

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

Release Notes

8.0.7.0.0

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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 8.0.7.0.0 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 8.0.7.0.0.

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 8.0.7.0.0. 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 8.0.7.0.0*
- *Oracle Financial Services Analytical Applications Technology Matrix*
- *Oracle Financial Services Loan Loss Forecasting and Provisioning (OFS LLFP) User Guide Release 8.0.7.0.0*
- *Oracle Financial Services Hedge Management and IFRS Valuations (OFS HM) User Guide Release 8.0.7.0.0*

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. |
| <i>italic</i> | 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. |

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 and FASB CECL 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.

OFS Financial Accounting and Reporting Standards (IFRS and CECL) 8.0.7.0.0

Oracle Financial Services Financial Accounting and Reporting Standards (IFRS and CECL) Application Pack (OFS IFRS) Release 8.0.7.0.0 is a separately licensed product.

29114825 - OFS IFRS Pack Release 8.0.7.0.0 is cumulative of all enhancements and bug fixes done since 8.0.6.0.0 release.

Note: The Process and Run under the Run Management screens are deprecated from LLFP 8.0.7.x onwards and any custom metadata that is created must be re-created by using PMF.

This chapter includes the following topics:

- [New Features](#)
- [Prerequisites](#)
- [How to Apply This Minor Release?](#)
- [Post Installation Steps](#)
- [Bugs Fixed in This Release](#)
- [Known Issues/Limitations 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 8.0.7.0.0:

- **EIR Enhancements:** EIR engine is enhanced to capture the effect of additional fees/new fees received. Additionally, the calculation logic is modified for Floating Rate Instruments, by considering the repricing date.
- **Vintage Model:** Vintage analysis accounts for expected losses by allowing an institution to calculate the cumulative loss rates of a given loan pool and in so doing, to determine that loan pool's lifetime expected loss experience. This includes a reasonable approximation of probable and estimable future losses gleaned by applying historical gross charge-off information to forward looking qualitative and environmental factors.
- **Available-for-Sale Financial Asset Model (AFS Model):** OFS LLFP application now computes the Expected Credit Loss of individual instruments/accounts using AFS Model

in addition to the existing methods. Available-for-Sale Financial Asset Model is used to compute allowance for AFS Debt securities as per the CECL standards.

- **Introduced New Disclosure Reports:** New report is included in the Dashboard for Available-for-Sale Financial Asset Model.

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 8.0.7.0.0 from [OHC Documentation Library](#).

For more information on the OFS AAI requirements, see *OFS Advanced Analytical Applications Infrastructure Application Pack Readme* Release 8.0.7.0.0 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:

- **Regression and F Test:** You can compute Hedge Ratio using Regression and F Statistic methods, in addition to Dollar Offset and Variability Reduction methods.
- **Hedge Lifecycle:** Hedge Lifecycle feature enables you to manage the Hedge Definitions over its life along multiple possible scenarios.
- **Fair Valuation - Enhanced Business Rules:** Determine Fair Value level hierarchy - introducing additional parameters in the processing.
- **Determine the Effective and Ineffective portion of an instrument's (hedging) profit/loss using Cumulative Gain/Loss approach.**
- **Introduces Filter option to select Hedged and Hedging Instruments.**

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 8.0.7.0.0 from [OHC Documentation Library](#).

For more information on the OFS AAI requirements, see *OFS Advanced Analytical Applications Infrastructure Application Pack Readme* Release 8.0.7.0.0 in [OHC Documentation Library](#).

2.2 Prerequisites

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

- OFS IFRS 8.0.4.0.0

2.3 How to Apply This Minor Release?

For detailed instructions on installing this Minor Release, see *Oracle Financial Services Financial Accounting and Reporting Standards (IFRS and CECL) Installation Guide* Release 8.0.7.0.0 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 8.0.7.0.0 in [OHC Documentation Library](#).

2.5 Bugs Fixed in This Release

The bug numbers of the fixes as part of OFS IFRS Release 8.0.7.0.0 are the following:

2.5.1 Oracle Financial Services Loan Loss Forecasting and Provisioning

Table 2-1

| Component | Sub Component | Bug Number | Subject |
|--------------------|---------------|------------|--|
| Others | | 29040121 | T2T'S REFFERING F_LATEST_RECORD_IND FOR FETCHING CRÉDIT QUALITY TYPE |
| User Interface | | 28898776 | RESERVE MAPPING - UNABLE TO ADD THE SEGMENTS IN IFRS807 |
| | | 28941737 | IFRS9 LICENSE IS NOT ENABLED BY THE INSTALLER |
| Workflow Framework | | 29031745 | ISSUES IN DIM_RUN UPDATES FRO PMF RUNS |

2.5.2 Oracle Financial Services Hedge Management and IFRS Valuations

Table 2-2

| Component | Sub Component | Bug Number | Subject |
|---------------------------------|---------------|------------|---|
| Calculation Engine | | 29016648 | EFFECTIVE/INEFFECTIVE PORTION IS NOT CALCULATED FOR HEDGING INSTRUMENTS |
| | | 29017417 | REVERT IS NOT WORKING AS EXPECTED IN CASE OF NOT FINALIZING BUT RE BALANCING FOR SAME DATE |
| FV Determination Run Definition | | 28774285 | FAIR VALUE COMPUTATION IS NOT CONSIDERING THE CHILD LEGAL ENTITY WHEN PARENT LEGAL ENTITY IS SELECTED IN DEFINITION |
| User Interface | | 28912438 | TO CLEARING FAIR VALUE DATA WHERE SAME ACCOUNTS BELONG TO DIFFERENT FAIR VALUE DEFINITIONS |
| | | 28912468 | HEDGE EFFECTIVENESS IS FAILING FOR DIFFERENT COMBINATIONS OF METHODOLOGY |

2.6 Known Issues/Limitations in This Release

There are no known issues or limitations associated with this release.