

Specification of Competency Standards
for the Banking Industry
Unit of Competency

Functional Area - 3. General Enterprise Banking Credit Management
(Key Function – 3.3 Portfolio Management)

Title	Formulate a framework to monitor credit risk by using analytic models / other tools for enterprise banking
Code	109264L6
Range	Defining and implementing a framework to approve, monitor and report on credit risks and exposures arising from lending, trading, treasury and settlement activities in accordance with the bank's risk management principles, regulatory requirements and changing economic environment. It may involve the employment of a pre-set credit risk analytic models of the bank or using well established measurement tools adopted by the banking industry.
Level	6
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 the credit assessment requirements of the bank in order to design sound policies on collecting relevant credit information for assessment; • Understand the purposes of credit risk assessment hence to provide rationale for collection of different credit related data; • Demonstrate knowledge in credit management by applying it to utilize different tools and methodologies for credit risk data collection and analysis. <p>2. Applications</p> <p>Be able to:</p> <ul style="list-style-type: none"> • Apply consistent principles and disciplines for credit risk management to ensure staff can follow the guidelines appropriately; • Examine completeness and accuracy of the credit risk data and validate the supporting documents to ensure they are in compliance with the credit requirements; • Provide strategic advice to bank management for setting risk appetite and allocating capital and assets to influence and meet regulatory standards; • Monitor bank-wide credit risks, including the independent assessment, monitoring and control of credit risk for the bank's business partners and/or subsidiaries; • Advice businesses and clients on credit risk mitigating strategies, develop tools and methodologies to analyse and monitor credit risks; and report on risk exposures and metrics to enable informed and strategic decision-making. <p>3. Professional Behaviour and Attitude</p> <p>Be able to:</p> <ul style="list-style-type: none"> • Conduct credit reviews by using pre-set analytic models of the bank or other tools and approve all risk transactions conducted by counterparties of the bank and monitor the exposure generated by bank loans and trading activity in order to protect the bank from counterparty and/or borrower default; • Implement a robust credit analysis process in order to identify, assess, report and escalate the credit risks associated with the asset-based loans (e.g. securities-based lending) portfolio.
Assessment Criteria	The integral outcome requirements of this UoC are:

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	<ul style="list-style-type: none">• Overseeing lending activities, portfolio monitoring, managing and also assessing complex credit exposures within enterprise banking;• Employing analytical skills, with credit and industry knowledge, to analyse credit risk of enterprise banking;• Collaborating across credit risk and the business teams to meet client credit requests, while balancing the risk-return needs of the bank;• Monitoring credit portfolio to accurately assign risk ratings to clients and facilities, and elevate issues to management team.
Remark	