



# First Ethiopian Bank Goes Digital with Newgen's Lending Solution

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*Reduces turnaround time to one week  
and improves borrower's experience*

# Introduction

The customer is one of Ethiopia's largest privately held banks, with a vision to become a leading commercial bank in East Africa by 2030. Established in 1996 under the National Bank of Ethiopia, the customer has its head office in Addis Ababa, Ethiopia, and serves more than 10.2 million customers, across 864 branches nationwide. With manual, labor-intensive lending processes, the bank found it increasingly difficult to scale and accommodate increasing loan origination times and experienced multiple inefficiencies. The customer selected Newgen's Loan Origination Solution to streamline the origination, processing, tracking, and disbursement of loans.

## The Customer's Pain Points

With help from Newgen, the bank was able to transform its traditional lending process, which prolonged the turnaround time and delayed its ability to respond to customer requests promptly.

**Paper-driven Process:** Piling paperwork for the customer's workforce caused manual errors, and resulted in frustrated employees, and unnecessary delays

**Manual data integration:** Manual data integration with multiple existing systems was time-consuming and error-prone, impacting the accuracy of credit assessments

**Complex risk calculations:** The bank saw a lot of inaccuracies in the credit assessment process from performing manual computations for scorecard calculations and rules

**Zero visibility:** The bank struggled to obtain real-time visibility into the loan processing pipeline, which adversely impacted the customer experience and ran the risk of compliance issues



# Industry Approach

As banks chart their innovation journey, picking the right 'lending' process to develop financial and non-financial ecosystem is critical. The right lending tools and solutions can help automate loan processes to bring agility, consistency, and accuracy. Loan origination solutions can enable financial institutions to significantly reduce processing time and improve credit scoring, risk assessment, and compliance checks. It can also enhance customer experience by having borrowers benefit from a faster and more user-friendly loan application process. Every customer is unique, and hence, these tools can help deal with complex specialization to deliver simple lending processes and bring workflow flexibility.

## Streamlining Lending with Newgen

**360-Degree Customer View:** A comprehensive view of customer information allowed the bank with an informed lending decisions

**Streamlined Approval Management:** The solution enabled the bank to optimize, standardize approval workflows and committee approvals to ensure consistency and efficiency

**Real-time Data Integration:** Real-time push-pull integrations worked within regulatory constraints to achieve seamless data integrations

**Document Automation:** The customer digitized and automated the generation of various loan-related documents, such as offer letters, using standardized templates

**Automated Exception Handling:** The bank automated exception handling processes to address deviations from standard credit policies

**Digitization of Documents:** The bank digitized all relevant documents to facilitate easy access and reduce manual document handling. Multiple documents, including offer letters, were generated. One generalized CAM template was designed for all different loan types



# Value Delivered by Newgen's Solution

**End-to-end automation:** The solution automated approvals, and escalation process and handling. It also helped the client by automating notifications, reminders, and deviations

**Going Digital:** The customer was able to digitize 100% of lending documents as part of the loan origination journey

**Higher efficiency:** The solution enhanced the customer's efficiency in scorecard calculations by 50%

**Effective pace:** The client witnessed a reduction in turnaround time from 3 weeks to 1 week. The TAT was expected to go down further

## Summing Up

The customer's decision to automate the loan origination process with Newgen resulted in faster turnaround time, better visibility of the process, and efficiency improvements. The Loan Origination Solution enabled the bank to offer its customers a seamless and efficient borrowing experience, expand their lending portfolio, and accelerate decision-making.

### 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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