



## KASTLE<sup>™</sup> Asset Liability Management IDBI Bank

**KASTLE<sup>™</sup> ALM Helps IDBI Bank Efficiently Handle its Assets & Risks in a Rapidly Evolving Market**

Even amidst challenging, competitive times in the Indian banking industry, IDBI Bank efficiently handled its assets and liabilities, controlled risks and recorded growth with KASTLE<sup>™</sup> Asset Liability Management solution from 3i Infotech

### Highlights

- Optimized workflow improve performance in all areas
- Raises level of ability to better serve customers
- Faster processing of data increases volume of business
- Enhanced productivity results in cost savings
- Analytical tools provide better control over evolving market trends

## Overview

IDBI Bank, which is one of the new generation private sector banks and one of the fastest growing in India, was promoted by IDBI, the tenth largest development bank in the world to mark the entry of IDBI Group into commercial banking. Formed in 1995, IDBI Bank today, is a major player in retail banking in the Indian banking industry.

Over the last decade, the Indian financial markets have seen rapid changes. To have control over erratic market trends, IDBI Bank wanted to have an advanced Asset and Liability Management (ALM) solution for managing their assets and liabilities, control risk factors and show business growth.

Further, the Reserve Bank of India (RBI), which is India's central bank, made it mandatory for banks and financial institutions to have Risk Management tools for managing their assets and risks effectively.

## Process Overview

Embarking on one of the distinctive ALM deployments in its sector, IDBI Bank sought a vendor that could not only provide industry-leading technology, but one that could also help reengineer its business processes and drive a customer-focused approach across the enterprise.

One of the major challenges facing the bank was in respect to pricing its assets and liabilities in a deregulated and competitive environment. More importantly, the downward turn of interest rates called for sterner steps to tackle the situation. The thrust was to protect net interest margins with an option to widen the asset spread to minimize risks.

Another requirement was to have a solution that would provide effective MIS to build its asset liability portfolio in terms of incremental maturities of spreads. IDBI Bank wanted a system that would not only offer core analysis of savings and current deposit accounts for business growth but also enable them to seek a larger piece of the market share.

## Solution

IDBI's team of professionals assessed available ALM solutions and found KASTLE ALM from 3i Infotech best met its requirements. KASTLE™ ALM is an advanced analytical solution that enables active asset-liability management to ensure they stay balanced, maximize profitability and provide capital adequacy.

KASTLE™ ALM not only fulfilled all the bank's requirements but also had several successful installations to back it. Additionally, IDBI Bank could rely on 3i Infotech for deep understanding of the finance market, and broad resources to help meet a stringent implementation schedule.

Further, 3i Infotech's projects with other Indian banks for a similar solution meant that it was already acquiring practical experience of the regulatory implementation by RBI while others were still at the early stages of project definition and analysis.

The 3i Infotech and IDBI Bank teams conducted an enterprise-wide assessment of the bank's requirements with the objective to realign existing processes, and implement the asset-liability solution for key areas of credit activity.

## Company Snapshot

Name	: IDBI Bank
Business Profile	: Retail and Corporate Banking
Industry	: Financial Services
Founded	: 1995
Offices	: 502 branches
Location	: Mumbai, India
URL:	<a href="http://www.idbibank.com">www.idbibank.com</a>

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Data migration from IDBI Bank's core banking system into KASTLE™ ALM was a smooth process. As the bank faced no problems related to multiple hardware platforms and multiple software solutions, the process of data transfer was instantaneous. To address the customer's specific requirements, 3i Infotech designed tools and techniques that would speed up data processing and add efficiency to the system

## Benefits

KASTLE™ ALM implementation has resulted in several tangible benefits. The solution has helped IDBI Bank optimize its workflow processes and improve performance in many ways.

Because KASTLE™ ALM processes data significantly faster with minimum manual intervention, the bank's volume of business has increased and cost of processing slashed.

The solution delivers strong analytical tools that financial institutions like IDBI Bank need to predict such as interest-rate fluctuation pattern, or address a falling interest rate scenario to control risk factors. This has helped the bank vastly improve its cash-flow liquidity status.

Today IDBI Bank has established itself as the best practice leader in ALM and that has proved to be a positive business influence not only for its operations but also in enhancing service to customers.

## Looking Ahead

The next phase of the project handled by 3i Infotech focuses on recreating a structure for uploading files into KASTLE™ ALM, another move towards rapid delivery of data.

Because of the implementation of the system, the management of IDBI Bank will ultimately gain far greater control over, and understand processes that power its operations, and that may well prove the foundation of its strategy.

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## About 3i Infotech

3i Infotech ([www.3i-infotech.com](http://www.3i-infotech.com)) provides software products and IT services for the Manufacturing, Retail & Distribution; Banking, Financial Services & Insurance (BFSI); and Government verticals. The Company is SEI CMMI Level 5 compliant for its Software Services and ISO 9001:2000 certified for its IT Infrastructure and BPO Services.

By using its domain knowledge and through continuous investment in technologies, 3i Infotech Limited helps corporations in their businesses through its expertise in enterprise-class software solutions, software services, information security consulting, system integration services, IT infrastructure and Disaster Recovery solutions. 3i Infotech services over 600 customers in more than 50 countries across five continents.

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