

Specification of Competency Standards
for the Banking Industry
Unit of Competency

Functional Area - 3. General Enterprise Banking Credit Management
 (Key Function – 3.1 Credit Strategies, Policies and Procedures Development)

Title	Analyse the economic environment and the implications on credit management
Code	109250L5
Range	Conducting analysis on the local and global economic environment. This applies to analysis using different kinds of methodologies and cover topics related to banking and credit management, such as market trends, banking industry trends, customer needs, corporate governance and regulatory requirements etc.
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"> • Understand different research methodologies and models in economic research and apply the knowledge to design a suitable analysis approach for the bank; • Demonstrate professional knowledge in banking and credit management in order to interpret research findings. • Have an in depth understanding of corporate governance and regulatory requirements related to credit risk management and take them as key elements of credit risk management where applicable to the bank's culture and environment (e.g. Basel Committee on Banking Supervision, HKMA Supervisory Policy manual and code of practice, etc.). <p>2. Applications</p> <p>Be able to:</p> <ul style="list-style-type: none"> • Analyse market and banking industry intelligence through various means such as consulting appropriate parties etc. to estimate the future economics and business climate so as to estimate credit risks; • Analyse changes of relevant laws and regulations and identify their implications on credit policies; • Perform analysis to understand characteristics and risks of collaterals according to current and future financial conditions; • Assess the competitive environment in the banking industry and obtain a better understanding of the current situations in credit market. <p>3. Professional Behaviour and Attitude</p> <p>Be able to:</p> <ul style="list-style-type: none"> • Analyse and identify enterprise banking clients' profile and preferences in credit related solutions from different sources of information such as income, buying behaviours and enquiries recorded in the bank etc.; • Review trends in credit applications in the market and examine the implications and anticipate for future trends; • Identify clients' needs and/or credit risks for suggesting credit related solutions based on analysis on the market environment, the bank's credit policy, relevant laws and regulations; • Evaluate the credit-based solutions to ensure they are in conformance with bank's corporate governance and regulatory requirements etc.

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Assessment Criteria	The integral outcome requirements of this UoC are: <ul style="list-style-type: none">• Identification of clients' needs in credit-based solutions (in terms of amount and specific features) based on analysis of future economics, credit risks, business development and the impacts on the behaviours of companies.
Remark	