



XLoD[®] Global

LONDON

15-16 | Nov | 2023

POST EVENT REPORT

**An Enterprise-Wide View of Non-Financial
Risk across the 3 Lines of Defence**

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XLod Global London
at a glance:



677
Attendees



9
Regulatory
Speakers



30
Sponsors



109
Managing
Director level
speakers



66
Networking
Sessions



50
Conference
Sessions



>50%
new speakers

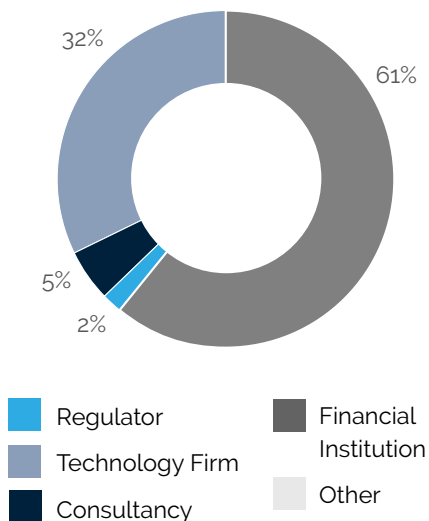


74%
App use for
networking
by delegates

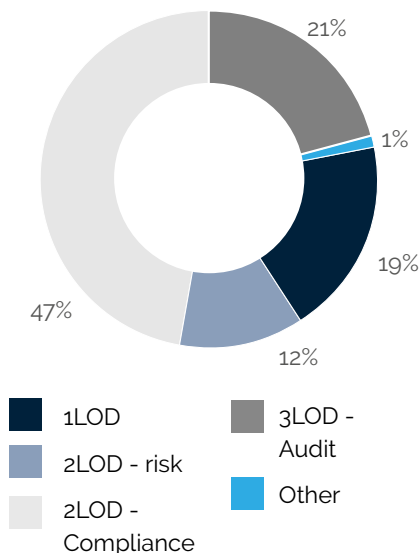
Key takeaways:

- Regulatory burden related to non-financial risk management will increase to unmanageable levels over the next three to five years, and regulators will investigate any issues of 'disinvestment in controls'
- Regulators are now focused on execution over plans, as otherwise firms cannot deliver their desired outcomes
- The turbulence of 2023 has created a greater focus on culture and people, and an enterprise review of control effectiveness
- Culture is seen as the consequence of purpose, and people align their behaviours to their perceived objective. If firms are looking at desired outcomes, they should look fundamentally at their culture
- Managing newer, emerging risks requires the 3 lines of defence to make significant adjustments to their people, processes and technology
- The 1st line risk and control function is seen as too small to perform its duties effectively and efficiently
- AI has arrived with an explosion, but only for low-complexity challenges, and 57% of firms are still exploring the use cases for new generative AI
- Constraints in resources and budgets prevent surveillance coverage from expanding beyond the regulatory minimums, but investment is increasing
- There are major gaps in comms surveillance coverage because of the proliferation of channels
- ESG remains the biggest reputational risk challenge facing organisations

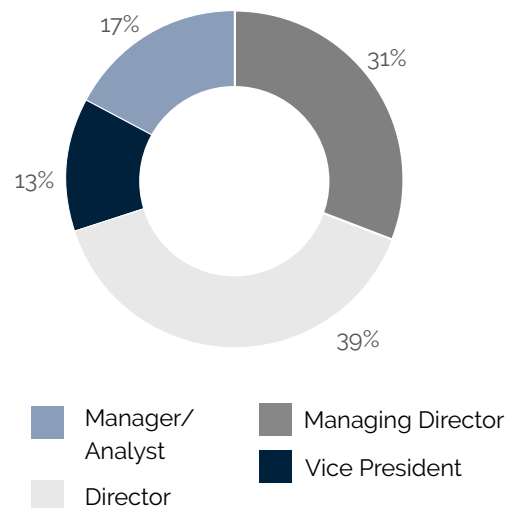
Delegate profile by type



Financial institution delegate by line of defence



Financial institution delegate by corporate title





View highlights from XLoD
Global London

Are your 3 lines prepared for a bumpy 2024?

XLoD Global – London attracted around 700 senior practitioners from 1st line risk and control functions, 2nd line compliance and risk units, and 3rd line audit teams over two days in November. They reached several important conclusions in the course of XLoD Global's panel and roundtable discussions.

First, it's time to update your stress assumptions:

Non-financial risk stresses are at an all-time high across the board so firms must focus on resilience in 2024. Attendees said they were worried about economic volatility, which increases risks and budget pressures, as well as the accumulation of geopolitical flashpoints, which cause unpredictable spikes in all non-financial and financial risks, including sanctions and AML.

Second, regulators will not let up:

In their words 'execution trumps plans every time'. Get your risk assessments right, build the appropriate controls, and if the regulators see 'any issues of disinvestment in controls', they will investigate. So, if budget pressures or technology strategies are tempting you to reduce the coverage or scope of your non-financial risk management, think again. Regulators added that they want to make non-compliance more expensive than compliance. If that means big hikes in penalties, especially for repeat offenders, then that is what will happen, particularly in the US.

Third, don't de-emphasise the 2nd line:

Plenty of 1st line professionals spent 2023 questioning (in private!) the role and value of the 2nd line. Again, the regulators are watching: they repeatedly stressed the significance of the 2nd line check and challenge, and do not want to see it diminished.

"A flagship event that gets stronger each year, the topical agenda and strong speakers drive attendance and audience engagement."

DOMINIC HIRONS, CCO, EMEA, CITIGROUP



And finally, AI – both generative and 'classical' – is not the future, it's the present:

But perhaps not quite in the way the hype suggests. One large bank identified more than 1,000 use-cases for AI which are either being used or are in the pipeline. But in common with most participants, this institution is more focused today on the use of AI to improve workflows, remove manual processes, improve customers' experience and generally boost efficiency. The more sci-fi analytical and predictive roles for smart tech have not been realised. But business-driven internal IT teams and the external technology providers are moving quickly. Banks' governance, model risk and ethics frameworks will need to keep up.

XLoD Global – London hosted a series of insightful interviews, including with Colin Bell, CEO of HSBC Bank plc and The Rt Hon Liz Truss MP, Former Prime Minister of the United Kingdom.

Liz Truss discussed her experience during her years in ministerial office and her perspective on leadership. For those who believe in the transformative power of government it was depressing. Legislation takes too long, politics attracts the wrong people because it pays too little and rewards the wrong things, and we have a decade to save the West. Accountability in government, as in business, is not embraced fully by those who have the most power in the building, at least nominally. That said, her optimism and apparently undimmed desire for change were a reminder that it is the unreasonable and indefatigable who move the status quo.



One of the key themes to emerge during the conference was the complex and evolving nature of risk management in the financial sector, which reflects greater regulatory scrutiny and changes in non-financial risks. Risk management today includes technology, culture, and the structural dynamics of the 3 lines of defence.

2023 was marked by high-profile bank failures and geopolitical tensions. Panellists noted the heightened levels of risk in the financial and non-financial sectors and called for an increased state of alert in risk management.

The culture within an organisation is fundamental to the management of risks. The downfall of an institution such as Credit Suisse can be attributed to a detrimental change in its culture. Speakers at XLoD Global agreed that a robust risk-management culture is essential for navigating the complexities of the financial world.

The use of technological innovation, particularly AI and data analytics, in non-financial risk management presents important opportunities for the 3 lines of

defence. One vendor said: "getting the basics right leads you to information, and information allows you to make faster and more efficient decisions. And that leads you to the point where you can innovate." Panellists agreed that leveraging technology for risk management improves efficiency and paves the way for better decision-making.

Attendees diverged over how they allocate responsibilities and resources across the 3 lines of defence. The industry has not agreed on a standard, one-size-fits-all model for risk management because each firm must tailor its approach to its own risk profile, structure, and business strategy. However, institutions share many similar challenges and are under pressure to achieve more with less.

XLoD Global discussed the importance of clear role demarcation and collaboration between the 3 lines of defence. Participants cited the senior managers regime in the UK as a framework that helps to define individual accountabilities and roles and which, in turn, promotes efficient risk management. While each line has distinct responsibilities, their roles are inter-dependent and require close coordination.

"A fantastic event over the two days. Really appreciate the effort everyone put in. Good debates, good panels and impressive speakers. XLoD Global is the leading industry event for risk, compliance surveillance and controls."

MUKESH HALAI, TRADE AND COMMUNICATIONS SURVEILLANCE LEAD,
NATWEST GROUP

With the ongoing evaluation of effectiveness and efficiency of the 3 lines model, internal audit functions could right-size themselves based on the risk coverage necessary for the organisation. Participants agreed that audits need to be more analytical, focusing on business and process analysis.

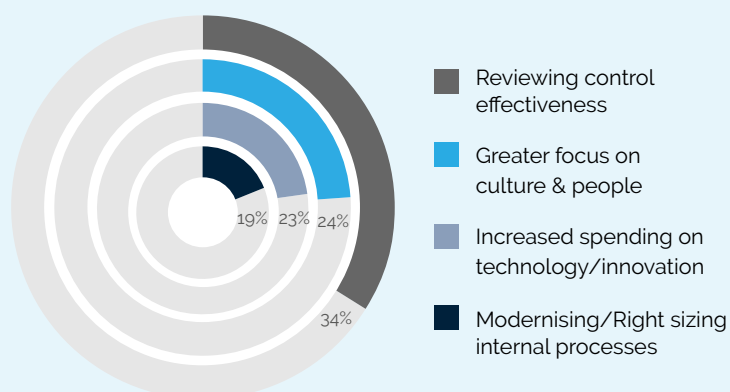
The panel agreed that the financial sector must be more agile in its response to emerging risks, identifying and responding to immediate threats and engaging in scenario planning for potential challenges.

Banks need to invest in innovations such as AI and data analytics at a time when budgets are under pressure. Speakers across the 3 lines stressed the importance of making strategic choices about where to invest and of presenting the business case for investing in technology.

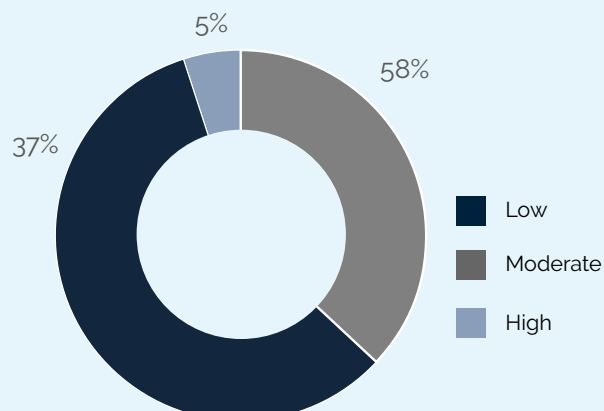
Panellists noted that the efficiency of the 3 lines of defence had improved, but saw room for growth. Banks must get the basics right, providing the foundation for more advanced innovations and efficiencies.

Speakers shared a sense of cautious optimism mixed with realism when discussing the future. The discussion concluded with an emphasis on the need for resilience in the face of uncertainties, and the continuous evolution of risk-management practices to adapt to an ever-changing financial landscape. A holistic approach – blending culture, technology, and structural efficiency in the 3 lines of defence – is essential to the better management of risks in the future.

What is the biggest effect the events of 2023 have had in how banks view their risk functions:



At my firm, I consider the overall efficiency levels of the 3 lines of defence to be:



"Thank you for 2 days of great discussions about risk and compliance in financial services firms. As a first time sponsor of the event, it was a unique experience for us at #Microsoft to participate with speakers and an exhibitor booth. Thanks for all the connections and for taking so much care of us."

BERND VELLGUTH, SPECIALIST FOR RISK MANAGEMENT AND COMPLIANCE, MICROSOFT EMEA



The Continued Expansion of Regulation: Navigating New Challenges and Expectations

Regulators are adapting to emerging risks and paying close attention to market volatility, the impact of social media on markets, and the challenges of global market correlation. One regulator said its strategies include more surveillance in fixed income and commodities, and a push for common data standards to enable effective data-sharing.

Other regulators said they followed all-hands-on-deck approach, with the creation of a 'Hot Topics Committee', focussing on AI's impact on member firms and the supervision of associated persons, especially in the context of unapproved technology use.

Regulators stressed the importance of data-driven supervision, and mentioned AI's growing role across different areas of regulation. In addition to the proactive management of emerging risks, regulators must tackle the challenges brought by the interconnectedness of global markets, particularly in liquidity risk and valuation in asset management.

Reflecting on recent bank failures, regulators agreed that these offer specific lessons and reaffirm known risk-management principles. Regulators from the US and EMEA noted the need to act in a coordinated, timely manner during a crisis, and recommended having an appropriate crisis communication strategy.

Half of attendees at XLoD Global said that a lack of clarity of regulatory expectations is what frustrates

financial institutions the most. Regulators were quick to address these concerns, acknowledging the complexity of markets and the difficulty of balancing flexibility with compliance. They also stressed the importance of industry dialogue in shaping regulatory approaches and managing the tension between providing clarity and fostering innovation. One regulator said, "If you don't talk to us, we don't know what your troubles are, and we don't know what your challenges are. We could give you a sense of what's wrong or what's bad. But we are not necessarily the ones to tell you how to actually run."

The regulatory conversation then shifted to specific areas including ESG, resilience, and digital assets. Regulators discussed the political nature of ESG and its evolving discourse, and expressed cautious optimism about AI and the need for strong international cooperation in regulating crypto and digital assets. Regulators identified the need for interoperable frameworks in ESG and a supportive stance towards blockchain technology in the wholesale area.

Once again, culture was described as a top priority. Regulators have begun to look at the key drivers of behaviours which are likely to cause harm, including a firm's purpose, attitude, leadership, and key processes, to understand how these affect its corporate culture. One regulator stressed that when it came to governance, their assessment focused on effectiveness, not merely design. The regulators at XLoD Global discussed different approaches in the US and Europe, acknowledging the nuances in regulatory expectations and the challenges in assessing organisational culture effectively.

"The format, content, and organisation was superb. The event was first class for sharing insights, absorbing peer sentiment on emerging risks and networking effectively. Many thanks!"

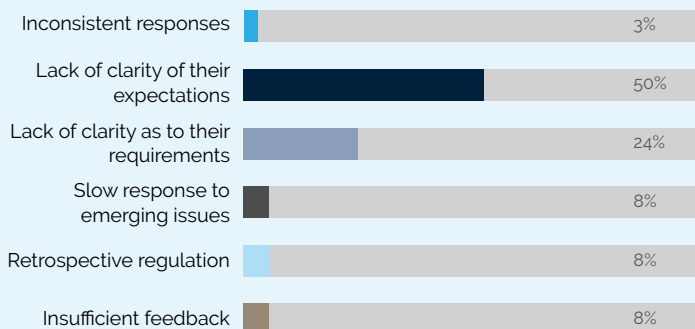
KATE LARSON, PROGRAM SR GROUP MANAGER, CITIGROUP

"A fantastic opportunity to get a holistic view of controls and risk trends across the industry. Great panels and key speakers!"

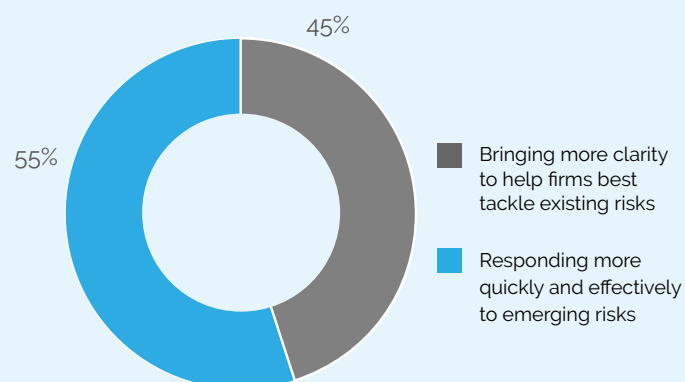
MARILI ANDERSON, CHIEF COMPLIANCE OFFICER, WILLIAM BLAIR



What frustrates you/your firm most about regulators?



Do you think regulators should focus more on:



The regulators explored how they can provide certainty while remaining dynamic, agreeing on the need for open communication between regulators and the industry and stressing the importance of understanding the practical implications of regulatory decisions on businesses.

View Sheree Howard's, Executive Director, Risk & Compliance Oversight, Financial Conduct Authority (FCA) Opening keynote address





The Opportunities to Leverage AI within Risk Functions Today

It was hard to avoid the AI zeitgeist at XLoD Global - London. The AI closing plenary panel kicked off by describing the key differences between traditional and generative AI. One speaker noted one institution's implementation of more than 1,000 AI use cases, ranging from ATM operations to AML risk-mitigation. He stressed the importance of understanding the safe, responsible, and ethical application of generative AI, a technology whose full potential is still to be achieved.

From a risk and control perspective, one practitioner acknowledged the significant role that AI has played in fields such as fraud detection and financial risk reporting, but pointed out the need for caution in unleashing generative AI on unstructured data because of the potential regulatory risks.

Banks need to manage expectations and understand the implications of AI at all organisational levels (including the board) before implementing the technology. One institution noted an approach involving practical use cases and an AI council to guide AI adoption while considering data integrity and bias.

However, what came across in conversation was the sense of optimism about AI. One speaker stressed the effectiveness of AI in tasks such as security identification, transcription of voice recordings, and systematic surveillance. These applications improve efficiency and risk identification without entirely replacing the human element.

Members of the panel also focused on the limitations of generative AI in prediction. One speaker said that while AI shows promise in areas such as weather forecasting, its predictive accuracy in complex financial scenarios is still limited. The panel concurred on the need for organisations to be agile and responsible in adopting new technologies.

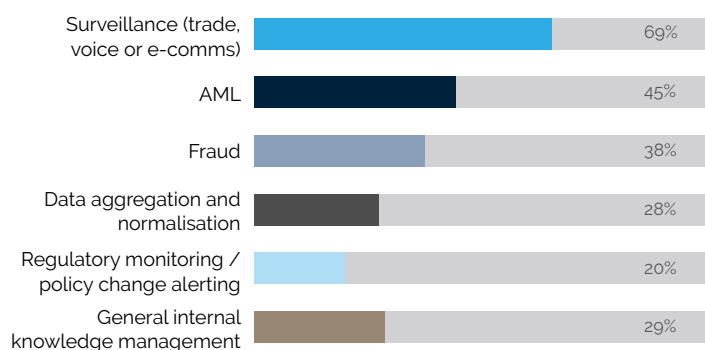
The speakers at XLoD Global recognised the challenges of using AI, including data quality, governance frameworks, and the evolving nature of AI technologies. They agreed that departments need to collaborate and that organisations must adapt to keep pace with technological advances.

One speaker urged the audience to actively engage with AI tools because of their value to organisations, underscoring the shared responsibility when it comes to harnessing AI's potential for positive transformation.

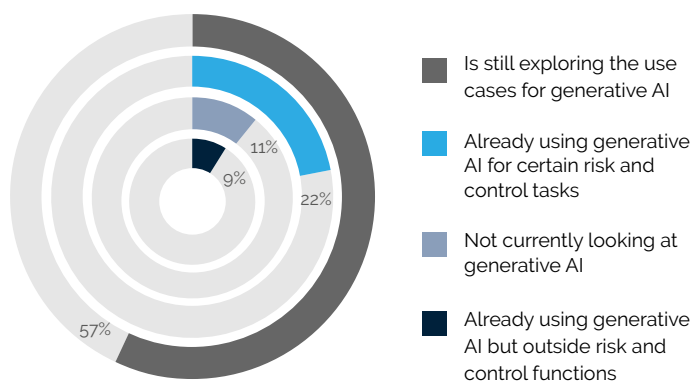
The panellists were optimistic about AI's future role in risk functions, citing its potential to transform traditional practices. However, they also stressed the need for a balanced approach, considering both technological capabilities and the regulatory landscape. AI will have a transformative impact across various functions, from operational efficiency to complex risk assessments. While AI's predictive abilities must improve, its current applications are proving beneficial in enhancing risk functions. The importance of understanding AI's limitations and potential demand a collaborative and informed approach to its implementation.



My organisation is already using AI in:



Our firm is:



“This is an amazing event that covers the 3 lines in many ways. It’s educational, entertaining and provides a wide show case of vendors for any gaps that you may have in your business.”

JONATHAN GILKES, TRADE SURVEILLANCE OFFICER, MUFG





Breaking Barriers: Senior Female Leadership across the 3 lines of defence

The financial services industry must embrace diversity and inclusion. Former UK Prime Minister Liz Truss told XLoD Global – London it was sexist to assume that all women leaders automatically have a positive impact. But by failing to address gender balance at the top, banks may have limited their opportunities to do better.



"It was great to connect with so many accomplished and senior risk and control professionals across the 3 lines of defence at XLoD Global London 2023. The interview with former PM Liz Truss was certainly one of the highlights of the event!"

CUMHURIYET SERBES, VICE PRESIDENT / AUDIT MANAGER,
CITIGROUP

"XLoD Global attracts exactly the right audience. Roundtable discussions with industry leaders drive actionable insights leading to increased confidence in our product direction."

DAVID SCOTT, SR. DIRECTOR OF PRODUCT MANAGER,
VERITAS

Senior female leaders at XLoD Global – London described some of the obstacles they faced in reaching the top and recommended the following:

- **Take risks and embrace new opportunities:** This is key to career advancement.
- **Embrace mobility:** Be willing to follow the jobs, even if this clashes with traditional expectations about gender roles. Several female panellists said a move overseas helped them gain experience.
- **Ambition and planning counts:** To be a leader, you must want to lead. You must also define your leadership objective ('I want to make partner') and plan what you must do to achieve it. For each job you take, ask yourself 'What experience can I gain now to position myself for the next role? What is that next role? How does it fit with my overall plan?'
- **Hone your negotiating skills:** Many of the senior female leaders at XLoD Global said they had been poor negotiators when they started their careers. Their advice? Be bolder – because men are. More subtly, make conscious decisions to negotiate over responsibilities, positions and compensation.
- **Preserve your authentic self:** Don't pretend to be interested in football, rugby or networking down the pub after work if you aren't. "Find a way to network and meet people that you are comfortable with as a person. I don't do a lot of networking outside of the office, I do it during the working week, but I also realised quite early on, I like doing it one on one, so I rely more on that," said one female 2nd line head.
- **Maintain your wellbeing by maintaining your boundaries:** One female leader said: "I'm really, really strong on boundaries. I've got two young girls. So, I've been very clear throughout my career that I am mummy first... I set my boundaries very, very clearly. I leave every day at five and I will only change my boundaries for truly important meetings. I've been doing that for the last 11 years."
- **Sponsorship, coaching, reverse mentoring:** Many female leaders stressed sponsorship over mentoring. The latter can be seen as passive while sponsors will "advocate for you in ways that you don't even know because you're usually not in the room when the important conversations are happening," said one panellist. "One of the things I've found the best is the sponsorship that I had at my first place of work. I had men sponsoring me and I was reverse mentoring them. I thought it was important that they didn't just try to create opportunities for me, they needed to understand what it was like to walk in my shoes to then make those opportunities workable. "
- **Don't be afraid to reject the wrong roles, no matter how big:** "Many times I was presented with opportunities that weren't right for me," said one female leader. "These were global roles that I didn't want at that point in my career. And the men would sometimes look at me like, "what are you doing? We are giving you this massive opportunity."
- In short, build up your confidence, prepare well, and be yourself.



1st Line's Strategies for Effectively Managing the Expansion of Non-Financial Risks

Speakers from the 1st line at XLoD Global agreed that integrating NFRs into risk frameworks is conceptually appealing, but practically challenging. They emphasised the need for subject matter expertise across different risk types (such as cyber risk) and political complexities (for example, in ESG). There is a language barrier between different risk types, hence a need for more education and awareness.

Banks face significant challenges in standardising frameworks and operating models across disparate risk types. This stems from the need for specialised knowledge in each risk area. For example, cyber risks require detailed knowledge and compliance understanding that differ significantly from traditional financial reporting risks. The majority (91%) of attendees said that the ability to adapt risk frameworks and processes to manage new non-financial risks was either poor or average.

For effective embedding of NFR considerations in day-to-day activities, speakers highlighted the importance of educating the workforce, particularly in 1st line roles, about new risks. They discussed the need for a common language to articulate risks within the

framework, ensuring that business heads understand their role as risk owners. Strategies also involve integrating risk considerations into business processes such as product development and client interactions.

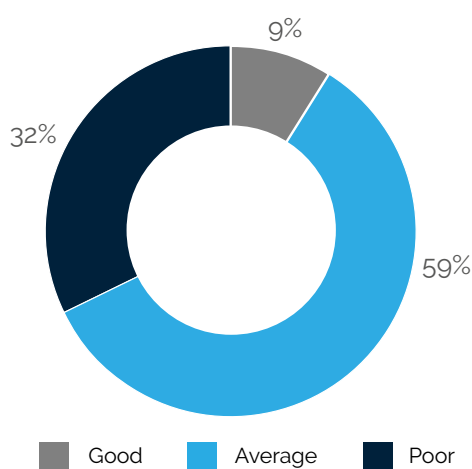
Practitioners discussed the need to focus on foundational technologies before exploring advanced solutions such as generative AI. They emphasised using technology to enhance what is already being done well, such as improving workflows and data visualisation. The aim is to balance technology with data, process, and people aspects of the risk-management framework. While integrating and managing NFRs is complex and challenging, it's a necessary evolution in the banking sector. Continuous improvement, education, and leveraging technology are key to successfully managing this expansion. The focus should be on embedding these practices across the organisation and ensuring that they align with regulatory expectations and business needs.

"Every year, XLoD Global keeps setting the bar higher. A full 2 days of bringing the entire financial industry together with insightful discussions where there is something for everyone and everyone is included. The quality of this conference is top class."

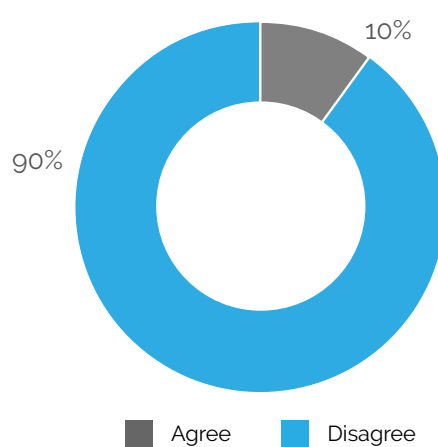
IRENE REY, GLOBAL DIRECTOR, CONDUCT AND CULTURE, TD SECURITIES



In my firm, the way that we adapt our risk frameworks and processes to manage new non-financial risks is:



I think my firm's risk management framework is streamlined and efficient:



Priorities for 2024:

Looking ahead to 2024, practitioners from the 1st line identified several priorities:

- **Consistency in Application:** Ensuring consistent application of 2nd line frameworks across different business units to enable meaningful risk aggregation.
- **Leveraging Utilities:** Using internal utilities more effectively to streamline duplicated activities and focus on emerging risks.
- **Enhancing Supervision:** Strengthening the role of supervisors in using the tools and frameworks provided to understand and escalate risks appropriately. The majority (91%) of attendees agreed that it was the role of the supervisors to promote internal culture and that they must have the essential tools at their disposal.
- **Embedding Enhancements:** Fully embed recent enhancements and developments in the risk framework across the organisation.



The Evolution and Challenges of Surveillance in Financial Markets

In the ever-evolving landscape of financial markets, the role of surveillance in compliance and risk management is a topic of significant importance.

A key topic at XLoD Global was where best to place surveillance functions within financial institutions. Some said these teams should be put within the 1st line of business risk management, while others argued for their inclusion in the 2nd line of compliance. A compromise solution, referred to as the 1.5 model, suggests a hybrid approach, combining resources and controls from both lines. However, participants agreed that the effectiveness of surveillance transcends its organisational location. The essential elements, they noted, are clarity in responsibilities, specialised capabilities, and well-defined operational boundaries. More than two thirds (69%) of attendees favoured the 2nd line for its perceived independence in surveillance operations.

Attendees discussed concerns about the perceived ineffectiveness of the 2nd line in monitoring market abuse and meeting regulatory expectations. Speakers noted that while surveillance has faced criticism in the past, this largely stems from the challenges associated with building surveillance functions, including dealing with inadequate data and legacy tools. They highlighted the complexity of surveillance and the need for a comprehensive understanding of its intricacies. The introduction of the Senior Managers and Certification Regime (SMCR) has introduced personal accountability and requires a high degree of trust in senior managers across various organisational segments.

One of the hottest topics for discussion was the role of advanced analytics and AI in the future of surveillance. It is hard to ignore the transformative potential of AI in surveillance, but the integration of further AI into surveillance programmes is still unfolding. While AI can enhance efficiency and improve the detection of anomalies, complete reliance on this technology for surveillance remains a distant goal. The consensus was that AI, at its current stage, cannot guarantee 100% detection of market abuse, partly because of ethical considerations and data privacy regulations. Therefore, continued investment in both AI and traditional surveillance methods is crucial for developing a robust surveillance strategy.

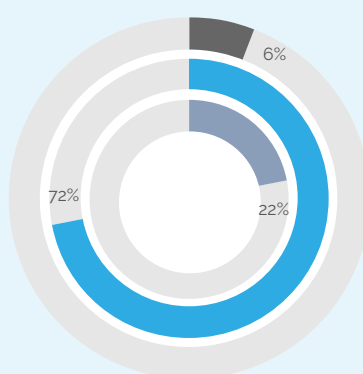
Attendees discussed the challenges and prospects of surveillance in financial markets. Surveillance practitioners stressed the importance of continuing to invest in technology, especially AI, to keep pace with sophisticated market manipulations. However, they also recognised the limitations imposed by regulatory frameworks and existing technology. A collaborative approach involving various stakeholders – including compliance officers, technology providers, and representatives from both the 1st and 2nd lines – was deemed essential for evolving effective surveillance strategies.

"Thank you XLoD Global - two days of insightful experiences. A huge agenda of panels and roundtables to bring the audience together to challenge and discuss the future operating model across all lines of business, and absorb the collective experience of leaders and innovators with many different backgrounds. Now to use these new ideas in the 1st line to plan our activities and use our diversity to continually succeed through the changes and opportunities the future will bring. Always good to catch up with old friends, make new acquaintances, and share this unique experience with global colleagues."

CATHERINE CROUCH, HEAD OF REGULATORY CONTROLS,
SANTANDER

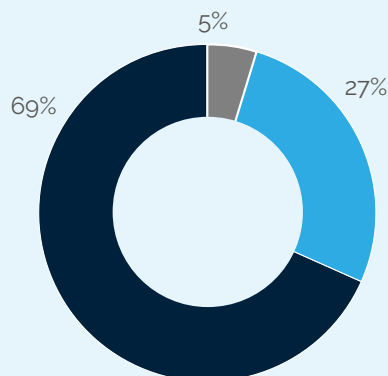


Have we reached a level of technological capability that allows AI to perform initial reviews that have traditionally been carried out by human operators; such that only machine 'pre-qualified' events will require human review:



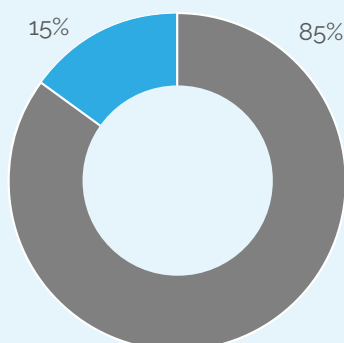
- Yes - we are already deploying this model and expect to reduce or redeploy human capacity over the next 24m accordingly
- Partially - but only for lower complexity challenges so we will continue to operate with similar levels of human capacity
- No - the efforts to configure and tune AI for compliance risk management use cases remains too high to generate positive return on investment

Where do audience members view to be the 'optimal' organisational location for surveillance:



- 1LOD
- 1.5LOD
- 2LOD

Can those directly responsible under SM&CR feel comfortable that if surveillance reporting lines are independent that they can/should be held accountable for any issues not surfaced by such:



- No - those closest to the risks should be responsible to design and implement controls
- Yes - independence is key to ensuring that conduct risk is managed appropriately



Future-Proofing the Internal Audit Function

Discussions at XLoD Global underscored the importance of future-proofing the internal audit function through the adoption of technology, continuous learning, regulatory engagement, and cultural understanding. As financial institutions navigate the complexities of the digital age, internal auditors must make sure they have the necessary tools, skills, and mindsets to provide effective assurance and contribute to the organisation's long-term success.

Attendees from internal audit functions agreed that technology and data analytics would play an important role in future-proofing the internal audit function. As banks adopt more digital processes, auditors must have the tech skills to audit these complex systems effectively. The transition involves a shift from traditional audit methods to the embrace of data analytics and a greater understanding of digital processes. Attendees commented on the adoption of a 'hub and spoke' model, integrating a central team of data scientists who facilitate training and the sharing of knowledge across the organisation.

Much emphasis was placed on fostering a culture of adaptability and continuous learning within internal audit teams. The concept of 'smart auditors' shows the need for auditors to have operational skills, technology insights, and acumen when it comes to data analytics. This approach goes beyond certificates and badges; it focuses on developing a holistic skillset aligned with the demands of the digital era while paving the way for a better partnership with the 1st and 2nd lines.

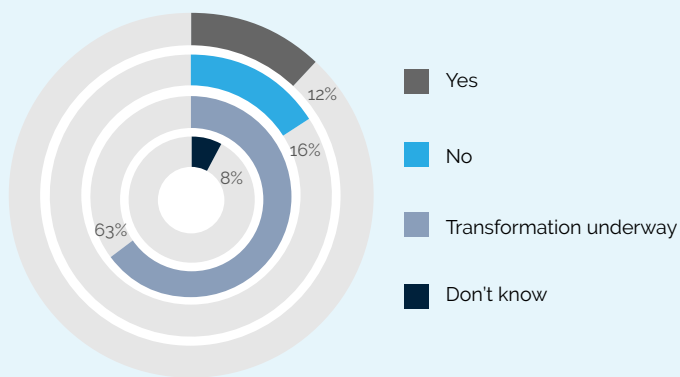
Regulatory changes are a constant in the financial sector, and internal audit functions must stay ahead of developments. Attendees discussed the importance of scanning the horizon for regulatory changes, engaging proactively with regulators, and using external information sources. By being proactive, they can ensure that internal audit functions are compliant and influential in shaping regulatory outcomes.

One key area of focus has been auditing organisational culture. This involves understanding the behavioural dynamics within the organisation and how these impact risk and control environments. Participants highlighted the importance of assessing culture, not just through formal audits, but also by observing, interacting, and understanding the nuances of organisational behaviour.

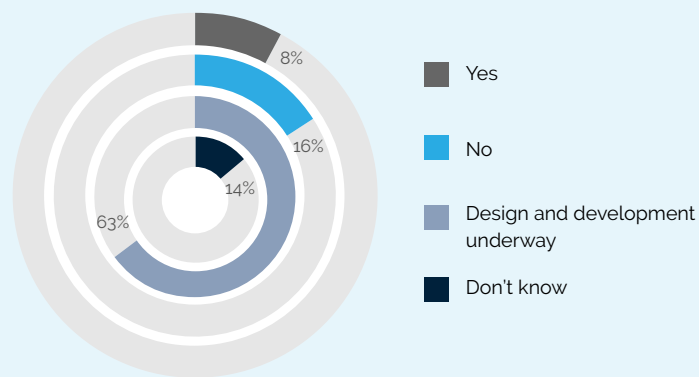
Internal audit leaders identified several challenges and opportunities for internal audit functions in future. The rapid pace of technological change, coupled with evolving regulatory demands, means that auditors must be agile, well-informed, and technically proficient. The need for continuous improvement and adaptability was stressed, with a call for auditors to evolve from traditional methods to more dynamic and tech-enabled approaches.



My Internal Audit function is positioned to audit fully digitised processes:



My Internal Audit function has a clear vision of the future assurance output for a digitised organisation:



"XLoD Global offers new insights, new connections to be made and to reconnect. It is well organised, has great facilitators and interesting speakers."

BIRTHE MESTER, MANAGING DIRECTOR, GLOBAL HEAD OF BEHAVIOURAL INSIGHT & CULTURE CHANGE, DEUTSCHE BANK

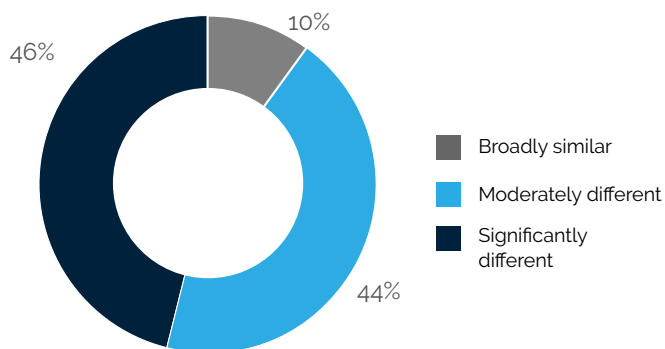
"XLoD Global is THE industry event bringing thought leaders in the risk and control space together - a must attend event."

PAUL FORD, CHIEF EXECUTIVE OFFICER, ACIN

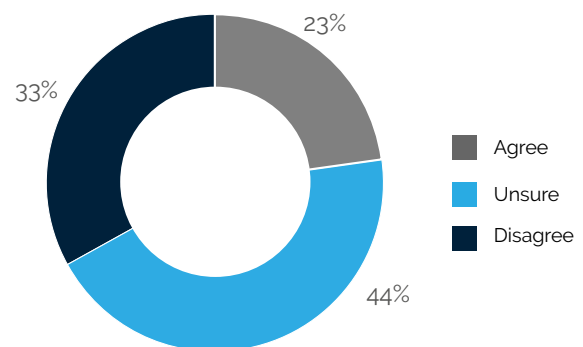
Event polls

1ST LINE RISK & CONTROL POLL RESULTS

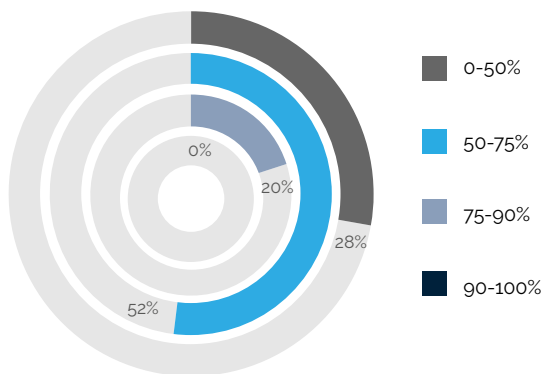
What will future leaders and leadership look like over the next 10 years compared with today?



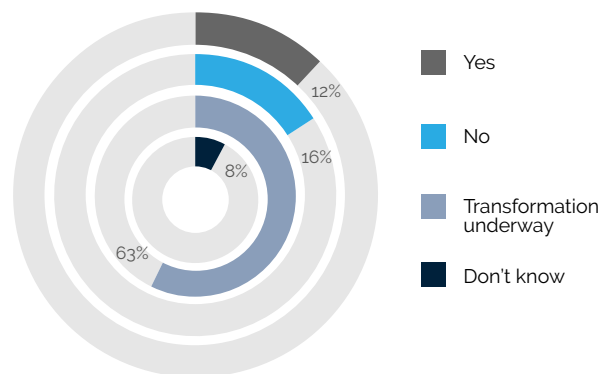
In terms of skills and competencies, my firm is well placed to adapt to the future NFR landscape:



How effective do you feel existing controls are to detecting failures?



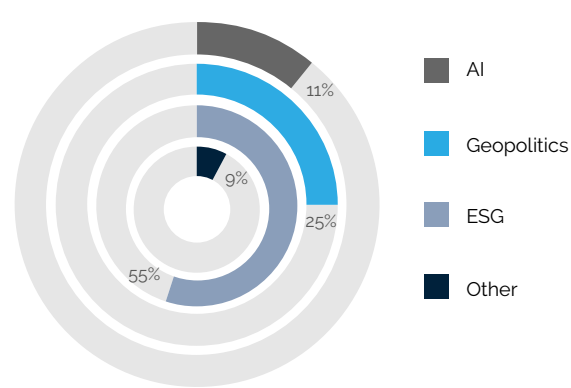
My Internal Audit function is positioned to audit fully digitised processes:



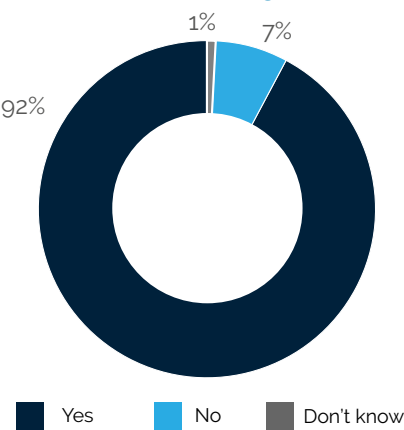
My firm is currently:



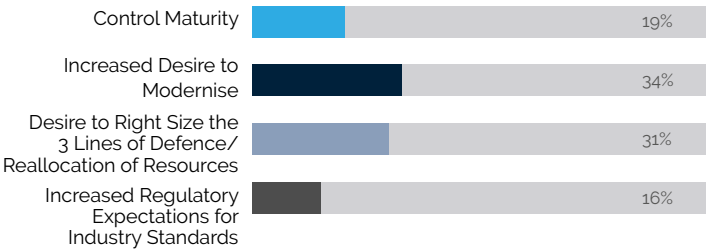
Which of these risks does your firm consider poses the greatest challenge from a reputational risk perspective?



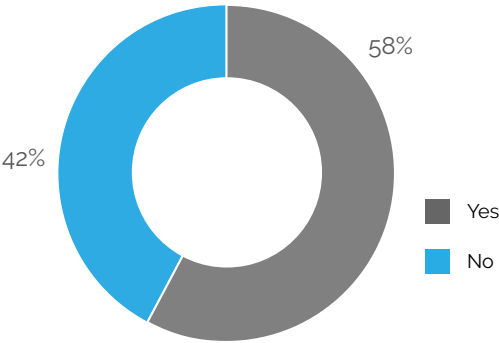
I believe it is the role of the supervisors to promote the internal culture of the organisation:



What would be the most significant driver to adopt further control digitisation:

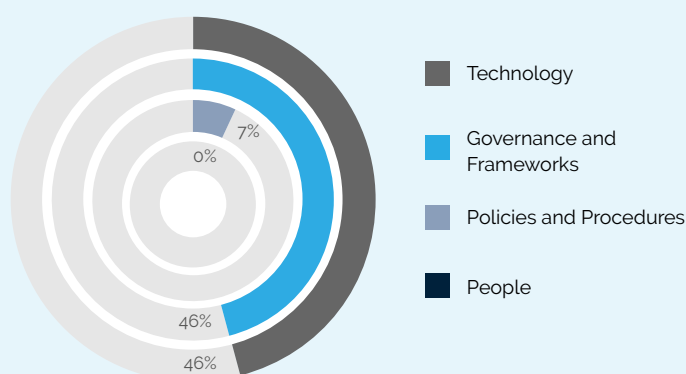


Does your firm have the right resources/governance teams to handle big rep risks?

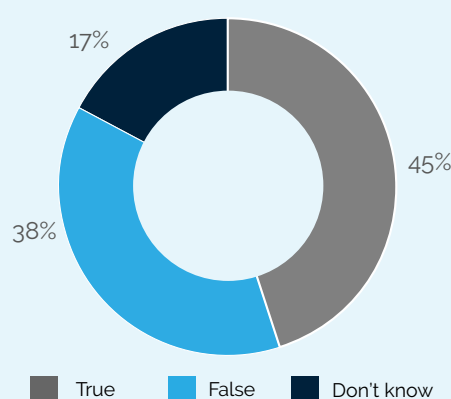


ENTERPRISE RISK MANAGEMENT POLL RESULTS

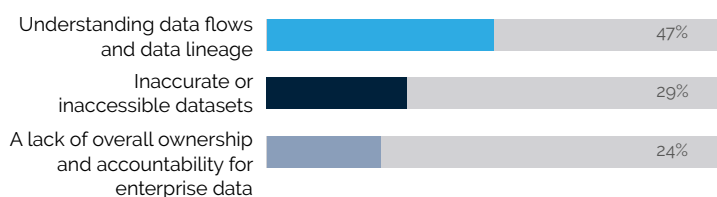
To date, where has your firm focussed most of its resources in building operational resilience?



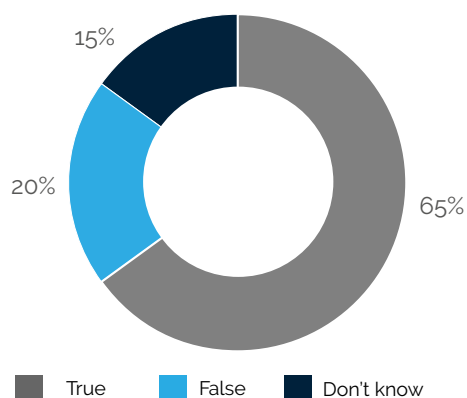
In my organisation senior leadership and the board receive all the information they need to make risk-informed decisions:



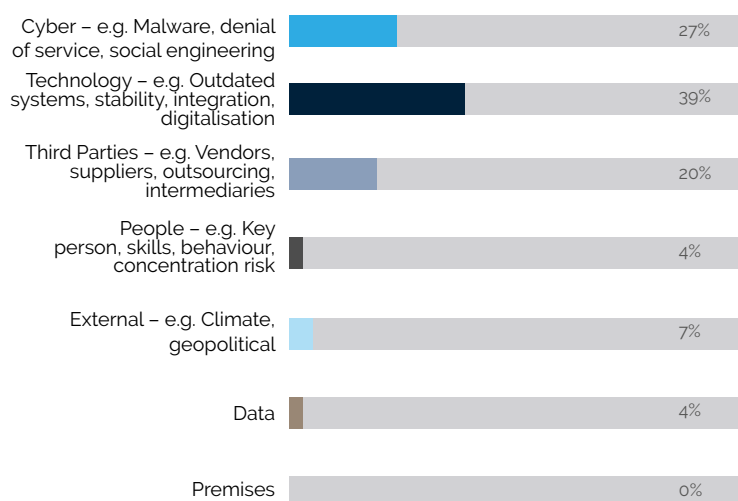
Of these three, the biggest issue my organisation has with data is:



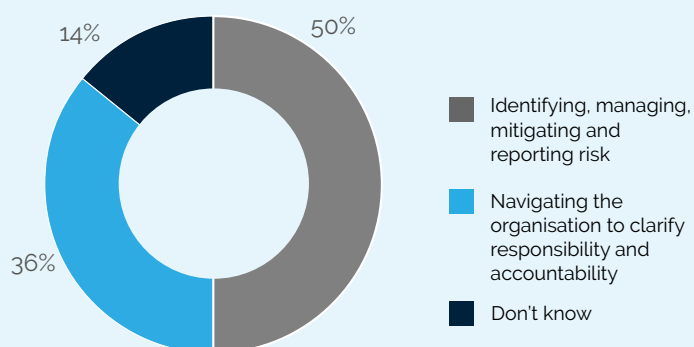
In my organisation today, senior leadership and the board receive separate reporting for financial risks and non-financial risks:



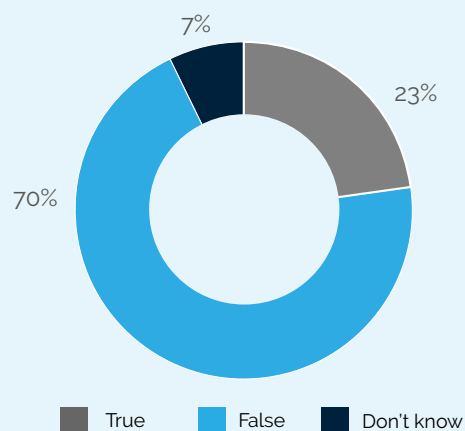
What do you view as the most significant resilience risk facing your firm:



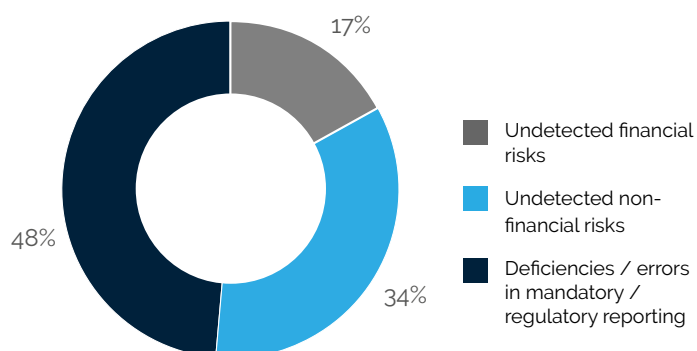
My enterprise risk management function spends more time:



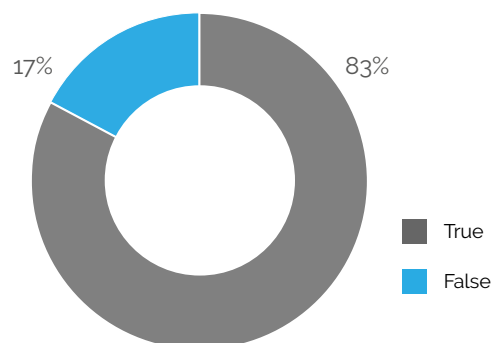
Regulatory agencies are effective in providing clear and concise expectations:



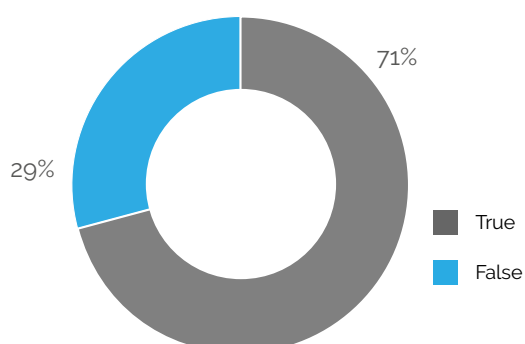
The most significant risk created by data challenges is:



Having an enterprise-wide mindset is regarded as a strategic and essential expectation in my organisation?



My organisation has an effective process for identifying, assessing and addressing emerging regulatory expectations.

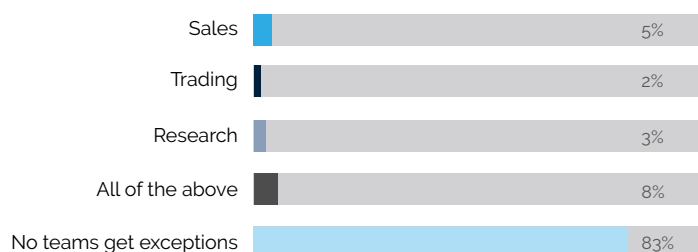


MARKET ABUSE SURVEILLANCE POLL RESULTS

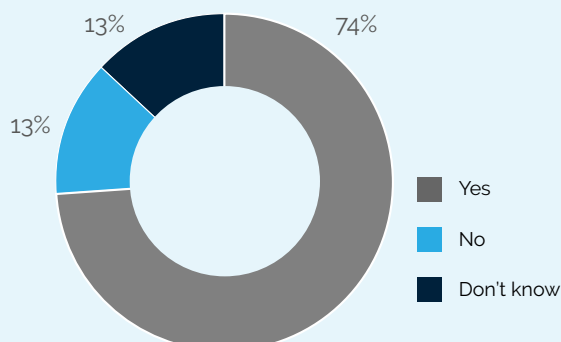
In response to fines, in relation to potential unauthorised comms breach monitoring are you:



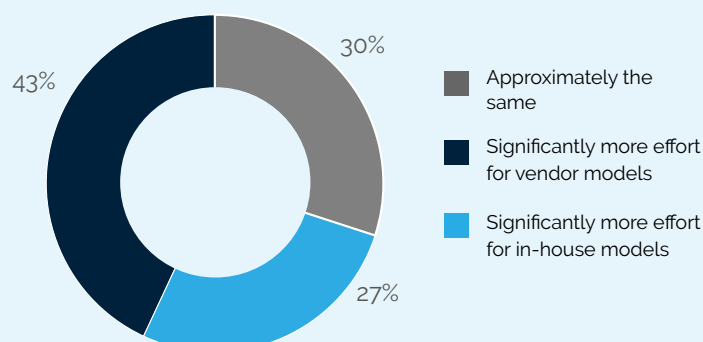
Do you provide exceptions to any of the following teams to use unauthorised comm mediums?



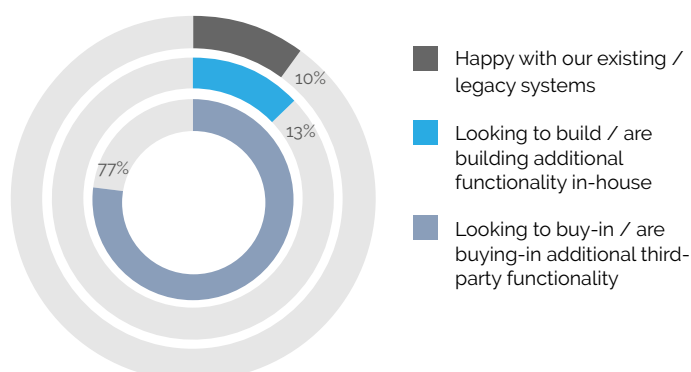
Are your market abuse, conduct risk or financial crime monitoring applications (whether rule based or using advanced analytics) subject to your firms' model governance policies?



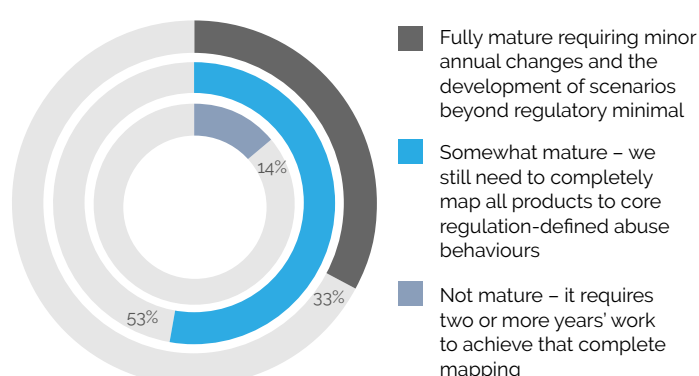
Assuming that your compliance technology applications fell within the scope of model governance - do you feel that the level of effort to onboard vendor models vs in-house models is either?



In terms of e-comms surveillance technology we are:



Our SRA / market abuse risk assessment is:



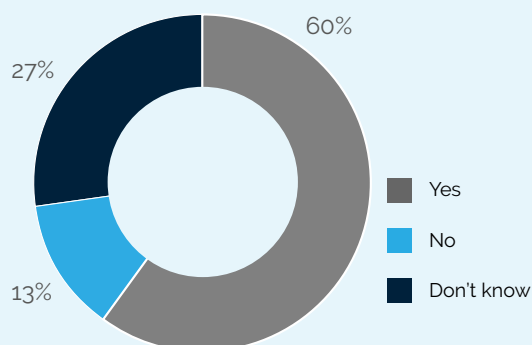
Assuming that your compliance technology applications fell within the scope of model governance - do you feel that you have sufficient and the right type of resources with which to onboard your models?



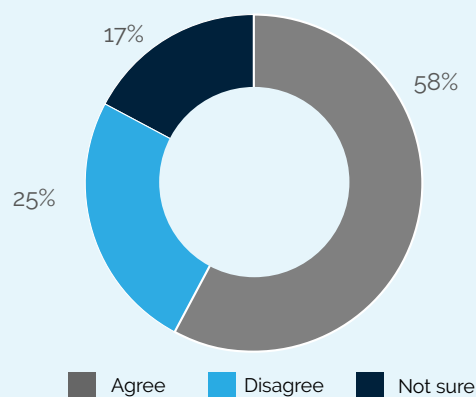
Our e-comms surveillance investment in new technologies and/or holistic approaches is:



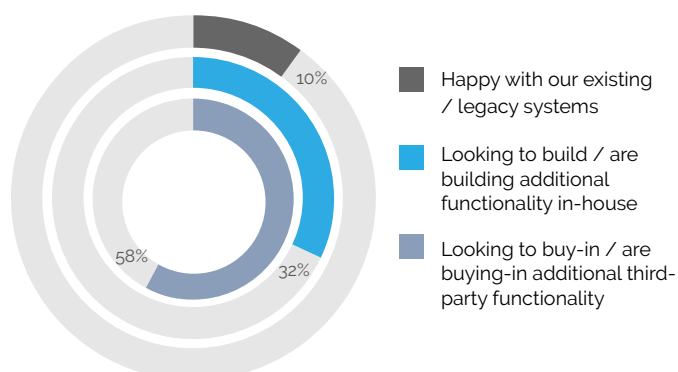
Is the integration of Transaction Monitoring with Trade Surveillance an effective use of resources?



We will continue to rely heavily on channel bans, policy and attestation to ensure compliance with e-comms regulations:



In terms of trade surveillance technology we are:

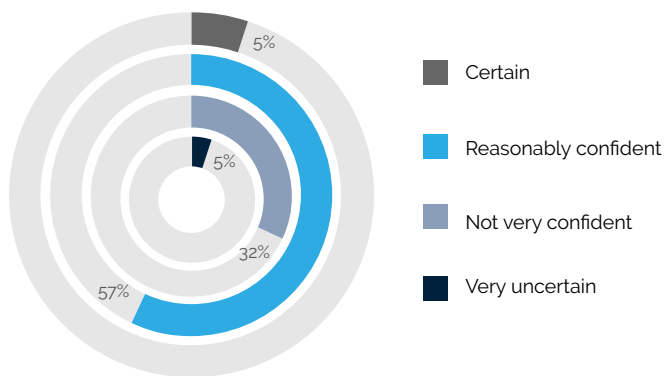


Do you think AI offers new opportunities for integration between Transaction Monitoring and Trade Surveillance for market abuse?

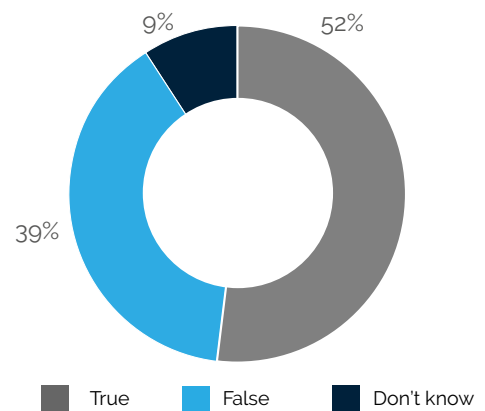


MANAGING CONDUCT RISK POLL RESULTS

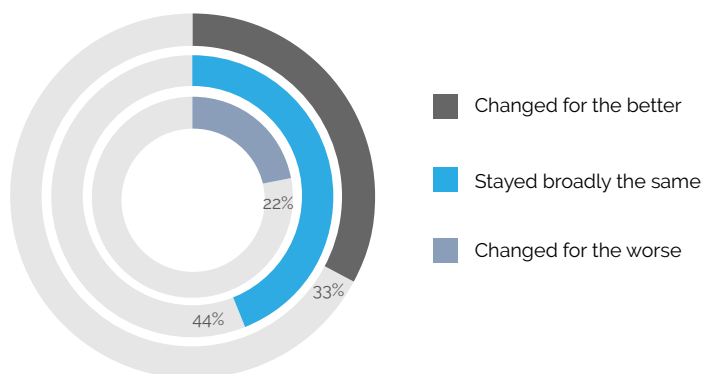
How confident are you that all forms of communication (written, text, voice, video) used by your target population for regulated activity are captured and surveilled?



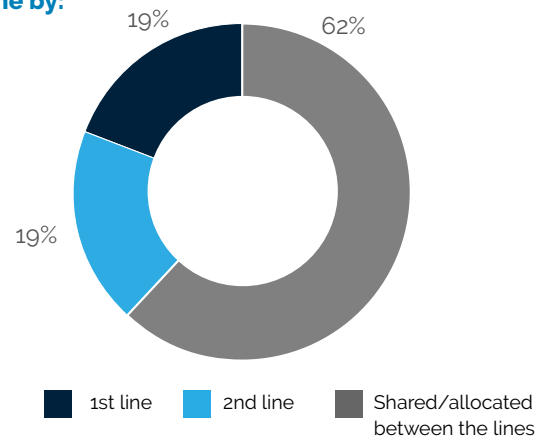
My organisation is currently using Artificial Intelligence (AI) in our 2nd line compliance function's management of compliance risk:



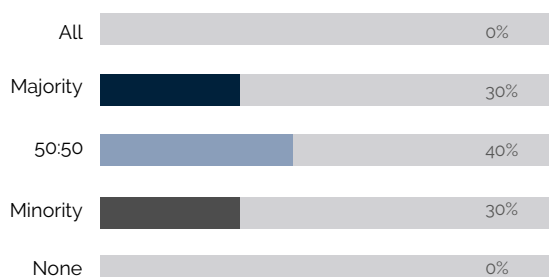
Over the past 2 years, I think the culture at my firm has:



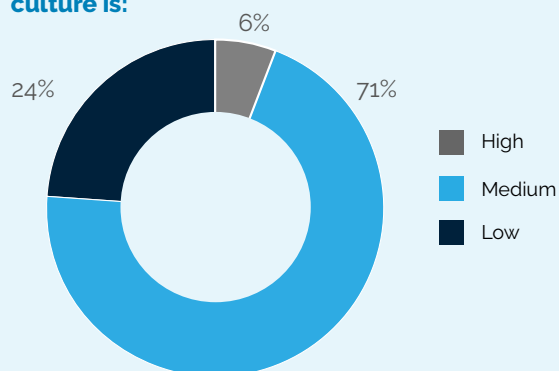
The costs of technology design, development and installation for compliance risk management are borne by:



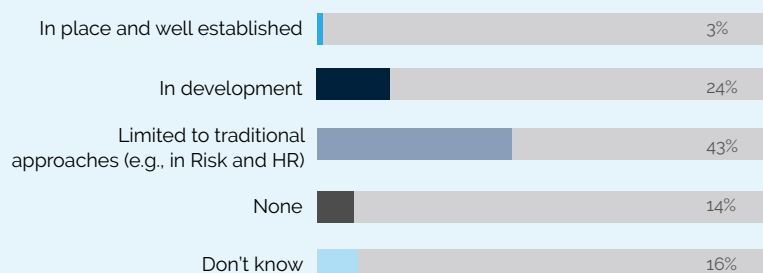
If there was misconduct taking place in your target population what proportion do you think would be identified through your surveillance?



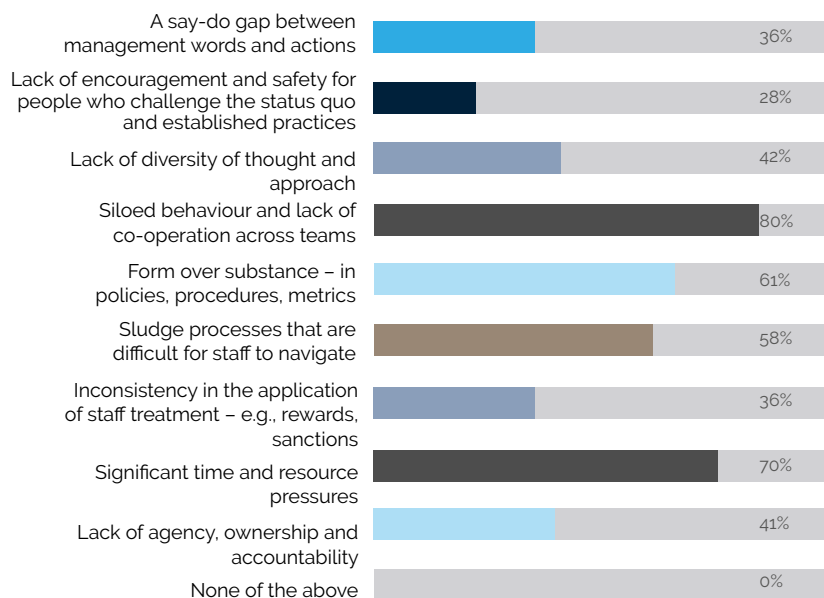
The confidence I have that my firm in measuring the right metrics in order to understand and assess its culture is:



Does your firm have advanced capabilities to understand the drivers of decision making and human behaviour and how that impacts performance, risk management, conduct and culture?



Which of the following behavioural challenges are present in your organisation?



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