RiskTech 100 2021

Winners' Review

Oracle

Chartis
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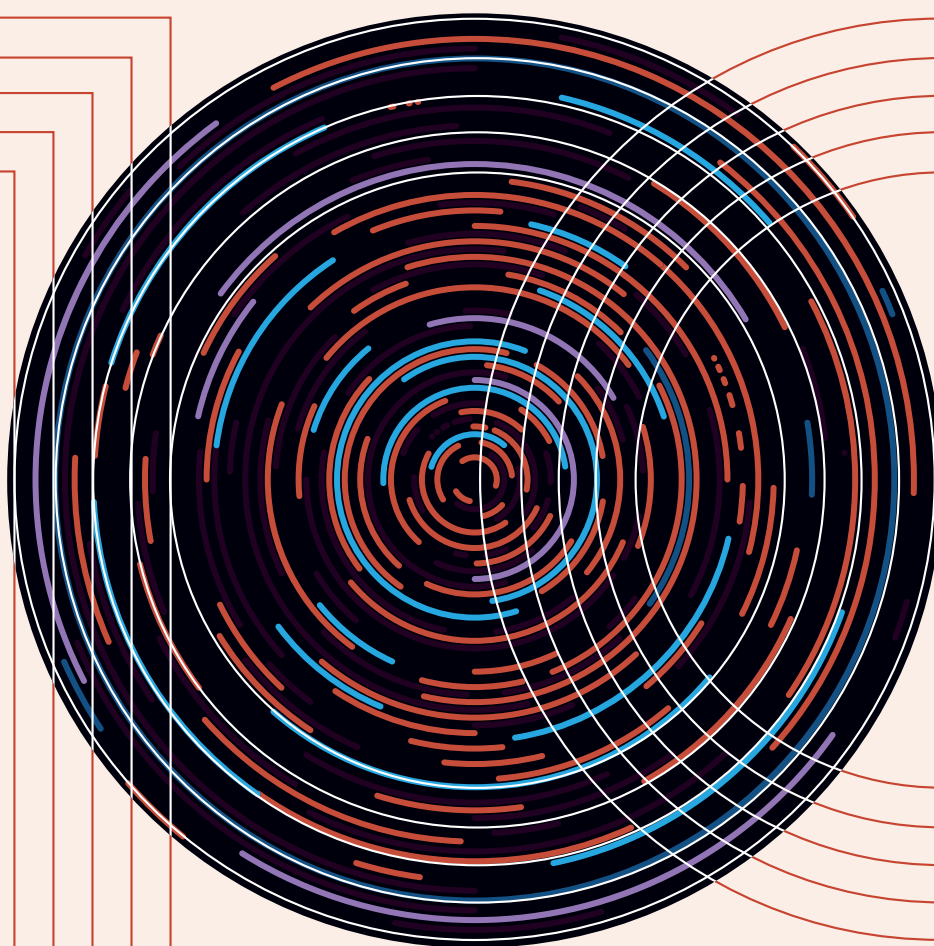
Core Technology

Data Integrity & Control

Financial Crime: Anti-Money Laundering

IFRS 17: Data Management & Reporting

Risk Data Aggregation & Reporting

Oracle

In recognition of the company's vast array of risk management technologies and solutions, and its continuing ability to remain current in a perennially changing market, Oracle wins Chartis' Core Technology award for the fourth year in a row. It also retains the Data Integrity & Control award, reflecting its strengths in data governance and data management.

The Fortune 500 firm has also added further feathers to its awards cap this year, winning the Financial Crime: AML; IFRS 17: Data Management & Reporting; and Risk Data Aggregation & Reporting categories. Its IFRS 17 award, for example, reflects the firm's strong end-to-end data management and reporting capabilities, which can help insurers tackle the challenges of the new accounting standard.

Oracle

- **Core Technology**
- **Data Integrity & Control**
- **Financial Crime: AML**
- **IFRS 17: Data Management & Reporting**
- **Risk Data Aggregation & Reporting**

Winner of a remarkable five categories is Fortune 500 company Oracle. The Austin, Texas-headquartered organization retains its awards once again for Core Technology and Data Integrity & Control, and also triumphs in three other categories: Financial Crime: Anti-Money Laundering (AML), Risk Data Aggregation & Reporting, and IFRS 17: Data Management & Reporting.

John Edison, Global Head of Financial Crime and Compliance Management at Oracle Financial Services, attributes Oracle's success to its ability to bring both innovation and experience to the table. 'We combine innovation, like a start-up, the deep knowledge and experience of an established provider, and the stability and scalability of Oracle in a way that matters to our customers,' he states.

Financial Crime: Anti-Money Laundering
Oracle's AML offering neatly exemplifies this combination of experience and innovation. The heritage of the product line dates back to 1996, and the experience of working with the world's largest banks over the past 25 years has been fundamental in shaping the company's Financial Crime and Compliance Management (FCCM) portfolio. Today,

FCCM is, in the words of Edison, 'a modern, comprehensive and extensible suite of applications designed to address end-to-end business requirements across the financial crime and compliance management value chain.'

One of the particular strengths of Oracle's FCCM is its comprehensive financial crime data model which, Edison explains, 'makes it easy to unite previously siloed internal data for a complete customer view, a streamlined financial crime compliance program, and lower costs.' It is also noted for its robust data and platform architecture, with the data platform enabling organizations to adopt advanced analytics innovations at scale by overcoming challenges in areas such as data acquisition, transformation and quality.

John Edison, Oracle

From an innovation perspective, Oracle has sought to incorporate advanced technologies, some of which come directly from Oracle Labs, into its core products. In the case of FCCM, clients can continue to use existing, proven rules-based models, but they can also make their AML programs more effective by adopting capabilities such as entity resolution,

ML, and graph-based detection and network pattern investigations. Edison adds: 'this is a significant differentiator compared to traditional competition and start-ups, which have predominantly focused on applying these technologies to peripheral use cases and business drivers, but have left the burden of enterprise-wide adoption, regulator acceptance, as well as the underlying data and technology integration, to customers.'

Looking to the future, increasing the pace of innovation within the AML product offering is a key focus. Edison details: 'we plan to double down on our partnership with Oracle Labs to increase the velocity of intake of innovation and advanced analytics features to strengthen our core capabilities. The focus will be on embedding AI and ML capabilities natively into all applications, and delivering pre-built analytics and AI/ML automation.'

There are also plans for further investment in FCCM Cloud Service, a new software as a service (SaaS) offering for midsized retail banks.

IFRS 17: Data Management & Reporting
Following on from AML, another of Oracle's new wins in the RiskTech100® is for the inaugural IFRS 17: Data Management & Reporting award. Necessitating a significant overhaul to the accounting systems and financial reporting practices of insurers, the adoption of IFRS 17 is among the insurance industry's chief concerns. Geetika Chopra, Product Strategy IFRS Solutions, explains: 'IFRS 17 does not follow the conventional financial reporting norms. It brings a whole host of new computational requirements for the roll-forward disclosures and financial reports, and also introduces certain levels

Geetika Chopra, Oracle

of granularity at which computation and reporting is to be done.'

To help insurers address these challenges, Oracle's team of engineers, actuarial experts and accountants has worked over the past two years to create a solution that provides reliable and customizable results. The result is the Oracle IFRS 17 Analyzer, an end-to-end solution for IFRS 17 that is built on an architecture that supports both structure and flexibility. Chopra details: 'the solution is currently in use in different geographies globally and provides a systematic solution to cater to regional nuances and language needs. The application provides implementation-friendly solution capabilities for smooth migration to the new standard, while configurability of the calculations, as well as sub-ledger rule templates, allow quick adoption to diverse products and accounting environments, both of which feed into reporting requirements.'

A key differentiator of Oracle IFRS 17 Analyzer is that it provides direct integration to and from the Oracle Insurance Data Foundation, which provides a broader data management capability with an inbuilt data quality framework, as well as being a major boost to the implementation process.

Oracle is constantly working to make its offering more optimized and dynamic. Its latest release, for example, incorporates enhanced import and export functionality for the sub-ledger, providing actuarial and finance teams with better control over the data and future analysis. Chopra concludes: 'one major factor that drives this change is our customers' feedback and challenges. We aim to translate our customers' needs into reality with every upcoming version release.'

Oracle wins five categories in RiskTech100® 2021, continues to rank among the Top 3 global risk tech providers

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Oracle Financial Services' data-driven FinTech solutions connect teams across the enterprise for faster, deeper insights that enable better business-critical decisions. The Chartis RiskTech100® award wins substantiate our leadership position in helping financial institutions build digital ecosystems that enrich their organizations to better serve their customers.

Data and the ongoing waves of requirements

Data has become more powerful to the organization and its stakeholders from financial reporting, to maintaining operational efficiencies, to driving strategic initiatives. However, the majority of financial institutions have yet to harness its full potential. The current economic cycle has sparked the need for better and faster data, especially in risk tech. Oracle's long history in aggregating and integrating risk and finance data, while ensuring its quality and use across the enterprise has helped banks and insurers address critical business challenges.

Oracle Financial Services Data Foundation provides a single source of truth across performance, governance, risk, and compliance to produce insightful analytics. Customers are confidently meeting emerging business and regulatory requirements using existing investments in their data management. The data commonality across financial applications expedites the use and reinforces analytics accuracy.

Meeting IFRS 17/LDTI and beyond

The latest accounting standards, IFRS 17 and US GAAP Long-Duration Contract Targeted Improvements (LDTI,) have been significant milestones in insurance accounting and insurance

risk tech infrastructure. Data management systems will need to provide these essential elements: data repositories, integration and reconciliation, validation, data models, and mapping & tagging. The new calculations require data from actuarial systems, trading systems, claims administration, and accounting systems.

The Oracle Financial Services IFRS 17/LDTI Analyzer solution has been recognized over the past two years worldwide for its best-in-class capabilities in data and reporting. With the overhaul of data, select methodology choices, and abundance of technology and process changes to consider, Oracle's approach to IFRS 17/LDTI helps insurers accelerate their implementation with access to prebuilt models, calculations, and disclosure reports.

Fighting financial crime effectively and efficiently for over 25 years

Since 1996, Oracle Financial Crime and Compliance Management has helped financial institutions protect their organizations' integrity and achieve compliance with the most effective and efficient anti-financial crime solutions suite. Our end-to-end application suite provides customer due diligence, transaction monitoring, investigations, and reporting – all backed by unrivalled data management, advanced analytics, and a robust platform that combines enterprise-grade, resilient architecture with cutting-edge innovations.

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Across all of Oracle's five award wins in the 2021 RiskTech100®, one theme consistently stands out: data management. Indeed, data management lies at the heart of the company's category wins for Data Integrity & Control, IFRS 17: Data Management & Reporting, and Risk Data Aggregation & Reporting.

'Oracle has a well-established legacy and set of credentials in the area of data management – well over 40 years,' states Jason Wynne, GVP Head of Risk and Finance Product Strategy. 'The expertise and experience garnered in this process continue to be leveraged across all Oracle applications, including those designed specifically for financial services analytics and reporting.'

Proven financial services experience

Drawing on the experience of having worked with hundreds of major financial institutions worldwide, Oracle certainly brings a considerable amount of domain expertise in financial services. Building on this, Oracle Financial Services has also developed an active user community through which it gathers feedback on key requirements and future needs. 'Our user groups hold regular meetings, with discussions focused on strategies, road maps and best-practice updates. There is also an active customer-advisory program, with periodic direct interactions between solution owners and customers,' details Wynne.

Oracle's financial services solutions have been designed to address a finite set of business use cases in the areas of banking and insurance. Wynne elaborates: 'these use cases are driven by common industry practices, industry standards, statutory requirements and regulatory mandates. Core to our design principles is the necessity for optimal, non-redundant acquisition, processing and hosting of data content. Oracle is often

Jason Wynne, Oracle

credited with the most advanced methods, mechanisms and technology for data management, and all of these capabilities are being used to craft solutions to specifically support the financial services industry.'

Bringing an outcome-oriented approach to data management

Central tenets of Oracle's approach to data management are outcome orientation and lineage of data and processes. 'Our approach has functional outcomes and business goals as the main driver, such that its form always follows function rather than independent, potentially divergent ends. This allows for optimal user experience and maintenance,' explains Wynne. From a data and process-lineage perspective, core design principles include transparency of processing, openness of algorithms employed, data provenance, and the ability to trace computed results back to raw data. This also ensures compliance with regulatory mandates, such as BCBS Risk Data Aggregation and Reporting (BCBS 239).

Alongside these data management design principles, Oracle also places a strong emphasis on ease of use and user experience. 'We have an ergonomically designed graphical user interface for operational and analytical

interactions with end users,' says Wynne. 'It neither demands coding skills nor employs proprietary language constructs. We ensure transparency and openness of all processes carried out. It is also benchmarked and tested for usage stresses, including data and user volumes and time windows for process completion, far exceeding real-world figures, and establishing its performance and scalability credentials.'

Data usage for targeted solution areas

To support solution areas that are natively integrated into its Data Foundation, Oracle has also developed a significant number of pre-built products and services. These include Financial Performance Management, Balance Sheet Management and Risk Management. 'These comprehensive pre-built integrations to the accounting and general-ledger processes enable organizations to simplify financial consolidation and close the books for statutory reporting in a timely and efficient manner, without sacrificing the detail needed for audit and downstream management and regulatory outcomes,' explains Wynne.

When it comes to regulatory compliance, Oracle is also well-placed to provide tactical enhancements to address significant changes that can sometimes be requested at short notice. A recent case in point is the set of changes the company made to accommodate the provisions of the Coronavirus Aid, Relief, and Economic Security (CARES) Act (which applies to financial services institutions operating in the US). These were successfully delivered for use by customers in time for testing and submission to the regulator.

Continuous investment and future developments

Looking to the future, Oracle Financial Services' plans for 2021 include extending the use of machine learning, artificial intelligence and natural language processing in areas such as data acquisition and provision, tasks management and predictive analyses. In line with increasing market demand, it is

also working on providing a more extensive set of cloud SaaS services for the financial services industry, covering business functions, outcomes and use cases. Wynne explains: 'customers have the flexibility to consume functions and applications with deployment options ranging from on-premise, cloud infrastructure and managed application cloud service to SaaS. Of late, a key emerging demand has been for an Oracle-managed transition between these options on a timeline of institutions' choice.'

Yet with Oracle typically reinvesting 12-15% of its annual revenues in new technology, continuous and ongoing development is assured. 'This ongoing investment has resulted in several marquee products and acquisitions that are very relevant to analytical use cases,' concludes Wynne. 'Autonomous Data Warehouse, Enterprise Metadata Management, Data Catalog, and Data Integration platforms are just some of the examples at the core of Oracle's solutions architected for enterprise scale.'