

# Bank CTBC Indonesia Rethinks Loan Origination



## Profile

PT Bank CTBC Indonesia ("Bank CTBC Indonesia") is 99 percent owned by CTBC Bank Co. Ltd, one of the leading banks in Taiwan. It began operations in 1997 to mainly serve trade between Indonesia and Taiwan.

Today, Bank CTBC Indonesia, which boasts a strong capital base and consistent performance, is one of Indonesia's leading and highly awarded banks, providing a full range of corporate and consumer services in the country.

## Rooting out inefficiency in loan processing

Loan processing in Indonesia in general was riddled with inefficiencies. Requiring much manual effort, it was prone to error and took a long time to complete. Bank CTBC Indonesia recognized that automating loan processing would not only improve outcomes but also enable it to target new market segments.

The Bank implemented the Finacle Core – Lending, Finacle Retail Loan Origination Solution (RLOS) and Finacle Mobile Banking Solution, to automate and digitize retail lending from end to end. With Finacle the Bank was able to automate the loan process from start to finish, instead of only onboarding online and completing the remaining processes offline. The loan origination solution added further value with features, such as a rule engine, default workflow linking and integrations for document management etc. Being an open solution, Finacle allowed the Bank to customize where necessary. Integration between the mobile application and the Finacle loan origination system was done through Node Red. The mobile app is integrated with the Enterprise Service Bus to connect with Finacle Core. The UX design ranks high on engagement, supports several languages and is also compatible with low-resolution screens.

## Big wins

Bank CTBC Indonesia's loan processing has benefited greatly from the implementation. The entire loan origination process is automated by the solution's workflows, rules and process setup, eliminating 90 percent of the manual tasks required in the previous legacy system. This has lowered the Bank's operating cost, shortened the processing time by about 30 percent and given it an edge over competition. Incoming applications have gone up 20 percent.

In addition, Bank CTBC Indonesia has uncovered opportunities to launch products faster and generate new revenues.

