Three Steps to Digital Lending

Step 3: Make collections customer centric

STEP 1: DISBURSE LOANS FASTER	STEP 2: INCREASE CONVIENENCE	STEP 3: MAKE COLLECTIONS CUSTOMER CENTRIC

⤷ THE PROBLEM

When banks decide to increase customer-centricity, most of the initiatives focus on the acquiring and servicing sides of the business, but there is very little focus on enhancing customer experiences in the collections side of the business. Until now this has been natural, however customers are becoming more demanding – as services are improved in other touch points, they expect improvements in collections as well. The collections function has traditionally been dominated by manual processes, using in-house developed systems or outsourced to third party agencies. Not only do these approaches consume a lot of time, effort and resources but they are also ineffective in dealing with the growing levels of non-performing loans (NPLs) and can be barriers to improved customer experiences. How can banks improve the collections experience? How can they reduce the number of delinquencies, proactively? How can they deliver digitized and efficient services in collections, profitably?

THE SOLUTION

Efficient delinquency management can help the banks tremendously in improving their profitability while lowering credit risk. Advanced technology powered by sophisticated analytics can help streamline collections, eliminate errors and maintain a robust loan portfolio. Financial institutions need to have a complete overview of the relationship with customer to be able to approach with the right message. FinnOne Neo Collections helps banks and financial institutions minimize delinquencies by efficient, automated tracking and management of delinquent accounts. The solution has been designed to optimize the entire loan collections lifecycle from soft calling of delinquent customers to tackling hard bucket collections, including the follow up of legal cases until final closure.

Lending analytics can help in early identification of accounts which are likely to turn delinquent, recommend the most appropriate actions and the right communication channels to be used. Not only does this help improve collections, but it also reduces NPLs. With FinnOne Neo Collections, lenders can define multiple collection strategies based on individual risk profiles and test them on their portfolio to determine the best strategy for implementation. The solution comes with a preconfigured screen for Promise To Pay (PTP) Rate and Resolution Rate. User positions can be defined in the system with multi reporting,

ABOUT NUCLEUS SOFTWARE

Nucleus Software is the leading provider of mission critical lending and transaction banking products to the global financial services industry. With three decades of expertise and experience, today, it powers the operations of more than 150 companies in 50 countries, supporting retail banking, corporate banking, cash management, internet banking, automotive finance and other business areas

AWARDS

Celent Model Bank Award

2016
Celent Model Bank Vendor Award

2014
ICICI Bank, India

2013
Vietnam Prosperity Bank, Vietnam

2010
HDFC Bank, India

2009
ICICI Bank, India

IDC Insights Award

2015
DCB Bank, India

Asian Banker Technology Implementation Award

2014
ICICI Bank, India

RBI Trailblazer Award

2013
CIMB, Malaysia

FINNONE NEO

FinnOne Neo is the next-generation lending solution built on an advanced technology platform, designed to shape the future of lending across Retail, Corporate and Islamic sectors for banks and financial service companies. The multi-channel solution which helps digitize the complete loan lifecycle end to end, supports both cloud and on-premise deployments. The solution handles complete loan lifecycle covering:

- Customer Acquisition
- Loan Management
- Collections
- Lending Analytics
- Lending Mobility

mapping one user with multiple positions. Escalations can be easily configured using a dynamic rule engine to ensure maximum visibility and timely action. By enabling banks to connect with their customers quickly with customized messages, using the most appropriate channel, at the right time, FinnOne Neo makes the collections experience more pleasant for customers while maximizing recoveries. communication channels to be used. Not only does this help improve collection rates, but it also reduces Non Performing Loans.

THE TECHNOLOGY

The right technology can help digitize lending. FinnOne Neo is an advanced technology platform designed to manage the complete loan life cycle. FinnOne is 10 time winner world's best selling lending solution. FinnOne Neo enables:

- The use of multiple challengers against one champion strategy
- Case stamping to allow the automatic assignment of cases based on defined parameters
- Rule based automatic allocation of cases to collectors
- Analytics based identification of the most effective channel for reaching out to customers
- Automated communication to customers as per defined workflows
- Mobile based collections with native system integration
- The ability to record all payments transactions in a single location
- The use of analytics for early identification of pre-delinquent loans
- Flexibility in follow-up based on case, customer, account level
- Seamless integration with third party collections systems /platforms
- Enhanced productivity and reduced cost of operations

MINI CASE-STUDY

A large banking group in South East Asia, also ranked as the second largest commercial bank in Malaysia, serves over 7.5 million customers while offering a full spectrum of banking services covering credit cards, mortgages, auto loans, business banking services with 300 branches, and 3,000 ATMs. The Bank needed to improve their collections and recovery management processes while reducing cost and supporting an ambitious growth agenda. The bank deployed Nucleus Software's FinnOne Collections which helped reduce their total cost of ownership while also delivering the following benefits:

21%
REDUCTION IN NPL

70%
REDUCTION IN PROCESSING TIME

A leading financial services company in Japan with 50+ years of operations in multiple lines of business for retail customers needed to increase collections efficiency while supporting multiple loan types and introducing new functionality. The company also wanted to access loan information on various mobile devices and rationalize its cost of operations. The company deployed FinnOne Neo Mobile collections solution. The benefits delivered include:

250%
INCREASE IN THE NUMBER OF PROMISE-TO-PAY RESPONSES

100%
INCREASE IN CALLS PER HOUR BY OPERATIONAL USERS FOR COLLECTIONS