



HP's Strategy in the Financial Services Industries

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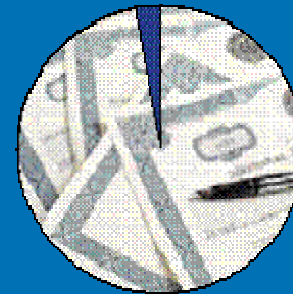
Agenda

- HP in FSI today
- HP FSI strategy
- Solutions
- HP Successes in FSI



HP in Financial Services

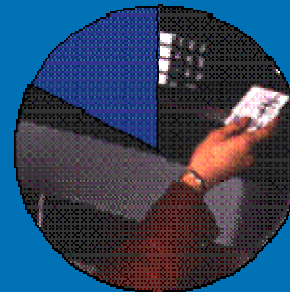
- Powers 130+ exchanges, including 18 of the world's largest
- Supports 95% of the world's exchange transactions
- HP is a leader in handling card transactions and electronic funds transfers
- Leading player in retail banking delivery channels and core banking



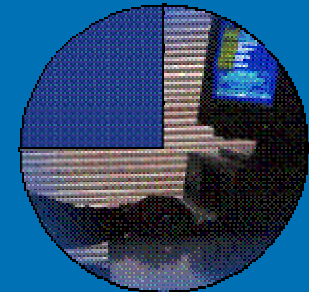
securities
transactions



credit card
transactions



ATM
transactions



EFT
networks



HP FSI Strategy

HP's FSI strategy is a focused response to four overarching business priorities



Customer:	Improving the quality of customer service delivery by upgrading and integrating delivery channel applications and enhancing CRM capabilities
Cost:	Continuous efforts to cut costs and improve process efficiency and effectiveness across the enterprise
Control and Compliance:	Meeting new and existing standards of regulatory requirements and risk management
Competency:	The ability to shift assets, operating expenses, people and/or processes to external providers through selective outsourcing or off-shoring

The HP Financial Services Industries strategy



- Leverage HP's industry knowledge and experience to capture the opportunities of a more digital, mobile, virtual and personal world in the industry segments and customers we choose to serve
- Apply the design principles of the Adaptive Enterprise to architect, build and deliver industry frameworks that help our customers maximize innovation and the realize the benefits of open, industry standard technologies

HP assets and capabilities in FSI



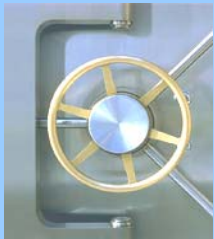
- HP FSI Worldwide Team
- HP Labs and Innovation Centers
- HP FSI Board of Advisors
- Industry solution architecture, components, frameworks, and methodology
 - OpenBank; OpenPayments
- HP's internal corporate experience and initiatives



HP FSI Solutions



HP's Banking Solution Portfolio



Core Banking

- Infrastructure & Services
- **ISV applications**
- ERP/BI
- **Oracle & BEA**

Customers

Bank of India
Bank of Baroda
Bank of Shanghai



OpenBank

- **SOA**
- **Multi-channel**
- Sales/Service
- **Information & application integration**

Customers

Bank of Baroda
CKWB



Branch

- **Branch in a box**
- **Next gen. client computing**
- ISV apps.
- **BPDM**

Customers

BofA
Citizens



OpenPayments

- **ATM & POS rationalization**
- Compliance & Fraud
- **Payments Hub**

Customers

Toronto Dominion
Wells Fargo
Barclays
CitiBank



OpenMarkets

- **Trading floor**
- **Compliance**

Customers

Reuters
WestLB
CSFB
ABN-Amro

Fidelity

Legend for Differentiation

HP - IP=Red

HP + Partner IP = Yellow

Core Banking - Business and IT needs

• **Business**

- Flexibility and time to market for new products and services
- customer centric service delivery across multiple channels
- customer management and intelligence
- comprehensive portfolio of universal banking transaction processing support
- Real-time
- Maintain service levels and branding across offerings

Technology Needs

- An open systems environment
- Flexible
- Highly available and scalable
- An implementation partner to provide the full range of services
- A secure environment
- End-to-End Manageability
- A strong and robust development platform
- Lowest TCO

HP in Core Banking

- Experience and Expertise
- Full range of services
- Leading partner application portfolio
- Leading Technology Platform
 - Superdome
 - Itanium
- Highest Availability
- HP Manageability software suite
- Technology Partners
 - Oracle, BEA, Cisco

- Industry leading performance

- Iflex 7,398 tps
- Finacle 11,180 tps
- FNS 1,720 tps
- Temenos 2,153 tps
- Sanchez Profile 990 tps



Why HP

- Experience and Expertise
 - Services
- Banco Azteca Mexico
 - Banco de Chile
 - Banco Penta Chile
 - BCSC – Fundación Social Colombia
 - Banco Agrario Colombia
 - Fondo Común Venezuela
 - Banco Pichincha Ecuador
 - Produbanco Ecuador
 - Banco Bolivariano Ecuador
 - Banco Cuscatlan Central America
 - Agricultural Bank China
 - Bank of Baroda
 - Bank of India
 - Bank of Shanghai
 - Bank of England UK
 - Citibank
 - Elektra Bank Mexico
 - MKB Hungary
 - Rurale Informatica Portugal
 - State Bank of India
 - Taishin Bank Taiwan
 - Ulster Bank UK

Getting the Customer Experience right:

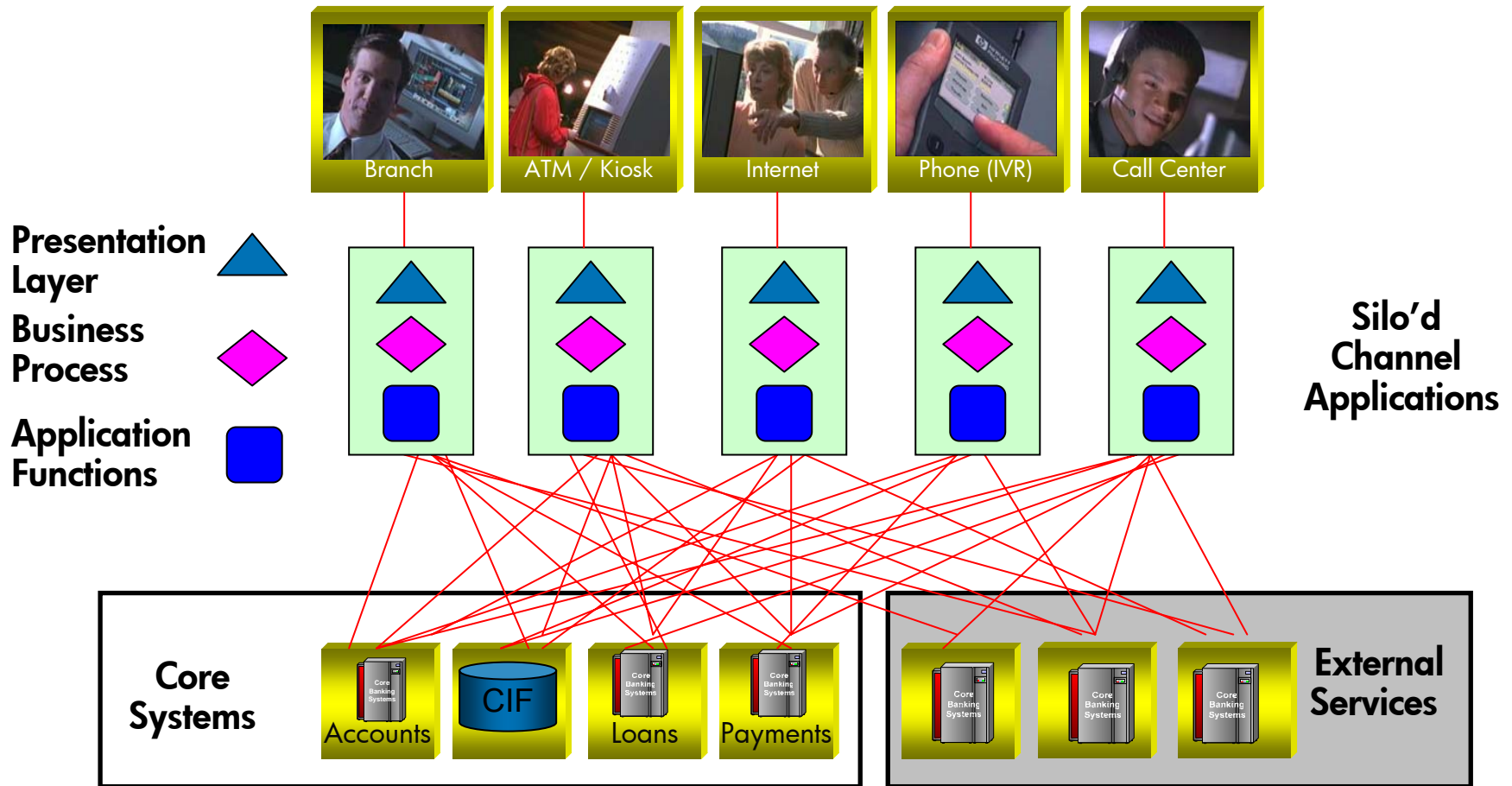
HP's Answer: OpenBank Multi-Channel Delivery blueprint



Where are we today ?

- Delivery channels and lines of business are silo'd
- Disparate business processes
- Customers are more knowledgeable, demanding and less loyal
- Time to market is a driver
- Increasing regulatory requirements
- Customer technology adoption
- Operational efficiency

Today's Customer facing Environment: *IT is the inhibitor: Complex, Inflexible*

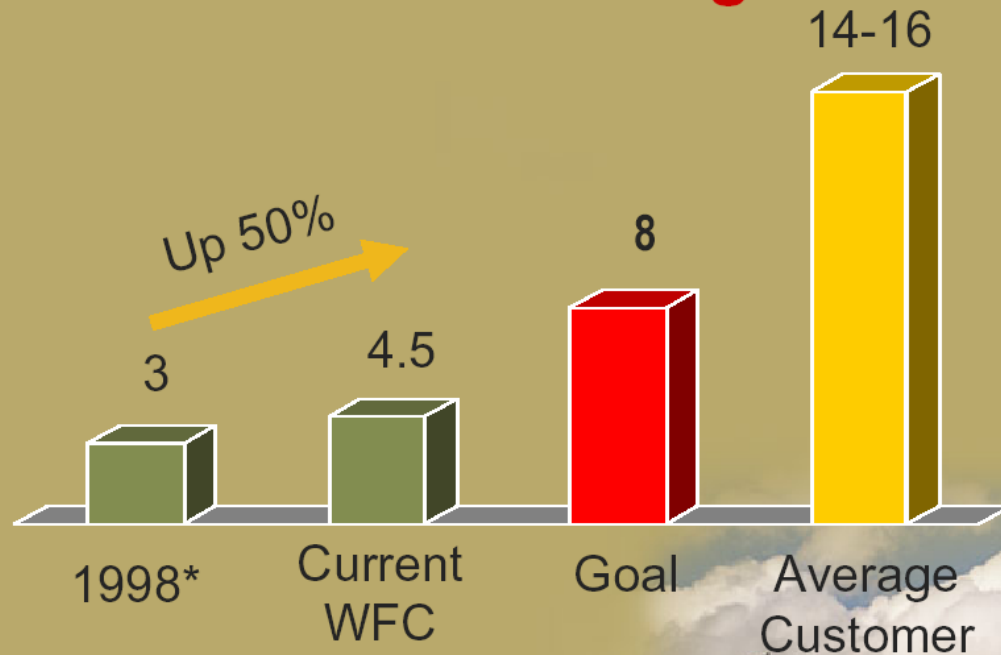


Expanding the relationship is the goal



Consumer Cross-sell goal

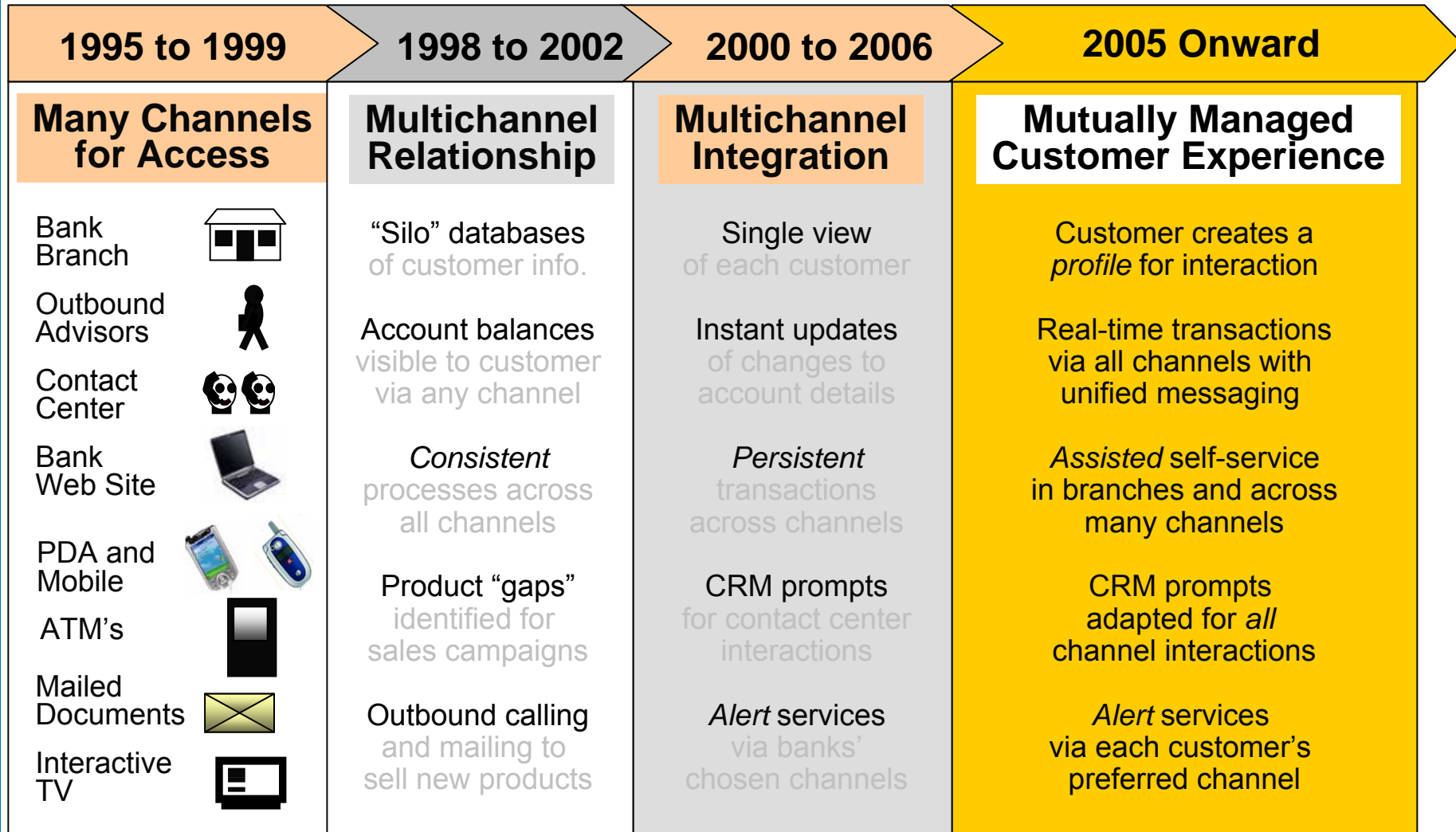
WELLS FARGO



10 * Norwest only as of 1998

“We have achieved double-digit growth during this recession because 80% of our growth comes from selling more products to our existing customers”

Evolution of Channel Strategies in Banking according to Gartner

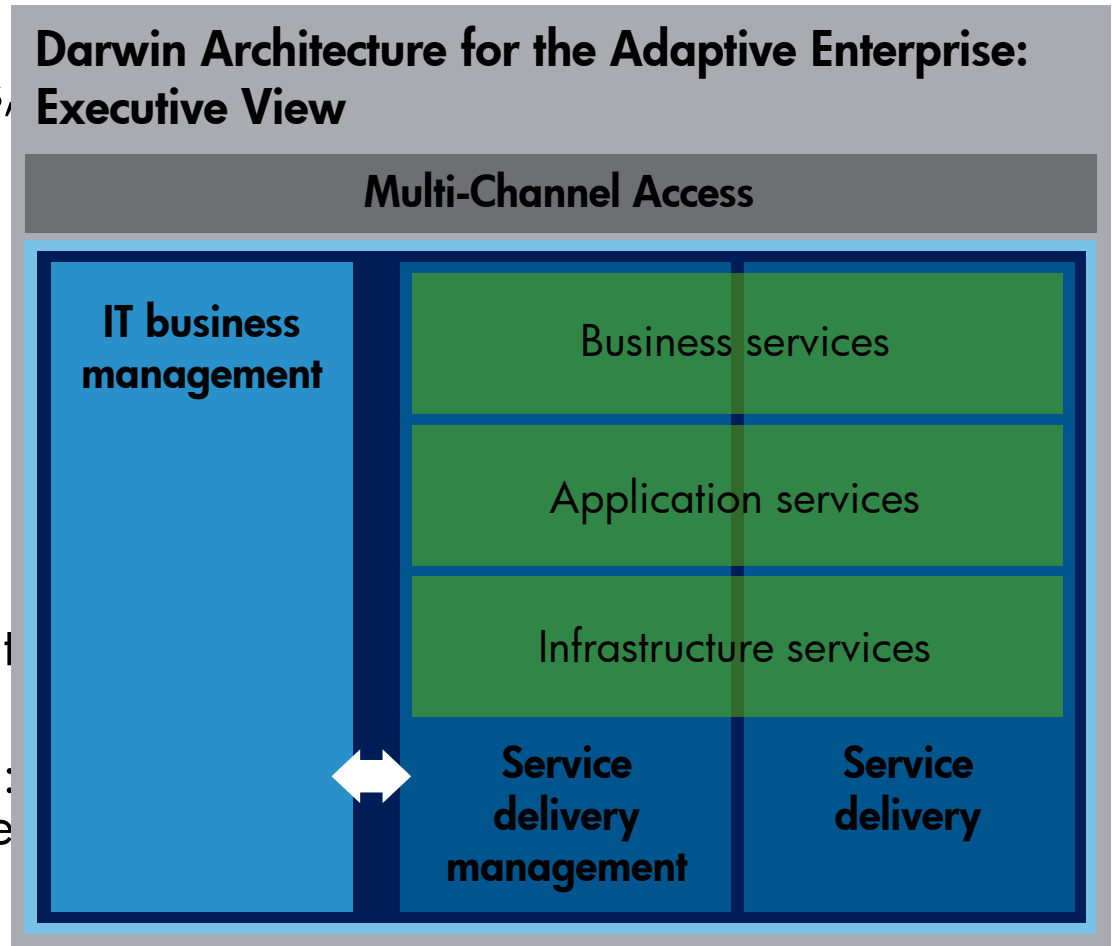


HP OpenBank - Goals

- Improve total customer experience
- Consistent real-time view of customer
- Enhance sales & advisory capabilities
- Reduction in time to market for products and services
- Improve fraud detection and compliance across the enterprise
- Real-time visibility into key business events and performance indicators
- Rapid development, integration and deployment
- Enables phased replacement of Core Banking systems and reduces operational costs

HP OpenBank RTFS is an implementation of the Adaptive Enterprise

- Key design principles consistently across business, application, infrastructure
 - Simplification
 - Standardization
 - Modularity
 - Integration
- Build around “service” as the unit of modularity
- functional and management perspectives
- Leverage three design rules: service-oriented architecture (SOA), virtualization and model-driven automation



What is OpenBank:

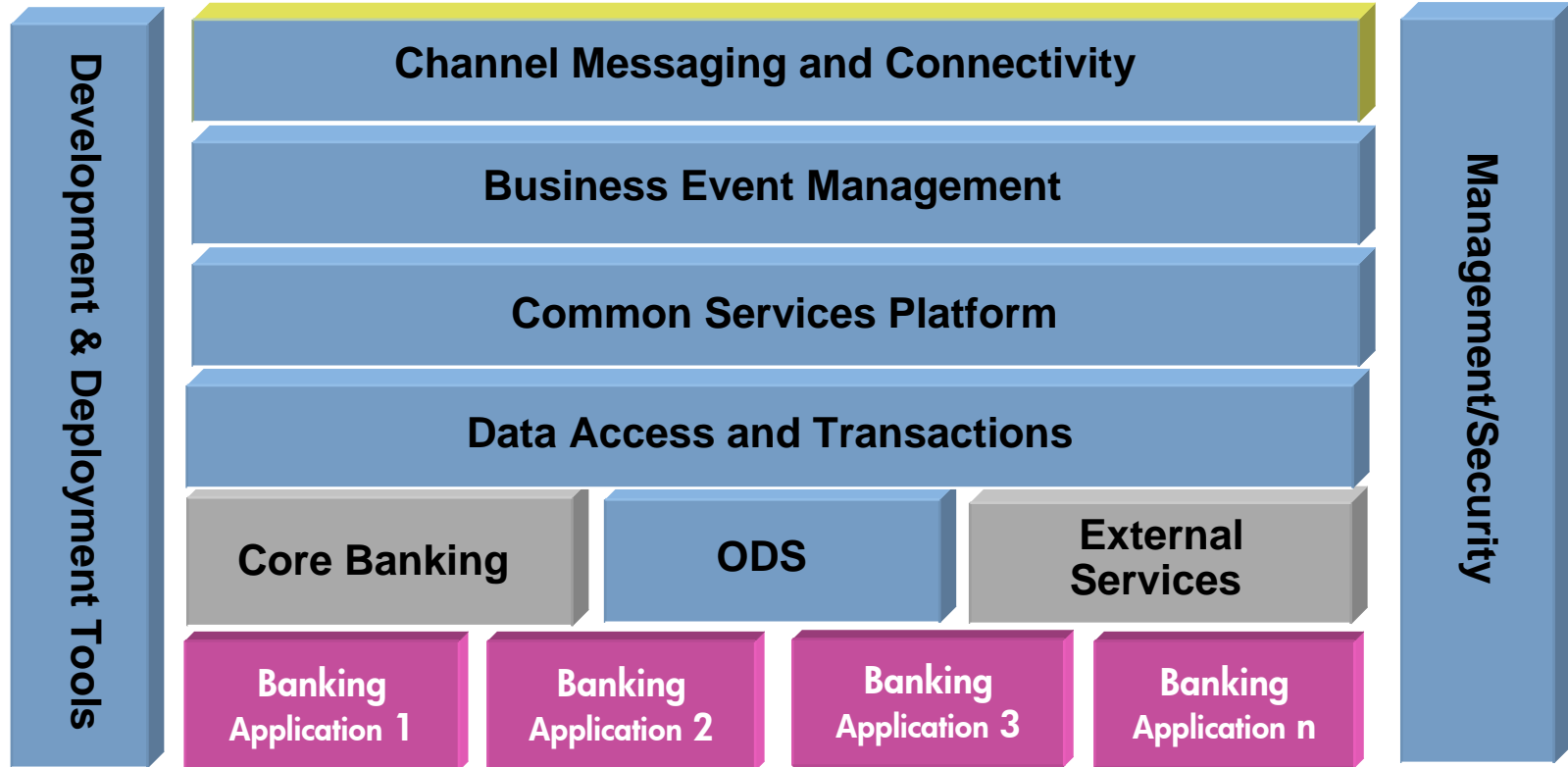
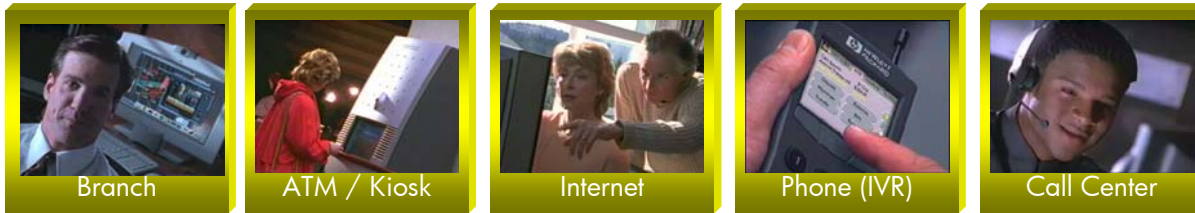
- A Service Oriented reference Architecture (SOA)
- A pre-integrated solution, infrastructure stack and tools based on J2EE and Microsoft .Net technologies and HP's adaptive enterprise for channel application integration that:
 - Supports The Channel Applications The Customer Has Today
 - Allows the customer to select from multiple industry standards
 - Supports and pre-certifies the industry-leading ISV applications
 - Reduces time-to-solution and risk
- Integration technology, adapters and for user interface, application and data integration
- An integration infrastructure based on the latest HP technologies (Itanium2, Blade Servers, Adaptive Management, NonStop, Windows, Linux, Unix)

HP OpenBank RTFS

High-Level reference architecture



Channel Applications

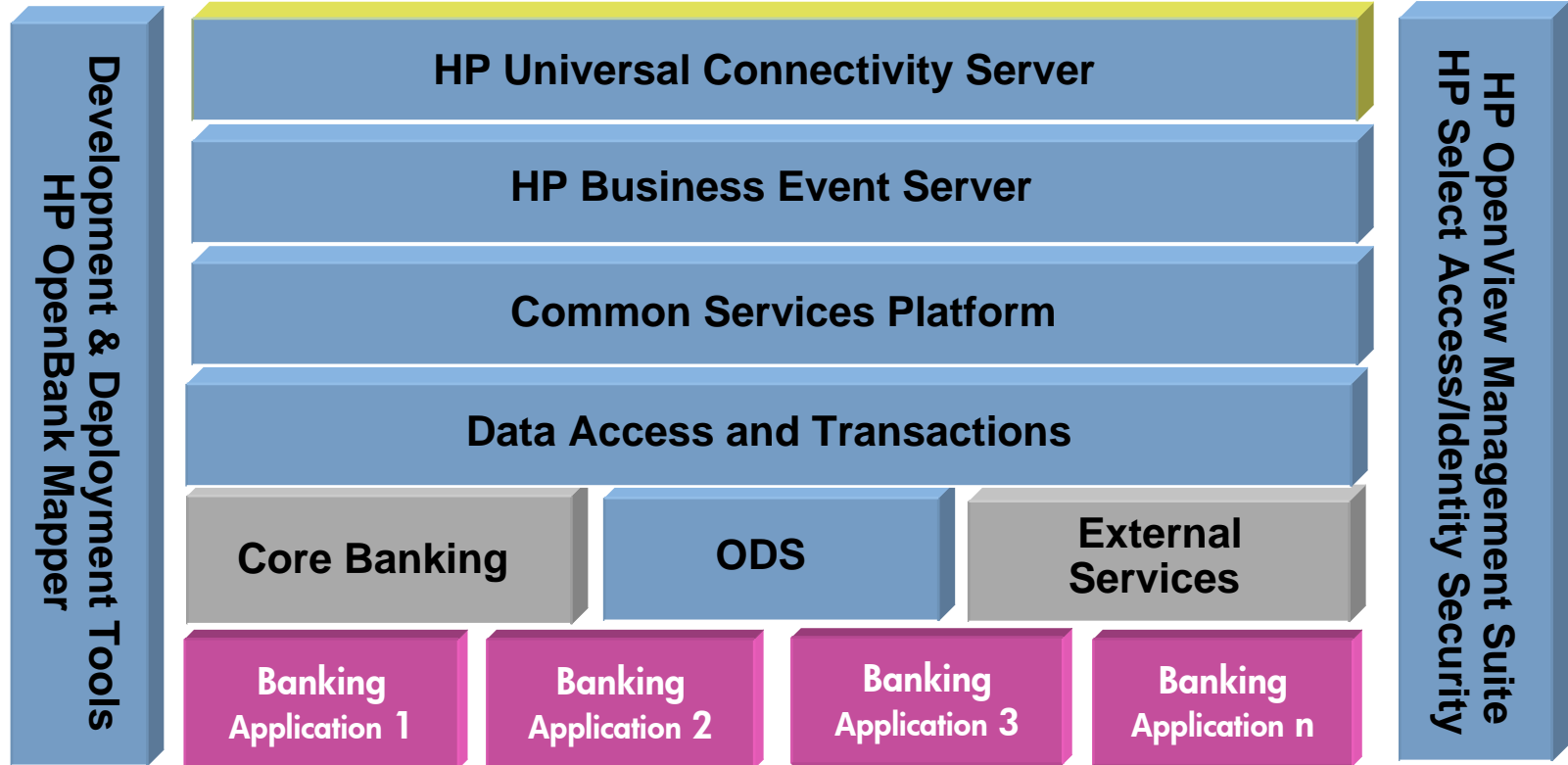


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restricted

High level Reference Architecture Functional View



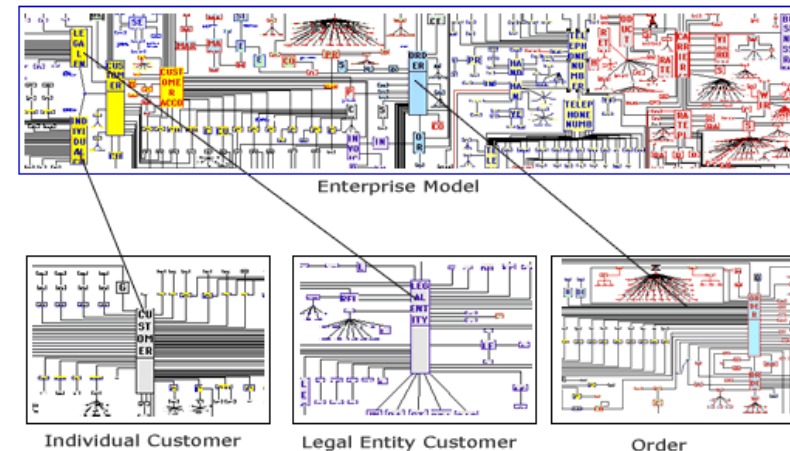
Channel Applications



Legend = HP IP
restricted

Information Model

- Logical model for retail banking comprising of:
 - An **Enterprise Data Model** which is fully attributed, documented with 550 entities and 2100 attributes
 - Sets of Business Area Models which provides detailed treatment of specific sections of the Enterprise model typically containing 150 and 250 entities
 - Resulting in total counts for the set of about 4,100 entities and 19,000 attributes



OpenBank RTFS: Examples of enabling Innovation



- Channel Innovation: Enabling seamless end-to-end processes across a multi-discipline value-chain
- Service Innovation: Enabling customer centric portfolio pricing model(s) based on product, service, channel usage and customer status
- Product innovation: Ability to rapidly create, compose, aggregated products and services without impacting change(s) to Back-office (insulate)

OpenBank RTFS: Examples of Improving Key Customer Processes



- Acquisition: Improve key sales process by providing real-time customer insight to sell the right product at the right time regardless of touchpoint
- Enrollment: Improve key process for Account opening and management, Lending/ origination to reduce costs and improve customer satisfaction
- Servicing: Profile driven, enabling account servicing with a seamless single customer view of all customer interactions across multiple touchpoints
- Transactions: Single, accurate real-time view e.g. Consumer Payments, deployed as “Enterprise Payments Service” for ATM, Branch, Web.....reducing costs, fraud, improving availability

Business benefits of improving the Total Customer Experience with Hp

- Improved Customer Servicing
 - Ensure consistent real-time customer view, experience & offers
 - Enables channel collaboration and transition
 - Ability to define, automate and modify common front office business processes.
- Rapid creation of Products & Services
 - New “bank products” by aggregating and composing banking products.
 - Reduction in time to market for new products, services and functionality
- Operational Efficiency
 - Reduce development, integration, deployment and operational costs
 - Cost efficiency through consolidation and elimination of replicated Business applications, customer information and IT infrastructure across channels
 - Near real-time visibility into key business events and performance indicators



Thank you

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