

# ENHANCED COMPETENCY FRAMEWORK on Credit Risk Management. (ECF-CRM)

## **Certified Credit Risk Management Professional (Credit Portfolio Management)**

(recognised under the QF at Level 6, QR Registration No: 20/000542/L6)  
(validity period from 01/08/2020 to 31/07/2025)

**CCRP(CPM)**

## **Certified Credit Risk Management Professional (Commercial Lending)**

(recognised under the QF at Level 6, QR Registration No: 20/000541/L6)  
(validity period from 01/08/2020 to 31/07/2025)

**CCRP(CL)**

## **Associate Credit Risk Management Professional**

(recognised under the QF at Level 5, QR Registration No: 20/000540/L5)  
(validity period from 01/08/2020 to 31/07/2025)

**ACRP**



## Enhanced Competency Framework for Banking Practitioners

With the aim of supporting 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” in Hong Kong.

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.

## Overview of the Hong Kong Institute of Bankers

The Hong Kong Institute of Bankers (HKIB) has been serving the local banking community in the provision of professional training and certification services since 1963. HKIB is the first not-for-profit institution in Hong Kong to issue banking qualifications up to QF Level 6 under the HKQF, and was appointed by the Education Bureau as a Professional Qualifications Assessment Agency in August 2020. With an objective to maintain and further develop the territory’s status as an international financial centre, the Institute works with the support of banks, regulators, financial institutions, academic institutions, and various professional bodies to provide local banking practitioners with professional training and development opportunities.

In view of the changing landscape of the banking and financial services industry in Hong Kong and mainland China, as well as on a global scale, the importance of continuing to enhance the standards of professional development has gained increased attention. The HKIB endeavours to provide and enhance its training and development products in order to equip its members with essential knowledge and skills that meet the industry’s needs.

Since the implementation of ECF in 2018, various programmes for different job functions in banking industry have been developed and integrated into HKIB’s flagship Certified Banker (CB) Programme which offer generalist, specialist, and strategic topics. The rationale for putting all programmes under one professional banking qualification is to promote an industry-based common qualifications benchmark. While ECF programmes offer “role-based” knowledge and certification to relevant practitioners, CB is offering a vocational qualification pathway for further career advancement, being continuously enhanced to nurture more holistic banking professionals and ultimately, supporting the industry to develop a continuous learning culture and a sustainable talent pool so as to maintain the competitiveness of Hong Kong as an international financial centre.

## Qualifications Framework

The Professional Qualification “Associate Credit Risk Management Professional (ACRP)” is recognised under the QF at Level 5\*.

The Professional Qualification “Certified Credit Risk Management Professional (Commercial Lending) (CCRP(CL))” is recognised under the QF at Level 6#.

The Professional Qualification “Certified Credit Risk Management Professional (Credit portfolio Management) (CCRP(CPM))” is recognised under the QF at Level 6^.







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\* QR Registration No.: 20/000540/L5, Validity Period from 01/08/2020 to 31/07/2025

# QR Registration No.: 20/000541/L6, Validity Period from 01/08/2020 to 31/07/2025

^ QR Registration No.: 20/000542/L6, Validity Period from 01/08/2020 to 31/07/2025

# Becoming an Associate Credit Risk Management Professional (ACRP) / Certified Credit Risk Management Professional (Commercial Lending) (CCRP(CL)) / Certified Credit Risk Management Professional (Credit Portfolio Management) (CCRP(CPM))

 <b>Certification</b>	 <b>Experience</b>	 <b>Award</b>	 <b>Examination</b>	 <b>Training</b>	 <b>Target Participants</b>
Certified as Associate Credit Risk Management Professional (ACRP) at QF Level 5*	Certified as Certified Credit Risk Management Professional (Commercial Lending) (CCRP(CL)) at QF Level 6#	Certified as Certified Credit Risk Management Professional (Credit portfolio Management) (CCRP(CPM)) at QF Level 6^	Relevant Practitioners <sup>1</sup> with at least one year of relevant work experience	Relevant Practitioners with at least five years of relevant work experience	
Obtained Professional Certificate for ECF on Credit Risk Management	Obtained Postgraduate Certificate in Commercial Lending for ECF on Credit Risk Management	Obtained Postgraduate Certificate in Credit Portfolio Management for ECF on Credit Risk Management	Obtain Professional Certificate for ECF on Credit Risk Management (CRM) ↑ Pass the examinations in Module 1 to Module 3	Obtain Postgraduate Certificate in Commercial Lending for ECF on Credit Risk Management (CRM) ↑ Pass the examination in Module 4	Obtain Postgraduate Certificate in Credit Portfolio Management for ECF on Credit Risk Management (CRM) ↑ Pass the examination in Module 5
ECF on Credit Risk Management (Core Level) Module 1 to 3 <sup>2</sup>	ECF on Credit Risk management (Professional Level) Module 4	ECF on Credit Risk management (Professional Level) Module 5	Entry-level and junior level staff in the credit function		
			For essential middle or senior level of job roles in the credit function that take up a majority of credit risk responsibility in the credit process, including credit initiation and appraisal; credit evaluation, approval and review.		

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<sup>1</sup> Relevant Practitioners are persons engaged by AIs 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.

<sup>2</sup> Module 3 must be the last module that the learners attempt conditioned with the completion of Module 1 and Module 2 (completed Module 1 and Module 2 training and passed relevant examinations OR obtained module exemption for Module 1 and Module 2)

## Certified Individual (CI)

ACRP/CCRP(CL)/CCRP(CPM) holders will be registered as CI and included in a public register on HKIB website. The CI Register posted on HKIB website enables the public recognition of ACRP/CCRP(CL)/CCRP(CPM) holders. To ensure your Professional Qualification reflected in the CI register, you are required to maintain a valid membership status with HKIB.

## Continuing Professional Development (CPD)

All ACRP/CCRP(CL)/CCRP(CPM) holders are required to comply with the following annual Continuing Professional Development (CPD) requirements in order to maintain the Professional Qualifications.

1. Undertake a minimum of 15 CPD hours for each calendar year (ending 31 December), of which
2. At least five CPD hours must be earned from activities related to topics of compliance, code of conduct, professional ethics, or risk management.

For more details, please refer to Continuing Professional Development (CPD) Scheme on HKIB Website. (Home > Membership > Individual Members > HKIB CPD Requirements)

## ECF on Credit Risk Management (Core Level)

### Programme Content

#### 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 Outline**

- 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 Outline**

- 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

## 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 Outline

- 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

## Entry Requirements

The programme is open to both members and non-members of HKIB. Candidates must fulfil the stipulated minimum entry requirements with:

- A Bachelor's Degree in any discipline awarded by a recognised university or equivalent;
- An Associate Degree (AD) / Higher Diploma (HD) in a banking and finance discipline or equivalent;
- A relevant professional qualification; OR
- Mature applicants with 3 years of relevant banking experience with recommendations from employer.

### Remark:

1. 3rd or final year full-time university undergraduate students in banking and finance discipline will be considered.
2. Mature applicants (aged 21 or above) who do not possess the above academic qualifications but with relevant banking experience and recommendation from their employers will be considered on individual merit.

## Medium of Instruction

- Training is delivered in classroom setting in either Cantonese or English supplemented with English materials.
- All the examination questions are set in English only.



# ECF on Credit Risk Management (Professional Level)

## Programme Contents

### Module 4 - Advanced Commercial Lending

#### **Learning Outcomes**

Upon completion of this module, candidates should be able to

- Review the appropriateness of the industry and business risk assessment and approve credit application according to relevant policies, compliance and regulatory requirements
- Formulate measures to monitor credit risk and optimize the quality of credit assets portfolio
- Set up process to measure, control and manage potential credit risk exposures and identify early warning signals
- Decide on application of risk assessment approach, risk monitoring, operation process and risk management process
- Develop cross-boundary business strategies through understanding the cross-boundary lending practices and considerations

#### **Module Outline**

- Planning of Lending Business Portfolio and Process
- New Lending Product Developments
- Structured Approach for Approval Process
- Management Planning for Early Warning System
- Management Planning for Problem Loan Management
- Cross Boundary Credit Business Opportunities
- Syndicated Loans
- Project Financing (including New Project and Expansion Projects)
- Structured Financing for Merger, Acquisition and Leveraged Buyouts

### Entry Requirements

The Programme is open to both members and non-members of HKIB. Candidates must fulfil the stipulated minimum entry requirements with:

- Professional Certificate for ECF on Credit Risk Management (CRM) awarded by HKIB;
- Grandfathered for ECF on Credit Risk Management (Core Level) by HKIB; OR
- Grandfathered on Credit Portfolio Management for ECF on Credit Risk Management (Professional Level) by HKIB.

### Medium of Instruction

- Training is delivered in classroom setting in either Cantonese or English supplemented with English materials
- All the examination questions are set in English only.

# ECF on Credit Risk Management (Professional Level)

## Programme Contents

### Module 5 - Advanced Credit Risk Management and Regulatory Requirements

#### **Learning Outcomes**

Upon completion of this module, candidates should be able to

- Evaluate different risk mitigation alternatives and take appropriate measures to protect the interests of all the stakeholders
- Evaluate different approaches in credit strategy and their performance in order to align with the bank's overall strategies and policies
- Apply appropriate credit asset classification and risk rating approaches to ensure compliance with statutory requirements
- Analyse the risk factors of all lending products and evaluate the bank's capital allocation strategy under different regulatory requirements
- Develop guidelines for stakeholders to follow and to communicate the current global capital requirements on credit risk management
- Analyse the results of portfolio performance and stress testing for proposing the strategies to allocate credit assets of the bank

#### **Module Outline**

- Code of Conduct
- Implication of Basel III Regulatory Requirements on Credit Risk Management
- Implication of PRC Regulatory Requirements on Credit Risk Management
- Implications of IFRS 9 on Credit Risk Management
- Corporate Governance Structure on Credit Risk Management
- Credit Risk Management - Overall Control Framework from Senior Management Perspective by Integrated Use of New and Traditional Risk Parameters
- Credit Portfolio Management
- Country Credit Risk

## Entry Requirements

The Programme is open to both members and non-members of HKIB. Candidates must fulfil the stipulated minimum entry requirements with:

- Professional Certificate for ECF on Credit Risk Management (CRM) awarded by HKIB;
- Grandfathered for ECF on Credit Risk Management (Core Level) by HKIB; OR
- Grandfathered on Commercial Lending for ECF on Credit Risk Management (Professional Level) by HKIB.

## Medium of Instruction

- Training is delivered in classroom setting in either Cantonese or English supplemented with English materials.
- All the examination questions are set in English only.

## Application

Applicants can submit their application via [MyHKIB](#).

## General Enquires

Tel: (852) 2153 7800

Email: [cs@hkib.org](mailto:cs@hkib.org)

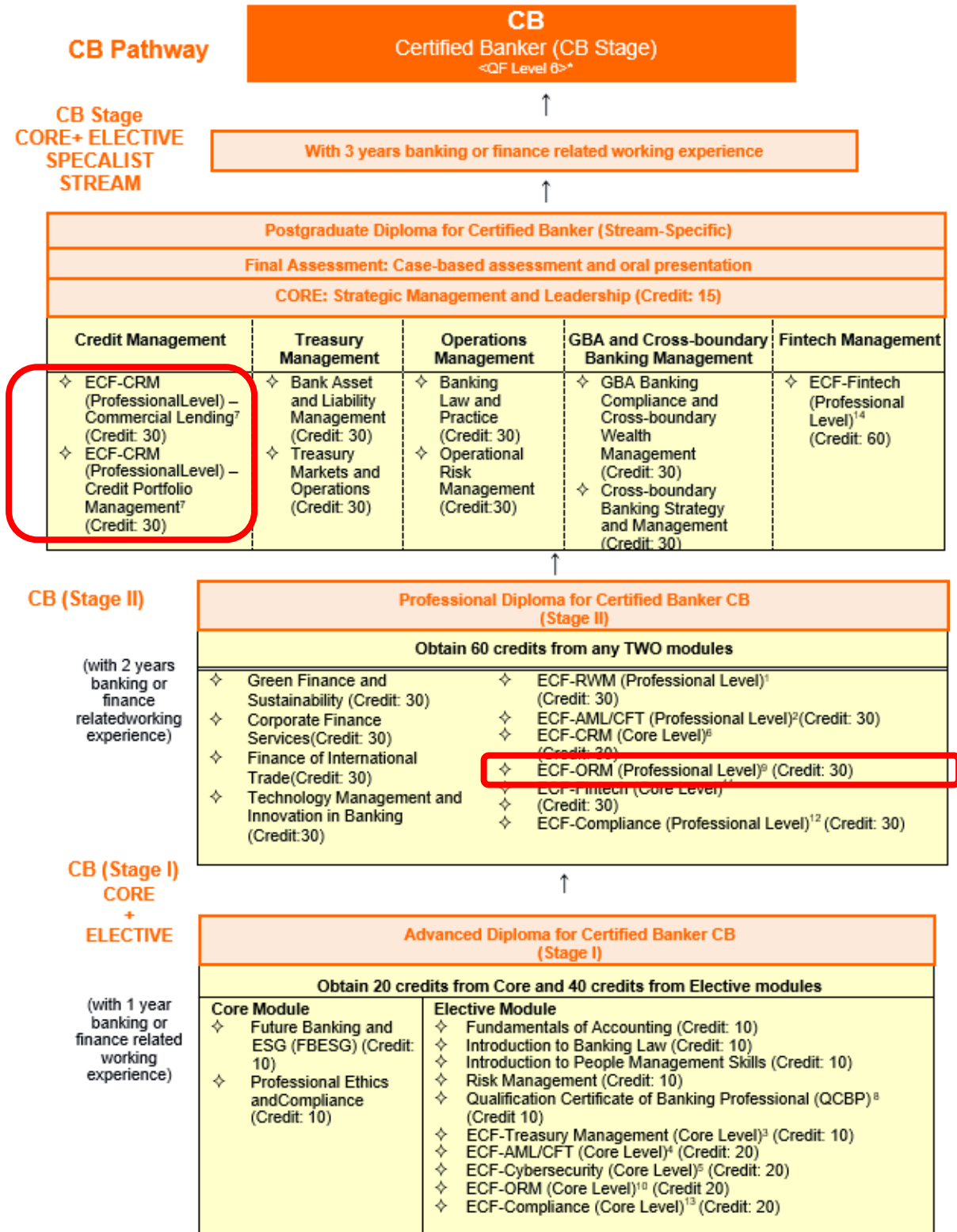
Website: [www.hkib.org](http://www.hkib.org)

Address: 3/F Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong



# Integration of ECF Programme in Certified Banker (CB)

Certified Banker (CB) is a professional banking qualification programme developed and offered by HKIB. This common qualification benchmark is intended to raise the professional competency of banking and financial practitioners in Hong Kong to meet modern demands, while providing a transparent standard with international recognition. The “ECF on CRM (Core and Professional Level)” have already been incorporated in CB (Stage II) and CB respectively. You may refer to the CB Programme structure as below to plan for your learning path. Learners who have obtained a pass at the relevant examination can then apply for an exemption for “ECF on CRM (Core Level) – Fundamentals of Bank Lending (M3)” of the CB (Stage II) programme and the modules “ECF on CRM (Professional Level) – Advanced Commercial Lending (M4)” and “ECF on CRM (Professional Level) – Advanced Credit Risk Management and Regulatory Requirements (M5)” of the CB programme.



**Notes:**

1. For exemption only. Holders of the Professional Certificate for ECF on Retail Wealth Management (RWM) offered by HKIB are eligible to apply for "ECF-RWM (Professional Level)" module exemption. Please refer to "ECF-RWM" for details.
2. For exemption only. Holders of the Professional Certificate for ECF-AML/CFT or respective grandfathered certificate are eligible to apply for ECF-AML/CFT (Professional Level) module exemption. Please refer to "ECF-AML/CFT" for details.
3. For exemption only. Holders of the Professional Certificate in ECF-Treasury Management (Core Level) (i.e., ECF-Treasury Management (Core Level)) offered by LiPACE of HKMU are eligible to apply for module exemption.
4. For exemption only. Holders of the Advanced Certificate for ECF-AML/CFT or respective grandfathered certificate (plus submission of the form – Recognising Prior Learning Assessment Criteria for ECF-AML/CFT (Core Level) are eligible to apply for module exemption. Please refer to "ECF-AML/CFT" for details.
5. For exemption only. Holders of the Advanced Certificate for ECF on Cybersecurity offered by HKIB are eligible to apply for "ECF on Cybersecurity" module exemption. Please refer to "ECF-Cybersecurity" for details.
6. For exemption only. Holders of the Core Level Training Certificate for ECF-CRM or respective grandfathered certificate are eligible to apply for ECF-CRM (Core Level) – Fundamentals of Bank Lending (M3) module exemption. Please refer to "ECF-CRM" for details.
7. For exemption only. Holders of the Professional Level Training Certificate for ECF-CRM or respective grandfathered certificate are eligible to apply for ECF-CRM (Professional Level) – Advanced Commercial Lending (M4) or ECF-CRM (Professional Level) Advanced Credit Risk Management and Regulatory Requirements (M5) module exemption after passing the written assessment developed by the HKIB. Please refer to "ECF-CRM" for details.
8. Holders of Qualification Certificate of Banking Professional (QCBP) who have passed the QCBP exam are eligible to apply for "QCBP" module exemption.
9. For exemption only. Holders of the Professional Certificate for ECF-ORM or respective grandfathered certificate are eligible to apply for ECF-ORM (Professional Level) module exemption. Please refer to "ECF-ORM" for details.
10. For exemption only. Holders of the Advanced Certificate for ECF-ORM or respective grandfathered certificate are eligible to apply for ECF-ORM (Core Level) module exemption. Please refer to "ECF-ORM" for details.
11. For exemption only. Holders of the Professional Certificate for ECF-Fintech or respective grandfathered certificate are eligible to apply for ECF on Fintech (Core Level) module exemption. Please refer to "ECF-Fintech" for details.
12. For exemption only. Holders of the Professional Certificate for ECF on Compliance or respective grandfathered certificate are eligible to apply for ECF- Compliance (Professional Level) module exemption. Please refer to "ECF-Compliance" for details.
13. For exemption only. Holders of the Advanced Certificate for ECF on Compliance or respective grandfathered certificate are eligible to apply for ECF- Compliance (Core Level) module exemption. Please refer to "ECF-Compliance" for details.
14. For exemption only. Holders of the Advanced Certificate for ECF on Fintech or respective grandfathered certificate are eligible to apply for ECF- Fintech (Professional Level) module exemption. Please refer to "ECF- Fintech" for details.

\* For CB, the Professional Qualification of CB is recognised under the QF at Level 6. (QR Registration No.: 20/000543/L6) Validity period: 1/8/2020 – 31/7/2025