

Specification of Competency Standards
for the Banking Industry
Unit of Competency

Functional Area - 3a. Other Services on Enterprise Banking Credit Management (for Large Corporations)

(Key Function – 3a.2 Large Corporate Credit Facilities)

Title	Act as an initiator or a major participating bank to structure syndicated loan for corporate clients
Code	109289L6
Range	Structuring credit facilities on real estate development loan / construction finance / large scale project financing which involves more than one participating lender. This applies to large amount and mid to long term loan extended to large corporate clients.
Level	6
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"> • Demonstrate comprehensive knowledge in syndicated loan and across different disciplines in credit management in order to structure a deal in syndicated lending; • Understand the latest development in the macroeconomic environment, e.g. the development of Mainland China, economic outlook of the Greater Bay area, changes in HKMA's policies, etc. in order to identify the implications on large corporate clients and the bank. <p>2. Applications</p> <p>Be able to:</p> <ul style="list-style-type: none"> • Conduct research on the industry and businesses of the applicants in order to project the future outlook; • Conduct comprehensive analysis on the business and corporate information of the applicants in order to identify possible risks; • Analyse the capital structure of clients in order to identify the most suitable means of financing which can balance their assets and liabilities portfolio; • Determine initiator roles of the bank in the syndicated loan as well as roles and responsibilities of all other parties (i.e. borrowers and all other participating lenders) in accordance with the risk appetite of the bank. <p>3. Professional Behaviour and Attitude</p> <p>Be able to:</p> <ul style="list-style-type: none"> • Develop the structure of syndicated loan and obtain an agreement with all other participating banks regarding the shares and responsibilities; • Determine the structure, pricing and repayment schedule of the deal in order to provide adequate safety margin to the bank; • Determine provisions to be included in the information memorandum / loans and security documentation to ensure interests of the bank are adequately protected.
Assessment Criteria	<p>The integral outcome requirements of this UoC are:</p> <ul style="list-style-type: none"> • Development of proposal on the structure of syndicated loans to specify the roles of different banks, details of loans structures, terms and conditions, etc.; • Reaching agreement on the terms and conditions of the syndicated loan with the client and other participating banks based on individual bank's interest and critical analyses on the business outlook of clients, estimation of clients' repayment abilities and risks level involved.

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Remark	
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