

Smaller Bank Considerations

- Expectations are not as high; but are definitely increasing
- Guidance across the board has evolved into best practices.....smaller institutions must pay attention but be practical
- Tailor risk management processes to size and complexity of the organization....doing nothing is not an option

Key ERM Themes - Expectations

- Identifying and **reporting** on the impact of strategic/macro risk and control issues -
 - Connect the dots
 - Critical thinking and analysis
 - Horizontal vs Vertical view
- Risk Appetite and Governance at all Levels
- Definition of Risk Ownership and Responsibilities
- Review and Oversight

The Challenge of Scale

- What if you are too small for 3 lines of defense?
- Practical Example:
 - Integrated Operating Models
 - Leveraging Risk Partners and Technology
 - Board Reporting and Governance
- Asset Management Implications