

Oracle Financial Services Funds Transfer Pricing

Release Notes

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OFS Funds Transfer Pricing Pack Release Notes

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Document Control

Version Number	Revision Date	Change Log
8.1.1.0.0	Feb-2021	Created and released the Oracle Financial Services Profitability Management Applications Pack v8.1.1.0.0 Release Notes document.

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1 About this Guide

This section provides supporting information for Oracle Financial Service Funds Transfer Pricing Pack (OFS FTP Pack) Release Notes.

Topics:

- [Purpose of this Document](#)
- [Intended Audience](#)
- [Access to Oracle Support](#)
- [Related Information Sources](#)

1.1 Purpose of this Document

This document contains release information of Oracle Financial Service Funds Transfer Pricing Pack (OFS FTP), Release 8.1.1.0.0.

1.2 Intended Audience

This document is intended for users of OFS FTP Application, Release 8.1.0.0.0.

1.3 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.

1.4 Related Information Sources

We strive to keep this and all other related documents updated regularly; visit the [OHC Documentation Library](#) to download the latest version available there. The list of related documents is provided here.

OHC Documentation Library for the OFS FTP Pack Release 8.1.1.0.0:

- [Oracle Financial Services Funds Transfer Pricing Pack Installation and Configuration Guide Release 8.1.1.0.0](#)
- [Oracle Financial Services Funds Transfer Pricing User Guide Release 8.1.1.0.0](#)
- [Oracle Financial Services Funds Transfer Pricing Security Guide Release 8.1.0.0.0](#)
- [Oracle Financial Services Funds Transfer Pricing Cloning Reference Guide Release 8.1.0.0.0](#)

1.5 Additional Documents to Read

Oracle Financial Services Funds Transfer Pricing Pack is built on the Oracle Financial Services Advanced Analytical Applications Infrastructure (OFS AAI). See the following OFS AAI documents as no separate documents are required at the pack or application level for Oracle Financial Services Funds Transfer Pricing Pack:

- [OFS Analytical Applications Infrastructure \(OFS AAAI\) Application Pack Installation and Configuration Guide Release 8.1.1.0.0](#)
- [OFS Analytical Applications Infrastructure Administration and Configuration Guide Release 8.1.x](#)
- [OFS Analytical Applications Infrastructure Cloning Reference Guide Release 8.1.0.0.0](#)
- [OFS Analytical Applications Infrastructure Security Guide Release 8.1.0.0.0](#)
- [OFS Analytical Applications Infrastructure User Guide Release 8.1.1.0.0](#)

You can access the common document from the OHC Documentation Library:

- [OFS Analytical Applications 8.1.1.0.0 Technology Matrix](#)
- [OFS Data Model Utilities Guide](#)
- [OFS Cash Flow Engine Reference Guide](#)

2 Introduction to OFS FTP Pack

In today's turbulent markets, financial institutions require a better understanding of their risk-return, while strengthening competitive advantage, and enhancing long-term customer value.

Oracle Financial Services Analytical Applications (OFSAA) enables financial institutions to measure and meet the risk-adjusted performance objectives, cultivate a risk management culture through transparency, lower the costs of compliance and regulation, and improve insight into customer behavior.

OFSAA uses industry-leading analytical methods, shared data models, and applications architecture to enable integrated risk management, performance management, customer insight, and compliance management. OFSAA actively incorporates risk into decision making, enables to achieve a consistent view of performance, promotes a transparent risk management culture, and provides pervasive intelligence.

OFSAA delivers a comprehensive, integrated suite of financial services analytical applications for both banking and insurance domains.

Oracle Financial Services Funds Transfer Pricing pack includes the following applications:

- **Oracle Financial Services Analytical Applications Infrastructure:** Provides the pre-requisite foundation services required to run all OFSAA applications including user and security management, object administration and other foundational level services.
- **Oracle Financial Services Funds Transfer Pricing:** Enables banks to apply various transfer pricing methods on products to calculate the funds transfer price. It calculates transfer prices across all product types varying in terms of characteristics like fixed-rate or floating rate instruments, bullet or amortizing, or fixed tenor or perpetual instruments. Besides it also supports the calculation of transfer price at both the account level and ledger level including migration of charge or credit to the management ledger and posting of funding offsets to the funding center.

3 Oracle Financial Services Funds Transfer Pricing

This chapter describes the new features, bugs addressed, and known issues in this release of OFS Funds Transfer Pricing application.

Topics:

- [New Features in this Release](#)
- [Bugs Fixed in this Release](#)
- [Known Issues and Limitations in this Release](#)

3.1 New Features in this Release

The following new features are incorporated in this release. For more information on the usage of these features, see the [Oracle Financial Services Funds Transfer Pricing Security Guide Release 8.1.0.0.0](#):

- 1. Rate Card Report Template:** The Rate Card Report template helps you to create a customized rate card report by choosing the columns that you want to see in your report. These columns can include or exclude standard out-of-the-box columns as well as other columns that are properly registered.

In updated flow for rate card reports, you can select report templates while defining rate card reports. Each report can be defined with more than one template, which users can change on the run as per their requirement.
- 2. Account Audit Portal:** Using Account Audit portal, you can validate account attributes and calculated rates (Transfer, adjustment, economic cost, method and IRC used) along with cash flows to verify the system calculations. All this is available in one single UI, which can avoid querying multiple database tables.
- 3. Geometric Mean in Transfer Pricing Method:** The Geometric average method is introduced in the 'Moving average' Transfer Pricing Method as a calculation option and when used indicates the central tendency or average of a set of numbers by using nth root of the product of given rate/numbers.
- 4. All in TP Charge Calculation:** Along with All in TP rate calculations which could be a combination of few base transfer or adjustment rates.

All in TP Charge Credit can also be calculated similar to TP charge or adjustment Charge credit. Options are given in calculation UI to select daily or monthly accrual.
- 5. Bulk Methods Update:** All the bulk methods (Tractor, Caterpillar and Weighted Average Perpetual) are enhanced to work with row by row operations like adjustment rate calculations or all in TP rate calculations.
- 6. Audit Prepayment assumption details:** Starting this release, the FTP Audit would also be capturing prepayment method used, IRC, Model along with other details like TP method, adjustment method etc.
- 7. Break Identification Process:** The FSI_D_BREAK_FUNDING_CHARGES table is enhanced to capture the cur par/cur book balance in case of full break, when next payment date is falling in break period and after payment balance is null, so economic cost calculations would not fail.

8. Prepayment Rate Model Analysis:

- **Prepayment Model Analysis:** A new module, Prepayment Model Analysis, has been introduced under prepayment rules. This allows you to develop a model for prepayment rate calculations as per the selected product and currency combination. You can have different models for different product, currency combinations.

For more information, see the Prepayment Model Analysis section in OFS FTP User Guide.

- **Prepayment Model:** This is an existing module containing prepayment matrix, which has been enhanced to support Manual, Integrated, and External model for prepayment rate calculations.

If you select manual, you can continue with existing flow and manually enter prepayment rates.

If you select external/integrated model, selected model auto-calculates the prepayment rates and populate the prepayment matrix.

For more information, see the **Prepayment Model** section in OFS FTP User Guide.

- **Prepayment Rate Calculation:** This is a pre-requisite to run prepayment model analysis. It helps to identify the historical prepayments data on which prepayment model is developed. It will capture all the prepayment events for following products:

Loan Contracts
Mortgages
Term Deposit

For more information, see the **Data Preparation for Prepayment Model Analysis** section in OFS FTP User Guide.

9. Replicating Portfolio: The following features have been introduced for replicating portfolio:

- **Roll Back option** - In case, you have rolled your portfolio forward by mistake and need to roll it back to original state, roll back feature has been introduced. This helps you to get the portfolio back to original state as per the roll frequency.
- **Data Filters** – Along with product and currency, you can now select a data filter as well to enhance portfolio granularity.
- **Aggregate Tables** – Along with regular accounts tables like Loan Contracts, aggregate tables can also be used for portfolio generation.
- **Balance Types** – You can now select any of Cur Book, Cur Par or Average balance when source is one of account tables.

10. Holiday Calendar via Adjustment Rule: New UI fields are introduced in adjustment rule in case you are running only adjustments in a TP process and want to utilize holiday calendar/ rolling conventions for charge/credit calculations.

Any Holiday calendar defined at instrument record level takes precedence over the one mentioned in adjustment rule.

11. Embedded objects must be editable: New feature is introduced, where you can edit the embedded objects like Transfer pricing, adjustment or prepayment rule from Standard/stochastic process UI itself, if the process is opened in edit mode.

12. FTP Web Service: Following FTP web services have been enhanced:

- **getEconomiccost:** In response, it returns the transfer rate for both prior as well as current record.
 - **getPricing:** This web service has started supporting payment schedules for ad-hoc calculation of FTP rates.
13. From v8.1.0.0.0 and above, License for the OFS FTP is associated with OFS Funds Transfer Pricing Pack in OSDC and MOS. Therefore, all the ONE-OFF's, MLs, and IRs are available under this Release Line.
- Post 8.1.0.0.0, OFS Funds Transfer Pricing product is no longer associated with the OFS Profitability Applications Pack.

3.2 Bugs Fixed in this Release

The following bugs are fixed as part of the OFS Funds Transfer Pricing Application v8.1.1.0.0 release.

Table 1: List of Bugs Fixed for OFS Funds Transfer Pricing Application

Sl. No.	Bug ID	Bug Description	Change Description
1	25388126	Dimension Members not found in required format' causes transfer rates to fail	System always validates all node map child procedures to drop the table in case of error scenario and the check condition has been introduced to verify the existence of table and drop the same before creating table.
2	31194234	DT_POPULATE_PM_TRANS_RATE_T_1 is failing, Error occurred in the function	As per the updated flow, data for rate card reporting would be directly picked from the PM_generated Instrument table itself. Therefore, this step is not required anymore.
3	31393662	Hybrid spread curve not calculating correctly when monthly option selected	The application is modified to consider the effective dates from the spread curve frequency and if interest rate is not available then the application considers the most recent available effective date.
4	31961123	Data filters on portfolio class columns are not available for TP, adjustment and prepayment rule	Check to pick data filters has been enhanced to select all the data filters based on columns defined with portfolio class.

3.3 Known Issues and Limitations in this Release

The Known Issues and Limitations in the OFS Funds Transfer Pricing Application Release 8.1.1.0.0 are as follows:

- Data Filter are not working in replicating portfolio behavior pattern, with source as management ledger when core allocation is as amount.
- While executing load instrument summary, FSI_D_CAPFLOORS and FSI_D_FORWARD_RATE_AGMTS are not getting loaded and throwing error. "The table does not have primary key columns". Script has been given in FTP user Guide, to avoid this issue.

- The Prepayment rate calculation process does not appear in summary screen after saving the process. This is happening intermittently and that too only with first process.
- In the Prepayment model logs, few warning messages related to active time buckets are logged, but FTP does not use time bucket concept and there is no impact on prepayment rate calculations.
- FTP rules does not get assigned correctly when a lower level node has a rule to override the upper level rule - If nodes are created with values in ascending order from top to bottom of hierarchy tree then the system works fine. However, if a node at a lower level has lesser value than a node at higher level in a tree, then this issue starts appearing.
- Other Adjustment IRC details are not getting captured in audit details table.
- Breakage charge calculations with records having reprice pattern does not work without dummy TP rule as reprice patterns would only be picked if transfer rate calculations are selected in same process.
- In object Migration: Offline object migration – for export mode- drop down to select component is showing duplicate values of screens for Behavior Patterns, Repricing Pattern, Prepayment, Prepayment Model, and Adjustment Rule.
- Behavior pattern - Replicating portfolio - JExcel - Pagination Issue from the last page, you would not be able to traverse directly back to first page.

4 **Oracle Financial Services Analytical Applications Infrastructure**

See the [Oracle Financial Services Advanced Analytical Applications Infrastructure Application Pack Readme](#) for the details on the New Features, List of Bugs Fixed, and Known Issues and Limitations.

5 **Hardware and Software Tech Stack Details**

The hardware and software combinations required for OFS AAI 8.1.1.0.0 are available at [OFS Analytical Applications Technology Matrix](#).

6 Licensing Information

For details on the third party software tool used, see the [OFSAA Licensing Information User Manual Release 8.1.1.0.0](#).

OFSAA Support

Raise a Service Request (SR) in [My Oracle Support \(MOS\)](#) for queries related to OFSAA applications.

Send Us Your Comments

Oracle welcomes your comments and suggestions on the quality and usefulness of this publication. Your input is an important part of the information used for revision.

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- Is the information clearly presented?
- Do you need more information? If so, where?
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Before sending us your comments, you might like to ensure that you have the latest version of the document wherein any of your concerns have already been addressed. You can access My Oracle Support site that has all the revised/recently released documents.

