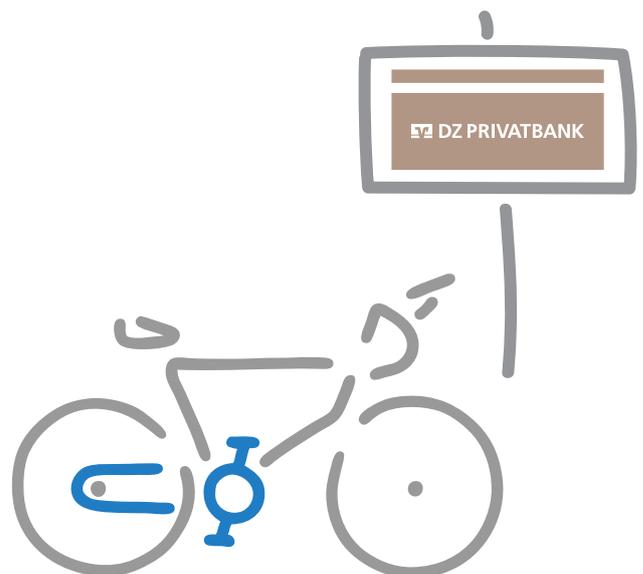


project case

Automated settlement of fund fees

“During an intense selection process Sowatec was able to convince us of the agility and flexibility of their calculo solution. From the earliest implementation, but also after the Go-live, we could clearly see that we had chosen the right partner and above all, the right solution for our complex demands.”

Uwe Gillen, DZ PRIVATBANK S.A, Luxemburg



DZ PRIVATBANK S.A., Luxembourg

For the automation and centralisation of fee calculation, DZ PRIVATBANK relies on Sowatec's software solution calculo.

Unser Kunde und das Projekt

DZ PRIVATBANK S.A. is a solution provider and competence centre for all German co-operative banks and their private banking customers. It offers a unique combination of local connections and international skills. An important business area are investment funds. Special attention is paid to the calculation process. Extensive fee calculations have recently been automated using the calculo software from Sowatec. This creates transparency, security, reliability and produces a variety of benefits for the customer.

www.dz-privatbank.com

Challenge

DZ PRIVATBANK and the management company IPCConcept 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.

Goals

To implement a high-performing and auditable system solution with flexible data integration and open interfaces for third-party applications.

Solution

Automated settlement of fund fees. calculo's Business Rules Management (BRM) based technology automates fee calculations for fund businesses. It automates the settlement and allocation of all types of partner and product fees through a central platform.

Since the implementation in 2012, Sowatec has successfully completed many other projects in cooperation with DZ PRIVATBANK:

- **Taxe d'abonnement:** Generating a complete tax report for 500 funds and grouping by recipient for automatic shipping
- **Implementing of new Depotbank Deutschland:** Thanks to the open system architecture, this was realised with minimal effort in calculo
- **Automation and Optimisations** of the fee processes

Benefits

- Efficient error handling in case of conflicting data (redundancies)
- Complex contractual terms can be modelled, incl. revenue, basic rates, fee types, volume, min/max values
- Fully automated billing of all fees, incl. trailer and broker fees
- Productivity and straight-through processes are enhanced
- Auditable and transparent reporting
- Parameters for standard reports can be set autonomously

All project goals achieved:

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) quotas and thus reduced our process risks.

In Conversation

Interview with Uwe Gillen, Group Manager Fee and Data Management, Division Investment Fund, DZ PRIVATBANK S.A., Luxembourg, on Sowatec's software solution calculo for automated billing of fund fees.

Why did you opt for automated fee calculations?

The number of investment funds that we are managing is growing continuously. As a result, our fee management system requirements are becoming increasingly complex. Conventional calculation systems were not capable of handling all the demands. Our customers expect flexibility, quality and a high degree of process reliability from us. This in turn requires a professional system solution.

How complex are your fee calculation processes?

Our broad range of services – from the custodian bank function to central administration, the registration and transfer office function to management company services - as well as the many different fund initiators and asset classes, require a high degree of flexibility in the fee process from us. We have to be in a position to handle even 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 charge fees for 571 funds, 635 subfunds and 1144 share classes. As at 31 December 2016, we conducted 7829 product invoices and 173 partner settlements. These settlements include 273 fee types, 76 reports, and 196 workflows.

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 high-performing, future-proof and flexible product. A user-friendly solution that is auditable, calculates all common types of fees and summarises them in reports.

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“ Sowatec convinces with professional and technical competence, high commitment and short reaction times.”

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

Users can customise standard reports themselves. To create a new report requires a little practice and good knowledge of the database model. Only complex reports require the support of the system provider.

What were the technical requirements for the software?

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

Has Sowatec lived up to your expectations?

Sowatec is a solid, financially sound company with a broad customer base. The overall result is that Sowatec and calculo get top marks. Our expectations and the first positive impression were confirmed after a year of successful project work. Our collaboration was characterised by:

- A high level of commitment with quick response times
- High quality release and patch delivery
- Qualified contact people with subject matter and technical expertise