

Market and liquidity risk manager

Skills Framework track	Risk, compliance and legal	Job function	Risk management	Job family	Market and liquidity risk
Sub-sectors	Retail banking, corporate banking, investment banking, private banking and wealth management	Expected augmentation by Gen AI	Do more and do new: Gen AI can analyze market and liquidity risk breaches and augment the development of regulatory reports; output from Gen AI tools can be used directly by the Head of Market and Liquidity Risk to develop and enhance risk management policies to be aligned with regulatory requirements		

Key tasks that can benefit from Gen AI

Critical work functions	Key tasks
Develop risk mitigation and consequence management activities	<p>Determine root causes for market risk and liquidity risk breach incidents to identify appropriate market risk and liquidity risk management activities</p> <p>Review and ensure market risks and liquidity risks are adequately addressed for new products, as part of new product approval processes</p> <p>Develop regulatory reports on market and liquidity risk management positions</p> <p>Review reports and/or presentations of financial forecast findings to explain the risk positions of products</p> <p>Conduct checks on documents made during post-submission or benchmark submission process to review accuracy and provide assurance</p> <p>Identify irregular market and liquidity exposure positions across the organization</p>
Maintain market and liquidity risk management policies and frameworks	<p>Correspond with internal and/or external auditors, senior management, and other market professionals on market risk and liquidity-risk-related matters</p> <p>Review and develop strategies to align the organization's market and liquidity risk management policies, frameworks, and activities with regulatory requirements</p>
Monitor and identify market and financial risks	<p>Conduct scenario analysis on potential extreme market events to identify impact on market and liquidity risks to the organization</p> <p>Conduct preliminary review and validation of valuation modeling and analytics findings to identify risk-management-related insights</p> <p>Review risk analysis and stress testing reports to ensure accuracy of reports and propose preliminary risk mitigation strategies</p> <p>Determine and analyze risk positions based on market analysis</p>
Manage risk appetite and risk controls	<p>Identify mitigating actions for incidents of non-compliance with market risk and liquidity risk management requirements and limits</p> <p>Conduct assurance checks on risk modeling outputs for accurate assessment of controls and risk monitoring activities</p> <p>Analyze identified legislation to determine its impact on the organization's risk exposure and risk control requirements</p>

1. Transferrable skills with an increase in one level of proficiency is considered easier to acquire than transferable skills with multiple levels of increase in proficiency, followed by net new additional skills. Depending on job redesign for the financial institution, the financial institution will have to pick select skills to reskill employees on, via a combination of on-the-job training and existing courses.

2. Skills adjacency score.

Source: SkillsFuture Skills Framework



New Gen AI skills

Prompt design	3
Gen AI principles and applications	3
Ethical and responsible Gen AI adoption	3

Additional skills required for potential redesigned role

Role 1: Credit risk manager (adj². Score: 0.68)

Ethical culture	4	Risk analytics	4	Data analytics and computational modeling	3
Stakeholder management	4	Risk and compliance reporting	4	Credit assessment	4
Business environment analysis	4	Scenario planning and analysis	4	Risk appetite and goals setting	4
Business risk assessment	4	Standard operating procedures development	4	Credit risk management	4
Data collection and analysis	4	Sustainability risk management	4	Strategy planning	4
People performance management	4	Technology application	3		
Policy implementation and revision	4	Environment and social governance	3		

Role 2: Operational risk manager (adj. Score: 0.60)

Ethical culture	4	Risk and compliance reporting	4	Corporate governance	4
Stakeholder management	4	Scenario planning and analysis	4	Change management	4
Business continuity planning	4	Standard operating procedures development	4	Risk appetite and goals setting	4
Business risk assessment	4	Sustainability risk management	3	Security governance	4
Data collection and analysis	4	Technology application	3	Strategy planning	4
People performance management	4	Climate change management	3	Crisis management	4
Policy implementation and revision	4	Operational risk management	4		

DO MORE AND DO NEW