



RISK & BASEL II CENTRE

(RISK MANAGEMENT CONSULTING
FOR BANKS)

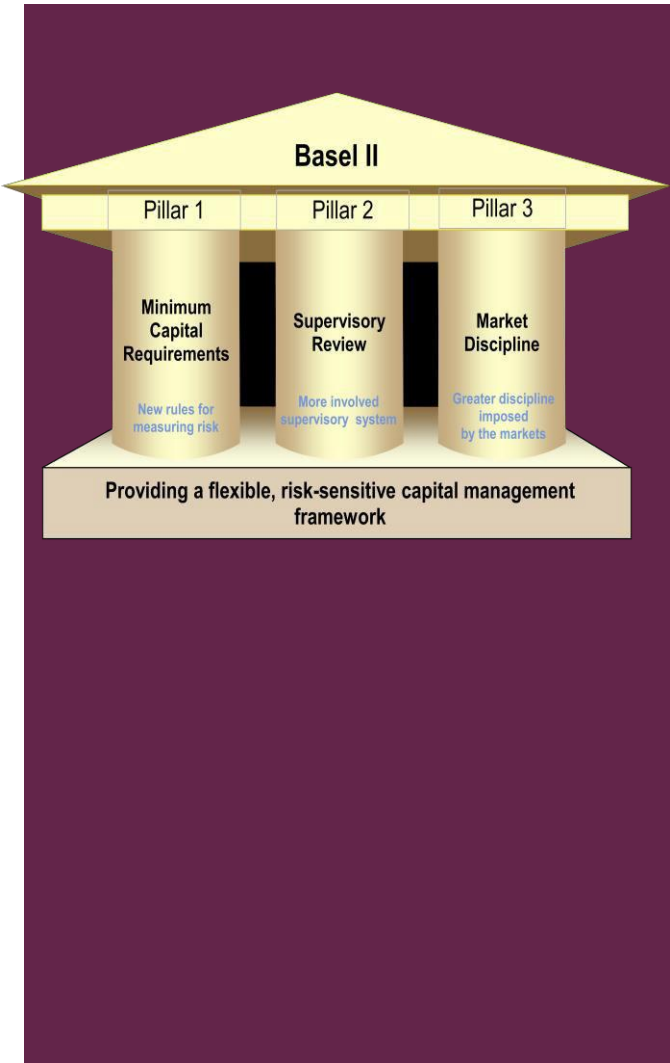
REGULATORY RISKS COMPLIANCE [Basel-II]

RISK-BASED INTERNAL AUDIT

RISK ANALYTICS AND MODELING

INTEGRATED RISK PROFILING

ENTERPRISE-WIDE RISK MANAGEMENT



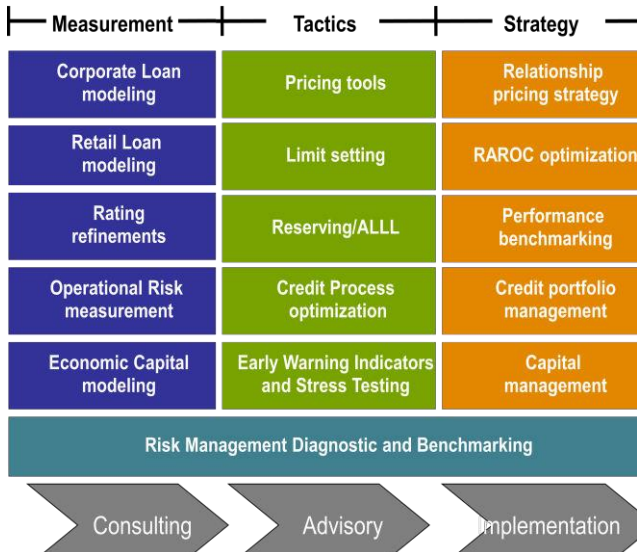
INTRODUCTION

Banking business is about risk taking, while effectively managing same, to achieve the desired business objectives and goals and preserving the firm's capital. In this regard, our Risk & Basel II Centre comprises a highly experienced team of local and international risk experts with hands-on industry experience, providing customized risk management solutions to our clients in the following areas.

REGULATORY RISKS COMPLIANCE [Basel-II]

We provide a complete end-to-end Basel-II solution across all three pillars. We provide tailor made solutions for Credit Risk, Operational Risk and Market Risk, as well as risk analytics including scorecard development. Our services cover:

- **Basel II Gap Analysis** covering Data, Process, IT and people
- **Basel II Implementation Roadmap** creation
- Designing/amendment of **Policies, Processes and Procedures**
- **Software implementation** for **Credit, Operational and Market Risk** in conjunction with our global partners
- **Credit Analytics** – development of scorecard models, testing and validation for **IRB** approaches
- **Retail pooling** for IRB approach
- **Data Assembly, Mining and Warehousing**
- **Operational Risk Management Solutions**
- **Pillar 2 solutions – ICAAP**
- **Pillar 2 solutions - Concentration Risk, Interest Rate Risk, Counterparty Credit Risk, etc.**
- **Pillar 3 solutions** – design and development of regulatory reports
- Enhancement of **source systems**
- **Single customer view** across products
- **Risk dashboard** as a decision making tool
- **Risk heatmap** to identify key areas requiring focus



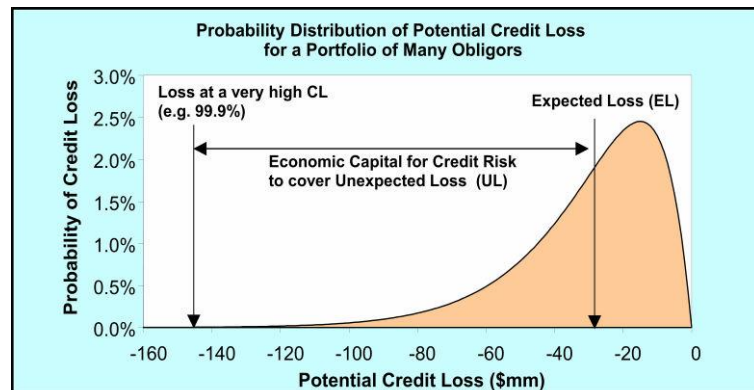


RISK ANALYTICS AND MODELING

Appropriate business decision-making today by bankers, requires more than judgmental analysis. It requires managers to evolve quantitative and statistical approaches which help to better predict possible outcomes based on a given set of parameters. This often assists in providing a good measure of performance and ensures quality business decisions.

Our risk analytics and modeling offerings include both **consulting and software implementation** in conjunction with our global partners, in the following areas:

- **Retail Credit Scorecards** – Application, Behavioral and Collection
- **Corporate & SME Credit Risk Models**
- **Operational Risk Models**
- **Model Validation and testing**
- **LGD, EAD modeling**
- **Data Assembly, Mining and Warehousing**



RISK-BASED INTERNAL AUDIT

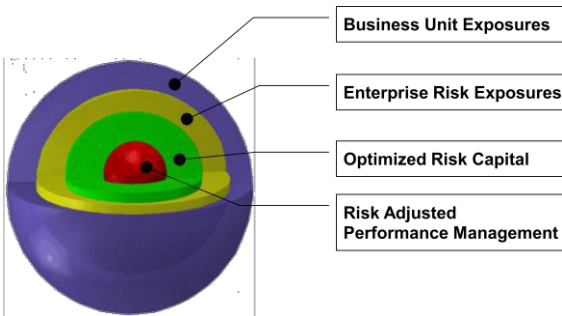
There is need for financial institutions to effect a paradigm shift in the internal audit function and process from the traditional approach to a risk-focused approach. This approach focuses on risk profiling and prioritization of audit areas and the subsequent allocation of audit resources with a view to making internal audit a more value-adding function. Our solution to achieve this includes:

- The creation of an audit mission, policies, charter and plan
- Conceptualization and design of the risk-based audit model
- Linking key risk indicators to the risk-based audit model
- Development of a practical audit format
- Staffing model and ownership structure
- IT infrastructure development
- Development of risk-based audit MIS
- Development of risk-based audit efficacy plan
- Internal audit function review and enhancement



INTEGRATED RISK PROFILING

Our solution here provides you with the requisite bank-wide risk profiling required under the Risk-Based Supervision Model of the Central Bank and related best practices. In this regard, using our proprietary tool, we are able to evaluate and measure the level of risk inherent across all significant activities in your firm, as well as the direction of such risks – increasing, decreasing or static. This is also reported against the levels of controls across the firm to provide a net risk position in each significant activity and on a firm-wide basis. The resulting dashboard is fundamental for management use ahead of regulatory visits, as well as serves as a unique tool for risk-based internal audit and executive risk strategy decision-making.



ENTERPRISE-WIDE RISK MANAGEMENT (ERM) CONSULTING

Enterprise-Wide Risk Management (ERM) involves the development of an integrated approach for the effective management of the risks faced by any single or group of financial or non-financial institutions that could impair the achievement of set goals and objectives. At H. Pierson Associates, we provide complete end-to-end solutions in:

- Business Risk Profile Appreciation
- Current Risk Management Framework and Practices Evaluation vis-à-vis Best Practices/Best-fit
- Risk Management Staff Assessment
- ERM Framework Redesign
- Implementation Roadmap Development

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