

**Innovation has a price tag.
However, the results can really make a difference
in the bottom line.**

INDUSTRY:*Banking***SOLUTION:***Loan Processing*

“The facts speak for themselves: The process was reduced by almost 50%; the productivity was increased by 55%; the human resources were decreased by 16%; and the unit cost of processing a loan decreased by 41%.”

Y.C. Cho

*Deputy General Manager
Branch Reengineering Team
Korea First Bank*

The Business

Serving an estimated 5 million customers with 407 branches in South Korea, 6,000 employees and 55 billion US dollars in assets, Korea First Bank (KFB), now an integral part of the Standard Chartered First Bank, is the seventh largest commercial bank in South Korea and the country's eighth biggest lender bank. As such, a large percentage of the bank revenues come from lending products.

The Challenge

KFB wanted to transform its process of originating loan contracts and establish a technology foundation for the future. Because its approval method was manual, loans were taking too long to process, qualified loans were not always approved, and the criteria for underwriting was not standardized and changed from loan officer to loan officer. The bank wanted to transform lending operations by automating paper-driven processes, improving information sharing and offering customers faster and better service. In addition, KFB wanted to get more value from existing legacy systems and develop an IT environment that could more easily accommodate future technologies.

The Alero Solution

KFB turned to EDS (Electronic Data Systems) for help. Working closely with SpenoCom, Alero Technology's exclusive distributor in South Korea, and other vendors, EDS developed a solution that addressed the bank's existing needs and future goals. The new solution implemented a number of high-impact features that addressed KFB's needs, including:

- Consolidated loan-processing and customer-care functions into two synchronized central facilities.
- Reengineered retail loan processes through product rationalization and consolidation.
- Established enterprise wide business practices and standards.
- Utilized integration technologies to leverage KFB's legacy environment and enhance existing systems.

The Bottom Line

In just seven months, KFB was the proud owner of Korea's first centralized loan-processing facility, encompassing loan origination, underwriting, customer service, telemarketing sales and CRM, delinquency, credit management and Internet access. By automating tasks and improving collaboration, loan-processing time was reduced by 50 percent. Increased information sharing meant less fraud. In addition, customers can now be notified in minutes rather than days regarding the success of their loan application. Sales teams can base loan decisions on standard criteria, rather than on intuition. As a result, customers are more satisfied, employees work smarter and faster, and KFB is poised to expand and centralize other parts of its business in the future. In fact, Korea First Bank received a technology award based on its new Loans Processing Center.

KOREA FIRST BANK

Headquarters

➤ Seoul, South Korea

Industry

➤ Financial, Banking Sector

Application

➤ Loan Processing

Solution Type

➤ Content Management

Daily Volumes

➤ 130,000 pages/day

Daily Users

➤ 1,000 users

Technologies

➤ Infrastructure and technologies included OLTP, MIS, XML, SOAP, CRMS, EAI, J2EE, Web, COM+. Software packages included HandySoft's BizFlow, Experian, SpenoCom's Alero, SeeBeyond's e*Gate and EDS' proprietary SELLSTATION. The loans processing application was Sun Microsystem's J2EE.

Hardware

IBM RS/6000
HP 600 MX
Miru MDX2110 Scanner

Software

AIX v5.x
Oracle 9i
WebSphere
Pegasus InveStore

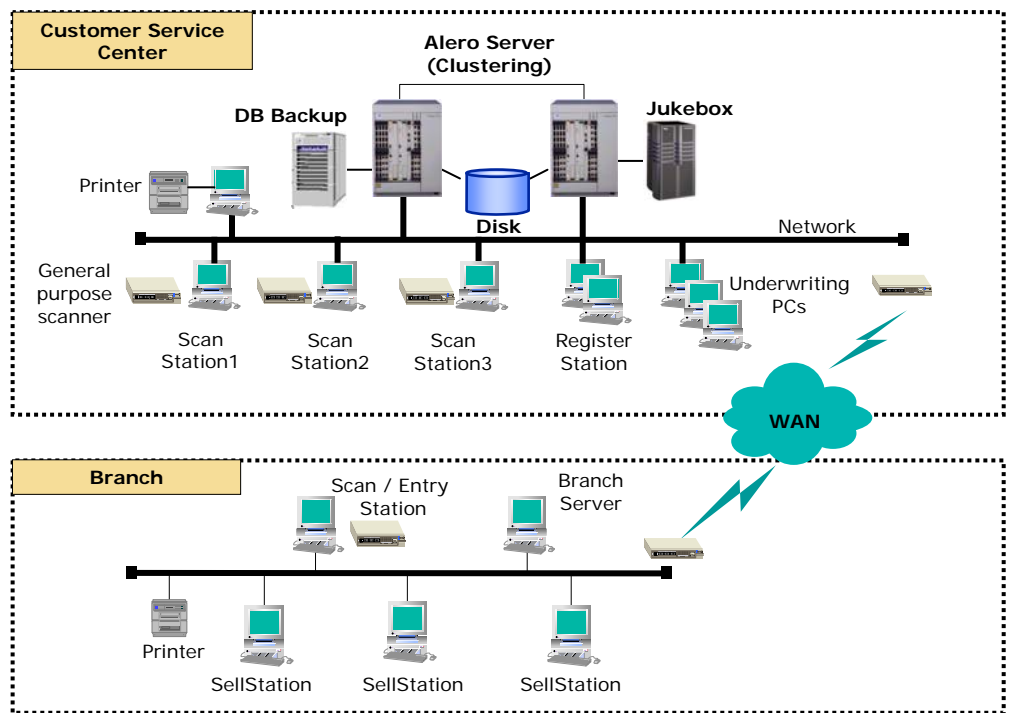
Alero Software

Alero Framework v3.10
Alero Virtual Server
Alero ECM
Alero HSM
Alero Import (HPI)

Benefits:

- Reduced loan-processing time from seven to four days.
- Improved customer satisfaction by delivering personalized customer service.
- Accelerated deployment of new products and services.
- Integrated multiple systems on one desktop, enabling more cross-selling opportunities.
- Provided a variety of selling features such as calculations, presentations and product information.
- Eliminated errors and improved loan accuracy.
- Enhanced corporate competitiveness and improved company image and customer loyalty by providing faster, more accurate loans with better customer service.

The System Design



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