Collateralized_Liabilities

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# 1. Preface

## 1.1 Introduction

The objective of the current user manual is to clearly describe functions which are part of the Collateralized Liabilities Module. This module offers servicing capabilities for the following products:

- Loan Sanction
- Disbursement and Repayment
- Loans Order Management
- Pledges
- Collateral Management and Monitoring Products

## 1.2 Scope

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

## 1.3 Audience

The potential readers of this document include but not limited to

1. The Relationship Manager 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

## 1.4 Documentation Accessibility

For information about Oracle's commitment to accessibility, visit the Oracle Accessibility Program website at http://www.oracle.com/pls/topic/lookup?ctx=acc&id=docacc.

## 1.5 Organization of the Document

The Manual is organized into the following 2 chapters:

| | |
|---|---|
| **Chapter 1** | **Introduction** – Helps the user to understand the purpose and scope of the document. |
| **Chapter 2** | **Loans and Pledges** – Helps the user to understand the loans and pledges. |

## 1.6 Conventions Used

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

| **Text** | **Description** |
|---|---|
| Example | Illustration of the concept |

| Text | Description |
|---|---|
| Bold Letters | Command buttons or important text<br>The command button titles appear as they appear on the screen. |

# 2. 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.

## 2.1 Loans Sanction

**User Access Levels:**

**RM:** The person designated as Relationship Manager of the system can access the Loan Sanction screen.

**Screen:**

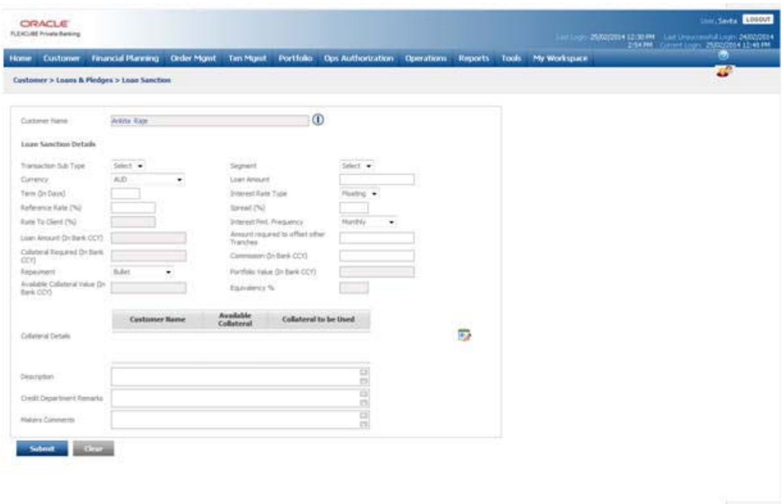

*Figure 2.1: Loan Sanction Screen*

**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 |

| Field | Description | Mandatory (Y/N) |
|---|---|---|
| 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 |

| Field | Description | Mandatory (Y/N) |
|---|---|---|
| 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.

**Screen:**

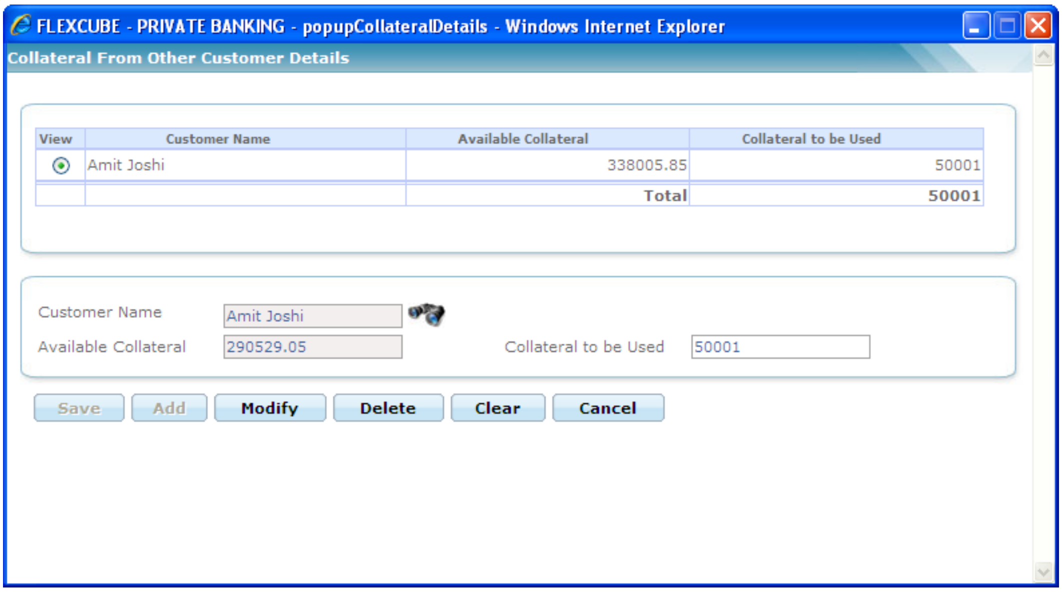


***Figure 2.2: Collateral Details Window***

## 2.2 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:**

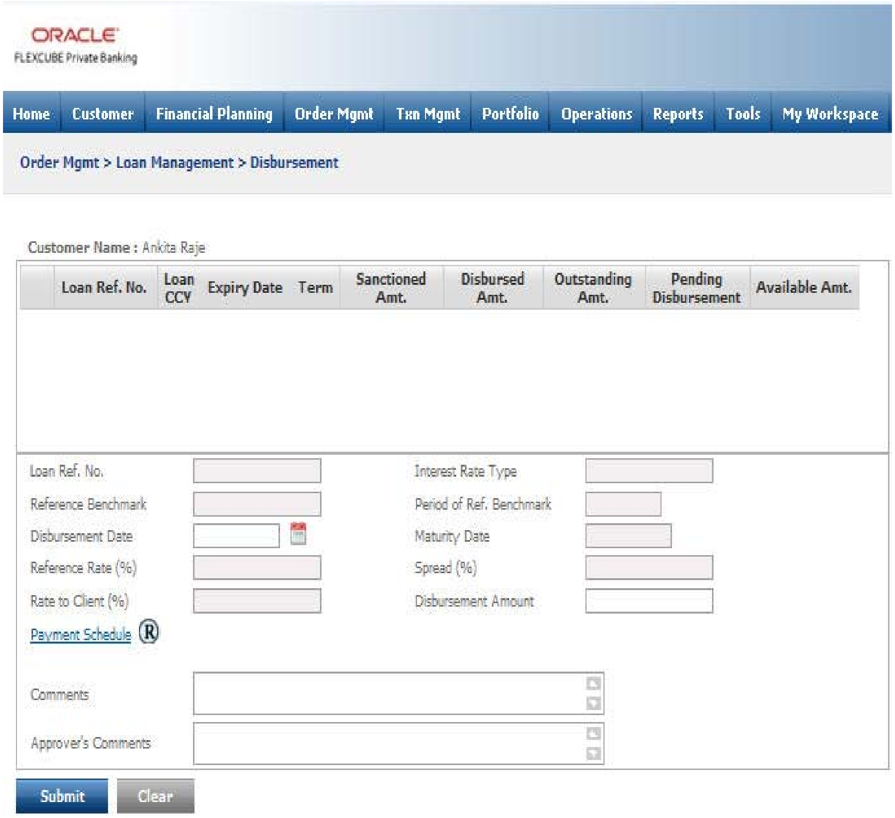


***Figure 2.3: Disbursement Screen***

**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 Dis-bursement | Displays the total pending disbursement amount | Y |

| Field | Description | Mandatory |
|---|---|---|
| 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:**


| 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 | | |

***Figure 2.4: Payment Schedule Window***

**Screen Navigation:**

After logging in the system select Loan Management → Disbursement → Click on the Payment Schedule hyperlink

## 2.3 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:**

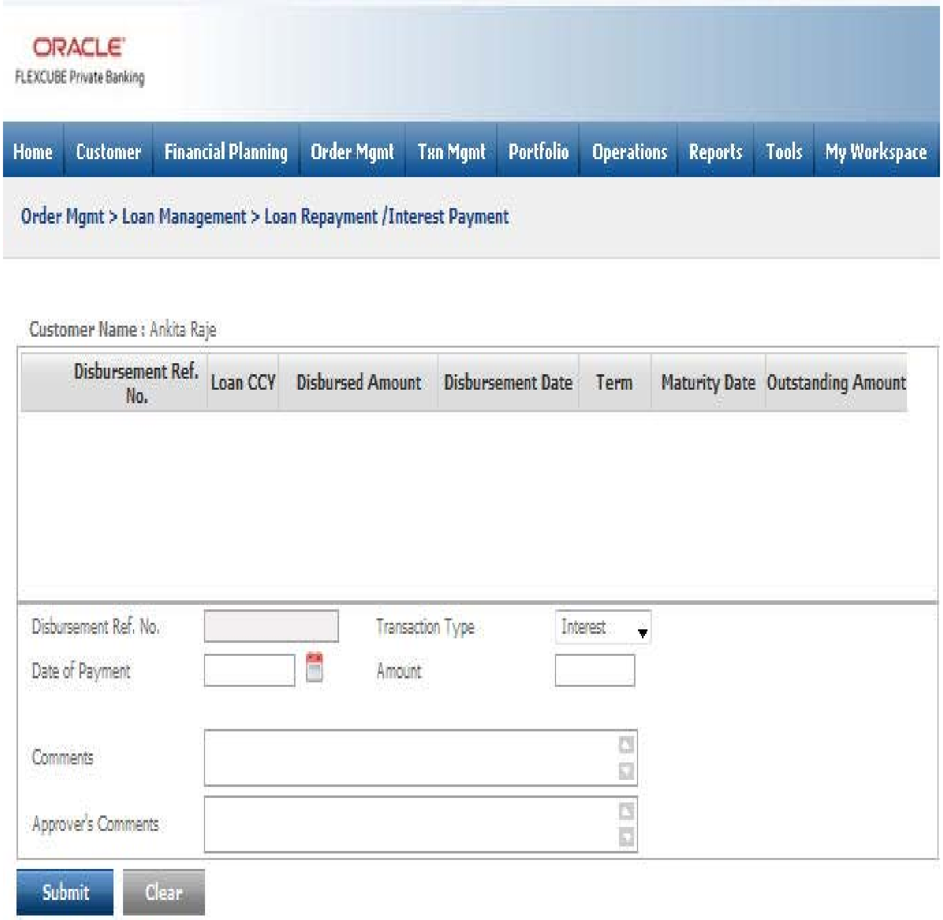


***Figure 2.5: Loan Repayment / Interest Payment Window***

**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 |

| Field | Description | Mandatory |
|---|---|---|
| **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 |

## 2.4 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:**

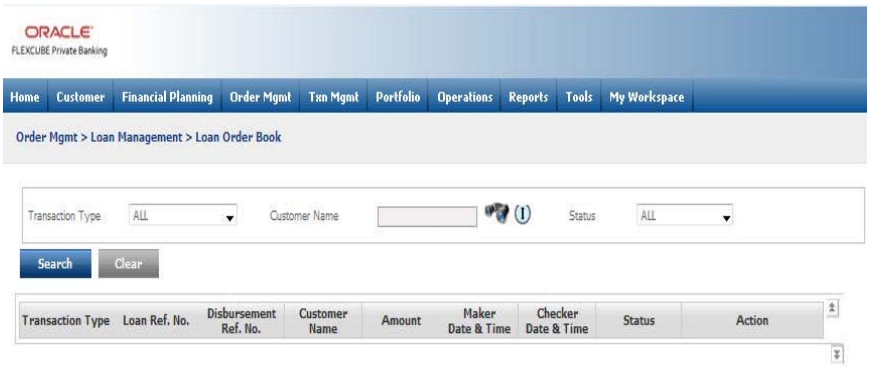


***Figure 2.6: Loan Order Book Screen***

**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** | | |

| Field | Description | Mandatory |
|---|---|---|
| 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 | |

**Note**

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 Loan Order Book Authorize Screen

### Description:

This screen is used authorize or approve a loan transaction for repayment, interest payment or disbursement

### User Access Level:

**RM:** The person designated as relationship manager of the system can access the Loan Order Book Authorise screen.

**Screen:**

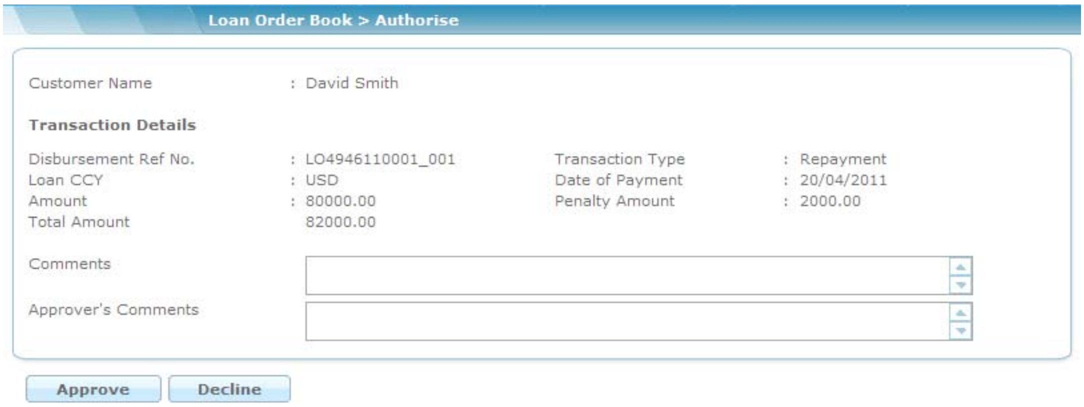


***Figure 2.7: Loan Order Book Authorize Screen***

**Screen Navigation:**

After logging in the system as RM, select Order management->Loan Management-> Loan Order Book and select a record with Action as 'Authorize'.

The fields in this screen have been briefly described below.

| **Field** | **Description** | **Mandatory** |
|---|---|---|
| Approver's Comments | Comments from the Authorizer | Y |

**Note**

Authoriser can click on ‘Decline’ button to reject the loan transaction; it changes the status of the loan from Unauthorized to Reject and the maker has the option to modify the same. Approver enters his comments, in case of decline.

## 2.6 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:**

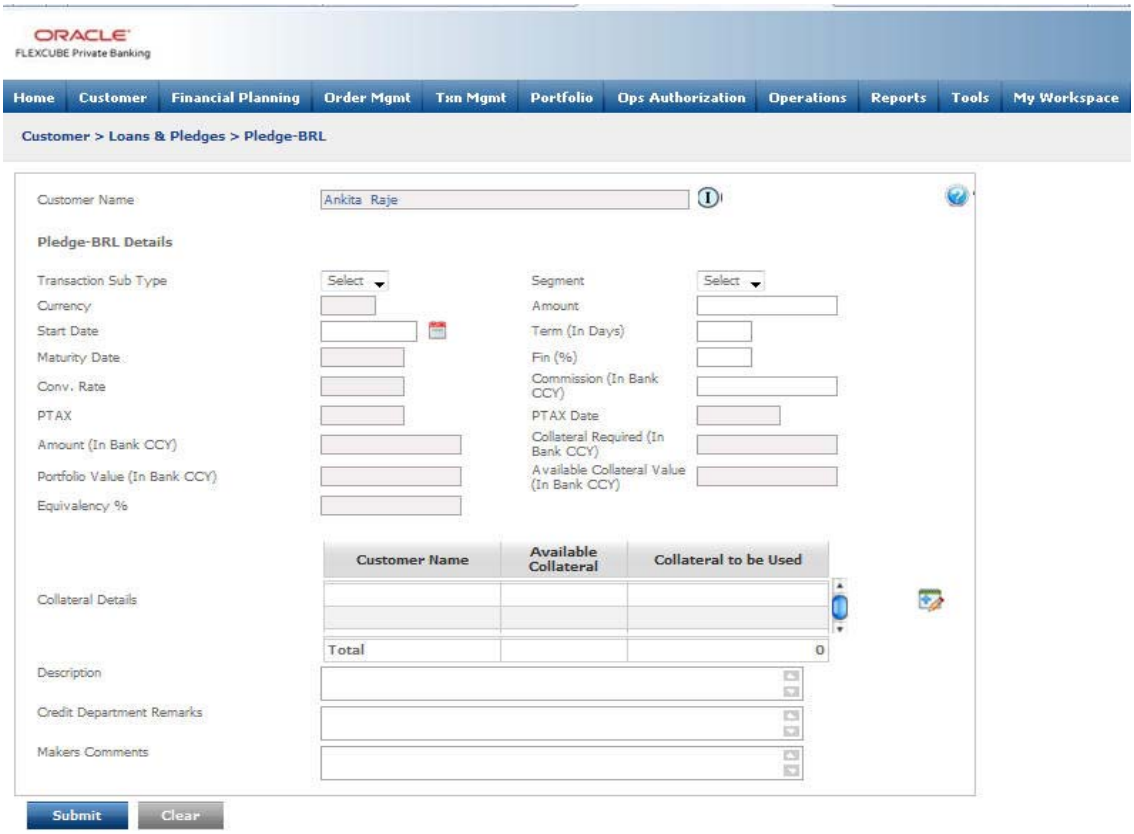


***Figure 2.8: Pledge – BRL Screen***

**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 |

| Field | Description | Mandatory (Y/N) |
|---|---|---|
| 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 | |

## 2.7 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:**

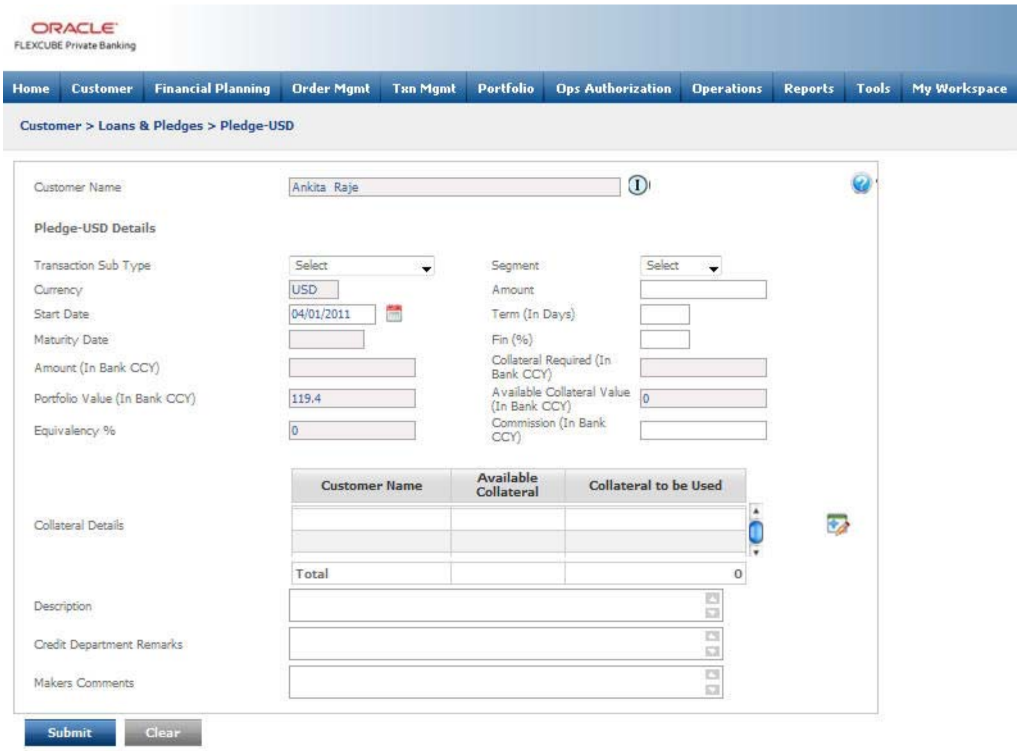


*__Figure 2.9: Pledge – USD Screen__*

**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.

## 2.8 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:**

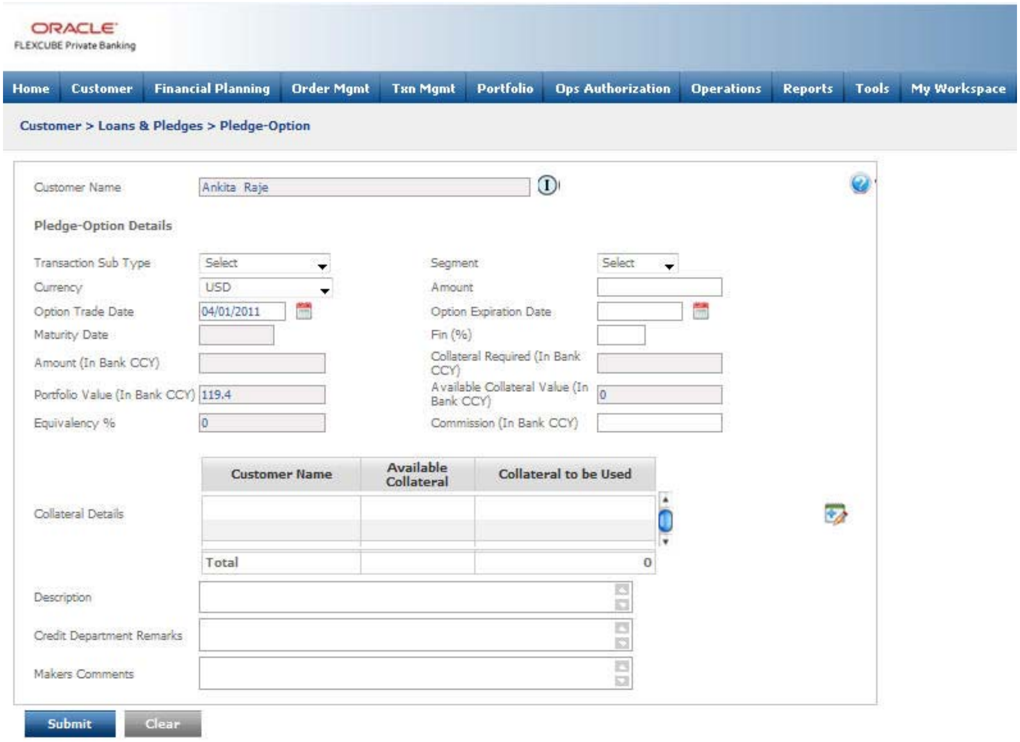


***Figure 2.10: Pledge – Option Screen***

**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 |

## 2.9 Loans and Pledges Book

### Description:

This screen will be used to view/modify/Cancel/Authorize/Acknowledge the loan/pledge requests.

### User Access Level:

**RM:** The person designated as relationship manager of the system can access the Loans & Pledges Book screen.

**Screen:**

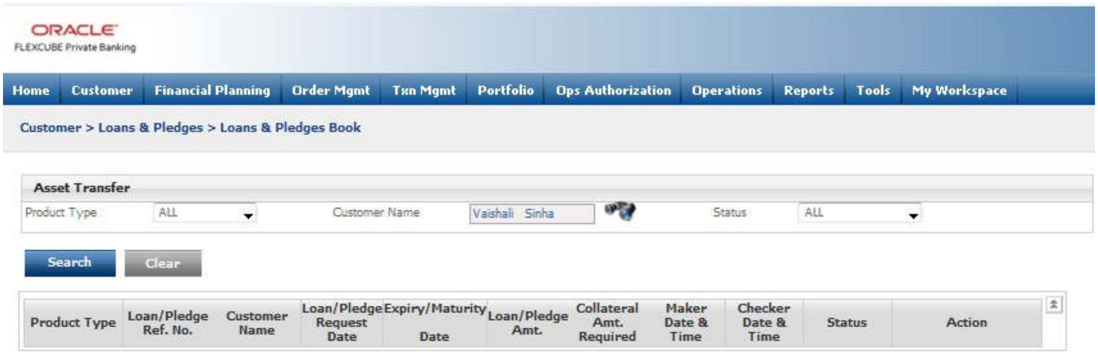


***Figure 2.11: Loan and Pledge Book Screen***

**Screen Navigation:**

After logging to the system as RM, select Customer > Loans & Pledges > Loans & Pledges Book

The fields in this screen have been briefly described below.

| **Field** | **Description** |
|---|---|
| Loan/Pledge Ref. No. | Loan/Pledge Ref. No. as generated by the system |
| Customer Name | Customer Name for the record |
| Loan/Pledge Request Date | Loan/Pledge Request date |
| Maturity<br>Date | Maturity<br>Date for Pledge and Expiry date for Loan records |
| Loan/Pledge Amt. | Loan/Pledge Amt. |
| Collateral Amt. Required | Collateral Amt. Required |
| Maker Date & Time | Maker Date & Time |

| Field | Description |
|---|---|
| Checker Date & Time | Checker Date & Time |
| Status | Status |
| Action | Group of actions which can be performed on a Loan request. |

**Rules for this screen**:

1. This screen is available for modification, till the time any request is not acknowledged by the approving authority. Once acknowledged, the screen is not available for modification.
2. If the approving user declines the same, the screen is available again for modification.
3. Approval can not be done, till it is acknowledged.
4. After the user has acknowledged the request, approval hyperlink is enabled.
5. Availability of various links (View/Modify/Cancel/Authorize) is based on setup for the user in the Liability Product Access Control.
6. Maker of the Loan/Pledge-BRL/Pledge-USD/Pledge-Option is not allowed to Acknowledge or Authorize the same record

## 2.10 Loans and Pledges Book Authorise Screens

**Description:**

These screens is used to authorize or approve a loan sanction request or pledge request from the customer.

**RM:** The person designated as relationship manager of the system can access the Loan and Pledge Book Authorise screen.

**Screen:**

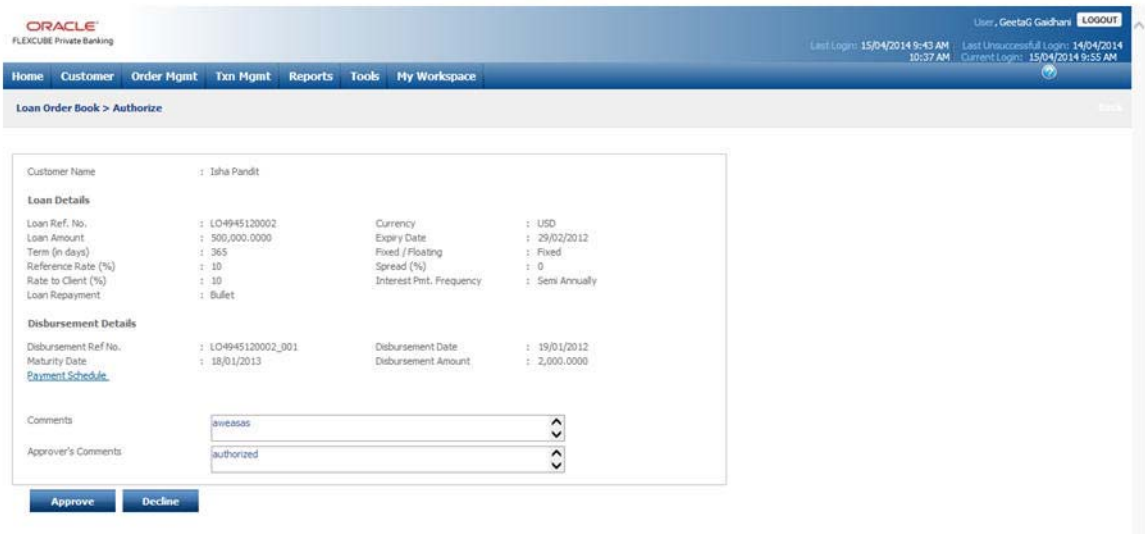


***Figure 2.12: Loan Authorize Screen***

**Screen:**

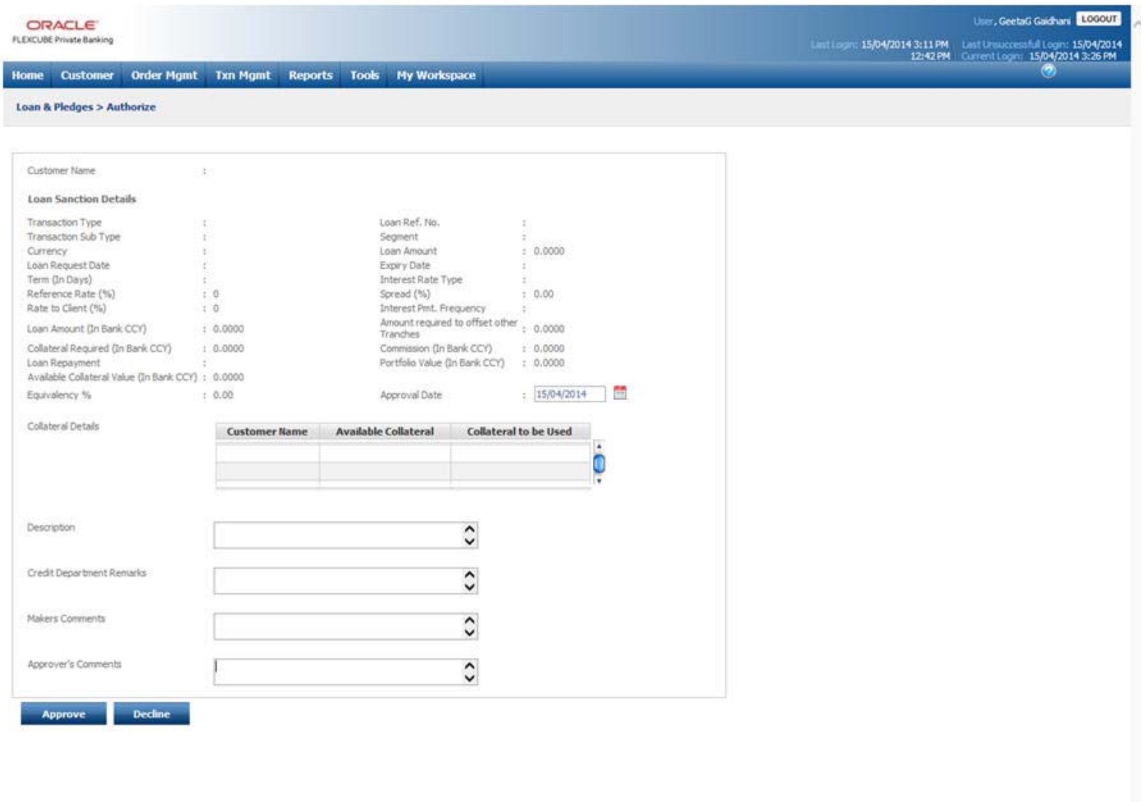


*Figure 2.13: Pledge - Authorize Screen*

**Screen Navigation:**

Login to the system as RM login and select Customer->Loans & Pledges->Loans and PledgesBook and select a record with Action as 'Authorize'

**Rules for Loan / Pledge Book Authorization Screen**

1. Loan Authorize screen is used for authorising the loan sanction request. This screen is completely read only screen except, the approval date and approver’s comments.
2. For authorizing the loan sanction request, authorizer enters the approval date. Once the user clicks on approve button, system computes the expiry date for the loan sanction as approval date + 30 (These 30 days are maintained in the config file and can be changed as per bank’s requirement) and are stored in the database. If the expiry date computed and results into a system holiday, then it should be moved forward to next business date.
3. Authoriser can click on ‘Reject’ button to reject the loan sanction request. Status of the loan is changed from unauthorized to reject and the maker has the option to modify the same.
4. In case of Pledge Requests (Pledge-BRL, Pledge-USD, Pledge-Option), the authorization screens are completely read only screen except approver’s comments which is a mandatory field. Approver can approve the request or decline the request.

## 2.11 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:**

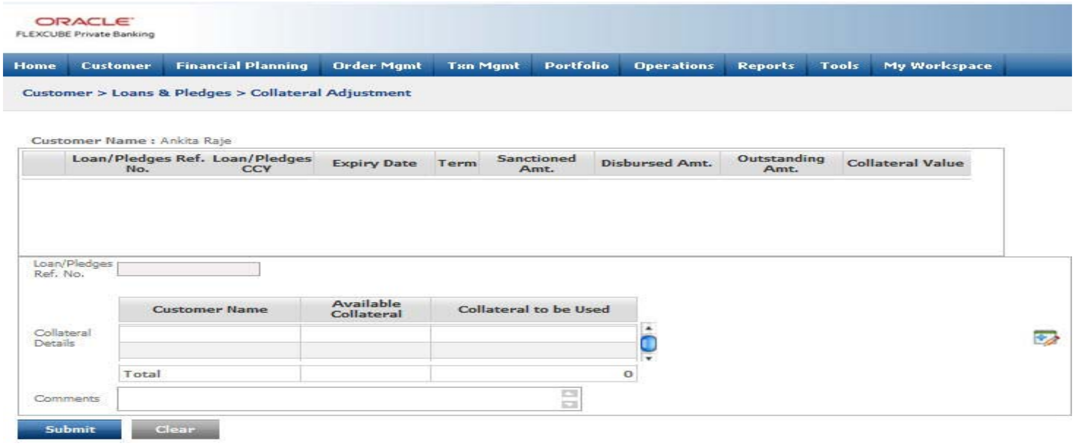


***Figure 2.14: Collateral Adjustment***

**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 |

Collateralized Liabilities
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Oracle Financial Services Software Limited

Oracle Park

Off Western Express Highway
Goregaon (East)
Mumbai, Maharashtra 400 063
India
Worldwide Inquiries:
Phone: +91 22 6718 3000
Fax:+91 22 6718 3001
www.oracle.com/financialservices/