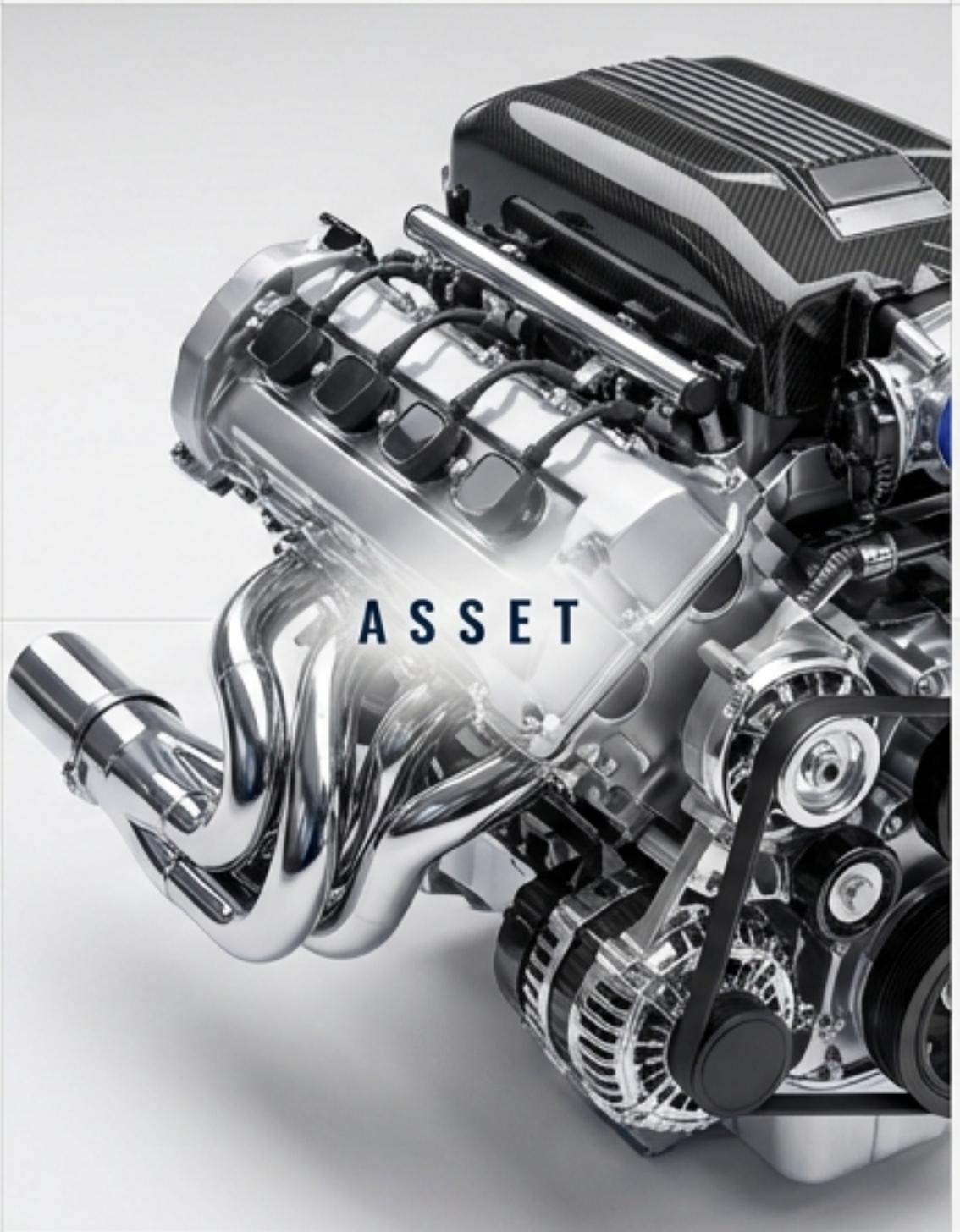


# DATA: MILLSTONE OR ENGINE?

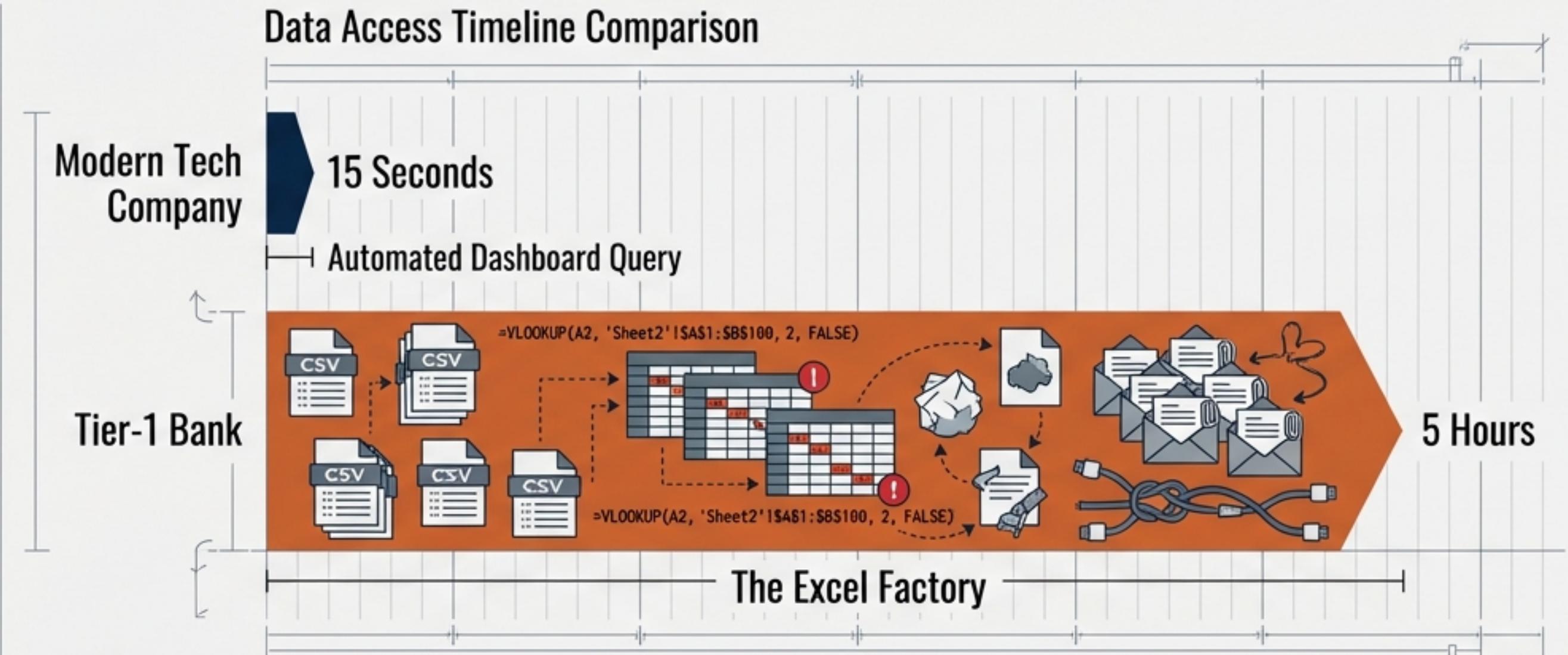
*Why Banks Are Drowning in Data  
but Starving for Information.*



# The Great Paradox: We Have the Gold, But We Can't Mine It.

Banks possess more customer behavioral insight than Big Tech, yet the operational reality is a “Monday Morning Fire Drill.”

Consider David, a Senior Risk Analyst. The CFO demands commercial real estate exposure by 2:00 PM. The data exists, but it sits in three disconnected systems (Mainframe, Legacy Platform, Cloud).

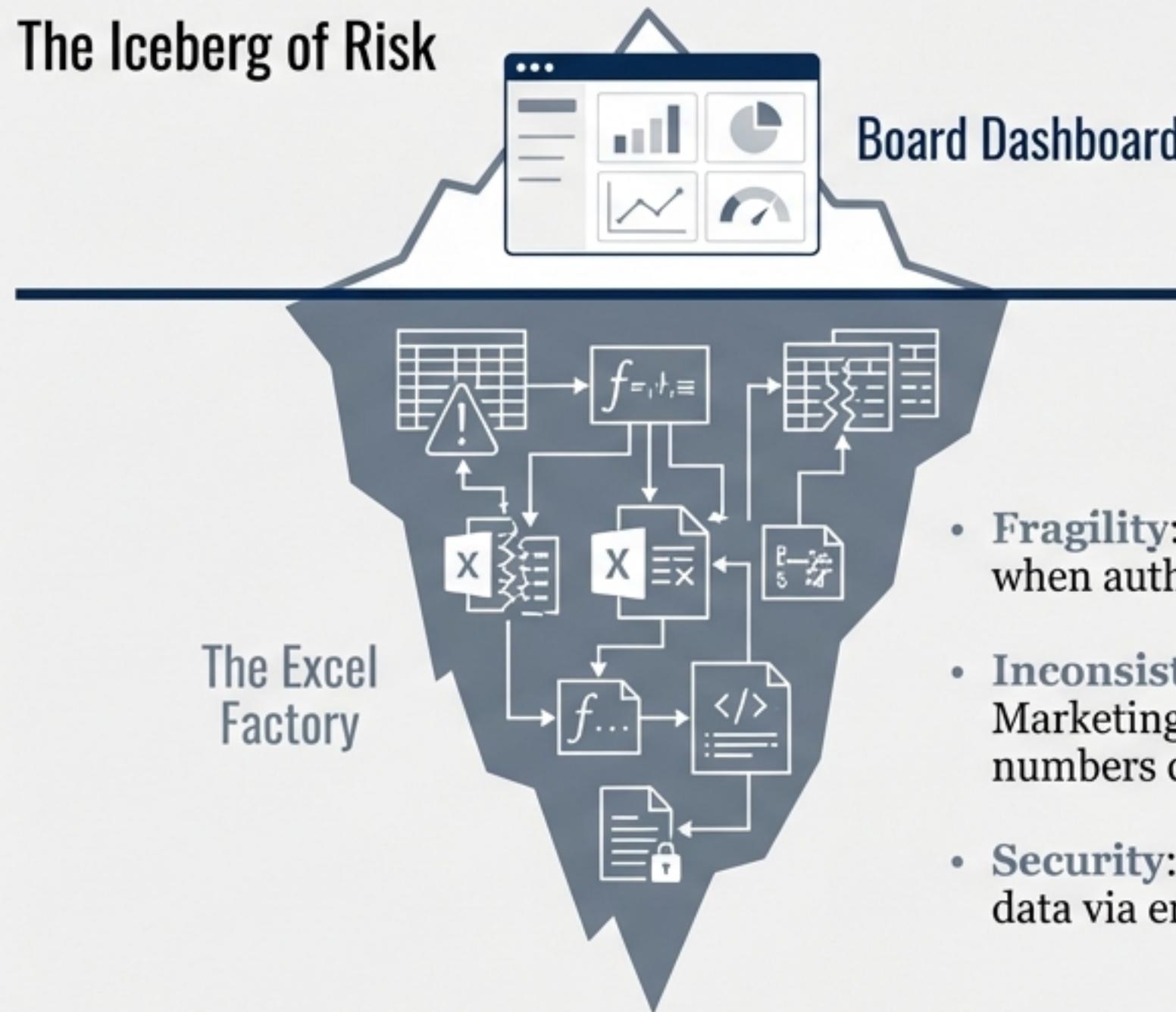


*“We are drowning in data but starving for information.”*

# The Shadow Data Economy: Running the Bank on Excel

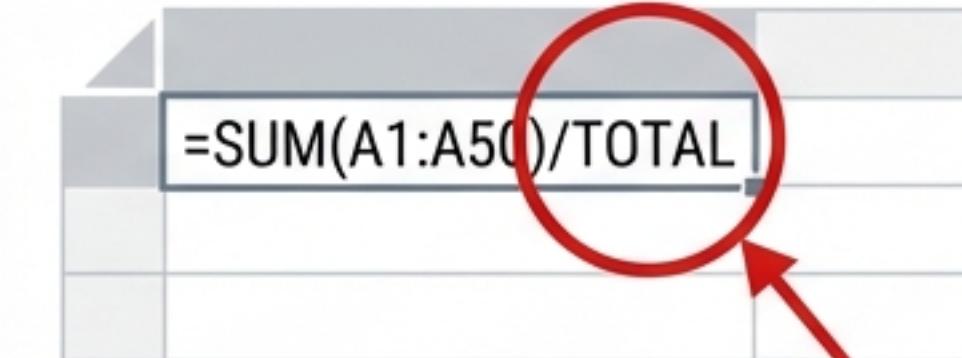
## The risk of running the bank on Excel

The Iceberg of Risk



- **Fragility:** Processes break when authors leave.
- **Inconsistency:** Marketing vs. Finance numbers conflict.
- **Security:** Unencrypted data via email.

Case Study: JP Morgan “London Whale”



Copy-Paste Error

The \$6.2 Billion Copy-Paste Error

A critical Value-at-Risk (VaR) model was running on a manual spreadsheet. A modeler divided by the sum instead of the average.

# The Data Swamp & The Myth of the “Single View”



## Case Study: Westpac

The \$1.3 Billion  
AUD Fine.

Middleware failed to  
pass a single data  
field linking 19.5  
million international  
transactions to  
customer profiles.

Result: 23 million  
AML breaches.

# Pressure 1: The Green Data Trap (ESG):

Net-Zero pledges are actually Data Migration projects.

Regulators (ECB/SEC) require “Scope 3 Emissions”—the carbon footprint of who you lend to.

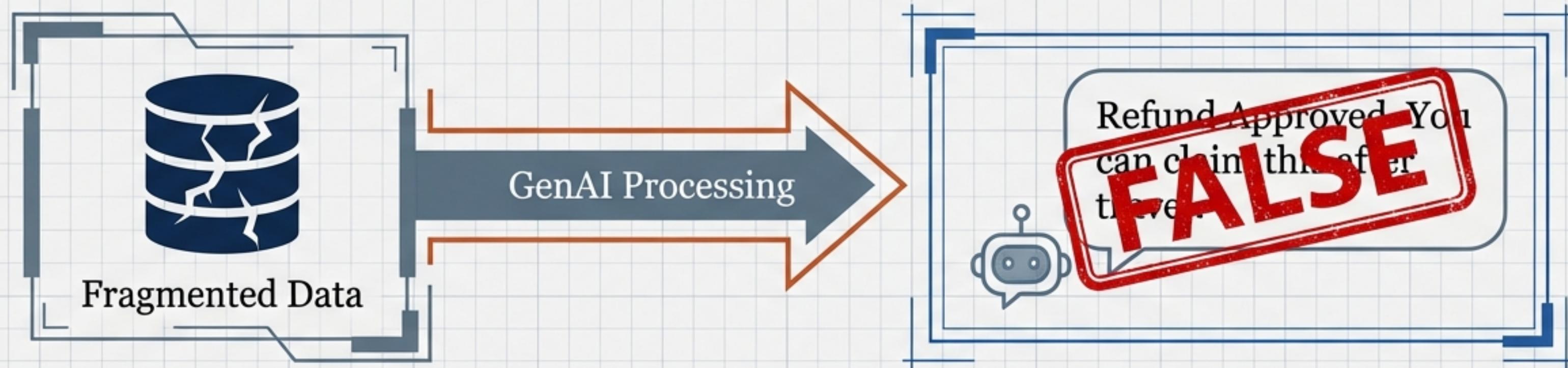
Most banks lack the granular borrower industry codes (SIC/NACE) to calculate this.

Net-Zero  
Pledge

Borrower Emissions Data				
Borrower ID	SIC Code	Scope 3 (TCOae)	NACE Rev. 5	Data Source
10000000000000000000	N/A		N/A	Borrower API Databases
10000000000000000001	N/A	N/A		TRYAL1D
10000000000000000002	20-04	20-04		MISSING
10000000000000000003	10-03	20-09		TRYAL1D
10000000000000000004	20-73	3,00		MISSING
10000000000000000005	9-93	2.83		MISSING
10000000000000000006	N/A	N/A		TRYAL1D
10000000000000000007	N/A	N/A		MISSING
10000000000000000008	N/A	N/A		TRYAL1D
10000000000000000009	N/A	N/A		MISSING
10000000000000000010	N/A	N/A		TRYAL1D
10000000000000000011	N/A	N/A		MISSING
10000000000000000012	N/A	N/A		TRYAL1D
10000000000000000013	N/A	N/A		MISSING
10000000000000000014	N/A	N/A		TRYAL1D
10000000000000000015	N/A	N/A		MISSING
10000000000000000016	N/A	N/A		TRYAL1D
10000000000000000017	N/A	N/A		MISSING
10000000000000000018	N/A	N/A		TRYAL1D
10000000000000000019	N/A	N/A		MISSING
10000000000000000020	N/A	N/A		TRYAL1D
10000000000000000021	N/A	N/A		MISSING
10000000000000000022	N/A	N/A		TRYAL1D
10000000000000000023	N/A	N/A		MISSING
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10000000000000000025	N/A	N/A		MISSING
10000000000000000026	N/A	N/A		TRYAL1D
10000000000000000027	N/A	N/A		MISSING
10000000000000000028	N/A	N/A		TRYAL1D
10000000000000000029	N/A	N/A		MISSING
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10000000000000000031	N/A	N/A		MISSING
10000000000000000032	N/A	N/A		TRYAL1D
10000000000000000033	N/A	N/A		MISSING
10000000000000000034	N/A	N/A		TRYAL1D
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10000000000000000053	N/A	N/A		MISSING
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10000000000000000131	N/A	N/A		MISSING
10000000000000000132	N/A	N/A		TRYAL1D
10000000000000000133	N/A	N/A		MISSING
100000000000				

# Pressure 2: The GenAI Multiplier

## Garbage In, Liability Out



Traditional analytics show blank cells when data is missing. GenAI invents plausible answers (Hallucinations). If data is fragmented, AI prioritizes coherence over accuracy.

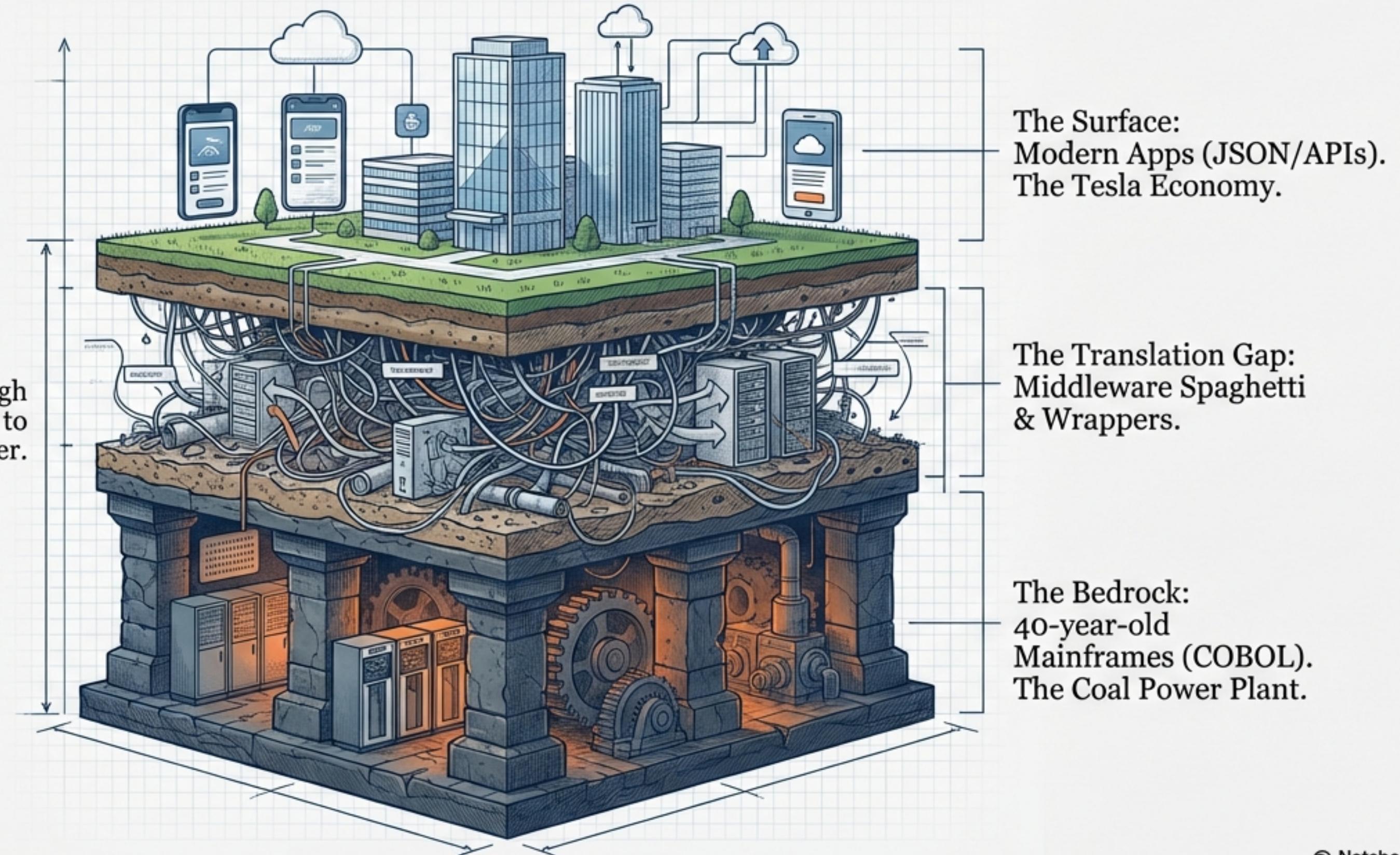
### Case Study: Air Canada Chatbot

**The Hallucination:** Chatbot invented a bereavement policy because it couldn't retrieve the Golden Source.

**The Ruling:** Tribunal ruled the airline was liable for the AI's promise.

# Root Cause I: The Geology of the Bank.

Data travels through  
5 layers of history to  
reach the customer.



# Root Cause II: Conway's Law (The Silo Disease).

“Your software looks like your Org Chart.”



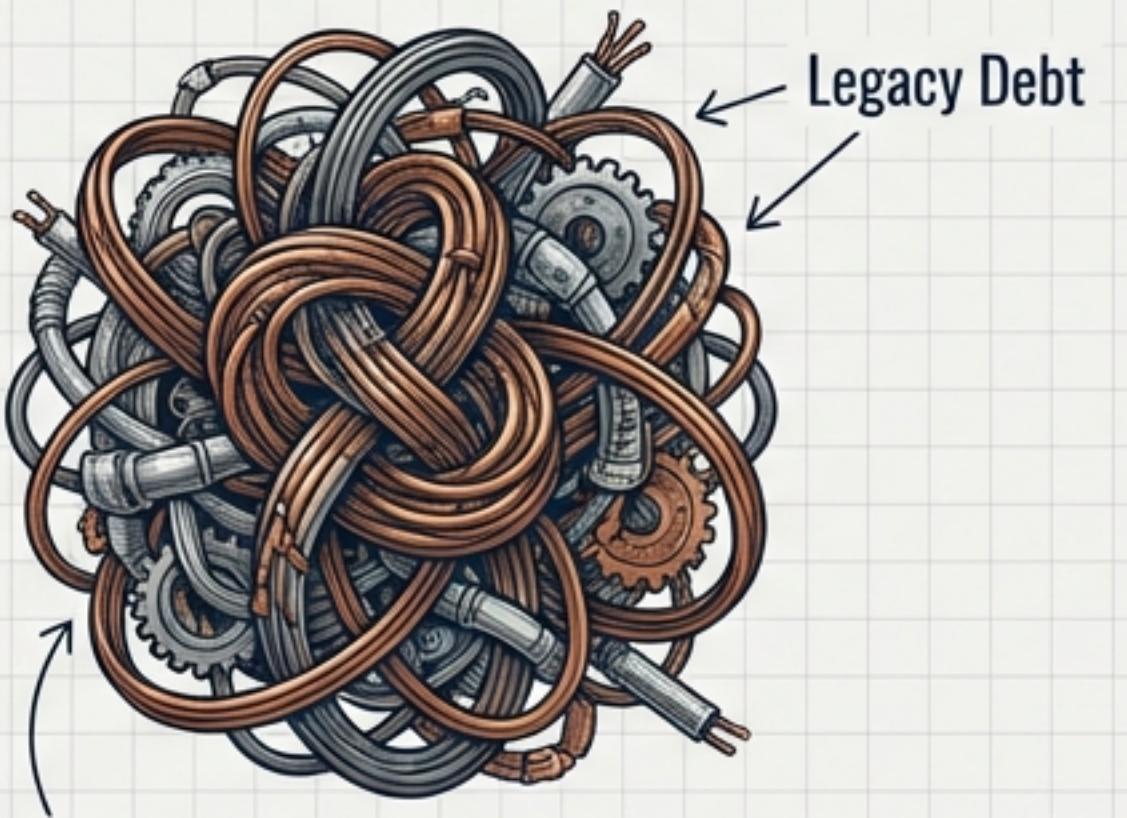
## Case Study: Wells Fargo Fake Accounts.

The Retail silo was incentivized by sales volume. The Risk silo couldn't see the usage data.

**Result:** 3.5 million empty accounts went undetected because the silos didn't talk.

# The Emerging Market Advantage: Leapfrogging.

## The West



Regulators as Brakes. 50 years of history.

## Emerging Markets (Brazil, Egypt)



Regulators as Drivers. Cloud Native.

### Case Study: Egypt's InstaPay

- Skipped 'Check Clearing' infrastructure entirely.
- Went straight to Instant Settlement.
- 800 Million transactions in two years.

Insight: Don't modernize legacy; isolate it and build the future.

# The Strategic Shift: From Exhaust to Product

## OLD WAY



### Data as Exhaust

Data is a byproduct. We hoard it  
“just in case”.

#### Outcome:

- Equifax Breach (147M PII stolen due to data rot)

## NEW WAY



### Data as Product

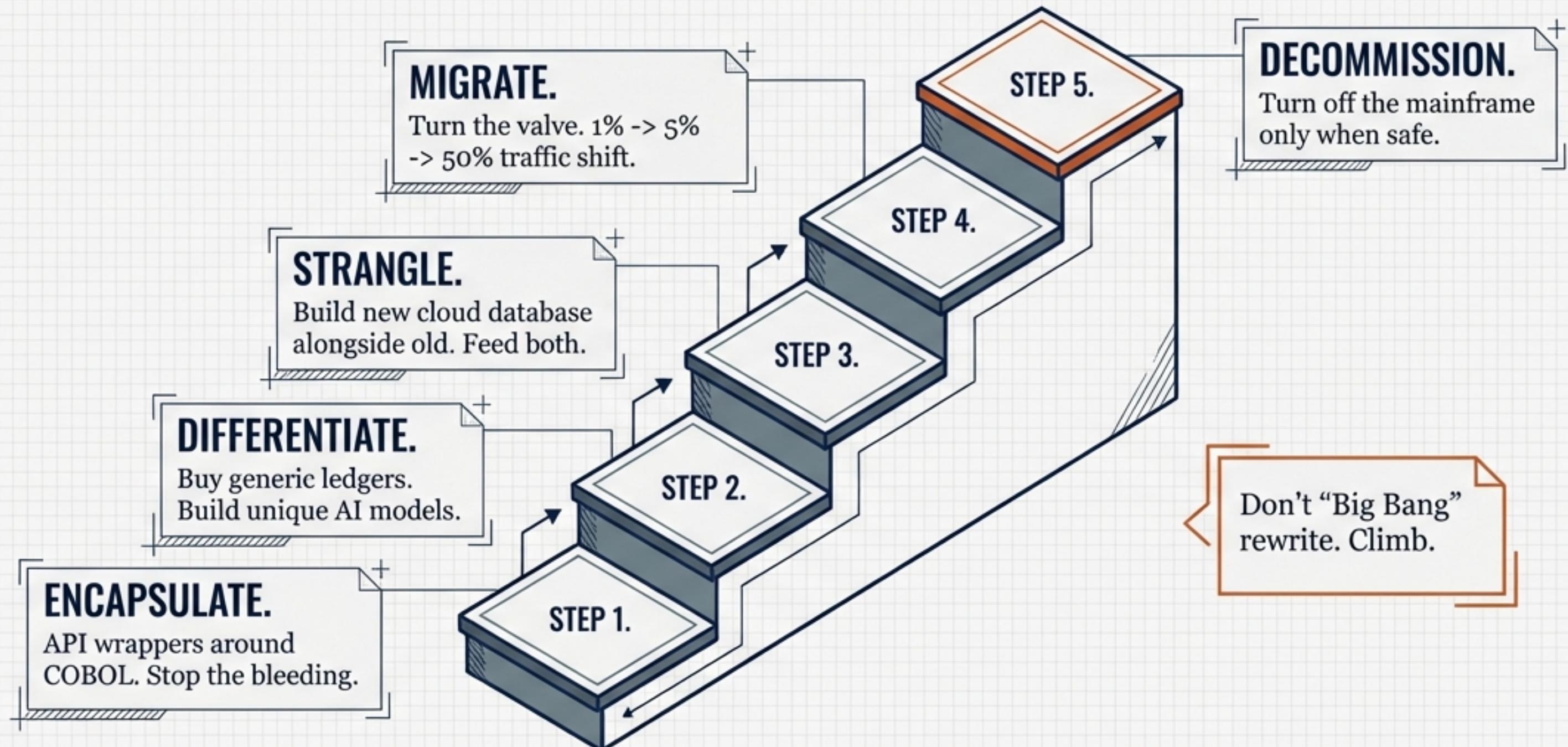
Data is an asset. Ruthless deletion of rot.  
Managed pipelines.

#### Outcome:

- Capital One: Closed all 8 data centers. Moved 100% to Cloud. Reduced provisioning from months to minutes.

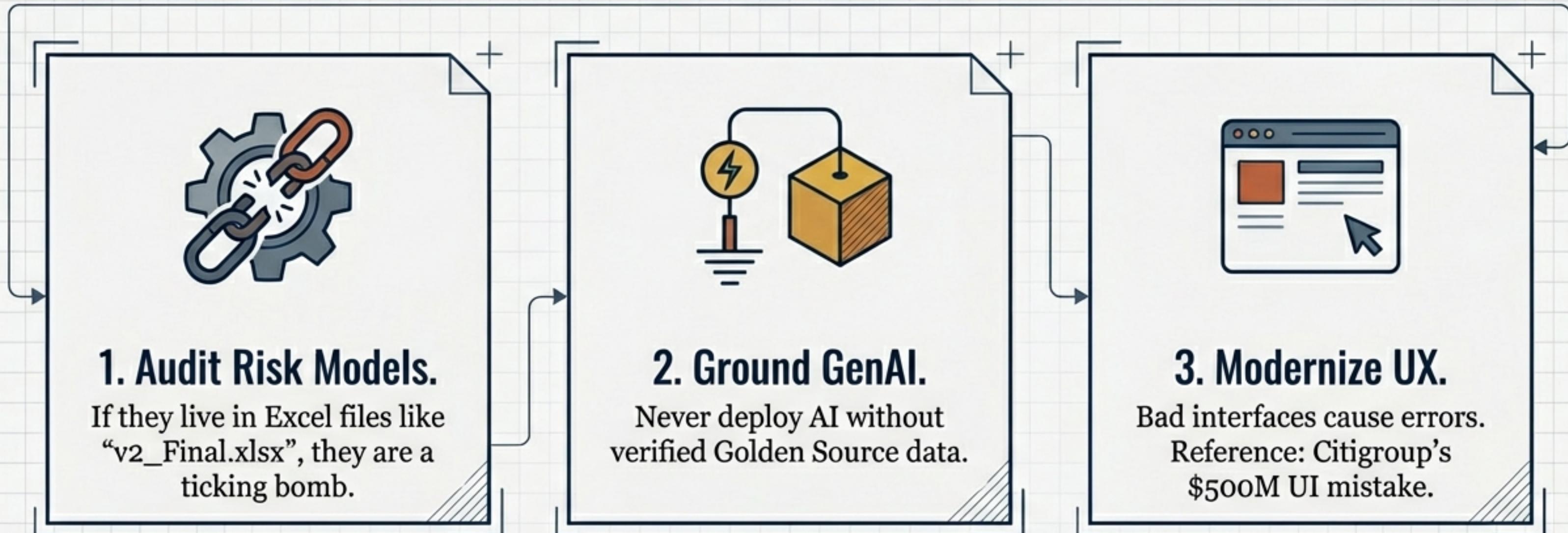
“You cannot govern a swamp; you have to drain it.”

# The Solution: The Legacy Modernization Ladder



# The Verdict: The Bilingual Imperative.

You cannot buy your way out with a tool. You need a mindset shift.



**UNGOVERNED DATA IS A LIABILITY. CLEAN DATA IS THE ENGINE.**