Oracle Financial Services Capital Adequacy Application Pack 8.1.2.0.0 Maintenance Level Release #3(8.1.2.4.0)

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Description

ID **36022067**: OFS CAP 8.1.2.0.0 MAINTENANCE LEVEL RELEASE #3 (8.1.2.4.0)

Pre-installation Requirements

The minimum patch set level must be OFS CAP Application Pack version 8.1.2.3.0.

Installing this Release

For detailed instructions on installing this Maintenance Level Release, see OFS CAP Installation Guide 8.1.2.4.0.

New Features

In the OFS Basel Regulatory Capital Release 8.1.2.4.0, we are catering to the latest guidelines pertaining to Reserve Bank of India, in terms of the Master Circular 2023 changes. This release also complies with the latest draft guidelines of CRR III as published by EBA, for the Standardized Approach. This release also complies with the latest draft guidelines of Basel 3.1 as published by PRA, for the Standardized Approach. This also complies with the Basel 3 guidelines for Bangko Sentral NG Pilipinas, Philippines.

As part of this release, RBI Jurisdictional compliance for IRB calculations of Basel III has been updated with the technical changes to comply with the Process Modeling Framework updates that will help in parallel processing.

There were also enhancements to the optimized credit enhancement allocation, for scenarios wherein the pool has multiple exposures mapped to multiple eligible mitigants. There were also enhancements for memory management.

There were also enhancements for bringing in the User Approval Workflow for Operational Risk Threshold changes and Capital Threshold changes.

Philippines Jurisdiction (BSP)

As part of this release, the solution is compliant with the Basel 3 compliance for Philippines, in conjunction with the latest guidelines available for the same. The key functionalities addressed in this release are as below:

- Credit Risk
  - Standardized Approach
- Counterparty Credit Risk
  - Derivatives
    - Current Exposure Method
- Securities Financing Transaction
  - Comprehensive Approach
- Default Fund Contribution for QCCP
- Default Fund Contribution for Non - QCCP
- Credit Valuation Adjustment
  - Standardized Approach
- Settlement Risk
  - Capital Charge Calculation for DvP Exposures
  - Capital Charge Calculation for Non-DvP Exposures
- Operational Risk
  - Standardized Approach
  - Alternative Standardized Approach
- Capital Structure & Buffers

India Jurisdiction (RBI)

As part of this release, the solution is compliant with the latest Master Circular issued on 12th May 2023. The solution is also compliant with the Master Direction on Operational Risk issued on 26th June 2023. The key functionalities addressed in this release are as below:

- Credit Risk
  - Standardized Approach
- Counterparty Credit Risk
  - Bilateral Netting
- Operational Risk

- Standardized Approach

As part of this release, India Jurisdictional compliance for Basel III has also been updated with the technical changes to comply with the Process Modeling Framework, by enabling parallel processing for the Internal Ratings Basel Approach (IRB). There has been movement of the data to different portfolio specific processing tables, to enable banks to do parallel processing of the various tasks.

United Kingdom Jurisdiction (PRA)

As part of this release, the solution is compliant with the Basel 3.1 guidelines for United Kingdom, based on the draft guidelines published by PRA. The key functionalities addressed in this release are as below:

- Credit Risk
  - Standardized Approach
- Operational Risk
  - Standardized Approach

European Union Jurisdiction (EBA)

As part of this release, the solution is compliant with the CRR III guidelines for European Union, based on the draft guidelines published by EBA. The key functionalities addressed in this release are as below:

- Credit Risk
  - Standardized Approach
- Operational Risk
  - Standardized Approach

Common Functionality Impacting Across Jurisdictions

As part of this release, there have been newer functionalities introduced to cater across jurisdictions:

- Enhancements for the Optimizer
  - Functionality allowing the handling of all scenarios of pools having multiple exposures mapped to multiple eligible mitigants (N-N cardinality), using an inbuilt logic of allocation, instead of dependency on external libraries.
  - Multi-threaded processing has been incorporated for parallel processing of pools.

  - Batch based input data loading has been incorporated for efficient memory management.
- User Approval Workflow for Operational Risk Threshold Changes and Capital Threshold Changes
  - The Operational Risk Threshold and Capital Threshold User Interface allows the bank to make changes to the out of box values, as and when there are regulatory changes, using a controlled workflow process.
- Treatment of General Ledger Exposures for Credit RWA
  - Functionality allowing the user to provide certain type of exposures in the General Ledger Staging tables instead of the Product Processor Staging tables and calculating the Credit RWA for the same.

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