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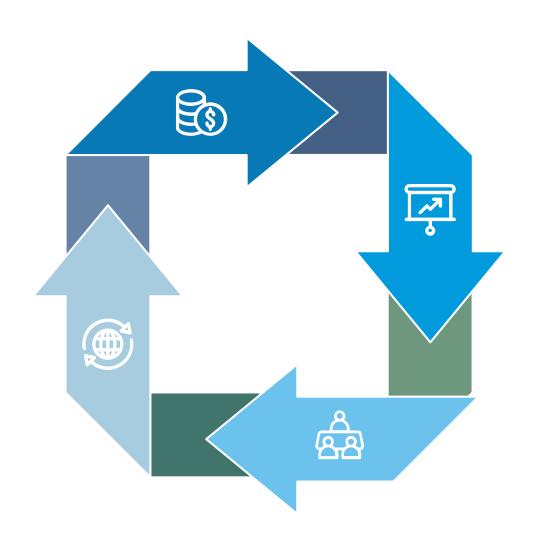
Analysing Organisation Model

Organisational Resilience

- Strategies supporting resilience plans
- Single point of failure
- Business continuity and crisis response

ExternalAnalysis

- External environment
- PESTLE
- Benchmarking



Structural Overview

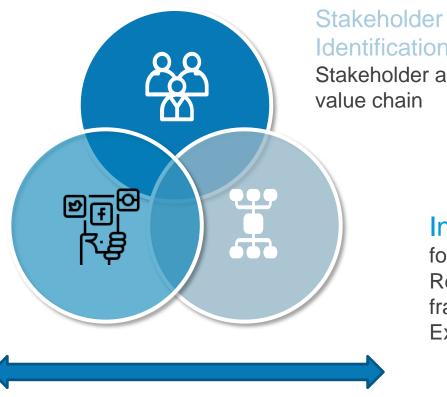
- · Business model
- Governance structure
- Legal entity structure
 - · Lines of Defence

Internal Analysis

- Internal environment
- Consolidate and validate

Environmental scan

Initial assessment and scope



Identification

Stakeholder analysis in the value chain

External Environment

Focuses on Strategic planning and risks: Research on Cultural/ Social. Geopolitical factors, Regulatory changes, and Competitors

> Interconnectedness provides accurate understanding of the environment

Internal Environment

focuses on Operational risks: Review Governance frameworks and Policies, Existing Processes, Org Culture

Organisation Culture



Core values

Mission and Value statements

Behaviours

Perceptions vs actions; Tone at the Top

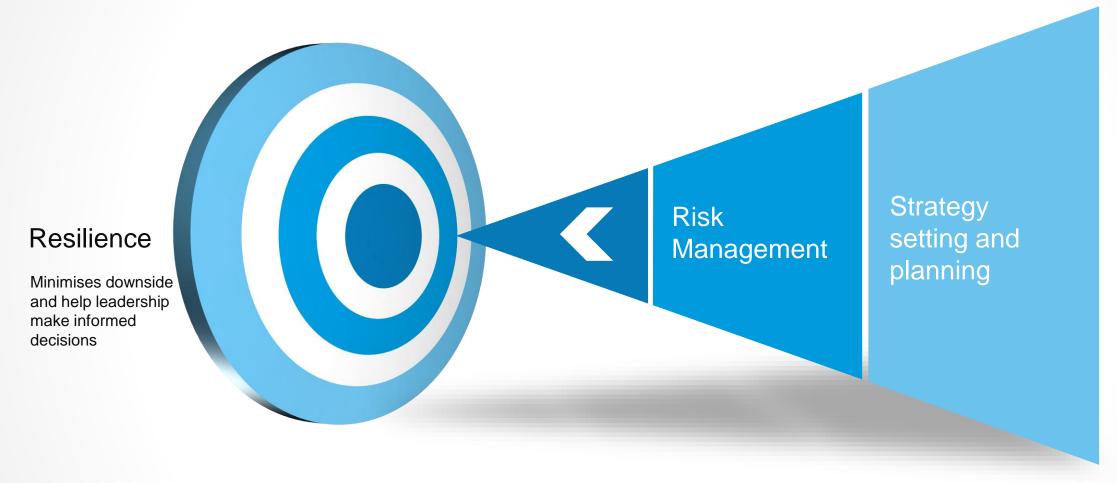
Validate

Triangulate information across different channels;
Disconnects and alignments

Bias

Influence riskbased decision making; Confirmation bias, Framing bias, Tactical bias

Effectiveness of Risk Management



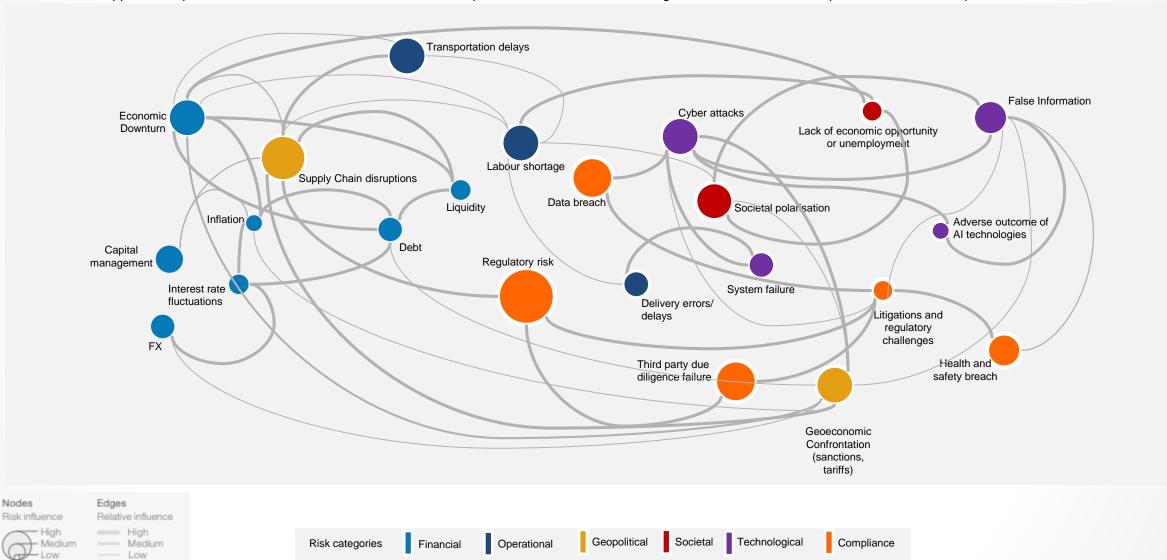
Risk managers need to be at the front end during strategy setting and goals (e.g. new product launches, new markets), conduct scenario analysis and challenge the assumptions.



Need for ERM

Risk landscape: a perspective of risks

While each risk appears to operate in silo, it is often inter-connected and impacts other risks. The below Figure is an illustrative example of the risk landscape.



WEF risks

Global Risks Report 2025

Global risks ranked by severity



Please estimate the likely impact (severity) of the following risks over a 2-year and 10-year period.

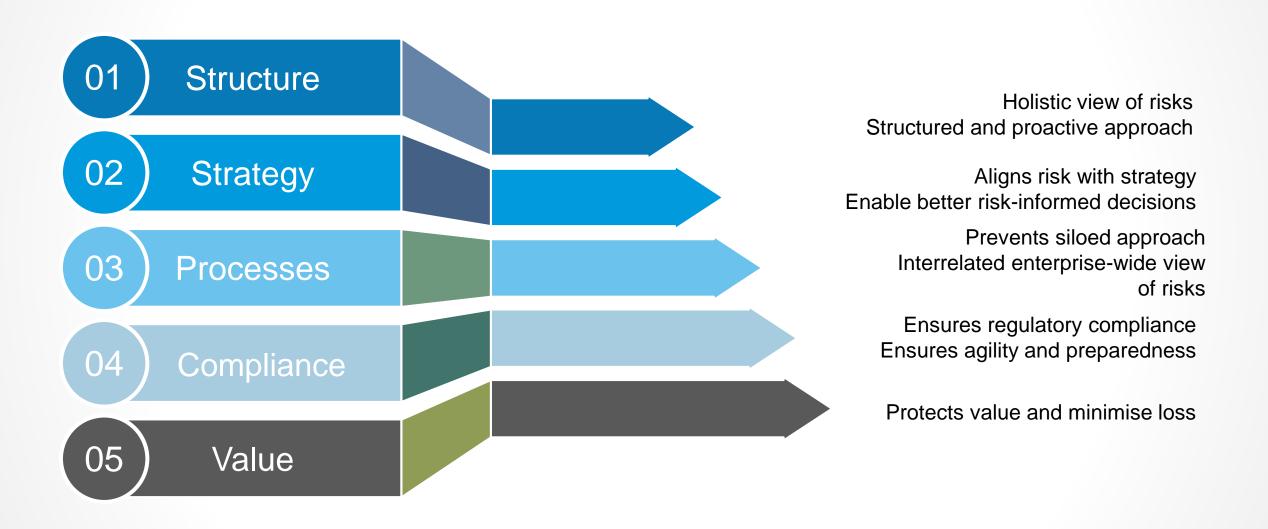
Misinformation and disinformation	1st Extreme weather events
Extreme weather events	2 nd Biodiversity loss and ecosystem collapse
State-based armed conflict	3 rd Critical change to Earth systems
Societal polarization	4th Natural resource shortages
Cyber espionage and warfare	5 th Misinformation and disinformation
Pollution	6 th Adverse outcomes of Al technologies
Inequality	7 th Inequality
Involuntary migration or displacement	8 th Societal polarization
Geoeconomic confrontation	9th Cyber espionage and warfare
Erosion of human rights and/or civic freedoms	10 th Pollution

Source: World Economic Forum, Global Risks Perception Survey 2024-2025

Singapore		Hong	Hong Kong SAR, China	
	1st	Labour and/or talent shortage	1st	Economic downturn (e.g. recession, stagnation
	2nd	Economic downturn (e.g. recession, stagnation	2nd	Labour and/or talent shortage
	3rd	Inflation	3rd	Geoeconomic confrontation (sanctions, tariffs, investment screening etc.)
	4th	Cyber insecurity	4th	Asset bubble burst
	5th	Adverse outcomes of AI technologies	5th	Unemployment or lack of economic opportunity

Viet Nam		India	
1st	Adverse outcomes of AI technologies	1st	Water supply shortage
2nd	Economic downturn (e.g. recession, stagnation	2nd	Misinformation and disinformation
3rd	Inflation	3rd	Erosion of human rights and/or civic freedoms
4th	Labour and/or talent shortage	4th	Pollution (air water, soil)
5th	Water supply shortage	5th	Labour and talent shortage

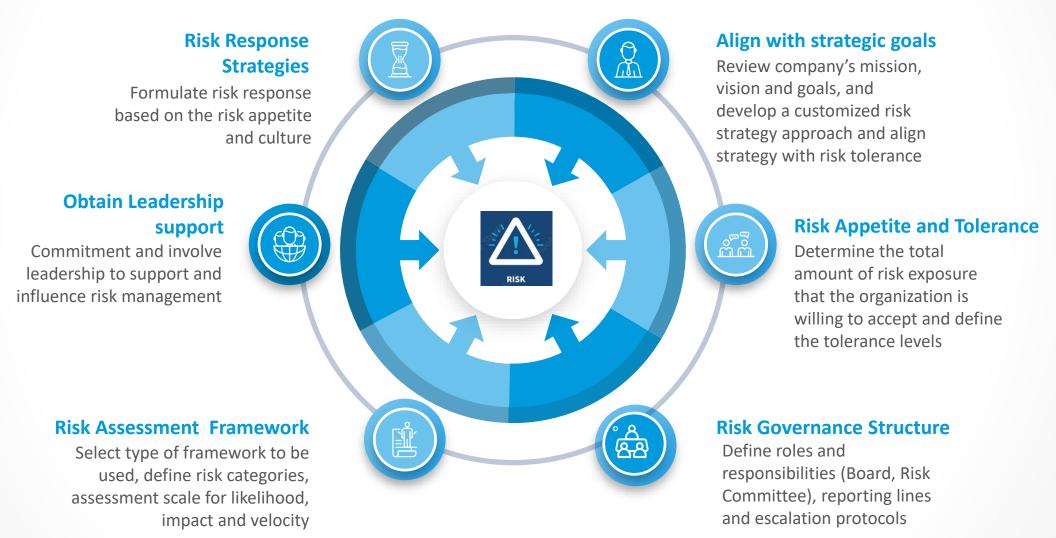
Enterprise Risk Management (ERM): Why it Matters More than Ever





Designing risk strategy

Risk Strategy Setting



Risk Appetite and Tolerance

Organisations need to make risk-related decisions within a clearly defined risk appetite that is **well understood** and **aligned** across strategic and operational level

Clear risk appetite statements are a key component, and an effective way to assess risks and develop risk treatment plans

Set by the **leadership** and decision makers

Define **metrics** (**key risk indicators**) to evaluate the limits of their risk tolerance, with warnings, to support proactive monitoring

Reduce **exposure** when risk **exceeds tolerance**

Common challenges in developing risk appetite statements include, vague terminology, ensuring consistency with organisational goals, achieving consensus among diverse stakeholders, balancing qualitative and quantitative measures and adapting to continuous changes

Risk capacity Maximum amount of risk an organisation can take Risk appetite Total amount of risk an organisation is willing to take Acceptable level of variations around specific risk category, or within a certain business unit Risk target Desired level of risk that the organization wants to take in pursuit of its business goals

Examples of a Risk appetite statement:

Our risk appetite is generally low across most categories. We prioritise financial stability and client satisfaction, with minimal tolerance for operational disruptions. While we are open to exploring new market opportunities, we prefer low-risk ventures that align closely with our core competencies.

Settlement Risk: Failure to settle with merchants due to lack of availability of funds as a result of systemic bank failure. Risk appetite: We have no appetite for the failure to settle with merchants.



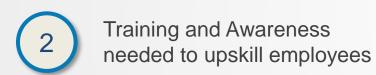
Risk Culture and Governance

Fostering a Culture of Risk Awareness

The Board sets a strong risk culture which is a critical element to organisational behaviour



Risk Culture





Risk Training



Effective incident management and diagnosis



Incident Reporting

- Establish clear communication channel to encourage risk reporting across all levels of the organization
- Promote proactive risk management mindset at all levels without fear of retaliation (Executive Management)
- Provide regular training sessions to employees at all levels to raise awareness about risk management policies and how to respond to risk events
- Incident logging using automated tools
- Record all essential details (Date, time, location, brief description, cause and immediate actions taken)
- · Incident Diagnosis and Investigation
- Incident Resolution and Recovery
- Post Incident Review

Governance- Definition and Frameworks

Have you ever wondered who's really in charge of managing risks in your organisation?

Risk Governance refers to the framework, roles and responsibilities, and processes that guide how an organisation identifies, assesses, manages, and monitors risk. Provides structure and oversight.

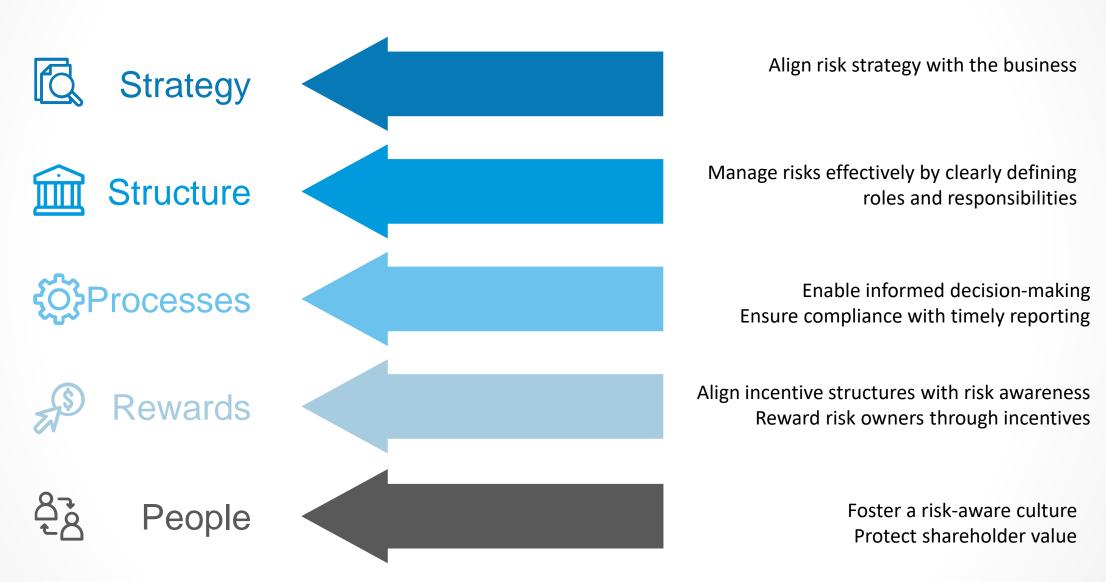
Risk Management Framework popularly and most commonly used are ISO 31000, COSO ERM





Poll: What are your biggest risk concern today- Compliance, Operational or Strategic?

Governance- Key Objectives

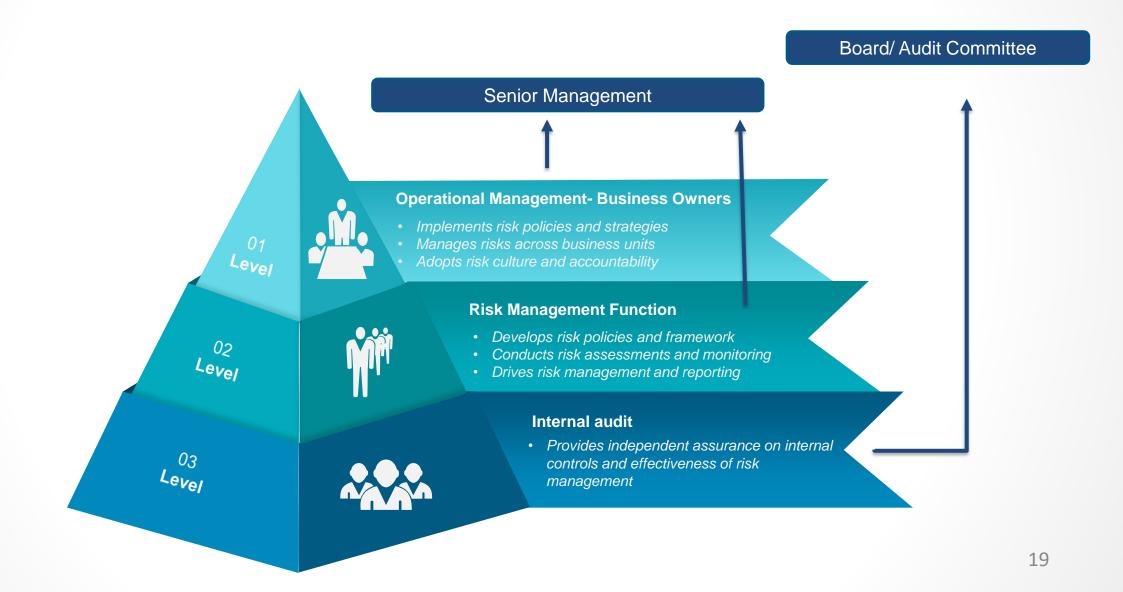


Why Risk Governance Matters



Three Lines of Defence

The Three Lines of Defence is a common and widely used framework in risk management that helps organizations manage risks and ensure that internal controls are effective. This framework divides risk management responsibilities into three distinct "lines of defence," with each line having its own roles and responsibilities. Here's an overview of the three lines:



Core Components- Risk Governance

Structure

Board Oversight, Risk Committee, Risk Owners-Roles and responsibilities



Strategy

Align with the strategic goals and objectives and define a risk appetite statement

Processes

Risk Process
Reporting & Escalation
Incident Management



Risk Governance



People

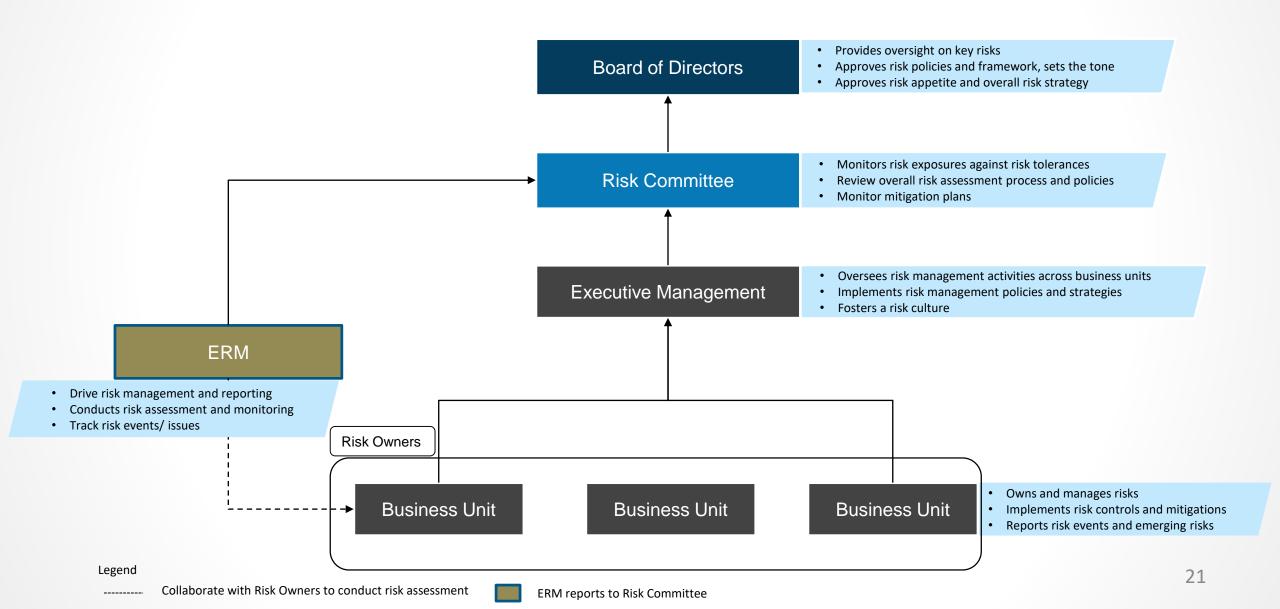
Business Units –roles and responsibilities Everyone has a role to play and manage risks

Taxonomies

Develop a clear taxonomy of risk that is understood at the Group and local regions

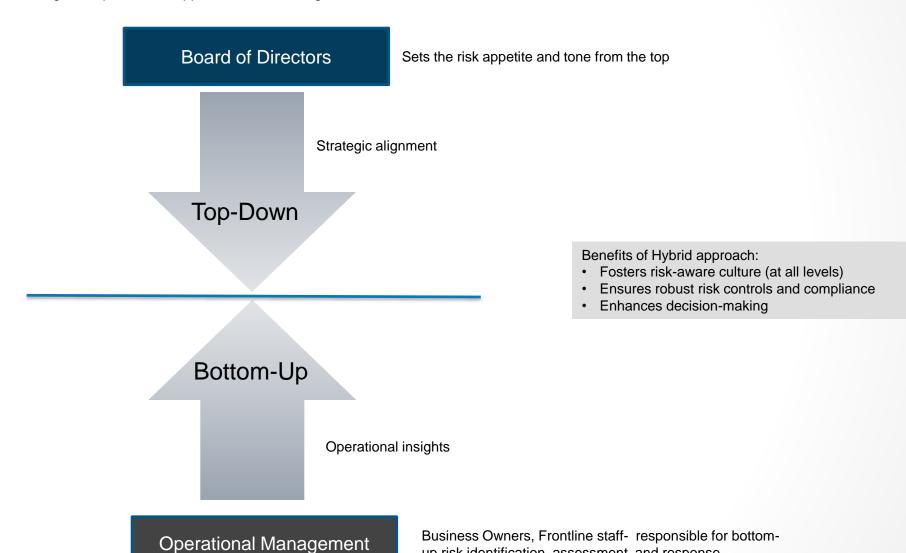
Risk Governance Structure

The governance framework ensures clear roles, responsibilities, and accountability for risk management across all levels of the organization.



Risk Governance Structure

A hybrid (top-down and bottom-up) governance structure for risk management ensures the risk strategy permeates across all levels of the organisation. This balances strategic oversight with operational insights, ensuring a comprehensive approach to risk management.



up risk identification, assessment, and response

