

# **Actively Managing Problem Loans**

## ***Comments from past participants***

*“An engaging and practical seminar!”*

– Ms. Nancy Foong Poh Yoke, PT Bank Mandiri (Persero) Tbk, Singapore.  
[Class of May 2010]

*“By attending this seminar, we gained broader views regarding problem loans, starting from the causes until how to solve it. Moreover, we also learnt how to acknowledge loans that should be avoided at the very beginning. In addition, the seminar gave us a brief overview about local regulator approach to supervising banks in Singapore.”*

– Mrs. Paulina J. Rietkamp, Bank Indonesia, Indonesia.  
[Class of May 2010]

*“The seminar offers a hands-on experience on how to manage problem loans, and it gave me alternative solutions when facing similar situations in the future. As a facilitator, Andrew has successfully explained the material clearly and in an easy to follow manner.”*

– Mr. Harry Suswendi, Bank Indonesia, Indonesia.  
[Class of May 2010]

*“This seminar is well run and it provides a good introduction on the various aspects of managing problem loans. I benefited from the facilitator sharing his vast experience, and the exchange with other participants.”*

– Ms. Anita Ng, UniCredit Bank AG - Singapore Branch, Singapore.  
[Class of July 2010]

*“The Actively Managing Problem Loans seminar was really nice and lively. The facilitator was very experienced and cooperative. At the end of the seminar, the case studies were real life and interesting. The whole session of the seminar was interactive, enjoyable and quite learning.”*

– Mr. Gaus-Ul-Wara Md. Mortaza, The City Bank Limited, Bangladesh.  
[Class of November 2010]

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*“The training materials were very thorough and covered many aspects that I was expecting from the training. The class was smallish but it was a good thing since all of us were experienced bankers. The highlight has to be sharing the experience from the other countries and learning from past mistakes. Andrew also conducts the seminar in a clear fashion and brings a lot of experience into the mix as well.”*

– Mr. Dwi Febriantoko, PT. Bank Mizuho Indonesia, Indonesia.  
[Class of November 2010]

*“Fruitful discussion and Interaction! Many past experiences shared by Andrew.”*

– Ms. Koh Shwu Yuan, Sumitomo Mitsui Trust Bank Ltd., Singapore.  
[Class of April 2019]

## ***Highlights***

- Know the Primary Objective in handling Problem Loans
- Understand the Urgency of handling such loans
- Be familiar with the major causes of Problem Loans
- Know how to avoid or minimize Problem Loans
- Know and understand how to Prevent Potential Fraud
- Be familiar with the Early Warning Signals with respect to the Borrower, its relation with others and as indicated by its Financial Statements
- Know the various Loan Classifications and how Non-Performing Loans (NPLs) are handled in a bank
- Know the action steps to be taken once a problem loan is identified
- Ensure an Action Plan is made in line with the Bank’s Objective
- Ensure other alternatives/actions are explored
- Understand the Actions to be Undertaken and What to be Avoided in a Workout Situation
- Be familiar with some of the important lessons learnt

**Seminar Facilitator**  
**Mr. Andrew K. T. Goh, B.Econ.**

**Seminar Duration**  
**2 Days, 9:00am to 5:00pm**

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## Seminar Background

This is an intensive program that covers how to manage Problem Loans, bearing in mind the urgency and the cost involved if they are not handled immediately. Participants will be familiarized with the major causes of problem loans and how to avoid or minimize them.

The seminar also outlines ways to prevent fraud.

Handling problem loans is a very specialized and tedious task and officers need to be specially trained so as to minimize the loss to the bank. Officers will also be taught to be familiar with early warning signals from the borrower, its relation with others and as indicated by its financial statements.

Furthermore, the seminar will also share with participants the action steps to be undertaken once a problem loan is identified. Various alternative actions to handle problem loans are also discussed so as to minimize the time and effort spent. In addition, actions to be undertaken and what to avoid in a workout situation are also discussed. The seminar also provides some of the important lessons learnt from experience.

## Seminar Content

- **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**

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- **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**

## **Benefits of Attendance**

Upon completion of this program, participants will:

- Understand the Urgency of handling Problem Loans
- Be familiar with the Major causes of Problem Loans
- Know how to Avoid or Minimize Problem Loans
- Understand how to Prevent potential Fraud
- Be familiar with Early Warning Signals
- Know the Action Steps to take once a Problem Loan is identified
- Ensure all other possible alternatives are explored and actions taken
- Be familiar with the actions to be undertaken and what to avoid in a workout situation
- Be familiar with some of the important lessons learnt

## **Who should attend?**

Credit and Financial Analysts, Portfolio Managers, Credit Officers, Corporate Bankers, Commercial Bankers, Risk Managers, Problem Loan Specialists and Analysts, Internal Auditors.

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## Seminar Facilitator

**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.

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