

# **Oracle Financial Services Capital Adequacy**

**Release Notes**

**Release 8.1.0.0.0**

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**ORACLE**  
Financial Services

## OFS Capital Adequacy Application Pack Release Notes

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# Document Control

Version Number	Revision Date	Change Log
1.0	Created July 2020	Captured new features for OFS Capital Adequacy Pack 8.1.0.0.0 release.

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# 1 Preface

This section provides supporting information for the Oracle Financial Services Capital Adequacy Release Notes.

You can find the latest copy of this document in the [OHC Documentation Library](#) which includes all the recent additions or revisions (if any) done to date.

- [Scope of This Document](#)
- [Intended Audience](#)
- [Access to Oracle Support](#)
- [Related Information Sources](#)

## 1.1 Scope of This Document

This document contains release information for Oracle Financial Services Basel Regulatory Compliance.

## 1.2 Intended Audience

This document is intended for users of Oracle Financial Services Capital Adequacy Application Pack.

## 1.3 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.

## 1.4 Related Information Sources

We strive to keep this and all other related documents updated regularly; visit the [OHC Documentation Library](#) to download the latest version available there. The list of related documents is provided here:

- [OHC Documentation Library](#) **for OFS Capital Adequacy (CAP) Application Pack:**
  - *OFS Capital Adequacy Installation Guide*
  - *OFS Basel Regulatory Compliance User Guide*
- [OHC Documentation Library](#) **for OFS AAI Application Pack:**
  - *OFS Advanced Analytical Applications Infrastructure (OFS AAI) Application Pack Installation and Configuration Guide*
  - *OFS Analytical Applications Infrastructure User Guide*
  - *OFS Analytical Applications Infrastructure Administration Guide*

- *OFS Analytical Applications Infrastructure Environment Check Utility Guide*
- **Additional documents:**
  - [OFSAA Licensing User Manual, Release 8.1.0.0.0](#)
  - [OFS Analytical Applications Infrastructure Security Guide](#)
  - [OFSAAI FAQ Document](#)
  - [OFS Analytical Applications 8.1.0.0.0 Technology Matrix](#)
  - [OFS Analytical Applications Infrastructure Cloning Guide](#)

## 2 Introduction

This chapter includes information about Oracle Financial Services Analytical Applications (OFSAA) and Oracle Financial Services Capital Adequacy (OFS CAP ADQ).

- [Oracle Financial Services Analytical Applications \(OFSAA\)](#)
- [Oracle Financial Services Capital Adequacy Application Pack](#)

### 2.1 About Oracle Financial Services Analytical Applications (OFSAA)

In today's turbulent markets, financial institutions require a better understanding of their risk-returns, while strengthening competitive advantage and enhancing long-term customer value. Oracle Financial Services Analytical Applications (OFSAA) enable 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 models, 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, promotes a transparent risk management culture, and provides pervasive intelligence.

OFSAA delivers a comprehensive, integrated suite of financial services analytical applications for both banking and insurance domains.

### 2.2 Oracle Financial Services Capital Adequacy Application Pack

Oracle Financial Services Capital Adequacy (OFS CAP ADQ) Application Pack enables you to comply with regulatory requirements on stress testing, enables advanced customer and portfolio analytics, and utilizes multiple industry-standard techniques, tests, and models with complete data integrity.

#### 2.2.1 Components of Oracle Financial Services Capital Adequacy Application Pack

OFSCAP Application Pack includes the following applications:

- **Oracle Financial Services Basel Regulatory Capital Basic:** The application encompasses Credit, Market, and Operational Risks and provides a detailed breakup of the Capital Requirements across various tiers of capital, namely, Common Equity Tier 1, Additional Tier 1 and Tier 2 capital. The application supports the computation of Capital Adequacy Ratio (CAR) as per Basel III guidelines laid out in the BIS Guidelines. This includes the calculations as per the standardized approach of the risk-weighted asset calculations.
- **Oracle Financial Services Basel Regulatory Capital Internal Ratings Based Approach:** This application is based on the approaches supported by the OFS Basel Regulatory Capital Basic Application as well as the advanced (or IRB) approaches for BIS, as published by BCBS.

- **Oracle Financial Services Basel Regulatory Capital Analytics:** This application allows institutions to capitalize on their Basel III compliance investments by providing extensive dashboards that are used for management outlay and that enable efficient and timely Pillar 2 analysis and Pillar 3 disclosures and provide a complete platform for strategic decision-making across the institution.

## 2.3 What is New in this Release for OFS CAP ADQ Application Pack

This section describes the new features and changes in OFS CAP ADQ Application Pack Release v8.1.0.0.0.

### Topics:

- [New Features](#)

### 2.3.1.1 New Features

The banks have different needs, and not all banks have the same needs. And, different LOBs oversee different operations, and to enable the banks to ease with the calculations, and provide parallel processing for various types of computations, the bank's portfolio is mapped to the various OFSAA specific portfolios as below:

- Banking portfolio (mapped to Banking related assets of the bank)
- Investment portfolio (mapped to Investment-related assets of the bank)
- Derivatives portfolio (mapped to the various derivative related assets of the bank)
- Securities and Financing Transaction portfolio (mapped to the various SFT related assets of the bank)
- Market Risk portfolio (mapped to the trading book-related assets of the bank)
- Securitization portfolio (mapped to the securitization related investments or exposures of the bank)

The application has also undergone a lot of technological transformations in terms of movement to a more visually appealing Process Modeling Framework, which depicts the actual parallel processing of the various tasks, from the previous Run Rule Framework. And the movement to different portfolio specific processing tables, to enable banks to do parallel processing of the various tasks.

In the case of Derivatives portfolio, concerning EAD Calculation using the Standardized Approach (SA-CCR), the material risk categories, and the material risk drivers for the derivative instruments are being identified by the application, and are no longer expected to be provided as a download by the bank.

## 2.4 Installing this Major Release

For detailed instructions to install this Major Release, see the [OFS Capital Adequacy Pack Installation and Configuration Guide Release 8.1.0.0.0](#).



**NOTE**

Release v8.1.0.0.0 of OFS CAP is not certified for AIX and Solaris x86 Operating Systems. If you are currently running OFSAA v8.0.x on AIX or Solaris x86 Operating Systems and plan to upgrade to Release v8.1.0.0.0, then you must migrate from AIX or Solaris x86 to Linux or Solaris SPARC. See the MOS Doc ID [2700084.1](#) for details.

**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.

## **3 Oracle Financial Services Analytical Applications Infrastructure**

For details about the requirements, new features, bugs fixed, and list of known issues in OFS Analytical Applications Infrastructure, see the OFS Advanced Analytical Applications Infrastructure (OFS AAAI) Application Pack Release Notes and documents on [OHC Documentation Library](#).

## **4 Hardware and Software Tech Stack Details**

The hardware and software combinations required for OFS Capital Adequacy Application Pack 8.1.0.0.0, are available at the [OFS Analytical Applications 8.1.0.0.0 Technology Matrix](#).

## **5 Licensing Information**

Information about the third-party software tools used in OFS Capital Adequacy Application Pack 8.1.0.0.0 is available in the [OFSAA Licensing Information User Manual Release 8.1.0.0.0](#).

## OFSAA Support

Raise a Service Request (SR) in [My Oracle Support \(MOS\)](#) for queries related to the OFSAA applications.

## Send Us Your Comments

Oracle welcomes your comments and suggestions on the quality and usefulness of this publication. Your input is an important part of the information used for revision.

- Did you find any errors?
- Is the information clearly presented?
- Do you need more information? If so, where?
- Are the examples correct? Do you need more examples?
- What features did you like most about this manual?

If you find any errors or have any other suggestions for improvement, indicate the title and part number of the documentation along with the chapter, section and page number (if available) and contact the [Oracle Support](#).

Before sending us your comments, you might like to ensure that you have the latest version of the document wherein any of your concerns have already been addressed. You can access [My Oracle Support](#) site that has all the revised/recently released documents

