



## Complete your CECL compliance with Oracle Financial Services Analytical Applications

Build the foundation for future Risk and Finance regulatory requirements

The latest guidelines by FASB on CECL along with intersecting guidelines on Classification and Measurement, Valuations and Hedge accounting will result in major changes in the way most financial institutions account for financial instruments in their books. These along with PCAOB's auditing standard on accounting estimates makes it pertinent for banks and financial institutions to overhaul their systems to not only cater to the changes in computation but also enable transparency, traceability and auditability. And while Banks are preparing to understand the changes brought about by these standards, they also need to look for technology solutions where they invest for the present and for the future.

Oracle Financial Services Analytical Applications (OFSAA) solution for CECL is built on the integrated Risk and Finance architecture, and helps financial institutions comply with continuously changing standards and regulations. Key features include:

- » Multiple compute intensive methods for CECL;
  - » Roll rate
  - » Net Loss rate
  - » Cash flow based methods using cumulative PD adjusted for future forecast
  - » Vintage Analysis
  - » Exposure at default based methods
  - » Provision Rate methods
- » Prebuilt models for PD compute enables through a Modeling Framework
- » Models for life of loan estimation
- » Segmentation based on similar risk based characteristics
- » Prebuilt configurable rules for classification of debt securities into HTM and AFS
- » Fair valuations for AFS debt securities
- » Hedge Accounting
- » Enablement of accounting events

The OFSAA solution seamlessly integrates with Oracle Financial Services Asset Liability Management application to generate life of loan cash flows based on prepayment behavior models, Oracle Financial Services Customer Insight for segmentation, Oracle Financial Services Regulatory Reporting Solution and provides extensive stress testing and modeling capabilities.





Engage with OFSAA to help you understand and plan for a future ready CECL compliance.

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**FINANCIAL SERVICES**

### RELATED PRODUCTS & SOLUTIONS

- Oracle Financial Services Loan Loss Forecasting & Provisioning
- Oracle Financial Services Hedge Management and IFRS Valuation
- Oracle Financial Services Asset Liability Management
- Oracle Financial Services Data Foundation
- Oracle Financial Services Regulatory Reporting Solution
- Oracle Financial Services Customer Insight

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