ADi Capital & Regulatory Reforms

5 KEY SUCCESS FACTORS
Lessons learnt from EU and APRA EFS

Consensus and best practice from the EU and APRA’s EFS provide banks with five key lessons learned to succeed with the upcoming ADi capital reforms:

1. Data architecture
   Banks need to get serious when establishing a future-proof data architecture. This means eliminating the duplication and poor data quality that legacy silos have created to enable complete integrity and verifiable lineage in the data that is reported to internal stakeholders, auditors, and regulators alike.

2. Data governance, quality, lineage, and controls
   An active and mature data governance practice along with a community of business experts committed to data literacy, data quality controls, and informed business’ effectiveness are the two cornerstones to deliver consistent, high-quality, trusted, and compliant data.

3. Rationalization of systems
   Implementation of an end-to-end platform approach enables business insight and enhanced risk analytics and reporting, streamlines downstream and upstream dependencies, and reduces cost and complexity when complying to the demands of both local and global regulators. This ultimately provides an advantage for internal business strategies and data-informed decisions.

4. Strategic roadmap
   Recognize this is a journey, a strategic journey. Have the conviction and commitment for the long term and adopt an end-to-end modern integrated platform which will allow the business to continue build towards the end-state by leveraging investment in platform, infrastructure, data management, and people capabilities. Avoid short-term solutions focused on an incremental, one-problem-at-a-time approach that does not work, and only amplifies several issues that inhibit the agility of banks.

5. Partnering
   De-risk the journey by finding a partner that can offer depth of experience, best practices, the right building blocks, and proven track record. This will be key to meeting the pressure of timelines and deliver a future-proof platform.