

# 2017 Financial Institutions Industry Report Highlights



Today's Financial Institutions are facing complex and interconnected risks.

We live in an era of unprecedented volatility. Trends on three major dimensions – economics, demographics, and geopolitics – combined with the exponential pace of technology change, are converging to create a challenging new reality for organisations. These forces create opportunities that we cannot even imagine, but also present new frontiers to be explored.

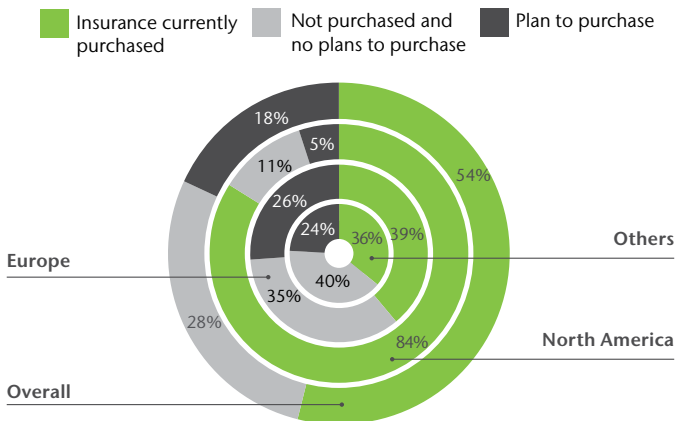
## Top Ten Risks



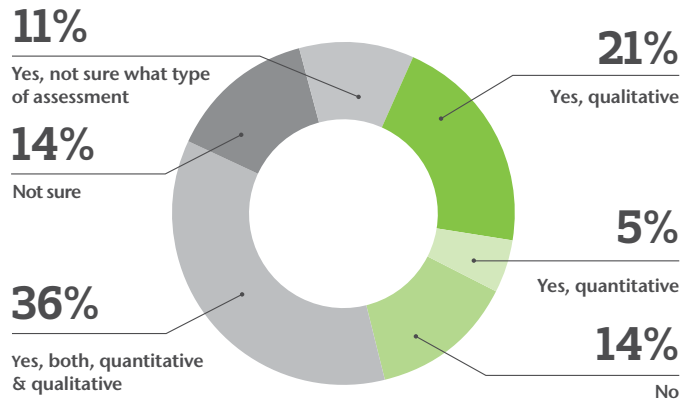
## Top Five Emerging Risks in 2020



## Cyber Purchasing Patterns















## Cyber Risk – Completed Assessment



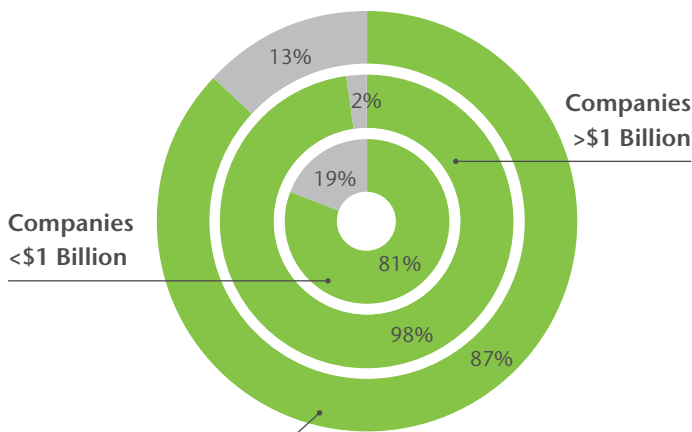
To keep pace with the pervasive and fast evolving cyber threats that go hand in hand with the dizzying speed of technological innovation, much more progress is needed in the area of cyber risk control and mitigation.

# Risk Departments Cultivate a Comprehensive Process to Identify and Assess Current and Emerging Risks

Identification of Major Risks	Assessment of Major Risks
 <b>69%</b> Structured enterprise-wide risk identification process	 <b>61%</b> Structured enterprise-wide risk assessment process supported by a standard toolkit and methodology
 <b>58%</b> Board and/or management discussion of risk during annual planning, risk assessment or other processes	 <b>53%</b> Senior management judgment and experience
 <b>57%</b> Senior management judgment and experience	 <b>50%</b> Risk modeling/risk quantification analysis
 <b>55%</b> Risk information from other function-led processes (e.g. internal audit, disclosure, compliance, etc.)	 <b>47%</b> Board and/or management discussion of risk during annual planning, risk assessment or other processes
 <b>39%</b> Industry analysis, external reports	 <b>25%</b> Consult with external service provider/advisor
 <b>7%</b> No formalised process	 <b>7%</b> No formalised process

## Presence of a Formal Risk Management Department

■ Yes
 ■ No

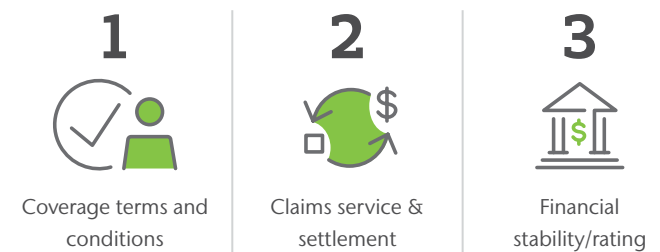


Data Source: Aon's 2017 Global Risk Management Survey

## What top 3 methods do you utilise to evaluate the effectiveness of your risk management program?



## What are the 3 most important drivers in your choice of insurers?



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