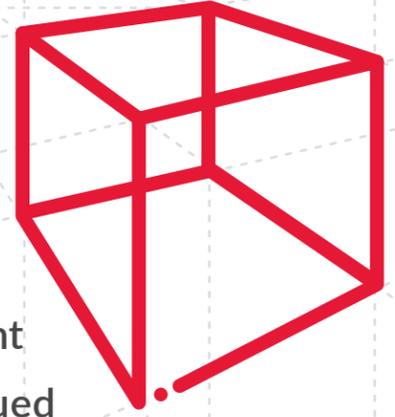


Executive Perspectives on Top Risks for 2017

Board members and C-suite executives see a riskier environment for business in 2017 compared to the prior year, according to an annual survey from North Carolina State University's ERM Initiative and Protiviti. Among the many contributing factors: The impact of the U.K. Brexit vote, increased volatility in commodity markets, polarization surrounding the recent U.S. presidential election, terrorist events, asset bubbles in China, continued discussion about fair wages and income equality, and ongoing instability in the Middle East.



The overall global business context is perceived to be noticeably more risky in 2017.



Concerns about economic conditions top the list of risk issues for the coming year, followed closely by regulatory changes and scrutiny.



Cyberthreats, information security and privacy remain critical issues for organizations to address.



RISK ISSUE		2017*	2016*	YOY Trend
\$	Economic conditions	6.61	5.83	↑
🛡️	Regulatory changes and regulatory scrutiny	6.51	6.06	↑
👁️	Cyberthreats	5.91	5.80	↑
🌀	Rapid speed of disruptive innovations and new technologies	5.88	5.48	↑
🔒	Privacy/identity management and information security	5.87	5.55	↑
👤	Succession challenges and ability to attract and retain top talent	5.76	5.63	↑
📈	Volatility in global financial markets and currencies	5.67	5.33	↑
⚠️	Organization's culture may not encourage timely identification and escalation of risk issues	5.66	5.30	↑
👋	Resistance to change operations	5.63	5.40	↑
❤️	Sustaining customer loyalty and retention	5.62	5.28	↑

* Scores are based on a 10-point scale, with "10" representing that the risk issue will have an extensive impact on the organization.

About the Survey This annual survey of board members and C-suite executives was conducted online in the fall of 2016. Each respondent was asked to rate 30 individual risk issues using a 10-point scale, where a score of 1 reflects "No Impact at All" and a score of 10 reflects "Extensive Impact" to their organization over the next year.

The full survey report, Executive Perspectives on Top Risks for 2017, may be accessed at erm.ncsu.edu or protiviti.com/toprisks. It includes detailed breakdowns of the results by respondent role, organization size, industry and other categories.

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