Oracle Financial Services Behavior Patterns

User Guide

Release 22.06.01

Jun 2022

ORACLE
Financial Services

ORACLE

Oracle Financial Services Behavior Patters User Guide

Document Control

Version Number	Revision Date	Change Log
1.0	June 2022	Created and released the Oracle Financial Services Behavior Pattern User Guide.

Table of Contents

1 Get Help

Topics:

- Get Help
- Learn About Accessibility
- Get Support
- Get Training
- Join Our Community
- Share Your Feedback
- Before You Begin

1.1 Get Help in the Applications

Use help icons to access help in the application.

Note that not all pages have help icons. You can also access the Oracle Help Center to find guides and videos.

1.1.1 Additional Resources

- Community: Use Oracle Cloud Customer Connect to get information from experts at Oracle, the partner community, and other users.
- Training: Take courses on Oracle Cloud from Oracle University.

1.2 Learn About Accessibility

For information about Oracle's commitment to accessibility, visit the Oracle Accessibility Program. Videos included in this guide are provided as a media alternative for text-based topics, and are also available in this guide.

1.3 Get Support

You can get support at My Oracle Support.

For accessibility support, visit Oracle Accessibility Learning and Support.

1.4 Get Training

Increase your knowledge of Oracle Cloud by taking courses at Oracle University.

1.5 Join Our Community

Use Cloud Customer Connect to get information from industry experts at Oracle and in the partner community. You can join forums to connect with other customers, post questions, and watch events.

1.6 Share Your Feedback

We welcome your feedback about Oracle Applications user assistance. If you need clarification, find an error, or just want to tell us what you found helpful, we'd like to hear from you.

You can email your feedback to My Oracle Support.

Thanks for helping us improve our user assistance!

1.7 Before You Begin

See the following Documents:

- See What's New
- Getting started with Profitability and Balance Sheet Management Cloud Service

2 Behavior Patterns

PBSM (Profitability and Balance Sheet Management) Cloud Service's User Defined Behavior Patterns allow you to define Principal Amortization Schedules for Non-Maturity Products in your portfolio. You can utilize a Behavior Pattern to generate Cash Flows by entering the Amortization Type Code as "Behavior Pattern" along with the actual Behavior Pattern Code for the relevant Instrument Records.

Topics:

- Search for Behavior Patterns
- Creating Behavior Patterns

The procedure for working with and managing Behavior Patterns includes the following steps:

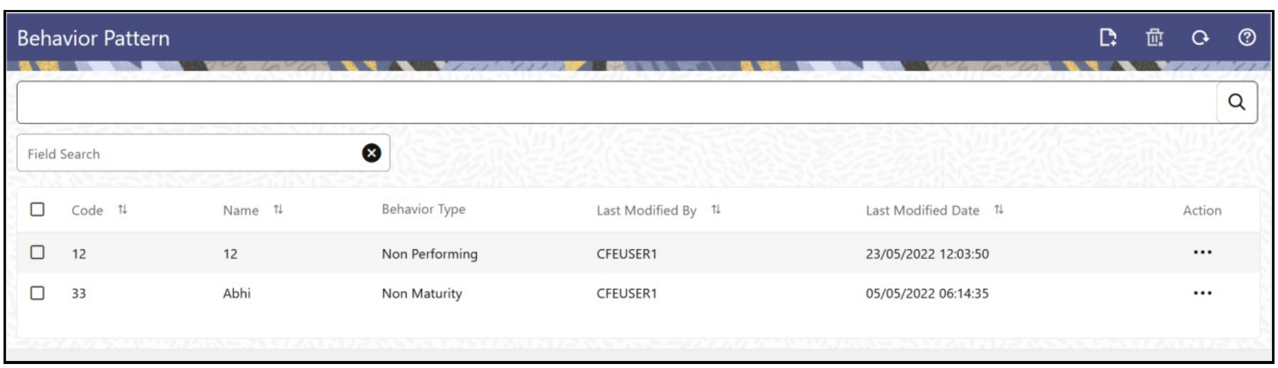
- Searching for Behavior Pattern
- Creating a Behavior Pattern
- Viewing and Editing Behavior Patterns
- Copying Behavior Patterns
- Deleting Behavior Patterns

2.1.1 Search for Behavior Patterns

To open the Behavior Pattern Summary Window and search the Behavior Patterns, perform the following steps:

1. From the LHS menu, select **Maintenance**, and then select **Behavior Pattern** to open the **Behavior Pattern Summary Page**. This page is the gateway to all Behavior Patterns and related functionality. You can navigate to other pages relating to Behavior Patterns from this page.

   Figure 1: Behavior Pattern Summary Page

   The Summary Page of Behavior Pattern displays the Search Criteria Pane, Field Search (Specific Search) Pane, and the already created Behavior Patterns and their details.

2. Click the **Search** icon and enter the Search Criteria from the following options:
   - Code
   - Name
   - Description

- Behavior Type

3. Click **Search** to display the Behavior Patterns that match the criteria.
4. Click Search after entering the Search Criteria.

   The search results are displayed in a table containing all the Behavior Patterns that meet the search criteria with the following details:

   - **Code**: The code of the Behavior Pattern.
   - **Name**: The name of the Behavior Pattern.
   - **Behavior Type**: The type of the Behavior Pattern.
   - **Last Modified By**: Displays the Name of the user who last modified the Behavior Pattern.
   - **Last Modified Date**: Displays the Date and Time at which a Behavior Pattern was last modified.

5. Click on the **Action** icon against the Behavior Pattern to do further actions as follows:

   - **View**: Click View to view the details of a Behavior Pattern in Read-Only format.
   - **Edit**: Click Edit to modify a previously saved Behavior Pattern. Note that you cannot change the Code.
   - **Save As**: Click Save As to create a copy of the selected Behavior Pattern.
   - **Dependency Information**: Click Check Dependencies to generate a report on all rules that utilize your selected Behavior Pattern.
   - **Delete**: Click Delete to delete the selected Behavior Pattern.

6. Click **Cancel/Reset** to remove the filter criteria on the Search Window and refresh the window.

The other method to search a Data File is using the **Field Search** Pane. You can enter any one of the details of a Data File and press the **Enter** key to display the details of the Data File.

2.2 Creating Behavior Patterns

You create Behavior Patterns to capture the principal run-off behavior of product types that do not have contractual maturities.

To create a Behavior Pattern, perform the following:

1. Navigate to the Behavior Pattern Summary Page.
2. Click **Add** to display the Behavior Pattern Details Page.

   Figure 2: Behavior Patterns Details Page

3. Enter a unique Numeric **Code** for the new Behavior Pattern. The code is must be mapped the appropriate instrument record's AMRT_TYPE_CD and BEHAVIOUR_PATTERN_CD to connect the instrument to the appropriate pattern.
4. Enter the **Name** and a **Description** for the pattern.
5. Select the Behavior Pattern Type from the following options:
   - Non Maturity
   - Non-Performing
   - Devolvement and Recovery.
6. Define the Behavior Pattern Tenor Specifications for the Maturity Branches.
7. The selection of the Behavior Pattern Type made in the previous step determines the information you must provide to successfully define that Pattern Type. For more information, see:
   - Defining Non-Maturity Behavior Patterns
   - Defining Non-Performing Behavior Patterns
   - Defining Devolvement and Recovery Behavior Patterns

> **NOTE:**
>
> The Behavior Pattern Details Page above displays the specifications associated with the Non Maturity Pattern Type. Should you change this value for one of the other two alternatives, Non Performing or Devolvement and Recovery, the payment specifications section corresponding to the new Pattern Type get refreshed. Although you can change your selection of the Pattern Type at any point in this procedure, sometimes this might result in loss of data related to any prior selection.

2.2.1 Defining Non-Maturity Behavior Patterns

Non-Maturity Behavior Patterns are commonly used for deposit products like Checking, Savings, and Money Market Accounts as well as for Credit Card Accounts. These account types are similar in that they do not have Contractual Cash Flows because Customers have the option to deposit or withdraw any amount at any time (up to any established limits).

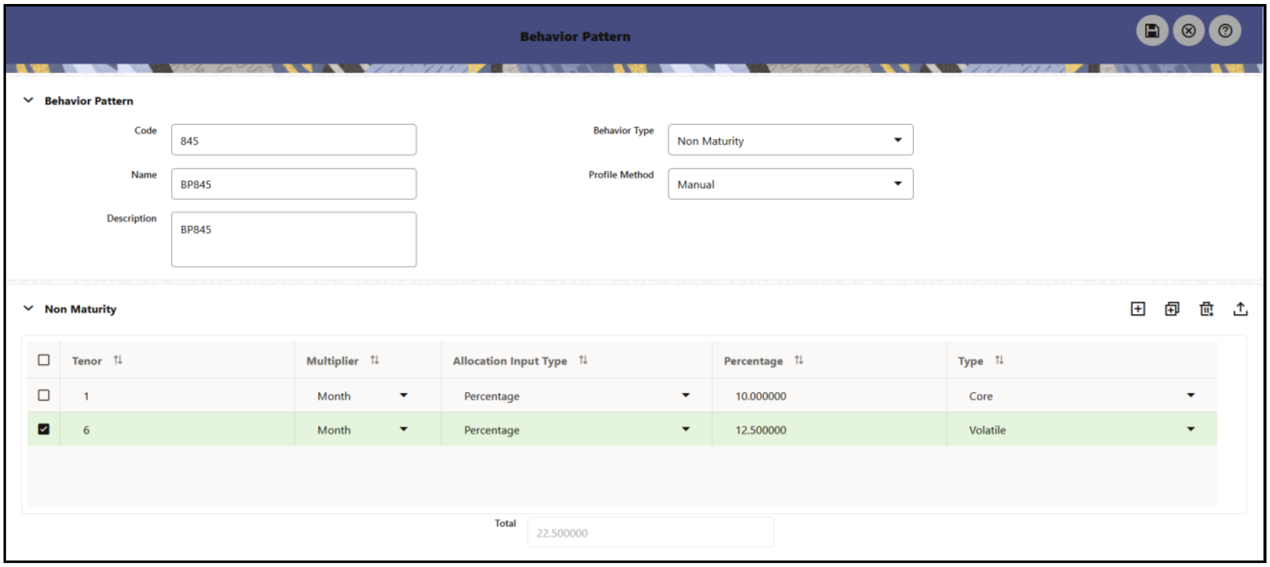
When working with Non-Maturity Behavior Patterns, your percentage weights, assigned to maturity terms must add up to 100%.

To define a Non-Maturity Behavior Pattern, follow the Manual Method.

For Manual Model, you can perform the following steps:

1. In the Behavior Pattern Details Page, select Non Maturity as the Behavior Pattern Type.
2. Select Non-Maturity Products Profile Method as **Manual**.

Figure 3: Behavior Pattern Type as Non-Maturity



3. Enter or select the following details:
   - **Tenor**: Used to specify the maturity term for the particular row. For example, if “1 Day” is defined, then the applicable percentage of the balance will runoff (mature) on the As-of-Date + 1 Day.
   - **Multiplier**: The unit of time applied to the tenor. The choices are as follows:
     - Days
     - Months
     - Years
   - **Allocation Input Type**: This field allows you to select the Amount or Percentage when defining the volume for each maturity tier Select from the following options:
     - **Percentage**: Enter a number in the range of 0 and 100.
     - **Amount**: Enter a number in the range of 0 and 99,99,999.000.000.
   - **Type**: This allows you to classify the Runoff based on the appropriate type. If you select Percentage under 'Allocation Input Type', this allows you to select Core or Volatile.

> **NOTE:**
>
> There is no difference in behavior from a Cash Flow perspective, but the Runoff Amount will be written to a Principal Runoff Financial Element corresponding to the selected Runoff Type.

4. Click the **Add** icon to add additional payment strips to the Pattern. After defining the initial strip as Volatile, subsequent strips are usually classified as Core with varying maturity terms assigned.
5. Click **Add Multiple Row** icon to open a window. Enter the number of rows you want to add and click Add Rows.
6. The **Upload Excel** icon helps you to upload the Behavior Pattern information to an Excel Sheet. This feature will be available in future.
7. To delete a row, select the check box corresponding to the row you want to remove and click the **Delete** icon.
8. Click **Save**.

The Behavior Pattern is saved and the Behavior Pattern Summary Page is displayed.

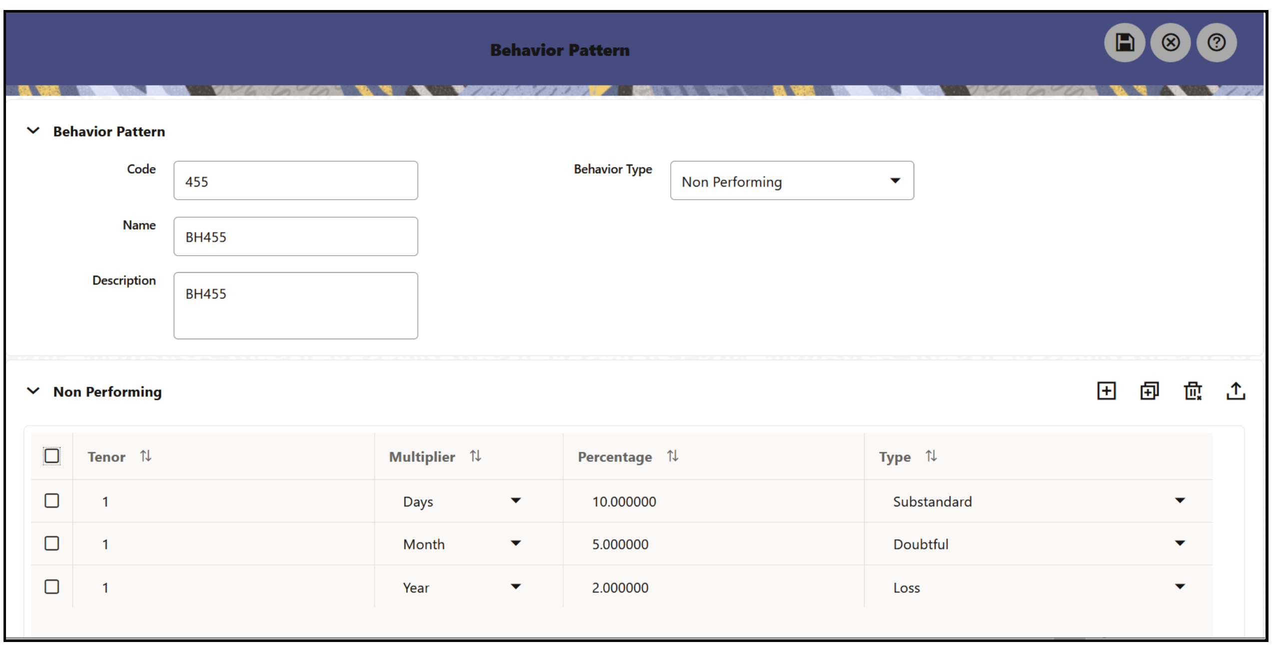
2.2.2 Defining Non-Performing Behavior Patterns

Non-Performing Behavior Patterns are commonly used for balances that are classified as non-earning assets. These balances are typically sourced from the Management Ledger as aggregate balances. Users can assign expected maturity profiles to these balances classifying them into appropriate categories of Sub Standard, Doubtful, or Loss.

To define the Non-Performing Behavior Patterns, perform the following steps:

1. In the Behavior Pattern Details Page, select Non-Performing as the Behavior Pattern Type.
2. Click the **Add** icon to open the **Non-Performing Behavior Patterns** Summary Page.

Figure 4: Behavior Pattern with Type as Non-Performing



3. Enter or select the following details:
   - **Tenor**: Specify the maturity tenor for the first maturity strip. For example, if “1 Day” is defined, then the applicable percentage of the balance will runoff (mature) on the As-of-Date + 1 Day.
   - **Multiplier**: The unit of time applied to the Tenor. The choices are:

- Days
- Months
- Years

- **Percentage**: The relative amount of the Principal Balance that will mature on the date specified by the Tenor + Multiplier. The percentage amounts can exceed 100% for Non-Performing Patterns.
- **Type**: This allows you to classify the Runoff based on the appropriate type. The options are:
  - Substandard
  - Doubtful
  - Loss

> **NOTE:**
>
> There is no difference in behavior from a Cash Flow perspective, but the Runoff Amount will be written to a Principal Runoff Financial Element corresponding to the selected Runoff Type.

4. Click the **Add** icon to add additional payment strips to the Pattern and define appropriate assumptions for each strip.
5. To delete a row, select the check box corresponding to the row(s) you want to remove and click the **Delete** icon.
6. Click **Save**.

The Behavior Pattern is saved and the Behavior Pattern Summary Page is displayed.

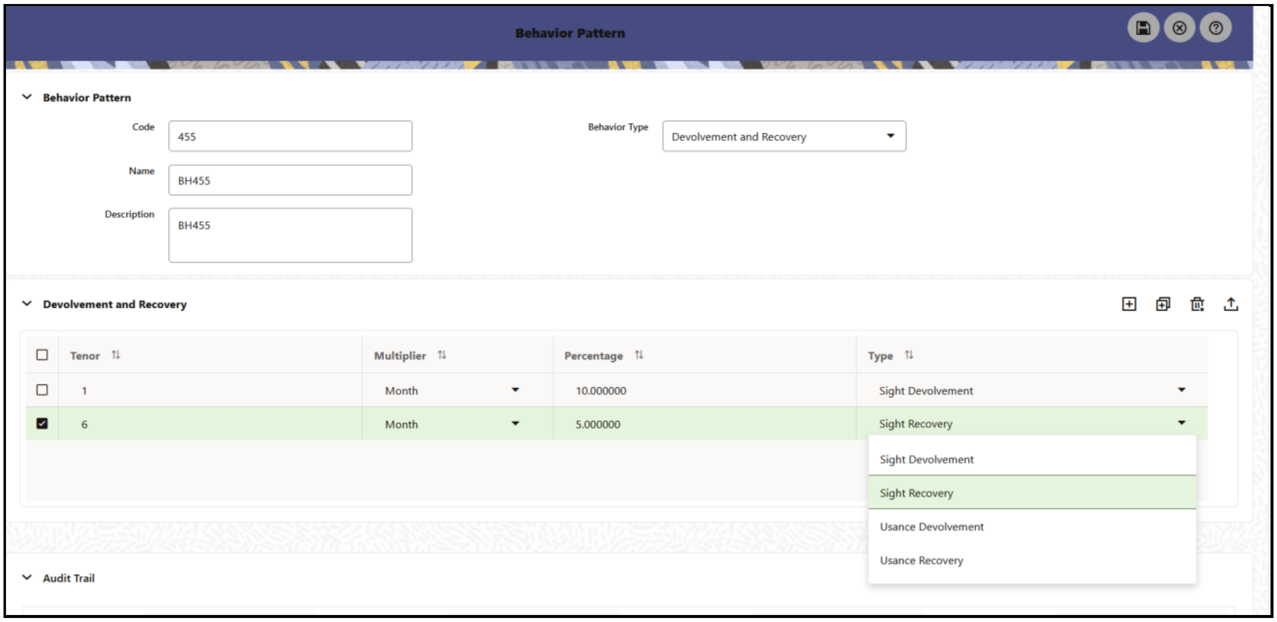
2.2.3 Defining Devolvement and Recovery Behavior Patterns

Devolvement and Recovery Behavior Patterns are commonly used for estimating Cash Flows associated with Letters of Credit and Guarantees. These product types are categorized as Off-Balance-Sheet Accounts. Users can assign expected maturity profiles to the related balances classifying them into appropriate categories of Sight Devolvement and Sight Recovery or Usance Devolvement and Usance Recovery. Sight Devolvement and Recovery are the most common types.

To define the Non-Performing Behavior Patterns, perform the following steps:

1. In the Behavior Pattern Details Page, select Devolvement and Recovery as the Behavior Pattern Type.
2. Click the Add icon to open the Non-Performing Behavior Patterns Summary Page.

Figure 5: Behavior Pattern with Type as Devolvement and Recovery



3. Enter or select the following details:

   - **Tenor**: Specify the maturity tenor for the first maturity strip. For example, if "1 Day" is defined, then the applicable percentage of the balance will Runoff (mature) on the As-of-Date + 1 Day.
   - **Multiplier**: The unit of time applied to the Tenor. The choices are:
     - Days
     - Months
     - Years
   - **Percentage**: The relative amount of the Principal Balance that will mature on the date specified by the Tenor + Multiplier. The percentage amounts can exceed 100% for devolvement and recovery patterns.
   - **Type**: This allows you to classify the Runoff based on the appropriate type. The options are:
     - **Sight Devolvement**: indicates the Beneficiary is paid as soon as the Paying Bank has determined that all necessary documents are in order. This is the preferred approach.
     - **Sight Recovery**
     - **Usance Devolvement**: Usance: is a period, which can be between 30 and 180 days after the bill of Lading Date.
     - **Usance Recovery**

     > **NOTE:**
     >
     > There is no difference in behavior from a Cash Flow perspective, but the Runoff Amount will be written to a Principal Runoff Financial Element corresponding to the selected Runoff Type.

4. Click the **Add** icon to add additional payment strips to the Pattern and define appropriate assumptions for each strip.

5. To delete a row, select the check box corresponding to the row(s) you want to remove and click the **Delete** icon.
6. Click **Save**.

The Behavior Pattern is saved and the Behavior Pattern Summary Page is displayed.

2.2.4 View and Edit Behavior Pattern

You can view existing Behavior Pattern, and you can edit existing patterns, provided you have Read/Write Privileges.

To view and edit a Behavior Pattern, perform the following steps:

1. Navigate to the Summary Screen and select Behavior Pattern.
2. Search for a Rule.

   For further information, see the Searching for Rules Section.
3. Click in the **Action** column and select View or Edit to open the rule you want to update.
4. Update the rule details.
5. Click **Apply** or **Save**, depending on the rule type.

2.2.5 Copy Behavior Pattern

You can copy patterns to avoid having to enter data multiple times. This saves time and effort and reduces mistakes.

To copy a Behavior Pattern, perform the following steps:

1. Navigate to the Summary Screen and select Behavior Pattern.
2. Search for a Rule.

   For more information, see the Search for Behavior Pattern Section.
3. Click in the **Action** column and select Save As to duplicate the rule.
4. Select a folder where you want to save the rule copy.
5. Enter a unique Name for the new rule.

   (Optional) Enter a brief Description of the rule.
6. Select the access type.
7. Click the **Save** button.

2.2.6 Delete Behavior Pattern

You can delete patterns that are no longer required. A pattern cannot be retrieved after deletion.

Restrictions on deleting patterns are:

- You cannot delete patterns if you have only Read Privileges. Only users with Read/Write Privileges and pattern owners can delete patterns.
- You cannot delete a pattern that has a dependency.

To delete a Behavior Pattern, perform the following steps:

1. Navigate to the Summary Screen and select Behavior Pattern.
2. Search for a Behavior Pattern.

   For more information, see the Search for Behavior Pattern Section.
3. Click in the Action column and select **Delete**.

OFSAA Support

Raise a Service Request (SR) in My Oracle Support (MOS) for queries related to the 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.

- Did you find any errors?
- Is the information clearly presented?
- Do you need more information? If so, where?
- Are the examples correct? Do you need more examples?
- What features did you like most about this manual?

If you find any errors or have any other suggestions for improvement, indicate the title and part number of the documentation along with the chapter/section/page number (if available) and contact the My Oracle Support.

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 (MOS) site that has all the revised or recently released documents.

ORACLE