

**PRESS RELEASE**

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## **Financial institutions and data analytics & security:**

### **Euro Banking Association looks into PSD2 and DLT technology driven opportunities for new and enhanced customer propositions**

- By setting uniform rules for accessing data, PSD2 opens up new customer propositions for banks and other parties based on data analytics
- At the same time, the use of cryptotechnologies can help financial institutions to maintain or even improve data security and integrity while enhancing customer services and experience

The Euro Banking Association (EBA) today announced the release of two new publications in its ongoing series of working group papers. The papers are based on in-depth research as well as the expertise of the multi-national membership of the EBA's working groups on Open Banking and Cryptotechnologies. Both groups are composed of practitioners from banks and other market players across and beyond Europe.

#### **Data exploration in corporate banking**

As the availability and accessibility of data in corporate banking is increasing based on regulatory change introduced by PSD2 and GDPR<sup>1</sup> as well as technological developments, banks can find opportunities for value creation from data exploration, finds the EBA's Open Banking Group. To do so, the group's latest opinion paper *Data exploration in corporate banking* recommends that banks develop capabilities in three areas: identifying relevant data sources, unlocking internal and external data sources (the latter of which will become more accessible under PSD2) and converting data into actionable information.

*"Fuelled by regulatory and technology change, the trend towards Open Banking is a catalyst for data-driven corporate banking services. Our paper gives an overview of data analytics use cases in banking and provides guidance on how banks can generate customer value based on data exploration opportunities,"*

said Vincent Brennan, Head of Group Operations & Payments, Bank of Ireland, and Chair of the EBA's Open Banking Working Group.

*"Transaction banks are in a pole position to play a leading role in the data analytics domain. Banks are already trusted with funds, confidential information and allocating risk. By developing skills to handle data-driven value creation and by seeking partnerships – where needed – helping them to maximise analytical insights, banks could create differentiated value propositions for their customers based on the secure and efficient collection and analysis of corporate banking data."*

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<sup>1</sup> PSD2: revised Payment Services Directive; GDPR: General Data Protection Regulation

Developing a Triple A model (availability, access, analytics), the opinion paper examines the key concepts and application areas for data-driven business, ranging from fraud detection and risk management to customer service and capital finance management.

*Data Exploration Opportunities in Corporate Banking. Key Concepts and Applications* is available as e-book and pdf at [www.abe-eba.eu/knowledge-and-research/](http://www.abe-eba.eu/knowledge-and-research/).

### **Security and identity challenges in cryptotechnologies**

Customers and regulators are demanding more open and faster exchange of data. As mentioned above, banks and other parties are increasingly looking into value generation opportunities based on data exchange and analytics. This has brought into focus, among other things, concerns around ensuring the continued security and integrity of financial data. To mitigate these risks, financial institutions are exploring technologies that allow them to respond to the new data-sharing and handling demands while ensuring the security of financial data.

Cryptotechnologies have the potential to improve speed, accessibility and operability of already existing solutions and to facilitate new services. The opinion paper *Security and identity challenges in cryptotechnologies* examines two use cases – third-party authorisation as well as Know Your Customer (KYC) and due diligence processes – to explore how cryptotechnologies could enhance existing IT and business processes while providing the flexibility for future needs.

*“To meet customer expectations and regulatory requirements around data control and sharing, banks are working on solutions that provide faster information exchange and greater transparency. We think that the use of cryptotechnologies can make a difference when it comes to developing such solutions,”*

said José Vicente, Deputy Manager (Payments and External Entities Unit) at Banco Comercial Português, and Chair of the EBA’s Cryptotechnologies Working Group.

*“As permissioned and private ledger solutions have continued to evolve, financial industry players now have tools at their disposal allowing them to develop financial services that unlock the transparency, speed and efficiency of distributed ledgers to their customers while fully ensuring or even enhancing data security and integrity.”*

*Security and identity challenges in cryptotechnologies* is available as e-book and pdf at [www.abe-eba.eu/knowledge-and-research/](http://www.abe-eba.eu/knowledge-and-research/).

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### **About the Euro Banking Association (EBA)**

The Euro Banking Association (EBA) is a practitioners' body for banks and other service providers supporting a pan-European vision for payments.

The mission of the EBA is to provide payment professionals with a country-neutral forum for driving and contributing to the delivery of pan-European co-operative payment initiatives and business practices.

The EBA membership includes over 180 institutions from across Europe and beyond.

For additional information about the Euro Banking Association, please visit [www.abe-eba.eu](http://www.abe-eba.eu) or follow us on [www.linkedin.com/company/euro-banking-association](http://www.linkedin.com/company/euro-banking-association) or [www.twitter.com/EBA\\_Association](http://www.twitter.com/EBA_Association).