OSFI E-23 Model Risk Assessment Report

# Model Information

Model Name: Credit Risk Model

Assessment Date: September 11, 2025

Framework: OSFI Guideline E-23 Model Risk Management

Risk Level: High

Risk Score: 72/100 points

# Executive Summary

This AI/ML-powered, financial decision-making, customer-facing model presents high model risk requiring enhanced governance and oversight under OSFI Guideline E-23 Model Risk Management framework. Enhanced governance procedures including senior management oversight, quarterly reviews, and comprehensive monitoring are recommended. The assessment indicates High risk classification requiring appropriate risk management intensity commensurate with the model's risk profile.

# Risk Analysis

* Quantitative Risk Factor: Financial Impact identified
* Quantitative Risk Factor: Customer Facing identified
* Quantitative Risk Factor: High Volume identified
* Qualitative Risk Factor: Ai Ml Usage identified
* Qualitative Risk Factor: Autonomous Decisions identified
* Qualitative Risk Factor: Data Sensitive identified

# Governance Requirements

## Organizational

* Assign qualified model owner with appropriate expertise
* Establish Model Risk Committee oversight

## Documentation

* Maintain comprehensive model documentation
* Document bias testing and mitigation measures

# Compliance Recommendations

* Establish comprehensive Model Risk Management framework
* ⚠️ HIGH RISK: Require senior management approval
* Implement enhanced governance and oversight controls

# Model Description

AI-powered credit risk assessment model for loan approvals using machine learning algorithms to analyze customer financial data and determine creditworthiness.

# Disclaimer

This OSFI E-23 model risk assessment is based on available project information and automated analysis. Final compliance with OSFI Guideline E-23 requires comprehensive stakeholder input, independent validation, and appropriate governance oversight. This assessment should be reviewed and validated by qualified model risk management professionals before making final risk management decisions.