

Account Transfer from Financial Restructuring

DATE EFFECTIVE: 03 December 2017

1. Purpose

This procedure outlines the guidelines for transferring an account in FR back to Branch/Account Manager management.

1.1 Prerequisites

An account is transferred back to full Branch/Account Manager management when the account is re-classified from a LQC of 'Substandard' or lower, to 'OLEM' or 'Good' and the default exit criteria have been met. If the Client has a default rating, all default exit criteria must be met to improve to R Rating. Refer to [Section 3.1.2](#) Rabobank Risk Rating and Loan Quality Classification Policy for default exit and probation criteria.

Refer to [Section 3.1.1](#) Delegated Authorities for FR for the rules relating to what approval authority level is required to change the LQC classification.

Prior to transfer occurring, the FR Manager is to engage with the appropriate State Credit Hub Manager for Australian accounts (correspondence should copy in the Head of Credit Approvals Australia) or the Head of Risk New Zealand for New Zealand accounts to discuss the file and allow time for terms and conditions on which the account will operate to be agreed with Credit and communicated and agreed with the client. This is to form part of the recommendation to transfer back to the Branch.

The upgrade and transfer is to occur only after the FR Manager has completed this step and confirmed agreement with the Account Manager and/or Regional Manager and with Credit. This is to be evidenced by an email or workflow request, as appropriate.

2. Transfer Account to Branch

The FR Manager uses this task to transfer an account back to Branch management.

Step	Action
1	<p>Confirm re-classification of the account from Substandard/Loss/Doubtful to OLEM/Good.</p> <p>A recommendation to classify upwards should be presented via a Credit Review (Work Request), with supporting FR comments. In some situations, including small secured residual debts (including REFL), this may be confirmed by email, actioned in CMS+, with a supporting CMS+ client note.</p> <p>Note: For accounts with a group exposure above LCC limit, FR&R approval to the re-classification proposal will also be required.</p>
2	<p>If appropriate, send an email to the Account Manager to advise transfer (return) of account to Branch and any conditions associated with the new classification. As noted above, the Account Manager will generally be aware of the transfer.</p>
3	<p>Amend the LQC in CMS+ to Good/OLEM as applicable.</p>
4	<p>Update the Credit Review Date in CMS+ if required.</p>

Step	Action
5	Approve the amended Rabobank (BIS II) Rating of the client in CMS+ Note: The Rabobank (BIS II) Rating is amended by the Account Manager on confirmation of any changes in the Credit Review/email referred to in Step 1 above.
6	In Australia , request the Business Management Risk Team to update the FR Portfolio report by transferring the account to the 'Repaid' sheet in the spreadsheet. In New Zealand , Senior Finance Officer FR will update the New Zealand Portfolio report with this information. Note: Business Management Risk will also advise Financial Control if any reversals of specific provisions are required.

3. Supplementary Information

3.1 Related Documents

	Document Title	Type	Link
3.1.1	Delegated Authorities for FR	FR Policy	Financial Restructuring
3.1.2	Rabobank Risk Rating and Loan Quality Classification	Credit Policy	Country Banking

3.2 Definitions / Glossary of Terms

Term	Definition
FR&R	Financial Restructuring and Recovery
LCC	Local Credit Committee
LQC	Loan Quality Classification
OLEM	Other Loans Especially Mentioned
REFL	Rabo Equipment Finance Ltd
FR	Financial Restructuring

3.3 Document Management

Owner:	Head of FR Australia Head of FR New Zealand	Author:	Manager, Risk
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