Oracle Financial Services Asset Liability Management

With the credit crisis behind us, one could assume that the worst is over, but majority of financial institutions will tell you that's not the case. On a daily basis banks are concerned with the amount of liquid assets they're holding and the impact credit management will have on them. Oracle Financial Services Asset Liability Management helps institutions gain a better understanding of the risks they have assumed and their sensitivity to changes in economic conditions.

Promote a Transparent Risk Management Culture

Financial institutions have an array of forecasts and calculations to create on a daily basis; from the identification, measuring and modeling of interest rate risk, liquidity risk, and foreign currency risk this is just a sampling of the complicated framework one would require to tackle this. With Oracle Financial Services Asset Liability Management, banks have the ability to do all of this and much more with extensive speed and performance. This industry proven, scalable solution allows you to generate balance sheet forecasts and valuations, gain increased precision of profitability through forecasting of income statement, and decrease concentration of risk all in just hours instead of days.

Banks now have the ability to individually measure and model all financial instruments on and off balance sheet in the bank portfolio, using both deterministic and stochastic/historical simulation methods to evaluate profitability and risk. This allows the organization to actively incorporate risk into on-demand decision making and minimize risk through in-depth market simulations to promote a transparent risk management culture.

Gain Complete Insight into the Balance Sheet & Income Statement

A daily challenge for financial institutions is around the management of data in silos across a multitude of sources. Oracle Financial Services Asset Liability Management allows for organizations to consolidate all data sources and leverages a time tested cash flow engine and flexible forecasting methods to give management complete overview of the data and the decision making around it. This application delivers actionable product profitability insight with increased prevision due to a common reference point of data.

This common reference point helps provide consistent and verifiable results including Net Interest Margin, Net income, earnings stability, and overall risk exposure of the balance sheet under various market scenarios and business forecast methods.

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OVERVIEW

Oracle Financial Services Asset Liability Management allows financial institutions to gain an accurate view into their profitability, earnings stability, and overall risk exposure of the balance sheet. By modeling every instrument on and off the balance sheet, and adding to or replacing current position runoff with new business, users get an accurate forecast of a balanced balance sheet into their forecast horizon.

KEY FEATURES

- Deterministic and Stochastic modeling of the balance sheet
- Stress the balance sheet under Interest rate, currency, or economic indicator Shocks/Scenarios
- Accurately model all financial instruments on and off balance sheet
- Behavioral Modeling: Tune Customer behavior to prepayments and early redemptions
- Use behavior patterns for indeterminate maturity products

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Management can now effectively manage compliance for risk metrics and positions to easily bring together business rules to create analytical processes for profitability and risk management.

Implement a Pre-built, Unified Reporting Environment

Reporting results, either to internal or external stakeholders, can be a massive challenge for financial institutions in any department; add the complexity of various risk departments leveraging the same data and reporting on the same results and you have the extra burden of ensuring consistency in the data and reporting. Oracle Financial Services Asset Liability Management Analytics complements the ALM application and comes with a pre-built, unified reporting environment with detailed workflows for configuring processes, and reporting results across all functional areas. By leveraging the key features of Oracle Business Intelligence Enterprise Edition, management can access reports on-demand and in real-time without requiring the assistance from the IT department.

This robust reporting environment includes income statement, balance sheet forecasting, interest rate and liquidity risk specific dashboards, standard monthly management and certain regulatory reports and leverages timely, accurate, and detailed analytics across all financial instruments for clear, precise, and consistent results. In addition, management decision making is further empowered with the ability to drill down to the most granular levels throughout the hierarchy.

About Oracle Financial Services Analytical Applications

Oracle Financial Services Analytical Applications bring financial institutions best of breed capabilities to proactively manage Financial Risk, Treasury, Finance and the Front Office. The applications are built upon a commonly available analytical infrastructure consisting of a unified financial services data model, analytical computations, a Metadata driven "R" modeling platform, and the industry-leading Oracle Business Intelligence platform. This provides one version of the analytical "truth" throughout the enterprise.

Financial institutions, regulators, and shareholders who are focused on the need to measure and meet risk-adjusted performance objectives can turn to Oracle Financial Services Enterprise Performance Management. This solution allows institutions to price products appropriately to reflect their true risk, track profitability trends and cost structures, and better understand how their institution is impacted by threats to liquidity, capital adequacy, and exposure to market rate volatility.

RELATED PRODUCTS

- Oracle Financial Services Asset Liability Management Analytics
- Oracle Financial Services Liquidity Risk Management
- Oracle Financial Services Funds Transfer Pricing
- Oracle Financial Services Balance Sheet Planning
- Oracle Financial Services Profitability Management
- Oracle Financial Services Analytical Applications Infrastructure

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Hardware and Software, Engineered to Work Together