

Risk Maturity Continuum

<i>Weak</i>	<i>Sustainable</i>	<i>Mature</i>	<i>Integrated</i>	<i>Advanced</i>
<ul style="list-style-type: none"> • A formal risk management framework is not in place. • Processes and frameworks are siloed, undocumented, inconsistent, • Risk Management activities not aligned with business strategy. • Risk management capabilities are dependent on individuals. • Risk is not consistently considered as business decisions are made. 	<ul style="list-style-type: none"> • The business does the minimum to meet the expectations of internal and external stakeholders. • Selected risk management activities are defined; some of which are aligned with business strategy. • Risk management capabilities vary across the “three lines of defense”. • Limited and inconsistent use of supporting technology. • Limited focus on emerging risks and/or scenario analysis. 	<ul style="list-style-type: none"> • The board and executives are increasingly confident that risk is being effectively managed based on emerging risk identification efforts, external benchmarking, and the use of risk appetite, tolerances and limits. • Risk Management activities are aligned with business strategy. • “Corporate” risk management functions demonstrate a level of consistency, but remote operations or business entities are not integrated. • Use of technology is not integrated. 	<ul style="list-style-type: none"> • Risk management capabilities and activities are integrated and co-ordinated across corporate and remote operations and business entities. • Risk management objectives and value proposition are consistently aligned with business strategy. • Common tools and processes are used with enterprise-wide risk monitoring, measurement and reporting. • Proactive change management exists among the three lines of defense. 	<ul style="list-style-type: none"> • Risk management activities are fully embedded in strategic planning, capital allocation, and in daily decision making. • An early warning system is in place to notify the board and management of risks above established thresholds. • Risk management serves as a source of competitive advantage. • Incentive compensation formally considers risk management.



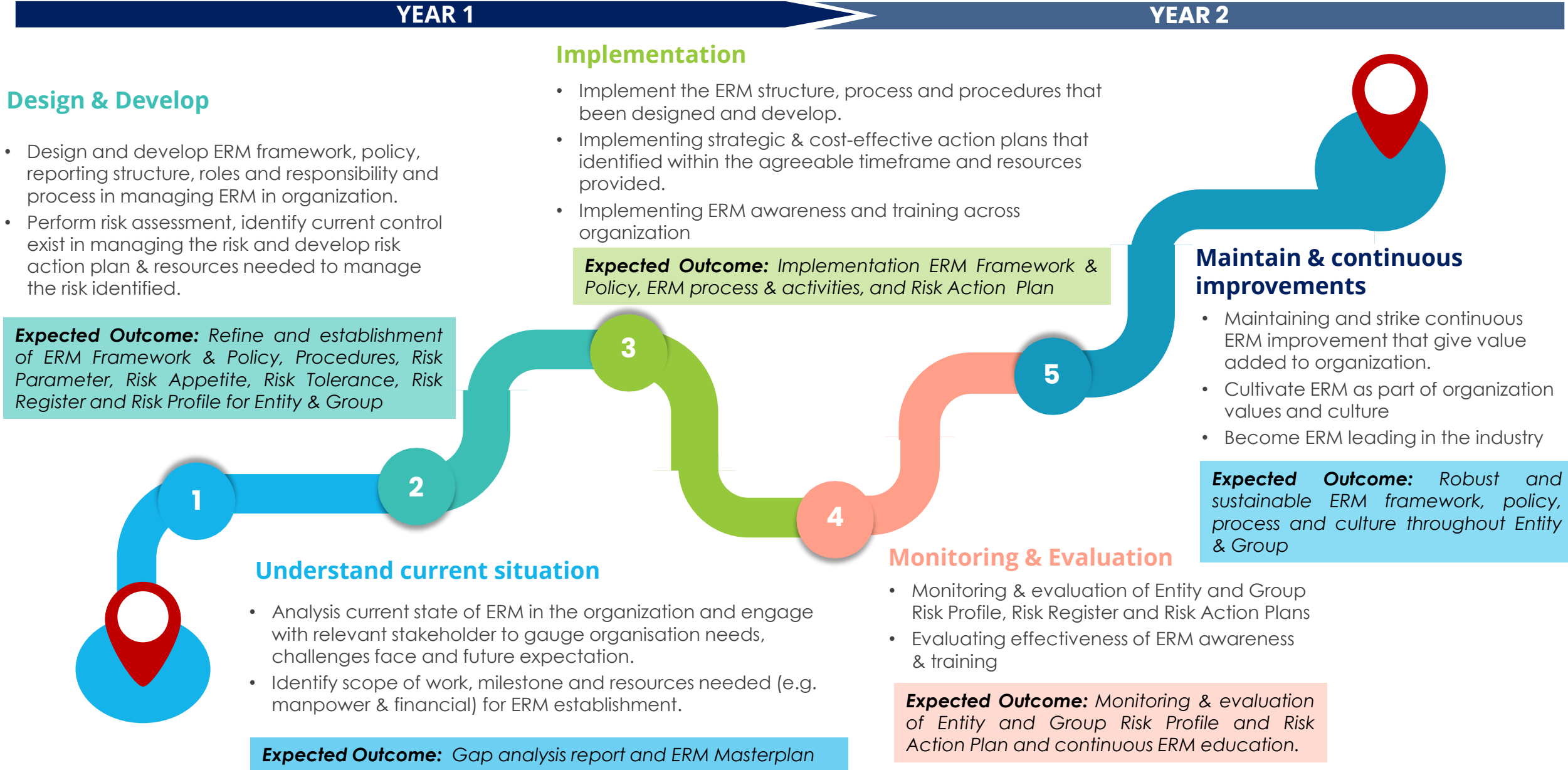
ArIMM RISK MANAGEMENT CONFERENCE & C-SUITE FORUM 2024: SUCCESS STORIES IN RISK MANAGEMENT

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04 SEPTEMBER 2024 | HILTON HOTEL, PETALING JAYA, SELANGOR

Journey of Establishment of ERM in Organization





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