

# Oracle *at* Work

with Union Bank of Switzerland

*"To grow successfully, we are going to require software and systems that offer us enormous flexibility. Oracle is part of this strategy."*

—Juergen Blatz, information-technology project leader, Union Bank of Switzerland



## Banking on Oracle

Banks expanding internationally face daunting data-acquisition and data-processing challenges. While growth is golden, the inability to deal with the high volume of data generated by enormous numbers of customer transactions, regionally specialized financial products, multiple currencies, and diverse local regulations can seriously short-change attempts to compete in the global marketplace. Union Bank of Switzerland (UBS), a longtime player in the international banking arena, has successfully managed this explosion of data requirements by using an Oracle-based operational accounting system that incorporates Oracle Financials.

Today UBS is the largest Swiss bank, with equity capital totaling US \$20 billion, and is one of only three banks worldwide with the prestigious Triple A (AAA) rating. No newcomer to the complexities of large-scale global banking, UBS, with 300 offices in Switzerland and 60 branches located around the world, realized that meeting its goal of becoming one of the largest wholesale banks

worldwide by the year 2000 required a complete re-evaluation of the bank's traditional mainframe computing systems. UBS's MIS team determined that the bank needed a system with enormous flexibility.

## Handling More Data, Flexibly

Before it implemented Oracle Financials, UBS routinely generated 3,000 standard cost-center reports. Each of these reports was summarized at a high level, but none contained the kind of detailed supporting information critical for in-depth analyses. Each day, an average of 800,000 input records moved through the bank's database, and it was clear to UBS that it was producing more information than it could effectively use.

"Our old system provided only limited access to important revenue, product, and customer information, making detailed business analysis virtually impossible," says Juergen Blatz, UBS information-technology project leader, "and we needed a system that could handle calculations of profit and loss by products, profit centers, and customers. We also needed it to have the ability to allow high-level management to quickly identify which products and services are performing and which ones are falling short."



Oracle Services

## Business Profile

Union Bank of Switzerland (UBS), a longtime player in the international banking arena, was founded in 1862. UBS began its international expansion by opening a New York office in 1946. Today, UBS is the largest Swiss bank, with equity capital totaling \$20 billion, and it is one of only three banks worldwide with the prestigious Triple A (AAA) rating.

## Solution Snapshot

### Primary use:

Streamlining internal accounting processes

### Hardware:

Sun SPARCcenter 2000s

### Oracle products:

Oracle Financials<sup>®</sup>, Designer/2000<sup>™</sup>, Developer/2000<sup>™</sup>, PL/SQL<sup>™</sup>, Pro\*C<sup>™</sup>

### Services:

Oracle Services consulting

## Benefits

- Dramatically improves processing time and enhances reporting functions
- Allows UBS executives to view detailed information about revenues, products, and customer activities in virtually any format
- Features both an activity-based costing system and an interest-margin calculation program
- Enables UBS to maintain clear audit trails; provides extensive request, evaluation, and oversight capabilities along with efficient user interfaces; provides extensive functions for generating clearing and assessment transactions

## Choosing Oracle Financials

When UBS decided to adopt a new financial system, its evaluation process included three systems. UBS chose Oracle Financials because the product suite provided two important elements the bank needed in order to develop a successful financial accounting system: enormous flexibility through the flexfields feature and high performance for loading and posting. "Oracle Financials' functionality and speed were critical to our selection," Blatz says. And Oracle's flexfields, a user-friendly differentiating capability that accommodates companies' specialized data-input requirements, was essential for UBS's customized data-summary and reporting applications.



Developer/2000

The UBS MIS team implemented a systems strategy that incorporated Oracle Designer/2000 CASE tools, Developer/2000 application-development tools, PL/SQL, and Pro\*C. Within 15 months, the bank developed an extensive data-management system with structural data for organizations, products, customers, and projects, along with account master data, extensive processing rules, and fee schedules.

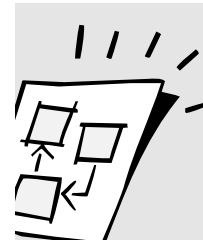
"Our project goals were extremely ambitious, given the time frame we were working with," Blatz says. After establishing the initial strategy and coinciding project, Blatz's team of 15 programmers and developers had only eight months to program the new core application, with no previous familiarity with relational database technology or Oracle. Oracle Services consulting (Switzerland) helped bring the UBS development team up to speed in that area. The Oracle consultants began work on the design of the logical data model and the IT concept using the Designer/2000 tools. During the project-implementation period, UBS and Oracle consultants developed interfaces to load the data delivered from the mainframe applications, configured the software for all calculation procedures, and set up Oracle Financials to run on four sets of books in parallel. An internal UBS team guided by Oracle consultants focused on creating both an activity-based costing system and an interest-margin calculation program.

"Oracle analysts provided the dynamic impetus—from planning, development, and implementation—that helped make this project successful. They essentially became part of our in-house development team," Blatz says. Best of all, not only was the project successful, it was completed ahead of schedule.

## One Big System

Today, the UBS Oracle-based operational management accounting system is one of the largest installed in the banking industry. With more than 110 gigabytes of table

space, the system processes from 600,000 to one million input records every day, and more than 90 million product and customer transactions per quarter. The current implementation handles branches in Switzerland only, which generate 75 percent of UBS's revenues and employ 22,000 people. The system size will continue to increase as the bank brings its Pan-European and other world-region branches online over the next few years.



Designer/2000

## Banking on the Future

With Oracle now the standard for its operational accounting system, Union Bank of Switzerland can fine-tune its business operations and focus on growth strategies that will help it reach its year-2000 goals. And as it expands its banking services globally, it will rely more and more on the information-systems technology at its core. "To grow successfully," Blatz says, "we are going to require software and systems that offer us enormous flexibility. Oracle is part of this strategy."

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