

CASE STUDY

New-age loan loss solution implemented at HDFC Bank

Background



HDFC Bank is India's largest private bank and one of the world's most valuable banks. Fintellix is the regulatory technology partner of choice for HDFC and has implemented a full range of solutions covering regulatory data warehouse, risk data aggregation, regulatory reporting, granular data reporting, risk based supervision, ML driven fraud analytics, and loan loss calculation.

Problem Statement

Indian regulatory guidelines for asset quality management and loan loss calculation (asset classification, provisioning, reclassification, reversal, etc.) changed from monthly to daily basis, along with several revisions to classification norms and inclusion of investment portfolios. This had a major impact on the bank, requiring a relook at classification and provisioning rules as well as shifting to a daily process.

The Challenge

The existing process, designed as per previous regulatory guidelines, was ingesting tens of petabytes of data into traditional RDBMS over a day's time. With the inclusion of investment portfolio and additional calculation steps, it was an impossible task to meet the requirements using the same approach.

Solution

Fintellix upgraded to the latest version of the loan loss solution that covers all necessary regulatory enhancements, deployed on its nex-gen data platform which is cloud ready, big data based and uses distributed & in-memory processing.

Client Speak



"At HDFC Bank, we are always looking for innovative solutions that helps technology team stay ahead of the curve and helps business team minimize time to market. This was a particularly good use case for us to adopt big data processing capabilities of the Fintellix platform to deal with our huge volumes of data as we moved to daily asset quality tagging."

Ramesh Lakshminarayanan
CIO, HDFC Bank

Impact

- ✓ Overall data processing time was reduced by 90%, and data storage reduced by 95%.
- ✓ Regulatory changes were met on time, and processes were established to ensure enhanced timely daily processing.
- ✓ Additionally, various other data & reporting requirements were catered to, such as internal audit and ad-hoc analysis.