



BANK OF CYPRUS GROUP

ACHIEVING CLEAR AUDITS WITH SAP® BUSINESSOBJECTS™ SOLUTIONS

QUICK FACTS

Industry

Banking – financial services

Revenue

€1.4 billion

Employees

12,000

Headquarters

Nicosia, Cyprus

Web Site

www.bankofcyprus.com

SAP® Solutions and Services

SAP® BusinessObjects™ Financial Consolidation application

Implementation Partner

SAP Consulting

Bank of Cyprus operates about 600 branches in Cyprus, Greece, Russia, Ukraine, Romania, the Channel Islands, and the United Kingdom. Using the SAP® BusinessObjects™ Financial Consolidation application, the bank increased the timeliness and accuracy of its financial reports and reduced the effort required for consolidation. Managers get the detailed results they need to make well-informed business decisions for continued growth.

Key Challenges

- Support active expansion into new markets
- Meet requirements of management, International Financial Reporting Standards (IFRS), and Central Bank of Cyprus
- Minimize time and cost involved in the financial consolidation process
- Improve reporting accuracy

Implementation Best Practices

- Reengineered consolidation processes to maximize benefits from the new software
- Held training sessions with key users to test new software with historical data

Financial and Strategic Benefits

- Provided information that is more detailed, timely, and accurate
- Reduced manual processing, which allows more time for reviewing results
- Fostered sounder business decisions
- Allowed quicker response to market and business changes
- Reduced business risk through improved data accuracy and stronger audit trail
- Reduced effort for financial close and IFRS compliance

Why SAP Was Selected

- Strong experience of implementation team in European banking
- IFRS starter kit that provided a ready template with basic financial information
- Previous successes with other SAP® software
- Strong customer references

Low Total Cost of Ownership

- Automated the consolidation process
- Increased process transparency
- Minimized processing errors and costs related to error tracking and resolution
- Reduced effort and cost for IT maintenance

Operational Benefits

- Shortened financial-close time from 5-6 weeks after the month-end to 2-3 weeks
- Shortened intercompany reconciliations period by at least 1 week
- Cut overtime for annual reporting significantly
- Reduced postconsolidation adjustments
- Provided a stronger audit trail

“We can now work on tasks with greater business value. Our senior staff has time to analyze results and compare them with our business knowledge. Our data is more accurate and easier for both auditors and managers to review.”

Eliza Livadiotou, Manager, Group Finance and Tax Planning, Bank of Cyprus

www.sap.com/contactsap

Bank of Cyprus Group, the leading provider of financial services in Cyprus, is expanding into new markets. With help from the SAP® BusinessObjects™ Financial Consolidation application, financial reporting requires less effort, and reports are more timely and accurate. Managers get the detailed results they need to make well-informed business decisions.

Meeting International Reporting Guidelines

Bank of Cyprus operates nearly 600 branches in Cyprus, Greece, Russia, Ukraine, Romania, the Channel Islands, and the United Kingdom. Over recent years, the bank has expanded through organic growth and acquisition. This, plus a changing corporate structure, created a highly complex system for consolidated financial reporting. The complexity increased over time as more complex reporting requirements were introduced by the International Financial Reporting Standards (IFRS) and other industry-relevant regulators.

“Prior to implementing our SAP software, we handled all of our consolidated reporting with hundreds of Microsoft Excel spreadsheets that we shared by e-mail,” says Eliza Livadiotou, manager of group finance and tax planning at Bank of Cyprus. “This increased the risk of error, slowed down the process, and cost us lots of time and money.”

Livadiotou notes that the bank’s finance team had to work long hours to meet its quarterly and year-end consolidation deadlines. Individual units from various countries would send spreadsheets to

corporate headquarters in Cyprus, where data would be checked. “Many units were in different time zones so we would lose whole days waiting for updated data,” says Livadiotou.

Automating the Consolidation Process

Bank of Cyprus chose SAP BusinessObjects Financial Consolidation based on the experience SAP experts had with banks in France, Italy, and the United Kingdom, which have accounting procedures similar to those in Cyprus. The bank was also attracted to a starter kit available for the SAP BusinessObjects Planning and Consolidation application that helps set up compliance with IFRS on the Microsoft platform. The starter kit provided a template of basic financial information for the bank’s new software.

The implementation of SAP BusinessObjects Financial Consolidation – the first by a bank in the region – involved 70 users, 15 sites, 46 reporting units, and 9 countries. A French team from SAP Consulting worked on-site throughout the installation.

During the implementation, SAP Consulting and Bank of Cyprus held training sessions for key users, which were also used to test the software using historical data.

Providing Accurate, Timely, Detailed Results

With the centralized software in place, Bank of Cyprus can finalize its intercompany consolidations much faster than before. Financial-close time has been shortened from 5 to 6 weeks after the month-end to 2 to 3 weeks afterwards.

Staff is freed up to analyze results – which are more accurate and easier for auditors and managers to review.

Managers have access to details that were too time-consuming to produce with manual processing, such as an in-depth analysis by region and type of business. Detailed comparisons of actual versus budgeted figures are now standard in monthly, quarterly, and annual reporting – giving the bank a head start on identifying potential challenges and opportunities.

“We can provide managers with an early look at the numbers as soon as we get them and easily drill down to find causes for any variances,” Livadiotou says.

Looking Ahead

In the future, Bank of Cyprus hopes to give managers self-service dashboards to create their own reports. “Now that our managers know we have a strong system, they can think of many new ways to use it,” says Livadiotou.

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