



Oracle Financial Services Capital Adequacy Application Pack 8.1.2.0.0 Maintenance Level Release #4(8.1.2.6.0)

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Description

ID **36906145**: OFS CAP 8.1.2.0.0 MAINTENANCE LEVEL RELEASE #4 (8.1.2.6.0)

Pre-installation Requirements

The minimum patch set level must be OFS CAP Application Pack version 8.1.2.4.0.

Installing this Release

For detailed instructions on installing this Maintenance Level Release, see [OFS CAP Installation Guide 8.1.2.6.0](#).

New Features

In the OFS Basel Regulatory Capital Release 8.1.2.6.0, we are catering to the latest guidelines pertaining to Canada, in terms of the Capital Adequacy Requirements 2024 changes. This release also had enhancements in the calculations to comply with the large exposure reporting guidelines of Canada and US as published by OSFI and FED respectively. This release also complies with the incremental exposure calculation across all jurisdictions.

There were also enhancements to the optimized credit enhancement allocation, for the cardinalities of:

- single exposure to multiple mitigants (1-N)
- multiple exposures to single mitigant (N-1) and
- multiple exposures to multiple mitigants (N-N)

There were also enhancements for memory management.

There were also revamp for the regulatory definition option screen in terms of segregation into National Discretions, Options Based on Supervisory Approvals and Options Based on Bank's Internal Policies and Data Availability. And the approval workflow was added for the Capital Source and Nettable Pool related screens, for the changes made in the UI.

Canada Jurisdiction (OSFI)

As part of this release, the solution is compliant with the latest Capital Adequacy Requirements guideline (CAR 2024) for Canada. The key functionalities that have undergone changes, along with the existing functionalities that cater to CAR 2024 guidelines are as below:

- Credit Risk
 - Standardized Approach
- Counterparty Credit Risk
 - Derivatives
 - Standardized Approach
 - Securities Financing Transaction
 - Comprehensive Approach
 - Default Fund Contribution for QCCP
 - Default Fund Contribution for Non - QCCP
 - Credit Valuation Adjustment
 - Basic Approach – Reduced Version
 - CCR Based Approach
- Settlement Risk
 - Capital Charge Calculation for DvP Exposures
 - Capital Charge Calculation for Non-DvP Exposures
- Operational Risk
 - Standardized Approach
 - Simplified Standardized Approach
- Capital Structure & Buffers
- Large Exposures
- Leverage Ratio

USA Jurisdiction (FED)

As part of this release, the solution had enhancements to the single counterparty credit limits, in terms of compliance of the calculations, for the reporting requirements.

Common Functionality Impacting Across Jurisdictions

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

- Enhancements for the Incremental Exposure Calculations
 - There were enhancements to the incremental exposure calculation to handle different scenarios of data requirement.
 - When Bank has data for the same MIS date received at different points of time
 - When Bank has all the required data but needs few adjustments for some data points and need a rerun.

- When Bank intends to run data for a different MIS Date and retain the existing calculations for unchanged records.
- Enhancements for the Optimizer
 - Functionality allowing the handling of all scenarios of pools having either multiple exposures or multiple mitigants (1-N, N-1 and 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 Capital Source and Nettable Pool Changes
 - The Capital Source and Nettable Pool 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.
- Regulatory Definition Enhancements
 - The regulatory definition option screen was enhanced to provide segregation of the options into
 - National Discretions – these are the options chosen by the regulator as part of its national discretionary exercise over the BIS guidelines.
 - Options Based on Supervisory Approval – these are the options provided by the regulator that the bank can choose, by taking a supervisory approval.
 - Options based on Bank's Internal Policies and Data Availability – these are the options that the bank can choose, based on the data availability and the internal policies.