



The Power of Experience®

There's an App for That A Framework for Assessing Risk

Dan Miner, CTP
Principal
Treasury Strategies

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About Treasury Strategies, Inc.

Who We Are

Treasury Strategies, Inc. is the leading treasury consulting firm working with corporations and financial services providers. Our experience and thought leadership in treasury management, working capital management, liquidity and payments, combined with our comprehensive view of the market, rewards you with a unique perspective, unparalleled insights and actionable solutions.

What We Do

Corporations

We help you maximize worldwide treasury performance and navigate regulatory and payment system changes through a focus on best practices, technology, liquidity and controls.

Treasury Technology

We provide guidance through every step of the technology process. Our expert approach will uncover opportunities to optimize the value of your treasury through fully integrated technology solutions.

Financial Services

Our experience, analytic approach and benchmarks provide unique consulting solutions to help you strengthen and grow your business.



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Treasury Strategies

Financial Services Practice



We combine in-depth consulting with powerful analytical tools to transform data into strategic insights. The results provide solutions that address the needs of our clients.

We work with the following entities:

- Global Banks
- Regional Banks
- Solution Providers
- Associations

• We provide unique solutions in the following areas:

- Business Strategy
- Revenue Enhancement
- Competitive Positioning
- Market Analysis
- Sales and Product Training
- Decision Support Analytics
- Product Opportunity & Gap Analysis
- Sales Process / Training
- Operational Efficiency



T.G.I.A.T.C.

Why?



You get a
Head Start!

Carpe Diem

People are still hung up on the recession and can't see the light at the end of the tunnel

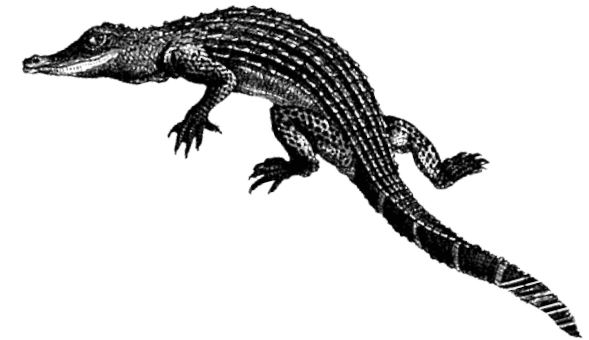
The reality is that the recovery is just around the corner

Growth opportunities abound

Don't let risk and regulation distract you from your primary mission

Or, in other words

Don't let risk and regulation bite you in the ...



What, Me Worried?

Risks are rising and changing

Regulations are growing

Regulators are especially sensitive these days

Customers expect banks to protect them

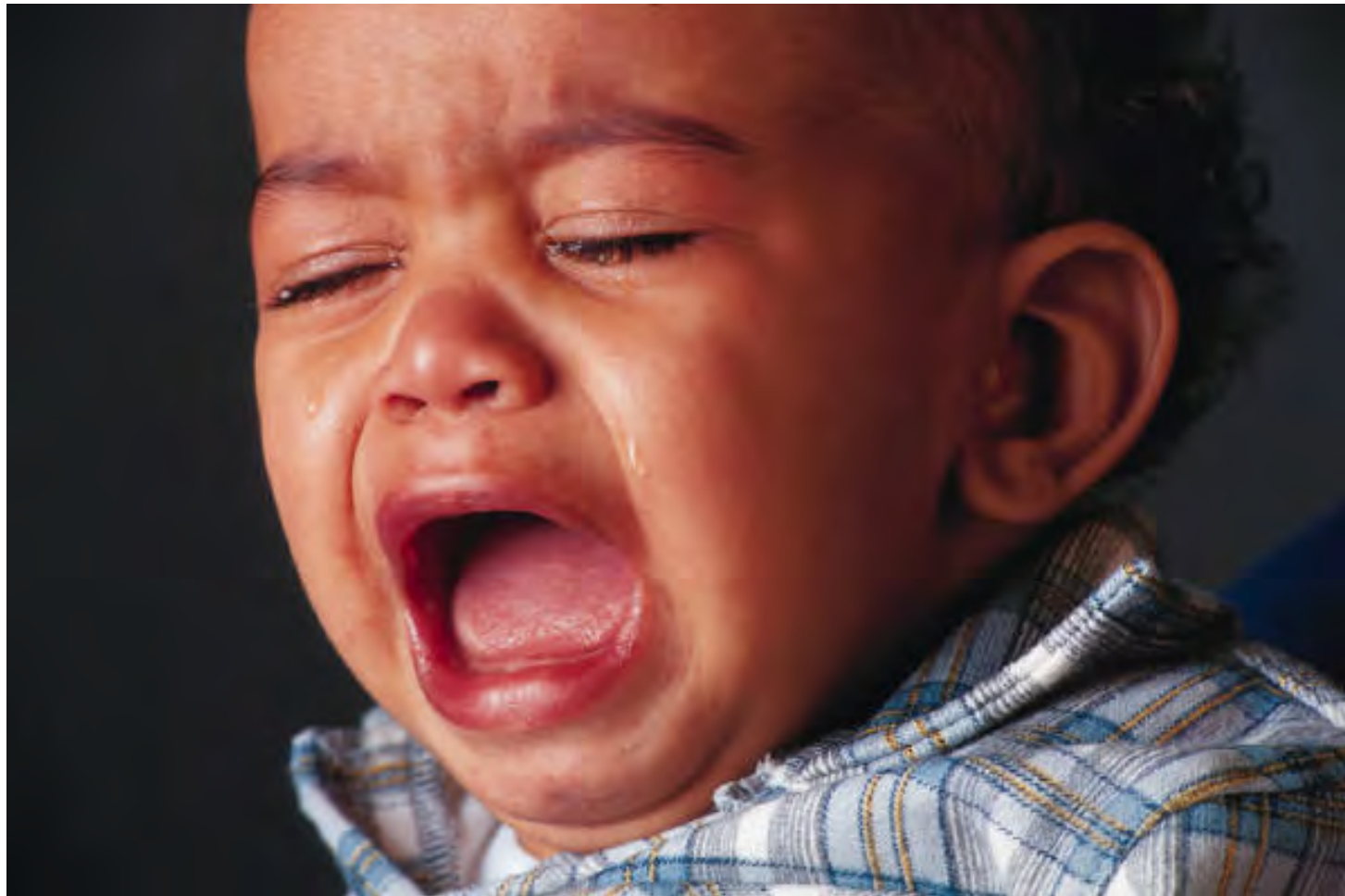
Bank executives are sensitive to losses and eager to grow the business

You Need to...

- Make the regulator's job easy
- Protect your customers
- Position for growth
- Keep your bosses happy

...But How?

Perform a Risk and Regulatory Compliance Assessment!



NO, NOT THAT!

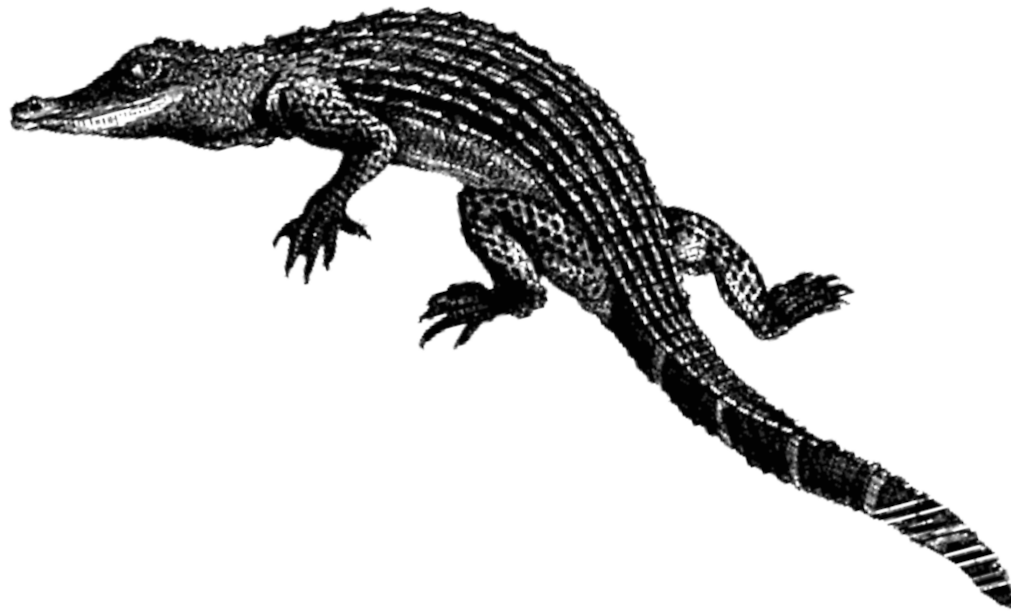
Everything will be all right...



There's an App for that!

Risk Assessment Framework

**1,006 Individual Requirements
lurking in the swamp - ready to
rise up and BITE YOU!**



In the end...

Category	Regulation / Element	Requirement	Status	Gap Description	Evidence	Gap Severity
Compliance	OCC Bulletin 2006-39	Advise Board on adequacy of capital relative to volume of ACH activity and risk associated with originators			Board report dated 10/15/2008	NA
Operating Risk	Fraud conducted by external parties	Detection of change in commercial purpose of client		No automated or periodic method to detect a firm that adopts third party sender or money service bureau activity		MED
Credit Risk	Quantification	Risk exposures quantified using relevant, objective standards		Risk exposures of debit transactions not quantified		HIGH



Example is illustrative and not drawn from any single institution.

Setting Objectives

Enhance customer experience, efficiency, ability to grow



Manage risk and comply with relevant regulations, guidance, and laws

Objectives of Risk Review

Objectives

- Ensure risk management practices are best-in-class, or at least commercially reasonable
- Manage, track, and control all risks (people in the right place, with the right skill sets, and appropriate authority)
- Ensure compliance with relevant regulations and laws
- Make it usable
- Minimize the negative client impact that risk systems often create

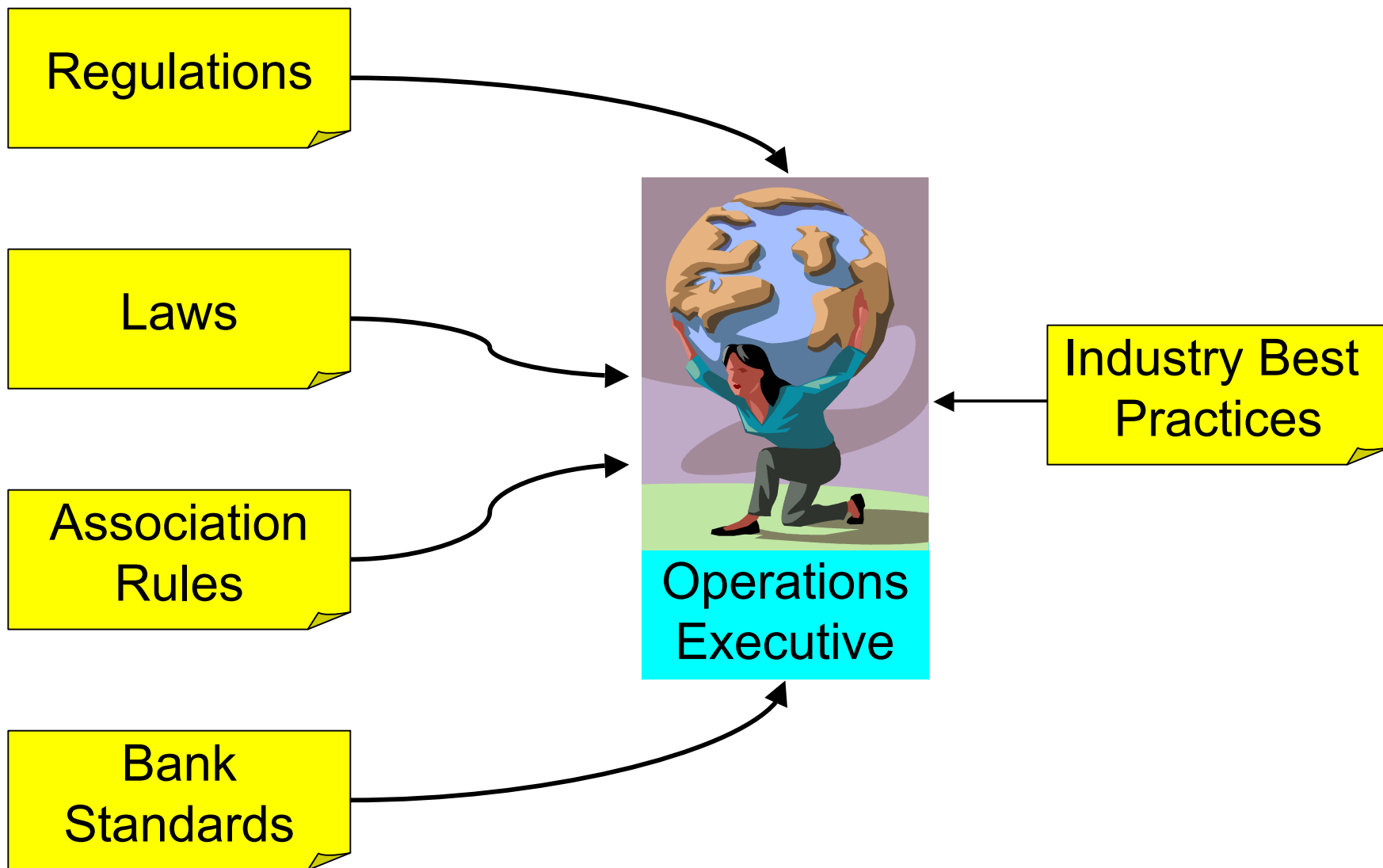
Scope of Risk Review

- Lifecycle of the customer - from acquisition, to implementation, to delivery of the service
- Key Treasury Management products
 - Check Processing
 - Controlled Disbursement
 - Business Bill Payment
 - Payroll
 - Remote Deposit Capture
 - Retail Lockbox
 - Wholesale Lockbox
 - Cash Vault
 - FX and Trade
 - ACH
 - Wire
 - Merchant Card
 - Commercial Card

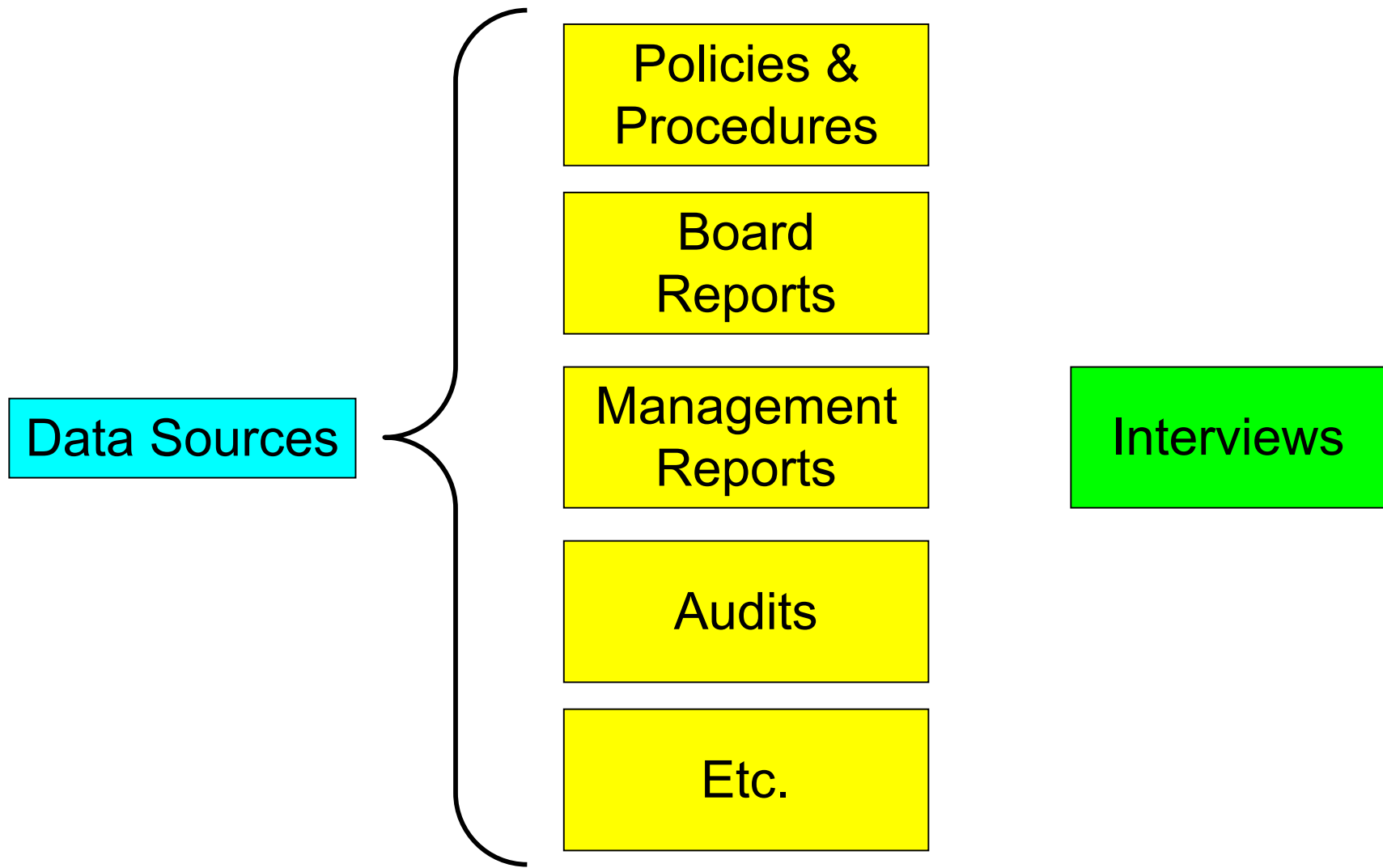
Assembling the Risk Review Team

- Treasury Management
- Legal
- Credit
- Compliance
- Operations
- Special Assets
- Audit
- IT Security
- Loan review

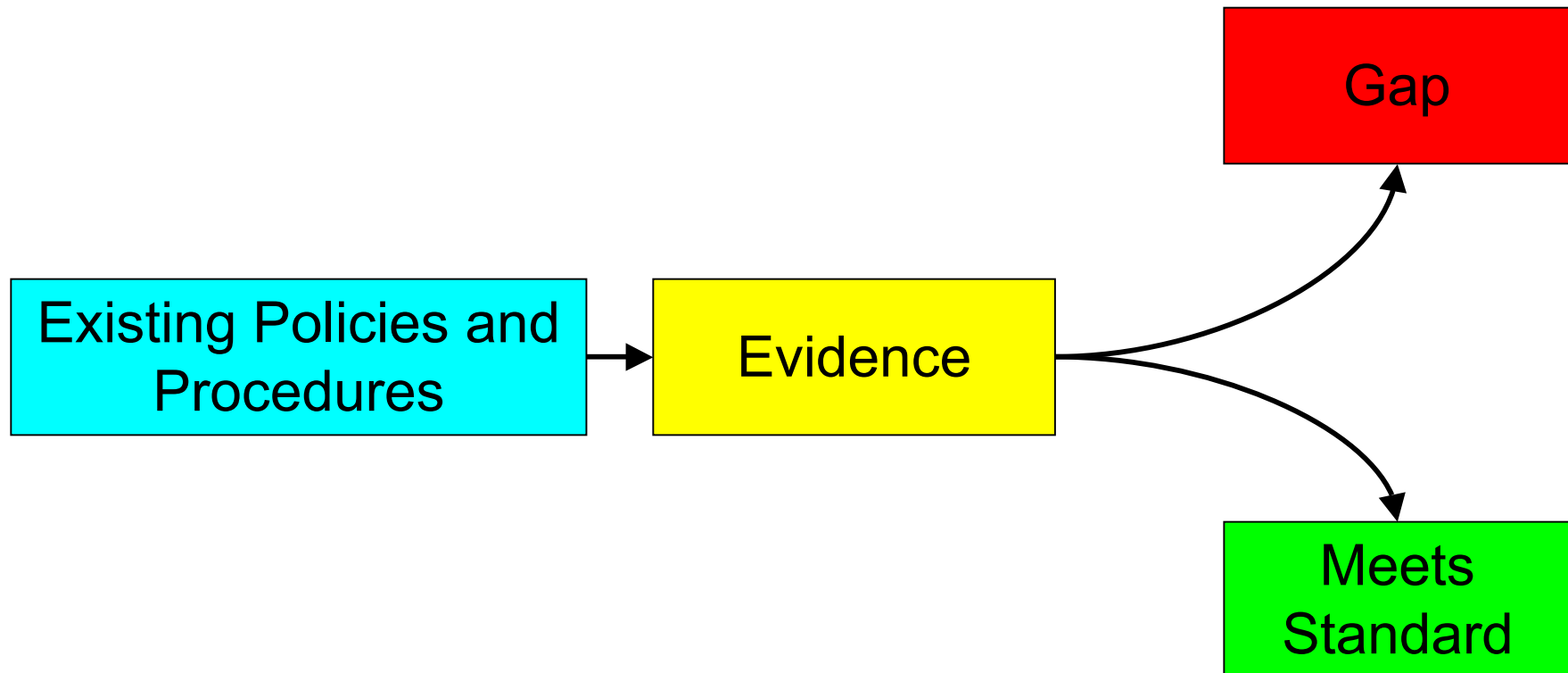
The Complex World of Regulation



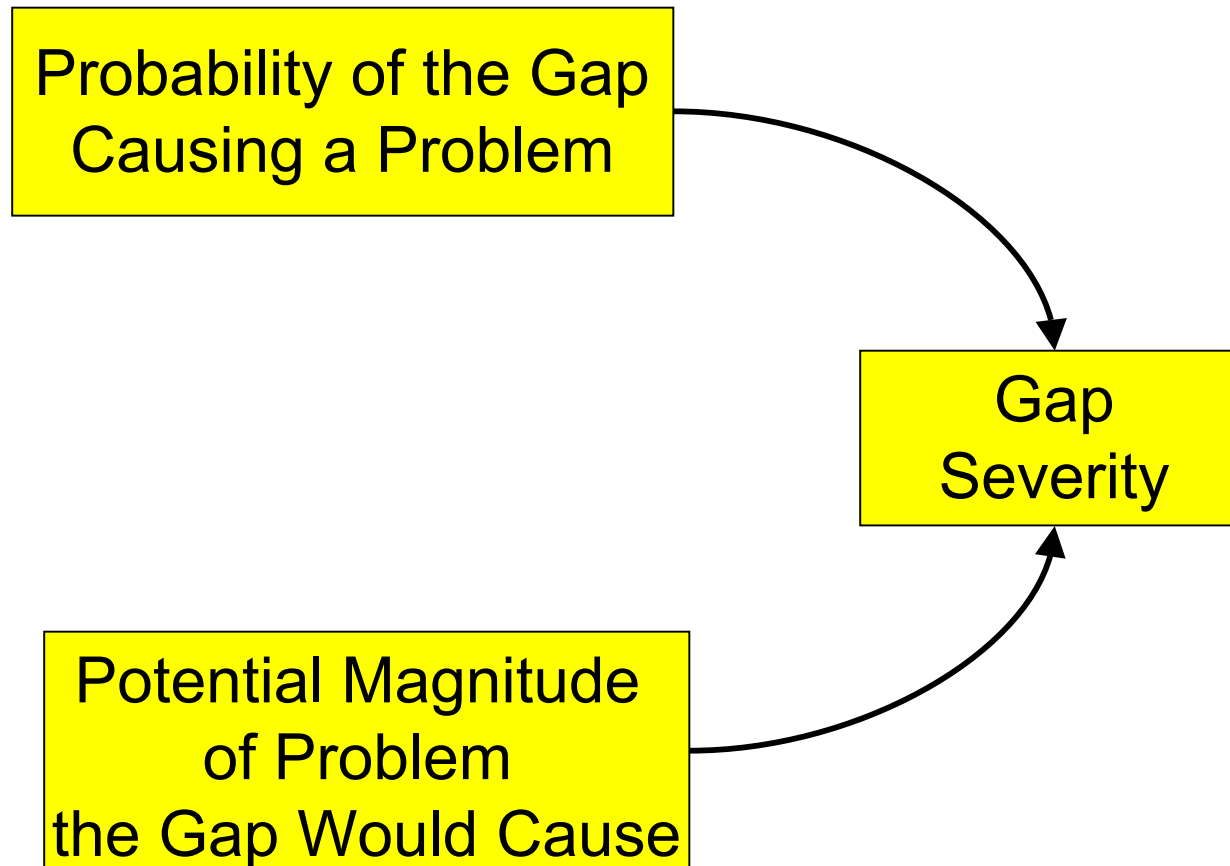
How Do We Manage Risk and Comply with Regulations Today?



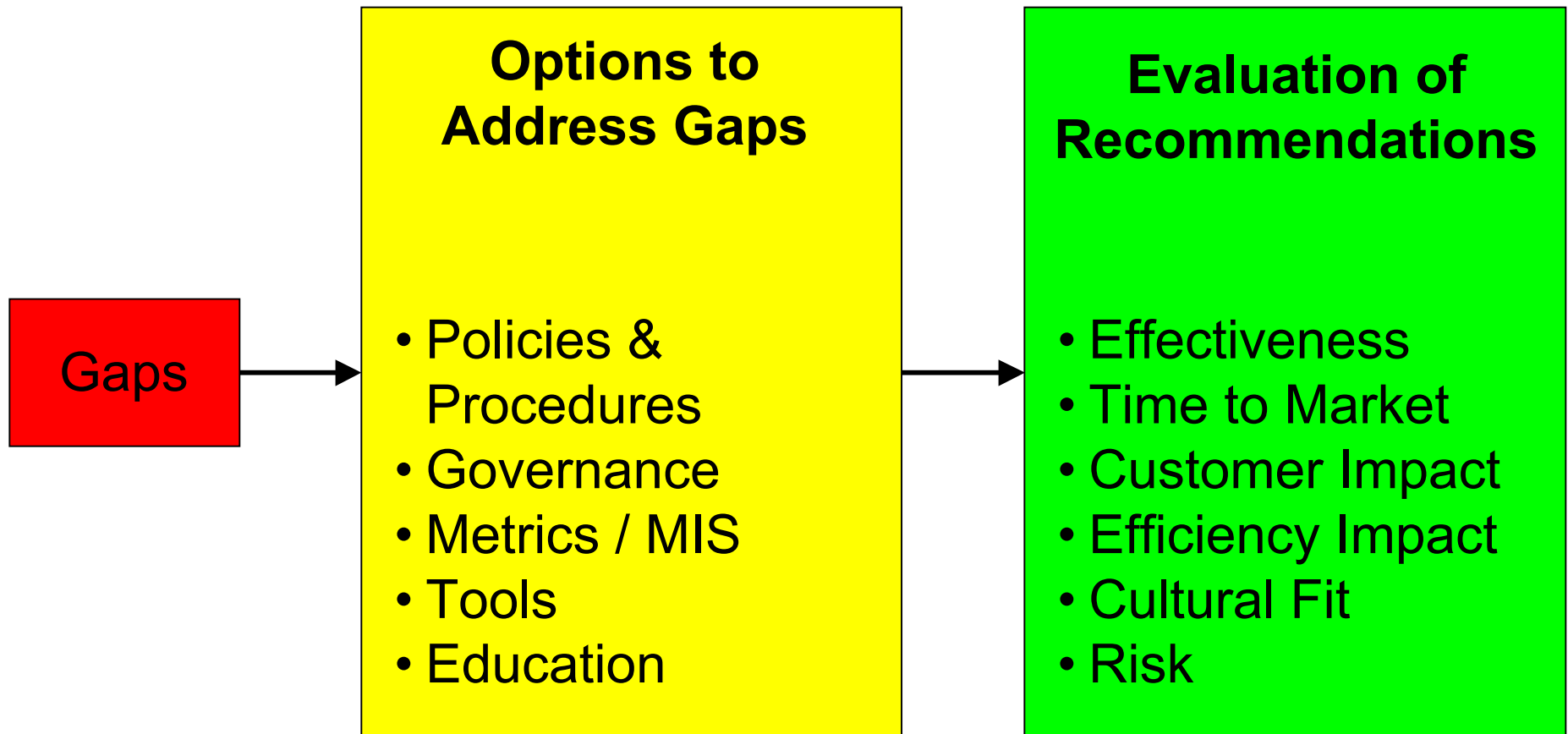
How are We Performing Against Requirements?



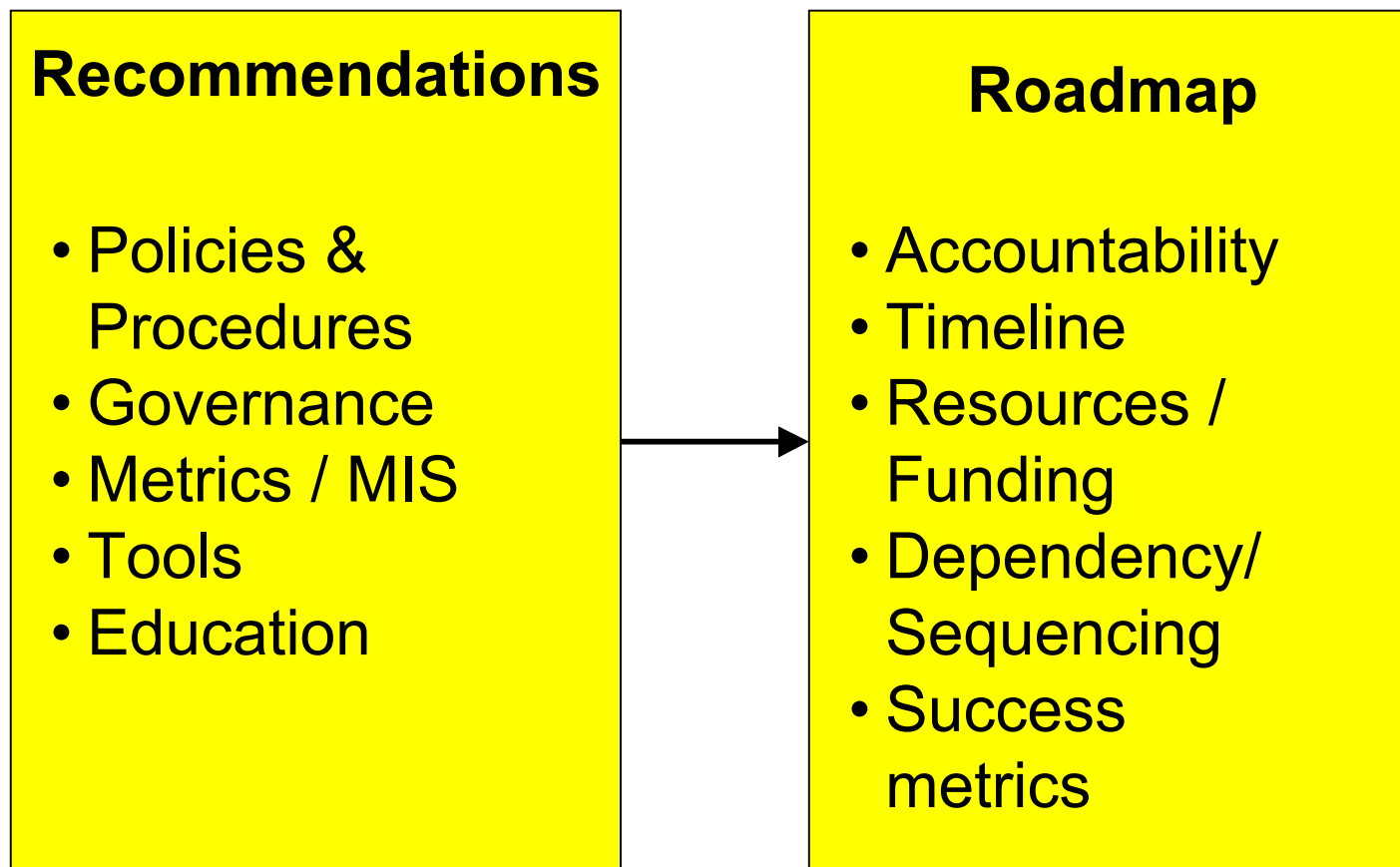
Prioritizing Gaps



Addressing the Gaps



Implementing the Recommendations



Insights - Benefits of the Process

- Process opens doors for communication among units.
- Process helps clarify responsibilities across units.
- Disciplined process ensures all relevant regulations, requirements and risk standards are surfaced and incorporated.
- Transparent and comprehensive process encourages open communication and avoids defensiveness among units.
- Fact-based process helps drive consensus for decisions.

Insights - Process Dynamics

- Regulations are dynamic - take a forward look.
- Ownership of risk management can be complex and overlapping - multiple constituents must be involved to see entire picture and create solutions.
- Strong executive leadership and support helps drive the process.
- Risk management approaches can affect the business model and the level of autonomy of the relationship manager - these issues must be carefully considered.
- Magnitude of change can be significant and requires careful planning.
- Strong risk management is consistent with strong business management - e.g., clearly defining product and business scope and target market.

Next Steps

Raise the issue with management

Get management to rally around the cause

Identify a process and get under way

Everything will be all right...



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Contact



Dan Miner, CTP

Principal

Treasury Strategies, Inc

Office 540-882-3060

Mobile 603-860-5548

Dan_Miner@TreasuryStrategies.com