Finance Transformation & Risk Adjusted Performance Management with Oracle Financial Services

Increasing regulations and business requirements are placing greater demands on banks to provide timely and accurate information. Financial institutions must allow for proper integration of finance and risk measures as a cornerstone for appropriate business planning and capital allocation optimization process.

Unified data is hindered at many levels within financial institutions as multiple data sources along with the complex collection and refinement and reconciliation procedures, cause many banks to continue to preserve data with a manual, error-prone framework.

Faced with this significant challenge, financial institutions are looking to embrace a framework that allows them to comply with strict statutory financial and regulatory reporting deadlines by reducing the time taken during the closing process.

Oracle has developed Finance Transformation and Risk Adjusted Performance architecture, to address these requirements and streamline the process for financial institutions. The proposed architecture capitalizes the strength of Oracle Financial Services Analytical Applications and leverages industry best practices.

Implement an efficient and error-free financial reporting and closing process

Financial institutions have been manually managing their general ledgers thus leading to many errors and time-consuming activities. By utilizing the Finance Transformation and Risk Adjusted Performance architecture financial institutions can utilize an upload process with embedded data quality controls and quickly identify the sources for failed processes. The uploading process to the general ledger is now performed in a controlled and timely manner, allowing for full transparency and auditability.

The automated reconciliation process allows for seamless matching of general ledgers and chart-of-accounts based on agreed upon architecture and data flows. A partial load/reload is possible; therefore manual adjustments can be incorporated into the accounting workflows at any step.

The Finance Transformation and Risk Adjusted Performance architecture can interface with numerous data sources, which may have limited accounting capabilities, and allows for a quicker and more controlled data load, adjustment and reconciliation process.
Provide consistency in management and financial reporting

Financial reporting is based on many data sources often not consolidated, thus generating multiple GLs combined with unwieldy charts of accounts. This makes the reconciliation and control process prone to additional delays and errors in data processing.

These errors and delays cause a disconnect between financial and management reporting and accurate decision making is prohibited. With Oracle’s Finance Transformation and Risk Adjusted Performance architecture, financial institutions can provide consistency in management and financial reporting through a complete and highly interactive reporting and analysis process. Discrepancies are eliminated with a centrally managed comprehensive set of reports on finance, risk and risk adjusted performance.

Financial institutions can proactively evaluate corporate performance and enable decision making by incorporating management reporting and analysis into daily operations. By leveraging the single, enterprise-wide reporting environment, decisions can be made on a timely basis.

Leverage a single, unified analytical repository for risk, finance and accounting

The presence of a single data source for risk, finance and accounting enables banks to perform timely analysis and reporting based on current and future scenarios to deliver:

- Key risk-adjusted performance metrics
- Capital utilization
- Forecasting

This constitutes a significant enhancement of current reporting, allowing financial institutions to concurrently perform risk and financial calculations for financial, management, and regulatory reporting from a single, unified source.

From an operational prospective, the financial close process becomes more stable despite manual interventions, to better support aggregation and consolidated based reporting. Financial institutions can support regulatory requirements and provide checkpoints for each critical step of the financial reporting process.

Summary

The need for an integrated risk and finance measurement architecture is on the top of the list of most financial institutions; Oracle addresses these needs by combining a strong analytical framework with outstanding data processing capabilities, in order to make risk and finance reporting a quick, transparent, manageable and scalable process.

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