

Oracle Financial Services

Asset Liability Management Cloud Service

Introduction



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Contents

1	Get Help	
1.1	Get Help in the Applications	1-1
1.2	Learn About Accessibility	1-1
1.3	Get Support	1-1
1.4	Get Training	1-1
1.5	Join Our Community	1-2
1.6	Share Your Feedback	1-2
1.7	Abbreviations	1-2
1.8	Before You Begin	1-3
2	Introduction to Oracle Asset Liability Management Cloud Service	
2.1	Key Features	2-1
2.2	User Groups	2-2
2.3	Guidelines for Working with ALM	2-2
2.4	Launching Asset Liability Management	2-3
2.4.1	Asset Liability Management Home Page	2-3
2.4.2	Common Icons	2-8
2.4.3	Common Feature Controls	2-12
2.5	Quick Tour	2-13
3	Glossary	

1

Get Help

Topics:

- [Get Help in the Applications](#)
- [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.

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 also available in this guide.

1.3 Get Support

You can get support at [My Oracle Support](#).

For accessible 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 did like to hear from you.

You can email your feedback to [My Oracle Support](#).

Thanks for helping us improve our User Assistance!

1.7 Abbreviations

The following table lists the abbreviations used in this document.

Table 1-1 Abbreviations

Abbreviations	Description
ALM	Asset Liability Management
AMHM	Attributes Members Hierarchies Module
ANSI	American National Standards Institute
API	Application Programming Interface
ASCII	American Standard Code for Information Interchange
AW	Analytical Workspace
BA	Business Analysts
BI	Business Intelligence
BMM	Business Metadata Management
BP	Business Processor
CF	Cash Flow
CFE	Cash Flow Engine
CSV	Comma Separated Values
DBA	Database Administrator
DQ	Data Quality
DSN	Data Source Name
ELT	Extract Load Transform
EPM	Enterprise Performance Management
ES	External Scheduler
ESIC	External Scheduler Interface Component
ETL	Extract Transform Load
FTP	File Transfer Protocol
GMV	General Market Variable
HTML	Hyper Text Markup Language

Table 1-1 (Cont.) Abbreviations

Abbreviations	Description
HTTP	Hypertext Transfer Protocol
Infodom	Information Domain
IP	Internet Protocol
JDBC	Java Database Connectivity
JSON	JavaScript Object Notation
JVM	Java Virtual Machine
LDAP	Lightweight Directory Access Protocol
LHS menu	Left hand side menu
MDB	Microsoft Access Database
MOLAP	Multidimensional Online Analytical Processing
OBIEE	Oracle Business Intelligence Enterprise Edition
ODBC	Open Database Connectivity
OFSAAI	Oracle Financial Services Analytical Applications Infrastructure
OLAP	Online Analytical Processing
PBSM	Profitability and Balance Sheet Management
PDF	Portable Data Format
PFT	Profitability Management
RDBMS	Relational Database Management System
RHS	Right Hand Side
SA	System Administrator
SFTP	Secret File Transfer Protocol
SID	System ID
SMS	Security Management System
SQL	Structured Query Language
T2T	Table to Table
TFM	Technical File Maintenance
TNS Name	Transparent Network Substrate Name
TP	Transfer Pricing
UMM	Unified Metadata Manager
URL	Uniform Resource Locator
VaR	Value at Risk
XML	Extensible Markup Language

1.8 Before You Begin

Refer to following Documents:

- [See What's New](#)

2

Introduction to Oracle Asset Liability Management Cloud Service

Oracle Financial Services Asset Liability Management Cloud Service (OFS ALMCS), helps financial services institutions measure and monitor Interest Rate Risk, Liquidity Risk, and Foreign Currency Risk. This solution measures and models every loan, deposit, investment, and portfolio individually, using both deterministic and stochastic methods. OFS ALM is a next-generation solution fully integrated with Oracle's Financial Services Analytical Applications and shares a common account level relational data model. With this versatile forecasting tool, powerful analytical functions can be modeled for every instrument, including derivatives and embedded options. Modeling at the account level of detail (loan-by-loan and deposit-by-deposit) provides highly accurate modeling results. Flexible assumption rules and reporting structures support a wide range of analytical power.

2.1 Key Features

Oracle Financial Services ALMCS is designed to model balance sheets under a variety of rate environments. Oracle Financial Services ALM functionality uses several key concepts and has evolved from the continual iterations of building simulated management processes. The basis of Oracle Financial Services ALMCS functionality includes:

- A wealth of output information. OFS ALMCS calculates and stores a variety of financial risk indicators including, VaR, EaR and related probability distributions; static and dynamic market value, duration and convexity; static and dynamic Gaps based on both repricing and liquidity bucket definitions; income simulation capabilities.
- Rigorous Calculations. OFS ALMCS is designed to operate on transaction-level data, using Oracle's highly accessible and flexible financial services data model. Each account, as well as all forecasted new-business activity, is modeled independently on a daily cash flow basis.
- A flexible time horizon and free-form timing bucket increments for reporting are critical to meeting the wide range of forecasting requirements of financial institutions. Unconstrained chart of accounts definition is a basic requirement of effective modeling.
- A structured process for defining and controlling assumptions is critical to any successful modeling process.
- An unconstrained batching of scenarios, with flexible assumptions sets, is required to achieve an effective and efficient analytical process.

2.2 User Groups

Table 2-1 User Groups

User Group	Description
ALM Admin	Performs all functional and technical activities. Given to experts who need to create and administer applications and service components.
ALM Analyst	Can create and administer service components, such as assumptions, rules, analysis, dashboards, and reports. Enters data and runs analysis for dimension members to which they have access, also designs reports and other analytical outputs.
ALM Auditor	View and analyze data using various analytical features
For Reports	View and analyze reports
ALM BI Data Steward	
ALM BI Analyst	
ALM BI Auditor	
ALM BI LOB Head	

2.3 Guidelines for Working with ALM

This topic describes an approach to designing and building applications based on your Security Role and the tasks it enables you to perform.

For ALM Administrators

ALM Administrators can perform the following steps to set up ALM:

- Define the folders before creating the assumptions, rules, and processes.
- Extend the Data Model, if required, by registering placeholder columns and tables.

For ALM Analysts

ALM Administrators and Analyst Users of ALM can perform the following steps to set up an application:

- Activate one or multiple Currency
- Define dimensions (such as business dimensions, and so on) using Dimension Management to build the main objects within the application.
- Define Global, User, and Application Preferences
- Define the Interest Rates and Economic Indicators
- Create assumptions and rules.
- Define Cash Flow Edits Process and ALM Processes
- Load the data.

- Create and execute the batches
- Validate the ALM Application Structure to ensure that the application structure confirms to Validation Rules.
- Set up analysis views and other analytic tools so those with User and Viewer Roles can use them.
- Analysis the results.

For ALM Auditor

All users, including ALM Auditor, can do most of the following:

- View rules and assumptions setup in ALM.
- Analyze the Calculated Result Reports.
- Use the analytics features to track and report on ALMBI.

2.4 Launching Asset Liability Management

You can launch Asset Liability Management from the Web Browser.

To open Asset Liability Management, perform the steps as follows:

1. In the **Web browser**, click the link provided by Oracle.
2. Enter your user name and password.
If requested, select an application.
The password is case-sensitive.
3. Click **Sign In**.
The **Asset Liability Management** Page is displayed.

Figure 2-1 Asset Liability Management Home Page



2.4.1 Asset Liability Management Home Page

When you log in, you see the Asset Liability Management Home page.

The Home page contains these main areas:

- **Figure 2-2 Navigator Screen**



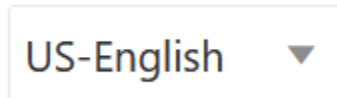
Navigator Screen to access menu items.

- **Figure 2-3 Admin Console**



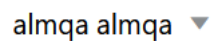
to Navigate to Admin Console.

- **Figure 2-4 Language of service**



Displays the language of service.

- **Figure 2-5 User Name**



The User Name menu with your user name in the header.

- **Figure 2-6 View Setup Information**



Click it to view setup information.

- **Figure 2-7 Last Login Date and Time**



Shows the details of Last Login Date and Time.

Click

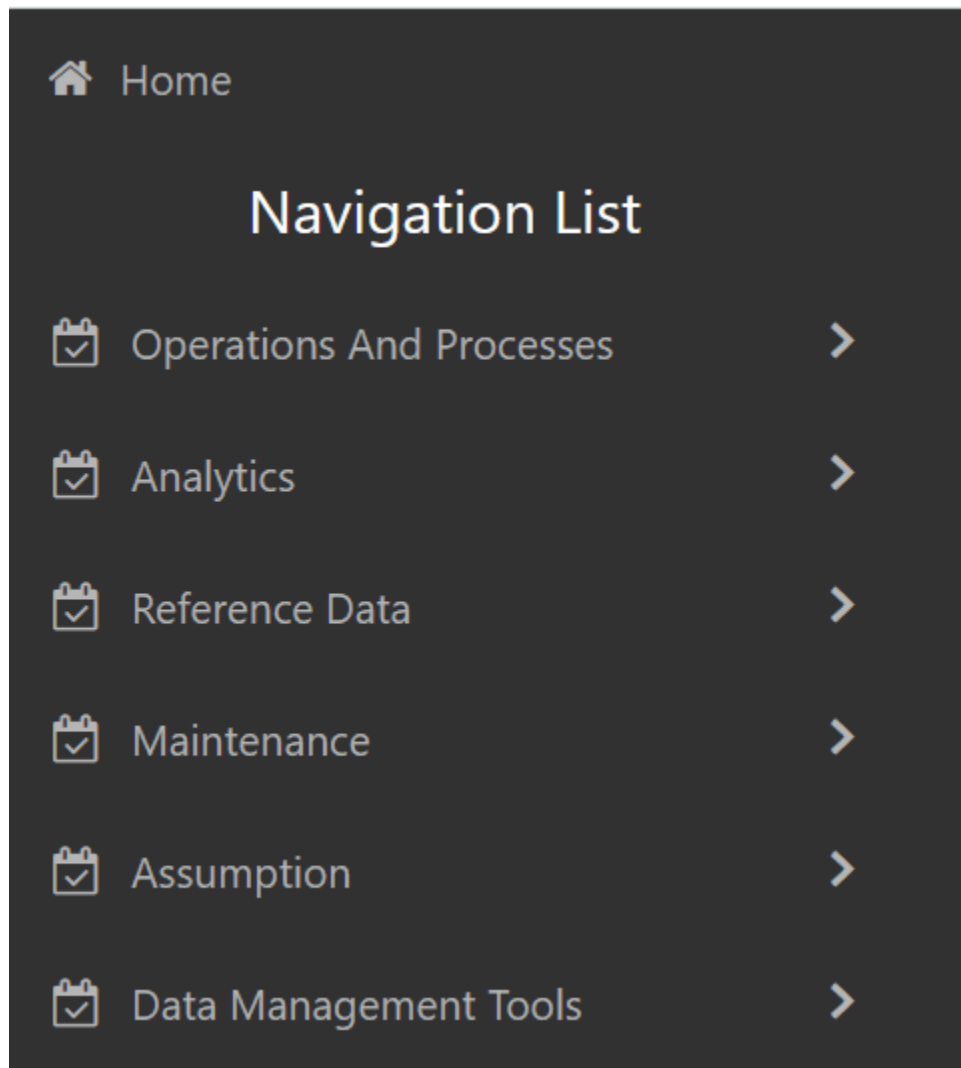
Figure 2-8 Navigation Screen



to display the Navigator Screen. This screen serves as a sitemap of the application features and displays links to all of the pages you can access. Use the Navigator Screen to navigate among the rules and processes required to define, review, and analyze the application, and to report results.

Figure 2: Navigation Path

Figure 2-9 Navigation Path



PBSM Asset Liability Management Cloud Service Navigation Paths are displayed in the List of Navigation Paths. Access all these pages through the ALM Administrator, ALM Auditor, or ALM Analyst Responsibility.

Table 2-2 List of Navigation Paths for Asset Liability Management Cloud Service

Page	Navigation Path
Static Deterministic Process	Select Asset Liability Management Cloud Service menu, select Operations and Processes , and then select Static Deterministic Process
Cash Flow Edits Process	Select Asset Liability Management Cloud Service menu, select Operations and Processes , and then select Cash Flow Edits Process
Scheduler	Select Asset Liability Management Cloud Service menu, select Operations and Processes , and then select Scheduler . Following sub-menus are available under Scheduler: Dashboard Define Batch Define Task Schedule Batch Monitor Batch
Report Home Page	Select Asset Liability Management Cloud Service menu, select Analytics , and then select Home Page
SQL Query Browser	Select Asset Liability Management Cloud Service menu, select Analytics , and then select SQL Query Browser
My Dashboard	Select Asset Liability Management Cloud Service menu, select Analytics , and then select My Dashboard
Economic Indicator	Select Asset Liability Management Cloud Service menu, select Reference Data , and then select Economic Indicators
Interest Rates	Select Asset Liability Management Cloud Service menu, select Reference Data , and then select Interest Rates .
Currency	Select Asset Liability Management Cloud Service menu, select Reference Data , and then select Currency .
Currency Rates	Select Asset Liability Management Cloud Service menu, select Reference Data , and then select Currency Rates
Dimension Management	Select Asset Liability Management Cloud Service menu, select Reference Data , and then select Business Management . Following sub-menus are available under Business Management: Attribute Member Hierarchy

Table 2-2 (Cont.) List of Navigation Paths for Asset Liability Management Cloud Service

Page	Navigation Path
Holiday Calendar	Select Asset Liability Management Cloud Service menu, select Reference Data , and then select Holiday Calendar
Preferences	Select Asset Liability Management Cloud Service menu and select Preferences
Payment Pattern	Select Asset Liability Management Cloud Service menu, select Maintenance , and then select Payment Pattern .
Behavior Pattern	Select Asset Liability Management Cloud Service menu, select Maintenance , and then select Behavior Pattern .
Repricing Pattern	Select Asset Liability Management Cloud Service menu, select Maintenance , and then select Repricing Patterns .
Cash Flow Edits	Select Asset Liability Management Cloud Service menu, select Maintenance , and then select Cash Flow Edits .
Filter	Select Asset Liability Management Cloud Service menu, select Maintenance , and then select Filter .
Prepayment Rule	Select Asset Liability Management Cloud Service menu, select Assumption , and then select Prepayment Rule
Prepayment Models	Select Asset Liability Management Cloud Service menu, select Assumption , and then select Prepayment Models
Forecast Rates	Select Asset Liability Management Cloud Service menu, select Assumption , and then select Forecast Rates
Discount Methods	Select Asset Liability Management Cloud Service menu, select Assumption , and then select Discount Methods
Behavior Pattern Rule	Select Asset Liability Management Cloud Service menu, select Assumption , and then select Behavior Pattern Rule
Data Model Extension	Select Asset Liability Management Cloud Service menu, select Data Management Tools , and then select Data Model Extension
Data Masking	Select Asset Liability Management Cloud Service menu, select Data Management Tools , and then select Data Masking

Table 2-2 (Cont.) List of Navigation Paths for Asset Liability Management Cloud Service

Page	Navigation Path
Data File Administration	Select Asset Liability Management Cloud Service menu, select Data Management Tools , and then select Data File Administration . Following sub-menus are available under Data File Administration: Data File Specification File Upload and Download Data File History
Data Management Interface	Select Asset Liability Management Cloud Service menu, select Data Management Tools , and then select Data Management Interface . Following sub-menus are available under Data Management Interface: Data View Designer View

2.4.2 Common Icons

Use the icons to view and analyze data and related information for each features.

Table 2-3 Common Icons

Icon Name	Icon	Uses
Add		Click Add icon to build a new rule.

Figure 2-10 Add icon

Refresh

Click to refresh the Summary Page.

Figure 2-11 Refresh icon

Table 2-3 (Cont.) Common Icons






Icon Name	Icon	Uses
Help	<p>Figure 2-12 Help icon</p> 	Click to view the Holiday Calendar Rule Help.
Multiple Delete	<p>Figure 2-13 Multiple Delete icon</p> 	Select one or more rules in the table and then click the (-) icon at the top right of the Summary Page to delete more than one rule at the same time.
Search	<p>Figure 2-14 Search icon</p> 	To Search the rule(s)
List View	<p>Figure 2-15 List View</p> 	To view the Rule Summary Page items in List View.
Table View	<p>Figure 2-16 Table View</p> 	To view the Rule Summary Page items in Table View.

Table 2-3 (Cont.) Common Icons






Icon Name	Icon	Uses
Ascending and Descending	<div><div><div>Figure 2-17 Ascending icon</div><div></div></div><div>and</div><div><div><div>Figure 2-18 Descending icon</div><div></div></div></div></div>	To sort the rules on Rule Summary Page.
Action	<div><div><div>Figure 2-19 Action icon</div><div></div></div></div>	Click to perform view various action options.
View/Edit	<div><div><div>Figure 2-20 Edit icon</div><div></div></div></div>	Click in the Action column and select View/Edit to view or edit the contents of a rule in Read/Write format. Depending on User Privileges, the rule will open in either View or Edit mode.
Copy or Save As	<div><div><div>Figure 2-21 Save As icon</div><div></div></div></div>	Click in the Action column and select Save As to create a copy of an existing rule.

Table 2-3 (Cont.) Common Icons







Icon Name	Icon	Uses
Delete	<div><div>Figure 2-22 Delete icon</div><div></div></div>	Click in the Action column and select Delete to delete an existing rule.
Execute	<div><div>Figure 2-23 Execute icon</div><div></div></div>	To execute a process
Execution Details	<div><div>Figure 2-24 Execution Details icon</div><div></div></div>	To view the execution details of the process.
Add New	<div><div>Figure 2-25 Add New icon</div><div></div></div>	Click Add icon to add new items on Rule screen.

Table 2-3 (Cont.) Common Icons

Icon Name	Icon	Uses
Add Multiple Rows	<p>Figure 2-26 Add Multiple Rows</p> 	Click Add Multiple Rows to add multiple rows at a time.
Add Row	<p>Figure 2-27 Add Row</p> 	This allows you to Add one Row at a time.


2.4.3 Common Feature Controls


PBSM Cloud Service includes many common feature controls.


Figure 2-28 Audit Info

▼ Audit Info


Code : 611

 Audit


 Comments

 Tags


Created By:

 CFETEST


Modified By:

 CFETEST


Authorized By:

 CFETEST


Created Date:

 05/12/2022 06:27:11

Modified Date:

 08/12/2022 06:31:42

Authorized Date:

 05/12/2022 06:27:11

Audit

The Audit Trail container is a standard footer container for every PBSM rule type. It displays Created By, Creation Date, Last Modified By, Modification Date, Authorized By, and Authorized Date on the Audit tab.

User Comments

The User Comments tab may be used to add comments to any rule, subject to a maximum of 4000 characters.

Tags

The Tags tab allows you to add a tag to the selected Rule ID.

2.5 Quick Tour

The following table provides a bird's eye view of the tasks and the order to execute these tasks using the application. Click the links to read details of each task. You can use the links on this page to help you immediately begin using ALM Cloud Service.

Table 2-4 Quick Tour

Order	Task	Who Does This?	Action
1	CPQ Order Placement	Tenant Admin	Subscribe to the application. You will receive a Welcome e-mail with the URL and temporary password.
2	Provision Users	Sys Admin	Configure the Security Management System (SMS) to create users, assign roles, and implement user authorization and authentication. For more information, see Getting Started. Review Standard User Groups and Roles Create Groups and Roles Create/Import Users Assign applications and groups to users Send notification to users.
3	Set up Application	Business User (ALM Admin)	Performs following tasks: Setup Folder Extend Data Model (if required) Turn on seeded fields Register table-column from UI Placeholder Dimension and Column Registration.

Table 2-4 (Cont.) Quick Tour

Order	Task	Who Does This?	Action
4	Configure Rules	Business User (ALM Analyst)	Configure following ALM Rules: Activate Currency Configure or load Dimension Members and Attribute Configure or Load Hierarchy Set global application and user preferences Configure Economic Indicator Configure Interest Rate Curve Configure Holiday Calendar Configure Repricing Pattern Configure Behavior Pattern Configure Prepayment Model Configure Prepayment Rule Configure Forecast Rates Configure Discount Methods Configure Filter Configure new Cash Flow Edit Rules Configure Static Deterministic Process Configure Cash Flow Edits Process
4	Create and Execute Jobs and Batches	Operator	Setup Technical Configuration for ALM Configure Batches for Data Loaders Configure Batches for Cash Flow Edits Process Configure Batches for Static Deterministic Process For more information, see Scheduler Service.

Table 2-4 (Cont.) Quick Tour

Order	Task	Who Does This?	Action
3	Load Data	Data Admin	Configure Data File Specifications Load Historical Interest Rate Curve Data from UI Load Historical Currency Exchange Rate Data from UI Load Historical Economic Indicator Data from UI Upload Dimension Data files to object store Run Dimension Data Loader Update Dimension Data from UI Upload Instrument Data files to object store Run Stage Instrument Data Loader For more information, see Data Loading.
5	Run Process Rules, generate and analyze Reports	Analyst	Review raw Data Analysis Report Correct/reload data files and rerun Stage Loader, if required Run Processing Instrument Data Loader Review Instrument Data Report Run Static Deterministic Process from process UI and/or Batch Review Cash Flow edit log and modify data, if required Run Static Deterministic Process from process UI and/or Batch Review Static Deterministic Process Log Review ALM Report

3

Glossary

As of Date

Date at which the data is current.

At-Risk Period

The time horizon for Value-at-Risk, such as the difference between the time in the future when we evaluate a portfolio loss and the As of Date.

Balance Sheet Planning

Balance Sheet Planning performs distributed budgeting of all balance sheet and income statement accounts.

Base Rates

Section in Oracle Cash Flow Engine Service that stores the interest rates associated with the data As-of-Date.

Basis Points

1/100th of a percent (abbreviated as "bps")

Cash Flow Instrument Table

An instrument table that contains all of the OFSAA Cash Flow Columns required by the cash flow engine.

Cash Flow Column

Column in an instrument table used by the OFSAA Cash Flow Engine to perform Cash Flow analysis on a record.

CPR

Constant Prepayment Rate (CPR) is a measure of an Annualized Prepayment Rate.

Credit Risk

The risk that a loan holder will be unable to repay any portion of the loan. Current Rate Risk Profit Component of funding Center Rate Risk Results attributed to current mismatches of assets and liabilities.

Data Filter Rule

Data Filters are used to define which data should go into a Processing Run.

De-annualize

To compute the monthly equivalent rate of an Annual Rate.

Duration

Duration is the rate of market value change with respect to discount rate changes. It is a measure of market value sensitivity: the lower the value, the less sensitive the market value to changes in interest rates.

Funding Center

Area in a financial institution that receives the transfer pricing charge and credit for funds.

Funds Transfer Pricing

A method for valuing all sources and uses of funds for a balance sheet.

General Ledger

The main data source that defines an institution's financial reality. The General Ledger reflects all accounting entries.

Grid

A logical grouping of cells often surrounded by scroll bars.

Hierarchy

Hierarchical structure for dimension members in OFS Applications (Examples: organizational and product type)

Historical Rates Table

PBSM repository for all historical actual interest rates.

Instrument

Synonymous with an account record or an individual contract.

Instrument Table

A type of table contained in the OFSAA database used to store account level information. Instrument Records Rows in the OFSAA database that carry transaction account level information (Example: deposit account by deposit account)

Interest Rate Code

User defined code to reference a yield curve or single rate index for historical analysis, transfer pricing, and interest rate forecasting purposes.

Last Repricing Date

Date the rate last changed for an adjustable rate instrument and the origination date for a fixed rate instrument.

Liquidity Premiums

A charge levied on a long-term instrument to compensate for illiquidity of the funds.

Log in

To access the programs and database of any OFSAA Application by providing a valid user name and password.

Market Price of Risk

In financial economics theory the Market Price of risk is a measure of inter-temporal risk-aversion of the aggregate investor; for example, a high market price of risk during

some future period means that investors will be more risk-averse, and that rates for that term should be higher to compensate for this risk; in practical terms, the market price of risk is the "plug" that makes the risk-neutral rates price risk-free bonds correctly.

Market Value

In Monte Carlo, average of the (scenario specific) present values. In deterministic processing, it is the present value of the cash flows of the specific scenario.

Next Repricing Term

Repricing frequency for an adjustable rate instrument and the original term to maturity for a fixed rate instrument.

Profitability Management

Profitability Management assists customers in developing multiple levels of profitability (Example: organizational, product, customer, account profitability).

Prepayment

A reduction in the principal balance of a transaction record prior to the contracted schedule date.

Present Value

In Monte Carlo, sum of cash flows paid by a security along a particular rate scenario, discounted by the stochastic discount factor. In deterministic processing, the sum of the cash flows discounted by the deterministic discount factor.

PSA

A prepayment specification method established by the Public Securities Association, which relates the CPR to the age of that instrument.

Reconciliation

The process of comparing information from one data source to another

Reporting Currency

An active currency to which balances in other currencies are consolidated, often used for reporting.

Single Rate

An interest rate code with only one point defined (Examples: prime rate and 11th District Cost of Funds Index).