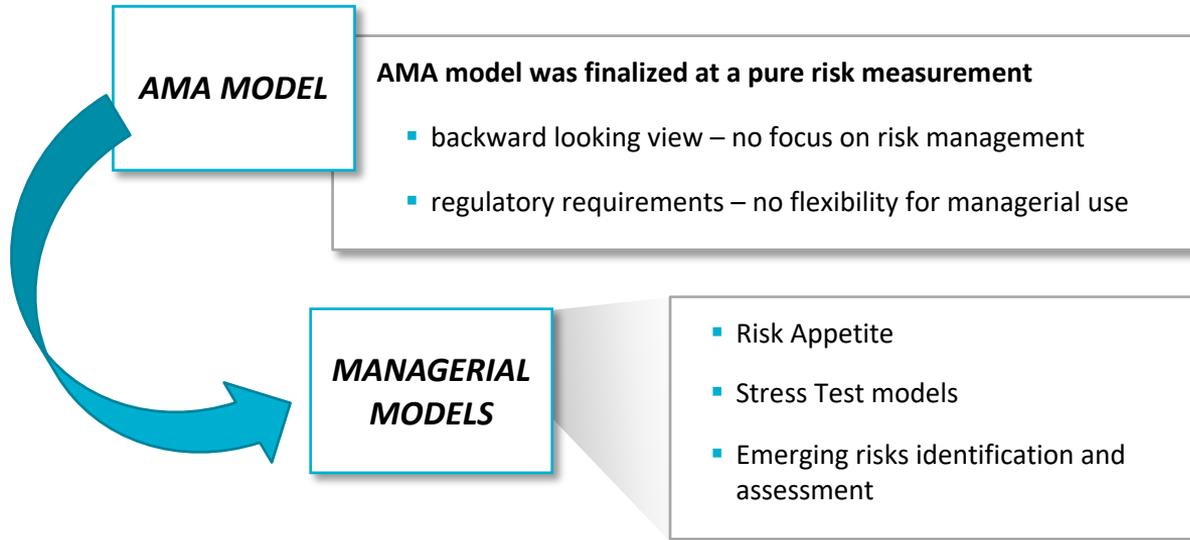


Evoluzione della funzione ORM: dalla gestione dei Rischi Operativi al più ampio presidio dei Non-Financial Risks

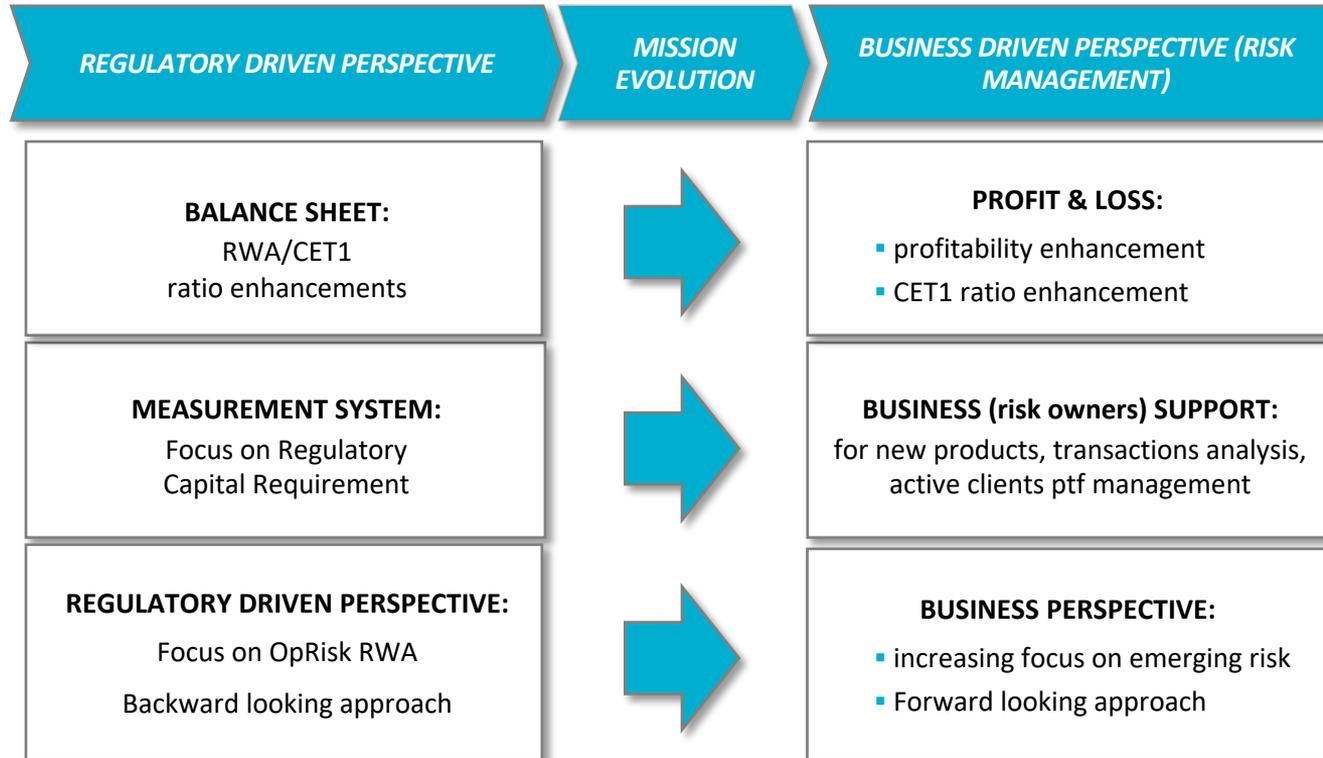
Ennio Menicucci – Group Operational & Reputational Risks

23 Giugno 2021

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

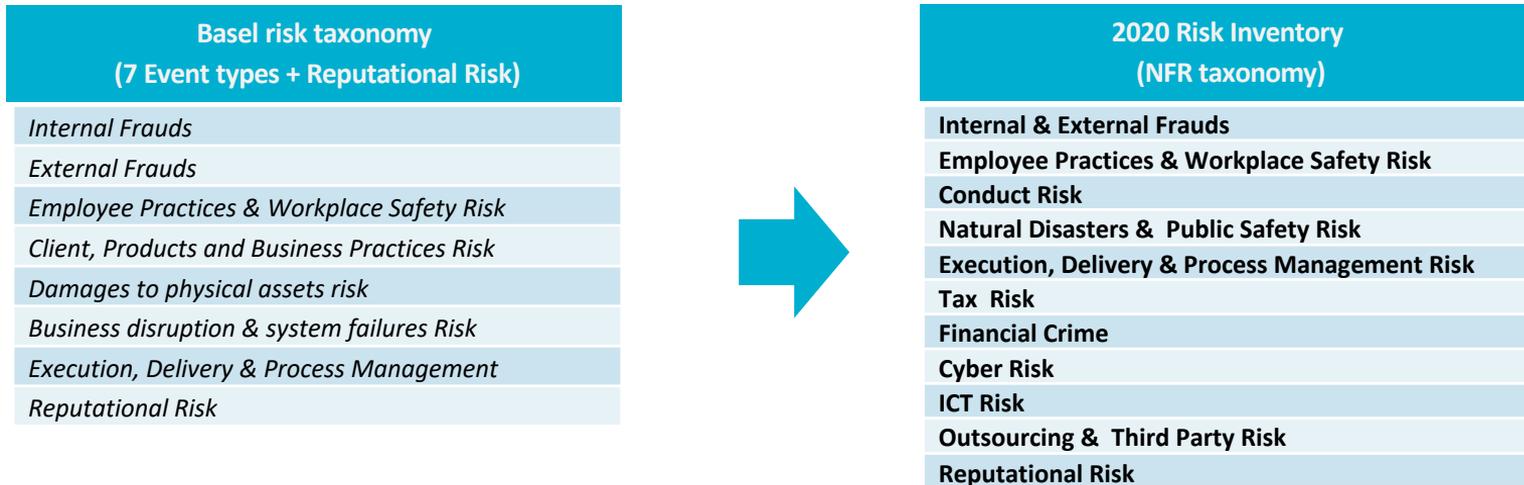


Operational Risk mission needs to evolve from a pure Regulatory driven perspective to Operational Risk Management



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



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:

1. Identification of Key Risk Factors

Identify with the relevant Functions which are the **main risk factors** on the specific risk type.

2. Risk Appetite Statement definition

Define a **qualitative statement affirming** the Company position and Appetite in relation to the identified Risk Factors.

3. KPI to monitor RA Statement principles

Identify **few significant quantitative KPIs (if any)** to monitor Risk factors and **define KPIs thresholds** triggering escalation process and keep Board informed.

