

# **Oracle Financial Services Capital Adequacy**

**Release Notes**

**Release 8.1.1.0.0**

**May 2021**

**F33172-01**

**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 May 2021	Captured new features for OFS Capital Adequacy Pack 8.1.1.0.0 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](#)
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- [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 the 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 8.1.1.0.0](#)
  - [OFS Analytical Applications Infrastructure Security Guide](#)
  - [OFSAAI FAQ Document](#)
  - [OFS Analytical Applications 8.1.1.0.0 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 v8.1.1.0.0.

### Topics:

- [New Features](#)

### 2.3.1 New Features

Starting from release 8.1.1.0.0 of OFS Basel Regulatory Capital Release, we adhere to Basel III: finalizing Post Crisis Reforms (generally code named as Basel IV) compliance for BIS and Australia.

The release at a high level includes the following:

- Basel III: Finalizing Post Crisis Reforms Compliance of BIS – Credit Risk – Standardized Approach.
- Australia: Finalizing Post Crisis Reforms Compliance of BIS – Credit Risk – Standardized Approach.
- Changes required for CRR II Compliance of EU for Revised Securitization.
- Market Risk, Large Exposures, and Leverage Ratio compliance for RBI.
- The Retail Pooling functionality is part of the OFS Basel Regulatory Capital IRB product.

The OFS Economic Capital Advanced 8.1.1.0.0 has been enhanced to adhere to the calculations for the Corporate and Retail asset class.

#### **BIS Jurisdiction (BIS)**

As part of this release, the solution is compliant with the Basel III: Finalizing Post Crisis Reforms and the Basel Framework updates for the Credit Risk. The key functionalities addressed in this release are the following:

- Credit Risk
  - Revised Standardized Approach
- Leverage Ratio
  - Revised Leverage Ratio Changes



### **Australia Jurisdiction (APRA)**

As part of this release, Australian compliance for Capital Adequacy is introduced, and the Post Crisis Reforms compliance is available. This change is on the December 8 draft guideline that is published.

The key functionalities addressed in this release are as below:

- Credit Risk
  - Revised Standardized Approach

### **European Union Jurisdiction (EBA)**

As part of this release, CRR II functionality related to Revised Securitization is available.

The key functionalities addressed in this release are as below:

- Securitization Risk
  - Revised Approach

### **India Jurisdiction (RBI)**

As part of this release, the Market Risk-Related compliance for Basel III is available. It also adheres to the Large Exposures Framework guideline and Leverage Ratio calculations using the Process Modeling Framework.

### **Retail Pooling**

The retail pooling functionality is available in the OFS Basel Regulatory Capital IRB product, and this adheres to the creation of risk-based pools for retail customers for RWA calculation under the IRB Approach.

### **OFS Economic Capital Advanced**

The OFS Economic Capital Advanced 8.1.1.0.0 is enhanced with a revised modeling engine to adhere to the calculations for the Corporate and Retail asset class.

## **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 8.1.1.0.0](#).

## **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 8.1.1.0.0, are available at the [OFS Analytical Applications 8.1.1.0.0 Technology Matrix](#).

## **5 Licensing Information**

Information about the third-party software tools used in OFS Capital Adequacy Application Pack 8.1.1.0.0 is available in the [OFSAA Licensing Information User Manual Release 8.1.1.0.0](#).

## OFSAA Support

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

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- 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](#).

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