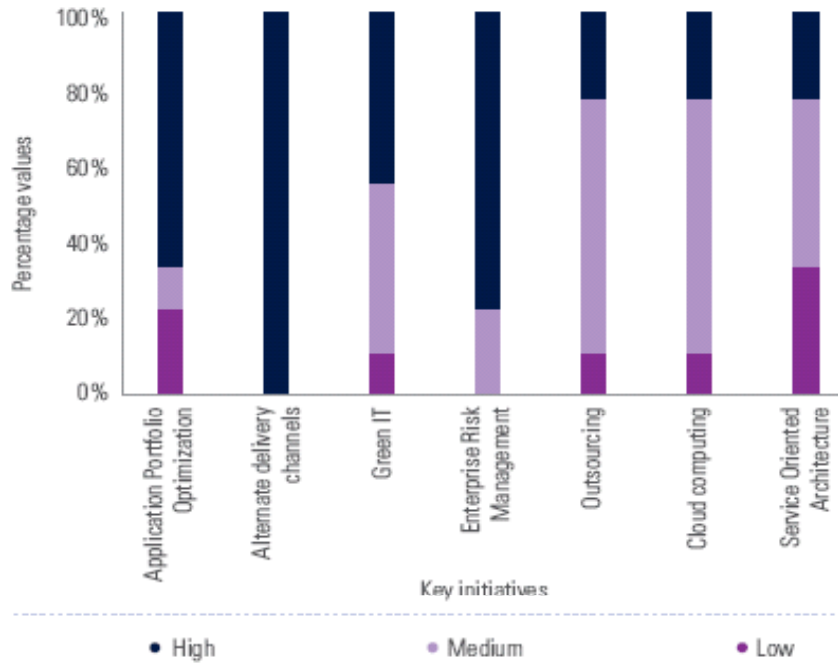
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## What are Indian Banks doing ... thinking ?

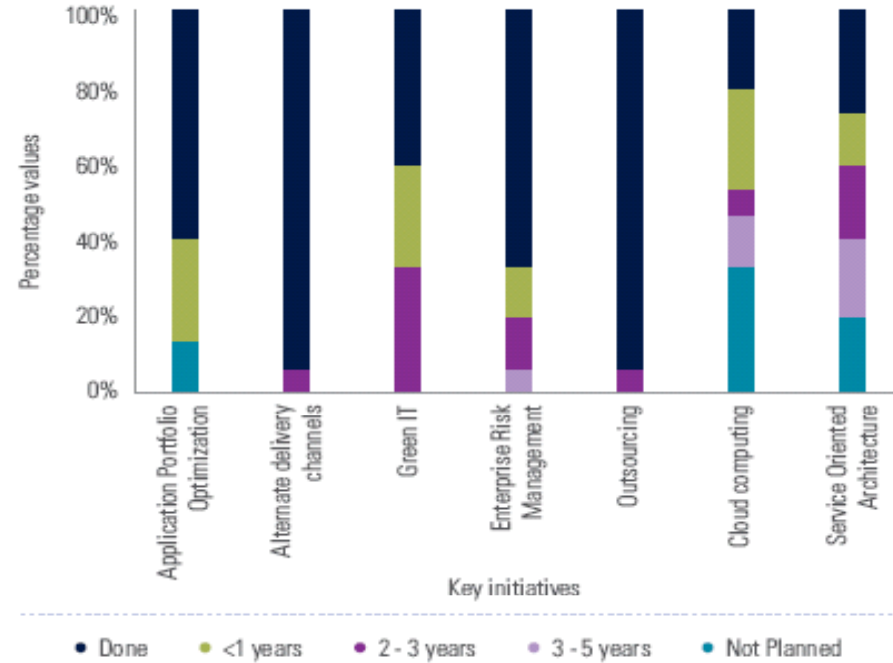


- Retail Banking Deposits , have a 33% ROE for the Retail Banking Portfolio and have a significant influence on a banks growth in markets like India, Bangladesh, Srilanka, etc.
- Banks have worked on revolutionizing service levels and convenience for their customers. Customers are redefining the rules of the game.
- 24% of banks structured their Payments business on both product and channel lines; 42% structured their business on product lines while 34% structured their business on channel lines. Banks are looking towards moving to enterprise payments.
- Treasury is a significant contributor to the banks earnings in India, and have worked towards using sophisticated Risk Management Techniques, while the public sector is still nascent just to comply to regulatory and compliance measures.
- Banks in growth markets are increasingly leveraging IT to establish competitive advantage
- Select growth market private and foreign banks are spending less than US \$ 11 per account on IT systems and services, compared to an average spend of US \$ 76 per account in European banks.

### Initiative Priority



### Implementation Status



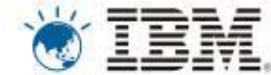
### Implementation Status

	Core Banking	CRM	IAM	Business Intelligence	GRC	Self Service Kiosk	Internet Banking	Mobile Banking	Financial Inclusion
Public Banks	H	L	L	L	M	L	H	M	H
Private Banks	H	H	H	M	H	H	H	H	H
MNC Banks	H	H	H	H	H	H	H	H	L

H Implemented/in progress     
 M Immediate future     
 L Near future/not planned

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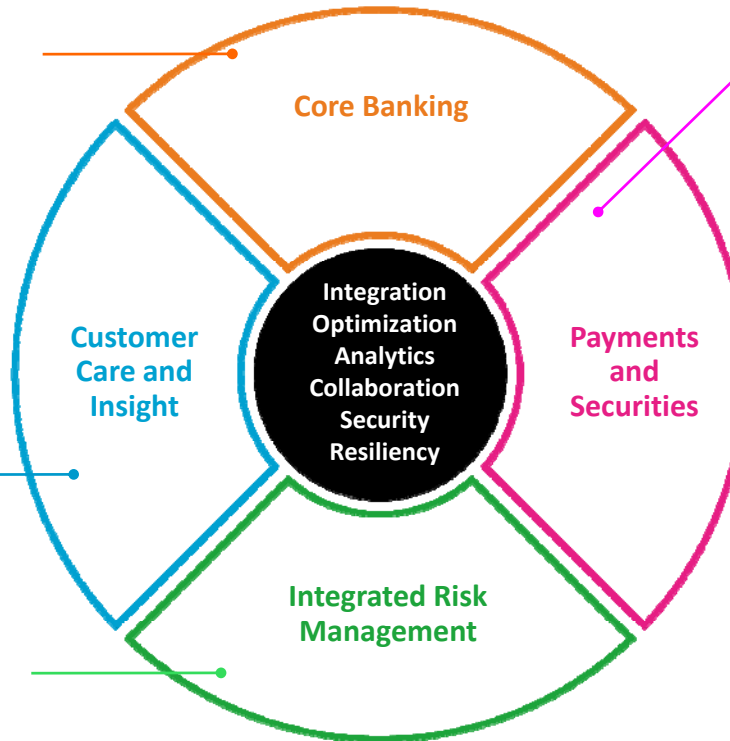
# Emerging Themes



*Core banking transformation allows you to modernize and renovate the applications that support core banking functions while aligning with the changing needs of the business*

*Customer care and insight helps you build a foundation for creating a single view of the customer and enabling more effective and efficient sales and service*

*Integrated risk management supports taking a holistic approach to managing financial risk, financial crimes, operational and IT risk, and compliance*



*Payments and Securities helps you progressively transform your payments operations to become more flexible and efficient*

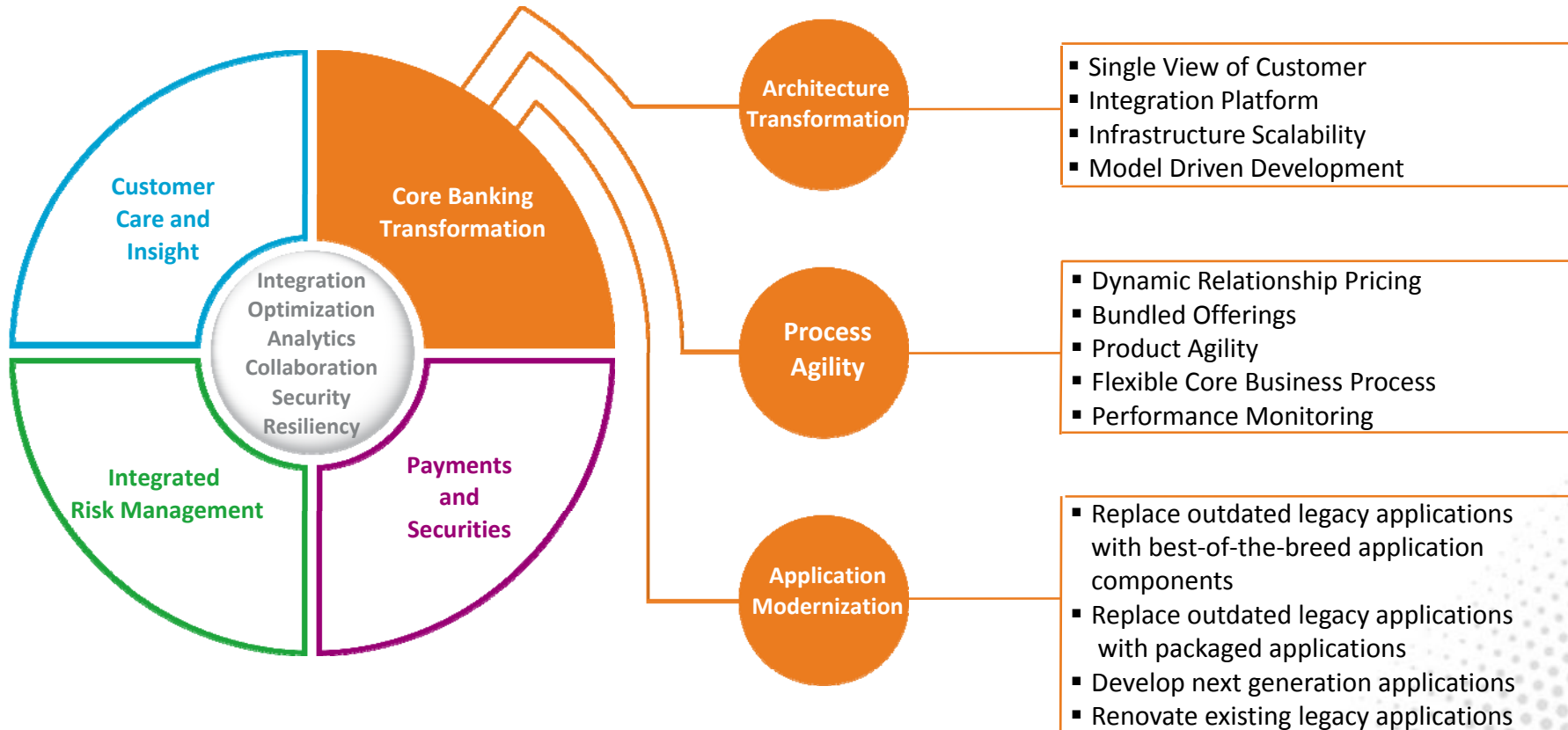
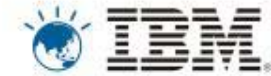
### Objective is to ...

- **Extending Banking and pre-built solutions to speed time to market.**
- **Bring in best practices and business-specific usage patterns to lower risk**
- **Support for adoption of open and industry standards**
- **A choice of business applications to best suit customer needs**
- **An approach to align technology with business needs**

***This gives you speed, flexibility and choice in deploying solutions while reducing cost and risk!***

# Banking Industry Framework

## Core Banking Transformation Projects



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# Core Banking Transformation Extensions and Accelerators



**Banking Vocabulary**

- A common vocabulary using Business Glossary and pre-populated with IFW terms



**Banking Data/Message/Service Model**

- A canonical data/message/service model based on IFW to simplify integration



**Banking Extensions for MDM Server**

- Extensions for MDM Server that include core banking specific concepts such as loan, credit card, and deposits



**Common Shared Services**

- Common foundational IT services such auditing, logging, and security to speed solution development and deployment



**Services Components Building Blocks**

- Reusable application components (e.g., interest rates, price optimization) plus composable building blocks (e.g., arrangement, campaign)



**Solution Templates**

- Specific solution accelerators (e.g., product bundling, loan origination); includes architecture, design, and a reference implementation



**Banking Transformation Workbench**

- A collaborative integrated solution development platform for core banking that integrates transformation methods, tools, and assets



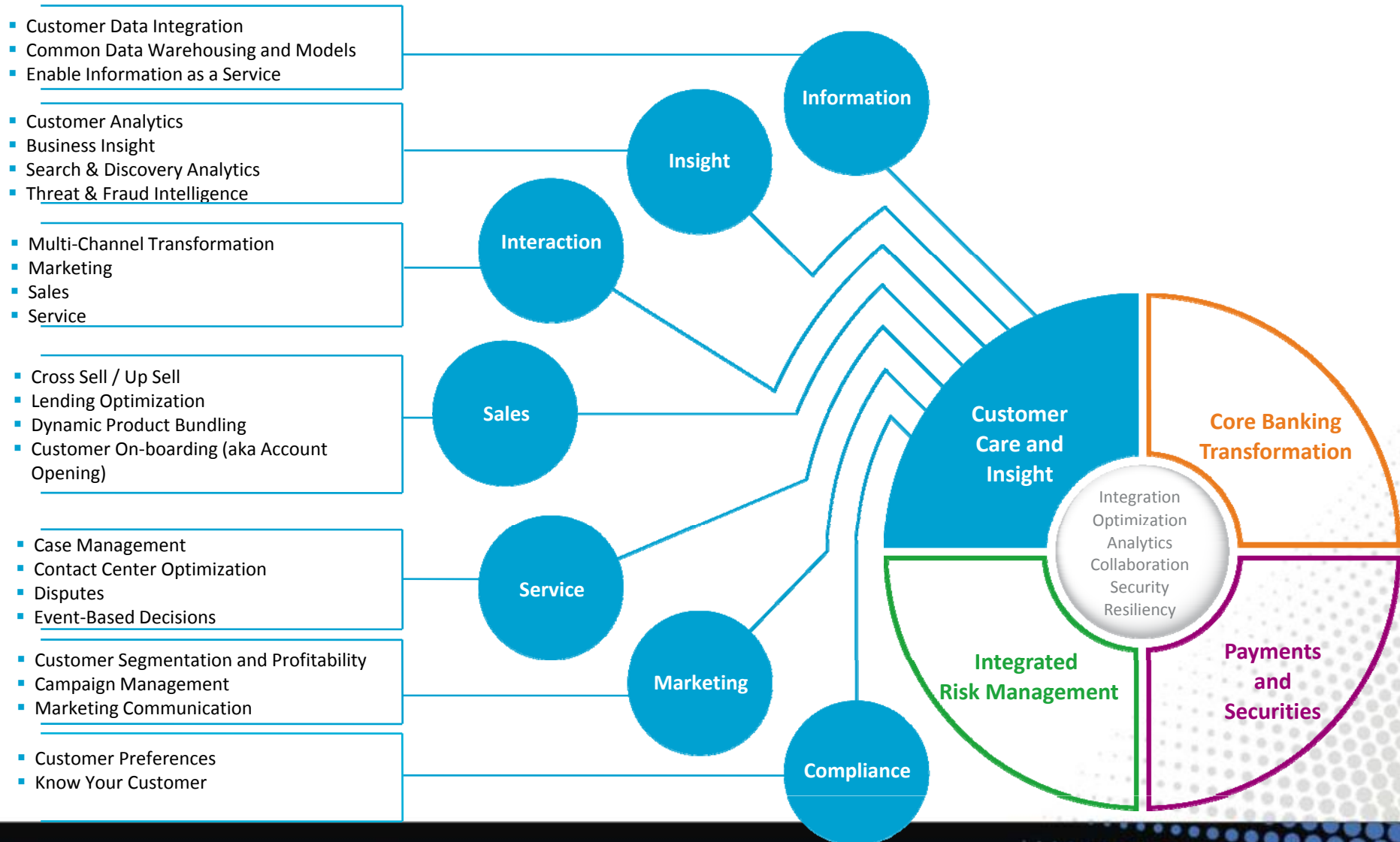
**Design Rules**

- Proven architectural design work products for core banking projects





# Customer Care and Insight Framework Projects



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# Customer Care and Insight - Extensions and Accelerators



**IFW / BDW Process & Data Models**

- Customer-oriented banking process and data models speed requirements definition and implementation



**WebSphere Banking Content Pack**

- Provides services references templates for building dynamic customer care processes



**Banking Data Integration Accelerators**

- Detailed design templates for accelerating data warehouse development



**WebSphere Multichannel Bank Transformation Toolkit**

- Proven pattern and capabilities to accelerate the creation of integrated retail delivery applications



**Common Business Language Services Accelerator**

- Process and integration models provide a higher order composite services in relation to Master Data Management Server



**Account Opening**

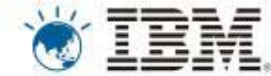
- Best practice business and technical patterns for an account opening SOA-based solution



**Banking Performance Blueprints**

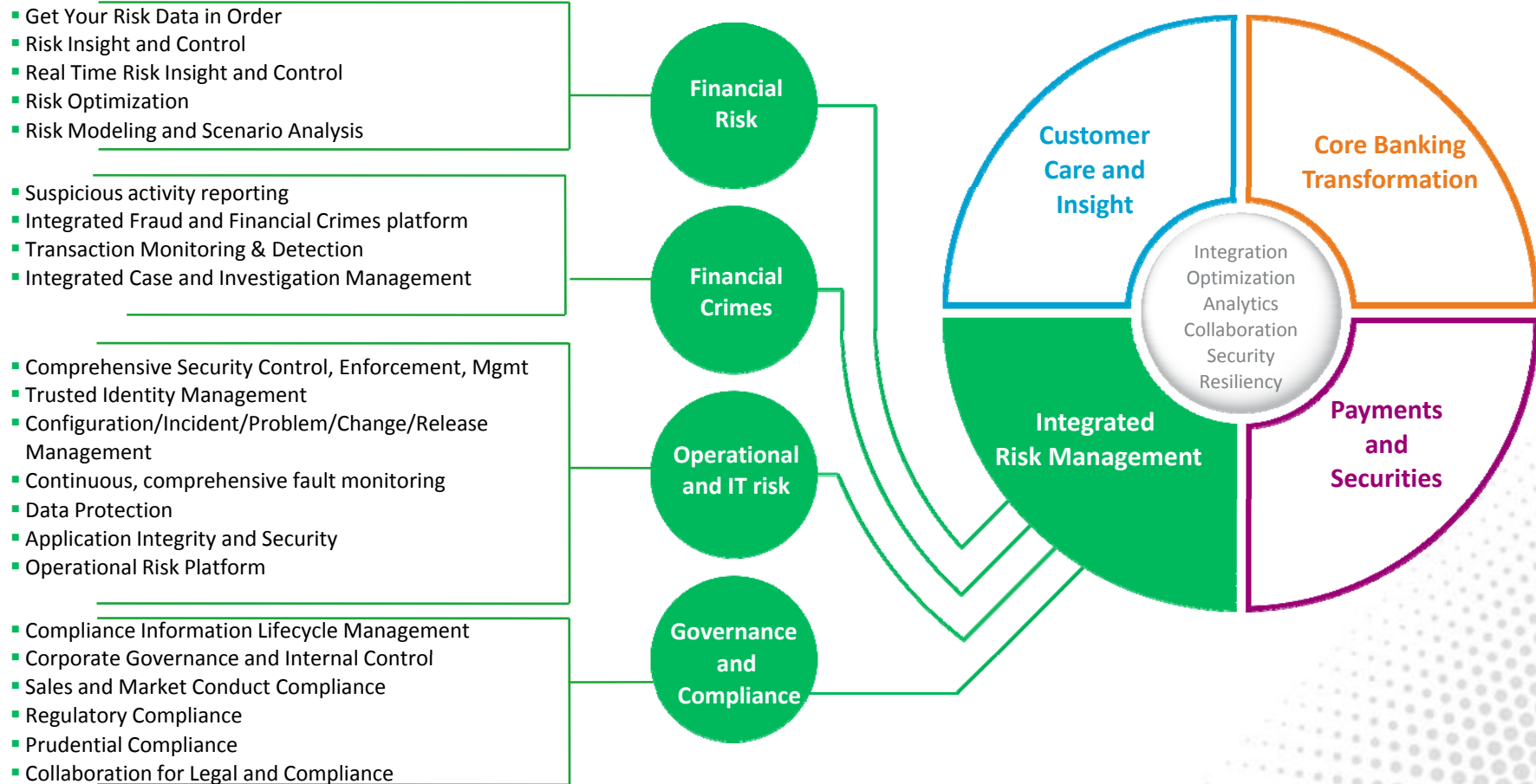
- Pre-defined data, process and policy models for enterprise planning, and financial management and control

...and more



# Integrated Risk Management

*Holistically manage risk across the enterprise*



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# Integrated Risk Management - Extensions and Accelerators



**COGNOS Banking Risk Performance – Credit Risk**

- Provides industry-leading credit risk insight with specialized templates to create executive dashboards and reports



**Entity Analytics and Global Name Recognition**

- Provides real time identity and relationship recognition and resolution



**COGNOS Finance & Integrated Risk Management (FIRM)**

- Consolidates credit / underwriting, market, and operational risk information into an enterprise-wide view



**IFW / BDW Process & Data Models**

- Risk-specific banking process and data models speed requirements definition and implementation



**COGNOS Risk Adjusted Profitability Blueprint**

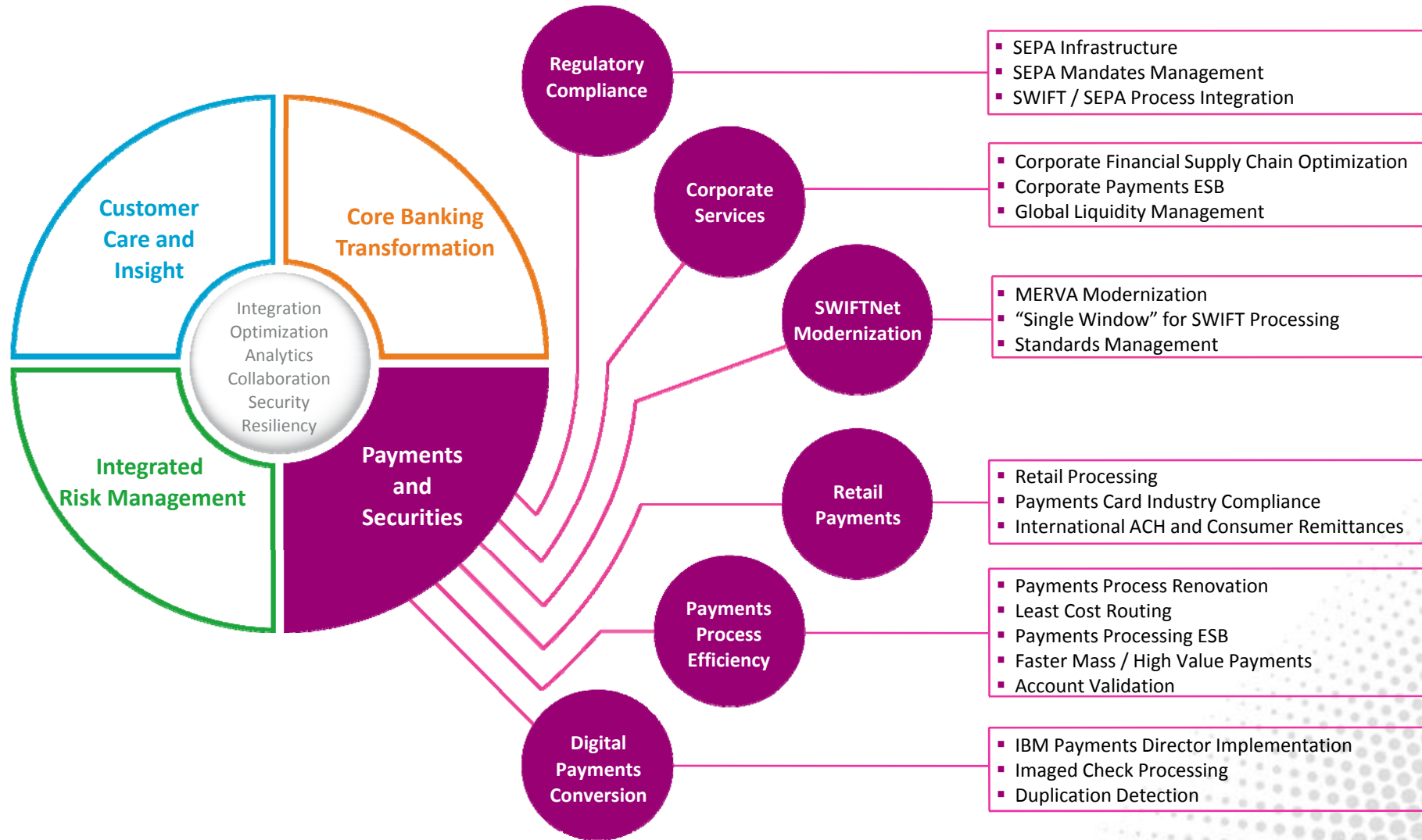
- Blueprint for integrating risk information with enterprise-wide, distributed profitability management



**IBM Service Management for IRM**

- Access and identity management, change management, and fault monitoring capabilities simplify audits for IT governance, risk and compliance regulations

# Payments & Securities Projects



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# Payments & Securities - Framework Extensions and Accelerators

**Enhanced!**

**WebSphere Business Integration for Financial Networks**

- Provides a single window to SWIFTNet services and reliable processing of high volume messages

**WTX Industry Packs**

- Enables data transformation to industry standards (e.g., NACHA, SWIFT, FIX)

**pureXML™ Payments Bundles**

- Provides efficient XML data management to industry standards (e.g., SWIFT, FIX, FpML, TWIST )

**WebSphere Banking Content Pack**

- SOA-based templates for faster development of payments business services

**Financial Transaction Manager**

- Assets for building an enterprise payments services bus that provides transaction-level visibility to payments

**IFW / BDW Process & Data Models**

- Common banking process and data models speed requirements definition and implementation

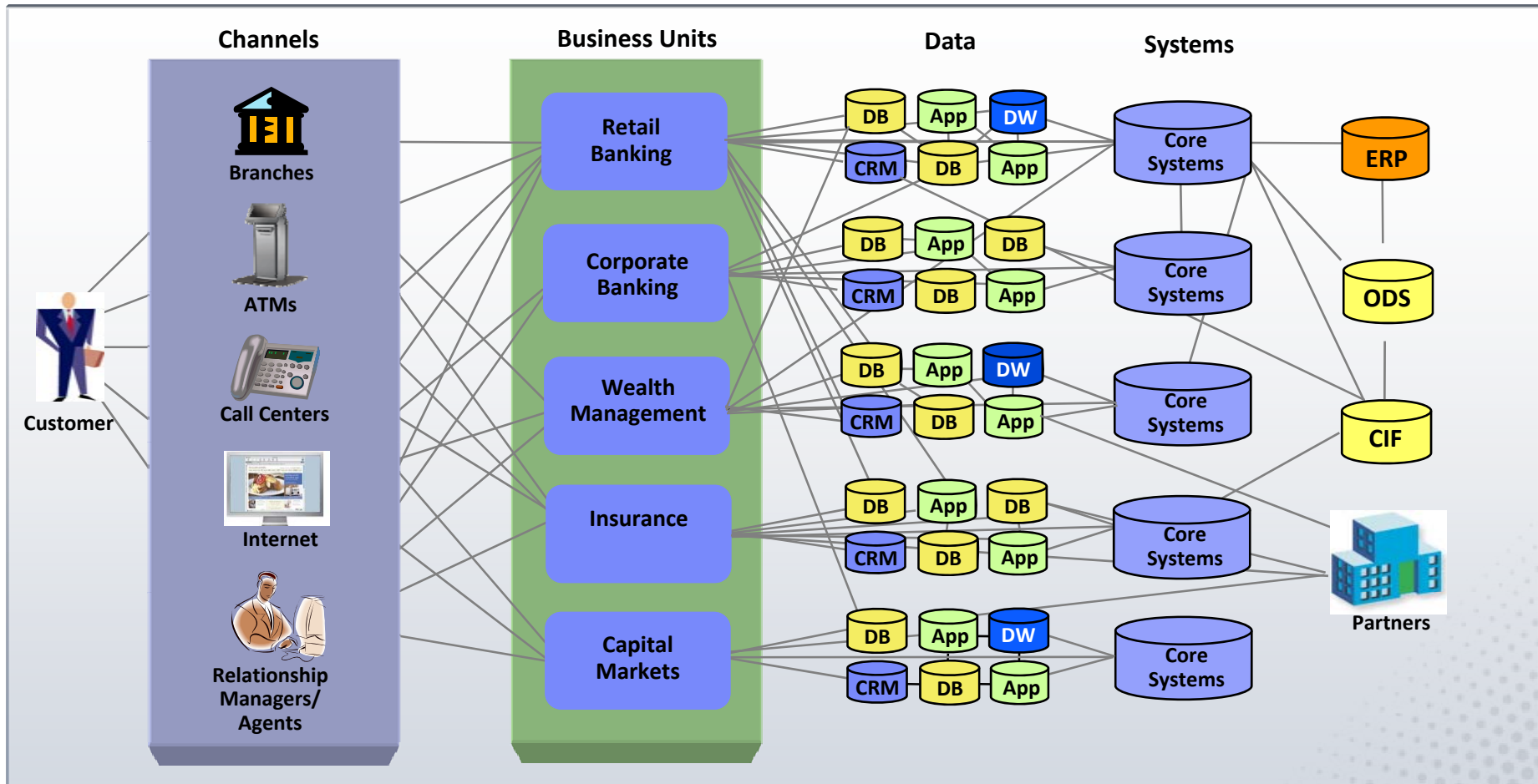
**Enhanced!**

**Corporate Payments Scenario**

- Best practice business and technical patterns for implementing a corporate payments solution

**...and more**

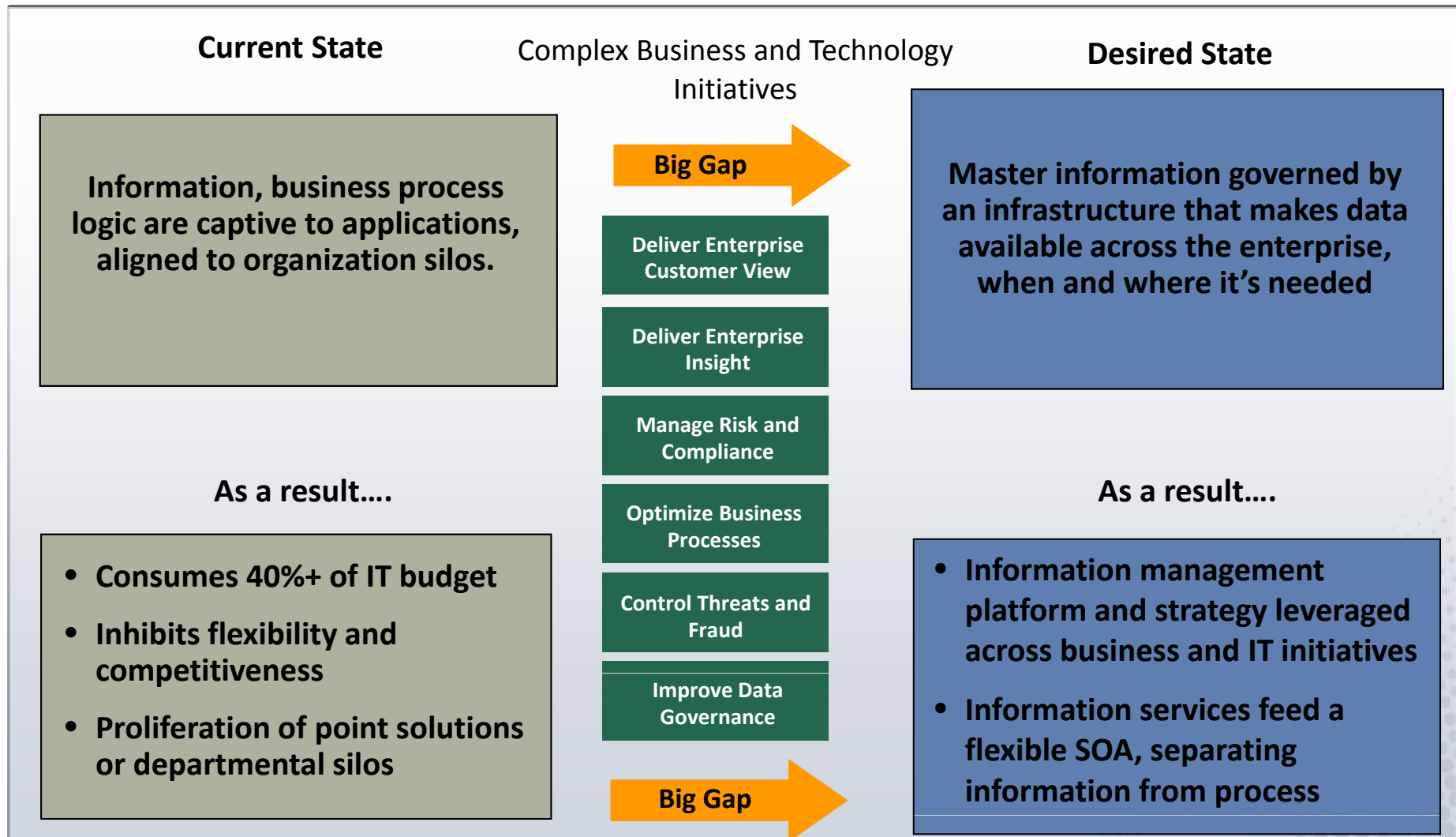
# Lack of Common landscape in financial services hinders innovation with information



- Inconsistent View of Customer
- Information Locked in Repositories
- No Single Version of the Truth
- Silos of Information
- Inconsistent Data
- Poor Channel Communication

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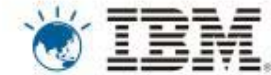
# The gap between today's capabilities and those needed in the future need to be addressed to create true competitive advantage



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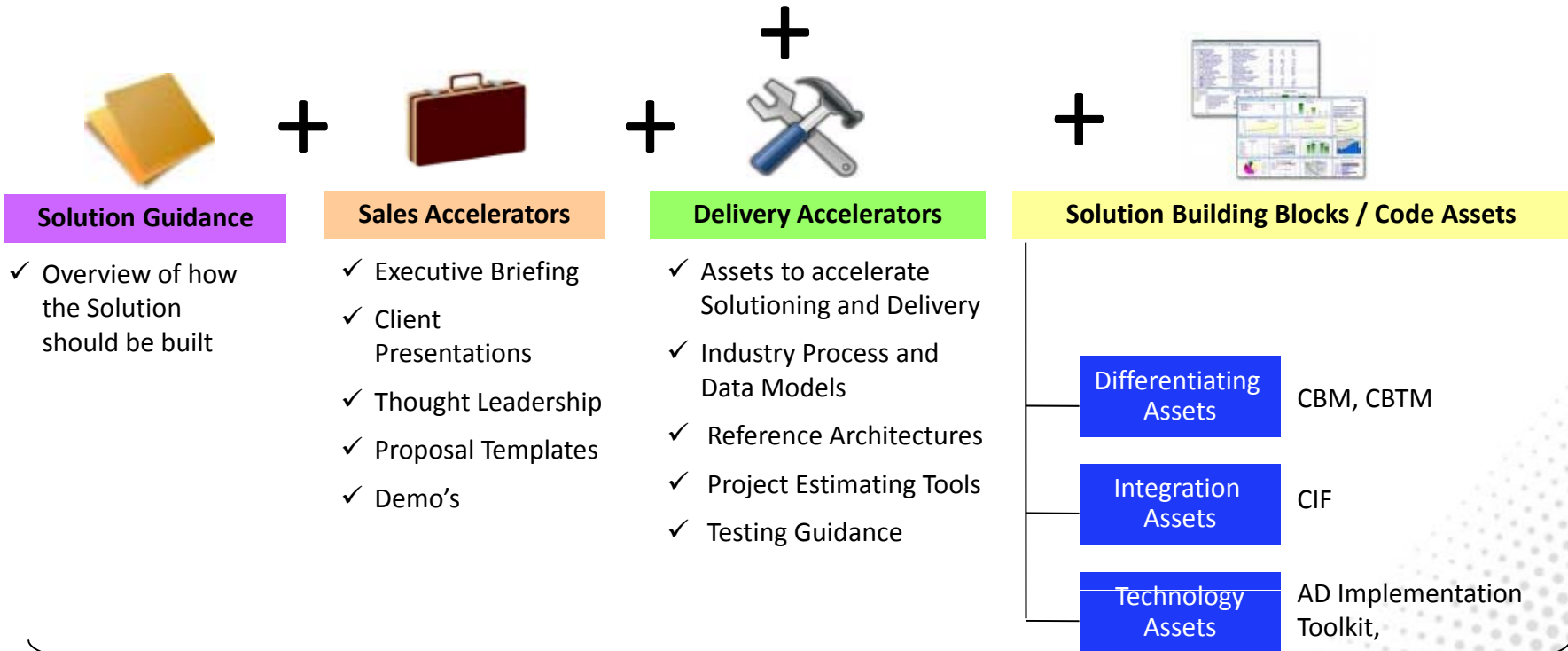


# IBM Brings a Variety of Capabilities to our Services Engagements



At a minimum, world-class consultants armed with Processes, Methods and Tools

*That can be augmented with any or all of*



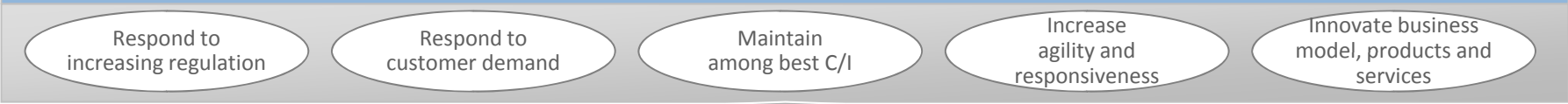
*Improved Revenue, Lower Cost, Optimised IT, Market Differentiation, Improved time to market*

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# IBM will use its capabilities, assets and client experiences supported by a strategic partnership relationship to help realize these benefits








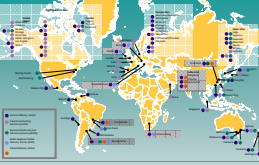
## Business Solutions needed to respond in an increasingly competitive and regulative landscape



## Our Solutions Offerings have been based on implementation with other industry leaders



## Based on Industry Frameworks & a mix of In-house and 3rd party assets

Insight	CBM	IFW/IIA	SOA Ref. Arch.	Assets	Service Mgt./Outs.
 <ul style="list-style-type: none"> <li>CEO and CIO studies</li> <li>Point of Views based on industry research</li> </ul>	 <ul style="list-style-type: none"> <li>Banking/Insurance competences &amp; capabilities</li> <li>Industry reference maps</li> </ul>	 <ul style="list-style-type: none"> <li>Functions, process, data and services models</li> <li>Data warehouse based on ISO20010</li> </ul>	 <ul style="list-style-type: none"> <li>Service oriented architectures</li> <li>Decoupling of applications and infrastructure</li> </ul>	 <ul style="list-style-type: none"> <li>IBM partners with all major ISV vendors</li> <li>IBM Websphere and hardware</li> </ul>	 <ul style="list-style-type: none"> <li>Global application and infrastructure services</li> <li>Global business process outsourcing</li> </ul>

## Supported by tailored Methodologies, Techniques & Tools

Management	Methods	Techniques	Tools
<ul style="list-style-type: none"> <li>Program management method</li> <li>WWPPM project management</li> <li>Business Case &amp; Value realization management</li> </ul>	<ul style="list-style-type: none"> <li>Strategy &amp; Change methods</li> <li>Custom delivery methods for Business and IT projects</li> <li>SOMA</li> </ul>	<ul style="list-style-type: none"> <li>Component Business modeling</li> <li>IFW Process modeling</li> <li>SOA modeling</li> </ul>	<ul style="list-style-type: none"> <li>Rational Portfolio Manager</li> <li>M&amp;A Accelerator</li> <li>Websphere process modeler</li> </ul>

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