
FR Advisor on OLEM Accounts - Wholesale Banking

DATE EFFECTIVE: 12 March 2018

1. Purpose

This policy describes the FR Advisor's role and responsibilities for all Wholesale Banking OLEM accounts.

By contributing to the overall account review, strategy, action plan and credit review, the FR Advisor provides further support to enable OLEM accounts to be rehabilitated to a LQC of 'Good'.

1.1 Scope / Responsibilities

Compliance with this policy is the responsibility of the relevant FR staff including the FR Advisor, the relevant Wholesale Banking staff including the RM and AM, Wholesale Banking Credit (WBC) and, where applicable, Credit Committee.

2. OLEM Accounts

2.1 FR Advisor

All Wholesale Banking OLEM accounts are required to have a member of the FR group involved until the LQC is upgraded to 'Good', unless otherwise approved by Credit Committee. The FR member is acting in an advisory capacity and is referred to as the FR Advisor. The primary management and overall relationship of the OLEM account remains the responsibility of the RM supported by WBC.

The role of the FR Advisor and the level of involvement is determined on a case by case basis. Scope of the FR Advisor's role will be decided and agreed upon by the Account Manager (AM), WBC and FR or otherwise as specified by Credit Committee.

Responsibilities of the FR Advisor may include:

- Review and submit an opinion in writing on all future credit applications, Annual Reviews and Collateral Inspection Reports
- Concur on recommendations to upgrade or downgrade the LQC.

Where applicable, responsibilities of the FR Advisor may include:

- Participating in developing a strategy to rehabilitate the loan and signing-off the corresponding credit application
- Personally attending any mediation, arbitration, settlement meetings or legal proceedings that may occur.

2.2 FR Review at Downgrade

At downgrade to OLEM, the FR Advisor will conduct a separate assessment of the account.

The following should form part of FR's own assessment:

- Assessment of current facilities, security, LQC and RRR
- Background information on the LQC downgrade
- Recommended strategy and proposed action plan.

The outcome of the FR assessment should be shared with and used by Wholesale Banking and WBC to finalise recommendations (which may include a detailed action plan) and the relationship strategy for the OLEM account, in conjunction with the FR Advisor or as approved by Credit Committee. The FR Advisor is **required** to sign-off on the final strategy.

2.3 OLEM Credit Reviews

At each OLEM Credit Review, the assigned FR Advisor is **required** to provide an opinion on the client's performance and rehabilitation progress, and/or make recommendations for enhancements to the existing plans.

3. Supplementary Information

3.1 Glossary of Terms

Term	Definition
AM	Account Manager
LQC	Loan Quality Classification
OLEM	Other Loans Especially Mentioned
RM	Relationship Manager
RRR	Rabobank Risk Rating
FR	Financial Restructuring

3.2 Document Management

Owner:	Head of FR, Australia Head of FR, New Zealand	Author:	Manager Risk
Authoriser:	Head of FR, Australia Head of FR, New Zealand	Next Review Date:	30 September 2020