

Risk Management and Audit > Risk Identification and Assessment

Title	Identify and quantify potential risks
Code	106683L6
Range	Identifying and quantifying risks for different business and operational areas. This applies to all types of risks facing by the bank including credit risk, operational risk, market risk, political risk, country risk, default risk, interest rate risk, liquidity risk,....etc.
Level	6
Credit	5 (for reference only)
Competency	<p>Performance Requirements</p> <ol style="list-style-type: none"> <li>1. Possess specialized knowledge in risk analysis of different business area Be able to: <ul style="list-style-type: none"> <li>• Demonstrate specialized knowledge in different kinds of business and risk analysis (e.g. SWOT gap analysis ) in order to conduct thorough analysis in the business processes of the bank</li> <li>• Evaluate critically different theories and concepts related to risk management in order to identify high risk areas for each banking process and develop contingency plan</li> <li>• Demonstrate specialized knowledge in interpreting different information gathered from various sources in order to identify high risk areas in the business and operation processes of the bank</li> </ul> </li> <li>2. Conduct research to identify high risk areas Be able to: <ul style="list-style-type: none"> <li>• Conduct research on the development trends of macroeconomic and identify factors that may impose impacts on business activities</li> <li>• Conduct literature review, consultation and research for identifying potential risks in an individual business area</li> <li>• Analyze research results and identify events or changes that can impose adverse effects on the bank's financial positions</li> <li>• Develop the list of potential risks and determine the approaches (e.g. quantitative vs. qualitative) in assessing their impacts on the bank</li> </ul> </li> <li>3. Estimate the severity of risks Be able to: <ul style="list-style-type: none"> <li>• Estimate the impacts of different risk factors, specify the details of the consequences across different areas and translate into quantifiable terms</li> <li>• Estimate the probability of occurrence for each high risk areas under different scenarios</li> <li>• Prioritize and rank different risks by evaluating its impact and probability</li> </ul> </li> </ol>
Assessment Criteria	<p>The integral outcome requirements of this UoC are:</p> <ul style="list-style-type: none"> <li>• Identification and quantification of potential risks for providing direction for risk analysis. These should be based on consolidated findings of different researches on macroeconomic development, business performance and operation of the bank, etc.</li> </ul>
Remark	