

Frequently Asked Questions

Oracle Financial Services Balance Sheet Planning

Introduction

This document provides answers to pertinent questions for Oracle Financial Services Balance Sheet Planning.

Questions and Answers

Q: *Key Features of Oracle Financial Services Balance Sheet Planning?*

A: The key features are:

i. Cash Flow Based Balance Sheet and Net Interest Margin Planning

Oracle Financial Services Balance Sheet Planning employs a detailed customer account level data model to generate runoff forecasts for the current book of business. After entering new business volumes and spreads, Planning Analysts invoke Balance Sheet Planning's cash flow engine to generate runoff profiles for the new business. After processing, Analysts can immediately see the combined totals of their current position runoff profiles together with their new business runoff profiles. Taken together, these runoff profiles generate a complete balance & net interest margin projection for each planning product and each planning center.

ii. Modeling Functionality

Modeling functionality allows Planning Administrators to configure Balance Sheet Planning, manage data flows, maintain hierarchies and dimension members, build and maintain product characteristics, historical interest rates and currency exchange rates, forecasted interest rates and currency exchange rates, and other modeling data.

iii. Process Management Functionality

As a Hyperion Planning application, OFS Balance Sheet Planning provides process management functionality, including common task lists, workflow notifications, automated synchronization with other planning activities such as capital expenditure planning or workforce planning, status tracking by Planning Unit, and Version & Strategy management.

iv. Cash Flow Engine and OFSAA Integration

Whether deployed as a standalone Hyperion Planning application or integrated with other OFSAA applications, OFS Balance Sheet Planning uses the same cash flow engine as all OFSAA cash flow products. All OFSAA product updates are released concurrently and utilize the same executable binary files and metadata architecture.

v. Funds Transfer Pricing

If a bank chooses to incorporate OFS Funds Transfer Pricing into its Balance Sheet Planning implementation, it can choose from a wide variety of FTP methods and can generate forward transfer rates that are consistent with historical FTP rates. Balance Sheet Planning can also project forward transfer rates starting with historical transfer rates from 3rd party FTP applications.

Value Proposition:

Q: *What is the product value proposition?*

A: Oracle Financial Services Balance Sheet Planning delivers accurate margin forecasts and comprehensive, meaningful budgets through a unified, integrated set of solutions for Funds Transfer Pricing, Asset Liability Management, and cash flow based budgeting and forecasting.

Q: *Key Benefits of Oracle Financial Services Balance Sheet Planning?*

A: Key benefits provided by the application are:

- Accurately plan business unit level margin and profit with common cash flow engines shared with Oracle Financial Services Asset Liability Management and Funds Transfer Pricing applications
- Generate accurate current position forecasts from a detailed, customer level data model
- Develop regulatory capital requirements and capital plans based on budgeted balance sheet data
- Deliver actionable insight across multiple dimensions

Competitive Position:

Q: *What are the business pains that this application addresses?*

A: Oracle Financial Services Balance Sheet Planning addresses the following business pains:

i. Focus on Profits

Historically, a bank's focus has been on volumes, not profits.

ii. Net New Business

OFS Balance Sheet Planning shifts the focus from balance sheet aggregates to net new business and net new spreads.

iii. High Process Management

A very high number of users requires high process management and usability.

iv. Lack of Integration

There has been a lack of integration with credit systems, FTP process and Treasury forecast.

Q: *How does the product work with the rest of the OFSAA suite/platform?*

A: Oracle Financial Services Balance Sheet Planning can be deployed as a stand-alone Hyperion Planning application or it can be fully integrated with OFSAA Financial Service Data Foundation & OFSAA Infrastructure or with other OFSAA applications including Funds Transfer Pricing, Profitability Management, and Asset Liability Management. All OFSAA applications

are developed together and released together and all share the same underlying cash flow engine. In the integrated deployment mode, OFS Balance Sheet Planning shares the same data model with other applications and as well as modeling data, including dimension members, hierarchies, interest rate curves and interest rate history, active currencies and exchange rate history, Funds Transfer Pricing rules, Prepayment rules and Prepayment models, and Funds Transfer Pricing Adjustment rules.

Q: *Can Oracle Financial Services Balance Sheet Planning be integrated with third party applications?*

A: As installation-time options, Balance Sheet Planning can be deployed in conjunction with Hyperion Capital Expenditure Planning and/or with Hyperion Workforce Planning. As a Hyperion Planning application, customers can tailor their BSP environments with customized forms, processes, and business rules, and can integrate with other Hyperion applications. BSP can also be integrated with 3rd party funds transfer pricing solutions.

Q: *What are the product differentiators?*

A: The product differentiators are:

- Financial Services-specific needs built on top of a powerful platform to deliver end-to-end planning solution
- Accurately forecast new business volumes and net interest margins
- Business process management to streamline the process
- Market rate and economic scenarios accurately model sensitivity to economic conditions
- Customer cash flow engine helps accurately measure all financial instruments both on and off the balance sheet
- Powerful analytics and reporting through a single interface



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Hardware and Software, Engineered to Work Together

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