

# Modern Finance For Financial Services

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**APB Workshop**

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# Safe Harbor Statement

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# The Digital Transformation Challenge

## The changing world of Financial Services



# «The Path to Digital Leadership»

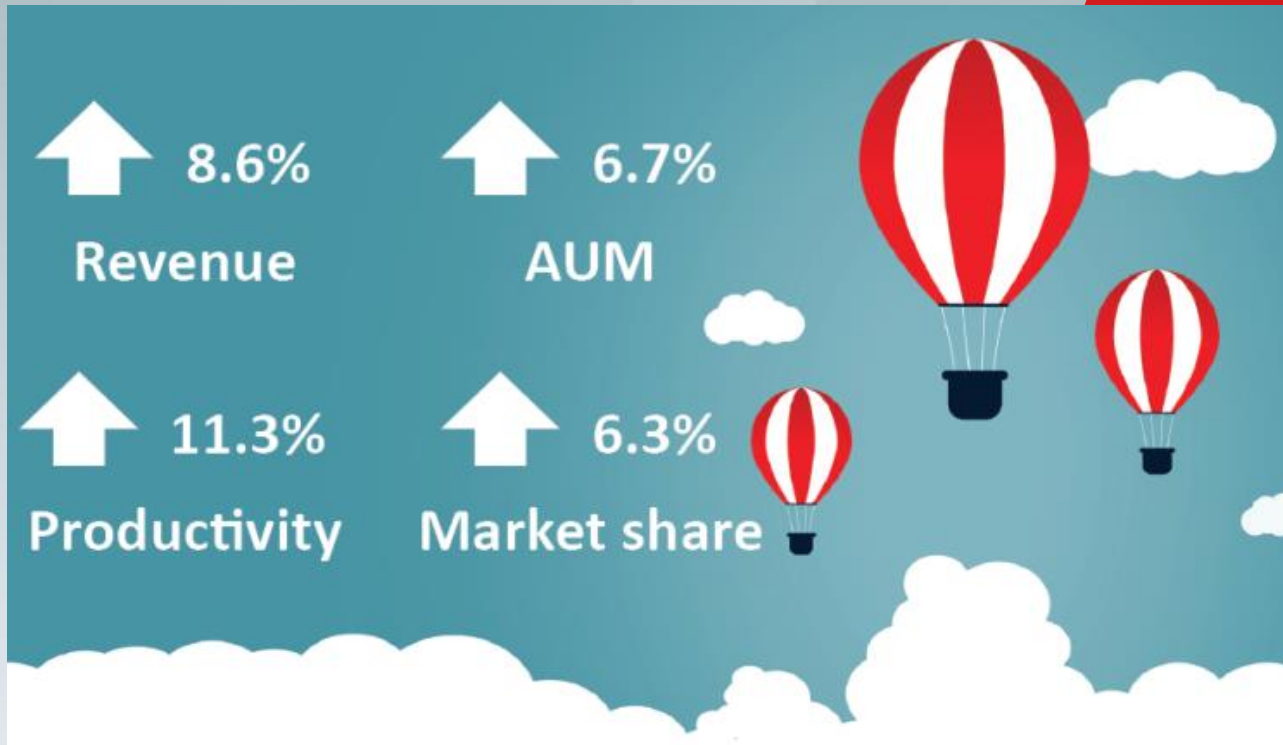
A research by Roubini Thoughtlab

Survey of 1,503 C-level and direct reports  
in nine Financial Services industry segments





# First movers will drive performance












# Laggards will pay a penalty

Foregoing \$79 million  
per billion dollars  
of revenue a year



# Impact of technology on performances in Financial Services

|                     | Total        | INSTITUTIONAL<br> | ALTERNATIVE<br> | BROKER-DEALERS<br> | FINTECHS<br> | UNIVERSAL BANKS<br> | MUTUAL FUNDS<br> | PRIVATE BANKS<br> | RETAIL BANKS<br> | ADVISORS<br> |
|---------------------|--------------|--|---|---|---|--|---|--|---|---|
| <b>Revenue</b>      | <b>5.6%</b>  | 5.1%   | 4.7%  | 2.9%  | 8.0%  | 6.8%   | 3.9%  | 6.8%   | 3.2%  | 6.9%  |
| <b>Profits</b>      | <b>8.9%</b>  | 11.1%  | 6.9%  | 12.0%   | 10.2%   | 5.7%   | 9.4%  | 9.3%   | 7.3%  | 9.3%  |
| <b>AUM</b>          | <b>4.0%</b>  | 3.5%   | 2.6%  | 2.9%  | 6.2%  | 5.7%   | 4.2%  | 3.6%   | 2.3%  | 4.6%  |
| <b>Productivity</b> | <b>10.6%</b> | 11.7%  | 7.5%  | 11.7%   | 15.8%   | 9.5%   | 10.7%   | 11.9%  | 8.0%  | 10.6%   |
| <b>Market share</b> | <b>3.6%</b>  | 3.0%   | 2.2%  | 1.7%  | 5.3%  | 5.5%   | 2.6%  | 3.8%   | 2.4%  | 4.3%  |



«We are a technology company  
with a banking license»

Michael Corbat, CEO, Citigroup



# ORACLE VIDEO «Innovation in Financial Services»



# The Oracle Leadership in Digital Solution for CFO Office

A trusted global Partner for Financial Services industry



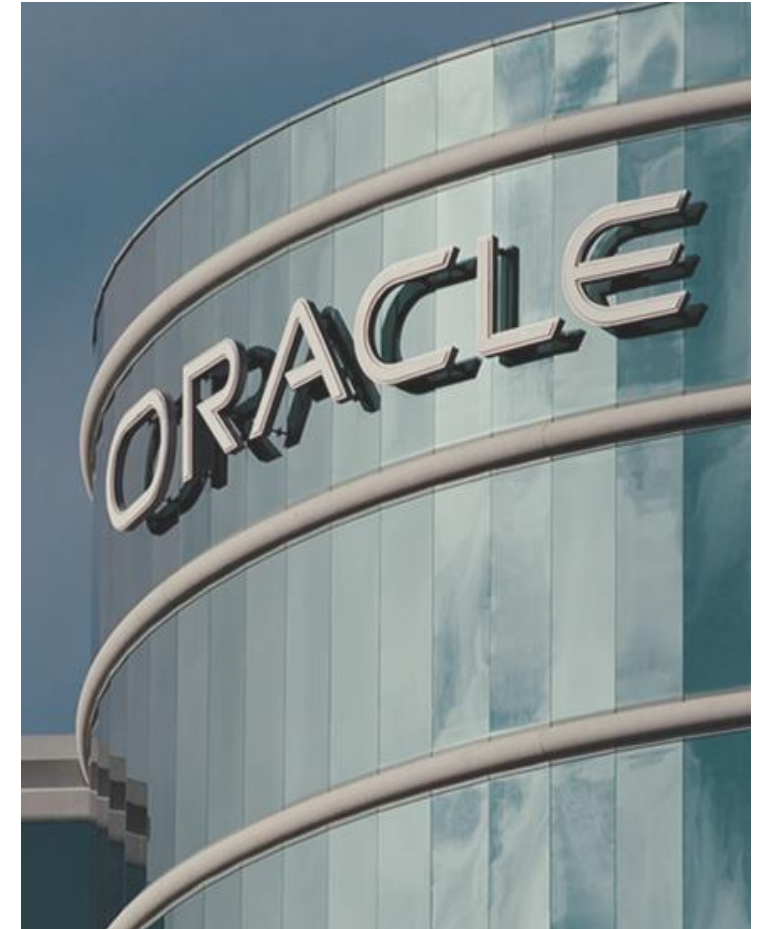
# Oracle Corporation

## Scale

- **\$37,7 B in revenue** on a trailing twelve-month basis \*
- **430,000 customers** in 175 countries
- More than 25,000 partners
- More than 138,000 employees
- 18,000 customer support specialists, speaking 29 languages
- 19,000 implementation consultants
- 3.5 million students supported annually

## Innovation

- **US\$ 6.2 billion invested in R&D** in FY 2017
- **#1** in 50 product/industry categories
- **#2** software company in the world
- 5 million registered members of the Oracle Developer Community
- More than 17,000 patents worldwide
- 40,000 developers and engineers
- 469 independent Oracle user groups with 500,000 members



\* GAAP revenue reported in USD as of August 31, 2017

# Gartner Magic Quadrant for CPM



## Financial Corporate Performance Management



## Strategic Corporate Performance Management



# Oracle Solutions – our portfolio



|   |  |  |  |   |                                      |                               |
|---|--|--|--|---|--------------------------------------|-------------------------------|
|  <b>CX Cloud</b>     | Marketing                                  | Sales                                      | Configure, Price & Quote                   | Commerce                                | Service                              | Social                        |
|  <b>HCM Cloud</b>    | Global HR                                  | Talent Management                          | Workforce Rewards                          | Workforce Management                    | Work Life                            |                               |
|  <b>ERP Cloud</b>    | Financials                                 | Revenue Management                         | Project Portfolio Management               | Procurement                             | Order to Cash                        | Inventory                     |
|  <b>EPM Cloud</b>    | <b>Enterprise Planning &amp; Budgeting</b> | <b>Profitability &amp; Cost Management</b> | <b>Financial Consolidation &amp; Close</b> | <b>Enterprise Performance Reporting</b> | <b>Financial &amp; Tax Reporting</b> | <b>Account Reconciliation</b> |
|  <b>SCM Cloud</b>   | Planning & Collaboration                   | Manufacturing                              | Order Management                           | Logistics                               | PLM                                  | Procurement                   |
|  <b>Data Cloud</b> | DaaS for Marketing                         | DaaS for Sales                             | DaaS for Customer Intelligence             |   |                                      |                               |



# DELIVERING NEW TECHNOLOGIES TO REVOLUTIONIZE FINANCE



# Empowering & Enabling P&C in Banking

The Digitalization of Planning & Control. Today is tomorrow.



## WHAT OUR BANKING CUSTOMERS SAY



- **Regulatory & Compliance requirements** are still on top of the agenda, but Risk is finally giving way to a broader attention to the ability of the Bank of guaranteeing the **Sustainability of the Bank's business over the Long Term**
- **M&A, reorgs & new business models** promise to reshape the Industry, increasing the need for **integration, operational synergies, flexibility**
- Unyielding attention towards **Cost Effectiveness and Spend Reduction** while increasing levels of **Transparency and Accountability** at every layer of the organization

# Driver of Change

***Sustainability of the Bank's business over the Long Term***

# Impact on Planning & Control

**Overall Strategic Planning capabilities: plan for Profitability, Capital Adequacy and Risk Appetite**

**Link Strategy, Operational Planning and Communication, maintain alignment at each monitoring cycle, keep planning**

**Achieve a better understanding on major planned and unplanned phenomena. Keep management on board on financial results and offer a clear view of linkages**

**Increase adaptability to changing condition during planning and monitoring phases (perimeter, new products, changing hypotheses)**

**Decrease cycle times to reach the ground floor so that targets immediately reflect strategy and plans**



# Driver of Change

***M&A, new players and business models. Integration, operational synergies and flexibility***

# Impact on Planning & Control

Ability to **Anticipate Integration** into P&C processes before actual convergence

Ability to **model** new products and services and **evaluate financial impacts** of business operations

Ability to **coordinate external actors** avoiding disruption in internal processes

Ability to **reconfigure organizations** capturing **synergies** and **integration cost**

Ability to keep Planning & Control models **flexible for changing configurations**



# Driver of Change

***Keep the focus on Cost Effectiveness and Spend Reduction.***

***Maintain Transparency and Accountability***

# Impact on Planning & Control

**Focus towards efficiency:** support and back office operations reshaped through **standardization, digitalization and coordination**

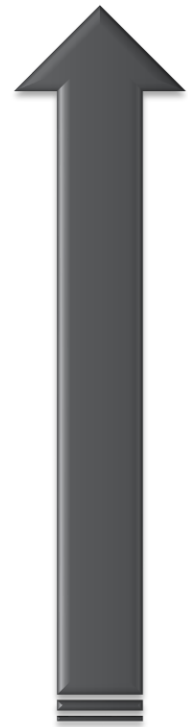
Reduce Overhead and hidden cost; increase **Transparency on cost formation and allocation** to internal/external customers.

**Evolve huge IT legacy infrastructures**, integrating and simplifying redundant systems to reduce **operating cost**

**Reduce Infrastructure and Support** activities on user friendly systems.  
Increase users **self-service capabilities** and **reduce IT involvement** over local maintenance and operations

# The Oracle Red Stack

From Hardware to Database, Integration and Applications, a complete architecture can be built using Oracle components:



Visualization & Reporting

Applications

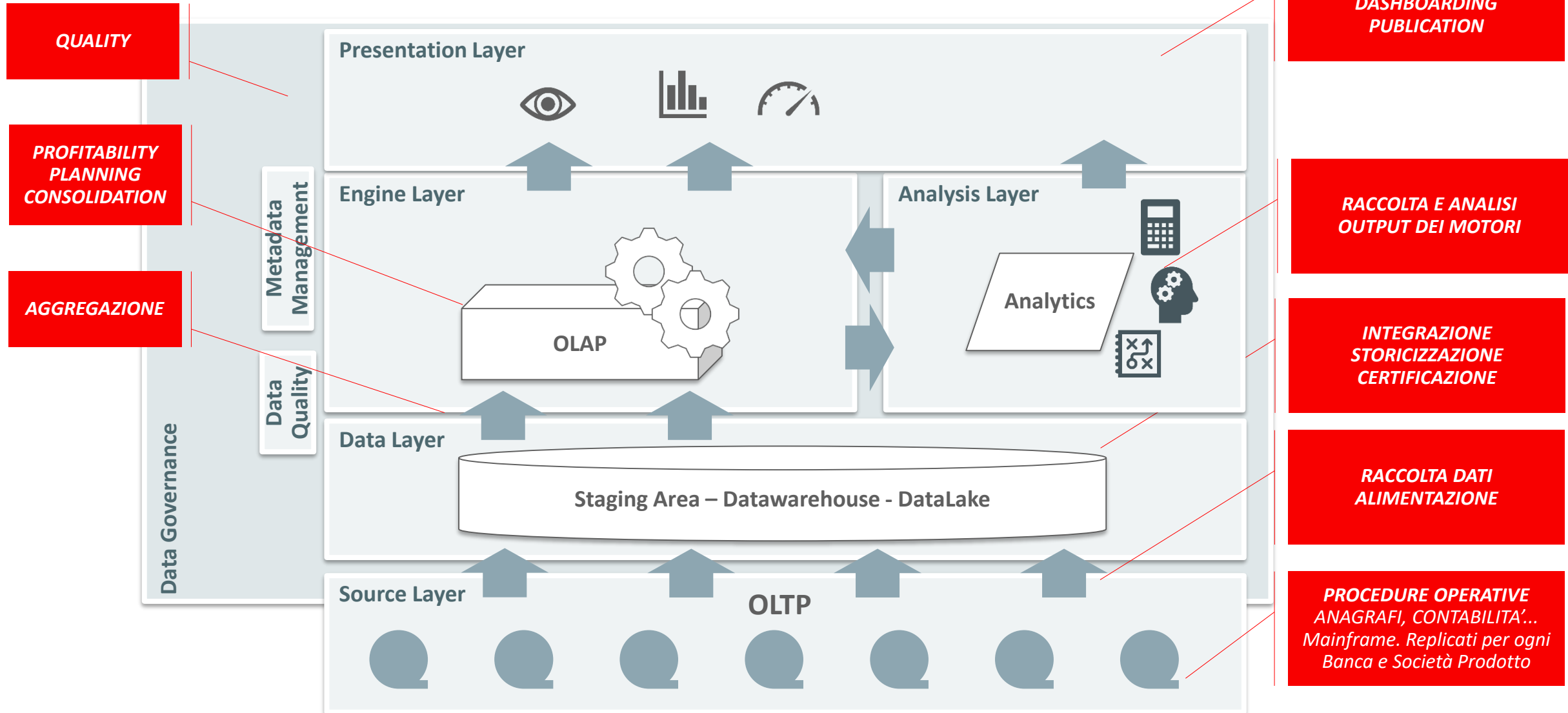
Integration

Database

Hardware and basic software



# Architettura Integrata di Pianificazione & Controllo



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# Architettura Integrata di Pianificazione & Controllo

**ELEVATE  
PRESTAZIONI  
TRACCIABILITA'**

**AUTOMAZIONE,  
RPA E GESTIONE  
DELLE ECCEZIONI E  
DEI RICICLI**

**FRUIBILITA' DELLE  
INFORMAZIONI  
DA DIVERSE AREE  
E TECNOLOGIE**

## Oracle Exadata

*A platform "engineered" to enhance data management*

- **Ideal Database Hardware** – Elastic scale-out, database optimized compute, networking, and storage for fastest performance and lowest costs
- **Smart System Software** – specialized algorithms vastly improve all aspects of database processing: OLTP, Analytics, Consolidation
- **Full-Stack Integration** – Automation, database-to-disk optimization, testing, patching, and support to reduce operational costs
- **Top-notch Engineering level:** hardware and software engineered to work together



Confidential – Oracle Internal/Restricted/Highly Restricted 29

Data Govern

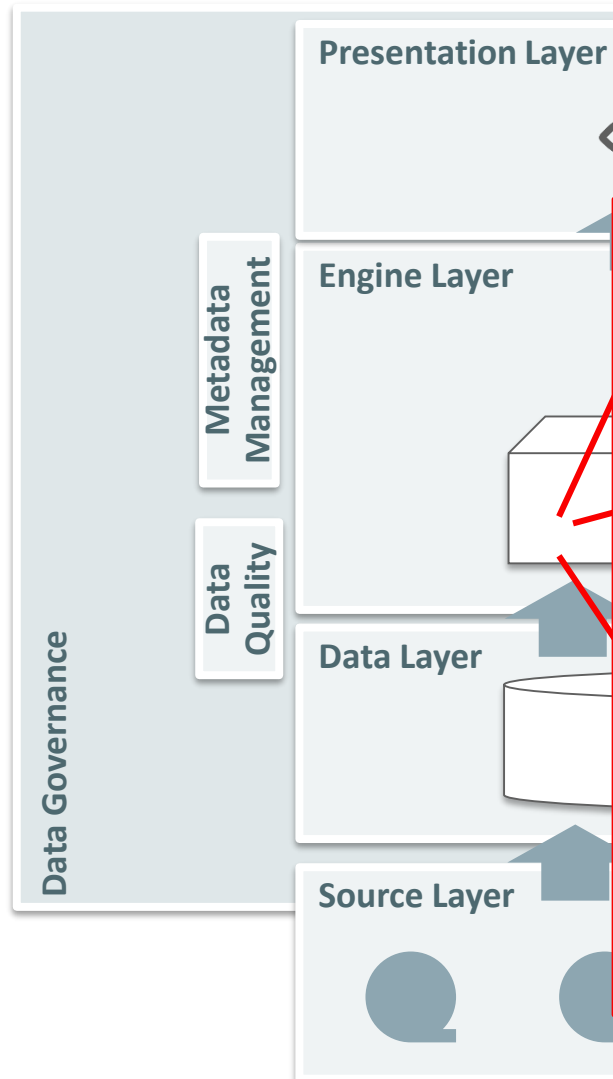
Source Layer

OLTP





# Architettura Integrata di Pianificazione & Controllo



## Planning & Budgeting

## Profitability & Cost Management

• Deep insight into drivers of costs and profitability across

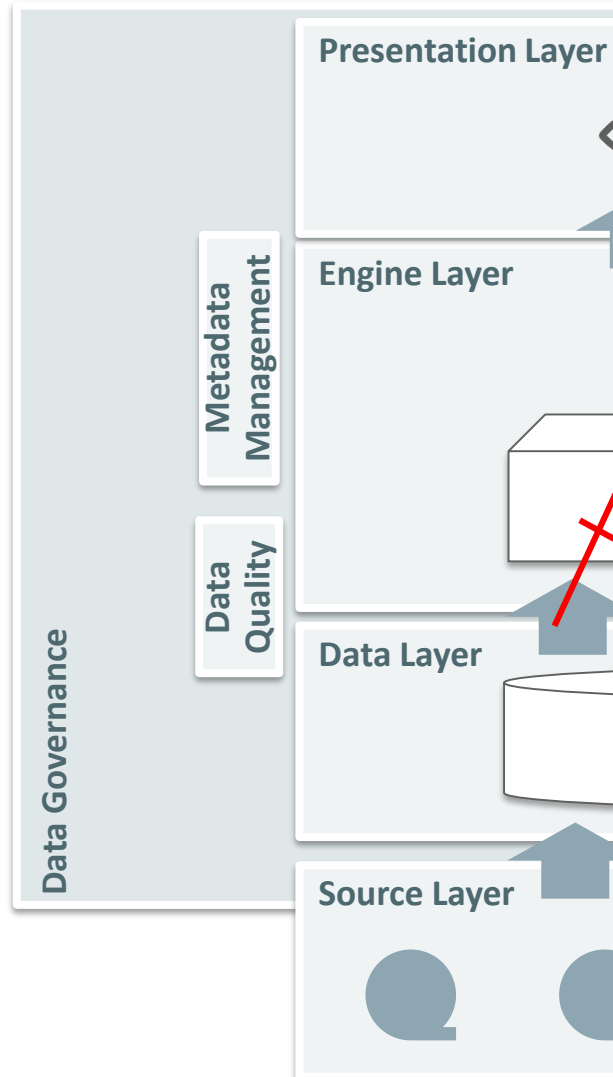
## Financial Close and Consolidation

- Focused on Best Practices from 30+ years experience
- Extended close from sub-ledger to final reporting
- Integration with ERP, EPM, & 3rd party sources
- Significant pre-built functionality with limited need for custom scripting (Automated Account Reconciliation, Automated report publishing, ...)
- Trust and reliability that the numbers are complete and accurate
- Built in task orchestration for management of overall process

PIATTAFORMA INTEGRATA DI MOTORI SPECIALIZZATI CON MODELLI DATI CONNESSI, WORKFLOW, LOGGING E MODALITA' DI INTERAZIONE CONDIVISE. FUNZIONI DI SIMULAZIONE PREVISIONE A SCENARI ED ANALISI AVANZATA. CALCOLI ED ALLOCAZIONI TRACCIABILI, STORICIZZABILI E GESTIBILI DAGLI UTENTI



# Architettura Integrata di Pianificazione & Controllo



*MODELLO DATI FLESSIBILE  
AGGREGAZIONI E CARICAMENTI  
GOVERNABILI DAGLI UTENTI*

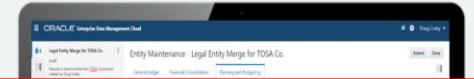
*COORDINAMENTO DEI PROCESSI CON CALENDARIO CONDIVISO*

*COLLABORAZIONE E PROCESSI DI SOTTOMISSIONE ED APPROVAZIONE*

*TRACCIABILITA' DI TUTTE LE OPERAZIONI A SISTEMA*

## Metadata Management

- Compare, analyze, and conform structural changes
- Gain speed and agility with request-driven management
- Apply scenario modeling and visualization of changes



## Workflow Management

- **Single version of truth** with consistent data and planning models in a centralized solution to ensure validation and controls
- **Granular and configurable workflow** to manage matrix structured budget approvals and compliance
- **Extreme scalability** to support participation of users across all lines of business
- **Instant visibility** to the progress and status of the reconciliation lifecycle
- Analytics show **process trends** and direct to areas for improvement



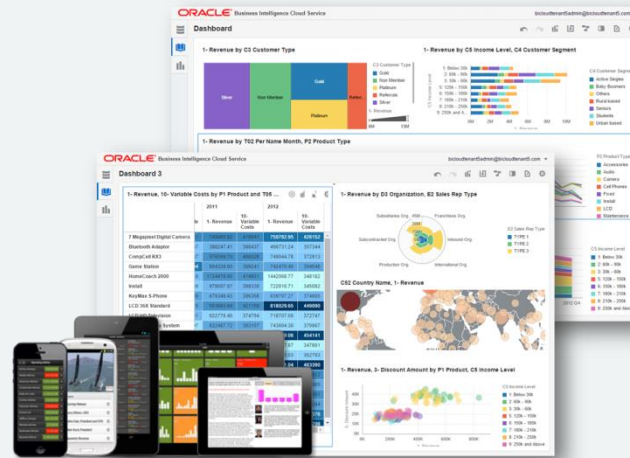
# Architettura Integrata di Pianificazione & Controllo

Presentation Layer



## Visual Analytics

- Move from rigidity to fluidity
- Deep discovery through rich features
- Modern visual library
- Guidance through Exploratory analysis
  - Visual grammar
  - Pattern brushing
  - Keyword search
- Mobile keeps you connected, access from anywhere, at any time
- Vocal and AI guided analysis



## Performance Reporting

... and collaboration

... progress and status of the

... sensitive content, from

... le

... across your Oracle

... nance generation

... eporting



ANALISI EVOLUTA  
INTEGRABILITA' DI FONTI  
ESTERNE MODALITA'  
COLLABORATIVE E DI  
CONDIVISIONE  
ENTERPRISE

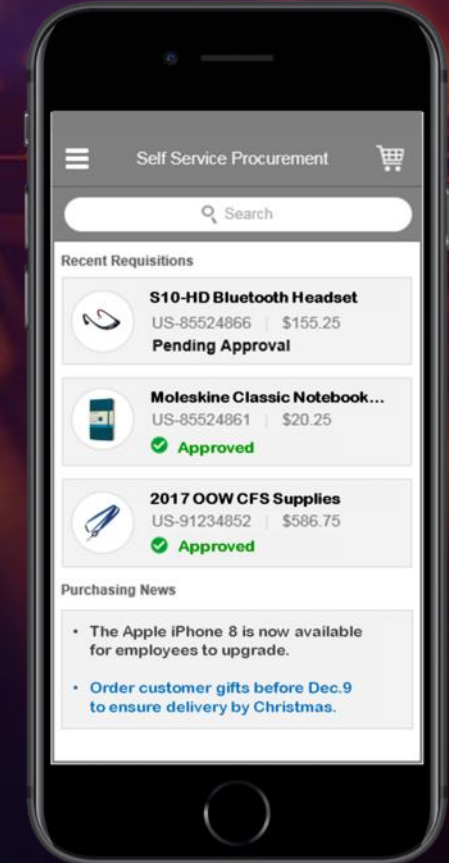
NATIVAMENTE MOBILE

ADOTTA FUNZIONALITA'  
DI ARTIFICIAL  
INTELLIGENCE  
INTERROGAZIONE A VOCE  
E ANALISI SUPPORTATA  
DA MACHINE LEARNING

37

36

# ORACLE: FUTURE READY, MORE INNOVATIVE, MORE MODERN, MORE SECURE, MORE COMPLETE, MORE CONNECTED.



# Experiences from Banking Customers

## Finance Digital Transformation. Realized.







# Greater Efficiency Revealed



- Adoption of cloud-based ERP and EPM solutions resulted in reduction in costs associated with maintaining shared services for the global bank
- More transparency, control and responsiveness to regulatory demands
- Ability to move people from transactional tasks to more value-added capabilities



*Moving to the cloud was essentially part of our new technology strategy. While it started as a program to increase control and transparency around our costs, it's also enabled us to respond to changes in the regulatory environment. We couldn't have responded to that regulation as quickly as we've been able to do if we'd gone with an on-premises solution."*

**Joanna Fielding, FCMA,  
CGMA , CFO**  
HSBC Global Business Services Ltd.



## LLOYDS BANKING GROUP TRANSFORMS ITS OPERATING MODEL



ORACLE®

# ANNEX

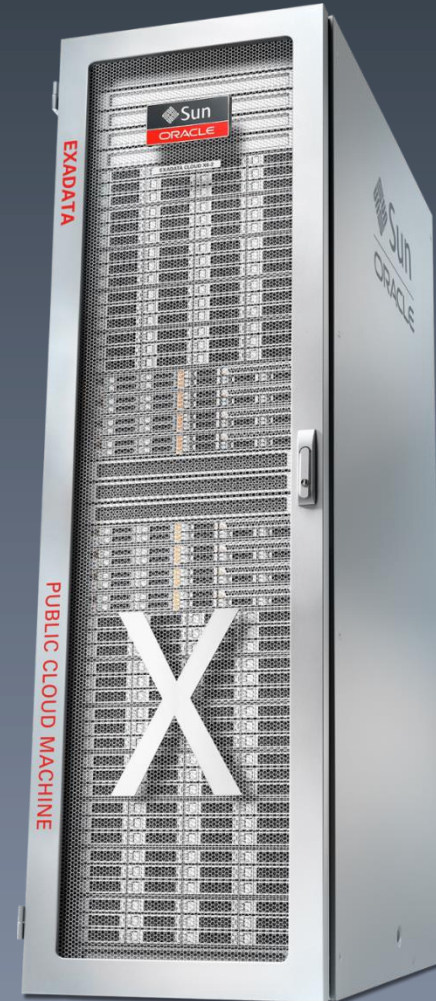




# Oracle Exadata

*A platform “engineered” to enhance data management*

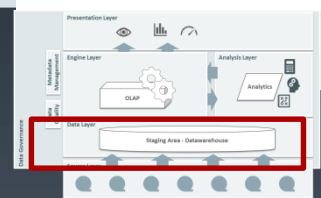
- **Ideal Database Hardware** – Elastic scale-out, database optimized compute, networking, and storage for fastest performance and lowest costs
- **Smart System Software** – specialized algorithms vastly improve all aspects of database processing: OLTP, Analytics, Consolidation
- **Full-Stack Integration** – Automation, database-to-disk optimization, testing, patching, and support to reduce operational costs
- **Top-notch Engineering level:** hardware and software engineered to work together



**Identical On-Premises, Oracle Public Cloud, Oracle Cloud@Customer**



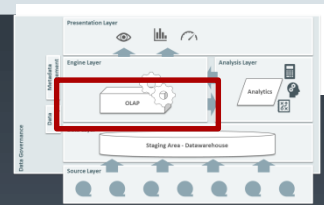
# Oracle Data Integrator



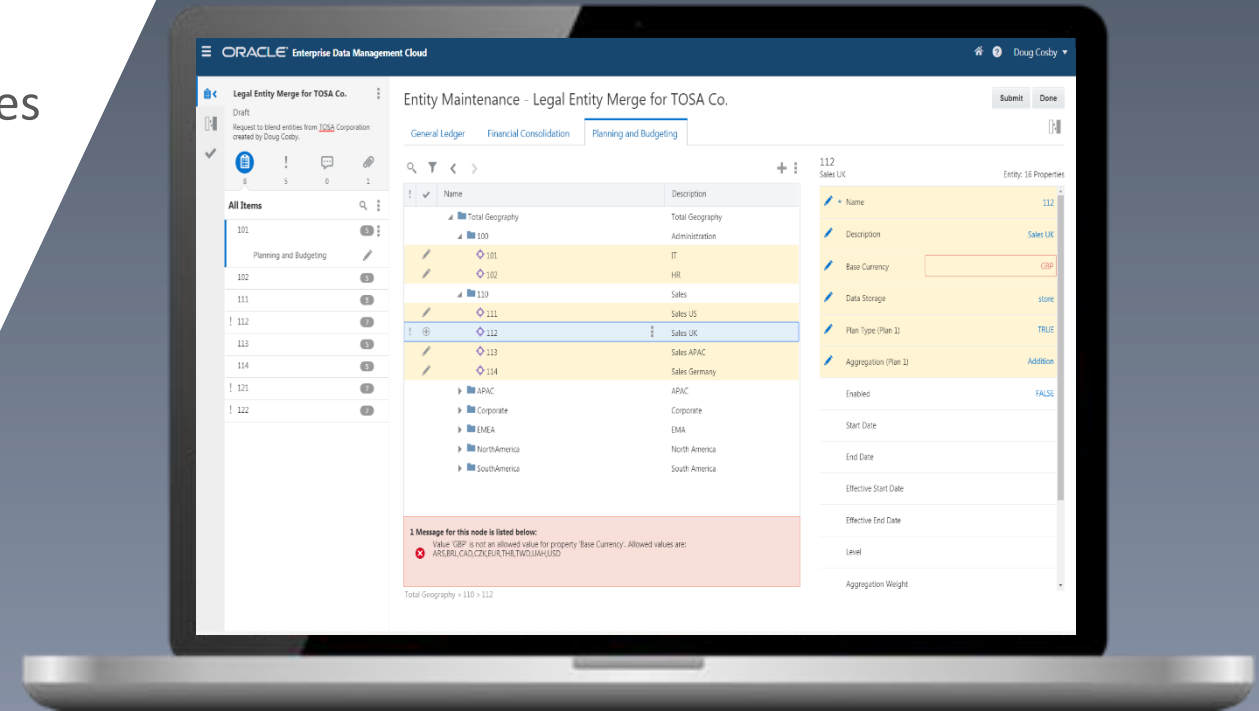
- Single Logical Design
- Data Quality Checks
- Central and automatic **real time monitoring and Logging** with execution statistics
- **Workflows Orchestration:**
  - Useful **pre-built functions** to handle files, send emails, use web services, etc.
  - Any kind of **external procedures** can be **integrated** in the workflow (Java, Shell Scripts, PL/SQL...)



# Metadata Management

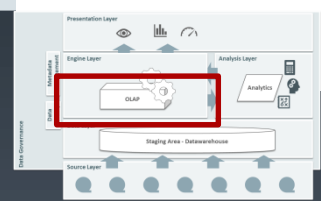


- Compare, analyze, and conform structural changes
- Gain speed and agility with request-driven management
- Apply scenario modeling and visualization of changes before committing
- Leverage drag and drop hierarchy management
- Maintain a granular change audit

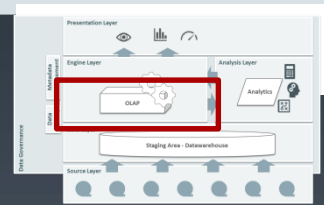


# Workflow Management

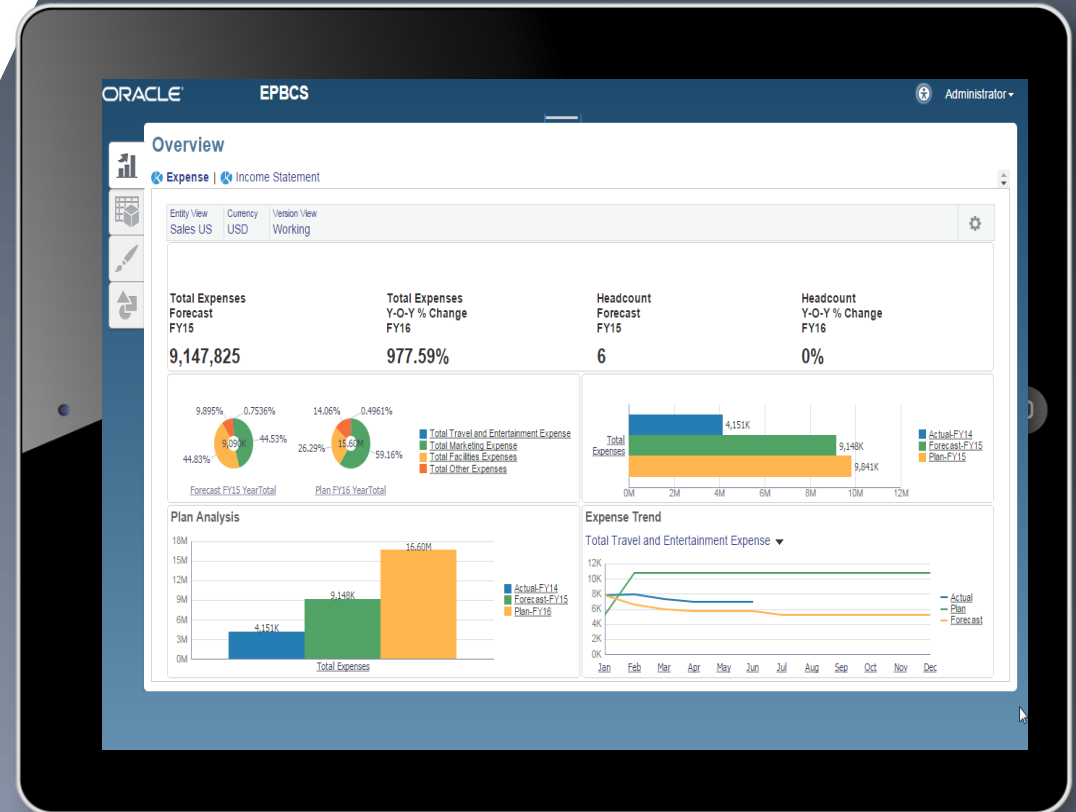
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# Planning & Budgeting

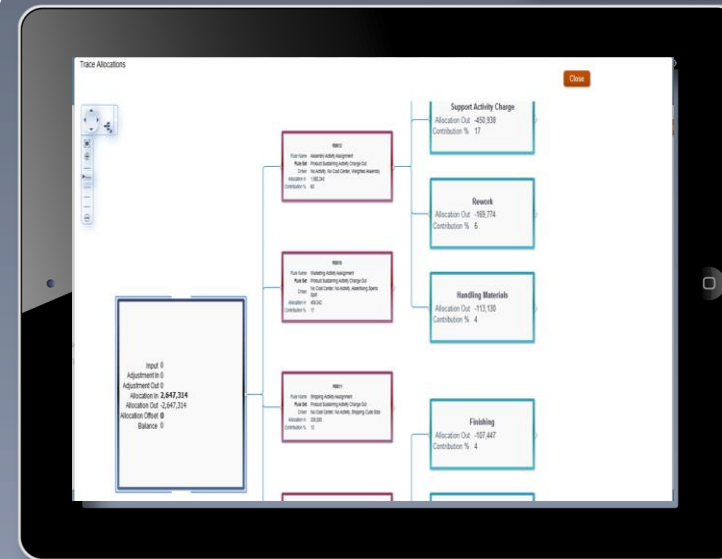
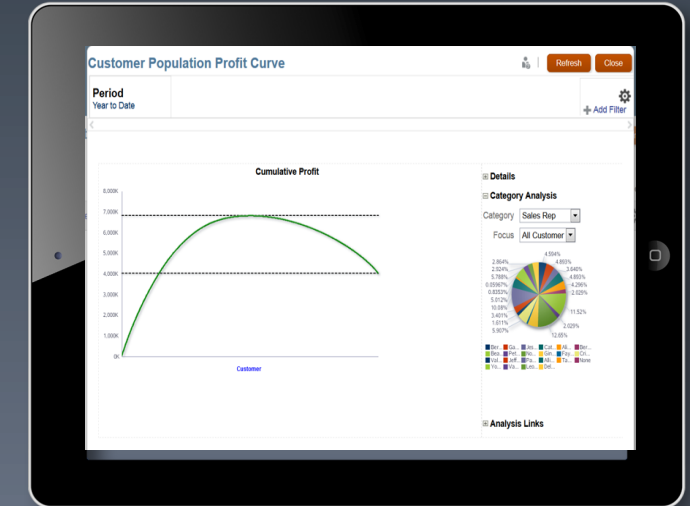
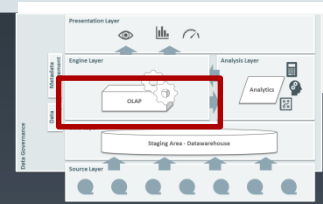


- Use key business drivers to **calculate financial and operational accounts**
- Leverages **historical trends** for planning accounts
- Leverages **statistical algorithms to predict** future outcome based on historical data
- Use **easy-to-use** manual entry features such as *'grid spread'* to build up manually planned items
- Configurable for **industry-specific requirements**
- **Drill through capabilities** for granular traceability into source data



# Profitability & Cost Management

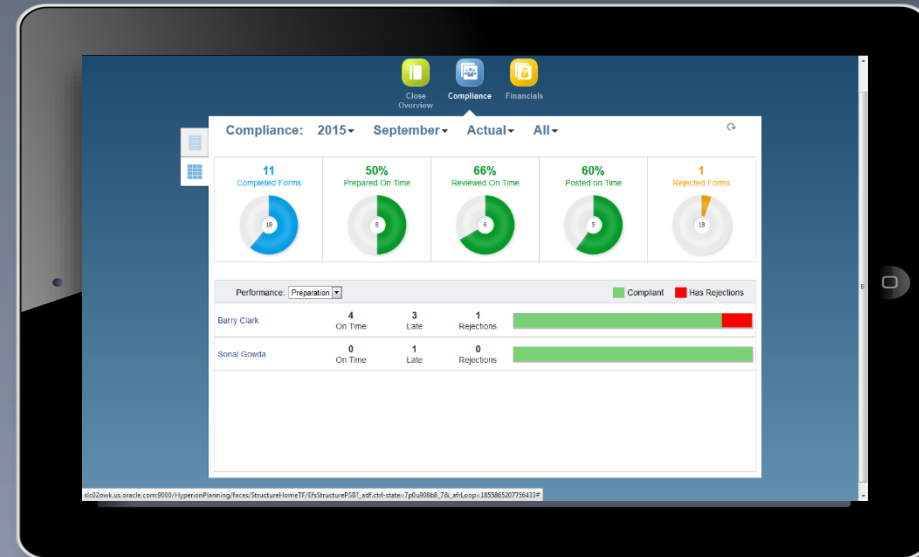
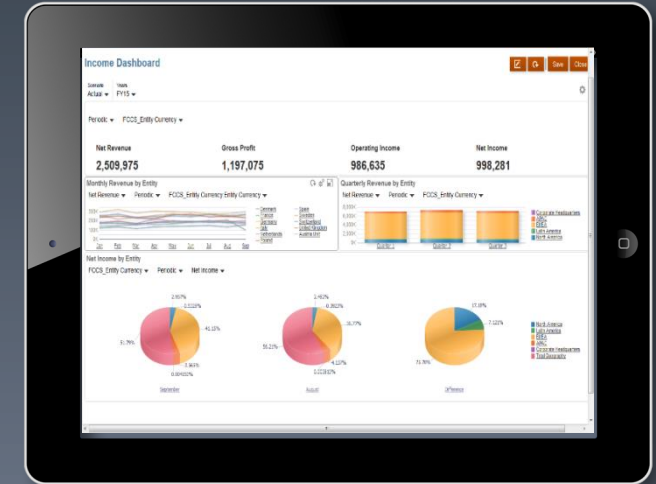
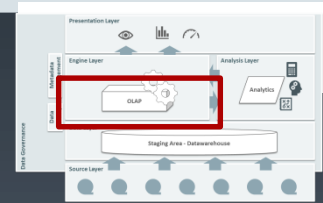
- **Deep insight into drivers of costs and profitability** across all aspects of business
- **Dashboards and profit curves** to show which business areas contribute to or dilute profit
- Point-and-click interface makes it **easy to create or alter complex allocation rules** using the best practice framework
- **Rule tracing and sharable audit trails**
- **Instant visibility** to the progress and status of the reconciliation lifecycle
- **Analyze variances** across multiple business scenarios to optimize allocation processes
- **Drill through capabilities** for granular traceability



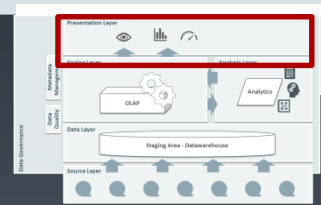


# Financial Close and Consolidation

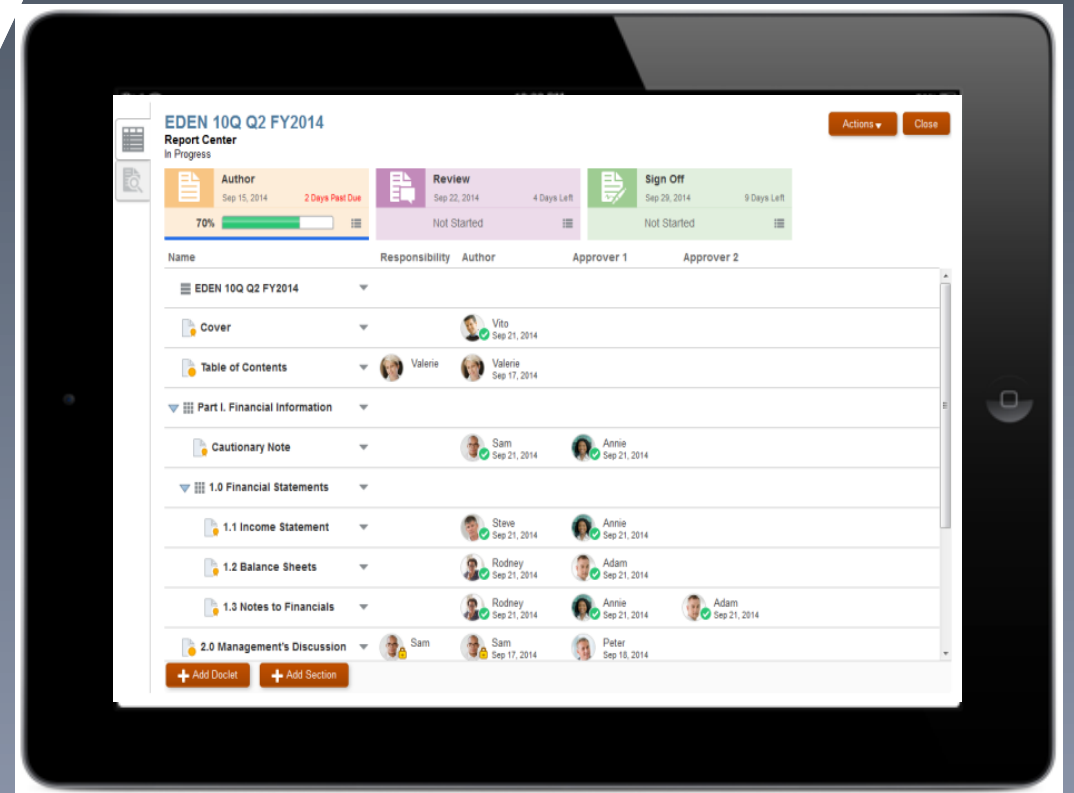
- Focused on Best Practices from 30+ years experience
- **Extended close** from sub-ledger to final reporting
- **Integration** with ERP, EPM, & 3rd party sources
- **Significant pre-built functionality** with limited need for custom scripting (Automated Account Reconciliation, Automated report publishing, ...)
- **Trust and reliability** that the numbers are complete and accurate
- Built in **task orchestration** for management of overall process



# Enterprise Performance Reporting

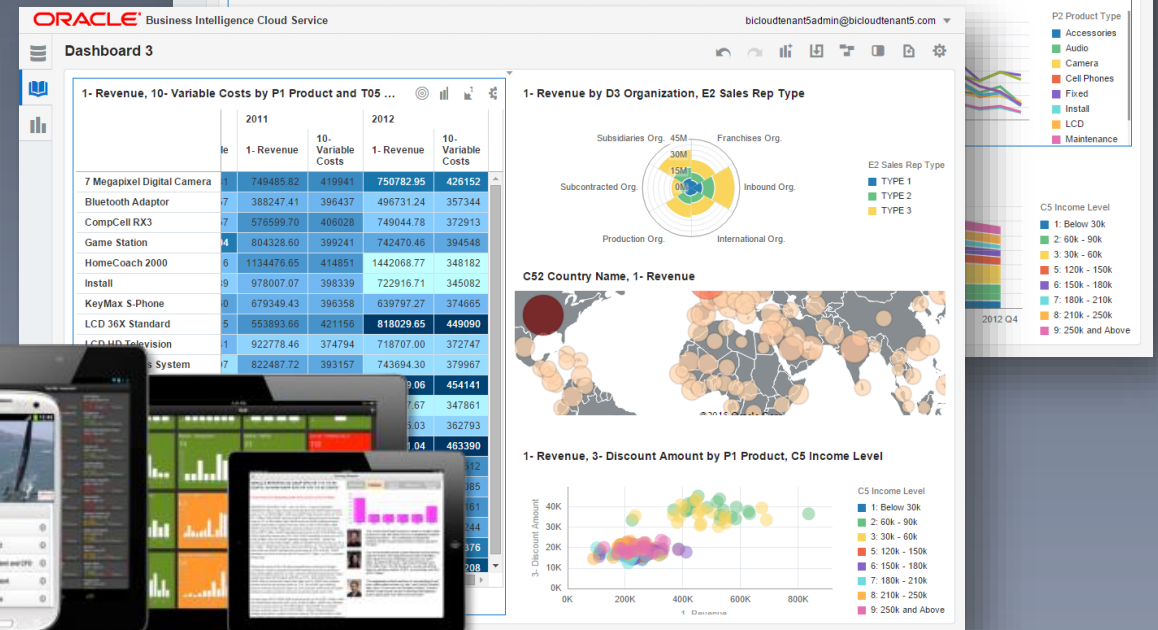
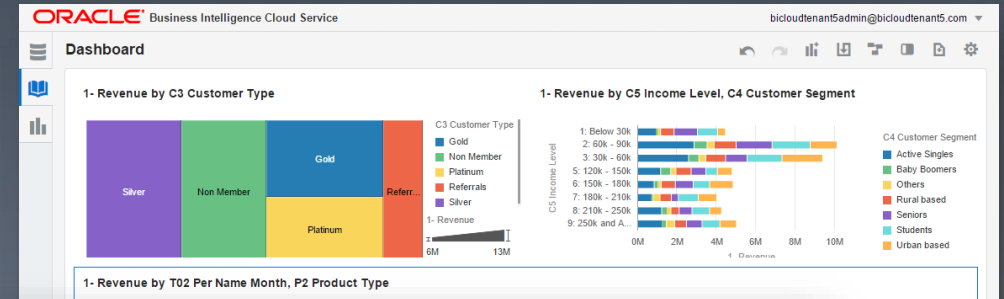
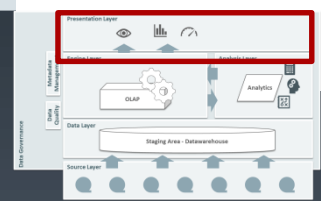


- **Advanced mobile, self-service** and collaboration capabilities
- **Instant visibility** to the progress and status of the reporting lifecycle
- **Secure at all levels** to handle sensitive content, from network to storage
- Content **access based on role**
- Author Management reports across your Oracle sources
- Perform validations and instance generation for XBRL-based regulatory reporting



# Visual Analytics

- Move from rigidity to fluidity
- Deep discovery through rich features
- Modern visual library
- Guidance through Exploratory analysis
  - Visual grammar
  - Pattern brushing
  - Keyword search
- Mobile keeps you connected, access from anywhere, at any time
- Vocal and AI guided analysis





## CONTACTS

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