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# SAP for Banking



# Typographic Conventions

Type Style	Description
<i>Example</i>	Words or characters quoted from the screen. These include field names, screen titles, pushbuttons labels, menu names, menu paths, and menu options. Textual cross-references to other documents.
<b>Example</b>	Emphasized words or expressions.
EXAMPLE	Technical names of system objects. These include report names, program names, transaction codes, table names, and key concepts of a programming language when they are surrounded by body text, for example, SELECT and INCLUDE.
Example	Output on the screen. This includes file and directory names and their paths, messages, names of variables and parameters, source text, and names of installation, upgrade and database tools.
<b>Example</b>	Exact user entry. These are words or characters that you enter in the system exactly as they appear in the documentation.
<Example>	Variable user entry. Angle brackets indicate that you replace these words and characters with appropriate entries to make entries in the system.
EXAMPLE	Keys on the keyboard, for example, F2 or ENTER.

# Document History

Version	Date	Change
1	August 18, 2017	Initial version
2	November 17, 2017	New SAP Notes added in chapters <ul style="list-style-type: none"><li>• 2.3.2</li><li>• 2.3.5</li><li>• 2.3.8</li><li>• 2.5</li><li>• 2.10</li></ul>

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# 1 Getting Started

## 1.1 About this Document

### Purpose

This Master Guide gives you an overview of SAP for Banking, its software units, and its solutions as well as an overview of the upgrade paths and the upgrade of the involved software units and scenarios from a technical perspective. This Master Guide is a planning tool that helps you to design your system landscape and refers you to other necessary documentation, mainly the following:

- Installation guides for single software units
- Upgrade guides for single software units
- SAP Notes
- Configuration documentation
- Documentation on the SAP Help Portal

#### Note

You can find the most current information about the technical implementation of SAP for Banking and the latest installation and configuration guides on the entry pages of the respective product or solution on SAP Help Portal. Links to these entry pages can be found at <http://help.sap.com/banking>.

We strongly recommend that you use the documents available here. The guides are regularly updated.

### Constraints

- The solutions that are presented here serve as examples of how you can use SAP software in your company. These solutions are only intended as models and do not necessarily run the way they are described here in your customer-specific system landscape. Ensure to check your requirements and systems to determine whether these solutions can be used productively at your site. Furthermore, we recommend that you test the software thoroughly in your test systems to ensure it is complete and free of errors before going live.
- This Master Guide primarily discusses the overall technical implementation of SAP for Banking, rather than its subordinate components. This means that additional software dependencies might exist without being mentioned explicitly in this document. You can find more information on component-specific software dependencies in the corresponding installation guides.

# 2 Solutions of SAP for Banking

## 2.1 Analytical Banking

### 2.1.1 SAP Credit Risk Management

*SAP Credit Risk Management* for Banking is used to calculate and report the regulatory capital and economic capital for credit risk. There are several localizations for this solution for the calculation of regulatory capital under Basel II/III.

The regulatory capital solution was developed entirely by SAP. It covers the following functions:

- Calculates the minimum regulatory capital requirements under Basel II/III according to all possible approaches (standardized as well as internal rating based)
- Provides an algorithm for optimizing collateral distribution to exposures
- Fulfills external and internal reporting requirements
- Covers stress testing

Stress testing in the area of credit risk, officially named *SAP Interactive Credit Risk Analysis*, simulates certain, typically adversely selected “stress” scenarios in order to assess the impact of these scenarios on key risk result figures such as risk-weighted assets, capital charge, expected loss, and so on.

SAP’s stress testing solution supports stress testing only for regulatory capital, i.e. in the *SAP Basel III Credit Risk* solution. It offers a powerful user interface that enables the business user to define their own stress scenarios. Furthermore, it allows the business user to perform *ad hoc* stress testing, that is, to start and view the results of a medium-sized portfolio (to allow for tolerable response times) in an interactive manner.

The economic capital provides all relevant key result figures for credit risk by exploiting correlations between economic factors and by incorporating firm-specific/idiosyncratic risk, and so on. The following risk measures are determined: unexpected loss (defined as the portfolio standard deviation), credit value at risk, expected shortfall (also called conditional value at risk), as well as the risk contributions to these risk measures. The risk measures CVaR and ES are also called tail risk measures, and are derived on the basis of the loss distribution, which also applies for the risk contributions to these risk measures.

SAP offers two different scenarios for economic capital, which are represented by the following solutions:

- *The credit portfolio data processing tool from SAP*, which provides pre and post-processing of data, as well as the inbound/outbound mapping from/to *banking services from SAP* to/from a third-party asset value credit portfolio model for economic capital, such as Risk Frontier by Moody’s KMV. It is a function that can be used to connect *banking services from SAP* to asset-value-type credit portfolio models. By incorporating the return side, that is, the margins of the transactions, the adapter for the asset value model can also determine risk-return performance measures.
- A cutting-edge *Default Mode Credit Portfolio Model*, which is fully integrated into *banking services from SAP*. It consists of several methods that determine the loss distribution and/or the corresponding risk measures. It contains methods for calculating the exact loss distribution (and deriving the risk measure and associated risk contributions) by means of a sophisticated recursion algorithm and other methods, which are approximate methods that require considerably less computational effort. There are also methods that determine the loss distribution on a continuous scale, without discretizing the exposures of the obligors.

## Technical System Landscape

SAP Bank Analyzer provides a standard interface to SAP NetWeaver Business Intelligence (BI). Security requirements are covered by using ABAP, the SAP user administration concept, and the SAP authorization concept.

The following software components are either required or optional for the technical implementation of the solution, as indicated below:

### SAP Basel II

Component	Required	Optional	Comment
banking services from SAP 9.0	X		You use component Bank Analyzer (FS-BA) to calculate the regulatory capital requirements (SAP Basel II/III).
SAP NetWeaver 7.0 BI BI CONT 7.05		X	Business Intelligence with content for internal and external reporting.
SAP NetWeaver 7.0 Enterprise Portal or higher		X	Enterprise Portal with content for internal and external reporting.
SAP NetWeaver Business Client 3.0		X	

### SAP Credit Risk Portfolio Management

Component	Required	Optional	Comment
banking services from SAP 9.0	X		You use component Bank Analyzer (FS-BA) to calculate the economic capital requirements (SAP Credit Risk Portfolio Management).
SAP NetWeaver PI We strongly recommend that you use the highest version of SAP NetWeaver PI XI CONTENT FSAPPL 500		X	When using the Credit Portfolio Data Processing tool with integration of an external third-party tool, you use Process Integration with the respective content.

## Upgrade Sequence

For calculating regulatory capital requirements, no upgrade is required; you only need to make the relevant Customizing settings for the new function.

The solution for calculating the economic capital is a new implementation and therefore not an upgrade. To run the solution, you need to make the relevant Customizing settings, particularly for those new functions delivered with this solution.

## Further Information

SAP Note Number	Content
<a href="#">1029940</a>	NetWeaver Business Client requirements and restrictions
<a href="#">900000</a>	NetWeaver Business Client FAQ

## 2.1.2 SAP Accounting for Financial Instruments for Banking

This solution provides a view on the financial positions of a bank to fulfill external accounting and reporting requirements. The following processes are supported:

- Accounting for Financial Instruments (Subledger)

This process provides full subledger capabilities for financial instruments with parallel valuation in accordance with different accounting standards (for example, IAS, HGB): Operational business events are processed and GAAP-specific subledger postings are created.


Standard methods for the valuation of financial positions are available that take into account fair value (unrealized profit/loss), amortized cost, accrual of interest and fees, deferral, strict and moderate lower of cost or market, foreign currency, and hedge adjustment. External pricing tools can be integrated for the valuation of special financial instruments (for example, exotic options). The results of subledger postings are aggregated to the granularity level of the general ledger; parallel ledgers in the general ledger can be posted for the creation of daily balances, financial statements, and profit and loss statements.


The results of the aggregated financial transaction data are transferred to Business Intelligence for the creation of notes and financial statements for legal entities. In Business Intelligence, data from nonbanking-specific activities are added to provide a complete financial statement of the bank.

### Technical System Landscape (FSAPPL500)

SAP Bank Analyzer provides standard interfaces to SAP NetWeaver Business Intelligence (BI). Security requirements are covered using ABAP, the SAP user administration concept, and the SAP authorization concept.

The following software components are either required or optional, as indicated below, for the technical implementation or upgrade of this solution:

Component	Required	Optional	Comment
<i>banking services from SAP 9.0</i>	X		You use this component for processing financial products.
SAP NetWeaver 7.0 BI CONT 705	X		You use Business Intelligence with content for reporting purposes.
SAP ERP 6.0 or higher Minimum: EHP 3 Recommended: EHP 5		X	The FI-GL component serves as the general ledger.  Note

			You need this component only if you use the Accounting for Financial Instruments (Subledger) process.
ESA ECC-SE Minimum: 603 Recommended: 605		X	You use this component to provide services for the connecting <i>banking services from SAP</i> with the general ledger in SAP ERP.   Note You need this component only if you use the Accounting for Financial Instruments (Subledger) process.

## Further Information

SAP Note Number	Content
<a href="#">1593272</a>	Guide <i>Reinitialization of Accounting as of Bank Analyzer 8.0</i>
<a href="#">1597187</a>	Cookbook <i>FSPP400+ Change Merge to Subledger Scenario</i>

Depending on the functions that you want to use on the G/L side, you need to choose an appropriate enhancement package (EHP). We recommend that you use EHP 5 to ensure that you have the full range of functions and features for Bank Analyzer.

### [EHP 2]

- ESA ECC-SE 602
- Service to send G/L documents from Bank Analyzer to G/L is available
- No bulk messages; only single messages possible
- G/L side is only IDoc

### [EHP 3]

- ESA ECC-SE 603
- Bulk messages supported on both sides

### [EHP 4]

- ESA ECC-SE 603 (same services as in EHP3)
- Post Processing Office is connected to store error messages for monitoring and re-processing

### [EHP 5]

- ESA ECC-SE 605
- Service is point-to-point-enabled (message routing through XI at runtime is no longer needed)
- ValueDate added to G/L service signature
- VAT fields added to G/L service signature
- FunctionalCurrency added to G/L service signature, but without new Multi Currency Accounting (MCA) function

### [EHP 6] (released later than FSPP 4.0)

- ESA ECC-SE 605
- New MCA function ("G/L enhancements") is available. This function is not relevant for G/L postings sent from Bank Analyzer, but from all other source systems-, because they can now use MCA features similar to those within Bank Analyzer.

## 2.1.3 SAP Performance Management for Financial Services

Powered by SAP HANA, SAP Performance Management for Financial Services enables banking and insurance companies to maintain and execute complex allocation and funds transfer pricing models. This allows you to create the data foundation for flexible, near real-time, high-speed profitability analysis for insurance and banking products. The solution provides a configurable framework to create allocations down to single contract or coverage level.

More information can be found [here](#).

## 2.2 SAP Account Origination for Banking

This solution is an application for an integrated customer-oriented software solution, linking the front office (CRM) to the back office (core processing applications for banking or insurance).

It covers the breadth of the variety of processing application flows in the Financial Services industry. Sample content is provided for the most requested scenario of the origination of loans.

The solution starts with a customer applying for a financial services product that is provided by the financial services institution, and ends when the contract is signed by both parties. The following functions are included:

- Analysis of customer data and requirements
- Calculation and creation of quotations for the customer
- Underwriting, risk assessment, and validation
- Parts of the closing and funding process

### Technical System Landscape

The following software components are either required or optional, as indicated below, for the technical implementation of the solution:

#### 1 Note

You can use SAP components as well as components from other manufacturers as contract and support systems.

#### ⚠ Warning

The technical implementation of the *Account Origination* solution requires at least one contract system for the operational management of the contracts. Check the existing limitations of the contract system you plan to use as the back-end system for the operational management of the contracts in combination with *Account Origination*. Complete this before you configure the system landscape for the technical implementation of the *Account Origination* solution. Map the XI content for *Account Origination* accordingly if you set up a system landscape.

Component	Required	Optional	Comment
SAP CRM 7.0 with enhancement package 3	X		In SAP CRM 7.0 with enhancement package 3, the CRM Application Server ABAP is required.

SAP NetWeaver PI We strongly recommend that you use the highest version of SAP NetWeaver PI	X		You require Process Integration as middleware for connecting the software components. PI enables synchronous and asynchronous data exchange between the business systems to which it is connected.
SAP ERP 6.0 or higher		X	The <i>Account Origination</i> solution requires at least one contract system such as SAP ERP for the operational management of the contracts. Depending on the type of contract (such as loan contracts, collateral agreements, insurance contracts, and so on), further additional functions are expected (such as rating and calculation).
banking services from SAP 6.0 or higher		X	<p>The <i>Account Origination</i> solution with FS Quotations requires at least one contract system such as <i>banking services from SAP</i> for the operational management of the contracts. Depending on the type of contract (such as loan contracts, collateral agreements, insurance contracts, and so on), further additional functions are expected (such as rating and calculation).</p> <p>The <i>Account Origination</i> solution with Banking Customer Quotes requires at least one contract system such as <i>banking services from SAP9.0</i> for the operational management of the contracts and the operation-centric pricing functions. Depending on the type of contract (such as loan contracts, collateral agreements, insurance contracts, and so on), further additional functions are expected (such as rating and calculation).</p> <p>If you use banking services from SAP 9.0, Process Object Types (software component version FSPOT 500) is required for consistent handling of the end-to-end account origination process with banking services.</p>

## Upgrade Sequence

For technical upgrade information about SAP enhancement package 3 for SAP CRM 7.0, see the Upgrade Master Guide for SAP CRM 7.0 EHP3 on SAP Service Marketplace at <http://service.sap.com/crm-inst> → *SAP Business Suite Applications* → *SAP CRM* → *SAP enhancement package 3 for SAP CRM 7.0* → *Upgrade* → *Upgrade Guides – SAP CRM 7.0 EHP3*.

## 2.3 Transactional Banking

### 2.3.1 SAP Collateral Management for Banking

You use *SAP Collateral Management* to reduce operational risks by enabling the convenient management of collaterals accepted by and provided by financial institutions. The solution supports all functions and processes for the management of collaterals between contract partners. You can collateralize several types of financial contracts, such as mortgage loans, installment loans, consumer loans, and current account limits.

*SAP Collateral Management* enables you to do the following:

- Create and manage collateral objects and agreements for a financial contract
- Perform various calculations, such as determining the free collateral value and coverage gap
- Use the system to consider simple and complex collateral constellations and calculate them using various parameters, such as priority or ranking order
- Monitor collateral constellations and identify gaps in collateral coverage
- Generate customer correspondence, such as a collateral contract or purpose declaration
- Assign relevant document types to collateral objects and contracts
- Manage the liquidation of collateral objects and guarantees when a customer defaults on repayments
- Execute the required steps at the end of the collateral lifecycle
- Extract data to analytical and reporting applications

#### Technical System Landscape

The following software components are either required or optional for the technical implementation of the scenario, as indicated below:

Component	Required	Optional	Comment
banking services from SAP 9.0	X		<p>You can use the <i>SAP Collateral Management for Banking</i> solution to manage collaterals over their entire lifecycle.</p> <p>You can use <i>SAP Loans Management for Banking (SAP-AM)</i> for loans and <i>SAP Deposit Management for Banking (SAP-AM)</i> for current accounts.</p> <p>You can use <i>SAP Customer File (SAP BP)</i> to integrate business partners.</p> <p>You can use the <i>SAP Basel III Credit Risk</i> solution to read <i>SAP Collateral Management</i> data using the flat file mechanism.</p>
SAP ERP Central Component 6.0 or higher		X	You can use <i>SAP Loans Management for Banking, Suite Edition (FS-CML)</i> for contract management.

			You can use <i>SAP Document Management System</i> (DMS) to manage and integrate documents.
SAP NetWeaver 7.0 BI CONTENT 7.03 (minimum BI CONTENT 3.53)		X	You can use business intelligence with content for reporting about SAP <i>Collateral Management</i> data. Extractors are available from SAP <i>Collateral Management</i> .
SAP NetWeaver PI We strongly recommend that you use the highest version of SAP NetWeaver PI XI CONTENT <a href="#">BKG INTGRTN 200</a>		X	
SAP CRM 5.0 or higher		X	You can use SAP CRM to originate collateral management data.

## 2.3.2 SAP Collateral Management for Banking, SAP S/4HANA edition

SAP Collateral Management for Banking, SAP S/4HANA edition provides banks with the front- and back-end support they need for collateral handling and risk mitigation. It offers functions to maintain, manage, and monitor the use of collaterals.

SAP Collateral Management for Banking, SAP S/4HANA edition is offered starting with release "SAP S/4HANA, on-premise edition 1511".

It is recommended to use the latest available SAP S/4HANA on-premise release.

Further details (e.g. prerequisites and restrictions) can be taken from the corresponding Feature Scope Description and release information notes, which are available for each release, for example:

- SAP note [2211665](#) - Release information for "SAP for Banking" in connection with "SAP S/4HANA, on-premise edition 1511"
- SAP note [2328754](#) - Release information for "SAP for Banking" in connection with "SAP S/4HANA 1610" ("SAP S/4HANA, on-premise edition 1610")
- SAP Note [2484134](#) - Release information for "SAP for Banking" in connection with "SAP S/4HANA 1709" ("SAP S/4HANA, on-premise edition 1709")

## 2.3.3 SAP Collateral Management for Banking, Suite Edition

### Remark:

We recommend that customers who are starting a new implementation project directly consider the SAP S/4HANA on-premise offering.

You use SAP Collateral management for Banking, Suite Edition (FS-CMS) to create and manage collateral objects and agreements for receivables. You can store a large amount of detailed information that can then be used for various calculations. The system even takes complex relationships into account using different ranks (such as sequences or priorities).

You can tailor the whole process of collateral management to meet your own requirements by using an authorization concept, status management, and a release procedure. The process monitors the collateral constellations and identifies gaps in collateral coverage. It may also be necessary to generate customer correspondence at various stages in the business process. SAP Collateral management for Banking, Suite Edition supplies data for further processing, if required. You can use this data as the basis for regulatory reporting, for SAP Business Warehouse reporting, or to meet requirements arising from Basel II.

### Technical System Landscape

The *SAP Collateral management for Banking, Suite Edition* system provides interfaces to:

- *SAP Financial Customer Information Management (FS-BP)*
- *SAP Loans Management for Banking, Suite Edition (FS-CML)*
- *Document Management System (DMS)*
- *SAP Business Information Warehouse 3.5.3 (BW)*
- *SAP Bank Analyzer, SAP Basel III Credit Risk (FS-BA)*

Security requirements are covered using ABAP, the SAP user administration concept, and the SAP authorization concept.

The following software components are either required or optional, as indicated below, for the technical implementation or upgrade of this scenario:

Component	Required	Optional	Comment
SAP ERP Central Component 6.0 or higher	X		
SAP NetWeaver 7.0 BI CONTENT 7.03 (minimum BI CONTENT 3.53)		X	You can use business intelligence with content for reporting about Collateral Management data. Extractors are available from SAP Collateral Management.
SAP CRM 5.0 or higher			You can use SAP CRM to originate collateral management data.

## 2.3.4 SAP Deposits Management for Banking

You can use this solution to manage the lifecycle of different kinds of deposit accounts such as current accounts, saving accounts and time deposits. In addition, it enables you to manage other contracts such as cards, card pools and master contracts.

The solution includes the following key areas:

- Management of business partners
- Creation and management of contracts
- Contract-specific conditions and flexible rules for calculating charges and interest
- Business operations for contracts
- Management of incoming payments (credits and debits) including checks for available amounts and postprocessing options
- Management of periodic processes, such as settlement, and bank statement
- Management of multiple contracts in a contract hierarchy for cross-contract operations such as interest compensation, and cash pooling

A subledger for deposit accounts is supported by Financial Accounting.

In addition, you can use Collateral Management to manage current account-related collaterals.

You also have the option of managing external payments and collections by integrating SAP Payment Engine. Enterprise services support the integration of all three scenarios.

The optional add-on SAP Capital Yield Tax Management for Banking supports the taxation of interest income derived from capital assets.

### Technical System Landscape

The following software components are either required or optional, as indicated below, for the technical implementation of the scenario:

Component	Required	Optional	Comment
banking services from SAP 9.0	X		<p>You use <i>Deposits Management</i> in <i>banking services from SAP 9.0</i> to manage deposit contracts.</p> <p>You can use <i>Financial Accounting</i> in <i>banking services from SAP 9.0</i> for financial accounting in the area of deposit contracts.</p> <p>You can use <i>SAP Collateral Management</i> to manage current account-related collaterals.</p> <p>You can use the following SAP Fiori apps for Deposits Management:</p> <ul style="list-style-type: none"> <li>● Resolve Payment Exceptions</li> <li>● Close Deposit Accounts</li> <li>● Process Bank Work Items</li> </ul>

			<ul style="list-style-type: none"> <li>• Get Bank Customer Overview</li> <li>• Manage Time Deposits</li> </ul> <p>These SAP Fiori apps require the following software components:</p> <ol style="list-style-type: none"> <li>1. FSAPPL 500 (based on SAP NetWeaver 7.50)</li> <li>2. FSPOT 500 (based on SAP NetWeaver 7.40)</li> <li>3. FSUI 500 and FSXAL 500 (based on SAP NetWeaver Gateway 2.0 or SAP NetWeaver 7.40)</li> </ol>
SAP CYT Management for Banking 8.0 SP08 (add-on to Banking Services 9.0)		X	You can use SAP CYT Management for Banking 8.0 SP08 to calculate and report capital yield tax for deposit contracts. See <a href="http://help.sap.com/cytm80">http://help.sap.com/cytm80</a>
SAP NetWeaver 7.0 BI BI CONT 7.03		X	
SAP NetWeaver PI We strongly recommend that you use the highest version of SAP NetWeaver PI XI CONTENT ESM BKG INTGR-TN 200 PD_CNT_FSMINTEG 100	X		
SAP Payment Engine 8.0		X	<p>You can use SAP Payment Engine to manage payments and collections.</p> <p>Starting with release 8.0 you can use the following UI5:</p> <ul style="list-style-type: none"> <li>• Resolve Payment Exceptions</li> <li>• Monitor payments</li> <li>• Process external &amp; internal payments</li> <li>• Create payments</li> </ul>

## 2.3.5 SAP Deposits Management for Banking, SAP S/4HANA edition

SAP Deposits Management for Banking, SAP S/4HANA edition enables you to manage current accounts, fixed-term deposits, and savings. It offers various functions to support the lifecycle of deposit contracts.

SAP Deposits Management for Banking, SAP S/4HANA edition is offered starting with release "SAP S/4HANA, on-premise edition 1511".

It is recommended to use the latest available SAP S/4HANA on-premise release.

Further details (e.g. prerequisites and restrictions) can be taken from the corresponding Feature Scope Description and release information notes, which are available for each release, for example:

- SAP note [2211665](#) - Release information for "SAP for Banking" in connection with "SAP S/4HANA, on-premise edition 1511"
- SAP note [2328754](#) - Release information for "SAP for Banking" in connection with "SAP S/4HANA 1610" ("SAP S/4HANA, on-premise edition 1610")
- SAP Note [2484134](#) - Release information for "SAP for Banking" in connection with "SAP S/4HANA 1709" ("SAP S/4HANA, on-premise edition 1709")

## 2.3.6 SAP Deposits Management for Banking, Suite Edition

Remark:

We recommend that customers who are starting a new implementation project directly consider the SAP S/4HANA on-premise offering.

This solution enables you to create and manage deposits and current accounts. You can carry out any administrative activities and business operations that arise during the lifecycle of the deposits and current accounts.

The following components are integrated into deposits processing:

- Management of business partners
- Creation and management of contracts
- Contract-specific conditions and flexible rules for calculating charges and interest
- Business operations for contracts
- Management of incoming payments (credits and debits) including checks for available amounts and postprocessing options
- Management of periodic processes, such as settlement, and bank statement
- Management of multiple contracts in a contract hierarchy for cross-contract operations such as interest compensation, and cash concentration

The optional add-on SAP Capital Yield Tax Management for Banking supports the taxation of interest income derived from capital assets.

You also have the option of managing payments and collections by integrating SAP Payment Engine.

## Technical System Landscape

The following software components are either required or optional, as indicated below, for the technical implementation of the scenario:

Component	Required	Optional	Comment
EHP7 for SAP ERP 6.0 or higher  Enterprise Extensions EA-Finserv  SAP Financial Customer Information Management for Financial Services (FS-BP)	X		Manages customer and business partner data efficiently and integrates this data into other products.
SAP CYT Management 8.0 (add-on to SAP ERP 6.0 EHP 6 or higher)		X	You can use SAP CYT Management for Banking 8.0 to calculate and report capital yield tax for deposit contracts. See <a href="http://help.sap.com/cytm80">http://help.sap.com/cytm80</a>
SAP Payment Engine 7.0 / 8.0		X	You can use this component for payment operations. As of release 8.0 you can use the following UI5 for payment processing: <ul style="list-style-type: none"> <li>• Resolve Payment Exceptions</li> <li>• Monitor payments</li> <li>• Process external &amp; internal payments</li> <li>• Create payments</li> </ul>

## 2.3.7 SAP Loans Management for Banking

You can use this solution to manage different kind of loans. It covers the relevant functions and processes required to manage a loan account through the servicing lifecycle, which are:

- Flexible definition and configuration options to set up a broad range of loan products
- Loan account creation and maintenance
- Loan-specific conditioning and calculation
- Business operations for managing a loan throughout its servicing lifecycle, including:
  - Disbursement
  - Rescission and cancellation
  - Payment plan change
  - Skip
  - Extension
  - Manual renewal
  - Manual waiver
  - Deferral
  - Capitalization
  - Product change
  - Borrower change
  - Full and partial payoff
  - Account closure
- Billing
- Open item management (within a standard implementation with FI-CAX), i.e. posting and clearing of open items)
- Automated initiation of direct debits (SEPA/ non SEPA) for billed receivables
- Incoming payment processing and distribution based on flexible payment distribution rules

Optionally, SAP Loans Management can be combined with SAP Account Origination for origination processes. In addition, also loans related collaterals can be managed optionally by using SAP Collateral Management.

Optionally, external payments and collections can be managed by integration with Payment Engine.

A loans subledger is supported by Financial Accounting. Integration of all four solutions is supported by enterprise services.

### Technical System Landscape

The following software components are either required or optional, as indicated below, for the technical implementation of the scenario:

Component	Required	Optional	Comment
banking services from SAP 9.0	X		You use Loans Management in <i>banking services from SAP 9.0</i> to manage the loan over the servicing lifecycle. You can use <i>Financial Accounting in banking services from SAP 9.0</i> for financial

			accounting in the area of loans. Optionally, you can use <i>Collateral Management</i> to manage loan-related collaterals.
SAP ERP 6.0 or higher Minimum: EHP 3 Recommended: EHP 6 BS Function Set FICAX	X		You use the component FI-CA to manage open items.
SAP NetWeaver PI. We strongly recommend that you use the highest version of SAP NetWeaver PI XI CONTENT ESM BKG INTGR-TN 200 PD_CNT_FSMINTEG 100	X		
SAP CRM 5.0 or higher		X	You can optionally use SAP CRM to originate <i>Loan Accounts</i> .
SAP Payment Engine 7.0 / 8.0		X	You can use SAP Payment Engine to manage payments and collections. As of release 8.0 you can use the following UI5 for payment processing: <ul style="list-style-type: none"> <li>• Resolve Payment Exceptions</li> <li>• Monitor payments</li> <li>• Process external &amp; internal payments</li> <li>• Create payments</li> </ul>
SAP FDM 3.0		X	You can use <i>SAP Funding Management</i> for asset-based refinancing (of pools of loans, leasing contracts, etc.).

## 2.3.8 SAP Loans Management for Banking, SAP S/4HANA edition

SAP Loans Management for Banking, SAP S/4HANA edition enables you to manage both simply structured loans, such as consumer loans, and complex loans, such as mortgage loans. It offers various functions to support the lifecycle of loan contracts.

SAP Loans Management for Banking, SAP S/4HANA edition is offered starting with release "SAP S/4HANA, on-premise edition 1511".

It is recommended to use the latest available SAP S/4HANA on-premise release.

Further details (e.g. prerequisites and restrictions) can be taken from the corresponding Feature Scope Description and release information notes, which are available for each release, for example:

- SAP note [2211665](#) - Release information for "SAP for Banking" in connection with "SAP S/4HANA, on-premise edition 1511"
- SAP note [2328754](#) - Release information for "SAP for Banking" in connection with "SAP S/4HANA 1610" ("SAP S/4HANA, on-premise edition 1610")
- SAP Note [2484134](#) - Release information for "SAP for Banking" in connection with "SAP S/4HANA 1709" ("SAP S/4HANA, on-premise edition 1709")

## 2.3.9 SAP Loans Management for Banking, Suite Edition

Remark:

We recommend that customers who are starting a new implementation project directly consider the SAP S/4HANA on-premise offering.

You can use this solution to handle a wide range of loans - from corporate, private, consumer, mortgage, and specialty loans, to borrower's note loans and policy loans. *SAP Loans Management for Banking, Suite Edition*, with its extensive parameter definition options, is a functionally comprehensive module that can manage both loans given and loans taken processes.

It enables you to manage and monitor the end-to-end lifecycle of a loan contract including origination activities, contract completion, credit processing with payment transactions, and position management. Its complete integration with financial accounting ensures the accurate and real-time recording of transactions and positions in accordance with global financial reporting standards.

To supplement the lending-related activities, it easily integrates with other modules to manage customer information, collateral management, collections, bad-debt provisioning, asset-based refinancing (*SAP Funding Management*) and reporting.

Optionally, external payments and collections can be managed by integration with Payment Engine.

## Technical System Landscape

The following software components are required or optional, as indicated below, for the technical implementation of the solution:

Component	Required	Optional	Comment
SAP ERP 6.0 or higher Enterprise Extensions EA-Finserv (minimum) Recommended: enhancement package 7 for SAP ERP 6.0	X		Manages loans over the entire product lifecycle. Depending on the functions that you want to use in the solution, you need to choose an appropriate enhancement package (EHP). We recommend that you use EHP7 to ensure that you have the full range of functions and features.
SAP NetWeaver 7.0 BI BI CONT 7.03		X	You can use this component for reporting.
SAP CRM 5.0 or higher		X	You can use SAP CRM to originate loan accounts.
SAP FDM 3.0		X	You can use <i>SAP Funding Management</i> for asset-based refinancing (of pools of loans, leasing contracts, etc.).
SAP Payment Engine 7.0 / 8.0			You can use SAP Payment Engine to manage payments and collections. As of release 8.0 you can use the following UI5 for payment processing: <ul style="list-style-type: none"> <li>• Resolve Payment Exceptions</li> <li>• Monitor payments</li> <li>• Process external &amp; internal payments</li> <li>• Create payments</li> </ul>

*SAP Loans Management for Banking, Suite Edition* can also use functions in the following components:

- *SAP Collateral Management* (FS-CMS)
- *SAP Reserve for Bad Debts* (FS-RBD)
- *SAP Funding Management* (FS-TXS)

## 2.4 SAP Liquidity Management for Banking

This solution enables banks to bring together a more connected Treasury, Operations and Risk Management function, and as result to reduce cost and to mitigate risk with optimized intraday liquidity management and funding operations. Move from a reactive, static approach into a dynamic model that ensures optimal working capital to meet daily payment obligations.

The solution includes three products in the SAP price list: the main SAP Liquidity Flow Management for Banking (LMS) product, with two add-ons: Payment Flow Control (PFC) and Collateral Management (CM).

LMS by consolidating cash flow information from internal and external sources and reconciling actual to expected flows, the solution provides managers with complete and accurate intraday positions information and forecasting capabilities.

PFC enables banks to optimize the outgoing flows of payments intraday by coupling the releasing decision with a set of controls on the bank's liquidity, as well as its clients & counterparties exposures & limits.

CM consolidates in real time collateral flows events and monitors the bank's collateral available for its funding operations.

### Value Proposition for Customer

- Regulatory compliance.  
The solution will help banks to comply with the new liquidity regulation published by the Basel Committee (BCBS 144 & 248) and the pressure from their local regulators.
- Operational intraday liquidity risk mitigation.  
Better mitigating the risk involved from an increasingly complex intraday liquidity management landscape.
- Reduction of funding costs.  
Through a better forecasting and projection process, combined with the optimization of their outgoing payments, our customers can
  - Reduce the collateral buffer mobilized
  - Reduce overdraft fees
  - Avoid excessive liquidity raising
- Optimize your cash management operational costs
  - Automate consolidation & reconciliation of intraday cash flows information
  - Automate cash management tasks such as sweeping
  - Support identification & resolution of exceptions
- Enable enhancement of bank treasury services to its large Financial Institutions or Corporate customers
  - intraday liquidity charging
  - end to end real time tracking & monitoring of customer flows & updated positions

### Technical System Landscape

For details see section "Software Requirements" in the [Installation and Technical Configuration Guide for SAP Cash Flow Management for Banking 6.2 \(LMS 6.2\)](#).

## Further Information

For more information about the SAP Liquidity Management Suite (LMS), see the guides linked at <http://help.sap.com/lms>.

## 2.5 SAP Tax Classification and Reporting

The solution covers classification of accounts and reporting of relevant accounts according to the FATCA and CRS regulations. The classification part of the solution identifies and classifies business partners for tax reporting. It can be used for initial classification of preexisting accounts, classification of new accounts, and to handle change of circumstances. Classification is done at the business partner level, including related accounts. The classification results are basis of the reporting part of the solution, which generates reporting data for the business partners of relevance.

### Technical System Landscape

The following software components are either required or optional, as indicated below, for the technical implementation of the solution:

Component	Required	Optional	Comment
SAP Banking as part of enhancement package 5, 6, 7 or 8 for SAP ERP 6.0 (BCA and/or CML)		X	See installation note <a href="#">1826451</a>
SAP S/4 HANA			See installation note <a href="#">1826451</a>
banking services from SAP 7.0, 8.0, or 9.0		X	See installation note <a href="#">1826451</a>
SAP CRM		X	
SAP FS-BP		X	
SAP Tax Classification and Reporting	X		

## 2.6 SAP Payment Engine

Today's mobile customer wants real-time delivery of individualized, high-quality products at a low cost. Financial institutions (FIs) must focus on customer driven innovation to compete with new entrants such as PayPal Inc. and Square Inc. The goal for FIs is to support diverse payment types and service offerings across different business lines and regions in real time. They need industrialized payment products to manage ever-increasing payment volumes efficiently and profitably – while complying with changing local regulations. Most FIs rely on obsolete, fragmented infrastructures running heterogeneous, nonstandard software.

Due to duplicated functionalities and complex, often undocumented interfaces, the software adds to increasing costs and decreasing margins. From an integration perspective, the result is redundant payment formats and clearing capabilities that are not streamlined and optimized. FIs need a consolidated infrastructure that facilitates innovation and centralized payment processing to help them deliver high-quality services consistently.

FIs automate processes and consolidate the IT landscape into a centralized payment hub to streamline payment processes, minimize unit costs, and increase margin while maintaining or improving quality.

### Payment initiation

Real-time payment interfaces and status return messages help clients of FIs maximize cash flow and profitability.

### Payment processing (SAP Payment Engine)

Highly automated straight-through processing-rate permits flexible handling of individual customer service-level agreements, and streamlined, flexible processes enable FIs to offer white-labeled payment services to other institutions.

### Payment clearing and settlement

SAP Payment Engine handles sophisticated, cost-optimized clearing concepts enterprise-wide and clearing services to other financial institutions with one central solution

The *Centralized Payment Processing* solution is used to manage and process these different kinds of payments through their lifecycle. You use it to cover all the processes needed for executing payment orders end-to-end.

This ranges from receiving payments through various incoming channels to the following:

- Enrichment and validation
- Routing
- Clearing and settlement
- Collecting and queuing of payments
- Exception handling
- Posting payment items on the accounts
- Forwarding payment orders to clearing systems and correspondent banks

## 1 Note

Note that account management for deposit, saving or loan accounts as well as financial accounting is not part of the Centralized Payment Processing solution; however, the integration to the following solutions is fully supported:

- *SAP Deposit Management for Banking and SAP Deposit Management for Banking, Suite Edition*
- *SAP Loans Management for Banking and SAP Loans Management for Banking, Suite Edition*
- *SAP ERP Financials*

## Technical System Landscape

The following software components are either required or optional, as indicated below, for the technical implementation of the solution:

Component	Required	Optional	Comment
SAP Payment Engine 7.0 / 8.0	X		
banking services from SAP 9.0		X	You can use <i>Payment Engine (FS-PE)</i> together with banking services from SAP 9.0 to manage postings and account management for payments.
SAP NetWeaver 7.4 BI CONT 7.03		X	

## Further Information

For more information about the SAP Payment Engine, see the guides linked at [https://help.sap.com/viewer/p/SAP\\_PAYMENT\\_ENGINE](https://help.sap.com/viewer/p/SAP_PAYMENT_ENGINE).

## 2.7 SAP Leasing for Banking

You can use *SAP for Leasing* for the complete processing of your business processes as a lessor in leasing and financing companies. This solution provides you with a direct integration between contract management and all accounting processes, including lease accounting, assets accounting, and accounts receivable and payable. This includes the following:

- Processing of the entire contract management, starting with the offer and ending with the contract end
- Support of contractual changes and adjustments during and at the end of the contract duration, with a seamless transition to assets management and accounting
- Management of master data for vendors and traders, as well as their business partner relationships
- Complete set of functions for price determination and financial mathematics, as well as tax calculation
- Full asset management within SAP Financials, including all international accounting requirements (simultaneous parallel valuation using different accounting rules: US-GAAP, IAS, regional valuation approaches), cost calculation, and depreciation
- Automatic classification of the leasing deals (operating lease and capital lease)

### Technical System Landscape

Lease Operations is not based on *banking services from SAP*. It is based on the software components of SAP Business Suite listed below. The following software components are either required or optional, as indicated below, for the technical implementation of *Lease Operations*:

Component	Required	Optional	Comment
SAP CRM: CRM 7.0 (WEB AS 7.01) with enhancement package 1 for SAP CRM 7.0	X		In SAP CRM 7.0 with enhancement package 1, CRM Application Server ABAP is required for the <i>Leasing</i> scenario.
CRM Portal (including Business Packages): CRM 7.0 and EP 7.0		X	CRM 7.0 leasing role <i>Leasing Manager</i> can be exported as a portal role.
SAP ECC: SAP ECC 6.0 with enhancement package 5 for SAP ERP 6.0 or higher	X		You use the Enterprise Extension EA-FIN (Financials extension) to execute and represent the accounting-relevant aspects of leasing deals.  You use enhancement package 5 for SAP ERP 6.0 for full service leasing [FSL], late fees, termination quote, and FI-CA enhancements for leasing.
SAP NetWeaver Process Integration (PI) + PI/ XI content: SAP NetWeaver PI We strongly recommend that you use the highest version of SAP NetWeaver PI - XI CONTENT SAP CRM ABAP 7.13	X		You use PI as middleware to combine the software components with each other. PI enables the synchronous and the asynchronous exchange of data between connected systems.  Required for full service leasing and SRM.

- XI Content EA_APPL 605 - XI Content SRM Server 7.01 (optional, if SAP SRM is applied)			
SAP SRM: SAP SRM 7.0 with enhancement package 2 for SAP SRM 7.0		X	You use SAP SRM 7.0 with enhancement package 2 to trigger the purchase of the object and check the vendor invoice.

## Implementation Sequence

1. Install CRM 7.0 Application Server ABAP and enhancement package 1 (EHP1) for SAP CRM 7.0 with their corresponding, latest support packages.

For more information, see SAP Service Marketplace at <http://service.sap.com/crm-inst> → SAP Business Suite Applications → SAP CRM → SAP enhancement package 1 for CRM 7.0 → Plan → Master Guide SAP enhancement package 1 for SAP CRM 7.0.

2. If you plan to use the enterprise business function for performance improvements in leasing, activate the enterprise business function in SAP CRM 7.0 Customizing → Activate Business Functions:

CRM\_FS\_PERF\_1 (for performance improvements: billing, pricing, multiple-asset contract) and CRM\_PERFORMANCE of enhancement package 1 for SAP CRM 7.0.

CRM\_FS\_CI\_1 (CRM FS, continuous improvements: FCC, termination quote, FSL, performance) for enhancement package 1 for SAP CRM 7.0.

3. Install SAP ERP 6.0 (SAP ECC server) and enhancement package 4 (EHP4) for SAP ERP 6.0 or higher with their corresponding, latest support packages.

For more information, see SAP Service Marketplace at <http://service.sap.com/erp-inst> -> SAP Business Suite Applications -> SAP ERP -> SAP ERP 6.0.

4. Install ECC Extension EA-APPL that uses Lease Accounting (FI-LA).

Activate Enterprise Extension EA-FIN Financials Extension in SAP ERP 6.0 Customizing -> Activate SAP ECC Extensions.

5. Activate business function set FICAX and the business functions FICAX and FICAX\_Leasing in SAP ERP 6.0 Customizing -> Activate SAP ECC Extensions and FICAX\_LEASING\_CI\_1 (improvements for offer for contract termination) of enhancement package 6 for ERP 6.0.

6. If you plan to use full service leasing (FSL) functions, activate the following enterprise business functions in SAP ERP 6.0 Customizing -> Activate SAP ECC Extensions:

- LAM\_GEN\_FSL (for full service leasing processes)
- ISR\_RET\_AGENCY (for agency business)
- ISR\_RET\_AGENCY\_2 (for agency business)

7. Install SAP NetWeaver PI including XI content. Download the following XI content ([service.sap.com/patches](http://service.sap.com/patches) -> Entry by Application Group -> SAP Content -> ESR Content (XI Content) and import the XI content to the SAP NetWeaver PI Integration Repository:

- XI Content SAP CRM ABAP 7.13
- XI Content EA\_APPL 605
- XI Content SRM Server 7.01 (only if SAP SRM is applied)

To execute process integration (PI) scenarios you need a NetWeaver system with the activated usage types AS ABAP, AS Java and PI. For details, see Master Guide NetWeaver 7.0 (2004s). For more information, see the Master Guide for NetWeaver 7.0 (2004s).

8. Optional: Install SAP SRM 7.0 (SAP SRM Server 7.0) with enhancement package 2 (EHP2).  
For more information, see <http://service.sap.com/srm-inst> -> Using SAP SRM Server 7.0.

## Solution Set Up

As of SAP CRM 2006s, SAP Leasing for Banking offers features (such as third-party program management and new FIMA calculations) that are based on a new business object type for the financing contract item (BUS2000301). If you want to use these functions, you must make sure that new documents are created using this business object type. Moreover, you must use the ERP component *Contract Accounts Receivable and Payable* (FI-CA).

### Note

There is no tool for migrating existing documents based on the old business object type (BUS2000138) to the new business object type (BUS2000301).

Processes that use the old business object type (BUS2000138) are still supported. This means that when you upgrade to CRM you can still run your processes as before.

Furthermore, you cannot combine both business object types within one document.

## 2.8 SAP Funding Management

SAP Funding Management provides a comprehensive, integrated, end-to-end and proven solution for the entire asset-backed funding transaction lifecycle, covering both the structuring and processing phases of multiple asset classes, including mortgage and consumer loans, car loans, credit card and trade receivables and all lease forms.

The solution can support the following asset-backed funding products:

- Sale/Purchase of Receivables incl. Securitization (ABS)
- Funding of Leases (forfeiting)
- Asset Backed Loan & Syndication (basic functionality)
- Factoring and Supply Chain Finance (working capital solutions)
- Covered Bonds

A unique two level approach in combination with the integrated Funding Workplace enable the user to gain full transparency of funding products and their assigned transactions.

Additionally, standard monitoring capabilities allow the user to have a complete overview of all relevant asset events (such as a change in cash flow plan) and triggers (for example, 10% of assets in the pool are delinquent) and to act accordingly. Therefore, SAP Funding Management comes with its own Monitoring Cockpit in order to easily manage the events created and to keep track of them.

SAP Funding Management offers comprehensive pool structuring elements including, among others, eligibility criteria, asset key figures and concentration limits. Herewith, the system ensures that the user will only find the desired assets in the final pool cut. All asset attributes stored in SAP Funding Management are available for the selection process (e.g. contract ID, contract type, customer industry and remaining capital). SAP Funding Management offers asset key figures which calculate values which can also be used during the selection process (e.g. seasoning, remaining maturity, days of delinquency, and number of paid rates). Concentration limits complement the pool structuring. They offer the user the option to create a diversified pool following limits like regional distribution, a weighted average maturity, top 10 borrowers of the pool etc. The solution provides accurate real-time results and information that gives the user greater control of their workflow processes.

SAP Funding Management provides in-depth and extensive investor and payment reporting out of one system. The user can configure the layout of their reports using the calculations and pool key figures to produce settlement, stratification reports and ad hoc reports where necessary. Loan level reporting to meet regulatory requirements can be easily configured and created with SAP Funding Management. It is compliant with the reporting requirements of the (European) Central Bank and users can generate and submit their reports accordingly.

Reports (and the underlying transaction data) can be archived in SAP Funding Management and recalled at any point in time by the user. Payments and journal entries are generated by SAP Funding Management and can be interfaced to an organization's accounting system if required.

SAP Funding Management can be integrated with a number of SAP systems, like loan systems, but can also be used with non-SAP systems.

### Technical System Landscape

The following software components are either required or optional, as indicated below, for the technical implementation of the solution.

Component	Required	Optional	Comment
ECC 6.0 (ERP 2005) or higher with extension EA-Finserv using <i>SAP Loans Management for Banking, Suite Edition</i> (FS-CML)	X		Required in the Syndication solution for using Investor Contracts.
ECC 6.0 (ERP 2005) or higher with extension EA-Finserv using <i>SAP Loans Management for Banking, Suite Edition</i> (FS-CML) with EHP4 (SP1)		X	Required for the Portfolio Funding solution.
<i>SAP Loans Management for Banking</i> (banking services from SAP (FS-AM) 8.0 SP 15 or higher)		X	Required for the Portfolio Funding solution.

## 2.9 SAP Regulatory Reporting by iBS

This component is only available German speaking countries.

Im Rahmen der gesetzlichen Vorschriften haben alle Kredit- und Finanzdienstleistungsinstitute in Deutschland eine Vielzahl von aufsichtsrechtlichen Bestimmungen zu erfüllen und Meldungen an die Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) bzw. an die Deutsche Bundesbank zu erstellen. Die Harmonisierung des Aufsichtsrechtes innerhalb der Europäischen Union (u.a. 6.KWG-Novelle, Basel II) und die damit verbundenen Novellierungen des Kreditwesengesetzes (KWG) zwingen die Institute dazu, laufend neue Aktivitäten bezüglich der Erfüllung dieser Normen durchzuführen.

Grundlage für ein funktionierendes Meldewesen ist - neben der Vollständigkeit und Qualität der Daten in den Bestandsführenden Systemen - die meldewesenspezifische Datenextraktion und Datenaufbereitung sowie die Anbindung an eine Meldewesen(-Standard)-Software, mit welcher dann die notwendigen Meldungen erstellt bzw. überwacht werden können.

Der Regulatory Reporting Analyzer (RR) unterstützt Sie in der Vorverarbeitung Ihrer Geschäftsdaten für das gesetzliche Meldewesen. Dabei stellt Ihnen der RR die verarbeiteten Daten in Form einer Datei gem. den Vorgaben des Meldetools bereit und unterstützt Sie dadurch bei der Meldungserstellung mittels einer Meldewesen(-Standard) Software.

## 2.10 SAP Reserve for Bad Debts, SAP S/4HANA edition

SAP Reserve for Bad Debts for Banking (FS-RBD) enables you to create and manage the necessary risk provisions (value adjustment and provision) for their business. It supports the management of single risk provisions as well as flat-rate risk provisions.

A SAP S/4HANA on-premise version is offered starting with release "SAP S/4HANA, on-premise edition 1511". It is recommended to use the latest available SAP S/4HANA on-premise release.

Details regarding this offering (e.g. prerequisites and restrictions) can be taken from the corresponding release information notes, which are available for each release, for example:

- SAP note 2211665 - Release information for "SAP for Banking" in connection with "SAP S/4HANA, on-premise edition 1511"
- SAP note 2328754 - Release information for "SAP for Banking" in connection with "SAP S/4HANA 1610" ("SAP S/4HANA, on-premise edition 1610")
- SAP Note [2484134](#) - Release information for "SAP for Banking" in connection with "SAP S/4HANA 1709" ("SAP S/4HANA, on-premise edition 1709")

## 2.11 SAP Reserve for Bad Debts for Banking

### Remark:

We recommend that customers who are starting a new implementation project directly consider the SAP S/4HANA on-premise offering.

The *SAP Reserve for Bad Debts* (FS-RBD) solution gives you a professional and efficient tool for creating, posting, and managing impairments (risk provisions) and keeps the manual effort required to a minimum.

As a key part of the SAP for Banking industry solution, SAP RBD meets all the requirements of a modern impairment application including Multi-GAAP support for international (for example, IFRS 9) and local (for example, German, Austrian, Canadian) accounting principles.

- Single application for centrally managing impairments (risk provisions)
- Modeling individual impairments  
The *Expected Cash Flows procedure* (ECF procedure, parallel for multiple GAAPs) enables the claims handler to calculate and manage the risk provision in parallel for two financial accounting standards for On- and Off-balance-sheet items. This minimizes the manual tasks that need to be carried out by the claims handler.
- Modeling loss-rate based impairments  
The *Impairment Processing Extension* (IPX procedure) features a flexible process framework for modeling loss-rate based impairment procedures. The extension is specially designed to handle high data volumes using parallel processing procedures. The IPX procedure includes processes to assign single transactions to different impairment categories (e.g. stages/buckets) as well as processes for loss-rate based impairment-calculation (by using EAD, LGD, PD, for example), transfer between the impairment categories and position management of the corresponding risk provision. The impairment management will be done at single-transaction level.
- Daily overview of your risk provisioning positions and their development
- Real-time transfer of all changes that are relevant for the balance sheet to financial accounting
- Automatic provision of all data that is relevant for internal and external reporting
- Seamless integration into the system landscape with interfaces to relevant systems

### Technical System Landscape

The following software components are either required or optional, as indicated below, for the technical implementation of the scenario:

Component	Required	Optional	Comment
SAP ERP 6.0 or higher Enterprise Extensions EA-Finserv	X		
• SAP Deposits Management for Banking, Suite Edition (IS-B-BCA)		X	Concentrates on the monitoring of funds payable and receivable between banks and their customers.
• SAP Loans Management for Banking, Suite Edition (FS-CML)		X	Manages loans over the entire product lifecycle.
• SAP Collateral Management for Banking, Suite Edition (FS-CMS)		X	Provides extensive functions for creating and managing collaterals.

<ul style="list-style-type: none"> <li>• SAP Financial Customer Information Management for Financial Services (FS-BP)</li> </ul>		X	Manages customer and business partner data efficiently and integrates this data into other products.
<ul style="list-style-type: none"> <li>• SAP General Ledger Accounting (FI-GL)</li> </ul>	X		Complete representation of external accounting.

### Implementation Sequence

Install SAP ERP 6.0 or higher with Enterprise Extensions EA-Finserv using the following application components:

- Reserve for Bad Debts (FS-RBD)
- SAP General Ledger Accounting (FI-GL)
- Optional: Financial Customer Information Management (FS-BP)
- Optional: SAP Deposits Management for Banking, Suite Edition (IS-B-BCA)
- Optional: SAP Loans Management for Banking, Suite Edition (FS-CML)
- Optional: SAP Collateral Management for Banking, Suite Edition (FS-CMS)

### Further Information

For more detailed descriptions of RBD business processes, see the [documentation in SAP Help Portal for Release EHP6 RBD8](#).

## 2.12 SAP Omnichannel Banking

SAP Omnichannel Banking (built on top of Omnichannel Banking Platform) provides a lightweight container for building and deploying complex business applications in a modular fashion. The platform provides the following key capabilities:

- Provides standard based rapid application development platform for developing loosely coupled, modular, and extensible applications.
- Provides a rich collection of foundation services for user management, security, channel management, entitlements, approvals, and logging which can be leveraged by multiple applications deployed on this platform.
- The application modules expose their service endpoints to the outside world using SOAP and REST (OData) protocols.
- Allows customers to reuse existing modules and micro services shipped as part of the platform to assemble new modules and features based on bank's specific requirements.
- Provides a tool to rapidly build responsive HTML5 based desktop and mobile applications which consume OData services.

Apart from above-mentioned platform capabilities the customers can further leverage mobile application development capabilities of the SAP Mobile Platform such as the push notifications, application updates, mobile application usage monitoring, mobile data storage and encryption, and mobile wallets.

Both SAP Online Business Banking and SAP Online Retail Banking solutions leverage the capabilities of the Omnichannel Banking Platform.



## 3 Related Information

### 3.1 Planning Information

For more information about planning topics, see the following content:

Content	Location
General information about SAP for Banking	<a href="https://help.sap.com/viewer/p/SAP_FOR_BANKING">https://help.sap.com/viewer/p/SAP_FOR_BANKING</a>
SAP Business Maps - information about applications and business scenarios	<a href="http://service.sap.com/businessmaps">http://service.sap.com/businessmaps</a>
Sizing, calculation of hardware requirements - such as CPU, disk and memory resource - with the Quick Sizer tool	<a href="http://service.sap.com/quicksizer">http://service.sap.com/quicksizer</a>
Released platforms and technology-related topics such as maintenance strategies and language support	<a href="http://service.sap.com/platforms">http://service.sap.com/platforms</a> To access the Platform Availability Matrix directly, enter <a href="https://support.sap.com/en/release-upgrade-maintenance/product-availability-matrix.html">https://support.sap.com/en/release-upgrade-maintenance/product-availability-matrix.html</a>
Network security	<a href="http://service.sap.com/securityguide">http://service.sap.com/securityguide</a>
High availability	<a href="http://scn.sap.com/docs/DOC-7848">http://scn.sap.com/docs/DOC-7848</a>
Performance	<a href="http://service.sap.com/performance">http://service.sap.com/performance</a>
Information about support package stacks, latest software versions and patch level requirements	<a href="https://support.sap.com/en/my-support/software-downloads/support-package-stacks.html">https://support.sap.com/en/my-support/software-downloads/support-package-stacks.html</a>
Information about Unicode technology	<a href="http://scn.sap.com/community/internationalization-and-unicode">http://scn.sap.com/community/internationalization-and-unicode</a>

## 3.2 Further Useful Links

The following table lists further useful links:

Content	Location
Information about creating error messages	<a href="https://support.sap.com/incident">support.sap.com/incident</a>
SAP Notes search	<a href="https://support.sap.com/notes">support.sap.com/notes</a>
SAP Software Distribution Center (software download and ordering of software)	<a href="https://support.sap.com/swdc">support.sap.com/swdc</a>
SAP Online Knowledge Products (OKPs) – role-specific learning maps	<a href="https://support.sap.com/ekt">support.sap.com/ekt</a>

## 3.3 Related Guides

You can find more information about the relevant applications in the following documents:

Title	Location
SAP Customer Relationship Management	<a href="https://help.sap.com/viewer/p/SAP_CUSTOMER_RELATIONSHIP_MANAGEMENT">https://help.sap.com/viewer/p/SAP_CUSTOMER_RELATIONSHIP_MANAGEMENT</a>
Component Installation Guide for banking services from SAP	<a href="https://help.sap.com/bankingservices">https://help.sap.com/bankingservices</a>
Component Upgrade Guide for banking services from SAP	<a href="https://help.sap.com/bankingservices">https://help.sap.com/bankingservices</a>
Master Guide and Installation Guide for SAP NetWeaver	<a href="https://help.sap.com/viewer/p/SAP_NETWEAVER">https://help.sap.com/viewer/p/SAP_NETWEAVER</a>

## 3.4 Related Documentation

You can find more information about the relevant applications in the following documents:

Title	Location
SAP Process Object Builder	<a href="http://help.sap.com/pobuilder">http://help.sap.com/pobuilder</a>

## 3.5 Important SAP Notes

You must read the following SAP Notes before you start the installation. These SAP Notes contain the most recent information on the installation, as well as corrections to the installation documentation.

Make sure that you have the up-to-date version of each SAP Note, which you can find on SAP Service Marketplace at <http://service.sap.com/notes>.

General notes		
SAP Note Number	Component	Description
<a href="#">97621</a>	BC-UPG-OCS	OCS Info: Online Correction Support (OCS)
<a href="#">97660</a>	BC-UPG-OCS	OCS: Further Information Needed
<a href="#">556962</a>	BC-UPG-OCS / BC-UPG- ADDON	FAQ OCS: General information on Support Packages
<a href="#">954792</a>	BC-UPG-OCS	Known problems with Support Packages in SAP NW 7.1 AS ABAP
<a href="#">785365</a>	BC-CST-MM	Extended Global Memory (EG) increased from 2 GB to 8 GB
<a href="#">789477</a>	BC-CST-MM / BC-OP-AIX	Large extended memory on AIX (64-bit) as of Kernel 6.20
<a href="#">135451</a>	BC-DB-DB6 / XX-RC-BC-DB	DB2/CS: Optimistic Cluster Read
<a href="#">894009</a>	BC-SRV-FP	Adobe Document Services: Configuration Guide (SAP NW 7.0)
<a href="#">1109483</a>	BC-UPG- ADDON	Installing Esoadocu 100
<a href="#">1515223</a>	SAP NetWeaver	Process Integration: Release Recommendation This SAP Note sets out our recommendation on which release of SAP NetWeaver PI you should use

Information about the installation of banking services from SAP		
SAP Note Number	Component	Description
<a href="#">2178306</a>	BC-UPG- ADDON	Banking Services from SAP 9.0 - Release strategy for the ABAP Software Component Versions
<a href="#">983007</a>	FS-AM	Release Strategy for ABAP Add-On FSAPPL

Information about the installation of SAP Payment Engine		
SAP Note Number	Component	Description
<a href="#">1405042</a>	FS-PE	Release strategy for the add-on PAY-ENGINE
<a href="#">1411185</a>	FS-PE	Release strategy for the add-on PECROSS
<a href="#">1411187</a>	FS-PE	Release strategy for the add-on PEAM (FBS)
<a href="#">1174789</a>	FS-PE	Installation of Pay-Engine 300 on NetWeaver PI 7.1
<a href="#">180667</a>	FS-PE	Performance summarizing header taxes (WPUBON01)
<a href="#">1369299</a>	FS-PE	Installation of PECROSS 300 - Pay-Engine Cross Border
<a href="#">1989685</a>	FS-PE	Installation of the Add-on PAY-ENGINE 400 on SAP NetWeaver 7.4

Additional information for banking services from SAP		
SAP Note Number	Component	Description
<a href="#">1166529</a>	FS-AI	Performance: banking services from SAP
<a href="#">1522633</a>	FS-AM-CM-AC	Temporary Condition Change (Product Switch): Setup

Additional information for scenarios using Bank Analyzer		
SAP Note Number	Component	Description
<a href="#">631416</a>	FS-BA	Configuring the system landscape of Bank Analyzer
<a href="#">676390</a>	FS-BA	Transporting settings in the module editor environment
<a href="#">1037878</a>	BC-UPG-ADDON / FIN-SEM	Installation FINBASIS 700 on SAP NetWeaver 7.1
<a href="#">1037738</a>	BC-UPG-ADDON / FIN-SEM	Installing SEM-BW 700 on SAP NetWeaver 7.1
<a href="#">1037879</a>	BC-UPG-ADDON	FINBASIS 700 and SEM-BW 700: Upgrade to SAP NetWeaver AS ABAP 7.1
<a href="#">1571047</a>	FS-BA	Banking Services 8.0: Bank Analyzer-Business Content Inst.

Additional information for the installation of the Financial Accounting scenario		
SAP Note Number	Component	Description
<a href="#">1350556</a>	FS-BA	Customizing for Integration of Bank Analyzer with ERP GL

Additional information for the installation of the Leasing scenario		
SAP Note Number	Component	Description
<a href="#">1507721</a>		Remaining balance calculation upon change Process in Leasing

Additional information for the installation of the Account Origination scenario		
SAP Note Number	Component	Description
<a href="#">1883174</a>		Sample Integration between Account Origination & Loans Management

Additional information for the installation of the Capital Yield Tax Management scenario		
SAP Note Number	Component	Description
<a href="#">1880531</a>	BC-UPG-ADDON	CYT: Overview note
<a href="#">1830224</a>	FS-CYT-CAL-CFM	Composite SAP Note prerequisite CYT 8.0 - ERP 6 EhP6
<a href="#">1873478</a>	FS-CYT-CAL	Composite SAP Note - prerequisite CYT 8.0 - ERP 6 EhP7

Additional information for SAP Loans Management for Banking, Suite Edition		
SAP Note Number	Component	Description
<a href="#">851136</a>	FS-CML	Additional info for upgrade of FS-CML component to ERP2005
<a href="#">737918</a>	FS-CML	Introduction of the CML component to an active system
<a href="#">886261</a>	FS-CML	Information about release restrictions in SAP for Banking in Business Suite 2005
<a href="#">886262</a>	FS-CML	Information about release restrictions in SAP for Banking in Business Suite 2004)

Additional information about the installation of SAP Reserve for Bad Debts (FS-RBD)		
SAP Note Number	Component	Description
<a href="#">1849237</a>	EA-FINSERV	Legal changes EhP7 ECF
<a href="#">1094452</a>	EA-FINSERV	IAS enhancement for RBD
<a href="#">1063442</a>	EA-FINSERV	IAS enhancement for RBD
<a href="#">1444416</a>	EA-FINSERV	Downport reserve enhancement IAS /IFRS

Additional information about solutions in ECC 6.0 Extension EA-Finserv		
SAP Note Number	Component	Description
<a href="#">791493</a>	BC-UPG	ECC 600- Language availability of subcomponents

Enterprise Services		
SAP Note Number	Component	Description
<a href="#">1224284</a>	XX-SER-REL	Enterprise Services, Installing, and Accessing the SOA Documentation
<a href="#">1564359</a>	BC-UPG-ADDON	Installing ESMFS 400 (ESM FS 400)
<a href="#">1510223</a>	FS-AM	FSAPPL400: Changes to existing interfaces
<a href="#">1357790</a>	FS-MCM-CST	Correction of validity period for contract begin
<a href="#">1357134</a>	FS-MCM-CST	Account share combined statement: Error for daily due date

Additional information for Tax Classification and Reporting		
SAP Note Number	Component	Description
<a href="#">1826451</a>	FATCA	Release strategy for the ABAP add-on FATCA Planning and installation information

The following SAP Notes contain the most recent information about the upgrade, as well as corrections to the upgrade documentation.

General notes		
SAP Note Number	Component	Description
<a href="#">785365</a>	BC-CST-MM	Extended Global Memory (EG) increased from 2 GB to 8 GB
<a href="#">789477</a>	BC-CST-MM / BC-OP-AIX	Large extended memory on AIX (64-bit) as of Kernel 6.20
<a href="#">135451</a>	BC-DB-DB6 / XX-RC-BC-DB	DB2/CS: Optimistic Cluster Read
<a href="#">1037879</a>	BC-UPG-ADDON	FINBASIS 700 and SEM-BW 700: Upgrade to SAP NetWeaver AS ABAP 7.1
<a href="#">631416</a>	FS-BA	Configuring the system landscape of Bank Analyzer
<a href="#">676390</a>	FS-BA	Transporting settings in the module editor environment
<a href="#">454859</a>	FS-BA / BC-UPG-ADDON	Release strategy for SAP Bank Analyzer add-on
<a href="#">2255880</a>	XX-SER-REL	Release limitation for banking services from SAP 9.0
<a href="#">1956035</a>	FS-AM, FS-BA	Release information about FSAPPL500 Support Packages
<a href="#">1556023</a>	FS-AM, FS-MCM, FS-BA, FS-CMS, FS-BP	<i>Banking services from SAP 8.0</i> : Deprecation of Services
<a href="#">1240505</a>	FS-PE	PAY-ENGINE 300: Add-On Support Packages
<a href="#">1494971</a>	FS-PE	PECROSS 300: Add-On Support Packages
<a href="#">1989685</a>	FS-PE	Installation of the Add-on PAY-ENGINE 400 on SAP NetWeaver 7.4

Additional information for scenarios using CYT		
SAP Note Number	Component	Description
<a href="#">1694731</a>	BC-UPG-ADDON, FS-CYT	CYT 800 - Switch Upgrade

Additional information for the Account Origination scenario		
SAP Note Number	Component	Description
<a href="#">1515223</a>	SAP NetWeaver	Process Integration: Release Recommendation This SAP Note sets out our recommendation on which release of SAP NetWeaver PI you should use.
<a href="#">1479767</a>	FS-CML	Migration of Consumer Loans Disbursement Records


Additional information for CMS 4.0		
SAP Note Number	Component	Description
<a href="#">863584</a>	FS-CMS	Additional information about upgrading to SAP CMS 4.0



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