



NUCLEUS
SOFTWARE

Enhancing Customer Experience Through Digital Transformation

A Bank of Queensland Case Study



AUD 40.9B

GROSS LOANS AND ADVANCES

10.5%

CAGR OF NET INTEREST INCOME BETWEEN 2008-15

3500

ATMS AND OVER 250 BRANCHES

ABOUT BANK OF QUEENSLAND

Established in 1874, Bank of Queensland (BOQ) today serves 650,000 customers from over 250 branches across Australia. The Bank's strategy is based around operational excellence and building strong customer relationships. As a part of this strategy, BOQ operates owner-managed branches, ensuring a commitment to deliver exceptional personal service to its customers. BOQ is a bank with a mission, to prove that 'it's possible to love a bank'. The Bank offers products and services across retail and business banking, finance, general and life insurance and superannuation. In FY2015, the Bank reported 7% growth in lending with gross loans and advances totalling AUD 40.9 billion.

BUSINESS NEED

Bank of Queensland wanted to challenge the existing financial landscape in Australia with its overarching strategy of customer focus and identified the need for a digital transformation in lending. BOQ was looking to enhance the operational efficiency in processing loan applications and credit decision making by digitizing the existing paper based documentation and automating the manual processes. The Bank understood that customer expectations were changing and that quick turnarounds on credit decisions were highly valued by applicants. In addition, as regulatory control was increasing and the

99%



**REDUCTION IN 'TIME TO YES' FOR
LOAN APPROVALS**

85%



**REDUCTION IN 'TOTAL TOUCH TIME'
FOR APPLICATION PROCESSING**

competition from the big four banks was rising, BOQ decided to overhaul its loan origination processes.

With this initiative, the Bank intended to establish digitized, automated and streamlined processes. The goal was to increase lending volume growth by automating customer on-boarding and enabling smart credit decisions with 3rd party integration. BOQ also needed omni-channel capabilities to support its digitization program.

SOLUTION

After a thorough evaluation of the solutions available in the market, BOQ chose FinnOne from Nucleus Software because of its unique combination of comprehensive functionality and flexibility to meet their business requirements. The Bank valued Nucleus Software's unprecedented track record and total commitment towards building lasting customer partnerships. The solution, implemented in 2015 for the Bank's home loan portfolio resulted in a positive impact on all its retail customers, providing quicker 'Time to Yes' and reduced 'Touch Time' for processing. FinnOne provides

an integrated dashboard for real-time management of origination work queues and facilitates seamless data collection for online applications. To minimize manual intervention and facilitate stronger credit decisions, FinnOne has been seamlessly integrated with 3rd party services and provides an enhanced scorecard, enabling advanced decision making capabilities. With this systemization, BOQ is able to bypass the underwriting stage and auto approve applications where no policy exceptions are raised. FinnOne offers the capability to enable faster processing for applications with a loan to value ratio less than 80% by allowing an auto valuation model of property, as per the Bank's requirements.

Today, FinnOne has been rolled out to more than 250 branches across Australia as well as the Bank's call centres and broker support units, covering around 80% of Bank's business by settlements. The solution's Enterprise Service Bus (ESB) and Service Oriented Architecture (SOA) facilitates seamless integration with peripheral

systems. This transformation program was one of the biggest IT implementations for the Bank.

RESULTS DELIVERED

With FinnOne, BOQ was able to introduce digital processing in lending, improving turnaround time and reducing the cost of loan origination. The solution's centralized credit policy reduced rework loops and enhanced credit decisions with an automated credit bureau check in less than 30 seconds. The automated and workflow-driven retail loan origination process improved employee efficiency. Reduced processing time and ease of access over digital channels have resulted in enhanced customer satisfaction with better transparency in retail loan origination.

With the reduction in the time taken to on-board a customer, BOQ has been able to increase its loan sales across corporate and owner manager branch network through mobile, online, or broker channels. This is a part of the Bank's efforts to strengthen the end to end customer relationship management.