

Oracle Financial Services

Product Characteristics



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Oracle Financial Services Product Characteristics, Release 25D

G48222-01

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Get Help

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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 Before You Begin

Refer to following Documents:

- [See What's New](#)

2

Product Characteristics

Product Characteristic Rules are used to define payment, pricing, and repricing characteristics for new business. These Product Characteristics are rules that are placed on MDBSS nodes to be used in Forecasting that instruct the Application on what key new business contractual and behavioral features are to be included, such as amortization, adjustable type, compounding, day count, and other key features.

The new business assumptions are based on the MDBSS structure and ALMCS key features. **In ALMCS, Product Characteristics is for new business forecasting only and does not include any existing business assumptions.**

As part of creating and editing Product Characteristic Rules, you assign product attribute assumptions to applicable products from the product hierarchy.

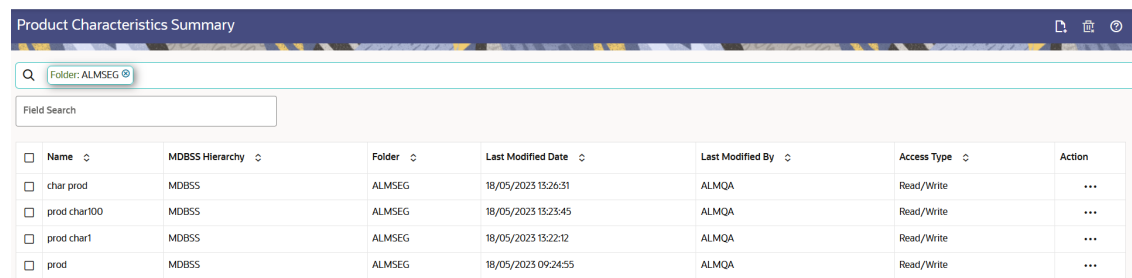
Note

Oracle Asset Liability Management Cloud provides the option to copy, in total or selectively, the product assumptions contained within ALM business Rules from one currency to another currency or a set of currencies or from one product to another product or a set of products.

Product Characteristic Rule Summary Page

This page is the gateway to all Product Characteristic Rules and related functionality. You can navigate to other pages relating to Product Characteristic Rules from this point.

Figure 2-1 Product Characteristics Summary



The screenshot shows the 'Product Characteristics Summary' page. At the top, there is a search bar with 'Folder: ALMSEG' selected. Below it is a 'Field Search' input field. The main content is a table with the following columns: Name, MDBSS Hierarchy, Folder, Last Modified Date, Last Modified By, Access Type, and Action. The table contains four rows of data.

<input type="checkbox"/>	Name	MDBSS Hierarchy	Folder	Last Modified Date	Last Modified By	Access Type	Action
<input type="checkbox"/>	char prod	MDBSS	ALMSEG	18/05/2023 13:26:31	ALMQA	Read/Write	...
<input type="checkbox"/>	prod char100	MDBSS	ALMSEG	18/05/2023 13:23:45	ALMQA	Read/Write	...
<input type="checkbox"/>	prod char1	MDBSS	ALMSEG	18/05/2023 13:22:12	ALMQA	Read/Write	...
<input type="checkbox"/>	prod	MDBSS	ALMSEG	18/05/2023 09:24:55	ALMQA	Read/Write	...

Search Product Characteristic Rule

Prerequisites: Predefined Product Characteristic Rule

To search for a Product Characteristic Rule:

Click **Search** after entering the search criteria. The search results are displayed in a table containing all the Product Characteristic Rules that meet the search criteria.

Or

An alternative method to search a Product Characteristic Rule is through the **Field Search** option. This is an inline wildcard UI search that allows you to enter a search value (such as code, name, etc.) partially or fully. Rows that contain the string you are searching for are fetched and displayed in the Product Characteristic Rule Summary. You can enter the **Code, Name, Description, Hierarchy, and Folder** of the Product Characteristic Rule and click **Search**.

The Product Characteristic Rule Summary displays the following information:

Add: Click the Add icon on the page header to build a new Product Characteristic Rule.

Multiple Delete: Enables you to select and delete one or multiple rules in the table simultaneously.

- **Name:**The Product Characteristic Rule's short name.
- **MDBSS Hierarchy:** Name of Hierarchy that is used to define Product Characteristic Rule.
- **Folder:** The Folder where the Product Characteristic Rule is saved.
- **Last Modified By:** The user who last modified the Product Characteristic Rule.
- **Last Modified Date:** The Date and Time when the Product Characteristic Rule was last modified.
- **Access Type:** The access type of the rule. It can be Read-Only or Read/Write.
- **Action:** Click this icon to view a list of actions that you can perform on the Product Characteristic Rule.
 - **View/Edit:** Based on the user privilege assigned, you can either only view or edit existing Product Characteristic Rules. To edit a rule, you must have Read/Write privilege.
 - **Save As:** You can reuse a Product Characteristic Rule by saving it under a new name thus saving time and effort in entering data multiple times; it also leads to reduced data entry errors.
 - **Delete:** You can delete Product Characteristic Rules that you no longer require. Note that only Product Characteristic Rule owners and those with Read/Write privileges can delete Product Characteristic Rules. A Product Characteristic Rule that has a dependency cannot be deleted. A rule cannot be retrieved after deletion.
 - **Dependency Check:** You can perform a dependency check to know where a particular Product Characteristic Rule has been used. Before deleting a rule, it is always a good practice to do a dependency check to ensure you are not deleting Product Characteristic Rules that have dependencies. A report of all rules that utilize the selected Product Characteristic Rule is generated.

Also See:

- [Create a Product Characteristic Rule](#)

2.1 Create Product Characteristic Rules

You create a Product Characteristics Rule to assign attributes to the products.

Figure 2-2 Product Characteristics Page

The screenshot shows the 'Product Characteristics' page with the following fields and options:

- Name:** Text input field with a 'Required' label.
- Description:** Text input field.
- Folder:** Dropdown menu with 'ALMSEG' selected.
- Access Type:** Radio buttons for 'Read & Write' (selected) and 'Read Only'.
- MDBSS Folder:** Dropdown menu with 'ALMSEG' selected.
- Currency:** Dropdown menu with 'Default Currency' selected.
- MDBSS Hierarchy:** Dropdown menu with 'New Add MDBSS' selected.

Below the form is a 'Member Tree' section with a search bar and a table:

Member	Status	Action
Off Balance Sheet Products		...
Liability Products		...
Asset Products		...

To create a new Product Characteristics Rule, follow these steps:

1. Click **Add** icon from the top of the **Product Characteristics Summary Page**.
2. Enter the following Details.

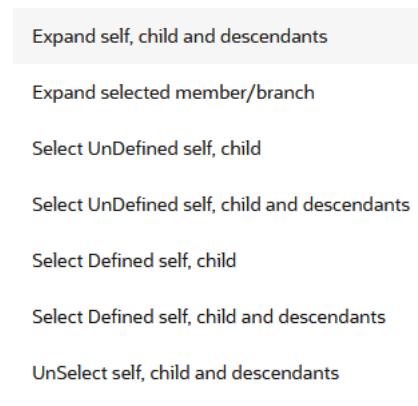
Table 2-1 Create Product Characteristics Rule

Fields	Description
Name	Enter the name of the Product Characteristics Rule.
Description	Enter the description of the Product Characteristics Rule. This is an optional field.
Folder	Select the Folder where the Product Characteristics Rule needs to be saved.
Access Type	Select the Access Type as Read-Only or Read/Write.
MDBSS Folder	Select the MDBSS folder
Currency	Select the currency for Product Characteristics Rule
MDBSS Hierarchy	Select the MDBSS hierarchy

Note

If any member is a currency in the MDBSS hierarchy (for example, INR) and selected currency is different (for example, USD), then the member and its children nodes can not be defined.

3. Select MDBSS node(s) from Member Tree tab of **Assumption Browser**. Assumption Browser has two tabs: Member Tree and Search Results.
 - **Member Tree:** Member Tree tab shows the hierarchical structure and allows you to define rules by selecting the node members from the browser. Select Node and Click Menu icon next to it to view the available options.

Figure 2-3 Member Tree Selection

Status of node is also displayed in Member Tree section, for example Selected, and so on. To select member hierarchy, following options are available:

- **Expand self, child and descendants:** Allows to expand the selected node itself along with its child and descendants.
- **Expand selected member/branch:** Allows to expand the selected node
- **Select UnSelect self, child:** Allows to unselect the selected node itself along with its child
- **Select UnSelect self, child and descendants:** Allows to unselect the selected node itself along with its child and descendants.
- **Select Defined self, child:** Allows to select the selected node itself along with its child.
- **Select Defined self, child and descendants:** Allows to select the selected node itself along with its child and descendants.
- **UnSelect self, child and descendants:** Allows to unselect the selected node itself along with its child and descendants.

You can perform the following tasks on the selected node(s):

- a. Add
- b. Edit
- c. View
- d. Delete
- e. Copy

Use **Show Numeric Code Values (Left)** icon to view the code value left to the Node name.

Use **Show Numeric Code Values (Right)** icon to view the code value right to the Node name.

- **Search Results:** You can also search the members based on the filters. This section shows the searched node(s).
To search a member, follow these steps:
 - a. Navigate to Search Results tab of **Assumption Browser** section.
 - b. Enter the Member ID, Name, Status, or Is Leaf in Search Criteria.

Figure 2-4 Searching Member

- c. Click **Search**. The searched member(s) will be displayed in **Search Results** section of **Assumption Browser**.

Figure 2-5 Search Results

Member	Behavior Pattern Name	Status	Action
Asset Products			...
Asset-Prepay Loan			...

You can perform the following tasks on the searched node(s):

- a. Add
- b. Edit
- c. View
- d. Delete
- e. Copy

Use **Show Numeric Code Values (Left)** icon to view the code value left to the Node name.

Use **Show Numeric Code Values (Right)** icon to view the code value right to the Node name.

4. Click **Add** from **Assumption Browser** section.
5. Click **Save**.

Note

During provisioning in case the PC admin role is missed in the ALM admin group and user not able to save the product characteristics, then follow the below steps to map the role:

1. Access the admin console from the ALMCS application
2. Navigate to **Identity Management**
3. Click the **Groups**
4. Select ALM Administrator User Group
5. Navigate to mapped roles
6. Click the **New Mapping**
7. Select the PC admin role
8. Click **Map**.
9. After Mapping authorize the mapping.

2.2 Defining Product Characteristic Rules

The definition of a Product Characteristics Rule is part of the **Create** or **Edit** Product Characteristics Rule process. When you click **Save** in the Create Product Characteristics Rule process, the Rule is saved, and the **Product Characteristics Rule** summary page is displayed. However, Product Characteristic assumptions have not yet been defined in the products at this point. Start defining the Product Characteristic assumptions for MDBSS before clicking **Save**.

Defining Product Characteristics Using Node Level Assumptions

Node Level Assumptions allow you to define assumptions at any level of the MDBSS Hierarchy. The MDBSS supports a hierarchical representation of the chart of accounts to take advantage of the parent-child relationships defined for the various nodes of the MDBSS hierarchies when defining Rules. Children of parent nodes on a hierarchy automatically inherit the assumptions defined for the parent nodes. However, assumptions explicitly defined for a child take precedence over those at the parent level.

Prerequisites

Performing basic steps for creating or editing a Product Characteristics Rule.

To define a Product Characteristic Rule, follow these steps:

1. From the **Assumption Browser** window, select the MDBSS Node (or MDBSS Nodes) to define the Product Characteristics. Click **Add +** icon to launch the **Product Characteristic Details** window.
2. Select the **Currency**.

Note

To define assumptions for all currencies with the selected product, select **Default Currency**.

Note

Using the default currency to setup assumptions can save data input time. At runtime, the calculation engine uses assumptions explicitly defined for a product currency combination. If assumptions are not defined for a currency, the engine uses the assumptions defined for the product and the default currency. If the assumptions are the same across some or all currencies for a specific product, you can input assumptions for the default currency. Be careful when using this option on UI where an Interest Rate Code is a required input. In most cases, you will want to use a currency-specific interest rate curves for pricing instruments within each specific base currency. The Default Currency option, if used will apply a selected Interest Rate Code across all currencies.

3. The **Product Characteristic Details** window shows the Active Node, Currency, and Product Profile details. You can modify Active Node and Product Profile details. Based on the selected Product Profile, Attribute values are automatically populated in the **ProductCharacteristic Details** window . The **Product Characteristic Details** window has the following input tabs:

- [Core Attributes](#)
- [Payment Attributes](#)
- [Rate Attributes](#)
- [Other Attributes](#)

4. After defining attributes, click Apply.

2.2.1 Core Attributes

This section describes the new business fields used in the **Core Attributes** tab of the Product Characteristics Rule.

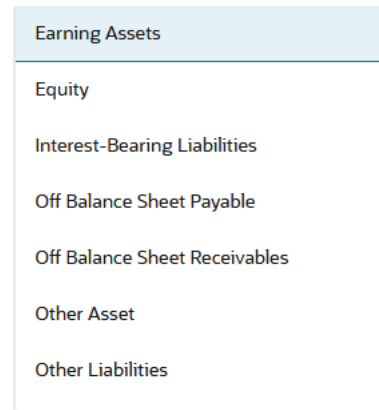
Figure 2-6 Core Attributes Tab to Define the Product Characteristic Rule

Core Attributes	Payment Attributes	Rate Attributes	Other Attributes
Account Type	Earning Assets	Amortization Type	Behavior Pattern
Adjustable Type	Fixed Rate	Interest Rate Curve	
Original Term	0 Months	Amortization Term	0 Months
Lease Residual Value		Inflation Indexed Instrument	<input type="checkbox"/>
Behavior Pattern	VC_NextGen_NM_01	Behavior Pattern Type	Non Maturity
Behavior Pattern Subtype		Payment Pattern	
Reprice Pattern		Original Deferred Amortization Percent	0 %
Amortization Method For Premium, Discounts, Costs and Fees	Level Yield		

Table 2-2 Fields to add the Core Attributes for Product Characteristic Rule and their Descriptions

Field	Description
Account Type	Select the account type.

Figure 2-7 Account Type



Amortization Type

Method of amortizing principal and interest. The choices consist of all standard OFSAA codes and all additional user-defined codes created through the Payment Pattern and Behavior Pattern interfaces, as follows:

Figure 2-8 Amortization Type

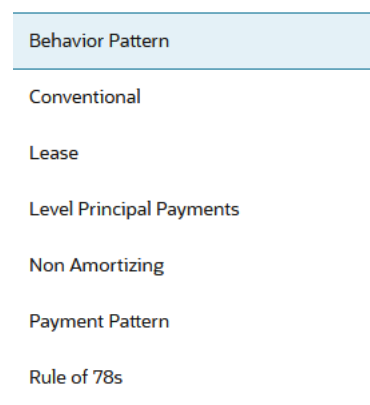


Table 2-2 (Cont.) Fields to add the Core Attributes for Product Characteristic Rule and their Descriptions

Field	Description
Adjustable Type	Determines the repricing characteristics of the new business record. The standard OFSAA codes are as follows: Fixed-Rate Floating Rate Other Adjustable Repricing Pattern
Interest Rate Curve	Defines the pricing index to which the instrument interest rate is contractually tied. The interest rate codes that appear as a selection option depending on the choice of currency. The interest rate code list is restricted to codes that have the selected currency as the Reference Currency. If the default currency is chosen, all interest rate codes are available as a selection.
Original Term	The contractual term at origination date in units (days, months, or years).
Amortization Term	Term upon which amortization is based in units (days, months, years). This field is not editable if the Derivative Type is selected as FX Contract and subtype is selected as Spot or Forward
Lease Residual Value	For Lease instruments, this value specifies the residual amount as a percent of the par balance.
Inflation Indexed Instrument	Select this check box to enable the Inflation Indexed tab
Behavior Pattern	Lists all user-defined behavior patterns created through the user interface.
Behavior Pattern Type	Displays the type of selected user-defined behavior pattern.
Behavior Pattern Subtype	Lists the subtype of user-defined behavior patterns created through the user interface.
Payment Pattern	Lists all user-defined payment patterns defined through the user interface.
Repricing Pattern	Lists all user-defined reprice patterns created through the user interface.
Amortization Method for Premiums, Discounts, Costs and Fees	Determines the method used for amortizing premiums, discounts, or fees. The available codes are: Level Yield Straight Line
Original Deferred Amortization Percent	The initial deferred balance expressed as a percent of original par balance.

2.2.2 Payment Attributes

This section describes the new business fields used in the **Payment Attributes** tab of the Product Characteristics Rule.

Figure 2-9 Payment Attributes Tab to Define the Product Characteristic Rule

Table 2-3 Fields to add the Payment Attributes for Product Characteristic Rule and their Descriptions

Field	Description
Interest Payment Frequency	Frequency of Interest payment .
Principal Payment Frequency	Frequency of Principal payment.
Interest Timing Type	Determines whether interest is calculated in arrears or advance or if the rate is set in arrears. There are three interest types: Interest in Arrears Interest in Advance Set in Arrears For conventional amortization products, interest in arrears is the only valid choice.
Interest Credited	This option allows interest payments to be capitalized as principal on simple or non-amortizing instruments.
Accrual Basis	The basis on which the interest accrual on an account is calculated. The choices are as follows: 30/360 30/365 30/Actual Actual/360 Actual/365 Actual/Actual Business/252 *
Compounding Basis	Determines the number of compounding periods per payment period. The choices are as follows: Annual Continuous Daily Monthly Quarterly Semiannual Simple

Note

* A Holiday Calendar selection is required if **Business/252 Accrual Basis** is selected. **Business/252 Accrual Basis** is only applicable to the recalculate option of the Holiday Calendar Rule. If the user selects the shift payment dates, the payment will still be recalculated for the non-holiday or weekend date.

2.2.3 Rate Attributes

This section describes the new business fields used in the **Rate Attributes** secondary tab of the Product Characteristics Rule.

Figure 2-10 Rate Attributes Tab to define the Product Characteristic Rule

Table 2-4 Fields to add the Rate Attributes for Product Characteristic Rule and their Descriptions

Field	Description
Repricing Frequency	Contractual frequency of rate adjustment.
Rate Set Lag	Period by which the rate lookup lags the repricing event date
Tease Period	The tease period is used to determine the length of the tease period.
Tease Discount	The tease discount is used in conjunction with the original rate to calculate the tease rate. The tease rate is the original rate less than the tease discount.

Table 2-4 (Cont.) Fields to add the Rate Attributes for Product Characteristic Rule and their Descriptions

Field	Description
First Reset Cap	<p>This indicates the maximum delta between the initial rate and the first reset for mortgage instruments that have a tease period. This rate will be applicable at the tease end period, before the first reset. After this, the periodic and lifetime cap value will be applied. The value of this field will be automatically populated from the Product Profile window if the product is mapped to Product Profile and value is defined for First Reset Cap.</p> <p>For example: Current Rate = 3.5% (from the instrument record) Margin = 0.3 % First Reset Cap = 0.5% (from the instrument record) First Reset Floor = 0.1% (from the instrument record) Scenario 1: If New Forecasted Rate = 5.1% (Forecast Rates Assumption) The fully indexed rate (after applying minimum rate change, rounding effects) is higher than the (Current Rate + First Reset Cap). So, the new rate assigned will be 3.5% + 0.5% = 4.0%</p>
First Reset Floor	<p>This is the initial minimum value for mortgage instruments that have a tease period. This floor rate will be applicable at the tease end period, before the first reset. After this, the periodic and lifetime floor value will be applied. The value of this field will be automatically populated from the Product Profile window if the product is mapped to Product Profile and value is defined for First Reset Floor.</p>
Rate Cap Life	The maximum rate for the life of the instrument.
Rate Cap Floor	The minimum rate for the life of the instrument.
Rate Increase Period	The maximum interest rate increase allowed during the cycle on an Adjustable Rate instrument.
Rate Decrease Period	The maximum amount rate can decrease during the repricing period of an Adjustable Rate instrument.
Minimum Rate Change	The minimum required change in rate on a repricing date.
Rate Change Rounding Factor	Percent to which the rate change on an adjustable instrument is rounded.
Rate Change Rounding Type	<p>The method used for rounding of interest rate codes. The choices are as follows:</p> <ul style="list-style-type: none"> • No Rounding • Truncate • Round Up • Round Down • Round Nearest

2.2.4 Other Attributes

The assumptions made on the **Other Attributes** tab apply to both current position data and new business balances.

The common Product Characteristic fields listed on the **Other Attributes** tab are as follows.

Figure 2-11 Other Attributes Tab to Define the Product Characteristic Rule

Table 2-5 Fields to define the attributes for Product Characteristic Rule and their Descriptions

Fields	Behavior
Model with Gross Rates	If the institution has outsourced loan serving rights for some of the assets (most typically mortgages), the rates paid by customers on those assets (gross rates) will be greater than the rates received by the bank (net rates). For these instruments, both a net and gross rate will be calculated within the cash flow engine and both gross and net rate financial elements will be output. The gross rate is used for prepayment and amortization calculations. The net rate is used for income simulation and the calculation of retained earnings in the auto-balancing process.
Net Margin Flag	The setting of the net margin flag affects the calculation of the Net Rate. This drop-down is activated only when Model with Gross Rates check-box is enabled. The settings are: Net Rate is constant Spread to Gross - the net rate reprices in conjunction with the gross rate, at a value net of fees. Net Rate is Fixed - the net rate equals a fixed fee equal to the net margin. None

Table 2-5 (Cont.) Fields to define the attributes for Product Characteristic Rule and their Descriptions

Fields	Behavior
pay equivalent Compounding Convention	<p>In most cases, interest rates are not adjusted for the differences in pay-basis between the quote basis of the pricing index and the payment frequency of the account to which the index is assigned. Some instruments, notably Canadian Mortgages, follow a convention that the interest rates are adjusted. In this case, the Pay- Equivalent Compounding Convention must be set to Semi-Annual Quoting Convention. For other accounts, the convention must be set to Do Not Adjust.</p> <ul style="list-style-type: none"> • Do Not Adjust • None • Semi-Annual Quoting Convention
Holiday Calendar	<p>The default value is Blank and is Enabled. This drop-down list contains the list of all holiday calendar definitions defined in the Holiday Calendar window.</p>
Rolling Convention	<p>The default value is Unadjusted and is Enabled, only when Holiday Calendar is selected in the preceding field. This drop-down list contains the following values:</p> <p>Unadjusted Payment on an actual day, even if it is a non-business day.</p> <p>Following business day The payment date is rolled to the next business day.</p> <p>Modified following business day* The payment date is rolled to the next business day unless doing so would cause the payment to be in the next calendar month, in which case the payment date is rolled to the previous business day.</p> <p>Previous business day The payment date is rolled to the previous business day.</p> <p>Modified previous business day* The payment date is rolled to the previous business day unless doing so would cause the payment to be in the previous calendar month, in which case the payment date is rolled to the next business day.</p> <p>*Many institutions have month-end accounting procedures that necessitate this.</p>
Interest Calculation Logic	<p>There are two options:</p> <p>Shift Dates Only</p> <p>Recalculate Payment</p>
Discount Rate Margin Type	<p>Rate Spread</p> <p>Price of instrument per 100</p>
Discount Rate Margin	<p>Enter the Discount Rate Margin value; range is 0 to 100.</p>

Table 2-5 (Cont.) Fields to define the attributes for Product Characteristic Rule and their Descriptions

Fields	Behavior
Option Adjusted Spread	The Option Adjusted Spread is used during stochastic processing only. It is an adjustment to the stochastic discount factor used in calculating market value and value at risk. Valid values for this spread are between -5.000% and 5.000%, but the value of less than 2.00% is recommended for the best results. For more information about the calculation of discount factors, see the Oracle Financial Services Cash Flow Engine ReferenceGuide .
Currency Gain or Loss Basis	Currency Gain or Loss Basis determines how exchange rate fluctuations are reflected in financial element results for each product and currency combination. The choices are: Temporal Historical Basis Current Rate For more information on the cash flow calculations associated with currency gain or loss recognition techniques, see the Oracle Financial Services Cash Flow Engine Reference .
Percent Taxable	Percent Taxable specifies the percent of income or expense that is subject to the tax rates defined in the active Time Bucket Rule. This is used with the Auto-balancing option in the ALM Process Rules. Percent taxable must be set up for each product and reporting currency or product and default currency combination.
Include Accrued Interest	Accrued Interest amount that is available from source system for the time Last Payment Date till As of Date can be used to forecast interest cash flows. If this check-box is selected, any MDBSS node that references this PC rule in a static deterministic process would include accrued interest (existing business only). By default, this check-box is not selected.

Note

The Holiday Calendar attributes can be applied directly to the instrument records for an existing business. If they are not applied to the records, the engine will use the definition from the **Other Attributes** tab to apply **Holiday Calendar** for existing and New Business.

2.2.5 Inflation Adjustment Attributes

Select the **Inflation Indexed Instrument** check box on the **Define Core Product Attributes** secondary tab to enable the Define Inflation Adjustment Attributes secondary tab. .

Note:

To enable the **Define Inflation Adjustment Attributes** secondary tab, select the **Adjustment Type** as **Conventional Adjust**, **Conventional Fixed**, **Level principal**, or **Non-Amortizing**.

Figure 2-12 Inflation Adjustment Attributes tab to define the Product Characteristic Rule

The screenshot shows the 'Inflation Index' tab selected. It contains three dropdown menus: 'Index Name' with the value 'EIAPItest', 'Index Adjustment Type' with the value 'Principal and Interest', and 'Capital Protection Category' with the value 'No Floor'. Below the dropdowns are two buttons: 'Apply' and 'Cancel'.

Table 2-6 Fields to add the Index Adjustment attributes for New Businesses and their Descriptions

Field	Behavior
Index Name	Lists all Economic Indicators defined through the user interface.
Index Adjustment Type	Determines the type of Index Adjustment. Available options are: Principal and Interest Principal Only Interest Only
Capital Protection Category	Determines capital protection to be provided to Inflation Indexed Instruments. Available options are: No Floor: Does not provide any downside protection. Floor of 1: Protects the downside movement. Max during Life: Gives maximum advantage using maximum Index factor for calculation.

2.3 Copying Assumptions Across Currencies and Products

This functionality provides the option to copy, in total or selectively, the product assumptions contained within the ALM assumption Rules from one currency to another currency or a set of currencies, or from one product to another product or set of products.

Copy of assumptions enhances the usability of Oracle Asset Liability Management in a multi-currency environment. For example, if you have 10 currencies enabled in the application and you must input only one set of assumptions, then copy those assumptions across all enabled currencies, instead of having to input 10 full sets, thereby saving a significant amount of input time.

This functionality also reduces the risk associated with data input errors as you must audit inputs for a set of assumptions before executing the copy procedure. The Copy Across Currencies process requires users to select a replacement yield curve for each target currency. These currency-specific IRCs replace the IRC selection made for each product in the source currency selection set. It is possible to edit the target assumptions after the initial copy processes have been completed.

Prerequisite

Define ALM Rule related product assumptions

Overview of Product Characteristic Rules

Overview of Discount Method Rules

Overview of Prepayment Rules

Creating a Forecast Balance Rule

Overview of Pricing Margin Rules

To copy the assumptions across Currencies and Products, follow these steps:

1. Navigate to the appropriate ALM Business Rule **Assumption Browser**.
2. Define assumptions for the source currency product set.
3. **Save** the assumptions.
4. Select the defined product assumptions using the check boxes corresponding to each product (or Node on the hierarchy) that you want to include in the copy process.
5. Select **Copy Definition to another currency** button next to the **Currency** field.

Figure 2-13 Copy Across

Member	Status	Action
Off Balance Sheet Products
Liability Products
Asset Products

6. On the **Currency** page, select the listed currencies either individually, or select all the currencies using **select all**.

Figure 2-14 Currency page

<input type="checkbox"/>	Currency	Interest Rate Curve
<input type="checkbox"/>	United Arab Emirates Dirham	▼
<input type="checkbox"/>	Albanian Lek	▼
<input type="checkbox"/>	US Dollar	▼
<input type="checkbox"/>	Armenia Dram	▼
<input type="checkbox"/>	Netherlands Antillian Guilder	▼
<input type="checkbox"/>	Afghanistan Afghani	▼
<input type="checkbox"/>	Indian Rupee	▼

Specify an Interest Rate Code for each selected currency. This is necessary because each interest rate code is specific to a single currency. When copying product assumptions across currencies, you must define the interest rate code for each target currency to replace the Interest Rate Code used for the source currency assumptions.

- While defining a Rule if the Interest Rate Code is required, then **Copy Across (currency)** window will have an option to select the Interest Rate Code. For example, **Product Characteristic, Discount Methods, and Prepayments** windows, the **Copy Across (Currency)** window will have an option for IRC selection.
 - While defining a Rule if the Interest Rate Code selection is not required, then **Copy Across (Currency)** window will have the Interest Rate Code selection option disabled. For example, **Forecast Balances** and **Pricing Margin** windows, the **Copy Across (Currency)** window will not have an option for IRC selection.
 - If a Rule does not require the Interest Rate Code selection and RDP selection is required (for, **Forecast Balances** and **Pricing Margin**), then **Copy Across (Currency)** will not have an option to select the IRC.
7. Click **Apply** to initiate the copy process and to return to the **Assumption Browser** page.
 8. Review the results of the copy process from the **Assumption Browser** window by selecting a different currency and following the usual navigation to view or edit assumptions. The application displays new assumptions for each product included in the source selection. The copy process replaces pre-existing assumptions for any product-currency combination that is included in the target selection.
 9. Click **Save** on the **Assumption Browser** window to save the assumptions to the database.