

*NonStop Solutions by comForte:
The Natural Choice*



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Understanding Risk

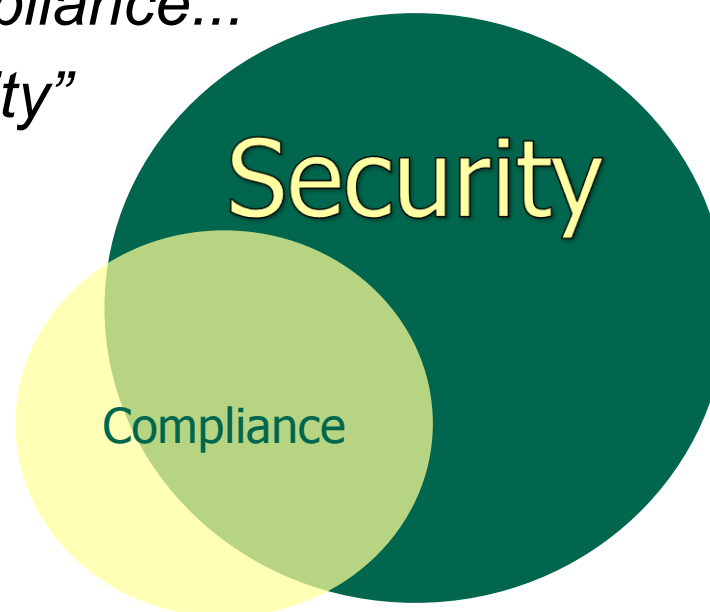
When your business depends on card payments

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Munich, Apr 28th, 2015 – GTUG Hotspot

Let's start with a very interesting quote

- ▶ *"There is no point in Compliance...*
- ▶ *...if you don't have Security"*



- ▶ *"You spend your own money on a security assessment"*
- ▶ *"...Don't waste it"*

Quotes : John Elliott, Head of Payment Systems Security, VISA Europe

comForte – “better always on” with HP Nonstop

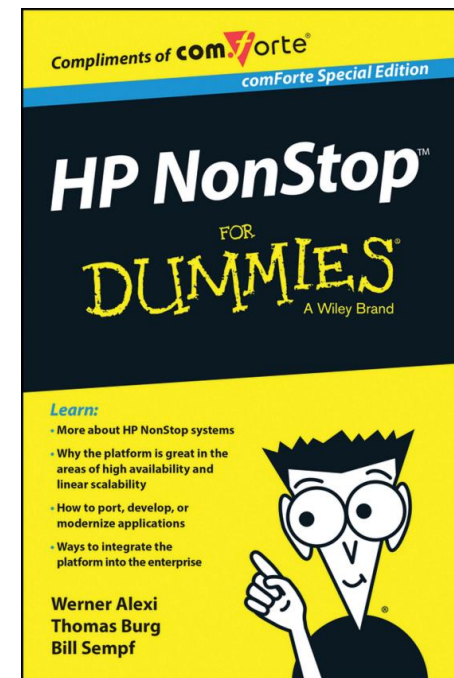
- ▶ A Successful Track Record
 - ▶ From “the vendor of MR-Win6530” to a strategic HP partner
 - ▶ Providing a broad range of infrastructure solutions for HP Nonstop
 - Enhanced Connectivity
 - Modernisation of Nonstop applications
 - Enhancing Security and reducing operational risk
 - Streamlining operations
 - ▶ A key HP software partner
 - Early participation in NonStop X program
 - Delivering multiple products as part of core OS
- ▶ 30+ years experience with HP NonStop
 - ▶ one of the largest HP Nonstop ISVs
 - ▶ Growing Solution Set through
 - ▶ Inhouse Development
 - ▶ Acquisition



comForte – Introduction (cont)

- ▶ International organization with offices around the globe
 - ▶ Providing 24*7 support for our customers
 - ▶ Local support in every time zone

- ▶ Customers work with comForte because they need to
 - ▶ Lower Cost of Operations of HP Nonstop Applications
 - ▶ Lower Operational Risk by enhancing data protection
 - ▶ Support New Business Initiatives driving new application developments
 - ▶ Better integrate HP Nonstop within Enterprise IT
 - ▶ “understand” the strategic importance of HP Nonstop in their Enterprise



The Agenda

- ▶ Understanding and Quantifying Risk
 - ▶ Key learnings from breaches in the payment industry
 - ▶ Are data breaches considered high risk?
 - ▶ What's your Risk appetite?
 - ▶ What is an appropriate vs. disproportional investment?

- ▶ Tokenization
 - ▶ ...and how this contributes to lowering risk

2008 : The start of a difficult period

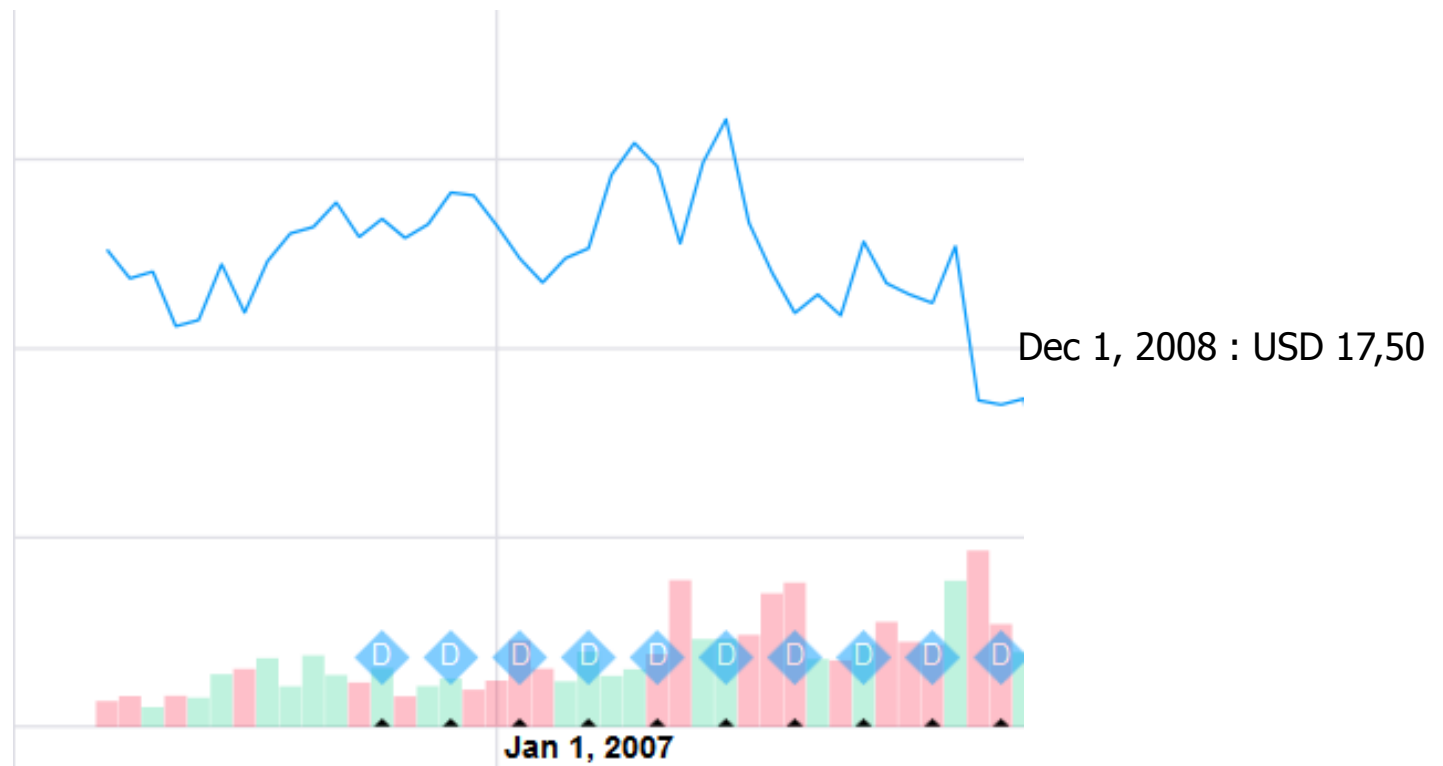


Chart : Yahoo Finance

Bad time for additional problems

► Do you think....

- This is a particular bad example ?
- This is just a worst case scenario ?
- This could not affect you ?

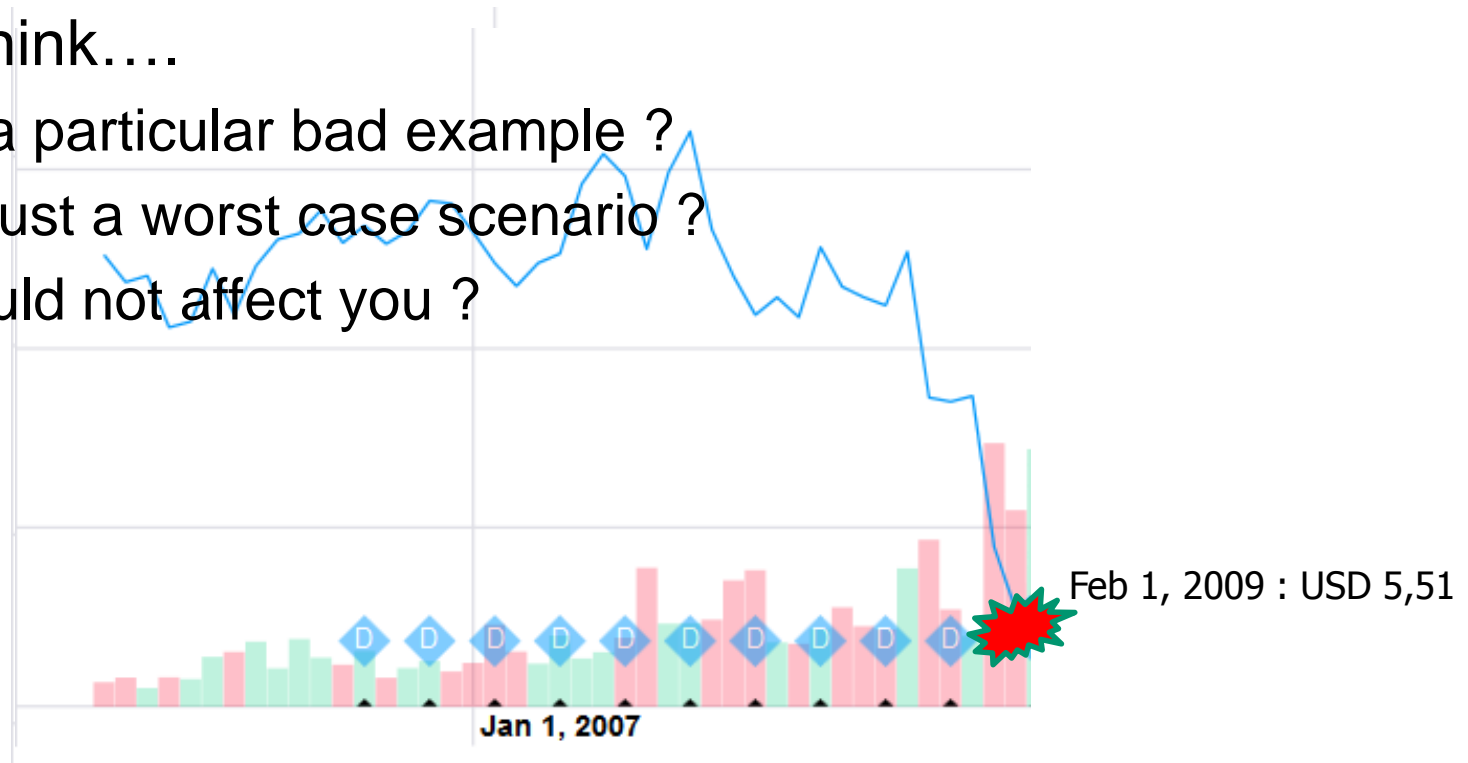
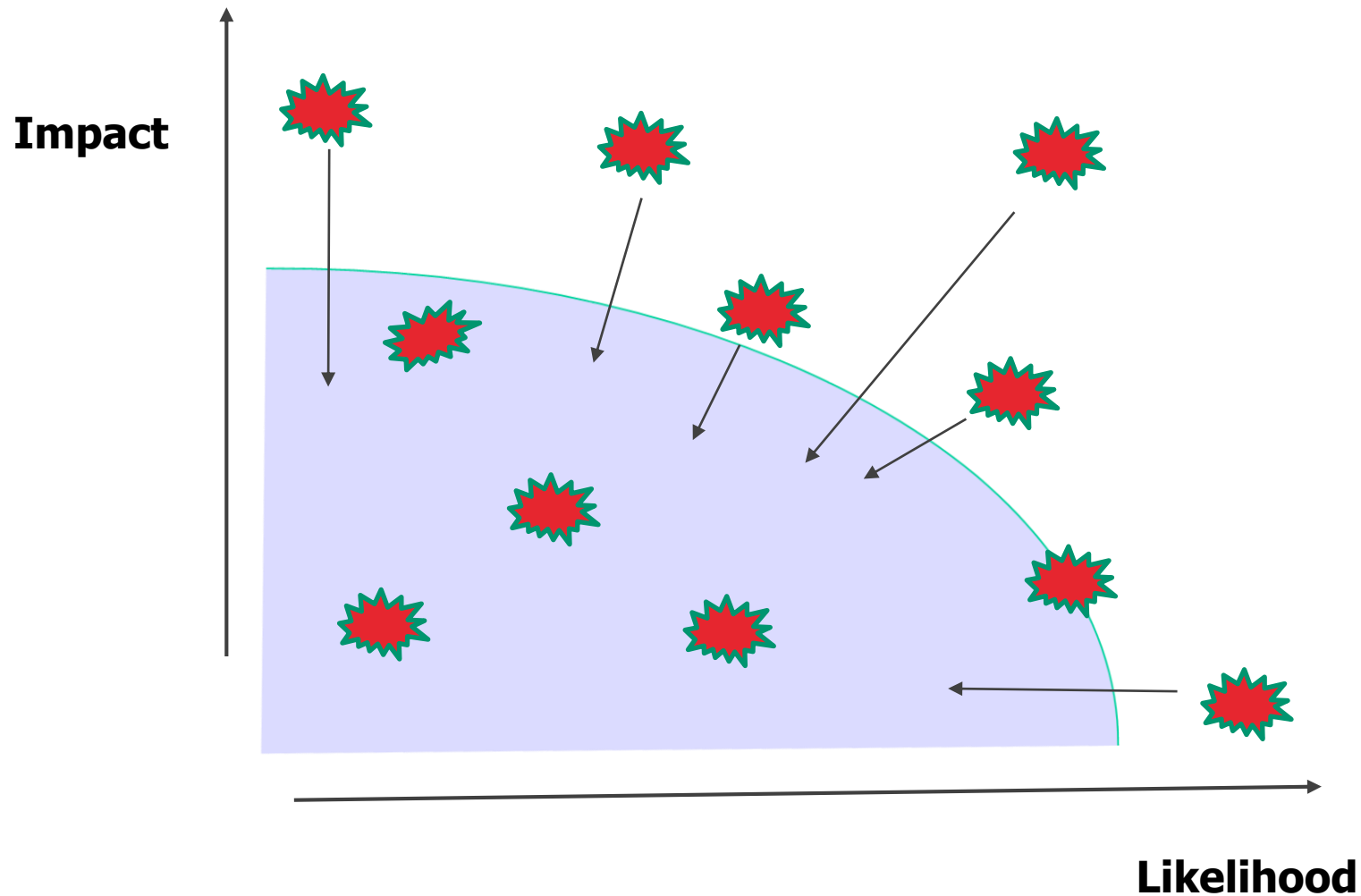
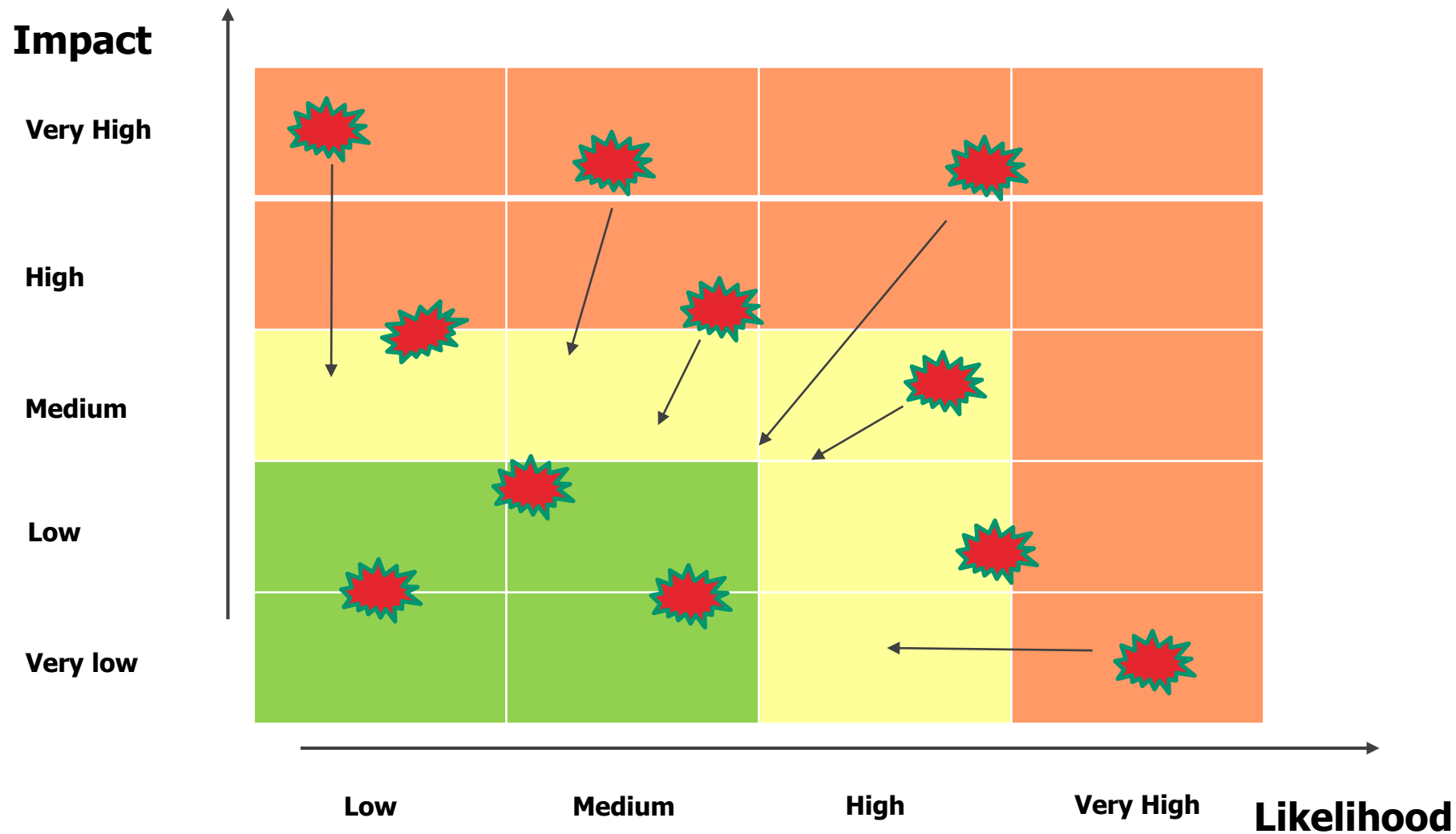


Chart : Yahoo Finance

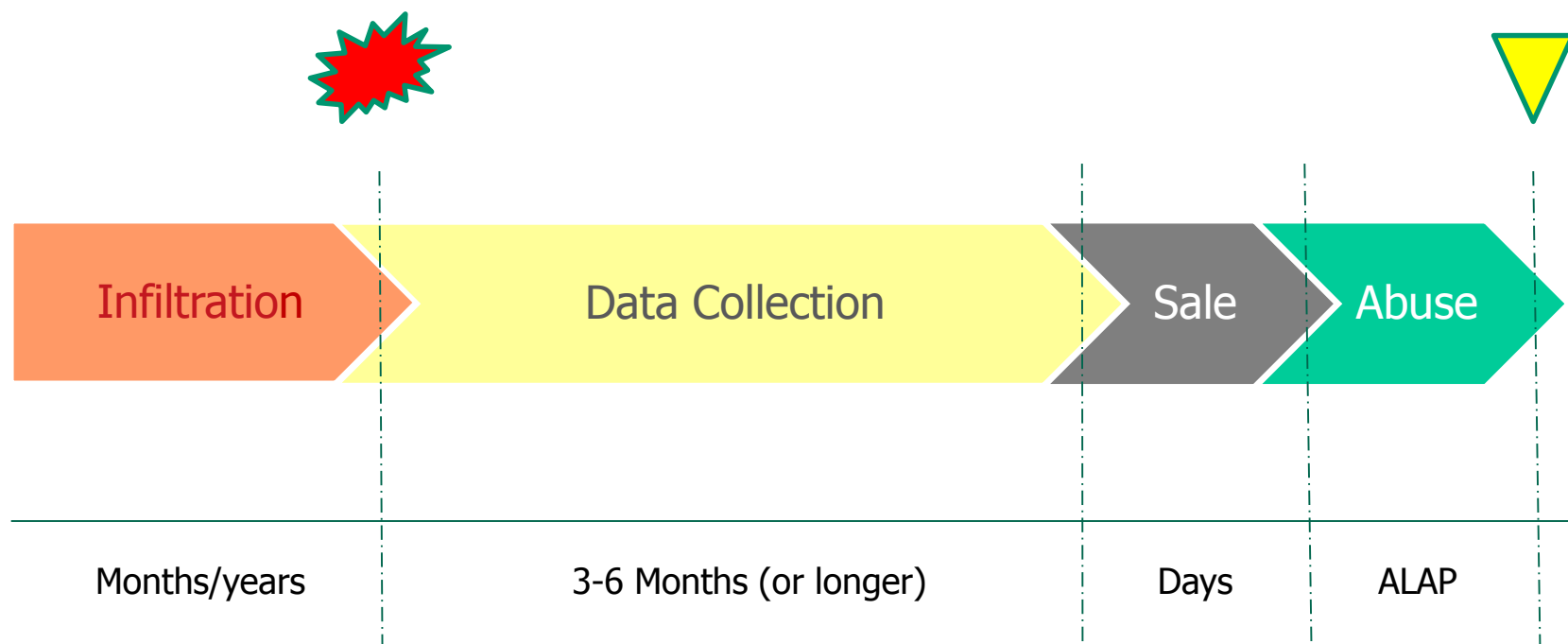
Risk Assessment / Management



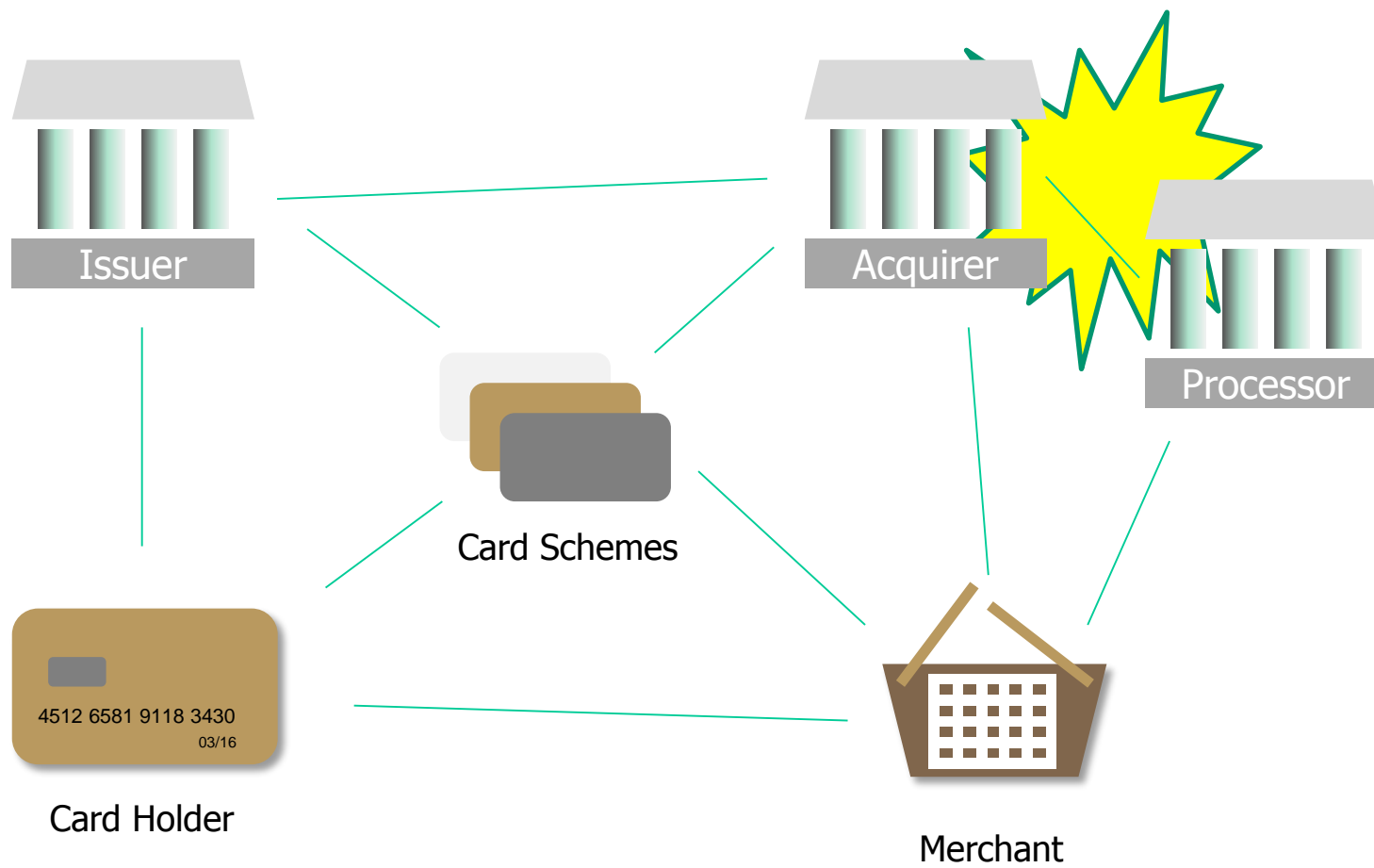
Risk Assessment / Management



Timescale of a Data Breach in Card Payments



Breach in Card Payments – cost implications



Cost Factors to be considered in case of a breach

▶ Issuing Bank

- ▶ Fraudulent Transactions
- ▶ Block / reissue cards compromised
- ▶ Credit Monitoring
- ▶ Customer Call Center

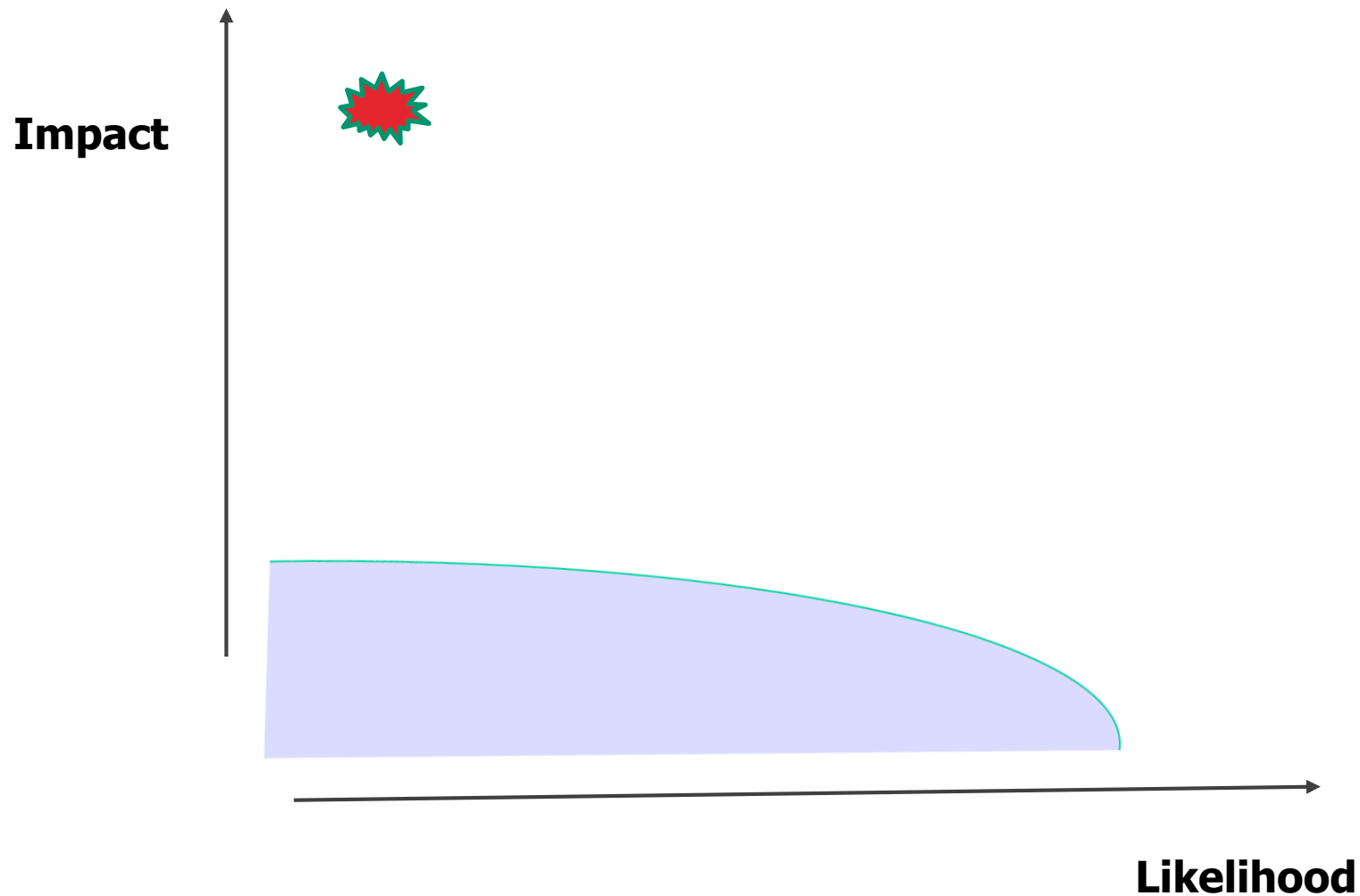
▶ Card Associations

- ▶ Non-compliance fines
- ▶ Disputed Transactions

▶ Acquirer / Processor

- ▶ Legal Fees
- ▶ Forensic investigation
- ▶ Crisis management
- ▶ Customer Call Center
- ▶ Information campaign / media
- ▶ Market capitalization
- ▶ Market reputation

Impact of a Data Breach



Heartland - an impressive example of a successful turnaround

- ▶ From a “breach victim” to a successful processor leading the forefront of security in card payments
- ▶ Back to a 1,7B cap, 15% yoy EPS ¹⁾
- ▶ Key factors for successful turnaround after breach
 - ▶ Open communication, Quick and professional reaction
 - ▶ High commitment towards improving information security

¹⁾ Figures reported by Heartland

Heartland's priorities on Data Security

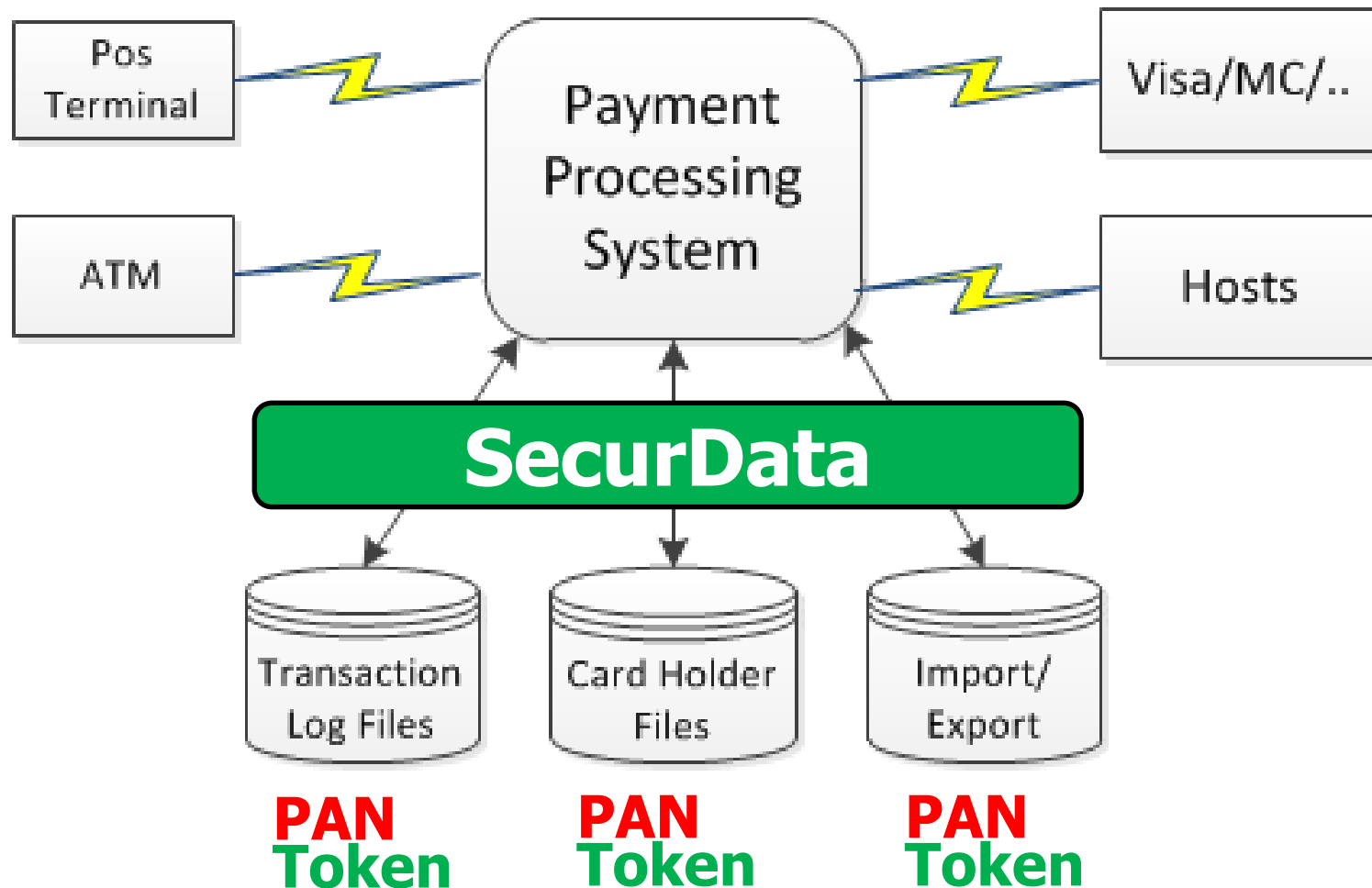
- ▶ EMV Chip Cards
 - ▶ Enhanced card authentication
 - ▶ Moving from mag stripe to chip

- ▶ Heartland E3™
 - ▶ End-to-End Encryption
 - ▶ From ATM/POS to card payment system

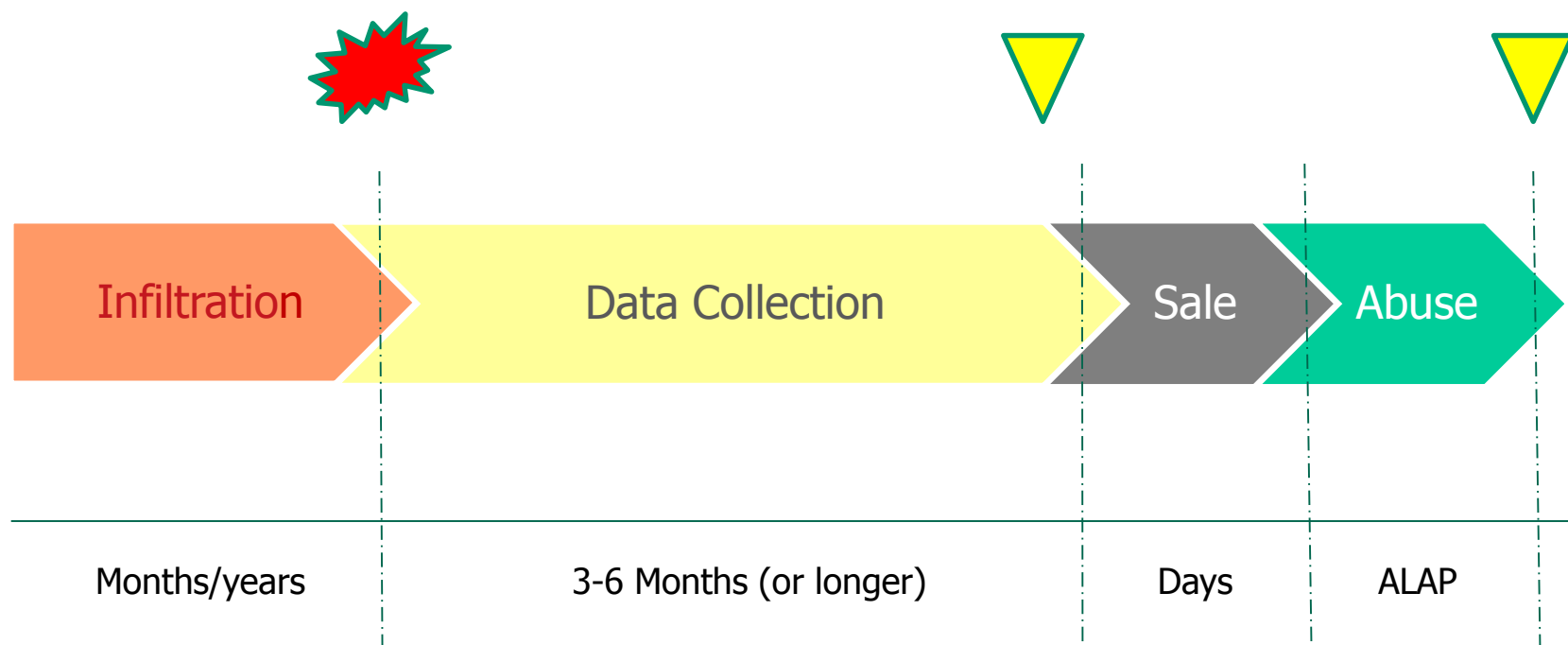
- ▶ Tokenization
 - ▶ Replaces card data with “tokens”
 - ▶ No storage of real card data

¹⁾ reported by Heartland, E3 Trademark of Heartland

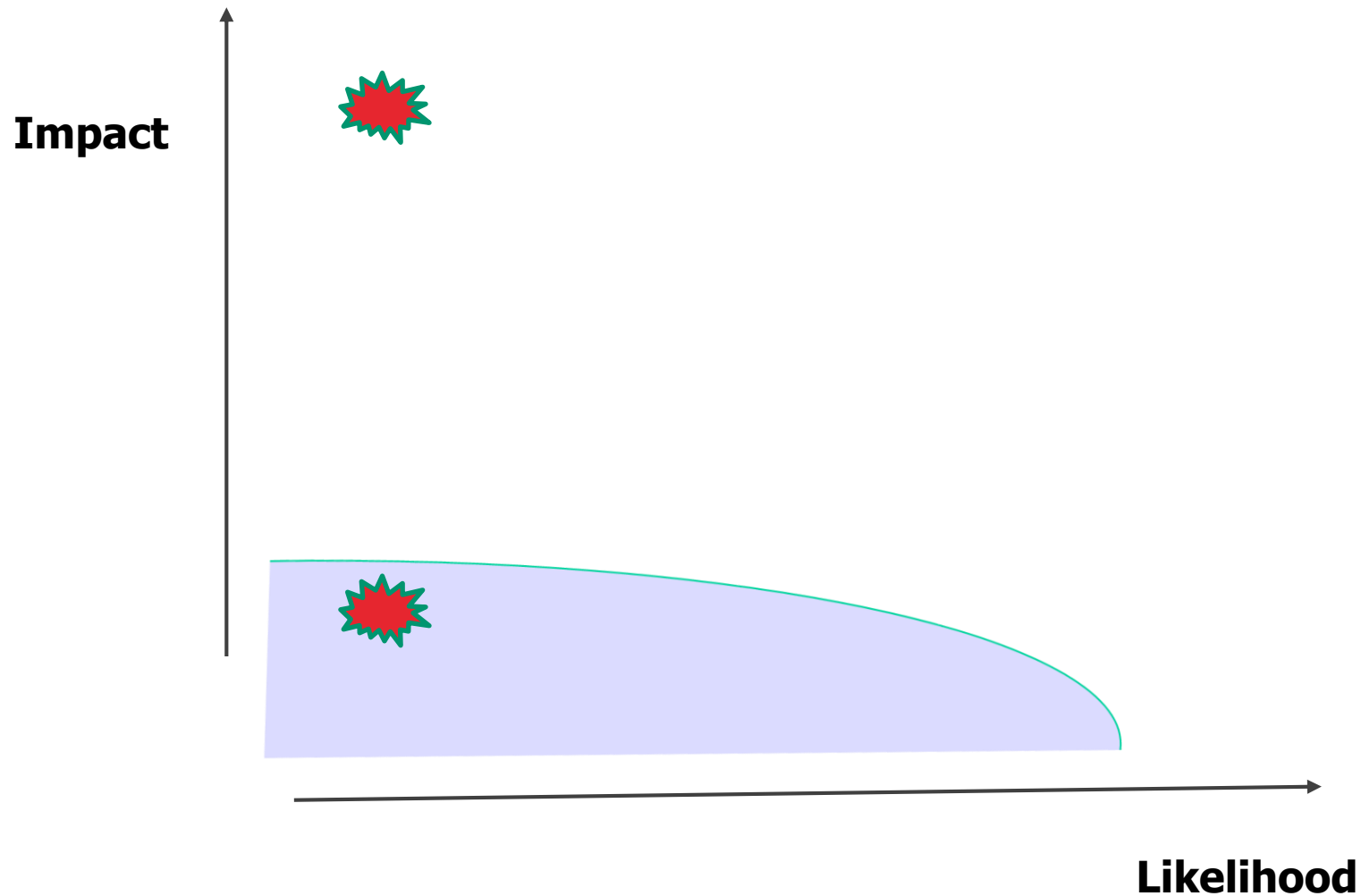
The comForte solution – in a nutshell



What do we win with tokenization?



...and consequently reducing the impact of a breach



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Chart : Yahoo Finance

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