



Risk Technology Awards 2021



Regulatory reporting system of the year
BearingPoint RegTech

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If there ever was a year when financial services firms had to adopt to massive changes, 2020's global pandemic ranks as one for the history books. Firms had to accelerate their approach to data quality models, scramble to improve risk-exposure calculations, and develop new *ad hoc* requirements or prepare for new regulatory requirements for the following years.

Amid extreme market volatility as lockdowns spread, firms shifted to new working environments and digitalisation, and new competitors were putting massive pressure on earnings in parallel to increasing costs of compliance,

Therefore, the demand for managed services grew and BearingPoint RegTech's Abacus360 Banking platform was also put to the test.

This stress test was mastered thanks to the innovative calculation engine and framework, Apache Spark, that the Abacus360 platform offers, which leverages technologies such as in-memory processing, grid architecture and cloud. This allowed for a significant improvement in operational performance and flexibility.

The application Abacus360 Banking is based on a three-tier architecture with a clear separation of the graphical user interface, application logic and data management based on the distributed processing of Apache Spark. Apache Spark has a high market acceptance for big data projects and allows for the processing of very high data volumes (several 100 million data records) and strong vertical and horizontal scaling possibilities.

Functions for reporting, risk calculation and controlling key performance indicators can be combined on this powerful platform, based on the holistic single data model. Abacus360 for HANA (high performance analytic appliance) enables BearingPoint to run and store its Abacus360 Banking Solution on SAP's own HANA with single-source-of-truth concept for finance, risk and regulatory data efficiently.

Abacus360 Banking covers the reporting requirements for the statistical, prudential and recovery reporting of the European Banking Authority, the European Central Bank, the Single Resolution Board and further national supervisory



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authorities. Its functional scope is supplemented by numerous additional components that enable banks to individually optimise reporting processes, regulatory analytics and regulatory management. Individual requirements can be met by flexibly combining the additional functional

components in line with the modularity principle, such as forecasts for liquidity or valuation or modelling cashflows. This improves the efficiency of regulatory processes, transparency and quality of data, and agility through faster implementation of new regulatory requirements.

Despite the volatility from the pandemic, banks still had to capture and aggregate material risk data, a requirement that grew more complex in 2020. Using innovative technology and up-to-date open-source libraries, managed services and the holistic platform, Abacus360 ensured customers delivered consistent reports for business lines, legal entity, asset type, industry, region and other groupings.

Among the significant lessons from the 2007 global financial crisis was that banks needed to upgrade their information technology and data architectures to support robust management of financial risks. BearingPoint RegTech's achievement reflects how far risk innovation has evolved to help clients deliver.

The judges said:

- “This entry reflects focused execution with best of breed tech, especially XBRL formats and web services.”
- “A lot of thought has gone into bringing together technology best practices in the design: single data model, scalable, open platform for customers to innovate and integrate with other solutions, and flexible implementation options.”