FINANCIAL REPUBLIC

Operational Risk Conference

November 14th – 15th 2016
Boca Raton Marriott, FL

Conference angles

Regulations for Operational Risk
Operational Risk in CCAR Stress Testing
Operational Risk Governance Framework
Consideration of the Three Lines of Defense
Operational Risk Modeling
The Role of Internal Audit

About Financial Republic

The Financial Republic group creates conferences that link the financial industry through premium, practical and dynamic discussion of top-level executives, experts and regulators to develop a best-practice approach to compliance, investment and management.

Speakers

Glenn Hursh
Managing Director

Lourenco Miranda
Managing Director, Head of CCAR

Robert Stewart
Economist

Dan Beck
Vice President Enterprise Operational Risk

Marcelo Cruz
Executive Vice President, Chief Risk Officer

Daniel Paula
VP, Risk Management

Marco Migueis
Principal Economist

Imir Arifi – SVP Operational Risk Model Validation Manager

Carrie M. Barranca
Head of Audit, Operational Risk
Group Internal Audit

Ali Samad-Khan
President
Stamford Risk Analytics

Shari Daw
Head Enterprise Risk Management

Masood Aziz
Chief Risk Officer

Day one (November 14)
Chairperson on Day 1: Daniel Paula – VP, Risk Management **Ocwen Financial**
8:00 Breakfast and registration
9:00 Opening remarks from the chairperson

Panel Discussion (9:00 – 10:00 am)

Regulations for Operational Risk
Speakers
Marco Migueis - Principal Economist
Federal Reserve Board
Robert Stewart - Economist
Federal Reserve Bank of Chicago
Glenn Hursh – Managing Director
KPMG

Case Study (10:00– 11:00 am)

Benchmarking of stress testing (CCAR) models
- Challenges in developing stress testing models
- Principles of benchmarking
- Benchmarks for stress testing models

Speaker
Marco Migueis - Principal Economist
Federal Reserve Board

11:00 am **Coffee and Networking Break**

Panel Discussion (11:30 – 12:30 pm)

Operational Risk in the XXI Century
- Building sustainable and long-lasting relationships between 1LOD and 2LOD;
- Increasing the scope of Operational Risk in the 1LOD
- New trends in Operational Risk that every manager should be aware of
- The final frontier of Operational Risk tools, methods and practices

Speaker
Lourenco Miranda - MD, Head of CCAR
Societe Generale

Case Study (12:30 – 1:30 pm)

Operational/Enterprise Risk Management
- BP Deepwater Horizon – Was BP's risk management framework flawed?
- What does risk estimation/quantification mean?
- Pros and cons of the different risk estimation techniques: probability-loss, frequency-loss, scenario analysis, scenario-based curve fitting, MLE and ALEC.
- How to specify one's risk tolerance?
- How to evaluate risk-reward, risk-control and risk-transfer trade-offs and make informed risk-based business decisions.

Speaker
Ali Samad-Khan – President
Stamford Risk Analytics

1:30 pm **Lunch and Networking Break**

Presentation (3:00 – 4:00 pm)

Operational Risk Modeling
- Use of standardized versus internal models, the standardized measurement approach (SMA) versus the advanced measurement approach (AMA) for computing operational risk capital requirements.
- Goal of operational risk modeling: models that capture relevant aspects of reality and improve decision making.
- Ensuring useful modeling of operational risk losses

Speaker
Robert Stewart - Economist
Federal Reserve Bank of Chicago

Presentation (4:00 – 5:00 pm)

Three Lines of Defence and the Implementation Model
- Provide assurance about design and effectiveness
- Reporting to the audit committee
- Advisory role to improve processes

Speaker
Carrie M. Barranca - Head of Audit, Operational Risk, Group Internal Audit
Standard Charter Bank

5:00 pm End of day 2, Cocktail Reception

Day Two (November 15)
Chairperson: TBC
8:00 am Coffee and registration
9:00 am Opening remarks from the chairperson

Presentation (9:00 – 10:30 am)

Collaboration across the three lines of defense
Evolving the first and second lines of defense
Shari Daw – Head Enterprise Risk Management
Discover
Strategic and operational issues related to the TLoD, its shortcomings, and how to effectively implement a better program
Masood Aziz – Chief Risk Officer
FINCA International Inc
Third Line of Defense Internal Audit
Glenn Hursh – Managing Director
KPMG

Presentation (10:30 – 11:30 am)

Managing Strategy Risk - Involving Risk Management in Strategic Decisions
- Developing a risk framework that allows risk to influence strategy
- Involving risk management before taking strategic decisions
- Establishing a risk appetite
- Implementing the 3 lines of defense in a mid-sized firm: how to create a risk culture
- How to manage operational risk like market and credit - and how this changes the game for OR managers

Speaker
Marcelo Cruz – EVP, Chief Risk Officer
Ocwen Financial

11:30 am **Coffee and Networking Break**

Case Study (12:00 – 1:00 pm)

IT Risk
- Information security risk assessment
- Information security strategy
- Information security monitoring/testing and updating

Speaker
Daniel Paula – Vice President, Risk Management
Ocwen Financial

1:00 pm **Lunch and Networking Break**

Case Study (2:00 – 3:00 pm)

Operational Risk: Build a Framework & Processes to Ensure the Data is Blameless
- Build the Framework First! This includes Risk, Control & Process libraries
- It is hard to have 100% completeness but make sure what you do have is quality
- Validate, challenge and train

Speaker
Dan Beck - Vice President Enterprise Operational Risk
CIT

Case Study (3:00 – 4:00 pm)

Review of the known approaches of forecasting Operational loss for regulatory compliance, and discussion of the implications of the upcoming simplified approach methodology

Speaker
Imir Arifi – SVP Operational Risk Model Validation Manager
Regions

4:00 pm End of day 2

Speaker Biography

Ali Samad-Khan – President
Stamford Risk Analytics
Ali Samad-Khan is Founder and President of Stamford Risk Analytics. He has 20 years of experience in enterprise/operational risk management and more than 25 years of experience in financial services and consulting. Ali has advised more than 100 of the world's leading banks; insurance, energy and transportation companies; and national and international regulators on a full range of risk management issues. Key elements of his Modern ERM/ORM framework and methodology have been adopted by leading institutions around the world.
Recognized globally as a thought leader in the risk management space, Ali's thought-provoking articles and white papers have served as a catalyst for change in the way organizations manage risk. For his pioneering work in this field, Ali was named "one of the 100 most influential people in finance" by Treasury & Risk Management magazine. Ali is also a charter member of Who's Who in Risk Management.
Prior to founding Stamford Risk Analytics, Ali served as a Principal in the ERM Practice at Towers Perrin (now Willis Towers Watson), where he was also Global Head of Operational Risk Management Consulting. Previously, Ali was Founder and President of OpRisk Analytics LLC, a software provider, which was acquired by SAS. Before that Ali worked at PricewaterhouseCoopers in New York, where he headed the Operational Risk Group within the Financial Risk Management Practice. Prior to that, he led the Strategic Risk Initiatives Group in the Operational Risk Management Department at Bankers Trust. He has also worked as a policy analyst at the Federal Reserve Bank of New York and at the World Bank.
Ali holds a B.A. in Quantitative Economics from Stanford University and an M.B.A. in Finance from Yale University.

Marcelo Cruz - Executive Vice President, Chief Risk Officer
Ocwen Financial
Marcelo Cruz is the Executive Vice-President and Chief Risk Officer at Ocwen Financial Corporation. He is also the Editor-in-Chief of The Journal of Operational Risk and adjunct professor at the New York University. Previously he was the deputy CRO at E*Trade and was a Global Head of Risk Management at Morgan Stanley. He was an associate Partner at McKinsey & Co, Chief Risk Officer of Aviva plc and global head of operational risk at Lehman Brothers. Marcelo was the Managing Director and founder of RiskMaths a boutique consultancy focused on risk management and strategy.

Imir Arifi - Senior Vice President, ALM, Operational Risk and PPNR Model Validation Manager
Regions Bank
Imir Arifi is Senior Vice President, ALM, Operational Risk and PPNR Model Validation Manager at Regions Financial Corporation.
Imir leads validation of mission-critical models focusing primarily on Market Risk, Operational Risk, and PPNR frameworks within the Model Risk Management and Validation Department of Regions Bank in Birmingham, Alabama. He has over 16 years of diverse business expertise covering various risk functional areas and products at large financial institutions. Imir has joined Regions in August 2014 from JP Morgan Chase & Co, after 7 years of supporting the Commercial Bank as well as the Commercial & Investment Bank divisions in various capacities including Quantitative development, Risk management, and Treasury functions. Prior to joining JPM, he worked as a senior quantitative developer at the Federal Home Loan Bank of Chicago. Imir started his professional career at ABNAMRO North America, where he served in Capital Markets and Treasury roles, including supporting the ALCO committee and specializing in the valuation of interest rate derivatives. Imir holds a doctorate in Management Science with a focus on Credit Risk management from the Illinois Institute of Technology in Chicago, Illinois.

Shari Daw - Vice President, Enterprise Risk Management
Discover
Shari Daw is Vice President of Enterprise Risk Management. Ms. Daw is responsible for the company's risk management activities including: Discover's Enterprise Risk Management Framework, Risk Appetite, Economic Capital, Risk Reporting and Analytics and oversight of all risk categories, including, but not limited to Operational Risk Management. Shari joined Discover in 2013. Prior to joining Discover, she held Senior Risk Management positions at Freddie

Mac, LaSalle Bank/Bank of America and Bank One/JP Morgan Chase. Early in her career, she held a number of positions in finance and strategy at Sears Roebuck and Co. and its subsidiaries including Dean Witter and Coldwell Banker. Shari earned her bachelor's degree from the University of Illinois, Urbana-Champaign in Accountancy and her MBA from Northwestern University's Kellogg School of Management.

Dan Beck - is the Vice President of Enterprise Operational Risk
CIT Group
Dan Beck is the Vice President of Enterprise Operational Risk at CIT Group in Jacksonville Florida. Dan joined CIT in April of 2006 and the first four years were spent in Equipment Finance. In 2009 Dan was the first hire in Enterprise Operational Risk at CIT and assisted in the build out of all framework elements consistent with BCBS principles. Dan holds a bachelor degree from Seton Hall University and MBA from Hawaii Pacific University.

Marco Migueis - Principal Economist
Federal Reserve Board
Marco is a principal economist at the Banking Supervision and Regulation division of the Federal Reserve Board. Marco represents the Board at the Basel Committee's Working Group on Operational Risk (WGOR) and led analytical work on the development of the Standardized Measurement Approach (SMA). His operational risk experience also includes the examination of AMA and CCAR models of large US banks. Prior to working at the Board, Marco worked at the FRB of Richmond and Fannie Mae. Marco earned his PhD in Economics from the Massachusetts Institute of Technology.

Robert Stewart - Economist
Federal Reserve Bank of Chicago
Dr. Robert T. Stewart is an economist working in the supervision and regulation department at the Federal Reserve Bank of Chicago as a quantitative operational risk specialist.
Prior to joining the Federal Reserve System, Dr. Stewart worked for more than seven years at three different major United States banks in various roles around the quantitative aspects of consumer credit. His research interests include operational risk, credit cards, and bank regulation. Dr. Stewart earned his Ph.D. in economics from Fordham University.

Carrie M. Barranca – Head of Audit, Operational Risk
Standard Charter Bank
Carrie is an Executive Director in Group Internal Audit based in New York. She has 25 years of regulatory, BSA/AML and sanctions compliance, internal audit and credit risk management experience. Carrie joined Standard Chartered Bank in 2012 and in 2013, completed a group-risk based audit of Operational Risk comprised of five audit reports. In January 2016, Carrie was appointed the Head of Audit – Operational Risk. In her new role she developed the audit plan and scope, including country operational risk audits, conducted Group Internal Audit trainings on the Bank's operational risk methodology, performs continuous monitoring and governance activities. Prior to 2016, Carrie led many large and thematic audits and completed a BSA/AML Group Internal Audit training deck. She has also provided input to the audit plan, continuous monitoring, and introduced and led a bi-monthly US Audit Team meeting covering such topics as lessons learned. Carrie joined Standard Chartered New York Branch from the New York State Department of Financial Services, where she was a Senior Bank Examiner in the Foreign and Wholesale Banks Division focusing in particular on BSA/AML/Sanctions examinations. Prior to that role, Carrie worked for a number of international banking organizations in various roles ranging from BSA/AML and sanctions compliance, credit risk management and internal audit. She started her career at the Federal Reserve Bank of New York.
Carrie participates in many speaking engagements and authored two articles that were published in leading industry publications. Carrie holds a BS from St. John's University.

Glenn Hursh – Managing Director
KPMG
Glenn is a Managing Director in KPMG LLP's Financial Services Risk Consulting practice in the Pittsburgh office. Glenn has over 25 years of experience in the financial services industry, including 12 years in industry serving in various management and senior management positions in internal audit and regulatory compliance. Glenn also has over 13 years of experience providing enterprise risk management assessment, internal audit outsourcing and risk consulting services to several regional and super-regional financial institutions. Glenn's experience includes:

Serves as a national instructor for KPMG's proprietary ERM implementation and assessment methodologies

Serves on KPMG's global ERM Framework Methodology development team, leading the Risk Appetite work stream

Serves as a co-leader of KPMG's national financial services ERM practice.

Significant experience evaluating all aspects of an organization's ERM processes and activities in accordance with the KMPG proprietary ERM implementation and assessment methodologies

Led corporate and risk governance assessment engagements for two Top 20 U.S. Banks.

Led ERM gap analysis and internal audit assessment engagements for several Top 20 U.S. Banks and one of the nation's largest mortgage loan processors

Serves as the lead engagement managing director for a Top 10 U.S. Bank internal audit co-sourcing relationship

Performed internal audit gap analysis assessments for two regional bank internal audit departments to identify gaps against leading internal audit practices and regulatory expectations.

Other Activities

North Carolina State University - ERM Initiative Advisory Board Member

Member of National Society of Certified Bank Auditors