

Arrangement Architecture

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Arrangement is an agreement between the bank and interested party to provide an agreed service. AA module provides ability to create and manage arrangements for customers.

When a financial arrangement is created, T24 will generate an Account record, which maintains all activities. This account will be used for AA from start to end.

Users can create their own Products by using the Components provided by Temenos, and these components can be reused across many Products.

AA was first introduced in R9 version

AA is a 3 tiered Product Organisation
Product Lines defined by Temenos,
Product Groups & Products defined by Users.

Product Lines in AA:

Lending

Internet Services

Accounts

Deposits

AA - Product Lines, Product Groups & Products



Product Lines (CARS)

Product Groups

▶ Select body type ▶ Select Series

3



▶ Sedan

5



▶ Sedan

6



▶ Coupé



▶ Convertible

7



▶ Sedan

X



▶ X1 Sports Activity Vehicle



▶ X5 Sports Activity Vehicle



▶ X6 Sports Activity Coupé

Z4



▶ Z4 Roadster

M



▶ BMW M3 Coupé



▶ M3 Convertible



▶ M6 Coupé



▶ M6 Convertible



AA - Product Lines, Product Groups & Products



T24 - NDB-BANK SIT - Windows Internet Explorer

http://192.168.0.20:9090/Browser

T24 - NDB-BANK SIT

HARSHA1 Last signed on 13 FEB 2011 at 16:31

User Menu

Admin Menu

- Product Builder
 - Products
 - Product Conditions
 - Product Conditions (Non AA)
 - Property Classes and Properties
 - Activities
 - Periodic Attributes
 - Virtual Table Entries
 - Payment Types
 - Comparison Types
 - Accounting
- Core
 - Retail Administration
 - CRM Administration
 - Credit Administration
 - Corporate Administration
 - Treasury Administration
 - Private Administration
 - Finance Administration
 - MIS
 - Business Tools
 - Internet Banking Administration
 - Implementation Utilities
- NDB Operations

T24 Product Design and Management - NDB-BANK SIT - Windows Internet Explorer

http://192.168.0.20:9090/BrowserWeb/servlet/BrowserServlet

T24 PRODUCT Browser

Product Lines

Line	
ACCOUNTS	
DEPOSITS	
INTERNET.SERVICES	
LENDING	
OTHER	
PROXY.SERVICES	

Product Groups

LENDING

Group	
AUTO.LEASE	
AUTO.LOAN	
AUTO.LOANS	
AZ#CREDIT.CARD	

Products

AUTO.LOANS

Product	Effective Date
AUTOLOANS.CORPORATE	15 FEB
AUTOLOANS.EXIST.PORT	15 FEB
AUTOLOANS.INDIVIDUALS	15 FEB
AUTOLOANS.INT.CAP	15 FEB

T24 EDITOR

Internet | Protected Mode: On

12:17 16-03-2011

AA - Product

Every product is an assembly of many components.

Ex: LENDING - we have components like
Term Amount, Payment Rules, Limit,
Periodic Rules, Accounting, Interest, etc.
These components are serviced in AA.

AA – Component, Attributes & Action

Components or **Property Class**: (re-useable)

Cars: Engine, Transmission, Wheels

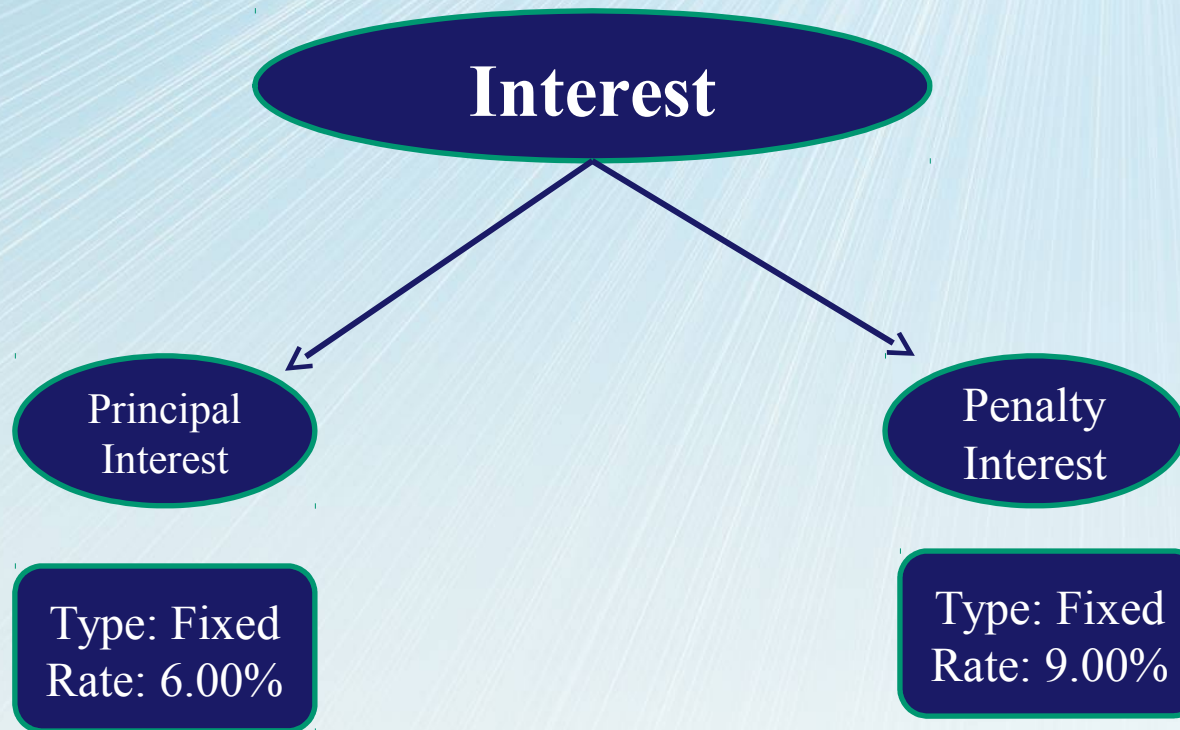
Lending: Term Amount, Interest, Charges

Different Cars may have different engines but they have common characteristics (fuel Type, Acceleration, Top Speed). These are **Attributes**

They also have common behaviour (engine -start, stop, accelerate) or **Actions**

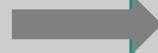
A Component having Attributes & Actions is called a Property Class

AA – Property Class



Named Type or Copy of a Property Class is called a **PROPERTY**
 Users can create new PROPERTIES of the existing Property Class
 Property Class can only be created by Temenos

Temenos Maintained



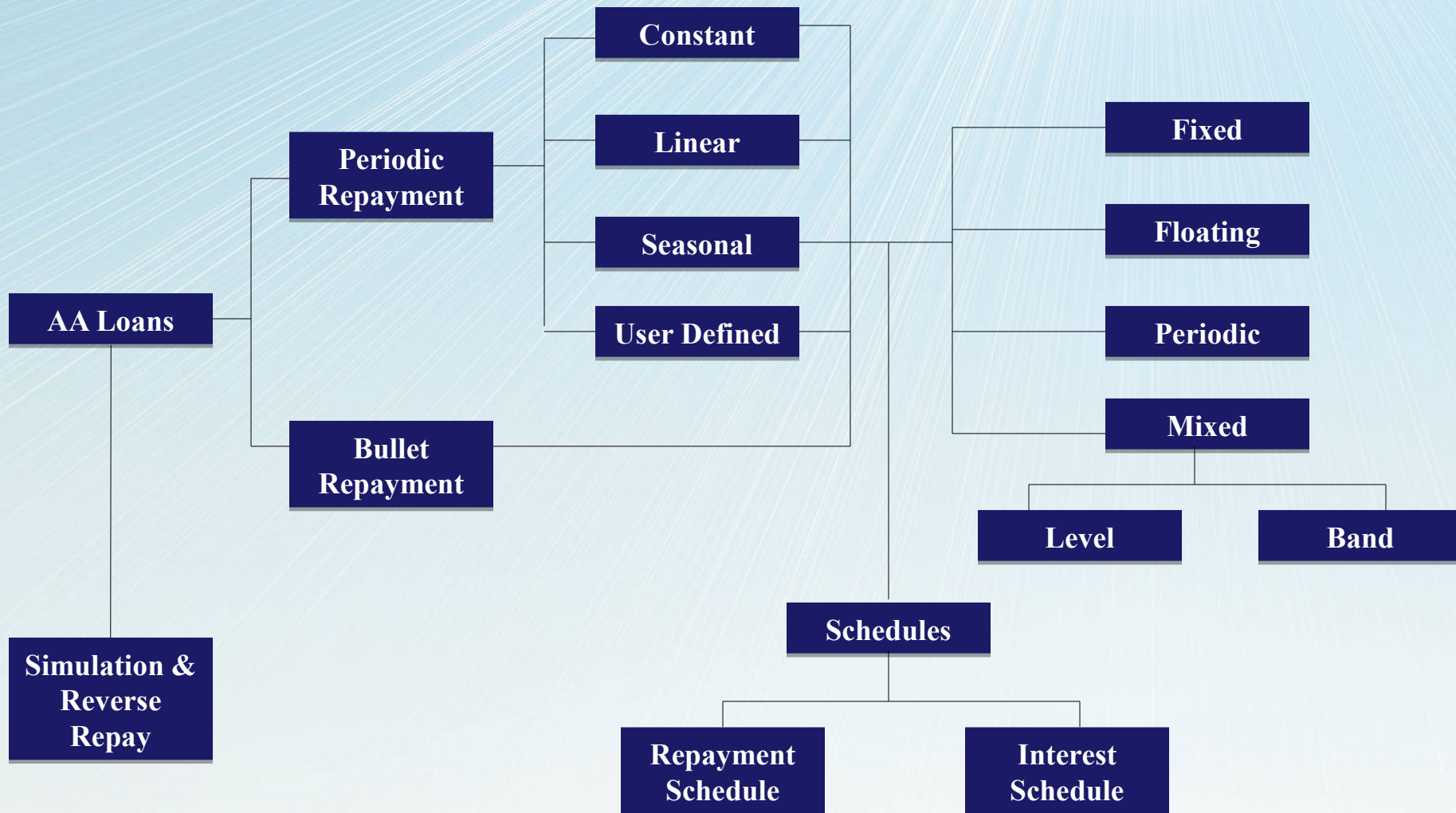
User Maintained

All Share common attributes

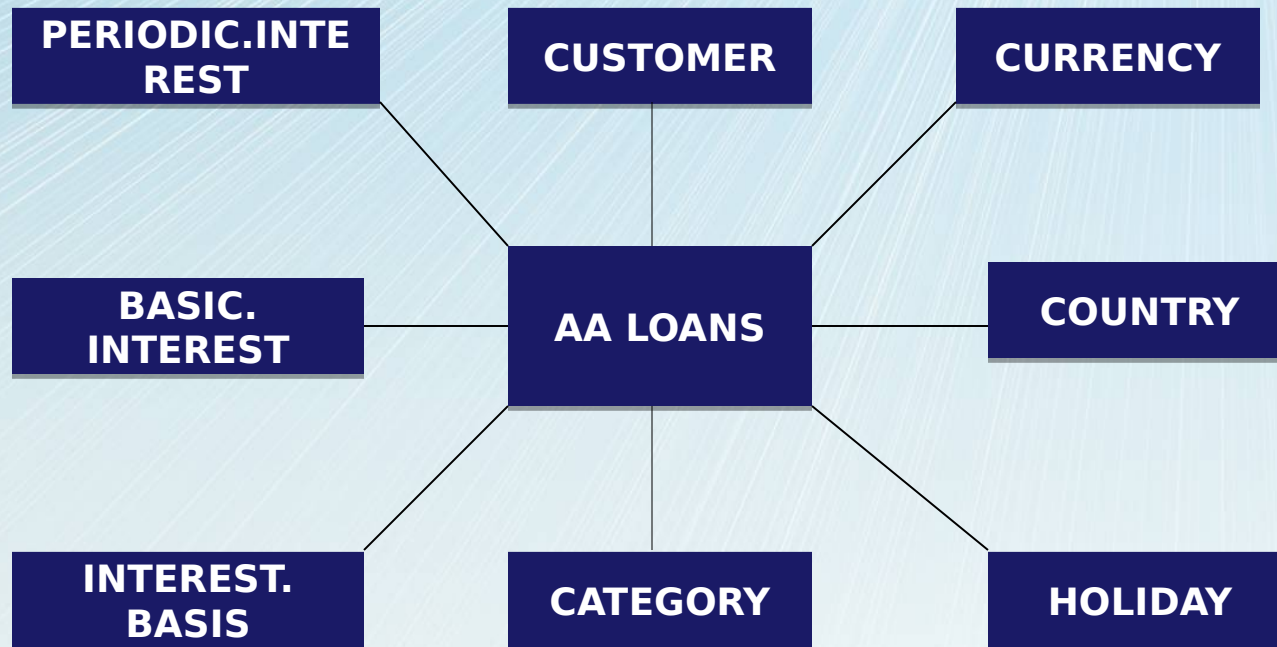
AA Lending in a nutshell

- Arrangement is agreement between bank & customer as per agreed terms & conditions.
- Arrangement conditions are defaulted from the pre-defined Loan product conditions.
- Changes to original product conditions can be done with tracked or non-tracked option.
- Arrangements can be negotiated or amended at contract or account level.

AA Lending – Product Overview



AA Lending – Static Tables



AA Lending – Mandatory Fields

- Auto IDs are generated on:
 - Attempt to do arrangement: New Arrangement ID
 - Commit arrangement activity: Arrangement ID & Loan Account ID
- Customer : Primary Owner or Borrower
 - Used to initiate the arrangement
 - All customer record details are related on entry of Customer ID/mnemonics
 - Co-owner, guarantor details can be attached later in the main AA UI or AA.PARTY.ROLE table.
- Currency : Currency of Arrangement
 - Currency specific conditions defined in CURRENCY table are attached.
 - Balances are maintained in this currency.
 - Interest and charges are calculated based on this currency conditions.
 - Once the AA is processed the currency can not be amended.

AA Lending – Mandatory Fields

- Effective Date : Date to process AA
 - Default : System dates
 - User Entry: Past or future date
 - Principal Disbursement & Interest capitalization are processed based on this date.
- Amount : Commitment amount
 - Appears on the main AA UI as the arrangement activity initiation is committed.
 - Denotes the total amount that can be given to the specified customer.
 - T & M can be used in Edit Field to denote thousand or million.
- Term : Loan Period
 - Default Value: Term specified in product condition
 - User Input: Can be given in no of Days/Weeks/Months/Years if negotiation is allowed.
- Repayment Frequency : Frequency of loan/installment repay
 - Default Value: Repayment Frequency specified in product condition
 - User Input: Can be given in no of Days/Weeks/Months/Years if negotiation is allowed.

AA Lending – Optional Fields

- Accounts officer : Primary Officer for loan
 - Other officers can be defined.
 - Roles like Application approval, collection & disbursement can be specified for the officers defined.
- Limits : Sanctioned limit of the customer for the product
 - LIMIT. REFERENCE can be specified in the Limit section. So that the ACCOUNT level limit definition is mapped. While doing other activities, like disbursement to the account, limit can control the amount to be disbursed.
 - Suitable overrides are generated if limit is exceeded or no limit reference is specified.
- Repayments : Loan repayment types
 - Default value: Repayment option in main product definition
 - User Defined value:
 - Type: Annuity/Constant, Linear, Actual and User defined
 - Method: Due, Capitalization
 - Frequency: Daily, Monthly, Yearly ON nth Day of Week, Month, Year
 - Property: Account, Capital-Int

AA lending – Arrangement Activities

- Activities are operations that are applied to Arrangements. Some of the activities are :
 - Disbursement
 - Repayment
 - Make Due Charges
 - Interest
 - Accruals
- Process execution happens on activity launch. Some of the processes are :
 - Balance Update
 - Interest calculation
 - Repayment Scheduling
 - Accounting
- Update arrangement
 - Disbursements, Payment updates, Charges : Online update
 - Interest Accruals, notices: COB update
- Additional functionalities
 - Charges, Overrides, Notice
- Activity Log
 - Bills Issued, Made Due, Paid
 - Activity Log is displayed in the order of most recent activity first.

AA Lending – Disbursement Activity

- Disbursement is release of funds to customer on account of his/her arrangement with the T24 bank.
- Disbursement can be single or multiple based on product condition.
- Disbursement can happen in the arrangement currency or some other currency.
 - Exchange Rate is fetched from CURRENCY table.
- Mode of Disbursement:
 - To customer account by Funds Transfer application. AA account no is used as debit account.
 - Cash disbursement by Teller application
- Disbursement can trigger associated processes. Some of the processes are:
 - Charge generation

AA Lending – Repayment Schedule

- Repayment schedule is defined with the following attributes:
 - Payment Type : Constant/Annuity, Linear, Bullet payment of principal, User defined
 - Method: Due, capitalize
 - Frequency: Every Daily/Weekly/Monthly/Yearly –On Week/Day/month/year
 - Property: Account, Principal-Int
- Possible to set differently for Principal & Interest
- Repayment Amount
 - Automatically calculated based on term amount, term, interest rate & frequency
 - Residual amount is also indicated
 - Repayment amount can also be set manually for all or part of the schedule
- Non-Business Day adjustment can be done through the following options:
 - Forward
 - Backward
 - Calendar
- Default value of repayment schedule is the schedule defined for product.
- Manual change is allowed if negotiation is allowed.

AA Lending - Repayment

- Repayment is payment of interest, capital, Penal Interest, Charges or all to arrangement Loan account.
- Repayment can happen in the arrangement currency or some other currency.
 - Exchange Rate is fetched from CURRENCY table.
- : Mode of Repayment
 - From customer account by Funds Transfer application
 - Cash Repayment by Teller application
- Repayment can trigger associated processes. Some of the processes are:
 - Update of Principal & Interest outstanding
 - Receipt generation
- Repayment rules can be defined while defining the arrangement. Some of the rules are :
 - Apply by order of balance : Ex - Charges > Interest > Principal
 - Apply by Dates: Ex - Oldest first or oldest last
 - Ad-hoc/Excess payments over and above dues: Ex – Keep as current balance

AA Lending – Revolving / Non-Revolving

- Arrangement can be revolving or non-revolving.
 - Revolving: Repayment of principal restores commitment amount.
 - Non-Revolving: Repayment of principal does not restore the commitment amount.
- Revolving arrangement can have two options:
 - Payment Option: Any payment will increase available credit limit.
 - Fully revolving Credit facility
 - Prepayment Option: Only prepayment or ad-hoc payment not against any due increases the credit limit and payment against due does not reinstate the available amount.

If Revolving is set to NO & once a repayment is made to the Arrangement, further disbursements will not be possible.

AA Lending - Payoff

- Payoff is repayment when bills are settled in part or in excess.
- Payment rules are defined to payoff dues in a specific order:
 - Bills age wise with every bill in order of:
 - Penalty Interest
 - Fees
 - Principal Interest
 - Principal Due
 - Remaining amount is used to adjust Current Principal not yet due.
- Associated charges can be linked
- Repayment schedule is recalculated for excess payments

AA Lending - Limit

- Limit can be specified at arrangement level.
- If the LIMIT.REFERENCE in AA.ARRANGEMENT.ACTIVITY is filled, the system checks for any secured or unsecured limit created for the Limit product for the specified customer.
- If no limit record is found by system, error message would be thrown to create a limit for the product & Customer.
- If limit specified for the customer covers the transaction amount in arrangement activity, the transaction is accepted or else an override message is generated.
- When limit is not specified at arrangement level, override is generated during disbursement
- Limit could be set exclusively for a single arrangement or it could be set for multiple arrangements.

AA Lending – Overdue Management

- Overdue is the treatment of bills if they are not paid in time.
- There are different status of Overdue bills. Bill aging can take either of the two basis:
 - By Number of days :
 - Delinquent : first 5 days after due date for 1st bill overdue
 - Grace: 6th to 10th day
 - Non Accrual Basis (NAB): 11th onwards
 - By Number of bills :
 - Delinquent : first 2 Bills
 - Grace: Up to 4th bills
 - Non Accrual Basis (NAB): 5th bill onwards
- Associated activities are set for every status change:
 - Chaser Notice generation at predefined frequency
 - Accrual of charges
 - Amounts can be moved to status balance: Current > Delinquent > NAB Balance



AA Lending – Overdue Management

- Overdue posts receivables to P & L.
- Payment tolerance can also be set to allow overdue beyond a set amount or % of dues.
- Suspension of Over dues :
 - Suspend Activity stops further accrual posting to P & L.
 - Suspend Over dues reverses unpaid accruals from P & L and stops posting.



Subsequent Changes to Arrangement

- Customer
 - Primary owner can not be changed
 - Addition/Deletion/Change possible for joint owners
- Category
- Disbursement
- Charge Activities
- Interest type, calculation type, periodic reset
- Limit Reference
- Payment frequency
- Term amount and period

Thank You