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The stricter banking regulations:

For effective decision-making, managing risk and respond to increasing regulatory oversights today, collecting and managing data for banking institutions with assets under management between 100 billion and 250 billion has become highly crucial. Data management and analysis have become crucial decision-making tools for Bank Holding Companies (BHC) and International Holding Companies (IHC) in the face of challenging economic conditions. As central banks around the world started to tighten monetary policy in response to inflation getting out of hand, risk management around investments that worked a few quarters before does not work anymore. The demise of Silicon Valley Bank is a testimony of the fact.

In the wake of this crisis, President Joe Biden urged federal regulators to act swiftly to protect the financial system. The bank's failure caused widespread financial system concerns, sparked an extraordinary government effort to reassure depositors and support the system, and sparked discussion about rolling back recent regulation loosening for regional banks. The government is asking regulators to take a number of actions to strengthen oversight of financial institutions and restore protections for banks with assets between \$100 billion and \$250 billion.

What to Expect ahead:

The significance of data management and its role in better decision-making have been sufficiently acknowledged by some of the top US bank holding firms. The nation's largest banks currently have to meet the strictest capital and liquidity standards. These regulatory requirements or some versions thereof are very likely coming for regional and mid-sized banks, who were exempt after Congress passed the Economic Growth, Regulatory Relief, and Consumer Protection Act In 2018.

In the wake of the collapse, the regulatory bodies are scrutinizing how the collapse of SVB could have been prevented, this will likely increase more timely regulatory reporting requirements.

What lessons can we learn

The failure of SVB shows us that the financial system is far more vulnerable than the general people had been led to think, even though it is doubtful that it will cause a crisis. The most likely result of its failure is that regulators will scrutinise banks more closely, raising lending costs and hurting the economy.

The role of financial intelligence:

SVB ultimately proves how challenging it is to maintain financial stability without risk management mechanisms in place. The financial authorities can never completely eliminate risk, as they go about their regular business to generate returns, but risk management and timely regulatory reportings will need to be made a priority. And this is where the importance of data management and financial intelligence comes into play.

Organizational silos result in fragmented processes and a robust financial intelligence and governance strategy ensures collaboration. Thus, for effective data management, multiple stakeholders must work together in a centralised manner. Only a culture of open communication, cross-functional cooperation, and tight integration of business and IT processes can enable this. The most important requirement is that the data and technology plan for banks be thoroughly included into the larger business strategy, with active sponsorship and a specific directive from the executive leadership.

This brings us to the next theme – the changing function of the CFO. The role of modern-day CFO is changing due to economic uncertainties, pressure to maximise performance, competition for financial resources, and



the organization's long-term vision and strategy.

Finance 360 by Informatica provide CFOs and business users with reliable information to meet these data management requirements. It enables:

- 1. **Accurate reporting:** By employing AI to reconcile finance metada data, businesses get access to improved lineage, decision-making and compliance.
- 2. **Empowering the finance users:** Through self-service data management with accurate planning and forecasting.
- 3. Transformation of business: Manage financial crosswalks and hierarchies to cut costs and reduce risk.

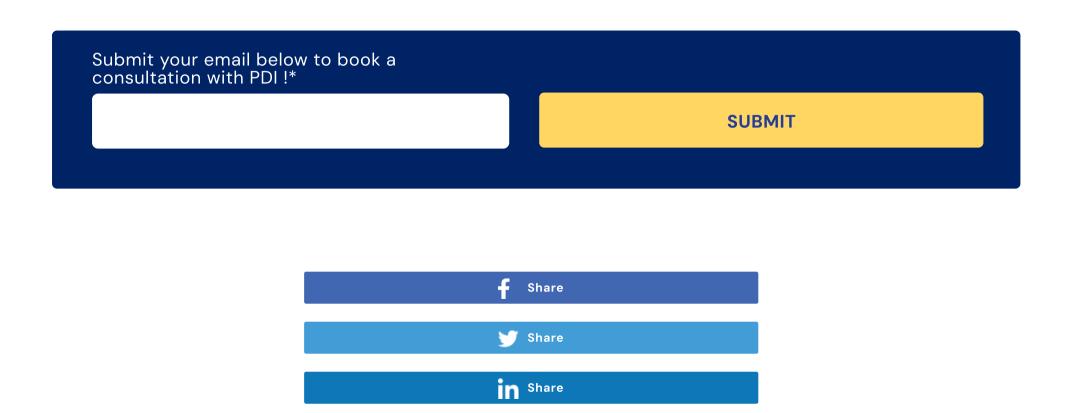
Informatica's MDM-Finance 360 applications help create, master, and share common finance data including core reference data like billing codes, taxonomies, geocodes, and product classifications, as well as key financial and reporting systems like charts of accounts, cost centres, account codes, business units, projects, and legal entities. With the use of a self-service module, business users can create new sets of financial data, conditional logic, and validation rules in a self-service setting with little to no IT participation.

Finance 360 is a fully cloud-enabled 360 solution that is simple to set up, engineered to enable business user self-service, and offers comprehensive life cycle management with full audit and traceability for finance data. The solution provides option to start quickly and enables easier installation and configuration to address your unique finance data management requirements.



Posted by PDI Marketing Team

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