

IBM OpenPages Model Risk Governance

Demonstrate strong model governance, reporting and compliance as part of an integrated GRC solution



Highlights

- Supports model risk regulatory compliance
 - Enables you to create and maintain a comprehensive model inventory
 - Helps document and track issues and metrics associated with models
 - Provides dynamic dashboards for reporting on model inventory management
 - Assigns appropriate roles and responsibilities for model ownership
 - Demonstrates strong overall financial risk governance as part of an integrated GRC solution
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Organize and maintain an enterprise-wide model inventory to support regulatory initiatives and stronger financial risk governance

Models are foundational tools of business for modern banking, insurance and finance, and model risk is fast becoming one of the most significant challenges facing global finance. These organizations rely increasingly upon models that cover a wide range of business functions. Models include risk, business strategy analyses, predictive, valuation, pricing, stress testing and asset management to provide the risk measurement, performance and financial projections critical to success.

These strong operational and regulatory incentives establish the clear and present need for a model risk management framework to support stakeholders from the C-suite to the front office in their strategic and everyday business decision-making.

The new IBM® OpenPages® Model Risk Governance enables financial institutions to address the risk arising from the inaccuracy or misuse of models. Featuring dynamic dashboards for clear, concise reporting, this customizable platform allows firms to create and maintain a comprehensive model inventory for enhanced collaboration and regulatory compliance across multiple regions and geographies. With IBM OpenPages Model Risk Governance, organizations are able to demonstrate strong controls throughout the model lifecycle. This provides management with the reporting, tools and decision support necessary to help ensure model data quality, regulatory compliance and overall financial risk governance.



Regulatory compliance and model risk governance

Chartis Research—in its 2014 report *The Risk Enabled Enterprise: Model Risk Management*—found that 59 percent of financial institutions cite the need for compliance with evolving regulations as a major driver for investment in model risk management solutions¹

Key benefits and features

Create and maintain a comprehensive model inventory

IBM OpenPages Model Risk Governance provides a configurable platform that can be customized to help you create and maintain a comprehensive model inventory. This enables your organization to better align your catalogue or inventory of models to specific requirements that vary by regulator, allowing you to more effectively demonstrate your organization's strong financial risk governance.

Demonstrate strong overall financial risk governance as part of an integrated GRC solution

IBM OpenPages Model Risk Governance helps your organization to demonstrate strong overall financial risk governance. The solution supports organizing and centralizing the models used by banks, insurance firms and other financial institutions to measure and manage financial risk, and allows you to:

- Organize and maintain an enterprise-wide list of models.
- Document and track issues associated with models in a central location.
- Record model change management governance activities.
- Schedule, track, and manage model reviews and validations.
- Assign appropriate roles and responsibilities for model ownership and model risk management.
- Report on model inventory and model issues.

Help document and track issues and metrics associated with models

By enabling financial institutions to define the policy and procedures governing the inception, management and retirement of each model, IBM OpenPages Model Risk Governance:

- Allows management review of compliance with these policies across the organization, with results displayed in a configurable dashboard.
- Enriches reports from the inventory with related capabilities for better issue management, self-assessment of models and key metric tracking.

Provides dynamic dashboards for reporting on model risk management

IBM OpenPages Model Risk Governance features dynamic, configurable dashboards and dimensional reporting. These dashboards:

- Provide management with the visibility and control to better manage model risk.
- Give clear insight into the state of model usage and model risk across the enterprise.

Assigns appropriate roles and responsibilities for model ownership

By offering your organization the capability to identify model owners and those responsible for creating, validating and vetting the models, IBM OpenPages Model Risk Governance helps managers to proactively assign tasks to mitigate model risks.



Figure 1: IBM OpenPages Model Risk Governance dashboard

Supports model risk regulatory compliance

With increasing regulatory requirements for financial institutions to ensure strong governance over how they create, manage and use financial risk models, IBM OpenPages Model Risk Governance enables your organization to:

- Support compliance with a variety of model-focused regulations across multiple regions and jurisdictions.
- Helps reduce maintenance costs as it facilitates compliance with a variety of regulations. The solution allows the mapping of policies, metrics and models to multiple regulatory requirements to support assessments across complementary regulations.

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1 Chartis Research, *The Risk Enabled Enterprise: Model Risk Management*. June 2014. https://www14.software.ibm.com/webapp/iwm/web/signup.do?source=swg-BA_WebOrganic&S_PKG=ov25060&S_TACT=101KR1KW&dy_nform=6641&lang=en_US



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