HONG KONG MONETARY AUTHORITY
香港金融管理局

Banking Supervision Department *銀行監理部*

Our Ref.: B10/1C

27 March 2015

The Chief Executive
All Authorized Institutions

Dear Sir/Madam,

Practice note on credit risk management for loans to the corporate sector

In light of the increasing diversity and sophistication of loan products to the corporate sector, the HKMA is of the view that authorized institutions (AIs) should step up their risk awareness and risk controls correspondingly to ensure that all risk factors arising from the products are properly identified, monitored, and managed. A practice note on credit risk management for loans to the corporate sector is enclosed. This note outlines the key steps that AIs are expected to adopt in order to prudently manage credit risks in extending loans to the corporate sector.

An industry briefing session will be conducted to facilitate AIs' understanding of the supervisory requirements. Details of the session are as follows:

Date:	4 May 2015
Time:	3:00 pm to 4:00 pm
Venue:	Room 5608, HKMA office, Two International Finance Centre, 8 Finance Street, Central
Language:	Cantonese in principal
Target audiences:	senior officers in charge of risk management and credit functions
Registration:	2:30 pm Participants are required to present their photo identification cards and two business cards for registration purpose.

If your institution has questions about the practice note, please contact Ms Denise Tai at 2878 1589. For any enquiry on the industry briefing session, please contact Ms Sarah Wong at 2878 1561 or Mr Clement Lee at 2878 1694.

Yours faithfully,

Henry Cheng
Executive Director (Banking Supervision)

Encl.