

ORACLE FINANCIAL SERVICES RETAIL CREDIT RISK

ORACLE FINANCIAL SERVICES RETAIL CREDIT RISK ANALYTICS PROVIDES THE INSIGHT THAT RISK MANAGERS AND CREDIT OFFICERS NEED TO BUILD HIGH-RETURN, LOW-DEFAULT CREDIT PORTFOLIOS.

KEY FEATURES

- Quickly and comprehensively evaluates portfolio credit risk
- Identifies potential credit risk issues before they create a problem
- Evaluates credit risk from a product-specific perspective as well as an enterprise perspective across products
- Integrates credit risk understanding at the portfolio and line manager levels
- Uses a combination of standard credit risk models to better react to potential problems by having multiple perspectives on credit risk

KEY BENEFITS

- Use a thorough understanding of historical behavior to make effective credit decisions.
- Properly structure your credit portfolio based on a comprehensive understanding of asset concentration.
- Correlate customer characteristics with credit products to improve the effectiveness of collateral-backed loans.

Every day, bank managers make lending decisions based upon the attractiveness of each opportunity. In most cases, these evaluations rely on incomplete or disconnected information. Making timely, consistent, and accurate lending decisions requires a comprehensive understanding of account, product, and portfolio characteristics. Oracle Financial Services Retail Credit Risk provides credit officers and risk managers with ready access to the information they need to build and maintain a reliable, risk-appropriate credit portfolio.

Base Credit Decisions on Objective Portfolio Analysis

Building a sound credit portfolio requires a partnership between front-line credit managers handling specific products and enterprise-wide risk managers who set limits by taking a larger perspective on the overall risk exposures. These two users must make decisions by analyzing and interpreting the same data but using different perspectives and incorporating different analytical models. Oracle Financial Services Retail Credit Risk establishes a unified platform to allow these users to perform their reviews and make decisions based upon role-specific models of credit behavior, while leveraging consistent data from across the enterprise.

Leverage Multiple Analytical Models

Oracle Financial Services Retail Credit Risk supports multiple perspectives of credit risk within a bank portfolio. With this application, users can gain an understanding of current risk exposure, as well as risk profiles over time, to optimize their lending decisions and ensure the right customers are targeted with the right solutions.

Analyze and Report on Any Level of Credit Portfolio Detail

Oracle Financial Services Retail Credit Risk provides a complete range of analysis and reporting options that can be aggregated at all levels of the organization. The application offers broad support for risk managers and credit officers.

- Risk managers can better understand the concentration of portfolio assets across economic classifications and see the details of delinquent and impaired credit assets. Users can gain insight into the historical default behavior of accounts and the intertemporal dynamic behavior of accounts across credit scores.
- Credit officers can improve credit decisions using product-specific credit portfolio analysis, collateral analysis for secured and asset-backed lending, and application acceptance or rejection analysis.

Improve Risk Evaluation

Understanding credit position is often insufficient to avoid a financial crisis. Today, decision-makers need insight into all possible systemic causes for borrower behavior. Oracle Financial Services Retail Credit Risk allows users to identify root causes through customer demographic analytics that leverage long time periods of credit behavior. This minimizes credit risk by

RELATED PRODUCTS

Oracle Financial Services Retail Credit Risk delivers the insight lenders need to optimize their decision-making for any market condition.

Related products

The Oracle Financial Services risk analytics solutions allow the global financial services community to readily meet strategic and tactical initiatives.

- Oracle Financial Services Operational Risk
- Oracle Financial Services Corporate Credit Risk
- Oracle Financial Services Economic Capital Advanced
- Oracle Financial Services Asset Liability Management
- Oracle Financial Services Basel II

empowering users to identify key trends.

Flexibly Choose Credit Risk Models

Oracle Financial Services Retail Credit Risk gives users the freedom to choose different analytical models to support different approaches to credit risk management. Different perspectives of data are provided, but all are driven from a consistent definition layer that guarantees consistency across all analytical models.

Achieve Consistency in Credit Definitions Resulting in Extensibility

Oracle Financial Services Retail Credit Risk offers a unique level of openness and extensibility through its advanced data management architecture, which allows users to choose the most effective analytical models for their analysis. Changes and enhancements to the underlying data dimensions and performance measures are automatically and seamlessly integrated across existing reports and analyses.

Key Features and Capabilities

Oracle Financial Services Retail Credit Risk provides a comprehensive set of targeted metrics for the evaluation and management of the retail credit portfolio. It uses well-recognized analytical models to expose and manage credit risk.

Determine Current Credit Portfolio Concentration

The application supports the understanding of credit risk concentration along customer demographics and account and collateral attributes, such as facility, geographical location, customer demographic profile, size of exposure, and credit score of exposure. Monitored metrics include credit exposure, number of accounts, new account profiles, and time series monitoring of concentration profile changes.

Analyze Current Credit Portfolio Delinquency

Current delinquency analysis enables the tracking of trends in movements of delinquency across various segments and supports comprehensive credit risk operational reporting requirements. Metrics such as the number and exposures of delinquent accounts are monitored across numerous economic dimensions, including customer profile, geographical concentration, and quantum and age of delinquency.

Understand Historical Default Behavior

Oracle Financial Services Retail Credit Risk supports an understanding of historical default based on a combination of relevant dimensions and time, as well as time-independent estimation. The default analysis and default age on book analysis provide the ability to seek deep insights into historical default behavior.

Conduct Dynamic Credit Score Migration Analysis

To improve forward-looking estimates of risk position, the application delivers analytical models that estimate the migration probabilities of accounts from various risk scores over time. The migration probabilities are predicated on dimensions that capture demographic and product information to better understand behavior.

Perform Product-Specific Analytics

Front-line credit risk managers can analyze the credit history, collateral, collection, loan application status, and trend analysis for mortgage- and vehicle-backed loans, as well as overdraft and other line-of-credit arrangements.

Associate Collateral Characteristics with Customer Profile

Oracle Financial Services Retail Credit Risk enables the evaluation of associations between customer profiles and collateral types and attributes (for example, model and age for auto

loans, geographical location for mortgages) and collateral value and its trend over time.

Typical customer profile dimensions covered include industry, income, age, residence, marital status, profession, location, and gender—all which help assess the risks of credit-granting decisions.

About Oracle Financial Services Analytical Applications

Oracle Financial Services Retail Credit Risk is part of the Oracle Financial Services Analytical Applications family of solutions for the global financial services industry.

Oracle Financial Services Analytical Applications are built upon a commonly available analytical infrastructure consisting of a unified financial services data model, analytical computations and the industry-leading Oracle Business Intelligence platform.

Oracle Financial Services Analytical Applications include award-winning solutions for Enterprise Risk Management; Governance, Risk, and Compliance (GRC); Enterprise Performance Management (EPM); and Customer Insight for financial services.

Contact Us

For more information about Oracle Financial Services Retail Credit Risk, visit oracle.com or call +1.800.ORACLE1 to speak to an Oracle representative.



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