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A person wearing VR goggles. The lenses of the goggles show a perspective view of a digital tunnel. The tunnel's walls and floor are composed of a grid of small, multi-colored squares (blue, green, yellow, pink, purple) that recede into the distance towards a bright, glowing light source at the horizon. The person's face is visible below the goggles, looking forward.

**Into the Banking
Metaverse**

**Connecting to Banking Customers
Through Digital Innovation**

**ATMs at the Heart
of Convergence**

**HSFCU Creates a
New Branch Experience**

A person in a dark suit stands with hands on hips in the center of a long, brightly lit hallway. The walls and ceiling are covered in a dense pattern of small, multi-colored squares in shades of blue, green, yellow, orange, and pink. The floor is a blue grid pattern that recedes into the distance. The overall atmosphere is vibrant and futuristic.

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What 2022 May Bring

Starting my career as an analyst, I remember confiding in a mentor that I was second guessing my career choice in banking. I wondered if I should have chosen a profession that "meant more." She reminded me that banking infrastructure is core to the world economy and even more important to peoples' everyday lives. We as bankers are there for our customers, helping them navigate life and most importantly, there for them in their time of need. This guidance shaped my career, from underscoring the importance of manning all-night command centers to ensure stability during system conversions, to pushing the envelope in innovating around the consumer experience. There is a lot of negativity in the world that surrounds us at present, but there are also sparks of hope. Let's band together in 2022 to innovate around consumer experience and make the world a little bit better than where we found it.

In this issue of the Hyosung Market Bulletin, I am excited to discuss the metaverse and its growing importance in our banking economy. We will also look into innovation with a major Asian bank looking to make it easier to connect with advisors, a Hawaiian bank that has redefined the teller experience and changes coming to retail ATMs that will challenge our definition of what exactly an ATM can do.

Happy Reading,

Brad Nolan, CMO

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Hyosung America, the world's leading cash management and payments platform service provider, is the North American subsidiary of South Korea-based Hyosung, Inc. Since entering the North American market in 1998, Hyosung has grown from the largest provider of ATMs in the United States, to offering best-in-class, innovative and transformative technology solutions across the cash management and payments spectrum. Hyosung America is headquartered in Irving, Texas, and provides research and development support in its Global Software Center in Dayton, Ohio.

Into the Banking Metaverse

by Brad Nolan | Hyosung Chief Marketing Officer

Intro

The metaverse is coming. Change that - the metaverse is here.

Remember the days of Web 1.0? Dialing into the internet? Listening to the dial-up modem? You've got mail? Downloading web pages - one frame at a time - to read basic content? Hard to believe that is how we spent the 1990's and early 2000's - staring at our screens and consuming information. Then - in 2004 - our lives were forever changed with Web 2.0 bringing user generated content and user-to-user interaction. Facebook, YouTube, TikTok, LinkedIn - this is our world today. A world dominated by content creators - not just content consumers.

Fast Forward another decade and we now find ourselves in the early formation of Web 3.0, the third gen of the Internet. From a network of connected computers to the world wide web, Web 3.0 will take advantage of emerging device technologies to create immersive user experiences that will change the way we work, communicate, shop, exercise, travel and game.

Early Formations of the Metaverse

Remember Pokemon GO? You know, the 2016 gaming app that uses the phone's camera to allow you to navigate the physical world and capture virtual animated pocket monsters that look like they are standing in front of you. This is probably the most commercially successful representation of using augmented reality (AR) to date.

Around the same time, Facebook – now rebranded as Meta – acquired the lesser-known Oculus, a virtual technology company for a cool \$2 billion. Fast forward to 2022 and I would challenge you to find a single booth at the Las Vegas Consumer Electronics Show (CES) that wasn't displaying the virtual reality (VR) headgear.

And who can forget Stephen Spielberg's 2018 adaptation of the 2011 novel Ready Player One? It's a must see if you want to understand the technology. The point here is that AR and VR have received an early boost from the gaming industry. That however is all about to change.

Where We're Going

The metaverse - based on Web 3.0 technology will be a network of public and private spaces and places that go well beyond

gaming. These spaces and places can be categorized as 100% physical, 100% digital and hybrid physical/digital. The spaces are built by "Creators." Examples include personal living rooms, retail stores, restaurants, libraries, school rooms, conference spaces, concert venues, Niagara Falls and the Great Wall of China.

Network interaction can be done in-person and via audio devices, mobile phones, PCs, smart glass, video headsets, holograms, etc. The spaces are navigated by users who are represented as avatars – these avatars possess digital and physical assets (clothing, artwork, currency, etc.). Spaces can be used for retail shopping, entertainment, personal computing, conducting business, travel/tourism, hanging out, working out, relaxing, etc.

Properly executed, the metaverse will benefit consumers and business alike. It will be accessible across all computing platforms – VR, AR, PC, mobile, gaming – and available to everyone. It will enable users to be engaged more naturally vs. staring into a 2D mobile device or PC monitor. Instead of viewing content, you are in it and feel present with other people, objects and devices. Users will be able to teleport anywhere, anytime by removing barriers associated with the physical world (distance, gravity, disability, etc.). Flattening these barriers creates opportunity for those challenged by barriers. The metaverse will be a platform for enablement of new jobs and forms of entertainment, and it will re-imagine the workplace, improving productivity and personal interactions.

Ingredients for Success

Going beyond gaming will require 3 magic ingredients. First, we need commercially available applications, sites, worlds, etc. that create value for everyday users. An example here would be Horizon Workrooms, an app on Meta's Oculus that allows users to virtually meet in a conference room and ideate on a white board together. Sure you can achieve this via Zoom, GoTo, etc.–Horizon Workrooms however takes it one step further making it feel as if you are in the room with the other participants.

Another example is Skybox VR, which makes it feel as if you are literally sitting in a movie theatre watching your favorite flick.

Both applications however rely on the Oculus Quest VR headset – a cool looking, albeit bulky, contraption that looks and feels more like a helmet than actual eyewear. Never fear however, new technology is on the way that will transform these devices to something more lightweight and fit for everyday use inside and outside of the home.

Imagine walking down the street in your new pair of Ray-Ban's – which now double as your mobile phone. As you tap the side to take a call you look across the street at one of you favorite retailers and you see digital signage with offers tailored just for you.

Beyond that you are wearing smart "haptic" clothing which connects into your eyewear. As you step into the crosswalk you feel a brush on the side of your body and suddenly stop. Glancing to the left there is a bus - electric of course - quickly approaching down the street. You step back and let the bus pass before proceeding.

While value based apps and new everyday wearables will be table stakes to truly leverage the Web 3.0 experience, the ultimate key will be simplification of content generation, much in the same way Web 2.0 enabled anybody with a smart phone to contribute.

How Does This Apply to Banking?

Fast forward a couple years. Imagine sitting in your home office, wearing your favorite pair of glasses with bone induction earphones and smart glass, dressed in smart clothes and suddenly your view of the world changes. You feel something brush against your leg. As you look down you realize it's your daughter's latest pet creation - a rainbow-colored long-haired rabbit looking animal with an alicorn and feathered wings that navigates the floor like a cat and smells like a pina colada. As it runs off, your glasses alert you that there is a call waiting which you pick-up. It's your financial advisor Nate. The two of you agree to meet for coffee. You choose your favorite Parisian Cafe. Within seconds, the world you know dims and suddenly you are back at the cafe sitting next to Nate. Nate is dressed in his usual business attire - with his prized limited edition New York Yankees tie that he won in an NFT auction.

The aroma of espresso looms in the air as the waiter approaches you (was he real or AI generated?). You order your favorite drink which triggers the automated barista on your desktop to initiate brewing. The two of you stare into his virtual desktop as Nate pulls up the loan document you started online only minutes earlier. He wants to make sure you understand all your options

and informs you of a new offering that you may have interest in. After further discussion, you agree on terms and Nate asks if you would like to sign to move forward. You verbally agree and suddenly your tokenized signature is applied to what has now become a smart contract. As you sit and enjoy conversation and coffee, you once again feel a tug on your leg. Looking down you realize it is not the bunny with wings, rather your daughter reminding you that it's time to play.

Conclusion

Financial institutions big and small are laser focused on deepening relationships with customers by shifting from basic sales to advisory services and creating fantastic and immersive experiences. This means making it convenient to "virtually" connect regardless of distance in a time and place of the customer's choosing. Web 3.0 will catapult those institutions who choose to lead in this space as geographic boundaries in banking literally evaporate overnight.

Brad Nolan is the Chief Marketing Officer for Hyosung. In this role, he leads the charge on the design and delivery of new technology solutions that enable financial institutions and retail brands to enhance their user experience. Before Hyosung, Brad spent 20 years at JPMorgan Chase serving as the Managing Director of Branch Systems and Innovation.



"At Hyosung, we are excited to collaborate with our banking partners on their journey into the metaverse, creating a rich, immersive banking experience for their customers."

- Hee-Eun Ahn | Chief Executive Officer



A Trip Into the Metaverse With Ryan

by Ryan Loeb | Hyosung Product Director

Ready for a test drive? Getting into the metaverse is simple and there are several ways to jump in right now. Many websites and downloadable apps available in your favorite app store offer points of entry. Decentraland.org – one of the most popular – is available through a traditional browser. The Sandbox can be accessed via mobile app. Both are great ways to get acquainted.

There are many others as well – Somnium Space, Cryptovoxels, Zepeto to name a few. But the problem with web and app access points is the two-dimensional experience really mutes the whole purpose of the metaverse. They lack immersion and you don't feel like you are physically "in" the digital space. Future technology is aiming to change that in a big way.

Now that you're in, where to next? Well really, that's for you to decide and that's one of the coolest things about the metaverse – it's in a perpetual state of build-out, so there are really no limits. Many early creators are there to make money. Just like the gold rush days, there is money in "them thar digital hills." Investing in digital asserts in the form of local currency, land or art and collectables in the form of NFT's seems to be the thing to do right now. Companies, celebrities and everyday consumers are buying lots or parcels of digital land. As the metaverse becomes more commonplace, these investments are likely to go up in value.

There is no true or final "metaverse," and probably never will be. It is ever changing. At present there are several individual spaces and communities focusing on different experiences and core principles. These spaces and communities however are not connected – for now. Think of this as cities or towns but no roads have been built to connect them together.

When we refer to the future metaverse, this is what it should look like, interconnected spaces where currency can be exchanged – a standard currency may emerge, items can follow the user, land can be traded between. While rules may differ from one "metaverse city" to the next, one city may have a Tokyo feel while the other may have Paris look. Governments will likely get involved so censorship and privacy may be issues with certain spaces and not in others.

So take the leap and play around. Grab your kids' Oculus when they are not looking and say hello to our future.



Ryan Loeb is a TCR industry expert with over 15 years of experience in Financial & Retail cash automation. He has guided financial institutions and technology companies of all sizes in their approach to adopting successful TCR implementations. Over the last 6 years Ryan has held roles in TCR Product Management, Sales Strategy, & Relationship Management.



ATMs at the Heart of Convergence

by Michael Graham | Hyosung VP of Retail Strategy

Intro

The ATM has been a beacon of innovation since its introduction in 1967 in the United Kingdom. 50 years later, we recognize the transformational change in banking introduced with the ATM. ATMs have consistently been a change agent, signaling shifts in consumer banking and self-service expectations.

However, retail and banking ATMs have walked separate paths to meet industry and customer needs for decades, often deliberately mapping innovation and transformation to achieve specific industry needs or address regulations without material prospects to mutually share the benefits between either vertical.

Banking focused on broadening self-service capabilities on ATMs to drive efficiency and customer access specific to their constituents. Innovation was driven as bankers viewed the ATM as a strategic customer channel. Ultimately, the ATM became a catalyst for branch transformation and operational cost reduction efforts. Due to the lack of simple-to-operate deposit platforms, retail ATM owners focused their attention to primarily cash dispense functionality. Innovation zeroed in on costs and size efficiencies, which subsequently led to the evolution of the retail ATM from a novelty to ubiquity.

New Drivers for Banking/Retail ATM Convergence

New drivers of convergence have quickly emerged, providing opportunities for once bifurcated paths to merge and benefit both consumers and the banking and retail industries alike. For banking, the steady march towards digital and self-service, amplified by the pandemic, has forced bankers to re-examine expansive brick and mortar branch networks. Banks are now focused on the quality of experience and less on the quantity of branches. In parallel, the total cost of ownership for FI ATMs has continued to drop, with efficiencies such as recycling delivering greater efficiency for cash operations.

The ubiquity of retail ATMs has led to greater access and convenience for banked consumers, though under-bank and unbanked consumers remain isolated from accessing banking like services. Furthermore, the acceleration of digital banking

and ensuing influx of non-traditional FI companies - Fintech, Neobanks etc. - has resulted in demand for cash on and off access ramps.

Furthermore, macro forces such as rising consumer expectations regarding personalized digital and mobile experiences or shrinking labor and skilled work pools, are pressing retail and banking ATMs to morph capabilities. For example, Retail ATM owners are now inquiring about cash recycling as cash services and operational expense threatens margins. Bankers are re-thinking offsite and leave-behind ATMs, looking to outsource those endpoints at lower costs without marginalizing their customer experiences. Conversely, traditional vertical paradigms haven't completely dissolved. Retail ATMs must continue to maximize the value of their occupied real estate. As such, this shift in capabilities opens a myriad of opportunities for advance service offerings



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- Contactless/NFC and Win10

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- Simple, DIY installation with intuitive design for easy connectivity to our leading retail solutions - 2600SE (Halo II), 2800SE (Force), 5200SE, 5300SE, 5400SE
- Modular functionality to support robust authentication with barcode, ID and camera options
- Supports up to 2,200 notes for deposit



and value-added transactions, which could serve undeserved banking consumers at Retail ATMs. Equally, Bankers haven't lost sight of their constituents expectations at their ATMs, and are increasingly warming to lower cost distribution models charted by Retail.

New Solutions

Emerging ATM and cash management solutions are now helping ATM owners and retailers to unlock capabilities, driving customer foot traffic and loyalty, while simultaneously driving new revenues and reducing operating expense.

For example, small footprint recycling ATMs – once exclusive to banking – are being used to extend cash handling efficiencies to retailers. Furthermore, these same ATMs can be empowered to do more than just dispense cash or provide a balance statement.

By leveraging 'app store' like capabilities and simple, low-cost component upgrades, retail ATM owners can easily transform basic cash dispensing ATMs into self-service payment kiosks to support services such as cryptocurrency purchases, money remittance, bill payment and traditional banking deposits – creating value for consumers, banks, retailers and ATM operators alike.

Michael Graham is the VP of Retail Strategy & Solutions for Hyosung. In this role, he helps retail customers make decisions about transformation products and unlock the value of those investments. Prior to joining Hyosung, Michael worked at Wells Fargo Bank in both the Retail Banking and Technology business units, developing and implementing many transformative solutions and products.

The Rise of Self-Service Kiosks

by Michael Graham | Hyosung VP of Retail Strategy

Whether you're checking in at the doctor's office, supersizing your combo meal or checking out at the grocery store, the use of a self-service kiosk has become an innate customer experience for most of us. With the return to physical 'in-person' post the pandemic, our new normal of 'point and click' shopping has forced businesses to accelerate omni-channel transformation, spanning online and in-store experiences. As a result, self-service kiosks have leaped into the limelight as a leading tool to enhance customer experiences.

It's clear today that self-service kiosks are now considered an essential part of the customer experience journey. While the features of self-service kiosks vary by industry, the benefits are fairly common:

- Customer controlled user experiences
- Decreased wait times
- Operational efficiency / Staff optimization
- Multi-service functionality (one system can provide information and take payments, for example)

Augmented by the proliferation of self-checkout kiosks in grocery stores and big box retailers, consumer's preferences for self-service kiosk have shifted significantly in a just over a decade.

- 73% of consumers were in favor of self-service checkout options as compared to 46% in 2012.¹
- 65% of customers said they would visit a restaurant more often if self-service kiosks were offered versus just 42% in 2014.²

What's really driving positive sentiment around self-service kiosk use? The answer - it's all about control. Customers have become accustomed to almost everything they need being at the touch of a finger. That means speed and efficiency are now viewed as non-negotiable expectations and drivers of customer satisfaction.³

85% of retail consumers now see self-checkout options as quicker than traditional, cashier led checkout.⁴ Retailers are gravitating quickly to kiosks to offload non-value added tasks to lower costs channels while their employees focus on higher engagement/ value added service. Let's not forget the obvious staff optimization efficiency combined with improved customer experiences.

Maybe more enticing is the significant upticks in the average 'spend per person' as well at a kiosk. Fast food chains using

self-service kiosks indicate consumers spend an average of 12%-20% more when they order with their eyes and touch than when ordering from a cashier. McDonald's indicated in their own proprietary research that they have increased average ticket size by 30% since introducing self-ordering kiosks in 2017.⁵

Self-service kiosks are quickly finding their way into new industries. Doctor's offices and hospitals are now leveraging the efficiencies of kiosks to optimize patient check-in. In fact, for those medical offices offering check-in kiosks, 58% of patients gave top customer service marks.⁶ Self-service kiosks are starting to provide access ramps to digital services, including hi-tech services like buying crypto currency. Case in point, the global crypto ATM market size has an expected growth rate of 58.5% from 2021 to 2030.⁷

Furthermore, the integration of gaming technology to a self-service kiosk deals a wide range of benefits for customers visiting casinos, card rooms, and video gaming parlors. Customized components such as bill acceptors, card readers, and ticket printers enabled these kiosks to meet the operational needs of gaming establishments. For example, a ticket redemption kiosk with cash out slot machines could ticket to the penny, eliminating a trip to the cage.

The future of the self-service kiosk looks bright with the global market forecast projected at 6% from 2021-2022⁸, with 41% of that growth expected to originate in the US.

Understandably, as businesses evaluate the move to self-service kiosks, they should consider the extensibility of the solution to adapt to customer changing demands. Launching summer of '22, Hyosung will be introducing the MetaKiosk, a purpose built self-service kiosk initially targeting Cryptocurrency and Gaming industries. However, staying true to Hyosung's legacy of modularity, the MetaKiosk has an inherent flexible design allowing for easy integration and low cost upgrades to support multiple self-service solutions.

For example, the Metakiosk will support Bitcoin purchases in a Convenience store today, but with simple enrollment to Hyosung Cloud Services (fall of 2022), the kiosks easily pivots to support a utility payment, a money transfer to Mexico or a top-up to a prepaid phone plan. Emerging industries such as Cannabis would harvest the benefits of automated check-in and could facilitate curb-side orders and fulfillment. Gas stations could redirect cash paying consumers to self-service versus standing in line to put '\$20 on pump #5'. Truly, the possibilities for the MetaKiosk will only be limited by the imagination of the business owner searching to deliver optimum customer experiences.

¹ Forbes, ² TouchBistro 2022, ³ Kiosk Market Place 2022, ⁴ Total Retail 2021, ⁵ Tapbox 2022, ⁶ NRC Health 2022, ⁷ AlliedMarketResearch, ⁸ Market Analysis - Technavio



Hawaii State Federal Credit Union Creates a New Branch Experience

New Technology, Greater Convenience for an Improved Member Experience
by Laurie Weber | Hyosung Director of Major Accounts

Intro

Hawaii State Federal Credit Union (HSFCU) was founded in 1936 by the state of Hawaii workers and serves nearly 124,000 members across the state of Hawaii and the rest of the United States. Its membership encompasses current and retired state employees as well as their immediate families.

"We want to be an active contributor in our community. That's why it's so important to us to expand our presence in areas where our members live and work. Whether it's through financial education or by offering competitive, high-quality products and services, we want to show our members that we recognize their needs and are here to support them. Better financial health contributes to a more vibrant and engaged community, which benefits everyone."

- Aaron Valley | Senior VP of Retail Experience and Operations, Hawaii State Federal Credit Union

The Challenge

How can the credit union shrink its footprint, bring technology to its members, and continue to connect the credit union's employees with its members? As HSFCU created a strategy for their next-generation branches, one thing was important; they did not want to lose the member experience. As credit unions grow, there is a greater need for additional resources to serve its members and continue to provide the best member experience. Being able to serve the underserved population and bring technology to its members remains important for HSFCU.

"When our members walk into a Hawaii State FCU branch, we want them to have access to our full array of products and services, and have the option to engage with our employees. Whether it's for a simple transaction, or a sit-down discussion about an account or financial planning, we want to be able to offer our members options and flexibility. Hyosung's branch transformation solutions have made this possible."

Innovative Solution

Hawaii State Federal Credit Union's solution was to connect their ATMs directly to their core banking application to transform its branches and design a teller line that enhanced the member experience. Before the pandemic, HSFCU celebrated the opening of its Salt Lake branch in August 2019. The Salt Lake branch piloted new technologies, helped create a process to

build opportunities in underserved areas, and prepared HSFCU for an unprecedented pandemic.

HSFCU digitized the member experience and increased efficiencies so employees could assist all members that walked in while maximizing self-service capabilities. New features include ATMs with expanded self-service, core-connected ITMs with palm vein identification, digital touch engagement stations, and digital brochures. The branch was designed with Teller Pods integrated with Hyosung's core connected ITM. This enables employees to engage with members when they need help and continue to educate members on the new technology. This new integration has allowed the credit union to use its employee resources more efficiently during high transaction times and has streamlined the way members' service needs are met.



"What sets Hawaii State Federal Credit Union apart from our competitors is our innovative thinking, blending high quality service and cutting-edge technology to effectively serve our membership. Our strategy involves utilizing technology to stay ahead of the market and keep up with changing consumer needs and expectations. We are an industry leader among credit unions in launching new technology and services that improve the member experience."

As HSFCU migrates towards self-service technology, branches remain a primary focus for the credit union. The new branches will incorporate extended services and provide additional banking opportunities to members in underserved areas throughout the state of Hawaii. Implementation and

understanding of how members engage with the branch's technology and employees are important when choosing the right partner and solutions. HSFCU partnered with Tetralink and Hyosung to implement new solutions and services for the Salt Lake branch which provided a roadmap to building the Ewa Beach branch and the Downtown Pop-up branch.



Hyosung's MX8800 was the ideal machine for the Salt Lake branch transformation project, and the support Hyosung provided in customizing the software was vital in the success of this rollout. With a major emphasis on self-service transactions and individual account maintenance, the solution has surpassed the credit union's expectations and provides members with a simple way to access all of their account information. The solution was implemented in 6 months.

Improved Member Experience

The credit union improved productivity and set the stage for building smaller branches. Member satisfaction with the core integrated ITMs scored at 95%, higher than in-branch satisfaction, an impressive 93%. They have exceeded expectations with 70% adoption of in-branch transactions. Tellers have been able to be redirected to relationship-building activities with members including the new role of a universal banker to engage members on the new technology offerings to enhance the member experience.

New Branch Offerings

The adoption rate in using the ITMs was surprisingly positive among the traditionalists and baby boomers. Over 20,000 transactions are conducted on the ITM in self-service, and this number is expected to grow as members become more comfortable. Overall, 97% of survey respondents said they would use the ITM again. Employee and member training was a big reason for the positive response.

Across Salt Lake, Ewa Beach, and Queen's Street, HSFCU implemented several new technologies: core integrated ITMs, Recycling ATMs, palm vein authentication, and a complete digitized journey. At HSFCU's core integrated ITMs, members can conduct all of their basic banking transactions at the ITM. Choreography was a central part of the branch, making the placement of the ITM important. The credit union wanted members to see the benefits of the ITM and how it did not replace human interaction but enhanced it. Adding these technologies empowered its staff to assist every member on their banking needs and build deeper relationships. All employees were universally trained to help conduct transactions on the ITM, conduct loan interviews, complete loan closings, and open new accounts

Continued Benefits and Improvements

The Queens Street branch, a temporary branch in downtown Honolulu, is a 400 sq. ft. pop-up branch that provides a teller-less, assisted self-service experience equipped with 2 core integrated ITMs. The vestibule provides a safe, contactless space for members to conduct transactions without stepping into a full-service branch. Queens Street operates near paperless, a long-term goal for HSFCU.

"There's always new technology being added to Hyosung's software, such as pre-staging and check cashing for non-members. This allows us to continue moving forward with implementing new things to further enhance our members' experiences. Understanding Hyosung's software roadmap and how it aligns with our credit union's vision was important. We're happy to know that we chose the right partner"

- Ish Eustaquio | Senior VP of Retail Delivery, Hawaii State Credit Union

Based on its success, HSFCU is expanding micro branches into existing retail store locations. These micro branches will allow member services comparable to a traditional branch without sacrificing the high-level of service their members have become accustomed to.

Laurie Weber serves as Director of Major Accounts for Hyosung. She has more than 30 years of experience in the Financial Services industry, managing infrastructure technology applications and services, leading large-scale enterprise projects and providing comprehensive technology solutions. Laurie is focused on encouraging and assisting clients in the adoption of advanced industry-leading technologies, resulting in increased revenue, improved efficiencies and enhanced overall customer experience. Prior to joining Hyosung, Laurie was Senior Vice President at Bank of America/Merrill Lynch where she held a variety of technology leadership positions.

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Multiple customer authentication options including contactless and biometrics

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Connecting to Banking Customers through Digital Innovation

A Shinhan Bank Case Study

by Bill Budde | Hyosung VP of Financial Strategy

Intro

Financial institutions are always looking for new solutions to meet their customers' evolving needs in the rapidly changing banking industry. Bank branches have undergone digital transformation in various areas, but the teller and banker desks have remained largely untouched. Moreover, in the wake of the COVID-19 pandemic, customers have become less likely to want to engage in face-to-face services, which means branches are in need of new and innovative solutions to service customers.



The Challenge

Shinhan Bank - Korea's first bank established in 1897 - faced many challenges along with COVID-19: increasing consumer expectations, digital ecosystem change, disruptors from big tech companies and COVID-19 anxiety. Shinhan had several pain points: responding to uncertainty, branch reduction while customers still needed physical banking, strengthening market leadership and improving the experience for both consumers and employees.

The Solution

Shinhan collaborated with Hyosung to continue to evolve its branch with a complete transformation of their branch environment. The first generation of their 'new branch' launched in 2011, followed by a second generation in 2015 and the third and latest generation in 2021. The first-generation branch transformation targeted younger consumers to engage with technology they expected. The second-generation branch featured the digital teller desk, which was launched with an intuitive UI/UX and ergonomic design that enabled video teller and palm vein technology.

The latest generation branch focused around a revolutionary 'Human + Digital' Banking experience by evolving the legacy digital teller desk into a Digital Lounge providing a private, safe, and convenient environment where customers can engage with bankers face-to-face digitally through remote services. The solution features a fully integrated touchscreen work area for customers to input data and sign forms, eliminating paperwork and streamlining processes for both the customer and the bank. It offers simplified authentication through palm vein biometrics and ID Scanners. Personal information is digitized through the scanner and is secured by the latest digital encryption technology. Screen sharing and mobile phone mirroring functions allow for more seamless transactions and a more personalized environment.

Shinhan Bank offers a private, safe, and guided banking environment through Hyosung's innovative Digital Desk.



Employee productivity and customer satisfaction significantly improved by integrating numerous technologies such as video banking, biometric authentications, and digital documents into a single space. In addition, contactless devices, a glass partition, and even a self-service option protects the health concerns of all parties.

The Digital Desk solution is optimized for branch digital transformation and can be quickly implemented to alleviate many of the problems plaguing today's bank branches. The solution uniquely bridges the gap between physical and digital banking including:

1. Improved Employee Efficiency

The Digital Desk allows for faster and more accurate work processes by shifting work to the digital space.

2. Improved Client Experience

The large LCD screen provides a more comfortable and clear view for the client. Clients are easily guided by the conveniently placed digital signs which ensures that they remain fully aware and informed during the entire transaction process.

3. Strengthened Brand Leadership as a Digital Bank

The Digital Desk demonstrates thought-leadership in terms of true digitalization and branch transformation by reinforcing the bank's commitment to omni-channel platforms.

The Impact

1. Performance

Initially, Shinhan was concerned that customers might be reluctant to try the Digital Desk because of the perception that it is too complicated. However, since its installation, results show it is being used regularly. Customers have found that the Digital Desk saves them time, allows them to access more features whenever they want, and gives them greater privacy.

2. Satisfaction

Overall customer satisfaction has been better than expected. Customers have found the Digital Desk to be easy to use. In addition, branch customers found that their service times have been reduced to as little as five minutes by using the Digital Desk – it positively impacted their banking experience.

3. Efficiency

The bank is able to more efficiently deploy resources, serving customers across their geographic footprint via centrally located bankers and tellers.

Summary

Although there is widespread adoption of digital banking channels, the need for in-person branch visits is still quite high. The Digital Desk makes use of contactless technologies and a focus on paperless processes to enhance the customer branch experiences and reduce the environmental impact.



Bill Budde is the Vice President of FI Strategy for Hyosung. In this role, he helps banks and credit unions make decisions about branch transformation technology and unlock the value of those investments. Prior to joining Hyosung, Bill worked at JPMorgan Chase in both the Retail Banking and Merchant Processing business units, developing and implementing many self-service capabilities.



"By leveraging technology like Hyosung Connect's Digital Desk, financial institutions can create convenience for their customers while also solving for AML/KYC risks tied to higher risk banking activities."
 - Cristina Moe | Vice President, Legal

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