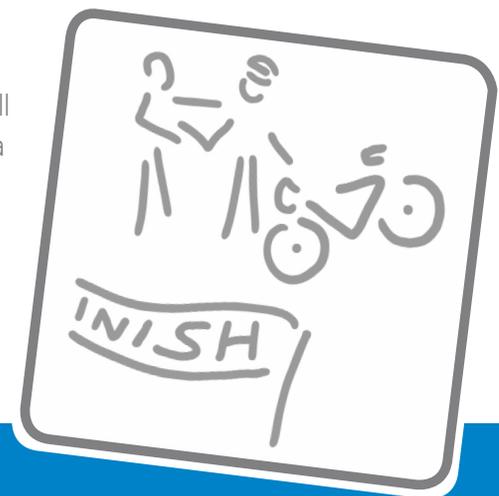


«An intensive selection process led to us choosing Sowatec – they convinced us of the agility and flexibility of the calculo solution. From the earliest implementation to the Go-live phase, we could clearly see that we had chosen the right partner and above all, the right solution for the complex demands of this business.» Jürgen Schmitt, DZ PRIVATBANK S.A., Luxembourg



DZ PRIVATBANK S.A., Luxembourg

DZ PRIVATBANK S.A. is a solution provider and competence center for all German cooperative banks and their clients in private banking. It offers a unique combination of local connections and international skills. An important business area is investment funds. Special attention is paid to the calculation process. Extensive fee calculations have recently been automated using calculo software by the company Sowatec. The result is transparency, security and reliability with many benefits for the customer.



Benefits

Efficient troubleshooting in the case of conflicting data (redundancies).

Complex contractual terms (sales, basis, fee types, volume, min / max values) can be modelled.

Fully automated billing of all charges (trailer fees, broker commissions).

The productivity and straight-through processes are increased.

Auditable and transparent reporting.

Independent parameter setting for standard reports.

Our customer

DZ PRIVATBANK S.A. is the specialised financial services partner of the Volksbanken Raiffeisenbanken cooperative network and operates nationally and internationally. It was founded in Luxemburg in 1977. DZ PRIVATBANK has 12.7 billion EUR of assets under management. About 64,000 private banking clients are served by a total of 920 employees.
www.dz-privatbank.com

Automated calculation of fund fees

calculo's Business Rules Technology automates the fee calculation in the fund business.

Background

DZ PRIVATBANK and the management company IPConcept offer comprehensive fund services for fund initiators. With an increasing volume of funds, the requirements of the Business Rules Management (BRM) have grown. To address these circumstances, the DZ PRIVATBANK has revalued its fee calculation processes.

Goal

To implement a new powerful and auditable system solution, with flexible data integration and open interfaces for third-party applications.

Solution

calculo is a solution that is based on "Business Rules Management (BRM)" technology. It allows for automated billing and allocation for each type of incoming and outgoing commissions/fees on a single platform.

In conversation

Jürgen Schmitt (Project Manager & Senior Business Manager, Investment Funds) and Uwe Gillen (Group Manager Fees and Data Administration Investment Funds), DZ PRIVATBANK S.A., Luxembourg.

Why did you opt for automated fee calculations?

The number of investment funds that we are managing is growing rapidly. As a result, our fee management system requirements are becoming more and more complex. The existing solutions were not capable of handling the demands. Our customers need us to offer flexibility, quality and a high degree of process security. This demands a professional system solution.

How complex are your fee calculation processes?

Our service range is very broad: we act as a custodian bank and we offer centralised administration, with register and transfer services, but we also act as a management company. On the other hand we have diverse fund initiators and asset classes, which demands a high degree of flexibility in the fee process. This means we have to be in a position to handle the most complex fee calculation models.

What models do you use to calculate the numerous fees?

Our calculation models take into account turnovers, basic rates, types of fees, volumes and minimum and maximum amounts. We also have combinations of different models such as progressive scale fees with minimum and maximum amounts. We also use different day count conventions such as actual/actual or 30/360 and we calculate at different levels i.e. at the fund level, the sub-fund level or the share class level.

How many calculations do you do in total?

We currently calculate the fees for 213 funds, 373 sub funds and 574 share classes. That amounts to a total of 3'400 fee calculations per month.

(Continued on back-page)

All project goals were reached:

Thanks to the seamless integration of calculo into our business processes and system environment, we were able to replace the old and inefficient system solutions and reduce redundancies. We have increased productivity and significantly improved the STP (Straight through process) rates and thus reduced our process risks.



The smart way to manage your fees

It seems you took a lot of time to evaluate and choose the right system.

Yes: Our business requirements were extensive and demanding. We were looking for a powerful, flexible and future-proof product - a user-friendly solution that is auditable, calculates all common types of fees and summarizes them in reports.

Can the reports be customised according to individual requirements and without the need for programming skills?

The user can easily customise standard reports themselves. To create a new report requires a little practice and good knowledge of the database model. However, complex reports do require the support of the system provider.

What were the technical requirements for the software?

We were looking for database solution with data access for third-party applications, data security and a high level of availability.

Has the company Sowatec lived up to your expectations?

Sowatec is a reliable, financially sound company with a broad customer base. Evaluating our experience so far, Sowatec and calculo have earned top marks. Our expectations and the first positive impression were confirmed after a year of successful project work. Our collaboration was marked by:

- A high level of commitment with quick reaction times.
- The high quality standard of the release and patch versions.
- The competence of our Sowatec contacts both technically and professionally.

Are any follow-up projects planned?

We are planning to implement some new requirements in the areas of data import and fee calculations. Second, we are aiming for an accurate picture of trailer fees. We are currently working with Sowatec on the corresponding requirement analysis and detailed specifications.

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