



SAP for Banking

IMPROVE OPERATIONAL EFFICIENCY AND DRIVE DOWN COSTS

Today, banks like yours face a challenging, dynamic financial services marketplace. In a global economy that has become increasingly competitive and regulated, you need a clear, strategic-level understanding of how to remain differentiated while creating increasingly cost-efficient, effective, and agile processes. This requires information technology that supports your strategic intent and enterprise transformation.

To grow your core businesses, you must nurture customer relationships. You must execute cross-selling strategies that accurately identify your most valuable customers and create customized products and services that meet your needs. You must continue to enhance your capabilities for risk and finance management to address a growing number of global regulatory requirements. And as the decoupling of processing and distribution continues, banks like yours are increasingly outsourcing more of commodity processes – a trend that may expand to a variety of mission-critical processes.

Business Benefits of SAP for Banking

With its unique and highly-specialized expertise in serving the financial services sector, SAP has developed solutions and best practices to meet these challenges. The SAP for Banking portfolio of industry solutions enables your bank to grow and differentiate itself from the competition while improving operational efficiency and driving down costs. SAP for Banking also supports your business strategies, enables operational excellence, and creates a technology vision that addresses such industry issues as legal compliance, customer centricity, and the optimization of business management.

The integrated SAP for Banking solutions manage the requirements of both the front and back offices – from high-volume transactional banking processes and customer management to financial accounting, cost controlling, and profitability and risk analysis. SAP for Banking also helps improve the speed and quality of internal and external reporting, helping you comply with changing regulatory requirements, such as the Basel Capital Accord (Basel II) and International Accounting Standards (IAS).

SAP: A Partner for Global Banking

No matter where or how you operate your bank, SAP is a solid partner:

- SAP is the worldwide market-share leader for enterprise applications in the finance and insurance industries.
- More than 30 of the 50 largest European banks run SAP for Banking.
- More than 550 customers in 60 countries worldwide have implemented SAP for Banking, including ABSA (South Africa); HBOS (United Kingdom); Bank of Ireland; Banco Urquijo (Spain); Barclays (United Kingdom); Deutsche Bank and Deutsche Postbank (Germany); Gold Bank (United States); HVB Real Estate Capital (France); Oesterreichische Kontrollbank AG (Austria); Zürcher Kantonalbank (Switzerland)
- SAP offers advanced service and support capabilities, as well as implementation and maintenance support that is unmatched by any business applications vendor in the banking industry.

Architecture and Technology of SAP for Banking

A major challenge for the complex IT landscape in banking is integration. SAP for Banking is powered by the SAP NetWeaver™ platform, the integration and application platform that supports SAP® and non-SAP systems and is compatible with Microsoft .NET, IBM WebSphere and Java 2 Platform, Enterprise Edition (J2EE). The open architecture of SAP NetWeaver allows you to evolve your business processes incrementally, following a step-by-step migration path to achieve faster ROI. SAP NetWeaver is already delivering great benefits, helping banks solve the integration challenges of their complex IT landscapes. Another key benefit of SAP NetWeaver is its highly intuitive role-based environment that allows users to access information from different sources in a single, interactive format.

In addition to integration, you need an IT environment that helps you adapt quickly and efficiently to change. SAP NetWeaver is the technological foundation for Enterprise Services Architecture, the SAP blueprint for service-oriented business solutions. SAP NetWeaver and Enterprise Services Architecture will help banks rapidly align business processes to new business requirements, providing both the technology and the business blueprint for a services-enabled organization. Banks can leverage data and processes as services from multiple sources and software applications.

CAPABILITIES OF SAP FOR BANKING

SAP for Banking solutions handle all your banking needs – from the front office to the back office, with capabilities for customer-centric and transactional banking, analytical banking, and enterprise management.

Customer-Centric and Transactional Banking

- **Customer acquisition and retention**
You can identify the most attractive customer segments based on profitability so you can execute targeted marketing campaigns to acquire profitable customers.
- **Account origination**
You can analyze customer data and objectives, create customer-specific offers, assess risk, and perform validation, underwriting, and funding.
- **Financial customer information management**
SAP for Banking provides a central view of all customer-related information.
- **Loans management and leasing**
SAP for Banking handles the complete life cycle of all financing products.
- **Deposits management**
SAP for Banking supports all kinds of bank accounts (current accounts, savings, cards) and handles high-volume transactions in real time, 24/7.
- **Collateral management capabilities**
SAP for Banking offers one single source for the operational management of all credit risks. SAP for Banking is Basel II compliant.

Analytical Banking

- **Basel II**
SAP for Banking provides a comprehensive reporting platform for compliance with the requirements of the new capital accords. It serves as an integral element of credit risk management applications for managing regulatory and economic capital.
- **Accounting for financial instruments**
SAP for Banking addresses the important and evolving reporting requirements that are part of the new International Accounting Standards (IAS). It provides a single data repository with financial accounting for Basel II compliance, ensuring cost-effective data quality and strategic management insight.

- **Profitability management**
Banks can analyze the profitability of distribution channels, organizational units, products, and clients.
- **Limit management**
Banks can better manage credit default risks using flexible limit structures.
- **Asset liability management**
Banks can weigh business opportunities against the cost and risks involved.
- **Market risk management**
With the ability to analyze net present value and value at risk, banks can measure and control market risk.

Enterprise Management

- **Business intelligence**
With analyses for planning and controlling, banks can improve performance.
- **Financial accounting**
You can manage your finances at all levels of the organization, aiding management control and reporting compliance.
- **Cash management and optimization**
SAP for Banking strengthens logistics support for handling bank notes and precious metals. It handles forecasting, management, allocation and optimization of cash demand, and safety stock for cash inventories.
- **Human capital management**
SAP for Banking covers all business needs related to human capital – from recruiting and performance management to payroll and benefits management.
- **Procurement management**
Bank employees can easily procure nonbanking products and services.
- **Manager self-services and employee self-services**
You can significantly improve operational performance and user productivity by automating processes and streamlining workflows.

To Learn More

For more information about SAP for Banking, visit our Web site at www.sap.com/banking.

www.sap.com/contactsap

THE BEST-RUN BUSINESSES RUN SAP™



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