



# DRIVES **STRONG** GROWTH

*Taiwan's largest privately-owned bank achieves operational excellence with a single view of the customer using TCS BANCs*

By **Thomas Chern**, Regional Sales Head, Greater China, TCS Financial Solutions

Following a wave of merger and consolidation activity over the past five years, Taiwanese banks have increased their overall levels of efficiency and profitability. Furthermore, Taiwan's economy was able to navigate the global financial crisis bolstered by recent agreements that strengthen the commercial and financial links between Taiwan and mainland China. Banks in Taiwan will now be able to operate on both sides of the Taiwan Strait, as well as elsewhere in the region. These trends point to the need for Taiwan's financial institutions to increase efficiency while also having the operational flexibility to launch products that appeal to local markets.

Cathay United Bank (CUB), the largest privately-owned commercial bank in Taiwan, aims to remain a leader in the region. With the successful deployment of TCS BANCs, CUB has secured its competitive position within Asia's booming retail banking market.

In 2006, Cathay United Bank was facing a challenging period. The bank's legacy systems, established in the mid-1980s, had expanded over the years to encompass more than 129 subsystems. Customer information was held in multiple systems, such

that branch personnel had difficulty seeing a complete view of customer relationships. In general, the complicated IT infrastructure resulted in sub-optimal business processes and workflows that were difficult or impossible to modify, placing CUB at risk of falling behind increasingly well-equipped rivals.

"The competition was getting tough," says Math Chueh, NBS project manager at Cathay United Bank and a 22-year veteran of the organization. "We sought a new core banking solution to compete with other banks in Taiwan's emerging financial services market."

The bank's steering committee came up with five primary objectives for a new core banking solution:

- Speed up transaction times for customers
- Accelerate time to market for new products
- Provide management with real-time management information
- Improve operations with flexible workflow and higher levels of security
- Reduce overall system maintenance costs

“With the new TCS BANCs system, we can provide new products and services to our customers faster, improving our competition positioning in Taiwan.”



The search for a solution led to TCS BANCs, which was judged the most capable to assist CUB to improve customer service levels, control risk exposures, reduce the cost of doing business, and identify and capitalize on business growth initiatives. CUB, which has six million customers holding eight million accounts, also needed a solution with demonstrated scalability that could provide online, real-time transaction processing. Another key factor was the system architecture of TCS BANCs, which works across database platforms and operating systems, enabling CUB to have maximum flexibility in deployment options while lowering its total cost of ownership.

### THREE-YEAR PLAN

Deployment was expected to take three years from the contract signing date of March 31st, 2006. During that period, technical resources at CUB and TCS, supported by the banks executive leadership team, were responsible for converting all of the legacy systems and subsystems to TCS BANCs. The new solution included TCS BANCs Core Banking modules for

Customer Relationship Management, Deposits, Loans, Cards and Payments. These modules had to be connected to several external systems, and CUB's existing business processes and workflows had to be reengineered to take advantage of the opportunities for greater efficiency.

The official kick-off was in June 2006 with TCS conducting a system study and gap analysis. By April 2007, CUB signed off on functional specifications, including business requirements for business process reengineering. The timeline was met, and the system went live at all branches on June 1st, 2009. Final project acceptance was achieved on March 31st, 2010, as scheduled.

Driving this accomplishment on the TCS side was the combination of technical resources and consultants with subject-matter expertise in the Taiwanese banking market. “TCS provided consultants and technical resources to cooperate with our technical people, whether in writing programs or discussing solutions to meet the needs of Taiwan's banking environment,” says Chueh.

Members of the TCS consulting team became intimately fa-

“With over 180 domestic branches and more than 10 overseas offices, the team at Cathay United Bank required a world class core banking solution that would deliver outstanding business value,” said Mr. K.T Chang, Chief Information Officer, Cathay United Bank. “We selected TCS BANCNS because of its recognized leadership in the Taiwanese banking market. With TCS BANCNS we have invested in the future; TCS is passionate about technology and our business.”



miliar with CUB's policies, procedures and programs, taking the time and effort to ensure successful communication between all parties. “The TCS consultants had the financial knowledge and discipline that was needed for the project,” observes Chueh.

Working with TCS provided the CUB team with both tangible and intangible benefits. “Human resources are the most essential factor to success,” says Chueh. “Our technical team gained many new ideas working with TCS, and greatly benefited from the cooperation.”

## STREAMLINED SUCCESS

The deployment of TCS BANCNS provided CUB with a single, modularized solution with improved workflow and business processes, combining industry best practices with specific features of the Taiwanese market in line with market expectations.

CUB also benefits from being able to access customer data across channels, as evidenced during certain branch transactions. Due to government regulation, customers are required to provide various personal details above a certain threshold amount for cash withdrawals. TCS BANCNS pre-populates the required forms with customer data on record, making cash trans-

actions faster and easier from the perspective of the customer and the teller alike. “At the branch, customers find that procedures are more streamlined and more convenient,” says Chueh.

Enabling bank employees in multiple channels to gain a single view of the customer has improved workflow and business processes in numerous ways, driving higher operating efficiency and lower total cost of ownership.

TCS BANCNS also supports the rapid development and deployment of new financial products. One recent example is a savings account that combines demand deposit and term deposit into a single account, providing customers with a powerful and intuitive service that increases customer loyalty.

“With the new TCS BANCNS system, we can provide new products and services to our customers faster, allowing us to better compete with other banks in Taiwan,” says Chueh.

“After the new core banking system went live, we declared that CUB's information system experienced a major transformation. The system has a solid level of modularization and flexibility, and all business requirements are now met quickly and efficiently. The project teams showed a strong level of skill, cooperation and dedication. This was a successful project,” remarks K.T. Chang, Chief Information Officer, Cathay United Bank. ■

“Our technical team gained many new ideas working with TCS, and greatly benefitted from the cooperation.”

## AT A GLANCE

**Company:** Cathay United Bank

**Headquarters:** Taipei, Taiwan

**Business Challenge:** To replace legacy systems with a modern core banking solution.

**Solution:** TCS BANCs Core Banking, including modules for Customer Relationship Management, Deposits, Loans, Cards, and Payments

## FAST FACTS

- Cathay United Bank (CUB) is a wholly-owned subsidiary of Cathay Financial Holding Company, the largest financial holding company in Taiwan.
- CUB is the largest privately-owned commercial bank in Taiwan, with over six million customers holding eight million accounts. CUB also has the largest number of Internet banking accounts in Taiwan.
- CUB's primary target markets include Taiwan, Hong Kong, the United States and Vietnam.



[www.tcs.com/bancs](http://www.tcs.com/bancs)