

# Krung Thai raises its Profile

Krung Thai Bank went live on Profile, replacing its legacy Philips systems a few months ago. Shirish Pathak looks at the selection and implementation

After the year 2000 hurdle had been passed, Krung Thai Bank (KTB) turned its attention to its multiple legacy systems. The process gathered momentum when its new president joined in 2001. He gave a mandate for the IT architecture at KTB to be redesigned so as to provide for straight-through processing (STP) and for connectivity between branches. By the end of 2001, the bank had put together its requirements into a request for proposal (RFP) document, which was floated as a global open tender.

The Agricultural Bank Limited and the Provincial Bank Limited were merged in 1966, and the new entity was named as Krung Thai Bank Limited with the Thai government holding a majority stake. Now public, it has grown from a network of 81 branches in the sixties to over 600 domestic branches and twelve overseas offices and is the second largest commercial bank in Thailand. Part of its growth has been through its acquisition of Sayam Bank and First Bangkok City Bank, the latter adding more than 120 branches.

When the RFP was floated, KTB was using a legacy system from Philips in all its branches, running on Tandem and P9000 machines. A banking system from Philips would possibly surprise some today, since it belongs to the eighties. It might be interesting to know that, around 1991, Bank of Baroda had tried to implement the same software in its Churchgate, Mumbai branch, but cancelled the implementation after a while. In addition to the software from Philips, KTB was using Systematics for its general ledger and a couple of systems developed internally for handling loans and collaterals, deposits and internet banking. The bank had also developed a loan restructuring module during the Thai financial crisis. It had only limited connectivity between branches using the X.25 protocol.

After looking closely at a number of systems, including FNS's Bancs and, ironically, Fidelity's Systematics, Krung Thai



Khun Chaichan Kangwanpang,  
Krung Thai Bank

opted for the Sanchez-derived Profile, which was subsequently bought by Fidelity. Initial questions about scalability, due to the system's tie to a Unix platform, have been answered. A 100 per cent conversion, including migration of all 20 million customer account histories, was completed in late 2004. During the conversion, it appears that a mere 39 of the 14 million live deposit and savings-type accounts required manual intervention. Since then, 'a few million' loan accounts have also been converted.

Profile, while not the newest system on the market, is an established retail offering that has been broadened over the years while always (until the arrival of Fidelity) residing with a focused company. In addition, other applications were developed or bought by Sanchez which added value around the core. These included a Windows-based branch platform.

The system had traditionally been based on the Mumps-derived GT.M database but, a couple of years ago, Sanchez set about working on mainframe DB2 and Oracle

versions of the system.

At Krung Thai Bank, soon after the 'big bang' cut-over and running on a single Sun Solaris server, accrual runs were 'chugging away at around eight million per hour'. Average system response time quoted from the project document is 300 milliseconds, with an average 100 transactions per second, peaking at 200 per second. At the cut-over, the software was networked throughout the bank's 650 branches, covering Thailand's 73 provinces. The switch-on for over 5000 teller workstations is claimed by the supplier as the creation of 'perhaps the largest Unix core banking system that exists'.

Implementation and much of the 'customer facing role' was handled by Fidelity's Thai partner, TN Information Systems (TNIS). The partnership had been forged in 2001, and it was TNIS that was instrumental in gaining the nod from Krung Thai. The deal was struck in the second half of 2002, with the bank apparently being influenced in its choice by the experience of Sanchez's other user in the region, Bumiputra Commerce Finance in Malaysia. When Thailand's Bank for Agriculture and Agricultural Cooperatives decided to overhaul its core retail systems, Sanchez was among the suppliers to make the evaluation stage, along with Malaysia-based Silverlake, FNS and Misys. In the end, the bank opted for Temenos' Corebanking solution.

Why did KTB decide to replace its systems? 'It was becoming difficult to maintain and integrate multiple in-house systems,' says Khun Chaichan Kangwanpang, chief information officer, KTB. 'We had five different customer information systems, which have now been integrated under Profile.' The other reasons were the need for straight-through processing, which was not available in its existing systems, and the scalability of existing hardware, which was running out of capacity and had become obsolete. 📌