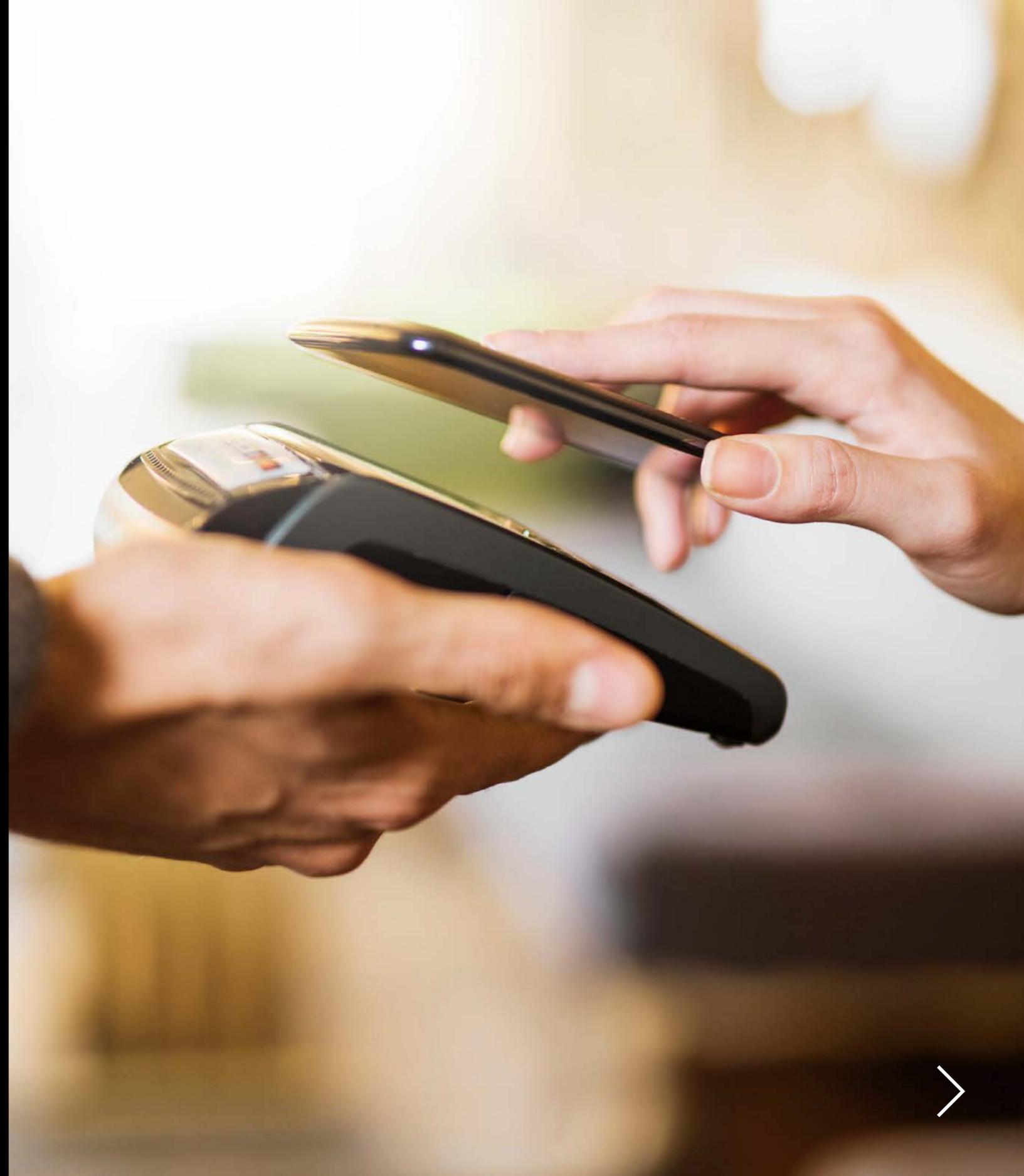


Creating a smarter future with Enterprise Intelligence

Verizon's vision for banks in ANZ

verizon^v



Navigating threats and opportunities

The outlook for the banking sector

While the fusion of technology and finance is driving an era of innovation for banks in Asia Pacific (APAC), it is also creating new challenges. In this report, we'll dive into some of the biggest trends in the APAC banking industry.

Open Banking has created new avenues for collaboration, redefined data sharing, and empowered customers with greater control over their financial information. At the same time, real-time payment adoption has gained momentum, revolutionising the payment landscape with instantaneous transactions. All of this bodes well for customer experiences—but also creates new cyber threats, which are constantly evolving and demanding higher security standards from banks.

Balancing all of these imperatives is difficult but necessary for today's banking leaders. Take a look through this industry report to find out how Enterprise Intelligence can help banks to respond and thrive.



4 in 5 APAC banks increased their technology budgets in 2023, with security and data transformation as key investment areas. Of those, 14.8% signalled that they would increase their budgets by 20% or more.¹



The potential of Open Banking

Open Banking is here to stay, with 90% of APAC banks already taking advantage of the technology. A significant segment of banking leaders are looking at the potential of Open Banking to improve customer satisfaction (50%), launch commoditised products (40%), help comply with regulatory requirements (50%) and lower operational costs (30%).²



The growth of real-time payments

Real-time payments (RTP) adoption is rapidly increasing among APAC consumers, thanks to advanced, user-friendly services and features such as QR-code payments and mobile-native experiences. 8 of the top 10 countries in mobile wallet adoption are in APAC, with transaction volumes expected to grow from 49.2 billion in 2022 to 96.2 billion by 2027.³



The battle for customer loyalty

Financial optimism is extremely low, with fewer consumers than ever saying their families will be better off in five years in 24 of 28 major economies. It's a critical time to reimagine customer experience (CX)—banks who can provide the best support, flexibility and intuitive services are more likely to earn trust and loyalty.

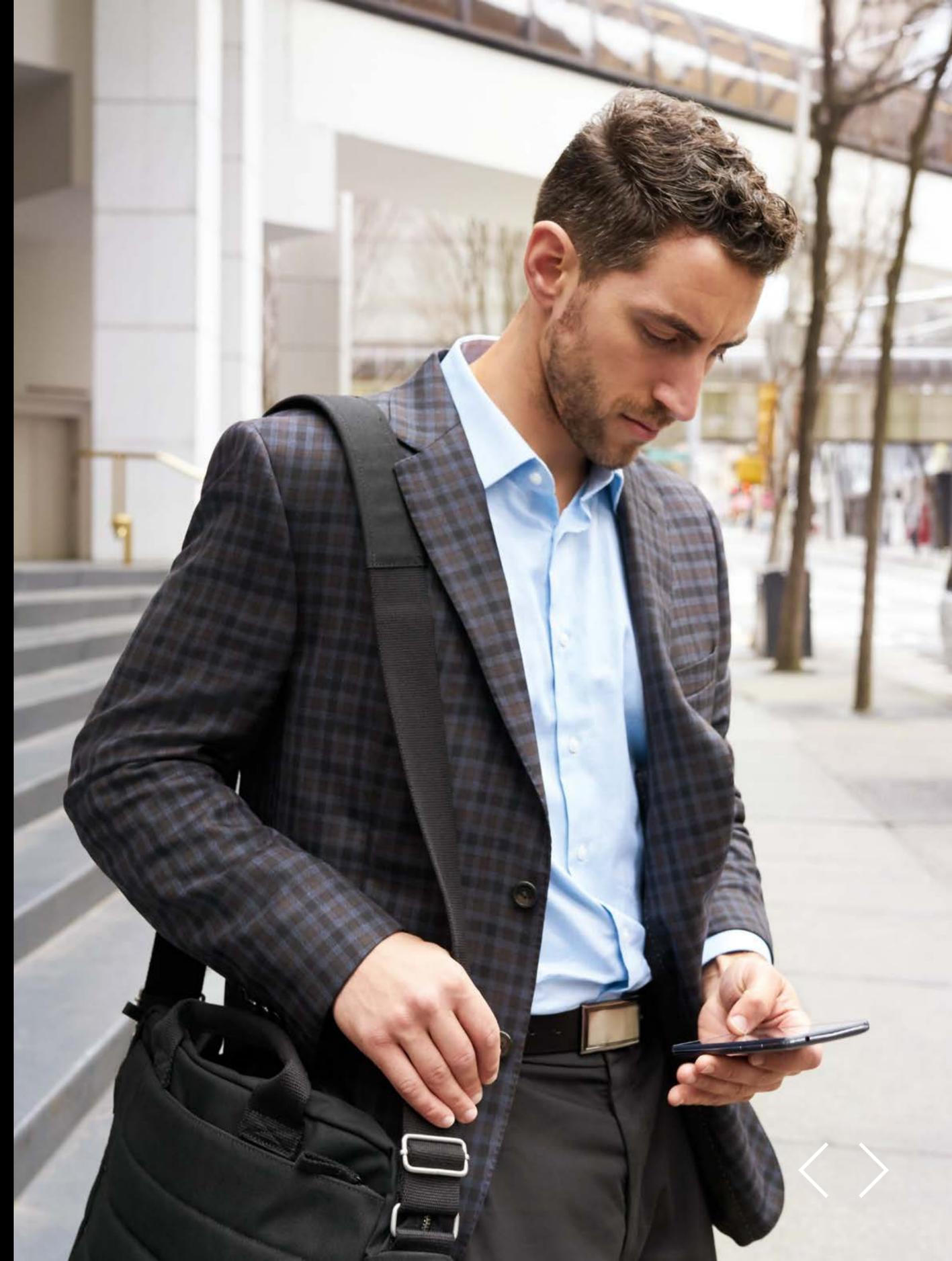


Spotlight: Payment Card Industry (PCI) updated standards

With the PCI set to revise their Data Security Standard (DSS) in early 2024, there are a raft of new, incoming requirements for payment providers. This update marks the most significant change since 2004, impacting all organisations handling cardholder data, from e-commerce to the public sector. For banks in APAC, it's highly advisable to get ahead of the changes to PCI DSS as soon as possible, to maintain your competitive edge and legislative compliance.

You can find out more about PCI DSS and how banks can respond to the changes in Verizon's 2023 Payments Security Report.

[Read the report](#)



Challenges of today

The APAC banking sector is operating against a backdrop of global economic uncertainty, among other challenges. But although inflation, cybersecurity, regulation and increasing competition are perpetual concerns, there is no reason banks can't thrive in this environment—as long as they are aware of the risks and building a robust infrastructure to stay on top of them.

Threat landscape

31% of all global cyber attacks in 2022 occurred in APAC, making it the most targeted region. Financial services was the second most attacked sector, with 91% of all attacks targeting Japan. Effective cyber defence therefore continues to be a competitive advantage—86% of cyber decision-makers agreed that their focus on cyber security initiatives has made a significant, positive contribution to organisational success.⁶

Internet of Things (IoT) is the new frontier

Cybersecurity for connected devices continues to remain a top concern in APAC. 52% of organisations feel that they are at high risk from cybersecurity threats in this area. However, 90% of these organisations across Southeast Asia are still confident in their adopted security measures.⁷

Smarter criminals

When a supply attack turned the popular 3CX phone service application into a trojan, it became clear that the level of sophistication in attacks was rapidly increasing. The democratisation of malware is also in full swing, with recorded incidents of threat actors using ChatGPT to generate code designed to help less-skilled actors launch cyberattacks with ease.⁸

Tighter regulation

Last year's Medibank and Optus data breaches in ANZ triggered a steep increase in the financial penalties for companies that fail to safeguard data effectively—up from AU\$2.2m to AU\$50m (or 30% turnover). Along with other legislative changes across the region and the impact of cyber breaches on brands and customer retention, this financial liability is likely behind the predicted 16.7% increase in security spending for the APAC region in 2023, forecasted to reach US\$55 billion by 2026.⁹



Industry benchmarks: How do you compare?

Despite global economic uncertainty over the last few years, investment throughout the APAC region has continued to grow in 2023. This is particularly critical in banking, where the market has grown more competitive thanks to emerging FinTech disruption and heightened customer expectations.

APAC leaders are also much more optimistic about growth than other regions and understand the vital role technology will play in realising opportunities.

83.2% of APAC banks plan to increase their technology budgets.

14.8% signal they will increase budgets by 20% or more.

Security and data transformation were key priorities for driving investments in 2023:

80.4% plan to invest in security, identity and access management.

68.4% plan to invest in big data and analytics.

68.4% plan to invest in AI & machine learning.



Verizon: We'll build a solution for you.

Verizon can help make your vision of a smart banking future a reality, faster. As your transformation partner, we'll co-create a banking environment that is connected, efficient, safe and secure.



How we do it...



Building an agile, scalable infrastructure

Verizon protects businesses, customers and payments with Network as a Service (NaaS) agility. We can power the operational core of your banking business, with easy access to networking tools and processes from central, cloud-empowered capabilities.

Enterprise customers can manage and scale services on demand, reducing Capex (Capital expenditure) and Opex (Operational expenditure) while enhancing agility. You can also buy and allocate extra applications and infrastructure in near real-time, such as security and unified communications as a service, managed SD-WAN (software-defined wide area network) and cloud computing.



Protecting critical customer data

It takes a lot of work to earn customers' trust—and a single security breach is all it takes to lose it. Your customers won't stay with you if they don't feel their personal financial information is safe with your organisation.

Verizon's end-to-end cybersecurity solutions help banks build strong, secure, connected infrastructure to protect their most critical data. Our security experts can help you identify vulnerabilities and design a cybersecurity strategy to accommodate a growing remote workforce, an expanding supply chain and network of customer touchpoints. We're here to streamline security, so it's cost efficient for your business and confidence-boosting for customers.



Helping you to help your customers

Verizon brings the combined power of a huge network of partners, to help you accelerate your own digital transformation. By making the systems in your bank easier to use, more powerful, and more data- and insight-driven, we help you to focus your energy on delivering powerful, personalised customer experiences.



Enabling real-time innovation

Many APAC banks are looking at 5G solutions to innovate their customer interactions and experience as well as bring services to areas where they do not have physical branches. Verizon can support these ambitions, with 5G and multi-access edge computing (MEC) solutions that enable increased data collection, sharper artificial intelligence capabilities—and therefore a much higher level of tailored services. With low-latency, connected ecosystems—for example at sporting events or in shopping areas—we can accelerate the way you serve today's digitally-savvy customers.



How it all comes together

Large retail bank



Challenge

A slow and dated network was preventing this retail bank from moving its business into the future. They struggled with network limitations for their retail banking app, and their Wi-Fi wasn't secure enough for newly modernised open workspaces.



Solution

Verizon's SD WAN increased network speeds and added the ability to separate prioritised apps on network components. We increased the speed of scalability at branches by migrating to Ethernet, and enabled secure Wi-Fi access in branches for new mobile workspaces.



Results

- 10 state regional banking presence
- 1,000+ branches upgraded to Ethernet
- Thousands of employees gaining improved mobility



Banking services of the future

Deliver next-generation customer experiences with connected devices, sensor-based technologies and automation.

5G & MEC

Cloud computing and storage embedded within the cellular network edge

Advanced call centre

AI-powered analysis of live voice data using 5G networks to capture real-time conversations

Network slicing

Prioritisation of secure network traffic

4G LTE/5G

Wireless network to support macro-connectivity, AR/VR, IoT and AI

Crypto, NFTs & blockchain

Requiring real-time support on fast, secure networks

Next-generation payments

Leveraging the power of 5G and MEC

Car/bank of the future

In-vehicle connected financial services

5G/MEC-enabled interactive teller machines (ITM)

Increased accessibility to secure, wireless kiosks for digital banking transactions

Banking accessibility

Broaden reach and access to the banked and underbanked

Mobile banking

Provide advanced digital banking services anytime, anywhere

Augmented reality

Real-time AI for augmented reality experiences

The value Verizon adds

- A smart banking environment in a single network ecosystem
- Enhanced efficiency and quality across the customer lifecycle
- Customer peace of mind with security measures that reinforce trust
- A better employee experience by improving connectivity and reducing complexity



A strong local presence

Verizon has built a strong presence in APAC, with a dedicated team of security and network specialists based in Australia. We have security operations centres in Canberra and throughout the region, and sovereign data centres. We also operate a centre of excellence in the Philippines, including our Computer Security Incident Response Team (CSIRT).

Key members of our Australian team have been vetted to NV1 and best practice standards.

ANZ

The ASD Essential 8

Privacy Act: Privacy Principles

Information Security Manual (ANZ)

IRAP certification for protected data

Verizon Threat Research Advisory Centre (VTRAC)

Certified Information Systems Security Professional (CISSP)

Certified Information Security Manager (CISM)

Cybersecurity and Infrastructure Security Agency (CISA)

Certified in Risk and Information Systems Control (CRISC)

Certified in Cloud Security Knowledge (CSK)

Global

ISO 27001

ISO 27002

Payment Card Industry Data Security Standard (PCI DSS)

National Institute of Standards and Technology Cybersecurity Framework (CSF)

National Institute of Standards and Technology SP 800-53

CSA Cloud Controls Matrix

Cybersecurity Capability Maturity Model

Control Objectives for Information Technologies (COBIT)





Our global strength

When you choose Verizon, you'll not only benefit from dedicated local resources, but our global capabilities too. This combined strength gives you unrivalled connectivity and protection from cyber threats.

99%

**of Fortune 500
companies** as customers

4,600+

managed networks,
globally

2,400+

certifications and training
for security team members
each year

150+

countries

700k+

managed devices

34TN

**raw logs processed each
year** to protect our customers
and minimise threats

9

**security operation
centres (SOCs)** globally

5G

networks in operation
since 2018

We are also a globally recognised:

- Gartner Magic Quadrant Leader (Network Services and Managed IoT Connectivity Services)
- Omdia Global IT Security Services Leader
- Unified communications as a service (UCaaS) leader for enterprise



Next steps

Let's take our partnership to the next level with an executive briefing.

Verizon can help you progress toward your smart banking future—no matter where you are on your journey.

We can also organise one of our Connected Future Workshops to help you define your future vision. By following a tried and tested framework, we can help you:

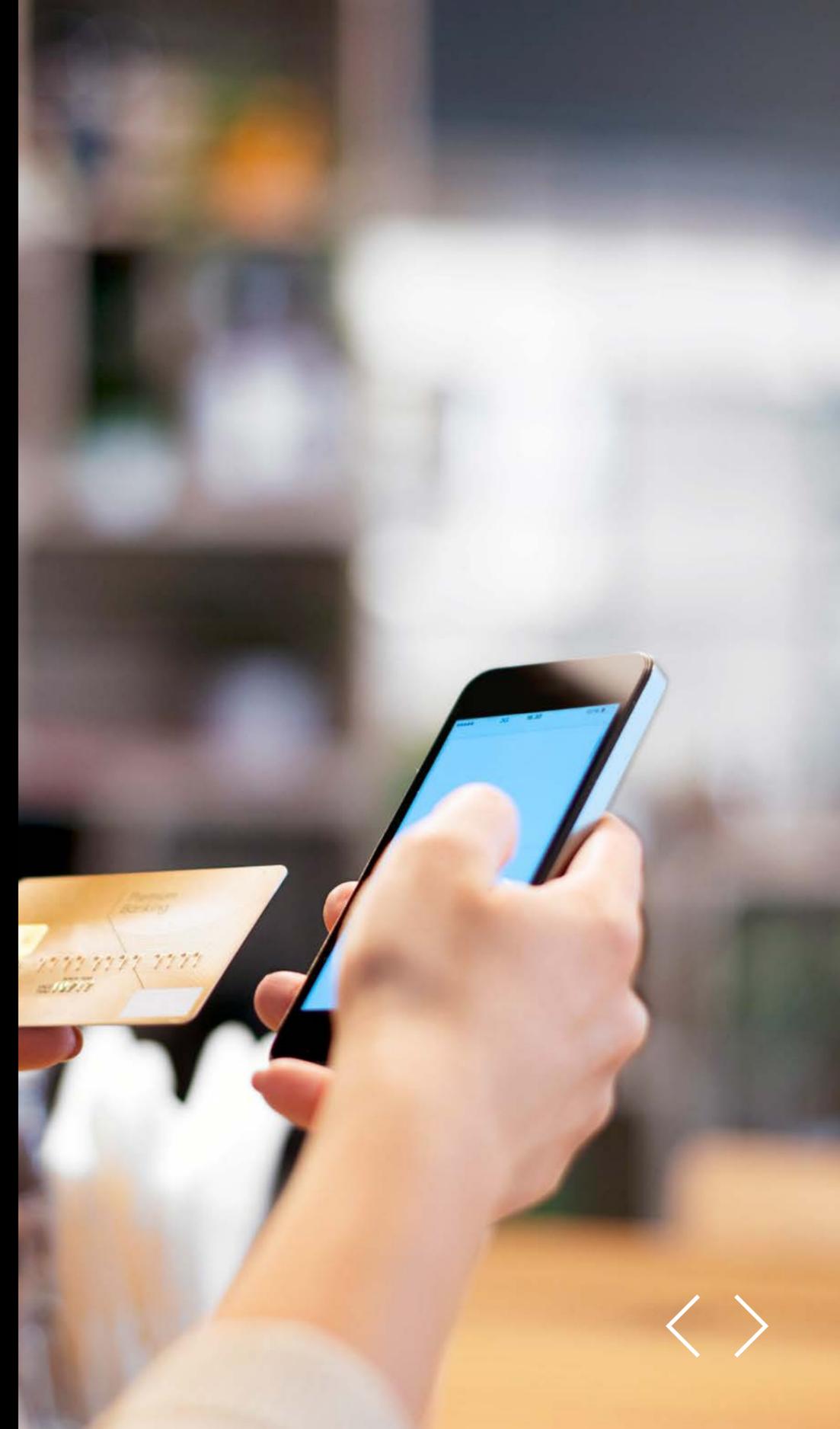
- Learn what industry leaders are implementing
- Walk through your transformation agenda
- Brainstorm opportunities
- Create a roadmap
- Decide on next steps

Contact us:

Verizon banking sector specialists – ANZ:

+61-2-9434-5000

[verizon.com/business/en-au/contact-us/](https://www.verizon.com/business/en-au/contact-us/)



1. [Role of Technology in the Banking Industry, IDC, 2023](#)
2. [Asia-Pacific Strategic Transformation Report 2023, EY, 2023](#)
3. [Asia Pacific Continues Growth Trajectory in Real-Time Payments Market, Leads the Way in Cross-Border Payment Linkages, ACI Worldwide, 2023](#)
4. [Edelman Trust Barometer – Global Report, Edelman, 2023](#)
5. [X-Force Threat Intelligence Index, IBM Security, 2023](#)
6. [2023 Global Future of Cyber Survey, Deloitte, 2023](#)
7. [State of Cybersecurity ASEAN, Palo Alto Networks, 2023](#)
8. [Why APAC is the New Ground Zero for Cybercriminals, Asia Pacific Security Magazine, 2023](#)
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