



BNP Paribas puts three into one with IBM

"With iSeries, we are able to forget about the technology: we focus on functionality and business. That may sound strange for an IT service provider, but with the support of IBM, this is what we want."

Aimé Achard, Chief Operating Officer
Private Banking (Switzerland),
BNP Paribas Services

The Challenge	To merge three legacy banking systems into a single, integrated infrastructure, for increased ease of management and reduced costs
The Solution	Consolidated all data onto Olympic Universal Banking application from ERI Bancaire, running on IBM @server iSeries
The Benefits	Lower infrastructure and personnel costs, high resilience, and full compliance with stringent data security requirements

Looking for a single account

BNP Paribas Services is the IT solution provider for the private banking arms of its parent group, BNP Paribas. In 1999, three banks, United European Bank (UEB), BNP and Paribas, merged to form BNP Paribas, which then created a specialist bank to handle commercial clients, and two new private banks. The private banks specialise in managing the assets, portfolios, deposits, loans, equities, bonds, financial instruments and financial services for high-net-worth individuals. BNP Paribas Services is based in Geneva, Switzerland, and employs around 400 people.

When BNP Paribas was formed, each of the three banks involved in the merger had its own banking applications and systems. To avoid duplication of effort and to reduce costs, the newly-formed BNP Paribas Services was tasked with creating a new centralised IT infrastructure, and with migrating client accounts to the new system as a complete solution for the new private banks.

"The challenge was simultaneously to manage the merger of the three banks and to find, implement and deliver a new solution to handle all banking activity. With more than 40,000 customers, many with multiple accounts, BNP Paribas needed to find a solution that was rapid to implement, would meet our needs, and would be totally reliable," comments Aimé Achard, Chief Operating Officer, BNP Paribas Services.

Consolidating banks and business

Immediately after the merger, it had become apparent that the group's banking applications needed urgently to be consolidated to a single, integrated infrastructure. Some account administrators were having to use all three systems to access data held on their customers, which was adding to the cost and complexity of business procedures. After extensive research, BNP Paribas Private Bank selected Olympic Universal Banking from ERI Bancaire as its new group-wide banking application, running on IBM **@server** iSeries.

"Olympic Universal Banking was chosen because it controls everything we need, such as securities, cash accounts, credit cards, portfolios and more, from a single application. This gives us a single point of entry for client view, lower support and administration costs, and has enabled us to consolidate to a single hardware platform – iSeries – for easier and more effective management," says Achard.

"Part of the benefit of a merger is the opportunity to reduce your administration costs by sharing resources," he continues. "While we were doing that, we also completely reinvented the infrastructure, using the power of iSeries and Olympic. While it is not possible to

separate out the effects of each change, BNP Paribas Services achieved its target return on investment of three years with iSeries and the new application architecture."

BNP Paribas Services is experiencing reduced administrative support costs, since fewer applications and databases mean that fewer technicians are needed to support the integrated system. In the two years since the first bank in the group went fully live on the new system, Achard reports no unscheduled downtime, showing the outstanding reliability offered by iSeries.

First Switzerland, next the world

During the implementation, BNP Paribas group banks in other countries also began to migrate to the Olympic solution on iSeries, and there are now seven countries fully live on the same physical iSeries servers, all managed in Geneva. Strict banking secrecy laws dictate that client data must be held securely and separately, and never shared between banks in the same group. iSeries LPAR (logical partitioning) technology ensures full compliance, by subdividing physical servers into multiple virtual servers, each providing totally independent services to the various banks on the system.

Demand on the iSeries system is growing fast, in particular for data storage, and the BNP Paribas Services team is actively looking at implementing Dynamic Logical Partitioning for more effective disk space management. Additionally, iSeries On/Off Capacity on Demand will potentially be used to handle spikes in demand, enabling BNP Paribas to switch on new server resources for as long as needed, and pay only for usage while its additional processors are activated. Aimé Achard comments, "We are considering the benefits of Dynamic LPAR and On/Off Capacity on Demand, both of which will increase our response performance while allowing us to maintain a cost-effective service for the BNP Paribas banks.

"With iSeries, we are able to forget about the technology: we focus on functionality and business. That may sound strange for an IT service provider, but with the support of IBM, this is what we want."

IBM United Kingdom Limited PO Box 41 North Harbour Portsmouth Hampshire PO6 3AU

The IBM home page can be found at ibm.com

IBM, the IBM logo, the e logo, the eServer logo and iSeries are trademarks of International Business Machines Corporation in the United States, other countries, or both.

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

References in this publication to IBM products, programs or services do not imply that IBM intends to make these available in all countries in which IBM operates. Any reference to an IBM product, program or service is not intended to imply that only IBM's product, program or service may be used. Any functionally equivalent product, program or service may be used instead.

All customer examples cited represent how some customers have used IBM products and the results they may have achieved. Actual environmental costs and performance characteristics will vary depending on individual customer configurations and conditions. IBM hardware products are manufactured from new parts, or new and used parts. In some cases, the hardware product may not be new and may have been previously installed. Regardless, IBM warranty terms apply.

This publication is for general guidance only. Photographs may show design models.

© Copyright IBM Corp.2003 All Rights Reserved.
