



Business challenge

Emerging technologies have brought tremendous changes to India's financial industry. In response, RBL Bank Ltd. sought to reinvent itself as a more modern, digital institution.

Transformation

The bank created a solution based on IBM® API Connect™ software and an IBM DataPower® Gateway appliance. It relies on microservices, which will help the bank expand its use of application programming interfaces (APIs) in the future to include solutions for retail customers. This adds to existing retail apps that the bank built using the IBM MobileFirst™ platform.

Business benefits

30 APIs

created

within just months of implementing the solution

INR 57 million

savings

anticipated as the solution grows and scales

Reduces

time to market

by supporting reusable assets

RBL Bank Ltd.

Creating an API economy to compete with larger banks

Founded in 1943, RBL Bank Ltd. serves more than 1.4 million customers through its network of over 200 branches and approximately 365 ATMs across 16 states and Union Territories in India. The bank has five major divisions: corporate and institutional banking, commercial banking, retail banking, agricultural and development banking, and financial markets. In 2010, it began a major transformation initiative under a new management team, focusing on aggressive growth through professional governance, relationships, technology infrastructure, high-quality capital and geographic expansion.

“Our business goal was to provide an alternative to the traditional way of doing cash management, by opening up our APIs.”

—Abhijeet Davane, Vice President, RBL Bank Ltd.

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Engaging in the API economy

Emerging technologies have brought tremendous changes to India's financial industry. In response, RBL Bank sought to reinvent itself as a more modern, digital institution—a transformation that was essential for the bank's success. "We're a small bank," says Abhijeet Davane, vice president of RBL Bank. "So innovation was

key for us." The bank began to focus on digital transaction solutions for its corporate customers. "Our business goal was to provide an alternative to the traditional way of doing cash management, by opening up our APIs [application programming interfaces]," says Davane. "Web/Host2Host-based cash management solutions are not flexible enough." By using APIs, the bank could simplify customer transactions while reducing operating and technology costs.

Creating an API solution

RBL Bank began opening its APIs in 2014 and quickly realized that it needed an API management solution that could support high transaction volumes. "We wanted something that could support at least 2,000 API connections per second and that would give us flexibility to scale as volumes increased," says Davane. "Scalability was actually one of the main reasons we chose the IBM API Connect solution."

The bank worked with IBM to create a solution based on the IBM® API Connect™ solution and an IBM DataPower® Gateway appliance. Technology and security teams from IBM collaborated with RBL Bank personnel to make sure the solution met the bank's needs. "We had a session to discuss our business requirements," says Davane. "We articulated exactly how this journey should go and what the customer experience should look like. And wherever we had a security concern, we figured out how to address it."

The solution relies on microservices, which will help the bank expand its use of APIs in the future to include solutions for retail customers, adding to existing retail apps that the bank built using the IBM MobileFirst™ platform. “Even a customer’s checkbook can be an API,” says Davane. “When we develop it as a microservice, the customer will be able to consume it.”

With its entry into the API economy, RBL Bank decided to adopt DevOps development methods.

“If there’s a change anticipated by a customer, we just can’t wait a week or two weeks to deliver it,” says Davane. The bank is investigating using the IBM Bluemix® platform to support its DevOps journey.

Rapidly developing new APIs

RBL Bank went live with its first corporate customer with six APIs, including APIs for payments, alerts and collections. The bank soon

developed more than 30 APIs, some of which are publicly accessible, such as APIs for interest and loan rates. After going live with its API platform, RBL Bank saved INR 1.98 million within the first three months on operating costs and INR 1 million on technology capital expenditures. “As we scale the solution, we’re expecting our savings to increase up to approximately INR 57 million within the next few years,” says Davane.

According to Davane, the IBM solution solved two major problems facing the bank in terms of its API environment: reusability and security. Because RBL Bank can now create reusable assets, it has reduced time to market. And the bank no longer has to worry about developing security features, because the DataPower device has security functions built in.

Solution components

- IBM® API Connect™
- IBM DataPower® Gateway
- IBM DevOps

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Take the next step

To learn more about IBM API Connect software, IBM DataPower Gateway devices or IBM DevOps solutions, please contact your IBM marketing representative or IBM Business Partner, or visit the following websites:

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