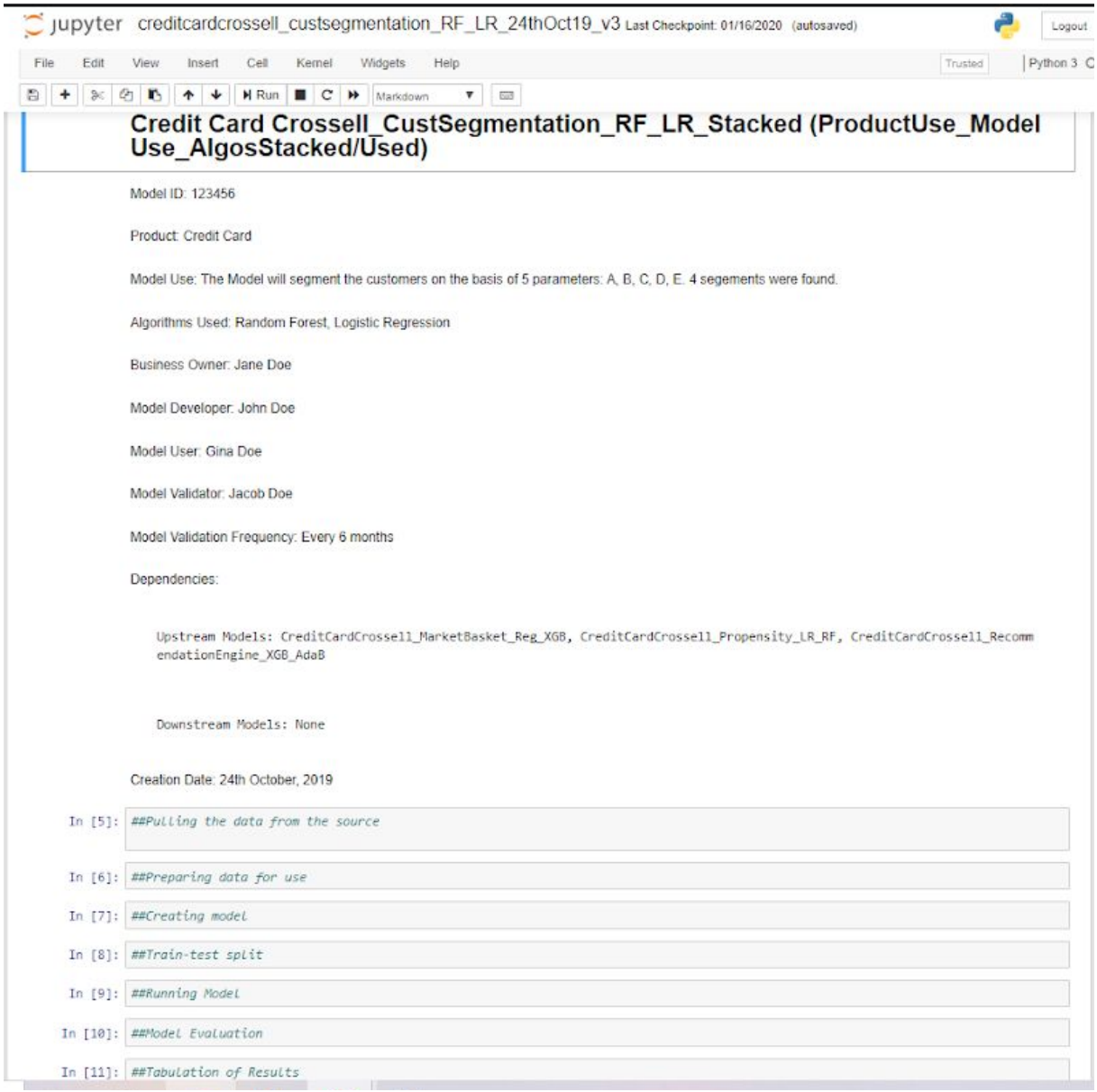
Model Governance Policy

1. Model Development:
    - 1.1. Definition of a model.
    - 1.2. Definition of model risk.
    - 1.3. Types of models.
    - 1.4. Steps of Model Development and Best Practices:
        - 1.4.1. Model Objective:
        - 1.4.2. Requirements:
        - 1.4.3. Data Preparation:
        - 1.4.4. Exploratory Data Analysis:
        - 1.4.5. Variable Selection:
        - 1.4.6. Missing Value Treatment:
        - 1.4.7. Variable Derivation:
        - 1.4.8. Feature Engineering:
        - 1.4.9. Removal of Highly Associated Variables:
        - 1.4.10. Normalization of Numerical Variables:
        - 1.4.11. Outlier Removal:
        - 1.4.12. Sampling Data for Modeling:
        - 1.4.13. Train-Test Split:
        - 1.4.14. Selection of Baseline Models and Hyper-parameters Estimation:
        - 1.4.15. Variance Estimation of Baseline Models:
        - 1.4.16. Model Training:
        - 1.4.17. Output Evaluation:
        - 1.4.18. Documentation: Credit Card Cross Sell: Customer Segmentation **AND** Modeling Documentation
        - 1.4.19. Python file templates:



2. Model Implementation:

2.1. Template: Model Implementation

3. Model Use:

3.1. Defined use:

3.2. Assumptions and limitations:

3.3. Controls and approvals for stakeholders:

4. Model Validation:

4.1. Elements and scorecards:

4.1.1. Data Import:

4.1.2. Discrimination metrics: Python templates

4.1.3. PSI metrics:
4.1.4. Variable quality metrics:
4.1.5. Collated Results:
4.1.6. Compare development vs validation cohort:
4.1.7. Export metric datasets and graphs:
4.1.8. Visualisation: https://gargi.invisionapp.com/console/Risk-Monitoring-ck3sdy01i0d8f018b5shi9pda/ck3sdy76g07gh016hazghnfu2/play

4.2. Benchmarks:

5. Model Inventory:

5.1. Template: Model Inventory

6. Model Governance:

6.1. Organisational Structure:
6.2. Roles and Responsibilities:
6.3. Policies and Procedures:
6.4. Escalation Matrix:
6.5. Reporting Templates:

7. Model Materiality and Risk Appetite Setting:

7.1. Materiality setting: Model Materiality
7.2. Prioritization and validation frequency:
7.3. Risk Appetite Setting:

FURTHER:

1. Model maturity framework.
2. Organisational structure, visualisation, some integrated framework.