

SAP Solution Brief
SAP for Banking: Head of Retail Banking



ACCOUNTS, DEPOSITS, LOANS, COLLATERALS, AND LEASES WITH SAP FOR BANKING

Enhancing Revenue Growth, Cost Efficiency, and Compliance

The SAP for Banking solution portfolio helps banks attract, support, and retain customers in an increasingly competitive marketplace. In addition to enhancing revenue growth, the transactional banking applications within SAP for Banking provide the process and operational efficiency you – as head of retail banking – need to cut costs and turn today’s complex regulatory environment into a strategic advantage.

As the head of retail banking, you know how challenging today’s financial marketplace has become. Industry globalization has heated up competition, and regulations have become more complex. To thrive in this environment, your bank needs sustainable differentiation and the flexibility to respond quickly as business requirements change.

Transactional banking applications within the SAP for Banking solution portfolio provide cross-divisional e-business support for integrating your core banking processes. Support for marketing, sales, and service strategies helps you acquire new customers, retain the customers you have, and increase customer wallet share. The applications enhance profitability with straight-through processing, while integrated reporting and analysis functions help you navigate today’s complex regulatory maze.

The following institutions are a selection of customers successfully using the SAP® solutions for transactional banking:

- Deutsche Postbank AG, Germany
- DZ Bank AG, Germany
- Kaupthing Bank, Iceland
- Kommunalkredit, Austria
- UBS AG, Switzerland
- Unicred Rio, Brazil

Customer-Oriented Account Origination

The recent decline in customer loyalty to any one bank makes it more important than ever for you to identify your most valuable customers and increase product sales to them through individually tailored products and personalized service.

The account origination functions in SAP for Banking enable you to connect front- and back-end processes from marketing campaigns to account acceptance and help you maintain focus on the customer. With SAP for Banking, you evaluate customer data and objectives, and assess and validate risks. You can create individually tailored customer offers and produce the resulting account contracts.

SAP for Banking automates your marketing efforts – including planning, budgeting, and executing marketing programs. Product development functions let you promote the appropriate financial products for individual market segments through customer contact centers, direct marketing campaigns, field sales, telephone sales, fax campaigns, the Internet, and personal visits.

A Web-based front-end application gives employees consistent access across all channels to information about the bank's products, offers, prices, conditions, and business partners. Functions for aftersales follow-up and service allow you to manage back-office tasks as an integrated whole, with the focus of each transaction always on the customer. SAP for Banking tracks and assesses all data related to your customers, your product portfolio, and business transactions – regardless of whether the information resides in legacy, third-party, or SAP® software.

Real-Time Deposits Management

As a continuous stream of innovative products and services swells the already large volumes of data your bank must manage, IT solutions that can handle this data in real time have become increasingly important.

The SAP Deposits Management application within SAP for Banking provides modular, scalable software that automates and streamlines deposits processing for the balance-based products of large retail and private banks. The application integrates processing across all types of accounts. It supports multiple sales channels and delivers preconfigured products for personal and corporate checking accounts, savings accounts, CDs (time deposits), bank accounts, internal clearing accounts, and one-time accounts.

SAP Deposits Management is designed to handle the high-performance batch processing retail banks require today. To support contract and transaction services, the application provides key functionality for automated, real-time posting and highly efficient postprocessing. In addition, it provides support for opening, settling, and closing account contracts and card contracts.

SAP Deposits Management can handle millions of accounts and process millions of payments per hour, operating within a framework of posting-control rules specifically structured for individual bank segments. In addition to its enormous capacity, the application is capable of real-time online processing and is available 24x7. As a result, end-of-day processing runs in parallel with postings processing. This significantly reduces the complexity of posting-control processes and provides you with detailed, up-to-date account information.

Loans Management from Acquisition to Payoff

Leading banks are automating their loan origination processes to reduce the long turnaround times that can frustrate customers and drive up costs.

The SAP Loans Management application within SAP for Banking offers robust loan processing options for a wide variety of lending products. It automates processes involving both secured and unsecured loans and helps you create a more flexible product portfolio with offerings specifically tailored to your customers' needs.

SAP Loans Management offers fully integrated functions for automating the life cycle of mortgage and consumer loans – both basic and complex – from initial acquisition to payoff. The application includes the following key functionality:

- Product definition
- Flexible condition handling
- Servicing of accounts – for example, fee handling, charges, skip, extension and payoff
- Integrated with the SAP Account Origination and SAP Collateral Management applications

End-to-End Leasing Management

The steady rise in interest rates from all-time lows has positioned the leasing industry for strong growth. Global economic expansion has provided additional growth opportunities – especially in emerging markets such as China. This growth has fueled demand for leased equipment.

The SAP Leasing application within SAP for Banking provides complete support for core leasing processes, including price management, quotation management, asset management, marketing, remarketing, and funding. The analytical dashboard provides a clear, real-time picture of your business, enabling you to make intelligent business decisions. The interaction center and self-service portals help you improve customer service while keeping support costs down. You can lower costs even further by using the portal technology to collaborate with your business partners.

SAP Leasing includes the following key functions:

- Multibook accounting – with automatic updates based on global accounting standards
- Asset management – with no manual interaction required to update asset accounting
- Complete customer support
- Internet financing – with complete integration for downstream financing processes
- Easy integration with external services such as credit check agencies
- Advanced customization features through rules-based engines

Effective Collateral Management

In the face of stricter regulations and mounting competition, effective collateral management has become increasingly important. Banks need the functionality to map both simple and complex relationships between receivables, collateral assets, collateral providers, and collateral assignees – as well as functions that can accommodate international back-office requirements for collateral management such as those introduced by the new Basel Capital Accord (Basel II).

The SAP Collateral Management application addresses these needs by supporting you as you work with the following products and collateral processes:

- Collateral agreements such as real estate liens, registered liens, pledges, assignments, and guarantees
- Collateral amounts
- Encumbrances by your institution or a third party
- The declaration of purpose (specific or global)
- Relationships between assets, transactions, and collateral agreements – including collateral pools
- Assignment and deletion of collateral
- Relevant calculations including collateral cover, collateral distribution, loan-to-value ratios, free collateral, and collateral shortfalls

Robust Support for Revenue Growth, Cost Efficiency, and Compliance

The robust functionality of the SAP for Banking solution portfolio plays a key role in meeting the growth, cost, and compliance challenges your bank faces today.

Stronger Revenue Growth

SAP for Banking improves revenue growth. It gives you the flexibility you need for continuous product and service innovation and the end-to-end support you require to speed those new products and services to market. Specifically, your bank will gain from the following benefits:

- The ability to recombine or reorganize existing products, services, and process flows
- A customer-centric view that consolidates customer value data, product advice, application data, bank account information, interaction histories, and service requests

- The ability to interact consistently with customers over multiple sales channels
- Increased speed of integration with your business partners
- Greater cross-selling of banking products through insight into customer needs and product profitability
- Improved ability – thanks to 24x7 availability – to manage customer complaints, resolve disputes, and analyze account-specific and product-related business processes

Improved Cost Efficiency

SAP for Banking improves cost efficiency by standardizing services and interfaces, enabling you to migrate to standard software in controlled phases involving discrete portions of software. This allows you to make business changes without disrupting existing functionality, and you are in a position to maximize outsourcing opportunities. Both contribute to lower IT costs.

SAP for Banking uses workflow processes across multiple applications to improve efficiency. Preconfigured analytical functionality enhances your decision-making powers. Integrated case and record management functions reduce paper output. Automated credit scoring and other processes cut process steps. Streamlined product advice, account application, underwriting, and risk analysis processes shorten sales fulfillment cycles. Customer self-service options, mobile sales functions, and straight-through processing of marketing, sales, and service interactions trim response times.

Through the open-standards-based technology of the SAP NetWeaver® platform, SAP for Banking helps you reduce implementation costs and total cost of ownership by supporting real-time integration of customer data with the following business processes:

- Core banking processes and account administration
- Loan, deposit, and lease account management
- Customer relationship management, which combines enterprise-wide customer information files and prebuilt transaction processing to achieve master data management
- Billing, financial accounting, and human capital management

This integration is based on enterprise services architecture (ESA). The fundamental premise of ESA is to embed business logic – which mirrors actual business activities or events modeled as enterprise services – within a service-oriented architecture. The aggregation of Web services into business-level enterprise services through ESA provides meaningful building blocks for automating enterprise-scale business scenarios.

Improved Support for Compliance

SAP for Banking makes it easier to meet compliance requirements by helping you align system operations with business processes for stronger business controls. Improvements in the accuracy and timeliness of key business information further enhance your compliance capabilities – and can help you make better strategic decisions.

A Competitive Advantage You Can Bank On

SAP for Banking helps you identify, target, and manage your most valuable customers – while making your banking operations more efficient. A configurable, standards-based process framework allows you to make the most of existing IT investments by supporting the integration of third-party software such as document imaging and management applications and credit bureau interfaces. The solution portfolio is highly scalable and can easily accommodate both current and future applications for the management of loans, leases, deposits, collateral, and risk.

For more information on how SAP for Banking can help your financial institution become more competitive, please contact your SAP sales representative or visit our Web site at www.sap.com/banking.

Powered by SAP NetWeaver

SAP for Banking solutions are powered by the SAP NetWeaver platform. SAP NetWeaver unifies technology components into a single platform, providing the best way to integrate all systems running SAP or non-SAP software. SAP NetWeaver also helps organizations align IT with their business. As the foundation for enterprise services architecture, SAP NetWeaver allows organizations to compose and enhance business solutions rapidly to drive business change.