

## Controlling and reporting on the basis of consistent data

Banks are confronted with increasingly demanding transparency criteria when it comes to external reporting on business with financial instruments. This trend has considerable repercussions on internal Management Accounting and Controlling. A new piece of evidence of this is the introduction of the IFRS 8: From 2009 onwards, the institutions will have to revert to internal organizational structures and report contents for segment reporting. They will be obliged to report financial information on the basis of Management Accounting. Additionally, IFRS 8 requires offsetting and reconciliation from the operative segments to the corresponding positions in the annual report.

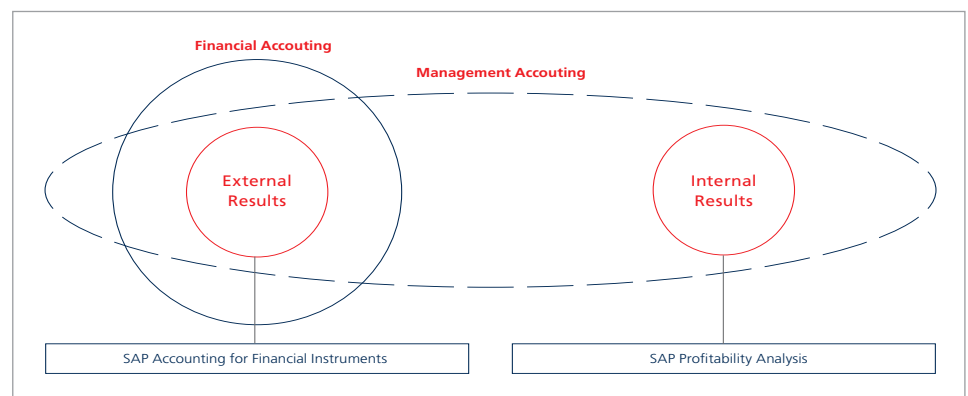
### IFRS as a demanding additional condition of economic management

This increases the pressure of having to deal with the previously separated areas of internal and external reporting as one in future. This prevents contradictory impulses arising from the corresponding key figures from happening. The IFRS needs to be included in economic management as a demanding additional condition.

The banks are facing a functionally and technically demanding task: External accounting, segment reporting and the calculation of key figures for profitability and risk management need to be put on a common basis. This is the only way that inconsistencies and complex transitional calculations can be avoided.

### Merging Financial and Management Accounting

An integrated data pool, consistent methods and procedural support of the organizational merging of accounting and controlling are required. The SAP Bank Analyzer 6.0 meets these requirements by using Integrated Financial and Management Accounting (IFMA). This solution integrates external multi-GAAP-enabled reporting of Accounting for Financial Instruments (AFI) and the internal financial reporting Profitability Analysis (PA).



*SAP Integrated Financial and Management Accounting (IFMA)*

Within the framework of management accounting in IFMA, balanced sheets and profit & loss statements can be created for the bank's business segments and organizational units, which consistently match up to the financial accounting data.

The new solution relies on the Integrated Finance and Risk Architecture (IFRA) of the SAP Bank Analyzer 6.0.: As a central data and method pool, IFRA provides consistent information and services for all modules of SAP Analytical Banking and lets the bank dispense with outdated and increasingly ineffective silo architectures.

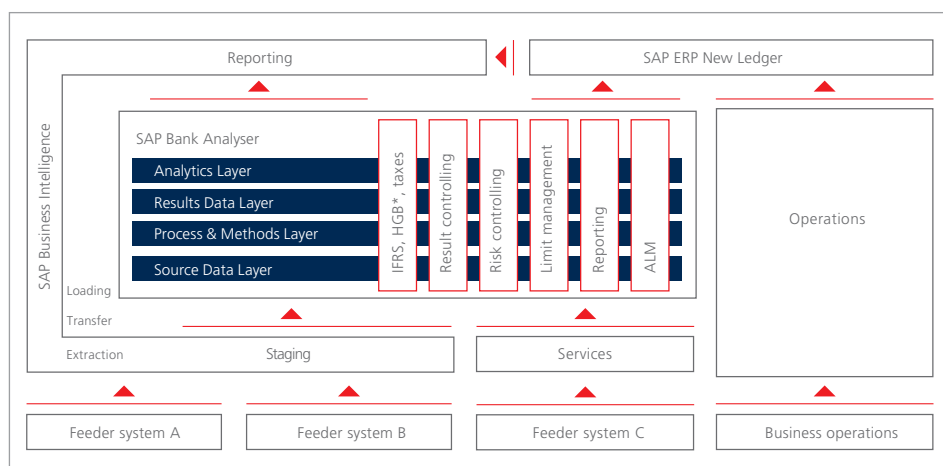




## SAP Bank Analyzer 6.0 – a future-proof system solution

### Service-oriented architecture as a Basis

The Integrated Finance and Risk Architecture of the SAP Bank Analyzer 6.0 is set up as a modern, service-oriented four-layer model: The single transaction data supplied by the operative feeder system of the bank are stored in the Source Data Layer (SDL). It supplies all data as the Single Point of Truth for the evaluation and processing of the transactions of the bank which occur in the Processes and Methods Layer (PML). The results of these processes are stored in the Results Data Layer (RDL), which, for its part, supplies the results data for the Analytics Layer (AL) as the Single Point of Truth. Here, the result data for consolidation, financial reports and management reporting are processed. By using this architecture the SAP Bank Analyzer 6.0 guarantees consistency of source data, methods, processes, result data and reports in their entirety. At the same time, the effort required in producing bank-specific, web-based reports is significantly reduced.



Integrated Finance and Risk Architecture (IFRA)

### Specialist and technical implementation know-how from one source

The SAP Bank Analyzer 6.0's IFMA provides a solution which allows for far-reaching design possibilities in the implementation of bankspecific requirements. The ifb group offers the comprehensive, professional and technical know-how required to use the opportunities that go with it. We accompany implementation projects from the start of blue print to the go-live and naturally, we support you after this as well. Our integrated project approach intensely incorporates your employees into the process from the start, thus guaranteeing the optimum transfer of knowledge. The ifb group was involved throughout the course of the development of Integrated Financial and Management Accounting as a specialist development and consulting partner to SAP AG.

### SAP Bank Analyzer 6.0

- open, service-oriented architecture
- different jointly parameterizable analytical applications
- Data consistency and Single Point of Truth on source and result data level
- Integration on the process and methods level
- Consistency of the methods and processes

### ifb implementation projects

- skilled implementation partners with a strong network to SAP
- Employees with long experience in SAP banking implementation projects
- ifb consultants unite economic and system-related know-how
- Preparation of internal employees for production supervision is a part of projects
- Implementation in „Time & Budget“ via tested risk management system

### ifb implementation service

- functioning prototype available for demonstration purposes
- „Proof of Concept“ including prototyping
- Working out a road map for the implementation project
- Blue print provides business and IT with a joint understanding of implementation
- Transfer of knowledge through a joint project approach with you before, during and after implementation



### **Integrated Financial and Management Accounting**

- Basis for integrated IFRS management
- High computational transparency, both internally and externally.
- Unified reporting for segment/business fields via uniform use of management reporting
- Internal figures for the calculation of the profit contribution, externally specifiable
- Comparability through the international direction of accounting

### **ifb implementation processes**

- Identification of the chief operating decision-maker
- Analysis of the processes, methods, reports and data fundamentals of accounting and controlling as well as the deriving of harmonization potential on the basis of products/topics matrix
- Identification and education of the operative segments
- Development of a consistent management concept on the basis of a uniform information pool

## **... and a whole wide range of services**

With Integrated Financial and Management Accounting the SAP Bank Analyzer 6.0 provides a consistent system for financial reporting and internal result management on a standardized data pool. IFMA integrates the Bank Analyzer modules ‚Accounting for Financial Instruments‘ and ‚Profitability Analysis‘. Banks who generate their financial reports according to IFRS can use this solution to seamlessly execute the advanced segment reporting requirements of IFRS 8.

### **... for financial accounting ...**

Accounting for Financial Instruments provides a full functionality spectrum for external financial reporting of the bank and their legal units for business with financial instruments. The module offers a fully automated accounting process for multi-GAAP-enabled reporting: AFI supports hedge accounting and multi-currency accounting, provides internal calculation & evaluation models and comprises functions like the mapping of complex, structured products.

### **... management accounting ...**

SAP Integrated Financial and Management Accounting enables both the calculation of profit contribution and an accounting point of view within the framework of management accounting. All standard methods for funds transfer pricing are supported. Matched maturities, durations and effective yield spread methods are backed by SAP. The calculation of funding rates for non-maturity products is supported as well. The function range stretches from the quantification of the refinancing result, through the identification and proper allocation of costs and earnings, all the way to profitability reporting for product groups, customer groups and geographical segments.

### **... and segment reporting**

With IFRS 8 new regulations for segment reporting will come into effect in 2009 which are along the lines of the FAS 131 of the US-GAAP. In the interest of higher transparency, the Risk-and-Reward approach of the IFRS 14, which was in force until now, will be replaced by a management approach: In segment reporting, detailed key internal banking management information needs to be disclosed. Banks who use different segmentation setups in their business for controlling and financial reporting are required to provide offsetting and reconciliation statements between key internal and external figures. The Integrated Finance and Risk Architecture enables the use of consistent methods on the basis of consistent data. Offsetting and reconciliation statements between internal and external performance control indicators, which may be required, can be created easily.

**We're happy  
to support you!**

## **We provide SAP solutions to meet your requirements**

### **SAP Services of the ifb group**

Security is priority: The ifb group provides its customers with the full skill-set for implementing SAP-based controlling and reporting solutions. As a consulting and development partner of SAP AG, we were part of the setup of the SAP branch solution for banks and the development of its components from the very start. Our range of services fully covers both the SAP Bank Analyzer and SAP SEM Banking. Our comprehensive specialist and technical knowledge ensures that competent supervision of all steps of your implementation project is provided - from the decision-making process to business operations. On this basis, we, together with our customers, implement on-time, within-budget solutions, which perfectly meet the requested requirements.

### **Oriented around a specific need**

When examining the potential which an IFRA architecture provides its institution, we offer a functional prototype that enables the concrete demonstration of important functions. We also support you in the management and controlling environment when it comes to:

- reorganizing accounting with the SAP Bank Analyzer from the merge scenario to the sub-ledger scenario.
- implementing Integrated Financial and Management Accounting
- with the SAP Bank Analyzer 6.0 in the sub-ledger scenario
- setting up a sales & distribution management system with the Profitability Analysis module of the SAP Bank Analyzer 6.0
- all aspects of the use of the SAP SEM Profit Analyzer

### **Know-how transfer under optimum conditions**

Not only did the ifb group as a partner for SAP AG make a decisive contribution to the realization of the SAP Integrated Financial and Management Accounting, it also developed the complete training documentation for the qualification of users for SAP. As an SAP partner for IFMA user training courses, we provide tutors with leading specific banking and technological information skills.

### **ifb group**

ifb was founded in 1989 in Germany and currently employs over 450 employees all over the world. As a competence center for risk management and financial management we enjoy an excellent reputation. We advise credit institutions, insurance companies as well as companies in the industrial, trade and services sectors when it comes to questions of an economic nature. We also develop software for result-oriented management and reporting. As a partner for well-known software companies we deal with the implementation and project tasks for SAP Banking Solutions and the entire spectrum of business intelligence. Over 1,600 customers rely on the solutions provided by the ifb group.

### **SAP Services for the value creation chain of the bank**

- Strategy consulting on IT architecture
- business consulting
- Transformation of business requirements in IT requirements, system selection
- Implementation of SAP software
- Custom-made development on an SAP basis
- Go-Live support

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