

ORACLE FLEXCUBE

Accelerator Pack 14.1.0.0.0 – Product Catalogue

Islamic Term Deposits

The Oracle logo is displayed in a large, red, serif font, underlined with a red horizontal line. It is centered within a large, abstract, multi-faceted geometric shape composed of various shades of blue and grey. The shape has a complex, crystalline appearance with multiple overlapping planes and sharp edges.

ORACLE

FINANCIAL SERVICES

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Overview & Objective

Islamic Deposit is based on the Shariah contract of Mudarabah. In Mudarabah, interest is not paid, instead profits will be shared. This is similar to how venture capitalists invest in companies. They take a percentage stake of the company in return for capital. All management resides with the startup / Mudarib. It provides higher profit rate compared to normal saving account.

- Islamic Term deposit module of FLEXCUBE supports processing of products like,
 - Normal term Deposits
 - Mudarabah Deposits
- Options available to automate periodic processes such as :
 - Accrual of term deposits
 - Liquidation of term deposits on liquidation frequency defined
 - Profit rate update to accounts after PDM
 - Generation of advices
 - Maturity processing and transfer of proceeds
- Different types of profit products are supported like, Fixed and Floating rates.

Product catalogue

1 Mudarabah Term Deposit

This Mudarabah deposit has all the basic features that are needed for a retail customer to open a deposit account. Each account which is a part of this offering contributes its balance maintained to a Fund in order to get the profit.

1.1 Business Scenario

It allows opening Investment deposits accounts for a fixed period of time or term and is governed by the Mudarabah contract with the bank.

Target audience / Beneficiaries: Individuals who wants to open an investment deposit account.

1.2 Synopsis

- Booking of deposit with fixed amount for fixed period
- Withdrawal is allowed before the end of the deposit term
- Profit sharing weightages are assigned based on the tenors, deposited amount and profit payout period
- Cash reserve ratio is allowed

1.3 Detailed Coverage

- Accounts can be opened in GBP & KWD currency's, as configured at IC product
- Deposits opened under this account class will, by default, have
 - Tenor as 5 months
 - Mudarabah profit rate of 10%
 - Maximum tenor of 5 years
 - Cash reserve ratio of 20%
 - Defer liquidation of 6 days
- Fund ID maintained for profit distribution
- Account will get closed on maturity
- Month end deposit is supported
- Maturity date will be adjusted to previous working day based on holiday treatment
- Deposits contribute in profit and profit will be paid out on defer liquidation days

1.4 Account class – IATDFX

| Account Class → Preferences | |
|----------------------------------|-------------------------|
| Account Type | Deposits |
| Profit Charges | Yes |
| Track Accrued Profit | Yes |
| Profit Calculation Balance Basis | Monthly average balance |
| Mudarabah Fund Id | IAFD10042 |
| Exclude from Distribution | No |
| Cash Reserve Ratio | 20 |

| Account Class → Deposits Account Details | |
|---|---|
| Rollover | No |
| Close On Maturity | Yes |
| Allow Partial Liquidation | Yes |
| Allow Partial Liquidation with Amount Block | Yes |
| Move Profit To Unclaimed | No |
| Move Principal to Unclaimed | No |
| Month end maturing deposit | Yes |
| Repick account class tenor on rollover | No |
| Rate Chart Allowed | No |
| Holiday Calendar | Branch holiday |
| Holiday Movement | Previous working day |
| Movement across months | Previous / next working day of same month |
| Month end deposit | Yes |
| Adhoc holiday | Generate advice |
| Applicable deposit tenor | Original tenor |
| Profit sharing | Yes |
| Minimum tenor | 3 months |
| Default tenor | 5 months |
| Maximum tenor | 5 years |

| Account Class → Deposits amount currency wise limits | | |
|--|------------|------------|
| Currency | Min amount | Max amount |
| GBP | 5000 | 50000000 |
| KWD | 1000 | 70000000 |

1.5 Rule Coverage - IPTD

| IC Rule Features | |
|------------------|----------------------------|
| SDE's | DEPOSIT_AMOUNT, DAYS, YEAR |
| UDE | MUDARABAH_RATE |

| Rule Definition | | | | |
|-----------------|---------|------|------------------|---|
| Formula No | Accrual | Type | Condition | Result |
| 1 | Yes | Book | DEPOSIT_AMOUNT>0 | (DEPOSIT_AMOUNT* DAYS*MUDARABAH_ RATE)/(YEAR*100) |

1.6 Product - IPTD

| Product Features | |
|---------------------------|-------------------------|
| Product Code | IPTD |
| Description | Fixed rate TD |
| Product Type | Profit |
| Product Group | IP |
| Product group description | Profit and Charges |
| Deposit | Y |
| Booking account type | Profit |
| IC Rule | IPTD |
| IC Rule description | Deposit simple interest |

| Product Preference | |
|-------------------------------|----------|
| Product Level | Yes |
| Accrual Frequency | Monthly |
| Payment Method | Bearing |
| Liquidation cycle | 3 months |
| Defer Liquidation | Yes |
| Defer liquidation days | 6 |
| Liquidation at Month ends | Yes |
| Back Value Recalculation Flag | Yes |
| Start from account Opening | No |

| Account Classes Mapping | | | | | |
|-------------------------|-----------------|-------------------------------|--|--------------------------------|--------------------------------------|
| <i>Account class</i> | <i>Currency</i> | <i>Special condition only</i> | <i>Rate change on profit Liquidation</i> | <i>Rate change on Rollover</i> | <i>Continue Variance on rollover</i> |
| IATDFX | GBP | Yes | No | No | No |
| IATDFX | KWD | Yes | No | No | No |

1.7 Additional Information

- Weight maintenance is done for Mudarabah fund id and Mudarib fee of 10% is maintained
- Profit GL's are maintained for the fund id

2 Mudarabah Term Deposit with Sweep

This Mudarabah deposit has all the basic features that are needed for a retail customer to open a deposit account. Each account which is a part of this offering contributes its balance maintained to a Fund in order to get the profit. The Sweep parameters when enabled facilitates customer to use the TD account as Cover account for CASA account and if the balance available in the linked CASA account is less than the debit amount, then it breaks the deposits booked and sweeps in money to savings account.

2.1 Business Scenario

It allows opening Investment deposits accounts for a fixed period of time or term and is governed by the Mudarabah contract with the bank.

Target audience / Beneficiaries: Individuals who wants to open an investment deposit account.

2.2 Synopsis

- Booking of deposit with fixed amount for fixed period
- Withdrawal is allowed before the end of the deposit term
- Sweep parameters sweep-in and reverse sweep-in are enabled at account class.
- Profit sharing weightages are assigned based on the tenors, deposited amount and profit payout period
- Cash reserve ratio is allowed

2.3 Detailed Coverage

- Accounts can be opened in GBP & KWD currency's, as configured at IC product
- Deposits opened under this account class will, by default, have
 - Tenor as 5 months
 - Mudarabah profit rate of 10%
 - Maximum tenor of 5 years
 - Cash reserve ratio of 20%
 - Defer liquidation of 6 days
- Fund ID maintained for profit distribution
- Account will get closed on maturity
- Month end deposit is supported
- Maturity date will be adjusted to previous working day based on holiday treatment
- Deposits contribute in profit and profit will be paid out on defer liquidation days

2.4 Account class – ISWPTD

| Account Class → Preferences | |
|----------------------------------|-------------------------|
| Account Type | Deposits |
| Profit Charges | Yes |
| Track Accrued Profit | Yes |
| Profit Calculation Balance Basis | Monthly average balance |
| Mudarabah Fund Id | IAFD10042 |
| Exclude from Distribution | No |

| | |
|--------------------|----|
| Cash Reserve Ratio | 20 |
|--------------------|----|

| Account Class → Deposits Account Details | |
|---|---|
| Rollover | No |
| Close On Maturity | Yes |
| Allow Partial Liquidation | Yes |
| Allow Partial Liquidation with Amount Block | Yes |
| Move Profit To Unclaimed | No |
| Move Principal to Unclaimed | No |
| Month end maturing deposit | Yes |
| Repick account class tenor on rollover | No |
| Rate Chart Allowed | No |
| Holiday Calendar | Branch holiday |
| Holiday Movement | Previous working day |
| Movement across months | Previous / next working day of same month |
| Month end deposit | Yes |
| Sweep Functionality | Yes |
| Adhoc holiday | Generate advice |
| Applicable deposit tenor | Original tenor |
| Profit sharing | Yes |
| Minimum tenor | 3 months |
| Default tenor | 5 months |
| Maximum tenor | 5 years |

| Account Class → Deposits amount currency wise limits | | |
|--|------------|------------|
| Currency | Min amount | Max amount |
| GBP | 5000 | 50000000 |
| KWD | 1000 | 70000000 |

2.5 Rule Coverage - IPTD

| IC Rule Features | |
|------------------|----------------------------|
| SDE's | DEPOSIT_AMOUNT, DAYS, YEAR |
| UDE | MUDARABAH_RATE |

| Rule Definition | | | | |
|-----------------|---------|------|------------------|---|
| Formula No | Accrual | Type | Condition | Result |
| 1 | Yes | Book | DEPOSIT_AMOUNT>0 | $(DEPOSIT_AMOUNT * DAYS * MUDARABAH_RATE) / (YEAR * 100)$ |

2.6 Product – IPTD

| Product Features | |
|---------------------------|-------------------------|
| Product Code | IPTD |
| Description | Fixed rate TD |
| Product Type | Profit |
| Product Group | IP |
| Product group description | Profit and Charges |
| Deposit | Y |
| Booking account type | Profit |
| IC Rule | IPTD |
| IC Rule description | Deposit simple interest |

| Product Preference | |
|-------------------------------|----------|
| Product Level | Yes |
| Accrual Frequency | Monthly |
| Payment Method | Bearing |
| Liquidation cycle | 3 months |
| Defer Liquidation | Yes |
| Defer liquidation days | 6 |
| Liquidation at Month ends | Yes |
| Back Value Recalculation Flag | Yes |
| Start from account Opening | No |

| Account Classes Mapping | | | | | |
|-------------------------|----------|------------------------|-----------------------------------|-------------------------|-------------------------------|
| Account class | Currency | Special condition only | Rate change on profit Liquidation | Rate change on Rollover | Continue Variance on rollover |
| IATDFX | GBP | Yes | No | No | No |
| IATDFX | KWD | Yes | No | No | No |

2.7 Additional Information

- Weight maintenance is done for Mudarabah fund id and Mudarib fee of 10% is maintained
- Profit GL's are maintained for the fund id
- Sweep in is enabled at ISWPIN account class

3 Islamic Term Deposit – with rate chart allowed

This floating rate deposit has all the basic features that are needed for a retail customer to open a deposit account. Profit rate is applied to deposits based on LDMM rate chart defined. Deposits under this offering don't contribute to profit sharing. Profits are paid to depositors based on the rate chart defined based on account class, currency and tenor combination.

3.1 Business Scenario

Depositors would enjoy variable profit rates for fixed period of time.

Target audience / Beneficiaries: Individuals or corporate who wants to open deposit account.

3.2 Synopsis

- Withdrawal is allowed before the end of the deposit term
- Depositors will get returns on their investments
- Rollover with different tenor is supported
- Month end deposit is supported
- Profit applicability based on LDMM rate chart

3.3 Detailed Coverage

- Deposit can be opened in GBP, KWD and EUR currencies, as configured at IC product
- Deposits opened under this account class will, by default, have:
 - Tenor as 3 months
 - Rolled over on maturity date
 - Profit sharing as No
 - Rate chart allowed as Yes
- Account can be rolled over on maturity date with principal amount or principal + profit based on user instructions
- Term Deposit Certificate generation as instrument is supported
- Maturity date will be adjusted to next working day automatically based on the holiday treatment defined
- Continue variance on rollover is allowed
- TD rate codes – ISTDPFTGBP, ISTDPFTEUR and ISTDPFTKWD are maintained and attached to profit rate UDE, MUDARABAH_RATE
- Profit will be applied to deposits based on the rate chart tenor in months, as configured at account class

3.4 Account class - IATDFL

| Account Class → Preferences | |
|----------------------------------|----------|
| Account Type | Deposits |
| Profit Charges | Yes |
| Track Accrued Profit | Yes |
| Profit Calculation Balance Basis | NA |
| Mudarabah Fund Id | No |
| Exclude from Distribution | No |

| Account Class → Deposits Account Details | |
|---|----------------------------------|
| Rollover | Yes |
| Close On Maturity | No |
| Allow Partial Liquidation | Yes |
| Allow Partial Liquidation with Amount Block | Yes |
| Move Profit to Unclaimed | No |
| Move Principal to Unclaimed | No |
| Repick account class tenor on rollover | Yes |
| Month end maturing deposit | Yes |
| Rate Chart Allowed | Yes |
| Rate chart tenor | Months |
| Holiday Calendar | Both branch and currency holiday |
| Holiday Movement | Next working day |
| Movement across months | Allowed |
| Adhoc holiday | Change maturity date and advice |
| Applicable deposit tenor | Deposit tenor |
| Profit sharing | No |
| Minimum tenor | 1 month |
| Default tenor | 3 months |
| Maximum tenor | 10 years |

| Account Class → Deposits amount currency wise limits | | |
|--|-------------------|-------------------|
| <i>Currency</i> | <i>Min amount</i> | <i>Max amount</i> |
| GBP | 5000 | 50000000 |
| EUR | 1000 | 95000000 |
| KWD | 500 | 70000000 |

3.5 Rule coverage - IPFL

| IC Rule Features | |
|------------------|--|
| SDE's | DEPOSIT_AMOUNT, DAYS, YEAR |
| UDE | MUDARABAH_RATE(UDE type – Rate code as rate) |

| Rule Definition | | | | |
|-----------------|---------|------|------------------|---|
| Formula No | Accrual | Type | Condition | Result |
| 1 | Yes | Book | DEPOSIT_AMOUNT>0 | (DEPOSIT_AMOUNT* DAYS*MUDARABAH_ RATE)/(YEAR*100) |

3.6 Product – IPFL

| Product Features | |
|---------------------------|----------------------------|
| Product Code | IPFL |
| Description | Rate chart allowed deposit |
| Product Type | Profit |
| Product Group | IP |
| Product group description | Profit and Charges |
| Deposit | Y |
| Booking account type | Profit |
| IC Rule | IPFL |
| IC Rule description | Rate chart allowed deposit |

| Product Preference | |
|-------------------------------|---------|
| Product Level | Yes |
| Accrual Frequency | Daily |
| Payment Method | Bearing |
| Liquidation cycle | 1 month |
| Defer Liquidation | Yes |
| Defer liquidation days | 6 |
| Liquidation at Month ends | Yes |
| Back Value Recalculation Flag | Yes |
| Start from account Opening | No |

| Account Classes Mapping | | | | | |
|-------------------------|----------|------------------------|-----------------------------------|-------------------------|-------------------------------|
| Account class | Currency | Special condition only | Rate change on profit Liquidation | Rate change on Rollover | Continue Variance on rollover |
| IATDFL | GBP | Yes | No | Yes | Yes |
| IATDFL | KWD | Yes | No | Yes | Yes |
| IATDFL | EUR | Yes | No | Yes | No |

3.7 Additional Information

- Issuer code TDDP is maintained and attached to stock catalog code
- Stock Catalog code TDCERT is maintained

4 Islamic Term Deposit – Other maintenances

Various maintenances to be done for TD are listed in this section.

4.1 Pay-in parameter maintenance

In case of pay-in through GL or Cash, the general ledger code needs to be maintained in pay-in parameters screen. It is mandatory in case pay-in to term deposits is done through GL or cash.

The following pay-in types have been maintained

| Branch Code | GL Code | Pay-in option |
|-------------|-----------|----------------|
| 001 | 261300005 | General ledger |
| 001 | 261300004 | Cash |

4.2 Close mode for TD

Close mode needs to be maintained, in case premature redemption of deposit accounts. In case of premature redemption through modes like account, GL, the product maintained at the close mode is used for processing the redemption. Following are the close modes maintained

| Close mode | Product |
|------------|---------|
| FT | FTRQ |
| GL | TDRG |

4.3 UDF maintenance

UDF's – ISTDUDF1 and ISTDUDF2 are attached to TD account creation screen.

4.4 Islamic weight maintenance

Islamic weights need to be maintained to apply profit rate on the entire investment to fund id based on weightage. Weightage is defined for amount, tenor and profit payout frequency combination. On profit distribution on defer liquidation days, weights are applied on investment and individual profit is arrived. Following is the weight maintenance done for term deposit account classes IATDFX & ISWPTD and fund id IAFD10042 combination,

| Value Category | | Tenor Category | | PPO category | | | |
|----------------|--------|----------------|-----------|--------------|--------|-------|--------|
| Amount slab | Weight | Tenor | TD Weight | Days | Months | Years | Weight |
| 10000 | 50 | 1 | 60 | 0 | 1 | 0 | 50 |
| 25000 | 55 | 2 | 65 | 0 | 3 | 0 | 55 |
| 50000 | 60 | 3 | 70 | 0 | 2 | 0 | 60 |
| 100000 | 65 | 5 | 75 | 0 | 4 | 0 | 66 |
| 350000 | 75 | 6 | 80 | 0 | 5 | 0 | 67 |
| 99999999 | 85 | 9 | 85 | 0 | 6 | 0 | 70 |
| | | 99 | 95 | 0 | 12 | 0 | 75 |

4.5 MIS class code maintenance

MIS class code needs to be maintained and captured during funding the profit GL. MIS class code, FUND Id is maintained and the fund ID, is attached to the class code.



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/

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