

## Case Study

### Review of Loan Portfolio



#### Client

**Financial Services Company**

#### The Work

Our client managed a range of investment funds whose purpose was to make micro loans to a range of small businesses and enterprises. The Board of Directors of the fund challenged our client on the methodology applied in calculating interest on these loans; in particular was the concern that insufficient interest had been paid by the recipients of these loans.

#### How We Helped

KSC provided the client with a highly experienced consultant who analysed each portfolio and a sample of the various standard loan contracts that were in place for the loan clients. A recalculation of interest payable on a sample of loans was also performed. A report was produced demonstrating that the clients had actually paid the appropriate amount of interest on their loans in accordance with the loan contracts in place. Our consultant presented the findings to the Board of the fund on behalf of the client. No compensation was payable to the fund by our client as a result.

#### Value Added

Advice was given on the construction and wording of the loan contracts and revised wording provided in order to ensure absolute clarity on the calculation of interest payable by clients going forward.

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