



# **ISP500 – FOUNDATIONS OF INFORMATION SYSTEMS**

**LOAN APPLICATION SYSTEM**

**SEMESTER MAC – OGOS 2021**

**Group: CS2593C**

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## **1.0 Introduction**

### **1.1 Background of the Business**



Commerce International Merchant Bankers (CIMB) is a group of commercial bank in Malaysia which is leading the ASEAN universal bank. CIMB Bank was established in Malaysia since 1974 and the headquarterd was located in Kuala Lumpur. The vision of CIMB is to be the leading ASEAN Company. The mission of CIMB is to provide universal banking services as a high performing, institutionalized and integrated company located in ASEAN and key markets beyond, and to champion the acceleration of ASEAN integration and the region's links to the rest of the world. The values of CIMB is customer-centric as they exist to serve the customers and sell products and services that customers understand and value. Another values are high performance as they work hard and strategically for customers, staff and other stakeholders and enabling people by empowering their people to innovate and deliver value in their workplace as well as for the community they serve. Besides, strength in diversity and Integrity are also parts of the values of CIMB.

CIMB Bank is the second largest commercial bank in Malaysia. Today, CIMB Bank which is a leading regional universal bank that offering consumer banking, investment banking and Islamic banking, has over 12 million of customers nationwide with 900 branches and above over 16 countries namely Singapore, Thailand, Hong Kong and so on.

#### **Timeline**

**1974** - Pertanian Baring Sanwa Multinational Bank (PBSM) established in Kuala Lumpur and launched by Prime Minister Tun Abdul Razak Hussein

**1986** - PBSM changes name to Commerce International Merchant Bankers Berhad (CIMB) after acquisition by Bank of Commerce.

**1987** - Bank of Commerce successfully lists on Bursa Malaysia

**1991** - Bank of Commerce merges with United Asian Bank. In a major restructure, the merged banks become Bank of Commerce (Malaysia) Berhad, under holding company Commerce-Asset Holding Berhad (CAHB). CIMB becomes a separate CAHB subsidiary.

**1999** - Bank of Commerce (Malaysia) Berhad merges with Bank Bumiputra Malaysia Berhad to form Bumiputra-Commerce Bank Berhad.

**2002** - CAHB takes a majority stake in Indonesia's PT Bank Niaga Tbk.

**2003** - CIMB lists on Bursa Malaysia. The listing lasts only three years and delivers returns of 340% to shareholders.

**2005** - CIMB acquires GK Goh Securities in Singapore. In a major corporate restructure to create a universal bank, CIMB acquires sister company Bumiputra-Commerce Bank from holding company CAHB. Holding company CAHB is renamed Bumiputra-Commerce Holdings Berhad.

**2006** - CIMB acquires Southern Bank. The new-look CIMB Group launches in the presence of the Malaysian Prime Minister Dato' Sri Abdullah Ahmad Badawi.

**2008** - CIMB Niaga established through a merger between Bank Niaga and Bank Lippo. CIMB Group acquires BankThai and the following year renames it CIMB Thai.

**2009** - CIMB Group launches retail banking operations in Singapore. CIMB Group acquires a 19.99% stake in the Bank of Yingkou, China. Holding company BCHB is renamed as CIMB Group Holdings Berhad.

**2010** - CIMB Group launches banking operations in Cambodia, bringing retail banking presence to five ASEAN nations – Malaysia, Indonesia, Singapore, Thailand and Cambodia.

**2012** - CIMB Group starts the acquisition of most of the Asia Pacific cash equities and associated investment banking businesses of the Royal Bank of Scotland, and expands or adds operations in Sydney, Melbourne, Hong Kong, London and New York. CIMB Group acquires SICCO Securities, a Thai stock-broking company.

**2013** - CIMB Group completes its Asia Pacific investment banking platform with new operations in Taiwan and India and Korea. The Group moves into its new 40-storey headquarters in Menara CIMB, located at the high-tech hub of Kuala Lumpur Sentral.

**2016** - CIMB opens its first branch in Vietnam. This 100% owned subsidiary allows CIMB to establish its presence in the country as a universal banking platform and strengthen its banking franchise in ASEAN.

**2017** - CIMB and China Galaxy Securities Group become 50:50 shareholders in CIMB Securities International Pte, Ltd., repositioning CIMB's stockbroking business as a pure play broker with the client base of a universal ASEAN bank

**2018** - CIMB received approvals from the Bangko Sentral Ng Pilipinas (BSP) to establish and operate its banking business in the Philippines. With these approvals, CIMB Bank Philippines Inc, launched its digital retail banking business in December 2018 establishing CIMB's presence in all 10 ASEAN countries.

#### **1.1.1 Vision**

To be the leading ASEAN company

#### **1.1.2 Mission**

To provide universal banking services as a high-performing, institutionalized and integrated company located in ASEAN and key market beyond, and to champion the acceleration of ASEAN integration and the region's links to the rest of the world.

#### **1.1.3 Objectives**

The main objective is to advise the Board of Directors of CIMB bank on the impact and implications of current developments and challenges on its organization and make appropriate recommendations to ensure the continued relevance, competitiveness and growth of the organization.

## 1.1.4 People

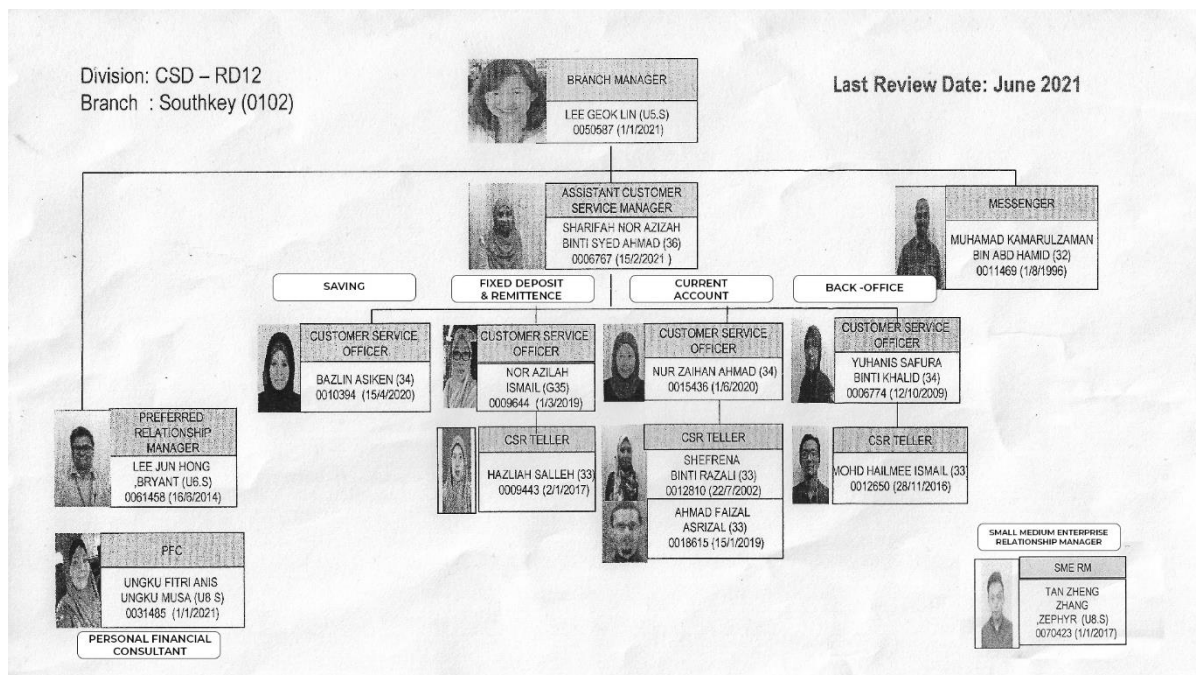


Figure 1: People of CIMB Bank (Southkey's Branch)

### 1.1.5 Products and Services

CIMB Bank had provides a lot of services such as accounts, cards, loans, investments and insurance to the citizen.

<b>Accounts</b>	Saving accounts Current accounts Fixed deposit accounts
<b>Cards</b>	Debit cards Credit cards Samsung pay Lazada prepaid Mastercard
<b>Loans</b>	Property loans Personal loans Car loans
<b>Investments</b>	Dual currency investment Gold investment Structured investment
<b>Insurance</b>	Personal insurance Property insurance Life insurance Car insurance

*Figure 2: Examples of products that provided by CIMB Bank*

Besides, CIMB Bank also provides a lot of products and services for us such as wholesale banking, treasury, asset management, retail and commercial banking and Islamic banking. For wholesale banking, it will divides into few categories which are corporate finance, equity capital markets, trade finance, cash management and etc. While debt capital markets and syndicate, cross markets trading and derivatives and government band market making are groups as treasury. Furthermore, asset management can divide into few groups for example, retail and institutional funds, private equity funds and real estate funds. On the other hand, deposit, private banking, loan and financing and etc are categories in retail and commercial banking, while wadiah, mudharabah and sukuk are grouped in Islamic banking.

Nowadays, CIMB Bank is a leading regional universal bank that offering consumer banking, investment banking and Islamic banking over 16 countries. CIMB Bank is the 5th largest ASEAN bank that have over 900 branches and almost 12 million customers. Their ASEAN operated countries which are Malaysia, Myanmar, Thailand, Singapore, Laos, Cambodia, Vietnam, Brunei, Philippines and Indonesia.



*Figure 3: CIMB Bank's ASEAN operated countries*

## 1.2 Information Systems in the Business

# CIMB Clicks

Types of Information systems used in CIMB:

### **a) aCRM (Analytical Customer Relationship Management) System**

It is a type of system used in CIMB to interact better with its customers, clients, and sales prospects, and usually used by Customer Relationship Management (CRM) Division of CIMB. aCRM uses mainframe computers as its hardware and uses Oracle Data Integrator to support it. "Oracle Data Integrator is a wide-ranging of data integration platform which is used to support data extraction, loading, and transformation process from source system to aCRM marketing data mart" (Lim, V., 2013). aCRM system in CIMB is used to have a better understanding towards its customers, identify potential customers through clientele's profile recorded in it, and enhance decision making capability based on customer data and information which are gathered from different operational CRM systems, for example: Customer Analytics System, Marketing Analytics System, Sales Analytics System, Service Analytics System, and Channel Analytics System



aCRM helps CIMB in:

- Providing better customer service  
By using aCRM system, every CIMB's employee can be informed well on the needs of customer, getting continuous feedbacks from customer, improved responsiveness and helps in building customer loyalty.
- Discovering new customers  
It helps CIMB identifying new potential customer by keeping track on the existing clientele's profile.
- Help Sales Staff Close Deal Faster  
It improves quick and efficient responses to customers.
- Make Calls Centres More Efficient CRM helps  
CIMB's staff to deal with each individual customer depending upon the customer's archives available through CRM. The information can be accessed instantly from anywhere within the company.
- Simplify Marketing and Sales Processes  
It eases the sales representatives of CIMB to develop better communication channels with customers.

## **b) BizChannel**

Bizchannel is an internet platform application which deals with payment transaction and cash management. The users can be any companies that use CIMB account in their business transactions. CIMB has come up with BizChannel which has been designed to best meet business needs. It is a tool for CIMB bank to make easier access and interactions with its business clients. A business company does not need to come to CIMB bank in making any payments to other partners, or CIMB bank also does not need to issue letters to its business clients if there is any payment approval need to be executed or approved by the concern people of the business. Besides that, a company can control its banking and financial transactions and to control its cash management. The users (e.g. remuneration department, financial staff/manager) can go through to manage their cash by log onto CIMB Bizchannel by using a security id which has been registered. Then the users will be able to manage cash, do payments and transactions effectively and efficiently.

Example of features that can be performed by CIMB BizChannel:

- Account Management



Figure 4: Account Management in CIMB BizChannel

Account Management module enables users to check account balance summary, to request and review statement download, and to view the status of cheques that the company has issued.

- Accounts Payable Management

It is interconnected with Bill Payments, Payroll, Funds Transfer, Bulk Payment and any other online payment / e-banking services. By using this, users can be easily review pending transactions, successful transactions, failed transactions, or any other transactions that need to be executed.

### c) CCRIS (Central Credit Reference Information System)

CIMB Bank uses CCRIS to identify and track loan applicants' financial and credit history before giving them loan. CCRIS.com (2014) explains that CCRIS is individual reports that are used to determine whether one is eligible for loans from financial institutions or not. The reports are acquired from a database of million borrowers reported to the Credit Bureau Bank Negara Malaysia by licensed lenders/financial institutions.

CCRIS helps CIMB bank to avoid credit risk because the credit history of borrowers gives information whether a borrower is a good or a bad credit payer. CCRIS also provides information on how many financial institutions the borrowers are in debt with.

## **2.0 Business Process Analysis**

### **2.1 Business Process Activities**

Business Process Activities is a step-by-step process that occur during the business operation. Business Process Activities is varies depends on the organizations. In this report, we have found 5 main business processes in the company Registration Process, Login Process, Applying Process, Confirmation Process, and Verification Process.

Registration Process is where for a new user they need to create new account to apply loan and the sub process is Create Account.

Login Process is for user who already account to login into their account where the sub process is Login.

Applying Process is where user insert all the details for the bank references. The sub process are Apply Personal Loan, Fill Personal Details and Loan Amount, Fill Preliminary Details, Select Tenure, Fill More Details (Employment & Emergency Details). During Apply Personal Loan, the user will select "Personal Loan" option. Next, Fill Personal Details and Loan Amount where the user will fill all the required personal details and the amount of loan they desired. Fill Preliminary Details, user will start filling all the initial details for applying loan. User will be selecting tenure during Select Tenure. Next, user will fill more details about emergency and employment details.

Once confirm all the details is true and legit. Confirmation Process took place, User need to agree with Bank's Terms and Condition for loan contract. Then user need to sign the contract as agreed T&C in Contract Signature.

Lastly, Verification Process have 2 sub process which is Upload Income Document and Selfies with IC required. Users need to upload income document that already have verification by their employer. Next, Selfies with IC required is our new initiative to improve security measure during the business process.

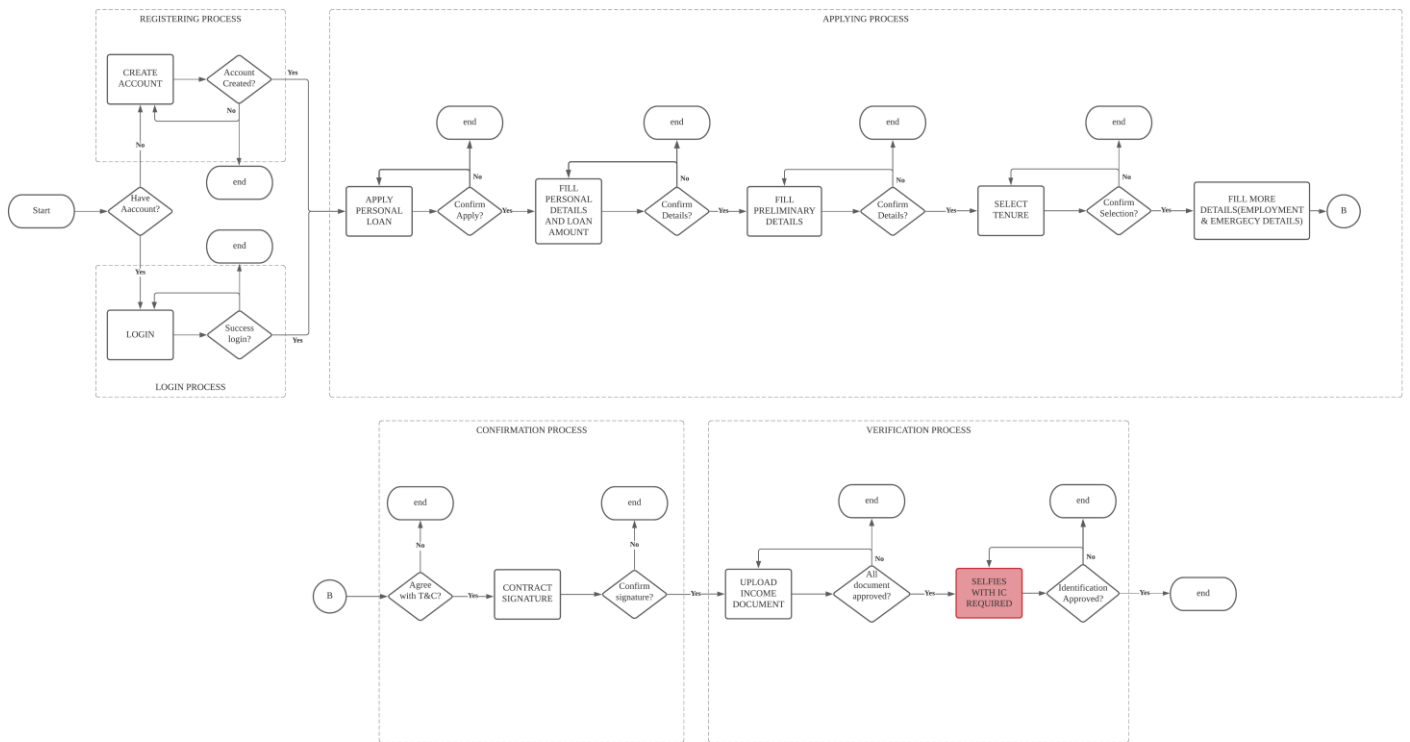


Figure 5: CIMB Bank Loan Process through mobile apps

## 2.2 Porter's Value Chain

We have identified the primary and the support activities for the CIMB Bank which as shown in the figure below:

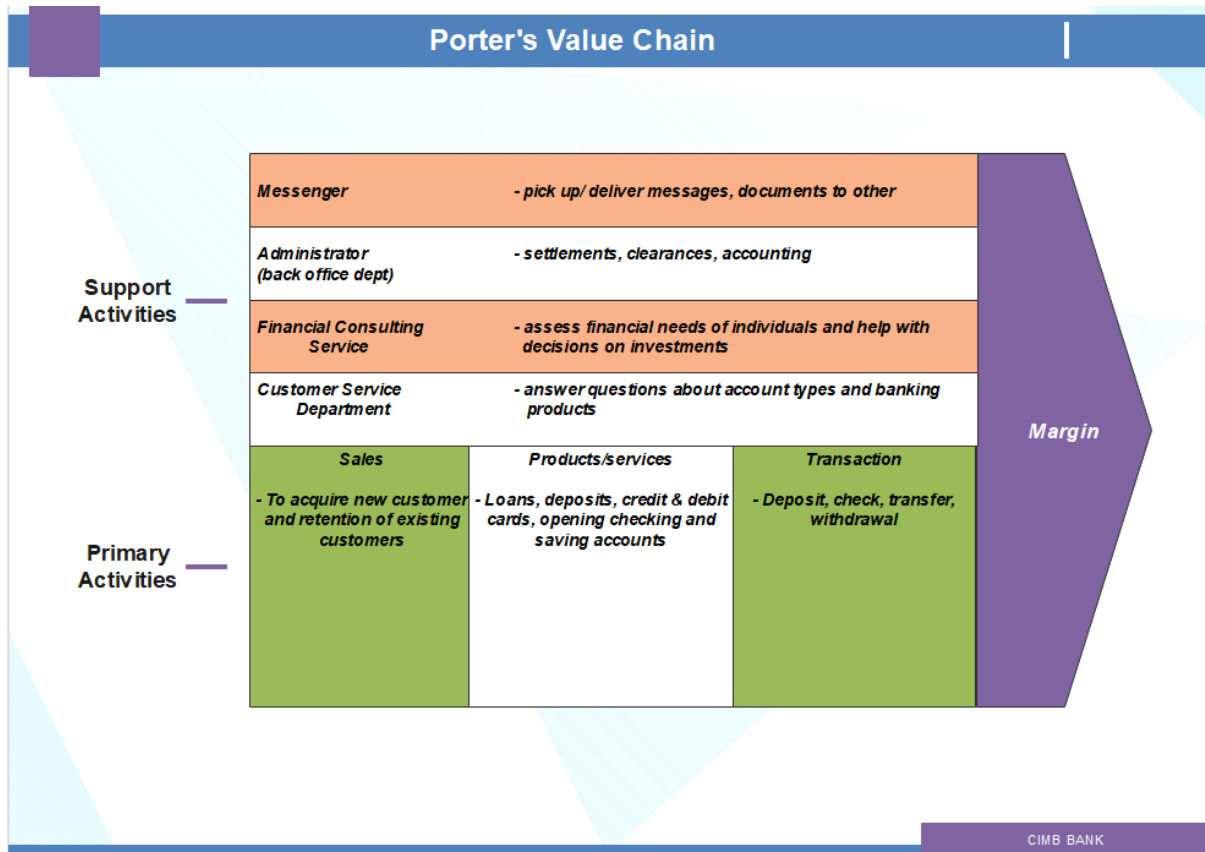


Figure 6: CIMB Bank Porter's Value Chain

### **2.2.1 Primary Activities**

#### **1) Products/Services Department**

CIMB Bank offered different kinds of products and services to their customers such as personal, home and car loans, credit and debit cards, opening checking and saving accounts and create deposits. In terms of process of applying loans, the customer will need to fill up several forms and set up an appointment with one of the officers in the bank directly before the loans can be approved by the banks. As of now, the loan's application needs to be done manually by going to the bank itself. Even though the CIMB Bank website does let their customers to apply online for loans, there are no such function inside the CIMB mobile's app, which can make the process even more easier for the customer's that do not have access to computer or laptops at the time that they want to apply for loans.

#### **2) Sales Department**

Sales is one of very important function in CIMB Bank because the banking industry is very competitive and besides from entering new markets and to find new customers, the bank also need to retain their existing customers as to not lose them to other rival banks which may reduce their profits. The sales function serves a very pivotal role where it does not just sell to their customer, but also works at customer engagement and retention.

#### **3) Transaction**

CIMB Bank also do thousands of transactions every single day throughout the country whether it is online or offline by their customers or the staffs. As technology has made the transaction easier, CIMB Banks has carried out different kinds of transaction such as online payments, payment services for online businesses and internet-based bill payment system.

### **2.2.2 Support Activities**

#### **1) Messenger**

CIMB Bank also has one person who is named messenger as their job title. The function of messenger is to pick up and deliver messages, packages, documents and other items between departments or offices to other business concerns, travelling by car, motorcycle or foot.

#### **2) Administrator (back-office department)**

Administrator or back-office department in CIMB Bank is comprised of the areas that do not directly generate revenue, but it provides vital support and administrative work for the business itself. Example of functions of the back office are clearances, settlements, accounting and IT services.

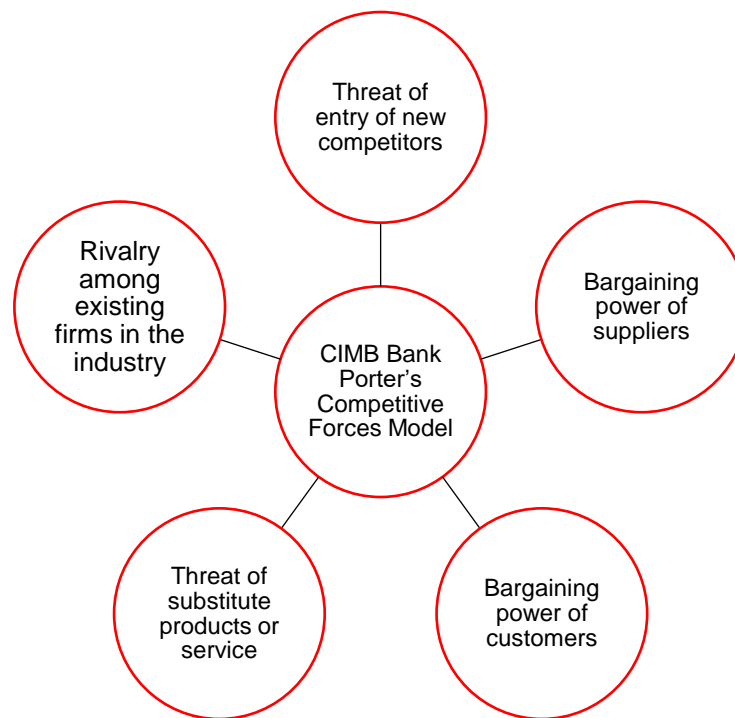
#### **3) Financial Consulting Services**

The function of a financial consultant in the CIMB Bank is to help customers or clients accomplish their financial objectives by assessing their financial situations, developing and presenting financial strategies by guiding client to establish financial goals and monitoring changes in financial status and life circumstances.

#### **4) Customer Service Department**

The role of a customer service representative in the CIMB Bank is to answer questions that are raised by the customers, mostly about basic banking services such as the account balances of each customer, interest rates and fees of the services of the bank and to assist customers with replacing lost or stolen credit or debit cards and assist banking customers who are victims of fraud, theft or identity theft.

## 2.3 Porter's Competitive Forces Model



*Figure 7: Porter's Competitive Forces Model*

### **Rivalry among existing firms in the industry**

The competition among current industry firms is one of the five forces. Malayan Banking Berhad, Public Bank Berhad, Hong Leong Bank, RHB Bank, and AmBank Berhad are CIMB Group's rivals. These businesses are CIMB Group's rivals. These banks compete in a variety of ways, including product and service offerings. In Malaysia, Maybank Banking Berhad is the main competitor of this bank as they are ranked as the top bank Malaysians prefer to use while CIMB as the second choice. Maybank has many business strategies to defeat CIMB Group and maintain it as the top bank in Malaysia. The competition in this industry is very high which can bring a higher level of advertising expense and powerful competitive strategy.

Price, quality, and innovation are expected to be the focal points of competitive competition. Technological advancements aid in the protection of businesses against competition. This holds true for both products and services. Companies that succeed in bringing new technologies can charge greater pricing and profit margins until competitors copy them. For example, Malayan Banking Berhad uses statement slips instead of bank books and their app is arguably the best and user-friendly app among all the banks in Malaysia. This is why we suggest a loan application system to be implemented in CIMB's mobile application



which will be user-friendly. Applying for a loan is a hassle but with our loan application system, we hope that this will simplify the application of any loan in CIMB in order to attract more potential clients.

The threat of new entrants should be quite significant, given how many new banks enter the market each year. However, the average number of total banks declines year after year because of mergers and bank failures. One of the main reasons for this is trust, which is perhaps the most significant barrier to entry for the banking sector. People are more inclined to put their confidence in large brand, well-known, significant banks that they believe are trustworthy due to the nature of the industry.

Although the individual does not constitute a significant threat to the banking sector, high switching costs are a major issue impacting purchasing power. Customer's loyalty is also very needed to establish a brand. If a person has one bank that handles all their financial requirements, such as mortgages, savings, and checking accounts, switching to another bank can be a major problem. To persuade clients to move to their bank, banks frequently reduce the cost of moving, yet most individuals still choose to stay with their existing bank. It will be tough for new entrants to thrive if customers are loyal to a single company.

### **3.0 Business Solutions**

#### **3.1 Proposed Business Solutions**

Although advancements in information technology have resulted in several benefits in fully functional businesses, the introduction of new technologies does not improve a specific sector of business process. CIMB has created a very dynamic information system, however there is a sense of uncertainty in the loaning process. CIMB is wary of adapting to new technology and information management systems.

Due to the loaning process for a well-known corporation, CIMB is believed to have a very high turnover. Customers must wait an extended length of time for their loan to be approved or declined. They also have to schedule appointments and visit the bank multiple times only to have a consultation about their loan, which makes the loan process a little more complicated. If CIMB wants to improve the efficiency of the loaning procedure, an online loan application would be a sufficient improvement. A small investment in an online mobile application would significantly reduce the load on

the personnel and customers involved in the company's lending process. This would also result in lesser time on loaning process because the customer does not need to wait for an appointment and approval by the bankers. This is an efficient application because most clients simply need to provide relevant papers in pdf format that CIMB requires at the same time. As a result, they would not be burdened by the lengthy loan process. This method, particularly terms of the increasing the current epidemic, will help to reduce direct interaction between employee and customers, proving to be in everyone's best interests.

Furthermore, an online mobile application designed exclusively for loan management would significantly reduce the customer's load. Employees at CIMB are currently primarily responsible for:

1. Loan Application
2. Documents Submission
3. Screening Process
4. Negotiation
5. Loan Application Finalization
6. Approval of Loan

## 3.2 Demonstration of Business Solutions

### 3.2.2 Pocket-sized gadget

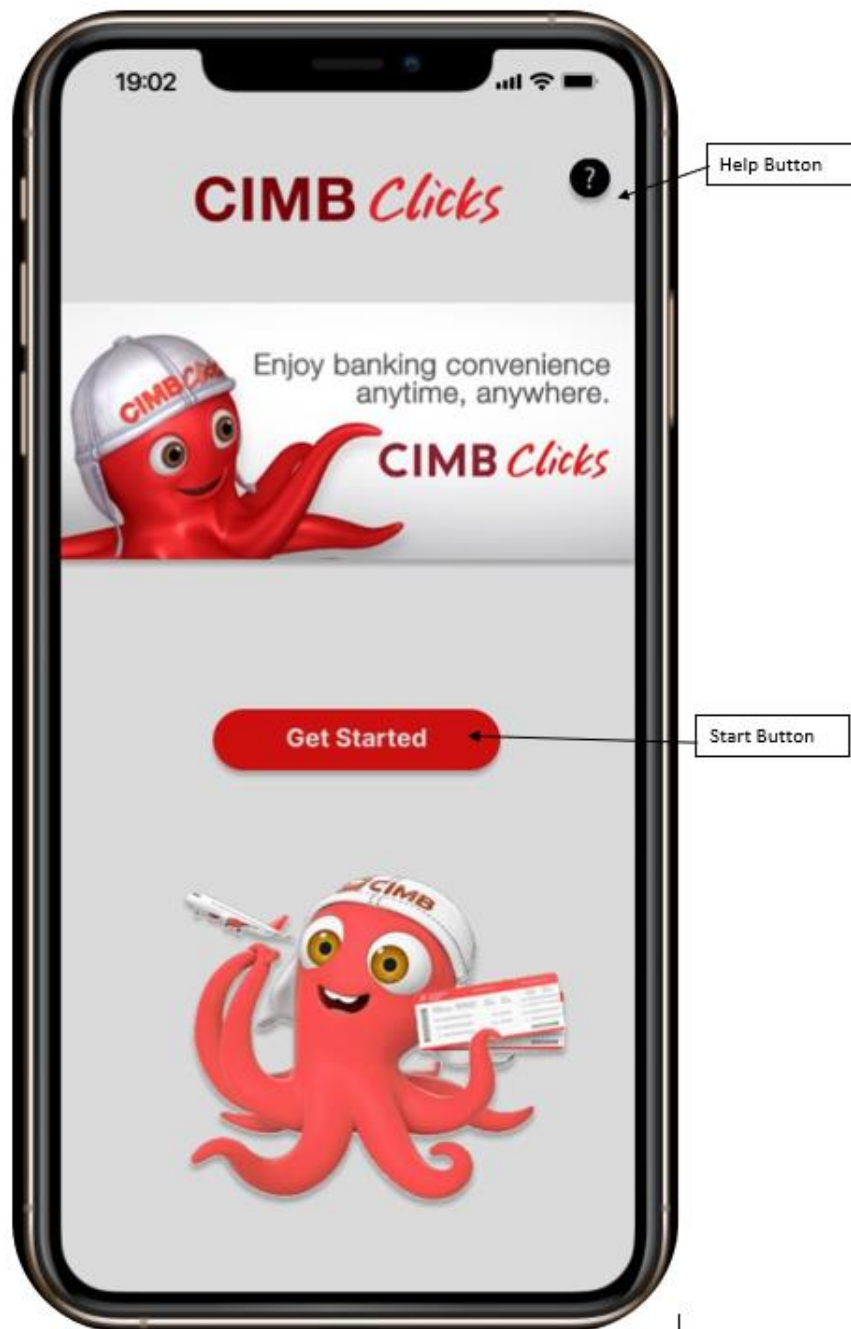


Figure 7: Starting page of Loan System

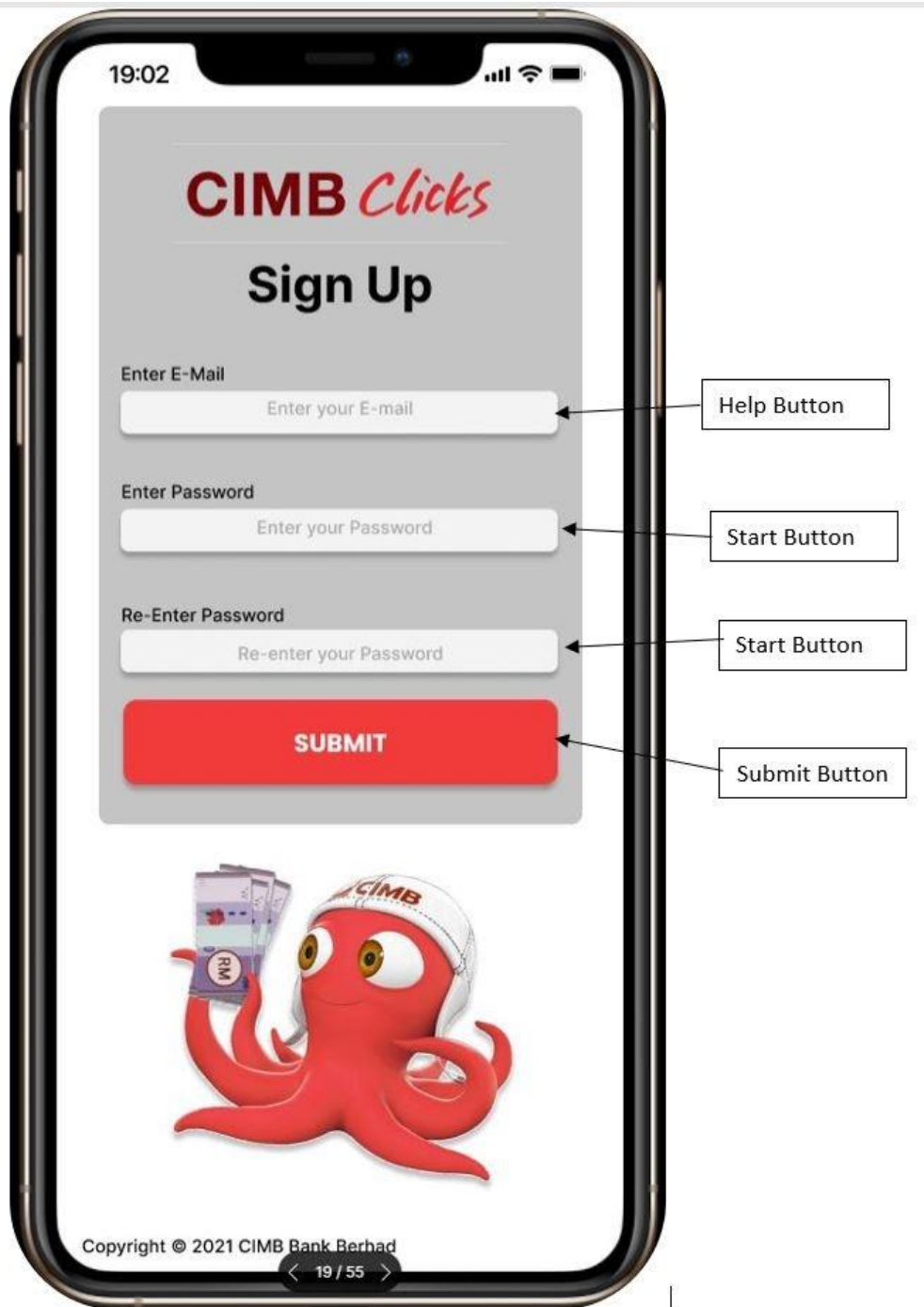


Figure 8: Sign Up Page of the Mobile app



Figure 9: Confirmation of Successful Sign up Page

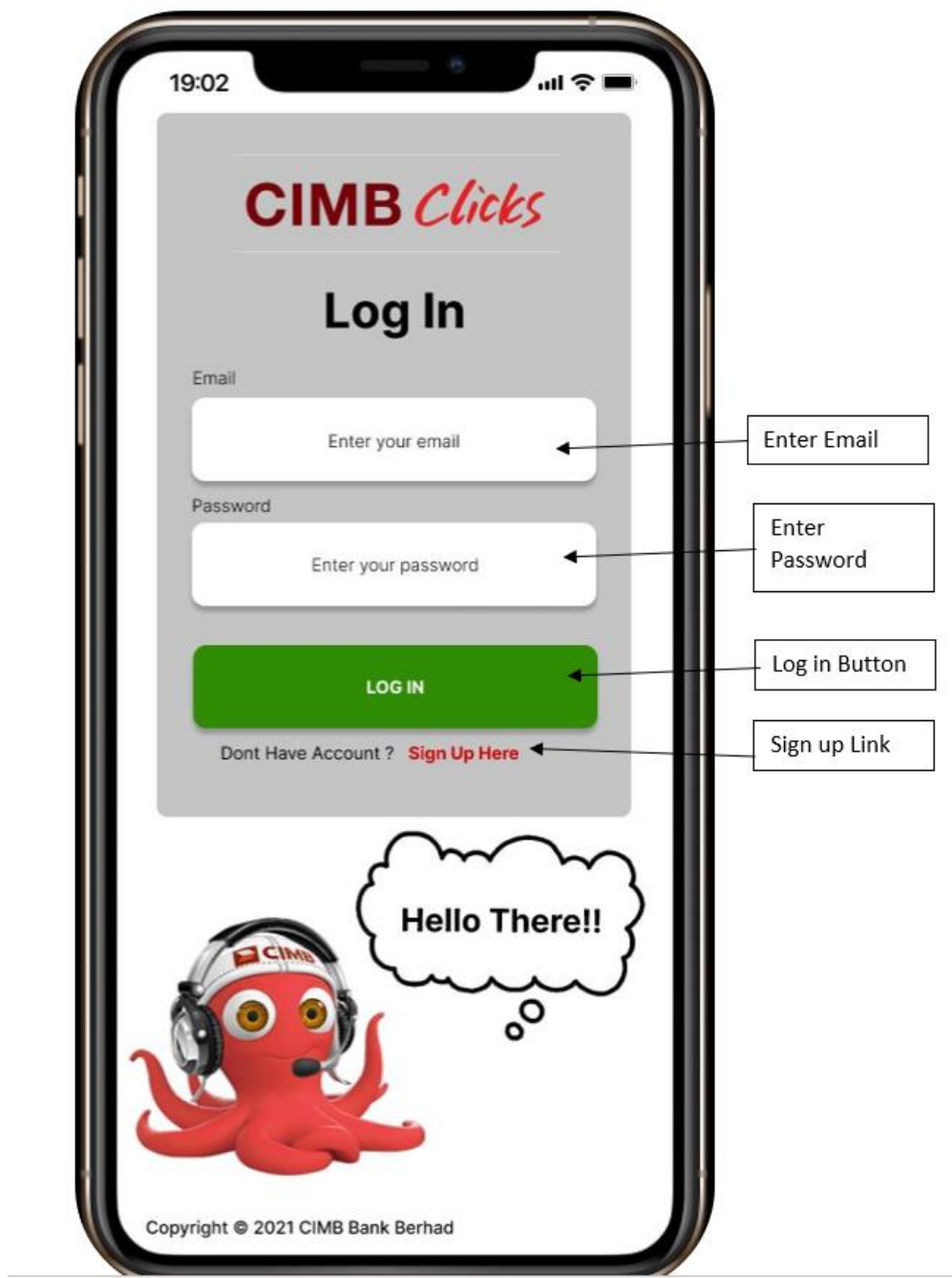


Figure 10: Log-In Page

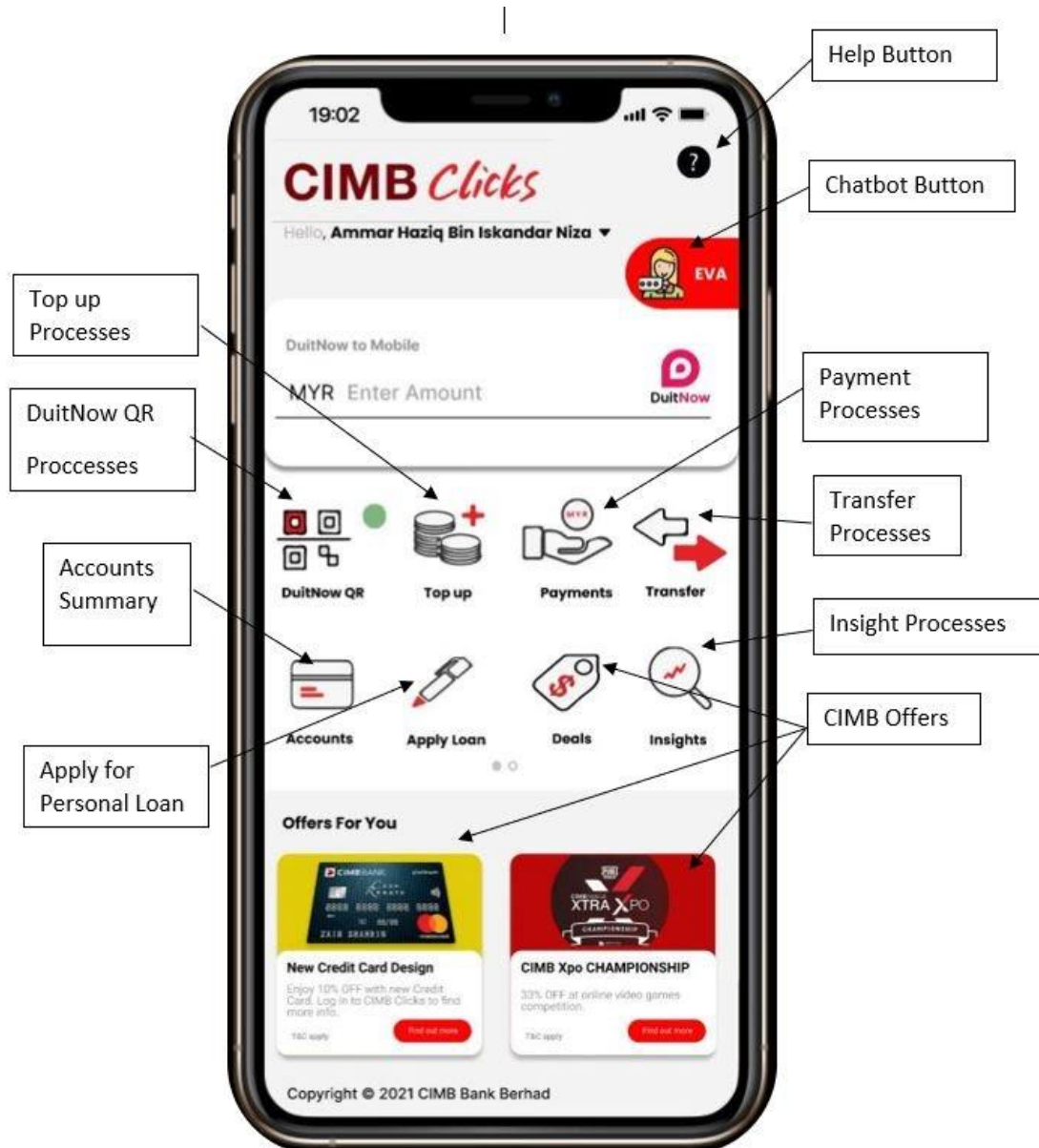


Figure 10: Homepage of Loan Application System

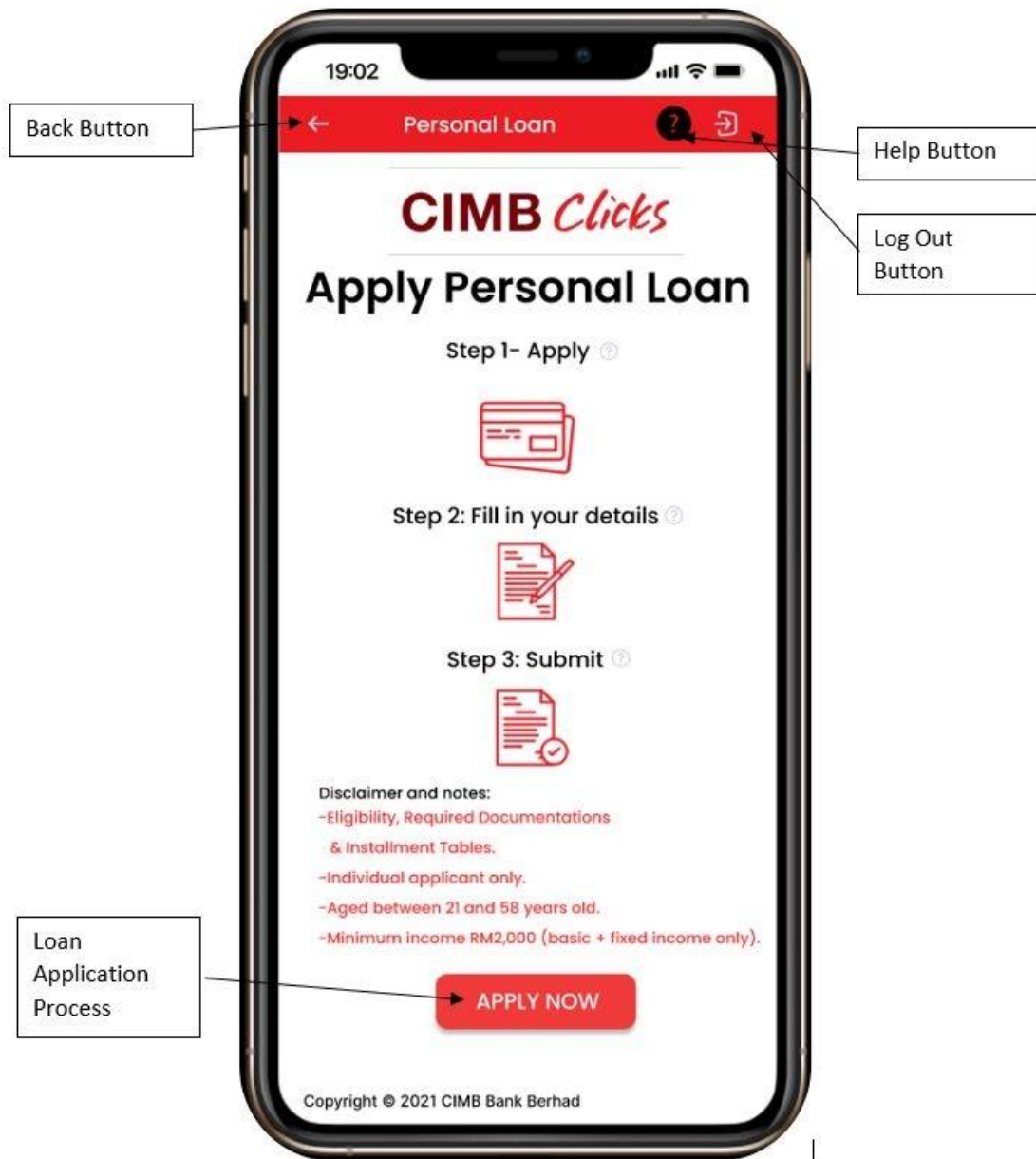


Figure 11: Loan Application Interface



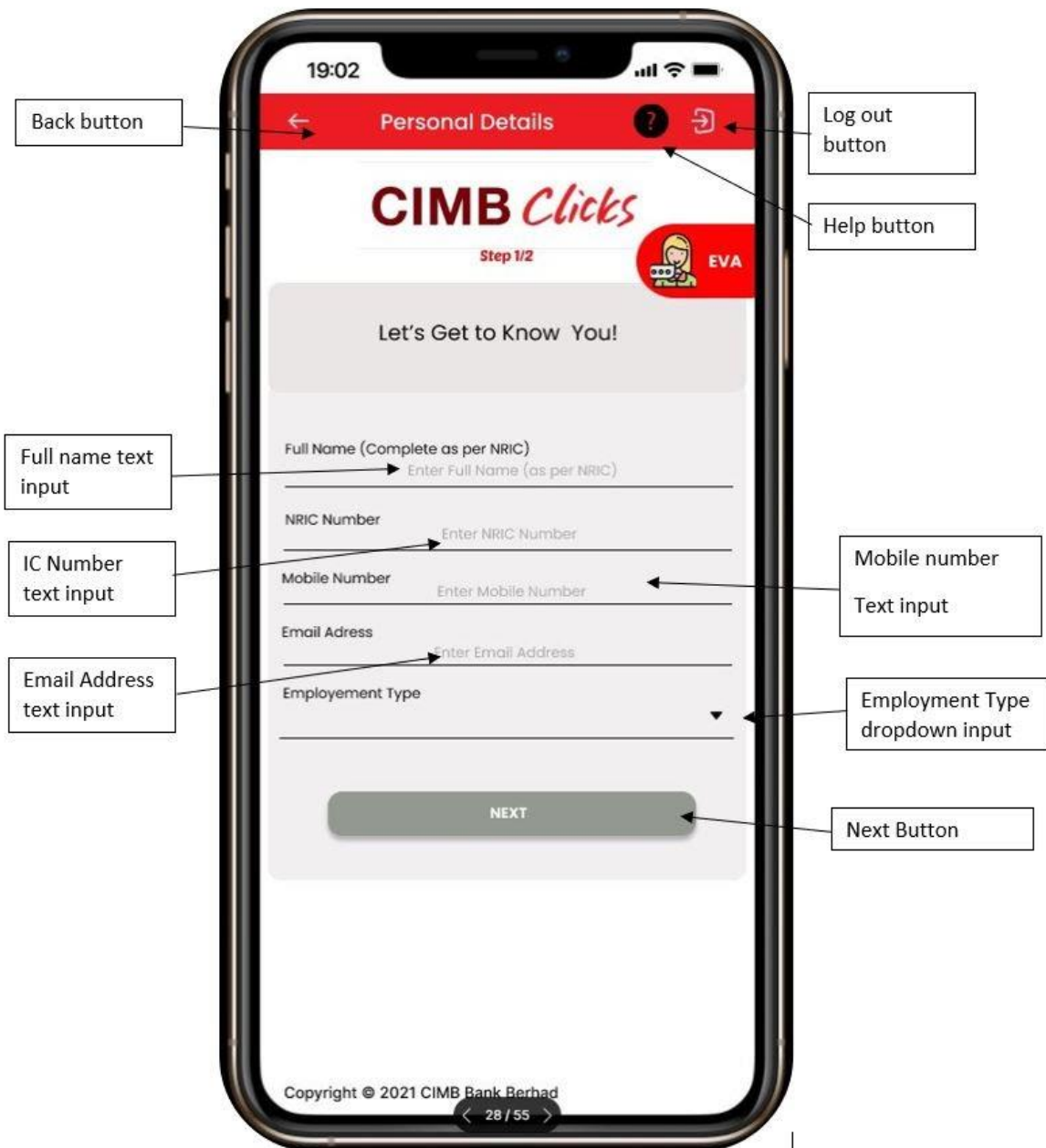


Figure 12: Personal Details step 1 page

The image shows a mobile application interface for 'CIMB Clicks' at 'Step 2/2' of the 'Personal Details' process. The interface includes a red header bar with a back arrow, the title 'Personal Details', a help icon, and a log out button. Below the header, the user's name 'EVA' is displayed next to a profile icon. The form contains several input fields and dropdown menus: 'Marital Status' (dropdown), 'Bumiputra/Non-Bumiputra' (dropdown), 'Enter Full Mailing Address Below' (text input), 'Enter Area Name' (text input), 'Home/Mailing Address Line 1' (text input), 'Home/Mailing Address Line 2' (text input), 'City' (text input), 'Postcode' (text input), and 'State' (dropdown). A green 'NEXT' button is at the bottom. A disclaimer text is present above the button. The footer shows 'Copyright © 2021 CIMB Bank Berhad' and a page indicator '29 / 55'.

Labels and their corresponding UI elements:

- Back button
- Log out button
- Help button
- Marital Status Drop down Input
- Bumiputera Drop down Input
- Area Name text input
- Mailing Address Text input
- City text input
- Employment Type dropdown input
- Postcode text input
- State text input
- Next Button

Figure 12: Personal Details step 2 page

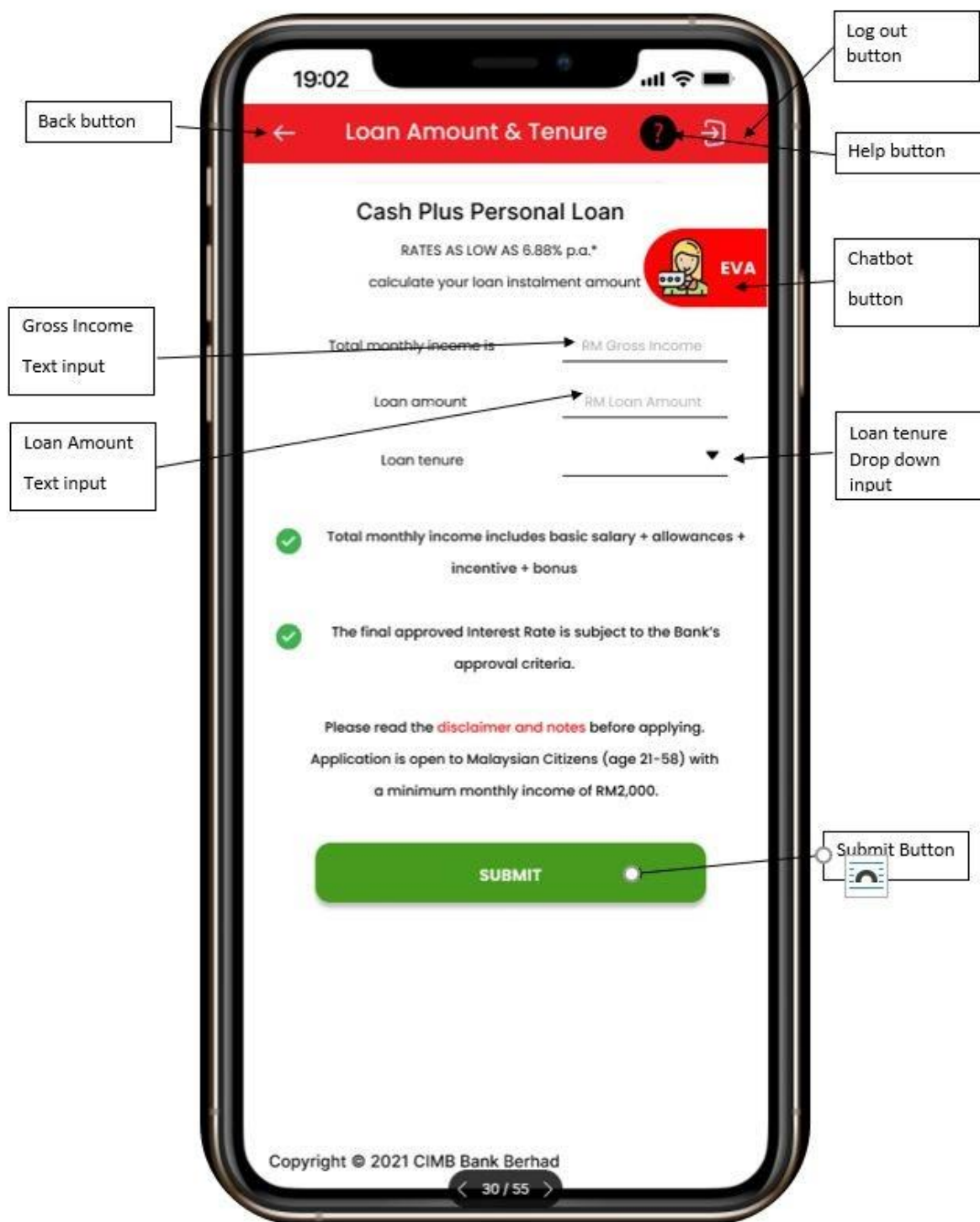


Figure 12: Loan Amount and Tenure Page

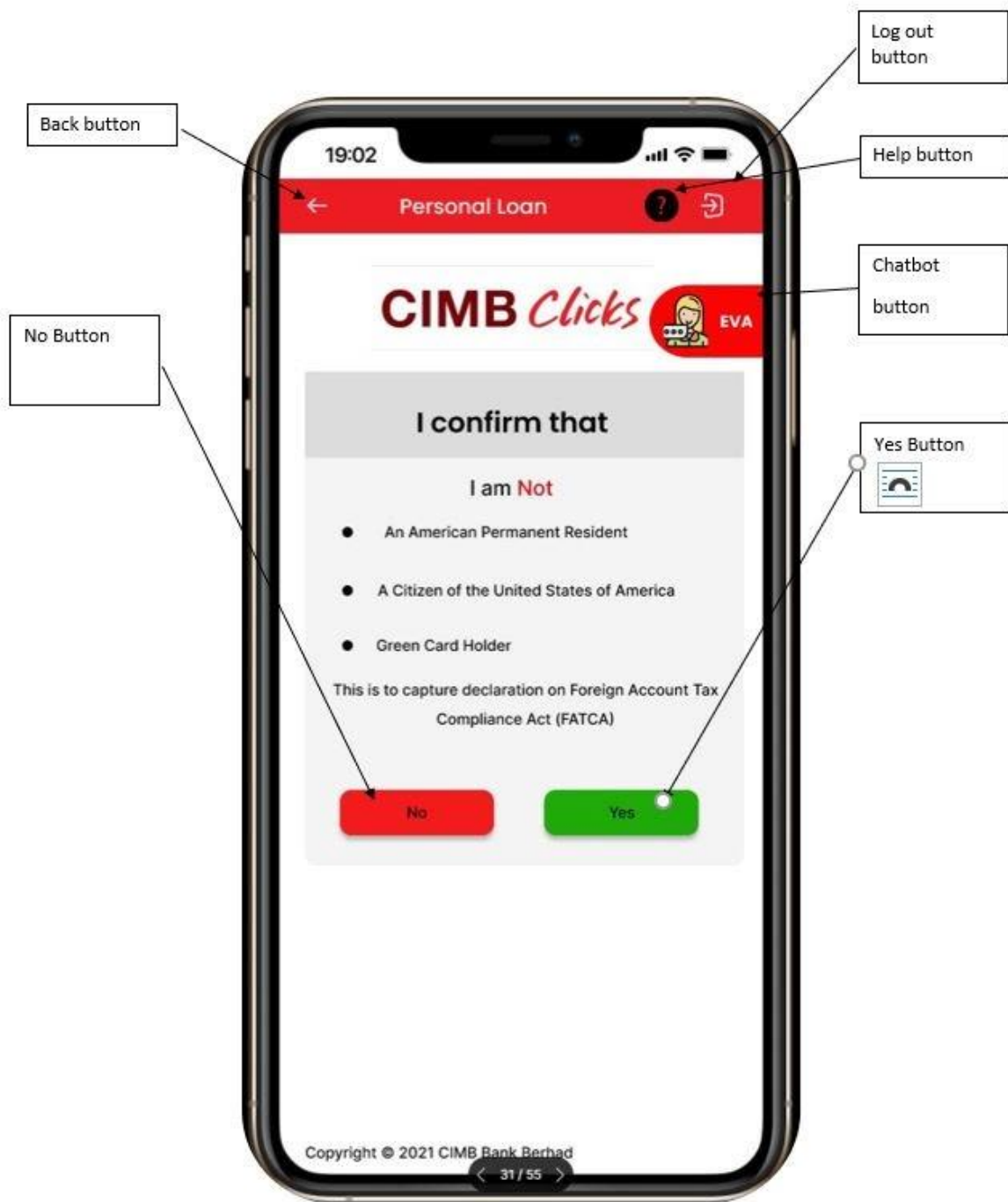


Figure 13: Confirmation Page

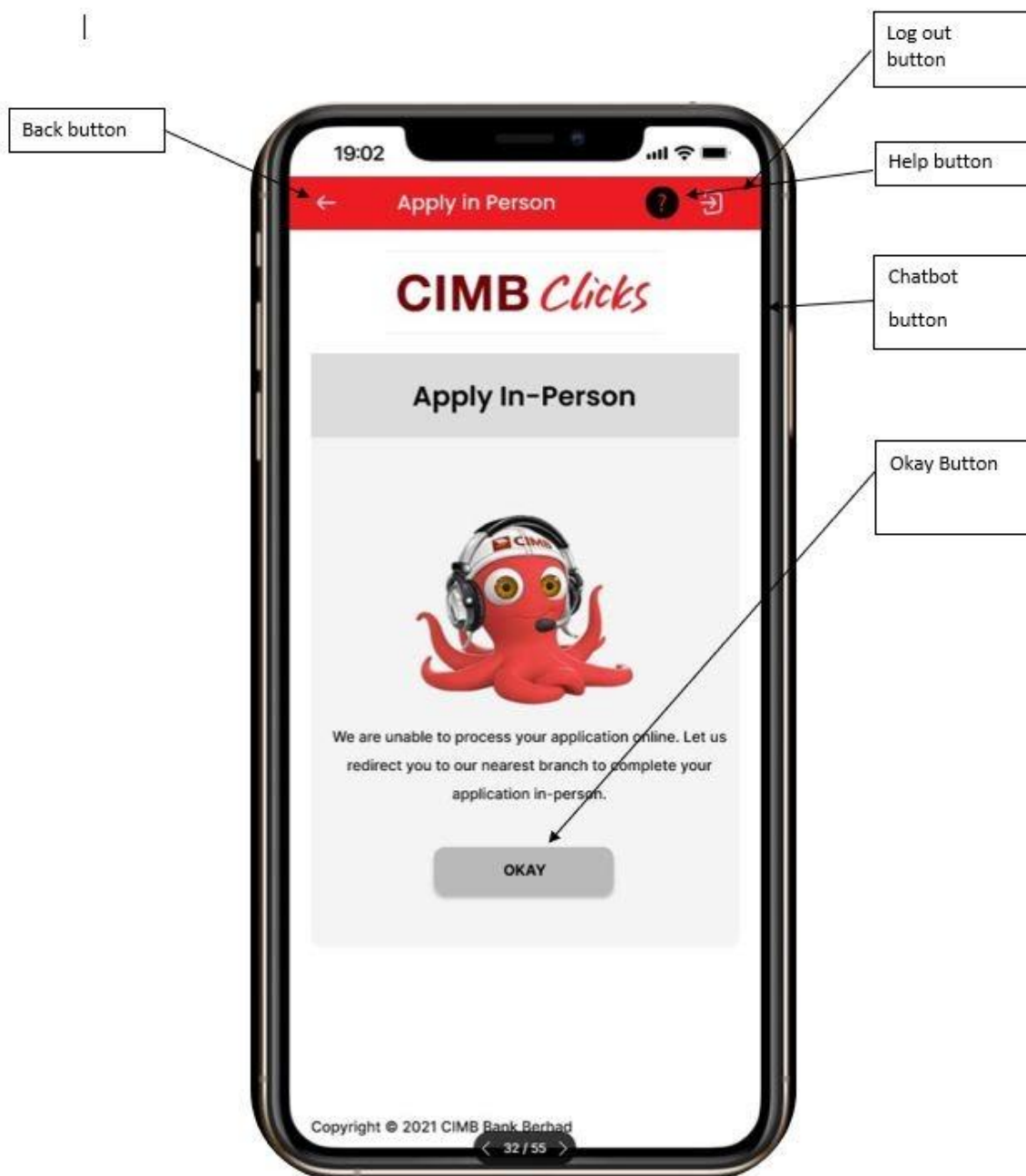


Figure 14: Apply in Person Page

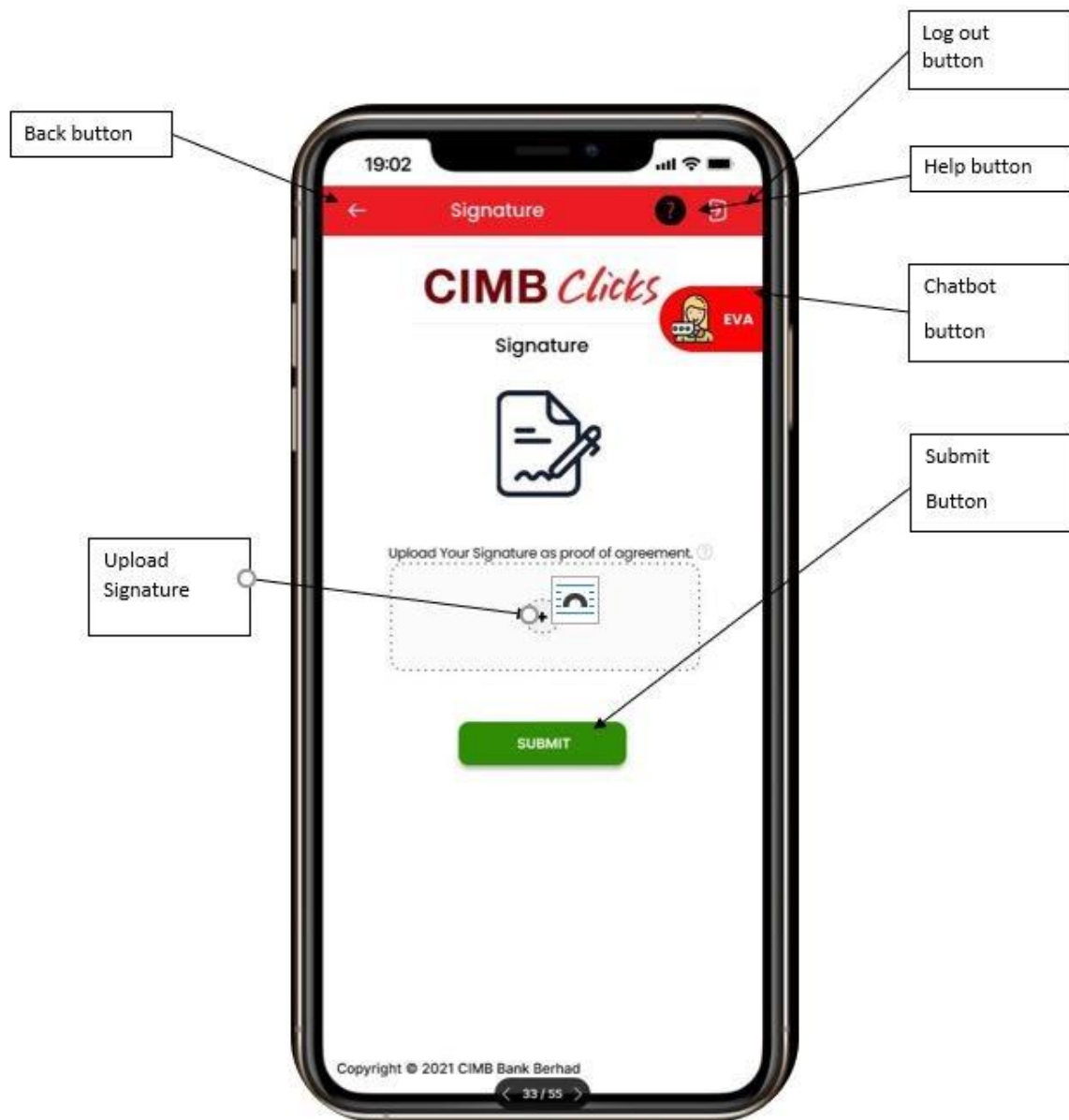


Figure 15: Signature Page

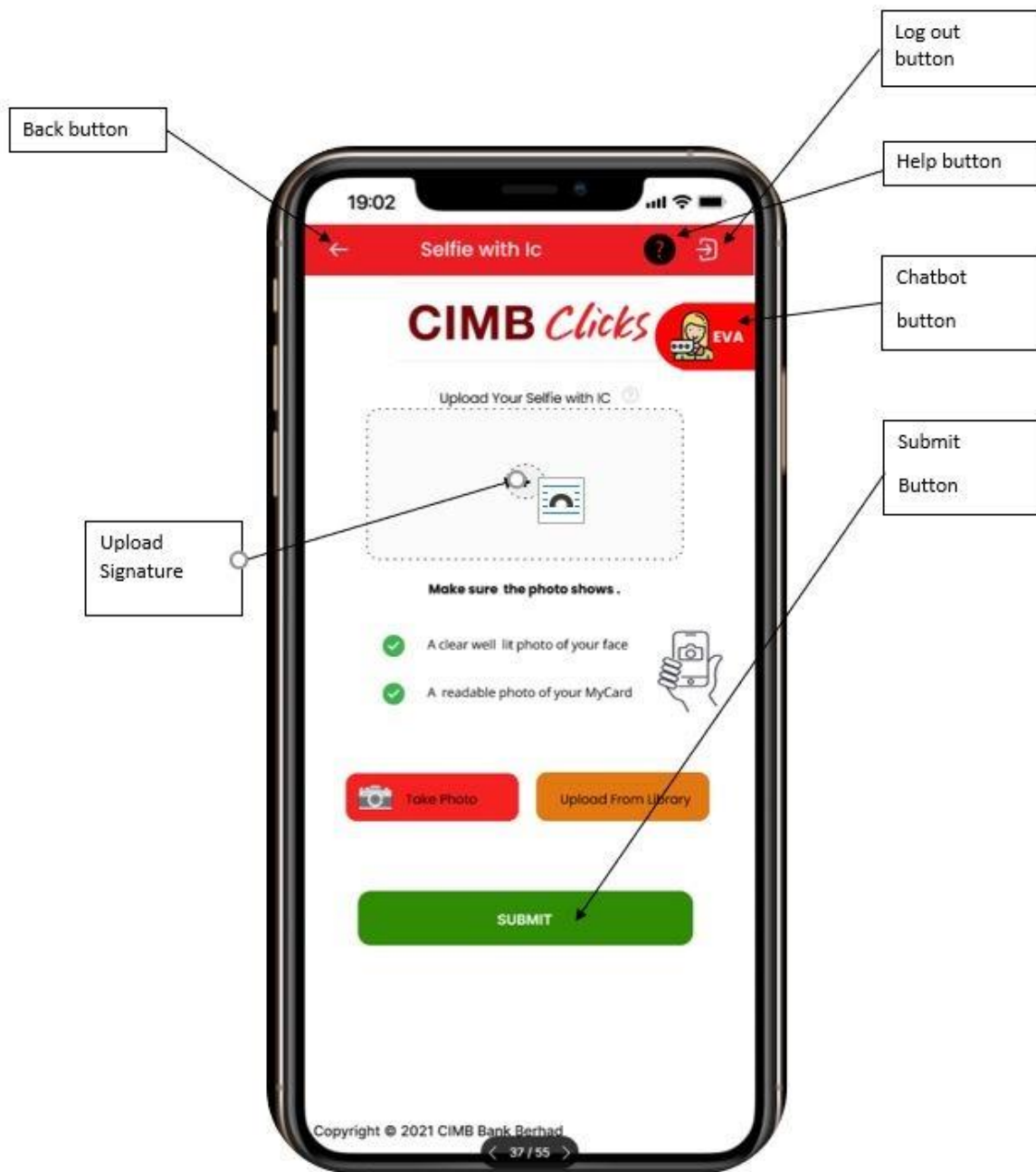


Figure 16: Selfie Page

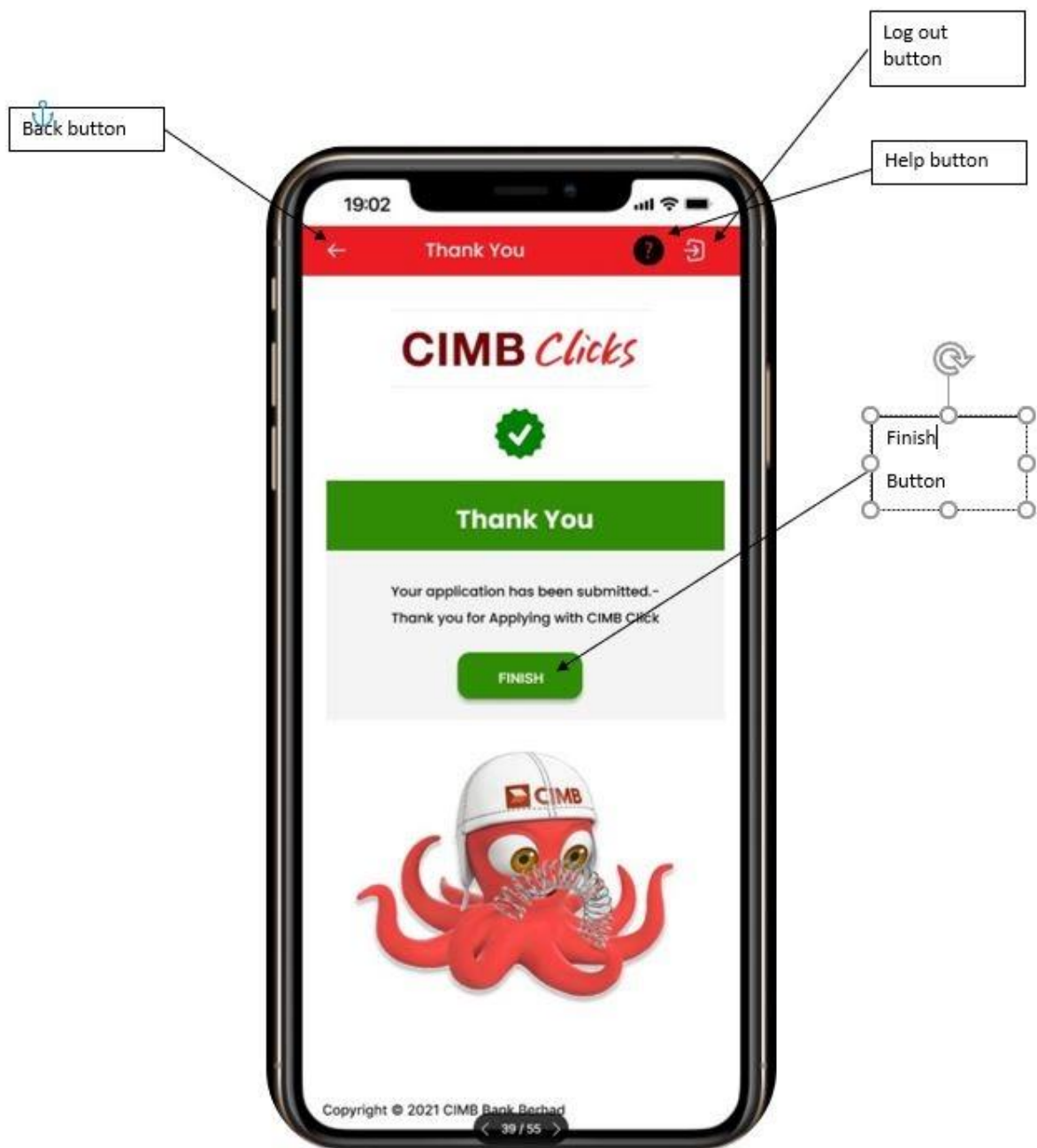


Figure 17: Finish page



#### **4.0 Conclusion**

In conclusion, in the CIMB loan Application system, the result of all diligence in a solid loan management system is here. CIMB Loan Application is an application that helps the user create a loan easily. This application reduces the amount of manual data import and provides more performance. Its system is very friendly and can easily be used by anyone. It also reduces the amount of time it takes to document customer information and other modules so the application performs all the tasks correctly and performs the task. Finally, we can say that CIMB Bank is worthy to be a digital-led bank with ASEAN Reach.

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