

# ENTERPRISE RISK MANAGEMENT FRAMEWORK ERM



CENTRAL BANK OF EGYPT  
Egyptian Banking Institute

UNDER THE AUSPICES OF  
**H.E. Mr. Tarek Amer**  
Governor of the Central Bank of Egypt



## THE EVOLUTION OF BANKS

Unlocking the Full Potential



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CAIRO - EGYPT

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# WHAT IS RISK?



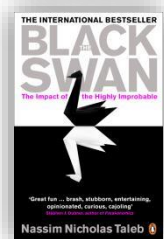
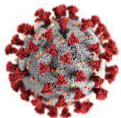
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- What is Probability?
- How is it measured?
- How accurate is the measurement?

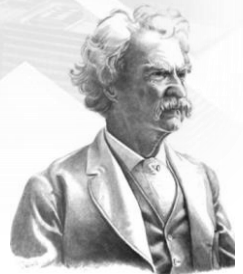
- What is Loss?
- How much losses we are ready to take in our business?
- How are we planning to cover those losses?
- ...etc

COVID-19



*"History Doesn't Repeat Itself, but It Often Rhymes!"*

**Mark Twain.**



# ENTERPRISE RISK MANAGEMENT FRAMEWORK ERM

Is the ability to effectively answer the following questions



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- Circular depiction is highly intentional
- Components are meant to be dynamic (reviewed back/forth in any sequence)
- Having the right culture is key

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# RISK MANAGEMENT RESPONSIBILITY

*Who is responsible of Risk Management?*

Is it **only** the goalkeeper's responsibility to defend the goal ?!!

**No!** It is the **whole team's responsibility!**



Which  
one is  
riskier ?



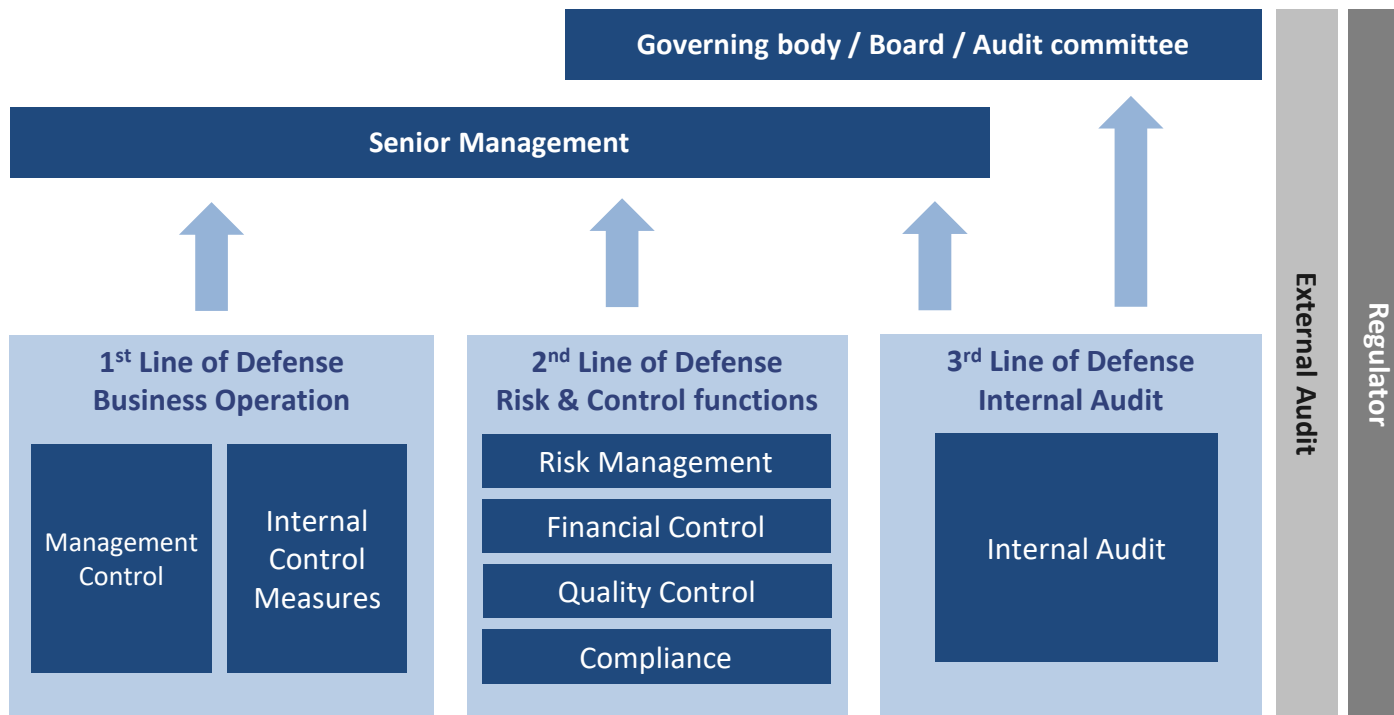
*Teamwork &  
communication*



# THE THREE LINES OF DEFENSE MODEL



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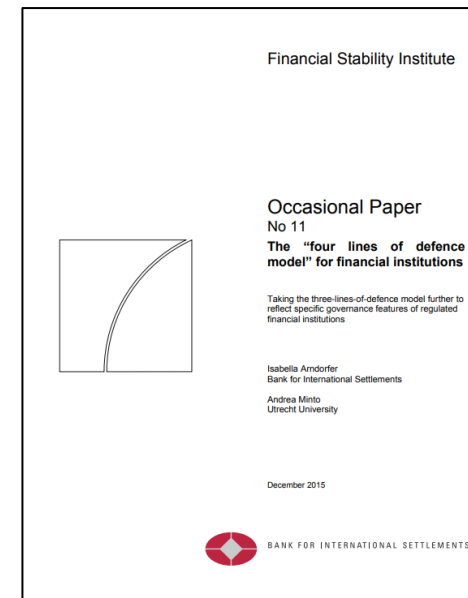
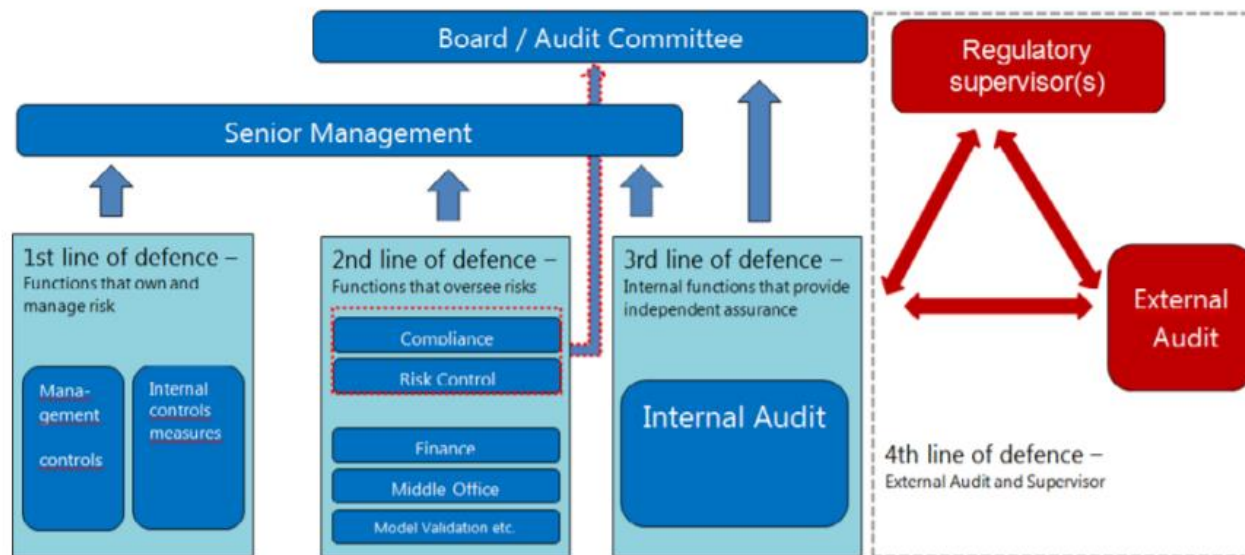




# THE FOUR-LINES-OF-DEFENSE MODEL



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## Source

Bank of International Settlements - Basel Committee on Banking Supervision, fsipapers11, Occasional Paper No 11  
The "four lines of defence model" for financial institutions, Dec 2015

# RISK & FUTURE



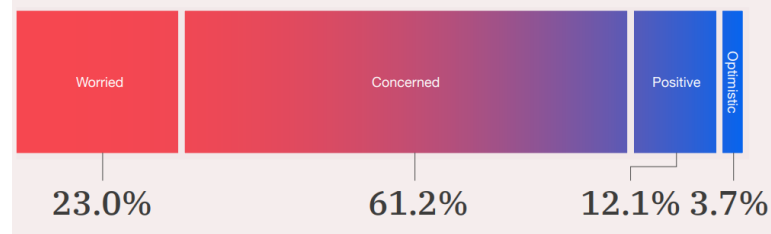
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“What is your outlook for the world over the next three years?”

■ Negative scenarios ■ Positive scenario



“How do you feel about the outlook for the world?”







# THANK YOU FOR YOUR ATTENTION !

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