

Solutions and Service Delivery > Provision of Financing Solutions

Title	Provide asset-backed lending
Code	106624L5
Range	Provision of assets-based lending to private banking clients. This applies to loan using assets as pledged collaterals, such as financial assets, life insurance policies, real estate, etc.
Level	5
Credit	4 (for reference only)
Competency	<p>Performance Requirements</p> <ol style="list-style-type: none"> 1. Evaluate services on asset-backed lending <p>Be able to:</p> <ul style="list-style-type: none"> • Demonstrate professional knowledge in theories and concepts related to credit management in order to structure suitable financing strategies • Evaluate the features of asset-backed lending in order to tailor credit facilities to the needs of clients 2. Evaluate the needs and financial status of clients <p>Be able to:</p> <ul style="list-style-type: none"> • Communicate with clients in order to understand the intended use of the fund, e.g. investment, bridging liquidity shortage • Evaluate the borrowing base of clients, assess the value of assets and decide whether the assets are qualified as collateral • Determine loan-to-value ratio of the collaterals, taken into consideration factors such as quality, volatility tradability, diversification of client's portfolio, etc. • Conduct company analysis for corporate clients in order to assess the operating and asset performance • Employ third-party professionals to appraise the value of collaterals, if necessary 3. Structure the credit facility according to client's needs <p>Be able to:</p> <ul style="list-style-type: none"> • Develop financial covenants and/or non-financial covenants (e.g. agrees not to undertake certain actions without approval of the bank) to ensure that clients have the ability to meet the ongoing obligations • Structure the credit facility, such as loan structure, loan size, loan margin, loan currency, interest rate, loan term, fees, repayment terms, loan maturity, etc. • Review the approved credit limit in response to changes in client's portfolio and market environment • Communicate with clients regarding the terms and conditions of the loan to ensure they understand the features and risk of the facility
Assessment Criteria	<p>The integral outcome requirements of this UoC are:</p> <ul style="list-style-type: none"> • Development of proposal on credit facility for asset-backed lending which specifies the terms and conditions for the loan and repayment schedule. These should be supported by comprehensive analysis on the financial needs, repayment abilities of clients, estimated risks and return to the bank.
Remark	