



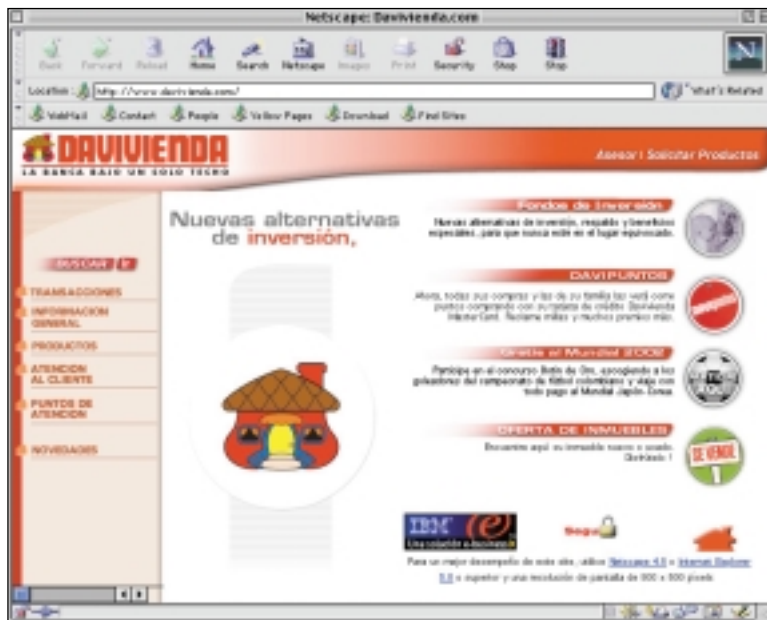
Banco Davivienda brings banking online with IBM.

Application	Online banking portal
Business Benefits	100% ROI within 2 years; \$1 million expected in increased annual revenue; 20% increase in customer retention rate; 15% increase in revenue from future corporate business
Software	IBM WebSphere® Application Server, Advanced Edition IBM WebSphere Commerce Suite IBM DB2® Universal Database™ for AIX® Lotus® Domino™ Lotus Enterprise Integrator IBM VisualAge® for Java™
Servers	IBM RS/6000®
Services	IBM Global Services

For banking institutions, offering a wide range of services is only part of the formula for building a large clientele. Today's busy customers also demand convenience. That's why Banco Davivienda (Davivienda), a leading bank based in Bogotá, Colombia, has invested heavily in expanding its banking channels to 250 branches, 800 ATM machines, a call center staffed by 150 people and an automated phone banking system.

“The IBM Application Framework for e-business provided a concrete roadmap for developing an infrastructure that was tailored to our specific needs as a financial institution.”

– Rodolfo Serna, IT Vice President, Banco Davivienda



IBM's complete e-business solution helped Banco Davivienda capture a large part of the consumer and corporate market.



e-business — redefining the competitive environment in your favor



Based in Bogotá, Colombia, Banco Davivienda is staying competitive thanks to e-business solutions from IBM.

For over 28 years, Davivienda has dedicated itself to pleasing its customers — quickly becoming the largest provider of mortgage financial services and capturing 22 percent of the personal banking market and 7 percent of the corporate banking market in Colombia.

Davivienda identified another channel for increasing customer loyalty — an online banking portal. By automating many manual banking transactions, it could also cut costs. But time was of the essence, as many of Davivienda's competitors had already implemented banking portals, and competition was heating up as a wave of international banks began opening up branches in Colombia. Davivienda needed to get on the Web quickly, but only with a solution that was stable and robust enough to handle money-based transactions. Davivienda could not afford to go live without ensuring its customers that their money would be safe in cyberspace.

Davivienda compared offers from Sun Microsystems, Compaq Computer Corporation and IBM. In the end, IBM was the only company that could provide a complete solution built from best-of-breed components and tailored to the bank's specific needs. Because of its widespread use in other banks around the world, the IBM WebSphere software platform for e-business was especially attractive to Davivienda. "We knew that many other banks were successfully running their banking portals with IBM software," says Rodolfo Serna, IT vice president, Banco Davivienda. "And IBM's complete solution would get us online fast — its competitors could only offer parts of what we needed."

Essentially, Davivienda was attracted to IBM's e-business experience, manifested through the IBM Application Framework for e-business. "The IBM Application Framework for e-business provided a concrete roadmap for developing an infrastructure that was tailored to our specific needs as a financial institution," explains Serna.

IBM Global Services sent in a team of experts to assist in the design, coding and implementation of Virtual Bank — Davivienda's online banking portal — using IBM WebSphere Application Server, Advanced Edition, IBM DB2 Universal Database, IBM WebSphere Commerce Suite, Lotus Domino, Lotus Enterprise Integrator and IBM VisualAge for Java. The portal is hosted on an IBM RS/6000 server with three nodes.

"We can offer our customers more online services than anyone else in Colombia now that we've based our portal on the WebSphere software platform."

*— Maritza Perez, Director of Marketing,
Banco Davivienda*

With expectations of migrating 50 percent of its banking transactions from the call center and 10 percent from local branches, Davivienda expects to achieve a full return on its investment within 2 years and increase revenue by 5 percent—totaling U.S.\$1 million per year for the first 3 years. Davivienda projects that future commercial banking will increase revenues by 15 percent and its customer retention rate will increase by 20 percent.

“We can offer our customers more online services than anyone else in Colombia now that we’ve based our portal on the WebSphere software platform,” explains Maritza Perez, director of marketing, Banco Davivienda.

Building an extensible platform

Virtual Bank performs every service that a human teller can offer. A home banking application, built by IBM Global Services and Davivienda with IBM VisualAge for Java, allows customers to check balances, pay bills and transfer funds between accounts. The Java servlets that enable this functionality are contained and powered by WebSphere Application Server. All customer account data is stored in DB2 Universal Database. “WebSphere Application Server delivers incredible stability when handling these sensitive transactions, and the robustness of DB2 Universal Database ensures that all of our data is being securely maintained,” says Serna. “Many people don’t want to come all the way to the bank, or sit on hold on the phone to perform these kinds of transactions. Using WebSphere Application Server and DB2, we’ve made our customers happier while cutting our transaction costs.”

Davivienda is also leveraging Virtual Bank as a marketing vehicle by giving customers detailed information about all the products and services that the bank has to offer. To further enhance the effectiveness of this promotions module, Davivienda used WebSphere Commerce Suite and VisualAge for Java to build a series of financial simulations that demonstrate the benefits of purchasing the bank’s products. For example, when customers want to refinance a home, they enter all of their demographic information into Virtual Bank, enabling WebSphere Commerce Suite to input these variables into the Java-based simulations. This shows the customer exactly how much the monthly payments will be and how long it will take to pay the mortgage off.

“Using WebSphere Application Server and DB2 Universal Database, we’ve made our customers happier while cutting our transaction costs.”

—Rodolfo Serna



Allowing its customers to bank online has both cut costs and increased the customer retention rate at Banco Davivienda.

If a customer then wants to apply for such a service, Davivienda has automated its workflow processes by implementing Domino Application Server and Lotus Enterprise Integrator. Lotus Enterprise Integrator extracts the customer information submitted on an HTML form and, working with WebSphere Application Server, it then loads the information to the Domino Server. Working with IBM Global Services, Davivienda has created a set of workflow process models in Domino that route each document from the Web server to the specified department in Davivienda. Through this workflow process, customers can also change or request information, schedule consultation appointments, open new accounts or report lost debit cards. Depending on the type of request, customers can get responses in anywhere from a couple of minutes to a couple of days.

IBM—a partner for the future

Davivienda has exciting plans for the long term. “Right now we are working with IBM to develop the next step in our Virtual Bank, which is to open up the portal to businesses,” explains Serna. “We’re going to be enabling companies to perform services, such as payroll, all through the banking portal. Bringing commercial banking online carries a lot of risk because of the amount of money coming through the system. But the WebSphere software platform’s incredible stability will cut this risk out and allow us to boost revenue.”

Aside from the quality of its products, Davivienda has benefited greatly from IBM’s dedication to its own customers. “We’ve worked with IBM before and have always been pleased with the company’s dedication to its customers,” notes Serna. “IBM has made us feel like more of a partner than a customer.”

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For more information about
Banco Davivienda visit:
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