

## Module Outline

### Certified Banker (Stage I)

### Risk Management

<b>Benchmarked HKQF Level:</b>	4
<b>No. of Credits:</b>	10
<b>Total Notional Learning Hours:</b>	100
<b>a) Class contact hours:</b>	9 hours (3-hour per session x 3)
<b>b) Self-study hours:</b>	89.5 hours
<b>c) Assessment hours:</b>	1.5 hours
<b>Pre-requisite:</b>	NA

### Module Objective

This module aims to provide the learners with a solid and practical knowledge on risk management. They are expected able to identify and analyse different types of risks related to general banking and finance area especially for the ones threatening the banking industry today. They will also understand and apply the basic risk management principles at bank level.

### Module Intended Outcomes (MIOs) and Units of Competencies (UoCs)

Upon completion of the Module, candidates should be able to:

<b>MIOs</b>	<b>Intended Outcomes / Competence</b>	<b>*Unit of Competencies (UoCs)</b>
MIO-1	Apply and follow the principles of sound governance, and environmental and social responsibilities that apply to risk management at work.	107409L4 109354L4 109393L4
MIO-2	Analyse the risk issues faced by the banking industry nowadays.	
MIO-3	Utilize risk management techniques to alleviate different types of risks encountered at work.	
MIO-4	Implement and monitor measures according to legal, regulatory and compliance requirements in a business context relating to risk.	

*\*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

<b>Examination duration:</b>	1.5 hours
<b>Examination format:</b>	Multiple Choice Questions (MCQ) with 50 questions
<b>Pass mark:</b>	70%

## Syllabus

<b>Chapter 1: Introduction &amp; Process of Risk Management</b>	
<b>1.1</b>	<b>Introduction to Risk Management</b>
1.1.1	- Definition of risk
1.1.2	- Type of risk
1.1.3	- Principles of risk management
1.1.4	- Concepts of risk financing, risk control, hedging and insurance
1.1.5	- The need for risk management
<b>1.2</b>	<b>Process of Risk Management</b>
1.2.1	- Introduction
1.2.2	- Identifying risk
1.2.3	- Measuring risk
1.2.4	- Managing risk
1.2.5	- Monitoring risk
<b>Chapter 2: Regulatory Requirements in Risk Management</b>	
<b>2.1</b>	<b>Regulations of Financial Institutions</b>
2.1.1	- The HKM supervisory policy manual
2.1.2	- CAMEL rating systems for banks
2.1.3	- Bank culture reform
<b>2.2</b>	<b>Basel</b>
2.2.1	- Basel Committee on Banking Supervision
2.2.2	- Development of Basel
2.2.3	- Applications of Basel in different business models
<b>2.3</b>	<b>Case Sharing on the Consequences of Violating Regulatory Requirements in Risk Management</b>
<b>Chapter 3: Structuring Risk Management Functions</b>	
<b>3.1</b>	<b>Organisation of Risk Management Functions in a Bank</b>

3.1.1	- General Risk Management Committees
3.1.2	- Roles & responsibilities of major parties
3.1.3	- Framework for internal control
<b>3.2</b>	<b>Risk Management Tools and Measures</b>
3.2.1	- Use of economic capital for risk management
<b>3.3</b>	<b>Risk Management in GBA Banking</b>

## Recommended Readings

### *Essential Readings:*

1. HKIB Study Guide of CB (Stage I) – RM: Risk Management. (2023).

### *Supplementary Readings*

1. HKIB E-learning Course No. 41 – Market Risk – Basic.
2. HKIB E-learning Course No. 47 – Risk Analysis.
3. Hong Kong Monetary Authority. HKMA Supervisory Policy Manual IC-1: General Risk Management Controls.
4. Hong Kong Monetary Authority. HKMA Supervisory Policy Manual OR-1: Operational Risk Management.
5. Hong Kong Monetary Authority. HKMA Supervisory Policy Manual SA-1: Risk-based Supervisory Approach.

### *Further Readings*

1. John Hull. (2015). Risk Management and Financial Institutions (4<sup>th</sup> ed.). Wiley.
2. HKIB E-learning Course No.17 – Counter Party Credit Risk.
3. HKIB E-learning Course No. 35 – Governance, Risk and Compliance.
4. HKIB E-learning Course No. 42 – Market Risk – Intermediate.
5. HKIB E-learning Course No. 46 – Operational Risk Management.
6. Hong Kong Monetary Authority. (2016). Guide to Authorization: Chapter 3 - The Legal and Supervisory Framework.
7. Hong Kong Monetary Authority. (2020). HKMA Supervisory Policy Manual CA-G-1: Overview of Capital Adequacy Regime for Locally Incorporated Authorized Institutions.
8. Ganguly, S., Harreis, H., Margolis, B., & Rowshankish, K. (2017). Digital risk: Transforming risk management for the 2020s.