



# AnaCredit with Abacus360

## Background

Following the resolution of 24 February 2014, the European System of Central Banks (ESCB) has been obliged to deal with the Analytical Credit Datasets (AnaCredit) project and to take the first steps to establish the harmonized collection of granular data. By undertaking this project, data gaps in the area of credit exposures can be closed and monetary as well as micro- and macro-prudential questions can be answered. The European Central Bank (ECB) has accordingly assigned a high priority to the AnaCredit project.

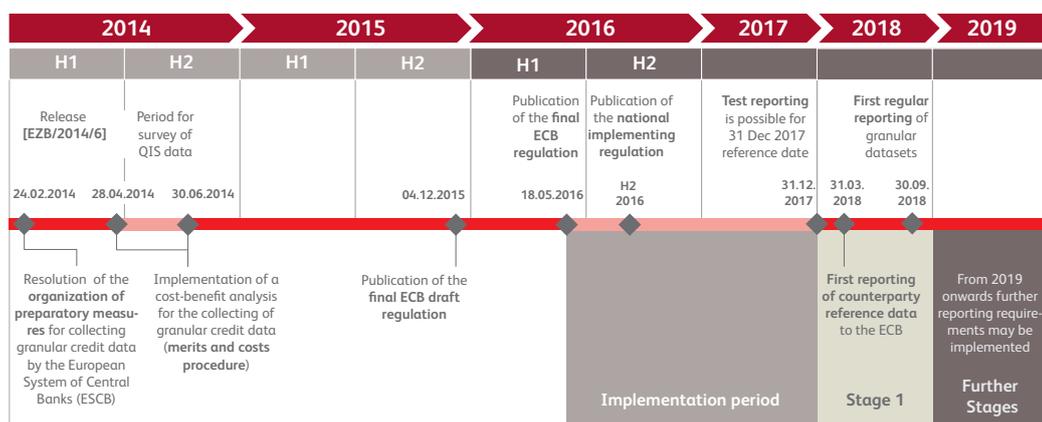
Tools for analysis and validation play a significant role given the large volume of data for AnaCredit. Manual intervention will be very limited in use.

## Regulatory Requirements

Based on the ECB regulation, comprehensive, granular credit and credit-risk data are to be transmitted to the ECB for statistical purposes. The establishment of the dataset will take place in stages, starting on 1 September 2018, although the national central banks may start to collect data from 31 December 2017.

There are 89 data attributes<sup>1</sup> and six unique identifiers to be reported in the AnaCredit framework, which are to be transmitted in ten tables. In addition to the information regarding the lender/borrower characteristics, loan-exposure features and their valuation measures as well as risk and loss-exposure features and balance-sheet status are to be delivered.

FIGURE 1: ANACREDIT ROADMAP



The official ECB regulation, published on 20 May 2016, set the reporting threshold at EUR 25,000 per borrower. Depending on the established reporting frequency/dates, manual intervention will be limited due to the large volume of granular credit data. To comply, financial institutions must have already established a standardized, valid data delivery as part of their regulatory reporting systems and processes to monitor and provide for the necessary data quality.

All foreign branches and/or subsidiaries situated within the euro area must report. Currently it is not clear if these branches/subsidiaries must report to the central banks in the home country or to the central bank in the home country of the parent institution respectively. If the foreign branch and/or subsidiary must submit the report to its national central bank itself, rather than through the parent institution to their competent national central bank, it must adhere to various national requirements, based on the exercised national discretions and options, transitional rules and various report formats. Additionally,

<sup>1</sup> <http://www.ecb.europa.eu/stats/money/aggregates/anacredit/html/index.en.html>

consolidated data will need to be compiled and reported within the AnaCredit framework in a subsequent stage (most likely from July 2019 at the earliest).

## Our Solution

The new AnaCredit module for Abacus360 enables banks to create their reports in compliance with the ECB requirements, including the extensions for their respective national central banks. Our clients receive comprehensive analytical and validation tools to manage such a large data volume. These tools support data validation and enable the analyses of data distributions, changes and trends, just as in the official regulatory scrutiny.

The AnaCredit module is comprised of various functionalities that provide support for extensive and comprehensive granular credit and credit-risk data reports.

The following report-relevant information is used for the data collection:

- classification of transactions,
- various counterparty details, as well as
- a large portion of the required financial and risk data.

The use of a standard input data model in Abacus360 enables data consistency for the various report types.

FIGURE 2: SCREENSHOT ANACREDIT SMARTCUBE COUNTRY OVERVIEW

	Carrying amount	Accumulated changes in fair value due to credit risk	Protection value
DE			
Non-financial corporations	90.308,23	12.032,24	30.394,95
Central Bank	5.016,47	630,68	
Money market funds	1.254,12	143,00	
Financial auxiliaries	1.254,18	203,34	
Insurance Corporations	2.508,31	350,34	
Pension funds	2.508,31	351,34	
Credit institutions	1.254,17	200,34	
FRA			
Non-financial corporations	13.798,46	1.441,36	10.569,51
Financial auxiliaries	2.508,66	253,00	1.321,23
Credit institutions	1.254,12	142,00	
POL			
Non-financial corporations	6.272,06	824,02	2.643,07
Financial auxiliaries	1.254,17	168,00	
<b>Summe:</b>	<b>129.191,27</b>	<b>16.739,66</b>	<b>44.928,76</b>

The compilation of the reported data volume takes place automatically and takes into account the required attributes for the respective report (ad-hoc/monthly/quarterly). The tool also allows to factor in country-specific features, such as the application or the waiver of transitional rules and different report formats.

The recognition of master-data changes, which triggers an ad-hoc report as well as the submission of master-data information, based on the regulator feedback notification have also been included as part of the functional scope.

By using the already established functions, for example X2A, Abacus360 provides the option to also integrate data that has not been computer-generated or data from subsidiaries, thereby enabling this data to be directly included within the consolidated report creation.

## 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 global consulting network of more than 10,000 people serves clients in over 75 countries and engages with them for measurable results and long-lasting success.

[www.bearingpoint.com](http://www.bearingpoint.com)

The new AnaCredit module facilitates the determination of a variety of reporting attributes and also provides the well-established support functionalities of the Abacus Solution Suite, enhancing the reporting process by making it more effective and efficient.

For more information regarding AnaCredit, please feel free to contact us.

### Contact

BearingPoint  
Software Solutions GmbH  
Speicherstrasse 1  
60327 Frankfurt  
Germany

Marketing/Sales Department:  
[abacus@bearingpoint.com](mailto:abacus@bearingpoint.com)  
+49 69 567 007 910  
[www.abacus-solution-suite.com](http://www.abacus-solution-suite.com)

