

# Meet Stringent Compliance Requirements More Easily

## Oracle Financial Services Analytic Applications on Oracle Engineered Systems

As a result of 2008/09 financial crisis, regulatory reform has placed more stringent compliance requirements on financial institutions, forcing organizations to not only plan on meeting today's requirements, but also plan for impending ones. Most of the financial institutions around the globe are going through a transformation of their existing risk and compliance platform to cope up with these new regulatory requirements.

### Market Trends and Customer Demand

One of the most pressing business drivers in financial services today is the need to manage risk at the enterprise level and to maintain regulatory compliance. Today's global marketplace changes every minute. Strife in other countries, natural disasters, financial scandals and other regional economic crises can all have a near instantaneous impact on an institution's business.

The inclusion of liquidity risk requirements in several recent regulatory mandates, including the Individual Liquidity Adequacy Standards of FSA, the Principles of Sound Liquidity Risk Management and Supervision of BIS and the Basel III guidelines, brings forth the significance of liquidity management in avoiding future economic crises.

Financial Services customers need flexibility in their compliance capabilities since many of the new regulatory requirements are still being implemented by them, and more could be on the way. The regulatory reporting cycle is often a very demanding and time consuming period for financial institutions and a long lead-times and system-performance bottlenecks with the traditional infrastructure platform leave very little room for errors. Customers need an ability to calculate liquidity gaps and regulatory capital in a fraction of the time that previously required.

### About Oracle Financial Services Analytical Applications

Oracle Financial Services Analytical Applications (OFSAA) bring financial institutions best-of-breed capabilities to proactively manage Risk, Treasury, and Finance. There are around 54 different OFSAA applications offered as part of the OFSAA suite that enable financial institutions to measure and meet risk-adjusted performance objectives, cultivate a risk management culture, lower the costs of compliance and regulation, and improve customer insight.

These 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, providing one version of analytical "truth" for the enterprise.

**ORACLE**  
ENGINEERED SYSTEMS



*"We chose Oracle Exadata because it offered a complete solution that could optimize system performance for Oracle E-Business Suite and Oracle Financial Services Analytical Applications Infrastructure, supporting our future growth. Thanks to Oracle, we've created daily financial reports 4x faster and liquidity risk reports 7x faster to consistently meet our service-level agreement, improved credit risk management, and reduced our data center footprint."*

**VAIBHAV SAMANT**  
SENIOR VICE PRESIDENT IT  
HDFC BANK LTD.

## Why OFSAA on Oracle Engineered Systems

Oracle is the unchallenged leader in Financial Services, with an integrated, best-in-class, end-to-end solution of intelligent software and powerful engineered systems/hardware designed to meet every financial service need.

Based on the industry leading benchmarks of OFSAA on Oracle Engineered Systems and recent successful implementations of OFSAA, Exadata has become a proven platform for achieving an extreme performance for OFSAA applications with the fastest real-time insight and maximum agility of any enterprise risk platform.

For example, a very large, US-based global financial services company reduced their Basel II reporting requirements to 2 hours from 10+ hours, for almost a 5x improvement, providing them more time to analyze the results and provide those reports to auditors and regulators.

With the extreme performance of Oracle Financial Services Analytical Applications, running on the Oracle Engineered systems, global financial institutions can dramatically reduce the lead times required to perform key analyses like stress testing, liquidity risk management, risk adjusted performance measurement and respond to increasing regulator demands, such as Basel III, Liquidity Coverage Ratio on daily basis, Anti Money Laundering, etc. quickly and with confidence within the course of a few hours rather than a few days.

You can download these free white papers with documented results demonstrating OFSAA runs best on Oracle Engineered Systems:

- [Oracle Financial Services Basel Regulatory Capital completes 65 million regulatory capital calculations in just 1 hours and 29 minutes.](#)
- [Oracle Financial Services Liquidity Risk Management calculated contractual liquidity gaps for 2 billion cash flows across 40 million accounts in just 1 hour 46 minutes. Stressed liquidity gaps and LCR calculated in a mere 34.25 minutes.](#)
- [Oracle Financial Services Profitability Management performed 172 allocations on 250 million accounts and 1 billion transactions in 4 hours and 45 minutes](#)
- [Oracle Financial Services Anti-Money Laundering completed data loading for 540 million records of data in a mere 30 minutes. Data processing was then completed for 1.3 billion records in just over 3 hours.](#)

## Transform Compliance and Risk Management

Oracle Financial Services Analytical Applications on Oracle Engineered Systems can help financial institutions not only for today's stringent regulatory requirements but also help to prepare for the future. CIOs can now enable their businesses to perform complex 'what-if' scenarios and enterprise-level analytics previously thought to be impractical or impossible – a true 'win-win' scenario for business and IT.

By combining the simplified architecture of OFSAA products like Oracle Financial Services Data Foundation (FSDF), Liquidity Risk Management, BASEL, Profitability, AML, etc. and the raw power of Oracle Engineered Systems, financial institutions can simultaneously provide the fastest possible query response for time sensitive ad-hoc analytics and reporting and cut operating costs by combining siloed functional warehouses across business lines.



### IMPROVE REGULATORY COMPLIANCE WITH OFSAA ON ENGINEERED SYSTEMS

- Address regulator requests in minutes rather than hours or days
- Understand impact of global economic events as they happen
- Tune contingency funding strategies as events unfold
- Run multiple stress scenarios to fully understand complex events
- Collapse regulatory reporting run times to hours instead of days
- Turnaround regulatory resubmissions or adjustments in minutes instead of days
- Easily and practically perform advanced analytical practices like stress testing and what-if analyses
- Capture a daily view of profitability and risk adjusted performance
- More proactively manage the business
- Quickly assess the profitability of new products and programs
- Run the institution based on today instead of last month

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