



**IACPM and RMI
Credit Portfolio Management
Educational Workshop
August 14, 2025**

<https://iacpm.org>

Risk and Credit Portfolio Management Approaches

Marcia Banks, Deputy Executive Director

IACPM

Agenda

- Introduction to the International Association of Credit Portfolio Managers (IACPM)
- 2025 Principles and Practices Survey Results
 - Risk and Credit Portfolio Management organization and priorities
- Resources

IACPM's Mission

Advancing the Practice of Credit Portfolio Management to Support the Global Economy

- Provide forums for member institutions to exchange ideas
- Conduct research on credit portfolio management practices as they evolve and change
- Represent members before regulatory and administrative bodies around the world
- Develop and promote sound practices among practitioners worldwide

IACPM Members Around the Globe



158 IACPM Member Institutions

ABN AMRO Bank	Australia & New Zealand Banking	BPL Global	Danske Bank	FirstRand Ltd.
ABSA Bank Ltd.		British Int'l Inv	DBS	GIC Private Limited
Africa Finance Corp.	Avondale Private Capital	Cadwalader Canopus	Dentons	Goldman Sachs
African Development	Awbury Insurance	Capital One	Deutsche Bank	Guy Carpenter
African Export Import	AXA Invest Mgrs	CDPQ	Development Bank of Japan	HDI Global Specialty
AIMCO	AXA XL	Chorus Capital	DNB Bank ASA	Howden Group
Alecta	Axis Capital	Christofferson, Robb	European Inv Bank	HSBC
A&O Shearman	Banco de Sabadell	Canadian Imperial Bank of Commerce	European Inv Fund	ICBC Standard Bank
Allianz SE	Banco Santander	Citigroup	Export Development Canada	IDB Group
Aon	Bank of America	Clifford Chance	Export Import Bank of India	IFC
ArrowMark Partners	Bank of Montreal	Commerzbank AG	FMO Entrepreneurial Dev. Bank	ING Group
Arch Capital Group	Barclays	Commonwealth Bank of Australia	Fifth Third	Intesa Sanpaolo
Asian Development	BayernLB	Corporacion Andina de Fomento	First Abu Dhabi Bank	Japan Post Bank
Asian Infrastructure	Bayview Intl	Credit Agricole CIB	First Horizon Bank	JPMorgan Chase
Assetinsure Pty Ltd	BBVA			...more
Assured Guaranty	BNP Paribas			
ATB Financial	BP			
Atlantic Global				

158 IACPM Member Institutions, (continued)

KeyCorp	Mayer Brown LLC	Nordea Bank	Canada	The Fidelis Partnership
KfW Ipex	MIGA	Northwestern Mutual	Schroders Capital	The D.E. Shaw Group
Latham & Watkins	Miller Insurance	Novobanco	Silicon Valley Bank	Tokio Marine HCC
Liberty Specialty Linklaters LLP	Mizuho Bank	OCBC Bank	Simmons & Simmons	Truist Financial
Lloyds Banking	Morgan Stanley	Orchard Global Asset	Societe Générale	U.S. Bank
LOCKTON	MUFG Bank, Ltd.	PAG	Sovereign Risk Insurance Ltd.	UBS AG
MA Financial Group Ltd.	Munich Reinsurance	PGGM	Standard Bank	UK Export Finance
M&G Investments	National Australia Bank	PKA	Standard Chartered	UniCredit Group
M&T Bank	National Bank Financial	PIMCO	State Bank of India	UOB Ltd.
Macquarie Group	NatWest Group Plc	Polus Capital Management	Sumitomo-Mitsui Banking Corporation	Vantage
Magnetar	Natixis CIB	Prudential Financial	Sumitomo Mitsui Trust Bank	Wells Fargo
Man Global	Nedbank Ltd	Raiffeisenbank Intl	Sun Life Financial	Westpac
Marathon Asset Mgt.	New Development Bank	Regions Bank	Swiss Re	Whitcroft Capital
Marsh Credit Specialties	Newmarket Capital	Renaissance Reinsurance Limited	TD Bank	Willis Towers Watson
Maybank	Nomura	Royal Bank of	Texel Group	

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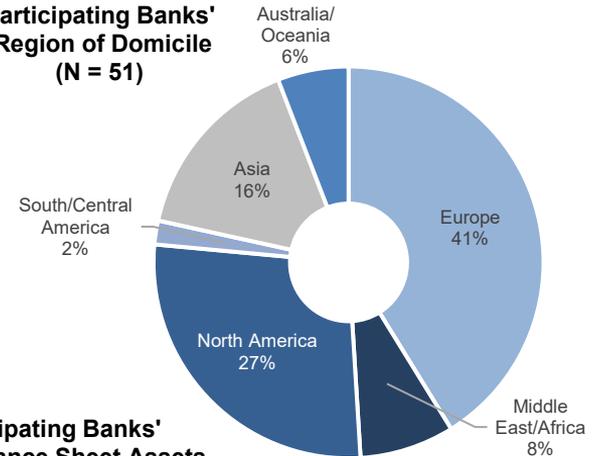
Chief Risk Officer,
DBS

IACPM Principles and Practices Survey 2025

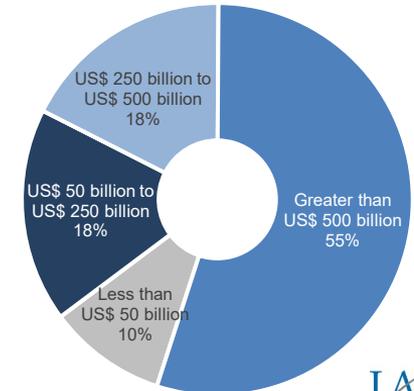
Survey Goals and Demographics

- The International Association of Credit Portfolio Managers (IACPM) recently completed its 2025 Principles and Practices in CPM Survey.
- Conducted every other year, the Survey focuses on five key areas of concern to members: the evolution of risk and credit portfolio management (CPM), organizational structures, mandate and priorities, tools used to manage the credit portfolio, and outlook for the future.
- Results provide insights into the current state of the CPM function across an array of firms and an opportunity for IACPM members to confidentially benchmark their CPM practice with those of other leading financial firms.
- Globally, 60 IACPM member firms participated, including 51 banks and nine development banks and export credit agencies. More than half of the participating banks have a total balance sheet size above US\$ 500 Billion.
- This results deck shows aggregate responses for the 51 bank participants, including for APAC 8 Asia banks and 3 Australia banks.

**Participating Banks'
Region of Domicile
(N = 51)**



**Participating Banks'
Total Balance Sheet Assets
(N = 51)**



Some Overarching Themes from the Survey

- There is no one size, fits all approach to risk and credit portfolio management.
- Organizational approaches vary according to: geography, areas of specialty, liquidity/illiquidity of assets, culture.
- Organizational approaches evolve. Distinct changes are visible in 2025 data on: organizational structures/reporting, use/mix of risk mitigation tools (where available), and priorities looking forward.
- Asia firms: strong capital position, wide range of geography and regulators, lower - but expanding - market liquidity for assets, high focus on early identification of risk and new tools

Risk Management Responsibility by Asset Classes

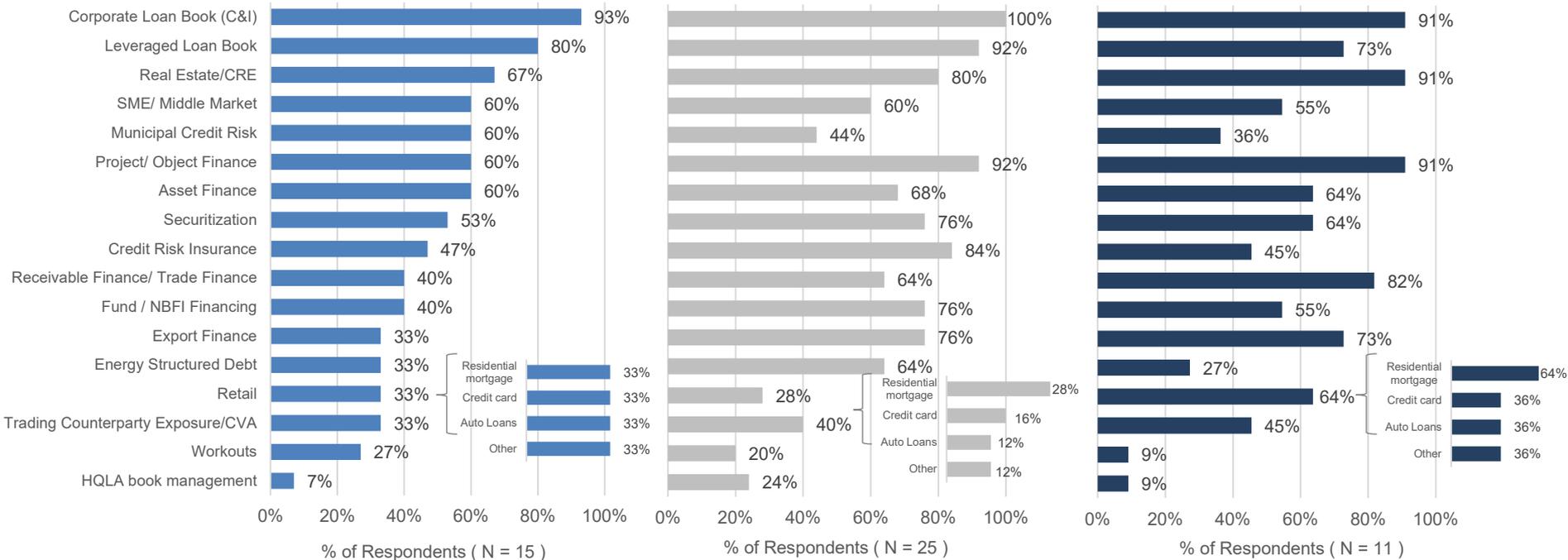
Other

- Corporate Bond
- Large Real Estate

Americas

EMEA

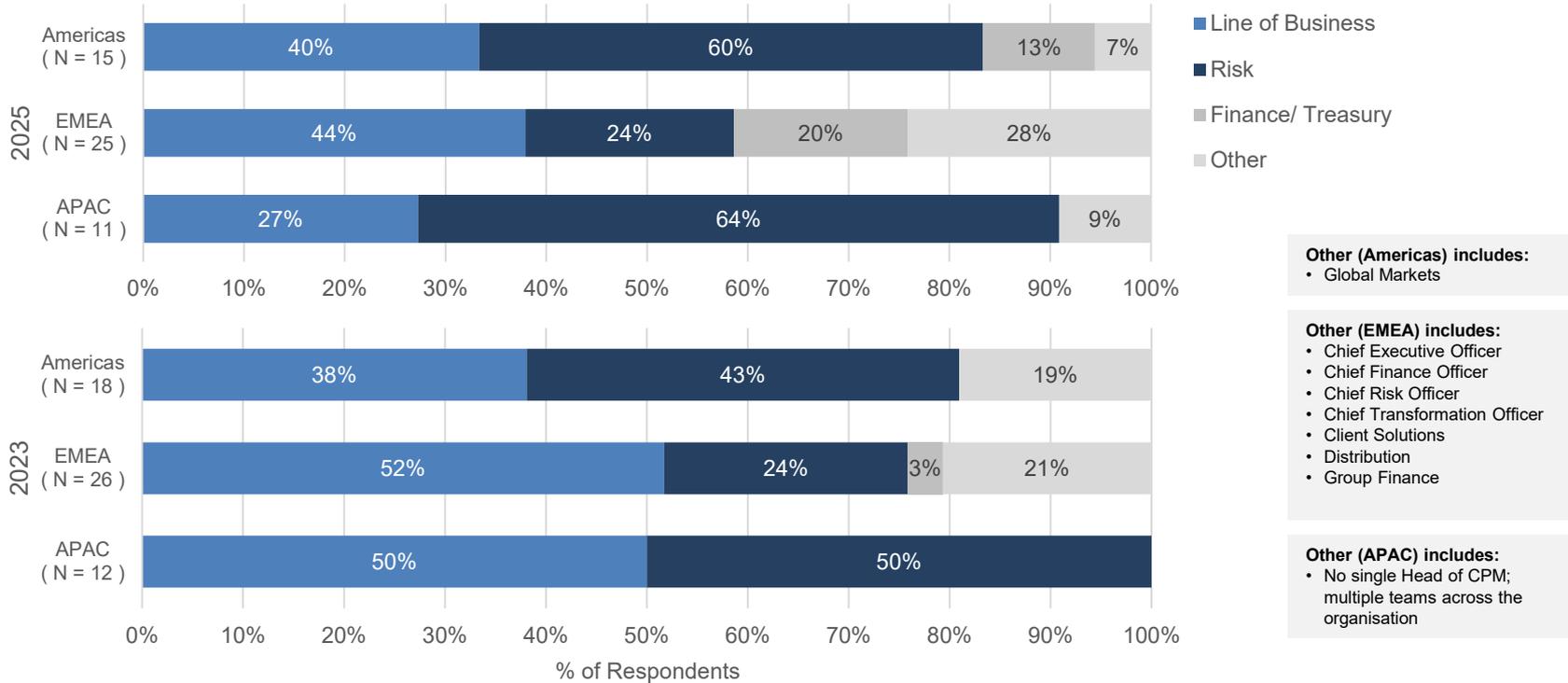
APAC



Question: For which asset classes (including commitments and LCs), or for which parts of the portfolio, does CPM have credit portfolio responsibility? Please check all that apply. (Q3)

Credit Risk and Portfolio Management Reporting Line

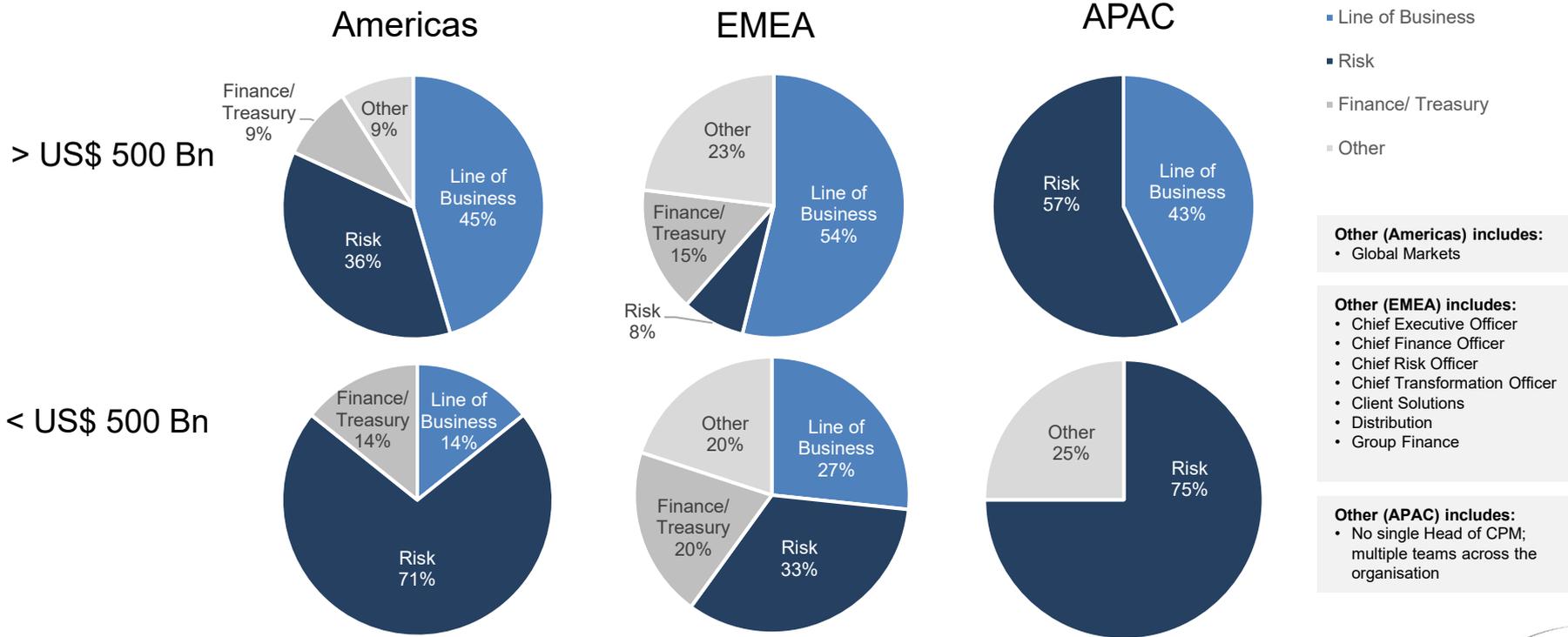
By Region of Domicile and Over Time



Question: To which functional area of your firm does the head of CPM report? (Q6)

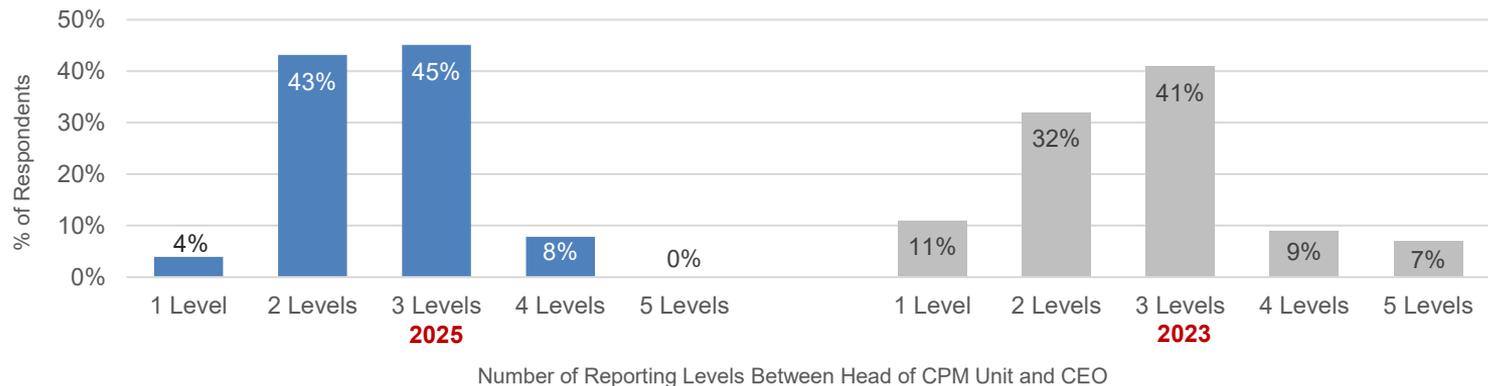
Credit Risk and Portfolio Management Reporting Line

By Region of Domicile & Approximate Total Balance Sheet (N = 51)



Question: To which functional area of your firm does the head of your CPM unit report? (Q6)

Number of Reporting Levels between Head of Risk/CPM and CEO

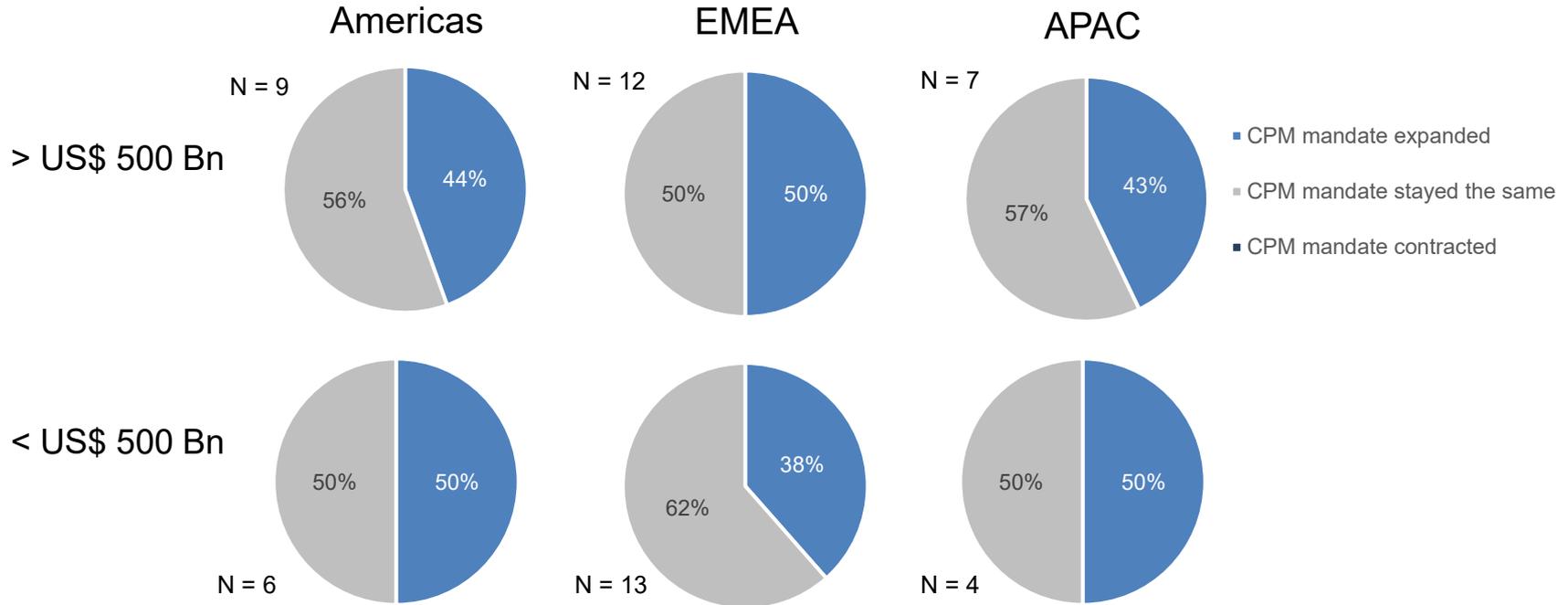


# Reporting Levels	2025	2023	2025	2023
	# of Respondents	# of Respondents	% of Respondents	% of Respondents
1 Level	2	6	4%	11%
2 Levels	22	18	43%	32%
3 Levels	23	23	45%	41%
4 Levels	4	5	8%	9%
5 Levels	0	4	0%	7%
Total	51	56	100%	100%

Comments
For B&PB Business Lending CPM team
Given CPM is mainly centred in the investment bank, the number of levels is relative to the CEO of the Investment bank, not the overall group CEO (which adds another level).
Head of CPM reports to Chief Credit Officer. He reports to Chief Risk Officer who reports to the CEO.
The aforementioned responsibilities of CPM (from Q2) is taken up by Regulatory Portfolio Analytics and Credit Risk. The respective Heads has 2-3 reporting levels from CEO.

Question: How many reporting levels are between the head of CPM and the CEO of your firm? E.g., the head of your CPM unit reporting directly to the CEO would equal 1 reporting level. (Q7)

Risk/CPM Mandate: Expanding or Contracting



Question: Over the past 12 - 24 months, has the mandate of CPM expanded in asset coverage, function and/or organizational linkages with other parts of your firm? (Q11)

Risk/CPM Mandate: Expanding

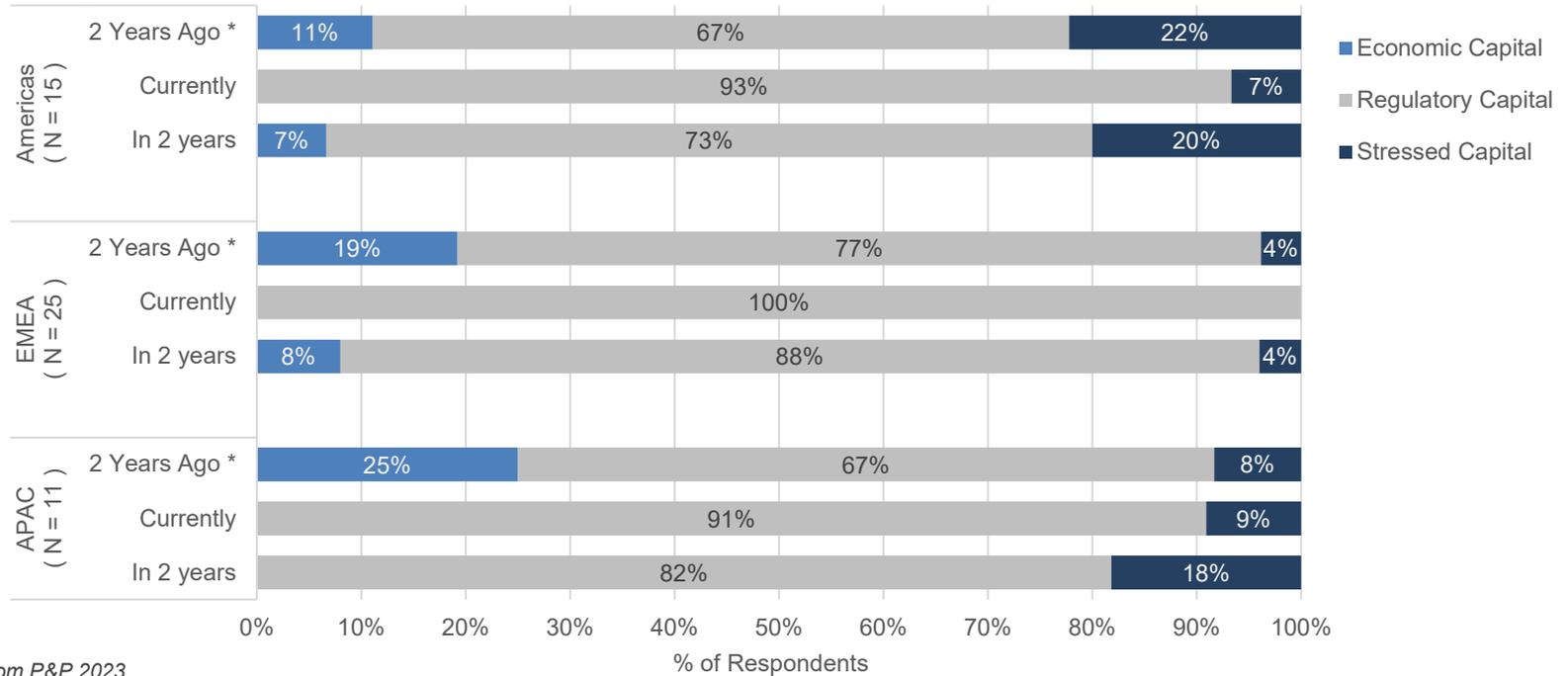
Comments (Americas)
As a result of merger of Commercial Bank with the Corporate and Investment Bank.
Commercial CPM mandate has expanded to cover counterparty credit risk as well as consumer.
Continued to centralize the approach, with CPM activities being increasingly centralized.
Executed SRT.
More intense review and challenge process. Heavier interaction with both internal and external stakeholders, including investors, rating agencies and regulators.
SRT and NPI.
Yes, covering new asset classes.

Comments (EMEA)
Cover more asset types
CPM mandate expanded - Streamline the work with different stakeholders (internal and external) - Develop an internal System to properly monitor the portfolio - Part of the Low Return Committee.
Expansion from wholesale business to include retail/ private bank.
Increased responsibility related to sustainability risk.
Internal onboarding of CPM modelling framework from minority shareholder.
Significant increase in SRT mandate / additional asset classes.
We are now present in commercial decision bodies for all new originated transactions with voting rights.
We have created a new unit reporting to the CFO, replacing former CPM business units, with the objective of defining and executing the Group's global capital optimization strategy. Among its responsibilities are: defining and monitoring the Group's capital metrics, identifying and driving efficiency and capital, optimization levers, including the Group's Balance Sheet rotation strategy and execution.

Comments (APAC)
CPM has become more involved in monitoring funding requests and ALM management.
CPM mandate has expanding for the role of monitoring the business lines' Origination to Distribution activities.
Portfolio shaping to support growth, manage concentration, and to navigate the trade war.

Question: Over the past 12 - 24 months, has the mandate of CPM expanded in asset coverage, function and/or organizational linkages with other parts of your firm? (Q11)

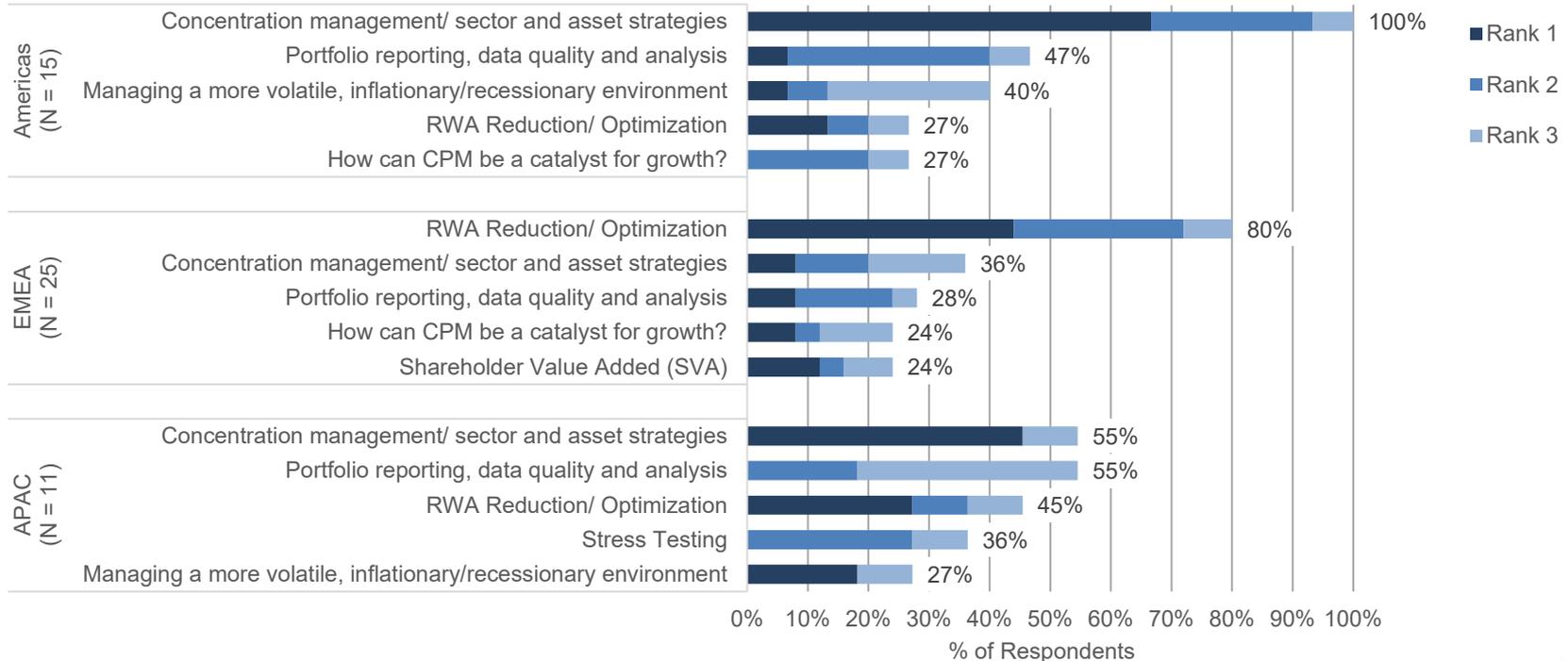
Capital Measure with Highest Importance at Firm By Region of Domicile



Question: Which measure of capital has the highest importance and focus in your firm? (Q32)

Credit Risk and Portfolio Management Top Priorities

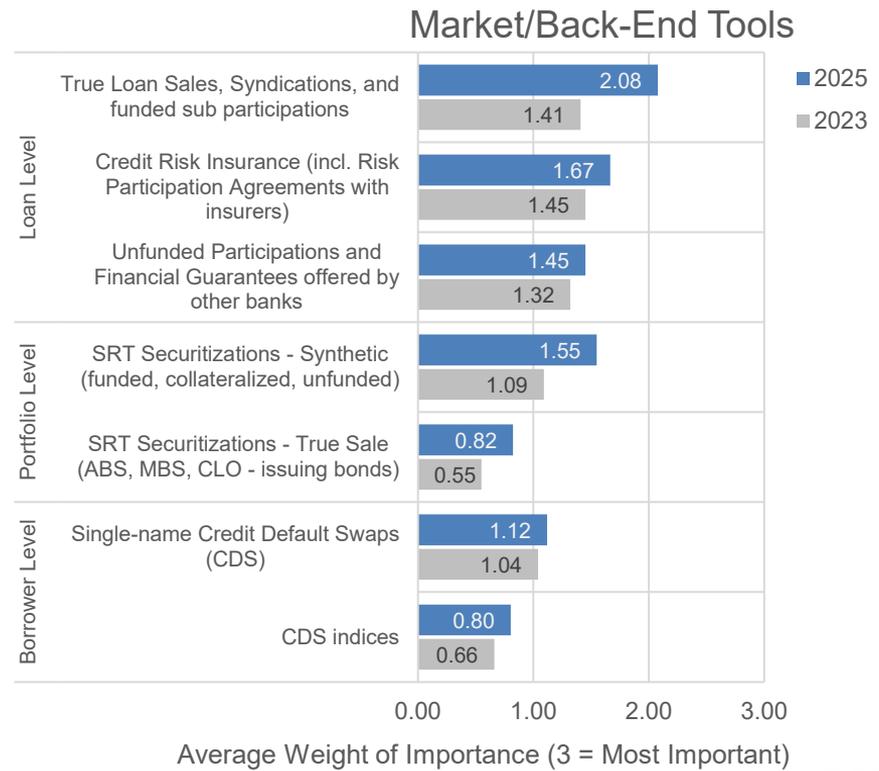
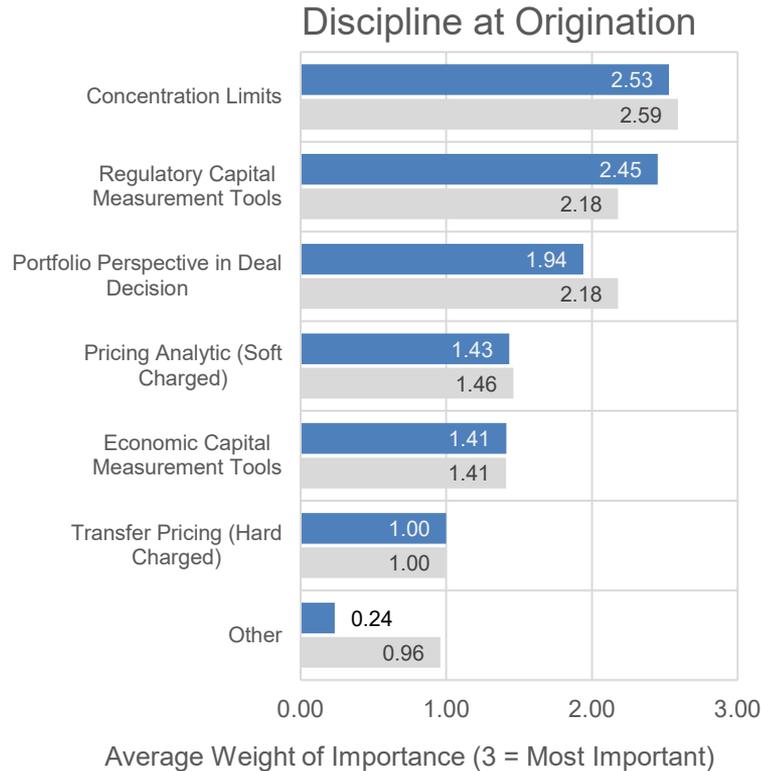
CPM top priorities vary somewhat by banks' region of domicile but as in prior years, CPM focus globally continues to be on concentration management, sector and asset strategies, capital efficiency as well as portfolio reporting and analysis to support these priorities.



Question: Please indicate and rank top three priorities for CPM at your firm? (Q22)

Relative Importance of CPM Tools

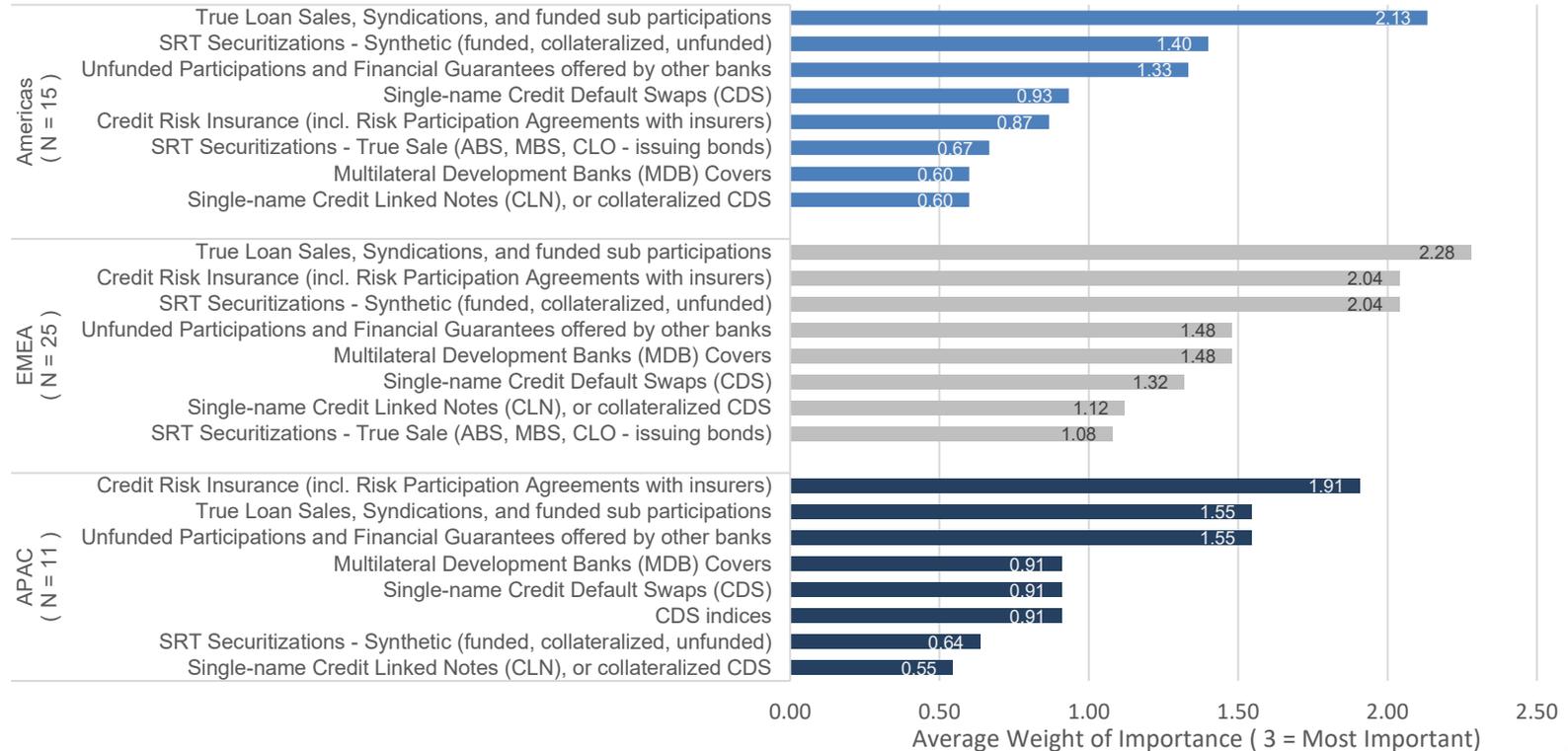
Comparing Survey Data from 2025 and 2023 (Banks, N = 51)



Question: Please rate the tools you use to manage your credit portfolio by importance. (Q24)

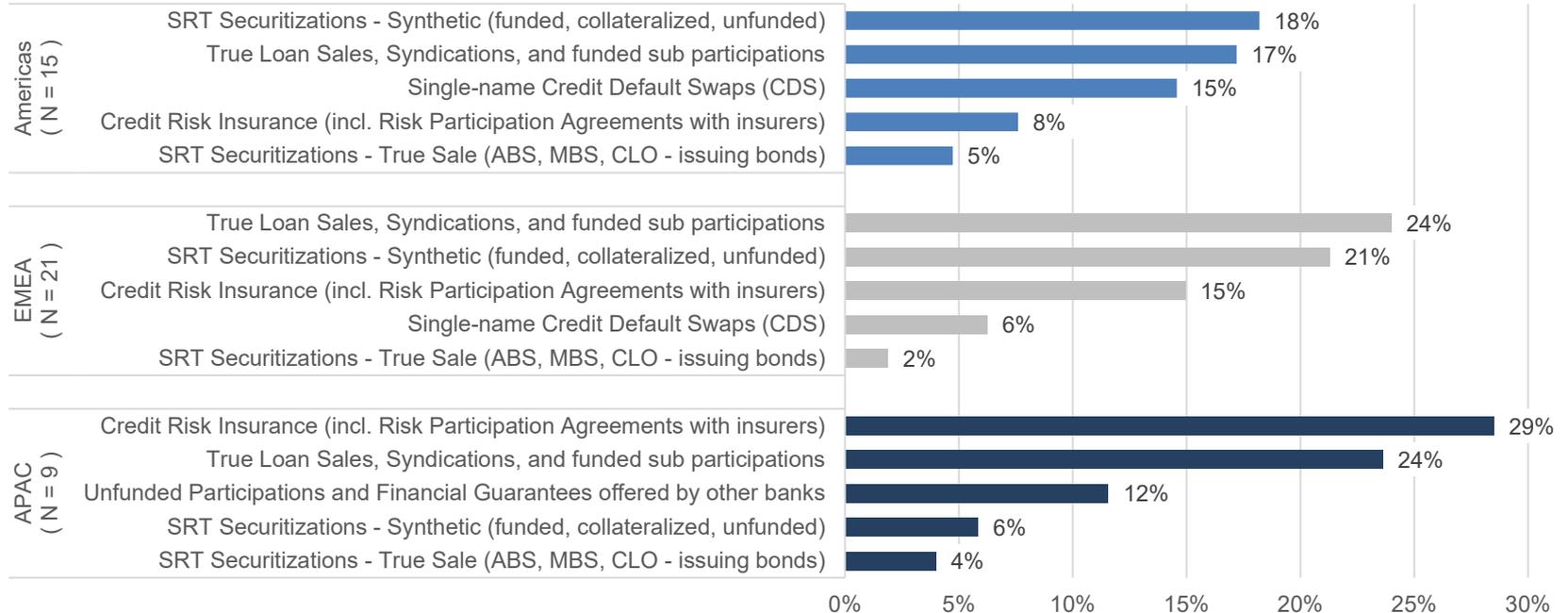
Relative Importance of Market Tools

By Region of Domicile



Question: Please rate the tools you use to manage your credit portfolio by importance. (Q24)

Market tool usage over the past 12 months differs by region, especially for CRI. Banks in APAC used CRI almost 30% of the time a risk mitigation tool was utilized, while for banks in EMEA and the Americas that percentage was 15% and 8%, respectively.

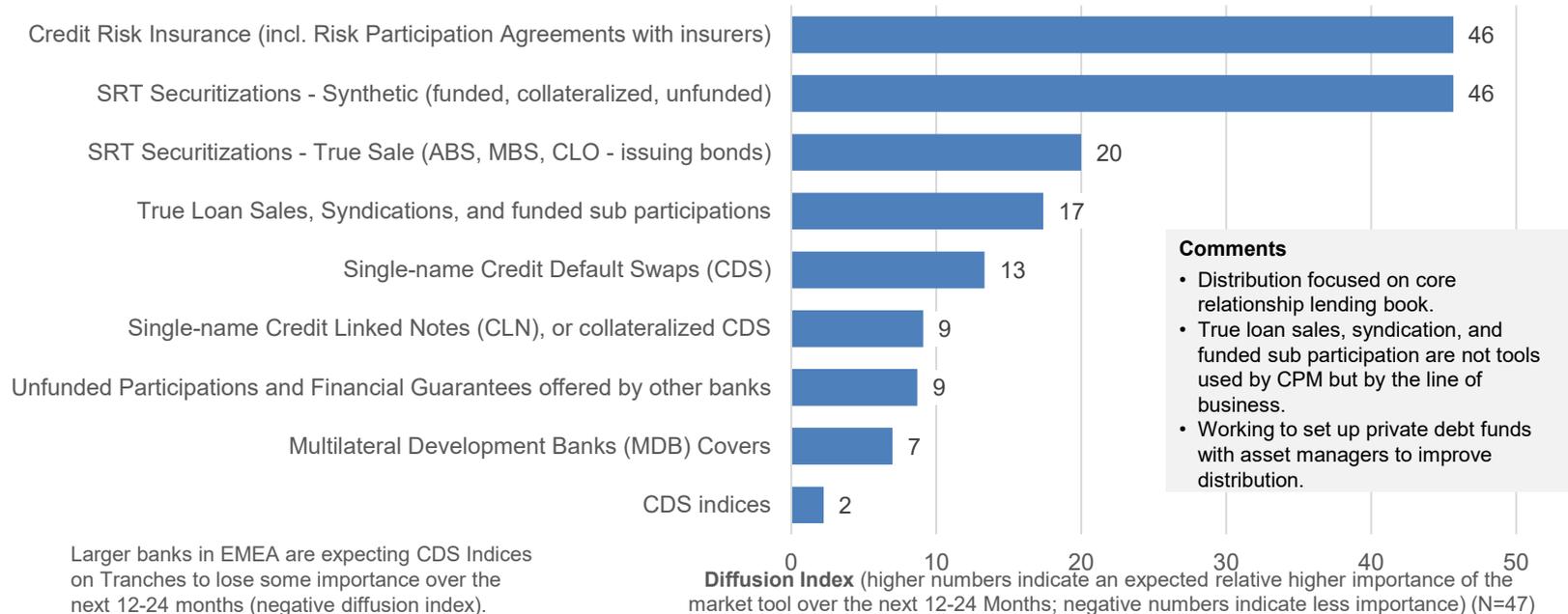


Question: If your firm uses market/back-end tools for risk mitigation, please estimate the average percentage split for market tools used to manage your credit portfolio over the past 12 months. (Q26)

The **Weighted Average Usage** has been calculated by taking the midpoint of the estimated average percentage split and weighting it with the number of received responses.

Expected Change in Relative Importance of Market Tools

Following the trend from the past couple of years, the relative importance of SRT securitizations (funded, collateralized, and unfunded) and credit risk insurance are expected to continue to increase globally.



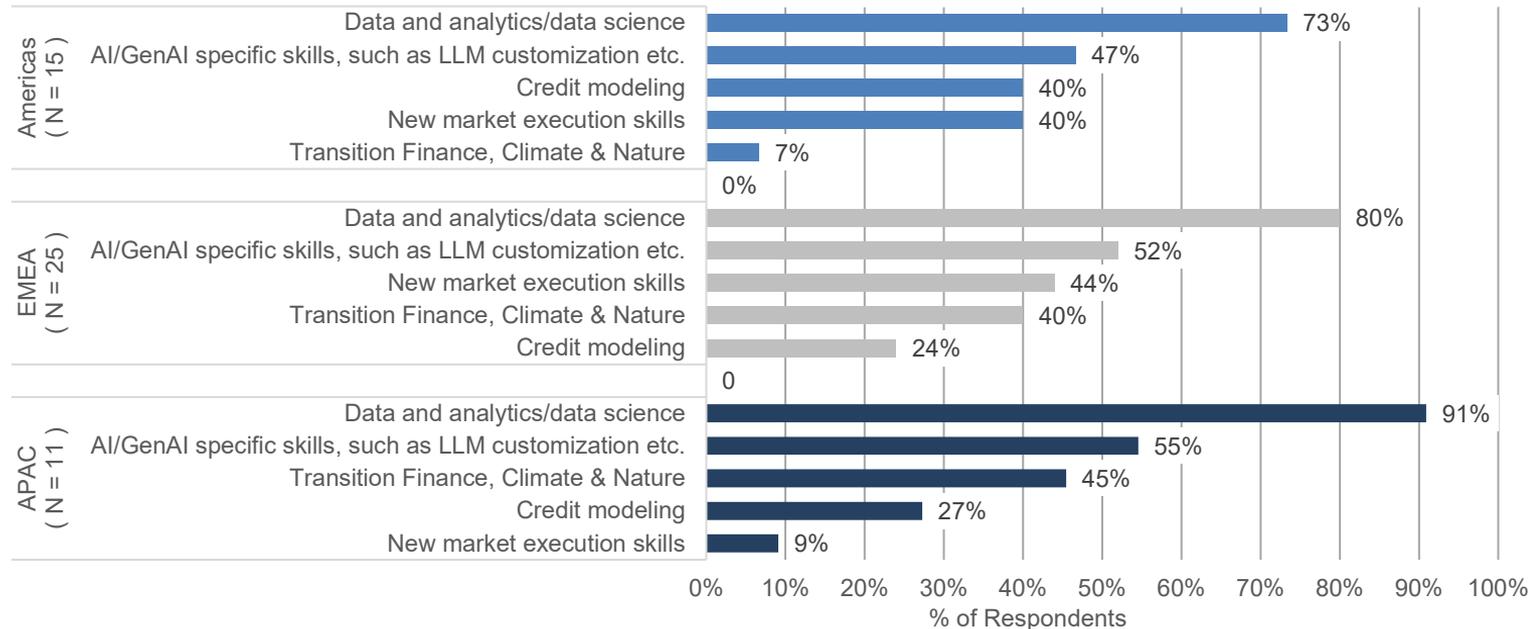
Question: If your firm uses market/back-end tools for risk mitigation, looking forward over the next 12-24 months, do you expect the importance of market/back-end tools for risk mitigation to change at your firm? (Q25)

Emerging Themes - AI/AgenticAI Use Cases – Asia Responses

- Origination Focused
 - Planning/proof of concept stage
 - Underwriting memo drafting (pilot stage)
- Portfolio Reporting
 - Pilot stages
 - Data gathering – internal and external
- Portfolio Market Execution
 - Planning or no immediate plans
- IACPM McKinsey 2025 Survey [White Paper](#)

CPM Priorities: New or Additional Skillsets Needed

Given priorities, CPM globally continues to expand data and analytics as well as data science skillsets. AI and Gen AI specific skills are now the second most important skillset needed, regardless of bank size and region, replacing skillsets related to transition finance, climate & nature which ranked second just two years prior. A possible testament that climate has now been integrated in the credit risk processes at many banks.



*multiple responses were permitted

Question: Given CPM priorities in the current environment, what new or additional skillsets are needed? Please select all that apply. (Q23)

Concluding Thoughts

- New and emerging risks (and opportunities) are front and center for Risk and Credit Portfolio Management: Geopolitical, AI/GenAI, Climate/Sustainability
- New approaches for early warning indicators, stress testing and scenario analyses are critical components of forward risk assessment
- Market tools (CRI, SRT etc) are developing and are in wider use where feasible
- The roles of Risk and Credit Portfolio Management are evolving and in many cases expanding in linkages across the firm

APPENDIX: Resources

2025 Recent/Upcoming Meetings & Webinars

- July 8
(replay available through 8/30) IACPM Summer Webinar: You Go Your Way, I'll Go Mine: *Deglobalising and Deregulatory Trends in Banking* – Speaker: Adrian Docherty, Head of Bank Advisory, BNP Paribas
- Aug 14-15 IACPM Credit Portfolio Workshop, Singapore and Policy Forum (w/NUS RMI)
- Sept 9 IACPM New York Reception
- Sept 16 IACPM Africa Regional Meeting in Johannesburg
- Sept 16 IACPM Asia Regional Meeting in Hong Kong
- Oct 7 Corporate Perspectives Webinar with Meghan Montana, Senior Vice President, Finance and Corporate Development, American Airlines
- Nov 5 IACPM Preconference Roundtables in Chicago
- Nov 6-7 IACPM Fall Conference in Chicago

Watch the IACPM website for updates!

Research

IACPM/McKinsey Study: GenAI, AI, and Advanced Analytics

[White Paper Available](#)

Principles and Practices in CPM

2025 Survey Results in Progress

[2023 Results and White Paper Available](#)

Global SRT Bank Survey

[FY2024 Results have been released](#)

[FY2023 High-Level Results Available](#)

Global SRT Insurance Survey

FY2024 results have been shared

[High-Level Results Available](#)

IACPM/ITFA Credit Risk Insurance

Next iteration in 2H 2025, please inquire

Measuring Financed Emissions

Results available to participants

Concentration Limit Frameworks and Linkages to Risk Appetite

[White Paper Available](#)

Quarterly Credit Outlook

[Results Available](#)

Recent Regulatory Meetings

Australian Prudential Regulation Authority
Credit Portfolio Management Updates

Basel
Significant Risk Transfer and Credit Insurance

Department of Financial Services (NY)
Credit Insurance

European Banking Authority
US/Europe Significant Risk Transfer Practices

European Central Bank/European Systemic Risk Board
Significant Risk Transfer

European Commission
Significant Risk Transfer

Federal Reserve Board/Office of the Comptroller of the Currency
Significant Risk Transfer

Financial Stability Board
Significant Risk Transfer

International Sustainability Standards Board
Global Climate Disclosure Standards

Monetary Authority of Singapore
CPM/Risk Organization and AI/GenAI

Office of Superintendent of Financial Institutions
Credit Portfolio Management Updates

Prudential Regulation Authority
Credit Insurance and Significant Risk Transfer

South Africa Reserve Bank
Credit Portfolio Management Updates