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AT A GLANCE

CHALLENGES

- Lack of Credible & Quality Data
- Technology Changing Continually
- AI Adoption
- Lack of Talent & Understanding
- Shifting of Customer Expectations

BENEFITS

- Operational Efficiencies
- Regulation & Compliance
- Effective Decision Making
- Simplify Transparency and Create Clarity
- Reduction in Human Error
- Effective Risk Control

CASE STUDY



Queensland Country Bank (Queensland Country) approached Neo-Analytics to help develop a solution to the new Australian Accounting Standards Board (AASB) 9 modeling.

In 2019 requirements around a new standard from the AASB came into full effect on bad and doubtful debt. Work completed by Queensland Country met the initial requirements by external auditors however, PwC noted a requirement to build and enhance the model into the future as they had a stipulation from a recent compliance audit, to improve and mature their APRA reporting around credit recognition and measurement. New regulatory standards imposed new impairment monitoring responsibilities focused on predicting expected credit losses.

The complexity of the new standard necessitated a new approach that recognised impairment losses before observable evidence existed. Queensland Country needed to be proactive and aware before the fact, rather than reactive after the fact.

APPROACH

Neo-Analytics saw this customer problem as a classic use-case for Machine Learning. We set out to identify the best fit processes and technology to support the capture, ingestion and processing of data to meet the objectives for financial reporting of assets and liabilities. We used an iterative data science methodology to deliver a predictive analytics solution. We automated the ingestion, validation and modelling of data using cloud-based AI analytic tooling.

The resulting predictive models generated accuracy scores of over 0.9941 % all the while automating the time consuming, iterative tasks related to data preparation and validation. The process also included seamless integration with operational monitoring and data governance services sustaining model quality and accuracy.

SOLUTION

The primary benefit of the automated AI solution is that the customer can now demonstrate to its auditors and regulators that its facility monitoring processes meet the various thresholds related to ARPA's credit compliance mandates along with requirements set out in AASB 9.

The solution has significantly reduced the amount of manual data handling required to engineer the configuration and reporting of credit risk. Additionally, the outputs are significantly more accurate as human error has been eliminated and auditing is now captured across the breadth of the process.

The process has been enhanced beyond the capabilities of the manual process being undertaken by Queensland Country prior and ensures that there is a long-term solution in place. The customer now has more confidence in its data and intends to use the solution as the first step towards enabling a transformative AI platform.



CLIENT TESTIMONIAL

“ The solution provided by Neo-Analytics has enabled us to firstly solve a business problem that we currently do not have the capability to solve in this fashion. It has laid the foundation for future work around data and AI for the business while ensuring that we meet our compliance obligations associated with this standard. The team at Neo-Analytics, led by Rick Rofe have been a pleasure to partner with and we look forward to working with the team well into the future.”

- QUEENSLAND COUNTRY BANK

GAIN KNOWLEDGE REMAIN COMPETITIVE

Banks are under pressure to react to shifting market expectations, with legacy data management systems struggling to address emerging digital business needs.

Regulation commitments are changing all the time, increasing pressure to improve the cost-income ratio. AI and Machine Learning provides the foundations to build true agility and pursue IT modernisation.

But there are numerous challenges to face and multiple decisions to make.

We can help you navigate the data management challenges of modernisation and provide business decision support with experienced data science knowhow, understanding, insight and innovation.