



VEGA
SOLUTIONS LTD

Extending the reach

Vision Banking System Overview

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Microsoft
CERTIFIED
Partner

ISV/Software Solutions

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1. INTRODUCTION

VISION Banking has been developed as a complete solution to meet the needs of the Private Client Banking Sector. Designed from the outset for security, reliability, ease of use and client focus these features combined with inherent automation ensure high levels of productivity and customer satisfaction.

Implemented as a browser based solution on a Microsoft platform VISION Banking easily scales as your business volumes grow. Utilising commodity hardware and standard Microsoft software, overheads and cost of ownership are low.

2. OVERVIEW OF FEATURES

Module	Features
Clients	Flexible linking of client / account relationships User configurable attributes for reporting Notes Client correspondence Correspondents Know your client Data changes highlighted on edit and authorisation
Accounts	User configurable attributes Flexible capitalization Charge exemption options Data changes highlighted on edit and authorisation
Transactions	Real time processing Sophisticated user configurable data entry screens Forward / back valuing support Four eyes authorization External interface support for BACS / SWIFT etc. Standing Orders Integrated FX handling Checks & warnings
Fixed Deals	Deposit / Loan support Back valuing support Auto mature / break Workflow queue management
FX Deals	Spot / Forward and Back Valued deals Auto settlement Real time position reporting
Loans	Integrated loans module Collateral Weighting and provisioning Data changes highlighted on edit and authorization
Securities	Multi depot Contract notes Valuation statements Corporate actions
Document Management	Client / Transaction / Event linking Integrated PDF production and archiving of: <ul style="list-style-type: none">• Advices• Confirmations• Statements• Contract notes Integrated document imaging
Interest Calculation	Flexible parameterised interest rates Multi method support Daily Accrual Auto-calculation of back valuing Ad-hoc adjustment support Tandem Profitability (Transfer price) calculation

Vision Banking – System Overview

	Flexible capitalisation options
Product Types	User configurable product types Default Interest Rate and Capitalisation rules Parameterised Charging Product level accrual / capitalisation / charge GL posting
Accounting	Integrated general ledger User defined accounts Direct Balance Sheet / P&L reporting Supplier payments Fixed Assets Automatic month end currency clear down Automatic year end closure
Security	Control led access at module / feature level User permission defined by group System wide Four eyes authorization Facility to filter data by user level Fully logged table history
Core	Browser based Microsoft platform Multi currency Four eyes throughout Real time Accessible Data Flexible reporting

3. CLIENTS

3.1 General

The concept of **client** within VISION refers to the customer.

Each client must have at least one **owner correspondent**. Where there is more than one owner percentage ownerships can be allocated but the total ownership must be 100%.

Multiple correspondents may be created for any one client. This allows third parties such as accountants or financial advisers to be linked to clients. These correspondent records have no accounting significance but can be used to provide business analysis and permit the recording of all parties related to the client eg if the client is a limited company each of the directors may be recorded as a correspondent.

The system will force that at least one correspondent receives statements to prevent client and account records being set up without a statement address. Once a correspondent has been created it can be linked to any number of clients.

A client may have many accounts as each account will relate to a specific business product eg a personal current account.

An **example** of these relationships would be:

Mr & Mrs Smith open a joint current account and a loan account. They have an accountant Mr Jones who receives statements.

Client

Mr & Mrs Smith

Correspondents

Mr Smith – owner

Mrs Smith – owner

Mr Jones - accountant

Accounts

Mr & Mrs Smith current account

Mr & Mrs Smith loan account

Vision Banking – System Overview

The client record for Mr Smith is shown below. Note that the client record has a number of tabs. Clicking on a tab brings up the information relating to that tab's heading.

VEGA SOLUTIONS LTD

Home | **Client Servicing** | Transactions | Loans | Authorisation | Administration | Fixed Assets | Reporting | Diary | Documents | Exit | Log Out

Search | **Client Details** | Correspondents | Accounts | Fixed Deals | Fix Deals | Loans | Standing Orders | Stopped Payments | Notes | Documents

Client No: 001007 - Mr Smith **[Alerts]**

Details | **Securities** | Lending

Authorised View | Edit | Cancel

Client Number:	001007	Record Status:	Authorised
Client Title:	Mr Smith	Financial Year End:	5 April
Salutation:	Mr Smith	Permission Level:	0
Sort Name:	Smith	Client Category:	Client Account Holder
Client Status:	Open	Quarterly Charging:	Yes
Client Type:	PCI - Private Client Individual	Holds Portfolio:	No
Online Group Code:	OTH - Other	Online Restricted:	No
Tax Eligible:	Yes		

Owner	Address	PostCode	DOB	Password
Mr Smith	Anywhere House, Somewhere		15/03/1950	

Care Codes Client level: NOW - NO WITHDRAWALS-REFER LOANS DEPARTMENT

View Record History

Account	Type	Name	Ccy	Ledger Balance	Cleared Balance	Forward FX	Working Balance
No authorised accounts were found for this client.							
Total GBP:					0.00		

Wed 15 Mar 2006
Vision Banking

Done Local intranet

Other fields to note

- **Client type** – user maintainable list of client types eg private individual, trusts. Used primarily for reporting purposes but also identifies whether EU Savings Directive is applicable to this client type
- **Online Group Code** – user defined to control access to client record through the online system
- **Online Restricted** – further level of restriction on access through online system
- **Tax Eligible** – if the client type is tax eligible 'yes' will be displayed. However, if the owner correspondent is not tax eligible tax will not be withheld.

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The following example shows the correspondent record for Mr Smith. Both Mr Smith and Mr Jones are shown as correspondents together with the nature of the correspondent relationship.

The screenshot displays the Vega Solutions Ltd system interface. At the top, the logo 'VEGA SOLUTIONS LTD' is visible. Below the logo is a navigation menu with options: Home, Client Details, **Correspondents**, Accounts, Fixed Deals, FX Deals, Standing Orders, and Stopped Payments. A search bar is located below the menu, with options for 'List Correspondents', 'Find Correspondent', and 'New Correspondent'. The main content area shows 'Client No: 001007 - Mr Smith' and an 'Authorised View' button. A table lists the correspondents:

Correspondent Name	Relationship	Holding	Status	Address
Mr Smith	Owner	100.00%	Authorised	Anywhere House, Somewhere
Mr Jones	Accountant		Authorised	Calculator House

The bottom of the interface shows the date 'Wed 15 Mar 2006', the text 'Vision Banking', and 'Local intranet'.

Vision Banking – System Overview

Drilling down on the correspondent name will bring up the details for that correspondent.

The screenshot displays the Vega Solutions Ltd system interface. At the top, the company logo is visible. Below it is a navigation menu with options: Home, Client Servicing, Correspondents, Search, Correspondent Details, Find Correspondent, New Correspondent, New Address, and Documents. The main content area shows the details for a correspondent named Mr. Smith. The interface is divided into two tabs: 'Name/Address' and 'Details'. The 'Details' tab is active, showing a form with the following fields:

Correspondent Name:	Mr Smith	Record Status:	Authorised
Given/Family Name:	Mr Smith	Permission Level:	0
Addressee Name:	Mr Smith	Correspondent Status:	Open
Date Of Birth:	15/03/1950		
Statement Sort Code:			
Vision Risk Rating:	Undefined		
Date Last Risk Review:	15/03/2006		
Addresses:	* Anywhere House, Somewhere, UK (Correspondence 1)		
Telephone (Daytime):	01657 876543	Telephone (Evening):	
Fax Number:		Mobile Number:	
E-Mail Address:		Preferred Contact Method:	Telephone (Daytime)
Country Of Nationality:	UK - United Kingdom	Gender:	Male
Country Of Residence:	UK - United Kingdom	Financial Year End:	5 April
Password 1:		Identification:	Passport
Password 2:		Address Verification:	Utility Bill
Password 3:		Reference:	Bank Statement
Contact Name:		Date First Contact:	15/03/2006

Below the form, there are two links: [View Record History](#) and [View Relationships](#). At the bottom right of the page, the date and time are displayed: Wed 22 Mar 2006, Vision Banking.

Notes

At client level there is a menu option of 'notes'. This allows the recording of any information relating to that client which will be of use in dealing with the client's affairs.

3.2 Client Categories

The example above relates to a client account holder. VISION has an integrated general ledger and the term client is also used for general ledger purposes. This is controlled by use of a client category. Each client is linked to a client category.

There are four client categories within VISION. These are:

- Client account holder
- General Ledger balance Sheet account
- General Ledger Profit & Loss account
- General Ledger Supplier account

A generic correspondent eg with the name general ledger can be set up and used as the correspondent for all general ledger accounts.

Example

General ledger accounts for Interest Received on Current Accounts (profit and loss) and Accrued Interest Receivable on Current Accounts (balance sheet) are required.

Client

Interest received on current accounts
Interest receivable on current accounts

Correspondent

General ledger – same correspondent is linked to both clients.

Accounts

Interest received on current accounts
Interest receivable on current accounts

3.3 Attributes For Reporting

Attributes can be attached to clients and correspondents. These are termed **data groups** and are used for reporting and analysis purposes only – they are not required for processing within the system.

Data groups can be set up dynamically ie without programmer intervention.

They can be made mandatory or optional and the tab on which the data group is to appear is also nominated.

For each data group a number of values, known as **data group items**, are created. These are the options applicable to the data group. They will appear as a drop down menu against the data group on the nominated tab.

Vision Banking – System Overview

Example

A data group Relationship Manager is defined for all clients. Given three letter code RLM

Data Group Items are specified against three digit numerical codes

001 Mr Black
002 Ms White
003 Mr Purple

Attributes can also be defined as **alerts**. These will appear on the screen as warning messages to alert the user to specific attributes of the client being accessed. A typical example is the use of care codes. For Mr Smith a care code has been attached to the client record – a pop up appears when the client record is accessed.

The screenshot displays the Vega Solutions Ltd Vision Banking system interface. The top navigation bar includes the Vega logo and a menu with options: Home, Client Servicing, Transactions, Loans, Authorisation, Administration, Fixed Assets, Reporting, Diary, Documents, Exit, Log Out. Below this is a search bar and a secondary menu: Client Details, Correspondents, Accounts, Fixed Deals, Fx Deals, Loans, Standing Orders, Stopped Payments, Notes, Documents.

The main content area shows the client record for "Client No: 001007 - Mr Smith". The record status is "Authorised". The client details include: Client Number: 001007, Client Title, Salutation, Sort Name, Client Status, Client Type, Online Group Code, Tax Eligible, Owner (Mr Smith), and Care Codes Client level. A "View Record History" link is also present.

An "Alerts -- Web Page Dialog" window is open, displaying the message: "Alerts For Client 1007" followed by "NOW - NO WITHDRAWALS-REFER LOANS DEPARTMENT (Client 001007)".

At the bottom of the client record, there is a "Total GBP:" field showing "0.00". The system footer indicates the date "Wed 15 Mar 2006" and the version "Vision Banking".

3.4 Client Numbers

Client numbers are generated by the system and are 6 digits. For general ledger clients the numbers are typically manually supplied to conform with the chart of accounts in use and the 6 digit client number is referred to as the root.

3.5 Correspondent Numbers

Correspondent numbers are system generated. These are used as identifiers within the system but have no accounting significance.

Please refer to the section on accounts for additional information.

3.6 Client Correspondence

The following are produced by VISION. An image is also retained in the system.

- Fixed deal confirmation
- Fixed deal maturity confirmation
- Forex deal confirmation
- Interest demand letter
- Bank transaction advice note
- Bank statement
- EU Savings Directive exchange of information letter

3.7 Document Management

Scanned images of correspondence and other documents e.g. passports, signatures, mandates etc can be stored in the system and linked to clients, accounts and correspondents. This is particularly useful in maintaining records for 'know your client'.

4. ACCOUNTS

4.1 General

An account is an instance of a product for a client. VISION caters for accounts in multiple currencies.

When an account is opened for a client default values are taken from the product definition (an account is opened for each product held by the client). These default values cover:

- Capitalisation
- Interest rates
- Statement frequency
- Transfer Pricing
- Financial reporting ID's

The defaults can be overridden at account level as required.

4.2 Attributes for Reporting

These can be defined and attached to accounts as well as at client and correspondent level.

4.3 Account Numbers

Account numbers are the 6 digit root client number plus 2 further digits. For non general ledger client account holders this 2 digit suffix is normally allocated sequentially but can be user specified. For client accounts the 2 digit suffix has no implied functionality. For general ledger accounts the 2 digit suffix denotes the currency of that account.

Summary client, correspondent and account numbering

Client

System generated for non general ledger clients – 6 digits

User supplied for general ledger clients – 6 digits referred to as root

Correspondent

System generated identifier

Account

Client (non general ledger) client number plus 2 digits

General Ledger 6 digit root plus 2 digit currency code

Fixed deals do not follow this pattern but have individual numbers which are system generated.

4.4 Account Balances

Balances are shown under the following headings:

- **Cleared** balance – includes all transactions with a value date of today or prior
- **Ledger** balance – includes all posted transactions excluding spot or forward forex
- **Working** balance – ledger balance plus or minus the sum of
 - a) Unposted fixed deals placement or maturities that are closed or authorised.
 - b) Unposted forex deals where the forex has a value date of 2 working days ahead or less that are closed or authorised.
 - c) Unposted transactions which have been input and have a status of closed or authorised.
- **Forward Forex** – Total of any outstanding forward forex deals ie deals which have a value date greater than 2 business days ahead. When the value date becomes 2 or fewer days ahead the transaction will move to the working balance.

5. TRANSACTIONS

5.1 General

Within VISION the following definitions apply:

- **Transaction** - One transaction is one accounting entry ie one debit or one credit
- **Transaction set** - A transaction set is a group of transactions which balance by currency. i.e. total debits equal to total credits
- **Transaction set type** - A transaction set type defines the behaviour of different types of transaction sets. An example of this would be the handling of transaction sets where one debit equals multiple credits. A transaction set type can be defined as permitting transaction import/export via files from/to other systems e.g. a Clearing Bank.

Transaction set types are set up on the system for the user to record specified types of transaction e.g. BACS payments, supplier invoices or a loan drawdown.

Definitions for transaction set types are held on the system within standing data.

5.2 Transaction processing

Transactions are processed real time. Transaction entry is via user configurable data entry screens and all transactions are subject to authorisation before posting:

1. User entering the transactions must acknowledge any warnings by ticking a box (this could be items such as the transaction would take the client below an agreed minimum balance)
2. A second user checks and ticks each transaction and warning. This makes the transaction set available for authorisation
3. A third user authorises the transaction set.

Note that the system can be configured, through user profiles, to enable the check and authorise processes (steps 2 and 3) to be carried out by one user rather than two.

The system stamps the transaction with the username and time of the persons creating/editing, checking and authorising the transaction.

5.3 Linked FX Transactions

Part of a transaction may be in a currency different from the account being accessed. Eg a client may wish to make a payment in euros from a sterling current account.

As part of the transaction capture VISION automatically creates an FX deal.

For this, and any other FX transactions, the user always enters the exchange rate to be used. This rate will be validated against the currency exchange rate table to ensure that it is within a defined tolerance of the rate held in the table.

5.4 Forward and back valuing support

Forward and back valuing support for transactions is included.

5.5 SWIFT

VISION can be implemented to integrate transactions with inbound and outbound **SWIFT** messages.

5.6 BACS

BACS receipts and payments use file transfer. As there is a BACS charge for each file transfer the creation of the file is under user control so that numbers of transactions sets can be consolidated into one file transfer.

5.7 Standing Orders

Standing order payments can be set up against client accounts. Standing order payments can be made via:

- BACS
- SWIFT
- Cheque
- Other – e.g. transfer between internal accounts

Frequency criteria for the payments are flexible. Initial and final payments of a series can be entered as differing amounts from the regular payment amount.

Administration charges (e.g. SWIFT charge) can be added to each payment processed.

Standing orders are authorised on initial set up and are then automatic unless requiring user intervention.

6. FIXED DEALS

6.1 General

The fixed deal module in VISION records the placement of client monies (new fixed deal) and maturity instructions. The transaction can be deposit or loan.

Fixed deals are tracked through an account created at the time the fixed deal is set up. A new account number is system generated for each fixed deal recorded.

The same number will be carried forward if the deal is rolled over on maturity.

Various dates are carried on fixed deal accounts:

- Start date – date on which deal commences
- Original maturity date – original maturity date for this deal
- Ultimate maturity date – indicates how long the money will be available for dealing eg amount is held for 1 year but placed on monthly deposits.

As well as forming part of the transaction details these dates can be used in production of management and compliance reporting eg exposure by maturity.

6.2 Maturity

Unless maturity instructions have been entered for all deals maturing today the end of day routine will not run.

The maturity date must be a working day for the currency of the deal. An error will be flagged when the deal is first input if the maturity date does not comply with this rule.

Where a fixed deal rolls with no changes and interest is accumulated a re-fixed interest rate can be entered.

More complex maturity instructions, eg where interest or part of the capital are paid away, or where there is a break in the deal are entered manually. Penalties relating to a break can be entered and are posted to the default charge account for that product.

All fixed deals should be from a client with a current account. If not the paying away of interest or return of capital is more complicated as SWIFT or BACS payment will be required.

Deals awaiting maturity instructions can be viewed at any time. During the lifespan of the deal the maturity instructions can be edited at any time.

A break deal can be with or without interest to accommodate requirements of EU Savings Directive.

6.3 Back valuing of Fixed Deals

If a deal is entered with a start date earlier than today an interest adjustment is calculated for the 'back period' by the system.

7. FOREIGN EXCHANGE DEALS

7.1 General

VISION supports FX dealing on either a Spot or Forward basis, recording currency transactions from the bank's point of view

Exchange rates are held for daily, monthly and annual rates. A history of changes is maintained. The rates held in the interest tables in the system are the units of currency equal to one unit of the system base currency.

For accounting purposes all currencies are translated through the designated system base currency i.e. if a client uses dollars to purchase euros the dollars will first be translated into sterling (base currency) and then the sterling into euros. This only affects the system processing and is not visible to the client who will be offered the euro/dollar rate.

7.2 Exchange rates

When posting a transaction the rate of exchange for the transaction may be input either way round. The system looks at the exchange rate table to determine which is the stronger currency and then uses that to determine whether the rate entered should be used to divide or multiply the currency being translated.

Example

Translate \$100,000 to euros

Exchange rate \$1/0.8333 E1/\$1.2

Enter rate as 1.2.

Dollar is stronger currency, divide by rate

$\$100,000/1.2 = \text{E}83,333$

Enter rate as 0.83

Dollar is stronger currency, multiply by rate

$\$100,000*0.8333 = \text{E}83,333$

7.3 Tolerances

A tolerance (expressed in percentage terms) is attached to each currency. When an exchange rate is entered for a transaction VISION will check that the rate input is within the specified tolerance of the daily rate held on the system. If it is not within the tolerance an error will be created to prevent the deal being processed. (therefore, to post this transaction either amend the tolerance or the daily rate)

8. CURRENCIES

8.1 General

VISION is a multi-currency system. New currencies can be added at any time, currencies can also be made inactive preventing the creation of new accounts or trading that currency.

8.2 Base currency

The base currency of the system is determined at implementation. All Fx transactions are performed via the base currency. At month end and year end non base currency GL accounts are cleared to the base currency via an automated end of day process.

8.3 Currency Holidays

A table of currency holidays is held within VISION (currently populated to 2037). The value dates of user entered transactions and deals are validated to ensure the date is a working day in the transaction currency. Certain system transactions e.g. interest transactions post on non working days.

New holidays can not be added to the system where forward deals are due to take place on the desired holiday. These deals must first be broken and re-fixed for another date.

9. LOANS

9.1 General

The loan module on VISION allows the recording of a loan transaction through its various stages from an initial enquiry from a client to redemption of the loan. Collateral supporting the loan can be recorded and linked to the loan. Loans can be held in any currency activated on the system.

For loan details to be processed a client and correspondent must exist on the system. A record with the status of 'prospective' can be created for enquiries.

The total facility approved for the loan is recorded and then drawdowns against the loan processed. The total facility is recorded to allow for commitments to be reported.

9.2 Loan Interest

Interest is set at account level. On the loan record an interest type can be recorded as a note of the interest rate planned for this loan. The interest rate set on the account determines the interest actually charged on the loan. Capitalisation rules default to those of the product but can be overridden at account level. There is thus total flexibility in setting interest rates and capitalisation rules for any loan.

9.3 Capital Weighting And Provisioning

Capital weighting and provisioning levels are held at individual loan account level to allow for the differing levels required for different types of loan. There is a default from the product type but this can be overridden at account level.

Additional facilities with all the same terms can be added to an existing loan account but if there are any changes to that loan such as a differing interest rate a new loan account is required.

Repayments are processed as normal transaction set types such as cheque receipts, direct debit, standing order etc.

9.4 Collateral

Collateral held can be internal (eg current account or portfolio held on securities module) or external assets such as an external portfolio, property or boat.

Portfolio details for securities are held on the securities module. Portfolios can be internally or externally held. The portfolio record will indicate, highlighted in red, that the portfolio is under lien where it has been linked to a loan account as a collateral item. Other warnings can be added. These do not prevent transactions taking place. Individual securities are given collateral risk ratings which will be applied to the market value to give a weighted value for that security.

All other assets are given individual collateral risk ratings. Collateral, other than portfolios, is recorded directly onto the collateral section of the loan file.

The loan record will display the collateral along with the loan. It is also possible to record the proportion of the total value to be held as collateral for each item of collateral. A minimum value for each item can also be set. Where the market or weighted values fall below the minimum they will be displayed in red.

Market values and weighted values are displayed. Loan to value (weighted value) and weighted cover are calculated and displayed.

9.5 Guarantees & FX Dealing Lines

Where the bank has granted facilities other than a loan facility the values can be recorded for commitment reporting. This can be done by setting up product types which have no general ledger accounts attached to them but do carry reporting ID's. The use of these must be considered carefully.

An example of a loan record is shown below. This has a status of PDR (partially drawn). Collateral associated with the loan is shown with the loan record.

Vision Banking – System Overview

Home
Loans
Consolidate
Exit
Log Out

Loan Search
Loan Details
Client Summary
Client Details
Facility List
New Loan
New Loan Facility
New Loan Collateral
Documents

Client No: 001003 - Hamster Corporation [Alerts]

Account No: 00100302 - Hamster Corporation [GBP - TRL]

Authorized View

Loan Number: 00010000	Record Status: Authorised
Loan Account No: 00100302 - Hamster Corporation [GBP - TRL]	Loan Status: PartiallyDrawn
Client Number: 001003 - Hamster Corporation	Application Date: 09/03/2006
Loan Type/Currency: TRL - Residential Property Loan GBP	Commencement Date:
Loan Name: Hamster Home Loan	Ultimate Maturity Date:
Repayable On Demand: Yes	Interest Type: GBP LIBOR
Interest Demand Letter: Yes	Interest Payment Method: Interest Roll Up
Loan Category: New Discretion	Loan Classification: Satisfactory
Lending Limit: 250,000.00 GBP 250,000.00 GBP	Provisioning Rate: 0.500000
Annual Review Date: 09/03/2007	Capital Weighting: 50.000000
Notes: <div style="border: 1px solid #ccc; height: 20px; width: 100%;"></div>	

Account Balance: 125,025.00 GBP	125,025.00 GBP	Max LTV:	90.00%	Minimum Cover:	100.00%		
Total Available: 124,975.00 GBP	124,975.00 GBP	Current LTV:	49.72%	Current Cover:	201.12%		
		Current LTV inc int:	49.72%	Current Cover inc int:	201.12%		

View Record History

[Click To Show No Longer Required Facilities]

Facility	Reference	Status	Auth Status	Application Date	Facility Amount	
00010000 / 001	Hamster Corporation	PDR	Authorised	09/03/2006	250,000.00 GBP	250,000.00 GBP
					GBP Total:	250,000.00 GBP

Collateral Id	Collateral Name	Status	Proportion	Minimum Value	Market Value		Weighted Value	
00010001	Hamster House	P/A	100.000000%	100,000.00 GBP	185,000.00 GBP	185,000.00 GBP	135,000.00 GBP	135,000.00 GBP
00010000	Current Account	P/A	10.000000%	100,000.00 GBP	113,523.25 GBP	113,523.25 GBP	113,523.25 GBP	113,523.25 GBP
00010002	Hamster Portfolio	P/A	50.000000%	2,000.00 GBP	2,650.00 GBP	2,650.00 GBP	1,987.50 GBP	1,987.50 GBP
00010003	Hamster External Portfolio	P/A	5.000000%	5,000.00 GBP	1,878.75 GBP	1,878.75 GBP	939.38 GBP	939.38 GBP
				GBP Total:	207,000.00 GBP	303,052.00 GBP	251,450.12 GBP	251,450.12 GBP

Done
 Local intranet

10. SECURITIES

10.1 General

The VISION SECURITIES system allows the recording of all traded securities held by a client. It is not integrated with VISION BANKING for transaction purposes but is linked for the purposes of viewing a total picture of a client's relationship with the banking organisation. All monetary transactions are processed on the banking system. Any client holding a portfolio must have an account on the banking system. A client can hold multiple portfolios.

Portfolios can be:

- Internal – bank is acting on behalf of the client, buying and selling securities
- External – record of a client's portfolio used as collateral. Bank does not act for the client in buying and selling securities in this portfolio.

Individual securities are given a weighting which is used to calculate the weighted value of a portfolio used as collateral.

The system records security holdings by depot to facilitate reconciliation with custodian records.

10.2 Client Correspondence

The following documents are produced:

- Contract notes
- Valuation statements
- Securities advice note

A client's portfolio can be viewed from the customer servicing section of the banking system by clicking view portfolio option (note this option will only display if the client has a portfolio). The client's portfolio, or part of it, may also be held as collateral for a loan – the portfolio will be marked as under lien as a warning to the user.

Securities are added to the system individually. Prices are entered manually or a feed can be taken from an external source.

10.3 Corporate actions

When a corporate action is advised to the bank a list of all portfolios holding that security can be produced and saved as a spreadsheet together with additional information required to produce client correspondence.

Standard letters for typical corporate actions are created using WORD merge templates.

Off line this is used to calculate the action for each portfolio. Note - the client's preference can be recorded on the portfolio.

Vision Banking – System Overview

Cash transactions arising from corporate actions (eg dividends received) are processed on the banking system. Changes to shares held (eg a rights issue) are processed on the securities system.

11. DIARY

On VISION a schedule of diary events can be recorded. Events can be defined as one off on a particular date or set up to recur with specified frequencies.

The events will be displayed to the user as a reminder. Diary events can be related to roles- which are pre defined categories of user. Individuals can be attached to more than one role.

Example

Diary event xyz is for accountants and will display to any user attached to the role 'accountant'.

A user can look at

- Today's events
- Tomorrow's events
- My events – events for the roles to which that user is attached.

12. INTEREST

12.1 General

Interest rates are held in the system in specific currencies eg sterling base rate.

Interest rates can be set up with banded limits and spreads. Banding cannot be changed at client level but spreads can be adjusted at client level and the spread will be added to the basic banded limit.

Interest rates are attached to products but can be overridden at account level.

The interest rate table holds the current rates. A history of changes is maintained.

Updating of interest rates is done manually and changes the interest rate on any account linked to that rate. For any accounts where the product interest rate link has been defined as 'change on capitalisation' on the product record the interest rate change will become effective at the next capitalisation.

Where an account is 'change on capitalisation' (as defined on the product record) and the interest rate is also defined as 'bulk update' the end of day routine will flag, on the day before capitalisation, that a new interest rate is needed. The interest rate requiring updating will be changed to 'pending' and will therefore appear in the authorisation queue for review before end of day on the day of capitalisation. This is useful where the interest rate is not maintained on a daily basis.

12.2 Calculation Methods

VISION applies 2 methodologies, either 360 or 365 day calculations. The methodology is defined by the currency and cannot be overridden. This will determine the method used to calculate interest in that currency.

Interest is calculated and accrued daily using the closing cleared balance. Daily accrued interest postings are made to the general ledger – one posting per product/currency combination. All postings are end of day except for 'capitalise now' transactions (see below).

Daily accrual = cleared balance * 1/360 (or 1/365) * interest rate

VISION holds three accumulators at account level for interest accruals:

- Daily accrual – each day's accrual is added to accumulated total to date and balances are cleared on capitalisation
- Interest adjustments – ad hoc adjustments
- Interest adjustments from back valuing

Capitalisation rules are defined at product level but can be overridden at account level to permit total flexibility. On capitalisation all three accumulators are cleared, subject to rounding, for the accruals being capitalised.

Transactions can be back valued up to 3 months. On posting interest is recalculated real time to reflect the effect of the back valued transaction

The accrual is held to 6 decimal places. On capitalisation the accrual is rounded to 2 decimal places, either up or down in accordance with normal conventions. The rounding 'adjustment' is

Vision Banking – System Overview

left in the accruals accumulator and general ledger control account. It is carried forward to the next capitalisation and forms part of the rounding calculation at the next capitalisation.

The interest accrual is calculated before capitalisation at end of day. Capitalisation will be given a value date of the following day. This does not affect the general ledger postings which are driven by posting date (not value date).

On fixed deals maturity instructions are processed prior to the interest accrual to prevent interest being calculated on the day of maturity.

12.3 Capitalise Now

It is possible to capitalise interest outside of the normal capitalisation routines by using a 'capitalise now' procedure. This may be necessary if for instance an account is being closed. Using this procedure intra day posts any back valuing or interest adjustments held in accruals in addition to the value of the 'capitalise now' routine. The interest accrual for today would not be included in 'capitalise now'.

12.4 Account Enquiry

For any account the value of accrued interest can be viewed at any time. The value of accrued interest (which includes interest on back valued transactions) and other interest adjustments can be seen on the account details screen.

VEGA SOLUTIONS LTD

Home | Client Details | Correspondents | **Accounts** | Fixed Deals | FX Deals | Standing Orders | Stopped Payments | Notes

Search | List Accounts | **Account Details** | List Transactions | Working Bal | Interest | List FX Deals | Documents | New Account

Client No: 001006 - Victor Vole
Account No: 00100601 - Victor Vole [GBP - PIC]

Account: Details | Correspondents | Lending

Authorised View | Edit | Cancel

Account Number:	00100601	Record Status:	Authorised
Account Name:	Victor Vole	Product Type:	PIC - Private Interest Current A/C
Account Status:	Open	Date Account Opened:	13/03/2006
Account Currency:	GBP	Date Closed:	
Cleared Balance:	500,000.00	Base Ccy Equiv:	500,000.00
Ledger Balance:	500,000.00	Base Ccy Equiv:	500,000.00
Working Balance:	505,000.00	Base Ccy Equiv:	505,000.00
Forward FX Deals:	0.00	Base Ccy Equiv:	0.00
Debit		Credit	
Interest Rate Override:	No		
Interest Rate Code:	[GBP] 001 - STERLING BASE	[GBP] 002 - STERLING PIC A/C	
Interest Base Rate:	4.500000	1.750000	
Interest Rate Spread:	10.000000	0.000000	
Total Interest Rate:	14.500000	1.750000	
Interest Adjustment:	0.00	0.00	
Accrued Interest:	0.00	61.64	
Retention Tax:		0.00	
Net Interest:		61.64	
Blocked Account:	No	Stopped Payments:	No
Dormant Account:	No		

View Record History

Wed 15 Mar 2006
Vision Banking
Local intranet

12.5 Account Interest Enquiry

For any account it is possible to project forward or review past account balances and interest.

Client No: 001006 - Victor Vole
Account No: 00100601 - Victor Vole [GBP - PIC]

Account: 00100601 Historic From Date: To: Submit Forward Date: 01/04/2006 Calculate

Date	Transactions	Cleared Balance	Days	Rate	Debit Interest	Credit Interest
Current Balance		515,860.00			0.000000	234.760549
Accrual 22/03/2006	0.00	515,860.00	1	1.750000	0.000000 DR	24.733013
Accrual 23/03/2006	0.00	515,860.00	1	1.750000	0.000000 DR	24.733013
Accrual 24/03/2006	0.00	515,860.00	1	1.750000	0.000000 DR	24.733013
Accrual 25/03/2006	0.00	515,860.00	1	1.750000	0.000000 DR	24.733013
Accrual 26/03/2006	0.00	515,860.00	1	1.750000	0.000000 DR	24.733013
Accrual 27/03/2006	0.00	515,860.00	1	1.750000	0.000000 DR	24.733013
Accrual 28/03/2006	0.00	515,860.00	1	1.750000	0.000000 DR	24.733013
Accrual 29/03/2006	0.00	515,860.00	1	1.750000	0.000000 DR	24.733013
Accrual 30/03/2006	0.00	515,860.00	1	1.750000	0.000000 DR	24.733013
Accrual 31/03/2006	0.00	515,860.00	1	1.750000	0.000000 DR	24.733013
Sub Total:		515,860.00			0.00	482.09
Retention Tax:						0.00
Interest As At 01/04/2006:					0.00	482.09

Wed 22 Mar 2006
Vision Banking

12.6 EU Savings Directive

VISION processes requirements of EU savings directive.

Details are captured at owner correspondent level. VISION calculates eligibility based on client type (individual) and country of tax residence (EU member state)

The tax liability can be spread across the owner correspondents linked to an account (if there is more than one). The default is 100% and must be overridden if the liability is shared. The total must be 100% across all owner correspondents linked to the account, Each eligible owner correspondent may elect for different treatment eg on a joint account with 2 eligible owner correspondents one may elect for retention and the other for exchange of information.

Retention Tax and Net interest is shown on the Account Interest Screen shown above.

A report for exchange of information is produced (standard report) and also individual tax directive exchange of information letters.

12.7 Waiver Levels and Minimum Amounts

Waiver levels based on account balances or interest charges and a minimum interest charge can be set at product/currency level.

12.8 Transfer Pricing

This is for internal reporting only to monitor profitability of internal departments eg treasury or banking. The information is not part of the general ledger.

Transfer prices are defined at product/currency level and define the internal cost of money.

For fixed deals the transfer price can be set at account/fixed deal level and can also be reset when a deal is rolled. If a deal is back valued the transfer price will also be back valued

Transfer pricing is optional at implementation.

13. PRODUCT TYPES

13.1 General

Products (also referred to as product types) are the offerings made to clients e.g. current account.

Within VISION product defines the features applicable to that product offering. These include:

- Interest rates applicable to the product. This can be linked to a rate defined within the system
- Capitalisation rules
- Charges applicable to the product
- General ledger accounts to which transactions will be posted
- Transfer price type – for internal reporting

Products may be offered in more than one currency. Each currency, including the base currency, in which the product is offered, must be made available to that product.

Setting up a product currency allows differing interest rates to be applied for the product in that currency. The interest rate can be linked to a default rate set up in the system e.g. interest on sterling accounts can be linked to the sterling base rate and parameters set up to vary the interest both against that base rate and balances on the account.

The minimum and maximum balance which can be held in a product/currency combination can also be specified.

13.2 Product Categories

Product categories are used to define client and account numbering method. There are a number of product categories:

- Client account holder
- Fixed deal
- General ledger balance sheet
- General ledger profit and loss
- General ledger supplier
- Loan
- Loan guarantee

These are not changeable by the user. The numerical ranges for account numbering will be agreed and set up at implementation.

13.3 Capital Weighting/Provisioning Rate

This is data held for reporting purposes and can be used in the completion of compliance reports.

13.4 Charging

Charging rules are set up at product level. The following charging rules can be applied:

- Charge exemption period – prevents charges being made for a defined period from the opening of the account.
- Charge deferment period – permits charges to be calculated but not posted for a defined period eg for 5 days to allow client advice notices to be sent out before charge is posted to the client's account
- Standing Charge – charge per defined charging period. There is flexibility in defining the period.
- Waiver balance – if balance falls below this level then the charge applies. The balance can be calculated using two methods:
 1. Average balance – if the average balance over the charging period falls below the waiver level then the charge is applied
 2. Daily balance – if the balance falls below the waiver balance on any day during the charging period then the charge is applied

Charges are calculated at the end of the charging period and posted after any charge deferment period.

13.5 Administration Charges

Administration charges are input and taken at the time of the transaction. This includes items such as SWIFT charges, broker fees and penalty charges on broken deals.

14. ACCOUNTING

14.1 General

In addition to client accounts the system is maintaining other general ledger balance sheet and profit and loss accounts in order to satisfy the total accounting requirement for a bank. VISION can feed to an external general ledger system if required.

The ledger is multi currency and will always balance within currency.

14.2 Chart of Accounts

This is user defined and requires some thought before the system is set up. General ledger account codes are 8 digits long with the first 6 being the account root and the 2 digit suffix denotes the currency.

Example

Interest is received in sterling and dollars. The suffix for sterling is set as 01 and that for dollars as 02. The interest received account root is set up as 600000.

There will be 2 interest received accounts

60000001 – Interest received sterling

60000002 – Interest received dollars

Consideration needs to be given as to whether blocks of numbers will be allocated to various account groupings eg making all numbers 100000 to 300000 balance sheet.

Ranges can be specified within the system for:

- Client account holders
- Fixed deals
- General ledger balance sheet accounts
- General ledger profit and loss accounts
- General ledger supplier accounts
- Loan accounts
- Loan guarantees

It is recommended that the initial set up and then the addition of any new accounts be under the control of the finance department. The numbering and layout of the chart of accounts is an implementation issue and will need to take into account whether the chart of accounts is being set up from scratch or whether an existing structure and numbering is to be taken on.

Accounts can also carry reporting codes to assist in the production of financial statements and regulatory returns. There are 2 reporting identifiers available on each account code. Again this is an area which requires mapping out at system set up.

14.3 Fixed Assets

VISION also maintains a fixed asset register. Fixed asset types, eg computer equipment, can be set up on the system which will record the general ledger accounts for purchases, disposals, depreciation charge and accumulated depreciation and the depreciation rate.

Transaction types are set up for purchase and disposal of fixed assets.

Depreciation is calculated by the system according to the rate and using the straight line method. This is calculated monthly as part of the end of month routine. A full month's depreciation is charged in the month the asset is purchased and none in the month of disposal.

14.4 Suppliers

Supplier accounts are set up as clients under the category General Ledger Supplier Account. Invoices and payments are posted using transaction types set up for this purpose.

Remittance advices are produced.

14.5 Nostro's

This terminology is used extensively in VISION and denotes the user bank's accounts with another bank.

These accounts are set up as normal client accounts with a correspondent and with the client category client account holder.

14.6 Base Currency Clear Down

Translation is done at month end. For profit and loss accounts system generated transactions clear currency profit and loss accounts to the base currency using the clear down accounts which are created for each currency at set up.

Balance sheet currency accounts are translated at month end for reporting purposes with no postings being created.

A separate currency exposure account is held in the general ledger for each currency. These must be set up before a new currency can be added. A default nostro account is also required. The balances on FX exposure accounts translated to base currency represent both realised and unrealised gains and losses. The recognition of the realised and unrealised elements is not a system function.

14.7 Year end

In addition to the normal month end procedure at year end all profit and loss accounts are cleared to reserves. The year end close includes all postings with dates on or before the year end date. After the year end close has been run postings are still possible using a special transaction set type of 'prior period posting'.

15. REPORTING

VISION is delivered with a limited set of standard reports:

Reporting (accounting, regulatory compliance and internal management) vary with the structure and complexity of the organisation and the regulatory regime under which the organisation comes.

VISION has been developed using the SQL Server relational database. Data is readily accessible and bespoke reports can be defined using the VISION Reporting Tool or standard packages such as Crystal Reports or Microsoft Reporting Services.

Data can easily be exported to other systems using the native features of SQL-Server.

16. USER SECURITY

16.1 General

VISION is implemented as an application under Vega Solutions Limited's secure application known as Sirius. Refer to Sirius documentation for details.

16.2 User ID's and Passwords

Before any user can be given any access to VISION a user ID and password must be set up in SIRIUS. This will be done The passwords can be set as numerical, alphabetical or a mix of the two. Expiry dates can be set to force users to change passwords on a regular basis.

16.3 User Profiles

Each user has a profile which controls for that user:

- System functions to which the user has access and at what level
- Product types which can be accessed
- Permission levels

16.4 System Functions

These are the activities which a user might perform eg process client foreign exchange deals. Each function is then broken down to lower levels:

- View
- Create
- Amend
- Authorise
- Run

For each function the user can be granted access to all, none or any combination of the above.

System function permission groups can be created to link to numbers of users who will have the same system function profile.

16.5 Authorisation

Data entered onto the VISION system must be authorised before it will become effective.

The authorisation must be carried out by someone other than the user who created the data. VISION will not allow the original user to authorise any of their input.

Records can be viewed in either pending or authorised states and the user can switch between the two. If a record is viewed in its pending state the changes awaiting authorisation are highlighted in red.

Vision Banking – System Overview

Authorisation of transactions and some standing data records requires the authoriser to tick boxes or look at specific screens before authorisation can be finalised. The system will prompt for these checks to be done.

16.6 Audit trail

The record history for each record maintains an audit trail of all changes made which identifies both the user making the change and the authoriser. This history can be viewed on line at any time.

17. DOCUMENT MANAGEMENT

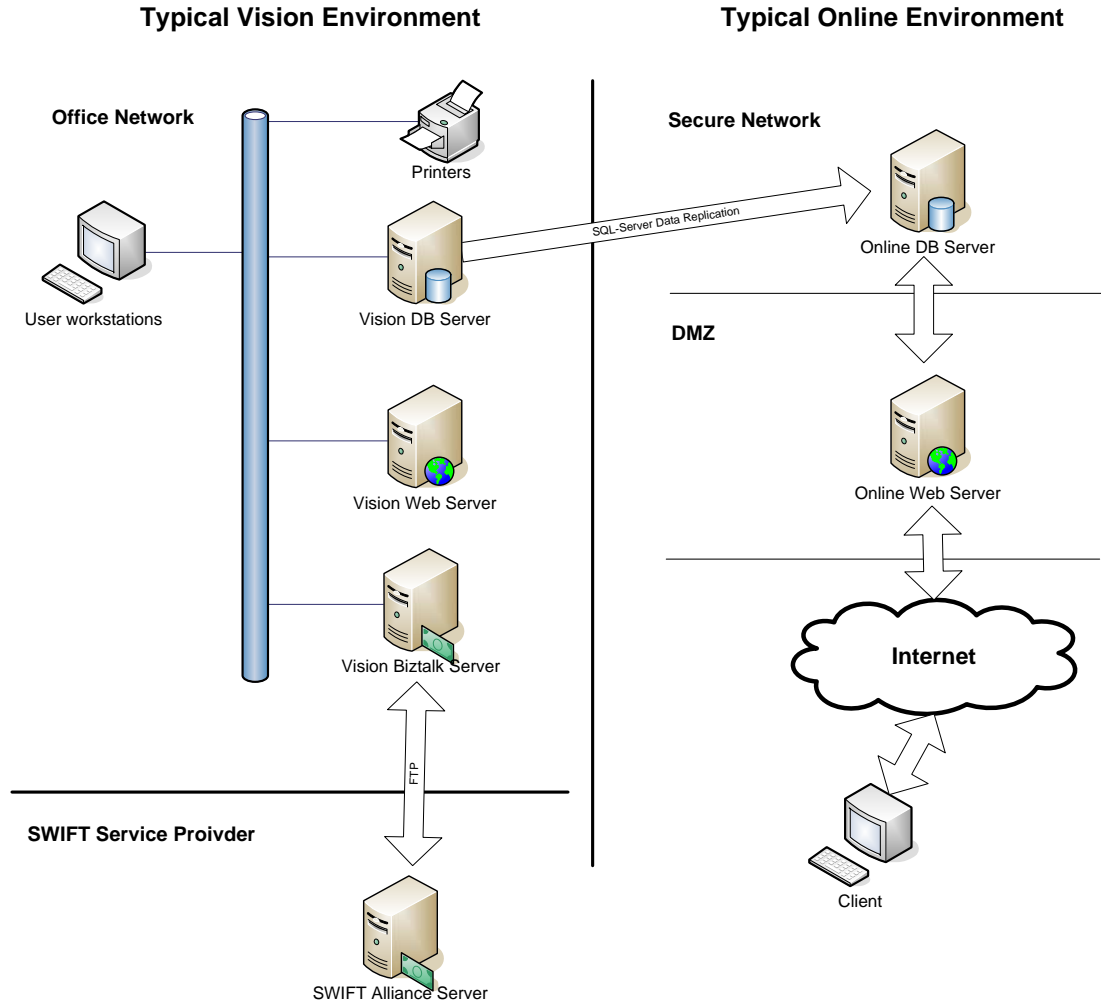
VISION holds, in a database, documents relating to a client, correspondent or account.

Document categories are user defined.

Documents can be user scanned, system generated or system scanned.

18. SYSTEM INFRASTRUCTURE

18.1 Overview



18.2 Vision System Requirements

	User Workstation	Vision DB Server	Vision Web Server	Vision Biztalk Server
Hardware	Most PC/Laptops. Min resolution 1024 x 768 (1280 x 1024 recommended)	Processor >= At least 1 x 2.8Ghz Memory >= 2Gb Raid Disk >= 20Gb	Processor >= At least 1 x 2.8Ghz Memory >= 1Gb Raid Disk >= 10Gb	Processor >= At least 1 x 2.8Ghz Memory >= 1Gb Disk >= 10Gb
Operating System	Windows XX	Windows Server 2003	Windows Server 2003	Windows 2003
Vega Software Components	None	Sirius DB's Vision Banking DB's Print Spooler	Sirius ASP scripts Vision Banking ASP scripts	VisionSWIFT .Net Assemblies
Other Software Components	MS Internet Explorer >= Ver 5.5 Adobe Acrobat Reader >= Ver 4.0 MeadCo ScriptX	MS Sql-Server 2005 Std or Ent Crystal Reports 8.5 Runtimes Adobe Acrobat Reader Ver 4.0 ASPEmail 5.0.0.2 xp_FileUtils Ver 1.0 MeadCo ScriptX ScriptFTP	MS IIS Ver 6. Crystal Report 8.5 Runtimes ASPSmartUpload Ver 2.3.0.0 ASPEmail 5.0.0.2	MS Biztalk 2004 Std or Ent MS Biztalk 2004 A4SWIFT Ver 2.1

18.3 Online System Requirements

	Client	Online DB Server	Online Web Server
Hardware	Most PC/Laptops. Min resolution 1024 x 768 (1280 x 1024 recommended)	Processor >= At least 1 x 2.8Ghz Memory >= 2Gb Raid Disk >= 20Gb	Processor >= At least 1 x 2.8Ghz Memory >= 1Gb Raid Disk >= 10Gb
Operating System	Capable of running a Web Browser	Windows Server 2003	Windows Server 2003
Vega Software Components	None	Sirius DB's Vision Banking DB's (replicated)	Sirius ASP scripts Vision Online ASP scripts
Other Software Components	Adobe Acrobat Reader >= Ver 4.0 MeadCo ScriptX	MS Sql-Server 2005 Std or Ent Crystal Reports 8.5 Runtimes Adobe Acrobat Reader Ver 4.0 ASPEmail 5.0.0.2 xp_FileUtils Ver 1.0 ScriptFTP	MS IIS Ver 6. Crystal Report 8.5 Runtimes MeadCo ScriptX

18.4 Component Directory

Component	Supplier	Version	Comments	Website
Windows Server	Microsoft	2003 R2	Std or Ent Edition	http://www.microsoft.com/windowsserver2003/default.mspx
SQL-Server	Microsoft	2005	Std or Ent Edition	http://www.microsoft.com/sql/default.mspx
IIS Server	Microsoft	6.0	Comes with Windows Server 2003	http://www.microsoft.com/windowsserver2003/iis/default.mspx
BizTalk	Microsoft	2004	Std or Ent Edition	http://www.microsoft.com/biztalk/default.mspx
Biztalk Accelerator for SWIFT	Microsoft	2.1		http://www.microsoft.com/biztalk/evaluation/swift/default.mspx
Acrobat Reader	Adobe	4.0	Version 4.0 recommended for server as it has a smaller footprint.	http://www.adobe.com/products/acrobat/
Crystal Report Runtimes	Business Objects	8.5	Runtimes supplied by Vega as part of application	http://www.businessobjects.com/products/crystal/default.asp
ASPEmail	Persits Software Inc	5.0.0.2	Used to send emails, Free download	http://www.aspemail.com
ASPSmartUpload	ADVANTYS	2.3.0.0	Used to upload documents, Free download	http://www.aspsmart.com/aspSmartUpload/
ScriptFTP	ScriptFTP	2.3	Used to transfer SWIFT messages	http://www.scriptftp.com
ScriptX	MeadCo	6.1.431.8.	Used to format HTML pages for printing, Free download	http://www.meadroid.com/scriptx/
xp_FileUtils	MasterCluster.com	1.0.0.0.	Used for loading documents to SQL-Server	http://www.mastercluster.com/xprocFileUtils.html