

Oracle Financial Services Asset Liability Management Analytics

The highly volatile and liquid nature of today's financial markets is forcing companies across the Financial Services industry to place renewed emphasis on the most efficient use of capital, balanced with acceptable risk. Oracle Financial Services Asset Liability Management Analytics (OFSALMBI) is designed to provide timely and actionable insight for managing interest rate and liquidity risk and provides transparency into critical issues.

INTEGRATED AND ACTIONABLE INSIGHT

Oracle Financial Services Asset Liability Management Analytics provides a rich and robust solution that empowers the bank with adaptive actionable insight. OFSALMBI integrates data from disparate systems across the organization to provide a comprehensive view of interest rate risk across multiple dimensions. The application delivers relevant information to meet the needs of all the roles responsible for risk management in the organization, enabling banks to manage interest rate and liquidity risk effectively in rapidly changing market conditions.

Key Features and Benefits

- Analyze and forecast interest rate risk through deterministic and stochastic simulation results
- Monitor Liquidity Gaps, Funding Concentrations, Marketable Assets and Liquidity Ratios on a daily basis
- Empower all business users to access granular and actionable ALM insight directly within operational processes
- Align all roles in the Bank around a single source of enterprise insight
- Accelerate deployment with reduced cost and risk
- Quickly adapt to changing business needs by leveraging existing technology investments



Figure 1: View your interest rate risk in base currency or consolidated to a single reporting currency



The true power of the OFSALMBI application comes from a rich set of seeded Business Intelligence metrics that empower users to modify existing reports and easily create custom reports and dashboards that meet their unique business needs. The OFSALMBI dashboards and ad-hoc reporting environments provide the user with full drill down capability to the lowest level of data in order to reveal the impact of individual products on the overall risk profile.

MANAGING INTEREST RATE AND LIQUIDITY RISK

The balance sheet of a typical financial institution is the result of millions of individual transactions with unique attributes and complex relationships. Analysis of these transactions and their relationship to enterprise-wide risk is an extremely complicated task. Greater insight into an integrated view of balance sheet risks and returns represents a key strategic differentiator for financial services institutions as they implement strategies to manage risk while maximizing shareholder value.

Oracle Financial Services Asset Liability Management Analytics helps financial services institutions achieve these objectives by:

- Monitoring historical interest rates, rate spreads and interest rate forecasts
- Measuring and analyzing key indicators of interest rate risk including: re-pricing and liquidity gaps, market value and duration of equity, income simulations, value at risk and stochastic earnings, all relative to policy limits
- Evaluating and monitoring detailed assumptions used in generating your asset liability management results as well as audit details

OFSALMBI is a robust business intelligence solution designed for fast deployment and easy configuration at lower cost and risk with better business results. OFSALMBI includes a pre-built data model and metrics, and employs best practices based on Oracle's extensive experience with hundreds of ALM and business intelligence implementations. Some of the many pre-built risk measures deployed specifically in context for ALM reporting include:

- Metrics for historical trends available in monthly, quarterly or annual intervals
- Ability to select benchmarks for processes, scenarios or rates
- Benchmarks for changes in value and percentage changes
- Functions for ranking results

Standard reports that are used to evaluate interest rate risk such as Market Value of Equity, Duration of Equity, Repricing GAPS, Income Simulation results, Value at Risk and Earnings at Risk are all included as part of the OFSALMBI application.

Liquidity risk management reports are also included, providing management insight into stressed results including Liquidity Gaps, Funding Concentrations, Deposit Distribution Profiles, Marketable Assets and Liquidity Ratios.



Figure 2: Monitor key indicators of liquidity risk

NEXT GENERATION BUSINESS INTELLIGENCE PLATFORM

Oracle Financial Services Asset Liability Management Analytics leverages the Oracle Business Intelligence Suite, Enterprise Edition Plus (OBIEE) platform—a next-generation analytics platform that fully leverages existing data warehouse and BI investments. It is built using standards-based technology, enabling easy integration with existing IT environments. Moreover, Oracle Financial Services Asset Liability Management Analytics provides support for large numbers of concurrent users, multi-terabyte data sets, and the largest enterprise implementations.

Oracle Financial Services Asset Liability Management Analytics is able to extract and load data from both Oracle and non-Oracle or legacy applications. In addition, ALM information can be pulled from multiple source systems and be integrated across multiple applications to give a single view across the organization.

LOWER COST OF OWNERSHIP

The OBIEE platform enables users to easily customize and extend their analytic applications without the need for expensive development. Oracle Financial Services Asset Liability Management Analytics is structured in a “template-like” design to allow for easier customization and extensions. The intuitive, web-based user interface enables rapid end user adoption and brings the power of thousands of KPIs to the fingertips of any business user with very little training.

OFSALMBI allows users to define their own reports, dashboards, alerts, and metrics, in a matter of minutes and share this information with the entire community of users. The application can be maintained and enhanced by the same business users who define the requirements. Creation and modification of reports has been made extremely intuitive and simple with the ad-hoc interface. As business users maintain their reports directly, the project will not result in another drain on vital IT resources. The application leverages the same semantic model as a single source of the truth for all reporting formats and media. OFSALMBI can also be easily pre-configured to limit permissions to users thereby allowing each user to only see or receive relevant results based on their role in the organization.

SUMMARY

Oracle Financial Services Asset Liability Management Analytics provides institutions with new levels of insight by empowering all users in the organization with access to a wide range of intelligence and analysis tailored to individual roles and personalized to specific needs. Dynamic interactive dashboards, ad-hoc intuitive reporting, alerting, open access, scenario based what if analysis, and waterfall list creations are all within one fully integrated framework. Information as diverse as individual account level characteristics, indicators of interest rate risk, and compliance information can now be found in one comprehensive, reconciled environment.

With OFSALMBI, financial services professionals have access to turnkey actionable information that enables financial institutions to measure and meet risk-adjusted performance objectives, cultivate a risk management culture through transparency, and lower the costs of compliance and regulation.

About Oracle Financial Services BI Applications

Oracle Financial Services BI Applications are pre-built solutions that are seamlessly integrated with Oracle's and 3rd party transactions solutions to increase effectiveness and lower cost of ownership.

Oracle BI Enterprise Edition (OBIEE) powers the Oracle Financial Services BI Applications. OBIEE is a high-performance and highly scalable, next generation business intelligence platform that can be used to meet any enterprise business intelligence requirement.

Related Products

- Oracle Financial Services Funds Transfer Pricing
- Oracle Financial Services Asset Liability Management

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