

Digital leap in securitisation – are you ready?

By Perpetual Corporate Trust

27 May 2021



Improving user experience

We use Microsoft Clarity to understand how you use our website to improve your experience. See our [Privacy Policy](#) for details

Trust-hosted session at the Australian Securitisation Virtual Forum. Here are the key themes outlined in the Australian Securitisation Journal (issue 19) - [‘Get ready for the big digital leap’](#)

A new way of thinking

Transition to a digital operating platform is not guaranteed by just buying technology. A successful digital journey requires the change in mindset, it requires a change in culture across management, technology and operations. A new approach to partnering with experts you trust, product development and implementation is needed to succeed in your organisation’s digital transformation.

“In essence, as an organisation we are transitioning from a more traditional, analogue-style business to one with embedded technology in all the key functions of the business. This goes to our culture – and the way the organisation and staff are embracing it is very exciting from a funding perspective.”

Andrew Marsden, Treasurer and Head of Securitisation, RESIMAC

An integrated automation workflow

One thing automation certainly achieves is predictability in how processes are run, when they get run, for how long they run and what comes out of them. To make the end-to-end business process efficient, businesses need to plan properly and develop end-to-end processes for workflow with integrated RPA, AI and analytics.

Also, analysts and experts moving from being the experts in data to creating machine-learning algorithms that make automated actions based on their insights. The emergence of tools, governance standards and capabilities can help these subject-matter experts create machine-learning and machine-teaching algorithms, and then integrate these algorithms into the business through automation.

“Automation offers our analysts the ability to spend time thinking about what the data show us rather than crunching the data. If we can get the system to crunch the data and come up with preliminary insights, these insights can be tested in one way or another – whether it is through risk management or thinking about some type of broader opportunity set for our

Improving user experience

We use Microsoft Clarity to understand how you use our website to improve your experience. See our Privacy Policy for details

Accelerating speed-to-value through cloud

Cloud helps in speed-to-value, by taking on most of the hard work of installing things like tools and platforms and letting users focus instead on building the functionality they need on top of the platform. With any rapid adoption and acceleration of technology, especially when it comes to the perceived security of data hosted on the cloud technology, success is ultimately achieved through trust.

To trust the insights, they must be understood

With the increase in digitisation, automation, and the move from manual processes and spreadsheets with complex formulae to platforms delivered with automated reports and self-service insights, trust in the results must be earned. Transparency in data, how each report is generated and what algorithms are used is the key.

“Increasing reporting obligations have become a major factor in our transformation of data. This year in particular has shown us how important it is to be able to access our data virtually from a single source, so it is readily available without double handling. This increases the speed of execution and the efficiency of processes. For these reasons, we are making data transformation the biggest investment our business has made outside of funding.

Our digital journey has focused on three key areas: investing in systems, working on replatforming our business, and resourcing. We have invested in perpetual’s business-intelligence cloud platform to support our digital journey.

The credit- and risk-intelligence module is set up to forecast the performance of our portfolio as well as to benchmark our data against the market. This has been an invaluable tool, especially with the introduction of IFRS [international financial reporting standards] 9. The new accounting standard addresses how we need to account for mortgage losses within our business and also a new requirement in calculating the probability of default for Australian mortgages. It takes into account loan-level information as well as macroeconomic factors for the purpose of stress testing. This was a fairly complex modelling system, which perpetual was able to help us with. Its model was able to pull in

Improving user experience

We use Microsoft Clarity to understand how you use our website to improve your experience. See our Privacy Policy for details

Data driven insights

Making more timely decisions with the latest available data and analytics to respond to the massively disrupted world we live in is top of mind in every industry, but specifically the securitisation industry. Ever-increasing regulatory requirements, a growing need to accommodate new business directions and new growth initiatives and the way data is shared, are all driving a need for increasingly diverse lenses on the data that is also timely and accurate.

To achieve this, as a strategic advantage rather than manual and often siloed projects, businesses need to move away from spreadsheets to a platform-based approach facilitating integrated systems for operational reporting while at the same time allowing for the accurate data set to be used for self-service.

“The reality of securitisation has always been about data and lots of it. The goal for our business is how we go about collecting and using data for insights into our portfolios, to mitigate risk and identify opportunities for our customers. The consequence is we have created a proprietary data warehouse called ODIN, which is housed in Westpac’s digital platform. We will be using Perpetual’s Business-Intelligence service to assist with portfolio data analytics and other regulatory-related datasets. In time, the goal is that our customers will upload monthly data in a predetermined dataset similar to what the RBA [Reserve Bank of Australia] has in place now – albeit we manage about a dozen asset classes so the breadth is arguably wider.”

Craig Parker, Executive Director, Head of Structured Finance, Westpac Institutional Bank

As the digital megatrends continue to challenge us and shape our operating models, Perpetual Digital can help make this real. We can help you successfully make the leap to digital in your securitisation operations and support your business growth.

Perpetual Business Intelligence

Perpetual Business Intelligence (PBI) is a cloud-based Platform-as-a-Service (PaaS), delivering workflow, automated data management and analytics. The offering that equips Australian lending institutions and investors with the tools and insights necessary to automate key finance,

Improving user experience

We use Microsoft Clarity to understand how you use our website to improve your experience. See our Privacy Policy for details

Our new Treasury and Finance Intelligence product is now rolled out to early adopters. Contact us at pctsales@perpetual.com.au to schedule a live demonstration of new enhancements to PBI platform and to secure your spot for the onboarding.

Improving user experience

We use Microsoft Clarity to understand how you use our website to improve your experience. See our [Privacy Policy](#) for details