



India's Oldest Private Sector Bank Streamlines Loan Origination with Newgen

Raises MSME lending to 41% of the total credit portfolio

About the Customer

The customer is one of the oldest private sector banks in India. Having a strong network of 850+ branches and more than 7000 employees, the bank provides a diverse range of financial solutions with a focus on MSME lending, and short and long-term loans to the agricultural sector. The bank was struggling with a fragmented landscape outside of core banking and required a robust platform that could help it modernize and stay competitive.



Pain Points

The bank's outdated technology stack led to compliance issues, inadequate support for services, and high costs. The key challenges were:

Siloed operations

Slow back-end systems and operational silos delayed decision-making and resulted in high turnaround time



Paper-based Documentation

Predominance of physical documentation increased expenses and increased errors



Extensive manual processing

Absence of lean processes adversely impacted efficiency and operational workflows



Legacy systems

Outdated IT infrastructure limited the bank's capacity to adapt to the evolving demands of customers and regulatory changes



Industry Approach

Many banks depend on fintech solutions that cater to their technology needs, selecting the service providers based on specific requirements and budgets. Such an approach enables banks and financial institutions to focus on their core operations while outsourcing technology management to other specialized service providers. With the evolving market landscape and changing regulatory requirements, banks need to invest in a robust and unified platform that can ensure speed, compliance, and scalability.

How Newgen Helped

The customer partnered with Newgen to implement a comprehensive **Loan Origination Solution (LOS) for Micro, Small, & Medium Enterprises (MSME)**.

Newgen's accelerator-based approach enabled the bank to envisage a complete digital transformation of the lending, customer onboarding, collections and recoveries, and enterprise content functions. Built on a low-code platform, the solutions offered scalability while enhancing customer experience and productivity.

Furthermore, the agility that the bank could get from a Gartner-rated low-code solution

was immense and validated the bank's decision to partner with Newgen. Encouraged by the positive results of the initial implementation, the bank extended their transformation efforts beyond lending to include development of internal workflows, as well as portal and external interfaces via APIs.



Solution Highlights



Automated Underwriting

The bank was able to determine an applicant's creditworthiness and possible risk factors based on automated internal/external scoring. Pre-built AI models and a rule-based decision engine supported straight-through processing for quick and accurate loan approvals



Digital KYC

Lenders could swiftly authenticate borrower's identities and evaluate transaction data without the need for a physical visit. Digital signatures also accelerated loan generation



Risk Management

Seamless integration with third-party regulators enabled users to perform due diligence using AML, blacklist, and fraud checks



Document Management

A comprehensive document management system helped capture, extract, generate, analyze, and share data intelligently. It enabled bank users to manage different document types and generate loan packages in a few hours with pre-defined bank-specific templates



Agile Engagement Model

The low-code platform brought flexibility, enabling the bank to respond easily to changing customer demands and try different engagement models to gauge the effectiveness of communication

Implementation Impact



Business growth: The loans provided to MSMEs rose to approximately 41% of all loans approved by the bank. Moreover, the bank has seen significant changes in other important parameters like deposits, advances, total business, and CASA



Low non-performing assets (NPA): The bank achieved low gross NPAs through AI-assisted lending. This achievement highlights the bank's strong financial health and high asset quality



Streamlined ecosystem: The platforms created a digital ecosystem for the bank, removing siloes and reducing manual dependency



Higher security: Standard risk management methods in the solution, including fraud identification, scoring, and segmentation, enhanced security and reliability



Quick product rollouts: With the solution's accelerators and systematic workflows, the bank radically reduced time-to-market for MSME loans to 48 hours



Enriched customer experience: Faster application processing, better transparency, and real-time communication boosted customer satisfaction

Conclusion

The bank realized immense potential with Newgen's accelerator-based model and expanded its partnership with an additional deal for accelerators. By choosing to partner with Newgen, the bank was able to streamline its loan origination process and enhance customer satisfaction. With the implementation progressing through multiple phases, the customer experienced notable growth, benefiting from synergies achieved by consolidating all mission-critical applications on a unified platform.

About Newgen

Newgen is a leading provider of an AI-enabled 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 and service requests to lending and underwriting, and various other use cases across industries, Newgen unlocks simple with speed and agility.

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