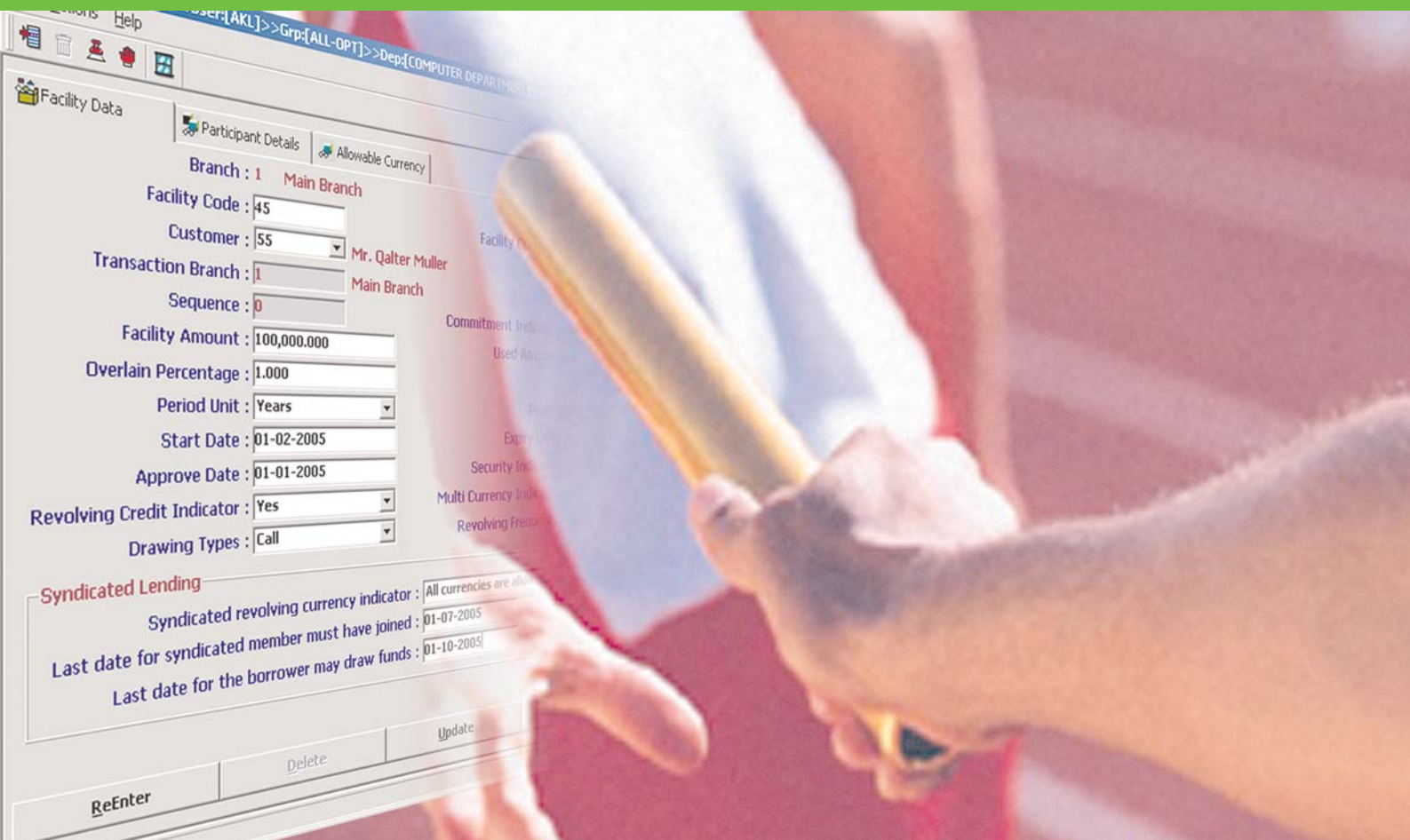


# SmartLending

*L o a n   M a n a g e m e n t   S y s t e m*



## SmartLending

Using a flexible lending module in banking is one of the key factors in the success of implementing a successful lending policy.

SmartLending was developed to automate the loan lifecycle. This enables the bank staff to focus their time on managing bank policies and customers interactions rather than spending time in monitoring the loan information.

SmartLending supports all types of banking loan functions, including credit line control, limits exposure and all the various types of loans.

SmartLending maximizes the user's ability to promote various types of loans by allowing them to rapidly define new varieties of loan product. The loan parameters are controlled within the parent loan product, thereby allowing a rapid deployment to react quickly to the new business requirement.



### Products Categories:

- ◆ Commercial and consumer loans
- ◆ Personal loans
- ◆ Syndicated loans
- ◆ Mortgage loans

### Supported types of loans:

#### Term loans:

- ◆ Short term
- ◆ Medium term
- ◆ Long term

#### Types of loans:

- ◆ Director
- ◆ Project
- ◆ Personal
- ◆ Staff loans
- ◆ Car loans
- ◆ Syndicated
- ◆ Mortgage
- ◆ Leasing
- ◆ Group controlled loans
- ◆ Fixed/Variable rate loans

## Loan Product Features

SmartLending allows the user to define new loan type called loan product, which allows users to respond quickly to the changes in the marketplace.

Each loan product represents a specific type of loan, which allows the definition of default parameters such as commissions, Charges and fees. These parameters control the behaviour of the loans opened underneath that product, and a number of these parameters can be modified on the loan account level.

## Credit Facility and Risk Management

- ◆ Provides full support of credit facility operations, collaterals and revolving credit facility
- ◆ Provides full control of loan limits within the available facility limit and limits exposure is reported
- ◆ Amendment of facility and its collaterals
- ◆ Supports syndicated facilities and its funding participant and funding currencies

## Modular Design

The modular design of the system allows it to work as a standalone module or in an integrated mode with the core banking system. It supports Multi-Currency and Multi-Branch operations.

## Security

SmartLending is a highly secured system. The administrator uses security administration functions to define branches, departments, groups and users. There is no limit for the number of branches, departments, groups or users. Each group has its own menu options.



## Loan Operations:

- ◆ New loan set-up and loan amendment which allows loan amount increase
- ◆ Allows the change of repayment frequency and the term of the loan
- ◆ Allows the limit increase, increase or decrease of commissions, tax or insurance of loan
- ◆ Supports daily interest accrual calculation
- ◆ Supports loans with multi-drawdown one schedule or multi-drawdown Multi-schedule
- ◆ Automatic drawdown of loans depending on predefined drawdown plan
- ◆ Fixed or variable interest rates
- ◆ Automatic handling of interest rate change
- ◆ Automatic classification of loans
- ◆ Loan early settlement
- ◆ Arrears settlement and interest, commission, tax or insurance rebates
- ◆ Reschedule of arrears and generates a new repayment schedule for the loan
- ◆ Hand over of loan details to the legal department
- ◆ Loan rollover with new interest and new repayment frequency
- ◆ Generation of demand notes



## Loan Schedule

- ◆ Automatic generation of loan schedule
- ◆ Allowing multiple interest types of loans (Simple discounted, compound, simple or flat)
- ◆ Each repayment amount in the schedule is divided into Principal, interest, commission, tax and insurance amount
- ◆ Amendment of schedule
- ◆ The interest amount can have its own schedule of repayment other than the principal schedule

Date	Outstanding Balance	Balance for Interest Calculation	Number of Days	Interest	Commission	Tax	Insurance	
31-05-2005	10,000.00	10,000.00	29	56.57	30.00	10.00	40.00	
30-06-2005	9,031.02	9,031.02	60	100.82	30.00	10.00	40.00	
31-07-2005	8,145.99	8,145.99	31	84.18	30.00	10.00	40.00	
31-08-2005	7,164.52	7,164.52	31	74.03	30.00	10.00	40.00	
30-09-2005	6,172.90	6,172.90	30	61.73	30.00	10.00	40.00	
31-10-2005	5,168.98	5,168.98	31	53.41	30.00	10.00	40.00	
30-11-2005	4,156.74	4,156.74	30	41.57	30.00	10.00	40.00	
31-12-2005	3,132.66	3,132.66	31	32.37	30.00	10.00	40.00	
31-01-2006	2,099.38	2,099.38	31	21.69	30.00	10.00	40.00	
28-02-2006	1,055.42	1,055.42	28	9.85	30.00	10.00	40.00	
<b>Totals</b>				<b>332</b>	<b>656.12</b>	<b>300.00</b>	<b>100.00</b>	<b>406.00</b>

## Commission, Tax and Insurance Calculation

- ◆ Flexible algorithm for commission, tax and other charges definitions
- ◆ The user assigns the commissions, charges or taxes codes for each product
- ◆ This commissions, charges and taxes can be amended in the loan establishment or at any time during the life of the loan
- ◆ The product's commissions and charges, tax or insurance can be divided into three amounts
- ◆ Up-front : amount must paid at loan establishment
- ◆ Unscheduled : amount paid at any time during the life of loan
- ◆ Scheduled : amount calculated in the repayment schedule
- ◆ Automatic calculation of commissions, charges, tax and commitment fee

Serial	Type	Code	Name	Amount	Payment Type	Delete
1	Commissions	1	First Commission Record	300.000	Scheduled	<input type="checkbox"/>
					Up-Front	<input type="checkbox"/>
					Unscheduled	<input type="checkbox"/>
					Scheduled	<input type="checkbox"/>

## Arrears Calculations

- ◆ Grace period for each loan product, after which time the system moves the non-paid repayments into arrears. This grace period can be modified on each loan account
  - ◆ Automatic Calculation of arrears amounts
  - ◆ Automatic loans classification
  - ◆ Accruing penalty amount on payments in arrears
  - ◆ Amounts that can be in arrears are principle, interest, commission, tax or insurance amounts
  - ◆ Five stages of doubtful debits for classified loans can be defined for each loan product. Each stage is defined with its period and G/L accounts
- Each doubtful debts stage can have its provision G/L for loan principle and interest



## Automatic Repayment

- ♦ The repayments are funded from a predefined settlement account at the due dates of repayments schedule
- ♦ The user can define repayment priorities as per the business requirement
- ♦ Automatic repayment of arrears balances
- ♦ Allows the use of the repayment priorities for making repayments of due balances which can be loan principal, interest, commission, tax, insurance or penalty fees
- ♦ Supports multiple methods of repayments in case of insufficient funds

## Transaction Processing Workflow

SmartLending provides an integrated workflow environment throughout the transaction lifecycle, which allows for flexible transaction routing.

All transaction entries are automatically generated from loan functions using the accounting class. This accounting class contains all the functions required for on-line or batch posting to the core banking system and has the facility of adding on-the-fly new accounting entries, and many other features.



## Intuitive User Interface

SmartLending's intuitive graphical user interface (GUI) allows the end user to be familiar with SmartLending quickly and reduces the training and the implementation time.

SmartLending is a Multi-lingual system, the user can switch between different languages easily and any new language can be added using the translation kit.



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## Queries and Reports

- ♦ SmartLending offers wide range of reports and enquires to serve various users and purposes
- ♦ Management and Central bank reports
- ♦ Audit trail and system events reports
- ♦ Generate reminders, tracers and reports of maturing and overdue items

Seq	Due Date	Principal	Interest	Insurance	Tax
1	02-11-2004	212.76	1.596.67	.0520.00	.15
2	31-12-2004	167.91	.676.67	.0320.00	.08
3	31-01-2005	191.03	.446.67	.0220.00	.07

## Host Communication

The SmartLending Function Interface Manager (FIM) facilitates the integration with any core banking system in an on-line real-time mode for balance checking and accounting transactions posting.

## Platforms and Databases

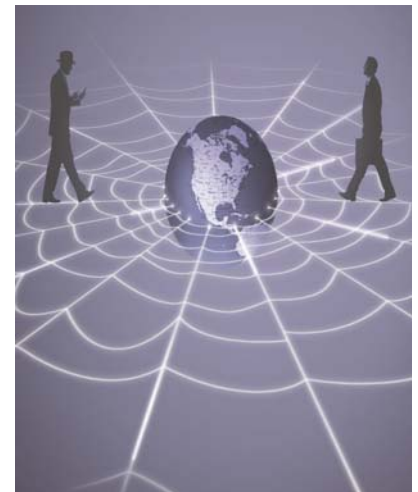
SmartLending is an advanced system based on open platform technologies such as Unix and Windows.

SmartLending supports multiple relational databases including Oracle, IBM DB2, Sybase, Informix and MS SQL Server.

The server machine can be Windows Server, Unix Server (IBM AIX, SUN Solaris, HP Unix, or Linux), or IBM AS400.

## B&F Soft

Banking and Finance Information Technology (B&F Soft) has extensive experience in the banking applications including core banking, trade finance, dealing room and lending systems.



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