



Financial Risk Management

Advisory Services

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Increasing global concerns about financial risk

How KPMG can help

KPMG's Financial Risk Management (FRM) offers a broad ranging financial risk management service. We help banks, investment firms, insurance companies and regulators identify, assess, manage, report and mitigate the risks they face.

As a result of the financial crisis, financial institutions of all sizes are in the process of building robust financial risk management frameworks that satisfy compliance demands, contribute to better decision making and enhance performance.

KPMG's FRM professionals work with financial institutions to attain these objectives.

KPMG has a long term experience in delivering financial services in Cyprus and abroad. Our Financial Risk Management department in Cyprus is solely dedicated to the provision of risk and regulatory advisory services to financial institutions and regulators.

Our specialized services cover a wide range of subjects, including:

Credit Risk Measurement and Management

- Credit risk modelling and model validation
- Credit Scoring model development

- IFRS 9 Expected Credit Loss (ECL) model development
- Internal Ratings Based (IRB) approach model development
- NPL monitoring and reporting
- Stress testing models
- Credit due diligence and asset quality reviews

Financial instrument valuation

- Valuation of bond portfolios
- Valuation of share option schemes
- Preparation of sensitivity analysis

Basel/CRD and Capital Management Services

- Pillar 1 Services-Minimum Capital Requirements
 - Capital Adequacy Calculation
 - Leverage Ratio Calculation
 - CoREP (review / validation / reporting / system implementation)
- Pillar 2 Services - ICAAP
 - ICAAP report (review / design / preparation)
 - Stress Testing Scenarios (design / implementation)
 - Risk identification and measurement
- Pillar 3 Services - Market Discipline
- Pillar 3 Disclosures Report (review / audit)
 - Audit opinion on Pillar 3 disclosures
- Capital planning support
- Recovery and Resolution planning support

- Minimum Requirement for own funds and Eligible Liabilities (MREL) support
- Supervisory Review Evaluation Process (SREP) support
- Business planning support

Operational risk measurement and management

- Implementation of Operational Risk Management Software
- Risk and Control Self assessments
- Reporting
- Reports (KPIs / COREP Reports)
- Scenario Analysis (Basic function implementation and Input / Output manipulation)

Market and liquidity risks

- Fund transfer pricing
- ILAAP LCR / NSFR reporting
- Liquidity risk policy
- Funding plans
- ALM processes and system implementation

Actuarial services & insurance services

- Actuarial valuations of technical provisions (life and non-life)
- Independent actuarial reports for regulatory submission
- Valuations for internal purposes
- Model development and review
- Outsourcing of the Actuarial Function
- Pricing of insurance products
- Reinsurance analysis
- Development of frameworks (e.g. claims management, underwriting etc.)
- Profitability assessments of products

Regulatory Compliance Services

- Provision of regulatory support to all types of regulated financial institutions
- Regulatory interpretation and advice regarding a wide spectrum of regulation, e.g. AML, CRD / CRR, MiFID II, EMIR, MAR, Short Selling etc.
- Proactive reviews, investigation response and remediation management
- Help to oversee and implement important changes to regulatory and compliance functions
- Development of customised system solutions for regulatory reporting, in cooperation with KPMG's IT Advisory and IT vendors
- Licensing of new financial institutions (CIFs, Banks, Payment Institutions, e-Money Institutions)
- Assessment of the effectiveness of the Board of Directors
- Review of suitability measures followed for clients' assets
- Trading book policy
- AML / CTF compliance / implementation
- MiFID II Gap Analysis, Action Plan and support for implementation
- Trainings



For any further
information you may
contact:

Christos Vasiliou

Deputy Managing Director
Head of Advisory
T: +357 22 209 113
E: cvasiliou@kpmg.com

Marios G. Lazarou

Board Member
Head of Financial Risk
Management
T: +357 22 209 107
E: mlazarou@kpmg.com

Eleni Neocleous

Principal
Financial Risk Management
T: +357 22 209 023
E: eneocleous@kpmg.com

Contact us

Nicosia

T: +357 22 209 000

F: +357 22 678 200

E: nicosia@kpmg.com.cy

Limassol

T: +357 25 869 000

F: +357 25 363 842

E: limassol@kpmg.com.cy

Larnaca

T: +357 24 200 000

F: +357 24 200 200

E: larnaca@kpmg.com.cy

Paralimni

T: +357 23 820 080

F: +357 23 820 084

E: paralimni@kpmg.com.cy

Paphos

T: +357 26 943 050

F: +357 26 943 062

E: paphos@kpmg.com.cy

Polis Chrysochous

T: +357 26 322 098

F: +357 26 322 722

E: paphos@kpmg.com.cy

www.kpmg.com.cy



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