

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	Structure credit facilities for real estate development loan / construction finance
Code	109291L5
Range	Structuring credit facilities on real estate development loan / construction finance. This applies to large amount and mid to long term loan extended to corporate clients whose business is specialized in property development.
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"> • Demonstrate comprehensive and specialized knowledge in credit management in order to structure loan for the real estate development project; • Possess professional knowledge regarding property development, real estate and construction industry (e.g. sector structure, key competitors, critical success factors) in order to evaluate the risks and profitability of the deal. <p>2. Applications</p> <p>Be able to:</p> <ul style="list-style-type: none"> • Analyse the macro-economic environment and market indicators (e.g. spreads, credit ratings) in order to assess the risk in financing and the market view on the development project; • Evaluate the performance of clients' business by employing different qualitative and quantitative methods (e.g. accounting ratio, cash flow analysis); • Assess the risks of applications and analyse the capital structure of clients in order to identify the most suitable means of financing which can balance their assets and liabilities portfolio; • Estimate the projected sales and cash flow of the project in order to estimate the repayment ability and sources and timing of repayment of the clients; • Provide recommendations on the structure of credit facilities and arrange the deals in accordance with the credit worthiness of the clients, projected performance of the business and credit strategy of the bank. <p>3. Professional Behaviour and Attitude</p> <p>Be able to:</p> <ul style="list-style-type: none"> • Analyse the debt structure of the clients to structure a deal which can meet the financial needs of clients while provide adequate protection to the bank's interests.
Assessment Criteria	<p>The integral outcome requirements of this UoC are:</p> <ul style="list-style-type: none"> • Provision of recommendations on credit facilities for real estate development loan by specifying the structure, terms and conditions of the deal; • Development of the loan structure based on the evaluation of the financial needs, business outlooks, repayment abilities and level of credit risks, etc. of the clients.
Remark	