Moving to the Next Level@ South Indian Bank

The Challenge

To create a scalable, safe and reliable web presence for the bank through which the customers can transact their business from a location of their convenience. Also enhance the operations of the bank by implementing a loan processing system and providing the messaging architecture needed for Real Time Gross Settlement (RTGS).

The Solution

A secure, robust and scalable online banking system enabled by a Service Oriented Architecture powered by the IBM WebSphere Application Server Network Deployment. The In addition, an IBM WebSphere MQ messaging middleware is used to enable RTGS by providing connectivity to the central bank's system.

Key Benefits

The secure, robust and scalable web presence:

- Enables customers to transact business from anywhere.
- Has extended the reach of the bank to the remotest parts of the country.
- Reflects in significantly improved customer satisfaction.
- Has enabled the bank to take on competition more effectively.
- Has enabled RTGS for inter-bank transfers.
- Has enabled automation of loan processing.

IBM Technologies@Work

- IBM Service Oriented Architecture
- IBM WebSphere Application Server
- IBM WebSphere MQ

Scheduled banks have long been the mainstay of the regional banking systems. Many of these banks were started with the aim of catering to local needs and have built a loyal base of customers who have banked with them for generations and huge asset base.

As mobility of local populations increased and the fame of the service offered by these banks spread, the scheduled banks started to spread their wings to be closer to their customer and gather new customers into their fold.

About South Indian Bank

South Indian Bank (SIB) was a product of the Swadeshi movement in pre-independence India. The aim was to provide for the people of Thrissur a safe, efficient and service-oriented repository for their saving and also to free the business community from the clutches of greedy money lenders by providing need-based credit at reasonable rates of interest.

Today, with over 480 branches, the bank has a presence in over 23 states/union territories of India and transact INR 25,000/- crores in business.

Putting the Customer First

SIB has always been known to put its customer first. Among the many firsts to its credit are:

- The FIRST private sector bank to open a NRI branch in November 1992.
- The FIRST bank in Kerala to develop a fully integrated branch automation software in addition to the in-house partial automation solution operational since 1992.
- The FIRST Kerala based bank to implement Core Banking System.

Having completed the implementation of its core banking solution across all branches, the bank was ready for the next stage of its IT

strategy; that of establishing a full-featured customer service website that would allow the customer to:

- Manage accounts
- Transfer funds
- Pay utility bills

The branch also wanted to further enhance its core banking operations by automating the process of loan processing. Moreover with the RBI mandating the interbank transfers were to be automated, the bank also needed messaging middleware to connect to the RBI's RTGS (Real Time Gross Settlement) system.

The Enabling Technology and Partner

After an exhaustive evaluation of vendors and partners, SIB chose IBM because it had:

- Proven experience in and deep understanding of the banking domain.
- A comprehensive suite of solutions that was robust, scalable and reliable. Moreover these solutions were based on open industry standards enabling interoperability in future enhancements.

Working closely with the SIB team, the IBM team architected an SOA-based solution that would be easy to maintain, configure and extend. The core banking solution was hosted on the IBM WebSphere Application Server Network Deployment (IBM WAS ND) because it offers all the features so essential to an On Demand™ business: near-continuous availability, automated performance optimization as well as centralized management and monitoring with advanced deployment services.

The scalability, sophisticated load balancing, caching and centralized security features of IBM WAS ND would give the SIB website the ability to deal with unpredictable demand.

Given that SIB's core banking solution has no support for loan processing, IBM is implementing a custom solution for SIB on the IBM WAS ND. The Loan Flow system is intended to help the bank's staff to assess the credit risk and approve/disapprove loans. Based on the amount, the loan applications are routed to the appropriate level within the bank for further action.

For the RTGS system, the IBM team selected IBM WebSphere MQ as the messaging middleware. With integrated support for SSL and scope for further enhanced security, IBM WebSphere MQ is the ideal messaging backbone. By using queuing and transactional facilities that help preserve the integrity of messages across the network, IBM WebSphere MQ minimizes the risk of information loss and the need to reconcile communicating IT systems.

THE RESULTS

With customers quickly adopting the online banking channel, there has been a perceptible increase in customer satisfaction. Customers, who previously had to travel to the nearest branch, now can transact business from the convenience of their homes and at times of their convenience.

This has also reduced the load on the bank's branches and the bank can now service more customers even in the remotest of locations with the same infrastructure.

In addition, the SIB has benefits from:

- Highly secure online transfer of funds saving time and resources and complying with the RBI mandate for RTGS well ahead of the deadline.
- Much faster processing of loans.