

**Operational Risk Management Discussion Group
December 3 and 4, 2009**

MBIA
113 King Street
Armonk, NY 10504

On-site contact: Rosanna Traina, 914 765-3092

AGENDA

| <u>Time</u> | <u>Activity</u> |
|------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>Thursday, December 3, 2009</u> | |
| 8:15 – 8:45 a.m. | Registration/Continental Breakfast |
| 8:45 – 8:50 a.m. | Welcome from the Risk Management Association / Program Introduction Kathy Vitale, Associate Director, Operational Risk, RMA Patrick McDermott, Freddie Mac, ORMDG Vice Chairperson |
| 8:50 – 9:00 a.m. | Welcome from the MBIA |
| 9:00 – 9:15 a.m. | Participant Introductions |
| 9:15 – 10:00 a.m. | Kick-off Speaker: Charlie Miller, Santa Fe Group Topic: Vendor Management – Process, Risk and Reward This session will cover vendor management processes from end to end, highlighting the essential elements and controls that must be considered in any program to reduce risk and how the Shared Assessments Program can be leveraged to address regulatory requirements and increase control assessment efficiencies. |
| 10:00 – 10:15 a.m. | Break |

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Breakout Session I:

**A – Roundtable Discussion: The Changing Face of Payments and Fraud
(Remote Deposit Capture)**

Facilitators: Ted Kute, Huntington Bank; John Simone, AIG; Ken Weinstein

- Changing payment channels
 - Offsite Check Processing (OCP)/Remote Deposit Capture (RDC), Mobile Banking
Bill payment/ACH/Wire, Due diligence requirements for electronic payment processing customers
 - Policies defining acceptable/unacceptable high risk customers
 - New products and services
 - Monitoring activity needed to identify fraudulent activity
 - Transaction monitoring reporting
 - Knowing your customer and, at times, your customer's customer
 - Identification of suspicious activity
 - Exit strategy for customers involved in unacceptable practices
 - Contractual provisions, Time frame, Reporting requirements

B – ORM Vendor Management / Third Party Outsourcing

*Facilitators: Ted Kute, Huntington Bank; Lori Loken-King, Union Bank; Charlie Miller, Santa Fe Group
This session provides participants to explore vendor management, Third Party Outsourcing and Off shoring as a follow-up to Charlie's presentation.*

**C – Revamping ORM and Showing Value:
The Operational Risks of Downsizing ORM**

Facilitator: Patrick McDermott, Freddie Mac; Mark Palmer, Capital One

In today's environment of cost containment and expense reduction, financial institutions must find the right balance for the proper size and reach of its operational risk management function. Since ORM is a non-revenue generating area whose impact to the bottom line can be challenging to quantify, there may be an impulse to downsize... but at what cost? This session explores recent changes in the scope and headcount of financial institutions' ORM teams and the reasons why some institutions are sizing up – not down.

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11:45 a.m.– 12:45 p.m. Lunch

12:45 – 2:15 p.m. Speaker:
1:00 – 1:30 Chuck Chaplin, President and CFO of MBIA Inc:
1:30 – 2:00 Kathleen Regan, Chief Audit Executive: Topic – Internal Audit, Sarbanes Oxley, and GRC Initiatives

2:15 – 2:30 p.m. Break

2:30 – 3:30 p.m. Breakout Session II- (same as Breakout Session I schedule)

3:30 – 4:30 p.m. Topic: Operational Risk Board Reporting
Speaker: Bill Popp, POPP risk
When risk reporting is working right, it frames which risks deserve management's attention and what if any specific actions should be taken in a time-efficient manner. Otherwise, it detracts from the immediate and forward-looking issues at hand, and can mislead or simply confuse the recipient. The right risk committee reporting package provides the risk context, establishes the discussion focus, and effectively guides mitigation action conclusions at each risk committee level. This session explores risk reporting approaches, disciplines, and techniques that have emerged as both common and best practices.

4:30 p.m. Session Ends

5:30 p.m. Cocktails & Dinner - Hosted by OpenPages
Graziella's
95 South Broadway
White Plains, New York 10601
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Friday, December 4, 2009

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| 8:00 – 8:30 a.m. | Snacks |
| 8:30 – 10:00 a.m. | Breakout Session III: (same as Breakout Session I schedule) |
| 10:00 – 10:15 a.m. | Break |
| 10:15 – 10:45 a.m. | Discussion of key points from breakout sessions |
| 10:45 – 11:45 a.m. | Panel Discussion Topics will be selected from: LDC, KRI, Governance, Scenarios, New, Emerging regulatory requirements including Board Involvement, Consumer Protection Regulation, Compliance Monitoring |
| 11:45 a.m. – 12:15 p.m. | Session Review Evaluations |
| 12:15 p.m. | Program Ends |