



Sopra
group

The **leading** European
lending software vendor

evolantm[®]
Lending

evolantm Lending Newsletter

April 2009

With market conditions growing in complexity, this issue outlines Sopra Group's 2009 strategy, backed-up by market feedback and upcoming product announcements:

- Background to Sopra strategy
- Arrears Management Events
- Debrief from EFMA Mortgage Finance event
- Sopra in the Press – Interview with Hi-Tech Scotland
- Work-@t-Home this summer
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Background to our 2009 Strategy

Due to mergers and acquisitions, internationalization, multi channel funding models, legislation and efficiency drives, the lending market has become far more complex and dynamic. Consequently, financial institutions today do not need just another standard software vendor, but a fully fledged software partner that offers deep functional expertise, international vision, full support for bank requirements, and is also able to pro-actively develop software based on the expected trends.

We are well positioned to do all this and more as we are one of the few vendors in our segment with a successful international strategy. Such success is no longer just a nice ambition because any software vendor that is only active in one country with a contracting market has to have concerns about the long-term future as well as maintaining the required level of expertise.

Due to the mergers in the financial industry the number of clients is decreasing, but complexity and internationalization have been increasing. This development has led to a reduction in vendor numbers and offers us a unique opportunity to extend our position. Unlike more traditional software vendors we not only offer our software for mid-sized customers in one or two regional markets. Instead we offer a complete portfolio encompassing the needs of Tier-1 global banks down to regional start-up operations, through a suite of platforms and products.

Thanks to our installed base in over 50 countries we have been able to overcome the international barrier. With over 200 installations, our widespread customer base gives us the financial support for extensive new developments.

Jo Maes

Evolan Lending General Manager



Jo Maes

Don't get into Deficit with your Arrears Management

As we can all testify from experience, the mortgage market has changed quite dramatically over the last year. Many have shifted focus from originating new loans towards optimisation of the servicing and collection activities. Experts in the market predict that the number of loans that will go into arrears (or worse) will drastically increase as the year progresses. As this risk is increasing, more financial institutions are actively sharpening their collection strategies. At a recent mortgage conference in the Netherlands, one of the speakers predicted that arrears management activities in the mortgage industry could increase between 10 and 15 times in the coming 12 months; are you versatile enough?

Given the developments above, we have decided to organize 2 events in Belgium and the Netherlands to evaluate Arrears Management options and discuss strategies going forward. You are hereby cordially invited to either event.

Sopra invites you to the Evolan International Arrears Management Workshops:

Wednesday 22 April - 16:00 to 20:00 - Koloniënpaleis Tervuren Belgium
Thursday 23 April - 16:00 to 20:00 - Euromast Rotterdam the Netherlands

Space for both events is strictly limited and with around 20 banks from the Benelux and beyond already registered, we recommend you reserve your place soon.

To register, please send an email to mvandevoorde@sopragroup.com to confirm your presence at either of the Evolan Arrears Management working dinners.

Both events will be conducted in English. For more information on the topics covered and the full program, please visit the [Arrears Event webpage](#).



Koloniënpaleis
Tervuren



Euromast Rotterdam

Debriefing: EFMA Mortgage Finance Event Istanbul

3-4 March 2009

The take-home message from Istanbul was that the mortgage market in general maintains a comparatively positive attitude for the future with focus switching to the creation of profitability. Of course market situations vary across Europe; some countries are experiencing reduced business volume due to the economic situations whereas others are confronted with a complex mix of over capacity in property as well as funding issues. It is fundamentally clear that the growth in customers and products is strictly limited. Consequently, the focus must switch towards increased efficiency in the back office with clear focus on arrears management and customer retention.

One of the options to realize growth and improved margins discussed at conference was the refinancing of customers that are near to the full repayment of their mortgage but have issues with their pension plans or are experiencing difficulties with selling their home. Given the current economic situation it becomes important for lenders to develop flexible arrears management strategies. This is proving to be a novel experience for most mortgage lenders with many forced to look towards diversification in arrears scenarios and flexible repayment structures in order to keep clients in their homes. Currently, most lenders have only implemented one process with limited options. But the current market demands new repayment structures such as increasing the loan in order to finance the terms, or helping to reduce the down payments. A potentially interesting scenario getting widespread attention is where the bank buys the house and rents it back to the owner with an option to buy back in the future.

Another interesting topic discussed concerned channels. With the reduction of lenders the remaining banks are often the local banks with an established branch network. Not all banks see the necessity to



maintain their multi-channel strategy without a better position for their own branch network. The aim is clearly to optimize revenue via an established fixed cost channel. With the focus now shifting towards servicing cost, increases in margins can be best achieved from highly efficient software systems.

Sopra was delighted to be able to contribute to this important industry platform with our sponsorship. In these challenging times it is vital to exchange ideas, and we look forward to similar opportunities in the future.

Sopra in the Press – Scots Away!

Hi-Tech Scotland, a leading British technology magazine, recently published an interview with Ann Park, Business Development Director with Sopra Group, based in Paris, France. Having spent the past decade working in Edinburgh, Ann recently moved to take up a new post within the international banking team at Sopra Group's headquarters in Paris. Ann will fulfill an important role in the enhancement of Sopra's international strategy across the lending market

Hi-Tech Scotland (HTS): Describe your current role.

Ann Park (AP): I recently joined the international Banking team (Evolan) of Sopra Group, headquartered in Paris. Having been a director of Newell & Budge, Business Development Director in the post-acquisition Sopra Group UK organization and latterly the Head of our dedicated UK Banking division, this is an exciting secondment designed to boost the portfolio of solutions that we will offer the UK Banking market.

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The Leading Source of Scottish Technology News



Ann Park

The objectives of my role in Paris over the next year is to work with our international banking team to create a strategy for selling and supporting Sopra Group's established core Evolan banking solutions in the UK market. This will expand the Group's business in the UK in general and Scotland in particular with an increased portfolio of products and services.

Banking in Scotland has gone through an unprecedented period of turbulence and it is inevitable that there will be further pressure to rationalize core systems, monetize existing investments and this will need smarter, better integrated and more flexible solutions. Regulation of Banks will change substantially with government demanding greater transparency and increased regulatory reporting. Sopra Group's investment in expanding the reach of its Evolan Banking suite which covers lending, payments and regulatory compliance, is designed to address these challenges.

HTS: Broadly speaking, from your own perspective, what sort of technologies are likely to prove important over the next 10 years?

AP: The current economic circumstances will challenge all organizations to provide greater value at lower cost structures. Some companies will fail and others will succeed. The difference between the two will be based on the ability to adapt and change to the market forces. Business activity monitoring and business process management will be critical differentiators in remaining competitive and failing and tools and techniques will become more sophisticated. These must be supported by highly robust integration strategies.

We have reached the stage in terms of bandwidth, networking and the maturity of SOA that we can finally get around to rebuilding the tired applications of the 80's that could be holding business back. The vision of delivering agility and sophisticated tailoring at a local level with a powerhouse of applications that can be leveraged and controlled centrally can now be achieved. The advent of client server may have delivered local solutions more quickly and presented companies with the opportunity to have greater autonomy in every location, but it has left Banks in particular with a headache of applications that may not be in governance and an expensive legacy to maintain.

Although the investment in achieving this may hold back some organisations in the current economic climate, the mid to long term gains of delivering solutions more quickly, with greater consistent and control, press the case for taking action now. The full interview can be seen on the [Hi-Tech Scotland website](#).

A Beautiful Summer – Working from Home

In time for the summer heat wave, Sopra Group is planning to launch the **Work-@t-Home** module; an extension on our Evolan ComponentBanker Loans product (built on .Net). Current working practice shows increasing trends for a more flexible workforce; work from home and working when it best suits you (evenings & weekends), replacing the 9 to 5 of previous generations.



This valuable addition manages all remote working issue of management control and productivity, and is designed in collaboration with one of our international customers. With all synchronisation and availability issues of electronic documents seamlessly managed, Work-@t-Home provides integrated processing with the ability to quantifiably measure tasks. This offers major benefits for banks and their staff, empowering a flexible workforce according to modern working practices where working from home, at your convenience, is increasingly the norm. This new tool will also simplify part-time working contracts and reduce infrastructure cost, while increasing productivity on a platform which was already known for its high productivity rates. The product is due to begin its international roll-out in the summer.

Evolan: So Much More than just Lending

Evolan is much more than the leading lending solution; it is an established family of financial products, central to Sopra's long-term strategy for all aspects of the financial services market. Sopra Group's Evolan product suite provides a comprehensive range of banking solutions that is focused on 3 core components: Evolan Lending, Evolan Payment and Evolan Compliance.

Evolan Compliance

Evolan Compliance enables international financial institutions to centralize multi-country risk and regulatory reporting.

www.evolan.com/compliance

Evolan Payment

Evolan Payment and Card Management products offer a diverse suite of payment products supporting a large business area: cards management, payments and international banking solutions.

www.evolan.com/payment

Evolan Lending

And to complete the current portfolio, Evolan Lending combines focused business expertise and flexible software to translate a lending business strategy into a tailor made software solution.

www.evolan.com/lending


A range of banking & financial
sector software solutions.


Complying to international risk
and reporting requirements.


Made to build your payment
world.


Leading European lending
software offerings.

Upcoming Events

Evolan Arrears Forum Belgium/Luxembourg - 16:00-20:00 - 22 April 2009

Koloniaal Paleis Tervuren (near Brussels)

Sopra event on Arrears Management for the Belgian and Luxembourg markets.

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Evolan Arrears Forum Netherlands - 16:00-20:00 - 23 April 2009

Euromast Rotterdam

Sopra event on Arrears Management for the Dutch market.

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Evolan Arrears Forum France - 09:00-12:15 - 3 June 2009

Tour Montparnasse Paris

Sopra event on Arrears Management for the French market.

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[Click here](#) for more information on all Evolan events.

We hope that this newsletter has been useful to you and your organization.
However, if you do not wish to receive future editions, please [click here to unsubscribe](#).

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