



PRESS RELEASE

St. Gallen & Frankfurt, 20 October 2009

More than a third of banks in Germany dissatisfied with their IFRS Accounting solutions – too expensive and inefficient

Research by the St. Gallen University of Applied Sciences shows that the high costs and dissatisfying performance of IFRS solutions are at the core of controlling managers' grievances

St. Gallen & Frankfurt, 20 October 2009 – The FHS St. Gallen, University of Applied Sciences, in close collaboration with FERNBACH-Software AG, performed a study in the summer of 2009 on Multi-GAAP Reporting with a special focus on IFRS and BilMoG. The survey was led by Prof. Dr. Wilfried Lux, Head of the Finance and Controlling Competence Centre at the St. Gallen University of Applied Sciences, and examined which accounting standards financial institutions in Germany, Austria and Switzerland use to draw up their balance sheets. The study also analysed what specific requirements and challenges financial controlling managers expect in the next two years in terms of IFRS accounting.

The key finding: More than a third (i.e. 36 percent) of banks in Germany surveyed find that the costs of their current IFRS solutions are too high while 42 percent are not satisfied with the performance of their current programmes in generating IFRS-compliant accounting entries. The most heavily criticised systems are the ones that deal with capturing hedges and structured products – those areas that are under especially critical supervision by regulators.

Therefore, according to the study, a majority of respondents are planning a new IFRS project for next year and/or for the year-after-next that will compensate for the weaknesses of existing IFRS solutions. After all, 88 percent of the sample draws up their balance sheets according to the German Commercial Code as well as according to IFRS.

Prof. Dr. Lux was surprised: “We expected a certain degree of dissatisfaction, especially in terms of correct IFRS data preparation in the hedging and structured products areas, but this extent of dissatisfaction is truly remarkable. We are happy, though that the problems have been identified and that the controlling departments are working to remedy the situation.”

Paul Rothenberger, Member of the Board of FERNBACH Software AG, continues: “The question of costs especially piqued our curiosity. As an IFRS solution provider, we gauge ourselves on the basis of solutions that can be implemented quickly as well as on our customers' cost-effective and efficient results. The study shows us that the respective costs for a number of IFRS projects were not properly taken into account.”

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FERNBACH develops solutions from a modern component portfolio (SOA). Our customers benefit from shorter times to market, effective risk reduction and punctual regulatory compliance.

Our customers use our banking expertise to overcome continuous new challenges. Banks around the world optimise their value added with innovative solutions designed and developed by FERNBACH.

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