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Allianz

Preference Packages Solution for Allianz Bank Bulgaria to Leverage Customer Engagement

Providing personalized benefits for bank customers with the Relationship Pricing Module of Oracle FLEXCUBE

Industry: Banking & Finance   **Location:** Bulgaria   **Employees:** 1000+

Client Background

Website:
www.allianz.bg

Allianz Bank Bulgaria is part of Allianz SE, one of the world's leading insurance and asset management companies with more than 122M private and corporate customers in more than 70 countries.

Allianz Bank Bulgaria is a universal commercial bank that provides complete bank services, including general insurance, retirement provision, mortgage loans, e-banking, leasing, and other financial services. Allianz Bank is in the Top 10 of the largest banks in Bulgaria.

Executive Summary

Goals

Implement preference packages functionality to personalize service fees for customers.
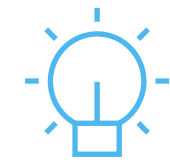
Solution

Customized Relationship Pricing module of Oracle FLEXCUBE and implemented accounting automation to process payments for preference packages and individual fees seamlessly.

Benefits

Enhanced customer appeal due to personalized terms of services, higher competitiveness in the market with unique propositions by numerous banking services, and higher engagement in the segment of legal customers.
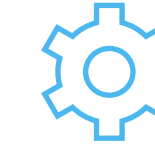
Services delivered

Custom software development, quality assurance, knowledge transfer, maintenance & support

Business Challenge_

Allianz Bank Bulgaria needed to set up the Relational Pricing module of Oracle FLEXCUBE to personalize the customer experience by providing individual terms for the bank's services. For this purpose, the bank wanted to implement a range of preference packages offering beneficial fees for various financial operations, including money transfers, cash deposits and withdrawals, and more.

The standard functionality of the Relationship Pricing module could not address the bank's goals out of the box. It required complex configuration and customizations with creating direct database requests and building so-called system data elements and user-defined elements based on database components. Implementing the desired functionality required qualified talent with relevant expertise.

The bank approached Infopulse to help them with the implementation of the Relational Pricing module as we already had a number of successfully delivered projects in the past for Allianz Bank, including the implementation of Mortgages, Deposit Locker, and Instant Payments [URL] modules of Oracle FLEXCUBE.

Solution & Business Value_

In close collaboration with Allianz Bank, Infopulse developed and deployed a custom preference package functionality based on the Relationship Pricing module of Oracle FLEXCUBE and the custom accounting model to seamlessly process fees and payments within preference packages.

Main features:

○ Multiple preference packages, each containing 30-40 rules for different operations.

○ Ability to create packages of individual preferences for corporate clients

○ Automated accounting functionality integrated with Oracle FLEXCUBE

○ Multiple historical data reports for Oracle BI

○ Agreement templates to apply for a preference package service

Benefits for the client:

○ **Higher customer appeal:** the ability to provide individual preferences increased the bank's attractiveness to corporate clients.

○ **Unique value proposition:** the solution for Allianz Bank Bulgaria provides more comprehensive preferences compared to similar offerings in the market.

○ **Automated accounting:** seamless fee processing with no manual effort required.

○ **Enhanced flexibility** regarding individual service package management: the ability to create individual preferences for a specific client quickly and relatively easily

○ **Strengthened position** in the corporate clients market segment.

Examples of Setup Case in Relationship Pricing Module

Technical Details

After analyzing the client's requirements and chosen toolset of the Oracle FLEXCUBE (Relationship Pricing module), our team developed the package preferences functionality:

- **Phase 1 - The preference packages implementation:** each package involves 30-40 rules for different types of operations. Each rule either nulls a fee for a specific operation type or lowers it.

  Since the preference packages included rules for various commissions, one of the main tasks was to implement appropriate 'catching' mechanisms to track transactions from other components inside and outside the Oracle FLEXCUBE ecosystem. In total, we implemented integrations with around 10 different systems of the client, including online banking, mobile banking, cash operations, and others.

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Real setup cases in banks in the module Relationship pricing, part 2

3. Issuance of case (banknotes) (% of the amount of cash) within the ordered amount:
- up to UAH 10,000.00 - 1%, from UAH 10,000.01 to UAH 100,000.00 - 0.9%, from UAH 100,000.01 to UAH 500,000.00 - 0.8%, from UAH 500,000.01 up to UAH 1,000,000.00 - 0.7%, from UAH 1,000,000.01 - 0.6%;
- Without pre-order (regardless of the amount of the transaction, in the presence of cash at the box office - 2%

Benefit: RPC_RT

Product	Amount	Variante Rule
CHWL		RPC_RT

Variante Rule: RPC_RT

Condition	Result
SDE_TXN_CCY <> UDE_LCY	ROUND{SDE_LCY_AMOUNT*1%,2}
SDE_TXN_CCY = UDE_LCY and SDE_LCY_AMOUNT <=10000	SDE_LCY_AMOUNT*1%
SDE_TXN_CCY = UDE_LCY and SDE_LCY_AMOUNT > 10000 and SDE_LCY_AMOUNT <=100000	SDE_LCY_AMOUNT*0.9%
SDE_TXN_CCY = UDE_LCY and SDE_LCY_AMOUNT > 100000 and SDE_LCY_AMOUNT <=500000	SDE_LCY_AMOUNT*0.8%
SDE_TXN_CCY = UDE_LCY and SDE_LCY_AMOUNT > 500000 and SDE_LCY_AMOUNT <=1000000	SDE_LCY_AMOUNT*0.7%
SDE_TXN_CCY = UDE_LCY and SDE_LCY_AMOUNT > 1000000	SDE_LCY_AMOUNT*0.6%

4. Cash withdrawal within the ordered amount:
- up to UAH 500.00 - 1% - from UAH 500.00 to UAH 500.00 to UAH 1,000.00 - 0.9% - from UAH 1,000.00 to UAH 10,000.00 - 0.8% - from UAH 10,000.00 to UAH 100,000.00 - 0.7% - more than UAH 100,000.00 - 0.5%

Benefit: NAFTAGAZ_RT

Product	Amount	Variante Rule
CHWL		NAFTAGAZ_RT

Variante Rule: NAFTAGAZ_RT

Condition	Result
SDE_TXN_CCY <> UDE_LCY	ROUND{SDE_LCY_AMOUNT*1%,2}
SDE_TXN_CCY = UDE_LCY and SDE_LCY_AMOUNT <=500	SDE_LCY_AMOUNT*1%
SDE_TXN_CCY = UDE_LCY and SDE_LCY_AMOUNT > 500 and SDE_LCY_AMOUNT <=1000	SDE_LCY_AMOUNT*0.9%
SDE_TXN_CCY = UDE_LCY and SDE_LCY_AMOUNT > 1000 and SDE_LCY_AMOUNT <=10000	SDE_LCY_AMOUNT*0.8%
SDE_TXN_CCY = UDE_LCY and SDE_LCY_AMOUNT > 10000 and SDE_LCY_AMOUNT <=100000	SDE_LCY_AMOUNT*0.7%
SDE_TXN_CCY = UDE_LCY and SDE_LCY_AMOUNT > 100000	SDE_LCY_AMOUNT*0.5%

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- **Phase 2 - Accounting automation:** Preference packages are a paid service with a monthly or yearly subscription fee. This functionality was absent in Oracle FLEXCUBE out of the box. That is why our team implemented a custom accounting model and custom UI forms to let bank customers choose monthly or yearly payments for the preference package.

By default, such customizations require a run environment that was not available. However, we managed to customize FLEXCUBE forms even without a run environment. Another customization included changing the logic of withdrawing fees from the customer's account. By default, the system withdrew the full fee amount and then returned its part according to the preference package rules. The client wanted to make this process smooth and user-friendly for bank customers. We implemented all the required customizations.

This phase also included a great deal of custom logic development. For instance, when a bank client purchases the preference package on a monthly subscription, they pay for one month of use in advance. If there is not enough money in the account for the next payment, the system tracks the required amount for six months, attempting to withdraw it. If not paid, the required amount turns into debt receivable on other accounts, and the preference package subscription is canceled.

In addition, the Infopulse team implemented multiple historical data reports for Oracle BI to enhance bank data analytics and data-driven decision-making.

Phase I took 3 months from start to go live and Phase II was implemented in less than 3 months.

After the project was finalized and deployed, we prepared a detailed user guide for working with the Relationship Pricing module. We also delivered a presentation explaining all the features and conducted a few training sessions to ensure smooth knowledge transfer.

The solution passed through in-depth testing with the engagement of specialists from other banks and gained positive feedback from them. Currently, our client continues onboarding their employees through Allianz Bank Bulgaria branches, and Infopulse continues solution support.

Technologies & Tools_

Oracle FLEXCUBE	**PI/SQL**
EAR service	**Database objects**

UIXML	**JavaScript**
Oracle BI	

About Infopulse

Infopulse, part of the leading Nordic digital services company Tietoevry, is an international vendor of services in the areas of custom software development, software quality assurance, intelligent automation, smart insights, and advanced data analytics. Our services cover digital transformation and automation solutions to streamline operations and enhance customer experience in banking and finance, manufacturing, telecom, and other industries. We assist businesses to reach operational excellence and drive growth with the aim of technology. Infopulse is trusted by many established brands, such as Allianz Bank, Credit Agricole, ING Bank, OTP Bank, Santander, BICS, Bosch, LMT, Microsoft, Metinvest, Offshore Norge, Delta Wilmar, OLX, SAP, UkrSibbank BNP Paribas Group, Vodafone, Zeppelin, and others.

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