

## Factoring on Web

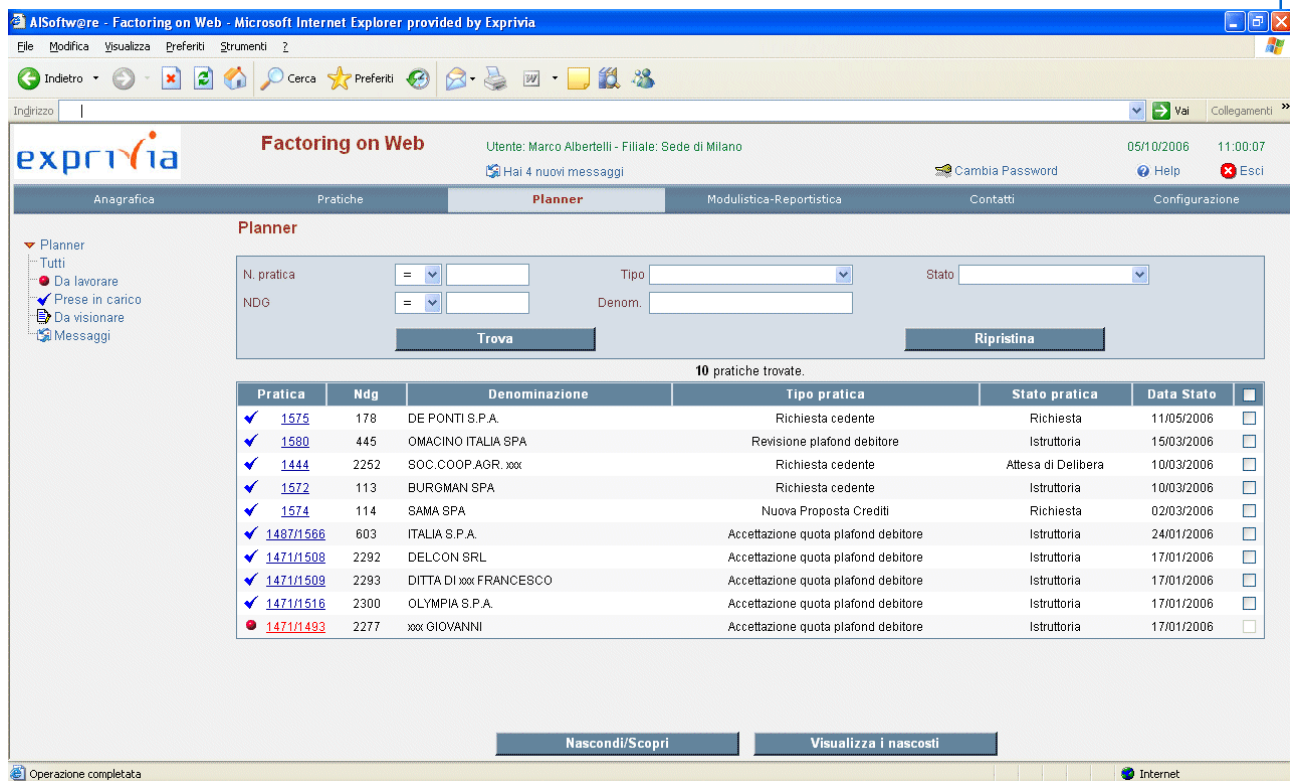
**Factoring on Web** is a web-based solution for transforming the complex approval procedure of factoring operations in a paperless process. The solution supports the different phases from the first contact with the Client to the definition of the proposal to the credit risk assessment of the seller and the debtors, all the way through the workflow, to the final approval by the appropriate empowered entity.

**Factoring on Web** supports both operational activities – e.g. collection of data (from both internal sources and external providers), defining the precise terms of the request, identifying the appropriate approving entity and the proper steps in the decision workflow – and analysis activities – such as analysis of the counterparties involved (seller, debtors, guarantors) including evaluation of their credit worthiness. In fact the solution includes tools for calculation of the credit rating of a counterparty (Internal Rating), for calculation of the rating of the entire operation/proposal and for establishing the appropriate credit limit for each single debtor.

The main components in the solution include:

- Definition of the factoring proposal: the proposal is defined by specifying the requested services, the guaranties offered, the limits and the products to be granted, the list of debtors, the conditions applied. The solution, which is extensively configurable, can consider the different services (management, insurance, anticipation, maturity) in the different modes (with or w/out recourse, with or w/out notification, with public entities, etc.).
- Collection of detailed data on each counterparty involved: seller, debtors, guarantors, members, ownership relations. This component can be integrated with or substituted by the Client master files of the Information System of the factoring company.
- Counterparty File: all available data for a counterparty is collected and stored in the system. The sections of the file vary based on the type of counterparty (physical vs. juridical person) and on its role in the factoring operation.
- Identification of the approving entity, of the steps to be followed during the decision process and of the related entities involved at each step.
- Personal planner for each user showing the assigned tasks and any related communication regarding the status of the operations under his/her control.
- Calculation of the credit limit for each debtor: the system determines the maximum credit risk amount which can be accepted for each single debtor, based on assessment of its credit worthiness.
- Calculation of the Internal Rating for sellers and debtors. This value is determined based on
  - Personal identification and historical data on the counterparty
  - Financial Statement information
  - Liability information from Central Bank repository
  - Relationship data regarding sold and collected invoices, status of proceeds and of outstanding credits; statement of account on advances, etc.)
  - Economic/Industrial sector figures
  - Trading and banking information
- Generation of a natural language report on the financial risk analysis underlying the rating assessment.

- Proposal acceptability assessment: the factoring operation is analyzed in all its different service/product aspects. In addition to determining the consistency between the request for each specific service/product and its features **Factoring on Web** suggests the more appropriate form for granting it by defining the values and the terms for each offered item.
- Printing of request forms, of approval documents, of the Counterparty File.



The screenshot shows the 'Planner' section of the 'Factoring on Web' application. It includes search filters for 'N. pratica', 'NDG', 'Tipo', and 'Stato'. Below the filters, a table displays 10 search results. The table columns are: Pratica, Ndg, Denominazione, Tipo pratica, Stato pratica, and Data Stato. Each row includes a checkbox for selection.

Pratica	Ndg	Denominazione	Tipo pratica	Stato pratica	Data Stato	
✓ 1575	178	DE PONTI S.P.A.	Richiesta cedente	Richiesta	11/05/2006	<input type="checkbox"/>
✓ 1580	445	OMACINO ITALIA SPA	Revisione plafond debitore	Istruttoria	15/03/2006	<input type="checkbox"/>
✓ 1444	2252	SOC.COOP.AGR. xxx	Richiesta cedente	Attesa di Delibera	10/03/2006	<input type="checkbox"/>
✓ 1572	113	BUROMAN SPA	Richiesta cedente	Istruttoria	10/03/2006	<input type="checkbox"/>
✓ 1574	114	SAMA SPA	Nuova Proposta Crediti	Richiesta	02/03/2006	<input type="checkbox"/>
✓ 1487/1586	603	ITALIA S.P.A.	Accettazione quota plafond debitore	Istruttoria	24/01/2006	<input type="checkbox"/>
✓ 1471/1508	2292	DELCON SRL	Accettazione quota plafond debitore	Istruttoria	17/01/2006	<input type="checkbox"/>
✓ 1471/1509	2293	DITTA DI xxx FRANCESCO	Accettazione quota plafond debitore	Istruttoria	17/01/2006	<input type="checkbox"/>
✓ 1471/1516	2300	OLYMPIA S.P.A.	Accettazione quota plafond debitore	Istruttoria	17/01/2006	<input type="checkbox"/>
● 1471/1493	2277	xxx GIOVANNI	Accettazione quota plafond debitore	Istruttoria	17/01/2006	<input type="checkbox"/>

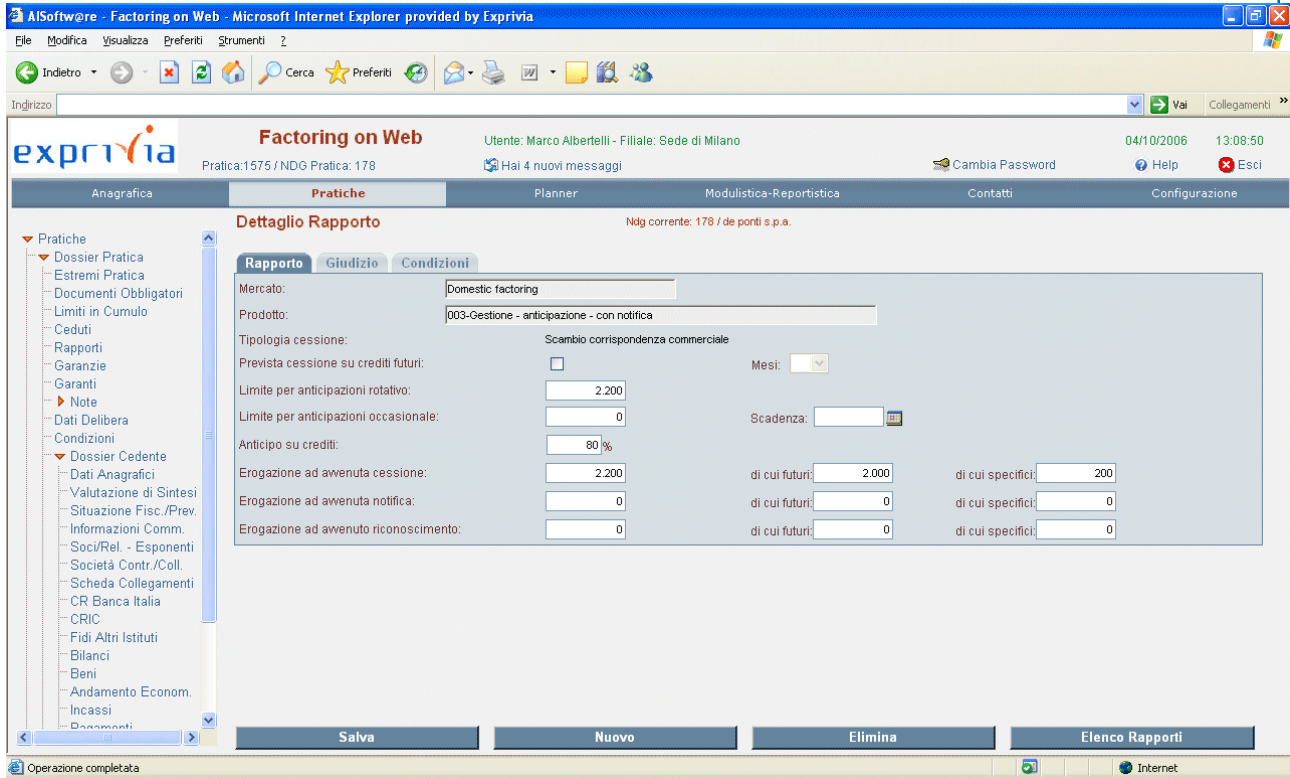
This combination of features makes **Factoring on Web** the ideal solution for optimizing process performance, promote a paperless environment, uniform granting criteria, allow for externalization of commercial development, guarantee application of all corporate norms and rules and, not least, allow complete auditing of the entire granting process; all this while attaining an efficient global supervision of corporate credit risk in full compliance with Basel II regulations.

Within the factoring company, the solution represents a key instrument for business developers, analysts, approving entities and credit managers.

The application domain of **Factoring on Web** supports the underwriting process up to the approval, when the operational tasks of the single selling deals are taken over by back-office procedures, usually allocated by the factoring company to specialized outsourcers.

**Factoring on Web** allows for both automatic and manual entering of information. All such data items are maintained in a centralized database for historical analysis tasks such as back testing and validation of rating models and also for internal auditing purposes regarding the workflow of the approval process.

**Factoring on Web** is a web-based application, which allows access to all its functions through a standard browser. It has been developed according to widespread consolidated technological standards in order to guarantee maximum flexibility, both regarding portability and scalability of the solution.



**Factoring on Web** is compatible with the most widespread relational databases (on mainframe it uses DB2).

Regarding security, each user logs in with a personal user-id and password and there since has access to any function in the system strictly depending on his/her specific user profile.