<u>Annex – Details of the problem statements</u>

Ref	Themes	Problem statements
1	Governance, Risk and Compliance (GRC) – Maintaining an inventory of all internal and external compliance obligations	 How might we use technology to optimise regulatory compliance specifically related to: Automating and streamlining the process of finding and assessing new regulations to be reviewed; Making available an up-to-date list, accessible by all, of the relevant bank-wide regulatory obligations indicating responsibility and how those responsibilities will be met; and Deliver assurance on and monitoring of the abovementioned controls.
		This will ensure institutions comply in full, while saving time and costs.
2	Conduct & customer protection – Product Due Diligence & Risk Rating	 How might we use technology to support financial product developers as well as risk and compliance teams with their product due diligence and product risk rating assessments, specifically: Data collection given product data can take many forms and the process of collection is not standardised; Interpretation of requirements especially for complex products and from both the customer and the organisation (reputational) points of view; Consistent Product Risk Rating modelling, ensuring standard application of relevant requirements across different products; Maintenance of supporting platform and compliance process including ongoing product due diligence and risk rating assessments; and Making real time product info e.g. risk ratings available to Relationship Managers and other frontline staff to ensure compliant selling process. Ultimately the solution(s) will save product, risk and compliance teams time, and ensure compliance while protecting customers from being offered unsuitable products/ not receiving the relevant full disclosures.

3	Conduct & customer protection - Customer data privacy	With many data breaches occurring due to internal issues rather than external factors and with the significant increase in employees working remotely during the pandemic, how might we use technology-based solutions to help banks protect customer data and privacy especially in addressing increasing concerns around cyber risks and related regulatory compliance.
		This problem statement is not concerned with monitoring for employee productivity purposes but rather, focused on employee security, risk and compliance aspects.
		Some specific solution features could include:
		Analyse anomalies around data access and usage;
		• Alert potential security breaches;
		• Detect leaks and prevent data loss/ notify relevant parties where appropriate; and
		Remote data deletion/ recovery.
4	Risk Management – Stress Testing	Stress testing in banks is strategically important and it is a requirement from regulators to model specific scenarios and report on the outcomes. A broad variety of risks are modelled at different frequencies including for example large exposures, market, liquidity, credit, reputational and strategic risk.
		How might we, through a technology solution, support the delivery of the stress testing requirements by the different risk, compliance and business unit teams and reduce the resources required by for example:
		• Integrating and consolidating different requirements for coordinated stress testing result delivery;
		• Standardise outputs in a consistent manner and bring efficiencies to the stress testing processes; and
		• Consolidate data requirements for different stress tests and ringfence the datasets required to be managed and updated centrally for easy access when running the models.