

# CASE STUDY



## Technology-led Transformation

**ICICI Bank**



YOUR INNOVATION PARTNER



## Technology-led Transformation

### OVERVIEW

#### The Challenge

Business growth by addressing the more lucrative and growing segment of middle-class consumers and emerging corporates.

#### The Solution

Strategic adoption of technology to ensure that ICICI transforms into a universal bank, which will provide fast and efficient customer service, besides offering the whole gamut of banking and financial services.

#### The Benefit

The bank has benefited in the form of lower Total Cost of Ownership (TCO), improved efficiency, easy management of volume growth, greater responsiveness to market opportunities and of course, numerous accolades from industry-watchers.

### PROFILE

Established in 1994, ICICI Bank is today the second largest bank in India and among the top 150 in the world. In less than a decade, the bank has become a universal bank offering a well-diversified portfolio of financial services. It currently has assets of over USD 79 billion, and provides services through a network of about 950 branches, 3300 ATMs and a 3200-seat call center (as of 2007). The hallmark of this exponential growth is ICICI Bank's unwavering focus on technology.

## KEY BUSINESS DRIVERS



ICICI Bank was set up when the process of deregulation and liberalization had just begun in India, and the Reserve Bank of India (India's central bank) had paved the way for private players in the banking sector, which at that time was dominated by state-owned and foreign banks. Serving a majority of the country's populace, state-owned banks had a large branch network, with minimal or no automation and had little focus on service. Foreign banks, on the other hand, deployed high-end technology, had innovative product offerings, but had a very small branch network that serviced only corporates and individuals with high net-worth. Sensing an untapped opportunity, ICICI Bank decided to target India's burgeoning middle class and corporate segment by offering a high level of customer service and efficiency that rivaled the

foreign banks on a much larger scale, at a lower cost. A crucial aspect of this strategy was the emphasis on technology. ICICI Bank positioned itself as a technology-savvy, customer-friendly bank.

To support its technology-focused strategy, ICICI Bank needed a robust technology platform that would help it achieve its business goals. After an intense evaluation of several global vendors, ICICI Bank identified Infosys as its technology partner and selected Finacle, the universal banking solution from Infosys, as its core banking platform. An open systems approach and low Total Cost of Ownership (TCO) were some of the key benefits Finacle offered the bank. Unlike most banks of that era, ICICI Bank was automated from day one, when its first branch opened in the city of Chennai.

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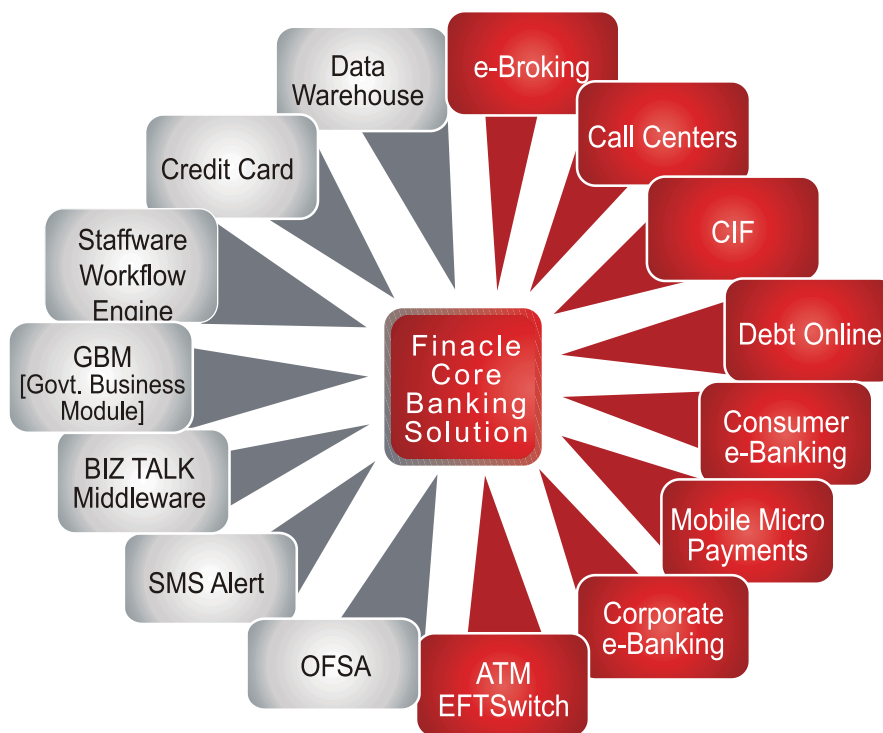
*“After evaluation of numerous products, we chose Finacle, the universal banking solution from Infosys for its future-proof technology, best-of-breed retail and corporate banking features, scalable architecture and proven implementation track record. Finacle has enabled ICICI Bank to achieve competitive advantage by enabling rapid roll-out of new products, faster customer service and reduced time-to-market, to cater to the ever-growing needs of customers. Its open architecture and flexibility has enabled easy integration with multiple systems.”*

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**Pravir Vohra**

Group Chief Technology Officer  
of Retail Technology Group  
ICICI Bank

# SOLUTION OVERVIEW



One of the biggest challenges for Finacle was ensuring Straight Through Processing (STP) of most of the financial transactions. With the ICICI group having several companies under its umbrella, Finacle needed to seamlessly integrate with multiple applications such as credit cards, mutual funds, brokerage, call center and data warehousing systems. Another key challenge was managing transaction volumes. ICICI Bank underwent a phase of organic and inorganic growth, first by acquiring Bank of Madura followed by a reverse merger of the bank with its parent organization, ICICI Limited. The scalable and open systems-

Channels	Share of Transactions March 2000	Share of Transactions March 2004
Branches	94%	25%
ATMs	3%	43%
Internet and Mobile	2%	21%
Call Centers	1%	11%

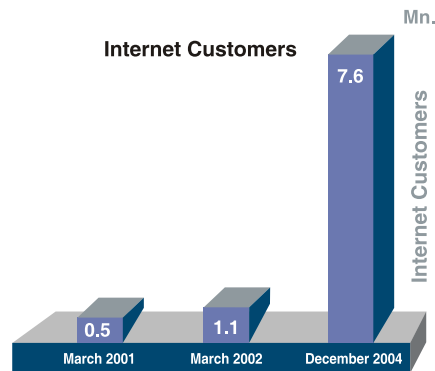


based architecture enabled Finacle to successfully manage the resultant increase in transaction levels from 400,000 transactions a day in 2000, to nearly 2.1 million by 2005, with an associated growth in peak volumes by 5.5 times. With Finacle, the bank currently has the ability to process 0.27 million checks per day and manage 7000 concurrent users.

Over the years, the strategic partnership between ICICI Bank and Infosys that started in 1994 has grown stronger and the close collaboration has resulted in many innovations.

For instance, in 1997, ICICI Bank was the first bank in India to offer Internet banking with the help of Finacle's e-banking solution and establish itself as a leader in the Internet and e-commerce space. The bank followed it up with several e-commerce services like bill payments, funds transfers and corporate banking over the Net. The Internet is a critical element of ICICI Bank's award-winning multi-channel strategy and is one of the main engines of growth for the bank. Between 2000 and 2004, the bank has successfully been able to move over 70 percent of the routine banking transactions from the branch to other delivery channels, thus increasing overall efficiency. Currently, only 25 percent of all transactions take place through branches and 75 percent take place through other delivery channels. This reduction in

routine transactions through the branch has enabled ICICI Bank to aggressively use its branch network as customer acquisition units. On an average, ICICI Bank adds 300,000 customers a month, which is among the highest in the world.



## REAPING THE BENEFITS

A powerful, scalable and flexible technology platform is essential for banks to manage growth and compete successfully. Finacle provides just the right platform to ICICI Bank, thereby fuelling its growth. The bank has successfully leveraged the power of Finacle and has deployed the solution in the areas of core banking, consumer e-banking, corporate e-banking and CRM. With Finacle, ICICI Bank has also gained the flexibility to easily develop new products targeted at specific segments such as ICICI Bank Young Stars -- a product targeting children, Women's Account-- addressing working

women and Bank@campus -- targeting students. ICICI Bank is today recognized as a clear leader in the region and has won numerous accolades worldwide for its technology-driven initiatives. In 2003, the bank received the best multi-channel strategy award from The Banker magazine and this year it has been rated the 2nd best retail bank in Asia by the Asian Banker Journal. The bank has effectively used technology as a strategic differentiator, thus not only redefining the rules of banking in India, but also showcasing how technology can help in transforming a bank's business.

“Our objective of creating a universal bank providing end-to-end financial services, clearly required solutions which were based on new-generation technology, offered end-to-end functionality and were highly flexible and scalable. Finacle offered all this and much more.”

**Chanda Kochhar**  
 Managing Director and CEO  
 ICICI Bank Limited

## Finacle - Universal Banking Solution

Finacle from Infosys partners with banks to power-up their innovation agenda, enabling them to differentiate their products and service, enhance customer experience and achieve greater operational efficiency. Finacle solutions address the core banking, wealth management, CRM, Islamic banking and treasury requirements of retail, corporate and universal banks worldwide and provide online marketing tools like Finacle finanz tools. Finacle solutions also empower banks with multiple sales, service and marketing channels including e-banking, mobile banking and call centers. These offerings make Finacle a strong innovation-facilitator enabling banks to accelerate growth, while maximizing value from their large scale business transformation.

## Infosys. The Organization behind Finacle.

Infosys Technologies Ltd. (NASDAQ: INFY) defines, designs and delivers IT enabled business solutions. Infosys' offerings span business and technology consulting, application services, systems integration, product engineering, custom software development, maintenance, re-engineering, independent testing and validation services, IT infrastructure services and business process outsourcing. Infosys today has more than a third of its business coming from the banking and financial services industry and has a strategic focus on this segment.

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