

Frequently Asked Questions

Oracle Financial Services Credit Risk Management

Introduction

This document provides answers to pertinent questions for Oracle Financial Services Enterprise Risk Assessment

Questions and Answers

Scope:

Q: *Key Features of Oracle Financial Services Credit Risk Management (CRM)?*

A: The key features of OFS CRM are:

i. Extensive Credit Risk Functionality

Covers corporate, retail, counterparty as well as provides aggregated risk at the enterprise level. The customer can define business rules and analyze many critical measures like Gross/Net Credit Exposure, Relationship Exposure, PPNR, Return on Assets, etc. OFS CRM is integrated with Economic and Regulatory applications.

ii. Pre-built Credit Risk Reports

300+ pre-built credit risk reports and dashboards covering retail, wholesale, and counterparty credit risk. Reports on credit quality, reserves, delinquency, new business, risk migration, capital requirements and concentration are available.

iii. Extensive Drill-Down Capabilities

Reports are designed with extensive drill-down capabilities to enable granular analysis of risk information.

Value Proposition:

Q: *What is the product value proposition?*

A: Oracle Financial Services Credit Risk Management enables institutions to comprehensively monitor credit risk and improve risk governance, empowering managers and risk teams and addressing regulatory demands. Gain an enterprise-wide view of Credit Risk for Retail, Wholesale, and Counterparty Credit Risk.

Q: *Key Benefits of Oracle Financial Services Credit Risk Management?*

A: Key benefits provided by the application are:

- Accurately and comprehensively monitors credit risk and provides one version of the analytical “truth”
- Enables strategic and operational decision making by providing managers with accurate information on credit risk
- Real-time access to data helps bank comply with stringent regulatory norms and effective decision making
- Ensures all calculations are accurate to avoid any regulatory breach and develop credit risk management strategies
- Achieve a single customer view of credit risk across exposures spread over multiple product types, lines of business, geographies and legal entities
- Leverage a unified, transparent and flexible analytical platform to meet emerging cross-risk business and regulatory requirements

Competitive Position:

Q: *What are the business pains that this application addresses?*

A: The application addresses the following business pains:

i. Timeliness

The application provides real-time and quick access to data to help banks comply with

stringent regulatory norms and respond swiftly for effective decision making.

ii. Accuracy

OFS CRM ensures all calculations are accurate in order to avoid any regulatory breach and help form a comprehensive credit risk management strategy.

iii. Completeness

Banks can use credit risk measures to utilize all available information and to cover the whole business, while providing measures at all necessary levels, down to individual exposures.

Q: *How does the product work with the rest of the OFSAA suite/platform?*

A: OFSAA works on a unified Analytical Applications Infrastructure and data model. With its integrated staging and results area, users can view multiple facets of an exposure to credit risk at a given time, providing a single truth user. Due to a unified infrastructure and data model, CRM works with other non-OFSAA as well as in the OFSAA ecosystem.

Q: *What are the key differentiators?*

A: The application is built on the Oracle Financial Services Analytical Applications (OFSAA) framework, which allows institutions to build models, workflows, and reports for scoring and

rating of obligors. The high-performing, scalable infrastructure supports model risk management and risk appetite management solutions, which manage multiple risk types, including credit risk. OFSAA is recognized in risk management, accounting, general ledger management, consolidation and performance analysis. In addition to all of this, OFS CRM provides out-of-the-box rules for pre-packaged regulatory reports for Basel III, the US, Brazil, India, and China, as well as dashboards for consumption by multiple stakeholders.

Pre-requisites:

Q: *What are the pre-requisites for Oracle Financial Services Credit Risk Management?*

A: The pre-requisites are:

- Oracle Financial Services Analytical Applications Infrastructure
- Oracle Business Intelligence Enterprise Edition (OBIEE)



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Hardware and Software, Engineered to Work Together

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