

Leading European bank reduced impaired assets by more than 50%

Achieved case management agility and improved credit performance with automation



About the client

The client is a renowned European bank that offers a host of financial services ranging from retail banking, consumer credit, savings products, and stock brokerage to asset management. It is one of Europe's largest mortgage and retail services providers and a major player in current accounts and credit card markets. With around 2.1 million private shareholders, it has one of the largest private shareholders register in Europe.

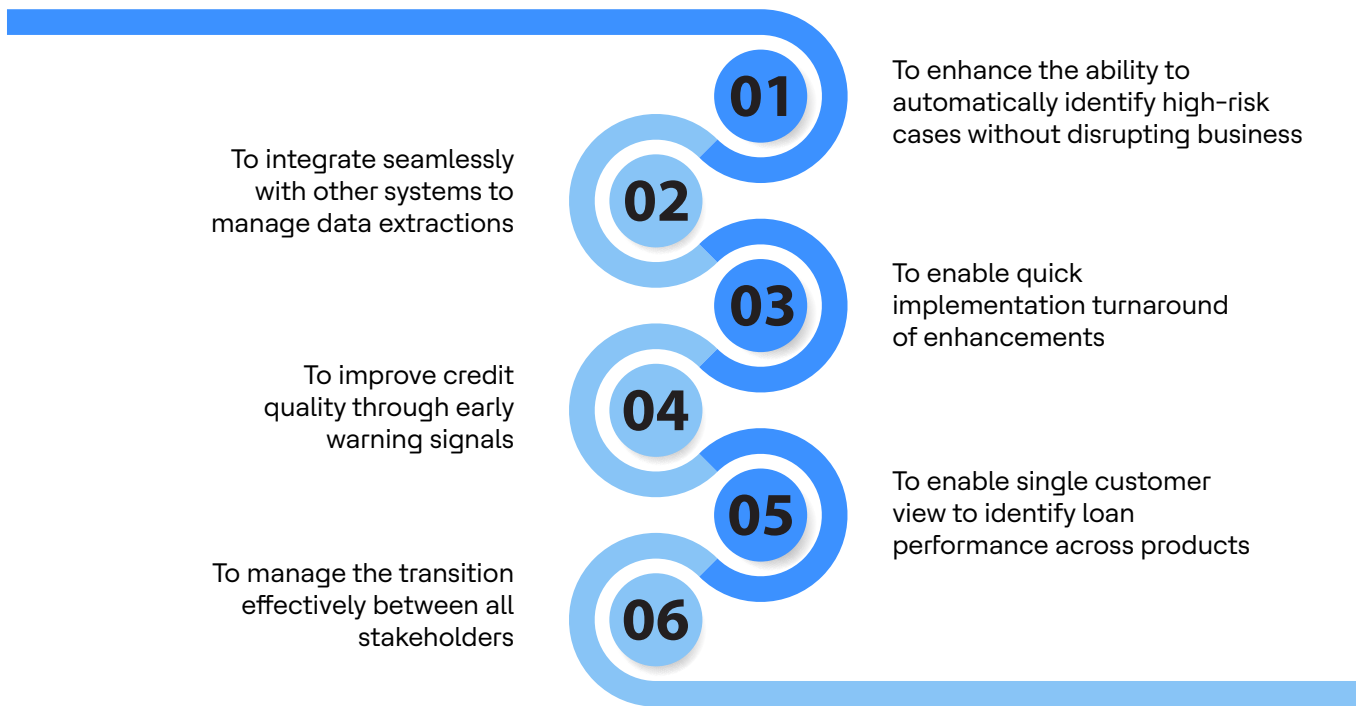


Business challenges

The bank was losing millions each year due to bad loans and impairment losses. The Corporate Credit Risk and Portfolio Management team is responsible for the reduction of financial loss relating to high-risk and impaired cases. High-risk case officers work on these cases with Relationship Managers depending on the value. Various tools are available for the officers to assist them with the process. To identify what constitutes a risk to the bank, there was a need for analysis across multiple portfolios throughout the bank. However, this was a time-intensive and error-prone task if done manually. They required a solution to enable the case officers to manage the risk effectively and simultaneously reduce the number of cases. The system was considered extremely critical for the prevention and reduction of credit losses to the bank.

The solution

The envisioned solution aimed at providing a system that automatically identifies cases of high-risk and impaired assets. Key aspects of the solution were:



Impaired Asset Management (IAM) Solution

HCLTech was chosen as the strategic partner to implement this solution. We had to implement a comprehensive case management solution within the corporate strategic landscape tailored to specific business processes. It means the system had to interface with other systems such as Recovery Management, Secondary sale Legal Management, Mercantile Agency system, etc., which increased the complexity of the implementation. Besides, the system was designed to replace several existing components and manual tasks & procedures to collect and report on cases. Overall, the solution aimed at enabling the following:



Store & retrieve supporting documentation for cases



Extract data from the IAM system to Business Intelligence Repository for reporting



Enhance MIS system to provide opportunities to capture & analyze additional information



Automated case assignment to case managers



Flexibility for the user to create custom reports

The interaction of the IAM system with other key systems and the transfer of data across interfaces added a lot of complexity to the application.

HCLTech Engagement

Initial Phase

We collaborated with SMEs to understand and analyze the proposed solution and its impact on the existing landscape. Once the knowledge transfer was completed, we documented the same and detailed the business rules and interfaces. This was a crucial task as it enabled the client and us to brainstorm and make critical design decisions.

Design & Implementation

We were responsible for the end-to-end implementation of the IAM system. The implementation began with creating a comprehensive project plan for delivering the solution while managing numerous challenges. Our next focus was on implementing a flexible hybrid model that enabled quick onboarding of skilled resources during peak demand to meet the timelines. With our deep domain expertise and concerted efforts, we delivered the solution with all the requirements critical for its successful implementation.



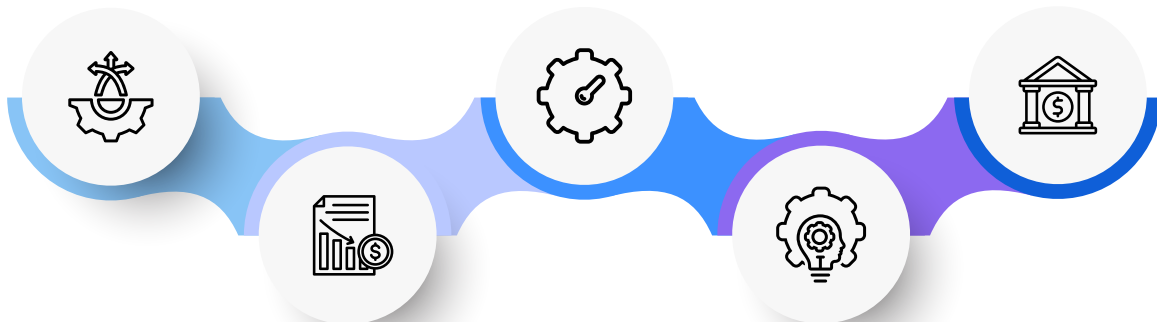
Business Benefits

The IAM solution not only achieved its primary purpose of enabling the automatic identification of high-risk cases, but its benefits reached far beyond streamlining the entire case management process to increasing the efficiency of the identification process. The bank was able to capture the benefits of automation, flexibility, and customization in the following ways:

Enhanced flexibility for the user to collate as much information as possible

Increased efficiency with an automated Case Management solution

Saved time with automated & rapid identification of impaired assets



Reduction of financial loss – The client's business saw an improved credit performance by reducing the impaired assets by more than 50% (US\$ 12,465 million)

Get actionable insight from the ability to create custom reports based on business user preference