



**MONTE
DEI PASCHI
DI SIENA**
BANCA DAL 1472

Esito notifiche ex ante AIRB del 24/12/2018

Direzione Chief Risk Officer
Area Lending Risk Officer

Febbraio, 2019

Esito notifiche ex ante su modelli AIRB

In data 12/02/2018 la banca ha ricevuto le risposte sotto riportate sulle tre notifiche comunicate alla BCE in data 24/12/2018, oggetto di parere favorevole da parte del CGR Lending del 19/12/2018.

ITMPS Model Change 2018_6 ssm.nmc_ex_ante_form_Specialized Lending the extension of the Slotting Criteria application perimeter is deemed to be **not feasible** considering the last Internal Validation Annual report. The IT weaknesses and the low statistical evidence provided by the periodic backtesting seem not to be in line with the positive evaluation attached to the model change request. The Model Change is therefore **refused** for the time being suggesting the Bank to resubmit the request once all the IT issues will be solved and supported by a consistent Validation check. You can go ahead with the amendments on the questionnaire currently used to assess the clients via Slotting Criteria **but not enlarging the perimeter in scope** removing/reducing the 5 mln threshold.

No objection on the other proposed model changes, nevertheless here some recommendations:

- **ITMPS Model Change 2018_5 ssm.nmc_ex_ante_form_re_rating** concerning the **cut-off stabilization rule**: following the finding 4 of the IMI40 we request you to provide the JST evidence and timely updates about the state of the art of implementation and approval process of the new rule, together with the internal policy managing this type of process amendments. In order to follow up on finding 10 of the IMI40 Assessment report we would like to remark the need of a specific back testing and dedicated periodical analysis on the effects of such an amendment, in order to support and prove that the predictive power of the models is not affected or undermined.
- **ITMPS Model Change 2018_4 ssm.nmc_ex_ante_form_outdated_unrated** periodical performance reporting should be put in place in order to monitor the effect of the de-notching process proposed and the volume of outdated/unrated clients.

The JST expects the Internal Validation to perform dedicated analysis on a regular basis in order to support and monitor the improved efficiency of the amended processes. The revised internal policies, reflecting the non-material model changes approved, are expected as soon as available.

Sulla base di quanto sopra riportato nel corso del primo semestre del 2019 saranno messe in produzione tutte le modifiche inerenti gli specialised lending (ad eccezione dell'ampliamento del perimetro sotto 5 €/mln), i cut off e i moc su rating scaduti e posizioni unrated.



