

# Enabling digital transformation at mid-tier banks

**Customer:** Jamia Co-operative Bank and 15 Other Cooperative Banks in India

**Website:**  
<http://www.jamiacoopbank.com/>

**Country or Region:** India

**Industry:** Co-operative Bank

## Company Profile

Jamia Co-operative Bank is a cooperative bank with 8 branches, over 67,000 account holders and deposits worth \$11 million.

Jamia Co-operative Bank's operations are currently concentrated on a large proportion of the population that belongs to the lower income strata. It is the bank's objective and focus of effort to inculcate in this section of the community a sense of thrift and a habit of saving in order to help uplift their standard of living.

For more information about other Microsoft customer successes, please visit: [www.microsoft.com/casestudies](http://www.microsoft.com/casestudies)

For more information about other NIIT Technologies client successes, please visit: <https://www.coforgetech.com/resource-library/case-studies/enabling-digital-transformation-mid-tier-banks>

Banks are going through a massive digital transformation. While most of them have been on the digital journey for years now, operating agility is next on the agenda for transformation. Banks are gearing up for the future and investing in infrastructure development as digital payments are expected to grow 10 times by 2020. Indian banking industry, in particular, is seeing an unprecedented acceleration in these efforts post recent demonetization\* mandate by Indian Government. Banks are embracing this transformation and looking for solutions which can be deployed almost instantly. Mid-tier and cooperative banks are further looking for cost-effective ways to stay relevant and competitive.

With NIIT Technologies' **BankingEasy on Microsoft Azure cloud**, mid-tier banks can instantly deploy a core banking solution with comprehensive digital functionalities. They can now easily manage variability of demands, run non-stop efficient operations and comply with regulations at a much lower cost. With the availability of Microsoft Azure datacenters locally, customers can move to the cloud keeping pace with increasing demands and regulatory compliances.

## Business Situation

A couple of decades ago, the banking in the country, even within the large public sector banks, were completely manual. With the explosion of internet technologies and the increase in its adoption, the need to provide a seamless customer experience and technology's role in this, became obvious to the banking sector. The first step in this direction was the adoption of the basic software called Advanced Ledger Posting Machines (ALPM). ALPMs were basically discrete PCs dedicated to minor functions similar to rudimentary Excel functionalities. Then it moved on to Total Branch Automation (TBA), where the entire front and back end operations of every individual branch were technology enabled.

However, it was a siloed approach. Though a significant leap from the previous practice, the siloed approach brought forth a lot of problems for the headquarters of the banks; including the lack of proper oversight, delayed reports and difficulty in inter-branch transfers. This gave birth to the centralized banking system or core banking system in India. The databases were centralized and this solved the problem they encountered in TBA. Once this was stabilized, it advanced to several other functionalities including internet banking, wealth management, ATM banking, and more. In the light of the period when demonetization is leading to banks being pressed with heavy transactions and long hours, a change was in order.

\*Demonetization is the act of stripping a currency unit of its status as legal tender.

It was a little over a decade ago when Delhi based **Jamia Co-operative Bank** decided that they must change their ledger based banking to core banking. As demand was increasing, they were facing reduced efficiency and increasing costs of operation. Scaling up the legacy system was not an option. There were challenges in meeting complex requirements of processes across branches and even compliance mandates of the RBI. So, the bank got an on premise rudimentary TBA application developed with local distributed database in each Branch and manual operations in HO. It was a very elementary system that could take care of the current account and savings account (CASA) banking functionality. It did not have the flexibility, parameters, functionality, and options that core banking system had. The bank was interested in upgrading this to a fully evolved core banking system, but the worries about security, data corruption and downtime were keeping them from doing it.

#### Solution: BankingEasy on Azure

In 2011, Coforge approached Jamia Co-operative Bank with **BankingEasy**, which would provide them a user-friendly, credible, and centralized database CBS system. In addition, the solution offered them a comprehensive retail banking functionality that included MIS, Head-Office, and Branch operations. This, coupled with Coforge's proven expertise and unquestionable credibility, made for a pressing proposal which was hard to say no to.

Coforge took charge of managing servers, updates, patches, bugs, security and more. This helped

Jamia Co-operative Bank focus entirely on their banking operations. As the partnership went further, more add on projects for VAS and interfaces like **ATM systems, AML** (anti-money laundering suite), **KYC, RTGS/NEFT/NACH, ABPS, CTS, Pradhan Mantri schemes** of the government, etc. were given to Coforge.

Over the next few years all these ground works for core banking was completed by Coforge, which gave Jamia Co-operative Bank an opportunity to move further with **data analytics, data backups, data security**, etc.

In the initial stage, due to the stringent hosting requirement in the banking sector, which mandates in-country data residency and the lack of a cloud provider with Indian Data Center at that time, Coforge hosted Jamia Co-operative Bank's data in their own Data Center in Gurgaon.

Riding on the mileage that they got from the Jamia Co-operative Bank project, Coforge also bagged several other prominent clients in the banking sector with ease. All these, and the increasingly strict regulations that were put in place by the government for the banking sector, opened the need for a more evolved cloud platform.

In order to open the doors to a host of features that were only possible through a leading cloud provider, NIIT Tech sought to find the perfect partner to migrate their core banking platform to Cloud. This was the beginning of Azure's journey with NIIT Tech and banks like Jamia Co-operative Bank.

Coforge embarked on their journey to find a cloud provider who would fit all compliance requirements and was affordable. One of the most important requirements that Coforge had while choosing the

right platform was regarding data residency. **Microsoft Azure**, with its Indian Data Center, scored highly in this regard. Then there were the usual suspects, ranging from **security to scalability, affordability**, and more.

Azure complied with panache. Azure comes with high level security protocols. From managing and controlling data access to **best in class encryption** features are present. It can provide the necessary security that Coforge's banking clients required. Furthermore, Microsoft offers their clients the ability to know exactly where their data is stored. This transparency aids in furthering the trust factor amongst Coforge's clients as well.

Azure also meets a wide range of international and industry-specific compliance standards as well; including **ISO 27001, HIPAA, PCI DSS, FedRAMP, and SOC 1 and SOC 2**. Add the heavy emphasis Microsoft has on data backup and recovery, and its reputation of being one of the most reliable in terms of availability, Azure was indeed perfect for Coforge's clients in the banking sector.

Most of the applications that Coforge had created for their clients were Oracle and Linux based. With the help of the Microsoft team, Coforge managed to move these workloads seamlessly to Azure. Now they are working with the Microsoft team to get a better understanding of several of the value-added services and how to make better use of them. It is in the process of creating a new portfolio of offerings based on Azure platform

services, **Dynamics CRM and Office365.**

### Benefits

Post migration of BankingEasy to Microsoft Azure, Jamia Co-operative Bank became the first Urban Co-operative bank to have its core banking on cloud. Apart from the scalability, availability and security advantages, the benefits witnessed by Jamia Co-operative Bank and other cooperative banks include:

- Stable and high performing BankingEasy applications, enabling small to mid-size banks to offer the same services and digital experiences such as centralized clearing, multi-channel banking, relationship banking, real time dynamic reporting, inter-branch reconciliation, offer exciting products and services etc. that the end customers expect from any large bank.
- New portfolio of offerings on the cloud such as Office 365 and Dynamic CRM.
- Improved analytics capability and the data analytics reports from Microsoft.
- Improved Go-to-market capability of banking products.
- Zero data loss and industry best RTO/RPO for DR (disaster recovery).
- High uptime SLA with very low MTTD using predictive failure analysis, fabric controller and auto service healing.

*“As demand increased, we started facing reduced efficiency and increasing costs of operation. Scaling up our legacy system was not an option. We were also unable to meet*

*complex requirements of processes across branches and even compliance mandates of the RBI. BankingEasy has provided us a very viable solution,” says **Mr. M.H.Q. Beg, Chairman, Jamia Co-operative Bank Ltd.***

*Our BankingEasy CBS from Coforge, on MICROSOFT AZURE, enabled us to provide efficient service to our customers without any problems. In fact, the general opinion expressed by the community was “.... Kalna Bank is providing the best service in this area as compared to other Banks, during the demonetization process.....” says **Supriya Ganguly, Manager Incharge, The Kalna Town Credit Cooperative Bank Ltd.***