

BearingPoint®

Bank für Sozialwirtschaft AG reduces regulatory reporting costs with ABACUS/Testing for test automation

The financial institution will already reach the
break-even point in the second year

The Bank für Sozialwirtschaft AG (BFS), with headquarters in Cologne and Berlin, is the only specialized bank for companies and organizations in the social and health economy sector in Germany. BFS offers the full range of services of a universal bank.

The challenge: high test expenses in regulatory reporting

There are constantly new developments in regulatory reporting that require the banks' reporting software to be adapted. These developments lead to changes of releases and high testing costs, due to frequent test cycles with an increase in complexity and growing requirements for data quality, documentation and auditability.

BFS has used BearingPoint RegTech's ABACUS/DaVinci since 2006 and has migrated to the new Abacus360 Banking software generation in 2018 to fulfil its regulatory reporting obligations. Until March 2020, tests were run through manual comparisons in BFS's regulatory reporting department. Until recently, BFS was looking for possible solutions to reduce the high testing costs. The logical solution was to start using BearingPoint RegTech's test automation tool ABACUS/Testing. With the support of a BearingPoint consulting team, the diverse functionalities were held against the BFS' needs and the benefits were proven with a pilot study. On the basis of aforementioned pilot study, a business case was calculated to determine if and when the purchase of the test software would be profitable for BFS.

The solution: automation with ABACUS/Testing

Based on experiences for test expenses without a tool, the potential savings with the use of ABACUS/Testing were estimated at 40 percent in the area of specialist software testing, and 30 percent in the area of test management. The business case was calculated and provided by the BearingPoint RegTech consulting team based on the license fee for the full version of ABACUS/Testing and on four to six releases per year. The business case also included a four-year comparison of expenditures with and without ABACUS/Testing in the areas of software testing, test management and IT.

ABACUS/Testing enables a reduction of expenditures because of the following functionalities in particular:

- Comparability of data
- Analysis of deviations in instances, release or patch changes
- Estimation of effort for changing configurations
- Can be used as an internal analysis tool, e.g. for key date comparisons
- Cycle management, e.g. testing of hotfixes with little effort
- Faster rollouts of new releases for productive operation

The result: significant reduction of expenditures

By using ABACUS/Testing, regression tests can be performed easier and faster. The software enables efficient testing thanks to a standardized procedure, which allows for a quick and reliable detection and analysis of deviations, achieving significant time savings. The tool-supported testing procedure shortens the test phases and releases capacity at the testing bank for bank-essential activities, such as, ad-hoc reporting, report processing and other analyzes. ABACUS/Testing also enables critical hotfixes or patches to be brought into production more quickly, thus enabling workarounds to be reduced more quickly if necessary.

” ABACUS/Testing enables the complete testing of §14 KWG reports much more efficiently than before. Previously, only sample tests were possible. In addition, thanks to ABACUS/Testing, a complete comparison of the temporary and final AnaCredit data marts can be made, leading to a considerable increase in quality of reports. We are very satisfied with BearingPoint RegTech’s testing tool.”

- Nils Ollig, Senior Specialist Regulatory Reporting, and Timur Urban, Junior Specialist Regulatory Reporting, Bank für Sozialwirtschaft

Cross-functional test managers have noticed considerable time savings in all other technical tests. This is particularly the case when checking the test prerequisites (comparison of basic settings, comparison of input data), deviation analyzes and documentation of test cases. Sources of error in balance sheets are identified very quickly, for example, missing XSD schemata in the pilot were discovered within ten and a half minutes, which would have taken at least an hour without the tool. ABACUS/Testing also enables rapid documentation directly from the tool and provides deviation analyzes at a glance. The test manager can be sure that there are no deviations in the result data and deviations in the basic setting can be identified directly when checking the test requirements.

The conclusion: the use of ABACUS/Testing is worth the investment

The investment in ABACUS/Testing is beneficial for BFS. The financial institution will already reach the break-even point in the second year. Additional effects: with the tool, there is less time required for the execution of the tests and a partially increased test coverage.

” With the use of ABACUS/Testing, BFS significantly reduces testing efforts in regulatory reporting. The software will also ease the burden on BFS during the upcoming migration from Abacus360 6.x to Abacus360 7.x as well as in the future during the introduction of new modules. BearingPoint RegTech has been our reliable partner for years. They have a comprehensive understanding of regulatory reporting and we are looking forward to strengthening our partnership in the future”

- Stefan Fragen, Head of Regulatory Reporting, Bank für Sozialwirtschaft

About BearingPoint RegTech

BearingPoint RegTech is a leading international provider of innovative regulatory and risk technology solutions (RegTech and RiskTech) and services along the Regulatory Value Chain for Financial Services.

Customers representing 6,000 firms worldwide, among them large international banks, a major part of the largest European banks, leading insurance companies as well as supervisory authorities and central banks, trust BearingPoint's RegTech products and services.

We work closely with regulators and, as a member of standardization bodies such as XBRL, we actively contribute to the standard-setting process. We combine our regulatory know-how with our proven, reliable and forward-looking RegTech solution suite, expert consulting capabilities, as well as managed services and training seminars.

For more information, please visit www.reg.tech

Contact

Dr. Maciej Piechocki
Member of the RegTech Management Board
maciej.piechocki@bearingpoint.com

BearingPoint
Software Solutions GmbH
Speicherstrasse 1
60327 Frankfurt am Main
Germany

Marketing/Sales Department:
regtech@bearingpoint.com
+49 69 567 007 910

www.reg.tech

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