

## **Executive Information System Application for Banking Industry - Bank Analyser**

### **Introduction**

Till the 'seventies, bankers all over the world operated in beneficially regulated markets and as cartels, restricting competition. Since then, several developments such as deregulation of the banking sector, the improvement in the banking technology and the growth of non-bank financial intermediaries like mutual funds have taken place, changing the financial environment drastically. The banking industry has come to be characterized with intense competition, declining margins on traditional banking business, increased cost pressures and greater risk. As a fall out, instances of bank failures and mergers have increased. While banks have ventured into new lines of business, increased competition has brought in its wake increased reliance on cost minimization and improvement in efficiency.

The financial sector scenario too has undergone a change in the recent past. Liberalization attempted by many developing countries has allowed more operational flexibility and functional autonomy to banks than hitherto, with a view to enhancing their efficiency, productivity and profitability. The broad direction of the policy reform has been towards rationalization of the administered interest rate structure followed by deregulation of most of the deposit and lending rates, reduction in the government pre-emption of banks' funds and relative freedom in branch licensing. Simultaneously, the supervisory mechanism has been strengthened and prudential norms relating to capital adequacy, income recognition, asset classification and provisioning have been put in place. Operational flexibility has infused a great deal of competition among the banks which has been further heightened by introduction of new players in the market. New domestic banks have been allowed entry in the private sector and foreign banks have been permitted to open offices in emerging markets. Establishment of mutual funds both in public and private sector as also the growing influence of non-bank financial companies have increased the competition from outside the banking system. In such a milieu, the banking industry has to sustain itself by reaching new heights of efficiency.

Data management and analysis are among the major challenges facing the banking companies today. Good management decisions based on adequate data need to be taken on a timely basis to grab the opportunities and to minimize losses in a volatile financial market. This means you must be able to quickly transform huge amounts of data into critical information.

### **Platinum's Forest & Trees (F&T)**

Platinum's F&T is the premium data access and reporting tool which enables ease of access of data, either directly from basic transaction processing systems or from a data warehouse, and its strong functionality in building GUI based Decision Support Systems (DSS) can transform data into real-time information for decision making.

Pranali Consultants have been working as value-added consultants on F&T for developing DSS applications. F&T has been extensively used by Pranali Consultants to access data from diverse platforms for bank applications, in a multinational bank which is now increasingly relying on such F&T applications to meet its DSS and Reporting requirements. F&T applications have been designed for **Consumer Banking, Corporate Banking, Forex, Risk Control and Accounting and Finance** functions of the Bank. Pranali Consultants have developed and distributed reporting and other applications (covering more than 100 reports) across various branches to meet the Internal reporting, Management reporting and the Statutory reporting requirements of the bank. Appropriate security has been designed in the applications so that information may be accessed only by the concerned levels and users.

The bank is exploring the possibilities of using F&T solutions, developed in India, in other countries as well. Pranali Consultants have made presentations on these applications to various executives and top management personnel from the bank, visiting India from Europe, Singapore and other countries. Such presentations and applications have been highly appreciated. We earnestly believe that F&T can provide very effective DSS and Reporting solutions to the bank in other countries as well.

Pranali Consultants have also developed significant expertise in Banking and Financial sector and can provide effective customized solutions using F&T, to other banks and financial institutions in this sector.

**Latest Information on...**

- Mumbai Branch
- Delhi Branch
- Calcutta Branch
- Madras Branch
- Pune Branch

**Bank Analyster Demo**

Developed By  
Pranali Consultants  
B-6 Navprabhat C.H.S.  
Sant Janabai Marg, Vile Parle (East)  
Mumbai - 400 057, INDIA.

Contact : Mr. Winayak Wagle  
Tel.: +91 - 22 - 610 26 90  
Fax.: +91 - 22 - 611 77 58

**Branch Manager: Mr. Ramshankar**

Branch Assets as on date: Rs. 250 million  
Forex Assets as on date: Rs. 100 million  
Deposit growth over last quarter: 15.67%  
Growth in Lending over last quarter: 20.05%  
Maximum Deposit Rate offered : 14% (Public)  
Minimum Deposit Rate offered : 6% (NRE)

Merchant Deals (Daily Update)

Current USD \$ rate - SPOT Rs.40.50  
Current USD \$ rate - FORWARD Rs.41.00

Other Information

No. of Account Holders : 17465

Close

### Bank Analyser

It is impossible to comprehensively state functionality of the F&T applications developed by Pranali Consultants and used by the bank. The following modules of Bank Analyser may act as indicators of the rich DSS functionality and may give an idea of how F&T can be creatively and effectively used by the bank.

**Bank Analyser Demo**

**pranali**

Delhi

Mumbai

Pune

Madras

Calcutta

**Bank Information**

**Balance Sheet**

**Asset / Liability Comparison**

**Future Flow of Maturities**

**Deposit Analysis**

**Currency Positions**

**Forex Module**

**Consumer Banking Module**

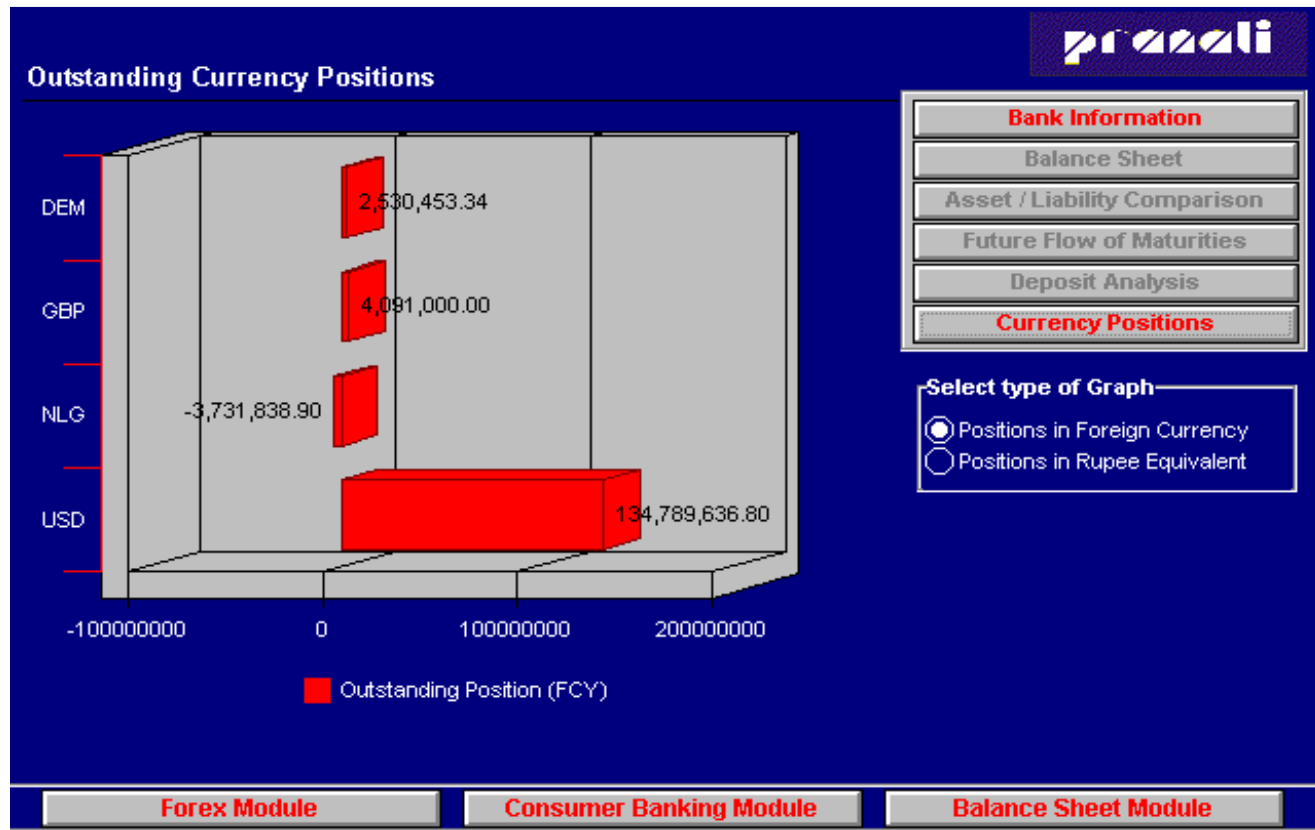
**Balance Sheet Module**

## Forex Analysis

The Forex applications are broadly divided into two parts namely reporting and analysis of positions and reporting and analysis of transactions.

### Positions Analysis

- View latest foreign currency positions (with equivalent local currency commitments) on a on-going basis by each branch, each Forex product and by each currency.
- Provide critical information to the Treasury function for covering Forex risk by analyzing complete maturity profile of Forex based Assets and Liabilities. Highlight mismatches emerging from latest Forex transactions or from uncovered positions to date.
- Monitor and reconcile movement in Currency positions by comparing transaction information from diverse Forex based applications and sub-systems with changes in GL positions for that currency.



- Cross Tabulate user-defined future time slabs (based on maturity dates) with various categories of Forex transactions (Forex contracts, deposits, Bills, Intersection deals, etc.) for a branch or for the bank as a whole for a chosen currency.
- Compare Currency positions with the limits set, either internally or by the Central Bank of the country, for a branch or for the bank as a whole.
- Report outstanding deals and positions by branch, by settlement agencies and by customers.

### Transactions Analysis

- Combine and categorize all Forex transactions recorded by the main or the satellite transaction processing systems so that single point and comprehensive reporting is possible. Provide complete details on Forex transactions - where any one of the receiving or lending leg of the transaction is in foreign currency.
- Automatically classify the transactions as SPOTS, TOMS or FORWARDS by specifying holidays for the calendar month or fortnight.
- Assign external MIS parameters to transactions of a particular types or to a set of transactions so that reporting by such parameters is possible even though they are not defined in the original databases generated from the transaction processing system.
- Analyze Forex transactions by branch, by currency, by type of customers, etc., based on reporting choices from drop-down lists, radio buttons or check-boxes and other F&T objects.
- Trace inconsistencies in GL accounting (if any) by comparing transaction information with GL postings.
- Assess treasury performance by superimposing currency rate movements on volumes of transactions on a daily, weekly, monthly or fortnightly basis.
- Calculate swap costs on intersection deals entered against purchase and sale deals.

**Report Type**

- Daily Interbank Forex Deals
- Daily Customer Forex Deals
- Daily POS Transactions
- Swap Cost
- Merchant Liquidity

Inter Bank Forex Deals					
	Indicator	Purchase Currency	Sale Currency	Branch	Product
1	Purchase	AUD	USD	310	
2		BEF	USD	310	
3		CAD	USD	310	
4				310	
5		CHF	USD	310	
6				310	
7		DEM	USD	310	
8				310	
9				310	

PICK DATA   EXCEL   PRINT   HELP   EXIT

21ST MAR 1998 05:51 AM

**Balance Sheet Analysis**

21ST MAR 1998 05:59 AM

*Segment wise Balance Sheet*

**Select a group**

Balance Sheet

**Segment wise Balance Sheet**

Account officer wise Balance Sheet

**Select a Segment**

**Consumer/PvtBkg**

Corporate

Diamonds

Others

**BALANCE SHEET BY SEGMENT FOR Consumer/PvtBkg AS ON 27/02/1998**

	Assets (Seg)	ASSET AMOUNT	Liabilities (Seg)	LIABILITY AMOUNT
10	Cash Credit	35,121.60	Borrowings Bills/RBI/Refina	0.00
11	Overdrafts	42,650.39	Line of Credit Singapore	0.00
12	Customer Term Loans	20,000.00	Bullion Account Payable	0.00
13	Lendings against FCNRB	0.00	Saving NRE Acc	-58,987.87
14	Bullion Account Recievable	0.00	Savings Account	-67,223.73
15	Packing Credit FCY	0.00	Savings NRO	-12,727.87
16	Packing Credit	0.00	Public Deposits	-152,477.45

PICK DATA

CALCULATE

PRINT

Graph

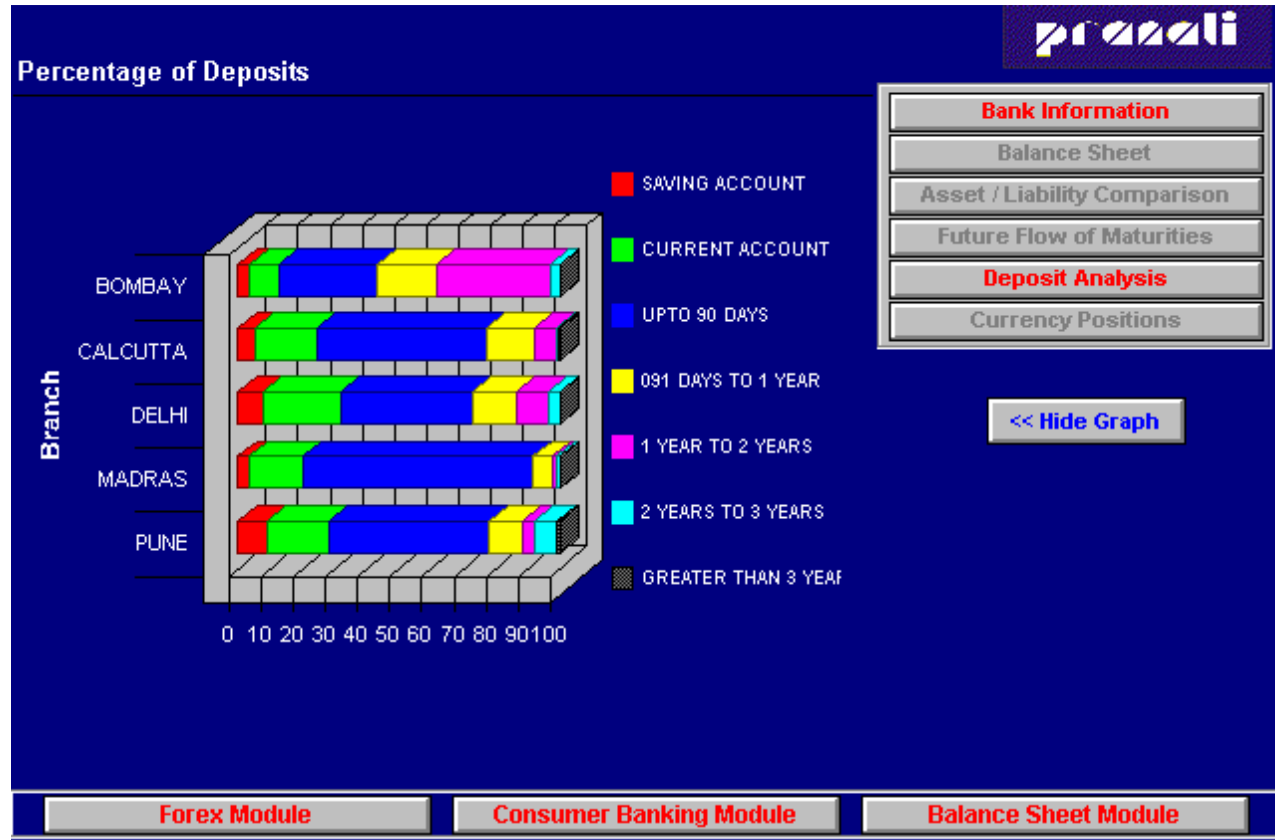
HELP

EXIT

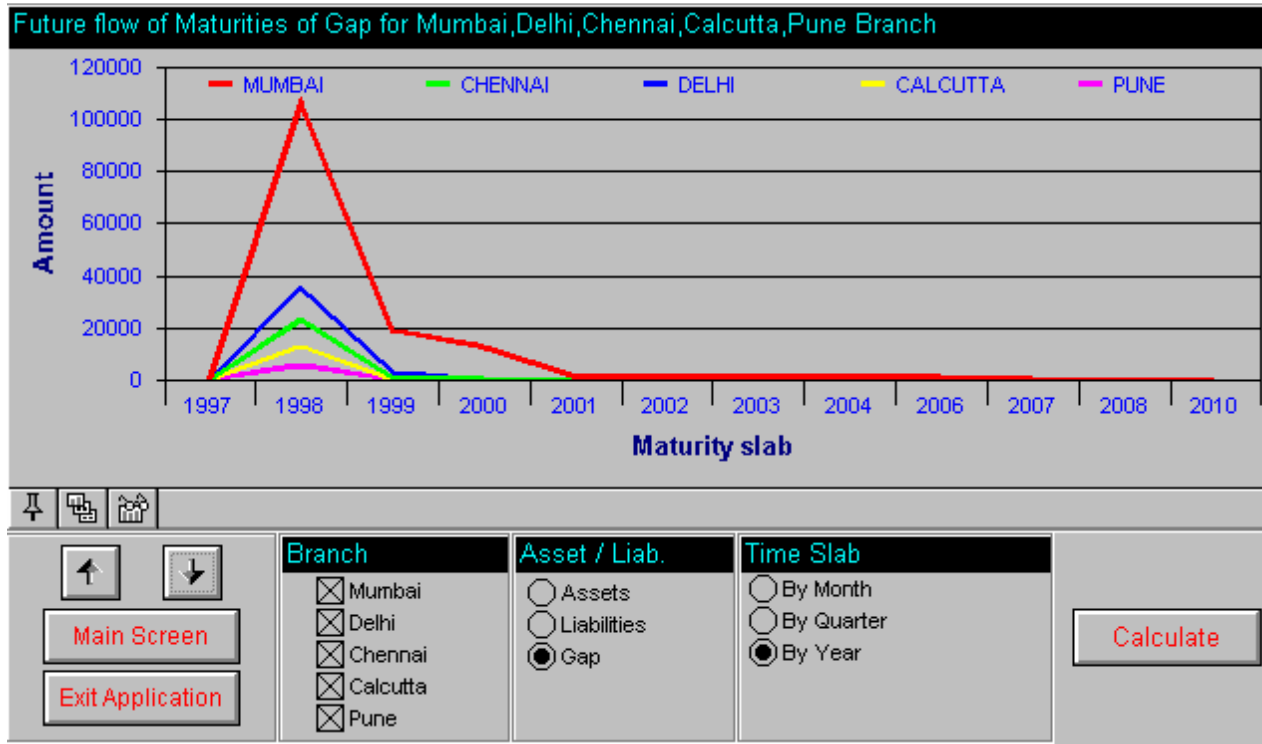
- Flexibly group and re-group the accounting information under appropriate balance sheet / MIS groupings to view the assets and liabilities by different perspectives.
- Compare the Assets and Liabilities across branches :
  - By Business Segments
  - By Account Managers
  - By Currency Types
- Drill down into individual asset/liability groups to assess the relative importance of such groups with respect to business segment or with respect to the overall Balance Sheet positions
- Combine and Compare Balance Sheet information for calculating critical ratios with user defined executive alerts.

**Deposit Analysis**

- Get a birds eye view of the Deposits profile across Branches.
- Track the movement in deposit volumes at Branches vis-à-vis the rates offered and rates movements over the past periods.
- Assess the product acceptability (of deposit products) by tracking product performance and interest rate decisions with estimated volumes and product mixes.
- Keep a track of Deposit maturities by location and by deposit products to plan the cash flows of future periods in local as well as foreign currencies.
- Compare growth in deposits with growth in loan portfolio in a region/branch for planning appropriate investments and investments liquidation strategies and for synchronizing fund movements.



**Consumer Banking**



- Complete profile of Account holders for the choice of amount ranges specified by the users -
  - By Branches
  - Comparison with Deposits kept by customers along with average balances
- Swing Analysis of customer Average Balances. Comparison of average balances of any two months for each account. This information can be viewed by Branch, Account Manager or Market Segment.
- Evaluation of the Customer business in Bullion segment by comparing total Bullion deals done by each Customer vis-à-vis the actual target along with information on account balances (for Bullion Customers) and the Security Amount to be maintained by each Customer.
- New account opened between user specified dates :

- For all market segments
- For selected market segments
- For chosen location/branch.

- Large Debit/Credit movements in customer accounts over and above the user defined values.
- List of all customers who have exceeded their facility limits to alert the concerned managers on a daily basis.
- Spread Analysis showing relative customer risk based on applicable differentials over PLR by various product categories.
- Daily / Weekly / Monthly Reporting by user specified parameters and choices.
- Exceptional reports as defined by users for taking up immediate action.

### **About Pranali Consultants**

We at Pranali Consultants cater to the information needs by thinking through the management process and by providing alternative choices for effective use of Information Technology. We are a cohesive team of professionals with diverse educational backgrounds including finance, engineering and management, having a significant experience in streamlining and designing systems. Our strength lies in focusing on effectiveness of information rather than using superior technology. This we achieve by conducting diagnostic study to assess the information needs by levels and by functions in the organization.

Most of the companies which have computerized their systems in the recent past, have found that the systems have simplified the work at the lower levels but have hardly supported decision making at the top level. Top management usually receives information an operating manager needs and very little or nothing of pertinence to top management's requirements. Therefore our thrust is on providing reports/figures to the person who is capable of taking or controlling action. This is achieved in a user-friendly manner without having to rely on the actual process itself.

### **We therefore specialize In :**

- 1) Defining the areas of decision support.
- 2) Translating the top management's requirements into effective systems design.
- 3) Providing solutions through efficient use of Information Technology
- 4) Bringing about the desired change in the organization through effective implementation of the systems.

Pranali Consultants have also developed significant expertise in Banking and Financial sector and can provide effective customized solutions using F&T, to other banks and financial institutions in this sector.

### **For More Information Contact :**

#### **Pranali Consultants**

B-6 Navprabhat C.H.S.  
Sant Janabai Marg, Vile Parle (East),  
Mumbai - 400 057, INDIA.  
Contact Person : Mr. Winayak Wagle  
Tel.: +91 - 22 - 610 26 90  
Fax.: +91 - 22 - 611 77 58