Oracle Financial Services Market Risk Measurement and Management Pack (OFS MRMM)

Version 8.0.5.0.0

Release Notes

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Financial Services

DOCUMENT CONTROL

Version Number	Revision Date	Changes Done
8.0.5	Created: November 2017	Captured features, and limitations for OFS MRMM 8.0.5.0.0 release.
Created by: Vineeta Mishra	Reviewed by: MRMM Pack Dev/QA	Approved by: Surag Ramachandran / Avijit Baral

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PREFACE

This Preface provides supporting information for the Oracle Financial Services Market Risk Measurement and Management (OFS MRMM) Application Pack Release Notes and includes the following topics:

- Purpose of This Document
- Intended Audience
- Related Documents

PURPOSE OF THIS DOCUMENT

This document contains release information for the following products:
- Oracle Financial Services Analytical Applications Infrastructure (OFS AAI)
- Oracle Financial Services Market Risk Measurement and Management (OFS MRMM)

INTENDED AUDIENCE

This document is intended for users of Oracle Financial Services Market Risk Measurement and Management (OFS MRMM) Application Pack Release 8.0.5.0.0.

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 OFS MRMM Application Pack. You can access the below documents online from the documentation Library for OFS MRMM Release 8.0.5.0.0:

- Oracle Financial Services Market Risk Measurement and Management Installation Guide Release 8.0.5.0.0
- Oracle Financial Services Market Risk Measurement and Management User Guide Release 8.0.5.0.0
- Oracle Financial Services Market Risk Measurement and Management Analytics User Guide Release 8.0.5.0.0

You can access the OFS AAI documentation online from the documentation library for OFS AAAI 8.x:

- OFS Advanced Analytical Applications Infrastructure (OFS AAAI) Application Pack Installation and Configuration Guide v8.0.5.0.0
- OFS Analytical Applications Infrastructure User Guide v8.0.5.0.0

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The additional documents are as follows:

- OFS Analytical Applications Infrastructure Security Guide
- OFSAAI FAQ Document
- OFS Analytical Applications 8.0.5.0.0 Technology Matrix

1 Introduction

This chapter includes information about the below:

- <u>Oracle Financial Services Analytical Applications (OFSAA)</u>

- <u>Components of OFS Market Risk Measurement and Management Pack</u>

1.1 About Oracle Financial Services Analytical Applications (OFSAA)

In today's turbulent markets, financial institutions require a better understanding of their risk return, while strengthening competitive advantage and enhancing long-term customer value. Oracle Financial Services Analytical Applications (OFSAA) enables financial institutions to measure and meet risk adjusted performance objectives, cultivate a risk management culture through transparency, lower the costs of compliance and regulation, and improve insight into customer behavior.

OFSAA uses industry-leading analytical methods, shared data model and applications architecture to enable integrated risk management, performance management, customer insight, and compliance management. OFSAA actively incorporates risk into decision making, enables to achieve a consistent view of performance, promote a transparent risk management culture, and provide pervasive intelligence.

Oracle Financial Services Analytical Applications delivers a comprehensive, integrated suite of financial services analytical applications for both banking and insurance domain.

1.2 Components of OFS Market Risk Measurement and Management Pack

OFS MRMM Application Pack includes the following application:

- **Oracle Financial Services Market Risk Measurement and Management (OFS MRMM)**: This application delivers extensive and robust computations to enable financial institutions to effectively evaluate and manage market risk across the enterprise. OFS MRMM enables financial institutions to accurately measure, evaluate, monitor and manage Market Risk. Additionally, it enables financial institutions to proactively comply with Fundamental Review of Trading Book (FRTB) Internal Models Approach (IMA) for capital requirement. The application comes with pre-built reports and dashboards using OBIEE tool which enables financial institutions to monitor and track risk. It works as starter kit which can be utilized by users to further develop their own analytics.

2   Oracle Financial Services Market Risk Measurement and Management

This chapter includes the following topics:

- Release Highlights

- Limitations and Known Issues

2.1   Release Highlights

This is the first release of OFS Market Risk Measurement and Management application pack.

The following are the list of features incorporated in this release. For detailed information on usage of these features, refer to OFS Market Risk Measurement and Management User Guide Release 8.0.5.0.0 on OHC Documentation Library.

- Valuation of instrument
    - Calculates present value, Greeks and Sensitivities

- Historical Simulation
    - Calculates Value-at-Risk and Expected Shortfall
    - Calculates Stress calibrated Expected Shortfall (ES), Internally Modelled Capital Charge (IMCC), Stressed capital add-on as per FRTB IMA approach
    - Modellable and Non-Modellable risk factor identification as per FRTB IMA approach

- Model Validation
    - Back Testing
    - P&L Attribution as per FRTB IMA approach

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2.2   **Limitations and Known Issues**

The limitations of OFS MRMM is listed below:

- OFS MRMM supports only Oracle Enterprise Linux (OEL) operating system.

3   Oracle Financial Services Analytical Applications Infrastructure

See OFS AAAI Application Pack Minor Release 8.0.5.0.0 Readme on OHC Documentation Library for details of new features, bugs addressed and limitation and known issues in OFS Analytical Applications Infrastructure Release 8.0.5.

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4 Hardware/Software Tech Stack Details

The hardware/software combinations required for OFS MRMM 8.0.5.0.0 are available at [OTN Tech Stack](#).

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5   **Third Party Software Tools**

Information about the third party software tools used in OFS Market Risk Measurement and Management Application Pack 8.0.5.0.0 is available in the OFSAA Licensing Information User Manual Release 8.0.5.0.0, at the OHC Documentation Library.

Oracle Financial Services Market Risk Measurement and Management Application Pack Release 8.0.5.0.0

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