



# Help customers

## Credit Reviews, Classifications and Remediation

Reaction | Resilience | Recovery | New Reality  
COVID-19

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# Credit Reviews, Classifications and Remediation

## Why credit review process interventions are required to adapt to the Corona situation



- Banks are being overwhelmed with credit applications and moratorium requests. This requires the ability to distinguish very risky from relatively mild cases, respond quickly, derive standardised measures and be able to identify accelerated cases.
- There is a strong need to establish a consistent application by the 1st, 2nd and 3rd line of the framework, in light of the governmental support measures and regulatory guidance, and ensure a proper audit trail.



## Key challenges faced

- ✗ Very high number of applications combined with high demands on speed of credit decision and processing
- ✗ Establishing legal certainty - dealing with questions of interpretation under governmental support measures and regulatory guidance
- ✗ Capacity bottlenecks in commercial departments: processing urgent liquidity needs, moratorium requests and ensuring a proper audit trail



## How to respond

- ✓ Establish a clear process for prioritizing analysis given limited capacities. Automate as much as possible
- ✓ Define criteria - which customer group can receive which deferral measures/ products?
- ✓ Systematic tracking of agreed milestones and deadlines for agreed deferral measures
- ✓ Develop summaries of the selected process simplifications and coordination with the auditors / associations

# How we can help

## Process Control – with our decision trees, you can:

- Identify very quickly risky cases and process them with the highest priority
- Derive standardised measures for the individual business units/customer segments
- Identify engagements that have been processed in an accelerated process



## Debt service check – with our liquidity planning tool, you can achieve:

- Reliable liquidity planning for 12 months and fast quantification of the necessary funding needs
- Assessment of line utilization and various simulation options taking into account counter-financing possibilities, e.g. from short-time work compensation or government support programs



## Operational line support – with our capabilities, you can:

- Add temporary capacity with adequate legal and business know-how to support the review of the temporary high number of applications
- Establish (temporary) operating models to optimise the review of a large number of files through efficient processes, case management (workflow) tooling and/or real-time dashboards



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