

EXECUTIVE PERSPECTIVES ON TOP RISKS for the Near- and Long-Term

The financial services industry confronts a period of heightened risk

The financial services industry is navigating a complex web of uncertainties that pose significant risks to growth and operational stability. Among the critical challenges identified in our 13th annual Executive Perspectives on Top Risks Survey, include economic conditions and related inflationary pressures, reflecting the industry's vulnerability to macroeconomic shifts. It is imperative for financial leaders to prioritize proactive risk management strategies that not only address immediate challenges but also prepare for long-term uncertainties in today's rapidly evolving marketplace.

2-TO 3-YEAR OUTLOOK: TOP 10 RISKS

- 1 Economic conditions, including inflationary pressures
- 2 Cyber threats
- 3 Change in current interest rate environment
- 4 Third-party risks
- 5 Heightened regulatory change, uncertainty and scrutiny
- 6 Ability to attract, develop and retain top talent, manage shifts in labor expectations, and address succession challenges
- 7 Ensuring privacy and compliance with growing privacy and identity protection risks and expectations
- 8 Operations and legacy IT infrastructure unable to meet performance expectations
- 9 Emergence of new risks from implementing artificial intelligence
- 10 Talent and labor availability

Results are based on a survey of 1,215 board members and C-suite executives worldwide. The full survey report, Executive Perspectives on Top Risks, may be accessed at erm.ncsu.edu or protiviti.com/toprisks. It includes detailed breakdowns of the results by respondent role, industry, geography, organization size and other categories.