

Risk Management and Audit > Risk Control and Mitigation

Title	Establish overall risk management policies
Code	106695L6
Range	Establishment of bank-wide risk management polices. This applies to different types of risks and business processes of the bank.
Level	6
Credit	5 (for reference only)
Competency	<p>Performance Requirements</p> <ol style="list-style-type: none"> 1. Possess specialized knowledge in banking risk management <p>Be able to:</p> <ul style="list-style-type: none"> • Demonstrate specialized knowledge across different disciplines in banking risk management in order to conduct research on risks faced by the bank • Conduct research on the macro economic environment and regulatory requirements in order to forecast the development of the banking industry 2. Conduct analytical review on the bank’s business activities and performance <p>Be able to:</p> <ul style="list-style-type: none"> • Conduct comprehensive review of all business activities of the bank, e.g. earning objectives, nature and complexity of business operations, etc. in order to ascertain possible risks • Analyze the earning objectives and level of risk the bank is able to take so as to determine the risk appetite and risks tolerance limits • Conduct research on the changes in the bank’s business development, risks profile , operating environment and market conditions in order to update the risk management policies regularly 3. Develop policies on managing risks <p>Be able to:</p> <ul style="list-style-type: none"> • Establish policies, procedures and limits for identifying all relevant risks across different business activities of the banks • Develop policies, procedures and systems for monitoring and reporting risks in order to identify any deficiencies in a timely fashion • Design policies and arrangements for dealing with emergency situations • Build up a sound risk management culture in the bank • Provide advice for the remuneration systems which are consistent with the risk management policies and do not incentivize excessive risk taking
Assessment Criteria	<p>The integral outcome requirements of this UoC are:</p> <ul style="list-style-type: none"> • Development of a set of policies to manage the risk level of the bank. These should be based on consolidated findings on different research conducted on macro economic environment, development of banking industry and unique situations of the bank.
Remark	