

Press Release

Embargoed for 11th May 2016

## **Fubon Financial Holding awarded for Achievement in Market Risk Management Award for 2016**

- **Fubon Financial Holding collaborated with academia to develop a pricing model for bonds with embedded options and an economic scenario generator model**
- **Built an enterprise data management platform**
- **Incorporated a pricing system to enhance pricing and risk measurement**

Hanoi, May 11<sup>th</sup> 2016 - **Fubon Financial Holding received the award for Achievement in Market Risk Management** for 2016 in The Asian Banker Risk Management Awards Programme. The programme is administered by The Asian Banker under its prestigious annual Business Achievement Awards programme. The awards ceremony was held in conjunction with The Asian Banker Summit 2016, the foremost annual meeting for decision makers in the financial services industry in the Asia Pacific region, held at JW Marriott Hanoi on 11th May 2016.

### **Fubon Financial Holding collaborated with academia to develop a pricing model for bonds with embedded options and an economic scenario generator model**

Ratings agencies praised the bank for helping its life insurance subsidiary, Fubon Life, build an advanced market risk management mechanism, and gave a positive appraisal of the system. The achievement was also recognised by domestic regulators and helped Fubon Life gain approval to raise the cap on its overseas assets, which helped expand the scope of its global portfolio, enhance portfolio returns, and give Fubon Life more flexibility in managing it.

### **Built an enterprise data management platform**

The platform was integrated with Fubon Financial Holdings' own advanced scenario modules and became an important start and link element in its integrated market risk management system. The system uses real-time market data powered by Thomson Reuters, which provide the bank real-time market monitoring capability across different trading hours.

### **Incorporated a pricing system to enhance pricing and risk measurement**

Fubon Financial Holding carried out a project to enhance the pricing and risk measurement of exotic forex and interest rate derivatives, incorporating a pricing system recognised as an international benchmark through a partnership model. The system was successfully integrated with the bank's market risk management system using in-house technology. It can run a large volume of calculations to measure value at risk, and perform stress tests based on Fubon Financial Holding's own scenarios.

The project used financial engineering software to build distributed and parallel computing pricing functions on the host server that can run many types of market risk measurements together with other pricing systems in batch mode. This integrated application was the first of its kind in a Taiwanese financial institution.

About 1,000 delegates attended the awarding ceremony, consisting of industry specialists, senior bankers, regulators, service providers, and decision makers from leading institutions in Asia, the United States, Europe, and Latin America, where opinions and responses of practitioners to global issues are shaped.

The The Asian Banker Risk Management Awards Programme, administered by the Asian Banker, is Asia's most important annual recognition of risk management on a number of critical areas affecting the banking industry featuring leading practitioners from a cross-section of banks and global regulators. A stringent three-month evaluation process based on a balanced and transparent audit-based approach is used to determine the awardees.

### **About The Asian Banker**

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, Manila, Hong Kong, Beijing and Dubai 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](http://www.theasianbanker.com)

For further information on the collaterals for awardee-banks, please contact:

**Ms Gladys Tan**

The Asian Banker

Tel: +65 6236 6174

[gtan@theasianbanker.com](mailto:gtan@theasianbanker.com)