
Complete Data Lifecycle Management with Oracle Financial Services Data Foundation



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Introduction

The forces of regulation, competition, innovation and globalization are now more than ever pushing Financial Institutions to address core IT and data management short-comings that have previously been ignored or treated with ‘patched’ solutions. The most pressing of these short-comings is the fragmentation of data through data silos, desktop data hubs such as spreadsheets and the lack of a cohesive, adhered to data governance protocol.

The Oracle Financial Services Data Foundation provides complete data lifecycle management for all analytical needs at a bank covering the Risk, Finance, Treasury and Compliance domains.



Leveraging Regulatory Data as a Strategic Asset

The Data Foundation Reporting Model

62% of respondents say the process of complying with regulatory reporting leaves little to no time for strategic initiatives

Oracle Financial Services Data Foundation provides a complete reporting data model for all analytical needs for risk, finance, treasury, and compliance.

Institutions' greatest challenges are storing data in unconnected systems and collecting too much useless data

Greatest challenges in leveraging regulatory data for strategic business decisions:¹



*Respondents asked to select the top three challenges

Use Case #1

Leveraging Regulatory Data as a Strategic Asset

The Data Foundation Reporting Model

Tier 1 American bank and financial services holding company meets enterprise-wide regulatory, finance, risk and management reporting goals with Oracle Financial Services Analytical Applications.

With a history of looking at data in silos, increased regulatory surveillance forced this bank to reevaluate their data sourcing, transparency, and unification.

They were looking for a solution to solve not only regulatory compliance issues, but to create an enterprise-wide data environment to support other parts of the organization – Risk, Treasury, etc.

The following use cases are successfully demonstrated by Oracle:

- Core Data Sourcing
 - Procure data from various source systems (loans, credit cards, deposits, etc.)
 - Perform Data Quality checks
 - Reconcile detailed source data with GL data
- Produce regulatory reports – FRY9C HC-C and FRY14Q Schedule H.1, H.2
- Ability to support Capital Calculation systems, Liquidity Risk Processing, and Accounting Engines
- Ability to support key operational Treasury systems
 - Use reconciled data and apply enrichments/aggregations for FTP and ALM processing
 - Supply data to FTP and ALM systems

The bank was under regulatory pressure to improve their technological environment for regulatory reporting, especially data management and data governance. Oracle Financial Services Data Foundation was a long-term, strategic solution.

Use Case #1

Seeking Greater Value

Risk & Finance Transformation

Top tier US financial institution leverages Oracle Financial Services Data Foundation for Finance Transformation and reporting initiatives.

Financial institution achieves core data sourcing with a high level of data model fitment for GL data, credit card systems, and loans systems. Oracle Financial Services Data Foundation enables them to accept data from multiple sources through files and perform Data Quality checks.

Oracle Financial Services Data Foundation is this customer's single data repository for multiple programs including Regulatory Reporting.

The customer is able to demonstrate the following use cases as well:

- Reconciliation
 - Define and setup reconciliation of detailed instrument data with GL systems
- Calculate LCR ratio Adjusted vs. Non-adjusted High Quality Liquid Assets (HQLA)
- Maintain historical data and generate historical reports
- Leverage drill through/drill down functionality from aggregated sources within Oracle reporting environment to the originating data
- Perform what-if analysis and customize reports
- Create data lineage reports for the data elements loaded into Oracle Financial Services Data Foundation
- Data lineage traceability from results/reporting data to the original data staged into the product
- Assess the impact of change to data attributes and business rules

A New Data Pattern for Finance & Compliance

Financial Close Process

Oracle Financial Services Data Foundation provides for a logical data model to help this top 5 Canadian financial institution align with their business processes.

This bank licensed Oracle Financial Services Data Foundation to support analytical processing and enterprise reporting for Risk, Finance, and Treasury. Specific product features include:

- 21 staging tables
- Ability to generate P&L and Balance Sheet reports as per Canadian regulatory requirements
- Set of 80 rules to do calculations
- Set of DQs defined to generate data quality reports

The bank is also using Oracle Financial Services Institutional Performance Analytics, Retail Performance Analytics, FATCA Management, and Currency Transaction Reporting in Canada and Oracle Financial Services Regulatory Reporting, Loan Loss Forecasting & Provisioning for their U.S. operations.

**Consolidating multiple
data environments –
120 different data
warehouses.
One of the environments is
for Big Data.**

Foundation for the Future

Finance & Risk Transformation

Tier 1 European banking group leverages Oracle Financial Services Data Foundation for Finance & Risk Transformation initiative to meet emerging business and regulatory challenges.

Implementing key inter-related capabilities based on Oracle's Financial Transformation & Risk Adjusted Performance (FTRAP) architecture. The current initiatives are:

- 'Golden source' of finance and risk data based on FSDF
- Regulatory Liquidity Risk reporting
- Financial and Management Accounting

Together these initiatives validate the target solution. The delivery approach is based on a pilot for each capability, all on a single global instance, which are then rolled-out across the rest of the group.

Oracle Financial Services Data Foundation (FSDF) is this customer's central finance & risk data repository

The transformation covers the following key subject areas:

- Data management including Reference Data
- Risk Data and Analytics
- Regulatory and Management reporting including Liquidity Risk Management
- Management Accounting – Planning, Cost Allocations, Funds Transfer Pricing
- Financial Accounting and Consolidation

Key components of the Oracle solution set are:

- Data Foundation and Reconciliation
- Accounting Rules Engine and General Ledger
- Consolidation and Planning
- Liquidity Risk and ALM, FTP and cost allocations
- Reporting applications
- Engineered Systems

Frequently Asked Questions

How can we reduce compliance costs, but still meet changing requirements?

Financial institutions that invest wisely have the opportunity to gain a new level of insight, transparency, and automation, which can significantly reduce risk and compliance costs.

The foundation provides a physical data model for data sourcing and reporting, which reduces implementation costs and has prebuilt connectors through Oracle Financial Services Data Integration Hub to interface in and outside of the Oracle Financial Services Data Foundation integrated model.

Oracle Financial Services Data Foundation's open, extensible model supports external analytical engines, applications and models developed internally or from 3rd parties, as well as all Oracle Financial Services Analytical Applications. In addition, the fully extensible system helps adapt to demanding regulatory scenarios without sacrificing investments and efforts already in place so applications can be added on the go, keeping data current and consistent. The model can be customized based on client requirements

Frequently Asked Questions

How does Oracle Financial Services Data Foundation ensure data quality?

Oracle Financial Services Data Foundation ensures data quality using two methods:

Reconciliation Method

The account fact data sourced from the transactional system is reconciled with the general ledger data received from the GL application. The data within the GL system is treated as the single source of truth and reconciliation entries are posted based on the difference observed during the process.

Data Quality Checks

The data quality is also maintained by DQ checks, which perform data quality checks to ensure the data loaded to the table is validated against checks like null value, referential integrity, data length, list of values, range check, etc.

Conclusion

Readily Available Solution Proven to Alleviate Issues from Data Silos

Siloed data, poor data quality and governance slow compliance initiatives, which drive up costs and prevent institutions from effectively using the data they have gathered.

Financial services executives say that their greatest challenge in leveraging regulatory data for strategic business decisions is that information resides in disparate systems, followed by the sheer volume of collected data and the lack of time to analyze it all. The Oracle Financial Services Data Foundation provides a single source of truth through a common staging and integrated results area. Data is utilized when and where it's needed and is reconciled and ready for use by other applications. Oracle Financial Services Data Foundation leveraging Oracle's domain expertise to deliver a ready-to-deploy, end-use proven, practical platform for managing analytical application data.



thank you

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