

# Specification of Competency Standards for the Retail Banking

## Unit of Competency

### Credit Management > 3.2 Credit Acquisition

|                     |  |
|---------------------|--|
| Title               | Conduct credit assessment for credit applications  |
| Code                | 107366L5   |
| Range               | Assess the risk associated with different credit applications to facilitate decision on granting or declining of credit. This applies to credit applications of different kinds and amount   |
| Level               | 5  |
| Credit              | 4  |
| Competency          | <p>Performance Requirements</p> <ol style="list-style-type: none"> <li>1. Evaluate the process of credit assessment<br/>Be able to: <ul style="list-style-type: none"> <li>• Evaluate the actions required to take in assessing customers' credit standing and their underlying rationale to ensure an accurate and comprehensive assessment</li> <li>• Evaluate the credit application in conformity of relevant policies, compliance and regulatory requirements</li> </ul> </li> <li>2. Undertake credit analysis<br/>Be able to: <ul style="list-style-type: none"> <li>• Carry out financial and non-financial analysis to assess customers' financial needs and credit worthiness</li> <li>• Measure potential credit losses with high degree of accuracy for determining eligibility and limits for lending</li> <li>• Evaluate the collateral quality, in terms of fair market value, marketability, constraints of liquidation</li> </ul> </li> <li>3. Perform sensitivity analysis<br/>Be able to: <ul style="list-style-type: none"> <li>• Analyse information with regard to customer financial strength (e.g. curriculum vitae, education background, income, credit status in other financial institutions, etc.)</li> <li>• Request permission from customers skillfully for conducting sensitivity analysis in order to be allowed to ask sensitive questions for forecasting customer financial strength precisely</li> </ul> </li> </ol> <p>6.4 Provide recommendations based on results of analyses Be able to:</p> <ul style="list-style-type: none"> <li>• Evaluate the results of the analyses; comment on the applicant's credit worthiness, repayment ability and risks level in order to give recommendation for approvers</li> <li>• Strike a balance of the interests between customers and the bank when recommendations are proposed</li> </ul> |
| Assessment Criteria | <p>The integral outcome requirements of this UoC are:</p> <ul style="list-style-type: none"> <li>• Provision of accurate credit analysis for every credit application. The analysis should contain relevant documents for checking and assessment on credit worthiness, repayment ability and possible risks to the bank</li> <li>• Provision of effective recommendations based on relevant analysis and possible risks to the bank</li> </ul>  |
| Remark              |  |