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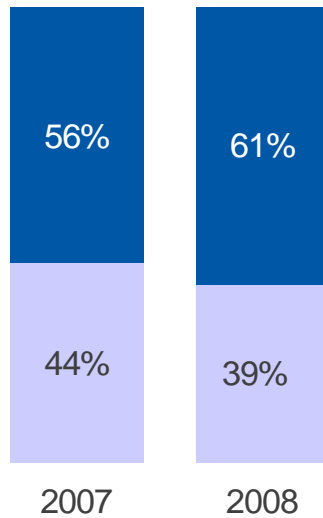
Enterprise Risk Management – What Are Your Airport's 10 – 15 Risks & How Will You Manage Them?

Lisa S. Kremer
Marsh Risk Consulting

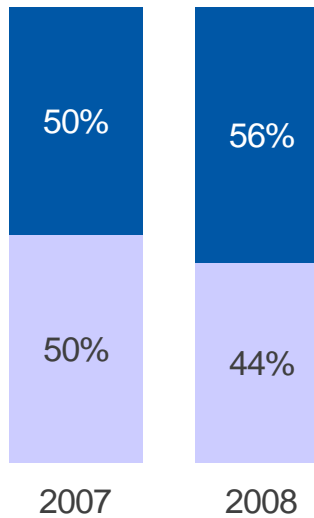
April 30, 2008
Denver, CO

Excellence in Risk Management Survey - 2008

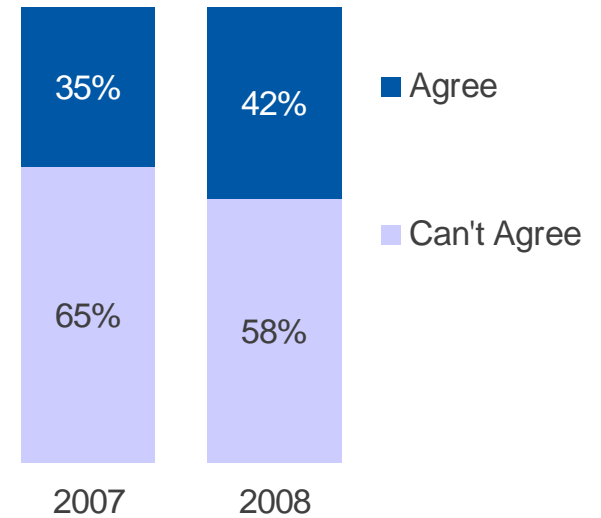
Top Exposures



Risk Profile



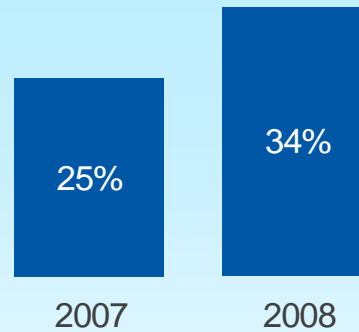
Risk Appetite



Q6a/b/c. To what extent do you agree or disagree with the following statement?
Base: Total Respondents

Last year, 25% of firms agreed with all three ratings agency statements—this year it climbed to 34%

Agree with All Three Statements

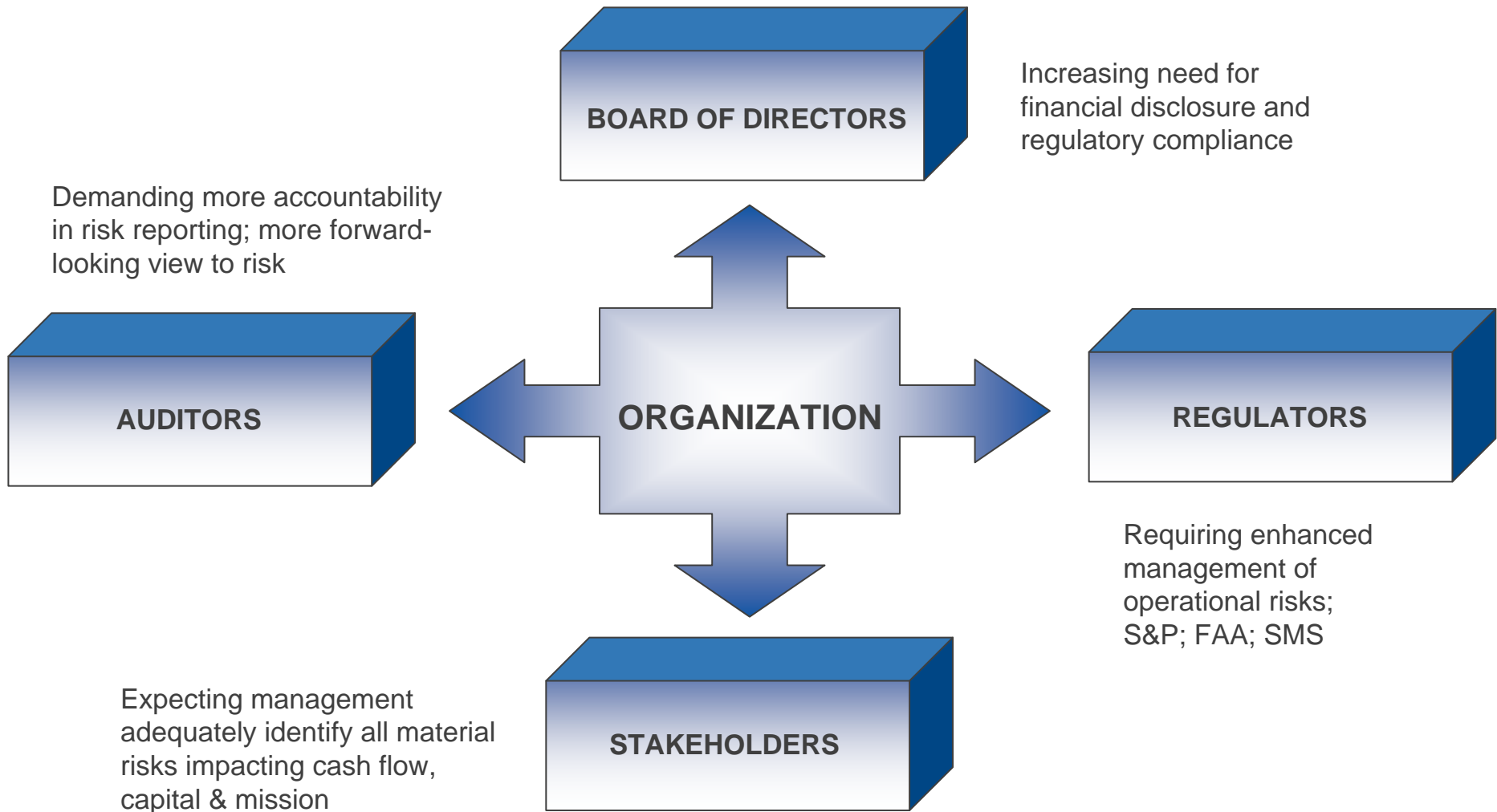


My firm's senior management knows where the top exposures are, both in terms of measured risks and unmeasurable uncertainties

My firm's senior management understands the company's risk profile and the mitigation strategies being used to manage its major risks

My firm's senior management knows how much it is willing to lose from all sources of risk over a selected time horizon in order to achieve its overall long-term financial objectives

Driving Forces for ERM



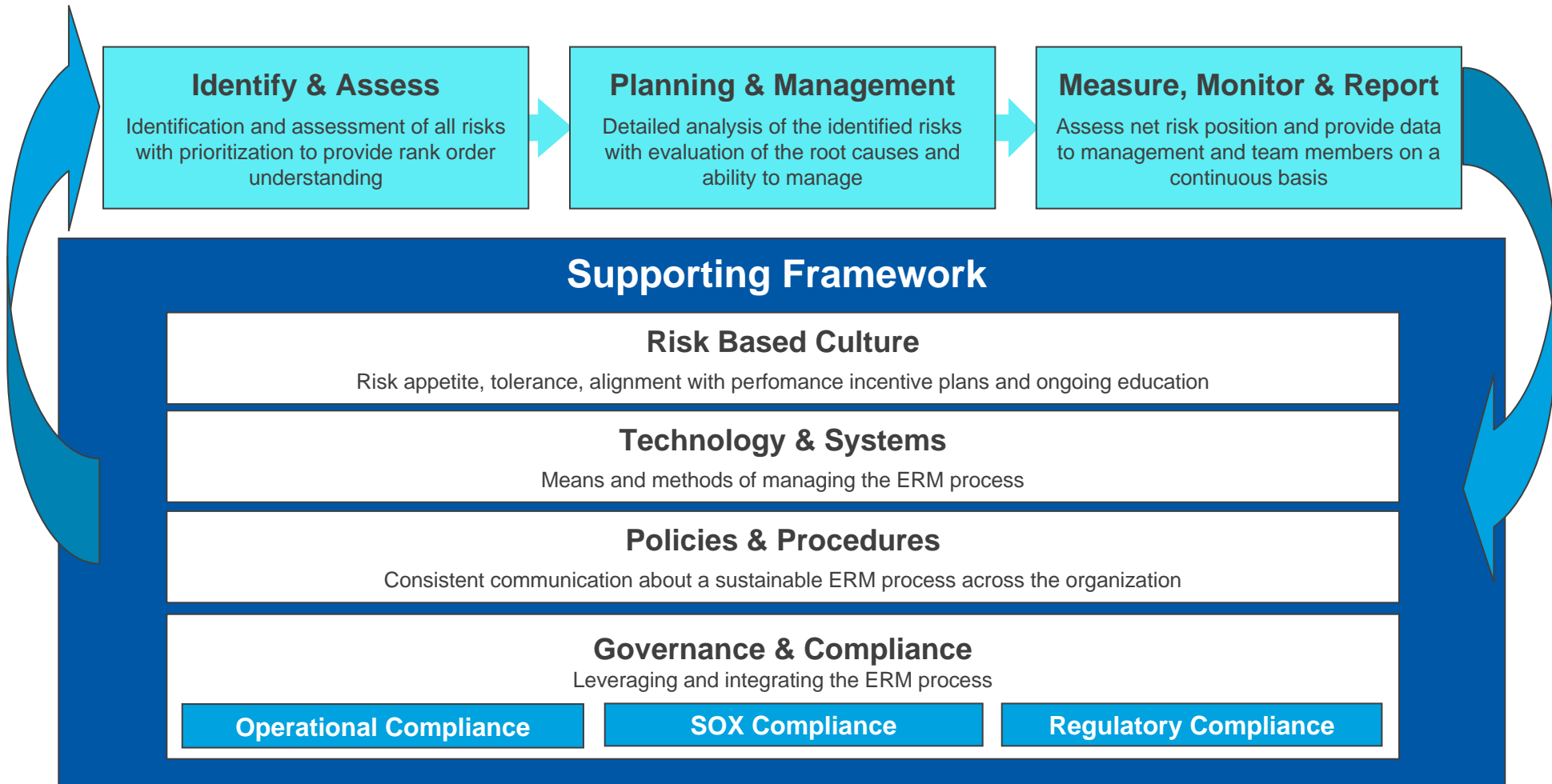
Enterprise Risk Management

What is ERM?

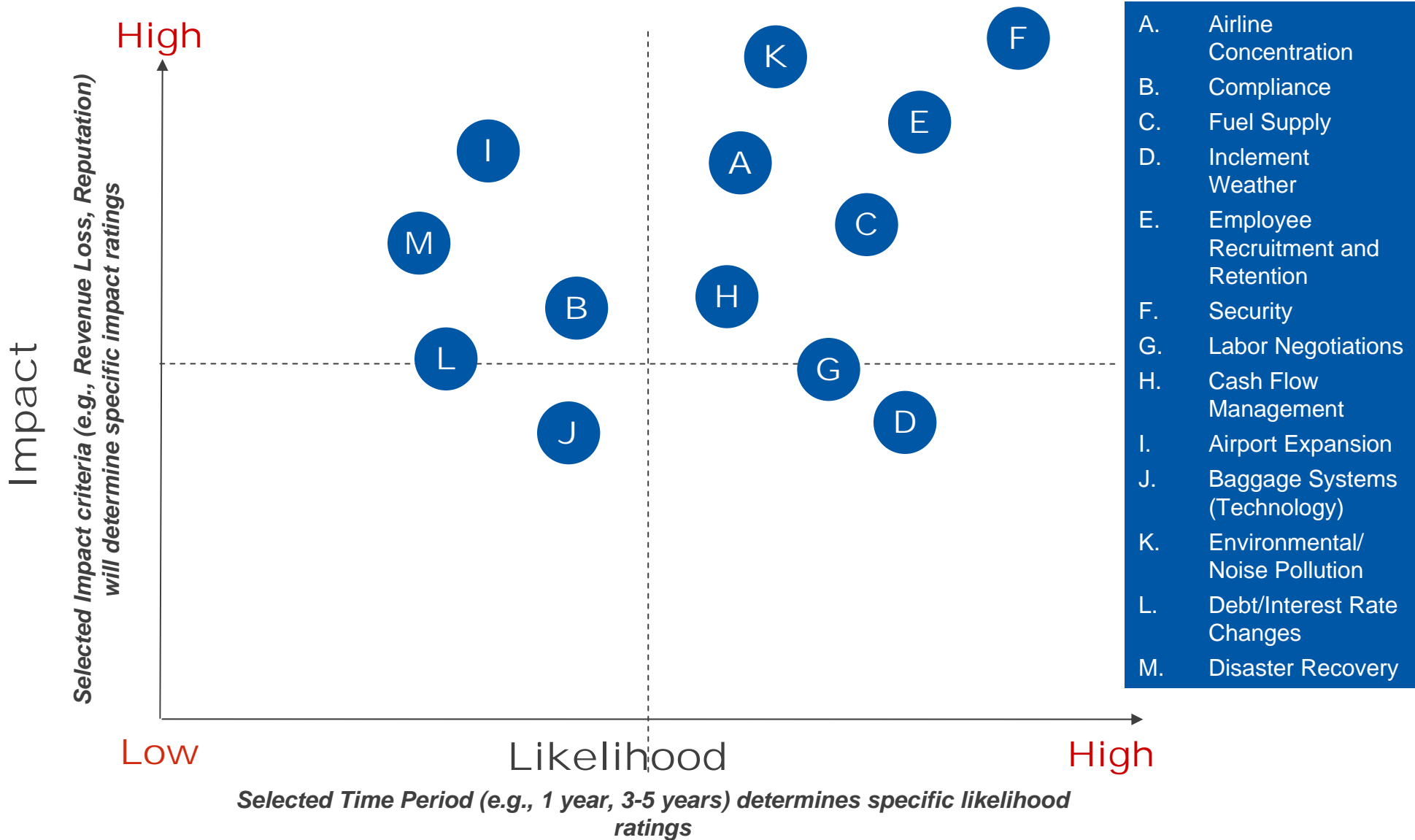
A structured, consistent and continuous risk management process that is applied across the entire organization that brings value by:

- ❑ Proactively identifying, assessing, and prioritizing material risks
- ❑ Developing and deploying effective mitigation strategies
- ❑ Aligning with strategic objectives and business processes
- ❑ Embedding key components into the organization's culture:
 - ◆ Risk ownership, governance and oversight
 - ◆ Reporting and communications
 - ◆ Leveraging technology and tools

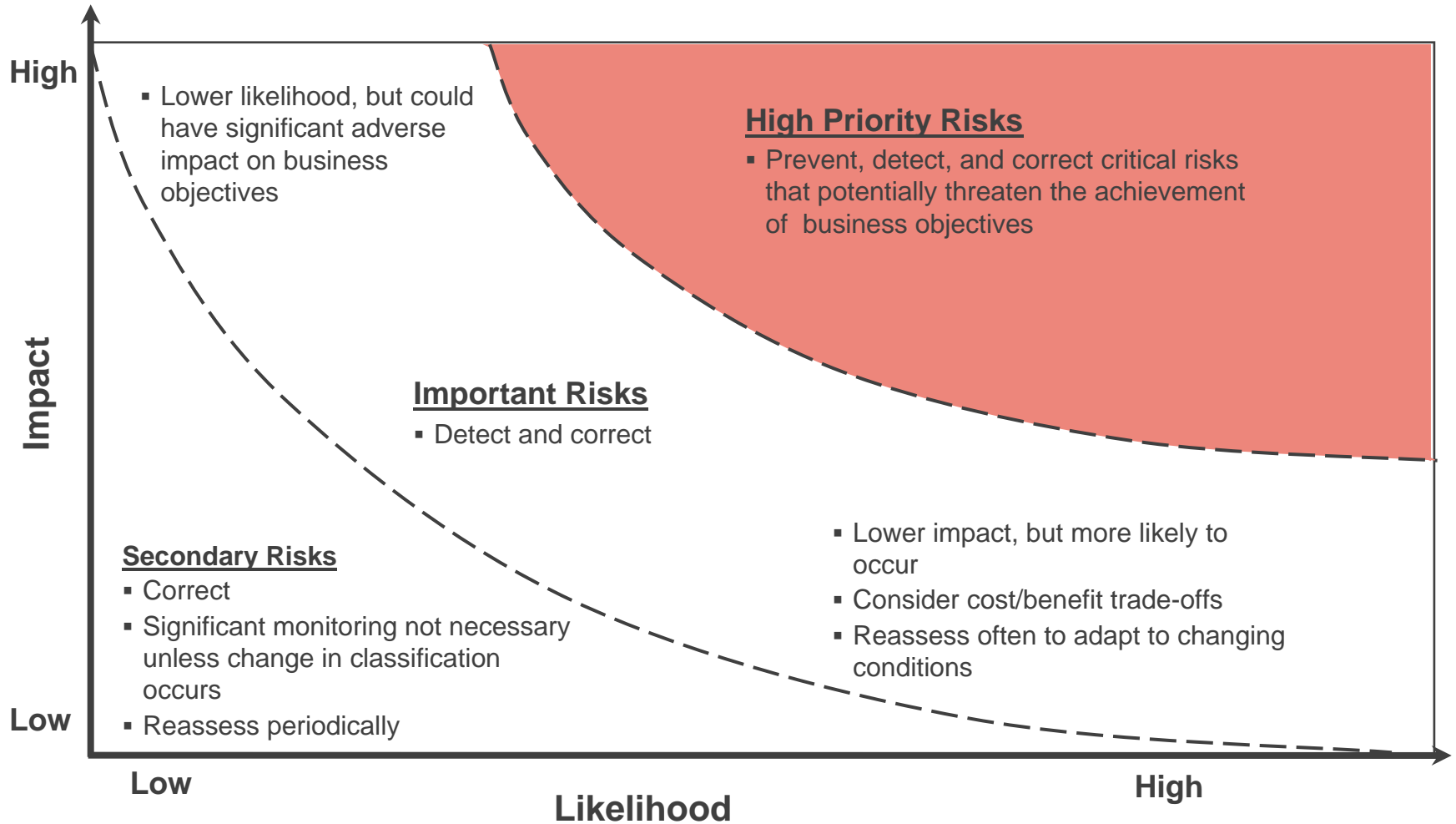
Enterprise Risk Management Framework



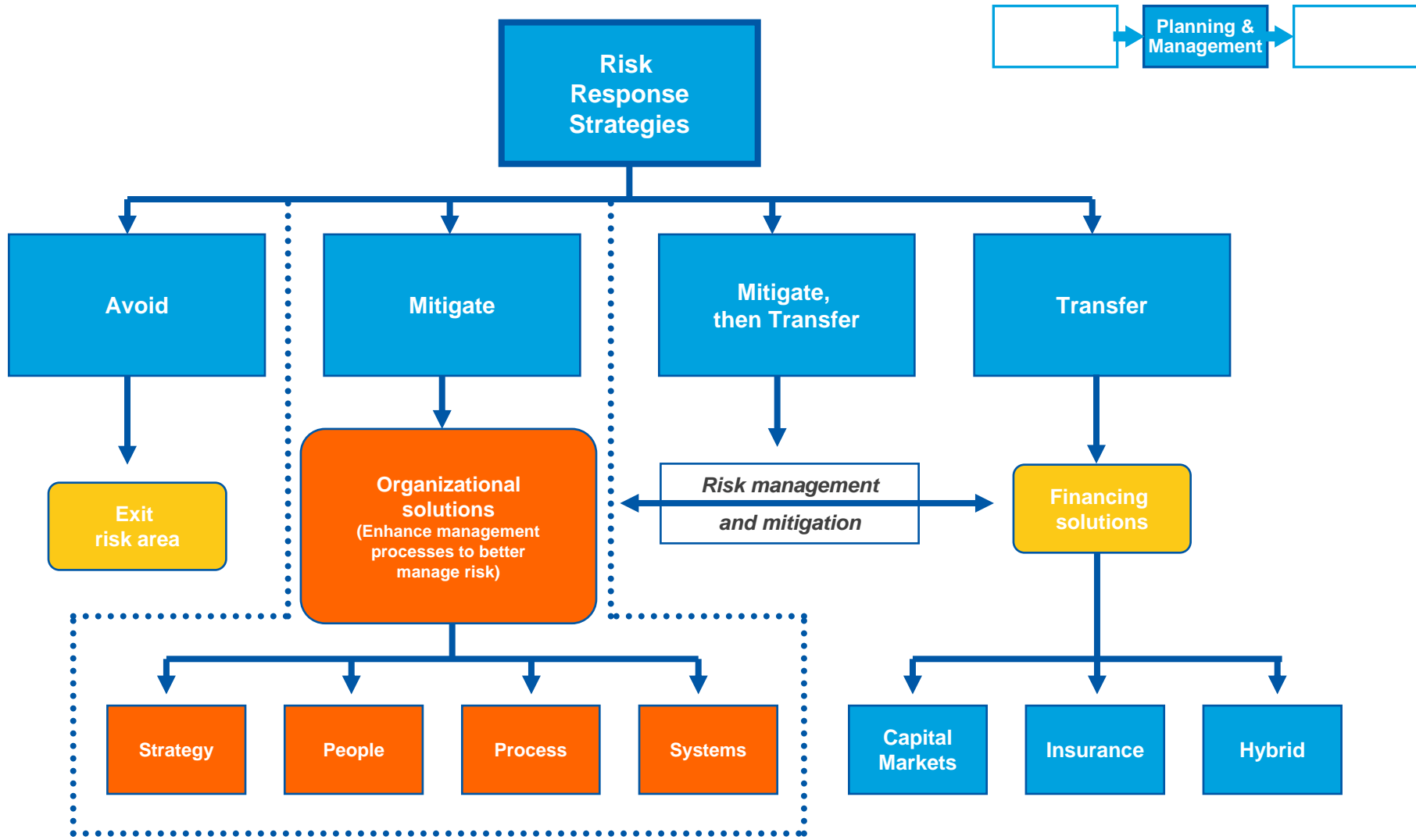
Sample Risk Map



Understanding a Risk Map



The Risk Response Path



ERM Process Outcomes

- Improved strategic planning process and capital allocation
- Acceptable approach measuring risks
- Better decision making relative to risks assumed
- Effective critical event response
- Improved competitive position
- Continued rating agency confidence
- Satisfied governance relative to need for risk information

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