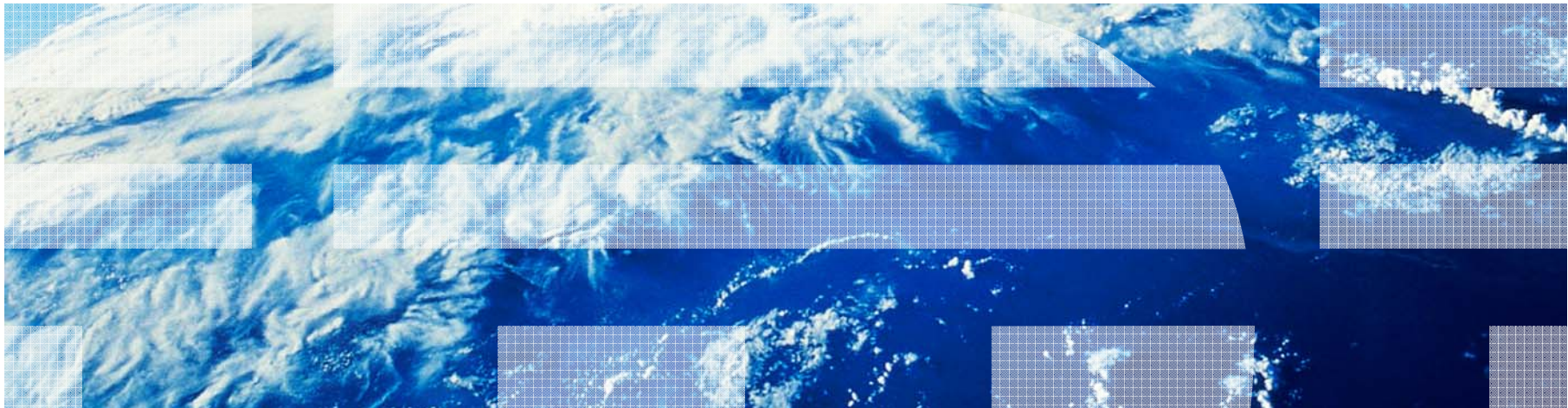


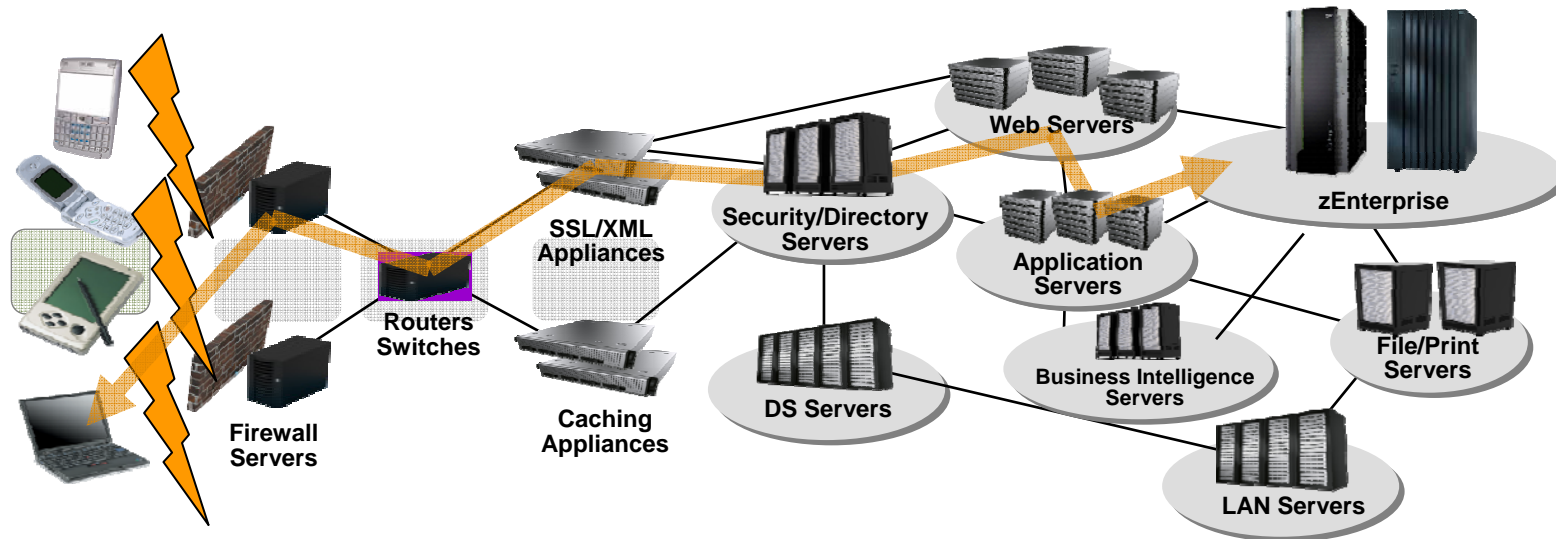
Pinguine in schwarzen Anzügen Linux bei Banken



Motivation for change / optimization in IT

- Server Sprawl Limitations
- Platform diversification

- Architecture diversification
- Operating Systems sprawl

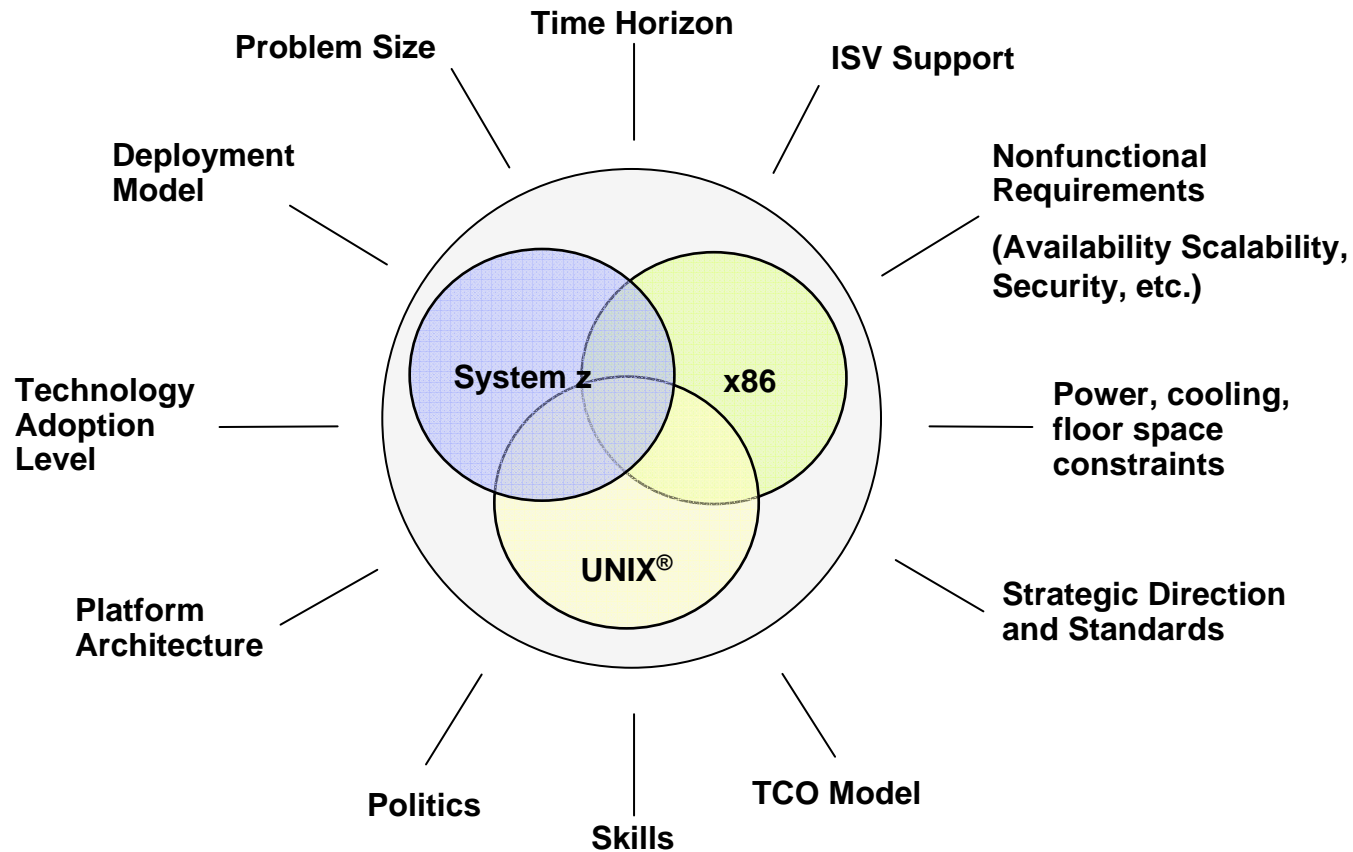


- How many x86/Unix servers are deployed every month?
- How much data center space is available, or will it become a problem?
- How big is the energy consumption growing?
- How many additional people are required to maintain the constantly growing number of servers?
- How will the software license cost grow, including the virtualization software?
- How can IT availability be ensured, what happens in the case of a disaster?

Do you have to re-think your IT server strategy?

Platform Choice – dependent on Workload and Situation

Many factors influence a platform selection, making it difficult to present a simple selection matrix



Some factors are specific to each business, others are common to all and can be generalized

Smarter Banking - Core Services

Infrastructure Management

zManager, zBX, zVM, zLinux
Monitoring, Automation,
WLM, HA/CO Resiliency

Development

Code development, testing,
virtualisation, modernisation,
service integration

Back-office

Services
SOA & Process Management
Websphere / MQ / CICS / DB2
Batch

Infrastructure Management

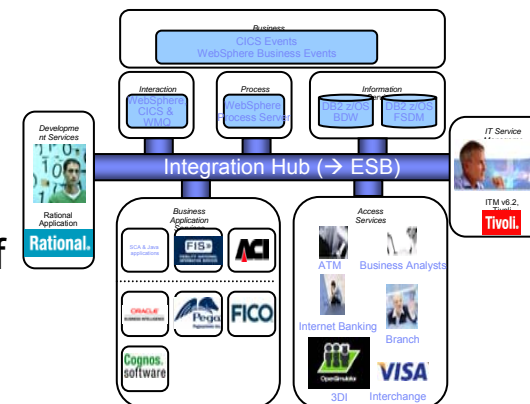
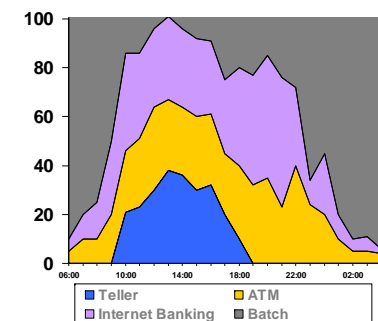
- Fundamentals on managing and monitoring online, batch and hybrid workloads across the zEnterprise System

Development

- Development, testing and deployment of applications across new and existing channels

Back-Office

- Transformation of traditional components to leverage web services, event processing and enterprise service bus technologies



Payments and Analytics

Smarter Banking Analytics

Modelling, Analytics, Reporting, Dashboards

Risk & Fraud Management

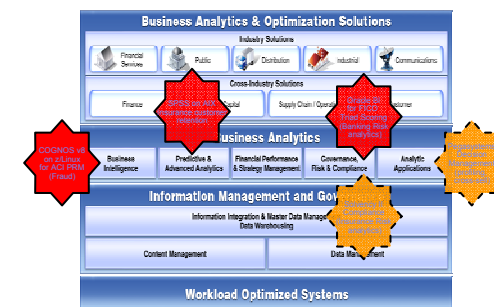
Real-time fraud detection
Scoring, Profiling
Liquidity Reporting

Retail Payments

ACI Base24-eps
Channels / Monitoring
ACI PRM / COGNOS Reports

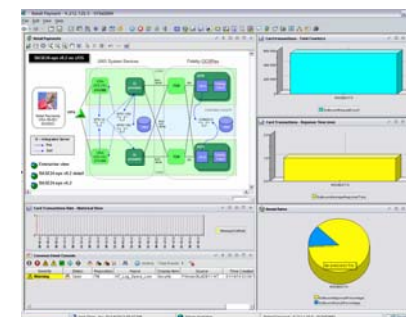
Smarter Banking Analytics

- Utilisation of DB2 data warehousing, data federation and analytics services across platforms can enable a wide variety of business and technical reports to be supported



Risk & Fraud Management

- Focusing on Basel II/III regulations, the use of advanced analytics to monitor the financial health of the Bank in real-time is key to risk assessment and in conjunction with the in-flight profiling and scoring of transactions is essential in fraud prevention



Retail Payments

- The use of ACI BASE24-eps for ATM and POS acquiring and issuing transactions, along with the ACI PRM fraud detection product, all running on zEnterprise 196. Includes KPI executive reporting with Cognos



zEnterprise Hybrid Workloads

DataPower XI50z

Integration, Security Performance

Datapower XI50z

- Value of the XI50z being deployed within the zEnterprise: simplification of XML parsing, integrated security and optimised web services

Multi-Tier Web Application

Predictive Analytics

Multi-Tier Web Application

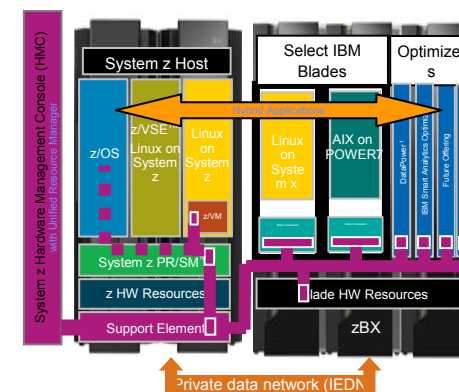
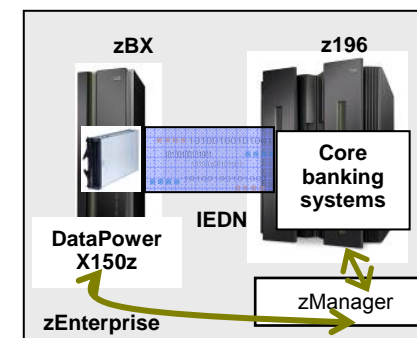
- value of deploying hybrid web applications across various zEnterprise system components, applying the Fit-for-Purpose workload assessment process to identify the most efficient location for CPU, I/O and mixed workload requirements

Collaborative Banking

Web 2.0, OpenSim, Lotus Sametime, Contactless payments

Collaborative Banking Solutions

- Pervasive computing is leading Banks to incorporate social computing and mobile device services to attract the digitally conscious customers. This demonstration covers a number of the latest technologies incorporated into our showcase using hybrid systems



IBM zEnterprise

The integration of System z and distributed technologies into a revolutionary combination

IBM zManager (URM)

- **Unified Resource Manager**, (URM) unifies resources, extending System z qualities of service across the infrastructure
- Install, Monitor, Manage, Optimize, Diagnose & Service

IBM zEnterprise

- The industry's fastest and most scalable enterprise server
- Ideally suited for large scale data and transaction serving and mission critical enterprise applications



IBM zBX BladeCenter Extension

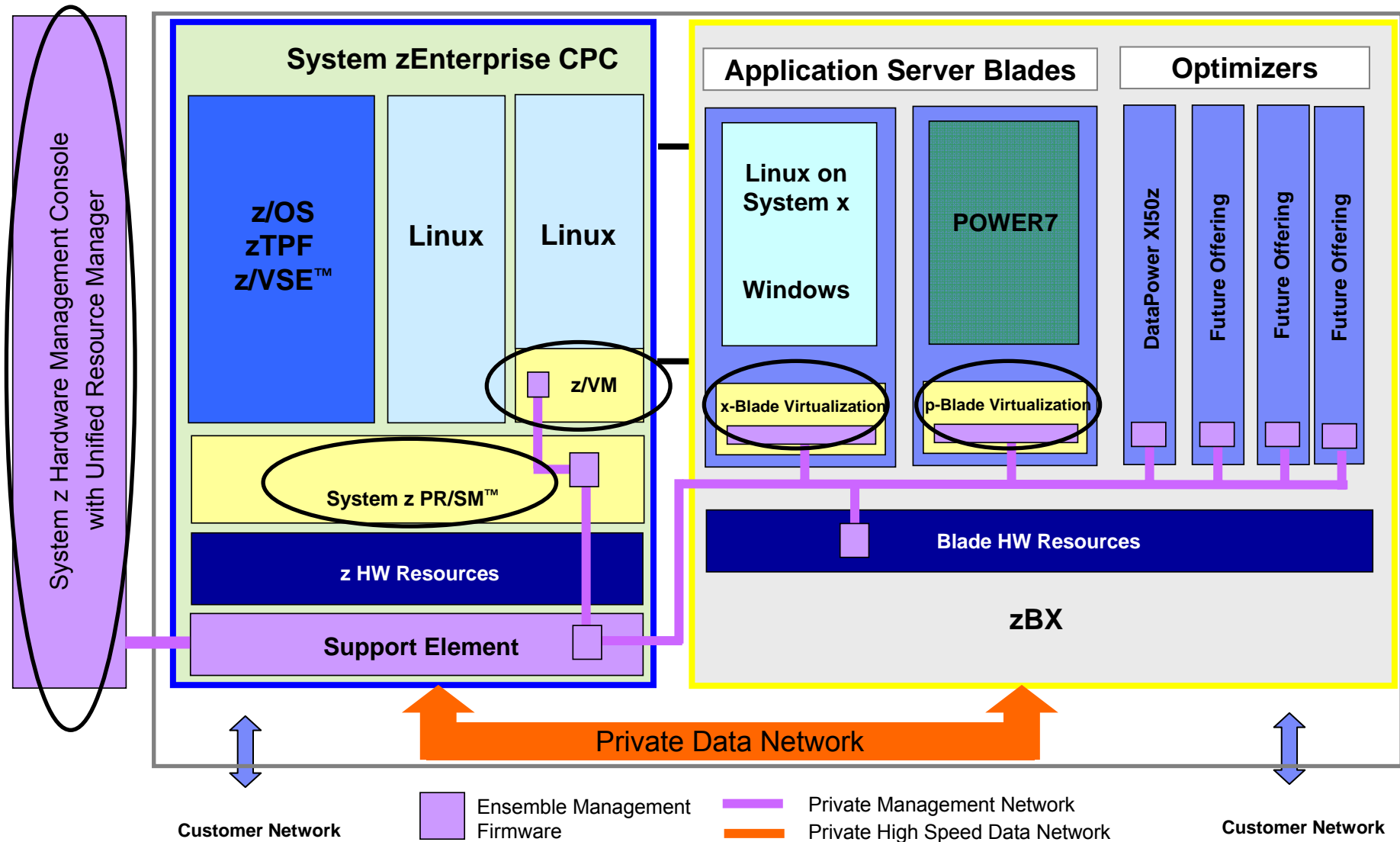
Application Server Blades

- Runs applications unchanged and supports what you know. Logical device integration between System z and distributed resources

Optimizers

- Workload specific accelerators to deliver significant performance and/or lower cost per transaction

Platform Management on zEnterprise with Blade Extension (zBX)



113 of top 120 banks by asset size choose System z...

To directly impact the bottom line

SMART IS

Reducing costs and serving the client



Caixa Galicia: Dramatic growth and national success, spurred by lean , efficient System z to deliver bank transaction costs 30% below Spain Average

To serve the customer

SMART IS

Business continuity, security and agility



Handelsbanken (Sweden): *“Customers entrust us with their hard earned savings so it’s paramount that we select one of the industry’s most powerful and secure servers - the IBM System z,”* said Roger Rydberg, technical manager at Handelsbanken. *“[System z] allows us to keep up with business climate changes because we can add or eliminate capacity any time based on customer demands. We can even make changes easily without having to stop any services.”*

To deliver growth

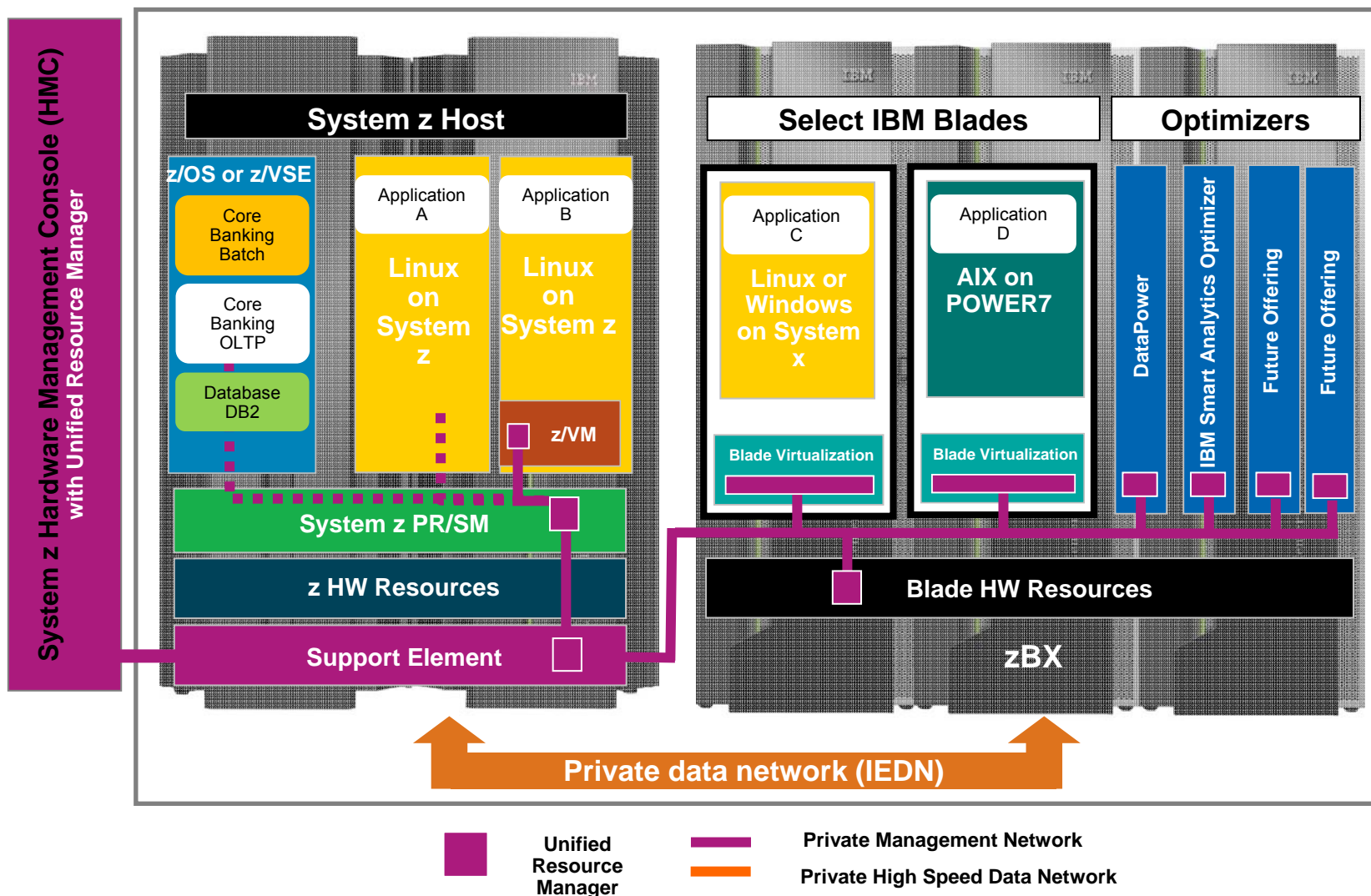
SMART IS

Improved speed to market with integration



St Georges Bank: Integration of disparate systems and data to improve customer service, bringing new products to market. *“We no longer want to invest the time and resources in two or three year initiatives. Business is changing so fast these days that we can’t afford to roll something in production that represents the thinking of three years ago.”*

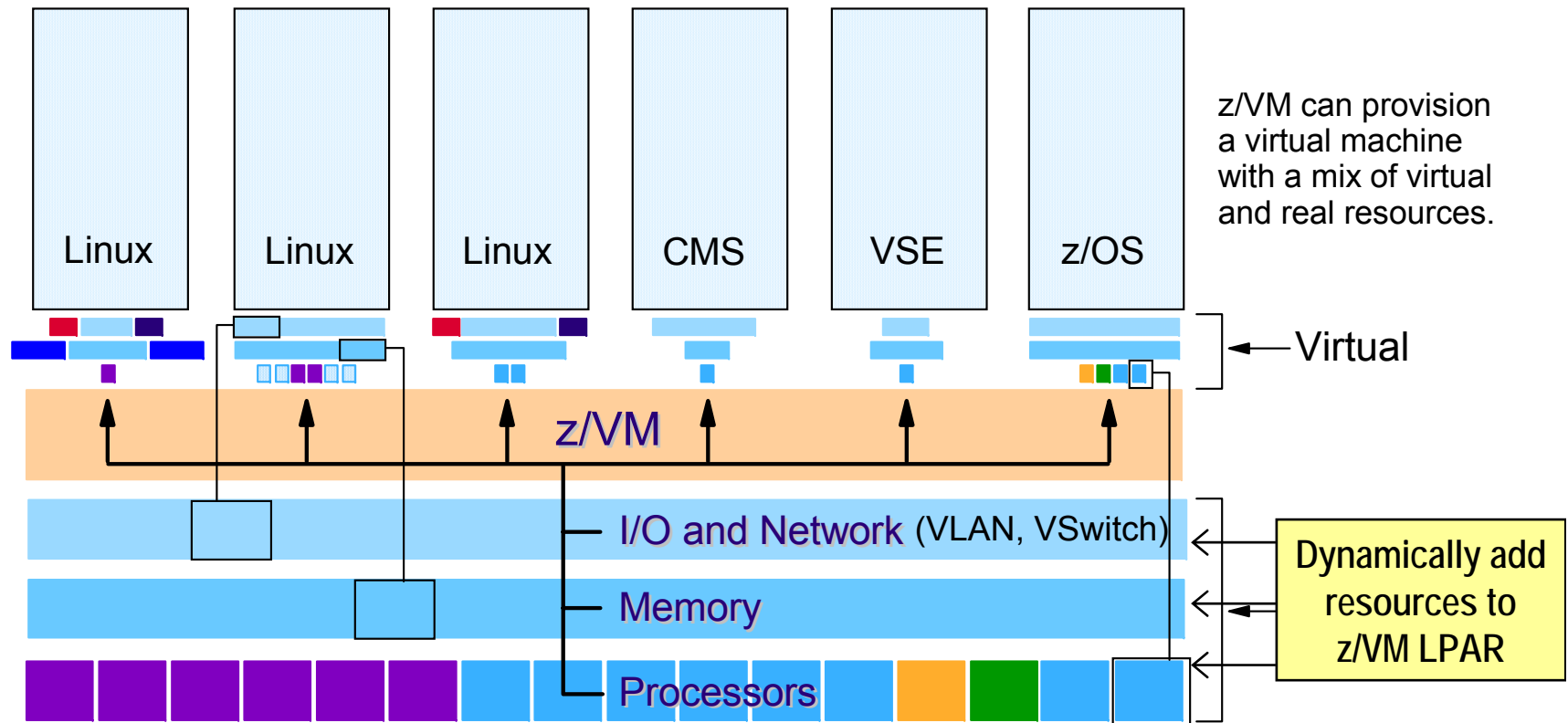
Core Banking Solutions on IBM System zEnterprise



Virtualization in System z and zEnterprise

z/VM Technology: Share everything

- z/VM simulates the existence of a dedicated real machine, including processor functions, storage, and input/output resources.
- z/VM includes network Virtualization, high availability and integrated security between VMs
- It supports uniquely, over commitment on all levels.



Linux on z/VM is the industry's most advanced virtual solution

Quotes and Case Studies

- "Our core banking modernization will place us well ahead of our competitors. **The new architecture behind the SAP platform gives us the power to treat IT as a utility.**" - Michael Harte, chief information officer, **Commonwealth Bank Group**
- Montserrat Torres Torres, Computer Systems Manager, **Banco Pastor** says, "With the IBM z10 System servers, **we resolved our issues of scalability, speed and cost.** We have reduced our footprint by ten times, and minimized our overall business risks. The z10 servers are based in two separate sites and provide us with the utmost security by ensuring that even if there is a natural disaster we can maintain high availability.
- Thanks to the IBM System z platforms, virtualization technologies and the SUSE Linux Enterprise Server for System z operating system, EFiS EDI Finance Service AG **successfully consolidated its environment while deploying hundreds of Linux instances to support its performance requirements.**



Case Study

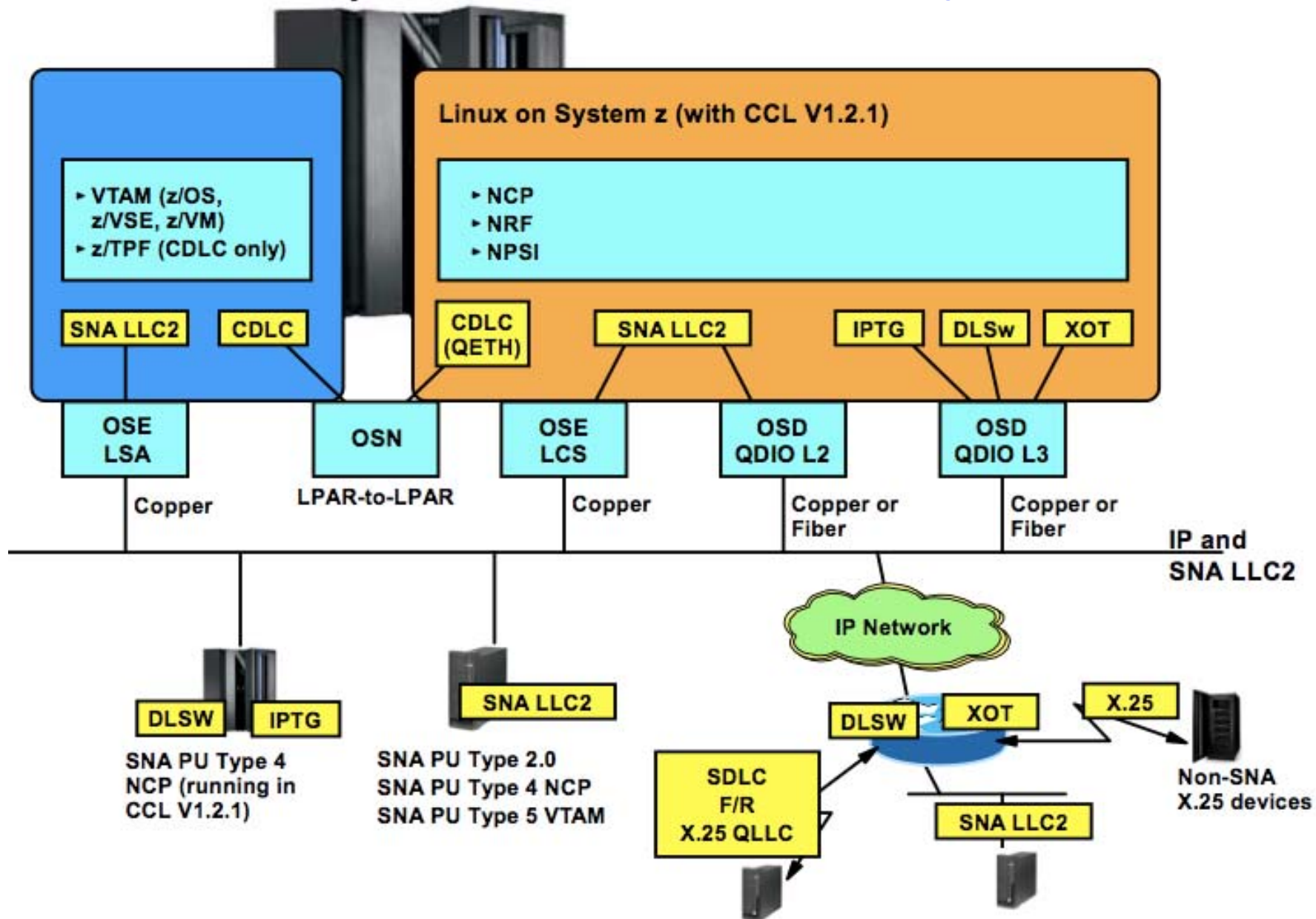
Al Rajhi Bank's 3000 MIP IBM Mainframe: The Best Machine for the Job

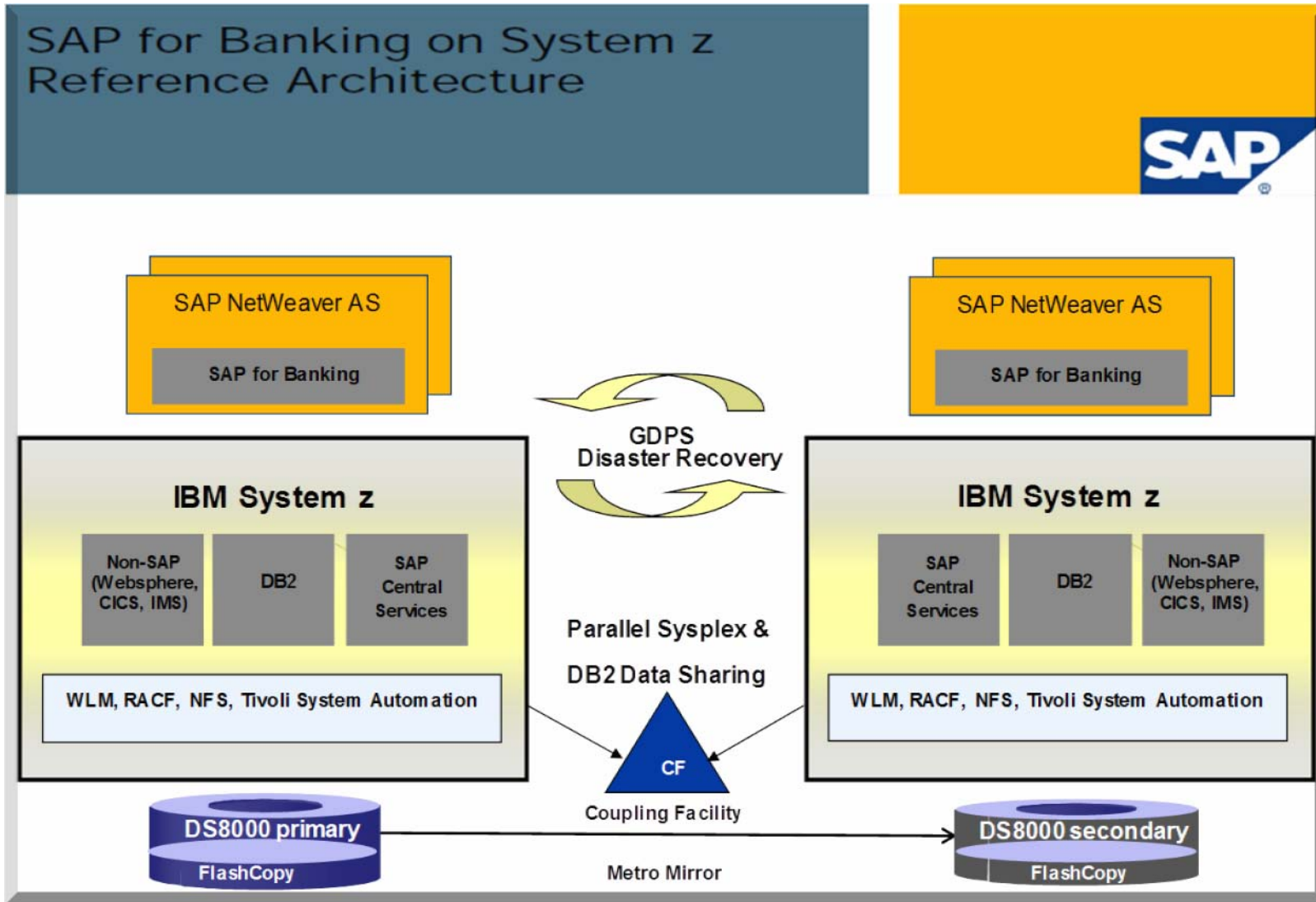
According to Ahmed Mohammed Anwar, Al Rajhi Bank's Head of Production, a move to distributed computers would not help the bank meet its processing goals in the timeframe the bank needs to meet them due to government mandated deadlines.



IBM zEnterprise 114 and zBX

Replacement for SNA communication using - Communication Controller for Linux on System z





SAP Banking Services 7 on DB2 10 and zEnterprise 150 Million Accounts Measurements

■ Record-setting performance for SAP core banking workloads

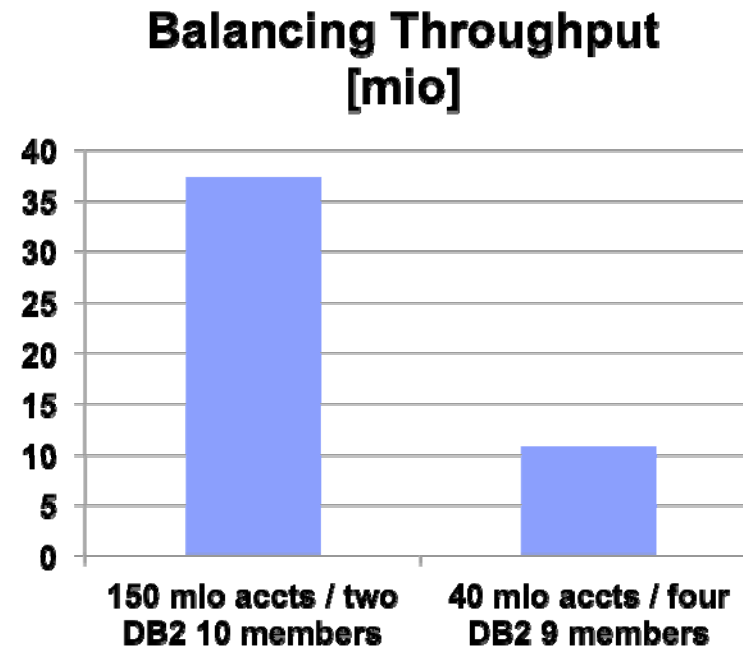
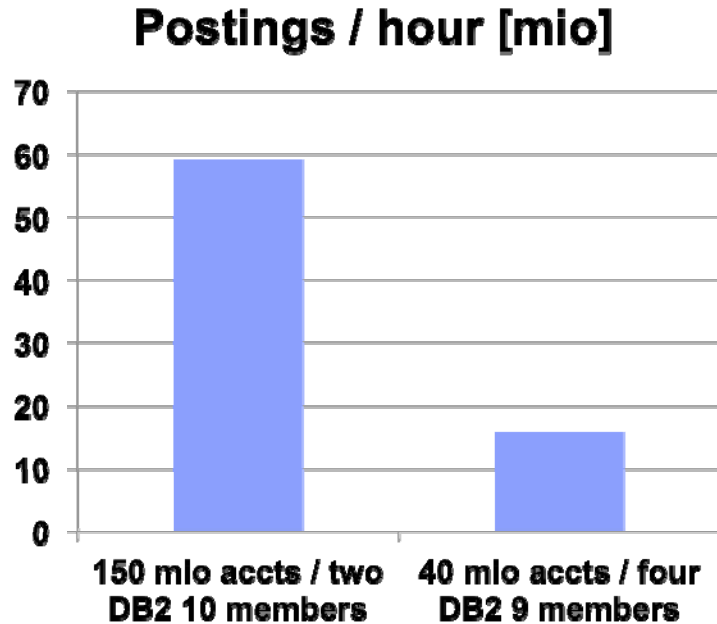
- Bank postings
- Balancing

Large-scale project run in Poughkeepsie in 1H 2011 – see www.ibm.com/solutions/sap/us/en/news/zenterprise_system_scales_best.html

■ Number of accounts processed larger than ever before: **150 million**

- Previously: 40 million

← DB2 9 on z9 with older SAP TRBK4 banking release



Vietin Bank



Company description

Vietnam Joint Stock Bank for Industry and Trade (VietinBank) is one of the largest banking institutions in Vietnam. VietinBank was established in 1988. The bank's total asset accounts for over 20 percent of the entire Vietnamese banking industry. *With headquarters in Hanoi Capital, the bank operates nearly 850 branches and transaction offices and nearly 1,200 Automatic Teller Machines (ATMs) throughout the 56 provinces and cities in Vietnam.*

VietinBank selected an IBM mainframe to run a new operational risk management solution, which will enable the bank to deliver premium services to its customers.

Business Challenge

Scalability for business growth

Strengthen operational risk management

35% business growth past year (existing Sun distributed platform could not deliver)

Solution:

System z10 BC, Linux on System z

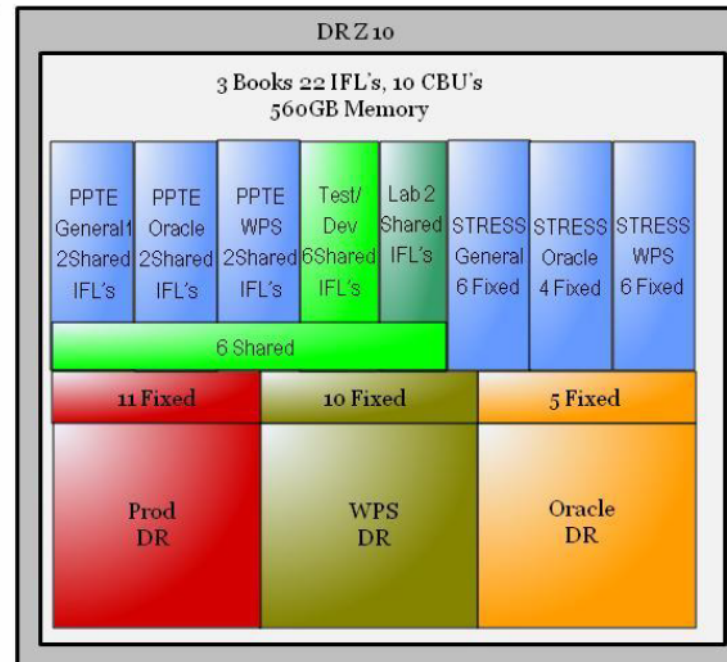
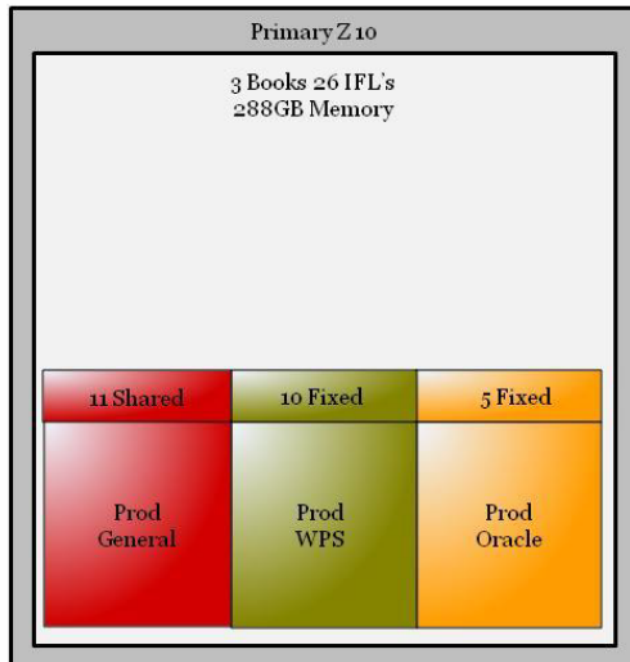
"The IBM System z10 Business Class™ (z10 BC™) offered us more options than competing products because the system was designed to provide the world's highest levels of security while managing the world's highest amounts of transactions. We are proud to have System z to help us achieve our objective of providing continuous banking services to our customers"

*Pham Anh Tuan,
Deputy Director, VietinBank*

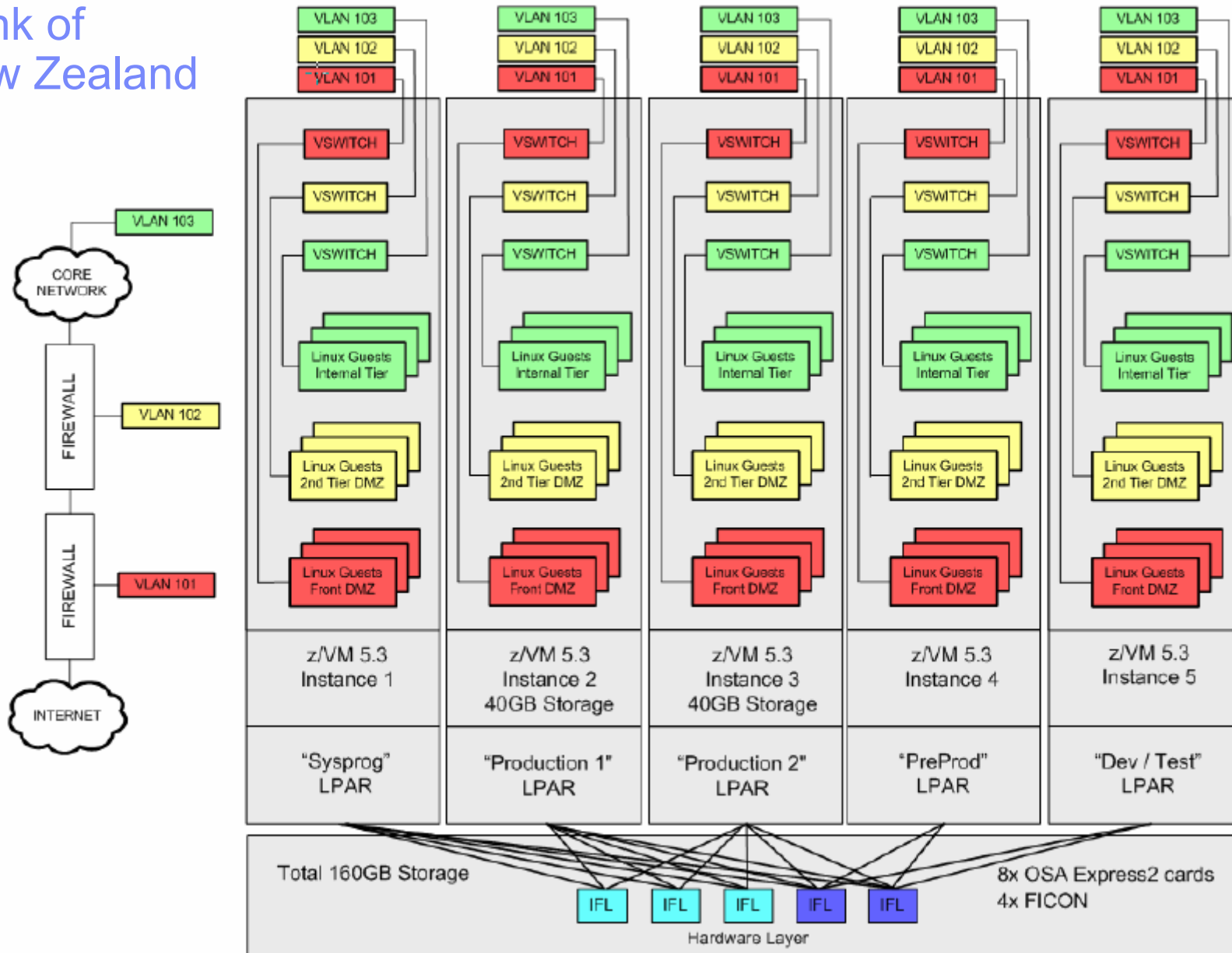
With this new IBM System z mainframe server, optimized for high transaction banking workloads, VietinBank will benefit from advanced systems management features including capacity management and security to protect the bank's data from potential risks as the country's appetite for traditional and more advanced banking services continues to grow.

Bank of New Zealand

- Consolidated 200 Sun servers down to one System z10 running Red Hat Enterprise Linux
- Reduced data center footprint by 30%, heat output by 33%, and power consumption by close to 40%
- Only one administrator needed per 200 virtual servers
- New environments are deployed in minutes, not days



Bank of New Zealand



Svenska Handelsbanken

Building a modern data center on mainframe technology

Challenge

With the growth of both Internet banking and core banking systems, Svenska Handelsbanken wanted to consolidate as many systems as possible to a simple centralized infrastructure.

Solution

By running Linux, Java, and database workload alongside core banking systems on an IBM System z10, Handelsbanken benefits from a single easy-to-manage platform with rapid disaster recovery capabilities.

Benefits

- Runs hundreds of systems on a single physical machine
- Cuts Java workload costs by 15 percent per year
- Enables disaster recovery within seconds

Scalable infrastructure

Like most banks, Handelsbanken is a long-term user of IBM's mainframe technologies, which provide high availability and performance for its core banking services. Over the years—and particularly with the advent of Internet banking—Handelsbanken had also built a landscape of smaller, distributed servers, mostly running Microsoft Windows or Linux operating systems.

"We probably have about 2,500 servers in the distributed landscape, but we only need two IBM System z mainframes—one at each of our main data centers," says Roger Rydberg, manager of System z Platform. "The team that manages the mainframe environment can just log in to one server and work on all the systems running on it, while the team responsible for the distributed servers has to spend a lot more time on hardware maintenance, network management, and other low-level tasks."

Handelsbanken's first Internet banking solution was built in the distributed environment. The service was an instant success with customers, and user numbers grew much more quickly than Handelsbanken had anticipated.

"Scalability was a real challenge, because we had to keep buying more physical machines to act as Web servers," explains Sandström. "This was not only expensive, it also posed physical problems in terms of space in the data center, cabling, electricity, and air-conditioning requirements. So we immediately started thinking about the next generation of online banking, and whether we could create a more scalable infrastructure."

Svenska Handelsbanken

<http://www.youtube.com/watch?v=t670upF1p9Y>



EFiS EDI Finance Service AG

supporting mission-critical applications and services



Business need:

EFiS EDI Finance Service AG had been using a collection of x86-based servers running Linux software to support its mission-critical applications and processes. However, the servers were not meeting the company's performance or scalability requirements.

Solution:

PROFI Engineering Systems AG helped the company migrate its mission-critical applications from x86-based servers onto a single IBM Enterprise Linux Server (ELS) – an IBM System z9 Business Class platform running Novell SUSE Linux Enterprise Server for System z. The company then saw an opportunity to expand its IBM and Linux investments and improve the company's overall services by updating its data center and installing a new ELS, based on IBM System z10 Business Class hardware.

Benefits:

- Successfully consolidated IT environment while deploying hundreds of Linux instances to support its performance requirements.
- By retiring unnecessary and underperforming hardware, the company was able to double processing speeds and optimize its data center.
- The implementation of the SUSE Linux Enterprise Server software and System z technology enabled the company to optimize its fully realized disaster recovery plan.

The consolidated IBM System z9 BC and IBM System z10 BC servers successfully streamlined the data center to optimize maintenance and management processes and effectively reduce costs.

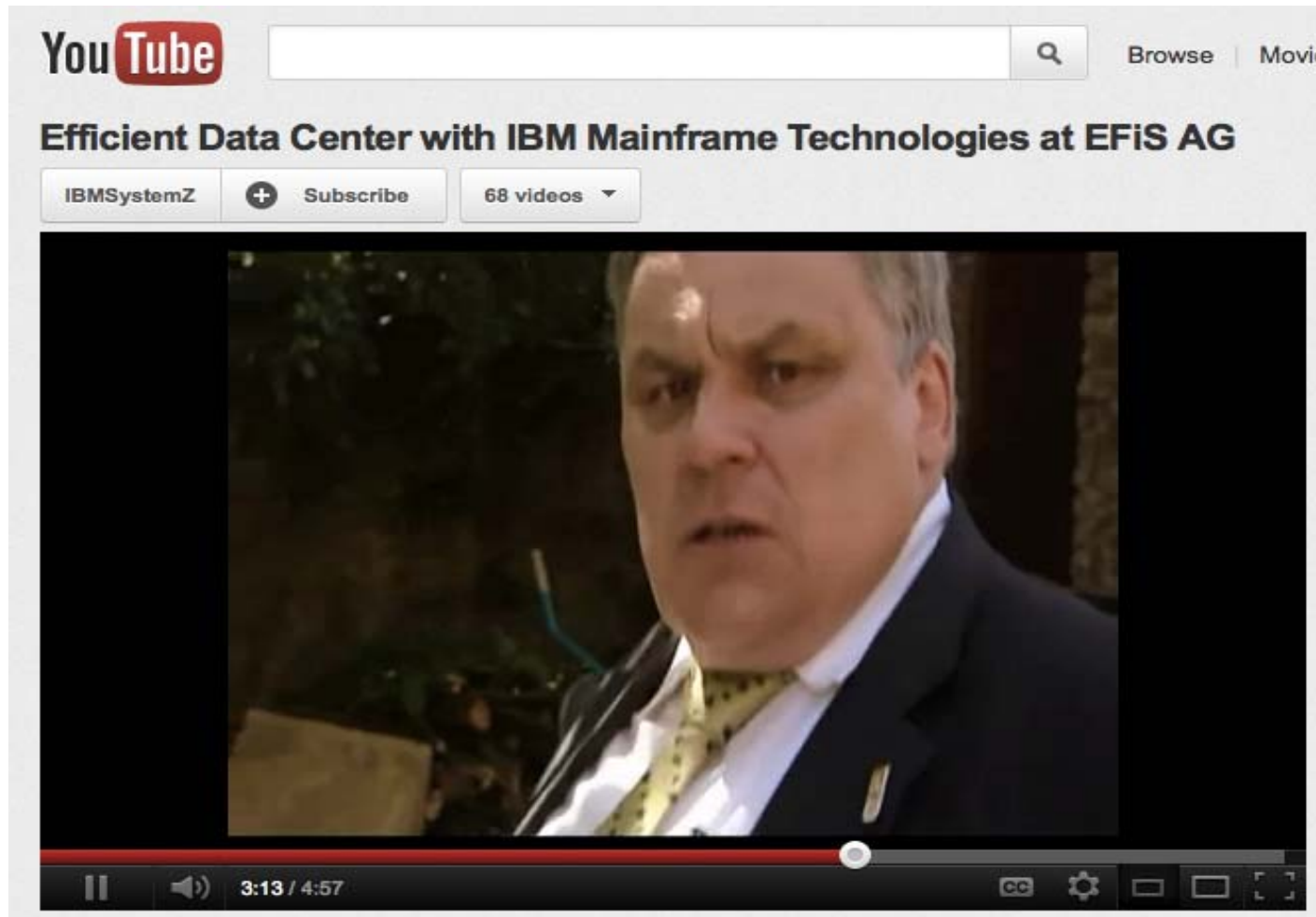
The virtualized IBM System z environment offers much higher than average processor utilization levels, so a single IFL processor is able to handle workloads equivalent to a large number of x86 servers. This is particularly significant for software which is licensed on a per-processor basis, as is the case for many of the company's business-critical applications.

As a result, the company was able to enjoy instant savings by migrating these applications to the SUSE Linux Enterprise Server solution.



Efficient Data Center with IBM Mainframe Technologies at EFiS

http://www.youtube.com/watch?v=jK4_VFA99oU



Sparda Datenverarbeitung eG



Selecting SUSE Linux Enterprise Server for System z enabled Sparda-Datenverarbeitung eG to combine the openness of Linux with the high performance of the mainframe. This enables the company to maintain superb availability and performance for mission-critical applications.

About Sparda Datenverarbeitung eG

Sparda-Datenverarbeitung eG (SDV) is the IT provider for the Sparda-Bank Group in Germany, which serves approximately 4.2 million customers. SDV develops secure and innovative IT solutions for retail banking, payment, distribution and financing. Its central core banking system 'MBS' manages customer data and is used by all the company's clients.

Challenge

SDV was one of the first companies in Germany to install the latest generation mainframe from IBM - the IBM zEnterprise 196 (z196). With business-critical applications such as those supporting its online banking system running on the mainframe, the company needed to maximise stability.

"SDV prides itself on being a consistently early adopter giving our clients the benefit of new features and developments as soon as possible," said Bernd Bohne, Department Head, Central Systems Technology, Sparda-Datenverarbeitung eG.

To be able to run all of its main business systems on one hardware platform, SDV needed a reliable and well-supported Linux distribution that would run on the IBM mainframe. For SDV, the business continuity capabilities of z/VM, z/OS and GDPS were among the key drivers for consolidating its business-critical open systems databases to the mainframe.

Novell Solution

Working with IBM, SDV deployed an IBM z196 at each of its two data centres, activating six Integrated Facility for Linux (IFL) engines on each box. IFLs are 'specialty engines'—processors exclusively dedicated to Linux workloads. The decision to run SUSE® Linux Enterprise Server for System z on IBM mainframes has been in place for some years at SDV, due mainly to the strong strategic partnership between IBM and Novell.

"When we had to decide which Linux operating system to run on our mainframe environment, we considered Red Hat Enterprise Linux, but SUSE Linux Enterprise Server had the better driver support for our needs," said Bohne. "The long-standing collaboration between Novell and IBM convinced us that even over the long term SUSE Linux Enterprise Server will be the ideal platform for our IBM mainframe."

SDV runs a number of very large databases within the virtualized Linux environments ... The company also relies on SUSE Linux Enterprise Server to support online banking services for the Sparda Banking Group's 4.2 million customers.

Working with IBM, SDV deployed an IBM z196 at each of its two data centers, activating six Integrated Facility for Linux (IFL) engines on each box.

"Our online banking services process approximately 1,200 online transactions per second, so we simply cannot afford them to fail. SUSE Linux Enterprise Server, which is involved in a significant part of this workload, makes us confident that this will not happen."

Since deploying SUSE Linux Enterprise Server on the IBM z196 we have experienced over 99 percent availability.

This proves that Linux's reputation for stability and reliability is well and truly deserved.

We imagine the solution will play an integral role in SDV's infrastructure for some time to come."

- Bernd Bohne, Department Head, Central Systems Technology, Sparda-Datenverarbeitung eG

Sparda Datenverarbeitung eG chooses IBM zEnterprise



“Oracle has been consolidated on this platform we are using right now only Oracle on the z196 platform,”
Bernd Bohne, Sparda-Datenverarbeitung e.G., Manager,
Central Systems

“Over the years, the mainframe transformed from traditional workloads, quite simple, to a universal platform for new workloads as well.

And we see a lot of new applications that are coming to this platform.

Especially for Linux, it's perfect.

The z/Enterprise platform is perfect for consolidating Linux workloads because of the high I/O bandwidth, business continuity with capacity backup features.”

Watch and listen to

- Bernd Bohne, Sparda-Datenverarbeitung e.G., Manager, Central Systems
- Marie Wieck, IBM, General Manager, Application Integration Middleware
- Steve Mills, IBM, Senior Vice President & Group Executive, Software & Systems

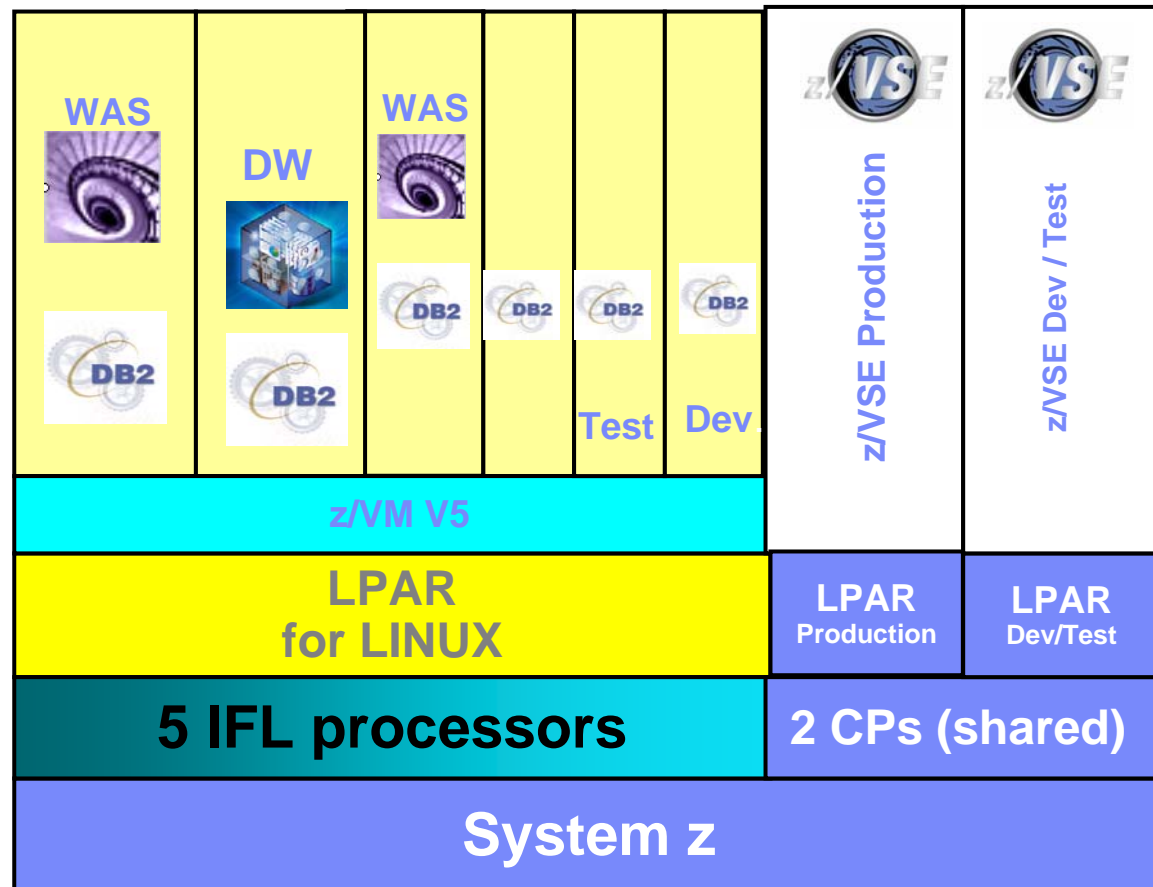
ibm.com/systems/z/resources/sparda_bank_video.html

American Bank implementation

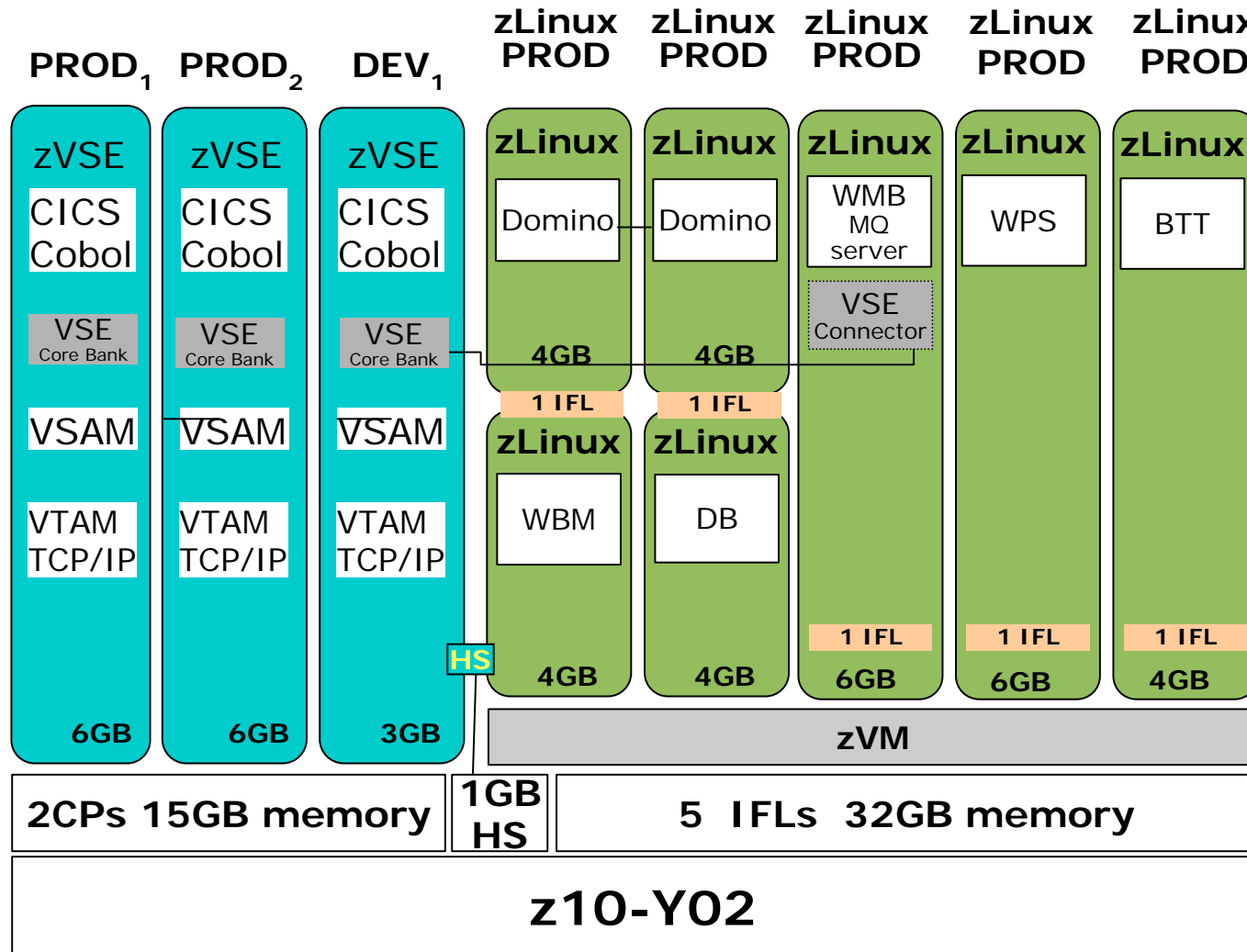
- Increased capacity on Linux on System z from 3 to 5 processors
- Web applications, DB2, Data Warehousing

Environment:

- 2 CPs with z/VSE with COBOL applications, core banking software
- 5 IFLs with Linux
 - 3 IFLs with DB2 data warehouse
 - 2 IFLs with WebSphere products
- Approx 50 SQL servers consolidated



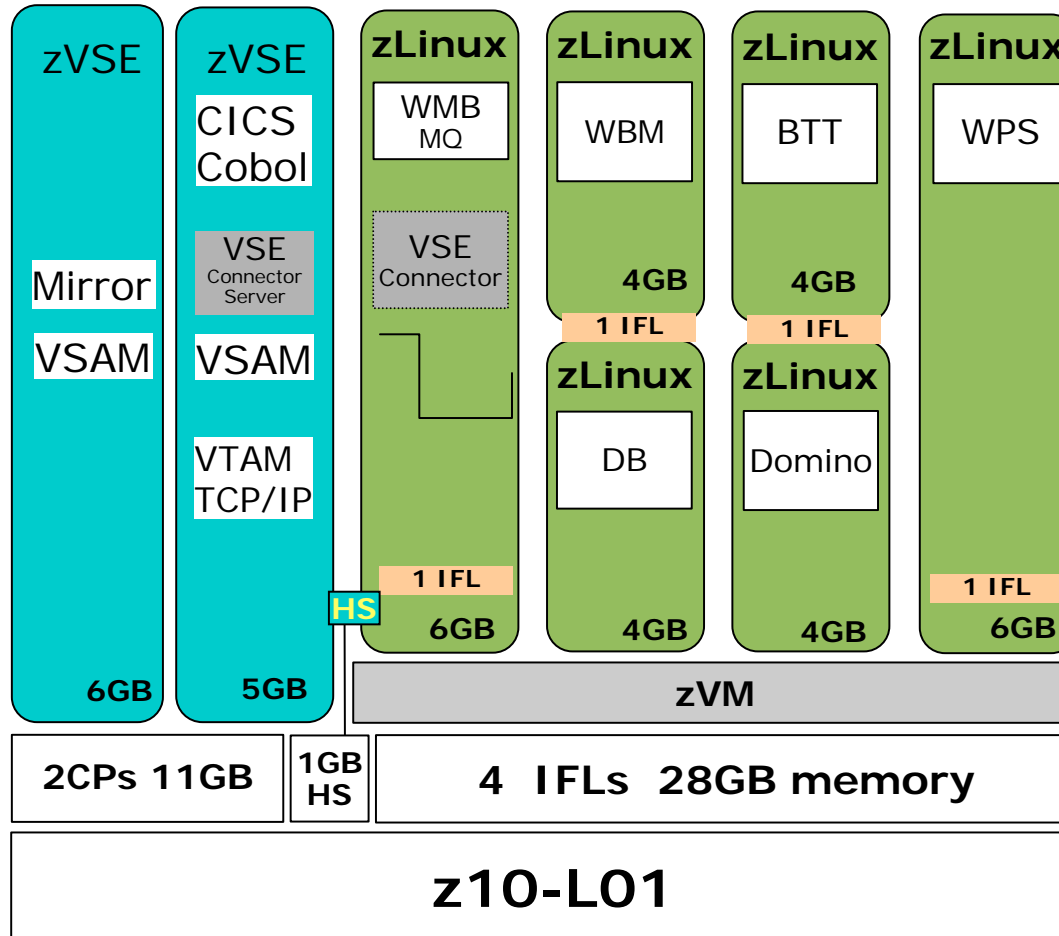
Production Site Layout for SOA and Domino



- Hipersockets

DR Site Layout for SOA and Domino

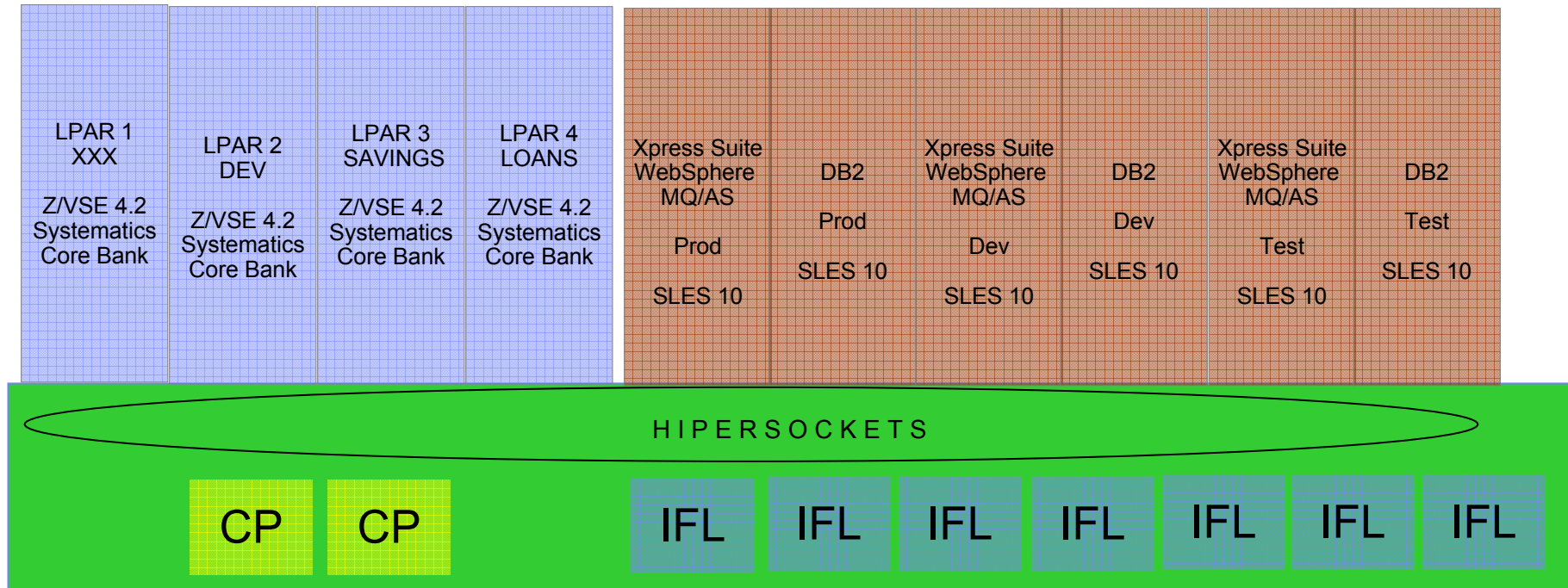
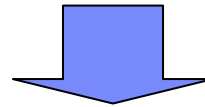
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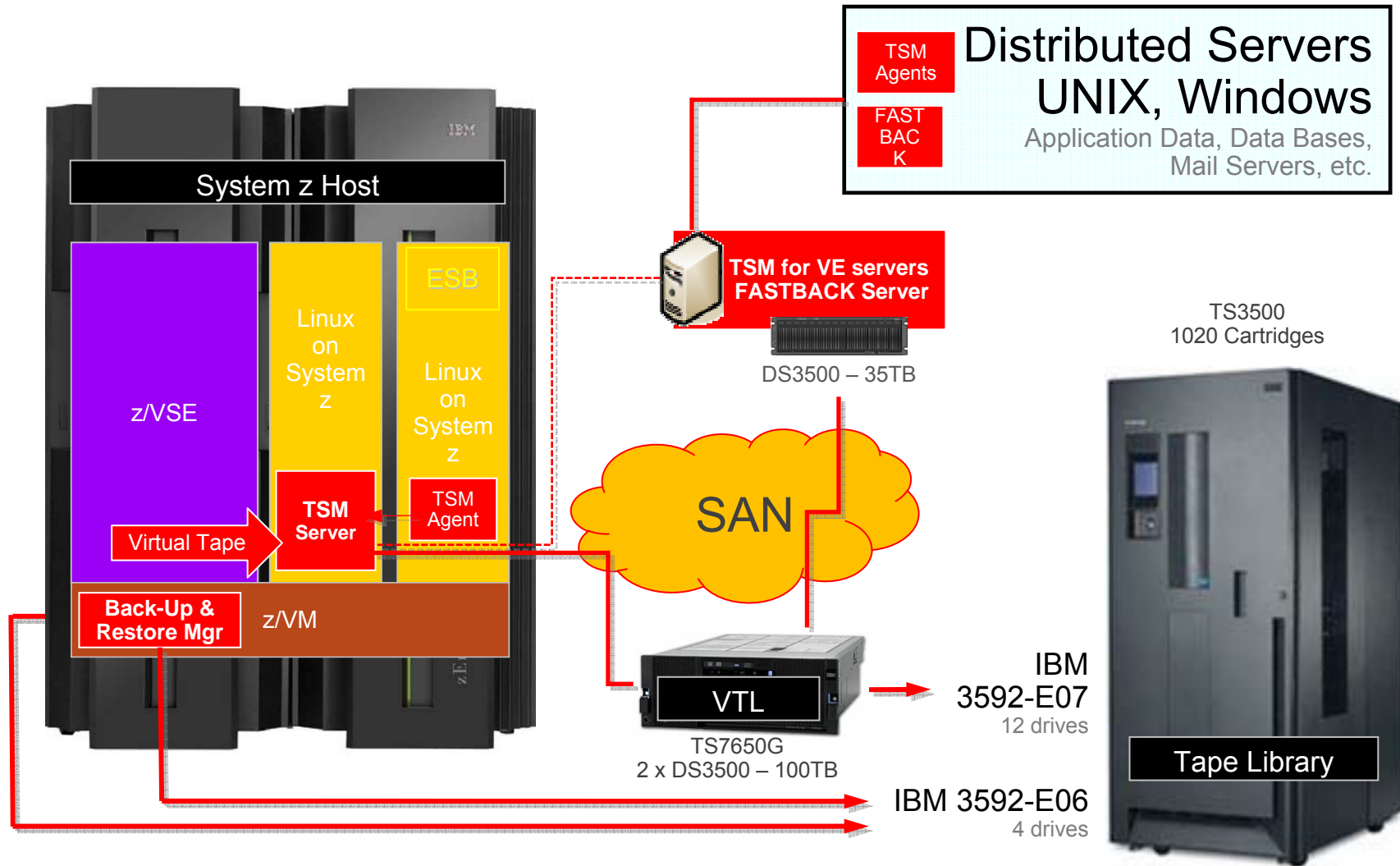
 - Hipersockets

z/VSE Core Banking Solution

LPAR Configuration Summary



Linux on System z as a Backup Hub



Banking Implementation (Current Environment)

2x z196, 1 z10BC, 18.000 MIPS, 6 IFLS

SOFTWARE

- Sun Solaris
- Oracle Std Ed (no advanced features)
- DR is Active/Passive
- Sync with DR using TrueCopy (SAN level byte copy)

PRODUCTION

- Sun M5000 (1 yr HW support left)

DISASTER/RECOVERY –site1

Sun V440 (lower spec than Prod, end of HW support)

DISASTER/RECOVERY –site2

Sun V440 (lower spec than Prod, end of HW support)

Customer Assessment

RISKS

- not of sufficient D/R capacity (limited to about 50 users at normal speed, more users leads to degraded performance)
- [...]
- Cost of out of warrant support

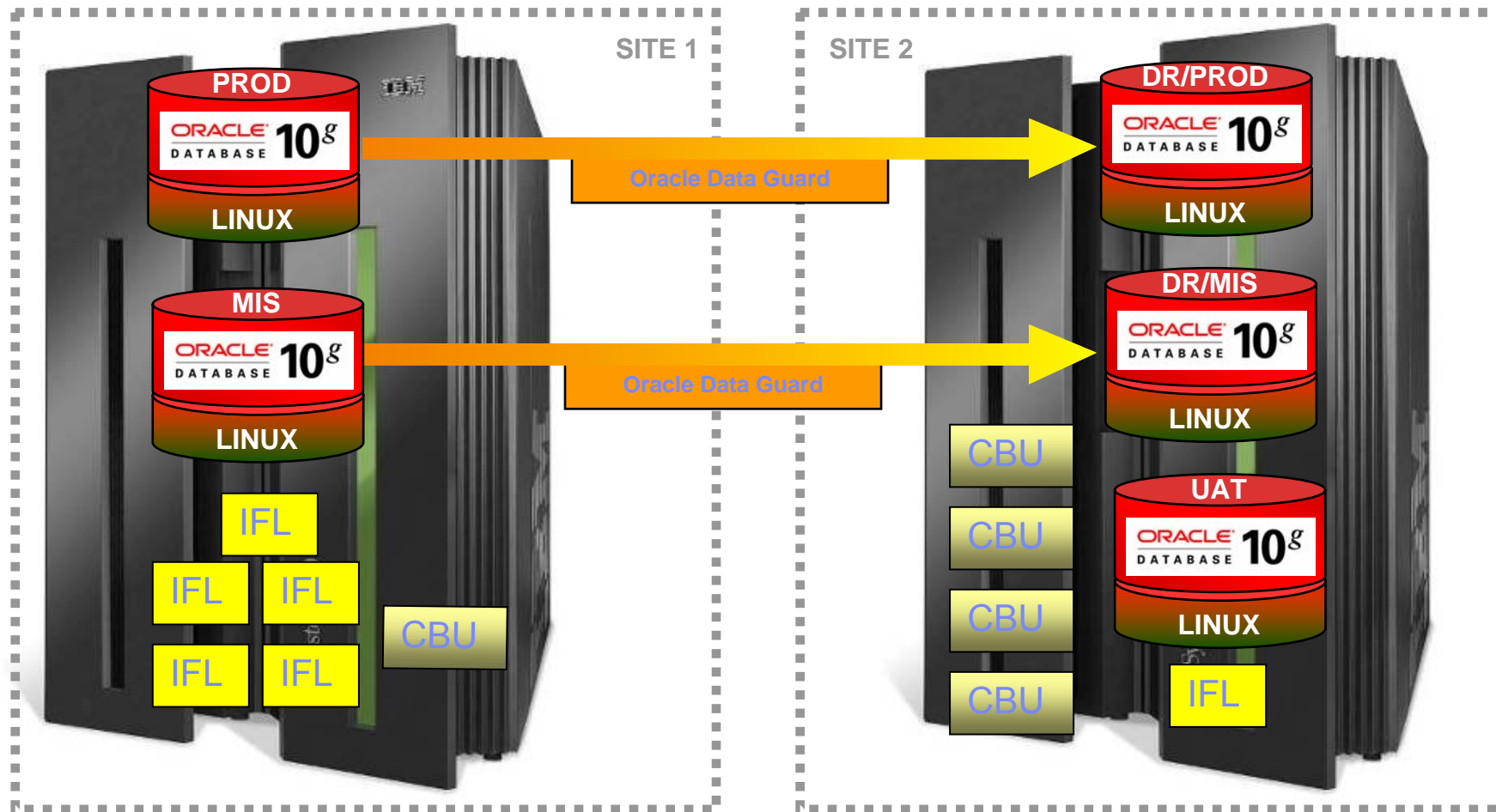
OPPORTUNITIES

- General direction at is to go Linux
- Need to significantly invest in existing architecture (would need at the very least about 4 boxes equal or better than the M5000)
- Difficult decision (flawless record of stability)

PROPOSED ARCHITECTURE

HARDWARE (upgrade of the existing System z10 systems)
5 x z10 EC Integrated Facility for Linux (IFL)
5 x z10 EC IFL Capacity Backup Upgrade (CBU)
80 GB z10 EC memory
5 x z/VM
5 x Enterprise Linux Support

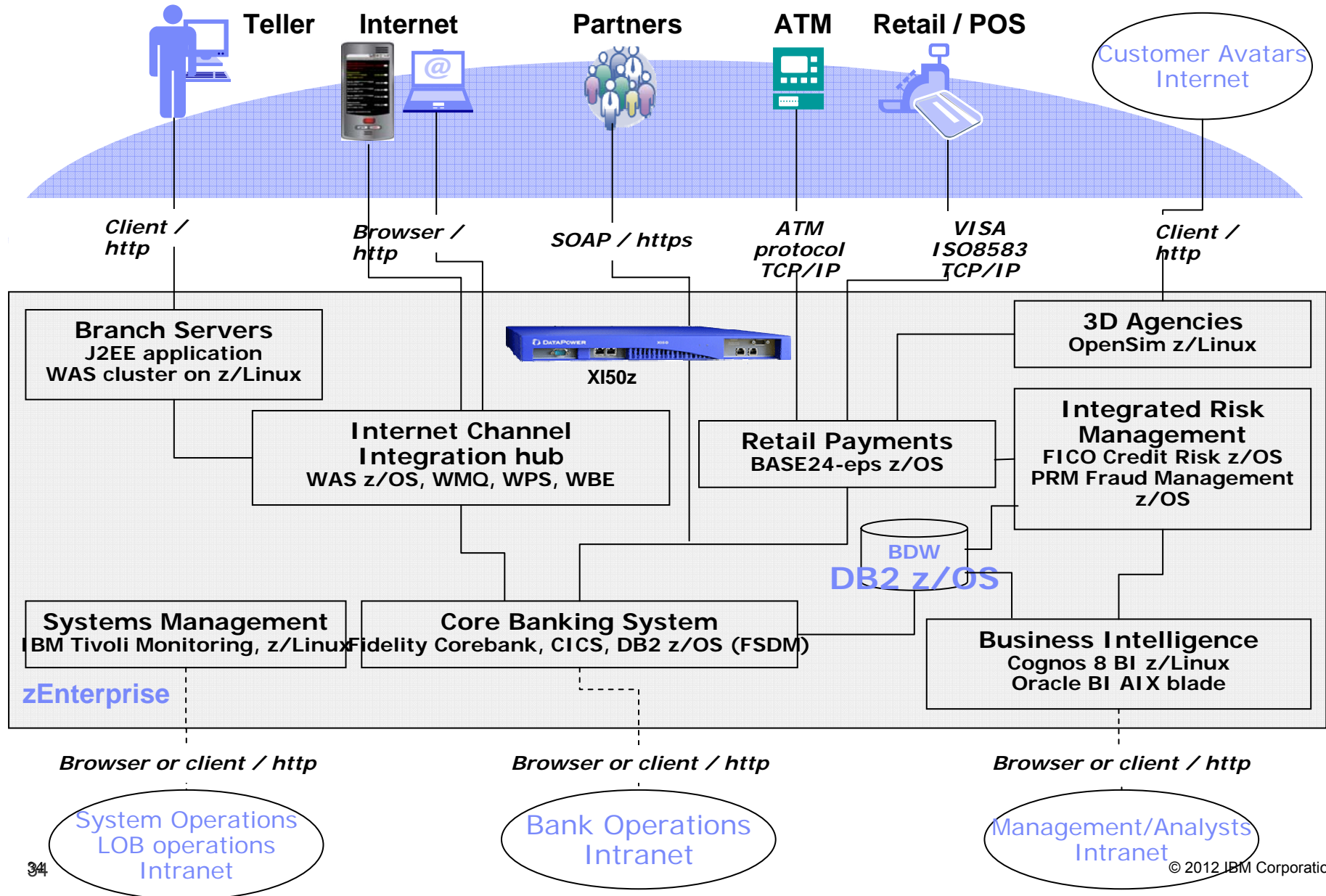
Proposed Architecture



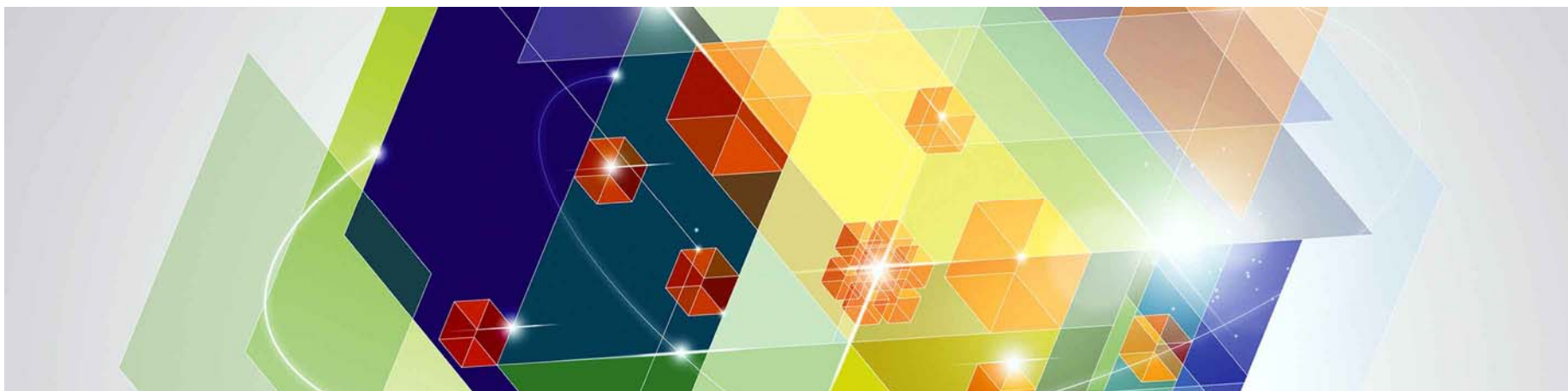
Customer Assessment: General Advantages

- Protected investment
 - Features previously purchased are carried over on upgrade
- Green solution
 - Reductions in power consumption - 40W/IFL
 - Lowest carbon footprint
- Centralised data can be easier to manage
 - Backup/recovery, new deployment, fewer operational mistakes
- Shared capacity can smooth out peaks
 - Real reduction in IT footprint
 - MEASURABLE reduction in Servers, storage, backup, network, licences
- Rapid deployment
 - A new LINUX VM including Oracle can be created in < 15 minutes
 - Standby / test & development systems occupy zero footprint until required
- Server memory
 - z/VM, LINUX and Oracle support shared executables and very efficient memory usage
 - Low overall memory footprint
- Stability
 - No need for disruptive swap out in the future.

Multi channel architecture



High Availability and Disaster Recovery and Backup with IBM zEnterprise



High level overview of the mainframe environment

Production + Test at two Sites (MF)

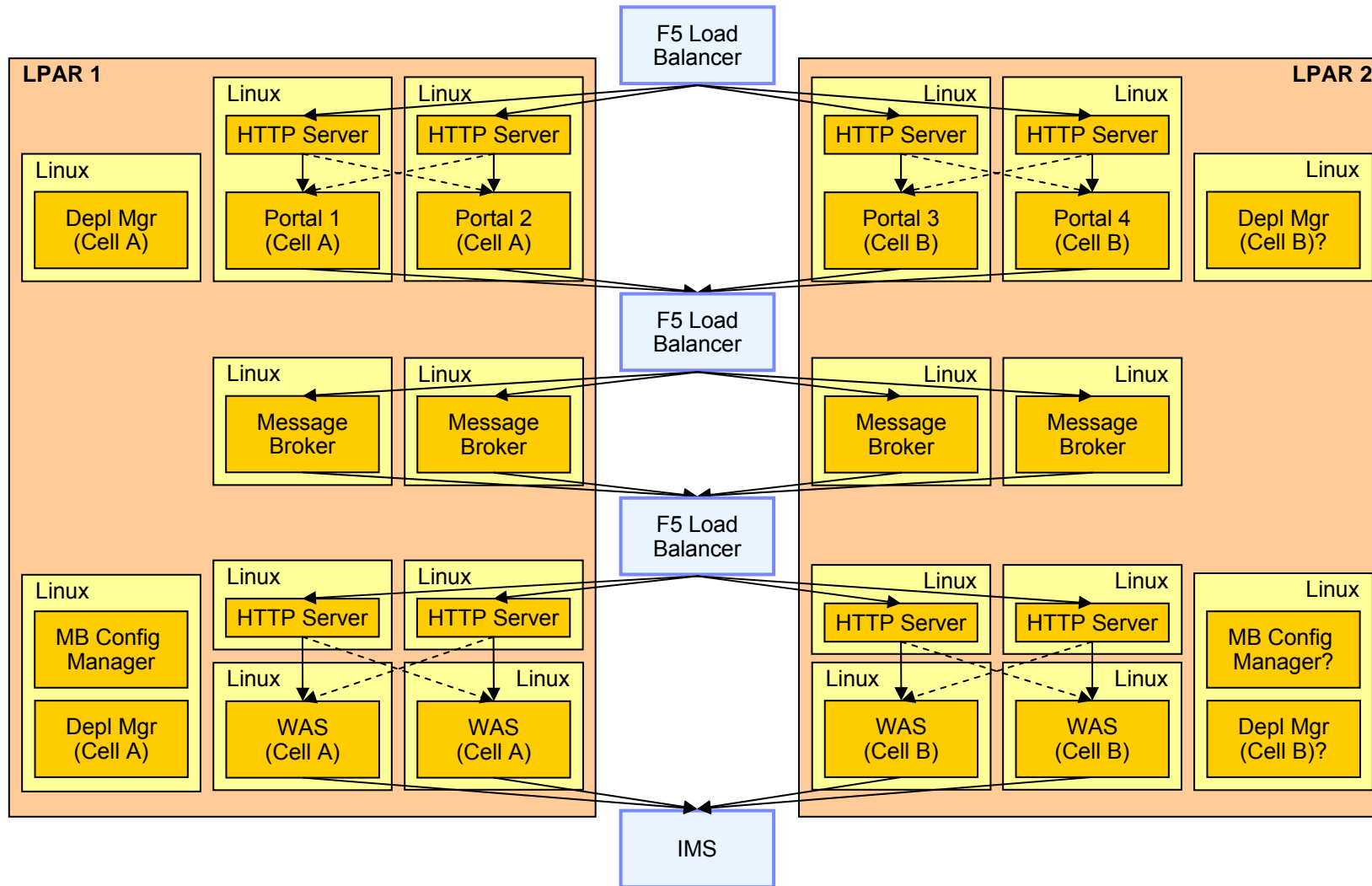


DR-Configuration (MF) – Capacity Backup

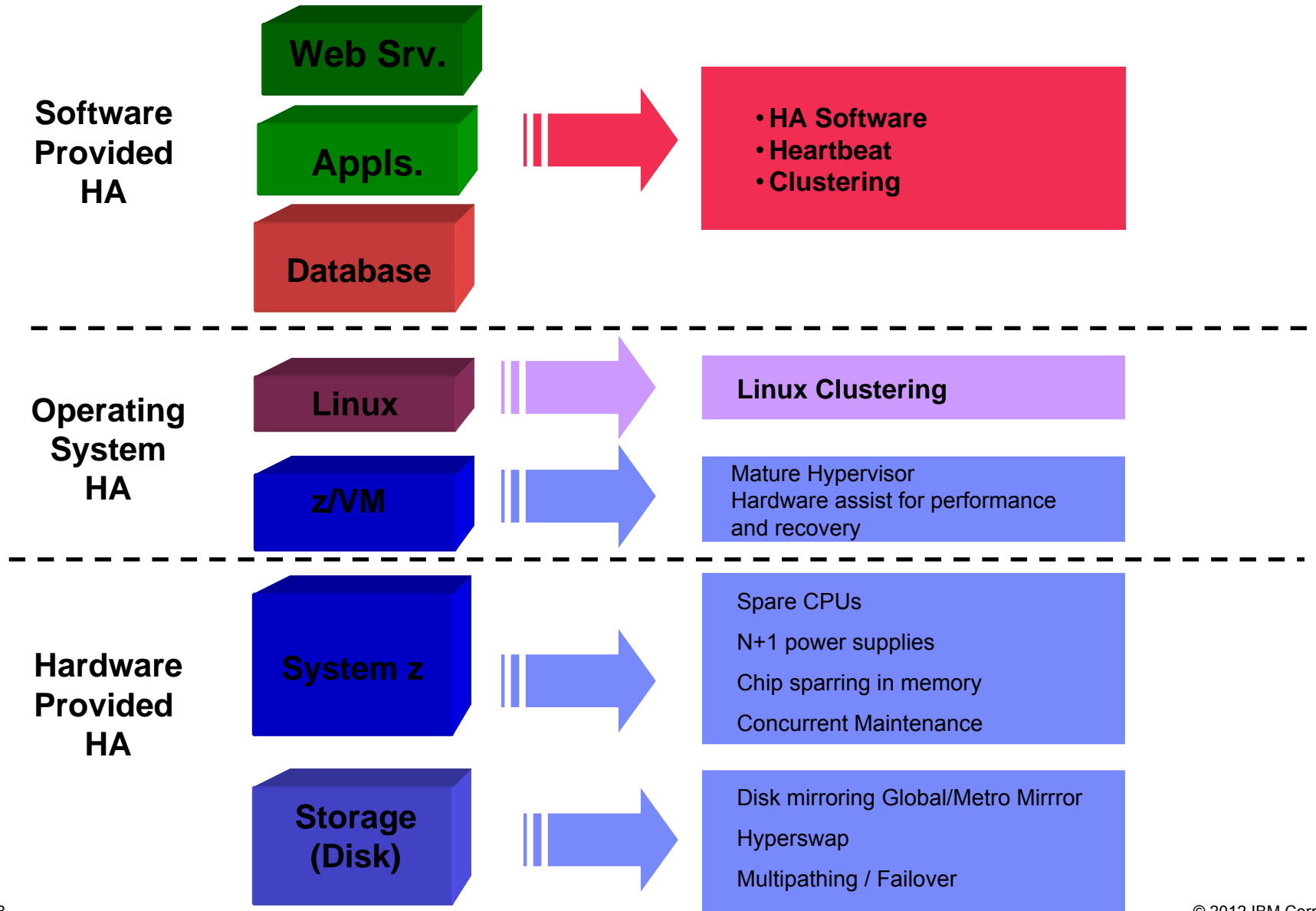


Total: 61 (from 80)

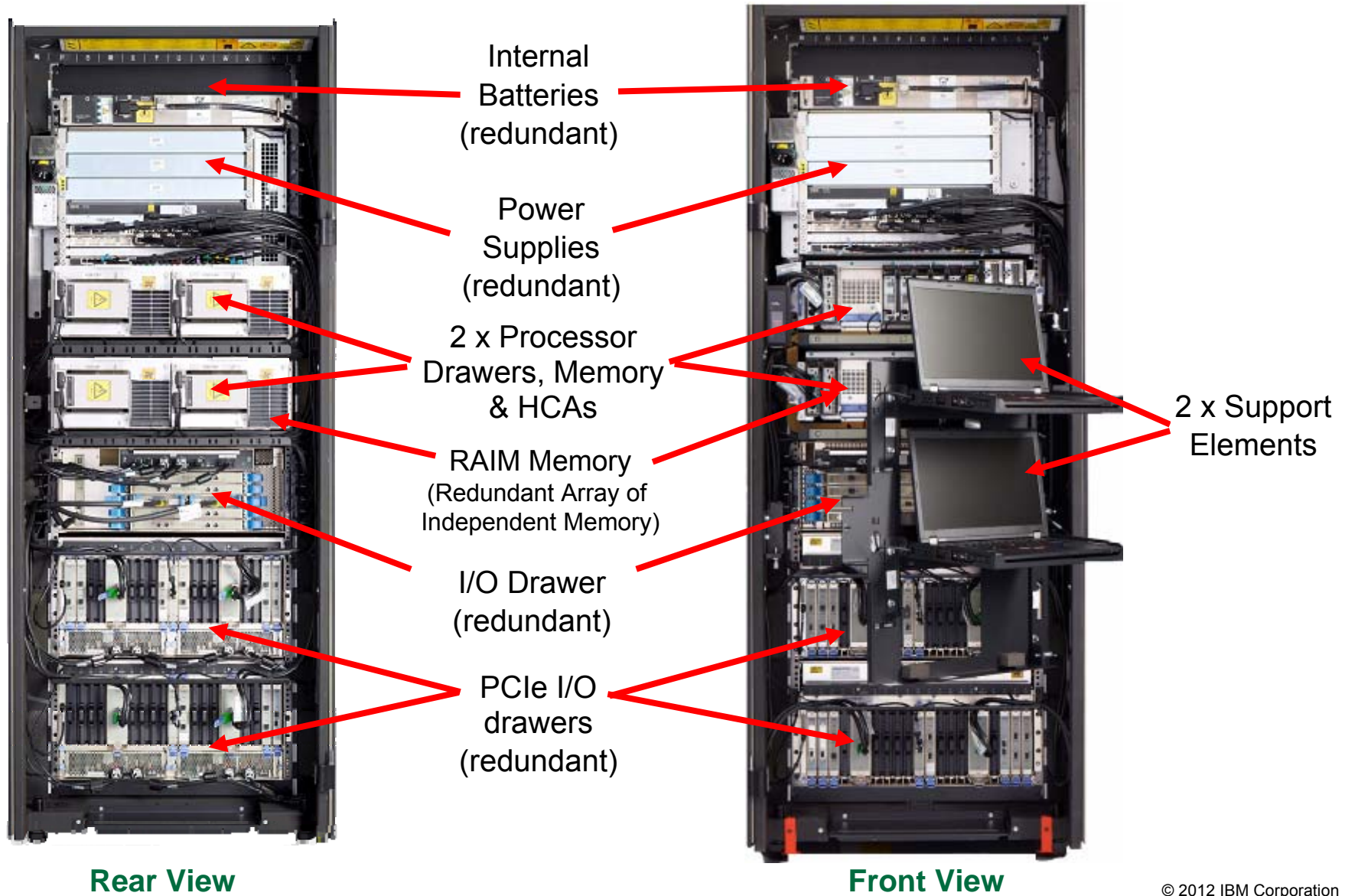
High availability and continuous operations - w/Linux



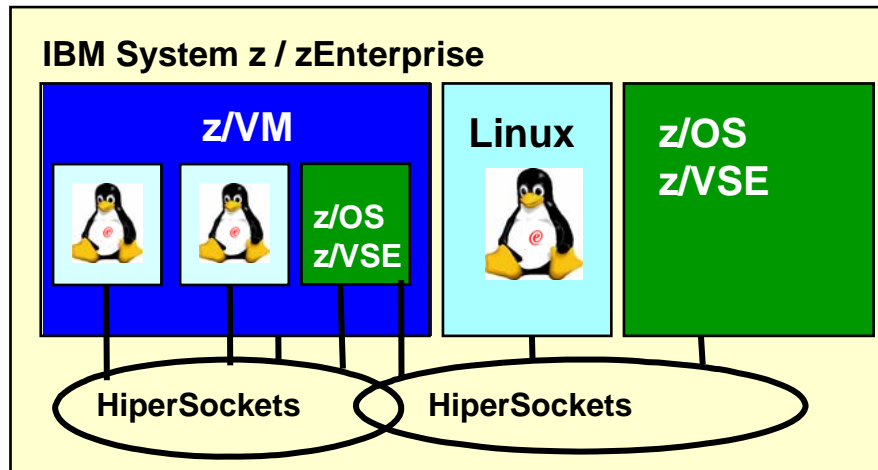
Components of HA with Linux on System z



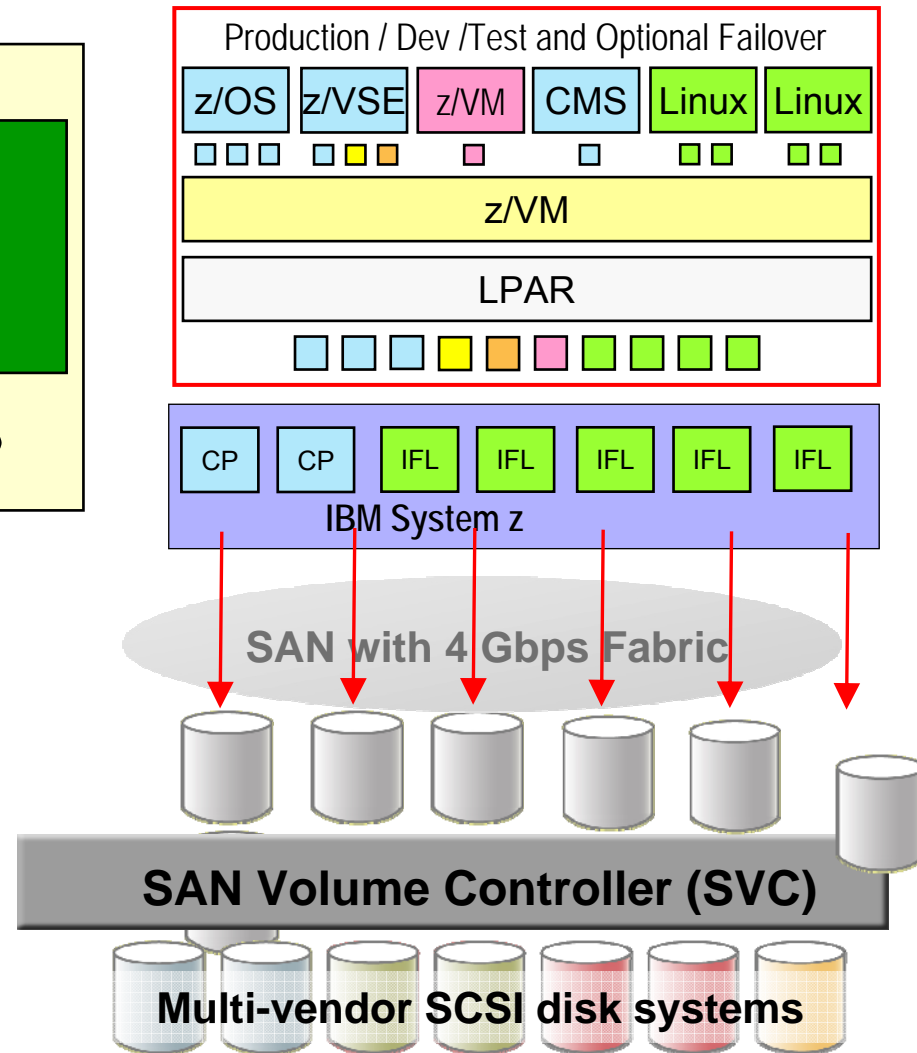
System z and zEnterprise – High Availability under the covers



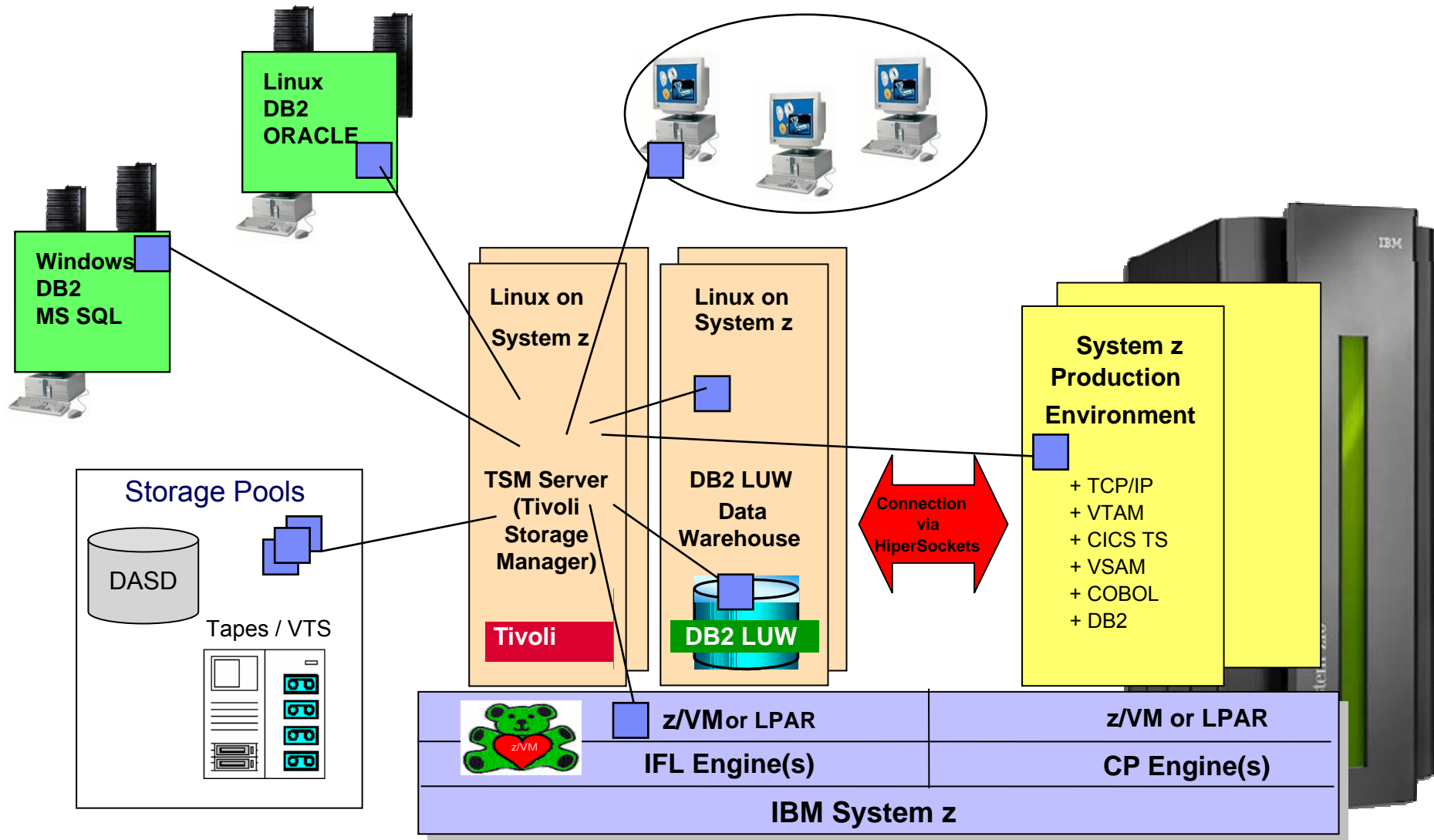
Global Virtualization – with System z and shared resources



- Network Virtualization
- Memory Virtualization
- Processor Virtualization
- System Virtualization
- Disk Virtualization



Implement TSM on Linux on System z as central Backup Hub



Why customers run Linux on System z

- Linux on System z inherits unique advantages over other architectures:
 - **Reliability: reliable hardware, robust I/O infrastructure**
 - **Availability: transparent CPU sparing, integration in mainframe unique recovery scenarios**
 - **Serviceability: concurrent update of millicode / microcode / I/O adapter code**
- Management in highly virtualized environments
 - tight integration with hypervisors
- Large scale Linux applications
 - best SMP scalability; scale up and scale out in the box
 - I/O scalability and high sustained throughput
 - performance for memory intensive applications
- HyperSockets and internal virtualized network alternatives
 - **memory bus-based system internal secure networking**
- Highly scalable, high throughput and low latency
- Most of these capabilities consumable with Linux skills: common skill set

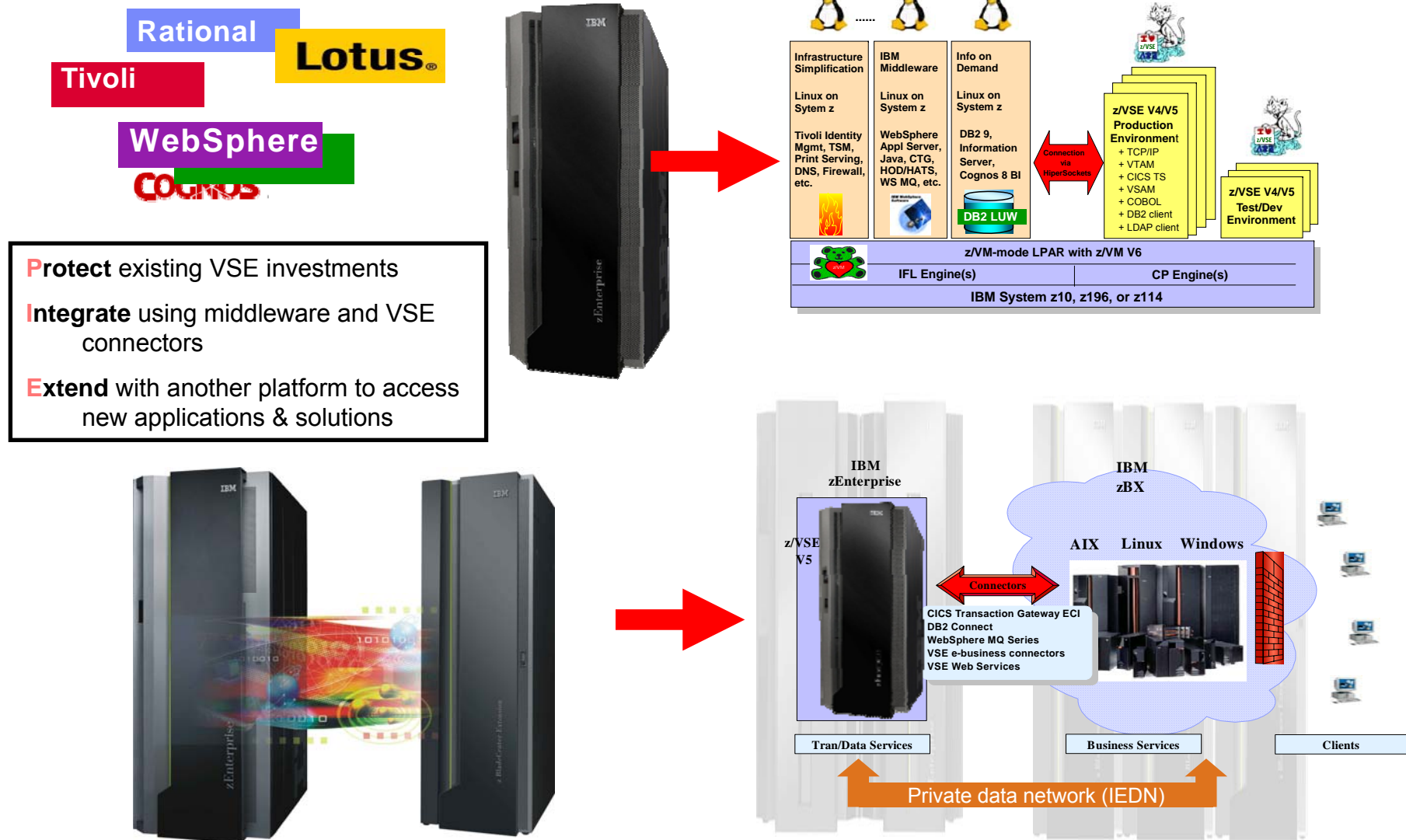
Linux on System z is the ideal platform for large and mission critical environments

Why customers run Linux on System z

- Linux on System z saves money
 - **efficient virtualization of multiple different workloads**
 - **Global virtualization, Virtual CPUs, networks, memory**
 - **efficient use of shared resources**
 - **fast server provisioning**
 - **capable of handling high utilizations**
 - **High CPU utilization without service level degradation**
 - **reduced facility resources (power, cooling)**
 - **reduced complexity**
 - **reliable hardware, no need for redundant software setups**
 - **less software cost**
 - **application licenses apply to less cores compared to distributed environments**

Linux on System z is the ideal platform for large and mission critical environments

IBM zEnterprise can do IT all - Think inside the Box and/or think zBX !



Questions?



Wilhelm Mild
IBM Certified IT Architect



*IBM Deutschland Research
& Development GmbH
Schönaicher Strasse 220
71032 Böblingen, Germany*

*Office: +49 (0)7031-16-5018
mildw@de.ibm.com*

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