



BANKING TALENT PROGRAMME

Professional Training



ECF on Credit Risk Management (Core Level) (ACRP)

Professional Certificate for ECF on Credit Risk Management (CRM)

- Module 1 – Credit Risk Management and Key Regulations
- Module 2 – Fundamental Credit Risk Analysis
- Module 3 – Fundamentals of Bank Lending



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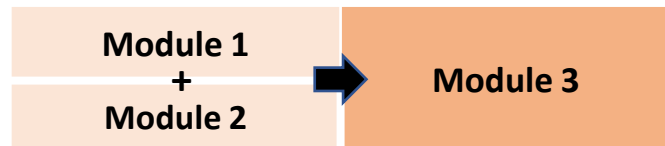
Special Package under Banking Talent Programme

A special package price of HKD5000 for Banking Talent Programme participants will cover the following:

- 1) One Training of any one of the modules
- 2) One Examination of any one of the modules
- 3) One Student Membership (until 28 Feb 2021)

**In order to obtain "Professional Certificate for ECF on Credit Risk Management (CRM)", participant are required to complete all THREE training modules and respective examinations.*

Recommended Study Path



** No completion sequence is required for completing Module 1 and Module 2.*

Completing the training and examination of both Module 1 and Module 2 is the prerequisite to attempt Module 3.

Training and Examination - Programme Structure

Module	Module Title	Training Duration	Examination Duration	Recommended Self Learning Duration
1	Credit Risk Management and Key Regulations	21 Hours	2 Hours	127 Hours
2	Fundamental Credit Risk Analysis	21 Hours	2 Hours	127 Hours
3	Fundamentals of Bank Lending	15 Hours	3 Hours	282 Hours

Participants holding the following qualifications may apply for Modules 1 or 2 exemption of "Professional Certificate for ECF on Credit Risk Management (CRM)

Module	Eligibility for Exemption
1	Passing Financial Risk Manager (FRM) Part II
2	Passing Chartered Financial Analyst (CFA) Level I OR Passing Module A – Financial Reporting and Module B – Corporate Financing of the Qualification Programme of HKICPA

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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.

* *Relevant practitioners are the persons engaged by authorized institutions undertaking commercial credit business for corporations ranging from large corporates to small and medium-sized enterprises in a variety of industry sectors including financial institutions (e.g. banks, licensed corporations, brokerage firms, etc.).*

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.

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 (QF) by HKCAAVQ

HKIB's "Professional Certificate for ECF on Credit Risk Management (CRM)" has been quality assured by the Hong Kong Council for Accreditation of Academic and Vocational Qualifications (HKCAAVQ) and are recognised under the Qualifications Framework (QF) as Specification of Competency Standards (SCS) based programmes and accredited at Level 5.

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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

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Programme Content

Professional Certificate for ECF on Credit Risk Management (CRM)

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