Business challenge
YES BANK sought to differentiate its brand and its products in the face of growing competition and the Indian customers' growing demand for anytime-anywhere banking capabilities.

Transformation
The bank leverages IBM API Management software to create a framework for its own business ecosystem and drive its digital strategy, securely and transparently connecting customers with merchants via YES BANK APIs.

Business benefits

Extends
market reach by exposing services to millions of India's unbanked population on mobile devices

Exposes
core business data and services securely to multiple strategic partners through APIs

Reduces
time required to add new strategic partners and exploit emerging revenue generating channels

YES BANK

Building an API ecosystem to enhance service and expand market reach

Headquartered in the Lower Parel Innovation District of Mumbai, YES BANK is the fifth largest private sector bank in India, with over 18,000 employees across the country's 29 states and 7 union territories. As of September 30, 2016 the bank operates more than 900 branches and 1700 ATMs nationwide.

"In the API economy, any company is free to create customized, secure ecosystems that optimize the value of their services and data."

—Anup Purohit, Chief Information Officer, YES BANK

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Building new digital partnerships

The proliferation of mobile devices and growth of social technologies are driving a rapidly-emerging digital era throughout every facet of India's society. The impact has reached deep into its banking sector, where consumer expectations are continually escalating.

Consumers in India – even the unbanked – are demanding new, better, faster ways to pay for goods and services and to access and control their money. Likewise, merchants and service providers in India need to capture their share of the digital marketplace, opening their physical and virtual doors to new customers by processing transactions anytime and anywhere from a wide range of devices.

YES BANK needed to differentiate itself in India's highly competitive banking industry by outpacing consumer and merchant expectations and by accelerating its own internal digital transformation, partly by building new digital partnerships with banking product and service providers via APIs.

Another emerging market paradigm is that while companies desire digital banking services they find it difficult to prioritize major process re-engineering at their end. According to Asit Oberoi, Group President & Global Head, Transaction Banking Group, YES BANK wanted to overcome this challenge by combining its banking services with APIs. "We seek to provide the solution within the company's platform, allowing them to effectively do their banking through their Enterprise Resource Planning (ERP) system".

"Since our inception YES BANK has focused on technology-led solutions," says Anup Purohit, Chief Information Officer. "We have a lot of first-in-industry innovations, from dynamic passwords and single sign-ons to self-registrations. Now, as we embark on our next journey, which is to have a more digital-led approach, we're focusing a lot on CRM, Big Data Analytics and, especially, mobile initiatives to improve customer service and essentially move from a product-centric to a customer-centric organization."

Using APIs to build trusted relationships

The bank predicates its mobile strategy on the fact that, at present, only five percent of all financial transactions in India take place on an electronic platform. "We want to make hand-held devices reach out to the customer rather than making the customer come to a brick and mortar branch location to execute his or her transactions," says Mr. Purohit. "That's a major market opportunity. I'm a firm believer in listening to the market; it'll tell us what we need to do, and the beauty of providing mobility-led solutions is that while it can cater to high-end customers it also ends up catering to the majority of people lower in the pyramid."

Using IBM API Management (now IBM API Connect), IBM Integration Bus Standard software and an IBM DataPower Gateway appliance, along with the IBM MobileFirst platform as a framework, the bank has created its own vibrant business-to-consumer ecosystem.

India's consumers and their money connect with merchants and service providers through intuitive, transparent and secure access to critical transactional data via YES BANK APIs.

API Economy's Multiplier Effect

With APIs providing the foundation of YES BANK's digital transformation, the bank's sophisticated utilization of technology is gaining wider recognition among consumers – an important competitive advantage for any institution in India's congested banking sector. "We're engaging customers and providing them with a superior banking experience as they're interacting with us. We're enabling them to come directly to the bank through APIs, a secure mechanism that helps them manage risks better. This is also reducing cost and time, enhancing clients' productivity as well as ensuring end customer satisfaction," says Asit Oberoi.

In an example of how YES BANK is using APIs to open its doors to millions of potential new customers Mr. Ritesh Pai, Senior President & Country Head, Digital Banking points to the bank's partnership with a financial technology company that has developed a product allowing banks to issue virtual pre-paid debit cards accessible on mobile devices.

The company uses YES BANK APIs as building blocks for a YES BANK mobile interface. Using that interface millions of unbanked citizens – those without bank accounts – are potential YES BANK customers.

They now have the ability to enjoy an easy, personalized digital banking experience on their mobile device, executing online transactions and accessing financial services through YES BANK, which has extended the bank's market reach exponentially.

YES BANK, the first bank in India to implement Banking solutions based on APIs, has also securely published APIs for a range of payment and electronic fund transfer services, further enriching the bank's YES TRANSACT Platform for the Transaction Banking business. "The Indian digital banking space is passing through a transformational phase of innovation with YES BANK and its partners at the forefront of delivering solutions to enhance customer experience," Asit Oberoi says.

"The Bank has pioneered multichannel merchant payments and instant refund for the Indian online marketplace. Instant loan disbursement for customers with or without bank accounts and automation of foreign inward remittance for financial services companies are the other key services provided by the Bank using APIs." He points out that for the fiscal year 2016-17 till date (April-August), 1.5 million payments with a cumulative value of INR 12 billion, and 82,000 transactions amounting to INR 19.7 billion of collections have been processed through the Bank's API enabled offerings.

Using APIs, YES BANK has enabled India's first ever 24X7 instant refund facility for a leading e-commerce company and has reduced customer refund timelines by 80 percent. Likewise, YES BANK created a foreign inward remittance API for the automated payment network (APN) of a global financial services firm. The APN sends remittances to India through the API, which the bank validates and processes through the Immediate Payment Service or the National Electronic Funds Transfer.

The firm receives confirmation within three minutes and passes on the bank reference number to the customer. And in another example of how YES BANK is leveraging APIs, the company has enabled instant disbursement of gold loans by one of the largest Non-Banking Financial Companies in India to customers with or without bank accounts.

According to Mr. Purohit, "This will streamline the financial supply chain for corporate customers as well as further revolutionize the entire payment marketplace." He believes

YES BANK has established itself as a pioneer of innovation in India's banking industry through API management, in part by adding new partners in a matter of days rather than months, which allows the bank to quickly exploit emerging revenue generating channels. "The API economy is an entirely new economy, and not just for the banking sector. Virtually any company is free to create customized, secure ecosystems that optimize the value of their services and data for groups of customers they never could have reached before," he says.

Solution components

- IBM API Management software
- IBM® DataPower® Gateway
- IBM Integration Bus software
- IBM Mobile First software

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Take the next step

To learn more about the YES BANK, please contact your IBM representative or IBM Business Partner, or visit the following website: yesbank.in