

Specification of Competency Standards
for the Banking Industry
Unit of Competency

Functional Area - 3. General Enterprise Banking Credit Management
(Key Function – 3.2 Credit Acquisition)

Title	Structure the credit facility
Code	109257L5
Range	Preparing proposal on credit facility which specify the detailed terms and conditions for submission to the approving authority of the bank. This applies to loan application which requires individual and/or group assessment and involves significant amount such as corporate finance, lease-based / asset-based financing solutions, aircraft and ship financing, machinery and equipment financing, project finance and syndicated loans.
Level	5
Credit	4 (For Reference Only)
Competency	<p>Performance Requirements</p> <p>1. Knowledge in the Subject Area</p> <p>Be able to:</p> <ul style="list-style-type: none"> • Comprehend the theories and concepts related to corporate credit management in order to assess the risks of loan application; • Demonstrate professional knowledge in corporate loan financing by applying it to evaluate factors affecting default risks and assess the impact on loan applications; • Possess knowledge in different enterprise banking loan products of the bank and apply it to evaluate and compare the features of them in order to judge the suitability of loan applicants. <p>2. Applications</p> <p>Be able to:</p> <ul style="list-style-type: none"> • Identify clients' purposes and objectives for the loan by evaluating relevant information; • Interpret and analyse financial information submitted (e.g. financial statements) to determine financial standing of applicants; • Conduct financial analysis on the business such as income growth, quality/competence of management and market share to determine expected profitability of the business thus the repayment abilities of applicants; • Perform assessment on the specific projects or assets which require financing, analyse cash flow to be generated and valuation of assets in order to have a more accurate assessment on the risks involved; • Develop tailor-made financial package options for applicants and structure the terms and conditions (e.g. loan amount, repayment timeline, rates, etc.) based on earnings, repayment history, prospective risk level, etc.; • Develop loan repayment plan (e.g. when, how) and provide supporting information to substantiate the plan (e.g. projected cash flow, projected revenue); • Develop proposals to specify financing options available to applicants and present the terms and explanation in a clear manner. <p>3. Professional Behaviour and Attitude</p> <p>Be able to:</p> <ul style="list-style-type: none"> • Determine pricing of individual credits to ensure the returns are commensurate with the risk level; • Analyse the risks of repayment and select suitable collateral or guarantee to protect the bank in case of inability to repay.

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Assessment Criteria	The integral outcome requirements of this UoC are: <ul style="list-style-type: none">• Development of proposal on credit facility which specifies the terms and conditions for the loan and repayment schedule. These should be supported by comprehensive analysis on the business outlook, repayment abilities of the applicants, estimated risks and return to the bank.
Remark	