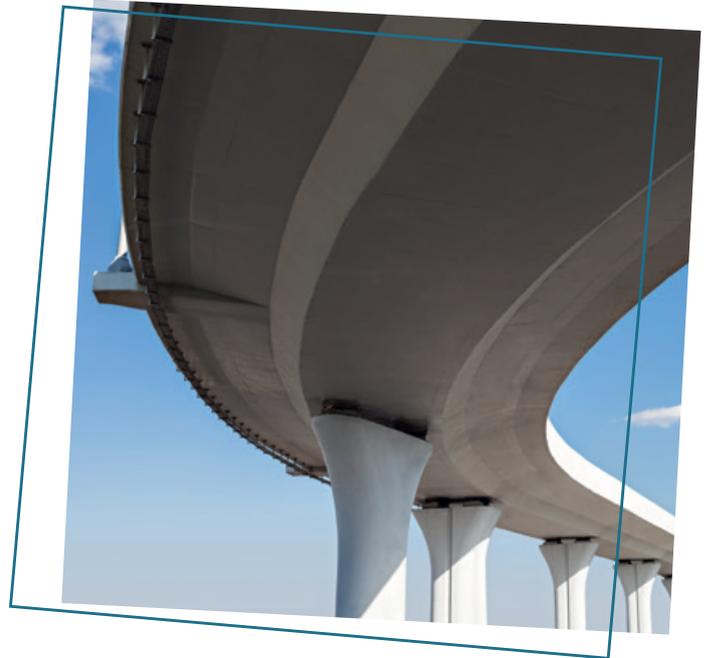


Berliner Sparkasse

Dramatic efficiency gains delivered through adapted Murex platform



Summary

- **Client:** Berliner Sparkasse (Formerly LBB Landesbank Berlin)
- **Industry:** Consumer and corporate banking, real estate and capital market business
- **Asset Classes:** IRD, CRD, EQD, FXMM, and FI
- **Technologies:**
 - **Platform:** Murex v3.1.27,
 - **Database:** Sybase ASE 15.7
- **Location:** Germany
- **Number of Murex users:** 120
- **Relationship status:** Ongoing
- **Team size:** 15–20
- **Project Duration:** 15 months



Business Challenge

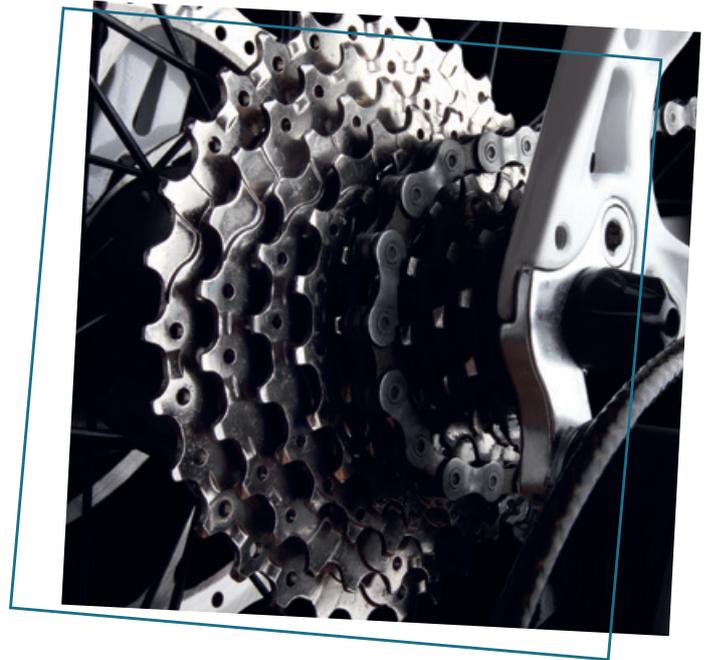
Following a take-over by German Saving Bank Group Sparkassenverband (DSGV) in 2007, LBB Landesbank Berlin (LBB), began a major transformation. The process involved wide-ranging changes in the bank's business structure, including the divestment of its capital markets business and commercial real estate subsidiary.

The changes required LBB to undergo a highly complex downsizing program and in 2014 it began to operate primarily as a savings bank under the Berliner Sparkasse brand (BSK). In this new environment, with dramatically different requirements, the bank needed to review how its IT could operate more efficiently with lower overhead costs and optimized performance.

The bank had been running its capital markets and treasury activities on a Murex platform since the early 2000s, initially on MXG2000, before upgrading to the MX.3 platform. Pre-transformation, the platform had been highly customized to meet BSK's broad business needs, resulting in a large installation which required a dedicated team equipped with specialist knowledge to maintain the platform.

The change in the bank's status therefore presented a compelling opportunity to introduce improvements to drive efficiency, enhance performance and strengthen competitive positioning. Going forward as a much leaner operation, much of the specialist functionality and complex data structures would no longer be required.

When looking at the existing installation of Murex there were key changes the bank wanted to address in order to be consistent with the new business activity of the bank, including: management of data and data structures; delivery of maintenance, end of day processes and applications; and upgrade and testing processes. Change presented a chance to resolve these issues and to address and improve performance and efficiency.



Solution

Faced with a range of challenges, BSK identified an innovative approach that would require resizing their Murex installation. The idea was to extract only the core elements and data to be kept for an optimised target installation.

Despite initial concerns due to the level of customization and the fact it had not been done before at the bank, Excelian worked closely with the BSK team to fine tune the plan and ensure feasibility. Building upon Excelian's in-depth Murex expertise and specialist knowledge of the bank's IT environment, the project, internally named 'Murex Light' was successfully delivered.

Key requirements of the target model were to:

- Reduce operational risks
- Reduce headcount required to operate run-the-bank (RTB) / configure-the-bank (CTB) processes
- Reduce hardware costs
- Align to vendor standards and best practices
- Enable shorter, less complex upgrade cycles
- Retain existing interface outputs
- Optimize the Murex landscape for the bank's future needs.

The project commenced in January 2016, based on a greenfield MXpress target model. The same binary, hardware, operating systems and RDBMS were used, only the data and structures in scope for the downsized banking functions were migrated. The migration scope had been continuously challenged by redundant data and structures, and so the global operating model was stripped down to remove unnecessary entities and portfolios. The overall reporting solution and back-office workflows were redesigned from scratch following MXpress standards, new naming conventions were introduced to ease maintenance and development and most historic workarounds were removed.

Successful delivery required close collaboration between the Excelian team and the bank. As with any migration, there were technical challenges to be managed, but there were also cultural issues to work through arising from the impacts of restructuring on personnel.

In March 2017, following meticulous preparation, with ten full test cycles, the bank was able to go live and start running the optimised Murex platform.

Benefits

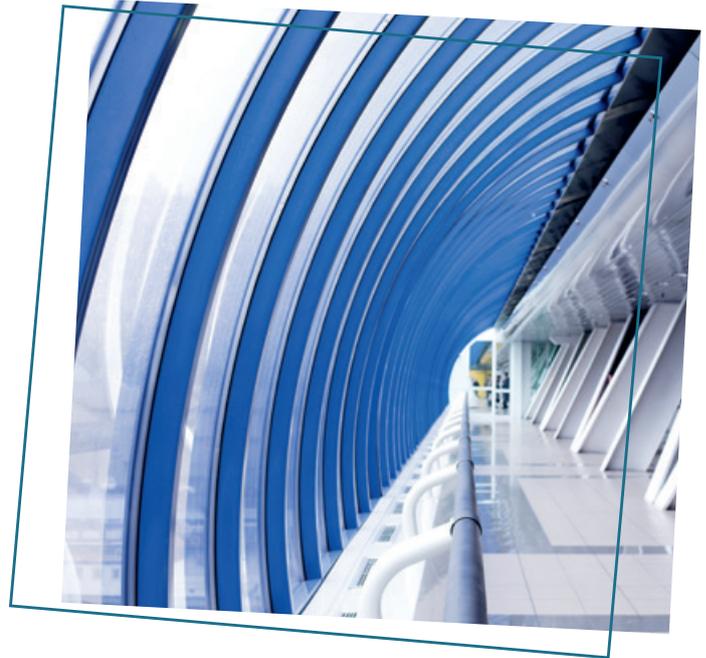
From the outset, the impacts delivered by the optimisation of the Murex installation were dramatic, including:

- Improved application performance
- Improved database administration
- Reduced cost of storage and hardware upgrades
- Reduced security risks due to keeping more data online
- Reduced costs due to removal of non-production environments
- Removal of non-required modules
- Removal of non-required asset classes
- Regulatory compliance for data retention met (Regular back-ups ensure they can be loaded on request)

Results in the first few weeks demonstrated striking efficiency gains. There was an overall reduction in database volume and processing times to fulfil all the required tasks, notably:

- 97% reduction in processing by migrating only live deals and netted deals in an optimized form from retained entities
- Financial Database size reduced by 80% and database dump/load times now below 15 minutes
- Datamart database size reduced by 46%
- Simulations can run 10-15 times faster
- End-of-day scheduling reduced from 8-10 hours to 1.5 hours in aggressive mode / 3.5 hours in normal mode.

The bank's investment in this project will be recouped in less than a year. In addition to significant long-term savings and optimized performance, it brings multiple benefits. Such as the ability to respond much faster to market changes, maintain high-quality customer care and introducing innovative new services sooner.



Commenting, Annette Gätcke from LBB / Berliner Sparkasse said: "We are delighted that, with Excelian's support, this implementation has been a success. Despite initial concerns and cautions raised about undertaking the project, the results are very impressive and speak for themselves."

For more information on Berliner Sparkasse please visit: <https://www.berliner-sparkasse.de>

About Excelian

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