

Merging two completely different financial institutions is a daunting task. It takes a solid solution based on a sound technology.



INDUSTRY:
Banking

SOLUTION:
All Documents Processing

"Merging two completely different financial institutions is a daunting task. It takes a lot of planning, a careful design, a phased implementation based on concrete milestones, and a solid solution based on a sound technology. Alero Technology's solutions have proven to be just that."

IL Sung Bang

Deputy Manager - IT Department
Shinhan Bank

The Business

Incorporated on September 1, 2001, Shinhan Financial Group Co. Ltd. (SFG) is South Korea's first financial holding company that delivers comprehensive financial solutions through a powerful One-Portal network. Their goal is to make continual improvements in their One-Portal network to meet all of their customers' financial needs and to secure their position as the leading financial service group in Asia. SFG serves more than 16 million active customers with 15,000 employees and 970 network branches nationwide. The company has 21 offices in nine countries, including the U.S., the U.K., Japan, China, Germany, India, Hong Kong, Vietnam and Singapore. Currently, Shinhan Financial Group is listed on both the Korea Stock Exchange and the New York Stock Exchange.

The Challenge

With the acquisition of the ChoHung Bank, the Shinhan Financial Group was facing a common acquisition challenge: how to merge its two banks, ChoHung Bank and Shinhan Bank, transparently to their collective customers, improve operations and efficiency, and reduce costs. The goal was clear: to provide a one-portal network to meet customers' financial needs and secure its position as a leading financial institution in the Asian market place.

The Alero Solution

SFG implemented a comprehensive business process re-engineer (BPR) plan based on seven IT initiatives. One of those initiatives aimed to expedite the handling and availability of documents and information by shifting processes from handling hard copy documents to electronic form.

LG-CNS, one of South Korea's largest system integrators was chosen for the monumental task. After evaluating the bank's technical needs and requirements, LG-CNS recommended Alero software from Alero Technology for the creation, management, storage, retrieval and disposition of all documents, including consumer and corporate loans, foreign trading, vouchers, billing and other documents. This decision was made by SFG after evaluating the potential solutions in the market, the leading solution domestically, which is an Alero solution, and the long, successful history between Alero and ChoHung Bank, which has been using Alero products since 2001.

The Bottom Line

Both banks have been seamlessly integrated, providing a transparent operation to their combined customers. Currently, the new system is in full production and is used at all 970 branches, processing approximately .7 million documents per day and managing in excess of 45 terabytes of information. With a completely redundant system that is available 24/7, the new Shinhan Bank, has ensured optimal availability and transparency to meet current and future needs.

SHINHAN FINANCIAL GROUP

Headquarters

➤ Seoul, South Korea

Industry

➤ Financial, Banking Sector

Application

➤ Voucher, Loan, Credit Card, Foreign Exchange, Billing, & Other Documents Processing

Solution Type

➤ Content Management

Daily Volumes

➤ 700,000 doc/day

Number of Users

➤ 1,000 – 5,000 Users

The following chart illustrates some of the volume characteristics of this solution.

| Documents To Process | Current Number of Documents in the System (millions) | Monthly Average Documents (millions) | Average Document Size (KB) | Requirements for Monthly Storage (GB) | Requirements Total System Storage (TB) |
|----------------------|--|--------------------------------------|----------------------------|---------------------------------------|--|
| Voucher Docs | 100.1 | 3 | 300 | 858 | 29.5 |
| Credit Card Docs | 52 | 0.7 | 100 | 67 | 5 |
| Billing Docs | 183 | 10 | 50 | 477 | 9.2 |
| Loan Docs | 21.4 | 2 | 70 | 134 | 1.6 |
| Total | 356.5 | 15.7 | | 1,535 | 45.3 |

Benefits:

- Allowed centralizing operations in order to improve specialization, standardization, and process efficiency.
- Improved operations at the branches resulting in more time for sales representatives to spend in marketing activities and customer service.
- Two banks integrated as one new bank, aligning IT with the bank objectives, One-Portal network.
- Improved process productivity and information interchange throughout the bank.
- Dramatically improved throughput process times while cutting costs and overheads.

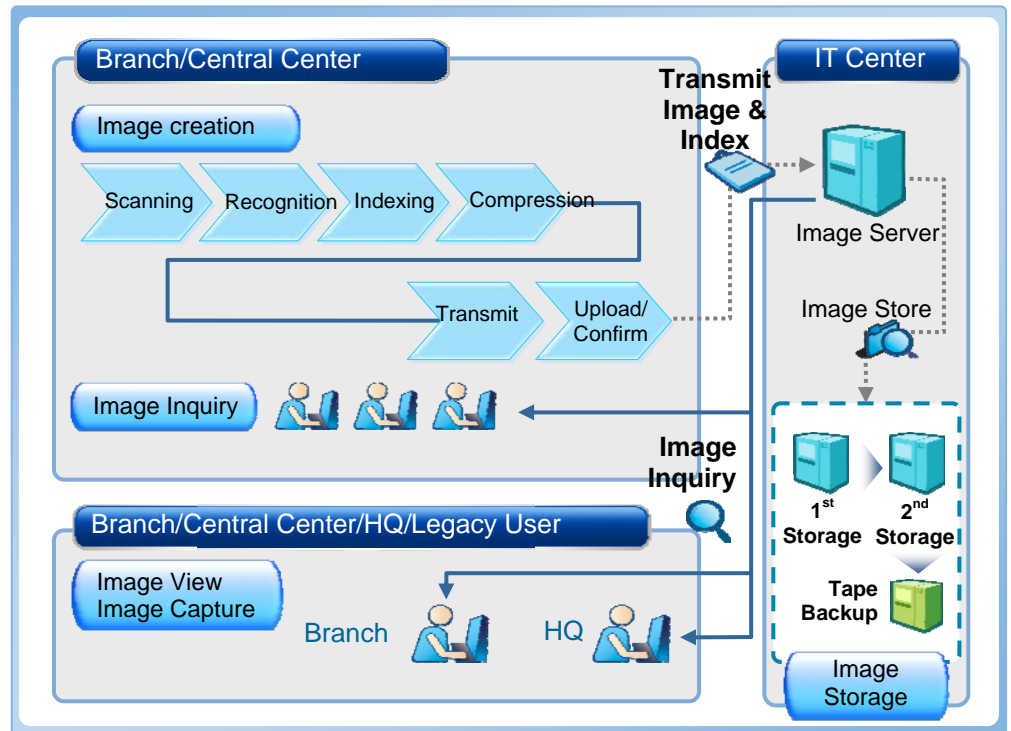
The Solution Design

Software

AIX v5.2
Oracle 9i
JEUS

Alero Software

Alero Framework v3.10
Alero ECM
Alero HSM
Alero Import (HSI)



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