Huge credit losses and evolving regulatory control are forcing banks to revisit their credit portfolios and reevaluate what can be improved in credit business practices. Absence of a centralized system for limits and collateral management leads to over exposure to specific customer segments, absence of a holistic view of exposure and inefficient usage of collateral, leading to lower credit facility to customers.

Oracle FLEXCUBE Enterprise Limits and Collateral Management is a standalone limits and collateral management system which can seamlessly integrate with other systems to provide a single source for limits and collateral for effective management of exposure and better utilization of funds. It enables centralized collateral management, limits definition, and tracking and measurement of exposure. The process-centric architecture enables enterprise-wide process standards for defining limits. Built on SOA, Oracle FLEXCUBE Enterprise Limits and Collateral Management provides a strong integration capability to coexist with the existing application landscape.

Efficient Limit Utilization with Centralized Control and Monitoring of Credit Exposure

Oracle FLEXCUBE provides centralized online tracking of multi-currency limits for all transactions across branches. It allows maintenance of several credit lines per customer. Limits can be set and tracked at multiple levels for a single funded facility granted to a customer at a customer group level and customer level – especially useful in a scenario where a bank needs to track exposure to a corporate with several entities. Oracle FLEXCUBE can accept all the account(s) related information from any external core processing system before creating lines and corresponding sub-lines. These lines can be defined for a product or across a combination of products and each sub-line can act as a main line for an additional level of sub-lines, resulting in the definition of multiple levels of lines. Utilization management is used for keeping on-line check on usage of credit limits. This ensures that a customer’s liability to the bank at a given point in time remains within a predefined limit. The exposure tracking mechanism in utilization management helps track industry or sector-based exposure of liability for a specific period (day, month, and year).
KEY BENEFITS

- Efficient limit utilization with centralized control and monitoring of credit exposure
- Informed credit decisions with fast and accurate credit information
- Improved exposure management with collateral pooling and contribution controls
- Improved efficiency of the limits and collateral lifecycle through easy integration with other systems like core banking systems, loan systems, reporting and risk-analytics applications from an SOA-based architecture
- Streamline collateral management process with flexible collateral management structure and revaluation of collateral at desired frequency

RELATED PRODUCTS

Oracle FLEXCUBE is a comprehensive product suite that addresses all of your banking needs through a single platform. Designed and built specifically for the banking industry Oracle FLEXCUBE is unsurpassed in flexibility, scalability, and functionality. Large banks across the world have chosen Oracle FLEXCUBE to standardize their operations. The Oracle FLEXCUBE suite includes:

- Oracle FLEXCUBE Universal Banking
- Oracle FLEXCUBE Direct Banking
- Oracle FLEXCUBE Mobile Banking
- Oracle FLEXCUBE Private Banking
- Oracle FLEXCUBE Investor Servicing
- Oracle FLEXCUBE Open Development Tools

Enable Informed Credit Decisions with Fast and Accurate Credit Information

Oracle FLEXCUBE enables centralized control and monitoring of credit exposure by customer and segment, along with tracking and reporting exposure by geography, sector, industry etc. The application also lets users define the level of strictness on the defined limits. It provides the option of defining currency restrictions for credit lines.

Streamline Collateral Management Process

Oracle FLEXCUBE enables a flexible collateral management structure and revaluation of collateral at a desired frequency. A collateral pool made up of individual pieces of collateral can be defined for liability. Additionally, users also have the flexibility to define how much each piece of collateral contributes to the pool.

Oracle FLEXCUBE maintains and tracks details of collateral offered to support credit granted by a bank. The application provides support for haircut maintenance; the portion of an asset that cannot be used as collateral. Haircut is meant to protect the ledger against possible decrease in value of the collateral. The establishment of limits involves different types of currencies and collateral. Exchange rates and values of marketable securities are driven by market forces and tend to fluctuate over time. To take this into account, the module provides for revaluation to maintain realistic limits and to reflect prevailing market trends.

High Fidelity reports for Management and Regulators

Oracle FLEXCUBE with Oracle Business Intelligence Enterprise Edition (OBIEE) enables financial institutions to be responsive with advanced Business Intelligence (BI) functionality and drive intelligent customer interactions with a unified customer view across the enterprise. OBIEE improves the organization’s performance by providing pervasive insight to everyone, everywhere and helps in making sound business decisions using informative reports. It effectively monitors business information to identify risks.

Seamless Interoperability with Third-party and Legacy Systems

Built on SOA, Oracle FLEXCUBE offers strong integration capability to coexist with the existing application landscape. The comprehensive sets of web services allow easy integration with any legacy or third-party solutions. This enables banks to leverage their existing enterprise assets and ensure better return on investment. Oracle FLEXCUBE is highly flexible and offers high performance and scalability to enable banks to achieve their inorganic growth objectives.

Simplify Document Management

Oracle FLEXCUBE uses Oracle Imaging and Process Management for document management. Oracle FLEXCUBE along with Oracle Imaging and Process Management enables a bank to participate in paper driven processes. Documents pertaining to a business process in a digitized form can be uploaded from Oracle FLEXCUBE into Oracle Imaging and Process Management, thereby linking a transaction in Oracle
FLEXCUBE to a set of documents stored in the Oracle Imaging and Process Management. In the later stages of the same or different business process, the same set of documents can be fetched from the Oracle Imaging and Process Management, to be acted upon. Other systems would also be able to access the same documents that have been linked to, by the application.