

Ram Pratti: Hi. I'm Ram Pratti, the Director of Center of Excellence. Today, we are going to have a panel discussion on CCAR and BCBS. We have our industry expert next to me, Simon. We have our financial services pre-sales experts who have a lot of experience in the CCAR and BCBS area.

One of the things that we observed is CCAR and BCBS has looked into different initiatives and you go into a lot of banks on a lot of the financial institutions. How do you guys see your realm the implementations of the pilots? Do they seem individually or do they come together?

Sam Weibel: I would say what I see a lot of times in the mix is they start off individually in a lot of cases that if especially in the smaller organizations like the DCIBs and the smaller-sized banks. They will become more individual cases where they'll start off with CCAR. Their main critical data elements that are causing them to have issues. Then, as they are maturing they will bring into some of the BCBS principles as well.

Koen, I know you've worked on some of the larger banks and it might be a slightly different.

Koen Van Duyse: Yes. What I've seen is very different from one organization to another. You have some that do it very siloed. Some very tactical. That we just need something to get us through this BCBS requirement, which is obviously not the right thing to do. The good ones use it to actually establish data as an asset that they start with completely enterprise-wide programs. There is also the ones that are successful. It really varies a lot.

Ram Pratti: Yeah. We see those ... We recommend them to be together, so what is your experience then in bringing them together and what are the benefits as a client they get running those programs as one?

Simon Hankinson: Definitely seeing convergence of BCBS 239 and CCAR programs. In many institutions, they were originally viewed as separate programs. The benefits of combining them are really compelling. Institutions are looking to establish sustainable data governance programs. The BCBS 239 principles makes sense for data governance regardless of which data you want to govern.

I think the other compelling factor is as the regulators adopt the BCBS 239 principles more and more as the standard they're using when they assess the CCAR program and other reg reporting, it makes sense to align to the BCBS 239 so you're aligning to regulate your expectations. Absolutely, I think convergence of the two and leveraging the BCBS 239 principles is the foundations for data governance broadly. Specifically, using CCAR is the one of the initial use cases and the priority use case.

Ram Pratti: One of the comments made by the CCAR members was those principles are built to help the banks by themselves.

Simon Hankinson: Right.

Ram Pratti: How do you think these are in place to only CCAR or any other regulatory reporting and how you see in the banks when you are out?

Simon Hankinson: The 239 principles I think are very helpful for an organization that needs to establish a data governance program. The principles for a regulation are actually quite common sense. When you go through them, they're written in plain English. They're easy to understand. It's hard to disagree with any of them. I think for that reason, it makes sense to adopt them for data governance program.

Koen Van Duyse: That's why non-banks that we work with use them as well as their principles. One thing also that I wanted to add is if you read any data report of analysts or the big forums on, they all say that this is just the beginning. Every organization be gearing up for more of this and anything that they submit or even not submit material you propose to use internally will be looked at from the regulator through the lens of BCBS.

Simon Hankinson: Yeah. I work with companies which weren't CCAR banks. They are being asked the same BCBS 239-driven questions that CCAR banks are starting with. It shows the lineage of where this data comes forward and say the FOY9C report. Once you can show the lineage, if you can show the lineage that shows the process controls and the data you controls that you have in place. Those can be very challenging questions for any organization. Again, it's the alignment BCBS 239 for reg reporting broadly whether you're a CCAR bank or not. Even if you're not in the banking industry, makes a lot of sense. We're starting to hear about what we've always described the trickle down of regulation.

Starting with the large banks, those can understand those expectations for smaller banks over time. We've definitely seen that with BCBS 239. We've seen the regulators now start to apply the BCBS principles to other reporting types. AML seems to be one of the areas that it's now time to focus on. The AML reporting shows us the data good and see have in place. Again, the regulators seem to be referring heavily to the BCBS 239 principles when they ask those types of questions.

We're even hearing instances in Canada now where insurance companies are being put on notice that they're going to be expected to be on BCBS 239 compliant. That's a different industry and a different geography to the U.S. where our regulators it seems to be looking at those principles and saying these are as good guidance as we've got. We also set the type of standards and processes that we expect. Our insurance companies to be able to adhere to-

Ram Pratti: Similar principles.

Simon Hankinson: Yeah.

Ram Pratti: Right.

Sam Weibel: Yeah, I think so. Even on that case with insurance companies I've known myself even a couple of now, the larger insurance companies in the U.S. have also looked at that and said, "Let's start to leverage the BCBS 239 principles to enable us on our reporting." A lot of cases too it wasn't even necessarily the regulatory reporting. It was also what they would call their internal reports or their board reports. A lot of the opportunities I've seen on that side as well.

Simon Hankinson: I think that's actually a really important point. The BCBS 239 principles, they're directed at internal risk reporting. What we see when the regulators do an examination is they don't expect the banks to even apply it to the data that is used for internal risk reporting or that's used for reg reporting. They want to see that this is part of the development of the governance program, which we deployed ultimately across all of the banks' data. You just need to prioritize how you deploy it.

I think it's also important to recognize this is along the journey than just addressing the CCAR need, the 9C need, or even an AML response to the regulators. One of the ways of keeping the regulators on board or manage the MRAs is to demonstrate that you committed to expanding those principles to non-regulatory data and to data their using for internal management reporting.