

# ORACLE FINANCIAL SERVICES PRICING MANAGEMENT, TRANSFER PRICING COMPONENT

## KEY FEATURES AND BENEFITS

### FEATURES

- Real Time Transfer Pricing Results including TP Rates, Add-on Rates and Option Cost Calculations
- Pricing Queries incorporate Allocated Costs, and Risk Based Capital
- Standard and custom product definitions
- Integration of Risk, Performance Management, Customer Insight, and Financial Compliance

### BENEFITS

- Actively incorporate risk into pricing decisions
- Promote a transparent risk management culture
- Deliver actionable customer and product profitability insight
- Deliver pervasive intelligence throughout the enterprise
- Dramatically decrease the total cost of ownership

*Oracle Financial Services Pricing Management, Transfer Pricing Component provides real-time transfer rate indications in support of pricing loan transactions. Pricing calculations are tightly integrated with the industry leading transfer pricing methodologies and prepayment assumptions used in Oracle Financial Services Funds Transfer Pricing. Real time customizable queries include all elements of the profit and loss for an account. Oracle Pricing Management, Transfer Pricing Component provides you with all the information you need to make optimal pricing decisions.*

### Self-Service Usability and Real-Time Information

From their web browser, customer-facing users can generate deal-specific pricing information in real time to help them understand hurdle rates inclusive of the transfer rate, multiple add-on rates, allocated expenses, loss estimates and required capital. Queries can be run for pre-defined standard products or custom products.

The self-service user interface is designed to support query and response, functionality required by lending personnel in the field. Any user familiar with the products of the institution can readily access relevant pricing information. This information is returned quickly and accurately, so that loan officers can react to customer inquiries as fast as possible.

### Consistent Methodologies

Oracle Financial Services Pricing Management assigns a transfer rate, multiple add-on rates, including the option cost, to each modeled instrument by applying the same transfer pricing techniques defined within the standard transfer pricing process.

Transfer rates are pre-computed on a periodic basis for standard products, or calculated on demand for custom products.

### Flexible Transfer Pricing for Customized Instruments

Oracle Financial Services Pricing Management custom queries allow users to create customized instruments by defining non-standard term, payment, and repricing characteristics. Users can define cash flow properties for individual instruments, enabling the pricing engine to generate deal-specific cash flows, or users can directly input custom payment schedules along with other relevant properties. Either way, the system will use the assigned transfer pricing method and return resulting transfer rate

details to the user.

### **Flexible System Configuration**

Oracle Financial Services Pricing Management provides flexible administrative functionality, allowing the system administrator to define and modify transfer pricing assumptions, methodologies, and product properties, such as default cash flow characteristics, including a product's payment, repricing, and term attributes.

### **Standard Product Definitions**

The Pricing Management administrator is responsible for defining instruments that represent a standard set of products that the organization offers to its customers for which transfer rates should be calculated and made available for queries.

Oracle Financial Services Funds Transfer Pricing provides a wide range of transfer pricing methodologies to ensure that the correct level of precision is set for each account. These same methodologies are available in Oracle Financial Services Pricing Management, and they can generate transfer rate indications for both standard and custom products in real time. These methodologies incorporate centrally defined transfer pricing yield curves and customized prepayment expectations into the final transfer rate. Product characteristics are defined by selecting predefined products from the drop-down list or by using the system default settings.

### **Scheduled Transfer Rate Calculations**

Based on a set frequency specified by the Administrator, Oracle Financial Services Pricing Management automatically calculates new transfer rates and option costs for standard products. The transfer pricing engine used for calculations is the same engine employed by Oracle Financial Services Funds Transfer Pricing, guaranteeing consistent results.

### **Integrated Architecture**

Oracle's Financial Services Analytical Applications are integrated solutions based on "industry best practices" components. Solutions can be assembled with confidence, knowing that all the pieces fit together: data, analytics, business rules, hierarchies, and reporting. Although the solution was designed to be delivered on an integrated basis, each of these product components can

- Stand on its own as a best-of-breed solution
- Be implemented in any order
- Be implemented on either a simple or sophisticated basis, and support ongoing evolution of analytical methodologies.

Oracle's open, scalable architecture is also designed to take advantage of emerging technologies. While using Oracle's Financial Services Analytical Applications, you can choose where and when to process results, based on your combination of business processes, data volumes, and technology infrastructure.

## RELATED PRODUCTS AND SERVICES

### RELATED PRODUCTS

The following products are also available from Oracle:

- Oracle Financial Services Funds Transfer Pricing
- Oracle Financial Services Asset Liability Management
- Oracle Financial Services Profitability Management
- Oracle Financial Services Analytical Applications Infrastructure

### RELATED SERVICES

The following services are available from Oracle Support Services:

- Consulting Services
- Update Subscription Services
- Product Support Services
- Online DBA

### About Oracle Financial Services Analytical Applications

Oracle Financial Services Pricing Management, Transfer Pricing Component is part of Oracle Financial Services Analytical Applications suite, an integrated suite of applications that sit on top of a common account level relational data model. Oracle Financial Services Analytical Applications enable financial institutions to measure and manage risk-adjusted performance, cultivate a risk management culture through transparency, and lower the costs of compliance and regulation.

### Contact Us

For more information about Oracle Financial Services Pricing Management, Transfer Pricing Component, please visit [oracle.com](http://oracle.com) or call +1.800.ORACLE1 to speak to an Oracle representative.



Oracle is committed to developing practices and products that help protect the environment

Copyright © 2009, Oracle and/or its affiliates. All rights reserved.

This document is provided for information purposes only and the contents hereof are subject to change without notice. This document is not warranted to be error-free, nor subject to any other warranties or conditions, whether expressed orally or implied in law, including implied warranties and conditions of merchantability or fitness for a particular purpose. We specifically disclaim any liability with respect to this document and no contractual obligations are formed either directly or indirectly by this document. This document may not be reproduced or transmitted in any form or by any means, electronic or mechanical, for any purpose, without our prior written permission.

Oracle is a registered trademark of Oracle Corporation and/or its affiliates. Other names may be trademarks of their respective owners. 0109