



A Co-operative Bank in India Automates its Retail Lending Operations with Newgen

*Reduces turnaround time from
3-4 days to about 8 hours*



Overview

The customer is an established financial institution in India with a history spanning over 110 years. It offers various products and services, including savings and current accounts, deposits, loans, lockers, mobile banking, etc. The bank followed a manual approach for retail lending business, which hampered efficiency and customer experience. Recognizing the need to modernize its operations, it collaborated with Newgen.

Customer Pain Points

High Turnaround Time

The loan onboarding and credit decisioning phases took three-four days to complete, delaying disbursement

Manual Underwriting

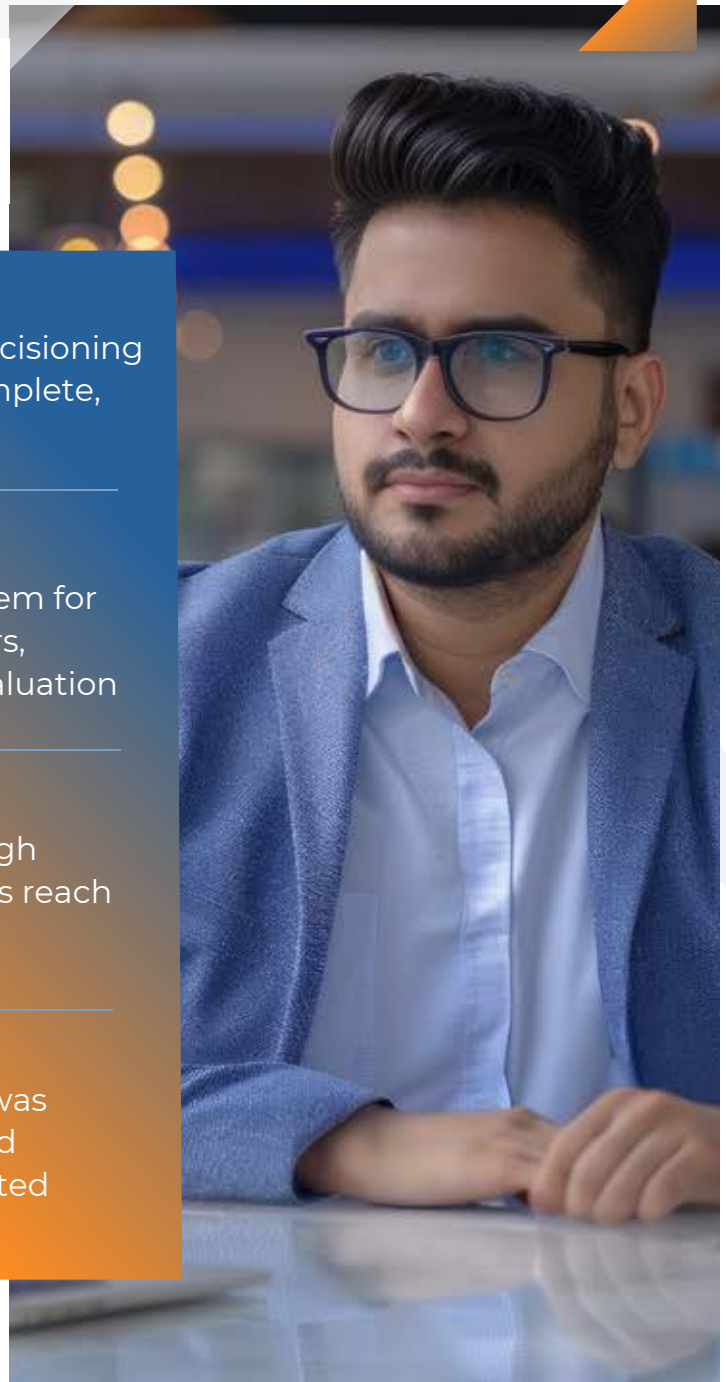
The absence of an automated system for credit and risk profiling led to errors, inconsistencies, and prolonged evaluation

Limited Loan Processing

Loans were processed solely through branch walk-ins, limiting the bank's reach and customer convenience

Document-Intensive Process

The paper-based lending journey was cumbersome, leading to delays and inefficiencies in handling loan-related documentation



Regular Industry Approach

The banking sector has responded to similar challenges by gradually incorporating digital solutions. This approach often involves implementing core banking solutions and automation of manual processes. However, piecemeal solutions usually do not comprehensively address the underlying inefficiencies. Transforming the legacy system involves a change in the technological infrastructure as well as working processes. This calls for a comprehensive solution that can remove siloes and align with core systems.

How Newgen Addressed the Bank's Challenges

The bank opted for Newgen's Retail Loan Origination Solution (RLOS), which enabled end-to-end automation of the lending process, from pre-screening and application processing to underwriting and disbursal. The digital automation was also supported by Newgen's Intelligent Process Automation (BPM) platform, which significantly enhanced the bank's processing capabilities and reduced its time to market. Additionally, the customer adopted Newgen's Contextual Content Services (ECM) platform to streamline loan-related documentation. Key highlights of the implementation include:



Multi-channel Initiation

Automation of the onboarding process enabled the bank's customers to apply for loans through various channels, such as mobile and web portals



AI-based Underwriting

The low-code-based solution employed advanced analytics and automation to assess the borrowers' creditworthiness and risks by evaluating their credit history, income, and other relevant factors



Document Management

Post-loan disbursement, the documents were stored in Newgen's ECM platform and were accessible from the core banking and loan origination systems



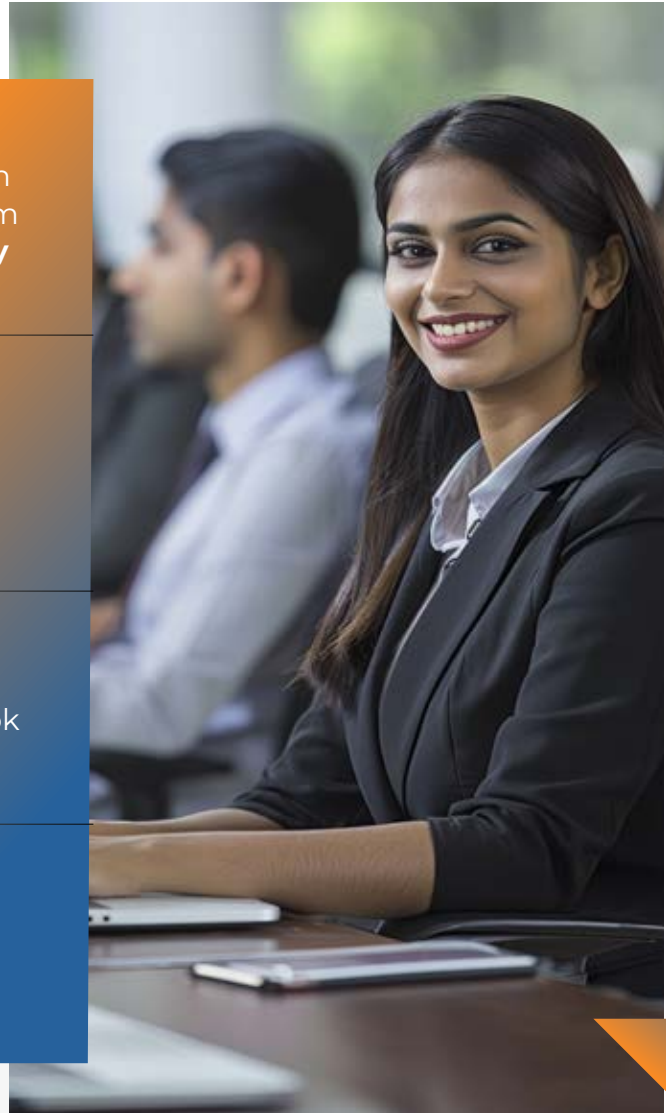
KYC Document Mapping

The system automatically mapped the KYC document list to the product code to fetch the necessary documents required for verification. Intelligent verification minimized the risk of bad loans

Business Benefits

The digital transformation yielded significant results for the bank, such as:

- ▼ **Accelerated Lending Processes**
The time taken from loan initiation to disbursement was reduced from **three-four days to approximately eight hours**
- ▼ **Higher Loan Disbursements**
Each branch handled 15-20 loan transactions daily, with a total of **2,040 loans disbursed** in only three months
- ▼ **Expanded Loan Portfolio**
The bank witnessed a substantial **20% YOY increase** in the loan book size
- ▼ **Improved Credit Decisioning**
Automation minimized human errors in underwriting, enhancing the accuracy of credit decisions



Conclusion

Newgen's RLOS redefined the bank's onboarding and lending processes, aligning it with modern needs and expectations. The efficient, paperless, and automated system streamlined workflows, remarkably reduced turnaround time, enhanced customer experience, and increased the bank's loan portfolio size.

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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