

Metasoft Ltd.

**Brief Description
of Retail Banking System
“MS-Retail”**

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The purpose of the document is acquaintance with the possibilities of the **retail banking system “MS-Retail”** as a basic package for **retail banking** with the main advantages, providing the leadership of **“MS-Retail”** System at the banking products market.

The System **“MS-Retail”** is the integrated banking package, permitting to place the private clients into the focus of the bank business strategy.

The System **“MS-Retail”** is oriented towards large universal backbone banks with multilevel organizational hierarchy and centralized management, and also towards specialized banks, having a considerable part of retail in their portfolio.

The System **“MS-Retail”** is not a complete software product, but a set of tools, enabling banks to build payment systems for individual business by themselves, meeting the requirements and processing technologies of the bank. The effective use of such tools enables the bank to offer almost unlimited package of products and services to the retail client, thus providing high competitiveness of the bank and possibility of prompt response to the changeable market conditions.

The bank, using **“MS-Retail”** System acquires the following additional abilities:

- To enlarge considerably the front-office of the bank due to the creation of “virtual counter”;
- To increase greatly the number of clients and operation volumes due to the remote Internet self-service and providing wide range of retail banking products;
- To increase considerably the share of non-cash payments for clients – private individuals;
- To serve effectively the client of any branch at any bank branch office.

“MS-Retail” System **provides true 24x7 service mode** for millions of clients, carrying out millions of financial transactions per day. At peak load situations the complex fulfils 40 and more operational transactions per second, depending on the server group software equipment being used.

The system is **scalable** and could be successfully used from the branch level up to the regional and national levels.

The System refers to the class of OSS (Operational Support Systems) and computerizes the operational, accounting and management activity of the bank according to the established business processes and accounting policy.

The formalized description of business processes, being simultaneously reflected in the programme code and the testing system, is used at the heart of the banking software product as obligatory component. This is simultaneously developing system (“Business-processes” – “executable code” - “testing complex”), enabling to follow strictly the correspondence between software and changeable business-processes, and also to develop continuously the self-testing environment. The above mentioned simplifies the

procedures of products modification and minimizes the risks, connected with so called system upgrades.

The **multi-institutional (multi-branch)** system usage mode is offered for small banks, when several banks simultaneously use one installation. At that, each bank has access only to its own data. In this case both small banks and the banks, having just begun the active development of retail business, could lease the server group and the system services in the outsourcing mode (third party processing). The above mentioned allows to save considerable nonrecurring expenses on purchase of system, creation of own server complexes and qualified staff costs.

The System provides the following opportunity for the large multi-branch backbone banks: installation of **regional processing centres**, working in the multiple model with possible consolidation of data at the Head Office level.

The System is to become the **single integration platform** for, as a rule, separated automation systems. The patchwork automation of separate aspects of banking activity doesn't give the desired result. Thus, the creation of the integrated system is required. The natural constraints of the out-of-date platforms make it impossible to modify them promptly, thus depriving their owners of the competitive advantage.

The trend towards the **centralization of banking management** is caused by the demand for supervisory control of financial flows and financial transactions from the integrated decisive centre. The centralization of banking management implies the creation of new and the change of the available banking products at the integrated centre, operational parameters control of the whole system from the integrated centre. It will provide the clarity of management and integrated technology of operation at all bank branches. Thus, the bank, carrying out banking management from the integrated centre, has no need in staff of skilled specialists at regional departments.

The centralization of banking management provides **the creation of integrated profitability centre**.

Construction principles

The key construction principles of "**MS-Retail**" System are as follows:

- Centralization and integrated character of information, enabling to extend the service area and simplify considerably the administration of the software system;

- Complex character of service implies providing services to the client at the single system workplace;
- Organization of effective work of multi-branch banking in the terminal mode, at the existing unsatisfactory quality of communication channels;
- Organization of the integrated profitability centre (accounting centre);
- High level of defence from unauthorized access and protection of all information, circulating in the System in electronic form;
- Supply of high productivity of the System at peak load situations;
- Quick access to the data about expenses, income and balance items, formed on-line;
- Possibility of forming user-defined reports, using standard industrial tools for preparing reports and requests;
- Minimization of input data volume while carrying out financial operations, based on default templates and settings, defined by the user;
- Maximum possible control of input data at the stage of preparation of the documents;
- Possibility of independent creation of new financial operations and service technologies;
- The created system lays emphasis on the remote self-service of millions clients, using their PC, mobile devices, ATM, information kiosks and other service lines. This approach gives prompt competitive advantage to medium and small banks. So, the banks create the virtual front-office and obtain access to those clients, having been inaccessible earlier due to the absence of developed branch infrastructure.

“MS-Retail” Modules

“MS-Retail” System consists of the central core, containing information about clients, accounts, banking products and services, and specialized modules, implementing these products and services.

The Core and the Ledger

The Core of the System contains complete key banking data, information about the clients – private individuals and corporate clients, banking operations and products. **The Core** also contains data about accounting treatment, information on access control and safety. The reports about transactions, created by specialized modules, are also processed by the core.

The Ledger provides accounting of all operations, being carried out in the System, within the real-time balance sheet (the account balance is updated after each payment transaction) according to the charts of account, defined by the user. It provides the keeping of several charts of account.

Brief Description of Retail Banking System “MS-Retail”

It contains setup software for guidelines and rules of accounting systems (financial, administrative, tax, cash, and other) and reflection of operations due to these rules.

The Ledger provides the keeping of analytical and subanalytic accounting.

It supports the multicurrency of analytical accounts.

The Ledger provides balance sheets, trial balances, other reports, adjusted by the user.

Current accounts, on demand accounts and card accounts

The System provides wide range of banking retail services for keeping **current accounts, on demand accounts and card accounts** of the clients – private individuals **in national and foreign currency**.

The System supports the following functions for service operations of current accounts:

- Execution of the following operations: cash deposit and payment, non-cash payment, transfer, conversion.
- Entry of incomes (pensions, wages, etc.) in group and single mode.
- Registration of authorized persons on account. Adjustment of account directions for use by the authorized person.
- Blocking of account or amount on account, management of blocked accounts.
- Serving testaments.

Deposits

The System offers the clients any set of deposit products **in national and foreign currency**. Parameters of these deposit products are defined by the bank. The flexible structure of description of deposit agreement model enables to hold any deposit product from saving certificates to complex deposit accounts. The complex deposit account enables increase and withdrawal transactions, with dynamic interest rate, connected with the time period or (and) account balance, prolongation, automatic closing of account and other operations.

Community and other charges

The System provides for the reception of community and other charges from any teller terminal of the System. The System supports the receipt of single payments, as well as of payments due to the bank agreement with organization – payment recipient. The flexible structure of commission makes possible the individual approach to the tariffs for execution of these operations. The human-engineered interface provides for the reception of payments in favour of several thousands organizations - payment recipients. The System creates the register of accepted payments by organizations - payment recipients, forms the data for collective payment order for payment recipient.

The System affords on-line interaction with billing systems of service-providers.

The banking product Long-term Payments is intended for execution of non-cash long-term debit of amounts from the account of private individual (standing order) to the other account of this client, or to the account of the other client – private individual or corporate (payment in favour of institution), being serviced in this or other bank, according to the definite schedule of payments.

Overdraft crediting

The banking product is intended for mass crediting of private individuals in national and foreign currency.

The product provides for keeping and processing of agreements for overdraft servicing of private individuals, if the clients have current or card account available.

Bank credits and credit lines for private individuals

The purpose of this product is to satisfy the needs of private individuals in funding the object of financing (multicurrency credits and credit lines (the revolving credit line, the non-revolving credit line, the tranche credit line), the car loan, the mortgage loan, the consumer loan, the leasing).

The System has wide opportunities for creation of the credit products range. Thus, the System guarantees to the bank the complete satisfaction of the client's needs in the borrowed funds minimizing the costs of the client as well as of the bank.

The System is meant for keeping and processing the credit and related agreements (pledge agreement, indemnity agreement, etc.), and also for creation of credit monitoring environment, taking into account financial and non-financial information about markets, clients, etc.

The System supports the keeping of the credit history for each borrower and the use of these data for analyses and appraisal of credit risks.

The System contains the set of tools for analyses of client's credit capacity.

Non-commercial operations

The System provides:

- Carrying out the conversion of one foreign currency into the other, pointing out currency codes (if conversion is possible) and the order of operation execution;
- Execution of purchase-sale operations for foreign currency in cash;
- Acceptance for collection and exchange of foreign currency;

- Adjustment and description of purchase-sale operations for travel cheques Thomas Cook, American Express, VISA, TravelMoney, and other.

The System supports repurchase of unconvertible rest at conversion operations.

The System provides the adjustment of commission for conversion of foreign currency in cash. The System supports the commission in foreign currency (in one of the exchange currencies) as well as in national currency. The commission may be calculated as % from the currency amount, provided for conversion by the client according to the official rate; or in the currency of operation; or as a stated amount in national or foreign currency.

Lease of individual bank safes

The System provides automation of execution and accounting of lease operations for individual bank safes of Bank Depository.

The System provides:

- Description tools for depository cells;
- Administration of tariffs for payments for lease of cells;
- Administration of tariffs for commission payment, penalty, amount of guarantee;
- Accounting of cells occupancy;
- Maintenance of lease agreements with the clients of depository;
- Maintenance of the power of attorney;
- Realization of accounting of agreement payments with possible use of transit accounts, the group operation of debiting the accounts in future periods for all Agreements available;
- List of clients' attendance of leased safes.

Sales channels and Internet banking

The System supports all traditional sales channels, providing additional possibilities of the developed Internet banking subsystem.

The Internet banking subsystem provides for the client's access to the banking services via Internet and implements the following functionality on serving private individuals:

- Balance control and receipt of the bank statements for all accounts, including card accounts;
- Receipt of information about interest accrued according to the deposit agreements;

- Execution of transfers in favour of private individuals and corporate clients;
- Top-up the mobile accounts of the leading mobile operators;
- Payment of community and other charges;
- Money transfer by Western Union, internal payment systems, SWIFT, between cards;
- Instant deposit opening;
- Execution of currency exchange operations;
- Order of payment cards;
- Activation/ deactivation of SMS-banking;
- Activation of on-line receipt of information about account to e-mail;
- Changing the PIN-code of payment cards;
- Entering the card into the STOP-list;
- Sale of electronic vouchers (mobile, Internet, ip-telephony);
- Order of additional services.

The additional information about the retail banking system MS-Retail, as well as the technical documentation, can be found at the site: <http://www.metasoft.com.ua>

Head-notes to the banking system of new generation-eng.

Brief description of retail banking system MS-Retail - eng.

Business architecture of retail banking system MS-Retail- eng.

Retail banking system MS-Retail. Technical functional specifications- eng.
– on request.