

Specification of Competency Standards
for the Banking Industry
Unit of Competency

Functional Area - 4. Risk Management
(Key Function – 4.2 Risk Monitoring and Reporting)

Title	Monitor risk level and analyse the results
Code	109300L5
Range	Monitoring of risk levels in different business and operation areas of the bank. This applies to different types of risks faced by the bank including credit risk, operational risk, market risk, political risk, country risk, default risk, interest rate risk, liquidity risk, 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 concepts and knowledge related to risk management and apply them to identify high risk areas which warrant attention; • Have a thorough understanding in the limitations of different measurement / monitoring methods in order to analyse data related to risk level. <p>2. Applications</p> <p>Be able to:</p> <ul style="list-style-type: none"> • Measure risks in different activities, processes and products of a bank in accordance with measurement models / methods (e.g. stress tests, sensitivity analysis) adopted by the bank; • Monitor the use of risk limits and conduct checking to ensure quantifiable risks are within the approved limits; • Monitor closely the limit utilization for different activities to facilitate early identification of emerging risk; • Calculate the risks of each product and activity by evaluating and verifying data from different sources on the same exposures; • Aggregate the risk levels of different activities and evaluate against the aggregate limits for the bank. <p>3. Professional Behaviour and Attitude</p> <p>Be able to:</p> <ul style="list-style-type: none"> • Evaluate the data of risk measurements and look for occurrence of risks triggers and identify new risks for the purpose of enhancing risk monitoring systems; • Report excessive exposures or policy exceptions to management and determine information to be provided for different levels in the bank to facilitate decision making.
Assessment Criteria	<p>The integral outcome requirements of this UoC are:</p> <ul style="list-style-type: none"> • Conducting comprehensive analysis on the risk data to identify new risks and vulnerable areas. These should be based on evaluation of data collected from different sources across different business areas of the bank; • Reporting the excessive risk exposure and policy exceptions to management. This is done based on the evaluation of the current situation and identification of critical information related to risk management.
Remark	