

BANKING, INSURANCE & CAPITAL MARKETS

Credit System

Comarch Credit Process Management



COMARCH
INFORMATION TECHNOLOGY

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Introduction

In recent years we have seen dynamic growth in the credit services market. The major reasons for this have been favorable economic conditions, good interest rates, greater trust in financial institutions and simplified credit access procedures. Customers expect banks to provide detailed and precise information on credit terms and give decisions quickly. This is the challenge for financial institutions: they must handle as many transactions as possible in as short a time as possible while at the same time conduct careful and detailed credit risk analyses. Financial institutions cannot afford to make mistakes here; under ever increasing competitive pressure, they have to get it right.

To overcome these challenges, we have created a comprehensive credit solution for private individuals, small and medium sized businesses and large corporations. Comarch Credit Process Management (CCPM) is a leading-edge credit system supporting each stage of the credit-granting process from simulation through to soft debt recovery procedures.

In assessing the customer, the system makes it possible to obtain full BIK (Credit Bureau) reports, as well as detailed scoring analyses and rating assessments. The system is extremely sophisticated but, thanks to the user-friendly interface, easy to use. The basic benefits it provides are a reduction in the time needed to grant credit, monitoring and improving productivity, supporting various distribution channels, delivering full reporting functionality, reducing risk and carrying out an extensive range of transactions. CCPM, which concentrates all processes in one centralized and integrated system, is flexible and reacts rapidly to changing market demands.

For more than eleven years now, we have been supplying IT systems to a variety of financial institutions, including banks, brokerage houses, investment funds and asset management companies. Our solutions have been, and are, used by GE Money Bank, Citibank Handlowy, Bank BPH, GETIN Bank, BGŻ S.A., SKOK, Citi Financial, Eurofaktor, Allianz and ING Bank Śląski. This very varied list underlines CCPM's flexibility: it adapts effectively to market trends.

The Solution

Comarch Credit Process Management is a modular system providing customers with solutions tailored specifically to their needs. It is often the case that a bank's business model does not require the full implementation of CCPM functionality, or that customers already

have modules (e.g., scoring systems) they wish to link to the final system being implemented. CCPM can be implemented as a whole or in the form of selected modules. The choice depends on the requirements of the financial institution in question.



CCPM System Modules

Benefits of Adopting the Solution

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The chief advantage of the CCPM system is its comprehensive approach to granting credit and to customer service. Implementing the solution delivers the following business benefits:

- **Less time** spent granting credit because the process is highly automated.
- Control and **productivity improvements** across individual departments. The introduction of a comprehensive tool covering all aspects of selling financial products means that what individual departments do can be analyzed in an overall context.
- Processes **high volumes of credit transactions**. This can easily be increased if a customer's business grows. Thanks to a new and more productive architecture and to the technological solutions used, it is possible to process well over 10,000 credit applications daily. In addition, supporting the simultaneous work of well over 10,000 remote sales points is not a problem.
- Supports **various distribution channels** and maintains comprehensive and well-organized customer information. The system fully supports all the customer access channels now available (departments, representatives, dealers, brokers, Internet, call centers).
- **Rapid reaction to changing financial market conditions**. Thanks to the credit process modeling functionality, no programming changes are required for the system when introducing new financial products.
- **Fewer errors** in the credit process because the comprehensive support provided reduces the likelihood of, for example, losing a customer's documents.
- Current disjointed and scattered systems and their data aggregations are replaced by **a single centralized and integrated system**, making maintenance and expansion of software easier and less costly. Furthermore, open architecture means that integration with other Comarch solutions is easy. This means that the customer can develop existing solutions in a wide range of business areas.

The Modules

Process Management

This module supports the defining, modeling and managing of business processes and their versions.

Product Management

In this module you can define and manage products using directories, forms and parameter matrices. Because financial products are so diverse, it is possible to manage different versions of the product within the module.

Printout Management

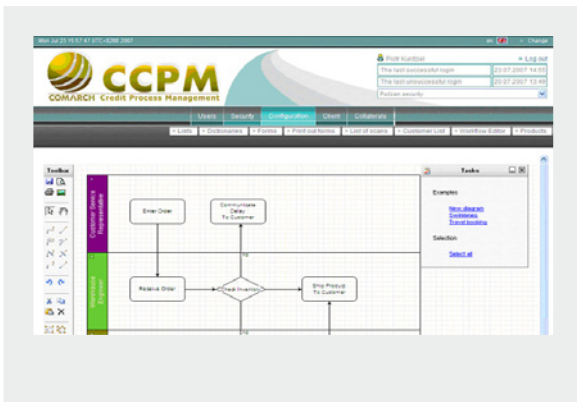
This module configures the printouts available in the system. It includes format definition, edition, revision control, and initial parameter and testing options.

Image Management

This module supports scanning and document indexing that is involved in credit processing. It also generates bar codes, which make it easier to search document archives.

User Management

This module is responsible for user authorization and management with additional functionality for security policy definition. It records the time, nature and user ID for system events, such as correct and incorrect logins.



Process definition example

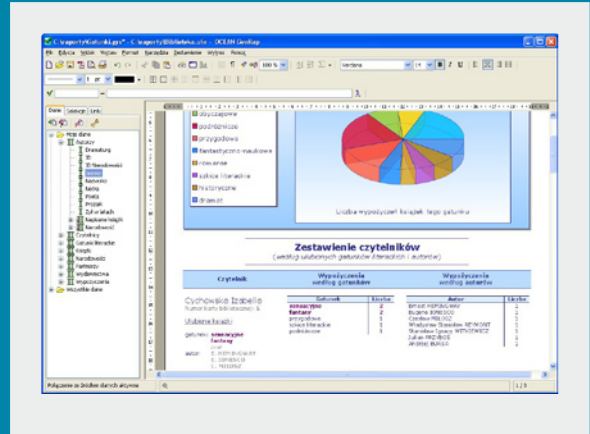


Dictionary search

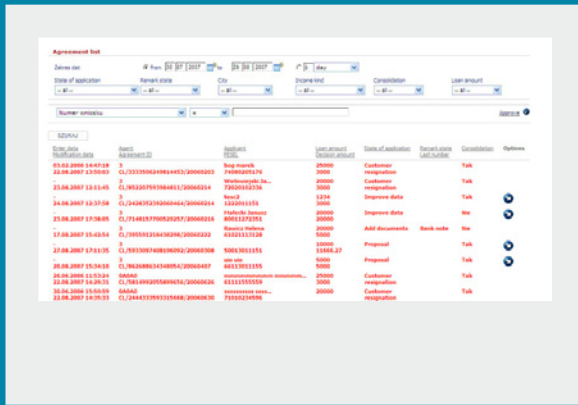
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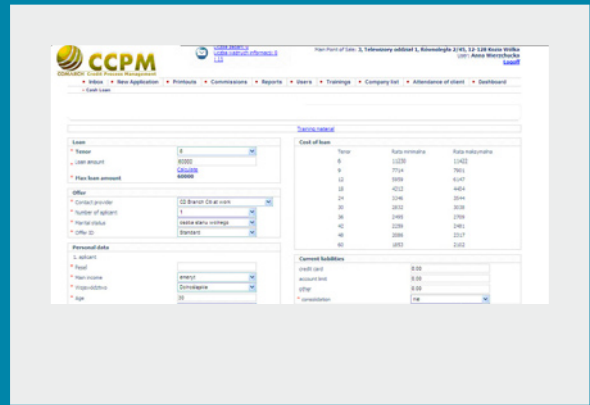
User Directory



Comarch OCEAN GenRap Basic Format



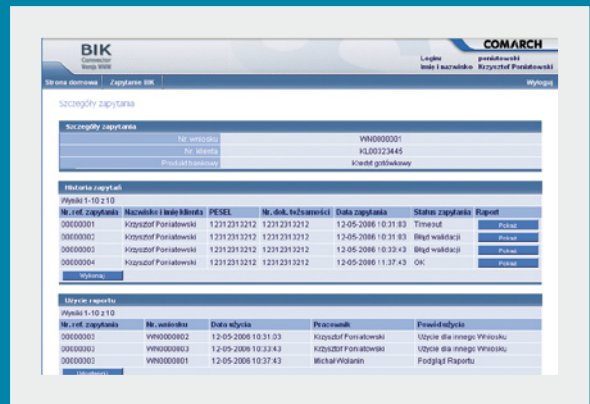
User Inbox



Registering a Credit Application



Example Format



BIK (Credit Bureau) Example Report

Reports and Analyses

This module generates analytical and synthetic reports, which can be generated on demand as well as according to a schedule. It is also possible to implement Comarch Ocean GenRap to create your own analytic reports.

Sales Management

This module defines multi-level sales networks, commission structures and also generates sales reports.

Sales Support Module

This module supports routine operations conducted by bank employees during the process of granting credit, including procedures such as credit score simulation, issuing, completing and storing the relevant application documents as well as generating and verifying the credit agreement.

Collateral Management

This module is responsible for defining the type and legal form of loan collateral and for recording them in the system.

Verification Module

This module communicates with external databases (BIK, BIG, MIG DZ, MIG BR) as well as with the bank's internal databases (e.g., blacklists, transaction systems).

It also supports verifying data for the application, various documents and credit collateral.

BIK (Credit Bureau) Connector Module

This module handles communication with BIK S.A. (Credit Bureau). With it, you can specify lists of people designated for credit checks in the database, communicate with the BIK database, analyze indicators and produce relevant reports from query results.

Rating Module

This module calculates credit ratings, reference limits and classifications for customers. It enables revision control for modeling and also gathers and stores rating data from both internal and external sources.

Scoring Module

This module enables application and behavioral scoring. It also stores definable scoring models, credit scorecards and scoring policies, and can import scoring cards that have already been configured.

Disbursement Module

This module is responsible for checking all the conditions essential for a credit agreement, opening a credit account and releasing resources in the system.

Repayment Management

Once credit has been granted the agreement is sent to this module. This particular module handles the accounting aspects of issuing and repaying a credit, supports credit accounts and settlements via intermediaries, and the exporting of data to the general ledger.

Credit Monitoring Module

This module monitors post-sales support of credit products. Its central tasks are to track credit repayment, collateral, documentation and exposure. It is also used to ensure that customer reviews are conducted on schedule. The module can also assign customer classifications.

After-Sales Support Module

This module is for building and maintaining relationships with the customer after the credit has been granted. The services include complaint management, modifying credit terms and generating annexes to an agreement. It also offers data support for marketing, analytical and qualitative research, and assists in opinion polling and the provisioning of e-training services.

Debt Management

This module supports the debt collection process by establishing individual debt collection cases according to a pre-defined process. The results are gathered and analyzed, and periodic reports are generated. The module also supports customer debt restructuring and directs cases in their later stages to the appropriate users.

Reserves Module

This module calculates the bank reserves created to cover the risk of the issued credit. Authorized users can calculate contingency reserves, verify, manage and monitor the level of reserves.

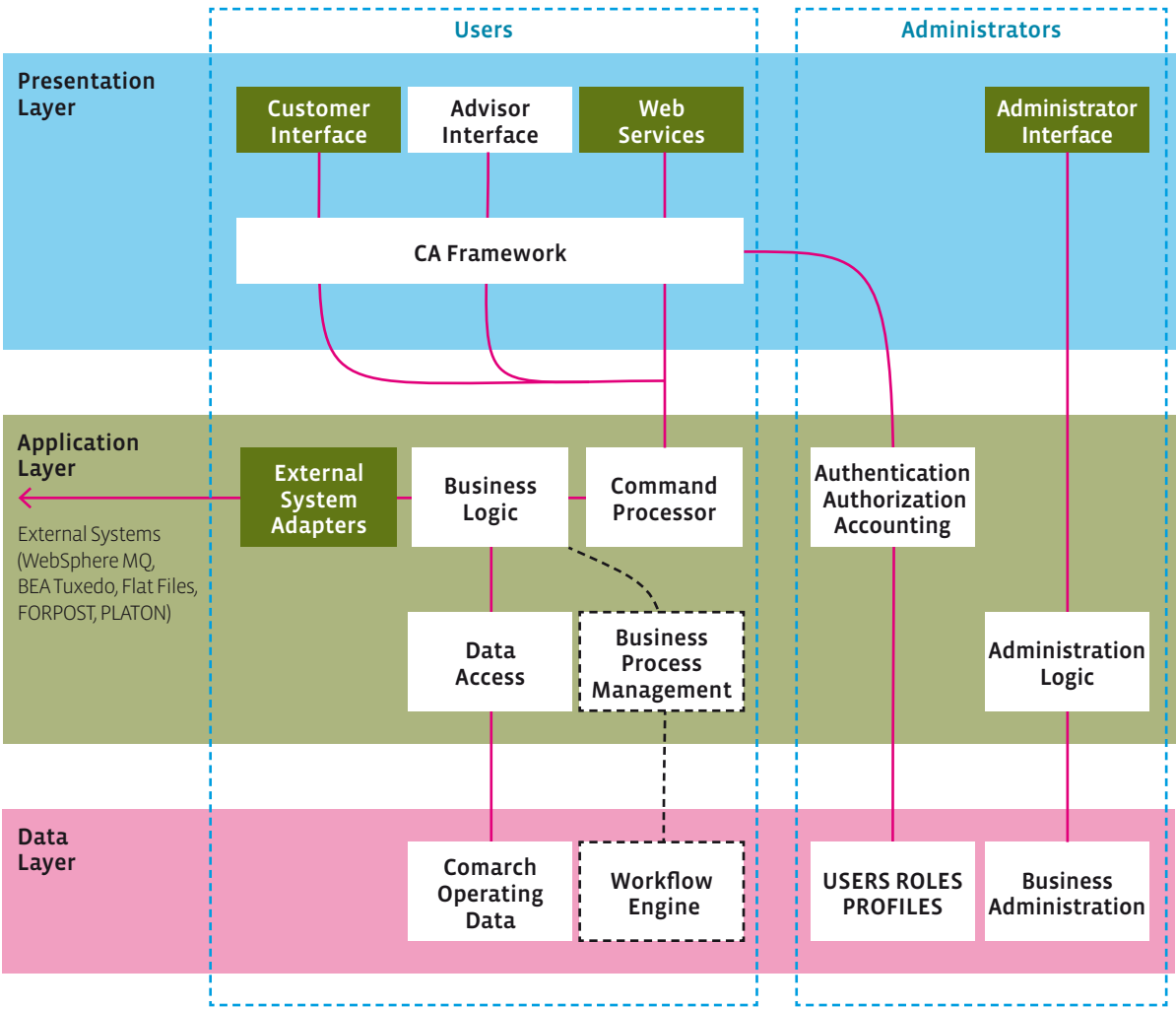
E-learning Module

This module supports users by providing help functions and access to individual and group e-training regarding the use of the credit system. Users can evaluate themselves utilizing online exams to see how much they have learned. The module also offers full training reports and enables system use restrictions to be placed on those who have not passed the exams.

The Architecture

It is Comarch's mission to support the customer in achieving concrete business goals easily and quickly. To do this we design and implement flexible, modular systems that will help customers respond more easily to changes in the market and undertake more and more challenging and rewarding business strategies.

The CCPM system is made with a three-layer architecture including presentation, application and database layers. The customer solution is based on J2EE version 1.4. CCPM can be rolled out on BEA WebLogic, IBM WebSphere or JBoss application servers.



Credit Process Support

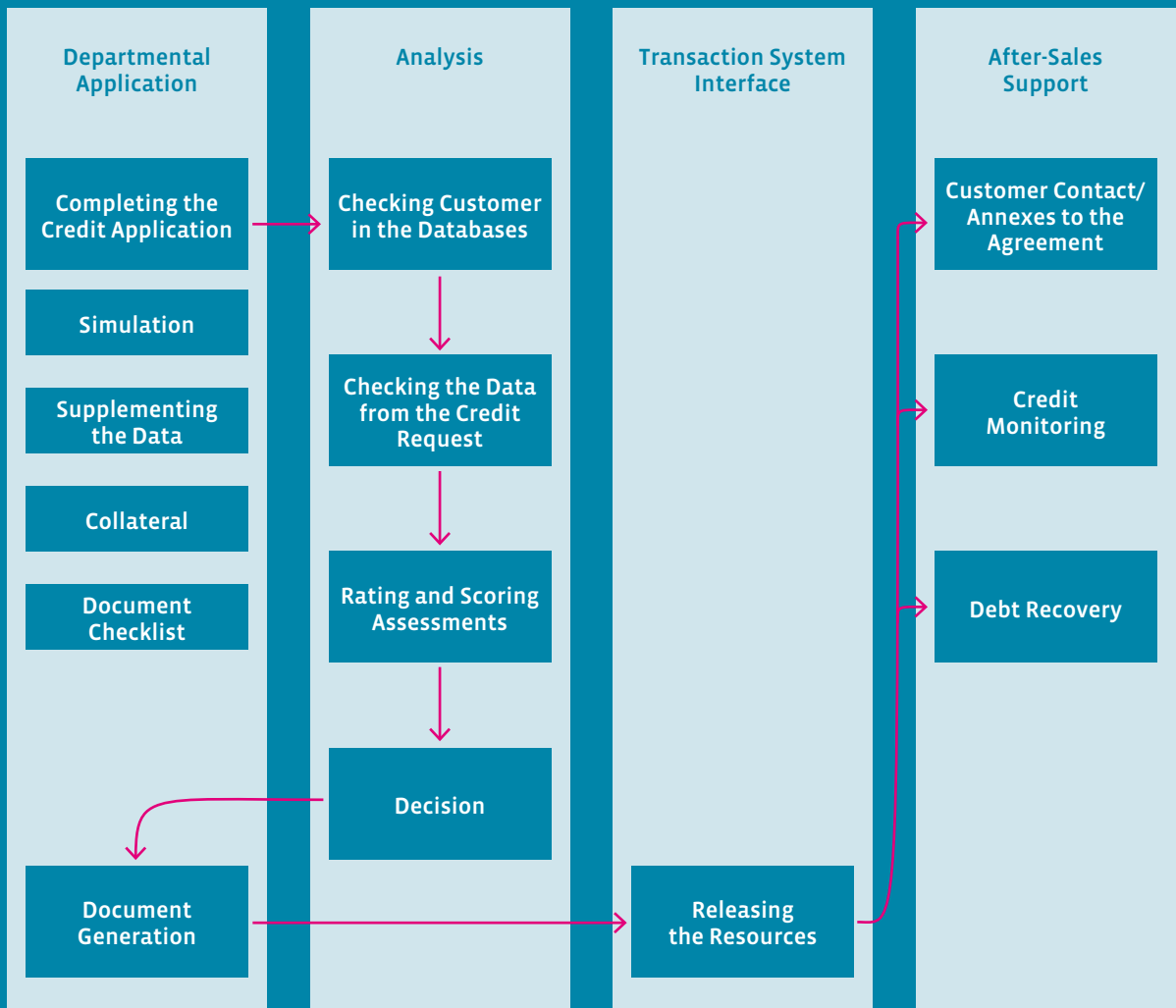
Comarch Credit Process Management (CCPM) provides comprehensive support for the credit process. The diagram below provides examples of how the modules can be used.

The customer advisor enters the information into the system necessary to generate the CREDIT APPLICATION and scans the documents presented by the potential customer. The completed application is sent for analysis. The potential customer is now CHECKED against external databases (MIG DZ and MIG BR, BIK, BIG) as well as internal databases (e.g., black lists, transaction systems). The system links to SCORING and RATING engines and enables the importation of credit scorecards and credit rating criteria. Analysts then make a DECISION based on the customer analysis as well as the attached document scans. If the decision is affirmative, the system generates a CREDIT AGREEMENT with attachments. The advisor prints the documents and gives them to the customer to sign. The RESOURCES CAN THEN BE RELEASED when the institution's central decision making authority has all the documents in the forms stipulated (photocopies, facsimiles, scans, originals) and has confirmed that they are in order.

Resources are released thanks to integration with the bank's transaction system. A credit account is established and the restrictions on it are removed. Then, the credit is released to the customer. Post-sales service supports CUSTOMER CONTACT and enables credit renewal, submission of complaints, amending agreements and the distribution of information regarding new credit products.

Credit MONITORING involves checking the status of documents (e.g. if they missing or expired), verifying collateral (their equivalence), repayments (if they are submitted on time) and also whether the borrower has become less creditworthy. The DEBT RECOVERY module stores and analyzes debt recovery cases and provides periodic reports. It also covers customer restructuring. Cases in an advanced stage of this process are sent to the appropriate system users.

Throughout the entire credit process it is possible to track the application's HISTORY.



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ComArch Spółka Akcyjna with its registered seat in Kraków at Aleja Jana Pawła II 39A, entered in the National Court Register kept by the District Court for Kraków-Sródmieście in Kraków, the 11th Commercial Division of the National Court Register under no. KRS 000057567. The share capital amounts to 7,960,596.00 zł. The share capital was fully paid, NIP 677-00-65-406

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