

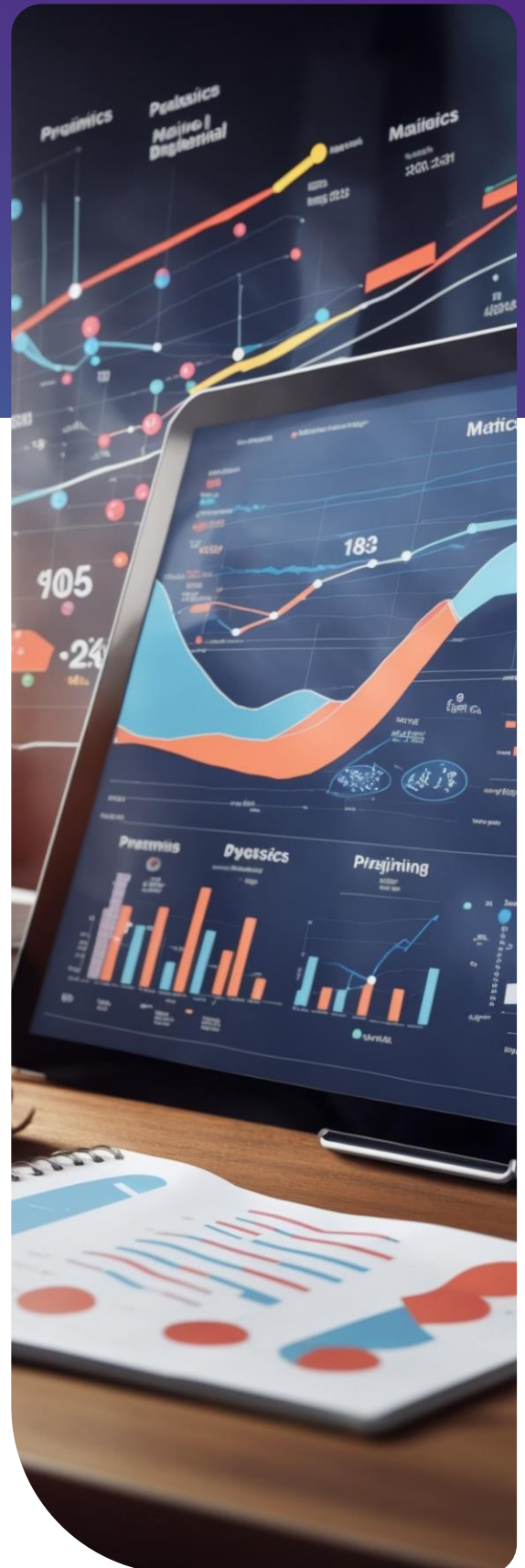
ECL AssessPro – our model maturity assessment platform

The recent period of volatile macro-economic environment has introduced heightened complexity and uncertainty for banks and other financial institutions.

The introduction of ECL (expected credit loss) modelling for financial reporting brings with it a whole host of modelling techniques, estimates, judgements, and policy choices.

Regulators across the globe have started recognising the need for a structured model management framework, and ECL models are attracting particular attention.

Expectations now are to ensure a robust data management system, conceptually sound modelling approach, continuous model monitoring, independent validation, and rigorous governance throughout the model's lifecycle.



Regulations on model management

United Kingdom

- Prudential Regulation Authority's (PRA's) model risk management principles
- Sets out expectations for model risk management practices

Europe

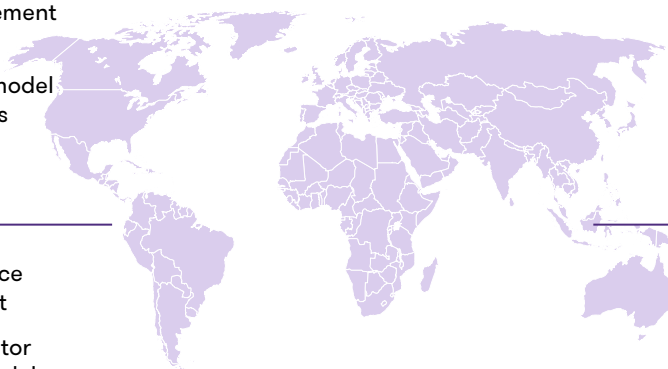
- ECB's guide on internal models
- Implementation of model risk standards

United States

- SR 11-7 supervisory guidance on model risk management
- The US was the first regulator to provide guidance on model development, use, governance and control structure

United Arab Emirates

- CBUAE model management standards and guidance (MMS and MMG)
- Guidance and minimum requirements on modelling practices



What are entities looking for?

A structured model assessment framework that can help them:

- Identify level of maturity of their ECL models, and the gaps to be addressed.
- Prioritise actions to achieve desired improvement.

How Grant Thornton Bharat can help

- Grant Thornton Bharat has combined the extensive credit risk expertise of its professionals across the globe, to put together an automated platform for this assessment — the 'ECL AssessPro'.
- This tool combines insights derived from our years of experience in ECL modelling, industry-best practices and regulatory expectations.
- Designed with precision, it employs a series of targeted questions to identify improvement areas, making it a comprehensive model assessment framework.



How to use the tool:

Users have flexibility in undertaking assessment through ECL AssessPro, opting for either:

- Self-assessment, or
- Assessment through personalised assistance of our professionals

Based on their choice of preferred assessment mode, an administrator is assigned to ensure a seamless and efficient experience, providing support for initial project set-up, project monitoring and more.



Why to choose the tool:

- The tool leverages extensive client experience of our global network firms.
- It offers robust and dynamic assessment, combining both objective and subjective evaluations.
- It provides meaningful results with clear, actionable insights.
- It ensures confidentiality and security of data, responses and assessment results.

What we provide:

Users get access to:

- A report featuring in-depth insights and analysis on the maturity of their ECL models through dynamic dashboards.
- A personalised follow-up discussion with our ECL experts to review results of the assessment, explore improvement areas and prioritise actions.
- Ongoing technical support during the course of assessment.

A glimpse of the tool:

Model Maturity Assessment Tool
login to your account

Enter Email ID

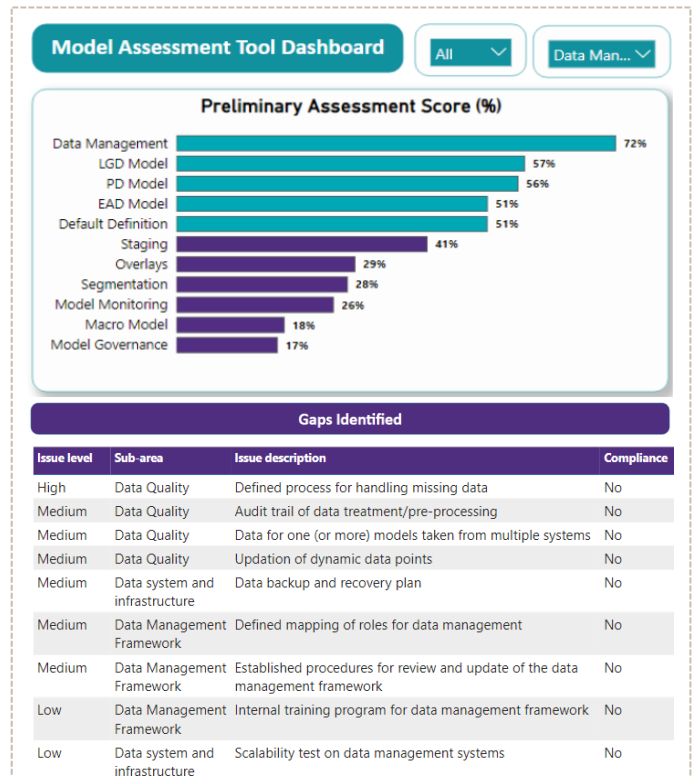
Enter Password

[Forgot password](#)

LOGIN →

Part 01

Particulars	Response
A. Data Management Framework	
Is there a documented and formally approved data management framework (i.e., set of policies, procedures and systems) in place at your institution to govern the management of data used for modelling?	No
Are the roles and responsibilities of parties contributing to the data management/quality assurance clearly defined and documented?	Yes
Has the data management framework undergone independent validation by a party external to the data management process?	NA
Are there established procedures for regular review and updation of the data management framework to ensure its relevance and effectiveness over time?	Yes
Is there a regular training program in place to ensure that relevant personnel are aware of and understand the principles and requirements of the data management framework?	Yes





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