



INTEGRATED TREASURY SYSTEM

FX Software Ltd.

Hungarian developer and consulting company

FX Software was found in 1997

Our own-developed system:

InFoReX Financial Solutions

InFoReX

By now, InFoReX has become a Solution Package with integrated IT services for the financial world.

The InFoReX Solution Line provides efficient, integrated and modern solutions in the following functional areas:

- Treasury processes
- Accounting tasks
- Accounting management
- Asset financing, crediting and leasing

Treasury Processes

The InFoReX Solution provides comprehensive IT support for front and back office tasks, and offers several other functions as well:

- Transactions
- Sales and Margin Trading
- Credit Module
- Mortgage Module
- Treasury - Backoffice Service
- Middle Office
- Liquidity Management

Treasury Processes Transactions

InFoReX supports the following categories and types of transactions:

- Foreign Exchange (Buy, Sell, Swap)
- Money Market (Lend, Borrow, FRA Sell, FRA Buy)
- Securities (DVP and OTC Buy and Sell, active and passive Repo, Placement, Bidding, Borrow, Lend, Freezing)
- Futures (Buy / Sell, Open / Close)
- Options (Long / Short, Call / Put)
- Bank Notes (Buy, Sell)
- IR Deals (Loan, Depo, IRS, CCIRS, CDS)
- Revolving Credit Facility (revolving, non-revolving - credit line offered and received).

Treasury Processes

Sales and Margin Trading

In addition to treasury transactions, InFoReX supports the management of customer orders (sales), as well as security transactions and margin trading:

- Registers all orders in a database
- Monitors limits
- Provides real time data on transactions cover
- Calculates the position
- Customer security portfolio management and profit calculations
- Hedge positions handling (automatic matching, position calculation, statistics)

Treasury Processes

Credit Module

Provides an integrated solution of simple overnight loans as well as long term loans with cash flow systems:

- Review cash flow data Modify cash flow data
- Register additional events
- Re-generate cash flow, either in part or from scratch
- Assign a reference yield curve to the cash flow which can be used for discounting during the next evaluation
- Easy-to-use graphic interfaces help users handle transaction settlements, repayments while maintaining the ability to monitor and document arrears in problematic transactions (reminder management)

Treasury Processes

Mortgage Module

- Supports individual treasury processes, and provides graphic interfaces for security placement functions
- Integrated platform for the management of outgoing and incoming payments in the course of placement planning
- Reporting function

Treasury Processes

Treasury-Backoffice Service

- Transactions registration based on "4 eyes principle"
- Settlement messages management (KID, GIRO, VIBER, SWIFT - MT202, MT103)
- Confirmation messages management (faxes, e-mails and automated reconciliation of SWIFT MT3xx)
- Sending notifications (MT210)
- Complaint management (inquiries: MTx95, x96, x99)

Treasury Processes

Middle Office

Transactions can be grouped into individual books that can be clustered further into portfolios, and the system provides:

- Position management
- Net current value and profit calculation
- Graphs and reports
- Positions can be transferred between books and portfolios through internal transactions
- Users can register "What if?" transactions in the course of modeling various business scenarios
- Exchange rate and interest rate quotations (morning and midday)
- Determination of the related medium rates and O/N interest fixing
- Users can generate special rates for specific groups
- The system can send notices about exceptional changes in quotations

Treasury Processes

Liquidity Management

InFoReX Nostro liquidity management module provides exact information about liquidity:

- Documentation of Nostro balances and transfers
- Forecasting on the basis of registered transactions and related interest calculations
- Easy-to-use Nostro transfer and Hedge functions
- Receiving MT950 summaries
- Enables the user to reconcile stored data
- Liquidity and interest margin calculation tool

Accounting Tasks

The settlement services both in HUF and foreign currency were designed in such a way that they are not only compatible with the InFoReX treasury modules, but also with any application with standardized interfaces.

InFoReX provides solution for the following functions:

- Customer Order Management
- Collateral Checking
- Management Of Charges
- Settlement Of Transactions In Own Currency
- Settlement Tasks

Accounting Tasks

Customer Order Management

- InFoReX provides full services in this area, including sending and receiving MT103, MT202 and MT205 (payment abroad in home currency) messages, cheque (MT110) management and the generation of customer notices
- The system has all necessary SWIFT, VIBER and GIRO functionalities required for any type of general treasury transaction
- Allows users to carry out automated conversions with various exchange rates and manage pre-dated transactions
- Functionalities are in compliance with anti-money laundering regulations
- Built in tool for message confirmation related to settlement processes (automated / manual sending, receiving, reconciliation)

Accounting Tasks

Collateral Checking

- Automated external and internal collateral checking service is closely related to the settlement function, and provides a link to account management
- The system can carry out internal collateral checks for the operator (either within InFoReX or in cooperation with other account management systems), but manages external requests for collateral checks as well

Accounting Tasks

Management Of Charges

- Built-in tools to manage charges, commissions and interests related to settled amounts, and it can use several settlement methods (immediate, periodical) and calculation methods (constant, %, brackets) simultaneously
- In order to simplify customer charge structures, users can adjust general and special conditions
- Supports the use of BEN / OUR / SHA options, and it can provide assistance in collecting charges (MT190, 191)

Accounting Tasks

Settlement Of Transactions In Own Currency

In addition to the settlement of customer transactions, InFoReX also supports treasury settlement, including basic Nostro payments and transfers (MT200 / 202) and transaction settlement (MT202)

Accounting Tasks

Settlement Tasks

The InFoReX system allows users to carry out cash flow, treasury, credit etc. transactions through various settlement systems. Most important systems include SWIFT, RTGS, STEP2, GIRO (domestic settlement system)

Account Management

The InFoReX Solution offers full invoice processing and account management services through its Accounting Module in such a way that they can be made compatible easily with any general ledger or account management application.

The Accounting Module offers solution for:

- Analytical Accounts Management
- Complementary Accounting Function
- Customer Management

Account Management Accounting Engine

The InFoReX rule-based invoice processing engine carries out invoice processing and accounting tasks relevant to the transaction types registered in the system (which general ledger accounts are affected, when postings should be made to the relevant accounts, where the various fields in a transaction should be entered in the books etc.). Naturally, InFoReX accounting functionalities also provide comprehensive annulment management options.

Account Management

Analytical Accounts Management

- Account management functionalities with services ranging from simple Loro accounts to the comprehensive analytical management of accounts and overdraft limits
- Automatic account opening and the management of dormant accounts
- Easy-to-use tool and transparent models for managing account interests and other conditions
- Built-in tools for line management and collateral check, border areas between account management and settlement
- The system can generate account certificates in SWIFT, Paper, GIRO-mail and t-key formats

Account Management

Complementary Accounting Function

- Built-in tools supporting tasks related market revaluation
- The system can classify transactions according to general ledger and balance sheet lines
- Creating any type of analytical data

Account Management

Customer Management

- Customer types and compulsory data fields are definable in the customer database by adjusting system parameters
- Users can also add individual data fields to each customer and such individual fields will be integrated and available throughout the system

Asset Financing, Crediting and Leasing

The Asset Financing solution is designed to cover the entire asset financing process from contacting the customer to closing the deal.

The elements of the system are the following:

- Asset Financing Front Office System
- Credit Back Office
- Work Out Management

Asset Financing Front Office System

The InFoReX Asset Financing Front Office module supports traders, manages financing requests and advocates the contracting process by the following modules:

- Trader module (with Web access) is used to inform trading partners, generate automatic offers to customers, manage offers, receive and monitor customer requests for funds. It also supports commission calculation
- Management module has a Work Flow-based management of requests for funding which makes it possible to define the scope of responsibility, attach documents and adjust parameters. The following tasks can be integrated: maintenance of funding requests, support for technical inspection, credit rating, scoring, decision making (automated and/or individual), repayment schedule offers, contract drafting, checking function, transfer of cases to Back Office.

Credit Back Office

- Credit-related accounting tasks are carried out automatically
- Accounting steps are shown in analytical accounts automatically
- Installments, prepayments and arrears are recorded automatically
- The system supports customer correspondence and customer notifications are generated automatically throughout the transaction lifetime

Work Out Management

This module is designed to manage contracts that have been terminated and handed over for collection. The module also supports the collection process and documents each step.

Functions of this module includes:

- Management of collection sheets
- Support for contract restoration
- Placement of assets in registered premises, management of the ,status of premises
- Support for the technical inspection of decommissioned assets, support for evaluations
- Support for forced sales
- Management of problematic contracts

Management Information System (MIS)

MIS is an intranet solution of FX Software which gives instant information to the management about products, customers, revenue, portfolio balance or even performance of client representatives.

- Financial-accounting statement
- Product-asset indicators
- Client representative efficiency
- Client trends
- Identify customer behavior
- Attrition forecast and prevention
- Proactive client management
- Network analysis methods

Content of MIS

- Portfolio level results
 - historical, actual and plan figures
- Customer related financial data
 - revenue, asset, liability by customers
- Pricing applied to customers (interest, fees and charges)
- Connectivity analysis
 - txs initiated by customers
 - Identify counterparties → possible acquisitions

Overview of MIS

- Designed for Liability Portfolio Management purposes in 2001
- Extended for full banking product set in 2002
- Integrated system based on Modules (Budgeting, CRM, Executive, Product and Sales reports)
- Time efficiency is great compared to other solutions (Excel, Access)
- Developed for business, supporting needs with continuous feedback
- Integrated information about any type of customers
- Predefined pages that show financial information by salespersons, by products, and the development of customer relationship

Advantages of MIS

- Desktop solution at fingertips of front office managers
- Drillable through several layers - from country total to individual account level details with timeline
- Actual financials, history and plan – 3+ years time span
- Single data source
- One stop solution for reporting process as well
 - instant export to EXCEL for any on-screen functionality
 - export formats in line with reporting requirements

Planning and Monitoring

P&M is a module designed to build next year's financial plan in a bottom-up approach.

- Client representatives can input financial revenue on each customer and each product for the next year
- Tier/Bucket report gives information about the movement of the customer in terms of revenue buckets
- Users can take a look at the historical financial performance of the customer and decide on future numbers
- Simple to navigate
- Based on experiences a client representative with 35 customers could plan next year's revenue in just 2.5 hours
- Content of any table can be exported to MS Excel or MS Word with a click of the mouse

References

- Central Bank of Hungary – Integrated analytical accounting and settlements system
- Takarékbank, Central Bank of Albania– Integrated accounting and settlements system, treasury front and back office
- Államadósság Kezelő Központ – Integrated debt management and settlement system
- FHB, MFB, OTP Jelzálogbank, Merkantil Bank , Magyar Posta, Allianz Bank, IC Bank – Treasury front and back office
- HITEX – Leasing module



THANK YOU FOR YOUR ATTENTION!