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Unprecedented transparency to consumer loans

QPR Conference 2018

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ΤΡΑΠΕΖΑ ΠΕΙΡΑΙΩΣ



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Piraeus Bank

Who We are

Headquartered in Athens, with approximately **12.9th employees**, Piraeus Bank Group offers a full range of financial products and services to approximately **5.2mn customers in Greece**. **Total assets** of the Group in Greece amounted to **€58.4bn**, **net loans to €39.8bn** and **customer deposits to €41.4bn** on March 31, 2018.

€58.4

**Billion
Assets**

Our Course

Piraeus Bank was founded in 1916. Since then, it has rapidly grown in size and activities, **representing today the leading Bank in Greece with 29% market share in terms of loans and deposits**. Along with its organic growth, Piraeus Bank has made a series of strategic acquisitions and mergers aiming to establish a strong presence in the domestic market.

€39.8

**Billion
Net Loans**

What We Do

Piraeus Bank today leads a group of companies covering all financial activities in the Greek market (universal bank). Piraeus Bank possesses particular know-how in the areas of medium-sized and small enterprises, in agricultural banking, **in consumer** and mortgage credit and green banking, capital markets and investment banking, as well as leasing and factoring. These services are offered through nation-wide network of **574 branches and 1,998 ATMs**, and also through its **innovative digital banking platform winbank**.

€41.4

**Billion
Deposits**

597 Branches

12.9 thousand Employees

5.2 million Customers



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Consumer Loans Automation

E2E workflow tool



- Implemented in 2007
- Automatic notifications, alerts, data controls – **all operations** are performed within the workflow
- Automated disbursement

Automated Credit Engine



- Implemented in 2016
- **Credit process automation** – automated aggregation of data from multiple sources to take a credit decision

Electronic doc uploads



- **OCR technology** to maximize document digitization and avoid manual errors in data entry

Linkage to external data



- **Fully automated data retrieval** from Teiresias
- **Fully automated data retrieval** from other Bank Systems

€39.8

Billion
Net Loans

€4.8

Billion
Consumer
Loans

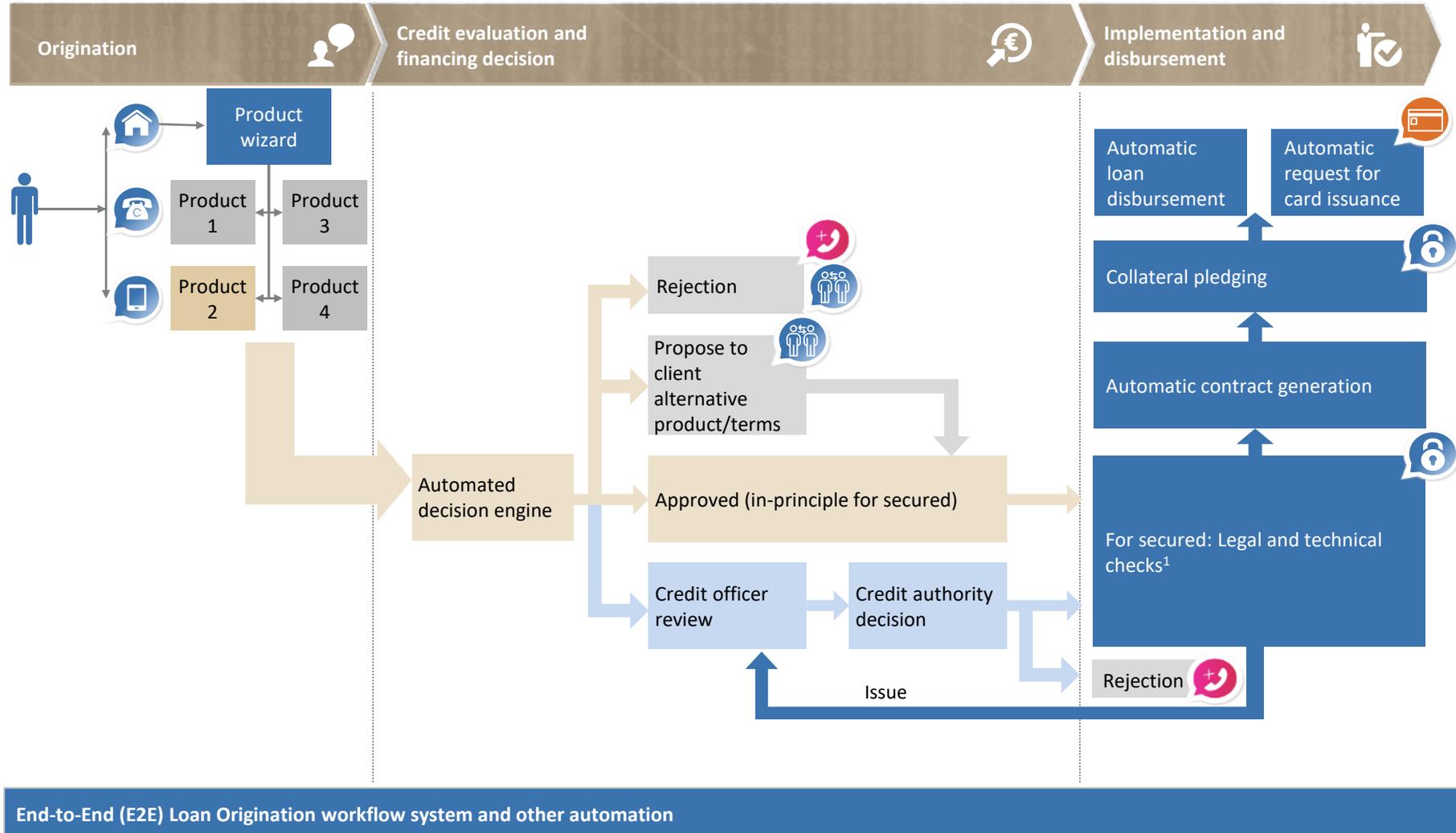
2.5

thousand
New loans
(monthly)

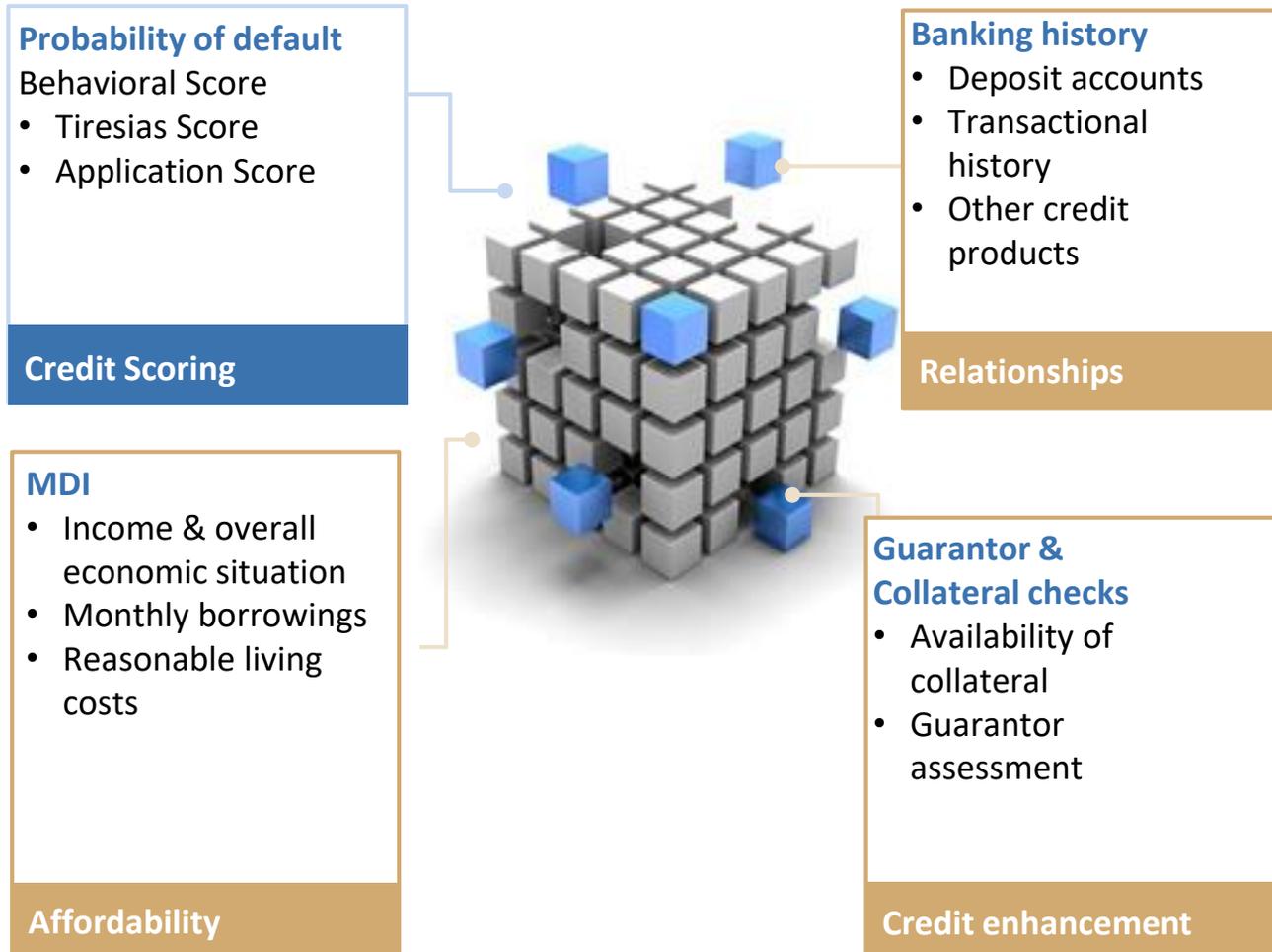
Automation of Loan Origination Process

 Steps applicable to secured loans

 Steps applicable to credit cards



Automated Credit Engine



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Consumer Loans Process Challenge

The initiative came with a steep challenge: **bring clarity into a process** which was often handled in a non-standard way.

Despite conducting several previous business analyses, resolution for **fundamental problems remained out of reach**.

Analysis of the process, by the traditional method of conducting interviews, suffered from **limited visibility**, subjective point of view and omitted exceptions.

The potential hidden in the data behind the process **remained untapped**

Business Needs

- 1 Create detailed end-to-end process map of selected loan process 
- 2 Identify the key bottlenecks in the selected process 
- 3 Monitoring of process flow reworks 
- 4 Monitoring of incoming/completed applications per product type/ origination channel 
- 5 Identification of deviations from the targets set when designing the process flow 
- 6 Identification of areas of improvement to optimize performance 

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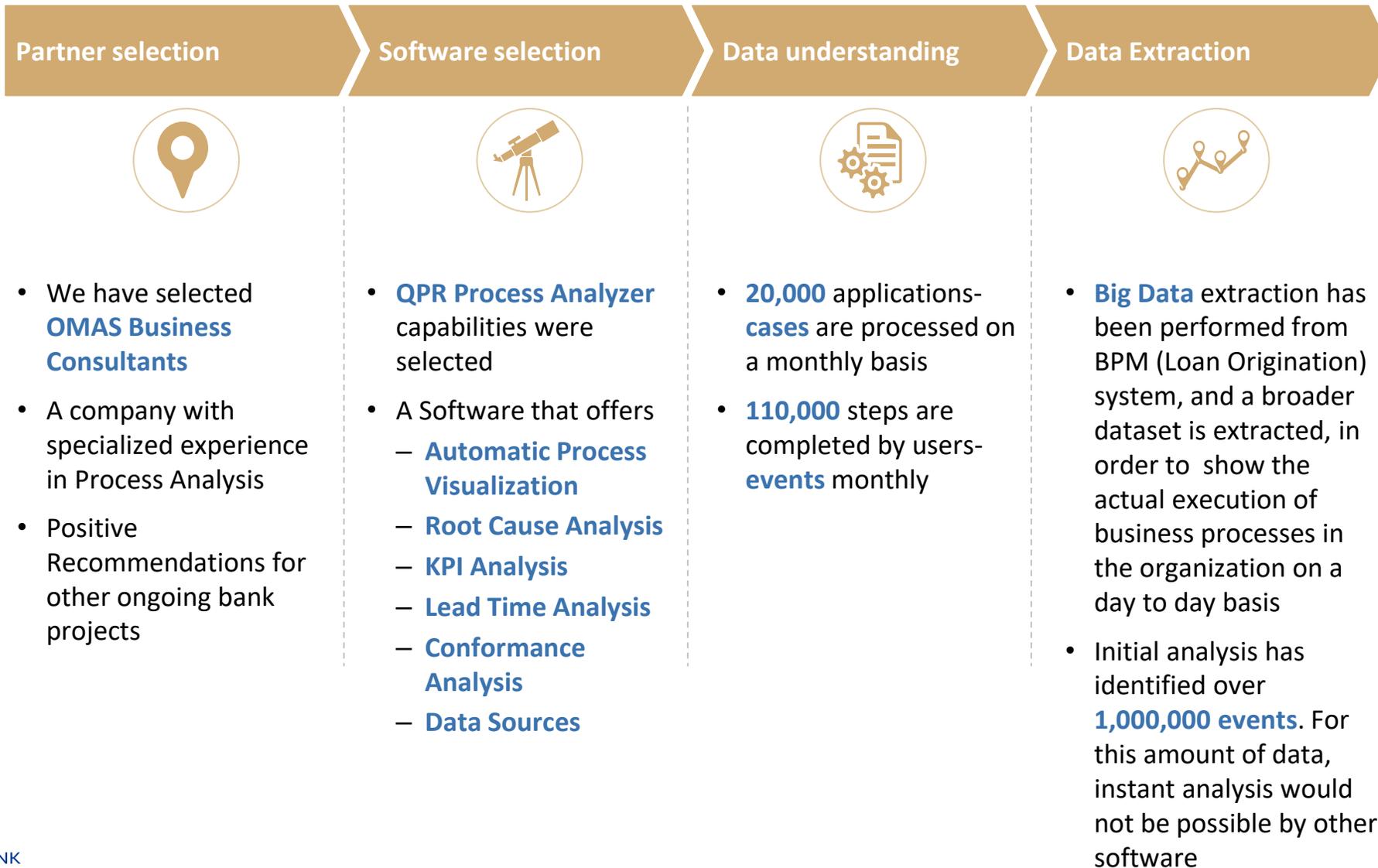
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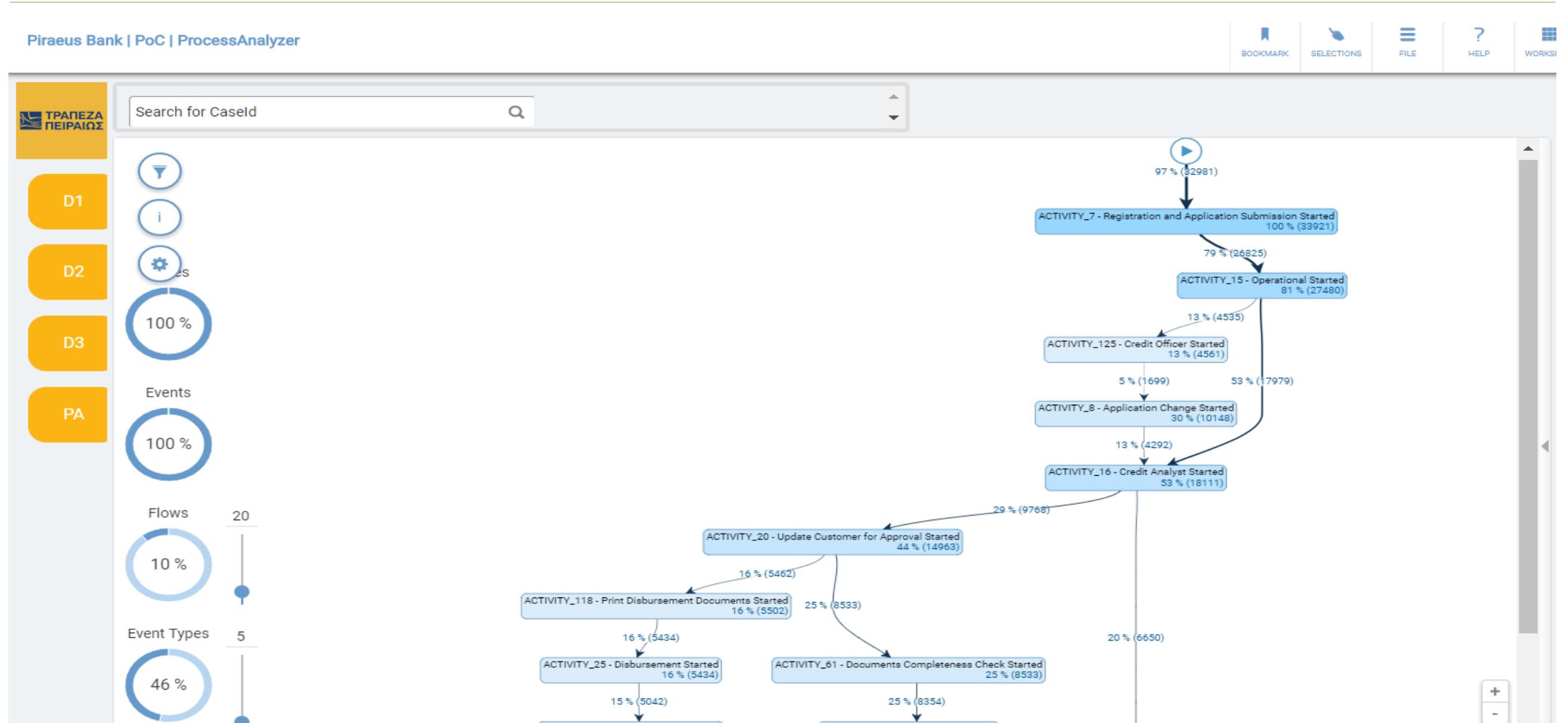
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Process Analyzer Flowchart



Unprecedented Result

As the analysis showed, the main pain point was a **lack of standardization** of the consumer loan process and multiple inefficient variants of the process. A lot of time was wasted by “**swimming against the flow**” of the process and returning to an already passed point in the process flow multiple times.

Thanks to **QPR powerful process visualization capabilities**, our partner was able to demonstrate the consumer loan process **bottlenecks** to the broader management, identify optimization points and make recommendations to improve the consumer loan process.

The implementation plan for making the loan processes more efficient and simpler was put in place. **Optimize Consumer Loan Process** and **Optimize Automatic Credit Decision**

Unprecedented transparency

1 Key bottlenecks, inefficient process variants, and their sources were uncovered



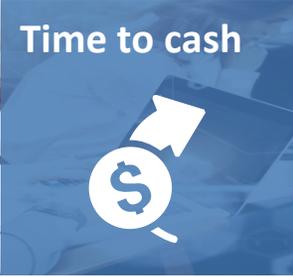
2 Differences in employee performance and their reasons were diagnosed



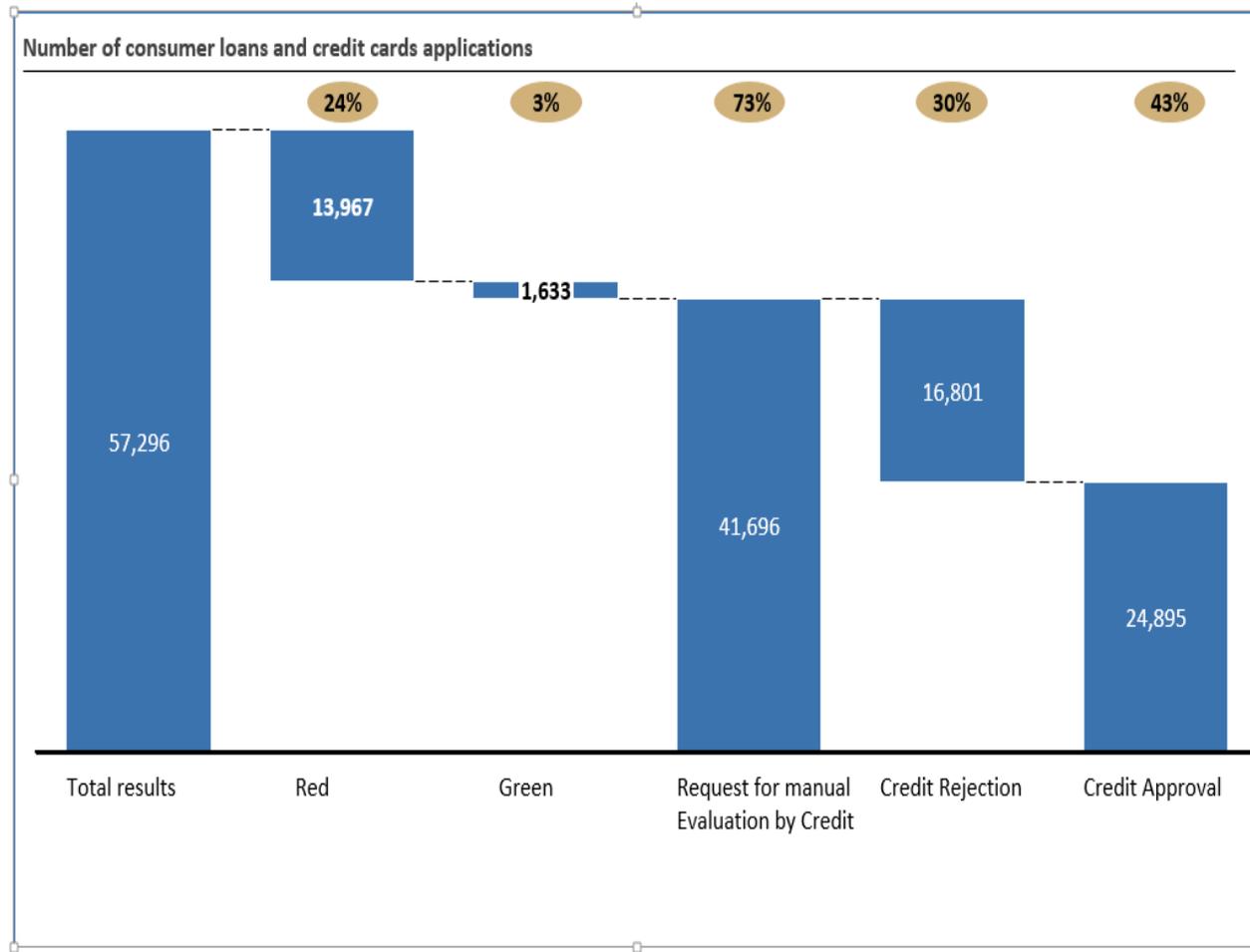
3 Process optimization points were identified



Optimized Consumer Loan Process

	Description	Unsecured loans			Secured loans		
		Actual	Target	Benchmark	Actual	Target	Benchmark
 <p>Time to apply</p>	Time that a customer spends for submitting an application	35'	5'	5'	40'	15'	5'
 <p>Time to yes</p>	Time that is needed between the customer application submission and the formulation of a final decision	1-2 days	<1 hour	Instant	3-5 days	<1 hour	Instant
 <p>Time to cash</p>	Time that is needed between the formulation of a final decision and the actual disbursement	2-3 days	< 1 day	< 1 day	1-3 months	<10 days	< 10 days

Optimized Automatic Credit Decision



Expected Results

	From ...	To ...
Red	25%	49%
Yellow	73%	15%
Green	2%	36%

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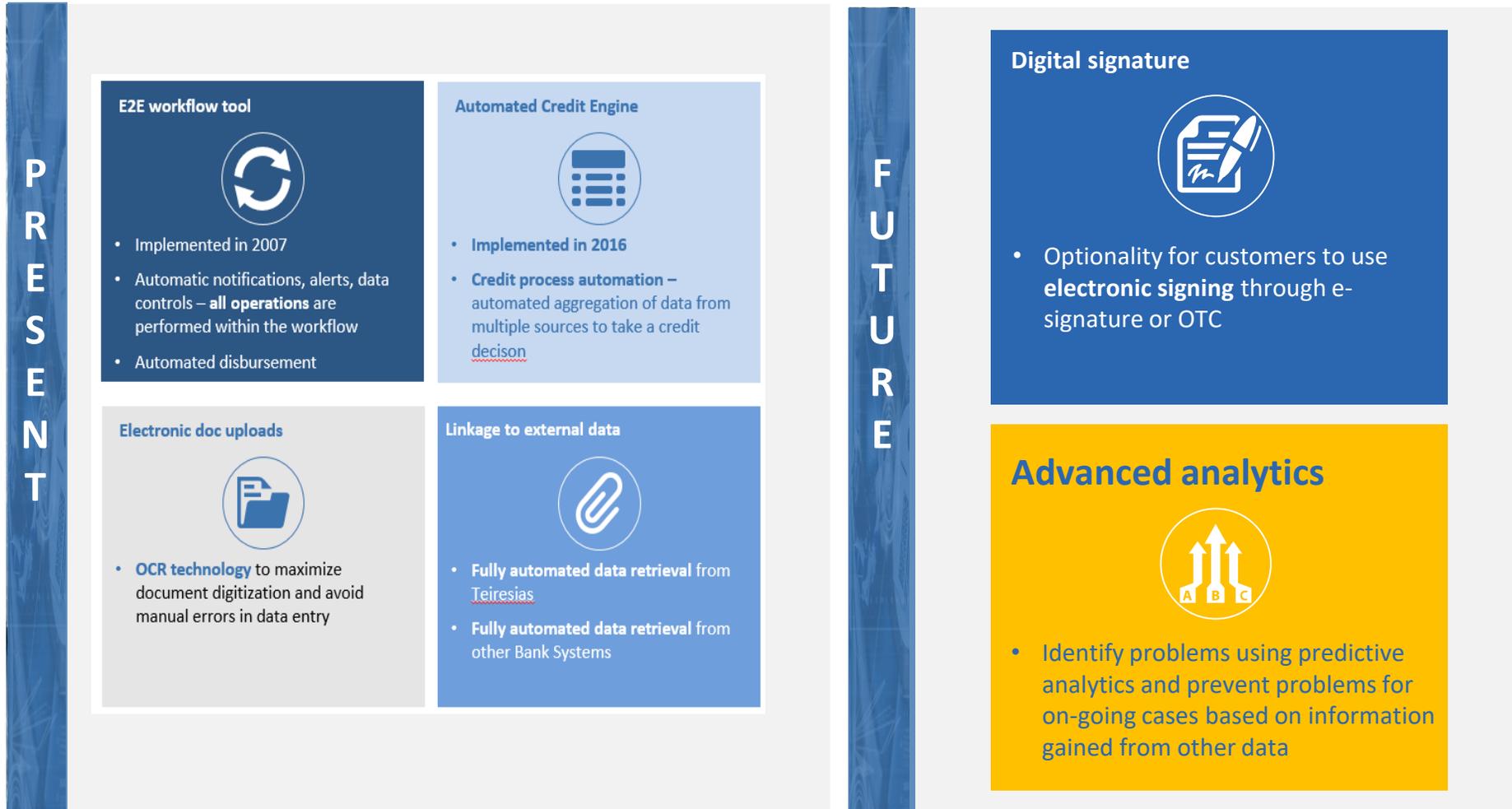
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Process Mining in the Future



End-to-End (E2E) Loan Origination enhanced workflow system and other automation

Thank you!!

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PIRAEUS BANK

ΤΡΑΠΕΖΑ ΠΕΙΡΑΙΩΣ

