



CASE STUDY



## Alpha Bank

Innovative Regional Bank Maintains Market Leadership by Deploying VeriSign® Unified Authentication to Boost Customer Trust



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### SOLUTION SUMMARY

Leading southeastern Europe region financial institution, Alpha Bank, worked with ADACOM S.A. to deploy VeriSign® Unified Authentication with one-time password service to drive online service utilization—ensuring regulatory compliance, elevated customer confidence and improved revenues.

#### Industry

- Banking

#### Challenges

- Alpha Bank wanted to mitigate the risk of fraud as well as build and maintain a trusted online environment for its customers.
- The bank also needed to be in full compliance with the Bank of Greece's new regulations on authentication of e-banking customers.
- Alpha Bank did not want any new solution to have a negative impact on user experience, or create unnecessary increases in support costs and complexity.

#### Solution

- Alpha Bank worked with ADACOM S.A. to implement:
  - VeriSign® Unified Authentication with one-time password (UA-OTP) Service

#### Results

- Unabated growth in use of online services and associated revenues.
- Bank is in full compliance with regional regulatory mandates relating to e-banking.
- Implementation achieved with maximum utilization of legacy components and minimal additional operational overhead.
- Alpha Bank's deployment of leading-edge security solutions and partnership with VeriSign has further reinforced its prominence in the region as an innovator and champion of information security.

Alpha Bank, founded in 1879, is one of the largest banks in Greece. Alpha Bank Group is one of the leading banking and financial services groups in the country, with a wide range of services including retail, SME and corporate banking, credit cards, asset management, investment and private banking, brokerage, leasing and factoring. With 800 branches, Alpha Bank Group is also active in the international banking market, with a presence in Cyprus, Romania, Serbia, Albania, Bulgaria, Former Yugoslav Republic of Macedonia (FYROM), Ukraine, London, Jersey (Channel Islands) and New York.

### + Innovation Gets Attention

As a core tenet of its corporate strategy, Alpha Bank prides itself in the introduction of innovative new services and capabilities—including first offering Internet banking in 1998—to facilitate basic enquiries, money transfers, and simple payment transactions. Since then, Web-enabled operations have experienced exponential growth, coupled with a commensurate increase in the number and sophistication of online services offered by the bank.

Initially, Alpha Bank relied on security consisting of a user name and password login, and encrypted messages using Secure Sockets Layer (SSL) procedures for routine online interactions. An additional static password layer was introduced to protect transactions that were deemed to be of higher risk, such as money transfers to third parties and user profile maintenance activities.

By 2004, both cybercrime and the fear of cybercrime were increasing, with phishing and pharming attacks becoming more sophisticated and malicious. The implementation of improved levels of authentication became crucial to the continued success of Alpha Bank's online services. The desire to enhance customer trust through the deployment of a robust and pervasive security mechanism became a fundamental issue for the bank. The industry-wide escalation of identity theft, fraud, and phishing attacks, drove the online services team to ensure that they were being fully diligent in mitigating those risks as well as strengthening the levels of trust that the bank already enjoyed with its customers.

### + Tough Times Demand Tough Action

In response to the growing threat of cybercrime, the region's financial regulatory framework became more restricted and demanding; with the Bank of Greece acting as a catalyst for the mandatory implementation of many protective regulations and procedures. Included in the regulatory requirements was a focus on two-factor authentication for e-banking customers.

After the Alpha Bank steering committee was convened, a detailed set of selection criteria was created by which to evaluate potential solutions. These included effectiveness of the solution in handling specific security threats, impact to users, scalability, openness, and implementation complexity and cost.

Following a detailed analysis and evaluation of solutions from a wide selection of potential vendors, the team came to consensus around the superiority offered by the VeriSign solution presented by ADACOM S.A.—a subsidiary of Ideal Group and a member of the VeriSign Affiliate Network. Gerasimos Moschonas, Group information security officer for Alpha Bank was especially pleased with the common philosophies between the two companies. He observed, “VeriSign shares our belief and commitment to continually improving security.”



In order to exactly tailor its solution to specific client needs, Alpha Bank decided to differentiate the user base, providing its corporate users with a hybrid token which had public key infrastructure (PKI) capabilities for transaction signing, as well as one-time password (OTP) for two-factor authentication. Every retail customer was given a state-of-the-art OTP offline device to achieve two-factor authentication.



One aspect of the VeriSign proposal that was especially valued by the bank was the ability to customize the acquisition of tokens to meet the differing needs of retail and corporate customers, and at the same time, only having to utilize a single platform for all token support. Additionally, by deploying the VeriSign® Unified Authentication with one-time password service, which is fully standards-based and in complete OATH (Open AuTHentication) compliance, future expansion could be accommodated by using multiple token vendors, all deployed on the same platform.

**+ Time is of the Essence**

As with all implementations involving security and data integrity, minimising the time taken to reach full operational deployment is a critical concern. Alpha Bank stipulated the need to have their consumer authentication service fully tested and functional within a window of less than four months. To meet the aggressive implementation deadline the bank again turned to ADACOM S.A., recognized for being a leader in providing robust IT security services throughout Greece, Cyprus and the Balkans. The company is renowned for its fast and reliable deployment of public key infrastructure systems and authentication projects.

The new systems were integrated with the bank’s existing directory and identity management architecture, dramatically reducing the complexity and cost of the deployment. An atypical aspect of the deployment was the integration of one of the bank’s existing SQL databases with the UA-OTP service, avoiding the need for separate repositories. Achieving this allowed the maximum re-use of legacy components and simplified ongoing management and administration tasks.

**+ Adoption Rates and Client Confidence Soar**

The pilot phase of the project was successfully completed in two months and was further leveraged to fine-tune the full deployment, which was achieved within the stipulated four month timeframe. In order to convey a sense of value and partnership, Alpha Bank subsidized the costs of tokens, but did ask clients for a nominal fee for use of the new technology. Customers immediately embraced the newly implemented solution, accepting it as a tangible way to continue online banking with high levels of confidence and as a necessary step in the fight against



fraud and cybercrime. The broad range of online service offerings have met with unabated adoption rates, and further reinforced the marketplace's perception of Alpha Bank not only as an institution that puts great emphasis on security, but one that has the ability to deliver solutions that ensure integrity.

The Alpha Bank team has revisited the original project objectives and solution acceptance criteria, and ADACOM's implementation of the VeriSign solution has fully delivered on all expectations. Clients are presented with a flexible, painless authentication process that mitigates identity theft risks without adversely affecting the user experience. The bank has a fully scalable, open-standards, service-based platform that ideally positions it to be able to take full advantage of future innovations, and has simultaneously been able to increase customer loyalty and confidence.

In recent years, the region has experienced a surge in the number of malicious online attacks, making the threat of cybercrime very much on people's minds. This situation has further reinforced the merits of the bank's reliance on VeriSign, the world's most recognizable provider of online security and authentication solutions.

Use of the tokens has measurably contributed to an excellent adoption rate for new services and subscribers. Alpha Bank is delighted with the performance and efficiency of the solution and is now working in co-operation with affiliated banks. For example, Alpha Bank Cyprus has deployed 8,000 tokens, Alpha Bank Bulgaria another 5,000 tokens and Alpha Bank Skopje, together with Alpha Bank Albania, have planned to distribute 5,000 tokens each. The deployment of a highly visible world-class authentication solution has had a commensurate positive effect on revenues, and has helped Alpha Bank demonstrate to the region that it continues to be a leader in the industry through its innovations in the field of online banking.

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