

대한민국 No.1 유통. 금융리더

NH NongHyup

IT Status of the NACT

October 6, 2010

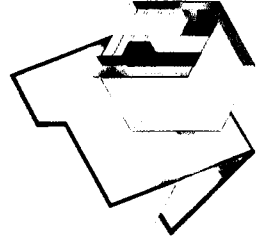
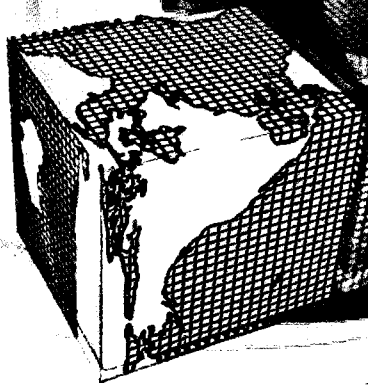
2010

AGENDA

- I. General Information
- II. On-Line System
- III. Systematization by Business
- IV. Achievement & IT vision

Our Path to Success

General Information



Our Path to Success

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- NACF proceeds with various projects for national economy.
- NACF IT Division serves on a successful business as the best IT services.

| Education & Support

- Farmer organization local Cooperative support and management consulting
- Eco-friendly produce farming support
- Improving Farmers' living quality
- Various social contributions

| Stock Farming

- livestock products distribution·processing·export
- Quality food safety livestock production
- Eco-friendly livestock consulting
- Livestock products supply and demand control and superior species spread

NACF business operations

| Farming

- Farm machine pool campaign
- Superior produce and representative brand upbringing
- Farming materials and the necessities of life supply
- Produce supply and demand control and superior species spread

| Banking & Insurance

- Banking, Credit card, Insurance, securities as a comprehensive financial services
- Loan to households and companies, Funding support from government
- Receipt rates and taxes and local autonomous entity safe agency
- Rural loan supply

• NACF has enhanced IT services to grow into world-class Cooperative comprehensive financial group.



09.01.28. New Finance System
08.10.27. Agri-business Integration System

- 2007. 11 Financial accounting System Initiated
- 2006. 09 Completion of the DR Center(Anseong)

IT unification & Unit task downsizing < 2003 ~ 2005 >

- 2004. 01 IT unification & downsizing completed (LOAN, Insurance, Credit Card)

Next-Generation On-line System < 1998 ~ 2002 >

- 2000. 12 Integration of 3 IT systems (NACF, NLCF, GCF) Completed
- 2000. 09 Built up NACF's Next-Generation On-line System
- 1999. 09 Built up NACF's Next-Generation On-line System
- 1999. 08 Internet Banking System initiated

Total On-Line System < 1991 ~ 1997 >

- 1995. 09 NACF Total On-line System initiated
- 1994. 02 NACF Total On-line System initiated

On-Line System < 1979 ~ 1990 >

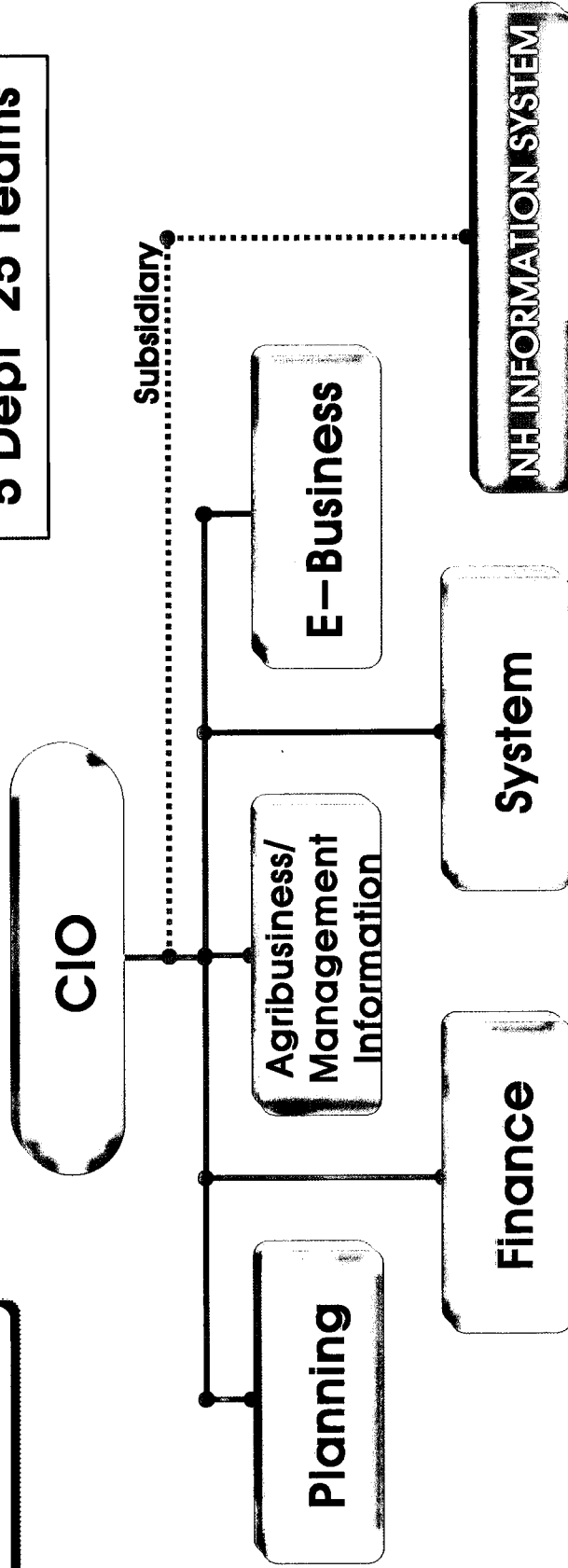
- 1985. 12 First Implementation of On-line system in the NACF
- 1979. 11 First implementation of On-line system in the NACF

IT SERVICES

Our Path to Success

Organization Chart

5 Dept 25 Teams



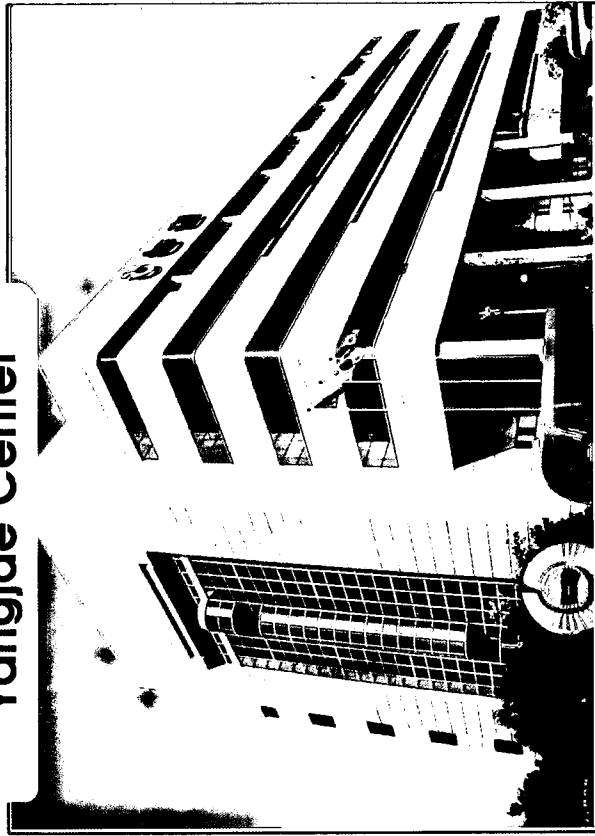
Stats

[PERSONS]

Classification	Employee	Temporary	Total
NACF ITD	528	34	562
NH INFORMATION SYSTEM. CO (SUBSIDIARY)	224	20	244

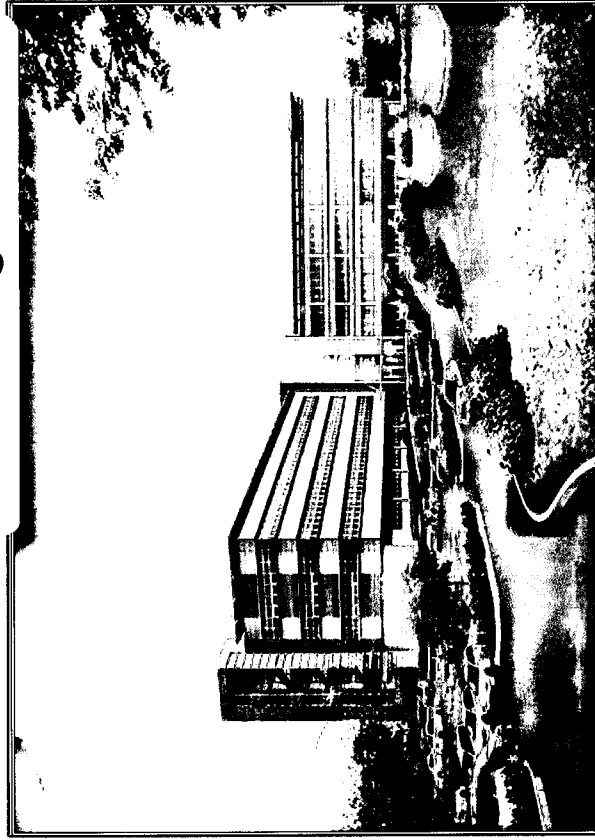
ITD Center

Yangjae Center



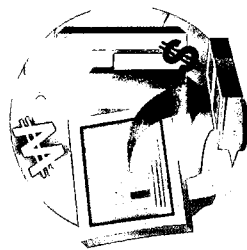
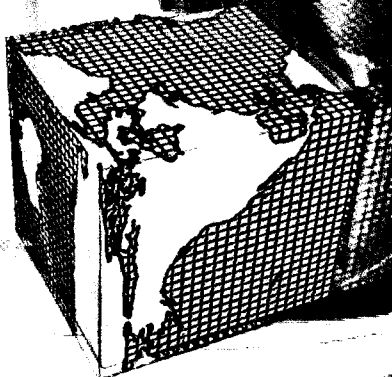
- Land : 15,355 m²
- Building : 21,835 m²
 - 6 Stories, 3 Floors Underground, Annex

Anseong Center



- Land : 18,662 m²
- Building : 16,497 m²
 - 4 Stories, 2 Floors Underground

On-line System



Our Path to Success

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II. On-line System

On-line office & Equipment

(basic date : the end of August, 2010)

On-line branches and 365 ATM booth

On-line offices

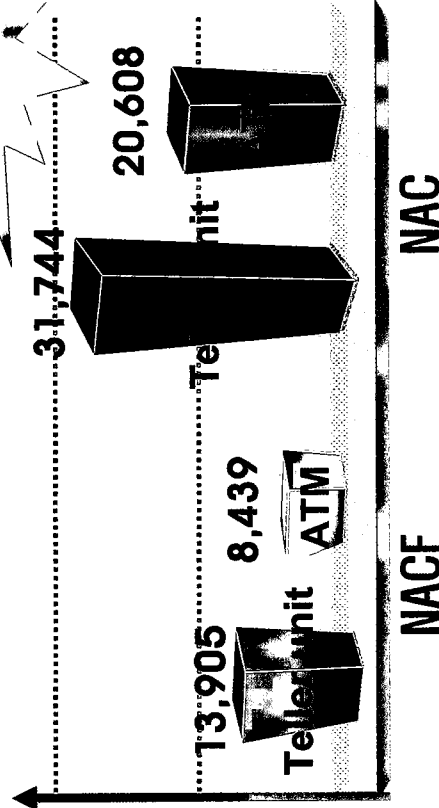
Classification	NACF	NAC	Total
# of offices	1,150	4,381	5,531

365 ATM booth

Classification	NACF	NAC	Total
# of booths	921	3,598	4,519

On-line banking Machines

Total 74,696



NH new banking system

role	# of servers	CPU (Core)	Memory (GB)
Core Banking	13	592	2,567
Loan, External, Firm banking, etc.	10	442	1,652
Grand Total	23	1,034	4,219

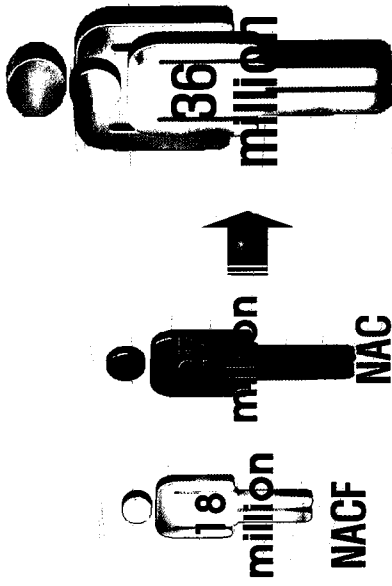
others ● Production : 589 ● Developing : 99

II. On-line System

Customers/ On-line transaction/ Automation

Customers

70% of population



Total customers (avoid overlapping)

Customers and accounts (unit : 1,000)

	NACF	NAC	TOTAL
Customers	18,663	26,983	45,646
accounts	41,160	72,905	114,065

※ NACF, NAC overlapping : 35,961

On-line transaction

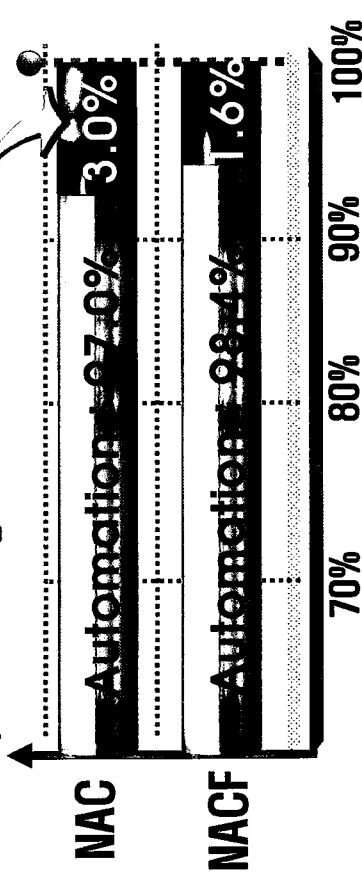
(unit : 1,000, basic date : August, 10)

	NACF	NAC	TOTAL
Daily average	19,068	24,060	43,218
Daily Max	37,737	46,856	84,593

※ '09. 1. 28. one day total : 125 million

Automation

→ ATM, e-Banking transaction



Teller

→ Face-to-face



NAC

Automation: 7.0%

NACF

Automation: 1.6%

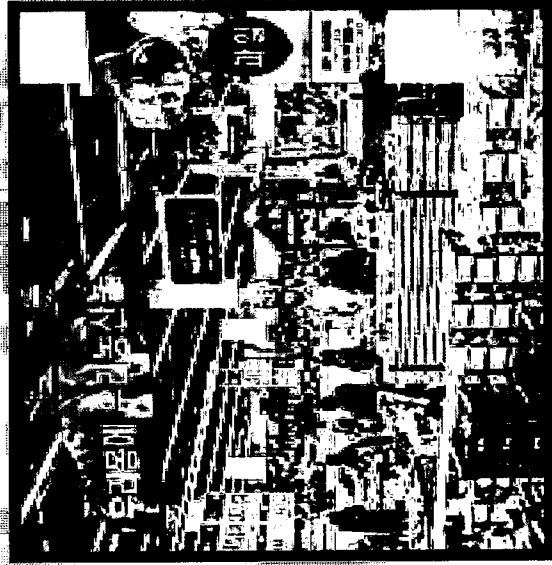
※ Pure customer bound transaction

(Basic date : August, 2010)

Supply · Marketing sites

Business sites

Business sites		[Unit : sites]	
Hanaro Mart /Hanaro Club	Daily necessities Logistics center	6	4,404
	Produce Distribution Center	15	
Total			



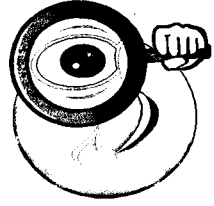
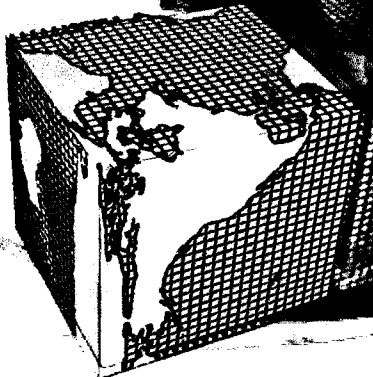
Sales performance

(Unit : USD)

Centers	Volume
Produce	3,686,515/day
Distribution center	2,626,970/day
Total	6,313,485/day
Daily necessities Logistics center	120,140,105/ month

※ Daily necessities suppliers : 11,546 companies

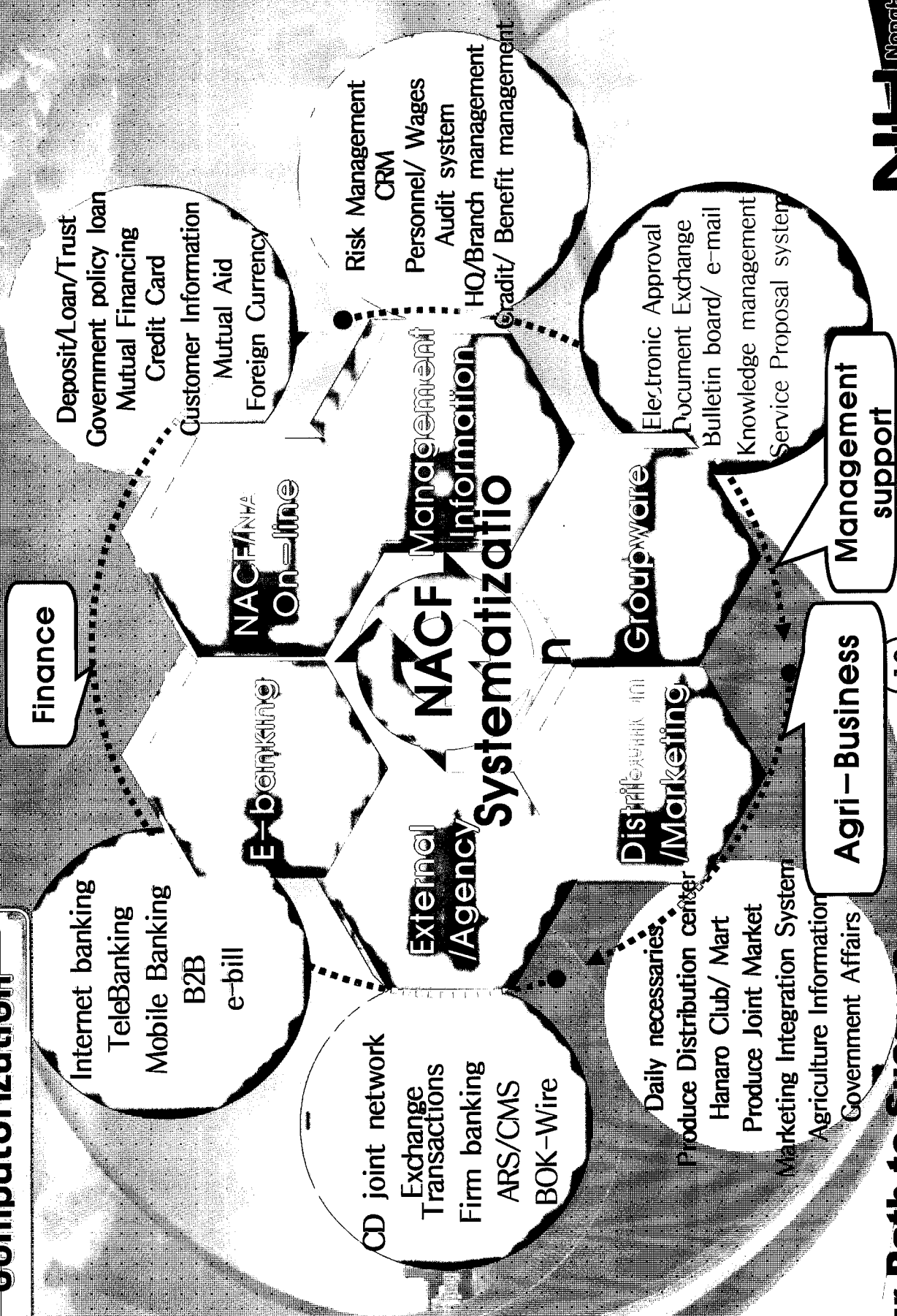
III. Systematization by Business



III. Systematization by business

Computerization status

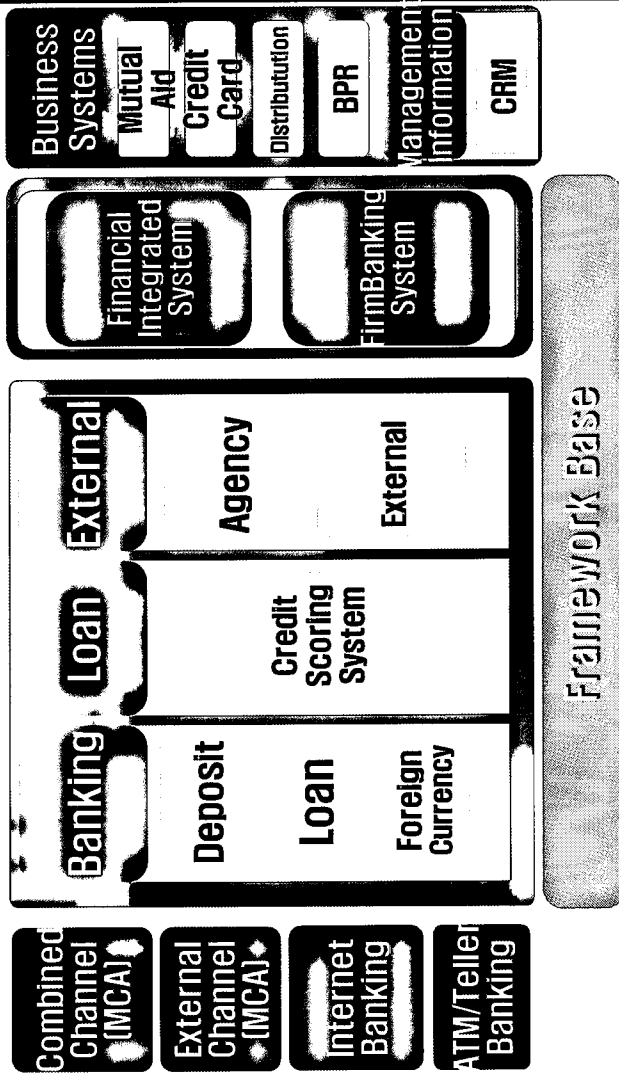
computerization



NH new Banking System (Finance)

- Deposit/Loan/foreign/external/agency systems are rebuilt on Service Oriented base.
- e-Banking, ATM, financial accounting, management information systems are tuned on User Oriented base.

Structure



Features

- 24*365 Stable Services
- Financial Products Factory System
- Lifetime account number service
- Customized Products based on CRM
- Scalable, flexible Information System
- Decision-making process supported by Information systems

- Performance : 4,700 transaction/second
(Maximum 8,000 transaction/second)

- United DB systems on UNIX servers

III. Systematization by business

NH New Banking System (Finance)

- The best Korean Financial IT group, Stable on-line real-time operation
- Flexible response to environment change, advantage on product development

Result of NH New Banking system project

- Quantitative Effect (after March, 2009)

Annual financial increase USD 41.2million

Details	Annual amount
Cost cut by replace main computer (Unisys mainframe ⇒ UNIX servers)	USD 12.0million
Reduction of labor at front sites	
– Extend interlocked transaction	
– Computerize manual works	USD 29.2million
– Reduce the time of developing new products	
– Reduce the time of processing time	

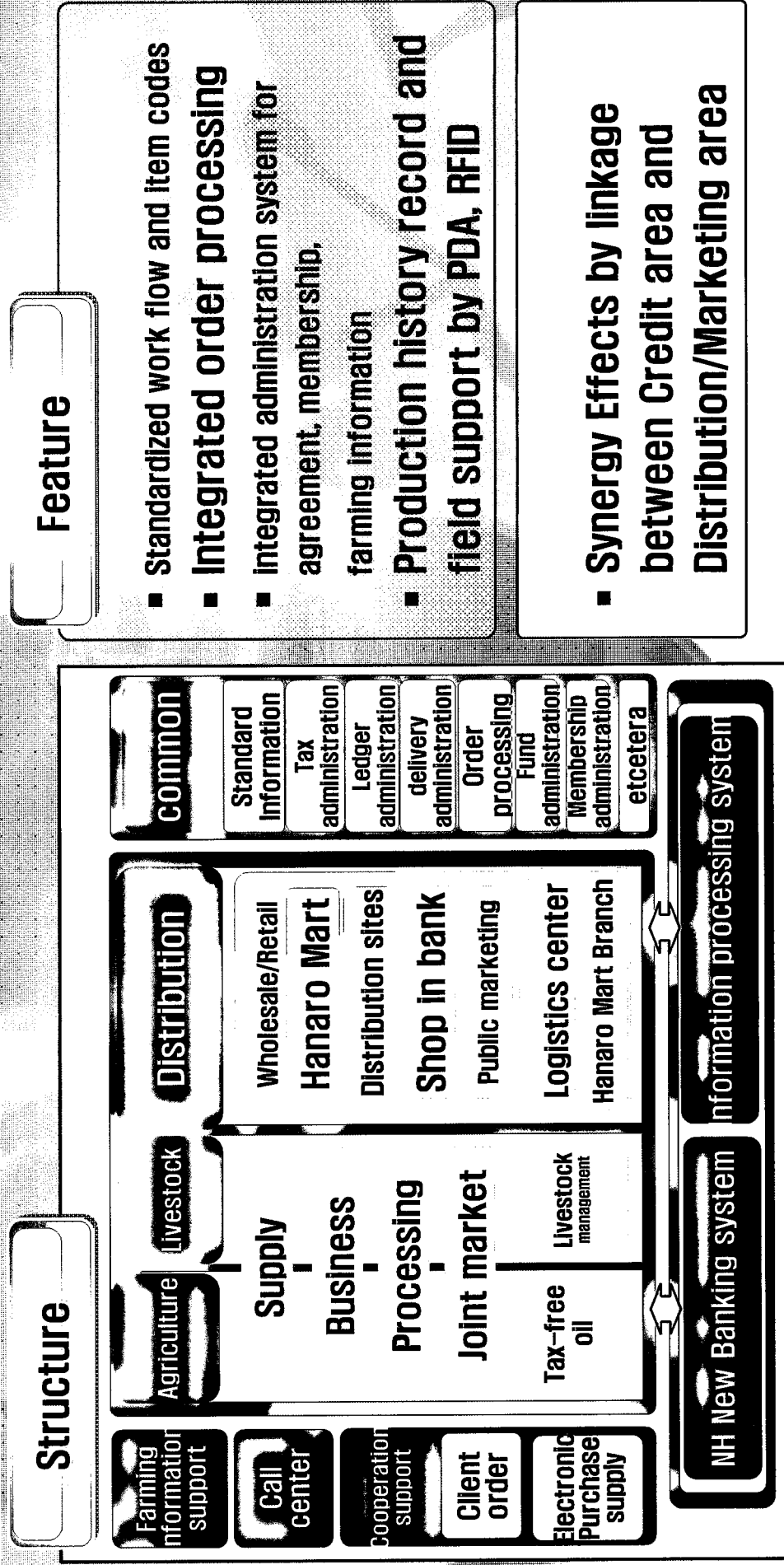
Qualitative Effect

customer	<ul style="list-style-type: none"> • Time to Market based on products factory system • 24*365 stable services • Faster response to customer needs
business	<ul style="list-style-type: none"> • Reduce the time of teller handling • Increase accuracy and efficiency by automation of teller works • Extend public trust by clear basis
System	<ul style="list-style-type: none"> • Eliminate inefficiency by IT architecture advancement • Reduce TCO [total cost of ownership] • Scalable, flexible Information System
Management Support	<ul style="list-style-type: none"> • Decision-making process supported by Information Systems • Innovation through duty simplification and standardization

Our Path to Success

Agri-Business Integrated system

- Standardizes work flow and item codes
- Systematizes business areas of Distribution, Marketing, Livestock



Systematization by business

Information processing system

Information processing system

Branch support

CRM

Credit management

DB marketing

Restoration data

Management

Financial accounting

Settlement

Branch profit and loss

Livestock account

Budget/Taxation

Result

Merit

Achievement

Work load

Integrated Merit

Risk

ALM

Securities

Market risk

Credit risk

Operational risk

General

Payroll

Education

Audit

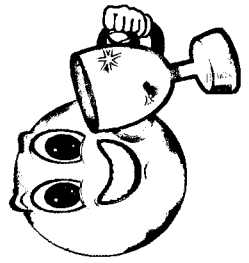
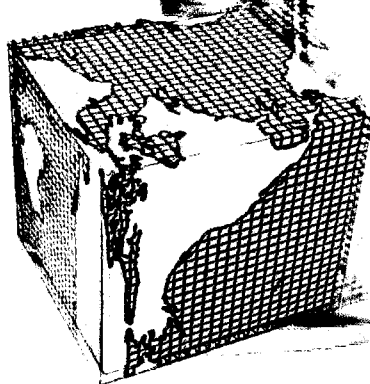
Fixed assets

Groupware

NH New Banking system

Agri-Business integrated system

IV. Achievement and IT Vision



Our Path to Success

Public Achievement



대한민국 금용상



- 'CIO Awards 2009' Best Project awarded : '09. 5. 28.
 - ▶ auspices : CIO Roundtable, CIO Magazine
- Korea e-Finance Grand Prize awarded : '08. 7. 21.
 - ▶ auspices : Korea economics news
(support : financial commission)
 - ▶ Objects : Banks, Securities firms, Credit card companies
total 21 financial institutions
- Internet Banking Service has won 'AAA' grade for 28 consecutive quarters
 - ▶ auspices : Stockpis(Specialized in Web rating)
 - ▶ 3rd quarter of 2003 ~ 2nd quarter of 2010

International Standard Certification



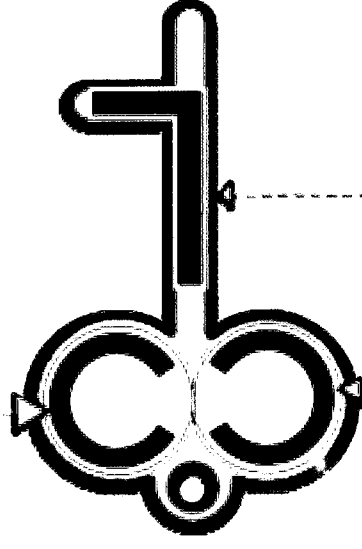
- International Standard Process Evaluation Model
CMMI Level 3 approved : Oct, 2007
[CMMI : Capability Maturity Model Integration]
- Information Security International Standard
ISO 27001 approved : Aug, 2007

NACF IT VISION

I. Creditable IT  Creditable

I. Creative IT  Creative

I. Leading IT  Leading



Visualization as a KEY of “Korea No.1 Distribution-Financial Leader”
by the initials of Credibility, Creation, Leading

Thank you !!