OFS Price Creation and Discovery Cloud Service

Service Administration Guide

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OFS Price Creation and Discovery Cloud Service

Document Control

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1 Preface

Oracle Financial Services Pricing Management application is renamed to Oracle Financial Services Price Creation and Discovery.

Oracle Financial Services Price Creation and Discovery (OFS PCD) application user guide explains the concepts of the Price Creation and Discovery and provides step-by-step instructions for navigating through the application.

This chapter discusses the following topics:

- Audience
- Documentation Accessibility
- Related Documents
- Conventions
- Acronyms

1.1 Audience

The target audience for this product is the globally active commercial and retail banks which provide either asset or liability products or related services to either retail or institutional customers. Banks looking forward to establish a relationship with the customer by meeting their needs of banking products and services; the focus of the bank here is profitability of the customer which is driven by the rate offered by the bank. Banks which are keen to provide customized deals to customers based on customer attributes. Audience within the bank includes CDO, CIO, CRO, Treasury, Product and LoB heads.

The target audience to this guide is the different roles within the bank that are involved in setting up/ configuring of the product and daily users. It is targeted towards the Administrators, Analysts, Implementation partners, Relationship Managers & Product Managers.

1.2 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.

Access to Oracle Support

Oracle customers have access to electronic support through My Oracle Support. For information, visit http://www.oracle.com/pls/topic/lookup?ctx=acc&id=info or visit http://www.oracle.com/pls/topic/lookup?ctx=acc&id=trs if you are hearing impaired.

1.3 Related Documents

This section identifies additional documents related to Pricing Management Application. You can access Oracle documentation online from OTN:

- Price Creation and Discovery Configuration and Installation Guide.

1.4   Conventions

The following text conventions are used in this document:

Conventions	Meaning
boldface	**Boldface type indicates graphical user interface elements associated with an action, or terms defined in text or the glossary.**
italic	Italic type indicates book titles, emphasis, or placeholder variables for which you supply particular values.
monospace	Monospace type indicates commands within a paragraph, URLs, code in examples, text that appears on the screen, or text that you enter.

1.5   Acronyms

The following acronyms are used in this document:

Acronym	Description
TP	**Transfer Pricing**
Expenses/ Cost	Total value of indirect costs like loan servicing costs, employee salaries that is allocated to a product
Fee Income	Income generated by a product based on the fees charged
NII	Net Interest Income
RAPM	Risk Adjusted Performance Measures
RAROC	Risk Adjusted Return on Capital
NIM	Net Interest Margin
ROTA	Return on Total Assets
SVA	Shareholder Value Added
UL	Unexpected Loss
EL	Expected Loss
FTP	Fund Transfer Pricing

2 Managing Administrative Activities

This section discusses the following topics:

- [Setting Default Parameters](#)

- [Setting Product Parameters](#)

- [Defining a Product Parameter](#)

- [Product Hierarchy](#)

- [Searching a Product Parameter](#)

2.1 Setting Default Parameters

A Parameter is a a limit or boundary which defines the scope of a particular process or activity. You need define the parameters to set a measure for pricing computation.

To access this window, follow these steps:

1. Click **Price Creation and Discovery**.

2. Click **Setup**.

3. Click **Default Parameters**.

The Default Parameter screen has the following sections:

- Default Parameters

- Customer Insight Parameters

- Transfer Pricing Parameters

- Capital Charge Parameters

2.1.1 Default Parameters

The Default Parameters section has the following fields:

2.1.1.1 Default Parameters Section

Field	Description
Cost of Capital	Enter the Cost of Capital as a profitability parameter for pricing. **Note**: Cost of capital is the cost of funds used for financing a business.
Risk Free Rate	Enter the Risk Free Rate for pricing. **Note**: Risk-free rate is the theoretical rate of return of an investment with no risk of financial loss.
Discount (%)	Enter the discount rate.

2.1.1.2 Customer Insight Parameters Section

The Customer Insight Parameters section is integrated with IPA/RPA.

This section has the following fields:

Field	Description
Customer Type	Select the customer type to be used as a customer insight parameter. The customer type can be Institutional or Individual. **Note**: The Institutional option is integrated with IPA and the Individual option is integrated with RPA.
Default Segmentation Type	Select the basis by which the customers are segmented.
Folder	Select the folder from the drop-down list.
Rule ID	Select the rule ID corresponding to which segmentation is done in the selected folder.

2.1.1.3 Transfer Pricing Parameters Section

The Transfer Pricing Parameters section is integrated with FTP.

This section has the following fields:

Field	Description
Folder	Select the folder from the drop-down list.
Transfer Pricing Process	Select the Transfer Pricing Process from the drop-down list.

2.1.1.4 Capital Charge Parameters Section

Capital Charge is an amount of money equal to how much a business has tied up in assets multiplied by the weighted average cost of those assets. The Capital Charge Parameters section is integrated with Basel.
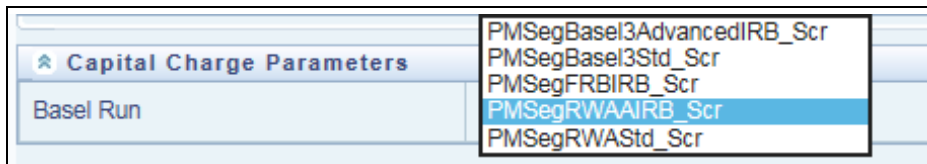
This section has the following fields:

Field	Description
Basel Run	Select the appropriate value from the drop-down list for Basel Run. This value is derived if you have Basel installed along with Price Creation and Discovery.

2.1.2 Global Default Parameters

The final section in the Default Parameters screen is the Global Default Parameters section where you need to specify the approach by which a specific parameter can be used while pricing a deal.

This section has the following fields:

Field	Description
Global Default Parameters	To select an input method for the transfer price parameter, select the corresponding check box in the appropriate column. The input method can be Specify, Lookup or Real-time Calculation.
	The following parameters are available: • Transfer Price • Expected Loss • Unexpected Loss • Average Balance • Miscellaneous Fees • Other Income • Expenses • Payments • Purchases • Utilization Rate • Revolve Rate
	Note: The Specify and Lookup input methods are selected for all the parameters by default and can be deselected. The input method or methods that you select are available to the RM when pricing a deal.

2.2   Setting Product Parameters

The Product Parameter window allows Administrators to specify parameters, adjustments and costs which are applicable to a given product-currency combination. You can also specify the floor values of rate and profitability parameters that are applicable for the selected product.

Note: If a new profitability parameter is defined in the **Editable Formula** window, it appears in the **Product Parameter Specification**. The expressions defined for the profitability parameter can be mapped to certain product types and if the product that is selected has a particular expression mapped to it then he floor rate for the same is captured in this section. You must capture the floor values for the new formula if you want it to appear when you price the product.

To access this screen, follow these steps:

1. Click **Price Creation and Discovery**.

2. Click **Setup**.

3. Select **Product Parameters**.

The Product Parameter screen has the following sections:

•   Searching a Product Parameter

•   Product Parameter Summary

2.3   Defining a Product Parameter

You can navigate to the "Defining a Product Parameter" screen by clicking the **Add** icon on the Product Parameter Summary from the main screen.

This screen has the following sections:

- Floor Values

The Product Details screen has the following fields:

- **Product Name**: Select the Product Name from the lookup menu.

  The lookup menu will show the Product Hierarchy from where you need to select the product. You can also use the search option to search for a product from within the list.

2.4   Product Hierarchy

The Product Hierarchy list shows the list of products that are listed for pricing.
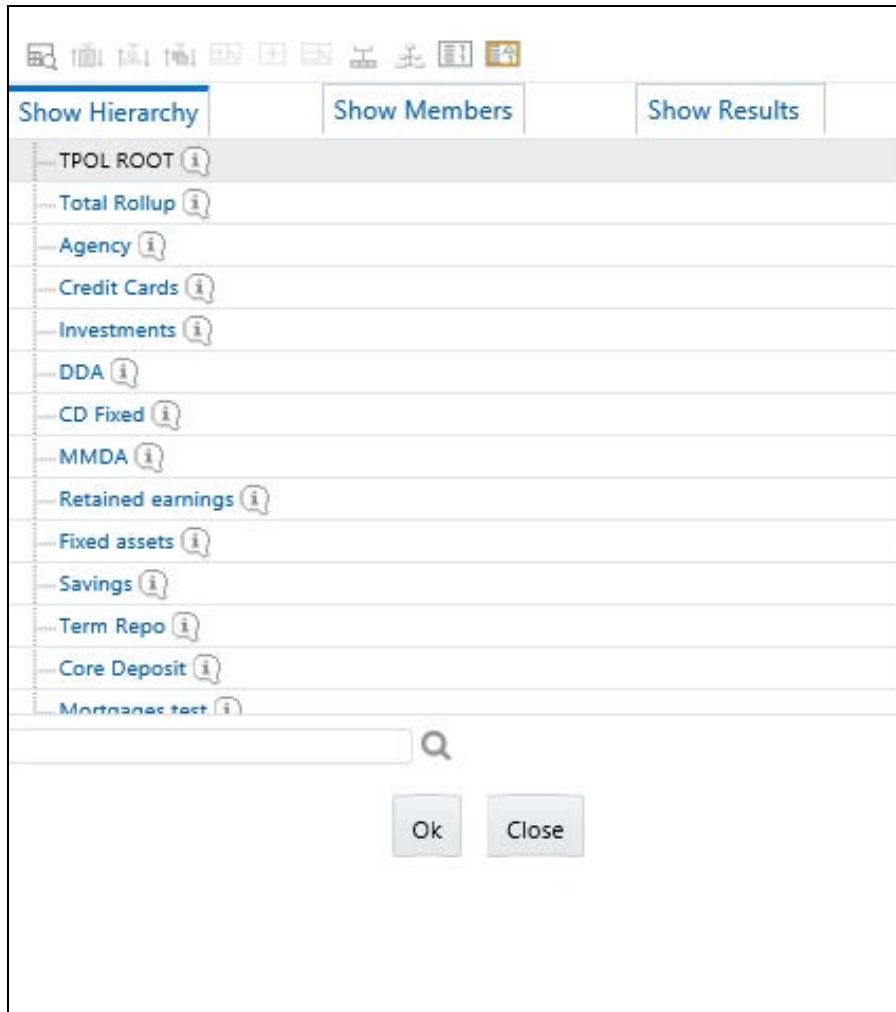
To search for a product type, you can use the **Search By** option to select the criteria for searching.

1. For example, select **Dimension Member** Name from the drop-down list.

2. In the Matching Values section, select **Starts With**.

3. In the Values field, enter the first name of the Member.

4. Click **Search**.

This will result in displaying all the members with the same first name.

Floor Values: The floor values section has the following fields:

This section enables you to enter the profitability parameters for pricing computation.

> **NOTE** The new floor values defined for an Editable Formula are defined here. For information on Editable Formula, refer Defining Formula for Profitability Parameter.

Enter the field values as follows:

Field	Description
Interest Rate	Enter the floor interest rate for the product.
Spread	Enter the floor spread for the product.
RAROC	Enter the floor RAROC for the product.
SVA	Enter the floor SVA rate for the product.
ROTA	Enter the floor ROTA rate for the product.
NIM	Enter the floor NIM rate for the product.
Revenue	Enter the floor revenue rate for the product.

> **NOTE** The above parameters are the parameters that are enabled by default. Any additional parameters that are defined also appear here.

Performance Metric Section: The performance metric section has the following fields:

This section enables you to enter the performance metrics at yearly level. You can add up to five years.

2.5 Searching a Product Parameter

The searching a Product Parameter section helps you to search for a product parameter using certain criteria.

The criteria for searching a product parameter are:

Field	Description
Product	Enter the type of product for pricing.
Currency	Enter the currency used for pricing computation.

Product Parameter Summary

The product summary screen displays the list of the products for which profitability parameters and floor rates are defined in the Defining a Product Parameter section.

3   Data Visibility

Data visibility refers to the data control established on the results fetched by reports depending on the user logged in.

For each user, only those accounts which are directly handled or are handled by a subordinate are visible.

If the logged in user is an RM, then only those accounts which are associated to that user's organizational hierarchy will be fetched. This is achieved through FSI_M_USER_MANAGER_MAP table.

If a user is Relationship Manager (RM), then the particular log in ID and the manager code from DIM_MANAGEMENT table have to be populated into FSI_M_USER_MANAGER_MAP table. Also, the table FCT_ACCOUNT_MGR_REL should have the necessary details for the relationship manager to account mapping.

A user logging in without any associated Manager code should have access to the entire data available.

The entries to FSI_M_USER_MANAGER_MAP table have to be manually inserted. It has two columns, V_USERNAME and V_MANAGER_CODE. The V_USERNAME has to be inserted with the login username created in OBIEE and V_MANGER_CODE has to be inserted with the manager code of the corresponding user from DIM_MANAGEMENT table.

Example: The following diagram depicts a hierarchy of Relationship Managers:
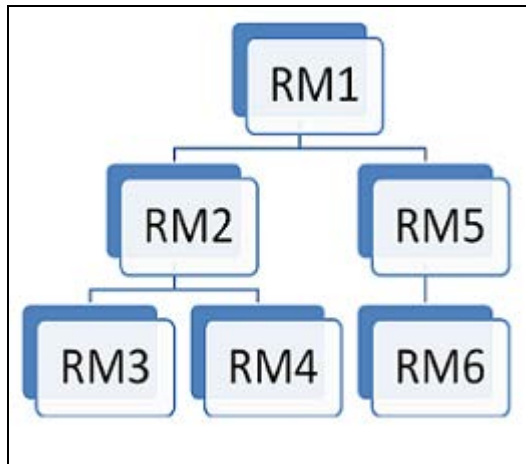
The data visibility for each of the Relationship Managers, starting from the top of the hierarchy is as follows:

- RM1 user has control over the data associated to that user along with the data associated to the immediate subordinates, that is, RM2, RM5, and their subordinates till the end of the hierarchy.

- RM2 user has control over the data associated to that user along with the data associated to the immediate subordinates, that is, RM3, RM4, and their subordinates till the end of the hierarchy.

- RM5 user has control over the data associated to that user along with the data associated to the immediate subordinate, that is, RM6 and his subordinates till the end of the hierarchy.

If the logged in user is a Sales Representative (SR), the data associated with the opportunities managed by the respective Sales Representatives are visible. Each Sales Representative will have unique skey values and accounts related to those skeys are displayed in reports.

4 Workflow

This feature enables the user to implement a workflow which should be followed for approval of a deal.

4.1 Creating a Workflow

Follow these steps to create a workflow:

1. In the **Deal Pricing** page, select the definition which scenario you wish to submit.

2. Open the report from Recommended Price Section present under Deal Page.

3. In the report page, select the scenario from the scenario drop down.

4. Click on submit button, present at the bottom of the report page.

5. Close the report.

6. Navigate to Common Tasks -> Inbox to see all the submitted scenarios.

7. Open the one, you wish to either approve or reject.

8. Click **Approve** or **Reject**. If rejected, enter the comments in the comments box.

9. In the **System Configuration and Identity Management** tab, click **Workflow and Process Orchestration**.

10. Select the Process ID and click **Workflow Monitor**. A window is displayed.

11. Select any of the object instance related to submitted scenario ID from the drop-down list.

12. Click **Refresh Workflow** to display the workflow.
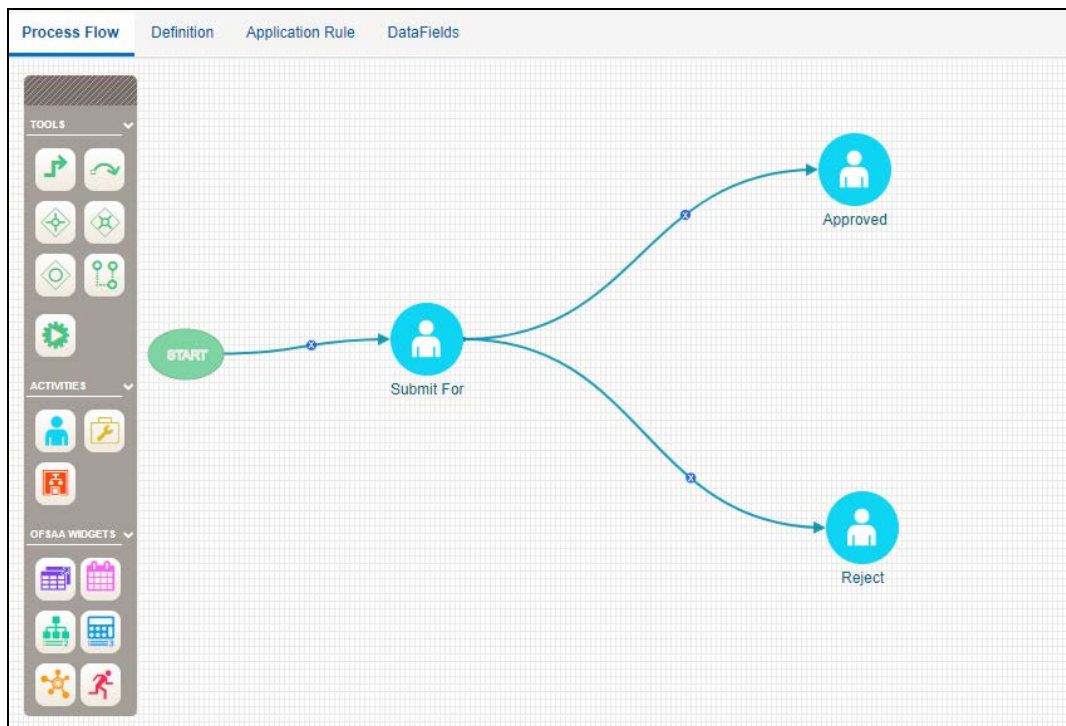
4.2   Editing a Workflow

In the Workflow and Process Orchestration page, click **Edit** to modify the workflow.

4.3   Deleting a Workflow

In the Workflow and Process Orchestration page, click **Delete** to delete the workflow.

5 Managing Account Review

In this section, the Relationship Manager checks the customer account details for re-pricing.

Following are the menu options available under Account Review:

- Managing Criteria Definition
- Executing Account Review
- Managing Accounts Flagged for Review
- Managing Card Rate Definition
- Managing Offer Rate Definition
- Managing Profitability Curve Definition
- Defining Formula for Profitability Parameter

5.1 Managing Criteria Definition

To access the *Pricing Review Criteria Definition* window, click **Criteria Definition** under Account Review.

5.1.1 Creating Price Review Definition

This section defines the criteria for price review. The criteria are defined through different attributes which correspond to particular products and segments. The selection of accounts for price review is done through dimensions defining the respective accounts.

To create a price review definition, follow these steps:

1. Click **Add** on the *Price Review Criteria Definition* tool bar to display the Price Review Criteria Definition screen.

2. Enter the following details:

Field	Description
Folder	Select the folder from the drop-down list.

Field	Description
Definition Name	Enter the name of the Definition.
Description	Enter the description of the account that needs to be reviewed.
Criteria Definition ID	Enter the ID unique created for the definition.
Filter Selection	This field allows you to specify the filters based on which the accounts for which price review criteria is applicable can be selected. The filters are provided through dimensions. 1. Click **Hierarchy browser** button to open the *Dimension* Browser. 2. Select the required members and click the **left arrow** button. Multiple members can also be selected. 3. To de-select the members, select it from the *Hierarchical* pane and click the **right arrow** button. 4. Click **Apply**.

Field	Description
Price Review Criteria Specification	This allows users to specify the conditions based on which an account is flagged for re-pricing. 5. To add a criteria, click **Add**. The *Measure Browser* window is displayed. This browser displays the following list of measures: — Account Status — Average Credit Balance — Average Debit Balance — Credit Limit — Credit Score — Credit Rating — Days past due — Delinquency Amount — Income — NIM (%) — Outstanding Balance — Outstanding Principal Balance — Overdue Interest Amount — Overdue Principal Amount — Prepayment Amount — RAROC (%) — ROE (%) — ROTA (%) — Recovered Amount — Revenue (%) — SVA — Time to maturity 6. Select the measure you want. Depending on the measure selected, value and limit of the measure varies. **Note**: Multiple criteria within a definition that may be used for price review 7. Click **OK**.

3. Click **Save**. The Price Review Definition is added and is displayed in the Price Review Criteria Definition list window.

5.1.2 Viewing Pricing Review Criteria Definition

You can view Pricing Review Criteria Definition details at any given point. To view the existing Pricing Review Criteria Definition details in the *Pricing Review Criteria Definition* window, follow these steps:

1. Select the check box adjacent to the Definition Name.

2. Click **View** in the *Pricing Review Criteria Definition* tool bar.

The *Price Review Criteria Definition* window is displayed.

5.1.3   Modifying Pricing Review Criteria Definition

You can modify Pricing Review Criteria Definition details at any given point. To modify the existing Pricing Review Criteria Definition details in the *Pricing Review Criteria Definition* window, follow these steps:

1. Select the check box adjacent to the Definition Name.

2. Click **Edit** on the Pricing Review Criteria Definition tool bar to display the *Price Review Criteria Definition* screen.

3. Edit the required details and click **Save**.

5.1.4   Searching Price Review Criteria Definition

The Price Review Criteria Definition window allows you to search for the definitions that you want to view.

To search for definition, follow these steps:

1. Navigate to Price Review Criteria Definition window.

2. Enter the following details:

    ▪   Definition Name

    ▪   Folder

    ▪   Criteria Definition ID

3. Click **Search** to display the filtered list.

5.1.5   Deleting Pricing Review Criteria Definition

You can delete Pricing Review Criteria Definition details at any given point. To delete the existing Pricing Review Criteria Definition details in the Pricing Review Criteria Definition window, follow these steps:

1. Select the check box adjacent to the Definition Name.

2. Click **Delete** in the *Pricing Review Criteria Definition* tool bar.

    The selected definition is deleted.

5.2   Executing Account Review

To access execute account review summary window, click **Execute Account Summary** under Account Review.
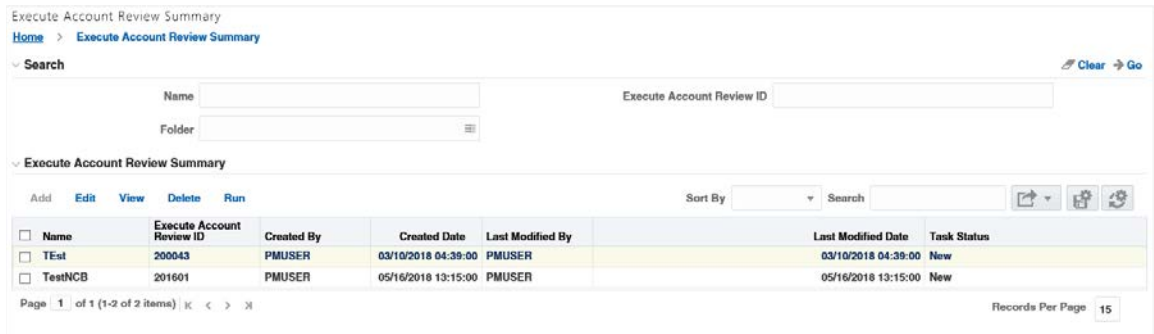
5.2.1 Creating Execute Account Review Definition

In this section, the user selects the price review criteria definitions that will be executed against a set of selected accounts for review.

To add an execute account review definition, follow these steps:

1. Click **Add** on the *Execute Account Summary* toolbar to display the *Execute Account Review Definition* screen.

2. Enter the following details:

Field	Description
Folder	Select the folder from the drop-down list.
Definition Name	Enter the name of the Definition.
Description	Enter the description of the definition.
Execute Account Review ID	Enter the system generated ID created for each price review definition.
Price Review Criteria Selection	To select the criteria for execution, click the browser button to open *Price Review Criteria Selection Definition* Browser. This browser displays a unique list of all price review criteria definitions. One or multiple definitions are allowed to be selected. 8. Select the required criteria definitions and click the **left arrow** button. 9. Click **OK** to complete the selection. 10. Click **Close** to display the selected criteria definitions in the Execute Account Review Criteria selection section of the Execute Account Review Definition UI. The account should be processed for all the criteria of all the definitions that are selected in a price review.
FIC MIS Date	It is a data entry point where date has to be entered. This specifies the date the data corresponding to which is used for review. Select the date from the calendar.
Execute Account Review Description	Enter the description.

3. Click **Save** to save the details or click **Execute** to trigger the execution process.

On clicking **Execute**, the following screen is displayed.

Information [1300]	✖
Run execution triggered successfully.	

> **NOTE**   Criteria definitions are to be re-saved post upgrade to 80302/804. Else, execute an account review based on these definitions would fail.

5.2.2 Viewing Execute Account Review Definition

You can view Execute Account Review Definition details at any given point. To view the existing Execute Account Review Definition details in the *Execute Account Review Summary* screen, follow these steps:

1. Select the check box adjacent to the Definition Name.

2. Click **View** in the *Execute Account Review Definition* tool bar.

   The Execute Account Review Definition screen is displayed.

5.2.3 Modifying Execute Account Review Definition

You can modify Execute Account Review Definition details at any given point. To modify the existing Execute Account Review Definition details in the *Execute Account Review Definition* screen, follow these steps:

1. Select the check box adjacent to the Definition Name.

2. Click **Edit** on the *Execute Account Review Definition* tool bar.

   The *Execute Account Review Definition* screen is displayed.

3. Edit the required details and click **Save**.

5.2.4 Searching Execute Account Review Definition

The Execute Account Definition window allows you to search for the definitions that you want to view.

To search for definition, follow these steps:

1. Navigate to **Execute Account Review Summary** screen.

2. Enter the following details:
   - Name of the definition
   - Folder
   - Execute Account Review ID
3. Click **Search**. The filtered list is displayed.

5.2.5 Deleting Execute Account Review Definition

You can delete Execute Account Review Definition details at any given point. To delete the existing Execute Account Review Definition details in the *Execute Account Review Definition* screen, follow these steps:

1. Select the check box adjacent to the Definition Name.
2. Click **Delete** in the Execute Account Review Definition tool bar.

   The selected definition is deleted.

5.3 Managing Accounts Flagged for Review

To access accounts flagged for review screen, click **Accounts Flagged for Review** under Account Review.
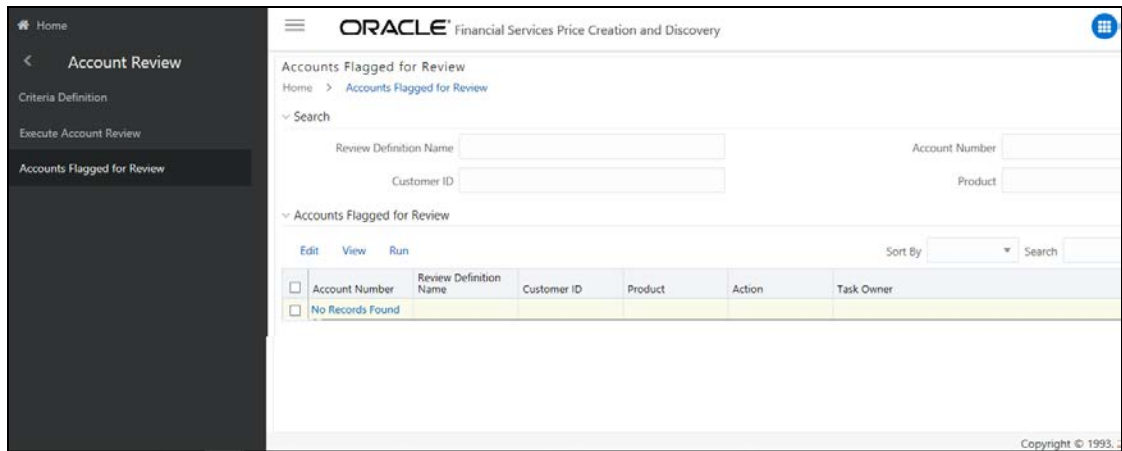
5.3.1 Modifying Accounts Flagged for Review

To modify the details of the account flagged for review, follow these steps:

1. Click **Edit** to display the Accounts Flagged for Review screen.
2. Enter the following details:

Field	Description
Execute Account Review Definition	Select the execute account review definition from the drop-down list based on which the account was flagged.

Field	Description
Pricing Review Criteria Definition	Select the pricing review criteria definition from the drop-down list based on which the account was flagged.
Action	Select the action that needs to be taken for a flagged account. Following are the two options available: • Re-price: This recommends the account for a new rate to be generated through the pricing engine. • Postpone Review: In this, the account does not get re-priced and it is also excluded from all reviews until the next review date. The Next review date is specified by the user whenever Postpone review is selected as action.
Task Status	Select the status of the activity for a flagged account: • Open: The status for all flagged accounts is displayed as Open by default. This status indicates that the flagged account is open for re-pricing. • Completed: The status indicates that either the re-pricing is completed or the action is updated as Postpone Review and the next review date is provided. • Closed: This status indicates that the flagged account shall not be considered for re-pricing at any point of time.
Criteria Met	This section displays all the criteria of the given definition against which the account has been flagged for review.
Criteria Unmet	This section displays all the other criteria within the given criteria definition against which the account was not flagged.

3. Click **Save**. The account number with the modified details are displayed Accounts Flagged for Review list window.

or

Click **Re-price**. On clicking **Re-price**, re-pricing is initiated and Deal Pricing section with the auto-populated details of the customer and the account is displayed. You can proceed with re-pricing procedure. For more details, refer Modifying Deal Details.

> **NOTE** On clicking Re-price, status in the Action field automatically changes to Re-price and the Task Status field changes to Completed.

5.3.2 Viewing Accounts Flagged for Review

You can view Account Flagged for Review details at any given point. To view the existing accounts flagged for review details in the *Accounts Flagged for Review* window, follow these steps:

1. Select the check box adjacent to the account number.

2. Click **View** in the *Accounts Flagged for Review* tool bar.

The *Accounts Flagged for Review* screen is displayed.

5.3.3 Searching Accounts Flagged for Review
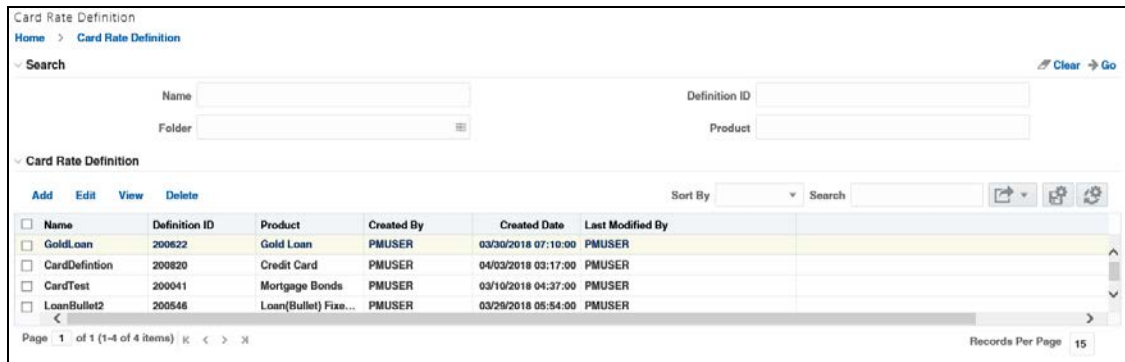
The Accounts Flagged for Review window allows you to search for the flagged accounts that you want to view.

To search for flagged accounts, follow these steps:

1. Navigate to Accounts Flagged for Review window.

2. Enter the following details:

   - Review Definition Name

   - Customer ID

   - Account Number

   - Product

3. Click **Search**. The filtered list is displayed.

5.4 Managing Card Rate Definition

The Card Rate Definition window enables you to manage the card rates for pricing Definition

Card process involves finding a suitable price for the customer based on a pre-determined (set of) options available for that product and other dimensional combinations. Similar criteria cannot be provided with different rates. Error message is displayed when a criteria is being repeated (duplicated) within a defined time window.

The system checks for the following conditions to identify the repetition of criteria:

- If the defined criteria is similar to another criteria within the same definition.

- If there are any overlap in the effective dates. The following are the two conditions:

  - The effective start date of a created criteria is greater than the effective start date of an existing criteria, but less than the effective end date of the same existing criterion.

  - The effective end date of created criteria is greater than the effective start date of an existing criteria but less than the effective end date of the same existing criterion.

If all the above conditions are met, then the criteria is repetition (duplication). An error message is displayed when repetition (duplication) occurs indicating that the two defined card rates have different rates for similar criteria. You can either edit the card rate criteria or delete it.

5.4.1 Adding Card Rate Definition

To add card rates, follow these steps:

1. Click **Add** to display the Card Rate Definition screen.
2. Enter the following details:

Field	Description
Folder	Select a folder from the drop-down list for the card rate definition.
Card Rate Name	Enter the name for the card rate definition.
Description	Enter a description about the card rate definition.
Product	Select the product from the Product browser. Only one product is to be selected per definition.
Currency	Select the type of currency from the drop-down list.
Rate Selection	Select one or multiple rates from the drop-down list.
Interest Rate Type	Select the type of interest: • Fixed Rate: When this option is selected, the other parameters to be entered are in accordance with the rate type. • Floating Rate: When this option is selected, the parameters are specific to floating rate. • Fixed and Floating Rate: The fixed plus floating rate type is a combination of the fixed rate and floating rate. The fixed rate is applicable for an initial period of the tenure of the product and the floating rate is applicable for the remaining life of the product. In this option, the data input is a combination of those required in both fixed as well as floating type.
Floating Rate BenchMark	Select the Floating Rate Benchmark from the drop-down list.
Criteria	To set the criteria, follow these steps: 11. Click the Browser button to display the *Condition* screen. 12. Select the condition. 13. Click **Apply**. The criteria is set for the card rate.
Floating Rate Spread (BPS)	Enter a numerical value in this field.
Effective From	Select the start date of the period when the rates are applicable.
Effective To	Select the end date of the period when the rates are applicable.
Condition	This is the eligibility condition based on which the rates to be offered to customer differ. Click the **Browser** button select the condition from the **Condition** browser.

NOTE	You can create more Card Rate specifications to the list by clicking **Add** on the *Card Rate Specification* grid.

3. Click **Apply**. The card rate definition details are added and are displayed in the *Card Rate Definition* list window.

You can view, modify, search, and delete the offer definition details from the Card Rate Definition window.

5.4.2   Viewing Card Rate Definition

You can view Card Rate Definition details at any given point. To view the existing Card Rate Definition details in the Card Rate Definition window, follow these steps:

1. Select the check box adjacent to the Definition Name.

2. Click **View** in the *Card Rate Definition* tool bar.

   The Card Rate Definition window is displayed.

5.4.3   Modifying Card Rate Definition

You can modify Card Rate Definition details at any given point. To modify the existing Card Rate Definition details in the Card Rate Definition window, follow these steps:

1. Select the check box adjacent to the Definition Name.

2. Click **Edit** on the *Card Rate Definition* tool bar.

   The Card Rate Definition window is displayed.

3. Edit the required details and click **Save**.

5.4.4   Searching Card Rate Definition

The Card Rate Definition window allows you to search for the card rates definition that you want to view.

To search for card rate definition, follow these steps:

1. Navigate to Card Rate Definition window.

2. Enter the following details:

   - Name

   - Folder

   - Definition ID

   - Product

3. Click **Search** to display the filtered list.
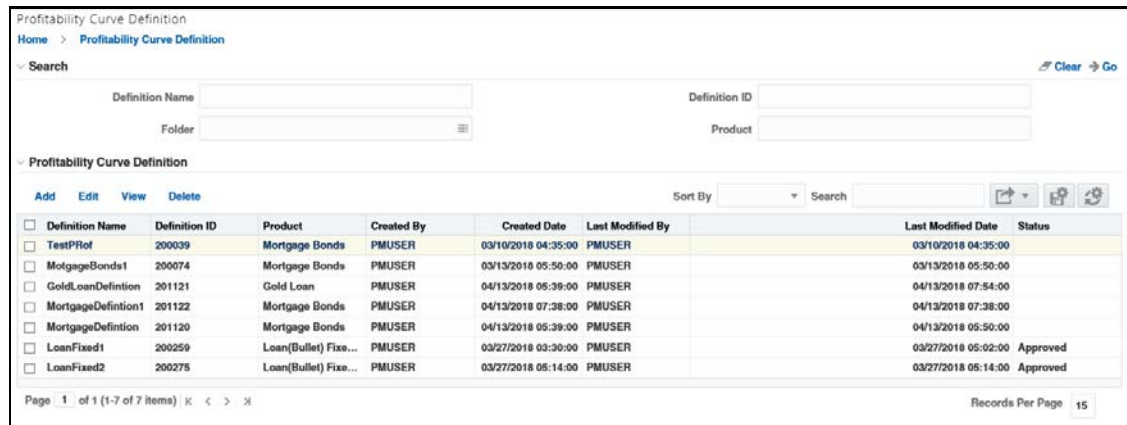
5.4.5   Deleting Card Rate Definition

You can delete Card Rate Definition details at any given point. To delete the existing Card Rate Definition details in the *Card Rate Definition* screen, follow these steps:

1. Select the check box adjacent to the Definition Name.

2. Click **Delete** in the *Card Rate Definition* tool bar.

The selected definition is deleted.

5.5 Managing Offer Rate Definition

The Offer Rate Definition window enables you to manage the offer rate for pricing definition.

Based on eligibility criteria, the Offer Rate Definition defines the offer rates that can be provided to the customers. Multiple offer rates can be provided based on the eligibility and each offer rate should be distinct and not duplicated. The system checks for the following conditions to identify the duplication of an offer rate:

- If the offer rate condition is similar to another offer rate condition within the same definition.
- If there is any overlap in the effective dates. The following are the two conditions:
  - The effective start date of created criteria is greater than the effective start date of an existing criteria, but less than the effective end date of the same existing criterion.
  - The effective end date of created criteria is greater than the effective start date of an existing criteria but less than the effective end date of the same existing criterion.
- If the offer parameter in an offer rate is the same as in another offer rate. The order of offer parameters is immaterial.
- If the corresponding attributes of the offer parameters, that is, amount reduction/percentage reduction are similar to those of another offer rate within the definition.
- If the corresponding tenure of offer parameters is similar to that of another offer rate within the definition.

If all of the above conditions are met, then the offer is duplicate. An error message is displayed when duplication occurs indicating that the two offers clash. You can either edit the offer or delete it.

5.5.1 Adding Offer Definition

To add offer rates, follow these steps:

1. Click **Add** to display the Offer Definition screen.
2. Enter the following details:

Field	Description
Folder	Select a folder from the drop-down list for offer rate definition.
Offer Name	Enter the name for the offer.
Description	Enter a brief description about the offer.
Validity Start Date	Select the offer start date from the calendar.
Validity End Date	Select the offer end date from the calendar.
Conditional Offer	Select **Yes** if the offer is based on certain conditions or select **No** if the offer does not have any conditions attached is applicable for all accounts of that product.
Offer Definition ID	Enter the ID generated for the offer.
Product	Select the product from the Product browser. You can select only a single product.
Multiple Products	This is an additional option available when you want to select a different product for the same offer.
Interest Rate Reduction	Enter the percent of reduction in the rate of interest for the customer.
Fee Amount Reduction	Enter the reduction in the Fee amount in figures for the customer.
Fee Percentage Reduction	Enter the percent of reduction in Fees for the customer.
Effective From	Enter the start date from which the offer is effective.
Effective To	Enter the date until which the offer is effective.
Offer Tenure	Select the overall tenure for the offer. This can be in either Days, Months, or Years. The offer tenure is specified through the following two inputs: • Value: The number of units of time for which the offer is provided. • Units: Select the unit of time from the drop-down list. Note: Offer tenure is specified separately for each element within the offer.
Offer Condition	This option is available when Conditional Offer is selected as **Yes**. To set the offer condition, follow these steps: 14. Click the Browser button to display the *Filter Selection* screen. 15. Click the **Browser** button to display the *Dimension Hierarchy* browser. 16. The Dimension Hierarchy browser lists all the dimensions. 17. Click the **left arrow** button to select the dimensions or click **right arrow** button to de-select the dimensions. 18. Click **OK**.

3. Click **Apply**. The Offer definition created is displayed in the *Offer Summary* screen.

You can view, modify, search, and delete the offer definition details from the *Offer Definition* screen.

NOTE	You can also define the offer based on bundled offers eligibility conditions. Under this condition, an offer is dependent on the user already having or currently purchasing some other product.

5.5.2   Viewing Offer Definition

You can view Offer Definition details at any given point. To view the existing Offer Definition details in the Offer Definition window, follow these steps:

1. Select the check box adjacent to the Offer Name.

2. Click **View** in the Offer Definition tool bar.

    The Offer Definition window is displayed.

5.5.3   Modifying Offer Definition

You can modify Offer Definition details at any given point. To modify the existing Offer Definition details in the Offer Definition window, follow these steps:

1. Select the check box adjacent to the Offer Name.

2. Click **Edit** on the *Offer Definition* tool bar to display the Offer Definition screen

3. Edit the required details and click **Save**.

5.5.4   Searching Offer Definition

The Offer Definition window allows you to search for the card rates definition that you want to view.

To search for the offer definition, follow these steps:

1. Navigate to Offer Definition window.

2. Enter the following details:

    ▪   Offer Name

    ▪   Folder

    ▪   Offer ID

3. Click **Search** to display the filtered list.

5.5.5   Deleting Offer Definition

You can delete Offer Definition details at any given point. To delete the existing Offer Definition details in the *Offer Definition* screen, follow these steps:

1. Select the check box adjacent to the Offer Name.

2. Click **Delete** in the *Offer Definition* tool bar.

    The selected definition is deleted.

5.6   Managing Profitability Curve Definition

A profitability curve is defined for a profitability parameter, such as transfer price, in order to understand the trends observed over a certain period of time. The defined curve can in turn be used when pricing a deal for a particular product using the profitability parameter. The profitability curve is defined by the bank based on the product and the eligibility of the customer.

The Profitability Curve Definition window allows you to define the profitability curve for a particular profitability parameter.

All the previously created definitions are available in the screen. You can also search for an existing definition using the definition name, definition ID, folder or product type. You can only view the folders to which you are mapped. Only the definitions that are approved through the workflow mechanism can be used to price a deal.

5.6.1   Adding Profitability Curve Definition

To add profitability curve definitions, follow these steps:

1. Click **Add** to display the Profitability Curve Definition (new) screen.

2. Enter the following details:

Field	Description
Folder	Select a folder from the drop-down list for profitability curve definition.
Definition Name	Enter the definition name.
Description	Enter a brief description about the definition.
Definition ID	The definition ID is generated by the system once the definition is created.
Product	Select the product for which the definition is created and for which the defined rates are applicable. To select a product, click the button next to the field. The product browser appears.
Validity Start Date	Select the date from when the definition is valid.
Validity End Date	Select the date until when the definition is valid.

Field	Description

To add a profitability parameter or driver, follow these steps:
   19. Click **Select Drivers**. The *Profitability Curve Definition Browser* screen appears.
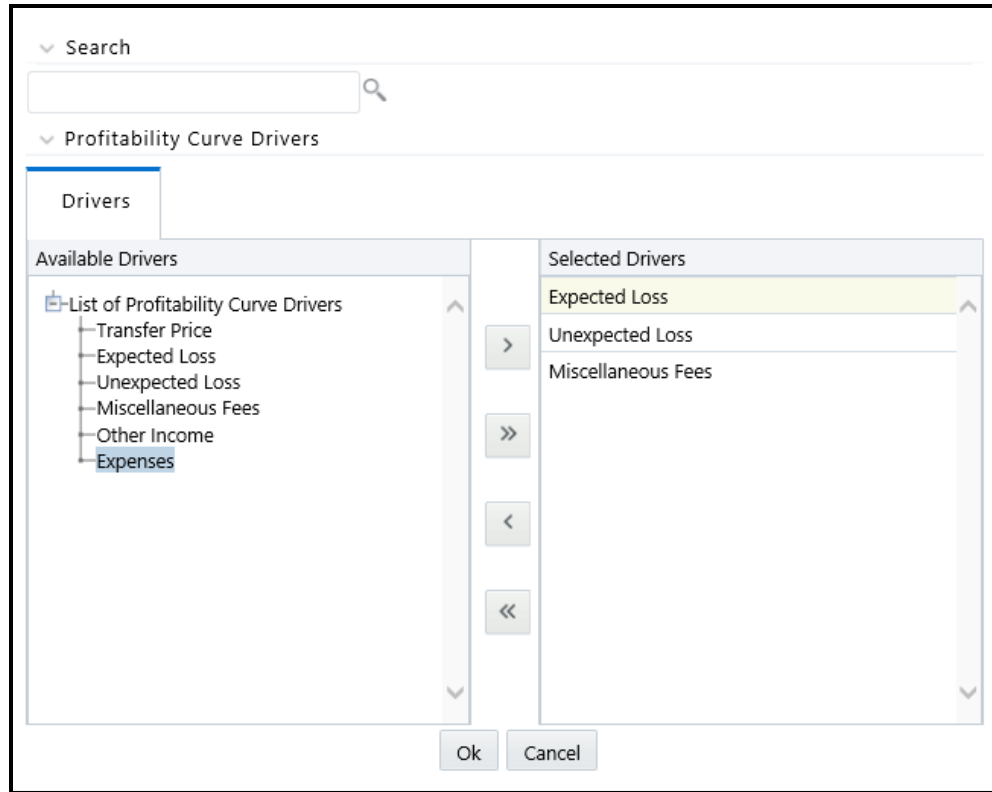 	
   20. Double-click the driver that you want to select on the left pane. The driver moves to the right pane.
   21. Click **Ok**. The selected driver appears as a tab in the *Definition Specification* section.	

Specify check box	To enable this input option while pricing a deal, select this check box. This check box is selected by default and can be deselected. **Note**: This option is available for a particular product in the **Deal Pricing** section only if you select this check box.
Lookup check box	To enable this input option while pricing a deal, select this check box. This check box is selected by default and can be deselected. **Note**: This option is available for a particular product in the **Deal Pricing** section only if you select this check box.
Real-time Calculation check box	To enable this input option while pricing a deal, select this check box. **Note**: This option is available for a particular product in the **Deal Pricing** section only if you select this check box.
Default	This field is editable and mandatory only if the **Specify**, **Lookup**, and **Real-time Calculation** check boxes are deselected. Select the default input method from the drop-down list. The default input method can be **Specify**, **Lookup**, or **Real-time Calculation**. **Note**: If you select **Lookup**, the **Define lookup values** section is displayed.

Field	Description
By default, a row is available in the **Define lookup values** section. To add a new criterion for the profitability driver, click **Add new criteria**. A new row is added. You can add one or more criteria.	
Effective from	Select the date from when the curve is effective.
Effective to	Select the date until when the curve is effective.
Profitability Driver	To define the profitability curve, click the button next to the field. The Profitability Driver window appears.

Profitability Driver

Field	Description
Curve Duration	Enter the value of the curve duration. You can also select the unit of the curve duration. The unit of the curve duration can be **Months**, **Quarters**, and **Years**.
Unit Frequency	Enter the value of the curve frequency. You can also select the unit of the curve frequency. The unit of the curve frequency can be **Months**, **Quarters**, and **Years**.
Drivers	The curve range that is displayed here is based on the values that are provided in the **Curve Duration** and **Unit Frequency** fields. For example, if the curve duration is 6 months and the unit frequency is 1 month, then a total of 6 drivers are captured. You can enter a value for each element of frequency across the curve duration.

3. PCD supports Import/ Export of profitability driver values into the above fields.

NOTE	The Export option works on Internet Explorer, Google Chrome and Firefox browsers. However, in the current release, the Import option works only on Internet Explorer.

4. Click **Save**. The created profitability curve definition is displayed in the **Profitability Curve Definition** screen.

5.6.2 Submitting a Created Profitability Curve Definition for Approval

To view and submit a profitability curve definition, follow these steps:

1. In the summary window, enter the definition name in the **Definition Name** field or the product type in the **Product** field and click **Search**.

2. Select the check box corresponding to the definition name of the definition that you want to edit and click **Edit**.

3. Click **Save** to save the edited curve.

4. Click **Submit** to send the edited curve for approval.

> **NOTE**   Every time a definition is edited, it needs to be approved.

5.6.3 Approving Profitability Curve Definition

Once the relationship manager submits the definition, it is assigned to the definition approver. The definition approver can edit the definition name and product type.

To approve a profitability curve definition, follow these steps:

1. Navigate to your inbox by clicking **My Inbox**.

2. Click the hyperlinked entity name value. This is the definition ID for the created definition.

3. Click **Approved** to approve the definition or click **Reject** to reject the definition. The status of the definition changes accordingly in the summary window. Only approved definitions can be used for deal pricing.

5.7 Defining Formula for Profitability Parameter

The Editable Formula window enables you to define the expression used to calculate the profitability parameter. You can link a profitability parameter to a product type. The profitability formula defined in this section is used for calculations throughout the application.

Five profitability parameters are available by default, namely, ROTA, RAROC, Revenue, NIM and SVA. These parameters are displayed in the **Name** column. The associated expression for the parameter is displayed in the **Expression** column. You can also search for a particular parameter.

The seeded expressions for each of the seeded profitability parameters is shown below:

- For ROTA - Net_Income_before_tax/deal_amount * 100

- For RAROC - case when unExpected_Loss = 0 then 0 else (NET INTEREST INCOME+NON INTEREST INCOME-OPERATING EXPENSES-EXPECTED LOSS+Return_on_UL)/(UNEXPECTED LOSS)*100 END

- For Revenue - Total_Revenue/deal_amount * 100

- For NIM - Net_Interest_Income/deal_amount * 100

- For SVA - NET INTEREST INCOME+NON INTEREST INCOME-OPERATING EXPENSES-EXPECTED LOSS+Return_on_UL-UNEXPECTED LOSS *(COST OF CAPITAL/100)
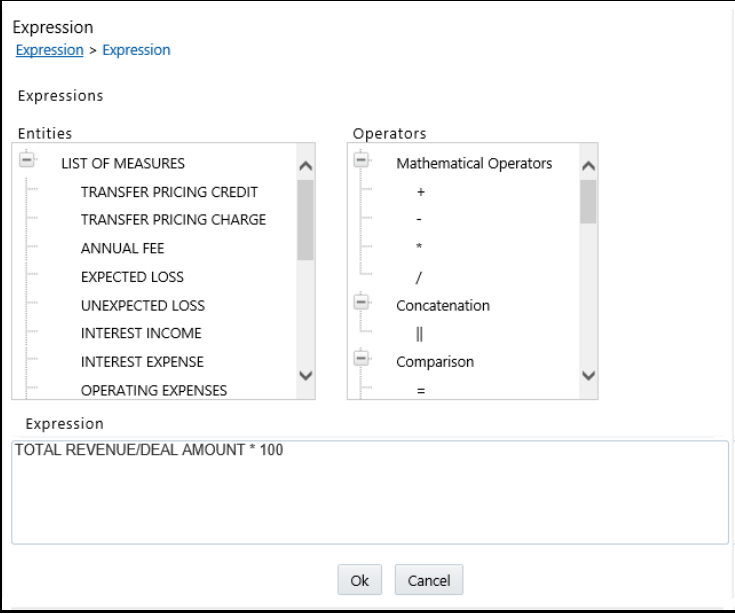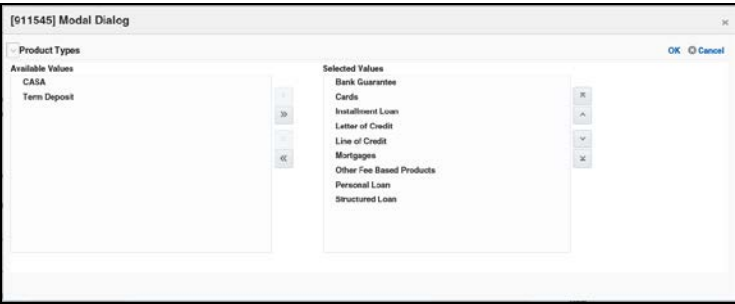
5.7.1   Adding Profitability Parameter

To add profitability parameters, follow these steps:

1. Click **Add** to display the *Formula* screen.

2. Enter the following details:

Field	Description
Formula Name	Enter the name of the profitability parameter.
Description	Enter the description of the profitability parameter.

Field	Description
Expression	To add an expression or formula for the profitability parameter, click **Add**. The Specify Expression window appears. In the window, two panes are displayed; the left pane displays the list of available measures you can use to build the expression, and the right pane displays the list of available operators. To move a measure or operator to the Expression field, double-click the measure or operator. The selection appears in the Expression field. Once you are done building the expression, click **Ok**. The expression is now saved. **Note**: Only an expression which is mathematically correct can be saved.
Data Type	Select the data type. The data type can be **Absolute** or **Percentage**.
Product Types	To add a product type, click Add. The Hierarchy Browser appears. In the window, two panes are displayed; the left pane displays the list of available product types, and the right pane displays the list of product types selected for the profitability parameter. To select a product type, double-click the product type. The selection appears in the right pane. You can select one or more product types. Once you are done, click Ok. **Note**: The profitability parameter is applicable only for the selected product types.

3. Click **Save**. The created profitability parameter is displayed in the summary window.

5.7.2   Editing Profitability Parameter

To edit a profitability parameter, follow these steps:

1. In the summary window, enter the profitability parameter code in the **Code** field or the profitability parameter name in the **Name** field and click **Search**.

2. Select the check box corresponding to the profitability parameter name that you want to edit and click **Edit**.

NOTE	When an expression is divided by zero, the formula row is not displayed in the recommended pricing report. So, if a formula has a divide by zero condition, an error is displayed. This formula displays the profitability as IN, where IN denotes an incorrect formula. Since it is not possible to optimize against such as a parameter, the expression should be made invalid for profitability parameters.

6   Managing Relationship Manager (RM) Hierarchy

The **Dimension Management** screen allows the relationship manager to create an RM hierarchy and add members to the RM hierarchy.

This section discusses the following topics:

- Creating an RM Hierarchy
- Adding Members to the RM Hierarchy

6.1   Creating an RM Hierarchy

To create an RM hierarchy, do the following:

1. Click **Dimension Management** under the **Applications** tab.

2. Select **Hierarchy Maintenance**.

3. Click **Add** in the *Hierarchies* toolbar to display the New - Hierarchy Details screen.

4. Select the **Dimension** from the drop-down list. Enter the Hierarchy Properties as tabulated:

Field	Description
Name	Enter the Name of the Hierarchy.
Description	Enter the required description for the Member.
Folder	Select the folder where the hierarchy is to be stored from the drop-down list.
Access Type	Select the Access Type as **Read Only** or **Read/Write**.
Automatic Inheritance	Click **Yes** to inherit the hierarchy properties of the parent to the child Click **No** if you want to define a new hierarchy.
Display Signage	Click **Yes** to display the Signage to the right hand side of the member in the Show hierarchy panel or click **No**.
Show Member Code	Select from the drop-down list as one of the following: • **Alphanumeric Code to Left of Name**: Displays Alphanumeric Code on the Left side of Member name. • **Alphanumeric Code to Right of Name**: Displays Alphanumeric Code on the Right side of Member name. • **Only Name -No Code**: Displays only the Member Name. • **Numeric Code to Left of Name**: Displays the Numeric Code on the Left side of Member name. • **Numeric Code to Right of Name**: Displays the Numeric Code on the Right side of Member name.
Initial Display Level	Select the Initial Display level from the drop-down list.
Orphan Branch	Click **Yes** to display the Orphan Branch in the Show Hierarchy panel or click **No**.

5. To add a Child under the **Show Hierarchy** tab, follow these steps:

    a. Right-click in the Show Hierarchy tab.

b. Select Add Child and the Add Member window is displayed.

c. Select the required Member and click the Left Arrow button. The Member is displayed in the Selected Members panel.

— You can click the Right Arrow button to deselect a Member.

— You can click the Right Arrow button to deselect a Member.

— You can click the Right Arrow button to deselect a Member.

— Click Search to search for the required member using Alphanumeric code, Numeric Code, Name, and Description.

d. Click **OK**. The selected Member is displayed as a Child under Show Hierarchy panel in the New - Hierarchy Details window.

6. To add a Sibling, follow these steps:

a. Right-click the Child and select **Add Sibling**. The Add Member window is displayed.

b. Select the required Member and click the **Left Arrow** button. The Member is displayed in the **Selected Members** panel.

You can click the **Right Arrow** button to deselect a Member.

c. Click **Apply**. The selected Member is displayed as a Sibling below the Parent under **Show Hierarchy** panel in the New - Hierarchy Details window.

7. To add a Leaf under a Parent, Child, or Sibling, follow these steps:

a. Right-click the Parent or Child and select **Add Leaf**. The Add Member window is displayed.

b. Select the required Member and click the **Left Arrow** button. The Member is displayed in the **Selected Members** panel.

You can click the **Right Arrow** button to deselect a Member.

c. Click Apply. The selected Member is displayed as a Leaf below the Parent or Sibling under **Show Hierarchy** panel in the New - Hierarchy Details window.

8. To define Level Properties, follow these steps:

a. Select **Level Properties** from the options under Parent, Child, Sibling or Leaf and the *Level Properties* window is displayed

b. Enter the valid Name and Description in the respective fields.

c. Click **OK** and the Levels defined are displayed in the drop-down in **Initial Level Display** field in Hierarchy Properties grid in *New - Hierarchy Details* window.

9. To add a Child/Sibling/Leaf, follow these steps:

a. Right-click any node and select **Create and add Child**. The New - Member Details window is displayed.

b. Right-click any node and select **Create and add Sibling**.

c. Right-click any node and select **Create and add Leaf**.

10. Click **Save**.

The *Audit Trail* section at the bottom of the window displays the metadata about the Hierarchy with the option to add additional information as comments. The User Comments section facilitates you to add or update additional information as comments.

6.2   Adding Members to the RM Hierarchy

To add members to the hierarchy:

1. Click **Dimension Management** under the **Applications** tab.

2. Select **Members**.

3. Click **Add** in the *Dimension Members* toolbar. The *Members* screen is displayed.

4. Enter the field values:

Field	Description
Dimension	Select the dimension from the drop-down list.
Alphanumeric Code	This field is editable only if the selected Dimension accepts Alphanumeric Code. Enter the required Alphanumeric Code.
Numeric Code	Enter the Numeric Code by doing any of the following: • To auto-generate a Numeric Code, click the **Auto-generate** button. A system generated code is displayed. • Manually enter the required code which is auto validated for uniqueness. A maximum of 14 numeric characters can be specified. **Note**: If the selected Dimension accepts only Numeric Code, then the specified, the Numeric Code is auto populated to the **Alphanumeric Code** field also.
Name	Enter the Name of the Member.
Description	Enter the required description for the Member.
Enabled	This field is set to **Yes** by default and is editable only in *Edit* window. You can change the option to **No** only when the particular member is not used in any hierarchy.
Is Leaf	This field is set to **Yes** by default. • If **Yes**, the particular member can be used as a leaf node in any hierarchy and child cannot be added to this node. • If **No**, the node becomes a non-leaf and can have child nodes.

5. Click **Save**.