

The subject of loan pricing is becoming increasingly important in order to maintain a competitive edge. To handle loan applications efficiently and without integration gaps, you need a function that is integrated in SAP.

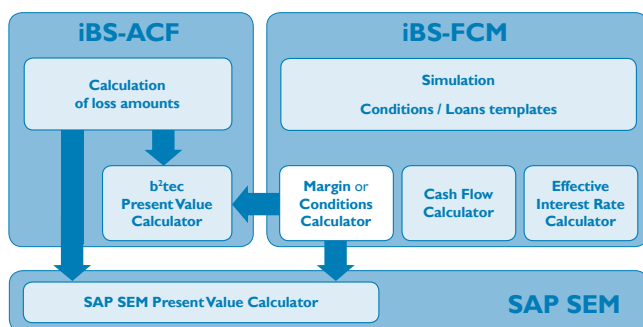
Process Support in a Sensitive Environment

iBS-FCM is an application for pricing loans within SAP for Banking. The loans to be calculated are modeled within the application, which means it is not necessary to create the loan in SAP Loans Management (SAP LM).

The user interface for creating the loan to be calculated is based on SAP LM; existing loans in SAP LM can be used as templates here. In addition, the customizing settings made in Loans Management are transferred to iBS-FCM. As a result, the time-consuming and error-prone task of making duplicate entries, as required when using external solutions, is largely avoided. This allows the results of the calculation to be incorporated into pricing almost immediately.

iBS-FCM – Details of an SAP-based, Highly Flexible Solution

iBS-FCM is a solution that provides a standalone function for performing a host of calculations based on variable parameters, even before the loan data has been entered in SAP LM.



iBS-FCM working in combination with iBS Additional Compensation Function (iBS-ACF)

The loans you calculate are modeled as simulations (existing loans can be used as templates here). Based on variants of the simulation, different conditions and even scenarios can be modeled.

The condition information is taken as a basis for generating cash flow information and determining the effective interest rate. If the effective interest rate is given, it can be used to determine the required nominal interest rates and disbursement rates.

By incorporating a present value calculator, it is possible to enhance the functions to calculate margins, commission (with a specified minimum margin), and nominal interest rates (with a specified minimum margin) taking into account each bank's own regulations for calculating margins. This information can then be used to create condition tables and generate loan-related valuations in accordance with IFRS.

Details of the calculations are provided alongside the results. Encapsulated functions allow the calculations to be called up from external systems.

Features & Benefits at a glance

- Standalone function – can be integrated into the standard SAP system
- Extensive options for parameterizing and customizing the solution
- Customizing settings from SAP LM are used
- Reduces duplicate entry of finances in the calculation module and SAP LM
- Enables risk-adjusted pricing
- Enables loan-related valuations in accordance with IFRS
- Centralized use of calculation functions by means of encapsulated, externally accessible functions
- Excellent expandability thanks to the modular structure
- Integration permits a high degree of process automation and prevents integration gaps
- Centralized maintenance, further development, and adaptation to meet legal requirements