

Module Outline

ECF on Credit Risk Management (CRM)

Module 4 “Advanced Commercial Lending”

Benchmarked HKQF Level:	6
No. of Credits:	30
Total Notional Learning Hours:	300
a) Class contact hours:	21 hours (3-hour per session x 7)
b) Self-study hours:	276 hours
c) Assessment hours:	3 hours
Pre-requisite:	N/A

Module Objective:

This module has been developed with the aim to nurture a sustainable talent pool of credit risk management practitioners for the banking industry. Candidates will acquire technical skills, professional knowledge and conduct for essential middle or senior level of job roles in the credit function that take up a majority of credit risk responsibility in the credit process, including credit initiation and appraisal; credit evaluation, approval and review.

Module Intended Outcomes (MIOs) & Units of Competencies (UoCs)

Upon completion of the Programme/Module, learners should be able to:

MIOs	Intended Outcomes / Competence	*Unit of Competencies (UoCs)
MIO-1	Review the appropriateness of the industry and business risk assessment and approve credit application according to relevant policies, compliance and regulatory requirements	109255L5 109263L6 109264L6 109272L6 109286L6 109295L6 109296L6 109533L6
MIO-2	Formulate measures to monitor credit risk and optimize the quality of credit assets portfolio	
MIO-3	Set up process to measure, control and manage potential credit risk exposures and identify early warning signals	
MIO-4	Decide on application of risk assessment approach, risk monitoring, operation process and risk management process	
MIO-5	Develop cross-border business strategies through understanding the cross-border lending practices and considerations	

**Note: For the details of the UoCs, please refer to the Specification of Competency Standards (SCS) of [Retail Banking](#) and [Corporate & Commercial Banking](#) which were developed by HKCAAVQ.*

Assessment

Examination duration:	3 hours
Examination format:	Part I – Case Study question Part II – 3 out of 5 essay questions
Pass mark:	50%

Syllabus

Chapter 1: Planning of Lending Business Portfolio and Process	
1.1	Planning of loan portfolio
1.2	Management processes of loan portfolio
1.3	Monitoring of loan portfolio
1.4	Adjustment of loan portfolio by using credit risk transfer
Chapter 2: New Lending Product Developments	
2.1	Lending product innovation
2.2	Risk articulation process for new lending products
2.3	New lending product approval
2.4	Monitoring of new lending product performance
Chapter 3: Structured Approach for Approval Process	
3.1	Structured approach for approval execution
3.2	Systematic approval approach for different business segments
3.3	Management planning to build up the industrial expertise among lending and approval teams
Chapter 4: Management Planning for Early Warning System	
4.1	Integrated early warning system and process
4.2	Prompt system and process to work out weak credits
4.3	Balance among stakeholders' values in managing weak credits
Chapter 5: Management Planning for Problem Loan Management	
5.1	General problem loan management processes
5.2	Management control measures to pre-empt problem loans
5.3	Management control measures to manage problem loans
5.4	Management control measures for provisioning of problem loans
Chapter 6: Cross Boundary Credit Business Opportunities	

6.1	Feature and structure of typical cross boundary credits
6.2	Collateral for cross boundary credits
6.3	Cross boundary credit risk assessment process
6.4	Risks of cross boundary credits
Chapter 7: Syndicated Loans	
7.1	Feature and structure of syndicated loans
7.2	Syndicated loan bank consortium and roles of different banks
7.3	Syndicated loan processing
7.4	Syndicated loan risk assessment process
7.5	Risks of syndicated loans
Chapter 8: Project Financing (including New Project and Expansion Projects)	
8.1	Feature and structure of project finance
8.2	Different tranche and risk of project finance
8.3	Project finance loan risk assessment process
8.4	Risks of project finance loans
Chapter 9: Structured Financing for Merger, Acquisition and Leveraged Buyouts	
9.1	Feature and structure of structured finance
9.2	Different tranche and risk of structured finance
9.3	Structured finance loan risk assessment process
9.4	Risks of structured finance loans

Recommended Reading

Essential Readings:

1. HKIB Study Guide of ECF-CRM Module 4: Advanced Commercial Lending. (2025).

Supplementary Readings:

1. Carrell, R. (2019). Borrower's Guide to Commercial Lending. Evergreen House Publishing LLC.
2. Hong Kong Monetary Authority. (2022). Supervisory Policy Manual: Code of Conduct – The Sharing and Use of Commercial Credit Data through a Commercial Credit Reference Agency. Retrieved from <https://www.hkma.gov.hk/media/eng/doc/key-functions/banking-stability/supervisory-policy-manual/IC-7.pdf>

Further Readings:

1. Nichols, C., Kofman, E. & Ruso, R. (2017). The Successful Lender's Field Guide: Commercial Lending Strategies That Maximize Value For Both Bank and Borrower.
2. Cudby, A. (2018). Commercial Lending: Principles and Practice (Chartered Banker Series Book 2). (1st ed.). Kogan Page.