Date: [Insert Date]

To: All Department Heads / Risk Management Committee

Subject: Risk Advisory: Impact of Rising Unemployment on Retail Banking Portfolio

1. Overview

This advisory serves to highlight the increasing credit risk across our retail banking products due to the recent rise in national unemployment rates. Economic indicators suggest a potential decline in household disposable income, which may affect loan repayment behaviors.

2. Key Risk Areas

- **Unsecured Lending:** Increased default risk in personal loans and credit card portfolios.
- **Mortgage Portfolios:** Potential rise in missed payments and requests for hardship assistance.
- **Asset Quality:** Expected increase in Non-Performing Loans (NPLs) and higher provisioning requirements.

3. Recommended Actions

- **Credit Tightening:** Review and adjust Debt Service Ratio (DSR) thresholds for new applicants in high-risk sectors.
- **Early Warning Systems:** Enhance monitoring of accounts showing early signs of delinquency.
- **Customer Support:** Proactively offer restructuring or repayment holidays for eligible distressed borrowers.
- **Collection Strategies:** Increase resources within the collections and recovery departments to manage higher volumes.

4. Conclusion

We advise all stakeholders to remain vigilant and ensure that capital buffers are sufficient to absorb potential losses. Further updates will be provided as the economic situation evolves.

Sincerely,

[Your Name]
[Your Title]
[Risk Management Department]