BearingPoint®

Abacus360 Banking

Established standard software for national and international
regulatory reporting

Financial institutions face considerable functional and technical challenges

Banking supervision is still in a process of constant change. The last few years have brought the industry a range of new regulatory requirements such as AnaCredit, the revision of the calculation of risk-weighted assets (RWA), BCBS 239 or IFRS 9. Revisions of obsolete standards, such as the finalization of Basel III and amendments to the Capital Requirements Regulation & Directive (CRR II / CRD V), the Bank Recovery and Resolution Directive (BRRD), and the Single Resolution Mechanism Regulation (SRMR) are likely to bring about significant changes in supervisory law by the beginning of the next decade. Less and less time is available for implementation. Moreover, ad-hoc inquiries and other short-term exercises have to be answered, such as fire drills, the comprehensive assessment of the European Central Bank (ECB) and the stress test procedures of the European Banking Authority (EBA).

Our financial system is much more secure today than before the financial crisis, but the associated regulatory costs for banks are enormous. The low interest-rate environment, digitalization, and new competitors are putting massive pressure on the revenues of the financial services industry. The banks must therefore overcome old habits and think about new models of cooperation or industrialization. Standardization, industrialization and automation are obvious ways of using economies of scale across borders.

In addition, regulatory reporting is being greatly affected by recent trends, such as the replacing of form-based reports with data cubes and measures to counteract the cost pressure on IT infrastructure and regulatory reporting processes. The influence of regulations on banks' product portfolios and the need to integrate regulatory key performance indicators (KPIs) into the bank's management are increasing. These trends have far-reaching consequences for banks IT architectures. IT infrastructures and processes will need to be optimized to facilitate timely and reliable delivery of the requested data in the required quality and granularity.

Regulatory Reporting with Abacus360 Banking

Abacus360 Banking is an established standard solution for national and international regulatory reporting, for statistical reporting, for granular reporting (AnaCredit), and for ad-hoc reporting.

Due to its technical platform Abacus360 Banking can generate a wide range of regulatory reports. Abacus360 Banking covers the reporting requirements of EBA, ECB, SRB and national supervisory authorities. Furthermore, the functional scope of Abacus360 Banking is supplemented by numerous additional components that enable banks to individually optimize 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.

Through its innovative technology, Abacus360 Banking facilitates the implementation of new regulations and enables a timely response even to short-term enquiries, such as, ad hoc reporting and fire drills. The solution offers an optimized, consistent data model for all reports and countries and includes the following reports:

- Common Reporting (CoRep): Own Funds, Large Exposures, IP Losses, LCR, NSFR, Additional Liquidity Monitoring Metrics (ALMM), Leverage Ratio, Portfolio Benchmarking Report
- Financial Reporting (FinRep): Non Performing Exposures, Forbearance
- Asset Encumbrance
- Funding Plans
- Statistical Reporting: ECB Statistics, Balance Sheet Statistics (BSI), Securities Holdings Statistics (SHS G), Interest Rates Statistics (MFI), further national statistical reports
- Disclosure: Own Funds, Asset Encumbrance, Leverage Ratio, FinRep and others
- Granular Reporting (AnaCredit) for various jurisdictions
- SRB Reporting
- Reporting for residential real estate (Germany)
- Reporting for investment firms according to IFR

- ✓ Constant developments and adaptions to comply with ever-changing regulations by BearingPoint
- ✓ **Reduced maintenance costs through large customer base:** The maintenance costs can be spread over our large customer base. This can reduce expenses for individual customers
- ✓ **All in one hand - software, consulting and services:** We offer regulatory expertise, software solutions, managed services and comprehensive services
- ✓ **Single data model:** Abacus360 Banking offers an optimized, single data model for all reports and all countries

Abacus360 Banking – an integrated solution for Reporting, Risk Management and Advanced Analytics

Compliance with regulatory requirements is more than mere regulatory reporting. BearingPoint RegTech therefore offers with Abacus360 Banking an innovative solution to combine functions for reporting, risk calculation and controlling of KPIs on one powerful platform. In addition to the broad scope of regulatory reporting functionalities, the platform can be extended by risk modules and advanced tools. By integrating these functional areas into one holistic platform with a single data model, Abacus360 Banking can increase the efficiency of regulatory processes, transparency and quality of data, and agility through faster implementation of new regulatory requirements.

Abacus360 Banking Risk: Solution for financial risk management, valuation and asset liability management. In addition to regulatory metrics such as LCR and RWA, banks have the ability to calculate key risk figures such as (credit) value at risk, expected shortfall for credit and market risks, and funding matrices in an integrated platform, which significantly eases the reconciliation of Pillar 1 and 2 and leverages potential cost reduction.

Abacus360 Banking platform
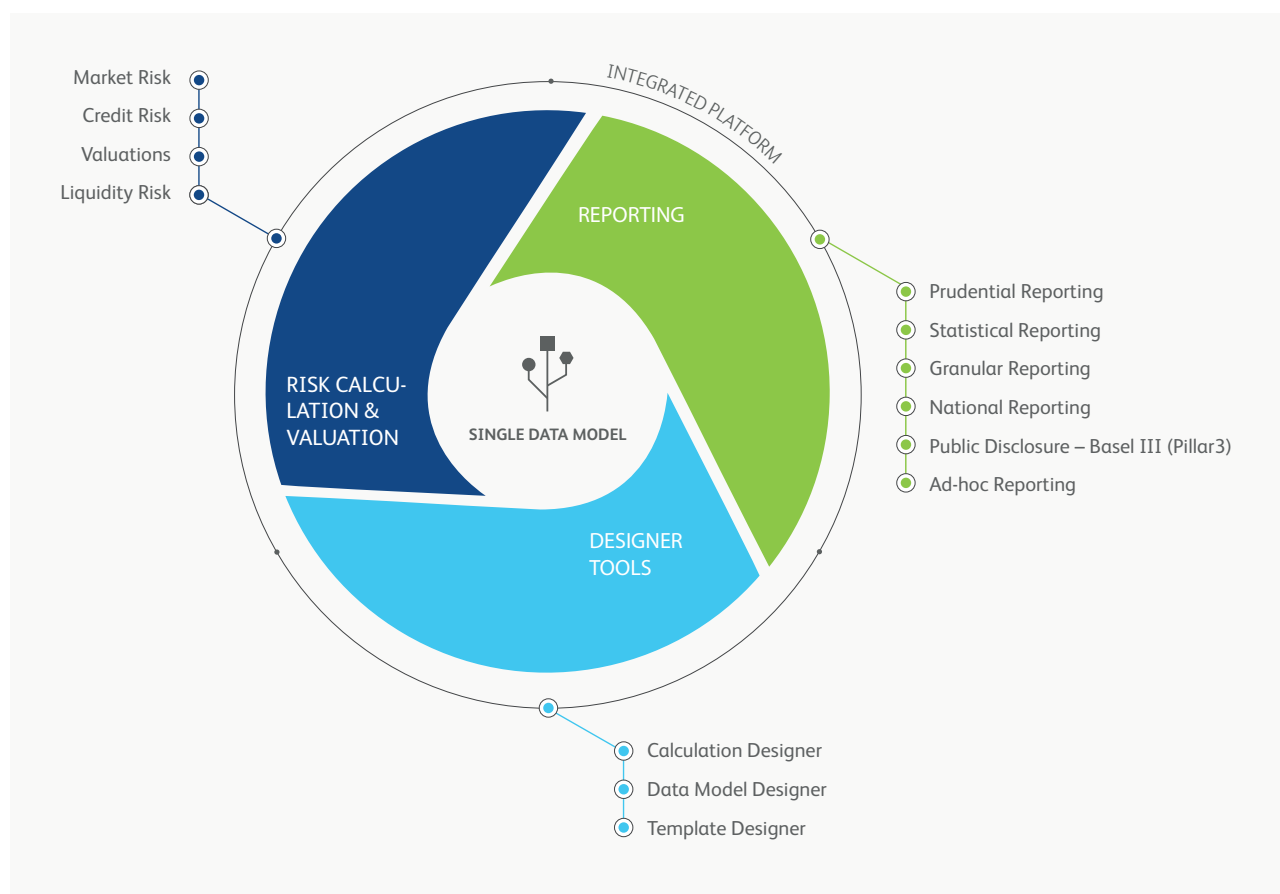
Distributed computing with Apache Spark

Abacus360 Banking is based on a three-tier architecture with a clear separation of the GUI, application logic and data management based on the distributed processing of Apache Spark. Apache Spark is a cluster computing framework with high market acceptance for big data projects. Apache Spark allows for the processing of very high data volumes (several 100 million data records) and has strong vertical and horizontal scaling possibilities. It also shows good scalability for independent processing in parallel processes. Apache Spark therefore allows for the stable processing of large data volumes within short time windows and parallel processing of multiple modules and/or institutions.

Data Management and Software Architecture

The Abacus360 platform offers an innovative calculation engine, which leverages technologies such as in-memory processing, grid-architecture and cloud, and therefore allows for a significant improvement in operational performance and flexibility.

The optimized and standardized data model minimizes redundant data storage through the consolidation of results data across all modules. Abacus360 Banking offers version and multilingual capability, and multi-GAAP processing within a single cluster. The single data model enables a long-term data maintenance capability even in the face of constantly changing conditions.

BCBS 239 ready

Several software features enable banks to integrate Abacus360 in a BCBS 239 compliant IT architecture. The solution can be adapted quickly to new data requirements.

Information Security

Enhanced authorization concept to protect the confidentiality, integrity, and availability of data can be adapted quickly to new data requirements.

Reconciliation

Framework for defining stable reconciliation processes and data-quality checks based on input and result data. It also supports fully automated workflows from the detection to the correction of data quality issues.

INTEGRATED
DATA MANAGEMENT
WITH ABACUS360

QUALITY

SECURITY   ACCESSIBILITY

Data Integration

Integrated ETL framework and support of the flexible adaptation of external data sources (e.g. for ad-hoc reporting).

Data Dictionary

Provision of an integrated Data Dictionary that is directly linked to the logical data model and thus, by definition, up to date. It is also open for individual extensions.

Data Processing

Functional calculation cores and an enhanced toolset for efficient and mainly automated data preparation to enable internal and external reporting without media breaks.

Managed Services / Software-as-a-service (SaaS)

Since 2004 we have been offering our RegTech solutions as Managed Service / Software-as-a-Service (SaaS) or Regulatory-as-a-Service (RaaS) in addition to on premises installations.

The increasing complexity of regulatory reporting and the associated higher costs combined with the existing cost pressure present challenges for many reporting institutions. In particular, the operation of software solutions, whether it is an in-house development or a standard software, is a significant cost and time burden for them.

Cost-driving factors can be, for example, a lack of subject or technical know-how, costs for hardware and administration, or the time-consuming coordination with the computing center or with specialist departments. With our Managed Services offering, we have developed a comprehensive, modular and individually configurable offering in order to provide our customers with the best possible support in outsourcing their regulatory reporting.

Why Managed Services is the right choice for you?

Planning and budgeting security due to calculable costs and no one-time investment requirement

Flexible access to external reporting and technology experts who will help to bridge know-how and capacity bottlenecks and to focus on the core business

Reduction of IT expenditures associated with solution operation (e.g. database administration, release management, hardware management)

Safeguarding of control over implementation and performance monitoring

Our Managed Service offering ranges from infrastructure services and application management to supporting and monitoring technical processes in the data delivery and processing and report preparation. Individual service components can be flexibly combined and customized to form a tailored service offering for the respective institution that is in line with its specific needs and requirements.

Our Managed Service business has been ISO22301 certified in 2019. With this certification, BearingPoint RegTech has implemented a Business Continuity Management (BCM), which enables us to react quickly and in a structured manner to potential disruptions or crises such as COVID-19.

Digital, fully integrated and automated "regulatory reporting factory"

With its international RegTech Factory, BearingPoint RegTech offers a digital, fully integrated and automated "reporting factory" that helps to achieve significant economies of scale for participating banks and financial service providers. As a result of outsourcing reporting processes, banks can concentrate on their core business. BearingPoint RegTech not only develops and implements the software but also operates it.

Find out more about the RegTech Factory here: https://www.reg.tech/en/our-services/regtech-factory/

Why choose Abacus360 Banking

Continuous development and regulatory maintenance: Abacus360 Banking is continuously adapted to changing regulations. Our customers do not have to worry about implementing changes but can concentrate on their core activities.

Software, consulting and services from one source: Abacus360 Banking customers benefit from a unique combination of extensive regulatory know-how, our tried-and-tested software solution and comprehensive services such as managed services, consulting and training.

BearingPoint RegTech has 25 years' experience in regulatory reporting: Around 1,000 small, medium and large institutions, including the majority of the most important European SSM banks* use Abacus360 Banking.

Abacus360 Banking is flexible in use: On premises installation / Managed Services / Software-as-a-Service (SaaS) / Regulatory-as-a-Service (RaaS) / RegTech Factory

Single data model: Abacus360 Banking offers an optimized, single data model for all reports and all countries.

Business continuity and ISO certification: Our Abacus product development and our Managed Service offering are ISO22301 certified.

BearingPoint RegTech is the right partner for you:

Abacus360 Banking users benefit from comprehensive customer support services and media that enable them to share information with BearingPoint RegTech and other users. Our customer support services include a telephone and email hotline, a ticket request system, and an online service providing documentation such as release notes, information on release planning, downloads of software packages and other resources. In addition, the Abacus360 Wiki and regular user groups provide numerous possibilities for exchange between users and BearingPoint. BearingPoint's RegTech Convention for customers and prospective customers is one of the largest events in the field of financial regulation and RegTech in Europe.

BearingPoint ®

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**

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