



## Risk Management – Credit Risk Review

### Credit Risk Review Program

Management in any financial institution periodically needs to have an independent review of the quality of its credit portfolio. It may also need an impartial assessment of the risk management infrastructure that is in place to originate and manage this portfolio. This need can arise as a general or specific concern about the portfolio, or simply as part of good management practice. For most organisations, however, such an assessment is not always easy to obtain. In-house resources are often too busy, too junior or not sufficiently independent.

The Credit Risk Review (CRR) Program at BankT&D Consulting offers customers access to experienced international bankers who can provide such an independent review. The CRR Program is designed to review Corporate, SME and Consumer credit portfolios, as well as the credit process used to originate and manage these portfolios. The core of the review is a detailed analysis of a sample of individual accounts to assess credit quality, but the review will generally also cover:

- Portfolio segmentation and concentration risk
- Country and cross-border risk
- Adherence to established credit policies, programs and procedures
- The adequacy of credit analysis, due diligence and financial models
- An assessment of risk rating, grading or scoring models
- Problem recognition and the classification process
- Remedial management and the adequacy of reserves
- Legal, compliance and regulatory risks
- Adequacy of documentation and collateral.



### Benefits to our Customers

The Program provides Senior Management with an independent review of bank portfolios and risks, leaving an action-orientated report for corrective action. BankT&D Consulting is available to provide further assistance in the implementation of the recommendations if required.

In addition BankT&D Consulting will, wherever possible, involve customer personnel as members of the review team to provide excellent knowledge transfer and training for middle-level credit officers.

### Credit Risk Review Function – Implementation and Training

In addition to conducting Credit Risk Reviews for customers BankT&D Consulting can also provide training to the internal audit department of customer banks or to Central Bank and supervisory organisations who regularly conduct portfolio reviews as part of their regulatory mandate. BankT&D Consulting also assists its customer banks to set up and implement a Credit Risk Review Function.

This training provides participants with:

- Detailed guidelines as to how to assess the quality of credit process in the business being reviewed, as well as compliance with established policy
- Detailed guidelines as to how to assess compliance with internal and external legal and regulatory requirements
- Practical training in how to review and assess a credit portfolio and how to select representative samples of accounts to review
- If requested, an overview of key credit risk management techniques such as due diligence, financial analysis, early warning, remedial management, and portfolio management can also be provided.



The training can be tailored to the particular needs of the customer in terms of both duration and content and can be held on the customer's own premises or in a convenient local training facility.

The Credit Risk Review Function Implementation provides:

- A detailed Credit Risk Review Manual tailored for the customer bank, covering all aspects of conducting and managing a Credit Risk Review including process and file checklists covering all business segments. It also provides guidelines in how to assess portfolio quality and process and assign ratings for the review
- Detailed discussions and mentoring during the implementation period
- Practical training in the mechanics and logistics of conducting a Credit Risk Review.

## Our Credentials

The Credit Risk Review offering in BankT&D Consulting has many experienced consultants associated with it, some of whose credentials are:

**Sarabjit Chhatwal:** Sarabjit is head of BankT&D Training, leads our Corporate Banking segment's consulting activities, and is our Business Manager in the Kingdom of Saudi Arabia. He has wide-ranging international experience as a corporate banker, consultant and trainer in the Middle East, Asia, USA and Europe. He held senior level positions within Citibank covering risk, marketing, trade finance, business management, training and product management. He has worked for Citibank's affiliate in Saudi Arabia (SAMBA), and had regional responsibilities for Citibank based out of Singapore, London and USA. Sarabjit delivers consulting and training to banks within Saudi Arabia and the Middle East.

**David Smith:** David's 29-year international corporate banking career with Citibank began in Saudi Arabia in 1976 and included senior business management assignments in the Middle East, Africa, Europe and Asia. He also held a number of senior credit risk management assignments as the UK Corporate Credit Officer, the EMEA Credit Risk Review Director and the Senior Credit Officer for Central & Eastern Europe. David was a Managing Director and a Level 1 Senior Credit Officer, the highest level of credit authority granted by Citibank.

**Uma Relan:** Uma's career of 33 years with Citigroup spans multiple geographies, various banking disciplines and diverse product groups. She worked in Dubai for 6 years as head of credit for the Gulf region where she successfully launched the first credit card portfolio in UAE. The bulk of her career has been with Citigroup's consumer business where she was the principal architect of the growth story in several markets across the globe. She has the distinction of being a Level 1 Senior Credit Officer (the most senior credit designation) for both commercial and retail lending.

*To learn more about how BankT&D Consulting can help your business with Credit Risk Review, please contact Sarabjit Chhatwal at [sarabjit.chhatwal@banktandd.com](mailto:sarabjit.chhatwal@banktandd.com)*