## Specification of Competency Standards for the Private Banking

Risk Management and Audit > Credit Risk Management

Title       Develop internal rating system for the bank         Code       106704L5         Range       Development of borrower categorization of the bank in order to guide lending activities. This applies to borrowers for different kinds of products and segment.         Level       5         Credit       5 (for reference only)         Competency       Performance Requirements         1. Demonstrate professional knowledge in credit management       Be able to:         • Demonstrate professional knowledge across different areas of credit management in order to evaluate the risk level of different borrowers         • Evaluate the credit strategies of the bank in order to select the most appropriate rating system         2. Identify risk factors of different types of customers         Be able to:         • Develop internal rating system based on the results of analysis on the nature, size and complexity of the lending activities of the bank         • Develop a monitoring system to facilitate tracking of migration of individual loans through different tratings         • Develop a monitoring system to facilitate tracking of migration of individual loans through different profiles of borrowers. These should be based on analysis on the lending activities of the bank, past record of loan repayment by different profiles of borrowers. These should be based on analysis on the lending activities of the bank, past record of loan repayment by different profiles of borrowers. These should be based on analysis on the lending activities of the bank, past record of loan repayment by different profiles of		
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