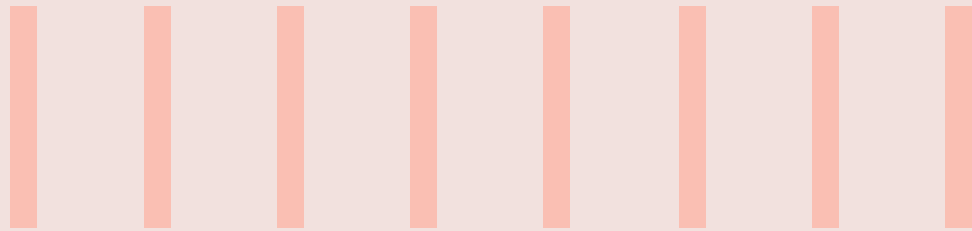




# INFOSYS HELPS LENDING FINANCE MAJOR STREAMLINE LOAN PROCESSES



## Client background

The client is a leading consumer lending finance company in Vietnam. As a subsidiary of a major bank, they are among the fastest growing providers in the region with over 7 million customers and assets worth US \$1.5 billion.

## Business objective

The client wanted to transform their core operations, upgrade to a world-class technology platform, re-imagine business processes, and enable process automation. The goal was to increase the overall 'digital IQ' through fast and relevant decision-making. This required enabling a single customer view, quick loan disbursement, strong mechanism to track disbursed loans, and flexibility to add new products onto the platform.

## Infosys solution

The client partnered with Infosys to execute a digital transformation program that seamlessly integrated the revamped front-end systems with existing back-end systems. This was a complex initiative that had to be completed within tight timelines. Infosys leveraged the agile methodology to streamline development, testing and roll-out of new features. They also replaced the core system with Finacle and optimized existing processes. Further, Infosys helped the client deploy a strong change management program to train employees on using the new system, thereby increasing adoption. In doing so, they fostered an open culture where teams work transparently and collaborate better to achieve customer-centric processes.

## Solution highlights

**Implementing Finacle** –The Infosys team had to ensure that the new system integrated well with existing back-end sub-systems such as loan origination systems. These systems handled high-volume transactions from 40,000 accounts and customers in short timeframes. For smooth integration, Infosys connected the interfaces with other subsystems such as customer service management, collections systems, general ledger system, business intelligence and reporting systems, etc.

**Optimizing processes** – Primary business processes were re-engineered to pair well with the new system and achieve higher business value. For instance, Infosys introduced a monthly interest model based on uniform interest accrual for every day of



the month. This model not only increased annual interest income for the client but provided teams with a detailed view of interest accrued on loan accounts across every transaction on a daily basis.

**Process automation** – As the fastest player in the consumer lending finance space, the client was struggling with huge volumes of transactions. Infosys identified several use-cases for automation and implemented these to simplify execution. These included loan closure, early loan termination, payment prioritization and recovery, principal prioritization, and regulatory report generation. Process automation has helped the client simplify risk assessment, enable rule-based principal recall, reduce bad debts, quickly identify non-performing assets (NPAs), incentivize loan pre-termination, and adhere to regulatory protocol for NPAs as stipulated by the central bank.

**Using agile methodology** – Being an enterprise-wide implementation, it was

necessary to prioritize what features had to be implemented and in what sequence. This was important to achieve flexibility and accommodate changes across the solution design and build phase. Agile methodology was used to help testing and development teams roll out multiple changes at the same time. Further, testing and development were executed in parallel, accelerating implementation. To mitigate risk involved in the parallel approach, Infosys provided on-site testing support along with some development activities.

### Business benefits

The digital transformation program implemented by Infosys has helped the client achieve benefits such as:

- **Improved compliance** with regulatory requirements like NPA management that was not possible in the incumbent system
- **Higher business growth** by increasing

the number of new loan accounts by 3,000,000 since go-live

- **Scalable system** that can service over 4 million active loans in the next three years across all outlets and handle a daily volume of 24,000 new accounts
- **Reduced impact** on downstream processes despite the increase in the volume of loans processed
- **Intuitive, optimized and integrated interface** with the loan origination system that now creates, disburses and validates nearly 3000 accounts per hour
- **Intuitive interest calculation** methods through Finacle's flexibility, interest parameterization and enriched capabilities
- **Enhanced operations through automation** that enables system-controlled decisions throughout the entire loan lifecycle as well as automated batch jobs





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