BearingPoint ®

Common Reporting – CoRep with ABACUS/DaVinci

Regulatory requirements

On 27 June 2013, the European Banking Authority (EBA) published the final draft version of Implementing Technical Standards (ITS) on Supervisory Reporting as technical performance description of the Common Reporting Framework (CoRep). This was updated again for Own Funds on 21 October 2013. The cited regulatory requirements form the basis for the reporting obligation, among other things for solvency and capital adequacy of all European institutes. Within the context of European-wide harmonization of regulatory requirements, there are significant changes to the previous national reporting data in addition to new reporting requirements. With the entry into force of CRR on 1 January 2014, the new regulations became mandatory for all institutes in the EU pursuant to Art. 4 (3) CRR.

Overview of the changes and their challenges

Many previous national options for institutes have been eliminated due to the introduction of the EU "Single Rule Book" and consequently there are far-reaching changes in individual reporting areas starting from 2014. For example, large exposure notifications, reports about total losses and exposure values from risk positions, which are collateralized by real estate, are classified under CoRep in addition to solvency requirements. In addition, the CoRep framework contains information about short-term liquidity requirements, stable refinancing and degree of debt according to Basel III. The following roadmap illustrates the reporting requirements according to CoRep for the time until 2018.

Benefits of CoRep Module:
- Possibility of using the CoRep Module as stand alone application
- Trusted product, for more than 20 years
- Advanced multi-tenant and scalable architecture
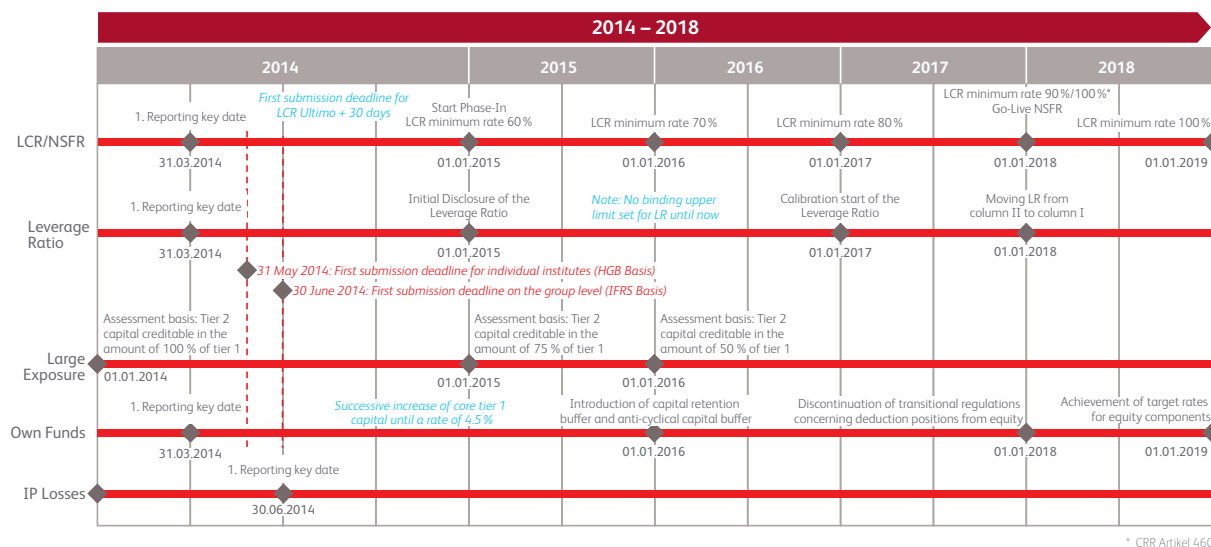- Access to BearingPoint's extensive regulatory and software expertise

Figure 1: Roadmap of changes in banking supervision law

ABACUS/DaVinci CoRep as software solution

The regulatory reporting standard software ABACUS/DaVinci provides the possibility to institutes and institute groups with the CoRep module to depict all essential reporting requirements requested by the supervisory authority according to CRR/CRD IV in connection with the CoRep framework and ITS. In this context, ABACUS/DaVinci supports the accounting standard IFRS and the respective local GAAP.

As a standard for all reporting formats, functions such as Excel export, PDF export, drill-down and drill-up (two-way audit trail), key date comparisons and system comparisons, EBA validations and an XBRL/XMW interface are provided. Data can be supplied to ABACUS/DaVinci based on individual transactions, result supply or via aggregated interfaces, i.e. on the report level.

Common Reporting (CoRep) as of 01.01.2014					
Solvency Own Funds	Large Exposure	IP Losses	LCR/NSFR	Leverage Ratio	Asset Encumbrance*
Reporting cycle quarterly	quarterly	semi-annually	LCR: monthly NSFR: quarterly	quarterly	quarterly/ a few forms semi-annually
Initial reporting 31.03.2014	31.03.2014	30.06.2013	31.03.2014	31.03.2014	31.12.2014
ABACUS/DaVinci ABACUS/DaVinci includes the legal requirements of CRR in connection with the final ITS for reports according to CoRep for individual institutes and institute groups. Reporting is completely possible at the deadlines cited above.					

* Categorization of EBA probably under CoRep

Figure 2: Overview of reports according to CoRep

Snapshot of the individual reporting areas

Own Funds

In ABACUS/DaVinci the 25 CoRep forms for capital adequacy (CA1-CA5) including the determination of capital instruments, RWA declarations, own fund key figures, message information as well as the transition provisions (prudential filters, grandfathering and minority interests) are implemented according to the requirements of EBA. ABACUS/DaVinci also provides automated derivation of the group solvency (GS), for credit risks according to SA and IRB (CR) including settlement risks and IP Losses, market price risks (MKR) and operational risks (OPR). It also includes calculations for counterparty default risks (CCR), derivation of credit valuations (CVA), privileging settlement via central counterparties (CCP) and the increase of capital requirements for large regulated and non-regulated financial firms (AVC) as well as numerous disclosure reports (market disclosure).

Large Exposures

In ABACUS/DaVinci the forms LE Limits and LE1-LE5 incl. the updated privileging rules, handling of borrower units/groups of associated customers, reporting the 20 largest loans from IRB banks as well as the 10 largest loans to institutes and automatic derivation of maturity structures are implemented in the forms LE4 and LE5. The new master data forms and master data feedback are also integrated.

LCR/NSFR

In ABACUS/DaVinci the six reporting forms for liquidity with information about highly liquid assets, payment outflows and inflows, collateral swaps and stable refinancing of payables and receivables are integrated. In this context, the two rates of the respectively weighted cash flows are calculated based on the guidelines of the supervisory authority (insofar as available).

Leverage Ratio

ABACUS/DaVinci supports the forms LRCalc and LR1-LR5 within the context of determining the degree of debt. Information about companies, which are consolidated under commercial law but not according to regulatory requirements, can be supplied in the form of an aggregated interface in form LR6.

About BearingPoint

BearingPoint consultants understand that the world of business changes constantly and that the resulting complexities demand intelligent and adaptive solutions. Our clients, whether in commercial or financial industries or in government, experience real results when they work with us. We combine industry, operational and technology skills with relevant proprietary and other assets in order to tailor solutions for each client's individual challenges. This adaptive approach is at the heart of our culture and has led to long-standing relationships with many of the world's leading companies and organizations. Our 3350 people, together with our global consulting network serve clients in more than 70 countries and engage with them for measurable results and long-lasting success.

www.bearingpoint.com

Please do not hesitate to contact us for further information about the use of ABACUS/DaVinci-CoRep.

We would be glad to provide you with price information on request.

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