Paths to Prosperity
Vom Kontrolleur zum Wegbereiter: Die Rolle des Risikomanagers in der Bank von morgen

Vor nicht allzu langer Zeit war der Risikomanager noch der Aufpasser und Kontrolleur in der Bank. Er berechnete Risikokennziffern, skizzierte Worst-Case-Szenarien und entwickelte Handbücher und Maßnahmenpläne. Doch entspricht der Digitalisierung die Branche auf den Kopf Stüfe und die Regulierung fortlaufend zunimmt?


Es besteht akuter Handlungsbedarf. Banken müssen tätig werden, ihre Risikomanager in die strategische Planung involvieren und die Risikofunktion damit zum Wertstifter wandeln. Wir haben fünf Regeln identifiziert, mit denen dieser Schritt gelingen kann:

1. **Weg vom Silodenken.** Risikomanager sollten regen Austausch mit allen Kollegen pflegen, die in Entscheidungen von strategischer Tragweite involviert sind.


4. **Risikokultur zur Chefsache machen.** Da Menschen irrational auf Risiken reagieren, Vorurteile gegenüber Neuem haben und in Silos denken, sollten Führungskräfte eine konstruktive Risikokultur etablieren.

5. **Daten nutzen.** Angesichts veralteter oder fragmentierter IT-Landschaften nutzen viele Banken das Potential nicht aus, das sich aus ihren Daten ergibt. Doch Daten sind der Treibstoff für neues Wachstum.

Die Erfolgsfaktoren für das Risikomanagement von morgen hat unser internationales Team ausführlich für Sie zusammengestellt. Lassen Sie sich von den detaillierten, englischsprachigen Ausführungen auf den folgenden Seiten inspirieren.
Foreword

The focus of risk management in today’s banks continues to make a crucial shift. The risk function is repositioning itself as an important partner with which the rest of the business can collaborate to achieve its goals safely and efficiently, instead of being seen as a controlling function for other parts of the bank to circumnavigate.

In an era of continued market volatility and upheaval, the global banking industry is working hard to help ensure its risk management cultures and processes are robust and strategic. Respondents to Accenture’s 2015 Global Risk Management Study report a sector-wide effort to make the risk function fit for purpose.

That purpose goes beyond the issues of regulatory compliance and “defensive” risk management, although these remain crucial to the day-to-day business. Increasingly, banking risk professionals rightly see themselves as valued contributors to their organization’s growth-oriented objectives of commercial success. Almost eight in 10 respondents (79%) believe the risk function is a critical or important enabler of long-term profitable growth.

Chief Risk Officers (CROs) admit there is more work to be done to complete this transition, however. Almost three-quarters (72%) of banking respondents say gaining the trust of the business remains a challenge to their effectiveness.

This closer partnership between risk management and the wider business could be essential. Banks continue to face a tough economic climate and a demanding regulatory environment. They must also confront new sources of competition, particularly from digital innovators that are nimble, flexible and entrepreneurial.

Against this backdrop, banks face a multi-dimensional challenge as they work to have the right risk management processes for such a difficult operating environment. Banking respondents to the Accenture 2015 Global Risk Management Study are:

- Working to understand what the new environment implies for the discipline of risk management – and whether they currently fall short of what is required
- Seeking to identify areas where there is a gap to be closed, with priorities that include:
  - Developing a coherent risk and return agenda by balancing their controlling objective standpoint with building closer working relationships between risk management and the rest of the business
  - Investing in talent, particularly in digital disciplines
  - Enhancing operational risk management effectiveness
  - Developing a consistent, enterprise-wide risk culture
  - Accelerating the adoption of analytics tools

The question for banks is how they make their business and operating models agile, flexible and suited for long-term profitable growth. The risk function cannot stand on the sidelines of this challenge, but should instead work in tandem with the business to achieve these objectives.”

Steve Culp, Senior Managing Director at Accenture Finance & Risk Services
Risk management in the banking sector

Key challenges

Bank respondents to the Accenture 2015 Global Risk Management Study* face 3 key challenges:

1. Tough economic climate
2. Demanding regulations
3. Competition from digital innovators

Signs of growth

- 41% of respondent banks have higher risk appetites for new product development.
- 79% think risk functions play a critical/important role in enabling growth.
- 14% say they have achieved fully risk-based decision-making.

5 key priorities

1. New relationships
   - Risk management as an enabler to the business.
   - 22% of bank respondents say risk and finance work on corporate strategy.
   - 21% say the CRO has very frequent dealings with the CIO and Chief Technology Officer (CTO).

2. Talent gaps
   - The war for specialized risk talent to intensify.
   - 83% of banking respondents to grow investment in risk management capabilities.
   - 37% say understanding cyber risk is a capability that will be most in demand in their risk function.

3. Operational risks
   - Driven by changes in the commercial landscape.
   - 65% of respondents expect cyber risk to become more severe.
   - 59% see strategic risks increasing.

4. Robust risk culture
   - Respondent banks struggling to embed enterprise-wide.
   - 11% say they have a consistent risk culture.
   - 37% believe human nature is stopping this from happening.

5. Data and analytics
   - Low usage among surveyed banks.
   - 9% say risk analytics is integrated with strategic decision-making.
   - 22% expect this integration to occur in two years’ time.
   - 75% have used analytics to address business and market risks.

*Accenture 2015 Global Risk Management Study – Banking respondents
The evolving environment and context for risk management

Risk management is becoming more balanced and mature in its outlook. While the emphasis on regulatory compliance remains, there is also a need for a perspective that brings profitability to the forefront.

Banks today face a highly disruptive and dynamic external environment. Volatility in some asset classes, slow economic growth and extraordinary actions by regulators have become the norm. Regulators and politicians continue to bear down heavily on the sector with tighter capital, liquidity and conduct rules.

In addition, the rise of digital technologies and business models creates new competitive threats. Take just two examples of the scale of the challenge. In the US, Lending Club Corporation, an online peer-to-peer lending platform that began life as a Facebook Inc. application, was valued at more than US$5bn on its initial public offering (IPO) in December 2014. By contrast, the Bank of New York Mellon Corporation has a market capitalization of around US$46bn.1 In China, meanwhile, Alibaba Group’s electronic payment technology, the Alipay™ Wallet, already has 190 million users and the company has just been awarded a banking license.2

Traditional financial services customers are increasingly willing to switch to these new entrants if they offer the right services – particularly younger generations. Accenture’s 2014 study of the North American banking market found that almost three-quarters (72%) of consumers aged 18 to 34 would likely bank with a technology, telecom or retail company if it offered banking services.3 And, according to Accenture estimates, up to one-third of banks’ revenues could be at risk by 2020 from these threats.4

New digital entrants are looking to disintermediate banks. There is a risk that they get relegated to being back-office manufacturers of commodity products with the value-add being provided by digital players who stand between them and the customer. Banks are waking up to this threat and are looking at a range of strategies to address it.”

Richard Lumb, Group Chief Executive for Financial Services at Accenture
**New routes to profitability**

In response to today’s low-growth, low-return but disruptive environment, banks are focusing on new routes to profitability as a key performance goal. As part of that focus, appetites for more risk are returning, although in a targeted fashion. Among the Accenture 2015 Global Risk Management Study banking respondents, a significant minority (41%) has higher risk appetites for developing new products compared with two years ago (see Figure 1). But the sector’s appetite for more substantive risks – such as business model change and geographic expansion – are less likely to have increased. This suggests that banks are seeking to increase market share within existing markets, rather than considering bold new strategic moves that take them out of their comfort zone.

In parallel with these developments, banks have been investing heavily in meeting regulatory demands and in developing a more rounded and strategic view of risk. Risk management has always had a seat at the table, but today its voice is being heard more loudly. CROs have the ear of the board and the CEO, and are playing an ever-more central role in strategic planning and the major decisions facing the institution.

No longer is risk confined to its own silo. As Accenture’s recent report, Remaking Finance and Risk for the Everyday Bank, observes, 92% of financial services executives are now considering risk when forecasting and budgeting, 87% are factoring risk into M&A and financing discussions, and 84% are taking risk into account when conducting strategic planning.

“We still see regulation as a very important driver; however the banking industry is diversifying, creating new products, and therefore bringing new risks to the table,” says a senior risk executive from a large Latin American bank. “It is important to balance business needs with regulatory requirements.”

But while the voice of the risk function is now heard, it is our understanding that it should continue to evolve in order to increase its focus on return on assets (ROA) and risk-based indicators (such as risk-weighted assets). Risk analytics and scenario-based approaches are playing a key part in fulfilling these broader responsibilities. Banking CROs are not just reviewing strategic plans for risks, but are analyzing which elements of the plans are most likely to be successful.

“The role of risk management is not about saying ‘Yes’ or ‘No’ to new ideas, business models or products,” says Ash Gupta, Chief Risk Officer and President, Risk and Information Management at American Express Company. “It’s about ‘how’, it is about having a solution-oriented mindset focused on service excellence and strong risk controls. We strive to develop a deep understanding of the potential product or service being considered and serve as an enabler of innovation.”

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**Figure 1.** Compared with two years ago, how has senior management’s appetite for risk changed when it comes to decisions made in the following areas?

- **41%** - New product development
- **38%** - Mergers and acquisitions
- **38%** - Alliances and partnerships
- **37%** - Major digital initiatives
- **35%** - Business model change
- **35%** - Geographical expansion

**Source:** Accenture 2015 Global Risk Management Study - Banking respondents
Challenges to overcome

The position of risk management within banks is strengthening, but there is still progress to be made. Many risk leaders face the challenge that risk management is perceived as an obligation, and not as a value-adding discipline. "In some areas, risk management is seen as the hand-brake that puts hurdles in place," says the Enterprise Services CRO at an Australian-based banking group. "But mostly, we are seen as being here to protect and help make it happen."

The aim for CROs and their teams should be to help banks strike the right balance between capital, risk and return. In this environment, neither an unfettered approach to growth nor an excessive focus on risk would yield the necessary outcomes. Instead, risk management should help steer a course between an informed, connected risk agenda, and the need for a sustainable and innovative strategic business direction.

Banks are looking to build greater efficiency and effectiveness into their compliance programs

In recent years, many banks have hired small armies of compliance officers. There is now growing interest in seeing a better return from compliance activities, according to survey respondents. A significant minority of banks (29%) say their senior management currently goes beyond basic regulatory compliance (see Figure 2). Of these, over a half either integrate with ongoing strategic change initiatives, or through changes to the operating model (see Figure 3). For these respondents, there is much greater co-ordination on regulatory issues between the business and risk/compliance.

Again, digital technologies provide new opportunities – both with basic compliance and the desire to go further. In our view, the significant variety, volume and velocity of data present an opportunity to help CROs in advising their boards and CEOs on meeting key goals around risk-adjusted profitability and performance. Moreover, by capitalizing on the insights generated from this data, it should be possible to create virtuous circles of continuous improvement. Better data usually leads to more effective risk management. Equally, increased automation may free up time to focus on more strategic risk management activities.

Risk management has become more aligned with strategic planning and is now a key partner to the business

Our survey suggests that, across the banking industry, risk management is growing in maturity and becoming more aligned with broader strategic planning. "There has been a ‘Copernican revolution’," argues Gerardo Rescigno the Chief Risk Officer at a leading Italian bank. "In the past, risk management revolved around the bank; now the bank starts to revolve around risk management."

Figure 2. What is the approach of senior management in delivering regulatory change programs?

![Figure 2](image)

<table>
<thead>
<tr>
<th>Approach</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primarily focused on regulatory compliance</td>
<td>67%</td>
</tr>
<tr>
<td>Goes beyond regulatory compliance</td>
<td>29%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>5%</td>
</tr>
<tr>
<td>Goes beyond regulatory compliance, to integrate with ongoing strategic longer-term change initiatives</td>
<td>58%</td>
</tr>
<tr>
<td>Goes beyond regulatory compliance, to reorganize operating model in pursuit of strategic business success</td>
<td>51%</td>
</tr>
<tr>
<td>Goes beyond regulatory compliance in other ways</td>
<td>7%</td>
</tr>
</tbody>
</table>

Note: Due to rounding, total may not equal 100 percent
Source: Accenture 2015 Global Risk Management Study - Banking respondents

Figure 3. How does senior management go beyond regulatory compliance? (Respondents could select all that apply)

![Figure 3](image)

Note: Represents only those respondents who selected "Goes beyond regulatory compliance in Figure 2"
Source: Accenture 2015 Global Risk Management Study - Banking respondents
But, while risk management has made progress in developing influence in the business and shifting attention away from regulatory and “license to operate” issues, there is still more that needs to be done. Currently, only 14% of respondents have fully risk-based decision-making. In two years’ time, 22% aspire to be at this level (see Figure 4).

“Six to eight years ago, risk management was primarily the guardian of the balance sheet,” says a group general manager of risk at an Asia Pacific banking group. “Five years ago, we added additional focus on reputational risk. Now, we also make sure that the business sticks to and aligns with its strategy and is taking appropriate steps to plan for the future, with a focus on risk assessment and mitigation.”

“Joining the dots”

In our view, risk management plays a vital role in providing oversight across the business and “joining the dots” between different strategic plans—example, connecting the three-year plan for capital required by regulators with business goals. While a single plan may fall within the organization’s risk appetite, the compound effect of multiple plans may take the company beyond its limits. This highlights the importance of bringing risk management into the discussion from the outset.

Nowhere is the demand for a robust, strategic approach to risk management more apparent to us than in the digital transformation of the banking sector. Entirely new business models are emerging, and many institutions are already feeling the threat of digital disruption. In an omni-channel environment, customer expectations are changing dramatically from the days of the traditional branch network. Risk management cannot stand back from this transition. It needs to play an active role in assessing the opportunities and risks of this shift.

This requires new skills and commitments from the risk function. As Ash Gupta at American Express Company puts it: “We look for risk managers who are unwilling to sit on the sideline: we want our people to take personal ownership of the transformation, innovation and reputation of the company.”

This demands tools that can provide greater visibility across the planning, budgeting and forecasting agenda. It also requires a more dynamic and integrated approach; CROs should in our view not just be looking to review plans or risk registers on a monthly or quarterly cycle; it should be an ongoing process.

Figure 4. Which of the following statements best describes the bank’s stage of maturity in terms of risk-based decision-making?

Please indicate where the bank’s risk function currently performs on each scale using scores between 1 and 5. Using the same scale, please also indicate a target rating the risk function is to achieve within two years.

<table>
<thead>
<tr>
<th>Risk management primarily focused on regulatory needs/license to operate</th>
<th>19%</th>
<th>39%</th>
<th>27%</th>
<th>17%</th>
<th>14%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>9%</td>
<td>11%</td>
<td>22%</td>
<td>20%</td>
<td>22%</td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>3</td>
<td></td>
<td></td>
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<tr>
<td>4</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Today | Two years’ time

Source: Accenture 2015 Global Risk Management Study - Banking respondents
What makes a risk master?

10%
Around 1 in 10 respondents to the Accenture 2015 Global Risk Management Study* are "risk masters".

Better handle on regulatory and compliance

- 37% of risk masters believe strongly that regulatory change is receding in relation to other requirements.
- 25% of non-risk masters see regulatory change receding in the same way.

Stronger focus on profitable growth

- 61% of risk masters believe their risk function can play a critical role in enabling profitable growth.
- 36% of non-masters feel the same.

Stronger focus on emerging risks

- 61% of risk masters agree strongly that emerging risks, such as cyber and digital, are consuming a greater proportion of the CRO’s time.
- 35% of non-risk masters feel strongly about this.

Growing digital experience

- 61% of risk masters agree strongly that they employ dedicated technology specialists to help manage digital risk.
- 27% of non-masters feel the same.

More extensive use of analytics

More risk masters make extensive use of analytics to manage key risk categories including fraud and financial crime, cyber and IT risk, and credit, market and regulatory risks.
Risk masters are also more likely to be investing heavily in digital technologies.
If risk management is to keep pace with the rise of digital and the competitive business challenges facing the industry, urgent action across five key areas should be considered.

**Priority 1**

**There is a need for different relationships between risk management and other functional areas of the bank**

At present, only a minority of banking respondents work closely with finance to help develop risk models and contribute to corporate strategy (see Figure 5). Many want the situation to change over the next two years, with more integration and a closer working relationship between the two functions.

It would be reasonable to assume that risk management and finance would have different perspectives. Nevertheless, there could be better coordination and consistency in the usage of data and application of tools and processes across the two functions. The priority for this integration should be forward-looking – and all about keeping pace with the velocity of change, rather than fixing the ills of the past. Strategic planning can support better decision-making.

Without more seamless interaction between risk management and finance, banks may find it difficult to progress. In the current regulatory environment, allocating enough capital at the right time to pursue innovation and balance the risk versus return equation can in our view be the key to gaining competitive edge. Moving with speed and flexibility requires risk and finance to work together dynamically.

"The way I measure success is when I have the business folks calling me up, inviting me to meetings and wanting my input. When you're that Chief Risk Officer sitting in the corner office and your phone is never ringing, that's not success."

**Bob Swinamer**, Head of Enterprise Risk Management at Silicon Valley Bank
Figure 5. Which of the following statements best describes the bank’s stage of maturity in terms of interaction between risk and finance?

Please indicate where the bank’s risk function currently performs on each scale using scores between 1 and 5. Using the same scale, please also indicate a target rating the risk function is to achieve within two years.

Finance and risk leaders do not jointly provide input into corporate strategy and ERM (Enterprise Risk Management) steering

- Finance and risk leaders have a close working relationship, but do not jointly provide input into corporate strategy and ERM steering
- Finance and risk leaders may at times be in opposition on some issues, but have a close working relationship with both providing input into corporate strategy and ERM steering

Please indicate where the bank’s risk function currently performs on each scale using scores between 1 and 5. Using the same scale, please also indicate a target rating the risk function is to achieve within two years.

Risk and capital models are developed largely independently within the risk and finance functions

- Risk and finance coordinate closely on the development of risk and capital models, but the outputs of these models do not drive day-to-day business decisions
- Risk and finance coordinate closely on the development and maintenance of risk and capital models, which are used to drive day-to-day business decision making

Please indicate where the bank’s risk function currently performs on each scale using scores between 1 and 5. Using the same scale, please also indicate a target rating the risk function is to achieve within two years.

Risk and finance data are maintained separately and other resources and capabilities (e.g. modeling, IT) are not used

- Integration of risk and finance data sources is in progress, and other organization resources and capabilities are being considered
- Risk and finance use integrated data sources, and other organization resources and capabilities are used to enhance efficiency

Note: Due to rounding, total may not equal 100 percent
Source: Accenture 2015 Global Risk Management Study - Banking respondents
Equally, the risk function’s relationships within the business must go beyond finance. Our survey respondents say that, out of all the executives in the C-suite, the CRO is most likely to interact frequently with the CEO (tied with the Chief Security Officer); they are least likely to interact frequently with business unit/regional heads and marketing. Improving the frequency and quality of these interactions would be important to help ensure that risk management continues its journey to a more commercially focused, enabling role (see Figure 6). This is crucial in our view, along with building on existing relationships with colleagues such as the Chief Compliance Officer. This latter relationship has become particularly important as both risk and compliance seek to develop a more proactive approach.

While it is healthy to maintain a degree of distance and challenge between risk and other business leaders, there is scope for a relationship built around more common goals and underlying infrastructure. Risk management is encouraged to position itself as an enabler of business goals – sitting alongside their business colleagues from the outset.

The head of Risk Transformation at a large Australian bank describes the challenge in terms of risk moving from a purely defensive role. “This bank has focused on improving the first line of defense,” he says. “We still have a way to go. Our intent is to strengthen the relationship between the first line and second line, to make it tighter and more frequent. The second line will be an appropriate balance of challenger and advisor.”

To that end, marketing (and the broader commercial functions) is one area where risk management should forge stronger relationships. Risk and marketing have not traditionally collaborated closely – but may do so more often in the future thanks to the rise of digital. Consider, for example, the advent of social media and the banking sector’s exposure to the risks and rewards it poses.
Accenture’s perspective is that risk management would need to be involved in combatting increasing social media dangers that range from fraud to privacy violations. “I certainly see social media risk as the next challenge, requiring huge efforts to identify the correct risk factors to detect, and to implement methodologies that allow us to integrate this type of risk into the overall risk evaluation for the bank,” says Gerardo Rescigno.

**Priority 2**

**New investments in talent would be required**

Accenture 2015 Global Risk Management Study banking respondents are relatively confident in their core risk management capabilities. In recent years, the number of risk professionals registering for the Financial Risk Manager (FRM) examinations has grown significantly, with record numbers signing up in 2014, suggesting that there is a strong recognition of risk management as a discipline.

Equally, however, the expectations on risk management professionals are broadening (see Figure 7 and 8). This is having an impact on how institutions approach recruitment.

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**Figure 7.** Rate the importance of the risk function as a means of achieving the following? (Represents percentage who say critical or important)

<table>
<thead>
<tr>
<th>Area</th>
<th>2015</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enabling long-term profitable growth</td>
<td>79%</td>
<td>71%</td>
</tr>
<tr>
<td>Managing liquidity and cash flow</td>
<td>79%</td>
<td>83%</td>
</tr>
<tr>
<td>Risk-adjusted performance management</td>
<td>78%</td>
<td>73%</td>
</tr>
<tr>
<td>Reduced operational, credit or market losses</td>
<td>75%</td>
<td>79%</td>
</tr>
<tr>
<td>Improved capital allocation</td>
<td>75%</td>
<td>84%</td>
</tr>
<tr>
<td>Managing reputation with stakeholders</td>
<td>75%</td>
<td>100%</td>
</tr>
<tr>
<td>Reduction in the cost of capital</td>
<td>73%</td>
<td>75%</td>
</tr>
<tr>
<td>Managing the increasing volatility of the economic and financial environment</td>
<td>73%</td>
<td>75%</td>
</tr>
<tr>
<td>Infusing risk culture in the organization</td>
<td>73%</td>
<td>79%</td>
</tr>
<tr>
<td>Innovation and product development</td>
<td>65%</td>
<td>67%</td>
</tr>
</tbody>
</table>

Source: Accenture 2015 Global Risk Management Study - Banking respondents

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“Traditional business models are continuing to change at a rapid pace, so it’s critical that our people think disruptively. Although experience is certainly very relevant, innovation is beginning to carry much more weight and is far more important for us.”

**Ash Gupta,** Chief Risk Officer and President, Risk and Information Management at American Express Company
Beyond the traditional core risk management function, many banks are struggling to keep pace with the demand for highly specialized skills and expertise. Few respondents say they have internal resources in specialized areas, although a growing proportion plan to address this (see Figure 9). “The group is actively pursuing risk professionals with cross-capability profiles, with a focus on credit risk analysis,” says Carlo Palego, the Banco Popolare CRO.

In particular, levels of understanding about new technologies in the risk function are, for the most part, still emerging. For example, a significant number (26%) of respondents have low or non-existent ability in social media, even though the vast majority (82%) of respondents say they have identified and are managing social media risk. “Technology is progressing so quickly that you struggle to build the right skills within the organization,” says Emilio López, Chief Operating Officer, Risk at Santander UK plc.

Figure 8. To what extent has risk management contributed to the organization achieving the following? (Represents percentage who say to a great extent or to some extent)

<table>
<thead>
<tr>
<th>Area</th>
<th>2016 (%)</th>
<th>2013 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managing the increasing volatility of the economic and financial environment</td>
<td>83</td>
<td>75</td>
</tr>
<tr>
<td>Enabling long-term profitable growth</td>
<td>81</td>
<td>86</td>
</tr>
<tr>
<td>Improved capital allocation</td>
<td>81</td>
<td>78</td>
</tr>
<tr>
<td>Managing liquidity and cash flow</td>
<td>81</td>
<td>81</td>
</tr>
<tr>
<td>Infusing a risk culture in the organization</td>
<td>81</td>
<td>95</td>
</tr>
<tr>
<td>Reduced operational, credit, or market losses</td>
<td>80</td>
<td>84</td>
</tr>
<tr>
<td>Risk-adjusted performance management</td>
<td>80</td>
<td>73</td>
</tr>
<tr>
<td>Innovation and product development</td>
<td>77</td>
<td>84</td>
</tr>
<tr>
<td>Managing reputation with stakeholders</td>
<td>77</td>
<td>83</td>
</tr>
<tr>
<td>Reduction in the cost of capital</td>
<td>76</td>
<td>81</td>
</tr>
</tbody>
</table>

Source: Accenture 2015 Global Risk Management Study - Banking respondents

Figure 9. Which of the following statements best describes the bank’s stage of maturity in terms of talent management?

Please indicate where the risk function currently performs on each scale using scores between 1 and 5. Using the same scale, please also indicate a target rating the risk function is to achieve within two years

The risk team has insufficient talent resources to carry out the functions it is asked to perform

The risk team lacks internal resources in some specialized areas (modeling, emerging risks)

The risk team has internal resources even in specialized areas (modeling, emerging risks)

Source: Accenture 2015 Global Risk Management Study - Banking respondents
As Accenture highlighted in a recent viewpoint, an understanding of social media and the broader power of analytics technology would be important to help ensure a holistic approach to surveillance within the risk function. “New model surveillance employs analytics using not just structured data – such as that generated by trading activity – but also unstructured data generated by emails, social media, and even telephone conversations,” notes the report.\(^8\)

Surveyed banks are continuing to invest heavily in risk management capabilities (see Figure 10). More than eight in 10 (83%) say that they plan to increase the level of investment in risk management capabilities in the next two years – 23% say that they plan a significant increase.

In particular, the ability to understand cyber risk and emerging digital technologies is expected to be in high demand for the risk management function over the next two years (see Figure 11). But this might not be straightforward, because competition for the right people is increasingly intense.

**Figure 10.** What change is expected to the total level of investment in risk management capabilities in the next two years?

<table>
<thead>
<tr>
<th>Change</th>
<th>2015</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Significant increase (more than 20% higher)</td>
<td>13%</td>
<td></td>
</tr>
<tr>
<td>Moderate increase (less than 20% higher)</td>
<td>51%</td>
<td>60%</td>
</tr>
<tr>
<td>No change</td>
<td>35%</td>
<td>14%</td>
</tr>
<tr>
<td>Moderate decrease (less than 20% lower)</td>
<td>3%</td>
<td>0%</td>
</tr>
<tr>
<td>Significant decrease (more than 20% lower)</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Note: Due to rounding, total may not equal 100 percent. Source: Accenture 2015 Global Risk Management Study - Banking respondents

**Figure 11.** Over the next two years, which of the following skills and capabilities will be most in demand for the risk management function?

<table>
<thead>
<tr>
<th>Skill/Capability</th>
<th>2015</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Understanding of cyber risk</td>
<td>37%</td>
<td></td>
</tr>
<tr>
<td>Knowledge and understanding of digital technologies</td>
<td>33%</td>
<td></td>
</tr>
<tr>
<td>Data management</td>
<td>30%</td>
<td></td>
</tr>
<tr>
<td>Data analysis</td>
<td>29%</td>
<td></td>
</tr>
<tr>
<td>Business analysis skills</td>
<td>26%</td>
<td></td>
</tr>
<tr>
<td>Forecasting</td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td>Communication and negotiating skills</td>
<td>23%</td>
<td></td>
</tr>
<tr>
<td>Commercial knowledge</td>
<td>19%</td>
<td></td>
</tr>
<tr>
<td>Social media skills and knowledge</td>
<td>15%</td>
<td></td>
</tr>
<tr>
<td>Modeling</td>
<td>13%</td>
<td></td>
</tr>
</tbody>
</table>

Source: Accenture 2015 Global Risk Management Study - Banking respondents
Competing for talent with technology firms

At Spain’s Banco Bilbao Vizcaya Argentaria S.A. (BBVA), widely seen as being at the forefront of digital development, Ignacio Bernal, head of IT development, warned in a recent interview with Euromoney magazine,9 that banks seeking talent in areas, such as big data analysis, mobile and cloud, are now competing with technology giants such as Amazon.com Inc., Facebook Inc. and Google Inc.

The range of skills that today’s risk function needs continues to broaden. In the past two years, respondent companies have invested in a variety of different skills, including security specialists, business analysts, fraud experts and cyber risk experts (see Figure 12). “We are looking to hire risk managers who can join the dots and who have breadth of experience,” says a group general manager of risk at an Asia Pacific banking group. “Hiring only specialists is simply not enough.”

The Enterprise Risk and Chief Credit Officer at an Australian bank agrees. “Specialist expertise in the risk function is important, but we also recognize that we need generalists, who have a good overview of different risk topics,” he says. “To address this, we are looking at career paths that enable this kind of rotation and cross-skilling.”

Figure 12. Which of the following types of expertise has the bank recruited in the past two years, and which will be recruited in the next two years?

<table>
<thead>
<tr>
<th>Expertise</th>
<th>Past two years</th>
<th>Next two years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cyber risk experts</td>
<td>55%</td>
<td>39%</td>
</tr>
<tr>
<td>Business analysts</td>
<td>53%</td>
<td>40%</td>
</tr>
<tr>
<td>Regulators</td>
<td>50%</td>
<td>32%</td>
</tr>
<tr>
<td>Security specialists</td>
<td>49%</td>
<td>42%</td>
</tr>
<tr>
<td>Strategic planners</td>
<td>49%</td>
<td>33%</td>
</tr>
<tr>
<td>Accountants</td>
<td>49%</td>
<td>28%</td>
</tr>
<tr>
<td>Fraud experts</td>
<td>47%</td>
<td>41%</td>
</tr>
<tr>
<td>Data analysts/scientists</td>
<td>47%</td>
<td>35%</td>
</tr>
<tr>
<td>Quants/risk modelers</td>
<td>37%</td>
<td>31%</td>
</tr>
<tr>
<td>Professionals from outside financial services</td>
<td>37%</td>
<td>29%</td>
</tr>
<tr>
<td>Former hackers</td>
<td>36%</td>
<td>29%</td>
</tr>
<tr>
<td>Lobbyists</td>
<td>27%</td>
<td>33%</td>
</tr>
</tbody>
</table>

Source: Accenture 2015 Global Risk Management Study - Banking respondents
There should be a focus on retention, as well as recruitment

Recruitment cannot be the only approach; banks also need to think about retention and development. Some banks are bringing in professionals from other areas into the risk function. We should expect to see this accelerate.

Cross-staffing — moving people from the risk function to the business and vice versa—is a critical lever to spread the risk culture into the company's operations, and in embedding the risk management framework across the institution.

In many banks, however, this is only likely to be part of the leadership development program.

Scarcity of talent is likely to remain an ongoing difficulty for banks, particularly given the breadth of the demand for new skills and experience. One challenge should be to industrialize expertise — to use technology to build a more robust risk culture by identifying key influencers in the business, establishing and communicating good practice, and by providing executives with better feedback.
Priority 3
Effective operational risk management

The shift to new business models and growth priorities, such as the rise of omni-channel banking, requires an entirely new focus on operational risk management. "When you venture into unchartered territories, as we are doing by getting into new and exciting innovative payment technologies, that increases our operational risk exposure," says Bob Swinamer at Silicon Valley Bank. "We have to ensure that we are applying the right resources to manage those risks."

Digital business models expose banks to a whole range of new risks, including cyber, data privacy, reputational, social media and new conduct risks. "As we become more 'digital' as a bank, cyber security is becoming more relevant," says Eduardo Mazzillli de Vassimon, Group CRO at Banco Itaú S.A. "We are investing a lot in digital technologies for market differentiation and are working closely with our business units and technology group to enhance risk capabilities in this new context, mainly focused on developing more adequate models for addressing the different scenarios we work with."

IT platforms that were designed for the branch network will probably need to be overhauled. Customer expectations for immediacy and always-on availability of banking services would also require more responsive approaches to assessing credit risks.

For Emilio López at Santander UK plc, the key challenge facing banks is to put in place a framework that can flex as new digital channels evolve. "How can you anticipate what customers will want in two years' time? We have to build up a technical infrastructure that allows us the flexibility and the speed of reaction that this new market will demand without breaching our security controls, because customers are going to be changing their minds frequently."

Some banks have gone further than others with this work. Spain’s BBVA, for instance, announced in 2011 that it would replace the core banking IT systems at its US subsidiary in order to enable real-time processing of data (this transformation was successfully completed in 2013). In the UK, Nationwide Building Society has replaced its legacy systems in order to facilitate the launch of new product innovations that were not previously practical. Other institutions are moving towards open IT architectures in order to offer products and services alongside third-party partners while remaining in control of risk management.

New business models are a focus

It is not just that operational risk is the next item on the agenda. In our view, new business models and investments, particularly around digital, should be a focus for operational risk management, and these require new levels of sophistication. Operational risk requires strengthening in the first line. Risk and finance should also work together on operational risk – just as they did on market risk and credit risk.

The tools are available to do this. For example, real-time indicators have immediate applications for today’s operations – within a bank, they might enable limits and collateral management considering all different products and channels available. It is also possible to overlay the suite of indicators with new digital delivery mechanisms, such as mobile dashboards and "smart" technology alerts.

Additionally, as banking firms seek out new sources of sustainable growth, operational risk management should become a key component of that growth agenda. New investments and innovations require "guardrails" to provide protection, particularly as they involve unfamiliar new risks around cyber, data and digital. But it is also essential to get the balance right – too much emphasis on controls and administration can crush these new areas of the business.

“

We have been working to evolve our operational risk capabilities mainly to handle challenges arising from this new digital world. We are also investing more than ever in technology and IT infrastructure and are aware of new challenges that we will face in the coming years."

Raulison Muniz, Risk Management Director at Caixa Econômica Federal
Using a proactive approach

A proactive approach can be vital in our view. Imagine, for example, that the bank’s IT system flags up an unusual transaction that one of its customers is seeking to make. The reactive risk management response would be to block the transaction and then notify the customer. The proactive option is to ask the customer to provide additional authentication – new security questions, say – before allowing the transaction to proceed.

As banks increase their focus on operational risks, particularly those related to technology evolutions such as digital, big data and social media, cyber risk is seen as an area of particular concern for banking respondents, with almost two-thirds expecting this risk to become more severe (see Figure 13). More generally, a higher proportion of respondents expect almost all risks surveyed to become more severe, compared with our survey in 2013.

The response should be holistic. As Accenture’s 2015 paper, Reorganizing for Today’s Cyber Threats12 puts it, “Banks are facing an urgent need to bring the historic silos of fraud risk management and IT security more closely together to combat mounting data security and cyber threats from increasingly well organized criminal entities.”

These are massive challenges that have only just begun to be explored. Few banks have fully fledged operational risk solutions today. Risk management should play a pivotal role in these discussions.

Figure 13. Over the next two years, what change is expected to the severity of the following risks facing the business? (Represents percentage that expect risks to become slightly or significantly more severe)

<table>
<thead>
<tr>
<th>Risk</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cyber/IT risk</td>
<td>65%</td>
</tr>
<tr>
<td>Credit risks (e.g. credit, counterparty, issuer risks)</td>
<td>62%</td>
</tr>
<tr>
<td>Fraud/financial crime</td>
<td>61%</td>
</tr>
<tr>
<td>Strategic risks (e.g. new products or services)</td>
<td>59%</td>
</tr>
<tr>
<td>Liquidity risk</td>
<td>57%</td>
</tr>
<tr>
<td>Regulatory risk</td>
<td>57%</td>
</tr>
<tr>
<td>Business risks (e.g. changing margin, volume, market demand)</td>
<td>56%</td>
</tr>
<tr>
<td>Legal risk</td>
<td>56%</td>
</tr>
<tr>
<td>Market risks (e.g. equity, FX, commodity risks)</td>
<td>56%</td>
</tr>
<tr>
<td>Market disruption from new technologies</td>
<td>55%</td>
</tr>
<tr>
<td>Political risk</td>
<td>53%</td>
</tr>
<tr>
<td>Reputational and brand risk</td>
<td>52%</td>
</tr>
<tr>
<td>Government fiscal crises</td>
<td>52%</td>
</tr>
<tr>
<td>Employee malfeasance</td>
<td>50%</td>
</tr>
<tr>
<td>Operational risks (e.g. processes, people, systems, external events, project risks)</td>
<td>47%</td>
</tr>
<tr>
<td>Outsourcing provider failure</td>
<td>42%</td>
</tr>
</tbody>
</table>

Source: Accenture 2015 Global Risk Management Study - Banking respondents
Priority 4
A consistent risk culture capable of withstanding disruptive change should become part of the fabric of the bank

Too many banks are struggling to embed a consistent, enterprise-wide risk culture. All too often, risk exists in silos and there is insufficient consistency in how it is managed.

These problems are apparent even to external observers. A 2013 survey of consumers conducted by Daniel J. Edelman Inc. found that 59% thought that scandals in the banking industry were linked to organizational culture issues, such as compensation practices and conflicts of interest. On a group-wide level, change is just beginning for many banks. Only a small number (11%) of our respondents say they have formal risk policies or a consistent risk culture, but around one quarter (26%) have ambitions to achieve these within the next two years (see Figure 14).

Introducing this culture could be tougher in an omni-channel environment, and would need to be addressed in the context of the wider digital transformation taking place in the industry. Staff in branches may understand and apply the risk culture, but what about employees engaged in mobile, social media and other channels?

Banks are taking numerous approaches to strengthen their risk culture. As a recent research report noted, there is a shift towards structural change by paying greater attention to the “three lines of defense” model, creating new risk oversight functions, and redesigning risk information and related flows.

In practice, respondents cite numerous obstacles to developing a consistent, organization-wide risk culture, but the main challenges are people-related (see Figure 15) – human nature and employees’ preconceptions about acceptable behavior.

Overcoming these challenges would require the risk function to reach out across the business. For example, the Enterprise Services CRO at an Australian-based banking group says: “We have trained 1000 people in operational risk and controls for projects in order to make sure that risks are understood and discussed as part of a project’s development.”

Approaches such as this are crucial in our view. “If the risk culture is right in a bank, everything else is much easier,” says Emilio López. “The big challenge is how to embed this risk culture and way of thinking across every layer of the organization. For example, ensuring that an employee in the branch is focused on doing the right thing for customers first time, every time, or ensuring that senior managers lead their teams to meet business objectives without compromising customer outcomes.”

In this context, part of the challenge would be to find ways to measure the extent to which risk culture is embedded throughout the bank – by looking at customer complaint levels, for example. Employees may have to be incentivized with reference to new benchmarks.

**Figure 14.** Which of the following statements best describes the bank’s stage of maturity in terms of risk culture?

Please indicate where the risk function currently performs on each scale using scores between 1 and 5. Using the same scale, please also indicate a target rating the risk function is to achieve within two years.

<table>
<thead>
<tr>
<th>Scale</th>
<th>Current Performance</th>
<th>Target Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>16%</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>15%</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>39%</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>19%</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>11%</td>
<td></td>
</tr>
</tbody>
</table>

- **We are at the early stages of developing and implementing a risk culture**
- **We have made improvements in embedding our risk culture, but we still have work to do and face barriers to its full implementation**
- **We have a strong and consistent risk culture that is understood and implemented across the entire organization**

Source: Accenture 2015 Global Risk Management Study - Banking respondents
Balancing the risk culture with other aspects

At the same time, banks are encouraged to balance their risk culture with other aspects – for example, encouraging a culture of innovation. If the risk culture dominates to the extent that risk aversion is the default option throughout the organization, then corporate and commercial performance could suffer.

These questions must be tackled head-on at an executive level, argues the head of Risk Transformation at a large Australian bank. "We now measure risk culture across the group and at divisional level," he says. "The report goes to the board and includes commentary based on multiple sources of insight."

One option may be to rethink the organizational structure through which risk management operates. Moving from a centralized risk function to a structure where risk is embedded within the business has certain advantages. It may, for example, allow for a better understanding of the bank’s commitments and priorities. It may help to drive informed discussions and trade-off decisions so that short-term risk-taking opportunities are avoided while sustainable and profitable business development are emphasized.

Irrespective of the structure, however, the goal should be a risk policy that is well embedded in the organization. This can be a crucial tool as the bank seeks to avoid committing capital and resources to potential “blind alleys”. In the end, business units must consider themselves to be risk managers too.

Figure 15. What are the main obstacles to embedding a consistent, organization-wide risk culture?

Source: Accenture 2015 Global Risk Management Study - Banking respondents
Priority 5
Risk functions to accelerate their adoption of analytics

Across all risk categories, only the minority of banks surveyed think of themselves as extensive users of data and analytics. The risk categories where analytics is most likely to be applied either extensively or moderately are market and business risks (see Figure 16).

A minority of respondents says that the use of data and analytics is fully integrated into the risk function’s everyday operations, and that risk analytics are applied consistently across the organization (see Figure 17). Only 9% say that risk analytics is integrated with strategic planning and decision making.

One huge challenge is that much of the data they require exists in silos and is difficult to aggregate and standardize. Equally, some of the information may not be available at the required level of detail (e.g. mortgage data may be only aggregated at a monthly level). Risk and finance integration is a key part of this.

The Basel Committee on Banking Supervision noted this challenge in its 2013 report Principles for Effective Risk Data Aggregation and Risk Reporting. It noted: “Many banks lacked the ability to aggregate risk exposures and identify concentrations quickly and accurately at the bank group level, across business lines and between legal entities.”

The banks in this research are ambitious. Where only a small proportion currently has a consistent, integrated data and analytics capability, maturity is expected to advance significantly within the next two years. “The application of sophisticated risk analytics tools and techniques in the business is now fundamental to our group,” says Carlo Palego at Banco Popolare.

Yet, bank respondents indicate they may not have the necessary talent in place to pursue all the analytics opportunities they would like to. Just 36% say they have a high level of specialization to influence strategy and major decisions in big data and analytics (see Figure 18).

### Figure 16. Describe the risk management function’s use of data and analytics in addressing the following types of risk?

<table>
<thead>
<tr>
<th>Risk Category</th>
<th>Extensive</th>
<th>Moderate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market risks (e.g. equity, FX, commodity risks)</td>
<td>31</td>
<td>44</td>
</tr>
<tr>
<td>Business risks (e.g. changing margin, volume, market demand)</td>
<td>27</td>
<td>48</td>
</tr>
<tr>
<td>Cyber/IT risk</td>
<td>33</td>
<td>39</td>
</tr>
<tr>
<td>Regulatory risk</td>
<td>27</td>
<td>45</td>
</tr>
<tr>
<td>Fraud/financial crime</td>
<td>29</td>
<td>42</td>
</tr>
<tr>
<td>Operational risks (e.g. processes, people, systems, external events, project risks)</td>
<td>32</td>
<td>38</td>
</tr>
<tr>
<td>Strategic risks (e.g. new products or services)</td>
<td>27</td>
<td>43</td>
</tr>
<tr>
<td>Liquidity risk</td>
<td>25</td>
<td>45</td>
</tr>
<tr>
<td>Credit risks (e.g. credit, counterparty, issuer risks)</td>
<td>26</td>
<td>43</td>
</tr>
<tr>
<td>Government fiscal crises</td>
<td>30</td>
<td>36</td>
</tr>
<tr>
<td>Reputational and brand risk</td>
<td>24</td>
<td>41</td>
</tr>
<tr>
<td>Outsourcing provider failure</td>
<td>21</td>
<td>42</td>
</tr>
<tr>
<td>Selection and implementation of IT platforms and tools</td>
<td>16</td>
<td>46</td>
</tr>
<tr>
<td>Political risk</td>
<td>21</td>
<td>40</td>
</tr>
<tr>
<td>Market disruption from new technologies</td>
<td>24</td>
<td>35</td>
</tr>
<tr>
<td>Employee malfeasance</td>
<td>20</td>
<td>39</td>
</tr>
<tr>
<td>Legal risk</td>
<td>29</td>
<td>29</td>
</tr>
</tbody>
</table>

Source: Accenture 2015 Global Risk Management Study - Banking respondents
Figure 17. Which of the following statements best describes the bank’s stage of maturity in terms of risk analytics?

Please indicate where the risk function currently performs on each scale using scores between 1 and 5. Using the same scale, please also indicate a target rating the risk function is to achieve within two years.

Note: Due to rounding, total may not equal 100 percent
Source: Accenture 2015 Global Risk Management Study - Banking respondents
Banks are also realistic, however. As opportunities and challenges rise, the need for talent continues to skyrocket. “Knowledge of math, analytics and decision science is becoming increasingly sought after,” says Ash Gupta.

Banks are also increasingly considering how to monetize and create competitive advantage from big data. They deal with millions of transactions daily, and have the potential to leverage this data in multiple ways. At present, however, many banks are not doing enough to capture and make use of this information.

For now, it is encouraging that banks appear to recognize their current shortcomings in the analytics space – and that they hope to close the gap. In the meantime, however, this represents a missed opportunity for better risk management. Analytics platforms offering real-time controls, such as reporting dashboards incorporated into workflow processes, would deliver greater transparency and compliance. Straight-through processing incorporating better organized and more accessible data can help improve understanding of risk.

Moreover, analytics tools also give CROs the ability to “test and learn” much more speedily – to explore new ideas at high speed before strategies and innovations are implemented across the organization.

Figure 18. Rate the risk management function’s level of expertise to influence strategy and major decisions in the following areas?

Note: Due to rounding, total may not equal 100 percent
Source: Accenture 2015 Global Risk Management Study - Banking respondents
Looking forward, with “next day” thinking
Recognizing risk AND inherent opportunity
Aware of a growing range of emerging risks
More comprehensive definition of operational risk
Three lines of defense, with fluid interaction embedded in the business
“Left AND right brain” – creative, innovative understanding
A balance of control, prevention, and enablement
Strategic awareness: focused on long-term business challenges
Increasingly integrated data sources
Emphasis on digital risks and opportunities

Risk management in 2025

- Analytics now permeates decision making
- Companies are exploring robotics and artificial intelligence to manage transactional risks
- Behavior prediction helps to effectively inform risk management
- Rise of the Chief Risk and Return Officer
- Risk management is the career path to the C-suite
- Single data source drives reporting and analytics activities
Conclusion

The risk management function in the banking sector is continuing to reposition itself as an important partner and collaborator for the rest of the business. Increasingly, banking risk professionals rightly see themselves as valued contributors to their organization's growth-oriented objectives of commercial success. But they do so against a backdrop of significant change in the industry, encompassing ongoing regulatory challenges, evolving business models and digital disruption.

Profitability is a challenge for retail banking as margins remain razor-thin in the current economic environment. In parallel, the opportunity to invent truly new products that can help create sustainable value is limited. In our view, success is now more dependent on a highly focused customer-centric approach, leveraging the capabilities of new digital technologies, with more targeted and relevant customer differentiation. Digital also can help banks with their cost challenges, becoming more cost effective in the distribution and delivery of products and services.

Further complicating matters from a risk perspective is a regulatory agenda very focused on effectively onboarding banking customers to protect against threats of money laundering, terrorist financing and other misuses of the financial services platform.

Many banks also find themselves bogged down in conduct issues and the challenges that stem from an industry whose reputation has been damaged and continues to suffer.

In such an environment, balancing growth through the introduction of new business models, protecting customer data and their financial investments, while responding to increasingly stringent regulator demands is a difficult act to accomplish - even in times of high profitability.

As a result, we encourage CROs and their teams to continue to tackle these issues head-on and work with business, finance, and technology leaders from across the organization to prevail at a time of significant headwinds.

Ongoing investment in risk management will remain critical in our view, and will have to show returns to help maintain continued support and protect the gains made over the years. CROs should also look to build teams with more diverse skills, capabilities and know-how, and with an increased depth to address the Digital Agenda.

These remain challenging times for CROs in the banking industry but, with the right ambition and the right resources, they can complete their transition to a role that helps harness risk and return to deliver sustainable value to the enterprise.
Acknowledgements

We would like to thank the 150 banking sector organizations across the globe who participated in our survey. We would like to specifically acknowledge the contribution of the following companies that took part in our quantitative survey interview discussions. We are grateful for the input, insight and perspectives of their senior staff:

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Group Chief Executive
Financial Services at Accenture

Steve Culp (Chicago)
Senior Managing Director
Accenture Finance & Risk Services

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Fred Kim (Chicago)
Hamdi Mohammed (Paris)
Rodrigo Nabholz (Sao Paulo)
Haralds Robeznieks (Chicago)
Yumiko Shinoda (Seattle)
Sarah Waylett (Charlotte)
The Accenture 2015 Global Risk Management Study is the fourth edition of our study first published in 2009. It is based on a quantitative, online survey conducted by Longitude Research on behalf of Accenture between November 2014 and January 2015 among 470 senior risk management executives involved in risk-management decisions.

Participants came from the banking, capital markets and insurance industries with 150 respondents from Asia Pacific (32%), 170 respondents from Europe (36%) and 150 respondents from North America (32%).

We also conducted in-depth interviews in 2014 and 2015 with senior leaders from 50 leading organizations across regions. They provided supporting insights for our data-driven research, while presenting useful perspectives from companies in each industry.

This sector-specific banking report presents the insights and perspectives captured from 150 banking industry executives from the retail, corporate, mortgage and card banking areas, including in-depth qualitative interviews with senior banking executives.

### Financial Services Respondents

<table>
<thead>
<tr>
<th>Company size</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between US$1bn and US$5bn</td>
<td>235</td>
</tr>
<tr>
<td>Revenues over US$5bn</td>
<td>235</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>470</strong></td>
</tr>
</tbody>
</table>

### Banking Respondents

<table>
<thead>
<tr>
<th>Country</th>
<th>Geography</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>Asia Pacific</td>
<td>50</td>
</tr>
<tr>
<td>China</td>
<td>Asia Pacific</td>
<td></td>
</tr>
<tr>
<td>Hong Kong</td>
<td>Asia Pacific</td>
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<tr>
<td>Japan</td>
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<td>Singapore</td>
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<tr>
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<td>Germany</td>
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<td>Canada</td>
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<tr>
<td>USA</td>
<td>North America</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>150</strong></td>
<td></td>
</tr>
</tbody>
</table>

### Respondent Roles

<table>
<thead>
<tr>
<th>Role</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Risk Officer</td>
<td>141</td>
</tr>
<tr>
<td>Chief Executive Officer</td>
<td>78</td>
</tr>
<tr>
<td>Chief Financial Officer</td>
<td>147</td>
</tr>
<tr>
<td>Chief Compliance Officer</td>
<td>28</td>
</tr>
<tr>
<td>Other C-Suite</td>
<td>76</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>470</strong></td>
</tr>
</tbody>
</table>

**About the Research**

**Company size**

<table>
<thead>
<tr>
<th>Between US$1bn and US$5bn</th>
<th>235</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues over US$5bn</td>
<td>235</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>470</strong></td>
</tr>
</tbody>
</table>

**Respondent Roles**

<table>
<thead>
<tr>
<th>Role</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
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<td><strong>Total</strong></td>
<td><strong>470</strong></td>
</tr>
</tbody>
</table>

**Country**

- **Australia**
- **China**
- **Hong Kong**
- **Japan**
- **Singapore**
- **France**
- **Germany**
- **Italy**
- **Spain**
- **UK**
- **Canada**
- **USA**

**Geography**

- **Asia Pacific**
- **Europe**
- **North America**

**Total**

- **150**
References


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