

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	Manage and control the risks of the credit assets for enterprise banking
Code	109268L5
Range	Conducting risk management and control of the credit assets of the bank. This applies to different kinds of credit assets possessed by the bank.
Level	5
Credit	4 (For Reference Only)
Competency	<p>Performance Requirements</p> <p>1. Knowledge in the Subject Area</p> <p style="padding-left: 40px;">Be able to:</p> <ul style="list-style-type: none"> • Demonstrate professional knowledge in managing risk of credit assets by applying it to evaluate different risk management strategies for the purpose of designing a most suitable approach for the bank; • Understand the credit strategies and portfolio objectives of the bank in order to build alignment between the selected risk management approach and the bank's strategies. <p>2. Applications</p> <p style="padding-left: 40px;">Be able to:</p> <ul style="list-style-type: none"> • Assess the situation in order to identify the most suitable approach in risk management and develop the execution plan; • Design risk management measures to diversify risks into different uncorrelated or less correlated business; • Mitigate credit risk by acquiring security, insurance, third party guarantee, etc. • Identify factors affecting the value of credit assets for assessing the purchase or selling price in order to quantify the risks. <p>3. Professional Behaviour and Attitude</p> <p style="padding-left: 40px;">Be able to:</p> <ul style="list-style-type: none"> • Evaluate effectiveness of different approaches of risk management for the purpose of transferring or mitigating credit risk; • Review current risk management measures and provide suggestions on improvement based on results of evaluation on different approaches for transferring or mitigating credit risks.
Assessment Criteria	<p>The integral outcome requirements of this UoC are:</p> <ul style="list-style-type: none"> • Development of measures to optimize credit risks exposed to the bank based on the analysis of existing risk exposures and strategies of the bank as well as available options of different approaches for transferring or hedging the risks under concerns; • Evaluation of risk management measures and provision of recommendations on improvement.
Remark	