

PI ETA CONSULTING COMPANY

Actively Managing Problem Loans

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OUTLINE FOR ACTIVELY MANAGING PROBLEM LOANS, A 2-DAY PROGRAM

- **Definition of a Problem Loan**
- **Primary Objective in Handling Problem Loans**
 - Bank's Primary Objective
 - Importance of Its Reputation
 - The Urgency of Handling Problem Loans
- **Major Causes of Problem Loans**
 - Changes in Normal Business Cycle
 - Misrepresentation/Fraud
 - Poor or Mismanagement
- **Avoidance of Problem Loans**
 - Marginal Loans
 - Constant Monitoring
 - Following Strictly to a Set of Target Market Criteria and Risk Asset Acceptance Criteria
- **Prevention of Potential Fraud**
- **Early Warning Signals**
 - Signals from Borrower
 - Signals from Relations With Others
 - Signals indicated by Borrower's Financial Statements
- **Watch-List/Classification of Credits**
- **Classification Definitions**
- **Classification Grades and Non-Performing Loans (NPLs)**
- **Action Steps to be taken once a Problem Loan is identified**
 - Getting Started early
 - Obtain as much resources as possible
 - Communicate with the borrower
 - Relationship Manager must understand borrower's situation
 - Working Dialogue with other creditors
- **Exploring Alternatives**
 - The Bank's Objectives
 - Developing an Action Plan
 - Other Alternatives
- **Actions To Be Undertaken and What to Avoid in a Workout Situation**
 - Actions To Be Undertaken
 - What to Avoid

- **Important Lessons Learnt**
- **Case Studies**

For more information, please contact PI ETA Engagement Resource (PEER) Group at
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PROGRAM FACILITATOR

Mr. Andrew K. T. Goh

B.Econ.

Mr. Andrew K. T. Goh is a Business Domain Expert Facilitator with PI ETA Consulting Company. He has 32 years of banking experience having held senior banking positions in both international and local banks. Andrew is also an Independent Non-Executive Director of HL Global Enterprises Ltd, a listed company of the Hong Leong Group of Companies.

Andrew has a successful track record in Corporate Banking, Trade Finance, Specialized Lending, Lending to Small and Medium Enterprises and Credit Audit.

Prior to his current appointment, he was a Senior Audit Manager in Credit Risk Review with Overseas-Chinese Banking Corporation. He spent almost 5 years reviewing the corporate loans of the organization. Before this appointment, he was the Head of Corporate Banking with American Express Bank for 13 years. Andrew also spent 3 years with United Overseas Bank, first as Head of Consumer Banking and Credit Administration before assuming the position of Head of Corporate Banking. His first job was with Bank of America, having spent 11 years with this financial institution. He was appointed the first Chairman of the Bank's Marketing Committee and was also the Bank's Asia Specialist for Energy. Andrew spent 2 years in Houston Texas financing oil traders, major oil companies, oil field supply equipment manufacturers and other oil related industry players. He was also a Section Head of the Bank's Energy, Shipping, Chemical and Aerospace Department and made Senior Credit Officer of the Bank's Jurong Branch. Andrew also spent a year in the Bank's Specialised Lending Department handling the problematic accounts.

Andrew graduated with a Bachelor of Economics degree from the University of Adelaide, South Australia. He was also a part-time lecturer for 5 years in the 1990s lecturing on the subject of "Bank Lending" at the Nanyang Technological University of Singapore. This subject was offered to second year students of the School of Accountancy and Business.