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Oracle Financial Services Profitability Management Cloud Service

Insight into profitability is critical for financial institutions that face growing margin pressure from ever-changing interest rates, economic turbulence, complex regulatory and compliance requirements, and a growing universe of digital-native competitors. Financial institutions are also looking to reduce their IT operating and management costs, while ensuring scale and effortless access to the latest application functionality.

Oracle Financial Services Profitability Management Cloud Service provides financial institutions an enterprise-wide view of profitability drivers, risk-adjusted performance, and performance across multiple dimensions including product, business unit, legal entity, and channel. In addition, banks can assess the performance of their wholesale or retail portfolio at a customer and account level, drawn from instrument data.

The cloud-native solution features a microservices architecture, robust APIs, and a single, transparent data model that enables institutions to embrace a component-based approach to modernization. Further, its intelligent, award-winning interface delivers a superior user experience.

Gain an integrated view of profitability

Oracle Financial Services Profitability Management Cloud Service's flexible, multi-dimensional data model enables the calculation of profitability across multiple dimensions, including product, customer, account, channel, business unit, geography, relationship manager, and line of business. It uses a sustainable, repeatable, and integrated performance measurement process that generates fully reconcilable profitability and performance insight at multiple levels of granularity. It directly leverages cost and expense allocation outputs for computation of profitability trends and metrics for reporting.

The cloud service solution improves strategic and operational decision-making by helping to answer critical questions, such as:

- How much does it cost to serve our customers?
- Which customers, products, or channels are the most profitable?
- Where are the best opportunities to reduce costs?
- What products or services should we invest in or divest?

Key Features

- Multi-dimensional modeling and profitability analysis
- Single data model and platform
- Rich allocation features
- Auditability with visual trace of allocation history
- Customer profitability calculations, adjusted for risk
- Unlimited attributes, hierarchies, and dimensions
- Reporting from both Management Ledger and Instrument data

Key Benefits

- Analyze and report profitability along any dimension
- Deploy any costing methodology
- Prioritize customers by value and profitability
- Achieve the scale and performance to compute customer risk-adjusted profitability
- Ensure insight into how results are derived
- Use validated data for insights on defined and profitable customer groups
- Streamline multiple disparate systems and integrate with the broader Oracle suite

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Benefit from a true profitability allocation engine

Determining the true profitability of an instrument, customer, or product requires analysis of the direct revenue or expense that's typically available from product systems and analysis of various indirect revenue or expenses that includes all corporate allocations. Oracle Financial Services Profitability Management Cloud Service supports both.

The cloud service solution's open allocation engine allows you to mix and match your preferred methodologies, from the simple to the complex, to generate profitability line items. This provides the flexibility needed to build both top-down and bottom-up allocations. The allocation engine can use transactions, customer relationship, or management ledger data. In addition, the solution integrates seamlessly with multiple data sources, supports multiple currencies, and provides confidence in your results.

Build sophisticated profitability models

Oracle Financial Services Profitability Management Cloud Services' multi-dimensional approach takes full advantage of your rich enterprise data. By breaking down information silos, you can leverage aggregate balance data, detailed customer-level instrument data, and transaction-level data to build sophisticated profitability models. The solution also uses attributes, hierarchies, dimensions, and filters to precisely define business rules. Armed with this information, you can make confident, supportable decisions about customers, products, and business policies, and processes.

Gain timely, actionable insights with robust analytics capabilities

Oracle Financial Services Profitability Management Cloud Service delivers deep in-application analytical capabilities, including data visualization, for faster and more precise decision-making. You can use profitability analytics to achieve detailed management ledger and balance sheet reporting insight, as well as better understand customer trends and engagement across key performance metrics, including balances, new business, closures, and product crossholding. You can also easily evaluate performance against budget and operating plan numbers.

Leverage the suite of Oracle Profitability and Balance Sheet Management Cloud Services

Oracle Financial Services Profitability Management Cloud Service can exchange and share information from other Oracle solutions, such Oracle Financial Services Funds Transfer Pricing Cloud Service, to generate both net interest margin and non-interest income and expense.

By using a single, transparent data model and platform, you can share component building blocks across applications—improving data quality and reducing IT cost and complexity. Oracle Financial Services Risk and Finance toolset simplifies processing, categorizing, selection, and manipulation of data. In addition, you can use the common infrastructure to load and cleanse raw data, schedule batch processes, and share implementation building blocks, such as dimension members, hierarchies, hierarchy filters, data filters, and expressions.

Oracle Cloud Service Impact

- Reduce costs on hardware and physical facilities
- Gain deeper and more timely insight with advanced in-app analytics and AI
- Achieve a next-generation business intelligence platform
- Integrate easily with existing solutions, anywhere and anytime
- Ensure extreme scale and reliability
- Benefit from continuous innovation while eliminating the cost, time, and risk involved in traditional upgrades
- Ensure a highly personal user experience that boosts productivity and effectiveness
- Ensure highest levels of security

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Achieve risk-adjusted performance metrics reporting

Oracle Financial Services Profitability Management Cloud Service produces analytics that delivers a fully loaded view of profitability along with multi-dimensional risk adjusted performance management (RAPM) reporting. This rich analysis enables financial institutions to answer complex business questions, including:

- Which lines of business, relationship managers, or products are truly generating value for our organization?
- How does the risk-adjusted profitability of new business compare with the total portfolio for each product or line of business?
- How will our risk-adjusted results change over time as loan products re-price or mature?
- What are the enablers of risk-adjusted profitability?

Experience the Oracle Cloud Service advantage

Oracle Financial Services Profitability Management Cloud Service is a true Software-as-a-Service (SaaS) application that combines industry-leading functionality, rapid implementation, extreme scalability and performance, and Oracle's commitment to world-class security.

The solution is engineered for the cloud and is built on Oracle Microservices Architecture—a platform-first model that incorporates a domain-driven microservices fabric; is true cloud-native, API-first, and ecosystem aware; and supports persona-driven intuitive user journeys. As a result, it can deliver infinite scale, simplify integration with other business critical applications, and accelerate innovation. Oracle's autonomous cloud infrastructure enables autoscaling and self-healing that improve availability and reduce management burden.

Built on Oracle's highly elastic, reliable, and secure cloud platform, you can rapidly deploy new technology and extending business insight, while meeting complex and dynamic compliance requirements.

Learn more about the benefits of Oracle Financial Services Profitability Management Cloud Services applications.

Related Cloud Service Products

- Oracle Financial Services Cash Flow Engine
- Oracle Financial Services Funds Transfer Pricing
- Oracle Financial Services Asset Liability Management
- Oracle Financial Services Balance Sheet Planning

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