

FS Model Platform

EUROPE | FINANCIAL SERVICES | BANKING

Creating a tailored model risk management platform for banking

Our collaboration with a leading UK bank helped achieve compliance with new regulations, boosted operational efficiency, and advanced co-creation for continuous MRM improvement.

Client issue

A tier-1 UK bank needed to streamline its model validation processes and enhance overall model risk management (MRM) to become compliant to the SS 1/23 MRM regulation (SS1/23). The bank was looking for an advanced technology solution that could help them with their challenge and would enable the integration of all aspects of MRM into a unified platform.

Deloitte was tasked to deliver an MRM platform that aligned with the bank's requirements. To achieve this, we proposed a co-development programme to customise Deloitte's proprietary *FS Model Platform*, ensuring the platform met the bank's specific needs while also facilitating compliance with SS1/23.

By leveraging Deloitte's technology, we aimed not only to operationalise model risk management processes but also to enhance MRM frameworks. Ultimately, this supports businesses, such as our clients, in making informed and timely decisions as well as remaining at the forefront of industry best practices and technological advancements.

Our *latest research* indicates that **28%** of banks across EMEA still solely use Microsoft Excel for MRM and **56%** of banks seek to improve their model inventory, highlighting the necessity for advanced solutions to stay competitive as well as compliant in rapidly evolving regulatory environments.

Introducing a tailor-made solution

Leveraging our “Imagine, Deliver, Run” approach, we configured FS Model Platform through collaborative sessions with the bank, ensuring the platform would meet specific business needs.

1. Imagine

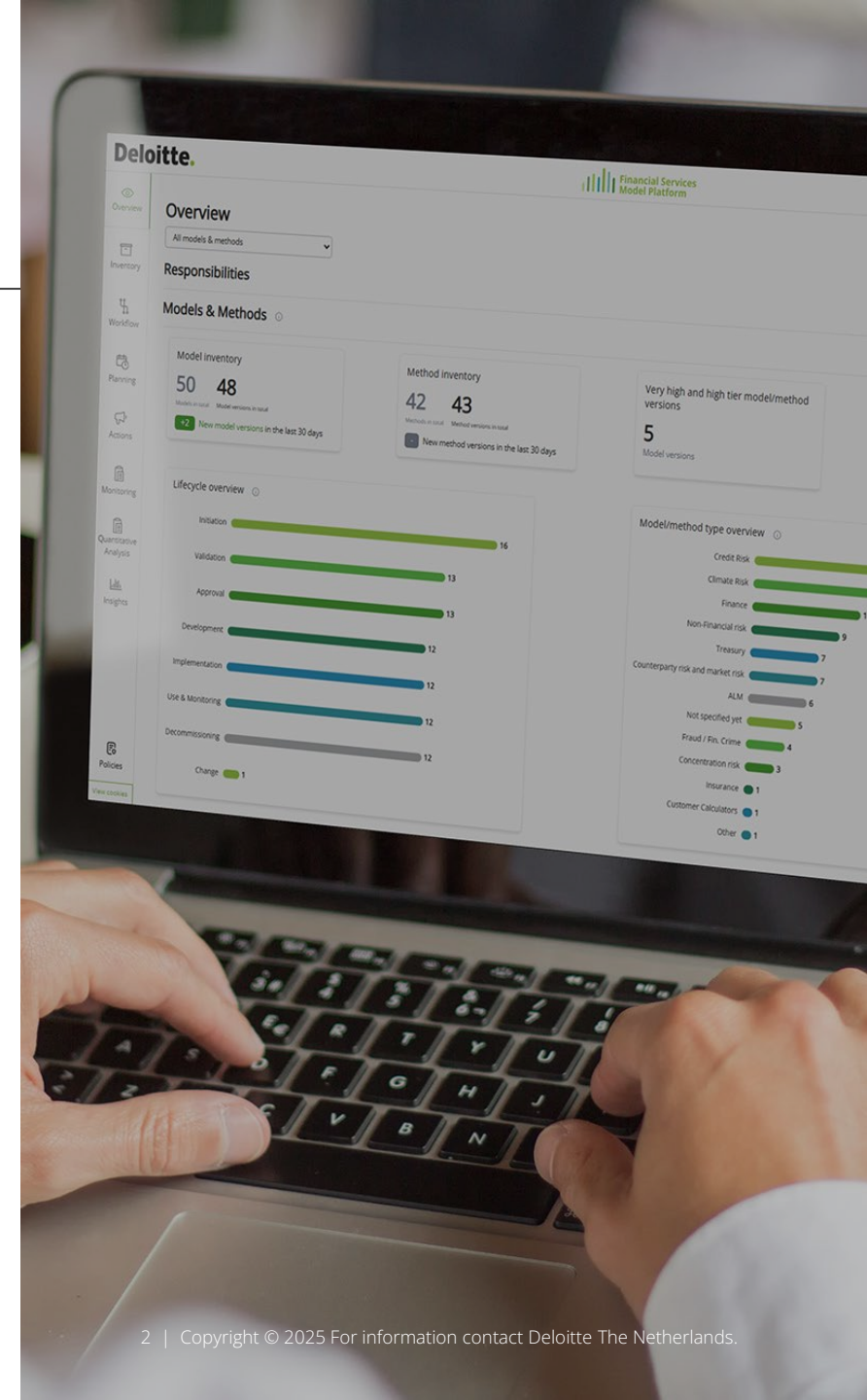
We facilitated several workshops to thoroughly refine and define the requested specifications, e.g., tailoring model lifecycle processes, required reporting details as well as specific fields needed for the inventory and model passport. Requirements were categorised into priority groups to ensure critical requirements were addressed first.

2. Deliver

Throughout the implementation period, we delivered the required functionalities in several grouped batches, in a hybrid-agile methodology. This approach allowed the bank ample time to conduct User Acceptance Testing (UAT) for each of the groups. Identified bugs were then addressed during weekly meetings and resolved in a timely fashion.

3. Run

Upon UAT completion, we deployed tested functionalities to production and managed platform maintenance, hosting, and KPI monitoring. Deloitte also oversees bug tracking and resolution, providing support for incidents and allowing users to submit requests via tickets.



Making a lasting impact

Tailored and compliant MRM platform – FS Model Platform will continue to support the bank in maintaining compliance with SS1/23 regulations, while featuring a user interface that is in alignment with the bank's corporate identity.

Improved MRM efficiency - The platform substantially enhanced operational efficiencies and decision-making processes at the bank by facilitating improved governance, more efficient reporting, and insightful analytics of the bank's MRM effectiveness, thereby aligning with the rising expectations of regulators and auditors.

Ongoing co-creation - The bank chose to extend the collaboration and co-develop new features to expand the platform's scope, specifically for End-User Computing (EUCs) and methods.

Confidently moving forward

As we continue to pursue ongoing efficiencies, we are actively exploring the automation of key steps within the model lifecycle. This includes the implementation of automated validation tests, validation report generators to streamline validation processes, and periodical monitoring systems to ensure in-depth oversight.

Get in touch

Our approach delivers data-driven insights and end-to-end, multi-layered results to our clients. By combining Deloitte's professional expertise with proprietary digital capabilities, we offer future-proof solutions that solve your unique challenges.



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