

Product Release Note  
Oracle Banking Corporate Lending  
Release 14.6.0.0.0  
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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 14.6.0.0.0

## 1.3 Abbreviations

<b>Abbreviation</b>	<b>Description</b>
BA	Banker's Acceptance
CASA	Current and Savings Account
CDI	Certificate of Deposit Interest
CUSIP	Committee on Uniform Securities Identification Procedures
ELCM	Enterprise Limits and Collateral Management
EOD	End Of Day

<b>Abbreviation</b>	<b>Description</b>
FCUBS	FLEXCUBE Universal Banking System
FCY	Foreign Currency
FX	Foreign Exchange
GL	General Ledger
JSON	JavaScript Object Notation
LC	Letter of Credit
LB	Loan Syndication
LIBOR	London Inter-bank Offered Rate
OBCL	Oracle Banking Corporate Lending
OBDX	Oracle Banking Digital Experience
OBIEE	Oracle Business Intelligence Enterprise Edition
OL	Oracle Lending
RFR	Risk Free Rates
SLT	Secondary Loans Trading
SME	Small & Medium Sized Enterprises
SOFR	Secured Overnight Financing Rate
STP	Straight Through Processing
UI	User Interface
VAMI	Value Dated Amendment

*For module code and description details, please refer Annexure C.*

## 1.4 **Release Highlights**

The scope of the current release Oracle Banking Corporate Lending 14.6.0.0.0 comprises of following functional enhancements.

- Loan Syndication - Support for Rate revision method
- Loan Syndication - Participant Limits
- Loan Syndication - Maintenance Screen for Bulk Upload
- Loan Syndication – Risk Participation
- Loan Syndication – Participant-wise BA rates
- Loan Syndication - Non-Cascade Participation
- Loan Syndication - Silent Participation
- Loan Syndication – External participant limit tracking
- Loan Syndication – Stand-by fees
- Loans – Open Loans
- Loans - Rule Based Accounting
- Loans - Compounding Interest Schedules
- Loans - Progressive Disbursement
- Loans - FX Variation
- Loans – Posting of Retro Dated Transactions
- Loans - 24/7 Operations
- Secondary Loans Trading - Alternative Risk-Free Rates Preferences
- Secondary Loans Trading – Straight through processing for Silent Participants
- OBCL –Support for RFR fields in Rollover and Reprice operations
- OBCL - Financial Center Holiday Maintenance

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

### 1.5.1 **Loans Syndication – Support for Rate Revision Method**

In 'Interest Class Maintenance' screen, along with floating periodic rate revision 'Auto' option, the 'Manual' option is also enabled for syndication module.

### 1.5.2 **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.

### 1.5.3 **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.

#### **1.5.4 Loan Syndication – Risk Participation**

Risk participation agreements can be defined between the funding and risk participation banks. Details of risk participation is defined while creating drawdown contracts. Payouts for risk compensation takes place based on risk compensation schedules – similar to Principal and Interest components. Accrual computation and accounting for the self-participation portion is done in the bilateral module.

#### **1.5.5 Loan Syndication – Participant-wise BA rates**

Banks can provide for discount and stamping fee rates for a bankers acceptance drawdown contract for every individual participant. The individual rates are summarized and derived at the borrower overall. Discount price derivation is also supported based on configurable rounding parameters. Accrual computation and accounting for stamping and discount rates continue to take place on the bilateral side.

#### **1.5.6 Loan Syndication - Non-Cascade Participation**

Drawdown contracts can be created wherein the participant ratios are different from the tranche participant ratios. Such contracts will be internally marked as non-cascade participation contracts. The existing feature of creating drawdown contracts wherein participant ratios are in sync with the tranche participant ratios will continue.

#### **1.5.7 Loan Syndication – Silent Participation**

The participant transfer function will have the added feature of defining silent participants. The silent participants, as a group, will be represented by a specific entity, as defined during day0 creation. The contribution of all the silent participants, as defined during participant transfer, will be validated against the aforementioned entity. Wrapper contracts will be created & accounting will be done for the life-cycle events via the existing straight-thru-processing jobs mechanism.

Participants that were defined as silent can also be elevated as regular non-silent participants, if need be, using the participant transfer function.

#### **1.5.8 Loan Syndication – External participant limit tracking**

Limits tracking is enabled for external participants in addition to the existing support for self-participants. Utilization for external participant collateral/pool will take place during tranche creation and will be de-utilized as and when the drawdowns take place, thus making them available for further drawdowns.

#### **1.5.9 Loan Syndication – Stand-by fees**

Participant lenders are entitled for stand-by fees for non-utilization of funds lent by them to the respective borrowers. Stand-by fees are defined at a facility level and will be applicable if the facility is not fully utilized in the form of drawdowns. Determination of rate for computing stand-by fees will depend on two basic criteria's:

- Outstanding Borrower drawdowns (Overall facility non-utilization) and
- Outstanding Participant drawdowns

### **1.5.10 Loans – Open Loans**

The system allows the loans to be kept open and active even after the loan is fully paid and the you can redraw the loan after the payment. Operations such as VAMI can be performed on the 'Active' loan status.

For Revolving Type Open Loans, you can disburse the paid amount again either fully or partially using 'Manual Disbursement' (OLDMNDSB) screen. The total due amount should not be greater than that of the amount financed for the contract.

### **1.5.11 Loans - Rule Based Accounting**

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

In addition to this, you can define the account head for the accounting roles based on the set of pre-defined SDE conditions.

### **1.5.12 Loans - Compounding Interest Schedules**

The system allows you to define compounding schedules for Interest/Penal components during contract creation. Based on the compounding schedules defined, the system compounds 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.

### **1.5.13 Loans - Progressive Disbursement**

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

### **1.5.14 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.

### **1.5.15 Loans – Posting of Retro Dated Transactions**

System allows you to maintain back value days (calendar days) at branch level to restrict backdated transactions (Contract booking/VAMI/Payments) beyond the specified number of days.

You can also maintain Transaction Allowed Days (business days) also called as Retro posting days which specifies the time period in which you can post backdated transactions for the previous months. For example, if this field is maintained as 5, then only from 1<sup>st</sup> to 5<sup>th</sup> of every month back dated transactions can be posted.



System also can restrict back dated transactions posted beyond previous month. You can maintain bank level parameter in Loans Parameter Screen by setting the “Enable Transactions Beyond Previous Month” parameter value to N or Y (Value = “N” would allow posting of back dated transactions only for the previous month, Value = “Y” would allow posting of back dated transactions for any period)

### **1.5.16 Loans - 24/7 Operations**

System allows you to perform the below operations during End of Day Operations.

- Contract Creation
- Contract Amendment
- Value Dated Amendment
- Manual Payment
- Rollover
- Reprice

Currently the system throws an error message while saving the transaction during End of Day operation. Transaction data is captured and stored in a staging table and processing of such offline transactions are done by a separate EOD Batch function OL247DLY.

### **1.5.17 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.

### **1.5.18 Secondary Loans Trading – Straight through processing for Silent Participants**

Accounting for the Wrapper contracts will be done for the life-cycle events via the existing straight-through-processing jobs mechanism.

### **1.5.19 OBCL – Support for RFR fields in Rollover and Reprice operations**

RFR (Risk Free Rates) fields are included for selection while performing following operations:

- OL (Oracle Lending)
  - New Version Normal Rollover
  - Spawn Normal Rollover
  - Spawn Split Rollover
  - Split Reprice
  
- LS (Loan Syndication)
  - Split reprice
  - Split rollover
  - Consol rollover

### **1.5.20 Oracle Banking Corporate Lending-Financial Center Holiday Maintenance**

Financial Center Maintenance and Financial Center Holiday Maintenance screens are moved from Oracle Banking Corporate Lending to common core. You need use common core Financial Center Maintenance (STDFCDMT) and Financial Center Holiday Maintenance (STDFCHOL) screens going forward.

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## 2. Deprecated Features

Below mentioned modules/features are deprecated in Oracle Banking Corporate Lending14.6.0.0.0

- Loan Origination
- Canned Reports
- OBIEE repositories

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## 3. Components of the Software

### 3.1 Documents accompanying the software

The various documents accompanying the software are as follows:

- Release Notes
- Installer Kit

**Note:** User Manuals and Installation Guide can be accessed from

[https://docs.oracle.com/cd/F56379\\_01/index.htm](https://docs.oracle.com/cd/F56379_01/index.htm)

### 3.2 Software Components

Software Components of Oracle Banking Corporate Lending 14.6.0.0.0 that form part of this release are as follows:

- Host
  - UI Components ( JS,XML)
  - Stored Procedures (Packages, Functions, Procedures, Triggers, Views)
- New UI Application Server
  - Java Sources
  - Configuration files used for deployment
- Interface
  - ASCII interface sources
    - Stored Procedures (Packages, Functions, Procedures, Triggers, Views)
- Gateway
- Java application layer
  - Java sources
  - Configuration files used for deployment
  - Messaging layer
    - Stored Procedures (Packages, Functions, Procedures, Triggers, Views)
- Installation utilities
  - Front end based installation for host
  - Front end based installation for Gateway backend
  - Installation documents for
    - Installer documents
    - Gateway
- SMS Related Components
- Online Help Files

## 4. Annexure – A: Environment Details

### 4.1 Tech Stack – Oracle

Component	Deployment option	Machine	Operating System	Software	Version Number
Oracle Banking Corporate Lending	UI-Host and Centralized	Application Server	Oracle Enterprise Linux Server 8.3 (x86 64 Bit)	Oracle Weblogic Server	14.1.1.0.0
				Java HotSpot(TM) JDK (with WebLogic Application Server)	1.8 Update 321
				Open Symphony Quartz	2.4.0
		Database Server	Oracle Enterprise Linux Server 8.3 (x86 64 Bit)	Oracle RDBMS Enterprise Edition	19.14.0.0.0
		*Client Machines	Windows 10 and Mac OS X	Mozilla Firefox	91+
				Google Chrome	100+
				Microsoft Edge	99+
Apple Safari	15+				
Oracle Banking Corporate Lending Integration Gateway	Web services (incoming)	Integration Server	Oracle Enterprise Linux Server 8.3 (x86 64 Bit)	Oracle WebLogic Server	14.1.1.0.0
	HTTP Servlet (incoming)				
	EJB (incoming)				
	MDB (incoming)				
	Notifications (outgoing)				
	Web services	Integration Server		JDK	1.8 Update 321

Oracle Banking Corporate Lending REST			Oracle Enterprise Linux Server 8.3 (x86 64 Bit)	Oracle WebLogic Server	14.1.1.0.0
				Oracle Toplink	14.1.1.0.0
Oracle Banking Corporate Lending Oracle Digital Assistant Integration	Centralized	Application Server	Oracle Enterprise Linux Server 8.3 (x86 64 Bit)	oda-native-client-sdk-js	20.3.1

**[\* Note: Browser support is no longer based on Operating Systems but strictly tied to the browser themselves, no matter on which Operating Systems they are installed. Current release is certified on client workstations with Windows 7, 8, 10 and Mac OS X.]**

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## 5. Annexure – B: Third Party Software Details

For information on the third party software details, refer Oracle Banking Corporate Lending 14.6.0.0.0 *License Guide*.

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## 6. Annexure – C: Module Code and Description

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