

DRIVING EFFICIENCY IN BANKING OPERATIONS



*By adopting technology, banks can reduce costs, boost customer experiences and remain competitive in today's evolving financial ecosystem. **Sunil Pandita, Head-Business, India and South Asia, Newgen** (AI-enabled low-code digital transformation platform) explains the company's role in empowering banks to streamline operations, enhance compliance and offer personalised services*

By Akanki Sharma

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Digital revolution is sweeping across financial landscape, worldwide, and banks are at the forefront of this transformation. In an era where agility and efficiency are keys to this transformation, Newgen Software is empowering banks to reimagine their operations. Leveraging low-code platforms and digital automation, these financial institutions are minimising manual processes, enhancing compliance and accelerating service delivery. As Sunil Pandita, Head – Business, India and South Asia, reveals that the future of banking lies in seamless digital integration, offering customers a streamlined and competitive experience in this rapidly evolving market.

“The evolution of digital banking in India and South Asia has created new opportunities for banks to serve customers more effectively. Traditional, paper-based and manual processes are rapidly giving way to streamlined and automated solutions,” says Pandita. Further emphasising on the impact of low-code platforms in this transformation, he also mentions that banks can now digitise even the most complex operations with ease, reducing human error, ensuring regulatory compliance and enabling faster service delivery.

He further adds, “The digitisation of processes like customer onboarding and loan origination has paved the way for banks to provide seamless and personalised services.”

Pandita also highlights that banks are now seen as lifestyle partners rather than mere service providers. Customers, particularly in under-banked regions, are expecting more from their financial institutions.

“The increased adoption of technology has expanded financial access, particularly in rural regions,” he says.

The government's initiatives, such as the JAM trinity (Jan Dhan-Aadhaar-Mobile) and Aadhaar enablement, have made banking more accessible and inclusive. The efforts have provided customers with greater savings and checking options, according to him.

Financial inclusion for rural and semi-urban markets

Technology adoption is not just about improving operational efficiency for banks, but it's about transforming lives, particularly in under-banked areas. Pandita informs

that financial inclusion has been further accelerated by Direct Benefit Transfers (DBT) through Aadhaar-linked bank accounts. These initiatives provide direct monetary benefits to farmers, low-income families and individuals in tier-II and tier-III cities. Newgen's digital solutions play a crucial role in microfinancing and agricultural lending by simplifying loan processes and allowing quicker disbursals.

The financial inclusion narrative is equally supported by microfinance and farmer-centric services, such as the Kisan Credit Card. By digitising and automating such services, Newgen enables banks to offer more tailored solutions to farmers and Micro, Small and Medium Enterprises (MSMEs), sectors critical to the economic growth of rural India.

The backbone of this transformation lies in Newgen's low-code platforms, which allow for rapid deployment of digital solutions without requiring extensive coding knowledge. These platforms are equipped to handle ever-evolving regulatory requirements, ensuring compliance without hindering day-to-day operations.

"Our platforms are designed to be highly adaptable, helping banks to quickly align with regulatory changes without disrupting their services," he explains.

The low-code architecture of Newgen's software also helps banks to scale their services. As regulatory landscapes shift and customer demand grows, banks need solutions that can expand and evolve without requiring a complete system overhaul. For example, leveraging Artificial Intelligence (AI) to enhance compliance checks for Know Your Customer (KYC) processes reduces the risk of non-compliance while maintaining operational agility.

AI in risk and compliance

AI and automation are at the core of Newgen's solutions, providing banks with the tools needed to stay competitive in a fast-paced and tech-driven world. Newgen's AI-powered platforms are transforming how banks manage risk, compliance and operational efficiency. AI plays a vital role in assessing customer data, automating routine tasks and providing valuable insights for decision-makers. Pandita

says that a global wealth-management firm that used Newgen's AI-integrated risk management platform to automate its risk assessment processes, led to more accurate risk predictions and improved compliance across the board. This success highlights the importance of AI-driven decision making in modern banking, where accuracy, speed and compliance are non-negotiable.

MSME lending and agriculture financing

One of the most significant trends shaping the banking industry in South Asia is the focus on Micro, Small and Medium Enterprise (MSME) lending. MSMEs contribute around 30 per cent to India's Gross Domestic Product (GDP), yet many remain credit-starved. Newgen's platforms offer solutions that enable banks to extend credit more efficiently to MSMEs, a sector crucial for economic growth. Automated workflows and digitised loan processes help banks to address the specific needs of MSMEs, offering those the working capital and term loans necessary for growth. Government-backed initiatives supporting MSMEs, coupled with technology solutions like Newgen's, are empowering banks to make faster and more informed lending decisions. This not only helps MSMEs scale, but also strengthens the overall economy by addressing the credit gap.

The push for financial inclusion does not stop at MSMEs; agriculture financing has become another crucial area of focus. Government programmes aimed at doubling farmer incomes have led to a surge in demand for financial services in the agricultural sector. Farmers require easy access to credit, and Newgen's digital solutions streamline the lending process, ensuring quicker disbursals and less bureaucracy. The result? Increased access to vital financial resources for farmers, which, in turn, stimulates the growth of related industries, such as tractor sales and rural entrepreneurship.



The focus on agriculture has also spurred growth in initiatives such as the Kisan Credit Card, supporting core agricultural needs and financial inclusion for farmers.

The battle for customer loyalty

With the burgeoning middle class, aspirations have shifted. To meet these expectations, banks must offer not only standard products, but also tailored investment solutions. The battle for customer loyalty is intense, with digital service being the key differentiator in a competitive ecosystem. High servicing costs drive the need for digital solutions, while the India Stack (JAM trinity and UPI) and FinTech Application Programming Interfaces (APIs) enable seamless integration, offering customers personalised and convenient financial experiences.

Platform-based solutions, particularly those provided by Newgen, centralise and automate various banking operations, such as customer onboarding, loan origination and case management. This consolidation reduces redundancy and manual errors, allowing banks to scale their operations effectively. We anticipate a growing trend towards hyper-personalisation and AI-driven decision-making, where platform-based solutions will play a crucial role in delivering tailored customer experiences and proactive risk management.

The Non-Performing Assets (NPA) problem has seen resolution through bank mergers and cleaning up of financial books. Over the last few years, banks have become major technology adopters, with omni-channel apps playing

a crucial role. As India experiences growth in both exports and domestic trade, trade finance has gained importance, alongside retail finance and Business to Business (B2B) payments. While lending has accelerated through digital channels, deposits haven't kept pace, partly because the deposit side was not as digitised as lending, creating a gap in the financial ecosystem, especially in Current Account Saving Account (CASA) balances.

Integrating AI and automation

Newgen is at the forefront of integrating AI and automation into banking processes. Through its AI-powered digital process automation platform, the company enables banks to automate mundane tasks, extract structured data from unstructured sources, and enhance decision-making processes. These innovations lead to substantial cost savings, improved accuracy and faster processing time across various banking functions, from loan processing to customer service.

"We recently launched a Generative (Gen) AI platform called LumYn, designed primarily to help decision-makers within banks. The platform will help financial institutions to enhance profitability and significantly improve customer experiences. It can answer loaded questions like "How do you increase your card business?" It then looks through your customer data, analyses it, and gives you an answer in a conversational manner," Pandita elucidates.

Newgen's growth-intelligence platform leverages advanced data analytics and AI/Machine Learning (ML) algorithms to process and analyse alternate data sources, ensuring that decisions are based on accurate and reliable insights. The platform's ability to integrate various data types—from structured to unstructured—allows for comprehensive analysis, reducing the risk of errors and improving the quality of customer insights. Continuous monitoring and real-time updates further enhance the reliability of these data-driven decisions. Newgen is helping banks to stay ahead of the curve by offering platforms that enable hyper-personalisation and pro-active service delivery. The integration of AI, data analytics and digital platforms ensures that banks can provide customers with tailored financial experiences, thus boosting engagement and loyalty.



Looking ahead: Challenges and opportunities

The road ahead for banking in India and South Asia is filled with both challenges and opportunities. As digital transformation continues to accelerate, banks will face increasing pressure to adopt AI, automation and data-driven decision-making. Cybersecurity and data privacy will also become major concerns, with customers expecting their information to be both secure and accessible.

Pandita sees immense potential for growth, particularly as Newgen continues to evolve its platforms. “The next big challenges will revolve around meeting the increasing demand for digital-first experiences and maintaining stringent data security standards,” he says.

By enhancing its AI, blockchain and advanced analytics capabilities, Newgen is positioning itself to help banks navigate these challenges while delivering personalised, secure and highly-efficient services.



The digital transformation of banking in India and South Asia is a journey, and Newgen Software is at the forefront of this revolution. By offering low-code platforms, integrating AI and automation, and focussing on financial inclusion, Newgen is not just helping banks streamline operations, but also reshaping the way financial services are delivered. As the financial landscape continues to evolve, Newgen's innovative solutions will play a crucial role in ensuring that banks remain competitive, compliant and customer-centric.

CASE STUDIES



**A Fortune 500 Multi-national Japanese Bank
Streamlines Banking Operations with Newgen**

What Slowed Down Our Customer's Operations

The bank faced challenges with siloed and unstructured processes and was dependent on manual operations. This resulted in errors, inefficiencies and a limited ability to leverage data from legacy systems and track operations in real time. Consequently, there was a lack of transparency, delayed processing cycle time and broken experience for customers.

How Newgen Addressed the Bank's Challenges

Newgen streamlined the customer's operations by deploying a standard digital banking platform, combining process automation (iBPS), content management (OmniDocs) and extraction (OmniXtract) capabilities. Unlike generic solutions, Newgen tailored the platform to the customer's specific requirements, ensuring a solution that perfectly fits their unique business requirements. The unified approach facilitated effective document management, streamlined workflows and enabled faster processing of financial transactions.



A Reputable Commercial Bank in India Automates Account Opening with Newgen



How Newgen Transformed the Account Opening Process

The bank adopted Newgen's Digital Account Opening Solution to digitise its customer onboarding process. Built on a low-code platform, the solution enabled end-to-end automation of the process, including application approvals and rejections.



Workflow Design: A comprehensive workflow was designed that allowed the bank to digitise the end-to-end account opening process for customers visiting the branch.



BAM Server for Reporting: The Business Activity Monitoring (BAM) server by Newgen generated various reports necessary for the management team, offering valuable real-time insights into the account opening process and enabling informed decision-making.



Intelligent Document Scanning: This feature allowed for seamless scanning and uploading of customer documents, eliminating the need for physical paperwork.



Centralised Document Management: The bank achieved higher efficiency in managing documents with a secure and centralised repository. Anytime-anywhere access for authorised people made it easier to share and retrieve data.

Challenges Faced

The bank partnered with Newgen to identify several pain points in its traditional account opening process.

Manual and Paper-intensive Approach

The conventional account opening process relied heavily on physical paperwork, causing delays and errors.

Lack of Integration

The existing system lacked integration with the bank's internal repositories for anti-money laundering and duplication checks, as well as with external repositories like NSDL (for PAN verification) and UIDAI (for Aadhaar verification).

Poor Document Management

Unavailability of a centralised repository to store and manage customer documents made it difficult to archive and retrieve information.

Inefficient Workflow Management

The absence of an automated workflow to capture and process information resulted in inefficiencies, affecting the overall customer onboarding experience.



- ▶ **Integrations with External and Internal Systems:** Seamless integration with Indian government bodies like NSDL and UIDAI, as well as the bank's internal repositories, supported flawless duplication checks and fraud prevention.



- ▶ **Maker-checker System:** The solution incorporated a maker/checker control mechanism for further data verification and processing before account opening application approval.

Results Achieved



- ▶ **Increased Operational Efficiency:** The digitisation of the account opening process reduced the turnaround time and saved numerous man-hours.
- ▶ **Higher Business Volume:** The bank was able to efficiently handle a higher volume of account openings to grow its customer base.
- ▶ **Enhanced Customer Satisfaction:** Quicker processing times, digital verification, early updates and real-time tracking enhanced overall customer experience.

- ▶ **Revenue Growth:** The streamlined process contributed to a 25 per cent increase in revenue within the first year of implementation.
- ▶ **Assured Compliance:** The integration of the platform with external and internal systems ensured that all documents were maintained as required. This improved compliance, reduced legal risks, and helped with audits.

**One of India's Largest Urban Cooperative Banks
Streamlines Lending Lifecycle and Credit Processes
with Newgen**

Customer's Challenges

Struggling to deliver the desired level of services to its customers, the bank was looking to automate its loan and credit card processes and bring efficiency to its systems.

Data entry errors

Manual loan and credit card processes required users to enter data manually. This increased the likelihood of higher errors in data entry and posed a risk of legal consequences, confusion and delays in decision-making.



Delay in loan approval

Traditional workflows caused delays in obtaining approvals, miscommunication and negative customer experience.

Risk of non-compliance

Manual audit processes resulted in inaccuracies in credit assessment and a high risk of non-compliance with regulatory requirements.

Use of disjointed applications

Managing multiple external systems made the process complex and time-consuming for the bank.



How Newgen Helped

The bank selected Newgen's Intelligent Process Automation (iBPS) and Contextual Content Services (ECM) platforms to automate the entire consumer loan lifecycle and credit card processes, empowering users with accurate data and real-time reports. The iBPS platform streamlined various stages of the lending cycle, from pre-screening to underwriting and disbursement, resulting in quicker application approvals. The ECM platform captured comprehensive data and segregated different types of loan documents and packages with pre-defined bank-specific templates.

Key Features of the Platforms

Approval Workflows

Newgen's document management software enabled the bank to allocate documents to specific people for quick approvals and reviews.

Content Capture and Extraction

Newgen's ECM platform allowed the bank to digitise paper-based processes, scan documents, securely capture content and extract data from processed documents.

Business Rules Management System

The bank defined, controlled, changed and deployed complex business rules to seamlessly fetch eligible credit policy products and automated checks.

Maker-checker Capability

Embedding a maker-checker capability validated the data, gave transparency on the requests, and provided a smooth flow for employee and customer onboarding.

Business Activity Monitoring Tool

It helped to analyse and monitor real-time data to audit the processes, and provided prompt reports.

Workflow Configuration

The iBPS platform provided the bank with a user-friendly interface for easy configuration.

One of the World's Largest Islamic Banks Streamlines its Lending Operations with Newgen



Customer Pain Points



Soaring costs due to manual processes and subpar conversion rates



Errors in processing loans, which further led to financial strain



Complexity in rolling out innovative offerings in the retail and Medium Small Business (MSB) sectors due to the system's rigidity and lack of agility



Strict adherence to Islamic financial principles was not ensured



Limited monitoring and reporting capabilities, which resulted in delays in business operations and affected decision-making



Lack of end-to-end automation capability across retail and Money Service Business (MSB) sectors

How the Customer Enhanced Lending Operations with Newgen



Newgen addressed the customer's challenges by implementing a robust digital lending solution, built on a low-code platform. Tailored solutions, spanning retail (personal finance, auto finance, credit card and home finance), MSB (point of sale, Fleet, EIRAD, bank insurance fund, payroll, invoice financing and ECOM) and SRM, comprising over 200 services, were integrated to streamline workflows and ensure compliance adhering to Shariah norms.

The platform—specifically designed for Islamic banking—accelerated loan processes, minimised manual intervention and enhanced operational efficiency by a significant margin.

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