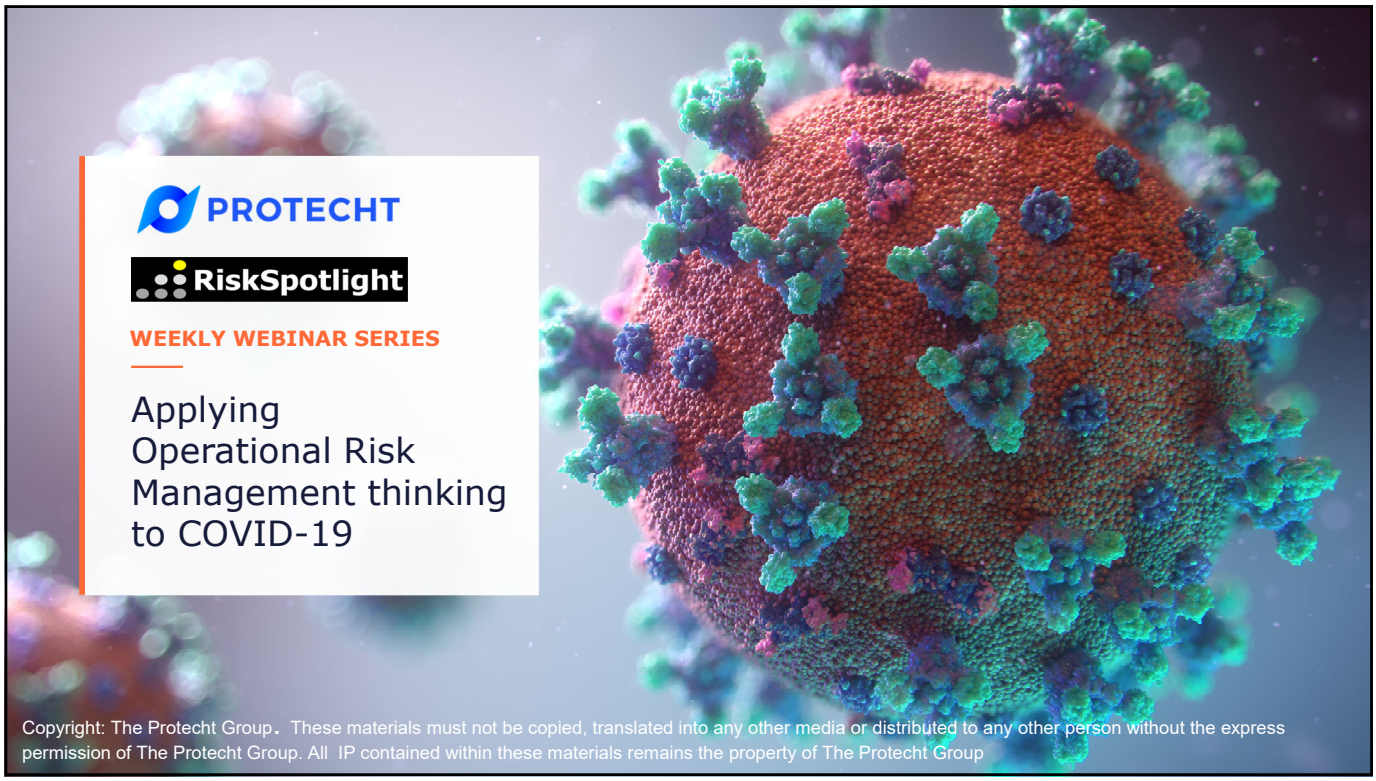

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Webinar Schedule – Financial Services

Date	Topic	AEST	GMT
Thursday 2 April	A pragmatic analysis of COVID-19 risks including interconnections with other risks	8.00 p.m. – 9.30 p.m.	10.00 a.m. – 11.30 a.m.
Thursday 9 April	An analysis of COVID-19 risk treatments and controls	8.00 p.m. – 9.30 p.m.	11.00 a.m. – 12.30 p.m.
Thursday 16 April	A practical approach for processes to manage COVID-19 risks (including decision making)	8.00 p.m. – 9.30 p.m.	11.00 a.m. – 12.30 p.m.
Thursday 23 April	Effective COVID-19 risk governance, reporting and communication	8.00 p.m. – 9.30 p.m.	11.00 a.m. – 12.30 p.m.
Thursday 30 April ….	Participant preferences and feedback	8.00 p.m. – 9.30 p.m.	11.00 a.m. – 12.30 p.m.

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Your Presenters

Manoj Kulwal
Co-Founder & CRO at RiskSpotlight

RiskSpotlight

David Tattam
Director, Research and Training
The Protecht Group

PROTECHT

Jason Smith
CEO and Executive Director at Risk Management Institute of Australasia

RMIA

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Agenda

1 Introduction and Housekeeping

2 A pragmatic analysis of COVID-19 risks including interconnections with other risks

3 Q&A

4 Conclusions and next Webinar

4

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Why?

"Risk Managers have no role in COVID-19. It is now an operational issue"

"We should throw out conventional Risk Management and move to a more agile, responsive approach"

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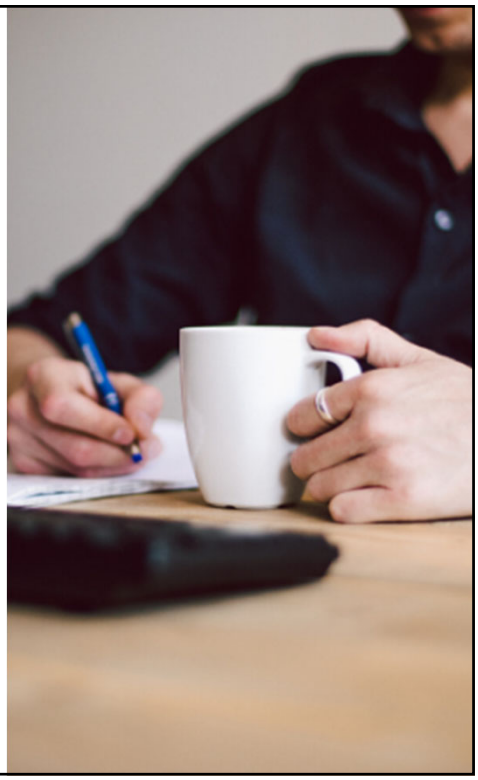
Polling Question

To what degree is your Operational Risk Management function playing a central role in managing COVID-19?

A. Hardly at all

B. Equal to other business areas

C. The key role



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Why?

1. Risk Management should be the core on which the management of COVID-19 is built
2. "Conventional" Risk Management if done well will be more than capable of managing this crisis
3. Collaboration between risk managers is critical at the global level to support each other for an effective risk response to this crisis

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Objectives

1. Provide **practical insights** into managing the direct and indirect risks of COVID-19
2. Create **awareness** of recent **COVID-19 related risk incidents** at financial service firms and what can we learn from them
3. Share **views and experiences of COVID-19 risk management practices** in order to support each other in best practice and shared experiences

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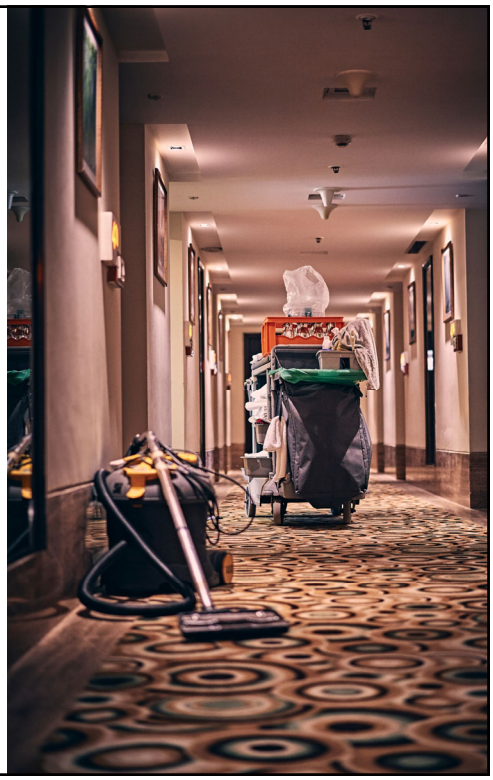
Housekeeping

1. The webinar will go for 90 minutes.
   - Introduction 10 mins
   - Presentation 35 mins
   - Q&A 35 mins
   - Concluding Remarks 10 mins

2. Ask questions as we go. Enter your question in the question section on the GOTO control panel. If the question input area is not visible, click on the orange arrow at the top of the panel to expand the viewing area.

3. Any questions we don't get to during the webinar:
   - We will address any key questions at the beginning of the next Webinar
   - We will consider writing a blog or including a topic for any questions that are themed

4. A recording of this webinar will be made available to registered participants as well on our websites:
   - www.protechtgroup.com
   - www.riskspotlight.com



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Agenda

1 Introduction and Housekeeping

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3 Q&A

4 Conclusions and next Webinar

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Risk Management?

Risk: the effect of uncertainty on objectives

Risk Management: managing the effect of uncertainty on objectives

***Risk Management* =**
***Objectives Management* =**
Outcome Management

Source: ISO 31000:2018 Risk Management: Principles and guidelines

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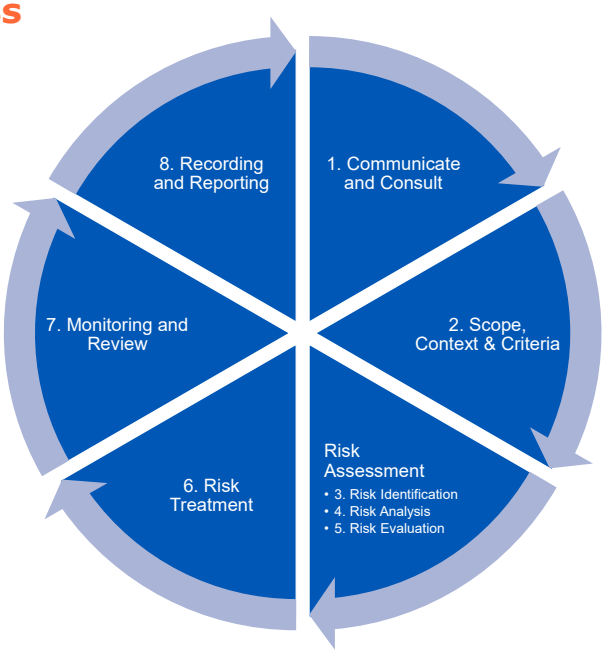
The Risk Management Process

1. Communication and consultation
2. Scope, Context, Criteria
3. Risk identification
4. Risk analysis
5. Risk evaluation
6. Risk treatment
7. Monitoring and review
8. Recording and Reporting

Source: ISO 31000:2018 Risk Management: Principles and guidelines



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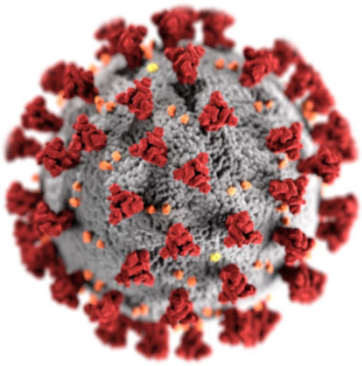
Overview

1. Stakeholders – Communicate and Consult

8. Governance, Reporting and Communications



2. Scope and Context
   2.1 Where are we now?
   2.2 Where do we want to be?
   2.3 Critical Steps

7. Processes to Monitor, Review, Record and Manage

3,4,5. Identifying, Analysing and Evaluating the Risks

6. Risk Treatment and Controls

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Overview

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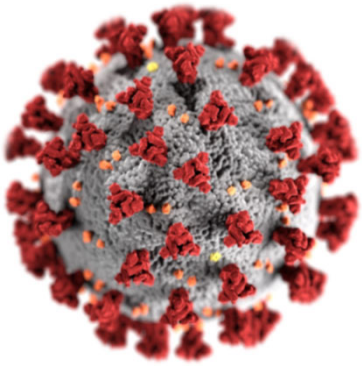

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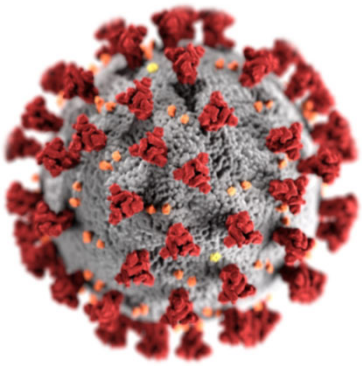

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1. Communicate and Consult Stakeholders

1. Stakeholders
   - Employees
   - Customers
   - Suppliers
   - Contractors and third parties
   - Regulators
   - Government
   - Society
   - Organisation itself
   - Environment
   - Shareholders

2. Expectations of, and objectives, for each?

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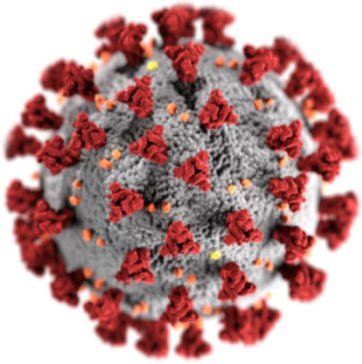

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2.1 Scope and Context – Where are we now?

Before COVID-19

During COVID-19

- Rapid and dramatic change to our operating models
- Huge amount of information, much media driven

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The Fear of Uncertainty and Risk

1. People fear what they don't understand
2. Many people do not understand COVID-19
3. Huge amount of information from technical to sensationalist
4. Fear leads to irrational behaviour and poor decision making
5. We therefore need to get a rational view of the risk

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Measures to reduce uncertainty

Reduce perceived uncertainty

- Understand the Risk rationally
- Timely and reliable objective information
- Focus on critical rather than non-critical business priorities (80:20)
- Timely and reliable communication

Reduce actual uncertainty

- High quality and agile decision making
- Individuals with right experience/capabilities in key decision making positions
- Balanced centralised vs. decentralised decision making
- Collaborate with industry peers

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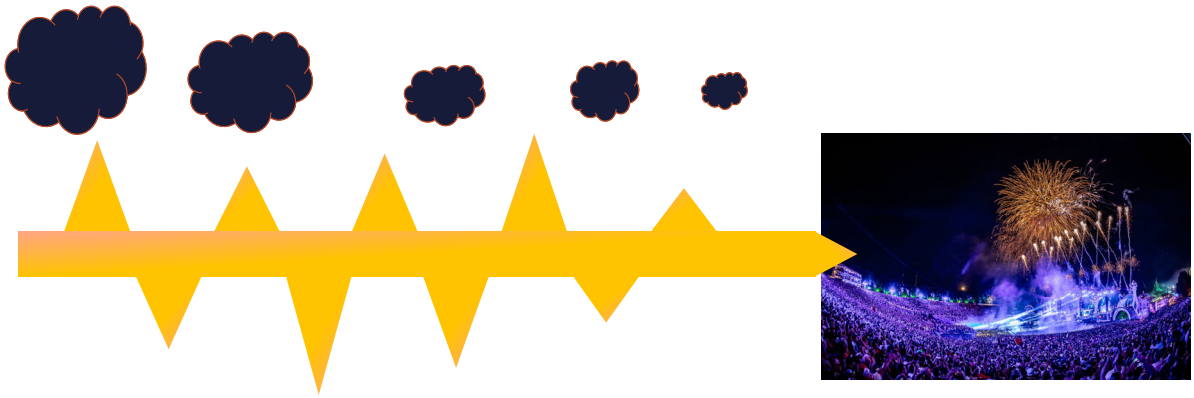
2.2 Scope and Context – Where do we want to be?



Path to the new normal

New Normal

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2.3 Scope and Context – Critical Steps / Stages to get there

Current [C]	C + 1	C + 2	C + 3	C + 4	C + 5	New Normal
• Government lockdowns • No. of infections rising • No. of deaths rising • Inadequate testing • Demand for medical equipment > supply	• Decrease in infection rate • Decrease in death rate • Testing widely available • Adequate supply of medical equipment	• Infection and death rate stabilise • Large number of people are immune • Everyone has been tested or can be easily tested • Information available on whether someone can be infected twice or multiple times	• Large number of governments remove the lockdowns – one-off or in phases more likely • Restrictions will remain for infected people • Testing available widely and easily at cost effective prices	• Firms may need to pay for periodic cost of testing of their employees to identify which employees can resume operational duties • Firms get their offices disinfected • Governments get public places disinfected • Restrictions will remain for infected people • Some international travel restrictions may be in place • People may be reluctant to travel	• Firms bring employees back in office in 2-3 phases • Firms continue to get their employees tested periodically and impose restrictions on infected employees • International travel restrictions are largely lifted • People gradually become comfortable with international travel	• Firms increase working from home practices • Firms utilise more online meeting tools for internal and customer meetings • Firms learn lessons from the pandemic and implement remediation measures • Society is widely more conscious about personal hygiene and physical space in public places • National and international initiatives to learn lessons from the pandemic and be better prepared for future pandemics **New vaccine available**

Timelines will vary across countries

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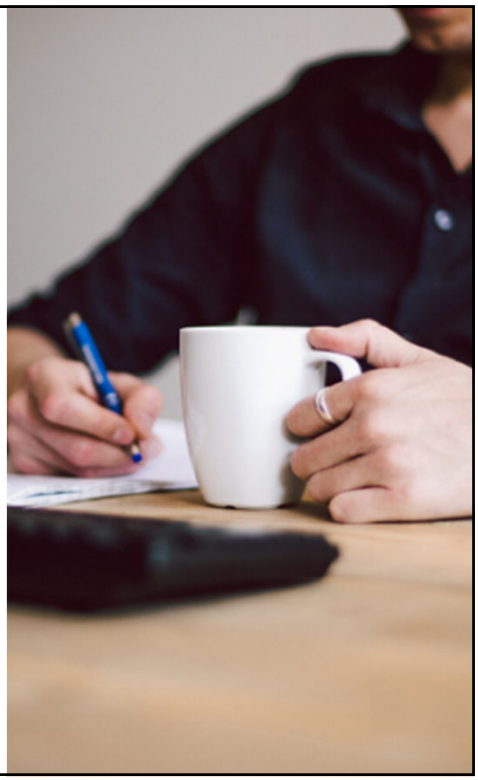
Polling Question

To what degree has your organisation considered longer term strategy in the light of what the new norm may be?

A. Has not considered at all yet

B. Its starting to be considered

C. Has already been factored into a strategy reset



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2.3 Scope and Context – Critical Steps / Priorities

1
- Firm's survival
- Health & Safety
- Operational continuity

2
- Business strategy impacts
- Customer impacts
- Government COVID-19 policy implementation

3
- Financial crime
- Misconduct
- Internet theft & fraud
- Cyber risks

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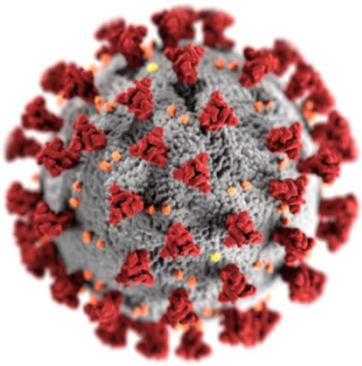

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Identifying, Analysing and Evaluating Risk

Objectives
1. Have fun and adventure
2. Maintain wellbeing and health
3. Comply with regulatory and park rules

Critical Processes
1.Reach top of rock
2.Play on rock
3.Reach ground ……..safely

Risks
1.Falling

Causes
1. Child error
2. Rain hazard
3. Moss hazard
4. Ladder break
5. Inadequate process

The effect of uncertainty on objectives
ISO 31000: 2018

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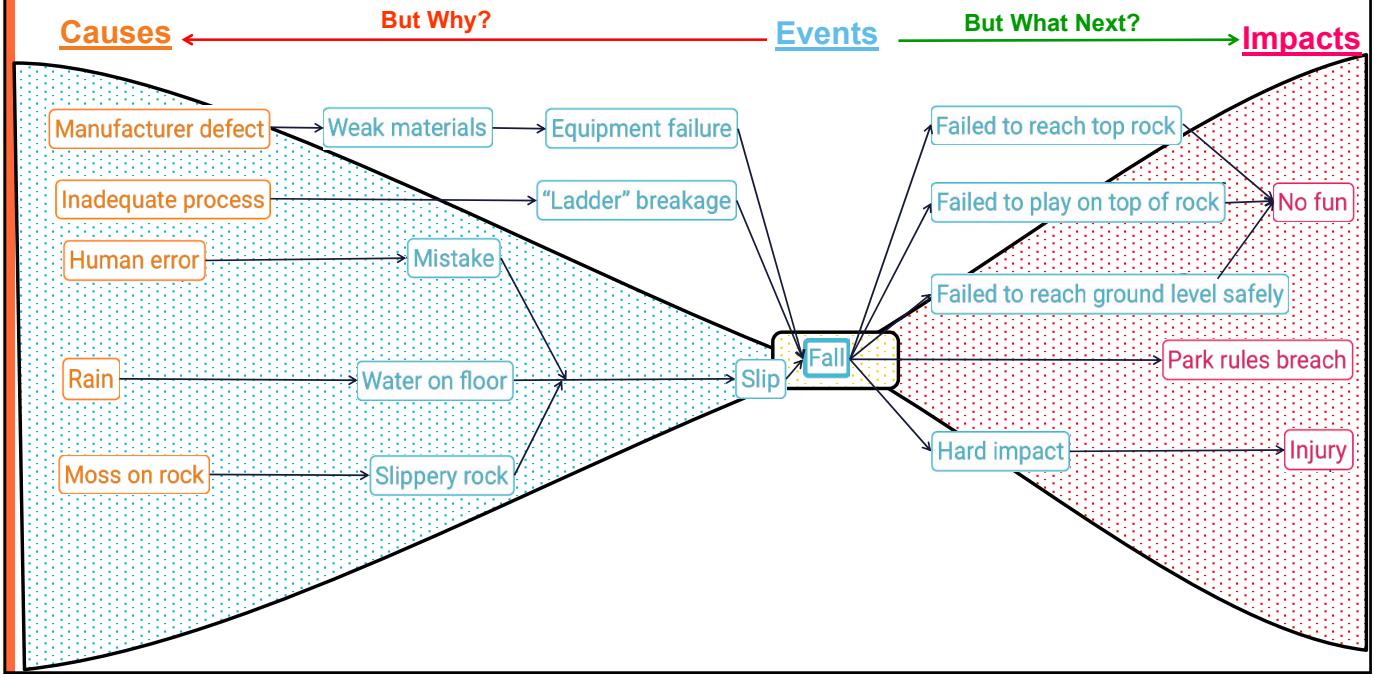
Falling Risk



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Controls

An action / process that reduces the likelihood of the risk occurring and / or the impact if it does occur.

Objectives
1. Have fun and adventure
2. Maintain wellbeing and health
3. Comply with regulatory and park rules

Critical Processes
1.Reach top of rock
2.Play on rock
3.Reach ground ……..safely

Risks
1.Falling

Causes
1.Child error
2.Rain hazard
3.Moss hazard
4.Ladder break
5.Inadequate process

Controls
1.Inspections and clean up 2. Non slip shoes 3. Training 4. Cushion 5. Safety Hat 6. First Aid

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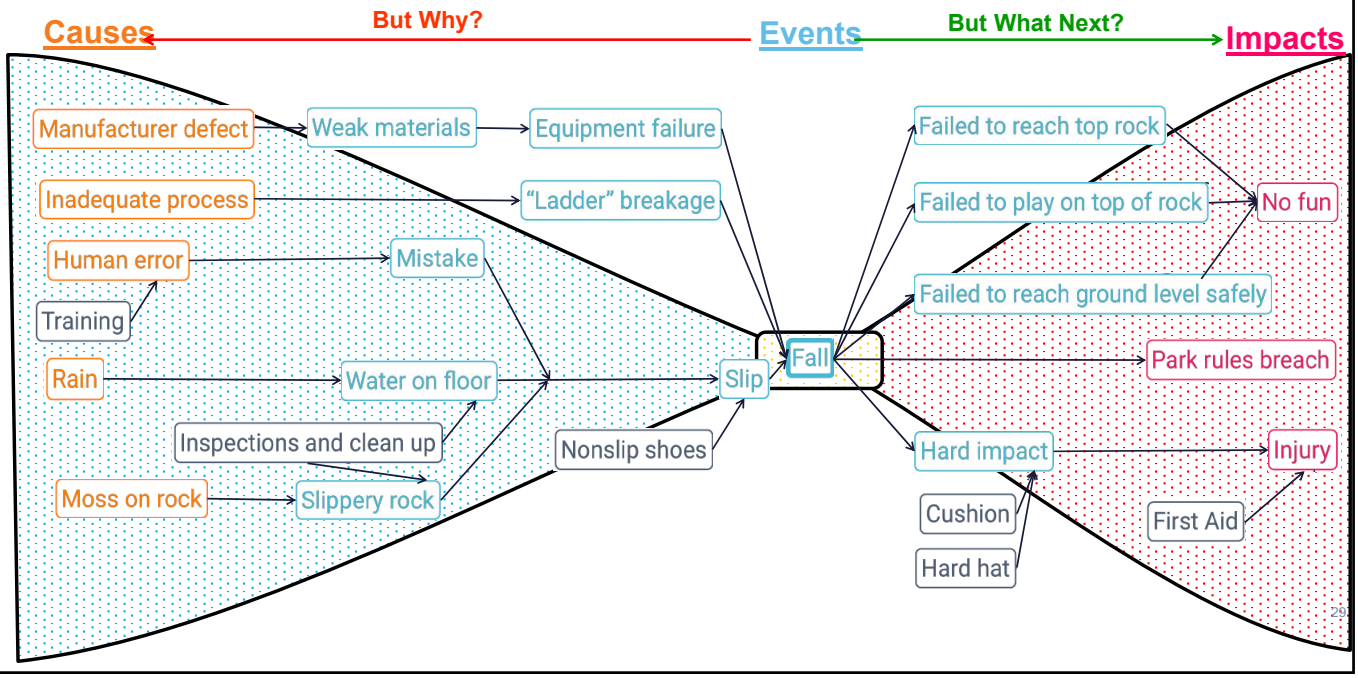
Controls



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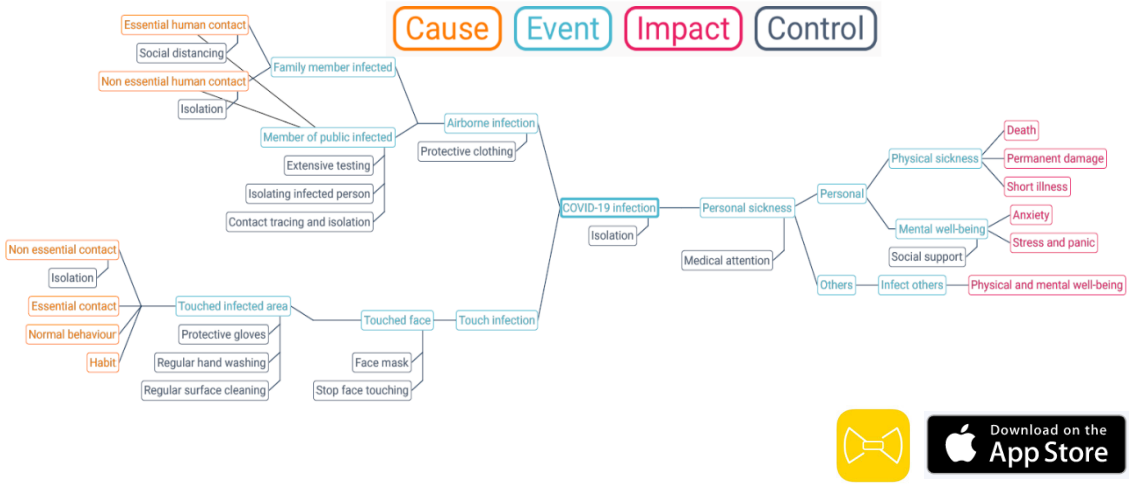
COVID-19 Infection Risk. Individual Perspective



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COVID 19 Risk – Organisation perspective

1. COVID-19 is a Risk Cause it is not a risk in it's own right because the existence of the virus is outside of our control
2. COVID-19 "Risks" are a whole range or risks that emanate from the cause.

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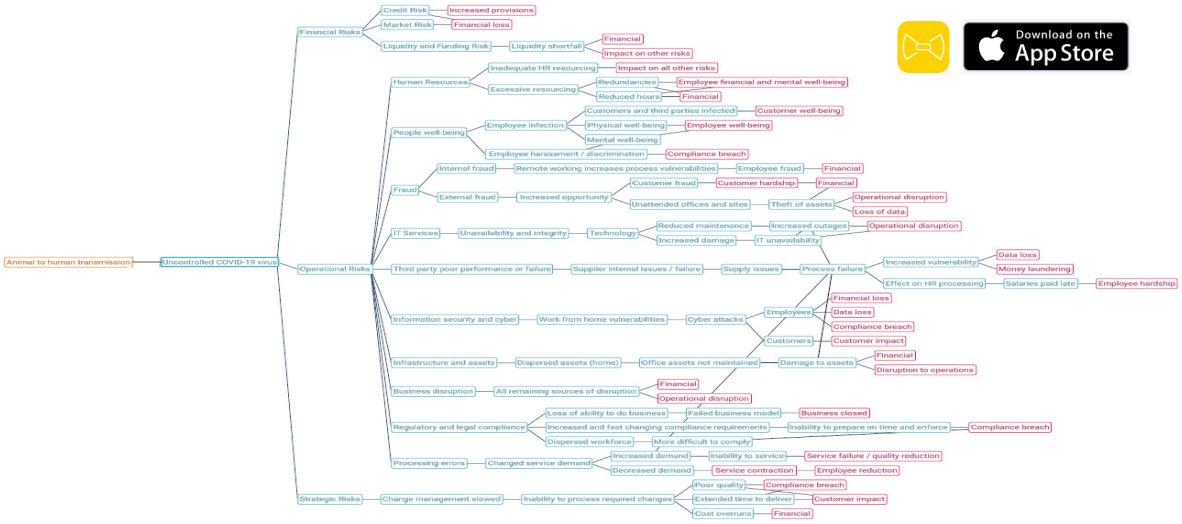
COVID-19 Risk – Organisation perspective



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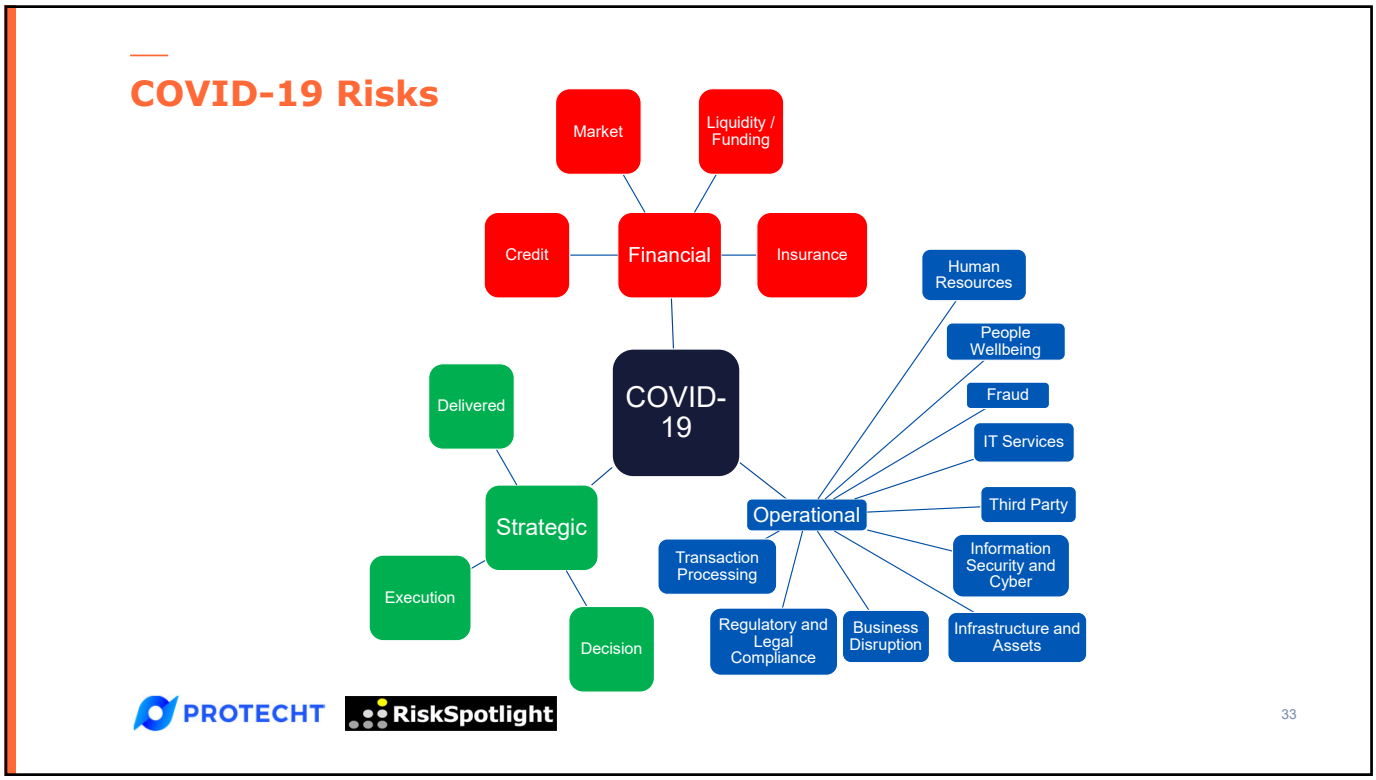

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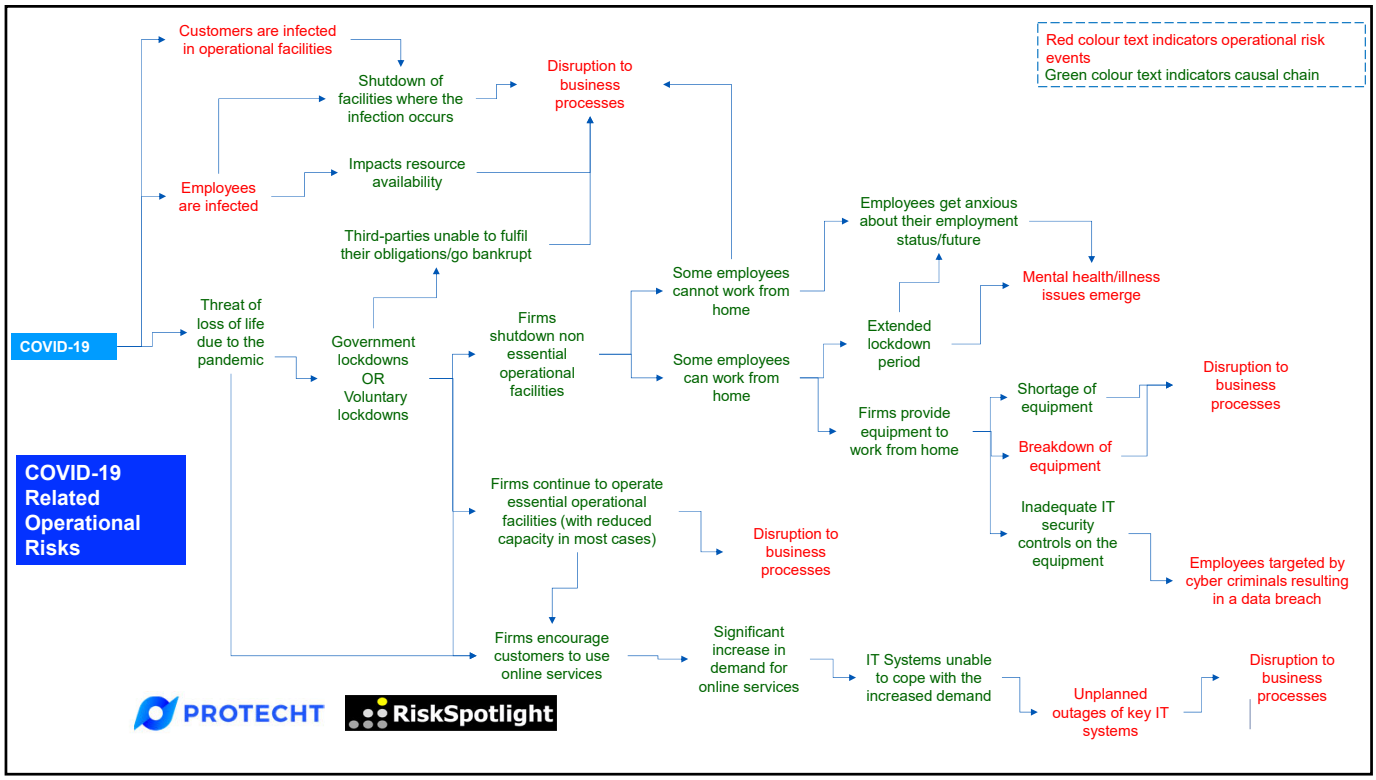

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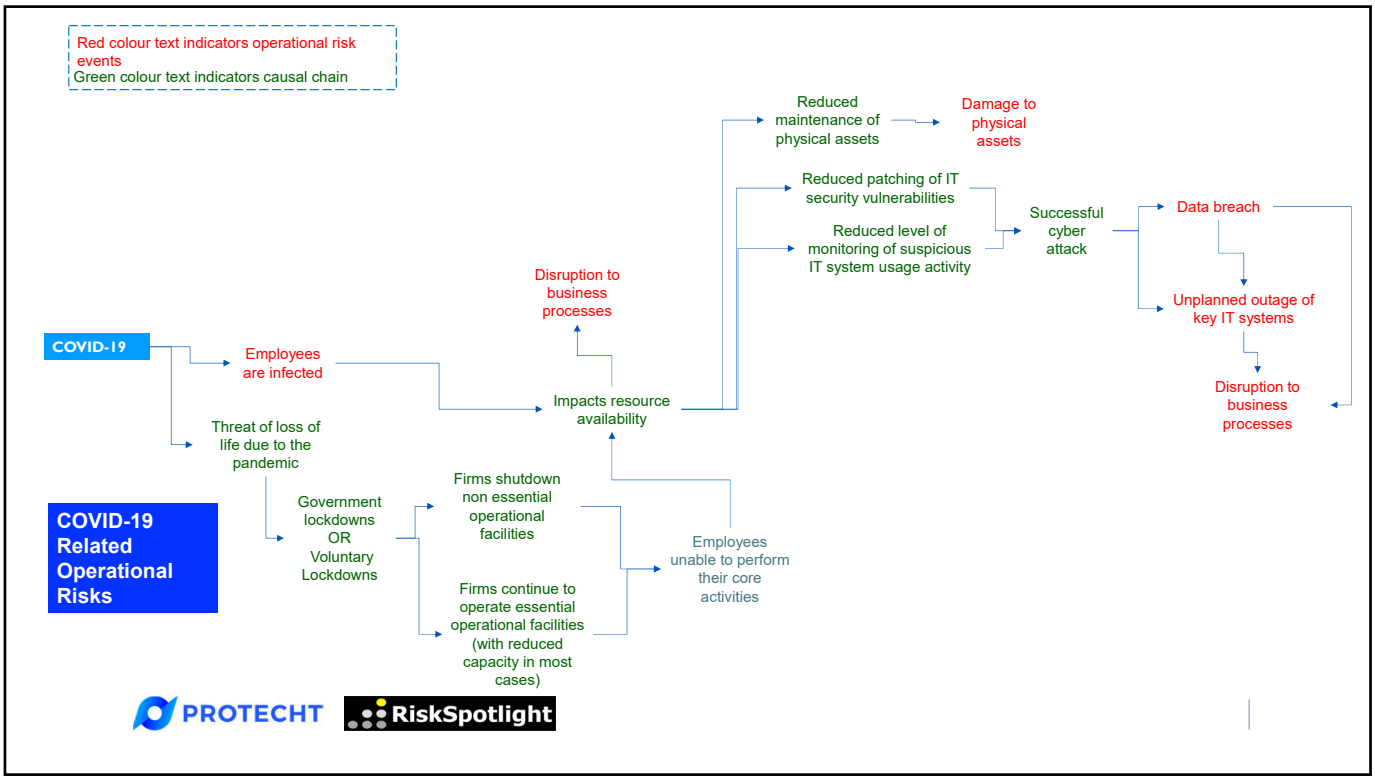

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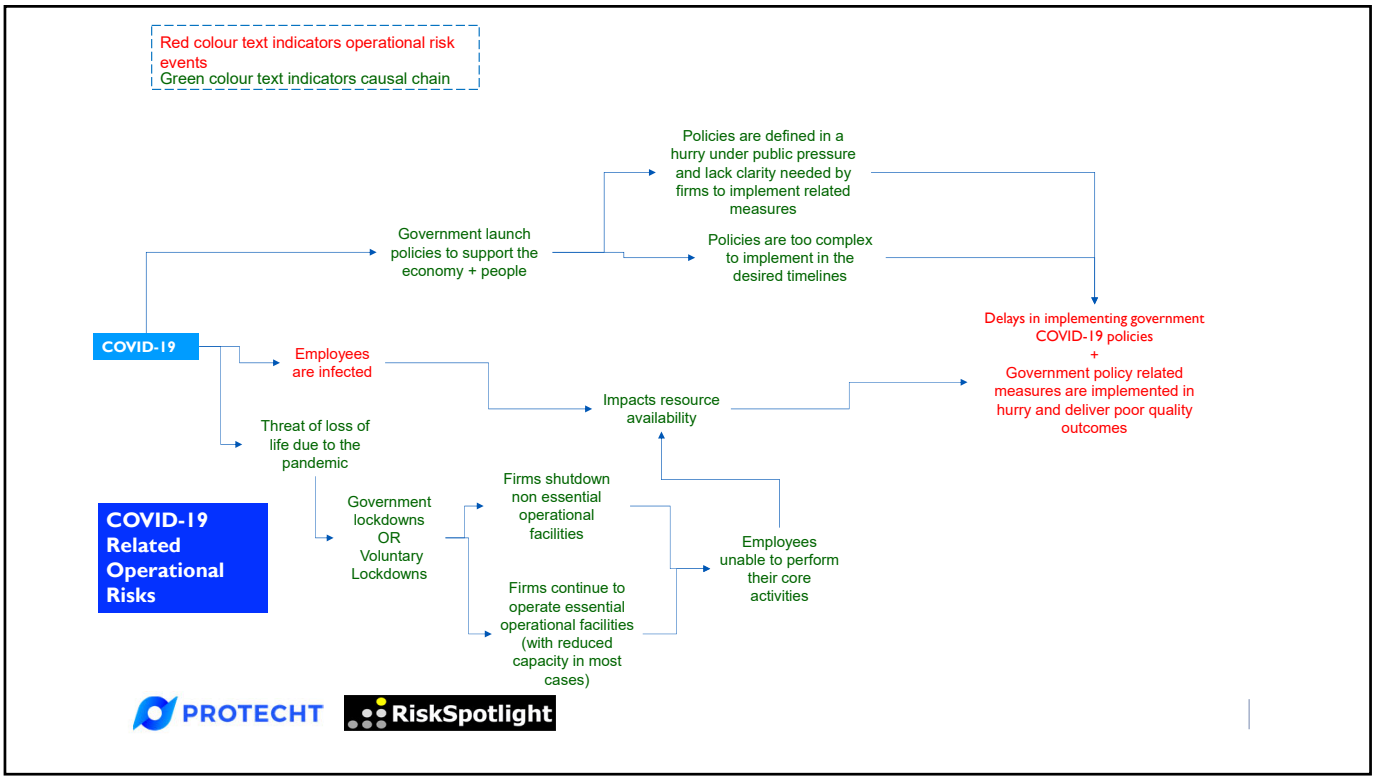

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Monitor COVID-19 OpRisk news articles related to financial services industry – 2 months for free at www.riskspotlight.com/portaltrial

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COVID-19: OpRisk News By Region

Updates on how financial services firms are dealing with coronavirus (COVID-19)

▾ Expand/Collapse

Global

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Article Title	Article Link	Article Type	Published Date	Article Create Date	Regions	Countries	Source
How banks can use technology to improve operational resilience in uncertain times		Emerging Topic	30 Mar 2020	30 Mar 2020	Global		Finextra
Contactless payments can help cut contagion - EU banking watchdog		Loss Event	25 Mar 2020	25 Mar 2020	Europe, Global		Nasdaq
Central banks push contactless payments to counter COVID-19		Loss Event	25 Mar 2020	26 Mar 2020	Africa, Asia, Europe, Global	Hungary, Ireland, Kenya, Netherlands, Norway, South Africa, South Korea, United Kingdom	Global Government Forum
Citigroup to give some employees US$1000 as coronavirus spreads		Loss Event	24 Mar 2020	24 Mar 2020	Global		Channel News Asia
Is coronavirus leading to more financial crime?		Loss Event	24 Mar 2020	25 Mar 2020	Global		Verdict
Coronavirus cybersecurity: Ten tips for secure remote working		Loss Event	24 Mar 2020	25 Mar 2020	Global		Verdict
Remarks by World Bank Group President David Malpass on G20 Finance Ministers Conference Call on COVID-19		Loss Event	23 Mar 2020	25 Mar 2020	Global		The World Bank
How firms move to secret offices amid Covid-19		Loss Event	23 Mar 2020	25 Mar 2020	Europe, Global	United Kingdom	BBC

Europe

Page (1 Of 6): [First] [Last] | 1-2-3-4-5-6 | >>Next

Article Title	Article Link	Article Type	Published Date	Article Create Date	Regions	Countries	Source
Covid-19: Santander UK introduces support package for impacted customers		Loss Event	30 Mar 2020	30 Mar 2020	Europe	United Kingdom	Verdict
Central Bank of Ireland sets out Expectations of Insurers in Light of COVID-19 Emergency		Loss Event	27 Mar 2020	30 Mar 2020	Europe	Ireland	Central Bank of Ireland
UK digital banks unable to provide state funds to coronavirus-hit firms		Loss Event	26 Mar 2020	27 Mar 2020	Europe	United Kingdom	Reuters
HSBC delays job cuts in face of coronavirus		Loss Event	26 Mar 2020	27 Mar 2020	Europe	United Kingdom	CNA
UK lenders offer mortgage extensions as banks and customers grapple with coronavirus disruptions		Loss Event	26 Mar 2020	27 Mar 2020	Europe	United Kingdom	CNN Business
Banks under fire for coronavirus loan tactics		Loss Event	26 Mar 2020	27 Mar 2020	Europe	United Kingdom	BBC
NatWest withdraws tracker range and launches BTL payment holidays		Loss Event	26 Mar 2020	27 Mar 2020	Europe	United Kingdom	Financial Reporter
Halifax withdraws majority of mortgages		Loss Event	26 Mar 2020	27 Mar 2020	Europe	United Kingdom	The Guardian
EBA offers banks some breathing space		Loss Event	26 Mar 2020	27 Mar 2020	Europe	Greece	Ekathimerini
Contactless payments can help cut contagion - EU banking watchdog		Loss Event	25 Mar 2020	25 Mar 2020	Europe, Global		Nasdaq

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Examples of COVID-19 risk incidents

Operational Risk	Examples of Incidents
People wellbeing	Employees infected with COVID-19 at Goldman Sachs, Mastercard, Standard Chartered, MUFG Bank, UOB, Maybank, Alliance Bank, MBNA.
System disruption	System disruption events at Morgan Stanley, JP Morgan Chase, Bank of America's Merrill Edge.
Process disruption due to excessive demand for services	Significant increase in customers applying for mortgage holiday, loan holiday, customers enquiring about COVID-19 coverage in their insurance policies.
Revoke products	Insurance firms not selling new life insurance policies. Banks not selling certain mortgages.
Information security and cyber	Rise in number of phishing attacks targeting employees and customers.
Fraud	Rise in insurance fraud.

Many more in the RiskSpotlight Portal…

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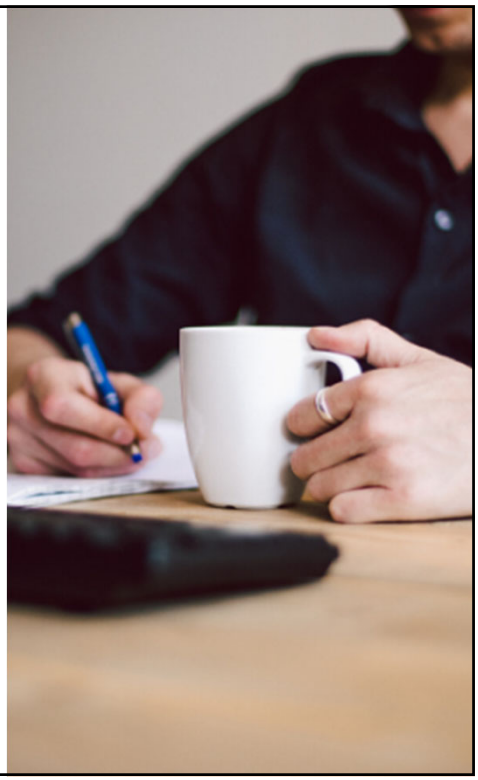
Polling Question

To what degree has your organisation carried out a formal analysis of COVID-19 related risk(s)

A. No formal analysis conducted

B. Analysis in progress

C. Full analysis completed



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3 Q&A

4 Conclusions and next Webinar

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Questions and Answers

Enter your question in the question section on the GOTO control panel.

If the question input area is not visible, click on the orange arrow at the top of the panel to expand the viewing area.

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Agenda

1 Introduction and Housekeeping

2 A pragmatic analysis of COVID-19 risks including interconnections with other risks

3 Q&A

4 Conclusions and next Webinar

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Final Comments

Manoj Kulwal
Co-Founder & CRO at RiskSpotlight

RiskSpotlight

David Tattam
Director, Research and Training
The Protecht Group

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Jason Smith
CEO and Executive Director at Risk Management Institute of Australasia

RMIA

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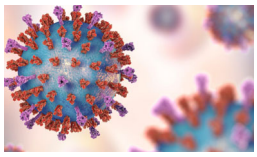
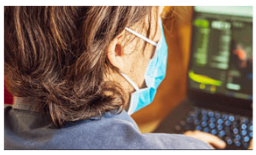
What's Next?



Next Week's Topic

An analysis of COVID-19 risk treatments and controls

Thu 9 April
10-11.30am BST
8-9.30pm AEST



Compliance Webinar

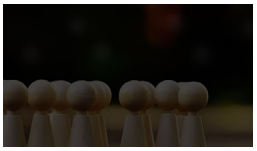
Leveraging your ERM Framework to painlessly manage Regulatory and Ethical Compliance

Tue 21 April
10-10.40am BST
12-12:40pm AEST

Risk in a Covid-19 World

Key insights on risk and compliance in a Covid-19 world

protechtgroup.com/covid-19



Managing COVID-19 OpRisks

COVID-19 Resources from RiskSpotlight

riskspotlight.com/covid19

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Thank you!

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Help us improve by filling out the survey at the end of the session.

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