

Corporate Finance Over the Internet

Whitepaper

The Internet is no longer a financially irrelevant or supplementary distribution channel for financial services thanks to the growing numbers of consumers who have access to the internet, new technologies increasing data security and browser user-friendliness as well as ever-increasing demands for better, less expensive and more accessible financial products.

Today it is difficult to imagine even a medium-sized financial institution for which an Internet system is not a key tool in the battle for customers on the highly competitive financial services market. Some financial institutions have already implemented several generations of their Internet banking systems, often replacing an older system with a completely new one. These new systems are more modern, safer, designed to handle a greater number of users and transactions and – last but not least – cheaper to maintain.

Comarch has been continuously developing its own platform for customer-directed (WWW, WAP, SMS, telephone) financial service delivery since 1998. Comarch Internet Banking is currently in its fourth release and is based on the most up-to-date, proven and industry-standard technologies. At the same time, our system remains independent of particular hardware platforms, operating systems, application servers and even web browsers.

A New Chapter: Comarch Internet Corporate Banking

Comarch Internet Corporate Banking is a new version of our Internet Banking system aimed at serving corporate customers (medium-sized and large companies where there are at least several employees authorized to carry out financial transactions over the internet). This system establishes a new class of customer service for this type of customer not only on the Polish market.

Even with the entry onto the market of new Internet-based solutions, “electronic banking” remains the traditional and most popular way for corporate customers to remotely access their accounts. “Electronic banking” involves the use of special “thick client” applications that run in off-line mode and connect with a bank’s server on demand. It was necessary to wait for web browsers to reach a higher level of development before it was possible to design and successfully implement a system that runs solely in online mode. This type of system runs on a “thin client” that erases the need for troublesome application installations and maintenance on the side of the end-user.

Comarch Internet Corporate Banking offers a range of functionalities aimed specifically at corporate customers. Its most important features include:

- ease in navigating and searching among numerous accounts and fixed deposits as well as thousands of transactions thanks to a flexible search mechanism;
- customization of the system’s functionality related to the positions held by particular users in their companies – the “user’s desktop” is populated with the most frequently used functions;
- a uniquely flexible module for the definition of authorizations, able to reflect even the most complicated corporate management structures;
- the ability for groups of companies to manage their finances from a single webpage that presents the account information of all the companies that make up a given group;
- problem-free integration with many ERP-class financial-accounting systems thanks to the use of standard data exchange file formats (incl. EDIFACT, SWIFT and user-defined .csv files);
- a rich communication module;
- a high level of security, featuring electronic signatures based on smart card-generated and -stored keys.

With functionality that includes the above as well as extensive cash management tools, access to custody and leasing services and real-time market data access, Comarch Internet Corporate Banking is the most developed system available amongst both newer Internet-based and traditional “electronic banking” solutions.

Sez@m's New Look

In 2003, Bank BPH decided to modernize its Sez@m internet banking system. The "Internet Platform" project included new corporate portal management (a CMS tool), retail banking and corporate Internet banking systems.

At the time, the corporate Internet banking systems of BPH's competitors were either modified versions of their retail banking systems or copies of the relatively poor systems (functionality-wise) employed by global financial corporations.

BPH's BusinessNet system was the first Internet banking system on the Polish market designed explicitly with the corporate customer in mind. The implementation of the first stage was completed in December, 2003. Two and half years later the system has an even richer array of functionalities and serves over 500 of BPH's corporate customers. In BPH's strategy, BusinessNet figures as the principal electronic communication channel for contact with corporate customers.

The market reacted quickly to the new challenge created by BPH. As customers began to demand a new, higher level of quality in customer service, others banks followed suit and started their own Internet projects. The number of Internet solutions available on the Polish market will soon exceed the number of installations of the most popular traditional electronic banking systems. This is likely one of the most important milestones in the development of banking services. By the end of 2006, Comarch will have finished five implementations of its corporate Internet solution and, with further implementations on the horizon in 2007, will have achieved a dominating position on the Polish market in this area.

Bank PEAKO S.A. – believed by some to be a more conservative Polish bank – has also decided to implement Comarch's solutions. These were launched commercially in early 2005. One of the most predictable outcomes of the market-shaking merger between BPH and PEAKO S.A. seems to be the increased availability of high-quality Internet-based services for corporate customers.

Comarch Internet Banking and Outsourcing – Proven Success

Most of Comarch's IT solutions can be operated in the outsourcing model with the help of Comarch DataCenter. This group of solutions includes Comarch Internet Banking. A bank that chooses an outsourcing architecture does not pay directly for services that include the maintenance of a high-quality internet connection, the creation of back-up copies of data and a back-up centre and the administrative staff that looks after the day-to-day operations of the system.

Comarch Internet Corporate Banking was implemented in the outsourcing model by DnB NOR Bank Polska. This bank is a member of the DnB NOR Banking Group formed jointly by Norddeutsche Landesbank Girozentrale (NORD/LB) and DnB NOR, the largest Norwegian bank. It is an essential part of the Group's strategy in Central-East Europe. Unlike BPH, NORD/LB Polska is a niche bank that serves a carefully-selected group of corporate customers, to whom it provides operating loans and financing for investment projects. DnB NOR recently ranked second on a list of the best banks in Poland published by the leading Polish banking sector magazine, the weekly "Gazeta Bankowa".

Before the implementation of Comarch Internet Banking, NORD/LB solely communicated with its customers over traditional channels (by phone, by fax and in person with an advisor). The bank's customers lacked self-directed, electronic access to their financial products. Following a detailed analysis of the available electronic and internet banking systems, NORD/LB decided to implement Comarch Internet Banking. Comarch's solution was found to be the most modern and possess the most advanced functionality, while at the same time guaranteeing affordable service.

Unlike other implementations, the NORD/LB NET system is housed on Comarch servers in two Comarch DataCenter locations: one in Warsaw (primary centre) and one in Krakow (back-up centre). It has been available to customers since November, 2004.

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EN-2008.07