Indian Bank is a leading government-owned financial institution that recently merged with Allahabad Bank. The bank has a goal of providing the best possible services to its customers through technology and innovation.

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- VMware vRealize® Operations™
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How Cloud Management Helped Indian Bank Handle a Merger

Chennai-based Indian Bank is a government-owned financial services institution with more than 41,000 employees and more than 5,700 branches and ATMs. In 2019, the government of India directed the consolidation of 10 public-sector banks into four. As a result, Allahabad Bank, a similar-sized institution, was amalgamated with Indian Bank. The government considered that the scale and complementary service offerings of the two banks can lead to a new entity with better profitability and customer service. Technology was a key part of driving these improvements.

Innovative banking for 100 million customers

As a newly merged and growing financial services institution, Indian Bank hopes to serve its 100 million customers with the best available innovation and technology. Technology had already played a key role in catering to customer needs, as more than 45 percent of transactions are conducted through digital delivery channels. But with a growing footprint across the country and changing customer needs, Indian Bank must deliver 24/7 banking with resilient technology in a secure environment to every customer through their channels of choice.

"Neither Indian Bank nor Allahabad Bank nor any bank was prepared for this kind of merger. So, this was quite a big challenge. How do you merge everything when you have 30 to 35 different technologies running in your environment?"

Deepak Sarda, CTO, Indian Bank

Two banks, six data centers and 400 applications

The merger was a major challenge for Indian Bank. Throughout the consolidation, Indian Bank had to ensure continuous availability of services while also eliminating redundancies among more than 400 applications.

"The merger was a surprise for us. Neither Indian Bank nor Allahabad Bank nor any bank was prepared for this. So, this was quite a big challenge," says Deepak Sarda, CTO at Indian Bank. "How do you merge everything when you have 30 to 35 different technologies running in your environment?"

The merger required platform standardization for data center consolidation with a key focus on business continuity and compliance. The two banks needed to reduce the number of data centers they had from six to three. Furthermore, Indian Bank had more than 240 applications serving customers and employees, and Allahabad Bank also had a similar number. These services needed to be combined, all with minimal disruption.

Continuous availability and seamless customer service were key concerns for Indian Bank during the merger. Without VMware solutions, Indian Bank could have faced the prospect of service interruptions, something that can affect the bank's reputation in a competitive market and even incur penalties from the Reserve Bank of India.

A smooth merger with vCloud Suite

The newly merged bank decided to implement a private cloud using VMware vCloud Suite. The process was made simpler because both banks were already VMware customers, which made it easier to consolidate to three data centers. The migration was completed with no downtime in just three months, early in 2021 while the pandemic was still disrupting India's economy.

"We called this project a technical merger of equals because Indian Bank and Allahabad Bank both had similar kinds of IT environments. We had an evaluation of each and every application, and we called it a best-of-both-worlds strategy. Whichever one had the best application, we adopted it, then modified it as per the need of the merged entity," says Sarda.

> "We had an evaluation of each and every application, and we called it a-best-of-both worlds strategy. So whichever one had the best application, we took it then modified it as per the need of the merged entity."
>
> Deepak Sarda, CTO, Indian Bank

Indian Bank has also partnered with VMware on a new initiative called TAB banking, which enables bank representatives to provide face-to-face services to customers outside of branches using an Android tablet for various banking services. Currently, 2,000 devices are enrolled, and the bank plans to expand this to branches across India. The bank uses VMware Workspace ONE Intelligent Hub for Corporate App Catalog and Secure Launcher for Kiosk Mode to enable this service. VMware Workspace ONE Tunnel provides secure communication from the tablet endpoints to access the application.

"So here, Workspace ONE has provided us the flexibility to manage devices and ensure that the access over the Internet remains secure," says Uthayakumar P, CISO, Indian Bank.

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Availability, cost savings and financial inclusion

The partnership between Indian Bank and VMware fits within the broader goals of the merger, which is to drive better services for customers as well as consume benefits of economies of scale and efficiencies for the bank itself.

The implementation of a private cloud with VMware enabled the two banks to consolidate their apps and physical data centers with virtually no downtime.

"One of the key platforms for making day-to-day payments for small amounts is Unified Payment Interface. The number of transactions has been increasing exponentially on that platform. Probably every bank is having that challenge to ensure that the platform is always up. We have deployed this entire platform on VMware technology only, and we are facing very minimal downtime," Sarda says.

"Probably every bank is having that challenge to ensure that the platform is always up. We have deployed this entire platform on VMware technology only. And we are facing very minimal downtime. I don't see any instance which has happened."

Deepak Sarda, CTO, Indian Bank

Automating analysis and optimization of the environment has ensured better performance and efficiency. The IT team is driving cost and resource optimization and reclamation using VMware vRealize Operations dashboards and reports.

Reducing the merged institution's data center footprint has reduced operating costs as well as the manpower needed to manage IT infrastructure. The consistent operations management platform from VMware has helped to free up staff for other initiatives. Decreasing the number of data centers has also allowed the bank to lower its carbon footprint.

"The cost savings are approximately 7 crores (USD $1M) per year. And we're obviously maintaining the same service with fewer data centers. Reutilization of infrastructure is also helping, and probably saving around 35 to 40 crores (USD $5.2M) a year when we closed the data centers and moved the usable servers," says Neeraj Gupta, solution architect, Indian Bank.

A Growing Tech Footprint

Indian Bank has embarked on the journey with VMware for consolidation and virtualization and has completed this successfully. Further, Indian Bank seeks to grow and streamline its operations as a single entity by introducing automation and application modernization. The bank is also seeking to deepen its relationship with VMware. In particular, the bank is considering VMware Tanzu® for app modernization and is already shifting to VMware Horizon®. An expansion of Workspace ONE is also under consideration for more departments within the bank.