

Oracle Banking Retail Lending Servicing Cloud Service

Oracle Banking Retail Lending Servicing Cloud Service is a flexible and scalable retail lending SaaS core product engine that optimizes loans product management and operations. Built on a cloud native architecture, the solution enables accelerated loan product time-to-market, streamlined and risk-aware loan product management operations and high operational efficiency.



INTRODUCTION

The retail lending industry faces a multitude of significant challenges:

- **Product Portfolio Complexity:** Retail lending firms find it increasingly difficult to manage the expanding and diverse range of retail lending products. This complexity arises from the need to cater to various customer segments and evolving financial needs.
- **Competition:** Traditional banks and lending firms face intensifying competition from non-bank financial institutions and fintech companies. These entities often offer more agile and customer-centric lending solutions, putting pressure on banks to innovate and adapt.
- **Margin Pressures:** The profitability of retail lending is under strain due to various factors such as the need for competitive pricing to attract customers, and potentially higher funding costs. This requires banks to optimize their operations and explore new revenue streams.
- **Regulatory Complexity:** The rise of diverse digital lending products has led to a more complex regulatory environment. Navigating these evolving regulations, which vary across jurisdictions.

To thrive in today's dynamic lending landscape and gain a competitive advantage, banks and lending firms need to invest in a modern lending product lending engine that will:

1. Enable efficient management of diverse customer-centric loan product portfolios.
2. Accelerate product launches to respond quickly to market demands and outpace competitors.
3. Drive innovation and optimize profitability without increasing operational expenses.
4. Strengthen risk management and ensure compliance.

ORACLE BANKING RETAIL LENDING SERVICING CLOUD SERVICE

Oracle Banking Retail Lending Servicing Cloud Service is a flexible and scalable True-SaaS modern loan product engine that powers a range of optimized and flexible loan products, encompassing both secured and unsecured options, catering to diverse customer needs. Built on a cloud-native, API-first true SaaS architecture, the solution offers agility, scalability, and seamless integration.

Tailored and optimized pricing models maximize profitability and competitiveness within the market. Furthermore, the solution facilitates a rapid speed to market, allowing firms to quickly deploy and introduce new loan products. Compliance is streamlined through an out-of-the-box and configurable framework.

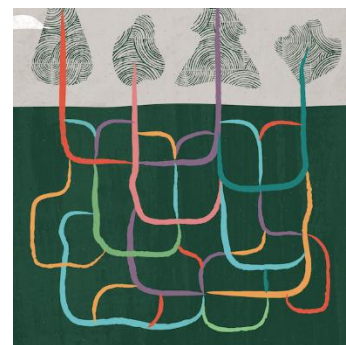
Enhanced loan portfolio optimization capabilities are integrated, providing robust tools for risk assessment and optimization of asset portfolios. The solution also offers comprehensive loan product lifecycle servicing, ensuring efficient management throughout the customer journey.

Flexible Product Definitions:

- Roll out a comprehensive suite of loan products, encompassing both Secured and Unsecured loans. A sophisticated multi-layered product definition structure encompassing prerequisites, segment-specific features, and core business components, enabling maximum product variation with minimal effort, significantly accelerating time-to-market for tailored lending products.
- Define comprehensive business components like principal, interest, and fees, with the flexibility to layer these definitions across main, segment-specific, and highly targeted customer segments. This ensures rapid agility to evolving market demands and easily launching and managing the right loan products to meet diverse customer needs.

Adaptable Interest, Fee Definitions and Pricing Strategies:

- Leverage dynamic, market-linked rates or implement sophisticated pricing strategies driven by granular elements and advanced fee computations. This ensures optimal revenue generation and a competitive edge in the market. The solution offers pricing flexibility



Key Features

- *Multi-layered Product Definitions*
- *Flexible Interest, Fee Definitions and Pricing Strategies*
- *Loan Product Lifecycle Servicing*
- *Loan Portfolio Optimization*
- *Built-in Compliance to the US Market*

and innovation with adaptable interest and fee capabilities. Offer a diverse range of interest rate definitions, from code-based tiers to personalized relationship pricing.

- Interest and fees are rules driven to ensure accuracy, eliminating errors. Automation of fee calculations based on clearly defined rules guarantees consistent application across all transactions, fostering trust and simplifying compliance. Fee Charge Code linkage ensures every loan product is accurately associated with its corresponding charge. Intelligent Event Fees mapping precisely aligns fees with specific events or triggers, offering granular control over revenue recognition. The solution helps optimize loan revenue streams and improves profitability.
- The solution supports complex interest scenarios with configurable parameters, including min-max and fixed-variable options. Benefit from sophisticated pricing strategies, accurate interest calculations using multiple day count conventions, and transparent, automated fee structures tailored to specific events.

Loan Product Lifecycle Servicing:

The solution offers end-to-end capabilities for managing the entire loan lifecycle, driving significant operational efficiencies, and enhancing customer experience. Key capabilities include:

- **Seamless Disbursement:** Disburse funds through automated and flexible methods. Support various loan structures (fixed/floating interest) and define complex repayment schedules. The solution offers robust collateral linkage and liability management for effective risk mitigation from the outset.
- **Effortless Billing and Streamlined Repayments:** The solution offers billing capabilities, including automated generation for various loan stages. Granular management of bills and components, along with a clear payment hierarchy is supported. Flexible repayment options, including automated payment instructions and instant payoff quotes, offer convenience and flexibility to borrowers.
- **Agile Loan Management:** The solution enables easy changes to loan terms aligned to borrower needs. Amendments to loan details are simplified. The processing of restructuring programs like extensions and deferments is streamlined. Manage interest rate changes, offer fee waivers, and provide bill suspension.
- **Special Scenario Handling:** The solution can handle specific scenarios, including backdating support for historical accuracy. Multiple inquiry options are available for comprehensive information access and assessment of various fees is automated. The solution offers proactive risk monitoring through asset classification and delinquency tracking, along with the ability to track multiple account conditions for a holistic view of loan performance.

Loan Portfolio Optimization:

The solution helps improve profitability of loan portfolios and mitigate risk with:



Key Business Benefits:

- Streamlined loan product management
- Accelerated time-to-market
- Easy product innovation
- Optimized loan portfolios
- Higher profitability
- Efficient compliance

- **Precise Asset Classification:** Minimize potential losses and enhance portfolio quality by leveraging asset classification to enhance accuracy in tracking of loan performance based on repayment status and risk profiles, enabling early detection of delinquencies, and reducing manual effort.
- **Dynamic Asset Provisioning:** Maximize capital efficiency and ensure regulatory compliance with dynamic provisioning based on key parameters like credit score and loan-to-value ratio, resulting in more accurate loss estimation and alignment with international standards.
- **Tailored Appropriation Sequencing:** Boost customer satisfaction through customer-centric appropriation strategies with tailored appropriation sequences that prioritize customer needs and optimize fund allocation to minimize losses.

Built-in Compliance to the US Market:

Leverage compliance with key US market regulations, including SCRA, MLA, Regulation AA principles, Regulation Z, and Metro 2, accelerating time to market and minimizing compliance risk.

Oracle Banking Retail Lending Servicing Cloud Service delivers value to both lending firms and their customers by:

- **Streamlining loan product management:** Easily create and manage a wide range of customer-focused loan products with rich features, tailored to diverse individual and segment needs at enterprise scale.
- **Accelerating time-to-market:** Quickly launch new loan products with open, real-time, and configurable features, gaining a competitive edge by rapidly responding to market trends.
- **Fueling innovation and boosting profitability:** Facilitate agile development and optimization of loan products, portfolios, and pricing strategies without increasing operational costs.
- **Fortifying risk management and ensuring compliance:** Enhance the ability to meet regulatory requirements effectively with robust and flexibly configurable credit risk management tools.

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