Oracle® Financial Services Financial Accounting and Reporting Standards (IFRS and CECL)

Release Notes

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Preface

This Preface provides supporting information for the Oracle Financial Services Financial Accounting and Reporting Standards (IFRS and CECL) Pack - Release 8.0.6.1.0 Release Notes and includes the following topics:

- Audience
- Documentation Accessibility
- Related Documents
- Conventions

Audience

This document is intended for users of Oracle Financial Services Financial Accounting and Reporting Standards (IFRS and CECL) Pack Release 8.0.6.1.0.

Documentation Accessibility

For information about Oracle's commitment to accessibility, visit the Oracle Accessibility Program website at http://www.oracle.com/pls/topic/lookup?ctx=acc&id=docacc.

Access to Oracle Support

Oracle customers have access to electronic support through My Oracle Support. For information, visit http://www.oracle.com/pls/topic/lookup?ctx=acc&id=info or visit http://www.oracle.com/pls/topic/lookup?ctx=acc&id=trs if you are hearing impaired.

Related Documents

This section identifies additional documents related to Oracle Financial Services Financial Accounting and Reporting Standards (IFRS and CECL) Pack Release 8.0.6.0.0. You can access Oracle documentation online from the Oracle Help Center Documentation Library (OHC).

- *Oracle Financial Services Financial Accounting and Reporting Standards (IFRS and CECL) Pack Installation Guide Release 8.0.6.1.0*
- *Oracle Financial Services Analytical Applications Technology Matrix*
- *Oracle Financial Services Loan Loss Forecasting and Provisioning (OFS LLFP) User Guide Release 8.0.6.1.0*
- *Oracle Financial Services Hedge Management and IFRS Valuations (OFS HM) User Guide Release 8.0.6.1.0*

Conventions

The following text conventions are used in this document:

Convention	Meaning
boldface	Boldface type indicates graphical user interface elements associated with an action, or terms defined in text or the glossary.
italic	Italic type indicates book titles, emphasis, or placeholder variables for which you supply particular values.
`monospace`	Monospace type indicates commands within a paragraph, URLs, code in examples, text that appears on the screen, or text that you enter.

1

Introduction to OFS Financial Accounting and Reporting Standards (IFRS and CECL) Pack

Oracle offers a unified IFRS 9 solution that is compliant with IASB's standards and features a modularized design approach. This allows for easier integration and enables financial institutions to leverage existing investments in data management and analytical applications. The International Financial Reporting Standards (IFRS) are a set of accounting standards that are being implemented by different countries across the world and which are gradually replacing the old International Accounting Standards (IAS). Their introduction heralds a major change in accounting procedures for financial institutions.

Product Features:

- Single, comprehensive IFRS solution with a common results area.
- Exhaustive techniques and models for expected credit loss reconciliation/attribution analysis and amortization of deferred balances.
- Common application infrastructure and data model/source.

OFS IFRS Pack includes the following applications:

1.1 Oracle Financial Services Loan Loss Forecasting and Provisioning (OFS LLFP)

International Financial Reporting Standards (IFRS) guidelines have set out new requirements on classification and measurement of financial assets and liabilities. It specifies two approaches for the measurement of assets namely Amortized Cost and Fair Value approach. The scope of Oracle Financial Services Loan Loss Forecasting and Provisioning is to focus only on the amortized cost approach.

1.2 Oracle Financial Services Hedge Management and IFRS Valuations (OFS HM)

To help financial institutions grow, manage risk, and optimize shareholder value, Oracle delivers a comprehensive, integrated suite of financial services analytical applications for enterprise performance management (EPM).

More than ever, financial institutions, their regulators as well as their shareholders are focused on the need to measure and meet risk-adjusted performance objectives, price products to reflect their true risk, and better understand how their institution is impacted by threats to liquidity, capital adequacy, and exposure to market rate volatility.

2

OFS Financial Accounting and Reporting Standards (IFRS and CECL) 8.0.6.1.0

Oracle Financial Services Financial Accounting and Reporting Standards (IFRS and CECL) Application Pack (OFS IFRS) Release 8.0.6.1.0 is cumulative of all enhancements and bug fixes done since 8.0.6.0.0 release.

Patch - **28448321** OFS IFRS Pack Release 8.0.6.1.0.

This chapter includes the following topics:

- New Features
- Prerequisites
- How to Apply this Maintenance Level Release?
- Post Installation Steps
- Bugs Fixed in this Release

2.1 New Features

The features that are part of this release are detailed in the following sections:

2.1.1 Oracle Financial Services Loan Loss Forecasting and Provisioning

OFS LLFP bundles the following new features in version 8.0.6.0.0:

- **Write-offs and Recovery**: Dedicated transaction based tables are introduced for Write-offs and Recovery. As a result, the incremental values between individual periods are calculated, instead of calculating the cumulative values from the start date to the end date.
- **Using Reconciliation for Collateral Dependent Methods and Collateral Value Based (CVB) Method**: Detailed Reconciliation is performed for CVB and Collateral dependent methods, based on Mitigant Effect on Specific Provision, Forward Exposure, and CVB. Specific Provision and Forward Exposure methods use collateral. New factors such as Mitigant Value, Amortized Cost, and Deferred Balance are introduced and are used for Reconciliations performed on Specific Provision, Forward Exposure, and CVB.
- **Instrument Rating**: Purchase of Instruments on various periods are rated separately. OFS LLFP application looks for the ratings of Instruments, on or before the MIS Date and are picked. Instrument Rating feature enables you to setup preference for Instruments as well. The UI also enables you to select various rating providers and select the preferences for these rating providers. Depends on these preferences you set through the UI, the Rating Types and corresponding rating providers are selected.

- **Survival Model**: Survival Model is used to compute probability of default. Lifetime Probability of Default is then used as an input to compute the Expected Credit Loss. Survival Model enables financial institutions to understand, how long will customers take before they default. The survival time describes the amount of time that a customer takes before they default.

For more information on these one-off patches, see the Readme files of respective releases from *Patches & Updates* tab in My Oracle Support.

For detailed information on usage of the application features, see *Oracle Financial Services Loan Loss Forecasting and Provisioning User Guide* and *Oracle Financial Services Hedge Management and IFRS Valuations User Guide Release 8.0.6.1.0* from OHC Documentation Library.

For more information on the OFS AAI requirements, see *OFS Advanced Analytical Applications Infrastructure Application Pack 8.0.6.1.0 Readme* in OHC Documentation Library.

2.1.2 Oracle Financial Services Hedge Management and IFRS Valuations

Following are the new features available as part of this release:

- Introduced the ability to selectively process specific Instrument Types from a table containing multiple Instrument Types.
- Enhancement to perform Currency Conversion as part of Critical Terms Match.
- Modifications made to the treatment of Instruments with Maturity Date earlier than As-of-date.

For detailed information on usage of the application features, see *Oracle Financial Services Loan Loss Forecasting and Provisioning User Guide* and *Oracle Financial Services Hedge Management and IFRS Valuations User Guide Release 8.0.6.1.0* from OHC Documentation Library.

For more information on the OFS AAI requirements, see *OFS Advanced Analytical Applications Infrastructure Application Pack 8.0.6.1.0 Readme* in OHC Documentation Library.

2.2 Prerequisites

The prerequisite software that must be installed for upgrading to this release are the following:

- OFS IFRS 8.0.6.0.0 Minor Release.

2.3 How to Apply this Maintenance Level Release?

For detailed instructions on installing this Release, see *Oracle Financial Services Financial Accounting and Reporting Standards (IFRS and CECL) Installation Guide Release 8.0.6.1.0* in OHC Documentation Library.

Note: In an environment consisting of multiple OFSAA applications, if the October 2020 Critical Patch Update is applied for any one application, it is mandatory to apply the respective October 2020 Critical Patch Updates for all other applications on that OFSAA instance, regardless of the application's version. See the My Oracle Support Doc ID 2724021.1 for details.

2.4 Post Installation Steps

Perform the post installation steps mentioned in the Post Installation Configuration section in *Oracle Financial Services Financial Accounting and Reporting Standards (IFRS and CECL) Installation Guide Release 8.0.6.0.0* in OHC Documentation Library.

2.5 Bugs Fixed in this Release

The bug numbers of the fixes as part of OFS IFRS Release 8.0.6.1.0 are the following:

2.5.1 Oracle Financial Services Loan Loss Forecasting and Provisioning

Table 2–1

Component	Sub Component	Bug Number	Subject
Data/Seeded Data related issue		28392638	MULTIPLE RATING COMPONENTS ARE MISSING IN SETUP MASTER TABLE
Metadata Configuration	Transformations	28066475	LLFP RUNS: SOME FUNCTIONS FAIL WHEN DOP IS ENABLED TO VALUE MORE THAN 1
Others		28458448	LLFP 8.0.6: KEY_MEASURE_RCY_CONV
User Interface		28423013	LOADING MULTIPLE SCENARIOS FOR ACCOUNTS FROM FAD TO FLAS - NOT WORKING
		28421854	MITIGANT ECL IS NOT CALCULATED FOR ACCOUNTS DURING FE RUN METHOD
		28046349	MULTIPLE RATING UI - NOT ABLE TO SAVE THE DEFINITION

2.5.2 Oracle Financial Services Hedge Management and IFRS Valuations

Table 2–2

Component	Sub Component	Bug Number	Subject
Calculation Engine	FV Calculations	26801553	CANNOT SELECTIVELY PROCESS DIFFERENT-TYPE INSTRUMENTS THAT RESIDE IN SAME TABLE
User Interface		28516166	FEW HM SEEDED FSI_DTABLE ENTRIES ARE MISSING IN THE AAI_DRF_QUERY_METADATA TABLE
		28576416	CURRENCY CONVERSION IS NOT HAPPENING IN PL ACCOUNTING
		28560756	SEGMENTATION HIERARCHY RE-SAVING IS NOT HAPPENING
	FV Determination Run Definition	27949060	SUMMARY PAGE SUMMARY GRID: LAST RUN DATE BLANK, STATUS COLUMN NOT SORTABLE