ASSESSMENT DETAILS

ESCALATION CONTACT:

Team Lead:		Contact No.:	
Affected Parties:			

ACTIVITY OR SERVICE DETAILS

Purpose:		Date:	

Benefit: Ensures secure savings and investments for customers. | Facilitates secure and efficient handling of financial transactions. | Mitigates risks through fraud prevention and regulatory compliance. | Promotes financial literacy through customer engagement and support. | Provides access to credit and funding for personal and business needs. | Supports economic growth by enabling smooth cash flow management.

HAZARDS

HAZARD	RISK	RISK BENEFIT	MEASURE	RISK TO	RISK LEVEL
Credit defaults	Credit losses, Liquidity issues, Reputation damage	Supports lending activities, fostering revenue generation and customer growth.	Conduct thorough credit assessments using advanced analytics, establish clear credit approval protocols, set appropriate credit limits, and maintain diversified loan portfolios. Regularly review and update risk models to reflect market changes. **(ALL)**	Bank, Customers, Investors	Before Measure: **High** After Measure: **Med**
Customer dissatisfaction	Customer attrition, Reputation damage, Revenue loss	Encourages continuous improvement and customer-centric innovation.	Implement robust customer feedback systems, provide high-quality customer service, and address complaints promptly to maintain customer satisfaction and loyalty. **(ALL)**	Customers, Organization	Before Measure: **High** After Measure: **Med**

RISK ASSESSMENT WIZARD

HAZARD	RISK	RISK BENEFIT	MEASURE	RISK TO	RISK LEVEL
Employee misconduct	Operational disruptions, Reputation damage, Legal action	Strengthens team culture while maintaining employee autonomy.	Establish clear codes of conduct, provide ongoing ethics training, conduct surprise audits, and implement confidential reporting mechanisms to prevent and detect employee misconduct. **(ALL)**	Employees, Organization	Before Measure: **High** After Measure: **Med**
Employee turnover	Knowledge loss, Increased recruitment costs, Operational inefficiency	Brings fresh perspectives and innovation into the organization.	Implement employee engagement programs, offer competitive compensation, and provide career development opportunities to retain talent and reduce turnover rates. **(ALL)**	Organization, Employees	Before Measure: **High** After Measure: **Med**
Environmental risks	Operational disruptions, Regulatory fines, Reputation damage	Enhances corporate responsibility and aligns with global sustainability trends.	Assess environmental impacts of banking operations, implement sustainable practices, and comply with environmental regulations to mitigate risks related to environmental factors. **(ALL)**	Organization, Regulatory authorities	Before Measure: **High** After Measure: **Med**
External fraud	Financial losses, Customer dissatisfaction, Operational delays	Enables open customer interactions while minimizing strict procedural barriers.	Enhance customer verification processes using biometrics or two-step authentication, monitor transactions for suspicious activities with AI-driven tools, and collaborate with law enforcement for rapid response to fraud cases. **(ALL)**	Customers, Organization	Before Measure: **High** After Measure: **Med**
Foreign exchange risk	Currency losses, Revenue fluctuations, Operational inefficiency	Enables participation in global markets with potential for higher returns.	Implement currency hedging strategies, maintain diversified currency portfolios, and regularly assess foreign exchange exposures to manage potential losses from currency fluctuations. **(ALL)**	Investors, Organization	Before Measure: **High** After Measure: **Med**
Geopolitical tensions	Operational disruptions, Regulatory challenges, Financial losses	Allows for strategic positioning in emerging markets despite geopolitical uncertainties.	Monitor geopolitical developments, diversify international exposure, and develop contingency plans to address potential disruptions arising from geopolitical conflicts. **(ALL)**	Organization, Investors	Before Measure: **High** After Measure: **Med**

HAZARD	RISK	RISK BENEFIT	MEASURE	RISK TO	RISK LEVEL
Interest rate fluctuations	Revenue fluctuations, Decreased profitability, Liquidity risks	Allows for strategic interest rate positioning to enhance profitability.	Monitor interest rate trends, adjust asset-liability management strategies, and use hedging instruments to mitigate adverse impacts on net interest margins. **(ALL)**	Investors, Organization	Before Measure: **High** After Measure: **Med**
Internal fraud	Financial losses, Reputation damage, Operational inefficiency	Preserves employee autonomy and operational trust.	Implement robust internal controls, such as separation of duties, enforce mandatory leave policies, conduct regular audits, and establish anonymous whistleblower programs. Integrate fraud detection software for real-time monitoring. **(ALL)**	Organization, Employees	Before Measure: **High** After Measure: **Med**
Legal disputes	Financial losses, Regulatory scrutiny, Operational inefficiency	Encourages robust contracts and partnerships to drive growth.	Ensure adherence to legal frameworks by maintaining compliance logs, provide training to all employees on legal standards, and establish a legal team to preemptively address potential disputes. **(ALL)**	Organization, Employees	Before Measure: **High** After Measure: **Med**
Market volatility	Market losses, Decreased asset valuation, Revenue fluctuations	Facilitates participation in markets for potential high returns.	Utilize advanced hedging strategies, diversify investment portfolios across asset classes, regions, and sectors, and implement real-time market monitoring systems with predictive analytics to anticipate and mitigate potential losses. **(ALL)**	Investors, Organization	Before Measure: **High** After Measure: **Med**
Money laundering activities	Regulatory fines, Reputation damage, Operational suspension	Maintains access to high-risk but high-return business opportunities.	Implement robust Anti-Money Laundering (AML) programs with machine learning tools for anomaly detection, enforce Know Your Customer (KYC) procedures, and maintain ongoing transaction monitoring and reporting to authorities. **(ALL)**	Organization, Customers, Third-party stakeholders	Before Measure: **High** After Measure: **Med**

HAZARD	RISK	RISK BENEFIT	MEASURE	RISK TO	RISK LEVEL
Operational errors	Service delays, Financial losses, Customer dissatisfaction	Enhances efficiency while allowing operational experimentation.	Provide comprehensive onboarding and periodic refresher training for employees, establish clear workflows with checks and balances, and introduce automation where possible to reduce manual errors. **(ALL)**	Employees, Customers, Organization	Before Measure: **High** After Measure: **Med**
Pandemic outbreaks	Operational disruptions, Workforce health risks, Customer dissatisfaction	Maintains service delivery and workforce safety during unprecedented events.	Develop comprehensive pandemic response plans, including remote work capabilities, health protocols, and flexible customer service options to ensure operational continuity during health crises. **(ALL)**	Employees, Customers, Organization	Before Measure: **High** After Measure: **Med**
Political instability	Operational disruptions, Regulatory challenges, Financial losses	Gains access to emerging markets with significant growth potential.	Diversify operations geographically, conduct scenario planning for political risk events, establish partnerships with local firms to reduce exposure, and maintain contingency funds for rapid deployment during instability. **(ALL)**	Organization, Investors	Before Measure: **High** After Measure: **Med**
Reputation damage	Customer attrition, Financial losses, Operational restrictions	Supports ambitious branding efforts and market leadership goals.	Maintain transparent communication channels, implement crisis management protocols, engage proactively on social media, and uphold high ethical standards in all customer-facing and internal activities. **(ALL)**	Organization, Customers	Before Measure: **High** After Measure: **Med**
Supply chain disruptions	Service delays, Increased operational costs, Customer dissatisfaction	Ensures operational resilience and uninterrupted service delivery.	Diversify suppliers, establish contingency plans, and maintain critical inventory levels to mitigate the impact of supply chain interruptions on banking operations. **(ALL)**	Organization, Customers	Before Measure: **High** After Measure: **Med**

HAZARD	RISK	RISK BENEFIT	MEASURE	RISK TO	RISK LEVEL
Technological dependency	Operational inefficiency, Service interruptions, Revenue loss	Balances efficiency gains from technology with preparedness for technological failures.	Develop backup systems, conduct regular technology audits, and maintain manual procedures as contingencies to reduce over-reliance on technology. **(ALL)**	Organization, Customers	Before Measure: **High** After Measure: **Med**
Technological innovation risks	Operational disruptions, Employee resistance, Customer dissatisfaction	Facilitates competitive advantage through technological advancement.	Implement robust change management processes, conduct thorough testing of new technologies, and provide employee training to effectively integrate innovations while managing associated risks. **(ALL)**	Employees, Organization	Before Measure: **High** After Measure: **Med**
Terrorist financing	Legal action, Regulatory fines, Reputation damage	Builds relationships with international regulatory bodies and markets.	Adopt stringent KYC and Enhanced Due Diligence (EDD) procedures, monitor transactions against watchlists, and utilize AI tools for real-time detection of unusual patterns indicative of terrorist financing. **(ALL)**	Organization, Regulatory authorities	Before Measure: **High** After Measure: **Med**
Third-party vendor risks	Service delays, Data breaches, Compliance violations	Leverages vendor expertise for cost-effective service delivery.	Conduct thorough due diligence, establish clear Service Level Agreements (SLAs), monitor performance through key risk indicators, and include termination clauses in contracts to mitigate risks from third-party failures. **(ALL)**	Organization, Customers	Before Measure: **High** After Measure: **Med**
Cyber-attacks	Data theft, System breaches, Operational disruptions	Encourages the adoption of innovative digital tools and services.	Deploy advanced cybersecurity measures, including firewalls, intrusion detection/prevention systems, and endpoint protection. Conduct regular vulnerability assessments, maintain a robust incident response plan, and provide frequent employee phishing simulations. **(ALL)**	Employees, Customers, Third-party stakeholders	Before Measure: **High** After Measure: **Low**

HAZARD	RISK	RISK BENEFIT	MEASURE	RISK TO	RISK LEVEL
Data breaches	Data theft, Reputation damage, Operational disruptions	Enables data-sharing initiatives that drive collaborative innovation.	Implement encryption for all data, enforce data classification policies, maintain regular security patch updates, and establish dedicated cybersecurity teams to handle breaches promptly and effectively. **(ALL)**	Customers, Employees, Third-party stakeholders	Before Measure: **High** After Measure: **Low**
Liquidity shortages	Inability to meet obligations, Operational disruptions, Reputation damage	Ensures agility in seizing market opportunities despite potential liquidity risks.	Maintain a buffer of highly liquid assets, establish contingency funding arrangements with multiple counterparties, and perform frequent stress tests to model various adverse scenarios. Implement real-time liquidity monitoring tools. **(ALL)**	Organization, Investors	Before Measure: **High** After Measure: **Low**
Natural disasters	Operational disruptions, Infrastructure damage, Customer dissatisfaction	Protects the bank's ability to operate in vulnerable regions.	Develop and regularly test comprehensive business continuity and disaster recovery plans, reinforce physical infrastructure, and maintain insurance coverage tailored to natural disaster risks. **(ALL)**	Employees, Customers, Organization	Before Measure: **High** After Measure: **Low**
Regulatory non-compliance	Regulatory fines, Legal action, Operational suspension	Enables operational flexibility in a changing regulatory landscape.	Establish a dedicated compliance team to monitor regulatory changes, provide ongoing training for employees, implement automated compliance systems, and conduct regular internal audits. Maintain a compliance repository for easy reference to updated regulations. **(ALL)**	Organization, Employees	Before Measure: **High** After Measure: **Low**
System failures	Service interruptions, Data loss, Customer dissatisfaction	Encourages system modernization without over-allocating resources.	Implement redundant systems and data backups, conduct regular maintenance and updates, and establish robust disaster recovery plans, including failover mechanisms to secondary data centers for uninterrupted operations. **(ALL)**	Employees, Customers, Third-party stakeholders	Before Measure: **High** After Measure: **Low**

HAZARD	RISK	RISK BENEFIT	MEASURE	RISK TO	RISK LEVEL
Technological obsolescence	Decreased competitiveness, Operational inefficiency, Customer dissatisfaction	Retains customer loyalty through innovative products and services.	Invest in ongoing technology upgrades, establish partnerships with technology providers, allocate R&D budgets for emerging tech, and periodically reassess IT infrastructure to avoid obsolescence. **(ALL)**	Organization, Customers	Before Measure: **High** After Measure: **Low**
Unauthorized access to sensitive data	Unauthorized access, Data breaches, Privacy violations	Allows efficient access to critical data for operations and innovation.	Implement multi-factor authentication, conduct regular access reviews, enforce least-privilege access policies, and utilize encryption protocols for data at rest and in transit. Incorporate penetration testing to identify and resolve potential vulnerabilities. **(ALL)**	Employees, Customers, Third-party stakeholders	Before Measure: **High** After Measure: **Low**
Unforseen hazard	Illness, injury, death		Ongoing dynamic risk assessment conducted by all relevant personnel. Any identified potential risks should be immediately reported to the appropriate supervisor or risk manager, and corrective action should be taken as necessary. **(ALL)**	All	**N/A**

NOTES

Extra notes & evaluation:

Completed by	Reviewed/Approved by	Risk Assessment Date	Review Required Date