



1. General Information

Course Subject	FINA
Course Number	2344
Course Title	Lending and Credit in Private Banking and Corporate Banking (2)
Academic Years	2025-2026
Grading Method	Letter

2. Instructors

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Subclasses: 2A

Mr Anson Kwok
Subclasses: 2A

4. Course Description

Course Description	<p>This course is an advance course based on FINA 2343 – Lending and Credit in Private Banking and Corporate Banking (1).</p> <p>The course covers the key elements of lending and provision of credit facility in banking, including corporate clients and high networth individual (“HNWI”) clients. Lending and leveraging is a key component of a banking relationship and an important source of revenues for banks. Lending and leverage involves risks to the banks and to the clients. The business of lending and the provision of other credit facilities is intrinsically linked to the management of risk for the bank. The use of borrowings and entering into leveraged products/transactions is equally a process of risk awareness and risk management for the client.</p> <p>The course will discuss the corporate bank’s exposure in short term trade finance facility and long term loan facility. Students will learnt to present / write a credit proposal including facility structure, identifying the business risk of the corporate borrower / credit risk to the bank, and make a credit recommendation.</p> <p>On the private bank side, derivative products with marked-to-market exposure will be reviewed. The product “equity accumulator” will be introduced and discussed in the context of risk to the client and to the bank.</p>
Prerequisites	FINA2343: Lending and Credit in Private Banking and Corporate Banking (1)
Co-requisites	FINA2343: Lending and Credit in Private Banking and Corporate Banking (1)
Free Elective	Yes

5. Course Objectives

1. Corporate Banking – be able to write / submit a Credit Application

5. Course Objectives

2. Corporate Banking - be able to do a financial projection and cashflow projection, and its application in making credit decisions involving long term loans
3. Corporate Banking – to understand trade finance and the associate risks to the bank in financing trade cycles
4. Corporate Banking – to be able to structure the appropriate short term loan or trade facility, appropriate term loan financing to the client, including debt servicing, repayment schedule, financial and other covenants
5. Corporate Banking – to identify mitigating factors in a lending situation; to identify early warning signals of a potential credit deterioration
6. Corporate Banking and Private Banking - to understand the nature of security (collaterals) and the legal rights under different security (collaterals) types
7. Private Banking – to understand and apply the concept of collateralized lending, loanable value, marked-to-market risk monitoring, portfolio concentration, margin erosion and top-up/close out procedure
8. Private Banking – to understand the structure, risk dynamics and credit exposure on derivative products including “equity accumulator”

6. Faculty Learning Goals

Goal 1: Acquisition and internalization of knowledge of the programme discipline

Goal 2: Application and integration of knowledge

Goal 3: Inculcating professionalism

Goal 4: Developing global outlook

Goal 5: Mastering communication skills

Goal 6: Cultivating leadership

7. Course Learning Outcomes

Course Teaching and Learning Activities	Aligned Faculty Learning Goals					
	1	2	3	4	5	6
CLO1. Identify the purpose of the lending/credit and the appropriateness of providing the facility	✓	✓	✓	✓		✓
CLO2. Identify the payback and the risk of lending to a high networth individual and to a corporate	✓	✓	✓	✓		✓
CLO3. Structure an appropriate credit facility, including understanding of trade finance cycle and risk involved in trade financing	✓	✓	✓	✓		✓
CLO4. Identify risk mitigating factors including structuring of a credit facility	✓	✓	✓	✓		✓
CLO5. Demonstrate the ability to interpret financial statements, to apply ratio analysis, financial analysis and cashflow projections to a corporate lending decision, including structuring of term loans	✓	✓	✓	✓		✓
CLO6. Demonstrate the ability to monitor the risk and take remedial action of the lending / credit	✓	✓	✓	✓		✓

8. Course Teaching and Learning Activities

Course Teaching and Learning Activities #	Expected Study Hours	Study Load (% of study)
<p>T&L1. Lectures</p> <p>Interactive lectures using real company case.</p> <p>Students are expected to attend and participate actively in lectures. The course is a practical approach of how banks make credit decisions involving analyzing financial statements and understanding of the company's business risk and financial risks. Textbook is light. The lectures and assignments will be based on a real company annual report, concepts and financial tools will be progressively taught in the lectures based on the dynamics of the real company. A student may find it difficult to follow the lecture if they miss the prior lecture. Excel spreadsheet [financial spreading] will be constructed together during class, the spreadsheet will be continuously used and adjustments made in the subsequent classes. Students are expected to bring their laptop to the class.</p> <p>Students are encouraged to raise questions, participate in discussion and share ideas with their peers.</p>	33	24.8
T&L2. Self study, prepare mid term exam	30	22.6
T&L3. Preparations for class/assignments	20	15
T&L4. Preparation for case – final assessment	50	37.6
	Total: 133	Total: 100

9. Assessment Methods

Assessment Methods	Description	Weight %	Aligned Course Learning Outcomes
A1. In-class participation and tutorial	in-class/in tutorial attendance and participation	15%	1,2,3,4,5,6
A2. take home assignments	Preparation for the end of term case written submission	15%	1,2,3,4,5,6
A3. Mid-term examination	Analysis and applications	30%	1,2,3,4,5,6
A4. Final Exam Case – written submission	Student will need to do a full analysis of a company and make a credit application	40%	1,2,3,4,5,6

Assessment Rubrics

A2. take home assignments	
A+,A,A-	Strong evidence of superb ability to fulfill the intended learning outcomes of the course at all levels of learning: describe, apply, evaluate and synthesis
B+,B,B-	Strong evidence of ability to fulfill the intended learning outcomes of the course at all levels of learning: describe, apply, evaluate and synthesis
C+,C,C-	Evidence of adequate ability to fulfill the intended learning outcomes of the course at low levels of learning such as describe and apply, but not at high levels of learning such as

Assessment Rubrics	
	evaluate and synthesis
D+,D	Evidence of basic familiarity with the subject
F	Little evidence of basic familiarity with the subject
A3. Mid-term examination	
A+,A,A-	Strong evidence of superb ability to fulfill the intended learning outcomes of the course at all levels of learning: describe, apply, evaluate and synthesis
B+,B,B-	Strong evidence of ability to fulfill the intended learning outcomes of the course at all levels of learning: describe, apply, evaluate and synthesis
C+,C,C-	Evidence of adequate ability to fulfill the intended learning outcomes of the course at low levels of learning such as describe and apply, but not at high levels of learning such as evaluate and synthesis
D+,D	Evidence of basic familiarity with the subject
F	Little evidence of basic familiarity with the subject
A4. Final Exam Case – written submission	
A+,A,A-	Strong evidence of superb ability to fulfill the intended learning outcomes of the course at all levels of learning: describe, apply, evaluate and synthesis
B+,B,B-	Strong evidence of ability to fulfill the intended learning outcomes of the course at all levels of learning: describe, apply, evaluate and synthesis
C+,C,C-	Evidence of adequate ability to fulfill the intended learning outcomes of the course at low levels of learning such as describe and apply, but not at high levels of learning such as evaluate and synthesis
D+,D	Evidence of basic familiarity with the subject
F	Little evidence of basic familiarity with the subject

10. Course Grade Descriptors	
A+,A,A-	Strong evidence of superb ability to fulfill the intended learning outcomes of the course at all levels of learning: describe, apply, evaluate and synthesis
B+,B,B-	Strong evidence of ability to fulfill the intended learning outcomes of the course at all levels of learning: describe, apply, evaluate and synthesis
C+,C,C-	Evidence of adequate ability to fulfill the intended learning outcomes of the course at low levels of learning such as describe and apply, but not at high levels of learning such as evaluate and synthesis
D+,D	Evidence of basic familiarity with the subject
F	Little evidence of basic familiarity with the subject

11. Course Content and Tentative Teaching Schedule	
Topic/ Session	Content
	Course introduction and overviewReview of financial analysis – de-briefing of FINA 2343 Final

11. Course Content and Tentative Teaching Schedule

	Exam Question on financial analysisStructuring of short term credit facility to finance the asset conversion cycle – introduction to trade finance
	Corporate Banking – International trade and trade finance
	Corporate Banking – International trade and trade finance (cont'd)
	Corporate Lending – International trade and trade finance (cont'd)
	Private BankingDerivative products - credit exposure in Initial Margin and Marked-to-market lossDiscussion on "Equity Accumulators"Monitoring of marked-to-market exposures on derivative products
	Mid term exam –Trade finance and private banking lending and credit
	Secured Lending & Collateral Analysis – legal right, perfection of security title and priority FX facility
	Corporate Lending - Financial projection, cashflow projection and its application in credit decisions for long term loans
	Corporate Lending - Financial projection, cashflow projection and its application in credit decisions for long term loans (cont'd)Facility structure and financial covenants of term loan
	Writing of a Credit ApplicationGuest Speaker – Johnson Electric Corporate Lending – review of financial analysis, ratio analysis and risk analysis
	Facility structure and financial covenants of term loan financial analysisCourse review and final examination discussion

12. Required/Recommended Readings & Online Materials

Reading	<p>Annual reports as required</p> <p>Johnson Electric Holdings Limited March 2025 Annual Report</p> <p>Johnson Electric Holdings Limited March 2024 Annual Report</p> <p>Johnson Electric Holdings Limited March 2023 Annual Report</p> <p>Ka Shui International Holdings Limited (822) 2015 Annual Report</p> <p>Other annual reports as required</p> <p>Additional material, if any, will be made available via HKU Portal My eLearning each week. Note that hard copies will not be distributed.</p>
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13. Means / Processes for Student feedback on Course

✓	Conducting mid-term survey in additional to SETL around the end of the semester
	Online response via Moodle site
	Others

14. Course Policy

Academic Honesty

Plagiarism (<http://aao.hku.hk/sy3/plan-of-study/exa-and-ass/>)

“Plagiarism is defined as the unacknowledged use, as one’s own, of work of another person, whether or not such work has been published. It is a very serious academic offence and the University does not allow or tolerate plagiarism. Any student who commits plagiarism is liable to disciplinary action which can result in serious consequences – including expulsion from the University.

You are strongly advised to read the booklets “What is Plagiarism” and “Plagiarism and How to Avoid It” and to consult your teachers if you have any questions about how to avoid plagiarism.”

Cheating

Cheating is another very serious academic offence. Any student who commits cheating on homework assignments or midterm or final examination will receive a grade “F” for the whole course. In addition, the case will be reported to the relevant Board of Examiners and/or the Senate of the University for further actions.

Class Attendance and Work Load

To maximize learning experience, students are strongly recommended to attend all the lectures, submit the homework assignments on time and participate actively in class and tutorials. The work load of this course is quite heavy and students are expected to spend at least 133 contact/study hours as described above.

Class Conduct

The guiding principle governing class conduct is mutual respect. All mobile phones must be switched off or on silent mode. No eating or drinking is allowed. Students should not disturb others in class.

15. Additional Course Information

Attendance

Regular class attendance and class participation is expected.