

Formulation and implementation of Operational Risk Policies and Framework



The Client

Client is one of the largest banks in the GCC Region with an Asset size of over USD 20 billion

Scope and Approach

The client wanted to initialize the ORM process in the Bank and wanted Aptivaa to formulate ORM process parameters for Governance and Business Unit participation, Risk culture and training, Integration of methodologies (ORM Framework) and system infrastructure. Aptivaa used their expertise and best practices in the industry to formulate and implement a fully functional ORM framework, Operational risk policy, RCSA framework, Key Risk Indicator (KRI) framework, Loss Data Management Framework, Modeling framework and Operational risk systems and reporting.

Results

The client could successfully initialize ORM in the bank and had a blue print of future plans and actions to move towards more sophisticated ORM implementation strategy.

Deliverables

- + Operational risk framework
- + KRI framework
- + Loss data framework
- + Operational risk policy
- + Roadmap for sophisticated ORM implementation strategy

The collage displays four key deliverables:

- Operational Risk Framework:** A flowchart showing the process from Identification & Assessment to Monitoring and Measurement, leading to Risk Reporting. It includes boxes for 'New Product and process', 'Risk and Control Assessment (RCA)', 'New Risk Identification (NRI)', and 'Loss & Control Data'.
- Internal Loss Database:** A central hub diagram with 'Internal Loss Database' at the center, surrounded by six categories: Operational Incidents, Operational Losses, Operational Risks, Operational Controls, Operational Resilience, and Operational Recovery.
- Operational Risk Policy:** A document titled 'Operational Risk Policy' with a 'Table of Contents'.
- ORM Process Maturity Matrix:** A table with columns for 'ORM Process Parameters' and 'Maturity' (Initiated, Transition, Stable). Rows include 'Governance & Executive Level Participation', 'Risk Culture & Training', 'Integration of Methodologies (ORM Frameworks)', and 'System Infrastructure'.

About Us

Aptivaa is a dedicated risk and compliance consulting firm delivering risk management solutions to the financial services industry.

We offer risk consulting, solutions and analytical services to banks, insurers, as well as asset management and other financial services companies. Our domain expertise covers risk and compliance across credit risk, market risk and operational risk.

