

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 large scale operating assets financing programmes
Code	109293L5
Range	Structuring credit facilities on large scale operating assets financing programmes. This applies to the use of a client's company's balance sheet assets, including short-term investments, inventory and accounts receivable, to extend a large amount of mid to long term loan to large and complex corporate clients.
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 financing programmes on operating assets; • Possess professional knowledge regarding the industry specialization (e.g. sector structure, key competitors, critical success factors) of the clients in order to evaluate the risks and profitability of the deal; • Demonstrate professional knowledge in operating assets finance by applying it to assess the values of clients' operating assets and inventory to justify loan approval. <p>2. Applications</p> <p>Assess the risks of applications</p> <p>Be able to:</p> <ul style="list-style-type: none"> • 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 evaluate the business strategies of the company in order to assess the needs in asset investment and the commercial value of the operating assets; • Analyse the capital structure of clients in order to identify the most suitable means of financing which can balance their assets and liabilities portfolio. <p>3. Professional Behaviour and Attitude</p> <p>Be able to:</p> <ul style="list-style-type: none"> • Structure the deals in accordance with the credit worthiness of the clients, values of the operating assets, projected performance of the business and credit strategies of the bank; • 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"> • Structuring of credit facilities for operating assets financing program to specify the structure, terms and conditions of the deal; • Development of credit structure based on the evaluation of the financial needs, market value of operating assets, business outlooks, repayment abilities and level of credit risks, etc. of the clients.
Remark	