



FINANCIAL RISK MANAGEMENT (FRM)

Building resilient, insight-driven risk functions

The financial services industry operates within a complex ecosystem shaped by evolving technology, shifting customer expectations, and new market participants with innovative solutions and business models. Banks and financial institutions are also investing more in technology to gain an edge. At the same time, they must navigate evolving regulations and greater regulatory scrutiny — across local, regional, and global regimes.

Against this backdrop, the role of risk management has evolved to address both traditional and emerging risks. An effective risk management function goes beyond regulatory compliance, focusing on institutional resilience and building capabilities that support sustainable growth.

Our FRM practice provides a range of solutions across risk management, analytics, compliance, and financial risk technology to partner with organizations as they seek to meet their risk management goals.

Most risk functions are drowning in **compliance** and starving for **resilience**.



Regulatory reporting and audit response consume a significant share of risk budgets, often focused more on preventing fines than reducing losses.



Regulations have increased significantly in recent years, yet many organizations still manage them through disconnected spreadsheets and ad hoc projects.



Only a small share of institutions have integrated AI, climate, cyber, and model risk into a unified enterprise view, while most continue to manage them in silos.

Our view: Risk functions must shift from regulatory compliance to forward-looking risk and resilience.

Seven service lines. One integrated risk view.

Integrated capabilities across risk, finance, and treasury, supported by data, analytics, and technology

Credit risk management

Frameworks · underwriting · Probability of Default (PD) / Loss Given Default (LGD) / Exposure at Default (EAD) · IFRS 9 / Expected Credit Loss (ECL) · counterparty credit risk (CCR) · stress testing · climate risk

Capital and balance sheet management

Internal Capital Adequacy Assessment Process (ICAAP) · risk-weighted asset (RWA) optimization · capital planning · asset and liability management (ALM) · Internal Liquidity Adequacy Assessment Process (ILAAP) · interest rate risk in the banking book (IRRBB) · funds transfer pricing (FTP) · integrated stress testing

Market risk and treasury

Value-at-Risk (VaR) / stressed VaR (SVaR) · Fundamental Review of the Trading Book standardized approach (FRTB-SA) · stress testing · derivatives pricing · independent price verification (IPV) · treasury analytics

Operational, enterprise and non-financial risk

Risk and Control Self-Assessment (RCSA) · Key Risk Indicators (KRIs) · loss data · non-financial risk · enterprise risk management (ERM) · risk appetite

Regulatory strategy, reporting and implementation

Regulatory reporting · Basel Committee on Banking Supervision (BCBS) 239 · regulatory change · risk-based supervision (RBS) · recovery and resolution · implementation

Model risk management

Governance · model lifecycle · development · validation · monitoring across risk domains

Risk-based internal audit

Risk-based methodology · thematic audits · continuous assurance · regulatory readiness

Data, analytics, and technology enablement integrated across all service lines

Our Services

CREDIT RISK MANAGEMENT

Frameworks, governance, underwriting and portfolio reviews

- Credit risk frameworks, lending policies, and governance aligned to Basel III/IV, IFRS 9, and local regulations
- Credit risk appetite frameworks linked to pricing, risk-adjusted return on capital (RAROC), and economic capital, with cascades to business units
- Three lines of defense operating model for credit risk across first-line controls, second-line oversight, and third-line assurance
- Credit underwriting frameworks across retail, small and medium-sized enterprise (SME), and wholesale portfolios, including digital journeys, bureau and alternative data, and straight-through processing
- Independent portfolio reviews covering asset quality, early-warning frameworks, watchlist monitoring, and covenant tracking using behavioral and external triggers
- Restructuring, forbearance, and non-performing asset/non-performing loan (NPA/NPL) management, including collections analytics, recovery modeling, and workout governance

Models and risk analytics

- Credit risk scorecards and rating models for retail, SME, and corporate portfolios using internal, external, and alternative data sources
- PD, LGD, and EAD models for provisioning and portfolio risk measurement
- IFRS 9 / ECL framework — staging logic, significant increase in credit risk (SICR) assessment, forward-looking overlays, macroeconomic scenarios, and governance controls
- CCR assessment through exposure modeling, credit valuation adjustment (CVA) analytics, and collateral-effectiveness review
- Credit risk stress testing under macroeconomic and idiosyncratic scenarios to evaluate portfolio resilience and provisioning impact
- Climate risk integration into credit frameworks — transition and physical risk assessment, Network for Greening the Financial System (NGFS)-aligned scenario analysis, and sectoral heat-mapping
- Advisory across loan-origination systems, ECL engines, and early-warning platforms

Our Services

CAPITAL AND BALANCE SHEET MANAGEMENT

Capital adequacy and optimization

- Capital adequacy frameworks across Common Equity Tier 1 (CET1), Tier 1, and Tier 2 compositions, aligned to Basel III/IV and local regulations
- ICAAP frameworks covering risk strategy, business plan and risk-weighted asset (RWA) projections, Pillar II risks, stress testing, and capital planning
- Recovery and resolution planning (RRP), including capital forecasting under stress, recovery triggers, and balance sheet actions
- RWA diagnostics and optimization across credit, market, and operational risk under standardized and internal ratings-based (IRB) approaches
- Integration of ECL outputs with IRB and capital frameworks, including stress-testing impacts on regulatory capital
- Integrated stress testing across credit, market, liquidity, and operational risk, linking capital and balance sheet outcomes
- RAROC and capital-allocation frameworks linking risk, pricing, and profitability across business lines

Strategic asset liability management (ALM)

- ALM frameworks covering interest rate risk, liquidity risk, funding mismatches, and overall balance sheet management
- IRRBB analytics including duration gap, repricing gap, economic value of equity (EVE), and net interest income (NII) sensitivity under standardized and internal scenarios
- Behavioral modeling of non-maturing deposits, prepayments, and early redemptions
- Basel III liquidity frameworks including Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio (NSFR), and ILAAP
- Contingency funding planning and liquidity stress testing under regulatory and internal scenarios
- FTP frameworks and balance sheet optimization across business lines and products
- Management dashboards for monitoring capital, liquidity, and balance sheet metrics

Our Services

MARKET RISK AND TREASURY

Market risk management

- Treasury and market risk frameworks and policies covering trading book governance, hedging strategies, valuation, risk limits, and escalation protocols aligned to regulatory and internal risk appetite
- VaR, SVaR, and Expected Shortfall frameworks using historical, parametric, and Monte Carlo approaches
- Stress testing across rates, FX, credit, equity, and commodity risk classes capturing non-linearity, regime shifts, and tail events
- FRTB-SA build-out covering Delta, Vega, and Curvature sensitivities, risk-class bucketing, trade-level risk factor mapping, and granular tenor-wise risk measurement Capital aggregation and bucketing logic including risk-class segmentation, prescribed risk weights, correlation structures, and liquidity horizon overlays
- Default Risk Charge (DRC) and Residual Risk Add-On (RRAO) frameworks for trading book portfolios and structured products
- Back-testing, breach monitoring, and management dashboards for risk oversight, governance, and regulatory reporting
- Front Office, Middle Office, and Back Office target operating models, including roles and responsibilities, trade-lifecycle controls, limit monitoring, valuation governance, settlements, reconciliation, and reporting

Derivatives and treasury analytics

- Pricing and valuation models for vanilla and structured derivatives across rates, FX, credit, and other traded asset classes using Monte Carlo, finite-difference, and lattice-based methods
- Greeks, scenario analytics, and fair value sensitivities to support hedging, reserves, and risk-adjusted pricing decisions
- Valuation adjustments (XVA) frameworks covering CVA, debit valuation adjustment (DVA), funding valuation adjustment (FVA), capital valuation adjustment (KVA), and margin valuation adjustment (MVA) for derivative pricing and risk management
- Independent price verification (IPV) and fair value hierarchy frameworks, including Level 1/2/3 classification and Day-1 profit and loss (P&L) analysis
- Treasury policies covering hedging, valuation adjustments, risk limits, escalation thresholds, and governance

Our Services

OPERATIONAL, ENTERPRISE AND NON-FINANCIAL RISK

Operational risk and non-financial risk

- Operational risk frameworks aligned to Basel, COSO, or ISO standards and local regulatory expectations
- Non-financial risk taxonomy and universe covering conduct, compliance, cyber, third-party, and reputational risk, with measurement and mitigation approaches
- Integration of non-financial risks into ERM and enterprise-wide stress-testing frameworks
- RCSA frameworks supported by comprehensive risk registers across operational and emerging risks
- KRIs linked to risk appetite for monitoring exposures, emerging trends, and control weaknesses
- Loss-data frameworks covering capture, analysis, and reporting of internal and external events
- Operational risk scenario analysis across cyber events, system outages, fraud, third-party failures, and business disruptions
- Basel III operational risk capital computation under the Standardized Approach, including business indicator and loss-multiplier components
- Dashboards and management reporting for KRIs, loss events, and operational risk metrics

Enterprise risk management

- ERM governance frameworks aligned to organizational structure, maturity, and risk appetite
- Risk appetite frameworks linked to strategic objectives, capital, liquidity, and performance metrics
- ERM maturity assessments with roadmaps to strengthen risk management effectiveness
- Enterprise-wide risk identification and scenario analysis covering strategic, financial, and non-financial risks
- Monitoring frameworks for risk-mitigation actions, including tracking of management actions and effectiveness
- Board and committee-level risk reporting, including CXO dashboards and regulatory disclosures
- ERM technology enablement and CXO-level management reporting, including platform selection, architecture, and implementation support

Our Services

REGULATORY STRATEGY, REPORTING AND IMPLEMENTATION

Regulatory reporting and strategy

- Regulatory reporting operating model including data-mart design, data sourcing, validation controls, reconciliations, and submission workflows
- Regulatory interpretation and translation of new and evolving requirements into policies, processes, target-state data models, and reporting changes
- Cross-regulatory impact assessment across capital, liquidity, risk, and reporting frameworks, including change prioritization and implementation roadmaps
- Pre and post-submission validation for improved filing accuracy, consistency, and traceability across returns
- BCBS 239 compliance, regulatory data lineage, issue remediation, and CXO-level management information

Regulatory change implementation and supervisory response

- Risk-based supervision readiness for regulatory reviews and inspections through diagnostic assessments, theme-based response packs, and remediation planning
- Management dashboards, program management office (PMO) governance, and closure tracking for regulatory observations, supervisory actions, and evidence traceability
- Current-state process reviews, business requirements, and implementation support across IFRS 9, ALM, capital computation, reporting, and dashboarding
- Testing strategy, test cases, user acceptance testing (UAT), and product-acceptance testing across risk and finance use cases
- Regulatory implementation, control design, go-live readiness, and transition to business-as-usual

Our Services

MODEL RISK MANAGEMENT

Model governance

- Model risk management framework covering governance structure and roles and responsibilities across the three lines of defense
- Model governance policies, lifecycle standards, and procedures across development, validation, approval, implementation, change management, and retirement
- Model inventory, tiering, and materiality-assessment frameworks for risk-based prioritization and oversight
- Committee governance, management reporting, and board-level management information for model-risk oversight
- Regulatory alignment with supervisory expectations including SR 11-7, ECB Targeted Review of Internal Models (TRIM), PRA SS1/23, and equivalent local guidance on model governance, controls, and evidence

Model development, validation and performance monitoring across risk domains

- Enterprise model-development standards across credit, market, treasury, liquidity, IFRS 9, and stress testing, ensuring consistency in methodologies, assumptions, and data
- Independent model validation covering conceptual soundness, data integrity, assumptions, methodology, and implementation logic
- Challenger models, benchmarking, and replication testing for robustness, interpretability, and performance assessment
- Back-testing, sensitivity testing, stress testing, and limitation assessment across quantitative models
- Ongoing performance-monitoring frameworks covering thresholds, triggers, periodic review, change management, and revalidation
- Artificial intelligence (AI) and machine-learning model-risk frameworks, including explainability, fairness, bias testing, and drift monitoring aligned to emerging supervisory expectations
- Vendor and third-party model-risk frameworks covering due diligence, validation, and ongoing oversight

Our Services

RISK-BASED INTERNAL AUDIT

Methodology, planning, and coverage

- Risk-based internal audit methodology, audit universe, and annual planning aligned to risk appetite, regulatory expectations, and board priorities
- Audit programs across credit risk, market risk, treasury and ALM, liquidity risk, operational and non-financial risk, model risk, and regulatory reporting
- Integration of internal audit coverage with key risk frameworks including ICAAP, stress testing, model governance, and ERM
- Internal audit planning and execution toolkit, including scoping approaches, risk and control matrices, sampling strategies, and audit-rating frameworks
- Thematic audit plans focused on high-risk areas, regulatory findings, transformation programs, and emerging risk themes
- Internal audit function transformation and operating-model design, covering mandate, structure, location strategy, and talent model

Execution, reporting, and continuous assurance

- Thematic audits and control-effectiveness reviews across first-line and second-line processes
- Internal audit co-sourcing across risk, finance, and regulatory domains
- Data-led testing, continuous auditing, and technology-enabled workpapers to improve coverage, consistency, and turnaround time
- Issue validation, remediation tracking, and repeat-finding analysis with dashboards and management information for audit committees
- Quality assessments, root-cause analysis, and control-improvement reviews to strengthen overall assurance effectiveness

Why Us

1 Thought leaders

Jamil Khatri and Sandip Khetan, our co-founders, each have more than 30 years of experience partnering with diverse businesses across the globe on their reporting, governance, risk and transformation journey. Sagar Lakhani and Suresh Wadhvani, our leaders in the FRM practice each have more than 20 years of experience and have worked with financial services clients across the globe.

2 Deep and diverse talent pool and globally integrated delivery model

We have access to a deep and diverse global talent pool. Our partners and other leaders in our FRM practice have significant experience working with the credit risk management, capital and balance sheet management, and regulatory strategy for financial institutions, and technology implementation practices of the Big 4 and other large consulting organizations globally. Our talent pool is globally integrated working across our key markets of the USA, India, and the Middle East. We leverage large FRM talent pools in lower cost economies to provide high- quality at the right price.

3 Agility and responsiveness

Our team embodies the essence of agility and responsiveness, fostering a dynamic environment where adaptability and quick responses are integral to our operations. Our commitment to continuous learning serves as the bedrock for our agility, allowing us to proactively anticipate challenges and seize opportunities. We are not restricted by auditor independence conflicts, which further creates a frictionless environment to serve our clients. Our agility and responsiveness are enhanced by a high degree of partner/director involvement on projects.

4 Our AI and technology-led approach

We help institutions move from fragmented risk processes to scalable, connected solutions. Our approach brings together advanced analytics, automation, and deep domain expertise, working alongside leading technology platforms to deliver end-to-end implementations across risk, finance, and treasury functions. The focus is on practical outcomes: better data quality, stronger governance, smoother integration, and measurable operational efficiency.

Our delivery is enabled through AI-led ways of working and proprietary accelerators.



Through our alliance with **Surya Fintech**, we bring platform-led capabilities across the risk and finance stack. This includes risk data harmonization and aggregation, IFRS 9 and ECL analytics, market risk and VaR engines, IRRBB and behavioral analytics, capital adequacy and Basel III liquidity computation, regulatory report generation, operational risk and resilience, and AI-powered risk management and compliance monitoring.



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