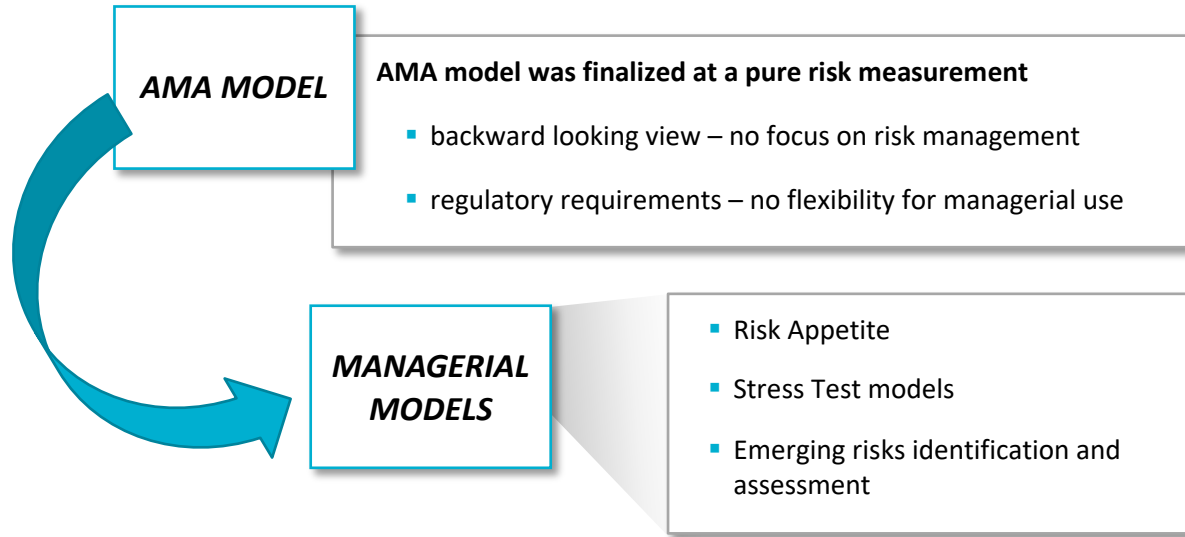


Evoluzione della funzione ORM: dalla gestione dei Rischi Operativi al più ampio presidio dei Non-Financial Risks

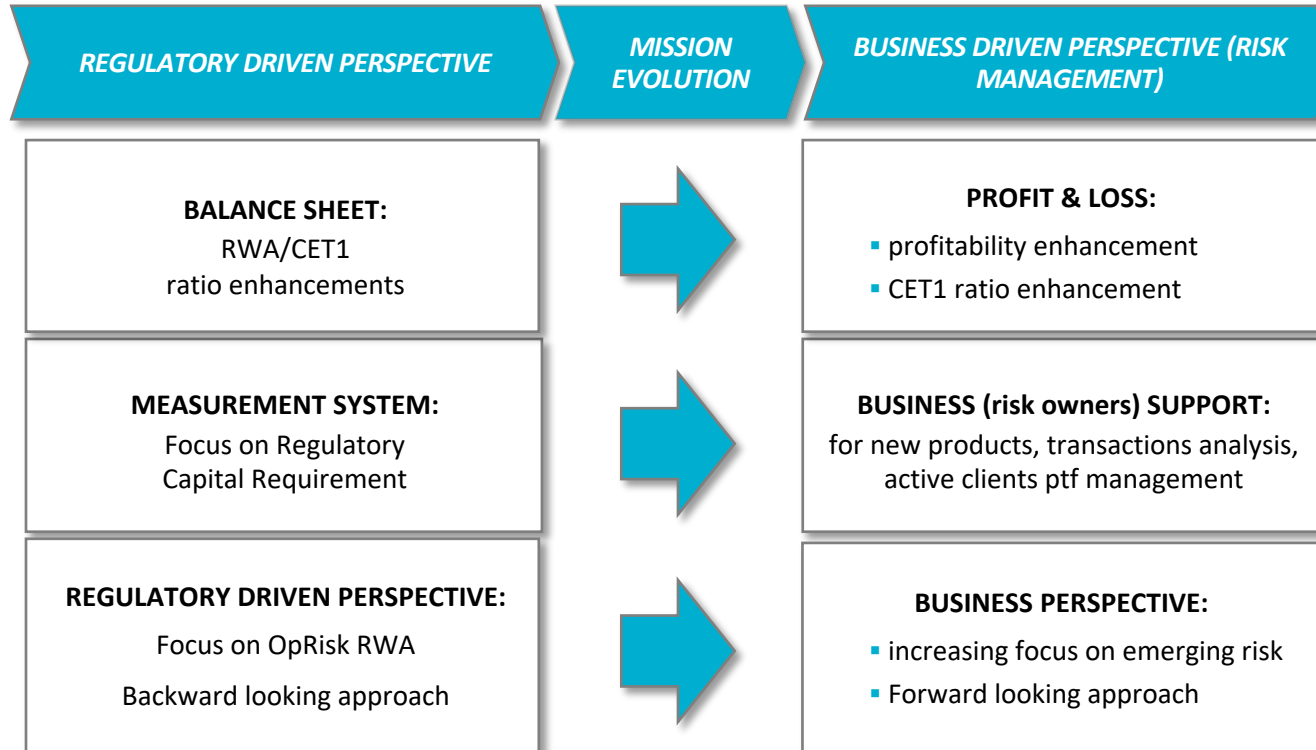
Ennio Menicucci – Group Operational & Reputational Risks

23 Giugno 2021

From one single AMA model to many managerial models: what's kept and what's new



Operational Risk mission needs to evolve from a pure Regulatory driven perspective to Operational Risk Management



Non-Financial Risks Taxonomy

- In recent years, NFR risks has become an increasingly important component of the risk profile of financial organizations. Meanwhile, the broad landscape of operational risks has seen rapid evolution, with relatively recent additions to the risk vocabulary, e.g. cyber and conduct, rising to the top of organizations' risk agendas.
- Given that the Basel operational risk taxonomy was developed almost 20 years ago, some of these recently emerging themes are not explicitly captured or addressed in it. In response, many Companies have either chosen to adapt the Basel event types, or developed their own taxonomies.
- Following the International Best Practice and also considering **outcome** of dedicated **ORX workgroup**, we started a review of the **risk taxonomy** that we will be used for managerial purposes. The Objective is to overcome the Basel Type taxonomy toward the concept of “**Non-Financial Risks**” type

Basel risk taxonomy (7 Event types + Reputational Risk)
<i>Internal Frauds</i>
<i>External Frauds</i>
<i>Employee Practices & Workplace Safety Risk</i>
<i>Client, Products and Business Practices Risk</i>
<i>Damages to physical assets risk</i>
<i>Business disruption & system failures Risk</i>
<i>Execution, Delivery & Process Management</i>
<i>Reputational Risk</i>



2020 Risk Inventory (NFR taxonomy)
Internal & External Frauds
Employee Practices & Workplace Safety Risk
Conduct Risk
Natural Disasters & Public Safety Risk
Execution, Delivery & Process Management Risk
Tax Risk
Financial Crime
Cyber Risk
ICT Risk
Outsourcing & Third Party Risk
Reputational Risk



Non-Financial Risks Appetite Framework

- In light of new **NFRs taxonomy and evolution**, a dedicated approach has been designed in order to **further strengthen and review Risk Appetite** for each NFR:

