

# EY Model Management Platform

Providing broad model management capabilities to support innovation at scale

Your digital world. Realized.



## Financial Services clients are constantly under pressure to increase modeling agility

They struggle to:

- ▶ Address significant duplication and inconsistent standards along their model lifecycle including data
- ▶ Support non-traditional areas like customer relationship management, anti-money laundering, fraud detection or real-time analytics through artificial intelligence (AI) and machine learning (ML)
- ▶ Automate manual activities for recurring tasks, thereby risking retention of sought-after skills to counter the acute shortage of talent in financial risk modeling and digitization
- ▶ Reduce time-to-production for such models due to inefficiencies from manual tasks or sub-optimal allocation of tasks across all three lines of defence
- ▶ Comply with increased regulatory requirements and supervisory scrutiny by governments and agencies

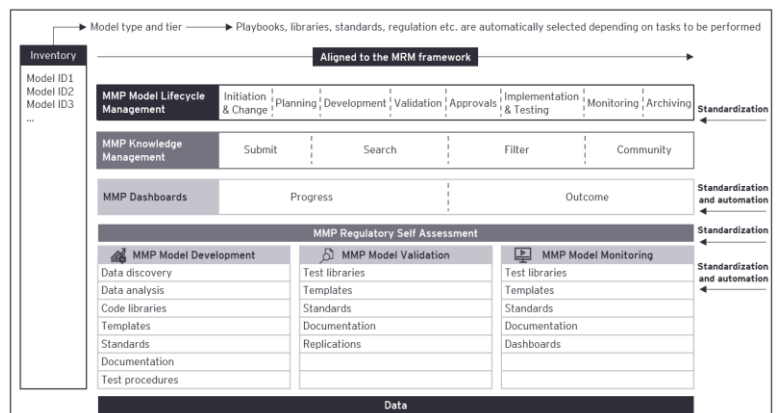
## Benefits of the EY Model Management Platform (MMP)

- ▶ **Centralized model inventory:** Supports and helps standardize internal policies across organizations to deliver right-sized model governance, model testing and model validation efforts in line with model risk
- ▶ **Improved resource utilization and job profile:** Design and distribute interactive dashboards for tracking resource utilization and outcomes at product or portfolio level, while alleviating the repetitive task burden for people with critical skills to promote digitization and automation agenda
- ▶ **Modular and fully customizable platform:** Allows for a flexible and scalable approach in using the solution based on specific needs
- ▶ **AI and ML-driven analytics:** Can be used in combination with EY SHAZAM, which when integrated, adds valuable insights into data quality through NextGen cognitive technologies, and further increases standardization and speeds up time-to-production across the model lifecycle

## Organize, evaluate and monitor your model portfolio across all model types

EY MMP is a broad model lifecycle platform that leverages EY and Microsoft's global capabilities to help our Financial Services clients in efficiently using models across their risk, accounting, compliance, decision-making and other processes. EY MMP can help to better retain critical talent by removing repetitive manual tasks, and set your organisation for improved agility and faster time-to-production of new models through streamlined, standardized processes. EY MMP uses a centralized model inventory with model risk assessment capabilities and workflow automation to standardize, improve and industrialize the Model Risk Management (MRM) process and help financial institutions stay on top of ever-changing risk policies and regulatory requirements.

## One platform for all model types EY Model Management Platform



EY MMP is a fully integrated, all-embracing model lifecycle management platform hosted on Microsoft Azure.

Component	Functionality
EY MMP Model Lifecycle Management	Manage the risk involved in using models end-to-end and improve efficiency and consistency across the model lifecycle
EY MMP/EY SHAZAM Validation and Documentation Automation	Perform data aggregation and statistical analysis, generate and collect dynamic input for model validation documentation
EY MMP Regulatory Self-Assessment	Address regulatory assessment of internal model requirements across multiple jurisdictions and model types
EY MMP Knowledge Management	Facilitate collaborative knowledge sharing and learning across cross-disciplinary teams
EY MMP/EY SHAZAM Workbench	Analyse large, complex and sensitive datasets for data analysis, model development and validation
EY MMP Dashboards	Design and distribute meaningful data visualization reports for your model portfolio

# Transforming the model management framework for a tier1 Dutch bank

In preparation for European Central Bank (ECB) supervision, the client had asked EY for help in enhancing its model governance and model risk management processes. EY teams leveraged its experience and knowledge in model governance, interpretation of regulatory and supervisory trends and market overview, alongside the EY Model Management Platform (EY MMP) to assist in the transformation of the client's model management.

## Challenges

- ▶ In view of upcoming ECB direct supervision, unfinished, partly sub-scale modeling, model validation and model risk management policies
- ▶ No clear segregation of duties as consequence of less robust frameworks and higher supervisory expectations
- ▶ Missing control environment and no workflow automation
- ▶ Lack of any centralized model repository/inventory for integrated model risk assessment and assignment of corresponding roles, tasks, and responsibilities

## Benefits

- ▶ Cloud model inventory, allowing the client to easily navigate through the full array of models anywhere, anytime
- ▶ EY MMP fully configured in accordance with the client's partly renewed and enhanced policies, automatically enforcing the policies and operationalizing new processes in practice
- ▶ Configured workbooks for client's model lifecycles condensed from an overlay of EY experience with market practice, supervisory expectations, and envisioned client future state
- ▶ Modeling dashboards showing real-time information regarding models under MMP umbrella, enabling efficient diagnostics and strategic view on model landscape development

The client was convinced about the functionality and capability of EY's solution, so much so that their much larger insurance parent company is also interested in implementing the EY MMP solution. The above project is already a success, and subsequently a pilot program is underway for a much larger engagement around the same solution. For the insurance parent, the driver to invest in EY MMP is not due to regulatory or supervisory pressures, but towards improving the overall quality of their model related talent, increasing efficiency, and streamlining efforts for a faster time-to-model cycle.

## EY and Microsoft

The digital technologies that are impacting your business today – social, mobile, analytics and cloud – are rapidly expanding to create new employee and customer experiences, fundamentally changing how your organization works, interacts and competes. The EY and Microsoft alliance combines EY deep insights and experience in disruptive industry trends, new business models and evolving processes with Microsoft scalable, enterprise cloud platform and digital technologies. EY and Microsoft can help accelerate digital transformation with advanced solutions that support enterprise strategy, transform customer and workforce experiences, create new, data-driven business models, build intelligent, automated operations and bring confidence that these innovative solutions are secure, compliant and trusted. Together, we can help accelerate digital strategy and amplify your business performance to thrive in a digital world.

For more information visit: [ey.com/microsoft](https://ey.com/microsoft)

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Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate.

Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

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