AGENDA

June 19

8:00 – 8:30 a.m.  Breakfast and Registration

8:30 – 8:45 a.m.  Welcome and Introductions

8:45 – 9:45 a.m.  Optimizing Risk Committees
  •  Common sense committee structures, creating alignment with other committees (both subordinate and sister) in terms of agenda and oversight.
  •  Getting the charter right, with clarity around the committee’s purpose - both Board and Management Risk Committees.
  •  Keeping the conversation forward looking - not just “what happened”, rather “where are we going, and how do we feel about it”.

9:45 – 10:00 a.m.  Break

10:00 – 11:00 a.m.  Risk Monitoring and Reporting
  •  Revisiting the perennial question about effective KRI’s, and focusing on conceptual design in strong risk metrics, limits and thresholds, and effective risk reporting.
  •  Examples of strong metrics within the major risk categories (strategic, credit, interest rate, and operational risk) – why they are highly correlated to risk, and track compliance with risk appetite.
  •  Establishing specific limits and appropriate action thresholds.
  •  Methods of presenting information that make it crystal clear what the information is telling them, and how it should be interpreted.
  •  Examples of executive and board reporting.

11:00 a.m. – 12:00 p.m.  Regulatory Panel

12:00 – 1:00 p.m.  Lunch
1:00 – 2:00 p.m.  
**Optimizing Risk Assessments**
- As with committees, risk assessments are intended to be powerful tools in the risk management process. However, for many these have become routine “check-the-box” exercises that rarely yield new information, create redundant information across different risk assessments, frustrate business units, and damage the perceived business benefit of strong risk management.
- Aligning risk assessments so information can be cross-utilized and minimizing impact to the business.
- Risk assessment best practices, such as distinguishing between risks and risk sources, risk rating methodologies, identifying and evaluating core assumptions, using risk “types” effectively.
- Operational (process based) vs strategic (decision and assumption based) risks.
- Ways to identify changes, new risks, etc., to keep from “stirring the same soup.”
- Scrubbing and purging risk registers – getting down to the really meaningful risks.
- Getting BU’s comfortable with the idea of risk acceptance – defending the level of risk they can accept based on the risk appetite framework and supporting risk assessments.

2:00 – 3:00 p.m.  
**Revisiting the Three Lines**
- While we have a conceptual definition around the Three Lines of Defense, there are certain activities which are negotiable in terms of where they are covered within the three lines. This session will explore some industry best practices, then allows participants to discuss successes and challenges within their own experience in managing to efficient use of resources, ensuring role clarify, and ensuring proper ownership of risks and related risk management activities.
- The conceptual framework of the Three Lines (contextual starting place).
- Managing negotiable activities such as risk monitoring and testing, control testing, etc.
- Second Line vs embedded (first line) risk managers – pros, cons and best practices.
- Finding efficiencies between Second (independent risk management) and Third (internal audit).

3:00 – 3:15 p.m.  
**Break**
3:15 – 5:00 p.m.  

**Round Table Discussions - Getting Your Money’s Worth**
- Moderator will facilitate discussions with participants on techniques within their own programs which have helped demonstrate the value proposition of risks management, versus simply “paper exercises to satisfy regulators.” Examples include:
  - New ways to discover potential risks or opportunities (turning over new rocks)
  - Ways business units can incorporate risk management considerations proactively in the design and proposal phases, not as an afterthought.
  - Ways to see risk management as proactive and strategic to support better business decisions, rather than just reactive and defensive.
  - How to articulate and defend the value proposition of strong risk management – making a better bank not just a more compliant bank.

*All Participants*

**June 20**

8:00 – 8:30 a.m.  

**Breakfast**

8:30 – 9:30 a.m.  

**AI and Machine Learning**
- Defining AI, Machine Learning, Robotic Process Automation, etc.
- Separating fact from marketing hype, how will machine learning actually impact banking in the near and long term. Will technologies actually become self-adaptive or simply just get better at automating activities.
- Understanding where machine learning is actually being (or likely will be) utilized, and the impact on system strategy and governance, process design, model validation, etc.
- Vendor management, questions to get past third party terminology smoke and mirrors.
Navigating Strategic Change

- Most institutions recognize that the industry is changing and evolving, and the traditional business model of simply banking your physical footprint is probably not sustainable in the future. How institutions adapt to this evolving environment will determine the long-term players with a lasting value proposition. Risk management can play a key and critical role in navigating these changes in ways that keeps the institution aligned with its risk appetite levels and future vision.
- Ensuring clarity around risk appetite and how that is considered in the strategic planning process
- Finding balance in considering the benefit, cost and risk of any proposed change
- Changing mind-sets from “this is just who we are” to considering who the institution could become – envisioning the bank 5, 10 years from now and then working back from there
- The role of Fintech – competitors or collaborators – in supporting the next gen bank

Break

Eye on the Horizon: Emerging Risks

- General session on some areas that constitute emerging risks for the industry and may impact them both strategically and operationally. By emerging risks this does not mean risks that are getting bigger like cybersecurity, but true emerging areas that may not be a threat today, but may be in the near future. Ideas may include:
  - Continued evolution of Fintech – who’s doing what? Competition vs. opportunities, etc.
  - Possible significant regulatory changes – what could happen, what would it mean?
  - Disintermediation – will we have Google Bank? Apple Bank? Amazon Bank? Bob’s Bank?

Final Discussions and Closing Remarks