# Oracle Financial Services Deposit Insurance Calculations for Liquidity Risk Management

## User Guide

**Release 8.0.7.0.0**

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Oracle Financial Services Deposit Insurance Calculations for Liquidity Risk Management, Release 8.0.7.0.0

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# Document Control

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| 1.0 | Created August 2018 | Captured updates for 8.0.7.0.0 release |
| 2.0 | Created November 2018 | Captured updates for 8.0.7.0.0 release<br>Ownership Right and Capacity (ORC) Classification as per FDIC Part 370<br>Insurance Calculations as per FDIC 370 |

This document provides a comprehensive knowledge about the regulatory calculations in Oracle Financial Services Deposit Insurance Calculations for Liquidity Risk Management, Release 8.0.7.0.0. The latest copy of this guide can be accessed from OHC Documentation Library.

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# 1 About the Guide

This section provides a brief description of the scope, the audience, the references, the organization of the user guide and conventions incorporated into the user guide. The topics in this section are organized as follows:

- Scope of the guide
- Intended Audience
- Documentation Accessibility
- Access to Oracle Support
- Related Information Sources

## 1.1 Scope of the Guide

The objective of this user guide is to provide a comprehensive knowledge about the regulatory calculations supported in the Oracle Financial Services Deposit Insurance Calculations for Liquidity Risk Management, Release 8.0.7.0.0.

## 1.2 Intended Audience

Welcome to release 8.0.7.0.0 of the Oracle Financial Services Deposit Insurance Calculations for Liquidity Risk Management. This manual is intended for the following audience:

- **Business User:** This user reviews the functional requirements and information sources, like reports.
- **Strategists:** This user identifies strategies to maintain an ideal liquidity ratio and liquidity gap based on the estimated inflow and outflow of cash.
- **Data Analyst:** This user would be involved with cleaning, validation, and importing of data into the OFSAA Download Specification Format.

## 1.3 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.

## 1.4 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.

## 1.5 Related Information Sources

- OFS Liquidity Risk Solution 8.0.7.0.0 Release Notes on OHC Documentation Library
- OFS Liquidity Risk Solution 8.0.7.0.0 Installation Guide on OHC Documentation Library

# 2 Introduction

Deposit insurance schemes have been implemented in most countries, to safeguard the interest of the depositors in the event of bankruptcy of the depository institution. With the introduction of regulations such as Basel III, the insured portion of a deposit is required to be identified and treated appropriately for liquidity risk purposes. Regulations such as FDIC 370, mandate banks to identify and report the insurance coverage at an account level for various ownership rights and capacities, to ensure that the insurer pays out the amount due to depositors in a timely manner.

OFS Deposit Insurance Calculations for Liquidity Risk Management (OFS DICLRM) covers deposit insurance calculations for the purpose of liquidity coverage ratio and other calculations required for liquidity risk management. The application identifies insurance eligible accounts under a particular deposit insurance scheme, the right and capacity under which these accounts are held and the insurance limit provided by the country specific insurer for each account. It allocates the insurance limit to the account level based on the ownership right and capacity, and identifies the insured and uninsured portion of the account.

## 2.1 Getting Started with OFS DIC LRM

To access the Deposit Insurance Calculations for Liquidity Risk Management application you need to log into OFSAAI environment using the following window.

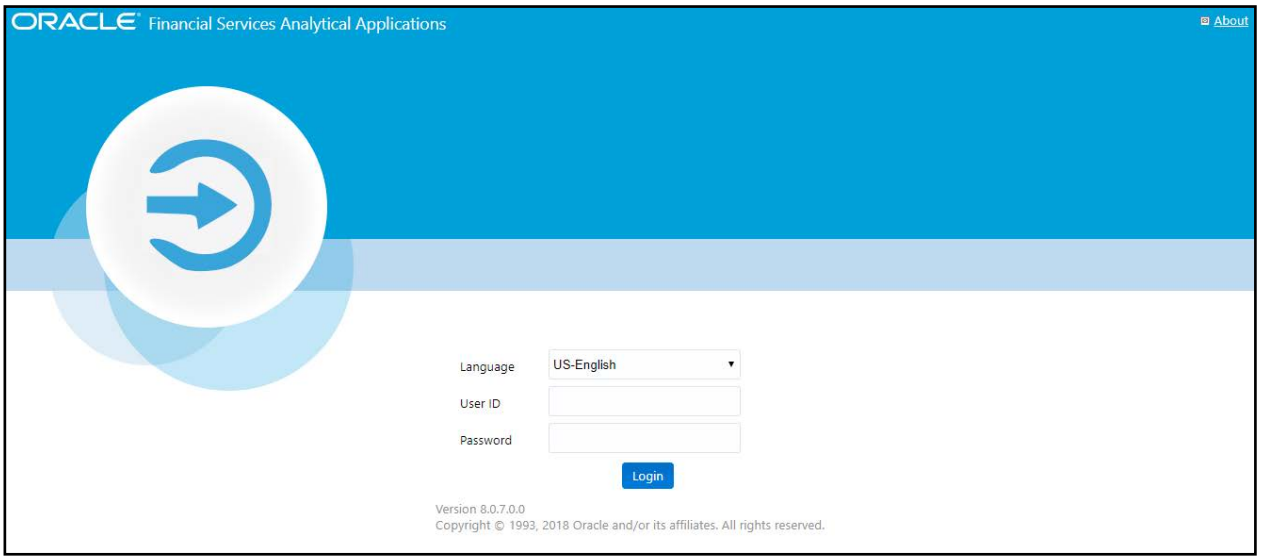
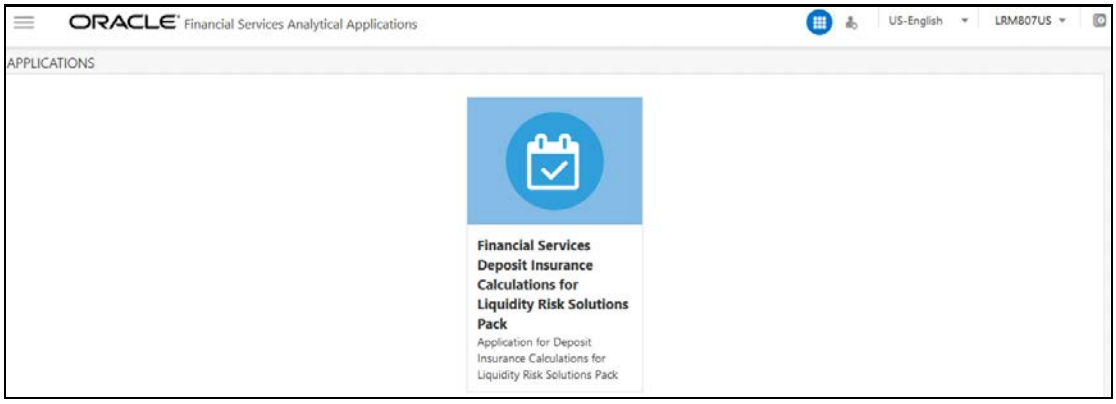



**Figure 1 OFSAAI Log in**

| Tag | Description |
|---|---|
| Language | Select the language in this field. |
| User ID | Enter the User ID to Login. |

**Table 1 OFSAAI Log In**

1. When you log into OFSAAI, the home page is displayed.




2. Click Financial Services Deposit Insurance Calculations for Liquidity Risk Management. The landing page is displayed.

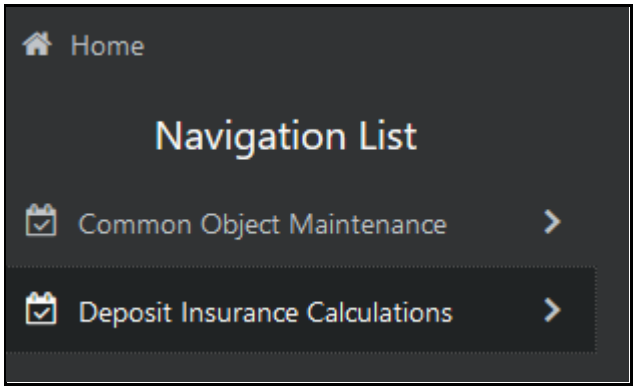



**Figure 2 OFSAAI – Liquidity Risk Management Pack Link**

| Tag | Description |
|---|---|
| DICUSER | Click this button to select the following options: Preferences, About, Change Password or to logout. |
| | Click the icon and select the Financial Services Deposit Insurance Calculations for Liquidity Risk Management where the LRM Application is installed. |
| | Click this icon to view the Administration related tools such as Translation Tools and Process Modelling Framework. |
| | Click this icon to view details of the last login and last failed login date and time. |
| Common Object Maintenance | Common Object Maintenance is an integral part of the Infrastructure system and facilitates system administrators to define the security framework with the capacity to restrict access to the data and metadata in the warehouse, |

| Tag | Description |
|---|---|
| | based on a flexible, fine-grained access control mechanism. For more information refer OFS Analytical Applications Infrastructure User Guide on OHC. |
| Deposit Insurance Calculation Liquidity Risk Management Link | Click this link to view the options under DIC LRM. |

# 3 Run Management

## 3.1 Overview

Run Management screen of the LRS pack allows you to define, approve and execute Runs. All Runs except stress Runs are defined in the Run Management window of the application. The Run, once saved and approved, is registered in the Rules Framework > Run in Oracle Financial Services Analytical Applications Infrastructure.

## 3.2 Run Definition Parameters

The Run Definition window has the following sections for defining parameters:

- Linked To
- Run Definition Details
- Run Parameters

### 3.2.1 Linked To

The details must be specified as follows:

- Folder: Select the Folder which is specific to the Run definition.
- Access Type: Choose the access type option, Read/Write or Read Only.

### 3.2.2 Run Definition Details

The details for each Run definitions are entered here as follows:

- Run Name: Specify the Run name.
- Run Description: Enter the Run description.

### 3.2.3 Run Parameters

The parameters for each Run definitions are entered here as follows:

#### 3.2.3.1 Run Type

The Run Type for Deposit insurance Calculations is taken by default as a ‘Contractual Run’.

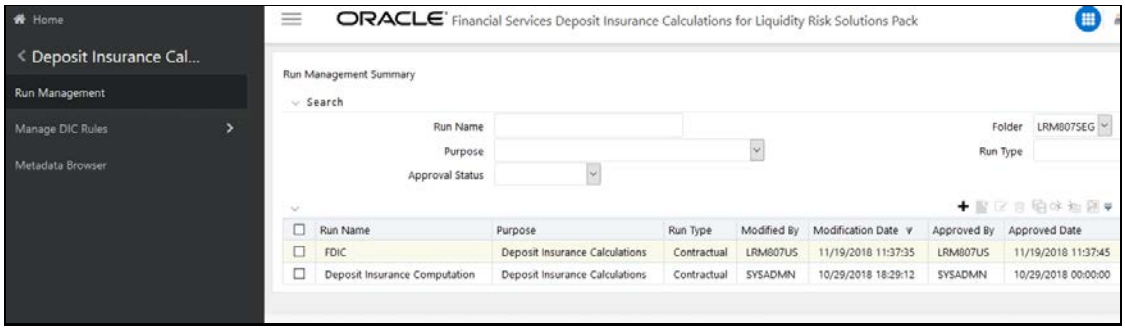
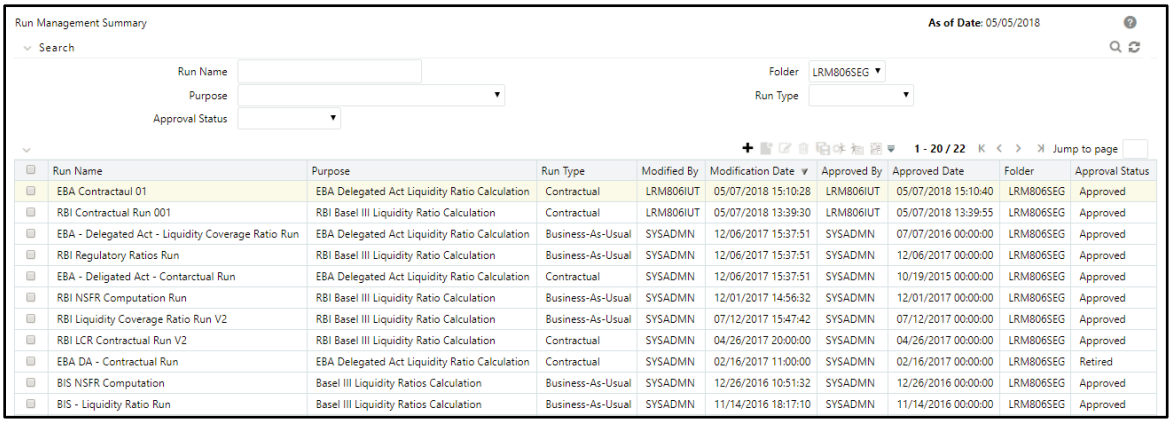


**Figure 3 Run Definition – Contractual Run browser**

# 3.3 Understanding Run Management Summary

In Oracle Financial Services Analytical Applications Infrastructure home screen select, Financial Services Deposit Insurance Calculations Liquidity Risk Management.

To open the Run Management window, choose **Deposit Insurance Calculations Liquidity Risk Management** > **Run Management** on the Left-Hand Side (LHS) menu.




| Run Name | Purpose | Run Type | Modified By | Modification Date | Approved By | Approved Date | Folder | Approval Status |
|---|---|---|---|---|---|---|---|---|
| EBA Contractaul 01 | EBA Delegated Act Liquidity Ratio Calculation | Contractual | LRM806IUT | 05/07/2018 15:10:28 | LRM806IUT | 05/07/2018 15:10:40 | LRM806SEG | Approved |
| RBI Contractual Run 001 | RBI Basel III Liquidity Ratio Calculation | Contractual | LRM806IUT | 05/07/2018 13:39:30 | LRM806IUT | 05/07/2018 13:39:55 | LRM806SEG | Approved |
| EBA - Delegated Act - Liquidity Coverage Ratio Run | EBA Delegated Act Liquidity Ratio Calculation | Business-As-Usual | SYSADMN | 12/06/2017 15:37:51 | SYSADMN | 07/07/2016 00:00:00 | LRM806SEG | Approved |
| RBI Regulatory Ratios Run | RBI Basel III Liquidity Ratio Calculation | Business-As-Usual | SYSADMN | 12/06/2017 15:37:51 | SYSADMN | 12/06/2017 00:00:00 | LRM806SEG | Approved |
| EBA - Deligated Act - Contarctual Run | EBA Delegated Act Liquidity Ratio Calculation | Contractual | SYSADMN | 12/06/2017 15:37:51 | SYSADMN | 10/19/2015 00:00:00 | LRM806SEG | Approved |
| RBI NSFR Computation Run | RBI Basel III Liquidity Ratio Calculation | Business-As-Usual | SYSADMN | 12/01/2017 14:56:32 | SYSADMN | 12/01/2017 00:00:00 | LRM806SEG | Approved |
| RBI Liquidity Coverage Ratio Run V2 | RBI Basel III Liquidity Ratio Calculation | Business-As-Usual | SYSADMN | 07/12/2017 15:47:42 | SYSADMN | 07/12/2017 00:00:00 | LRM806SEG | Approved |
| RBI LCR Contractual Run V2 | RBI Basel III Liquidity Ratio Calculation | Contractual | SYSADMN | 04/26/2017 20:00:00 | SYSADMN | 04/26/2017 00:00:00 | LRM806SEG | Approved |
| EBA DA - Contractual Run | EBA Delegated Act Liquidity Ratio Calculation | Contractual | SYSADMN | 02/16/2017 11:00:00 | SYSADMN | 02/16/2017 00:00:00 | LRM806SEG | Retired |
| BIS NSFR Computation | Basel III Liquidity Ratios Calculation | Business-As-Usual | SYSADMN | 12/26/2016 10:51:32 | SYSADMN | 12/26/2016 00:00:00 | LRM806SEG | Approved |
| BIS - Liquidity Ratio Run | Basel III Liquidity Ratios Calculation | Business-As-Usual | SYSADMN | 11/14/2016 18:17:10 | SYSADMN | 11/14/2016 00:00:00 | LRM806SEG | Approved |

**Figure 4 Run Management Summary**

The Run management summary window of the DICLRM application allows you to define, approve and execute Run/s.

This is the search section which contains multiple parameters. You can specify one or multiple search criteria in this section. When you click the search icon, depending up on the search criteria, this filters and displays the relevant search combination parameters under the Run Management Summary as a list.

| **Search** | |
|---|---|
| **Field\Icon** | **Description** |
| Search | This icon allows you to search the Run definition on the basis of the search criteria specified. Search criteria include a combination of Run Name, Folder, Approval Status and Run Type. The Run definitions displayed in the Run Management Summary table are filtered based on the search criteria specified on clicking of this icon. |
| Reset | This icon allows you to reset the search section to its default state that is, without any selections. Resetting the search section displays all the existing Run definitions in the Run Management Summary table. |
| Run Name | This field allows you to search the pre-defined Run on the basis of the Run name. Enter the Run name. |
| Folder | This field allows you to search for the pre-defined Run definitions on the basis of the selected folder. This field displays a list of folders that you have access to as a drop-down. Selection of a |

| Search | |
|---|---|
| **Field\Icon** | **Description** |
| | folder from the drop down list displays only those Run definitions that have been defined within the selected folder/segment in the Run Management Summary table. |
| Run Type | This field allows you to search the pre-defined Run on the basis of Run Type (Contractual, BAU or Stress Run). You need to specify the Run Type here for searching pre-defined Run. |
| Approval Status | This field allows you to search the pre-defined Run on the basis of approval status. This field displays a list of statuses that you have access to as a drop-down that is, Approved, Draft, In Review, Open, Pending Approval or Retired. Click the drop-down list to select Approved or Rejected status. Selection of a status from the drop-down list displays only those Run definitions that have been defined within the selected status in the Run Management Summary table. |

Table 2 Run Management – Search

| List of Runs | | |
|---|---|---|
| **Icon Name** | **Icon** | **Description** |
| Add | | This icon allows you to define a new Run. |
| View | | This icon allows you to view the selected Run definitions. |
| Edit | | This icon allows you to edit the selected Run definition. Once the definition is approved, it cannot be edited in the case of Run definitions. |
| Delete |  | This icon allows you to delete the selected Run definition. |
| Copy | | The icon allows a definition to be copied and resaved as a new definition. |
| Run Execution Parameters | | This icon allows you to specify execution parameters and execute the Run from the Run Execution Parameters screen. Select the check-box against a Run definition and click the Run Execution Parameters icon to view the Run Execution Parameter Specification window. |
| Run Execution Summary | | This icon displays the Run Execution Summary window. The Run parameters specified as part of the Run Definition window are displayed in an un-editable form in the Run Parameters window. The entire list of executions and their details are displayed for the selected definition in this screen. |
| Workflow Summary | | The icon displays the approval summary for the definition. |

# 3.4 Defining a DIC Run

The Run Management window allows you to define a new Run or create a new Run definition.

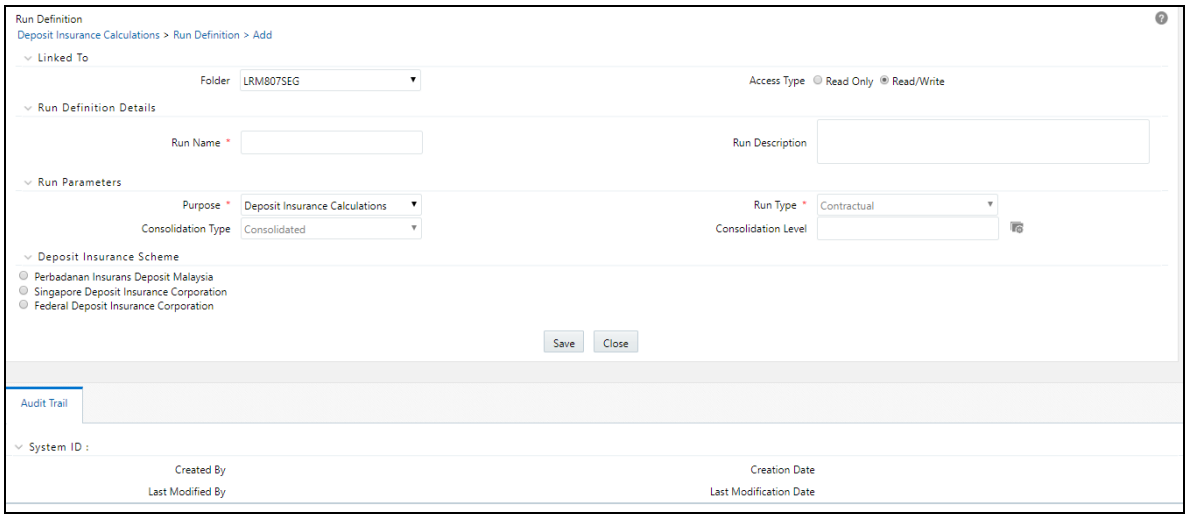



**Figure 5 Run Definition - DIC Run**

To define a DIC Run, perform the following steps:

1. Click the + icon on the **Run Management** window.

   The **Run Definition** window is displayed where you can define a Run.
2. In the **Linked To** section,
3. Select the Folder from the drop-down list, which is specific to the Run definition. The Run definitions are linked to a segment.
4. Select the Access Type. The values are either Read/Write or Read Only.
5. In the **Run Definition Details** section,
   a. Enter the **Run Name** which is unique across infodoms.
   b. Enter the **Run Description**.

> **NOTE** Both the Run Name and Run Description fields allow special characters.

6. In the **Run Parameters** section,
   c. Select the Purpose.

> **NOTE** The value in the Run Type field is Contractual by default for the DIC Run purpose.

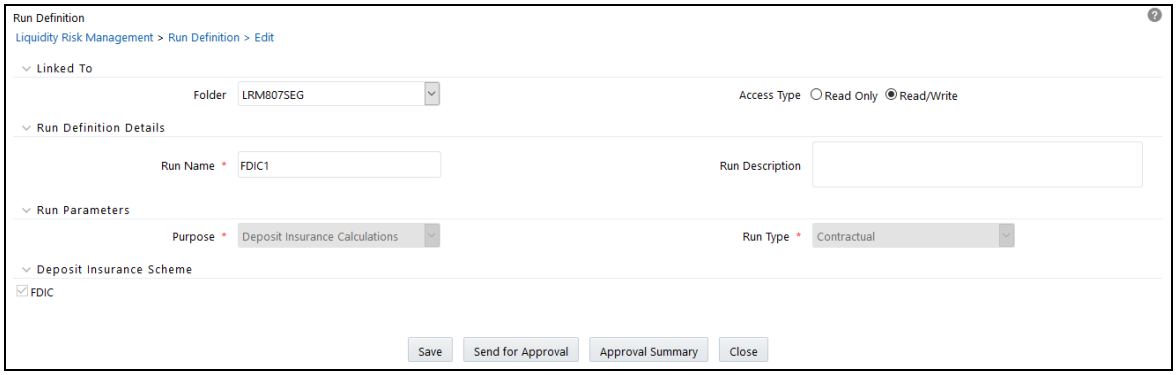



**Figure 6 Run Definition - DIC Run**

7. Click **Save**.
8. The Run is saved in the Run Framework of Oracle Financial Services Analytical Applications Infrastructure. A Run is available for execution only after it has been approved. Once approved, Run parameters cannot be edited.

## 3.5 Run Definition Approval Process

For more details on the approval process, refer to the Run Definition Approval Process in the Oracle Financial Services Liquidity Risk Measurement and Management User Guide on OHC documentation library.

## 3.6 Adding a Custom Task to a Run

For more details on adding a custom task to a run, refer to the Adding a Custom Task to a Run in the Oracle Financial Services Liquidity Risk Measurement and Management User Guide on OHC documentation library.

## 3.7 Preparing for Execution

For more details on preparing for a run execution, refer to the Preparing for Execution in the Oracle Financial Services Liquidity Risk Measurement and Management User Guide on OHC documentation library.

## 3.8 Run Execution Parameters

For more details on run execution parameters, refer to the section Run Execution Parameters in the Oracle Financial Services Liquidity Risk Measurement and Management User Guide on OHC documentation library.

# 4 FDIC Part 370 Calculations

Most countries have implemented deposit insurance schemes to safeguard the interest of the depositors in the event of bankruptcy of the depository institution. With the introduction of regulations such as Basel III, the insured portion of a deposit is required to be identified and treated appropriately for liquidity risk purposes. Recent regulations, such as FDIC 370, is mandating banks to identify and report the insurance coverage at an account level for various ownership rights and capacities to ensure that the insurer pays out the amount due to depositors in a timely manner.

OFS Deposit Insurance Calculations for Liquidity Risk Management covers deposit insurance calculations for the purpose of liquidity coverage ratio and other calculations required for Liquidity Risk Management. The application identifies insurance eligible accounts under a particular deposit insurance scheme. The right and capacity under which these accounts are held and the insurance limit provided by the country specific insurer for each account. It allocates the insurance limit to the account level based on the ownership right and capacity and identifies the insured and uninsured portion of the account. Specifically, this release addresses the FDIC 370 guidelines, which will be followed by coverage for other countries

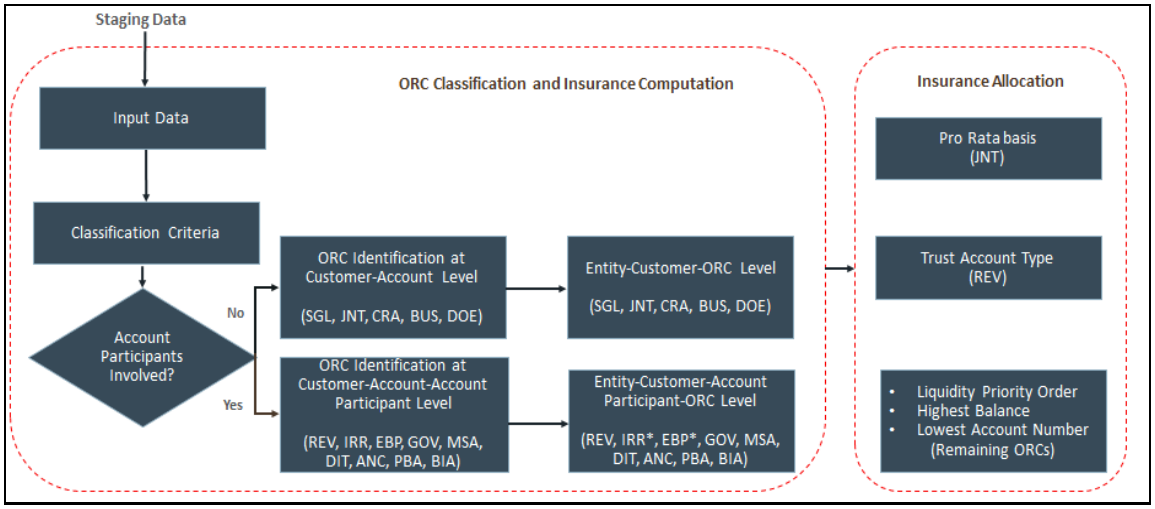
The approach to the guidelines for Bank's own deposits is split into the following three aspects:

- Pre-requisites for Insurance Calculations
- ORC Classification and Insurance Computation
- Insurance Allocation

For brokered deposits, the bank has the option to provide data in a reduced format as per Alternative Recordkeeping requirements. For such accounts, the ORC Classification is a download for the Application. The Insurance calculation and Allocation process for these accounts are done along with the bank's own accounts and is done in the same manner.

## 4.1 Solution Process Flow

For Bank's own accounts, the Classification and Calculation process to comply with FDIC Part 370 guidelines is as below:



# 4.2 Prerequisites for Insurance Calculation

Prior to classifying accounts and calculating insurance, there are some pre requisites that need to be determined that are used during ORC classification or insurance determination. These include identifying FDIC Insurance eligible accounts, Identification and treatment of merged entities, Pre-insurance computations, and Treatment for deposits denominated in foreign currencies.

## 4.2.1 Identification of FDIC Insurance Eligible Accounts

The first step in determining insurance is to identify the subset of deposit accounts that are eligible for insurance coverage from the FDIC. Only FDIC Insurance eligible accounts go through FDIC Part 370 classification criteria and insurance calculation.

A Deposit Account is identified as eligible for deposit insurance coverage by FDIC based on criteria such as the account domicile, the domicile of the covered institution or its branch, and whether the customer is internal to the organization structure or not. Identification and Inclusion of overseas military banking facilities for the United States are also treated under the eligibility criteria.

> **NOTE** Deposits held by a depositor in the same right and capacity with multiple insured entities or the US branch of foreign entities, are covered separately per entity for all the US branches of each foreign legal entity.

Only deposit accounts that have a balance greater than zero are considered for deposit insurance.

Prepaid Cards and Credit Cards with excess balance are also considered as Eligible accounts for deposit insurance.

## 4.2.2 Entity based insurance calculation.

FDIC Insurance coverage is extended at a legal entity level. This means that all accounts belonging to the same counterparty, same right and capacity, and same legal entity are aggregated for insurance determination.

In the domestic scenario, the coverage is at the legal entity level, meaning that branches of a legal entity are not separately covered but are included in the legal entity coverage.

In certain instances, wherein a branch is separately covered from the legal entity, such as a branch of a foreign legal entity, the application provisions identifiers to capture and process this information. The granularity of Insurance calculation as per FDIC Part 370 is as follows:

Insured Legal Entity/Separately insured Branch – Ownership Right and Capacity- Customer

Where the beneficial owner is the customer

Insured Legal Entity/Separately insured Branch – Ownership Right and Capacity- Customer – Beneficial Party

Where the beneficial owner is a party other than the customer. In this case, the insurance is provided on a pass through basis.

Note

Banking facilities in overseas military bases are considered to be domestic and are treated accordingly i.e. All the domestic branches of a domestic legal entity are covered by FDIC along with the legal entity itself. This includes overseas military operations of a domestic legal entity. There is no separate coverage at the branch level.

Deposits held in multiple US branches of a foreign legal entity, in the same right and capacity, are aggregated together for the purposes of FDIC insurance. The coverage is not at an individual US branch level.

#### 4.2.2.1 Insurance after mergers and restructuring

During restructuring, such as mergers, the FDIC has a six months grace period in recognizing them for insurance calculations. If two depository institutions, whether insured entities or separately insured branch and entities (in the case of US branches of foreign banks), merge or go through an acquisition, the deposit treatment for these institutions are as follows:

If the restructuring occurred <=6 months from the As of Date:

Treat the two entities as separate entities and compute the deposit insurance for the accounts held by them separately.

If the restructuring occurred >6 months from the As of Date:

If there are term deposits whose maturity are > 6 months from the restructuring date and are not renewed within 6 months, then the application treats them separately from the acquiring entity for deposit insurance calculation purposes till the maturity of such deposits.

If there are term deposits that are renewed within 6 months of the restructuring on identical terms as the original terms, the application treats them separate from the acquiring entity for deposit insurance calculation purposes till the first maturity.

### 4.2.3 Treatment of Deposits Denominated in Foreign Currencies

Deposits held in foreign currencies are covered by FDIC, provided they meet other criteria for insurance eligible accounts. The Application determines deposit insurance in terms of US dollars for all accounts, including foreign currency denominated deposits. The currency conversion rates used for this purpose are the 12 PM rates i.e. noon buying rates for cable transfers quoted by the Federal Reserve Bank of New York, unless a different source is specified under the agreement. The exchange rate source for the conversion of foreign currency denominated deposits are captured separately from the rates used for other computations at an insured entity/branch level.

### 4.2.4 Recognition of Death of Parties

This section is applicable to the FDIC Customer type 'Individual' only. FDIC provides a six months grace period for recognizing an individual customer's death for deposit insurance coverage. i.e an individual is recognized as dead only after 6 months from the date of his/her death for deposit insurance purposes. This grace period applies to customers only and does not apply to account participants such as beneficiaries.

### 4.2.5 Pre Insurance Determination.

In this process, an initial aggregation is done by customer. If a customer's total funds in all accounts held at a Legal Entity level is less than the SMDIA and when the setup_master entry for the component code FDIC_DEP_AGGR_option is "Yes" the Initial aggregation is done at a Customer level. When the option is chosen as "No"- the aggregation is only done at an ORC level.

## 4.3 ORC Classification and Insurance Calculation

A deposit account, if eligible for deposit insurance coverage from FDIC should be classified into one of the 14 ORCs as listed by FDIC. The classification is done by using multiple criteria such as customer type, fiduciary relationship criteria, deposit primary purpose, and so on.

Once the classification is done, the insurance calculation is done at a granularity in accordance to the ORC to which the record is classified. For each ORC, the aggregated amounts are compared to the SMDIA. If the aggregated amount is lesser than the SMDIA, then the entire amount is insured, else, the funds up to SMDIA are insured and the portion exceeding the SMDIA is uninsured.

## 4.3.1 Single Accounts (SGL)

Coverage under this ORC extends to accounts that are either owned by one natural person or treated as if they are owned by one natural person. The single accounts category includes the following:

- Individually owned accounts
- Accounts in the name of a deceased person or the estate of a deceased person
- Sole proprietorship accounts
- The following are also included in SGL ORC:
- Retained Interest from Irrevocable Trust
- Interest of Ineligible beneficiaries for Revocable Trust
- Interest of Ineligible beneficiaries for Irrevocable Trust
- Single accounts for Taxes and Insurance premiums of mortgagors
- Business accounts not engaged in independent activity
- Joint accounts where the number of owners has reduced to one.

SGL ORC is also the default ORC for any FDIC Insurance eligible account which has all its data elements available but does not fit the classification criteria for the other ORCs i.e. if an account has any data elements missing, it will be marked as 'Pending'. However, if an account has all the data elements present, but does not fit into any ORC bucket, then it is tagged as SGL.

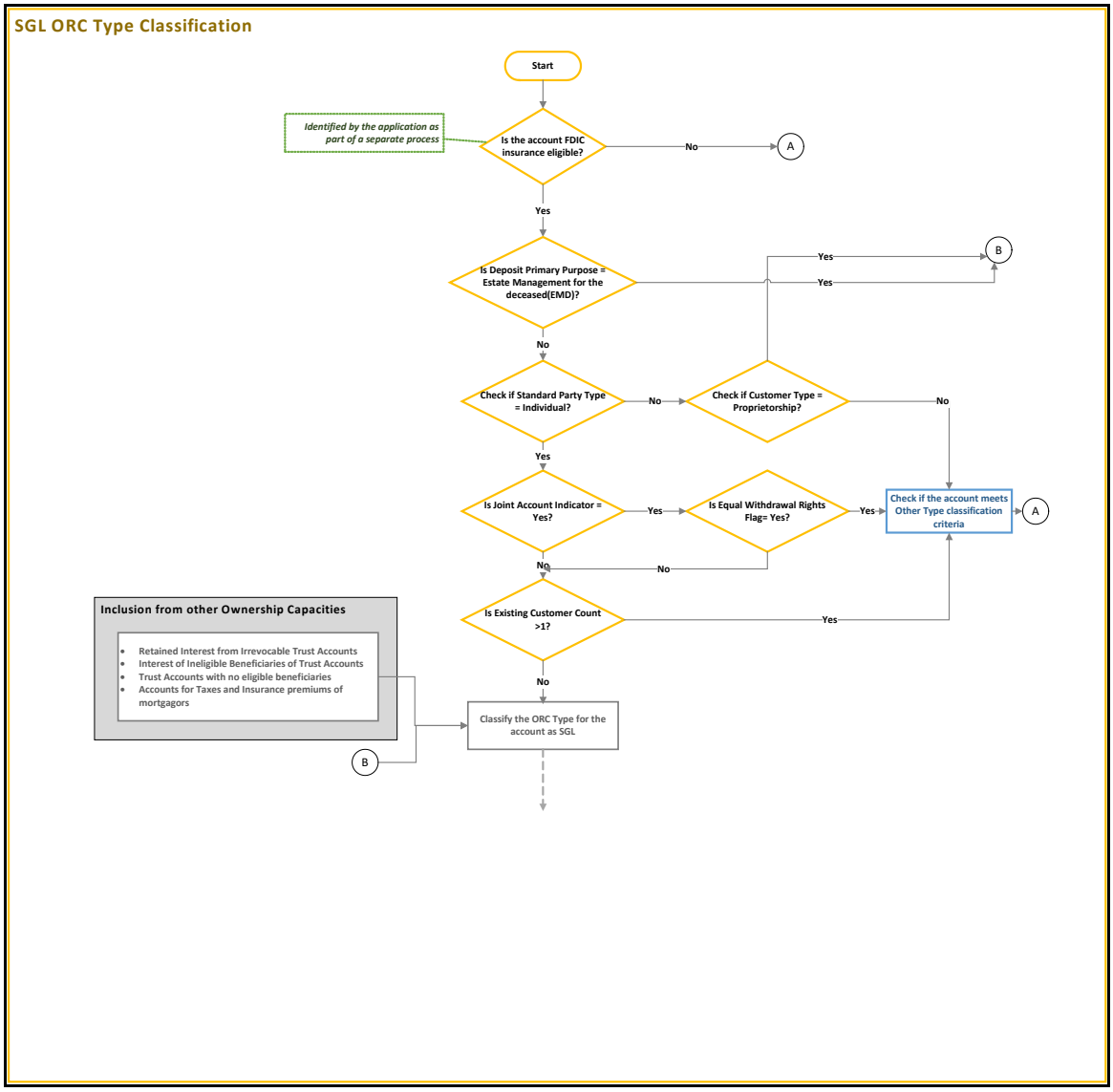
### 4.3.1.1 Insurance Limit

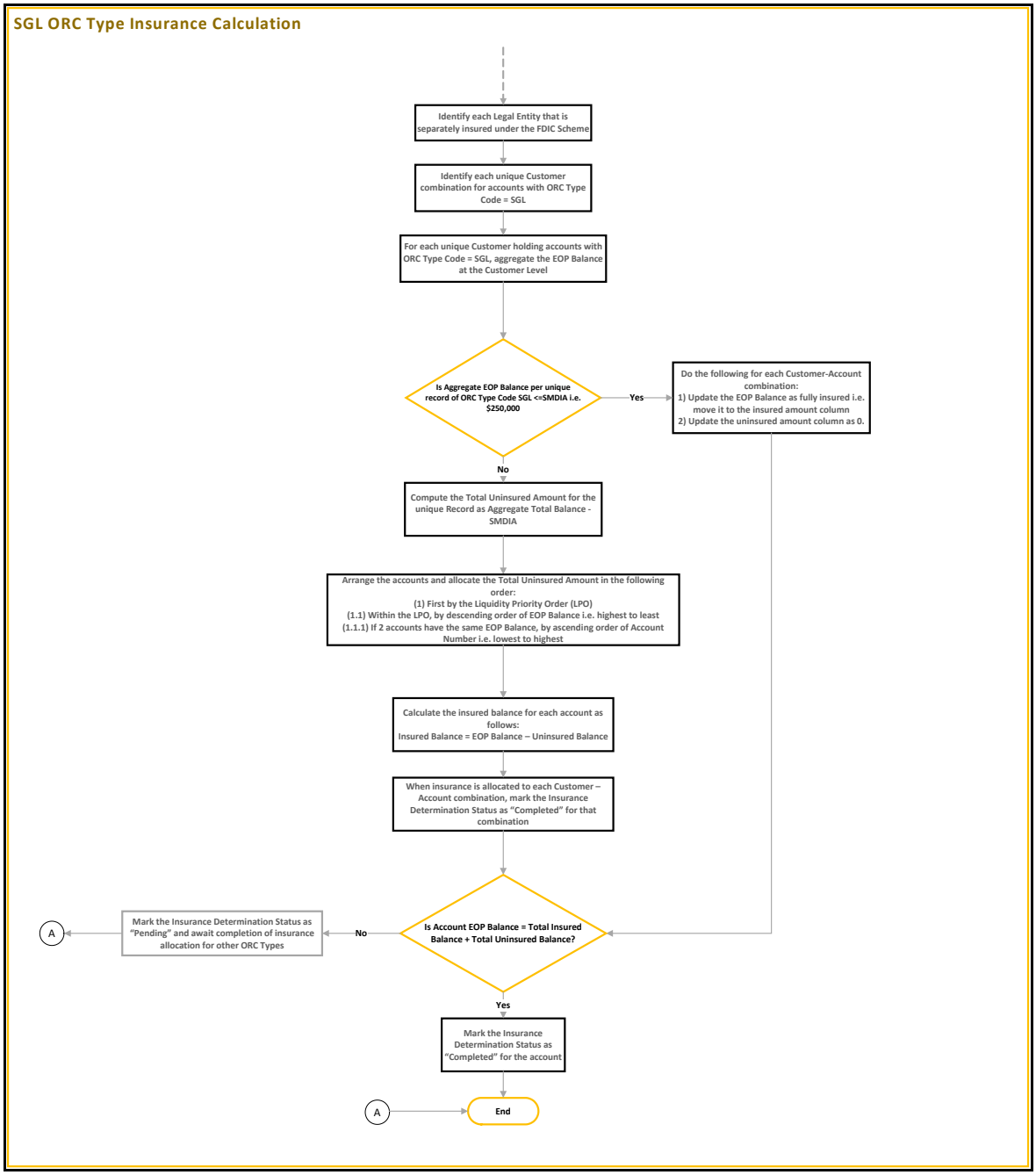
Insurance calculation and the Standard Maximum Deposit Insurance Amount (SMDIA) are applied in the following way:

**Legal Entity/Separately insured branch- Ownership Right and Capacity-Customer level**

A deposit held by an individual in his or her own capacity in a single account is insured for a maximum of up to the SMDIA.

## 4.3.1.2 Process Flow






## 4.3.2 Joint Accounts (JNT)

A joint account is a deposit owned by two or more individuals where:

- Each co-owner must be a natural person.
- All co owners must have equal withdrawal rights
- All co owners have signed the signature card or equivalent

### 4.3.2.1 Insurance Limit

The Insurance calculation and the Standard Maximum Deposit Insurance Amount (SMDIA) are applied at:

**Legal Entity/Separately insured branch- Ownership Right and Capacity-Customer level**

For JNT, this translates to:

**Legal Entity/Separately insured branch- Ownership Right and Capacity-Co owner level**

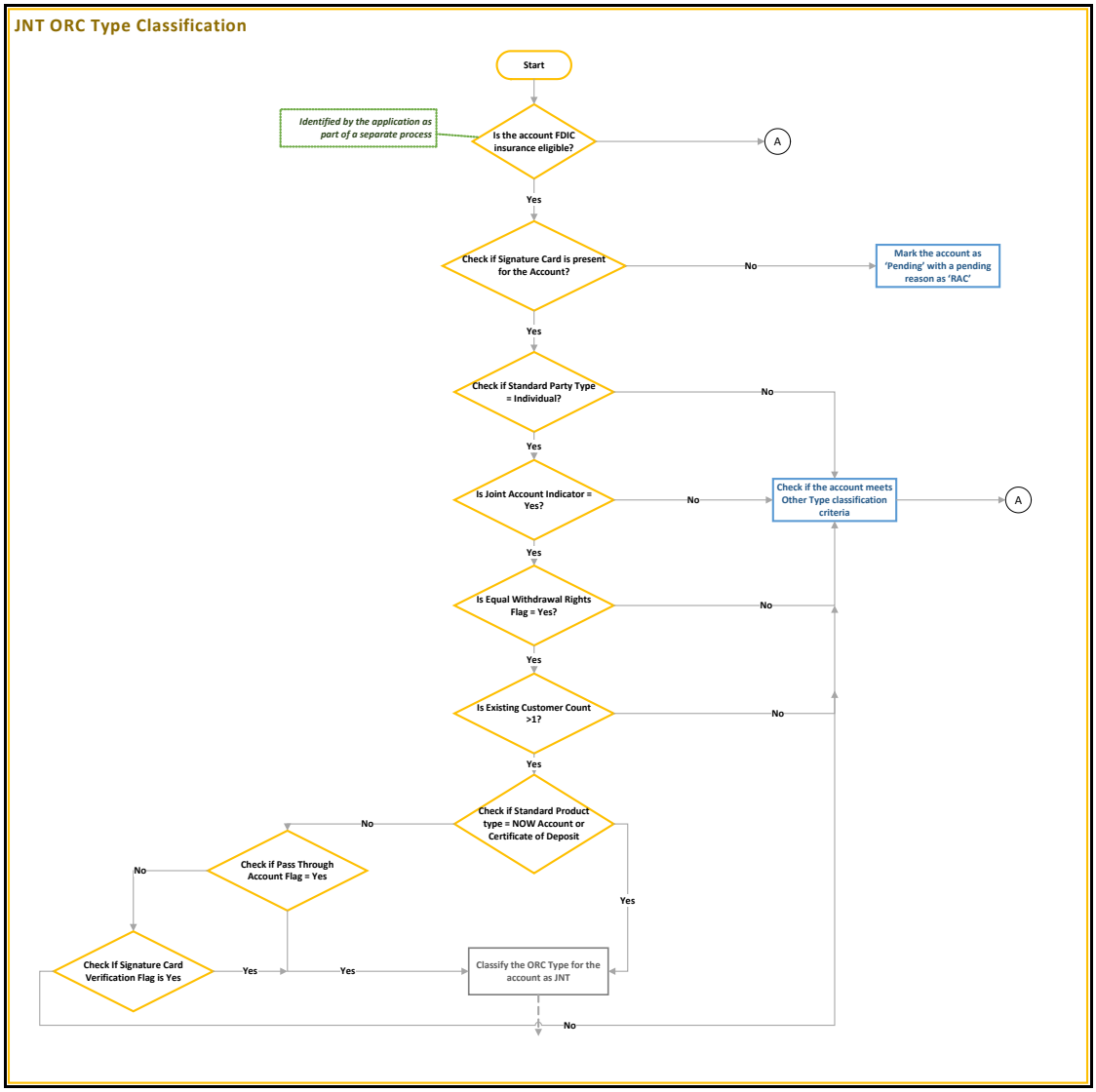
Each co-owner of a joint account is insured up to SMDIA for the combined amount of his or her interests in all joint accounts at the same IDI. In determining a co-owner's interest in a joint account, the Application assumes each co-owner is an equal owner.

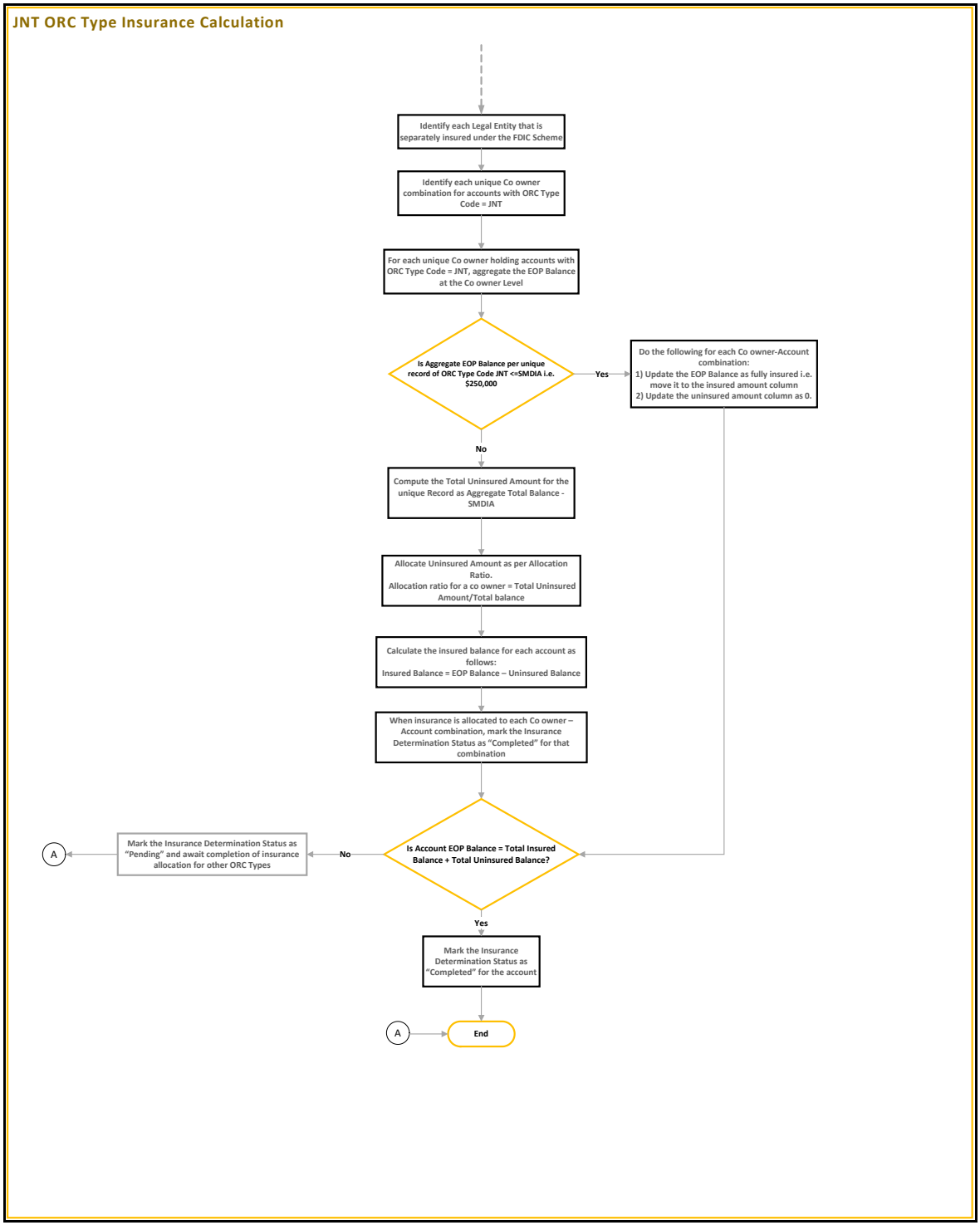
### 4.3.2.2 Treatment in case of Death of co-owner

Given that the FDIC does not distinguish coverage based on whether the Joint accounts are held under 'Rights of survivorship' or 'Tenants in common', the application treats death across all joint accounts in the same manner. In case of the death of a co-owner, the deposit balance applicable to the co-owner is distributed to the other co-owners.

For a Joint account, on the death of a co-owner, if the number of surviving owners is not more than 1, then such accounts revert to be treated in the SGL category.

### 4.3.2.3 Process Flow






## 4.3.3 Certain Retirement Accounts (CRA)

This Ownership Right and Capacity includes Individual Retirement Accounts (IRA) such as Traditional and Roth IRAs, Savings Incentive Match Plan for Employees (SIMPLE) IRAs, Simplified Employee Pension (SEP) IRAs, and Section 457 deferred compensation plans. This also includes self-directed Keogh Plans and self-directed Defined Contribution plans.

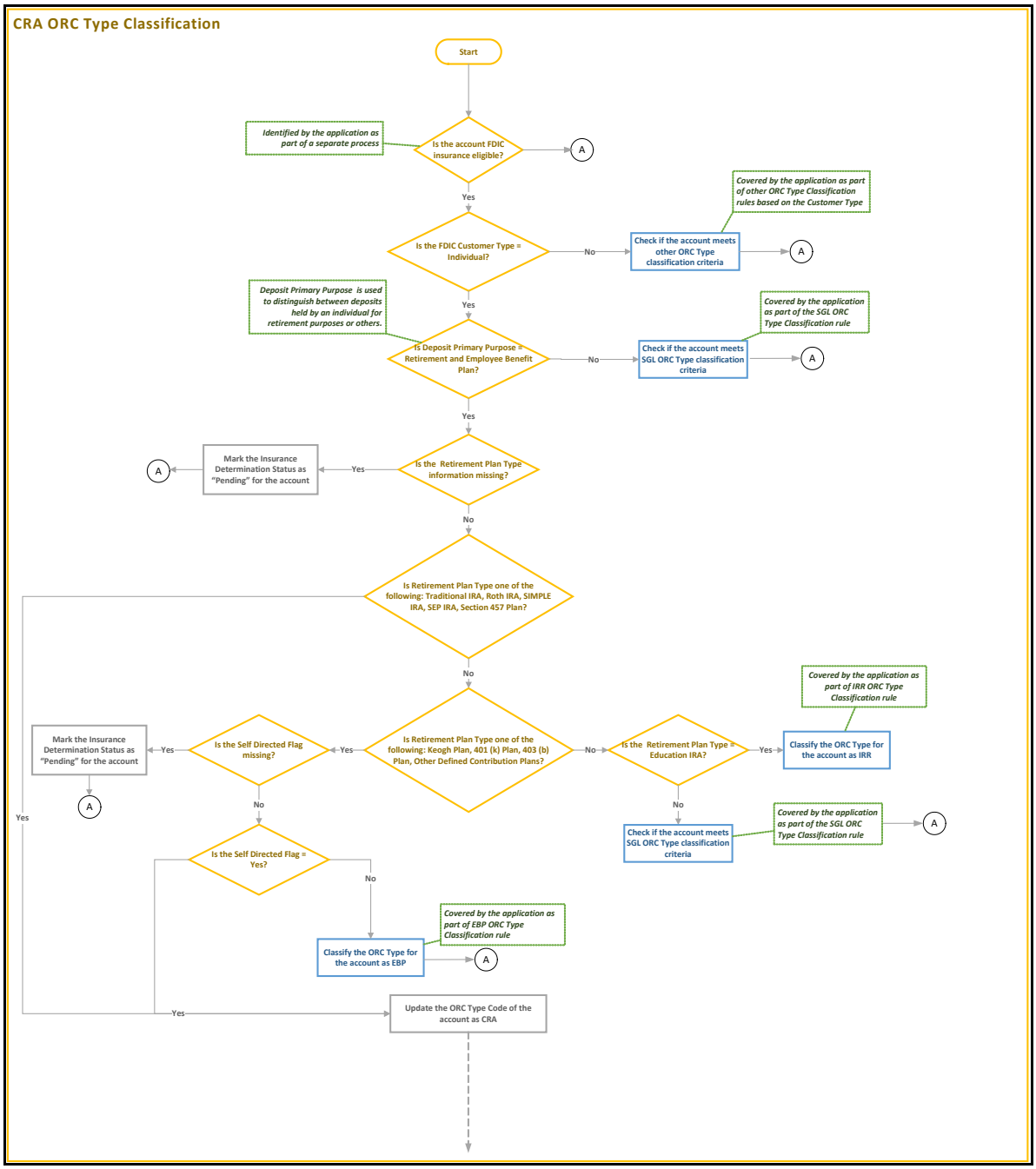
### 4.3.3.1 Insurance Calculation

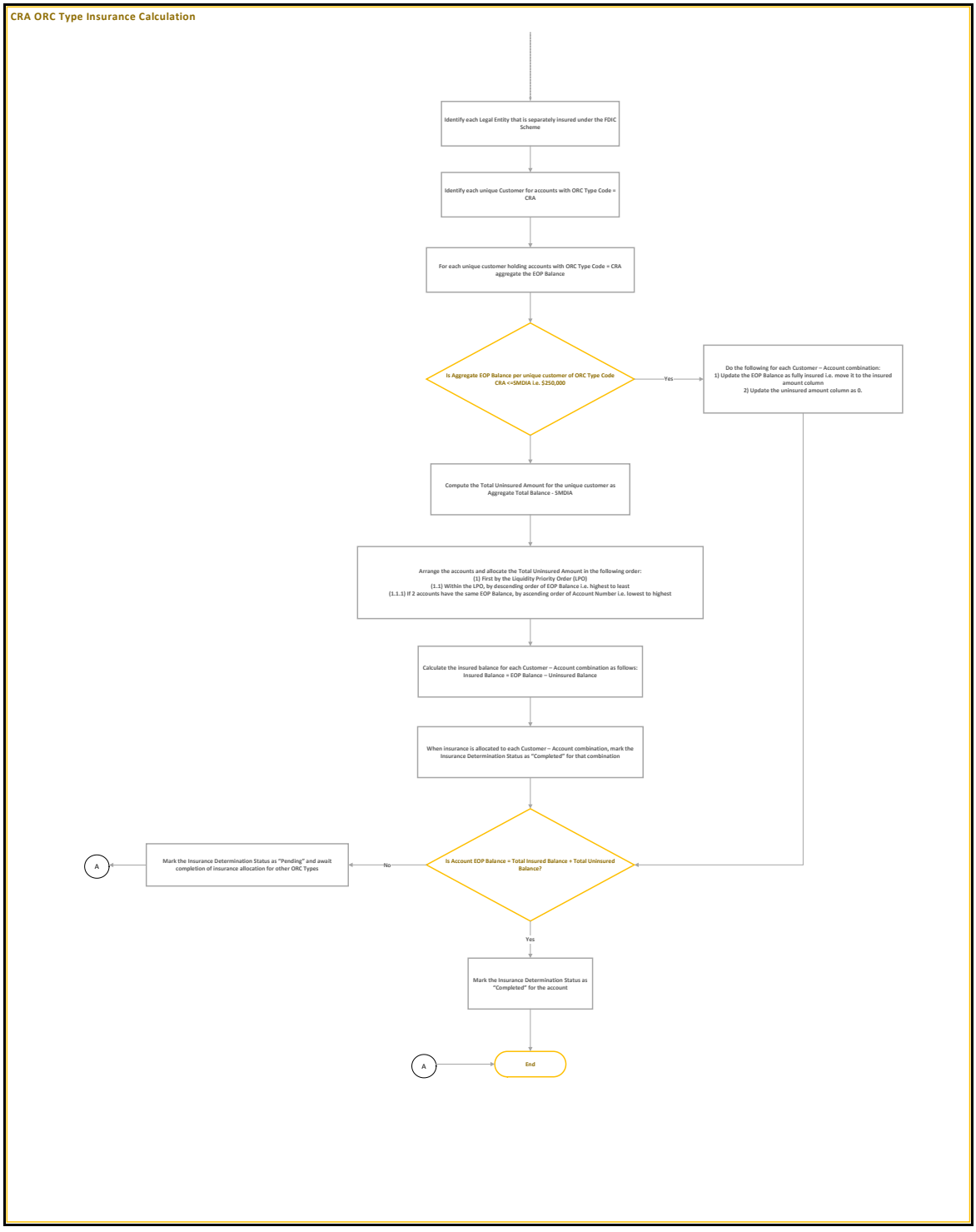
Insurance calculation and the Standard Maximum Deposit Insurance Amount (SMDIA) are applied at:

| **Legal Entity/Separately insured branch- Ownership Right and Capacity-Customer level** |
|---|

Insurance calculation for this ORC is done at the above level irrespective of whether the customer has named beneficiaries or not.

### 4.3.3.2 Process Flow






## 4.3.4 Employee Benefit Plans (EBP)

Under this ORC, all the defined benefit plans and defined contribution plans that are not self-directed are covered.

A defined benefit plan is one where the employer aggregates money in a retirement account and arranges to pay employees a fixed monthly payout during retirement, or mostly referred to as a pension.

A defined contribution plan, like 401(k), requires employees to put in their own money into the retirement accounts. The employer may also make contributions on a regular basis. Future benefits in this type of plan are subject to investment fluctuations. Defined contribution plans that are not self-directed are covered in this ORC.

Overfunding amounts are computed by the Application by taking into consideration the Total Allocation Percentage of all the employee benefit plan participants with respect to an Employer. If the Total Percentage is less than 100%, it is determined that there is Overfunding in the deposit account. This amount does not belong to any participant and instead belongs to the Employer.

All Overfunding amounts with respect to an Employer are aggregated and receive a separate SMDIA under EBP ORC

#### 4.3.4.1 Insurance Calculation

Insurance calculation and the Standard Maximum Deposit Insurance Amount (SMDIA) for Non Contingent Interests are applied at:

**Legal Entity/Separately insured branch- Ownership Right and Capacity-Customer- Account Participant level**

For EBP, this translates to:

**Legal Entity/Separately insured branch- EBP-Employer- Employee Benefit Plan Participant level**

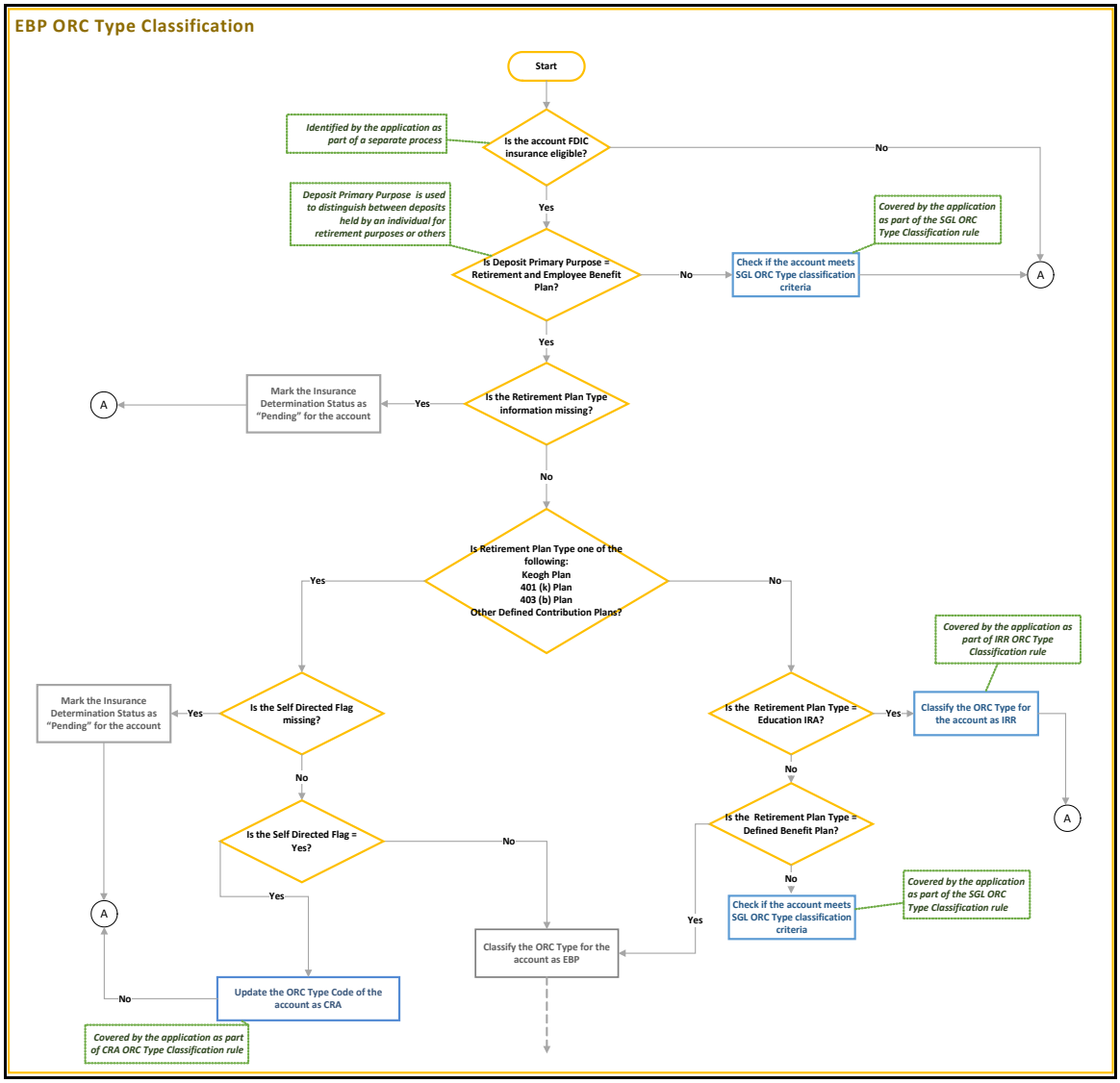
Insurance calculation and the Standard Maximum Deposit Insurance Amount (SMDIA) for Contingent interests are applied at:

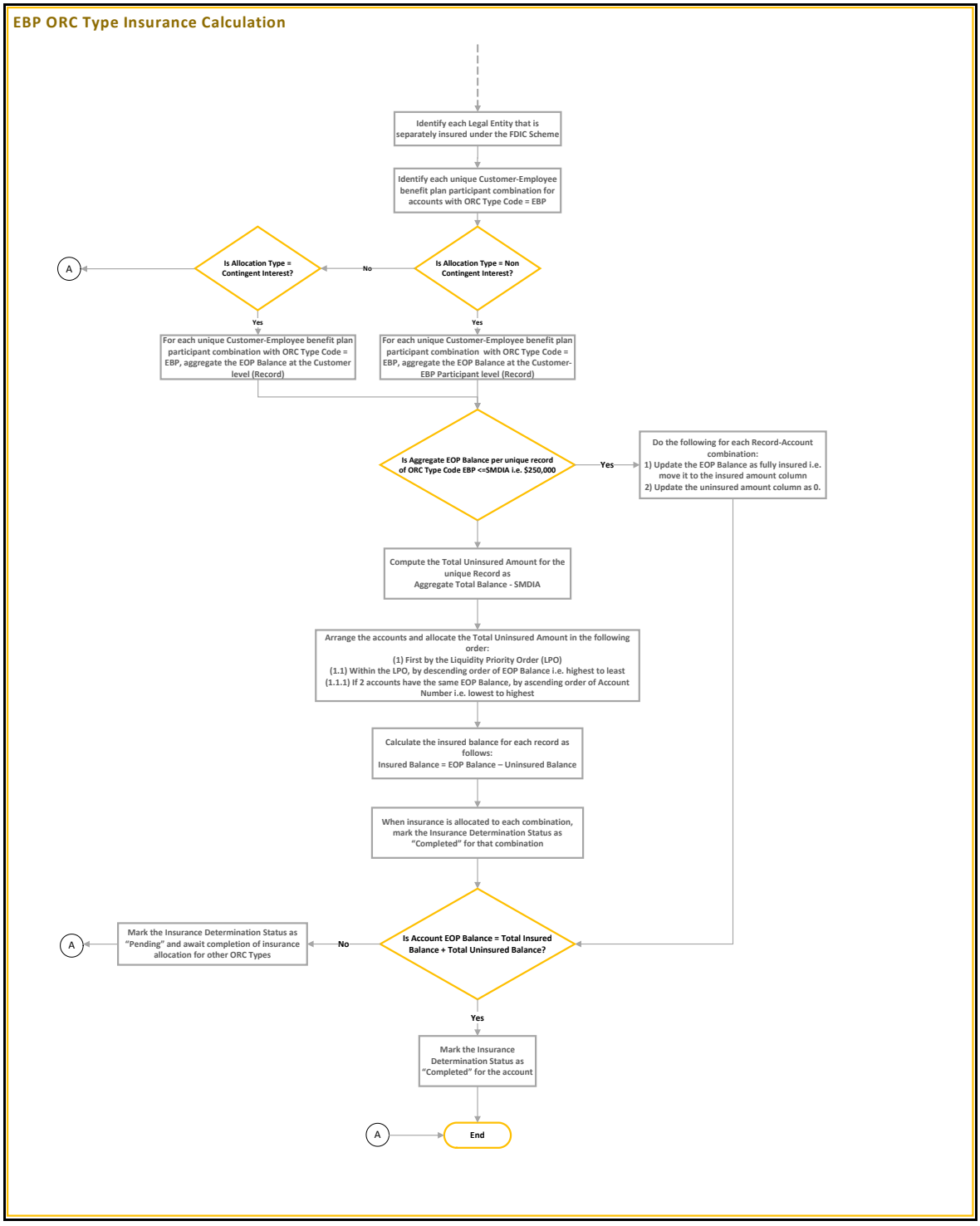
**Legal Entity/Separately insured branch- Ownership Right and Capacity-Customer level**

For EBP, this translates to:

**Legal Entity/Separately insured branch- EBP-Employer level**

## 4.3.4.2 Process Flow






## 4.3.5 Trust Accounts

A trust account is a legal arrangement through which funds or assets are held by a third party for the benefit of another party, which may be an individual or a group. The creator of the trust is known as a grantor or settlor. The beneficial parties are called the beneficiaries and the third party is called the trustee.

FDIC provides insurance coverage to both Revocable and Irrevocable Trust accounts under ORC REV and IRR respectively. The terms of a Revocable Trust account, as the name suggests, can be revoked or modified at any time. An Irrevocable Trust on the other hand once set in place, cannot be modified.

To receive coverage under REV and IRR ORC, there are certain requirements that need to be fulfilled. The following is common for both REV and IRR

### 4.3.5.1 Identification of Eligible Beneficiaries

A named beneficiary of a Trust account is deemed to be eligible for coverage under REV and IRR only if the beneficiary is:

- A natural person
- A charitable or non-profit organization
- All other types of beneficiaries are either ineligible or invalid.

An ineligible beneficiary does not meet the requirements of an eligible beneficiary but is still able to legally receive the bequest under law. In such cases, for the purposes of calculating deposit insurance, the result is a reversion of funds to the single account of the grantor. Under FDIC guidelines, for ineligible beneficiaries of a revocable trust, the amounts are treated as funds in the single account of the grantor.

An Invalid beneficiary is unable to legally receive the bequest under state law. For the purposes of deposit insurance, bequests to invalid beneficiaries are ignored and the funds are allocated to the remaining beneficiaries. Under FDIC guidelines, for an invalid beneficiary, the funds associated with the beneficiary should be allocated to other beneficiaries. The Application takes the Invalid beneficiary's Account participant interest and divides it equally among other beneficiaries' Account participant's interests.

The Application identifies eligible beneficiaries by using the FDIC Customer type dimension. The following is an example:

| Beneficiary (Account Participant) | Account Participant Description | FDIC Customer Type Code | Eligible Beneficiary Flag (Processing) |
|---|---|---|---|
| Hema | Individual | IND | Yes |
| Rekha | Individual | IND | Yes |
| Nirma | Others | OTH | No |
| Oxfam | Charitable or Non profit organisation recognised by the IRS | NFP | Yes |
| Amnesty International | Charitable or Non profit organisation recognised by the IRS | NFP | Yes |

### 4.3.5.2 Death of Beneficiaries

When a beneficiary is an individual, in case of death of the beneficiary, the insurance allocation varies whether there are any substitute beneficiaries named or not. The death of a beneficiary is recognized immediately for FDIC purposes, without any grace period given

#### 4.3.5.2.1 Beneficiaries deceased with Successor beneficiaries

Under FDIC guidelines, for the beneficiaries deceased, if the successor beneficiary(s) is eligible, the Application divides the amount equally among the successor beneficiaries for the deceased beneficiary.

#### 4.3.5.2.2 Beneficiaries deceased without Successor beneficiaries

- All beneficiaries deceased: Under FDIC guidelines, in this case, the amount belonging to the deceased beneficiary will be treated as funds in the Single/Joint account of the grantor(s).
- Some beneficiaries deceased: In this case, the funds belonging to the deceased beneficiary is ignored for the purposes of insurance calculation.

### 4.3.5.3 Life Estate Beneficiary Treatment

A Life Estate beneficiary (LEB) can use the deposit assets during his/her life and the ownership is changed upon death. This person has the right to receive income from the trust or to use the trust assets prior to all other beneficiaries. The beneficiaries who inherit the estate after the LEB are called Remainder beneficiaries. FDIC provides coverage to both Life estate beneficiaries and Remainder beneficiaries.

The stake of the LEB is intangible. The FDIC allocates insurance to LEB in the following way:

- A fixed amount  of SMDIA under REV ORC
- (A Factor * Trust amount), under IRR ORC (Factor based on IRS Actuarial tables)

## 4.3.6 Revocable Trust Accounts (REV)

A revocable trust account is a deposit account owned by one or more people expressing the intent that on the death of the owner, the deposited funds will pass to one or more named beneficiaries. A revocable trust account can be revoked, terminated, or amended at the discretion of the owner(s).

FDIC deposit insurance covers two types of revocable trusts — informal revocable trusts and formal revocable trusts. Insurance calculation does not depend on the type of revocable trusts.

### 4.3.6.1 Grantors as Beneficiary case

FDIC regulations provide that where the co-owners of a revocable trust account are themselves the sole beneficiaries of the corresponding trust, the account shall be insured as a joint account.

### 4.3.6.2 Beneficiary as another Trust account

When a Trust account names another trust account as Beneficiary, the set of owners of both Trusts are compared. If the Beneficiary Trust is wholly owned by the Grantor(s), then the Beneficiary Trust is replaced by its actual Beneficiaries. If not, this Beneficiary Trust is treated like any ineligible beneficiary.

### 4.3.6.3 No Eligible Beneficiary

If the account has no eligible beneficiaries, then the amount in the trust account is treated under the Single ORC or Joint ORC of the grantor(s)

### 4.3.6.4 Insurance Limit

When the number of beneficiaries is five or fewer:

**Insurance calculation and the Standard Maximum Deposit Insurance Amount (SMDIA) are applied at:**

**Legal Entity/Separately insured branch- Ownership Right and Capacity-Customer level**

For REV, this translates to:

**Legal Entity/Separately insured branch- REV-Grantor level**

When the number of beneficiaries is more than five and beneficiary share is unequal:

Insurance calculation and the Standard Maximum Deposit Insurance Amount (SMDIA) are applied at:

**Legal Entity/Separately insured branch- Ownership Right and Capacity-Customer-Account Participant level**

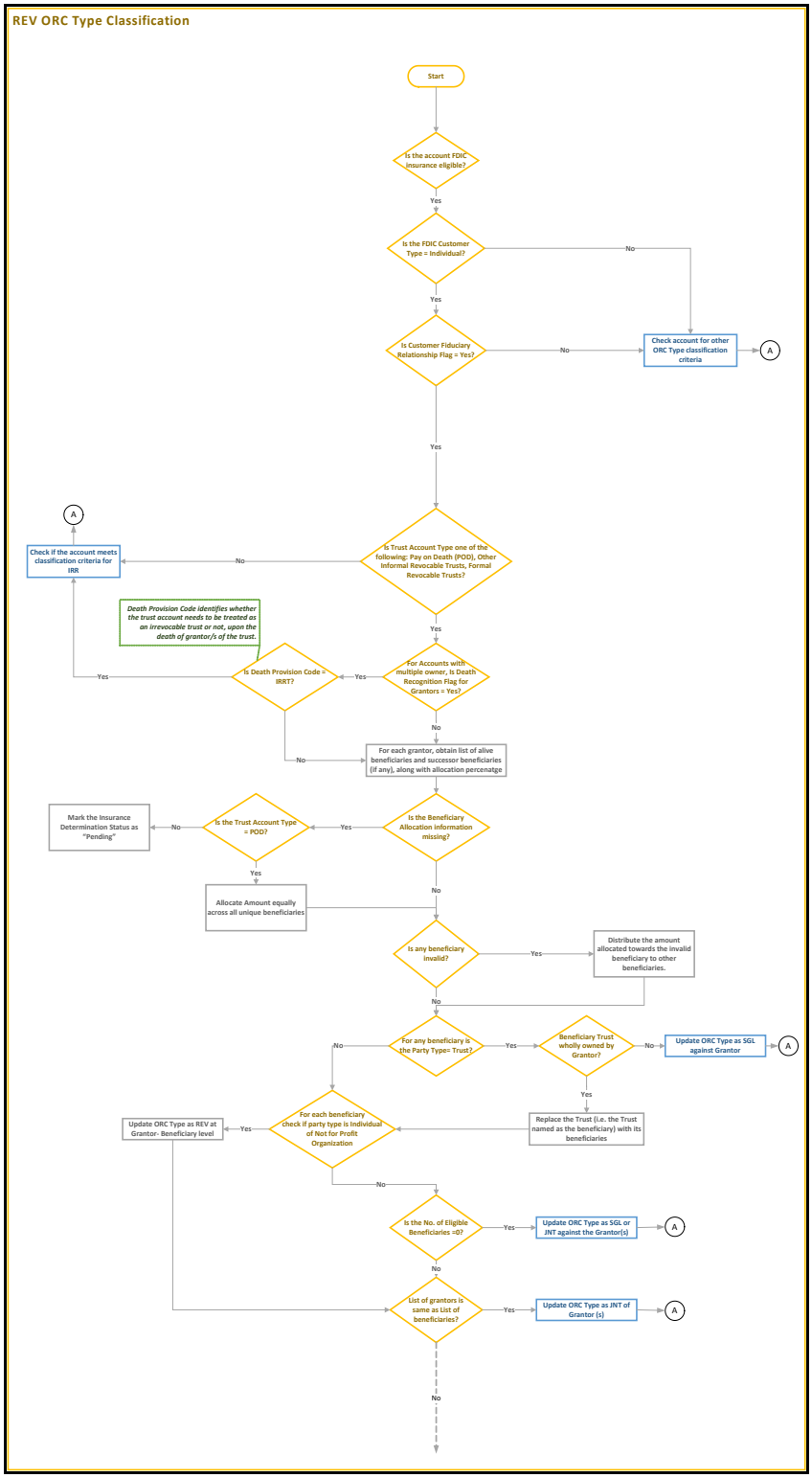
For REV, this translates to:

**Legal Entity/Separately insured branch- REV- Grantor- Beneficiary level**

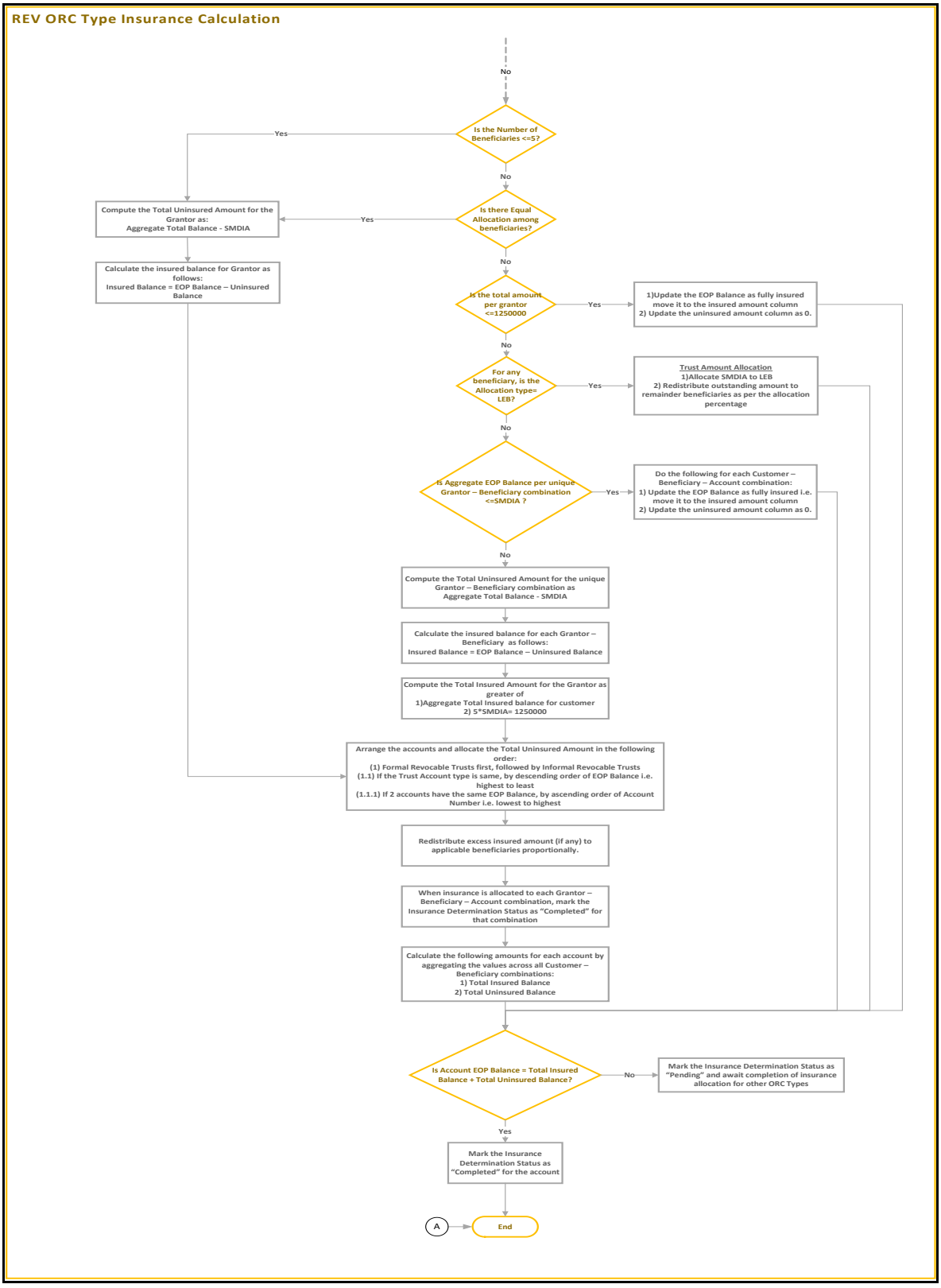
When the allocation across the beneficiaries is equal

When the allocation across beneficiaries is equal, irrespective of the number of eligible beneficiaries, the Insurance limit of SMDIA is at a grantor level. In other words, the treatment is same as the case where the number of beneficiaries is five or fewer.

## 4.3.6.5 Process Flow



**REV ORC Type Insurance Calculation**



## 4.3.7 Irrevocable Trust Accounts (IRR)

Irrevocable trust accounts are deposit accounts held by an irrevocable trust established by a statute, written trust agreement or a valid court order. An irrevocable trust may also be created through the death of the grantor of a revocable living trust.

The following types of interests are present in an Irrevocable Trust:

- Retained Interest
  - Retained Interest represents those assets that can be returned by the trustee to the grantor in accordance with the terms of the trust agreement. For deposit insurance purposes, the funds under Retained interest are treated under SGL ORC
- Non Contingent Interest
  - Non-contingent trust interest" is defined in the FDIC's regulations as an interest capable of determination without evaluation of contingencies. The only exception for contingencies in this case is present worth/life expectancy
- Contingent Interest
  - Contingent interest" is a beneficiary interest that is subject to any types of contingency other than present worth/life expectancy

The application identifies these interests under Allocation Type Code dimension.

### 4.3.7.1 Creation by Death of a Grantor of a Revocable Trust

Certain Revocable trusts which have multiple co-owners have a provision in the Trust Agreement to convert the Trust into an Irrevocable Trust on the death of any co-owner. When such a clause is triggered, the Revocable Trust receives coverage under IRR ORC. The Application identifies this treatment through the Trust Treatment Code dimension.

The amounts pertaining to such cases are treated as Non Contingent interests.

### 4.3.7.2 Insurance Calculation

Insurance calculation and the Standard Maximum Deposit Insurance Amount (SMDIA) for Non Contingent Interests are applied at:

**Legal Entity/Separately insured branch- Ownership Right and Capacity-Customer- Account Participant level**

For IRR, this translates to:

**Legal Entity/Separately insured branch- IRR- Grantor- Beneficiary level**

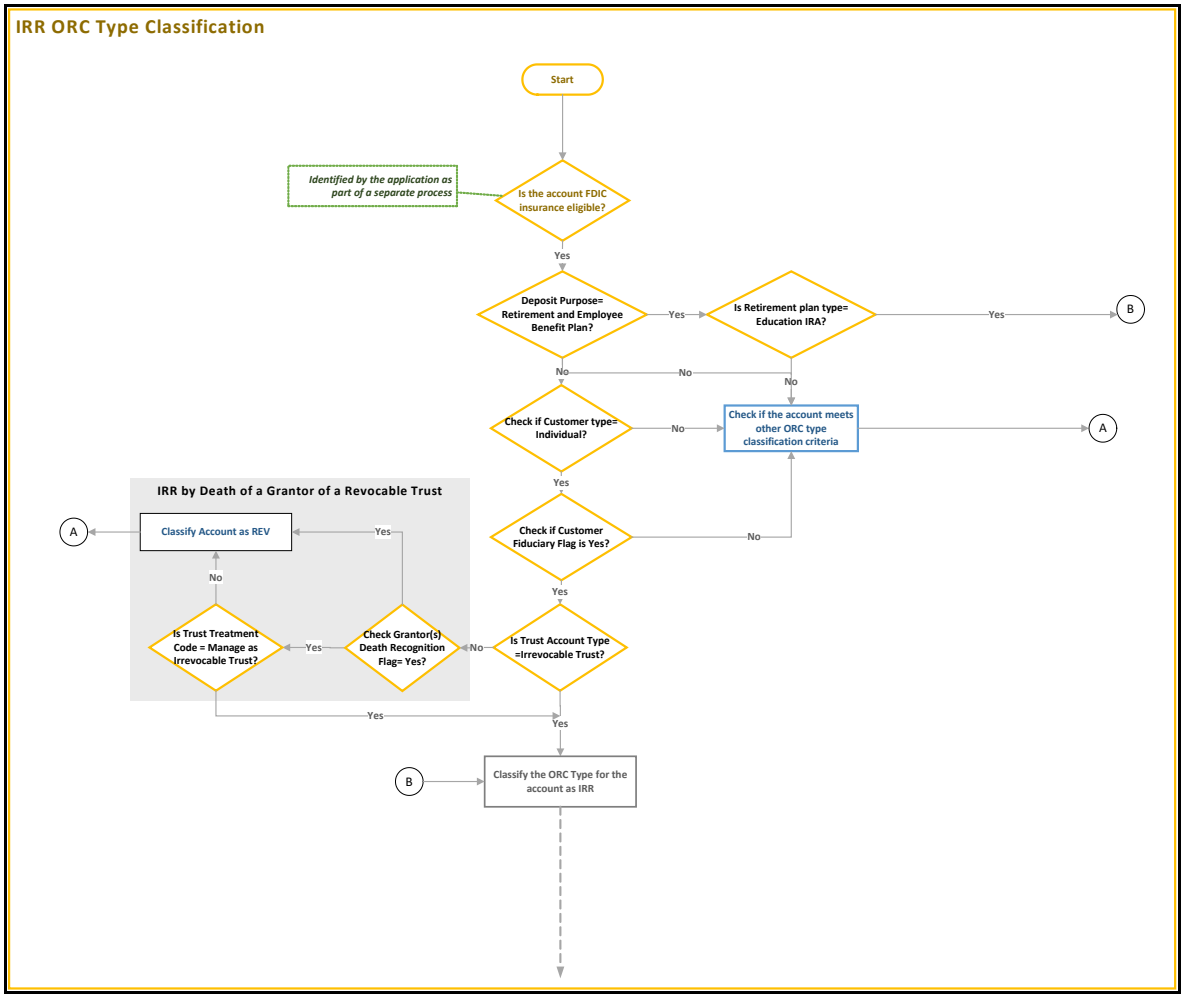
Insurance calculation and the Standard Maximum Deposit Insurance Amount (SMDIA) for Contingent interests are applied at:

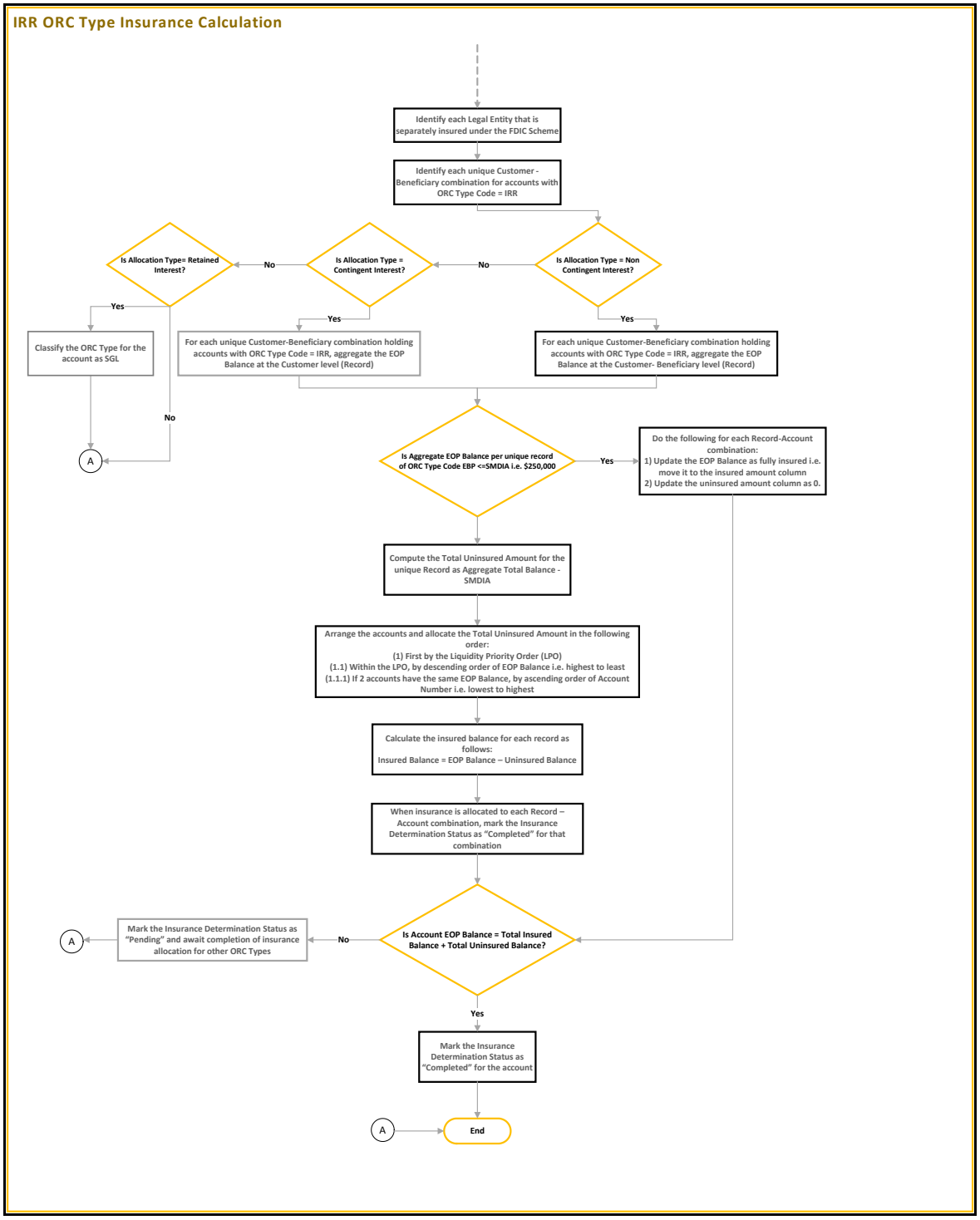
**Legal Entity/Separately insured branch- Ownership Right and Capacity-Customer level**

For IRR, this translates to:

**Legal Entity/Separately insured branch- IRR-Grantor level**

## 4.3.7.3 Process Flow






## 4.3.8 Business Accounts (BUS)

This ORC includes accounts from unincorporated associations, Partnerships, and Corporations engaged in independent activity. The business itself is the beneficial party in this case. A deposit account that is a sole proprietorship or doing business as a (DBA) account is not insured under this ORC- this is insured as a single account of the owner.

For an Unincorporated association, the Application checks for additional criteria such as the name of the association in the account title. This is an additional classification criteria for such accounts to be considered under the BUS ORC. In case the title of the account does not contain the name of the Unincorporated Association, the account will be insured under the SGL ORC of the account holders.

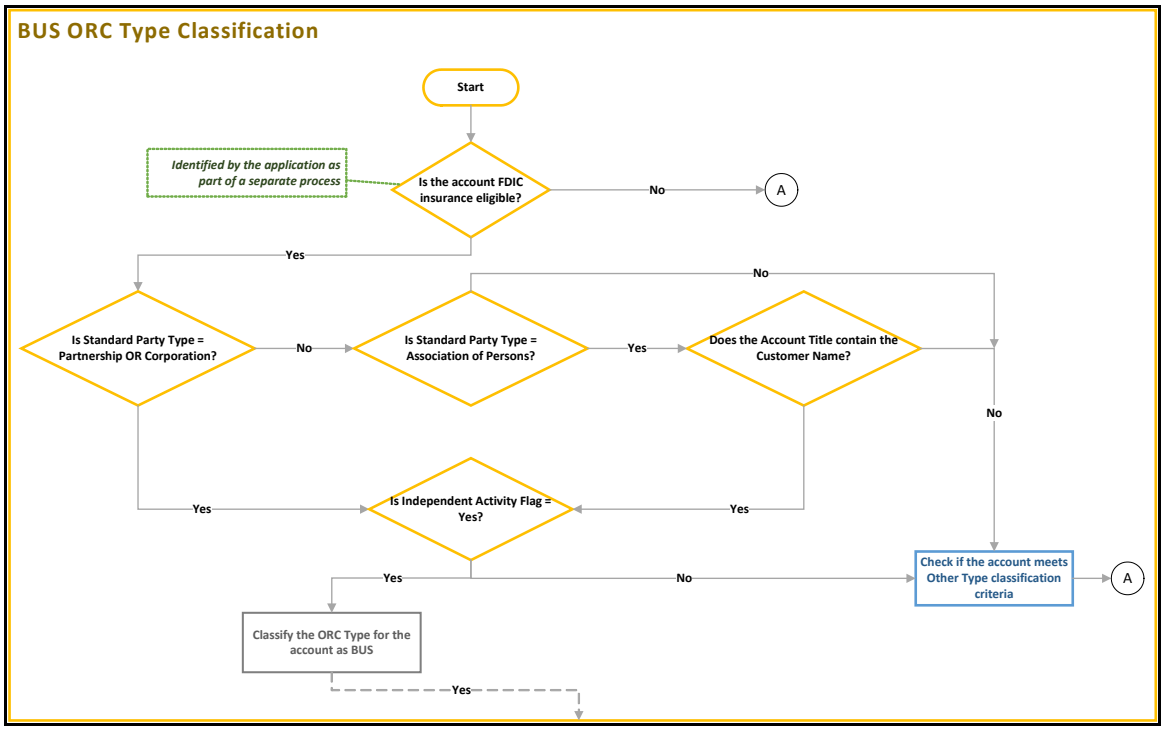
In case of multiple accounts belonging to a corporation under different names (Such as those for each Division/departments), the application identifies a Primary customer and maps all other accounts of the corporation under the primary customer. The Primary customer is the one who is separately insured by the FDIC.

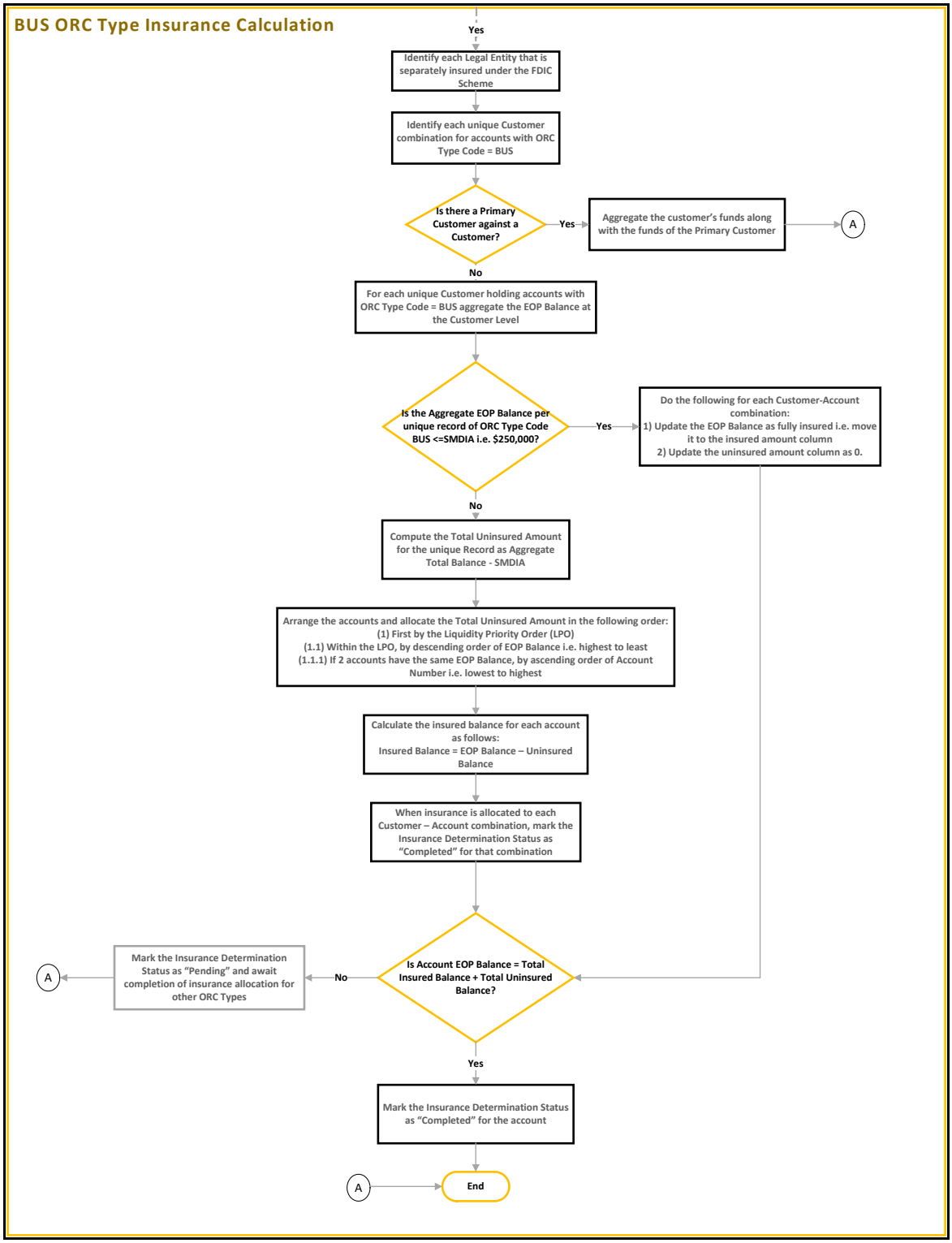
### 4.3.8.1 Insurance Calculation

Insurance calculation and the Standard Maximum Deposit Insurance Amount (SMDIA) are applied at:

**Legal Entity/Separately insured branch- Ownership Right and Capacity-Customer level**

### 4.3.8.2 Process Flow






## 4.3.9 Government Accounts (GOV)

Under this ORC, the coverage is extended to accounts of the federal government, state governments, and other governmental bodies.

### 4.3.9.1 Insurance Limit

Depending on the deposit product type and whether the account is held in state or not, the Application tags three ORC codes, GOV1, GOV2 and GOV3.

The following are the criteria:

| ORC Criteria | Standard Product type | ORC |
|---|---|---|
| Held by official custodian of The United States.<br><br>OR | Certificate of Deposit, Savings Account, Term Deposits, Money Market Deposit Account, Negotiable Order of Withdrawal accounts | GOV1 |
| Official custodian of a Native American tribe.<br><br>OR<br><br>Official custodian in a CI located in the same state as the public unit. | Demand deposit account | GOV2 |
| Held by official custodian located outside the state in which the public unit is located | | GOV3 |

Insurance calculation and the Standard Maximum Deposit Insurance Amount (SMDIA) are applied at:

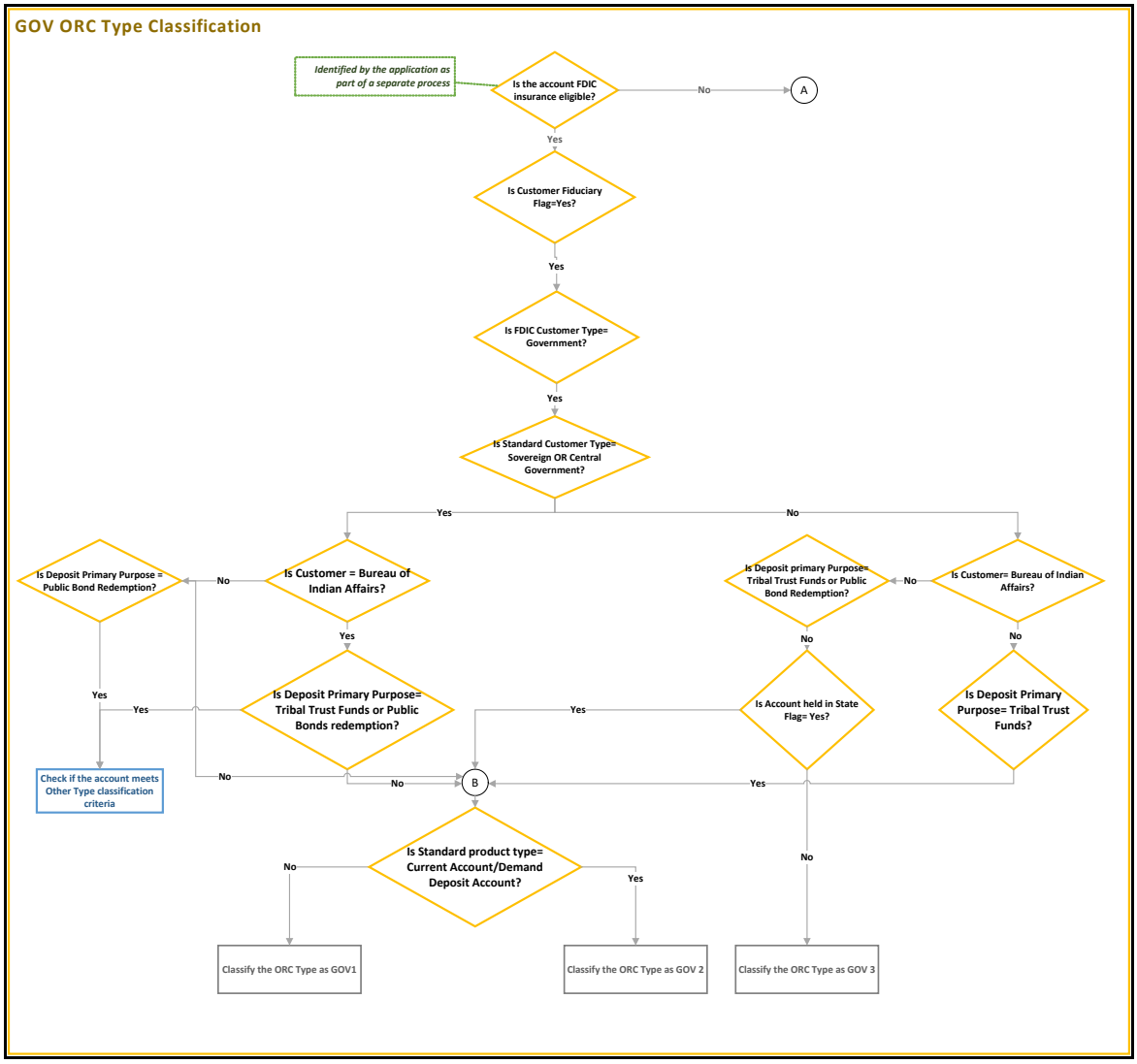
**Legal Entity/Separately insured branch- Ownership Right and Capacity-Customer- Account Participant level.**

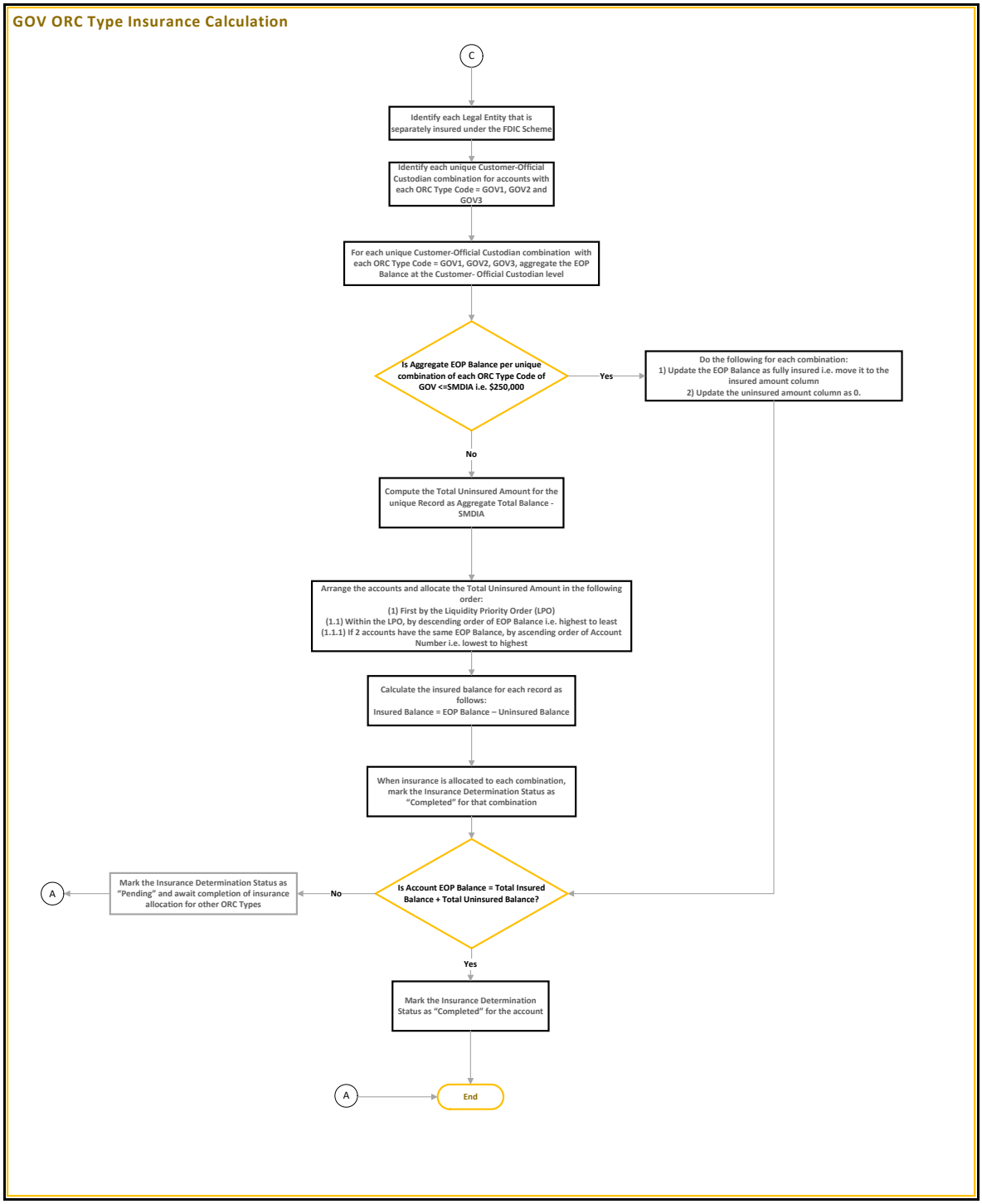
For GOV this would be

**Legal Entity/Separately insured branch- GOV-Public Unit- Official Custodian- level**

Each official custodian receives coverage up to SMDIA for each of the three codes GOV1, GOV2 and GOV3 separately.

## 4.3.9.2 Process Flow






## 4.3.10 Mortgage Servicing Accounts (MSA)

Mortgage servicing accounts are deposit accounts opened by mortgage servicers for the purpose of holding payments made by mortgagors. To this extent, the Principal and Interest portion of the Mortgage Servicing payments are covered under this right and capacity. The amounts held for payments of taxes and insurance premiums, on the other hand, are not covered in MSA ORC and are treated in the Single ORC classification for the Mortgage Servicer.

Overfunding amounts are computed by the Application by taking into consideration the Total Allocation Percentage of all the mortgagors with respect to a Mortgage Servicer. If the Total Percentage is less than 100%, it is determined that there is Overfunding in the deposit account. This amount does not belong to any participant and instead belongs to the Mortgage Servicer. Overfunding Amounts are hence also treated under MSA ORC and allotted a separate SMDIA as compared to the Principal and Interest Amounts.

### 4.3.10.1 Insurance Limit

Insurance calculation and the Standard Maximum Deposit Insurance Amount (SMDIA) are applied at:

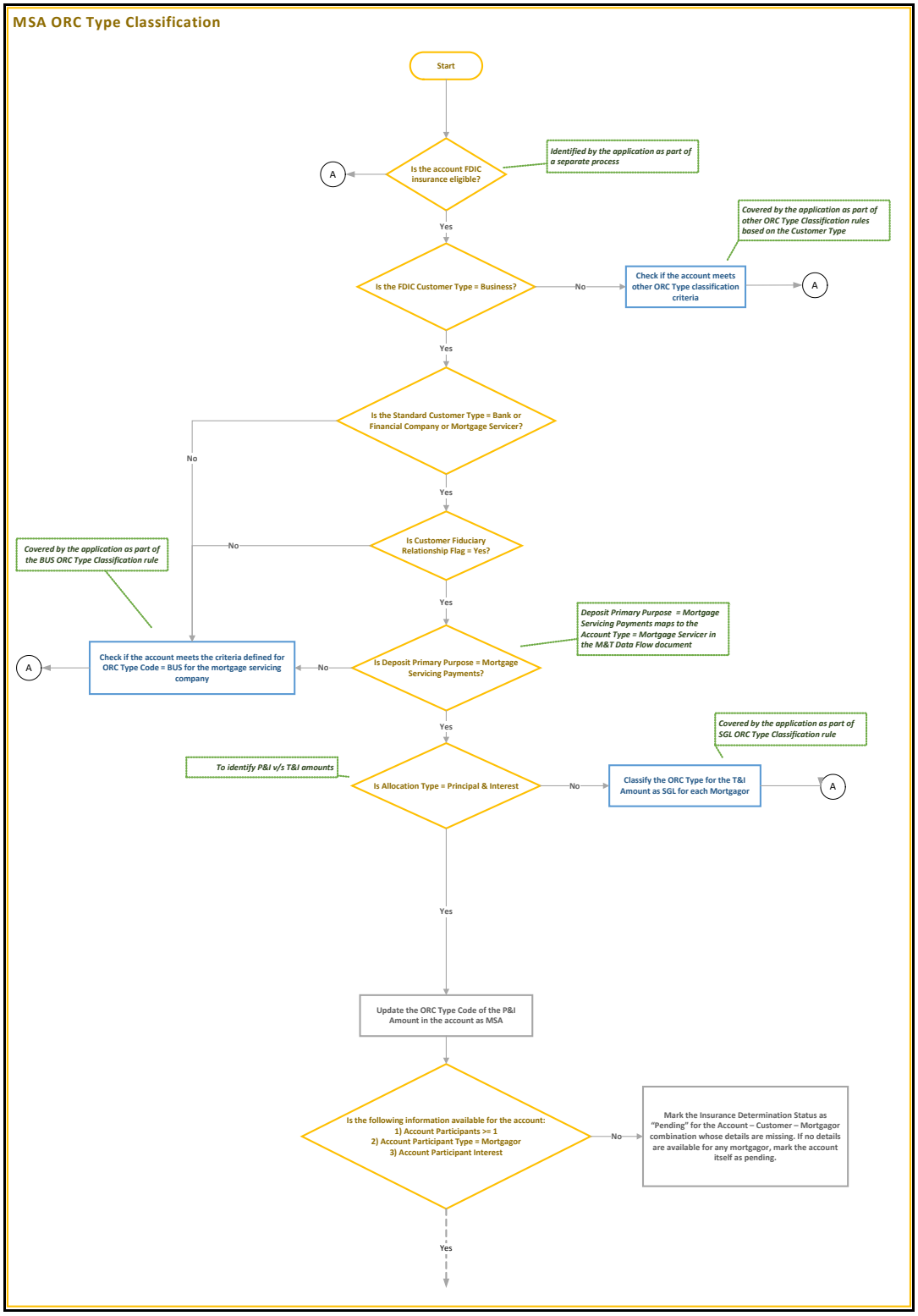
**Legal Entity/Separately insured branch- Ownership Right and Capacity-Customer- Account Participant level**

For MSA this would be:

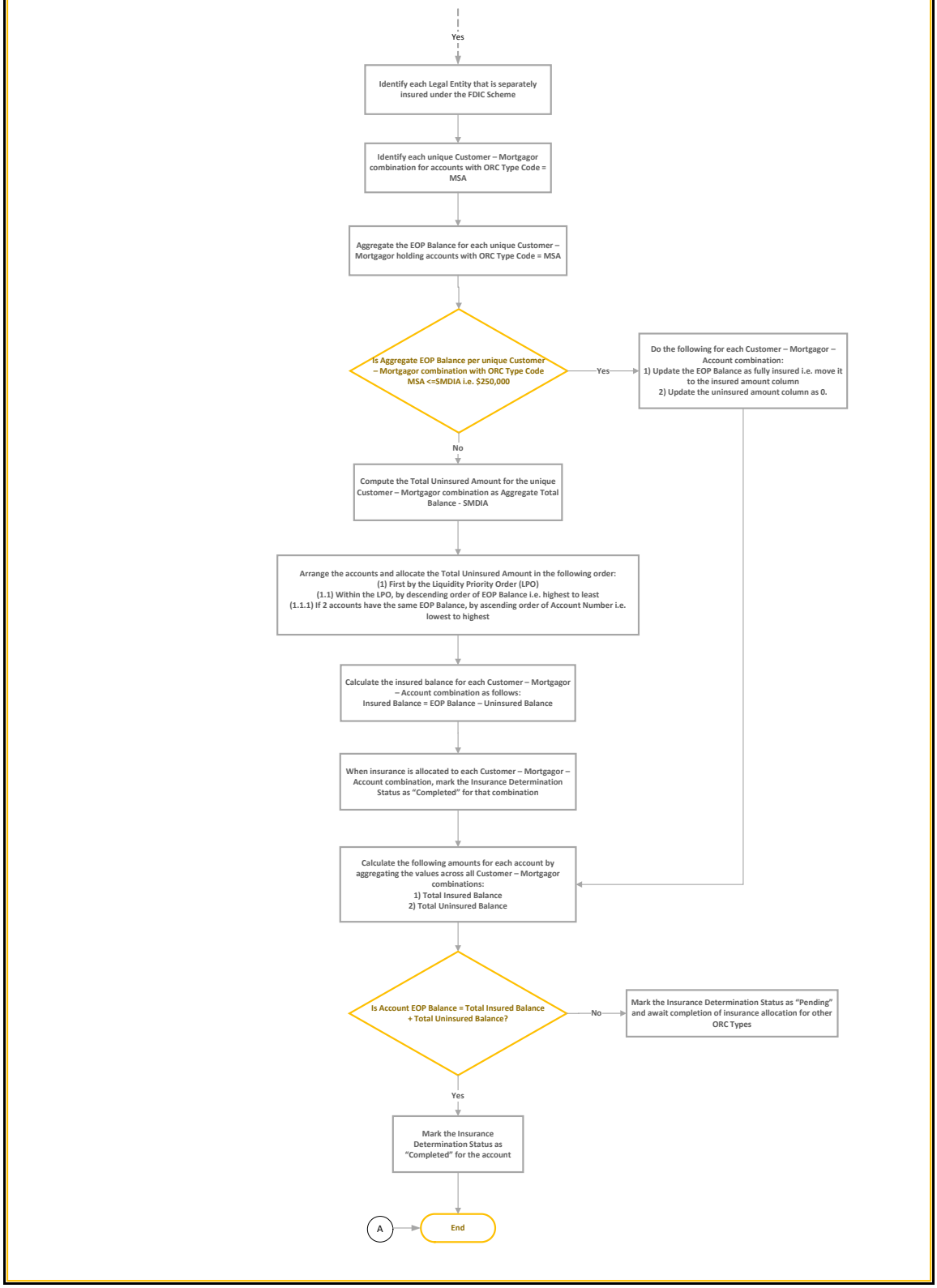
**Legal Entity/Separately insured branch- MSA-Mortgage Servicer- Mortgagor- level**

Mortgagors will be insured for up to SMDIA for all mortgages held with the same mortgagor.

## 4.3.10.2 Process Flow



**MSA ORC Type Insurance Calculation**



## 4.3.11 Accounts held by a Depository Institution as the Trustee of an Irrevocable Trust (DIT)

Under this ORC, coverage is extended to accounts held by an IDI as a trustee of an irrevocable trust. This category is applicable whether the IDI as trustee holds the trust funds in a deposit account at the IDI, or whether the IDI as trustee places the funds into a deposit account at another IDI.

Deposit insurance coverage for irrevocable trusts in this category is separate from, and in addition to, deposit insurance coverage for other ownership categories.

### 4.3.11.1 Insurance Limit

For Accounts with Commingled Trust Funds, Insurance calculation and the Standard Maximum Deposit Insurance Amount (SMDIA) are applied at:

**Legal Entity/Separately insured branch- Ownership Right and Capacity-Customer- Account Participant level**

For DIT this would be:

**Legal Entity/Separately insured branch - DIT-Insured Depository Institution- Beneficiary level**

For Irrevocable Trust Accounts where an IDI is a Trustee, Insurance calculation and the Standard Maximum Deposit Insurance Amount (SMDIA) are applied at:

**Legal Entity/Separately insured branch- Ownership Right and Capacity-Customer- Trust Account- Account Participant level**

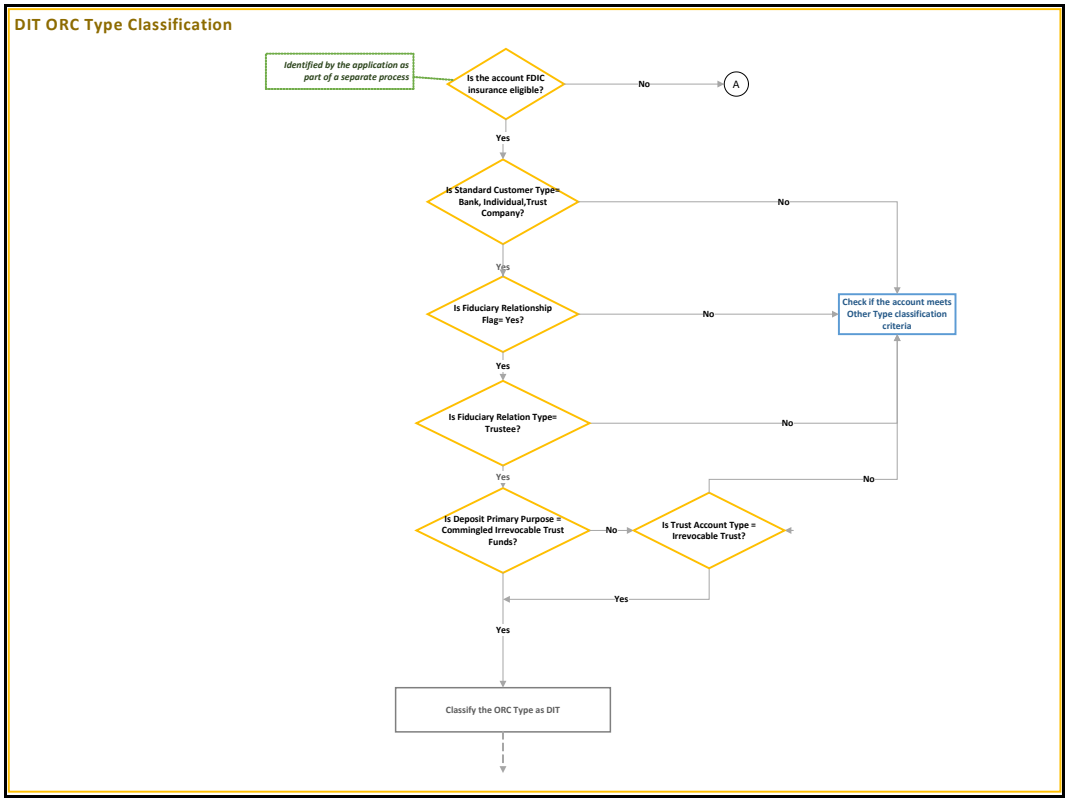
This would be:

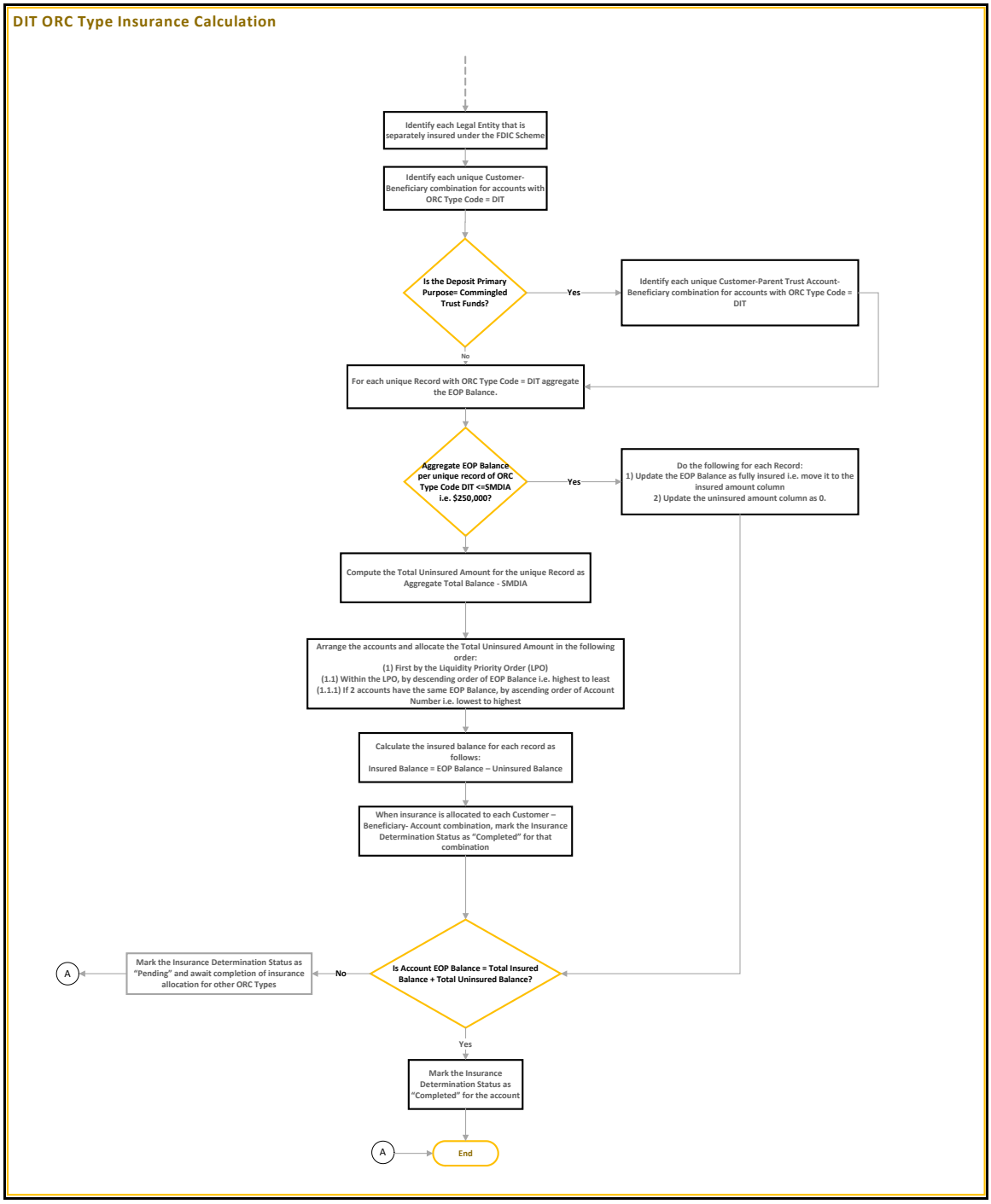
**Legal Entity/Separately insured branch - DIT-Customer-Trust Account- Beneficiary level**

The FDIC insures each trust fund owner or beneficiary represented for up to the SMDIA.

Under this ORC, both allocated and unallocated funds are covered.

## 4.3.11.2 Process Flow






## 4.3.12 Annuity Contracts (ANC)

Under this ORC, the coverage is extended to deposit accounts that are established by an insurance company or other corporation to hold funds for the sole purpose of funding life insurance or annuity contracts and any such benefits incidental to those contracts.

In certain states, the funds are directly held by the annuitant who is the ultimate beneficial owner- in such cases, the granularity of insurance computation is different from when the funds are held by the insurance company.

### 4.3.12.1 Insurance Limit

Insurance calculation and the Standard Maximum Deposit Insurance Amount (SMDIA) are applied at:

**Legal Entity/Separately insured branch- Ownership Right and Capacity-Customer- Account Participant level**

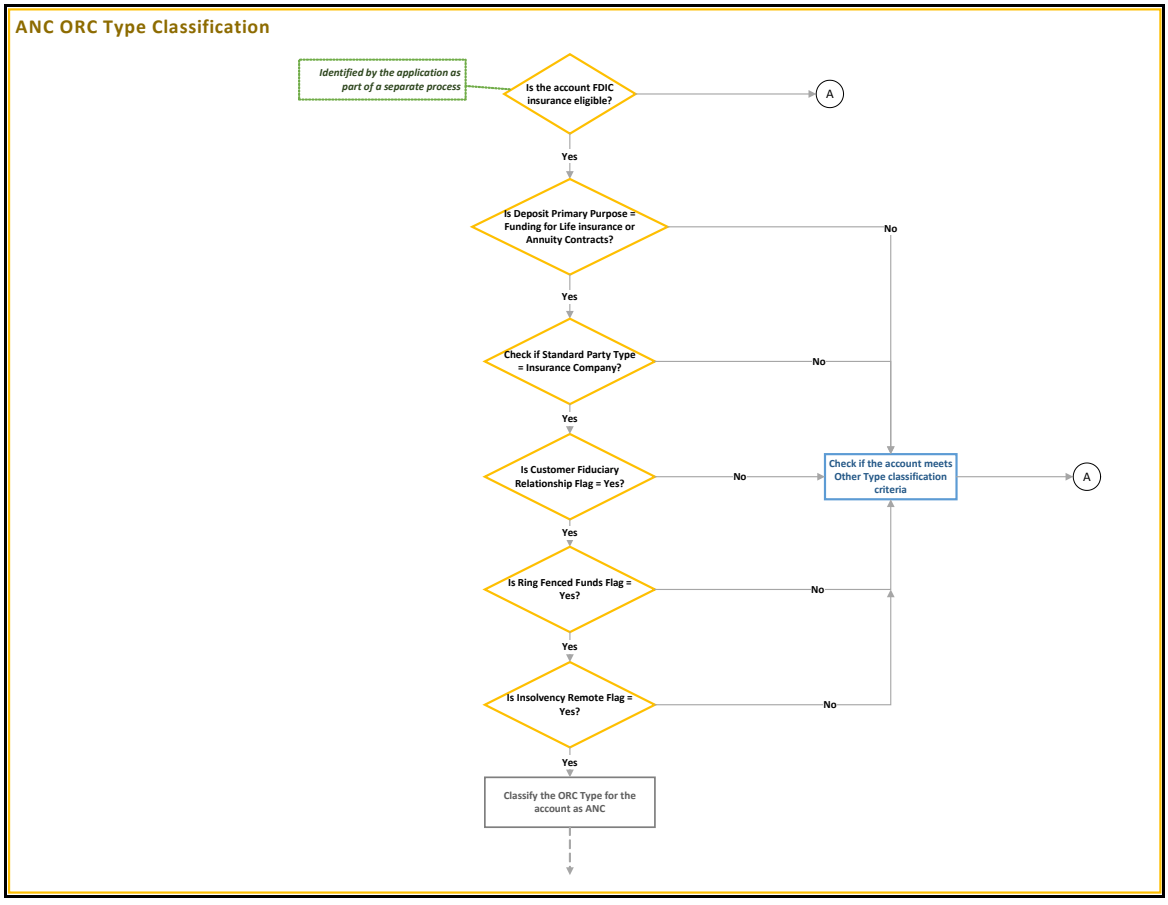
For Funds held by the Insurance Company, this would be:

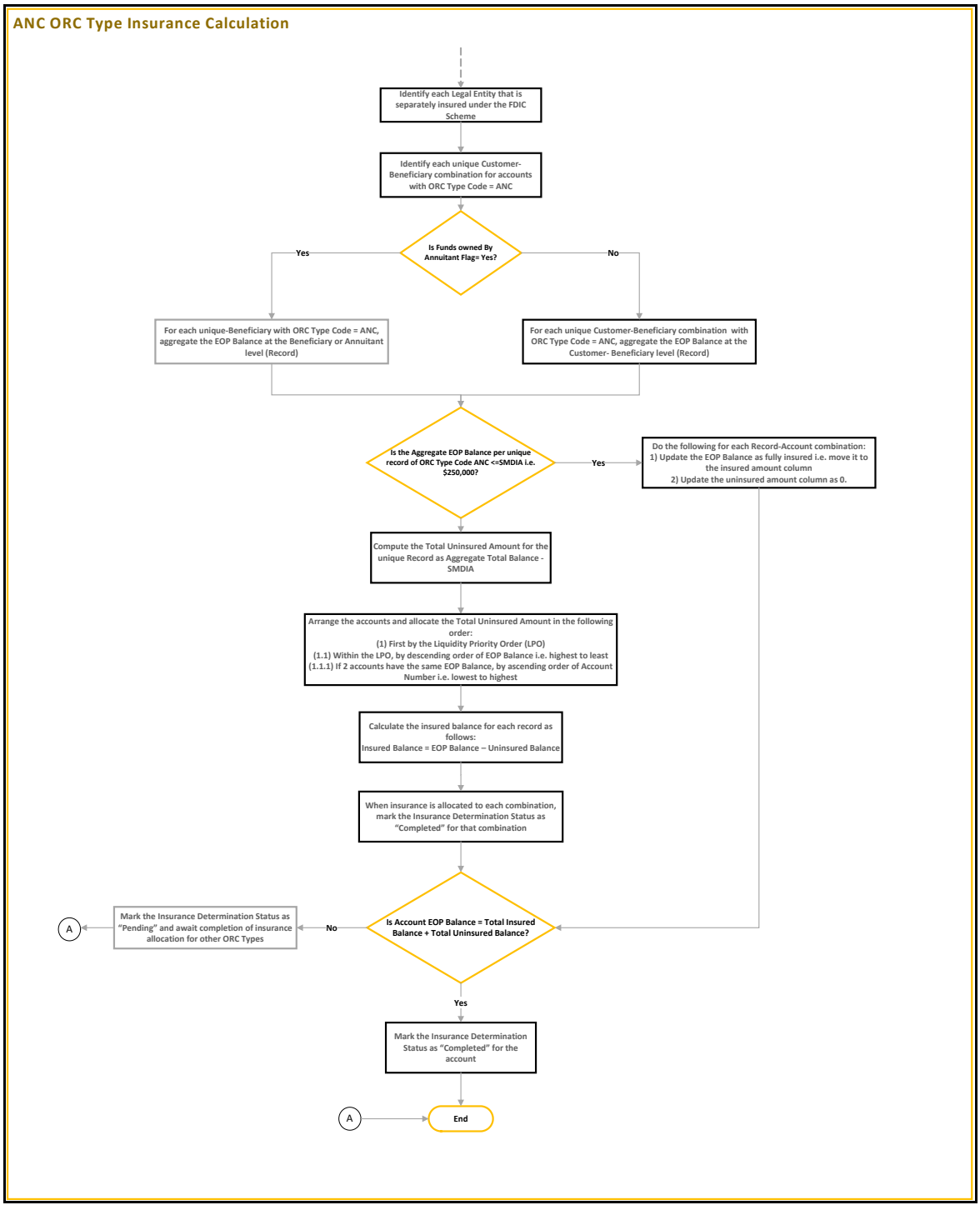
**Legal Entity/Separately insured branch- ANC-Insurance company/corporation- Beneficiary (Annuitant) level**

For Funds held by the Annuitant, Insurance calculation and the Standard Maximum Deposit Insurance Amount (SMDIA) are applied at:

**Legal Entity/Separately insured branch- ANC - Beneficiary (Annuitant) level**

### 4.3.12.2 Process Flow






## 4.3.13 Public Bond Accounts (PBA)

This ORC extends coverage to deposits held by an officer, agent or employee of a public unit under a law or bond indenture that requires the deposits to be set aside to discharge a debt owed to the holders of notes or bonds issued by the public unit.

### 4.3.13.1 Insurance Limit

Insurance calculation and the Standard Maximum Deposit Insurance Amount (SMDIA) are applied at:

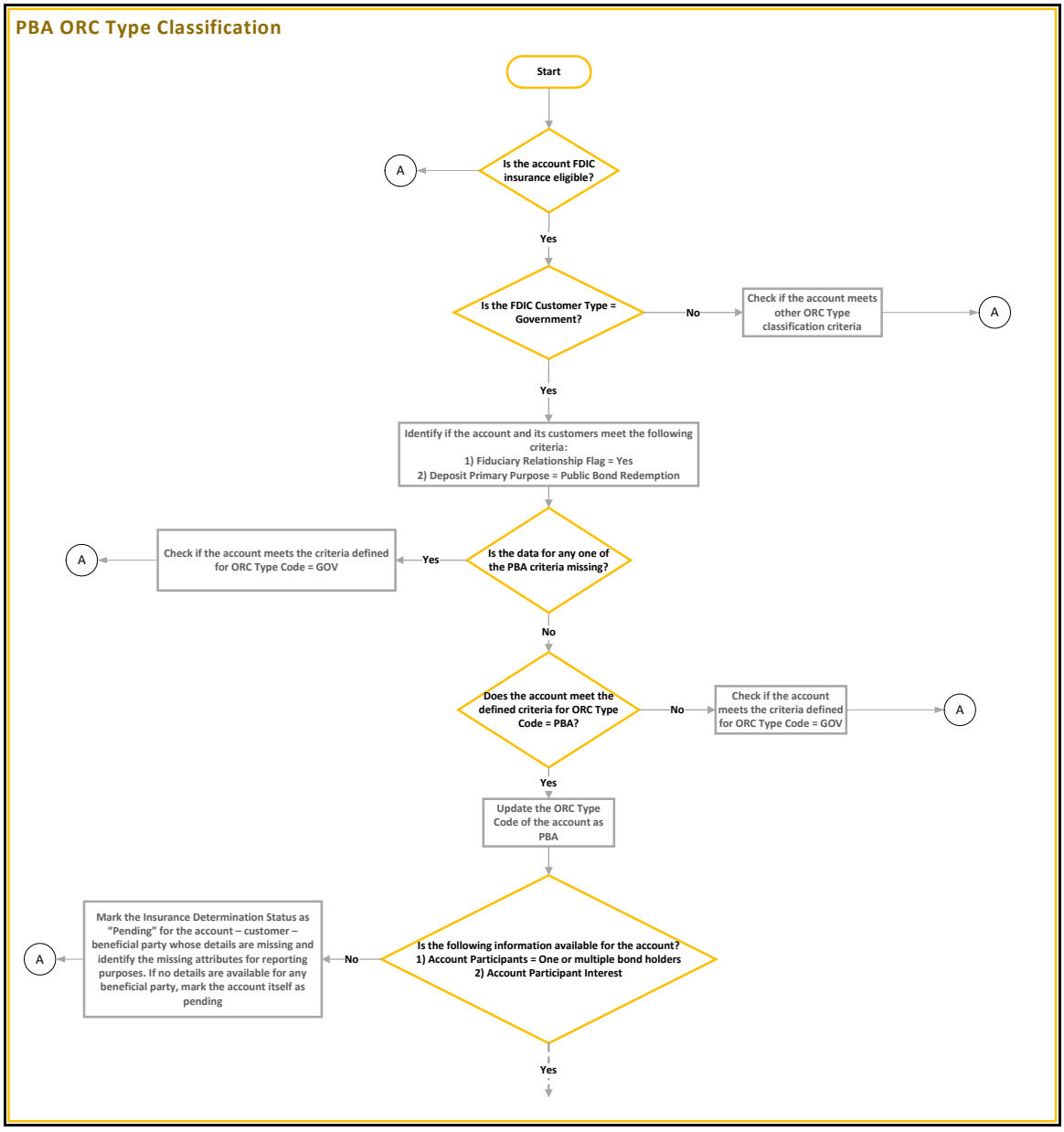
**Legal Entity/Separately insured branch- Ownership Right and Capacity-Customer- Account Participant level**

For PBA this would be:

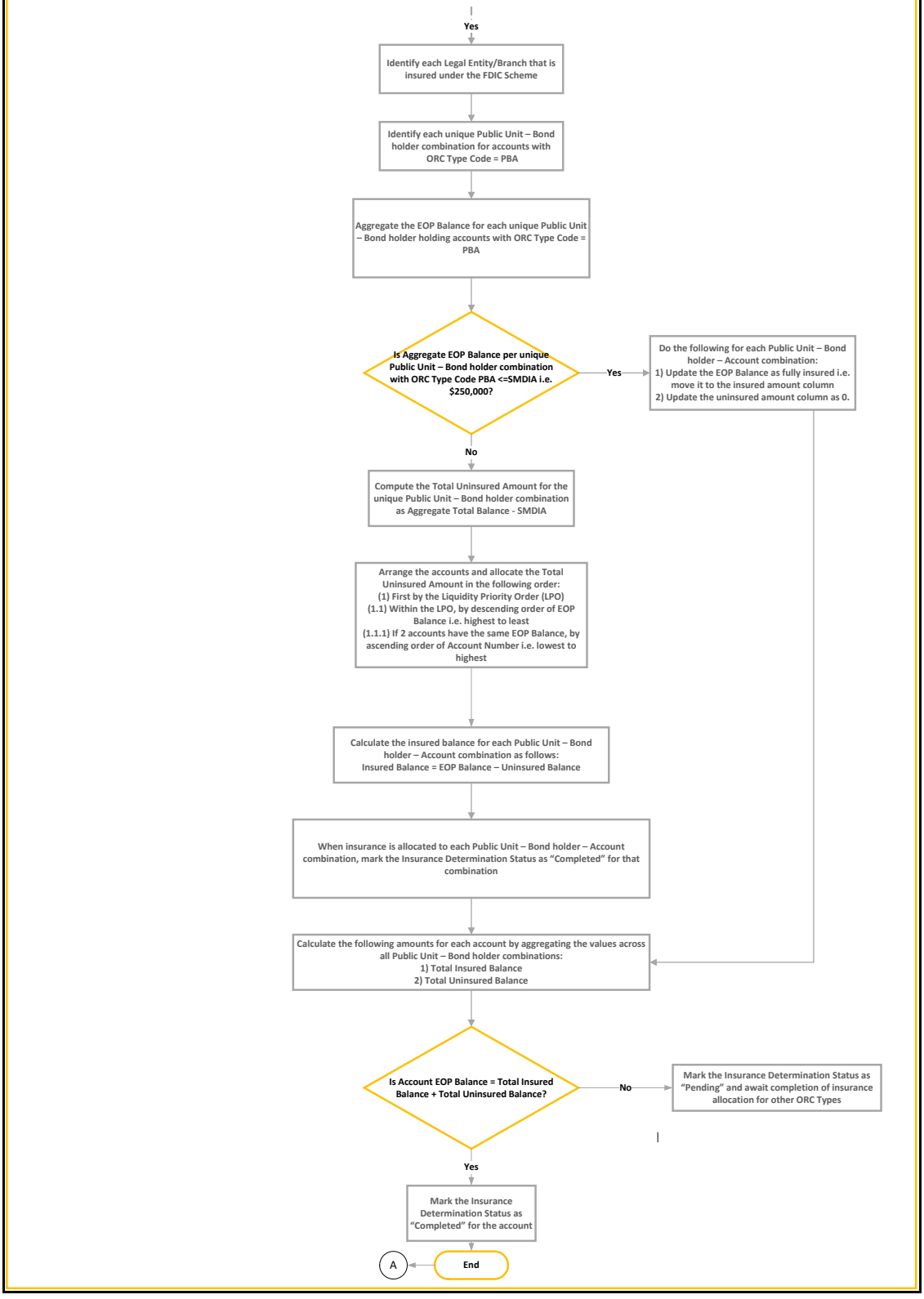
**Legal Entity/Separately insured branch- Ownership Right and Capacity-Public Unit- Bondholder-level**

Bondholders will be insured for up to SMDIA for all bonds issued by the same issuer regardless of whether there are different series involved.

## 4.3.13.2 Process flow



## PBA ORC Type Insurance Calculation



## 4.3.14 Custodian Accounts for American Indians (BIA)

This ORC extends coverage to deposit accounts held by the Bureau of Indian Affairs ("BIA") on behalf of Native Americans and deposited into an IDI. If the account does not meet the classification criteria for BIA ORC, then they should be evaluated for GOV and SGL ORCs

### 4.3.14.1 Insurance Limit

Insurance calculation and the Standard Maximum Deposit Insurance Amount (SMDIA) are applied at:

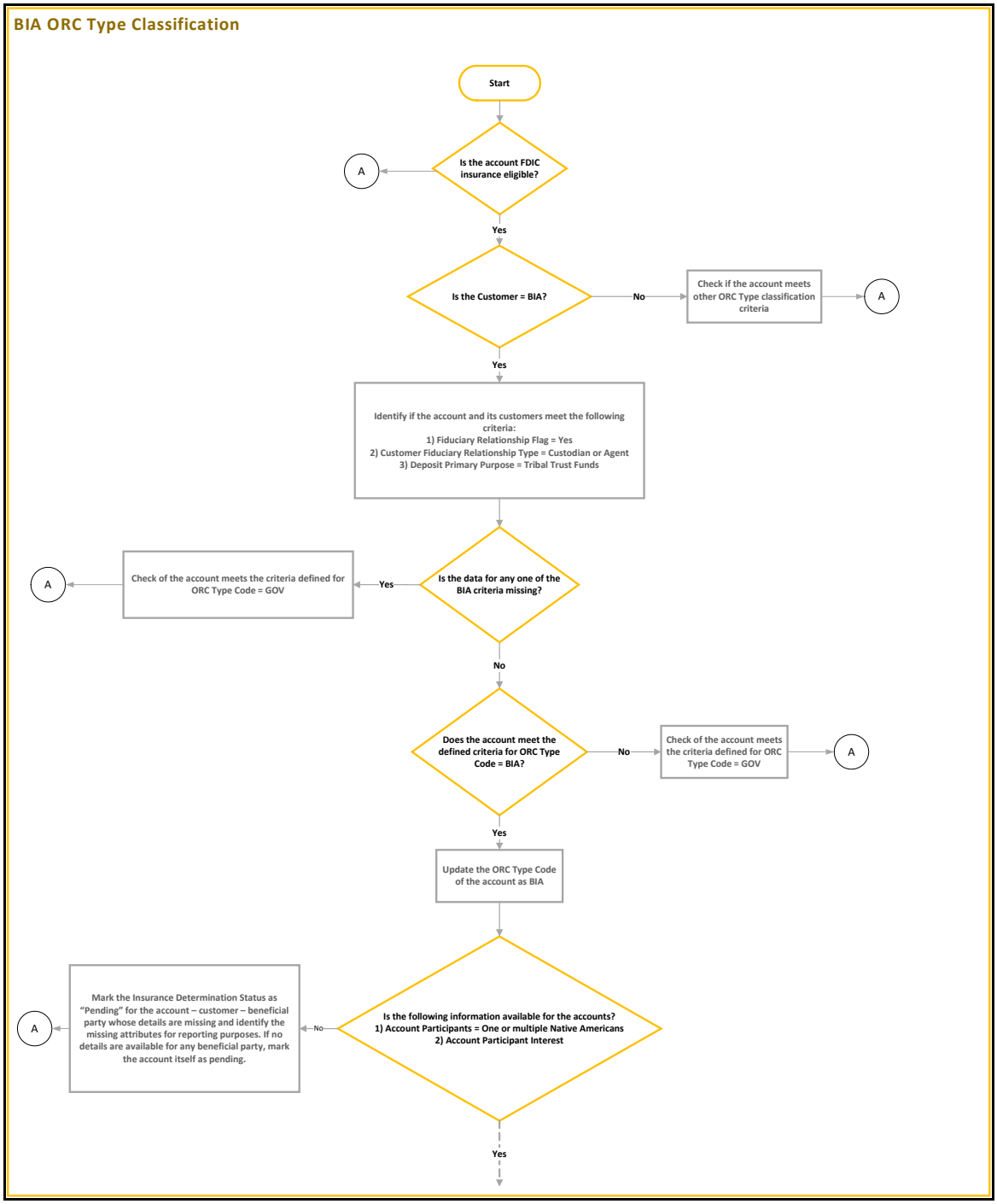
**Legal Entity/Separately insured branch- Ownership Right and Capacity-Customer- Account Participant level**

For BIA, this would be:

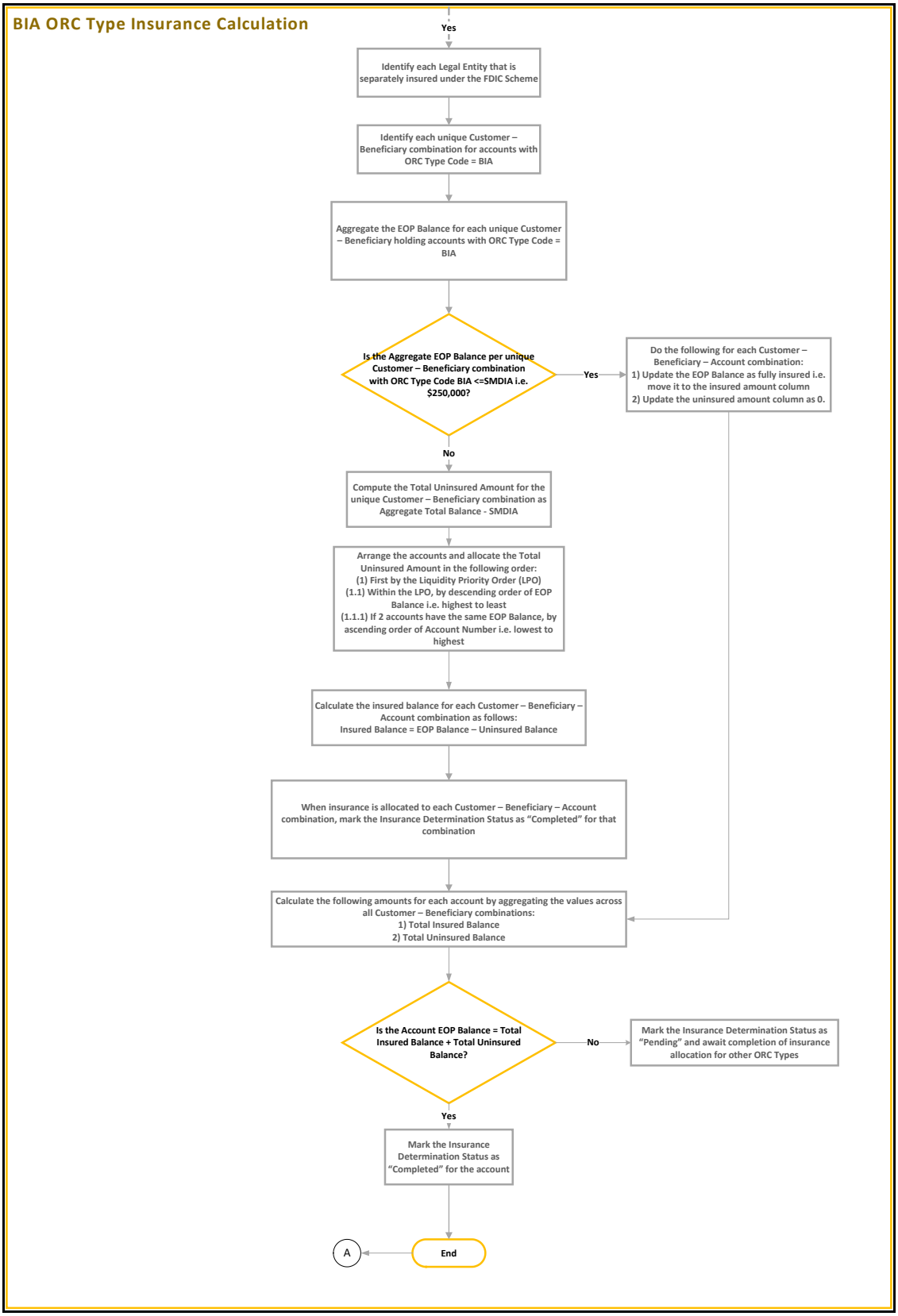
**Legal Entity/Separately insured branch- BIA-Bureau of Indian Affairs- Native American- level**

Under this category, the custodian accounts are insured up to SMDIA for each Native American for whom the Bureau of Indian Affairs is acting.

## 4.3.14.2 Process Flow



## BIA ORC Type Insurance Calculation



## 4.3.15 Accounts of an Insured Depository Institution Pursuant to the Bank Deposit Financial Assistance Program of Energy (DOE)

This category consists of funds deposited by an IDI pursuant to the Bank Deposit Financial Assistance Program of the Department of Energy.

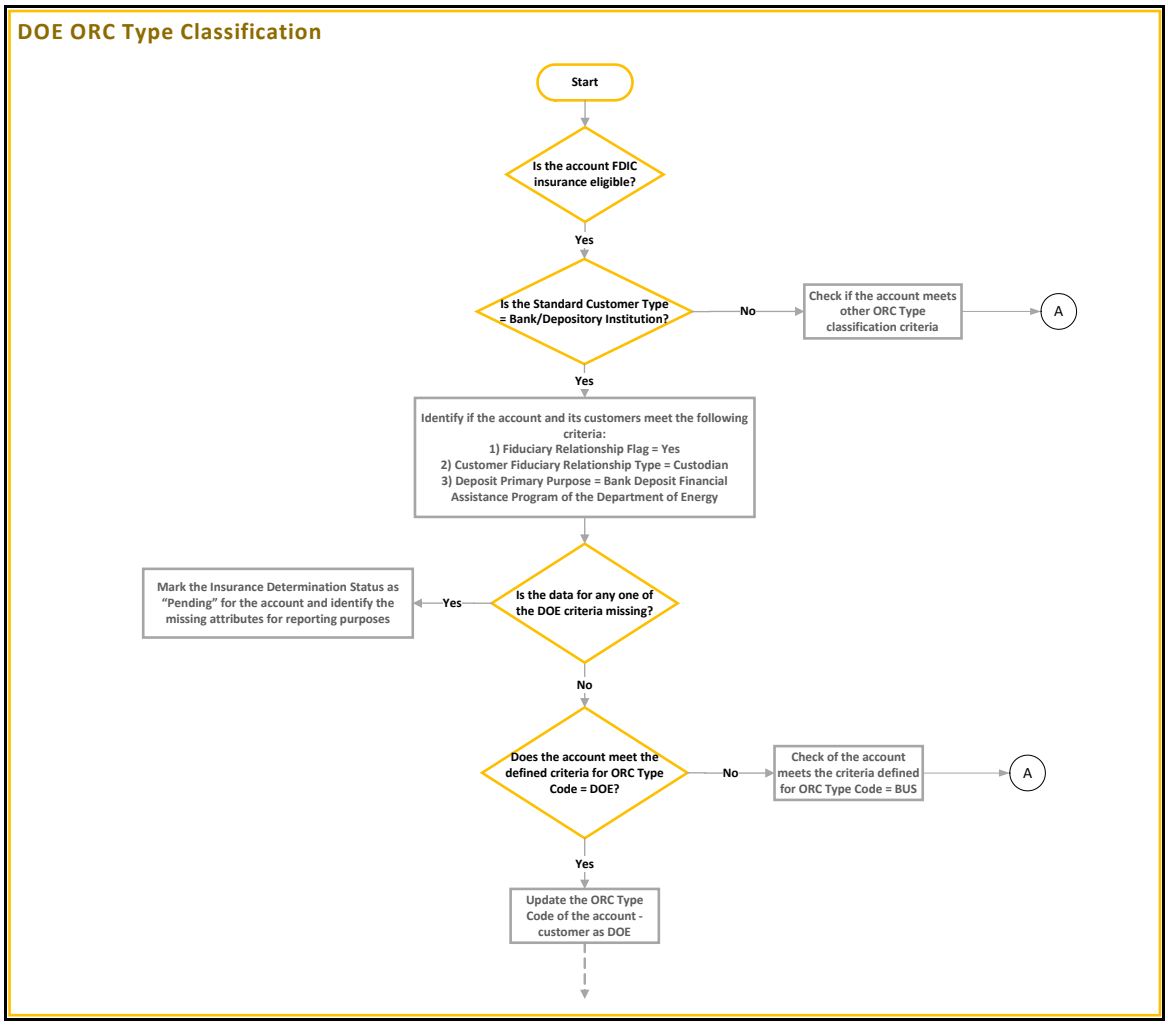
### 4.3.15.1 Insurance Limit

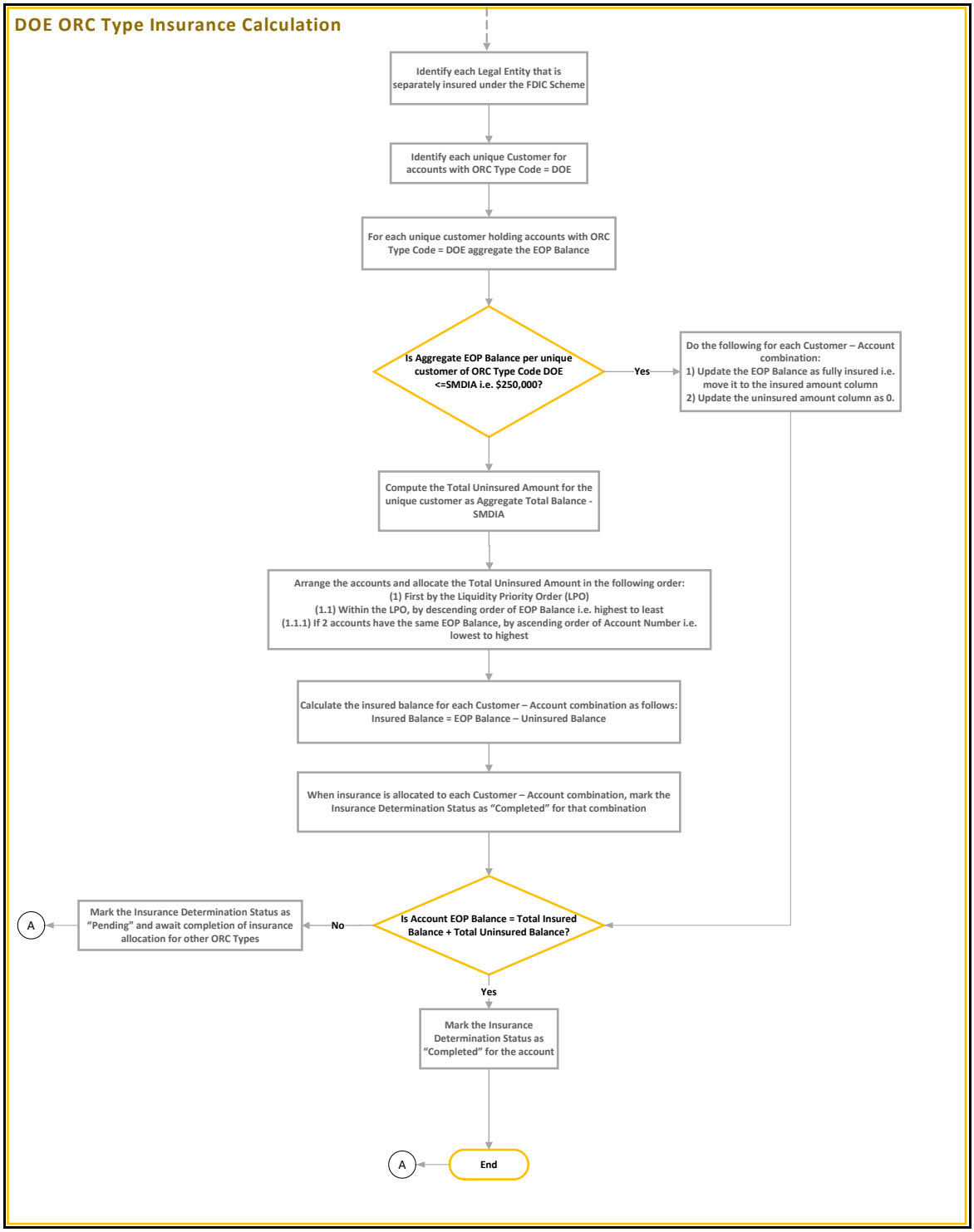
Insurance calculation and the Standard Maximum Deposit Insurance Amount (SMDIA) are applied at:

**Legal Entity/Separately insured branch- Ownership Right and Capacity-Customer level**

Each IDI depositing funds under this program will receive coverage up to SMDIA under this ORC.

### 4.3.15.2 Process Flow






## 4.4 Insurance Allocation

The allocation towards the account level is always with respect to the uninsured amounts. The insured amount for each account are calculated as a difference between Total Balance and Uninsured amounts. The allocation is towards the total End of Period balance of the account.

### 4.4.1 Liquidity Priority Order

The liquidity priority order is outlined to allocate insured amounts to depositors who have multiple accounts. This order helps in deciding the priority towards allocating uninsured funds and subsequently the insured funds. Except for jointly owned and revocable trust accounts, for all other ORCs, the uninsured amount is allocated by the Standard Product type and is in the following order:

| Priority | Standard Product Type |
|---|---|
| 1 | Certificate of deposit |
| 2 | Savings account |
| 3 | Money market account |
| 4 | Negotiable order of withdrawal |
| 5 | Demand deposit account |

A customer's account which is a Certificate of deposit carries a higher priority than a Savings account for example and hence uninsured funds for a customer would be allocated such an account first.

### 4.4.2 Balance Order

In the case that a customer has accounts that are of the same product type, the allocation of uninsured amounts are done based on the End of Period balance. The account with the highest balance gets higher priority.

In the rare case, that accounts of a customer have the same product type and same balance, then the account with the lowest number gets priority.

### 4.4.3 Joint accounts and Revocable Trusts

In the case of revocable trust accounts, formal revocable trust accounts receive a higher priority than informal revocable trust accounts. As the revocable trust category allows an account to have single and multiple owners, the suggested debiting order is followed for joint revocable trust accounts.

| Priority | Trust Account Type |
|---|---|
| 1 | Formal Revocable Trusts |
| 2 | POD |
| 3 | Informal Revocable Trusts- Other |

If an account is joint and not titled to a formal or informal trust, uninsured amounts are debited on a pro rata basis based on the co-owner's share percentage regardless of the account product type.

Jointly owned revocable trust accounts are treated according to the order for revocable trusts.

## 4.5 Pending Accounts

Accounts which do not have the requisite information to proceed for ORC Classification or Insurance calculations are parked with a “Pending” state as Insurance Determination Status.

Certain fields are considered to be Optional and hence a missing value in these fields does not qualify for a ‘Pending Status’. These attributes are:

- Customer Type
- Product category
- Participant Type

For each pending record, a reason is populated in the form a pending reason code as per FDIC Part 370 Regulation.

| Code | Comment |
|---|---|
| A | Missing Agent/Custodian information |
| B | Missing Beneficiary Information for Trusts |
| RAC | Missing Right and Capacity Code |
| OI | Missing Official Item |
| ARB | Direct Obligation Brokered Deposit |
| ARBN | Non Direct Obligation Brokered Deposit |
| ARCRA | Certain Retirement Accounts |
| AREBP | Employee Benefit Plan Accounts |
| ARM | Mortgage Servicing for Prinicpal and Interest Payments |
| ARO | Other Deposits |
| ARTR | Trust Accounts |

## 4.6 Alternative Recordkeeping

As per FDIC Part 370, an IDI may not be required to maintain all information needed by the FDIC to calculate the entire amount of deposit insurance available to each depositor with respect to certain types of deposit accounts. For this reason, IDIs are subjected to Alternative Recordkeeping requirements that apply to certain types of accounts such as brokered deposits.

For such accounts, data in a granular form with additional attributes such as ORC, contingent/non contingent interest etc., is taken as a download. These records then go through Insurance calculation and Insurance allocation along with the bank’s own deposits.

If data required for insurance computation is missing, then the record will be marked as Pending similar to that of bank’s own deposits. The Pending reason code will be among those segregated for Alternative Recordkeeping which are prefixed with ‘AR’.

# 5 Bank Negara Malaysia Deposit Insurance Calculations

## 5.1.1 Insurance Allocation

The steps involved in insurance allocation are:

- Identification of Insurance Eligible Accounts
- Allocation of Deposit Insurance

### 5.1.1.1 Identification of Insurance Eligible Accounts

The identification of insurance eligible accounts involves looking at the inclusion as well as the exclusion criteria. The application requires users to provide the following inclusion criteria:

- **Ownership Category**

  OFS LRRCBNM allocates the insurance limit separately for each ownership category level. Ownership categories include single accounts, joint accounts, trust accounts and so on. As per Perbadanan Insurans Deposit Malaysia (PIDM), a separate limit is assigned to a depositor combination based on the ownership category of accounts and hence users are required to provide the ownership categories that get a separate limit. If a particular customer gets a single limit irrespective of whether the accounts are held as single, joint or a combination, the ownership category should have a single default value.

- **Product Type**

  This is a list of product types that are covered under the respective jurisdiction's deposit insurance scheme. The insurance limit is allocated to only those accounts of a customer whose product types matches those that are covered by the deposit insurance. In case of Malaysia, PIDM covers all types of deposits such as current accounts, savings accounts and term deposits, which need to be provided as inputs.

- **Product Type Prioritization**

  The sequence in which the insured amount is to be allocated to each product type is captured. For instance, the product prioritization may be specified as current account, savings account and term deposit. This indicates that the insured amount is allocated first to a current account held by the customer. After current accounts have been fully covered, the remaining amount is allocated to savings accounts and finally to term deposits.

  In case product type prioritization is not specified, the default allocation will be proportionate to the EOP balance of each account irrespective of the product type.

- **Currency Eligibility for Insurance**

  This is a list of currencies in which the accounts are denominated that are eligible for insurance coverage under a deposit insurance scheme. Some jurisdictions cover foreign currency deposits under their deposit insurance schemes. If eligible currencies are specified for the purpose of insurance, then the insured balance is allocated to all accounts belonging to the particular legal entity which have the associated attributes required for assigning the insured balance. For instance, if Perbadanan Insurans Deposit Malaysia (PIDM) insures only Malaysian Ringgit denominated deposits. The eligible currency against PIDM insurance scheme should be provided as Malaysian Ringgit.

The application includes insurance exemption criteria covering deposits of foreign sovereigns, central and state governments, and banks and so on. The deposits that are eligible for insurance under a particular insurance scheme are identified based on the inclusion and exclusion criteria as specified by the users.

### 5.1.1.2 Allocation of Deposit Insurance

As part of the BNM Run, the application allocates the deposit insurance to accounts based on the guidelines specified by the PIDM. The insurance limit captured against each deposit insurance scheme is allocated to the insurance eligible accounts under that scheme based on the ownership category and the depositor combination.

The insurance limit, that is the maximum deposit balance covered by an insurance scheme per customer, is captured against each insurance scheme – ownership category combination. Customers having account in multiple legal entities get a separate deposit insurance limit per legal entity. In case of PIDM insurance scheme, the limit amount needs to be provided in Stage Insurance Scheme Master table at the granularity of insurance scheme.

The insurance limit is allocated to accounts as per the procedure given below:

1. The application identifies the established relationship flag at a customer level.
2. The accounts are sorted by the specified product type prioritizations.
3. The insurance allocation is done based on the principal balance from the highest to the least, in the order of product type prioritization.
4. The insurance limit available, is allocated to account 1 to n – 1 as per the formula given below:

$$\boldsymbol{Insured\ Amount} = \boldsymbol{If}\ [\{(\boldsymbol{Insurance\ Limit\ Available} - \boldsymbol{Outstanding\ Balance}) \geq \mathbf{0}\}; \boldsymbol{Outstanding\ Balance\ else}\ \mathbf{0}]$$

   Where,

   Insurance Limit Available : Limit available post allocation to previous accounts

   = Insurance Limit Availablex-1 – Insured Amount x-1

   x : Number of accounts up to the current account to which insured amount is to be allocated

   n : Total number of accounts of a customer which are eligible for insurance coverage under a given ownership category

5. The remaining available insurance is allocated to the last account i.e. account n for which insurance was not allocated.

If insurance limit is available after allocating to the principal balances, it is allocated to the accrued interest from the highest to the least in the order of Product Type prioritization.

An illustration of this procedure is provided below considering a insurance limit of 2,50000 Malaysian Ringgit for each depositor combination under each ownership category for each legal entity. The inputs to this calculation, including account details and customer details are provided below.

# 6 Monetary Authority of Singapore Deposit Insurance Calculations

This section details the deposit insurance calculations for Monetary Authority of Singapore (MAS).

## 6.1.1 Insurance Allocation

The steps involved in insurance allocation are:

- Identification of Insurance Eligible Accounts
- Allocation of Deposit Insurance

### 6.1.1.1 Identification of Insurance Eligible Accounts

The identification of insurance eligible accounts involves looking at the inclusion as well as the exclusion criteria. The application requires users to provide the following inclusion criteria:

Ownership Category

- There are three ownership categories available in LRRCMAS:
- SDIC-DI: This category includes single accounts, joint accounts, sole proprietorship, trusts and company.
- SDIC-CPFRS: This category includes CPF Retirement Sum Scheme (CPFRS).
- SDIC-CPFIS: This category includes CPF Investment Scheme (CPFIS).

As per Singapore Deposit Insurance Corporation (SDIC), a separate limit is assigned to a depositor combination based on the ownership category of accounts, and hence users are required to provide the ownership categories that get a separate limit. If a particular customer gets a single limit irrespective of whether the accounts are held as single, joint or a combination, the ownership category should have a single default value.

- **Product Type**

  This is a list of product types that are covered under the respective jurisdiction's deposit insurance scheme. The insurance limit is allocated to only those accounts of a customer whose product types matches those that are covered by the deposit insurance. In case of Singapore, SDIC Deposit Insurance covers all types of deposits such as current accounts, savings accounts and term deposits, which need to be provided as inputs.

- **Product Type Prioritization**

  The sequence in which the insured amount is to be allocated to each product type is captured. For instance, the product prioritization may be specified as current account, savings account and term deposit. This indicates that the insured amount is allocated first to a current account held by the customer. After current accounts have been fully covered, the remaining amount is allocated to savings accounts and finally to term deposits.

  In case product type prioritization is not specified, the default allocation will be proportionate to the EOP balance of each account irrespective of the product type.

- **Currency Eligibility for Insurance**

  This is a list of currencies in which the accounts are denominated that are eligible for insurance coverage under a deposit insurance scheme. Some jurisdictions cover foreign currency deposits under their deposit insurance schemes. If eligible currencies are specified for the purpose of

insurance, then the insured balance is allocated to all accounts belonging to the particular legal entity which have the associated attributes required for assigning the insured balance. For instance, SDIC Deposit Insurance insures only Singapore Dollar denominated deposits. Therefore, the eligible currency against SDIC Deposit Insurance should be provided as Singapore Dollar.

The application includes insurance exemption criteria covering deposits of foreign sovereigns, central and state governments, and banks and so on. The deposits that are eligible for insurance under a particular insurance scheme are identified based on the inclusion and exclusion criteria as specified by the users.

### 6.1.1.2 Allocation of Deposit Insurance

As part of the MAS Run, the application allocates the deposit insurance to accounts based on the guidelines specified by the SDIC Deposit Insurance. The insurance limit captured against each deposit insurance scheme is allocated to the insurance eligible accounts under that scheme based on the ownership category and the depositor combination.

The insurance limit, that is the maximum deposit balance covered by an insurance scheme per customer, is captured against each insurance scheme – ownership category combination. Customers having account in multiple legal entities get a separate deposit insurance limit per legal entity. In case of SDIC Deposit Insurance scheme, the limit amount needs to be provided in Stage Insurance Scheme Master table at the granularity of insurance scheme.

1. The insurance limit is allocated to accounts as per the procedure given below:
2. The application identifies the established relationship flag at a customer level.
3. The accounts are sorted by the specified product type prioritizations.
4. The insurance allocation is done based on the principal balance from the highest to the least, in the order of product type prioritization.
5. The insurance limit available, is allocated to account 1 to n – 1 as per the formula given below:

$$\boldsymbol{Insured\ Amount} = \boldsymbol{If}\ [\{(\boldsymbol{Insurance\ Limit\ Available} - \boldsymbol{Outstanding\ Balance}) \geq \mathbf{0}\}; \boldsymbol{Outstanding\ Balance\ else}\ \mathbf{0}]$$

Where,

Insurance Limit Available : Limit available post allocation to previous accounts

= Insurance Limit Availablex-1 – Insured Amount x-1

x : Number of accounts up to the current account to which insured amount is to be allocated

n : Total number of accounts of a customer which are eligible for insurance coverage under a given ownership category

6. The remaining available insurance is allocated to the last account i.e. account n for which insurance was not allocated.
7. If insurance limit is available after allocating to the principal balances, it is allocated to the accrued interest from the highest to the least in the order of Product Type prioritization.

An illustration of this procedure is provided below considering a insurance limit of 50,000 Singapore Dollar (SGD) for each depositor combination under each ownership category for each legal entity as mentioned below.

**NOTE**

- For Single, Joint and Sole proprietorship category, insurance limit is aggregated for each customer per legal entity.
- Each account holder in joint ownership category has equal share for insurance calculation until specifically provided by the legal entity.
- Trusts with distinct account number are treated separately. Trust accounts are insured on a per account –beneficiary basis without aggregation.
- Client accounts with distinct account number are treated separately. Client accounts are insured on a per account basis without aggregation

The inputs to this calculation, including account details and customer details are provided below.

| Legal Entity | Account Number | Standard Product Type | Account Balance | Account Currency | Ownership Category | Primary Holder | Secondary Holder | Account Attribute | Unique Depositor Combination | Limit Applicable | Total Deposit per Unique Depositor | Insured Amount | Uninsured Amount |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Legal Entity 1 | 100001 | Saving Account | 40,000 | SGD | Single | Customer 001 | | | 1 | 50,000 | 110,665 | 50,000 | 60,665 |
| Legal Entity 1 | 100002 | Current Account | 36,903 | SGD | Single | Customer 001 | | | | | | | |
| Legal Entity 1 | 100003 | Term Deposit | 33,762 | SGD | Single | Customer 001 | | | | | | | |
| Legal Entity 1 | 100004 | Term Deposit | 40,681 | USD | Single | Customer 001 | | | | | 40,681 | | 40,681 |
| Legal Entity 1 | 100005 | Saving Account | 7,355 | SGD | Single | Customer 002 | | | 2 | 50,000 | 29,852.50 | 29,852.50 | |
| Legal Entity 1 | 100006 | Term Deposit | 44,995 | SGD | Joint | Customer 002 | Joint Account with Customer 003 | | | | | | |
| Legal Entity 1 | 100007 | Term Deposit | 44,995 | SGD | Joint | Customer 003 | Joint Account with | | 3 | 50,000 | 22,497.50 | 22,497.50 | |

| Legal Entity | Account Number | Standard Product Type | Account Balance | Account Currency | Ownership Category | Primary Holder | Secondary Holder | Account Attribute | Unique Depositor Combination | Limit Applicable | Total Deposit per Unique Depositor | Insured Amount | Uninsured Amount |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Customer 002 | | | | | | |
| Legal Entity 1 | 100 008 | Saving Account | 7,568 | SGD | Single | Customer 004 | | | 4 | 50,000 | 44,773 | 44,773.00 | |
| Legal Entity 1 | 100 009 | Saving Account | 37,205 | SGD | Sole proprietorship | Customer 004 | | | | | | | |
| Legal Entity 1 | 200 100 | Saving Account | 29,451 | SGD | Single | Customer 101 | | | 5 | 50,000 | 86,390 | 50,000 | 36,390 |
| Legal Entity 1 | 200 101 | Current Account | 79,640 | SGD | Joint | Customer 101 | Joint Account with Customer 102 | | | | | | |
| Legal Entity 1 | 200 102 | Term Deposit | 10,700 | SGD | Joint | Customer 101 | Joint Account with Customer 103 | | | | | | |
| Legal Entity | 200 103 | Term Depos | 11,769 | SGD | Sole proprietors | Customer | | | | | | | |

| Legal Entity | Account Number | Standard Product Type | Account Balance | Account Currency | Ownership Category | Primary Holder | Secondary Holder | Account Attribute | Unique Depositor Combination | Limit Applicable | Total Deposit per Unique Depositor | Insured Amount | Uninsured Amount |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | | it | | | hip | 101 | | | | | | | |
| Legal Entity 1 | 200 103 | Term Deposit | 79,640 | SGD | Joint | Customer 102 | Joint Account with Customer 101 | | 6 | 50,000 | 39,820 | 39,820.00 | |
| Legal Entity 2 | 100 010 | Saving Account | 7,337 | SGD | Single | Customer 005 | | | 7 | 50,000 | 7,337 | 7,337.00 | |
| Legal Entity 3 | 100 011 | Term Deposit | 45,016 | SGD | Trust | Customer 005 | | For benefit of son | 8 | 50,000 | 45,016 | 45,016.00 | |
| Legal Entity 4 | 100 012 | Term Deposit | 6,574 | SGD | Trust | Customer 005 | | For benefit of daughter | 9 | 50,000 | 6,574 | 6,574.00 | |
| Legal Entity 5 | 100 013 | Saving Account | 4,759 | SGD | Trust | Customer 005 | | For benefit of spouse | 10 | 50,000 | 4,759 | 4,759.00 | |
| Legal Entity 6 | 100 014 | Saving Account | 20,517 | SGD | Company | Customer 008 | | Office Account | 11 | 50,000 | 20,517 | 20,517.00 | |

| Legal Entity | Account Number | Standard Product Type | Account Balance | Account Currency | Ownership Category | Primary Holder | Secondary Holder | Account Attribute | Unique Depositor Combination | Limit Applicable | Total Deposit per Unique Depositor | Insured Amount | Uninsured Amount |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Legal Entity 7 | 100015 | Saving Account | 24,254 | SGD | Company | Customer 008 | | Client Account for Customer X | 12 | 50,000 | 24,254 | 24,254.00 | |
| Legal Entity 8 | 100016 | Saving Account | 68,691 | SGD | Company | Customer 008 | | Client Account for Customer Y | 13 | 50,000 | 68,691 | 50,000.00 | 18,691.00 |
| Legal Entity 9 | 100017 | Saving Account | 68,691 | SGD | Single | Customer X | | | 14 | 50,000 | 68,691 | 50,000.00 | 18,691.00 |
| | | | | | | | | | | | | | |
| Legal Entity 1 | 100018 | Deposit | 50,101 | SGD | CPFIS | Customer 501 | | | 15 | 50,000 | 50,101 | 50,000.00 | 101.00 |
| Legal Entity 1 | 100019 | Deposit | 45,493 | SGD | CPFRS | Customer 502 | | | 16 | 50,000 | 45,493 | 45,493.00 | |
| Legal Entity 1 | 100020 | Deposit | 14,252 | SGD | CPFRS | Customer 503 | | | 17 | 50000 | 64,590 | 50000 | 14590 |
| Legal | 100 | Depos | 50,338 | SGD | CPFIS | Custo | | | | | | | |

| Legal Entity | Account Number | Standard Product Type | Account Balance | Account Currency | Ownership Category | Primary Holder | Secondary Holder | Account Attribute | Unique Depositor Combination | Limit Applicable | Total Deposit per Unique Depositor | Insured Amount | Uninsured Amount |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Entity 1 | 021 | it | | | | mer 503 | | | | | | | |
| Legal Entity 1 | 100 022 | Deposit | 58,412 | SGD | Single | Customer 504 | | | 18 | 50,000 | 58,412 | 50,000.00 | 8,412.00 |
| Legal Entity 1 | 100 023 | Deposit | 10,700 | SGD | CPFRS | Customer 504 | | | 19 | 50000 | 52,469 | 50000 | 2469 |
| Legal Entity 1 | 100 024 | Deposit | 41,769 | SGD | CPFIS | Customer 504 | | | | | | | |

## 6.1.2 Identification of Deposit Stability

Once the insurance limit is allocated at an account level, the application determines the deposit stability as follows:

**1.** Stable Deposits

A stable deposit is that portion of a deposit which is fully covered by deposit insurance provided by an effective deposit insurance scheme or a public guarantee that provides equivalent protection and which satisfies one of the following conditions:

- It is held in a transactional account by the depositor

  Or,

- The depositor has an established relationship with the reporting legal entity.

> **NOTE** In case of MAS, if a deposit is partially covered by insurance and meets the other criteria, the insured portion of such deposits is considered stable while the uninsured portion is considered less stable.

Stable deposits receive a 5% run-off rate unless they meet additional deposit criteria.

**2.** Highly Stable Deposits

All "stable" deposits identified as per the criteria specified in point 1 above are classified as meeting additional insurance criteria if the insurance scheme under which they are covered satisfies the following conditions:

- Is based on a system of prefunding via the periodic collection of levies on banks with insured deposits.
- Has adequate means of ensuring ready access to additional funding in the event of a large call on its reserves, for example, an explicit and legally binding guarantee from the government, or a standing authority to borrow from the government.
- Access to insured deposits is available to depositors in a short period of time once the deposit insurance scheme is triggered.

  Such deposits receive a 3% run-off rate.

**3.** Less Stable Deposits

All insured and uninsured deposit or funding balances that do not meet the stable deposits criteria specified earlier are classified as less stable deposits: This includes:

- Insured balance of deposits meeting stable deposits criteria but denominated in ineligible foreign currencies.
- Uninsured balance of deposits meeting stable deposits criteria.
- Insured balance of deposits which are not transactional account and the customer has no established relationship with the bank.
- Deposit balance where the insurance coverage status is Uninsured.

  Such deposits receive a 10% run-off rate.

# 7 Regulation Addressed through Rules

The application supports multiple pre-configured rules and scenarios based on regulator specified scenario parameters such as inflow rates, outflow rates, run-offs and haircuts and so on.

## 7.1 DIC Contractual Run

The list of pre-configured rules and the corresponding reference to the regulatory requirement that it addresses is provided in the following table:

| Sl. No. | Rule Name | Rule Description | Regulatory Reference |
|---|---|---|---|
| 1 | DIC - Deposit Insurance - Party Type Reclassification | This is a reclassification rule to reclassify all bank party type to FDIC party type in FSI_DEPOSIT_INSURANCE_RECLASS table. | 12 CFR Part 370 ITFG v2.0 – Appendix A, Customer File, CS_Type |
| 2 | DIC - Deposit Insurance - Eligible Accounts Identification | This is a rule identifies if a deposit account is eligible for insurance calculation or not. If eligible the deposit account are marked as eligible in FSI_DEPOSIT_INSURANCE table. | 12 CFR Part 330.3<br>12 CFR Part 370 ITFG v2.0 - 2.2.7 |
| 3 | DIC - Deposit Insurance - ORC Flag | This is a rule identifies if the account has to be considered for ORC reclassification or not. If eligible then ORC is marked as eligible in FSI_DEPOSIT_INSURANCE_DTLS table. | 12 CFR Part 370 ITFG v2.0 – 3.3 Step 4 |
| 4 | DIC - Deposit Insurance - Eligible Beneficiary Flag | This is a rule identifies if the beneficiary is eligible for insurance calculation or not. If eligible then beneficiary is marked as eligible in FSI_DEPOSIT_INSURANCE_DTLS table. | 12 CFR Part 330.10 c and d. |
| 5 | DIC - ORC Type Identification - Mortgage Servicing Accounts | This is a rule which identifies if a deposit account meets the criteria for Mortgage Servicing Accounts (MSA) Ownership Right and Capacity type. MSA identification is stored in FSI_DEPOSIT_INSURANCE_DTLS table. | 12 CFR Part 370 ITFG v2.0 – 4.1.10.1 |
| 6 | DIC - ORC Type Identification - Business Accounts | This is a rule which identifies if a deposit account meets the criteria for Business Accounts (BUS) Ownership Right and Capacity type. BUS identification is stored in | 12 CFR Part 370 ITFG v2.0 – 4.1.8.1 |

| Sl. No. | Rule Name | Rule Description | Regulatory Reference |
|---|---|---|---|
| | | FSI_DEPOSIT_INSURANCE_DTLS table. | |
| 7 | DIC - ORC Type Identification - Irrevocable Trust Accounts | This is a rule which identifies if a deposit account meets the criteria for Irrevocable Trust Accounts (IRR) Ownership Right and Capacity type. IRR identification is stored in FSI_DEPOSIT_INSURANCE_DTLS table. | 12 CFR Part 370 ITFG v2.0 – 4.1.5.1 |
| 8 | DIC - ORC Type Identification - Revocable Trust Accounts | This is a rule which identifies if a deposit account meets the criteria for Revocable Trust Accounts (REV) Ownership Right and Capacity type. REV identification is stored in FSI_DEPOSIT_INSURANCE_DTLS table. | 12 CFR Part 370 ITFG v2.0 – 4.1.4.1 |
| 9 | DIC - ORC Type Identification - Certain Retirement Accounts | This is a rule which identifies if a deposit account meets the criteria for Certain Retirement Accounts (CRA) Ownership Right and Capacity type. CRA identification is stored in FSI_DEPOSIT_INSURANCE_DTLS table. | 12 CFR Part 370 ITFG v2.0 – 4.1.6.1 |
| 10 | DIC - ORC Type Identification - Employee Benefit Plan Accounts | This is a rule which identifies if a deposit account meets the criteria for Employee Benefit Plan Accounts (EBP) Ownership Right and Capacity type. EBP identification is stored in FSI_DEPOSIT_INSURANCE_DTLS table. | 12 CFR Part 370 ITFG v2.0 – 4.1.7.1 |
| 11 | DIC - ORC Type Identification - DIT as the Trustee of an Irrevocable Trust Accounts | This is a rule which identifies if a deposit account meets the criteria for Depository Institution as the Trustee Accounts (DIT) Ownership Right and Capacity type. DIT identification is stored in FSI_DEPOSIT_INSURANCE_DTLS table. | 12 CFR Part 370 ITFG v2.0 – 4.1.11.1 |
| 12 | DIC - ORC Type Identification - Sovereign and Central Government Accounts | This is a rule which identifies if a deposit account meets the criteria for Government Accounts (GOV) -Sovereign and Central Government accounts Ownership Right and Capacity type. GOV identification is stored in FSI_DEPOSIT_INSURANCE_DTLS table. | 12 CFR Part 370 ITFG v2.0 – 4.1.9.1- 5 |
| 13 | DIC - ORC Type Identification - Other Government | This is a rule which identifies if a deposit account meets the criteria for Government Accounts (GOV) -Other | 12 CFR Part 370 ITFG v2.0 – 4.1.9.1- 7 |

| Sl. No. | Rule Name | Rule Description | Regulatory Reference |
|---|---|---|---|
| | Accounts | Government accounts Ownership Right and Capacity type. GOV identification is stored in FSI_DEPOSIT_INSURANCE_DTLS table. | |
| 14 | DIC - ORC Type Identification - Tribal Trust Funds held under Government Accounts | This is a rule which identifies if a deposit account meets the criteria for Government Accounts (GOV) - Tribal Trust Funds held under Government accounts Ownership Right and Capacity type. GOV identification is stored in FSI_DEPOSIT_INSURANCE_DTLS table. | 12 CFR Part 370 ITFG v2.0 – 4.1.9.1- 7 |
| 15 | DIC - ORC Type Identification - Joint Accounts | This is a rule which identifies if a deposit account meets the criteria for Joint Accounts (JNT) Ownership Right and Capacity type. JNT identification is stored in FSI_DEPOSIT_INSURANCE_DTLS table. | 12 CFR Part 370 ITFG v2.0 – 4.1.3.1 |
| 16 | DIC - ORC Type Identification - Single Accounts | This is a rule which identifies if a deposit account meets the criteria for Single Accounts (SGL) Ownership Right and Capacity type. SGL identification is stored in FSI_DEPOSIT_INSURANCE_DTLS table. | 12 CFR Part 370 ITFG v2.0 – 4.1.2.1 |
| 17 | DIC - ORC Type Identification - DOE Accounts | This is a rule which identifies if a deposit account meets the criteria for Department of Energy Accounts (DOE) Ownership Right and Capacity type. DOE identification is stored in FSI_DEPOSIT_INSURANCE_DTLS table. | 12 CFR Part 370 ITFG v2.0 – 4.1.15.1 |
| 18 | DIC - ORC Type Identification - Public Bond Accounts | This is a rule which identifies if a deposit account meets the criteria for Public Bond Account (PBA) Ownership Right and Capacity type. PBA identification is stored in FSI_DEPOSIT_INSURANCE_DTLS table. | 12 CFR Part 370 ITFG v2.0 – 4.1.13.1 |
| 19 | DIC - ORC Type Identification - Annuity Contract Accounts | This is a rule which identifies if a deposit account meets the criteria for Annuity Contract Accounts (ANC) Ownership Right and Capacity type. ANC identification is stored in FSI_DEPOSIT_INSURANCE_DTLS table. | 12 CFR Part 370 ITFG v2.0 – 4.1.12.1 |

| Sl. No. | Rule Name | Rule Description | Regulatory Reference |
|---|---|---|---|
| 20 | DIC - ORC Type Identification - BIA - Custodian Accounts for American Indians | This is a rule which identifies if a deposit account meets the criteria for Custodian Account for American Indians (BIA) Ownership Right and Capacity type. BIA identification is stored in FSI_DEPOSIT_INSURANCE_DTLS table. | 12 CFR Part 370 ITFG v2.0 – 4.1.14.1 |
| 21 | DIC - Pending Reason Identification - Irrevocable Trust Accounts | This is a rule updates the pending reasons for Trust Accounts. | 12 CFR Part 370 ITFG v2.0 – Appendix A, Customer File, CS_Type 5.4 –Output File population |
| 22 | DIC - Pending Reason Identification - Sovereign and Central Government Accounts | This is a rule updates the pending reasons for Government Accounts. | 12 CFR Part 370 ITFG v2.0 – Appendix A, Customer File, CS_Type 5.4 –Output File population |
| 23 | DIC - Pending Reasons | This is a rule updates the pending reasons for All Accounts which has missing interest. | 12 CFR Part 370 ITFG v2.0 – Appendix A, Customer File, CS_Type 5.4 –Output File population |

# 8 User Roles and Access

The roles defined for Deposit Insurance Calculation (DIC) application are as follows:

- **DIC Analyst (DICANALYST):** This user is responsible for defining and maintaining the user interface input parameters and definitions required by the application. This user is also allowed to execute the Runs defined within the application.
  - DIC Analyst can define Runs with the following access privileges: Add, View, Edit, Copy, Delete, Send for Approval, Make Active, Retire, Approval Summary, as well as execute the Runs created in the application. This user is not allowed to approve definitions. A Run is sent for approval by this user to the DIC approver.
- **DIC Approver (DICAPROVER):** This user is responsible for verifying and approving the tasks assigned to and completed by the DIC Analyst. Additionally, this user can execute the Runs created in the application. For instance, this user can approve, and execute a definition.
  - DIC Approver can approve Runs defined by the DIC analyst with the following access privileges: View, Approve, Reject, Retire, Approval Summary, and execute the Runs created in the application.

# 9 Appendix A – User Configuration and Settings

## 9.1 Standard Reclassifications

The regulatory guidelines specify classifications and computations based on certain generic product and party types. Each bank, internally, will have its own product and party types, which differ from bank to bank. In order to ensure consistency in computations, the application supports two standard dimensions based on the regulatory guidelines:

- Standard Product Type
- Standard Party Type

The bank specific product and party types, which are accepted as a download in the staging tables, are required to be reclassified to standard product and party types supported by OFS LRS respectively.

### 9.1.1 Standard Product Type Reclassification

Banks should to map their specific product types to the Standard Product Types as part of the rule LRM - Standard Product Type Reclassification. The application then reclassifies the bank product types to Standard Product Types and utilizes the Standard Product Types for further processing.

### 9.1.2 Standard Party Type Reclassification

Banks are required to map their specific party types to the Standard Party Types as part of the rule LRM - Standard Party Type Reclassification. The application then reclassifies the bank party types to Standard Party Types and utilizes the Standard Party Types for further processing. Party types include customer type, issuer type and guarantor type.

### 9.1.3 Insurance Party Type Reclassification

Banks are required to map their specific party types to the Insurance Party Types as part of the rule DIC – Deposit Insurance - Party Type Reclassification. The application then reclassifies the bank party types to Insurance Party Types and utilizes the Insurance Party Types for further processing.

# 10 Performance Improvement Guidelines for DIC

Parameter Settings OracleDB Configuration File:

OFSAAI provides enabling of Parallelism and setting of DOP for every DML sessions invoked by the applications. These parameters are listed in the OracleDB Configuration file (OracleDB.conf) located in the DB layer of the OFSAAI Installation.

1. Navigate to the path $FIC_HOME/ficdb/conf, to access the file. Modify the values for the below parameters.

| PARAMNAME | PARAMVALUE |
|---|---|
| CNF_PARALLEL_QUERY | ENABLE |
| CNF_PARALLEL_DML | ENABLE |
| CNF_DEGREE_OF_PARALLELISM | 2 |
| CNF_PARALLEL_DEGREE_POLICY | MANUAL |

> **NOTE** The CNF_DEGREE_OF_PARALLELISM value can be 40% of the available parallel threads per CPU on the database server.

Parameter Settings for SETUP_MASTER Table:

2. In the SETUP_MASTER table in the atomic schema, update the below mentioned component codes:

| PARAMNAME | PARAMVALUE |
|---|---|
| DT_PARALLEL_ENABLE | Y |
| DT_PARALLEL_DOP | 2 |

> **NOTE** The component value set against the component code DT_PARALLEL_DOP should be same as the CNF_DEGREE_OF_PARALLELISM parameter value set in the OracleDB configuration file as mentioned in step 1 Parameter Settings for OracleDB Configuration File.

3. Enable the gather stats by setting the component code "GATHER_TABLE_STATS" as "Y" in the setup_master table.
4. Update the atomic schema name for the component code "GATHER_STAT_OWNER" in the setup_master table.

**NOTE** You can turn-off the configuration, by disabling the gather stats by setting the component code "GATHER_TABLE_STATS" as 'N' in setup_master table.

Parameter Settings for Configuration Table:

5. In the configuration table in config schema, update the below mentioned component code:

| PARAMNAME | PARAMVALUE |
|---|---|
| QRY_OPT_USE_ROWID | Y |

6. Disable all the foreign key constraints for the tables FSI_DEPOSIT_INSURANCE, FSI_DEPOSIT_INSURANCE_DTLS, FCT_PARTY_PARTY_ACCT_RELTNSHP.
7. For the table FCT_PARTY_PARTY_ACCT_RELTNSHP, indexing can be done on the columns
8. N_PARTY_SKEY, N_RELATED_PARTY_SKEY, and for the table FSI_DEPOSIT_INSURANCE_DTLS in the column N_POOL_ID, and the index on (N_ACCT_SKEY, N_RUN_SKEY).
9. As FSI_DEPOSIT_INSURANCE, FSI_DEPOSIT_INSURANCE_DTLS tables are processing table, clean up can be done periodically.

**OFSAAI Support Contact Details**

- Contact Infrastructure support at https://flexsupp.oracle.com if you have installed ERM and FCCM applications.
- Raise an SR in https://support.oracle.com if you have any queries related to EPM applications.

# Send Us Your Comments

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