



Rabobank

Rabobank Group is the largest Dutch retail bank, operating nearly 1,500 offices and 380 local banks. A total of 33,000 of its 50,000 employees worldwide serve 9 million customers in the Netherlands. Rabobank Group's specialized banking businesses are the market leaders in virtually all financial services, from leasing and trade finance to insurance, venture capital, and private banking.

Although revolutionary changes in banking practices and technologies over the past century have completely altered the culture of the industry, customer demands for trust and security remain constant. An increasing number of technology-savvy financial customers around the world expect to initiate secure transactions over the Internet or by phone at any time. As a result, large financial organizations like Rabobank Group have implemented both internal and external security strategies to keep pace with the technology requirements associated with electronic banking.

Rabobank Group has stayed several steps ahead of these increasingly complex technological challenges by consistently investing in a security infrastructure and strategy it calls Rabo Web Security (RWB), deployed enterprise-wide by its Zeist-based ICT Group.

"The bank's way of working today is quite different from the past and much more distributed," says Ad Bezemer, Project Manager of Infra Services at Rabobank ICT headquarters in Zeist. "Financial services have become much more complicated, as integrated products and several distribution channels are emerging. In the past, security meant shielding off hackers and intruders, but today, it means building the highest levels of trust right into our systems and communications."

To build the highest levels of trust into its systems as it moves closer to the future vision of "anytime, anywhere banking," Rabobank ICT has applied its forward-looking security strategy to several fronts, including its own internal communications and channels. Since 1997, Rabobank ICT has been moving all applications (which in the past had disparate security and required multiple passwords) to its intranet, to make them available on all distribution channels. "This move enables us to centralize the security around these applications," explains Ad Bezemer.

To control access to these centralized applications and ensure strong authentication of its internal employees, Rabobank is deploying 33,000 smart cards combined with PKI technology. The cards enable a new level of security and efficiency for internal employees.

The deployment of smart cards is eliminating the risks inherent in a "knowledge only" system based on multiple passwords. This is accomplished by using two-factor security that incorporates something that is owned (the smart card) and something that is known (the user's password). In e-business security language, the smart cards provide non-repudiation – two-factor security authenticates users unequivocally – and therefore guarantee integrity and security.

Because Rabobank's cooperative banks decide independently on their local needs and requirements, some are also using the smart cards for physical access. To meet the specific requirements of those banks, the smart cards are delivered with custom formats that include magnetic stripes and proximity technology. All employees use the smart cards to access the network, log onto Microsoft Windows, and provide digital signatures.

Rabobank has given several hundred additional smart cards to large customers for special transactions. In international scenarios, for example, the smart card is used for dealing room

currency transactions. The customer is able to do an immediate buy or sell in the exact dollar (or other currency) amount without incurring the risk of losing funds through currency fluctuations. "By ordering the currency transaction directly with the smart card, the customer is able to sidestep the process of calling the bank and arranging a transaction which may take a month or two to complete," says Ad Bezemer. "The usually 10-second confirmation makes the transaction almost real-time, versus the risky delays with the old process. The smart card offers our currency-trading international customers speed, cost-efficiency, and transactional security."

This profile is an extract from a case study that was developed by the Smart Card Alliance with the assistance of Datakey. The complete case study is available in the Smart Card Alliance report, "Smart Card Case Studies and Implementation Profiles," available at http://www.smartcardalliance.org/alliance_activities/case_studies_implementation_profiles.cfm. For more information about how smart cards are used for secure identification applications, visit the Alliance web site at <http://www.smartcardalliance.org>.