

RM User Manual
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Table of Contents

1. INTRODUCTION	1-1
1.1 INTRODUCTION	1-1
1.1.1 Purpose	1-1
1.1.2 Scope.....	1-1
1.1.3 Organization of the Document.....	1-1
1.1.4 Target Audience.....	1-2
1.1.5 Conventions Used.....	1-2
1.2 SYSTEM OVERVIEW AND CAPABILITIES.....	1-2
1.3 GENERAL CHARACTERISTICS	1-3
1.3.1 Error Handling	1-4
1.3.2 Data Access Rights	1-4
1.3.3 Behavior of Add, Save and Modify buttons.....	1-5
1.3.4 Wild Card Search.....	1-5
1.3.5 Recommended List and Focused List.....	1-6
1.3.6 Instrument Analytics	1-7
1.3.7 Fee Deviation.....	1-8
1.3.8 Optimistic Locking of Order and Transaction Screens.....	1-9
1.3.9 Change Customer	1-10
1.3.10 Customer Details.....	1-10
1.3.11 Help File.....	1-12
1.4 SYSTEM ACCESS PROCEDURES	1-12
1.4.1 Login Procedure	1-12
1.4.2 System Log-off Procedures	1-15
2. FINANCIAL PLANNING.....	2-1
2.1 INTRODUCTION	2-1
2.2 CREATE/MODIFY PLAN	2-3
2.2.1 Main.....	2-3
2.2.2 Demographics.....	2-7
2.2.3 Assumptions.....	2-13
2.2.4 Profiler.....	2-17
2.2.5 Risk Model	2-18
2.2.6 Assets	2-23
2.2.7 Inflows	2-27
2.2.8 Outflows.....	2-36
2.2.9 Projections.....	2-50
2.2.10 Recommended Portfolio	2-67
2.2.11 Check Exposure.....	2-76
2.2.12 Insurance.....	2-80
2.2.13 Update Status	2-86
2.3 LINK GOALS TO PORTFOLIO	2-93
2.4 TRACK GOALS	2-96
2.5 CREATE CUSTOMER PROFILE	2-2
2.5.1 Customer Search (Basic Search for a Customer).....	2-17
2.5.2 Customer List (Search for a Customer using extended Customer Search).....	2-18
2.5.3 Profile Maintenance – Customer Documents	2-20
2.5.4 Profile Maintenance - Demographics.....	2-21
2.5.5 Bank Details.....	2-26
2.5.6 Trading Account Details.....	2-30

2.5.7	<i>Additional Information</i>	2-33
2.5.8	<i>Investment Profile Screen</i>	2-36
2.5.9	<i>Risk Model Profile Screen</i>	2-40
2.5.10	<i>Restrictions Screen</i>	2-46
2.5.11	<i>House Hold</i>	2-50
2.5.12	<i>Change Customer</i>	2-56
2.5.13	<i>Interactions</i>	2-57
2.5.14	<i>Loans and Pledges</i>	2-61
2.5.15	<i>Back Testing of Model Portfolio</i>	2-73
2.5.16	<i>Risk Profiler</i>	2-75
2.5.17	<i>Product Search</i>	2-77
2.5.18	<i>User Defined Fields</i>	2-78
2.6	KEY CUSTOMER DATA	2-79
2.6.1	<i>Customer Specific Fee</i>	2-82
2.7	CUSTOMER DASHBOARD	2-83
2.8	REPORTS	2-88
2.9	CUSTOMER RELATED MENUS	2-91
2.9.1	<i>View Profile</i>	2-91
2.9.2	<i>RM Details</i>	2-92
2.9.3	<i>Voluntary Corporate Action</i>	2-93
2.9.4	<i>Survey Questionnaire</i>	2-95
3.	PORTFOLIO MANAGEMENT	3-1
3.1	INTRODUCTION	3-1
3.2	PORTFOLIO CREATION AND MAINTENANCE	3-3
3.2.1	<i>Portfolio Creation</i>	3-4
3.2.2	<i>Portfolio Maintenance - Modify/Delete</i>	3-9
3.3	PORTFOLIO VALUATION	3-12
3.3.1	<i>Equity</i>	3-20
3.3.2	<i>Mutual Fund</i>	3-26
3.3.3	<i>Bond</i>	3-30
3.3.4	<i>Insurance</i>	3-34
3.3.5	<i>Others</i>	3-36
3.3.6	<i>Structured Product</i>	3-38
3.3.7	<i>Commodities</i>	3-41
3.3.8	<i>PMS</i>	3-44
3.3.9	<i>Generic Instrument</i>	3-46
3.3.10	<i>Corpus</i>	3-48
3.3.11	<i>CASA</i>	3-49
3.3.12	<i>Futures</i>	3-54
3.3.13	<i>Options</i>	3-55
3.3.14	<i>Forex</i>	3-56
3.3.15	<i>Fee</i>	3-57
3.4	PORTFOLIO ANALYSIS	3-58
3.4.1	<i>View Portfolio Analysis – By Portfolio</i>	3-59
3.4.2	<i>View Portfolio Analysis – By Instrument Type</i>	3-65
3.4.3	<i>View Portfolio Analysis – By Asset Class</i>	3-71
3.4.4	<i>View Portfolio Analysis – By Region</i>	3-83
3.4.5	<i>View Portfolio Analysis – By Currency</i>	3-85
3.4.6	<i>View Portfolio Analysis – By Industry</i>	3-87
3.4.7	<i>View Portfolio Analysis – By Market Capitalization</i>	3-90
3.5	PERFORMANCE	3-94
3.5.1	<i>Performance by Portfolio</i>	3-100
3.5.2	<i>Performance by Asset Class</i>	3-104
3.5.3	<i>Performance by Instrument Group</i>	3-110

3.6	SIMULATOR.....	3-124
3.7	PORTFOLIO ALERTS.....	3-140
3.8	PORTFOLIO REBALANCING	3-150
3.9	LINE MANAGEMENT.....	3-155
3.9.1	<i>Creation/ Modification</i>	3-155
3.9.2	<i>Line Extension</i>	3-157
4.	TRANSACTION MANAGEMENT.....	4-1
4.1	INTRODUCTION	4-1
4.2	EQUITY ORDER MANAGEMENT.....	4-2
4.2.1	<i>Equity Order Capture</i>	4-4
4.3	TRANSACTION PROCESSING FOR EQUITY.....	4-14
4.3.1	<i>Equity Transaction Processing</i>	4-14
4.4	MUTUAL FUND ORDER MANAGEMENT	4-19
4.4.1	<i>Mutual Fund Order Capture - Subscription</i>	4-19
4.4.2	<i>Mutual Fund Order Capture - Redemption</i>	4-27
4.4.3	<i>Mutual Fund Order Capture - Transfer</i>	4-32
4.4.4	<i>MF Sys Plan Cancellation</i>	4-34
4.5	TRANSACTION PROCESSING FOR MUTUAL FUND	4-35
4.5.1	<i>Mutual Fund Transaction Capture: Subscription</i>	4-36
4.5.2	<i>Mutual Fund Transaction Management: Redemption</i>	4-40
4.5.3	<i>Mutual Fund Transaction Capture: Transfer</i>	4-44
4.6	TRANSACTION PROCESSING FOR OTHERS	4-45
4.6.1	<i>Other's Transaction Management - Buy</i>	4-46
4.6.2	<i>Other's Transaction Management - Modify</i>	4-51
4.7	ORDER MANAGEMENT FOR COMMODITIES	4-53
4.7.1	<i>Commodities Order Capture: Buy</i>	4-53
4.7.2	<i>Commodity Order Capture: Sell</i>	4-60
4.8	TRANSACTION MANAGEMENT FOR COMMODITIES	4-61
4.9	STRUCTURED PRODUCTS ORDER MANAGEMENT	4-66
4.9.1	<i>Structured Products Order Capture - Buy</i>	4-66
4.9.2	<i>Structured Products Order Capture: Sell</i>	4-76
4.10	TRANSACTION PROCESSING FOR STRUCTURED PRODUCTS.....	4-79
4.10.1	<i>Structured Product's Transaction Management - Buy</i>	4-80
4.10.2	<i>Structured Product's Transaction Management- Unwind</i>	4-86
4.11	ORDER MANAGEMENT FOR PMS	4-88
4.11.1	<i>PMS Order Capture: Buy</i>	4-88
4.11.2	<i>PMS Order Capture: Sell</i>	4-93
4.12	TRANSACTION SEARCH.....	4-95
4.13	ORDER MANAGEMENT FOR BONDS.....	4-99
4.13.1	<i>Bonds Order Capture: Buy</i>	4-99
4.13.2	<i>Bond Order Capture: Sell</i>	4-108
4.14	TRANSACTION PROCESSING FOR BONDS	4-110
4.14.1	<i>Bond Transaction Management – Buy/Sell/Asset Transfer In/Asset Transfer Out</i>	4-112
4.14.2	<i>Bond Transaction Management - Modify</i>	4-118
4.15	ORDER MANAGEMENT FOR INSURANCE.....	4-120
4.15.1	<i>Insurance Order Capture</i>	4-120
4.16	ORDER MANAGEMENT FOR FUTURES.....	4-130
4.16.1	<i>Futures Order Capture</i>	4-130
4.17	TRANSACTION MANAGEMENT FOR FUTURES	4-135
4.18	ORDER MANAGEMENT FOR OPTIONS	4-137
4.18.1	<i>Options Order Capture</i>	4-137
4.19	TRANSACTION MANAGEMENT FOR OPTIONS	4-144
4.20	ORDER MANAGEMENT FOR FOREX	4-147
4.20.1	<i>Forex Order Capture</i>	4-147

4.21	ORDER MANAGEMENT FOR DEPOSIT.....	4-153
4.21.1	<i>Deposit Order Capture - Booking</i>	4-153
4.21.2	<i>Deposit Order Capture – Rollover</i>	4-159
4.21.3	<i>Deposit Order Capture – Pre-mature Uplift</i>	4-163
4.22	TRANSACTION MANAGEMENT FOR FOREX.....	4-165
4.23	TRANSACTION PROCESSING FOR GENERIC INSTRUMENTS	4-171
4.23.1	<i>Generic Instruments Transaction Processing</i>	4-171
4.24	MANAGED ACCOUNTS (CORPUS -TRANSACTION PROCESSING)	4-173
4.24.1	<i>Corpus Transaction Processing</i>	4-173
4.25	ORDER BULKING.....	4-176
4.25.1	<i>Bulk Order Modification</i>	4-178
4.26	BULK ORDERS	4-180
4.26.1	<i>Corpus Report</i>	4-181
4.26.2	<i>Placement of Orders</i>	4-182
4.27	COMMON ORDER BOOK.....	4-185
4.28	LOAN MANAGEMENT	4-192
4.28.1	<i>Disbursement</i>	4-192
4.28.2	<i>Repayment</i>	4-195
4.28.3	<i>Loan Order Book</i>	4-197
4.29	ACCRUAL PROCESSING	4-199
4.29.1	<i>Accrual Processing for TD</i>	4-199
4.29.2	<i>Accrual Processing for Bonds and Structured Products</i>	4-202
4.29.3	<i>Accrued Interest computation for Loans</i>	4-210
4.29.4	<i>Fixed and Floating Interest Types</i>	4-211
4.29.5	<i>New process to zeroise residual accrued interest</i>	4-212
4.29.6	<i>Display of accrued interest and Interest Paid</i>	4-212
5.	INTERFACES.....	5-1
5.1	INTRODUCTION	5-1
6.	BUSINESS MANAGEMENT	6-1
6.1	INTRODUCTION	6-1
6.2	RM DASHBOARD	6-1
6.3	AUM & BUSINESS VOLUME	6-13
6.4	REVENUE SUMMARY	6-16
6.5	RULES FOR CALCULATING COMMISSION	6-17
6.6	REPORTS	6-25
6.6.1	<i>Customer Reports</i>	6-26
6.6.2	<i>AUM Reports</i>	6-28
6.6.3	<i>Deviation Reports</i>	6-28
6.6.4	<i>CRM Reports</i>	6-28
6.6.5	<i>Capital Gains Report</i>	6-29
6.6.6	<i>Admin Login Reports</i>	6-29
6.6.7	<i>Archived Reports</i>	6-29

1. Introduction

1.1 Introduction

1.1.1 Purpose

The objective of the current user manual is to clearly describe and document the functions of the system from the relationship manager and customer perspective.

The current User Manual serves the following purpose related to Relationship Manager and Customer tasks:

1. It represents the entry point into the system from the end user's angle.
2. Provides a chronological and complete view of all the information necessary to understand and use the system within the user environment. It thus serves as a hand book that instructs the user how to access the system, run programs, correct mistakes and solve typical problems.
3. Identifies the tasks which must be carried out by the user, in using the system, the objectives of those tasks and the main deliverables which signify successful completion of each task.
4. It also describes in detail all system inputs, processes, outputs and controls and provides background reading/reference to supplement training and testing.

1.1.2 Scope

The intention of this User Manual is to provide a comprehensive guide to the RM and Customers of the system. It can also be used as a trouble-shooting guide.

1.1.3 Organization of the Document

The Manual is organized into the following five chapters:

Chapter 1	Financial Planning – Helps the user to understand how to create a financial planning proposal.
Chapter 2	Customer Management – Helps to understand how to track the essential information about clients and their accounts
Chapter 3	Portfolio Management - Provides the information about the portfolio holdings of customers and includes the maintenance, analysis, performance review and simulation of customer portfolios.

Chapter 4	Transaction Management – Explains how to initiate orders to buy/sell various types of securities as well as how to capture the transactions post trade. It explains the various conditions and validations for order placement for the different security types.
Chapter 5	Interfaces – Explains the interfaces established between FCPB and FCUBS to access the needed data.
Chapter 6	Business Management – Explains the reports, screens and analysis for business management and includes RM performance reports on AUM, Business Volume and Commissions earned.



1.1.4 **Target Audience**

The potential readers of this document include but not limited to

1. The Relationship Manager, Customers and other users of the system.
2. Top and middle management executives.
3. Developers, database designers of the system for their reference.
4. Product and Functional teams

1.1.5 **Conventions Used**

This sub-section explains the conventions followed in the preparation of the manual.

Text	Description
Example	Illustration of the concept
	Additional comments or instructions
	Search icon, to search for the desired data
Bold Letters	Command buttons or important text The command button titles appear as they appear on the screen.

1.2 **System Overview and Capabilities**

Wealth Management is one of the fastest growing areas in the banking industry. Wealth Management services typically follow the cycle of financial planning, portfolio construction & execution, portfolio administration, monitoring and on-going management of the overall wealth of the customer.

Wealth Management not only generates strong fee based revenue streams but also excellent cross sell opportunities and results in complete consolidation of customer relationships.

Growing population and increasing disposable incomes have necessitated Banks, Financial Institutions and other Wealth Management Service providers to offer structured wealth management offerings to different customer segments.

With the undeniable growth in the affluent and high-net-worth-segments, financial advisers and institutions offering wealth management services are demanding robust and scalable technology platforms to address the diverse needs of their clients.

The new generation of customers is more investment-savvy and demand personal service, customized portfolios and a spectrum of investment options. This coupled with new regulatory issues have introduced a plethora of complexities in the Wealth Management process. Technology is critical to helping advisors meet the needs of their growing client base and new regulatory responsibilities.

Hence, Wealth Management service providers have a requirement for an integrated technology solution fit that spans customer acquisition, portfolio planning & advice, portfolio execution, portfolio administration and portfolio monitoring & analysis.

FLEXCUBE Private Banking is a comprehensive tool which is designed to provide a single platform to **record, track** and **manage** the overall wealth of a customer, across a range of asset classes and instruments.

The system consists of various modules that enable the users like banks, financial institutions and brokerage houses to create, preserve and transfer the customer wealth and help them to maximize their returns.

The User Manual is divided into two parts as below:

- **User Manual (Admin and Operations)** – The Admin and Operations User Manual covers the activities related to the respective roles.

The Administrator related functions would include reference data maintenance, maintenance of Master Tables, Roles, User creation, authorization of new/modified static and reference data, and Administration reports like Audit Trail.

The Operations related functions would include End of day processes (EOD), maintenance of prices, exchange rates and MF/SP constituents A, Commission Reconciliation, Transaction file uploads and downloads, and Operational reports.

- **User Manual (RM)** – This manual will focus on the RM related functionality as detailed in the subsequent chapters

1.3 **General Characteristics**

This section describes the general features of the system which spans the different modules and is common to the entire system.

1.3.1 **Error Handling**

There are broadly 2 kinds of error messages that the application present to the users –

1. Those that are failing basic validations like missing data that is mandatory, Sale quantity greater than buy quantity, assumption rates entered in financial planning that are outside the allowed range etc. These messages are in red and appear in the top of the screen as soon as the user tabs out of the respective data field. Unless this error is corrected, the user cannot proceed with the operation.
2. Those that are warning messages presented to the user which the users can override and proceed with the operation like Asset Allocation Exceeded beyond the allowed ranges from the recommended allocation, Instrument not part of Recommended list and / or model portfolio, etc. These appear as pop-up messages with an option for the user to confirm and to proceed or not to proceed.

1.3.2 **Data Access Rights**

Access to customer data in the system is controlled by the hierarchy maintained for each Relationship manager and each organizational unit.

A relationship manager, following RM hierarchy, has access to data of all customers directly mapped to him/her as well as customers of those RMs who are under the reporting hierarchy. For example, if RM “A”, reports to RM “B” who in turn reports to RM “C”, then RM “A” will be able to see data of all customers directly mapped to him/her; RM “B” will be able to see data of customers mapped directly to him/her plus all customers of RM “A”; RM “C” will be able to see data of customers mapped directly to him/her plus all customers of RM “A” and of RM “B”. This data access hierarchy is irrespective of which branch each RM is mapped to or which Line of business the RM belongs to.

A unit head (eg. Branch head, Area head, Regional Head, Zonal head etc), following Unit hierarchy, has access to data of all customers of the RMs of the same home unit, as well as all of other units under this unit’s reporting hierarchy, and those for which the unit head is specifically allowed access. For example, Branch A, Branch B and Branch C report to Area R and Branch A head also has data access to Branch C, then Branch A head will see the data of all customers whose RMs are mapped to branch A including his/her own, as well RMs who are mapped to branch C; Branch B head will see the data of customers of RMs mapped to Branch B, and Branch C head will see data of customers of RMs mapped to Branch C; Area R head will see the data of customers of RMs which are directly mapped to Area A plus all customers of RMs of branches A,B and C.




A 3rd dimension for Data access restriction is the LOB or Line of Business and this applies only to users who follow the unit hierarchy. Each Unit head can have a primary Line of Business, but can also have data access to other LOBs that have been specifically mapped to him/her. Depending on the Line of business access, each user of the system will only be able to see the data of customers of RMs whose primary LOB is part of the LOB access list for the user.

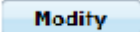
Apart from the above Data access levels, the access to different menus and functions in the system is controlled by the Role to which the user is mapped. Each Role and the set of menu access that it should have can be flexibly defined in the application.



1.3.3 Behavior of Add, Save and Modify buttons

The user will come across the display and edit screens many times while going through this user manual.


This screen consists of two sections; the top section is used for the display purpose to show each record with a “Radio” selection button, while the bottom section facilitates addition, modification or deletion of the record. When the user selects any record using the Radio button from the top section, the corresponding information is displayed in the bottom section for modification/deletion.

After entering the new details in the bottom section, the user can save the information by clicking the  button. Wherever there are multiple child records to be saved for each master record (as for example, multiple commission rates for different amount slabs for a single type of commission like Upfront for a mutual fund instrument), the  button should be clicked to save all the child records to the main record. The user can click the  button to clear all the details entered in the screen.

The  button can be used to modify any of the existing information. Please note that the modify button will be enabled only on selection of an existing data. The selection of an existing data will result in the disabling of the ‘Add’ button. The user also has the option to clear the modified data by clicking on the ‘Clear’ button. Clicking the clear button again results in disabling of the ‘Modify’ button and enabling of the ‘Add’ button.

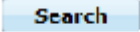
 A similar behavior explained above is depicted by the other User interface screens that are used for data addition and maintenance purpose, as for example the maintenance of Instrument Master data. Only difference here is that there is no summary display section. In these cases, for modifying an existing record, the user can click the search button  to retrieve from existing data and then modify the same (instead of a Radio button selection as explained above).


1.3.4 Wild Card Search



On clicking the  button provided adjacent to any field, the search pop up window appears.

This pop up window facilitates searching for an entity based on the name or ID. FCPB provides the users with facility for partial name search, with a minimum of 3 characters specified. Any record in the searched entity that has these characters appearing consecutively anywhere in the name / ID will be shown in the search result list.

 It is mandatory for the user to enter a minimum of three characters to proceed with search.



After entering the relevant search criteria and on clicking the  button, the user is displayed with a list matching the corresponding search criteria. In order to select a record from the list, click on the appropriate hyperlink from the list. On clicking the hyperlink, the user is directed to the main screen and is displayed with the corresponding information in that screen. In

order to clear the search criteria click on the  button. On clicking  the search window closes.


 If the  icon appears next to the Security ID, Scheme Name, Instrument Name fields in Order Management screens of RM login, then on search the system displays only those instruments for which Can Transact field is set to Yes in respective instrument master screens.

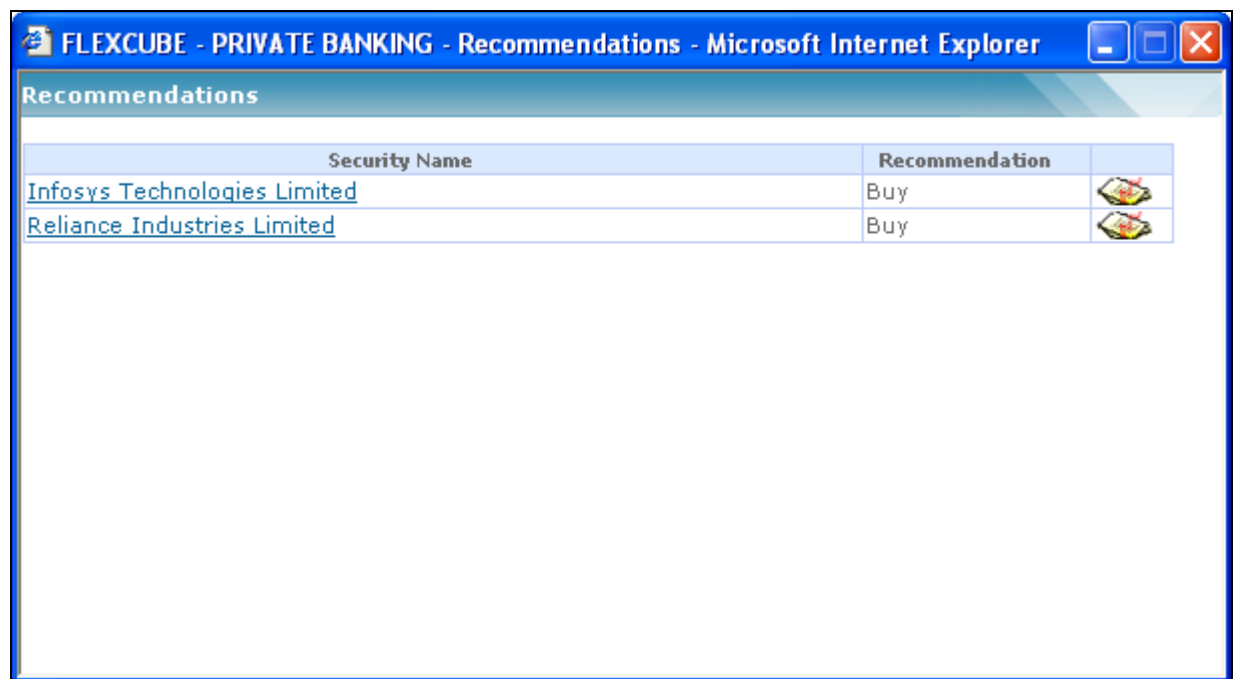
Similarly for Order Management screens of customer login, the system displays only those instruments for which Can Transact Online field is set to Yes in respective instrument master screens.

1.3.5 **Recommended List and Focused List**

The Recommended List  and Focussed List  icons enable the user to view the recommended and focused instruments respectively while placing the order. These details are obtained by FCPB from external data vendors. These icons are available in the below mentioned screens:

- Order Management – Order Capture (Equity, MF, Insurance, SP and Alternatives, PMS)
- Recommended Portfolio tab of Financial Planning

When the user clicks on the  icon, following screen appears listing the corresponding recommended instruments.



Security Name	Recommendation
Infosys Technologies Limited	Buy
Reliance Industries Limited	Buy


Figure 1: Recommended List Window

The user can select the desired instrument by clicking on the appropriate hyperlink. Similar screen appears to list the focussed instruments also.


1.3.6 Instrument Analytics

Investment decisions are based on the risk-return characteristics of individual instruments and also on how these instruments behave when they are part of portfolio. These characteristics are captured in various analytical measures as mentioned below:

- Standard Deviation
- Beta
- Sharpe ratio
- Price to Earnings multiple etc

In FCPB the above ratios are displayed at instrument level as a part of the functionality 'Instrument Analytics'. The user can view the Instrument Analytics  icon in the following screens:

- Bond, Mutual fund, Equity ,SP, PMS, Insurance order management screen
- Bond, Mutual fund, Equity, SP, PMS, Insurance Transaction management screen
- Model portfolio
- Portfolio Rebalancing
- Recommended Portfolio tab of Financial Planning

When the user clicks on the  icon, the Analytics screen appears for the corresponding instrument.

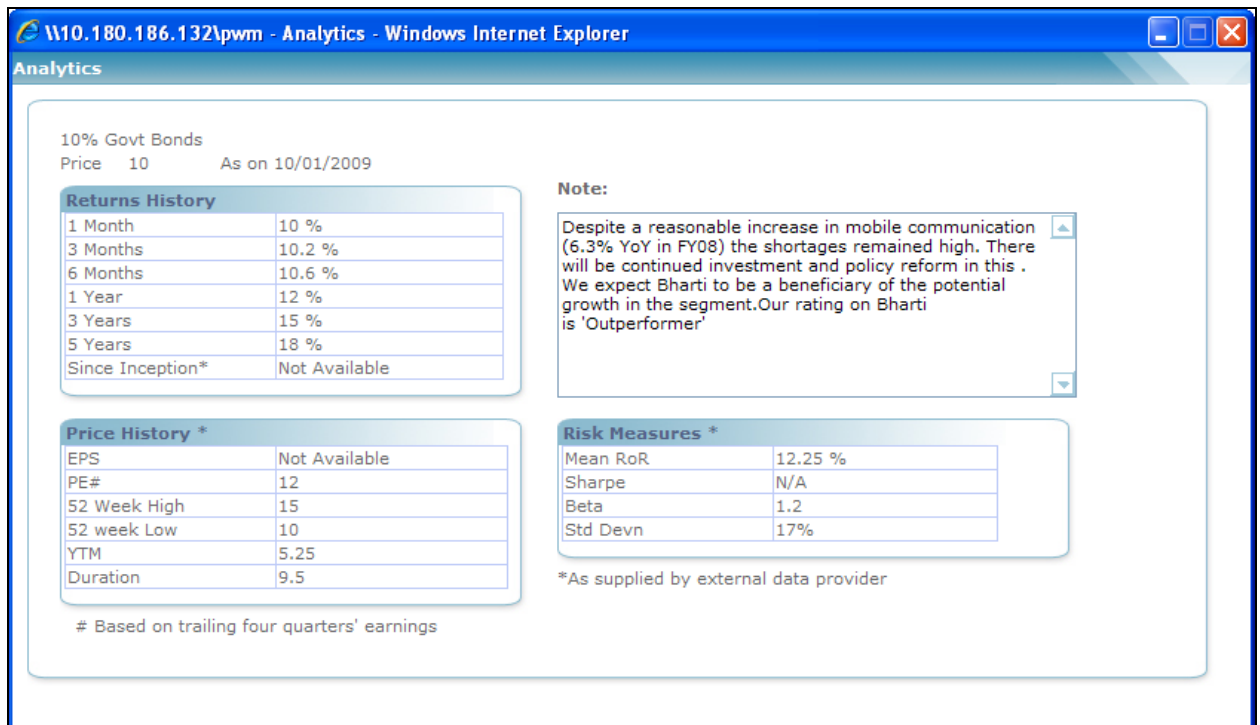


Figure 2: Analytics Window

The Returns History section contains the computed returns based on the price history of the Instrument computed every weekend for the different periods.


Statistics like EPS, PE ratio, 52 week High/Low, YTM and Duration which are supplied by external data providers are displayed under the Price History section.

Note and Risk Measures like Standard Deviation, Beta, Sharpe, Mean ROR are also statistics which are supplied by external data providers.

1.3.7 Fee Deviation

In FCPB, the fee is applied for all instrument types based on the Instrument Group and Order Type. These are calculated depending on the AUM or Transaction Amount and each of these fees are maintained as a percentage and/or a flat amount.

The system also allows the RM to define exceptional rate for a specific order. This special rate is applicable only for that particular order and not for all orders.

Deviated rate option is available only for RM login. The user can define deviated fee by using clicking on the  icon.

Actual Fee			
Fee %	Fee Amount	Higher	Fee Total #
3.85	0.00		1817.01

Revised Fee		
Fee %	Fee Amount	Fee Total #
2.00		943.9

Fee Total excludes tax and surcharge

Figure 3: Fee Deviation Pop up

The user can enter the revised fee in the Fee Deviation pop up window as shown above. Once the revised fee is added, the system ignores the existing fee applicable and considers the new deviated fee for that order. .

The user does not have this option in Customer login.

1.3.8 Optimistic Locking of Order and Transaction Screens


In the earlier releases, it has been observed that if the order/transaction, Authorize/Execute and Modify screens are opened at two different places at the same time and if the one user tries to approve/execute/cancel the order and the other tries to modify the same order/transaction, the system allows the user to approve/execute/cancel the order with the modified details.


If the modified order/transaction is approved/executed or cancelled, it is possible that the user is unaware of the fact that the order is not the original order which he/she has wished to approve/execute or cancel but it is the modified one.

To overcome this problem, the Optimistic Locking feature of Order and Transaction screens has been introduced in the system. If such situation occurs, the system displays the appropriate


message on click of the Approve/Execute/Cancel button in the order and transaction capture screens enabling the user to open the modified order once again to have a glimpse on it.

1.3.9 Change Customer

In FCPB, once the customer is chosen through Customer Search screen, the RM user can proceed to any screen across the different menus, without having to select the customer over and over again. After selecting the customer respective screens are populated with customer no. and name. To view the data of any other customer, the RM needs to click on the  icon available in the screen which again directs the user to the Customer Search screen and facilitates to select the desired customer.

 If the customer search is resulting into a single record, the system automatically launches the requested page with that customer details.

1.3.10 Customer Details

The Customer Detail pop up introduced in the order capture screens facilitates the RM user to view the details of the customer in context in the order capture screen itself without navigating to Profile Maintenance or Dashboard screens. The Customer Details pop up appears if the user clicks on the  icon.

Customer Details

Customer Name	Alok Nath
Customer External ID	11027
Segment	Private Banking
Risk Score	
Client Acquisition date	01/01/2009
Client CCY	INDIAN RUPEE
Client AUM	342126000
Credit Facility	

Customer Notes

NA

Open Interactions

Interaction

Task Details	Date	Mode
NO PENDING TASK FOUND		

Alerts

System Alerts

Portfolio Alerts


Alert

NO SYSTEM ALERTS FOUND FOR THE CUSTOMER

Figure 4: Customer Details Window

The pop up gives the basic information of the customer in context. The information includes Customer Name & No. Segment, Risk Score, Client Acquisition Date, Client CCY, Client AUM and Credit facility details.

In addition to this, the system also lists the Customer Notes available if any, the details of the open interactions and the alerts information set up for the customer in context.


 The system displays the pop up in all the order capture screens except bulk orders and also in the transaction capture screens.

Other screens where the Customer Details pop up getting displayed are listed below:

- Loans and Pledges
- Line Management
- Financial Planning
- Portfolio Alerts
- Portfolio Rebalancing

1.3.11 Help File

A Help File is topic-oriented reference information delivered through the FCPB to give assistance to the user of the system. Each topic in help file is supposed to describe extensively one state, situation, or feature of FCPB.

The user can view the help files for few important screens by clicking on the  icon located at the top right corner of the screen. FCPB provides help in HTML format for its users.

FCPB provides help files for the following screens:

RM Login:

- Portfolio Alerts
- Restriction
- Portfolio Rebalancing
- Order Authorization
- Portfolio Maintenance
- All OMS Screens
- Portfolio Performance
- Risk Metrics

1.4 System Access Procedures

1.4.1 Login Procedure

To access the system, the user must enter the appropriate url address, as obtained from the concerned authority in the address bar of the Internet browser, enter a valid user id and password and click the **Sign In** button.

The menu rights allocated by the System Administrator for the role that is mapped to the user will determine access permission to menus and screens.



For user name, password and url name contact your in-house system administrator.

Procedure to Log in to the System:

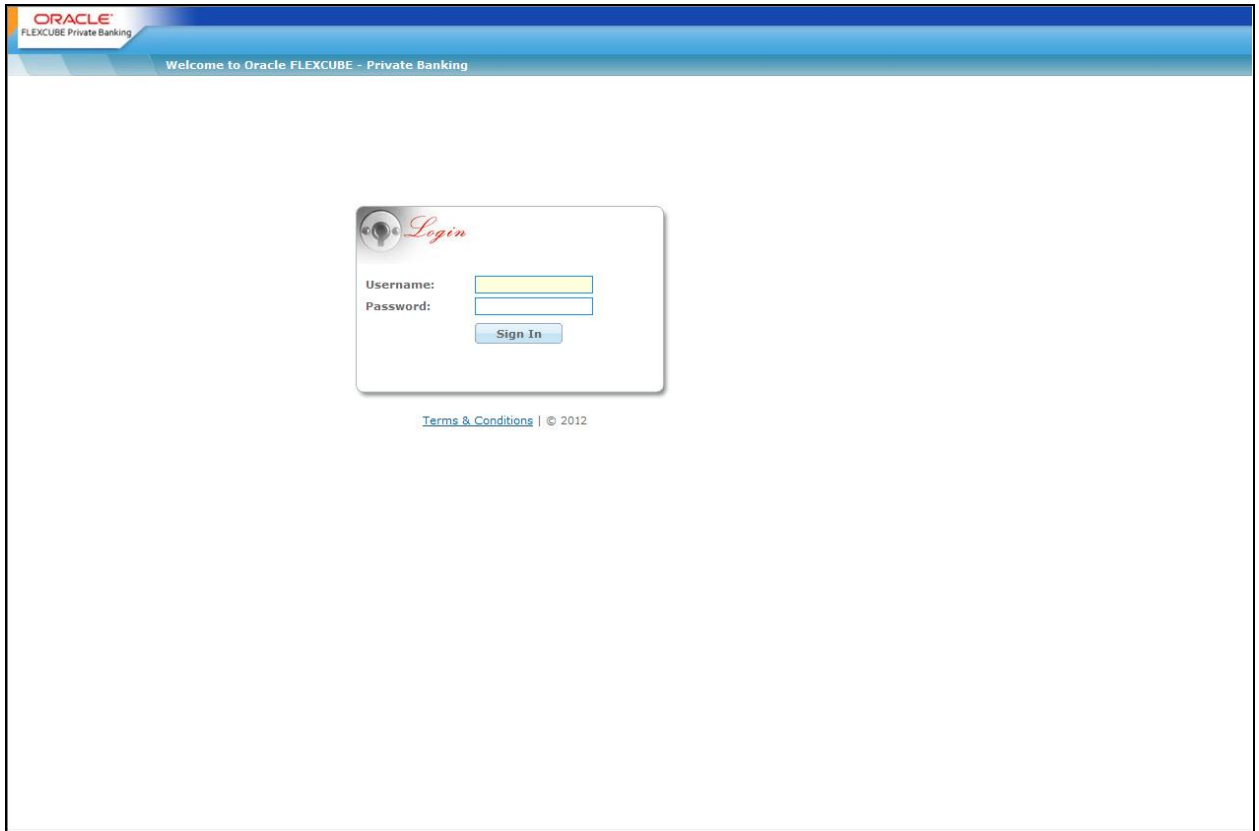


Figure 4: Initial Login Screen

Step 1:

To login to the Flexcube Private Banking system, enter the appropriate URL in the address bar of the Internet browser. The login screen appears.

The login screens are similar as shown in Figure 4 above for all user types except Customer user for whom, the virtual keyboard facility is provided to enter the Password.

The Virtual Keyboard is an onscreen keyboard and provides a mouse based alternative to enter the username and password instead of using the actual physical keyboard. It prevents username or password from being stolen while using public computers.

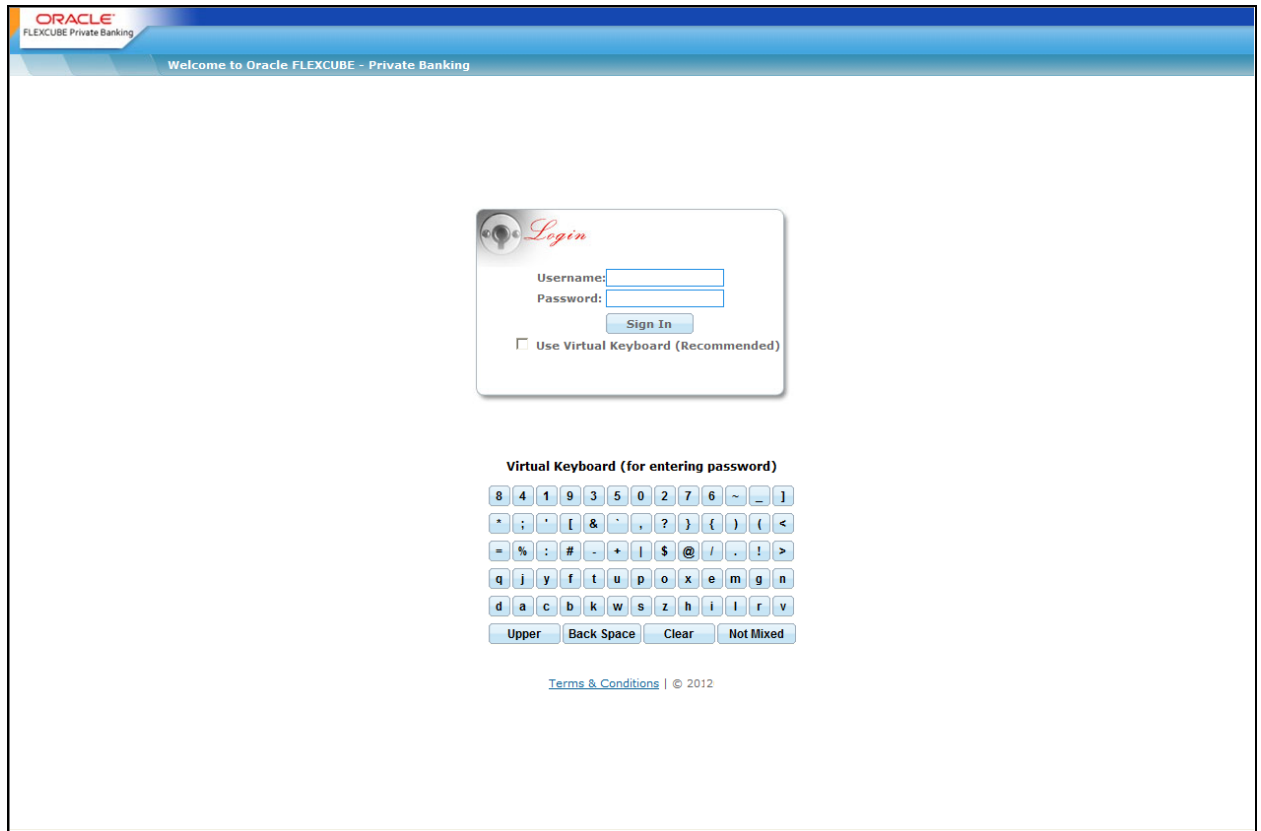


Figure 5: Initial Login Screen – Customer User


Step 2:

Enter the user name in the Username text box.

Step 3:

Enter the password in the Password text box.

Step 4:

Click the  button. The Flexcube Private Banking home page appears.

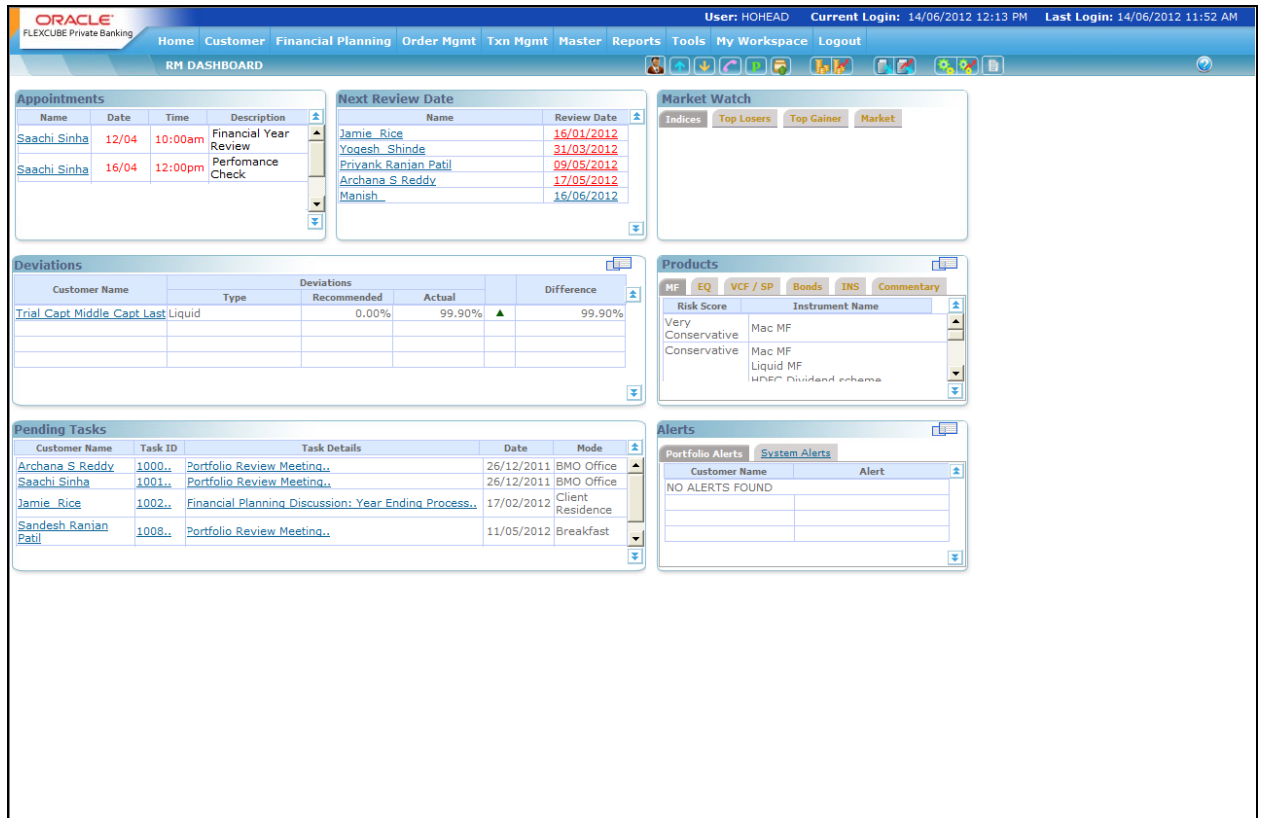


Figure 6: Flexcube Home Page for RM

1.4.2 System Log-off Procedures


The user has to logout from the system to close the current session. This would prevent any unauthorized user from accessing the system.


Procedure to log off from the system:

Step 1:

Click the Logout tab.

Step 2:

To exit the windows, the user can click the  button at the right corner of the Internet Explorer screen. The screen is closed and the user returns to windows/desktop.

 In case the user closes the application screen as in Step 2 above without specifically logging out, the user is automatically logged out and the user session is killed.

2. Financial Planning

2.1 Introduction

Understanding Financial Planning: Financial planning assists in realizing the lifelong financial goals through management of resources. Financial planning provides direction and meaning to your financial decisions. It allows you to understand how each financial decision you make affects other areas of your finances. For example, buying a particular investment product might help you pay off your debt faster. By viewing each financial decision as part of a whole, you can consider its short and long-term effects on your goals. You can also adapt more easily to life changes and feel more secure that your goals are on track.

The financial plan puts together a client's profile by detailing his/her financial objectives, current income, investments, risk tolerance, expenses,, insurance coverage, retirement programs, , and other pertinent information to compose a plan that meets the client's overall, or specific, financial agenda.

The comprehensive process of financial planning can be elucidated with the following steps

Step 1: Asses current situation: The financial plan clarifies the customer's present situation by collecting and assessing all relevant financial information, including net worth and cash flow statements, insurance policies, investment portfolios, and other qualitative data. Essentially this step summarizes where the client is today. An individual's current situation is a result of the cumulative effects of all of the financial decisions and transactions that have occurred in the past up until the current time. It also captures the client's expectations on income and expenses projected till life expectancy.

Step 2: Identify Goals and objectives: The financial plan helps identify both financial and personal goals and objectives as well as clarify the customer's financial and personal values and attitudes. These may include providing for children's education, supporting elderly parents or relieving immediate financial pressures which would help maintain the client's current lifestyle and provide for retirement. These considerations are important in determining the best financial planning strategy.

Step 3: Identify Problems: The financial plan identifies financial obstacles to achieving financial independence. Problem areas can include insufficient resources to meet goals, net deficits in cashflows due to mismatch between income and expense assumptions, too little or too much insurance coverage, etc. The client's projected asset levels on retirement and at the end of life expectancy may be inadequate, or the current investments may not suffice with changing economic times. These possible problem areas must be identified before solutions can be found.

Step 4: Design the Plan: The financial plan provides written recommendations and alternative solutions. The length of the recommendations will vary with the complexity of one's individual situation, but they should always be structured to meet the client's needs without undue emphasis on purchasing certain investment products. The plan could include changing lifestyle assumptions, altering timing and amount of significant cashflows, taking additional loans or repaying current liabilities, asset allocation model for investing surplus funds generated etc.

Step 5: The Financial Proposal: The ultimate outcome of this entire process is a printed proposal that is sent to the customer for acceptance. Once the customer confirms the acceptance by signing on this document, the advisor and customer can work on implementing the plan.

Step 6: Implement the plan: A financial plan is only helpful if the recommendations are put into action. Implementing the right strategy will help to reach the desired goals and objectives.

Step 7: Periodic review: The financial planner provides periodic review and revision of the plan to assure that the goals are achieved.

Distinctive Features of the financial plan generated by the Financial Planning module of the Private Banking include:

The Financial Planning module is designed to create comprehensive plans till the Life expectancy age of the customer. These plans will be also be inclusive of plans for specific interests or financial goals identified by the customer, such as planning for retirement, buying a home, or investing an inheritance.

The projections in the plans are generated based on assumption rates defined by the user for inflation as well as for the rates of return in the different asset classes.

- The module offers a unique option of planning either for an individual customer or for the entire household of the customer. The plan generated at the household level will be a resultant of all the financial facts and projections being considered at the household level.
- The module facilitates planning for the **existing as well as potential** customers of the bank. However, the existing customers will have an advantage - any alteration in the investments of the existing customers in the system will be automatically updated and reflected in the plan of the customer. This will facilitate in reviewing and revising the plans with ease. However for the potential or prospective customers, the RM needs to manually update the existing exposure on investments in order to periodically review the plan.
- The user has been provided with the flexibility of creating an entirely **new proposal** for the customer or can also work on existing plans of the customer as a template. This will assist the user to an extent of not having to recapture some of the existing information of the customer and his financial figures. However, the user needs to note a point that all the information except the information on the current assets of the customer can be retrieved for reuse. The assets of an existing customer are refreshed from the client's holdings as reflected in the system, even if an old proposal is being reused.
- The plans generated by the system comprise of the recommended asset allocation & the investment portfolio as well as the projected cash-flows, assets and liabilities consequential to the recommendations. The plan will also be inclusive of recommendations on additional loans or insurance covers to be taken.
- The user has been provided with the flexibility to update the status of the plan as it undergoes the various phases of conception. (eg: Work in Progress, Sent to Customer, Accepted by Customer etc)

Approach

1. **Screens:** The Financial Planning process has been phased across 14 tabs. In each of the tabs has been designed to get enabled sequentially as the user proceeds to capture information from one tab to another. However, the three tabs Inflows, Outflows and Goals will

all get enabled at the same time consequent to capturing and saving of information in the Asset tab.



To enable the subsequent tab, it is essential for the user to not only capture the information in the tab but to also SAVE the captured information.

There is however an exemption to the sequential enabling of the screens. This would be in the case of reuse of an existing proposal of the customer which was in either underway status for completion (WIP) or in closed status. For such instances of reuse, all the tabs which had been enabled for the existing proposal would continue to be so for the new proposal too. In other words by reusing an existing closed proposal, all tabs are enabled and accessible by the user immediately as the new proposal is created from the old one. In this case, if the user clicks on a different tab that is enabled, the system prompts to click on save button to save any data edited / updated in the current tab.

Capture data: For the user interface fields presented in a tabular format across all the screens, the user will be able to capture or update information on the tables using a standard process. The

user needs to click on the button provided at the extreme right corner of each table. This will open a pop up screen which will facilitate in maintaining the relevant information.

2. The Planning module will be available only for RM login. It can thus be inferred that the customer cannot carry out the financial planning on his own but needs to approach the RM for the same.

User Access levels:

RM: The entire financial planning module can be accessed only by the RM.

In the subsequent sections, each tab has been explained in depth.

2.2 Create/Modify Plan

2.2.1 Main

Description:

This is the default tab displayed on navigating to this module. It is the first of the set of 14 tabs. This tab provides the user with the option to classify the customer as an existing Retail customer of the bank who is yet to avail of Wealth Management services, or as an existing customer of FCPB (i.e. who is a wealth management customer) or as a prospect who is yet to start any relationship with the bank. In this screen the user can opt for creating a new proposal or to modify an existing proposal of the customer. This screen provides flexibility to the customer while creating a proposal by offering an option to either reuse an existing proposal or to create a new proposal completely afresh.

User Access levels:

RM: The entire financial planning module can be accessed only by the RM.

Screen:

Figure 1.1: Main Screen

Screen Navigation:

Entry to the screen:

On the main menu

Financial Planning → Main

Field Description:

Field	Description	Type
Walk in Prospect	A potential customer who currently does not have any existing relationship either with the bank or with wealth management.	Y

Qualified Prospect/Internal Customer	A Customer who has an existing association with FCPB.	Y
Customer No	Enables the user to enter or to select the Customer No. using the search icon if the selected option is 'Existing Customer'.	Y
Customer Name	Once the user enters or selects the Customer No, the system auto-populates the Customer Name.	Y
Prospect Id	If the user opts for the 'Prospect' option, this field enables the user to enter or to select the existing Prospect Id using search icon.	Y
Prospect Name	Displays the Prospect Name. Once the user enters or selects the Prospect Id, system auto-populates the Prospect Name.	Y
Create Proposal	The 'Create Proposal' tab with two radio buttons (Yes and No) enables the user to decide on creation of a brand new proposal from scratch or reuse data from an existing proposal	Y
Modify Proposal	Enables the user to select the proposals which are under progress for completion (WIP). Only the proposals which are under progress can be modified.	Y
Use existing proposal	Enables the user to decide on whether to use the existing proposal or to go for the new one	Y
Proposal Name	Enables the user to enter the new proposal name while creating new proposal or modifying the existing one.	Y
Existing Proposal	Once the user selects the 'Create Proposal' option, the proposals which are under progress for completion (WIP) are displayed in this drop-down list.	Y
Next	Enables the user to save the information in the current tab and enable the next tab.	Y

The Financial Planning main screen with the details of the Existing Customer:

Figure 1.2: Main Screen with Existing Customer Details

Capturing the details on this screen: As seen the screen is divided into three main sections, wherein in the first section, the user needs to decide on the type of customer, the second section has been provided to search for the relevant id of the chosen type of customer and the third and final section has been designed with two sub-tabs offering an option to the user to either create a new proposal or modify an existing one.

In order to select the customer type, the user has been provided with a radio button for each type.

After having opted for a customer type, the user then needs to search for the relevant customer/prospect id. Depending on the type of customer opted by the user, the corresponding search fields will get enabled.

The next section has two sub-tabs namely, 'Create Proposal' and 'Modify Proposal'. On selecting the modify tab, the system enables the user to modify the proposals which are under progress for completion (WIP) and are displayed in the drop-down list. A customer or prospect could have multiple proposals in WIP status facilitating the user in creation of multiple proposals with different scenarios for the customer.

The 'Create Proposal' tab has been provided with two radio buttons to create a brand new proposal from scratch or reuse data from an existing proposal. The user can click on either the 'Yes' or 'No' radio button. The screen will default to the Y option. On selection of the negative option, the field displaying the list of existing proposals of the customer 'Existing Proposal' will be

disabled. For a new customer approaching for the first time and who has no existing proposals for reuse the selection will be defaulted to N.

The Existing Proposal' field displays the existing proposal names in the drop-down. It is mandatory for the user to pick an existing proposal from the list on selection of the option to use an existing proposal.



While displaying the list of existing proposals in either of the tabs the user is provided with the information of not only the names of the proposals but also their creation dates and status.

After having captured the information in all the mandatory fields the user then proceeds to click on

Next

the button to save the information in the current tab and enable the next tab. As explained in the "Approach" subsection in the Introduction section above, this will be the behavior for a new proposal creation without reusing an existing proposal. If an existing proposal is retrieved for modification or used as template to create a new proposal, all tabs that were enabled in the original proposal will also be automatically enabled with the data from the previous proposal being populated in each of these tabs. In such cases, when the user tries to move to another tab after updating data in the current tab, the system will prompt to click on "Save" button to save the updated data. If the user ignores this warning, then any updates to the data in the previous tab would be lost. As this behavior is consistent in each of the tabs described in the below sections, this explanation is not being repeated for each tab. Only the behavior in case of creating a fresh proposal without reusing existing proposal is mentioned in each case.

2.2.2 Demographics

Description:

As the name suggests this screen is intended for maintaining information on the customer's demographics. However the usage of this screen differs depending on the type of customer. For a Prospect approaching for the first time, this screen facilitates capturing and maintenance of the demographics information. Subsequent approaches by the Prospect will have the screen with pre filled information, which could however be updated / maintained. The Retail Banking Customer would have the screen with pre-filled information irrespective of whether it's a first time or subsequent access to the module.

However, even though the information of an existing customer of the FCPB would also be displayed for both the first time and subsequent access, any information of the customer cannot be maintained through this screen. For any modification to any of the information on demographics, the user needs to access the Customer Profile Maintenance screen. Any modifications made in this screen would be automatically reflected in the Financial Planning module. Apart from the demographics, this screen also captures information of the dependents and the option of the customer to plan either for the entire household or for just self. Only the household planning and dependents information is maintained through this tab other fields are disabled for modification.

User Access levels:

RM: The entire financial planning module can be accessed only by the RM.

Screen:

USER: HO HEAD **Current Login:** 15/10/2010 12:07 PM **Last Login:** 15/10/2010 12:02 PM

Financial Planning

Main	Demographics	Assumptions	Profiler	Risk Model	Assets	Inflows
Outflows	Goals	Projections	Rec. Portfolio	Check Exposure	Insurance	Update Status

Proposal Name: Prop 7
 Salutation: MR
 Middle Name:
 DOB*: 23/09/1979
 Address line 1*: abcd
 Address line 2:
 Address line 3:
 City: SINGAPORE
 Zip: 500101
 Email: LISTPWTTEST-OFSS_IN@ORACL
 Planning For Household: ☐ Yes ☒ No
 Proposal Description:
 Plan Type*: Birla Jeevan bhima life time plan
 First Name*: CUSTONE
 Last Name: HOREt
 Gender: ☒ Male ☐ Female
 Phone(Home): 6758768
 Phone(Office):
 Mobile:
 Client Segment*: Advantage Banking
 Customer Currency*: Singapore Dollar
 Client IT Type*: Resident

Dependents Information		
Name	Relationship	Birth Date
Fidel Castro	Brother	06/10/1938
Shikha Verma	Cousin	01/12/1975

Figure 1.3: Demographics Screen


Screen Navigation:

Entry to the screen:

RM login:

Main Menu → Financial Planning → Demographics

Field	Description	Mandatory
Proposal Name	Displays the name of the Proposal	Y
Plan Type	Enables the user to select the appropriate Plan type from the drop-down list.	Y

Field	Description	Mandatory
Salutation	<p>The field has been provided either to capture the salutation or to display the salutation of the customer. This field provides you with a list of salutations with an option to choose one of the values provided.</p> <p>On first time access by Prospect – user entry enabled.</p> <p>Subsequent access by Prospect – Pre-filled information with the facility to maintain</p> <p>Retail Customer - Pre-filled information with the facility to maintain</p> <p>FCPB Customer – Pre-filled information and will be disabled for maintenance.</p>	N
First Name	Field is provided for entering/displaying the first name of the customer.	Y
Middle Name	Field is provided to capture/display the middle name of the customer.	N
Last Name	The last name of the customer can be updated/ will be displayed in this field.	N
DOB	<p>This field facilitates either display or capture of the date of birth of the customer in dd/mm/yyyy format.</p> <p>In order to capture the date, a calendar has been provided adjacent to this field for selecting the date. Click on the icon  , in order to open the calendar.</p> <p>The system will restrict the user from capturing a date greater than the current business date. The system will also restrict the user from capturing the date for a minor who is less than 18 years as of the current business date.</p>	Y
Gender	Gender of the customer can be captured or will be displayed in this field. In order to capture the gender, a radio button has been provided against each of the options viz., male and female. The system will default to the option 'male'.	Y
Address line 1 – Address line 3	The field has been provided with three separate text boxes to facilitate either capture of the address of the customer or to display the address. This is a free text field for capturing the address.	Y
City	A field has been provided for capturing or displaying the City. This is also a free text field for entering the details.	Y
State	The state to which the address belongs can be either captured or will be displayed in this field. The list of states provided in this field while capturing the data is based on the Country selected by the user.	Y

Field	Description	Mandatory
Country	This field enables capturing or will display the country. In order to capture the country it is essential for the user to select a country from the list of values provided in the drop down.	Y
Zip	This field has been provided to either capture or will display the pin or the zip or any other equivalent area code of the address	Y
Email	This field facilitates the user to capture or will display the email address of the customer	N
Phone (Home) / (Office)	<p>The next two fields facilitate to capture or will display the residential and official contact numbers of the customer. While it is mandatory for the user to capture the residential contact number, the official contact number is an optional field.</p> <p>Again though this field does not validate the adequacy of the number provided, it is advisable to enter the number as per the international practice of starting with the country code followed by the area code and then finally the number.</p>	Home –Y Office – N
Mobile	Facilitates capture or display of the mobile number of the customer in this field. Again, please ensure to follow the standards mentioned in the preceding fields.	N
Client Segment	Field has been provided to capture or display the customer segment. While capturing, user can select the category of the customer from the options provided in the drop down list. The different segments to be provided by the bank can be configured by the administrator in the database.	Y
Customer Currency	<p>The next field is a significant field and it provides the user with the option to select or will display the customer preferred currency. The currency opted for in this field will be utilized for displaying all the customer's computations.</p> <p>The field will default the reporting currency of the bank.</p>	Y
Client IT Type	This field enables the user to capture client IT Type and based on this client IT type, the system presents the appropriate Risk Profiler questionnaire in the Profiler Tab.	Y
Planning for Household	<p>The field facilities to capture or will display the option opted by the customer to plan for self or for entire household. For capturing data, two radio buttons have been provided for each of the positive and negative option. The screen will default to the 'Self' option.</p> <p>Irrespective of the type of access this field will always be enabled for entry and maintenance</p>	Y
Proposal Description	Enables the user to enter the proposal details if any in the text box provided.	N

Field	Description	Mandatory
Dependents Information		
Name	Displays the dependent name	N
Relationship	Displays the Relationship of the dependent with the customer	N
Birth Date	Displays the dependent birth date	N

Capturing the details on this screen: The uppermost part of the screen displays the Proposal Name and Proposal Number. For a user having opted for generating a new proposal, the name displayed would be as defined by the user in the 'Main' tab and the number displayed would be a system generated one. For a user who opted for modification of an existing proposal would be displayed with the chosen proposal's name and number. The fields displayed for capturing demographics information are explained below:

For a customer opting to plan for the entire household, it is mandatory to capture the information pertaining to at least the Spouse, if applicable. Other dependent details can also be captured additionally in this section. The tab displayed for facilitating capture of dependents information is analogous to the tab elucidated on the screen 'Additional Information' in Customer Profile maintenance.

For simplicity we have summarized the table again below:

In the table on dependents information, the name, relationship and the date of birth of the dependent are displayed. In order to edit any of the dependents information, click on the hyper link



provided at the bottom right hand side corner of the dependents information display box. The hyper link displays a pop up screen enabling editing and adding any information of the dependents. Screen shot of the pop up box is as given below

Proposal Name: New Prop for ST **Customer Name:** CUSTONE HOREt

	Name	Relationship	Birth Date
<input type="radio"/>	Shikha Verma	Cousin	01/12/1975

Name

Relationship

Birth Date

Save **Add** **Modify** **Delete** **Clear** **Cancel**

Figure 1.4: Demographics pop up

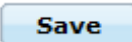
This screen is in accordance with all the other display and edits screens, wherein the top section displays the information of the previously added dependents and the bottom section facilitates addition or maintenance of the dependents information.

The user can add, modify or delete the data in the screen as explained in the General Characteristics section.



Please note system will restrict the user from capturing a future date in the birth date field.

For the FCPB customer the option of planning for household enables retrieval of the entire financial information (investment holdings) not only for the customer but also of all other entities (customers) maintained as part of the household in customer Profile maintenance section.

After having captured the information in all the mandatory fields the user will then proceed to click on the  button which will enable the subsequent 'Assumptions' tab.

2.2.3 Assumptions

Description:

Assumptions or parameters captured in this screen are the key fundamentals for the entire computations done in the FP module. A user, who had opted for either creation of a new proposal by using an existing proposal or for modification of an existing proposal, would be displayed with pre filled information retrieved from the existing proposal in all the fields as last saved. All the fields can be modified and maintained for both the instances. A user intending to generate a complete new proposal afresh, would also be displayed with pre filled information in the fields, as per the default values maintained in bank parameters and asset liability details. These default values can be changed within allowed ranges as specified by the Administrator based on a specific customer's preferences.

User Access levels:

RM: The entire financial planning module can be accessed only by the RM.

Screen:

USER: Savita Rokade **CURRENT LOGIN:** 02/04/2009 10:29:27 AM **LAST LOGIN:** 02/04/2009 9:50:32 AM

Financial Planning

Main	Demographics	Assumptions	Profiler	Risk Model	Assets	Inflows
Outflows	Goals	Projections	Rec. Portfolio	Check Exposure	Insurance	Update Status

Proposal Name: FP Proposal **Customer Name:** Anish P Agarkar

Retirement Age: 55 Risk Free Return: 3

Life Expectancy: 70 Spouse's Retirement Age: 60

Rate of Inflation:

Time Period		
0 to 3 Years	3 to 7 yrs	7th yr onwards
4	5	6

Growth Rate of Assets

Asset Class	Annual RDR %	Order of Liquidation
Alternatives	7	0
Collectibles	0	0
BONDS	7	6
CashMoney	25	0
Cash	35	0
CD444	0	0
Collectibles	18	0
Commodity	10	11

Notes:

Save

Figure 1.5: Assumptions Screen

Screen Navigation:

Entry to the screen:

On the main menu

Financial Planning → Assumptions

Field Description:

Field	Description	Type
Proposal Name	Displays the current proposal name	Y
Customer Name	Displays the customer name for whom proposal is to be created.	Y
Retirement Age	Displays the age at which the customer presumes to retire. This value has to be within the current age and the maximum retirement age maintained at the bank parameters level. The retirement age should also be less than or equal to the Life expectancy age of the customer.	Y
Risk Free Return	Displays the Risk Free Return value. The value is used for computing the insurance coverage required and refers typically to a benchmark government bond yield. The rate needs to be denominated as a percentage figure. This value has to be within the range maintained for the risk free rate of return at the bank parameters.	Y
Life Expectancy	Displays the age till which the customer is expected to live.	Y
Spouse's Retirement Age	Displays the age at which the spouse of the customer presumes to retire. The field is a mandatory field for the users opting for planning for the household.	Y
Rate of Inflation	Displays the Rate of Inflation for the given time period. The system displays the Rate of Inflation as per the values set in the FP Related tab of Bank Parameters.	Y
Growth Rate of Assets		
Asset Class	Displays the Asset Classes. Apart from the basic asset classes like Equity, Debt, Cash other asset classes can be flexibly defined by the bank.	Y

Annual ROR%	Displays the overall expected growth rate for the chosen asset class. This growth rate is inclusive of both the value appreciation of the asset as well as the cash returns (if any) received from the asset. It is denominated as a percentage figure. The system allows the user to set different ROR for the defined time period.	Y
Order of Liquidation	Indicates the sequence of liquidation in order to meet any shortages in the cash flow in any plan year. The user will be restricted from capturing duplicate sequence number for different assets. But the user also has been provided with the option to define the field as zero for multiple asset classes, if the customer has revealed his reluctance to liquidate a particular asset. If a liquidation order is maintained as 0, then that asset will not be liquidated to meet any shortfall during the plan, i.e. the asset is "treasured".	Y
Notes	This free-text field is available in most of the tabs to enable the user to capture any important notes with respect to the details captured in the tab. The notes captured in this field will be printed in financial proposal report.	Y


Procedure to save the information in Assumptions tab:


Step 1:

Click the Assumptions tab.

The Assumptions screen appears with the prefilled information as shown in the figure above.

Step 2:

To save the details for the Growth Rate of Assets, click the  at the bottom right hand side corner of the Growth Rate of Assets.

Once the user clicks on the  icon, system asks the user if he wants to save the Assumptions information entered. Click the OK button to save the Assumptions details. Once the user clicks on the OK button, the Assumptions pop up window appears to save the ROR details as shown below:

FLEXCUBE - PRIVATE BANKING - Assumptions - Microsoft Internet Explorer

Assumptions

Proposal Name : FP Proposal **Customer Name :** Anish P Agarkar

	Asset Class	Annual ROR %		Order of Liquidation
		Period	RoR%	
<input type="radio"/> Alternatives		0 to 3 Years	7	0
		3 to 7 yrs	0	
		7th yr onwards	0	
<input type="radio"/> Collectibles		0 to 3 Years	0	0
		3 to 7 yrs	0	
		7th yr onwards	0	
<input type="radio"/> BONDS		0 to 3 Years	7	15
		3 to 7 yrs	6	
		7th yr onwards	5	
		0 to 3 Years	25	

Asset Class:

Time Period:

Annual ROR %:

Order of Liquidation:

Save **Modify** **Clear** **Cancel**

Figure 1.6: Assumptions Pop-up

Step 3:

Select the appropriate asset class from the Asset Class drop-down list.

Step 4:

Enter the appropriate annual ROR percentage in the Annual ROR% text box.

Step 5:

Enter the appropriate liquidation order for assets in the Order of Liquidation text box.

Step 6:

Click the Save button to save the record.

Once the user clicks on the Save button, the information saved appears in the Assumptions screen.

Click the Save button in the Assumptions screen to save the details in the Assumptions screen and to proceed to the Profiler screen.

2.2.4 Profiler

Description:

This screen is used to assess and compute the risk taking ability of a customer. Based on the risk score attained by responses to the Risk Questionnaire presented in this tab, the user will be provided with a Risk category and the corresponding model asset allocation in the tab 'Risk Model'. The questionnaire contents can be maintained by the Administrator.

User Access levels:

RM: The entire financial planning module can be accessed only by the RM.

Screen:

The screenshot displays the FLEXcube Private Banking Profiler screen. At the top, a navigation bar includes the FLEXcube logo and a menu with options: Home, Customer, Financial Planning, Order Mgmt, Txn Mgmt, Workspace, Reports, Tools, and Logout. Below this, a sub-menu for 'Financial Planning' is visible, with tabs for Main, Demographics, Assumptions, Profiler (selected), Risk Model, Assets, and Inflows. The Profiler tab is active, showing a 'RISK PROFILING QUESTIONNAIRE' for 'Proposal Name: Plan 12' and 'Customer Name: Amit Joshi'. The questionnaire consists of three questions with radio button options. Question 1: 'What best describes your return expectations?' with options 0-7%, 7-12%, 12-15%, and Above 15% (selected). Question 2: 'Incase of extreme volatility witnessed in your portfolio and fall in the value of the portfolio by 10%, what would you do?' with options Completely exit the portfolio, Reduce portfolio by pruning market linked instruments, Do nothing to the portfolio, and Make further investments in your portfolio (selected). Question 3: 'What would your savings be as a % of the total portfolio?' with options 0-10% and 10-20% (selected). The top right of the screen shows user login details: User: Kaushik Vora, Current Login: 30/11/2008 11:38:39 AM, Last Login: 30/11/2008 10:34:34 AM.

Figure 1.7: Profiler Screen

Screen Navigation:

On the main menu

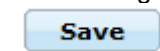
Financial Planning → Profiler

Capturing the details on this screen:

The risk profile of the customer is computed by presenting the customer with a questionnaire. Each question of the questionnaire will also put forward multiple choice answers to the customers. The user needs to opt for one or more of the answers by clicking on the radio button displayed adjacent to the answer. Each answer for each question has a score associated to it. It is mandatory for the user to answer all the questions. Failure by the user to answer any question will result in display of an error message. The final risk score is deducted by summing up the score of all the questions. The questions, their corresponding multiple choice answers and their associated scores are all maintained by the administrator in the Master Table.

As we are aware it is mandatory for a customer to undergo the risk profiling process for the first time while undergoing Financial Planning process. However it is also possible that the customer's risk score is directly updated using the Customer Risk model maintenance function based on offline documentation in the form of say a signed response to the risk questionnaire on paper. For such customers both the 'Profiler' tab as well as the 'Risk Model' will be enabled after having saved the data in the 'Assumption' module. The 'Risk Model' tab will display the risk score and the model associated for the customer. The 'Profiler' tab would not have any prefilled data, if the questionnaire has not been filled electronically before. It is always possible to however re-profile the customer and update the risk score previously assigned. The system provides flexibility by allowing customers to associate different risk scores to each proposal.

After having answered all the questions the user can then proceed to click on the



button which will enable the subsequent 'Risk Model' tab.

2.2.5 Risk Model

Description:

This screen displays the risk score resulting from the responses captured by the user for the various questions in the preceding screen. The screen also displays the default Asset Allocation model associated with the risk score. This screen is analogous to the 'Risk Model Profile' screen elucidated in the section on Customer Profile Maintenance.

User Access levels:

RM: The entire financial planning module can be accessed only by the RM.

Screen:

Oracle FLEXCUBE Private Banking User: HOHEAD Current Login: 29/03/2012 2:36 PM Last Login: 29/03/2012 2:22 PM

Home Customer Financial Planning Order Mgmt Txn Mgmt Reports Tools My Workspace Logout

Financial Planning

Main Demographics Assumptions Profiler **Risk Model** Assets Inflows

Outflows Goals Projections Rec. Portfolio Check Exposure Insurance Update Status

Proposal Name: Arc2 Customer Name: Saachi Sinha ?

Profiler Risk Category Moderate - Demo Qbank

Do you wish to vary Risk Profile over plan period? ☒ No ☐ Yes

Do you wish to change the risk category? ☒ No ☐ Yes

Model [Suggested Models](#) | [Customer Specific](#)

Model Name Moderate Asset Alloc

Asset Class	Best %	Min %	Max %
Debt	40.00%	5.00%	50.00%
Equity	50.00%	40.00%	50.00%
Others	10.00%	5.00%	10.00%

Notes

Save Print

Figure 1.8: Risk Model Screen

Screen Navigation:

Entry to the screen:

On the main menu

Financial Planning → Risk Model

Field	Description	Type
Profiler Risk Category	<p>Displays the Risk Category depending on the Risk Score determined by the responses to the questionnaire.</p> <p>In case risk profiler was not done in FCPB but Risk score directly updated using the Customer Profile maintenance facility, this risk score and the associated model is displayed in the Assumptions screen.</p>	Display

Do you wish to vary Risk Profile over plan period?	<p>Enables the user to change the risk profile over the plan period.</p> <p>If the No option is selected, the system considers the current Risk Profile of the customer for the entire financial planning.</p> <p>If the Yes option is selected, the system allows the user to change the Risk Profile of the customer over the plan period by enabling the Edit Risk Profile hyperlink. The changes in risk profile will be used for the purpose of computing projections only.</p>	Y
Do you wish to change the risk category?	<p>Enables the user to change the risk category.</p> <p>If the Yes option is selected a drop-down list appears next to the Yes option and system enables the user to select the desired risk category from the list.</p> <p>This flexibility can be controlled using a bank parameter termed 'RM Updation of Risk Profiler'. If this parameter checkbox is unchecked, the option to change the risk category will not even be presented to the user.</p> <p>The system also maintains the history of the risk scores modified by the user. Both the Risk Profiler based category as well as the changed Risk category, if applicable, is included in the Proposal.</p>	Y
Model		
Suggested Models	Enables the user to select the appropriate model by clicking on the hyperlink	Y
Customer Specific	Enables the user to select the appropriate model by clicking on the hyperlink.	
Model Name	Displays the default model name for the selected risk score	
Asset Class	Displays the Asset Class name	
Best	Displays the Best percentage for the corresponding Asset Class	Y
Min	Displays the minimum percentage for the corresponding Asset Class	Y
Max	Displays the maximum percentage for the corresponding Asset Class	Y

Suggested Models:

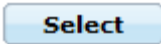
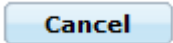
The hyperlink [Suggested Models](#) , when clicked will launch a pop up window that displays all the other asset allocation models associated to the risk profile. The screen shot of the pop up window is as given below

Asset Class	Best %	Min %	Max %
Equity	55%	45%	65%
Debt	25%	22%	28%
Insurance	10%	5%	12%
Others	10%	0%	15%

Figure 1.9: Models Screen

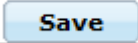
The user will be displayed the default model on navigating to the pop up window. The user can opt for any other model associated to the risk score from the list given in the drop down field 'Model Name'. On selecting a model, its corresponding constituents and their composition will be displayed in the table. Please note the constituents of a model are defined at the asset class level.

The composition of the asset classes are defined under three margins viz., best %, min % and max%. As the expression indicates, best % defines the ideal composition of the model. The minimum % or min % indicates the smallest permissible % of composition for an asset class in the actual investment portfolio of the customer. The maximum % or max % indicate the maximum permissible % of composition for an asset class in the actual investment portfolio of the customer.

Click on the button  , in order to select and associate a particular model to the customer. Click on the  button, in order to return back to the main screen without selecting any model.

The subsequent field 'Model Name', as the name suggests displays the name of the model and the corresponding composition of the constituents of the Model are displayed in the table below the field Model Name.

The Notes field is used to capture comments as explained earlier. After having captured the information in all the mandatory fields the user will then proceed to click on the

 button which will result in enabling the subsequent 'Assets' tab.

Customer Specific Model:

If an RM / user wants to create a unique or a different asset allocation for a specific client, other than those defined by the bank, the 'Customer Specific' functionality can be used.

Next to the Suggested Models hyperlink, the user can see the "Customer Specific" hyperlink. This hyperlink enables the user to opt for defining a Customer Specific Model instead of going for any of the Suggested Models.

This functionality is available only if the Customer Specific Models Facility field is set to 'Y' for the respective customer segment in the Master data by the administrator.

When the user clicks on the hyperlink, the Customer Specific Model pop up window appears.

Customer Specific Model

Proposal Name: Plan 12 **Customer Name:** Amit Joshi

Model Name

	Asset Class	Best %	Min %	Max %
Total		0		

Model Details

Asset Class

Allocation Best % Min % Max %

Save **Add** **Modify** **Delete** **Clear** **Cancel**

Figure 1.10: Customer Specific Model Window

In this screen the RM can give a name to the new asset allocation. By selecting assets from the drop down the RM can allocate weightings to different asset class. The sum of Best % should add up to 100%, else FCPB system will not allow the user to save the allocation.

Once the records are created, the RM can edit by selecting the radio button relevant to the record. On selection, all details will populate in the Model Details table. RM can the Modify/delete the record. Clicking on Save will save the customer specific model as defined subject to the amount validation of adding upto 100 % as explained above.

Click the Save button in the Risk Model screen to proceed to the Assets tab.

2.2.6 Assets

Description:

This screen captures the present market value for each of the customer's assets in the customer's preferred currency. The user can also capture the average annual cash returns the customer currently earns for each of the asset classes. Finally the current allocation pattern that the customer follows in investing any surplus funds generated is also captured. This is done to compare the results of the Recommendation of the financial proposal with the "As-Is" situation if the customer continues to allocate as per the current investment behavior. The screen also presents the users with the graphical depiction of the model asset allocation, the current asset allocation and the current allocation followed by the customer for investing surplus funds.

User Access levels:

RM: The entire financial planning module can be accessed only by the RM.

Screen:

FLEXcube PRIVATE BANKING User: Kaushik Vora Current Login: 30/11/2008 11:38:39 AM Last Login: 30/11/2008 10:34:34 AM

Home Customer Financial Planning Order Mgmt Txn Mgmt Workspace Reports Tools Logout

Financial Planning


Main	Demographics	Assumptions	Profiler	Risk Model	Assets	Inflows
Outflows	Goals	Projections	Rec. Portfolio	Check Exposure	Insurance	Update Status

Proposal Name: Plan 12 Customer Name: Amit Joshi ?

Note: All amounts are in customer currency

Assets data is as per old proposal. Click Refresh to get the latest assets data.

Asset Class	Market Value	Annual Cash Return (%)	Client Allocation for Investable Surplus (%)
Debt	1,500,000	7.00%	30.00%
Equity	200,000	10.00%	70.00%
Total	1,700,000		100.00%



Insurance Risk Cover Value

Notes

Figure 1.11: Asset Screen

Screen Navigation:


Entry to the screen:

On the main menu

Financial Planning → Assets

Capturing the details on this screen:

The screen displays the proposal and customer name at the top most part of the screen.

The table displays information which can be updated or maintained by clicking on the  button provided at the right hand side corner of the table. The first column displaying the **Asset Class** shows the asset classes from the list of asset classes maintained in the Asset Class Master data. The next field '**Market Value**' provides the consolidated value of the securities/investments in each asset class valued at the most recently available prices of the securities and in the client's preferred currency. The subsequent field '**Annual Cash Returns**' provides the actual annualized cash returns in percentage earned from the respective assets by the customer. Incomes such as rent, dividend, interest or any other cash benefits will be considered for indicating the average cash returns. It is not mandatory for the user to capture data in this field. A blank cash returns field obviously indicates a nil cash return.




There was an option to update the 'Growth Rate of Assets' in the screen 'Assumptions'. The growth rate defined in the screen 'Assumptions' comprises of the total annualized growth rate of assets, that includes both capital appreciation as well as the cash returns associated to the asset. Thus the cash returns defined in the current screen for a particular asset cannot be greater than the growth rate defined for that asset in the assumptions screen.

The next field 'Client Allocation for Investable Surplus' displays the client's current investment behavior in terms of asset allocation of surplus funds. It is mandatory for the user to ensure that the sum of the percentages across all the asset class should add up to 100%.



The system will restrict the user from capturing duplicate information for the same asset class.

For an existing customer, the current invested assets as reflected in the portfolio holdings maintained in FCPB and their corresponding updated market value would be automatically fetched from the portfolio holdings and displayed. (It is possible for the user to amend these values to consider additional assets, if any, of the customer that were not already included in the Held Away portfolio and hence not already included in the data fetched from portfolio holdings). However, it would be required to capture the percentage figures for the annual cash returns, as this information is not fetched from the portfolio holdings. The current investment allocation of the customer across the asset classes would be displayed as default values, in the column 'Client Allocation of Investable Surplus' for the existing proposals. If the user is navigating to the screen for the first time then the system displays no value in the 'Client Allocation of Investable Surplus' column and enables the user to enter the desired values. The user can override the current investment allocation with a different pattern if so indicated by the customer. However please note that this revised pattern would still apply to the "As Is" situation of the customer in the proposal report. The cashflow and asset/liability projections based on the bank's recommended asset allocation (as captured in the Risk Model tab) will still be shown as the "Recommended" part in the proposal report. The user also has the option to consider additional asset classes which are currently not part of the investment portfolio for investing cash surplus. All the maintenance can be

achieved by clicking on the  button.

The last row in the table displays the total market value and the total consolidated percentage of investment across all the assets, namely 100 %. After having understood the functionality of all the attributes in the table, let us now proceed to understand the pop up window navigated by

clicking the  button.

The hyper link displays a pop up screen enabling maintenance of any of the attributes displayed on the table. Screen shot of the pop up box is as given below

Assets

Customer No.: 12345678 Customer Name: David Smith

Asset Class	Market Value	Annual Cash Return (%)	Client Allocation for Investable Surplus
<input type="radio"/> Equity	260800	9%	15%
<input type="radio"/> Debt	61750	6.5%	45%
<input type="radio"/> Insurance	11700		0%

Asset Class:

Market Value:

Annual Cash Return (%):

Client Allocation for Investment Surplus:

Figure 1.12: Assets Screen with Customer Details

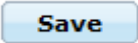
This screen is in accordance with all the other display and edits screens, wherein the top section displays the existing information from the table and the bottom section facilitates addition or maintenance of the information.

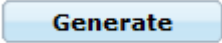
The user can add, modify or delete the data in the screen as explained in the General Characteristics section.

In the bottom section, all the different asset classes that can be selected by the user are displayed in a drop down list. The other three fields, market value, annual cash returns and client allocation for investable surplus are all input fields. In the market value field, the user needs to capture the value of the assets in the customer's preferred currency, and in the other two field's the numbers should be represented as percentage, eg. 10% to be entered as 10. To reiterate, it is essential for the user to ensure that the consolidated percentage of investment across the assets should sum to 100%.

There is a field on the main screen to capture the 'Insurance Risk Cover Value' in the customer's preferred currency. This is the total value of the sum assured across all the life insurance policies that the customer has already taken. In case of an existing customer, the insurance risk cover will be the sum assured stored as part of Net worth calculation. In case of Retail/Prospect customer, the RM will have to enter the information.

The last data capture field in this screen is 'Notes'. As discussed earlier, this field has been provided to capture any comments/remarks relevant to the data entered in this tab. The notes captured in this field will be printed in financial proposal report.

After having captured the information in all the mandatory fields the user will then proceed to click on the  button to enable the subsequent three tabs 'Inflows', 'Outflows' and 'Goals' tabs. Please note that the behaviour of enabling these tabs is unlike the other tabs which are sequentially enabled one at a time.

Adjacent to the save button is the  button. Three graphs will be displayed on clicking this button viz., Model asset allocation graph, Actual asset allocation graph and Client allocation of investable surplus graph. To recap, the Model asset allocation graph represents the recommended asset allocation for the customer based on the risk profile. The graph 'Actual Asset allocation' represents the proportion of the current investments of the customer in each asset class. The proportion indicated as percentage is computed by dividing the market value of investment in each asset class with the total market value across all the assets. The third and final graph 'Client Allocation of Investable Surplus' displays the customer's current preferences in investing surplus money.

Currently, the proposal start date remains unchanged even when there is a year roll over. For example a proposal was created in 2009 and is in WIP status. Even when the year changes to 2010 the proposal start date remains 2009. If the user wishes to update the proposal in 2010 and clicks on 'Refresh' button in Assets tab, the latest market values of assets are populated.

Whenever there is a year roll over & refreshing of assets, the system displays the message in the Assets tab as 'On refreshing Assets the Proposal Start date will be considered as today. Please modify the timing of One time inflows and Goals accordingly.'



Please note, the 'Generate' button by itself does not save any modifications made to the data, the user needs to exclusively click on the save button before proceeding to the next screen.



The system does not restrict the user to save the data prior to generating the graph for the updated data.

2.2.7 Inflows

Description:

This screen enables the user to capture the various cash inflows expected by the customer and his/her spouse till the life expectancy age of the customer. It also captures the one time scheduled cash inflows. As it is not mandatory for the user to capture information in this screen, the user can move ahead to the subsequent tab without saving any data in this tab.

User Access levels:

RM: The entire financial planning module can be accessed only by the RM.

User: Savita Rokade

Current Login: 02/04/2009 2:22:36 PM

Last Login: 02/04/2009 1:27:15 PM

Home

Customer

Financial Planning

Order Mgmt

Txn Mgmt

Operations

Workspace

Reports

Tools

Logout

Financial Planning

Main	Demographics	Assumptions	Profiler	Risk Model	Assets	Inflows
Outflows	Goals	Projections	Rec. Portfolio	Check Exposure	Insurance	Update Status

Proposal Name: FP Proposal

Customer Name: Anish P Agarkar ?

Note: All amounts are in customer currency

NET TAKE HOME INCOME - SELF

Description	Year From	Year To	Annual Amount	Growth Rate %	Retirals Amount	Rate of Return on Retirals %
Salary	2009	2030	700,000	5.00%	70,000	10.00%

NET TAKE HOME INCOME - SPOUSE

Description	Year From	Year To	Annual Amount	Growth Rate %	Retirals Amount	Rate of Return on Retirals %
NO RECORD FOUND.						

ONETIME CASH INFLOWS

Description	Amount	Time From Now (Years)	Asset Redeemed
Expenses	400,000	20	Equity

Notes


Save


Generate

Screen Navigation:

On the main menu

Capturing the details on this screen:

the blank tables. The user can capture data in each of the tables by clicking on the  button provided on the right hand side corner of each table. On the other hand, a user accessing the

screen for creating a proposal by using an existing proposal will be displayed with the data of the existing proposal in the tables, which can be modified using the  button.

2.2.7.1 Net Take Home Income - Self

As the name indicates it is expected that the user should capture only the net or the post tax income of the customer. The table provides the user with the flexibility to capture all the current and anticipated / expected incomes of the customer till the life expectancy age of the customer. The first field in the table, 'Description' is a free text (alphanumeric) field. It facilitates the user to describe the inflow in simple comprehensible terms. The field restricts the user from entering duplicate names. The subsequent field 'Year From' captures the commencement period of the particular described income. The period entered should be in the YYYY format. The user will be restricted from capturing the commencement period beyond the life expectancy age of the customer. Corresponding to the 'Year From' field, the next field 'Year To' captures the concluding term of the particular income. This field too should be captured in the YYYY format and cannot be defined beyond the life expectancy age of the customer, or before the Year From field.



Please note, that the user can define different incomes overlapping for the same time period.

The field 'Annual Amount' captures the annual net amount for a particular defined income. This field captures the customer's income at different life stages till the life expectancy age of the customer. The income captured in this field should exclude the retiral component of income, if any. The income captured should indicate the values at today's price and in the customer's preferred currency. The user will be able to enter only numeric characters in this field. The next field captures the percentage growth rate of the particular income during the defined period. As the name 'Growth Rate %' suggests the values are to be denoted as percentage and will restrict the user from entering any alphabets. Thus to summarize, for a type of income identified in 'Description', the amount demarcated in the field 'Annual Amount' will grow annually from the period defined in 'Year From' to the period 'Year To' at the rate defined in the field 'Growth Rate %'; For the incomes defined where the "Year From" is in the future from current period, the computing methodology would differ depending on whether the flag "inflatable till the start year" has been selected as Yes or No. This is to take care of known periodic inflows like pension and annuity incomes that will start from a future period, where the amount is defined and known upfront, the user can select the flag as No and thus the amount will not be inflated till the start year. For the instances where the flag is selected as Yes, the amount will be inflated from the current Year to the starting period defined in the field 'Year From' using the inflation rate as defined in the Assumptions tab, and from then on grow the income at the rate defined in the field 'Growth Rate %' till the period 'Year To'. Let us understand this with an example

Description	Year From	Year To	Annual Amount	Growth Rate%	Inflatable till start Year
Salary	2008	2009	100000	10	N
Business Income	2010	2011	10000	15	Y

Inflation rate = 6%

Current year is 2008

Income for

2008 = 100000

2009 = 100000 + 10% x 100000 = 110000

2010 = The amount 10000 would be inflated at 6% for each year 2008 and 2009. Hence the income for the year 2010 = 11236 [10000*1.06*1.06]

2011 = 11236*1.15= 12921.4


1. The Retiral field captures the total annual retiral contribution (including self and the employer's) towards retiral schemes such as Pension/ Provident Funds/ superannuation. As the retirals captured in this field corresponds to a particular described income, it is evident that the period defined for the income will also be applicable for the retiral amount. However, as it is evident that an individual cannot receive retirals as component of the income beyond retirement age, the system will validate this. As the retiral amount is normally characterized as a certain proportion of the income, any growth % assumed for the income will also be applicable for the retiral amount. In other words, the retiral amount will also grow at the rate defined in the field 'Growth Rate %' for the defined tenure of the income. The effect of the flag "inflatable till the start year" on the retiral amount will also be same as that on the income amount. The next field 'Rate of Return %' captures the annualized rate at which the user will earn interest on his retiral amount. Thus, the annual retiral amount will grow every year at the defined Growth rate and the accumulated retiral amount for each year will earn an interest which will be computed at the rate defined in this field. Note that the interest earned annually is compounded each year till the retirement year. It is important for us to understand that the amount will continue to earn interest till the retirement age even if the contribution of the particular income and its resultant retiral amount has ceased before the retirement age. The returns on the contributions would be computed assuming that the contributions occur at the end of each year i.e. returns would be computed on contribution from the next year. Hence in the retirement year itself, there will be no returns computed on that year's contribution. If the income stops before the retirement age of the client the retiral corpus accumulated till that year will keep growing at the rate of 'RoR on retirals' till the retirement age and show an inflow only on the retirement year of the accumulated amount.

Let us understand this better with an example. A customer will be retiring in 2009 and has defined his retiral income for the period 2001-2005 as 10000 annually. The salary growth rate has been defined as 15% and the rate of return is say 10 %. Hence the system will grow the annual retiral contribution amount 10000 from 2001-2005 at 15%. Interest will be computed at the rate of 10 % on the balance outstanding as of each year from 2001 till 2009.

YEAR	Annual Retiral Contribution	Cumulative Retiral Balance	Interest amount	Cumulative retirement corpus
------	-----------------------------	----------------------------	-----------------	------------------------------

2001	10000.00	10000.00	0.00	10000.00
2002	11500.00	21500.00	1000.00	22500.00
2003	13225.00	34725.00	2250.00	36975.00
2004	15208.75	49933.75	3697.50	53631.25
2005	17490.06	67423.81	5363.13	72786.94
2006	-	67423.81	7278.69	80065.63
2007	-	67423.81	8006.56	88072.19
2008	-	67423.81	8807.22	96879.41
2009	-	67423.81	9687.94	106567.36

In year 2009, the retirement corpus of 106567.36 will be added as an inflow in the cash-flow projections.

After having understood the functionality of all the attributes in the table, let us now proceed to understand the pop up window navigated by clicking the  button.

The hyper link displays a pop up screen enabling maintenance of any of the attributes displayed on the table. Screen shot of the pop up box is as given below

Salary - Self (Net Take Home)

Customer No.: 12345678 Customer Name: David Smith

	Description	Year From	Year To	Annual Amount	Growth Rate %	Retirals Amount	Rate of Return %
<input type="radio"/>	Salary	2007	2028	1350000	8%	40000	8.5%
<input type="radio"/>	Post Retirement Income	2029	2045	200000	4%	0	7%

Description

Year From

Year To

Annual Amount

Growth Rate

Retiral Amount

Rate of Return %

Inflatable till Start Year ☐ Yes ☐ No

Figure 1.14: Salary-Self (Net Take Home) Screen


This screen is in accordance with all the other display and edit screens, wherein the top section displays the existing information from the table and the bottom section facilitates addition or maintenance of the information.

The user can add, modify or delete the data in the screen as explained in the General Characteristics section.

In the second section, all the fields are input fields. For the annual amount and the retiral amount fields the user needs to ensure to capture the value in the customer's preferred currency. The other two fields, namely growth rate and rate of return should be entered as percentage. The tenure in the year from and year to should be entered in the YYYY format.

2.2.7.2 Net Take Home Income - Spouse

The next table 'Net Take Home Income - Spouse' is analogous to the table on income for self. The functionality and the business validations discussed for the former table are applicable to this table too. However, there is an additional business validation while computing the retiral amount for the spouse. The lump-sum retiral amount of the spouse can be included as an inflow at the retirement age of the spouse provided the retirement age of the spouse is within the life expectancy age of the main customer (i.e. for the person referred to as "Self"). The maintenance

of the data displayed in this table can also be done by clicking on the  button. The pop up window displayed on clicking this button and its corresponding functionality are akin to the pop up window discussed for the first table 'Income-Self'. The reader is requested to refer to the above description to understand this screen. Screen shot of the pop up box is as given below

Salary - Spouse (Net Take Home)

Customer No.: 12345678 Customer Name: David Smith

	Description	Year From	Year To	Annual Amount	Growth Rate %	Retirals Amount	Rate of Return %
<input type="radio"/>	Business Income	2007	2017	500000	6.5%		
<input type="radio"/>	Consultancy	2018	2030	100000	5%		

Description

Year From

Year To

Annual Amount

Growth Rate

Retiral Amount

Rate of Return %

Inflatable till Start Year ☐ Yes ☐ No


Figure 1.15: Income- Spouse (Net Take Home) Screen


2.2.7.3 One Time Cash Inflows

The final table 'One Time Cash Inflows' as the name suggests captures the inflows occurring as one-time in the future, as for example, in the form of insurance money back policies, bond maturities or interest on debt instruments or known inheritance etc.. The first attribute displayed in this table is 'Description'. Analogous to the 'Description' field in the other two tables, this field describes the inflow in simple comprehensible terms. This is a free text field. . The next field 'Amount' captures the amount which will be received as a one time income. The user needs to capture the values in the customer's preferred currency. The user will be able to enter only numeric characters in this field. The subsequent field 'Time From Now' describes the number of years from current year, when the customer expects to realize the one time cash flow. The system will restrict the user to enter only numeric values to denote time in years. Please note that the system will exclude the current year while computing the period. For example 20 years from now (2008) indicates that the cash flow will occur in 2028.

For the holdings which generate cash inflows at pre determined frequencies, the user needs to define each of the inflows individually with the time period.

This feature is also used to record the maturity cash inflows of illiquid bonds and other fixed income investments which cannot be sold or liquidated before maturity. Hence any cash deficit in any particular plan year cannot be adjusted by selling such illiquid assets. They have to be held to maturity. In such cases, it is possible to indicate the asset class of this investment in the 'Asset Redeemed' dropdown selection. The system will then reduce the corresponding holdings in asset class to the extent of the one-time cash inflow in the respective year.

 Please note that fixed income assets that are freely tradable before maturity should not be included as onetime cash inflows on the respective maturity dates, since these assets could be used to fund any deficit in a plan year if required before the maturity date.

 Also note that the value indicated as one-time inflow should be the maturity value of the asset, subject to the condition that this value is less than or equal to the total value of holdings for the asset class as given in the Assets Tab. Even if there is a clean inflow in the future, without any underlying assets being redeemed, this value is not inflated using the inflation rate, since the figure is known upfront.

Let us comprehend this better with the following example showing 2 one-time cash inflows:

Description	Amount	Time from Now (Years)	Asset Redeemed
Insurance	50000	12	
Illiquid Bond	500000	20	Debt

Assuming current year is 2008, the insurance inflow will occur in year 2020. Assume the current value of debt asset class is 800000, including certain other liquid debt investments. If there is a cashflow deficit of 600000 in say year 2010, by which time assume the debt asset class value has grown to 900000, this will only be made good to the extent of 400000, since an amount of 500000 is blocked out of the total value of debt asset class that can be liquidated before 2028.

The year of onetime cash flows is captured as Time from now (Years). When there is a year roll over, the user has to enter the appropriate number of years from now after refreshing the assets.

Ex:

Current proposal start year - 2009

One time cash flow 5 years from now (in 2014)

New proposal start year (Year rolled over to and assets refreshed in) - 2010

One time cash flow 4 years from now (in 2014)


FP Asset Liquidation - Ignore Loans/Lien

The above treatment of onetime cash inflow is used while projecting cashflows for As is situation. For the Recommended scenario the cashflow projections will depend on the setting of the flag "FP Asset Liquidation - Ignore Loans/Lien" in Bank Parameters. If this value is "No", then the behaviour of recommended will be the same as above. If the value is maintained as Yes, the following logic would be applied for projecting cashflows in recommended scenario.

The system does not take any effect of this one-time inflow, since all assets are assumed to be liquid for full rebalancing each year.

One time inflows which have no assets specified against them will result in the inflow of the specified amount in the corresponding year for calculation of both “Asset level as is” and “Asset level recommended”.

Maintaining data

Similar to the previous tables, this table too can be maintained by clicking the  button displayed at the bottom right hand corner of the table. The hyper link displays a pop up screen enabling maintenance of any of the attributes displayed on the table. Screen shot of the pop up box is as given below

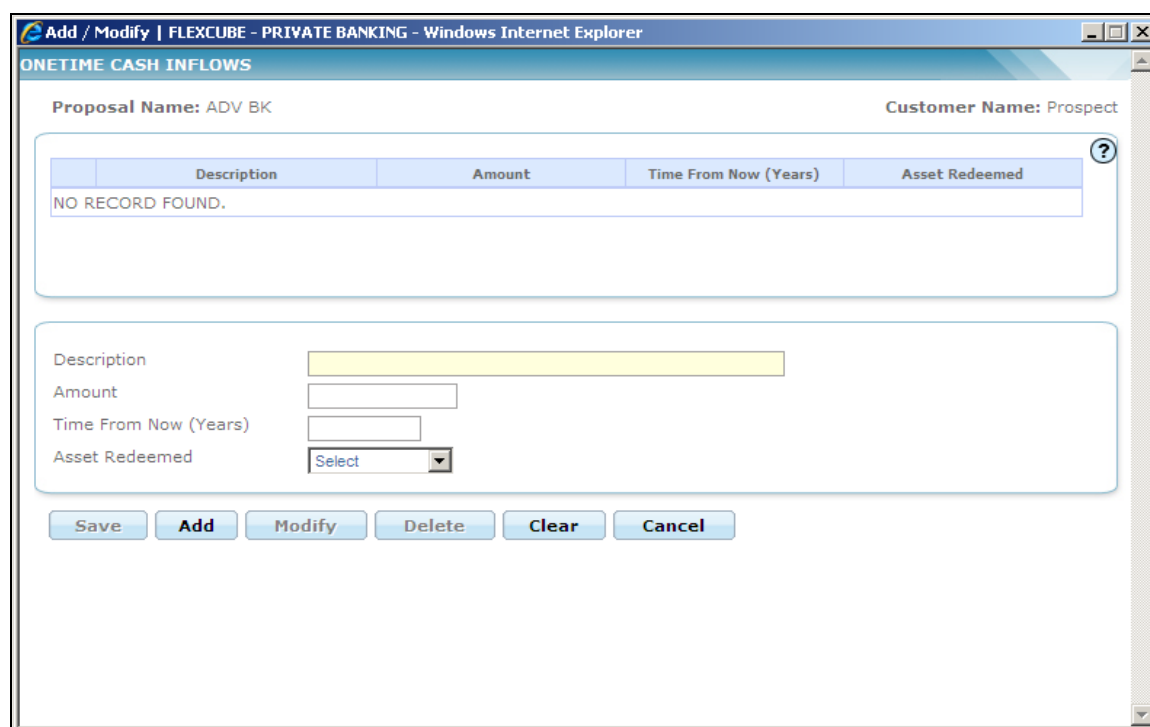


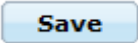
Figure 1.16: Onetime Cash Inflows Screen

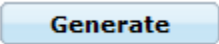
This screen is in accordance with all the other display and edits screens, wherein the top section displays the existing information from the table and the bottom section facilitates addition or maintenance of the information.

The user can add, modify or delete the data in the screen as explained in the General Characteristics section.

In the second section, all the fields are input fields. For the amount field the user needs to capture the value of the income in the customer's preferred currency. The term should be represented as numerical values. The next field 'Asset Redeemed' is a dropdown populated with all the assets defined plus a blank value to allow the user to enter one-time inflows that will not result in any of the currently held Assets being redeemed.

The last field in the main screen is 'Notes', as discussed and described earlier.

After having captured the information in all the mandatory fields the user will then proceed to click on the  button.

Adjacent to the save button is the  button, on click of which an income graph is generated by the system. The graph displays the income of the customer, spouse and their combined income till the life expectancy age of the customer. Line graph represents the income for each kind. The y-axis represents the age of the customer till the life expectancy age and the x-axis represents the various slabs of income.



Please note, the 'Generate' button by itself does not save any modifications made to the data, the user needs to exclusively click on the save button before proceeding to the next screen.

2.2.8 Outflows

Description:

This screen has been provided to facilitate the user to capture the current and anticipated expenses of the customer. Analogous to the Inflows screen, this screen allows the user to classify the various expenses across the time periods till the life expectancy age of the customer. The screen also enables the user to capture contracted investment outflows that will result in building an asset. This screen also provides its users with flexibility to capture current and future anticipated loans and liabilities. Similar to the 'Inflows' screen, it is not mandatory for the user to enter the data in this screen so as to enable the user to quickly create the investment proposal. To summarize, this screen facilitates to capture the various current and expected expenditures of the customer which in turn enable to estimate the annual gross funds required to support the customer's life style.

User Access levels:

RM: The entire financial planning module can be accessed only by the RM.

Screen:

User: Savita Rokade

Current Login: 02/04/2009 2:22:36 PM

Last Login: 02/04/2009 1:27:15 PM

Home

Customer

Financial Planning

Order Mgmt

Txn Mgmt

Operations

Workspace

Reports

Tools

Logout

Financial Planning

Main	Demographics	Assumptions	Profiler	Risk Model	Assets	Inflows
Outflows	Goals	Projections	Rec. Portfolio	Check Exposure	Insurance	Update Status

Proposal Name: FP Proposal

Customer Name: Anish P Agarkar

Note: All amounts are in customer currency

EXPENSES				
Description	Year From	Year To	Annual Amount	Inflatable
Expenses	2009	2040	400,000	N

CONTRACTED INVESTMENT OUTFLOWS				
Description	Year From	Year To	Annual Amount	Asset Class
NO RECORD FOUND.				

LOANS/LIEN							
Description	Loan Amount	Annual Repayment	Interest (%)	Rest Period	Year From	Year To	Against Asset
Higher Education	200,000	10000	5	Annually	2010	2020	Equity

Notes

Save

Generate

Figure 1.17: Outflows Screen

Screen Navigation:


Entry to the screen:

On the main menu

Financial Planning → Outflows

Capturing the details on this screen:

The screen displays three tables for capturing and displaying the expenses, contracted investment outflows and loans/liens. A user accessing the screen for creating a proposal afresh will be presented with the blank tables. The user can proceed to capture data in each of the tables

by clicking on the  button provided on the right hand side corner of each table. On the other hand, the users accessing the screen for creating a proposal by using an existing proposal will be displayed with the data of the existing proposal in the tables. The user can however maintain the



displayed data in any of the tables by clicking the  button provided under the corresponding

table. All the users accessing the screen for modifying an existing proposal can also access the maintenance screen by clicking on the  button for the corresponding table.

2.2.8.1 Expenses

The first table 'Expenses' captures the various current and anticipated 3 of the customer across a range of time periods till the life expectancy age of the customer. The user can mark each type of expense as subject to inflation or not. The first field 'Description' is a free text field. It facilitates the user to describe the type of expense. This field is mandatory field and the user will be restricted to use numeric figures in this field. The subsequent field 'Year From' captures the commencement period of the particular described expense. The period entered should be in the YYYY format. The user will be restricted from capturing the commencement period beyond the life expectancy age of the customer. Corresponding to the 'Year From' field, the next field 'Year To' captures the concluding term of the particular expense. This field too should be captured in the YYYY format and cannot be defined beyond the life expectancy age of the customer.



Please note, that the user can define different types of expenses overlapping for the same time period.

The field 'Annual Amount' captures the annual amount for a particular defined expense in the customer's preferred currency. The expense captured should indicate the values at current price levels. The user will be able to enter only numeric characters in this field. The expenses identified as inflatable will be compounded at the inflation rate (as given in the Assumptions section) from the starting period defined in the field 'Year From' to the period 'Year To'. The principle of inflation is also applicable to the expenses defined for the future periods. As the expense for the future period would have been captured at today's price, the amount will be inflated from the current period to the starting period defined in the field 'Year From'. This inflated amount will be considered as the starting expense for the year defined in the field 'Year From' and from then on grown again at the inflation rate each year till the period 'Year To'.

Let us comprehend this with an example:

Description	Year From	Year To	Annual Amount	Inflatable
Living expense	2008	2009	100000	Yes
Other Expense	2010	2011	10000	Yes

Inflation rate = 10%

Current year: 2008

Living Expense for

2008 = 100000


2009 = 100000 + 10% x 100000 = 110000

Other Expense for

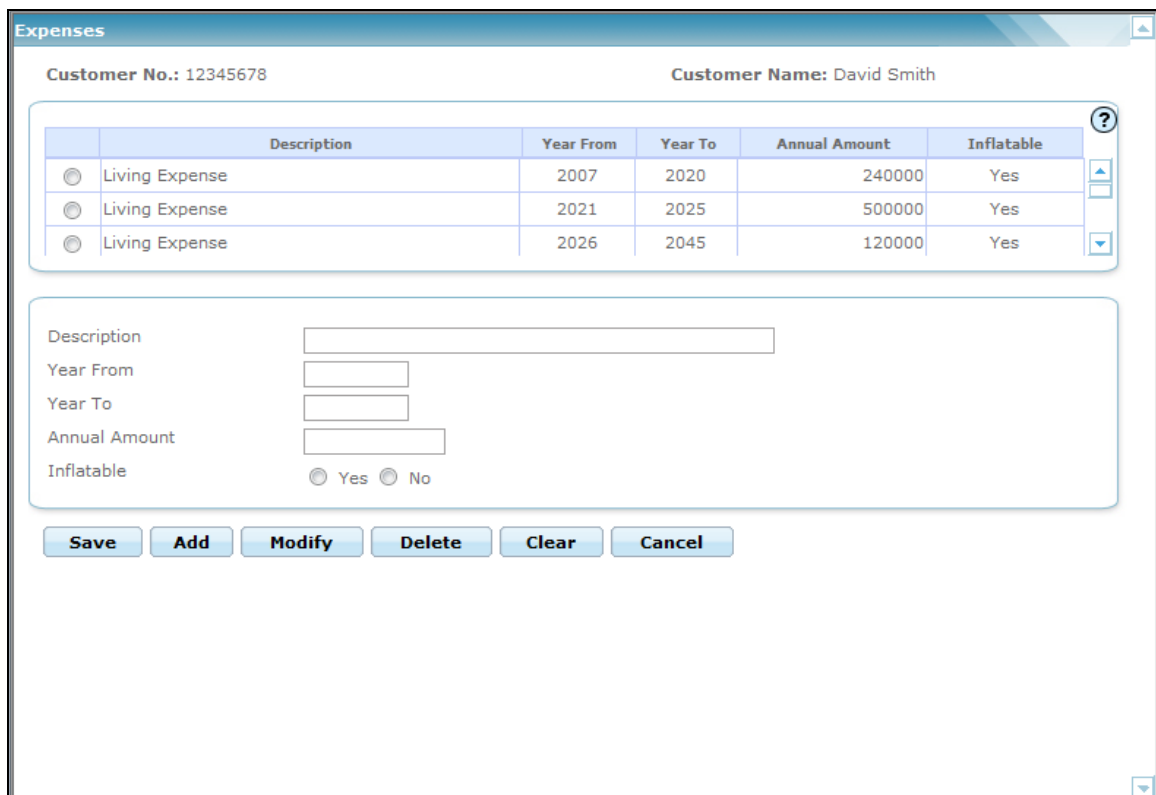
2010 = 10000 x (1+0.10) ^ 2 = 12100

$2011 = 12100 \times (1 + 10\%) = 13310$

All the expenses indicated as non inflatable will be considered as constant invariable expense for all the years defined irrespective of whether the expense is for the current period or an anticipated expense for future. Examples of these could be insurance premiums that have already been contracted,

After having understood the functionality of all the attributes in the table, let us now proceed to understand the pop up window navigated by clicking the  button.

The hyper link displays a pop up screen enabling maintenance of any of the attributes displayed on the table. Screen shot of the pop up box is as given below:



The screenshot shows a web application window titled "Expenses". At the top, it displays "Customer No.: 12345678" and "Customer Name: David Smith". Below this is a table with the following data:

	Description	Year From	Year To	Annual Amount	Inflatable
<input type="radio"/>	Living Expense	2007	2020	240000	Yes
<input type="radio"/>	Living Expense	2021	2025	500000	Yes
<input type="radio"/>	Living Expense	2026	2045	120000	Yes

Below the table is a form for adding or modifying an expense. It includes fields for "Description", "Year From", "Year To", "Annual Amount", and a radio button for "Inflatable" with options "Yes" and "No". At the bottom of the form are buttons for "Save", "Add", "Modify", "Delete", "Clear", and "Cancel".

Figure 1.18: Expenses Screen with Customer Details

This screen is in accordance with all the other display and edits screens, wherein the top section displays the existing information from the table and the bottom section facilitates addition or maintenance of the information.

The user can add, modify or delete the data in the screen as explained in the General Characteristics section.

2.2.8.2 Contracted Investment outflow

The next table 'Contracted Investment Outflow' has been provided to facilitate the user to distinguish and capture those outflows which go towards building the customer's assets. . Such outflows can be either one-time expense or periodic expenses. The most familiar example of such expense can be that of periodic payments towards a venture capital or private equity fund or a systematic investment into a mutual fund (SIP). All of these outflows result in building assets in different asset classes for the customer. It is not mandatory for the user to capture data in this table. The user can use this section to also include recommended systematic investments as part of the plan.



Please note that if the investments built out of contracted outflows cannot be liquidated for a certain period and the contract cannot be cancelled, such contracts should not be included in this table. This is because FCPB includes the assets built through contracted investments while liquidating assets to meet a cashflow deficit, as well as for rebalancing to calculate 'Asset level recommended' every year end. Can you think of how you may reflect such transactions using FCPB? It is possible to show only the outflows as expenses in the 1st table and the expected value of the investment corpus as a One-time Inflow in the year that the investment could be liquidated.

The first attribute displayed in this table is 'Description'. This is a free text field where the user will be restricted from entering any numeric figures. The subsequent field 'Year From' captures the commencement period of the particular described expense. The period entered should be in the YYYY format. The user will be restricted from capturing the commencement period beyond the life expectancy age of the customer. Corresponding to the 'Year From' field, the next field 'Year To' captures the concluding term of the particular expense. This field too needs to be captured in the YYYY format and cannot be defined beyond the life expectancy age of the customer. The next field 'Annual Amount' captures the amount which will be taken out as cash outflow in the customer's preferred currency annually. The user will be able to enter only numeric characters in this field. The final field in the table enables the system to identify the asset class whose value will appreciate as a result of the outlay. The system will restrict the user to identify only those assets for which the growth rate has been defined in the 'Assumptions' tab.

At this juncture it is important for us to understand the computation methodology of such contracted investment outflow in the cash flow statement. The expense demarcated in this table would be clubbed along with the other expenses and deducted from the net inflows of the customer. However as this expenditure will finally result in the increase of the asset value, the amount deducted will be included in the identified asset at the inflated value, computed by compounding the value at the growth rate defined in the 'Assumptions' tab. Kindly note that like retirals these investments are assumed to be coming at the end of the year and thus will start earning the returns from the second year. Let us comprehend this with the following example explaining the treatment of Contracted Investment Outflow while calculating the "Asset Level as is".

Description	Year From	Year To	Annual Amount	Asset Class
SIP	2007	2009	60000	Equity


Rate of Return = 11.20%

Year	Annual Expense	Asset value
2007	60000	60000
2008	60000	$(60000 \times (1 + 0.1120)) + 60000 = 126720$
2009	60000	$(126720 * (1+0.1120)) + 60000 = 200912.64$



It is important for us to note that no inflation will be applicable on the values entered here even if the contracted investment starts from a future year.

As mentioned earlier, while calculating 'Asset level recommended' every year end the FCPB rebalances the existing assets according to the recommended asset allocation. It includes the assets built due to contracted investments every year also in the amount to be rebalanced. This result in the assets built due to contracted investment outflow to be reallocated according to the recommended asset allocation every year end. This is explained in detail in the description of the projections tab.

After having understood the functionality of all the attributes in the table, let us now proceed to understand the pop up window navigated by clicking the  button.

The hyper link displays a pop up screen enabling maintenance of any of the attributes displayed on the table. Screen shot of the pop up box is as given below

Contracted Investment Outflows

Customer No.: 12345678 Customer Name: David Smith

	Description	Year From	Year To	Annual Amount	Asset Class
<input type="radio"/>	SIP	2007	2009	60000	Equity
<input type="radio"/>	PPF	2007	2027	50000	Debt
<input type="radio"/>					

Description:

Year From:

Year To:

Annual Amount:

Asset Class:

Done Computer | Protected Mode: Off 100%

Figure 1.19: Contracted Investment Outflows Screen

This screen is in accordance with all the other display and edit screens, wherein the top section displays the existing information from the table and the bottom tab facilitates addition or maintenance of the information.

The user can add, modify or delete the data in the screen as explained in the General Characteristics section.

2.2.8.3 Loans / Liens

The next table in the main screen is for capturing any existing or anticipated loans/advances or liens of the customer. These loans can be either against some assets or clean. As we proceed to understand the table, we will also comprehend the various business rules associated with the attributes and their relevance in the cash flow projections.

The first field in the table 'Description' is similar to the other description fields described earlier in various tables. The next field enables to capture the loan amount in customer preferred currency. This amount is the original loan amount as of the starting year of the loan as mentioned in the "Year From" field. Please note that this could be a year before the current year. For the current existing loans against any assets (i.e where the start year is in or before current year), the system will validate that the outstanding loan balance in this field 'Loan Amount' is less than or equal to the current market value of the asset declared in the tab 'Assets'. However, there is no such validation for the loans against assets intended to be taken in the future. Further, the user has

also been provided with the flexibility to capture potential loans including the potential loans against those assets which are currently not held but intended to be in the future. For example, a customer may have a goal to buy a house 5 years from now, and take a housing loan against this real estate asset class starting 5 years from now, though there may be no current investment in real estate asset class.

The next field 'Annual Repayment' is the equated periodic payments which the customer needs to outlay for repaying such loans annually. Once the user enters the Loan Amount, Interest and Loan period, the system calculates the Annual Repayment and displays it in the Annual Repayment field. The amount evidently includes both the principal and interest component of repayment. Both the fields 'Loan Amount' and 'Annual Repayment' are numeric fields. The user will be restricted from capturing any alphabets in the Loan Amount field. The next field 'Interest %' captures the rate at which the customer has borrowed the amount. The user needs to ensure that the figure captured in this field is denoted as annual percentage. The user will be restricted to capture only numeric characters in this field. The field 'Rest period' defines the periodicity of amortization of the loan (frequency at which the principal outstanding amount of the loan is reduced). The subsequent field 'Year From' facilitates in the capturing the commencement period of the particular described loan/lien. The period entered should be in the YYYY format. The user will be restricted from capturing the commencement period beyond the life expectancy age of the customer. Corresponding to the 'Year From' field, the next field 'Year To' captures the concluding term of the particular loan/lien. This field too needs to be captured in the YYYY format and cannot be defined beyond the life expectancy age of the customer, nor less than the "Year From". The last field in the table enables the system to identify the asset class, if any, against which the user has an outstanding loan /lien.

As we are aware, the concept of a loan is to disburse the entire advance amount on initiation of the loan and then recover the amount through periodic payments. Hence in the cash flow statement the advance amount received (captured in the field 'Loan Amount') should be reflected as an inflow and the subsequent periodic payments (captured as 'Annual Repayment') should be included along with the other expenses for the tenor of the loan. As the financial plan for the customer commences from the current year, all the formerly taken loans prior to and including the current year will not be included as inflow. For the loans commencing in the current year, the system will assume that the advance amount has been received by the customer. The user needs to ensure to include such advance amount as an income in the 'Inflows' tab, if the amount is not already received as disbursement for a loan taken in the current year.



For the loans anticipated to be taken in the future (with Year From greater than current year) the Loan amount will be included as an inflow in the respective year. Please note that no inflation rate will be applied to the loan amount starting from a future year- it will take the amount as entered in the Loan amount field.

Please note for the loans taken in the current year or intended to be taken in future, the system will start including the periodic loan repayments as an expense from the year of loan disbursement.

As mentioned earlier, the user can capture the loans taken by pledging assets and can demarcate such assets in the field 'Against Assets'.

The following treatment is applicable to cashflow and asset projections for "As Is" scenario. The treatment for projecting cashflows and Assets for the "Recommended scenario", is discussed subsequently.

Any deficits in the cash flow in a particular year, where the outflows exceed inflows, are adjusted by liquidating the assets in the sequence opted and captured by the customer in the 'Assets' tab.

However such adjustments will be limited, to the extent of the outstanding loan balance against the specified asset in the respective year while projecting the Assets As Is in the cashflow projections.

It is probable for the customer to have invested in certain instruments which have a lock-in period associated to it. Such instruments cannot be liquidated prior to the conclusion of the lock-in period. For example some tax saving mutual fund schemes have a 3-year lock-in period during which the asset cannot be sold if the tax benefits are to be claimed. The user can also capture all such assets in the table 'Loans/Lien'.


While capturing information of such lien's the fields 'Interest %' and 'Rest Period' can all be left unfilled/blank. Analogous to the loan against assets, for adjusting any cash deficits, the lien on assets too will restrict the system from liquidating the assets to the extent of the outstanding lien while projecting the Assets As Is in the cash-flow projection.

Please note that even in cases of anticipated Loans against assets starting in a future year, though the system does not validate for sufficiency of asset value in currently held assets, once the loan starts in the future year, FCPB will validate that the asset can only be liquidated to the extent of the outstanding loan balance, if there is a need to meet any cash-flow deficit.

For cashflow projections in recommended scenario, the computations depend on the setting of the flag

"FP Asset Liquidation – Ignore Loans/Liens" in Bank Parameters. If the flag is N, then the behavior is that same as for As Is scenario. If Annual repayments / EMI for a loan against an asset are mentioned as zero then the same will be considered as lien on that asset class to prevent liquidation during the term of the lien. Therefore this amount will be set off from the total current assets while considering rebalancing the existing assets as per recommended allocation. However, this amount will be considered as exposure to the asset class and will continue to grow at the ROR specified for that asset class in the assumptions tab and also generate cash returns. To summarize, the lien will not have any cash inflow/outflow contribution in any year but will impact the asset liquidation to the extent of the lien amount. Needless to say, the lien amount will not get added to the Loan outstanding amount in the cashflow Projections tab. If the flag is set to Y, then loan or lien will not have any impact on cashflow projections, and the system will liquidate assets freely when required to either meet a cashflow deficit or for rebalancing to the recommended model.

The system will calculate and display the total principal outstanding as of the end of every year in the projections tab.

After having understood the functionality of all the attributes in the table, let us now proceed to understand the pop up window navigated by clicking the  button.

The hyper link displays a pop up screen enabling maintenance of any of the attributes displayed on the table. Screen shot of the pop up box is as given below

LOANS/LIEN

Proposal Name: Sample 1 Customer Name: Shikha Verma

Description	Loan Amount	Lien	Interest Rate(%)	Rest Period	Year From	Year To	Against Asset
<input type="radio"/> Test	50000	N	8	Annually	2011	2015	Equity

Description: Loan Amount:

Rest Period: Interest Rate %:

Year From: Year To:

Against Asset: Lien: ☐

Figure 1.20: Loans Screen with Customer Details

This screen is in accordance with all the other display and edits screens, wherein the top section displays the existing loan/lien information from the table and the bottom section facilitates addition or maintenance of the information.

The user can add, modify or delete the data in the screen as explained in the General Characteristics section.

The final field in the main screen is 'Notes' which is as discussed earlier.

After having captured the information in all the mandatory fields the user will then proceed to click on the button which will enable the Projections Tab also.

Adjacent to the save button is the button, clicking of which will generate an outflows graph. The graph displays the total expense of the customer including the contracted investment outflow and loan inflows / repayments till the life expectancy age of the customer. The y axis represents the age of the customer till his life expectancy age and the x-axis represents the amount.



Please note, the 'Generate' button by itself does not save any modifications made to the data, the user needs to exclusively click on the save button before proceeding to the next screen.

If in case cash-flows section is to be displayed as a part of the proposal based on the customer segment and the user does not enter any data in Outflows tab, a blank page is printed under the Cash flows section.

2.2.8.4 Goals

Description:

This screen enables the user to capture the various financial aspirations of the customer till the life expectancy age of the customer. The screen also enables the user to capture any loans that are required to meet any shortfalls arising out of goal related cashflow.

The new functionality 'Link Goals to Portfolio' introduced in the system enables the user to keep the track of various goals defined in this screen. The goals are linked to desired portfolios having customer holdings.

User Access levels:

RM: The entire financial planning module can be accessed only by the RM.

Screen:

FLEXCUBE PRIVATE BANKING User: BRANCH THREE HEAD Current Login: 23/02/2009 3:20 PM Last Login: 23/02/2009 3:06 PM

Home Customer Financial Planning Order Mgmt Txn Mgmt Reports Tools My Workspace Logout

Financial Planning

Main	Demographics	Assumptions	Profiler	Risk Model	Assets	Inflows
Outflows	Goals	Projections	Rec. Portfolio	Check Exposure	Insurance	Update Status

Proposal Name: Proposal 1 Customer Name: BRTHREE CUSTRet ?

Note: All amounts are in customer currency

Description	Goal Type	Expected Cost (at today's price)	Time From Now (Years)	Loan Required (Y/N)	Tenor	Interest Rate	Rest Period	Linked Portfolio
Children Education		400,000	5	N				RM Managed
Total		400,000						

Notes:

Figure 1.21: Goals Screen

Screen Navigation:


Entry to the screen:


On the main menu:


Financial Planning → Goals

Capturing the details on this screen:

The screen displays a table for capturing or displaying the goals. A user accessing the screen for creating a proposal afresh will be presented with the blank tables. The user can proceed to

capture data in the table by clicking on the  button provided on the right hand side corner of the table. On the other hand, for the other users accessing the screen for creating a proposal by using an existing proposal will be displayed with the data of the existing proposal in the table. The

user can however maintain the displayed data in the table by clicking the  button. All the users accessing the screen for modifying an existing proposal can also access the maintenance

screen by clicking on the  button.

As mentioned earlier the table 'Goals' captures the various financial aspirations or goals of the customer across a range of time periods till the life expectancy age of the customer. The user has also been provided with the option to demarcate the goals which will require some loans for fulfilling them in the defined time period. The first field 'Description' is a free text field. It facilitates the user to describe the type of goal. This field is mandatory field and the user will be restricted from using numeric figures in this field. The field 'Expected Cost (at today's price)' captures the amount essential for the goal. The goal captured should indicate the values at today's price and in the customer's preferred currency. The user will be allowed to enter only numeric characters in this field. As the goals to be accomplished in the future period would have been captured at today's price, the amount will be inflated from the current period to the attaining period defined in the field 'Time from now'. The system will utilize the inflation rate defined in the tab 'Assumptions' for inflating the amount. This inflated amount will be considered as the amount required for accomplishing the goal. The subsequent field 'Time From Now' describes the number of years from current time, when the customer expects to realize his goal. The system will restrict the user to enter only numeric values to denote time in years. Please note that the system will exclude the current year while computing the period. For example 20 years from now (year 2008) indicates that the cash flow will occur in 2028.



Please note, that the user can define different goals coinciding for the same time period.

The next four fields enable the user to capture the particulars of the loan which the customer intends to take for accomplishing the goal, if required. These fields are optional and can be left unfilled by the user. The first field 'Loan Required Y/N' captures the preference of the customers to opt for a loan. Selecting 'Y' will indicate the customer's willingness to take a loan for fulfilling the goal. On selecting 'N' all the remaining fields pertaining to the loan will get disabled. The subsequent field 'Tenor' defines the term of the loan. The system will restrict the user to enter only numeric values to denote time in years and from capturing the loan period beyond the life expectancy age of the customer. The next field 'Interest Rate' captures the rate at which the customer will borrow the amount. The user needs to ensure that the figure captured in this field is denoted as annual percentage. The user will be restricted to capture only numeric characters in this field. The field 'Rest period' defines the periodicity of amortization of such loans.

As we stated earlier the goal will be included as an expense outflow in the year defined by the customer. For the users opting for taking a loan, the loan will be considered to the extent of the


shortfall / deficit after liquidating the assets as per order of liquidation mentioned in the assumptions tab to meet the goal in the goal year. If the deficit amount exceeds the Goal amount itself (due to impact of other non-goal related cashflows), then the loan amount is capped at the cost of the goal in that year. In other words, the system will assume that the customer has undertaken a loan to the extent of the shortage amount in the net cash flow. The principal loan amount so disbursed will be clubbed to the income inflow in the same corresponding year. The periodic payments for repaying the loan will be included as an expense from the subsequent years till the tenor of the loan. The amount to be repaid annually will be calculated. The loan will not be taken for calculating the Asset Level (As is) even if there is a shortage. It will be taken only if there is a shortage while calculating the Recommended Asset Level.



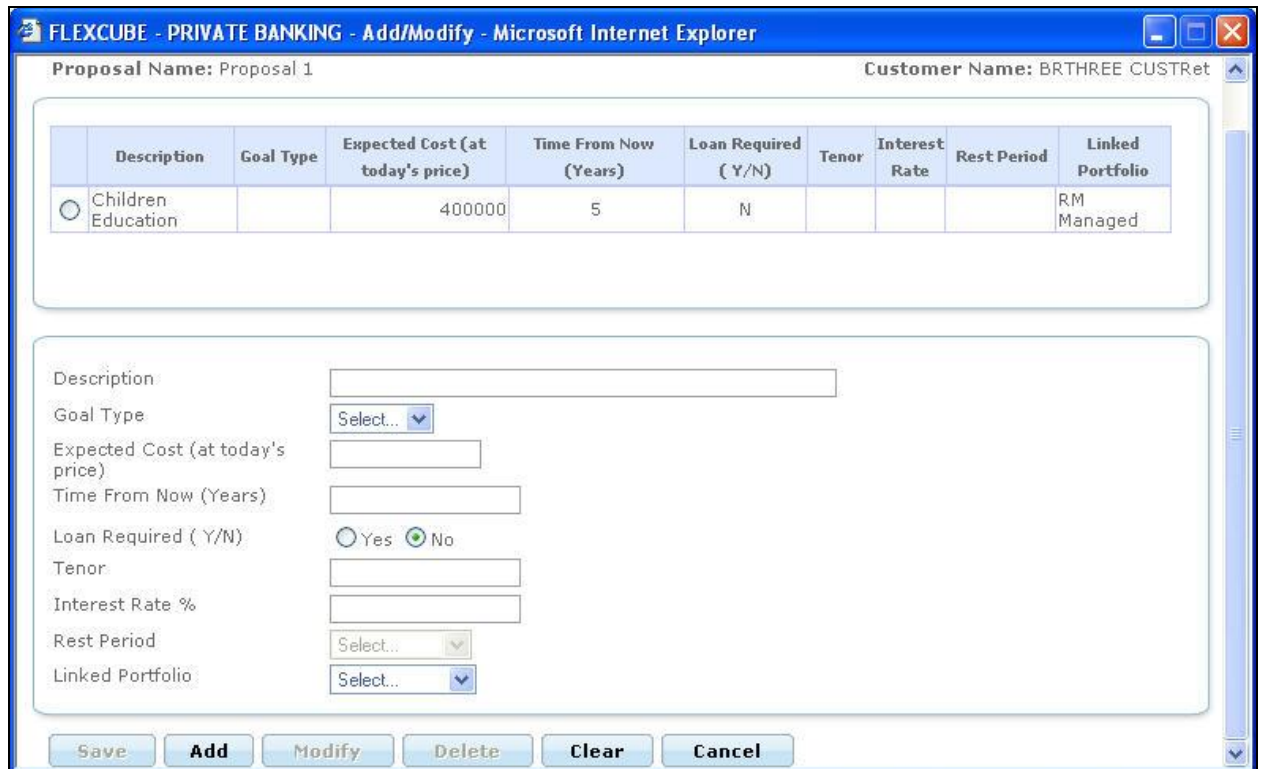
Please note that the system will start including the periodic loan repayments as an expense from the year after the year of loan disbursement.

The system will calculate and display the total principal outstanding of any loans taken to meet the goals as of the end of every year in the projections tab.

The last row in the table displays the total amount required for accomplishing all the goals of the customer at today's cost.

Let us now proceed to understand the pop up window navigated by clicking the  button.

The hyper link displays a pop up screen enabling maintenance of any of the attributes displayed on the table. Screen shot of the pop up box is as given below



FLEXCUBE - PRIVATE BANKING - Add/Modify - Microsoft Internet Explorer

Proposal Name: Proposal 1 Customer Name: BRTHREE CUSTRet

	Description	Goal Type	Expected Cost (at today's price)	Time From Now (Years)	Loan Required (Y/N)	Tenor	Interest Rate	Rest Period	Linked Portfolio
<input type="radio"/>	Children Education		400000	5	N				RM Managed

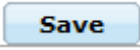
Description:
 Goal Type:
 Expected Cost (at today's price):
 Time From Now (Years):
 Loan Required (Y/N): ☐ Yes ☒ No
 Tenor:
 Interest Rate %:
 Rest Period:
 Linked Portfolio:

Figure 1.22: Goals Screen with Customer Details


This screen is in accordance with all the other display and edit screens, wherein the top section displays the existing goals information from the table and the bottom section facilitates addition or maintenance of the information.

The user can add, modify or delete the data in the screen as explained in the General Characteristics section.


The final field in the main screen is 'Notes', which has been discussed earlier.


After having captured the information in all the mandatory fields the user will then proceed to click on the  button. To recap, the subsequent tab 'Projections' had been already enabled subsequent to saving the information in the previous tab 'Outflows'. The user can thus proceed to the next tab after clicking the save button. On trying to access the subsequent tab without clicking on the save button, will result in the prompting of a confirmation message for saving the data.


For the users who had opted for either generation of a new proposal by selecting a particular existing proposal or for modifying an existing proposal would have the tabs enabled to the extent which had been enabled for the retrieved proposal. For such users too, accessing the subsequent tab without clicking on the save button, will result in the prompting of a confirmation message for saving the data.

Adjacent to the save button is the  button. This provides the users with the unique ability to generate graphs. This click of the generate button in this screen will generate a comparison graph of the gross inflows and outflows of the customer till his life expectancy age. The total inflows include the income of the customer, his spouse as well as anticipated one time inflows. Whereas the outflows include the inflatable/ non inflatable expense, expense adding to the asset value, expense due to repayment of loans as well as the expense for accomplishing goals of the customer. The y axis represents the age of the customer till his life expectancy age and the x-axis represents the amount for demarcating the expense and income.

For a customer accessing the screen to create a proposal afresh would be displayed with the graph only on clicking the 'Generate' button. On the contrary, for a customer accessing the screen to generate a proposal utilizing the existing one, the graphs would be displayed based on the existing data on accessing the screen. However, as we stated earlier, the user has the flexibility to modify the values displayed in this screen. In order to visualize the changes made to the values, in the graph, the user needs to click on the 'Generate' button.

 Please note, the 'Generate' button by itself does not save any modifications made to the data, the user needs to exclusively click on the save button before proceeding to the next screen.

 When there is a year roll over the user has to capture the new "Years from now" appropriately.

 The system does not restrict the user to save the data prior to generating the graph for the updated data.

2.2.9 Projections

Description:

This is the most crucial screen of financial planning and aids in scenario analysis of various plan options to enable a scientific decision. All the facts and figures captured in the preceding tabs are evaluated and displayed in this screen as cash flows. The entire cash flow projections are displayed till the life expectancy age of the customer. This screen is a display screen and to modify any data the user needs to make the modifications in the corresponding tab. However in order to visualize the impact of the changes in the cash flow statement, the user needs to ensure to save the modified data in the corresponding tab. Each time the user visits this Projections tab, the cashflows are automatically recomputed based on the latest data captured in the other previous tabs. Further if the user has chosen to vary the risk profile of the customer, the same is factored in while arriving at projections. For example if user has chosen that from age 40 to 50 customer will be "Moderate" and 51 to 75 "Conservative", then while computing projections the system will consider the moderate asset allocation till age 50 and conservative asset allocation thereafter.



Please note that while loading data from existing proposals, the system will only display data from the current year onwards. For example, if in the existing proposal a salary amount was entered for the period from say 2007 to 2020, and if the current year is 2009, the system will only show the data from 2009. However, while computing the cashflow component for current year, the relevant growth rate / inflation rate would be used from the start year till current year. In this example, if the salary figure was entered as 100000 growing at 10 % p.a., from 2007 to 2020, the cash inflow for current year 2008 would be computed as $100000 \times 1.10 = 110000$. Similarly for computing the retiral cash inflow in retirement year, the value will be computed starting with 2007.

Screen:

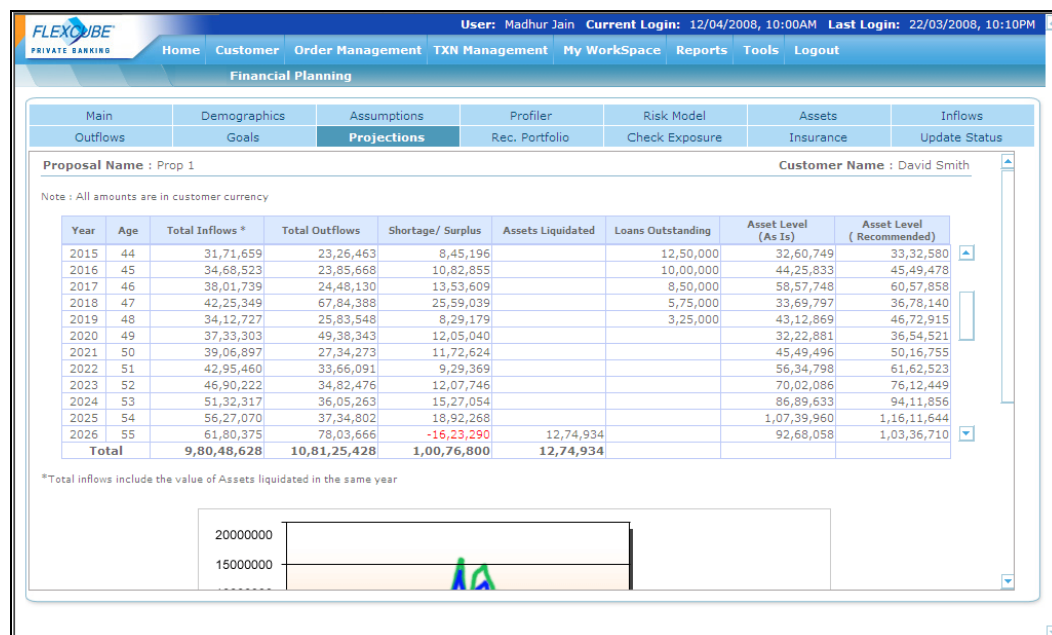


Figure 1.23: Projections Screen

Screen Navigation:

Entry to the screen:

On the main menu

Financial Planning → Projections

Calculating the details on this screen:

The screen displays a table displaying the projected cash-flows, assets and liabilities for the recommended scenario.

Let us understand the computation methodology of the attributes displayed in the table.

2.2.9.1 Year

This will display the calendar years in YYYY from current year (as per system date) till the Life expectancy of the client.

2.2.9.2 Age

This column displays the age of the customer starting from the current age till the life expectancy age of the customer.

2.2.9.3 Total Inflows

The total inflows of the customer for each corresponding year are displayed in this field. The total inflows for a year includes

1. **Net Take Home Income - self:** As explained in the Inflows tab, the total inflow for each year adding all types of income is computed. perceived in the 'Income' screen, the user will capture the various income of the customer anticipated to be received, across various time periods till the life expectancy age of the customer. The income captured will indicate the values at today's price. For each type of income being currently received by the customer, the system will grow the income annually for the period defined by the customer. The income will be grown at the rate defined by the user for the particular income. For the incomes defined for the future periods, the computing methodology would differ depending on whether the flag "inflatable till the start year" has been selected as Yes or No. This is to take care of known periodic inflows like pension and annuity incomes that will start from a future period, where the amount is defined and known upfront, the user can select the flag as No and thus the amount will not be inflated till the start year. For the instances where the flag is selected as Yes, the amount will be inflated from the current period to the starting period defined in the field 'Year From' using the inflation rate defined in the Assumption tab and from then on grow it at the

rate defined in the field 'Growth Rate %' till the period 'Year To'. Let us understand this better with an example

Description	Year From	Year To	Annual Amount	Growth Rate%	Inflatable till start year
Salary	2008	2010	100000	10	
Future Salary	2011	2012	200000	10	N
Business Income	2010	2011	10000	15	Y

Consider inflation rate as 5% and 2008 as the current year.

Now Salary for each year would be as computed below

2008 = 100000

2009 = $100000 \times (1 + 0.1) = 110000$

2010 = $(110000 \times (1 + 0.1)) + 10000 = 131000$ (The 10000, represents the amount received from Business Income)

2011 = $231525 + (10000 \times (1 + 0.1)) = 242525$ (The amount 231525 was deduced by inflating the amount 200000 at the inflation rate of 5% from current year 2008 onwards till 2011, $200000 \times 1.05 \times 1.05 \times 1.05$)

2012 = $231525 \times (1 + 0.1) = 254678$

All the figures displayed in the cash flow table will be represented as whole numbers and will be rounded to the nearest figure.

2. **The income of spouse:** The income computation for each year is analogous to the methodology adopted for computing income of the customer.
3. **One time income:** Such inflows will be considered in the year of maturity as declared by the user.

If value of the flag "FP Asset Liquidation - Ignore Loans/Lien" is set to "Y" in Bank Parameters: Only those one time inflows will be considered against which no asset is mentioned. Any one time inflows marked against an asset will not be considered while calculating the inflows for the corresponding year of maturity, as it is assumed that all assets are freely saleable for rebalancing or meeting any cash-flow deficits in any year.

If value of the flag "FP Asset Liquidation - Ignore Loans/Lien" is set to "N": all one time inflows whether against an asset or not will be considered for calculating the inflows in the corresponding year of maturity.

Consider the following example assuming the current year to be 2008

Description	Amount	Time from Now	Asset Redeemed
Money Back Policy inflow	300000	20	
Rural Bond	500000	20	Debt

If the flag = "Y"

In the year 2028 only the cash inflow of 300000 will be included as income.

If the flag = "N"

In the year 2028 both the cash inflows of 800000 will be included as income.

4. **Retiral Contribution of customer and spouse:** The retiral contribution for each year along with the interest earned on the retiral contribution for each year based on the expected salary incomes will be clubbed and added as inflow at the retirement age of the customer. Please also refer to the example provided in the Inflows Tab explanation section. Lets us now consider multiple salary incomes and corresponding retiral amounts as in the above example in subsection 1,

Description	Year From	Year To	Annual Amount	Growth Rate%	Retiral Amount	Inflatable till start year
Salary	2008	2010	100000	10	10000	
Future Salary	2011	2012	200000	10	20000	Y
Business Income	2010	2011	10000	15		

Hence the Retiral Amount under the income type 'Salary' will grow as follows

2008 = 10000

2009 = 11000 (10000*1.10)

2010 = 12100 (10000*1.10*1.10)

Please note that the user has not demarcated retiral contribution for the income type 'Business Income'.

For the year 2011 the next type of income 'Future Salary' will be considered for computing the retiral contribution. Since this is a future income, the retiral calculation will follow the same approach as followed for the salary calculation depending upon the "Inflatable till start year flag".

Hence the retiral contribution arising out of the income type 'Future Salary' would be as given below

2011 = 23152 (20000 inflated at 5% from 2008 onwards for each year till 2011)

2012 = 23152 x (1 + 0.1) = 25467

Now, for each year, the retiral amount will also earn an interest which will be computed at the user defined rate and compounded annually. The retiral contribution for each type of income will be compounded separately by the system. At the retirement age, all the separately computed contributions will be clubbed and added as income. Taking forward the above example, with Rates of Return as given below,

Description	Year From	Year To	Annual Amount	Growth Rate%	Retiral Amount	Rate of Return %
Salary	2008	2010	100000	10	10000	8%
Future Salary	2011	2012	200000	10	20000	9%
Business Income	2010	2011	10000	15		

The interest for the retiral contribution for the income type 'Salary' would be computed as follows

2008 = 0 (the retiral contribution is assumed to happen at end of year, hence no interest is indicated in the year of contribution- interest will start accruing only from next year)

2009 = 8% x 10000 = 800

2010 = 8% x (10000 + 800 + 11000) = 1744

where,

10000 is the contribution made for the year 2008, 800 is interest received in 2009 on the contribution and 11000 is the contribution made for the year 2009.

2011 = 8% x (10000 + 800 + 11000 + 1744 + 12100) = 2852

Though there would be no retiral contribution for the income type 'Salary', it would continue to accrue interest of 8 % till the retirement age of the customer.

Hence the interest rate for the subsequent years would be computed as follows

2012 = 8 x (10000 + 800 + 11000 + 1744 + 12100 + 2852) = 3080 and so on till the retirement age

Similarly the interest for the income type 'Future Salary' will also be computed at the rate of return defined by the user for each year.

Finally at the retirement age, the retiral contribution computed for each year as well their corresponding interest for each type of income will all be added and included as income.

The retiral contribution and its corresponding interest computation of the spouse are analogous to the computation methodology explained for the customer and will be included as income at the retirement age of the spouse provided the retirement age of the spouse is within the life expectancy age of the customer.

Apart from the above values the **cash returns on the existing assets** of the customer will also be included while computing Total Inflows. The system will grow the assets at the growth rate for the respective asset class as defined in the Assumptions section based on the End of Period asset level as of each previous year. Please note that the assets entered in the "Assets" tab are considered as though they are as of beginning of current year, hence the growth rate and cash returns are computed for the current year also. The cash returns for the future years will be computed as the product of the value of the asset as of the preceding year and the cash returns % as declared by the user. As we stated earlier, the growth rate of the asset indicated in the Assumptions tab is inclusive of the cash returns anticipated to be received on the asset. So, the actual value appreciation of the asset can be computed as the difference between the overall growth rateless cash returns received. Let us understand this with an example.

The user declared the following while creating the proposal in 2008

Current Market value of equity asset = 200000

Annual cash returns = 9%

Growth rate of asset = 10%

Year	Gross Market Value	Yearly cash inflow	Net Market value
2008	$200000 \times (1 + 0.1) = 220000$	$200000 \times 0.09 = 18000$	$220000 - 18000 = 202000$
2009	$202000 \times (1 + 0.1) = 222200$	$202000 \times 0.09 = 18180$	$222200 - 18180 = 204020$

In the year 2008, the gross market value of the asset was computed at the growth rate of 10% as of the end of the year 2008 to 220000. Similarly Cash return for the year 2008 would be 18000, giving the value of Asset as 202000 of 2008 end.

For the year 2009, the net value of the asset as of the end of year 2008, namely 202000 will be grown at the overall asset growth rate to 222200. The cash inflow will be computed as the product of the previous year's closing asset value i.e. 202000 and expected cash return on the asset. This figure is 18180. The year's closing asset value will be computed by reducing the cash inflow from the gross asset value for the year 2009, hence this value is 204020.

- Asset Liquidations and Loans taken:** If there is any cashflow shortfall in any year, the system will try to liquidate assets to meet the deficit. To the extent of such liquidation, the amount will get added to the Total Inflow. Any loan taken with a future start year, as explained in the Outflows Tab, will cause result in an inflow of the loan amount in the start year, which will get added into the total inflows for the year. Similarly, if there is any loan taken for a Goal, as explained in the Goals Tab, the amount of this loan (which is equal to cashflow deficit after liquidating assets to meet the goal in the Goal year, subject to a cap of the Goal amount itself)

is added in the Goal year to the Total Inflows. Please note that even if the Loan taken for a Goal is in the current year, the inflow will be considered.

6. Let us understand this with an example assuming the current year to be 2008:

Description	Expected Cost	Time from Now
Child Education	100000	5

The customer opts to obtain a financial credit for accomplishing this goal.

The inflation rate declared by the user is 5.5%

The amount will be inflated as given below

Year	Amount
2008	100000
2009	$100000 \times (1 + 0.055) = 105500$
2010	$105500 \times (1 + 0.055) = 111303$
2011	$111303 \times (1 + 0.055) = 117424$
2012	$117424 \times (1 + 0.055) = 123882$
2013	$123882 \times (1 + 0.055) = 130696$

The amount 130696 will be included as an expense in the year 2013. Consider the total expense for the year 2013 was 150000 including the amount required for accomplishing the goal. Also consider the total inflows including the assets liquidated for the year 2013 is 125000. Then the system will assume that a loan amount of 25000 is required in order to overcome the deficit, if the user selects Loan against Goal as "Y". This loan amount of 25000 will be included as an income in the year 2013.



The loan will not be taken for calculating the Asset Level (As is) even if there is a shortage, but only the Recommended Asset Level.

Also note that the amortization of loan taken to meet the goals will start from the following year. (i.e. year after the loan inflow)

2.2.9.4 Total Outflows

The total outflows for each corresponding year are displayed in this column. The outflow for each year is computed by considering the following attributes

1. **Inflatable expense:** As explained in the Outflows Tab, the various expenses inflated to the respective year are clubbed together for arriving at the total Outflow. Let us understand this with an example, with current year as 2008.

Description	Year From	Year To	Annual Amount	Inflatable
Living expense	2008	2009	100000	Yes
Other Expense	2010	2011	10000	Yes

Inflation rate = 10%

Living Expense for

2008 = 100000

2009 = 100000 + 10% x 100000 = 110000

Other Expense for

2010 = 10000 x (1+0.10) ^ 2 = 12100

2011= 12100 x (1 + 10%) = 13310

As seen in the above example the expense defined under the category 'Other Expense' will be inflated for 2 years for the 2008-2010. The inflated amount so deduced will be used as the starting expense for the year 2010.

As the user has the flexibility to define different expenses for the same time period, all the expenses for each particular year would be clubbed and displayed.

2. All the expenses indicated as **non inflatable** will be considered as constant invariable expense for all the years defined irrespective of whether the expense is for the current period or an anticipated expense for future.

Consider the following example to understand this.

Description	Year From	Year To	Amount	Inflatable
Insurance Premiums	2008	2010	10000	No
Pension plan contribution	2010	2012	15000	No

The expense for each year would be reflected as given below

2008 = 10000

2009 = 10000

2010 = 10000 + 15000 = 25000

2011 = 15000

2012 = 15000

As observed in the above example the user can define various expenses for the overlapping time period.

3. Along with the inflatable and non inflatable expenses all the expenses demarcated under the category of '**Contracted Investment Outflow**' will also be clubbed as an expense for a particular year. To recap, the contracted investment outflows define expenses which could either be a one-time expense or periodic expense. Please note all the expenses defined by the user under this category will not be inflated irrespective of whether the expense has been defined for the current period or for the future period. For these expenses too, as the user can define multiple expenses with coinciding time periods, all the expenses for a particular year will be clubbed.
4. **Loans:** Apart from the expenses, the outflows will also include the periodic payments to be made for a loan undertaken. Such periodic payments will include the loans undertaken against assets or otherwise or taken exclusively for accomplishing a goal. It is important to note that the annual repayment figure entered in the Loans/Lien table in Outflows tab will apply from and including the start year till the last year. However for Loans against Goals, the annual repayment is computed by the system based on the loan amount, tenor, rest period and interest rate, and will start from the year following the corresponding Goal year.

2.2.9.5 Shortage/Surplus

Is computed as the difference between inflow and outflow for each year. All the shortages are prefixed with a negative sign and are highlighted in red color. This provides ease to the customer to identify all the shortages across the life span Note that for a plan to be successful. There should be no negative value in this column.

2.2.9.6 Assets Liquidated

This column will display the gross value of the assets liquidated (if any) to meet any shortages in the respective years.

2.2.9.7 Loans Outstanding

This column displays the total loans outstanding as of the end of each year. The loans comprise both the normal loans as well as loans intended to be taken for accomplishing the goals. It is important to understand that only the principal amounts outstanding for the loans for each year will be displayed in this column. To summarize, the outstanding principal amounts across all the unsettled loans will be computed and displayed for each year.

Loans entered in the Outflows Tab: To recap, the user will reveal the annual repayment and the interest for the loan. As we are aware, the annual repayment will comprise of both the principal

and interest elements. In order to derive the principal element exclusively, it is essential for the system to exclude the interest element. This principal amount so derived will be deducted from the loan amount for each year, in order to infer the loan outstanding amount as of the end of each year.

Let us understand this with an example

Description	Loan Amount	Annual Repayment	Interest annualized %	Rest Period	Year From	Year To
House Loan	100000	10000	1%	Annual	2007	2022

This is an existing loan of the customer which was taken in the year 2007. Now, out of the annual repayment amount of 10000, 1000 comprises of interest component (1 % of 100000,) in year 2007, the loan amount being considered as of beginning of year. In other words, the customer is repaying 9000 towards principal amount for the first year, leaving a loan outstanding balance of 91000 as of end of 2007/beginning of 2008. Hence the loan outstanding as of the end of each year would be displayed as follows

Loan Outstanding = Principal at start of year – (Annual repayment – Interest component)

2008 = 81910 (= 91000 - (10000 - 910))

2009 = 72729 (= 81910 - (10000 – 819))

And so on, for the entire tenor of the loan i.e. till the year 2022.

Loans for accomplishing goals: For the customers opting for a loan against a goal, the principal loan amount will be considered to the extent of the shortfall / deficit after liquidating the assets as per order of liquidation mentioned in the assumptions tab to meet the goal. If the deficit amount exceeds the Goal amount itself, then the loan amount is capped at the cost of the goal in that year.

Based on the loan amount computed as described above and the loan factors declared by the customer, namely tenor, interest rate and rest period, the system will compute the annual repayment amount for each year. By deducting the interest component from the annual repayment amount, the system will deduce the loan outstanding amount as of the end of each year. The computation of the outstanding loan amount will commence from the year of disbursement of the loan and will continue for the tenor of the loan.

2.2.9.8 Asset Level (As Is)

As the name suggests this column displays the sum of actual asset value across all the asset classes, currently held by the customer for each year as of end of the year.

1. The asset value for each asset class for each year will be grown at the corresponding asset growth rate as declared by the customer in the 'Assumptions' tab. The assets will be grown till the life expectancy age of the customer.



It is important for us to understand that the assets will be grown from the current year itself. The analogy for this being, the system will assume that the customer has declared his asset value as the beginning of the current year.

Let us understand this with an example

The customer has declared that he holds 10000 in equity investments and he has declared the growth rate of equity as 10%.

For the current year, 2008, the asset value will be 10100

2. From this grown asset value, the cash returns received for the corresponding year will be deducted. We have already discussed on the computation methodology of cash returns. To summarize we had stated that as the cash returns are declared and issued by the issuers for the performance of the instrument in the precedent year, the cash returns will be computed as the product of the value of the asset as of the preceding year and the cash returns % as declared by the user.
3. The next to be included to the asset value are the contracted investments. To recap we had stated while discussing on the 'Expenses' tab that though the contracted investments will result in the outflow of the customer's cash, this expenditure will finally result in the increase of the asset value. For each year the amount deducted will be included in the identified asset which would start earning the compounded returns as defined in the Assumptions tab from the next year onwards. Let us understand this with the following example assuming the current year to be 2008:

Description	Year From	Year To	Annual Amount	Asset Class
SIP	2008	2009	60000	Equity

Rate of Return = 11.20%

Year	Annual Expense	Asset value
2008	60000	60000
2009	60000	$(60000 \times (1 + 0.1120)) + 60000 = 126720$
2010	0	$(126720 \times (1 + 0.1120)) = 140912.64$

Thus the value of 60000 will be added to the asset value in the year 2008. As seen in the above example, the asset value will be grown from the next year onwards. For Contracted Investment outflows starting from a previous year, the inflows / outflows of previous years will not be considered and no assets will be created for the previous years. The respective assets will be built starting from the current year only. This is assuming that all such assets built from prior year contracted investments will already have been considered in the Assets as captured in the Assets Tab.

The contracted investments could either be a one-time investment or periodic investments for a time period defined by the customer. In the case of the latter, as seen in the above example, a constant amount will be contributed towards the asset each year. However the asset will be grown each year using the compounding methodology at the growth rate defined by the user.

As the user has also been provided with the flexibility to capture even the future contracted investments, such investments will start contributing to the increase in the asset value from the year of such outflow as defined by the user.

4. The next important factor for determining the asset value, is to consider the assets which will mature during the span of the cash flow computation. To reiterate our discussion on the table 'One Time Cash Inflows' we had stated that the table facilitates to specify the assets which will not only result in one time cash inflow at the maturity but will also result in the reduction of the asset value at maturity. The asset value for such assets will be reduced to the extent of the maturity value in the corresponding year of maturity as indicated by the user.

Please note that it is only for those one-time inflows against which the user has specifically indicated an asset that will be considered for this treatment. Clean cash inflows like say an inheritance or money back from insurance against which no assets will be specified, will have no impact on Assets As is.

Let us understand this better with the following example

Description	Amount	Time from Now (Years)	Asset Redeemed
Money back policy	50000	12	
RBI Bonds	500000	20	Debt

The current year being 2008, the amount of 50000 arising from Money back policy will be considered as an inflow in the year 2020. This inflow will have no impact on the asset value. On the contrary consider the example of 'RBI Bonds'. This example indicates that the bond will mature in the year 2028. Hence while computing the cash flow for the year 2028, not only will 500000 be added as an inflow but will also be reduced from the asset value to the extent of the same maturing amount viz., 500000.

Surplus/Deficit: To recap, we have already computed the net surplus or shortage for each year by considering the inflows and outflows. Either of the situation i.e. surplus or shortage will have an impact on the asset value. Ideally the customer would not prefer to have idle cash lying in the account without investing and reaping its benefit. Hence any cash surplus will be reinvested back into the assets. Similarly, any shortage in the cash will be compensated by liquidating the assets to the extent of the shortage for that particular year. Let us now proceed to understand the computation methodology for each of these scenarios.

1. **Surplus:** The system will presume that any excess cash flow for a particular year needs to be reinvested back in to assets as defined in accordance with FCPB the field 'Client Allocation for Investable Surplus' in the tab 'Assets'.

The excess cash for any particular year will be reinvested back in to the assets in the same year at the proportion declared by the user. Let us consider the following example assuming the current year to be 2008

Current Market value of equity asset = 200000

Annual cash returns = 9%

Growth rate of asset = 10%

Client allocation of investable surplus into equity = 10%

Assume 2008 and 2009 had a surplus of 10000 each

Year	Gross Market Value for Equity	Yearly cash inflow	Net Market value (= Grown Asset value – Cash Return + Surplus allocated)
2008	$200000 \times (1 + 0.1) = 220000$	$200000 \times 0.09 = 18000$	$220000 - 18000 + (10000 \times 0.1) = 203000$
2009	$203000 \times (1 + 0.1) = 223300$	$203000 \times 0.09 = 18270$	$223300 - 18270 + (10000 \times 0.1) = 205030$

In the above example 10% of the surplus 10000 was reinvested back into the closing value of the assets for the year 2008.

2. **Deficit:** In case the total outflows exceed the total inflows in a particular year, the system will try to overcome the shortage by liquidating the assets as per the liquidation order, of course subject to outstanding loans / liens. Kindly note that even if the shortage may be due to a goal fulfillment and the client had indicated his preference for taking a loan to meet the same, the system will not take a loan to meet any shortage even after the asset liquidation while calculating “Asset Level (As is)”. This is because all cash-flows pertaining to future start loans in the Outflows tab and Goal related loans as specified in Goals tab will be considered only as part of a recommendation hence will be considered only in Asset Recommended

Let us now proceed to understand the various validations involved while liquidating the assets.

- **Order of liquidation:** To recap on our discussion on the ‘order of liquidation’ in the tab ‘Assumptions’, we had stated that the user has the flexibility to indicate the sequence of liquidation in order to meet any shortages in the cash flow. In accordance with the sequence captured, the system will liquidate the assets one by one, till the entire deficit is wiped out. It is important to understand that the liquidation will be carried out only to the extent of overcoming the cash deficit. In other words there is no restriction on the system for partial liquidation of an asset. Let us understand this with an example

The net asset value in the year 2008 for

Equity = 10000 (Order of liquidation = 1)

Real Estate = 100000 (Order of liquidation = 2)

In the same year there is a deficit of 15000, then the asset value at the end of the year 2008 will be as

Equity = 0

Real Estate = 95000

Please note that the value of the assets considered were the net figures post asset growth adjusted for cash returns, if any. As seen in the above example the assets will be liquidated in the same year as the deficit.

Also the assets, for which the customer has not consented for liquidating by mentioning order of liquidation as zero, will not be liquidated.

- Restriction on liquidation of assets to the extent of loan outstanding: While discussing the tab 'Outflows' we had discussed about the existing as well as loans anticipated to be taken in the future and their implication on the cash flow statement. We had also discussed that while liquidating the assets, the system will restrict the user from liquidating the asset to the extent of the outstanding principal amount as of that year. The rationale being that while taking loans against assets, the assets are pledged as a security with the Financial Institution disbursing the loan.

The computation for the outstanding value of the loan has already been explained earlier.

Consider the following example

Description	Loan Amount	Annual Repayment	Interest % p.a.	Rest Period	Year From	Year To	Against Asset
Loan against shares	1000000	110000	10%	Annual	2008	2030	Equity

Now, the principal outstanding at the end of each year can be derived as follows

2008

Loan Amount = 1000000 (as of the start of the year)

Interest paid = $0.1 \times 1000000 = 100000$ (being annual rest)

Principal repaid = $110000 - 100000 = 10000$

Loan outstanding = 990000 (as of the end of the year)

2009

Loan Amount = 990000 (as of the start of the year)

Interest paid = $0.1 \times 990000 = 99000$

Principal repaid = $110000 - 99000 = 11000$

Loan outstanding = 979000 (as of the end of the year)

2010

Loan Amount = 979000 (as of the start of the year)

Now consider that there is a deficit of 2000000 in the year 2009 and the customer's total investment value in Equity is worth 1500000. However, the system will allow the deficit to be adjusted against Equity only to the extent of $1500000 - 979000 = 521000$.

It is important to note that this restriction will be applicable only for the period for which the loan is outstanding.

- Restriction on assets having lien associated to it: Apart from having pledged the assets for a loan it is also probable that certain investments could have a lock-in period associated to it. Such instruments cannot be liquidated prior to the conclusion of the lock-in period. Such instruments will also have been captured by the user in the same 'Loans/Liens' table in the tab 'Outflows'. Analogous to the loan against assets, for adjusting any cash deficits, the lien on assets too will restrict the system from liquidating the assets to the extent of the outstanding lien on that particular asset. For example

A customer has invested in a Tax saving Fund of asset class Debt, for 10000 and has a lock in period of 3 years. This investment was made in the year 2007. Hence the system will curtail from adjusting any deficits during this period to the extent of 10000 in the asset class 'debt'.

Please note that this restriction will be applicable only for the period for which the asset has a lock-in period associated to it.

- Deficit post adjustments: Even after having adjusted the deficit with all the existing assets in accordance with the maximum possible liquidation of assets in each asset class as per the rules, if the entire deficit could not be completely offset, it will be reflected in the cash flow statement as a negative figure in red to the extent of the unadjusted deficit amount.

This deficit indicates that the entire cash flow of the customer requires re-planning by adjusting the underlying parameters or by taking a fresh loan.

2.2.9.9 Asset Level (Recommended)

This column displays the asset value if the investment decisions are made in accordance with the model asset allocation. In addition all future start loans and all loans against goals are considered (unlike in As Is computation). The computation methodology for this column varies according to the value of the flag "FP Asset Liquidation - Ignore Loans/Lien in Bank Parameters".

If value of the flag "FP Asset Liquidation - Ignore Loans/Lien" is set to "N":

In this case the "Asset Level recommended" for each year is computed in a similar way to the Asset level (as is) except that the total existing assets, as entered in Assets Tab, (net of the currently outstanding loans/liens, one-time Cash inflows against asset maturities and where the client has indicated order of liquidation as 0 for an asset) are rebalanced as per the recommended model asset allocation in the current/first year itself. Also any surpluses generated in any year also invested according to the recommended / model asset allocation.

Step 1: Calculation of the total asset values as of the end of each year is as follows:

Asset Level as of Previous year grown based on the Annual Rates of Return for each asset class

LESS

The annual cash return already considered as inflow for the year for the respective asset class

PLUS

The Contracted Investment Outflows in the respective asset class (returns thereon will be included from next year onwards of the respective outflow)

LESS

Any one-time cash inflow for the year, if an asset class is mentioned against the corresponding inflow

PLUS

The surplus amount (inflows – outflows), if any, distributed into each asset class as per the Client's recommended asset allocation

LESS

Any assets liquidated to meet the shortage/deficit, if any, to make good the deficit in the respective year.

Step 2: Calculation of the total asset values available for rebalancing

Total Asset value as calculated in the step 1

LESS

Total Asset Value of all the asset classes for which order of liquidation is Zero.

LESS

Total value of all future one-time cash inflow against an asset class for which order of liquidation is non zero.

LESS

Total Value of principal outstanding of all the loans taken against an asset class for which order of liquidation is non zero.

LESS

Any lien marked against any asset class for which the order of liquidation is non zero.

Step 3: Rebalancing

Total Asset value available for rebalancing as calculated in the step 2 is rebalanced according to the recommended asset allocation in the defined ratios.

Step 4: Calculation of the total asset values as of the end of the year.

Total Asset value as calculated in the step 3

PLUS

All the sums reduced in step 2.

If value of the flag “FP Asset Liquidation - Ignore Loans/Lien” is set to “Y”:

The total existing assets as entered in the Assets Tab is rebalanced according to the recommended model asset allocation, without any deductions for Loans/Liens/ Onetime Cashinflows against assets/ assets with Liquidation order 0. Also any surpluses in each year are allocated according to the recommended model asset allocation.

Step 1: Calculation of the total asset values as of the end of the year.

Asset Level as of Previous year grown based on the Annual Rates of Return for each asset class
LESS

The annual cash return already considered as inflow for the year for the respective asset **class**

PLUS

The Contracted Investment Outflows in the respective asset class

PLUS

The surplus amount (inflows – outflows), if any, distributed into each asset class as per the Client’s existing allocation for investable surpluses.

LESS

Any assets liquidated to meet the shortage/deficit, if any, to make good the deficit in the respective year.

Step 2: Rebalancing

Total Asset value as calculated in step 1 is rebalanced as per the recommended asset allocation in the defined ratios.

In the final section of the screen, the user has been displayed with a graph, representing the asset level (as is) and asset level (recommended). This graph helps the users to appreciate and analyze the difference in the asset values which can be obtained by investing in accordance with the model asset allocation as against the current investment pattern of the customer. The x-axis of the graph represents the age of the customer till the life expectancy age whereas the y-axis represents the amount of investment.

To recap, for those users who had opted for generation of a completely new proposal, all the subsequent tabs 'Projections', 'Rec Portfolio', 'Check Exposure', 'Update Status' and 'Generate Proposal' will all be simultaneously enabled after the click of the save button in the 'Outflows' tab. For the users who had opted for either generation of a new proposal by selecting a particular existing proposal or for modifying an existing proposal would have the tabs enabled to the extent which had been enabled for the retrieved proposal.

2.2.10 Recommended Portfolio

Description:

This screen displays the recommended existing portfolio holdings of the customer, depending on whether the financial planning is being done for a prospect or existing customer with holdings already present.

Screen:

Financial Planning

Proposal Name: FP Proposal Customer Name: Anish P Agarkar

Note: All amounts are in customer currency

Customer Name	Instrument Type	Name	Asset	Market Value	% of Total
Anish	GENERIC	VysaGeneric	Debt	108,000.00	2.63
Anish	Equity	3i Infotech Limited	Equity	1,000,000.00	24.34
Anish	Equity	Bajaj Auto Limited	Equity	1,000,000.00	24.34
Anish	Equity	Dr Reddy`S Laboratories Limited	Equity	2,000,000.00	48.69
Total				4,108,000.00	100.00

Customer Name: Select
Instrument Type: Select
Name:
Units: Amount:
Currency: Region:
Asset Class: Market Cap:
Industry:

Save Add Modify Delete Clear Clear All Refresh Holdings Check Asset Allocation

Figure 1.24: Recommended Portfolio Screen

Screen Navigation:

Entry to the screen:

On the main menu

Financial Planning → Recommended Portfolio

Capturing the details on this screen:

For a prospect or a retail banking customer or even for an existing customer of FCPB who currently does not have any holdings, clicking on this tab will pop up a window asking the user to enter the investable amount. This is also applicable for the retail or prospect customers accessing the module for creating a new proposal using an existing one. A customer intending to modify an existing proposal will also be displayed with the pop up window provided that the existing proposal had not been updated with any information on this screen.

The screen shot of the pop up window as displayed below

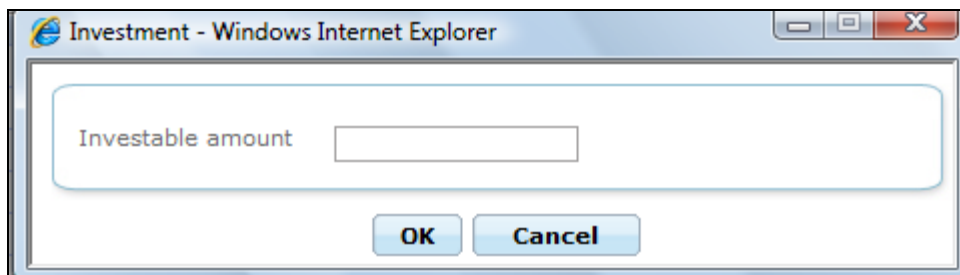

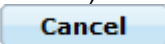


Figure 1.25: Investment Window

On entering and clicking on the  button, the entire intended investment amount will be allocated across the instrument level holdings of the model portfolio that is specified in the system for the chosen risk model. To recap, in accordance with the risk score of the customer, the user has the option to either opt for the default model associated to the risk score or can associate any other model associated to the risk score. Each model will not only have the default asset allocation associated to it but will also have the default instrument level holdings (i.e. the model portfolio) associated and maintained in the Master Tables by the administrator. The

 button will lead the customer to the main screen which will be a blank screen.

However for a prospect for whom an existing proposal which had already captured the investment amount is loaded for modification, the popup message will not be displayed again for capturing the investment amount, as it would have already been captured earlier. On clicking "Refresh holdings" button, the system clears the information from this table. If customer specific Model Asset allocation is selected for a prospect, then when the RM goes to the 'Rec Portfolio' tab the first time after creating the customer specific model, model portfolio mapped to the original asset allocation (the asset allocation which is defined by the bank as default allocation in FCPB for the respective risk score) get populated in the Rec portfolio. The RM can make modifications to these holdings.

The pop up window would also not appear for customers of FCPB having their existing investments updated or captured within the Portfolio Management module of the System. The existing investments of the customer and their corresponding updated market value would be displayed in this tab. It is important for us to understand that the updated information of the

investments from the customer's holdings would be available only on first access to the screen for generating a new proposal. This would include for either creating a proposal afresh or using an existing one. All the subsequent access to the screen will result in the display of the last saved data as before and will not be refreshed with updated information on each access. The user has the option to "Refresh Holdings" by clicking on the appropriate button, which would result in again replacing the table with the latest holdings from the Portfolios of the customer.

The first column in the holdings table, i.e. 'Customer Name', is relevant only for the customers who had opted for planning at the 'Household' level. For the existing customers of FCPB intending to create a new proposal for the entire household will be displayed with the holdings information of the household members on accessing the screen. This is applicable only for those customers and their corresponding household members whose holdings information have been maintained in the 'Portfolio Management' module. In other words, all the members whose information has not been maintained in the 'Portfolio Management' module will not be displayed in this table. However, the corresponding information of such members can be included through the maintenance part of the screen below the table. For prospects and customers intending to create a new proposal at the household level having no holdings for any member of the household, though will be displayed with the investment portfolio of their associated model portfolio on accessing the screen. They have also been provided with the flexibility of maintain the holdings information for the household members through the maintenance tab on the same screen. It is important to note, that for prospects it is only for the members identified as household members in the 'demographics' screen whose information on investments can be updated on this screen. For customers, the members identified as belonging to the household will be as maintained in the Customer Profile Maintenance-> Household definition.

The next column displays the instrument type. To recap, each 'Security' in FCPB has been categorized into different instrument types. The different instrument types to be used by the bank can be identified and maintained by the administrator in the Reference Master Table. Currently the following instrument types are supported by the system namely equity, mutual fund, structured product, bonds, commodities, pms, spl product, CASA, TD and insurance. All the miscellaneous securities which cannot be categorized into any of the above defined instrument types can be classified into the instrument category 'others'.

For a customer of FCPB, all the holdings across all the portfolios will be clubbed and displayed here. This principle is also applicable to all the household members of the customer of FCPB. For the other customers/prospects the instrument type of the holdings associated to the model portfolio will be displayed in this table.

The next column displays the instrument name. Under each instrument type, depending on the customer who is accessing the screen, either all the securities in which the customer currently has holdings or the securities in line with the associated model portfolio will be displayed. Analogous to the instrument type, for a customer of FCPB all the existing holdings across all the portfolios for a particular instrument type in a particular security will be clubbed and displayed here. This principle is also applicable to all the household members of the customer of FCPB.

The next column displays the market value. Whenever the system displays the model portfolio based on the investable amount, the amount against each security is computed as Investable amount * percentage allocation to the instrument in the model portfolio.

On the other hand, for the customers of FCPB whenever the holdings would be fetched from the portfolios held by the customer, the market value is computed as the product of the market price and quantity denominated in the security currency. For the securities of instrument type insurance, others & PMS (which are not unit based) the latest available market value is shown. In the

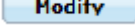
absence of market price for a particular instrument, the system considers the acquisition price as the market price.

The last column displays the percentage holding. This is a non editable column and hence is computed by the system. It is computed as the market value of investment in a particular security divided by the sum total market value across all the securities. Any updates in the recommended portfolio data, through the maintenance section as described below, will result in the automatic re-computation and display of the percentage.

The last row in the table displays the total market value across all the securities and the total percentage (which will always show as 100 %).

On selecting any of the holdings information in the table through the radio button, the corresponding information of the investment will be displayed in the maintenance section below the table. The user can then proceed to update the information of the chosen type of investment.

When the CASA/TD or amount based instruments are selected for addition or modification, the system enables the Amount option and disables the Units option with Value defaulted to 1 in the lower maintenance section.

After maintaining the relevant attributes, clicking on the  button saves the changes.

Procedure to build/update Recommended Portfolio


Step 1:

From the Customer Name drop-down list, select the appropriate customer name (relevant only if planning for household, not for self).


Step 2:

From the Instrument Type drop-down list, select the appropriate Instrument type..

Step 3:

Click the  icon next to the Name field and select the appropriate Instrument name

Once the user selects the Name, the Currency, Region, Asset Class, Industry, and Market Cap fields will be auto-populated.

 If the user has put restrictions on the selected Instrument in the Restrictions screen, the system gives the message, 'The customer has placed a restriction on the selected Instrument. Do you still want to proceed?'

If the user chooses to overrule the restriction by clicking on 'Yes' then the selected instrument and allocation are retained in the allocation table. If the user clicks on No, the selected instrument and allocation is not added to the allocation table.

Any restrictions overruled by the user would be displayed in the financial proposal document submitted to the customer for approval.

Step 4:

Enter the appropriate unit in the Units field (this is disabled for non-unit based instruments like Others, PMS etc).

Step 5:


Enter the appropriate amount in the Amount field.


Step 6:

Click the Add button.

Step 7:

Click the Save button.

 If the assets added match the Model Asset Allocation, selected by the user, the system displays the message, 'The holdings have been saved successfully'.

 If the assets added cause deviation from Model Asset Allocation, the system displays the message,

When the user clicks on the Clear All button, the Model Portfolio pop-up appears as shown below which allows the user to import a model portfolio into the Recommended Portfolio grid.

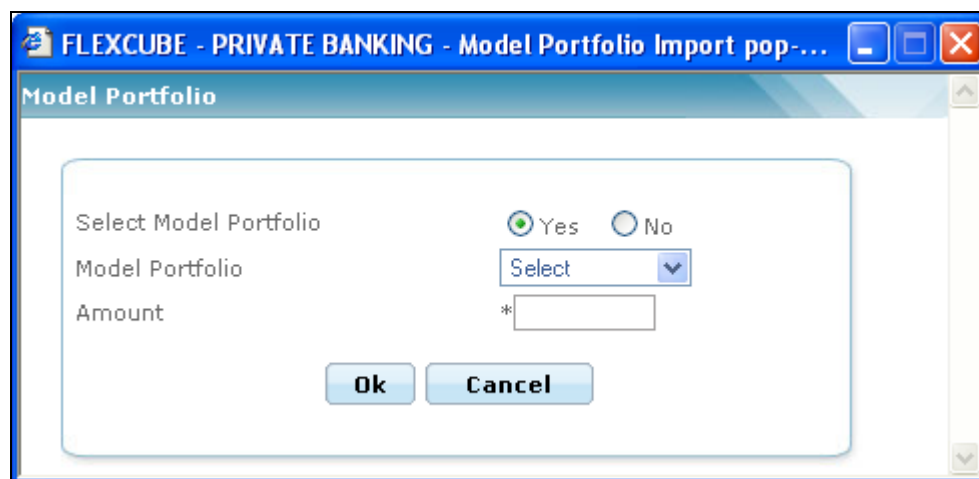


Figure 1.26: Model Portfolio pop-up

By default, the system selects the No option for the Select Model Portfolio. The user can click on the 'Ok button to close the pop-up.

If user selects the Yes option, two new fields Model Portfolio and Amount get displayed. The Model Portfolio field enables the user to select the appropriate model portfolio from the drop-down list. The drop-down displays the list of all available model portfolios associated with risk score of the selected customer.

The user can also enter the appropriate amount in the Amount field which will be then allocated into the model portfolio selected based on the asset allocation.

At any point, the user can close the pop-up by clicking on Cancel button.

The user can check the Model Asset Allocation selected by the customer by clicking on the "Check Asset Allocation button. This pop-up window compares the asset allocation between model asset allocation and the portfolio maintained by the user and shown on the Rec. portfolio screen.

At the same time, the system also checks the Asset Class Decomposition flag is Yes or No in Ref Bank Parameters screen. If the flag is Yes, then the system finds out the asset class of the sub-constituents of the Portfolio Funds and then compares their asset class with Model Asset Allocation.

For example:

Consider that the user has added the instrument Reliance Growth Fund whose Asset Class is Equity. The Reliance Growth Fund has 3 sub-constituents as mentioned below:


Infosys – 50% (Asset class – Equity)

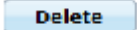
BHEL – 25% (Asset class – Equity)

Unitech Commercial Paper – 25%(Asset class – Debt)

So total allocation under Asset Class Equity is 75% and Debt is 25%


If the Asset Class Decomposition flag is Yes then the system checks whether the breakup of Equity or Debt are confirming to the Min/Max percentages in the Model Asset Allocation. If they are confirming, the system allows user to save the details and will not show any the message as 'The suggested portfolio does not meet the Asset Allocation model chosen for the customer; Please adjust the portfolio using the Check Asset Allocation button'.


The system restricts the user from capturing duplicate holdings for the same customer in the same instrument. To clear the fields either while maintaining or adding the information on the holding in the maintenance tab click on the  button. User has also been provided with the facility to delete any of the holdings information. This can be achieved by selecting the particular

investment by using the radio button in the table and clicking the  button. It is important for us to understand that the modify/delete buttons will be enabled only on selection of a particular holding in the display tab where as the add button will be enabled on capturing the relevant details in all the mandatory fields.

After maintaining any data and clicking on the corresponding button, results in the display of the updated data in the display table. This also results in the re-computation and display of the percentage of holding.

The maintenance tab facilitates to maintain the value of holdings in a particular instrument and also add new holdings. The customer also has the option at any point of time to view and opt for



the recommended instrument associated to the model portfolio by clicking on the  button.

The user can also view the Instrument Analytics details for the selected instrument by clicking on the  icon.

If the user wishes to navigate away from the page without saving the data, the system prompts the user with the message, “ All changes since the last Save would be deleted, do you wish to continue ?”; if the user clicks on the ‘Yes’ button, then any changes/additions/deletions done using the Add/Modify./Delete buttons would not be stored.

The attributes of the maintenance section are described below:

Field	Description
Customer Name	<p>This field will flip between a display and selectable field depending on the action opted by the customer. While selecting the holdings information of a particular member of household or for the customer from the table of the recommended portfolio, the name of the chosen member/customer from the table will be displayed in this field.</p> <p>For the users intending to add a new recommended holding information, this field will display all the names of the household members identified and captured by the user in the preceding tab ‘Demographics’ (for prospects, and in Customer Profile maintenance->Household maintenance for existing Customers) in a drop down list. For the customers planning for self, the name of the customer will be displayed as a default value in the field and will be non editable.</p>
Instrument Type	<p>This field will be converted into a display field on selection of a particular holding in the top table. However, this field will flip into a user selectable field for adding new holdings. All the instrument types as maintained by the administrator in the Master tables will be displayed as a drop down list. The user can opt for any instrument type</p>

Name	<p>Analogous to the previous fields, this field too will be converted into a display field and will display the name of the selected holding from the display table. In order to facilitate addition of new holdings, this field will flip into an editable field.</p> <p>For the securities under the instrument type's equity, mutual fund, bonds and structured products this field will display the name of the security acquired by means of the look up button displayed adjacent to this field.</p> <p>For the other remaining securities classified under the instrument type Insurance and others this field will be changed into a user enterable field.</p>
Look Up	<p>The enablement of the search  button requires fulfillment of two preconditions associated to it. Not only will the enablement be reliant for adding new holdings and but also on the instrument type being intended to be added. The button will be disabled for adding the instrument types insurance and others. However this button will be enabled for adding the instrument types under the category Equity, Bonds, Mutual Fund and Structured Product.</p> <p>On clicking the look up button a pop up window will appear. This pop up window aids in searching the securities under the selected instrument type. The detailed explanation of this security look up screen can be obtained from the section on Miscellaneous functionality.</p>
Recommendations	<p>The  button provided adjacent to the look up button will be enabled only when the user is adding a new holding. On clicking this button, a pop up window will be displayed. This window will display the instrument name, type and the recommended percentage of investment. The section of a particular recommended holding can be accomplished by clicking on the hyperlink provided under the instrument's name. This will result in the display of the opted holdings in the maintenance tab.</p> <p>The users opting to maintain an existing holding will not be able to view all the recommended holdings by clicking on this button. The system will display a message asking the user to first clear the data populated in the lower maintenance tab and then click on this button.</p>

Units	<p>The nature of this field depends on the user selection if the user selects the units radio button, the system displays the corresponding amount depending on the market value of the particular holding in the 'Amount' field.</p> <p>However if user selects the 'Amount' radio button and enters the amount for a particular holding, the system computes the appropriate corresponding units by dividing the amount entered with the last closing price of the holding.</p> <p>However as we had discussed in the previous sections, the market price for holdings defined under the instrument type equity, mutual fund, traded bonds and structured product will be received as data imports from external data vendors. For the holdings classified under the category of non traded bonds the price considered will be per the last manual update. For the securities purchased under the instrument type insurance and others, the units will be defaulted to 1 by the system.</p>
Amount	<p>This field facilitates the user to suggest with the market value for an existing or for a new holding and is accessible for all the holdings across all the instrument types.</p> <p>The nature of this field also depends on whether the user chooses 'Units' radio button or the 'Amount' radio button as explained for the units.</p> <p>To recap, maintenance of the value in this field will result in the re-computation of the holdings allocation percentage.</p>
Currency	Analogous to the unit's field, this is a display field. This field will display the currency of the selected holding as maintained in the Instrument Master Table by the administrator.
Region	This is also a display field. This field will display the region where the selected holding was issued. The region of the holding will be maintained in the Instrument Master Table by the administrator.
Asset Class	This field will display the asset class to which the particular holding belongs. The categorization of the holdings into the various assets will be maintained by the administrator in the Instrument Master Table.
Industry	The field 'industry' is pertinent only for securities under the instrument type Equity and Mutual Fund. This field will display the corresponding industry for the selected security as maintained by the administrator in the Instrument Master Table.
Market Cap	Analogous to the field 'Industry' this field is also pertinent only for securities of asset class Equity and will display the corresponding market cap for the selected security. The market cap for the holdings will also be maintained in the Instrument Master Table by the administrator.

After saving at least one entry in this tab, the system enables the 'Update Status' tab.

2.2.11 Check Exposure

Description:

The screen facilitates to analyze the holdings as recommended in 'Rec Portfolio' tab above. The holdings are analyzed in different dimensions like asset class, industry, currency, region, market capitalization and instrument type.

Screen:

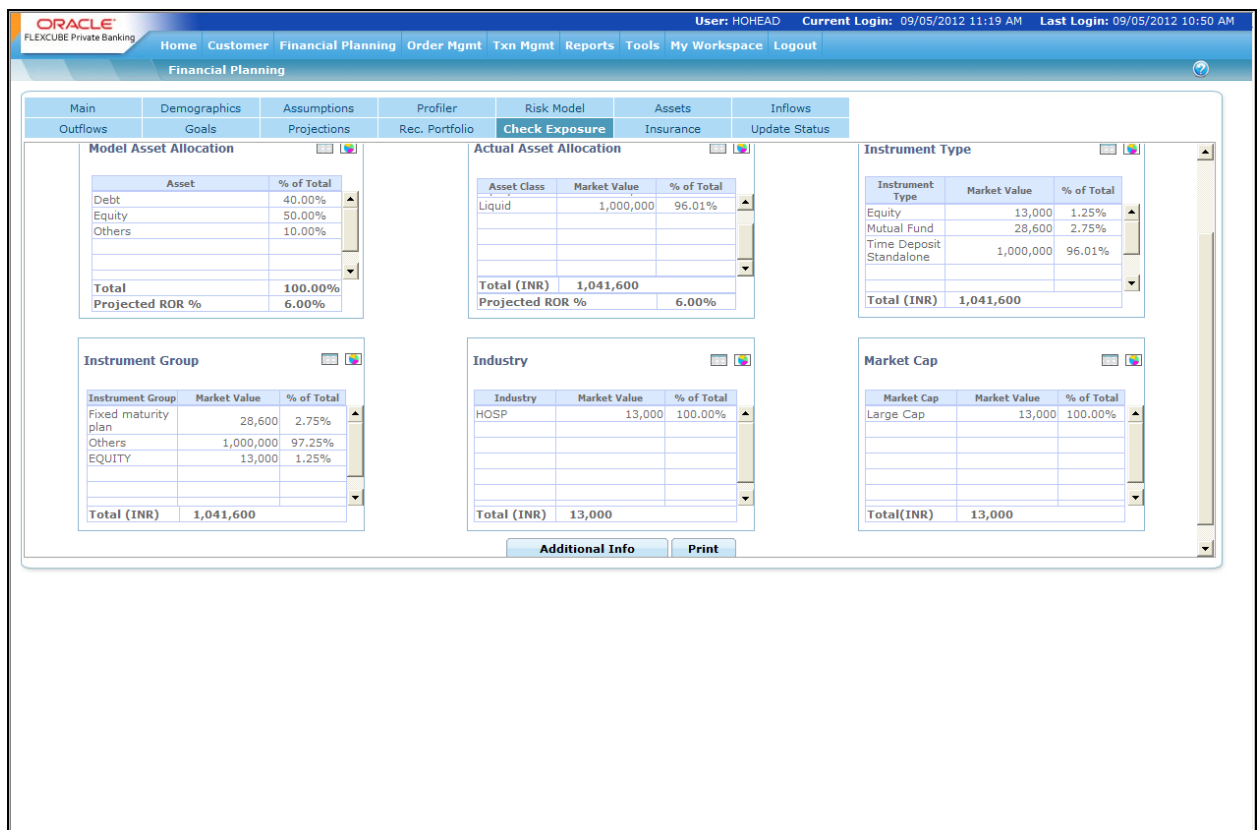


Figure 1.27: Check Exposure Screen

Screen Navigation:

Entry to the screen:



On the main menu

Financial Planning → Check Exposure

How to read the screen:

On the screen the user can multiple graphs. These graphs depict the holdings across different dimensions like asset class, industry, currency, region, market capitalization and instrument type. The computation and analysis of these different dimensions have been discussed in depth in the section on Portfolio Analysis.

Along with the analysis of the holdings in different dimensions the screen also displays the Model Asset Allocation associated with the customer.

Though all the analysis dimensions are represented graphically, the user has been provided with the flexibility to alter each depiction to a tabular view independently. Thus the user can flip between the graphical and tabular view by clicking on  and  buttons respectively for any of the above mentioned dimensions.

For simplicity, we have the abridged the explanation of this screen into two sections. The first table clarifies the fields on the Model Asset Allocation and the second table provides the details on the fields for the various analytics of the recommended portfolio.

In the tables given below, the fields pertaining to the tabular view have been described. The corresponding figures from the tabular views have been used for generating the graphs.

Model Asset Allocation

Field	Description	Type
Asset Class	The asset classes defined in the particular recommended model asset allocation are displayed in this field.	Display only
% of Asset	This field defines the proportion allocated to each asset in the model.	Display only
Total	The total weight assigned to all the asset class would at all times sum up to 100%	Display only

Recommended Portfolio Analytics: The reader of this section needs to understand the concept of decomposition of holdings of collective investment schemes including Mutual Funds and Structured products' as envisaged in FCPB in order to interpret this screen. However, for thorough understanding of the computation methodologies of the fields, please refer to the section on Portfolio Analysis for further details.

Actual Asset Allocation

Field	Description	Type
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Asset Class	<p>All the asset classes of all the instruments that are part of the recommended portfolio of the selected customer are displayed.</p> <p>If the Asset Class Decomposition flag is set to Yes then the Actual Asset Allocation tab displays the Asset Class values after considering sub-constituent values and the graph is also displayed by considering decomposed values.</p> <p>If the flag is set to No then system does not consider decomposed values.</p>	Display only
Market Value	The market value as displayed in the 'Rec Portfolio' tab will be displayed in this screen.	Display only
% of total	<p>Is the percentage composition of the asset under consideration with respect to the total value of all the assets.</p> <p>The sum of the percentages across all the asset class would sum up to 100%.</p>	Display only

Currency

Field	Description	Type
Currency	All the currencies in which the recommended portfolio has holdings are displayed.	Display only
Market Value	<p>Is computed as mentioned in the 'Asset' class analysis.</p> <p>The market value for a particular currency represents the sum of the market values for all the direct and indirectly held securities, in the particular currency denominated in the customer preferred currency at the current / last saved exchange rate.</p>	Display only
% of total	<p>Is the percentage composition of the holdings in a currency under consideration with respect to the total value of all the holdings across all the currencies.</p> <p>The sum of the percentages across all the currencies would sum up to 100%.</p>	Display only

Region

Field	Description	Type
Region	All the regions in which the Recommended portfolio has holdings are displayed.	Display only
Market Value	<p>The market value for a particular region represents the sum of the market values for all the direct and indirectly held securities, in the particular region denominated in the customer preferred currency.</p> <p>The computation methodology is similar to that explained in the previous table on currency exposure.</p> <p>Please note, that a security would be classified to be held in the region 'others', if the instrument master does not capture the region details.</p>	Display only
% of total	<p>It is the percentage composition of the holdings in a region under consideration with respect to the total value of all the holdings across all the regions.</p> <p>The sum of the percentages across all the regions would sum up to 100%.</p>	Display only

Industry

Field	Description	Type
Industry	All the industries in which the equity holdings of the Recommended Portfolio have exposures to are displayed. The industry exposure is considered for all instruments with asset class "Equity" held in the recommended portfolio,	Display only
Market Value	<p>Is computed as mentioned in the 'Asset' class analysis as the market value of all investments covering both direct and indirect holdings in instruments of asset class Equity.</p> <p>The market value is denominated in customer preferred currency.</p>	Display only
% of total	<p>Is the percentage composition of the industry under consideration with respect to the total value of exposures to all the industries.</p> <p>The sum of the percentages across all the industries would sum up to 100%.</p>	Display only

Market Cap

Field	Description	Type
Market Cap	All the segments of the market capital in which the equity holdings of the Recommended portfolio have exposures to. The Market Cap exposure is considered for all instruments with asset class "Equity" held in the recommended portfolio.	Display only
Market Value	Is computed as mentioned in the 'Asset' class analysis as the market value of all investments covering both direct and indirect holdings in instruments of asset class Equity. The market value is denominated in customer preferred currency.	Display only
% of total	Is the percentage composition of the segment of market capital under consideration with respect to the total value of all the segments. The sum of the percentages across all the segments would sum up to 100%.	Display only

The instrument type and Instrument group dimensions are self-explanatory as above.

Apart from these the user has also been provided with the flexibility to view his holdings in various other dimensions as chosen and defined by the administrator. This screen can be accessed by

clicking on the  button provided at the bottom of the screen.



Please note that the market prices used for the analysis are as per the last saved prices while saving the Recommended portfolio, and need not be the latest price.

2.2.12 Insurance

Description:

The screen has been provided in order to facilitate the user to calculate the quantum of life insurance cover needed by the client according to the various inputs given during the process of financial planning.

Screen:

ORACLE
FLEXCUBE Private Banking

User: HO HEAD Current Login: 14/03/2012 2:56 PM Last Login: 14/03/2012 2:46 PM

Home Customer Financial Planning Order Mgmt Txn Mgmt Master Reports Tools My Workspace Logout

Financial Planning

Main	Demographics	Assumptions	Profiler	Risk Model	Assets	Inflows
Outflows	Goals	Projections	Rec. Portfolio	Check Exposure	Insurance	Update Status

Proposal Name: New Prop 3rd May Customer Name: Nit Roovy ?

Inflation rate:

Time Period
0 to 2 Years
2 to 6 yrs
6th yr onwards

Risk Free return: 3 Current Household expenses: 800000

Expenses -on self: ☐ Amount: 100000.00 ☒ %: 12.50 [Insurance Need Analysis](#)

Please Mark Goals that should not be considered for insurance cover calculation

GOALS			
Description	Expected Cost (at today's price)	Time From Now (Years)	
House Purchase	4,000,000	5	<input checked="" type="checkbox"/>
Children Education	1,000,000	10	<input type="checkbox"/>
Total	5,000,000		

[Calculate](#)

Method	Insurance Required (Amt)	Existing Insurance Risk Cover (Amt)	Additional Cover (Amt)
Human Life	1,000,386	2,000,000	0
Peak Liability	0	2,000,000	0
Based On Expenses	4,384,359	2,000,000	2,384,359

Figure 1.28: Insurance Screen

Screen Navigation:

Entry to the screen:

On the main menu:

Financial Planning → Insurance

Capturing the details on this screen:

The first three fields namely inflation rate, risk free return and the current house hold expense (i.e. the total expenses for the current year in which the proposal is being prepared) will be pre-populated by the system and hence will be disabled. The next field i.e. 'Expense – on self' is a mandatory field which allows the user to capture the expenses incurred on self in absolute amount terms or in percentage terms for the current year. The amount captured here has to be less than the amount displayed by the system in the 'current house hold expense' field. This value is used for the calculation of insurance cover using current expense method.

The next field Insurance Need Analysis is a hyperlink on click of which the system displays the Insurance Need Analysis questionnaire as shown in the below screenshot. This hyperlink is visible only if the Insurance Recommendation flag in the Business Parameters is maintained as 'Y'.

The screenshot shows a web browser window titled "FLEXCUBE - PRIVATE BANKING - Popup Insurance Questionnaire - Windows Interne...". The main heading of the form is "Insurance Need Analysis Questionnaire".

At the top of the form, there are two fields: "Customer Name : 10884" and "Customer No. : Nit Roovy".

The form contains two questions:

- 1 Insurance according to you?
 - ☒ Another Investment Avenue
 - ☐ Risk Cover
 - ☐ Risk cover and Investment
 - ☐ Others
- 2 Which type of Insurance policy best covers the risk of uncertainty?
 - ☐ Endowment
 - ☒ Term
 - ☐ ULIP
 - ☐ Others

At the bottom of the form, there are two buttons: "Save" and "Reset".

Figure 1.29: Insurance Need Analysis Questionnaire

Once the responses have been filled, the user needs to click on the Save button to view Insurance Recommendations suggested by the system based on the given responses. The system also displays the corresponding % weightage and the fact sheet for the Insurance instruments recommended.

ORACLE FLEXCUBE Private Banking User: HO HEAD Current Login: 14/03/2012 2:56 PM Last Login: 14/03/2012 2:46 PM

Home Customer Financial Planning Order Mgmt Txn Mgmt Master Reports Tools My Workspace Logout

Financial Planning

Main	Demographics	Assumptions	Profiler	Risk Model	Assets	Inflows
Outflows	Goals	Projections	Rec. Portfolio	Check Exposure	Insurance	Update Status
Method		(Amt)	(Amt)	(Amt)		
Human Life		1,000,386	2,000,000	0		
Peak Liability		0	2,000,000	0		
Based On Expenses		4,384,359	2,000,000	2,384,359		

Insurance Recommendations:

Instrument Name	Currency	Weightage(%)	Fact Sheet
Fidelity Asia Endowment Plan	SGD	34	
Aviva Global Investment Plan	SGD	33	
Prudential Health Insurance Plan	SGD	33	
Total		100	

Instrument Name

Currency

Weightage(%)

Save Add Modify Delete Clear

Figure 1.30: Insurance Screen with Insurance Recommendations

The user can add, modify and delete these recommendations using the lower maintenance section. The % weightage for the recommended instruments should be equal to 100% in order to save it for future reference by clicking on the Save button.

Insurance recommendations already saved can be modified if the proposal is in the Open state. Once the proposal status is changed to 'Accepted by Customer' then no details of the proposal are allowed for modification.

The next table of the Insurance screen lists all the goals entered by the user in the goals tab. The user can select the goals which the client feels would be non-critical in the event of death, hence wants to exclude them for insurance calculations.

After entering all these values the user needs to click on the 'Calculate' button to calculate the insurance cover needed. The system calculates the insurance cover requirement according to following three different methodologies:

Human life value

Peak Liability

Current Expenses

Calculation methodology for the insurance cover requirement:

1. Expense Method

This method includes the following components of expenses and then discounts these using risk free rate of return to calculate the net present value which is the amount of insurance cover needed by the customer.

The total Current Year's inflatable expenses, net of what is attributable to the individual for whom planning is being done. These expenses as defined in the Outflows tab under table "Expenses" in Financial Planning, will be inflated upto the life expectancy of the individual.

Any EMIs on existing loans will be considered up to the respective periods

The total Current Year's Non-inflatable expenses mentioned in the Expenses Table will be considered for the period for which they have been mentioned, without inflating them.

Any specific goal related outflows to be considered in future.

Using the above data the outflows are computed till the life expectancy of the individual, and then discounted using the risk-free rate of return.

Any expenses entered with a future year start, as well as any EMIs for future dated loans will not be considered in the above computations, since the methodology looks at the current situation of the individual.

The following table summarizes various expenses and their treatment for calculating the insurance needed by expense method.

No	Expense Component	Starting in Past Years	Starting in Current Year	Starting in Future Year
1*	Expenses-Inflatable	Yes- Current year onwards (inflated value)	Yes	No
2	Expenses-Non Inflatable	Yes- Current year onwards	Yes	No
3	Contracted Inv o/f	No	No	No
4	Loans – Annual EMI	Yes- Current year onwards	Yes	No
5	Goals – (Total inflated value to be considered in respective year)	if chosen to be included	if chosen to be included	if chosen to be included

Insurance cover = $i=0 \sum_{i=\text{No.of.yrs}} [\text{Total Expenses for the year} / ((1 + \text{Risk_free_returns \%})^{\text{No. of yrs}})]$

Where the Total Expenses have been calculated as detailed above.

2. Human Life Value Method

Compute the yearly income for self for each year till life expectancy as defined in the Inflows Tab. Compute the Present value of Income for self based on Risk free rate of return% as given in Assumptions for each year. The present value is computed for each year as long as data is available for income of self. The Insurance cover required is the sum of present values computed for each year.

Insurance cover = $i=0 \sum_{i=\text{No.of.yrs}} [\text{Income of SELF for the year} / ((1 + \text{Risk_free_returns \%})^{\text{No. of yrs}})]$

Where, No. of yrs = Life expectancy year – Proposal Start Year

Ex:

Current proposal start year – 2009

Current age: 35 Yrs & Life Expectancy: 75 Years

No. of years = (2009+40) - 2009 = 40

If proposal year now changes to 2010, No. of years to be used in the HLV formula will be 39 years

3. Peak Liability Method

In this method, the Projections are computed with only those goals that are valid even in the event of the customer's death. These goals are selected by customer in the main page. If the Shortage/Surplus is negative in any year, then Peak Liability cannot be computed. If Surplus is positive for all the years, the highest loan outstanding amount will be determined as "Peak Liability Insurance Coverage".

The subsequent table generated on the click of the calculate button lists the following three values for each of these insurance cover calculation methodologies:

Insurance Required (Amount): The calculated value of the insurance cover needed by the client.

Existing Insurance Cover (Amount): the value of existing insurance covers as entered by the client in the 'Assets' tab.

Additional Cover needed (Amount): This displays the excess of insurance cover needed over the existing insurance of the client. In case the insurance cover needed is less than the existing cover zero is displayed.

The system stores the responses of the user on this screen and these are displayed when the user re-enters this screen. However these can be modified, and the insurance requirements recomputed.

Peak liability method of computing insurance requirement looks for highest loan outstanding amount in the lifetime of the customer gets impacted when there is a year roll over as the years to goal has to be resubmitted by user. If there is a loan taken to meet the goal expenditure then the loan computation too gets redone as the no. of years to goal gets changed.

2.2.13 Update Status

Description:

The screen has been provided in order to facilitate the user to update the status of the proposal as it advances through the various stages of creation and approval.

Screen:

Figure 1.31: Update Status Screen

Screen Navigation:

Entry to the screen:

On the main menu

Financial Planning → Update Status

Capturing the details on this screen:

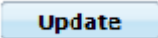
The system displays the system generated proposal no. in the Proposal No. field. The Proposal Version field determines the type of proposal to be generated for the selected client based on the flag selected at Client Segment master. The user gets to choose the version of proposal he/she wants either short or long only if allow version flag in Client Segment Master is set to Yes. The field 'Update Status' facilitates the user to update on the current status of the proposal. The user has the flexibility to update and track the status of the proposal right from its creation to the reception of the final consent from the customer. Each proposal created by the user will be defaulted to the status 'Work In Progress' until and unless it is updated by the user to the next status. The different statuses to be selected by the user are provided as a drop down list.

Please note, that the different statuses to be provided in this screen can be maintained as required by the bank based on its process. While defining the status of evolution of the proposal, it is possible to categorize and flag each status into either "open" or "closed" state. Once a proposal status has been updated to a state that is "Closed", it will not be possible to modify this proposal other than changing its status further to another one. It is also possible to define for each status whether the Print button should be enabled or not. The following table displays the default statuses and their corresponding flag of open/close, print/no print as currently defined in the system

Sr.No	Status	Open/Close	Print (Y/N)
1	Work In Progress	Open	Y
2	Sent To Customer	Close	Y
3	Rejected By Customer	Open	Y
4	Accepted By Customer	Close	Y

Consider the following case where the status of the proposal is updated to 'Sent To Customer'. This status has the 'close' status flag enabled and hence will restrict the user from modifying the proposal, so that, while the proposal is still being reviewed and considered by the Customer, the user should not be allowed to modify the proposal. If the customer disagrees to the proposal, the user should be allowed to review and modify in accordance with the customer's needs. Hence the status 'Rejected By Customer' will have the open flag enabled. Once the proposal is finally accepted by the customer, the system should restrict the user from modifying the proposal. Hence the close flag has been enabled for such status.

The final field in this screen is 'Notes', which has been described earlier.

After having updated the status the user will then proceed to click on the  button. The system generates the appropriate proposal depending on the Proposal Version specified.

The content of the proposal generated is based on the sections specified in client segment master. If a section is to be included as per master and the user has not entered any data for that section, then a blank page for that section is generated and included in the final proposal.

If the users tries to access any of the preceding tabs without clicking on the save button, the user will be prompted with a confirmation message for saving the data. Depending on the status and its associated flag of Print (Y or N), the subsequent 'Generate Report' button will be enabled.

2.2.13.1 Generate Proposal

Description:

Clicking of this button will result in the opening of the proposal in the 'pdf' format. The proposal so generated can be either saved by the user in the local machine or can be printed using the print command.

How to read the report:

The look and feel of the report generated by the Financial Planning module can be customized in accordance with the Bank's requirements and standards. This includes the logos, font, colors and size, Disclaimer text content, header/footers, and introductory text for each section where applicable. The report has several sections, more or less in line with the tabs as explained above.

The Header in each page of the proposal displays the Logo of the Bank on the Left Hand side corner and the name of the bank on the right hand side corner. The footer includes the caption 'Confidential' in the left most corner, followed by the proposal name displayed in the middle followed by the page number on the right most corner. The Header and footer will remain unchanged throughout the proposal with only the page numbers being reflected incrementally.

At the end of each page, beginning from the 'Client Information' section to the section on 'Recommended Portfolio' the proposal will indicate a box for capturing the signature of the customer.

Let us now proceed to understand the data displayed in each page of the proposal

Cover Page: It displays the customer name and the proposal id. The Customer name will be obtained and displayed from the tab 'Demographics'. On the other hand, the 'Proposal Id' actually reflects the Proposal name, the data of which will be obtained from the tab 'Main'.

Apart from the above data, the cover page also reflects the author of the proposal and the date of generation of the proposal. The name of the author or the Relationship Manager, under the supervision of whom this proposal was generated, will be obtained from the log in information.

The images currently displayed on the cover page can also be customized and changed in accordance with the needs of the Bank during the deployment of the module.

Disclaimer: The next page includes a Disclaimer as defined by the Bank.

Table of Contents: This section provides the complete index of the entire report, including the section headers/sub-headers and the page numbers.

1. **Introduction:** This section is again customizable by the Bank during the deployment of the module. This section provides a gist of the proposal to the reader. This section also includes the name of the Relationship manager which will be obtained from the log in information.
2. **Client Information:** This page displays the information of the customer as captured in the 'Demographics' tab. The fields displayed in this section have been enumerated below

Name: The complete name of the customer will be displayed in this field. The sequence of depiction would be as

Salutation → followed by the first name → middle name → the last name of the customer

Address: The complete address, including the city, state, country and pin id of the customer address will be displayed.

Contact Numbers: All the three contact numbers viz, residential, office as well as the mobile number will be displayed in three separate fields.

Email id: The email address as captured in the 'Demographics' tab will be displayed in this field.

Date Of Birth: As the name states the birth date of the customer will be displayed in this field

Preferred Currency: Displays the customer preferred currency

Next Review Date: Displays next investment review date. This is applicable only for the proposals generated for FCPB customers and not for the prospects.

Dependants: The name, relationship and the date of birth of the dependant are displayed in this field.

Scope of the Financial Plan: The check boxes illustrate whether the plan is for the customer alone or considering the entire household.

The fields which had been left unfilled by the user during data capture will be displayed with 'N/A'.

3. **Key Assumptions:** The start of the section displays text which can be customized in accordance with the needs of the Bank during deployment. The remaining section depicts the data agreed upon by the customer in the tab 'Assumptions'. The data demonstrated includes

Life expectancy age of the customer in years

Retirement age of the customer in years

Retirement age of the spouse in years

Inflation rate expressed as percentage per annum

Risk free rate of return expressed as percentage per annum

This section also includes the table defining the annual rate of return, and order of liquidation across all the asset classes. The data for these attributes will also be retrieved and displayed from the 'Assumptions' tab. The additional information displayed in this table is the percentage of allocation desired by the customer for any cash surplus, as defined by the customer in the Assets tab.

The bottom most section of this page displays the 'Advisor Comment' text box. The text displayed in this section will be retrieved from the field 'Notes' in the tab 'Assumptions'. The section will remain blank, if the user had left the field unfilled while capturing data.

4. **Risk Profile:** This section of the document displays the various risk categories currently classified and maintained by the Bank. This page also enlightens the customer about each of the risk scores and the characteristics / investment approach advisable for each of them. All the various risk scores and their corresponding descriptive details can be maintained by the administrator in the section on Risk Score in the Admin Module. Descriptions separated with inverted comma separator will be printed in separate lines.

Amongst the other risk score and their corresponding description, the risk score identified for the customer in the tab 'Risk Profiler' will be highlighted, facilitating the customer to identify the risk score as determined by the responses to the questionnaire. But if the risk profile of the customer was changed from what the system derived due to customer's wish, a note mentioning the same will be displayed at the end of this page.

5. **Current Financials:** This section demonstrates the customer's current investments and their corresponding value. Again, the topmost section displays text which can be customized by the Bank during deployment. The text also includes the value date as of which the asset data was captured. This will default to the proposal generation date as discussed on the section 'Cover Page'.

The remaining part of this section displays a table and the 'Current Asset Allocation' and 'Current Investable Surplus Allocation' graphs.

The subsequent field will display the current insurance coverage value of the customer which will also be retrieved and displayed from the same tab 'Assets'.

The bottom most section of this page also displays the 'Advisor Comment' text box. The text displayed in this section will be retrieved from the field 'Notes' in the tab 'Assets'.

6. **Details of Income/Inflows:** The topmost section displays an income graph which will be extracted from the tab 'Inflows'. The remaining section displays three tables, demonstrating the 'Net Income for Self', 'Net Income for Spouse' and 'One Time Inflows'. The table and the corresponding data depicted will be the same as was displayed /captured in the tab 'Inflows'.

The Bank has been provided with the flexibility to add explanatory text wherever required. This can be achieved during the deployment of the module.

The bottom most section of this page also displays the 'Advisor Comment' text box. The text displayed in this section will be retrieved from the field 'Notes' in the tab 'Inflows'.

Details of Expense: The start of the section displays text which can be customized in accordance with the needs of the Bank during deployment. The following section displays the graph illustrating the total expenses of the customer till the life expectancy age of the customer. This graph will be extracted and portrayed from the 'Outflows' tab. In the remaining section three tables are extracted and displayed from the 'Outflows' tab. The information captured in the table 'Expenses' in the tab 'outflows' will be displayed in the table titled 'Living Expenses' in the proposal. Similarly the information captured in the tables 'Contracted Investment Outflows' and 'Loans/Lien' will be displayed in the tables 'Contracted Investments' and 'Contracted Liabilities' respectively in the proposal. These two tables have been classified and displayed under the sub section 'Financial Outflows' in the proposal.

The bottom most section of this page also displays the 'Advisor Comment' text box as detailed before.

Financial Goals: This section displays the table from the tab 'Goals'. The information on the loans to be undertaken by the customer for fulfilling the goals will be excluded from being displayed in the proposal in this section but included in a subsequent section on recommendations.

7. **Cash Flow Projections (As Is):** The table in this section displays the asset level and the networth of the customer till his life expectancy age. Both these attributes will display the projections as per the current investment and income/outflow conditions of the customer. The column 'Asset Level (As is)' displayed in the tab 'Projections' will be included in the section. The proposal displays an additional table 'Networth', the values for which will be deduced as the difference between the asset level and the loan outstanding amount.
8. **Goals Fulfillment (As is):** This section displays a table indicating the age at which the customer would attain maximum networth as per the existing investments and other income/outflow conditions. The table also displays the networth at the life expectancy age. The first graph displays the total income and total expenses till the life expectancy age of the customer considering the customers current conditions and investment behaviour. This graph will be displayed from the tab 'Goals'. The second graph compares the asset level as per current conditions and the asset level that could be achieved on conforming with the recommendations of the Relationship Manager. The second graph will be displayed from the section 'Projections'.

The bottom most section of this page also displays the 'Advisor Comment' text box. The text displayed in this section will be retrieved from the field 'Notes' in the tab 'Goals'.

As mentioned in the other sections, this section too starts with a text message which can be customized in accordance with the needs of the Bank during deployment.

9. **Recommendations for Goal Fulfillment:** The first table displayed in this section displays the model asset allocation recommended for the customer. Adjacent to the table is a pie chart depicting the same distribution.

If the customer specific model is selected while creating the FP proposal, the system displays the note in this section as “Recommended asset allocation is as per the customer specification” This is applicable for FCPB customers as well as for FP prospects. .

The second table in this section displays the asset level (recommended). The data for this table will be from the tab ‘Projections’. The proposal displays an additional table ‘Networth’, the values for which will be deduced as the difference between the asset level and the loan outstanding amount. As mentioned for the other sections, this section too starts with a text message which can be customized in accordance with the needs of the Bank during the deployment of the module.

The next table indicates the age at which the customer would attain maximum network on complying with the Relationship Manager’s recommendations. The table also displays his network at the life expectancy age in accordance with the recommendations.

A provision has been made to display the recommendations on the various insurance coverage options and their corresponding coverage value as calculated in the Insurance tab.

The bottom most section of this page also displays the ‘Advisor Comment’ text box.

10. **Recommended Portfolio:** The content of this section will vary depending on the type of customer for whom the proposal is being made. All the customers will observe the recommended holdings in different dimensions such as currency, region, industry and market cap. These different dimensions of the holdings will be retrieved from the ‘Check Exposure’ tab.

FCPB also displays the instrument-wise recommended portfolio details, along with the current holdings for those customers who have holdings booked in the Portfolio module in FCPB. This table indicates the amount for each security that the customer should buy or sell to bring the holdings to conform with the model portfolio. This is displayed as Annexure III. The recommended asset allocation is displayed for all the customers irrespective of whether they have any holdings with FCPB or not.

For a prospect, or customer without any holdings, the inclusion of the detailed model portfolio with names of instruments and % holding recommended, will depend on the value of the flag “Print recommended portfolio in FP” Y/N in Bank Parameters.

11. **Proposal Acceptance:** This is the section of the proposal, where the customer can provide the consent and acceptance of the proposal. Provision has been made for the customer to enter name, signature, date and place for accepting the proposal.

As mentioned for the other sections, this section too has text messages which can be customized and included in accordance with the needs of the Bank during the deployment of the module.

12. **Insurance Recommendation:** This section of the proposal displays the Insurance Recommendation questionnaire along with the customer responses and the corresponding insurance scheme recommendations saved in the insurance tab of financial planning.
13. **Annexure:** Additional essential information to be presented to the customer can be included in this section.

Annexure I: This annexure shows the risk profile questionnaire and the customer's response for the same. The information for this section will be retrieved from the tab 'Risk Profiler'.

Annexure II: A pre defined glossary is displayed in this section which can be re-defined and included during the deployment of the module.

Annexure III: This section will be displayed only for the customers having holdings in FCPB. It will display the recommended portfolio along with the customer's current holdings.

The closed financial planning proposals generated are also saved into a reporting repository for future retrieval.

2.3 **Link Goals to Portfolio**

Description: Once the financial plan is approved and implemented by customer, financial goals are tracked against the portfolios to determine whether the investment strategy adopted is working correctly in order to achieve the goals in defined time period.



The user links the specific portfolio against a financial goal using the Link Goals to Portfolio screen and then the projected performance of the portfolio is observed to track the goals. The same portfolio can be linked to multiple goals however each goal can have only one portfolio attached to it.

User Access levels:

RM: The screen is accessible only by the RM user to link the goals to appropriate portfolio.

Screen:

Figure 1.33: Proposal Name pop-up Window

In order to select the appropriate proposal to be linked to the desired goal, select the proposal from drop-down list as shown above in the Proposal Name pop-up window. All the available goals will appear in the list. Click on the  icon to select the goal and update the details by clicking on the  button. This goal will now appear in the Link Goals to Portfolio screen and the user can link the desired portfolio to the same as explained earlier.

Field	Description	Mandatory
Customer Name	Displays the name of customer	
Display Section		
View	Enables the user to select the appropriate goal to be linked to the portfolio	
Linked Portfolio	Displays the name of portfolio to which the goal is linked	
Goal	Displays the name of goals defined in the system for the selected customer	
Goal Year	Displays the year in which the corresponding goal would be met	
Goal Value	Displays the value of the corresponding goal in Goal Year	

Proposal Name	Displays the name of proposal in which the goal is defined	
Modify/Edit Section		
Portfolio	Enables to select appropriate Portfolio from the drop-down list	Y
Goal	Displays the name of goal	
Goal Year	Displays the year in which the selected goal would be met	
Goal Value	Displays the value of the selected goal in Goal Year	
Proposal Name	Displays the name of proposal for the selected goal	

Click on the Save button to save the details entered.

2.4 **Track Goals**

Description: Once the goals are linked to portfolios, they can be tracked using the Track Goals screen. In the screen, the portfolios linked to goals are projected to future goal years to determine whether they grow up to the goal value in defined goal year. The current RoR of the linked portfolio is used to project the portfolio value in the goal year. The screen also displays the appropriate shortage/surplus in the goal year which helps the user to understand whether the customer is on right track to meet the defined financial goals.

User Access levels:

RM: The screen is accessible by the RM user to track the defined financial goals.

Customer: The screen is also accessible by the customer to track the financial goals.

Screen: RM Login

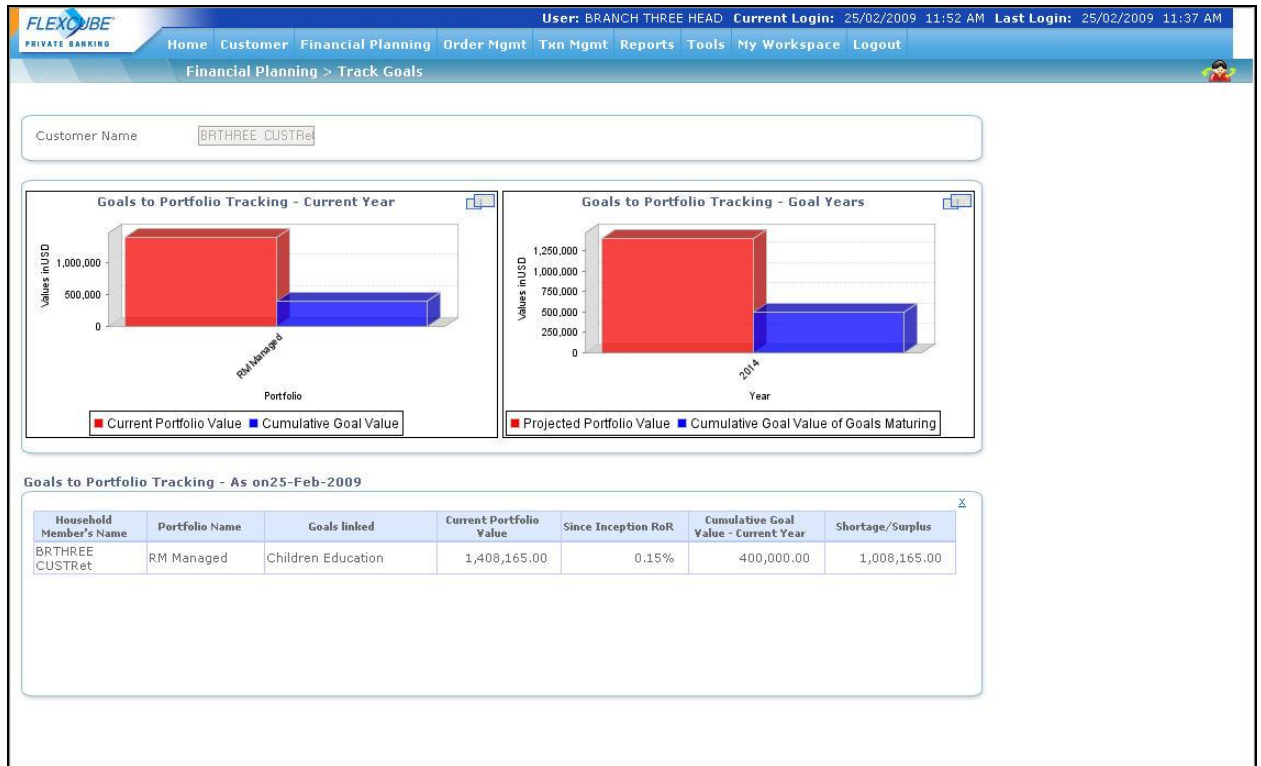



Figure 1.34: Track Goals – I Screen

Screen Navigation:

Login to the system as RM user and select Financial Planning → Track Goals and click on the  icon located at top right hand side corner of Goals to Portfolio Tracking – Current Year chart.

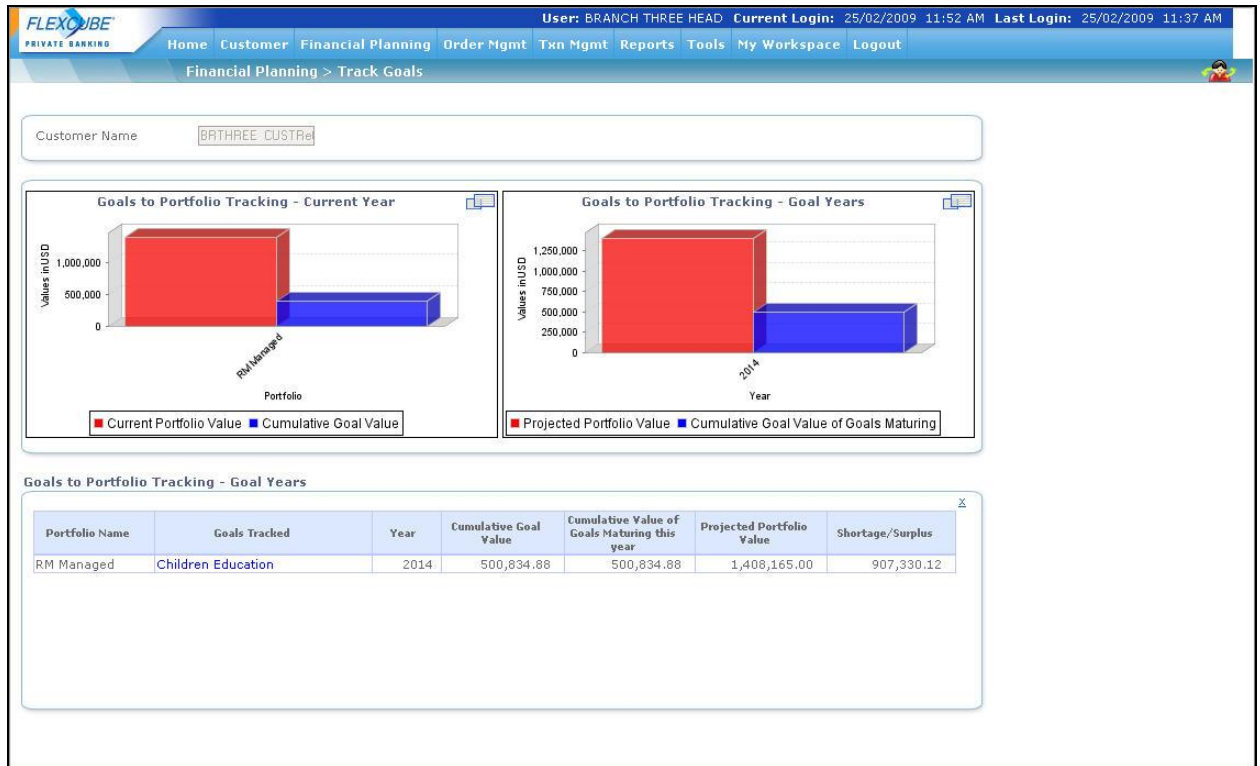



Figure 1.35: Track Goals – II Screen

Screen Navigation:

Login to the system as RM user and select Financial Planning → Track Goals and click on the  icon located at top right hand side corner of Goals to Portfolio Tracking – Goal Year chart.

STOP Goals to Portfolio Tracking – As on date and Goals to Portfolio Tracking – Goal Years tabular sections with detailed data do not appear simultaneously. At any point of time only one table appears by clicking on the respective pop-up icons.

The Goals to Portfolio Tracking – Current Year chart displays Linked Portfolio Names on x-axis and Cumulative Goal Value – Current Year & Current Portfolio Value on y-axis respectively wherein the Goals to Portfolio Tracking – Goal Year chart displays Goal Years on x-axis and Cumulative Goal Value of Goals maturing at Goal Year & Projected Portfolio Value on y-axis respectively.

Field	Description	Mandatory
Customer Name	Displays the name of the selected customer	Y
Select Member	Enables the user to select the household member from the drop-down list	Y

Goals to Portfolio Tracking – Current Year		
Household Member's Name	Displays the name of the Household member name selected to track the goals	
Portfolio Name	Displays the name of the portfolio to which goals are linked	
Goals Linked	Displays all the goals linked to the portfolio	Y
Current Portfolio Value	Displays the latest portfolio value	Y
Since Inception RoR	Displays the since inception RoR of the portfolio	Y
Cumulative Goal Value- Current Year	Displays the sum total of all CURRENT YEAR GOAL VALUES of the goals linked	Y
Shortage/Surplus	Displays shortage/surplus for the selected goals in current year with respect to the portfolios they are linked	Y
Goals to Portfolio Tracking – Goal Years		
Portfolio Name	Displays the name of the portfolio to which goal/s are linked	
Goals Tracked	Displays all the goals linked to the portfolio	Y
Year	Displays the year in which the linked goal occurs	
Cumulative Goal Value	Displays the sum total of all CURRENT YEAR GOAL VALUES of the goals linked	Y
Cumulative Value of Goals Maturing this year	Displays the sum total of all the goals maturing in year mentioned under Year column	Y
Projected Portfolio Value	Displays the portfolio values projected to the goal year	Y
Shortage/Surplus	Displays the shortage/surplus for the selected goals in current year with respect to the portfolio they are linked	Y

Customer Management

Introduction

Customer Management allows Relationship Managers to track essential information about their clients and their accounts. This includes contact information, personal information and account management specifications (trading account and bank account).

Source of Data

Client and Account records can be manually entered from the front end or uploaded from an external system that maintains the gold copy of customer data. FLEXCUBE Private Banking (FCPB) facilitates an interface with the core banking system whereby customer and account details can be retrieved and pulled into FCPB using the customer reference number as maintained in the core banking system. However, this data may also require supplemental editing of the records to update the FCPB related attributes like customer segment, assigned RM / Financial Advisor, details of accounts held, personal information like anniversary date, dependent information, their relationship and birthdates, key characteristics about the customer including hobbies, awards/achievements and other interests.

FCPB also facilitates the updating/ modification of personal information of the customer through front end screens like Demographics, Bank details, Trading a/c details, Investment Profile & Additional Information.

Key Features

Features	Further Information
Creation and Maintenance of profile	Section on page
Maintaining bank and trade account details	Section on page
Maintaining Investment profile of the customer	Section on page
Capturing the Customers risk model profile Associating the customer to a model portfolio	Section on page
Maintaining the Investment restrictions of the customer.	Section on page
Associating other customers in order to achieve Household view.	Section on page

Change customer functionality	Section on Page
Customer Reports	
Reporting Repository	
Customer Dashboard	

2.5 **Create Customer Profile**

Description:

The profile of an existing bank customer can be retrieved from the banks database using the Customer reference number. As the retrieved information would be restricted to the extent available in the bank's database, the user will need to supplement additional information in the fields pertaining to FCPB. For the new customers of the bank, the user needs to manually enter all the relevant information.

FCPB supports the creation of customer in two different ways. In the first approach, the system permits only the RMs to create and maintain the customer's profiles and the compliance approval is not required for that. Thus it is mandatory for the customer to approach the RM for any maintenance editing to be done on his profile. The customer can however view his profile, once created, through a non editable screen.

The second approach, which is introduced in FCPB system requires compliance approval for customer creation based on the flag "Compliance approval required Y/N" added in the Bank Parameters.

The Customer creation process when the compliance approval flag is Y consists of three steps:

Step 1:

The prospect demographic, personal, financial and background details are captured in the Create Customer screens of FCPB. The necessary risk profiling is also done and the user sends the CIF for compliance approval.

Step 2:

The compliance goes through the customer details and either declines or approves the customer through FCPB. Once approved, selected details of the customer are sent to FCUBS for customer account creation.

Step 3:

FCUBS sends back a confirmation of account creation and the customer gets activated in FCPB.

User Access levels:

RM: can capture the information on the customer's profile.

Customer: has to approach an RM to create his profile.

Screen:

ORACLE
FLEXCUBE Private Banking

User: Abhishek Lodha Current Login: 23/11/2012 12:02 PM Last Login: 12/11/2012 11:47 AM

Home_fr Customer_fr Financial Planning_fr Order Mgmt_fr Txn Mgmt_fr Master_fr Reports_fr Tools_fr My Workspace_fr Logout

Customer > Create Customer

External Reference Id →

Demographics Personal Finances Background

< **First Holder**

Salutation Select

Middle Name

Client Type Single_fr

DOB

Occupation Select

Income Tax ID

Phone (Home)

Mobile

Address (Resi.)

Address line 1

Address line 2

Address line 3

City Select Country

Zip Select State

Initiation Date 10/07/2012

Relationship Manager Abhishek Lodha

First Name

Last Name

Client Entity Prospect_fr_fr

Gender ☐ Male ☐ Female

Citizen of Select Country

Phone (Office)

Fax

Address (Work)

Address line 1

Address line 2

Address line 3

City Select Country

Zip Select State

Acquisition Date

CIF Status Work in Progress

Save Clear

Figure 2.1: Create Customer - Demographics Screen

ORACLE
FLEXCUBE Private Banking

User: HO HEAD Current Login: 02/03/2012 3:36 PM Last Login: 02/03/2012 3:34 PM

Home Customer Financial Planning Order Mgmt Txn Mgmt Master Reports Tools My Workspace Logout

Customer > Create Customer

External Reference Id

Demographics Personal Finances Background

Address (Mailing)

Address line 1

Address line 2

Address line 3

City

Zip

Mobile (Main)

Client Country of Business

Marital Status ☐ Single ☒ Married

Place of Birth

Email Addresses

Email Address 1

Email Address 2

Email Address 3

Email Address 4

Professional Investor

Special Category Client

Passport Number

Passport Expiry

Telephone (Main)

Fax (Home)

Client Domicile

Number of Children

Hobby

Sports

Save Clear

Figure 2.2: Create Customer- Personal Screen

FLEXCUBE
PRIVATE BANKING

User: HO HEAD Current Login: 01/09/2010 6:18 PM Last Login: 01/09/2010 6:14 PM

Home Customer Financial Planning Order Mgmt Txn Mgmt Reports Tools My Workspace Logout

Customer > Create Customer

External Reference Id

Demographics Personal Finances Background

Account Structure

All Amounts in INR

Contact Person	Corporate Director	Shareholder/Beneficial Owner %	Authorized Signatory

Financial Position

Assets	Amount	Income
Equity	500000	50000
MF	300000	25000

Liability Type	Amount	Expense Type	Amount
Loan	200000	Household	25000

Save Clear

Figure 2.3: Create Customer- Finances Screen

External Reference Id →

Demographics **Personal** **Finances** **Background**

Client Background

Business Background

Software Consultant

Save Clear

Figure 2.4: Create Customer- Background Screen

FLEXCUBE - PRIVATE BANKING -... [Min] [Max] [Close]

Select CIF

10322	10329
10323	10330
10326	10331
10327	10332
10328	10333

◀ ▶

Cancel

Figure 2.5: Select CIF pop up

Screen Navigation:

Entry to the screen:

Select the “Customer” option on the main menu


→ Create Profile


Entering the details of the profile creation screen: As seen the screen is divided under four main tabs.

- Demographics
- Personal
- Finances
- Background

The Demographics tab is divided into following sections. Primary holder, Preferences, Introducer’s details & Guardian/authorized signatory. While most of the attributes of the profile can be maintained, there are a few attributes (such as date of birth of the customer, the customer acquisition date and the name of the RM) that cannot be maintained once entered and saved.

Whether a field is mandatory or optional, will be defined in the Field Access Controller screen in Admin Login, which will allow a Bank to configure the mandatory nature of the fields for Create Customer screen.


Enter the data for Personal, Finances and Background tabs and save the details. After all the valid inputs into all the mandatory fields are entered, the profile can be saved by clicking the  button. The system displays the Select CIF window and enables the user to select the desired CIF.

Click  to clear all the details entered in the screen. To access any other screens please use the top horizontal menu bar.



The fields have been briefly described below:

PRIMARY HOLDER

Field	Description	Mandatory
External Reference Id	This field serves as the linking attribute between the Core Banking system and the FCPB. The number entered in this field will be used to retrieve the Customer’s profile information from the core banking database. The data so retrieved will be populated in the relevant fields.	N
Demographics tab		
Salutation	This field provides you with a list of salutations with an option to choose one of the values provided.	N

First Name	Please enter the first name of the customer in this field.	Y
Middle Name	Field is provided to capture the middle name of the customer.	N
Last Name	The last name of the customer can be updated in this field.	N
Client Type	This field defines whether the customer to be created is a single entity or part of a group.	
Client Entity	This field enables the user to define whether the customer to be created is Prospect, Customer or Contact Person. When the Compliance Approval flag in Bank Parameters is set to Y, the default value for this field is Prospect and becomes editable. When the flag is set to N, the default value for this field is customer and the field is not displayed.	Y
DOB	<p>The date of birth of the customer should be captured in this field. Please note that this is a non maintainable field and hence once saved cannot be modified.</p> <p>The calendar for selecting the date has been provided adjacent to this field. Click on the icon  , in order to open the calendar.</p> <p>The system will restrict the user from capturing a date greater than the current business date as the date of birth of the customer</p>	N
Gender	Radio button has been provided against each of the options viz., male and female.	N
Occupation	<p>The next field provides with a list of occupations in a drop down list to be selected.</p> <p>Please note though some of the fields in this screen are not mandatory, it is always advisable to capture virtually all the information. Some of the fields, for instance 'occupation' can be mandatory while initiating investments for certain instruments like Mutual Funds. As FCPB does not validate the sufficiency of such data prior to the RM's initiating any orders through this system, the orders so initiated could be rejected by the registrar due to insufficiency of data.</p>	N
Citizen of	Enables the user to select the customer citizen country..	N

Income Tax Id	This field has been provided to capture the customer identification number e.g., PAN number for India or SSN for US. The system checks for the duplication of Income Tax Id, therefore will not allow saving Income Tax Id in duplicate.	Yes
Email	This field indicates the email address of the customer	N
Phone (Home) / (Office)	<p>The next two fields capture the residential and official contact numbers of the customer. Though it is mandatory for the user to capture the residential contact number, the official contact number is an optional field.</p> <p>Again though this field does not validate the adequacy of the number provided, it is advisable to enter the number as per the international practice of starting with the country code followed by the area code and then finally the number.</p>	<p>Home –Y</p> <p>Office - Optional</p>
Mobile	Capture the mobile number of the customer in this field. Again, users should follow the standards mentioned in the preceding fields.	N
Fax	Indicates the fax number in this field.	N
Address(Resi)/(Work)		
Address 1 – Address 3	The system provides three separate text fields to enter the residential and work address of the customer. The Address (Resi) is mandatory whereas Address (Work) is optional field.	
City	A field has been provided for capturing for both the residential as well as the official address. This is a free text field.	<p>Residential –Y</p> <p>Office – N</p>
State	The list of states provided in this field is based on the Country selected by the user. A field each has been provided for capturing both the residential as well as the official address.	<p>Residential –Y</p> <p>Office – N</p>
Zip	The next field has been provided to capture the pin or the zip or any other equivalent area code of the address. Again, a field each has been provided for capturing for both the residential as well as the official address.	<p>Residential –Y</p> <p>Office – N</p>
Country	This field is a dropdown field. It is mandatory for the user to select a country from the list of values provided in the list. A field each has been provided for capturing for both the residential as well as the official address.	<p>Residential –Y</p> <p>Office – N</p>

Initiation Date	This is a display field. This is the date on which the Customer Creation process is initiated. The system will default this field to current business date.	
Acquisition Date	This is the date on which the Customer account is created and the intimation of the same is received from FCUBS. .	Y
CIF Status	When the Compliance Approval Required flag is set to Y, the system defaults the status of the customer to Work in Progress And non-editable. When the flag is set to N, the defaults the status to Active and editable.	Y
Relationship Manager	This field will default the name of the RM who has logged in. The RM can however disengage the customer from the defaulted RM by opting for any other RM. This can be achieved by searching for the new RM by clicking on the  button provided adjacent to this field. Analogous to the age and acquisition date field, this field too is non maintainable field.	Y
Home Branch	This field is to attach a Home branch to the customer. By clicking on the  button provided adjacent to this field a home branch can be set for the customer.	N
Client IT type	The user can select IT type for the customer in this field. Different IT types are displayed in the drop down list in the field. If the user selects "Minor" as Client IT type then the guardian details are mandatory in "Signatories".	N

PREFERENCES

Field	Description	Mandatory
Primary Address: Resi/Work/Mailing	<p>The user can opt for the primary contact address in this field. The screen provides with three radio buttons for each of the options viz., Residential, Work and Mailing.</p> <p>Please ensure while selecting the radio button, to have the information for the corresponding option in the above fields.</p>	Y. On selecting the address viz., work or residential as the primary address, it is mandatory for the user to capture the corresponding data for the opted address. For instance, if the user opts for work address as the primary address, then it is mandatory for the user to capture the work address of the customer.
Client Segment	The user can select the appropriate client segment from the Client Segment drop-down list.	Y
Client Currency	<p>The user can select the customer preferred currency. The currency in this field will be utilized for displaying all the analysis and performance computation of the customer's holdings.</p> <p>The currency once chosen for the customer cannot be modified. The field will default to the bank currency</p>	Y
Client Category	Enables to select appropriate client category from the drop-down list	
Client Classification	Enables to select appropriate client classification from the drop-down list.	

Communication Mode	The next field provides with the option to select the preferred mode of communication. The customer will be communicated for all the further references through the chosen mode.	Y. On selecting a mode from the drop down list, it is mandatory for the user to capture the corresponding data for the opted mode. For instance, if the user opts for email as the mode of communication, then it is mandatory for the user to capture the email address of the customer.
Communication mode for statement	The field enables the user to select the appropriate mode for sending the statements.	
SMS	If the SMS option is selected, the Mobile No. field is mandatory.	
Email	If the Email option is selected, Email field in the Demographics tab and the Email Address 1 field in the Personal tab are mandatory.	
Fax	If the Fax option is selected, the Fax field in the Demographics tab and Fax (Home) field in the Personal tab are mandatory.	
Physical	If the Physical option is selected, the Mailing Address field in Demographics tab and Address (Mailing) field in the Personal tab are mandatory.	
Hold	If the Hold option is selected, the system does not check for SMS, Email, Fax and Mailing addresses and customer will not receive advice/statement.	
Preferred Language for Statement	If the field is made mandatory in Field Access Controller, the user needs to select the appropriate language option from the drop-down list. If the field is non-mandatory, the user can proceed without selecting a particular language option from the drop-down list.	Y

Communication mode for advices:	The field enables the user to select the appropriate mode for sending the advices.	
SMS	If the SMS option is selected, then the Mobile No. field is mandatory.	
Email	If the Email option is selected, then Email field in the Demographics tab and the Email Address 1 field Others tab are mandatory.	
Fax	If the Fax option is selected, then the Fax field in Demographics tab and Fax (Home) field the Others tab are mandatory.	
Physical	If the Physical option is selected, the Mailing Address field in Demographics tab and Address (Mailing) field in the Personal tab are mandatory.	
Hold	If the Hold option is selected, the system does not check for SMS, Email, Fax and Mailing addresses.	

INTRODUCER DETAILS

Field	Description	Mandatory
Introducer Type - Other/External/Internal	Enables the user to select the appropriate Introducer category	Y
Name	The user has the option to capture the introducer's name in this field	N
Contact No.	Contact number of the introducer can be captured in this field.	N
Introducer Relationship	Relationship of the introducer can be captured in this field.	N
Branch	If Internal or External is selected as the Introducer category, the system auto-populates the Branch associated with the Introducer	
Yrs known to Client	Enables the user to enter the appropriate no. of years in this field. Group Entities popup allows user to select CIFs that will be part of the main group CIF.	
Group Entities	This display table is visible only if the user selects the Client Type as Group.	
Client Id	Enables the user to enter the appropriate individual client ids to create a group.	


Name	Enables the user to enter the names of the group members	
Income Tax ID	Enables the user to enter the appropriate Income Tax Ids of the group members.	
Resi. Address	Enables the user to enter the Resi. Address of the group members.	

GROUP ENTITIES

This display table is visible only if the user selects the Client Type is selected as Group.

Field	Description	Mandatory
Client Id	Enables the user to enter the appropriate individual client ids to create a group.	
Name	Enables the user to enter the names of the group members	
Income Tax ID	Enables the user to enter the appropriate Income Tax Ids of the group members.	
Resi. Address	Enables the user to enter the Resi. Address of the group members.	

GUARDIAN/ AUTHORIZED SIGNATORY DETAILS

Field	Description	Mandatory
	The user can click the icon shown to add the information regarding guardian or authorized signatory. The information can be captured in a pop-up that appears on click of the Icon shown. Following are the fields in the pop-up	N
Signatory Type	The user can select the appropriate Signatory Type as Auth. Signatory, Trustee or Guardian.	
Name	Name of the Guardian/ Authorized signatory/Trustee	N
DOB	DOB of the Guardian/ Authorized signatory/Trustee	N
Income Tax ID	Income tax ID of the Guardian/ Authorized signatory/Trustee. If the Client IT type is selected as Minor, the Income Tax ID of the Guardian mandatory is mandatory wherein the Income Tax ID of the minor becomes non mandatory.	N
Contact Info	Contact info of the Guardian/ Authorized signatory/Trustee	N

Relationship/ Designation	Relationship of the Guardian with the customer whose profile is being created in case of an individual or Designation of authorized signatory in case of corporate customers	N
Status	Status of the Guardian/ Authorized signatory/Trustee	Y
Domicile Country	Domicile Country of the Guardian/ Authorized Signatory/Trustee	
Category	Category of the Guardian/ Authorized Signatory/Trustee	N
KYC Check Done	Enables the user to determine whether the KYC check is done or not for the Signatories	Y

Personal tab:

Field	Description	Mandatory
Address Line 1 – Address Line 3	The system provides three separate text fields to enter the mailing address of the customer	
Professional Investor	Enables the user to specify whether or not the customer to be created is a professional investor.	
Special Category Client	Enables the user to specify whether or not the customer to be created is a special category client.	
City	Enables the user to enter appropriate name in the City text box	
Country	Enables the user to select the appropriate country from drop-down list	
State	Enables the user to select the appropriate State from drop-down list	
Zip	Enables the user to enter appropriate name in the Zip text box	
Passport Number	Enables the user to enter the passport number.	
Passport Expiry	Enables the user to enter the appropriate Passport Expiry date	
Place of Birth	Enables the user to enter the customer birthplace in the Place of Birth text box	
Telephone(Main)	Enables the user to enter telephone no. in the Telephone(Main) text box	

Mobile(Main)	Enables the user to enter telephone no. in the Mobile (Main) text box. This field is mandatory if the SMS option is selected for Communication mode for advices field in Demographics tab.	
Fax(Home)	Enables the user to enter fax no. in the Fax(Home) text box. This field is mandatory if the Fax option is selected for Communication mode for advices field in Demographics tab.	
Client Country of Business	Enables the user to specify client country of business.	
Client Domicile	Enables the user to select the appropriate client country of birth from the drop-down list.	
Marital Status	Enables the user to specify marital status of client.	
Number of Children	Enables the user to specify number of children.	
Email Address 1/2/3/4	Enables the user to enter the Email ids. The user can enter maximum four emails ids in the Email Address fields. The Email Address 1 field is mandatory if the Email option is selected for Communication mode for advices field in Demographics tab.	
Hobby	Enables the user to enter the appropriate information related to hobby.	
Sports	Enables the user to enter the appropriate information related to sports.	
Travel Pattern	Enables the user to enter the appropriate information related to travel pattern.	
Notes	Enables the user to enter the appropriate notes, if any	

Finances tab:

Field	Description	Mandatory
Account Structure		
Contact Person	Displays the name of the contact person for group account.	
Corporate Director	Enables the user to specify whether or not the selected contact person is a Corporate Director.	
Shareholder/Beneficial Owner %	Enables the user specify the % share of the contact person.	

Authorized Signatory	Enables the user to specify whether the selected contact person is an authorized signatory. The Contact person dropdown displays the group entities added in the Group Entities popup.	
Financial Position		
Assets	Enables the user to enter the name of the asset.	
Amount	Enables the user to enter the value of the asset.	
Income	Enables the user to enter the amount of income from the asset.	
Liability Type	Enables the user to enter the liability type name	
Amount	Enables the user to enter the amount of liability	
Expense Type	Enables the user to enter the expense type name	
Amount	Enables the user to enter the amount of expense	
Net Assets	It calculates and displays Net Assets as (Total Assets - Total Liabilities)	
Net Income	It calculates and displays Net Income (Total Income Amount - Total Expenses Amount)	
Initial Deposit/Inward Funds	Enables the user to enter the amount of funds brought in as an initial deposit.	
From Bank	Enables the user to enter the bank details for the amount of funds brought in as an initial deposit.	
Source of Wealth	Enables the user to enter the appropriate source of wealth	
Fund Activity	Enables the user to enter the appropriate fund activity	
Annual Frequency	Enables the user to enter the appropriate annual frequency.	
Currencies	Enables the user to enter the appropriate currencies	

Background tab:

Field	Description	Mandatory
Client Background	Enables the user to enter the client background details	
Business Background	Enables the user to enter the client business background details.	



All the reports which are converted to BI Pub will be generated in the language selected at 'Preferred Language for Statement' field.

2.5.1 Customer Search (Basic Search for a Customer)

Description:

This screen will be accessible only for RM login and should be mandatorily mapped to all RM Roles using Admin → User → Role Maintenance screen. To access any of the customer affiliated screens such as portfolio analysis, performance etc., it is mandatory for the RM to foremost select the customer. If the RM proceeds to any of the customer affiliated screens without selecting a customer, the system will force the user to select a customer using this screen before automatically guiding the user back to the selected screen.

Once the customer is chosen, the user can proceed to any of the customer affiliated screens across the different menus, without having to select the customer over and over again. For exploring the holdings of any other customer the RM needs to again pick and choose another customer through this same screen or another customer can be selected by the help of change



customer icon. On clicking change customer icon the user is directed to this same Customer Search screen.

Customer > Customer Search

Customer No: Status: External Id: Client Entity: Customer Name:
 * The search has been narrowed down to 250 customers. Please redefine your search if you are not able to find the customer.

Customer No	Customer Name	Status	Relationship Manager
10058	Sunanda Rao	Active	Sridhar Madhavarao
10028	Summar Singh	Active	REG ONE HEAD
1043	Sushmita Pillai	Active	BRANCH FOUR HEAD
1025	Suresh	Active	Abhishek Lodha
10076	Subosh Varma	Active	Swati Neema
10029	Suzi M Fernandes	Active	Preeti Shah

Figure 2.6: Customer Search Screen

Screen Navigation:

Entry to the screen:

Select the “Customer” option on the main menu

→ Customer Search

Searching a customer:


The Customer Search screen is divided into two sections. The upper section enables the user to search for the desired customer using Customer No, External Id, Customer Name, Status (The status to be available for display/selection can be set at the table level in the table REF CLIENT STATUS) and Client Entity like Prospect, Customer and Contact Person. The user can use all or any of the Search Criteria to search for the desired customer. Also the user can also make use of wild card search to search for the desired customer.

2.5.2 Customer List (Search for a Customer using extended Customer Search)

Description:

This screen is an extended version of the basic Customer Search screen as described in section 1.1 above and has many more Filters like Risk Score, Customer Segment, IAG etc to enable the RM to do an advanced search. This screen is called the ‘Customer List’ screen.

Once the customer is chosen by the RM, he can proceed to any of the customer affiliated screens across the different menus, without having to select the customer over and over again. For exploring the holdings of any other customer the RM needs to again pick and choose another customer through this same screen or through the basic Customer Search screen or another

customer can be selected by the help of change customer icon . On clicking change customer icon the user is directed to Customer List Screen.

User Access levels:

RM: can search for a customer using this screen.

Screen:

Oracle FLEXCUBE Private Banking

User: HOHEAD Current Login: 09/05/2012 3:22 PM Last Login: 09/05/2012 3:07 PM

Home Customer Financial Planning Order Mgmt Txn Mgmt Reports Tools My Workspace Logout

Customer > Customer List

Customer No: External Reference Id: Customer Name:

Customer Segment: Risk Score: Status:

All Customers: ☐ Relationship Manager:

Assets Under Mgmt: Investment in IAG:

Please click the Clear button to change selection of All Customers checkbox
* The search has been narrowed down to 250 customers. Please redefine your search if you are not able to find the customer.

Customer No	External Ref ID	Name	Customer Segment	Status	Phone	Last Transaction Date	Last RM Interaction Date	Relationship Manager
1050	E1050	Upendra Patil	Private Banking	Active	903641272	22/03/2012		HOHEAD

Figure 2.7: Customer List Screen

Screen Navigation:

Customer → Customer List

Searching a customer: The Customer List screen is divided into two sections. The upper section enables the user to search for the desired customer. The user can search for the customer by Customer No., External Reference Id, Customer Name, Customer Segment, Risk Score, Status, Relationship Manager, Assets Under Mgmt and/or Investment in IAG. After entering the relevant

search criteria and on clicking the button, the system displays the customers found for the selected search criteria in the lower section of the screen. It displays the Customer No. External Ref ID, Name, Customer Segment, Status, Phone, Last Transaction Date, Last RM Interaction Date and the name of the customer's associated Relationship Manager. It is significant to note, that only the customers associated to the logged in RM or the customers falling under his hierarchy will be displayed. In order to select a customer from the list, click on the hyperlink provided under the customer's name. On clicking the hyperlink, the user will be directed to the dashboard of the selected customer.



In order to select the All Customers check box to search for the customers, the user first needs to click on the **clear** button.

To access any other screens please use the top horizontal menu bar.

2.5.3 **Profile Maintenance – Customer Documents**

For all the screens under the menu Profile Maintenance, only the associated Relationship Manager can maintain the additional information of that customer.

Description:

The screen is available only for RM login to upload and store certain types of customer documents. The RM can upload the documents like KYC, Pan Card etc. to the specified server using this screen and view them later as and when required. These documents can be stored in Universal Content Management system based on the flag set in Bank Parameters.

User Access levels:

RM: can access the screen to upload the customer documents.

Screen:

Customer No: 1024 Customer Name : Niranjan Singh

View	Document Type	Remarks
<input type="radio"/>	PMS Agreement	agreement

Document Type:

Remarks:

Path:

Figure 2.8: Profile Maintenance – Customer Documents Screen

Screen Navigation:

Customer → Profile Maintenance → Customer Documents

The fields have been briefly described below:

Field	Description	Mandatory
Top Section		
View	Enables the user to select the corresponding document to modify the details	Y
Document Type	Displays the type of document	Y
Remarks	Displays the remarks if any	Y
Bottom Section		
Document Type	Enables the user to select the appropriate document type from the drop-down list	Y
Remark	Enables the user to enter the remarks for the selected document, if any	Y
Path	Enables the user to enter the appropriate path to upload the document to the specified server.	Y

To access any other screens please use the top horizontal menu bar.

2.5.4 **Profile Maintenance - Demographics**

Description:

This screen will also be available only for RM login. It is divided into four tabs: Demographics, Personal, Finances and Background tabs in order to facilitate maintenance of any of the profile related attributes of the customer. The Demographics tab enables the user to save the Primary Holder's contact details as well as Preferences, Introducer, and Guardian/Authorized Signatory/Trustee details. The Others tab allows the user to save the details such as Mailing address, Passport Details, E-mail id's, Finances and other background details etc. As this is a customer affiliated screen, it is mandatory for the RM to foremost select the customer for whom the profile needs to be maintained.

Whether a field can be modified or not, will be defined in the Field Access Controller screen in Admin Login, which will allow a Bank to configure the modifiable nature of the fields for Demographics Maintenance.

As the customer and the Relationship Manager, associated to the customer during creation of the customer number, are strictly coupled, it makes it obvious that only the associated Relationship Manager can maintain the profile of that customer.

User Access levels:

RM: can access the screen for maintenance of any attributes of the customer's profile.

Screen:

Demographics tab:

The screenshot displays the 'Demographics' tab within the 'Customer > Profile Maintenance > Demographics' path. The Oracle FLEXCUBE Private Banking header is visible at the top, along with user and login information.

Demographics Tab Fields:

- Client Category:** Resident Individual (dropdown)
- Client Classification:** Large Cap (dropdown)
- Preferred Language:** English (dropdown)
- Credit Facility:** Select (dropdown)
- Communication mode for advices:** ☒ SMS, ☒ Email, ☐ Fax, ☐ Physical, ☐ Hold
- Communication mode for statement:** ☒ SMS, ☒ Email, ☐ Fax, ☐ Physical, ☐ Hold
- Preferred Language for Statement:** English (dropdown)
- Location:** Select (dropdown)
- Introducer Details:**
 - Introducer Type:** ☒ Other, ☐ External, ☐ Internal
 - Name:** Reena (text field)
 - Contact No.:** (text field)
 - Branch:** (text field)
 - Introducer Relationship:** Cousin (dropdown)
 - Yrs Known to Client:** (text field)

Signatories Table:

Signatory Type	Name	DOB	Income Tax ID	Contact Info	Relationship / Designation	Status	Domicile	Category	KYC Check Done

Buttons: Save, Reset

Figure 2.9: Profile Maintenance – Demographics Tab

Personal tab:

ORACLE
FLEXCUBE Private Banking

User: HO HEAD Current Login: 02/03/2012 3:36 PM Last Login: 02/03/2012 3:34 PM

Home Customer Financial Planning Order Mgmt Txn Mgmt Master Reports Tools My Workspace Logout

Customer > Profile Maintenance > Demographics

Demographics **Personal** Finances Background

Address (Mailing)

Address line 1	CVR	Professional Investor	Yes
Address line 2	3- BLOCK	Special Category	Yes
Address line 3	BANGALORE	Client	
City	Coimbatore	Passport Number	
Zip	123	Passport Expiry	
Mobile (Main)		Telephone (Main)	
Client Country of Business		Fax (Home)	
Marital Status	<input checked="" type="radio"/> Single <input type="radio"/> Married	Client Domicile	INDIA
Place of Birth		Number of Children	

Email Addresses

Email Address 1		Email Address 2	
Email Address 3		Email Address 4	

Hobby

Sports

Save Reset

Figure 2.10: Profile Maintenance – Demographics: Personal Tab

Finances tab:

ORACLE
FLEXCUBE Private Banking

User: HOHEAD Current Login: 09/05/2012 3:52 PM Last Login: 09/05/2012 3:22 PM

Home Customer Financial Planning Order Mgmt Txn Mgmt Reports Tools My Workspace Logout

Customer > Profile Maintenance > Demographics

Demographics Personal **Finances** Background

All Amounts in USD

Account Structure

Contact Person	Corporate Director	Shareholder/Beneficial Owner %	Authorized Signatory

Financial Position

Assets	Amount	Income
Equity	70000	1500000
MF	200000	1500000

Liability Type	Liability Amount	Expense Type	Expense Amount

Save Reset

Figure 2.11: Profile Maintenance – Demographics: Finances Tab

Background tab:

ORACLE FLEXCUBE Private Banking

User: HOHEAD Current Login: 09/05/2012 3:52 PM Last Login: 09/05/2012 3:22 PM

Home Customer Financial Planning Order Mgmt Txn Mgmt Reports Tools My Workspace Logout

Customer > Profile Maintenance > Demographics

Demographics Personal Finances Background

Client Background

Good Background

Business Background

Good Business Background

Save Reset

Figure 2.12: Profile Maintenance – Demographics: Background Tab

Screen Navigation:

Customer → Profile Maintenance → Demographics

Modifying the profile attributes: On entry, all the details of the selected customer will be displayed in both the tabs of the screen. After maintaining the relevant profile attributes the user will have to click on the **Save** button to save the modifications. On clicking the 'Save' button the user will get a confirmation message indicating that the changes have been updated.

In order to clear the any of the modifications done click on the **Reset** button. To access any other screens please use the top horizontal menu bar.

Maintaining the profile attributes: The attributes and their corresponding functionality and validations are analogous to that mentioned in the Profile Creation screen with the exception of the field 'CIF Status'.

The above mentioned field which was defaulting to the status 'Active' for all the customers in the 'Profile Creation' screen can be modified through the 'Demographic' screen. The user has been

provided with three options Active, Closed and Suspended in the list of values provided as dropdown, in the field. On opting for the status 'Closed', the user will be presented with an additional field, 'Date' for capturing the date of closure. This field will get displayed only on selection of the status 'closed' and will be a mandatory field for the user. The system will validate and restrict the user from changing the status to 'closed', on presence of any orders (transaction orders initiated through the FCPB) in 'Open' status.

When the system is setup with Compliance Approval as Yes, any change to customer demographic data will go through the compliance approval process. When changes are made the CIF status changes to WIP and from then on similar to customer creation it goes to compliance and gets approved/ declined by compliance. However since this is just a data change, details are not sent to FCUBS. To ease this process user has a text box available called RM Comments. This can be used to send details of changes made to the Operations team. The Ops team can read these comments in the compliance approval screen (but they cannot edit it) and write their own remarks in The Ops Comments text box that will be visible to the RM.

Any changes to the data of Contact Person would mean that the CIF to which they are attached even if multiple will go through compliance approval. The CIF of the contact person on its own will never be sent o compliance approval alone, it will always be sent as a part of the group CIF.

2.5.5 Bank Details

Description:

This screen will be available only for RM login. This screen has been provided to facilitate maintenance of the bank account information of the customer. It is essential for the RM to maintain the information on bank accounts prior to initiation of any investment transactions through the FCPB. To recap, for all the customer affiliated screens, it is mandatory for the RM to foremost select the customer for the maintenance needs to be done.

User Access levels:

RM: can only access the screen for bank account maintenance.

Screen:

ORACLE FLEXCUBE Private Banking | User: HOHEAD | Current Login: 09/05/2012 3:52 PM | Last Login: 09/05/2012 3:22 PM

Home | Customer | Financial Planning | Order Mgmt | Txn Mgmt | Reports | Tools | My Workspace | Logout

Customer > Profile Maintenance > Bank Details

Customer No: 1007 | Customer Name: Alok Nath

View	Bank Name	Branch	A/c No	A/c Type	Currency	A/c Status	Preferred	Trading A/c
	Demo Bank	Mumbai	9966541	Savings Bank AC	INDIAN RUPEE	Active	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Demo Bank	Mumbai	9966542	Savings Bank AC	USD	Active	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Bank Details
Bank Name:
Branch:
Address line 1:
Address line 2:
Address line 3:
City:
Zip:
Opening Date:

Account Details
A/c No:
A/c Type:
Account Description:
Account Subtype:
MICR:
Currency:
A/c Status:
☒ Preferred
Portfolio Name:
Closing Date:

Figure 2.13: Bank Details Screen

Screen Navigation:

Customer → Profile Maintenance → Bank Details

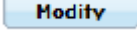
Entering the bank details:


On entry, the user receives the display and edit screen for bank details. The user can add and modify the data in the screen as explained in the General Characteristics section.


The first tabular grid displays the information of the accounts previously captured by the user wherein the lower form enables the user to capture information of any additional accounts apart from the previously captured accounts.


Currently the FCPB restricts the user from deleting any account information. Hence once the account information is added into the system, it can only be Modified.

On selecting any of the existing accounts in the first table, the corresponding account details will be displayed in the lower form. This facilitates the user to maintain the information of any of the

existing accounts. The user will however be allowed to modify only the bank address, status and the preferred option. After maintaining the relevant account attributes the user will have to click on the  button in order to save the modifications.


 Please note, on selection of any of the existing accounts in the first table, the Add button in the screen will get disabled.

 The system will validate and display an error message on presence of any orders (transaction orders initiated through the FCPB) in the status 'Open' during the account modification.

To clear the fields either while maintaining or adding the information of the accounts in the second tab click on the  button. To access any other screens please use the top horizontal menu bar.

The fields have been briefly described below:

Field	Description	Mandatory
Customer No. and Name	The chosen customer's number and name are displayed on the screen.	Display
View	This radio button has been provided for the user to select one of the existing accounts for maintenance. On selecting any of the radio buttons the corresponding account details will get displayed in the lower form	N
Bank Name	This field provides with a drop down list of the bank names which can be chosen by the RM. The names of all the banks to be provided in the drop down list are maintained by the administrator in the Bank Master table.	Y
Branch	The user will have to enter the appropriate branch name	N
Address1 – Address 3	This field enables the user to capture the address of the branch where the account is held.	N
City	This is a free text field facilitating the user to capture the city of the branch	N
State	The list of states provided in this drop-down field based on the Country selected by the user.	N
Zip	The next field has been provided to capture the pin or the zip or any other equivalent area code of the address.	N

Country	This field is a dropdown field. Both the list of countries and its corresponding states are maintained by the administrator in the master table	N
A/c No	The user can capture the account number in this free text field. The system will validate for presence of any duplicate account number in the existing account information.	Y
A/c Type	The user can select the type of account from the drop-down list. The list of Account Types are maintained by Administrator in the Master table.	N
Account Description	The user can enter the account details in the Account Description text box, if any.	
Account Subtype	A drop-down list has been provided to select the appropriate account subtype.	
MICR	A free text box has been provided to capture the MICR details. The user is allowed to enter the numeric data upto 15 digits.	Y
Currency	A drop-down list has been provided to capture the currency of the account.	N
A/c status	An additional facility has been provided to the user to capture the status of the account. The field will however default to the status 'Active'. These values are again maintainable by the administrator in the Master table.	Y
Preferred	The user can opt for a preferred account through which the customer intends to initiate his investments. The preferred account selected will be displayed as a default account in all the order capture screens. The user will however be restricted to capture only one account at a time as a preferred account.  In the scenario where the user opts for an account as preferred and there already exists another account of the customer with the preferred flag as enabled, the system will automatically default the preferred flag to the newest chosen account. The system will also restrict the user from opting for an account in closed or dormant status as preferred account.	N
Allow for Trading	If the check box is selected, it means that the corresponding account is available for trading.	Y

Portfolio Name	<p>This field displays the portfolio name to which the bank account is to be created. This is a display only field.</p> <p>This field is to be defaulted only for Asset Products: For internal/Home Bank accounts i.e. for non Held Away accounts, the Portfolio Name is defaulted to the Portfolio within the default Portfolio Type for that respective Instrument Type.</p> <p>For Held Away accounts the Portfolio Name is defaulted to the Portfolio Name under HLD (Held Away) Portfolio Type.</p>	<p>Y – Asset Type</p> <p>N – Liability Type</p>
Opening Date	Enables the user to enter the Opening Date for the corresponding bank account.	Y
Closing Date	Enables the user to enter the Closing Date for the corresponding bank account.	Mandatory - if A/c Status is chosen as Closed

2.5.6 Trading Account Details

Description:

This screen will be available only for RM login. This screen has been provided in order to facilitate maintenance of the trading account information of the customer. It is essential for the RM to maintain the information on trading accounts prior to initiation of any equity transactions through the FCPB. To recap, for all the customer affiliated screens, it is obligatory for the RM to foremost select the customer for whom the trading account information needs to be maintained.

As the customer and the Relationship Manager, associated to the customer during creation of the customer number, are strictly coupled, it makes it obvious that only the associated Relationship Manager can maintain the account information of that customer.

User Access levels:

RM: can only access the screen for trading account maintenance.

Screen:

Customer No: 1024 Customer Name : Niranjan Singh

View	Depository Name	Dp Id - Customer A/c No.	Status	Preferred
<input type="radio"/>	NSDL	9000-002	Active	
<input type="radio"/>	CENTRAL DEPOSITORY	1122-3344	Active	

Trade Account

Depository Name: * Status:

Dp Id - Customer A/c No. * -

Preferred ☐

Figure 2.14: Trading Account Details Screen

Screen Navigation:

Customer → Profile Maintenance → Trading Account Details

Entering the Trading account details:

On entry, the user receives the display and edit screen for trading A/c details. The user can add and modify the data in the screen as explained in the General Characteristics section.

STOP Currently the FCPB restricts the user from deleting any account information. Hence once the account information is added into the system, it can only be maintained.


On selecting any of the existing accounts in the first section, the corresponding account details will be displayed in the second section. This enables the user to maintain the information of any of the existing accounts. Also, the user can modify only the status and the preferred option. After

maintaining the relevant account attributes the user will have to click on the button in order to save the modifications.

STOP Please note on selection of any of the existing accounts in the first section, the Add button in the screen will get disabled.




The system will validate and display an error message on presence of any orders (transaction orders initiated through the FCPB) in the status 'Open' during the account modification.

To clear the fields either while maintaining or adding the information of the accounts in the second tab click on the  button. To access any other screens please use the top horizontal menu bar.

The fields have been briefly described below:

Field	Description	Mandatory
Customer No. and Name	. The chosen customer's number and name are displayed on the screen.	Display
View	This radio button has been provided, for the user to select one of the existing accounts for maintenance. On selecting any of the radio buttons the corresponding account details will get displayed in the second tab.	Optional
Depository Name	This field provides with a drop-down list of the depository names which can be chosen by the RM. The names of all the depositories to be provided in the drop down list are maintained by the administrator in the Master table.	Y
DP Id	This is a free text field, facilitating the user to capture the id of the depository participant. The system will validate for presence of any duplicate DP Id in the existing trading account information of the customer.	Y
Customer Account Number	Analogous to the DP id, it is mandatory for the user to capture the account number of the trading account. The system will validate for presence of any duplicate account number in the existing trading account information of the customer.	Y
Status	An additional facility has been provided to the user to capture the status of the account. The field will default to the status 'Active'. These values are again maintainable by the administrator in the Master table.	Optional

Preferred	<p>The user can opt for a preferred account through which the customer intends to initiate his investments. The preferred account selected will be displayed as a default account in the equity order capture screen. The user will however be restricted to capture only one account at a time as a preferred account.</p> <p> In the scenario where the user opts for an account as preferred and there already exists another account of the customer which has the preferred flag as enabled, the system will automatically default the preferred flag to the newest chosen account.</p> <p>The system will also restrict the user from opting for an account in closed or dormant status as preferred account.</p>	Optional
-----------	--	----------

2.5.7 Additional Information

Description:

This screen will be available only for RM login. This screen is an auxiliary information screen which information which would assist the RM in providing customer service. As this is an auxiliary information screen, it is not mandatory for the RM to capture information in this screen.

User Access levels:

RM: can only access the screen for maintenance.

Screen:

FLEXCUBE
PRIVATE BANKING

User: Madhur Jain Current Login: 12/04/2008, 10:00AM Last Login: 22/03/2008, 10:10PM

Home Customer Order Management TXN Management My Workspace Reports Tools Logout

Customer > Profile Maintenance > Additional Information

Customer No: 12345678 Customer Name: David Smith

Important Dates
Anniversary

Dependents Information

Name	Relationship	Birth Date
<input type="radio"/> Mary Smith	Wife	23/04/1970
<input type="radio"/> Adam Smith	Son	26/09/1995
<input type="radio"/> Tom Smith	Son	29/02/1998

[Edit](#)

Personal Information

Awards & Achievements

Hobbies

Interests

Figure2.15: Additional Information Screen

Screen Navigation:

Customer → Profile Maintenance → Additional Information

The fields have been briefly described below:

Field	Description	Mandatory
Important Dates Anniversary	Enables the user to select the customer Anniversary date using the calendar icon	N
Dependents Information	Enables the user to capture the Dependents Information by clicking on the Edit hyperlink provided next to this field.	N
Personal Information		
Awards & Achievements	This is a free text field and enables the user to enter the information related to Achievements & Awards received by customer, if any	N

Hobbies	This free text enables the user to enter the information related to customer hobbies, if any	N
Interests	This free text enables the user to enter the information related to customer interests, if any	N

In the section on dependents information, the name, relationship and the date of birth of the dependent are displayed. In order to edit any of the dependents information, user will have to click on the hyper link [Edit](#) provided at the bottom right hand side corner of the dependents information display box. The hyper link displays a pop up screen enabling editing and adding any information of the dependents.

The top section displays the information of the previously added dependents and the bottom section facilitates addition or maintenance of the dependents information.

Customer Specific Risk Profile - Windows Internet Explorer

Dependents Information

Customer No.: 12345678 Customer Name: David Smith

Model Name:

	Name	Relationship	Birth Date
<input type="radio"/>	Mary Smith	wife	23/04/1970

Dependents Information

Name:

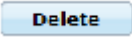
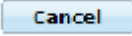
Relationship:

Birth Date:

Figure 2.16: Dependents Information Screen

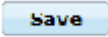

After entering the new details in the screen, the user can save the information by clicking the **Add** or **Save** button. The user can click the **clear** button to clear all the details entered in the screen. On clicking the clear button will again result in disabling of the 'Modify' button and enabling of the 'Add' button.

The **Modify** button can be used to modify any of the existing information. Please note that the modify button will be enabled only on selection of an existing data. The selection of an existing data will result in the disabling of the 'Add' button.

The user has also been provided with the facility to delete any of the dependents information. This can be achieved by selecting the dependent in the first section and clicking the  button. Click on the  button to proceed back to the main screen.



Please note the system will restrict the user from capturing a future date in the birth date field.

After maintaining the relevant attributes click on the  button in order to save the modifications. In order to clear the any of the modifications done click on the  button. To access any other screens please use the top horizontal menu bar.

2.5.8 Investment Profile Screen

Description:

This screen captures the financial profile and investment objective of the customer which in turn will aid the RM in making investment decisions for the customer.

User Access levels:

RM: can only access the screen for maintenance.

Screen:

Oracle FLEXCUBE Private Banking

User: HO HEAD Current Login: 15/03/2012 10:36 AM Last Login: 15/03/2012 10:29 AM

Home Customer Financial Planning Order Mgmt Txn Mgmt Master Reports Tools My Workspace Logout

Customer > Profile Maintenance > Investment Profile

Customer No: 10884 Customer Name: Nit Roovy

Investment Horizons: 1-4 Years

Finance profile

Annual Income: 1000000

Annual Expenditure: 700000

As on date: 01/01/2012

Investment Overview documentation: ☒ Yes ☐ No

RM Power Of Attorney: ☐ Yes ☒ No

KYC Check done: ☒ Yes ☐ No

Insurance Need Analysis Done: ☒ Yes ☐ No

Fee Charge Maintenance

Charge Transaction fee: ☒ Yes ☐ No

Charge Periodic fee: ☒ Yes ☐ No

Fee Mandate: ☒ Yes ☐ No

Available Portfolios for Periodic Fee

RM Managed-RM Managed

Exclude Portfolios for Periodic Fee

Self Managed-Self Managed

Investment Objective

Primary Goal: Education

Tax Sensitivity: No

Preferred Investment option: Equity

Benchmark: HANG SENG INDEX

Save Clear

Figure 2.17: Investment Profile Screen


Screen Navigation:

Customer → Profile Maintenance → Investment Profile

Field	Description	Mandatory
Customer No. and Name	The chosen customer's number and name are displayed on the screen.	Y
Investment Horizons	Enables the user to capture the length of time the customer expects to invest money. The user can opt for any of the time periods viz., 1-4 yrs, 5-10 yrs, 11-15 yrs, 15-20 yrs, >20 yrs.	Y
Finance Profile		

Annual Income	Enables the user to enter the Annual Income amount. The user is provided with an additional facility to capture the valuation date for this attribute using the calendar icon.	N
Annual Expenditure	Enables the user to enter the Annual Expenditure amount. Here again, the user is provided with the facility to capture the valuation date using the calendar icon.	N
As on date	Enables the user to select the appropriate date	N
Investment Overview Documentation	Enables the user to select the appropriate option for Investment Overview Documentation	N
RM Power Of Attorney	Enables the user to select the appropriate option for RM Power Of Attorney	N
KYC Check done	Enables the user to select the appropriate option for KYC Check done	N
Insurance Need Analysis	Enables the user to identify if Insurance Need Analysis has been done or not.	Y
Fee Change Maintenance		
Charge Transaction Fee	Enables the user to decide whether to charge the transaction fee to the selected customer based on selected option.	Y
Charge Periodic Fee	Enables the user to decide whether to charge the periodic fee to the selected customer based on selected option.	Y
Available Portfolios for Periodic Fee	This list box is displayed only if the 'Charge Periodic Fee' field is set to Y. If it is set to 'N' then the list box is not displayed. This list box displays the non-heldaway portfolios which should be available for Periodic Fee consideration	N
Exclude Portfolios for Periodic Fee	This list box is displayed only if the 'Charge Periodic Fee' field is set to Y. If it is set to 'N' then the list box is not displayed. This list box displays the list of portfolios for which the system should not charge Periodic Fee.	N
Transaction Fee Mandate	Enables the user to decide whether to give the mandate to charge the fee	Y
Investment Objective		
Primary Goal	Enables the user to enter the details about customer's Primary Goal	N

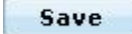

Tax Sensitivity	Enables the user to enter the details about customer's Tax Sensitivity	N
Preferred Investment Option	Enables the user to enter the details about customer's Preferred Investment Option	N
Benchmark	Enables the user to select the Benchmark for Customer Investments	Y

A search button  has been provided adjacent to the benchmark field. The user can search for the Benchmark using wild card search as explain in the General Characteristics section.



Benchmark Name	Benchmark Description
FTSE ASI	FTSE ST All Share Index
MSCI AA 50	MSCI ASIA APEX 50
MSCISG	MSCI Singapore
NIFTY	NSE Nifty
S&P AI 50	S&P Asia 50 Index CME
SENSEX	BSE SENSEX
SGCI	Singapore Composite Index
STI	Straits Times Index

Figure 2.18: Benchmark Search Screen

After maintaining the relevant attributes on the 'Investment Profile' screen, click on the  button in order to save the modifications. In order to clear the fields click on the  button. To access any other screens please use the top horizontal menu bar.



Please note that the investment horizon and the benchmark are both obligatory fields in this screen.

2.5.9 Risk Model Profile Screen

Description:

This screen facilitates in associating a customer to a Portfolio Model based on the risk taking appetite of the customer.

On opting for a risk score for the customer, the screen will display the default model associated for the risk score. The users of FCPB have been provided with flexibility to observe any other model associated with a particular risk score or to opt for any model associated to any other risk score or to even to create an independent model based on the customer's specifications.

User Access levels:

RM: can only access the screen for maintenance.

Screen:

Customer No: 1011 Customer Name: Niraj Singh

Risk Score: *Moderate - Demo Qbank Deviation Check Required: ☒

Risk Profile Date: 27/12/2011 Risk Profile Maturity Date: 26/01/2012

Last Portfolio Review Date: 11/12/2011 Next Review date: 10/01/2012

[Portfolio Review History](#)

Models: [Suggested Models](#) | [Customer Specific](#)

Model Name: *Moderate Ass


Asset Class	Best %	Min %	Max %
Debt	40.00	5.00	50.00
Equity	50.00	40.00	50.00
Others	10.00	5.00	10.00

[Save](#)

Figure 2.19: Risk Model Profile Screen

Screen Navigation:

Field	Description	Mandatory
Risk Score	<p>Enables the user to select the appropriate Risk Score from the drop-down list.</p> <p>It is mandatory for the user to opt for one of the risk type's viz., Conservative, Moderately Conservative, Moderate, Moderately Aggressive or Aggressive.</p> <p>The types of risk score offered in the drop-down list can be maintained by the administrator in the Master table in the database.</p>	Y
Deviation Check Required	<p>Enables the user to select whether deviation check is required or not.</p> <p>If selected, then the RM is notified about any deviation of the customer's actual investment portfolio from the model portfolio. The deviation reports of all the customers associated to the RM is displayed on the RM dashboard in the 'Deviations' tab.</p>	N
Risk Profile Date	<p>The day on which the risk profiling was done for the selected customer.</p> <p>This is linked to the date of risk profiling done either at Financial Planning risk profiling or Risk Profiler under tools menu whichever is the latest and always reflects the latest risk score done date.</p>	
Risk Profile Maturity Date	<p>The date on which the validity of the current risk profile matures.</p> <p>The system calculates the Risk Profile Maturity Date by adding the number of days mentioned against Next Risk Profiling Review in Client Segment to the current Risk Profiling Date.</p>	
Last Portfolio Review Date	The date on which the customer's last portfolio review was done	

Next Review date	<p>Enables the user to select the next review date.</p> <p>The user needs to capture the next review date only at the beginning while associating the model to the customer. The subsequent reviews dates will be determined by the system based on the time period set by the administrator.</p> <p>For example, suppose the customer falls under the segment 'Mass Affluent' and the first review date has been defined is Jan 23rd 2008. Now consider the administrator has defined the review time period for the segment 'Mass Affluent' as 45 days. This denotes that all the customers falling under the segment 'Mass Affluent' need to have their portfolio reviewed every 45 days. Hence after the lapse of the first review date Jan 23rd, the next review date will be automatically set by the system as March 8th, 2008.</p>	N
Portfolio Review History	Hyperlink to the change of review date screen to view the details of past reviews	
Models	Provides the user with the option to review and associate any other model or create an independent model for the customer based on the customer's specification.	
Model Name	<p>Once the risk score is selected, the field displays the default model associated to the selected risk score and also the corresponding composition of the constituents of the Model is also displayed in the table below the Model Name field.</p> <p>The portfolio models are dependent and mapped not only to the risk profile of the customer but also to the category of segment the customer has been classified during the creation of customer profile.</p> <p>Therefore, based on the customer segment categorized and on the opted risk score, the user will be displayed with the associated model.</p>	Y
Asset Allocation table		
Asset Class	Displays Recommended Asset Class. If the selected asset class belongs to the multi-dimensional model, the user can view the same by clicking on the  icon.	
Best%	Displays the ideal composition of the asset class	Y

Min%	Displays the smallest permissible % of composition for an asset class in the actual investment portfolio of the customer, below which will result in generation of alerts. However, it is important to note that alerts will be generated only on enabling the deviation check box provided in the main 'Risk Model Profile' screen.	Y
Max%	Displays the maximum permissible % of composition for an asset class in the actual investment portfolio of the customer.	Y

Portfolio Review History

When the user clicks on the Portfolio Review History hyperlink, the Change of Review Date screen appears as shown below:

The screenshot displays the 'Change of Review Date' interface. At the top, the user is identified as Savita Rokade, logged in on 25/03/2009 at 4:11:30 PM. The navigation bar includes links for Home, Customer, Financial Planning, Order Mgmt, Txn Mgmt, Operations, Workspace, Reports, Tools, and Logout. The main content area shows the customer's name as Anish P. Agarkar and ID as 10239. There are two date pickers: 'Reviewed Date' set to 23/02/2009 and 'Next Review Date' set to 03/03/2009, both with calendar icons. A text area for 'Comments' is present below the dates. 'Save' and 'Clear' buttons are located under the date fields. At the bottom, a table titled 'Review Dates' with columns 'Review Dates' and 'Comments' is shown, containing the message 'No Review History Found'.

Figure 2.20: Change of Review Date Screen

The user can view the past review dates, if any in the Review Dates section below along with the comments.

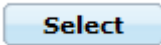
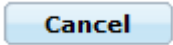
The link [Suggested Models](#) displays all the other models associated to the risk profile. The screen shot of the pop-up window is as given below.

The screenshot shows a window titled "Models". At the top, there is a "Model Name" dropdown menu currently showing "Moderate". Below this is a table with four columns: "Asset Class", "Best %", "Min %", and "Max %". The table contains four rows of data. At the bottom of the window, there are two buttons: "Select" and "Cancel".

Asset Class	Best %	Min %	Max %
Equity	55%	45%	65%
Debt	25%	22%	28%
Insurance	10%	5%	12%
Others	10%	0%	15%

Figure 2.21: Models Screen for Risk Model Profile

The user will be displayed with the default model on navigating to the pop-up window. The user can opt for any other model associated to the risk score from the list given in the drop-down field 'Model Name'. On selecting a model, its corresponding constituents and their composition will be displayed in the table. Please note the constituents of a model are defined at the asset class level.

Click on the button , in order to select and associate a particular model to the customer. Click on the  button, in order to return back to the main screen without selecting any model.

The next link in the main 'Risk Model Screen' is the [View all](#) link, which facilitates the user to view all the models defined in the system across all the risk scores intended for the particular customer segment. The user is thus not restricted from associating models defined for a particular risk score. The pop up screen displayed on clicking the link is similar to one which appears on clicking the Suggested Model link wherein the user can select a model from the list displayed in the drop down and will result in the display of the composition and constituents of the model.

To recap, what we declared earlier, the link [Customer Specific](#) will enable the user to create a new model in accordance to the customer's specification. The screen shot is given below

Screen:

Customer Specific Model

Customer No.: 12345678 Customer Name: David Smith

Model Name

	Asset Class	Best %	Min %	Max %
<input type="radio"/>	Equity			
<input type="radio"/>	Debt			
<input type="radio"/>	Insurance			
<input type="radio"/>	Others			
	Total			

Model Details

Asset Class

Allocation Best % Min % Max %

Figure 2.22: Customer Specific Model

The pop-up screen is similar to all the other display and edit screens, wherein the top section displays the constituents and their corresponding composition whereas the bottom section facilitates addition or maintenance of the constituents and their corresponding composition.

To add a new model, the customer needs to enter the model name in the 'Model Name' field. This is a free text field and is a mandatory field for creating a new model. In order to add new constituents, the user needs to opt for an asset class from the list provided in the field 'Asset Class'.

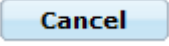
Successive to picking an asset and defining its margins, the user needs to click on the

button in order to add the particulars of an asset. The added asset will be displayed in the first section of the screen. The user can then proceed to add any additional assets abiding the above rules. Once all the assets are added, click on the button to save the model and to return to the main screen. The system will validate that the sum of best % across all the assets chosen by the user will sum to 100%.

In order to modify any of the components, user will have to click on the radio button provided adjacent to the component. This will result in the display of the selected component in the maintenance tab. It is important for us to note that the user will be restricted from maintaining the asset class field. This implies that only the fields pertaining to the margins can be maintained by

the user. While maintaining the fields, the system will again validate the above mentioned rules for the maintained fields.

The user can save, modify and delete the details in the screen as explained in General Characteristics section.

Click on the  button, in order to return back to the main screen without creating any model.



The Suggested Model and Customer Specific hyperlinks will be hidden in Risk Model Profile screen, if the Model Name field is chosen as non-modifiable in Field Access Controller screen. This means that a Bank which wants to use Key Customer Data screen will only be able to choose a different Model Name or change the Asset Composition of Customer Specific models using the Key Customer Data screen and not by using the Risk Model Profile screen.

To access any other screens please use the top horizontal menu bar.

2.5.10 Restrictions Screen

Description: This screen has been provided for the RM to capture any restrictions that the customer desires to have in his investments. For instance, the customer has a conservative risk appetite and is not keen to invest in equity securities. The RM can set off a restriction on investments in equity securities. Any orders initiated for the securities under the instrument type equity will be curtailed by the system. Please note that the restrictions are applicable only for the securities which can be transacted through FCPB.

User Access levels:

RM: can only access the screen for maintenance.

Screen:

FLEXCUBE PRIVATE BANKING User: BRANCH THREE HEAD Current Login: 25/02/2009 5:49 PM Last Login: 25/02/2009 4:53 PM

Home Customer Financial Planning Order Mgmt Txn Mgmt Reports Tools My Workspace Logout

Customer > Profile Maintenance > Restrictions

Customer No: 1006 Customer Name : BRTHREE CUSTRet

View	Category	Name	Portfolio Type	Restriction	Valid From	Valid To	Apply in Financial Planning
<input type="radio"/>	Instrument : Equity	IBM	RM Managed	All	25/02/2009	28/02/2009	<input checked="" type="checkbox"/>

Category

Portfolio Type: ALL

☐ Industry: Select...

☐ Instrument Type: Select...

☐ Instrument: Select...

☐ Issuer: Select...

☐ Instrument Analysis Group: Select...

Restriction: Buy

Valid From:

Apply this restriction in Financial Planning: ☐

Valid To:


Figure 2.23: Restrictions Screen

Screen Navigation:

Customer → Profile Maintenance → Restrictions.


Select the appropriate option to apply the desired restrictions.

Field	Description	Mandatory
View	This radio button when selected enables the user to modify the restrictions	N
Category	Displays the category for which restrictions data is available	Y
Name	Displays the name for the category selected	Y
Portfolio Type	Displays the type of portfolio for which the restrictions would be applicable	
Restriction	Displays the type of Restriction selected	Y
Valid From	Displays the date from which the restriction is to be applied	Y

Valid To	Displays the date upto which the restriction would be applicable	Y
Apply to Financial Planning	If the restriction is to applied in Financial Planning then this field displays the  icon under this column for corresponding restriction.	
Category		
Portfolio Type	Enables the user to select the appropriate portfolio from Portfolio Type drop-down list for which the restrictions would be applicable. By default, the system will consider all portfolio types to apply the restrictions	Y
Industry	Enables the user to select the appropriate Industry from the drop-down list	
Instrument Type	Enables the user to select the appropriate Instrument Type from the drop-down list	
Instrument	Enables the user to select the appropriate Instrument from the drop-down list	
Issuer	Enables the user to select the appropriate instrument type from the drop-down list. On selecting the Instrument type, the search icon appears next to the drop-down list and enables the user to select the issuer to be restricted.	
Instrument Analysis Group	Enables the user to select the appropriate Instrument Analysis Group from the drop-down list.	
Restriction	Enables the user to select the appropriate Restriction from the drop-down list	
Apply this restriction in Financial Planning	Enables the user to apply the restrictions in Financial Planning also.	
Valid From	Enables the user to select the appropriate Valid From date using the calendar icon. The system does not allow the user to modify the Valid From date if it is less than current business date.	
Valid To	Enables the user to select the appropriate Valid To date using the calendar icon. The system does not allow the user to modify the Valid To date if it is less than current business date.	

Entering the information on Restrictions:

This screen is in accordance with all the other display and edit screens, wherein the top tab displays the information of the restrictions captured in the past and the bottom tab facilitates addition or maintenance of the restrictions.

In order to add any new restrictions, the user needs to click on the button . Each of the restriction added has a time period associated to it. After the lapse of the time period, the restrictions will become obsolete.




Please note, currently the FCPB restricts the user from deleting any of the captured restrictions.



The system will restrict the user from adding a replica restriction for the same time period.


The restrictions added will be applicable from the next business day. However, at the time of creation of the restriction the user will be prompted with a warning message on presence of any open order in the transaction module which is associated to the restriction.

It is important for us make a note that FCPB provides the users with the unique feature of setting restrictions not only for instruments (equity or mutual fund) or for a particular security in an instrument but also to set restrictions on certain category of industries which the customer is uninterested to invest.

In order to initiate restrictions for a particular security, the user needs to first select the instrument and then search for the security using the  button (The security search screens for both equity and mutual fund have been dealt in depth in the section on Transaction Management.)

The restrictions instigated on industries or on securities in an instrument will be confirmed not only for the direct investments made through equity instruments but also for the indirect investments made through mutual fund. By the expression 'indirect investments' we are referring to the underlying securities of a mutual funds. Let us comprehend this better with an example. For instance the user raises a restriction on investing in 'Cement' industry. The system will prompt an error message on either initiating an equity transaction on ACC Cement or on initiating a transaction on a Mutual Fund which in turn has ACC as one of its constituents. Take another instance where the user places a restriction on investing in security ACC Cement, analogous to the above validation, the system will verify for both investments made in direct as well as indirect investments in ACC Cement.

The restrictions initiated on either industry or instrument or security can further be curtailed to a particular type of transaction. For instance the user can place a restriction on only buy type of transaction on Cement industry.

The user needs to pick on the validity of the restrictions by entering appropriate dates in the Valid From and Valid To fields. The calendar  provided adjacent to each of these fields can be used for capturing the dates.



The system does not allow modification of records of the past dates. i.e. if the Valid From and Valid To dates are less than current business dates.

If the Valid From date is less than current business date and To date is greater than or equal to current business date, then the system allows to modify only the Valid To date to either future date

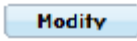
or to the past date which is greater than Valid From date and also greater than or equal to previous business date.

If the From Date and To Date both are greater than current business date, the system allows the user to modify the record to the future dates i.e. Valid From date should be greater than CBD and Valid To date should be greater than or equal to Valid From date.

On selecting any of the existing restrictions in the first tab, the corresponding details of the restriction will be displayed in the second tab. Currently, the user is restricted from maintaining all the fields except the validity period. The user can maintain the field 'Valid From' for an existing restriction provided the restriction has been initiated as applicable from the current or future business date. In other words, the user will be restricted for maintaining the field 'Valid From' for all the restrictions initiated as applicable prior to current business date.


Currently FCPB curtails the user from extending the tenure of the restriction. In order to make longer the tenure of the restriction, the user needs to change the existing restriction by modifying the field 'Valid To' till T-1 where T implies the current business date. The user can then initiate another similar restriction as applicable from T i.e., from current business date.

However, to recap what we stated earlier, all the restrictions initiated on a business date will be pertinent only from the next business date. Hence any such extension of tenure would result in a gap of a day where the restriction raised would not be validated for the orders initiated on that business date. The user needs to make a note of this while commencing any modification to any of the existing restrictions.

After maintaining the attributes click on the  button in order to save the modifications



Please note on selection of any of the existing restrictions in the first tab, the Add button in the screen will get disabled.

To clear the fields either while maintaining or adding the restrictions in the maintenance tab user will have to click on the  button. To access any other screens please use the top horizontal menu bar.

2.5.11 House Hold

2.5.11.1 Member

Description:

This screen facilitates in taking account of other customers of FCPB as members belonging to the chosen customer's Household.

User Access levels:

RM: can only access the screen for maintenance.

Screen:

FLEXcube PRIVATE BANKING

User: HO HEAD Current Login: 03/12/2010 6:35 PM Last Login: 03/12/2010 6:18 PM

Home Customer Financial Planning Order Mgmt Txn Mgmt Reports Tools My Workspace Logout

Customer > Profile Maintenance > Household

Customer No: 1000 Customer Name : CUSTONE HOREt

Household Name *Moumita Household Household Type *Advisor
Household Category *ADVANTAGE BANKING Household Segment *Advantage Banking

View	Customer No	Name	Relationship
<input type="radio"/>	1148	Fred Q Castle	Brother
<input type="radio"/>	10000	Shikha Verma	Cousin

Customer No:
Customer Name:
Relationship:

Figure 2.24: HouseHold Members Screen

Screen Navigation:



Log into the system as RM Login and select Customer → Profile Maintenance → HouseHold → Members

Field	Description	Mandatory
Household Name	Displays the household name	Display
Household Type	Displays the household type	Display
Household Category	Displays the household category	Display
Household Segment	Displays the household segment	Display
View		
Customer No	Displays the Customer No	Display
Name	Displays the Customer Name	Display
Relationship	Displays the relationship of customer with the selected household member	Display

Maintenance Box		
Customer No	Enables the user to select the Customer No	Y
Customer Name	Displays Customer Name once the Customer Name is selected	Y
Relationship	Enables the user to select the relationship of customer with the selected household member from the drop-down list	Y

Entering the information on Household members:

This screen is divided into two sections, the top display section and the bottom add section. The top section displays the information on the members of household captured in the past and the bottom section facilitates addition of the household members.

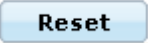
In order to add any new members, the user needs to either look up for the desired customer using the  button or enter the customer number. On entering the customer number the corresponding name of the customer will be displayed in the name field. If the user opts for the second option of searching the customer, then the customer number and name will be displayed on the 'Household' screen, on selection of a customer from the search screen. The user has been provided with a dropdown to capture the relationship of the member with the customer. Subsequent to updating the required information in the fields, the user needs to click on the  button in order to add the member.


If the member selected for addition does not belong to the same RM, the system does not allow addition of that customer as HouseHold member and displays the message as 'RM of Household primary member is different from the RM of selected customer and hence cannot be added as Household member.'

Also if the selected member is one of the joint members of any portfolio, the system restricts the user from deleting that customer.



The system will restrict the user from adding replicating any information of the same member.

On selecting any of the existing members in the first section, the corresponding details of the member will be displayed in the second tab. To reset the information in the second section click on the  button.

In order to delete information of any member, select the member and click on the  button provided that member is not a part of any group.

If the selected member is a part of any group then the system does not allow deleting that household member and displays the appropriate message.

To access any other screens please use the top horizontal menu bar.

2.5.11.2 Group

Description:

In the earlier releases, only the Household head was allowed to view the Portfolio details of all household members through Portfolio Analysis screen. Also, each household member was restricted from being part of multiple households.

The Group feature introduced in the system enables the user to create various customer-portfolio combinations for the members within household in order to view the portfolios belonging to the specified group. The system also enables the group member to place the orders against the portfolio provided that the group member is a joint holder of the corresponding portfolio.

Whenever a household is created, the system also creates a 'Household' group considering all portfolios of all household members (including Heldaway) and any modifications made to the Household gets reflected in the 'Household' group.

Also, the new feature added in the system enables the household head to view all the groups created amongst the members of the household even if he is not the head of that group.

User Access levels:

RM: can only access the screen for maintenance.

Screen:

The screenshot displays the 'HouseHold Group Screen' in the FLEXcube Private Banking system. The top navigation bar includes links for Home, Customer, Financial Planning, Order Mgmt, Txn Mgmt, Reports, Tools, My Workspace, and Logout. The user is logged in as BRFOUR JRCONE, with a current login time of 01/01/2009 10:06 AM and a last login on 31/12/2008 5:20 PM. The breadcrumb trail indicates the path: Customer > Profile Maintenance > Household > Group.

The main form area contains the following elements:

- Customer Information:** Customer No: 1015, Customer Name: BRFOUR JRCUST ONEPvt.
- Group Name:** A text input field containing 'Group1'.
- View Table:** A table with columns 'View', 'Customer No', and 'Name'. It contains one row with a radio button in the 'View' column, '1015' in 'Customer No', and 'BRFOUR ONEPvt' in 'Name'.
- Customer Selection:** A section with 'Customer No' (1019) and 'Customer Name' (BRFOUR JRCUST TWORet).
- Portfolio Details:** A table with columns 'Portfolio Type' and 'Portfolio Name'. It lists three options: Heldaway, RM Managed, and Self Managed, each with a checkbox.
- Banking Product Details:** A table with columns 'Account Type' and 'Account Number', with a checkbox in the 'Account Type' column.
- Buttons:** 'Save', 'Clear', and 'Delete' buttons at the bottom.

Figure 2.25: HouseHold Group Screen

Screen Navigation:

Log into the system as RM Login and select Customer → Profile Maintenance → HouseHold → Group

Field	Description	Mandatory
Group Name	Enables the user to enter or to select the name of the group	Y
Display Section		
View	Enables the user to select the desired member for modification using radio button	
Customer No	Enables the user to select the appropriate customer as a member of the group using the search icon	
Name	Displays the customer name	
Edit Section		


Customer No	Enables the user to select the existing customer using the search icon	Y
Customer Name	Displays the customer name once the customer no is selected in the above field	
Portfolio Details	Displays all the portfolios of the selected customer	
Portfolio Type	Displays type of portfolio	
Portfolio Name	Displays the name of portfolio	
Banking Product Details	Displays all the banking products of selected customer	
Account Type	Displays the account types for Banking Product	
Account Number	Displays the account number for Banking Product	

Procedure to add a group

Step 1:

Enter the appropriate group name in the Group Name text box.

Step 2:

Click on the  icon next to the Customer No text box and select the appropriate customer.

Once the user selects the Customer No, the system auto-populates the name of customer in the Customer Name text box.



If the selected customer is not part of any of the household then the system does not allow creation of group against that customer and displays the appropriate message.

Step 3:

Select the appropriate Portfolio Type and Portfolio Name combination to be accessed by the Group Head.

Step 4:

Select the appropriate Banking Product Details to be accessed by the Group Head.

Step 5:

Click on the Save button to save the details.



Before saving the record ensure that at least one portfolio or one banking product is selected, else the system would display the message as 'At least one Portfolio or one Banking Product should be selected.'



In order to delete a group, all the members of the group should be deleted first.




As CASA is included in Holdings it will appear in the Portfolio Details hence Banking Products available for selection displays only Liability products.

2.5.12 Change Customer

Description:

This functionality can be used by the logged in RM to change the customer without going to the 'Customer Search' screen for viewing the customer affiliated screens.

On clicking the icon 

a pop-up window is displayed with the facility to search the customer very similar to the search provide in 'Customer list screen'.

User Access levels:

RM: can only access the function to change the customer for customer affiliated screens.

Screen:

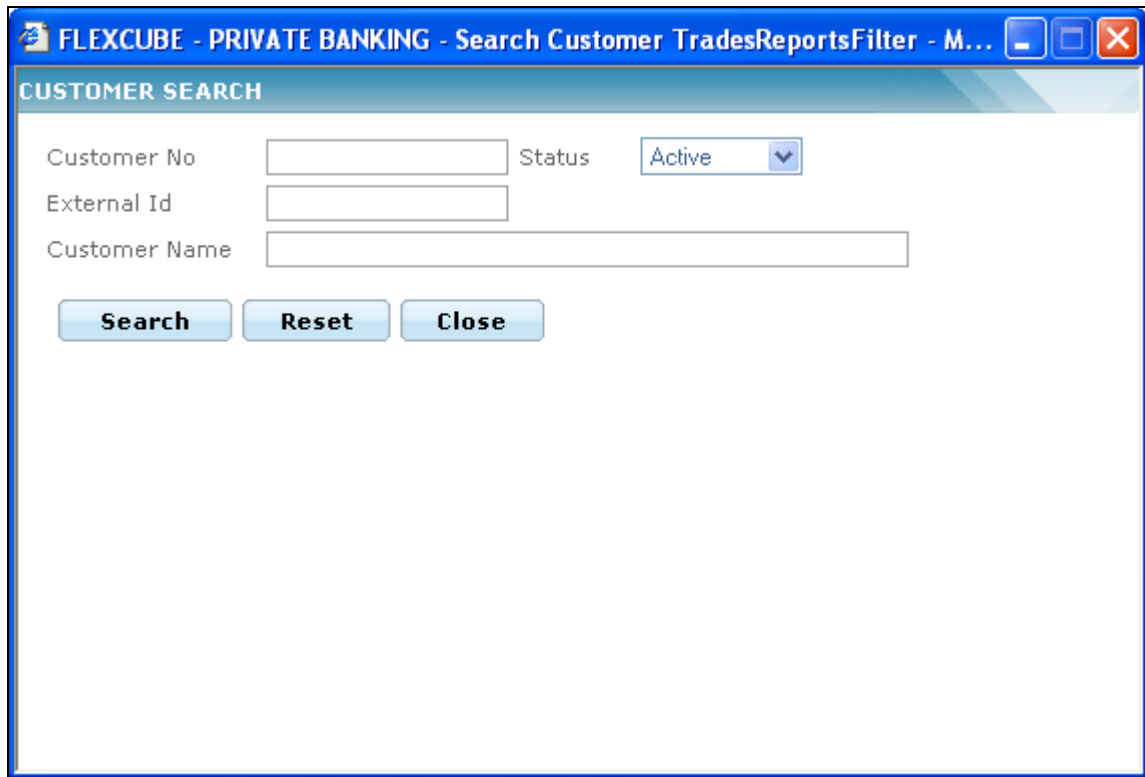



Figure 2.26: Customer Search Window

Screen Navigation:

Entry to the screen:

Click the  on the customer affiliated screen

The user can search for the desired customer using Customer Search Window. The user can also use the wild card search as explain in General Characteristics section.

On selecting a particular customer, the information shown on the current screen is replaced with the information of the selected customer.

2.5.13 Interactions

Description:

This functionality is used by the logged in RM to maintain the RM-Customer interaction history in order to keep the track of all the interactions happened between the RM and Customer.

The system also displays the details of the global mail sent to customer in the interactions screen with the mode option as Global Mail.

Interaction screen also serves the purpose of capturing various interaction details. The system enables the user to categorize interaction as Call Report, Courtesy Meeting, Financial Planning, Global Mail etc. The Call Report is maintained by the Relationship Manager to document the details of the meeting done with the client on a regular basis. This report is generated only after the customer CIF is created. If the CIF created is at a group level, then a call report needs to be maintained for each individual member of that group. For corporate account, the call report for each individual director needs to be maintained. The start of the year is counted from the time CIF is activated in the system. The call report is not required to be approved by the compliance.

The user first needs to select the appropriate Customer Id before navigating to the Interactions screen. If the user navigates to the screen without selecting the Customer Id, the system forces the user to select the same.

If some action needs to be taken based on the Interaction with the customer, then status of that interaction is selected as Open. All the open interactions are treated as pending tasks and are displayed on the RM dashboard.

User Access levels:

RM: can access the Interactions screen

Screen:

ORACLE FLEXCUBE Private Banking

User: HO HEAD Current Login: 28/05/2011 11:58 AM Last Login: 28/05/2011 10:18 AM

Home Customer Financial Planning Order Mgmt Txn Mgmt Reports Tools My Workspace Logout

Customer > Interactions

Customer No: 10000 B Customer Name: Shikha Verma

Interaction ID	Issue / Task Details	Start Date	Mode	Status	Attachments
12527	Customer Global Mail - Test 3	06/06/2010	Global Mail	Closed	
13137	Customer Global Mail - Hi	06/06/2010	Global Mail	Closed	
12279	Customer Global Mail - Test 2	06/06/2010	Global Mail	Closed	
13006	Customer Global Mail - Test 4	06/06/2010	Global Mail	Closed	

Start date: *14/04/2011 Time of Call: *00:00 Status: *Open RM Initiated: ☒ For Ops: ☐

Interaction Category: *Financial Planning Mode: *In Person Product Type: *Bonds Last Modified Date: 14/04/2011

Attach Document: Browse...

Senior Mgmt Accompanied: *Area Head Others Accompanied:

Subject: *Financial Planning Discussion

Description:

Document Presented:

Closure Remarks:

Ops Response:

Add Modify Clear Print as PDF

Figure 2.27: Interactions Screen

Screen Navigation:

RM login: Customer → Interactions

RM login: Customer → Dashboard → Issues Tasks → Interactions

Field	Description	Mandatory
Display Section		
Interaction Id	Displays system generated Interaction Id once the user enters the interaction in the system	
Issue/Task Details	Displays the Issue or Task details	
Start Date	Displays the Start date of interaction	

Mode	Displays the mode of interaction	
Status	Displays the status of interaction	
Add/Modify Section		
Start Date	Enables the user to enter the date	Y
Mode	Enables the user to select the appropriate mode of interaction from the drop-down list	Y
Time of Call	Enables the user to mention the time of call.	Y
Interaction Category	Enables the user to select the appropriate type of interaction category. Interaction can be a Courtesy Meeting, Customer Instruction, Sales Call, Service Issue/Complaint, Referral, Portfolio Review, Financial Planning, Statement,, New Product Global Mail, Call Report and Others.	Y
Status	Enables the user to select the appropriate status from the drop-down list	Y
For Ops	Enables the Ops user to view the corresponding interaction in his/her login.	N
RM Initiated	If this option is selected, it determines the RM initiated interaction. If the option is not selected, it determines the client initiated interaction.	Y
Last Modified Date	Displays the date on which the interaction was last modified	
Product Type	Enables the user to select the appropriate Product Type	Y
Attach Document	If any document needs to be sent to the customer at his request, then the same can also be attached with the interaction as a record, using attached document feature of interaction.	N
Venue	Enables the user to select the appropriate Venue. Venue of the meeting can be Customer Residence, Customer Office, Branch, Common Public Place, NA	Y
Senior Mgmt Accompanied	Enables the user to select the appropriate Accompanied during Interactions. Accompanied can be HRM, Area Head, Regional Head, HO, Other RM/SM, GIS	N
Other Accompanied	Enables the user to enter the Other Accompanied during Interactions	N
Subject	Enables the user to enter the subject of the interaction.	Y

Description	Enables the user to enter the additional details in the Description text box	Y
Document Presented	Enables the user to list the appropriate documents in the text box.	N
Closure Remarks	If the user status selected is Closed in the Status drop-down list, the system enables the user to enter the remarks in the Closure Remarks list box.	N
Ops Response	For RM login, this is display only field and displays the content entered and saved by OPS. This field is displayed only when the Regular type of Interaction is selected.	N

Once the appropriate details are entered, click on the Add button to add the interaction. The system also facilitates the user to view the interaction report by clicking on the Print as PDF button.

2.5.14 Loans and Pledges

Description:

The Loans and Pledges feature of FCPB enables the user to capture the Loan/Pledge request using various submenus such as Loan Sanction, Pledge – BRL, Pledge – USD, Pledge Option, Loans & Pledges Book and Collateral Adjustment.

2.5.14.1 Loans Sanction

User Access levels:

RM: The person designated as Relationship Manager of the system can access the Loan Sanction screen.

Screen:

ORACLE FLEXCUBE Private Banking User: HO HEAD Current Login: 12/09/2011 11:55 AM Last Login: 09/09/2011 7:07 PM

Home Customer Financial Planning Order Mgmt Txn Mgmt Reports Tools My Workspace Logout

Customer > Loans & Pledges > Loan Sanction

Customer Name: Nit Roovy

Loan Sanction Details

Transaction Sub Type: Auto Loan Segment: Corporate
 Currency: USD Loan Amount: 100000
 Term (In Days): 365 Interest Rate Type: Fixed
 Reference Rate (%): 8 Spread (%): 1.5
 Rate To Client (%): 8.015 Interest Pmt. Frequency: Semi Annually
 Loan Amount (In Bank CCY): 100000 Amount required to offset other Tranches: 0
 Collateral Required (In Bank CCY): 100000 Commission (In Bank CCY):
 Repayment: Bullet Portfolio Value (In Bank CCY): 2995276.93
 Available Collateral Value (In Bank CCY): 0 Equivalency %: 0

Customer Name	Available Collateral	Collateral to be Used
Total		0

Description:
 Credit Department Remarks:
 Makers Comments:

Submit Clear

Figure 2.28: Loan Sanction Screen

Screen Navigation:

Log into the system as RM Login and select Customer → Loans & Pledges → Loan Sanction

Field	Description	Mandatory (Y/N)
Customer Name	Displays Customer Name while navigating to the Loan Sanction screen.	Y
Loan Sanction Details		
Transaction Sub Type	Enables to select the appropriate Loan type from the Transaction Sub Type drop-down list	Y
Segment	Enables to select the appropriate Customer Segment	Y
Currency	Enables to select the Currency in which customer has asked for the Loan	Y

Loan Amount	Enables the user to enter the Loan amount as requested by the customer.	Y
Term(In Days)	Enables the user to enter the term in days for the requested Loan amount	Y
Interest Rate Type	Indicates Fixed or Floating type of Interest	Y
Reference Rate (%)	Enables to enter the Reference Rate for the Loan for Fixed interest rate. When the interest rate is Floating, this field would be disabled.	Y
Spread (%)	Enables the user to enter the appropriate Spread	
Rate to Client (%)	Displays the interest rate to be charged to the customer for Loan.	Y
Interest Pmt. Frequency	Indicates the Interest Payment Frequency	Y
Loan Amount (In Bank CCY)	Displays the Loan amount as requested by the customer and sanctioned by the bank.	Y
Amount required to offset other Tranches	Enables to enter the amount required to offset other Tranches	Y
Collateral Required (In Bank CCY)	Displays the Collateral Amount required for the Loan	Y
Commission (In Bank CCY)	Enables the user to enter the Commission amount	N
Repayment	Specifies whether the loan will be repaid as per schedule or in one go.	Y
Portfolio Value (In Bank CCY)	Displays the total Portfolio Value	Y
Available Collateral Value (In Bank CCY)	Displays the available Collateral value of the portfolio	Y
Equivalency %	Equivalency % at the time of placing the loan request	Y
Collateral Details		
Customer Name	Customer Name from whom the collateral to be borrowed	Y
Available Collateral	Available collateral for the selected customer	Y

Collateral to be Used	Collateral to be borrowed from the selected customer	Y
Description	Enables the user to capture specific details for the order, if any	N
Credit Department Remarks	Enables to capture the remarks of credit department	N
Makers Comments	Enables the user to enter the comments against the loan, if any	

Collateral Details:

The Collateral Details pop up enables the user to adjust the collateral details using the Collateral of other customer.

View	Customer Name	Available Collateral	Collateral to be Used
<input checked="" type="radio"/>	Amit Joshi	338005.85	50001
		Total	50001

Customer Name:

Available Collateral: Collateral to be Used:

Figure 2.29: Collateral Details Window

2.5.14.2 Pledge – BRL

Description:

The Pledge-BRL screen is used to capture the Pledge-BRL request received from the customer.

User Access levels:

RM: The person designated as Relationship Manager of the system can access the Pledge - BRL screen.

Screen:

ORACLE
FLEXCUBE Private Banking

User: HO HEAD Current Login: 12/09/2011 2:27 PM Last Login: 12/09/2011 1:34 PM

Home Customer Financial Planning Order Mgmt Txn Mgmt Reports Tools My Workspace Logout

Customer > Loans & Pledges > Pledge-BRL

Customer Name: Nit Roovy

Pledge-BRL Details

Transaction Sub Type: Antecipacao de Recebiveis-Desconto Segment: Corporate

Currency: BRL Amount: 1000000

Start Date: 25/08/2011 Term (In Days): 365

Maturity Date: 24/08/2012 Fin (%): 1.25

Conv. Rate: 0.64 Commission (In Bank CCY):

PTAX: 2 PTAX Date: 12/09/2011

Amount (In Bank CCY): 640000 Collateral Required (In Bank CCY): 8000

Portfolio Value (In Bank CCY): 2995276.93 Available Collateral Value (In Bank CCY): 0

Equivalency %: 0.00

Customer Name	Available Collateral	Collateral to be Used
Total		0

Description:

Credit Department Remarks:

Makers Comments:

Submit Clear

Figure 2.30: Pledge – BRL Screen

Screen Navigation:

Log into the system as RM Login and select Customer → Loans & Pledges → Pledge-BRL Screen.

Field	Description	Mandatory (Y/N)
Customer Name	Displays Customer Name while navigating to the Pledge-BRL screen	Y
Pledge-BRL Details		
Transaction Sub Type	Enables to select the appropriate Pledge-BRL type from the Transaction Sub Type drop-down list	Y
Segment	Enables to select the appropriate Customer Segment	Y
Currency	Enables to select the appropriate Currency for Pledge-BRL	Y

Amount	Enables the user to enter the Pledge-BRL amount	Y
Start Date	Start Date of Pledge-BRL	Y
Maturity Date	Maturity Date of the Pledge-BRL	Y
Term(In Days)	Enables the user to enter the term in days for the Pledge-BRL	Y
Fin (%)	FIN % for Pledge-BRL	Y
Conv. rate	Indicates special rate for BRL to USD conversion	Y
Commission (In Bank CCY)	Enables the user to enter the Commission amount	N
PTAX	Displays the rate related to Dollar quote compared to Brazilian Real	Y
PTAX Date	Displays the PTAX date	Y
Amount (In Bank CCY)	Displays the amount as requested by the customer and sanctioned by the bank.	Y
Collateral Required (In Bank CCY)	Displays the Collateral Amount required for the Pledge-BRL	Y
Portfolio Value (In Bank CCY)	Displays the total Portfolio Value	Y
Available Collateral Value (In Bank CCY)	Displays the available Collateral value of the portfolio	Y
Equivalency %	Equivalency % at the time of placing the loan request	Y
Collateral Details		
Customer Name	Customer Name from which collateral to be borrowed	Y
Available Collateral	Available collateral for the selected customer	Y
Collateral to be Used	Collateral to be borrowed from the selected customer	Y
Description	Enables the user to capture specific details for the order, if any	N
Credit Department Remarks	Enables to capture the remarks of credit department	N

Makers Comments	Enables the user to enter the comments against the loan, if any	
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2.5.14.3 Pledge – USD

Description:

The Pledge-USD screen is used to capture the Pledge-USD request received from the customer.

User Access levels:

RM: The person designated as Relationship Manager of the system can access the Pledge - USD screen.

Screen:

Figure 2.31: Pledge – USD Screen

Screen Navigation:

Log into the system as RM Login and select Customer → Loans & Pledges → Pledge-USD Screen

The field description and processing of the Pledge – USD request is similar to the Pledge – BRL request processing except the currency under consideration is USD.

2.5.14.4 Pledge – Option

Description:

The Pledge-Option screen is used to capture the Pledge-Option request received from the customer.

User Access levels:

RM: The person designated as Relationship Manager of the system can access the Loan and Pledges screens.

Screen:

ORACLE®
FLEXCUBE Private Banking

User: HO HEAD Current Login: 12/09/2011 2:27 PM Last Login: 12/09/2011 1:34 PM

Home Customer Financial Planning Order Mgmt Txn Mgmt Reports Tools My Workspace Logout

Customer > Loans & Pledges > Pledge-Option

Customer Name: Nit Roovy

Pledge-Option Details

Transaction Sub Type: Custeio Agricola
Currency: USD
Option Trade Date: 25/08/2011
Maturity Date: 27/08/2012
Amount (In Bank CCY): 100000
Portfolio Value (In Bank CCY): 2995276.93
Equivalency %: 0.00

Segment: Corporate
Amount: 100000
Option Expiration Date: 25/08/2012
Fin (%): 1.2
Collateral Required (In Bank CCY): 1200
Available Collateral Value (In Bank CCY): 0
Commission (In Bank CCY):

Collateral Details

Customer Name	Available Collateral	Collateral to be Used
Total		0

Description:
Credit Department Remarks:
Makers Comments:

Submit Clear

Figure 2.30: Pledge – Option Screen

Screen Navigation:

Log into the system as RM Login and select Customer → Loans & Pledges → Pledge-Option Screen

The field description and processing of the Pledge – Option request is similar to the Pledge – BRL request processing. The field descriptions of other important fields of the screen are as given below:

Field	Description	Mandatory (Y/N)
Option Trade Date	Enables the user to enter the appropriate trade date. The system defaults this date to current business date. It allows the user to enter the past and future trade dates. However, the collateral monitoring starts from the moment, the request is entered into the system. The system does not allow backdated Collateral Monitoring.	Y
Option Expiration Date	Enables the user to enter the appropriate option expiry date	Y
Maturity Date	Displays the Maturity date for the Pledge Option. It is computed based on the value of the Option Expiration Date.	Y

2.5.14.5 Loans and Pledges Book

Description:

The Loan & Pledges Book screen enables the user to view the status of the Loan & Pledges requests available in the system as per the selected criteria.

User Access levels:

RM: The person designated as Relationship Manager of the system can access the Loan and Pledges Book screen.

Operations: The person designated as Relationship Manager of the system can access the Loan and Pledges Book screen.

Screen:

ORACLE
FLEXCUBE Private Banking

User: HO HEAD Current Login: 16/12/2011 3:02 PM Last Login: 16/12/2011 2:27 PM

Home Customer Financial Planning Order Mgmt Txn Mgmt Master Reports Tools My Workspace Logout

Customer > Loans & Pledges > Loans & Pledges Book

Loan Book Filters

Product Type Customer No Status

Search Clear

Product Type	Loan/Pledge Ref. No.	Customer Name	Loan/Pledge Request Date	Expiry/Maturity Date	Loan/Pledge Amt.	Collateral Amt. Required	Maker Date & Time	Checker Date & Time	Status	Action
Loan	LO4945110009	Jack Sparrow	24/08/2011	23/09/2011	5,000,000	2	11/24/08/2011 11:25:24 AM		Authorized	View / Print
Loan	LO4945110135	Robin Jackman	19/10/2011		1,000,000	1	11/19/10/2011 11:07:13 AM		Open	View / Modify / Cancel
Loan	LO4945110136	Robin Jackman	19/10/2011	18/11/2011	10,000,000	1		11/19/10/2011 11:53:21 AM	Authorized	View / Print
Loan	LO4945110137	Robin Jackman	19/10/2011		500,000	1			Declined/Rejected	View
Loan	LO4945110148	Robin Jackman	20/10/2011	21/11/2011	500,000	500,000		11/20/10/2011 16:42:15 PM	Authorized	View / Print
Loan	LO4945110129	Robin Jackman	12/10/2011		500,000	1	11/12/10/2011 16:59:10 PM		Open	View / Modify / Cancel
Loan	LO4945110130	Robin Jackman	13/10/2011		500,000	5	11/13/10/2011 08:47:11 AM		Open	View / Modify / Cancel
Loan	LO4945110131	Robin Jackman	13/10/2011		500,000	1	11/13/10/2011 08:58:35 AM		Cancelled	View
Loan	LO4945110007	Kaushik Vora	23/08/2011	22/09/2011	500,000	499,500			Authorized	View / Print
Loan	LO4945110081	Jeet Cheterjee	08/09/2011	08/10/2011	980,000	980,000			Declined/Rejected	View


Figure 2.31: Loan & Pledges Book


Screen Navigation:

Log into the system as RM Login and select Customer → Loans & Pledges → Loan & Pledges Book

Field	Description	Mandatory (Y/N)
Product Type	Displays the product type for the corresponding Loan/Pledge request.	Y
Loan/Pledge Ref. No.	Displays the system generated Loan/Pledge Ref. No.	Y
Customer Name	Displays the customer name	Y
Loan/Pledge Request Date	Displays the Loan/Pledge Request date	Y
Maturity Date	Displays the Maturity date for Pledge and Expiry date for Loan records	Y
Loan/Pledge Amt.	Displays the Loan/Pledge Amt.	Y

Collateral Amt. Required	Displays the Collateral Amount required	Y
Maker Date & Time	Displays the Maker Date & Time	Y
Checker Date & Time	Displays the Checker Date & Time	Y
Status	Displays the status of the corresponding Loan/Pledge request	Y
Action	Displays the group of actions which can be performed on a Loan/Pledge request.	Y

 The Loan/Pledge request remains available for modification by the RM/Maker until it is acknowledged by the approving authority. Once acknowledged, the system does not allow the user to modify the request.

 Availability of various links (View/Modify/Cancel/Authorize) depends on the parameter setup done for the user in the Liability Product Access Control section of the Employee Maintenance screen.

2.5.14.6 Collateral Adjustment

Description:

The Collateral Adjustment screen enables the user to adjust the collateral amount for customer.

User Access levels:

RM: The person designated as Relationship Manager of the system can access the Collateral Adjustment screen.

Screen:

ORACLE FLEXCUBE Private Banking

User: HO HEAD Current Login: 12/09/2011 2:27 PM Last Login: 12/09/2011 1:34 PM

Home Customer Financial Planning Order Mgmt Txn Mgmt Reports Tools My Workspace Logout

Customer > Loans & Pledges > Collateral Adjustment

Customer Name : Sweta Khutale

	Loan/Pledges Ref. No.	Loan/Pledges CCY	Expiry Date	Term	Sanctioned Amt.	Disbursed Amt.	Outstanding Amt.	Collateral Value
<input type="radio"/>	PL4945112060	USD	09/08/2011	200	1			0.01
<input type="radio"/>	LO4945112092	USD		200	50001			50001

Loan/Pledges Ref. No.

Collateral Details

Customer Name	Available Collateral	Collateral to be Used
Total		0

Comments

Figure 2.32: Collateral Adjustment

Screen Navigation:

Log into the system as RM Login and select Customer → Loans & Pledges → Collateral Adjustment

Field	Description	Mandatory (Y/N)
Loan/Pledge Ref. No.	Displays the system generated Loan/Pledge Ref. No.	Y
Loan/Pledges CCY	Displays the Loan/Pledges currency	Y
Expiry Date	Displays the Expiry date in case of Loan Sanction and Maturity date in case of Pledge	Y
Term	Displays the term of Loan/Pledge	Y
Sanctioned Amt.	Displays the Loan Sanctioned Amount	Y

Disbursed Amt.	Displays the Disbursed Amount	Y
Outstanding Amt.	Displays the Outstanding Amount of Loan	Y
Collateral Value	Displays the Collateral value of Loan/Pledge.	Y

2.5.15 Back Testing of Model Portfolio

Description:

The FCPB system allows the user to create the model portfolio for various risk profiles. The Back Testing of Model Portfolio feature of the system enables the user to track the performances of these model portfolios.

The performance of the model portfolio is computed at the end of each week. The system computes the performance only for the bank specified model portfolios. For customer specific model portfolios, this performance computation is not available. Also, the system presents the user with the performance of the model portfolio for last one year at any point of time.

User Access levels:

RM: The person designated as Relationship Manager of the system can access the Model Portfolio screen to view the performance.

Screen:

Model Portfolio: Conservative Model Asset Alloc

Performance as on 01/06/2012

Instrument Type	Instrument Name	Weightage(%)	Returns(%)					Fact Sheet	Analytics
			1 Month	3 Months	6 Months	1 Year	3 Years		
Direct Eq	Mac EQ	10.00	100.20	100.20	102.82	100.80	NA		
Bonds	Mac BOND	60.00	0.00	879.80	901.39	1,192.25	NA		
MutualFund	HDFC Rerun	10.00	0.00	0.00	0.00	0.00	NA		
PMS	ROR PMS	20.00	NA	NA	NA	NA	NA		
Portfolio Weighted Average Return		100.00	NA	NA	NA	NA	NA		

Note: The Performance shown above have been computed based on the constituents of current portfolio

Figure 2.33: Back Testing of Model Portfolio Screen

Screen Navigation:

After logging into the system as RM, select Tools → Model Portfolio

Field	Description	Mandatory (Y/N)
Instrument Type	Displays the instrument type for which performance is computed	Y
Instrument Name	Displays the name of the instrument for which the performance is computed	Y
Weightage (%)	Displays the total weightage allocated to corresponding instrument for the selected portfolio for which performance is computed.	Y
Returns (%)		
1 Month	Displays the portfolio performance for the corresponding instrument for the first month	Y

3 Months	Displays the portfolio performance for the corresponding instrument for last 3 months	Y
6 Months	Displays the portfolio performance for the corresponding instrument for last 6 months	Y
1 Year	Displays the portfolio performance for the corresponding instrument for last 1 year	Y
3 Years	Displays the portfolio performance for the corresponding instrument for last 3 years	Y
Fact Sheet	Enables the user to view the fact sheet details by clicking on the Fact Sheet icon	
Analytics	Enables the user to view instrument analytics details by clicking on the Analytics icon	
Portfolio Weighted Average Returns (%)	Displays the weighted average returns of the portfolio for the corresponding time period	

If the returns are not available for any model portfolio constituents, the system displays NA. This will happen in case when a new instrument is added to the portfolio which is just 3 months old. For such instrument, the returns columns beyond 3 months will display NA on performance computation.

Also, weighted average return of the portfolio displays NA if all the instruments in the portfolio do not have the complete price details.

In case of bonds that are a part of the portfolio, the coupon rate is used to compute the returns. However, if the bonds are zero coupon bonds, the system does not compute any returns and displays NA.

Also, if a bonus is issued for an equity share, while calculating the returns the system adjusts the price based on all the bonus ratios of the past.

2.5.16 Risk Profiler

Description:

The Risk Profiler screen under the Tools menu enables the user to do the Risk Profiling of the customer. Based on the Client Segment and Client IT Type, the system displays the particular set of questions and depending on the feedback received from the client, it allocates the particular risk score to the customer.

The system also enables the user to perform the risk profiling for Prospects and Contact Persons once the CIF is created.

After filling in the questionnaire when the user clicks on the Calculate button, the system displays the Risk Profiler screen with Recommended Asset Allocation and performance of the model portfolio associated with the risk score with different set of messages as mentioned below:

Following messages to be displayed when Risk profile is done or updated.

Client Classification	Entity	Action
Single	Prospect	While creating customer - When save button is clicked application will show a popup message "Risk profile data updated. Please send the details for compliance approval". Status will continue to be "WIP".
Single	Customer	Modification for existing customer risk profile - When save button is clicked application will show a popup message "Risk profile data updated. Please send the details for compliance approval". Status will change from "Active" to "WIP".
Single	Contact Person	Modification of contact person risk profile- When save button is clicked application will show a popup message "Risk profile data updated. Please send the details of following CIF for compliance approval". In the same popup another section will appear and show the CIF number and <First Name, Last Name> of all the parent CIFs where contact person is a linked entity.
Group	Prospect	While creating a group customer - When save button is clicked application will show a popup message "Risk profile data updated. Please send the details for compliance approval". Status will continue to be "WIP".
Group	Customer	Modification for risk profile of group - When save button is clicked application will show a popup message "Risk profile data updated. Please send the details for compliance approval". Group CIF status will change to "WIP", contact persons part of the group will remain in "Active" status.

User Access levels:

RM: The person designated as Relationship Manager of the system can access the Risk Profiler screen to view the Recommended Asset Allocation and performance.

Screen:

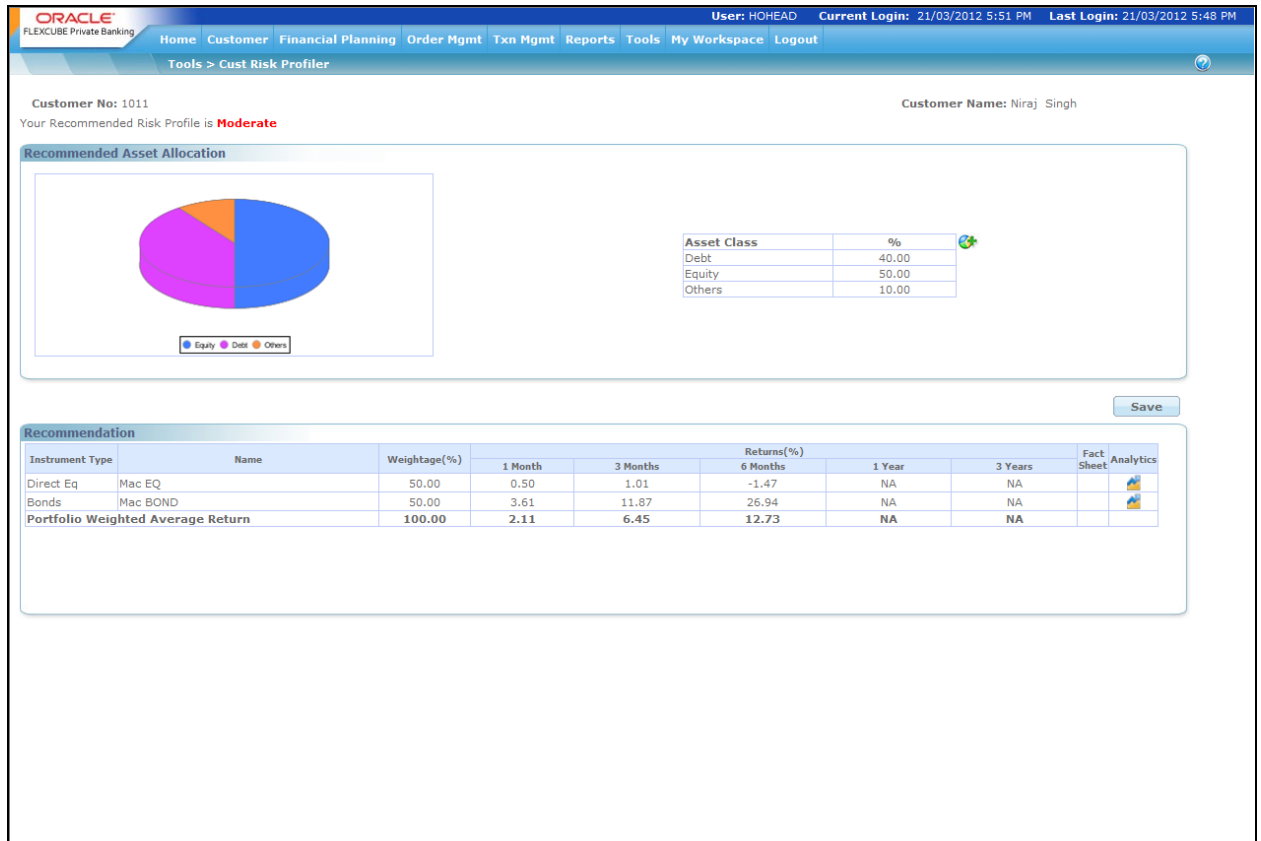


Figure 2.34: Risk Profiler Screen

If there are instruments for which customers have holdings but no records in the Price table. For such instruments, the system does the following

Check and list the instruments for which there is not even a single price record but customers have holdings

For such instruments system checks for transactions across the customers.

Pick the latest transaction from the above list and assign the transaction price as the instrument price, even if it is across a month.

This price is then used to update the price history table through historization process.

2.5.17 Product Search

Description:

The Product Search feature of FCPB enables the user to search for the desired products available in the system using various filters. The search result displays the products qualifying the

given search criteria along with the instrument related details like factsheets, analytics data, price movements etc.

User Access Levels:

RM: The person designated as Relationship Manager of the system can access the Product Search screen.

Screen:

The screenshot shows the Oracle FLEXCUBE Private Banking interface. The top navigation bar includes links for Home, Customer, Financial Planning, Order Mgmt, Txn Mgmt, Reports, Tools, My Workspace, and Logout. The user is logged in as HO HEAD on 08/09/2011 at 3:07 PM. The current page is 'Tools > Product Search'.

Instrument Search Filters

Instrument Type: Select
Region: Select
Currency: Select
Industry: Select
Instrument: GOOGLE

IAG: Select
Country: Select
Market Cap: Select
Approved Instruments: ☒

Search Clear

Instrument Type	Instrument Name	Returns(%)					Fact Sheet	Analytics	Price
		1 Month	3 Months	6 Months	1 Year	3 Years			
Direct Eq	GOOGLE	0.00	0.00	0.00	0.00	128.31			

Figure 2.35: Product Search Screen

2.5.18 User Defined Fields

Description:

The screen enables the RM user to modify the user defined fields details.

User Access Levels:

RM: The person designated as Relationship Manager of the system can access the User Defined Fields screen.

Screen:

FLEXcube
PRIVATE BANKING

User: HO HEAD Current Login: 11/03/2009 1:38 PM Last Login: 11/03/2009 1:31 PM

Home Customer Financial Planning Order Mgmt Txn Mgmt Reports Tools My Workspace Logout

Customer > Profile Maintenance > User Defined Fields

Customer No: 1024 Customer Name : Niranjan Singh

Nick Name:

Figure 2.36: User Defined Fields Screen

2.6 **Key Customer Data**

Description:

The Key Customer Data screen enables the RM user to capture the critical data elements pertaining to the customer that can be changed using only this screen. It is used only when the maker-checker functionality is desired for the selected customer centric fields.

User Access Levels:

RM: The person designated as Relationship Manager of the system can access the Key Customer Data screen.

Screen:

ORACLE FLEXCUBE Private Banking

User: HO HEAD Current Login: 15/03/2012 10:36 AM Last Login: 15/03/2012 10:29 AM

Home Customer Financial Planning Order Mgmt Txn Mgmt Master Reports Tools My Workspace Logout

Customer > Profile Maintenance > Key Customer Data

Customer No: 10884 Customer Name: Nit Roovy

Client Status: Active

Client Segment: Advantage Banking

RM Power Of Attorney: ☐ Yes ☒ No

KYC Check done: ☒ Yes ☐ No

Insurance Need Analysis Done: ☒ Yes ☐ No

Charge Transaction fee: ☒ Yes ☐ No

Charge Periodic fee: ☒ Yes ☐ No

Fee Mandate: ☒ Yes ☐ No

Document Registration Done: ☒ Yes ☐ No

Available Portfolios for Periodic Fee: RM Managed-RM Managed

Exclude Portfolios for Periodic Fee: Self Managed-Self Managed

Risk Score: *Aggressive1 - RiskProfiler: QBank 2

Models: [Suggested Models](#) | [Customer Specific](#)

Model Name: *Pvt Aggressive

Asset Class	Best%	Min%	Max%
Debt	40.00	30.00	40.00
Equity	60.00	50.00	60.00

Save

Figure 2.37: Key Customer Data

Screen Navigation:

After logging into the system as RM, select Customer → Profile Maintenance → Key Customer Data

Field	Description	Mandatory Y/(N)
Client Status	Enables the user to change the appropriate client status from the drop-down list.	Y
Client Segment	Enables the user to select appropriate client segment for the selected customer.	Y
RM Power of Attorney	Enables the user to indicate the power of attorney to be given to the RM. By default, the 'No' option is selected.	Y
KYC Check Done	Enables the user to select the appropriate option for KYC Check done.	Y

Insurance Need Analysis	Enables the user to identify if Insurance Need Analysis has been done or not.	Y
Charge Transaction Fee	Enables the user to determine whether or not the transaction fees is to be charged.	Y
Charge Periodic Fee	Enables the user to determine whether or not the periodic fees is to be charged.	Y
Fee Mandate	If this flag is set to Y, it is assumed that the client has agreed /signed the mandate to charge the periodic and transaction fee both and if the flag is set to N then no fees will be charged to the customer.	Y
Document Registration Done	The flag is applicable in Customer login for MF order capture and in RM login also for MF order capture if the RM_POA flag is set to 'Y'. If the Documentation Registration Done flag is set to 'Yes' and if the customer clicks on the Buy/Sell menu, then the system allows the user to place the online MF order but if the flag is set to 'No', the system does not allow the user to place the order online and displays appropriate error message.	Y
Available Portfolios for Periodic Fee	This list box is displayed only if the 'Charge Periodic Fee' field is set to Y. If it is set to 'N' then the list box is not displayed. This list box displays the non-heldaway portfolios which should be available for Periodic Fee consideration	N
Exclude Portfolios for Periodic Fee	This list box is displayed only if the 'Charge Periodic Fee' field is set to Y. If it is set to 'N' then the list box is not displayed. This list box displays the list of portfolios for which the system should not charge Periodic Fee..	N
Risk Score	Enables the user to select the appropriate risk score from the drop-down list.	Y
Models	Enables the user to select the appropriate Model as per requirement.	Y
Model Name	Displays the name of the model depending on the model selected	Y

All the fields available in key Customer Data (except Client Segment) are also available in other screens like Investment Profile or Risk Model Profile, but in the Disabled Mode.

The Banks those want Key Customer Data Menu and hence Maker-Checker functionality for these fields, may use the Admin → Field Access Controller screen to disable these fields and make Modifiable Checkbox as unchecked. Therefore these fields will not appear in Investment Profile, Risk Model Profile screens and are editable only in the Key Customer Data screen.

On the other hand, the Banks which do not want to use Key Customer Data Menu and Maker-Checker Feature may have the facility to remove this Menu from Role Maintenance and also in Admin → Field Access Controller screen to enable these fields and make Modifiable Checkbox as checked.

Click on the Save button to send the record for Authorization.

2.6.1 Customer Specific Fee

Description:

The Customer Specific Fee screen under the Profile Maintenance submenu displays the special fee applicable as an exception to the selected customer. This special fee structure designed for the particular customer depends on the Customer id, Instrument Analysis Group, Order Type and User Type and is maintained by the Operations or Admin user.

User Access Levels:

RM: The person designated as Relationship Manager of the system can view the special rates applicable for the selected customer.

Screen:

Customer Name : Prabhas P Sri

Fee Type	Charge Methodology	Portfolio Type	Order Type	IAG	User Type	Fee Based on	Country Of Market	Fee Charged on	Fee Description	Frequency	Fee Subtype	Next Charge Date	Last Charge Date
Transaction			SWP	SP	Banker	Trans	BOSNIA	TXN	Periodic				
Transaction			Buy	SSB	Banker	AUM	BOSNIA	TXN	Periodic				

Figure 2.38: Customer Specific Fee Screen

Screen Navigation:

After logging into the system as RM, select Customer → Profile Maintenance → Customer Specific Fee

Field	Description	Mandatory Y/N)
Fee Type	Displays the type of fee applicable for the selected customer	Y
Charge Methodology	Displays the Charge Methodology applicable for the selected customer	Y
Portfolio Type	Displays the type of portfolio for which the special fee is to be charged for the selected customer	Y
Order Type	Displays the order type for which the special fee is to be charged for the selected customer	Y
IAG	Displays the IAG type for which the special fee is to be charged for the selected customer	Y
User Type	Displays the IAG type for which the special fee is to be charged for the selected customer	Y
Fee Based on	Displays the base criteria on which the fee is to be charged	
Country of Market	Displays the country of market for the selected customer	
Fee Charged on	Displays whether the fee is charged on Transaction or Quantity	
Fee Description	Displays the description of the corresponding fee type	
Frequency	Displays the frequency of the fee applicable if the selected fee type is Periodic	
Fee Subtype	Enables the user to select appropriate Fee Subtype	
Next Charge Date	Displays the date on which the fee is to be charged next.	
Last charge Date	Displays the date on which the last fee was charged.	

2.7 Customer Dashboard

Description:

Customer dashboard is a snap shot of various details like demographic details, Net worth, Recommended Portfolio, Actual Asset Allocation, Portfolio Summary and Alerts.

Each RM can see dashboards of customers who are directly managed by him or the customers who belong to the RMs mapped under him.

User Access Levels:

RM: After logging in the system as RM, select Customer → Dashboard from the top menu.

Customer: The moment customer user logs in and if the user risk profile is updated, the system directs the user to the customer dashboard page. Another option for the user is to choose the home from the top menu and navigate to the dashboard.

Screen:

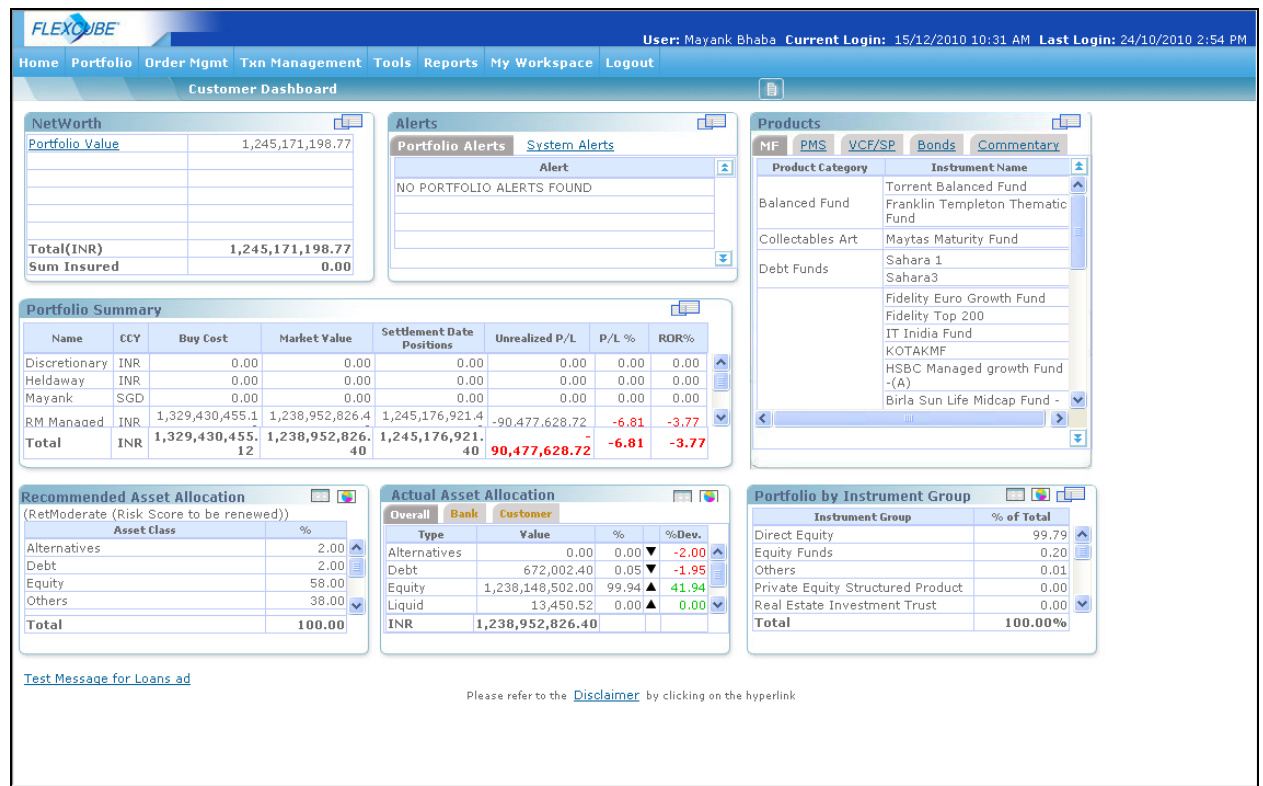


Figure 2.39: Customer Dashboard Screen – Customer Login

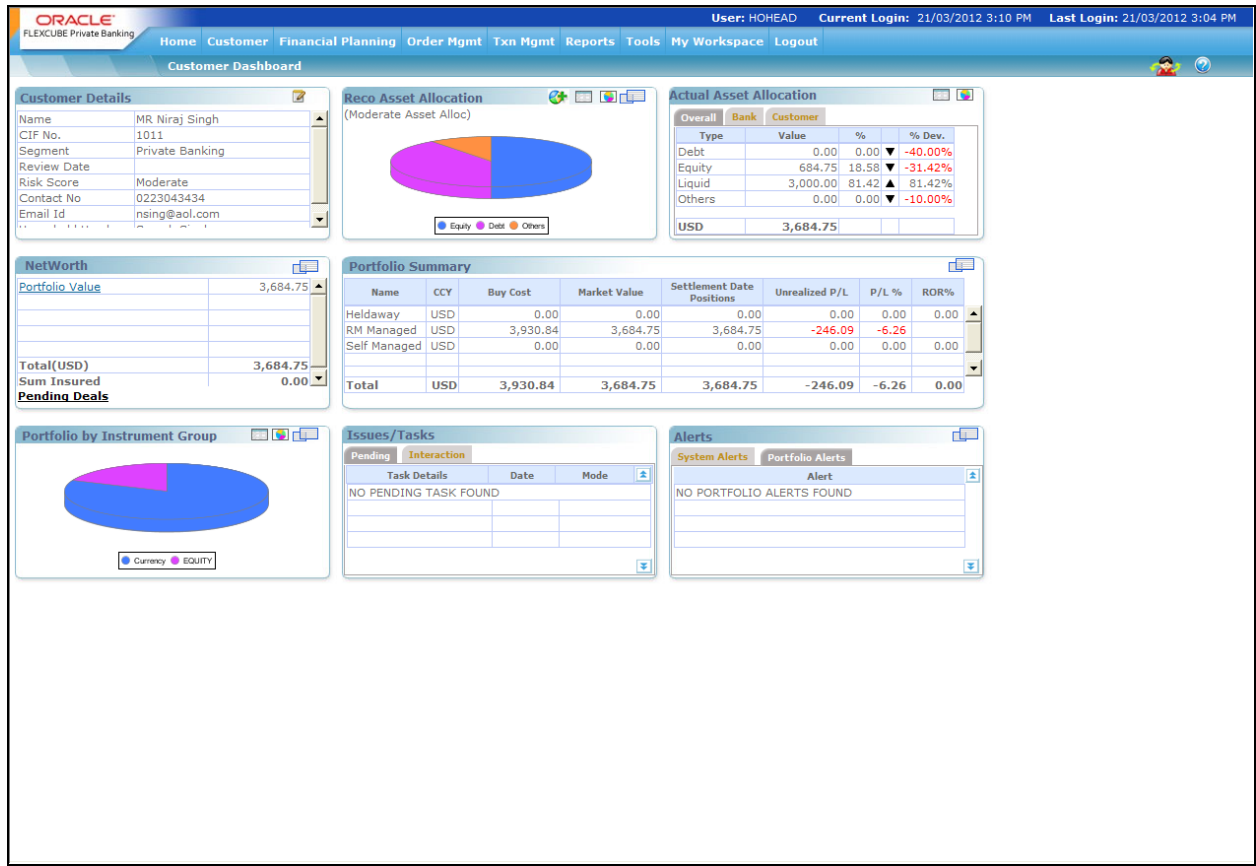


Figure 2. 40: Customer Dashboard Screen – RM Login

Navigation:

RM: After logging in the system as RM, select Customer → Dashboard from the top menu.

Customer: The moment customer logs in and if his risk profile is updated in the system he will land on the customer dashboard page, else he can choose the home from the top menu and he can navigate to the dashboard.

Main Tables	Description	Features
Customer Details	Displays customer specific details	The RM has to choose a client to view the details for that client

Recommended Asset Allocation	Displays the asset allocation which is recommended to the client after assessing the risk appetite and assigning the risk score to the client	Option to view the details in the form of graph or table. He can also directly view the simulator screen by clicking the simulator icon there. The user can also view the multi-dimensional model asset allocation recommended to the client.
Actual Asset Allocation	<p>Displays the present asset allocation of the client.</p> <p>If the Asset Class Decomposition flag is set to Yes then this tab displays the Asset Class values after considering sub-constituent values. The deviation percentage (if any) will also include the values of sub-constituents.</p> <p>If the flag is set to No then system does not consider the sub-constituent values.</p>	RM can view all the asset allocation for the selected customer

NetWorth	<p>It displays network details of the client i.e. details to all the accounts held internal to bank that are not part of portfolio investment. It also displays the network details of the Household members on clicking of the Household icon located below the Sum Insured field.</p> <p>The Portfolio Value hyperlink opens up the Portfolio Maintenance screen (a quicklink to Portfolio Maintenance)</p> <p>The customer dashboard accessed using RM login, displays an addition hyperlink 'Pending Deals' in the Network section. When the user clicks on this hyperlink, the Pending Orders & Deals popup appears which displays the transaction pending settlements with the deal values in both instrument and customer currencies grouped by buy/sells and sorted by settlement date within each group. In addition to this, popup also displays the details of Confirmed orders – Pending execution.</p> <p>The blow up icon located at the top right hand corner of the Networth portlet opens up the 'Statement of Loans and Liabilities' pop up which gives the detailed statement of Liability type of Banking Products.</p>	<p>Also displays the sum Insured for a client. If the Sum Insured field is hyperlinked and it opens up a pop up on clicking of the hyperlink to display the details of the insurance taken by the client. In case, the policy held by the customer is of type ULIP, Fund value will be hyperlinked. On clicking the hyperlink the user gets to see the details of funds under that particular ULIP.</p>
Portfolio Summary	<p>Displays the summary of the portfolios that the client holds.</p> <p>The system also displays the inventory position based on value date under the Value Date Positions column. If value date is blank then system considers the trade date as value date.</p>	<p>Details like portfolio currency, market values, buy cost, Value Date Positions, Unrealized P/L, P/L, and ROR are displayed</p>

Portfolio by Instrument Group	Displays the portfolios aggregated based on Instrument analysis group.	The investor can navigate to Portfolio Analysis screen by clicking the quick link to provided on top right hand side of the section. Also the user has an option to view Portfolio by instrument group in a graphical or tabular form.
Pending tasks	Customer Name, Task Details, Date & Mode	<p>Pending tasks are Interactions with status as "Open".</p> <p>Customer's "Send message" request is populated in the Pending Task list</p> <p>Provides an option to define whether the interaction was initiated by the RM, to keep a track of how proactively the RM is servicing the customer.</p>
Alerts	System as well as Portfolio Alerts for both RM & Clients	<p>System Alerts-> For e.g.-Birth-dates, Anniversary, Product maturity dates, Restriction maturity, Premium due date</p> <p>Portfolio Alerts-> For e.g. - Portfolio returns, Deviations from benchmark configured for every client.</p>

2.8 **Reports**

Description:

Customer can generate Detailed, Summary and Transactions report for both individuals as well as for households. Summary Reports will give a bird's eye view to the clients' portfolios.

User Access Levels:

RM & Customer: Only the person designated as an RM or Customer can access this screen.

Screen:

RM Login:

FLEXCUBE
PRIVATE BANKING

User: Madhur Jain Current Login: 12/04/2008, 10:00AM Last Login: 22/03/2008, 10:10PM

Home Customer Order Management TXN Management My WorkSpace Reports Tools Logout

Reports > Customer Portfolio Reports > Summary Reports

Portfolio Report

Report Type ☒ Individual ☐ House Hold

Portfolio Summary Report **Reset**

Figure 2.41: Summary Reports Screen

Navigation:

After logging in the system as RM, select Reports → Portfolio → Summary Portfolio from the top menu, for summary portfolio report.

After logging in the system as RM, select Reports → Portfolio → Detailed Portfolio from the top menu, for detailed portfolio report.

After logging in the system as RM, select Reports → Portfolio → Transaction Report from the top menu, for detailed portfolio report.

Fields	Description	Mandatory
Report Type	Enables the user to select the appropriate report type by selecting the radio button	Y

Customer Login:

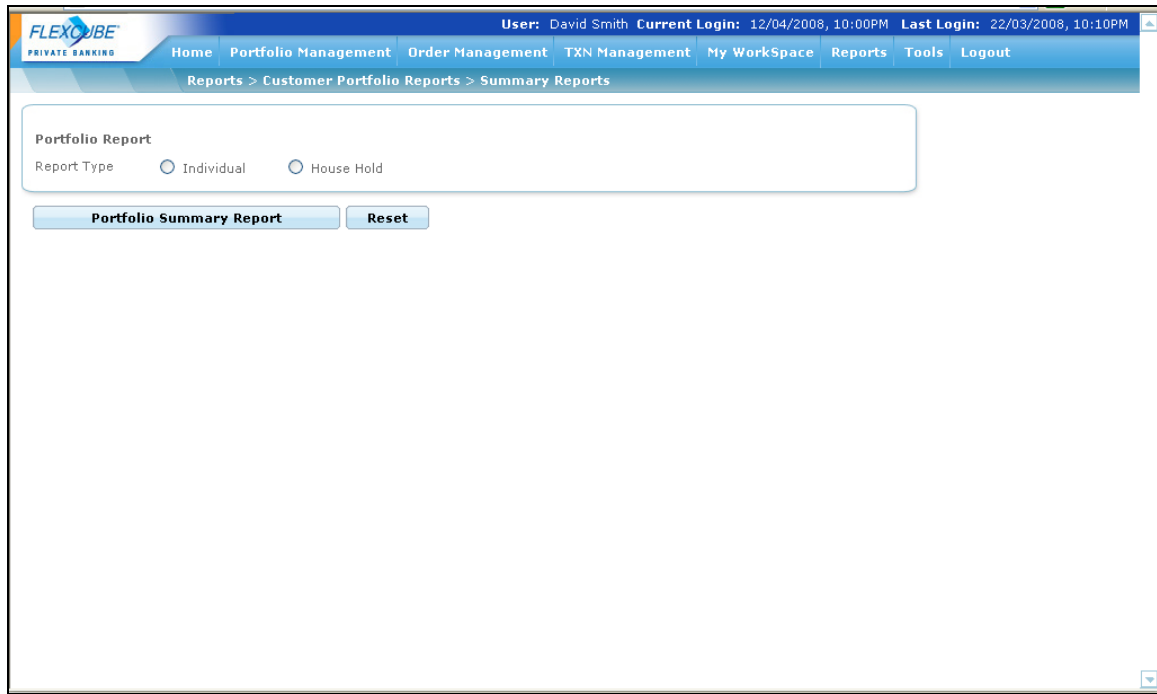


Figure 2.42: Summary Report Screen for Customer

Navigation:

After logging in the system as Customer, select Reports → Portfolio → Summary Portfolio from the top menu, for summary portfolio report.

After logging in the system as Customer, select Reports → Portfolio → Detailed Portfolio from the top menu, for detailed portfolio report.

After logging in the system as Customer, select Reports → Portfolio → Transaction Report from the top menu, for detailed portfolio report.

On clicking **Portfolio Summary Report** the report gets generated as a PDF document. To reset the screen select **Reset** button.

Reports Repository

FCPB generates various reports including Portfolio reports, AUM reports etc. Reporting repository is a feature that will help in storing or archiving these reports in some repository. The system generates different kinds of reports like portfolio reports; AUM reports etc. on the last day of every month and save the same into a repository. In the earlier releases, only customer reports and financial proposals were generated and can be retrieved through RM and Customer Logins.

The archiving facility has been provided to archive customer reports and Financial Planning reports.



All the reports which are converted to BI Pub will be generated in the language selected at 'Preferred Language for Statement' field available in 'Demographics' section of 'Customer Creation' screen.

2.9 **Customer Related Menus**

2.9.1 **View Profile**

Description:

The screen enables the user to own profile. This is display only screen and the customer cannot modify the details in the screen.

User Access Levels:

Customer: Only the logged in customer can view his/her own profile by accessing this screen.

Screen:

The screenshot shows the 'View Profile' screen for a customer. The top navigation bar includes the FLEXcube logo, 'PRIVATE BANKING', and a menu with 'Home', 'Portfolio', 'Txn Management', 'Order Mgmt', 'Tools', 'Reports', 'My Workspace', and 'Logout'. The user is logged in as 'Niranjan Singh' on '11/03/2009 2:42 PM', with a 'Last Login' of '11/03/2009 2:28 PM'. The breadcrumb trail shows 'My Workspace > View Profile'. The profile details are displayed in a table format:

Profile	
Customer No:	1024
Customer Name	MR Niranjan Singh
DOB	01/07/1980
Income Tax ID	NSD1234
Email	pwmadmin@identity.com
Phone (Home)	2545122121
Phone (Office)	5621333
Mobile	3232563.3
Fax	32263336
Address (Resi.)	#1, Street 1, Cross/Lane-1,(Near Express Building), %,, Mumbai, Maharashtra, INDIA 410235

Figure 2.43: View Profile Screen for Customer

Screen Navigation:

After logging in the system as Customer, select My Workspace → View Profile from the top menu.

2.9.2 RM Details

Description:

The screen enables the user to view his/her RM details. In addition to this the screen also displays the details of Backup RM applicable if any.

User Access Levels:

Customer: The customer can view the Primary RM and Back RM details by accessing this screen.

Screen:



Figure 2.44: RM Details Screen for Customer

Screen Navigation:

After logging in the system as Customer, select My Workspace → RM Details Screen from the top menu.

The system displays the details like RM Name, Email, Phone (Home/Office), Mobile Fax and Address in the screen. In addition to this, system also displays the RM photograph if available.

2.9.3 Voluntary Corporate Action

Description:

The screen enables the user to fill the Corporate Action questionnaire responses if any Corporate Action questionnaire is pending. When the CA is declared for any particular instrument, the customers satisfying the criteria to fill the CA questionnaire receives a mail asking to login and answer the CA related questionnaire. Once the customer makes his/her choice and enters response, he is not allowed to modify the responses again.

User Access Levels:

Customer & Operations: Only the person designated as Operations or Customer can access this screen. The idea behind making the CA questionnaire available to the Operations user was that the Operations person should be able to print the CA questionnaire and send it to clients who are not able to access the internet and once the client faxes bank the responses, they should be able to fill the responses on the client's behalf.

Screen:

FLEXCUBE PRIVATE BANKING		User: Rucha Sunil Shrotriya Current Login: 01/10/2009 4:55 PM Last Login: 01/10/2009 4:19 PM				
Home	Portfolio	Txn Management	Order Mgmt	Tools	Reports	My Workspace Logout
My Workspace > Voluntary Corporate Action						
VCA ID	VCA Name	Instrument Name	Portfolio Name	Folio No.	Record Date	Closure Date
10037	Type 231	Reliance MF Current Holding Quantity: 1000 Current Holding Amount: 37370	RM Managed	85865		24/11/2009
10036	Type 230	Reliance MF Current Holding Quantity: 1000 Current Holding Amount: 37370	RM Managed	85865	29/09/2009	30/11/2009

Figure 2.45: Voluntary Corporate Action Screen for Customer

Screen Navigation:

After logging in the system as Customer, select My Workspace → Voluntary Corporate Action from the top menu.

Field	Description	Mandatory (Y/N)
ID	Displays the Voluntary Corporate Action ID	N
Voluntary Corporate Action Name	Displays the name and type of Voluntary CA. It is displayed with hyperlink on click of which the system displays the corresponding CA Questionnaire.	N
Instrument Name	Displays the name of the instrument for the given Voluntary CA	N
Portfolio Name	Displays the name of the customer portfolio	
Folio No	Displays the Folio No. for the given instrument for which the CA has been declared.	
Record Date	Displays the record date of voluntary CA	

Closure Date	Displays the closure date for voluntary CA. After this date the customer will not be able to view the questionnaire.	
--------------	--	--

To view the questionnaire, click on the desired VCA Name hyperlink.

The screenshot shows the 'VOLUNTARY CORPORATE ACTION QUESTIONNAIRE' screen. At the top, there is a navigation bar with links: Home, Portfolio, Txn Management, Order Mgmt, Tools, Reports, My Workspace, and Logout. The user is logged in as 'Niranjan Singh' with a current login time of 01/10/2009 5:01 PM and a last login time of 01/10/2009 4:31 PM. The breadcrumb trail shows 'My Workspace > Voluntary Corporate Action'. The main content area contains two questions:

1. The quantity you hold is 70 Please select the quantity for conversion.
Quantity:
2. The amt you hold is 31948 Specify the date
Date:

At the bottom of the form, there are two buttons: 'Submit' and 'Clear'.

Figure 2.46: Voluntary Corporate Action Questionnaire Screen for Customer

Once the user clicks on the Submit button, system displays the message 'Please note that your responses will be submitted and you cannot change your responses again. Do you want to proceed?' and saves the questionnaire.

2.9.4 **Survey Questionnaire**

Description:

Once the RM sends the Survey Questionnaire to the customers satisfying the criteria, the questionnaires start appearing in My Workspace menu of customer login. The same customer may qualify for one or more surveys at a time if he/she satisfies each of the survey filter criteria.

As soon as the survey exceeds the expiry date, the system does not allow the customer to view that questionnaire.

User Access Levels

Customer: only the Customer can view & fill the Survey Questionnaire before the Survey Expiry date.

Screen:



The screenshot shows the 'Survey Questionnaire' screen for a customer. The top navigation bar includes the FLEXcube logo, 'PRIVATE BANKING', and a menu with 'Home', 'Portfolio', 'Txn Management', 'Order Mgmt', 'Tools', 'Reports', 'My Workspace', and 'Logout'. The user is logged in as 'Remo Swamy' on '03/10/2009 12:48 AM'. The breadcrumb trail shows 'My Workspace > Survey Questionnaire'. The main content area displays a table with the following data:

Survey Name	Closure Date	Status
Survey4Moumita	01/11/2009	Pending

Figure 2.47: Survey Questionnaire Screen for Customer

Screen Navigation:

After logging in the system as Customer, select My Workspace → Survey Questionnaire from the top menu.

Field	Description	Mandatory (Y/N)
Survey Name	Displays the survey names with hyperlink that is pending for the logged in customer	
Closure Date	Indicates the survey closure date for the logged in customer after which the survey will no longer be available for the customer to fill	
Status	Indicates the survey status	

To view the details of the questionnaire, click on the appropriate Survey Name hyperlink.

The screenshot shows a web application interface for FLEXcube Private Banking. At the top, a blue navigation bar contains the user's name 'User: Remo Swamy', the current login time 'Current Login: 03/10/2009 12:48 AM', and the last login time 'Last Login: 03/10/2009 12:48 AM'. Below this, a secondary navigation bar lists menu items: Home, Portfolio, Txn Management, Order Mgmt, Tools, Reports, My Workspace, and Logout. The main content area is titled 'My Workspace > Survey Questionnaire' and 'SURVEY QUESTIONNAIRE : Survey4Moumita'. It contains two questions: '1. How often does your RM Communicate with you?' with radio button options 'Sometimes Daily', 'Weekly', and 'Monthly'; and '2. How long have u been a customer' with radio button options 'Less than 6 months', '6 months - 1 yr', '2-3 yrs', and 'More than 3 years'. At the bottom of the form are 'Save' and 'Reset' buttons.

Figure 2.48: Survey Questionnaire

Once the user clicks on the Save button, system displays the message 'Please note that your responses will be submitted and you cannot change your responses again. Do you want to proceed?' and saves the questionnaire.

3. Portfolio Management

3.1 Introduction

FC-PB portfolio management offers a comprehensive management and administration solution for the customer's entire portfolio. The user has the ability to capture investment details in all major asset classes and customer's portfolio has its own investment mandate reflecting his risk profile and asset allocation.

Portfolio Management provides:

- An account for customer's entire portfolio
- Daily portfolio monitoring and decision making transparency
- Flexibility to adjust customer's portfolio at any time if customer's goals, lifestyle preferences or investment strategies change.
- Regular performance updates and completely transparent portfolio reporting.

Key Features

Features
<ul style="list-style-type: none">• Choice of creating several portfolios for a customer• Flexibility of creating multi currency portfolio• Choice of associating a benchmark for the portfolio• Choice of selecting method of calculation : FIFO or WAC
Online reporting, allowing user to view their portfolio holdings and transactions: <ul style="list-style-type: none">• For each instrument type• Separately in each portfolio
Online analysis based on their composition across different dimensions like asset class, industry, currency, region, market capitalization and instrument type
Daily reports showing for each holding as well as for each portfolio <ul style="list-style-type: none">• Performance• Dividends /Distributions
Facilitates decision making through what-if analysis across multiple dimensions such as asset class, instrument, region, industry and market capitalization

Facilitates to stay informed with custom portfolio alerts.
--

Key Benefits

Transparency: User can view all investments, transactions online, allowing them to track movement in their portfolio.

Diversification: Allows users to have diversified portfolio in many assets.

Comprehensive reporting: Our comprehensive reporting ensures that user is kept informed about the performance. User can view the performance reports either separately by portfolio, by instrument group and by asset class or in aggregate at customer level.

Improved Operating Efficiencies: Enhances portfolio Management decisions by the usage of portfolio analysis, performance and what-if simulations

A snapshot of the module

- **True Multi currency:** FLEXCUBE Private Banking is a true multi-currency portfolio tracking system that provides the flexibility to capture security, portfolio, customer and bank currency. A specific base currency is not required for currency transactions or holdings, the FCPB will convert the transaction amounts denominated in the security's currency to the portfolio currency as well as to the customer currency using a currency exchange rate.
- **Multi portfolio creation:**
 - Supports FIFO and weighted average cost basis
 - Online revaluation using current market price
- **Extensive Analysis reporting capabilities:** The FLEXCUBE Private Banking is unique in that its analysis capabilities are designed to meet the most demanding requirements. With a click of a button analysis based on the composition of the instruments are reported across different dimensions like Portfolio, Instrument Group, Asset class, Industry, Currency, Region, Market Capitalization and Instrument type.
- **Performance Measurement tools:** One of the defining factors in selection of a portfolio management system is the degree it enables a manager to set and meet performance goals. FLEXCUBE Private Banking provides return analytics based on Modified Dietz rate of return. Returns are calculated net of fees, using the trade date accounting and with accrued interest receivable.
- **Simulation:** Simulation is a powerful tool allowing you to review how specific change in holdings will affect a portfolio's position before any trades are executed. Several holdings position can be reviewed simultaneously.

Portfolio Alerts: The alerts facilitate by providing the customer or the Relationship Manager a round-up of all the relevant information about their investments.

Weighted Average Cost

As mentioned in the Admin & Ops User Manual, FCPB supports both the calculation methods FIFO (First In First Out) and WAC (Weighted Average Cost). The user can decide on the method of calculation based on the flag set at the Bank Parameters. If it is set as 'F', it uses FIFO method and if set as 'W', uses WAC method.

In WAC, for any new buy transaction, the system adds the buy cost of new transaction to the previous holding buy cost to arrive at new holding buy cost and then divides the total cost by the holding quantity to arrive at Weighted Average Buy Cost – WAC.

On the other hand, in case of sell transaction, system reduces the holding buy cost by the amount received after multiplying Sell Quantity with Weighted Average Buy Cost and then calculates the new weighted average cost by dividing the new total cost by the holding quantity.

Weighted Average Cost for back dated transaction

The FCPB system also calculates WAC for back-dated transactions. In this case, the system calculates revised WAC based on the back-dated 'Buy' transaction and for all subsequent 'Buy' transactions. The system also takes care of realized P & L, short term/long term capital gain/loss for all subsequent sale transactions.

While doing back dated transaction calculation, the system checks the date and time of transaction and accordingly calculates the revised WAC. If transaction time is not available it assumes that the back-dated transaction as the last transaction for the day (transaction date) and accordingly calculates revised WAC, realized gain/loss and short term/long term capital gain/loss on subsequent sale transactions. In case of back-dated transaction, system re-computes AUM and Commission also.

3.2 Portfolio Creation and Maintenance

Description:

A portfolio is required to manage and record all the holdings of a customer. FLEXCUBE Private Banking allows the user to maintain the holdings in a portfolio across a range of asset classes as defined in the system. The RM user can create several portfolios for his/her customer under different portfolio types, different currencies or different benchmarks, based on the needs of your customer. Creating portfolios of different currencies permit the user to track investments denominated in more than one currency, with the valuations converted to the portfolio base currency of user's choice.

Important Comprehension:

Before proceeding to understand about the portfolio maintenance, analysis, performance. It is important for us to understand the concept of currency in the FLEXCUBE Private Banking.

FCPB permits the user to track investments denominated in more than one currency, with the purchase amounts and valuations converted to the portfolio currency as well as to the customer preferred currency. Thus the FLEXCUBE Private Banking accomplishes multi currency portfolio management by accounting for transactions in Security, portfolio as well at a customer currency.

The term security currency refers to the currency in which a given security is purchased and sold and in which it receives corporate benefits (such as dividend).

In multi currency portfolios, transaction amounts denominated in the security's currency are converted to the portfolio currency using a currency exchange rate. Thus at the portfolio level, the portfolio is valued and profits are computed in the portfolio currency. The portfolio currency must be specified for a portfolio at the time the portfolio is created.

In addition to converting transactions and valuations from a security currency denomination to a portfolio currency denomination, FCPB permits the user to maintain and generate analysis and reports in a third currency 'the customer currency'. At the customer level, all the transaction amounts denominated in the security's currency are converted to the customer currency using a currency exchange rate. This customer currency must be specified at the time the customer is created.

Please note that the closing exchange rate/s on the corresponding transaction dates is used for converting the transactions into their corresponding values in the portfolio and customer currency. However, the Market values displayed in the portfolio and customer currency across all the portfolio maintenance/analysis/simulation screens are computed and displayed utilizing the online exchange rate.

User Access levels:

RM: can add and modify all types of portfolios (RM Managed, Self Managed, Held Away and Discretionary)

Customer: can add and modify only the Held Away and Self Managed portfolios but can view other portfolios.

3.2.1 Portfolio Creation

Screen:

ORACLE
FLEXCUBE Private Banking

User: HO HEAD Current Login: 05/03/2012 2:07 PM Last Login: 05/03/2012 1:53 PM

Home Customer Financial Planning Order Mgmt Txn Mgmt Master Reports Tools My Workspace Logout

Customer > Portfolio Maintenance > Add Portfolio

Customer No: 10884 Customer Name: Nit Roovy

Add Portfolio

Portfolio Type * Select Default ☐

Portfolio Name *

Portfolio Currency * Select

Portfolio Benchmark *

Model Name Select

Portfolio Description

Mode of Operation * Single

1st Joint Holder Allow Order Placement ☐

2nd Joint Holder Allow Order Placement ☐

3rd Joint Holder Allow Order Placement ☐

Nomination

1st Nominee Relationship Select Ownership%

2nd Nominee Relationship Select Ownership%

3rd Nominee Relationship Select Ownership%

Save Cancel

Figure 3.1: Portfolio Creation Screen

Screen Navigation:

1. After you login, select a customer by navigating through the Customer → Customer List from the top menu.
3. Once the customer has been selected, the portfolio creation screen can be accessed through the Portfolio and Maintenance sub menu.
4. Click on the **Add Portfolio** button in the Portfolio Maintenance screen.



If the user proceeds to the Maintenance screen without selecting a customer, the system will force the user to select a customer in the customer selection screen before automatically guiding you back to the Portfolio Maintenance screen.

Entering the details of the portfolio creation screen: As seen the screen is dividend under three main categories: - Portfolio addition, joint holder details and nomination. While some of the attributes (for instance the benchmark) can be changed while maintaining a portfolio, there are

some attributes (such as portfolio type and currency) that cannot be changed once entered and saved. Enter all the valid inputs into all the mandatory fields in order to save the portfolio.


Figure 3.2: Portfolio Creation Screen with Details



After entering the details, save the portfolio by clicking the **Save** button. Click the **Cancel** button to go back to portfolio maintenance screen. To access any other screens please use the top horizontal menu bar.


The fields have been briefly described below:

Portfolio Maintenance

Field	Description	Mandatory
Portfolio Name	Enables the user to enter appropriate portfolio name.	Y

Portfolio Type	<p>The user can choose a valid portfolio type from the list of values that are available. The list of values will change in accordance to the user logged in. When a user logs in as a customer into the FCPB, only the Self Managed and Held Away Portfolio will be displayed in the list of values, whereas when logs in as a RM, RM Managed and Discretionary types of portfolios will also be displayed in the list along with the other types of portfolios mentioned above.</p> <p>The self-managed group will contain portfolios whose assets are captured through the bank but managed independently by customer.</p>	Y
	<p>RM Managed group will contain those portfolios that are constructed based on advice from the RM.</p> <p>Discretionary portfolios are those which are fully managed by the bank or affiliated entity, under a mandate from the customer.</p> <p>Held Away portfolios are those which are owned and managed by the customer but not processed through the bank.</p>	
Default	<p>When the user selects this check box, the current portfolio is selected as Default portfolio for the selected portfolio type. If this is the only single portfolio for the Portfolio type, it is automatically selected as default portfolio</p>	Y
Portfolio Currency	<p>The user can use the drop-down list to select the currency from the several currencies displayed in the list. The Portfolio Currency is the currency in which the portfolio is valued, in which realized Gain/Loss are computed and reported.</p> <p> Once the Portfolio Base Currency is selected for a portfolio, you cannot change it later to another currency. The reason for this restriction is that all exchange rates would have to be changed for all transactions and valuations in the portfolio, if the Portfolio Currency is changed.</p>	Y

Portfolio Benchmark	<p>Click  and choose a benchmark from the list of benchmarks available. Benchmark allows the user to compare performance of the portfolio versus performance of selected benchmark indices. The indices displayed in the search screen are market indices (eg: S&P 500) which are maintained by the administrator.</p> <p> The user can choose the Composite Benchmark while adding new portfolio.</p>	Y
Model Name	Enables the user to select the appropriate asset allocation model from the drop-down list for the portfolio in context. The drop-down displays the list of the model portfolios that belongs to the same client segment as that of the customer in context.	N
Bank Account No.	This field appears only if the discretionary portfolio is selected and enables the user to enter the appropriate bank account no. of CASA holdings. The bank account currency in this case will be the portfolio currency of the discretionary portfolio in context.	Y for discretionary portfolio
Portfolio Description	Multi line text box where you can enter the objective of the portfolio.	N
Mode Of Operation	The user can set up each portfolio by choosing a valid mode of operation from the list of values available. Portfolios can be single or jointly held or could be operated by either or survivor. If the account is singly held, the user cannot specify the Joint Holder Details as the fields will get disabled. However, if the mode of operation is joint or either or survivor as the mode of operation, selection of joint holder details is mandatory.	
	The mode of operation and the nominee details would also be useful while entering orders for buying/selling instruments for such portfolios through the FCPB Order Capture screens. This information regarding the mode of operation and nominee details would be passed along with the orders through an interface to an external order management system for execution. (Details of which are discussed in the section on Order Management)	Y

 If the user creates a new Portfolio of a Portfolio Type for which there is an earlier existing portfolio, the system displays a message 'One Default portfolio exists for this type, check Default checkbox to make this portfolio default'. If the user clicks on the Default Checkbox, the newly

created Portfolio becomes Default Portfolio for that type; while the earlier one no longer remains the default

Joint Holder Details



On selection of any other mode of operation, apart from Single held, it is mandatory for you to capture the details of the secondary holder

Field	Description	Mandatory
1st Joint Holder 2nd Joint Holder 3rd Joint Holder	RM needs to select the existing customer as a joint holder from the drop-down list. RM can select maximum of three joint holders to any portfolio which are existing customers in FCPB.	N
Allow Order Placement	Enables the user to grant the rights to place the Order for selected portfolio	N

NOMINEE


Field	Description	Mandatory
1st Nominee 2nd Nominee 3rd Nominee	The text box fields have been provided to capture the nominee details. RM can add maximum of three nominees to the selected portfolio.	N
Relationship	Three drop-down lists have been provided for capturing the relationship of each nominee with the account holder.	Mandatory if a nominee name is entered
Ownership%	Three text box fields have been provided for capturing ownership % of each nominee for the selected portfolio.	Mandatory if a nominee name is entered

3.2.2 Portfolio Maintenance - Modify/Delete

Screen Navigation:

1. After you login, select a customer by navigating through the Customer → Customer List from the top menu.


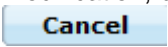
2. Once the customer has been selected, the portfolio creation screen can be accessed through the Portfolio and Maintenance sub menu. Select the portfolio you want to maintain by checking the radio button.

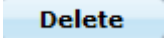
3. Click on the  button in the Portfolio Maintenance screen.



A customer attempting to maintain a RM managed or discretionary portfolio will get an alert message stating that he is not authorized to modify or delete the portfolio.

Entering the details for portfolio modification/deletion: On selection of a portfolio and clicking the modify button in the portfolio maintenance screen, screen defaults all the details of the selected portfolio in the corresponding fields in the maintenance screen. As observed the screen is similar to the portfolio creation screen. Hence all the field validations applicable to the portfolio creation screen are also applicable to this screen. However, unlike the portfolio creation screen some fields in the maintenance screen (portfolio name, type and currency) cannot be modified.

Click the  button to save the modifications you have specified. If there are any mandatory fields that you have not supplied, the system will not save your modification, but prompt you to specify the same before you click the modify button again. Click  to clear all the modifications entered in the screen and the user will be directed back to the Maintenance screen. By selecting the cancel button, all the modifications done will be lost and the system will replenish the field attributes as existed prior to your initiation of the current modification request. To access any other screens please use the top horizontal menu bar.

The user can also delete a portfolio by using the  button. The system prompts you to confirm the deletion before finally deleting the portfolio.

If the portfolio selected for deletion is Default portfolio, the system will not allow the user to delete the same until some other portfolio is selected as Default.






The user is permitted to delete a portfolio only if there are no holdings in the portfolio and if there are no orders in open status (orders waiting for confirmation from the external interface) in the portfolio.

The fields have been briefly described below:

Portfolio Maintenance

Field	Description	Mandatory
Portfolio Name	The portfolio name is displayed here	Display only
Portfolio Type	The type of portfolio is available as a non editable field	Display only

Default	The selected check box reveals that portfolio is a default portfolio	Display only
Portfolio Currency	The currency of the portfolio is available as a display field.	Display only
Portfolio Benchmark	<p>Click  and select any other benchmark from the list of benchmarks available. As mentioned earlier, Benchmark is used for comparing performance.</p> <p> Please note that as performance is computed during the End of Day process (refer to the section on performance for further details); the altered benchmark and its associated performance can be seen in the screen only after the End Of day process is completed.</p>	N
Portfolio Description	The user can change the objective of the portfolio entered earlier.	N
Mode Of Operation	<p>The user can modify the mode of operation.</p> <p>If the user had opted earlier for single held portfolio and wants to modify it either to a joint or either or survivor mode of operation, the system will force the user to capture the secondary holder details.</p> <p>In case of a vice versa scenario where in the user had earlier opted for the secondary or the either or survivor mode of operation and now wants to change it to singly held portfolio, then the secondary holder details captured earlier will no longer be applicable and the corresponding fields for the secondary holder will get disabled.</p> <p>The system also allows the user to modify the nominee details.</p> <p> The change in the mode of operation will be applicable only to the orders which will be placed subsequent to the modification. The change will not impact the orders which are in open status (orders waiting for confirmation from the external interface).</p>	Y

Secondary holder

All the validations applicable at the time of portfolio creation are applicable during modification. Similar to the mode of operation any modification done to the joint holder details will be applicable

only to the orders that will be placed post the modification. The change will not be updated to any of the orders which are in open status.

Nominee

Modified nominee details will only be applicable to the orders that will be placed hence forth, post the modification and will not update the orders which are in open status.

Field	Description	Mandatory
1st Nominee	Enables the user to modify the nominee names	N
2nd Nominee		
3rd Nominee		
Relationship	Enables the user to modify the nominee relationships	N
Ownership%	Enables the user to modify the ownership % of the nominees.	N

3.3 Portfolio Valuation

Description:

The portfolio valuation option offers an expanded, detailed overview of all portfolios at a glance. Portfolio valuation maintains a record of the current market value of the different types of instruments in a portfolio. Each valuation record further represents the security holdings and their associated values as of the valuation date. A list of all the security transactions can be seen by clicking on the security holdings. These are clearly listed in terms of execution details and transaction type (purchase or sale).

The Portfolio Valuation feature of FCPB system is further enhanced to value Customer and Proprietary Portfolios at different instrument prices. The system identifies the Proprietary Portfolio by the Client Id of Proprietor set at bank parameter level and treats all the portfolios linked to this client id as Proprietary Portfolios.

To accomplish this, FCPB stores two set of prices for a single instrument with Bid, Mid & Ask price separately. And the valuation is done based on the respective Bid Prices of proprietary and customer portfolios.

RM and Customer:

both can view the valuations in different instrument type across all the portfolios. The customer can also view the valuation details for the RM Managed and Held Away Portfolio.

Screen:

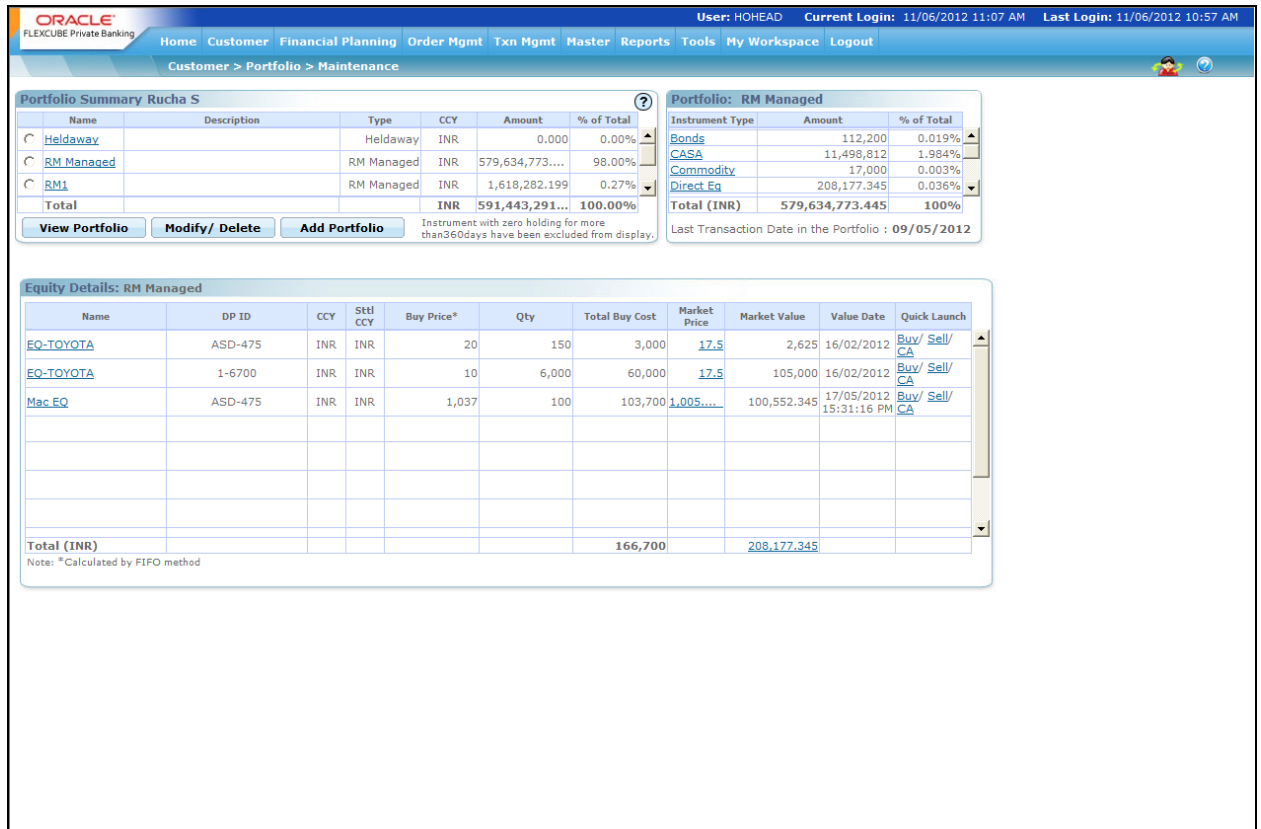



Figure 3.3: Portfolio Valuation Screen

Screen Navigation:

1. After you login, select a customer by navigating through the Customer → Customer List from the top menu.
2. Once the customer has been selected, the portfolio creation screen can be accessed through the Portfolio and Maintenance sub menu.
3. If the user wants to see the maintenance screen for some other customer, he/she can do so by clicking . Clicking change customer icon would lead to Customer List menu. Once the customer has been selected, the portfolio creation screen can be accessed through the Portfolio and Maintenance sub menu.



If the user proceeds to the Maintenance screen without selecting a customer, the system will stop the user to select a customer in the customer selection screen before automatically guiding you back to the Portfolio Maintenance screen.

How to read the screen:

1. The screen displays a single tab when the user reaches the screen.
2. This tab, on the top left corner of the screen displays the record of all portfolios along with their market value. All the records of the portfolio are presented in their corresponding

portfolio currency. This tab also comprises of the buttons to add/modify/delete a portfolio, the procedure and information of which are elucidated in the preceding section.

3. The valuation of a particular portfolio can be viewed by clicking on the hyperlink provided beneath each name of all the portfolios, results in display of an additional tab. This tab displays the market value for the different types of instruments. These instruments encompass the complete holdings of the selected customer in the particular portfolio being evaluated.

The system does not display the portfolios with zero buy cost and zero market value that exceeds the number of days specified in the bank parameters and also the portfolios with no transactions for no. of days mentioned in the bank parameters.

At this stage let us comprehend the conception of security and instrument type as capitalized in FLEXCUBE Private Banking. 'Security' in FCPB denotes the holdings which are categorized into different instrument types. The different instrument types to be used by the bank can be identified and maintained by the administrator in the Reference Master Table.

Currently the following instrument types are supported by FCPB; namely equity, mutual fund, structured product, commodities, bonds, PMS, insurance, derivatives such as futures and options, CASA and Time Deposits. The current and savings accounts will be categorized under an instrument type 'CASA' whereas the term deposit will fall under the instrument type 'TD'.

All the miscellaneous securities which cannot be categorized into any of the above defined instrument types can be classified into the instrument category 'others'.

Unless defined otherwise, the units or quantity of a security are dependent on a direct transaction. However for the purpose of portfolio analysis and simulation (elucidated in detail in the subsequent sections) the units of a security may also include units derived as underlying securities of one or more instruments. For instance, you can hold shares in ACC Cement either as an outcome of a direct purchase or as an indirect holding due to purchase of a Mutual Fund which in turn has ACC as one of its constituents. However, please note that the concept of holding underlying securities is applicable only for the instruments types Mutual Fund, PMS and Structured products.

Analogous to a Mutual Fund or a Structured product, for a PMS scheme, its constituents or sub constituents will be considered for the purpose of analysis. By referring 'sub constituents' we are indicating the constituents arising due to the scheme having a Mutual Fund as its constituents. Let us understand this with an example

A customer invests in a 'Portfolio Management Scheme', 'XYZ'. Consider the constituents of the scheme to be Reliance Industries, Infosys Technologies and Franklin India Mutual Fund. Thus, along with the holdings in Reliance Industries and Infosys Technologies, the sub constituents of the Franklin Mutual Fund will also be considered for the purpose of analysis.

Every new security, in FCPB needs to be added to the Instrument Master Table before it may be used in the portfolio records. The instrument master table contains the various related data for the security such as the instrument type, currency, region, industry and asset class.

4. On selection of a particular instrument type, by means of clicking on the hyper link provided under each instrument, displays a third tab which illustrates the valuation of each security held in the selected instrument.

FLEXCUBE - PRIVATE BANKING - Transaction Popup - Microsoft Internet Explorer

Equity Transaction Details : GOOGLE


CCY	Date	Transaction Type	Transaction Narration / Desc	Quantity	Price	Amount	Settle Currency / Alternate Currency	Exchange Rate	Fees in Settle Currency	Settlement Amount	View Advice	Transaction Slip
USD	25/10/2010	Buy	txn slip	33.00	330.0000	10,890.00	SGD	1.00000000		10,890.00		
USD	31/08/2010	Buy	krina testing	20.00	423.5000	8,470.00	SGD	1.00000000	346.50	8,852.19	View Advice	
USD	31/08/2010	Buy	test	55.00	423.5000	23,292.50	SGD	1.00000000	952.88	24,343.52	View Advice	
USD	31/08/2010	Buy	test	25.00	423.5000	10,587.50	SGD	1.00000000	433.13	11,065.24	View Advice	
USD	02/02/2009	Buy	Buy	100.00	400.0000	40,000.00	SGD	1.00000000		40,000.00		
USD	08/01/2009	Sell	Sell	35.00	441.0000	15,435.00	SGD	1.00000000		15,435.00		
USD	02/01/2009	Buy	Buy	100.00	435.0000	43,500.00	SGD	1.00000000		43,500.00		
USD	05/01/2006	Buy	Buy	35.00	325.0000	11,375.00	SGD	1.00000000		11,375.00		

Figure 3.4: Equity Transaction Details Window

The FCPB also enables the user to view the advice for each of the transaction entered into the system by clicking on the View Advice hyperlink in the pop-up that appears on click of respective instrument type hyperlink. The advice generated is different for POA and non-POA Customers and is based on the value of Power Of Attorney flag set at the customer level. These advices are sent either through fax or through e-mail communication mode.



The advices are getting generated for all types of instruments. The system does not generate the advices for proprietary portfolio.



If any modification is done to the existing transaction then the system generates the revised advice with revised values.

Please note that every time user accesses the portfolio maintenance screen through the main menu, it will result in renewal of the valuation with the current market price of the securities. This would consequently display renewed valuation for the instrument as well as that for the portfolio.

This tab also facilitates in the initiation of transactions for all the holdings across all the instrument type. Before proceeding to understand on the subject of 'Order Management' as delineated in FCPB, it is necessary for us to summarize our understanding on the different types of portfolios defined in the system. The customer has the option of creating multiple

portfolios under the type Self Managed and Held Away. Whereas as an RM can create multiple portfolios under the category 'RM Managed', 'Held away' and 'Self Managed'. Since the 'RM Managed' managed portfolio is managed by the RM, customer does not have any access to it. On the other hand, though the Self Managed portfolio is supposed to be managed by the customer independently; as an RM, you can create as well as transact on behalf of the customer in his 'Self Managed' portfolio. The Held Away portfolio facilitates in capturing the holdings which are held away from the bank. With the addition of held away assets you can have a single consolidated view of your customer's entire holdings. There is another type of portfolio defined in FCPB, the 'Discretionary Portfolio'. The Discretionary portfolios are those which are fully managed by the bank but the transaction are not processed through the system. The holdings data in the Discretionary portfolio are not manually updated in the system but can be directly imported.

The FCPB currently facilitates trade order management only for the securities under the instrument type Mutual Fund, Insurance and Equity. For all the other securities classified under various other instrument types, the user can capture the post trade transactions into the relevant portfolios. Please note that user has also been provided with the facility to capture the post trade transactions for those securities under the instrument type Equity and Mutual Fund which have been transaction outside the purview of FLEXCUBE Private Banking.

The trade affiliated orders for the securities under the instrument types Equity and Mutual Fund can be initiated either through the Order Management screen (can be navigated from the main menu and is explained in detail in the section on Transaction Management) or through the current screen. However, for all the other instrument types, the user can capture the post trade Buy & Sell transaction related data through the Transaction Management screen and needs to capture other instrument specific transactions like CA or modify in the market values through the current Portfolio Maintenance screen.

For the securities under the instrument type equity, mutual fund, structured products & alternatives and PMS, this 'Portfolio Management' screen restricts the user to the extent of initiating transactions only for the securities already existing in portfolio. For a new security to be included in the portfolio, the user has to navigate through the Order Management screen. The transactions entered in both the screens interface to an external order management system for execution. All the corporate action related data for the RM Managed, Self Managed and Held Away portfolios can be updated through the hyperlink provided in portfolio maintenance.

5. As the instrument price keeps on changing frequently, FCPB also enables the user to set up alerts to keep the track of changing market price associated with an instrument. These alerts can be set up by clicking on the hyperlink associated with Market Price which directs the user to Portfolio Alerts screen. The Portfolio Alerts screen would be defaulted to Instrument Price tab in this case.



If the selected client id is Proprietor Client Id, then system displays different instrument prices in this field as explain earlier in this section.

6. Additional assistance is provided to the user by making available an option to view the transaction history of each security. This can be done by clicking on the hyperlink provided under each security.





Securities, whose complete holdings are sold, will not be displayed in the tab. The same principle holds good for the instruments and portfolios. Instruments and portfolios with null holding will not be displayed in the tab.

The fields of each tab have been briefly described below:

PORTFOLIO SUMMARY

Field	Description	Mandatory
Name	All the portfolios of the selected customer are displayed. Each of the portfolio name is displayed with hyperlink. Click on the hyper link to view a tab which displays the valuation of all the instrument types encompassing the complete holdings of the customer in the selected portfolio. The details of this tab have been detailed later in this section.	Display only
Description	Displays the description entered during the creation of the portfolio.	Display only
Type	Displays the type of portfolio which was opted during its creation. A user logging in as customer will be able to view the RM Managed portfolio in addition to the Self Managed and Held Away Portfolios. The user logging in as a RM will also be able to view all types of portfolios.	Display only
CCY	All the figures associated to the portfolio are displayed in the portfolio currency. For all the securities in the portfolio, the system converts and stores all the transaction amounts to their corresponding portfolio currency.	Display only
Sttl CCY	<p>This field displays the settlement currency for the selected instrument.</p> <p>If the instrument currency and settlement currency are different the system displays the settlement currency with hyperlink. When the user clicks on this hyperlink, the system displays the pop-up showing corresponding settlement currency details.</p>	Display only

Amount	<p>The market value at the portfolio level represents the sum of the market values of all the securities across all the instrument types in the portfolio, denominated in the portfolio currency. Market value at the security level is computed as a product of quantity and market price.</p> <p>The market price for securities defined under the instrument type equity, mutual fund, traded bonds, structured product, commodities, Spl Product, CASA, TD and PMS scheme will be received as external downloads or imports. The most recent manually updated price by the user will be considered for the securities under the instrument type insurance, others and non traded bonds.</p> <p>The surrender value would be considered as market price for the securities under the instrument type insurance.</p>	Display only
	<p> In the absence of market price, for the securities requiring market price to be manually updated, the system considers the acquisition price as the market price.</p> <p> The system does the valuation of Proprietary Portfolios at different instrument prices maintain in the system. If the instrument price for proprietary portfolio valuation is not available (price is not available for any day) then system considers the price available for customer portfolio valuation.</p>	
% of Total	<p>Is the percentage composition of the portfolio under consideration with respect to all the portfolios.</p> <p>This figure is computed as</p> <p>Market value of the portfolio under consideration (in customer preferred currency)/ total market value of all the portfolios (in customer preferred currency)</p> <p>The sum of the percentages across all the portfolios would sum up to 100%.</p>	Display only

At the end of the tab, the last row displays the sum of all the above fields in the customer preferred currency (computed as explained in the earlier section).

The system also provides the hyperlink to the Total Market Value on click of which following pop-up window appears.

Name	Inst.CCY	Account No	Average Exchange Rate	Acquisition Cost in Portfolio CCY	Market Exchange Rate	Market Value in Portfolio CCY	Unrealized Gain/Loss in Portfolio CCY	Unrealized Gain/Loss due to CCY Impact	Unrealized Gain/Loss to price In
A SONIC AEROSPACE LIMITED	SGD	EQ256	36.66	549,900.00	36.66	219.96	-549,680.04	0.00	-549,680.
ACA CONSULTANCY	INR	IN100452-0010321	1.00	2,175,000.00	1.00	1,705,000.00	-470,000.00	0.00	-470,000.
CADBURY INDIA	INR	IN100452-12345	1.00	100.00	1.00	100.00	0.00	0.00	0.00
CADBURY INDIA	INR	IN100452-0010321	1.00	10,273,100.00	1.00	20,547,220.00	10,274,120.00	0.00	10,274,12
CADBURY INDIA	INR	IN100452-10321	1.00	1,000.00	1.00	1,000.00	0.00	0.00	0.00
GOOGLE	USD	EQ256	46.40	2,366,400.00	49.0957	2,356,593.60	-9,806.40	137,480.70	-147,287.
TOBLEROMS INDIA	INR	IN100452-0010321	1.00	1,500,000.00	1.00	1,500,000.00	0.00	0.00	0.00
YES BANK STAT I	USD	EQ256	46.40	58,000,000,000.00	49.0957	61,369,625,000.00	3,369,625,000.00	3,369,625,000.00	0.00

Figure 3.5: Gain Loss Summary in Portfolio Currency Pop up

The pop-up displays the acquisition cost, market value and unrealized gain/loss in portfolio currency, In addition, the system also provides the details of unrealized gain/loss due to currency and price impacts.

As explained earlier, on clicking the name of any of the portfolios of the customer, in the earlier tab, displays a tab, representing a detailed valuation of the portfolio at the instrument level.

Field	Description	Mandatory
Instrument Type	All instrument types encompassing total holdings in the chosen portfolio of the customer are displayed. Each type of instrument in the tab has a hyper link. Click on the hyper link to view a tab displaying detailed valuation of all the securities in the selected instrument type. The details of this tab have been detailed in the next table.	Display only
Amount	The market value at the instrument level represents the sum of the market values of all the securities in the particular instrument type denominated in the portfolio currency.	Display only
% of Total	It is the percentage composition of the type of instrument under consideration with respect to the total value of all the instrument types.	Display only


As explained earlier, on clicking any of the instrument types, in the earlier tab, displays a tab, representing a detailed valuation of all the securities in the selected instrument. The attributes displayed in the table correspond to the type of instrument selected. Please study through the subsequent tables to comprehend the valuation attributes associated with every instrument type:

Equity represents ownership in a corporation and entitling the holder to a share of the company's success through dividends and/ or capital appreciation.

Figure 3.6: Equity: Valuation Screen

ORACLE®

Sttl CCY	<p>This field displays the settlement currency for the selected instrument.</p> <p>If the instrument currency and settlement currency are different the system displays the settlement currency with hyperlink. When the user clicks on this hyperlink, the system displays the pop-up showing corresponding settlement currency details.</p>	Display only
Buy Price	<p>The buy price is determined at by using the weighted average cost methodology for each trading account. However, the important point to be noted is that the weighted average cost methodology is pertinent only for the remaining purchase transactions in the portfolio, subsequent to application of the first-in, first-out (FIFO) rule for all the sale transactions in the particular trading account of the portfolio.</p> <p>The average cost requires you to determine the average cost per share – total amount invested divided by the total number of shares held.</p> <p>Let's say you have bought the following shares</p> <p>01/01/2007 100 yahoo shares at 10\$ each</p> <p>02/01/2007 100 yahoo shares at 20\$ each</p> <p>The average price in this case would be 200 yahoo shares at 15\$ each</p>	Display only

	<p>A FIFO rule is an accounting methodology wherein if the user holds a security of the same class which has been acquired on different dates, the security acquired at the earlier time is deemed to be disposed off first. In other words, it is assumed that for the securities of the same class, the securities purchased first are sold first.</p> <p>For example:</p> <p>Jan 15th bought 1,000 Nestle shares for €1.27 per share Jan28th bought 200 Nestle shares for €1.90 per share Feb 2nd bought 500 Nestle shares for €2.54 per share Feb 15th sold 1,500 Nestle shares for €3.81 per share.</p> <p>Sold 1,500 shares for €5715.00</p> <p>As per FIFO</p> <p>1,000 @ €1.27 €1270.00 200 @ €1.90 €380.00 300 @ €2.54 €762.00 will be adjusted against the sale.</p> <p>Hence the buy price would be of balance shares: 200 acquired on Feb 2nd @ €2.54 per share.</p> <p>Now, if on Feb 28th additional 500 shares were purchased @ 3.06</p>	
	<p>The buy price, using the weighted average price, would now be computed as</p> $((200 \times 2.54) + (500 \times 3.06)) / 700$ <p> Cash corporate actions (dividend) will not be considered while computing buy price.</p> <p>The stock corporate actions viz. bonus stock dividends are deemed to have been acquired on the record date and at a nil price. The treatment for shares acquired under a rights issue is the same as for a bonus issue except that an allowance has to be made for the amount paid to acquire the additional shares.</p>	

Qty	<p>As mentioned earlier, the units will be calculated after the application of the FIFO accounting rule for each trading account.</p> <p>In addition to the units purchased, additional units received due to stock corporate actions will also be considered while determining the units.</p> <p>The orders entered for purchase /sale of securities through the FCPB Order Management System and which are in open status will not be considered while determining the quantity.</p>	Display only
Total Buy Cost	Buy Cost is the product of the buy price and quantity (mentioned above).	Display only
Market Price	<p>The market price for securities will be received as online update from external data vendors.</p> <p>In a scenario where market price is not received/ updated in the system at end of day then system will consider the previous day or previous received price for valuation and analysis.</p> <p>The Market Price is hyperlinked, on click of which the system directs the user to Portfolio Alerts screen to set up the alerts as per requirement.</p> <p>The system does the valuation of Proprietary Portfolios at different instrument prices maintain in the system. If the instrument price for proprietary portfolio valuation is not available (price is not available for any day) then system considers the price available for customer portfolio valuation.</p>	Display only
Market Value	Market value is the product of the market price and quantity.	Display only
Value Date	<p>Displays the date on which the price was received for determining the market value.</p> <p>The system also displays the time at which the last price was received for determining the market value.</p>	

Quick Launch	<p>This field displays the links to Buy, Sell the securities. The links are available for all the equity securities in this tab. The field also displays an additional link 'CA' for including corporate action related data for portfolios.</p> <p>On selection of any of the above links, the user is directed to the corresponding screens with pre-filled information of the selected security.</p> <p>The screens associated to these links have been explained in depth in the section on Transaction Management.</p>	<p>The action buttons will be disabled for a Customer viewing the securities held in a RM Managed portfolio</p>
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3.3.1.1 Equity Corporate Action

User Access Level:

RM: The person designated as an RM user can add/modify the details of Corporate Actions announced by the companies/institution.

Operations: Only the person designated as an Operations user can add/modify the details of Corporate Actions announced by the companies/institution.

Screen:

Figure 3.7: Equity: Corporate Action Screen

Screen Navigation:

After you login as an RM user, select Customer → Portfolio Maintenance → Equity and then click on the CA hyperlink.

Field	Description	Mandatory
Customer Details		
Portfolio Name	Displays the portfolio name	Y
Security Details		
Security Name	Displays the name of the security for which the CA has been declared	Y
Currency	Displays the currency of the of the security for which the CA has been declared	Y
Settlement Currency	Displays the currency of the security for which the CA has been declared	Y
DP-ID-Client ID	Displays the default account id for the customer in context	Y
Corporate Actions		
Type	Enables the user to select the appropriate CA type from the Type drop-down list	Y
Record Date	Enables the user to enter appropriate record date	Y
Transaction Date	Enables the user to enter appropriate transaction date	Y
Settlement Date	Enables the user to enter appropriate settlement date. By default, the settlement date is auto-populated with transaction date.	Y
Amount	Enables the user to enter the dividend amount per unit if the selected CA type is Dividend.	Y
Tax	Enables the user to enter the appropriate tax for the corresponding corporate action.	Y
Dividend Percentage	Enables the user to enter the Dividend percentage per unit if the selected CA type is Dividend.	Y
Ratio	Enables the user to enter the appropriate Corporate Action ratio for the corresponding instrument This field is enabled only for Stock Dividend and Bonus CA types..	Y

New Shares Issued	Enables the user to enter the appropriate no. of new shares issued. This field is enabled only for Stock Dividend and Bonus CA types.	Y
Price/Share	Enables the user to enter the appropriate price of the share per unit. This field is displayed only if CA type Right is selected.	Y
Rights Bought	Enables the user to enter the appropriate rights bought. This field is displayed only if CA type Right is selected.	Y
Exchange Rate	Enables the user to enter the appropriate exchange rate. This field is enabled only if Instrument and Settlement currency is different.	Y
Issuance Fee	Enables the user to enter the appropriate Issuance Fee	N
Custody Fee	Enables the user to enter the appropriate custody fee. This field is enabled only if the 'Charge Custody Fee on CA' flag is set to 'Y' at instrument type level and if it is amount based CA.	N

3.3.2 Mutual Fund

It is a professionally managed form of collective investments that pools money from investors and invests it in stocks, bonds, short term money market instruments and / or other securities.







MF Details: RM Managed											
Name	Folio ID	Links	CCY	Std CCY	Buy Price	Qty	Total Buy Cost	Current NAV	Market Value	Value Date	Quick Launch
Fidelity Euro Growth Fund	12345432		EUR	EUR	1.0000	208,765.00	208,765.00	12.0000	2,505,180.00	08/02/2009	Subscribe/ Redeem/ STP/ CA
HDFC Top 200 Fund - Growt	2343		INR	INR	50.0000	100.00	5,000.00	180.4600	18,046.00	01/01/2010	Subscribe/ Redeem/ STP/ CA
IT Inidia Fund	109238		INR	INR	1.0000	12.00	12.00	12.0000	144.00	30/01/2009	Subscribe/ Redeem/ STP/ CA
JPMC Highly Leveraged Fun	7567576		SGD	SGD	98.0000	100.00	9,800.00	53.2100	5,321.00	18/11/2010	Subscribe/ Redeem/ STP/ CA
New India Infra Fund	456		INR	INR	11,11...	1.00	11,112.00	95.0000	95.00	08/02/2009	Subscribe/ Redeem/ STP/ CA
Total (SGD)							429,835.00		5,068,581.60		Subscribe/

Figure 3.8: MF: Valuation Screen

Field	Description	Mandatory
Name	All the securities in the chosen instrument type 'mutual-fund' and portfolio are displayed. Each security name in the tab is displayed with a hyperlink. Click on the hyper link to view all the transaction executed in the security.	Display only
Folio ID	This field displays the Folio ID.	Display Only
CCY	This field displays the security currency.	Display only
Sttl CCY	<p>This field displays the settlement currency for the selected instrument.</p> <p>If the instrument currency and settlement currency are different the system displays the settlement currency with hyperlink. When the user clicks on this hyperlink, the system displays the pop-up showing corresponding settlement currency details.</p>	Display only
Buy Price	<p>The buy price is determined at by using the weighted average cost methodology for each folio number. Please note, that the weighted average cost methodology is pertinent only for the remaining purchase transactions in the portfolio, subsequent to application of the first-in, first-out (FIFO) rule for all the sale transactions in the particular folio number of the portfolio.</p> <p>The average cost requires you to determine the average cost per unit – total amount invested divided by the total number of units held.</p> <p>A FIFO rule is an accounting methodology wherein if you hold a security of the same class which has been acquired on different dates, the security acquired at the earlier time is deemed to be disposed off first.</p> <p>For further details on weighted average and FIFO computation please refer to the table on 'Equity'.</p> <p> Cash corporate actions (dividend payout) will not be considered while computing buy price.</p> <p>Similar to the stock dividend in case of equity, dividend reinvest option in case of mutual funds is deemed to have been acquired on the record date and at nil price</p>	Display only

Qty	<p>The units will be calculated after the application of the FIFO accounting rule for each folio number.</p> <p>In addition to the units purchased, additional units received due to stock corporate actions will also be considered while determining the units.</p> <p>The orders entered for subscription/redemption of securities through the FCPB Order Management System and which are in open status will not be considered while determining the quantity.</p>	Display only
Total Buy Cost	Buy Cost is the product of the buy price and quantity (mentioned above).	Display only
Current NAV	<p>The Net asset value, or NAV, is the current market value of a fund's holdings. The NAV is calculated based on the total value of the fund divided by the number of shares currently issued or outstanding. The market price for the funds will be received as online update from external data vendors.</p> <p>In a scenario where NAV is not received/ updated in the system at end of day then system will consider the previous day or previous received NAV for valuation and analysis.</p> <p>The Current NAV is hyperlinked, on click of which the system directs the user to Portfolio Alerts screen to set up the alerts as per requirement.</p> <p>The system does the valuation of Proprietary Portfolios at different instrument prices maintain in the system. If the instrument price for proprietary portfolio valuation is not available (price is not available for any day) then system considers the price available for customer portfolio valuation.</p>	Display only
Market Value	Market value is the product of the NAV and quantity.	Display only
Value Date	<p>Displays the date on which the NAV was received for determining the market value.</p> <p>The system also displays the time at which the last NAV was received for determining the market value.</p>	Display only

Quick Launch	<p>This field displays the links to Subscribe/Redeem/STP. The links are available for all the securities in this tab. The field also displays an additional link 'CA' for including corporate action related data</p> <p>On selection of any of the above links, the system directs the user to the corresponding screens with pre-filled information of the selected security.</p> <p>The screens associated to these links have been explained in depth in the section on Transaction Management.</p>	<p>The action buttons will be disabled for a Customer viewing the securities held in a RM Managed portfolio</p>
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3.3.2.1 Mutual Fund Corporate Action

User Access Level:

RM: The person designated as an RM user can add/modify the details of Corporate Actions announced by the companies/institution.

Operations: Only the person designated as an Operations user can add/modify the details of Corporate Actions announced by the companies/institution.

Screen:

The screenshot shows the Oracle FLEXCUBE Private Banking interface. The top navigation bar includes links for Home, Customer, Financial Planning, Order Mgmt, Txn Mgmt, Master, Reports, Tools, My Workspace, and Logout. The user is logged in as HO HEAD on 28/11/2011 at 3:55 PM. The breadcrumb trail indicates the current location: Txn Mgmt > Mutual Funds > Corporate Actions.

The main form is titled 'MF Corporate Action' and contains the following sections:

- Customer Details:** Portfolio Name (RM Managed)
- Fund Details:** Scheme Name (Birla Midcap Fund - Growth), Folio/Account No. (MF001-123456), Instrument Currency (INR), Settlement Currency (INR)
- Corporate Action:** Type (Dividend Payout), Transaction Date (04/08/2011), Record Date (02/08/2011), Settlement Date (04/08/2011), Custody Fee (25), Amount (2500), Exchange Rate (1), Tax (25), Dividend Percentage (2)

Buttons for 'Save' and 'Clear' are located at the bottom of the form.

Figure 3.9: MF Corporate Action

Screen Navigation:

After you login as an RM user, select Customer → Portfolio Maintenance → Mutual Fund and then click on the CA hyperlink.

The fields in the Mutual Fund Corporate action screen are similar to the Equity Corporate Action screen.

Additional fields in MF Corporate Action have been inscribed as below:

Field	Description	Mandatory
Dividend Percentage	Enables the user to enter the Dividend percentage per unit if the selected CA type is Dividend Payout.	Y
Ratio	Enables the user to enter the appropriate Corporate Action ratio for the corresponding instrument This field is enabled only for Dividend Reinvest and Bonus CA types.	Y
New Units Issued	Enables the user to enter the appropriate no. of new units issued. This field is enabled only for Dividend Reinvest and Bonus CA types.	Y
Amount	Enables the user to enter the dividend amount per unit if the selected CA type is Dividend Reinvest.	Y



3.3.3 Bond

A bond is a debt security in which the authorized issuer owes the holders a debt and is obliged to repay the principal and interest (coupon). Though the bonds cannot be transacted (purchased or sold) directly through the System, the system computes the accrued interest for the bonds (details of which are explained in the section on Transaction Management).

Bond Details: RM Managed														
Name	CCY	Sttl CCY	Nominal Amount	Cap Factor%	Buy Price	Units	Total Buy Cost	Coupon Rate	Maturity Date	Market Price	Accrued Interest	Market Value	Value Date	Quick Launch
Alpha Growth	INR	INR	12,...	100.00	25.0000	125.00	3,127.00	10.00	25/02/2020	105.0000	11,31...	13,125.00	27/04/2010 15:00:01 PM	Buy / Sell / CA
CRBOND	INR	INR	15,...	100.00	105.0000	150.00	15,750.00	12.00	01/01/2025	105.0000	900.00	15,750.00	09/05/2009 01:50:46 AM	Buy / Sell / CA
NABARD Bonds	INR	INR	5,0...	100.00	101.0000	50.00	5,050.00	0.00	21/04/2025	53.2100	0.00	2,660.50	01/01/2010	Buy / Sell / CA
SW Corporate Bond	INR	INR	169...	100.00	124.9975	1,1...	212,495.13	5.00	13/11/2010	107.0000	2,074...	121,266.31	01/07/2010 11:22:05 AM	Buy / Sell / CA
SW High Yield Bond	INR	INR	4,9...	100.00	102.0000	33.33	5,099.00	5.00	01/01/2025	106.0200	471.43	3,533.65	08/02/2009	Buy / Sell / CA
Total (SGD)							30,345.72					4,690.06		

Figure 3.10: Bond: Valuation Screen

Field	Description	Mandatory
Name	All the securities in the chosen instrument type 'Bonds' and portfolio are displayed. Each security in the tab is displayed with a hyperlink. Click on the hyper link to view all the transaction executed in the security.	Display only
CCY	This field displays the security currency.	Display only
Sttl CCY	This field displays the settlement currency for the selected instrument. If the instrument currency and settlement currency are different the system displays the settlement currency with hyperlink. When the user clicks on this hyperlink, the system displays the pop-up showing corresponding settlement currency details.	Display only
Buy Price	Buy price is the purchase price per unit of the bond purchased.	Display only
Units	The total balance units as of the current business day are displayed here. The balance units are derived by netting the purchase and sale transactions.	Display only
Total Buy Cost	Buy Cost is the product of the buy price and quantity (mentioned above).	Display only
Coupon Rate	The coupon rate of the bonds is displayed in this field. Coupon is the interest rate that the issuer pays to the bond holders. The coupon rates are maintained by the administrator in the Bond Master Table. For the variable coupon bonds, the prevalent rate for the current coupon period is displayed.	

Maturity Date	Displays the maturity date of the bond. The Maturity date is the date on which the issuer repays the principal amount.	Display only
Todays Unit Price	<p>This field displays the current prevailing price of the bond. To recap, FCPB supports the holdings of both traded and non traded bonds.</p> <p>The traded bonds will receive the current market price as a data feed from external data vendors.</p> <p> FCPB assumes that the prices quoted for the bonds in all the markets are clean price. Clean price is the basic price of the security and excludes accrued interest.</p> <p>For the non traded bonds the user can manually update the price of the bond by utilizing the 'Modify' hyperlink provided in this tab. The most recent manually updated price will be considered for the purpose of valuation/Analysis/Simulation. Please note, that the 'Modify' hyperlink will be enabled only for the non-traded bonds.</p> <p> In the absence of the user providing any information on the market price, the system will consider the acquisition price as the market price.</p> <p>The system does the valuation of Proprietary Portfolios at different instrument prices maintain in the system. If the instrument price for proprietary portfolio valuation is not available (price is not available for any day) then system considers the price available for customer portfolio valuation.</p> <p>The Todays Unit Price is hyperlinked, on click of which the system directs the user to Portfolio Alerts screen to set up the alerts as per requirement.</p>	Display only
Accrued Interest	This field displays the accrued interest for the bond. Accrued interest is the interest that has accumulated since the principal investment or since the previous interest payment if there already exists one.	Display only
Market value	Market value is the product of the current unit price and quantity.	Display only

Value Date	<p>Displays the date on which the current unit price was received or manually updated for determining the market value.</p> <p>The system also displays the time at which the last unit price was received for determining the market value.</p>	Display only
Quick Launch	<p>This field displays the links as M/CA/S to modify, capture Corporate Action and Sell the securities. The links are available for all the securities in this tab.</p> <p>As mentioned earlier, the Modify link will be enabled only for the non traded bonds and facilitates the user to update the prevailing market price of the bond.</p> <p>To recap, the hyperlink for updating the Corporate Action related data is available for RM Managed portfolios. Once the user updates the holdings for a bond in FCPB, system initiates the computation of the accrued interest for the current interest payment period. At the end of the interest period, the system automatically credits the accrued interest as realized interest. All the earlier realized interest, prior to the entry of the bond's holdings in the system, needs to be captured by the user through the Corporate Action screen.</p> <p>Through the link for sell the user can initiate multiple transactions for the particular security to the extent of its holdings.</p> <p>On selection of any of the above links, system takes you to the corresponding screens with pre-filled information of the selected security.</p>	<p>The action buttons will be disabled for a Customer viewing the securities held in a RM Managed portfolio.</p>

3.3.3.1 Bond Corporate Action

User Access Level:

RM: The person designated as an RM user can add/modify the details of Corporate Actions announced by the companies/institution.

Operations: Only the person designated as an Operations user can add/modify the details of Corporate Actions announced by the companies/institution.

Screen:

ORACLE
FLEXCUBE Private Banking

User: HO HEAD Current Login: 28/11/2011 3:55 PM Last Login: 28/11/2011 3:21 PM

Home Customer Financial Planning Order Mgmt Txn Mgmt Master Reports Tools My Workspace Logout

Portfolio Maintenance > Bonds: Corporate Actions

Customer Details
 Customer No. 10001
 Customer Name Shikha Verma
 Portfolio Name RM Managed

Instrument Details
 Bond Name 10 ICICI 2015
 Currency USD
 Settlement Currency INR
 Holding Face Amount (M) 5000
 Security Account BSD-310

Corporate Action
 CA Type Interest
 Transaction Date* 04/08/2011
 Amount* 2500
 Coupon Percentage* 2
 Exchange Rate 46.400000
 Record Date* 02/08/2011
 Settlement Date 04/08/2011
 Tax* 2
 Custody Fee 25

Save Reset

Figure 3.11: Bond Corporate Action

Screen Navigation:

After you login as an RM user, select Customer → Portfolio Maintenance → Bond and then click on the CA hyperlink.

The fields in the Bond Corporate action screen are similar to the Equity Corporate Action screen.

Additional fields in Bond corporate Action have been inscribed as below:

Field	Description	Mandatory
Holding Face Amount (M)	Displays the Current Nominal Amount value	Y
Security Account	Displays the sub portfolio id as the Security Account no.	Y

3.3.4 Insurance

Insurance is defined as the equitable transfer of the risk of a loss from one entity to another in exchange for a premium. The company that sells the insurance is called the insurer.

Name	CCY	Policy Number	Next Premium	Effective Date	Annual Premium	Premium Paid	Fund Value	Surrender Value	Value Date	Quick Launch
Aviva Global Investment P	SGD	POL584	13/03/2010	25/11/2010	24,000.00	4,000.00	20,000.00	25,000.00	18/01/2...	Details
Aviva Global Investment P	SGD	POL58	13/03/2010	13/01/2010	25,000.00	2,083.50	0.00	0.00	10/02/2...	Details
Total (INR)						886,250.00	20,000.00	916,500.00		

Figure 3.12: Insurance: Valuation Screen

Field	Description	Mandatory
Name	All the policies in the chosen instrument type 'Insurance' and portfolio are displayed. Each policy in the tab is displayed with a hyper link. Click on the hyper link to view all the transactions in the policy.	Display only
Currency	This field displays the policy currency.	Display only
Policy Number	The insurance policy number is displayed in this field.	Display only
Effective Date	This field displays the policy enforcement date. User has the flexibility to enter backdated purchases.	Display only
Next Premium Date	<p>Premium is the payment or one of the periodic payments that a policy holder makes to an insurer in exchange for the insurer's obligation to pay benefits upon the occurrence of the contractually specified contingency. Some policies have the flexibility of paying the entire premium amounts as a single upfront payment and are known as Single Premium policies.</p> <p>This field is not applicable for single premium policies and will be displayed vacant. However for all the other policies, the field will display the next periodic payment due date. Please note that it is the responsibility of the user to renew this data regularly in the system.</p>	Display only
Annual Premium	Displays the total premium amount paid annually. For the single premium policies, it is the responsibility of the user to compute manually and update the relevant data.	Display only
Premium paid	The total premium amount paid till date is displayed in this field.	Display only

Fund Value	Displays the Fund Value for the selected ULIPs (Unit Linked Insurance Plan).	Display only
Surrender Value	This is the cash value due to the policy holder if he terminates his/her policy on the given date. The surrender value would be considered as market price for the purpose of valuation/Analysis/ Simulation. Only financial type of policies has Surrender Value.	Display only
Value Date	Displays the valuation date of the surrender value. The system also displays the valuation time of the surrender value.	Display only
Quick Launch	The column displays a hyperlink called – Details. On clicking this hyperlink the user gets to see the funds actually held by the customer for the specific ULIP and further clicking on the fund name, the user gets to see the actual sub holdings of that fund.	

3.3.5 Others

The holdings in the securities which cannot be classified into any of the instrument types defined in the instrument master can be updated in 'Others'.

Name	CCY	Asset Class	Buy Price	Market Value	Value Date	Quick Launch
Paintings	SGD	Alternatives	70,000.00	70,000.00	29/01/2009 00:00:00 AM	Sell /Modify
Total (USD)			48,311.20	48,311.20		

Figure 3.13: Others: Valuation Screen

Field	Description	Mandatory
Name	All the securities in the chosen instrument type 'Others' and portfolio are displayed. Each security in the tab has a hyper link. Click on the hyper link to view all the transaction executed in the security.	Display only
CCY	This field displays the security currency.	Display only

Asset Class	<p>We have seen the classification of securities into the various instrument types. Now let us proceed to comprehend the classification of the securities into a range of asset classes. The different asset classes to be used by the bank can be identified and maintained by the administrator in the Reference Master Table.</p> <p>Currently the following asset classes are defined in FCPB; namely equity, debt, art, real estate, gems, metals, cash, commodities and insurance. All the securities which cannot be categorized into any of the above defined asset classes can be classified into the category 'others'. It is interesting to note that though the mutual funds, Portfolio Management Schemes and structured products are itself classified into the asset category others, the assets class of the underlying securities are considered for the purpose of portfolio analysis and simulation.</p> <p>This table displays all the securities categorized under the instrument type others and asset class real estate, art, gems, metals and others.</p>	Display only
Buy Price	<p>Buy price is the purchase price of the security. The system defaults the units of the securities in the instrument type 'others' to 1. The system does not currently support for capturing the additional purchase data. Hence any such additional purchase transactions need to be captured as separate security-holding or first time purchase.</p> <p>Thus the concept of weighted average price and FIFO are not applicable.</p>	Display only
Market Value	<p>Market value is the current price of the security. The latest market price updated by the user is displayed here.</p>	Display only
Value Date	<p>Displays the valuation date of the market value.</p> <p>The system also displays the valuation time of the market value.</p>	Display only

Sttl CCY	<p>This field displays the settlement currency for the selected instrument.</p> <p>If the instrument currency and settlement currency are different the system displays the settlement currency with hyperlink. When the user clicks on this hyperlink, the system displays the pop-up showing corresponding settlement currency details.</p>	Display only
Nominal Amount	The stated value of an issued security that remains fixed.	Display only
Buy Price	Buy price is the purchase price of the security.	Display only
Qty	The total balance units as of the current business day are displayed here. The balance units are derived by netting the purchase and sale transactions.	Display only
Total Buy Cost	Buy Cost is the product of the buy price and quantity (mentioned above).	Display only
Market Price	<p>The market price for securities will be received as online update from external data vendors.</p> <p>In the absence of reception of market price on a business day, the system will consider the preceding received price for the function of valuation and analysis.</p> <p>The system does the valuation of Proprietary Portfolios at different instrument prices maintain in the system. If the instrument price for proprietary portfolio valuation is not available (price is not available for any day) then system considers the price available for customer portfolio valuation.</p> <p>The Market Price is hyperlinked, on click of which the system directs the user to Portfolio Alerts screen to set up the alerts as per requirement.</p>	Display only
Accrued Interest	It displays the accrued interest for the instrument	Display only
Market Value	Market value is the product of the market price and quantity.	Display only
Commitment Amount	Commitment Amount field is applicable for Structured Products which are of Payment Type 'Installment Based' and it indicates the Commitment Amount that the investor has committed towards the fund	Display only
Value Date	Displays the valuation date of the market value.	Display only

Quick Launch	<p>This field displays the links to Buy, Sell, and CA. The links are available for all One-Time Structured Products and also for Installment-Based Structured Products which are of On-Call Drawdown Type.</p> <p>On selection of any of the above links, system takes you to the corresponding screens with pre-filled information of the selected security.</p> <p>The action buttons will not be available for a Fund for which Order was placed with Schedule-Based Drawdown.</p>	
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At the end of the tab, the last row displays the sum of all the above fields in the portfolio preferred currency.

3.3.6.1 **SP Corporate Action**

User Access Level:

RM: The person designated as an RM user can add/modify the details of Corporate Actions announced by the companies/institution.

Operations: Only the person designated as an Operations user can add/modify the details of Corporate Actions announced by the companies/institution.

Screen:

ORACLE
FLEXCUBE Private Banking

User: HO HEAD Current Login: 29/11/2011 11:28 AM Last Login: 29/11/2011 10:54 AM

Home Customer Financial Planning Order Mgmt Txn Mgmt Master Reports Tools My Workspace Logout

Portfolio Mgmt > Structured Products: Corporate Actions

Customer Details
Customer No. 10973
Customer Name 555602
Portfolio Name 555602

Instrument Details
Instrument Name StructProd-4
Currency INR
Settlement Currency INR
Security Account SP01-14785

Corporate Action Details
Type* Dividend
Record Date* 02/08/2011 Transaction Date* 09/08/2011
Settlement Date 09/08/2011 Amount
Dividend/Coupon Percentage* 2 Tax* 25
Custody Fee 25 Exchange Rate 1

Save Reset

Figure 3.15: Structured Products Corporate Action

Screen Navigation:

After you login as an RM user, select Customer → Portfolio Maintenance → Structured Products and then click on the CA hyperlink.

The fields in the Structured Product corporate action screen are similar to the Equity Corporate Action screen.

Additional fields in Structured Product corporate action have been inscribed as below:

Field	Description	Mandatory
Dividend/Coupon Percentage	Enables the user to enter the Dividend percentage per unit if the selected CA type is Dividend.	Y

3.3.7 Commodities

Commodities have evolved as an asset class with the development of commodity futures indexes and, more recently, the introduction of investment vehicles that track commodity indexes. Almost all commodity speculators trade on margin which results in substantial risk to the invested principal.

Commodity: RM Managed										
Name	CCY	Sttl CCY	Units	Qty	Buy Price*	Total Buy Cost	Market Price	Market Value	Value Date	Quick Launch
COMM1	INR	INR	Kgs	100	150	15,000	150	15,000	21/05/2012 11:18:58 AM	Buy/ Sell
Total (INR)						15,000		15,000		
Note: *Calculated by FIFO method										

Figure 3.16: Commodity: Valuation Screen

Field	Description	Mandatory
Name	All the securities in the chosen instrument type 'Commodities' of the chosen portfolio are displayed. Each security is displayed with a hyperlink. Click on the hyper link to view all the transaction executed in the security.	Display only
(CCY) Currency	This field displays the security currency.	Display only
Sttl CCY	This field displays the settlement currency for the corresponding instrument. If the instrument currency and settlement currency are different the system displays the settlement currency with hyperlink. When the user clicks on this hyperlink, the system displays the pop-up showing corresponding settlement currency details.	Display only
Units	The denotation of the quantity is indicated in this field.	Display only
Qty	The total balance units as of the current business day are displayed here. The balance units are derived by netting the purchase and sale transactions.	Display only

Buy Price*	<p>The buy price is determined at by using the average cost methodology. Please note, that the average cost methodology is pertinent only for the remaining purchase transactions in the portfolio, subsequent to application of the first-in, first-out (FIFO) rule for all the sale transactions in the portfolio.</p> <p>The average cost requires you to determine the average cost per security of a class – total amount invested divided by the total number of commodities held.</p> <p>A FIFO rule is an accounting methodology wherein if you hold a security of the same class which has been acquired on different dates, the security acquired at the earlier time is deemed to be disposed off first.</p>	Display only
Total Buy Cost	Buy Cost is the product of the buy price and quantity. .	Display only
Market Price	<p>The market price for securities will be received as online update from external data vendors.</p> <p>In the absence of reception of market price on a business day, the system will consider the preceding received price for the function of valuation and analysis.</p> <p>The system does the valuation of Proprietary Portfolios at different instrument prices maintain in the system. If the instrument price for proprietary portfolio valuation is not available (price is not available for any day) then system considers the price available for customer portfolio valuation.</p> <p>The Market Price is hyperlinked, on click of which the system directs the user to Portfolio Alerts screen to set up the alerts as per requirement.</p>	Display only
Market Value	Market value is the product of the market price and quantity.	Display only
Value Date	<p>Displays the valuation date of the market value.</p> <p>The system also displays the valuation time of the market value.</p>	Display only

Field	Description	Mandatory
Name	All the securities in the chosen instrument type 'Portfolio Management Scheme' of the chosen portfolio are displayed. Each security is displayed with a hyperlink. Click on the hyperlink to view all the transaction executed in the security.	Display only
CCY	This field displays the security currency.	Display only
Account number	This is a unique customer account number	Display only
Investment amount	This field indicates the total amount invested by the customer in the particular scheme. This amount will be received as a feed from external source. System will not roll up the transaction to compute the holding details in PMS, all the information regarding buy cost, market value and transaction details will come as a feed from external source	Display only
Market Value	Market value indicates the value of the scheme as of the given valuation date and will be received as a feed from external source..	Display only
Value Date	Indicates the latest date of reception of the market price feed. The system also displays the time at which last market value was received.	Display only
View	<p>This field displays the links to Details and CA. The links are available for all the securities in this tab.</p> <p>The link 'Details' enables the user to view the constituents of the scheme. The screen shot of this screen and its fields have been elucidated below.</p> <p>The link 'CA' directs the user to Corporate Action screen to set the details for CA.</p> <p>The action buttons will be disabled for a Customer viewing the securities held in a RM Managed Portfolio</p>	

At the end of the tab, the last row displays the sum of all the above fields in the portfolio preferred currency.

On clicking the link 'Details' will result in the opening of a pop-up window displaying the constituents of the scheme.

Instrument Name	Instrument Type	Currency	Qty	Buy Price	Total Buy Cost	Market Price	Market Value	Unrealized Gain/Loss	Value Date
Reliance	Equity	INR	1000	1625	1625000	2489	2489000	864000	20/01/2008
TISCO	Equity	INR	1500	525	787500	680	1020000	232500	20/01/2008
SBI	Equity	INR	500	1985	992500	2285	1142500	150000	20/01/2008
HDFC Bank	Equity	INR	450	950	427500	1492	671400	243900	20/01/2008
Reliance Growth Fund	MF	INR	5000	225	1125000	302	1510000	385000	20/01/2008
Total									

Figure 3.18: Scheme Details Screen

Field	Description	Mandatory
Instrument Name	All the names of the constituents of the scheme are displayed in this field. These constituents will be received as an external data feed.	Display only
Currency	This field displays the constituent's currency.	Display only
Quantity	Along with the constituents, the external data feed is also assumed to constitute the magnitude of investment in each constituent. It is also assumed, that this holding information received from time to time as data from external data feed will also constitute the units received as corporate action.	Display only
Buy Cost	This field indicates the total amount invested by the customer in each constituent.	Display only
Market Value	Market value indicates the value of the constituent as of the given valuation date. Please note, that the updating of the market price of all the constituents falling under the category of equity, mutual funds and traded bonds will be similar to the other direct holdings of the customer in these instruments.	Display only
Value Date	Indicates the latest date of reception of the market price feed.	Display only

As explained earlier, on clicking on any of the securities in this tab, displays the entire transaction details of the security in a pop up screen. This option is however unavailable for the accounts held under the instrument type 'CASA' and 'TD'.

3.3.9 Generic Instrument

The Others instrument type has few drawbacks and it does not support Partial Sale of units. It is only used for non-unitized instruments that are bought and sold in amounts rather than units, e.g. PMS, Art /collectibles, Property etc, To overcome this problem, the new instrument type called

'Generic' is introduced. These instruments are unitized (i.e. which are traded in the market at a per-unit price) and are not of type direct equity, mutual funds, Insurance, structured product & Alternatives, bond, commodity.

Name	CCY	Sttl CCY	Buy Price*	Qty	Total Buy Cost	Market Price	Market Value	Value Date	Action
								AM	
Total (SGD)					65.09		65.09		

Figure 3.19: Generic Instrument: Valuation Screen

Field	Description	Mandatory
Name	Name of the Generic Instrument is displayed with a hyperlink, When the hyperlink is clicked, a pop-up window appears showing transaction history.	Display only
Instrument Currency	Displays the currency in which transaction took place	Display only
Settlement Currency	Displays the currency in which transaction settlement took place	Display Only
Buy Price	Displays weighted averaged buy price	Display only
Qty	Displays the quantity of transaction	Display only
Total Buy Cost	Displays the total buy cost obtained by multiplying Buy Price with Qty	Display only
Market Price	Displays the last updated market price of the underlying security	Display only
Market Value	Market value indicates the value of the constituent as of the given valuation date. It is calculated as Market Price * Qty	Display only
Value Date	Indicates the latest date and time of reception of the market price feed.	Display only
Action	This field displays the links to Sell/Buy. The links are available for all the securities in this tab.	Display only

3.3.10 Corpus

Corpus refers to quantum of money brought in or taken out from the Portfolio by the client in the form of cash. The investments are made by the client by utilizing the money already available in the portfolio and all the transactions are made through the discretionary portfolios.

Corpus Details: Discretionary						
Name	DP ID	CCY	Std CCY	Total Buy Cost	Market Value	Value Date
Corpus-INR	10057	INR	INR	80,416.67	80,416.67	31/12/2008 13:34:42 PM
Total (INR)				80,416.67	80,416.67	
Note: *Buy price is calculated based on FIFO method						

Figure 3.20: Corpus: Valuation Screen

Field	Description	Mandatory
Name	All the securities in the chosen instrument type 'Corpus' and portfolio are displayed. Each security name in the tab is displayed with a hyperlink. Click on the hyper link to view all the transaction executed in the security.	Display only
DP ID	This field displays the DP - ID.	Display Only
CCY	This field displays the security currency.	Display only
Sttl CCY	Displays the settlement currency for the selected instrument	
Total Buy Cost	Displays the total buy cost of the corresponding instrument	Display only
Market Value	Displays the market value of the corresponding instrument	
Value Date	Indicates the latest date and time of reception of the market price feed.	Display only

3.3.11 CASA

Suggests current and savings account. The bank has the option to include the accounts held within the bank in this instrument type as part of their portfolio holding. The administrator can opt for this option of inclusion through the Banking Product Master table.

The customer can add all his retail accounts, including the ones held outside the bank through the 'Network' screen. Note that the Network screen can be accessed through Customer login by



clicking on the button in the 'Network' tab on the Customer Dashboard.

This screen will be editable only for a customer login and hence the provision of adding accounts has been provided only to the customer. On adding an account, the corresponding data will be displayed along with the other holdings in the portfolio under Portfolio 'Investments' in the network screen. This constituent conveys the total value of the holdings held by the customer across his/her portfolios. The accounts under 'CASA' type of instrument will be included in the portfolio type 'RM Managed' for accounts received from Core Banking. Accounts added by customer from other Banks apart from the Home-Bank, will be added under 'Heldaway' portfolio type. Cash balances will be updated as a end of day process or as and when updated feed is received from the core banking system.

Accounts: Heldaway						
Account Type	A/c No	CCY	Available Balance	Hold Amount	Total Balance	As on Date
SavingsAcct-EUR	74589	EUR	200,000.00	0.00	200,000.00	01/04/2010
Total (SGD)			403,940.00	0.00	403,940.00	

Figure 3.21: CASA Balances Screen

Field	Description	Mandatory
Account type	The category of account viz., savings or current, will be displayed in this field.	Display only
Account Number	As the name suggests this field displays the account number. Please note that each account will be represented separately in this tab.	Display only
CCY	This field displays the currency of the account.	Display only

Available Balance	The current balance of the CASA account will be displayed in this field. This balance amount is the Market Value which includes Accrued Interest also.	Display only
Hold Amount	Hold Amount on the CASA account as provided by the Banking System	Display only
Total Balance	Sum of Available Balance and Hold Amount.	Display only
As on Date	Indicates the latest date of reception of the account balance.	Display only

At the end of the tab, the last row displays the sum of all the above fields in the portfolio preferred currency (computed as explained in the earlier section).

TD:

Time deposits (TD) are deposits that are with the bank for a fixed period and earn a rate of interest during the tenure of investment. Standalone TD's are classified as debt and the interest computation is like any other debt instrument such as bonds, debentures etc.

In FCPB, Time deposit will be mapped to instrument type 'Time Deposit'. For each currency there will be only one instrument maintained in the Instrument Master Mst_Instrument, with any suitable identifiable name like 'TD in HKD' or 'Time Deposit in USD' etc. The FCPB system also supports the user to place the orders for Dual Currency deposits. A Dual Currency deposit (DCD) is a Structured product which combines a term deposit with a currency option to provide a higher yield than that is available for a standard deposit. 'TD' Instrument can also be Call Deposits and these would have the 'Callable' flag set to 'Y' in the Admin->Product Master screen. Such 'Call Deposit' type of 'TD' Instruments can be given any suitable name like 'Call Deposit in HKD', 'Call Deposit in USD' etc.

Once the TD transactions are uploaded from the core banking system, the same will reflect in the Portfolio Maintenance screen under the Time Deposit instrument type classification. Once the user clicks on further drill down of the TD instrument type, details of each TD should be displayed in a view table. Details such as TD number, Inception date, Maturity date and interest rate, compounding frequency, principal value, interest accrued and paid, Last interest paid date will be shown. Interest accruals will be calculated in FCPBS on a daily basis. However, the actual interest paid to the customer will be a data field received from the core banking system, which will be stored in the Interest/Dividend field. Interest paid on any partial & premature withdrawal will also be received as a data field from the core banking system. Accrued interest will also be received from the Core Banking System.

The TD transactions will be uploaded as a batch considering previous day transactions

Time Deposit : RM USD											
Account Type	Account/ TD No.	CCY	Booking Date	Tenor	Principal	Maturity Date	Interest Rate	Accrued Interest	Interest Paid	As on Date	Quick Launch
TimeDeposit-USD :DCD	TDD3	USD	27/12/2011	111 Day (s)	1,111	16/04/2012	2	0	0	27/12/2011	CA
TimeDeposit-USD :DCD	TD4	USD	27/12/2011	111 Day (s)	7,777	16/04/2012	3	0	0	27/12/2011	CA
TimeDeposit-USD	NITK21122011	USD	21/12/2011	180 Day (s)	10,000	18/06/2012	1.7	0	0	21/12/2011	CA
TimeDeposit-USD :DCD	MAC26122011	USD	26/12/2011	112 Day (s)	11,000	16/04/2012	8	0	0	26/12/2011	CA
TimeDeposit-USD :DCD	DUAL2	USD	26/12/2011	112 Day (s)	9,000	16/04/2012	11	2.75	0	26/12/2011	CA
TimeDeposit-USD :DCD	DUAL1	USD	26/12/2011	112 Day (s)	11,000	16/04/2012	8	2.44	0	26/12/2011	CA
Total (USD)					49,888			5.19	0		

Figure 3.22: TD Screen

Field	Description	Mandatory
Account Type	Displays the name of the Time Deposit instrument. If the TD is of type Dual Currency, the instrument name is concatenated with the text 'DCD'.	Y
Account /TD No.	As the name suggests this field displays the Term Deposit account number. Please note that each TD will be represented separately in this tab.	Display only
CCY	This field displays the currency of the deposit.	Display only
Booking Date	The creation date of the deposit is displayed in this field.	Display only
Tenor	The tenor of the deposit, denoted in days is represented in this field.	Display only
Principal	The original amount invested in the deposit is displayed in this field.	Display only
Maturity Date	The maturity date indicating when the customer will get his principal back is displayed in this field.	Display only
Interest Rate	The effective rate received on the invested amount is displayed here.	Display only
Accrued Interest	This field indicates the interest, till date, that has been earned but not received by the customer.	Display only
Interest Paid	The interest that has been paid by the bank or received by the customer, till date, is displayed in this field.	Display only

As on Date	Indicates the latest date of reception of the account balance.	Display only
Quick Launch	This field displays the CA link. The links are available for all the securities in this tab. The link 'CA' directs the user to Corporate Action screen to post the interest payment transactions.	Hyperlink

At the end of the tab, the last row displays the sum of all the above fields in the portfolio preferred currency.

3.3.11.1 Time Deposits Corporate Action

User Access Level:

RM: The person designated as an RM user can add/modify the details of Corporate Actions announced by the companies/institution.

Operations: Only the person designated as an Operations user can add/modify the details of Corporate Actions announced by the companies/institution.

Screen:

The screenshot shows the Oracle FLEXCUBE Private Banking interface. The top navigation bar includes links for Home, Customer, Financial Planning, Order Mgmt, Txn Mgmt, Master, Reports, Tools, My Workspace, and Logout. The user is logged in as 'HO HEAD' on 16/12/2011 at 1:41 PM. The current screen is 'Portfolio Management > Term deposit: Interest Payment'.

The main form is divided into three sections:

- Customer Details:**
 - Customer No.: 10884
 - Customer Name: Nit Roovy
 - Portfolio Name: RM Managed
- Deposit Details:**
 - Instrument Name: Term Deposit-USD
 - Instrument Currency: USD
 - Deposit Type: Time Deposit
 - Fixed / Floating: Fixed
 - Simple / Compound: Simple
- Order Details:**
 - Transaction Date: 16/12/2011
 - Transaction Amount: (empty field)
 - Payment/Receivable: Amount to be paid to customer (dropdown menu)
 - Description: Interest Paid To Customer

At the bottom of the form, there are 'Save' and 'Clear' buttons.

Figure 3.23: Time Deposit Corporate Action

Screen Navigation:

After you login as an RM user, select Customer → Portfolio Maintenance → Time Deposits and then click on the CA hyperlink.

Field	Description	Mandatory
Customer Details		
Customer No.	Displays the Customer No.	Y
Customer Name	Displays the Customer Name	Y
Portfolio Name	Displays the portfolio name	Y
Deposit Details		
Instrument Name	Displays the name of the instrument for which the CA has been declared	Y
Instrument Currency	Displays the currency of the of the instrument for which the CA has been declared	Y
Deposit Type	Displays the Deposit Type for selected CPIS record whether it is Time or Call Deposit.	Y
Fixed/Floating	Displays whether it is Fixed or Floating rate for the selected CPIS record	Y
Simple/Compound	Displays whether interest type is Simple Interest or Compound Interest for the selected CPIS record	Y
Order Details		
Transaction Date	Enables the user to enter the appropriate transaction date	Y
Transaction Amount	Enables the user to enter the appropriate interest amount	Y
Payment/Receivable	Enables the user to select the appropriate option from the drop-down list to indicate if the amount is to be paid to customer or it is to be received from customer.	Y
Description	Enables the user to enter the appropriate details in the description text box.	Y

The system allows the user to enter the negative interest amount based on the flag stored at the database level. It is the RM's responsibility to make sure that the entered Transaction Dates and Transaction Amounts are as per the Payment schedule. The system does not auto-calculate or validate the transaction amount.



STOP Also, FCPB does not allow the RM to enter a date which is prior to any of the Transaction dates for Interests already paid for that Deposit.

Once the Interest Payment transaction is saved, Accrued Interest in holdings get reduced by the interest amount.

3.3.12 Futures

A future contract is an agreement between two parties to buy or sell an asset at a certain time in the future at a certain price. It is an agreement between the buyer and a seller for the purchase and sale of a particular asset at a specific future date. The price at which the asset would change hands in the future is agreed upon at the time of entering in to the contract. The actual purchase or sale of the underlying involving payment of cash and delivery of the instrument does not take place until the contracted date of delivery. A futures contract involves an obligation on both the parties to fulfill the terms of the contract.

Futures											
Instrument Name	Exp Date	Currency	Settle Currency	Account Number	Price Buy/(- Sell)	No of Open Contracts Long/(-Short)	Margin Amount	Market Price	Market Value	Value date	View
NIFTY	29JAN09	INR		256897221	3200	15	450000	3300	470000	12/01/2009	Buy / Sell
RELANCE	29JAN09	INR		245785211	1200	25	600000	1250	620000	12/01/2009	Buy / Sell
Total (INR)							1050000		1090000		

Figure 3.24: Futures: Valuation Screen

Field	Description	Mandatory
Name	The field displays the Futures Instrument type	Display only
Exp Date	The field displays the Exp Date of the Futures contract	Display only
Instrument Currency	The field displays the instrument currency	Display only
Settlement Currency	The field displays the currency in which settlement took place.	Display only
Account Number	The field displays the Account Number for the future	Display only
Price Buy/(-Sell)	The field displays the price of the future	Display only
No. of open contracts Long/(-Short)	The field displays number of the open future contracts	Display only

Stk Price(Strike Price)	The field displays the price defined at instrument creation level . This price is displayed in instrument currency.	Display only
Instrument Currency	The field displays the instrument currency	Display only
Settlement Currency	The field displays the currency in which settlement took place.	Display only
Account Number	The field displays the Account Number for the option	Display only
Premium/Unit Paid/Recd	The field displays the premium amount in multiples of tick size	Display only
No. of open contracts Long/(-Short)	The field displays number of the open future contracts	Display only
Buy Cost Premium/Net Margin Paid	The field displays the price of the option	Display only
Market Price	Market Price of the option	Display only
Margin Amount	The field displays margin amount to be paid	Display only
Market Value	Market Value of future	Display only
Value Date	Indicates the latest date of reception of the market price feed	Display only
Actions	This field displays the links to Buy/Sell/Exercise/Close. Exercise hyperlink is displayed when there is some holding in the portfolio; it is not displayed for zero holding. 'Close' hyperlink is enabled only on and after the maturity date. The links are available for all the securities in this tab. If the option type is 'European', the system displays the Exercise link on the contract expiry date. For American option type, the hyperlink is enabled all the time till the contract expiry date. Exercise hyperlink is enabled if the underlying security instrument type is 'Equity' or 'Bond'.	Display only

3.3.14 Forex

FCPB provides the facility to input Forex deal details through the front end using the Forex Trxn Management screen or by upload through interface. Transaction Processing of a Forex deal is done similar to Futures instrument type processing, with a few specific changes done to accommodate the fact that unlike a Futures instrument, which has predefined and fixed maturity dates, standard contract amounts and is exchange traded, a Forex instrument is an OTC product (i.e. not exchange traded), and hence could have any currency pair, any amount and for any maturity date as required by the customer.

Instrument Name	FX Forward Date	Comm CCY	Terms CCY	FX Rate	Net Open Position Long/(-Short)	Amount	Market Price	Market Value	Value Date	Quick Launch
HKD-INR	NDF_07/06...	HKD	INR	44.12	0	0	46	0	17/06/2010	Buy/ Sell
USD-INR	NDF_21/04...	USD	INR	40	100	1,200	47.5437	70,767.74	21/04/2011	Buy/ Sell
Total (SGD)						1,200		70,767.74		

Note: *Sub Portfolio ID will be taken as the FX Fwd Date.

Figure 3.26: Forex: Valuation Screen

3.3.15 Fee

The FCPB system calculates and stores the Periodic Fee based on the Client Segment, Portfolio Type and IAG combination. At a pre defined frequency; these fees are charged for each applicable customer portfolio either as Percentage, Flat, combination or Higher and displayed in Portfolio Maintenance screen.

In Portfolio Maintenance screen, Fee appears as an instrument with a hyperlink where the Buy Cost, Qty and Market value etc is displayed as zero. When the user clicks on the hyperlink, the Fee Transaction Details the pop-up is displayed showing the Fee history i.e. the various fees charged to the customer with the date of charge for that particular portfolio type.

Transaction Details :											
Currency	Date	Transaction Type	Transaction Narration / Desc	Quantity	Price	Amount	Settle Currency	Exchange Rate	Fees in Settle Currency	Settlement Amount	View Advice
INR	30/01/2009	FEE	semi annual			49,592.51					
INR	28/02/2009	FEE	semi annual			49,590.33					
INR	12/03/2009	FEE	semi annual			63,475.62					
INR	12/03/2009	FEE	DD			221.50					
INR	10/02/2009	FEE	semi annual			49,702.50					
INR	12/02/2009	FEE	semi annual			49,590.33					
INR	11/03/2009	FEE	Custodian			0.00					
INR	11/03/2009	FEE	DD			221.50					
INR	13/03/2009	FEE	Custodian			0.00					
INR	31/03/2009	FEE	DD			221.50					
INR	31/03/2009	FEE	semi annual			63,475.63					
INR	31/03/2009	FEE	Periodic			358.97					
INR	10/02/2009	FEE	Custodian			3.04					
INR	11/03/2009	FEE	semi annual			63,475.62					
INR	11/03/2009	FEE	Periodic			358.96					
INR	11/02/2009	FEE	Custodian			0.00					
INR	13/03/2009	FEE	semi annual			63,475.62					
INR	09/02/2009	FEE	semi annual			49,590.33					

Figure 3.27: Fee: Transaction Details Pop up

Field	Description	Mandatory
Currency	Displays the currency of the corresponding fee instrument.	
Date	Displays the date on which corresponding Fee was charged.	
Transaction Type	Displays the type of transaction i.e. Fee	
Transaction Narration/Desc	Displays the description for the corresponding transaction	
Amount	Displays the total fee amount charged for the corresponding transaction type	

3.4 **Portfolio Analysis**

Description:

Portfolio analysis delivers insight into the factors that make the user portfolio move and illustrate how the investment decisions affect portfolio performance. FLEXCUBE Private Banking, provides expanded information about the user portfolio by

- Giving both graphical and holdings views of your portfolio
- Presenting the holdings across the different portfolios in different dimensions like asset class, industry, currency region, market capitalization and instrument type. These different dimensions in turn, can help the user to investigate the recent trading history of customer portfolio constituents.
- FCPB captures the detailed security level composition of Mutual funds, Portfolio Management Schemes and Structured products which is utilized in displaying the aforementioned views of the portfolio. This exhaustive classification allows for higher accuracy in aligning portfolios to pre-decided investment objectives of the customer.
- Shows household view of the portfolios
- Detailed Section of every item within each portfolio



In case, the user attempts to proceed to any screen under Portfolio submenu, without selecting a customer, the system will force the user to select a customer in the customer selection screen before automatically guiding back to the respective screen.

User Access levels:

RM and Customer: can view the holdings in different dimensions (portfolio, instrument group, asset class, industry, currency, region, market capitalization and instrument type). The customer can also view the analysis for the RM Managed and Held Away Portfolio.

3.4.1 View Portfolio Analysis – By Portfolio

Screen:

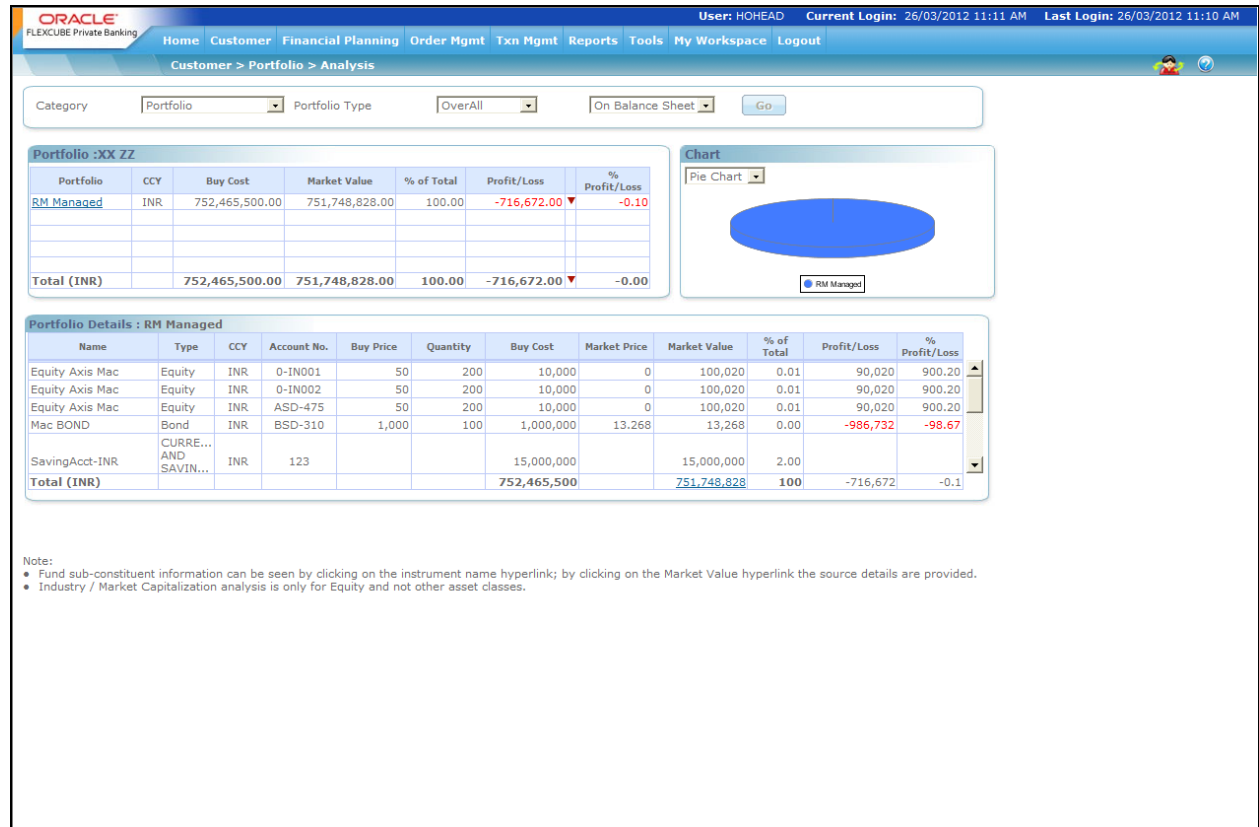


Figure 3.28: Portfolio Analysis – By Portfolio Screen

Screen Navigation:

- After you login, select a customer by navigating through the Customer → Customer List from the top menu.
- Once the customer has been selected, the portfolio analysis screen can be accessed through the Portfolio and Analysis sub menu.



In case, you attempt to proceed to the Analysis screen without selecting a customer, the system will force you to select a customer in the customer selection screen before automatically guiding you back to the Analysis screen.

How to read the screen:

1. The analysis screen displays four tabs when you arrive at the screen: Category, Household, Portfolio Type and On Balance Sheet/Contingent.
2. The first tab, on the top left corner of the screen is a drop-down list displaying the list of different types of views of the holdings available to you.



Default value will be 'Portfolio'.

The second tab is a drop down list displaying the list of household members as well as self and also option to have various views at Household level. This field will be displayed for only those customers who have household attached to them.




Default value will be Self or household head name

The third tab is a drop-down list which displays the list of portfolio types i.e Overall, Managed by RM & Managed by Client.



Default value will be **overall**.

The final and fourth tab enables the user to view the On Balance Sheet details or Contingent details if applicable.

The user has an option of selecting various combinations and click on  button will display the information on the screen.

- The three dropdown could be used to select different combinations to extract the specific information. Examples are as follows
 - **Combination 1**- Portfolio, Self, Overall: this selection will display the information about all the portfolios of the selected customer, portfolio wise. The Table name displayed should be "Portfolio : customer name"
 - **Combination 2** – Asset class, household member, managed by client: this selection will display the information regarding the chosen household members client managed portfolio holdings, asset class wise. The Table name displayed should be "Asset Class : household member name"
 - **Combination 3** – Instrument type, Household, overall: This selection will display the information regarding the holdings of all the members in RM managed portfolios, instrument type wise. The Table name displayed should be "Instrument Type : customer name (Household)"
- The Columns displayed after selecting the category dropdown depends on the value of the parameter INSTRU_DECOMP_ASSET_CLASS in REF_BANK_PARAMS:
 - If INSTRU_DECOMP_ASSET_CLASS = N, then the columns shown for different category selection are as follows:
 - Portfolio, Instrument Type, Asset Class : Buy Cost, Market Value, Profit/Loss, %Profit/Loss, % of Total

- Region, Currency, Industry, Market Capitalization : Market Value, % of Total
- If INSTRU_DECOMP_ASSET_CLASS = Y, then the columns shown for different category selection are as follows:
 - Portfolio: Currency, Buy Cost, Market Value, Profit/Loss, %Profit/Loss, % of Total
 - Instrument Type: Buy Cost, Market Value, Profit/Loss, %Profit/Loss, % of Total
 - Asset Class, Region, Currency, Industry, Market Capitalization : Market Value, % of Total
- 3. The user can view the details in the first table based on the selection. For example if customer has selected View by portfolio for self in overall portfolio, user will be able to view all the portfolios and their respective currency, buy cost, market value, % of total, profit/loss. Indicator, % profit/loss. This table will display the aggregated value at portfolio level
- 4. Adjacent to the first table is a tab displaying the graphical depiction of the type of view user have selected. The user has been provided with the flexibility to view the graph either as a pie chart or as a bar chart. This can be done by selecting the appropriate type of graph from the drop box provided in this tab.

In the bar chart, the y axis represents the % of total i.e % composition of a portfolio in comparison to the total composition of the customer's holdings across all his portfolios. This % is arrived at by calculating the portfolio values in the customer preferred currency. The x axis represents the names of the various portfolio held by the customer.



Buy Price, QTY and Market Price columns remains blank for CASA and TD instrument types.




Every access of the screen through the main menu will result in renewal of the analysis with the current market price of the securities.

Understanding the screen: Irrespective of the type of login (customer or RM), the system facilitates to analyze the holdings across all the portfolios. Portfolios which currently do not have any holdings will not be displayed in the screen. If the customer does not have any holdings across any of the portfolios, then the system will display blank tabs. This system behavior is applicable to all the screens under Portfolio submenu.

PORTFOLIO

Field	Description	Mandatory
Portfolio	All the portfolios of the selected customer are displayed. Each of the portfolios is displayed with a hyperlink. Click on the hyperlink to view a tab which displays the analysis of all the securities in the portfolio. The details of this tab have been detailed later in this section.	Display only

Currency	All the figures associated to the portfolio are displayed in the portfolio currency. For all the securities in the portfolio, the system converts and stores all the transaction amounts from the security currency to the portfolio currency.	Display only
Buy Cost	This is the sum of the buy costs of all the securities, across all the instrument types, in the portfolio, denominated in the portfolio currency.	Display only
Market value	<p>Similar to the buy cost, the market value at the portfolio level represent the sum of the market values for all the securities across all the instrument types in the portfolio, denominated in the portfolio currency. Market value at the security level is computed as a product of quantity and market price.</p> <p>The surrender value would be considered as market price for the securities under the instrument type insurance.</p> <p> In the absence of market price, for the securities requiring market price to be manually updated, the system considers the acquisition price as the market price.</p>	Display only
% of Total	<p>Percentage composition of the portfolio under consideration with respect to all the portfolios.</p> <p>This figure is computed as</p> <p>Market value of the portfolio under consideration (in customer preferred currency)/ total market value of all the portfolios (in customer preferred currency)</p> <p>The sum of the percentages across all the portfolios would sum up to 100%.</p>	Display only
Profit/Loss	<p>Profit /loss at the portfolio level, is again the sum of the profit /loss of all the securities across all instrument types in the portfolio, in the portfolio currency. The profit/loss at the security level is computed as the difference between the Market value and the buy cost (market value and buy cost are computed as explained above).</p> <p>Loss figures are displayed in RED color and are prefixed with a minus (-) sign.</p>	Display only

% Profit/Loss	<p>The % of the above computed profit/loss is displayed here. This is computed by dividing the profit/loss by the buy cost and then multiplying it by 100.</p> <p>Loss % is also displayed in RED color and are prefixed with a minus (-) sign.</p>	Display only
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At the end of the tab, the last row displays the sum of all the above fields in the customer preferred currency (computed as explained in the earlier section).

As explained earlier, on clicking the name of any of the portfolios of the customer, in the earlier tab, displays a tab, representing a detailed analysis of all the securities in the selected portfolio.

PORTFOLIO DETAILS

Field	Description	Mandatory
Name	Displays the names of all the securities across all the instrument types in the portfolio.	Display only
Type	Displays the instrument type for each of the securities in the portfolio.	Display only
Currency	Security currency is displayed. Again, the currency displayed is, as captured in the instrument master table.	Display only.
Account No.	Displays the account no. of the customer for the respective securities.	Display only
Buy Price	<p>Buy price for the security is computed by using the weighted average price methodology.</p> <p>The weighted average price for a security is computed as $\sum Q_i \sum P_i / \sum Q_i$, where Q_i is the units bought in each transaction and P_i is the buy price of that transaction.</p> <p>Cash corporate actions for all the types of instrument will not be considered while computing buy price.</p>	Display only

	<p>The stock corporate actions for equity viz. bonus stock dividends are deemed to have been acquired on the record date and at a nil price. The treatment for shares acquired under a rights issue is the same as for a bonus issue except that an allowance has to be made for the amount paid to acquire the additional shares. In case of Mutual funds, the dividend reinvest option is deemed to have been acquired on the record date and at nil price.</p> <p>For securities under the instrument class insurance, the premiums paid are considered as acquisition price for the policy.</p>	
Quantity	<p>As mentioned earlier, the units considered for, are after the application of the FIFO accounting rule.</p> <p>In addition to the units purchased, additional units received due to stock corporate actions are also taken into consideration while determining the units.</p> <p>For the securities purchased under the instrument type insurance, PMS, SPL Product, CASA, TD and others, units are not displayed by the system.</p> <p>The orders entered for purchase /sale of securities through the System Order Management System and which are in open status for the instrument type equity and mutual funds will not be considered.</p>	Display only
Buy Cost	Buy Cost is the product of the buy price and quantity (mentioned above).	Display only
Market price	<p>The market price for securities defined under the instrument type equity, mutual fund, traded bonds, PMS, commodity, SPL Product, CASA, TD and structured product will come from external feed. For the securities under the instrument type insurance, others and non traded bonds the price is as per the last manual update.</p> <p>The surrender value would be considered as market price for the securities under the instrument type insurance.</p> <p>The system does the valuation of Proprietary Portfolios at different instrument prices maintain in the system. If the instrument price for proprietary portfolio valuation is not available (price is not available for any day) then system considers the price available for customer portfolio valuation and displays the same</p>	Display only

Market value	Market value is the product of the market price and quantity. The system also provides the hyperlink to the Total Market Value on click of which it displays the pop up giving Unrealized Realized Gain/Loss summary in Portfolio and Client Currency against each instrument with break-up between Price and Currency impact. The system does not provide this price and currency impact break-up for amount based, FEE and Futures and Options instrument types.	Display only
% of Total	Is the percentage composition of the market value of a security in the portfolio as compared to total market value of the portfolio.	Display only
Profit/Loss	Is computed as the difference between the buy cost and market value. Loss figures are displayed in RED color and are prefixed with a minus (-) sign.	Display only
% Profit Loss	Is the percentage of the profit/loss computed above.	Display only

At the end of the tab, the last row displays the sum of all the above fields in the customer preferred currency.



If the Category is selected as Portfolio then the system displays the details in the portfolio currency in the Gain Loss Summary pop up as explained in the Portfolio Maintenance section.

3.4.2 **View Portfolio Analysis – By Instrument Type**

Screen:

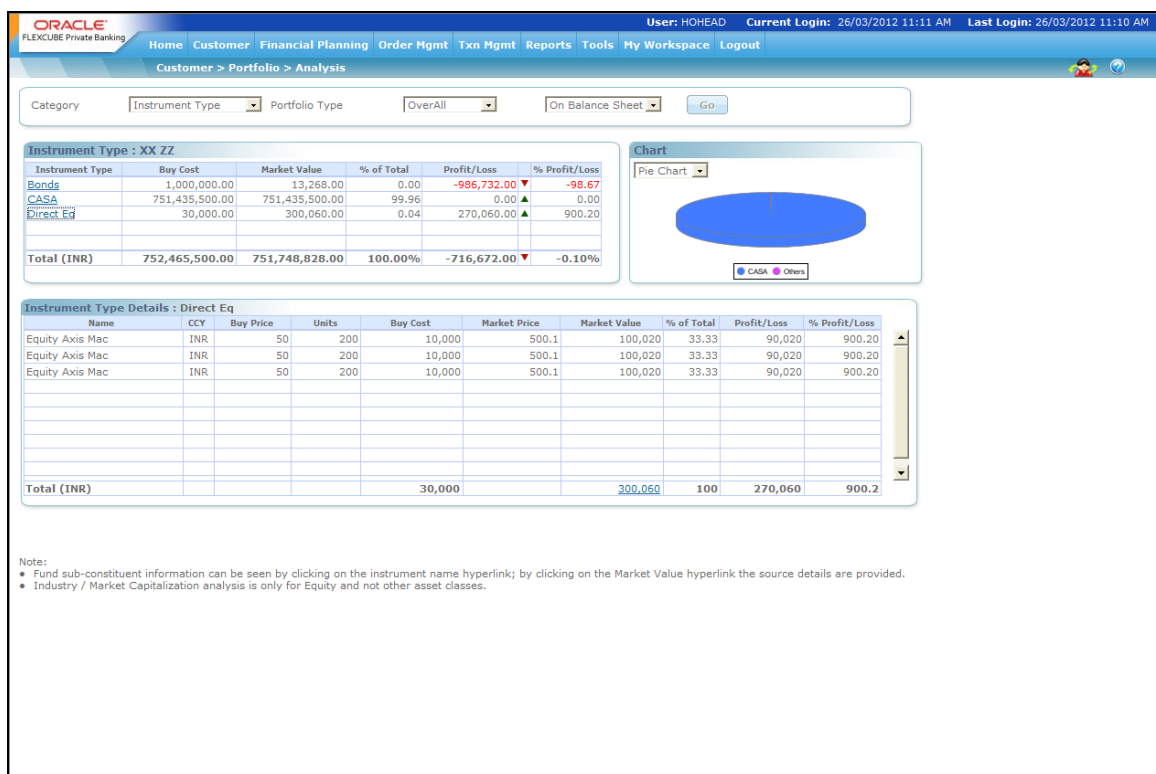


Figure 3.29: Portfolio Analysis – By Instrument Type Screen

Screen Navigation:

In Portfolio Analysis screen, select the Instrument Type option from the Category drop-down list.

How to read the screen:

- The second table on the left side displays the analysis for the different instruments types, held by the customer you have selected, across all his portfolios.

The different instrument types to be used by the bank are identified and maintained by the administrator in the Reference Master Table.

Similarly every new security, in the FLEXCUBE Private Banking system needs to be added to the Instrument Master Table before it can be used in the portfolio records. The instrument master table contains the various related data for the security such as the instrument type, instrument group, currency, region, industry and asset class.

Now, when the user selects the option 'By instrument type' for analysis, all the holdings of the customer get organized in accordance to the different instrument types and are displayed in the customer preferred currency. This sorting of the holdings is done across all the portfolios of the customer.

Let us understand this better with an example:

Suppose user have 2 portfolios, RM Managed and Self Managed and securities held under each portfolio are as given below:

RM Managed

Security	Instrument type	Units
IBM	Equity	200
HSBC Global Opportunity Fund	Mutual Fund	500

Self Managed

Security	Instrument type	Units
Walmart	Equity	200
HSBC Global Opportunity Fund	Mutual Fund	500

When you select the option 'By Instrument type', the holdings data gets sorted and displayed as

Instrument Type	Units
Mutual Fund	1000
Equity	400

Currently the following instrument types are supported by the system

- Equity
- Mutual Fund
- Insurance
- Commodities
- Bonds
- Generic
- Portfolio Management Schemes
- CASA
- TD
- Others
- Structured Product
- Specialized Product
- Derivatives-Futures and Options

2. Adjacent to the first table is a tab displaying the graphical depiction of the type of view selected by the user. The user has been provided with the flexibility to view the graph either

as a pie chart or as a bar chart. This can be done by selecting the appropriate type of graph from the drop-down list provided in this tab.

In the bar chart, the y axis represents the % of total i.e % composition of an instrument type in comparison to the total composition of the customer's holdings across all the types of instruments across all his portfolios. This % is arrived at by calculating all the associated amounts in the customer preferred currency. The x axis names the different instrument types held by the customer.

3. For further analysis of the holdings in each instrument type, you can click on the linked instrument name in the table. An additional table will appear below the first table, which will provide further information and analysis about the securities held in the selected type of instrument.

In the above example, on selecting the instrument type 'mutual fund' the holdings in the HSBC Global Opportunity Fund in both the portfolios will be collectively displayed as 1000 units.

Understanding the screen:

Both the screens on Analysis 'By Portfolio' and 'By Instrument Type' are similar and so are the fields in both the screens. As the screens differ only in some of the validations, please refer to the description in the section on 'By Portfolio' for the common features and computation methodology. The distinctive field features are indicated below

Instrument Type

Field	Description	Mandatory
Instrument Type	All the types of instruments encompassing all his holdings across all the portfolios of the selected customer are displayed. Each type of instrument in the tab has a hyper link. Click on the hyper link to view a tab displaying additional analysis of all the securities in the portfolio. The details of this tab have been detailed in the next table.	Display only

At the end of the tab, the last row displays the sum of all the above fields in the customer preferred currency (computed as explained in section 1.1.2).


As explained earlier, on clicking any of the instrument types, in the earlier tab, displays a tab, representing a detailed analysis of all the securities in the selected instrument.

Instrument Type Details


Field	Description	Mandatory
Name	Displays the names of all the securities in the selected instrument type.	Display only

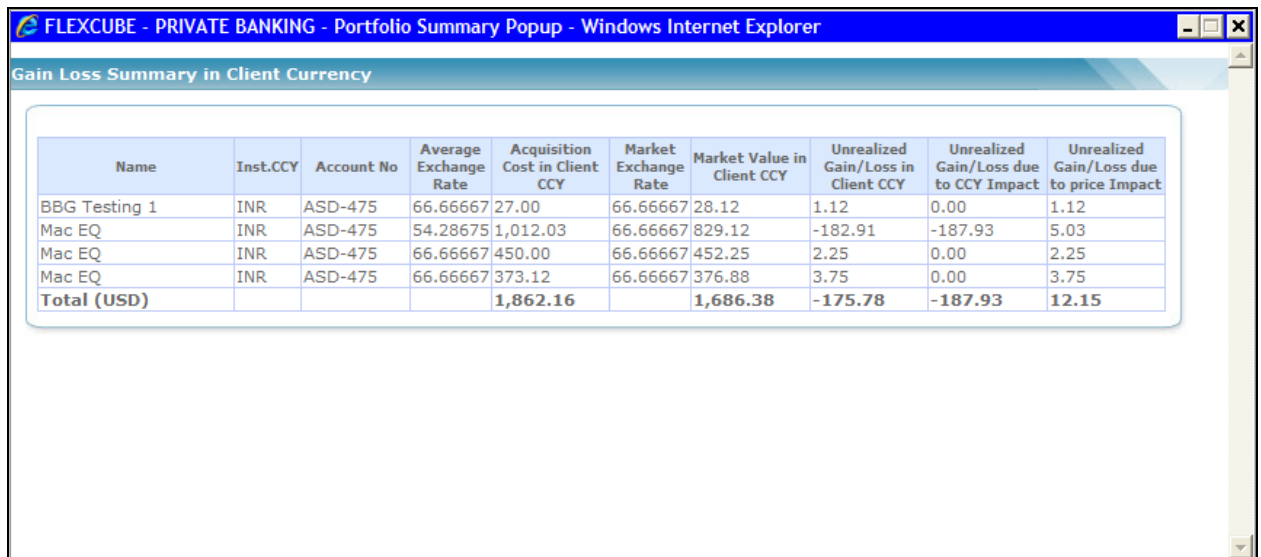
Currency	Security currency is displayed. The currency displayed is, as captured in the instrument master table in the database.	Display only.
Buy Price	<p>Buy price for the security is computed by using the weighted average price methodology.</p> <p>The weighted average price for a security is computed as $\frac{\sum Q_i \sum P_i}{\sum Q_i}$, where Q_i is the units bought in each transaction and P_i is the buy price of that transaction.</p> <p>For the securities under the instrument type CASA and TD the current balances in the accounts will be considered as their buy price</p> <p>For the holdings in the instrument type PMS & SPL Product, the value captured in the field 'Total Investment' will be considered for the purpose of analysis.</p>	Display only
Units	<p>As mentioned earlier, the units considered for, are after the application of the FIFO accounting rule.</p> <p>In addition to the units purchased, additional units received due to stock corporate actions are also taken into consideration while determining the units.</p> <p>For the securities purchased under the instrument type insurance, PMS, SPL Product, CASA, TD, others, Futures, and Options, the units are not displayed by the system.</p>	Display only
Buy Cost	Buy Cost is the product of the buy price and quantity (mentioned above).	Display only
Market price	<p>The market price for securities defined under the instrument type equity, mutual fund, traded bonds, PMS, SPL Product and structured product will come as a feed from external source. For the securities under the instrument type insurance, others and non traded bonds the price is as per the last manual update.</p> <p>For the securities under the instrument type CASA and TD the current balances in the accounts will be considered as their market price.</p>	Display only
Market value	Market value is the product of the market price and quantity. The system also provides the hyperlink to the Total Market Value giving the details of Unrealized Realized Gain/Loss summary in Portfolio and Client Currency against each instrument with break-up between Price and Currency impact.	Display only

% of Total	Is the percentage composition of the market value of a security in the instrument as compared to total market value of the instrument. Please note the values are computed in the customer preferred currency.	Display only
Profit/Loss	Is computed as the difference between the buy cost and market value. Loss figures are displayed in RED color and are prefixed with a minus (-) sign.	Display only
% Profit Loss	Is the percentage of the profit/loss computed above.	Display only

 Buy Price, QTY and Market Price columns remains blank for CASA and TD instrument types.

At the end of the tab, the last row displays the sum of all the above fields in the customer preferred currency.

 If the Category is selected as Instrument Type then the system displays the details in the customer preferred currency in the Gain Loss Summary pop up as shown below:



Name	Inst.CCY	Account No	Average Exchange Rate	Acquisition Cost in Client CCY	Market Exchange Rate	Market Value in Client CCY	Unrealized Gain/Loss in Client CCY	Unrealized Gain/Loss due to CCY Impact	Unrealized Gain/Loss due to price Impact
BBG Testing 1	INR	ASD-475	66.66667	27.00	66.66667	28.12	1.12	0.00	1.12
Mac EQ	INR	ASD-475	54.28675	1,012.03	66.66667	829.12	-182.91	-187.93	5.03
Mac EQ	INR	ASD-475	66.66667	450.00	66.66667	452.25	2.25	0.00	2.25
Mac EQ	INR	ASD-475	66.66667	373.12	66.66667	376.88	3.75	0.00	3.75
Total (USD)				1,862.16		1,686.38	-175.78	-187.93	12.15

Figure 3.30: Gain Loss Summary in Client Currency

Sub Constituent View of Instrument Type: MF & SP

If Instrument type - MF or Structured Product is selected then the sub constituent details of the scheme/instrument will be displayed as a pop up by clicking on that scheme/instrument name hyperlink. Should be available to both views – Individual as well as Household

Screen:

Instrument Name	Instrument Type	Composition %
JSW Steel Limited	Equity	7.6%
Divis Laboratories Limited	Equity	5.6%
Jindal Saw Limited	Equity	5.9%
Reliance Industries Limited	Equity	5.9%
Bharat Earth Movers Limited	Equity	5.9%
JaiPrakash Associates Limited	Equity	4.3%
Lupin Limited	Equity	4.6%
Total		100.00%

Figure 3.28: Instrument Source Details Window

Attribute	Description
Header	Displays the Scheme/ Instrument name
Instrument Name	Displays the instrument name which are part of the sub constituents of the MF scheme or Structured Product. Information regarding sub instrument name to be picked from INST_ASSET_ALLOC_PATTERN table
Instrument Type	Displays the instrument type. Information to be picked from Mst_Instrument
Composition %	Displays the % allocation of the corresponding Instrument to the total holding. Information to be picked from INST_ASSET_ALLOC_PATTERN table Decimal % up to 2 decimal point
Total	Displays the total percentage allocation. It should always add up to 100%

STOP If Instrument Type MF is Fund of Fund then sub constituent of such scheme will again have exposure to another Fund and the decomposition view of the same will be available by clicking on that scheme name and the pop up page will refresh and will display sub constituent details of that scheme and so on.

3.4.3 View Portfolio Analysis – By Asset Class

Screen:

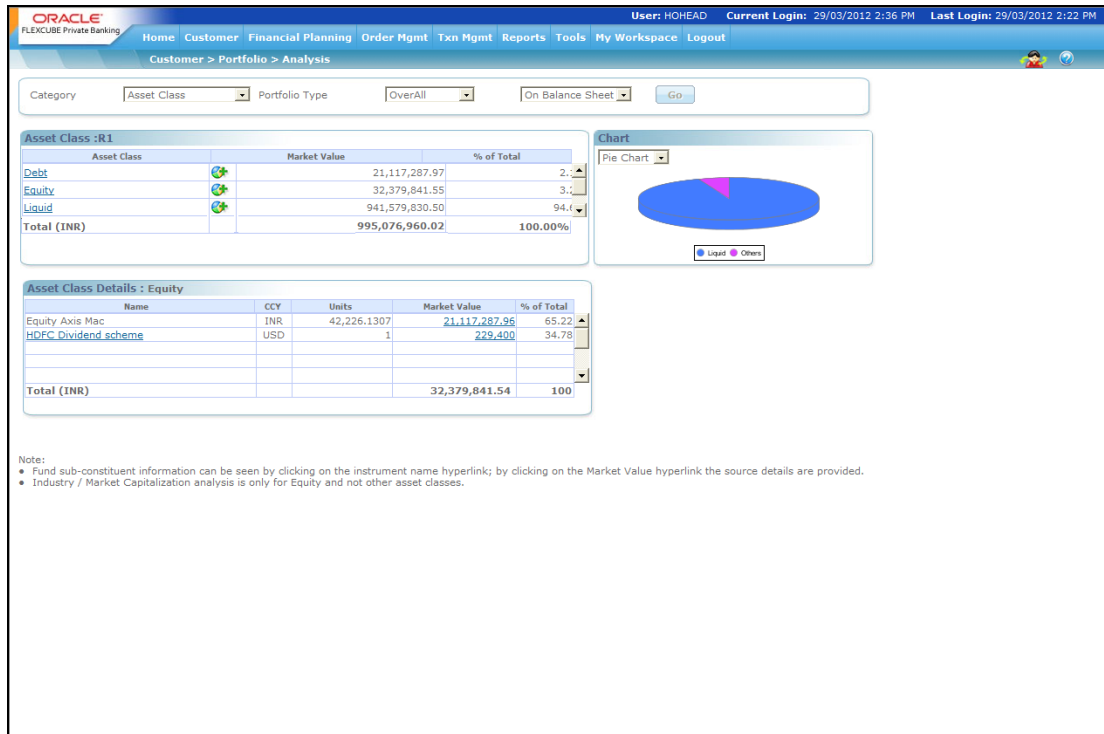


Figure 3.31: Portfolio Analysis – By Asset Class Screen

Screen Navigation:

To view the analysis for 'Asset Class' please ensure that the Asset Class option has been selected from the list of views.

1. The second tab on the left side displays the analysis for the different asset classes, spanning across the entire holdings of the customer selected, across all portfolios.

The different asset classes to be used by the bank are identified and maintained by the administrator in the Reference Master Table.


Now, when the user selects the option 'By asset class' for your analysis, all the holdings of the customer get organized in accordance to the different asset classes and are displayed in the customer preferred currency.

This sorting of the holdings is done across all the portfolios of the customer.

Currently the FCPB supports for following Asset classes

- equity
- debt
- art
- real estate

- gems
- metals
- cash
- commodities
- insurance
- All the securities which cannot be categorized into any of the above defined asset classes will be classified into the category 'others'.

The system also enables the user to analyze the multidimensional view for his/her assets by clicking on the  icon as explained in this section later.

2. The tab adjacent to the second tab displays the graphical depiction of the type of view you have selected. The user can view the graphs either as a pie chart or as a bar chart as explained earlier.
3. For further analysis of the holdings in each asset class, you can click on the hyper link under each asset class in the second tab. An additional tab will appear below the second tab, which will provide further information and analysis about the securities held in the selected asset class.

Understanding the screen: Irrespective of the type of login (customer or RM), the system facilitates to analyze the holdings across all the portfolios. An asset class which currently does not have any holdings will not be displayed in the screen. If the customer does not have any holdings across any of the asset class, then the system will display blank tabs.

The detailed descriptions of fields are given below:

ASSET CLASS

Field	Description	Mandatory
Asset class	<p>All the asset classes of all the holdings across all the portfolios of the selected customer are displayed. Each asset class in the tab has a hyper link. Click on the hyper link to view a tab displaying additional analysis of all the securities in the asset class. The details of this tab have been detailed in the next table.</p> <p>If the Asset Class Decomposition flag is set to Yes, then the system displays the Asset Class values after considering decomposed components.</p> <p>Further on click of any instrument hyperlink under 'Asset Class' tab, system displays the source for the decomposed values.</p> <p>If the flag is set as 'No' then system would not consider decomposed values.</p>	Display only

Market value	<p>Market value is the product of the market price and quantity.</p> <p>It is stated in the above section that the different asset classes to be used by the bank are identified and maintained by the administrator in the Reference Master Table and that every new security added to the Instrument Master Table contains the various related data for the security such as the instrument type, currency, region, and industry and asset class. We also stated earlier that FCPB captures the detailed security level composition of Mutual funds, PMS and Structured products which are utilized in displaying the various views of the customer's holdings. The asset class analysis is one of these which utilizes the constituents of these instruments for displaying the holdings.</p> <p>The methodology of capturing this data and handling them for the securities under the instrument type Mutual Fund and Structured Products varies to some extent from that of the securities held under the instrument type PMS. While adding the securities under the instrument type Mutual Fund or Structured Products, the constituents under these instruments will be either received as external data feeds or can be manually put in by the administrator as distinctive securities in the Instrument Master Table. For the securities held under the instrument type PMS, the constituents of the scheme will be received as external data feed from the issuer of the PMS and will be specific to each customer account. However, depending on the instrument type of the constituents, they will be analyzed further for their sub-constituents. Consider the case where the customer has a holding in a PMS scheme for which the constituents are IBM, Microsoft and Franklin Templeton Mutual Fund. While analyzing the holdings of the PMS the system will consider IBM, Microsoft and the sub constituents of the Mutual Fund.</p>	Display only
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Consequently, on selection of the asset class type of analysis, you are provided with the details of not only the direct investments but also the indirect investments in the different asset classes. The indirect investments are on account of the holdings in mutual funds, PMS and structured products types of instrument (constituents of mutual fund, PMS and structured product).

This is explained with examples given below:

1. AIM Japan Report has provided the following information on its constituents

Name	Asset Class	% Holding
Tokyo Motor	Equity	69.81%
Cash	Cash	30.19%

And Kotak Gilt has declared 100% holding in Treasury Bill which is classified under the Asset class debt.

Now if the customer you have selected holds both these instruments, then on opting for the asset class analysis, the user will be displayed with all the analysis on all the three asset classes, namely equity, debt and cash.

2. Take the second instance where the customer holds Tokyo Motor (direct investment) and AIM Japan report as his/her holdings. Now on selecting the asset level analysis you will be presented with the analysis on equity (comprising both direct and indirect holding) and cash.

3. Take the third instance where the customer holds Tokyo Motor, AIM Japan report and a PM Scheme as his holding. The PM Scheme has AIM Japan report as its constituent. On opting for the asset level analysis, the analysis will be presented as


Tokyo Motor (Direct)

+ Tokyo Motor (Indirect)

+ cash (indirect)

+ Tokyo Motor (Indirect due to PMS)

+ cash (Indirect due to PMS)

	<p>Typically the PM Schemes generally constitute of securities under the instrument type equity, debt or Mutual Fund. The constituents of the PMS are customer specific and will be received as an external data feed from the issuer of the scheme. Whereas the sub constituents of securities under the instrument type Mutual Fund will be reinstated as elucidated below. The system also assumes that any restructuring in the constituents of the PM Scheme will be updated on continual basis through a data feed.</p> <p>The details of the composition of the constituents of the Mutual Fund or the Structured product are published by the fund house or the issuer of the Structured Product. Ideally the composition of the Structured product does not change till its maturity. However in the case of Mutual Fund, the constituents are constantly restructured and published in Fact sheets. Fact sheets provide handy information on the current price of the instrument (NAV – Net Asset Value), repurchase/sale price and the break up of the instruments constituents.</p> <p>Some Fund Houses and the issuers of the Structured product confine the constituent's information by revealing partial information. For instance the fact sheet providing only the asset class information on the constituents and its composition. For such scenarios, the administrator will categorize the constituent as 'others' and suffix the asset class name to it. Such securities would be clubbed into their corresponding asset class as specified by the administrator. For instance, others-equity would be club into asset class equity whereas as others –debt would fall into asset class debt.</p> <p> Note that the currency for any security in the Instrument Master including the security denoted under the category others, cannot be classified as 'others'. In such cases the relevant instrument currency is indicated as the currency of the security. The basis for this is, in order to accomplish multi currency accounting at Security, portfolio as well as at the customer currency, the relevant exchange rates are required between all the three levels. By defining the currency as others, the currency conversion would be abridged.</p>	
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Please note that the ability and frequency to provide updated information on the constituents of the mutual fund are dependent upon the providers of data. Hence any delay of data would result in display of obsolete figures by the system.

Display
only

Lets understand this further with the following example:

AIM Japan Report fact sheet has provided the information on 60% holdings information in its constituents; Tokyo Motor and cash. The administrator is required to classify the balance 40% under the category others.

Name	Asset Class	% Holding
Tokyo Motor	Equity	49.81%
Cash	Cash	10.19%
Others	Others	40%

Now consider, the fact sheet has provided additional information that equity asset class constitutes 80% of the above fund's composition. The instrument master will be updated as

Name	Asset Class	% Holding
Tokyo Motor	Equity	49.81%
Cash	Cash	10.19%
Others- Equity	Equity	30.19%
Others	Others	9.81%

Augmenting this further, suppose the AIM Japan Report scheme was issued in USD and the currency details of the constituents are given as

Tokyo Motor - Yen and Cash - USD and that the entire equity holdings are in Yen then the instrument master would be updated as

Name	Asset Class	Currency
Tokyo Motor	Equity	Yen
Cash	Cash	USD
Others- Equity	Equity	Yen
Others	Others	USD

Having understood about the constituents in the mutual fund, PMS and structured product, let us try to understand how to deduce the magnitude of composition of the constituents based on the information received from the fund house.

	<p>Enhancing our comprehension on PM Schemes, the actual units held in the constituents in all the instruments types except Mutual Fund will be considered for the purpose of analysis.</p> <p>The deduction of the units in the instrument type Mutual Fund and Structured Products for the purpose of analysis has been elucidated below. Please note that the methodology is the same for both, holdings held directly in these instrument types or through the PM Schemes.</p> <p>With the exception of securities under the asset class –equity & debt, for the securities under the other asset classes, the holdings composition, denominated as ‘number of units’ will be defaulted to Null.</p> <p>In case of equity & debt, the number of units held in each security will be computed based on the percentage composition of each security, as provided in the fact sheet.</p> <p>This is explained with an example given below:</p> <p>If the customer holds 100 units HSBC Opportunities fund and the fund has ACC as one of its constituents. The fact sheet has reported 25% investment of the total fund value of Rs. 1,00,000.00 in ACC. The number of units for ACC (indirect holding) would be computed as:</p> <p>Assume current NAV = 11.00</p> <p>Indirect holding in ACC = 25% of 100 units = 25 units</p> <p>Value of the customers ACC holding in the MF = $25 \times 11 = 275$</p> <p>In case of direct holdings, for the securities under the asset class equity and bonds, commodities the units include the purchased and additional units received on account of stock corporate actions.</p> <p>Similar to the indirect holdings, for the direct holdings under asset class like insurance, metal, real estate, gems, cash and others, the units are defaulted to null by the system.</p> <p>Under the equity instrument type, for a security of the same class, the indirect holdings of the customer would be combined with the direct holdings (if any).</p>	
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	<p>In the above example if the customer already holds 100 shares (direct holdings), then the entire holdings of the customer in ACC would be displayed as 125 units.</p> <p>Let us understand how to calculate the market value at the asset level.</p> <p>The market value at the asset level represents the sum of the market values for all the direct and indirect held securities, in the particular asset denominated in the customer preferred currency.</p> <p>For the securities held as direct holdings and falling under the asset type equity, commodities and traded bonds the market price will be as received from external data vendors. For the other securities under the asset class insurance, others, metals, gems, real estate and non traded bonds the price will be as per the last manual update. For the accounts held under the instrument type CASA and TD, which are categorized under the asset class cash, the most recent updated cash balance from these accounts will be considered as the market price.</p> <p>Analogous, to the direct holdings, the indirect holdings in equity and traded bonds will also receive price feeds from the external data vendors.</p> <p>However, for the other indirect holdings falling under the asset class debt, real estate, cash and others, the market value would be based on % of the asset value on the total value of the fund. The number of units, as mentioned earlier, will be defaulted to null.</p> <p>Consider the example, wherein the fund has invested 2% of the total fund value of 100000 in ICICI Infrastructure Bond. The market value of the bond would be displayed as = $0.02 \times 100000 \times 1 = 2000$.</p>	
% of Total	<p>This is the percentage composition of the asset under consideration with respect to the total value of all the assets.</p> <p>The sum of the percentages across all the asset class would sum up to 100%.</p>	Display Only

At the end of the tab, the last row displays the sum of all the above fields in the customer preferred currency.

As explained earlier, on clicking any of the assets, in the earlier tab, displays a tab, representing a detailed analysis of all the securities in the selected asset category.


Asset Details

Field	Description	Mandatory
Name	Displays the names of all the securities (direct and indirect) in the selected asset class.	Display only

Currency	The currency of the security displayed is, as captured in the instrument master table in the database.	Display only.
Units	<p>Units are computed for the indirect holdings in the equity asset class as described in the previous table. For the indirect holding in other securities under the other asset classes, the holdings are defaulted to 1.</p> <p>In case of direct holdings for the securities under the asset class equity, commodities and bonds, the units include the purchased and additional units received on account of stock corporate actions.</p> <p>For the direct holdings under asset class like insurance, metal, real estate, cash, gems, and others, the units are defaulted to null by the system.</p> <p>For the holdings in the PM Scheme, the constituents will be regarded as Direct holdings and the procedure of computation will be analogous as mentioned above. The sub constituents of the holdings in the PM Scheme will considered as Indirect holdings and will be computed as elucidated above.</p>	Display only
Market value	<p>Market value is the product of the market price and quantity.</p> <p>For the accounts held under the instrument type CASA and TD, which are categorized under the asset class cash, the most recent updated cash balance from these accounts will be considered as the market price.</p> <p>Similar to the direct holdings, the indirect holdings in equity and traded bonds will also receive price feeds from the external data vendors.</p> <p>However, for the other indirect holdings falling under the asset class debt, real estate, cash and others, the market value would be based on % of the asset value on the total value of the fund.</p> <p>The system also provides the hyperlink to the Total Market Value giving the details of Unrealized Realized Gain/Loss summary in Portfolio and Client Currency against each instrument with break-up between Price and Currency impact.</p>	Display only
% of Total	This is the percentage composition of the market value of a security in an asset, as compared to the total market value of the asset. Please note the values are computed in the customer preferred currency.	Display only



Buy Price, QTY and Market Price columns remains blank for CASA and TD instrument types.

When the user clicks on the  icon next to the asset class, the Multi-Dimensional Model pop up appears as shown in the screenshot below. This Multi-dimensional model displays the recommended dimension wise allocation based on the selected asset class. In addition, it also displays the comparison between the actual vs recommended. The system displays the Actual value of different dimensions based on the flag 'Asset Decomp' flag maintained at bank parameters level.




The Multi-dimensional icon is also displayed for Household and Group members.

Multidimensional Model - Windows Internet Explorer			
Multi-Dimensional Model			
Asset Class	Actual	Recommended	Deviation
Equity	6.09%	50%	-44%
Instrument Analysis Group	Actual	Recommended	Deviation
Equity	60%	40%	20%
PMS	40%	0%	40%
MF Equity	0%	30%	-30%
SP	0%	30%	-30%
Instrument Type	Actual	Recommended	Deviation
Equity	60%	50%	10%
Mutual Fund	30%	25%	5%
Structured Product	0%	15%	-15%
Bond	10%	10%	0%
Region	Actual	Recommended	Deviation
North America	50%	60%	-10%
Asia	30%	0%	30%
Europe	20%	40%	-20%
Currency	Actual	Recommended	Deviation
USD	80%	70%	10%
Euro	12%	30%	-18%
Singapore Dollar	18%	0%	18%
Market Cap	Actual	Recommended	Deviation
Large Cap	100%	60%	40%
Mid cap		40%	-40%
Industry	Actual	Recommended	Deviation
IT	40%	40%	0%
Pharma	20%	0%	20%
Infrastructure	30%	0%	30%
Real Estate	10%	60%	-50%

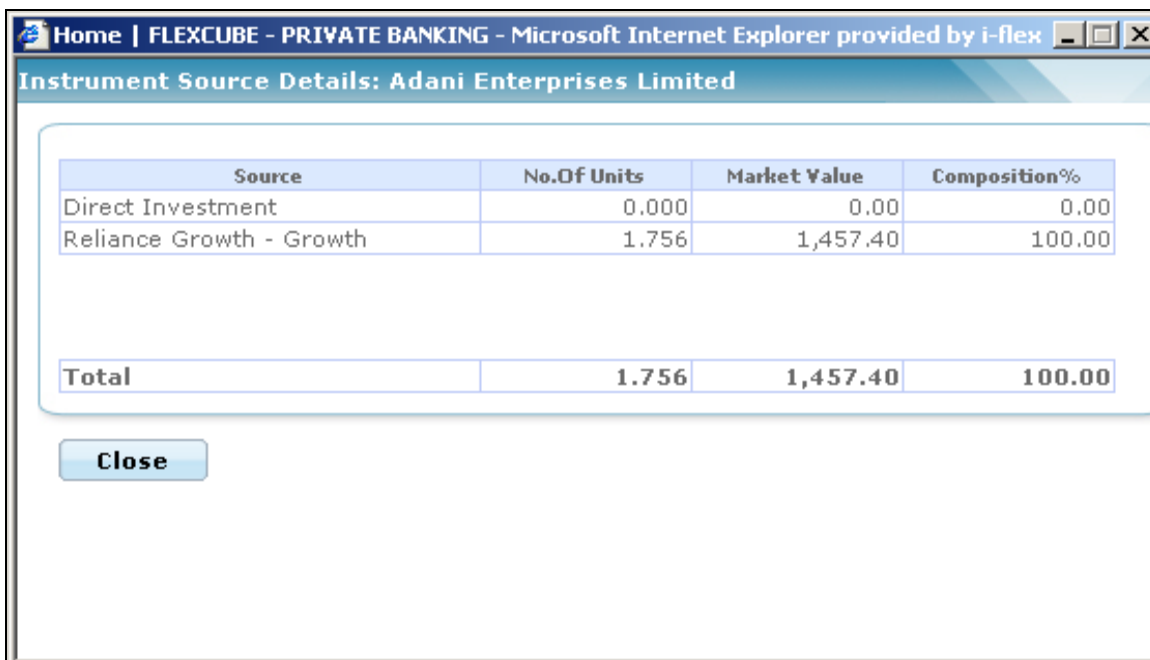
Figure 3.32: Portfolio Analysis – Multi-Dimensional pop up

At the end of the tab, the last row displays the sum of all the above fields in the customer preferred currency.

 If the Category is selected as Asset Class then in the Gain Loss Summary pop up, the system displays the details in the customer preferred currency.

View of Direct and Indirect holding in an Instrument in Portfolio Analysis Screen

- View of direct and indirect holding details in a particular instrument will be available for Instrument Type – Equity, Bonds and Commodity.
- The user can view the direct and indirect holding details in a particular instrument when selects a category as Asset Class, Region, Currency, Industry and Market Capitalization; note that for Industry and Market Cap, only Equity instruments are considered.
- Cases where indirect holding is because of MF Type Fund of Fund then only parent instrument name would be displayed under the source name and not the sub constituent scheme name; though the number of units, market value and composition % would be based on the complete recursive decomposition.
- The user on clicking the instrument name hyper link can view the direct and indirect holding details. Following pop up will be displayed:



Source	No.Of Units	Market Value	Composition%
Direct Investment	0.000	0.00	0.00
Reliance Growth - Growth	1.756	1,457.40	100.00
Total	1.756	1,457.40	100.00

Close

Figure 3.33: Instrument Source Details Window

Attribute	Description
Header	Displays following: "Instrument Source Details: <i>Instrument Name</i> "

Source	For direct investment, system should display source name as Direct and for indirect holding display source name as the parent instrument name for e.g.; if by investing in Fidelity equity fund, customer has indirect holding in IBM then under source name Fidelity equity fund name is displayed
No. of Units	Total number of units held in that instrument under that source
Market Value	Market value which will be Price * Units
Composition %	% holding of that source wrt total holdings in that instrument

3.4.4 View Portfolio Analysis – By Region

Screen:

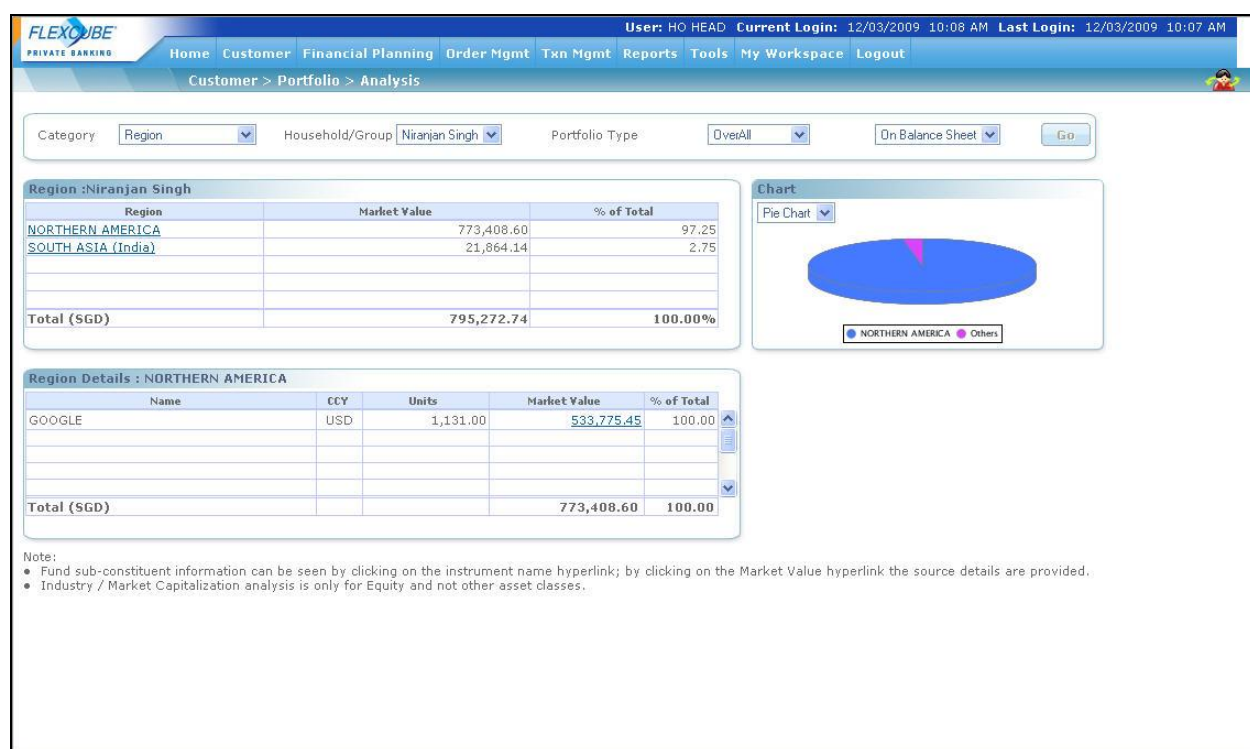


Figure 3.34: Portfolio Analysis – By Region Screen

Screen Navigation:

To view the analysis for 'Region' please ensure that the Region option has been selected from the Category drop-down list.

Now, when the user selects the option 'By region' for your analysis, all the holdings of the customer get organized in accordance to the different regions and are displayed in the customer preferred currency.

Adjacent to the second tab is a tab displaying the graphical depiction of the type of view selected.

For further analysis of the holdings in each region, the user can click on the hyper link under each region in the second tab. An additional tab will appear below the second tab, which will provide further information and analysis about the securities held in the selected region.

The detailed descriptions of fields are given below:

Region

Field	Description	Mandatory
Region	All the regions in which the holdings of the selected customer span across are displayed. Each region is displayed with a hyperlink. Click on the hyperlink to view a tab displaying additional analysis of all the securities in the selected region.	Display only
Market value	This is computed as mentioned in the 'Asset' class analysis.	Display only
% of Total	This is the percentage composition of the holdings in a region under consideration with respect to the total value of all the holdings across all the regions. The sum of the percentages across all the regions would sum up to 100%.	Display Only

At the end of the tab, the last row displays the sum of all the above fields in the customer preferred currency.

As explained earlier, on clicking any of the regions, in the earlier tab, displays a tab, representing a detailed analysis of all the securities in the selected region.

Region Details

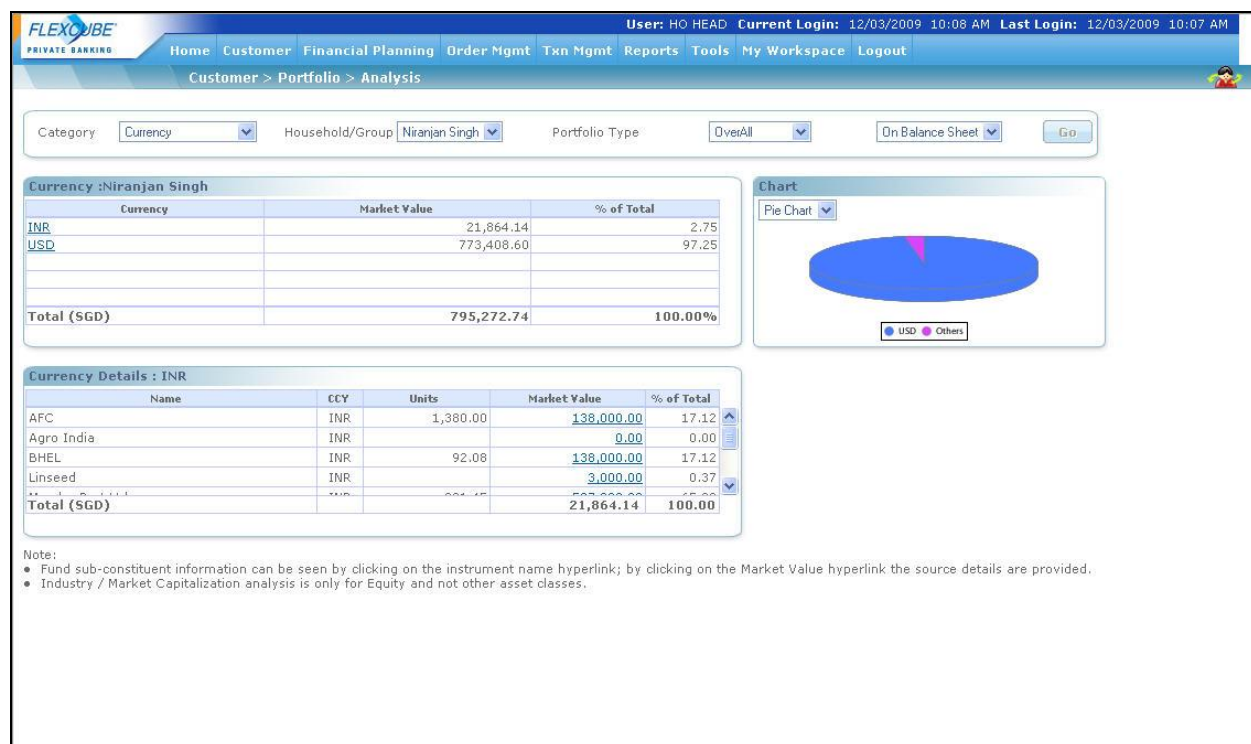
Field	Description	Mandatory
Name	Displays the names of all the securities (direct and indirect) in the selected region.	Display only
Currency	The currency of the security displayed is, as captured in the instrument master table in the database.	Display only.
Units	Units are computed for the indirect holdings in the equity instrument type as described in the previous table	Display only
Market value	Market value is the product of the market price and quantity.	Display only
% of Total	This is the percentage composition of the market value of a security in a region, as compared to the total market value of the region. The values are computed in the customer preferred currency.	Display only

 Units field remains blank for CASA and TD instrument types.

At the end of the tab, the last row displays the sum of all the above fields in the customer preferred currency.

3.4.5 View Portfolio Analysis – By Currency

Screen:



Screen Navigation:

To view the analysis for 'Currency' please ensure that the Currency option has been selected from the Category drop-down list.

The second tab on the left side displays the analysis for the holdings across different currencies, for the selected customer. The holdings span across all his/her portfolios.

The different currencies are maintained by the administrator in the Reference Master Table.

Now, when the 'Currency' option is selected for analysis, all the holdings of the customer get organized in accordance to the different currencies. Note that values are however displayed in the customer preferred currency.

1. The tab adjacent to the second tab displays the graphical depiction of the type of view selected. The user has been provided with the flexibility to view the graph either as a pie chart or as a bar chart. This can be done by selecting the appropriate type of graph from the drop-down list provided in this tab.

In the bar chart, the y axis represents the % of total i.e % composition of holdings in a currency in comparison to the total composition of the customer's holdings across all the currencies. This % is arrived at by calculating all the associated amounts in the customer preferred currency. The x axis names the different currencies across which the holdings of the customer span.

2. For further analysis of the holdings in each currency, you can click on the hyper link under each region in the second tab. An additional tab will appear below the second tab, which will provide further information and analysis about the securities held in the selected currency.

Understanding the screen: Irrespective of the type of login (customer or RM), the system facilitates to analyze the holdings across all the portfolios. A currency in which the customer does not have any holdings will not be displayed in the screen. Blank tabs will be displayed if the customer is yet to make any investments.

The detailed descriptions of fields are given below:

Currency

Field	Description	Mandatory
Currency	All the currencies in which the holdings of the selected customer span across are displayed. Each currency in the tab has a hyper link. Click on the hyper link to view a tab displaying additional analysis of all the securities in the selected currency.	Display only
Market value	This is computed as mentioned in the 'Asset' class analysis. The market value for a particular currency represents the sum of the market values for all the direct and indirect held securities, in the particular currency denominated in the customer preferred currency.	Display only
% of Total	This is the percentage composition of the holdings in a currency under consideration with respect to the total value of all the holdings across all the currencies. The sum of the percentages across all the currencies would sum up to 100%.	Display only

At the end of the tab, the last row displays the sum of all the above fields in the customer preferred currency.

As explained earlier, on clicking any of the regions, in the earlier tab, displays a tab, representing a detailed analysis of all the securities in the selected currency.

Region Details

Field	Description	Mandatory
Name	Displays the names of all the securities (direct and indirect) in the selected currency.	Display only
Currency	The currency of the security displayed is, as captured in the instrument master table in the database.	Display only.
Units	Units are computed for the indirect holdings in the equity & debt asset class as described in the previous table and in the section on asset class analysis. For the indirect holding in other securities under the other asset classes, the holdings are not displayed.	Display only
Market value	Market value is the product of the market price and quantity.	Display only
% of Total	This is the percentage composition of the market value of a security in a currency, as compared to the total market value across all the holdings in that currency. Please note the values are computed in the customer preferred currency.	Display only



Units field remains blank for CASA and TD instrument types.

At the end of the tab, the last row displays the sum of all the above fields in the customer preferred currency.

3.4.6 View Portfolio Analysis – By Industry

Screen:

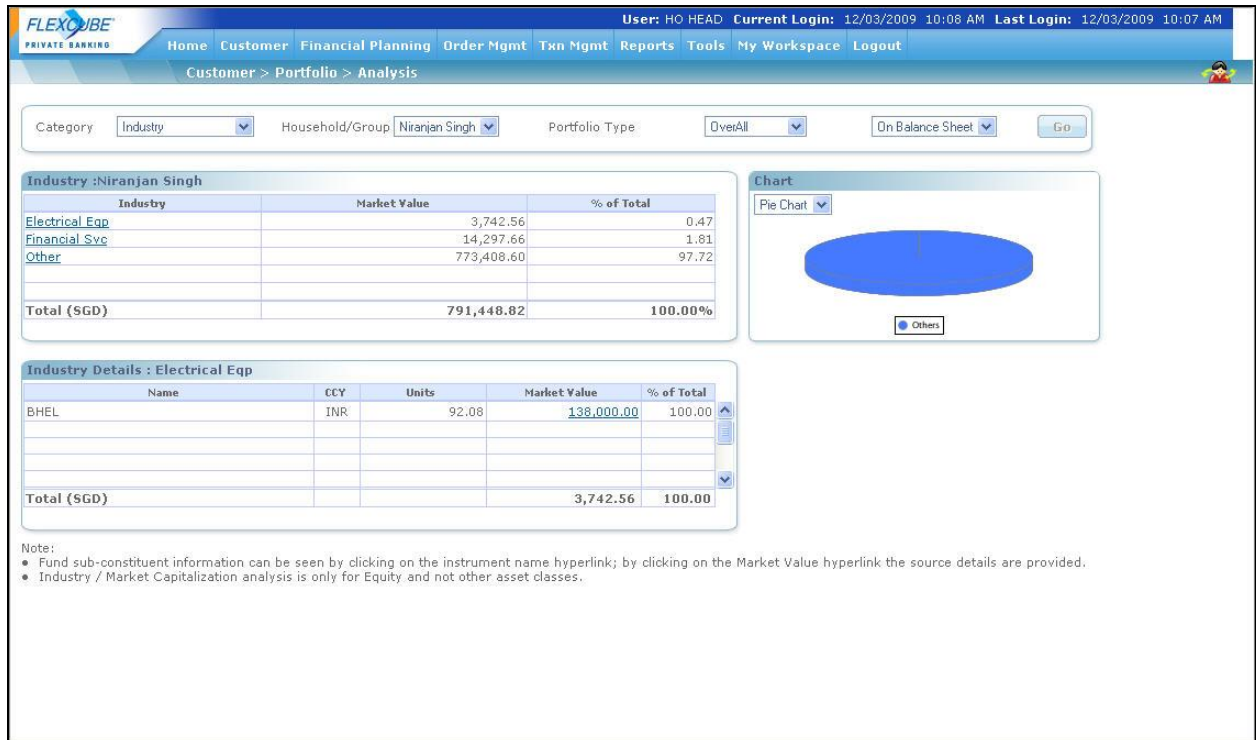


Figure 3.36: Portfolio Analysis – By Industry Screen

Screen Navigation:

To view the analysis for 'Industry' please ensure that the Industry option has been selected from the Category drop-down list of views.

The first table on the left side displays the analysis for the different industries for the selected customer. As we understand, the industry analysis is applicable only to the holdings in equity instrument type which includes both direct and indirect holdings across all the portfolios.

The different industries to be used by the bank are identified and maintained by the administrator in the Reference Master Table.

Now, when the user selects the option 'By Industry' for your analysis, all the holdings, in equity get organized in accordance to the different industries and are displayed in the customer preferred currency. This sorting of the holdings is done across all the portfolios of the customer.

1. The tab adjacent to the second tab is a tab displaying the graphical depiction of the selected type.. The user has been provided with the flexibility to view the graph either as a pie chart or as a bar chart. This can be done by selecting the appropriate type of graph from the drop-down list provided.

In the bar chart, the y axis represents the % of total i.e % composition of an industry in comparison to the total composition of the customer's holdings in equity across all the industries. This % is arrived at by calculating all the associated amounts in the customer

preferred currency. The x axis names the different industries in which the customer has invested for his equity holding.

2. For further analysis of the holdings in each industry, you can click on the hyper link under industry in the first table. An additional table will appear below, which will provide further information and analysis about the securities held in the selected industry.

The detailed descriptions of fields are given below:

Industry

Field	Description	Mandatory
Industry	All the industries in which the equity holdings of the selected customer span across are displayed. Each industry is displayed with a hyperlink. Click on the hyperlink to view a tab displaying additional analysis of all the securities in the selected industry.	Display only
Market value	This is computed as mentioned in the 'Asset' class analysis. However, only the securities within the category of equity instrument type are considered for computation.	Display only
% of Total	This is the percentage composition of the industry under consideration with respect to the total value of all the industries. The sum of the percentages across all the industries would sum up to 100%.	Display only

At the end of the tab, the last row displays the sum of all the above fields in the customer preferred currency.

As explained earlier, on clicking any of the industry, in the earlier tab, displays a tab, representing a detailed analysis of all the securities in the selected industry.

Industry Details

Field	Description	Mandatory
Name	Displays the names of all the securities in equity (direct and indirect) in the selected industry.	Display only
Currency	The currency of the security displayed is, as captured in the instrument master table in the database.	Display only.
Units	Units are computed for the indirect holdings as described in the previous table. In case of direct holdings the units include the purchased and additional units received on account of stock corporate actions.	Display only

Market value	<p>Market value is the product of the market price and quantity.</p> <p>The market price will be as received from external data vendors.</p>	Display only
% of Total	<p>This is the percentage composition of the market value of a security in an industry, as compared to the total market value of all the securities in the industry. Please note the values are computed in the customer preferred currency.</p>	Display only

STOP This section displays the details at Customer level across all portfolio holdings grouped by Industry. Only the instruments of Asset Class 'EQ' are considered and are displayed in this section. Since CASA and TD instruments are not classified as Asset Class 'Equity' and they represents some appropriate Asset Class like Cash or Liquid etc, these Instrument types are not displayed in this section.

At the end of the tab, the last row displays the sum of all the above fields in the customer preferred currency.

3.4.7 View Portfolio Analysis – By Market Capitalization

Screen:

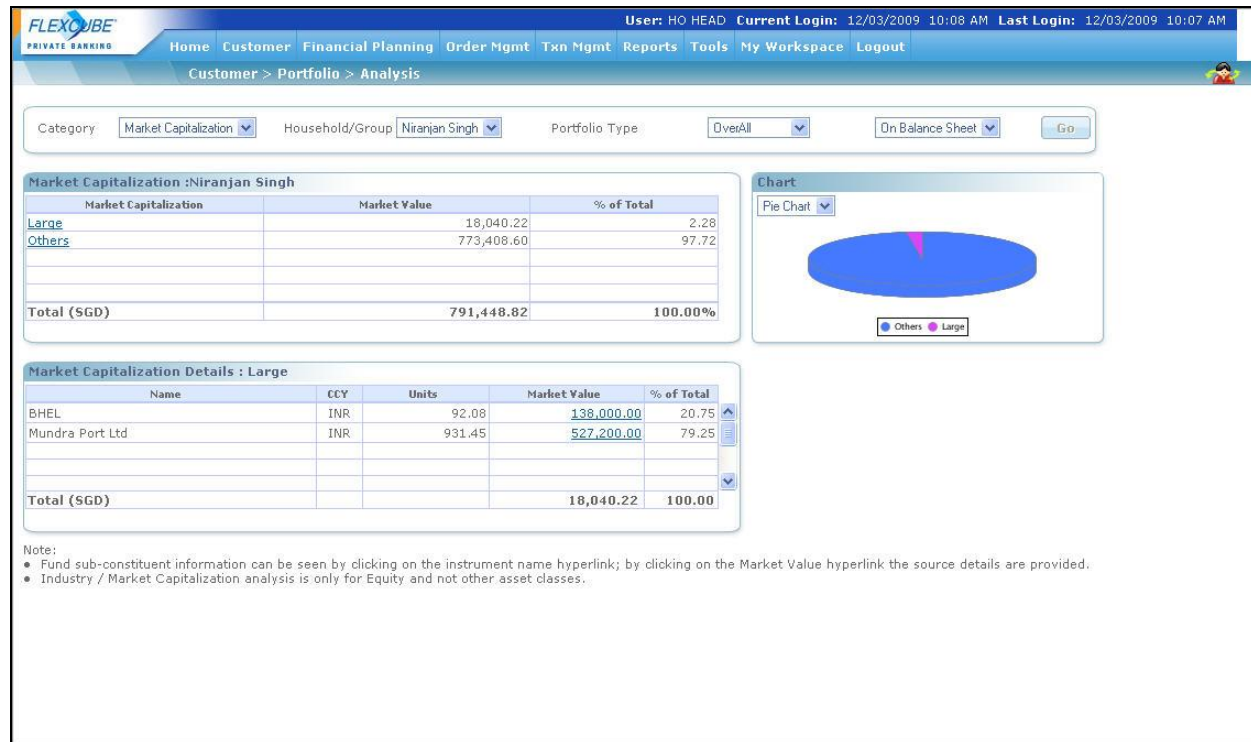


Figure 3.37: Portfolio Analysis – By Market Capitalization Screen

Screen Navigation:

To view the analysis for 'Market Capitalization' please ensure that the Market Capitalization option has been selected from the Category drop-down list.

The first table on the left side displays the analysis for the different segments of the market capitalization for the selected customer. Similar to the industry analysis, the analysis on market capitalization is also applicable only to the holdings in equity instrument type which includes both direct and indirect holdings across all the portfolios.

The different segments of market capitalization to be used by the bank are identified and maintained by the administrator in the Reference Master Table.

Now, when the user selects the option 'By Market Capitalization' for analysis, all the holdings, in equity get organized in accordance to the different segments of market capitalization and are displayed in the customer preferred currency. This sorting of the holdings is done across all the portfolios of the customer.

1. The tab adjacent to first table is a tab displays the graphical depiction of the type of view selected by the user. The user has been provided with the flexibility to view the graph either as a pie chart or as a bar chart. This can be done by selecting the appropriate type of graph from the drop box provided in this tab.

In the bar chart, the y axis represents the % of total i.e % composition of a segment in market capital as compared to the total composition of the market capital across the customer's holdings in equity. This % is arrived at by calculating all the associated amounts in the customer preferred currency. The x axis names the different segments in the market capital in which the customer has invested for his equity holding.

2. For further analysis of the holdings in each segment of market capital, you can click on the hyper link under each segment in the first table. An additional tab will appear below , which will provide further information and analysis about the securities held in the selected market capital.

The screens on Analysis 'By Industry' and 'By Market Capitalization' are similar and so are the fields in all the three screens.

The detailed descriptions of fields are given below:

Market Capitalization

Field	Description	Mandatory
Market Capital	All the segments of the market capital in which the equity holdings of the selected customer span across are displayed. Each segment in the tab has a hyper link. Click on the hyper link to view a tab displaying additional analysis of all the securities in the selected segment.	Display only


Market value	Is computed as mentioned in the 'Asset' class analysis. However, only the securities within the category of equity instrument type are considered for computation.	Display only
% of Total	Is the percentage composition of the segment of market capital under consideration with respect to the total value of all the segments. The sum of the percentages across all the segments would sum up to 100%.	Display only

At the end of the tab, the last row displays the sum of all the above fields in the customer preferred currency.

As explained earlier, on clicking any of the segments in market capital, in the earlier tab, displays a tab, representing a detailed analysis of all the securities in the selected segment.

Market Cap details

Field	Description	Mandatory
Name	Displays the names of all the securities in equity (direct and indirect) in the selected segment.	Display only
Currency	The currency of the security displayed is, as captured in the instrument master table in the database.	Display only.
Units	Units are computed for the indirect holdings as described in the previous table. In case of direct holdings the units include the purchased and additional units received on account of stock corporate actions.	Display only
Market value	Market value is the product of the market price and quantity. The market price will be as received from external data vendors.	Display only
% of Total	Is the percentage composition of the market value of a security in a segment of market capital, as compared to the total market value of all the securities in the segment. Please note the values are computed in the customer preferred currency.	Display only

 This section displays the details at Customer level across all portfolio holdings grouped by Market Cap. Only the instruments of Asset Class 'EQ' are considered and are displayed in this section. Since CASA and TD instruments are not classified as Asset Class 'Equity' and they represents some appropriate Asset Class like Cash or Liquid etc, these Instrument types are not displayed in this section.

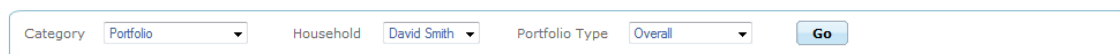
At the end of the tab, the last row displays the sum of all the above fields in the customer preferred currency.

Introduction of Household Concept

An important aspect of Wealth Management is the ability for the user to track the holdings across the various members of the household in a single window. Likewise it is also essential for user to view the analysis of the household holdings in different dimensions in a single window. This feature of viewing the analysis of the holdings across the household members was introduced in the Release 1.3. The user can thus view the analysis for the customer or for any individual member of his household or can even observe a consolidated analysis across all the members including the customer.

As per Release 1.2, all the analysis dimensions considered the consolidated holdings of the customer across his/her portfolios, excluding the analysis dimension, 'Portfolio', which considered the holdings of the customer in individual portfolios. The Release 1.3 has introduced additional flexibility to the user, enabling him/her to view the various analysis dimensions for each individual portfolio.

Let us now proceed to understand the modifications done to the screen in order to accommodate the new functionalities. As per our understanding to this point, in the existing screen it was essential for the user to opt for a category/dimension of analysis before proceeding to drill into the analysis. This first tab in the screen providing the facility to opt for the category of analysis has been modified in Release 1.3 to include two additional fields 'Household' and 'Portfolio Type'. The screen shot of the tab is as given below



The screenshot shows a horizontal filter bar with three dropdown menus and a 'Go' button. The first dropdown is labeled 'Category' and has 'Portfolio' selected. The second dropdown is labeled 'Household' and has 'David Smith' selected. The third dropdown is labeled 'Portfolio Type' and has 'Overall' selected. A blue 'Go' button is at the end of the bar.

Figure 3.38: Household screen

The field 'Category' provides the various dimensions of analysis as a list of values in the drop down field. The field will default to the analysis dimension 'Portfolio'.

The field household will display the names of each household member including that of the customer. The names of the household member will be retrieved as captured in the screen 'Household'. By selecting a member from this list the user will be able to examine the chosen dimension of analysis for that particular member. In addition to the names of the members and the customer, the field will also provide an option 'Household'. The user can opt for this particular alternative to view the chosen dimension of analysis of the holdings spanning across the entire household.

The third field facilitates the user to select the type of portfolio for which he desires to view the chosen dimension of analysis. This drop down field will display three options to the users as a list of values viz., RM Managed, Self Managed and Overall. The RM Managed portfolios include the

holdings in the RM Managed and Discretionary portfolios whereas the Self Managed portfolio indicates and includes the holdings in both the Self Managed and Held Away portfolios. By opting for the option 'Overall', the user will indicate his preference of viewing the chosen dimension of analysis for the chosen member across the portfolios. This field will default to the option 'Overall'.

These three fields can be used in various permutations to suit the needs of the user.

3.5 **Performance**

Description:

One of the primary benefits of FLEXCUBE Private Banking is that, it enables the user to monitor investment performance. This is important because, over a long period of time, only a small difference in performance can mean a large difference in wealth. As an example, an investment earning 14% over 25 years will have almost double the ending value then the one earning 11%. It is important for the user to understand that FCPBs/investors who adequately monitor investment performance will consistently out-perform those who do not.

Monitoring of investment performance is not as simple as watching returns reported to you for your mutual fund company. The reason for this is that such period –to-period returns do not take into account your investment timing decisions. Stocks, bonds and other investment holdings complicate the issue since dividend often may not be easily reinvested. Also, once one has multiple holdings, the combined performance of all investments is not readily apparent even if you know the performance of the individual holdings.

FLEXCUBE Private Banking resolves all of these performance monitoring issues by computing and reporting 'Linked Modified Dietz' and XIRR as the measure for investment performance. The performance returns reported for includes that for security, portfolio, asset class, instrument analysis group and customer (by grouping of all the portfolios and their corresponding securities).

FCPB also supports the computation of performance at Household level. Performance ROR computation at Household level will consider holdings and transactions from the date of household creation for all tenor buckets, irrespective of the date of creation and transactions of the individual customers forming part of the household in case of Linked Modified Dietz computation method

The performance results are customized to include performance figures along with the performance benchmark results.

Linked Modified Dietz Computation Methodology:

Acknowledging the need for consistency in reporting investment returns, FCPB uses Modified Dietz as a performance measure which essentially is a calculation of the investment return generated over monthly time periods that are geometrically linked or compounded. This method weighs the timing of cash flows (purchases/withdrawals) for a selected date range to provide the return calculation. Thus it is computed by converting all transactions to cash flows (positive, negative or null depending on transaction type) and solving the following equation for 'Return'

$$R = (MVE - MVB - F) / (MVB + FW)$$

Where,

MVE = Market value at the end of the period.

MVB = Market value at the beginning of the period, where the market value for the beginning of the period is the market value at the end of the immediately preceding period.

F = the sum of the cash flows both inflows and outflows within the period.

FW = the sum of cash flow (F) multiplied by its weight (W)

F = each cash flow

W = (CD-D)/CD where,

CD = the total number of days in the period

D = the number of days since the beginning of the period in which cash flow occurred

The return thus computed for each period is linked using

$$\text{ROR \%} = \{[(1+R_1) \times (1+R_2) \times \dots \times (1+R_n)] - 1\} \times 100$$

Where,

R1 = the first monthly period calculation

R2 = the second monthly period calculation

Rn = the last monthly period calculation



The chief advantage of the modified dietz method is that it does not require portfolio market valuation for the date of each cash flow.

Let us understand this better with the example given below

Your customer had \$10,000 in his portfolio at the beginning of the year. He invests \$300 into the portfolio on the 15th of every month. At the end of January, the market value of his portfolio is \$10,606.66.

I. To calculate his one-year rate of return -apply the modified dietz formula for each month, and then link the monthly rates of return.

To arrive at each of the customer's one-month rates of return, the following steps must be completed:

Step One: Calculate the market value at the end of the month, subtract the market value at beginning of the month, then subtract the total net cash flow within the month.

Therefore, in the customer's case: $\$10,606.66 - \$10,000 - \$300 = \306.66

Step Two: Calculate the sum of the time-weighted cash flows during the month.

To calculate the weighting of each of the cash flows use the following formula:

Take the total number of days in the month and subtract the number of days into the month that the cash flow occurred. Take the result and divide it by the total number of days in the month. Therefore in the case of his first contribution, the formula is $31-15$ divided by $31 = 0.516$

That weighting must be multiplied by the cash flow:
 $\$300 \times 0.516 = \154.84 . This is the first and only weighted cash flow for the month.

Step Three: Now add \$10,000 (i.e., the market value at the beginning of the month) to the sum of the time-weighted cash flows of that month (\$154.84). The answer is \$10,154.84.

Step Four: To complete the formula to find out his monthly rate of return on his investment, divide the Step One result of \$306.66 by the Step Three result of \$10,154.84. The customer's rate of return for the first month is 3.02%.

Start the next month's calculation with a market value at the beginning of the period of \$10,606.66 and follow the same formula for each month thereafter.

II. To arrive at the customer's one-year personal rate of return, refer to the formula below to link the monthly returns.

Step One: Add one to each month's return. Then multiply those 12 results together

Step Two: When you complete that series of multiplications, subtract one from the result. Multiply that number by 100 and you end up with the customer's one-year rate of return.

For example: His first month's rate of return was 3.02%. His second month's return was - 13.9%; therefore: $[(1+3.02\%) \times (1-13.9\%) \times (1+\text{the third month's return}) \dots \times (1+\text{the 12th month's return})] - 1 \times 100$ is his one-year rate of return.



The accuracy of the modified Dietz methods depends on the size of the cash flows in relation to the portfolio value and the length of the measurement period. If the cash flows are larger than 10 per cent of the portfolio value it is recommended not to use the displayed results for analyzing performance.



Computation of performance is an End Of Day process and all the results produced are considering the values as per the previous Business Closing.

XIRR Computation Methodology: An internal rate of return is the effective rate of return on an investment consisting of a series of payments and incomes that occur over the life of the investment. The XIRR function in Excel is used to determine the annualized IRR when the payments and income are varying and are made at different periods.

The Modified Dietz performance computation methodology for monthly returns in our performance computation logic is a fair approximation of XIRR, subject to the condition that the gross absolute cash-flows within the period is not a significant percentage of the beginning or ending market value of the period. We have seen the Link Modified Dietz performance computation in the earlier section. The FCPB system uses this computation methodology only when the gross absolute cash-flows within the period is less than 10% of the market value (beginning or end). But when the gross absolute cash-flows within the period is more than 10%, the system uses the XIRR performance computation methodology in order to give more accurate results.

The XIRR function in Excel is used to determine the annualized IRR when the payments and income are varying and made at different periods.

The Formula for XIRR

$$0 = \sum_{i=1}^N \frac{P_i}{(1 + rate)^{\frac{(d_i - d_1)}{365}}}$$

Where,

d_i = the i th, or last, payment date.

d_1 = the 0th payment date.

P_i = the i th, or last, payment

This implies that the net present value of all cash-flows (which should have at least one positive and one negative value) in the series will be zero when discounted at the XIRR rate.

Before deciding on the methodology to use for computing monthly or MTD returns, the system does the cash-flow check and calculates the performance accordingly.

For example, if

MVB = 20

C1 = 150

C2= -170

C3 = 200

MVE = 220

Number of days between MVE and MVB = n

Absolute sum of cash-flows is 520; as this is more than 10 % of either MVB, or MVE, the XIRR method is used for performance computation.

As XIRR produces the annualized returns, the specific MTD period returns are calculated using the formula given below:

ROR for MTD = $R1 = [(1 + XIRR)^{(n/365)} - 1]$

ROR for YTD done through Linking of all MTD RORs:

$\{(1+R1) \times (1+R2) \times (1+R3) \dots (1+R12) - 1\}$

An example of ROR computation using XIRR is given in attached XL below.



Microsoft Office
Excel 97-2003 Worksl

True Time Weighted Average Methodology: The TTWR performance computation is the most accurate method to calculate the time weighted rates of return as it removes the effects of timing and magnitude of cash flows into or out of the portfolio which are generally client-driven and not in control by the portfolio manager.

By removing the timing effects of cash flows, a true time-weighted rate of return best reflects the firm's ability to manage the assets according to a specified strategy or objective and is the basis for the comparability of composite returns across different asset managers. Using the TTWR as a measure of the manager's performance presumes that the addition or withdrawal of moneys under his/her control does not change the manager's stock selection, timing, and asset allocation strategy. Thus it can be said that the TTWR measures the manager's performance and not the performance of the group of assets.

Formula to calculate true time-weighted portfolio return for a sub-period (between 2 consecutive Cashflow dates, whenever cash flows occur is:

$R = (EMV - BMV) / BMV$

Where,

EMV is the market value of the portfolio at the end of the sub-period, excluding the cash-flows on the period end date, but including accrued income for the period.

BMV is the market value at the end of the previous sub-period (i.e., the beginning of the current sub-period)



The BMV is the EMV as defined above of the previous sub-period plus cash-flows on the end date of the previous sub-period and including accrued income up to the end of the previous period.

Since in FCPB, we are storing EMV values as end-of-day valuation which includes the Cashflows for that date, hence for computing the sub-period returns we use the formula:

$$R = (EMV - C - BMV)/BMV$$

Where,

BMV is the EMV for the previous cashflow date

C is the Net Cashflow on the end-date of that sub-period

The sub-period returns are then geometrically linked according to the following formula:

$$R = ((1+R1) \times (1+R2) \dots (1+Rn)) - 1$$

Where, RTR is the total return and R1, R2... Rn are the sub-period returns for sub-period 1 through n respectively.

Sub-period 1 extends from the first day of the period up to and including the date of the first cash flow. Sub-period 2 begins the next day and extends to the date of the second cash flow, and so forth. The final sub-period extends from the day after the final cash flow through the last day of the period.

TTWR method assumes that the cash flow is not available for investment until the beginning of the next day. Therefore when the portfolio is revalued on the date of a cash flow, the cash flow is not reflected in the Ending Market Value, but is added to the Ending Market Value to determine the Beginning Market Value for the next day.



The FCPB displays the TTWR ROR computation for ALL Levels and Periods of ROR, except for Since Inception ROR. Since inception ROR continues to display the XIRR computed annualized ROR for all levels.

An example of ROR computation using TTWR is given in attached XL below.



TTWR Example

Performance Benchmark Indices

FCPB allows the user to compare performance versus user selectable benchmark indices. The indices specified are standard market indices of the type widely reported e.g. S&P 500. The composition and values of these indices are regularly reported in the financial media. The user may specify a benchmark for each portfolio of the customer, for asset class and instrument analysis group as well as a unique benchmark for the customer. FCPB provides a consolidated performance report for the customer which is generated by combining the holdings across all the portfolios of the selected customer. This consolidated performance report will here after be referred to as the customer level report.

The Benchmark ROI is computed as the difference between index values at the beginning and end of the measurement period. The beginning period considered is generally the beginning of the measurement period with the exception when the evaluation is being computed for the first time, where the beginning period considered will be the first funding date of the portfolio. The first funding date of the portfolio is when the security which was first or earliest funded into the portfolio. Any positive or negative deviation of the portfolio/group of all portfolios of the customer's performance from this benchmark can generally be attributed to the securities in the portfolio/s which under or over performed.

The benchmark returns will be displayed as blank fields if the customer fails to associate a benchmark to a portfolio/s or to the customer.

Screen Navigation:

3. After you login, select a customer by through the Customer -> Customer List from the top menu.
4. Once the customer has been selected, the portfolio analysis screen can be accessed through the Portfolio and Performance sub menu.

3.5.1 Performance by Portfolio

Screen:

Screen 1

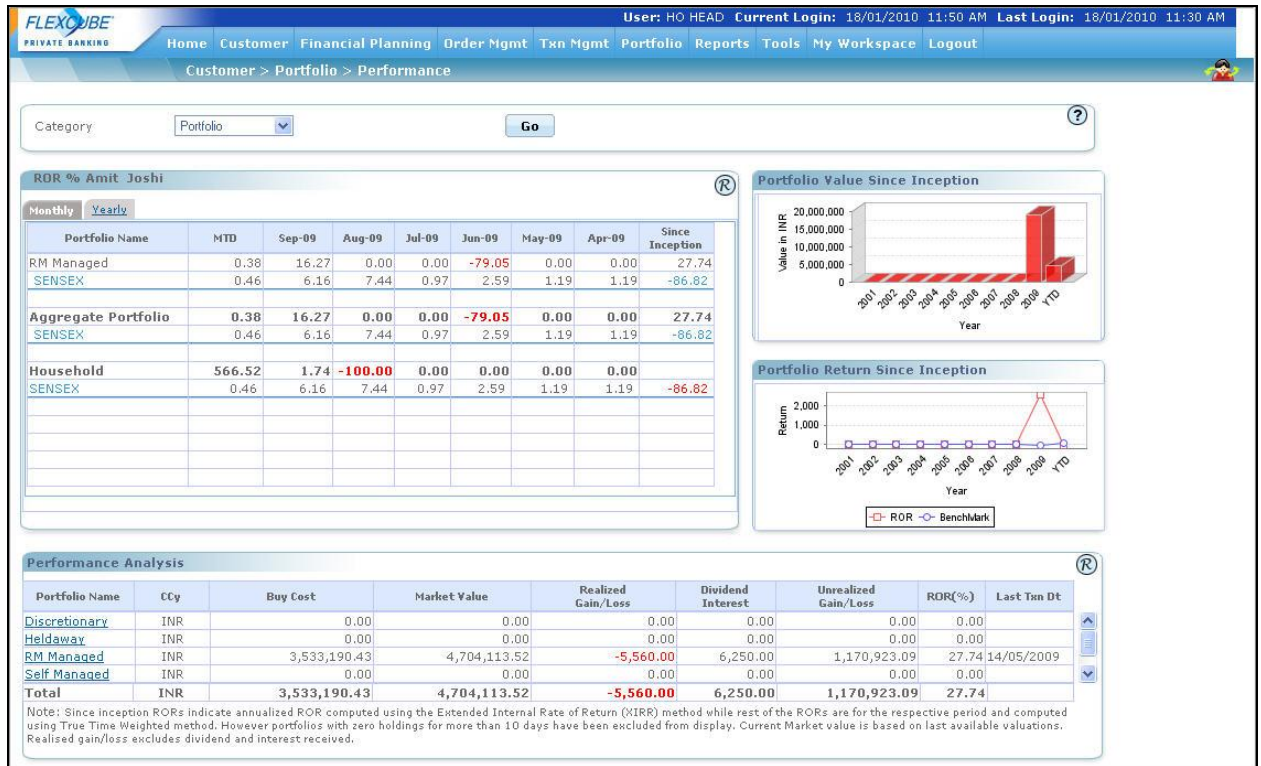


Figure 3.39: Performance By Portfolio Screen

Performance by Instrument

Screen 2

Click on the appropriate hyperlink under the Portfolio Name column to view the Performance by Instrument.

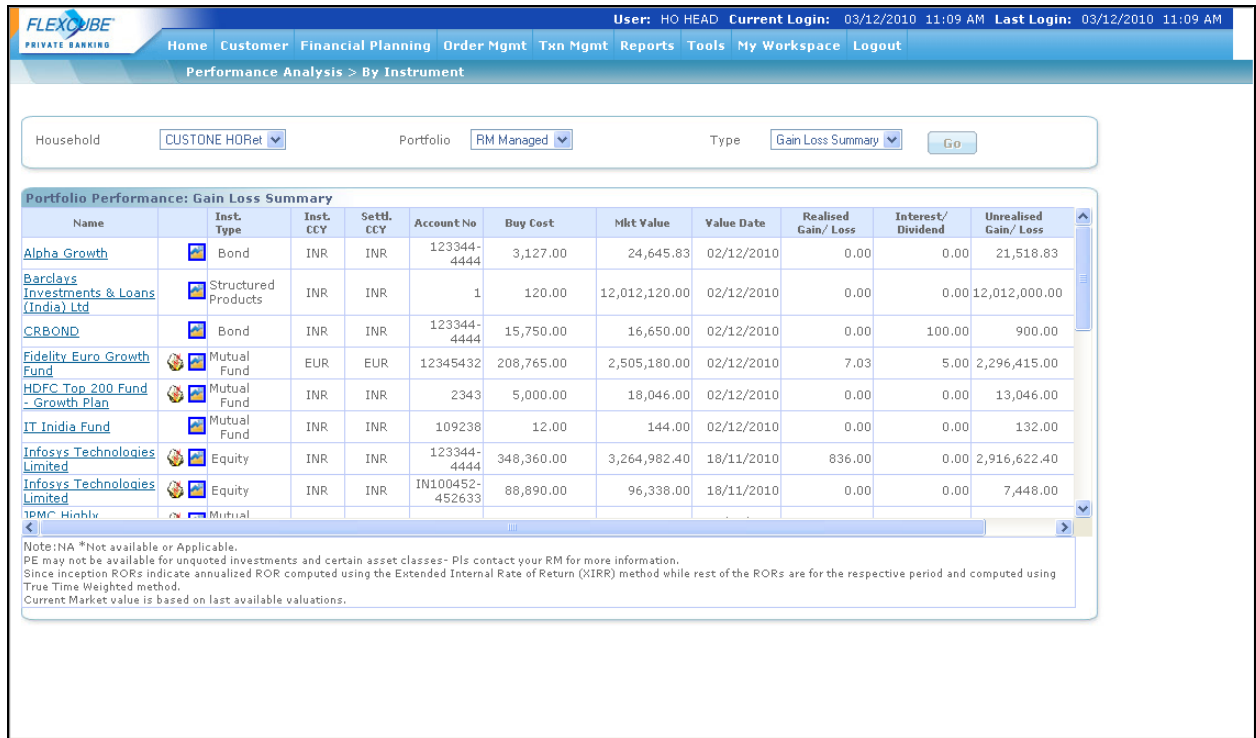


Figure 3.40: Performance By Instrument Screen

How to read the screen:

Performance by Portfolio

The performance screen is split into three sections.

1. The first section 'ROR%' is designed to contain two tabs namely MTD & YTD along the lines of which the user can analyze and examine into the performance of the portfolios for the selected customer.



The returns are not annualized.

The two tabs are

Monthly	<p>Using the performance formula mentioned in the above section, the system will compute the monthly performance. This tab will display the current month to date (MTD) performance along with each month's performance for the past six months and the performance since inception. As explained earlier, the performance reports are displayed for each of the portfolios of the customer in case portfolio is selected as a category along with a consolidated customer level report. The corresponding currency for each portfolio will be considered for computing the performance at the portfolio level whereas the customer associated currency will be considered for displaying the results at customer level. Beneath the results for each portfolio or the customer level, the associated benchmark results are displayed.</p> <p>The MVB will be as of the first date of the month and the MVE will be as of the last date of the month or the evaluation date in case of MTD.</p> <p>For example, while computing the performance for the month of April, considering 30th April had been declared a holiday, then the performance for April would be computed from April 1st to April 29th.</p>
Yearly	<p>This tab displays the current year to date performance, the past five years performance as well as the performance since inception of the portfolio. The financial year considered to compute the yearly performance will be as defined in the bank's master table. The calculated monthly performances as explained earlier are linked geometrically to compute yearly returns.</p> <p>As explained earlier, the performance reports are displayed for each of the portfolios of the customer along with a consolidated performance customer level report. Below the performance result for each portfolio or the customer level, the associated benchmark results are displayed.</p>



The system always defaults to the monthly performance tab for all the categories: Portfolio, Asset Class, and Instrument Group.

To view the transaction details, click on the appropriate instrument name hyperlink. The transaction pop up appears as shown below:

FLEXCUBE - PRIVATE BANKING - Transaction Popup - Windows Internet Explorer

Equity Transaction Details : ACA CONSULTANCY

CCY	Date	Transaction Type	Transaction Narration / Desc	Quantity	Price	Amount	Settle Currency / Alternate Currency	Exchange Rate	Fees in Settle Currency	Tax & Charges in Settle Currency	Settlement Amount	View Advice
INR	30/12/2010	Rights		22,500.000000		0.00	INR	1.000000	0.00	0.00	0.00	
INR	31/08/2010	Buy	Buy	50,000.000000	15.000000	750,000.00	INR	1.000000	0.00	0.00	750,000.00	View Advice
INR	31/08/2010	Sell	Sell	5,000.000000	15.000000	75,000.00	INR	1.000000	0.00	0.00	75,000.00	View Advice
INR	31/08/2010	Buy	Buy	10,000.000000	15.000000	150,000.00	INR	1.000000	0.00	0.00	150,000.00	View Advice

Figure 3.41: Equity: Transaction Details Pop up



For CASA and TD Instruments, Quantity, Price and Fees columns remains blank. As CASA does not have any transactions, the Transaction Details popup for CASA will show no data.



For TDs with Dual Currency deposit feature, the system displays few more fields in the Transaction pop up like Alternate Currency, Fixing Date, Strike Rate and Amount in Alternate Currency.

3.5.2 Performance by Asset Class



Figure 3.42: Performance By Asset Class Screen

In case where the functionality for decomposition of Mutual funds and Structured products is turned off using parameterization, it would be possible to compute ROR based on Asset class, Each instrument will be linked to one Asset class in the system. This analysis should be done both at a customer level as well as Household level.

The Display would be by Asset Class, instead of by Portfolio; A benchmark would be assigned at Asset class level; there will be a Radio button to indicate whether the view should be at Individual or Household level.

The performance screen is split into three sections.

1. The first section 'ROR%' is designed to contain two tabs namely MTD & YTD along the lines of which the user can analyze and examine into the performance of the asset class.



The returns are not annualized.

The two tabs are

Monthly	<p>Using the performance formula mentioned in the above section, the system computes the monthly performance. This tab displays the current month to date (MTD) performance along with each month's performance for the past six months and the performance since inception. For computing the Inception to date ROR % using Linked Modified Dietz method, the cash-flows will be considered by the asset class to which each instrument is linked.</p> <p>Based on this, the cash-flows occurring in each asset class from inception to date is considered in the formula. This is done at 2 levels, one for the individual members of the household defined for the customer as leader and another for the overall household.</p> <p>The customer associated currency is considered for displaying the results at asset as well as customer level. Beneath the results for each asset class or the customer level, the associated benchmark results are displayed.</p>
Yearly	<p>This tab displays the current year to date performance, the past five years performance as well as the performance since inception of the asset class. The financial year considered to compute the yearly performance will be as defined in the bank's master table. The calculated monthly performances as explained earlier are linked geometrically to compute yearly returns.</p> <p>As explained earlier, the performance reports are displayed for each of the asset class along with a consolidated performance customer level report. Below the performance result for each asset class or customer level, the associated benchmark results are displayed.</p>



Holding details for CASA accounts whose status is closed are not displayed in the Portfolio Performance screen. Similarly for TD without transactions, TD accounts with 'Closed' status are not displayed in Portfolio Performance screen. However for TD with transactions, even after TD has matured/closed it continues to be displayed till zero holding days mentioned in the bank parameters.

Risk Measures

Description:

The Risk Measures feature of FCPB system enables the user to view the risk measures in terms of computation of weekly ROR, Standard Deviation, and Sharpe Ratio. The system also displays the Portfolio Level YTM and Duration in the Risk Measures screen.



Risk Measures are available for only those portfolios that have completed 52 weeks in existence



At any point of time the Risk Measures are computed and available for last 1 year period only.

User Access levels:

RM: only the person designated as an Relationship Manager of the system can access this screen.

Screen:

ORACLE®
FLEXCUBE Private Banking

User: Madhur Jain Current Login: 12/04/2008, 10:00AM Last Login: 22/03/2008, 10:10PM

Home Customer Financial Planning Order Management TXN Management My Workspace Reports Tools Logout

Risk Metric

Risk Metrics as on 01/01/2009 - David Smith

Portfolio Name	Benchmark Name	Returns* (%)		Std. Dev* (%)		Sharpe Ratio		VaR (%) #		Beta	YTM	Duration \$
		Portfolio	Benchmark	Portfolio	Benchmark	Portfolio	Benchmark	Portfolio	Benchmark	Portfolio	Portfolio	Portfolio
Core	S & P	12.60	8.91	3.25	2.05	1.80	2.25	5.34625	3.37225	0.34	12.28	3.94
Europe	FTSE	15.17	13.50	1.50	0.86	8.45	7.38	2.4675	1.4147	1.2	13.00	1.50
Research	CRISIL	18.29	20.14	3.86	3.25	4.10	4.50	6.3497	5.34625	1	13.40	2.45
Held Away	SENSEX	5.63	6.15	2.55	1.45	2.20	-1.05	4.19475	2.38525	0.75	NA	N/A
Aggregate Portfolio	NIFTY	15.28	14.23	2.86	2.50	7.10	6.85	4.7047	4.1125	0.8	11.50	2.75

Risk Free Returns assumed as 6% p.a.

*Returns & Std Deviation are computed using past 1 year's weekly returns. Returns shown above are simple averages of weekly ROR.


Confidence level has been taken as 95 % and holding period as 5 days. 95 % confidence level translates into 1.645 standard deviations on either side of the mean.

\$ Wherever duration data is not available of the fixed income instruments, duration is considered as the difference between current business date and maturity date of the fixed income instrument.

Figure 3.43: Risk Metric Screen

Screen Navigation:

After you login as an RM, select Customer → Portfolio → Performance from the top menu.

The user can view the Risk Measures details by clicking on the  icon located at top right hand side corner the Portfolio Performance screen.

The fields which are all Display fields have been briefly described below:

Field	Description
Portfolio Name	Displays the portfolio name
Benchmark Name	Displays the benchmark name for the corresponding portfolio
Returns (%)	

Portfolio	Displays the portfolio returns for the corresponding portfolio
Benchmark	Displays the benchmark returns for the corresponding portfolio
Std. Dev.(%)	Std. Dev represents risk associated with a given security (stocks, bonds, property, etc.), or the risk of a portfolio of securities (actively managed mutual funds, PMSs etc).
Portfolio	Displays the standard deviation of weekly return of portfolio
Benchmark	Displays the standard deviation of weekly return of benchmark
Sharpe Ratio	It is calculated as Sharpe Ratio = (Investment Return – Risk free return)/ Standard Deviation of the investment returns
Portfolio	Displays portfolio Sharpe Ratio details
Benchmark	Displays benchmark Shape Ratio details
YTM Portfolio	The system receives the instrument level YTM from the external world which is used by the system to calculate the YTM of the portfolio.
Duration Portfolio	The system receives the instrument level Duration from the external world which is used by the system to calculate the Portfolio Duration.



If there is no instrument in the portfolio where the 'Include in YTM & Portfolio Duration' field is marked as 'Yes' in the Product Master screen, the system displays 'N/A' against that portfolio under YTM & Duration column.

Performance Analytics Graph


The system also enables the user to view a graph of instrument performance Vs Standard deviation by clicking on the  icon located at the top right hand corner of Performance Analysis tab of Portfolio Performance screen. This graph is displayed for all the instruments which are part of a particular customer or household's holdings in any or all of his portfolio types (depending on the portfolio type selection).



Figure 3.44: Performance Analytics Graph

The instruments for which the performance graph is to be plotted can be filtered based on:

- a. Individual/ Group/ Household
- b. Portfolio Type
- c. Instrument analysis Group
- d. Time period, Values: 1 Month, 3 Months, 6 Months, 12 Months

3.5.3 Performance by Instrument Group



Figure 3.45: Performance By Instrument Group Screen

Instrument Analysis group is another attribute of each instrument defined in the master table. Performance will also be computed based on this group for individual members of household as well as for the overall household

The Display would be by Instrument Analysis Group, instead of by Portfolio; A benchmark would be assigned at instrument group level.

The performance screen is split into three sections.

1. The first section 'ROR%' is designed to contain two tabs namely MTD & YTD along the lines of which the user can analyze and examine into the performance of the instrument group.



The returns are not annualized.

The two tabs are

Monthly	<p>Using the performance formula mentioned in the above section, the system will compute the monthly performance. This tab will display the current month to date (MTD) performance along with each month's performance for the past six months and the performance since inception. For computing the Inception to date ROR % using Linked Modified Dietz method, the cash-flows will be considered by the instrument group to which each instrument is linked.</p> <p>Based on this, the cash-flows occurring in each instrument group from inception to date will be considered in the formula. This will be done at 2 levels, one for the individual members of the household defined for the customer as leader and another for the overall household.</p> <p>The customer associated currency will be considered for displaying the results at instrument group as well as customer level. Beneath the results for each instrument group or the customer level, the associated benchmark results are displayed.</p> <p>For example, while computing the performance for the month of April, considering 30th April had been declared a holiday, then the performance for April would be computed from April 1st to April 29th.</p>
Yearly	<p>This tab displays the current year to date performance, the past five years performance as well as the performance since inception of the instrument group. The financial year considered to compute the yearly performance will be as defined in the bank's master table. The calculated monthly performances as explained earlier are linked geometrically to compute yearly returns.</p> <p>As explained earlier, the performance reports are displayed for each of the instrument group along with a consolidated performance customer level report. Below the performance result for each instrument group or customer level, the associated benchmark results are displayed.</p>

- The second section displays since inception portfolio value and portfolio returns as two separate graphical illustration. Both the value and returns displayed are at the customer level and consequently are for the entire holdings of the customer spanning across all the portfolios.

Portfolio Value since inception: is a bar chart wherein the y axis represents the value of the customer holdings in the customer preferred currency. The x axis represents the years beginning from the year of first funding to the current year. The values considered for the years demarcated in the graph, are as per the financial years defined in the bank's master table. This graph also displays the benchmark value for each year. This helps the user to compare the value of the customer's holdings in comparison with the value of the benchmark. The benchmark associated at the customer level is taken into account for displaying the results.

Portfolio Returns since inception: is an area graph wherein the y axis represents the returns on customer holdings and the x axis represents the years beginning from the year of first funding to the current year. The returns considered for the years demarcated in the

graph, are for the financial year as defined in the bank's master table. The area graph displays an evaluation between the customer's returns and the benchmark returns for each year. The benchmark considered is the one which has been associated at the customer level.


3. Beneath the first section is a section displaying the performance analysis for each portfolio if portfolio is selected, each asset class if asset is selected and instrument analysis group if instrument group is selected as well as the performance analysis at the customer level. To recap, the corresponding currency of each portfolio will be considered for computing the results at the portfolio level whereas the customer associated currency will be considered for displaying the results at asset class, instrument analysis group and customer level. The distinguishing factor about this section from the first section is that it displays additional information on the realized /unrealized gain /loss and the interest or dividend received. All the figures displayed in this section are computed from the first funding date.
4. For further performance analysis of the holdings in each portfolio, the user can click on the hyper link under each portfolio. An additional pop-up screen will appears imparting further information and performance results on each security held in the selected portfolio. In case of asset class and instrument analysis group there will not be any further analysis at instrument level only in case of portfolio that a hyperlink is provided under portfolio name.

Understanding the screen: The performance results displayed are independent of the type of login (customer or RM). Blank tabs will be displayed if the customer is yet to make any investments.

The detailed descriptions of fields are given below:

ROR%

Field	Description	Mandatory
Portfolio Name	<p>Portfolio: The performances for all the portfolios associated to the customer are displayed.</p> <p>Aggregate Portfolio: The consolidated customer level performance report is displayed</p> <p>Benchmark: The performances for each benchmark associated to each portfolio as well as the one associated for the customer are displayed.</p>	Display only

MTD/ Monthly	<p>The methodology used for computing the performance for each portfolio or for the aggregate portfolio is substantially the same.</p> <p>Before we proceed to understand the process of computing returns, it is essential for us to be aware of some basic conventions followed by FCPB to derive the returns:</p> <ul style="list-style-type: none"> The system would have stored the returns for each month starting from January to September. However the returns for the current month will be computed daily and will continue to overwrite the previous days return till the month end. <p>The same rule is applicable to returns being computed for the portfolio, asset class, instrument analysis group or at the customer level.</p> <ul style="list-style-type: none"> FCPB reports performance on a non-annualized basis. 	Display only
YTD /Yearly	<p>The financial year considered to compute the yearly performance will be as defined in the bank's master table. The formula enumerated below calculates the "Year to date" performance by taking the monthly performances:</p> $\text{Year To Date Performance} = ((1 + R_{\text{Apr}}) * (1 + R_{\text{May}}) * (1 + R_{\text{Jun}}) \dots * (1 + R_n) - 1$ <p>"n" – is the nth month's performance.</p> <p>"R Mon" is the Period performance for the month</p> <p>In other words, to compute the annual rate of return for portfolio returns calculated yearly, all the monthly returns for the corresponding year are linked geometrically.</p> <p>To recap, for the YTD computation the market value on the current business day will be considered for computing the MVE.</p> <p> It is interesting to note that an investment gaining 10% over a 365 day non-leap year will show an ROI of slightly more than 10%, whereas an investment gaining exactly 10% over a 366 day year (leap year) will show an ROI of slightly less than 10% for the year.</p>	Display only
Since inception	<p>The since inception returns illustrates the returns from the first funding date of the portfolio till the current business day. The computation methodology is identical to the one elucidated earlier.</p>	


Aggregate Portfolio	<p>The objective in calculating the aggregate returns is to produce the same returns value as if the holdings of all the individual portfolios in the composite were aggregated and a return is calculated for one master portfolio.</p> <p>However it is essential to note that the MVE, MVB, F and FW will all be denominated in the customer preferred currency. To recap, in case of nonconformity with the above condition, the closing exchange rate on the date of transaction across all those securities will be made use of.</p>																																								
	<p>The customer holds IBM shares in Portfolio 1 (currency of portfolio is also \$)</p> <table><tr><th>Date</th><th>Market value (\$)</th><th>Cash Flow (\$)</th><th>Market value Post Cash Flow (\$)</th></tr><tr><td>12/31/06</td><td>100000</td><td></td><td></td></tr><tr><td>1/10/07</td><td>103000</td><td>20000</td><td>123000</td></tr><tr><td>1/22/07</td><td>130000</td><td></td><td></td></tr><tr><td>1/31/07</td><td>133000</td><td></td><td></td></tr></table> <p>The customer holds I-Flex shares in Portfolio 2 (currency of the portfolio is INR)</p> <table><tr><th>Date</th><th>Market Value (INR)</th><th>Cash Flow (INR)</th><th>Market value post Cash Flow (INR)</th></tr><tr><td>12/31/06</td><td>500000</td><td></td><td></td></tr><tr><td>1/10/07</td><td>512000</td><td></td><td></td></tr><tr><td>1/22/07</td><td>530000</td><td>-70000</td><td></td></tr><tr><td>1/31/07</td><td>470000</td><td></td><td></td></tr></table> <p>The holdings statement in the customer preferred currency for computing aggregate portfolio would be as given below:</p>	Date	Market value (\$)	Cash Flow (\$)	Market value Post Cash Flow (\$)	12/31/06	100000			1/10/07	103000	20000	123000	1/22/07	130000			1/31/07	133000			Date	Market Value (INR)	Cash Flow (INR)	Market value post Cash Flow (INR)	12/31/06	500000			1/10/07	512000			1/22/07	530000	-70000		1/31/07	470000		
Date	Market value (\$)	Cash Flow (\$)	Market value Post Cash Flow (\$)																																						
12/31/06	100000																																								
1/10/07	103000	20000	123000																																						
1/22/07	130000																																								
1/31/07	133000																																								
Date	Market Value (INR)	Cash Flow (INR)	Market value post Cash Flow (INR)																																						
12/31/06	500000																																								
1/10/07	512000																																								
1/22/07	530000	-70000																																							
1/31/07	470000																																								


Date	Market Value (\$)	Cash Flow (\$)	Market value post Cash Flow (\$)
12/31/06	100000+ (500000 x 44.76)		
1/10/07	103000 + (512000 / 47.23)	20000	133840.57
1/22/07	130000 + (530000 / 43.78)	-70000 / 43.78	140507.08
1/31/07	133000 + (470000 / 43.65)		
Please note the divisors used for the I-Flex transactions denote the closing exchange rate for the corresponding business days.			

Performance Analysis: By Portfolio

Field	Description	Mandatory
Portfolio Name	<p>The performances for all the portfolios associated to the customer are displayed along with the consolidated customer level performance report</p> <p>While the above tab reported the return measures in investments in a portfolio as a percentage of initial investment across various periods, this tab intends to report the user with an extensive evaluation of your portfolio performance and an in-depth break-down of your portfolio from different perspectives, such as realized Gain/Loss, interest/dividend, unrealized Gain/Loss analysis.</p>	Display only
Currency	All the figures associated to the portfolio are displayed in the portfolio currency. To recap, the system converts and stores all the transaction amounts from the security currency to the portfolio currency for all the securities in the portfolio.	Display only

Buy Cost	<p>This is the sum of the buy costs of all the securities, across all the instrument types, in the portfolio, denominated in the portfolio currency.</p> <p>This buy cost at the security level is arrived at by using the weighted average cost methodology. However, the important point to be noted is that the weighted average cost methodology is pertinent only for the remaining purchase transactions in the portfolio subsequent to application of the first-in, first-out (FIFO) rule for all the sale transactions in the portfolio.</p> <p>The average cost requires you to determine the average cost per share – total amount invested divided by the total number of shares held.</p> <p>A FIFO rule is an accounting methodology wherein if the user holds a security of the same class which has been acquired on different dates, the security acquired at the earlier time is deemed to be disposed off first. In other words, it is assumed that for the securities of the same class, the securities purchased first are sold first.</p> <p>For further details on the computation of buy cost please refer to the section Portfolio Analysis – By Portfolio.</p>	Display only
Market Value	<p>Similar to the buy cost, the market value at the portfolio level represent the sum of the market values for all the securities across all the instrument types in the portfolio, denominated in the portfolio currency. Market value at the security level is computed as a product of quantity and market price.</p>	Display only


<p>Realized Gain /Loss</p>	<p>It is the sum of the gain/loss of all the securities, across all the instrument types, in the portfolio, denominated in the portfolio currency. The important point to note that the realized gain/loss figure displayed here, is inclusive of all the gain/loss figures across all the securities accounting from the earliest sale transaction in the portfolio after the first funding date.</p> <p>Any gain/loss that has already occurred when a security position was closed is a realized gain/loss. Let's take an example to illustrate capital gain and capital loss.</p> <p>Assume the customer has purchased 10 shares of XYZ AT \$20.00/share. The buy cost = \$200</p> <p>There are two possible scenarios:</p> <ul style="list-style-type: none"> • He/she decides to sell the 10 shares of XYZ at \$25.00 per share. In this case his realized gain from this transaction = \$250 (sell cost) - \$200 (buy cost) = \$50 • He/she decides to sell the 10 shares of XYZ at \$10.00 per share. In this case he had a loss from this transaction = \$100 (sell cost) - \$200 (buy cost) = - \$100.00 <p>When selling securities, System uses FIFO (First in, First out), which automatically pairs a sale of security with the first transaction that was bought.</p> <p>Here's an example: Your customer purchased 100 shares of FZ Steel co. at \$5 / share in January. Three months later you purchased another 100 shares of FZ Steel at \$7/share.</p> <p>Purchase 1 = \$5 x 100 = 500</p> <p>Purchase 2 = \$7 x 100 = 700</p> <p>If he/she decides to sell 150 shares of FZ Steel Co. when the price reached \$10/share, the 150 shares he/she is selling includes the combination of shares from his first purchase and subsequent purchase.</p> <p>Let us calculate what the realized gain for the 150 shares is.</p> <p>Take 100 shares from the \$5 lot and 50 shares from the \$7 lot (FIFO):</p> $(150 \times 10) - ((100 \times 5) + (50 \times 7)) = 1500 - 850 = \650 <p>Using the FIFO method, a realized gain of \$ 650.00</p> <p> Please note the realized gain/loss excludes the dividend/interest received.</p>	<p>Display only</p>
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Unrealized Gain /Loss	<p>This is the sum of the unrealized gain/loss of all the securities, across all the instrument types, in the portfolio, denominated in the portfolio currency.</p> <p>Unrealized gain/loss is the hypothetical value of the gain or loss that would be realized if the security were sold at the market price. A realized loss occurs when a security's market price decreases after an investor buys it, but he or she has yet to sell it. If the market price of the security rose back above the buy price, then the investor would have an unrealized gain for the time he or she still holds on to the security.</p> <p>An example, the customer buys shares in TSJ Sports at \$10 per share and then shortly afterwards the stock price plummets to \$3 per share but you do not sell. At this point, you have an unrealized loss on this stock of \$7 per share, because the value of your position is \$7 dollars less than when you first entered into the position. Let's say the company's fortunes then shift and the share price soars to \$18. Since you have not sold the stock, you will now have an unrealized gain of \$8 per share.</p> <p> Important point to be remembered while computing unrealized gain/loss is the consideration of accrued interest for the securities under the instrument type 'bonds'.</p>	Display only
Interest / Dividend	The summation of all the dividend/interest received across all the securities in the portfolio, right from the first funding day of the portfolio are represented here in the portfolio currency.	Display only
ROR%	The performance figures computed as explained in the previous table using the Linked Modified Dietz methodology are displayed here. The returns computed from the first funding date of the portfolio (since inception) are displayed here.	Display only
Last Txn Dt	<p>Displays the last transaction date for the corresponding portfolio. If the portfolio has zero value i.e. if the current market value AND current buy cost is zero, then the user can exclude the corresponding portfolio from the portfolio maintenance and portfolio performance screens.</p> <p>This is done by setting the Number Of Days for Last Transaction for zero Holding Portfolio field in Portfolio & Order Related tab of Bank Parameters.; and whenever the Portfolio has zero values beyond this period, it will stop being shown in the Portfolio Maintenance and Performance screens</p>	Display only

Performance Analysis: By Asset Class

Field	Description	Mandatory
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Asset Class Name	<p>Performances of all the asset class associated to the customer are displayed along with the consolidated customer level performance report.</p> <p>While the above tab reported the return measures in investments in an asset class as a percentage of initial investment across various periods, this tab intends to report an extensive evaluation of asset class performance and an in-depth break-down of asset class from different perspectives, such as realized Gain/Loss, interest/dividend, unrealized Gain/Loss analysis.</p>	Display only
Currency	<p>All the figures associated to the asset class are displayed in the customer currency. To recap, the system converts and stores all the transaction amounts from the security currency to the customer currency for all the securities categorized in the asset class.</p>	Display only
Buy Cost	<p>Is the sum of the buy costs of all the securities categorized in the particular asset class, denominated in the customer currency.</p> <p>This buy cost at the security level is arrived at by using the weighted average cost methodology. However, the important point to be noted is that the weighted average cost methodology is pertinent only for the remaining purchase transactions in the security subsequent to application of the first-in, first-out (FIFO) rule for all the sale transactions in the asset class.</p> <p>The average cost requires you to determine the average cost per share – total amount invested divided by the total number of shares held.</p> <p>A FIFO rule is an accounting methodology wherein if you hold a security of the same class which has been acquired on different dates, the security acquired at the earlier time is deemed to be disposed off first. In other words, it is assumed that for the securities of the same class, the securities purchased first are sold first.</p> <p>For further details on the computation of buy cost please refer to the section Portfolio Analysis – By Portfolio.</p>	Display only

Market Value	<p>Similar to the buy cost, the market value at the asset class level represent the sum of the market values of all the securities categorized in the selected asset class, denominated in the customer currency. Market value at the security level is computed as a product of quantity and market price.</p> <p>The market price for securities defined under the instrument type equity, mutual fund, traded bonds, PMS, CASA, TD, Specialized Product and structured product will come from downloads and or imports. For the securities under the instrument type insurance, others and non traded bonds the price is as per the last manual update.</p> <p>The surrender value would be considered as market price for the securities under the instrument type insurance.</p> <p> In the absence of market price, for the securities requiring market price to be manually updated, the system considers the acquisition price as the market price.</p>	Display only
'Realized Gain /Loss	<p>Is the sum of the gain/loss of all the securities, categorized in the selected asset class, denominated in the customer currency. The important point to bear in mind is that the realized gain/loss figure displayed here, is inclusive of all the gain/loss figures across all the securities accounting from the earliest sale transaction in the asset class after the first funding date.</p> <p>Any gain/loss that has already occurred when a security position was closed is a realized gain/loss.</p>	Display only
Unrealized Gain /Loss	<p>This is the sum of the unrealized gain/loss of all the securities, categorized in the asset class, denominated in the customer currency.</p> <p>Unrealized gain/loss is the hypothetical value of the gain or loss that would be realized if the security were sold at the market price. A realized loss occurs when a security's market price decreases after an investor buys it, but he or she has yet to sell it. If the market price of the security rose back above the buy price, then the investor would have an unrealized gain for the time he/she still holds on to the security.</p>	Display only
Interest / Dividend	<p>The summation of all the dividend/interest received across all the securities categorized in the selected asset class, right from the first funding day of the asset class are represented here in the customer currency.</p>	Display only

ROR%	The performance figures computed as explained in the previous table using the Linked Modified Dietz methodology are displayed here. The returns computed from the first funding date of the asset class (since inception) are displayed here.	Display only
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Performance Analysis: By Instrument Analysis Group

Field	Description	Mandatory
Asset Class Name	<p>Performances of all the instrument analysis group associated to the customer are displayed along with the consolidated customer level performance report.</p> <p>While the above tab reported the return measures in investments in an instrument analysis group as a percentage of initial investment across various periods, this tab intends to report an extensive evaluation of Instrument analysis group performance and an in-depth break-down of instrument analysis group from different perspectives, such as realized Gain/Loss, interest/dividend, unrealized Gain/Loss analysis.</p>	Display only
Currency	All the figures associated to the instrument group are displayed in the customer currency. To recap, the system converts and stores all the transaction amounts from the security currency to the customer currency for all the securities categorized in the instrument analysis group.	Display only


Buy Cost	<p>This is the sum of the buy costs of all the securities, categorized in the particular instrument analysis class, denominated in the customer currency.</p> <p>This buy cost at the security level is arrived at by using the weighted average cost methodology. However, the important point to be noted is that the weighted average cost methodology is pertinent only for the remaining purchase transactions in the security subsequent to application of the first-in, first-out (FIFO) rule for all the sale transactions in the instrument analysis group.</p> <p>The average cost requires you to determine the average cost per share – total amount invested divided by the total number of shares held.</p> <p>A FIFO rule is an accounting methodology wherein if the user holds a security of the same class which has been acquired on different dates, the security acquired at the earlier time is deemed to be disposed off first. In other words, it is assumed that for the securities of the same class, the securities purchased first are sold first.</p> <p>For further details on the computation of buy cost please refer to the section Portfolio Analysis – By Portfolio.</p>	Display only
Market Value	<p>Similar to the buy cost, the market value at the instrument analysis group level represent the sum of the market values of all the securities categorized in the selected instrument analysis group, denominated in the customer currency. Market value at the security level is computed as a product of quantity and market price.</p>	Display only
'Realized Gain /Loss	<p>This is the sum of the gain/loss of all the securities, categorized in the selected instrument analysis group, denominated in the customer currency. The important point to bear in mind is that the realized gain/loss figure displayed here, is inclusive of all the gain/loss figures across all the securities accounting from the earliest sale transaction in the instrument analysis group after the first funding date.</p> <p>Any gain/loss that has already occurred when a security position was closed is a realized gain/loss.</p>	Display only
Unrealized Gain /Loss	<p>This is the sum of the unrealized gain/loss of all the securities, categorized in the instrument analysis group, denominated in the customer currency.</p> <p>Unrealized gain/loss is the hypothetical value of the gain or loss that would be realized if the security were sold at the market price. A realized loss occurs when a security's market price decreases after an investor buys it, but he or she has yet to sell it. If the market price of the security rose back above the buy price, then the investor would have an unrealized gain for the time he or she still holds on to the security.</p>	Display only

Interest / Dividend	The summation of all the dividend/interest received across all the securities categorized in the selected instrument analysis group , right from the first funding day of the instrument analysis group are represented here in the customer currency.	Display only
ROR%	The performance figures computed as explained in the previous table using the Linked Modified Dietz methodology are displayed here. The returns computed from the first funding date of the instrument analysis group(since inception) are displayed here.	Display only

Portfolio Performance: Holding Details

Holding details at instrument level is only available when View by Portfolio is selected. For view by Asset Class and Instrument Analysis Group, there will not be any further decomposition of data at instrument level

Field	Description	Mandatory
Name	Displays the names of all the securities across all the instrument types in the portfolio.	Display only
Instrument	Displays the instrument type for each of the securities in the portfolio. The instrument type is displayed as per the data captured in the instrument master table in the database.	Display only
Currency	Security currency is displayed. Again, the currency displayed is, as captured in the instrument master table.	Display only
Buy Cost	To recap what we comprehended in the earlier table, the buy cost at the security level is arrived at by using the weighted average cost methodology for the balance transactions in the portfolio subsequent to application of the first-in, first-out (FIFO) rule for all the sale transactions in the portfolio. For further details on the computation of buy cost please refer to the section Portfolio Analysis – By Portfolio.	Display only
Market Value	The market value at the security level is computed as a product of quantity and market price.	Display only
Value date	This is the date on which the market value was either received or manually updated by the user.	Display only

Realized Gain /Loss	<p>This is the sum of the gain/loss of the security from the earliest sale transaction in the portfolio after the first funding date.</p> <p>Please refer to the previous table for further details on realized gain/loss.</p> <p> Please note the realized gain/loss excludes the dividend/interest received.</p>	Display only
Unrealized Gain /Loss	Unrealized gain/loss is the hypothetical value of the gain or loss that would be realized if the security were sold at the market price.	Display only
Interest / Dividend	Is the summation of all the dividend/interest received from the first funding day of the security.	Display only
ROR%	The performance figures computed as explained in the earlier table using the Linked Modified Dietz methodology are displayed here. The returns computed from the first funding date of the security (since inception) are displayed here.	Display only

At the end of the tab, the last row displays the sum of all the above fields in the portfolio preferred currency (computed as explained earlier).

On clicking on any of the securities in the earlier tab, displays the entire transaction details of the security in a pop up screen. This table has been explained in the section on Portfolio Valuation.

3.6 Simulator

Description: The simulator is a scenario planning module which helps Relationship Managers to accurately assist their customers in analyzing their portfolio by evaluating, comparing and illustrating. It facilitates mock investments on their portfolios and immediately views the results. This offers tremendous advantage as customer can test the efficiency of all investment choices made without actually making the investments.

FCPB Simulator provides scenario management and simulation technology enabling the user to:

- Visualize, analyze and optimize portfolio at individual family member as well as at household level
- Predict the future portfolio
- Visualize overall portfolio or Managed by RM or Managed by Client

RM and Customer: Individually RM and the customer can simulate the holdings across all the portfolios. The customer even has the flexibility to simulate holdings for the RM Managed Portfolios.

Screen:

Screen 1 (Display screen – graphical view)

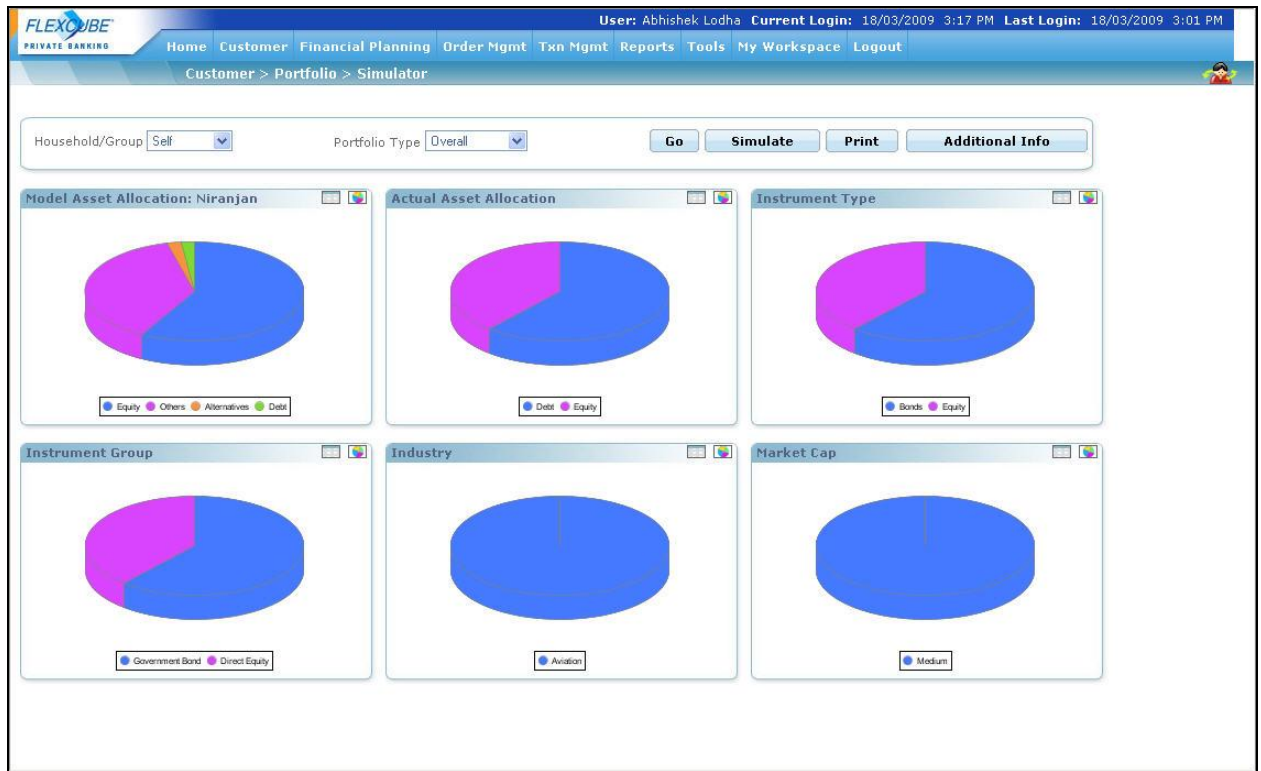


Figure 3.46: Simulator Screen - Graphical View

Screen 2 (Display screen – tabular view)

FLEXCUBE PRIVATE BANKING User: Abhishek Lodha Current Login: 18/03/2009 3:17 PM Last Login: 18/03/2009 3:01 PM

Home Customer Financial Planning Order Mgmt Txn Mgmt Reports Tools My Workspace Logout

Customer > Portfolio > Simulator

Household/Group: Portfolio Type:

Model Asset Allocation: Niranjana

Asset	Annual ROR %	% of Total
Alternatives	6.00 %	2.00 %
Debt	6.00 %	2.00 %
Equity	6.00 %	58.00 %
Others	6.00 %	38.00 %
Total(SGD)		100.00%
Projected ROR %		6.00 %

Actual Asset Allocation

Asset Class	Market Value	% of Total	Annual ROR %
Debt	6,300.00	61.22 %	8.00 %
Equity	3,990.00	38.78 %	8.00 %
Total (SGD)		10,290.00	
Projected ROR %			8.00 %

Instrument Type

Instrument Type	Market Value	% of Total
Bonds	6,300.00	61.22 %
Equity	3,990.00	38.78 %
Total (SGD)		10,290.00
		100.00%

Instrument Group

Instrument Group	Market Value	% of Total
Direct Equity	3,990.00	38.78 %
Government Bond	6,300.00	61.22 %
Total (SGD)		10,290.00
		100.00%

Industry

Industry	Market Value	% of Total
Aviation	3,990.00	100.00 %
Total (SGD)		3,990.00
		100.00%

Market Cap

Market Cap	Market Value	% of Total
Medium	3,990.00	100.00 %
Total(SGD)		3,990.00
		100.00%

Figure 3.47: Simulator Screen: Tabular View

Screen 3 (Additional Info)

To view the additional information, click the Additional Info button.

ASSET ALLOCATION					
Portfolios	Asset Class				
	Real Estate	Debt	Arts	Equity	Cash
Recommended Allocation	30.00%	10.00%	5.00%	50.00%	5.00%
Core RM	0 %	8.04%	0 %	91.95%	0.01%
Damien Self	0 %	0 %	0 %	100.00%	0 %
GEOGRAPHICAL EXPOSURE					
Region	Asset Class				
	Real Estate	Debt	Arts	Equity	Cash
Australia and NZ	0 %	7.47%	0 %	75.40%	0.01%
Europe	0 %	0 %	0 %	9.94%	0 %
North America	0 %	0.56%	0 %	6.62%	0 %
CURRENCY EXPOSURE					
Currency	Asset Class				
	Real Estate	Debt	Arts	Equity	Cash
AUD	0 %	7.47%	0 %	75.40%	0.01%
CAD	0 %	0 %	0 %	6.10%	0 %
EUR	0 %	0 %	0 %	9.94%	0 %
USD	0 %	0.56%	0 %	0.52%	0 %

Figure 3.48: Asset Allocation Screen

Screen 3 (Simulate holdings screen)

Flexcube Private Banking | FLEXCUBE - PRIVATE BANKING - Microsoft Internet Explorer provided by i-flex

Portfolio Maintenance > Simulator : Simulate

	Portfolio Name	Instrument Type	Name	Currency	Market Value
<input type="radio"/>	Core RM	Equity	Microsoft	USD	297,000.00
<input type="radio"/>	Damien Self	Equity	Microsoft	USD	29,700.00
<input type="radio"/>	Core RM	Equity	BHP Billiton Limited	AUD	14,398,798.00
<input type="radio"/>	Core RM	Equity	Henkel KGAA	EUR	20,750.00
<input type="radio"/>	Core RM	Others	Others-Cash-AUD	AUD	10,000.00
<input type="radio"/>	Core RM	Equity	Royal Dutch Shell	EUR	4,034,000.00
<input type="radio"/>	Core RM	Bonds	Godfreys	AUD	5,000,000.00
<input type="radio"/>	Core RM	Mutual Fund	AMP Capital Structured High Yield Fund	USD	324,800.00
<input type="radio"/>	Core RM	Mutual Fund	MLC Platinum Global Fund	AUD	35,571,578.00
<input type="radio"/>	Core RM	Equity	Barrick Gold	CAD	3,901,000.00
<input type="radio"/>	Core RM	Bonds	Cellnet	USD	31,200.00

Portfolio
Instrument Type

Name

☐ Units
☒ Amount

Currency
Region

Asset Class
Market Cap

Industry

Figure 3.49: Simulate Holdings Screen

Screen Navigation:

1. After you login, select a customer by navigating through the Customer → Customer List from the top menu.
2. Once the customer has been selected, the portfolio creation screen can be accessed through the Portfolio and Simulator sub menu.




If you proceed to the Simulator screen without selecting a customer, the system forces the user to select a customer in the customer selection screen and thereafter automatically guiding you back to the Simulator screen.



How to read the screen:

- On reaching the screen the user can view multiple graphs.
- These graphs depict consolidated holdings of the portfolios in different dimensions like asset class, industry, instrument group, market capitalization and instrument type. The computation and analysis of these different dimensions have been discussed in depth in the section on Portfolio Analysis. To recap, this exhaustive classification allows for higher accuracy in aligning portfolios to pre-decided investment objectives of the customer. The user has a flexibility of having different views of his/her investments depending on the selection. Various combinations supported by the system are:
 - Household/Group – to be shown only if the client is the household/group head
 - Self (Default)
 - Household
 - Portfolio Type
 - Overall (Default)
 - Managed by RM
 - Managed by Client

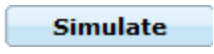

For example, if the user selects Household and Managed by RM, the information shown will be for only the portfolios managed by RM of all the household members. Also if group is selected then all simulator views are displayed considering selected portfolios of the group.

 Every access of the screen through the main menu will result in renewal of the analysis with the current market price of the securities. To recapitulate, the market price for the securities in the instrument type equity, traded bonds, mutual funds, PMS, specialized product, CASA, TD and structured products are received as data feed from external data vendors. Whereas all the securities under the remaining instrument types require manual updation of the market price.

Along with the analysis of the holdings in different dimensions the screen also displays the Model portfolio associated with the customer (explained in detail in the section on Customer Management).

Though all the analysis dimensions are represented graphically, the user has been provided with the flexibility to alter each depiction to a tabular view. Thus you can flip between the graphical and tabular view by clicking on the  and  buttons respectively for any of the above mentioned dimensions (displayed above in the second screen shot of screen 1)

The analysis tabs will be represented blank for those customers who are yet to make/provide investment details. Similarly, the corresponding Model tab will be blank for those customers who are not associated to any model portfolio.


3. The second (simulator) screen for simulating the holdings can be reached by clicking on the  button provided at the bottom of the first screen. The 'Simulator' screen displays the holdings in all instrument types across all the portfolios along with their current market value. The user has the option to simulate by adding new holdings which is attainable by clicking the  button. The user also has the flexibility to either modify or delete any


of the current holdings by clicking on the buttons **Modify** or **Delete**. You can wipe off the entire current holdings of the customer by clicking the **Clear List** button and simulate with completely new holdings. After modifying/deleting/adding the new holdings click on the **Return** button, in order to scrutinize the impact of the changes on the holdings. This button leads you back to the screen1, displaying the analysis of the entire holdings which is inclusive of the simulated holdings. Thus allowing you to gauge the impact of the simulations on the various analysis dimensions and evaluate with the model portfolio.

After analyzing the simulated holdings if you revisit the simulator screen again by clicking on the **Simulate** button, you will be displayed with the entire holdings inclusive of the earlier simulated values. This provides the user with the benefit of executing multiple levels of simulations simultaneously by moving to and forth between the two screens. In order to simulate the holdings afresh, the user needs to access the screen 1 again through the main menu.

The user can also view the Simulator report by clicking on the **Print** button.

The simulator report shows the details of the transactions of the simulated portfolio along with its STCG and LTCG at run-time. It also gives the breakup of the simulated portfolio based on Asset Class, Market Cap and Top 10 Industries Exposure.

 The system does provide with the option to save the simulated holdings. Hence, on every access of the main screen (screen1) through the main menu, the system will refresh the screen and display the analysis based on the actual holdings of the customer.

 Please note that user can simulate holdings even for those customers who currently do not have any investment information nor have any holdings by means of investments made through the FLEXCUBE Private Banking. However this is achievable under the condition that the customer has at least a portfolio created and associated to his/her Customer Id.

 The holdings of only the customers in active status can be simulated.

The fields of each tab have been briefly described below:

Screen 1

For simplicity, we have abridged the explanation of this screen into three sections. The first table clarifies the fields on the Model portfolio and the second table elucidates on the fields for the holdings decomposition.

To recap, the user has the option to flip between the graphical and tabular view. In the tables given below, the fields pertaining to the tabular view have been described. Additionally, the corresponding figures from the tabular views have been used for generating the graphs.

Model Portfolio:

Field	Description	Mandatory
Asset	The assets defined in the particular model (recommended asset allocation as per customer risk profile) are displayed in this field.	Display only
% of Asset	This field defines the proportion allocated to each asset in the model.	Display only
Total	The total weight assigned to all the asset class would at all times sum up to 100%	Display only

Holdings Decomposition: The reader of this section needs to understand the concept of 'decomposition of holdings' as envisaged in the FLEXCUBE Private Banking in order to interpret this screen. However, for thorough understanding of the computation methodologies of the fields please refer to the section on Portfolio Analysis for further details.

Actual Asset Allocation

Field	Description	Mandatory
Asset Class	<p>Asset class classification of holdings at customer or household level is displayed.</p> <p>If the Asset Class Decomposition flag is set to Yes, the Actual Asset Allocation tab displays the Asset Class values after considering sub-constituent values.</p> <p>The graph will also consider decomposed values.</p> <p>If the flag is set to No, the system does not consider decomposed values</p>	Display only

Market Value	<p>Market value is the product of the market price and quantity.</p> <p>The asset class type of analysis comprises of the direct investments and the indirect investments in the different asset classes. The indirect investments are on account of the holdings in mutual funds, PMS and structured products types of instrument (constituents of mutual fund, PMS and structured product).</p> <p>Quantity:</p> <ul style="list-style-type: none"> • Direct: In case of direct holdings, for the securities under the asset class equity and bonds, the units include the purchased and additional units received on account of stock corporate actions. <p>For the direct holdings under asset class like insurance, metal, real estate, gems, and others, the units are defaulted to null by the system.</p> <ul style="list-style-type: none"> • Indirect: With the exception of securities under the asset class –equity & debt, for the securities under the other asset classes, the holdings composition, denominated as ‘number of units’ will be defaulted to null. <p>In case of equity, the number of units held in each security will be computed based on the percentage composition of each security, as provided in the fact sheet.</p> <p>Under the equity asset class, for a security of the same class, the indirect holdings of the customer would be combined with the direct holdings (if any).</p>	Display only
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	<p>Let us understand how to calculate the market value at the asset level.</p> <p>The market value at the asset level represents the sum of the market values for all the direct and indirect held securities, in the particular asset denominated in the customer preferred currency.</p> <p>For the securities held as direct holdings and falling under the asset type equity, and traded bonds the market price will be as received from external data vendors. For the other securities under the asset class insurance, others, metals, gems, real estate and non traded bonds the price will be as per the last manual update.</p> <p>Analogous, to the direct holdings, the indirect holdings in equity and traded bonds will also receive price feeds from the external data vendors.</p> <p>However, for the other indirect holdings falling under the asset class debt, real estate, cash and others, the market value would be based on % of the asset value on the total value of the fund. The number of units, as mentioned earlier, will be defaulted to 1.</p>	
% of total	<p>This is the percentage composition of the asset under consideration with respect to the total value of all the assets.</p> <p>The sum of the percentages across all the asset class would sum up to 100%.</p>	Display only
Annual ROR%	The performance figures computed using Linked Modified Dietz methodology are displayed here. The returns computed from the first funding date of the asset class (since inception) are displayed here.	

Instrument Type

Field	Description	Mandatory
Instrument Type	Instrument type classification of the holdings at customer or household level is displayed here	Display only
Market Value	The market value for a particular instrument type represents the sum of the market values for all the direct and indirect held securities, in customer preferred currency.	Display only

% of total	<p>This is the percentage composition of the holdings in an instrument type under consideration with respect to the total value of all the holdings across all the instrument types.</p> <p>The sum of the percentages across all the instrument type would sum up to 100%.</p>	Display only
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Instrument Group

Field	Description	Mandatory
Instrument Group	Instrument group classification of the holdings at customer or household level is displayed here	Display only
Market Value	<p>The market value for a particular instrument group represents the sum of the market values for all the direct and indirect held securities, denominated in the customer preferred currency.</p> <p>The computation methodology is similar to that explained in the previous table on asset class analysis.</p>	Display only
% of total	<p>This is the percentage composition of the holdings in a instrument group under consideration with respect to the total value of all the holdings across all the instrument groups.</p> <p>The sum of the percentages across all the instrument group would sum up to 100%.</p>	Display only

Industry

Field	Description	Mandatory
Industry	All the industries in which the equity holdings of the selected customer span across are displayed.	Display only
Market Value	<p>Only the securities within the category of equity instrument type are considered for computation.</p> <p>The market value is denominated in customer preferred currency.</p>	Display only


% of total	<p>This is the percentage composition of the industry under consideration with respect to the total value of all the industries.</p> <p>The sum of the percentages across all the industries would sum up to 100%.</p>	Display only
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Market Cap

Field	Description	Mandatory
Asset Class	All the segments of the market capital in which the equity holdings of the selected customer span across are displayed.	Display only
Market Value	<p>Only the securities within the category of equity instrument type are considered for computation.</p> <p>The market value is denominated in customer preferred currency.</p>	Display only
% of total	<p>This is the percentage composition of the segment of market capital under consideration with respect to the total value of all the segments.</p> <p>The sum of the percentages across all the segments would sum up to 100%.</p>	Display only

Screen 2

TAB 1: Displaying the holdings

Field	Description	Mandatory
Selection Radio Button	<p>This button enables the user to opt for a particular holding. On selecting the holding, the corresponding data of the security gets displayed in the second tab in the screen. This facilitates for the modification or deletion of the selected holding.</p> <p> When the CASA/TD or amount based instruments are selected for addition or modification, the system enables the Amount option and disables the Units option in the lower maintenance section.</p>	Display only

Portfolio Name	All the portfolios encompassing all the holdings of the selected customer are displayed.  Portfolios which do not have any holding are not displayed in this screen.	Display only
Instrument type	Displays the instrument type for each of the securities across all the portfolios. The instrument type is displayed as per the data captured in the instrument master table in the database.	Display only
Name	Displays the names of all the securities across all the instrument types and portfolios.	Display only
Market value	Market value is the product of the market price and quantity denominated in the security currency.	Display only

TAB 2: Modification Tab

The functionality of each of the buttons at the bottom of the screen has been explained below

- Add: In order to simulate by adding a new holding, enter the appropriate security particulars in this tab and click the button 'Add'
- Delete: Pick the holding to be deleted in the first tab on this screen. This results in the display of the corresponding security details in the second tab. Proceed to click the button 'delete'.
- Modify: Select the holding to be modified in the first tab on this screen. Modify the quantity /market value of the selected holding. Click the button 'modify' in order to update the changes made.
- Clear: This button assists in undoing the changes made to a selected holding prior to clicking on the 'modify' button.
- Clear List: This button aids in clearing the complete holdings of the selected customer.
- Return: The impact of the changes on the holdings can be analyzed by clicking this button. This button will lead you back to the first screen of the Simulator

Field	Description	Mandatory
Portfolio	The dropdown list displays all the portfolios of the customer including those which are without any holdings.	Yes
Instrument Type	All the instrument types as defined in the Reference Table of the database are displayed in the drop down list.	Yes

Name	<p>This field will be converted into a display field on selection of the instrument types equity, mutual fund, bonds, insurance, commodity or structured product. For the securities under such instrument types, the field will display the name of the security acquired by means of the look up button displayed adjacent to this field.</p> <p>For the securities classified under the instrument type others, PMS, CASA, TD & specialized product this field will be changed into a user enterable field.</p>	Yes
Look Up	<p>Based on the instrument type selected by the user, the search button will be enabled or disabled.</p> <p>On clicking the look up button a pop up window will appear. This pop up window aids in searching the securities under the selected instrument type. The detailed explanation of this security look up screen can be obtained from the section on Miscellaneous functionality.</p>	N/A
Units	<p>To recap, market value is the product of quantity and market price. FCPB provides you the flexibility to simulate with either of the constituents (quantity or price) of the market value.</p> <p>There are two radio buttons in this tab, one adjacent to this field and one adjoining the amount field. Selection of either of the radio button flips the opposite field into disabled or display status. In other words, on selection of the radio button adjacent to this field and entering relevant the units triggers the system to compute the appropriate market value for the units and display it in the amount field. Please note, the system will compute the market value based on the current market price available. Similarly, on selection of the radio button adjacent to the amount field will alter the unit field into a display field.</p> <p>However this principle of flipping the status of the two field's amount and units is available only for the securities under the instrument type Equity, bonds, structured product, commodities and Mutual Fund.</p> <p>This field will be disabled for all the securities under the other instrument types.</p>	Yes

Amount	This price allows the user to simulate with the market price of the existing or new holdings. As mentioned in the details for the preceding field, this field has a radio button adjacent to it. Contrast to the unit's field, this field however is accessible for all the securities under all the types of instrument. However, for the securities under the instrument type Equity, bonds, structured product, commodities and Mutual Fund, on entering the amount, the corresponding value will be displayed in the units field.	Yes
Currency	Similar to the name field, this field also flips between being enabled or disabled depending upon the type of instrument selected. It will be enabled for the securities under the instrument type others. And will be disabled and available as a display field for the securities under other instruments types.	Yes
Region	This field performs in similar manner to the currency field.	Yes
Asset Class	Asset Class field also behaves in similar manner to the currency field..	Yes
Industry	The field 'industry' is pertinent only for securities under the instrument type Equity. This field will display the corresponding industry for the selected security.	Display only
Market Cap	Analogous to the field 'Industry' this field is also pertinent only for securities under the instrument type Equity and will display the corresponding market cap for the selected security.	Display only

Screen 3

Additional Information

Additional information pop-up facilitates the user to view consolidated holdings of the investments in different dimensions i.e. portfolio exposure asset class wise, currency exposure by asset class and geographical exposure by asset class.

Field	Description	Mandatory
Asset Allocation		

Portfolio Name	Displays all the portfolio name of the customer. First row should have recommended asset allocation at customer level and that should be Titled as Recommended Asset Allocation, and all portfolio name to be displayed subsequently	Yes
Asset Class	Displays all the asset classes where customer has some holdings at customer level i.e., if customer has equity holdings in Portfolio A but not in Portfolio B then equity should be shown as asset class, but if customer does not have real estate in any of the portfolio then Real estate should not be displayed as asset class All the values should be displayed in %	Yes
Display %	Displays % of asset class to total holding in that portfolio. Suppose customer holding in Portfolio A is 10,000 and he has 5000 in equity, 2000 in debt and 2000 in Insurance and 1000 in Gems then % to be displayed will be Equity 50%, Debt 20%, Insurance 20% and Gems 10% under portfolio A. Formula to be used will be (Asset class holding / total holding)*100	Yes
Geographical Exposure		
Region	Displays all the region name where customer has holdings	Yes
Asset Class	Displays all the asset class where customer has some holdings at customer level i.e., if customer has Equity holdings in Middle east but does not have debt in that region, even then equity should be displayed but if customer does not have real estate holdings in any region then it should not be displayed	Yes

Display %	Displays % of asset class to total holding in that region. Suppose customer holding in Middle East is 20,000 and he/she has 10000 in equity, 4000 in debt and 4000 in Insurance and 2000 in Gems then % to be displayed will be Equity 50%, Debt 20%, Insurance 20% and Gems 10% under Middle east region. Formula to be used will be (Asset class holding / total holding)*100	Yes
Currency Exposure		
Currency	Displays all the currency name where customer has holdings	Yes
Asset Class	Displays all the asset class where customer has some holdings at customer level i.e., if customer has Equity holdings in Euro but does not have debt in that currency, even then equity should be displayed but if customer does not have real estate holdings in any currency then it should not be displayed	Yes
Display %	Displays % of asset class to total holding in that currency. Suppose customer holding in USD currency is \$20,000 and he/she has \$10000 in equity, \$4000 in debt and \$4000 in Insurance and \$2000 in Gems then % to be displayed will be Equity 50%, Debt 20%, Insurance 20% and Gems 10% under USD currency Formula to be used will be (Asset class holding / total holding)*100	Yes

The user can print a simulation report in PDF format. Report will provide details about the holding details and analysis of simulated portfolio.

3.7 **Portfolio Alerts**

Description:

The alerts facilitate by providing the customer or the Relationship Manager a round-up of all the relevant information about their investments. When the Relationship Manager or the customer creates an alert, the system runs automatic, predefined searches on the portfolio or the instrument or the exposure or the instrument price they specify. The alerts so set up will be

notified either through an email or on their dashboard depending on the notification mode opted by the user.

User Access levels:

RM: The RM has the flexibility to create and maintain alerts across all associated customers. RM can create and maintain alerts across all the portfolios of customer including self managed and held away portfolios. The RM has also been provided with the authority to maintain the alerts created by the customer

Customer: All screens for Customer are same as the RM screens except that there will be no Customer Search. Hence all alerts created under a customer log in will be created for that customer only.

Screen:

The screenshot displays the 'Portfolio Alerts' screen in the FLEXcube Private Banking system. At the top, a navigation bar includes links for Home, Customer, Financial Planning, Order Mgmt, Txn Mgmt, Reports, Tools, My Workspace, and Logout. The user is identified as 'HO HEAD' with a current login of 12/03/2009 10:08 AM and a last login of 12/03/2009 10:07 AM. The breadcrumb trail shows 'Customer > Portfolio > Portfolio Alerts'. Below this, there's a section for 'All Customer' with a checkbox and fields for 'Customer No: 1024' and 'Customer Name: Niranjan Singh'. A table lists alerts with columns for View, Alert Type, Alert Criteria, and Expiry. One alert is shown: 'Absolute portfolio' with criteria 'Return <= 0%' and expiry '20/06/2009'. A note below the table states: 'Note: 1. Highlighted Alert is about to expire. Please click on the hyperlink to renew it. 2. Clicking on All Customer Check Box will allow you to only view the Alerts'. At the bottom, there are tabs for Portfolio, Instrument, Exposure, Instrument Price, and Reminder. The 'Portfolio Performance' section contains dropdown menus for Alert Type, Portfolio Name, Returns %, Delivery Mode, and Applicability, each with a '*' icon. Below these are buttons for Add, Modify, Clear, and Delete.

Figure3.50: Portfolio Alerts Screen

Screen Navigation:

1. After you login, the portfolio alerts screen can be accessed through the Portfolio and Portfolio Alerts sub menu.
2. The screen is also accessible through the Portfolio Maintenance screen. The Portfolio Maintenance screen displays the Market Price with a hyperlink for various instrument types.

The system navigates the user to the Portfolio Alerts screen by clicking on this hyperlink. The alerts screen accessed in such a manner is defaulted to the Instrument Price tab.

How to read the screen:

1. The screen displays three tabs when you arrive at the screen. The first tab is the display tab, displaying the list of all the existing alerts which are currently in force. For an RM login, this tab has an additional column displaying the customer name. The alerts will be displayed in the descending order of their expiry i.e. the alert which is likely to expire earliest, will be displayed at the top. In the event of multiple alerts being displayed on the same date, the system will sort the alerts by the Customer name. This table also displays the type of alert and the criteria for triggering the alert. The user can select an alert by clicking on the radio button provided against the corresponding alert.
2. The second tab will be noticeable only for the RM login. The RM has been provided with the facility to create and maintain alerts across all associated customers. This particular tab enables the RM to search for customers while adding an alert.
3. The third tab has been embedded with multiple tabs within itself. Currently the system facilitates the users to set up the following categories of alerts, namely, Portfolio, Instrument, and Exposure, Instrument price and Reminder alert. Each of the multiple sub-tabs facilitates in defining a particular alert category. In other words, the user can set up alerts for the various categories by picking the corresponding sub-tab..

On accessing the screen the user will be defaulted to the first sub-tab 'Portfolio'. On selection of any of the existing alerts, depending on the type of alert, the corresponding sub-tab of the alert will be displayed along with the other information of the selected alert.

Understanding the screen:

The alerts get triggered on realization of certain pre defined criteria's by the user. To start with, let us first understand how alerts are defined in the system. In the Admin module, the system administrator will predefine the validity and the frequency of running the alerts. This is the foremost step required to be done to configure the alerts. The validity of the alert indicates the time period for which the alert will remain in force and will be computed from the date it is triggered. The period will always be denoted in 'days'. The administrator has been provided with the flexibility to schedule the frequency of running the validations for each type of alert. The system will verify and validate for the alerts depending on the frequency opted by the administrator for the particular alert. Currently the following options are available to the administrator viz., daily, weekly, fortnightly, monthly and quarterly. The system will process the alerts on the last business day of the respective periods.

The alerts will be processed as part of the EOD (End of Day calculation) process. The alerts processing will be initiated after all the daily feeds / files are uploaded and the entire process of performance computations are completed.

The user can set up alerts for the customer provided the customer has at least a holding in respective portfolio. The users of the system viz., the RM and the customer have no restriction on the quantity of alerts maintained by them and hence can set up unlimited number of alerts. Once the alert criteria or condition is met, the alert will be displayed either on the dashboard of the user or sent as an email, depending on the option opted by the user.

Each alert has a validity associated to it. Five days prior to the expiry of the alert, a message indicating the expiry of the alert will be presented on the dashboard of the user. Please note that the expiry will be displayed as a system alert. Such expiry messages will have a hyperlink beneath the message. On clicking the hyperlink the user will be automatically guided to the alert maintenance screen. In the alert maintenance screen, all the alerts which are due to expire will have the expiry date in the column 'Expiry' of the first display tab highlighted in red color. The expiry date is displayed with the hyperlink. The user can renew the alert by clicking on the hyperlink, when selected the alert will be renewed for an additional validity period as defined by the administrator for the corresponding type of alert. The screen will get refreshed and new expiry date for the alert will be displayed.

Failure to renew the alert will result in the deletion of the alert from the system after the expiry date.

Let us now proceed to understand each field displayed in the screen. For ease of the readers each tab on the screen has been elucidated one by one.

The table below describes the fields displayed in the first tab.

Field	Description	Mandatory
All Customer	If this check box is selected, it enables the user to view all the alerts set customer wise and for entire hierarchy	N
Customer No and Name	If the RM selects the single customer to view the portfolio alerts then system displays the Customer No & Name at the top of the Portfolio Alerts screen.	Display only
Alert Type	The various categories under which the alerts have been characterized are displayed in this column.	Display only
Alert Criteria	The condition opted by the customer to trigger the alert will be displayed in this column.	Display only
Expiry	<p>This field displays the expiry date of the alert. Each category of alert has validity depending on the period defined by the administrator. Five days prior to expiry an expiry notification message is displayed to the user and at the same time the expiry date in this column will be highlighted in red color. The date is also displayed with hyperlink facilitating the user to renew the date on click of the hyperlink. When the user clicks on the renewal hyperlink, the screen is refreshed and the new expiry date is displayed.</p> <p>Failure to renew an alert, will result in the expiry of the alert and the alert will be deleted from the system in the EOD cycle run on the expiry date.</p>	Display/ link for the alerts which are due to expire

There is a message displayed below the table informing the users about the expiry of the highlighted alerts and requesting them to click on the hyperlink in order to renew the alert.

Portfolio:

Let us now proceed to understand each of the multiple sub tabs displayed in the third tab. The first of them and the default one being 'Portfolio'

The screenshot displays the 'Portfolio Alerts - Portfolio Screen'. It features a tabbed interface with the following tabs: Portfolio, Instrument, Exposure, Instrument Price, and Reminder. The 'Portfolio' tab is active. Below the tabs, there is a section titled 'Portfolio Performance'. This section contains several dropdown menus and a text input field: 'Alert Type' (set to 'Absolute'), 'Portfolio Name' (set to 'ST Rebal 3'), 'Returns %' (set to '>= 10'), 'Delivery Mode' (set to 'Dashboard'), and 'Applicability' (set to 'Both'). At the bottom of this section, there are four buttons: 'Add', 'Modify', 'Clear', and 'Delete'.

Figure 3.51: Portfolio Alerts – Portfolio Screen

The alert defined in this category assists in tracking the performance of the individual portfolios of the customer or of the customer itself. The fields displayed in the tab have been elaborately discussed in the table below

Field	Description	Mandatory
Alert Type	<p>Each category of alert has further various types of alerts defined under them. The Portfolio performance currently has two types of alerts viz., relative performance and absolute performance. These types of alerts are displayed as a list of drop down values. The screen defaults to absolute type of alert.</p> <p>Absolute: Alert will be generated if the inception to date performance of the portfolio or overall client performance meets criterion defined in the alert.</p> <p>Relative: This type of alert compares the inception to date portfolio performance or overall customer performance relative to the defined respective benchmark, and if this difference (Actual – Benchmark) meets the criterion defined, the alert is generated.</p>	Y

Portfolio Name	The list of all the portfolios associated to the customer will be displayed in this field. The list will be available as drop down value for choosing. Please note that for a customer login, only the portfolios categorized as 'Self Managed' and 'Held Away' will be available in the drop down list. Apart from the portfolios, the user, irrespective of whether RM or Customer will be displayed with an additional value 'Aggregate Portfolio' in the drop down list. Opting for this option will result in setting of an alert for the consolidated performance across all the portfolios of the customer.	Y
Returns %	<p>This field captures the trigger criteria for the opted category and type of alert. There are two field displayed against this field.</p> <p>The first field has been provided to opt for the various mathematical conditions viz., less than '<', less than equal to '<=', greater than '>', greater than equal to ">=" and equal '='. All these options have been provided as list of drop down values for the user to opt.</p> <p>The next field has been provided for the user to enter values. Please note that the values denote in percentage. The value captured in this field denotes the threshold limit for triggering the alert.</p> <p>Let us understand this field with an example</p> <p>In the condition field the user opts for '<' and captures the value 15 in the percentage field. Hence for the defined alert, a performance of less than 15% will trigger the alert.</p>	Y
Delivery Mode	The Private Banking offers its customers with flexibility to opt for various modes of receiving the alerts. The user can either opt for email intimation, or an alert on the dashboard or even opt for both. All the three options are available to the user as list of values in the drop down field. The email mode will however be displayed as a default value on accessing the screen.	Y
Applicability	Enables the user to select the appropriate recipients for the alerts using the option from the drop-down list.	Y

Instrument:

The second tab 'Instrument' enables the user to define performance alerts at an instrument level. The various fields displayed in this tab have been elucidated in the table given below:

The screenshot shows a web application interface for setting portfolio alerts. At the top, there are tabs: Portfolio, Instrument, Exposure, Instrument Price, and Reminder. The 'Instrument' tab is selected. Below the tabs is a section titled 'Instrument Performance'. It contains several input fields: 'Instrument Name' with a dropdown menu showing '3i Infotech Limited', 'Portfolio Name' with a dropdown menu showing 'ST Rebal', 'Returns %' with a dropdown menu showing '>' and a text input field with '0', 'Delivery Mode' with a dropdown menu showing 'All', and 'Applicability' with a dropdown menu showing 'Both'. At the bottom of this section are four buttons: 'Add', 'Modify', 'Clear', and 'Delete'.

Figure 3.52: Portfolio Alerts – Instrument Screen

Field	Description	Mandatory
Instrument Name	All the list of customers holdings across all his portfolios are displayed in this field. However, for a customer login the list will be restricted to the extent of his holdings in Self Managed and Held Away portfolio.	Y
Portfolio Name	On selection of a particular instrument, the portfolio in which the holding is held will be displayed in this field. In case the same holding is held by the customer in multiple portfolios, the list of the multiple portfolios will be displayed as a drop down list. The user can opt for the relevant portfolio for which he/she intends to set the alert.	Y
Returns %	This field is analogous to the one described for the tab 'Portfolio'.	Y
Delivery Mode	There are three types of Delivery Mode as explained above in Portfolio tab, i.e. dashboard, e-mail, and both.	Y
Applicability	Enables the user to select the appropriate recipients for the alerts using the option from the drop-down list	Y

Exposure:

The third tab has been provided to delineate alerts on exposures. These alerts can be set and tracked on different dimensions of the customer's holdings viz., industry, currency region, market capitalization and instrument type. The alert for a particular exposure will be triggered when the when the percentage of holdings in a particular subordinate dimension meets the set criteria. To recap, the percentage of holding in a particular subordinate dimension can be deduced by dividing the market value of a particular subordinate dimension under consideration, with the total market value of the dimension and then multiplying the value with 100. For example the exposure of the customer's holdings in pharmaceutical industry can be determined by dividing the market value of the holdings in pharmaceutical industry with the total market value of the holdings across all the industries. The screen shot of the tab 'Exposure' is as given below:

Screen:

Figure 3.53: Portfolio Alerts – Exposure Screen

The various fields displayed in this tab have been elucidated in the table given below

Field	Description	Mandatory
Exposure Type	<p>There are two selectable fields provided for opting for the exposure type. The first field enables to opt for the various dimensions of holdings. The list of values displays industry, currency, region, market capitalization and instrument. These values will be displayed as drop down list.</p> <p>On opting for a particular dimension, the list of values in the adjacent field will get updated to display the corresponding subordinate dimensions. However, the subordinate dimensions so displayed will encompass across the current holdings of the customer. In other words, only those subordinate dimensions in which the customer has holdings will be displayed in this field. All the values will be displayed as a drop down list for the customer to opt.</p>	Y

Exposure %	<p>This field is analogous to the one described for the tab 'Portfolio'.</p> <p>This field captures the trigger criteria for the opted category and type of exposure. There are two field displayed against this field.</p> <p>The first field has been provided to opt for the various mathematical conditions viz., less than '<', less than equal to '<=', greater than '>', greater than equal to ">=" and equal '='.</p> <p>All these options have been provided as list of drop down values for the user to opt.</p> <p>The next field has been provided for the user to enter values. Please note that the values denote in percentage. The value captured in this field denotes the threshold limit for triggering the alert.</p> <p>Let us understand this field with an example</p> <p>In the condition field the user opts for '<' and captures the value 15 in the percentage field. Hence for the defined alert, an exposure of less than 15% will trigger the alert.</p>	Y
Delivery Mode	There are three types of Delivery Mode as explained above in Portfolio tab, i.e. dashboard, e-mail, and both.	Y
Applicability	Enables the user to select the appropriate recipients for the alerts using the option from the drop-down list	Y

Instrument Price:

The fourth tab of Portfolio Alerts is provided to set the alerts for Instrument Price. The alerts defined in this category assist the user to track the instrument market price variation on day to day basis.

The screenshot displays the 'Instrument Price' tab within the 'Portfolio Alerts' interface. The tabs at the top are 'Portfolio', 'Instrument', 'Exposure', 'Instrument Price' (active), and 'Reminder'. The main content area is titled 'Instrument Price' and includes the following fields:

- Alert Type:** A dropdown menu set to 'Price %'.
- Instrument Name:** A text field containing 'Dr Reddy'S Laboratories Limited'.
- Price Percentage:** A dropdown menu set to 'INCREASED BY' followed by a text field containing '10'. A note in parentheses says '(For e.g. 10%, enter value 10)'.
- Last Traded Price:** A text field containing '200'.
- Delivery Mode:** A dropdown menu set to 'Dashboard'.
- Applicability:** A dropdown menu set to 'Both'.

At the bottom of the form are four buttons: 'Add', 'Modify', 'Clear', and 'Delete'.

Figure 3.54: Portfolio Alerts – Instrument Screen

If the Portfolio Alerts screen is accessed through the Portfolio Maintenance screen, it displays the existing alerts of the selected customer with Instrument Price as the default tab. In this case,

system displays the same instrument name in the Instrument Name field as in the Portfolio Maintenance screen whose market price was clicked.

The fields displayed in the tab have been inscribed in the table below:

Field	Description	Mandatory
Alert Type	Enables the user to track the instrument price in terms of percentage and amount by using the appropriate option from the Alert Type drop-down list.	Y
Instrument Name	Enables the user to select the appropriate instrument name using the search icon for which alert is to be set.	Y
Price Percentage	Enables the user to select the appropriate option from the list to set the alerts. The alerts can be set for increase or decrease in price percentage.	Y
Last Traded Price	Once the user selects the instrument name, the system auto-populates the last traded price for that instrument	Y
Delivery Mode	Enables the user to select the appropriate delivery mode for Instrument Price alerts	Y
Applicability	Enables the user to select the appropriate recipients for the alerts using the option from the drop-down list	Y

Reminder:

The last and final tab of Portfolio Alerts is Reminder. For Reminder alert in view table 'Expiry' column details would be displayed blank.

Figure 3.55: Portfolio Alerts – Reminder Screen

The fields displayed in the tab have been inscribed in the table below:

Field	Description	Mandatory
Date	Enables the user to select the appropriate date using the calendar icon till which the alerts are required to be generated	Y
Description	Enable the user to enter the appropriate description of the alert to be set in the Description text box	Y
Delivery Mode	Enables the user to select the appropriate delivery mode for Reminder alerts	Y
Applicability	Enables the user to select the appropriate recipients for the alerts using the option in the drop-down list	Y

3.8 **Portfolio Rebalancing**

Description:

Portfolio rebalancing is a powerful risk-control strategy. The Risk and Return characteristics of a portfolio are determined by the asset allocation. As different asset classes produce different returns, the portfolio's asset allocation and risk-return characteristics change accordingly. In order to reinstate the original asset allocation, portfolio is required to be rebalanced.

Rebalancing is always done either against a chosen model allocation or an advisor will devise a custom portfolio rebalancing strategy and select the individual instruments for rebalancing.

While rebalancing against a model, the system compares the existing portfolio against the model and draw up a list of trades to be executed to realign the portfolio. In case of custom rebalancing, the advisor looks at the portfolio and decides the rebalancing strategy.

However, the current functionality is limited to generating a rebalancing report and does not support rebalancing for order generation.

User Access levels:

RM: Only the RM has the facility to view & maintain the for Portfolio Rebalancing details

Screen:

ORACLE
FLEXCUBE Private Banking

User: HOHEAD Current Login: 30/03/2012 11:18 AM Last Login: 30/03/2012 10:51 AM

Home Customer Financial Planning Order Mgmt Txn Mgmt Reports Tools My Workspace Logout

Customer > Portfolio > Portfolio Rebalancing

Customer No: 1017 Customer Name: R1

Choose Portfolio Name: RM Managed-RM USD Choose Model Portfolio: Moderate Asset Alloc

Increase/Decrease Portfolio to: 1621923.041290106193

* The Amount will be ignored when System Generated Transactions are modified.

Rebalance

Select	Instrument	Qty Held	CCY	Mkt Price	Mkt Value in USD	% in Portfolio	Rebalancing Qty	New Qty	New Mkt Value in USD	New Weightage	STCG in USD	LTCG in USD
<input type="radio"/>	HDFCTop200	NA	USD	NA	114,700.00	9.60	NA	NA	0.00	0.00	113,700.00	0.00
<input type="radio"/>	HDFCTop200	NA	USD	NA	745,550.00	62.42	NA	NA	0.00	0.00	577,300.00	0.00
<input type="radio"/>	TimeDeposit-USD	NA	USD	NA	100.00	0.01	NA	NA	0.00	0.00	-	-
<input type="radio"/>	TimeDeposit-USD	NA	USD	NA	8,073.92	0.68	NA	NA	0.00	0.00	-	-
<input type="radio"/>	TimeDeposit-USD	NA	USD	NA	0.00	0.00	NA	NA	0.00	0.00	-	-

Instrument Type: Select Name: Units: Amount: Market Cap: Exchange Rate:

Transaction: Buy Inst. Currency: Asset Class: Industry: Region:

Add Modify Delete Clear Check Exposure Print

Figure 3.56: Portfolio Rebalancing Screen

Screen Navigation:

After you login as an RM user, select Customer → Portfolio → Portfolio Rebalancing.

The fields have been briefly described below:

Field	Description	Mandatory
Customer No	Displays the customer number of the customer selected for rebalancing. The system also displays the Customer Details icon next to this field.	Y
Customer Name	Displays customer name	Y
Choose Portfolio Name	Displays the portfolio name along with portfolio type for which rebalancing is to be done	
Choose Model Portfolio	This drop-down list displays the list of all the model portfolios available. The drop-down list will be defaulted to the model selected by the user while doing Risk Model Profiling.	Y


Increase/Decrease Portfolio to	Enables the user to enter the amount to which the rebalancing is required to be done in order to invest additional funds or withdraw funds from the portfolio. This field will be defaulted to the current market value of the selected portfolio.	Y
Rebalance	This button is inactive when the customer navigates to the screen and will get activated once the user changes the choice of either 'Choose Portfolio Name' or 'Choose Model Portfolio' from their respective drop-down lists.	
Rebalancing Display Grid		
Select	Enables the user to select the record for modification using the radio button	
Instrument	Displays the instrument name which is a part of rebalancing	
Qty Held	Displays the quantity held for the instrument	
CCY	Displays the instrument currency	
Mkt Price	Displays the last available market price of the instrument	
Market Value in (portfolio currency)	Displays the market value of the instrument in portfolio currency based on last market price and qty held	
% of Portfolio	Displays the instruments holdings as a % of portfolio	
Rebalancing Qty	Quantity to be sold/bought to bring the instrument's weight back to the model portfolio's weight	
New Qty	Quantity remaining after rebalancing	
New Market Value in (portfolio currency)	Market value of the new qty at the last market price in portfolio currency	
New Weightage	<p>New quantity weight as a % of portfolio.</p> <p>The sum of the New Weightage column should always add up to 100%. If the total is not equal to 100%, system displays an error message while clicking on the 'Check exposure' or 'Print Orders' button saying "The New Weightage Column must add up to 100%".</p>	
STCG in (portfolio currency)	STCG(Short Term Capital Gain) for the selected instrument arising out of rebalancing transaction	
LTCG in (portfolio currency)	LTCG(Long Term Capital Gain) for the selected instrument arising out of rebalancing transaction	

Rebalancing Modification & New entries form		
Instrument Type	Enables the user to select the appropriate Instrument Type from the drop-down list	
Name	Enables the user to select the instrument name using the search icon	
Transaction	Enables the user to select the transaction type from the list	Y
Units	Enables the user to enter the units for the transaction	Y
Amount	Once the user selects the units, the system auto-populates the amount field. In case of instruments for which transaction is not possible in units, enables the user to enter the appropriate amount of transaction. For eg. Insurance instrument type.	Y
Inst Currency	Once the user selects the instrument, system auto-populates this field.	Y
Asset Class	Once the user selects the instrument, system auto-populates this field.	Y
Exchange Rate	Displays the exchange rate for instrument currency to portfolio currency conversion	Y
Market Cap	Once the user selects the instrument, system auto-populates this field.	Y
Industry	Once the user selects the instrument, system auto-populates this field.	Y
Region	Once the user selects the instrument, system auto-populates this field.	Y

When the user selects Portfolio Rebalancing submenu option, the system first forces the user to select the appropriate customer by displaying the Customer List screen if it is not selected earlier. Once the user selects the customer, the Portfolio Rebalancing screen appears.

The Portfolio Screen is divided into three sections. The first section displays the details such as customer no, name, default portfolio name and amount, and the default model portfolio.

The second section is also a display section and displays the rebalancing transactions of the default portfolio against default model for the selected customer's risk score. The user can also change the portfolio from the Choose Portfolio Name and/or model portfolio from the Choose Model Portfolio to rebalance. After selecting the appropriate portfolios from the first section, the

user can click on the  button to view the new rebalancing details for the corresponding portfolios.

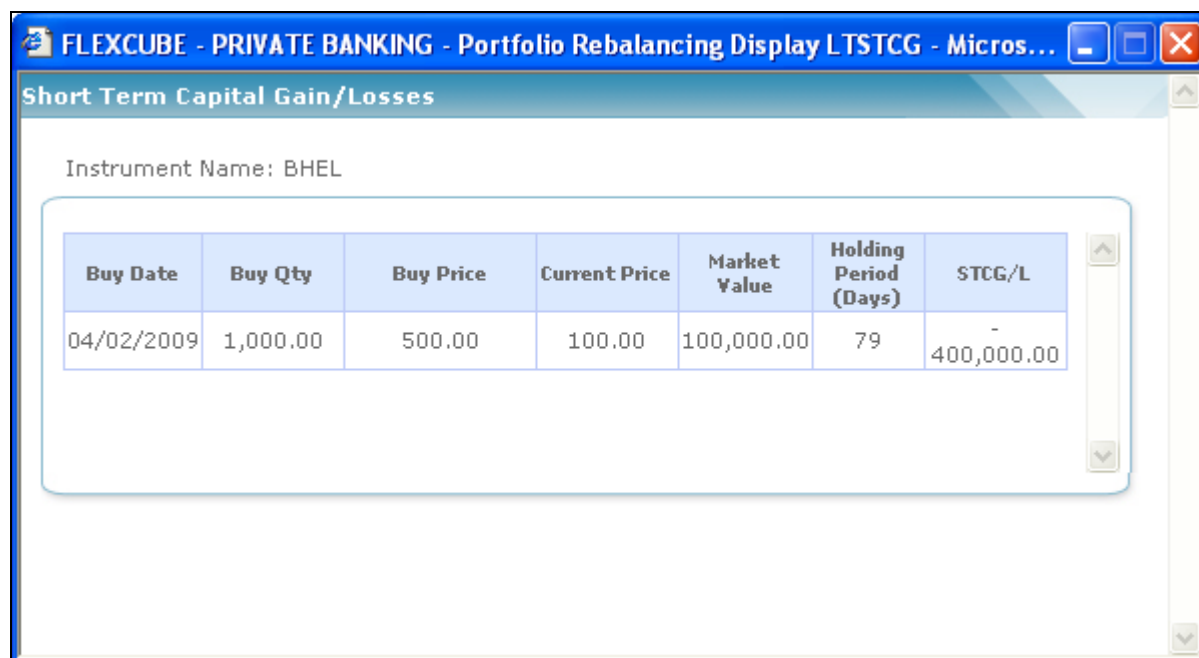
The FCPB system also supports the Portfolio Rebalancing for the portfolio having instruments in multiple currencies as well as against the model having multicurrency instruments.

STCG & LTCG:

The hyperlinks under STCG and LTCG columns display the pop-up windows while clicking on them and give the STCG & LTCG computation details for the selected orders.

The sell orders for rebalancing are generated based on FIFO method. Therefore if a sell quantity spans multiple buys, the STCG/LTCG hyperlinks will display gains/loss computation for each buy transaction separately and displays the market value in instrument currency wherein the main rebalancing screen displays the market value in portfolio currency. The figure displayed in the main orders screen is the net gains/loss figure.

Rebalancing is also done only for the unitized instruments, not for Amount based instruments like Others, PMS, Insurance etc. Also instrument types Futures & Options are not considered as a part of rebalancing.



Buy Date	Buy Qty	Buy Price	Current Price	Market Value	Holding Period (Days)	STCG/L
04/02/2009	1,000.00	500.00	100.00	100,000.00	79	- 400,000.00

Figure3.57: Short Term Capital Gain/Losses Screen

The third and final section of the screen enables the user to add/modify/delete the rebalancing orders and the system recalculates all the rebalancing details for these newly entered orders.

The **Check Exposure** button enables the user to analyze the holdings in terms of asset class, instrument type, instrument group, industry, and market capitalization. Also, the rebalancing report can be viewed by clicking on the **Print** button.



If the customer has placed Buy/Sell restrictions on any of the instruments in the portfolio then the system does not allow the user to do any transaction for those instruments while rebalancing the portfolio.



The system does not allow the user to rebalance a portfolio against a model with higher risk ranking than the current one.



Rebalancing is done only for unitized instruments and not for the amount based instruments like Others, PMS, Insurance, TD, CASA etc. Also instrument types Futures & Options are not considered for rebalancing.

3.9 **Line Management**

The Line Management feature of FCPB system enables the user to create a new line, modify an existing one or extend the maturity of already existing line. The line created is used exclusively for Deliverable Forwards (DFO) and Non Deliverable Forwards (NDF) trades.

3.9.1 **Creation/ Modification**

Description:

The Creation/Modification screen of Line Management is used to create a new line or modify an existing line.

User Access levels:

RM: Only the RM has the facility to create or modify the Line Management details.

Screen:

ORACLE
FLEXCUBE Private Banking

User: HO HEAD Current Login: 13/09/2011 3:57 PM Last Login: 13/09/2011 2:51 PM

Home Customer Financial Planning Order Mgmt Txn Mgmt Reports Tools My Workspace Logout

Customer > Line Management > Creation / Modification

Product Line: DFO/NDF Customer Name: David Smith

Product Line	CCY	Line Amount	Collateral % Required	Collateral Required	Line Initiation / Last Modification Date	Authorized Tenor	Authorized Maturity Date	Line Utilization Amount	Line Available Amount	Availability Status	Authorization Status
DFO/NDF	USD	1000000	30	300000	01/01/2011	365	31/12/2011	0	1000000	Available	Authorized

Line Initiation / Last Modification Date: 01/01/2011 Line Authorization Date: 01/01/2011

Product Line: DFO/NDF Currency: USD

Line Amount: 1000000.00 Collateral % Required: 30

Collateral Required: 300000.00 Collateral Available: 400000.00

Authorized Tenor: 365 Authorized Maturity Date: 31/12/2011

Requested Tenor: 305 Requested Maturity Date: 31/10/2011

Line Utilization Amount: 0.00 Line Available Amount: 1000000.00

Comments: Line Limit created for Customer '1111'

Approver's Comments:

Add Modify Clear

Figure 3. 58: Line Management: Creation/Modification Screen

Screen Navigation:

After you login as an RM user, select Customer → Line Management → Creation/Modification

The fields have been briefly described below:

Field	Description	Mandatory
Line Initiation/Last Modification Date	Initiation Date for new line and Last Modification Date for modified line	Y
Line Authorization Date	Last Authorization Date for the Line	Y
Product Line	Name of the product for which line limit is being created/modified.	Y
Currency	Currency in which Line Limit is given	Y
Line Amount	Total Amount of the Line Limit against the product	Y
Collateral % Required	Collateral % Required for NDF/DFO	Y
Collateral Required	Collateral required to support the line limit	Y
Authorized Tenor	Authorized Tenor of an existing line	N

Authorized Maturity Rate	Authorized maturity date of an existing line	N
Requested Tenor	Requested Tenor	Y
Requested Maturity Rate	Requested Maturity date	Y
Line Utilization Amount	Line Utilization Amount	Y
Line Available Amount	Line Available Amount	Y
Comments	This field would be used by the user to input comments against the creation of Line Limit for the customer.	N
Approver Comments	This field displays approvers comments	N

3.9.2 **Line Extension**

Description:

The Line Extension screen of Line Management is used to extend the maturity of an existing line.

User Access levels:

RM: Only the RM has the facility to extend the Line Management details.

Screen:

ORACLE
FLEXCUBE Private Banking

User: HO HEAD Current Login: 13/09/2011 3:57 PM Last Login: 13/09/2011 2:51 PM

Home Customer Financial Planning Order Mgmt Txn Mgmt Reports Tools My Workspace Logout

Customer > Line Management > Extension

Product Line: DFO/NDF Customer Name: PANCH05

Select	Product Line	Currency	Line Amount	Collateral % Required	Collateral Required	Line Initiation/Last Modified Date	Authorized Tenure	Authorized Maturity Date	Line Utilization Amount	Line Available Amount	Availability Status	Authorization Status
<input type="radio"/>	DFO/NDF	USD	450000	30	135000	28/04/2011	300	22/02/2012	0	450000	Available	Authorized

Line Initiation/Last Modified Date: 25/08/2011 Line Authorization Date:

Product Line: DFO/NDF Currency: USD

Line Amount: Collateral % Required: 30

Collateral Required: Available Collateral: -135000

Authorized Tenure: Authorized Maturity Date:

Requested Tenure: Requested Maturity Date:

Line Available Amount: 0 Line Utilization Amount: 0

Comments:

Approver's Comments:

Figure3. 59: Line Extension Screen

Screen Navigation:

After you login as an RM user, select Customer → Line Management → Extension

The fields have been briefly described below:

Field	Description	Mandatory
Line Initiation/Last Modification Date	Initiation Date for new line and Last Modification Date for modified line	Y
Line Authorization Date	Last Authorization Date for the Line	Y
Product Line	Name of the product for which line limit is being created/modified.	Y
Currency	Currency in which Line Limit is given	Y
Line Amount	Total Amount of the Line Limit against the product	Y
Collateral % Required	Collateral % Required for NDF/DFO	Y
Collateral Required	Collateral required to support the line limit	Y

Authorized Tenor	Authorized Tenor of an existing line	N
Authorized Maturity Rate	Authorized maturity date of an existing line	N
Requested Tenor	Requested Tenor	Y
Requested Maturity Rate	Requested Maturity date	Y
Line Utilization Amount	Line Utilization Amount	Y
Line Available Amount	Line Available Amount	Y
Comments	Enables the user to input comments against the creation of Line Limit for the customer.	N
Approver Comments	This field displays approvers comments	N

4. Transaction Management

4.1 Introduction

FLEXCUBE Private Banking (FCPB) makes it possible to trade and process Equity and Mutual Fund transactions accurately in real time.

While FCPB facilitates order management for Equity, Mutual Funds, Insurance, SP & Alternatives and PMS, it supports transaction management for all asset classes including bonds, arts, gems, metals and real estate. This product provides all of the tools FCPB needs for the entire transaction processing purchase, sale, and corporate action to computation of accrued interest. Designed from inception as a global system, FCPB provides full multi-currency capabilities.

Key Benefits

- Comprehensive instrument coverage for capturing the transactions for all security types
- Full support for multi-currency transactions
- Pre-trade compliance checking
- Electronic order routing and trade execution for Equity and Mutual Funds
- Supports online review of transaction history

Understanding Transaction Management

To recap what we had explained in the section on Portfolio Valuation, the customer has the option of creating multiple portfolios under the type Self Managed, Discretionary and Held Away. Whereas as an RM, the user has the opportunity of creating multiple portfolios under the category 'RM Managed', 'Discretionary', 'Held away' and 'Self Managed'. Customer can place orders into portfolios of type discretionary and self managed only, but transaction capture can be done into the discretionary and held away portfolios.

On the other hand, though the Self Managed portfolio is intended to be managed by the customer independently; as an RM, you can create as well as transact on behalf of the customer in his/her 'Self Managed' portfolio. The Held Away portfolio facilitates in capturing the holdings which are held away from the bank. With the inclusion of held away assets the user can have a single consolidating view of customer's entire holdings.

The FCPB currently facilitates trade order management only for the securities under the instrument type Mutual Fund, Equity, Structured Products & Alternatives and PMS. The trade affiliated orders can be initiated either through the Order Management screen. For a new security to be included in the portfolio, the user has to navigate through the Order Management screen. Please note that the user as an RM can trade only through the RM Managed and Self Managed Portfolios.

For all the other securities classified under various other instrument types, the user can capture the post trade transactions into the relevant portfolios.

The corporate action related data for the RM Managed and the Self Managed portfolios will be received as data imports from an external interface. However, the user has been provided with the facility to update the data pertaining to corporate action exclusively for the Held Away portfolio with the exception of bonds where in you can update the interest related corporate action data to all the portfolios.

Whenever a transaction is accounted in a 'Corpus portfolio' i.e. Discretionary portfolio and for an instrument other than 'Corpus', either through upload or data entry screen, system passes the corresponding contra entry against 'Corpus' instrument to adjust the corpus balance. This is explained in detail in Managed Accounts section.

4.2 **Equity Order Management**

Description:

Equity represents a share of ownership in a corporation. As a unit of ownership, equity typically carries voting rights that can be exercised in corporate decisions. An owner of a company's equity is also entitled to share in the profits of that company. This participation usually takes place in two ways:

1. A dividend (distribution of earnings) paid by the company to the share owners
2. An appreciation in the price of the stock (capital gain) generated by the future prospects of the company

Equity has no maturity date; the shareholders are entitled to these earnings for as long as they own the shares and the company is in business.

Equity Markets:

An equity (or stock) market is the place where companies issue shares of stock and investors purchase and sell these shares. These markets usually have three types of participants:

1. Investors
2. Issuers
3. Financial intermediaries: brokers and dealers

Essentially, **investors** have capital and need opportunities to invest; **issuers** need capital. Brokers and dealers are financial intermediaries. **Brokers** arrange for the issuers and investors to complete a deal; **dealers** purchase securities from issuers and sell them to investors.

Equity Market Transactions

There are essentially three types of transactions in the equities market:

1. An initial public offering,

2. A seasoned offering (both 1 and 2 are **primary market transactions**), and
3. An investor-to-investor sale of securities.

Primary Market Transactions

Initial Public Offering (IPO): In an initial public offering, a privately-held company offers shares in the company through the equity markets for the first time. This is often referred to as "taking a company public."

Seasoned Offering: A company offers additional shares to investors after the initial public offering. This is called a "seasoned" offering because shares of the company have been listed on an exchange and have been trading for some time.

IPOs and seasoned offerings are referred to as primary market transactions because companies sell stock directly to investors.



FCPB currently does support for purchasing securities through IPO.

Secondary Market Transactions

Investor-to-investor Transactions: The third type of equity market transaction is the sale of a company's stock by one investor to another. The company does not receive or pay any money in this transaction, so it is often referred to as a secondary market transaction.

For example, if one investor sells 100 shares of General Motors stock to another investor through an exchange, it is considered a secondary market transaction and has no effect on General Motors' balance sheet.


There are various methods of buying stocks in the secondary market. The most common means is through a stock broker. Most trades are actually done through brokers listed with a stock exchange. There are several markets (or exchanges) to buy and sell equity securities. A company's stock must be accepted for trading, or "listed," on a particular exchange. This acceptance is based on the ability of the company to meet certain minimum size requirements and also on the amount of capital the company has raised in the public markets.


Selling stock is procedurally similar to buying stock. Generally the investor wants to buy low and sell high, although a number of reasons may induce an investor to sell at a loss, e.g., to avoid further loss.


The investor enters the orders through the FCPB which interfaces to a trading network through an external broker system. The trading system operates on a strict price time priority. All the orders received on the system are sorted with the best priced order getting the first priority for matching i.e., the one that came in early gets priority over the later one. Best price for a sell order is the lowest price and for a buy order, best price is the highest price. Time priority means that if two orders having the same price are entered, then the order that is entered first gets the higher priority.

Orders are matched automatically by the system. Where an order does not find a match, it remains in the system till a fresh order comes in or the earlier order is cancelled or modified. The status of the order can be monitored through the Order Book of the FCPB.


The FCPB trading system provides tremendous flexibility to the users in terms of kinds of orders that can be placed on the system. Several time related (day, immediate or cancel) or price related (buy/sell limit and stop loss orders).

 Every order initiated through the FCPB will have a unique transaction id associated to it. The FCPB assumes that this identification would be a common interfacing attribute between the external broker system and the FCPB.

 If updating the risk score is mandatory in the bank parameters screen, then risk score of a client needs to be updated in FCPB before placing any order, else the system will display error and the user will not be able to place orders. This is applicable to all order capture screens.

 Exception approval can be taken from the designated authorities to place an order when the risk profile of the client is not updated and the approval is valid only for a day.

 Any order placed from customer login will display an order confirmation screen.

 If the restrictions are found while placing the order, system does not allow the user to place the order and displays an appropriate error message using the exception framework. These restrictions are validated only for Buy and SIP orders.

4.2.1 Equity Order Capture

User Access levels:

RM: The can place orders for the RM Managed and Self Managed portfolios. The Held away and Discretionary portfolios will not be displayed in the screen for a RM login.

Customer: can place orders only for his/her Self Managed portfolios. The other portfolios will not be displayed for other a Customer login in the Order Management screens.

Screen:

ORACLE
FLEXCUBE Private Banking

User: HOHEAD Current Login: 30/03/2012 12:36 PM Last Login: 30/03/2012 12:36 PM

Home Customer Financial Planning Order Mgmt Txn Mgmt Reports Tools My Workspace Logout

Order Mgmt > Equity > Order Capture

Customer Details

Customer No: 1011
 Customer Name: Niraj Singh
 Portfolio Name: RM Managed
 Source Code:
 Lead Generation Code:

Security Details

Security Name: Equity Axis Mac
 Security Code: EQAXISMAC
 Currency: INR
 Last Traded Price: 500.1
 Exchange:
 Custody Fee (%):
 Settlement Currency: INR
 Security Sub Type: Equity
 Holding Quantity:

Order Details

Trade Date: 16/04/2012
 Transaction: Buy
 Quantity: 400
 Order Type: Market Order
 Time Condition: Timed Order
 Counterparty Name:
 Transaction fee (including taxes and surcharge): 0
 Amount: 200040
 Broker Commission:
 Security Fee: 0
 Profit: 0
 Total Amount: 200040
 Settlement Date: 30/04/2012
 Disclosed Quantity: 400
 Trigger Price: 500.1
 Expiry Date: 30/03/2012
 Counterparty Ref. No.:

Description:

Account Details

DP ID-Client ID: 0-CRN1234567
 Bank Account: 1-INR
 Comments:

Submit Clear

Figure 4.1: Equity Order Capture Screen

Screen Navigation:

Entry to the screen:

Option 1

Select the “Order Management” option on the main menu

→ Equity → Order capture



In case, you proceed to the Maintenance screen without selecting a customer, the system will force you to select a customer in the customer selection screen before automatically guiding you back to the Portfolio Management screen.

Rules for commencement of an Order:

- Orders can be placed only for customers in active status.
- For initiating an order the customer should have either an RM portfolio or a Self Managed portfolio coupled to his id.

- The electronic trading account identification of the customer also needs to be updated in the FCPB prior to initiating an order.
- Similar to the electronic account information the customer also needs to include the particulars of his bank account in the FCPB prior to order initiation.


Procedure for placing of an Order:

Step 1:

If the user is navigating to the Order Capture screen for the first time after logging in to the system, the system forces to select a customer in the customer selection screen.

On the other hand, if the user is navigating to the screen from any other screen, the system auto-populates the name, no. and default portfolio name of the customer which is already in context.



To change the customer, the user needs to click on the  icon located at the top right hand side corner of the screen.


If the Income Tax ID Required and Risk Profiler Mandatory options are set to Yes in the Instrument Type screen of Admin login and the corresponding details for the selected customers are not updated, then the system displays the appropriate messages and will not allow the user to place the order.


Step 2:

RM – Subsequent to selecting the customer, the Portfolio Name drop-down list defaults to the default portfolio of RM Managed portfolio type. It is mandatory for the RM to decide on the appropriate portfolio prior to placing the order.


Customer – For a customer login, the 'Portfolio Name' is the first field displayed in the Order Capture screen. The 'Portfolio Name' field will display the list of Self Managed portfolios.


Step 3:

Click the  icon next to the Source Code field.

When the user clicks on the  icon next to the Source Code field, the Banker Source Code Search window appears. Enter the appropriate search criteria in the respective fields to search for the Source Code.


Step 4:


Click the  icon next to the Lead Generation Code field.

When the user clicks on the  icon next to the Lead Generation Code field, the Banker Lead Code Search window appears. Enter the appropriate search criteria in the respective fields to search for the Lead Generation Code.

Step 5:

The subsequent step is to capture the security details. For placing the order, the user has to select the security and the exchange in which he wants to transact.

The user can select the security by using  icon as explained in general characteristics section.

 The security search screen displays only securities which are in open status and which are approved by the bank. Securities which are suspended from trading will not be displayed in the search screen.

The user can view the Recommended instruments, Focussed instruments, House Views details and Instrument Analytics details by clicking on the respective icons next to the Security ID field as explained in General Characteristics section.

On picking a security through the search screen, the security name and currency get displayed in the subsequent 'Security Name', 'Currency', 'Settlement Currency', 'Last Traded Price', 'Security Sub Type', 'Holding Quantity' and Custody Fee fields in the order screen.

Step 6:

A company may have its stock listed on more than one exchange. Hence on selecting the security all the exchanges in which the security is listed are displayed in the drop down list. The user has to decide on the exchange before proceeding with entering the order particulars. The information of the exchanges in which the security is listed is updated by the administrator in the Instrument Exchange reference table.

Step 7:

Select the appropriate Trade Date and Settlement Date using the calendar icon.

The system validates the Trade Date selected by the user against restriction validity period and if it falls within that period, system displays an appropriate error message at the time of submitting the order.

Similarly, the FCPB system also validates the Trade Date against the restriction validity period for the Instrument Types Commodity, Bonds, Structured Products and Forex. In case of Mutual Fund, Insurance, PMS, Futures and Options instrument types, system validates the System Date against the restriction validity period.

In addition, if the Trade Date falls on the system holiday or exchange holiday the system gives an appropriate warning message, however it still allows the user to proceed further.

If the Settlement Date falls on the currency holiday then the system gives the appropriate error messages and auto-rollover the date to next valid business date while for system and exchange holidays the system gives the appropriate warning messages enabling the user to proceed further.



The system validates Order Capture screens of all Instrument types for Trade and Settlement Dates and displays the appropriate messages.

Step 8:

The primary step in initiating an order is to opt for a type of transaction. The user can place either the bid/ask (buy/sell) order. While there is no restriction on the buy transaction, the sell transaction is restricted to the extent of balance quantity available for the security in the portfolio of the selected customer.

For multiple sale orders initiated on the same business day for a particular security within a portfolio for a customer under consideration, the balance quantity is construed by considering both the current holding of the customer as well as the quantities against the orders which are in open status (All the orders initiated by the users are said to be in 'open' status till the moment, they are transformed into any other status. The different order statuses are discussed in the next section)

For E.g.:

- Total Holding = 1000 shares
Sale Transaction
Ordered = 100
Executed = 10
Holding = $1000 - 10 = 990$
Balance qty available for initiating sale = Holding – open qty = $990 - 90 = 900$
- Total Holding = 1000 shares
Sale Transaction
Ordered = 100
Executed = 10
Cancelled = 90
Holding = $1000 - 10 = 990$
There are no orders in open status and hence the entire 990 is available to the user to initiate a sale transaction.

Step 9:

FCPB allows users to enter orders with various conditions attached to them as per their requirements. The conditions are broadly divided into Time conditions, quantity conditions and price conditions. Several combinations of the above are allowed thereby providing flexibility to users. The price conditions provided as a drop down list in the 'order type' field are summarized below:

- **Market Order:** Market orders are orders for which price is specified as 'Mkt' at the time order is entered. For such orders the trading system determines the price and hence the price field gets disabled on selection of this option. The screen displays this type of order as default order.



For Market Order, the system should default the Time Condition field to GTC.

- **Stop Loss:** This facility allows the user to release an order into the system after the market of the security reaches or crosses a threshold price called the trigger price. On opting for the stop loss condition, the user has to enter both the trigger price in the 'Trigger Price' field and as well as the price in the 'Price' field. If the price is not specified, the trigger price is taken as the price for the order. The trigger price and the price mentioned should be in multiples of the tick size for that particular security and within the day's minimum/maximum price range.

A sell order in the stop loss book gets triggered when the last traded price in the market reaches or falls below the trigger price of the order. On the other hand, the buy order in the Stop Loss book gets triggered when the last traded price in the normal market reaches or exceeds the trigger price of the order.

Example: If for stop loss buy order, the trigger price is Rs.93.00, the price is Rs.95.00 and the market (last traded) price is Rs.90.00, then this order is released into the system once the market price reaches or exceeds Rs.93.00.

- **Limit Order:** On opting for this option, the user has the flexibility to enter any desired price. If a user mentions a price, it should be in multiples of the tick size for that particular security and within the day's minimum/maximum price range.



For Limit Order also the system should default the Time Condition field to GTC.

- **IPO:** If the system date is in the range of the selected instrument's 'New Issue Start Date' and 'New Issue End Date', then the instrument qualifies as an IPO.

Once the instrument selected is classified as an IPO,

- Transaction should be defaulted to BUY
- Order Type should be defaulted to IPO
- Time condition should be defaulted to GTC
- All the above fields should be disabled.

If the issue start and end date is null or if the issue end date is less than the current system date for the selected instrument then the user should not be allowed to place an Order Type IPO and it should display an error message as 'Selected instrument is not available for IPO subscription.'

The system also displays the Fee amount applicable for the given customer in the Transaction Fee display field. If no fee is applicable, it does not display any value in this field.

Step 10:

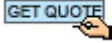
After selecting the 'Order Type', the user proceeds to enter the quantity for the transaction. Quantity mentioned should be in multiples of regular lot size for that security. To recap, for a sell transaction, the user will be restricted to the extent of balance quantity available in the security.

If the selected instrument does not follow the Model asset allocation for the customer, the system displays the message as 'Model asset allocation is deviated. Do you want to proceed?' The user can click the OK button to continue.

If no risk score is defined for the customer then there will not be any model asset allocation and hence system will not display any message.

Step 11:

Depending on the type of order selected the price field will be enabled or disabled. To summarize what we discussed, the price field will be enabled only for the Limit price and Stop Loss type of order. For the Limit price order the user can overwrite the market price with any other desired price and in case of stop loss orders, a user has the flexibility of specifying a limit price along with the trigger price. The price should be quoted in multiples of the tick size.

Adjacent to the price field is an  icon. As the name suggests, on selection this icon opens a pop up window displaying the latest quote of the security in the selected exchange.

Step 12:

To reiterate, the FCPB provides users with the flexibility of placing orders with Quantity conditions. An order with the Disclosed quantity order condition allows the user to disclose only a portion of the order quantity to the market.

For e.g.:

Order quantity = 10000

Disclosed quantity = 2000

Only 2000 are disclosed to the market.

The disclosed quantity should be less than equal to the order quantity. After this quantity is fully matched, a subsequent quantity of 2,000 is disclosed.

Step 13:

The trigger price field will be enabled on selection of the Stop Loss order. It is mandatory for the user to enter a value in this field, on selection of the stop limit price condition.

Step 14:

The user can set either of the following time conditions for his order. On accessing the screen, the field defaults to the Timed Order condition:

- Timed Order: If the order is time bound, user needs to enter the date on which the order should expire. By default, system considers the system date or current business date whichever is later as the order expiry date. On the date of order expiry, the system lapses the Active Timed Order. In this case, the expiry date has to be a valid business date i.e. the user needs to check for holiday master for System, Exchange or Currency holiday. In case, the expiry date falls on any of the holidays, the system displays an error message on the screen and next valid business date for order processing is displayed on the screen.

All Timed orders which have an expiry date can be renewed by the user. The system displays an alert message in the Alerts portlet of dashboard to the internal users before order expiry. The user can then choose to renew the order expiry date or make no changes. The system displays the order status of the expired order as 'Expired' in the order book.

- IOC: An immediate or cancel order allows the user to buy or sell a security as soon as the order is initiated, failing which the order will be cancelled by the broker's (trading) system. Partial match is possible for the order, and the unmatched portion of the order will be cancelled immediately by the broker system.

Step 15:

The final step before submitting the order is to decide on the trading account details displayed in the drop down lists. These lists are displayed in the corresponding fields of the 'account details' section. The user needs to pick the DP Id, the customer id and the bank account number from the list of values displayed in the dropdown of the corresponding fields.



The Bank Accounts drop-down list displays the bank accounts concatenated with the corresponding bank currency.

If the instrument currency, settlement currency and bank account currency are different and post FX rate conversion if the bank account does not have sufficient funds to process the order, the system displays an appropriate error message on submission of the order.



If the selected portfolio is of type Discretionary, the system defaults the Bank Account drop-down list to the bank account no. attached to it at the time of portfolio creation.

The option is also provided whether the bank would prefer to do orders only in Omnibus account and / or allow trades in individual accounts also. An Omnibus Account is a pool account which has transactions of multiple clients. The user can select the appropriate account based on the flag selected at Instrument Type level and applicable for all Instrument Types.




In case if the omnibus account number does not have a hyphen separated value (DP id – Client id); on click on order submit the order will not get saved and an error message will be displayed.



FCPB assumes that the trading account utilized for transacting through FCPB would not be employed by the customer to make any transactions outside the FCPB system.

Step 16:

After entering all the fields in accordance to the outline given in the above steps, the user can proceed to click on the Submit  button.

Once the user clicks on the Save button, system displays the Exception pop-up window if the order to be placed violates certain conditions such as

- Selected instrument is not in Approved List

- Selected instrument is not in Model Portfolio
- Selected instrument is not in Recommended List
- Deviation from Model Asset Allocation
- Trigger Price more/less than 'x%' of the LTP (where 'x' is the no. which is configurable)
- Bank A/C CCY and Settlement CCY are different.
- Not enough balance to place the order.
- Instrument Restriction for client country of domicile

 When such exceptions occur, the system collects all the exception levels and saves the order with maximum exception level.

If the maximum exception level is higher than logged in user's exception level, the system displays a pop-up with all the exception messages, with caption "Exception Approval Required."

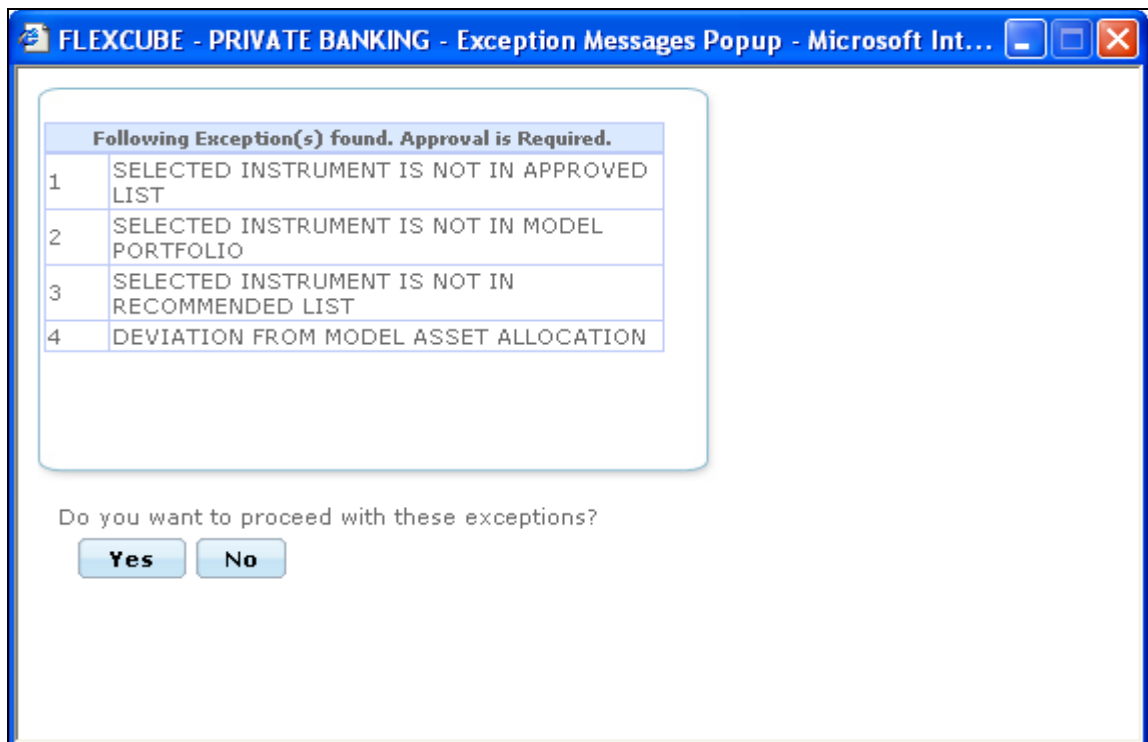


Figure 4.2: Equity – Exception Popup Window

If the user clicks 'Yes', the order goes for exception approval.

If the maximum exception level is less than then logged in user's exception level, then the system displays the popup with all the exception messages. If the user clicks 'Yes', the order goes to checker for approval, if required.

In case any exception having exception level '99999', the system displays the hard error. Hence the user will not be able to place the order.



This Exception Approval process is similar for all instrument types and hence is not repeated for all Order Capture screens.



The 'Pending for Authorization' Orders would be displayed to RM's having Roles with Order Checking Approval function.



Depending on the given permissions, RM can approve Exceptions OR Order-checking OR perform Both OR Nothing at instrument type level.

Scenarios in Order capture (All instrument types) – Exception Approval & Order Approval

While placing the order

1. For the chosen instrument type, if Maker checker is not enabled.
 - In case no exceptions occurred, order status becomes 'OPEN' in order book
 - In case of any exception, order goes for exception approval
 - If the exception approved by Exception approver, order status changes to 'OPEN' in order book table.
 - If the exception rejected by Exception approver, order status changes to 'EXCEPTION REJECTED' in order book table, with entered reject reason.
2. For the chosen instrument type , if Maker checker is enabled

In case no exceptions occurred, order goes to checker for approval.

- If the checker approves the order, order status becomes 'OPEN'.
- If the checker Rejects the order, order status becomes 'REJECTED'

In case of any exception, order goes to exception approval.

- If the exception approved by Exception approver, order status changes to 'Pending for Authorization' in order book table. Then order goes to Checker for approval.
- If the exception rejected by Exception approver, order status changes to 'EXCEPTION REJECTED' in order book table, with entered reject reason.

4.3 Transaction processing for Equity

Description:

The held away assets can be expressed as the holdings which are acquired and held away from the bank. FCPB however provides a distinctive support to the user, by assisting to capture the information on these held away assets. This aids the user to have a single consolidating view of the customer's entire holdings.

The holdings, across all the types of portfolios, in the instrument type structured product, insurance, bonds and others can be updated through a single screen. However the same standard is not applicable for the instrument type equity and mutual funds. This is due to the fact that the equity and mutual fund order screens for the RM and Self Managed portfolio firmly serve the purpose of initiating orders to the trading system. Hence the FCPB provides its user with separate screens to capture the held away holdings of the customer in these instrument types.

4.3.1 Equity Transaction Processing

User Access levels:

RM and Customer: can capture the equity holdings for the held away portfolio created either by the customer or by the RM. The Descriptionary portfolio will not be shown in the drop-down list.

Screen:

ORACLE
FLEXCUBE Private Banking

User: HOHEAD Current Login: 30/03/2012 12:36 PM Last Login: 30/03/2012 12:36 PM

Home Customer Financial Planning Order Mgmt Txn Mgmt Reports Tools My Workspace Logout

Txn Mgmt > Equity

Customer Details

Customer No: 1011
Customer Name: Niraj Singh
Portfolio Name: RM Managed

Security Details

Security Name: Equity Axis Mac
Instrument Currency: INR

Transaction Details

Transaction: Buy
Settlement Type: Receipt Free
Transaction Date: 01/02/2012
Settlement Date: 02/02/2012
Quantity: 200
Price: 420
Amount: 84000
Fees: 50
Broker Commission: 25
Tax & Other charges: 25
Security Fee: 0
Exchange Rate: 1
Counterparty Name:
Counterparty Ref. No:
Description:

Account Details

Security Account: 0-CRN1234567

Submit Clear

Figure 4.3: Equity Transaction Capture Screen

Screen Navigation:

After logging in the system select Transaction Management → Transaction Management → Equity

Rules for commencement of a Transaction:

- Transactions can be updated only for customers in active status.
- For capturing a held away holding the customer should have at least one Held Away portfolio coupled to his id.
- RM and the customer can modify the holdings in any of the Held Away portfolio


Procedure for placing of a Transaction:

Step 1:

If the user is navigating to the Transaction Capture screen for the first time after logging in to the system, the system forces to select a customer in the customer selection screen.

On the other hand, if the user is navigating to the screen from any other screen, the system auto-populates the name, no. and default portfolio name of the customer which is already in context.



To change the customer, the user needs to click on the  icon located at the top right hand side corner of the screen.



The Customer No and Customer Name fields are driven by the Field Access Controller.

Step 2:

RM – Subsequent to selecting the customer, the system will display all the 'Held Away' portfolios associated to the customer in the field 'Portfolio Name'. It is mandatory for the RM to decide on the appropriate portfolio prior to placing the order.

Customer – For a customer login, the 'Portfolio Name' is the first field displayed on the Order screen. The 'Portfolio Name' field will display the list of Held Away portfolios.

Step 3:

The subsequent step is to capture the security details.

The user can select the security details by directly searching for the security. The security search



button, displayed adjacent to the Security Name field, enables to search for the required security.



The security search screen displays only securities which are in open status.

On picking a security through the search screen, the security name, instrument currency and settlement currency will be displayed in 'Security Name' and 'Instrument Currency', and 'Settlement Currency' fields respectively.



The user can capture the purchases made through either an IPO offer in the primary market or purchases made in the secondary market.

Step 4:

The next step in capturing the transaction is to opt for a type of transaction. The user can place capture the buy/sel/Asset Transfer In and Asset Transfer Out transactions through this screen.


The Asset Transfer In (ATI) type of transaction allows the customer to transfer the securities to current wealth management system and reflect the holding in the active portfolio. On the other hand, Asset Transfer Out (ATO) enables the user to transfer the securities from current active portfolio to the desired depository. The ATI transaction is considered as Buy transaction whereas the ATO transaction is considered as Sell transaction.

Asset Transfer In and Asset Transfer Out transactions are not allowed in Discretionary type portfolios,

Step 5:

The user also needs to select the appropriate settlement type from the Settlement Type drop--down list. For Buy transactions, the system displays the settlement types as Receipt Free and Receipt Against Payment. For Sell transactions the settlement types are Delivery Free and Delivery versus Payment.

Step 6:

The user then proceeds to capture the transaction date. The calendar for selecting the date has been provided adjacent to 'Transaction Date' field. Click on the icon , in order to open the calendar.

As these transactions have been carried out outside the FCPB system, the user has been provided with the flexibility to capture backdated transactions. Please note that there is no restriction on the time limit for backdating the transactions for the Held Away portfolio.

However in case of a sell transaction, the user is restricted from capturing the date of transaction as prior to the first purchase transaction date of the security.



In case of back-dated transactions FCPB considers the FX rate based on transaction date and not the latest FX rate.

The system puts an additional check on the user from capturing a future transaction date.

Step 7:

Once the transaction date is entered, the user can enter the Settlement Date.

Step 8:

In the next step the user has to capture the quantity of holding. While there is no restriction on updating the information on a buy transaction, the sell transaction is restricted to the extent of balance quantity available for the security in the portfolio of the selected customer.

Please note that though these transactions are being captured for the holdings in a Held Away portfolio, all the holdings in the same equity security held in the same portfolio of a customer will be consolidated.

Step 9:

The next significant step is to capture the net purchase price of the holding. Please note that it is this price which will be considered for the purpose of analysis and performance computation and hence it is the responsibility of the user to enter the accurate value. This field too is mandatory for entry by the user.

Once the Quantity and Price is entered, the system calculates the total amount and displays it in the Amount field.

Step 10:

Enter the appropriate transaction fee in the Fees text box.

Step 11:

Enter the appropriate broker commission in the Broker Commission text box, if any.

Step 12:

The next field has been provided to capture the tax and other charges paid for obtaining the holding. Please note currently, these fields are currently not being utilized for any of the valuation, analysis or performance computations.



If the Price to be adjusted field in Bank Parameters is set to Y then the fee, tax and brokerage on the transaction is adjusted in the price, hence the Original price and Original Amount field shows different values from Price and Amount. If it is set to N, Original price and Original Amount fields remains same as Amount and Price respectively.

Step 13:

Enter the appropriate fee in the Security Fee text box, if any.

Step 14:

Enter the rate in the Exchange Rate text box.

This field is enabled only if the instrument and settlement currency is different else it is defaulted with value 1.

Step 15:

Select the appropriate Counterparty name using the search icon.



If the user enters the Counterparty name, the Counterparty Ref No is a mandatory field else the system gives the error message.

Step 16:

Enter the appropriate ref no in the Counterparty Ref. No. text box.



If the user enters the Counterparty Ref No, the Counterparty name is a mandatory field else the system gives the error message.

Step 17:

Enter the order details if any, in the Description text box.

The user is allowed to enter the details upto 250 characters. If the entered details exceed 250 characters, system displays the message as 'Description cannot exceed 250 characters'.

Step 18:

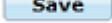
Select the appropriate account from the Security Account drop-down list.

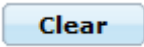


The system defaults the account no. based on the flags selected at Instrument Type level. If the Demat option is selected, then the system displays Omnibus A/c or Client A/c or both in the Security Account field.

Step 19:

After entering all the fields in accordance to the outline given in the above steps, you can proceed

to click on the save  button. On saving the holding you will be displayed with a confirmation message on the screen.

If the user changes your decision on updating the holding, he/she has the option to clear the entire details captured earlier by clicking on the  button.

4.4 Mutual Fund Order Management

Description:

A mutual fund is just the connecting bridge or a financial intermediary that allows a group of investors to pool their money together with a predetermined investment objective. The mutual fund has a fund manager who is responsible for investing the gathered money into specific securities (stocks or bonds). When you invest in a mutual fund, you are buying units or portions of the mutual fund and thus on investing becomes a shareholder or unit holder of the fund.

4.4.1 Mutual Fund Order Capture - Subscription

User Access levels:

RM: can place orders for the RM Managed and Self Managed portfolios. The Held away portfolio will not be displayed in the screen for a RM login.

Customer: can place orders only for his/her Self Managed portfolios. The other portfolios will not be displayed for other a Customer login in the Order Management screens.

ORACLE

FLEXCUBE Private Banking

Home

Customer

Financial Planning

Order Mgmt

Txn Mgmt

Reports

Tools

My Workspace

Logout

User: HOHEAD

Current Login: 29/03/2012 2:36 PM

Last Login: 29/03/2012 2:22 PM

Order Mgmt > MF > Order Capture

Subscribe

Redeem

Transfer

?

Customer Details

Customer No.

1014

?

Customer Name

Atul P Verma

Portfolio Name

RM Managed

Source Code

Lead Generation Code

Fund Details

Scheme Name

HDFCTop200

Security Code

HDFC200

Instrument Currency

USD

Last Traded Price

1147

Option

Dividend

Select

Holding Quantity

Exchange

OTC

Settlement Currency

INR

Security Sub Type

Mutual Fund

Subscription Details

Trade Date

29/03/2012

Account Type

Demat

Folio/Account No.

MF001-123456

Amount

100000

Invested Amount

100000

Transaction Fees(Including Taxes & Surcharges)

1654.5

?

Counterparty Name

ASBA

☒

Description

Settlement Date

16/04/2012

Payment Option

☒ Regular ☐ SIP

Application No

Total Amount

101654.5

Counterparty Ref. No.

Payment Details

Payment Method

Account

Bank Account No

10001-INR

Cheque No

Transaction Slip

Browse...

Comment

Submit

Clear

- Orders can be placed only for customers in active status.
- For initiating an order the customer should have either an RM portfolio or a Self Managed portfolio coupled to his/her id.
- The bank account information of the customer also needs to be updated in the FCPB prior to initiating an order.


Procedure for placing of an Order:

Step 1:

If the user is navigating to the Order Capture screen for the first time after logging in to the system, the system forces to select a customer in the customer selection screen.

On the other hand, if the user is navigating to the screen from any other screen, the system auto-populates the name, no. and default portfolio name of the customer which is already in context.



To change the customer, the user needs to click on the  icon located at the top right hand side corner of the screen.


If the Income Tax ID Required and Risk Profiler Mandatory options are set to Yes in the Instrument Type screen of Admin login and the corresponding details for the selected customers are not updated, then the system displays the appropriate messages and will not allow the user to place the order.


Step 2:

RM – Subsequent to selecting the customer, the system displays the default portfolio in the Portfolio Name drop-down list. .

Customer – For a customer login, the 'Portfolio Name' drop-down list defaults to the default portfolio of Portfolio type 'Self Managed'.


Step 3:

Click the  icon next to the Source Code field.

When the user clicks on the  icon next to the Source Code field, the Banker Source Code Search window appears. Enter the appropriate search criteria in the respective fields to search for the Source Code.

Step 4:


Click the  icon next to the Lead Generation Code field.


When the user clicks on the  icon next to the Lead Generation Code field, the Banker Lead Code Search window appears. Enter the appropriate search criteria in the respective fields to search for the Lead Generation Code.

Step 5:

The subsequent step is to capture the fund-scheme details.

For placing the order, the user has to select the fund-scheme to transact. The user can select the fund-scheme either by directly entering the name of the fund-scheme or by searching for the fund-

scheme by clicking the  button.

 The fund-scheme search screen displays only the schemes which are in open status and which are approved by the bank. Securities which are suspended from trading will not be displayed in the search screen.

The user can view the Recommended instruments, Focussed instruments, House Views, NFO details and Instrument Analytics details by clicking on the respective icons next to the Security ID field as explained in General Characteristics section.

Once the Scheme name is selected, the system populates the Security Code which is the alternate id of the selected instrument, Security Sub Type fields.

Step 6:

Mutual fund generally offers two options on dividend: payout and reinvestment. In the dividend payout option, the dividend is given to the investor from time to time whereas in the reinvest option, all the dividends declared by the fund are ploughed back into the scheme.

The next field 'Dividend' provides the user with the option to select either of the options Dividend payout or Dividend reinvest. Please note that it is not essential that all the fund-schemes provide with both the options on dividend. The options will be made available to the user to select, based on the alternatives offered under a particular fund-scheme. These options are maintained in the system in the MF Instrument Master table in the database.

Step 7:

The next field enables the user to select the appropriate exchange name from Exchange drop-down list.

Step 8:

Select the appropriate Trade Date and Settlement Date using the calendar icon.

In case if the user is initiating the order (SIP/SWP/STP) post cut off time, the system does not allow the user to place the order and displays an appropriate warning message asking the user to place the order for some other date.

This is applicable only if the commencement date is same as the system date and the cut off time for that Instrument/IAG is less than the current time. Also the validation is applicable only for first order.

Step 9:

From the Account Type drop-down list, select the appropriate account. The account types available are Demat and Non-Demat.

The system defaults the Account Type based on the Flags selected at Instrument Type level. If Demat option is selected, then the system displays Omnibus A/c or Client A/c or both in the Folio No. field.

If Non Demat option is selected than system displays the existing Folio No. in the drop-down or provides an additional text box next to account number drop-down field to enter a new folio number/account number.

Step 10:

There are two ways in which you can invest in a mutual fund.

A one-time outright payment (Regular): In this type of investment the user just hand over the entire amount and get the fund units depending on the value of the units on that particular day.

Periodic investments or this is also referred to as a SIP: is a periodic investment in a mutual fund. At every frequency, the user will have to commit to put in a fixed amount/ purchasing certain units.


FCPB offers the users with the flexibility to invest in both the payment options. These options are provided as radio buttons next to the field 'Payment Option'.

Step 11:


After you place an investment order in any Mutual Fund, the fund house generates a folio number for that particular fund. The folio number generated by the Fund house is analogous to a Customer Id, and is generally generated for every unique combination of name and date of birth. However there is a great disparity in the approach adopted by the various fund houses in the industry. While some fund houses are inclined to map all the additional investments of the customer into the same folio number in spite of the customer not declaring the folio number in his future applications. Others tend to generate a new folio number for every application without the folio number mentioned in it.


Apart from this there is also an inconsistency in the levels at which the folio numbers are issued. While some fund houses issue separate folio number for every Fund-scheme combination, others issue a new folio number for every fund-scheme-option combination.


FCPB provides its users the option to choose the existing folios numbers within the fund. On picking a fund-scheme through the search screen, all the existing folio number/s affiliated to the fund-scheme in the portfolio of the selected customer are displayed in the 'Folio No' dropdown field. The user has the option either to select any of the existing folio number for making additional purchase or proceed to make a purchase exclusive of any of the existing folio numbers. For first time purchase, the dropdown will not have any values in it.


 If the flag 'Folio at Issuer Level' is maintained as Y at an Instrument Issuer level, then FCPB system also checks if there are any holdings across the portfolios (excluding held away) where the issuer is same as the issuer of the selected instrument. If so, then it displays the existing folios in the drop-down list to select the one from it and in addition also provides the option to select the new folio using the select option of the drop-down list. Hence the user can choose either the existing folio or invest in a new folio.

If there are multiple folio's available for the same issuer; then the system defaults the folio to the omnibus (if applicable and depending on the Omnibus /client level flag) else defaults it to the first available folio.

 Every order initiated through the FCPB will have a unique transaction id associated to it. The id would be generated for every customer-portfolio-order combination. FCPB assumes that this identification would be a common interfacing attribute between the external system and the FCPB.

 FCPB assumes that the fund house would generate a separate folio number for every customer-portfolio combination. Hence investments made by the same customer into the same fund but in different portfolios would be issued with two separate folio numbers by the fund house.

 The FCPB would update the folio number, as received from the fund house, against each order id. Hence multiple orders, associated with the same folio number would be clubbed by FCPB to display the net outcome.

 FCPB assumes that the folio number attained for a holding in the FCPB would not be utilized by the customer to make any transactions outside the FCPB system.

On selecting the fund –scheme name the currency and the current NAV of the scheme will be displayed in the corresponding 'Currency' and 'NAV' fields in the order screen.

Step 12:

The next text fields enable the user to enter the Application No. and Cheque No. respectively.

The user can enter either Application No or Cheque No.

The next field is the amount field. If the payment option is selected as Regular, the system validates the amount with the minimum – maximum subscription limit rule established for the particular fund-scheme. These subscription limits are maintained by the administrator in the MF Instrument Master table in the database.

Once the user enters the amount, the system populates the data in the following fields as per the Fee structure set up for the Client Segment and IAG combination.

- Indicative Total Investment – For Regular payment option, the values for Amount and Indicative Total Investment are same but for SIP, the Indicative Total Investment is obtained by multiplying the value in the Amount field with no. of transfers. The system validates the amount entered here against the amount set up in the Maximum Amount for

Buy field of Product Master, if any. If it is greater than the value set up at product master, system displays an appropriate error message.

In case of SIP order, the system validates the amount entered in the Invested Amount field against the amount set up in the Maximum Amount field of SIP Details pop up of Product Master. If it is greater than the value set up in the Product Master, system displays an appropriate error message.

- Transaction fee (including taxes and surcharge) – The value in this field is displayed based on the Fee structure set up for given Client Segment and IAG.
- Total Amount – It displays the amount obtained by adding Indicative Total Investment and Transaction fee. If no fee is applicable the amount in this field is same as Total Indicative Investment.

If the selected instrument does not follow the Model asset allocation for the customer, the system displays the message as 'Model asset allocation is deviated. Do you want to proceed?' The user can click the OK button to continue.

If no risk score is defined for the customer then there will not be any model asset allocation and hence system will not display any message.

Step 13:

The subsequent field, 'Frequency' gets enabled only for SIP payments. The user needs to select the frequency (monthly / quarterly / semi-annually) from the drop down list provided.

Let's say that the user has opted for a fund A with an investment amount of \$500 with monthly frequency, subsequently the effective monthly investment would be \$500.

Step 14:

Similar to the 'Frequency' field, the next field 'Commencement Date' also gets enabled only for SIP payments. The commencement date is a pre-determined date on which the SIP instruction would be executed by the fund house at a frequency defined by the user.

If the Frequency is selected as Weekly in SIP pop-up of Product Master with few days mentioned in the select-box and if the Investment Dates have not been specified, then while placing the order, if the user selects the date/month or year which does not fall on the one of the specified days of Product Master then system display an appropriate an error message. Similarly, an error message will be displayed if the selected date does not fall on the Investments dates specified in the Product Master. Both the frequency and Commencement date are mandatory fields to be captured by the user on opting for SIP payment. Also, based on the Commencement date and No. of transfers, the system auto-populates the SIP End Date.


The user will be restricted from initiating an SIP instruction for a date earlier than the current business date.

Please note that once the instruction is initiated by the user, the fund house does not require any further instructions from the user to execute the forthcoming SIP instructions. However, FCPB would receive updates on the revised quantity of units from the fund house after execution of every SIP instruction.

Step 15:

There should be a gap of one month for the auto generation of orders for SIPs to start. This is based on the requirement from most of the AMCs that there should be a gap of a particular number of working days before the SIP auto debit starts. The number of days differ from AMC to AMC. For example, if a customer wants to enroll for an SIP on 10th of every month, for Rs. 1000 per month for 6 months. He/she books the order on the 20th of January. His/her first order goes through on the 20th Jan but since gap between 20 Jan and 10th Feb. (the date on which the auto generation of orders should have started) is not one month, FCPB skips auto generation of order for 10th Feb, and the auto generation will start from 10th March.

Step 16:

The user also needs to select the appropriate counterparty by clicking on the  icon next to the Counterparty field. It helps to recognize the customer records in transaction files sent by different counterparties.

Step 17:

If the selected scheme is an NFO scheme then for a regular order the system displays an ASBA option. If this option is selected, FCPB system sends a unique status i.e. Hold or Blocked to the core banking system after placing the order. If the option is not selected, the system continues with the current interface which continues to debit the user's bank account and sends the status as 'Debit'.


Step 18:

The user then finally proceeds to capture the bank details. Both the fields in this section are mandatory. The 'Debit From' field provides the information to the fund house on the account details for debiting the due amount for subscription. The 'Direct Credit' account provides the fund house with the information on the bank details for crediting the proceeds of the redemption.

Step 19:

The system also facilitates the user to attach the Transaction Slip. To attach, click on the Browse button and attach the appropriate Transaction slip.

Step 20:

After entering all the fields in accordance to the outline given in the above steps, the user can proceed to click on the  button.

Once the user clicks on the Submit button, system displays the Exception displays pop-up window if the order to be placed violates certain conditions such as

- Selected instrument is not in Approved List
- Selected instrument is not in Model Portfolio
- Selected instrument is not in Recommended List
- Deviation from Model Asset Allocation

- KYC is not verified

If the user clicks on the 'Yes' button in the Exception pop-up window, the order undergoes exception approval process as explained in Equity order capture.

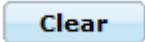
In case no exceptions occurred, order goes to checker for approval.



If the order is to be placed in the minor's investment account, the system first checks if the 'KYC Check for Signatories' and if it maintained as 'Y', the guardian KYC check is mandatory for placing the order. Here, if the user tries to place the order and if the guardian KYC is not done, the system does not allow the user to place the order and displays an appropriate exception message. If the flag is maintained as 'N' then KYC check for Signatories is not required.

If the order is to be placed in a portfolio where there are joint holders, the system first checks if the 'KYC Check for Joint Holder' is maintained as 'Y', then the Joint Holder KYC check is mandatory for placing the order. Here, if the user tries to place the order and if KYC check of any or all joint holders is not done, the system does not allow the user to place the order and displays an appropriate exception message. If the flag is maintained as 'N' then KYC check for Joint Holder is not required.

If the order is placed successfully, the system displays the message as "Order placed successfully. Reference id - xyz". Here, xyz is the order id which can be used later to track the order. This id is displayed on the screen along with the message as and when the order is modified, approved and also if the fund reversal is initiated and approved.

If the user changes the decision on the order, he/she can clear the entire details captured earlier by clicking on the  button.

4.4.2 Mutual Fund Order Capture - Redemption

User Access levels:

RM: can place orders for the RM Managed and Self Managed portfolios. The Held away and Discretionary portfolios will not be displayed in the screen for a RM login.

Customer: can place orders only for his Self Managed portfolios. The other portfolios will not be displayed for other a Customer login in the Order Management screens

Screen:

Figure 4.5: Mutual Fund Order Capture – Redemption Screen

Screen Navigation:

After logging in the system, select Order Management → Mutual Fund → Redemption

The screen will however default the subscription tab

Rules for commencement of Redemption:

- Redemption orders can be placed only for customers in active status.
- The bank account information of the customer is mandatory for initiating a redemption order.

Procedure for placing of a Redemption Order:


Though most of the fields for redemption are analogous to subscription, for simplicity, the particulars of the fields have been repeated again in this section.

Step 1:

If the user is navigating to this screen for the first time after logging in to the system, the system forces to select a customer in the customer selection screen.

On the other hand, if the user is navigating to the screen from any other screen, the system auto-populates the name, no. and default portfolio name of the customer which is already in context.




To change the customer, the user needs to click on the  icon located at the top right hand side corner of the screen.

Step 2:

RM – Subsequent to selecting the customer, the Portfolio Name drop-down list defaults to the default portfolio of RM Managed portfolio type. It is mandatory for the RM to decide on the appropriate portfolio prior to placing the order.

Customer – For a customer login, the 'Portfolio Name' is the first field displayed on the Order screen. The 'Portfolio Name' field will display the list of Self Managed portfolios.

Step 3:

Click the  icon next to the Source Code field.

Step 4:

Click the  icon next to the Lead Generation Code field.

Step 5:

The subsequent step is to select the fund –schemes.

For placing the order, the user has to select the fund-scheme in which he wants to transact from the Scheme Name drop-down list.



The fund-scheme drop-down displays only the schemes which are in open status.

Step 6:

On picking a fund-scheme through the search screen, all the existing folio number/s affiliated to the fund-scheme in the portfolio of the selected customer will be displayed in the 'Folio No' dropdown field. Please note only the folio's in which the customer currently has holdings will be displayed in the drop down list. It is obligatory for the user to select one of the folio numbers displayed in the list.



Every order initiated through the FCPB will have a unique transaction id associated to it. The id would be generated for every customer-portfolio-order combination. FCPB assumes that this identification would be a common interfacing attribute between the external system and the FCPB.

On selecting the fund –scheme and the folio number, the currency, the current NAV and the dividend option of the scheme will be displayed in the corresponding 'Currency', 'NAV', 'Counterparty' and 'Dividend' fields in the order screen.

Step 7:

Select the appropriate Trade Date and Settlement Date using the calendar icon.

Step 8:

The next field has a radio button adjacent to it. The user has the option to opt between units and amount to redeem. Thus the user has the alternative either to redeem an amount or redeem certain units.

For either of the options, the system validates against the balance number of units or the value of the balance units available in the folio. The value of the units is determined by considering the latest NAV available for the particular fund-scheme.

For multiple redemption orders initiated on the same business day, for the same fund-scheme-folio number in a customer's portfolio, the balance qty is validated by netting the current holding of the customer against the quantities in open status. (All the orders initiated by the users are said to be in 'open' status till the moment, they are transformed into any other status. The different order statuses are discussed in the next section)

For E.g.:

Total Holding = 1000 units

Redemption Order

units = 100

Status = Open

Balance qty available for initiating sale = Holding – open qty = 1000 – 100 = 900

If the Amount option is selected and if the 'Close the Account' flag is set to 'N', the system validates the amount with the maximum redemption limit rule established if any for the particular fund-scheme. These redemption limits are maintained by the administrator in the Product Master.

If 'Close the Account' flag is 'Y' then the system does not validate the amount with the maximum redemption limit rule.

In case of SWP order, if the 'Close the Account' flag is set to 'No' then the system validates the amount with the value entered in Maximum Amount field of SWP Details pop up of Product Master. If the amount entered here is greater than the amount set up in Product Master, system displays an appropriate error message.

Please note the units in mutual fund can encompass up to 4 decimal places.

Step 9:

Analogous to subscription, FCPB provides two approaches to redeem the holdings in a fund

A one-time redemption (Regular): In this type the user redeem over your entire holding.

Periodic redemptions or this is also referred to as a SWP: It is a periodic redemption in a mutual fund. At every frequency, the user will have to commit to redeem fixed amount/units. The FCPB also facilitates the user to start a new SWP though he has already STP running in the system.

FCPB offers the user with the flexibility to redeem by both the payment options. These options are provided as dropdown in the field 'Redemption Type'.

Step 10:

The subsequent field, 'Frequency' gets enabled only for SWP redemptions. The user needs to select the frequency (monthly / quarterly / semi-annually) from the drop down list provided.

Step 11:

Similar to the 'Frequency' field, the next field 'Commencement Date' also gets enabled only for SWP redemptions. The commencement date is a pre-determined date on which the SWP instruction would be executed by the fund house at a frequency defined by the user.


Both the frequency and Commencement date are mandatory fields to be captured by the user on opting for SWP redemption.

The user will be restricted from initiating an SWP instruction for a date earlier than the current business date.

If the Frequency is selected as Weekly in SWP pop-up of Product Master with few days mentioned in the select-box and if the Investment Dates have not been specified, then while placing the order, if the user selects the date/month or year which does not fall on the one of the specified days of Product Master then system display an appropriate error message. Similarly, an error message will be displayed if the selected date does not fall on the Investments dates specified in the Product Master.

Please note that once the instruction is initiated by the user, the fund house does not require any further instructions from the user to execute the forthcoming SWP instructions. However, FCPB would receive updates on the revised quantity of units from the fund house after execution of every SWP instruction.

The calendar for selecting the date has been provided adjacent to the 'Commencement Date'

field. Click on the icon , in order to open the calendar and select the suitable date. Also, based on the Commencement date and No. of transfers, the system auto-populates the SWP End Date.


Step 12:

The next field tenure is also associated only with SWP redemptions and is enabled on selection of the SWP option. It is mandatory for the user to capture data in this field.

Step 13:


The user then finally proceeds to capture the bank details. This field is a mandatory field for the user. The 'direct credit' account provides the fund house with the information on the bank details for crediting the proceeds of the redemption.

Step 14:

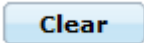
The user also needs to select the appropriate counterparty by clicking on the  icon next to the Counterparty field. Also, the user needs to enter the appropriate reference number in the Counterparty Ref No. text box.


Step 15:


After entering all the fields in accordance to the outline given in the above steps, you can proceed

to click on the submit  button. On submitting the order you will be displayed with a confirmation message on the screen.


If you change your decision on the order, you have the option to clear the entire details captured

earlier by clicking on the  button. On the contrary, if you are accessing the order screen through the 'Portfolio Management' menu (navigation - through 'Option 2'), the clear button will clear only the editable fields in the screen.

 On submitting the order, the system will validate if the particular fund-scheme is open for redemption. Error message will be displayed on non compliance of the same.

 The system does not validate the KYC check for Joint Holder while placing the redemption order.

 Existence of restriction instruction for redemption on the particular fund-scheme will curtail the user from initiating a redemption order.

 System will display an error message if the user initiates a redemption request for a fund-scheme during its lock –in period.

4.4.3 Mutual Fund Order Capture - Transfer

User Access levels:

RM: can place orders for the RM Managed and Self Managed portfolios. The Held away and Discretionary portfolios will not be displayed in the screen for a RM login.

Customer: can place orders only for his/her Self Managed portfolios. The other portfolios will not be displayed for other a Customer login in the Order Management screens.

Screen:

ORACLE
FLEXCUBE Private Banking

User: HOHEAD Current Login: 30/03/2012 2:04 PM Last Login: 30/03/2012 2:00 PM

Home Customer Financial Planning Order Mgmt Txn Mgmt Reports Tools My Workspace Logout

Order Mgmt > MF > Order Capture

Subscribe Redeem Transfer

Customer Details

Customer No. 1011
Customer Name Niraj Singh
Portfolio Name RM Managed
Source Code
Lead Generation Code

Fund Details

From

Scheme Name Mac MF
Security Code Mac MF
Instrument Currency INR
Last Traded Price 15.5
Folio/Account No. MF001-123456
Holding Quantity 1000
Option Growth
Exchange OTC

Settlement Currency INR
Security Sub Type
Close The Account Yes No

To

Scheme Name Liquid MF
Security Code ALTLiquid
Instrument Currency INR
Last Traded Price 55
Option Growth
Exchange OTC

Settlement Currency INR
Security Sub Type

Order Details

Trade Date 30/03/2012
Transfer Option Switch Systematic Transfer
Account Type Demat
Units Amount 100
Application No 425698
Transaction Fees(Including Taxes & Surcharges) 0.00
Counterparty Name
Settlement Date 16/04/2012
Folio/Account No. MF001-123456
Total Amount 1550
Counterparty Ref. No.

Description
Transaction Slip
Comments

*Indicative Total Transfer is the transfer amount in "From Fund" currency. Fee/Tax (if any) is charged in the currency same as "To Fund" currency. Total Amount is the sum of Transfer amount, Fee and Tax in "To Fund" currency.

Submit Clear

Figure 4.6: Mutual Fund Order Capture – Transfer Screen

STOP The user can also transfer the fund details from one Scheme Name to another Scheme Name by clicking on the Transfer tab. Enter the appropriate details in the From section as well as in the To section and click on the Submit button.

If the Amount option is selected and if the 'Close the Account' flag is set to 'N', then the system validates the amount against the Maximum Amount for Switch-Out maintained at the Product Master, if any for From Fund. These limits are maintained by the administrator in the Product Master.

If 'Close the Account' flag is 'Y' then the system does not validate the amount against the Maximum Amount for Switch-Out maintained at the Product Master.

Also, while placing the STP order, if the 'Close the Account' flag is set to 'No' then the system validates the Amount with the value entered in Maximum Amount field of STP Details pop up of Product Master for From Fund. If the amount entered here is greater than the amount set up in Product Master, system displays an appropriate error message.

In case of STP order, if 'Close the Account' option is set to 'No' and if Units option is selected then the system validates the amount obtained by multiplying quantity with the Latest Trade Price of From Fund with the 'Min Amount of Buy / Min First Purchase Amount for To Fund. For example, if the customer already has holdings in the 'To Fund' and that folio is selected, then the "Min Amount of Buy" of 'To Fund' is validated. However, if the 'To fund' has no holdings then 'Min First Purchase Amount' of 'To Fund' is validated against the amount obtained.



The system validates KYC check for Joint holders while placing the transfer order.

Once the user clicks on the Save button, the system displays the message "MF Order Placed successfully".

4.4.4 MF Sys Plan Cancellation

User Access levels:

RM: can cancel the Systematic Plan

Screen:

Systematic Plan Order Filters

Customer No: *1000
Portfolio Name: *RM Managed
Transaction Type: *SWP
Scheme Name: *New India Infra Fund

Search **Clear**

View	Folio Id	Scheme Name	Transaction Type	Amount	From Date	To Date	Frequency	Last Paid Date
<input type="radio"/>	456	New India Infra Fund	SWP	1,000.00	08/11/2010	09/11/2010	D	10/02/2009

Cancel Transaction

Figure 4.7: MF Sys Plan Cancellation Screen



Screen Navigation:

After logging into the system, select Order Management → MF → Systematic Plan Cancellation

Procedure for Systematic Plan Cancellation

Step 1:

Enter the appropriate customer no. in the Customer No. text box.

The user can also search for the customer no. by clicking on the  icon next to the Customer No. text box. When the user clicks on the  icon, the CUSTOMER SEARCH window appears. Enter the appropriate search criteria in the respective fields to search for the Customer No. Select the appropriate customer no. from the list.

Step 2:

From the Portfolio Name drop-down list, select the appropriate portfolio for the selected customer.

Step 3:

From the Transaction Type drop-down list, select the appropriate transaction type.

Step 4:

From the Scheme Name drop-down list, select the appropriate scheme.

Step 5:

Click the Search button.

Once the user clicks on the Search button, the details of the selected transaction appears.

Step 6:

Click the Cancel Transaction button.

4.5 Transaction processing for Mutual Fund

Description:

The held away assets can be expressed as the holdings which are acquired and held away from the bank. FCPB however provides a distinctive support to the user, by assisting to capture the information on these held away assets. This aids the user to have a single consolidating view of the customer's entire holdings.

The holdings, across all the types of portfolios, in the instrument type structured product, insurance, bonds and others can be updated through a single screen. However the same standard is not applicable for the instrument type equity and mutual funds. This is due to the fact that the equity and mutual fund order screens for the RM and Self Managed portfolio firmly serve the purpose of initiating orders to the trading system. Hence the FCPB provides its user with separate screens to capture the held away holdings of the customer in these instrument types.

4.5.1 **Mutual Fund Transaction Capture: Subscription**

User Access levels:

RM and Customer: can capture the Mutual Fund subscription holdings for the held away portfolio created either by the customer or by the RM.



There are no restrictions on the either of the users for updating the holdings in either the RM or customer created held away portfolios.

Screen:

Figure 4.8: Mutual Fund Transaction Capture – Subscription Screen

Screen Navigation:

After logging into the system, select Transaction Management → Mutual Fund

The screen will default the Subscription screen.

Rules for commencement of an Order:

- Transactions can be updated only for customers in active status.
- For capturing a held away holding the customer should have at least one Held Away portfolio coupled to his/her id.
- RM and the customer can modify the holdings in any of the Held Away portfolio


Procedure for capturing a Holding:

Step 1:

If the user is navigating to this screen immediately after logging in to the system, the system forces to select a customer in the customer selection screen.

On the other hand, if the user is navigating to the screen from any other screen, the system auto-populates the name, no. and default portfolio name of the customer which is already in context.



To change the customer, the user needs to click on the  icon located at the top right hand side corner of the screen.



The Customer No and Customer Name fields are driven by the Field Access Controller.

Step 2:

RM – Subsequent to selecting the customer, the system displays the 1st Portfolio name in alphabetical order of Portfolio type 'RM Managed'.

Customer – For a customer login, the 'Portfolio Name' defaults to the 1st Portfolio name in alphabetical order of Portfolio type 'Held Away'.


Step 3:

The subsequent step is to capture the fund –scheme details. For capturing the transaction, the user has to select the fund-scheme for which he wants to capture the transaction. The user can select the fund-scheme either by directly entering the name of the fund-scheme or by searching

for the fund-scheme by clicking the  button.




The fund-scheme search screen displays only the schemes which are in open status.

 The user can capture the subscriptions made through either NFO or continuous offer.

On selecting the fund –scheme name the instrument currency and settlement currency of the scheme will be displayed in the 'Instrument Currency', and 'Settlement Currency' fields respectively.


Step 4:


Select the appropriate Account Type from the drop-down list.

 The Account Type field is driven by the Field Access Controller for Mandatory and Modify actions. The Display option will always be in the disabled mode in FAC for this field. .

Step 5:

The folio number needs to be entered. If there is an existing folio for the scheme this will be visible as a drop-down in the folio field.

 The system defaults the Folio/Account No based on the Flags selected at Instrument Type level. If the Demat option is selected, then the system displays Omnibus A/c or Client A/c or both in the Folio/Account No. field.

 This field is also driven by the Field Access Controller for Mandatory and Modify actions. The Display option will always be in the disabled mode in FAC for this field. .

Step 6:

The next field 'Dividend' provides the user with the option to select either of the options Dividend payout or Dividend reinvest. Please note that it is not essential that all the fund-schemes provide both the options on dividend. The options will be made available to the user to select, based on the alternatives offered under a particular fund-scheme.

Please note it is obligatory for the user to capture both the folio number and the dividend option.

Step 7:

Select the appropriate option from Payment Option drop-down list. The options available are Regular and SIP. The screen will always default to the option 'Regular'.


Step 8:

Select the appropriate option for Asset Transfer In.

The user can place Asset Transfer In transactions through this screen. The Asset Transfer In (ATI) type of transaction allows the customer to transfer the securities to current wealth management system and reflect the holding in the active portfolio. By default, No option is selected.

Asset Transfer In transaction is not allowed in Discretionary type portfolios.

Step 9:

The user then proceeds to capture the purchase and settlement date. The calendar for selecting the date has been provided adjacent to respective fields. Click on the icon , in order to open the calendar.

As these transactions have been carried out outside the FCPB system, the user has been provided with the flexibility to capture backdated transactions. Please note there is no restriction on the time limit for backdating the transactions for the Held Away portfolio.

The system puts an additional check on the user from capturing a future transaction date.

Step 10:

In the next step the user needs to capture the units of holding. Please note that though these transactions are being captured for the holdings in a Held Away portfolio, all the holdings in the same fund-scheme held in the same portfolio of a customer will be consolidated. It is mandatory for the user to capture information in this field.

Step 11:

In the next field the user needs to capture the NAV at which the fund-scheme was purchased.

Once the NAV is entered, the system calculates the amount and displays it in the Amount field.

Step 12:

Enter the appropriate transaction fee in the Fee text box.

Step 13:

The next field Taxes & Surcharges has been provided to capture the tax paid for obtaining the holding.

Step 14:

Select the appropriate Counterparty name using the search icon.



If the user enters the Counterparty name, the Counterparty Ref No is a mandatory field else the system gives the error message.

Step 15:

Enter the appropriate ref no in the Counterparty Ref. No. text box.




If the user enters the Counterparty Ref No, the Counterparty name is a mandatory field else the system gives the error message.

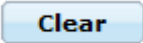
Step 16:

Enter the transaction details if any, in the Description text box.

The user is allowed to enter the details upto 250 characters. If the entered details exceed 250 characters, system displays the message as 'Description cannot exceed 250 characters'.

Step 17:


After entering all the fields in accordance to the outline given in the above steps, the user can proceed to click on the save  button. On saving the holding you will be displayed with a confirmation message on the screen.

If the user changes the decision on updating the holding, entire details captured earlier can be cleared by clicking on the  button.

4.5.2 Mutual Fund Transaction Management: Redemption

User Access levels:

RM and Customer: can capture the Mutual Fund redemption transactions for the held away portfolio created either by the customer or by the RM.

 There are no restrictions on the either of the users for updating the holdings in either the RM or customer created held away portfolios.

Screen:

ORACLE
FLEXCUBE Private Banking

User: HOHEAD Current Login: 30/03/2012 2:04 PM Last Login: 30/03/2012 2:00 PM

Home Customer Financial Planning Order Mgmt Txn Mgmt Reports Tools My Workspace Logout

Txn Mgmt > MF

Redeem

Customer Details

Customer No: 1017
Customer Name: R1
Portfolio Name: RM USD

Fund Details

Scheme Name: HDFCTop200
Instrument Currency: USD
Folio/Account No: 632102
Dividend:
Holding Quantity: 650

Redemption Details

Redemption Type: Regular
Units: 50
Date of Redemption: 20/01/2012
Fees: 50
Exchange Rate: 1.27
Description:
Asset Transfer Out: Yes
NAV: 120
Redemption Amount: 6000
Taxes & Surcharges: 50
Settlement Date: 20/01/2012

Submit Clear

Figure 4.9: Mutual Fund Transaction Capture – Redemption Screen

Screen Navigation:

After logging into the system, select Transaction Management → Mutual Fund

Click on the Redemption tab

Rules for commencement of an Order:

- Transactions can be updated only for customers in active status.
- RM and the customer can modify the holdings in any of the Held Away portfolio


Procedure for capturing a Holding:

Step 1:

If the user is navigating to this screen immediately after logging in to the system, the system forces to select a customer in the customer selection screen.

On the other hand, if the user is navigating to the screen from any other screen, the system auto-populates the name, no. and default portfolio name of the customer which is already in context.



To change the customer, the user needs to click on the  icon located at the top right hand side corner of the screen.


Step 2:

RM – Subsequent to selecting the customer, the Portfolio Name drop-down list defaults to the default portfolio of RM Managed portfolio type. It is mandatory for the RM to decide on the appropriate portfolio prior to placing the order.

Customer – For a customer login, the 'Portfolio Name' is the first field displayed in the transaction screen. The 'Portfolio Name' field will display the list of Self Managed portfolios.

Step 3:

The subsequent step is to capture the fund –scheme details. For capturing the transaction, the user has to select the fund-scheme for which he wants to capture the transaction. The user can select the fund-scheme either by directly entering the name of the fund-scheme or by searching

for the fund-scheme by clicking the  button.



The fund-scheme search screen displays only the schemes which are in open status.

On selecting the fund –scheme name the instrument and settlement currencies will be displayed in the 'Instrument Currency' and 'Settlement Currency' fields respectively.

Step 4:

In the next step the user needs to capture the folio number in which the units were redeemed. Please note only the folio's in which the customer currently has holdings will be displayed in the drop down list. It is obligatory for the user to select one of the folio numbers displayed in the list.

On selecting the fund –scheme and the folio number, the dividend option of the scheme will be displayed in the field 'Dividend'.

Step 5:

Select the appropriate option from Redemption Type drop-down list.. The options available are Regular and SWP.

Step 6:

Select the appropriate option for Asset Transfer Out transaction.

The user can place Asset Transfer Out transaction through this screen. Asset Transfer Out (ATO) transaction enables the user to transfer the securities from current active portfolio to the desired depository. By default, No option is selected.

Asset Transfer Out transaction is not allowed in Discretionary type portfolios.

Step 7:


The next field captures the total redemption amount received by the customer on redemption. Please note that it is this price which will be considered as the sale price for the purpose of analysis and performance computation and hence it is the onus of the user to enter the accurate value. This field too is mandatory for entry by the user.

Step 8:

In the next step the user needs to capture the units of redemption. Please note that though these transactions are being captured for the holdings in a Held Away portfolio, all the holdings in the same fund-scheme held in the same portfolio of a customer will be consolidated. It is mandatory for the user to capture information in this field.

The units captured by the user will be validated by the system against the balance number of units. The units in mutual fund can encompass up to 4 decimal places.

Step 9:

The user then proceeds to capture the redemption date. The calendar for selecting the date has been provided adjacent to 'Date of Redemption' field. Click on the icon  , in order to open the calendar.

As these transactions have been carried out outside the FCPB system, the user has been provided with the flexibility to capture backdated transactions. There is no restriction on the time limit for backdating the transactions for the Held Away portfolio. However the user is restricted from capturing the date of transaction as prior to the first purchase transaction date of the fund-scheme.

The system puts an additional check on the user from capturing a future transaction date.

Step 10:

In the next field the user needs to capture the NAV at which the fund-scheme was redeemed.

Step 11:

The next two fields have been provided to capture the exit load and tax paid for redeeming the holding.

Exit load also known as ***Deferred Sales Charge***, is a fee paid when shares are sold. Also known as a "back-end load," this fee typically goes to the brokers that sell the fund's shares. The amount of this type of load will depend on how long the investor holds his/her shares and typically decreases to zero if the investor holds his/her or her shares long enough.

Please note currently, these fields are currently not being utilized for any of the valuation, analysis or performance computations.

Step 12:


Enter the appropriate transaction fee in the Transaction Fee text box.

Step 13:

Enter the transaction details if any, in the Description text box.

The user is allowed to enter the details upto 250 characters. If the entered details exceed 250 characters, system displays the message as 'Description cannot exceed 250 characters'.

Step 14:

After entering all the fields in accordance to the outline given in the above steps, the user can proceed to click on the save  button. On saving the holding the user will be displayed with a confirmation message on the screen.

To clear the entire details captured earlier, click on the  button.

4.5.3 Mutual Fund Transaction Capture: Transfer

User Access levels:

RM and Customer: can capture the Mutual Fund transfer transactions

Screen:

ORACLE
FLEXCUBE Private Banking

User: HOHEAD Current Login: 03/04/2012 10:41 AM Last Login: 02/04/2012 6:50 PM

Home Customer Financial Planning Order Mgmt Txn Mgmt Reports Tools My Workspace Logout

Txn Mgmt > MF

Subscribe Redeem **Transfer**

Customer Details

Portfolio Name: RM USD

Fund Details

From

Scheme Name: *HDFC Dividend scheme

Folio/Account No: 41412

NAV: *1147

Holding Quantity:

Exchange Rate: 1.47

Dividend:

Instrument Currency: USD

To

Scheme Name: *HDFCTop200

Account Type: Demat

Folio/Account No: MF-12345

Dividend: PayOut

NAV: *1120

Exchange Rate: 1.72

Instrument Currency: USD

Transfer Details

Transfer Option: *SWITCH

Units: *1000

Fees: 50

Settlement Date: 15/02/2012

Transaction Date: *15/02/2012

Total Amount: 1147000

Taxes & Surcharges: 25

Description:

Submit Clear

Figure 4.10: Mutual Fund Order Capture – Transfer Screen

Screen Navigation:

After logging into the system, select Transaction Management → Mutual Fund

Click on the Transfer tab

STOP The user can also transfer the fund details from one Scheme Name to another Scheme Name by clicking on the Transfer tab. Enter the appropriate details in the From section as well as in the To section and click on the Submit button.

Once the user clicks on the Submit button, the system displays the message “Transaction placed successfully”.

4.6 Transaction processing for Others

Description:

In this section, we will comprehend the transaction management for those holdings which cannot be classified into any of the above instrument categories. These holdings have been clubbed in to the category 'Others'.

We have also seen in the earlier sections that securities in FCPB are also categorized in to a range of asset classes. Currently the following asset classes have been defined in FCPB; namely equity, debt, art, real estate, gems, metals, cash and insurance. The different asset classes to be used by the bank can be identified and maintained by the administrator in the Reference Master Table.

The holdings in equity, bonds, mutual fund, and structured products can be chiefly grouped into the asset classes' equity, debt and cash. Though there are some mutual funds which also invest their corpus into other asset classes like real estate and art. The holdings in insurance will invariably fall into the asset class insurance. The user also has an additional facility to categorize all the holdings, which cannot be sorted into any of the above defined asset classes, into the category 'others'.

It is also imperative for us to recapitulate our understanding on the rudiments of the types of portfolios defined in the FCPB. All the transactions for the instruments defined under the category 'others' can be captured by the user into any of the portfolios, 'RM Managed', 'Self Managed' and 'Held Away'. The consideration for allowing the user to capture his/her holdings in the RM Managed and Self Managed portfolios, though these holdings have not be acquired through the FCPB, is due to the perception that these holdings could have been obtained through any other system within the bank.

As the transactions have been carried out outside the FCPB system, the user has been provided with the flexibility to capture backdated transactions. Currently, there is no restriction on the user in sequencing the backdated transactions. The system will automatically sequence the transactions as per the date of execution as entered by the user.

4.6.1 Other's Transaction Management - Buy

User Access levels:

RM: can capture the transactions for the RM Managed, Self Managed and Held Away portfolios. The Discretionary portfolio will not be displayed in the screen for a RM login.

Customer: can capture the transactions only for his/her Self Managed and Held Away portfolios. The other portfolios, RM Managed and Discretionary, will not be displayed for a Customer login.



There are no restrictions on the either of the users for updating the holdings in either the RM or customer created held away portfolios.

Screen:

FLEXCUBE PRIVATE BANKING User: HO HEAD Current Login: 03/10/2009 10:15 PM Last Login: 03/10/2009 8:48 PM

Home Customer Financial Planning Order Mgmt Txn Mgmt Portfolio Reports Tools My Workspace Logout

Txn Mgmt > Others

Customer Details

Customer No * 1034

Customer Name Amit Joshi

Portfolio Name * RM Managed

Instrument Details

Instrument * ☐ New ☒ Existing

Name Linseed

Asset Class * Others

Country * INDIA

Region SA

Instrument Group * Others

Transaction Details

Transaction Date * 01/10/2009

Currency * INR

Amount * 5000

Fees 250

Tax & Other charges 50

Description

Save Clear

Figure 4.11: Other's Transaction Management Screen

Screen Navigation:

After logging into the system, select Transaction Management → Others

This screen has been elucidated in depth in the next section.

Field	Description	Mandatory
Customer Details		
Customer No.	Enables the user to select the customer by clicking on the search icon available next to the Customer No field	Based on FAC
Customer Name	Displays the Customer Name for the selected Customer No	Based on FAC
Portfolio Name	Displays the list of the portfolio names for the customer	Y
Instrument Details		

Instrument	<p>Enables the user to select the appropriate instrument by clicking the radio button. The options available are New & Existing.</p> <p>If the user selects the New option, the system allows the user to enter the new instrument name in the Name text box.</p> <p>If the user selects the Existing option, the search icon appears next to the Name field and the system allows the user to search for the existing instrument using that icon.</p>	Y
Instrument Name	<p>Enables the user to enter the appropriate instrument name in the Name text box.</p> <p>If the user opts for the existing instrument, system allows the user to search for the existing instrument name using the search icon.</p>	
Asset Class	<p>Enables the user to select the appropriate Asset Class from the drop-down list.</p> <p>If the user opts for the existing instrument, system auto-populates this field.</p>	Y
Country	<p>Enables the user to select the appropriate country name from the drop-down list.</p> <p>If the user opts for the existing instrument, system auto-populates this field.</p>	Y
Region	<p>Displays the region for the selected country. Once the user selects the country, system populates the region for that country.</p> <p>If the user opts for the existing instrument, system auto-populates this field.</p>	Y
Instrument Group	<p>Displays all available Instrument groups in the drop-down list.</p> <p>If the user opts for the existing instrument, system auto-populates this field.</p>	
Transaction Details		
Transaction Date	Enables the user to select the appropriate transaction date using the calendar icon	Y
Currency	Enables the user to select the appropriate currency from the drop-down list	Y

Amount	Enables the user to enter the appropriate amount in the Amount text box	Y
Fees	Enables the user to enter the appropriate amount in the Fees text box.	N
Tax & Other Charges	Enables the user to enter the amount paid as transaction tax in the Tax text box	N
Description	Enables the user to enter the information related to transaction in the Description free text field	N

Rules for capturing a transaction:

- Transactions can be captured only for customers in active status.
- For capturing a transaction the customer should have atleast one of the portfolios RM portfolio or Self Managed portfolio or Held Away portfolio coupled to his/her id.


Procedure for capturing a transaction:

Step 1:

If the user is navigating to this screen immediately after logging in to the system, the system forces to select a customer in the customer selection screen.

On the other hand, if the user is navigating to the screen from any other screen, the system auto-populates the name, no. and default portfolio name of the customer which is already in context.



To change the customer, the user needs to click on the  icon located at the top right hand side corner of the screen.

Step 2:

RM – Subsequent to selecting the customer, the Portfolio Name drop-down list defaults to the default portfolio of RM Managed portfolio type. It is mandatory for the RM to decide on the appropriate portfolio prior to placing the order.

Customer – For a customer login, the 'Portfolio Name' is the first field displayed on the Order screen. The 'Portfolio Name' field will display the list of Self Managed portfolios.

As there is no restriction on either of the users from updating the holdings in either the RM or customer created held away portfolios, all the portfolios created under the category of Held Away will be displayed to both the users.

Step 3:

The subsequent step is to enter the Name of the Holding. It is a text field and the user can enter the Name or the description of the holding as conveniently interpretable by the user.



As this screen has been provided with the flexibility to capture all the additional holdings of the customer apart from the ones which can be easily classified into the system defined instrument types (equity, mutual fund, bond, structured product and insurance), it is impossible for the system to maintain a Master Table for such holdings. Due to this, the system cannot aggregate multiple purchases into the holding. Hence any additional purchases need to be captured as separate security-holding or first time purchase.

Step 4:


The next step is to categorize the holdings into any of the asset classes as provided in the drop down list. In order to capture any holding in this instrument category, it is mandatory for the user to choose one of asset class. To recap, holdings which cannot be sorted into any of the defined asset classes can be categorized into the asset class 'others'.

Step 5:

After selecting the asset class, the subsequent step is to capture the country to which the asset belongs and was purchased. This can be done by selecting the names of the countries provided in the dropdown list in the field 'Country'. On selecting the country, the system will display the corresponding 'Region' associated to the country.

Step 6:

The user then proceeds to capture the purchase details of the holding. The first step in this process is to capture the date of purchase. The calendar for selecting the date has been provided

adjacent to 'Purchase Date' field. Click on the icon , in order to open the calendar.

As these transactions have been carried out outside the FCPB system, the user has been provided with the flexibility to capture backdated transactions. However this flexibility has a constraint associated to it for the RM and Self Managed portfolios. The transactions in these portfolios can be backdated maximum till the customer creation date. However, there is no restriction on the time limit for backdating the holdings for the Held Away portfolio.

The user is also restricted from capturing a future purchase date.

Step 7:

In the next step the user has to capture the currency of the holding. The currencies are provided as a drop down list. It is obligatory for the user to capture the currency of the holding.

Step 8:

The next significant step is to capture the net purchase price of the holding. Please note that it is this price which will be considered for the purpose of analysis and performance computation and hence it is the onus of the user to enter the accurate value. This field too is mandatory for entry by the user.

Step 9:

Enter the appropriate transaction fee in the Transaction Fee text box.


Step 10:

In the next step has been provided to capture the brokerage paid for obtaining the holding. Please note currently, this field is not being utilized for any of the valuation, analysis or performance computations.

Step 11:

The next field 'Description' has been provided to the user to enter any essential information on the holding. This field is a free text field.

Step 12:

After entering all the fields in accordance to the outline given in the above steps, the user can proceed to click on the save  button. On saving the holding you will be displayed with a confirmation message on the screen.

To clear the entire details captured earlier, click on the  button.

4.6.2 Other's Transaction Management - Modify

User Access levels:

RM: can capture the most recent market price for the holdings RM Managed, Self Managed and Held Away portfolios.

Customer: can capture the most recent market price for the holdings only for his/her Self Managed and Held Away portfolios.

Screen:

FLEXCUBE PRIVATE BANKING

User: Savita Rokade Current Login: 11/02/2009 12:42:24 PM Last Login: 11/02/2009 11:54:41 AM

Home Customer Financial Planning Order Mgmt Txn Mgmt Operations Workspace Reports Tools Logout

Others Transaction - Modify

Customer Details

Customer No: 10353
Customer Name: Asmit Patel
Portfolio: db Branch

Instrument Details

Instrument Name: Reliance
Asset Class: Others
Country: India
Region: SOUTH ASIA

Transaction Details

Transaction: Buy
Transaction date: 01/01/2009
Currency: INR
Amount: 100000
Brokerage:
Tax:
Description:

Save Clear Delete

Figure 4.12: Other's Transaction Management Modify Screen

Screen Navigation:

After logging in the system select Txn Mgmt → Transaction Search

From the Transaction Search screen select the appropriate record and click on the Modify hyperlink under Action column.

Rules for capturing a transaction:

Transactions can be captured only for customers in active status.

Procedure for capturing a transaction:

Step 1:

Pre-filled information of the holding is displayed on accessing the screen. The screen will display the name of the customer and the portfolio in which the holding is held. The screen will also display the asset class, the country, region and currency of the holding. These fields are all non editable.


Step 2:

The next significant step is to capture the market value of the holding. It is mandatory for the user to enter a value in this field.



Please note that it is responsibility of the user to keep revising the market price. The system will use the most recent available value from this field from the purpose of valuation, analysis and performance computation. In the absence of the user providing any data, the system will consider the purchase price as the market price for the above mentioned evaluations.

Step 3:

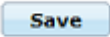
The user then proceeds to capture the valuation date. The calendar for selecting the date has been provided adjacent to 'As on Date' field. Click on the icon , in order to open the calendar.

The system validates the date entered against the purchase date. The user will be restricted to the extent of capturing a date before the purchase date. The user is also restricted from capturing a future valuation date.

Step 4:

The next field 'Description' is also a display field.

Step 5:

After entering all the fields in accordance to the outline given in the above steps, the user can proceed to click on the save  button. On saving the holding you will be displayed with a confirmation message on the screen.

To clear the entire details captured earlier, click on the  button.

4.7 Order Management for Commodities

4.7.1 Commodities Order Capture: Buy

User Access levels:

RM: can place orders for the RM Managed and Self Managed portfolios. The Held away will not be displayed in the screen for a RM login.

Screen:

ORACLE
FLEXCUBE Private Banking

User: HOHEAD Current Login: 30/03/2012 12:52 PM Last Login: 30/03/2012 12:36 PM

Home Customer Financial Planning Order Mgmt Txn Mgmt Reports Tools My Workspace Logout

Order Mgmt > Commodity > Order Capture

Customer Details

Customer No: 1011 ⓘ

Customer Name: Niraj Singh

Portfolio Name: RM Managed

Source Code: ⓘ

Lead Generation Code: ⓘ

Commodity Instrument Details

Instrument Name: COMM1 ⓘ

Security Code: NA

Instrument Currency: INR Settlement Currency: INR

Measured Units: Kgs Last Traded Price: 0

Custody Fee (%): ⓘ

Order Details

Transaction Date: 30/03/2012 ⓘ Settlement Date: 30/04/2012 ⓘ

Transaction: Buy

Order Type: Market Order Trigger Price: 0

Time Condition: GTC Expiry Date: ⓘ

Quantity: 100 Spread: 3000

Treasury Price: 90 Customer Price: 120 ⓘ

Total Treasury Amount: 9000 Fees: 0 ⓘ ⓘ

Total Customer Amount: 12000 [Credit Limit Check](#)

Counterparty Name: ⓘ Counterparty Ref. No.: ⓘ

Description: ⓘ

Account Details

DP ID-Client ID: COMM-356 Bank Account: 1-INR

Comments: ⓘ

Figure 4.13: Commodity Order Capture Screen - Buy

Screen Navigation:

Entry to the screen:

Option 1

Select the “Order Management” option on the main menu

→ Commodity → Order capture

Option 2

Select the “Customer” option on the main menu

→ Portfolio Management → Maintenance → Select a portfolio (except held away/discretionary) from the list of portfolio → Select Commodity from the instrument type table → BUY/SELL
Options from the screen

Rules for commencement of an Order:

The rules for placing the Commodities order are

- Orders can be placed only for customers in active status.
- The bank account information of the customer also needs to be updated in the FCPB prior to initiating an order.

Field	Description	Mandatory
Customer Details		
Customer No	Enables the user to select the customer by clicking on the search icon available next to the Customer No field	Based on FAC
Customer Name	Displays the Customer Name for the selected Customer No	Based on FAC
Portfolio Name	Displays the list of the portfolio names for the customer	Y
Source Code	Displays the Source Code for the banker who has sourced the transaction	Based on FAC
Lead Generation Code	Displays the Lead Generation Code for the banker who has provided the lead for the transaction	Based on FAC
Commodity Instrument Details		
Instrument Name	Enables the user to select the appropriate commodity name by clicking on the search icon available next to the Instrument Name field.	Y
Security Code	Displays the Security Code of the selected security. It displays the Security Code based on the Field Access Controller.	
Instrument Currency	Displays the currency for the selected instrument name. Once the Bond Name is selected, system auto-populates this field.	Y
Settlement Currency	Displays the settlement currency for the selected bond instrument maintained in the bond master.	Y
Measured Units	Displays the appropriate measured units. It displays measured units selection as per the selected instrument. It indicates the base for price computation of the commodity instruments.	
Last Traded Price	Displays the Last Traded Price defined in the Price Master table.	
Order Details		

Transaction Date	Enables the user to enter the appropriate Transaction Date.	Y
Settlement Date	Enables the user to enter the appropriate Settlement Date.	Y
Transaction	Displays the order type in the drop-down list, whether Buy or Sell	Y
Order Type	Specifies the Price condition of the order for the selected instrument.	Y
Time Condition	Specifies the validity of order with respect to time. When the Timed order is selected, system populates additional field Expiry Date and enables the user to enter the appropriate date and time.	Y
Quantity	Displays the number of the units of the commodity.	Y
Spread	Enables the user to enter the appropriate Spread amount.	N
Treasury Price	Enables the user to enter the Treasury Price. When Order Type is selected as 'Market Order' the system displays Treasury price as an editable field with the Last Traded Price. And when Order Type is Limit Order or Stop Loss Order then the Treasury Price is displayed with value equal to Customer Price +/- Spread value.	Y
Customer Price	This field displays the Customer Price per unit of Commodity Currency.	Y
Total Treasury Amount	Displays the total amount calculated as Treasury Price * Quantity.	Y
Fees	Fee charged to the customer based on segment, Instrument Group (IAG) of the customer. The fee includes Taxes and Charges.	Y
Total Customer Amount	It displays the Total Amount charged to customer as per Customer Price i.e. (Customer Price *Quantity)+ Fee	
Credit Limit Check		
Counterparty Name	Enables the user to search for the appropriate Counterparty Name for the transaction.	Based on FAC
Counterparty Ref No.	Enables the user to enter the transaction reference number.	Based on FAC
Description	Enables the user to capture the transaction details for the order.	N

Account Details		
DP ID – Client ID	<p>Displays the depository trading accounts available for the customer depending on the selected Portfolio Name.</p> <p>If the Order Type is Sell then it displays only those DP Id-Client Ids in drop-down against which a Buy transaction was done for the selected portfolio. If the Allow Omnibus flag is selected as Y at Instrument Type level, the system defaults this drop-down to the Omnibus Account No along with the DP ID – Client ID.</p>	Y
Bank Account	Enables the user to select the appropriate bank account no from the drop-down list	Y
Comments	Enables the user to capture remarks before saving the order details.	Y/N


Procedure for placing of an Order:

Step 1:

If the user is navigating to the Order Capture screen for the first time after logging in to the system, the system forces to select a customer in the customer selection screen.

On the other hand, if the user is navigating to the screen from any other screen, the system auto-populates the name, no. and default portfolio name of the customer which is already in context.




To change the customer, the user needs to click on the  icon located at the top right hand side corner of the screen.

Step 2:


RM – Subsequent to selecting the customer, the system displays the 1st Portfolio name in alphabetical order of Portfolio type 'RM Managed'.

Customer – For a customer login, the 'Portfolio Name' defaults to the 1st Portfolio name in alphabetical order of Portfolio type 'Self Managed'.


Step 3:


Click the  icon next to Source Code field and select the appropriate Source Code.


Step 4:

Click the  icon next to Lead Generation Code field and select the appropriate Lead Generation Code.

Step 5:

Click the  icon next to the Instrument Name field.

When the user clicks on the  icon next to the Instrument Name field, Security Search window appears. Enter the appropriate search criteria in the respective fields to search for the Instrument Name.

 The security search screen displays only securities which are in open status and which are approved by the bank. Securities which are suspended from trading will not be displayed in the search screen.

The user can view the Recommended instruments, Focussed instruments, House Views details and Instrument Analytics details by clicking on the respective icons next to the Security ID field as explained in General Characteristics section.

Once the user selects the Instrument Name following fields are automatically get populated.

- Security Code
- Instrument Currency
- Settlement Currency
- Measured Units
- Last Traded Price
- Spread

Step 6:

Enter the appropriate Transaction Date using the calendar icon.

Step 7:

Enter the appropriate Settlement Date using the calendar icon.

Step 8:

From the Transaction Type drop-down list, select the appropriate order type.

There are two options available for Commodity Order Capture. The options are Buy and Sell.

Step 9:

From the Order Type drop-down list, select the appropriate order type.

If the user selects the Order Type as Stop Loss or Limit Order, the Trigger price field is editable and user can enter the desired trigger price else system auto-populates the appropriate trigger price.

Step 10:

Select the appropriate option from Time Condition drop-down list.

Step 11:

Enter the appropriate quantity in the Quantity text box.

Step 12:

Enter the appropriate price in the Treasury Price text box.

Step 13:

Enter the appropriate price in the Customer Price text box.

Once the Quantity and Treasury Price and Customer Price are entered, system auto-populates Spread, Total Treasury Amount, Total Customer Amount and Fee amount if any.



The system auto-populates the Spread amount depending on the Customer Segment, IAG and Order Type combination. However, the system recalculates this amount based on Customer Price and Treasury Price. It can have negative value when the Customer Price is less than the Treasury Price for Buy order and when the Customer Price is more than the Treasury Price for Sell order.



If Spread is not defined in the master then system defaults the field to zero value.

Step 14:

Select the appropriate Counterparty Name using the  icon.

Step 15:

Enter the appropriate ref. no. in the Counterparty Ref. No. text box.

Step 16:

Enter the appropriate description in the Description text box.

Step 17:

From the DP ID – Client ID drop-down list, select the appropriate option.

Step 18:

From the Bank Account No. drop-down list, select the appropriate option.

Step 19:

Click the Submit button.

Once the user clicks on the Save button, system displays the Exception pop-up window if the order to be placed violates certain conditions such as

- Selected instrument is not in Approved List
- Selected instrument is not in Model Portfolio
- Selected instrument is not in Recommended List
- Deviation from Model Asset Allocation
- Trigger Price more/less than 'x%' of the LTP (where 'x' is the no. which is configurable)
- Spread deviated, approval required.

If the user clicks on the 'Yes' button in the Exception pop-up window, the order undergoes exception approval process as explained in Equity order capture.

In case no exceptions occurred, order goes to checker for approval.

4.7.2 Commodity Order Capture: Sell

User Access levels:

RM: can place orders for the RM Managed and Self Managed portfolios. The Held away and Discretionary portfolios will not be displayed in the screen for a RM login.

ORACLE FLEXCUBE Private Banking User: HO HEAD Current Login: 10/05/2011 10:04 AM Last Login: 09/05/2011 8:31 PM

Home Customer Financial Planning Order Mgmt Txn Mgmt Reports Tools My Workspace Logout

Order Mgmt > Commodity > Order Capture

Customer Details
Portfolio Name: RM Managed

Commodity Instrument Details
Instrument Name: Scrotchbury
Security Code:
Instrument Currency: INR Settlement Currency: INR
Measured Units: Kgs Last Traded Price: 0

Order Details
Transaction date: 10/05/2011 Settlement Date: 10/05/2011
Transaction: Sell
Quantity: 100 Spread: -500.00
Treasury Price: 120 Customer Price: 125
Total Treasury Amount: 12000.00 Fees: 0.00
Total Customer Amount: 12500.00
Counterparty Name: LALIT TANUJ Counterparty Ref. No.: 0014859

Description:
Account Details
DP ID-Client ID: Bank Account: 0000000272-INR
Comments:

Submit Clear

Figure 4.14: Commodity Order Capture Screen - Sell

Screen Navigation:

Select the Order Management → Commodity → Commodity Order capture. From the Transaction drop-down list, select the Sell option.

To place the Commodity – Sell transaction follow the same procedure as explained in Commodity - Order Capture – Sell above. The only difference here is that the user needs to select the transaction type as Sell from the Transaction Type drop-down list.

The system allows the user to place the Sell transaction only for those instruments for which the customer has holdings.

4.8 Transaction Management for Commodities

The Commodities category under Transaction Management is used to enter the post trade entries for instrument type Commodities.

User Access levels:

RM and Customer: can capture the commodities holdings for the held away portfolio created either by the customer or by the RM.

STOP There are no restrictions on the either of the users for updating the holdings in either the RM or customer created held away portfolios.

Screen:

ORACLE
FLEXCUBE Private Banking

User: HOHEAD Current Login: 30/03/2012 2:04 PM Last Login: 30/03/2012 2:00 PM

Home Customer Financial Planning Order Mgmt Txn Mgmt Reports Tools My Workspace Logout

Txn Mgmt > Commodities

Customer Details

Customer No *1017 ⓘ
Customer Name R1
Portfolio Name *RM USD

Instrument Details

Instrument Name *Mac COMM ⓘ
Instrument Currency INR
Settlement Currency INR
Measure Units Ounce

Transaction Details

Transaction Type Buy
Transaction Date *19/01/2012 ⓘ Settlement Date *19/01/2012 ⓘ
Quantity *170 Price / units *125
Amount 21250 Fees
Commission 50 Tax & Other charges 25
Exchange Rate 1
Counterparty Name ⓘ Counterparty Ref.No
Description ⓘ

Account Details

DP ID-Client ID *COMM-356

Submit Clear

Figure 4.15: Commodities Transaction Management Screen

Screen Navigation:

After logging into the system, select Transaction Management → Commodities

This screen has been elucidated in depth in the next section.

Field	Description	Mandatory
Customer Details		
Customer No.	Enables the user to select the customer by clicking on the search icon available next to the Customer No field	Based on FAC

Customer Name	Displays the Customer Name for the selected Customer No	Based on FAC
Portfolio Name	Displays the list of the portfolio names for the customer	Y
Instrument Details		
Instrument Name	Enables the user to select the appropriate instrument name by clicking on the search icon available next to the Instrument Name field.	
Instrument Currency	Displays the instrument currency for the selected instrument name. Once the Instrument Name is selected, system auto-populates this field.	Y
Settlement Currency	Displays the settlement currency for the selected instrument.	Y
Measure Units	Displays the measure of units for the selected instrument. Once the Instrument Name is selected, system auto-populates this field.	Y
Transaction Details		
Transaction Type	Enables the user to select the appropriate transaction type from the drop-down list.	
Transaction Date	Enables the user to select the appropriate transaction date using the calendar icon	Y
Settlement Date	Enables the user to enter the appropriate settlement date using the calendar icon.	N
Quantity	Enables the user to enter the appropriate transaction quantity in the Quantity text box	Y
Price/Units	Enables the user to enter the appropriate price per unit for the selected instrument in the Price/Unit text box	Y
Amount	Displays the total transaction amount. Once the user selects the Quantity and Price/Unit fields, system auto-populates this field.	Y
Fees	Enables the user to enter the appropriate fee in the Fees text box	N
Commission	Enables the user to enter the amount paid as commission in Commission text box	N
Tax & Other Charges	Enables the user to enter the amount paid as transaction tax in the Tax text box	N

Exchange Rate	Enables the user to enter the appropriate exchange rate in the Exchange Rate text box. The system defaults this value to '1' if the instrument currency and settlement currency is same.	Y
Counterparty Name	Enables the user to search for the appropriate Counterparty Name for the transaction.	N
Counterparty Ref No.	Enables the user to enter the transaction reference number.	N
Description	Enables the use to enter the transaction details if any, in the Description text box. It is a free text box and allows the user to enter maximum 250 characters.	N


Procedure for placing of an Order:

Step 1:

If the user is navigating to this screen immediately after logging in to the system, the system forces to select a customer in the customer selection screen.

On the other hand, if the user is navigating to the screen from any other screen, the system auto-populates the name, no. and default portfolio name of the customer which is already in context.



To change the customer, the user needs to click on the  icon located at the top right hand side corner of the screen.




The Customer No and Customer Name fields are driven by the Field Access Controller.

Step 2:

RM – Subsequent to selecting the customer, the Portfolio Name drop-down list defaults to the default portfolio of RM Managed portfolio type. It is mandatory for the RM to decide on the appropriate portfolio prior to placing the order.

Customer – For a customer login, the 'Portfolio Name' is the first field displayed on the Order screen. The 'Portfolio Name' field will display the list of Self Managed portfolios.

Step 3:

Click the  icon next to the Instrument Name field.

Once the user clicks on the  icon, Instrument Search pop up window appears.

Enter the appropriate search criteria in the Name field to search for the Instrument Name.

Once the user selects the Instrument Name, following fields automatically populates.


- Instrument Currency
- Settlement Currency
- Measured Units

Step 4:

From the Transaction Type drop-down list, select the appropriate Transaction Type.

The options available are Buy and Sell.

Step 5:

Click the  icon next to Transaction Date and Settlement Date fields and select the appropriate transaction and settlement dates.

Step 6:

Enter the appropriate quantity in the Quantity field.

Step 7:

Enter the appropriate price per unit in the Price/Units field.

The system then calculates the total amount and displays it in the Amount field.

Step 8:

Enter the appropriate transaction fee in the Fees text box.

Step 9:

Enter the appropriate brokerage commission in the Commission text box.

Step 10:

Enter the appropriate amount in the Tax & Other Charges field.

Step 11:

Enter the appropriate rate in the Exchange Rate text box.

This field is enabled only if the instrument and settlement currency is different else it is defaulted with value '1'.

Step 12:

Select the appropriate Counterparty name using the search icon.



If the user enters the Counterparty name, the Counterparty Ref No is a mandatory field else the system gives the error message.

Step 13:

Enter the appropriate ref no in the Counterparty Ref. No. text box.



If the user enters the Counterparty Ref No, the Counterparty name is a mandatory field else the system gives the error message.

Step 14:

Enter the transaction details if any, in the Description text box.

Step 15:

Select the appropriate account no. from the DP ID-Client ID drop-down list.

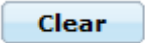


The system defaults the account no. based on the flags selected at Instrument Type level. If the Demat option is selected, then the system displays Omnibus A/c or Client A/c or both in the Security Account field.

Step 16:

Click the Save button.

On saving the holding you will be displayed with a confirmation message on the screen.

If you change your decision on updating the holding, you have the option to clear the entire details captured earlier by clicking on the  button.

4.9 Structured Products Order Management

4.9.1 Structured Products Order Capture - Buy

User Access levels:

RM: can place orders for the RM Managed and Self Managed portfolios. The Held away portfolio will not be displayed in the screen for a RM login.

Screen:

ORACLE
FLEXCUBE Private Banking

User: HO HEAD Current Login: 14/05/2011 11:39 AM Last Login: 13/05/2011 6:13 PM

Home Customer Financial Planning Order Mgmt Txn Mgmt Reports Tools My Workspace Logout

Order Mgmt > Structured Products > Order Capture

Buy **Sell**

Customer Details

Customer No. 10884
 Customer Name Nit Roovy
 Portfolio Name RM Managed
 Source Code Vrushali
 Lead Generation Code Nisha

Instrument Details

Instrument Name UOB Market Linked Plan
 Security Code
 Instrument Currency SGD Settlement Currency SGD
 Custody Fee
 Instrument Group EQ Exchange Select
 Last Traded Clean Price 110

Order Details

Trade Date 14/05/2011 Settlement Date 14/05/2011
 Account Type Demat Account Number IN100452-0010321
 Transaction Type Buy
 Order Type Select Trigger Price
 Time Condition GTC Expiry Date
 Nominal Amount 1000
 Quantity 100.0000
 Accrued Days 0 Accrued Interest 0
 Treasury Price 110 Treasury Yield
 Customer Price 110.02 Customer Yield
 Spread (Bps) 2 Trade Fee 14.95
 Treasury Total Amount 1650.00 Customer Total Amount 1665.25
 Profit (Flat) 15.25
 Counterparty Name BLACKROCK Counterparty Ref. No. 42568
 Application No 425639
 Description

Payment Details

Payment Method Cheque
 Bank Account No. 0000000411 - INR
 Cheque No. 745869
 Comments

Submit **Clear**

Figure 4.16: Structured Products Order Capture – Buy Screen

Screen Navigation:

After logging in the system select Order Management → Structured Products. The screen will default to the Buy tab.

Rules for commencement of an Order:

The rules for placing the Structure Product order are Orders can be placed only for customers in active status:

- The orders can be placed only for RM Managed portfolio.
- The bank account information of the customer also needs to be updated in the FCPB prior to initiating an order.
- The Risk Profile Model of the customer should be created before placing an order.
- If there is an Open order in the system with a particular CPIS, another order cannot be placed for the same CPIS.
- If there is a scheduled order placed for a particular SP and the scheduler is active, no order can be placed for the same SP for same Client and Portfolio.

Field	Description	Mandatory
Customer Details		
Customer No	Enables the user to select the customer by clicking on the search icon available next to the Customer No field	Based on FAC
Customer Name	Displays the Customer Name for the selected Customer No	Based on FAC
Portfolio Name	Displays the list of the portfolio names for the customer in the drop-down list	Y
Source Code	Displays the Source Code for the banker who has sourced the transaction	Based on FAC
Lead Generation code	Displays the Lead Generation Code for the banker who has provided the lead for the transaction	Based on FAC
Instrument Details		
Instrument Name	Enable the user to select the appropriate Instrument Name by clicking on the search icon	Y
Term Sheet - hyperlink	Enables the user to view the instrument details available in the generic Instrument Master by clicking on the hyperlink,	
Security Code	Displays the alternate id of the selected instrument	
Instrument Currency	Displays the currency for the selected Instrument. Once the user selects the Instrument Name, system auto-populates this field.	Y

Settlement Currency	This field captures the settlement date for an instrument, based on the settlement cycle maintained in the system for the exchange on which the instrument trades.	
Custody Fee	This field displays the Custody Fee based on the customer segment & IAG	
Instrument Group	Displays the Instrument Group for the selected Instrument. Once the user selects the Instrument Name, system auto-populates this field.	Y
Exchange	Enables the user to select the appropriate Exchange	
Last Traded Clean Price	Displays the Last Traded Price	
Counterparty	Enables the user to select the appropriate counterparty	Y
Order Details		
Trade Date	Enables the user to select the appropriate trade date. The system does not allow the user to enter the future trade date. If the trade date falls on the system or exchange holiday, the system displays the appropriate warning message.	Based on FAC
Settlement Date	Captures the settlement date for an instrument, based on the settlement cycle maintained in the system for the exchange on which the instrument trades.	Based on FAC
Account Type	Enables the user to select the appropriate account type i.e. Demat or Non-Demat	
Account No	Enables the user to enter the Account No	Y
Transaction Type	Displays the appropriate transaction type – Buy or Sell	Y
Order Type	Displays the appropriate order type – market order, Limit Order or Stop Loss Order	Y
Trigger Price	Enables the user to enter the appropriate price at which the trade is expected to happen	
Time Condition	Enables the user to enter the appropriate time condition. The options available are IOC, GTC and Timed Order	
Expiry Date	Displays the order expiry date.	
Nominal Amount	It displays the stated value of an issued security which remains fixed	

Quantity	Display the units, which are calculated as Nominal Amount/Face Value	
Accrued Days	Displays the number of days for which the last accrual of interest has happened	
Accrued Interest	Displays the appropriate interest accrued for the selected instrument	
Treasury Price	Enables the user to enter the appropriate treasury price. This field is enabled only if the instrument is unit based, else the system displays it in the disabled mode	
Treasury Yield	Displays the corresponding YTM for a given Treasury price	
Customer Price	Enables the user to enter the price charged to the client	
Customer Yield	This field populates with the corresponding YTM for a given Customer price	
Spread (Bps)	Enables the user to enter the appropriate spread value. This is a display only field for unit based instrument.	
Transaction Fee	Displays the transaction fee for the selected transaction	
Treasury Total Amount	It displays the amount calculated as Treasury Total Amount = (Treasury price*Quantity)+Accrued Interest	
Customer Total Amount	It displays the amount calculated as Client Total Amount = (Price to client*Quantity)+Accrued Interest +transaction Fee	
Profit (Flat)	It displays the profit amount calculated as Profit = Nominal Amount * (Customer Price – Treasury Price) + Trade Fee	
Counterparty Name	Enables the user to select the appropriate Counterparty Name	
Counterparty Ref No	Enables the user to enter the appropriate ref no.	
Application No	Enables the user to enter the Application No	Y
Description	Enables the user to enter the description for the selected order, if any	
Payment Details		
Payment Method	Enables the user to select the appropriate method from the drop-down list	Y

Bank Account No	Enables the user to select the appropriate bank account no from the drop-down list	
Cheque No	Enables the user to select the appropriate cheque no from the drop-down list	
Comments	Enables the user to enter the comments for the selected order, if any	


Procedure for placing of an Order:

Step 1:

If the user is navigating to the Order Capture screen for the first time after logging in to the system, the system forces to select a customer in the customer selection screen.

On the other hand, if the user is navigating to the screen from any other screen, the system auto-populates the name, no. and default portfolio name of the customer which is already in context.




To change the customer, the user needs to click on the  icon located at the top right hand side corner of the screen.

Step 2:


RM – Subsequent to selecting the customer, the Portfolio Name drop-down list defaults to the default portfolio of RM Managed portfolio type. It is mandatory for the RM to decide on the appropriate portfolio prior to placing the order.

Customer – For a customer login, the 'Portfolio Name' is the first field displayed on the Order screen. The 'Portfolio Name' field will display the list of Self Managed portfolios.


Step 3:


Click the  icon next to the Source Code field and select the appropriate Source Code

Step 4:

Click the  icon next to the Lead Generation Code field and select the appropriate Lead Generation Code.


Step 5:

Click the  icon next to the Instrument Name field.

When the user clicks on the  icon next to the Instrument Name field, Instrument Search window appears. Enter the appropriate search criteria in the respective fields to search for the Instrument Name.

Once the user selects the Instrument Name following fields are automatically get populated.

- Security Code
- Instrument Currency
- Settlement Currency
- Custody Fee
- Instrument Group
- Exchange
- Last Traded Clean Price

The user can select the instrument by searching for the security using  icon as explained in general characteristics section.



The security search screen displays only securities which are in open status and which are approved by the bank. Securities which are suspended from trading will not be displayed in the search screen.

The user can view the Recommended instruments, Focussed instruments, House Views details and Instrument Analytics details by clicking on the respective icons next to the Security ID field as explained in General Characteristics section.

The user can also view the instrument details available in the Generic Instrument Master by clicking on the Term Sheet hyperlink. The Term Sheet pop-up window appears as below:

FLEXCUBE - PRIVATE BANKING - CUST Instrument Details - SP Txn Buy - M...

Instrument Details

Instrument Name : UOB IB Market linked Plan
 Issuer : UOB
 Instrument Currency : SGD
 Settlement Currency : INR
 Alternate Currency : Singapore Dollar
 Face Value : 10.00
 Minimum Amount : 500,000.00
 Start Ref Date : 01/12/2008

Underlying Asset

Type	Name	Lifecycle Event Description
Instrument	Mundra Port Ltd	The price at any point crosses a barrier of 1000 -*()%

Key Parameters

Contingent coupon	15%
Coupon	12 %

Payout Details

10percent if the barrier is hit else 20 percent %&*(),

Print

Figure 4.17: Instrument Details Pop-up Window

Step 6:

Select the appropriate Trade Date using the calendar icon.

Step 7:

Select the appropriate Settlement Date using the calendar icon.

Step 8:

Select the appropriate account type from the Account Type drop-down list.

Step 9:

Select the appropriate account number from the Account Number drop-down list.

Step 10:

Enter the appropriate price in the Treasury Price text box.

Once the user enters the Treasury Price, the system calculates and displays the corresponding YTM in the Treasury Yield. This field is enabled only if the selected instrument is unit based.

Step 11:

Enter the appropriate price in the Customer Price text box.

This field is a free text box if the selected Order Type is Limit Order and based on the price entered by the user, it adjusts its spread and derives the Treasury price and populates the same in Treasury Price text box.

Once the user enters the Customer Price, the system calculates and displays the corresponding YTM in the Customer Yield.

Step 12:

Enter the appropriate spread amount in the Spread text box if the selected instrument is amount based instrument.

This spread field is display only field if the selected instrument is unit based instrument.




Also if the transaction fee is applicable for the selected customer, system displays it in the Transaction Fee text box.

Once the Treasury Price, Customer Price and Transaction Fee are entered, the system calculates and displays the Treasury Total Amount and Customer Total Amount.

The system also calculates the Profit amount and displays it in the Profit (Flat) text box. In case of amount based instrument, the system does not display any value in this text box.

Step 13:

Select the appropriate Counterparty using the  icon next to the Counterparty Name field.

Step 14:

Enter the appropriate reference number in the Counterparty Ref. No. text box.

Step 15:

Enter the appropriate amount in the Commitment Amount text box.

The Commitment Amount Applicable field is enabled in the screen only if Commitment Amount Applicable field has been set to Y in the Product Master. The system also displays the draw down amount till date if the Commitment Amount Applicable field is Y.

Step 16:

Enter the appropriate application no. in the Application No. text box.

Step 17:

Enter the description in the Description text box, if any.

Step 18:

From the Payment Method drop-down list, select the appropriate payment method.

The available options for payment method are ECS, Cheque and DD.

Step 19:

From the Bank Account No. drop-down list, select the appropriate account no.

Step 20:

Enter the appropriate cheque no. in the Cheque No. text box.

Step 21:

Enter the comments in the Comments text box, if any.

Step 22:

Click the Save button.

Once the user clicks on the Save button, system displays the Exception displays pop-up window if the order to be placed violates certain conditions such as

- Selected instrument is not in Approved List
- Selected instrument is not in Model Portfolio
- Selected instrument is not in Recommended List
- Deviation from Model Asset Allocation

If the user clicks on the 'Yes' button in the Exception pop-up window, the order undergoes exception approval process as explained in Equity order capture.

In case no exceptions occurred, order goes to checker for approval.

4.9.2 **Structured Products Order Capture: Sell**

User Access levels:

RM: Orders can be placed only for RM Managed portfolios. The Held away and Discretionary portfolios will not be displayed in the screen for a RM login.

Screen:

The screenshot displays the Oracle FLEXCUBE Private Banking interface for the 'Structured Products Order Capture - Sell' screen. The top navigation bar includes links for Home, Customer, Financial Planning, Order Mgmt, Txn Mgmt, Reports, Tools, My Workspace, and Logout. The 'Txn Mgmt' tab is selected, and the breadcrumb path is 'Txn Mgmt > Structured Products'. The main form is organized into three sections: 'Customer Details' (Customer No: 10906, Customer Name: Sanjot Kohli, Portfolio Name: RM Managed), 'Instrument Details' (Instrument Name: Test SP1, Security Code: T, Instrument Group: EQ, Instrument Currency: INR, Settlement Currency: INR, Account Number: 0313130513, Quantity: 1000, Nominal Amount), and 'Transaction Details' (Transaction Date, Settlement Date, Nominal Amount: 10000, Quantity, Price of Unwind: 12000, Interest Earned: 150, Penalty on Unwind: 50, Total Amount: 100, Counterparty: LALIT TANUJ, Counterparty Ref. No., Exchange Rate, and Asset Transfer Out: Yes/No). A 'Match With Order' button is positioned below the form fields, and 'Submit' and 'Clear' buttons are at the bottom.

Figure 4.18: SP & Alternatives Order Capture – Sell Screen

Screen Navigation:

After logging in the system select Order Management → SP and Alternatives. The screen will default to the Buy tab. Click the Sell tab.


Procedure:

Step 1:

If the user is navigating to the Order Capture screen for the first time after logging in to the system, the system forces to select a customer in the customer selection screen.

On the other hand, if the user is navigating to the screen from any other screen, the system auto-populates the name, no. and default portfolio name of the customer which is already in context.



To change the customer, the user needs to click on the  icon located at the top right hand side corner of the screen.

Step 2:

RM – Subsequent to selecting the customer, the Portfolio Name drop-down list defaults to the default portfolio of RM Managed portfolio type. It is mandatory for the RM to decide on the appropriate portfolio prior to placing the order.

Customer – For a customer login, the 'Portfolio Name' is the first field displayed on the Order screen. The 'Portfolio Name' field will display the list of Self Managed portfolios.

Step 3:

Click the  icon next to the Source Code field and select the Source Code.

Step 4:

Click the  icon next to the Lead Generation Code field and select the Lead Generation Code.

Step 5:

From the Instrument Name drop-down list, select the appropriate Instrument name for the selected customer.

Once the user selects the Instrument Name, following fields are automatically populated with the corresponding information.

- Security Code
- Instrument Currency
- Settlement Currency
- Custody Fee
- Instrument Group
- Last Traded Clean Price
- Exchange
- Nominal Amount (Held)
- Quantity(Held)

Step 6:

Select the appropriate Trade Date using the calendar icon.

Step 7:

Select the appropriate Settlement Date using the calendar icon.

Step 8:

Select the appropriate order type from the Order Type drop-down list.

Step 9:

Select the appropriate time condition from the Time Condition Type drop-down list.

Step 10:

Select the appropriate account type from the Account Type drop-down list.

Step 11:

Select the appropriate account number from the Account Number drop-down list.

Step 12:

Select the appropriate account number from the Account Number drop-down list.

Step 13:

Enter the appropriate price in the Treasury Price text box.

Step 14:

Enter the appropriate price in the Customer Price text box.

Step 15:

Enter the appropriate spread amount in the Spread text box if the selected instrument is amount based instrument.

Once the Treasury Price, Customer Price and Transaction Fee are entered, the system calculates and displays the Treasury Total Amount and Customer Total Amount.

Step 16:

Select the appropriate Counterparty using the  icon next to the Counterparty Name field.

Step 17:

Enter the appropriate reference number in the Counterparty Ref. No. text box

Step 18:

From the Bank Account No. drop-down list, select the appropriate bank account no.

Step 19:

Click the Submit button.

Once the user clicks on the Submit button, system displays the Exception pop-up window stating the conditions that are violated. To proceed with the exceptions, user clicks on the Yes button and sends it for Authorization else clicks on the No button to switch back to the Order Capture screen.

4.10 Transaction processing for Structured Products

Description:

Structured Product is generally a pre-packaged investment strategy which is based on derivatives, such as a single security, a basket of securities, options, indices, commodities, debt issuances and/or foreign currencies, and to a lesser extent, swaps.

Combinations of derivatives and financial instruments create structures that have significant risk/return and/or cost savings profiles that may not be otherwise achievable in the marketplace. Structured products are designed to provide investors with highly targeted investments tied to their specific risk profiles, return requirements and market expectations.

These products are created through the process of financial engineering, i.e. by combining underlying like shares, bonds, indices or commodities with derivatives. The value of derivative securities, such as options, forwards and swaps is determined by the prices of the underlying securities.

The benefits of structured products (such as principal protected notes) can include:

- Principal protection
- Enhanced returns within an investment
- Reduced volatility (or risk) within an investment

Apart from Structured Products, the other Alternatives instruments like Private Equity Funds, Venture Capital Funds or Real Estate Funds are medium to long-term funds which invest in equity stakes in potentially high growth unquoted companies. Investors specify a minimum commitment amount and commitment period for investing in such funds. The actual portion of the capital commitment amount is paid from time to time either based on a mutually agreed drawdown schedule or by an on-call drawdown after receiving a drawdown notice. Additional commitment from the existing contributors during additional closings is allowed. Sale of units is possible only on maturity. Usually there will be no public market for the units and subject to certain limited exceptions, such units or beneficial interests will not be transferable.

These products are synthetic investment instruments specially created to meet specific needs that cannot be met from the standardized financial instruments available in the markets. Structured products can be used: as an alternative to a direct investment; as part of the asset allocation process to reduce risk exposure of a portfolio or to utilize the current market trend.

Understanding Transaction Management of Structured Products

In FCPB, Structured products and other Alternatives like PE/VC/RE Funds are grouped under the same instrument type 'Structured Product'. The Structured Product instrument master will have a payment type field with options as 'One-Time' payment or 'Installment Based', Onetime payment option should be selected for pure Structured Products and an 'Installment-Based' payment should be selected for other alternatives like PE/RE/VC Fund. Any SP instrument will have either of one.

In order capture screen, if the instrument selected belongs to a scheme which has payment type as 'One-Time' in the structured product master, then the order capture screen will capture the quantity of Units bought/sold, Price and compute the total amount.

If the instrument selected in order capture screen has payment type as 'Installment-Based' in the structured product master, then the buy order screen will capture the quantity of Units bought, Price, Drawdown amount, Commitment amount, Drawdown type whether 'On-Call' or 'Scheduled based'. If the Drawdown type is 'On-Call', then every time drawdown notice is received, the investor/RM will have to enter the buy transaction/drawdown amount in the Order Capture screen.

If the Drawdown Type is 'Scheduled Based' then order capture screen will capture additional fields like Frequency, No. of Transfers and Commencement Date. Based on the commencement date selected, system will identify that date as "Investment date" for all future order generation During EOD process, system will identify the orders to be generated for next business date based on investment date and frequency and will accordingly auto generate the order for next business date and populate the Order Book with new Orders for the Drawdown Amount specified in the Order Capture screen.

To recapitulate, for the purpose of portfolio analysis and simulation (elucidated in detail in the section on Portfolio Analysis) the units of a Structure product may also include units derived as underlying securities of one or more instruments. This information on the underlying securities for each of the structure products is maintained by the administrator in 'MF Asset Allocation pattern' table in the database.

4.10.1 Structured Product's Transaction Manangement - Buy

User Access levels:

RM: can capture the transactions for the RM Managed, Self Managed and Held Away portfolios.

Customer: can capture the transactions only for his/her Self Managed and Held Away portfolios.



There are no restrictions on the either of the users for updating the holdings in either the RM or customer created held away portfolios.

Screen:

ORACLE FLEXCUBE Private Banking User: HO HEAD Current Login: 13/09/2011 3:57 PM Last Login: 13/09/2011 2:51 PM

Home Customer Financial Planning Order Mgmt Txn Mgmt Reports Tools My Workspace Logout

Txn Mgmt>Structured Products

Buy Unwind

Customer Details

Customer No *11015
Customer Name PANCH05
Portfolio Name *PANCH05

Instrument Details

Instrument Name *HDFC Dual Currency Deposit -INR-SGD [Term Sheet](#)
Security Code
Instrument Currency INR Instrument Group Others Settlement Currency INR

Transaction Details

Transaction Date *01/05/2011 Settlement Date 01/05/2011
Account Type Demat Account Number SP01-14785
Nominal Amount 1000 Price *1200
Quantity *100000
Amount *0 Interest Paid 10
Commission 200 Fee 25
Exchange Rate 1 Tax & Other Charges
Asset Transfer In ☒ Yes ☐ No
Counterparty Counterparty Ref. No.
Description

Match With Order

Save Clear

Figure 4.19: SP Transaction Management - Buy Screen

Screen Navigation:

After logging in the system, select the Transaction Management → SP and Alternatives



Please note that, only the purchase transactions of the holdings for the instrument type 'Structured Products' can be captured through this screen.

Rules for capturing a transaction:

- Transactions can be captured only for customers in active status.
- For capturing a transaction the customer should have atleast one of the portfolios RM portfolio or Self Managed portfolio or Held Away portfolio coupled to his id.

Customer Details		
Customer No.	Enables the user to select the customer by clicking on the search icon available next to the Customer No field	Based on FAC

Customer Name	Displays the Customer Name for the selected Customer No	Based on FAC
Portfolio Name	Displays the list of the portfolio names for the customer	Y
Instrument Details		
Instrument Name	Enables the user to select the appropriate instrument name by clicking on the search icon available next to the Instrument Name field.	Y
Security Code	Displays the Security Code of the selected instrument.	N
Instrument Group	Displays the Instrument Group for the selected Instrument	
Instrument Currency	Displays the currency for the selected instrument name. Once the Instrument Name is selected, system auto-populates this field.	Y
Settlement Currency	Displays the instrument settlement currency	Y
Transaction Details		
Transaction Date	Enables the user to select the appropriate transaction date using the calendar icon	Y
Settlement Date	Enables the user to select the appropriate settlement date using the calendar icon	
Account Type	Enables the user to select the appropriate account type	
Account Number	Enables the user to enter the appropriate account number	
Nominal Amount	Enables the user to enter the nominal amount. It is the stated value of an issued security which remains fixed.	
Quantity	Enables the user to enter the appropriate transaction quantity in the Quantity text box	Y
Price	Enables the user to enter the appropriate price per unit for the selected instrument in the Price/Unit text box	Y
Spread bps	Enables the user to enter the spread value	
Price to Client	Displays the price charged to the client. It is calculated as $(Price + (Spread/100))$	
Accrued Interest	Enables the user to enter the appropriate accrued interest	
Fee	Enables the user to enter the appropriate fee	

Tax and Other Charges	Enables the user to enter the appropriate tax and other charges.	
Total Amount	Displays the total transaction amount. Once the user selects the Quantity and Price/Unit fields, system auto-populates this field.	Y
Commitment Amount	Displays the commitment amount of payment for the selected instrument. When the Payment type of the selected instrument is Installment-Based, this field appears on the screen	Y
Counterparty Name	Enables the user to select the appropriate counterparty name who executes the order.	N
Counterparty Ref No	Enables the user to enter the Counterparty Ref. No. in the text box provided. This is a reference number usually assigned by the external service provider.	N
Exchange Rate	Enables the user to enter the appropriate exchange rate	
Asset Transfer In	Enables the user to enter the appropriate option for Asset Transfer	
Description	Enables the use to enter the transaction details if any, in the Description text box. It is a free text box and allows the user to enter maximum 250 characters.	N


Procedure for capturing a transaction:

Step 1:

If the user is navigating to this screen for the first time after logging in to the system, the system forces to select a customer in the customer selection screen.

On the other hand, if the user is navigating to the screen from any other screen, the system auto-populates the name, no. and default portfolio name of the customer which is already in context.



To change the customer, the user needs to click on the  icon located at the top right hand side corner of the screen.




The Customer No and Customer Name fields are driven by the Field Access Controller.

Step 2:

RM – Subsequent to selecting the customer, the Portfolio Name drop-down list defaults to the default portfolio of RM Managed portfolio type. It is mandatory for the RM to decide on the appropriate portfolio prior to placing the order.

Customer – For a customer login, the 'Portfolio Name' is the first field displayed on the Order screen. The 'Portfolio Name' field will display the list of Self Managed portfolios.

Step 3:



The subsequent step is to select the Structured Product. The user can select the Structured Product either by directly entering the name of the product or by searching for the product by clicking the  button.



The structured product search screen displays only the schemes which are in open status.

On selecting the structured product, the instrument currency, settlement currency and the exchange in which the product is listed will be displayed in the corresponding 'Instrument Currency' 'Settlement Currency', and 'Exchange' fields in the screen.

Step 4:

The user then proceeds to capture the purchase details of the holding. The first step in this process is to capture the date of purchase. The calendar for selecting the date has been provided adjacent to 'Transaction Date' field. Click on the icon , in order to open the calendar. The user can also select the settlement date using the  icon located next to the Settlement Date field.

As these transactions have been carried out outside the FCPB system, the user has been provided with the flexibility to capture backdated transactions.

The user is also restricted from capturing a future purchase date.

Step 5:

Select the appropriate account type from the Account Type drop-down list.



The Account Type field is driven by the Field Access Controller for Mandatory and Modify actions. The Display option will always be in the disabled mode in FAC for this field.

Step 6:

Select the appropriate account number from the Account Number drop-down list.



The system defaults the Account Number based on the Flags selected at Instrument Type level. If the Demat option is selected, then the system displays Omnibus A/c or Client A/c or both in the Account Number. field.



This field is also driven by the Field Access Controller for Mandatory and Modify actions. The Display option will always be in the disabled mode in FAC for this field. .

Step 7:

Enables the user to enter the appropriate amount in the Nominal Amount text box.

Once the nominal amount is entered, the system displays the quantity calculated using the formula Amount/Face Value.

Step 8:

Enter the appropriate price in the Purchase Price text box.

Step 9:

Enter the appropriate value in the Spread bps text box.

Once the Purchase Price and Spread values are entered, the system displays the Price to Client.

Step 10:

Enter the appropriate interest in the Accrued Interest text box.

Step 11:

Enter the appropriate fee if any, in the Fee text box.

Step 12:

Enter the appropriate tax and other charges if any, in the Tax & Other Charges text box.

Once the fees and tax are entered, system displays the Total Amount.

Step 13:

Select the appropriate Counterparty name using the search icon.

Step 14:

Enter the appropriate ref no in the Counterparty Ref. No. text box.


Step 15:

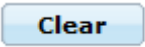
Enter the appropriate rate in the Exchange Rate text box.

Step 16:

Select the appropriate option for Asset Transfer In field.

Step 17:

After entering all the fields in accordance to the outline given in the above steps, you can proceed to click on the submit  button. On saving the holding you will be displayed with a confirmation message on the screen.

If you change your decision on updating the holding, you have the option to clear the entire details captured earlier by clicking on the  button.

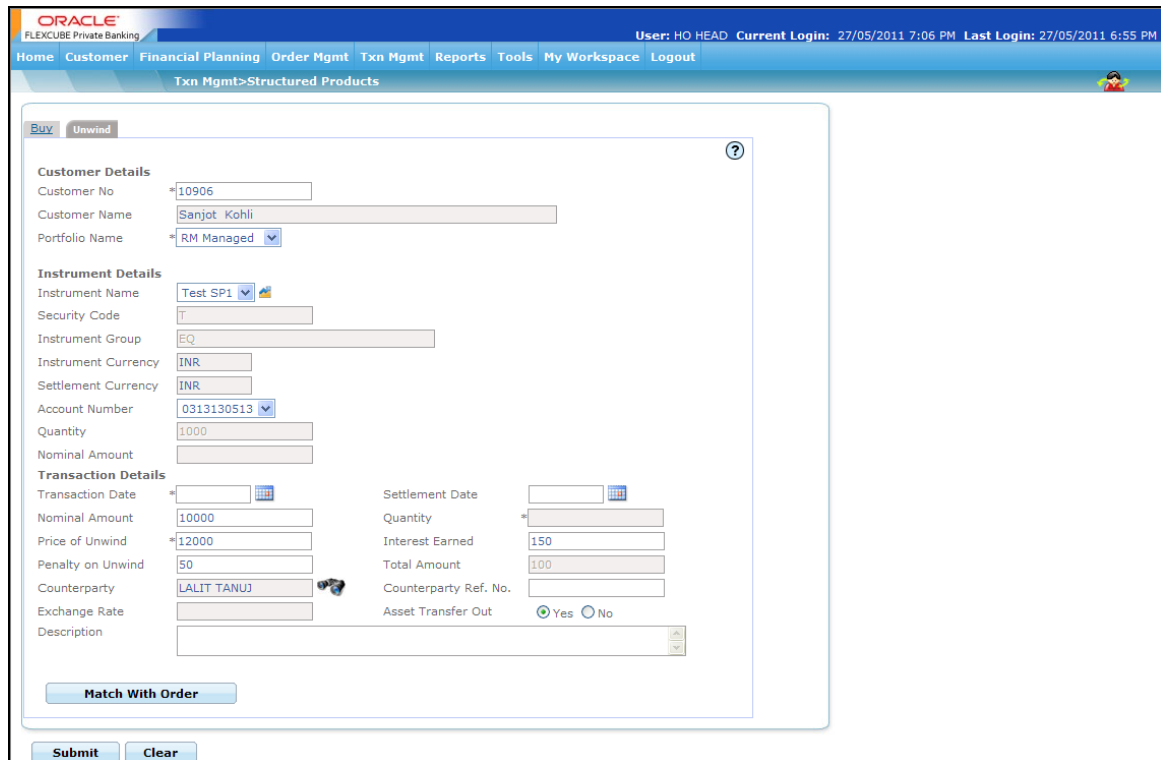
4.10.2 Structured Product's Transaction Management- Unwind

User Access levels:

RM: can capture the unwind transactions for the RM Managed, Self Managed and Held Away portfolios.

Customer: can capture the unwind transactions only for his Self Managed and Held Away portfolios.

Screen:



The screenshot displays the Oracle FLEXCUBE Private Banking interface for the 'Unwind' transaction management screen. The top navigation bar includes links for Home, Customer, Financial Planning, Order Mgmt, Txn Mgmt, Reports, Tools, My Workspace, and Logout. The user is logged in as 'HO HEAD' on 27/05/2011 at 7:06 PM. The main content area is titled 'Txn Mgmt>Structured Products' and features a 'Buy' and 'Unwind' tab. The 'Unwind' tab is active, showing a form with the following sections:

- Customer Details:** Customer No (10906), Customer Name (Sanjot Kohli), Portfolio Name (RM Managed).
- Instrument Details:** Instrument Name (Test SP1), Security Code (T), Instrument Group (EQ), Instrument Currency (INR), Settlement Currency (INR), Account Number (0313130513), Quantity (1000), Nominal Amount.
- Transaction Details:** Transaction Date, Settlement Date, Nominal Amount (10000), Price of Unwind (12000), Interest Earned (150), Total Amount (100), Counterparty (LALIT TANUJ), Exchange Rate, Description.

At the bottom of the form is a 'Match With Order' button. Below the form are 'Submit' and 'Clear' buttons.

Figure 4.20: SP Transaction Management – Unwind Screen

Screen Navigation:

After logging in the system, select Txn Management → SP and Alternatives. The screen defaults to the Buy tab. Click on the Unwind tab.

Rules for capturing a transaction:

Transactions can be captured only for customers in active status.

Procedure for capturing a transaction:**Step 1:**

Pre-filled information of the holding is displayed on accessing the screen. The screen will display the name of the customer and the portfolio in which the holding is held.

Step 2:


Select the appropriate instrument from the Instrument Name drop-down list.

Once the instrument is selected, the system displays the Security Code, Instrument Group, Instrument Currency, Settlement Currency and Nominal Amount (Held). These fields are all non editable.

Step 3:

Select the appropriate account no. from the Account Number drop-down list.

Step 4:

The first step is to capture the date of sale transaction. The calendar for selecting the date has been provided adjacent to 'Transaction Date' field. Click on the icon  , in order to open the calendar.

The system validates the date entered against the purchase date. The user will be restricted to the extent of capturing a date before the purchase date. The user is also restricted from capturing a future sale date.

Step 5:

In the next step the user has to capture the Nominal Amount, Price of Unwind, Earned Interest and Penalty of Unwind.



Once the Nominal Amount is entered, system displays the Quantity calculated as Amount/Face Value. The Quantity and Price of Unwind fields are enabled only for Unit based instruments.

The system also displays the Total Amount calculated as "Price of Unwind * Qty + Interest Earned – Penalty on Unwind".

Step 6:

Select the appropriate Counterparty name using the search icon.

Step 7:

Enter the appropriate ref no in the Counterparty Ref. No. text box.


Step 8:

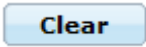
Select the appropriate option for Asset Transfer Out field.

Step 9:

Enter the order details if any, in the Description text box.

Step 10:

After entering all the fields in accordance to the outline given in the above steps, you can proceed to click on the Submit  button. On saving the holding you will be displayed with a confirmation message on the screen.

If the user changes the decision on updating the holding, to clear the entire details captured earlier, click on the  button.

4.11 Order Management for PMS

4.11.1 PMS Order Capture: Buy

User Access levels:

RM: can place orders for the RM Managed and Self Managed portfolios. The Held away and Discretionary portfolios will not be displayed in the screen for a RM login.

Screen:

ORACLE
FLEXCUBE Private Banking

User: HOHEAD Current Login: 30/03/2012 2:04 PM Last Login: 30/03/2012 2:00 PM

Home Customer Financial Planning Order Mgmt Txn Mgmt Reports Tools My Workspace Logout

Order Mgmt > PMS > PMS Order Capture

Customer Details

Customer No. 1017 ⓘ
Customer Name R1
Portfolio Name RM USD
Source Code
Lead Generation Code

Instrument Details

Instrument Name PMS002 ⓘ
Currency INR
Counterparty

Order Details

Order Type Buy
Account No. 412569
Application No. 4127458
Invested Amount 100000
Transaction fee (including taxes and surcharge) 0 ⓘ Total Amount 100000

Bank Details

Payment Method Cheque
Bank Account No. 1-INR
Cheque No. 72365

Save Clear

Figure 4.21: PMS Order Capture – Buy Screen

Screen Navigation:

After logging in the system select Order Management → PMS → PMS Order capture

Rules for commencement of an Order:

The rules for placing the PMS order are Orders can be placed only for customers in active status.

- The orders can be placed only for RM Managed portfolio.
- The bank account information of the customer also needs to be updated in the FCPB prior to initiating an order.

Field	Description	Mandatory
Customer Details		

Customer No.	Enables the user to select the customer by clicking on the search icon available next to the Customer No field	Y
Customer Name	Displays the Customer Name for the selected Customer No	Y
Portfolio Name	Displays the list of the portfolio names for the customer	Y
Source Code	Displays the Source Code for the banker who has sourced the transaction	Y
Lead Generation Code	Displays the Lead Generation Code for the banker who has provided the lead for the transaction	Y
Instrument Details		
Instrument Name	Enables the user to select the appropriate instrument name by clicking on the search icon available next to the Instrument Name field.	
Currency	Displays the currency for the selected instrument name. Once the Instrument Name is selected, system auto-populates this field.	Y
Holding Amount	Displays holding amount	
Order Details		
Order Type	Displays the order type in the drop-down list, whether Buy or Sell	
Account No	Enables the user to enter the Account No	Y
Application No	Enables the user to enter the Application No	Y
Invested Amount	Displays Invested amount for Buy and Redemption amount for Sell	Y
Bank Account Details		
Payment Method	Enables the user to select the appropriate method from the drop-down list	Y
Bank Account No	Enables the user to select the appropriate bank account no from the drop-down list	
Cheque No	Displays the cheque no. for the order capture. This field appears only for Buy orders.	
Redemption Amount	Displays Redemption Amount	


Procedure for placing of an Order:

Step 1:

If the user is navigating to the Order Capture screen for the first time after logging in to the system, the system forces to select a customer in the customer selection screen.

On the other hand, if the user is navigating to the screen from any other screen, the system auto-populates the name, no. and default portfolio name of the customer which is already in context.



To change the customer, the user needs to click on the  icon located at the top right hand side corner of the screen.

Step 2:

RM – Subsequent to selecting the customer, the system displays the 1st Portfolio name in alphabetical order of Portfolio type 'RM Managed'.

Customer – For a customer login, the 'Portfolio Name' defaults to the 1st Portfolio name in alphabetical order of Portfolio type 'Self Managed'.

Step 3:

Click the  icon next to Source Code field and select the appropriate Source Code.


If Check Certificate for Source is set to Yes in Instrument Type Master screen, then the system checks for certificate and its expiry. If it is set to No system does not check for the certificate and allows the user to proceed further.


Step 4:

Click the  icon next to Lead Generation Code field and select the appropriate Lead Generation Code.

If Check Certificate for Lead Generator is set to Yes in Instrument Type Master screen, then the system checks for certificate and its expiry. If it is set to No system does not check for the certificate and allows the user to proceed further.

Step 5:

Click the  icon next to the Instrument Name field.

When the user clicks on the  icon next to the Instrument Name field, Instrument Search window appears. Enter the appropriate search criteria in the respective fields to search for the Instrument Name.



The instrument search screen displays only securities which are in open status and which are approved by the bank. Securities which are suspended from trading will not be displayed in the search screen.

The user can view the Recommended instruments, Focussed instruments, House Views details and Instrument Analytics details by clicking on the respective icons next to the Security ID field as explained in General Characteristics section.

Once the user selects the Instrument Name following fields are automatically get populated.

- Instrument Group
- Currency

Step 6:

From the Order Type drop-down list, select the appropriate order type.

There are two options available for PMS Order Capture. They are Buy and Sell. By default Buy option is selected.

Step 7:

Enter the appropriate account no. in the Account No. text box.

Step 8:

Enter the appropriate application no. in the Application No. text box.

Step 9:

Enter the appropriate amount to invest in the Invested Amount text box.

Step 10:

From the Payment Method drop-down list, select the appropriate option.

The options available for Payment Method are ECS, Cheque, and DD.

Step 11:

From the Bank Account No. drop-down list, select the appropriate option.

Step 12:

Enter the appropriate cheque no. in the Cheque No. text box.

Step 13:

Click the Save button.

Once the user clicks on the Save button, system displays the Exception pop-up window if the order to be placed violates certain conditions such as

- Selected instrument is not in Approved List
- Selected instrument is not in Model Portfolio
- Selected instrument is not in Recommended List
- Deviation from Model Asset Allocation

If the user clicks on the 'Yes' button in the Exception pop-up window, the order undergoes exception approval process as explained in Equity order capture.

In case no exceptions occurred, order goes to checker for approval.



If an order is placed for a particular PMS with a particular Account No., the subsequent orders for that PMS should be placed with the same Account No.

4.11.2 PMS Order Capture: Sell

User Access levels:

RM: can place orders for the RM Managed and Self Managed portfolios. The Held away and Discretionary portfolios will not be displayed in the screen for a RM login.

Screen:

FLEXcube PRIVATE BANKING User: Savita Rokade Current Login: 11/02/2009 3:01:13 PM Last Login: 11/02/2009 2:30:34 PM

Home Customer Financial Planning Order Mgmt Txn Mgmt Operations Workspace Reports Tools Logout

Order Management > PMS > Order Capture

Customer Details

Customer No *10036

Customer Name *Prachi Digaskar

Portfolio Name *OFFLINE

Source Code

Lead Generation Code

Instrument Details

Instrument Name *SIGMA

Currency *INR

Holding Amount *50000

Order Details

Order Type *Sell

Account No. 1842

Application No. abcd1234

Redemption Amount *20000

Save Clear

Figure 4.22: PMS Order Capture Screen

Screen Navigation:

Select the Order Management → PMS → PMS Order capture. From the Order Type drop-down list, select the Sell option.


Procedure:

Step 1:

If the user is navigating to the Order Capture screen for the first time after logging in to the system, the system forces to select a customer in the customer selection screen.

On the other hand, if the user is navigating to the screen from any other screen, the system auto-populates the name, no. and default portfolio name of the customer which is already in context.



To change the customer, the user needs to click on the  icon located at the top right hand side corner of the screen.

Step 2:

From the Order Type drop-down list, select the appropriate order type.

Here select the Sell option. Once the user selects the Sell option, the available Instrument names appears in the drop-down list.

Step 3:

RM – Subsequent to selecting the customer, the Portfolio Name drop-down list defaults to the default portfolio of RM Managed portfolio type. It is mandatory for the RM to decide on the appropriate portfolio prior to placing the order.

Customer – For a customer login, the 'Portfolio Name' is the first field displayed on the Order screen. The 'Portfolio Name' field will display the list of Self Managed portfolios.

Step 4:

From the Instrument Name drop-down list, select the appropriate instrument.

Once the user selects the appropriate Instrument Name, the following fields are automatically populated.

- Currency
- Holding Amount
- Account No.

Step 5:

Enter the appropriate application no. in the Application No. text box.

Step 6:

Enter the appropriate amount in the Redemption Amount text box.

Step 7:

Click the Save button.

Once the user clicks on the Save button, the system displays the “Order Placed Successfully” message.

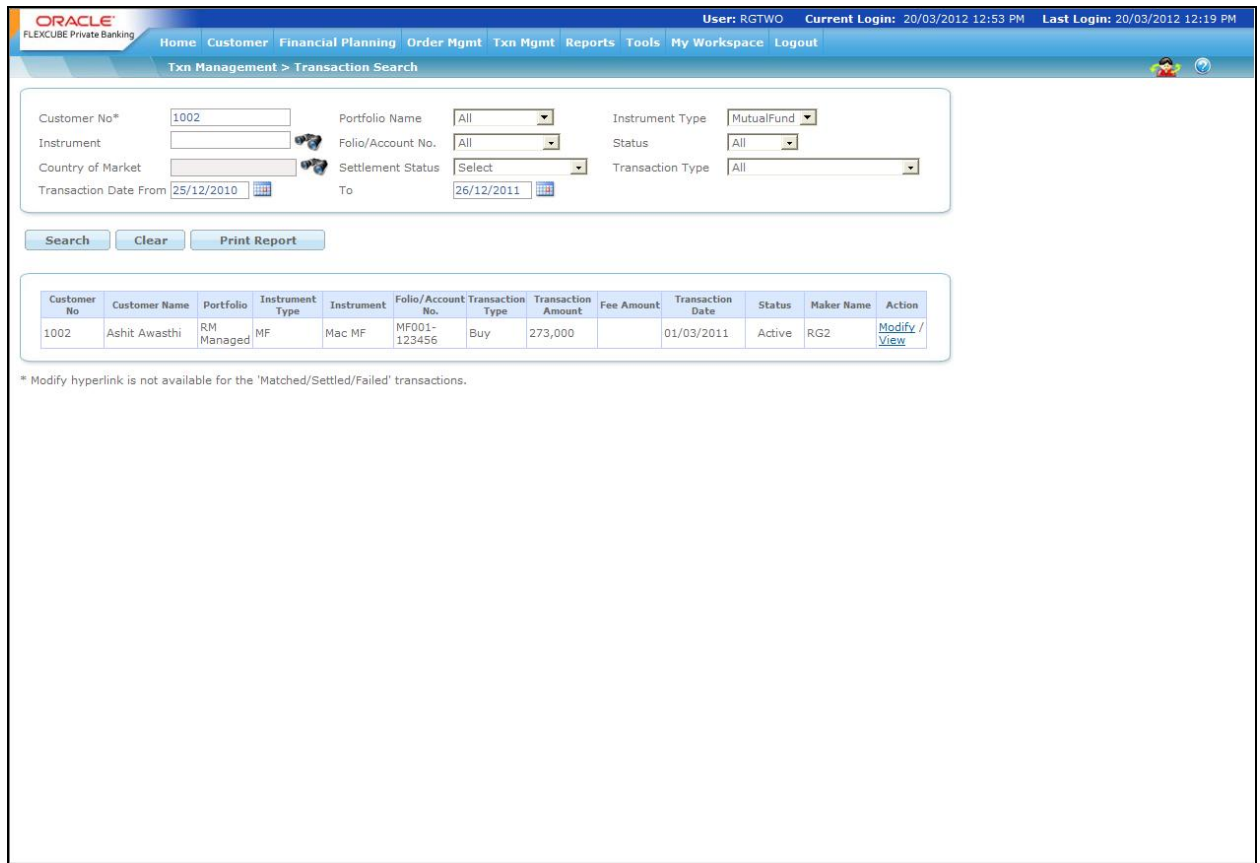
4.12 Transaction Search

The Transaction Search category under the Transaction Management is used by the user to search for the customer transaction by using various parameters. He can also modify or delete the transaction by selecting the transaction and then applying the appropriate action.

User Access levels:

RM: Only the RM with appropriate privileges can modify or delete the transaction.

Screen:



Oracle FLEXCUBE Private Banking

User: RGTWO Current Login: 20/03/2012 12:53 PM Last Login: 20/03/2012 12:19 PM

Home Customer Financial Planning Order Mgmt Txn Mgmt Reports Tools My Workspace Logout

Txn Management > Transaction Search

Customer No* 1002 Portfolio Name All Instrument Type MutualFund

Instrument Folio/Account No. All Status All

Country of Market Settlement Status Select Transaction Type All

Transaction Date From 25/12/2010 To 26/12/2011

Search Clear Print Report

Customer No	Customer Name	Portfolio	Instrument Type	Instrument	Folio/Account No.	Transaction Type	Transaction Amount	Fee Amount	Transaction Date	Status	Maker Name	Action
1002	Ashit Awasthi	RM Managed	MF	Mac MF	MF001-123456	Buy	273,000		01/03/2011	Active	RG2	Modify / View

* Modify hyperlink is not available for the 'Matched/Settled/Failed' transactions.

Figure 4.23: Transaction Search Screen

Screen Navigation:


After logging in the system select Transaction Management → Transaction Search

Field	Description	Mandatory
Customer No	Enables the user to select the customer by clicking on the search icon available next to the Customer No field	Y
Portfolio Name	Enables the user to select the appropriate portfolio name from the drop-down list.	N
Instrument Type	Enables the user to select the appropriate instrument type from the drop-down list	N

Instrument	Enables the user to select the appropriate Instrument by clicking on the search icon available next to the Instrument field	
Folio / Account No	Enables the user to select the appropriate Tax A/c Identifier. This field is enabled only if the selected Instrument Type is Equity or MF	
Status	Enables the user to select the appropriate status from the drop-down list	
Country of Market	Enables the user to select the appropriate Country of Market using Search icon to search for the desired transactions. If selected, the system displays the transactions for the selected country only.	N
Settlement Status	Enables the user to select the appropriate Settlement Status to search for the desired transactions.	N
Transaction Date From	Enables the user to select the appropriate From transaction date using the calendar icon	
Transaction Date To	Enables the user to select the appropriate To transaction date using the calendar icon	
Transaction Type	Enables the user to select the appropriate transaction type from the drop-down list. The system auto-populates the 'Put' option in the drop-down list, if the selected instrument is 'Putable' or 'Callable/Putable'.	
Transaction Amount	Displays the transaction amount	
Fee Amount	Displays the fee amount for the corresponding transaction	
Transaction Date	Displays the transaction date of the corresponding transaction	
Status	Displays the status of the corresponding transaction	
Maker Name	Displays the Maker Name	
Action	Displays the group of actions available to be performed on the corresponding transaction	

Procedure to modify the transaction:

Step 1:

RM – needs to foremost select the customer. This can be done, either by entering the Customer No in the field provided or by clicking on the  button.


Step 2:

RM – Subsequent to selecting the Customer No., the system will display all the 'Held Away' portfolios associated to the customer in the field 'Portfolio Name'. It is mandatory for the RM to decide on the appropriate portfolio prior to modifying the transaction.

Step 3:

From the Instrument Type drop-down list, select the appropriate Instrument type.

Step 4:

Click the  icon next to the Instrument field and select the appropriate Instrument.


Step 5:

Select the appropriate Folio or Account no. from the Folio/Account No text box.

Step 6:

From the Status drop-down list, select the appropriate status.

Step 7:

Click on the  icon next to the Country of Market field and select the appropriate trading country to view the desired transactions.


Step 8:

From the Settlement Status drop-down list, select the appropriate settlement status.

Step 9:

From the Transaction Type drop-down list, select the appropriate transaction type.

Step 10:

Click the  icon next to the Transaction Date From and To fields and select the appropriate dates.


Step11:

Click the Search button.

On clicking the Search button, the system displays all the transaction details of the selected customer.


Step 12:


To modify the transaction click the corresponding Modify hyperlink under the action column.

 Transactions which are matched or settled cannot be modified and hence system displays the View hyperlink for these transactions in disabled status.

Step 13:

Edit the appropriate details and save the transaction.

 If the 'Yes' option is selected for Allow in TMS field in Master → Portfolio Related → Portfolio Type screen, then system allows to modify the transaction. If the 'No' option is selected then system does not allow the user to modify the transaction but allows to view it.

 FCPB system also enables the user to print the transaction report for the selected criteria by clicking on the Print Report button.

4.13 Order Management for Bonds

4.13.1 Bonds Order Capture: Buy

User Access levels:

RM: can place orders for the RM Managed and Self Managed portfolios. The Held away will not be displayed in the screen for a RM login.

Screen:

Customer Details

Customer No: 1011
Customer Name: Niraj Singh
Portfolio Name: RM Managed
Source Code:
Lead Generation Code:

Instrument Details

Instrument Name: BBG Bond Test 1
Security Code: TICBOND123
Instrument Currency: INR
Settlement Currency: INR
Security Sub Type:
Holding Face Amount (M): 0
Holding Quantity: 0
Custody Fee (%):
Last Traded Clean Price: 1000
Exchange: BBX

Order Details

Transaction Date: 30/03/2012
Transaction Type: Buy
Nominal Amount: 10000
Quantity: 10000
Order Type: Market Order
Time Condition: GTC
Accrued Days: 106
Treasury Price: 1000
Customer Price: 1000
Spread (Bps): 0
Treasury Total Amount: 100294444.44
Profit (Flat): 0
Counterparty Name:
Application No.: 41259
Description:

Payment Details

DP ID - Client ID: BSD-310
Bank Account: 1-INR
Comments:

Figure 4.24: Bond Order Capture – Buy Screen

Screen Navigation:

Entry to the screen:

Option 1

Select the “Order Management” option on the main menu

→ Bond → Order capture

Option 2

Select the “Customer” option on the main menu

→ Portfolio Management → Maintenance → Select a portfolio (except held away/discretionary) from the list of portfolio → Select bond from the instrument type table → BUY/SELL Options from the screen

Rules for commencement of an Order:

The rules for placing the Bonds order are

- Orders can be placed only for customers in active status.
- The bank account information of the customer also needs to be updated in the FCPB prior to initiating an order.

Field	Description	Mandatory
Customer Details		
Customer No.	Displays the Customer No. of the customer in context. The user can change the customer by clicking on the 'Change Customer' icon.	Based on FAC
Customer Name	Displays the Customer Name for the selected Customer No	Based on FAC
Portfolio Name	Displays the list of the portfolio names for the customer	Y
Source Code	Displays the Source Code for the banker who has sourced the transaction	Based on FAC
Lead Generation Code	Displays the Lead Generation Code for the banker who has provided the lead for the transaction	Based on FAC
Instrument Details		
Instrument Name	Enables the user to select the appropriate bond name by clicking on the search icon available next to the Instrument Name field.	Y
Security Code	Displays the Security Code for the instrument	
Instrument Currency	Displays the currency for the selected instrument name. Once the Bond Name is selected, system auto-populates this field.	Y
Settlement Currency	Displays the settlement currency for the selected bond instrument maintained in the bond master.	Y
Security Sub Type	Displays the Security Sub Type for the selected instrument	Based on FAC

Average Clean Buy Price	Displays the average buy price of existing holdings of customer for the selected portfolio, if any. The average price of the instrument displayed is calculated either on FIFO or WAC basis depending on flag selected in Bank Parameters.	Y
Holding Nominal	Displays the nominal value of the holding quantity	Based on FAC
Holding Quantity	Displays the existing holding quantity of the selected bond instrument for the corresponding CPIS. The field defaults to zero if it is a first order of the selected instrument for the selected customer.	Y
Custody Fee(%)	Displays the Custody Fee as maintained based on the customer or customer segment & IAG	Based on FAC
Last Traded Clean Price	Displays the Last Traded Clean Price. The field defaults to the Original Price as defined in the Price Master table. It is assumed that Prices are always sent on Percentage basis and therefore the Original Price is the 'unconverted' Percentage Price. If the price is not available in table then the field defaults to the 'Issue Price' of the Instrument as per bond master.	Y
Exchange	Enables the user to select the appropriate exchange	Y
Order Details		
Trade Date	Captures the date on which the trade has happened	
Settlement Date	Displays the Settlement date for the order	
Transaction Type	Displays the order type in the drop-down list, whether Buy or Sell	Y
Nominal Amount	If the bond Quotation Method defined in the bond master is Quantity, then it is a display field and computed as Quantity entered * Face Value of bond from bond master. If Bond Quotation Method is defined as Nominal then it is an input field. In this case, the derived quantity is a whole number and is expected to adhere to the minimum tradable order quantity as per the Bond master.	Y/N

Quantity	<p>Displays the number of the units of the bond.</p> <p>If the bond Quotation Method as defined in the bond master is Nominal, this will be a display field and is computed as Nominal Amount entered / Face Value of the bond as per Bond Master.</p> <p>If Bond Quotation Method is Quantity this is an input field where the Quantity is to be mentioned and is expected to adhere to Minimum tradable Quantity.</p>	Y/N
Order Type	Specifies the Price condition of the order for the selected instrument.	Y
Trigger Price	If user Order Type selected is Limit Order or Stop Loss order, this field is activated to enter the value and it is mandatory field else it is a disabled field and non mandatory. If the user enters the Trigger Price more/less than X % of the LTP, then system displays a warning message.	Y/N
Time Condition	Specifies the validity of order with respect to time. When the Timed order is selected, system populates additional field Expiry Date and enables the user to enter the appropriate date and time.	Y
Expiry Date	This field is enabled only for the Timed Order type and enables the user to enter the expiry date. By default, the system displays the current business date as Expiry Date.	Y
Accrued Days	Displays the No. of days for which accrual has taken place	
Interest	Displays the Accrued interest for the order	
Treasury Price	Enables the user to enter trading desk price.	
Treasury Yield	Displays the Trading Desk Yield for the order.	
Customer Price	Enables the user to enter customer price.	Y
Customer Yield	Displays the Customer's Yield for the order	
Spread	It is computed and shown as Treasury Price - Customer Price for Buy Order & Customer Price - Treasury Price for sell orders.	N
Transaction Fee (Including Taxes and Surcharge)	The value is defaulted based on the Fee setup done for the IAG, Order Type, Client or Client segment.	Y

Treasury Total Amount	Displays the Treasury Total Amount and is calculated as $[(\text{Treasury Price} \times \text{Quantity} \times \text{Cap Factor} \times \text{Face Value}/100) + (\text{Accrued Interest})]$	Y
Customer Total Amount	Displays the Customer Total Amount and is calculated as $[(\text{Customer Price} \times \text{Quantity} \times \text{Cap Factor} \times \text{Face Value}/100) + (\text{Accrued Interest})] + \text{Transaction Fee}$	Y
Profit (Flat)	Displays the Profit in absolute term and is calculated as $\text{Spread Amount} + \text{Transaction Fee}$	
% Profit (Per Year)	Displays the % Profit per year. It is calculated as $(\text{Profit (Flat)}/\text{Nominal Amount}) / \text{Total Term} \times 365$ System uses the corresponding day count convention to calculate Term and no. of days in the year.	
Counterparty Name	Enables the user to select the appropriate counter party details.	Based on FAC
Counterparty Ref No.	Enables the user to select the appropriate counter party ref no.	Based on FAC
Application No	In case of offline bond orders, this field provides a facility to capture the document application number.	N
Description	Enables the user to capture the transaction details for the order.	N
Payment Details		
DP ID – Client ID	Displays the depository trading accounts available for the customer depending on the selected Portfolio Name. If the Order Type is Sell then it displays only those DP Id-Client Ids in drop-down against which a Buy transaction was done for the selected portfolio. If the Allow Omnibus flag is selected as Y at Instrument Type level, the system defaults this drop-down to the Omnibus Account No along with the DP ID – Client ID.	Y
Bank Account	Enables the user to select the appropriate bank account no from the drop-down list	Y
Comments	Enables the user to capture remarks before saving the order details.	Y/N


Procedure for placing of an Order:

Step 1:

If the user is navigating to the Order Capture screen for the first time after logging in to the system, the system forces to select a customer in the customer selection screen.

On the other hand, if the user is navigating to the screen from any other screen, the system auto-populates the name, no. and default portfolio name of the customer which is already in context.



To change the customer, the user needs to click on the  icon located at the top right hand side corner of the screen.

Step 2:

RM – Subsequent to selecting the customer, the system displays the 1st Portfolio name in alphabetical order of Portfolio type 'RM Managed'.


Customer – For a customer login, the 'Portfolio Name' defaults to the 1st Portfolio name in alphabetical order of Portfolio type 'Self Managed'.

Step 3:

Click the  icon next to Source Code field and select the appropriate Source Code.


If Check Certificate for Source is set to Yes in Instrument Type Master screen, then the system checks for certificate and its expiry. If it is set to No system does not check for the certificate and allows the user to proceed further.


Step 4:

Click the  icon next to Lead Generation Code field and select the appropriate Lead Generation Code.

If Check Certificate for Lead Generator is set to Yes in Instrument Type Master screen, then the system checks for certificate and its expiry. If it is set to No system does not check for the certificate and allows the user to proceed further.

Step 5:

Click the  icon next to the Instrument Name field.

When the user clicks on the  icon next to the Bond Name field, Security Search window appears. Enter the appropriate search criteria in the respective fields to search for the Instrument Name.



The security search screen displays only securities which are in open status and which are approved by the bank. Securities which are suspended from trading will not be displayed in the search screen.

The user can view the Recommended instruments, Focussed instruments, House Views details and Instrument Analytics details by clicking on the respective icons next to the Security ID field as explained in General Characteristics section.

Once the user selects the Instrument Name following fields are automatically get populated.

- Security Code
- Instrument Currency
- Settlement Currency
- Security Sub Type
- Holding Nominal
- Holding Quantity
- Average Clean Buy Price
- Custody Fee(%)
- Last Traded Clean Price

If the issue start and end date is null or if the issue end date is less than the current system date for the selected instrument then the user should not be allowed to select an Order Type IPO and it should display an error message as 'Selected instrument is not available for IPO subscription.

Step 6:

Select the appropriate Trade Date using the calendar icon.

Step 7:

Select the appropriate Settlement Date using the calendar icon.

Step 8:

From the Transaction Type drop-down list, select the appropriate order type.

There are two options available for Bonds Order Capture. They are Buy and Sell. By default Buy option is selected.

Step 9:

Enter the appropriate amount in the Nominal Amount text box.



If the bond Quotation Method defined is Quantity, then it is a display only field and computed as Quantity entered * Face Value of the bond.



Once the user enters the Nominal Amount, the system displays the data in the Quantity, Accrued Days, Interest, Treasury Price, Treasury Yield, Customer Price, Customer Yield, Spread, Profit (Flat) and % Profit (Per Year) fields.



If the spread calculated in the order capture is negative or zero and there is no relevant spread master maintained in the system then the system displays the appropriate error message. This is applicable for Bonds, TD, Commodities, FX and SP instrument types.

Step 10:

From the Order Type drop-down list, select the appropriate option.

If the Order Type is selected as Stop Loss or Limit Order, Trigger Price field is enabled and allows the user to enter the appropriate trigger price.


Step 11:

From the Time Condition drop-down list, select the appropriate option.

In case of Timed Orders orders, the expiry date has to be a valid business date i.e. the user needs to check for holiday master for System, Exchange or Currency holiday.

In case the expiry date falls on any of the holidays, the system displays an error message on the screen and next valid business date for order processing is displayed on the screen.

Step 12:

Select the appropriate Counterparty using the  icon next to the Counterparty Name field.

Step 13:

Enter the appropriate no. in the Counterparty Ref No. text box.

Step 14:

Enter the description if any in the Description text box.

Step 15:

From the DP ID – Client ID drop-down list, select the appropriate option.

Step 16:

From the Bank Account No. drop-down list, select the appropriate option.

Step 17:

Enter the comments if any in the Comments text box.

Step 18:

Click the Submit button.

Once the user clicks on the Save button, system displays the Exception pop-up window if the order to be placed violates certain conditions such as

- Selected instrument is not in Approved List
- Selected instrument is not in Model Portfolio
- Selected instrument is not in Recommended List
- Deviation from Model Asset Allocation
- Trigger Price more/less than 'x%' of the LTP (where 'x' is the no. which is configurable)
- Spread deviated, approval required.

If the user clicks on the 'Yes' button in the Exception pop-up window, the order undergoes exception approval process as explained in Equity order capture.

In case no exceptions occurred, order goes to checker for approval.

4.13.2 Bond Order Capture: Sell

User Access levels:

RM: can place orders for the RM Managed and Self Managed portfolios. The Held away and Discretionary portfolios will not be displayed in the screen for a RM login.

Screen:

ORACLE
FLEXCUBE Private Banking

User: HOHEAD Current Login: 30/03/2012 2:04 PM Last Login: 30/03/2012 2:00 PM

Home Customer Financial Planning Order Mgmt Txn Mgmt Reports Tools My Workspace Logout

Order Management > Bonds > Order Capture

Customer Details

Customer No: 1017
Customer Name: R1
Portfolio Name: RM USD
Source Code:
Lead Generation Code:

Instrument Details

Instrument Name: BBG Bond Test 1
Security Code: TICBOND123
Instrument Currency: INR
Settlement Currency: INR
Security Sub Type:
Holding Face Amount (M): 0
Holding Quantity: 0
Custody Fee (%):
Last Traded Clean Price: 1000
Exchange: BBX

Order Details

Transaction Date: 30/03/2012
Transaction Type: Sell
Nominal Amount: 1000
Quantity: 1000
Order Type: Market Order
Time Condition: GTC
Accrued Days: 106
Treasury Price: 1000
Customer Price: 1000
Spread (Bps): 0
Treasury Total Amount: 10029444.44
Profit (Flat): 0
Counterparty Name:
Application No.: 41259
Description:

Payment Details

DP ID - Client ID: Select
Bank Account: 1-INR
Comments:

Submit Clear

Figure 4.25: Bond Order Capture Screen - Sell

Screen Navigation:

Select the Order Management → Bonds → Bonds Order capture. From the Order Type drop-down list, select the Sell option.

To place the Bonds – Sell transaction follow the same procedure as explained in Bond - Order Capture -Buy above. The only difference here is that the user needs to select the transaction type as Sell from the Transaction Type drop-down list.

The system allows the user to place the Sell transaction only for those instruments for which the customer has holdings.

FCPB also handles Put type of transactions similar to Sell transactions for holdings updation and performance computation.

4.14 Transaction Processing for Bonds

Description:

A bond is a debt security. When a bond is purchased, the owner of the bond is lending money to a government, municipality, corporation, federal agency or other entity known as the issuer. In return for the loan, the issuer promises to pay the owner a specified rate of interest during the life of the bond and to repay the face value of the bond (the principal) when it “matures,” or comes due.

Features of bonds

There are a number of key variables to look at when investing in bonds: the bond’s maturity, redemption features, credit quality, interest rate, price, yield and tax status

Nominal, principal or face amount: the amount over which the issuer pays interest, and which has to be repaid at the end

Issue price: the price at which investors buy the bonds when they are first issued. The net proceeds that the issuer receives are calculated as the issue price, less issuance fees, times the nominal amount

Coupon: the interest rate that the issuer pays to the bond holders. Usually this rate is fixed throughout the life of the bond. It can also vary with a money market index, or it can be even more exotic. The name coupon originates from the fact that in the past, physical bonds were issued with coupons attached to them. On coupon dates the bond holder would give the coupon to a bank in exchange for the interest payment

Types of Coupon: Bonds pay interest that can be fixed, floating or payable at maturity. Most debt securities carry an interest rate that stays fixed until maturity and is a percentage of the face (principal) amount. Typically, investors receive interest payments semiannually. For example, a \$1,000 bond with an 8% interest rate will pay investors \$80 a year, in payments of \$40 every six months. When the bond matures, investors receive the full face amount of the bond—\$1,000.

But some sellers and buyers of debt securities prefer having an interest rate that is adjustable, and more closely tracks prevailing market rates. The interest rate on a **floating—rate** bond is reset periodically in line with changes in a base interest—rate index, such as the rate on Treasury bills. Some bonds have no periodic interest payments. Instead, the investor receives one payment—at maturity—that is equal to the purchase price (principal) plus the total interest earned, compounded semiannually at the (original) interest rate. Known as **zero—coupon** bonds, they are sold at a substantial discount from their face amount. For example, a bond with a face amount of \$20,000 maturing in 20 years might be purchased for about \$5,050. At the end of the 20 years, the investor will receive \$20,000. The difference between \$20,000 and \$5,050 represents the interest, based on an interest rate of 7%, which compounds automatically until the bond matures. If the bond is taxable, the interest is taxed as it accrues, even though it is not paid to the investor before maturity or redemption.

Maturity: A bond's maturity refers to the specific future date on which the investor's principal will be repaid. Bond maturities generally range from one day up to 30 years. In some cases, bonds have been issued for terms of up to 100 years. Maturity ranges are often categorized as follows:

- Short—term notes: maturities of up to five years;
- Intermediate notes/bonds: maturities of five to 12 years;
- Long—term bonds: maturities of 12 or more years.

Credit Ratings: Major rating agencies include Moody's Investors Service, Standard & Poor's Corporation and Fitch Ratings. Each of the agencies assigns its ratings based on in—depth analysis of the issuer's financial condition and management, economic and debt characteristics, and the specific revenue sources securing the bond. The highest ratings are AAA (S&P and Fitch Ratings) and Aaa (Moody's). Bonds rated in the BBB category or higher are considered investment—grade; securities with ratings in the BB category and below are considered "high yield," or below investment—grade. While experience has shown that a diversified portfolio of high—yield bonds will, over the long run, have only a modest risk of default, it is extremely important to understand that, for any single bond, the high interest rate that generally accompanies a lower rating is a signal or warning of higher risk.

Understanding Transaction Management of Bonds

To reiterate, our earlier narrative, FCPB assists in maintenance of a full history of executed transactions even for those securities which were not transacted through FCPB. In this section, we will comprehend the transaction management for the Bond holdings.

All the transactions for the instruments defined under the category 'Bonds' can be captured by the user into any of the portfolios, 'RM Managed', 'Self Managed' and 'Held Away'. Though the Bond holdings have not been acquired through the FCPB, the consideration for allowing the user to capture his holdings in the RM Managed and Self Managed portfolios is due to the perception that these holdings could have been obtained through any other system within the bank.

FCPB currently supports transaction management for both the traded and non traded bonds. Currently FCPB does not aggregate multiple purchases made into the same holding in a bond in a selected portfolio by a customer. Due to this, any additional purchases need to be captured as separate security-holding or first time purchase.

To recap, for the traded bonds the market price for the holdings will be received as external feed from data vendors whereas for the non traded bonds the user needs to manually update the price for each holdings.

For the transactions defined under the instrument type 'Bonds' the user can capture only the Buy transaction related data through the Order Management screen and needs to capture the Sell transaction, Modify and the Corporate Action transactions through the Portfolio Maintenance screen.

As the transactions for the Bonds have been carried out outside the FCPB system, the user has been provided with the flexibility to capture backdated transactions. Currently, there is no restriction on the user in sequencing the backdated transactions. The system will automatically sequence the transactions as per the date of execution as entered by the user.

4.14.1 Bond Transaction Management – Buy/Sell/Asset Transfer In/Asset Transfer Out

User Access levels:

RM: can capture the transactions for the RM Managed, Self Managed and Held Away portfolios.

Customer: can capture the transactions only for his/her Self Managed and Held Away portfolios. The RM Managed will not be displayed for a Customer login.



There are no restrictions on the either of the users for updating the holdings in either the RM or customer created held away portfolios.

Screen:

ORACLE
FLEXCUBE Private Banking

User: HOHEAD Current Login: 30/03/2012 2:04 PM Last Login: 30/03/2012 2:00 PM

Home Customer Financial Planning Order Mgmt Txn Mgmt Reports Tools My Workspace Logout

Txn Mgmt > Bonds

Customer Details

Customer No. 1018 ⓘ
Customer Name R2
Portfolio Name RM EUR FIFO

Instrument Details

Bond Name ICICI Bond
Instrument Currency INR

Acquisition Details

Transaction Type Buy Settlement Type Receipt Free
Transaction Date 19/01/2012 Settlement Date 19/01/2012
Nominal Value 1000 Units 6666.6667
Net Traded Price(Clean) 120 Amount 1200000
Interest Paid 500 Fee 50
Commission 25 Tax & Other charges 50
Exchange Rate 1 Cap Factor 1
Counterparty Name Counterparty Ref. No.
Description
Security Account BSD-310

Submit Clear

Figure 4.26: Bond Transaction Management Screen

Screen Navigation:

After logging in the system select Transaction Management → Bonds

Rules for capturing a transaction:

- Transactions can be captured only for customers in active status.
- For capturing a transaction the customer should have at least one of the portfolios RM portfolio or Self Managed portfolio or Held Away portfolio coupled to his id.

Field	Description	Mandatory
Customer Details		
Customer No.	Enables the user to select the customer by clicking on the search icon available next to the Customer No field	Based on FAC


Customer Name	Displays the Customer Name for the selected Customer No	Based on FAC
Portfolio Name	Displays the list of the portfolio names for the customer	Y
Instrument Details		
Bond Name	Enables the user to select the appropriate bond name by clicking on the search icon available next to the Bond Name field.	Y
Instrument Currency	Displays the instrument currency for the selected bond name. Once the Bond Name is selected, system auto-populates this field.	Y
Settlement Currency	Displays the settlement currency for the selected bond name. Once the Bond Name is selected, system auto-populates this field.	
Acquisition Details		
Transaction Type	Enables the user to select the appropriate transaction type from the drop-down list. The transaction types available in the drop-down are Buy, Sell, Asset Transfer In and Asset Transfer Out.	Y
Settlement Type	Enables the user to select the appropriate settlement type from the drop-down list. For Buy transactions, the system displays the settlement types as Receipt Free and Receipt Against Payment. For Sell transactions, the settlement types are Delivery Free and Delivery versus Payment.	Y
Transaction Date	Enables the user to select the appropriate transaction date using the calendar icon	Y
Settlement Date	Enables the user to select the appropriate settlement date using the calendar icon. The settlement date cannot be less than transaction date, it can go beyond system date but it should be less than the maturity date.	Y
Units	Enables the user to enter the appropriate units for transaction	Y
Nominal Value	Enables the user to enter the nominal value of the bond in the text box provided.	
Net Trade Price	Enables the user to enter the appropriate net trade price per unit	Y
Amount	Displays the total amount of the transaction	Y
Fee	Enables the user to enter the transaction fee.	

Commission	Enables the user to enter the appropriate commission.	N
Tax & Other Charges	Enables the user to enter the amount paid as transaction tax	
Description	Enables the user to enter the transaction details if any, in the Description text box. It is a free text box and allows the user to enter maximum 250 characters.	N
Interest	Enables the user to select the appropriate option for interest from the drop-down list. If the transaction type is selected as BUY/ATO, default value will be 'Paid'. And if the transaction type is SELL/PUT/ATO, default will be 'Received'.	N
Exchange Rate	Enables the user to enter the appropriate value in the text box if the instrument currency and settlement currency is different.	Y
Cap Factor	Displays the cap factor value for selected instrument	Y
Counterparty Name	Enables the user to select the appropriate counterparty name who executes the order.	
Counterparty Ref. No.	Enables the user to enter the Counterparty Ref. No. in the text box provided. This is a reference number usually assigned by the external service provider.	
Security Account	Enables the user to select the appropriate Security Account from the drop-down list.	Y

Procedure for capturing a transaction:

Step 1:

RM – needs to foremost select the customer. This can be done, either by entering the Customer

No in the field provided or by clicking on the  button (The functionality of this screen has been comprehensively explained in the section on 'Miscellaneous functionality'). Either of the options results in the display of the customer name in the 'Customer Name' field.



The Customer No and Customer Name fields are driven by the Field Access Controller.


Step 2:

RM – Subsequent to selecting the customer, the system displays the 1st Portfolio name in alphabetical order of Portfolio type 'RM Managed'.

Customer – For a customer login, the 'Portfolio Name' defaults to the 1st Portfolio name in alphabetical order of Portfolio type 'Held Away'.

As there is no restriction on either of the users from updating the holdings in either the RM or customer created held away portfolios, all the portfolios created under the category of Held Away will be displayed to both the users.

Step 3:

The subsequent step is to select the Bond. The user can select the Bond either by directly entering the name of the bond or by searching for the bond by clicking the  button.



The bond search screen displays only the schemes which are in open status.

On selecting the bond, the currency of the bond will be displayed in the corresponding field 'Instrument Currency' in the screen. The system also displays the Settlement currency, Cap Factor on selection of the scheme.



Please note the system does not aggregate multiple purchases into the holding. Hence any additional purchases need to be captured as separate security-holding or first time purchase.

Next to the Bond Name field, a check box has been provided in order to distinguish traded bonds. The user needs to check the box for all the traded bonds.


Step 4:

The type of transaction Buy/Sell/Asset Transfer In or Asset Transfer Out needs to be selected from the drop down list.

Step 5:

The user also needs to select the appropriate settlement type from the Settlement Type drop--down list. For Buy transactions, the system displays the settlement types as Receipt Free and Receipt Against Payment. For Sell transactions the settlement types are Delivery Free and Delivery versus Payment.

Step 6:


The user then proceeds to capture the purchase details of the holding. The first step in this process is to capture the date of purchase. The calendar for selecting the date has been provided adjacent to 'Transaction Date' field. Click on the icon , in order to open the calendar.

As these transactions have been carried out outside the FCPB system, the user has been provided with the flexibility to capture backdated transactions. However this flexibility has a constraint associated to it for the RM and Self Managed portfolios. The transactions in these portfolios can be backdated maximum till the customer creation date. However, there is no restriction on the time limit for backdating the holdings for the Held Away portfolio.

The user is also restricted from capturing a future purchase date.

Step 7:

The user then proceeds to capture the settlement date. It is obligatory for the user to capture data in this field for all traded bonds. The calendar for selecting the date has been provided adjacent to

'Settlement Date' field. Click on the icon  , in order to open the calendar.

The user will be restricted from backdating the settlement date prior to the purchase date.

Step 8:

The user then needs to enter the nominal value of the bond in the Nominal Value text box.

Step 9:

The next significant step is to capture the net purchase price per unit of the holding and no. of units. Please note that it is this price which will be considered for the purpose of analysis and performance computation and hence it is the onus of the user to enter the accurate value. This field too is mandatory for entry by the user.

Step 10:

The next three fields have been provided to capture the commission, transaction fee and tax paid for obtaining the holding.

Step 11:

Enter the interest amount if any in the Interest text box.

If Instrument Currency and Settlement Currency are different, system displays the appropriate exchange rate in the Exchange Rate text box.

Step 12:

Select the appropriate Counterparty Name using the search icon.

Step 13:

Enter the appropriate ref no in the Counterparty Ref. No. text box.

Step14:

Enables the user to enter the transaction details, if any in the Description text box.

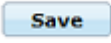
Step15:

Enables the user to select the appropriate account from the Security Account drop-down list.



The system defaults the Security Account no based on the Flags selected at Instrument Type level. If the Demat option is selected, then the system displays Omnibus A/c or Client A/c or both in the Security Account field.

Step 16:

After entering all the fields in accordance to the outline given in the above steps, the user can proceed to click on the save  button. On saving the holding, a confirmation message appears on the screen.

To clear the entire details captured earlier by clicking on the  button.

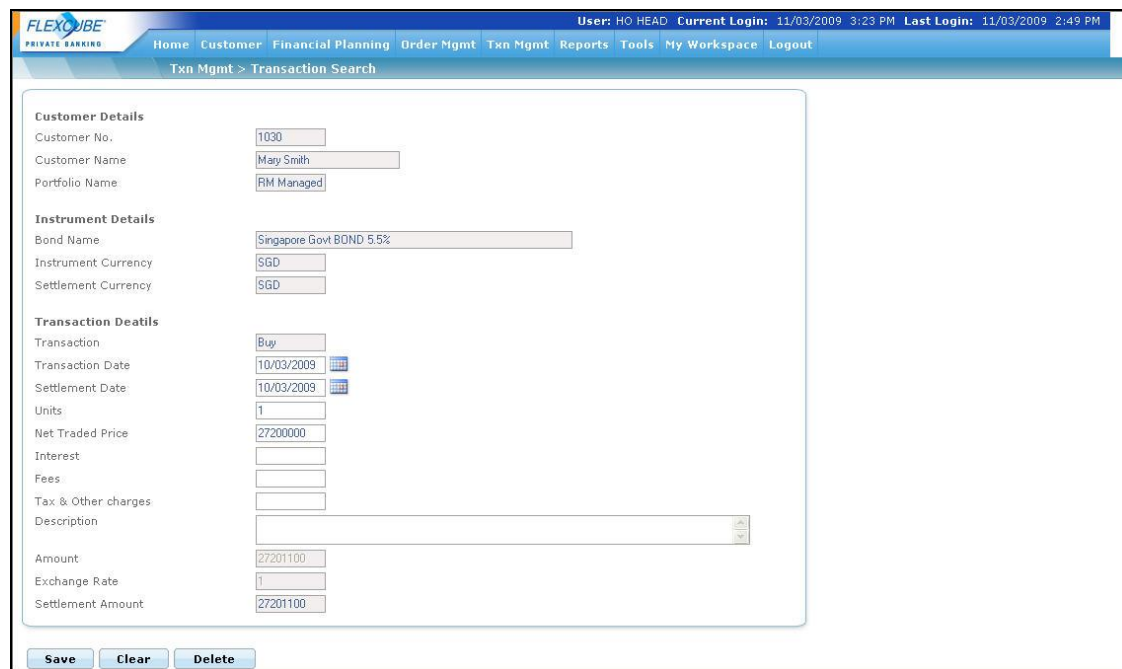
4.14.2 Bond Transaction Management - Modify

User Access levels:

RM: can capture the most recent market price for the non traded bond holdings in the RM Managed, Self Managed and Held Away portfolios.

Customer: can capture the most recent market price for the non traded bond holdings only for his Self Managed and Held Away portfolios.

Screen:



FLEXcube PRIVATE BANKING User: HO HEAD Current Login: 11/03/2009 3:23 PM Last Login: 11/03/2009 2:49 PM

Home Customer Financial Planning Order Mgmt Txn Mgmt Reports Tools My Workspace Logout

Txn Mgmt > Transaction Search

Customer Details

Customer No. 1030

Customer Name Mary Smith

Portfolio Name RM Managed

Instrument Details

Bond Name Singapore Govt BOND 5.5%

Instrument Currency SGD

Settlement Currency SGD

Transaction Details

Transaction Buy

Transaction Date 10/03/2009

Settlement Date 10/03/2009

Units 1

Net Traded Price 27200000

Interest

Fees

Tax & Other charges

Description

Amount 27201100

Exchange Rate 1

Settlement Amount 27201100

Save Clear Delete

Figure 4.27: Bond Transaction Management Modify Screen

Screen Navigation:

After logging in the system select Transaction Management → Transaction Search. Select the appropriate record and click on the modify hyperlink.



This link will be enabled only for the non traded bonds.

Rules for capturing a transaction:

Transactions can be captured only for customers in active status.

Transactions can be captured for the non traded bonds.

Procedure for capturing a transaction:

Step 1:

Pre-filled information of the holding is displayed on accessing the screen. The screen will display the name of the customer and the portfolio in which the holding is held. The screen will also display the name of the bond, the currency and the quantity of bond units held. These fields are all non editable.


Step 2:

The next significant step is to capture the market price per unit of the holding. To recapitulate, it is this value which will be considered for the purpose of analysis and performance computation and hence it is the onus of the user to enter the accurate value. It is obligatory for the user to enter a value in this field.



Please note that it is responsibility of the user to keep revising the market price. The system will use the most recent available value from this field from the purpose of valuation, analysis and performance computation. In the absence of the user providing any data, the system will consider the purchase price as the market price for the above mentioned evaluations.

Step 3:

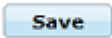
The user then proceeds to capture the valuation date. The calendar for selecting the date has been provided adjacent to 'As on Date' field. Click on the icon , in order to open the calendar.

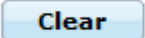
The system validates the date entered against the purchase date. The user will be restricted to the extent of capturing a date before the purchase date. The user is also restricted from capturing a future valuation date.

Step 4:

The next field 'Market value' is a display field. The market value is computed as the product of the market price and balance units held in the bond.

Step 5:

After entering all the fields in accordance to the outline given in the above steps, you can proceed to click on the save  button. On saving the modification you will be displayed with a confirmation message on the screen.

If you change your decision on the modification, you have the option to clear the entire details captured earlier by clicking on the  button.

Transaction Upload: For Term Deposits (TD), CASA (Current account and Savings Account), Special Products and PMS, FCPB does not support direct entry of orders through User Interface (UI). However it supports the performance calculation and inclusion of such products at the portfolio level. Entry of transactions of such instruments is done through a file upload process. For this the data has to be entered in a predetermined format. The various file uploads for each instrument are detailed below:

1. PMS: a) PMS_Portfolio_Holding
b) PMS_DPMS_Subholding
c) Transaction File
2. Special Product: a) PMS_Portfolio_Holding
b) Transaction File
3. CASA: a) PMS Prod Bal (In fact, this file is used to upload all kinds of banking products like FD, Credit cards, Mortgages etc.
4. TD : a) TD Holding File
b) Transaction File

4.15 Order Management for Insurance

4.15.1 Insurance Order Capture

User Access levels:

RM: can place orders for the RM Managed and Self Managed portfolios. The Held away portfolio will not be displayed in the screen for a RM login.

Customer: can capture orders his Self Managed and Held Away portfolios. The Discretionary portfolios will not be displayed in the screen for Customer and RM login.

Screen:

ORACLE FLEXCUBE Private Banking User: HOHEAD Current Login: 30/03/2012 2:04 PM Last Login: 30/03/2012 2:00 PM

Home Customer Financial Planning Order Mgmt Txn Mgmt Reports Tools My Workspace Logout

Order Mgmt > Insurance > Order Capture

Customer Details

Customer No: 1011
Customer Name: Niraj Singh
Portfolio Name: RM Managed
Source Code:
Lead Generation Code:

Insurance Scheme Details

Scheme Name: INS-AIG Max Gain
Insurer Name: Tata AIG
Scheme Type: ULIP
Currency: INR
Counterparty:

Personal Details ☒ Same As Customer ☐ Other

Name of the Insured: Niraj Singh DOB: 02/03/1980
Height: 150 cms Weight: 47 kgs
Annual Income: 700000 Medical Checkup reqd: ☐ Yes ☒ No

Order Details

Application No.: 425698 Sum Insured: 1000000
Premium Amount: 10000 Premium Frequency: Quarterly
Transaction fee (including taxes and surcharge): 0 Total Amount: 10000
Premium Paying Period: 20 Yrs Coverage Period: 20 Yrs
Additional Information:

Payment Details

Payment Type: ECS Account No: 1-INR
MICR / Cheque No:

Nominee Details

Name	DOB	Relationship	% Share
------	-----	--------------	---------

Save Clear

Figure 4.28: Insurance Order Capture Screen

Screen Navigation:

After logging into the system, select Order Management → Insurance → Order Capture

Rules for commencement of an Order:

Insurance orders can be placed only for customers in active status. The rules for placing the Insurance order are

- The orders can be placed only for RM Managed portfolio.
- The bank account information of the customer also needs to be updated in the FCPB prior to initiating an order.
- If there is an Open order in the system with a particular CPIS, another order cannot be placed for the same CPIS.

Field	Description	Mandatory
Customer Details		
Customer No	Enables the user to select the customer by clicking on the search icon available next to the Customer No field	Y
Customer Name	Displays the Customer Name for the selected Customer No	Y
Portfolio Name	Displays the list of the portfolio names for the customer in the drop-down list	Y
Source Code	Displays the Source Code for the banker who has sourced the transaction	Y
Lead Generation code	Displays the Lead Generation Code for the banker who has provided the lead for the transaction	Y
Instrument Details		
Scheme Name	Enables the user to select the appropriate Scheme Name by clicking on the search icon	Y
Insurer Name	Displays the Insurer Name for the selected scheme name. Once the user selects the Scheme Name, system auto-populates this field.	
Scheme Type	Displays the Scheme Type for the selected Scheme Name. Once the user selects the Scheme Name, system auto-populates this field.	
Currency	Displays the Currency for the selected Scheme Name. Once the user selects the Scheme Name, system auto-populates this field.	
Counterparty	Enables the user to select the appropriate counterparty using the search icon.	
Personal Details		
Same as Customer/Other	Enables the user to select whether the Insured person is customer or some other person. If the Other option is selected, the system allows the user to enter the appropriate details.	

Name of the Insured	If the user selects the Same as Customer option above then system populates the Name of the Insured field. If the Other option is selected, enables the user to enter the appropriate name	Y
DOB	If the user selects the Same as Customer option above then system populates the DOB field. If the Other option is selected, enables the user to enter the appropriate DOB	Y
Height	Enables the user to enter the height in the Height text box	Y
Weight	Enables the user to enter the weight in the Weight text box	Y
Annual Income	Enables the user to enter the customer annual income in the Annual Income text box.	
Medical Checkup reqd	Enables the user to select the appropriate option for the Medical Checkup reqd field by using the radio button	Y
Order Details		
Application No	Enables the user to enter the Application No	Y
Sum Insured	Enables the user to enter the appropriate amount in the Sum Insured field	Y
Premium Amount	Enables the user to enter the appropriate amount in the Premium Amount field	Y
Premium Frequency	Enables the user to enter the appropriate frequency for the premium amount. The options available are Annually, Monthly, Quarterly, Semi Annually, and Single Premium	Y
Transaction Fee	Displays the total fee applicable if any for the selected customer.	
Total Amount	Displays the user to enter the appropriate total amount	
Premium Paying Period	Enables the user to enter the appropriate premium paying period	Y
Coverage Period	Enables the user to enter the appropriate coverage period	Y
Additional Information	Enables the user to enter the additional information, if any	
Payment Details		

Payment Type	Displays the payment type for selected scheme. The options available are ECS, Cheque, and DD	Y
Account No	Enables the user to enter the appropriate Account No from the drop-down list	Y
MICR/Cheque No	Enables the user to enter the appropriate MICR/Cheque No in the text box	Y
Nominee Details		
Name	Displays the name of the nominee	
DOB	Displays the DOB of nominee	
Relationship	Displays the relationship of nominee with the insured person	
% Share	Displays the % of share allocated to nominee by the insured person	


Procedure for placing of an Order:

Step 1:

If the user is navigating to the Order Capture screen for the first time after logging in to the system, the system forces to select a customer in the customer selection screen.

On the other hand, if the user is navigating to the screen from any other screen, the system auto-populates the name, no. and default portfolio name of the customer which is already in context.



To change the customer, the user needs to click on the  icon located at the top right hand side corner of the screen.


If the Income Tax ID Required and Risk Profiler Mandatory options are set to Yes in the Instrument Type screen of Admin login and the corresponding details for the selected customers are not updated, then the system displays the appropriate messages and will not allow the user to place the order.


Step 2:

RM – Subsequent to selecting the customer, the system displays the 1st Portfolio name in alphabetical order of Portfolio type 'RM Managed'.

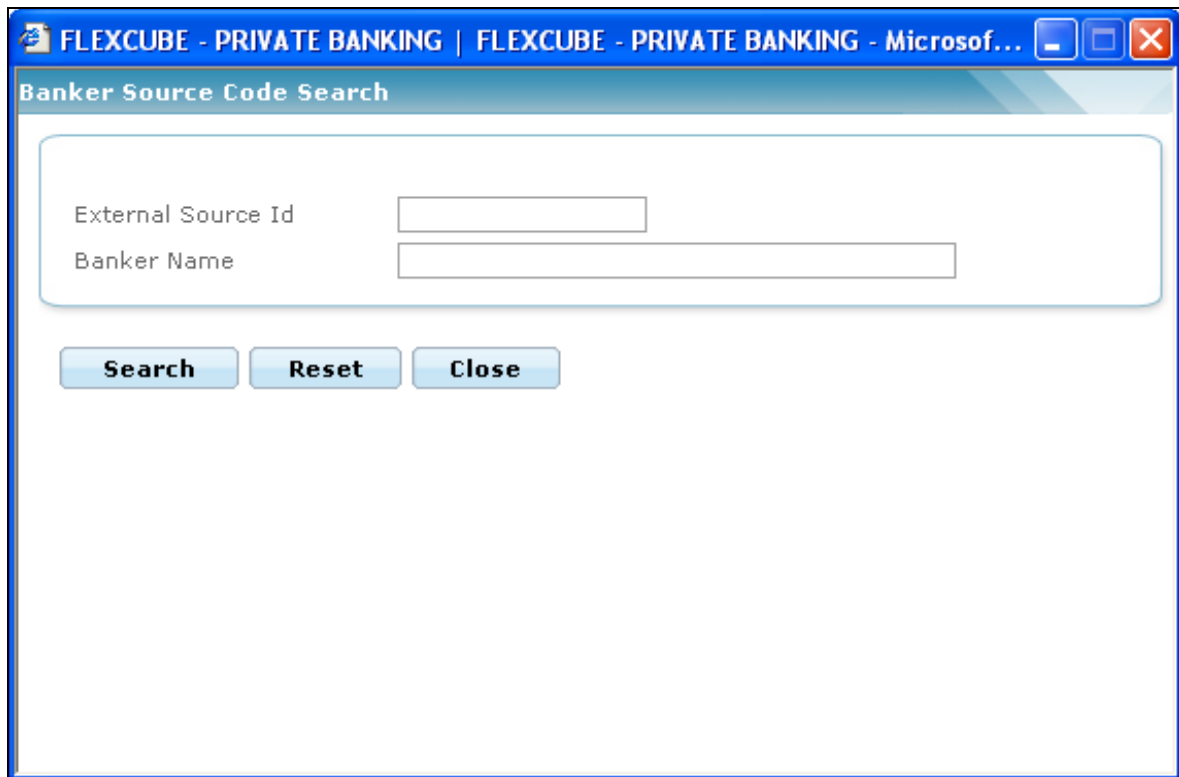
Customer – For a customer login, the 'Portfolio Name' defaults to the 1st Portfolio name in alphabetical order of Portfolio type 'Self Managed'.

Step 3:

Click the  icon next to the Source Code field.

When the user clicks on the  icon next to the Source Code field, the Banker Source Code Search window appears. Enter the appropriate search criteria in the respective fields to search for the Source Code.

If Check Certificate for Source is set to Yes in Instrument Type Master screen, then the system checks for certificate and its expiry. If it is set to No system does not check for the certificate and allows the user to proceed further.




The screenshot shows a software window titled "FLEXCUBE - PRIVATE BANKING | FLEXCUBE - PRIVATE BANKING - Microsof...". Inside the window, the title bar reads "Banker Source Code Search". The main area contains two text input fields: "External Source Id" and "Banker Name". Below these fields are three buttons labeled "Search", "Reset", and "Close".

Figure 4.29: Banker Source Code Search Window

Step 4:

Click the  icon next to the Lead Generation Code field.


When the user clicks on the  icon next to the Lead Generation Code field, the Banker Lead Code Search window appears. Enter the appropriate search criteria in the respective fields to search for the Lead Generation Code.


The screenshot shows a web-based application window titled "FLEXCUBE - PRIVATE BANKING | FLEXCUBE - PRIVATE BANKING - Microsof...". The main content area is titled "Banker Lead Code Search". It contains a search form with two input fields: "External Lead Id" and "Banker Name". Below the fields are three buttons: "Search", "Reset", and "Close".

Figure 4.30: Banker Lead Code Search Window

If Check Certificate for Lead Generator is set to Yes in Instrument Type Master screen, then the system checks for certificate and its expiry. If it is set to No system does not check for the certificate and allows the user to proceed further.

Step 5:

Click the  icon next to the Scheme Name field.

When the user clicks on the  icon next to the Scheme Name field, Scheme Search window appears. Enter the appropriate search criteria in the respective fields to search for the Scheme Name.

Once the user selects the Scheme Name, following fields are populated with the respective data.

- Issuer Name
- Scheme Type
- Currency

The user can view the Recommended instruments, Focussed instruments, House Views details and Instrument Analytics details by clicking on the respective icons next to the Security ID field as explained in General Characteristics section.

Step 6:

Select the appropriate option for the Personal Details category.

The options available here are same as Customer and Other. If the user selects the same as Customer option, the Name of the Insured and DOB fields populate with the appropriate customer data.

If the user selects the other option, then enter the appropriate data for the Name of the Insured and DOB fields.

Step 7:

Enter the appropriate height in the Height text box.

Step 8:

Enter the appropriate weight in the Weight text box.

Step 9:

Enter the appropriate annual income in the Annual Income text box.

Step 10:

Select the appropriate option for the Medical Checkup reqd field.

The options available are Yes or No. By default, the No option is selected.

Step 11:

Enter the appropriate application no. in the Application No. text box.

Step 12:

Enter the appropriate amount in the Sum Insured text box.

Step 13:

Enter the appropriate amount in the Premium Amount text box.

Step 14:

From the Premium Frequency drop-down list select the appropriate frequency.

The options available here are Annually, Monthly, Quarterly, Semi Annually, Single Premium.

Once the values in Sum Insured, Premium Amount and Premium Frequency fields are entered, system displays the fee applicable for the selected client for that particular instrument in the Transaction Fee text box.

Step 15:

Enter the appropriate period in the Premium Paying Period text box.

Step 16:

Enter the appropriate period in the Coverage Period text box.



While entering the Coverage Period, remember that it has to be within the minimum and maximum Policy Tenor for the selected instrument. Otherwise, the system gives the error message.

Step 17:

Enter the additional information if any, in the Additional Information field.

Step 18:

From the Payment Type drop-down list, select the appropriate option.


Step 19:

From the Account No. drop-down list, select the appropriate account no.

Step 20:

Enter the appropriate MICR or Cheque No in the MICR/ Cheque No. text box.

Step 21:

To add the nominee details, click the  icon, at the bottom right side of the Nominee Details table.

Once the user clicks on the  icon, the Nominees window appears.

Add/Modify | FLEXCUBE - PRIVATE BANKING - Microsoft Internet Explorer

Nominees

Customer number : 10034 Customer Name : nikita parekh

Name	DOB	Relationship	% Share

Name:

DOB:

Relationship:

% Share:

Save Add Modify Delete Clear Cancel

Figure 4.31: Nominees Window

Enter the appropriate details and click the Add button.

Click the Save button to close the Nominee window.



Adding nominee details is a mandatory field

Step 22:

Click the Save button.

Once the user clicks on the Save button, system displays the Exception pop-up window if the order to be placed violates certain conditions such as

- Selected instrument is not in Approved List
- Selected instrument is not in Model Portfolio
- Selected instrument is not in Recommended List
- Deviation from Model Asset Allocation
- Insurance Analysis Done is not updated in the system.

If the user clicks on the 'Yes' button in the Exception pop-up window, the order undergoes exception approval process as explained in Equity order capture.

In case no exceptions occurred, order goes to checker for approval.

4.16 Order Management for Futures

4.16.1 Futures Order Capture

User Access levels:

RM: can place orders for the RM Managed and Self Managed portfolios. The Held away portfolio will not be displayed in the screen for a RM login.

Customer: can capture orders his/her Self Managed and Held Away portfolios. The Discretionary portfolios will not be displayed in the screen for Customer and RM login.

Screen:

FLEXCUBE
PRIVATE BANKING

User: Deb Nayak Current Login: 01/10/2009 5:39 PM Last Login: 01/10/2009 5:28 PM

Home Customer Financial Planning Order Mgmt Txn Mgmt Portfolio Reports Tools My Workspace Logout

Order Mgmt > Futures > Order Capture

Customer Details

Customer Number: 1034
Customer Name: Amit Joshi
Portfolio Name: RM Managed
Source Code: Payal Shah
Lead Generation Code: Sonali

Futures Details

Futures ID: 10007
Futures Name: HONG KONG INDEX FUTURES
Expiry Date: 09/02/2010
Instrument Currency: HKD
Settlement Currency: HKD
Counterparty: TestBroker-Sridhar

Order Details

Transaction: BUY
No. of Contracts: 2
Quantity: 100.00
Amount: 2160000.00
Time Condition: IOC
Order Type: Market Order
Price: 21600
Trigger Price:
Margin Amount: 216000.00

Account Details

DP ID - Client ID: 5523-2552
Bank Account: 745236

GET QUOTE

Submit Clear

Figure 4.32: Futures Order Capture

Screen Navigation:

After logging in the system select Order Management → Futures → Order capture.

Field	Description	Mandatory
Customer Details		
Customer Number	Enables the user to select the customer by clicking on the search icon available next to the Customer No field	Y
Customer Name	Displays the Customer Name for the selected Customer No	Y
Portfolio Name	Displays the list of the portfolio names for the customer	Y
Source Code	Displays the Source Code for the banker who has sourced the transaction	Y
Lead Generation Code	Displays the Lead Generation Code for the banker who has provided the lead for the transaction	Y
Futures Details		
Futures ID	Enables the user to select the Futures ID using search icon.	Y
Futures Name	Once the user selects the Future ID, system auto-populates the corresponding Future name	Y
Expiry Date	The system also displays this field on selection of Future name	Y
Instrument Currency	Displays the instrument currency on selection of Future name	Y
Settlement Currency	Displays the settlement currency on selection of Future name	Y
Counterparty	Enables the user to select the appropriate broker or issuer using the search icon.	N
Order Details		
Transaction	Enables the user to select the transaction type from the drop-down list	Y
No. of Contracts	Enables the user to enter the appropriate no. of contracts	Y
Order Type	Enables the user to select the appropriate order type from the drop-down list	Y
Quantity	Displays the appropriate quantity in the text box once the user enters the no. of contracts.	Y

Price	Displays the appropriate price in the text box once the user enters the no. of contracts. It is in multiples of the tick size.	Y
Amount	It displays the contract value and is calculated as Quantity * Price	Y
Trigger Price	Enables the user to enter the trigger price if the Order Type is selected as Stop Loss or Limit Order from the drop-down list else system auto-populates the appropriate value.	Y
Time Condition	Enables the user to select the appropriate time condition.	Y
Margin Amount	Displays the margin amount and is calculated as No. of contracts * % of Margin defined per contract	Y
Account Details		
DP ID – Client ID	Enables the user to select the appropriate DP ID details of the selected customer.	
Bank Account	Enables the user to select the appropriate bank account detail of the selected customer.	


Procedure for placing of an Order:

Step 1:

If the user is navigating to the Order Capture screen for the first time after logging in to the system, the system forces to select a customer in the customer selection screen.

On the other hand, if the user is navigating to the screen from any other screen, the system auto-populates the name, no. and default portfolio name of the customer which is already in context.



To change the customer, the user needs to click on the  icon located at the top right hand side corner of the screen.

Step 2:

RM – Subsequent to selecting the customer, the system displays the 1st Portfolio name in alphabetical order of Portfolio type 'RM Managed'.


Customer – For a customer login, the 'Portfolio Name' defaults to the 1st Portfolio name in alphabetical order of Portfolio type 'Self Managed'.

Step 3:

Click the  icon next to Source Code field and select the appropriate Source Code.


If Check Certificate for Source is set to Yes in Instrument Type Master screen, then the system checks for certificate and its expiry. If it is set to No system does not check for the certificate and allows the user to proceed further.


Step 4:


Click the  icon next to Lead Generation Code field and select the appropriate Lead Generation Code.

If Check Certificate for Lead Generator is set to Yes in Instrument Type Master screen, then the system checks for certificate and its expiry. If it is set to No system does not check for the certificate and allows the user to proceed further.

Step 5:

Click the  icon next to the Future ID field.

When the user clicks on the  icon next to the Future ID field, Instrument Search window appears. Enter the appropriate search criteria in the respective fields to search for the future instrument.

 The instrument search screen displays only securities which are in open status and which are approved by the bank. Securities which are suspended from trading will not be displayed in the search screen.

The user can view the Recommended instruments, Focussed instruments, House Views details and Instrument Analytics details by clicking on the respective icons next to the Security ID field as explained in General Characteristics section.

Once the user selects the Future ID following fields are automatically get populated.

- Futures Name
- Expiry Date
- Instrument Currency
- Settlement Currency

Step 6:

Select the appropriate Counterparty using the search icon.

Step 7:

From the Transaction drop-down list, select the appropriate transaction type.

There are two options available for Futures Transaction. They are Buy and Sell. By default Buy option is selected.

Step 8:

From the Order Type drop-down list, select the appropriate order type.

If the user selects the Order Type as Stop Loss or Limit Order, the Trigger price field is editable and user can enter the desired trigger price else system auto-populates the appropriate trigger price.

Step 9:

Enter the appropriate number in the No. of Contracts text box.

Once the user enters the number in No. of Contracts field, system auto-populates the data in Quantity, Price, Amount and Margin Amount fields.

Step 10:

Select the appropriate option from Time Condition drop-down list.

Step 11:

Select the appropriate DP ID from the DP- ID drop-down list.

Step 12:

Select the appropriate account no. from the Bank Account drop-down list.

Step 13:

Click on the Submit button.

Once the user clicks on the Submit button, system displays the Exception pop-up window if the order to be placed violates certain conditions such as

- Selected instrument is not in Approved List
- Selected instrument is not in Model Portfolio
- Selected instrument is not in Recommended List
- Deviation from Model Asset Allocation

If the user clicks on the 'Yes' button in the Exception pop-up window, the order undergoes exception approval process as explained in Equity order capture.

In case no exceptions occurred, order goes to checker for approval.

4.17 Transaction Management for Futures

User Access levels:

RM: can capture the transactions for the RM Managed, Self Managed and Held Away portfolios.

Customer: can capture the transactions only for his/her Self Managed and Held Away portfolios. The Discretionary portfolios will not be displayed in the screen.

FLEXcube
PRIVATE BANKING

User: HO HEAD Current Login: 04/10/2009 9:19 PM Last Login: 04/10/2009 9:09 PM

Home Customer Financial Planning Order Mgmt Txn Mgmt Portfolio Reports Tools My Workspace Logout

Txn Mgmt > Futures

Customer Details
Customer Number: 1014
Customer Name: BATHREE ONERet
Portfolio Name: RM Managed

Futures Details
Futures ID: 10007
Futures Name: HONG KONG INDEX FUTURES
Expiry Date: 09/02/2010
Instrument: HKD
Currency: HKD
Contract Size: 1080000
Counterparty:

Transaction Details
Transaction: BUY
Quantity: 100
Amount: 14000.00
Description:
Transaction Date: 02/10/2009
Price: 140

Submit Clear



Figure 4.33: Futures Transaction Capture

Procedure for placing of an Order:

Step 1:

If the user is navigating to the Transaction Capture screen for the first time after logging in to the system, the system forces to select a customer in the customer selection screen.

On the other hand, if the user is navigating to the screen from any other screen, the system auto-populates the name, no. and default portfolio name of the customer which is already in context.


 To change the customer, the user needs to click on the  icon located at the top right hand side corner of the screen.


Step 2:

RM – Subsequent to selecting the customer, the Portfolio Name drop-down list defaults to the default portfolio of RM Managed portfolio type. It is mandatory for the RM to decide on the appropriate portfolio prior to placing the order.

Customer – For a customer login, the 'Portfolio Name' is the first field displayed on the Order screen. The 'Portfolio Name' field will display the list of Self Managed portfolios.


Step 3:


Click the  icon next to the Futures ID field.

When the user clicks on the  icon next to the Futures ID field, Instrument Search window appears. Enter the appropriate search criteria in the respective fields to search for the Futures ID.

Once the user selects the Futures ID following fields are automatically get populated.

- Futures Name
- Expiry Date
- Instrument Currency
- Settlement Currency

The user can select the future instrument either by directly entering the id or by searching for the security using  icon as explained in general characteristics section.


 The security search screen displays only securities which are in open status and which are approved by the bank. Securities which are suspended from trading will not be displayed in the search screen.

The user can view the Recommended instruments, Focussed instruments, House Views details and Instrument Analytics details by clicking on the respective icons next to the Security ID field as explained in General Characteristics section.

Step 4:

Enter the appropriate value in the Contract Size text box.

Step 5:

Select the appropriate issuer/broker by clicking on the  icon next to the Counterparty field.

Step 6:

Select the appropriate transaction option from the Transaction drop-down list.

Step 7:

Select the appropriate transaction date.

Step 8:

Enter the appropriate quantity in the Quantity text box.



The quantity entered should be in multiples of regular lot size.

Step 9:

Enter the appropriate price in the Price text box.

Step 10:

Enter the appropriate amount in the Amount text box.

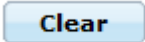
Step 11:

Enter the transaction description in the Description text box.

Step 12:

Click the Submit button.

On submitting the holding, the system displays a confirmation message on the screen.

If the user changes decision on updating the holding, can clear the entire details captured earlier by clicking on the  button.

4.18 Order Management for Options

4.18.1 Options Order Capture

User Access levels:

RM: can place orders for the RM Managed and Self Managed portfolios. The Held away will not be displayed in the screen for a RM login.

Customer: can capture orders his/her Self Managed and Held Away portfolios. The Discretionary portfolios will not be displayed in the screen for Customer and RM login.

Screen:

ORACLE
FLEXCUBE Private Banking

User: HO HEAD Current Login: 19/05/2011 11:35 AM Last Login: 19/05/2011 10:38 AM

Home Customer Financial Planning Order Mgmt Txn Mgmt Reports Tools My Workspace Logout

Order Mgmt > Options > Order Capture

Customer Details

Customer Number: 10000

Customer Name: Shikha Verma

Portfolio Name: RM Managed

Source Code:

Lead Generation Code:

Options Details

Option Name: Reliance Opt

Underlying Asset: Reliance Industries lim

Exercise Style: AMERICAN

Strike Price: 2100

Instrument Currency: INR

Settlement Currency: INR

Security Code: EURUSD

Option Type: CALL

Exchange: Select

Reference Date: 02/03/2011

Contract Settlement Date: 07/03/2011

Commodity Currency: INR

Last Traded Price: null

Order Details

Trade Date: 19/05/2011

Transaction: Buy

Order Type: Market Order

Time Condition: GTC

Counterparty Name:

Quantity: 0

Total Unitary Commission:

Broker Unitary Commission:

Total Amount:

Description:

Premium Payment Date: 19/05/2011

No. of Contracts:

Trigger Price: null

Expiry Date:

Counterparty Ref. No.:

Bank Price(Premium Per Option):

Client Price(Premium Per Option):

Private Unitary Commission:

Total Revenue:

Account Details

DP ID - Client ID: 23456-123

Bank Account:

Comments:

Submit Clear

Figure 4.34: Options Order Capture

Screen Navigation:

After logging in the system select Order Management → Options → Order capture.

Field	Description	Mandatory
Customer Details		
Customer Number	Enables the user to select the customer by clicking on the search icon available next to the Customer No field	Based on FAC
Customer Name	Displays the Customer Name for the selected Customer No	Based on FAC

Portfolio Name	Displays the list of the portfolio names for the customer	Y
Source Code	Displays the Source Code for the banker who has sourced the transaction	Based on FAC
Lead Generation Code	Displays the Lead Generation Code for the banker who has provided the lead for the transaction	Based on FAC
Options Details		
Options Name	Once the user selects the Options ID, system auto-populates the corresponding Options name	Y
Underlying Asset	Displays the Name of the underlying asset as captured in GIMS	Y
Options Type	Once the user selects the Options ID, system auto-populates the corresponding Options type	Y
Exercise Style	American/ European, Value defined at Instrument creation level is displayed	Y
Exchange	Display the list of exchange values	
Strike Price	This field displays the value defined at the time of creation of an Options instrument.	Y
Reference Date	Displays the Date when the underlying asset price is fixed	Y
Contract Settlement Date	Displays the Expiry date of a Options ID selected	Y
Instrument Currency	Displays the instrument currency on selection of Future name	Y
Settlement Currency	Displays the settlement currency on selection of Future name	Y
Commodity Currency	Displays the commodity currency on selection of Future name	N
Security Code	Displays the Security Code	Y
Last Traded Price	Displays the Last Traded Price from the Instrument Price	Y
Order Details		
Trade Date	By default display the current system date or business date whichever is later but user can modify the trade date.	Y

Premium Payment date	Displays the Payment date or date when Premium is received/ paid	Y
Transaction	Enables the user to select the transaction type from the drop-down list. By default the system selects the Buy option.	Y
Order Type	Enables the user to select the appropriate order type from the drop-down list. By default the system selects the Market Type option.	Y
No. of Contracts	Enables the user to enter the appropriate no. of contracts	Y
Quantity	Displays the appropriate quantity in the text box once the user enters the no. of contracts.	Y
Trigger Price	Enables the user to enter the trigger price if the Order Type is selected as Stop Loss or Limit Order from the drop-down list else system auto-populates the appropriate value.	Y
Time Condition	Enables the user to select appropriate values like GTC/IOC/Timed Order	Y
Expiry Date	Enables the user to enter Order Expiry Date	Y
Counterparty Name	Enables the user to enter the Name of the Counterparty for transaction	Based on FAC
Counterparty Ref No.	Enables the user to enter the Counterparty Reference Number	Based on FAC
Quantity	Displays the appropriate quantity in the text box once the user enters the no. of contracts.	Y
Bank Price	Enables the user to enter Option Price for Private Bank	Y
Total Unitary commission	Displays the Total commission paid by client	
Client Price	Enables the user to enter Option price for Client	
Broker Unitary commission	Displays the Unit Commission(per unit) to be paid by Broker	N
Private Unitary commission	Displays the Unit Commission(per unit) to be paid by Bank	N
Total Amount	It displays the contract value and is calculated as Quantity * Price	Y
Total Revenue	Displays the Total Commission received by the Bank	Y

Description	This text box will capture any specific details for the order that the user would like to input.	N
Account Details		
DP ID – Client ID	Enables the user to select the appropriate DP ID details of the selected customer.	Y
Bank Account	Enables the user to select the appropriate bank account detail of the selected customer.	Y
Comments	Allows to capture user remarks before saving the order details	Y/N


Procedure for placing of an Order:

Step 1:

If the user is navigating to the Order Capture screen for the first time after logging in to the system, the system forces to select a customer in the customer selection screen.

On the other hand, if the user is navigating to the screen from any other screen, the system auto-populates the name, no. and default portfolio name of the customer which is already in context.



To change the customer, the user needs to click on the  icon located at the top right hand side corner of the screen.

Step 2:

RM – Subsequent to selecting the customer, the system displays the 1st Portfolio name in alphabetical order of Portfolio type 'RM Managed'.


Customer – For a customer login, the 'Portfolio Name' defaults to the 1st Portfolio name in alphabetical order of Portfolio type 'Self Managed'.

Step 3:

Click the  icon next to Source Code field and select the appropriate Source Code.


If Check Certificate for Source is set to Yes in Instrument Type Master screen, then the system checks for certificate and its expiry. If it is set to No system does not check for the certificate and allows the user to proceed further.


Step 4:


Click the  icon next to Lead Generation Code field and select the appropriate Lead Generation Code.

If Check Certificate for Lead Generator is set to Yes in Instrument Type Master screen, then the system checks for certificate and its expiry. If it is set to No system does not check for the certificate and allows the user to proceed further.

Step 5:

Click the  icon next to the Option Name field.

When the user clicks on the  icon next to the Option Name field, Instrument Search window appears. Enter the appropriate search criteria in the respective fields to search for the Option instrument.

 The instrument search screen displays only securities which are in open status and which are approved by the bank. Securities which are suspended from trading will not be displayed in the search screen.

The user can view the Recommended instruments, Focussed instruments, House Views details and Instrument Analytics details by clicking on the respective icons next to the Security ID field as explained in General Characteristics section.

Once the user selects the Option ID following fields are automatically get populated.

- Options Name
- Reference Date
- Contract Settlement Date
- Instrument Currency
- Settlement Currency
- Commodity Currency

Step 6:

Select the appropriate Trade Date

By default display the current system date or business date whichever is later but user can modify the trade date.

Step 7:

Select Premium payment Date. Payment date or date when Premium is received/ paid.

Step 8:

From the Transaction drop-down list, select the appropriate transaction type.

There are two options available for Option Transaction. They are Buy and Sell. By default Buy option is selected.

Step 9:

Enter the appropriate number in the No. of Contracts text box.

Step 10:

Select the appropriate Counterparty using Search Icon.

Step 11:

Select the appropriate ref no. in the Counterparty Ref No text box.

Step 12:

Enter the appropriate price in Bank Price (Premium Per Option) text box.

Step 13:

Enter the appropriate price in Client Price (Premium Per Option) text box.

Once the user enters the Bank Price and Client Price, system auto-populates the data in Quantity, Total Unitary Commission, Broker Unitary Commission, Private Unitary Commission, Total Amount and Total Revenue fields.

Step 14:

Enter the description if any, in the Description text box.

Step 15:

Select the appropriate DP ID from the DP- ID drop-down list.

Step 16:

Select the appropriate account no. from the Bank Account drop-down list.

Step 17:

Click on the Submit button.

Once the user clicks on the Submit button, system displays the Exception pop-up window if the order to be placed violates certain conditions such as

- Selected instrument is not in Approved List
- Selected instrument is not in Model Portfolio
- Selected instrument is not in Recommended List
- Deviation from Model Asset Allocation

If the user clicks on the 'Yes' button in the Exception pop-up window, the order undergoes exception approval process as explained in Equity order capture.

In case no exceptions occurred, order goes to checker for approval.

4.19 Transaction Management for Options

User Access levels:

RM: can capture the transactions for the RM Managed, Self Managed and Held Away portfolios.

Customer: can capture the transactions only for his/her Self Managed and Held Away portfolios. The Discretionary portfolios will not be displayed in the screen for Customer and RM login.

Screen:

The screenshot displays the 'Options Transaction Capture' interface within the FLEXCUBE Private Banking system. The top navigation bar includes links for Home, Customer, Financial Planning, Order Mgmt, Txn Mgmt, Portfolio, Reports, Tools, My Workspace, and Logout. The user is logged in as 'HO HEAD' on 05/10/2009 at 1:12 AM. The breadcrumb trail shows 'Txn Mgmt > Options'.

The main form is divided into three sections:

- Customer Details:**
 - Customer Number: 1000
 - Customer Name: CUSTONE HOREt
 - Portfolio Name: RM Managed (dropdown)
- Options Details:**
 - Options ID: 10012
 - Options Name: HANG SENG INDEX OPTIONS
 - Options Type: CALL
 - Strike Price: 21000
 - Expiry Date: 04/04/2011
 - Instrument Currency: HKD
 - Settlement Currency: HKD
 - Contract Size: 1150000
 - Counterparty: Lorenzes
- Transactions Details:**
 - Transaction: BUY (dropdown)
 - Transaction Date: 04/09/2009 (calendar icon)
 - Quantity: 150
 - Premium/Unit: 120
 - Amount: 18000.00
 - Description: (text field)

At the bottom of the form are 'Submit' and 'Clear' buttons.

Figure 4.35: Options Transaction Capture

Screen Navigation:

After logging in the system select Txn Mgmt → Options


Procedure for placing transaction:

Step 1:

If the user is navigating to the Transaction Capture screen for the first time after logging in to the system, the system forces to select a customer in the customer selection screen.

On the other hand, if the user is navigating to the screen from any other screen, the system auto-populates the name, no. and default portfolio name of the customer which is already in context.




To change the customer, the user needs to click on the  icon located at the top right hand side corner of the screen.


Step 2:

RM – Subsequent to selecting the customer, the Portfolio Name drop-down list defaults to the default portfolio of RM Managed portfolio type. It is mandatory for the RM to decide on the appropriate portfolio prior to placing the order.

Customer – For a customer login, the 'Portfolio Name' is the first field displayed on the Order screen. The 'Portfolio Name' field will display the list of Self Managed portfolios.


Step 3:

Click the  icon next to the Options ID field.

When the user clicks on the  icon next to the Options ID field, Search window appears. Enter the appropriate search criteria in the respective fields to search for the Options ID.

Once the user selects the Option ID following fields are automatically get populated.

- Options Name
- Options Type
- Strike Price
- Expiry Date
- Instrument Currency
- Settlement Currency

The user can select the options instrument either by directly entering the id or by searching for the security using  icon as explained in general characteristics section.




The security search screen displays only securities which are in open status and which are approved by the bank. Securities which are suspended from trading will not be displayed in the search screen.

The user can view the Recommended instruments, Focussed instruments, House Views details and Instrument Analytics details by clicking on the respective icons next to the Security ID field as explained in General Characteristics section.

Step 4:

Enter the appropriate value in the Contract Size text box.

Step 5:

Select the appropriate issuer/broker by clicking on the  icon next to the Counterparty field.

Step 6:

Select the appropriate option from the Transaction drop-down list.

Step 7:

Select the appropriate transaction date.

Step 8:

Enter the appropriate quantity in the Quantity text box.



The quantity entered should be in multiples of regular lot size.

Step 9:

Enter the appropriate value in the Premium/Unit text box.

Step 10:

Enter the appropriate amount in the Amount text box.

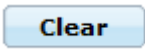
Step 11:

Enter the transaction description in the Description text box.

Step 12:

Click the Submit button.

On submitting the holding, the system displays a confirmation message on the screen.

If the user changes decision on updating the holding, can clear the entire details captured earlier by clicking on the  button.

4.20 Order Management for Forex

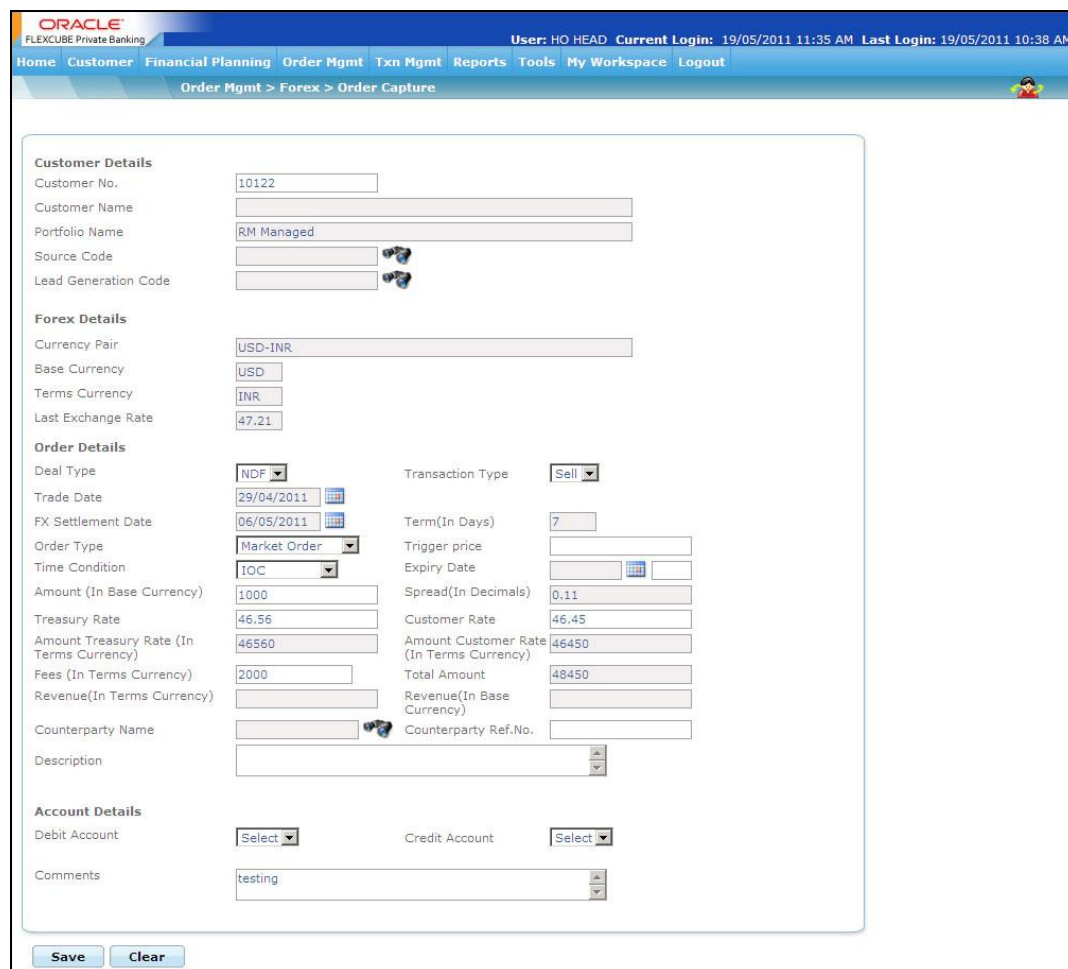
4.20.1 Forex Order Capture

User Access levels:

RM: can place orders for the RM Managed and Self Managed portfolios. The Held away will not be displayed in the screen for a RM login.

Customer: can capture orders his/her Self Managed and Held Away portfolios. The Discretionary portfolios will not be displayed in the screen for Customer and RM login.

Screen:



ORACLE
FLEXCUBE Private Banking

User: HO HEAD Current Login: 19/05/2011 11:35 AM Last Login: 19/05/2011 10:38 AM

Home Customer Financial Planning Order Mgmt Txn Mgmt Reports Tools My Workspace Logout

Order Mgmt > Forex > Order Capture

Customer Details

Customer No. 10122

Customer Name

Portfolio Name RM Managed

Source Code

Lead Generation Code

Forex Details

Currency Pair USD-INR

Base Currency USD

Terms Currency INR

Last Exchange Rate 47.21

Order Details

Deal Type NDF Transaction Type Sell

Trade Date 29/04/2011

FX Settlement Date 06/05/2011

Order Type Market Order Trigger price

Time Condition IOC Expiry Date

Amount (In Base Currency) 1000 Spread(In Decimals) 0.11

Treasury Rate 46.56 Customer Rate 46.45

Amount Treasury Rate (In Terms Currency) 46560 Amount Customer Rate (In Terms Currency) 46450

Fees (In Terms Currency) 2000 Total Amount 48450

Revenue(In Terms Currency)

Counterparty Name Counterparty Ref.No.

Description

Account Details

Debit Account Select Credit Account Select

Comments testing

Save Clear

Figure 4.36: Forex Order Capture

Screen Navigation:

After logging in the system select Order Management → Forex → Order capture.

Field	Description	Mandatory
Customer Details		
Customer Number	Displays the customer in context. However, the user can select the different customer by clicking on the Change Customer icon available at the top right hand corner of the screen.	Based on FAC
Customer Name	Displays the Customer Name for the selected Customer No	Based on FAC
Portfolio Name	Displays the list of the portfolio names for the customer	Y
Source Code	Displays the Source Code for the banker who has sourced the transaction	Based on FAC
Lead Generation Code	Displays the Lead Generation Code for the banker who has provided the lead for the transaction	Based on FAC
Forex Details		
Currency Pair	Display the currency pair name based on Commodity Currency and Terms Currency selected in Search Icon Popup.	Y
Base Currency	Based on the FX ID selected, display information of base currency in view mode.	Y
Terms Currency	Based on the FX ID selected, display information of terms currency in view mode.	Y
Last Exchange Rate	Displays the value of Last Exchange Rate.	Y
Order Details		
Deal Type	Enables the user to select the option with values like NDF and DFO.	Y
Transaction Type	Enables the user to select the transaction type from the drop-down list. By default the system selects the Buy option.	Y
Trade Date	By default display the current system date or business date whichever is later but user can modify the trade date.	Y

FX Settlement Date	Displays the Date keyed in is considered as Expiry/Maturity/Settlement date for a given deal type. This value is stored as Sub portfolio ID at holding level. For forex, subportfolio id should be Dealtypesettlement date.	Y
Terms(In Days)	Displays the total number of days to settlement	N
Order Type	Enables the user to select the appropriate order type from the drop-down list. By default the system selects the Market Type option.	Y
Trigger Price	Enables the user to enter the trigger price if the Order Type is selected as Stop Loss or Limit Order from the drop-down list else system auto-populates the appropriate value.	Y
Time Condition	Enables the user to select appropriate values like GTC/IOC/Timed Order	Y
Expiry Date	Enables the user to enter Order Expiry Date	Y
Amount (In Base Currency)	Enables the user to enter Value is in Base currency of the Instrument ID selected.	Y
Treasury Rate	Enables the user to enter Treasury Rate per unit of commodity currency	Y
Amount Treasury Rate (In Terms Currency)	Value displayed is in Terms currency of the Instrument ID selected.	Y
Spread(decimal)	Displays the Spread as maintained in the system	Y
Customer Rate	Enables the user to enter Customer Rate per unit of Commodity currency	Y
Amount Customer Rate (In Terms currency)	Value displayed is in Terms currency of the instrument ID selected.	Y
Fees (In terms currency)	Display value of Fees as computed by the system	
Total Amount	Displays the Total amount charged to the customer	
Credit Limit Check	Hyperlink	Y/N
Revenue (In Terms Currency)	Displays the total commission received by the bank	Y
Revenue (In Base Currency)	Displays the total commission received by the bank	Y

Counterparty Name	Enables the user to enter the name of the counterparty for the transaction	Based on FAC
Counterparty Ref no	Enables the user to enter transaction reference number	Based on FAC
Description	This text box will capture any specific details for the order that the user would like to input	
Account Details		
Debit Account	Enables the user to select the appropriate Value displayed should have A/C no suffixed with the currency. For example 12345-USD	Y
Credit Account	Enables the user to select the appropriate Value displayed should have A/C no suffixed with the currency. For example 12345-USD	Y
Comments	Allows to capture user remarks before saving the order details	Y/N


Procedure for placing of an Order:

Step 1:

If the user is navigating to the Order Capture screen for the first time after logging in to the system, the system forces to select a customer in the customer selection screen.

On the other hand, if the user is navigating to the screen from any other screen, the system auto-populates the name, no. and default portfolio name of the customer which is already in context.



To change the customer, the user needs to click on the  icon located at the top right hand side corner of the screen.

Step 2:

RM – Subsequent to selecting the customer, the system displays the 1st Portfolio name in alphabetical order of Portfolio type 'RM Managed'.


Customer – For a customer login, the 'Portfolio Name' defaults to the 1st Portfolio name in alphabetical order of Portfolio type 'Self Managed'.

Step 3:

Click the  icon next to Source Code field and select the appropriate Source Code.


If Check Certificate for Source is set to Yes in Instrument Type Master screen, then the system checks for certificate and its expiry. If it is set to No system does not check for the certificate and allows the user to proceed further.


Step 4:


Click the  icon next to Lead Generation Code field and select the appropriate Lead Generation Code.

If Check Certificate for Lead Generator is set to Yes in Instrument Type Master screen, then the system checks for certificate and its expiry. If it is set to No system does not check for the certificate and allows the user to proceed further.

Step 5:

Click the  icon next to the Currency Pair field.

When the user clicks on the  icon next to the Currency Pair field, Instrument Search window appears. Enter the appropriate search criteria in the respective fields to search for the future instrument.

 The instrument search screen displays only securities which are in open status and which are approved by the bank. Securities which are suspended from trading will not be displayed in the search screen.

Once the user selects the Forex ID following fields are automatically get populated.

- Base Currency
- Terms Currency
- Last Exchange Rate

Step 6:

Select the appropriate deal from the Deal Type drop down list.

Step 7:

From the Transaction drop-down list, select the appropriate transaction type.

There are two options available for Forex Transaction. They are Buy and Sell. By default Buy option is selected.

Step 8:

Select the appropriate Trade Date.

By default, the system displays the current system date or business date whichever is later but user can modify the trade date.

Step 9:

Select the appropriate FX settlement date.

Once the settlement date

Step 10:

From the Order Type drop-down list, select the appropriate order type.

If the user selects the Order Type as Stop Loss or Limit Order, the Trigger price field is editable and user can enter the desired trigger price else system auto-populates the appropriate trigger price.

Step 11:

Select the appropriate option from Time Condition drop-down list.

Step 12:

Enter the appropriate amount in the Amount (In Base Currency) text box.

Step 13:

Enter the appropriate rate in the Treasury Rate text box.

The system defaults this value to the last exchange rate.

Step 14:

Enter the appropriate rate in the Customer Rate text box.

By default, the system displays, (Treasury rate + Spread) for buy orders and (Treasury rate – Spread) for sell orders.

The system also displays the spread value as maintained and recomputes the same as and when the Customer Rate, Treasury Rate are modified. In addition, the system displays the Amount Customer Rate (In Terms Currency), Fees (In Terms Currency), Total Amount, Revenue (In Terms Currency) and Revenue (In Base Currency).

Step 15:

Select the appropriate Counterparty using Search Icon and enter the appropriate ref no. in the Counterparty Ref No. text box.

Step 16:

Enter the description, if any in the Description text box.

Step 17:

Select the appropriate account from the Debit Account drop-down list.

Step 18:

Select the appropriate account from the Credit Account drop-down list.

Step 19:

Enter the comments if any, in the Comments text box..

Step 20:

Click on the Submit button.

Once the user clicks on the Submit button, system displays the Exception pop-up window if the order to be placed violates certain conditions such as

- Selected instrument is not in Approved List
- Selected instrument is not in Model Portfolio
- Selected instrument is not in Recommended List
- Deviation from Model Asset Allocation

If the user clicks on the 'Yes' button in the Exception pop-up window, the order undergoes exception approval process as explained in Equity order capture.

In case no exceptions occurred, order goes to checker for approval.

4.21 Order Management for Deposit

4.21.1 Deposit Order Capture - Booking

User Access levels:

RM: can place orders for the RM Managed and Self Managed portfolios.

Screen:

ORACLE
FLEXCUBE Private Banking

User: HOHEAD Current Login: 22/03/2012 10:44 AM Last Login: 22/03/2012 10:13 AM

Home Customer Financial Planning Order Mgmt Txn Mgmt Reports Tools My Workspace Logout

Order Management > Deposit Order Capture > Booking

Customer Details

Customer No. 1011 ⓘ

Customer Name Niraj Singh

Portfolio Name RM Managed

Deposit Details

Instrument Name Term Deposit - BRL ⓘ

Currency BRL

Deposit Type Time Deposit

Order Details

Deposit Amount 100000 Tenor (Days) 367

Start Date 09/09/2011 ⓘ Maturity Date 10/09/2012

Dual Currency Deposit ☒ Alternate Currency EUR

Fixing Days 2 Strike Rate 1.46

Fixed / Floating Fixed

Interest % 4 Spread (Bps) 0

Rate to Client % 4

Interest Frequency On Maturity

Auto Rollover No

Simple / Compound Simple

Compounding Frequency Annually

Interest at Maturity 4077.78 ⓘ Total Amount at Maturity 104077.78

FX Rate 5.64 Total Amount at Maturity (USD) 586998.68

Description

Account Details

Bank Account

Comments

* Please note that Compounding Frequency should be lesser than Interest Frequency else there would be no effect of Compounding.
* For Backdated Booking transactions if there are past interest payments, please capture missed interest payment transactions after the next EOD, using the PortfolioMaintenance->CA hyperlink

Submit Clear

Figure 4.37: Deposit Order Capture - Booking

Screen Navigation:

After logging in the system select Order Management → Deposit Order capture → Booking

Field	Description	Mandatory
Customer Details		
Customer Number	Displays the customer in context. However, the user can select the different customer by clicking on the Change Customer icon available at the top right hand corner of the screen.	Based on FAC
Customer Name	Displays the Customer Name for the Customer in context.	Based on FAC
Portfolio Name	Displays the list of the portfolio names for the customer	Y
Source Code	Displays the Source Code for the banker who has sourced the transaction	Based on FAC

Lead Generation Code	Displays the Lead Generation Code for the banker who has provided the lead for the transaction	Based on FAC
Deposit Details		
Instrument Name	Enables the user to select the appropriate instrument using the search icon.	Y
Currency	Displays the selected instrument currency	Y
Deposit Type	Displays the deposit type of the selected instrument. If the deposit type is selected as 'Time Deposit' then system displays the relevant fields like Interest%, Tenor, Rate To Customer, Spread bps.	Y
Order Details		
Deposit Amount	Enables the user to enter the deposit amount to be booked with the bank	Y
Tenor(Days)	Enables the user to enter the appropriate tenor. This is applicable for Time deposit and not for Call Deposits.	Y
Start Date	Enables the user to select the date on which deposit is booked	Y
Maturity Date	Displays the maturity date of the selected deposit	Y
Dual Currency Deposit	Enables the user to determine whether the order to be placed should have the feature of 'Dual Currency Deposit'. If this field is selected, system enables three more fields Alternate CCY, Fixing Date & Strike.	Y
Alternate Currency	Enables the user to select the appropriate currency different from the Instrument currency, from the drop-down list.	
Fixing Days	Enables the user to indicate appropriate number of days before maturity date which in turn helps to derive the Fixing Date.	
Strike Rate	Enables the user to enter the exchange rate between the deposit currency and alternate currency and denoted as per market conventions.	
Fixed/Floating	Indicates the rate of interest if it is fixed or floating. If the instrument is of type Dual Currency Deposit then system defaults this field to Fixed interest type.	Y
Reference Benchmark	Indicates Reference Benchmark like LIBOR, SIBOR, CDI	Y for Floating interest rate

Period of Reference Benchmark	Indicates periodicity of the reference benchmark like LIBOR-30 days, CDI-1 day etc	Y for Floating interest rate
Interest (%)	Recommended Interest rate in percentage. It is populated based on Currency, Amount and Tenor combination for Time Deposits. The system also enables the user to enter negative Interest rate. This field is not applicable for Call Deposits.	Y
Spread (Bps)	Displays the value based on the IAG and Client Segment. This field is not applicable for Call Deposits.	
Rate to Client (%)	For Time Deposit, it displays the value based on value entered in the Interest rate and Spread fields. It is calculated as (Interest rate - Spread)	Y
Interest Frequency	Enables the user to select the appropriate interest frequency. By default, Maturity is selected as Interest Frequency. For Dual Currency deposits, the system defaults this field to Maturity.	
Simple/Compound	Indicates whether the interest type is Simple or Compound. For Dual Currency deposits, the system defaults this field to Simple interest.	Y
Compounding Frequency	Indicates compounding frequency. The note should be taken that Compounding Frequency should be always lesser than Interest Frequency else there would be no effect of Compounding	Y
Interest at Maturity	Displays the interest rate at maturity	Y
Total Amount at Maturity	Displays the total amount which is calculated by adding interest value to the deposit amount.	Y
FX Rate	Displays the FX Rate of Instrument currency Vs Bank's base currency	Y
Total Amount at Maturity (USD)	Displays the total amount at maturity in USD. It is calculated as Total Amount At Maturity * FX Rate between Instrument Currency and Bank Currency.	Y
Description	It captures any specific details for the order that the user likes to add.	N
Account Details		
Bank Account	Displays the list of accounts from which Deposit funds gets transferred and in case of Uplift fund gets credited	Y
Comments	Enables the user to enter the comments	


Procedure for placing of an Deposit Booking Order:

Step 1:

If the user is navigating to the Order Capture screen for the first time after logging in to the system, the system forces to select a customer in the customer selection screen.

On the other hand, if the user is navigating to the screen from any other screen, the system auto-populates the name, no. and default portfolio name of the customer which is already in context.



To change the customer, the user needs to click on the  icon located at the top right hand side corner of the screen.

Step 2:

RM – Subsequent to selecting the customer, the system displays the 1st Portfolio name in alphabetical order of Portfolio type 'RM Managed'.

Customer – For a customer login, the 'Portfolio Name' defaults to the 1st Portfolio name in alphabetical order of Portfolio type 'Self Managed'.

Step 3:

Click the  icon next to Source Code field and select the appropriate Source Code.


If Check Certificate for Source is set to Yes in Instrument Type Master screen, then the system checks for certificate and its expiry. If it is set to No system does not check for the certificate and allows the user to proceed further.


Step 4:

Click the  icon next to Lead Generation Code field and select the appropriate Lead Generation Code.

If Check Certificate for Lead Generator is set to Yes in Instrument Type Master screen, then the system checks for certificate and its expiry. If it is set to No system does not check for the certificate and allows the user to proceed further.

Step 5:

Click the  icon next to the Instrument Name field.

When the user clicks on the  icon next to the Instrument Name field, Instrument Search window appears. Choose the appropriate currency for the Deposit to search for the Deposit instrument.



The instrument search screen displays only securities which are in open status and which are approved by the bank. Securities which are suspended from trading will not be displayed in the search screen.

Once the user selects the Instrument Name, following fields are automatically get populated.

- Currency
- Deposit Type

Step 6:

Enter the appropriate amount in the Deposit Amount text box.

Step 7:

Enter the appropriate deposit tenor in days in the Tenor (Days) text box.

Step 8:

Select the appropriate Start Date for the deposit using the calendar icon.

Once the instrument details are entered, the system displays the Maturity Date.

Step 9:

Select the Dual Currency Deposit check box if the order is to be placed for Dual Currency deposit.

Once this field is selected, system enables the Alternate Currency, Fixing Days and Strike Rate fields.

Step 10:

Select the appropriate currency from the Alternate Currency drop-down list.

Step 11:

Enter the appropriate number of days in the Fixing Days field.

Step 12:

Select the appropriate interest type from the Fixed/Floating drop-down list.

Step 13:

For Fixed Deposits, enter the appropriate percentage in the Interest % text box.

Step 14:

Enter the appropriate value in the Spread (Bps) text box.



The system does not display the Spread (Bps) field for the Call Deposits.

Once the Spread value is entered, the system displays the rate applicable to client in the Rate to Client% text box. The system also displays other details like Interest Frequency, Simple / Compound.

Step 15:

Select the appropriate frequency from the Compounding Frequency drop-down list.

Once the details are entered in the Deposit Amount, Tenor and Rate to client fields, the system displays the Interest at Maturity and Total Amount at Maturity.

Step 16:

Enter the description if any, in the Description text box.

Step 17:

Select the appropriate account from the Bank Account drop-down list.

Step 18:

Enter the comments if any in the Comments text box.

Step 19:

Click on the Submit button.

Once the user clicks on the Submit button, system displays the Exception pop-up window if the order to be placed violates certain conditions such as

- Selected instrument is not in Approved List
- Selected instrument is not in Model Portfolio
- Selected instrument is not in Recommended List
- Deviation from Model Asset Allocation

If the user clicks on the 'Yes' button in the Exception pop-up window, the order undergoes exception approval process as explained in Equity order capture.

In case no exceptions occurred, order goes to checker for approval.

4.21.2 Deposit Order Capture – Rollover

The FCPB system allows the user to Rollover the Time Deposits to renew a TD for all deposits that are maturing in the next business day or upto few days (This number is configurable via Business Parameters screen) after next business day. Rollover for Floating rate Benchmarks

which are of Daily Periodicity like CDI, LIBOR-1day, EURIBOR-1day etc are not allowed for roll-over. Call deposits and Dual Currency deposits cannot be rolled-over.

Screen:

Figure 4.38: Deposit Order Capture – Rollover

Screen Navigation:

After logging in the system select Order Management → Deposit Order capture → Rollover

Field	Description	Mandatory
Customer Details		
Customer Number	Displays the customer in context. However, the user can select the different customer by clicking on the Change Customer icon available at the top right hand corner of the screen.	Y
Customer Name	Displays the Customer Name for the Customer in context.	Display

Portfolio Name	Displays the list of the portfolio names for the customer	Y
Source Code	Displays the Source Code for the banker who has sourced the transaction	N
Lead Generation Code	Displays the Lead Generation Code for the banker who has provided the lead for the transaction	N
Deposit Details		
Maturing Deposit	Displays the deposits that are maturing in the next business day or upto few days after next business day	
Deposit Type	Displays the default time deposit.	Display
Deposit Details	The table displays the fields Currency, Start date, Current Principal, Rate to Client, Original tenor, Maturity date	Display
Order Details		
Rollover Type	Enables the user to select the appropriate Rollover Type. The options available are 'Principal' , 'Principal + Interest' , 'Other'	Y
Renewal Amount	Displays the Renewal Amount based on the Rollover Type	Y
Tenor(Days)	Enables the user to enter the new tenor.	Y
Start Date	Displays the date on which deposit is booked	Y
Maturity Date	Displays the maturity date of the deposit	Y
Fixed/Floating	Indicates the rate of interest if it is fixed or floating	Y
Reference Benchmark	Indicates Reference Benchmark like LIBOR, SIBOR, CDI	Y for Floating interest rate
Period of Reference Benchmark	Indicates periodicity of the reference benchmark like LIBOR-30 days, CDI-1 day etc	Y for Floating interest rate
Interest (%)	Recommended Interest rate in percentage. It is populated based on Currency and Tenor combination for Time Deposits.	Y
Spread (Bps)	Displays the value based on the IAG and Client Segment.	

Rate to Client (%)	For Time Deposit, it displays the value based on value entered in the Interest rate and Spread fields. It is calculated as (Interest rate - Spread)	Y
Interest Frequency	Enables the user to select the appropriate interest frequency. By default, Maturity is selected as Interest Frequency.	
Auto Rollover	Enables the user to select the appropriate option Yes/No. This can be hidden if required via Field Access Controller setup	
Simple/Compound	Indicates whether the interest type is Simple or Compound	Y
Compounding Frequency	Indicates compounding frequency. The note should be taken that Compounding Frequency should be always lesser than Interest Frequency else there would be no effect of Compounding	Y
Interest at Maturity	Displays the interest rate at maturity	Y
Total Amount at Maturity	Displays the total amount which is calculated by adding interest value to the deposit amount.	Y
FX Rate	Displays the FX Rate of Instrument currency Vs Bank's base currency	Y
Total Amount at Maturity (USD)	Displays the total amount at maturity in USD. It is calculated as <i>Total Amount At Maturity * FX Rate between Instrument Currency and Bank Currency.</i>	Y
Description	It captures any specific details for the order that the user likes to add.	N
Account Details		
Bank Account	Displays the list of accounts from which Deposit funds gets transferred and in case of Uplift fund gets credited	Y
Comments	Enables the user to enter the comments	N

After entering the appropriate details, click on the Submit button. If no exceptions, the system displays the message as "Order captured successfully".

In case of exceptions, when the user clicks on the Submit button, system displays the Exception pop-up window appears as explained in the Deposit Order Capture- Booking if the order to be placed violates certain conditions.

4.21.3 Deposit Order Capture – Pre-mature Uplift

The FCPB system allows the user to uplift the orders which are not yet matured. The screen assumes Penalty Method as 'Based on Revised Rate and Elapsed Tenor' for this purpose which can be defined in Product Master for every Deposit Instrument.

Screen:

Customer Details

Customer No. 10995
 Customer Name MELVIN MF
 Portfolio Name MELVIN-MF-TD-ST
 Source Code Vrushali
 Lead Generation Code Sonali

Deposit Details

Outstanding Deposit TD-BRL-MEL-BRL-CDI-SPRD20-28/06/2011
 Deposit Type Time Deposit

Currency	Start Date	Current Principal	Rate to Client %	Tenor(Days)	Maturity Date	Interest Accrued Till Date
BRL	28/04/2011	90000	13.486009	61	28/06/2011	1636.78517

Order Details

Withdrawal ☐ Full ☒ Partial
 Withdrawal Date 27/06/2011
 Days to Maturity
 Reversal Rate % 2
 Penalty Amount 0
 Description
 Withdrawal Amount 90000
 Rate to Client % 13.486009
 Penal(Bps)
 Net Amt. to Customer 92673.28

Account Details

Bank Account 55889968-BRL
 Comments

* For back dated PAR transactions in case any scheduled Interest Payments have happened after the PAR Date, system will not calculate the Interest and Penalty amounts and leave them as 0. For such cases, please go to the TransactionSearch->Modify screen to enter the expected Interest and Penalty amounts for the premature uplift.

Submit Clear

Figure 4.39: Deposit Order Capture – Pre-mature Uplift

Screen Navigation:

After logging in the system select Order Management → Deposit Order capture → Pre-mature Uplift

Field	Description	Mandatory
Customer Details		
Customer Number	Displays the customer in context. However, the user can select the different customer by clicking on the Change Customer icon available at the top right hand corner of the screen.	Y

Customer Name	Displays the Customer Name for the Customer in context.	Display
Portfolio Name	Displays the list of the portfolio names for the customer	Y
Deposit Details		
Outstanding Deposit	Displays all Deposit instrument booked but not yet matured for selected customer	
Deposit Type	Displays Deposit type of the Instrument as selected under 'Outstanding Deposit' field.	Display
Deposit Details	The table displays the fields Currency, Start date, Current Principal, Rate to Client, Tenor, Maturity date and Interest Accrued Till Date	Display
Order Details		
Withdrawal	Enables the user to select the withdrawal options 'Full' and 'Partial' only for Time Deposit. The system allows the user to enter the past withdrawal dates. However, withdrawal date earlier than any of the existing Partial Uplift transaction for the same CPIS is not allowed. This field is not applicable for Call Deposit.	
Withdrawal Date	Enables the user to select the date on which withdrawal is done	
Withdrawal Amount	Displays the amount that customer wants to withdraw	
Days to Maturity	Displays the days to maturity. This field is not applicable for Call Deposit	
Rate to Client (%)	Rate of Interest from original Booking TD. The system also enables the user to enter the negative rate in this field.	Y
Reversal Rate%	This is a current borrowing rate prevailing in the market for bank or any other entity if wish to borrow. The system also enables the user to enter the negative rate in this field.	
Penal (Bps)	Displays the difference between Rate to Client % and Reversal Rate	
Penalty Amount	Displays the Penalty Amount and is derived based on the Penalty Method chosen for the selected Deposit Instrument in Product Master	
Net Amt. to Customer	This amount is the Net amount given to customer i.e. withdrawal amount less penalty amount.	

Description	It captures any specific details for the order that the user likes to add.	N
Account Details		
Bank Account	Displays the list of accounts from which Deposit funds gets transferred and in case of Uplift fund gets credited	Y
Comments	Enables the user to enter the comments	N

After entering the appropriate details, click on the Submit button. If no exceptions, the system displays the message as “Order captured successfully”. In case of exceptions, when the user clicks on the Submit button, system displays the Exception pop-up window appears as explained in the Deposit Order Capture- Booking if the order to be placed violates certain conditions.



The Dual Currency deposits cannot be uplifted prematurely.

4.22 Transaction Management for Forex

Description:

The foreign exchange (currency or Forex or FX) market exists wherever one currency is traded for another. It is the largest and most liquid financial market in the world. Exchanging currencies can take two basic forms: an outright or a swap. When two parties exchange one currency for another the transaction is called an outright. When two parties agree to exchange and re-exchange (in future) one currency for another, it is called a swap.

User Access levels:

RM: can capture the transactions for the RM Managed, Self Managed and Held Away portfolios.

Customer: can capture the transactions only for his/her Self Managed and Held Away portfolios. The Discretionary portfolios will not be displayed in the screen for Customer and RM login.

Screen:

ORACLE
FLEXCUBE Private Banking

User: HOHEAD Current Login: 30/03/2012 2:04 PM Last Login: 30/03/2012 2:00 PM

Home Customer Financial Planning Order Mgmt Txn Mgmt Reports Tools My Workspace Logout

Txn Mgmt > Forex

Customer Details

Customer Number: 1017 ⓘ

Customer Name: R1

Portfolio Name: RM USD

Forex Details

Currency Pair: USD-INR ⓘ

Base Currency: USD

Terms Currency: INR

Transaction Details

Transaction Type: BUY Deal Type: NDF

Amount (In Base Currency): 1000 Forex Deal Rate: 49.98

Amount (In Terms Currency): 49980.00 Fees (In Terms Currency): 500

Tax & Other Charges (In Terms Currency): 50 Total Amount (In Terms Currency): 50530.00

FX Forward Date: 20/01/2012 ⓘ Transaction Date: 20/01/2012 ⓘ

Counterparty Name: ⓘ Counterparty Ref. No.: ⓘ

Description: ⓘ

Submit Clear

Figure 4.40: Forex Transaction Capture

Screen Navigation:

After logging in the system select Txn Mgmt → Forex

Field	Description	Mandatory
Customer Details		
Customer No	Enables the user to select the customer no. by clicking on the search icon	Y
Customer Name	Displays the customer no. once the user selects the Customer Name.	Y
Portfolio Name	Enables the user to select the appropriate portfolio from the drop-down list	Y
Forex Details		

Currency Pair	Displays the currency pair name based on Commodity Currency and Terms Currency selected in Search Icon Popup	Y
Base Currency	Displays the information of base currency in view mode, based on the FX ID selected.	Y
Terms Currency	Displays the information of terms currency in view mode, based on the FX ID selected.	Y
Transaction Details		
Transaction Type	Enables the user to select the appropriate transaction type from the drop-down list.	Y
Deal Type	Enables the user to select the appropriate deal type from the drop down list	Y
Amount (In Base Currency)	Enables the user to enter the appropriate amount in base currency of the selected Instrument.	Y
Amount (In Terms Currency)	Displays amount in terms currency and is calculated as Amount in Base CCY * Forex Deal Rate	Y
Forex Deal Rate	Displays the Forex Rate per unit of commodity currency	Y
Fees (In Terms Currency)	Enables the user to enter the fees applicable for transacted units (In terms currency)	N
Tax & Other Charges (In Terms Currency)	Enables the user to enter the tax applicable for transaction amount (In terms currency)	N
Total Amount (In Terms Currency)	Displays the total amount of transaction in terms currency.	Y
FX Forward Date	Enables the user to select the appropriate FX forward date.	Y
Transaction Date	Enables the user to select the appropriate transaction date.	Y
Counterparty Name	Enables the user to select the appropriate counterparty name using the Search icon.	N
Counterparty Ref. No.	Enables the user to enter the appropriate ref. no. in the Counterparty Ref No text box.	N
Description	Enables the user to enter the transaction details, if any.	N


Procedure for placing transaction:

Step 1:

If the user is navigating to the Transaction Capture screen for the first time after logging in to the system, the system forces to select a customer in the customer selection screen.

On the other hand, if the user is navigating to the screen from any other screen, the system auto-populates the name, no. and default portfolio name of the customer which is already in context.




To change the customer, the user needs to click on the  icon located at the top right hand side corner of the screen.

Step 2:

RM – Subsequent to selecting the customer, the Portfolio Name drop-down list defaults to the default portfolio of RM Managed portfolio type. It is mandatory for the RM to decide on the appropriate portfolio prior to placing the order.

Customer – For a customer login, the 'Portfolio Name' is the first field displayed on the Order screen. The 'Portfolio Name' field will display the list of Self Managed portfolios.

Step 3:

Click the  icon next to the Currency Pair field.



When the user clicks on the  icon next to the Currency Pair field, Instrument Search window appears. Enter the appropriate search criteria in the respective fields to search for the Forex instrument.

Figure 4.41: Forex Instrument Search Window

Once the user selects the Forex instrument following fields are automatically get populated.

- Base Currency
- Terms Currency

The user can select the forex instrument either by directly entering the instrument name or by searching for the security using  icon as explained in general characteristics section.



The security search screen displays only securities which are in open status and which are approved by the bank. Securities which are suspended from trading will not be displayed in the search screen.

Step 4:

Select the appropriate transaction option from the Transaction Type drop-down list.

Step 5:

Enter the appropriate amount in the Amount (In Base Currency) text box.

Step 6:

Enter the appropriate rate per unit of Commodity Currency in the Forex Deal Rate text box.

Once the user enters the Forex Deal Rate system calculates the amount and displays it in Terms Currency.

Step 7:

Enter the appropriate fees in terms currency, if any in the Fees text box.

Step 8:

Enter the appropriate tax and other charges in terms currency, if any in the Tax & Other Charges text box.

Once the Fees and Tax & Other Charges are entered, system calculates the total transaction amount and displays it in the Total Amount text box.


Step 9:

Select the appropriate FX Forward date.

Step 10:

Select the appropriate transaction date.

Step 11:

Select the appropriate Counterparty Name using the  icon.

Step 12:

Enter the appropriate ref. no. in the Counterparty Ref. No. text box.

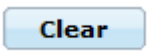
Step 13:

Enter the transaction description in the Description text box.

Step 14:

Click the Submit button.

On submitting the holding, the system displays a confirmation message on the screen.

If the user changes decision on updating the holding, can clear the entire details captured earlier by clicking on the  button.

4.23 Transaction processing for Generic Instruments

Description:

It is observed that the Others instrument type has few drawbacks. It does not support Partial Sale of units. To overcome this problem, the new instrument type called 'Generic' is introduced.

4.23.1 Generic Instruments Transaction Processing

User Access levels:

RM: The option of adding the details of Generic instrument transaction is available through RM login. RM can enter back dated Generic instrument transaction for all Portfolio types which he is authorized to (depends on the selection in the portfolio type maintenance screen).

Customer: Can capture the Generic instrument holdings for the self managed and held away portfolios. The customer can also enter the back dated Generic Instrument transaction for Self Managed and Held Away Portfolio.

Screen:

The screenshot displays the 'FLEXcube PRIVATE BANKING' interface. The top navigation bar includes links for Home, Customer, Financial Planning, Order Mgmt, Txn Mgmt, Reports, Tools, My Workspace, and Logout. The user is logged in as 'HO HEAD' on 02/03/2009 at 2:15 PM. The breadcrumb trail shows 'Txn Mgmt > Generic Instrument'.

The main form is divided into three sections:

- Customer Details:**
 - Customer No.: *1000
 - Customer Name: CUSTOME HORe
 - Portfolio Name: *RM Managed
- Instrument Details:**
 - Instrument Name: *Agro India
 - Instrument Currency: INR
 - Settlement Currency: INR
 - Account No.: *74569
- Transaction Details:**
 - Transaction Type: *Buy
 - Transaction Date: *11/02/2009
 - Units: *2000
 - Price: *140
 - Fees: 50
 - Tax & Other charges: 50
 - Amount: 280100
 - Description: (empty text area)
 - Exchange Rate: (empty text area)

At the bottom of the form are 'Save' and 'Clear' buttons.

Figure 4.42: Generic Instrument – Transaction Management

Screen Navigation:

After logging in the system select Transaction Management → Generic Instrument.

Field	Description	Mandatory
Customer Details		
Customer No	Enables the user to select the customer no. by clicking on the search icon	Y
Customer Name	Displays the customer no. once the user selects the Customer Name.	Y
Portfolio Name	Enables the user to select the appropriate portfolio from the drop-down list	Y
Instrument details		
Name of Instrument	Enables the user to select the appropriate instrument by clicking on the search icon if it is existing instrument. Else enables to enter the new instrument name in the Name of Instrument text box.	Y
Instrument Currency	Displays the currency for the selected instrument	Y
Settlement Currency	Display the settlement currency for the selected instrument	Y
Asset Class	Displays the Asset Class for the corresponding generic instrument	Y
Transaction Details		
Transaction Type	Enables the user to select the appropriate option from Transaction Type drop-down list	Y
Transaction date	Enables the user to select the appropriate transaction date using the calendar icon	Y
Units	Enables the user to enter the appropriate units in the Units text box	Y
Price	Enables the user to enter the appropriate price in the Price text box	Y
Brokerage	Enables the user to enter the appropriate amount in the Brokerage text box	
Amount	Displays the total amount of transaction	Y
Description	<p>Enables the user to enter the transaction details if any, in the Description text box.</p> <p>It is a free text box and allows the user to enter maximum 250 characters.</p>	N

Enter the appropriate details in the Generic instrument – Transaction Capture screen as shown in the screen above and save the details.

Once the user clicks on the Save button, the transaction get saved and the system displays the message as 'Generic Instrument Transaction Saved Successfully'.

4.24 Managed Accounts (Corpus -Transaction processing)

Description:

The term corpus refers to the quantum of money actually brought in or taken out from the portfolio by the client excluding any realized P/L. It can be in the form of cash or stock. The corpus differs from the total investments made by the client in a way that it excludes the investments made by utilizing the money already there in the portfolio either by switching or by investing the realized P/L. All the corpus transactions are made through the discretionary portfolios.

4.24.1 Corpus Transaction Processing

User Access levels:

RM: can capture the transactions in discretionary portfolios.

Customer: can also capture the transactions in discretionary portfolios.

Screen:

User: HO HEAD

Current Login: 09/03/2009 4:11 PM

Last Login: 09/03/2009 4:06 PM

Home

Customer

Financial Planning

Order Mgmt

Txn Mgmt

Reports

Tools

My Workspace

Logout

Txn Mgmt > Managed Accounts

Customer Details

Customer No

* 1175

Customer Name

Ninad Kamerkar

Portfolio Name

* Discretionary

Currency

INR

Net Corpus

100,000.00

MarketValue

86,547.27

Inflows

100,000.00

Outflows

0

Realized Profit and Loss

410.00

Transaction Details

Date

* 11/02/2009

Transaction Type

* Corpus In

Amount

* 20000

Remarks

Save

Clear

Figure 4.43: Managed Accounts Screen

Screen Navigation:

After logging in the system as RM select Txn Management → Managed Accounts.

Rules for capturing a transaction:

- Transactions can be captured only for customers in active status.
- For capturing a transaction the customer should have at least one of the Discretionary Portfolio coupled to his/her id.

Field	Description	Mandatory
Customer Details		
Customer No	Enables the user to select the customer no. by clicking on the search icon	Y
Customer Name	Displays the customer no. once the user selects the Customer Name.	Y

Portfolio Name	Enables the user to select the appropriate discretionary portfolio from the drop-down list. The drop-down list displays all the portfolios of discretionary type as the corpus transactions are placed only for the Discretionary Portfolio. If the selected customer does not hold any discretionary portfolio then system displays the appropriate message.	Y
Currency	Displays the portfolio currency	Y
Corpus	Displays the existing corpus amount in the selected portfolio in portfolio currency.	Y
Market Value	Displays the market value of the selected portfolio in portfolio currency	Y
Inflows	Displays the total inflows of the selected portfolio in portfolio currency	Y
Outflows	Displays the total outflows of the selected portfolio in portfolio currency	Y
Realized Profit/Loss	Displays the total realized profit & loss of the selected portfolio in portfolio currency	Y
Transaction Details		
Date	Enables the user to select the appropriate transaction date	Y
Transaction Type	Enables the user to select the appropriate transaction type from the drop-down list	Y
Amount	Enables the user to enter appropriate amount in the text box	Y
Remarks	Enables the user to enter the remarks, if any.	N


Procedure to place the Corpus Transaction:

Step 1:

If the user is navigating to this screen immediately after logging in to the system, the system forces to select a customer in the customer selection screen.

On the other hand, if the user is navigating to the screen from any other screen, the system auto-populates the name, no. and default portfolio name of the customer which is already in context.



To change the customer, the user needs to click on the  icon located at the top right hand side corner of the screen.

Step 2:

Select the appropriate portfolio name from the Portfolio Name drop-down list.

For the very first corpus transaction, the system displays the blank text boxes for Corpus, Market Value, Inflows, Outflows, and Realized Profit/Loss fields.

For the subsequent transactions, the system displays the corresponding existing values in these fields.

Step 3:

Select the appropriate transaction date using the calendar icon.

The system enables the user place the backdated corpus transactions. At the same time system also ensures that the new back-dated transaction prior to the first corpus-in transaction is of the type corpus-in.

For any other back-dated transaction which is accounted after the first corpus-in transaction system first checks whether sufficient corpus is available as on date (in case of Instrument buy transaction or corpus-out transaction) and if not then rejects transaction and displays the message as 'Insufficient corpus to account this transaction.'

Step 4:

Select the appropriate transaction type from the Transaction Type drop-down list.

Step 5:

Enables the user to enter the appropriate amount in the Amount field.

Step 6:

Enables the user to enter the remarks if any in the Remarks text field..

Step 7:

Click the  button.



Whenever any transaction is accounted in a 'Corpus portfolio' and for an instrument other than 'Corpus', either through upload or data entry screen, system passes a corresponding contra entry against 'Corpus' instrument and is displayed in Transaction Search screen.

4.25 Order Bulking

Description:

The Order Bulking functionality of the FCPB system enables the user to club the orders of same instrument and of the same type (buy or sell) into a single order for market execution. Once the

execution of the bulk order is updated in the system, the individual orders forming part of the bulk also get auto-updated as executed.

Order Bulking is the cost efficient way of execution as large orders get executed at lower transaction charges and in addition to this, identity of individual orders and their owners can be kept private as the order get placed on behalf of a large institution.

User Access levels:

RM: The system provides the order bulking menu only if the logged in RM is an investment specialist for at least one of the instrument types for which orders can be bulked and he/she has the buy/sell rights for the specified instrument type.

Screen:

Order Bulking

Instrument Type: *Direct Eq Order Type: *Buy
Exchange: None Instrument Name: GOOGLE

Search

Instruments Available for Bulking

Instrument Name	No of available Orders @	Order Qty *	Instrument Ccy	Last Traded Price	Order Amt #	Bulk Min. Amount ^
GOOGLE	1	1,450	USD	423.5	614,075	0

Notes: @ Shows the total no. of orders available for bulking
* Shows the sum of quantities of the orders available for bulking
Order Qty * Last Traded Price
^ Min. amt needed for bulking as defined for the instrument for a buy or sell

Figure 4.44: Order Bulking Screen

Screen Navigation:

Entry to the screen:

1. Select the “Order Management” option on the main menu

→ Order Bulking



The order bulking screen appears without any default data on navigation. The user has to enter the appropriate details to view the desired instrument details available for bulking.

The fields have been briefly described below:

Field	Description	Mandatory
Instrument Type	Enables the user to select the appropriate instrument type for which order bulking is available	Y
Order Type	Enables the user to select the appropriate Order types for which order bulking is available	Y
Exchange	Enables the user to select the appropriate exchange names to view the details	Y
Instrument Name	Enables the user to select the appropriate instrument name for which order bulking is available.	N

4.25.1 Bulk Order Modification

Once the user clicks on the Instrument Name hyperlink in the “Instruments available for bulking” screen, the following screen appears with individual order details for the selected instrument.

Screen:

ORACLE

FLEXCUBE Private Banking

User: HO HEAD

Current Login: 13/09/2011 11:46 AM

Last Login: 13/09/2011 11:37 AM

Home

Customer

Financial Planning

Order Mgmt

Txn Mgmt

Reports

Tools

My Workspace

Logout

Order Management > Order Bulking

Back

Bulking Details

Instrument Name	Instrument Ccy	Order Type	Orders selected for bulking	Bulk Order Qty	Last Traded Price	Bulk Order Amt @ LTP	Exchange	Bulk Min. Amount ^	No. of Unselected Orders	Unselected orders Qty	Unselected orders Amt@ LTP
TOYOTA	USD	BUY			70.00						

Orders Available For Bulking

Order Id	Customer No.	Customer Name	Order Qty	Order Price	Order Amt at LTP	Maker Date and Time	Checker Date and Time	Selected for Bulking
10667	10987	555666	1,000.00	70.00	70,000.00	Sridhar Madhavarao 2011-04-07 00:00:00.0		<input checked="" type="checkbox"/>
10678	10981	Test123	1,575.00	70.00	110,250.00	Sridhar Madhavarao 2011-05-24 00:00:00.0	HO HEAD 2011-05-24 12:03:47.232	<input type="checkbox"/>
10715	10981	Test123	1,500.00	70.00	105,000.00	Sridhar Madhavarao 2011-06-01 00:00:00.0	HO HEAD 2011-06-21 11:49:44.642	<input type="checkbox"/>
10756	1048	Test Cust	100.00	70.00	7,000.00	HO HEAD 2011-06-30 00:00:00.0	OPS Three 2011-07-22 12:08:51.713	<input checked="" type="checkbox"/>
Total (All available orders)								

Re-Bulk

Generate Order

Figure 4.45: Bulk Order Modification Screen


Screen Navigation:


Order Management → Order Book → Select 'Bulk' as Bulking View option and click on the Modify hyperlink


The fields have been briefly described below:

Field	Description	Mandatory
Bulking Details		
Instrument Name	Displays the instrument name selected for bulk order	Y
Instrument Currency	Displays the currency of the instrument selected for bulking	Y
Order Type	Displays the order type for the instrument selected for bulking	Y
Order Selected for bulking	Displays the total number of orders that have been selected for bulking by selecting the 'Selected for Bulking' option	Y
Bulk Order Quantity	Displays the sum of quantities of orders selected for bulking	Y
Last Traded Price	Displays the Last traded price of the instrument	Y
Bulk Order Amount @ LTP	Displays the Bulk Order Amt which is calculated as Bulk Order qty * Last Traded Price for the instrument	Y
Counter Party	Displays the Counter Party chosen for the orders of the selected instrument	Y
Exchange	Exchange chosen for the orders of the selected instrument	Y
No. of unselected orders	Displays the total number of orders that are not selected for bulking i.e the orders for which the 'Selected for Bulking' option is not selected	Y
Unselected orders Qty	Displays the sum of quantities of orders that are not selected for bulking	Y
Unselected orders Amt @ LTP	Displays the Unselected Order Amt calculated as Unselected Order qty * Last Traded Price for the instrument	Y

Orders Available for Bulking		
Order ID	Displays the Order ID of the individual child orders forming the bulk order	Y
Customer No./ID	Displays the Customer ID to which the order belongs	
Customer Name	Displays the Customer Name to whom the order belongs	
Order Qty	Displays the quantity of the corresponding order	Y
Order Price	Displays the price at which the child order was placed by the RM	Y
Order Amt at LTP	Displays the Order Amount calculated as Order qty * Last Traded Price for the instrument	Y
Maker Date & Time	Displays the Maker Date and time of the corresponding order	Y
Checker Date & Time	Displays the Checker Date & Time of the corresponding	Y
Selected for Bulking	Enables the user to select/deselect the order for bulking	Y

 Bulk order can be cancelled by clicking on the Cancel hyperlink from the order book.

 Investment specialist executes the bulk order through the execute screen by accessing the Execute link in the order book. The system does not provide the Execute link to the child orders forming the bulk order.

 When bulk order is executed completely, the parent as well as the child orders get updated with the Executed status.

4.26 **Bulk Orders**

The Bulk Orders feature of FCPB system facilitates the user to opt for bulk order generation where the orders for the same instrument across multiple clients are generated in one go. Bulk order processing is used to save time by avoiding repetitive order entry and also to take advantage of a specific market condition which lasts for a short.

The Bulk Orders menu is further divided into two submenus: Corpus Report and Placement of Orders.

4.26.1 Corpus Report

Description:

The submenu enables the user to generate the corpus report to determine the customer's eligibility and to check if the sufficient corpus is available with the customer to place the order. The system generates this report only for the discretionary portfolio type.

User Access levels:

RM: The user designated as RM can access the screen.

Screen:

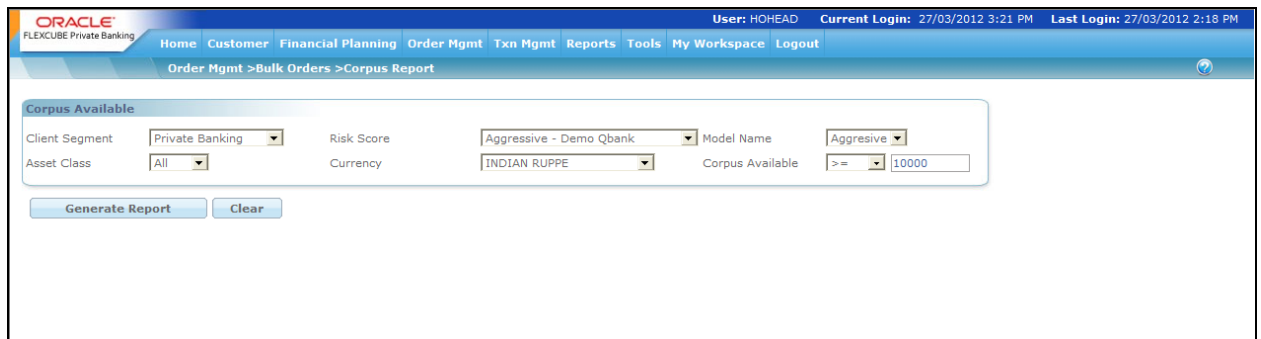


Figure 4.46: Corpus Report Screen

Screen Navigation:

Order Management → Bulk Orders → Corpus Report

The fields have been briefly described below:

Field	Description	Mandatory
Client Segment	Enables the user to select an appropriate client segment to generate the corpus report	Y
Risk Score	Enables the user to select an appropriate risk score of a client to generate the corpus report	Y
Model Name	Enables the user to select an appropriate model asset allocation attached to the discretionary portfolio of a customer to generate the corpus report	Y
Asset Class	Enables the user to select an appropriate asset class to generate the corpus report	Y

Currency	Enables the user to select an appropriate currency for corpus amount to generate the corpus report.	Y
Corpus Available	Enables the user to enter the appropriate corpus amount criteria to generate the corpus report	Y

Once the user clicks on the Generate Report button, system generates the corpus report and sends it to the email id of the logged in user. Based on the corpus report generated, the RM can determine the eligible customers to place the bulk order.

4.26.2 Placement of Orders

Description:

The Placement of Orders screen facilitates the user to place the bulk orders for the customers satisfying the given criteria. The screen is divided into two sections, the upper section of the screen is similar to the Corpus Report screen which enables the user select the appropriate criteria to generate the bulk order and in the lower section of the screen system assists the user to capture the order details.

User Access levels:

RM: The user designated as RM can access the screen.

Screen:

ORACLE
FLEXCUBE Private Banking

User: HOHEAD Current Login: 27/03/2012 3:21 PM Last Login: 27/03/2012 2:18 PM

Home Customer Financial Planning Order Mgmt Txn Mgmt Reports Tools My Workspace Logout

Order Mgmt > Bulk Orders > Placement Of Orders

Generate Bulk Orders

Client Segment: Private Banking Risk Score: Aggressive - Demo Qbank Model Name: Aggressive

Asset Class: Equity Currency: INDIAN RUPPE Corpus Available: >= 10000

Order Details

Instrument Type: Direct Eq

Instrument Name: EQ-GOOGLE

Security Code: 1016

Instrument Currency: INR Settlement Currency: INR

Account Type: Depository DP Id: Omnibus

Counterparty Name: BROKER Counterparty Ref. No.: 256986

Transaction Type: Buy

Order Amount #: ☒ Fixed Amount 20000 ☐ % of Corpus

* - Applicable to each customer. In case of Bonds the amount entered (either fixed or % of corpus) will be taken as nominal amount

Generate Orders **Clear**

Figure 4.47: Corpus Report Screen

Screen Navigation:

Order Management → Bulk Orders → Placement of Orders

The fields have been briefly described below:

Field	Description	Mandatory
Generate Bulk Orders		
Client Segment	Enables the user to select an appropriate client segment for which the bulk order is to be generated	Y
Risk Score	Enables the user to select an appropriate risk score for which the the bulk order is to be generated	Y
Model Name	Enables the user to select an appropriate model for which the bulk order is to be generated	Y
Asset Class	Enables the user to select an appropriate asset class for which the bulk order is to be generated	Y

Currency	Enables the user to select the appropriate currency for which the bulk order is to be generated.	Y
Corpus Available	Enables the user to enter the appropriate corpus amount criteria for which the bulk order is to be generated	Y
Order Details		
Instrument Type	Enables the user to select an appropriate Instrument type for which bulk order is to be placed	Y
Instrument Name	Displays the instrument for which the bulk order is to be placed	Y
Security Code	Displays the Security Code of the selected instrument	Y
Instrument Currency	Displays the instrument currency of the selected instrument	Y
Settlement Currency	Displays the settlement currency of the selected instrument	Y
Account Type	Enables the user to select an appropriate account type from the drop-down list. This field is editable only if the selected instrument type is MF or SP. If the selected instrument type is EQ/BONDS/COM then system defaults this drop-down to Depository option and does not allow to modify the same.	Y
DP Id	Enables the user to select an appropriate DP Id	Y
Counterparty Name	Enables the user to select an appropriate Counterparty Name using the search icon.	Y
Counterparty Ref No	Enables the user to enter an appropriate Counterparty Ref No in the text box.	Y
Transaction Type	Enables the user select an appropriate transaction type from the drop-down list.	Y
Order Amount – Fixed Amount	Enables the user to enter the fixed order amount applicable to all customers. This field appears on the screen only for the Buy transaction type.	N
Order Amount – % of Corpus	Enables the user to enter an appropriate % of the corpus amount which would be applicable to all customers. This field appears on the screen only for the Buy transaction type.	N
Order Quantity – All Holdings	Enables the user to select the order quantity for a bulk sell order if all the holdings in the selected instrument are to be sold. This field appears on the screen only for the Sell transaction type.	N

Order Quantity - % Holdings	Enables the user to select the order quantity as the percentage of the existing holdings. This field appears on the screen only for the Sell transaction type.	N
-----------------------------	--	---

Once the user clicks on the Generate Orders button, the bulk order gets placed and multiple child orders are generated for the eligible customers.



The system calculates the fees, brokerage and commission as applicable while placing the Bulk Orders..



The system also performs the usual exception check for each of the child order generated as part of bulk order generation.



If a customer has Buy/Sell restrictions either as an individual customer or as part of a client segment or as part of an IT type for the selected instrument, Instrument type, IAG, Issuer and Industry then the system does not include such customer's while generating the bulk order.



In case of MF instrument type, only Subscribe and Redeem orders can be placed as a part of bulk order generation. The systematic orders are not allowed as a part of bulk order generation. If the selected fund is an NFO then the system also validates for NFO start and end dates while placing the bulk order.



In case of Bonds and SP instrument types, the corpus gets adjusted against the order amount and not the nominal amount.

4.27 Common Order Book

User Access levels:

RM: The system provides the flexibility of viewing the status each order initiated by both the RM as well as the customer across all the instrument types.

Customer: The customer can view only the status of the orders initiated for his/her Self Managed portfolio.

Screen:

ORACLE
FLEXCUBE Private Banking

User: HO HEAD Current Login: 06/09/2011 11:03 AM Last Login: 06/09/2011 11:02 AM

Home Customer Financial Planning Order Mgmt Txn Mgmt Reports Tools My Workspace Logout

Order Mgmt > Order Book

Order Book Filters

Customer No: Instrument Type: Instrument Name:

Order Type: Order Status: Portfolio Name:

Maker Name: Checker Name: Country of Market:

Order Date From: Order Date To: Bulking View:

Order ID	Customer No	Inst Type	Inst Name	Inst CCY	Order Type	Order Qty	Price	Order Amt	Maker Date & Time	Checker Date & Time	Order status	Action
10772	10982	EQ	Vijaya Bank	INR	BUY	100	80	8,000	Shruti Sinha 05/09/2011 12:02:12 PM		Pending auth	View Details / Modify / Cancel
10465	1033	BOND	SW High Yield Bond	INR	BUY	6,666.66667	106.54	1,000,000	HO HEAD 27/08/2011 14:57:27 PM		Excp Approval	View Details / Modify / Cancel
10254	10983	OPT	EURUSD	USD	BUY	100	53	5,300	HO HEAD 25/08/2011 18:24:05 PM		Pending auth	View Details / Modify / Cancel
10253	10983	OPT	IBM Opt	HKD	BUY	100	53	5,300	HO HEAD 25/08/2011 18:00:54 PM		Pending auth	View Details / Modify / Cancel
10252	10983	OPT	EURUSD	USD	BUY	200	49	9,800	HO HEAD 25/08/2011 17:58:09 PM		Pending auth	View Details / Modify / Cancel
10251	10983	OPT	EURUSD	USD	BUY	100	49	4,900	HO HEAD 25/08/2011 17:42:13 PM		Pending auth	View Details / Modify / Cancel
10250	10983	OPT	EURUSD	USD	BUY	300	79	23,700	HO HEAD 25/08/2011 15:37:34 PM		Pending auth	View Details / Modify / Cancel
10249	10983	OPT	Google Opt	USD	BUY	78	59	4,602	HO HEAD 25/08/2011 15:35:36 PM		Pending auth	View Details / Modify / Cancel
12991	10001	MF	Birla Midcap Fund - Growth	INR	BUY		104.84	24,999	HO HEAD 25/08/2011 12:11:51 PM		Pending auth	View Details / Modify / Cancel
132	10983	COMM	Scotchbury	INR	BUY	5	143	715	HO HEAD 25/08/2011 17:21:12 PM		Excp Approval	View Details / Modify / Cancel

Figure 4.48: Common Order Book Screen

Screen Navigation:

Entry to the screen:

1. Select the "Order Management" option on the main menu

→ Common Order Book

STOP Transactions updated for the securities in the Held Away portfolio are not displayed in the Order Book

By default, the system displays the details of the orders of all the direct as well as indirect customers of the logged in RM based on the hierarchy during the current business day.

If the logged in RM is a backup RM, then the system also displays the order details of the direct customers of Primary RM and it continues to display these details till the end of backup period.

How to read the screen:

1. This order book displays the orders initiated for securities across all instrument types.

2. The statuses of all the orders initiated are displayed in this screen.


On reaching the screen the user can view two tabs. The first tab provides multiple filter alternatives to observe the order book and the second tab displays all the orders for the selected criteria.

3. The first tab provides the user with the multiple filter options which can be employed either as solo or in combinations with the other filter options in the screen. This provides the user with flexibility while accessing the order book. The information of these filter options are provided below:

- **Customer No:** This filter option is available only for an RM login. This filter can be employed by the RM to analyze the status of the orders initiated for a particular customer for the current business day. The RM has the choice to filter either by entering the

Customer No or by searching for the Customer No using the  button.


- **Instrument Type:** The user has the option to view all the orders initiated for a particular instrument on the current business day. For a RM login, this filter will display all the orders placed across all the customers for the selected instrument. The user can search for the

desired instrument name by using the  button.

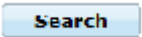
- **Order Type:** The RM or the customer also has the flexibility to sort out the orders by the type of transaction. By default, system displays the order status for all the order types. The user can select the desired order type from the Order Type drop-down list to view the details.

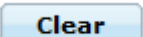
- **Order Status:** The RM or the customer can be aware of the status of the orders initiated by inspecting the Order Book. This field provides the user the option to filter the orders, placed on the current business day, by their status.

- **Date Range:** The user also has the opportunity to view the history of orders for a particular date range. The date range can be defined in the 'From' and 'To' fields provided in the screen. However, this option will be available only after the bank's business hours. The calendar for selecting the dates has been provided adjacent to each of these fields.

Click on the icon , in order to open the calendar and select the suitable dates.

Please note that the status updates are done by the trading system and are only displayed by the FCPB.

After opting for the appropriate search option, click on the  button. This will display all the orders in the chosen search criteria.

To change the filter criteria click on the  button.

4. The second tab displays all the orders placed during the current business day across all the instrument types for the selected criteria. For a customer login, all the orders initiated for his/her Self Managed portfolio are displayed. Whereas for a RM login all the orders initiated

for both the RM Managed and Self Managed portfolios across all his/her clientele are displayed in the screen.

From the time the orders are initiated to the time they are matched, the trading system labels the orders at each stage with their corresponding status. All the orders initiated by the users are said to be in 'open' status till the moment, they are transformed into any of the below given status. The order statuses are displayed online in the Order Book. Let us comprehend the various statuses displayed in the trading system:

- **Expired:** The orders which do not get executed at the exchange due to time-out are displayed as Expired orders. To comprehend this with uncomplicated words, orders which are placed with time condition (IOC or Day) and fail to act in accordance will be automatically cancelled by the trading system. Such orders will be identified as expired.

For a sell instruction, on change of status of an order to 'expired', the system will add back the corresponding quantity to the balance quantity of the security. Obviously, this addition of the quantity will be done to the security in the portfolio of the customer through which the user had initiated the order.

The reverse rule will be applied for a buy instruction.

- **Cancelled:** The orders associated with the 'Day' time condition and which fail to get executed will be automatically cancelled by the trading system at the close of business Day. Such orders will be denoted as 'Expired' by the trading system. However, in the event of failure to receive the status information from the trading system, the FCPB at the close of business hours will automatically cancel all the open orders and update the status as 'cancelled'.

The orders which are cancelled by the user will also be displayed as cancelled.

- **Rejected:** The orders which are cancelled by the broker/exchange due to inaccuracy in the order instruction will be displayed as rejected.

Similar to the status 'Expired', on change of status of a sell order to 'cancelled' or 'rejected', the system will add back the corresponding quantity to the balance quantity of the security or will negate the balance quantity by the corresponding quantity for a buy instruction.

- **Executed:** Orders which are successfully executed will be displayed as 'Executed'
- **Partially Executed:** The status of the order is displayed as partially executed when a portion of the order is executed, but not all of the order.
- **Open:** All the orders initiated in the system and which are yet to undergo any of the above mentioned status change will all be displayed as 'open' orders.
- **Ordered:** The status of the order is displayed as Ordered when order approval is not required and the user has successfully placed the order.
- **Pending Auth:** The status of the order is displayed as Pending Auth when the order is pending for approval from the authorizer.
- **Deleted by Maker:** The status of the order is displayed as Deleted by Maker when the person initiated the order deletes it.
- **Rejected by Auth:** The status of the order is displayed as Rejected by Auth when the order is rejected during authorization.

- **Excp Approval:** The status of the order is displayed as Excp Approval when the user has received warning messages while placing the order and is pending for approval from the authorizer.
- **Inv Spc Approval:** An investment specialist is an employee of the bank with expertise in handling specific types of investments like - realty, structured products, bonds etc.
There are certain instruments which need the involvement of investment specialist to complete the execution of transactions. In these cases investment specialist negotiates with counterparties to arrive at a deal to get better price.

The status of the order is displayed as Inv Spc Approval when the Investment Specialist flag is set as Yes in Product Access Level of Employee Maintenance and is pending for approval from Investment Specialist.
- **Partially Executed Cancelled:** The status of the order is displayed as partially executed cancelled when a portion of the order is executed, and other portion of it is cancelled.

The fields have been briefly described below:

Field	Description	Mandatory
Input Section		
Customer No	Enables the user to select the appropriate Customer No. to view the desired orders.	N
Instrument Type	Enables the user to select the appropriate instrument type from the drop-down list.	Y
Instrument Name	Enables the user to select the appropriate instrument using the Search icon.	N
Order Type	Enables the user to select the appropriate Order Type from the drop-down list.	Y
Order Status	Enables the user to select the appropriate status from the drop-down list.	Y
Portfolio Name	Enables the user to select the appropriate Portfolio Name to view the desired orders.	Y
Maker Name	Enables the user to select the appropriate Maker Name to view the orders.	N
Checker Name	Enables the user to select the appropriate Checker Name to view the orders.	N
Country of Market	Enables the user to select the appropriate Country of Market using the Search icon to view the desired orders.	N
Order Date From	Enables the user to enter/select the appropriate From Date to view the desired orders.	N

Order Date To	Enables the user to enter/select the appropriate To Date to view the desired orders	N
Bulking View	Enables the user to view the individual or bulk orders as per the selection. If the 'Individual' option is selected, the order book displays the individual orders that form the part of a bulk order and also the orders that do not form the bulk order. If the selection is 'Bulk', the order book displays the bulk orders fulfilling the other selection criteria also.	N
Display Section		
Order ID	Displays the order id of the corresponding order	Display
Customer No	This field is displayed only for RM login. The Id's of all the customers for whom orders were initiated are displayed here.	Display
Inst Type	Displays the instrument type for the corresponding order	Display
Inst Name	Displays the name of the instrument.	Display
Inst CCY	Displays the instrument currency of the instrument against which the order has been initiated.	Display
Order Type	Displays the type of order. For eg. Buy, Sell or any other order type.	Display
Order Qty	Displays the order quantity. In case of amount based orders, this column is blank.	Display
Price	Displays the price at which the transaction was placed. In case of insurance, the price column displays the Premium amount. This is blank in case of amount based orders.	Display
Order Amt	Displays the amount of the order. In case of insurance, the price column displays the Sum Insured.	Display
Maker Date & Time	Displays the name of the maker who initiated the order.	Display
Checker Date & Time	Displays the name of the checker who approves or declines the order.	Display
Order Status	Displays the current status of the order	Display
Action	This field displays the links to View Details/Modify/Cancel/Approve	Display

View Details	All the users who have access to common order book can view all the details of the order including the comments written by checker by clicking on the View Details hyperlink. They cannot modify the details of the order.	Display
Modify	Maker and all other RMs who have access to that customer can modify the corresponding order.	Display
Cancel	Maker and all other RMs who have access to that customer can cancel the corresponding order.	Display
Authorize	Checker/authorizer who has the exception rights to authorize the highest exception raised can authorize the corresponding order.	Display
Execute	The logged in RM other than Maker and who have access to that customer and the RM designated as Investment Specialist can execute the corresponding order.	Display

Order Book display based on the Product Access Level setup

1. While listing orders for the logged in user, system additionally considers 'Product access Level' defined for the user and only shows those instrument types in the drop-down list for which user has any kind of access (i.e. Buy or Sell or Approve or Execute).

If for an instrument type, no access is provided (i.e. no entry in the product access table for this user id and instrument type), then the system does not display the corresponding 'Instrument Type' in the drop-down list.

2. The system also displays the message 'No orders found for the selection, or user does not have access to view orders of certain instrument types' when there is no record for the selected criteria..
3. The hyperlinks in order book additionally consider Product Access level. The Modify/Cancel hyperlinks also considers the appropriate order type access to decide whether to display the link or not; Eg: If user has only 'Buy' access for Equity, then Modify/Cancel hyperlink are displayed only for 'Buy' orders and not for 'Sell' orders. 'Sell' orders will only display 'View' and 'Print' hyperlinks in this case.

For MF Transfer orders, Modify and Cancel hyperlinks are displayed only when both Buy and Sell access are available.

For TD Booking and Rollover orders, Modify and Cancel hyperlinks are displayed only when Buy access is available and for Pre-mature Uplift, Modify and Cancel hyperlinks will be displayed only when Sell access is available.

Transaction Details pop up

In order to view the transaction details for the orders through the order book, a new hyperlink "Trxn Details" is introduced for following order status in the Order Book screen:

- Executed
- Partially Executed
- Partially Executed Cancelled

When the user clicks on the Trxn Details hyperlink, it displays the details of transactions for a particular order.

Date	Time Stamp	Counterparty Name	Counterparty Ref. No.	Quantity	Original Price	Amount	Action
30/07/2010	12.00.00 AM	JM Financial Consultants Pvt. Ltd	555	100		15948	Modify
	Total Executed			100			
	Cancelled			400			

Figure 4.49: Bond Transaction Details pop up

Screen Navigation:

After logging in the system as RM select Order Mgmt → Order Book.

The pop up displays details of the total executed quantity, remaining quantity and Cancelled quantity (if any). It also displays the Modify hyperlink, on click of which the Transaction Modify screen appears to modify the transaction.

4.28 Loan Management

4.28.1 Disbursement

Description:

The Disbursement screen is used by the Relationship Manager to disburse the already sanctioned loan amount.

User Access levels:

RM: The user designated as RM can access the screen.

Screen:

ORACLE
FLEXCUBE Private Banking

User: HO HEAD Current Login: 12/09/2011 5:21 PM Last Login: 12/09/2011 4:31 PM

Home Customer Financial Planning Order Mgmt Txn Mgmt Reports Tools My Workspace Logout

Order Management > Loan Management > Loan Disbursement

Customer Name : Sweta Khutale

	Loan Ref. No.	Loan CCY	Expiry Date	Term	Sanctioned Amt.	Disbursed Amt.	Outstanding Amt.	Pending Disbursement	Available Amt.
<input checked="" type="radio"/>	LO4946110001	USD	05/09/2011	200	500000	4000	2300	900	495100
<input type="radio"/>	LO4946110028	USD	08/09/2011	365	500000	0	0	36600	463400
<input type="radio"/>	LO4946112029	USD	28/09/2011	200	500000	0	0	0	500000

Loan Ref. No. Interest Rate Type

Reference Benchmark Period of Ref. Benchmark

Disbursement Date Maturity Date

Disbursement Amount [Payment Schedule](#) ®

Comments

Approver's Comments

Figure 4.50: Disbursement Screen

Screen Navigation:

After logging in the system select Loan Management → Disbursement

The fields have been briefly described below:

Field	Description	Mandatory
Upper Display Section		
Loan Ref No	Displays the system generated Loan Ref. No.	Y
Loan CCY	Displays Loan CCY	Y
Expiry Date	Displays the expiry date of the sanctioned loan	Y
Term	Displays the term of the Loan	Y
Sanctioned Amt.	Displays the sanctioned amount of loan	Y
Disbursed Amt.	Displays the total disbursed amount till date	Y
Outstanding Amt.	Displays the outstanding amount of loan	Y

Pending Disbursement	Displays the total pending disbursement amount	Y
Available Amt.	Displays the available amount which can be disbursed if expiry date is not passed	Y
Lower Maintenance Section		
Loan Ref No.	Displays the system generated Loan Ref. No.	Y
Interest Rate Type	Displays the interest rate for loan amount. It can be Fixed or Floating	Y
Reference Benchmark	Displays the reference benchmark captured during Loan Sanction approval when the interest rate type is Floating.	N
Period of Ref. Benchmark	Displays the period of reference benchmark captured during Loan Sanction approval when the interest rate type is Floating.	N
Disbursement Date	Displays the disbursement date. System defaults it to current business date. The system allows the user to select past disbursement amount. Future Disbursement Date is not allowed.	Y
Maturity Date	Displays the maturity date for the disbursement.	Y
Disbursement Amount	Enables the user to enter the Disbursement Amount	Y
Payment Schedule	The system opens up the Payment Schedule pop-up while clicking on the Payment Schedule hyperlink. These hyperlink values are auto-populated with the system generated values	N
Comments	Enables the user to enter comments against the disbursement	N
Approver's Comments	Displays approver's comments	

Payment Schedule:

FLEXCUBE - PRIVATE BANKING - Payment Schedule -- Webpage Dialog

Payment Schedule

Customer Name : Sweta Khutale
 Disbursed Amt. : 2000.00
 Maturity Date : 12/03/2012

Date	Principal	Interest	Principal Repaid	Interest Paid
25/09/2011	0	40.39		
25/10/2011	0	39.08		
25/11/2011	0	40.39		
25/12/2011	0	39.08		
25/01/2012	0	40.39		
25/02/2012	0	40.39		
12/03/2012	2000	20.84		

Recalculate Submit Clear

http://10.180.126.53:8080/wm/popupRepaymentScheduleAction.actio Local intranet

Figure 4.51: Payment Schedule Window

Screen Navigation:

After logging in the system select Loan Management → Disbursement → Click on the Payment Schedule hyperlink

4.28.2 Repayment

Description:

The Repayment screen is used by the Relationship Manager to capture the Interest and Principal Repayment against a disbursement.

User Access levels:

RM: The user designated as RM can access the screen.

Screen:

ORACLE
FLEXCUBE Private Banking

User: HO HEAD Current Login: 12/09/2011 5:21 PM Last Login: 12/09/2011 4:31 PM

Home Customer Financial Planning Order Mgmt Txn Mgmt Reports Tools My Workspace Logout

Order Management > Loan Management > Loan Repayment / Interest Payment

Customer Name : Sweta Khutale

	Disbursement Ref. No.	Loan CCY	Disbursed Amount	Disbursement Date	Term	Maturity Date	Outstanding Amount
<input checked="" type="radio"/>	LO4946110001_007	USD	1000	29/06/2011	300	24/04/2012	1000
<input type="radio"/>	LO4946110001_020	USD	2000	01/07/2011	300	26/04/2012	1300

Disbursement Ref. No. Transaction Type

Date of Payment Amount

Comments

Approver's Comments

Figure 4.52: Loan Repayment / Interest Payment Window

Screen Navigation:

After logging in the system select Loan Management → Loan Repayment / Interest Payment

The fields have been briefly described below:

Field	Description	Mandatory
Upper Display Section		
Disbursement Ref No	Displays the system generated Disbursement Ref. No.	Y
Loan CCY	Displays Loan CCY	Y
Disbursed Amount	Displays the Disbursed Amount	Y
Term	Displays the term of the disbursement	Y
Maturity Date	Displays the Maturity Date for the disbursement	Y
Outstanding Amount	Displays the Outstanding Amt. against the disbursement ref. no.	Y

Lower Maintenance Section		
Disbursement Ref No	Displays the system generated Disbursement Ref. No.	Y
Transaction Type	Displays the transaction type	Y
Date of Payment	Displays the date of payment	Y
Amount	Displays the amount	Y
Comments	Enables the user to enter comments against the disbursement	N
Approver's Comment	Displays approver's comments	N

4.28.3 Loan Order Book

Description:

The Loan Order Book screen is used by the Relationship Manager to view the status of Loan Transactions (Loan Disbursement/Loan Repayment/Interest Payment).

User Access levels:

RM: The user designated as RM can access the screen.

Screen:

Transaction Type	Loan Ref. No.	Disbursement Ref. No.	Customer Name	Amount	Maker Date & Time	Checker Date & Time	Status	Action
Interest repayment	LO4945112037	LO4945112037_001	Jack Sparrow	100	HOHEAD 20/08/2011 16:52:28 PM		Acknowledged	View
Interest repayment	LO4945112090	LO4945112090_001	Jack Sparrow	500	HOHEAD 20/08/2011 17:20:20 PM		Authorized	View
Principal Repayment	LO4945112090	LO4945112090_001	Jack Sparrow	500	HOHEAD 20/08/2011 16:52:00 PM		Authorized	View
Principal Repayment	LO4945112090	LO4945112090_001	Jack Sparrow	100	HOHEAD 20/08/2011 17:03:54 PM		Authorized	View
Principal Repayment	LO4945112037	LO4945112037_001	Jack Sparrow	1,000	HOHEAD 20/08/2011 16:39:50 PM		Authorized	View
Principal Repayment	LO4945112090	LO4945112090_001	Jack Sparrow	1,500	HOHEAD 20/08/2011 17:00:22 PM		Authorized	View
Principal Repayment	LO4945112090	LO4945112090_001	Jack Sparrow	699	HOHEAD 20/08/2011 17:18:16 PM		Authorized	View
Principal Repayment	LO4945112090	LO4945112090_001	Jack Sparrow	1,800	HOHEAD 20/08/2011 17:21:34 PM		Authorized	View
Disbursement transaction	LO4945112090	LO4945112090_002	Jack Sparrow	1,000	HOHEAD 20/08/2011 16:48:03 PM		Authorized	View
Disbursement transaction	LO4945112037	LO4945112037_002	Jack Sparrow	70,000	HOHEAD 20/08/2011 16:01:40 PM		Authorized	View

Figure 4.53: Loan Order Book Screen

Screen Navigation:

After logging in the system select Loan Management → Loan Order Book.

The fields have been briefly described below

Field	Description	Mandatory
Loan Book Filters		
Transaction Type	Enables the user to select the appropriate transaction type from the drop-down list. The drop-down displays the options as	Y
Customer No	Enables the user to search for the appropriate customer using the Search icon to view the corresponding loan transaction details	Y

Status	Enables the user to select the appropriate status to view the loan transaction details	Y
Lower Display Section		
Transaction Type	Displays the type of loan transaction	Y
Loan Ref. No.	Displays the system generated Loan Ref. No.	Y
Customer Name	Displays the customer name	Y
Amount	Displays the loan transaction amount	
Maker Date and Time	Displays the Maker Date & Time	Y
Checker Date and Time	Displays the Checker Date & Time	Y
Status	Displays the status of the corresponding loan transaction	Y
Action	Displays the group of actions which can be performed on a loan transaction	



Availability of various links (View/Modify/Cancel/Authorize) depends on the parameter setup done for the user in the Liability Product Access Control section of the Employee Maintenance screen.

4.29 Accrual Processing

For every investment available with Customer of type Term Deposit, Bond, Loan, or Structured Product, the Accrued Interest program in FCPB runs daily and computes Accrued Interest. This program continues to compute accrued interest till one-day-prior to Maturity of the instrument or the loan. On the maturity date of the instrument/loan, the Accrued Interest gets zeroised and no further accrued interest is computed henceforth. Hence on and after the Maturity Date of the TD, SP, Bond instrument or Loan or even after a TD holding is fully withdrawn or after a Loan is fully pre-paid, no Accrued Interest is further computed.

4.29.1 Accrual Processing for TD

FCPB has an Accrued Interest program which runs daily and computes Accrued Interest for the current day and adds it cumulatively to the prior Accrued Interest-computed-till-date which is already stored in the database.

A flag in Admin Instrument Type Master screen called 'Compute Accrued Interest' drives whether Accrual is required or not internally by FCPB, for the selected Instrument Type. There is an Accrual Program running at EOD for TD which performs following two activities:

1. For current date transactions, this accrual program computes 1 day's Accrued Interest by looking at current Deposit Principal in Holdings and store this value in Accrued interest column in Holdings
2. For orders which have authorization date as current business date, but have Start Date (and hence transaction date) in the past, the accrual program also computes the total-interest-accrued from past-Start Date to current business date and stores this value in Accrued interest column in Holdings

AI computation for Simple Interest and Compound Interest

Computation logic for this 1 day's accrual computation is briefly explained below:

AI computation for **Simple Interest**:

The AI formula for 1 day would be-

Balance X (1/<No-Of-Days-In-Year>) X R/100 where:

Balance is the Outstanding Deposit Principal; R is the Interest Rate

Num-Of-Days-In-Year – This is derived from Days Convention of the TD Instrument. So if it is Actual/360 or 30/360 then Num-Of-Days-In-Year should be 360; if it is Actual/365 then Num-Of-Days-In-Year is 365; Actual/Actual means Num-Of-Days-in-year would be either 365 or 366 for Leap Years and so on.

AI computation for Compound Interest

For Compound Interest, the AI formula depends on Compounding Frequency and Interest Payment Frequency. In compound interest, till the 1st compounding scheduled date, interest is computed using simple interest ; and only after the 1st compounding scheduled date, this cumulative simple interest is added back to principal and again simple interest is computed on this new/larger principal for the next compounding cycle.

Both the Interest Payment frequency and Compounding Frequency are internally interpreted as number of days. Eg Weekly means 7 days, monthly means 30 days, semiannually means 180days, quarterly means 90 days etc.

1. Use Simple Interest Method to Calculate Compound Interest till the 1st Compounding Date Scheduled and keep accumulating this interest (in AI-In-Holdings).
2. The Result (i.e. AI-In-Holdings) achieved from the above method is added to the principal Amount after the compounding date is reached.
3. The Value obtained in Step 2 will be used as the principal for calculating the Simple Interest as done in Step1.

If Days convention is anything apart from 'Business Days/252' then Accrued Interest is calculated for all Bank/System weekend-offs and holidays also. Since EOD runs only on business days, after

the system comes up after a weekend/holiday, Accrued Interest is computed for all those dates which were holidays/weekend-offs.

For Days Convention chosen as 'Business Days/252' (which is applicable for TDs with BRL currency etc) Accrued Interest is computed ONLY for Currency working days. So on currency holidays there would be no AI computed. Also Num-Of-Days-In-Year would be 252. Hence Simple Interest formula would be:

$$\text{Balance} \times \frac{1}{252} \times \frac{R}{100}$$

The Accrued Interest gets added cumulatively to the Accrued Interest column already stored in Holdings

NOTE: Any other Days Conventions apart from the above 5 Days Conventions will not be supported by FCPB for Accrued Interest computation or for any other purpose. So Day Convention Id as setup in database with Id 1 to 5 would only be supported. If any TD Instrument is selected with any other Day Convention Id, the accrual program will use the formula for Days Convention of 'Actual/360.'

Fixed and Floating Interest Types

For Fixed Interest type of TD holdings, Accrual program makes use of 'Rate To Client' given to customer during Order Capture Booking/Rollover.

For Floating rate, FCPB computes and stores the 'Rate To Client' based on the Reference Benchmark for Periodicity chosen and the Spread (in BPS) entered in the Order Capture screen and treat it as that period's interest.

The different Reference Benchmarks available for Floating rates are CDI, LIBOR, EURIBOR, SIBOR etc. And the usual Periodicities to be supported are for frequencies like overnight (ie daily), 1 week (ie weekly) , 2 weeks (ie fortnightly) and 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12 months

For Call Deposits, Accrual program uses Daily Compounding to compute the accrued interest. The Accrual program continues to accrue interest until the Call Deposit is closed through full Premature Withdrawal.

Call Deposit rates will be present in the Fixed Deposit Rate table and we will assume that the rates don't change since it's a Fixed Deposit. Accrued Interest program treats a Call Deposit just like a Fixed TD with daily compounding.

Process to zeroise residual accrued interest

In an implementation site where FCPB is computing Accrued Interest internally; while INT and MAT transactions are being sent by the Core Banking System, it is possible that FCPB's accrual values do not accurately match the INT received from external system. This would result in residual Accrued Interest remaining in Holdings after every Interest Payment cycle; ie whenever the INT transaction is received. In order to remove this residual AI and zeroise it explicitly after Maturity date, a new program has been introduced which checks for the following:

1. For all Holdings for which Holdings Balance is 0, if this process finds any non-zero accrued interest in Holdings; then it means that either Maturity Date has passed or a premature

withdrawal of the full amount has occurred. This new program then explicitly zeroes Accrued Interest in Holdings.

2. Even for Loans disbursed it is possible that AI computed by FCPB remains with a residual amount even after full-prepayment of Loan or after Loan maturity; hence this new process zeroes the AI for such Loan records also

4.29.2 Accrual Processing for Bonds and Structured Products

As mentioned earlier, the flag 'Compute Accrued Interest' drives whether Accrual should be done or not internally by FCPB, for Bond, SP or for any other Instrument Type.

For SP, additionally another flag in Admin Product Master Menu is referred to in order to determine whether Accrued Interest needs to be computed in FCPB for that specific Instrument or not. In the 'Accrued Interest' Tab of Product Master there is already a field called 'Interest Type' having LOVs Fixed, Variable, Zero, Select (which means nothing is selected). For ONLY SP Instrument Type, the Accrued Interest program will also consider this flag value and based on LOV selected either computes Accrued Interest internally or not. If LOV selected is 'Select', the Accrued Interest need not be computed by FCPB. Else if anything else is selected then it computes Accrued Interest everyday in FCPB.

Other specialities for Accrued Interest computation for Bonds and SP:

1. For Bonds & SP, Accrual is based on Settled Quantity and not just Holding Quantity
2. Two new fields are being introduced in GIMS Product Master for Bonds/SP - Reference Benchmark and Period of Reference Benchmark. For 'Floating' type of Bonds/SPs FCPB should find the interest rate for the selected Reference Benchmark and Period of Reference Benchmark from the Deposit Rate tables and update the REVISION RATE so that Accrued Interest program for Bonds/SP uses this correct revision Rate when it runs during EOD.
3. Two more new fields are being added in GIMS Product Master to handle Inverse Floaters and Float Spread: Floater Type being 'Direct' or 'Inverse' and Float Spread (BPS) indicating the float number. For 'Direct' floater type of Bonds, Accrued Interest program finds the interest rate from the Deposit Rate table for the selected Reference Benchmark and Period of Reference Benchmark, add/subtract the Float Spread (BPS) as: Benchmark Interest Rate + (Float Spread BPS/100) and update this value as the REVISION_RATE. Note that Float Spread for Direct floaters can be negative and in that case, above formula would imply a reduction of Interest Rate as Float Spread itself is negative as: Benchmark Interest Rate - (Float Spread BPS/100)

On the other hand for 'Inverse' Floater type of Bonds, it finds the interest rate from the Deposit Rate table for the selected Reference Benchmark and Period of Reference Benchmark, calculates the Interest Rate as: Float Spread BPS/100 – Benchmark Interest Rate and updates this value as the REVISION RATE. Please note that inverse floater bonds cannot have negative (-) value as Float Spread; so the formula to calculate Interest Rate will be always be a 'subtraction' as mentioned above.

In case either of the above two computation results in a Negative number, System updates the REVISION RATE to 0, since it means something could be wrong with the Bloomberg data received or Float Rate captured; so we will not store such Revision Rates.

4. Computing Accrued Interest whenever Current Business Date falls on Record Date: Currently, FCPB calculates accrued interest from the last interest paid date, stores that in Accrued Interest column of the Holdings table. On BOD of the coupon payment date, it makes it zero and starts fresh accrual for the current period anticipating that the coupon transaction would be entered manually.

For Auto-Posting of Coupon transactions, following changes needs to be done –

Calculation of entire coupon amount on record date:

Accrual calculation will stop on Record Date's EOD and will resume on next Coupon Payment Date.

Example –

Last coupon payment date:	1st Oct'09
Bond Purchase Date:	09th Oct'09
Next Record Date:	25th Dec'09
Next Coupon Payment Date:	1st Jan'10
Rate of Interest:	22.50% Quarterly
Face Value of Bond:	Rs 100
Units Purchased:	100
Day Convention:	Actual/360

Suppose a client has purchased 100 units of a Bond on 09OCT2009 with the clean price as 102.50 and the Accrued Interest as 2.00 (per unit).

Transaction on 09-OCT-2009

TRAN DATE	TRAN TYPE	BIDASK IND	QTY	PRICE	AMOUNT
9-Oct-09	BUY	B	100.00	102.50	10250.00
9-Oct-09	INT	B			200.00

Holding on 09-OCT-2009 (Intra Day)

QTY	ACQ PRICE	TOTAL ACQ COST	MARKET VALUE	MARKET PRICE	ACCRUED INTERST	DIVIDEND INTER EST	REALIZED GAINLOSS
100	102.50	10250.00	10300.00	103.00	200	-200.00	0.00

(Accrued Interest amount 200/- is calculated till 08-OCT-2009 since last coupon payment date)

Holding on 09-OCT-2009 (Post EOD)

QT Y	ACQ PRICE	TOTAL ACQ COST	MARKET VALUE	MARKET PRICE	ACCRUED INTERST	DIVIDEND INTER EST	REALIZED GAINLOSS
100	102.50	10250.00	10300.0	103.00	225.00	-200.00	0.00

(Assuming that 0.25 is one days Accrued Interest for one unit. Buyer has paid 200.00 to the seller and 25.00 is one days accrual so the Accrued Interest column contains 225.00 on 09-OCT-2009)

Holding on 10-OCT-2009 (Post EOD)

QT Y	ACQ PRICE	TOTAL ACQ COST	MARKET VALUE	MARKET PRICE	ACCRUED INTERST	DIVIDEND INTER EST	REALIZED GAINLOSS
100	102.50	10250.00	10300.00	103.00	250.00	-200.00	0.00

System should continue accrual till 25th Dec'09(record date). On the EOD system should adjust the ACCRUED_INTEREST column to the full coupon amount (Units x FV x Rate x Cap Factor) as it knows that client in context will get the coupon amount on coupon payment date. From this date till coupon payment date, system should not compute accrued interest.

On coupon payment date (01-JAN-2010) EOD, system should pass INT transaction. For the above example the transaction would be –

Transaction on 01-JAN-2010

TRAN DATE	TRAN TYPE	BIDASK IND	QTY	PRICE	AMOUNT
01-JAN-10	INT	S			2250.00

Holding on 01-JAN-2010 (Post EOD)

QT Y	ACQ PRICE	TOTAL ACQ COST	MARKET VALUE	MARKET PRICE	ACCRUED INTERST	DIVIDEND INTER EST	REALIZED GAINLOSS
100	102.50	10250.00	10300.00	103.00	25	2050.00	0.00

(Assuming that 25.00 is one days Accrued Interest for 100 units.)

Since we are calculating the full coupon amount on record date itself, system will display excess accrued Interest value from record date till coupon payment date. This will be corrected on coupon payment date.

Accrued Interest Process and Design - Current Process

Everyday the Accrued Interest program checks for each Bond instrument in Holdings table, which rate is applicable for Accrued Interest. System needs to check the Coupon Schedule table to see which coupon will be applicable for current period. Since interest rate gets revised from time to time Interest Revision Schedule is defined to maintain various interest rates applicable for a Bond from time to time.

Therefore FCPB computes the accrued interest from the last interest paid date irrespective of when the bond was bought, and stores that in Accrued Interest column of the Holdings table.

Coupon Schedule				Interest Revision Schedule	
Coupon Payment Date	Record Date	Exchange Rate Fixing Date	Exchange Rate	Interest Revision Date	Revision Rate (%)
1-Apr-09	15-Mar-09	14-Jun-09	47.85	1-Jan-09	5.50
1-Jul-09	15-Jun-09	10-Sep-09	45.00	1-Apr-09	6.00
1-Oct-09	15-Sep-09	14-Dec-09	48.25	1-May-09	6.50

Redemption Schedule					
Redemption Date	% to be redeemed	Redemption Price	Exchange Rate Fixing Date	Exchange Rate	
1-May-09	20%	20	28-Apr-09	48.25	
1-Sep-09	40%	40	29-Aug-09	48.25	
1-Dec-09	40%	40	28-Nov-09	48.75	

Prior to calculation of Accrued Interest, system converts interest rate into yearly interest rate. This can be achieved using the 'Interest Rate Denomination' flag. If the value of this field is Monthly then yearly rate can be arrived by multiplying Revision Rate (%) of Interest Revision with 12. If the value is Quarterly then X4, if it is Semi Annually then X 2 and so on.

Assume that Current Business date is 5th June'09 and Customer holds 1000 units of 'Bond A' (FV Rs 100). The Interest Rate Denomination in this example is 'Quarterly'. In this example we are considering day count convention as Actual/360 and system includes both days in a coupon period. e.g. for calculation of accrued interest for the date range 01APR2009 to 30APR2009, system should consider 01st & 30th APR both days.

If the Coupon form of the bond is simple

$$\text{A.I (1st Apr to 30th Apr'09)} = (1000 * 100 * 24\%) \times [\text{No. of days from the last Coupon}] /$$

$$[\text{Number of days in the Year}]$$

$$= 24000 * 30 / 360 = 2000.00$$

$$\text{A.I (1st May to 05th June'09)} = (1000 * 100 * 0.8 * 26\%) \times [\text{No. of days from the last Coupon}] /$$

$$[\text{Number of days in the year}]$$

$$= 20800 * 36 / 360 = 2137.77$$

{Change in Cap Factor from 1 to 0.8 happened because Redemption happened & revised Interest Rate annual of 26% came into picture}

Net Accrued Interest on 05th June = $2000.00 + 2137.77 = 4137.77$

If the Coupon form of the bond is Compounded

This is another example where Bond A has coupon form as 'Compounding' and compounding frequency as 'Monthly' and coupon payment frequency as 'Quarterly'.

Last coupon payment date:	1st Jan'09
Bond Purchase Date:	1st Jan'09
Next Coupon Payment Date:	1st April'09
Rate of Interest:	12% p.a.
Face Value of Bond:	Rs 100
Units Purchased:	100
Day Convention:	Actual/360
Redemption Date	1st Mar'09 [20% Redemption]

[Compounding will be Calendar Compounding]

Accrued Interest as on 31st Jan'09

$$= 100 \times 100 \times 12\% \times 31/360$$

$$= 103.33$$

Total accrued Interest at the end of Jan'09 = Rs 103.33

Accrued Interest as on 28th Feb'09

$$= [(100 \times 100) + 103.33] \times 12\% \times 28/360$$

$$= 94.30$$

Total accrued Interest at the end of Feb'09 = Rs 197.63 (103.33+94.3)

Accrued Interest as on 31st March'09

$$= [(100 \times 100 \times 0.8) + 197.63] \times 12\% \times 31/360$$

$$= 84.70$$

Total accrued Interest at the end of March'09 = Rs 282.33 (103.33+94.3+84.70)

[Please note that the above calculation is based on Actual/360 Day Convention. The other Day Count conventions which system can have are –

30/360: It assumes that there are 30 days in every month, even though some months actually have 31 days. For example, the period from May 1, 2006 to July 31, 2006 would be considered to be 90 days where as the actual no. of days in the period is 92days.

Actual/365: This convention is the same as the actual/360, except that it uses 365 as the denominator.

Actual/Actual: This convention uses the actual number of days between two periods and divides the result by the actual number of days in the year, rather than assuming that each year is made up of 360 or 365 days. This convention will have 366 days in denominator in case of a Leap Year.]

On 1st Apr'09 BOD, FCPB should make the Accrued Interest column of Holdings as 'ZERO'. System assumes that it will receive a transaction for the amount equivalent to Accrued Interest from the external source/system. At the EOD, fresh accrual will start.

Posting of Accrued Interest Transaction

Currently system posts Interest Transaction at the time of sell. Since investor pays accrued interest at the time of Buy, Interest Transaction is also posted at the time of Buy.

For Buy Transactions, system posts separate transaction for the Accrued Interest (with the transaction type as 'INT' and Bid Ask Indicator as 'B').

Impact on Accrued Interest on posting Back Dated Transaction

Backdated transaction can come in three forms – New Transaction, Deletion of Transaction & Modification of Transaction.

New Transaction:

System does not permit modification of Interest Rate for earlier months. It can be changed only for the current / future months.

This section refers to the example as discussed in 'Posting of Accrued Interest Transaction' section; assume that one transaction dated 05-SEP-2009 is entered on 11-OCT-2009.

Transaction details are –

Date	Units	Action	Clean Price (per unit)	Accrued Interest (per unit)
5-SEP-09	100	BUY	102.00	16.00

(Assumption is that last coupon date was 01st Jul 2009 and next coupon date was 01st Oct 2009 so Accrued Interest of 16.00 is for the period of 64 days)

[After entering back dated transaction, system updates Holding History table for all month ends starting from backdated date.]

Holding History for SEP-2009

QTY	BD MONTH	EMV	ACC INT
100	2009SEP	10210.00	2250.00

(Assume that 102.10 was the market price on 30th Sep 2009.)

Transaction on 11-OCT-2009

TRAN DATE	TRAN TYPE	BIDASK IND	QTY	PRICE	AMOUNT
5-Sep-09	BUY	B	100.00	102.00	10200.00
5-Sep-09	INT	B			1600.00

Holding on 11-OCT-2009 (Intra Day)

Qty	Acq price	Total acq cost	Market value	Market price	Accrued int	Dividend interest	Realized gainloss
200	102.25	20450	10300.00	103.00	1850.00	-1800.00	0.00

(Please note that Accrued Interest of 1600/- is added to the existing value of 250/-. On 11th Oct 2009, Intraday Accrued Interest was 250.00. Dividend Interest column has been updated with -1800.00 as (sum of -200.00 and -1600.00)

Holding on 11-OCT-2009 (Post EOD)

Qty	Acq price	Total acq cost	Market value	Market price	Accrued int	Dividend interest	Realized gainloss
200	102.50	10250.00	10300.00	103.00	500.00	2050.00	0.00

(Please note that Accrued Interest is getting recalculated so for 10days & 200 units, AI will be $200 \times 10 \times 0.25 = 500.00$. The Dividend Interest column is supposed to get 2250.00 as coupon amount for 100 units on 01st Oct 2009 which will adjust it to 2050 (-200+2250).

System will post coupon transaction for the date 01st Oct 2009 and any excess amount will be adjusted.)

[Whenever there are back dated transactions for a particular CPIS, system inserts or updates Accrued Interest and other relevant columns in cashflow history table for all records starting from the backdated-date for that CPIS, since the EMV figures would change for all those dates.

ROR should be recomputed again for all sub-periods, all levels and for all relevant time-periods]

Impact of Accrued Interest on posting of Redemption Transaction

Redemption (Partial/Full) Transaction can be posted using the file upload and the front end.

Let us consider another example where a customer has purchased a bond (FV 100 at Cap factor 1.0) on the issue date (01st Jan 2009). The coupon for the bond is 9% quarterly.

01st Jan Intraday

Qty	Acq price	Total acq cost	Market value	Accrued interest	Realized gain/loss	Dividend interest	Cap factor	Nominal amount
100	102.00	10200.00	10500.00	0.00	0.00	0	1.0	10000

As per the Redemption Schedule, 50% has to be redeemed on 01st Apr 2009. The redemption price is 105.00 –

Redemption Amount = $100 \times 105 \times 0.5 = 5250.00$

Realized Gain/Loss – $100 \times 0.5 \times (105 - 102) = 150.00$

Transaction on 01-APR-2009

TRAN_DATE	TRAN_TYPE	BIDASK_IND	QTY	PRICE	AMOUNT
01-APR-09	RDM	S			5250

Holding on 01-APR-2009 (Post EOD)

Qty	Acq price	Total acq cost	Market value	Accrued interest	Realized gain/loss	Dividend interest	Cap factor	Nominal amount
100	51.00	5100.00	5300	50	150	900.00	0.5	10000

(From 01st Apr 2009 onwards, the accrued interest would be calculated using the Cap Factor of 0.5. AI of 50.00 = $100 \times 100 \times 0.5 \times .09 \times 1/90$)

Acquisition Price getting adjusted based on WAC (at Cap 100%) Price and the Cap Factor

Dividend Interest of 900.00 is for the previous coupon period (Jan-Mar))

Next Redemption happens on 01st July 2009 for remaining 50%. The redemption price is 110.00.

Redemption Amount – $100 \times 110 \times 0.5 = 5500$

Realized Gain/Loss – $100 \times 0.5 \times (110 - 102) = 400$

Transaction on 01-JUL-2009

Tran date	Tran type	Bidask ind	Qty	Price	Amount
01-JUL-09	RDM	S			5500.00

Holding on 01-JUL-2009 (Post EOD)

Qty	Acq price	Total acq cost	Market value	Accrued interest	Realized gainloss	Dividend interest	Cap factor	Nominal amount
0.00	25.50	0.00	0.00	0.00	550	1350.00	0.00	0.00

Accrued Interest from 01st Apr 2009 to 30th June 2009 = $450.00(100 \times 100 \times 9 \times 50 / 100 \times 100)$

AI of 450.00 moved to DIVIDEND INTEREST which makes it to 1350.00 (900.00+450.00)



Accrued Interest
Backdated

Assumptions made in the Bonds functionality

1. Transaction Data as provided by external source will contain Clean Price.
2. Instrument Price feed as received by system would be based on clean price.
3. System would only calculate the Accrued Interest and store in Holdings; the posting of same will be done by the transaction data received from external source.
4. As the part of BOD process, system would make the Accrued Interest as 'Zero' on coupon payment date / maturity date for each bond.
5. For Compounding Accrued Interest, system would use the logic as being implemented for TD processing.
6. If the Price Quotation Method at the master level is 'Percentage', system would receive Transaction Price & Instrument Price in percentage. Percentage Price would be converted to Absolute Price after Bond's Maturity Date, system should stop Accrued Interest calculation for the instrument.
7. Record Date field in Coupon Schedule table is not being used currently. However, the same would be considered during auto posting of liquidation transactions

All the above mentioned assumptions holds good for Structured Product also.

4.29.3 Accrued Interest computation for Loans

FCPB runs daily and computes Accrued Interest for Loan Disbursements. This program continues to compute accrued interest from the Disbursement Date till one-day-prior to Maturity of the

disbursement or till the Disbursement gets fully prepaid (whichever is earlier). After Maturity Date OR after full-prepayment this disbursement, AI program should not calculate any further AI on that Disbursement.

Loans do not use Compound Interest, so Accrued Interest for Loans is computed using Simple Interest.

The Loan Master Book table would have parameters of the disbursement like Reference Benchmark, Period of Reference Benchmark, Fixed or Floating, Last and Next Interest Revision Date etc. for every disbursement. There would be 2 Accrual Programs running at EOD for DISBURSEMENT:

1. Current date Accrual Program –which would compute 1 day's Accrued Interest by looking at current Deposit Principal in Product Balance
2. Backdated Accrual Program- which would be triggered whenever there are backdated transactions like Prepayment of Loan etc which needs to pass a negative Accrued Interest for the backdated period (since the outstanding disbursement balance would have got reduced due to the prepayment few days back and in meantime we would have accrued extra interest which has to be reduced)

AI computation for Simple Interest

Computation logic for this 1 day's accrual computation is briefly explained below:

For simple Interest, the AI formula for 1 day would be-

Balance X (1/360) X R/100 where:

Where Balance refers to the outstanding disbursement balance amount; R is the Interest Rate.

For Loans we will be assuming Days Convention of Actual/360 and interest should be accrued on all calendar days (including System or currency holidays). There is no need to support any other Days Conventions.

The Accrued Interest computed daily gets added cumulatively to the Accrued Interest-stored-till-date

4.29.4 Fixed and Floating Interest Types

For Fixed Interest type of disbursements, Accrual program should use 'Rate To Client' given to customer in the Loans Sanctions screen.

For Floating rate, FCPB would compute and store the Rate to be charged to Client based on the Reference Benchmark for Periodicity chosen and the Spread BPS and store this as the 'Rate To Client'.

4.29.5 New process to zeroise residual accrued interest

Since FCPB is computing Accrued Interest internally; while INT transactions are being manually entered by the RMs via the 'Repayment screen', it is possible that FCPB's accrual values do not accurately match the INT paid by the RM. This could result in residual Accrued Interest remaining in Holdings after every Interest Payment cycle; i.e. whenever the INT transaction is received.

In order to remove this residual AI following approach has been decided: A new parameter would be introduced (in Business Parameters screen - 'Days after repayment'). Say this value of 'Days after repayment' is maintained as X. A program has to be written which would check for all Disbursements X days AFTER their full repayment date for which outstanding disbursement Balance is 0. If this process finds any non-zero accrued interest in the loan/disbursement table; then it means that most probably full interest has also been paid by that time and hence the Accrued Interest needs to be zeroised. This new program then explicitly zeroise Accrued Interest for such disbursements for which X days after full repayment has passed.

4.29.6 Display of accrued interest and Interest Paid

In the RM Login Customer Dashboard the Network portlet's blowup screen shows the Statement of Loans and Liabilities. Disbursements will be listed under the 'Mortgages' section. On click of the hyperlink under the Disbursement Reference number, the 'Loans and Pledges' View screen opens up and this screen also displays the 'Interest Paid' and 'Accrued Interest' columns.

5. Interfaces

5.1 Introduction

FCPB – FCUBS Integration

Oracle FLEXCUBE Private Banking (FCPB) as the front office component is used primarily by the Private banker and the Execution desk personnel. This component provides 360 degree view and analysis of customer's portfolios and accounts including, asset allocations, deviations from recommended models and products if any, performance measurement and exposure analysis to different dimensions, alerting functionality.

On the other hand, Oracle FLEXCUBE Universal Banking Solution (FCUBS), as the back office component is used by Operations. This component is used to update customer information, customer cash account details, Broker information, Fees and brokerage, Securities Settlement instructions, Product/Instrument, BMO GL accounts.

Certain interfaces have been established between the Front office and the Back office components to access the needed data.

Following is the list of interfaces established between FCPB and FCUBS.

List of Interface Items

Entity	Action	Frequency	Source	Target
TD Account creation	Add	On-line	FCUBS	FCPB
TD Pre-mature Withdrawal	Add	On-line	FCUBS	FCPB
CASA Account creation	Add	On-line	FCUBS	FCPB
Deals matching	Add	On-line	FCUBS	FCPB
CIF Authorization/Modification/Closure	Add	On-line	FCUBS	FCPB
Broker Data	Add	On-line	FCUBS	FCPB
CASA Account Balances	Add	On-line	FCUBS	FCPB
TD Maturity With Interest Liquidation	Add	Batch	FCUBS	FCPB
Daily Accrued Interest on TD	Add	Batch	FCUBS	FCPB
Penalty on TD	Add	Batch	FCUBS	FCPB
Loan and Liability Information	Add	Batch	FCUBS	FCPB

FCPB – FCDB Integration

Oracle FLEXCUBE Private Banking (FCPB 3.1/Release 12.0) is also integrated with Oracle FLEXCUBE DIRECT BANKING (FCDB 6.4) as part of the 12.0 release. This integrated system provides a single-sign-on to the users to access Oracle FLEXCUBE Private Wealth Management screens via FCDB application. The FCDB system provides the 'Wealth Management' tab on the dashboard which enables the wealth management customers to access the FCPB application.

6. Business Management

6.1 Introduction

Business Management comprises of all the MIS-specific features in FCPB. This includes, setup, computation and display/reporting of Distribution commissions earned by the wealth management service provider from the various product manufacturers (eg.Asset Management Companies, Insurance companies, Brokerages etc) . The other business performance measures that are computed and reported are New business volumes & AUM by Instrument Group, customer , RM and business unit for different periods. All other analytical canned reports like Deviation / Exception reports, Customer portfolio summary & detailed reports, are also covered in this chapter.

6.2 RM Dashboard

When a Relationship Manager logs into FCPB system the RM dashboard page is launched as shown below, showing data pertaining to all the **direct** customers of the RM (i.e. not including customers of RMs who may be reporting to this RM):

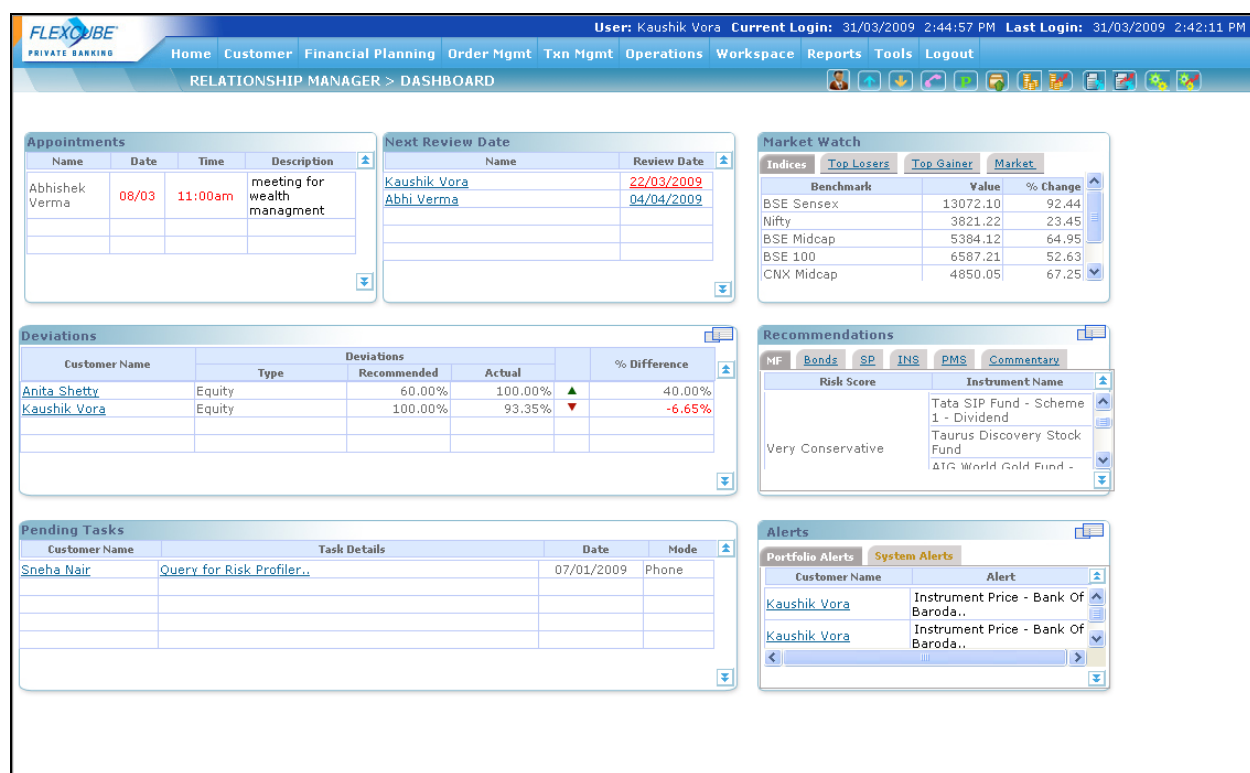


Figure 6.1: RM Dashboard Screen

Main tables	Description	Features
Appointments/Customer List	<p>Appointments - If the Appointments option is selected in Bank Parameters UI Related tab, RM Dashboard displays open Appointments.</p> <p>Customer List - If the Customer option is selected in Bank Parameters, RM Dashboard displays Customer List instead of Appointments.</p>	<p>Appointments - Appointments past due & not closed are displayed in red color.</p> <p>Customer List - Customer list is displayed in ascending order by date and time and RM is able to see the list of all active customers directly linked to him.</p>
Next Review Date	Displays customer name & the next portfolio review date sorted by date from nearest to latest.	<p>Frequency of review can be parameterized at customer segment level.</p> <p>For e.g. HNI->Every Month.</p> <p>Mass AffluentQuarterly/Half Yearly</p>
Deviations	<p>Names of the customers whose asset allocation has deviated from the recommended asset allocation; this table shows only the highest deviation if more than one asset class is deviated beyond the tolerance limits for each asset class.</p> <p>If the Asset class Decomposition flag is set to Yes then this tab displays the Asset Class values after considering sub-constituent values.</p> <p>If the flag is set to No then system does not consider sub-constituent values.</p>	<p>Deviations are computed at the end of business day.</p> <p>Asset class which has maximum deviation would be displayed for a particular customer.</p> <p>Computed only for portfolios of type that have been marked for inclusion in Asset Class deviation computations.</p> <p>When the user clicks on the blow up icon located at top right hand side corner, the system displays the Deviation page displaying all the customers linked to RM for all the Asset classes. The list is sorted by Customer name.</p>

Pending Tasks/Target Tracker	<p>Pending Tasks - If the Pending Tasks option is selected in Bank Parameters UI Related tab, the system displays the Pending Tasks for RM with details such as Customer Name, Task Details, Date & Mode, sorted by date.</p> <p>Target Tracker - If the Target Tracker option is selected in Bank Parameters UI Related tab, the system displays the AUM (as of previous business date) and new fund investment (MTD) of the RM sorted by Instrument analysis group.</p>	<p>Pending Tasks - Pending tasks are Interactions with status as "Open".</p> <p>Customer's "Send message" requests are also populated in the Pending Task list</p> <p>Provides an option to define whether the interaction was initiated by the RM, to keep a track of how proactively the RM is servicing the customer.</p> <p>Target Tracker - When the RM clicks on the blow-up icon located at top right hand side corner of the Target Tracker window, the AUM page is displayed.</p>
Alerts	System as well as Portfolio Alerts that have been set as applicable for RM.	<p>System Alerts-> For e.g.-Birth-dates, Anniversary, Product maturity dates, Restriction maturity, Premium due date,</p> <p>Portfolio Alerts-> For e.g. - Portfolio returns exceeding defined levels, exposure to industry breaching a set level etc. Configured for any of the direct clients of the RM</p>
Recommendations	There are six tabs viz. MF, Bonds, SP, INS, PMS, and Commentary.	<p>Provides the bank's in-house research based recommendations for investments for MF, Bond, SP, INS, and PMS instruments for each score defined in the system.</p> <p>When the user clicks on the blow up icon, the system displays the Recommendations page for the selected Risk Score along with the Fact Sheet and Analytics.</p>

Market Watch / Last Transaction Activity	<p>Market Watch – If the Market Watch option is selected in Bank Parameters, the system displays the levels of various pre-defined market indices, top gainers/losers in equity , a line graph of intraday movements in a chosen default index in Bank Parameters</p> <p>Last Transaction Activity - If the Last Transaction Activity option is selected in Bank Parameters, the system displays the information about the last transaction activity of the customer if it is greater than X days where X is configurable.</p>	<p>Market Watch - For this box to be displayed, there should be an intra-day feed from market data provider; if this is not available, the data maybe manually created.</p> <p>Last Transaction Activity - Displays the customer names with the hyperlinks. When clicking on the hyperlink system directs the user to the corresponding customer dashboard.</p>
--	--	---

Quick link icons for various Reports available on RM Dashboard-

Top xx customers by performance (xx is maintainable in terms of a number in the bank parameters).	<p>The performance displayed is the ROR % since inception till previous business day, earned by a customer</p> <p>The AUM displayed is as of the previous business day for the customer</p>
Bottom yy customers by performance (yy is maintainable in terms of a number in the bank parameters).	<p>The performance displayed should be since Inception ROR till previous business day</p> <p>The AUM displayed should be the last AUM of the customer as of previous business day</p>
No RM call for > nn days (nn is maintainable in terms of days in the bank parameters)	<p>For RM call those interactions which have been marked as initiated by RM are considered;</p> <p>For displaying the last transaction date, transactions of all transaction types are considered.</p>

Pending prospect in last zz days (zz is maintainable in terms of days in the bank parameters)	This will provide a report of all prospects that are acquired in the last zz days and are pending conversion to customer. (i.e. all prospects that are with status open and acquired in last zz days).
Top tt Holdings (tt is maintainable in terms of a number in the bank parameters)	List of the top tt holdings by value (these will include holdings across the direct customer base for the RM).

Sample Views:

No RM Call for > 60 Days					TOP 20 customers by Performance			
Date: April 07, 2008 Created By: Madhur Jain					Date: April 07, 2008 Created By: Madhur Jain			
ID	Name	AUM	Last Transaction Date	Last RM Call	ID	Name	AUM	Performance
5676456	Leon Sean	1,085,000.00	24-Nov-07	1-Mar-08	1021	Pawan Gupta	990,000.00	20.56
34565	Mike Samuel	1,035,000.00	4-Dec-07	10-Apr-08	1223	Rita Rane	972,000.00	18.99
456743	Hitesh Shah	750,000.00	14-Dec-07	2-Oct-07	4312	Rekha Reddy	940,000.00	17.56

Pending prospect in last 60 days			
Date: April 07, 2008 Generated By : Radha			
Prospect Name	Prospect ID	Financial planning Date	No. of days Pending
Paresh Joshi	1123	23-07-2007	32
Mahi Visar	1245	24-07-2007	45
Kishore Gupte	1567	22-07-2007	55
Pawan Gupta	1890	23-07-2007	56

Top 20 Holdings						BOTTOM 20 customers by Performance			
Date: April 07, 2008 Created By: Madhur Jain						Date: April 07, 2008 Created By: Madhur Jain			
ID	Name	Sector	Instrument Type	No. of customers	Total Market Value	ID	Name	AUM	Performance
1021	ITC Ltd	Others	EQ	19	1,650,000.00	5676456	Leon Sean	1,010,000.00	10.52
1223	Infosys Technologies Limited	IT	EQ	15	1,590,000.00	34565	Mike Samuel	1,005,000.00	10.99
4312	Wipro Limited	IT	EQ	12	1,585,800.00	456743	Hitesh Shah	756,000.00	11.56
45677	Fidelity International Fund	Others	MF	15	1,580,000.00				

Senior RM / Unit Head - Additional Links on dashboard - These links provide business performance measures like AUM, Business volumes & Commissions for current month and for past 6 months for the logged in senior RM / unit head. These values not only include the direct customers handled by the RM, but also the total values under reporting RMs / business units, reflecting the total business managed by the senior RM/Unit head.



Figure 6.2: Additional Links on RM Dashboard Screen

Link 1: AUM Details

(for Supervisor RM – following RM hierarchy)

RM name	AUM as of “previous Business day” by Instrument Analysis Groups (in “Bank currency”)				
	LOB	IAG-1	IAG-2	IAG-n	Total
Self-Direct	Priority				
RM-1	BB				
RM-2	BB				
RM-3	BB				
RM-3	Priority				
RM-n	LOBn				
Total					

Note the values show against RM1 would include his/her own AUM based on direct customers, plus the AUM of all subordinate RMs down the hierarchy. This principle will apply for all the quick-link business performance measures.

(for Unit Head – following Unit hierarchy)

Unit Name	AUM as of “previous Business day” by Instrument Analysis Groups (In “INR”)				
	LOB	IAG-1	IAG-2	IAG-n	Total
Self-Direct	BB				
Unit -2	BB				
Unit -2	Priority				
Unit -3	BB				
Unit – n	BB				
Total					

Note the values show against Unit-2 would include the AUM based on direct customers of RMs of the unit, plus the AUM of all subordinate units down the hierarchy. This principle will apply for all the quick-link business performance measures.

Link 2 : AUM Progression

(For Supervisor RM)

RM name	Total AUM (in “Bank currency”) As of following dates				
	LOB	Previous Day	Previous Month-end 1	Previous Month-end 2	Previous Month-end 3
Self-Direct					
RM-1					
RM-2					
RM-3					
RM-n					
Total					

(For Unit Head):

Unit Name	Total AUM (in “Bank currency”) As of following dates				
	LOB	Previous Day	Previous Month-end 1	Previous Month-end 2	Previous Month-end 3
Self-Direct					
Unit-1					
Unit -2					
Unit -3					
Unit – n					
Total					

Commission Links

These links are displayed only for the senior RM or the RM following Unit Hierarchy. The following two links will be shown on Dashboard (Similar to AUM links):

- Commission

Commission by Instrument Analysis Group									
Report Date :		31-Mar-2009				Generated By :			
RM Name	LOB Name	Period	Cash	Direct Equity	Diversified Fund	Insurance	Sectoral Fund	Total	
90122/Savita	Wealth	This Month	0	0	0	0	0	0	
		YTD	0	0	0	0	0	0	
		Target	0	0	0	0	93000	93000	

- Commission Progression

Commission Progression							
Report Date :		31-Mar-2009			Generated By :		Savita Rokade
RM Home	LOB	Mar-2009	Feb-2009	Jan-2009	Dec-2008	Nov-2008	Oct-2008
90122/Savita	Wealth	0	0	0	668	0	0
Total		0	0	0	668	0	0
Monthwise Growth		N/A	N/A	N/A	668 %	N/A	N/A

Business Volume Links

These links are displayed only for the senior RM or the RM following Unit Hierarchy. The following two links will be shown on Dashboard (Similar to AUM links):

- Business Volume
- Business Volume Progression

Sample Screens:

Commission by Instrument Analysis Group											
Date: April 07, 2008						Generated By : Madhur Jain					
Unit Name	LOB	Period	Fixed Deposits	MF Equity	MF Debt	MF Liquid	Equity	Structure Products	Private Equity	PMS	Total
Self Direct	Unit	This Month	50,000.00	20,000.00	60,000.00	10,000.00	10,000.00	50,000.00	50,000.00	50,000.00	300,000.00
		YTD	65,000.00	25,000.00	75,000.00	15,000.00	12,000.00	67,800.00	90,000.00	53,000.00	402,800.00
West Zone	BB	This Month	0.00	50,000.00	0.00	0.00	20,000.00	0.00	25,000.00	0.00	95,000.00
		YTD	0.00	78,000.00	0.00	0.00	25,000.00	0.00	56,000.00	0.00	159,000.00
West Zone	Priority	This Month	0.00	35,000.00	15,000.00	0.00	25,000.00	0.00	0.00	60,000.00	135,000.00
		YTD	0.00	36,000.00	12,000.00	0.00	56,000.00	0.00	0.00	65,000.00	169,000.00
Chembur Branch	BB	This Month	20,000.00	15,000.00	0.00	20,000.00	0.00	0.00	45,000.00	0.00	100,000.00
		YTD	40,000.00	18,000.00	0.00	24,000.00	0.00	0.00	50,000.00	0.00	132,000.00

Business Volume by Instrument Analysis Group											
Date: April 07, 2008						Generated By : Madhur Jain					
RM Name	LOB	Period	Fixed Deposits	MF Equity	MF Debt	MF Liquid	Equity	Structure Products	Private Equity	PMS	Total
Self Direct	Priority	This Month	500,000.00	175,000.00	1,500,000.00	8,000,000.00	560,000.00	500,000.00	500,000.00	300,000.00	12,035,000.00
		YTD	750,000.00	262,500.00	3,000,000.00	12,000,000.00	750,000.00	100,000.00	600,000.00	500,000.00	17,962,500.00
Joe Smith	BB	This Month	0.00	300,000.00	0.00	0.00	450,000.00	2,000,000.00	400,000.00	200,000.00	3,350,000.00
		YTD	0.00	450,000.00	0.00	0.00	675,000.00	3,000,000.00	600,000.00	300,000.00	5,025,000.00

Commission Progression by RM							
Date: April 07, 2008				Generated By : Madhur Jain			
RM Name	LOB Name	Apr-08	Mar 08	Feb 08	Jan 08	Dec 07	Nov 07
Self Direct	Priority	40,000	36,000	30,600	27,540	30,294	36,353
Joe Smith	BB	150,000	135,000	114,750	103,275	113,603	136,323
Tom Berry	Priority	600,000	540,000	459,000	413,100	454,410	545,292
Tom Berry	BB	85,000	76,500	65,025	58,523	64,375	77,250
Total Commission		875,000	787,500	669,375	602,438	662,681	795,218
Monthwise Growth		11.11%	17.65%	11.11%	-9.09%	-16.67%	

Business Volume Progression							
Date: April 07, 2008				Generated By : Madhur Jain			
RM Name	LOB Name	Apr-08	Mar 08	Feb 08	Jan 08	Dec 07	Nov 07
Self Direct	Priority	9,996,815	6,997,771	5,598,216	6,158,038	5,542,234	5,819,346
Joe Smith	BB	7,475,130	5,232,591	4,186,073	4,604,680	4,144,212	4,351,423
Tom Berry	Priority	4,313,199	3,019,239	2,415,391	2,656,931	2,391,238	2,510,799
Tom Berry	BB	1,942,453	1,359,717	1,087,774	1,196,551	1,076,896	1,130,741
Total Business Volume		23,727,597	16,609,318	13,287,454	14,616,200	13,154,580	13,812,309
Monthwise Growth		42.86%	25.00%	-9.09%	11.11%	-4.76%	

AUM as on 07 April 2008 by Instrument Analysis Groups For Madhur Jain										
RM Name	LOB	Fixed Deposits	MF Equity	MF Debt	MF Liquid	Equity	Structured Products	Private Equity	PMS	Total
Self Direct	Priority	10,000,000	50,000,000	5,000,000	80,000,000	9,000,000	20,000,000	1,000,000	4,000,000	179,000,000
Joe Smith	BB	7,000,000	5,000,000	2,000,000	50,000,000	5,000,000	40,000,000	3,500,000	5,000,000	105,500,000
Tom Berry	Priority	1,000,000	8,000,000	8,000,000	25,000,000	2,500,000	10,000,000	2,000,000	6,000,000	61,500,000
Tom Berry	BB	500,000	5,000,000	3,000,000	10,000,000	1,750,000	10,000,000	4,500,000	8,000,000	42,750,000
Total		18,500,000	68,000,000	18,000,000	165,000,000	16,500,000	500,000	11,000,000	15,000,000	388,750,000

Total AUM Progression (in INR) as of Following Dates							
RM Name	LOB	7-Apr	31-Mar	28-Feb	31-Jan	31-Dec	30-Nov
Self Direct	Priority	179,000,000.00	161,100,000.00	96,660,000.00	91,827,000.00	101,009,700.00	85,858,245.00
Joe Smith	BB	105,500,000.00	94,950,000.00	56,970,000.00	54,121,500.00	59,533,650.00	50,603,602.50
Tom Berry	Priority	61,500,000.00	55,350,000.00	33,210,000.00	31,549,500.00	34,704,450.00	29,498,782.50
Tom Berry	BB	42,750,000.00	38,475,000.00	23,085,000.00	21,930,750.00	24,123,825.00	20,505,251.25
Total AUM		388,750,000.00	349,875,000.00	209,925,000.00	199,428,750.00	219,371,625.00	186,465,881.25
Month-wise Growth(%)			66.67%	5.26%	-9.09%	17.65%	

Menu elements

The various menu options from the RM Dashboard are shown in the following screen-shots. These are mostly self-explanatory. Wherever further explanation is required, these are covered in subsequent sections.

ORACLE FLEXCUBE Private Banking

User: HOHEAD Current Login: 30/03/2012 2:04 PM Last Login: 30/03/2012 2:00 PM

Home Customer Financial Planning Order Mgmt Txn Mgmt Reports Tools My Workspace Logout

RM DASHBOARD

Appointments

Name	Date	Time	Description
NO APPOINTMENTS FOUND			

Next Review

Next Review	Review Date
Alok Nath	16/01/2012
Jamie Ris	16/01/2012

Market Watch

Indices Top Losers Top Gainer Market

Products

Risk Score	Instrument Name
Very Conservative	Mac MF

ORACLE FLEXCUBE Private Banking

User: HO HEAD Current Login: 14/09/2011 10:38 AM Last Login: 13/09/2011 4:06 PM

Home Customer Financial Planning Order Mgmt Txn Mgmt Reports Tools My Workspace Logout

RM DASHBOARD

Appointments

Name	Date	Time	Description
BRTHREE CUSTRet	01/04	04:00pm	General Discussion
BRTHREE ONERet	14/04	10:00am	Financial Planning Discussion
Niranjan	01/04	07:00am	chk again

Next Review

Next Review	Review Date
BRTHREE CUSTRet	09/04/2009
BRTHREE ONERet	15/05/2009
Niranjan	24/06/2009
	02/10/2009
	03/03/2010

Last Transaction Activity (>90 Days)

Name	Last Transaction Date
Divya Rao	07/04/2011
ROR test1	04/04/2011
Romb Mart	11/04/2011
INUSIND BANK	01/01/2010
Nit Roovv	10/03/2011
Prime Term	10/03/2011

ORACLE FLEXCUBE Private Banking

User: HO HEAD Current Login: 14/09/2011 10:38 AM Last Login: 13/09/2011 4:06 PM

Home Customer Financial Planning Order Mgmt Txn Mgmt Reports Tools My Workspace Logout

RM DASHBOARD

Appointments

Name	Date	Time	Description
BRTHREE CUSTRet	01/04	04:00pm	General Discussion
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Niranjan	01/04	07:00am	chk again

Next Review

Next Review	Review Date
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BRTHREE ONERet	15/05/2009
Niranjan	24/06/2009
	02/10/2009
	03/03/2010

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Name	Last Transaction Date
Divya Rao	07/04/2011
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Romb Mart	11/04/2011
INUSIND BANK	01/01/2010
Nit Roovv	10/03/2011
Prime Term	10/03/2011

FLEXCUBE PRIVATE BANKING

User: BRANCH THREE HEAD Current Login: 09/12/2010 8:39 AM Last Login: 24/10/2010 2:29 PM

Home Customer Financial Planning Order Mgmt Txn Mgmt Reports Tools My Workspace Logout

RM DASHBOARD

Appointments

Name	Date	Time	Description
BRTHREE ONERet	07/04	11:00am	Risk Profiler Discussion
BRTHREE ONERet	16/08	04:00pm	Test 1
BRTHREE ONERet	10/10	06:00pm	Test 4

Next Review Date

Next Review Date
Maninee

Deviations

Customer Name	Type	Deviations Recommended	Actual
NO DEVIATION DATA FOUND			

Products

Risk Score	Instrument Name
Aggressive	FIDELITY LIQUID FUND

FLEXCUBE PRIVATE BANKING User: BRANCH THREE HEAD Current Login: 09/12/2010 8:39 AM Last Login: 24/10/2010 2:29 PM

Home Customer Financial Planning Order Mgmt Txn Mgmt Reports Tools My Workspace Logout

RM DASHBOARD

Appointments

Name	Date	Time	Description
BRTHREE ONERet	07/04	11:00am	Risk Profiler Discussion
BRTHREE ONERet	16/08	04:00pm	Test 1
BRTHREE ONERet	10/10	06:00pm	Test 4

Next Review Date

Name
Maninee

Deviations

Customer Name	Type	Deviations Recommended	Actual
NO DEVIATION DATA FOUND			

Reports

- Deviation
- AUM
- Archived Reports
- CRM
- Business Volume
- Capital Gains
- Revenue
- Portfolio Dividend History
- Portfolio
- Bank Account Statement
- Prospect Conversion
- Model Portfolio Instruments
- Suspended Users
- RM/OPs last login

Tools

- Business Volume By Customer
- Business Volume Progression By Customer
- Business Volume By Unit / RM
- Business Volume Progression By Unit / RM
- PMS
- VCF / SP
- Bonds
- Commentary
- Risk Score
- Instrument Name

My Workspace

Logout

Transaction Activity (>90 Days)

Name	Last Transaction Date
FIDELITY LIQUID FUND	

FLEXCUBE PRIVATE BANKING User: BRANCH THREE HEAD Current Login: 09/12/2010 8:39 AM Last Login: 24/10/2010 2:29 PM

Home Customer Financial Planning Order Mgmt Txn Mgmt Reports Tools My Workspace Logout

RM DASHBOARD

Appointments

Name	Date	Time	Description
BRTHREE ONERet	07/04	11:00am	Risk Profiler Discussion
BRTHREE ONERet	16/08	04:00pm	Test 1
BRTHREE ONERet	10/10	06:00pm	Test 4

Next Review Date

Name
Maninee

Deviations

Customer Name	Type	Deviations Recommended	Actual
NO DEVIATION DATA FOUND			

Reports

- Deviation
- AUM
- Archived Reports
- CRM
- Business Volume
- Capital Gains
- Revenue
- Portfolio Dividend History
- Portfolio
- Bank Account Statement
- Prospect Conversion
- Model Portfolio Instruments
- Suspended Users
- RM/OPs last login

Tools

- Business Volume By Customer
- Business Volume Progression By Customer
- Business Volume By Unit / RM
- Business Volume Progression By Unit / RM
- PMS
- VCF / SP
- Bonds
- Commentary
- Risk Score
- Instrument Name

My Workspace

Logout

Transaction Activity (>90 Days)

Name	Last Transaction Date
FIDELITY LIQUID FUND	

FLEXCUBE PRIVATE BANKING User: BRANCH THREE HEAD Current Login: 09/12/2010 8:39 AM Last Login: 24/10/2010 2:29 PM

Home Customer Financial Planning Order Mgmt Txn Mgmt Reports Tools My Workspace Logout

RM DASHBOARD

Appointments

Name	Date	Time	Description
BRTHREE ONERet	07/04	11:00am	Risk Profiler Discussion
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Next Review Date

Name
Maninee

Deviations

Customer Name	Type	Deviations Recommended	Actual
NO DEVIATION DATA FOUND			

Reports

- Deviation
- AUM
- Archived Reports
- CRM
- Business Volume
- Capital Gains
- Revenue
- Portfolio Dividend History
- Portfolio
- Bank Account Statement
- Prospect Conversion
- Model Portfolio Instruments
- Suspended Users
- RM/OPs last login

Tools

- Revenue By Customer
- Revenue Progression By Customer
- Revenue By Unit/RM
- Revenue Progression By Unit/RM
- Bonds
- Commentary
- Risk Score
- Instrument Name

My Workspace

Logout

Transaction Activity (>90 Days)

Name	Last Transaction Date
FIDELITY LIQUID FUND	

FLEXCUBE PRIVATE BANKING User: BRANCH THREE HEAD Current Login: 09/12/2010 8:39 AM Last Login: 24/10/2010 2:29 PM

Home Customer Financial Planning Order Mgmt Txn Mgmt Reports Tools My Workspace Logout

RM DASHBOARD

Appointments

Name	Date	Time	Description
BRTHREE ONERet	07/04	11:00am	Risk Profiler Discussion
BRTHREE ONERet	16/08	04:00pm	Test 1
BRTHREE ONERet	10/10	06:00pm	Test 4

Next Review Date

Name
Maninee

Deviations

Customer Name	Type	Deviations Recommended	Actual
NO DEVIATION DATA FOUND			

Reports

- Deviation
- AUM
- Archived Reports
- CRM
- Business Volume
- Capital Gains
- Revenue
- Portfolio Dividend History
- Portfolio
- Bank Account Statement
- Prospect Conversion
- Model Portfolio Instruments
- Suspended Users
- RM/OPs last login

Tools

- Summary
- Detailed
- Month to date
- Detailed Historic
- Portfolio
- Transaction
- Holding Period
- Cash Flow
- Bonds
- Commentary
- Risk Score
- Instrument Name

My Workspace

Logout

Transaction Activity (>90 Days)

Name	Last Transaction Date
FIDELITY LIQUID FUND	

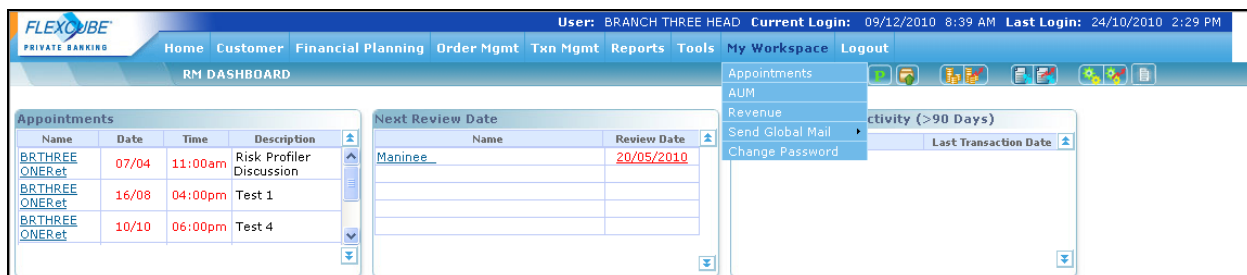
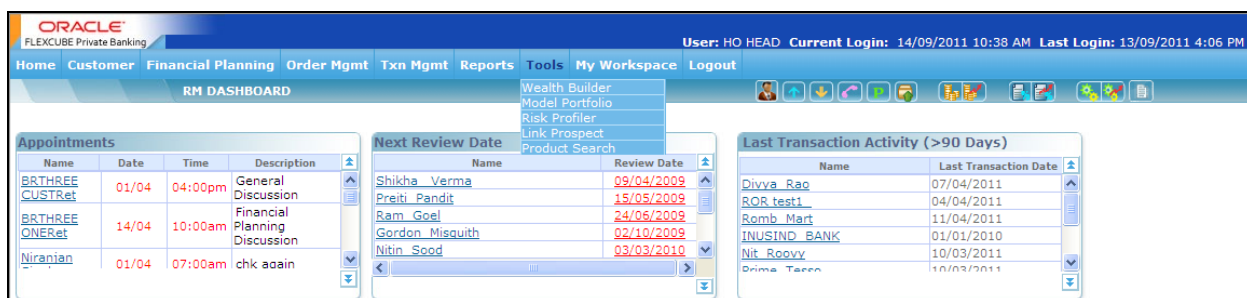


Figure 6.3: Menu Elements Screen

6.3 AUM & Business Volume

The relationship manager's performance is measured essentially on 3 parameters – the Assets Under Management (AUM), the business volume generated for the customers that are mapped to the relationship manager and the commissions earned. These measures are currently computed at EOD and hence on any day they are available as of the previous business day. The MTD (month-to-previous business date) values as of any date and the values as of every month end are stored to support progression and time series analysis. All these parameters are measured in the "Bank" currency. AUM includes all investment holdings of the customers, across all portfolios EXCLUDING the held away portfolios maintained by the customer that were not transacted through the bank. If a retail banking product like Savings A/C is included in portfolio, the balances in these accounts held with the bank will also count towards AUM. Else, Retail banking product balances are not considered for AUM.

All the above measures are computed and reported at different levels of the organizational hierarchy depending on the current RM and unit hierarchy maintenance, i.e. at RM, senior RM, unit head and various other levels of the hierarchy as specified.

The summary view (launched through the AUM sub-menu from the RM login under the My Workspace menu option) shows the AUM across all customers directly handled by the RM for each Instrument Analysis Group as of previous day, and the previous two quarter ends. New Business volumes are displayed for the current month, previous month and YTD. RM can also view these measures classified under the overall portfolio, those managed by RM and those managed by Client separately.

For a user who is a supervisor (with subordinate RMs) or a Unit head, there will be additional links called AUM details and AUM progression provided on the dashboard, as well as the AUM summary screen. As explained above, on clicking of these links, a supervisor RM can see the AUM related information for all his/her direct customers plus the total AUM controlled by each of

the subordinates. A unit head can see the AUM information for all reporting units immediately under the home unit for which he/she is head, as well as other specific units for which he/she has been given data access in the “Employee” maintenance in Admin login.

The AUM figures for each of the direct subordinate RMs will include the AUM for all customers managed by themselves as well as their subordinates down the tree structure. Hence the total will represent the overall AUM managed by the supervisor RM. Similarly the AUM for the immediately subordinate unit will include the AUM of all other units down the tree structure for the same line of business (LOB).

The Backdated AUM Computation feature introduced later in the system automatically re-computes the AUMs if any backdated transaction is entered in the system. The system re-computes the AUMs for all previous months from the date of backdated transaction.

Screen:

OVERALL

	Target	Previous Day Closed	Preceding Quarter 1	Preceding Quarter 2
Assets Under Mgmt				
Balanced Fund	0.00	0.00	0.00	0.00
Collectables Art	0.00	0.00	0.00	0.00
Collectables Jewelry	0.00	0.00	0.00	0.00
Commodity Hard	0.00	249,942.15	0.00	0.00
Commodity Soft	0.00	0.00	0.00	0.00
Corporate Bond	0.00	0.00	0.00	0.00
Corpus Analysis group	0.00	0.00	0.00	0.00
Debt Funds	0.00	0.00	0.00	0.00
Direct Equity	0.00	1,606,424.10	698,374.59	0.00
EQ	0.00	0.00	0.00	0.00
Equity Funds	0.00	0.00	0.00	0.00
Exchange Traded Fund	0.00	0.00	0.00	0.00
FUTURES	0.00	0.00	0.00	0.00
Government Bond	0.00	25,200.00	0.00	0.00
Hedge Funds MF	0.00	0.00	0.00	0.00
Insurance Endowment	0.00	0.00	0.00	0.00
Insurance Unit Linked	0.00	0.00	0.00	0.00
OPTIONS	0.00	0.00	0.00	0.00
Others	0.00	310,000.00	0.00	0.00
Private Equity Structured Product	0.00	66,071.66	54,926.42	0.00

	Target	Current Month	Last Month	YTD
New Investments				
Balanced Fund	0.00	0.00	0.00	0
Collectables Art	0.00	0.00	0.00	0
Collectables Jewelry	0.00	0.00	0.00	0
Commodity Hard	0.00	0.00	260,809.20	510,751
Commodity Soft	0.00	0.00	0.00	0
Corporate Bond	0.00	0.00	0.00	0
Corpus Analysis group	0.00	0.00	0.00	0
Debt Funds	0.00	0.00	0.00	0
Direct Equity	0.00	0.00	69,549.12	974,138
EQ	0.00	0.00	0.00	0
Equity Funds	0.00	0.00	0.00	0
Exchange Traded Fund	0.00	0.00	0.00	0
FUTURES	0.00	0.00	0.00	0
Government Bond	0.00	0.00	24,000.00	24,000
Hedge Funds MF	0.00	0.00	0.00	0
Insurance Endowment	0.00	0.00	0.00	0
Insurance Unit Linked	0.00	0.00	0.00	0
OPTIONS	0.00	0.00	0.00	0
Others	0.00	0.00	0.00	306
Private Equity Structured Product	0.00	0.00	0.00	57,957

Figure 6.4: AUM Screen

Screen Navigation:

After logging in the system as RM select Workspace → AUM

Attribute	Field Validations
-----------	-------------------

COLUMN S	
<i>Assets Under Management</i>	Market Value of holdings in bank currency. Investments in Held away portfolio and core banking product balances that are not part of portfolio will be excluded.
Target	The Target column in this AUM section displays the targets for RM in the form of Assets Under Management (AUM) or revenue The targets for individual RM is captured through file upload.
Previous Day Closed	Displays market value of all securities for previous business day closed.
Preceding Quarter 1	Quarters as defined in the bank master table. Displays Market value of all securities for the preceding Quarter.
Preceding Quarter 2	Quarters as defined in the bank master table. Displays Market value of all securities for previous Quarter closing.
<i>New Investments</i>	Will be displayed in bank currency
Target	The Target column in this New Investments section displays the targets for RM in the form of New Investments. The targets for individual RM is captured through file upload.
Current Month	Value for the current month – till previous business date.
Last Month	Value for the previous month.
YTD	Value for the bank's current financial year –till previous business date.
ROWS	All the orders in open status will not be considered for computing. All the values displayed will be in bank currency.
Instrument Analysis Group	Includes investments in all IAG's across RM managed and Self managed portfolio.
Total	Grand Total

RM managed

- Displays value of holdings for discretionary and RM managed portfolio in bank currency.

Client managed

- Displays value of holdings for self managed portfolio in bank currency. Held Away portfolio will not be included.

Business Validation:

- Except for equity, the net purchase value will be considered for computing the new investment value for all instrument analysis groups.
- The values will be computed during the EOD process.

- The values will be displayed in the bank's currency. Decimals values should be according to the currency master.
- The Total values in 'overall' screen should tally with the sum of values of the 'RM managed' and 'Client managed' screens.

In all reports, the AUM is computed based on RM Home branch (i.e. the AUM for a branch is the total holdings excluding held away of all customers mapped to RMs whose home branch is the selected one).

6.4 **Revenue Summary**

Revenue is the fee paid by fund houses/Asset Management Companies or insurance companies to the brokers/distributors for mobilizing the business. Whenever the relationship manager sells a particular instrument, revenue is earned by the relationship manager. The MTD values are stored as of each End of Day and as of every month end to support progression and time series analysis. These values are stored in the "Bank" currency. Revenue is currently computed on the following instrument types, though the Generic commission structure can support any new instrument type also for Upfront and trail type of commissions:

- Mutual Fund (Upfront, Trail, Incentive, SIP, NFO, Switch/Transfer)
- Structured Product (Upfront on Commitment / Drawdown)
- Portfolio Management Schemes (Upfront , Trail)
- Insurance (yearly commissions on premium amounts paid)

Revenue computation is considered across all portfolios EXCLUDING the held away portfolios maintained by the customer that were not transacted through the bank.

There is a separated section for commission on pending orders, which displays the commission for the orders which are still to be fulfilled (in cases of NFO, PMS and SP wherein there could be considerable time gap between placement of order and its fulfillment).

The summary view (launched from Revenue submenu in the RM login under the My Workspace menu option) shows the revenue earned across all customers directly handled by the RM for each Instrument Analysis Group - both MTD (month to previous business date), and YTD values. The transaction (upfront) and trail commission are displayed separately.

For a user who is a supervisor or a Unit head, there will be additional links called Commission details and commission progression provided on the dashboard, as well as the Revenue summary screen. On clicking of these links, a supervisor RM can see the revenue related information for all his/her direct customers plus the total commission earned by each of the subordinates. A unit head can see the commission information for all reporting units immediately under the home unit for which he/she is head, as well as other specific units for which he/she has been given data access in the "Banker" maintenance in Admin login.

The revenue figures for each of the direct subordinate RMs will include the commission for all customers managed by themselves as well as their subordinates down the tree structure. Hence the total will represent the overall revenue earned by the supervisor RM. Similarly the revenue for

the immediately subordinate unit will include the revenue of all other units down the tree structure for the same line of business (LOB)

Role:

RM – The option of viewing the details is available only through the RM login.

Screen:

Revenue on Booked Transactions

Instrument Group	This Month (MTD)				YTD			
	Upfront	Trail/Spread-Accrued	Fees	Total	Upfront	Trail/Spread-Accrued	Fees	Total
Debt Funds	0.00	0.00	0.00	0.00	0.00	1.36	0.00	1.36
Hedge Funds MF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FUTURES	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Real Estate Investment Trust	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Commodity Hard	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EQ	0.00	0.00	0.00	0.00	0.00	16.09	0.00	16.09
Others	0.00	0.00	0.00	0.00	0.00	0.00	12,276.35	12,276.35
Direct Equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Corporate Bond	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Equity Funds	0.00	0.00	0.00	0.00	0.00	0.00	17,415.11	17,415.11

Estimated Commission on Pending Orders

Order Types	Current Month	Previous Month
NFO	0.00	0.00
PMS	0.00	0.00
SP & Alternatives	0.00	0.00

Figure 6.5: Commission On Booked Transaction Screen

Screen Navigation:

After logging in the system as RM, select Workspace → Revenue.

6.5 Rules for calculating commission

Different schemes pay different types of commission. It is also dependent on the way of investing like lump-sum purchase, SIP, STP, etc. The rules applicable for the commission payable have to be stored in the system. Following are the parameters on which the commission calculation depends. All these criteria have to be considered at the time of storing the commission calculation rules.

1. Types of Commission

- **Upfront:** This type of commission is calculated upfront as a percentage of the amount of purchase.

- **Trail:** This type of commission is calculated on the amount that remains invested with the fund house over the period for which trail is being calculated.
- Payment structure of a scheme is a mix of both these types also.

2. Method of Calculation

- **Gross:** It means that the commission is calculated on the amount of investment without deducting the entry load.
- **Net:** It means that the commission is calculated on the amount of investment after deducting the entry load (i.e. investment – entry load).

3. Type of investment

- Lump-sum Purchase:
- Systematic Investment Plan (SIP):
- Systematic Transfer Plan – (STP) (Switch in or Switch out):
- Dividend Reinvest (DR)
- Dividend Payout (DP)
- Redemption, Repurchase, Systematic Withdrawal Plan

Table: Applicability of commission on different transaction

	Tran Type	Upfront	Trail
1.	Purchase	Yes	Yes
2.	Redemption	N.A	N.A
3.	SIP	Yes	Yes
4.	SWP	N.A	N.A
5.	Systematic Transfer Plan (Switch In)	Yes .	Yes - based on the new Fund investment is being switched into.
6.	Dividend Payout (DP)	N.A	N.A
7.	Dividend Reinvestment (DR)	Current Fee structure applicable	Current Fee structure applicable

4. **Time of Investment:** brokerage / commission structure followed for a scheme may vary from time to time. Apart from permanent changes to the structure this could also be to provide incentive to the brokers to promote some specific schemes.
5. **Amount of investment:** The commission payable on a transaction may also vary with amount of the transaction.

Table: Commission based on Amount and Time of Investment

Time of Inv. →	Before	On or after
Application Amount ↴	01-04-2007	1-04-2007
< 1 lac	1.00%	1.5%
> 1 lac	1.25%	1.75%

6. Notes

- Claw back calculation is to be done if any SIP is cancelled for which Payout has been done upfront i.e. if for the SIP commission was paid upfront for the whole tenure of the SIP.
- If the commission structure for any scheme is rectified by an AMC for a past date, then the system will not recalculate the commissions for the same. This discrepancy will be reflected during the Reconciliation process. Though going forward the new structure will be used for calculating the commissions.

Steps involved in Upfront Commission Calculation

1. At the End of Day, get a list of all the “BUY” (Purchase, Systematic Investment Plan, Dividend Payout and Systematic transfer Plan - switch in) transactions for instrument type Mutual Fund.
2. For each transaction, find out the relevant rule applicable from the system as maintained in the MF Commissions Reference Data. The following points will be considered:
 - a. Check the commission type for upfront - Gross or Net
 - b. Check the appropriate rate based on the amount Slab
 - c. In case of SIPs if commission is paid upfront for the duration of SIP, the system needs to store this after paying upfront so that it doesn't calculate the commission on any subsequent installments.
 - d. When the transaction is uploaded for Switch/Transfer and there is an order match, FCPB charges commission (% same as Upfront commission) only on the Switched-in leg, based on the Upfront rate maintained for the instrument in the Switch in leg. Like upfront commission, this commission amount is calculated and stored in the commission field.
3. At the End of Month, calculate the sum of upfront fees earned in the month at the following level for every month and store it for reconciliation.

- a. Customer ID
- b. Portfolio ID
- c. Instrument ID
- d. Folio ID
- e. Banker ID

4. Example

The following transactions are done in the month of Jan 08:

Txn Date	Units	NAV	Amount	Txn Type	Folio	Tenure
12 Jan 08	1000	10	10000	Buy	1	-
18 Jan 08	1500	12	18000	Buy	1	-
21 Jan 08	-	-	1000	SIP	2	12 months

Upfront Fee Structure

Folio 1 – Gross flag

Date Range	Amount	Entry Load	Upfront
1 Jan 08 to 31 Jan 08	> 1 lac	1.5%	1.5%
1 Jan 08 to 31 Jan 08	1 lac – 25 lac	0.75%	0.75%

Folio 2 – Net flag, Payout

Date Range	Amount	Entry Load	Upfront
1 Jan 08 to 31 Mar 08	> 1 lac	1.5%	2 %
1 Jan 08 to 31 Mar 08	1 lac – 25 lac	0.75%	0.75%

The upfront calculation for Folio 1 will be:

$$\begin{aligned}
 \text{Upfront Commission} &= (10000 * 1.5/100) + (18000 * 1.5/100) \\
 &= 2.25 + 4.05 \\
 &= 6.3
 \end{aligned}$$

The upfront calculation for Folio2 will be:

Total investment amount (Gross) = $1000 \times 12 = 12000$

Net Investment amount = $12000 - (12000 \times 1.5/100) = 11820$

Upfront Commission = $11820 \times 2/100 = 236.4$

5. **Back dated Transactions:** If a transaction is backdated, then the fees will be paid based on the posted date. For e.g. a transaction was made on 10th Jan 08 as follows:

Txn Date	Units	NAV	Upfront
10/1/08	100	10	2.25%

But the transaction was posted on 2nd Feb 2008 with the following details:

Txn Date	Units	NAV	Upfront	Post Date
10/1/08	100	10	2.25%	2/2/08

Then the commission will be calculated as follows:

- a. Upfront fee will be calculated as per prevailing rules as on 10/1/08
- b. If the transaction being modified pertains to a previous month, the commission value stored at the previous month's EoM will not be altered and the commission value for current month will be updated so as to reflect the change over the previous months also.
- c. For any reconciliation purpose with commissions actually paid by the Fund house, the commission for this transaction would be considered for the Feb month.

Steps involved in Trail Commission Calculation

Trail fee will be calculated on daily accrual basis at EOD on the remaining quantity of the MF balance for each Buy transaction only (except in case of back-dated sell transactions described later)

At EOD:

1. Pick valid rules

- a. Commission Type = 'Trail'

- b.** The commission will be computed as per the rules prevailing as on the date of the buy transaction
2. Calculate the daily trail fees as
- $$\text{Trail fee} = (\text{Unit balance} \times \text{Daily NAV} \times \text{Trail fee Commission \%}) \times 1 / 365$$
- It will be divided by 366 if it's a leap year.
3. Add the daily trail fees calculated to the Trail fee accrued MTD figure for each buy transaction.
4. Trail fee is calculated for weekends and holidays also, so the NAV of previous business date will be applied if the current date is a holiday/weekend. Since EOD will be run only on business days, the system should include the number of days until the next business day also in computing the day's trail, provided a calendar month-end date is not crossed in the process. On the last business day of the month, the trail will be computed in 2 parts - first only up to and including the last calendar date of the month, which will be added to the MTD figure of current month and stored as part of EOM process. And another from the 1st calendar date of next month until the day before the 1st working date of the next month. This 2nd amount will be stored in the MTD column for the transaction. For example on 21st March 08, a Friday, the system will compute for 3 days to include the weekend holidays of Saturday and Sunday while computing the Trail. However if for example, last working day of March is say 28th and the 1st working day of April is 3rd, first commission will be computed for 4 days from 28th to 31st, and added to the MTD figure for the transaction. This total figure will then be stored as the March month figure. Another computation would be done for 2 days for April 1st and 2nd and the amount stored as MTD for April. In other words, commission would be computed always on a forward basis to take care of holidays and month-ends.
5. If no applicable trail commission rule is defined for the transaction buy date, then the system will not calculate fees for that transaction giving appropriate details as part of the EOD log.

The actual EOM processing will depend on how we are going to take the Reconciliation forward.

Example of Trail Computation

For the same folio:

Date	No. of Units	Txn	Trail Fee (p.a)	Avg NAV
10th Jan 07	100	Buy	0.3%	10
10th Feb 07	100	Buy	0.5%	10
31st Dec 07	125	Sell	0.5%	10

Trail Fee Structure

Period	Trail Fee %
1 Jan – 5 Feb	0.3%

6 Feb – 31 Dec	0.5%
----------------	------

1. At the end of Jan 07, trail fee will be $100 \times 10 \times 0.3\%$ for 21 days
2. At the end of Feb 07, trail fee will be,
 - a. 1st Purchase - $100 \times 10 \times 0.3\%$ - for 28 days
 - b. 2nd Purchase - $100 \times 10 \times 0.5\%$ for 18 days
3. From Mar 07 – Nov 07, it will be the same as above (no. of days depending on the month)
4. For Dec, trail fee will be
 - c. 1st Purchase - $100 \times 10 \times 0.3\%$ - for 30 days
 - d. 2nd Purchase - $100 \times 10 \times 0.5\%$ for 30 days
 - e. For 31st - $75 \times 10 \times 0.5\%$ for 1 day

Effect of Backdated Transactions on trail computation:

In case a buy transaction is posted with a back value date, the impact of this since inception will be considered only in the month the transaction was posted. However the applicable rule for commission processing will be based on that prevailing as on Transaction Date. In case a sell transaction is posted with back value, the impact of this as a negative amount from date of sale till date of posting will be computed to offset the erroneous excess trail commission already computed and received till previous month. The commission rule to be applied for this would be the one as on date of Sale – this is only an approximation since identifying the buy transactions that were offset by this sale as per FIFO and proportionately computing commission based on the respective buy dates would be complex and not worth the effort.

Also only those transactions with back dated status as Y and status A (Active) would be considered.

In the above example, suppose on 31 Dec there was another sale transaction as below:

Value Date: 15 Nov 07

No. of units : 50, say average NAV for the period from 15 Nov till 31 Dec is 10, then for the Dec Commission computation, a negative amount equal to $-50 \times 47 \text{ days} \times 0.5\% / 365$ would be added to the computation of commission for December as explained in the previous section.

Handling Delete and Modify transactions

1. **Reversal/Modifications affecting Upfront Commission calculation:**

- a. In case of a modification of a transaction e.g. BUY 100 which is to be modified to BUY 50. In this scenario, the system generates 2 transactions one the reversal of the BUY 100 which would be a SELL 100 with status as V (Reversal) and the new transaction BUY 50 with status as A (Active). The status of the original BUY will be changed to M (Modified). The commissions processor will take the original BUY 100 upfront commission value and for that S 100 update the same upfront commission as a negated value As usual, the new BUY 50 will have its commission calculated and inserted into PMS_TRANSACTION and aggregated at EOM
- b. In case of a reversal of a transaction e.g. BUY 100 which is to be deleted, the system generates only 1 transaction which would be an SELL 100 with status as V (Reversal) and the original transaction with status as D (Deleted). The Commissions processor will take the original BUY 100 upfront commission value and for that SELL 100 update the same upfront commission as a negated value

2. **Reversal/Modifications affecting Trail Commission calculation:**

- a. In case of a modification of a transaction e.g. BUY 100 which is to be modified to BUY 50, the system generates 2 transactions one the reversal of the BUY 100 which would be a SELL 100 with status as V (Reversal) and the new transaction BUY 50 with status as A (Active) and the status of the original BUY will be changed to M (Modified). The commissions processor will take the original B 100, retrieve all the records for that transaction id, sum up the calculated FCPBS value and the RTA trail value and post a compensating record i.e. the same trail as a negated value with the transaction id as the reversal transaction id. At EOD, trail would be calculated for the new transaction i.e. BUY 50
 - b. In case of a reversal of a transaction e.g. BUY 100 which is to be deleted, the system generates only 1 transaction which would be an SELL 100 with status as V (Reversal) and the original transaction with status as D (Deleted). The Commissions processor will take the original BUY 100, retrieve all the records for that transaction id, sum up the calculated FCPBS value and the RTA trail value and post a compensating record i.e. the same trail as a negated value with the transaction id as the reversal transaction id.
3. **NOTE:** If the transactions being modified pertain to the previous months, the commission values stored at EOM for the previous months will not be altered and only the commission

value MTD for current month will be updated to reflect the change over the previous months also. At EoM only the Buy transactions with status as A (Active) will be processed.

NFO Commission

New Fund Offer: When a mutual fund offers units of any of its schemes to the public for the first time, it is known as a New Fund Offer. Normally initial offer to subscribe in to new scheme is Open for “X” number of days. Once this scheme gets listed after the closure of Initial offer period, it converts into an Open/ Close ended scheme.

Steps involved in NFO Commission Calculation:

- Identify the transaction as NFO at Order level for instrument type MF
- Compute the NFO commission for all MF orders of type “NFO” with order status “Open” and store it in order book
- Only upfront commission will be calculated for NFO, NFO commission structure will be maintained in Commission table, similar to upfront commission structure
- Once order status changes to executed and receives a transaction, upfront commission will be again calculated and stored in transaction table under commission column- the commission computation would be using the NFO commission structure, based on identifying the transaction as an NFO allotment. This identifier will also be present in the Transaction files received from RTA's.
- Need to add another column in transaction table – NFO commission where only those transaction which are of transaction type NFO and commission for these transaction was computed in order book (to be matched by Order ID), value will be picked from order book and populated in this column
- RM login -> Workspace -> Commission, now should display two boxes, first one will display commissions earned on transaction and heading should say “Commissions on booked transactions”, system is already supporting it and another box (new functionality) with a heading - “Estimated Commission on pending orders” and in this we will display NFO commission, stored in order book for all the orders with status “Open/Sent/Ordered” but booked in the current month and in the previous month

Handling Delete and Modify transactions

Reversal/Modifications affecting NFO Commission calculation:

1. Incase of a modification of an order e.g. BUY 100 which are to be modified to BUY 50. In this scenario, the commission processor will recompute the NFO commission and overwrite the earlier value for the same order id.
2. Incase of a reversal of an order e.g. BUY 100 which are to be deleted; the commission processor will update the NFO commission as zero for the same order id.

6.6 Reports

The system will provide for on-demand and also end-of-day batch report generation. Reports can be generated for a date or for a historical range, applying various filters, in PDF and excel format, as applicable.

6.6.1 Customer Reports

Apart from providing on-screen views and analysis, FLEXCUBE Private Banking also generates industry standard reports covering the customer's individual portfolio and also household portfolio. Summary reports showing the overall Net-worth, Holdings, exposure analyses and returns as well as detailed reports covering in addition to the above, the details of transactions, corporate actions and tax classification of gains for a defined date range are also provided.

Transaction reports will give provide details of transactions under each portfolio for various user defined criteria.

Following are the formats of the list of reports available at individual level (similar reports at household level will also be generated):

- Summary Portfolio Report



- Detailed Portfolio Report



- Transaction Report

Worksheet in D: Releases Rel 12.0 FS Prepared Transaction Report FCPB_FS_Transaction Report Rel 3.1.docx (Compatibility M... M - X

Home Insert Page Layout Formulas Data Review View

Paste Font Alignment Number Styles Cells Editing

A1 Trades Activity Report as on (CBD)

Trades Activity Report as on (CBD)																
Trades Entered between 01/Jan/2008 and 01/Apr/2008																
Transaction Date	Transaction ID	Unit	Customer Number	Customer Name	Portfolio	Instrument Type	Instrument Name	Instrument CCY	Folio / Account No.	Transaction Type	Quantity	Unit Price	Transaction Amount	Fee Amount	Transaction Tax	STT
1/1/2011	24634	Head Office	1050	Maresh Shah		EQ	Google	INR	1287645886	Buy	200	100	20000	200	2	20
1/1/2011	24633	Head Office	10989	Namita Sen		EQ	Timken	USD	1287645	Buy	100	500	50000	500	1	50
Total no. of records:																2

EnteredTrades Retrieval Logic

Ready 79%

- Detailed Historic Portfolio



Detailed Historic
Portfolio Report

- Cash Flow



CashFlow Report

- Holding Period



Holding Period

- Compliance Report



6.6.2 AUM Reports

Following reports are available for both RM login as well as Ops login. Sample reports of the same have been enclosed for reference.

- AUM Progression report
- AUM report by Unit/RM
- AUM report by Customer
- AUM Progression by Customer
- AUM report by Unit Hierarchy



AUM Report by
Customer.xls



AUM Progression by
Customer.xls



AUM Progression by
Unit.xls.xls



AUM_ByUnitHierarch
y.xls

6.6.3 Deviation Reports

Following reports are available under deviation reports.

- Deviation from Approved Instrument
- Deviation from Recommended Instrument
- Deviation from Model Asset Allocation
- Deviation from Model Portfolio Instruments

Sample reports are enclosed herein:



Model_portfolio_Devi
ation.pdf



ReccommendedInstr
ument_Deviation.pdf



AssetAllocDeviationR
eport.pdf

6.6.4 CRM Reports

Following reports are available under CRM reports

- Review date past due report
- Next review date report
- Customer search based on investment in a particular industry

- Customer search by Hobby/Interest
- Customer search by Instrument amount
- Customers not logged in for 'X' no. of days

Sample reports / screenshots are included herein.



CustomerInstrument
Exposure.xls



Customer Exposure
Industry.xls



Next Review
Date.xls



Review Date past
due.xls

6.6.5 **Capital Gains Report**

The Capital Gains report displays the capital gains for the selected customer in the selected time period. The default report displays the net capital gain for each instrument.

If the customer selects the appropriate options to view the desired details then the capital gains for each transaction is displayed in below the summary in chronological order.



Adobe Acrobat
Document

6.6.6 **Admin Login Reports**

- User activity reports
- Blocked and Suspended Users
- Audit Reports

Sample reports are enclosed herein



BlockedSuspendedUs
erReport.xls



User_Creation_Modif
ication.pdf



Auditreports.pdf

6.6.7 **Archived Reports**

The Archived Reports can be viewed through Reports menu of both RM and Customer login. The Financial Planning and customer reports are available through RM login and the Portfolio Reports are available through customer login.

The archived financial planning reports will be available only if the Archive FP Report field is set to Yes in FP Related tab of Bank Parameters Master. If the field is set to No, then no archived reports will be available.

Sample report is enclosed herein.



FP - Archived
Report



If you select any other preferred language, menu items for Reports will be shown in corresponding preferred language.



RM User Manual

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