



**Financial
Software Systems**

NEWS RELEASE

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VOLKSBANK HUNGARY LICENSES FINANCIAL SOFTWARE SYSTEMS' SPECTRUM TREASURY SYSTEM

Volksbank Hungary Private Ltd. ("Volksbank") has licensed Financial Software Systems' Spectrum Treasury System, including the integrated module to support collateralized trading of foreign exchange instruments. Volksbank will immediately install the Spectrum software in its headquarters office in Budapest.

Volksbank Hungary Private Ltd. is a subsidiary of Volksbank International AG (VBI), an international joint venture responsible for banks across Central and Eastern Europe. Volksbank International AG is jointly owned by Österreichische Volksbanken-AG (Austrian Volksbank), Banque Fédérale des Banques Populaires (of France), and DZ Bank / WGZ Bank (of Germany). Volksbank Hungary has assets in excess of one billion U.S. dollars, and has a network of over 40 branches across Hungary. The bank conducts both retail and corporate banking operations.

Spectrum is a comprehensive position management system for foreign exchange, money markets, fixed income and derivatives. Spectrum also handles margin trading (collateralized trading) of FX spot, forward, and swap contracts, plus vanilla and exotic OTC FX options. Spectrum provides complete front-office, middle-office and back-office functionality, with true straight through processing of transactions from deal-capture in the front-office to producing general ledger accounting entries in the back-office. The margin trading module of Spectrum provides management of client collateral, calculation of clients' margin positions, and preparation of margin calls.

Spectrum is distinguished by a middle-tier calculation engine and middle-tier data distribution service. The Spectrum data engine provides instantaneous calculation of clients' limits and/or margin requirements and makes possible real-time limits and margin checks for electronic foreign exchange trading. The Spectrum data distribution service connects the data engine to a wide variety of position management tools and allows Spectrum to scale globally. Spectrum is in production at a variety of banks and brokerage houses, including a bank that routinely processes up to 50,000 transactions per day through Spectrum.

Michael Snoek, Financial Software Systems' Director of Sales for Europe, the Middle East and Africa, commented, "Financial Software Systems is pleased to work with Volksbank Hungary to implement a world class treasury solution. Volksbank has a very sophisticated approach to Treasury operations, and is very innovative in using collateralized trading as a method to tackle credit issues. The fact that Spectrum has a powerful, built-in, credit-collateral engine dovetails nicely with Volksbank's strategy of automating and integrating its transaction processing and credit management functions. Volksbank is Financial Software Systems' first client in Hungary, and we look forward to building on a successful implementation and expanding into other countries across Central and Eastern Europe."

Spectrum is built on Microsoft's .NET platform. Volksbank will implement Spectrum with Microsoft's SQL Server database, and Spectrum's middle-tier engines will run on Windows 2003 servers.

Financial Software Systems is headquartered in Horsham, Pennsylvania, producing foreign exchange and interest rate risk management software for banks, fund managers and corporations. Financial Software Systems supports some of the leading financial institutions around the world. For further information, please contact Michael Snoek in London at (44) 207 709 7766, Michael Wee in Singapore at (65) 6438 3733, or Leigh Ann Wolfe in the United States at (1) 215 784 1100. You may contact Financial Software Systems' through the internet by visiting the firm's web site at www.finsoftware.com.