

Specification of Competency Standards for the Retail Banking

**Unit of Competency**

**Strategic Business Development and General Management > 9.3 Financial Management**

Title	Prepare budget to support business development strategies
Code	107569L5
Range	Prepare budget for particular business initiatives. This applies to budget for major business development activities other than product development, sales and marketing
Level	5
Credit	4
Competency	<p>Performance Requirements</p> <ol style="list-style-type: none"> <li>1. Evaluate the business initiative to estimate amount of capital investment required Be able to: <ul style="list-style-type: none"> <li>• Evaluate the business initiative to identify and estimate the value of all expenditure items</li> <li>• Protect bank from unnecessary risks by evaluating the expected return and the optimal amount of capital investment required</li> </ul> </li> <li>2. Forecast the financial status of the bank Be able to: <ul style="list-style-type: none"> <li>• Collaborate with different business and operations units in preparing proper financial forecast timely and accurately so as to master the overall financial status of the bank</li> <li>• Identify the time the bank will be strapped for cash according to compiled cash flow forecast and provide solutions to minimize the stress</li> </ul> </li> <li>3. Prepare a budget plan for the business initiative Be able to: <ul style="list-style-type: none"> <li>• Prioritize expenses items and resources in accordance with their importance and risk levels</li> <li>• Prepare budget which can make the best use of cash or liquid resources and generating optimal profit</li> <li>• Identify possible areas of saving in the budget and work out action plans to specify how to conform with and achieve the revised budget</li> <li>• Identify a “feedback” mechanism on the actual expenditure vs. forecasts so as to improve the forecasting models</li> </ul> </li> </ol>
Assessment Criteria	<p>The integral outcome requirements of this UoC are:</p> <ul style="list-style-type: none"> <li>• A budget on a particular business initiative. The budget should be based on a thorough analysis of the business initiatives, return on investment and bank’s financial forecast etc.</li> </ul>
Remark	