

SAP Solution Brief



mySAP™ BANKING INTEGRATES A BANK'S CORE PROCESSES

Expanding globalization, slimmer profit margins, greater complexity in the financial markets – these are the challenges that face the world's banking industry today. The core banking capabilities of mySAP™ Banking can help you meet these challenges by providing a cross-divisional, e-business solution for your banking products.

To meet the demands of an increasingly expanding and tightly competitive global market, banks have been scurrying to scale up, consolidate operations, control costs, and improve efficiencies. Like you, they are relying more and more on automation to optimize customer transactions. And like you, they are discovering that the race to automate has created a gap between customer-focused applications and back-end processes.

How can you resolve this gap and increase operational efficiency? With IT that's been reinvented for core banking strategies and arranged on an application landscape that uses the same process chains from end to end. You need an integrated solution that:

- Reduces the complexity and costs of your current IT system
- Offers round-the-clock availability
- Uses real-time processing based on proven technology
- Includes product-design tools that help you meet your time-to-market requirements
- Provides functional enhancements that sharpen your competitive edge
- Offers total Web integration

You'll find all of these advantages in mySAP™ Banking, an innovative electronic solution designed and supported by one of the world's most respected software vendors.

FULL INTEGRATION, END-TO-END EFFICIENCY

mySAP Banking lets you maximize your e-business potential and deliver your products to market ahead of the competition. The solution provides a robust environment for incorporating new technologies, extending operations to the Internet, and managing other needs in key organizational areas such as:

- Customer information
- Checking and savings accounts management
- Loan management

Because it integrates your core banking processes, mySAP Banking offers exceptional opportunities for scalability. Through its high-performance database it provides flexible configurations you can tailor to your size and your business lines, then expand as needed. Smaller institutions can use the solution as a fully integrated system on a common platform. Larger institutions and transaction banks, which offer their IT services to other financial institutions, can deploy the solution as part of a component-based software architecture. Whichever way it's used, mySAP Banking and its components – including planned enhancements for clearing, funds transfer, and collateral management – can be integrated with standardized interfaces.

CUSTOMER INFORMATION WHEN AND WHERE YOU NEED IT

mySAP Banking stores and manages all your customer information and links that information to other mySAP.com® components for back-end and customer relationship management operations. In this way, it acts as a central hub, optimizing the information flow for all your banking processes.

The value of customer data, a nonmaterial asset, is determined by its availability and quality. With mySAP Banking, customer data is always and easily available. You can call it up from a central file and use it to model your marketing campaigns, track and measure campaign performance, and manage customer contacts across all channels. And the solution's multichannel format lets employees and customers connect face to face or via call centers, Web portals, and other communication routes.

mySAP Banking also assures data integrity and eliminates data redundancy, freeing you to focus on customer acquisition and retention. You can specify business partnerships with customers that have different roles – and change those roles during the course of your relationship. You can merge customer data from multiple systems, identify the potential for new contracts with existing customers, and add customer-specific data without system modifications, smoothing your upgrade to a new release.

mySAP Banking lets you merge customer data on a cross-application basis that includes:

- **Name and addresses of the customer**
- **Customer relationships** – Link your customers in different ways – to form borrower or risk entities, for example. Or assign a relationship category to two customers that are married or belong to the same risk group. Assigning specific attributes at the relationship level, such as the date of the marriage, helps you avoid data redundancy.
- **Additional category data** – Entered within the categories of person, group, and organization, such data might include the birth date of an individual or the legal form of a company.
- **Industry-specific roles** – Account holder, main borrower, guarantor, beneficiary, and architect are among the wide range of roles available for managing your processes. Or you can define your own roles without changing the code.
- **Proof of identity data** – This can be used for both individuals and organizations.
- **Credit rating data** – This includes data from information agencies and scoring results as well as data relevant to marketing campaigns.
- **Budget and balance sheet analysis** – Collaboration with SAP customers and software partners helps you access the tools that let you communicate with credit information agencies, prepare budget and scoring proceedings, and analyze the balance sheets of corporate customers.

CHECKING AND SAVINGS ACCOUNTS JUST THE WAY YOU NEED THEM

To meet the demands of a dynamic marketplace you must produce a constant stream of new products and services. mySAP Banking gives you the design tools you need to develop and introduce retail offerings in step with market changes. Through a customer-focused environment for transaction processing, the solution offers a wide array of distribution channels and a flexible, scalable infrastructure that permits gradual migration from existing systems and applications.

Using the product-configuration tool for checking and savings accounts, you can add your own product fields (without modifying the program) and design products using graphical support. In addition, you can easily adapt existing services or features such as standing orders, direct debits, cash concentration, and interest compensation to reflect current market requirements. The newly designed product can then serve as a template for customer accounts.

mySAP Banking delivers preconfigured products for private checking accounts, corporate checking accounts, savings accounts, bank accounts, internal clearing accounts, and one-time accounts – and allows you to define and name other products to suit your needs. It also lets you depict account pools or hierarchies (which could accommodate cash concentration or interest compensation, for example) and helps you manage master data for your customers' credit and debit cards.

Ultimately flexible, the solution handles account interest, charges, and value dates as well as other conditions your bank may require. It lets you define both standard and specific conditions for particular accounts and helps you manage all back-office processes related to your checking and savings accounts. These processes might include account administration and monitoring, payment transactions, and delivery of account statements.

The solution's account management capabilities also include full end-of-day and end-of-period processing capacities. You manage checking and savings accounts based on the payment items (turnovers) posted to the account. The turnovers can be posted from payment transactions made through online interfaces or generated – either automatically or manually – from payment orders, balancing postings, or standing orders. The solution recognizes checks as a means of payment.

Depending on the volume of transactions you handle, mySAP Banking lets you configure rules that automate your payment processes. It gives you many options for managing system reactions. For example, through a sophisticated locking mechanism, you could set account blocks that are triggered by specific business transactions, then lift those blocks once the transaction has expired or been resolved.

mySAP Banking can also help you manage central balancing for periodic tasks such as cash concentration, account balancing, and end-of-day balancing (including ledger updates). Before executing such tasks, the solution performs a posting cut-off. It then dates all subsequent postings for the following day.

LOAN MANAGEMENT MADE EASY

The loan-management features in mySAP Banking support both medium- and long-term loans for real estate and other investment financing. These features provide the flexibility required for configuring the most individualized and sophisticated loan arrangements.

A selection of sample loans lets you create standard products with specific conditions. These loan templates help you process loan requests faster and more efficiently, as do the business tables that you can update manually or automatically to create user-specific condition grids. By allocating conditions for individual loans, you can offer complex interest and repayment terms. Such centrally defined conditions, valid for fixed periods, eliminate time-consuming searches for current interest rate information and assure that loan data is entered accurately.

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mySAP Banking helps you manage the full life cycle of customer loans from initial contact with a customer through the contract, disbursement, and position-management phases. With mortgage loans, you can incorporate a decision-making stage in the process flow between the time an application is entered and the time the corresponding loan offer or contract is drawn up. The solution lets you review mortgage loan applications with respect to the collateral value, the purchase price of the object that serves as collateral, and the credit standing of the borrower. It also lets you create one or more offers or contracts from a single loan application.

With mySAP Banking you can manage all common forms of real estate objects and other collateral. You can even define acceptable forms of collateral in advance and then assign them as you create a loan contract.

The position-management features of the solution help you process contracts on existing loans that have been completely or partially disbursed. These features cover:

- Changes in your master data and contracts
- Business operations for your contracts (such as unscheduled repayments or a change of borrower)
- Rollovers and interest rate adjustments
- Capital transfers
- Periodic processing
- Correspondence (both individual and mass-processed)
- Reporting

mySAP Banking also incorporates extensive archiving capacity for your flow data.

**A CROSS-DIVISIONAL SOLUTION
FOR STANDARD BANKING PRODUCTS**

Through its innovative core banking capabilities, mySAP Banking provides much more than front-end/back-end business integration. It promotes faster and more cost-efficient real-time processing of financial transactions. At the same time, it offers the potential for customer-specific enhancements – without necessitating modifications on your end. Given the long investment cycle of core banking applications, such flexibility can be crucial to your bottom line as well as to your long-term success in a global market.

To find out just how mySAP Banking can enhance transaction efficiency in your enterprise, visit the SAP Web site at www.sap.com/solutions/industry/banking/.