

Product Release Note  
Oracle Banking Corporate Lending  
Release 14.5.3.0.0  
[November] [2021]





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Version 14.5.3.0.0

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# 1. Release Notes

## 1.1 Background

Oracle Financial Services Software Limited has developed Oracle Banking Corporate Lending product to service a big corporate customer, for a huge value transaction in the form of loan. Oracle Banking Corporate Lending suite enables large value corporate loans and syndicated loans. It enables banks to play multitude of roles in syndication. Trading platform enables trading of syndicated loans and keeps track of position and balances of different portfolios of bank.

### **Bilateral Loans**

Empowers financial institutions of varied sizes to offer and manage complex commercial loan products catering to large corporate and SMEs. Product manufacturing enables the bank to create innovative products, cuts down time to market and respond to competition efficiently and effectively. Rule driven delinquency handling provides better control over stressed loan assets enabling timely action.

### **Syndicated Loans**

Empowers large multinational banks and Financial Institutions to structure complex syndicated loans under three tier architecture. Robust multi-currency, multi borrower, multi region participation support makes it easier for arrangers to structure ultra-flexible deals seamlessly. High volume processing is supported to cater to deals with thousands of participants.

### **Secondary Loans Trading**

SLT Module tracks the trading of syndicated loans in the secondary market. It allows the booking and settlement of trades under Lead and Participated facilities. It supports Par and distressed loan trading. It also supports the Assignment and Participation (Silent) type of trades.

## 1.2 Purpose

The purpose of this Release Note is to highlight the enhancements in Oracle Banking Corporate Lending 14.5.3.0.0

## 1.3 Abbreviations

Abbreviation	Description
BOD	Beginning Of Day
CAMD	Contract Amendment
DCF	Delayed Cost Fee
EAC	External Account Check
ELCM	Enterprise Limits and Collateral Management
EOD	End Of Day
FCUBS	FLEXCUBE Universal Banking System

<b>Abbreviation</b>	<b>Description</b>
FCY	Foreign Currency
GL	General Ledger
LCY	Local Currency
LOV	List Of Values
LS	Loan Syndication
OBCL	Oracle Banking Corporate Lending
OL	Oracle Lending
RFR	Risk Free Rate
SLT	Secondary Loans Trading
SME	Small & Medium Sized Enterprises
SOFR	Secured Overnight Financing Rate
STP	Straight Through Processing
UDE	User Defined Events
UI	User Interface
VAMI	Value Dated Amendment

For module code and description details, refer *Annexure* section.

## **1.4 Release Highlights**

The scope of the current release Oracle Banking Corporate Lending 14.5.3.0.0 comprises of following functional enhancements.

- Loans - Rule Based Accounting
- Loans - Compounding Interest Schedules
- Loans - Progressive Disbursement
- Loans - FX Variation
- Loan Syndication - Participant Limits
- Loan Syndication - Maintenance Screen for Bulk Upload
- Secondary Loans Trading - Alternative Risk-Free Rates Preferences

## **1.5 Enhancements to the Existing Modules**

### **1.5.1 Loans - Rule Based Accounting**

Users should have the ability to define the accounting entries based on the set of pre-defined SDE (System Data Elements) conditions. During the life cycle of loan, System should trigger the specific accounting entries based on the accounting rule that gets satisfied.

In addition to this, users should have ability to define the account head for the accounting roles based on the set of pre-defined SDE conditions.

### **1.5.2 Loans - Compounding Interest Schedules**

System will allow user to define compounding schedules for Interest/Penal components during contract creation. Based on the compounding schedules defined, system will compound the interest on the specific compounding date. This compounding feature is extended to penal schedules defined after maturity date as well. Compounding schedules should be defined only for Bearing Normal and Discounted products.

### **1.5.3 Loans - Progressive Disbursement**

Users should have the ability to block the limit during booking of the loan itself. This feature will be applicable for loans, which has progressive disbursements defined. During disbursements, system should utilize and unblock to the extent of amount that is disbursed.

### **1.5.4 Loans – Treatment of FCY Loans and FX Variation**

System should have the capability to revalue the foreign currency loans and pass FX (Foreign Exchange) variation accounting entries daily. System should convert the foreign currency loans into local currency equivalent. In addition, it displays the LCY amount during booking/VAMI/Payment. This is extended for charges, tax and interest subsystems. System should allow the user to make the payment in local currency. In addition, system should stop the FX variation calculation if the schedule becomes overdue.

### **1.5.5 Loan Syndication - Participant Limits**

In addition to tracking borrower exposure, OBCL now supports tracking self-participant (lender) exposure as well. Limits defined for the lenders in the ELCM module can be linked at a tranche and/or drawdown level for further tracking and updates.

Bilateral contracts will be accordingly created per participant through straight through processing jobs.

### **1.5.6 Loans & Loan Syndication - Bulk upload of contract and payment**

A provision is made to accept contracts and payments in JSON format and process the same through parallel bulk upload jobs.

### **1.5.7 Secondary Loans Trading - Alternative Risk-Free Rates Preferences**

Ability to use overnight RFR rate for DCF calculation.

A provision is provided in trade settlement to input required RFR parameters for auto creation of Drawdown.

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## 2. Annexure : Module Code and Description

Abbreviation/ Acronym	Meaning
CO (Core)	Oracle FLEXCUBE Core
CASA	Current Account and Savings Account
OL	Oracle Lending
LB	Loan Borrower
SLT	Secondary Loan Trading
SMS	Security Management System

**Note:** User Manuals can be accessed from [https://docs.oracle.com/cd/E93985\\_01/obclptsets.htm](https://docs.oracle.com/cd/E93985_01/obclptsets.htm)



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## 3. Tech Stack

- For information on the Tech Stack, refer Oracle Banking Corporate Lending 14.5.0.0.0 Release Notes 'Tech Stack – Oracle' section.
- Additional to tech stack of Oracle Banking Corporate Lending 14.5.0.0.0, the database version Oracle Database 19.12.0.0.0 need be used for database server.