



CASE STUDY

CenterState Bank Grows Commercial Lending by Approximately 11% Year-on-Year with Finastra



We want to make sure that our partner is with us for the long haul, is trustworthy, and understands banking. Finastra delivers on all these fronts.”

Chris Nichols

Chief Strategy Officer, CenterState Bank

**THE FUTURE OF
FINANCE IS OPEN**



At a Glance

Solution

- Total Lending Commercial



We've seen double-digit improvement across the board in all our key metrics, including the number of loan applications processed per analyst, dollar volumes in terms of deposits, loans and fee income, number of products per customer and cumulative lifetime value of a customer.”

Chris Nichols

Chief Strategy Officer, CenterState Bank

About CenterState Bank

CenterState Bank provides traditional deposit and lending services to commercial and retail customers throughout Florida. CenterState is one of the largest community banks in Florida based on deposit market share and branch footprint, with approximately \$12.2 billion in assets, \$8.2 billion in deposits and 129 branches.

The Challenge

CenterState Bank operates a sizeable commercial lending business, and wanted to make it even more successful. The bank had its sights set on increasing volumes and widening its portfolio to handle smaller loans; however, inefficient and highly manual processes were preventing teams from taking on this new business in a quick, cost-effective way.

The Solution

CenterState Bank worked with Finastra to transform the end-to-end lending lifecycle. The bank harnessed an integrated suite of Total Lending Commercial software to automate and streamline workflows for capturing, processing and reviewing credit applications. The new approach is helping teams manage lending operations more quickly, efficiently and accurately than ever – enabling CenterState Bank to remove barriers to growth.

The Result

CenterState Bank has grown its commercial lending portfolio in areas where it has digitalized the loan process and employed Finastra technology by 11% annually over the past three years, increased lending staff productivity approximately by 15%, and reduced the average time taken to process a small loan by 90%. Additionally, the bank has seen double-digit improvements in key metrics across the board, including number of loan applications processed per analyst, number of dollar volumes in terms of loans, deposits and fee income, number of products per customer and cumulative lifetime value of a customer.

centerstatebank.com



The new approach to lending, driven by Finastra technology, has made our credit analysts more efficient and reduced our costs.”

Chris Nichols

Chief Strategy Officer, CenterState Bank

CenterState Bank chose Finastra solutions to underpin a fresh approach to lending, boosting staff productivity by approximately 15% and growing commercial lending business by approximately 11% during the post-implementation benchmark period

The Challenge

Commercial lending forms a critical part of CenterState Bank's operations, comprising over half the bank's gross revenues. The bank has ambitions to make its commercial lending business even bigger – and to achieve this goal, it first had to overhaul existing systems and processes.

Previously, CenterState Bank tracked and managed credit applications manually, which proved to be inefficient and prone to human error. The bank recognized that if it could automate and streamline processes, it could take on more business while driving down costs.

Crucially, the improved efficiencies would make it profitable for CenterState Bank to handle smaller loans – opening up new avenues for growth – and enable the bank to make the application process faster and simpler for customers.

As the first step on its journey to transform commercial lending, CenterState Bank looked at how its processes stacked up against competitors in its market space.

Chris Nichols, Chief Strategy Officer at CenterState Bank, explains: “To remain price competitive in the long term, we wanted to benchmark our performance in terms of efficiency and speed against the leaders in our space and either meet or exceed those benchmarks.”

The ability to score lending applications was another area where the bank felt that significant value could be gained. Chris Nichols says: “This would help us streamline certain processes and put additional checks in place, minimizing error and fraud rates.”

The Solution

CenterState Bank launched the search for a solution that could help meet these objectives. The evaluation process involved stakeholders from all levels of the business, from lending teams right up to the bank's President and CEO.

“Finastra checked all of the boxes at both our business and user levels,” recalls Chris Nichols. “We wanted a solution that could easily adapt to our lending processes, and Finastra delivered just that with a highly powerful yet flexible lending platform.”

Working closely with Finastra, CenterState Bank configured and implemented a next-generation lending platform, built on an integrated suite of Total Lending Commercial software.

Today, lenders start the process by capturing applications with Fusion CreditQuest Credit Manager. Next, credit administrators harness Fusion CreditQuest Financial Analyzer to review and analyze the credit of each applicant.

Once this is complete, a credit rating and assigned risk are produced, the loan package is put together in Fusion CreditQuest Credit Manager, and submitted for approval. Once a loan is approved, teams prepare final loan documentation, using Fusion LaserPro Commercial Lending, and capture customers' electronic signatures through the Total Lending solution.

“Finastra has helped us to establish an end-to-end lending process and workflow,” says Chris Nichols. “The Total Lending Commercial solutions are seamlessly integrated, and have enabled us to automate previously manual processes and streamline workflows.”

The Results

Newly digitized and automated processes have helped CenterState Bank to shrink cycle times and costs across commercial lending, and boosted staff productivity by approximately 15%.

Chris Nichols comments: “The new approach to lending has made our credit analysts more efficient and reduced our costs. It's lifted a large burden off our lending specialists, so they have more time to focus on decision-making and building relationships with clients.

“Similarly, teams have more time to perform fraud checks and additional processing checks, increasing accuracy and reducing our fraud rate.”

Thanks to the enhanced efficiencies, CenterState Bank can turn a profit on smaller loans, opening up new growth opportunities.

“For small loans, we went from an average processing time of 10 hours to 1 hour,” states Chris Nichols. “And we've reduced costs across the board, making it profitable for us to handle smaller loans, such as those in the \$100,000 range.”

As a result of these improvements, CenterState Bank has grown commercial lending as a percentage of revenue by an estimated 11% during the benchmark period.

Chris Nichols adds: “We've seen double-digit improvement across the board in all our key metrics, including the number of loan applications processed per analyst, dollar volumes in terms of deposits, loans and fee income, number of products per customer and cumulative lifetime value of a customer.”

Finastra solutions help CenterState Bank to drive more cost-effective acquisitions and provide a stable platform for supporting its ever-growing business



We're excited to continue exploring new ways to enhance and grow our lending operations with Finastra."

Chris Nichols

Chief Strategy Officer, CenterState Bank

Banking on Finastra

The speed and efficiency gains delivered by Finastra solutions have had a positive impact on CenterState Bank's acquisition strategy – an important source of growth in recent years.

"Not only does a more efficient loan process help our bottom line and hence our equity price, but we're also able to gain greater cost savings for acquisitions," notes Chris Nichols.

"The industry typically sees operational efficiency gains of around 20 percent for acquisitions. However, we're able to target cost savings that are double that, an advantage that we can attribute to our deployment of a centralized commercial lending platform powered by Finastra."

Importantly, with Finastra, CenterState Bank has a partner it can count on both today and in the future.

Chris Nichols explains: "There are definitely Fintech firms out there with shinier technology, but at the end of the day we want to make sure that our partner is with us for the long haul, is trustworthy, and understands banking.

"Finastra delivers on all these fronts. The solutions are very adaptable and we believe that Finastra understands banking better than most competitors. This approach fits with our DNA, and we're excited to continue exploring new ways to enhance and grow our lending operations with Finastra."

About Finastra

Finastra unlocks the potential of people and businesses in finance, creating a platform for open innovation. Formed in 2017 by the combination of Misys and D+H, we provide the broadest portfolio of financial services software in the world today—spanning retail banking, transaction banking, lending, and treasury and capital markets. Our solutions enable customers to deploy mission critical technology on premises or in the cloud. Our scale and geographical reach means that we can serve customers effectively, regardless of their size or geographic location—from global financial institutions, to community banks and credit unions. Through our open, secure and reliable solutions, customers are empowered to accelerate growth, optimize cost, mitigate risk and continually evolve to meet the changing needs of their customers. 90 of the world's top 100 banks use Finastra technology. Please visit finastra.com

Finastra and the Finastra 'ribbon' mark are trademarks of the Finastra group companies.

© 2018 Finastra. All rights reserved.

North American Headquarters

605 Crescent, Executive Court,
Suite 600, Lake Mary,
FL 32746
United States
T: +1 800 989 9009

