

BearingPoint®

Abacus360 Banking

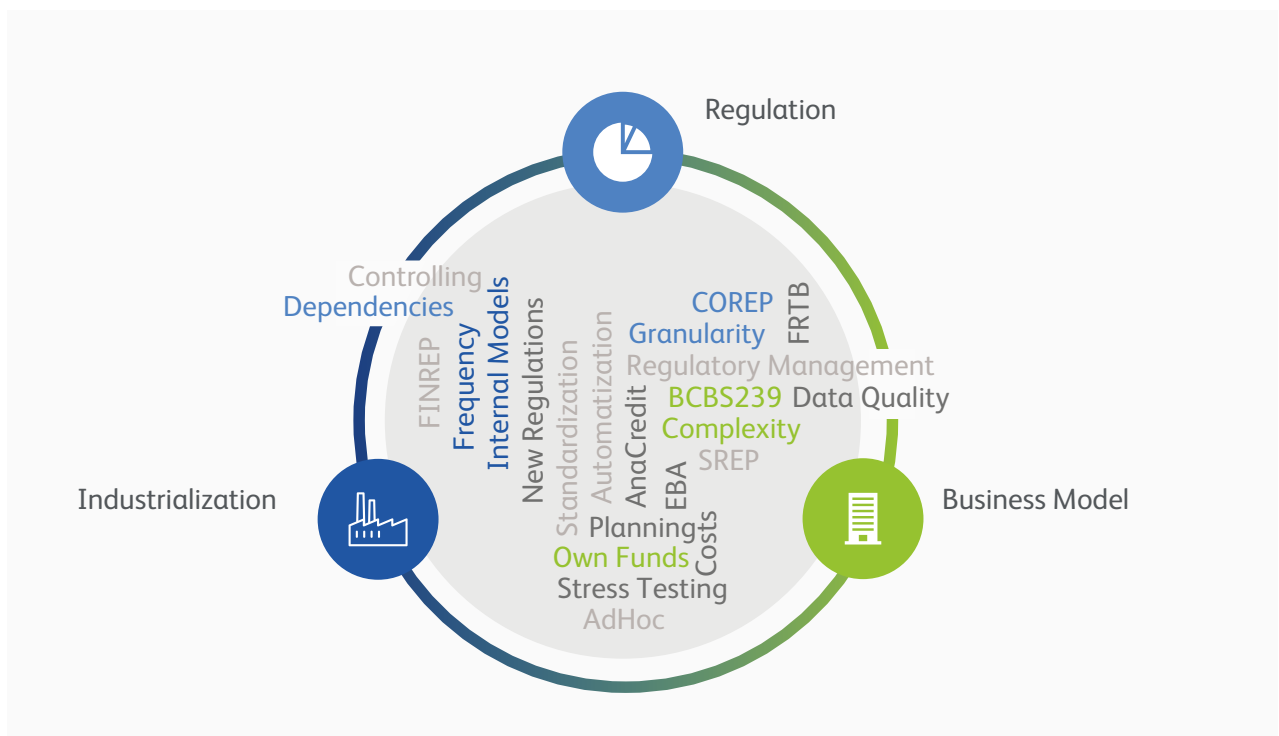
An integrated platform for 360° reporting,
risk calculation, and controlling regulatory KPIs

RiskTech
100[®]
2018 Category Winner
Regulatory Reporting

Financial institutions face considerable functional and technical challenges

Amplifying supervisory requirements and the trend away from form-based reporting to data cubes present a challenge to banks and necessitate innovative, high-performance software solutions.

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 RWA (risk-weighted assets), BCBS 239 or IFRS 9 along with revisions of obsolete standards. Basel IV, the revisions of the CRD IV/CRR (Capital Requirements Directive/Capital Requirements Regulation), the amendments to the BRRD (Bank Recovery and Resolution Directive) and the SRMR (Single Resolution Mechanism Regulation) 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). Fundamentally, we are noticing the following significant key trends: the replacing of form-based reports with data cubes, cost pressure on IT infrastructure and regulatory reporting processes, as well as the ever-increasing influence of regulations on banks' product portfolios and the need to integrate regulatory KPIs (Key Performance Indicators) into the bank's management. These trends have far-reaching consequences for banks, not least for their IT architecture as inevitably new software solutions will now be required. 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. In light of the above, BearingPoint has decided to develop a new generation of its proven Abacus platform that integrates comprehensive functionality for reporting, risk calculation and controlling regulatory KPIs into a high-performance modularized platform: Abacus360. The time to market for the implementation of new regulatory requirements was one of the major criteria for the development of the new platform.



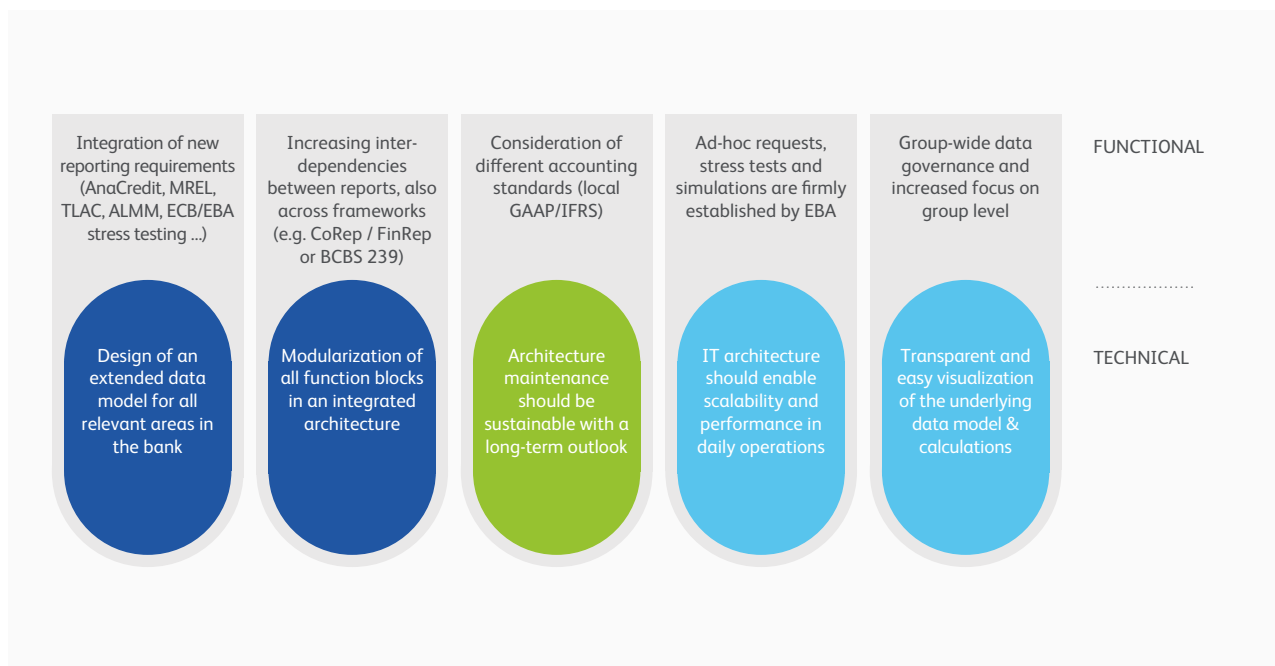
When giving consideration to the particular demands of the constantly expanding risk dashboards of the EBA, coupled with the new regulatory requirements, such as BCBS 239 principles for risk data aggregation and risk reporting (RDARR), AnaCredit and the Fundamental Review of the Trading Book (FRTB) it becomes evident that financial institutions will have to overcome substantial functional and technical challenges in order to maintain regulatory compliance:

- Increasing interdependence between the areas of regulatory reporting, risk management, treasury, accounting, and finance
- Active monitoring and controlling of the regulatory KPIs in order to anticipate the possible impacts of market changes and business policy
- Consideration of regulatory KPIs in the overall bank management
- Intensified requirements for data granularity, availability, consistency, and quality of data
- Requirements with regard to data and functional consistency resulting from BCBS 239 and cross validations
- Processing of significantly larger data volumes
- Faster implementation of new regulatory requirements

Automation and industrialization are the answers

The ever-increasing supervisory requirements have proved to be a great challenge and cost driver for the banks' IT departments. Process automation and innovative solutions are required to equip financial institutions to face the functional and technical challenges in the near future in a cost-effective way. The systems currently available on the market will not meet the requirements of the future. RegTech (Regulatory Technology) is required – innovative, flexible software solutions that make regulatory processes more efficient.

Requirements for forward-looking RegTech Solutions



Abacus360 Banking



For more information please watch our video on YouTube

In the future, compliance with regulatory requirements will involve more than merely adhering to reporting procedures. With this in mind, BearingPoint is developing an innovative solution called Abacus360 Banking, which integrates comprehensive reporting and risk management functions in a high-performance platform.

The **optimization of the reporting processes** including report generation at the push of a button will mark one of the key innovations featured in Abacus360 Banking. The new integrated software generation will result in a significant improvement in transparency, efficiency, and performance of regulatory processes.

Target vision Abacus360 Banking



Abacus360 Banking will gradually cover all existing Abacus regulatory reporting modules. In addition, the functional scope of the new software generation will be extended by risk modules and the Advanced Tools that will far surpass the previous capabilities of Abacus. By integrating these functional areas into one holistic platform with a single data model, Abacus360 Banking will increase the efficiency of regulatory processes, transparency and quality of data, and agility through faster implementation of new regulatory requirements.

Reporting

The various modules of Abacus360 Banking will fulfill the requirements of both the EBA and the ECB as well as the national supervisory authorities. The product will offer standard reporting modules for numerous jurisdictions that can be flexibly adapted to individual requirements by means of the Advanced Tools.

Moreover, through its innovative technology, Abacus360 Banking will facilitate the implementation of new regulations and enable a timely response to even very short-term enquiries such as ad-hoc requests and fire drills.

Risk Calculation and Valuation

In addition to the tried-and-tested reporting modules already available to banks, the new software generation has placed a multitude of financial calculations – valuation, simulation, and risk quantification – at the banks' disposal in a single platform. On the basis of the proven models for risk and valuation (RiVa), which have been consistently developed, expanded, and optimized over the past 20 years, Abacus360 Banking now makes it possible to calculate regulatory indicators and key risk figures using a single redundancy-free data model.

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 price risks, and funding matrices in an integrated platform, which significantly eases the reconciliation of pillar 1 and 2 and leverages potential for cost reduction. This allows banks to utilize an extensive selection of valuation and quantification algorithms. Abacus360 Banking covers a broad spectrum of financial instruments, from simple loans and commercial products to exotic derivatives, and thus takes into account most customary industry practices such as interest rate and date conventions.

Advanced Tools

Abacus360 Banking offers optional "Advanced Tools" that enable banks to tailor and optimize reporting processes, regulatory analytics, and regulatory management. Individual requirements can be met through flexibly assembling the additional functional components in line with the modularity principle.

Abacus360 – a new technological platform

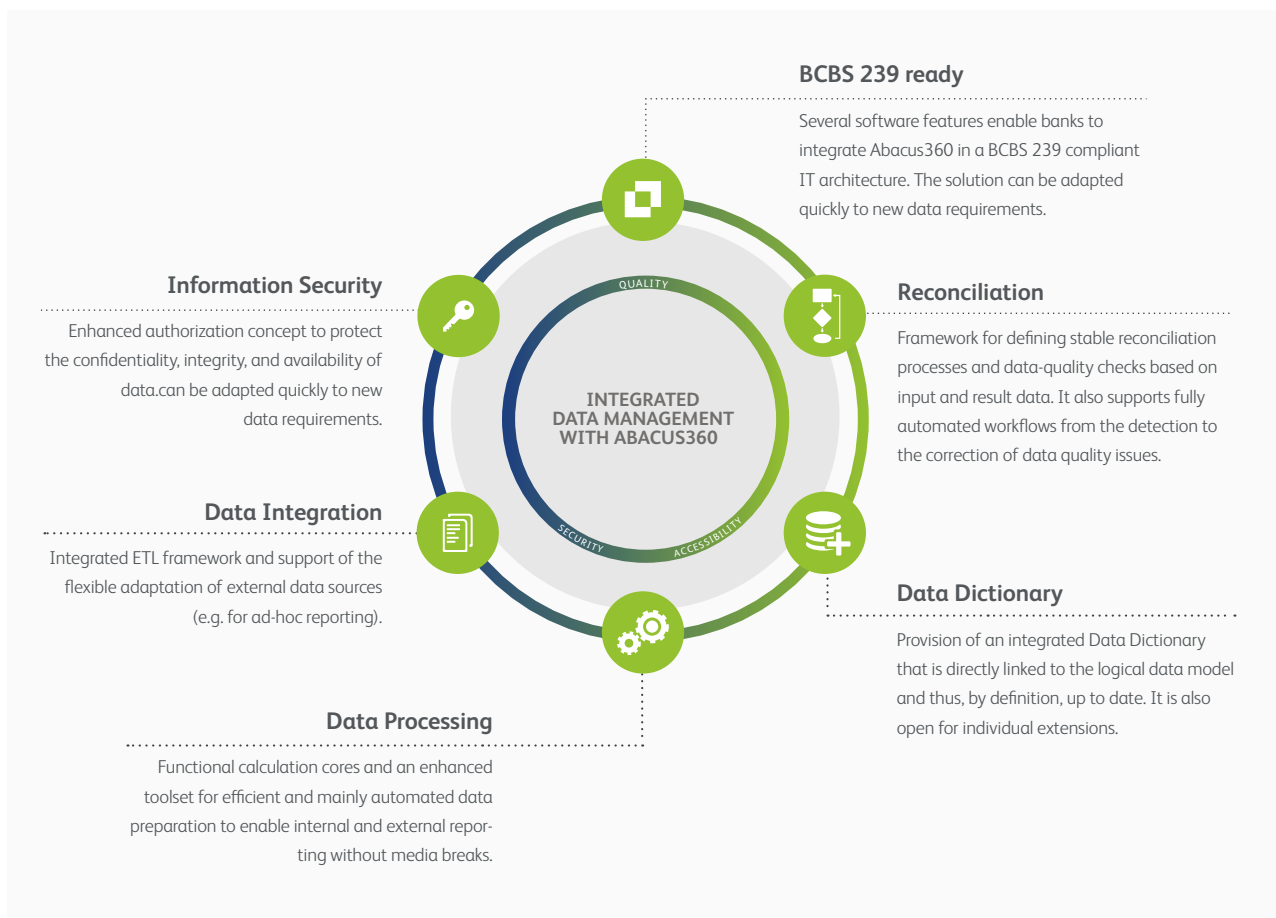
Abacus360 Banking is based on the innovative Abacus360 platform, the X1 Engine, which is a further development of the tried-and-tested Abacus platform. Motivation for the development of this platform stems from the regulatory and technological developments that have developed over recent years.

Data Management & BCBS 239

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

In light of its single data model, engine functions, and Advanced Tools, Abacus360 Banking will be ready for BCBS 239. A key BCBS 239 requirement, data consistency across departments, is fulfilled due to the use of the data model by all reporting, risk, and finance applications.

Integrated data management within Abacus360 Banking



Regulatory Expertise, Consulting & Services

BearingPoint is a leading management and technology consultancy with extensive expertise in the area of regulation. We work closely with regulators such as ECB, EBA, and EIOPA and, as a member of standardization bodies such as the XBRL consortium, we actively contribute to the standards-setting process. We combine our know-how with our proven, reliable and forward-looking RegTech Software Solution, and deliver expert consulting capacities, training seminars, and Managed Services.

Chartis RiskTech 100

BearingPoint is the winner of the Chartis RiskTech 100® 2018 Award in the category "Regulatory Reporting."

Customer Support

Abacus360 users benefit from comprehensive customer support services and media that enable them to share information with BearingPoint and other users. Our customer support services include a telephone and email hotline, our web-based Open Ticket Request System (OTRS), and a useful online service providing documentation such as release notes, information on release planning, downloads of software packages and other resources. In addition to these support structures, the Abacus360, Wiki, and user groups provide numerous possibilities for current, informative, and critical discourse between users and BearingPoint.

Why you should choose Abacus360 Banking

Abacus360 Banking is a turn-key software platform built on 25 years of experience in regulatory reporting. Abacus360 Banking integrates comprehensive functionality for reporting, risk calculation, and controlling regulatory KPIs into one single, scalable platform. Through the new software generation, regulatory processes will become fundamentally more transparent and efficient. Abacus360 Banking fulfills the BCBS 239 requirement of cross-department data consistency and is available both as on-premises installation and as Software as a Service (SaaS).



About BearingPoint RegTech

With its RegTech product line, BearingPoint 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 the XBRL consortium, we actively contribute to the standards-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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