



Business challenge

Limited by paper-based loan application processes, Investitions- und Förderbank Niedersachsen (NBank) wanted to move to a digital strategy for the rapid delivery of development and support loans.

Transformation

Needing to quickly disperse specialized loans targeted at COVID-19 relief, NBank joined with IBM Business Partner b+m Informatik AG to launch a digital loan application platform. The new solution, hosted on IBM Cloud® and delivered under an IBM Embedded Solution Agreement, enables the bank to process applications without using physical paper.

Results

From weeks to days

accelerated the submission and approval process for loan requests

1 – 2 day setup time

needed on average to accommodate new loan programs

Simplifies cooperation

with partner banks through an integrated back-end environment

Investitions- und Förderbank Niedersachsen (NBank)

Moving to the cloud: a big step for a small bank

[NBank](#) (external link) is a government-owned financial institution focused on promoting the professional development of the labor market, overall infrastructure and businesses of the Lower Saxony region of Germany. Headquartered in Hannover, the bank serves as the central funding institution for various support programs from the European Union, as well as the federal, state and municipal governments. NBank was founded in 2004 and employs over 480 staff.

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— Jens Blum, Head of IT, Investitions- und Förderbank Niedersachsen



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When times are tough

It's safe to say that 2020 has been a challenging year for everyone. Beyond the harrowing cost in human life, there are few facets of modern existence that have not been impacted. Schools are closed, weddings postponed, travel plans delayed or even cancelled. And to help keep lives safe, many businesses across the globe have been forced to close their doors for extended periods or entirely reimagine how they operate.

For larger, well-established companies with financial reserves and stores of capital, these measures can be weathered more easily. But for the self-employed or small businesses, surviving the far-reaching impact of the COVID-19 pandemic has become truly challenging.

To help offset some of these difficulties, the German government passed the "Geänderte Bundesregelung Kleinbeihilfen 2020" (or the Amended Federal Regulation on Small Business Aid 2020). Under this new program, many organizations could apply for special, fast-tracked loans that they can use to help maintain short-term liquidity, covering current operating costs such as wages, scheduled debt servicing or investments.

And to deliver these new offerings—particularly to businesses in the Lower Saxony region of

Germany—the public bank for this geography, NBank, needed to make huge advances in its credit process, particularly regarding changes and extension in the IT-environment.

"The lending of auxiliary loans has always been a large part of our business," explains Jens Blum, Head of IT at NBank. "But the Corona-crisis boosted application numbers to another level. As a bank that has in the past lent special loans in more classic and in an only partly digital way, we hadn't focused on developing a full digital process—we just didn't have to."

Blum continues, adding: "But with loans under the Niedersachsen-Schnellkredit [Lower Saxony Fast Credit] and the associated large number of applications, we definitely did not have the capacity in staff to accommodate that without a technical solution. In addition, we want to set ourselves up in time for the future with the introduction of the systems."

Beyond needing a system that could process loan applications efficiently, NBank also wanted to coordinate more effectively with the private and cooperative banks with which it partnered. In particular, NBank wanted to accelerate and develop its digital transformation.

Blum adds: "NBank is a development bank. It is our task to look to the future and to provide non-bureaucratic and fast support, so we must readily coordinate with all of our

partner banks. The Niedersachsen-Schnellkredit accelerates our timelines and saves personal resources. If we were going to get these funds out to the businesses and the people struggling due to the pandemic, we needed more technical support."

Fast loans need fast solutions

NBank turned to IBM Business Partner b+m for support. And in October 2020, NBank launched a new, digital loan application platform that offers users a streamlined loan submission process. "Our customers don't have to print and fill out forms for the Niedersachsen-Schnellkredit," notes Blum. "Now they submit everything online through the portal."

The new solution relies on b+m Loan Application Portal (LAP) software to provide the front-end interface for applicants, while the b+m Loan Management System (LMS) manages the internal loan processing along with integration to outside partner bank platforms. And thanks to an IBM Embedded Solution Agreement (ESA) these applications are hosted in a private IBM Cloud, with the IBM® Cloud Kubernetes Service enabling the creation of a security-focused virtual private cloud environment for NBank.

"NBank has made a great effort to cushion the economic losses of the Lower Saxony economy caused by the Corona crisis," comments Frank

"The challenges for cloud operations in Germany lie primarily in the area of regulation and data security. Our banking industry has some of the strictest requirements in the world."

—Frank Kaltwasser, Key Account Manager, IBM Business Partner b+m Informatik AG

Kaltwasser, Key Account Manager at b+m. "And this expansion of the credit business area with the 'Niedersachsen-Schnellkredit' was only possible with new technical framework conditions, which is why NBank decided to break new ground here on the basis of the b+m credit platform and with IBM as a cloud hosting partner."

However, the transition to cloud is not always easy, as Kaltwasser clarifies: "The challenges for cloud operations in Germany lie primarily in the area of regulation and data security. Our banking industry has some of the strictest requirements in the world—overseen by the Federal Financial Supervisory Authority (BaFin). And violations of these requirements are usually strictly sanctioned."

Another factor that makes German banks routinely skeptical about cloud operations is their concern with data security—in particular, how a cloud

environment will comply with the provisions of the General Data Protection Regulation (GDPR). Fortunately, the IBM Cloud team and solution offers a high level of transparency during security checks, and the IBM support plan offered a contractually adjustable exit strategy.

“Our customer was convinced, above all, by the personal interaction with the IBM contacts, who answered all their questions about cloud data security in a professional manner,” notes Kaltwasser. “In addition, there are the certifications offered by IBM that guarantee compliance with the strict regulatory requirements as well as the requirements of the GDPR. The decisive factor here was the assurance that IBM Cloud would be operated at the IBM Frankfurt location and that access from abroad (under the Cloud Act for example) was not possible.”

Help when you need it

With its new loan management platform in place, NBank has been able to successfully launch the

Niedersachsen-Schnellkredit, delivering financial support to small enterprises in need. And while the number of loan applications has increased, NBank is able to process and approve these requests more quickly, often completing in a matter of days what previously could take weeks.

In addition, the new digital loan platform makes it easier for NBank to collaborate with partner banks and deliver its financial offerings to a broader community of customers.

Beyond this initial program, NBank anticipates additional credit programs in the not-too-distant future. “And with LMS,” Kaltwasser adds, “they will be able to adjust for these new loan applications. They’ll be able to react in just a few days to create the needed forms and processes to set up these new programs.”

He continues, adding: “As part of our solution, b+m offers its customers a full service. This means that b+m is the sole contractual partner for licenses, maintenance and software operation, which results in a

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—Frank Kaltwasser, Key Account Manager, IBM Business Partner b+m Informatik AG

significant reduction in organizational and administrative effort for our customers.”

And part of that simplicity is thanks to the ESA. As Kaltwasser explains: “With the ESA, we can sell a whole solution. We can mix and match within the IBM Cloud catalog for our different projects, so we can give our customers—like NBank—exactly what they need. And our users don’t need to worry about what is going on within the cloud or within our solution. They just know that it works.”

Solution components

- IBM Cloud®
- IBM® Cloud Kubernetes Service

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About b+m Informatik AG

Founded in 1994, IBM Business Partner [b+m](#) (external link) is an IT solutions provider that specializes in digital transformation. The company employs roughly 90 trained professionals to oversee the delivery of its various offerings, from AI to process optimization to financial management solutions.

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To explore if an IBM Embedded Solutions Agreement is right for your organization, please visit: [ESA](#)

To learn more about its IT solutions and services and what b+m Informatik AG can do for you, please visit: [b+m](#) (external link)

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