

# Oracle® Financial Services Loan Loss Forecasting and Provisioning Release Notes



Release 8.1.2.10.0

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The Oracle logo, consisting of a solid red square with the word "ORACLE" in white, uppercase, sans-serif font centered within it.

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Oracle Financial Services Loan Loss Forecasting and Provisioning Release Notes, Release 8.1.2.10.0

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## Preface

This section provides supporting information for the Oracle Financial Services Loan Loss Forecasting and Provisioning Release Notes.

## Scope of This Document

This document contains the release information for the Oracle Financial Services Loan Loss Forecasting and Provisioning product.

## Intended Audience

This document is intended for users of the Oracle Financial Services Loan Loss Forecasting and Provisioning application.

## Access to Oracle Support

Oracle customers have access to electronic support through My Oracle Support. For more 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 Information Sources

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

- [OHC Documentation Library for OFS Loan Loss Forecasting and Provisioning](#)
- *OFS Loan Loss Forecasting and Provisioning Release Notes*
- *OFS Loan Loss Forecasting and Provisioning Installation Guide*
- *OFS Loan Loss Forecasting and Provisioning User Guide*
- [OHC Documentation Library for OFS Advanced Analytical Applications Infrastructure Application Pack](#)
- OFS Advanced Analytical Applications Infrastructure (OFS AAAI) 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

The additional documents are as follows:

- [OFSAA Licensing User Manual Release 8.1.2.0.0](#)

- [OFS Analytical Applications 8.1.2.0.0 Technology Matrix](#)
- [OFS Analytical Applications Infrastructure Security Guide](#)
- [OFS Loan Loss Forecasting and Provisioning Security Guide Release 8.1.2.0.0](#)
- [OFS Analytical Applications Infrastructure Cloning Guide](#)
- [OFS Loan Loss Forecasting and Provisioning Cloning Guide Release 8.1.x](#)
- [OFSAAI FAQ Document](#)

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## Introduction to Oracle Financial Services Loan Loss Forecasting and Provisioning

International Financial Reporting Standards (IFRS) guidelines have set new requirements for the classification and measurement of financial assets and liabilities. It specifies two approaches for the measurement of assets, namely, Amortized Cost and the Fair Value Approach. The scope of Oracle Financial Services Loan Loss Forecasting and Provisioning is to focus only on the Amortized Cost Approach.

### What is New in this Release

This section lists the new features and changes in the OFS Loan Loss Forecasting and Provisioning Application Release 8.1.2.10.0.

### New Features

OFS Loan Loss Forecasting and Provisioning bundles the following new features in version 8.1.2.10.0:

- **Introduction of a new amortization method:** The new amortization method is a more streamlined non-transaction-based approach. The following are the key features:
  - **10% NPV Test:** This test is to tag and event under modification or derecognition based on changes that have occurred because of a restructure or pre-payment.
  - **Advanced use cases:** A use case such as partial sale is also supported with the calculation of the necessary accounting measures.
- **Introduction of a New Forward Exposure ECL Method:** A new ECL method is introduced with the following features:
  - Elimination of double discounting
  - Application of provision calculations and present value adjustments to provisions
  - Support for CCF term structures
  - Treatment framework based on:
    - \* **Cash Flow Indicator-** Enables forward exposure calculation, particularly when the cash flow indicator is set to *No*.
    - \* **Interest Indicator-** Influences the forward exposure calculation by considering the Interest component from the cashflow.
- **Decoupling of EIR and Amortization batch from Stage Determination and ECL Batch:** This allows the EIR and Amortization run without triggering the Stage Determination and ECL. With this customer can run Amortization batch on daily basis without triggering Stage Determination and ECL run. Latest available data of IFRS 9 Stage and ECL will be referred in Amortization batch.
- **EIR Recalculation Triggers:** Added additional triggers for the *As of Date* EIR calculation. The following are the triggers:
  - Change in Interest Rate

- Change in Maturity Date
- Change in Installment Amount
- Increase in Outstanding Balance
- Additional Fees
- Additional Cost
- EIR Recalculation Override Flag: Flag available in instrument tables.
- **Day 1PL Calculation and Amortization:** Under IFRS 9, day one profit or losses (gains and losses on the day of the trade, hereinafter called Day1PL) for derivatives that are level 3 fair value assets and not flagged as excluded are required to be deferred and allocated over the contract period.

## Deprecated Features

There are no deprecated features in this release.

## Desupported Features

OFS LLFP Release v8.1.2.0.0 is the last version that supports EMF. Hence from Release v8.1.2.0.0 onwards, OFS LLFP supports OFS MMG.

## Installing this Maintenance Level Release

For detailed instructions to install this Maintenance Level Release, see the [OFS Loan Loss Forecasting and Provisioning Installation Guide Release 8.1.2.0.0](#).

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## Oracle Financial Services Loan Loss Forecasting and Provisioning Release 8.1.2.10.0

Oracle Financial Services Loan Loss Forecasting and Provisioning Release 8.1.2.0.0 is a separately licensed product.

**39039315** - OFS LLFP Application Release 8.1.2.10.0 includes all enhancements and bug fixes since the 8.1.2.0.0 release.

### Bugs Fixed in this Release

This release does not contain any fixed bugs.

### Known Issues or Limitations in this Release

There are no known issues or limitations in this release.

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## Oracle Financial Services Analytical Applications Infrastructure

See the [OFS Advanced Analytical Applications Infrastructure Application Pack Release Notes](#) for the details on the New Features, List of Bugs Fixed, and Known Issues and Limitations.

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## Hardware and Software Technology Matrix Details

The hardware and software combinations required for OFS AAAI 8.1.2.0.0 are available at [OFS Analytical Applications Technology Matrix](#).

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## Licensing Information

For details on the third-party software tool used, see the [OFSAA Licensing Information User Manual Release 8.1.2.0.0](#).