

Specification of Competency Standards for the Retail Banking

Unit of Competency

Credit Management > 3.2 Credit Acquisition

Title	Evaluate the performance of credit business and make suggestions
Code	107368L5
Range	Evaluate revenue obtained from credit acquisition and make suggestions on improvement. This applies to different kinds of credits products and services provided by the bank
Level	5
Credit	4
Competency	<p>Performance Requirements</p> <ol style="list-style-type: none"> 1. Evaluate approaches in evaluating credit business <p>Be able to:</p> <ul style="list-style-type: none"> • Evaluate the formula in calculating revenue from credit acquisition to ensure the existing approach can provide an accurate and comprehensive calculation • Identify factors affecting revenue from credit acquisition in order to have a fair and unbiased evaluation of the credit business 2. Evaluate the performance of credit business <p>Be able to:</p> <ul style="list-style-type: none"> • Calculate cost and revenue associated with different credit acquisition • Compare the results with performance in other time periods and conclude on the effectiveness and profitability of the credit business after considering the business and economic situations 3. Suggest improvement measures <p>Be able to:</p> <ul style="list-style-type: none"> • Evaluate the performance of credit business and identify existing gaps • Evaluate different approaches for pricing and select the most optimal one after analyzing the performance of credit business • Suggest optimal levels of and standards for credit limits, risk cut-offs, collections actions to balance profitability and risk • Propose alternatives to balance income potential with sufficient credit loss reserve levels
Assessment Criteria	<p>The integral outcome requirements of this UoC are:</p> <ul style="list-style-type: none"> • Evaluation on the profitability of credit acquisitions based on the revenue and factors affecting the credit business • Recommendation on measures for improving credit business based on the results of credit performance evaluation
Remark	