

## Banco Pastor expands in Spain with pioneering online bank.

### Overview

#### ■ Challenge

Stay ahead of competing banks by expanding customer base without opening new branches; avoid channel erosion

#### ■ Solution

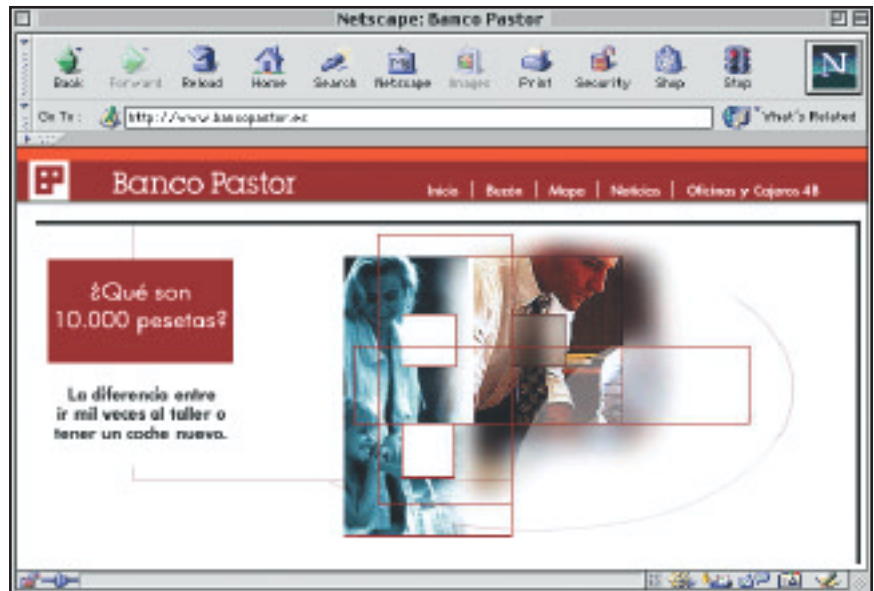
Innovative online banking portal based on the IBM WebSphere® software platform for e-business, designed and implemented by IBM Global Services

#### ■ Why IBM

WebSphere solution was perceived as more integrated and open than competing solution; IBM Global Services provided concrete vision for e-business success

#### ■ Key Business Benefits

100% ROI within one year; more than 30,000 new customers; 35% of mortgage loans sold online; ability to support 300% growth in transaction volume by 2003; up to 70% code reuse in Web applications.



Put down 10,000 pesetas (approximately \$51), and you can get that new car. Banco Pastor's online loan calculator shows you the size of the loan you can obtain with various down payments and interest rates.

In La Coruña, they like to say, "No one's a stranger." And it doesn't take long for visitors to see why. A friendly, welcoming spirit prevails throughout the homes and businesses of this beautiful city, located on the northwest coast of Spain.

Banco Pastor, a \$7.5 billion bank headquartered in La Coruña with 450 branches across the country, has been winning over customers since its inception. But it takes more than a smile to keep business booming. Faced with increasing competition from local savings banks, Banco Pastor sought to grow its customer base in the most expedient way possible—through the Internet.

*"We wanted to expand our presence through e-business to avoid the cost of building new brick-and-mortar branches. But we needed an experienced partner to build this type of e-business solution."*

—Manuel Bellmunt, CIO, Banco Pastor

---

## Key Components

---

### Software

- IBM WebSphere Application Server, Standard Edition
- IBM DB2® Universal Database™ for AIX®
- IBM IMS™
- IBM VisualAge® for Java™

### Servers

- IBM RS/6000® Model F80

### Services

- IBM Global Services
- 

“We wanted to expand our presence through e-business to avoid the cost of building new brick-and-mortar branches,” explains Banco Pastor CIO Manuel Bellmunt. “But we needed an experienced partner to build this type of e-business solution, which would necessarily include extensive transaction handling and access to our legacy business information systems.”

Recognizing that the most successful e-businesses are built on reliable, extensible, well-maintained architectures, the bank turned to two leading e-business solutions companies—IBM and Sun—for help.

After comparing offers from both vendors, Banco Pastor opted for the seamless integration and openness of the IBM WebSphere platform for e-business—and the proven expertise of IBM Global Services. “The proofs of concept and customer case studies presented by IBM Global Services helped us more clearly envision the lucrative potential of e-business,” Bellmunt adds.

IBM Global Services designed and implemented Banco Pastor’s online banking portal, located at [www.bancopastor.es](http://www.bancopastor.es), using IBM WebSphere Application Server, Standard Edition and IBM DB2 Universal Database. Today, banking customers all over Spain log onto the portal to open new accounts, run financial simulations and perform many other banking tasks.

Developed in nine months, the portal has been a huge success for Banco Pastor, which achieved a full return on its investment within one year of the portal’s launch in 1998. Since then, Banco Pastor has captured more than 30,000 new customers from the Web alone and expects to have 100,000 more online customers by 2003—that’s 5 percent of the Spanish online banking market.

*“When we decided to embark on a serious e-business venture, we needed a proven infrastructure to support our long-term strategy. With IBM providing that infrastructure, our future is in good hands.”*

*—Manuel Bellmunt*

Bellmont attributes much of this success to the groundwork the bank laid with IBM e-business technology. "When we decided to embark on a serious e-business venture, we needed a proven infrastructure to support our long-term strategy," he says. "With IBM providing that infrastructure, our future is in good hands."

**Value-added online services help avoid channel erosion**

From the outset, the portal project generated great excitement at Banco Pastor. But there were managers at the bank who worried that enabling customers to perform most of their banking transactions online would erode branch revenues without attracting enough new customers. To minimize this threat, Banco Pastor's portal is designed to target the type of customers who would not frequent physical branches and retain them through innovative, value-added services.

Based on its market research, which indicated that online banking customers would be particularly interested in mortgages, insurance and stock trading, Banco Pastor decided to offer special rates on home loans, insurance policies and stock trades on its portal. It added value to these services with easy-to-use simulation applications, which enable online customers to forecast their mortgage interest accruals, insurance payment schedules and the like. These simulation applications—as well as the rest of the traditional banking transaction services—run on top of an IBM e-business infrastructure.

**Best practices ensure solid e-business foundation**

The e-business architecture IBM created for Banco Pastor is comprised of distinct tiers, in accordance with standard Java application best practices. The presentation tier, running on an IBM RS/6000 Model F80 server, contains the HTML code and JavaServer Pages™ (JSP™) that handle the interaction with customers, who log onto the portal through their Web browsers.

The online banking transactions are driven by Java servlets running in WebSphere Application Server, which resides on the RS/6000 server. These Java components are designed as standard services, which Banco Pastor can reuse to deliver additional online banking applications. The bank expects that the code reuse will reduce its new Web application development time from 50 to 70 percent.

*“The WebSphere platform, incorporating today’s most reliable database—DB2—runs like a well-oiled machine.”*

*—Manuel Bellmont*



*Much more than an online bank account, Banco Pastor's portal provides a wide range of investment, lending and other financial services—in a highly secure environment.*

The database tier consists of IBM DB2 Universal Database on another IBM RS/6000 server, which stores customer and account information for the online portal. IBM helped integrate this tier with the bank's legacy information systems by writing a special communications layer to access the CICS® transactional subsystem on the bank's mainframe, which holds customer and account information for all of the bank's customers.

This robust e-business infrastructure currently supports as many as 11,000 transactions a day, and Banco Pastor expects this volume to increase by up to 300 percent by 2003. To equip the portal to provide superior service to a growing customer base, IBM designed the e-business infrastructure to deliver 100 percent availability.

### **No stranger to technology**

A pioneer in incorporating technology into its business, Banco Pastor was one of the first financial institutions in Spain to offer automated telephone banking in 1992. When it began working with IBM, few banks in Spain had seriously entered the Internet space.

Being an early adopter of technology can be risky. But according to Bellmunt, IBM helped the bank mitigate these risks. "IBM offered us a tested, proven solution and showed us how it had been used successfully in other real-world environments," he says. "The WebSphere platform, incorporating today's most reliable database—DB2—runs like a well-oiled machine."

Incidentally, those managers who were initially unsure about the portal's ability to grow the business are now true believers. So are others outside the bank. "One analyst has said that we're the best click-and-mortar example of Spanish banking," says Bellmunt. "Another claimed that we've created a new model for banking in this country. It's nice to set the standards in your market. IBM has really helped us take our business to another level."

### **For more information**

Please contact your IBM marketing representative or IBM Business Partner.

Visit us at:

**[ibm.com/e-business](http://ibm.com/e-business)**

For more information about Banco Pastor, visit:  
[www.bancopastor.es](http://www.bancopastor.es)



© Copyright IBM Corporation 2001

IBM Corporation  
Software Group  
Route 100  
Somers, New York 10589  
U.S.A.

Printed in the United States of America  
09-01  
All Rights Reserved

AIX, CICS, DB2, DB2 Universal Database, the e-business logo, IBM, the IBM logo, IMS, RS/6000, VisualAge and WebSphere are trademarks or registered trademarks of International Business Machines Corporation in the United States, other countries or both.

Java and all Java-based trademarks are trademarks of Sun Microsystems, Inc. in the United States, other countries or both.

Other company, product or service names may be trademarks or service marks of others.

This case study illustrates how one IBM customer uses IBM products. Many factors have contributed to the results and benefits described. IBM does not guarantee comparable results. All information contained herein was provided by the featured customer. IBM does not attest to its accuracy.

References in this publication to IBM products or services do not imply that IBM intends to make them available in all countries in which IBM operates.



Printed in the United States on recycled paper containing 10% recovered post-consumer fiber.



G325-1854-00