# Specification of Competency Standards
## for the Banking Industry
## Unit of Competency

Functional Area - 3. General Enterprise Banking Credit Management
(Key Function – 3.4 Monitoring Non-Performing Loan Performance)

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| Title | Conduct post approval credit monitoring and review on problem loans |
| Code | 109273L5 |
| Range | Conducting on going credit monitoring on loan accounts and reviewing problem loans to identify the underlying causes. This applies to loans of different kinds, amount and client segments. |
| Level | 5 |
| Credit | 4 （For Reference Only） |
| Competency | Performance Requirements<br>1. Knowledge in the Subject Area<br><br>Be able to:<br>• Understand theories and knowledge in bank lending in order to analyse the situation in different cases of problem loans;<br>• Demonstrate professional knowledge in problem loans management (e.g. common causes for problem loan, early warning signals) by applying it to identify the root causes of different problem loans.<br><br>2. Applications<br><br>Be able to:<br>• Evaluate the repayment record and transaction records of different accounts of the clients in order to identify possible causes for delay in payment;<br>• Review the accuracy of past documentation (e.g. collateral valuation report, risk assessment, tracking report) and timeliness of problem identification in order to identify possible root causes for problem loans;<br>• Consolidate information from different sources in order to analyse the changes in financial situations of the clients when compared to the time of loan origination;<br>• Compare the loan with lending guidelines to identify any deviation from the agreed principles;<br>• Determine the amount of provision for problem accounts and assess the impact on the bank's credit portfolio.<br><br>3. Professional Behaviour and Attitude<br><br>Be able to:<br>• Evaluate information related to current and projected financial status of applicants, hence, to re-assess the bank / client relationship and carry out necessary follow-up actions promptly;<br>• Classify the unpaid debt customers to make claims and provide necessary information to relevant parties, if warranted. |
| Assessment Criteria | The integral outcome requirements of this UoC are:<br><br>• Execution of post approval credit monitoring and identification of the underlying causes of problem loans. These should be based on analysis on the financial situation and transaction pattern of the clients. |
| Remark | |