



PRESS RELEASE

BANCA MEDIOLANUM ADOPTS ARTIFICIAL INTELLIGENCE ALGORITHMS FOR RISK MANAGEMENT

With the introduction of IFRS9 accounting principles on Jan 1, 2018, all banks, including non-AIRB (advanced internal ratings-based) banks, have to adopt a “model validation and governance” framework for their internal risk models. Thus, the need for banks to identify and equip themselves with innovative tools to manage validation processes of the risk models used.

In response to the regulatory requirements, thanks to the collaboration between the Risk and the Innovation departments, Banca Mediolanum has adopted the Yields.io model risk management platform.

This solution will enable Banca Mediolanum to manage the entire life cycle of risk models including data validation, performance measurements and benchmarking, using state-of-the-art Artificial Intelligence algorithms.

Specifically, the Yields.io platform enabled a validation framework for all rating models to be developed applying Artificial Intelligence and Machine Learning in a highly automated and efficient approach. This scalable framework will then be extended to cover all risk models currently used by the bank, from credit risk to market and liquidity risk.

“This is one of the first FinTech platforms applying Machine Learning and Artificial Intelligence to the Risk Management and Regulatory sector for model validation” states Massimo Doris, CEO of Banca Mediolanum. “The partnership with Yields.io, a Belgian Fintech company active in this innovative business, will allow Banca Mediolanum to be at the forefront of the Italian market in the use of Artificial Intelligence in the Risk Management practice”.

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