

# Specification of Competency Standards for the Retail Banking

## Unit of Competency

### Credit Management > 3.2 Credit Acquisition

Title	Determine terms and conditions for credit proposals according to the financial strength of applicants
Code	107367L5
Range	Finalize the terms and conditions for each individual application. This applies to contracts of different credit products regardless of the contract volume
Level	5
Credit	4
Competency	<p>Performance Requirements</p> <ol style="list-style-type: none"> <li>1. Analyse credit worthiness and risks associated with the applicants Be able to: <ul style="list-style-type: none"> <li>• Evaluate customer financial strength based on reputation of customers, repayment history, adequacy of equity capital, volatility in sources of funds intended to be used by customers for repayment of loan along with interest, value of collateral and dependence level on economic condition of customers</li> <li>• Evaluate credit rating or scoring by conducting detailed analysis on customer character and matching of facility characteristics to be extended</li> </ul> </li> <li>2. Formulate details of lending contract Be able to: <ul style="list-style-type: none"> <li>• Develop the terms and conditions such as interest rates, payment period and payment options etc. according to customer's needs and results of risk assessments</li> <li>• Determine the arrangement of credit facility such as access to funds, terms for the operating account etc. in order to minimize risks to the bank</li> </ul> </li> <li>3. Formulate risk migration alternatives Be able to: <ul style="list-style-type: none"> <li>• Identify and assess possible risk migration alternatives in accordance with customer profile and current economic condition</li> <li>• Take steps to protect the interests of all parties being affected when considering different risk migration alternatives</li> </ul> </li> </ol>
Assessment Criteria	<p>The integral outcome requirements of this UoC are:</p> <ul style="list-style-type: none"> <li>• Formulation of terms in lending contract / agreement for each of the applicant for credit products. The constructions of terms and conditions stipulated in the contract / agreement should be based on the analysis on needs of customers and the risks to the bank</li> <li>• Formulation of risk migration measures to minimize risks to the bank. The measures should be based on the analysis on customer profiles and economic conditions</li> </ul>
Remark	