



BNY MELLON

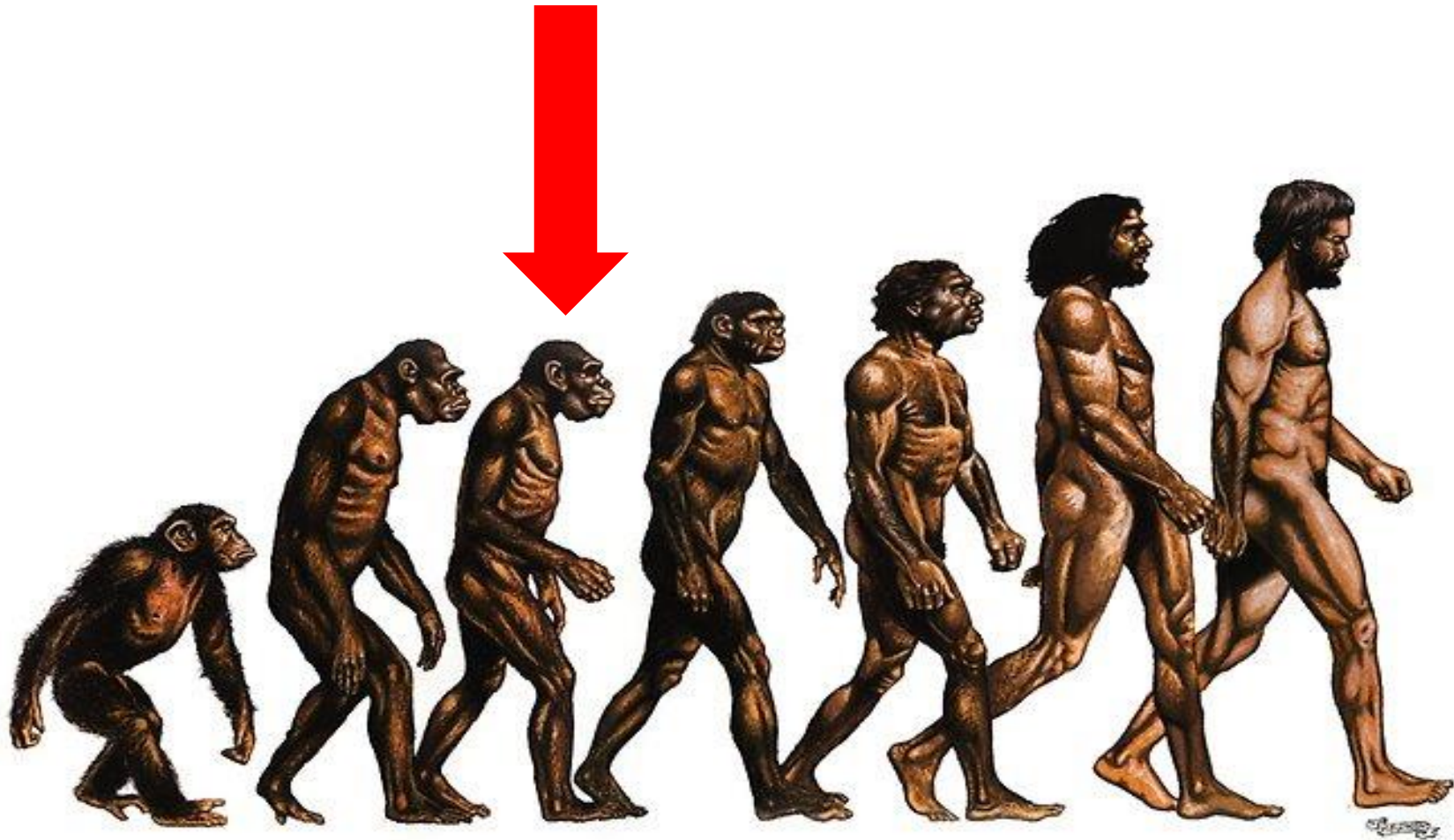
ENHANCING RISK MANAGEMENT PRACTICES AND PILLAR 2 CALCULATIONS

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Operational Risk – Evolution not Revolution



Where Are We Now – In General Across The Industry



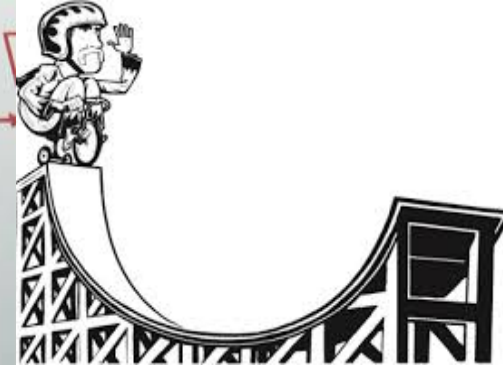
3 Lines of Defence



Risk Events



Risk and Control Self Assessments



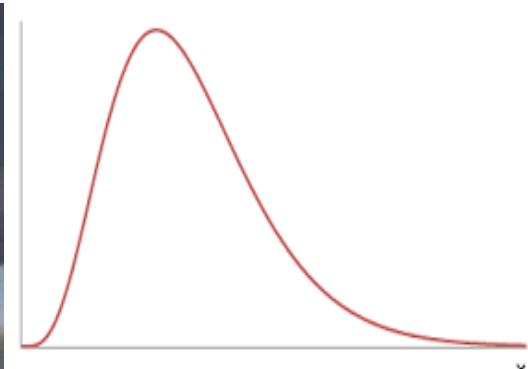
Scenario Analysis



Key Risk Indicators



Risk Appetite

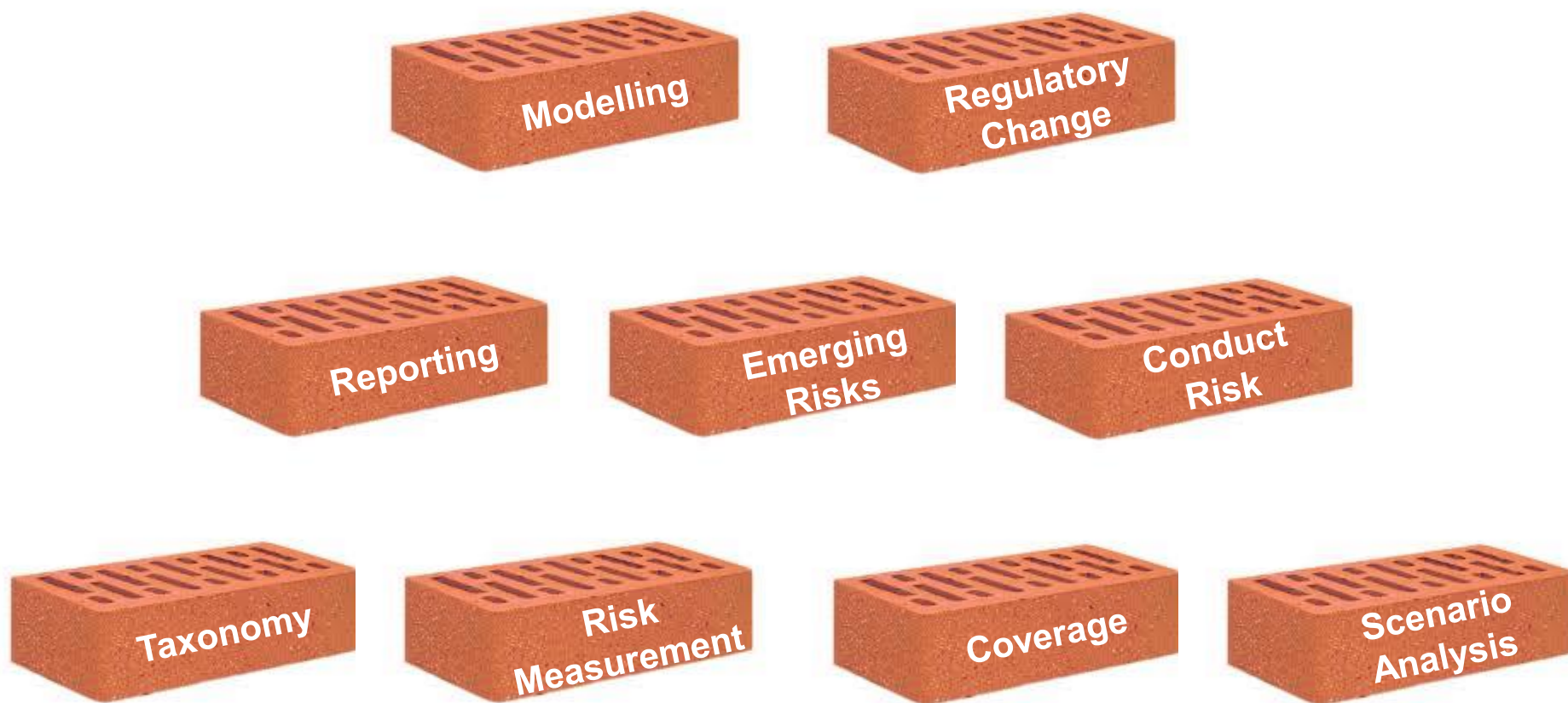


Operational Risk Models



MI

The Building Blocks For Enhancement



Taxonomy



A well defined taxonomy underpins the entire Operational Risk Framework

Measurement



Don't just think about the money

Coverage



It's not just the operational areas that create risk

Scenario Analysis



Harness the internal knowledge of the business

Reporting



The three Ws

Emerging Risks



Known Unknowns

Conduct Risk



Integration with the wider framework

Modelling



Combining the best of both worlds

Regulatory Change



Pillar 1 proposals and the end of AMA?

Questions

