

"A man is  
great by  
deeds, not by  
birth"

-Chanakya

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**Making IT happen @ SBI: Defining new paradigms in Banking Process through  
World's Largest Core Banking Implementation**

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## **Abstract**

State Bank of India (SBI) is the largest commercial bank in India. The bank has 219 million account holders, 16,081 branches (September 2014), operating at an average of 56.3 million transactions daily, and 43515 ATMs (associate group together have 53,871 ATMs), making them the leader with the largest number of ATMs and largest Core Banking implementation in the world. The economic reforms and liberalization in India in the 90's saw a set of new generation private banks and foreign banks, entering the Indian Banking sector. These banks were high technology oriented and posed a great threat to Public Sector Banks, mainly SBI. This triggered the IT transformation journey of SBI.

There were many challenges SBI had to overcome for Core banking implementation. The vendor and product selection for Core Banking was a real challenge for SBI. The major challenge was; there was no reference of any other system, operating at the scale that SBI required. The technology they have to adopt - UNIX Versus mainframe - was the second challenge. The extensive customization needed for SBI to suit its specific customized requirements was the third challenge. The approach and the methodology they adopted to overcome this was very unique. The pilot implementation of Core Banking at SBI started in August 2003 and implementation in 350 branches were completed in September 2004. In July 2006, SBI completed 3362 branches (52% of branches at that time). At that time, they faced many serious issues and halted the implementation for three months and resumed the roll out with all the problems fixed. When resumed, SBI went for assembly line roll out. In June 2008, they completed the implementation in 1000 branches and by February 2010, CBS was implemented in 18000 branches, with 24000 ATMs. The four scalability tests to ensure that their system can scale at various phases, top management commitment, vendor and software selection methodology, the implementation and training approach were some of the critical success factors for implementation.

Today, SBI is facing new challenges that are affecting the banking landscape in India. The demographic transition of India, lifestyle banking needs, growth of smart phone and internet and the digital technology are transforming the banking industry. They face threat from IT savvy private and foreign banks and new competitors from other industries eyeing to enter the banking space. The growth of e-commerce and m-commerce in India and the growth based on India's Digital India project wherein, every village would be digitally connected bring new challenges to SBI.

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