

Misys Equation

The System of Choice for Retail Banking

Equation and Innovation

Misys Equation is a fully integrated, real-time, multi-currency retail banking solution that helps organisations minimise costs, protect and maximise revenues and react quickly to changing markets and regulations.

For almost three decades, Misys has been supplying innovative software solutions to the retail and international banking business. During this time, Equation has evolved and today continues to benefit from ongoing investment in new technology and applications supporting mission-critical initiatives.

Best Practice

Over 250 Banks world-wide currently use Equation to support their day to day business. With Equation's parameter-driven approach, the combined operational knowledge of these financial institutions is available for you to leverage. Best practices from all areas of retail banking can be turned on or off at the flick of a switch, enabling you to deploy products and services from other countries. This approach allows you to harness the knowledge of leading market professionals and beat your competition.

Flexible and Easy to use

Equation is designed to process even the most complex financial products and services quickly, simply and intuitively. From the shortcuts used in data entry to language independence, Equation has

been engineered with simplicity and purpose in mind, to help your staff deliver superior customer service.

Customer-oriented

Banking systems should be about customers, not accounts. Equation is customer, rather than account-centric, ensuring that tellers have the total view they need to deliver outstanding service, and managers have access to crucial customer intelligence, such as consolidated limit exposures. Since all information is held centrally, it is readily available to all channels and all areas of the business.

Robust and Cost Effective

At Misys, we believe that while business is complex, the systems that support it shouldn't be. Complex systems are expensive to support, are difficult to learn and understand and are more prone to failure. This is just one reason why we've developed Equation over the years to operate on a scalable, resilient and cost effective platform combined with the addition of BankFusion(TM) components, the solution is now technically vibrant and closely aligned with our customers' ongoing technology strategies.

Cross-Selling

Misys Equation not only helps your managers design products to support their business development programs, but also helps your tellers sell them through alerts and integrated product help.

Equation Desktop

The Equation Desktop is more than just another Graphical User Interface. It gives you a user-friendly, thin-client framework that allows rapid deployment across multiple sites. The system is multilingual and will increase productivity by providing:

- + Faster input;
- + A reduced learning curve for new users; and
- + Improved search facilities.

It lets you personalise the desktop screen layout so you can include your own logo and set up links to search engines, e-mail and your own corporate web-site. And it lets you to keep your current security and menu or option definition, including any user-defined function keys.

Core Management

The Equation Core services include:

- + Transaction processing;
- + Interest;
- + Tax;
- + Statistics;
- + Services fee calculation;
- + Nostro and currency positions;
- + Reports;
- + Enquires; and
- + Customer correspondence.

Retail Services

The Equation Retail Services modules provide full support for all retail products including:

- + Automatic and manual standing orders;

Unparalleled functional coverage for all aspects of retail banking



"As a result, we have minimised the level of IT investment in the future as the system is able to support the creation and delivery of a wide range of new products."



- + Cheque management and cheque book issue;
- + Sweeps;
- + Flexible charges; and
- + Comprehensive interest facilities such as floating or interest rates with penalty rates.

Deposits

The Equation Deposits module supports 'Demand' and 'Time' deposits and the processing of:

- + Rollovers;
- + Rate re-fixing;
- + Implementing specific customer instructions; and
- + The production of maturity reminders and statements.

For fixed deposits, Equation lets you record customer instructions, and produce reminder notices which detail balance, tax and interest.

Equation will support your method of calculating flexible penalties for early and partial withdrawals such as fixed or interest penalties or use calculations by your own programs. This makes sure that you can consistently deliver competitive products whilst maintaining value. And you can define flexible saving and withdrawal rules so you can quickly introduce new products.

Lending

The Equation Lending module supports the whole lending process from loan application, through opening and monitoring, to delinquency management and reporting. Equation's lending functionality will flexibly accommodate local lending practices and regulatory requirements. Among its many features are:

- + Grace periods;
- + Irregular repayments;
- + User-definable delinquency periods;
- + Automatic production of customer correspondence; and
- + Partial repayments.

Finance packages for your corporate clients can be tailored to their individual needs and Equation can help to control the associated risk.

Notice Savings Accounts

Equation supports many savings account features including:

- + Notice periods;
- + Free withdrawal facilities; and
- + Penalties for early withdrawal.

Equation uses flexible penalty calculation methods such as fixed or percentage amounts and amounts determined by the notice given or calculated by a user-defined program – to make sure you can consistently deliver competitive products and maintain value.

Profitability Analysis

The Profitability Analysis application provides facilities to accumulate and analyse statistics for enquiring and reporting on the profitability of customers and groups of customers. Both income and funding costs statistics are accumulated. The statistics may also be fed into PC analysis tools to report on product profitability, the profitability of different branches or departments.

Credit Risk Management

Equation lets you manage credit risk by establishing limits for customers, groups and countries in multiple currencies, and recording and monitoring exposure against these limits. Monitoring country risk will help you limit the risk from political decisions or economic performance that affect international settlements.

Clean Payments

The Equation Clean Payments module handles domestic, international, inward and outward payments. The back-office or the branch can initiate all outgoing payments. Equation lets the Bank define its own payment types, authorization procedures, commission structures and accounting rules. And you can remove the need for data entry on recurring payments by creating templates to hold predefined payment instructions and routing information.

Trade Finance

Equation's Trade Finance solution is powered by the market-leading Java based Trade Innovation Plus™ solution, with web-based access and a fully thin client. It is fully integrated with Equation combining a powerful dashboard and straight-through processing with flexible workflow and document management. It provides comprehensive support for all trade finance products, including Letters of Credit, Bills, Acceptances and Guarantees.

Risk Management and Compliance

To satisfy a bank's risk management requirements, Equation can be provided with a seamless interface into Misys Almonde. Almonde is a leading integrated risk management and compliance platform that supports multiple applications for Basel II, IAS39 Calculations and Asset Liability Management (ALM). Each application

Treasury, Branch Operations, Relationship Management, Islamic Banking, Internet Banking, SWIFT

module can operate as a stand-alone solution or as part of an integrated offering.

Treasury

The Equation Treasury module provides support for foreign exchange and money market. It supports a wide variety of instruments and deal types including:

- + Spots;
- + Swaps;
- + Options;
- + Overnight and term placements; and
- + Bills.

For more complex requirements, Equation has an interface to OPICS, Misys' market-leading Treasury solution.

Branch Automation

Each of Equation's Branch Automation solution set components:

- + Relationship Manager
- + Co-sign
- + Loan Origination
- + Cashier System

Each of the above can be integrated using the Branch Automation platform, which provides a common set of services and facilities to all applications.

Relationship Manager

The Equation Relationship Manager module supports the interaction between your customers and your staff. It provides a customer-session based system with tools that rapidly:

- + Identify customer relationships;
- + Manage contacts;
- + Maintain a log of actions;
- + Provide workflow management; and
- + Display bank definable product information.

Co-sign

Equation Co-sign handles the storage and retrieval of signatures and photographs. It supports all signing rules

from simple joint accounts with dual signatures, to complex corporate accounts where mandates include specific criteria. All maintenance, including scanning images, can be done centrally or in branch.

Loan Origination

This module automates many of the time-consuming and error-prone processes involved in handling loan applications.

The system can be tailored to suit the needs of individual banks. For example, a matrix of loan and customer types and their associated application forms can be defined. The content of each form is Bank-definable, and you can incorporate your own credit-scoring script, execute a credit-scoring routine or send the loan to a bureau for credit scoring.

To manage the workflow, each form type has an associated events list to ensure that all actions are completed before the loan is sent for approval. An integrated diary system is used to automate the production of user documentation.

Cashier System

The Equation Cashier System supports teller operations that include:

- + Customer and account opening;
- + Transaction processing;
- + Enquiries;
- + Foreign exchange and travelers cheques;
- + Commission payments and transfers;
- + Cash and cheque deposits and withdrawals;
- + Passbook processing; and
- + Term deposits.

In addition, the system controls these operations with branch and teller totals, journals and audit trails.

The cashier can continue to provide

customer service in off-line situations by combining these facilities with account and customer data replicated in each branch. All transactions captured whilst off-line are forwarded when communication links are restored to ensure seamless continuity of operations.

Islamic Banking

The Equation Islamic Banking & Finance module supports Shariah-compliant banking. We have specifically designed the solution to enhance productivity and customer service in a Shariah-compliant context. Key elements of the enhancements that support Islamic Banking operations are:

- + Islamic Finance Instruments;
- + Fees and Charges;
- + Profit Calculation and Distribution; and
- + Islamic Finance Workflow.

Internet Banking

Misys Equation's Internet Banking module, IFM, provides an integrated internet banking solution for both corporate and retail customers. It enables your clients to manage their accounts 24/7 and gives you the efficiency of optional straight through processing. And the solution's Secure Messaging capability lets you easily create new services.

SWIFT

The Equation SWIFT module automates SWIFT processing. It supports:

- + Straight-through processing;
- + Cancellation processing;
- + Routing incoming messages to processes such as confirmation matching;
- + Nostro reconciliation; and
- + Onwards funds transfer.

It holds full audit trails for all messages; these show the date, time and user details for each stage of the message life cycle.

Archiving and Reporting

Archiving

Equation fully supports online report archiving to third party systems. Its indexing and search facilities make information retrieval quick and simple, whilst multilevel access security features make sure that only authorized staff have access.

Reporting

Equation provides a wide range of enquiry and reporting facilities. You can easily tailor reports to your specific requirements and control content, sorting, sequencing and subtotalling. Equation also provides a versatile set of user-definable multi currency balance sheet facilities.

Equation Reduces Costs

- + Automates repetitive low-value tasks
- + Eliminates errors
- + Replaces multiple systems with one platform
- + Removes "spider web" integration

Equation Reduces Risk

- + Flexible, central limits system
- + Powerful workflow enforces control
- + Comprehensive reports and enquiries

Equation Increases Revenue

- + Provides cross-selling tools
- + Puts information at users' fingertips
- + Deploys new products faster

Equation Improves Customer Service

- + Workflow ensures consistent service
- + Enables single point of contact
- + Provides information to all channels
- + Customer relationships recorded
- + Single view of customers
- + Contact management tools

Equation is Robust and Secure

- + Proven IBM iSeries technology
- + Multi-layered security model
- + Proven track record

For more information about how Equation can help your organisation deliver competitive advantage whilst controlling costs and risk, please e-mail equation@misys.com

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