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Capgemini BizLender 360SM An Integrated Straight Through Processing Solution for Business Lending Origination

Using technology and expertise to boost efficiency, enhance decision making, improve compliance, and provide customer service that drives sustainable growth

People matter, results count.

For many lenders, the efficiency and speed of loan origination is often hampered by duplication of effort, manual processes, inconsistent policies, and multiple handoffs.

As demand for business loans increases, lenders are focusing their attention on the loan origination process. To make the most of the growth in demand for loans, business lenders need this critical process to run at maximum speed and efficiency while helping them determine the right credit terms, manage risk, comply with a growing body of regulations, and provide differentiated customer service.

However, the business loan origination process typically involves multiple business functions and departments, as well as a host of separate, non-integrated databases and applications. This, in turn, can make it difficult for lenders to effectively streamline and improve the process.

For many lenders, the efficiency and speed of loan origination is often hampered by duplication of effort, manual processes, inconsistent policies, and multiple handoffs. And because few lenders effectively re-use loan/credit package components, each loan application means "reinventing the wheel," further compromising speed and responsiveness to customers. Minimal reporting and workflow management built into the origination process means that lenders frequently find it difficult to appraise the status of a given loan and update customers accordingly.

The nature of the origination process also can impact a lender's risk exposure. Since many lenders do not get a holistic view of their pipelines, they often struggle to develop balanced business portfolios. In addition, lenders commonly lack a robust audit trail for the loan origination process, complicating efforts to comply with regulatory demands. And the lack of workflow and reporting capabilities that hamper customer service can also make it difficult to insure that all loan policies are being followed.

These inefficiencies in the origination process often lead to lender's inability to take faster credit decisions and determining the right terms and conditions for the credit extended and thus resulting in loss of business opportunities.

For a growing number of lenders, Capgemini is leading the way to a new paradigm—and transforming loan origination into a source of sustainable value and differentiation.

Capgemini BizLender 360SM

Capgemini BizLender 360SM, offered in partnership with Pegasystems, provides leading business lenders with an integrated platform that supports straight through processing (STP) for loan origination, driving related business benefits including increased loan volume, and better credit decisions, better loan monitoring and pricing optimization, improved loan manager productivity, lower transaction costs, faster decision times, and reduced error rates through implementation of STP.

While these benefits are significant, Capgemini BizLender 360SM empowers business lenders to do even more. By deploying Capgemini BizLender 360SM lenders gain access to portfolio monitoring and data analytics, process dashboards, credit policy compliance guidance, automatically generated documents, and many other highvalue capabilities. With these features working in concert, business lenders can expect to improve the speed of the loan processing by up to 30 percent, while improving regulatory compliance and customer service.

Enhanced Decision Making through Data Analytics

Capgemini BizLender 360 enables business lenders to make faster and better credit decisions by integrating portfolio analytical capabilities. The solution provides ability to have a 360 degree view of the customer across business units and products and help in making more informed credit decisions.

Capgemini BizLender 360 has pre built integrations with most of the widely used underwriting and financial spreading systems and help lenders in initial credit decisioning and determining the right price and terms of credit being extended.

Capgemini BizLender 360SM enables lenders to improve risk calculations by strengthening their ability to perform rating and exception management.

Greater speed and efficiency

Capgemini BizLender 360SM provides business lenders with an integrated platform that delivers fast, automated processing across all applications and data sources involved in loan origination. The solution automatically generates documents based on data entry, eliminates duplicative work, and allows data points to be filled in dynamically as needed.

The end result is fewer errors, less manual effort, higher productivity, and shorter turnaround times. With Capgemini BizLender 360SM business lenders can do more with less effort.

Integrated Credit, Risk Management and Collateral

Capgemini BizLender 360SM lets business lenders embed their credit policy guidelines into the origination process to ensure policies are being followed—and, by extension, that risks are being managed. By increasing visibility into exception items and facilitating the creation of an integrated audit trail, Capgemini BizLender 360SM makes it easier for business lenders to achieve and demonstrate compliance with changing rules and regulations.

Additionally, Capgemini BizLender 360SM enables lenders to improve risk calculations by strengthening their ability to perform rating and exception management. The platform also improves risk mitigation by revealing all current credit facilities for obligors, allowing lenders to base credit decisions on full knowledge of the risks of each customer relationship.

Superior customer service

Ultimately, the ability of a business lender to surpass the competition and achieve a market-leading position depends on providing better customer service. Capgemini BizLender 360SM can play a central role in this pursuit. By streamlining the loan origination process and increasing automation and the re-use of key credit package components, Capgemini BizLender 360SM provides customers with shorter turnarounds for new loan requests and renewals.

Not only is the process faster for customers, but it also is easier. For example, the improved transparency provided by Capgemini BizLender 360SM gives customers real-time visibility into the status of their applications. The greater speed and agility supported by Capgemini BizLender 360SM allows lenders to fill market gaps with new, high-value products more quickly than before—driving lasting differentiation.

A Powerful Array of Features that Speed Time-to-Value

Capgemini BizLender 360℠ combines Capgemini's considerable experience in the business lending market with a cutting-edge business process management platform from Pegasystems. It brings business lenders a powerful array of accelerators and pre-built assets that speed time-to-value while leaving plenty of room for customization to a specific client's objectives. Key features include:

Data Management and Analytics: Provides portfolio analytical capabilities to support initial credit decisioning, enables pricing optimization and enhances loan monitoring.

Credit Policy Administration: Allows credit policy guidelines for loan-to-value, advance rates, pricing, and coverage ratios to be embedded into the origination process to ensure compliance, and supports the generation of policy exceptions, collateral management and the definition of service level agreements for different processes.

Quality and Performance Management: Drives efficiency and stronger customer service by enabling lenders to perform work selection, and supports real-time integration with customer relationship management/customer information file systems, financial spread systems, loan documentation systems and core loan processing systems.

Dashboards: Provides ability to generate interaction, productivity, quality, and aging reports. Easy-to-use interfaces improve efficiency, compliance and customer service by boosting lenders' visibility into key aspects of the loan origination process:

- Loan Originators and Loan Officers can check the status of deals submitted for review to proactively keep customers informed
- Credit Risk teams can see loans waiting for approval, understand which deals are in the pipeline and research prior transactions
- Loan Operations teams receive all information needed to book the deal, view which loans are ready to be booked, and plan for work allocation

Work and Service Level Agreement: Boosts efficiency and speed by giving business lenders the ability to manage user work lists/workbaskets, servicelevel goals, deadlines and escalation events; reassign work based on employee skill sets and availability; and carry out automated routing.

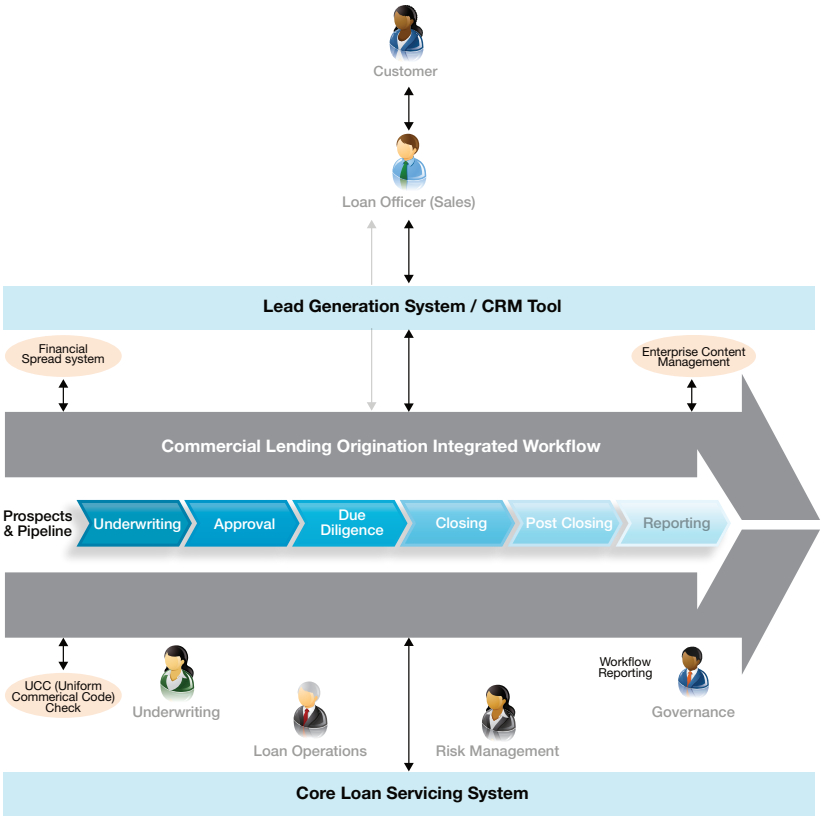
Correspondence Generation: Allows both automated and manual correspondence, and includes built-in templates for mail, email, and fax.

Deal Archiving: Retains and provides access to data and documents (even multiple versions of the same document if desired) for use in future deals or to satisfy audit and regulatory requirements.

Electronic Credit File: Facilitates storage and use of all documents related to a credit offering, whether generated automatically by the system or manually uploaded.

Integrated Risk Management and Pricing Interface: Enables business lenders to create an integrated audit trail to aid in compliance efforts, and allows them to systematically embed credit policy guidelines regarding loan-to-value (LTV), advance rates, pricing, and coverage ratios into the orgination process.

Capgemini BizLender 360SM Framework



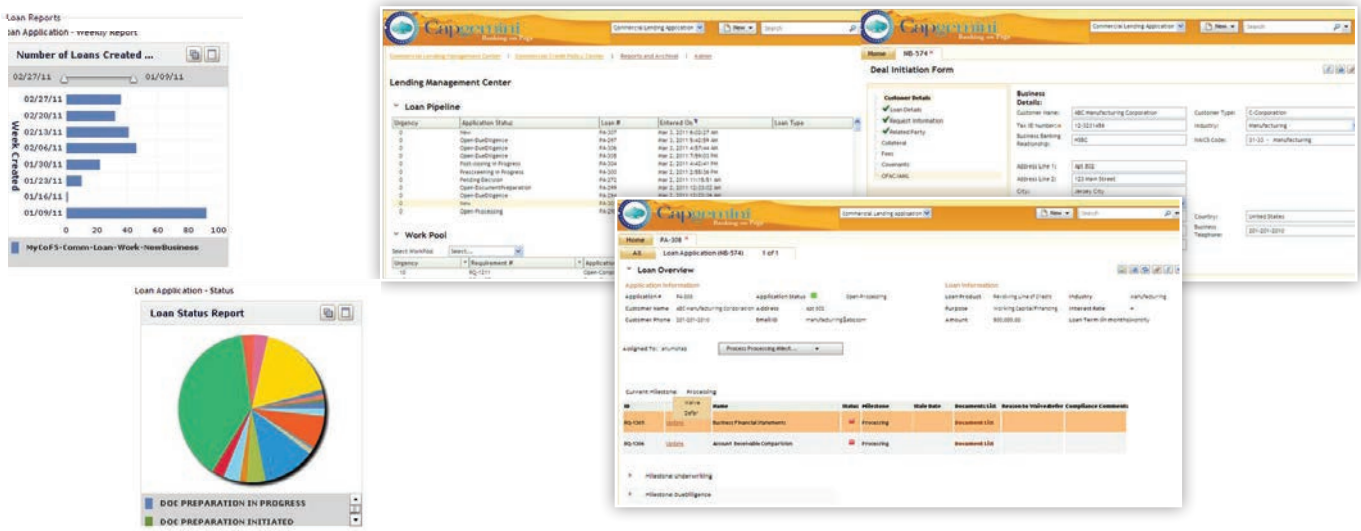
Rapid Deployment

Perhaps most importantly, Capgemini BizLender 360SM has been designed with the speed requirements of the business loan industry in mind, and is optimized for fast, predictable implementations. In fact, Capgemini teams can deploy a production-ready Capgemini BizLender 360SM pilot in just 150 days—with minimal disruption to the business, and with the flexibility to add tailored functionalities suited to a lender's specific challenges and goals.

Capgemini professionals have access to robust solution accelerators and toolkits including a business lending accelerator prototype that reduces implementation risks while boosting efficiency and speeding time-to-value. And, with speed and efficiency at the heart, Capgemini BizLender 360SM plugs seamlessly into existing IT infrastructures, allowing the reuse of services across applications.

Want to learn more? E-mail us at **banking@capgemini.com** to arrange a demo of the Capgemini BizLender 360SM solution accelerator prototype.

Sample Dashboards from Capgemini BizLender 360SM Accelerator Prototype



Why Choose Capgemini and Pega to Improve your Loan Origination Process?

Capgemini has won multiple awards for our Pegasystems solutions including the *Pega Innovation Award, Pega Partner Award for Insurance,* and *Pega CxT Award*

Capgemini Pega and BPM capabilities recognized by Gartner in "2011 BPM Hype Cycle Report"

Capgemini worked with the client right from the start to design, implement, test and roll out a solution using Pegasystems.

Capgemini is the best choice to add speed, efficiency, and effectiveness to business loan origination, bringing:

- A global network of more than 450 financial services-focused business process management (BPM) experts
- More than 15 years of collective experience building and supporting lending systems for the world's largest banks
- Experience working with seven of the top 10 global banks, eight of the top 10 global diversified financial firms, and 13 of the top 15 asset finance companies.

Capgemini's clients attain benefits quickly thanks to our access to industry-specific best practices and repeatable, continuously refined models and frameworks. We also bring deep skills in advanced service delivery, program management, enterprise architecture and transformation skills, plus a proven ability to drive maximum value from Pegasystems solutions.

Based on Pega's SmartBPM platform, BizLender 360 is backed by Pega's technology leadership bringing:

- Outstanding flexibility and business agility
- Integrated business rules, process modeling and automation, user interface design, integration capability, and data modeling
- Ability to wrap and renew and leverage existing services
- Situational layer cake providing ability to do pilots and implement in a phased approach

By teaming with Capgemini and Pegasystems to optimize loan origination, business lenders can achieve substantial efficiency gains, improve decision making, manage risk and regulations more effectively, and provide superior customer service that generates lasting market differentiation. These benefits can add up to leadership in the dynamic business loan market.

IN PRACTICE: Front Office Modernization for Business Lending using Pegasystems

The Situation
One of the world's leading financial institutions modernized its front-office system supporting credit quotations approval management for multiple financing business lines, with the ultimate goal of improving the loan origination and credit portfolio management process.

The Solution
Capgemini worked with the client right from the start to design, implement, test and roll out a solution using Pegasystems. Our team of domain and technical specialists created design patterns and implemented controlled integration between Pegasystems and the institution's legacy systems without disrupting the existing production environment. We implemented a flexible and dynamic workflow that can be adapted to each business line.

The Results
- Improved risk management
- Maintained compliance and guaranteed the required level of trace ability for bank regulators
- Enabled faster credit decisions based on real-time credit information and improved collaboration

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For more information, contact us at: **banking@capgemini.com**
or visit: **www.capgemini.com/BizLender**

About Pegasystems

Pegasystems, the leader in business process management solutions for customer centricity, helps organizations drive revenue growth, enhance customer experience, and improve productivity. Our patented Build for Change® technology speeds the delivery of critical business solutions to quickly adapt to changing business conditions in order to outperform the competition.

For more information, please visit us at **www.pega.com**

About Capgemini

With more than 125,000 people in 44 countries, Capgemini is one of the world's foremost providers of consulting, technology and outsourcing services. The Group reported 2012 global revenues of EUR 10.3 billion.

Together with its clients, Capgemini creates and delivers business and technology solutions that fit their needs and drive the results they want.

A deeply multicultural organization, Capgemini has developed its own way of working, the Collaborative Business Experience™, and draws on Rightshore®, its worldwide delivery model.

Learn more about us at
www.capgemini.com

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