

Saraswat Bank embarks on a tech driven transformation journey

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Finacle Core Banking Solution on IBM Power Systems helped increase customer experience by 30 percent, and reduce OPEX and staffing costs

Business Challenge: The bank looked at enhancing its existing IT infrastructure to modernize its traditional core banking solutions to support its growth and new-age customer requirements built around real-time offerings and capabilities.

Transformation: The bank engaged with IBM to deploy a high-performance platform to deliver enhanced customer experience and faster business results. The upgrade helped the bank increase throughput, memory and I/O bandwidth and reduced the response time.

Result:

- Reduced 50% time to produce critical reports
- 30% increase in customer experience
- Reduced OPEX and staffing costs

Value Proposition: IBM worked with Saraswat Bank to move its core banking application on IBM Power® Systems servers and IBM FlashSystem® storage, resulting in increased customer experience and reduced operational cost.

A sea-change: Bank gets agile to integrate cutting-edge technologies

Saraswat Co-operative Ltd., the largest urban co-operative bank, generates a business volume of Rs. 67,000 crore as of March 31, 2021. To stay relevant to the millennial population and offer more online-based services such as internet banking, mobile banking, and phone banking, the co-operative bank focused on upgrading its core banking solutions.

Milind Varerkar, General Manager IT, Saraswat Co-operative Bank said, "The number of channels for customers to transact has significantly grown, increasing the complexity of multi-channel banking. This necessitated investments into modernizing our core banking solutions to handle an increasing volume of product-channel transactions and payments."

The bank was adding 1000 new customers each day, and it was becoming a challenge to offer a stable client experience. To address the growing customer base, the bank decided to revamp the infrastructure, including the core banking solution, for better scalability, robustness and security. With the help of the new CBS-Finacle, the bank offers both Core Banking and NetBanking facilities, which helped the cooperative bank scale up its operations.

Milind said, "As the demand increased, we started encountering reduced efficiency and increasing operating costs. Scaling up our traditional system to meet the growing demand was not an option. With the new-age digital technology, IBM Systems helped the bank automate its IT infrastructure required for the CBS environment."

The earlier core banking solution had constraints connecting to API based banking servers offered by Fintechs. The bank ran on an in-house core banking solution that could not address the growing needs of a customer-centric application such as net banking, mobile banking, and other security features. To address the new age banking requirement of the customers, the bank added few functionalities to internet banking, such as video KYC and Wealth Management Apps. The bank chose to move its core banking solution to Finacle 10 powered by IBM Power System E950 & S922 along with IBM Storwize® V7000 G3 NVMe Flash Storage on IBM AIX® solution to help their journey to cloud & AI.

Technology Relationship with IBM & Infosys : The bank required a high-performance platform

[Finacle](#) application on the IBM platform is a proven combination used by leading banks across the globe. The bank chose IBM WebSphere Application Server to host the Finacle application. Critical implementations such as customization, security testing, performance testing and test rehearsals were all successfully executed remotely. Regular governance calls and transparent reporting at all levels ensured seamless execution of the program.

Milind added, "It was important for the bank to have a good mix of both physical and online banking facilities. We reviewed our core banking solution and decided to scale it up. We aimed to transform the core banking solution with leading technologies to deliver excellent user experiences."

With Finacle's industry-leading banking solution suite and IBM's future-ready infrastructure, the bank can achieve deeper customer engagements, faster innovations, higher operational efficiencies and meet the demands of the new-age workloads.

"From a customer perspective, the lines have blurred whether you are a public sector bank, a private sector bank, or a co-operative bank. The customer expectation is to have uninterrupted service during their transaction. An ongoing digital transformation is the need of the hour, not only due to the pandemic situation but otherwise also, customer expectations of digital channels have increased.", added **Milind**.

The new POWER9™ infrastructure delivered faster business results by increasing throughput and reducing the response time with processors and increased memory and I/O bandwidth. The bank has reduced the time taken to produce critical reports by 50 percent, increased customer experience by 30 percent, and reduced OPEX and staffing costs.

This blog is authored by **Milind Varerkar, General Manager IT, Saraswat Co-operative Bank**

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