



A Leading Commercial Bank in India Modernizes its Lending Process with Newgen

Enables end-to-end automation of the process, resulting in faster loan disbursements



About the Customer

Our customer is a prominent banking institution in India with a six-decade legacy. Operating over 1900 branches countrywide, it provides a wide array of products and services, such as savings and current accounts, loans for retail and MSME customers, and agricultural loans for farmers.

Customer Challenges

The bank encountered a few challenges with its current loan processing system (LPS), including heavy dependency on physical documents and limitations in managing the increasing volume of business transactions. To modernize its lending system, the bank collaborated with Newgen. Some of the obstacles included:



Manual processes

The existing system lacked automation, which made the loan processing time-consuming and error-prone



Limited processing capacity

The absence of a system to handle the large volume of loan applications resulted in customer dissatisfaction



Delayed lending experience

The existing LPS only supported manual credit decision-making, which significantly slowed the loan approval process



High operational costs

The core LPS attracted several overheads, and the bank incurred increased cost per employee



Regular Industry Approach

In the financial services industry, the typical approach to addressing these challenges involves adopting a lending system for automation. These tools leverage artificial intelligence (AI), robotic process automation (RPA), optical character recognition (OCR), and other advanced technologies to streamline time-consuming,

error-prone, and manual lending tasks. However, to address the core issues and meet the complex requirements of modern financial services, the institutions require a comprehensive digital retail loan origination solution that enables fast, consistent loan decisions within predefined risk margins.

How Did Newgen Help?

Newgen deployed its advanced **Retail Loan Origination Solution** (RLOS) to overhaul the bank's operational framework. Built on a low-code platform, the solution enabled end-to-end automation of the retail lending process, from pre-screening and application processing to underwriting and disbursement. Key highlights of the implementation included:

- ▶ **Third-party Integration:** The bank could connect directly with credit bureaus to fetch applicants' credit reports and analyze their creditworthiness. The solution also possessed the ability to connect and exchange data with other fintech services and platforms
- ▶ **Exception/Deviation Approval:** The system supported handling exceptions or deviations from standard loan processing practices. If a loan application did not meet certain criteria but was still considered worth approving, the system managed the process for obtaining the necessary approvals with exception rules
- ▶ **Predefined Rules Engine:** Newgen's RLOS comprised predefined business rules to check a customer's eligibility for online loan applications
- ▶ **Score-based Risk Assessment:** The scoring model for assessing loan applications double-checked the risks after the initial assessment to verify the accuracy and reliability
- ▶ **Loan Policy Automation:** The new system automatically checked and followed the rules for loan disbursement, making the process quick, error-free, and secure
- ▶ **Template Generation:** The extensive template library enabled the bank to generate various templates for documents needed in the lending process, including loan agreements, offer letters, and other related documents

Business Benefits

Reduced Turnaround Time

Automated workflows decreased the time required to verify applications and process loans, enabling quicker disbursements

Accurate Credit Decisioning

AI-enabled eligibility checks and credit decision-making improved risk management and underwriting, supporting regulatory compliance



Improved Cost Saving

Lower manual dependency and increased operational efficiency led to significant cost-saving

Increased Business Volume

The low-code-based scalable system allowed the bank to manage a higher volume of loan applications efficiently

Conclusion

The bank's decision to implement Newgen's RLOS marked a significant step in digitally transforming its retail lending landscape. The solution enabled automatic eligibility checks, quick onboarding, robust underwriting, and hassle-free loan disbursement. The transformation led to cost-saving and better risk management without any business disruptions.

About Newgen

Newgen is the leading provider of a unified digital transformation platform with native process automation, content services, communication management, and AI/ML capabilities. Globally, successful enterprises rely on Newgen's industry-recognized low code application platform to develop and deploy complex, content-driven, and customer-engaging business applications on the cloud. From onboarding to service requests, lending to underwriting, and for many more use cases across industries, Newgen unlocks simple with speed and agility.

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