

At the Heart of Transforming Banking Operations

Implementing Cloud-based Solution for a Leading Co-operative Bank

CASE STUDY

Synopsis

The banking industry today is confronted with stricter regulatory compliances that lead to increase in operating costs. In order to retain and grow market share for the client, we laid the groundwork for lowering costs by effectively transforming operations of a major cooperative banking services provider.

About the Client

A leading co-operative bank in India, the client has eight branches with 54 employees, 30,000 shareholders and deposits worth USD 11 million. It provides a wide range of banking facilities to economically weaker sections, helping them enhance their standard of living.

Business Challenge

The client's existing legacy system was incapable of scaling up and meeting the growing demands of business. As a result, the client faced reduced efficiency of overall banking operations marked by manual compilation of reports, difficulty in tracking a customer's financial activities and absence of key controls. The existing system also did not meet the complex requirements such as standardization of General Ledger (GL) processes across branches, compliance to RBI mandates, marking and tracking of checks and balances of Non-Performing Assets (NPA) and management of the Management Information System (MIS).

To address these challenges, the client needed a transformational partner with established capability and proven execution skills in managing and supporting the new core banking system. NIIT Technologies could deliver this and more.

Our Solution

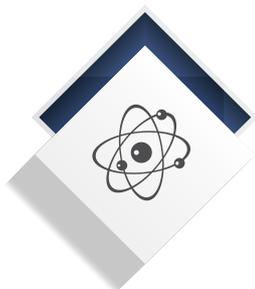
We used our delivery excellence to effectively transform the client's operations from the existing Total Bank Automation (TBA) system to a cloud-based, integrated Core Banking System (CBS). The new system required no CAPEX and delivered more than 1500 built-in reports. The Maker-Checker-Concept security mechanism was made an integral part of the system to reduce errors and prevent unauthorized data entry into the system. The system also provided an in-built ledger support that helped capture transactions with efficiency and control.

Our team of process consultants, business leads, and technical leads leveraged in-house engineering practices and tools to define user-based validations and charges, and MIS code classifications and menus. They integrated the functionality at the Head Office with the new system to calculate interest and parameterize new products and processes based on user needs.

Delivering More Value

Our solution helped the client achieve significant business value at multiple levels.

- ◆ **More Efficiency:** The transformation helped the client to effectively manage increased transaction volume. The resources focused on driving business rather than handling manual transactions. Flexibility in creation of new products and schemes also led to faster go-to-market.
- ◆ **More Savings:** Prompt and efficient banking operations resulted in annual savings of USD 2.7 million. Cash flow and profitability also increased substantially.
- ◆ **More Reach:** The client was successful in expanding its reach to weaker sections of society in remote areas through adoption of new channels such as ATMs, SMS and Cheque Truncation System (CTS). The number of customers also increased from 20,000 to 30,000 in a short span of time.
- ◆ **More Scalability:** The client can now cope with expanding operations—launching new products and concepts.
- ◆ **More Compliance:** The client achieved full RBI compliance. They can now create 450 canned reports mandated by RBI.



The NIIT Technologies Advantage

By deploying our core banking solution (CBS) on the cloud, the client was able to meet compliance requirements, expand its operations and win accolades as the first progressive bank in North India to bank on CBS.



For more information, contact marketing@niit-tech.com

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