

Specification of Competency Standards
for the Banking Industry
Unit of Competency

Functional Area - 4. Risk Management
(Key Function – 4.3 Risk Control and Mitigation)

Title	Establish overall risk management and mitigation strategies and policies
Code	109305L6
Range	Establishment of bank-wide risk management and mitigation strategies and policies. This applies to different types of risks and business / operations processes of the bank.
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"> • Demonstrate specialized knowledge across different disciplines in banking risk management in order to identify different types of risks faced by the bank; • Understand the macro-economic environment and regulatory requirements in order to forecast the development of banking industry and the associated risks. <p>2. Applications</p> <p>Be able to:</p> <ul style="list-style-type: none"> • Conduct comprehensive review of all business and operations activities of the bank, e.g. earning objectives, nature and complexity of business operations, application of financial technology in daily operations, cybersecurity, vendor management, etc. in order to ascertain possible risks; • Analyse the earning objectives and level of risk the bank is able to take so as to determine the risk appetite and risk tolerance limits; • Conduct research on the changes in the bank's business development, risk profile, operating environment and market conditions in order to develop or update the risk management strategies and policies regularly; • Establish strategies, policies, procedures and limits for identifying all relevant risks across different business and operations activities of the bank; • Develop strategies, policies, procedures and systems for monitoring and reporting risks in order to identify any deficiencies in a timely manner. <p>3. Professional Behaviour and Attitude</p> <p>Be able to:</p> <ul style="list-style-type: none"> • Design precautionary strategies, policies and operational arrangements for dealing with emergency situations; • Build up a sound risk management culture of the bank by increasing stakeholders' awareness and accountabilities on the subject area.
Assessment Criteria	<p>The integral outcome requirements of this UoC are:</p> <ul style="list-style-type: none"> • Development of a set of strategies and policies to manage the risk level of the bank; • Formulation of risk management strategies and policies based on the consolidated findings captured from different research conducted on macro-economic environment, development of banking industry and unique situations of the bank.
Remark	