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Optimize Decision-Making with Comprehensive Insight

Oracle Reveleus Solutions for Enterprise Risk Management



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Complete. Open.
Integrated. Enterprise
Risk Insight from
Oracle Reveleus

Many financial services organizations operate with inaccurate or incomplete risk information, despite current industry estimates that total worldwide credit exposures exceed US\$300 trillion.

In today's financial services industry, quantifying and managing risk is critical to maximizing shareholder value and long-term competitive positioning. In addition, increasing and complex government mandates are calling for tighter risk management, regulatory compliance, and corporate governance. These multiple factors are creating new internal and external challenges that financial services organizations must solve.

Although it has become an industry standard for systems to manage and measure traditional risk areas—market, credit, and operational—few firms can accurately consolidate risks that span these silos. Inevitably it's these unaccounted risks, which can't be categorized in any one silo, that are most likely to cause the unexpected losses financial institutions dread. Add to this mix liquidity and business and reputational risk, and financial institutions are left with the overly complex challenge of arriving at an accurate economic capital number.

At the same time, laws and regulations such as the U.S. Bank Secrecy Act/ Anti-Money Laundering, Basel II, and Sarbanes-Oxley, and their international equivalents are setting extensive corporate governance standards and creating new reporting requirements. Financial institutions need an integrated approach that combines a diverse set of compliance and risk solutions to help them address not only present regulatory needs, but also emerging and future risk and regulatory requirements.

Fact: Oracle Reveleus provides more than 300 built-in calculations that allow banks to implement credit, market, and operational risk requirements—from the basic to the most advanced.



Empower Your Organization with Risk Insight and Compliance Capabilities

Oracle Reveleus empowers financial institutions with analytical tools, which have in-depth modeling and statistical capabilities within a broad, extensible risk and compliance architecture. Oracle Reveleus solutions provide financial institutions with a range of enhanced functionality, allowing them to

- Improve business planning and forecasting by aligning to regulatory and economic capital requirements
- Enhance decision-making capabilities through an improved economic capital calculation and allocation methodology to help release capital reserves and maintain the capital equivalent commensurate to organizational risk exposure
- Measure risk-based pricing or risk-adjusted performance metrics (RAPMs) such as risk-adjusted return on capital (RAROC), Economic Value Added, and Shareholder Value Added

Advanced Analytics

Oracle Reveleus analytical applications for financial services come prebuilt with sophisticated stochastic modeling, predictive analytics, stress testing, back testing, Monte Carlo simulations, and computation of RAPMs such as RAROC. Each module provides in-depth subject matter coverage, such as the Oracle Reveleus Corporate Credit Risk and Oracle Reveleus Retail Credit Risk modules, which include portfolio modeling, probability of default and loss given default estimation, and techniques to pool retail assets and compute credit ratings.



End-to-End Enterprise Risk Profile

Oracle Reveleus analytical applications for financial services span all areas of risk, including credit, market, operational, liquidity, fixed asset, and business and reputational risk. This allows banks to manage all their risk and provide necessary feeds for compliance-based reporting. Oracle Reveleus' capabilities in finance and risk play well into compliance mandates such as Basel II, which demand a close operational relationship between finance and risk functions.

Future-Proofing Risk and Compliance Needs

The Oracle Reveleus governance, risk, and compliance (GRC) framework is rules driven, which readily adapts to change. Unlike other hard-coded solutions, Oracle Reveleus provides both prebuilt rules and the capability to create and modify rules. This flexibility allows financial institutions to easily create custom rules for their own analytical requirements and to cost-effectively address ever-changing compliance regulations. Any rule can be viewed and audited for its underlying definition to enable supervisory oversight.

A Sophisticated, User-Friendly Interface

Every module in the Oracle Reveleus solution leverages sophisticated statistical models in a simplified format, providing ease of use for any decision-maker. This means that no complex IT, mathematical, or statistical skills are required. Each calculation remains entirely transparent, leaving an audit trail that reveals the analysis and assumptions behind every number.



"[Oracle] Reveleus has made a substantial investment in creating a solid risk management capability that qualifies for the Leaders Quadrant. It has put emphasis on leveraging its existing financial services domain expertise as well as building a deep understanding of risk, and the Basel II issues in particular."

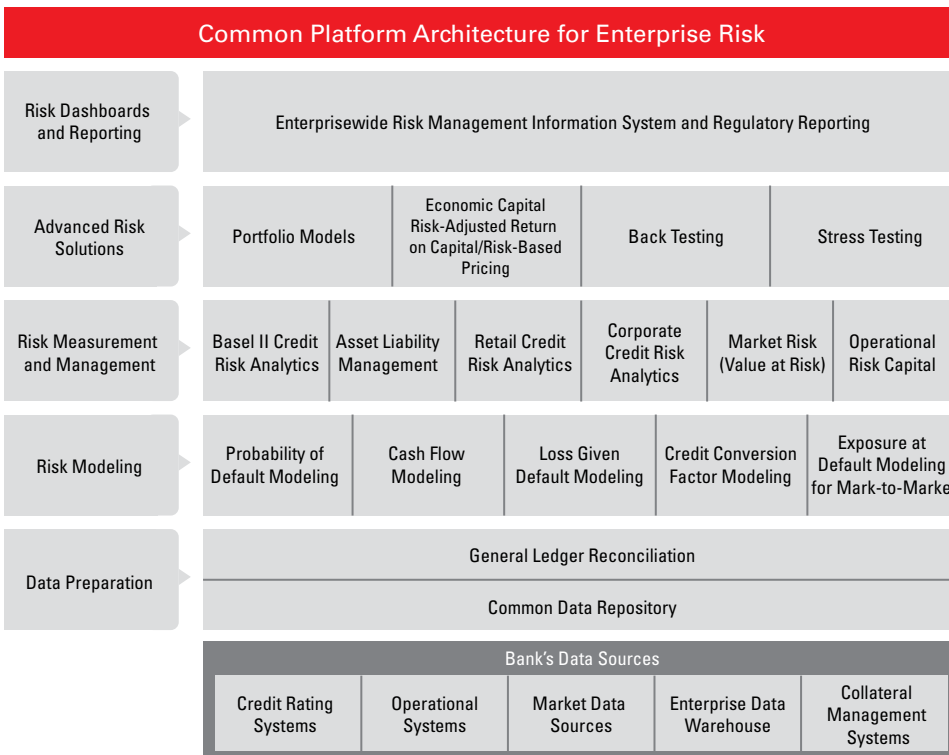
Source: David Furlonger and Douglas McKibben, "Magic Quadrant for Basel II Software Applications, 2005," Gartner Research, September 16, 2005.

Scalable, Flexible Architecture Leverages Existing IT Standards and Investments

Oracle Reveleus helps financial institutions to leverage their existing investments in risk systems. In addition, rather than introducing proprietary IT technologies, Oracle Reveleus supports existing standards within the organization, including databases, operating systems, and related supporting technologies. Engineered for scale, Oracle Reveleus offerings have been benchmarked to support tens of thousands of users.

Comprehensive Solutions for Risk and Compliance

Oracle Reveleus enterprise risk management (ERM) and GRC analytics applications allow financial institutions to mix and match solutions that focus on all areas of risk and compliance based on their needs. Each Oracle Reveleus solution allows them to easily perform completely auditable in-depth analytics, advanced risk modeling, complex calculations, and reporting.



Oracle Reveleus solutions cover the entire spectrum of enterprise risk and compliance

Analyst and Media Validation: Proven Success

The growing success of Oracle Reveleus has garnered numerous analyst and media endorsements, awards, and other recognition.

- Oracle Reveleus Basel II solutions were consistently positioned in the Leaders Quadrant for 2005 and 2006.
- Oracle Reveleus Operational Risk is ranked in the Leaders Quadrant of the Gartner Operational Risk for Financial Services Magic Quadrant for 2008.
- The Chartis Group has ranked Oracle Reveleus among the top 10 risk vendors worldwide.
- Oracle Reveleus is highly commended in The Banker Technology Awards 2006.
- Financial Insights regards Oracle Reveleus as a leading operational risk vendor.
- Tower Group regards Oracle Reveleus as the “Crown Jewel” of i-flex solutions (now Oracle Financial Services Software).
- Chartis Research ranks Oracle Reveleus as a top 10 operational risk vendor worldwide.
- Celent ranks Oracle Reveleus as a top 3 operational risk vendor worldwide.



Oracle Reveleus Basel II Solution

Oracle Reveleus Basel II solution offers comprehensive management tools that provide credit, market, and operational risk measurements in accordance with Basel II guidelines. With complete and transparent audit trail functionality and a complete reporting set that meets the most stringent disclosure requirements, organizations can better understand, monitor, and manage their risk exposure.

Oracle Reveleus Operational Risk

Oracle Reveleus Operational Risk provides sustainable compliance across various mandates such as Basel II and Sarbanes-Oxley. Regulators and auditors gain continuous, transparent understanding of an organization's compliance and internal control initiatives.

Oracle Reveleus Internal Capital Adequacy Assessment Process Analytics

Oracle Reveleus Internal Capital Adequacy Assessment Process analytics helps in risk assessments, risk quantification, aggregation and allocation, monitoring, stress testing, capital planning, and balance sheet forecasting. It incorporates all required submissions using standard templates and covers all types of risks.

Oracle Reveleus Corporate Credit Risk

Oracle Reveleus Corporate Credit Risk helps measure risk concentrations, risk mitigation, and risk rating migration analyses. Going beyond conventional credit risk reporting, it covers portfolio risk metrics as well.



Oracle Reveleus Retail Credit Risk

Oracle Reveleus Retail Credit Risk allows organizations to quickly identify and comprehensively evaluate potential credit risk portfolio problems from multiple product- and enterprise-specific perspectives. In addition, focused, product-driven analytics for the retail portfolio, credit scoring, and retail pooling solutions form part of the retail credit risk analytics.

Oracle Reveleus Market Risk

Oracle Reveleus Market Risk provides robust computational capabilities to effectively evaluate and manage market risk across the enterprise. Institutions can calculate key risk measures such as Value at Risk (VaR) and Conditional Value at Risk (CVaR) based upon user-defined parameters, including confidence level, time horizon, and decay factor.

Oracle Reveleus Asset Liability Management Solution

Oracle Reveleus Asset Liability Management Solution allows organizations to formulate, implement, and monitor their asset liability strategies and comply with asset liability policies and regulations. Covering interest rate risk and liquidity risk, banks can calculate net interest incomes and margins, durations, and advanced measures such as earnings at risk and cost of capital.

Oracle Reveleus Economic Capital Advanced

Oracle Reveleus Economic Capital Advanced is the most advanced computation of economic capital—extending the economic capital calculations to drive the computation of the risk-adjusted performance measures and enable risk-based pricing. Economic capital includes correlations in individual portfolios (credit and market) while providing for the diversification benefits across various risk types.

Customer Validation: Proven Success

Oracle Reveleus analytics encapsulate the best practices gathered from more than 120 successful analytics implementations. Today, major tier 1 clients, such as Citibank, Wachovia, Wells Fargo, SunTrust Banks, ABN AMRO, Lloyds TSB, BMO Financial Group, Dresdner Bank, Investec, Development Bank of Singapore, Bladex, and Woori Financial Group (Korea), rely on Oracle Reveleus ERM solutions.



Improve Decision-Making – Start Today

Don't let bad data excuse poor results. Oracle Reveleus provides the insight most companies lack. With the flexibility to integrate with your existing infrastructure and comprehensive risk and compliance functionality, Oracle Reveleus solutions for enterprise risk is the cost-effective solution for improving your company's performance. Leverage Oracle Reveleus to enhance business planning, operations, and profitability through informed decisions based on a thorough understanding of risk.

CONTACT US

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