
Survive and thrive with Digital Business Transformation for Banking



Atos

Trusted partner for your **Digital Journey**

Introduction

To not only survive but thrive amidst the large-scale disruption faced by the banking industry, large investments are being made in IT transformation.

Low interest rates, regulatory pressure to cut fees, growing competition from new 'digitally-native' entrants and the disintermediation of payment services as a result of the Payment Services Directive (PSD2), means that basic retail banking services are becoming less profitable. Cutting costs and looking for new ways to do business in a more efficient way are the only ways forward.

A rise in the baby boomer generation's affluence and the result of recent pensions reform have meant that wealth management and private banking are areas of emerging high growth. To service this set of customers, the big question is how to provide personal attention and tailored services cost-efficiently.

These shifts are significant, but they are creating a substantial opportunity for businesses that are open to transformation.

There is no doubt that this transformation demands a leap of faith. Hence it is imperative to have a partner that understands your complex requirements and can bring together the very best technology and innovation to meet these requirements.

At Atos, we take your technical challenges and work to turn them into opportunities. We help you to understand your customers better and power progress and innovation to get you ahead.

Our combined knowledge of digital transformation and the banking sector makes us the best partner to help you on your transformation journey.

What is driving the need for change?

Consumers are relying more and more on online services to manage their finances, in the same way they manage the rest of their lives. They see the benefits and have a willingness to engage but the services need to deliver on their promises and enable consumers to save valuable time.

Provision also needs to be made to deliver more complex financial advice cost-efficiently without losing customer confidence, which is achieved through personal interaction with a professional adviser.

Market dynamics are changing with the entry of new digitally-native entrants that are not burdened by legacy systems and ageing infrastructures. They are serving customers with greater speed and agility, and using digital services to create bespoke services at a much lower cost. Regulation is getting stricter. A single breach can invoke large fines and lead to loss of customer goodwill and risk to the brand.

There is an increasing need for banks to go beyond being 'always on'. They need

integrated business resilience that is intensively monitored and fully compliant. Even a minor interruption to services risks the reputation and trust of the business, leading to commercially negative consequences.

In this scenario, there is no option but to respond to these changes and use digital transformation to:

- Use customers insights to deliver a rich digital customer experience
- Remain relevant and compete with new, digitally-native entrants
- Reduce the cost of customer acquisition by digitally targeting customers and reducing the need for expensive and inefficient call centres and branches

- Meet the strict regulatory change initiatives and manage the associated risks
- Embrace regulatory change as a transformation opportunity and create new customer-focused business models
- Stay up and running continuously, as driven by customer and regulator needs
- Manage cyber and physical security risks and provide the highest levels of fraud protection
- Drive growth through cost reduction and improvements in operational efficiency
- Use innovative technology like Blockchain to reduce cost and increase efficiency.



Benefiting from the Atos way of digital transformation

We are committed to the banking industry and have the expertise and technology to deliver the digital transformation that is needed within the context of significant regulatory change, disintermediation and growing competitive threat from non-traditional banking institutions such as Apple, Google and Ripple.

We understand the needs of the new digital consumers and develop solutions that not only satisfy their requirements, but deliver real business benefits:

- Cost reduction
- Improved efficiencies
- Increased productivity
- Increased client retention
- Reduced cost of new customer acquisition

We use proven, high-tech market-leading technology to deliver these business benefits. We also work with partners, when required, to make sure that our customers get the best solution.

We simplify the complex

We address your technical challenges by implementing an end-to-end solution: from consultancy, to systems integration, through to fully managed services and outsourced IT.

We help you understand your customers better

We look at how your customers would like to interact with you and design your operations around this. We enable you to delight customers and drive loyalty and revenue yield.

We get you ahead by focusing on powering progress and innovation

We keep you ahead by bringing together our key business technology companies such as Worldline and Bull High Performance Computing along with our strategic and solution partners, including FinTechs, to deliver quality and focus and reduce risk and time-to-market.

We combine enterprise IT with banking-specific technology and platforms

We bring together our extensive experience in providing enterprise IT to some of the world's largest organisations along with banking-specific technology and platforms such as Worldline, our payments platform that removes complexity, reduces risk and cost and enables simple automated payments.



Why choose Atos?

1. Full service supplier:

We have the capability to manage the complete scope of implementation and service delivery. This reduces risk and the time to manage contracts and billing. We are vendor-agnostic, and work hand-in-hand with world-class organisations as well as SMEs.

2. End-to-end solutions:

We offer end-to-end solutions and can address the full scope of business, operational and technological change. This enables change to be introduced professionally, consistently and without disruption to your business or customers.

3. Peace of mind:

Working with a global, growing and financially strong organisation like Atos gives you peace of mind that we are the right partner for the long term, helping you mitigate the risk of working with multiple partners.

4. Our sector knowledge and expertise:

We understand and work across your sector, from banking, and life and pensions to insurance and savings, and operate within large government organisations such as NS&I. Our sector expertise spans Business Transformation Services, which creates new IT operating models and provides IT infrastructure services and application management.

5. Our partnership approach:

We believe in aligned objectives and working with our clients as partners. We work with clients to build long-lasting partnerships based on a comprehensive understanding of their businesses instead of just offering the lowest cost solutions.

6. We are leaders in digital innovation:

Innovation forms an integral part of Atos. We drive innovation through our scientific community, which has 135 members from many different Atos geographies, backgrounds and skills. Our UK Business Technology and Innovation Centre (BTIC) showcases live examples of over 90 solutions² in the areas of cloud computing,

Big Data, risk, compliance and regulatory reporting, amongst others. Our BTIC also has our legal and commercial teams available on hand to explore new business models.

7. Digital transformation capabilities:

We understand digital transformation and IT transformation enablement is at our core. We bring you the global Atos expertise and experience from across different industries. Also, we continuously look at the most innovative companies in the world to see how their methods can be applied to your business.

8. Culture and values:

Trust, service, transparency and accountability are our core values. We take ownership for delivering what we say we will. We put your mission, your vision, your values and your employees at the heart of everything we do.

9. Accountability and risk-sharing:

We hold ourselves accountable for the delivery of any business change or transformation programme. We also pride ourselves on the way in which we work with SME technology companies, including FinTech start-ups as a way of bringing the latest innovation and agile technology to you, without you taking on the risk and resources needed to deal with multiple SMEs.

Driving transformation at Aegon

Aegon is a global life insurance, pensions and asset management company. Aegon chose Atos as a proven digital transformation partner to rapidly deliver a seamless and intuitive customer journey while optimising key background systems.

As part of this programme, Atos achieved a seamless migration from Aegon's incumbent provider, on budget and on time, and with no impact to on-going business operations and performance. Atos established an inclusive culture of change within Aegon by using its proven people transition approach and gained the trust and confidence of employees. Atos also upskilled employees, creating new career opportunities. And most important, Customer Experience (CX) was put at the heart of the operation, including an on-site CX Lab and CX mindset training for employees.

We run more than

700
innovation sessions
every year

30 years'
experience in managing
transformations

We have over

120,000
technologists to manage complex IT
operations for customers

“Due to Atos, we are now 100% confident in the success of the IT integration, and our batch processing and online systems have performed flawlessly and reliably. Atos has behaved as a true partner and we look forward to our continued collaboration.”

- Board of Managing Directors and Executive Management Group Services IT, leading German bank¹

1. <https://atos.net/content/dam/global/your-business/atos-banking-brochure.pdf>

2. https://atos.net/wp-content/uploads/2016/06/2014-11-03_Atos_BTIC_External-brochure-1.compressed.pdf

How our solutions can help your transformation

Atos understands your complex requirements and brings together the very best technology and innovation to meet these requirements.

1. Technology solutions that reduce risk and simplify complex regulation

Payment Services Directive: We help you use PSD2 as an opportunity to transform your customers' business operations to compete and prosper from the regulation. Our range of related solutions include PSD2 business strategy and planning and API strategy, planning and implementation.

Fundamental Review of the Trading Book

We can provide a full portfolio of services to help you implement the end-to-end obligations of FRTB. Our cloud-based solution provides choice and flexibility within the individual components and is delivered faster, more cost-effectively and securely.

General Data Protection Regulation

We provide insight into your current data privacy practices and current levels of compliance. We then undertake a detailed analysis to see which areas can be further strengthened, and assess areas of good practice, mapped to the requirements of the GDPR.

Atos supports NS&I to achieve trust and compliance

Atos has upgraded NS&I's entire core banking platform and supporting IT infrastructure, supporting all 25 million NS&I customers, to mitigate emerging vulnerabilities as systems become end-of-life and security threats become more sophisticated. Furthermore, Atos is contracted to be compliant with all current and future FCA regulations and carries the risk for all losses associated with fraud, error or data loss.

2. Digital transformation solutions to enhance customer experience

Our solutions create seamless digital experiences, making it easy for you to provide tailored, personalised services delivered in a way that your customers demand. We combine Atos Codex - our data analytics platform - to transform insights into an understanding of what your customers want. Then we use our holistic Customer Experience (CX) practice to deliver high quality, innovative and cost-effective CX transformation solutions.

You also have the chance to experience the journey that your customers take at one of our laboratory facilities (Atos Customer Experience Lab).

Atos supports NS&I to become a truly customer-centric organisation

Atos deployed a major culture change programme, introducing new capabilities to capture customer insight and understanding, customer centric design involving both customers and front-line colleagues as well as a rapid test and learn ethos deploying change quickly into the operation in an agile way and iterating based on customer feedback.

This was supported by the creation of state-of-the-art Customer Experience (CX) labs to innovate and co-create new solutions. The staff closest to end customers were empowered to drive new ideas and innovation.; Atos has trained all of NS&I's staff including its Executive Committee in agile working to support the journey to a digital, customer centric business.

NS&I now has over 250,000 customers subscribed to its new Premium Bond mobile app, shifted 92% of sales to digital channels and won Best Customer Service in Banking and Finance at the 2016 Top 50 Contact Centres for Customer Service Awards. It has achieved a completely new online experience, that has been designed and tested with its customer base.

3. Cost reduction and rationalisation solutions

Our solutions help you make your operations leaner and more agile through the creation of an omni-channel architecture at the front-end, and middle and back office automation, using innovative technology including Robotic Process Automation and AI / Machine Learning.

- We reduce cost and help you meet regulatory requirements by automating complex manual processes and reducing the need for human input
- We make it easy for you to rationalise legacy infrastructure and migrate application and workflows into the cloud with our hybrid cloud service.

Atos supports NS&I to rationalise operations and reduce costs

On a 'like-for-like' basis, stripping out the impact of growth and inflation, the Atos contract is estimated to have contributed some £530 million in cost savings for NS&I

4. Empowering a cashless society through Atos Worldline

With Worldline, we create and operate digital platforms that handle all the transactions between a company, its partners and its customers. Our technological expertise covers the whole payment value chain, and millions of highly critical transactions run through our systems. The Worldline Service Portfolio includes:

- **Merchant services and terminals**
We provide merchant services and terminals for around 100,000 merchants.
- **Financial processing and software licensing**
We provide financial processing and software licensing to over 250 banks.
- **Mobility and e-transactional services**
We provide mobility and eTransactional services to governments and other industries.

3. <https://atos.net/wp-content/uploads/2016/06/atos-nsi-achieving-business-transformation-case-study.pdf>

4. Atos Codex is the family of Atos analytics assets, capabilities and skills and includes the Atos Codex high-performance analytics platform together with Atos's Advanced Analytics Consulting and its technology development, and delivery methodologies and services.

5. Turning data into actionable business insights with Atos Codex

Data is the new currency, but it only becomes meaningful if it can be turned into business insights that you can use. Atos Codex⁴, our market-leading analytics platform looks at what insights we are getting from customers, how you are interacting with customers and how all that data can be linked back into delivering a better service.

Through the combined power of Atos Codex and our partners including Microsoft and Dell EMC, we deliver flexible and scalable solutions which provide:

- Reduced risk through improved insight

- World-class security to reassure your customers and meet regulatory and compliance needs
- Optimised operating costs and operational efficiencies
- Real business insights into what drives your business performance
- Ability to continuously improve outcomes through predictive analytics models
- Sharper, outcome-driven decision making

Atos has been positioned as a Visionary in Gartner's Magic Quadrant for Business Analytics Services, Worldwide

We have 4,000+ analytics, cognitive and IoT experts who deployed 100+ Atos Codex engagements in 2016.

6. Protecting your business systems and data with cutting-edge security

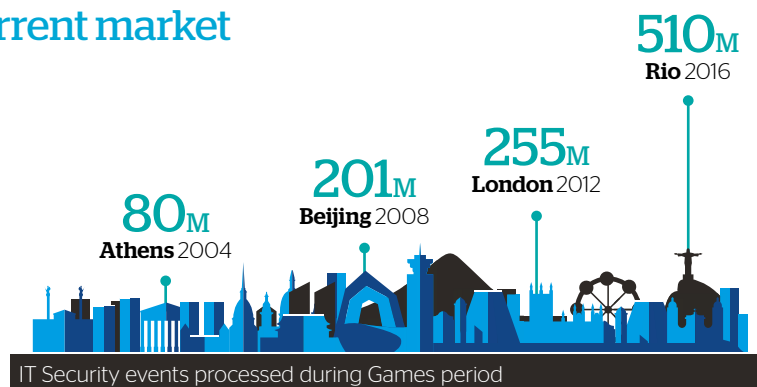
Our cutting-edge security solutions underpin everything we do, to protect you from the increased threat of security and confidentiality breaches.

Our security solutions include cyber risk management, cyber security advisory, cyber operations, digital identity and access control and cyber intelligence.

Our employees have the right level of security clearance required by your business. We have 4,500 security experts and eight 24x7 Security Operation Centres worldwide to protect personal and financial customer data as well as business-critical systems from cyber-attacks or fraud.

We bring experience from managing the cyber security from the Olympic Games and the infographic below shows our security performance at the Rio Olympics in numbers⁵.

Rio 2016 Cyber security trends in the current market



83%
of financial institutions suffer over 50 attacks per month

Ponemon Institute

\$445B
annual cost of cyber-crime

Intel Security Study

44%
of retailers suffer over 50 attacks per month

Ponemon Institute

\$7.7M
average cost of a security breach

Ponemon Institute

50%
of CEOs do not feel prepared for a cyber-attack

KPMG Study

718M
leaked data records in 2015

IT Governance UK

80%
of CIOs feel unprepared to comply with new Data Protection Regulation

IT Governance

36%
increase in cyber-attacks targeting IoT devices

PWC Survey

24%
recorded increase in security budgets in 2015

PWC Survey

205
days on average before a breach is detected

Mandiant Report

5. <https://atos.net/en/olympic-games/what-we-can-do-for-you/cyber-security>

About Atos

Atos is a global leader in digital transformation with 120,000 employees in 73 countries and annual revenue of € 13 billion. European number one in Cloud, Cybersecurity and High-Performance Computing, the Group provides end-to-end Orchestrated Hybrid Cloud, Big Data, Business Applications and Digital Workplace solutions through its Digital Transformation Factory, as well as transactional services through Worldline, the European leader in the payment industry. With its cutting-edge technologies and industry knowledge, Atos supports the digital transformation of its clients across all business sectors. The Group is the Worldwide Information Technology Partner for the Olympic & Paralympic Games and operates under the brands Atos, Atos Syntel, Unify and Worldline. Atos is listed on the CAC40 Paris stock index

Find out more about us
atos.net

Let's start a discussion together



To find out more and get in touch with us, go to
<https://atos.net/en/industries/banking>

or contact
Michael Davison
on 0800 783 3040

Atos, the Atos logo, Atos Syntel, Unify, and Worldline are registered trademarks of the Atos group. October 2018. © 2018 Atos. Confidential information owned by Atos, to be used by the recipient only. This document, or any part of it, may not be reproduced, copied, circulated and/or distributed nor quoted without prior written approval from Atos.