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	Monitor the risk level of the loan portfolio to identify early risk signal
Code	109271L4
Range	Monitoring the risk exposures of the loan portfolio and reporting to senior management. It refers to day-to-day monitoring of the overall portfolio which covers monitoring of different types of risks.
Level	4
Credit	3 （For Reference Only）
Competency	Performance Requirements 1. Knowledge in the Subject Area Be able to: • Demonstrate proficient knowledge in credit risk management in order to identify the most appropriate method in risk monitoring; • Understand the credit strategies and portfolio objectives of the bank in order to identify critical areas for monitoring. 2. Applications Be able to: • Monitor and ensure the credit administration is in compliance with contractual requirements and facility terms; • Track risk indicators of credit quality (e.g. delinquency, risk rating trends) and detect changes in risk characteristics of loan portfolios; • Identify early signals of delinquency or system risk and escalate to appropriate parties for prompt remedial actions; 3. Professional Behaviour and Attitude • Identify the sources and causes of the change s in risk level, e.g. underwriting standards, economic conditions, personnel issue and recommend appropriate corrective action; • Demonstrate professionalism by applying impartial and unbiased judgment throughout the loan portfolio assessment process; • Regularly review the advantages and weaknesses of forecasting and reviewing approaches and adopt the most reliable measure; • Report to senior management about the results of analysis on risk profile of overall loan portfolio.
Assessment Criteria	The integral outcome requirements of this UoC are: • Monitoring and tracking the various indicators of the credit portfolio to identify early risk signals; • Compilation of report on risk level of the portfolio by consolidating information from different risk indicators.
Remark	