

One of the Largest Indian Banks Automates a Gamut of Banking Processes to Become a Digital Enterprise

Overview

The bank is one of the largest private sector banks in India offering services across Personal Banking, Business Banking, and Corporate Banking. It has more than 1000 branches and 1800+ ATMs covering 29 States and 7 Union Territories.

The bank realized that digital transformation in banking was at a turning point - from conventional banking to convenient banking. A digital banking experience was no more a differentiating factor, but a basic customer expectation. To offer better services to its customers and to keep up with the changing market, the bank decided to go digital.



The bank has established a **“digital platform”** with the vision of achieving digitalized and paper-less banking in trade finance for LC digitization and workflow optimization. It offers a unified platform of diverse trade requirements and obviates the need for multiple systems.

The bank aims at extending this digital vision across more processes in near future. Newgen's OmniFlow platform has been a key enabler for the bank to deliver on its brand ethos of Responsible Banking.

Major Challenges Faced by the Bank

The bank faced difficulty in keeping up with the changing market conditions and increasing competition.

It faced challenges in meeting the expectations of its millennial customers. Workforce of the bank was occupied in mundane manual tasks. This consumed much of their time, leaving little time for more important tasks. These challenges hindered the bank from achieving its business goals and slowed down its growth.

Growth Bottlenecks

- Manual, error prone and time consuming processes
- Difficulty in meeting customer expectations
- Low productivity and operational efficiency resulting in high process turnaround time
- Opaque and siloed processes
- Inability to integrate with legacy systems

The Bank Digitally Transforms Its Processes Using Newgen's Solution

The bank wanted a holistic solution to digitally transform its processes. It found that Newgen's solutions offered technologies that were perfectly aligned with its requirements.

Key Processes Transformed

Retail

- Account Opening & Account Instructions
- Bearer Identification Process
- Sovereign Gold Bonds
- Credit Card Onboarding

Credit Administrative

- Wealth Banking
- Business Banking
- Joint Lending Forum-Special Mention Accounts
- Insurance

Corporate

Trade

- Trade Finance
- Letter of Credit

Treasury

- Confirmation Tracking System
- Issuer & Payer Agreement

Scale of Implementation



970
branches



9000+
active users



500+
concurrent users



500
daily transactions

"We were looking for a technology partner who had a thorough experience in banking. We were looking for someone who could understand and deliver on our brand ethos along with operational excellence"

- AVP Operations

Retail

The bank faced challenges in keeping up with changing regulations and, most importantly, new-age customer expectations. Some of these challenges were:

Challenges

- Inconsistent digital customer experience
- High abandonment rates
- Ineffective regulatory compliance
- Difficult risk management

Benefits

Newgen's solution lead to the following benefits:

- Unified loan processing
- End-to-end automation of credit policy
- Integration with credit bureaus
- Proficient risk management and effective regulatory compliance
- Reduced abandonment rates with omni-channel onboarding

Processes Automated

Some of the major retail processes automated were:

- **Account Opening/ Account Instructions** - The bank's account opening process faced challenges in regulatory compliance and document collection. Further, making changes to the account post opening had to be done manually. Implementation of Newgen's solution reduced abandonment rates with faster multi-channel onboarding and ensured faster digital account modifications.
- **Sovereign Gold Bond Issuance** - The complex process of issuing Sovereign Gold Bonds was being handled manually at the bank. Using Newgen's solution, the client reduced TAT with automation and streamlining of tranche openings as per RBI guidelines.
- **Credit Card Onboarding** - Client's credit card onboarding and servicing process was manual and time-consuming. Using Newgen's solution, they enhanced customer experience with omni-channel initiation, faster application processing and contextual communication. Further, it reduced TAT with end-to-end automation of credit card issuance, servicing and bill management.
- **Bearer Identification** - BEI process of the client was document intensive and fragmented. With the use of Newgen's solutions, the bank made its BEI onboarding multi-channel along with automated KYC checks and faster scanning/exporting of onboarding documents. It enhanced customer experience, reduced risks and TAT. It also improved process efficiency, agility and compliance.

Credit and Administrative Department

The bank's business was growing in volume, diversity and complexity. This increased risk and made analysing and managing credit portfolios difficult.

Challenges

Some of the major challenges faced by the Bank's CAD were:

- Time consuming credit analysis and assessment
- Lack of tracking, monitoring and reporting mechanism
- Difficult and time consuming risk rating and assessment
- Manual management of loan documents
- Cumbersome collateral management

Benefits

Implementation of Newgen's solutions streamlined the client's Credit Administration process. It lead to the following benefits:

- Better risk management with configurable and investigative reports & dashboards
- Improved risk portfolio management through covenant monitoring, account conduct, review/renewals and diversification
- Centralisation of risk operations through integration with third party, core banking, risk rating, legacy applications and credit bureaus
- Better collateral management with a unified workflow for releasing, updating, valuing and moving collaterals
- Increased productivity for stakeholders like Credit Analyst, Risk Manager, Credit Admin and Client Relationship Manager

Processes Automated

Some of the major CAD processes automated were:

- **Wealth Banking** - With broken processes and insufficient customer insights, the bank's relationship managers faced challenges in order to deliver leading advisory services across customer segments. With Newgen's solution, the client delivered tailored and drilled down services across its customer base, while optimizing costs. It removed associated risks with missing regulatory notes/disclaimers, calculation errors, etc.
- **Business Banking** - The bank faced challenges in utilizing its investment in legacy technology and create a seamless flow of information between front and back end systems. The process turnaround time was high with difficult regulatory compliance. With the implementation of Newgen's solution, the bank ensured effective compliance with better reporting, rules driven underwriting and standardized lending processes.
- **Joint Lending Forum/Special Mention Accounts** - The bank's JLF was a manual, siloed and time consuming process. With the implementation of Newgen's solution, the bank increased efficiency through automated rule-based identification of Special Mention Accounts. It ensured effective risk management with timely implementation of CAP (Corrective Action Plan).
- **Insurance** - The bank's insurance department faced difficulty in catering to its new age customers. It scrambled to offer enhanced policy issuance experience due to its high dependency on legacy systems. Implementation of Newgen's solution helped the client with omni-channel onboarding based on configurable templates and customer-specific data capture.

Corporate

Digitization of corporate processes at the bank primarily involved the following processes and their sub-processes:

Trade Finance

The bank's Trade Finance process involved multiple manual and paper driven processes. There was high dependence on spreadsheets for tracking transactions, income/ commission calculation leading to reduced efficiency and customer dissatisfaction.

Challenges

Some of the major challenges faced were:

- Increasing operational costs
- Lack of co-ordination between departments
- High turnaround time
- Difficult risk management
- Difficulty in meeting SLAs

Benefits

The bank's Trade Finance team used Newgen's solution to manage 72 processes through one process flow. Some of the benefits were:

- One-stop-solution for all trade instrument requirements including documentary products, guarantee products, payments, SWIFT, purchase order financing, invoice discounting
- Completion of international trade transactions through web portals and/or handheld devices
- Less TAT through automatic retrieving and populating customer details like address, contact details, DDA and limit account details from core banking system
- Better risk management and regulatory compliance through automated UCP compliances & credit checks

Processes Automated

Some of the major corporate processes automated were:

- **Letter of Credit (LC) Digitization** - Streamlining the LC process is important because of multiple touch points and stakeholders involved. Using Newgen's solution, the bank ensured faster, reliable, accurate and cost-effective processing of Letters of Credit; with centralized interface for issuing and amending LCs.

Treasury

In the light of the global financial crisis, the bank realised the importance of automating regulatory compliance, forecasting cash flow and risk management.

Challenges

The major challenges the bank's treasury department was facing were:

- Time-consuming tracking of cash flow and cash position
- Difficulty in risk management
- Difficulty in managing counterparty and supply chain risks
- Low visibility into the process
- Difficulty in generating customized reports

Benefits

With challenges like changing customer demands impacting supply chain risks, the bank's treasurers wanted end-to-end predictability and visibility of cash position. Using Newgen's solution, the client achieved the following benefits:

- Better risk and cash management
- Ability to create projected cash flows
- End-to-end automation of reconciliation, dealing, confirmation and settlement
- Increased efficiency with the ability to generate custom, accurate and ad hoc reports
- Effective management of risk and compliance to regulations
- Increased liquidity and enhanced growth

Processes Automated

Some of the major treasury processes automated were:

- **Issuer Payment Agreement** - The IPA process at the bank was critical for risk management. Apart from being document intensive, the process was manual and siloed. The client streamlined the process with Newgen's solution using its centralised document repository. It led to a 30% decrease in TAT with streamlined creation of new deals.
- **Confirmation Tracking System** - The process involved manual and time-consuming generation of franking documents. With Newgen's solution the client maintained a track of deals in fixed intervals along with bulk scanning and tagging of Franking documents.

"Since our inception, we have aimed at delivering finest quality banking experience to our customers"

- SVP Retail Banking

The Client Establishes Itself As a Digital Enterprise

The client successfully established itself as futuristic digital enterprise. It could now look forward to exceeding customer expectations; rather than merely meeting them. Using Newgen's solutions, the client digitally transformed its operations and overcame its growth bottlenecks. The major benefits of the implementation were:



Improved operational efficiency and process agility



Delivered superior digital customer experience



Reduced process turnaround time



Smooth integration with third party and legacy applications



Empowered knowledge workers by eliminating manual intervention



Improved regulatory compliance and risk management

Process	Turnaroud Time Reduced
Account Instructions	1 day reduced per service request
Bearer Identification Process	1 day reduced per case
Confirmation Tracking System	2 days reduction in TAT
Issuer Payment Agreement	30% Reduction in TAT

"I've been in the banking industry for very long and I've witnessed several technological implementations. But, the performance and agility of Newgen's products and solutions is exceptional"

- AVP Operations



About Newgen

Newgen is the leading provider of a unified digital transformation platform with native process automation, content services, and communication management 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.

FOR SALES QUERY

AMERICAS: +1 (202) 800 7783
CANADA: +1-202-800-7783
AUSTRALIA: +61 290 537 174
INDIA: +91 11 40773769
APAC: +65 3157 6189
MEA: +973-1-619-8002, +971 44541365
EUROPE: +44 (0) 2036 514805

info@newgensoft.com
www.newgensoft.com

