



ANNA – Meeting Today's Global Data Challenges

XV Conference of the AECSD – Tashkent, Uzbekistan

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ANNA numbers the world!

Association of National Numbering Agencies

Agenda

Who is ANNA?

- How is the ISO Financial standards world organized?
- The ANNA organisation
- What do the NNAs do?

Global Financial Crisis – Importance of Data Quality

- Increased Regulatory Reporting – Why?
- Financial Crisis – 10 years ago
- Quality data is key!
- The importance of data standards
- Benefits ISO standards bring to the market

Q&A

Agenda

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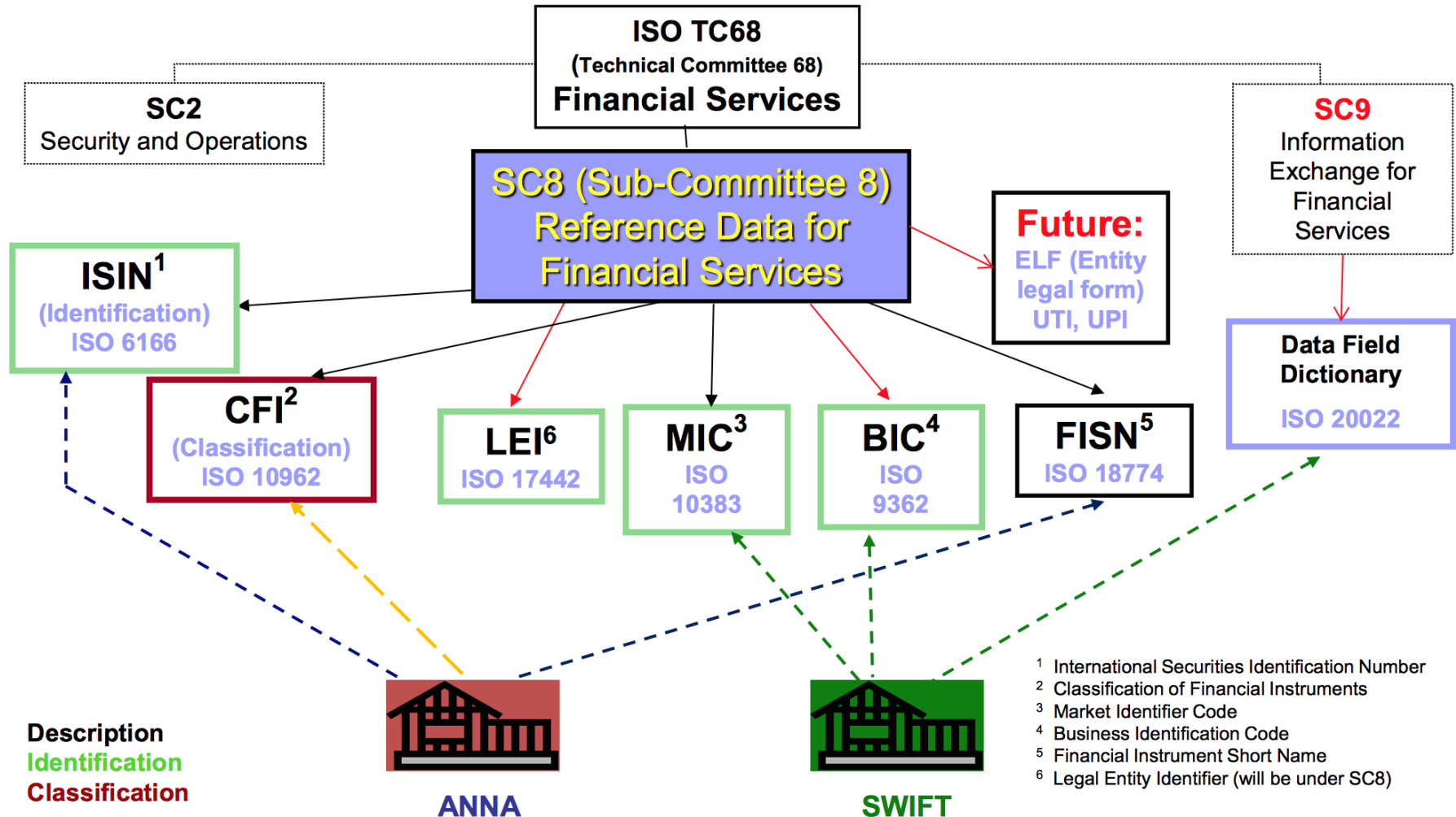
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Global Financial Crisis – Importance of Data Quality

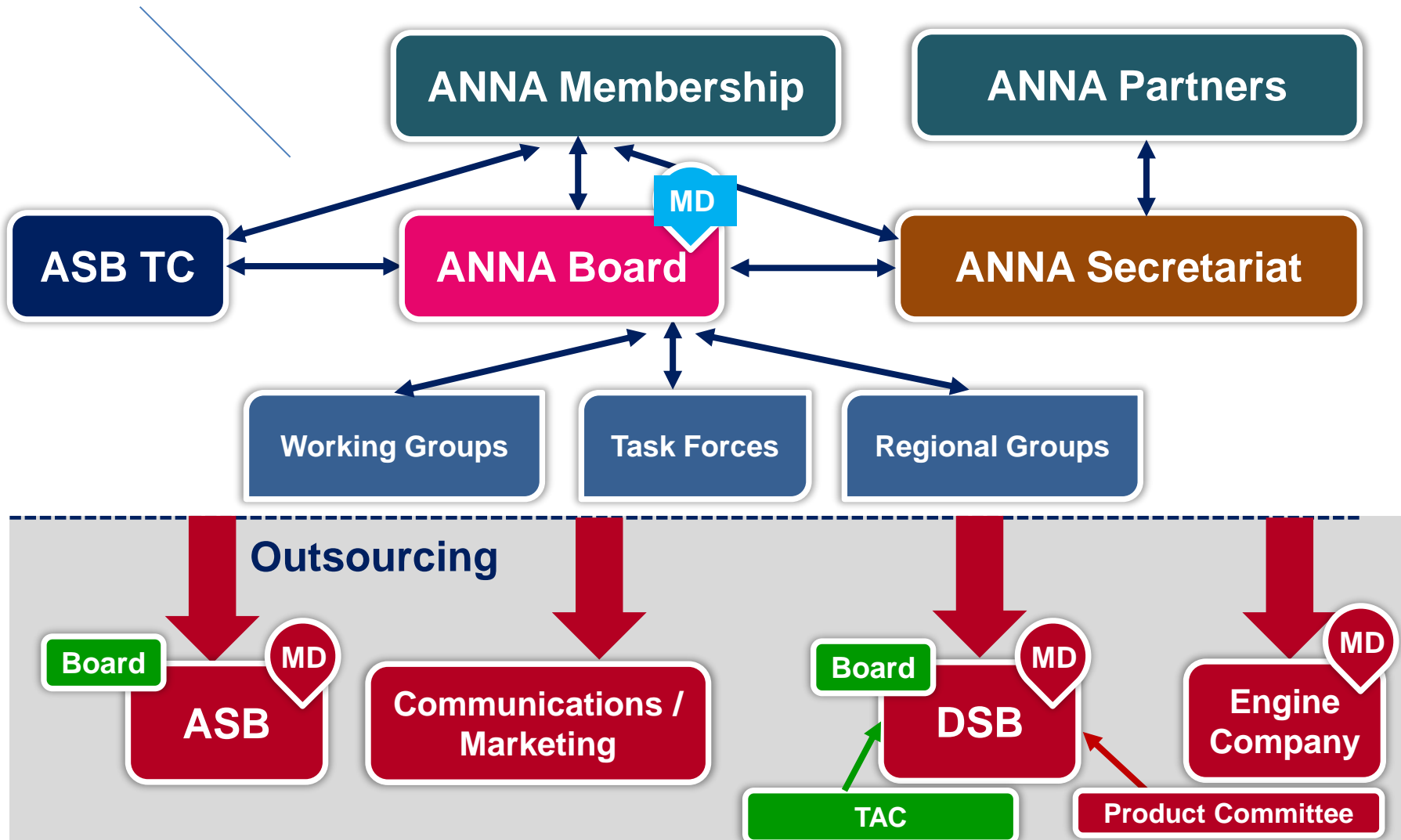
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How is the Financial Standards world Organised?



The ANNA Organisation



What National Numbering Agencies (NNAs) Do:

- **Collect registration data** including issuer information, type of instrument, its terms and countries where it will be traded;
- **Assign** an **ISIN**, **FISN** and a **CFI** to the instrument;
 - **Provide** ISINs, FISNs and CFIs to users on request.
- Gather additional financial identifiers from other sources to **enrich** the **identification of the instrument**;
- **Contribute** identifiers, data and updates to the **global database** maintained by ANNA;
- **Validate** registration data and maintain its accuracy **over time**;
- **Serve** as **Substitute** Numbering Agencies, assigning ISINs, FISNs and CFIs for nations that do not yet have National Numbering Agencies;
- Vetting new ISIN submissions from a **compliance** and **KYC/AML** perspective.

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Increased Regulatory reporting – Why?



DATA

Market Efficiency

QUALITY

Understanding the aggregate health and wellness of the financial industry



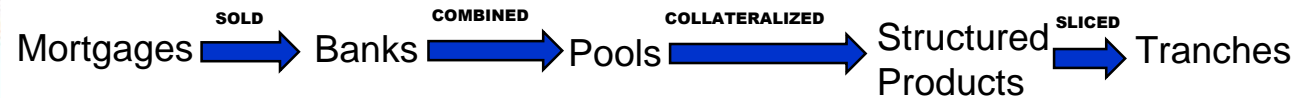
Financial Crisis – 10 years ago (1/2)

■ What happened????

Mortgage Crisis



Collateralization Process



There Were Data Issues Along the Supply Chain

- Bits and pieces of descriptive data are not carried through each step of the process
- Linkages to the underlying loans become broken or obscured
- No standard way to identify and define the structure of the collateralized mortgage instrument

What did we learn???

Lack of Transparency

Data supply chain delivering critical information about the underlying loans became so abstracted from the financial product, it became increasingly difficult, if not impossible, to truly assess the true value (and risk)

Lack of Standards

No standard way to identify and define the structure of the compound instruments across the industry

Learned:

You can't measure what you can't define, therefore, you can't manage what you can't measure

Financial Crisis – 10 years ago (2/2)



September 15, 2008

What is our exposure to the Lehman collapse?

Unique Entity Identification and Legal Hierarchy did not exist

- Unable to uniquely identify Lehman's financial entities
- Unable to understand the complex relationships of parent to sub, entity to sub-entity
- Unable to understand the systemic impact of a collapse on other players in the economic ecosystem

What did we learn???

Lack of standard identifiers:

No standard way to uniquely identify Lehman Bros. (**no LEI**) or subsidiaries

Lack of linked data

- Unable to uniquely identify Lehman's financial entities
- Unable to understand the complex organizational entity relationships
- Unable to determine cross-organizational exposures and dependencies

Learned:

We didn't have the **information tools** needed to predict, or respond to a systemic event

The importance of data quality!

What IS the Data Issue???

And the impact on regulation



Data Access
Can't find it



Data Interoperability
Can't link it



Data Collaboration

Doesn't coordinate across the data ecosystem



Trust & Confidence

We don't trust the data



Benefits ISO Standards bring to the market?

- **Dramatically REDUCE the regulatory reporting burden on the private sector** (less report generation; eliminate old and/or duplicate reports; improved transparency of content; reduced 'round tripping')
- **Significantly INCREASE the analytic capability of the regulatory community** (enabling virtually unlimited, customizable scenario analysis of granular data)
- **REDUCE operating costs across the supply chain** (minimize custom programming; encourage utility solutions)
- **MINIMIZE Barrier to Entry of new data sets** (new data sets could be easily added)



Comments? Questions?

Thank You

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