

**SKILLS FRAMEWORK FOR FINANCIAL SERVICES
TECHNICAL SKILLS AND COMPETENCIES (TSC) REFERENCE DOCUMENT**

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| TSC Category | Risk Management, Governance and Regulatory Compliance | | | | | |
| TSC | Credit Risk Management | | | | | |
| TSC Description | Establish organisation's financial and credit policies and frameworks to identify, assess and manage organisation's credit risk exposure | | | | | |
| TSC Proficiency Description | Level 1 | Level 2 | Level 3 | Level 4 | Level 5 | Level 6 |
| | | | FSE-FIN-3004-1.1-1 | FSE-FIN-4004-1.1-1 | FSE-FIN-5004-1.1-1 | |
| | | | Prepare credit risk reports by compiling data from financial statements, conducting credit risk analyses and assessing collection and debt recovery options | Implement credit management controls and processes through monitoring and evaluation of credit applications, credit policies and granting of credit facilities | Develop and establish financial and credit management policies and systems by determining organisation's financial needs and credit risk exposure threshold | |
| Knowledge | | | <ul style="list-style-type: none"> • Key accounting concepts and credit data applicable to a borrower's financial statements • Factors that influence the financial requirements of borrowers • Credit risk analysis techniques • Purpose and derivation of credit ratings by credit agencies • Types of credit scoring techniques • Types of credit administration practices and their impact on risk management • Information required for reporting as provided by credit risk report • Lending regulations and credit cycle | <ul style="list-style-type: none"> • Considerations in using credit ratings and credit risk scorecards to assess the borrower's credit risk and worthiness • Credit policies and controls • Considerations in managing credit events such as defaults and bankruptcy • Credit terms and aging of accounts receivables • Advanced credit risk analysis techniques and risk rating approaches • Standard operating procedures for granting credit facilities | <ul style="list-style-type: none"> • Principles and objectives of credit policies • Credit risk control activities within each financial process • Organisational financial policies • Credit risk exposure threshold setting methodologies | |
| Abilities | | | <ul style="list-style-type: none"> • Compile credit data from financial statements to | <ul style="list-style-type: none"> • Determine the impact of the finance environment | <ul style="list-style-type: none"> • Determine organisation's short- and long-term | |

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| | | | <p>prepare credit risk reports</p> <ul style="list-style-type: none"> • Input relevant information into credit risk scorecards • Assess the credit worthiness of individuals, using credit risk analysis techniques • Evaluate the efficiency of receivables collection patterns in accordance with organisational procedures • Formulate debt recovery plans based on credit risk analyses and reports • Submit credit risk reports to management for approval | <p>on organisational financial strategies and credit policies</p> <ul style="list-style-type: none"> • Implement and manage credit policies to reduce risks and maximise returns for the organisation • Monitor and evaluate effectiveness credit policies in managing organisation's finances to attain optimal financial risk levels • Grant credit facilities in consultation with immediate supervisors and in accordance with the organisation's credit policies • Assess ongoing credit worthiness of customers as part of credit risk exposure management across credit portfolios • Categorise and determine level of credit risks and assess their potential impact on the organisation | <p>financial needs and credit risk management policies</p> <ul style="list-style-type: none"> • Determine organisation's credit risk exposure threshold • Develop and establish financial controls to safeguard the organisation's financial position • Align credit risk policies with organisational strategies, organisational goals and financial plans • Review results of evaluations and recommend refinements to ensure consistency of financial and credit policies and systems within the organisation • Assess the comprehensiveness of the organisation's credit framework | |
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