

Press Release

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Nonghyup Bank & FIST Global win best governance & credit risk project award

- Nonghyup Bank partnered FIST Global for governance and credit risk project.
- NCVS calculates more stable and reliable results for lower-level asset portfolio contribution VaR.
- Inaugural The Asian Banker Technology Implementation Awards, Korea received over 60 submissions from more than 30 financial institutions.

Seoul, South Korea, 24 October 2013 – Nonghyup Bank and its technology partner FIST Global have been named as winners of the Best Governance & Credit Risk Project, Korea Award for the year 2013 during The Asian Banker's inaugural Technology Implementation Awards (TIA) Korea Programme, at the Lotte in Seoul, Korea on October 22nd, 2013.

Nonghyup Bank partnered FIST Global for governance and credit risk project

Nonghyup Bank enhanced its credit risk management system to deal with changes in the international financial environment by developing a new mark-to-market credit value at risk (VaR) system.

The old system could not provide intermediate data required for further analysis. The bank partnered FIST Global to develop the system for its loan pool (consisting of retail accounts), and implemented a new credit VaR engine, as well as a data mart and reporting system.

NCVS calculates more stable and reliable results for lower-level asset portfolio contribution VaR

Nonghyup Bank's credit risk measurement methodology adopts well-established models and utilises various statistical and numerical analysis methods with its own developed methods to calculate credit risk statistics. "The programme's ability to keep previous relevant data allows for a major improvement in computing Monte-Carlo simulations. Moreover, the algorithm's ability to run while using only a fraction of CPU enables it to allocate more power to heavier processes," said Bertrand Pigeon, Senior Research Analyst, The Asian Banker.

Through implementation of the new system, the bank managed to enhance its credit VaR. NongHyup Credit VaR System (NCVS) now calculates more stable and reliable results for lower-level asset portfolio contribution VaR. Newly developed memory saving technique of NCVS improves Credit VaR system performance and saves storage space and cost.

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The Asian Banker Technology Implementation Awards (TIA) Korea is designed to identify emerging best practices as well as implementation goals and challenges that the industry can learn from. It is an important component of The Asian Banker's vendor selection programme which is designed to benchmark implementation best practices in the industry. Details of the programme, methodology and scorecards can be found on the Bank Technology Monitor website (<http://tech.theasianbanker.com>).

This programme uses the same criteria as The Asian Banker Technology Implementation Awards and focuses solely on the achievements in the Korean retail banking industry. For its first year in Korea, TIA received over 60 submissions from more than 30 financial institutions submitting project details for evaluation.

The country level technology implementation awards programme is being run in conjunction with the widely recognised Asian Banker Achievement Awards, introduced in 2006.

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The Asian Banker is the region's most authoritative provider of strategic business intelligence to the financial services community. The Singapore-based company has offices in Singapore, Malaysia, Hong Kong and Shanghai as well as representatives in London, New York and San Francisco. It has a business model that revolves around three core business lines: publications, research services and forums. The company's website is www.theasianbanker.com

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