

### Introduction

The La Trobe Financial Group (**the Group**) has robust risk management systems that meet the requirements of both the Australian Securities & Investments Commission (**ASIC**) and the Australian Prudential Regulatory Authority (**APRA**).

In particular, we have compared our risk management practices against the following guidance from ASIC and APRA:

**ASIC Regulatory Guide 259 *Risk management systems of responsible entities***

**APRA Prudential Standard CPS 220 *Risk Management***

We are satisfied that we meet the requirements of both these regulatory standards.

### Identified risks

We have identified and classified the risks that face the Group as:

1. Credit Risk;
2. Market Risk;
3. Liquidity Risk;
4. Regulatory Governance Risk;
5. Reputational Risk
6. Operational Risk

Our risk management systems ensure that we have addressed these risks.

### Key parties in our risk management systems

- **The Boards of the Group**  
The Boards of the Group have oversight of our risk management systems, and receive regular quarterly reports in relation to the risks facing the Group
- **The Audit and Risk Committee (the ARC)**  
The ARC is a sub-committee of the Boards of the Group and this committee has the responsibility for overseeing and monitoring the risks that face the Group. The ARC meets at least on a quarterly basis.
- **The Chief Risk Officer**  
The Chief Risk Officer has the overall management responsibility for managing the risks that the Group faces. He reports directly to the Chief Executive Officer, and reports on a quarterly basis to the Boards of the Group.
- **Risk and Corporate Governance Division**  
The Chief Risk Officer leads this Division.

**More information on the Division can be found here - <http://www.latrobefinancial.com.au/About/Leadership>**

### Key weapons in managing risk at La Trobe Financial

We have a number of key weapons in our armory for managing risk:

- Risk Registers and Risk Heat Maps – reviewed annually;
- Compliance Plans and monthly Compliance Certificates;
- Documented processes and procedures;
- Comprehensive training of staff;
- Breach Monitoring and Reporting;
- Quarterly Compliance Certificates from the Chief Risk Officer to the La Trobe Financial Boards;
- Quarterly reporting to the La Trobe Financial Boards;
- Stress testing of liquidity and portfolio strength; and
- Cyber risk monitoring and testing.

### Further information

**Please contact our Chief Risk Officer, Rowan Donohue [rdonohue@latrobefinancial.com.au](mailto:rdonohue@latrobefinancial.com.au)**