

Hana Bank Increases Profits by US\$586 Million, Reduces Costs by US\$56.7 Million



Hana Bank
Seoul, Korea
www.hanabank.com

Industry:
Financial Services

Employees:
10,000

Oracle Products & Services:

Oracle Database
Oracle Real Application Clusters
Oracle Enterprise Manager
Oracle WebLogic Server
Enterprise Edition
Oracle WebLogic Integration
Oracle Service Bus
Oracle Solution Support Center

“Hana Bank chose Oracle Database and Oracle Fusion Middleware to rebuild its IT infrastructure with assistance from the Oracle Solution Support Center. As a result, we now have high-performing, scalable, and reliable foundation on which to run our business-critical systems. It will allow us to build a comprehensive financial network and strengthen our reputation as the best private bank in Korea.” – Kim Wangrae, Team Leader, System Operation Department, Hana Bank

Founded in 1971, Hana Bank is ranked as one of the world’s top 100 banks in terms of asset size. It is the flagship subsidiary of Hana Financial Group, the fourth largest commercial banking group in South Korea. Hana Bank has completed four mergers since 1998; the two largest were with Boram Bank in 1999 and Seoul Bank in 2002. It has won the Best Private Bank in Korea award from *Euromoney* magazine from 2005 to 2009.

In recent years, Hana Bank has embarked on strategies to increase efficiency, improve risk management, and enhance synergies across its businesses to boost competitiveness. The company had to revamp its IT infrastructure to meet its performance goals and gain the functionalities required, to carry out its new business initiatives.

Hana Bank selected Oracle Database and Oracle Fusion Middleware as the building blocks for its new infrastructure. By adopting a clustered grid framework, the bank has improved the performance, availability, and stability of its critical business systems. It has also built a next-generation sales and marketing system that integrates customer information and enables staff to identify opportunities in real time. Following the implementation of the Oracle solutions, Hana Bank has increased profits by US\$586 million and reduced costs by US\$56.7 million.

Deploying Next-Generation Systems

Prior to implementing Oracle, Hana Bank was experiencing significant issues with its IT infrastructure. The company had inherited a range of systems from its merger and acquisition activities. This resulted in a mismatched environment that was

Key Benefits:

- Increased profits US\$586 million
- Reduced costs by US\$56.7 million
- Ensured powerful performance and high availability with a clustered database framework
- Increased productivity by automating workflows
- Gained a complete history of customers, enabling staff to improve service and sales
- Enhanced competitiveness by improving time-to-market

complex and expensive to manage and maintain. It was difficult to integrate new technologies that would support business development initiatives and enable greater efficiency. Management, business users, and customers were also complaining about performance and availability, and the need to complete a large number of time-consuming manual tasks. These issues were impacting the bank's ability to be competitive.

Rather than fix elements of its infrastructure, in July 2007 Hana Bank began an ambitious project to rebuild its entire IT framework. The US\$287.8 million project would involve 16,000 man hours, spanning over 22 months and focusing on five key areas of improvement: customers, products, channels, management, and creating synergies with the Hana Financial Group.

Hana Bank used Oracle Database 10g with Real Application Clusters, and Oracle Fusion Middleware to build a clustered grid framework on which to run its critical systems. In addition, the bank built a new enterprise data warehouse and customer relationship management and strategic enterprise management systems. It also refined a product processing system for core banking and channel integration systems for internet banking.

Oracle WebLogic Server was chosen as the Web application server and Oracle WebLogic Integration to build interfaces between the channel integration, product processing, and various business systems. In addition, Oracle Service Bus was used to build an SOA-based channel integration system.

Profits Up, Costs Down

The current financial climate has made it more important than ever to have an IT infrastructure that can be easily configured to respond to changes. The Oracle solution ensures Hana Bank has the flexibility to do this.

The clustered database framework has improved performance, reliability, and scalability. It ensures business systems are available round-the-clock by spreading the processing workload across multiple servers and instantly transferring the load to other servers if one machine in the cluster fails. In this way, Hana Bank can ensure continuous services to customers and staff. The Oracle solution is also powerful—the bank can process more than 2,000 large-scale transactions a day with ease.

Productivity has also improved, as a large number of previously manual processes and workflows were automated.

Customer information that was previously held in separate systems has been integrated into a central repository. A multi-channel sales and marketing system enables sales opportunities to be shared across different channels in real time. And because staff can now view complete customer histories, they can improve service by up-selling and cross-selling the most appropriate product, based on their knowledge of the customer.

Following its next-generation system project, Hana Bank has seen a dramatic improvement in performance. According to a return on investment study by consulting firm Deloitte, the bank has increased profits by US\$586 million (KRW 713.1 billion) and reduced costs by US\$56.7 million (KRW 68.6 billion). In addition, Hana Bank has the critical data it needs to develop products that fulfill specific customer needs. It has also improved time-to-market for these new products.

Why Oracle?

Hana Bank evaluated several solutions before selecting Oracle Database for its strong industry track record in mission-critical areas. Oracle Real Application Clusters and Oracle Partitioning options were attractive as they are optimized for large volume online transaction processing, while Oracle Enterprise Manager promised to streamline management. The bank believed the clustered framework facilitated by Oracle would deliver the performance, availability, and scalability it was looking for.

Implementation Process

To ensure the critical infrastructure project was completed successfully, Hana Bank engaged the services of the Oracle Solution Support Center. A team of Oracle experts was available to conduct periodic inspections and tests to resolve issues. The bank could call these experts anytime through a dedicated hotline.

Through Oracle's assistance, Hana Bank was able to adopt a 'Big Bang' rollout of key systems. The Oracle Solution Support Center will continue to assist Hana Bank to manage the Oracle environment.

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