Specification of Competency Standards
for the Banking Industry
Unit of Competency

Functional Area - 4. Risk Management
(Key Function – 4.1 Risk Identification and Assessment)

Title	Conduct qualitative analysis to assess risks
Code	109296L6
Range	Analysing qualitative data in order to assess individual risk factor and understand the overall risk exposure of the bank. This applies to different types of risks facing by the bank.
Level	6
Credit	4 （For Reference Only）
Competency	Performance Requirements 1. Knowledge in the Subject Area Be able to: • Demonstrate specialized knowledge in different qualitative research methodology (e.g. assumptions, pros and cons) in order to conduct risk analysis on the business process; • Understand different concepts and theories related to risk management in order to interpret the outcomes of the risk assessment; • Comprehend the knowledge and different approaches in risk assessment and apply it to customize unique methods of risk identification and measurement including the assessment processes specification, data collection processes, analysis systems, etc. 2. Applications Be able to: • Conduct research to explore potential risks of the bank by designing the hypothesis, framework, methodology and data collection methods of the research; • Organize the qualitative data obtained by developing a meaningful framework / organization to facilitate the analysis process; • Conduct analysis on the data and identify meaningful trends, themes and exceptions among the data; • Determine the probability of occurrence according to standard scales adopted by the bank (e.g. Low, medium, High level of risks); • Estimate the possible impact and consequences of each risk occurring according to standard scales adopted by the bank (e.g. Low, Medium, high level of risks); • Assess the urgency of risks identified and determine which warrant immediate responses and which need to put on the watch list. 3. Professional Behaviour and Attitude Be able to: • Verify quality and adequacy of risk data obtained by analysing the reliability and integrity, amount of data available, etc.; • Review regularly to ensure the systems of risk assessment adopted are coherent and supportive to the bank's strategies and changing business needs.
Assessment Criteria	The integral outcome requirements of this UoC are: • Conducting qualitative risk analysis to identify potential risks of the bank by developing an analysis framework to identify risk trends and themes; • Estimation of risk levels based on the consolidated findings of different qualitative research on banking risks.
Remark	