



yexle

Driven by Innovation,
Committed to Quality

Model Risk Management

Governance, Risk and Compliance

Introduction:

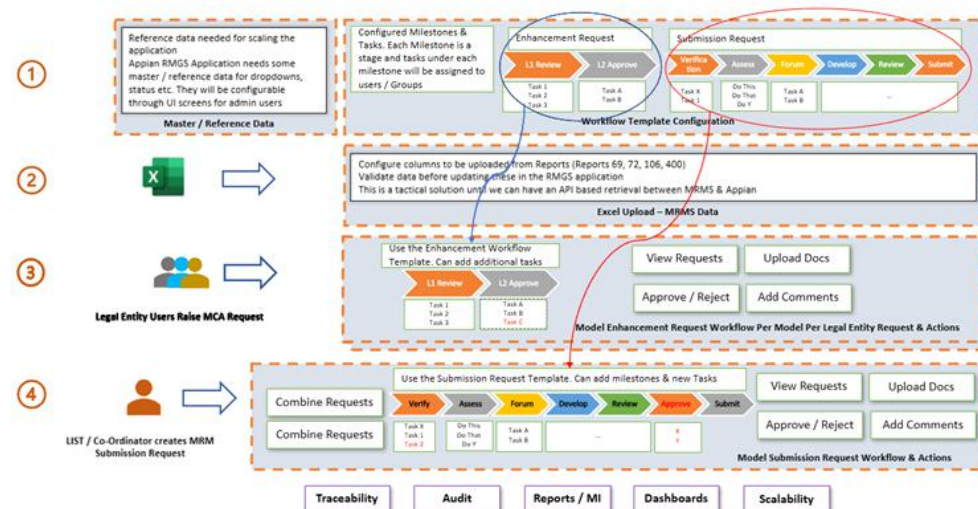
The PRA published Policy Statement (PS) 6/23 on 17 May 2023, confirming the model risk management (MRM) principles for banks. The PRA proposed five principles in CP6/22 that firms should refer to in order to establish an effective MRM framework. These principles are intended to support a range of outcomes, including the proportionate implementation within firms, allocation of responsibility to the appropriate SMF holder, reporting on MRM effectiveness to the firm's audit committee and managing risks associated with the use of AI in modelling techniques.

All of these requirements place a responsibility on the bank to be able to identify, define, assess and quantify risks relating to products and practices, but with banks becoming more decentralised and operating across multiple geographies, jurisdictions and product types, the mechanism for modelling risk is often no consistent and overly reliant on manual processing of data.

Yexle, in partnership with Appian, has built a comprehensive MRM assessment and verification solutions to tackle this problem. It is designed to enable banks of all sizes and complexities to achieve and maintain regulatory compliance. Our highly configurable, data driven, operational processes and workflows enable pro-active assessment of model risks before they impact on the bank, i.e. ICAAP credit risk modelling. They have been adopted by some of the top-tier banks and are recognized by leading consultancies across the globe.

Features

- Powerful Engine:** Yexle + Appian offer a robust and dynamic engine for MRM (Model Risk Management).
- Data-Driven Processes:** Leveraging advanced analytics and data integration for informed decision making
- Proven Track Record within FS&I Market:** Demonstrated history of success within the Financial Services and Insurance (FS&I) market, providing reliability and trustworthiness.
- Intuitive User Interface:** User-friendly interface, for easy navigation and access to critical information, fostering productivity and user satisfaction.
- Future-Ready Technology:** Equipped to adapt to future technological advancements and industry trends.



Challenges	Benefits
Ensuring regulatory compliance across all operating jurisdictions	Configurable workflows that can be localised to meet specific regulatory requirements
Adapting to a constantly evolving regulatory landscape driven by both internal and external factors, necessitating model adjustments (e.g., for fraud detection)	Provides process standardisation, resulting in consistent and accurate assessments and decision making
Addressing challenges posed by emerging technologies to how FS&I businesses interact with customers	Easily adapt to change and new areas of regulation via configuration of the powerful Appian engine
Delivering a consistent and repeatable assessment and verification process for ongoing compliance	Minimize administrative and data management burdens, allowing staff to focus on core tasks
Adapting to potential model risks, amending models and capturing the changes completed, with full auditability	Reduce the risk of regulatory breaches and non-compliances through pro-active, best-practice processes.