

# ifb mailing

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## Efficient, reliable, accelerated.

### Be ready for IFRS 17 compliance with the ifb Packaged Solution for IFRS 17 Accounting

With the introduction of IFRS 17, the finance departments of insurance companies are facing an additional challenge on top of existing ones. It is time to get IFRS 17 done efficiently and reliably while safeguarding the option to leverage a strategic software solution later.

#### How to get IFRS 17 done efficiently without resorting to quick fixes?

IFRS 17 is introducing a new school of thought in accounting for insurance products. This amounts to an unprecedented shift in process, functionality and data. This challenge proves especially hard for small and medium sized insurance companies, which often cannot afford to leverage such an opportunity into a finance transformation initiative without undue constraints on their resources. Consequently, tactical silo approaches are often chosen and hastily implemented, encumbering maintenance and slowing the closing process further by adding yet another solution to an ever-growing system landscape. So how to reliably and efficiently deal with IFRS 17 immediately while avoiding the pitfall of tactical approaches and retain the possibility to leverage the solution in later years for additional benefits?

#### Dual Leadership: Leading solution FPSL best implemented by ifb group

ifb was the first company to implement SAP S/4HANA for financial products subledger (FPSL) and is currently running the majority of advanced FPSL projects worldwide. Combining our vast knowledge and experiences with advanced IFRS 17 projects using FPSL we created the "Packaged Solution for IFRS 17 Accounting." It compiles a comprehensive offering unifying best practices into one reliable, efficient implementation project for a fixed price. We implement the basis scenario focused on IFRS 17 compliance first. Then - thanks to its modular structure - the solution gives you the opportunity of optional extensions e.g. for planning and simulation or multi-GAAP during the project or at later



#### "ifb Packaged Solution for IFRS 17 Accounting" with SAP FPSL for insurance companies

Our approach delivers an IFRS 17 subledger for your insurance and reinsurance contracts – ready to be audited. It includes setup, configuration, test support, go-live and one month of hyper care through our experienced experts - optionally for a fixed price.

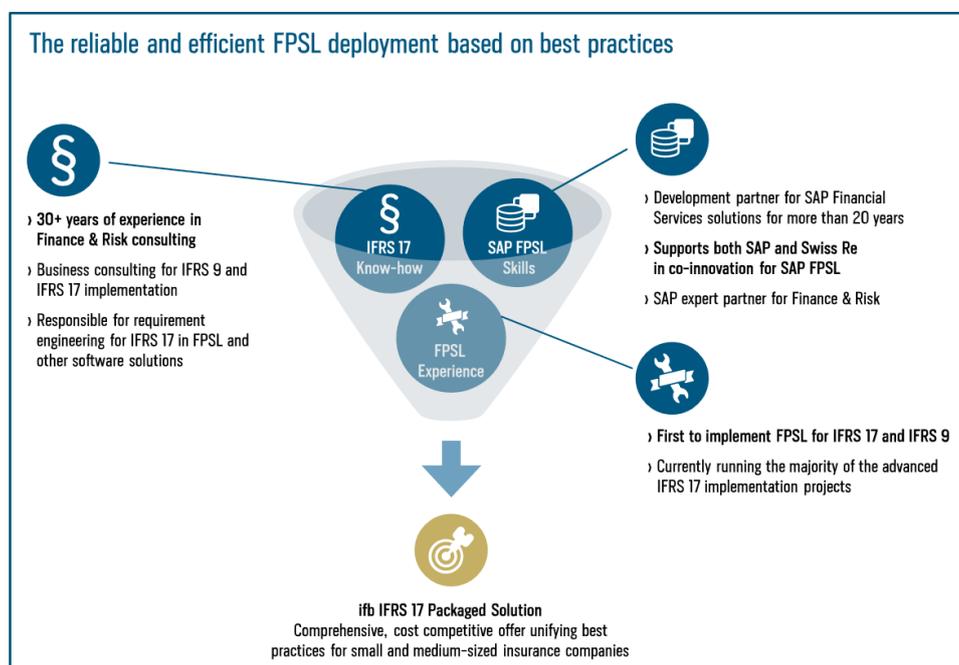
The offering can be enhanced during or after the project with additional – and optional – services and solutions such as:

- ✓ Multi GAAP Accounting using Baseline Delta Approach
- ✓ Planning & Simulation
- ✓ IFRS 17 Reporting Hub using SAP Analytics Cloud
- ✓ Application Management Support during and after the project

stages. The structure of this approach minimizes the effort on the client side drastically as it allows a client to quickly finalize their business requirements based on the common requirements among advanced projects.

To date 40+ insurance companies have chosen SAP S/4HANA for financial products subledger (SAP FPSL) as their solution to address the challenges of IFRS 17. The solution is not only able to cover IFRS 17, but can be extended to simplify the closing process, allow for multi-GAAP accounting and planning and simulation. As a supporter of the co-innovation, ifb was the first company to implement FPSL for both IFRS 17 and IFRS 9 at primary insurers and reinsurers.

## The reliable and efficient FPSL deployment based on best practices



## How Packaged Solution for IFRS 17 Accounting works

ifb Packaged Solution has a straightforward approach: It consists of a basis (“core offering”) and optional extensions. Within the scope of the core offering we provide our clients with an IFRS 17 subledger based on SAP FPSL, including customer specific enhancements, documentation, test cases and test data in order to use it. We install the system, enable your data requirements, support your system integration and user acceptance tests, train your end-users, initialize the system and provide an additional month of hypercare support. From there optional extension can be added to leverage the FPSL solution to your need

## Core Offering and Optional Extensions

<b>Core Offering</b>	<div style="display: flex; align-items: flex-start;"> <div style="background-color: #d9c89d; padding: 10px; margin-right: 10px;"> <ul style="list-style-type: none"> <li>› Fully documented and tested best practices</li> <li>› Setup, implementation, test, go-live and hyper care</li> <li>› Fixed price offering possible</li> </ul> <p style="margin-top: 10px;">Your basis for an IFRS 17 compliant Subledger</p> </div> <div> <p><b>Complete IFRS 17 subledger using SAP FPSL</b></p> <ul style="list-style-type: none"> <li>› Comprehensive use cases with detailed business requirements in compliance with IFRS 17</li> <li>› FPSL configuration in accordance with the use cases</li> <li>› Customer specific GL chart of accounts and GL code block including integration</li> <li>› Detailed functional and technical data requirement specification for integration into application landscape</li> <li>› Test automation using predefined test cases and test data</li> <li>› Full support on system integration and user acceptance testing</li> <li>› Initialization and go live of system</li> <li>› S/4 HANA Virtual Data Model ready to be integrated into a BI Solution</li> <li>› In-depth end user training</li> <li>› One month of remote hypercare support</li> </ul> </div> </div>																					
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="background-color: #d9e1f2; padding: 5px;"><b>Optional Extensions</b></td> <td style="background-color: #d9e1f2; padding: 5px;">Scope extension</td> <td style="background-color: #d9e1f2; padding: 5px;">IFRS 17 reporting package in SAP Analytics Cloud (SAC)</td> <td style="background-color: #d9e1f2; padding: 5px;">Planning and simulation for IFRS 17</td> <td style="background-color: #d9e1f2; padding: 5px;">Central data platform using SAP FSDM / FSDP</td> <td style="background-color: #d9e1f2; padding: 5px;">Multi-GAAP enablement using Baseline Delta Approach</td> </tr> <tr> <td style="background-color: #d9e1f2; padding: 5px;"></td> <td style="background-color: #d9e1f2; padding: 5px;">Support</td> <td style="background-color: #d9e1f2; padding: 5px;">Business and IT consulting for client-specific use cases (beyond core)</td> <td style="background-color: #d9e1f2; padding: 5px;">FPSL power user training and enablement</td> <td style="background-color: #d9e1f2; padding: 5px;">Data integration of all sources to FPSL</td> <td style="background-color: #d9e1f2; padding: 5px;">Test management for system integration and cutover</td> </tr> <tr> <td style="background-color: #d9e1f2; padding: 5px;"></td> <td style="background-color: #d9e1f2; padding: 5px;">Managed Services</td> <td style="background-color: #d9e1f2; padding: 5px;">Hypercare extensions</td> <td style="background-color: #d9e1f2; padding: 5px;">Run the business including regular upgrades</td> <td colspan="2" style="background-color: #004a7c; color: white; padding: 10px; text-align: center;"> <b>Extensions to make the most out of your FPSL solution</b> </td> </tr> </table>					<b>Optional Extensions</b>	Scope extension	IFRS 17 reporting package in SAP Analytics Cloud (SAC)	Planning and simulation for IFRS 17	Central data platform using SAP FSDM / FSDP	Multi-GAAP enablement using Baseline Delta Approach		Support	Business and IT consulting for client-specific use cases (beyond core)	FPSL power user training and enablement	Data integration of all sources to FPSL	Test management for system integration and cutover		Managed Services	Hypercare extensions	Run the business including regular upgrades	<b>Extensions to make the most out of your FPSL solution</b>
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### Acceleration and reduced constraints through best practices

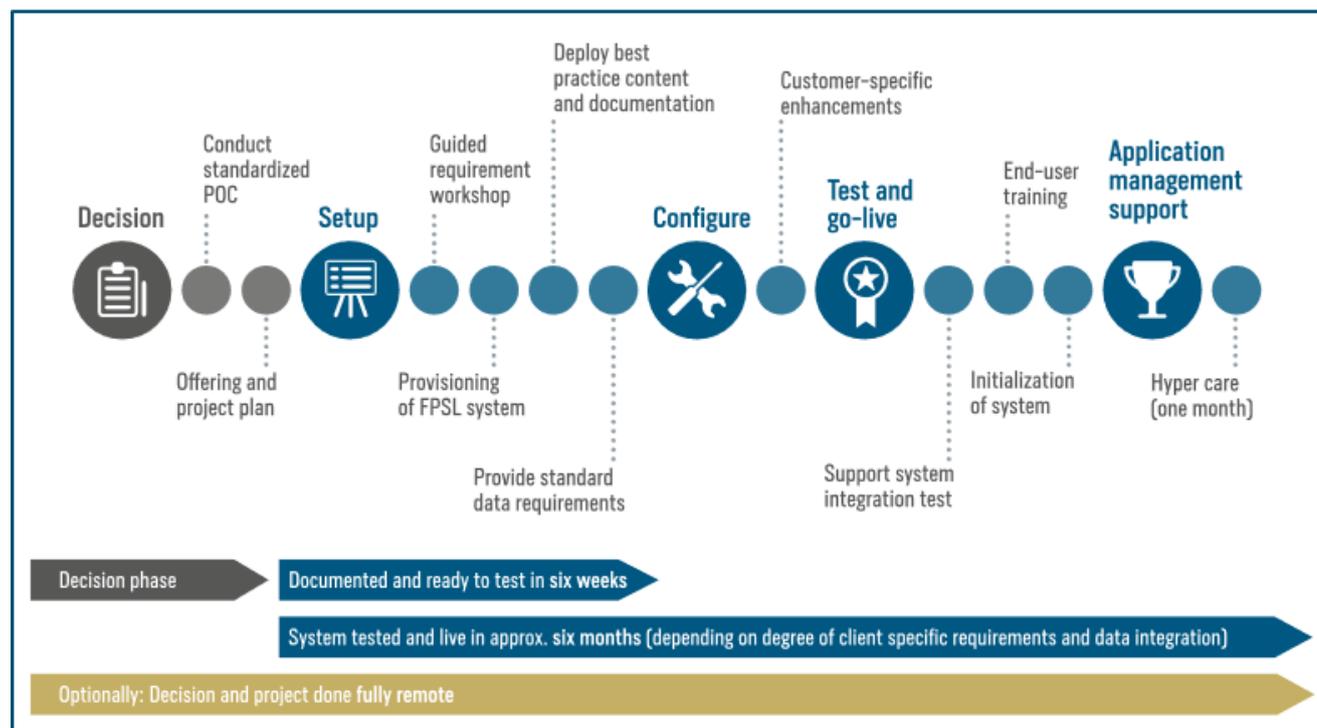
On a regular project the solution is tailored towards the client. This creates a dependency on detailed, client-specific requirements which need to be assessed.

In comparison, projects using the ifb Packaged Solution are working with client-agnostic requirements and solutions gathered from the experience of advanced implementation projects which act as best practices. Those best practices are rolled out as business documents, test cases and data as well as configuration. They act as a basis for further discussion with the client. This both accelerates the projects and reduces the resource constraints on the client side.

### Fast and reliable results on a structured schedule

Using a best practice standard approach substantially cuts down on both time and effort: The FPSL system including best practices are ready to be tested 6 weeks after the start of a project. A guided workshop series ensures that deviation from best practices and client specific enhancement are captured and reliably built. Supporting integration testing and go-live the system is ready in approximately 6 months, depending on client-specific integration.

## Accelerated approach and seamless deployment of SAP FPSL for IFRS 17



### Optional extensions: An IFRS 17 core that can be modularly expanded

ifb Packaged Solution is setup to offer optional, modular extensions to add value to our clients beyond mere compliance and make the most of their FPSL solution.

Optional Extensions	Value Provided
Planning & Simulation	<ul style="list-style-type: none"> <li>Use FPSL to research how different future scenarios would affect your balance sheet and P&amp;L</li> <li>Calculate the impact of fictional and planned scenarios based on changes in market data, actuarial assumption and regulatory requirements for inforce and new business</li> <li>Compare planned vs. actual results using S/4HANA Virtual Data Model and standard reports</li> </ul>
Multi-GAAP Accounting using BDA	<ul style="list-style-type: none"> <li>Introduce additional GAAPs (e.g. US GAAP, local GAAP or Solvency II) by leveraging existing data used for IFRS 17</li> <li>Implementation based on the Baseline Delta Approach (BDA), created for the insurance industry</li> </ul>
Accounting for Financial Instruments	<ul style="list-style-type: none"> <li>Use FPSL to do your accounting for financial instruments (IFRS9)</li> <li>FPSL covers accounting and reporting for the full product suite such as loans, securities, derivatives and many more</li> </ul>
Application managed support	<ul style="list-style-type: none"> <li>Application Managed Support from our ifb Services experts</li> <li>Off- and Nearshoring flexible solutions available</li> <li>FPSL Service Catalogue Run and Change (Level 1 to Level 3 ITIL Support)</li> <li>From extended hypercare to full operational coverage</li> </ul>

Optional Extensions	Value Provided
Single Point of Truth	<ul style="list-style-type: none"> <li>Establish a centralized, in-memory data platform using SAP FSDM</li> <li>Store all finance information in a unified data model accessible to FPSL and any other system (SAP and non-SAP system).</li> </ul>
Functional Consulting	<ul style="list-style-type: none"> <li>Further functional Consulting support for your IFRS enhancement changes.</li> <li>Actuarial, Finance, Transformation and IT expert pool specialized in financial analytics</li> </ul>
Data Integration	<ul style="list-style-type: none"> <li>Optional Support on- and offsite to integrate upstream and downstream system into FPSL</li> </ul>
IFRS 17 Reporting Hub	<ul style="list-style-type: none"> <li>Comprehensive IFRS 17 Reporting Cockpit using SAP Analytics Cloud</li> <li>Direct integration into FPSL for reporting and disclosures</li> </ul>
S/4 Finance Transition	<ul style="list-style-type: none"> <li>Deploy an S/4 Finance system which covers all IFRS 17 requirements fully integrated with FPSL</li> <li>Includes setup of system, integration from FPSL to S/4 Finance, IFRS 17 Chart of Account and Codeing Block</li> </ul>

## Take the first step to efficient and reliable IFRS 17 compliance

Our experience in IFRS 17 FPSL implementation and track record in finance implementation has allowed us to create a simplified, yet powerful approach which allows for clients to efficiently and reliably comply with IFRS 17. We are confident that our Packaged Solution for IFRS 17 Accounting offers a significant advantage to our clients and we are eager to discuss this with you. If you are interested in tackling IFRS 17 using FPSL, please contact us using the contact details to your right for a non-binding proposal.

### Excited about the offering?

Our experts are eager to discuss how our offering will best fit your requirements. Please contact us!

### We are here for you:

» **DR. DANIEL RUSCHMEIER**  
 Partner  
 Global Head of  
 SAP Innovation & Excellence  
[daniel.ruschmeier@ifb-group.com](mailto:daniel.ruschmeier@ifb-group.com)

» **JULIAN SCHWEIZER**  
 Partner  
 Head Insurance Finance Europe  
[julian.schweizer@ifb-group.com](mailto:julian.schweizer@ifb-group.com)

We look forward to your feedback, ideas and requests.