

Risk Management and Audit > Risk Monitoring and Reporting

Title	Develop strategies to manage and mitigate risk exposures of the bank
Code	106688L6
Range	Development of different approaches (e.g. avoidance, acceptance, transfer, risk mitigation) to deal with the risks identified and quantified. This applies to different types of risks facing by the bank.
Level	6
Credit	5 (for reference only)
Competency	<p>Performance Requirements</p> <ol style="list-style-type: none"> 1. Conduct research on banking risk management <p>Be able to:</p> <ul style="list-style-type: none"> • Demonstrate specialized knowledge across different areas of banking risk management in order to evaluate the situation and construct suitable response strategies • Conduct research on different risk response strategies in order to identify the most suitable approaches in different situations • Evaluate critically the business strategies and operation of the bank in order to tailor the risk response strategies 2. Evaluate the risk areas <p>Be able to:</p> <ul style="list-style-type: none"> • Conduct research on high risk areas to estimate the nature, impacts, dependencies, severity, probability and timing of risk occurrence, etc. in order to develop suitable responses • Aggregate the possible impacts of risk occurrence in different business activities and calculate the costs to the bank by translating the impacts into monetary value • Conduct research to investigate the causes of or factors related to the risk breakout for selecting the most suitable strategies 3. Develop response strategies <p>Be able to:</p> <ul style="list-style-type: none"> • Develop strategies to eliminate the risks by removing conditions or factors that are causing the risks • Devise measures in risk mitigation by reducing the probability of risk occurrence or alleviating impacts of the risks • Develop contingency plan and fallback plan to deal with risks occurrence in order to minimize the adverse impacts on the bank • Develop appropriate measures to monitor and control risk associated with different risk-mitigating techniques • Conduct thorough investigation on potential responses on each risk, to evaluate their constraints, pros and cons, costs, etc. in order to prioritizes the different options • Monitor regularly and review the effectiveness / prioritization of the revised risk response strategies against the changing environment • Review risks identified and determine the follow-up actions (e.g. conduct further analysis, warrant immediate response put into watch list)
Assessment Criteria	<p>The integral outcome requirements of this UoC are:</p> <ul style="list-style-type: none"> • Develop and implement appropriate risk mitigation strategies to minimize unfavorable impacts on the bank. These should be done based on the consolidated findings across diverse research on different market, common risk areas of the industry, probability of occurrence of different types of risks, potential consequences of these risk incidence and the bank's business strategy
Remark	