

ECOBANK GROUP RISK ASSESSMENT MATRIX

Impact Assessment Matrix							
Rating	Financial/ Reporting		Operations		Compliance	Strategic	
	Financial Loss	Financial Disclosure	Operational Performance	Quality	Legal/ Regulatory	Innovation	Markets/ Leadership
5	>\$250,000 loss	Significant restatement	Inability to bring significant products quickly into production or meet operational targets for 6 or more months	Critical quality issues resulting in loss of key customers	Management indictments/ significant regulatory violation	Technological obsolescence	Significant inability to execute strategic plans
		Regulatory investigation			Large scale class actions		
4	\$ 100,001 - \$250,000 loss	Material weakness (reported to ETI Board)	Fast ramping and/ or ability to meet operational targets is significantly impaired for 3 - 6 months	Significant quality issues resulting in substantial increase of revenues	Management challenged/ large legal liabilities	Inability to grow rate of product/ process innovations and grow market share in target areas	Inability to execute strategic plans
3	\$10,001 - \$100,000 loss	Significant deficiency (reported to Audit Committee)	Fast ramping and/ or ability to meet operational targets is moderately impaired	Moderate quality issues requiring additional investment	Management reviewed	Inability to maintain levels of product innovations that compare to prior years	Temporary delays in strategic plan execution
					Legal reserves established		
2	\$1,001 - \$10,000 loss	Control weakness	Insignificant impact on fast ramping and meeting operational targets	Minimal quality issues resulting in cost increases	Minimal liabilities	Minimal technological obsolescence in key target areas	Moderate refinements to strategic plans required
1	\$1 - \$1,000 loss	Additional risk disclosure	No impact on fast ramping and meeting operational targets	Insignificant quality issues	Limited liabilities	Insignificant technological obsolescence in less relevant product lines	Limited adjustment to strategic plans necessary

Likelihood Assessment Matrix		
Rating	Occurrence	Frequency
5	Expected to occur in given circumstances	Within a fiscal year
4	Highly likely to occur in given circumstances	Would be expected to occur within 3 years
3	Likely to occur in given circumstances	Would be expected to occur within 5 years
2	Not likely to occur in given circumstances	Would not be expected to occur within 5 years
1	Remote expectation of occurrence	-

Overall risk assessment

5 x 5 Matrix						
Impact	5	5	10	15	20	25
	4	4	8	12	16	20
	3	3	6	9	12	15
	2	2	4	6	8	10
	1	1	2	3	4	5
		1	2	3	4	5
Likelihood						

Impact	High	M	H	H
	Moderate	L	M	H
	Low	L	L	M
		Low	Moderate	High
		Likelihood		