

## Core Banking System Implementation

Minutes of 2<sup>nd</sup> Joint Meeting—CBS Core Team and Steering Committee

Date: 9<sup>th</sup> August 2016

Venue: Training Hall, 3<sup>rd</sup> Floor, Alakapuri

### Attendees

S.N.	Name	S.N.	Name
1	Tej Bahadur Chand	10	Sushil Ratna Bajracharya
2	Nischal Raj Pandey	11	Bikram Shrestha
3	Saroj Guragain	12	Sabina Shrestha
4	Raju Krishna Shrestha	13	Sangeeta Rana
5	Sujeet Dhakal	14	Buddhi Sagar Subedi
6	Roshan Chandra Gautam	15	Bhasker Pakhrin
7	Anish Pyakurel	16	Pujan Baidhya
8	Neeraj Dhakal	17	Roshan Wagle
9	Sushil Raj Shrestha	18	Nepal Bhushan Gauli - Consultant

### Agendas

1. Retail and Corporate Client Identification
2. Salutation
3. Gender
4. Date of Birth
5. Retail Client with different customer type code in Master Table – Account Details Table
6. Clients without Customer Type Code as "Z"
7. Clients without Accounts and Closed Accounts
8. Minor Accounts / Senior Citizen Accounts
9. Held Amount
10. Document Type Code

### Retail and Corporate Client Identification

Client code with value as "Z" in Customer Type Code, value 11 and 12 in customer type and clients issued with Dollar Travel card (Ac Type OX) will be identified as Retail Clients and all other clients other than this will be identified as Corporate Client.

### Action Recommended

There are few client codes which are found with incorrect value in Customer Type code which needs to be updated pre migration.

## Core Banking System Implementation – Strategies

### Exception Handling

Few Clients are found having multiple accounts and those accounts are mapped with different customer type. Because of this issue, we are getting same client for retail and corporate both. This needs to be updated pre migration.

### Retail Client with different customer type code in Master Table (Account Details Table)

#### Action Recommend / Pre Migration

Around 193 clients are found having multiple accounts and mapping is done in retail and corporate customer type. Because of this issue, we are getting same client for retail and corporate both. This needs to be updated before migrating to Finacle.

### Clients without Customer Type Code as "Z"

#### Action Recommended / Pre Migration

All Clients not having proper customer type code must be updated before migrating to Finacle.

### Client Codes without Account/s, Closed Account/s and Unapproved Accounts

It is recommended not to migrate client codes not having accounts and having closed accounts or accounts are unapproved into Finacle. Following are reasons behind the recommendation.

- Difficult to identify the type of client i.e. retail or corporate as we are identifying client type based on the information found in the account master table
- Client might already have other client code in the system

Because of incorrect mapping in the closed account, client will be migrated to wrong type (Retail may goes into corporate and corporate may goes into Retail).

As of 15 July 2016, following is the scenario of clients:

Total Clients	205,317
Clients having at least 1 account	203,695
Office Account Clients	40
Clients having active accounts	192,674
Active Clients not having accounts mapped as Z	812
Active Retail Clients (Z; not 11,12)	180,157
Active Corporate Clients (Z; 11,12)	11,798

## Core Banking System Implementation – Strategies

Duplicate Active clients (that fall both in Retail and Corporate)	-93
Office Account client code	
Total Clients to be migrated	<b>192,674</b>

### Salutation

#### Existing Scenario

Due to system constraint and its poor designing, Pumori accepts any value in Salutation field. While reviewing following different values are found in the system. Information below is based on data as of 15 July 2016.

S.N.	Salutation	Total Count
1	BLANK	27,308
2	NULL	141
3	M	1
4	M/S	1
5	MR	6
6	MR.	1
7	MRS	4
8	MS	1
9	R	2
10	RS	1
11	12042	1
12	BHIMD	1
13	DR	5
14	DR.	12
15	ETC	3
16	F	2
17	J	27
18	JOINT	6
19	M	9
20	M R	1
21	M.R	2
22	M/D	1
23	M/O	1
24	M/S	3,102

S.N.	Salutation	Total Count
25	M/S.	155
26	M/s	47
27	MA	1
28	MALR	1
29	MASTE	1
30	ME	2
31	MINOR	55
32	MIRS	1
33	MIS	33
34	MISS	2,659
35	MISS.	17
36	MJR	1
37	MR	93,206
38	MR,	1
39	MR.	12,972
40	MR`	1
41	MR/	1
42	MR/MS	3
43	MRA	3
44	MRM	2
45	MRS	37,068
46	MRS.	4,605
47	MRS`	2
48	MR`	5

S.N.	Salutation	Total Count
49	MS	16,604
50	MS,	1
51	MS.	2,325
52	MS/	1
53	MSS	2
54	MT.	1
55	MTS	1
56	Mis	2
57	Miss	82
58	Mr	63
59	Mr.	2,832
60	Mrs	14
61	Mrs.	1,394
62	Ms	70
63	Ms.	409
64	NR	3
65	OTHER	1
66	SELF	1
67	'	1
68	'MR	1
69	miss	3
70	Mr	25

## Core Banking System Implementation – Strategies

- While developing migration tool and mapping file, we will update Salutation M/S to all corporate clients and MS and MR for all retail clients where Gender is F and M respectively.
- For other retail clients whose gender is other than F and M, we check the salutation and if MRS and MR is found anywhere in the salutation will be migrated as MS and MR respectively. We also build the intelligence in the system so that MR found in MRS will be treated as MS only.
- Other than above a report shall be given and same needs to be rectified appropriately.

### Exception Handling and Post Migration Action

Any other retail customers not covering by above conditions will have salutation as MR and same needs to rectified post migration.

### Gender

Due to system constraint and its poor designing, Pumori accepts any value in Gender field. While reviewing following different values are found in the system. Information below is based on data as of 15 July 2016.

Gender	G Name	Count
Blank	Empty	11,465
Null	Empty	676
0		3
2		1
F	Female	67,599

Gender	G Name	Count
J	Joint	2,674
M	Male	116,976
O	Other	3,397
S	Single	1,169
m	Minor	1,357

### Action Recommended / Pre Migration

- For all retail clients with Gender F and M will be migrated with Female and Male.
- For all retail clients, if Gender is other than F and M, we check the salutation and if MRS and MR is found anywhere in the salutation will be migrated as F and M respectively. We also build the intelligence in the system so that MR found in MRS will be treated as MS only and hence Gender will be F.
- All Blank and Null records need to updated pre migration

### Exception Handling and Post Migration Action

- Any value not covered by above criteria will be migrated as other and same should be updated post migration.

### Date of Birth (DOB)

## **Core Banking System Implementation – Strategies**

Finacle does not support local calendar whereas Pumori supports any date formats. Since, Finacle does not support local calendar, we cannot have DOB greater than Finacle migration date. We, therefore, need to convert all date which looks local date into corresponding English date. Following is recommended migrating DOB from Pumori to Finacle.

### **Action Recommended / Pre migration**

- If Finacle migration date is higher than date found in Pumori and number of year's difference are found greater and equal to 16, it will be assumed English date and same will be migrated to Finacle.
- If Finacle migration date is higher than date found in Pumori and number of years difference are found less than 16 and client is identified as minor, it will be assumed English date and same will be migrated to Finacle
- If Finacle migration date is lower than DOB found in Pumori, we assume it is Nepali date. We shall convert the date into English and same will be migrated to Finacle.

### **Exception Handling:**

- While converting a Nepali date into English date by system, if a wrong Nepali date was entered in Pumori, then the system will also convert into a wrong English date. For example client 00001893 has DOB as 31/10/2044. Since Magh month of year 2044 had only 29 days, hence the converted DOB will be 01/01/1900.
- Similarly if the DOB is null, then we will migrate DOB as 01/01/1900.  
As of 15 July 2016, there are:
  - 24,921 clients having null DOB
  - 24,406 clients having null DOB and have at least one account.
  - 22,732 clients having null DOB and accounts are not closed/unapproved.
- For both, actual DOB to be updated post migration.

### **Action Recommended / Post migration**

If possible date of birth of client to be checked and record should be updated in the system accordingly.

### **Minor Accounts**

### **Action Recommended / Pre Migration**

A report will be generated based on the following criteria and provided for date rectification

- If minor is found in the name filed
- If m (small m) is found in the Gender field

# Core Banking System Implementation – Strategies

- If N is found in the marital status field
- If MINOR is found in ID Type field.
- All accounts opened under product minor which are OM, OH, OI
- As per 15 July 2016, there are:
  - 5699 minor clients including closed, unapproved and no accounts.
  - 5675 minor clients that have an accounts including closed and unapproved accounts.
  - 5397 minor clients that have active accounts.

After review of the report, we recommend to do the following before migration.

- Review and modify DOB as per English date in DD/MM/YYYY format if not found correct
- Update Marital status as "N" - Minor

If the client appear to be Major or client is not minor, following action is recommended

- Marital status should not be N. It should either be Married ("M") or Single ("S")

## Senior Citizen Accounts

### Action Recommended / Pre Migration

A report will be generated of clients having senior citizen account (AcType: OB) and the DOB must be updated as per English date prior migration. We found the following data as of 15 July 2016:

- 4977 clients including active and closed clients having AcType OB.
- 4764 active clients having AcType OB.

## Held Amount / Lien Amount

A review of the report as of 15<sup>th</sup> July 2016 reveals that there are 21,682 accounts where held amount is not equal to required minimum balance. Out of which there are 4,923 accounts have less held amount and 16,759 accounts have more held amount than the required minimum balance. There are 208,396 accounts where held amount is equal to required minimum balance.

### Action Recommended

Account with equal and less held amount than required minimum balance will be migrated without Lien. And accounts with higher held amount will be migrated with Lien and amount of line will be held amount minus required minimum balance. Lien reason code will be migration.

We recommend having exception to override any transaction which makes the account balance less than the required minimum balance.

### Document Type Code

## Core Banking System Implementation – Strategies

ID type submitted by clients while opening accounts is found used haphazardly. There are 121 different values found entered. While migration data, we recommend to convert them as explained below.

- ID type started with C and not like COMME, CREG,CREG# and CIT will be migrated as Citizenship
- ID type started with PASS, PASSP and PP will be identified as Passport
- ID type started with PAN will be migrated as PAN
- ID type started with VOT will be migrated as Voter ID
- ID type started with REG will be migrated as Registration No
- ID type started with REF will be migrated as Refugee ID
- ID type started with EMBAS will migrated as Embassy ID
- ID type started with GOVT will be migrated as GOVT
- Anything other than above will be migrated as Default ID

We will also migrated exact value of Pumori in one of the free text field of Finacle for future reference.

### Action Plans and Recommendations:

- 1) All customer accounts must be mapped with "Z".  
IT department to provide list of unmapped and double mapped accounts.
- 2) If any accounts are not mapped, or mapped in both Retail and Corporate, the same to be rectified.
- 3) Clients having no accounts, all accounts are closed or unapproved, then such clients will not be migrated.
- 4) Branch/Respective Unit to review all the active clients and update the following as per the account opening form:
  - ✓ Salutation: Salutation should be Mr, Ms or M/S only.
  - ✓ Gender: Gender should be Male, Female or Other only. For corporate client, Gender should be blank or null.
  - ✓ Document Id Type: Document Id Type should be CTZ, PAN,VOT,EMBAS,PP,REF and GOVT only.
  - ✓ Date of Birth (DOB) should be in English date in dd/mm/yyyy format. If Pumori DOB is in English then also to be checked with account opening form.
  - ✓ Marital Status should be Married, Single, Widowed, Divorced and Minor only.
  - ✓ In case of minor clients, Marital Status should be Minor.
  - ✓ In case of minor clients already turned into major, Marital Status should not be Minor.
  - ✓ Phone, Mobile, Fax and Email fields should be updated as per actual. Mobile number should not be entered in Phone, Fax or Email field and so on.
  - ✓ Current (Temporary) address to be updated in ContactAdd1, ContactAdd2 and ContactAdd3 fields. Current City to be updated in City field.
  - ✓ Permanent address to be updated in Address1, Address2 and Address3 fields.
- 5) IT department to provide the list of clients to Head Office and Branches as above in a single sheet for easy reference with cc to Compliance.



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- 6) Head-Compliance can decide necessary amendment required during data processing and cleansing in co-ordination with DCOOs, H-IT, ISO and Consultant. Such issues will be communicated to IT Steering Committee for finalization before implementation.
  - 7) HR Department to arrange competent manpower for data cleansing work in Head Office in recommendation of DCOOs, H-IT and H-Compliance within 3 working days.
  - 8) One staff from Compliance, IT, CRM and Operations shall be deputed by the respective unit Heads to monitor and advise to the contract staff at the time of processing.
  - 9) Compliance and or Audit Department will take responsibility for authentication of the processed data which will be finally confirmed by Head-IT and Bank's Consultant before migration.
  - 10) Branches to contact to HR Department for required manpower in case of requirement for data processing based on their volume.
  - 11) The data processed in each Branch to be verified by the respective Operations In-charge or Branch Manager before submission to Compliance, Head Office. Such task should be completed within 30 days from the date of dispatch of data.
  - 12) If any client information is left to be updated before migration, then such clients will be migrated as per logic discussed in Agendas section.
  - 13) Held Amount/Lien and Minimum balance to be migrated as per above discussion.
  - 14) DCOOs Mr Roshan Chandra Gautam and Mr Raju Krishna Shrestha have been appointed as Coordinator for the execution of data cleansing activity and supervision.

An extensive discussion took place on all the agendas mentioned above and all members agreed on the action plans as recommended.

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