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Helen Tunstall has a degree in economics and more than 20 years' experience in senior relationship management and credit analyst roles with corporate banks, working with clients from Europe and Australia.

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Meeting the regulatory challenge

Lenders must take steps to improve their technological capabilities, to meet regulations and gain a competitive edge.



The challenge

Regulators are seeking to build more efficiency and resilience into the banking system. Lenders must keep up with a rapidly changing environment while also working within the limits of existing regulation.

The need for increased capital requirements has imposed significant costs since the financial crisis in 2008, and this requirement is driving banks to transform operations to improve efficiency. However, operational pressures are compounded by the arduous onboarding and know your customer (KYC) processes for commercial lending, as well as legacy systems.

Documentation and reporting bring yet more challenges. Banks have vast amounts of data, which can be hard to process, and data often needs to be reformatted for reporting purposes, which requires hours of work.



The opportunity

Helen Tunstall, Associate Director at Moody's Analytics, stresses how fragmented and jumbled information can be if it comes from many systems. Banks could make great gains by streamlining the process: "If a bank can automate the latest information on its customers, you can imagine the time saving in the lending decision process."

Although lending decisions will always be human decisions, automation can greatly improve how quickly and effectively they are made. "Automation provides as much information as possible and helps the decision-maker," says Tunstall. Labor-intensive and time-consuming tasks like financial spreading are good candidates for automation, helping free up resources for the more important and sophisticated decisions. An automated process also leaves less room for human error.

As institutions automate basic tasks, they are preparing the ground for advanced analytical solutions. Micro and SME lenders are prioritizing processes that allow



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Automation provides as much information as possible

instant segmentation of applicants into qualifiers and non-qualifiers. Institutions with smaller deal volume and greater deal complexity can automate more of the workflow. Automated processes can also help with monitoring and record-keeping, which are important for banks to meet regulatory requirements.

The solution

No lender can afford to fall foul of regulatory requirements. When underpinned by good data, automation can take over routine tasks required for onboarding and documentation, helping you to focus on higher-value work.

Get in touch to learn more about how our intelligent lending portfolio tool can help you.

[www.moodysanalytics.com/
microsites/the-creditlens-
solution](http://www.moodysanalytics.com/microsites/the-creditlens-solution)

CreditLens is a transformative credit lifecycle management solution that digitizes and automates every step of the credit process.

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