

Oracle FLEXCUBE Enterprise Limits and Collateral Management

Many financial institutions continue to use multiple product processors to manage lines of businesses which hinder them from gaining a consolidated view of their exposure across the entire spectrum of offerings.

In this age of increased regulatory scrutiny and tremendous focus on risk management and loss mitigation, it is becoming imperative for banks to have a real time 360 degree view of the clients' limits and collaterals. As corporates expand across borders the limit structures can get further complex and it becomes all the more difficult to track exposures centrally. To be able to manage such limit structures a centralized limits and collateral engine is essential.

REAL TIME EXPOSURE MANAGEMENT

Oracle FLEXCUBE Enterprise Limits and Collateral Management is an enterprise application that enables banks to gain a holistic view of their exposure by centralizing limits definition process and collateral management. It is a real-time solution for exposure tracking, credit facility creation and renewal, collateral pooling and collateral valuation. Built on Service Oriented Architecture (SOA) it is designed to deliver comprehensive capability that helps banks deploy the application centrally.

The Oracle solution is process-driven and leverages the Oracle Industry Reference Model for Banking to help standardize business processes and replicate best practices across the enterprise.

EFFICIENT LIMIT UTILIZATION WITH CENTRALIZED CONTROL AND MONITORING OF CREDIT EXPOSURE

Oracle FLEXCUBE Enterprise Limits and Collateral Management enables efficient limits monitoring across the institution with centralized online tracking and monitoring of multi-currency limits for all transactions across all branches or entities - in countries as well as regions. The Oracle solution helps banks make informed credit decisions with fast and accurate credit information - by customer and segment - while also helping to improve exposure management with collateral pooling and contribution controls.

Oracle FLEXCUBE Limits and Collateral Management can accept all the account(s) related information from any external core processing system before creating lines and corresponding sub-lines. These lines can be defined for a product or across a combination of products and each sub-line can act as a main line for an additional level of sub-lines, resulting in the definition of multiple levels of lines. Banks can simulate the impact on its various exposures resulting from sanctioning any new limits or increasing/ decreasing any of the existing limits. Using this 'what if analysis', the banks can take informed decisions.

KEY FEATURES

- Integrated Credit Desktop, centralized online limits tracking and monitoring dashboard
- Multi-currency limits definition
- Define currency restrictions on limits
- Flexible limits structure
- User-defined exposure tracking
- Exposure and Headroom analysis
- Flexible collateral management
- Extensive support on types of collaterals banks accept
- Track utilization management
- User-defined real-time reporting

Utilization management can be used for keeping a check on usage of credit limits. This ensures that a customer's liability to the bank at a given point in time remains within a predefined limit. The exposure tracking mechanism in utilization management helps track industry or sector-based exposure of liability for a specific period (day, month, and year).

ENABLES INFORMED CREDIT DECISIONS WITH FAST AND ACCURATE CREDIT INFORMATION

Banks can use Oracle FLEXCUBE Limits and Collateral Management to streamline collateral management processes with a flexible structure that provides for real-time revaluation. This enables them to maintain realistic limits that reflect prevailing market trends. The application also lets users define the level of strictness on the defined limits. It provides the option of defining currency restrictions for credit lines.

The Integrated Credit Desktop works as one stop solution for all the credit related information needed by Credit Relationship Managers and Credit Officers at a bank. It provides access to all credit related information consolidated in a single screen thereby enabling users to take informed decision by comparing relevant data.

STREAMLINES COLLATERAL MANAGEMENT PROCESS

Oracle FLEXCUBE Limits and Collateral Management solution enables a flexible collateral management structure and revaluation of collateral at a desired frequency. A collateral pool made up of individual pieces of collateral can be defined for liability. Additionally, users also have the flexibility to define how much each piece of collateral contributes to the pool. The solution maintains and tracks details of collateral offered to support credit granted by a bank. The application provides support for 'haircut' maintenance; the portion of an asset that cannot be used as collateral. 'Haircut' is meant to protect the ledger against possible decrease in value of the collateral. The establishment of limits involves different types of currencies and collateral. The exchange rates and values of marketable securities are driven by market forces and tend to fluctuate over time. The solution takes these factors into account and allows for revaluation in order to maintain realistic limits and to reflect prevailing market trends.

PROVIDES ACTIONABLE BUSINESS INSIGHTS AND REPORTING

Oracle FLEXCUBE Enterprise Limits and Collateral Management can also provide financial institutions with easy access to actionable business information with the use of dashboards and other intelligence tools for both regulatory and key stakeholder reporting.

The integration of the Limits and Collateral Management solution with Oracle Business Intelligence Enterprise Edition (OBIEE) enables financial institutions to be responsive with advanced Business Intelligence (BI) functionality and drive intelligent customer interactions with a unified customer view across the enterprise. It provides pervasive insights to bankers across the enterprise and helps in making informed and better business decisions using informative reports. It effectively monitors business information to identify risks

SEAMLESS INTEROPERABILITY WITH THIRD-PARTY AND LEGACY SYSTEMS

Built on Oracle Fusion Middleware, Oracle FLEXCUBE Enterprise Limits and Collateral Management deliver standards-based integration to coexist with banks' existing business applications including core banking systems, loan systems, reporting and risk analytics applications. This enables banks to

KEY BENEFITS

- Efficient limit utilization with centralized control and monitoring of credit exposure
- Informed credit decisions with fast and accurate credit information
- Improved exposure management with collateral pooling and contribution controls
- Improved efficiency of the limits and collateral lifecycle through easy integration with other systems like core banking systems, loan systems, reporting applications and risk-analytics applications
- Streamlined collateral management process with flexible collateral management structure and desired frequency
- Help customers navigate and control the choices they have on data sharing and privacy

leverage their existing enterprise assets and ensure better return on investment.

The solution is highly flexible and offers high performance and scalability to enable banks to achieve their inorganic growth objectives.

SIMPLIFY DOCUMENT MANAGEMENT

Oracle FLEXCUBE Limits and Collateral Management use Oracle Imaging and Process Management for document management. The documents pertaining to a business process in a digitized form can be uploaded from Oracle FLEXCUBE Limits and Collateral Management into Oracle Imaging and Process Management, thereby linking a transaction in Oracle FLEXCUBE Limits and Collateral Management solution to a set of documents stored in the Oracle Imaging and Process Management. In the later stages of the same or different business process, the same set of documents can be fetched from the Oracle Imaging and Process Management, to be acted upon. These documents that have been linked by the application can be accessed by other systems as well.

ENABLE PRIVACY AND CONTROL OVER CUSTOMER DATA

With Oracle FLEXCUBE Limits and Collateral Management, banks can help customers navigate and control the choices they have on data sharing. Banks can also offer digital solutions that customers want, in the way they want them, while ensuring data privacy controls. With a streamlined approach towards managing customer data, banks can reduce cost and eliminate efforts involved in supervising sensitive data.

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