



香港銀行學會

The Hong Kong Institute of Bankers

Professional Certificate for ECF on Credit Risk Management (CRM)

QF Level 5

(QR registration no. 19/000928/L5)



Module 3 – Fundamentals of Bank Lending

Module 2 – Fundamental Credit Risk Analysis

Module 1 – Credit Risk Management and Key Regulations



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* This is a Specification of Competency Standards (SCS) based programme. The qualification is accredited by the Hong Kong Council for Accreditation of Academic and Vocational Qualifications (HKCAAVQ) and valid from 11 July 2019 to 10 July 2023. (QR registration no. 19/000928/L5)

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CRM-G-003

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Enhanced Competency Framework for Banking Practitioners

With an aim to support capacity building and talent development for banking professionals, the Hong Kong Monetary Authority (HKMA) has been working together with the banking industry to introduce an industry-wide competency framework - Enhanced Competency Framework (ECF) for Banking Practitioners.

Under the ECF for Banking Practitioners, successive learning programmes and qualifications will be introduced for various streams of professional work in the banking sector over the next few years, including ECF on Credit Risk Management (CRM).

The Hong Kong Institute of Bankers (HKIB) is the programme and qualification provider for the ECF on Credit Risk Management, with the following objectives:

- To develop a sustainable pool of credit risk management practitioners for the banking industry; AND
- To raise and maintain the professional competence of credit risk management practitioners in the banking industry.

Qualifications Framework by HKCAAVQ

HKIB's "Professional Certificate for ECF on Credit Risk Management (CRM)" has been officially accredited at Level 5 within the Qualifications Framework (QF) by the Hong Kong Council for Accreditation of Academic and Vocational Qualifications (HKCAAVQ). (QR registration number: 19/000928/L5)

This is a Specification of Competency Standards (SCS) based programme. The learning content is encompassing all relevant Units of Competency (UoCs) drawn from the SCS of banking industry.

Becoming an ACRP

(1) Trainings and Examinations

To gain the certification of ACRP, candidates have to successfully complete the programme "Professional Certificate for ECF on Credit Risk Management". The programme consists of three modules. Candidates must first complete the subject training modules, and then proceed to the examinations. After passing the examinations in Module 1 to Module 3, candidates will be awarded the "Professional Certificate for ECF on Credit Risk Management".

(2) Working Experience Requirement

A Relevant Practitioner may apply to the HKIB for ACRP certification if he or she has at least 1 years of relevant work experience and engaged by an authorised institution (AI) of Hong Kong.

(3) Certified Individual (CI)

It is mandatory for all individuals to maintain a valid professional membership status with HKIB if the applicants want to apply for and maintain ACRP certifications. Certification holders will be registered as CI and included in a public register on the HKIB website. The CI Register posted on the HKIB website enables the public recognition of ACRP certification holders.

(4) Continuing Professional Development (CPD)

For both the ACRP certifications, a minimum of 15 CPD hours is required for each calendar year (ending 31 December). Out of the 15 CPD hours, at least 5 CPD hours must be earned from activities related to topics of compliance, code of conduct, professional ethics or risk management.

Programme Content

Professional Certificate for ECF on Credit Risk Management (CRM)

Module 1 - Credit Risk Management and Key Regulations

Learning Outcomes

Upon completion of this module, candidates should be able to

- Apply risk mitigation strategies for the credit portfolio
- Monitor credit assets portfolio and the recovery and work-out of the problem loans
- Assess various credit risk indicators, portfolio performance indicators and credit risk regulations in order to develop strategies to minimize risks in the bank's credit portfolio
- Examine the credit application in conformity of relevant policies compliance and regulatory requirements
- Conduct the stress testing and analyse the results to identify the vulnerability of different segments of loan portfolio

Module Outlines

- Basics of Credit Risk Management
- Credit Risk Management Structure – A Systematic Control Framework
- Credit Risk Management Process
- Credit Risk Management Culture and People
- Credit Risk Portfolio Management and Control
- Counterparty Credit Risk
- Basel Regulatory Requirements on Credit Risk Management
- HKMA Regulatory Requirements on Credit Risk Management
- Provisioning Requirements

Module 2 - Fundamental Credit Risk Analysis

Learning Outcomes

Upon completion of this module, candidates should be able to

- Apply financial and non-financial analysis to assess client's financial positions, needs and credit worthiness
- Analyse clients' financial strengths and review the credit rating of the clients
- Calculate potential credit losses for determining eligibility and credit limits for lending
- Evaluate the analysis results and initiate appropriate recommendation on the customer's credit worthiness, repayment ability and risk level

Module Outlines

- Key Accounting Concepts and Rules Relevant to Lenders
- Interpretation and Critical Analysis of Financial Statements from a Lender's Perspective
- Financial Ratio Analysis
- Cash Flow Analysis
- Budgeting, Forecasting and Analysis
- Limitations of Financial Ratio Analysis and Creative Accounting

Module 3 - Fundamentals of Bank Lending

Learning Outcomes

Upon completion of this module, candidates should be able to

- Identify the financing needs of clients
- Conduct risk assessment and evaluate the performance of credit acquisition on commercial lending and make appropriate recommendation for approval
- Determine the arrangement of credit facility to minimize risks to the bank and structure credit facilities according to borrowing needs, business cycle and credit strength of the clients
- Present the customized credit solutions and facilities proposal to the clients by providing consultative advice on the lending product alternatives and related credit risk based on their financing needs
- Develop collaterals' valuation process for ongoing monitoring
- Develop terms and conditions of credit facility such as application of the appropriate contractual interest rates based on internal policies, payment period and payment options, etc. according to customer's needs and results of risk assessments

Module Outlines

- Code of Ethics in Bank Lending Businesses
- Corporate Lending Business Process – Credit Initiation
- Corporate Lending Business Process – Credit Review and Approval Process
- Corporate Lending Business Process – Credit Documentation and Drawdown
- Corporate Lending Business Process – Continuous Post Approval Credit Review
- Corporate Lending Business Process – Problem Loan Management
- Retail Lending Business Process
- Lending Considerations for Main Kinds of Corporate Lending Products
- Lending Considerations for Special Products-- Property Lending
- Lending Considerations for Special Products-- SME Financing Schemes
- Lending Considerations for Special Products --Taxi, Public Bus, Vehicle, Equipment Financing

Target Participants

For entry-level and junior level staff in credit function

Entry Requirements

The Programme is open to members and non-members of the HKIB. Candidates must fulfill the stipulated minimum entry requirements:

- A Bachelor's Degree in any discipline awarded by a recognised university or equivalent; OR
- An Associate Degree (AD) / Higher Diploma (HD) in a banking and finance discipline or equivalent; OR
- A relevant professional qualification; OR
- Mature applicants with either at least five years of work experience in banking and finance or equivalent; OR two years of work experience in banking and finance with a recommendation from the employer.

Remark: 3rd or final year of full-time students of a bachelor's degree programme in a banking and finance discipline will also be considered.

Medium of Programme

- Training is delivered through classroom in either Cantonese or English supplemented with English materials.
- All the examination questions are set in English only.

Application

Fax: (852) 2544 9946

Email : application@hkib.org

In person/ Mail: 3/F Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong

Please visit the HKIB website for application details.

Certification

The Relevant Practitioners in Credit sectors of the banking industry will be certified as an Associate Credit Risk Management Professional (ACRP) at Core Level when they have:

- completed the training programme (Module 1 to Module 3); AND
- passed the examination (Module 1 to Module 3); AND
- at least one year of relevant work experience which should be accumulated within the three years immediately prior to the date of application for certification, but does not need to be continuous.
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General Enquires

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