



EM-21.1

Category: Assets
Topic: Portfolio Quality & Composition
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Overview

This section contains FCA's standard procedures for examining Portfolio Quality & Composition; however, the guidance for each procedure is currently under development. In the interim, the following links provide related guidance that was contained in the old FCA Examination Manual:

- [EM- 305 Introduction](#)
- [EM- 315 Analytical Review of Assets](#)
- [EM- 320 Asset Classifications](#)

Examination Procedures and Guidance

General

1. Quality & Composition:

Evaluate current portfolio quality and trends. Also, analyze portfolio composition to identify and evaluate concentrations that could adversely affect the portfolio.

Guidance:

2. Growth:

Evaluate the amount, quality, and sources of portfolio growth and how it impacts portfolio quality and composition.

Guidance:

3. Prospective Risks:

Evaluate emerging and prospective risks and their potential impact on the portfolio.

Guidance:

4. Direct Loans (banks only):

Assess the quality of the direct loan portfolio.

Guidance: