

HOW SEB ESTONIA MAKES PROGRESS



A BUSINESS STRATEGY BRINGING SUCCESS—AND RISKS

Wholly owned by the SEB Group, SEB Estonia is the nation's second-largest bank and a leader in online customer banking services. But being a technology leader in a small banking market can be a double-edged sword. While SEB's online banking and cross-border payment automation capabilities are second to none, those same proficiencies make the bank's operations attractive to electronic transaction fraud predators from Russia and other major markets.

SEB Estonia had strong security applications in place as part of its overall e-technology strategy, but the bank wanted to provide its depositors with the highest level of protection from cybercrime against online bank card transactions. To protect its customers' financial integrity and its own internal operations, SEB Estonia needed an enterprise-class solution that could monitor system activity and detect and prevent fraud in real-time. What's more, SEB's fraud detection solution had to come with a cost of ownership that wouldn't break the bank.

SEB

CHALLENGE

Detect fraudulent activity in banking Systems

SOLUTION

Progress® Apama® Business Event Processing platform

BENEFIT

- > *Reduced suspicious and unauthorized activity verification*
- > *Deployed quickly and easy to use*
- > *Dramatically reduced frequency, impact of malicious activity*

Already a Progress™ OpenEdge®, Progress® SonicMQ®, and Progress® Sonic® ESB customer, SEB Estonia was confident that the Progress® Apama® Business Event Processing platform would likewise be stable, reliable, and easy to implement—at reasonable cost and with minimal staff. The Apama solution also integrated well with SEB’s other banking applications.

SAFEGUARDING ELECTRONIC BANKING

Every ATM, bank card, and online transaction is a potential open door to hackers and fraudulent operators. All banks are caught between the conflicting requirements of offering customers unlimited access to funds and account management and protecting their customers’ assets and the bank’s operations. But for a small-market bank like SEB Estonia, acknowledging the need for state-of-the-art monitoring and protection was just the beginning of the process. Throwing money at an overgrown system that was expensive, didn’t play well with others, and required an army of staff to operate was not the type of business strategy that got SEB Estonia to the top of its market.

The Progress solution gives SEB Estonia visibility across all of its transaction systems, allowing the bank to detect potentially fraudulent behavior in real time—and verify it in minutes. Before implementing the Progress solution, the bank’s legacy fraud detection protocol burned up staffing hours for five IT professionals and still took between four and five hours to verify whether detected activity was indeed criminal. With the new Progress solution, SEB Estonia has slashed verification time from five hours to five-to-ten minutes.

HOW IT WORKS

Progress Apama monitors rapidly moving event streams and detects patterns that indicate fraudulent activity by applying a pre-set group of proprietary rules. By providing the bank’s IT staff with real-time visibility across the institution’s various transaction systems, Apama enables the responsiveness SEB Estonia needs to stop illegal activity in minutes—not hours. Equally important for a sophisticated small-market bank, Apama’s

“With banking cybercrime on the increase, it’s more important than ever to ensure we can detect and verify fraud as soon as possible, for the benefit of both our customers and us as a business.”

*Ain Rasva,
Vice President and CTO,
SEB Estonia*

graphical development environment makes it easy both for business analysts and technical staff to create fraud-detection rules and initiate real-time responses. Plus, overall staffing requirements are small.

INITIAL DEPLOYMENT AND ONGOING VALUE

SEB Estonia's first Apama directive was to protect bank card transactions. After a three-day Progress training orientation, the SEB team was up and running on Apama. A second Progress training session helped the SEB team establish protocols for creating its proprietary search rules and scenarios. These rules form the core of the online Apama application; they define the event-stream patterns or scenarios that require detection and response. Thus far, the SEB team has created 15 rules to address such transaction variables as point of origin, frequency, and amount—especially when these variables relate to the same card. In a case where the same card is used for multiple transactions just minutes apart in two different countries, for example, one of SEB's search rules automatically initiates a fraudulent activity inquiry. Then, in the event of fraud verification, Apama takes appropriate action to protect the depositor's assets and/or the bank's operations.

On 1 January 2011, SEB Estonia demonstrated the robustness and flexibility of Progress Sonic ESB, OpenEdge, and Apama solutions when the bank switched operating currencies from the Estonian crown to the euro. The bank operated on Estonian currency until 20:00 on 31 December 2010 and was back online with the euro by 11:30 New Year's Day—with ATMs updated to euros by noon. This major transition took place without incident and with minimal inconvenience to SEB's depositors.

SEB ESTONIA

SEB Estonia is the second largest commercial bank in Estonia, offering a complete range of services to more than 800,000 customers—71,000 of whom are small- and medium-sized businesses. The bank operates 59 branch offices and serves nearly 70 percent of its customers with online transactions. The bank is wholly owned by SEB.

PROGRESS SOFTWARE

Progress Software Corporation (NASDAQ: PRGS) is a global software company that enables enterprises to be operationally responsive to changing conditions and customer interactions as they occur. Our goal is to enable our customers to capitalize on new opportunities, drive greater efficiencies, and reduce risk. Progress offers a comprehensive portfolio of best-in-class infrastructure software spanning event-driven visibility and real-time response, open integration, data access and integration, and application development and management—all supporting on-premises and SaaS/cloud deployments. Progress maximizes the benefits of operational responsiveness while minimizing IT complexity and total cost of ownership.

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