

Making a difference in the bottom line



INDUSTRY:

Banking

SOLUTION:

Loan Application Processing

“The new solution based on the Alero software has substantially reduced the consumer loan process, enhancing customer service and business efficiency while making a difference in the bottom line. The new solution focuses on performance, reliability and business continuity.”

K.W. Lee

*Deputy General Manager
Management Information
Team
KookMin Bank*

The Business

Kookmin Bank (KB), a 187.3 billion US dollars in assets bank with 17,000 employees, 26 million customers and 1,200 branches world wide, is South Korea's largest bank by both asset value and market capitalization. Although the institution's principal activity is the provision of commercial banking services—remittances, deposits, foreign investments, corporate financing, financial advisory and mid-to long-term funding, the consumer loan business is one of its fastest growing business segments.

The Challenge

With the merging of Kookmin Bank and Housing and Commercial Bank (H&CB), attempting to keep the consumer loan application process manually was unacceptable. The antiquated process was inefficient, slow and risky. Loan documents were handled, processed and stored manually; could not be shared with other branches and offices; and were often misplaced, lost or mishandled. KookMin Bank was in need of a reliable solution that allowed the bank to process consumer loans quickly and accurately, share information between offices securely, and store, manage, and process information efficiently.

The Alero Solution

After evaluating many of the IT consultants in the market, KB chose “SpenoCom”, which is the leading provider of banking solutions in South Korea and Alero Technology's exclusive distributor in the country. SpenoCom built a custom Loan Processing Content Management solution for KB where the documents were scanned, data entry was performed automatically using OCR/ICR technology, processes were streamlined and standardized, and information was electronically stored and securely shared with employees and customers.

The Bottom Line

“The new solution was able to cut the process from three days to one,” says K.W. Lee, Deputy General Manager of the KookMin Bank Management Information Team. “Documents are scanned at the branch and transferred electronically to a centralized office, where they are processed and stored. Once they are processed, the information is securely available to any authorized employee regardless of his/her location.”

The following tables compared the old manual process versus the new automated process.

Daily Average Loans	Average Pages Per Loan		Total Process Required Time
7,000-10,000	10		3 days

Daily Average Loans	Average Pages Per Loan	Corrected Pages	Total Process Required Time
7,000-10,000	10	7,000	1 day

KOOKMIN BANK

Headquarters

➢ *Seoul, South Korea*

Industry

➢ *Financial, Banking Sector*

Application

➢ *Loan Application Processing*

Solution Type

➢ *Content Management*

Daily Volumes

➢ *70,000 to 100,000 pages/day*

Daily Number of Users

➢ *5,000 average (up to 10,000 on peak days)*

Hardware

- Compaq P7000 Server
- IBM Enterprise Storage Server
- Miru MDS2500 Scanners
- Fault tolerant system

Software

- Windows 2000 Adv. Server
- MS SQL Server 2000
- MS IIS/Tomcat

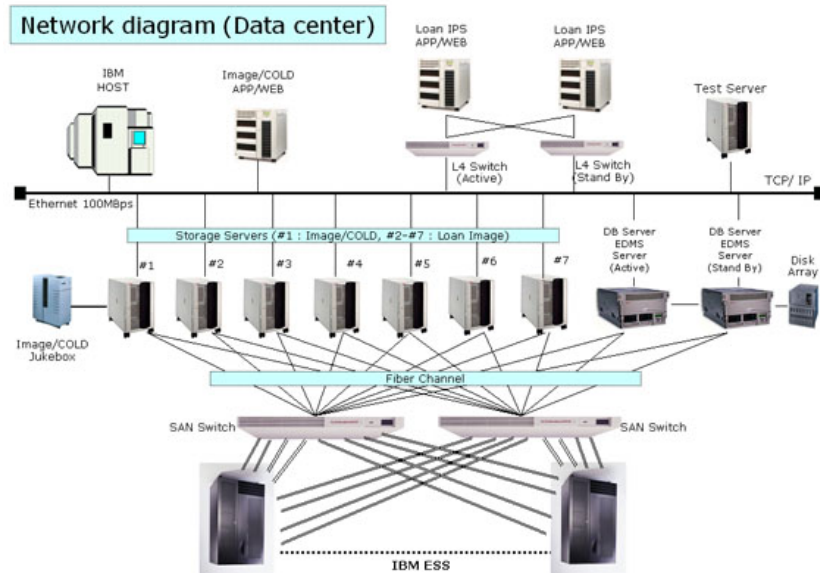
Alero Software

- Alero Framework v3.10
- Alero ECM
- Alero HSM

Benefits:

- Accelerated the entire process from end-to-end by transferring documents electronically after receiving them from the branch to the central processing office (Employees no longer needing to wait for mail delivery of documents at the end of the day.)
- Reduced total process time by two-thirds with less personnel and resources.
- Improved customer service and competitiveness by providing faster loans under standardized credit guidelines.
- Greatly improved loan document accessibility by handling, processing and centrally storing documents.
- Created and implemented a solution based on a scalable, distributable system that meets current and future transaction volumes and bank needs.

The System Design



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