

Driving Strategic Finance
Transformation in banks with
Oracle's unified architecture

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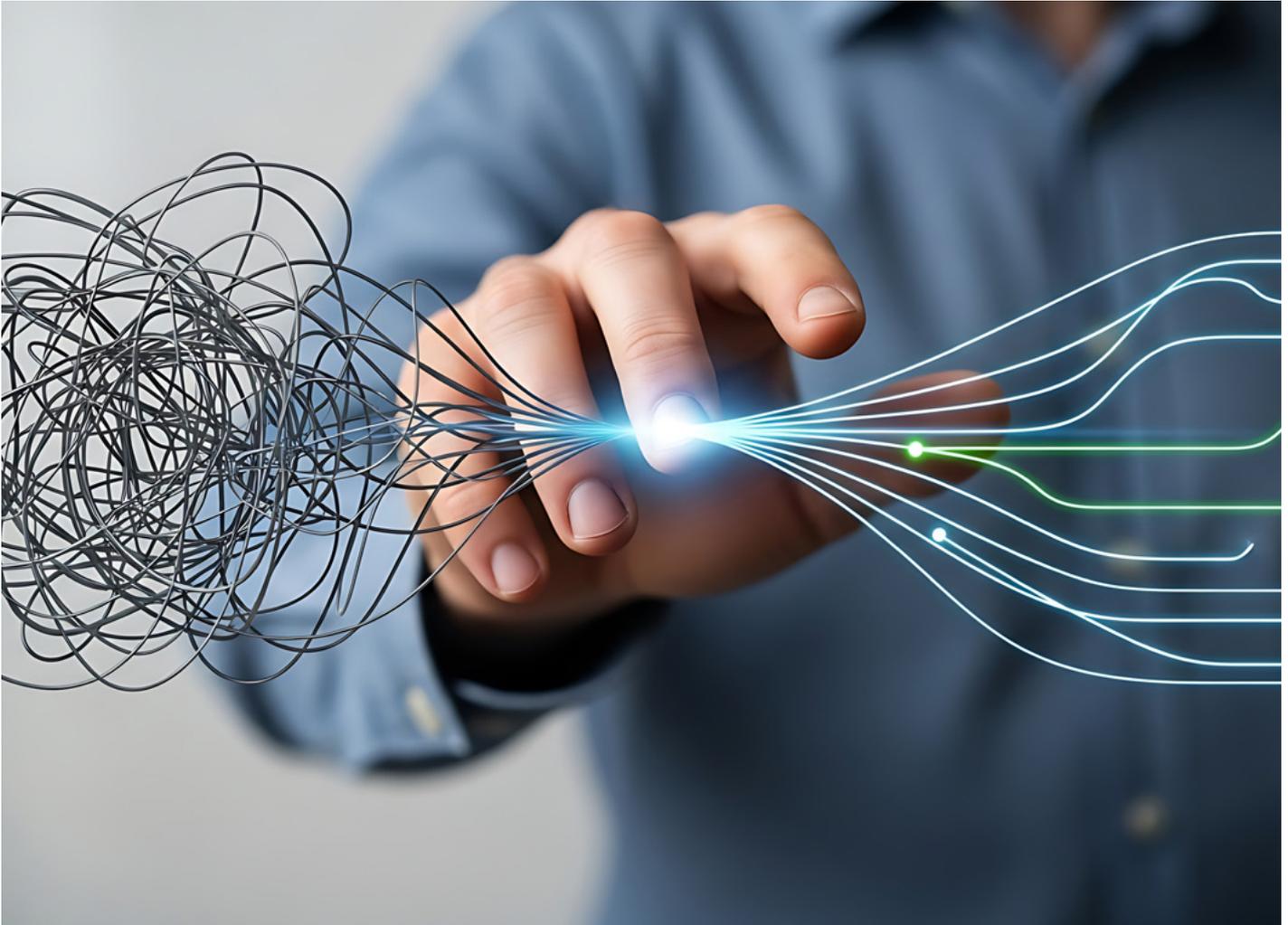
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Message from leadership



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Finance transformation is not about systems; it is about leadership. When vision is anchored in trusted data, CFOs gain the clarity and control to act at speed. Deloitte brings finance, risk, and operations into a single, governed intelligence layer through Oracle's unified architecture, enabling banks to lead decisively in a regulation-intensive, AI-driven future.



For decades, banks have worked with siloed data, driven by product-centric system design and internal incentives that prioritise operational independence over enterprise-wide process cohesion.

Non-core extensions from product OEMs were often immature and poorly integrated, which made the silos worse. Core banking platforms were engineered for deposits and payments; lending systems handled origination and servicing; card systems were optimised for high-volume transaction processing. Over time, treasury, market risk, credit risk, IFRS 9, funds transfer pricing (FTP), cost allocation and Anti-Money Laundering (AML) engines became specialised analytical domains. CRM solutions focused on customer engagement, and finance ledgers formed the backbone of reporting and control.

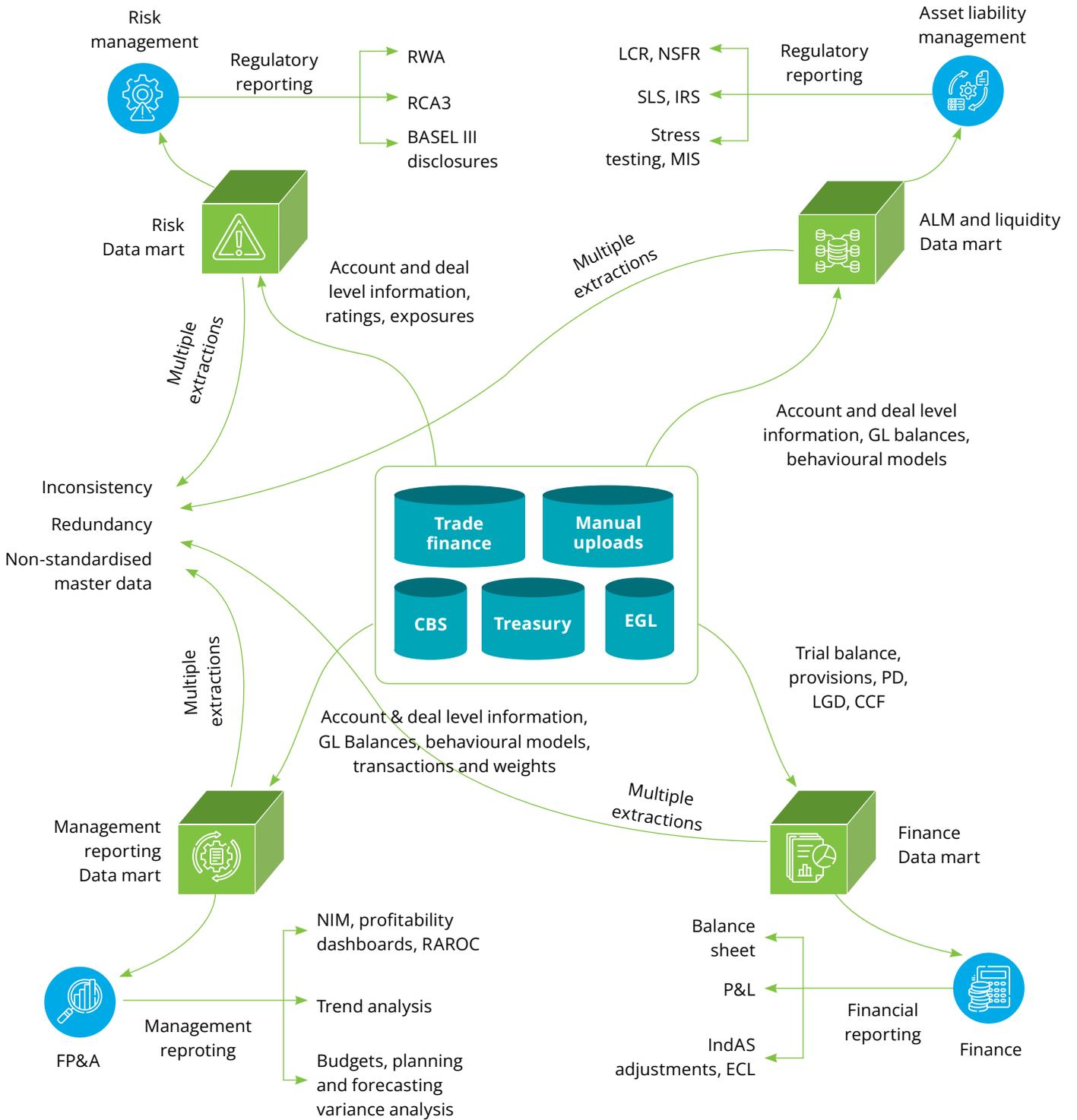
Each domain developed its own technology stack, data model, governance standards and operational workflows, creating parallel universes within the same institution. The CFO's office was no exception. For example:

- FTP never found its way into Asset Liability Management (ALM) for Net Interest Income (NII) forecasting
- General Ledger (GL) chart of accounts lacked the granularity required by ALM, FTP, credit risk and IFRS 9
- Profitability never found its way into CRM for cross-sell/upsell
- Accounting events could never find a direct way into the GL, where they actually belonged
- Procurement and payments were automated in isolation

Fragmentation was not accidental. It reflected a rational response to the banking context of the time. Products were run by lines of business, regulatory expectations were simpler and less data-intensive, and functional independence made coordination easier. The duplication that resulted was an acceptable price for end-to-end process control.

But today, that architecture has become an existential constraint.

Due to this fragmented architecture, CFOs are now being questioned.



Siloed architecture

Can you trace any regulatory number back to its source in fewer than five clicks?

What percentage of close efforts still rely on spreadsheets?

How many versions of 'actuals' exist before your board meeting, and can you guarantee which one is correct?

Is your real-time data just a dashboard illusion, or do people across the business trust it enough to act on it?

Can your Finance AI initiative deliver answers without unified data?

Banking has shifted to a world defined by digital interactions, real-time customer expectations and continuously intensifying, process-pervasive regulatory demands. Supervisors now require granular, explainable, reconciled data delivered at unprecedented speed. Financial management in this era has become extremely complex. Executives need process-wide visibility to make informed strategic decisions, but fragmented, inconsistent systems that lack a common data language struggle to deliver it. These fragmented systems have become a fundamental barrier to transparency, control and strategic agility.

Enterprise risks stemming in banks from siloed data architectures

Inconsistent financial and regulatory reporting

Disparate data sources lead to conflicting definitions, timing differences and mismatched balances across business units. As a result:

- Financial and regulatory reports often do not reconcile, and a single source of truth remains elusive
- Material adjustments must be made manually at the end of each cycle
- Stakeholders increasingly question the reliability of enterprise data
- Misalignment between historical and operational data undermines analytics and forecasting

These inconsistencies erode trust inside the bank and with regulators, and they hinder compliance with modern data lineage and traceability requirements.

Regulatory expectations have intensified significantly with Basel III/IV, IFRS 9, IRRBB and BCBS 239. Regulators now demand:

- End-to-end data lineage, from reported numbers back to original source systems
- Transparent documentation of model inputs, assumptions and methodologies
- Evidence of robust data quality controls across risk and finance

Siloed architectures hinder data lineage and traceability, requiring expensive, repetitive manual interventions; as a result, reporting remains slow and manual.

Slow and manual close cycles

Financial close processes remain resource-intensive. As transactions pass through multiple ledgers and operational systems, teams must use manual spreadsheets and offline reconciliations. These delays:

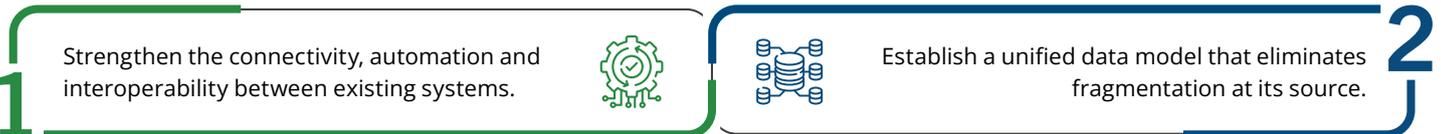
- Extend month-end and quarter-end closes
- Increase operational risk
- Misallocates finance talent to data cleansing at the expense of analysis

Limited enterprise-wide risk visibility

Risk data across credit, market, liquidity and operational systems is not harmonised. As a result, models are less accurate, real-time exposure monitoring is impaired, and stress testing, scenario analysis and capital planning remain periodic and manual rather than continuous.

A strategic path to eliminating fragmentation: Integration, automation and unified data foundations

CFO offices have two overarching paths to address fragmentation:



Both approaches can coexist and often complement each other, depending on the transformation maturity and strategic timeline.

The finance function typically evolves from a fragmented architecture towards greater integration and standardisation. The first step is to create a connected silo environment to strengthen connectivity, automation and interoperability. By using APIs, middleware and workflow automation, financial data can flow more freely between systems, reducing manual effort and improving reporting cycles. Although definitions and reference data may still be inconsistent, this connectivity gives the CFO better visibility into financial performance and sets the stage for deeper transformation.

As the CFO function matures, it adopts a federated architecture with shared standards for critical reference data such as customers, products, accounts and transactions.

Master Data Management and centralised analytical platforms allow finance teams to produce more consistent reporting and gain early insights across business units. Reconciliation requirements decline, and the CFO can rely on a more dependable set of data for decision-making. At this stage, finance is no longer simply consolidating fragmented information but is beginning to use structured, cross-unit analytics to influence strategic planning and operational efficiency.

The next evolution is the unified data foundation, where enterprise-wide standardisation of financial and operational data transforms the CFO office. Customer, product, account and transaction definitions are harmonised across the organisation, supported by a finance subledger, enterprise product catalogue and event-driven data pipelines. Financial reporting becomes faster, more accurate and largely free of manual reconciliation. Analytics can link directly to operational and customer data, enabling precise budgeting, planning and risk management. The CFO now operates with a high level of confidence in the numbers and can begin providing forward looking insights that support enterprise strategy.

Ultimately, the finance function reaches a fully unified architecture, characterised by cloud-native, real-time systems that seamlessly integrate finance and risk. Automated controls, intelligent analytics and reconciliation-free ledgers allow the CFO to focus entirely on strategic value creation. Finance can instantly evaluate the impact of business initiatives, forecast future scenarios and guide rapid product innovation. In this stage, the CFO office evolves from a function focused on managing data fragmentation to a proactive, predictive collaborator that drives enterprise-wide agility, informed decision-making and sustainable growth.

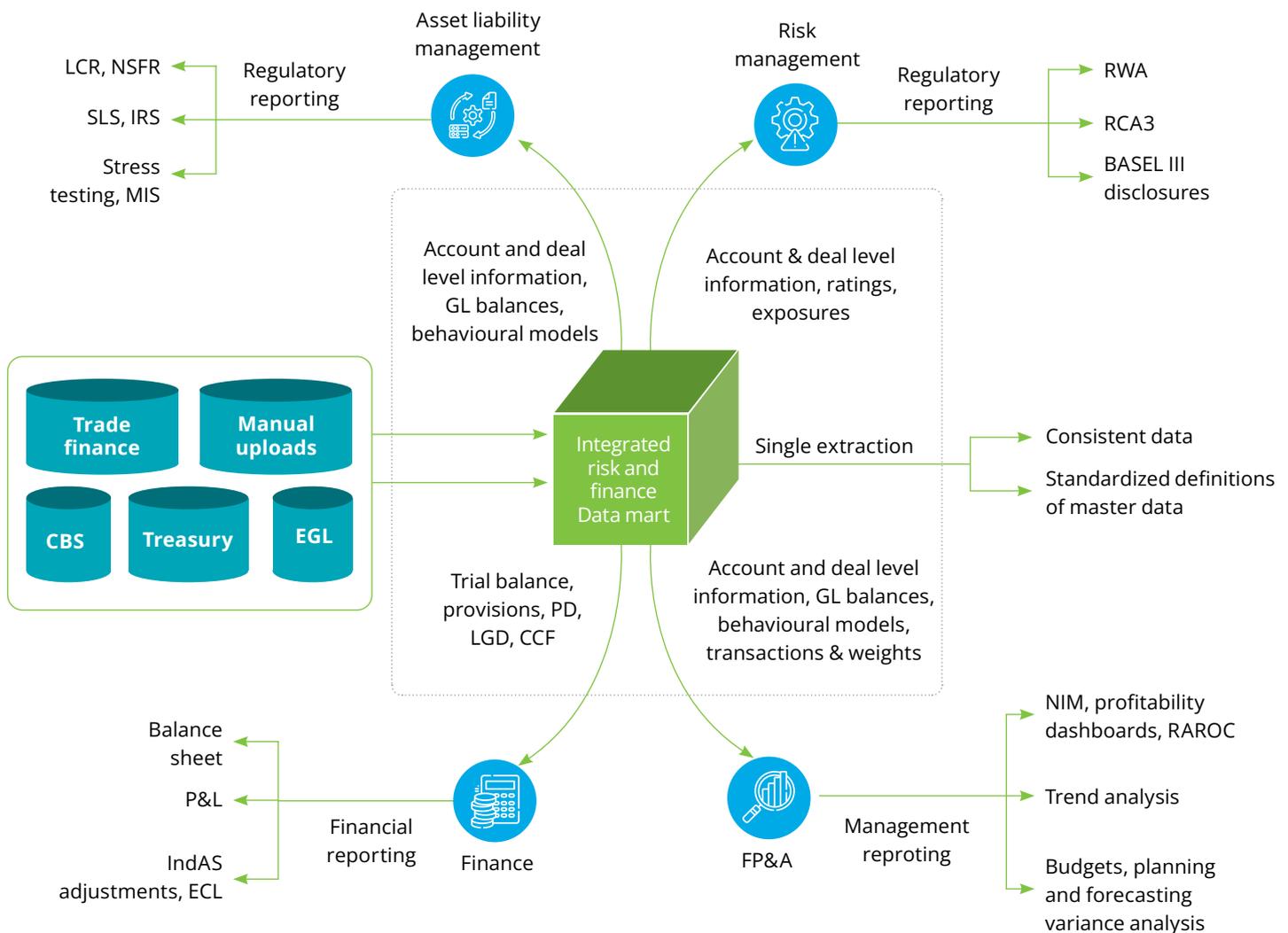


Target-state unified architecture for the CFO office using Oracle

Oracle provides the foundation for a unified architecture purpose-built for financial services through the following applications –

- Oracle Financial Services Data Foundation (FSDF),
- Oracle Accounting Foundation Cloud Service (AFCS),
- Oracle Financial Services Analytical Applications (OFSAA),
 - Asset Liability Management (ALM)
 - Liquidity Risk Management (LRM)
- Funds Transfer Pricing (FTP)
- Profitability Management (PFT)
- Regulatory Capital (BASEL)
- Loan Loss Forecasting & Provisioning (LLFP)
- Model Management & Governance (MMG)
- Oracle Enterprise Resource Planning (ERP) Cloud
- Oracle Enterprise Performance Management (EPM) Cloud
- Oracle Analytics Cloud (OAC)

By using these applications, Oracle creates a single, trusted foundation for financial, risk and performance data across the CFO office.



Integrated architecture

Below are the business use cases and Oracle enablers as follows:

Persona	Critical questions	Signature use cases	Oracle enablers
CFO / Controller	Does a T+1 close give your team more confidence, or simply increase uncertainty?	Faster close Subledger to GL reconciliation	ERP, AFCS
	Can you explain every material variance without opening Excel?	Automated reconciliations with full audit trail	Oracle Fusion Cloud ERP and EPM (close, consolidation, planning)
	Do you trust the forecast, or merely defend it?	AI-assisted variance analysis and management narratives Driver-based planning and forecasting	AI in EPM for variance explanations and narratives EPM for planning and forecasting
	What is the profitability of each business unit, and which products and branches generate the most profit?	Cost, revenue and capital allocations Net Interest Income Risk Adjusted Return on Capital (RAROC)	PFT, FTP for business units, branch & product profitability

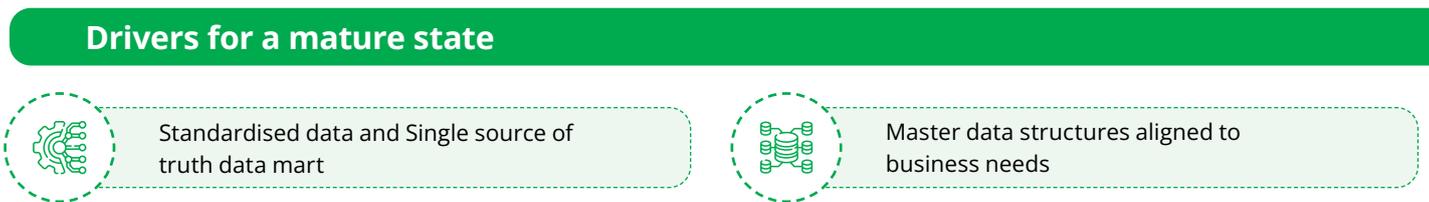
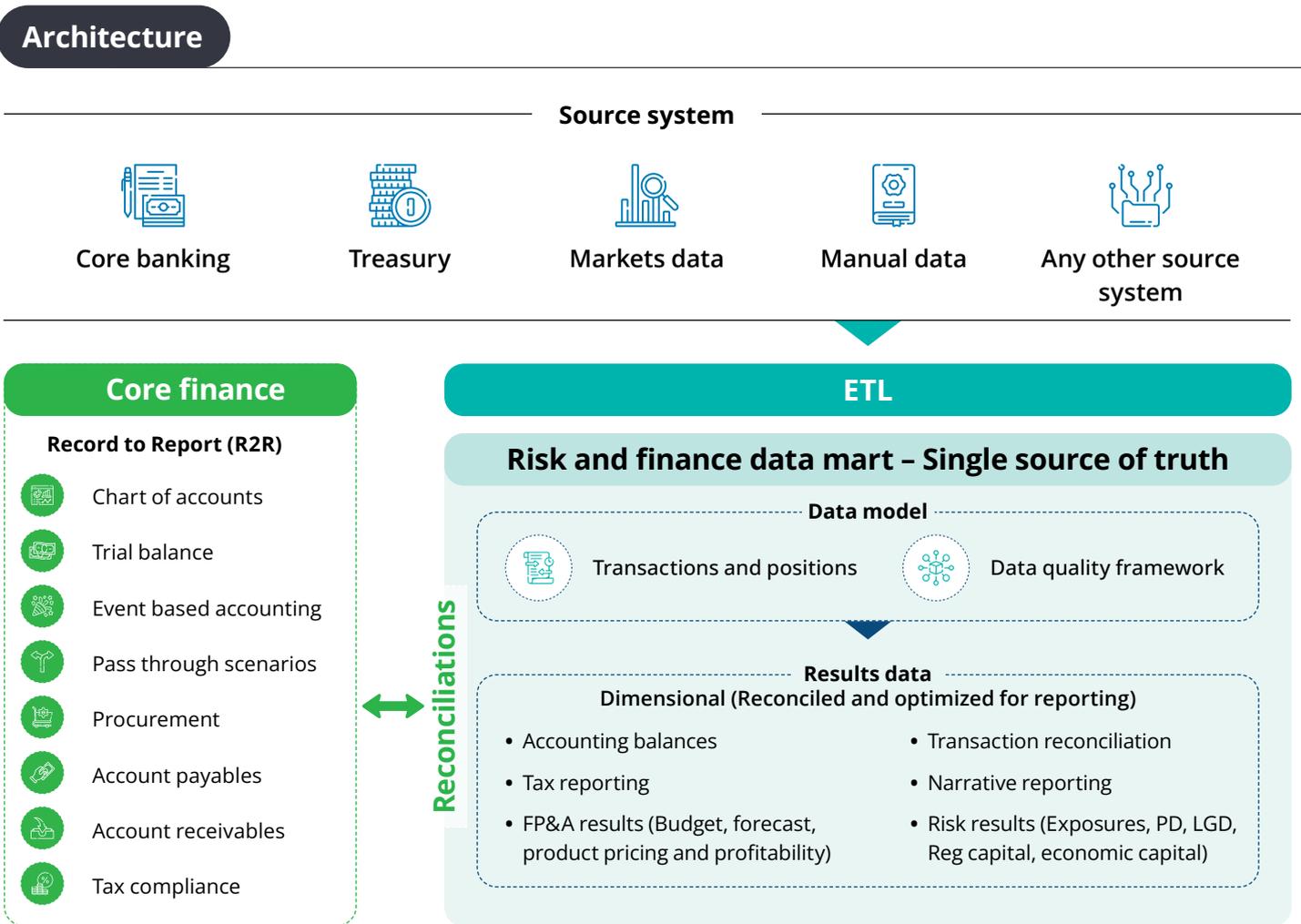
Persona	Critical questions	Signature use cases	Oracle enablers
CRO / Risk Leader	Is BCBS 239 compliance provable, or just asserted?	End-to-end lineage from transaction to risk report	FSDF for governed, lineage-ready data foundation, reconciliation
	Can you explain IFRS 9 / ECL outcomes to a regulator without a modeller in the room?	Model transparency and explainability EIR and ECL based on stage determination	MMG for PD, LGD, EAD modelling LLFP for risk aggregation, regulatory calculations, explainability
	Is capital computation per latest regulatory guidelines?	RWA and capital computation	BASEL for regulatory reporting
	Do your risk numbers reconcile to finance, or compete with them?	Integrated finance and risk dashboards	OAC
Treasury	Can you run liquidity and NII what-if scenarios without manually consolidated spreadsheets?	LCR / NSFR / ALM parallel runs	OFSAA LRM, ALM and FTP modules
	"Who owns the data contract when finance and risk disagree?"	Canonical finance and risk data models	FSDF as finance and risk data foundation



Implementation considerations of an Oracle enabled unified architecture for strategic finance transformation in banks

For banking finance transformation initiatives, implementing an Oracle-enabled unified architecture provides a comprehensive ecosystem for finance data, integration and analytics. Its successful adoption depends on thoughtful execution across target-state finance architecture, data governance and controls, operating model redesign and change management.

Oracle-led FS reference architecture



Key decisions/Trade-offs



Single OEM
Versus
Best of Breed (BoB)



Big Bang approach
versus
Phased approach



On cloud
versus
on premise



Enterprise
architecture
(future proofing)



Roles and
responsibilities for
implementation
and BAU

Regulatory reporting



Risk models

- PD/LGD Models
- ALM behavioural Models



Liquidity and interest rate risk,
LCR, NSFR,



Credit risk – CRAR
computation, RCA3

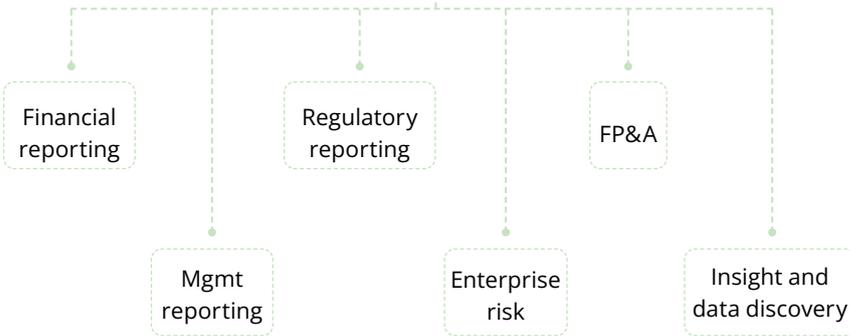


IFRS 9 EIR, stage
determination, ECL

Consume

- Planning & budgeting
- Forecast
- Budget
- Variance analysis
- Scenario analysis
- Profitability

Reporting solution



Seamless integration within different systems



Ability to launch self service reporting
and analytics



Big bang versus phased implementation

A big bang delivers the full target architecture in a single release, which can accelerate realisation of benefits but introduces significant risk, particularly for finance functions where data accuracy, controls and regulatory compliance are critical. Any failure at go-live can disrupt financial close, reporting and decision-making, which makes this approach suitable only for organisations with highly standardised processes, mature data governance and strong risk tolerance.

A phased approach, however, delivers the benefits of unified architecture across the finance function incrementally. This reduces implementation risk, enables early value realisation and allows finance teams to adapt gradually while improving data quality and governance with each phase. Although it extends the time required to achieve the full strategic vision and temporarily increases

architectural complexity, it provides greater control, resilience and business continuity. For example, a bank can take the following route –

(A) Finance subledger unification first and then federated risk integration; and (B) Data-foundation-first, followed by finance and risk applications.

The bank's size should shape the transformation approach. Smaller banks, with fewer systems and simpler product portfolios, can more readily adopt a big bang rollout. Larger banks, with multiple legacy platforms, complex products and heavy inter-system dependencies, typically favour a phased approach to preserve stability, strengthen data governance and controls and ensure compliant, sustainable adoption.



On-premises versus cloud

The choice between on-premise and cloud deployment raises distinct security, operational and cost considerations. Cloud environments often trigger security concerns around data breaches and loss of control, particularly for sensitive financial data.

Modern cloud models such as private cloud and geo-specific cloud deployments have emerged to address these risks by offering dedicated infrastructure, strong isolation, data residency controls and alignment with local regulatory requirements. Oracle Cloud Infrastructure further mitigates risk through encryption by default, identity and access management, continuous monitoring and audited security controls.

Whereas on-premise deployments, while perceived as more secure due to physical control of systems, introduce their own challenges. They require significant investment in data centre space, hardware procurement, ongoing maintenance, patching and skilled resources to sustain security and availability. Over time, these factors increase cost, limit scalability and make it harder to maintain.

Also, cloud shifts the security model towards standardised, continuously updated controls and reduces infrastructure burden, while on-premise environments demand sustained capital and operational effort to achieve comparable levels of security, resilience and agility.



Data first

In a technology-driven finance transformation, the focus on data is the most critical to achieve accurate, reliable and actionable insights. Early implementation discussions are essential, as data-quality concerns and interdependent legacy systems increase complexity and require time for data stewards to address.

Standardised data definitions across different business departments enable the creation of a Single Source of Truth (SSOT), ensuring that all reporting, planning and analytics draw from the same verified and trusted

data, reducing inconsistencies and conflicting numbers across the organisation. Financial reconciliation with the organisation's trial balance across the chart of accounts segments is also critical to ensure completeness of data and gain stakeholders' confidence. Similarly, data lineage, which tracks the origin, transformations and movement of data across systems and processes, provides transparency into how figures flow from transactional systems to consolidated reports, supporting auditability, regulatory compliance and trust in analytics.



Reporting strategy

A unified architecture contrasts sharply with reporting from individual application report marts, where each system maintains its own reporting structures and definitions. In the latter approach, inconsistencies, duplicated effort and reconciliation challenges are common, leading to delays, errors and reduced

confidence in the reports. By consolidating data into a centralised mart, organisations can standardise metrics, improve transparency, reduce manual reconciliation and provide real-time, reliable insights for strategic decision-making and regulatory compliance.



Change management

Successful adoption of Oracle-led finance transformation requires buy-in from stakeholders who are accustomed to legacy systems and established processes. To achieve this, the finance team should communicate the transformation benefits in business relevant terms, focusing on improved decision-making, faster reporting, enhanced accuracy and operational efficiency, rather than emphasizing technical architecture or tools. Organising interactive workshops

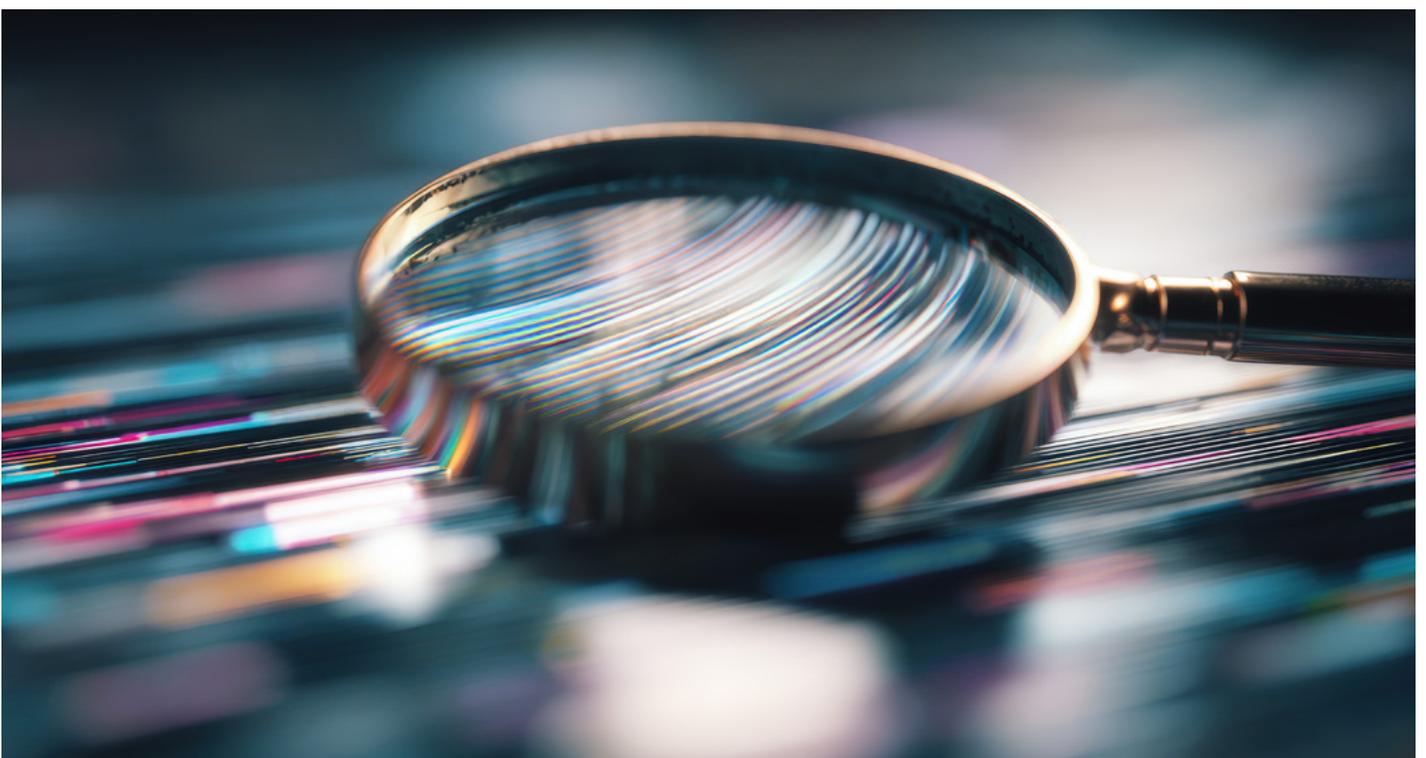
and demonstrations can help build confidence among business users, showcasing the transparency, traceability and value that the new processes provide. By highlighting real-world benefits and fostering hands-on engagements and training, organisations can drive adoption, reduce resistance and ensure that the technology effectively supports the broader finance transformation objectives.



Roles and responsibilities

When implementing a Unified architecture, clearly defined roles and responsibilities are critical for ensuring integrity, standardisation of data and successful adoption. Department-level champions should be identified to leverage their knowledge of systems and data quality, enabling timely decisions and actions. Centralised design teams are essential to

standardise definitions and maintain consistency across departments, ensuring reliable reporting and building regulator confidence. Additionally, defining roles and access controls establishes clear ownership and accountability within processes, strengthening governance, controls and operational discipline throughout the organisation.



Oracle's platform is empowering the CFO's office with trusted, real-time financial insights

Timeliness: Faster reporting, real-time insights

Oracle's cloud-native architecture (OCI, AFCS, FSDF, OFSAA) accelerates data capture, consolidation and reporting through:

- Streaming and near real-time ingestion
- Automated Accounting and Reconciliation (AFCS)

- Real-time liquidity, exposure and risk dashboards (OFSAA)
- Faster and more predictable month-end and quarter-end closes and intraday reporting (ERP + EPM Cloud)
- Timely profitability insights to support pricing, cost optimisation and investment decisions (OFSAA)

Outcome

The CFO's office provides accurate, timely data to support internal decisions and daily regulatory reporting.

Flexibility: Rapid response to regulatory and business change

Oracle's modular, extensible platforms provide:

- An industry standard, extensible data model aligned to the chart of accounts and enterprise reporting structures ensures revenue and expense data are captured consistently across cost centre, product and profitability dimensions (Financial Services Data Foundation)
- Standardised financial data enables accounting close automation and ensures consistency across subledgers and the general ledger (AFCS)
- Adaptable risk (IFRS 9) and profitability frameworks (OFSAA)
- Ability to perform parallel processing, such as
 - Run ALM and LCR in parallel
 - FTP and cost allocations can be run in parallel
 - Store multiple versions of results for one day (provisional and final run)
- Stronger financial controls through real-time monitoring, alerts and corrective actions (OFSAA)
- Enhanced forecasting accuracy, scenario planning and variance analysis (budget versus actuals) (EPM Cloud – AI capabilities)
- Generate explainable insights, highlight key performance drivers, detect anomalies and automate narrative commentary for management and regulatory reporting (AI capabilities)
- AI can rapidly generate and compare multiple scenarios, such as interest rate changes, credit risk shifts or liquidity stress events, while explaining the financial impact in plain language. This supports better capital planning and risk-aware decisions (OFSAA).

Outcome

The CFO office can quickly adapt to new regulatory guidelines, launch new products, revise data models and respond to economic scenarios with revised targets without massive re-engineering. AI enables finance teams to move beyond periodic, spreadsheet-driven forecasts to continuous, adaptive forecasting by learning from historical patterns, macroeconomic signals and business drivers.

Completeness: A unified, end-to-end data view

Oracle's integrated suite ensures all risk, finance, and customer data is captured, reconciled and governed across the enterprise:

- FSDF consolidates risk, finance, and customer data into one canonical data foundation
- AFCS standardises subledger accounting from all lines of business and reconciliation
- OFSAA integrates FTP, profitability analysis across business units, products, channels, and customers and risk data calculations for RAROC (ex-ante versus ex-post) (OFSAA)
- ERP and EPM link operational ledgers with planning and consolidation

Outcome

CFO office achieves full data coverage across products, geographies and lines of business, meeting BCBS 239 "Completeness" expectations.

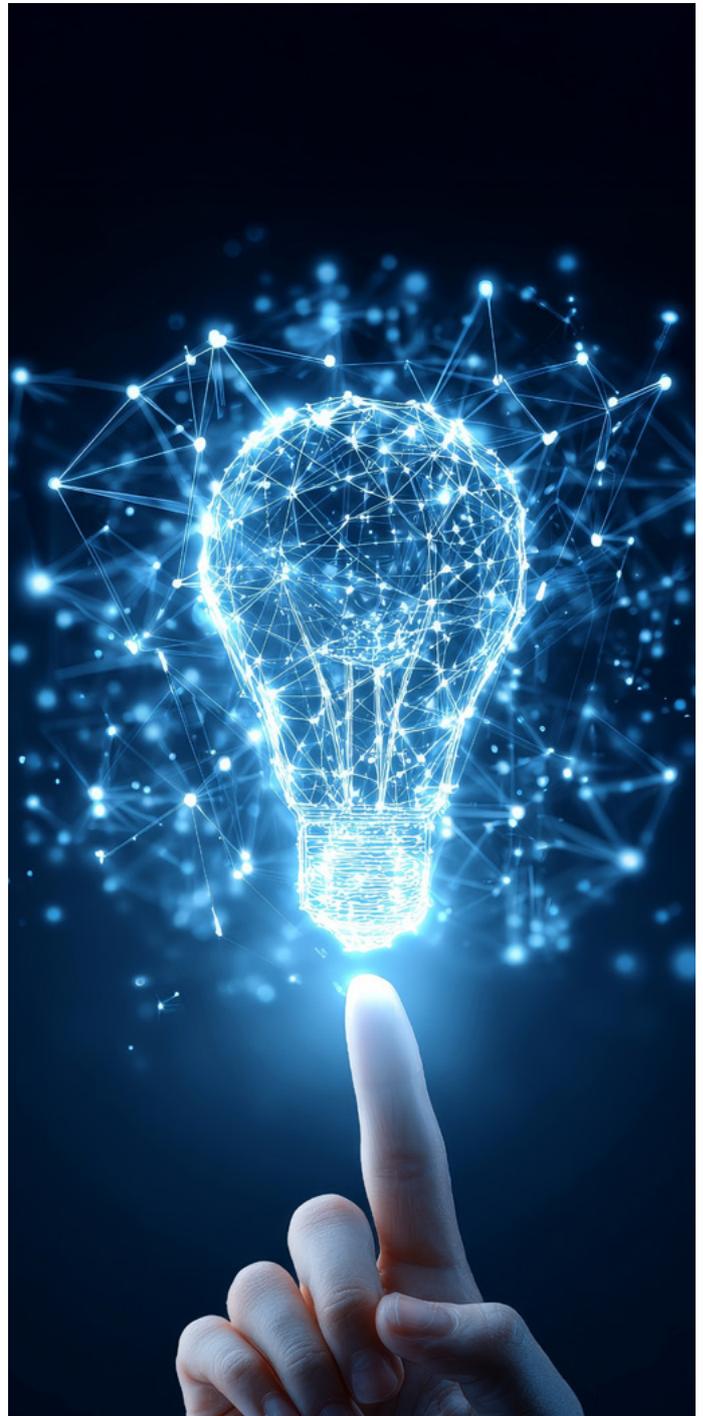
Accuracy: Trusted, reconciled and audit-ready data

Oracle architecture embeds governance and control at every stage:

- Data quality rules, validations and metadata lineage in FSDF
- Automates subledger-to-general ledger reconciliations, accelerating close cycles and improving accuracy, consistent accounting policies across LOBs via AFCS
- Reconciled, traceable regulatory calculations via OFSAA
- Embedded controls in ERP/EPM for close and consolidation

Outcome

The CFO office can deliver accurate, reconciled, audit-ready data, reducing regulatory findings, improving business confidence and strengthening investor trust.



Conclusive remarks

In an environment defined by regulatory complexity, relentless margin pressures and accelerating digital expectations, CFO functions can no longer rely on fragmented finance, risk and customer data ecosystems. A unified data platform, anchored by Oracle's integrated suite of financial and analytical applications, provides the architectural backbone required to transform finance from a reactive reporting function into a proactive driver of enterprise value. It also enables AI-driven forecasting and close-to-real-time analytics through embedded AI capabilities.

Key parameters that banks can use to measure return on investment from the Oracle Unified Architecture include reductions in operating costs (cost to income ratio) and buffer

liquidity costs; improvements in Net Interest Margin (NIM); optimised RWA through enhanced credit risk metrics such as Probability Of Default (PD), Loss Given Default (LGD); and person-hours saved through automation of routine tasks. Overall, Oracle applications create a unified architecture that improves timeliness, flexibility, completeness and accuracy across multiple facets of finance operations. Close cycles accelerate, reconciliations become automated, risk and finance reports align and CFOs gain a single source of truth to support strategic decisions and regulatory submissions. The result is a finance function that is more resilient, compliant and strategically influential, capable of shaping the bank's future.

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