HUGIN Expert and Nykredit collaborate

Nykredit's decade-long technology collaboration with HUGIN Expert has once again resulted in improved business efficiency.

With more than 1.1 million customers, 4,500 employees and equity assets of €7 billion, the financial services provider Nykredit is the largest mortgage lender in Denmark. The company provides banking, insurance, investment and real-estate services, but its main business is providing mortgage credit products to customers in the private, commercial, agricultural and subsidized housing sectors.

Bayes Credit – an advanced risk model

In 2003 Nykredit launched BayesCredit – a solution based on HUGIN software which computes the probability that a corporate customer will default on its loan within the next year.

BayesCredit proved to be extremely accurate and was accepted by Basel regulators as an advanced method for risk reporting. The solution was also tested by Standard and Poor's and found to perform better than Standard and Poor's own risk models when using the same input data.

"BayesCredit has helped us to obtain the status as user of Basel-advanced models and thereby reduce the capital required. This enables us to do even more of what we do best - mortgage lending." Says Pernille Vastrup – president at Nykredit Group Risk Management."

Nykredit chose HUGIN software

Nykredit selected software provider HUGIN Expert to help them meet the Basel challenge. "From the outset our goal was to create a risk reporting tool that lived up to advanced methods under

Basel. HUGIN software best met our requirements and was an extremely useful technology for our purposes."

"The advanced algorithms behind HUGIN predictive software make it possible to accurately compute the probability of risk, even in cases where financial data is sparse," says Pernille Vastrup – president at Nykredit Group Risk Management.

New functionality -improved efficiency

"But besides this, like all other technology-intensive operations, we are constantly on the look-out for ways to improve business processes and efficiency in our mortgage operations.

Collaboration with HUGIN Expert has led to valuable functional insights and developments that enable us to work more efficiently with BayesCredit. With the recent HUGIN functionality

we have reduced our computation time significantly. This has created significant value for Nykredit."

"Collaborating with HUGIN Expert has meant working with professionals who have a deep understanding of business intelligence software, and are driven to come up with new and innovative functionality.

HUGIN – a valuable collaborator

"We know today that HUGIN Expert was the right choice when we decided to develop our own internal risk models at Nykredit.

HUGIN Expert is a well-established player in the market for software for advanced model-based decision-making under uncertainty, and their software is known to be reliable, efficient and user friendly.

What is more, their software package is equipped with a variety of functionalities that are highly compatible to our business at Nykredit.

Besides the merits of their software, we also chose HUGIN Expert as our software provider due to their comprehensive service offering, which includes training, consultancy and effective technical support, "says Pernille Vastrup.

We are confident that teaming up with HUGIN Expert and basing some of our critical business systems on HUGIN software is a value creator for us, and will make it easier to keep our leading position in mortgage lending."

HUGIN Expert is a leading provider of predictive analytic software for decision making under uncertainty. HUGIN software is used by Fortune 500 companies and leading R & D departments in over 25 countries for credit default prediction, fraud detection, decision analysis, risk management, safety assessment, troubleshooting, predictive maintenance, diagnosis and health monitoring,

HUGINEXPERT
The leading decision support tool