



Special Loan Guarantee Scheme: Questionnaire on Default Claim

For Application(s): *(please insert application no.)* _____

1. Does your institution have any internal operation manual (“the manual”) on the processing and approval of credit facilities ?

Yes No

2. Is such manual drawn up by reference to and in compliance with the Code and all HKMA Guidelines and Circulars ?

Yes No

3. Is such manual regularly updated and from time to time when need arises ?

Yes No

4. Was the staff responsible for the processing and approval of the Special Loan applied by the borrower under the SpGS sufficiently familiar with such manual?

Yes No

5. Was the Special Loan granted to the borrower under the SpGS as a matter of exception to the guidelines and policies stated in the manual ?

Yes No

If yes,

(a) To what extent was the staff concerned allowed to deviate from the manual ?

(b) Was prior approval from the senior management required for such deviation ? Has such approval been sought ?

(c) What were the considerations for allowing the exception ? Have these considerations been stated in the manual ? What was the degree of discretion involved ?

6. Did the borrower or its related companies already have facilities with you at the time when the borrower submitted its application to you for the Special Loan under the SpGS?

Yes No

If the answer is “yes”, please provide the following information :

Name of Borrower / Related Companies	Nature of Facilities	Account No.	Start Date of Facilities and Terms of Repayment	Amount Overdue, if any, at Time of Application for Special Loan Guarantee under the SpGS (Please provide details and course of recovery action taken) (HK\$)	Current Status of the Facilities (e.g. fully repaid/defaulted on a particular date)

(Please also provide bank statement(s) in respect of the above facilities)

(a) Does the manual have clear guidelines on the circumstances in which credit facilities may be approved where existing credit facilities remain outstanding ?

Yes No

(b) Has your institution complied with such guidelines when approving the Special Loan to the borrower under the SpGS ?

Yes No

(c) Has your institution properly rated the existing outstanding credit facilities of the borrower or its related company in accordance with HKMA's guidelines ?

Yes No

(d) Is the granting of new credit facilities (where existing credit facilities of the borrower or its related company remain outstanding) a normal part of the lending business of your institution ?

Yes No

(e) Is it normal for your institution to approve credit facilities to a borrower knowing well that its related company has outstanding credit facilities with your institution ?

Yes No

7. Have you granted any new facilities or renewed or rescheduled any existing credit facilities to the borrower or its related companies after the borrower submitted its application to you for the Special Loan under the SpGS?

Yes No

If the answer is "yes", please provide the following information :

Name of Borrower / Related Companies	Nature of Facilities	Account No.	Start Date of the Facilities and Terms of Repayment	Current Status of the Facilities (e.g. fully repaid/defaulted on a particular date)

(Please also provide bank statement(s) in respect of the above facilities)

8. Has the Special Loan under the SpGS been restructured during the guarantee period?

Yes No

9. Does your institution use monitoring staff different and independent from staff who advanced the Special Loan to the borrower under the SpGS ?

Yes No

10. Does your institution diarise and bring up account for review?

Yes No

(If no, please explain): _____

11. Does your institution ascertain changes in credit quality yearly at least and properly document and report results of the credit reviews?

Yes No

(If no, please explain): _____

We confirm and undertake that -

- (a) the above information, which is given in connection with the claim for payment under the Deed* for the Special Loan Guarantee Scheme ("the Deed"), is to the best of our knowledge and belief to be true, accurate and complete; and
- (b) in accordance with Clause 6.11 of the Deed*, we act in accordance with prevailing good banking practice for the banking sector in processing the borrower's application for Special Loan under the SpGS.

Signature : _____

Name of Lender : _____

Name & Title : _____

Date : _____

* The Deed herein refers to the Deed, the Supplemental Deed and the Second Supplemental Deed signed between the Government and individual participating lending institutions of the SpGS.