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Indian small finance bank embarks on resilient digital banking transformation

Small finance bank | Banking

Business opportunity

In India, small finance banks (SFBs) provide deposit and lending facilities to businesses and people typically under-served by the mainstream banking industry. Licensed to facilitate financial inclusion, SFBs support rural and semi-urban economic development.

One SFB sought to enhance the digital banking experience for its customers while strengthening security and resiliency by architecting, implementing and managing modern banking services. By building a foundation for hybrid cloud and containerized services, the SFB would be able to more quickly launch new services such as onboarding channels and upselling and cross-selling opportunities through its Customer 360 and CRM applications. Modernizing the core application platform would also help support business continuity, simplify regulatory compliance and bolster customer trust.

Technical challenge

Within a broader program of digital transformation aimed at improving agility and optimizing efficiency, the SFB needed to upgrade its VMware Cloud Foundation (VCF) environment because staying on its existing, outdated version presented lifecycle and compatibility risks to core banking workloads. The large and complex environment—1,100 virtual machines (VMs) and 40+ applications across both primary and Disaster Recovery (DR) data centers—also needed refinements to comply with future national regulations around system resilience.

Beyond the significant scope, the bank had a narrow implementation and go-live window to stand up the data center infrastructure needed for application testing, while targeting zero downtime during the upgrade.

Our solution

Together with Kyndryl and Broadcom, the SFB completed its upgrade to VCF 9 in just 15 working days, with zero downtime for production systems.

To minimize risk and align the new environment with current and future regulations, Kyndryl drew on experts from its consulting, banking applications, core banking, infrastructure, network, security, managed services, tools and compliance practices. The team thoroughly reviewed dependencies and potential compatibility issues across the entire solution stack, before executing a phased upgrade.

The modernized VCF 9 environment strengthens security, vulnerability management and observability while simplifying patching and administration through centralized management, licensing and fleet operations. It also protects customer-facing digital banking, improves scalability and opens the path to operational automation, hybrid cloud, containerization and AI innovation.

The power of partnership

Built on more than two decades of partnership, Broadcom and Kyndryl combined platform innovation, technical expertise and proven modernization methodologies to help the bank modernize with confidence. Together, they delivered a seamless, zero-downtime transformation that enhanced resilience, reduced risk and created a scalable foundation for future growth.

What progress looks like

Kyndryl helped this SFB prepare for more stringent regulations and meet growing competition. Greater agility and faster infrastructure provisioning will help the SFB bring new services to customers faster, while improved availability and resilience strengthen customer trust.

- Zero-downtime upgrade and migration of 1,100 VMs in just 15 days
- 30% gains in operational efficiency
- Improved resilience and cut risk of downtime
- Reduced risk with layered security, application-level isolation and database access controls

Meet the team

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What's your next digital business challenge? Let's tackle it together.

Talk to an expert →

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