BearingPoint®

Financial Reporting – FinRep with ABACUS/DaVinci

Regulatory requirements

The EBA published on March 18, 2015 its final version of the Implementing Technical Standards (ITS) on Supervisory Reporting for FinRep, in German and English. The objective of the ITS is to contribute to the stability of the financial markets. This objective is reached in connection with the reporting obligations for financial information for capital market-oriented groups of institutes resulting from Article 99 CRR by an European-wide harmonization of regulatory requirements as well as provision of a detailed overview of institute-specific risk profiles.

| Publishing of the final ITS on June 27, 2013 | Taking effect of the CRR and ITS for FinRep on January 1, 2014 | Initial reporting of FinRep for September 30, 2014 | Forbearance and non-performing exposures for September 30, 2014 | Continuous adaptation of the taxonomy |

Outlining the changes

The final version of the ITS stipulates a classification into four groups of forms, which are grouped according to the reporting frequency. The FinRep framework covers a total of 65 forms. The latest feature is the integration of the "EBA FINAL draft Implementing Technical Standards on Supervisory reporting on forbearance and non-performing exposure" from October 21, 2013.

Basic forms	Contents	Reporting frequency	Changes
Part I	Balance sheet items and profit and loss account items • Sub-classification according to counterparties • Itemized information about financial instruments	quarterly	Integration of "non-performing" and "forbearance" in tables 6 & 9.1
Part II	Balance sheet items and profit and loss account items • Classification according to geographic factors of involvement • Information about assets at operate leasing, asset management	quarterly (dependent on the threshold value technique)	Integration of table 18 "Performing and non-performing exposures" and table 19 "Forborne exposures"
Part III	Reporting data about non-consolidated and affiliated companies	semi-annually	Integration of "non-performing" and "forbearance" in table 20.4, 20.5 & 20.7
Part IV	Information about: • Group structure • Fair value • Tangible and intangible assets • Equity changes	annually	Integration of "non-performing" and "forbearance" in table 30.2

Benefits of FinREP Module:

• Possibility of using the FinRep 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

Challenges for institutes

The first reporting deadline for FinRep was postponed in the final ITS to September 30, 2014 due to the high implementation workload for the groups of institutes affected, caused by the considerable increase of the information to be reported. Therefore the groups of institutes face two challenges. One challenge are the quantitative requirements in the form of a highly increased data volume. The other challenge are the qualitative requirements with respect to data consistency and availability. Going further, additional challenges arise through the integration of "forbearance and non-performing exposures", which has to be reported for September 30, 2014. It must be pointed out that table 19 deals with a different kind of consolidation circle. Currently, FinRep reports on the prudential (supervisory) consolidation circle, whereas for table 19, a consolidation as per commercial law is required.

ABACUS/DaVinci Module FinRep

The regulatory reporting software ABACUS/DaVinci covers all reporting requirements of the EBA for Financial Reporting. All 65 forms are included in the GUI. These can be displayed both in German and English.

Coverage of specialist areas

ABACUS/DaVinci fills the forms of financial reporting via standardized interfaces. Accordingly, ABACUS/DaVinci uses the corresponding allocation of the product groups and economic sectors defined in ITS and calculates the amount to be reported per transaction. In addition, ABACUS/DaVinci provides the option of a collateral distribution for the financial reporting and that of an allowance comparison for the calculation of the changes in allowances during the reporting period. Both the prudential and the commercial law consolidation circles can be extended within the reporting, through the extension of the reporting tree and new parameters.

ABACUS/DaVinci provides users with several options for enriching the forms of financial reporting according to ITS. Initially, many forms can be determined and filled in via the **single transaction processing** using the ABACUS/DaVinci standard interface.

In addition, a standardized **delivery option for form results** as well as for **manual entry at the form level** are offered. BearingPoint also provides two further solutions for data delivery with ABACUS/DaVinci-Connect and ABACUS/DaVinci-X2A.

With ABACUS/DaVinci, users are provided with an overall solution that covers the reporting requirements of the EBA. Existing data can also be used for internal management reporting via individual reports. ABACUS/DaVinci is already used in more than 200 renowned financial institutions representing more than 800 reporting entities across Europe.

IT-Architecture

ABACUS/DaVinci can be configured according to the needs of the clients based on its modular structure. ABACUS/DaVinci is based on a modern and future-oriented system architecture. Essential components of this architecture are a flexible client-server architecture (3-tier architecture) and a relational data model. The user interface of ABACUS/DaVinci is a web-based application with multi-client capability and platform-independent.

XBRL

The interface for the taxonomy-compliant depiction of the XBRL reporting format is supplied within the standard of ABACUS/DaVinci. The FinRep module contains all published validation checks required by the supervisory authorities. In addition, data storage within a system and module-overlapping validity between Asset Encumbrance and the FinRep framework are supported.

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 3500 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

For any questions concerning the ABACUS/FinRep Module, please give us a call at +49 69 567 007 910.

We are happy to advise you.

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