



Mindtree

A Larsen & Toubro Group Company



## Data driven loan origination leads to relationship-based pricing and an 18% business growth for a US-based high-tech commercial bank

The client is a subsidiary of a large US-based financial group and has funded more than 3,000 start-ups, apart from being one of the largest providers of financial services to wine producers in Napa Valley, California. The client was facing lending inefficiencies owing to poor risk management. As loan defaults went up due to process breaches, anomalies and a high-risk lending approach, the client realized the need for a better end-to-end loan origination system (LOS).

The need was for a system that could provide a unified view of the customer, help analyze credit risk, evaluate exposure, automate multiple loan approval functions and help drive decisions around relationship-based pricing models. If the client did not implement an improved LOS, loan defaults would continue to rise while loan processing itself would become expensive.

## AUTOMATION AND DATA FOR BETTER RISK ASSESSMENT

The client's goals were clear: Develop a LOS that automated several key functions, provided a unified view of the customer, used data to assess risk and determine relationship-based pricing and deploy a rules-based underwriting process to enhance the quality of the bank's loan portfolio.

To enable this, an Enterprise Content Management (ECM) application was built that would draw and consolidate customer data from the bank's five loan systems. This data was loaded on Moody's

## THE TOOLS AND TECHNOLOGIES ENVIRONMENT FOR THE ENGAGEMENT COVERED

- VS Studio 2010
- SQL Server 2008
- ASP.Net
- Webforms
- JavaScript
- Web Service
- Active PDF
- jQuery
- MS SQL

Analytics RiskFrontier. This made it possible for the bank to analyze risk and prioritize opportunities. The system resulted in faster decision making, reduced turnaround time and lowered risk, thereby improving performance.

Mindtree used a team size of 10 in an offshore and onsite model comprising of domain and technology experts with considerable industry experience in implementing and managing LOS.

## EXPOSING NEW OPPORTUNITIES AND PROPELLING MARKET GROWTH

The enhanced LOS provided the client with greater accountability, better policy compliance and credit risk control. The automation enabled business scalability, providing the bank with:

- 18% expansion in business through opportunities to enter new markets
- 23% improvement in TAT with straight through processing that reduced manual intervention

Banks across the world are working to bring down non-performing loans and reduce stress. In addition, it has become necessary to provide customers with a better user experience and faster processing. The twin pressures are not negative forces-if anything, they are helping ensure that banks don't exceed their appetite for risk and avoid a non-reversible crisis.

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## ABOUT MINDTRE

Mindtree [NSE: MINDTREE] is a global technology consulting and services company, helping enterprises marry scale with agility to achieve competitive advantage. "Born digital," in 1999 and now a Larsen & Toubro Group Company, Mindtree applies its deep domain knowledge to 300+ enterprise client engagements to break down silos, make sense of digital complexity and bring new initiatives to market faster. We enable IT to move at the speed of business, leveraging emerging technologies and the efficiencies of Continuous Delivery to spur business innovation. Operating in 18 countries and over 40 offices across the world, we're consistently regarded as one of the best places to work, embodied every day by our winning culture made up of over 21,000 entrepreneurial, collaborative and dedicated "Mindtree Minds."