

## Operational Risk: back to basics?



# Disclaimer

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# Cyber, model, conduct: nuovi rischi?

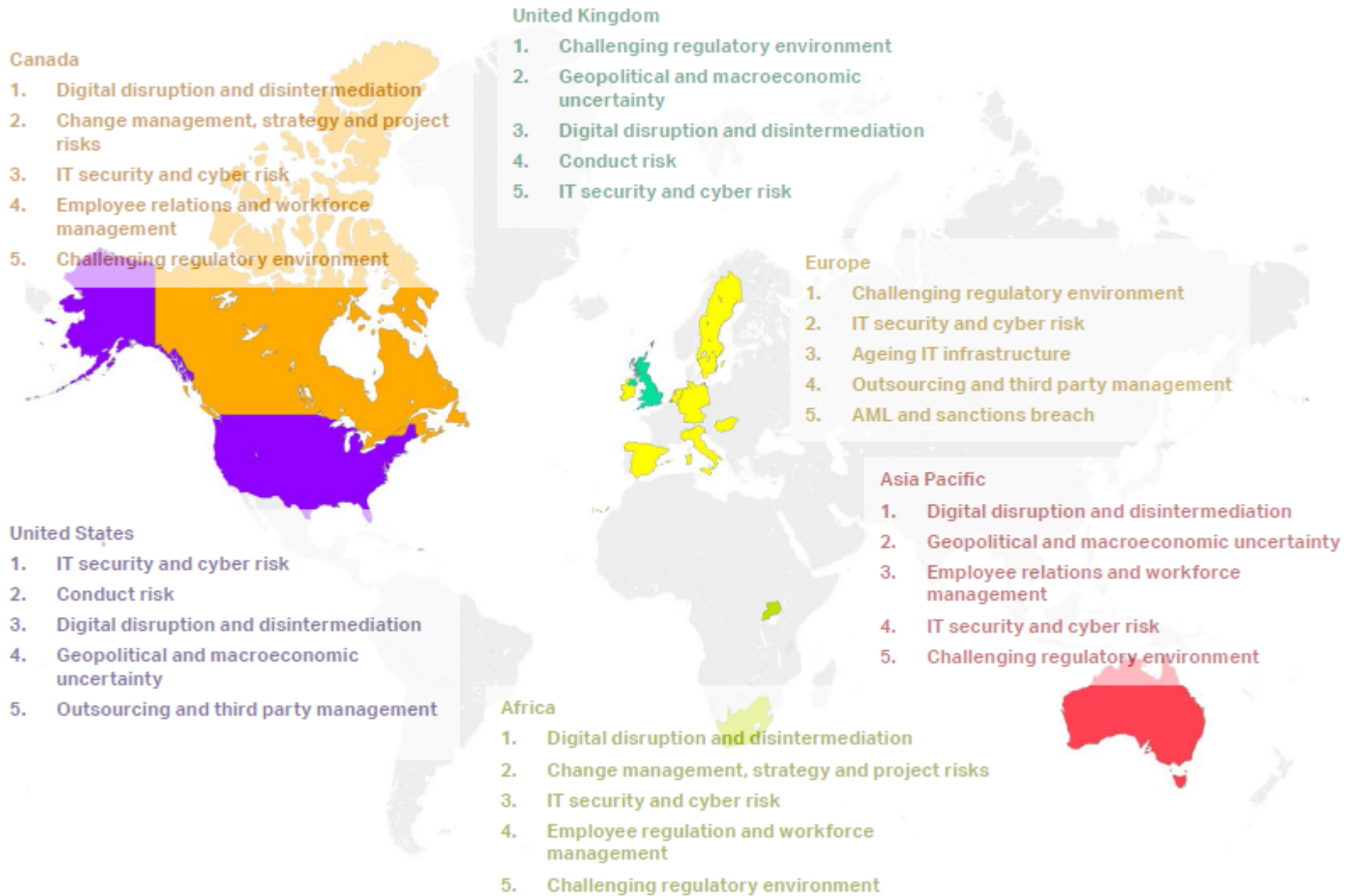


- Il contesto di riferimento – interno ed esterno – sta cambiando (ancora!)
  - Profilo di rischio
  - Sostenibilità
  - Regolamentazione
  - Approccio della Vigilanza
- ... ma questi non sono rischi «nuovi» ...
- .... Sono però una nuova sfida perché sono oggetto di sempre maggior attenzione o sono rischi emergenti

«We define emerging risks as **newly developing or changing risks** which are difficult to quantify and which may have a major impact on an organisation. Key drivers of the changing risk landscape include **new economic, technological, socio-political and environmental developments as well as the growing interdependencies between them** which can lead to an increasing accumulation of risk. In addition, there is a changing business environment to consider: liability and regulatory regimes continue to evolve, stakeholder expectations are strengthening and risk perception shifting. The key is to reduce uncertainty and thus help diminish the volatility of business results. **While risks today are assessed largely reactively based on loss experience, a faster pace of change requires a more anticipatory approach.** To achieve this, we strive to translate risks associated with high uncertainty into a quantifiable measure»

RE Thinking, SwissRE

# «Surveying the risk landscape» (2016 inventory risk pilot)



# «Banking banana skins 2015»

- 1 Macro-economic environment (3)
- 2 Criminality (9)
- 3 Regulation (1)
- 4 Technology risk (4)
- 5 Political interference (2)
- 6 Quality of risk management (11)
- 7 Credit risk (7)
- 8 Conduct practices (16)
- 9 Pricing of risk (6)
- 10 Business model (-)
- 11 Social media (19)
- 12 Reputation (-)
- 13 Capital availability (10)
- 14 Interest rates (12)
- 15 Emerging markets (17)
- 16 Shadow banking (20)
- 17 Currency (22)
- 18 Liquidity (15)
- 19 Corporate governance (8)
- 20 Management incentives (21)
- 21 Derivatives (18)
- 22 Human resources (23)
- 23 Reliance on third parties (24)
- 24 Sustainability (25)

- [...] The *Banana Skins* reports provide highly regarded insight to the changing risk concerns of boards and senior management, and how these perceptions change over time
- [...] The banking industry is under attack from many angles, not just from traditional risks but also **new uncertainties**
- [...] Criminality and technology risk are becoming increasingly concerns of banks given the rise in new competitors who are challenging traditional ways of doing things and operate using more nimble systems and lower overheads. Traditional bank earnings models are starting to be threatened as these competitors chip away at many traditional way of doing things. To help them improve margins, banks are experimenting with new industry models which leverage on technology and focus more on customer centricity and less on products; however this could expose them to even higher risks in the areas of cyber crime and financial terrorism.

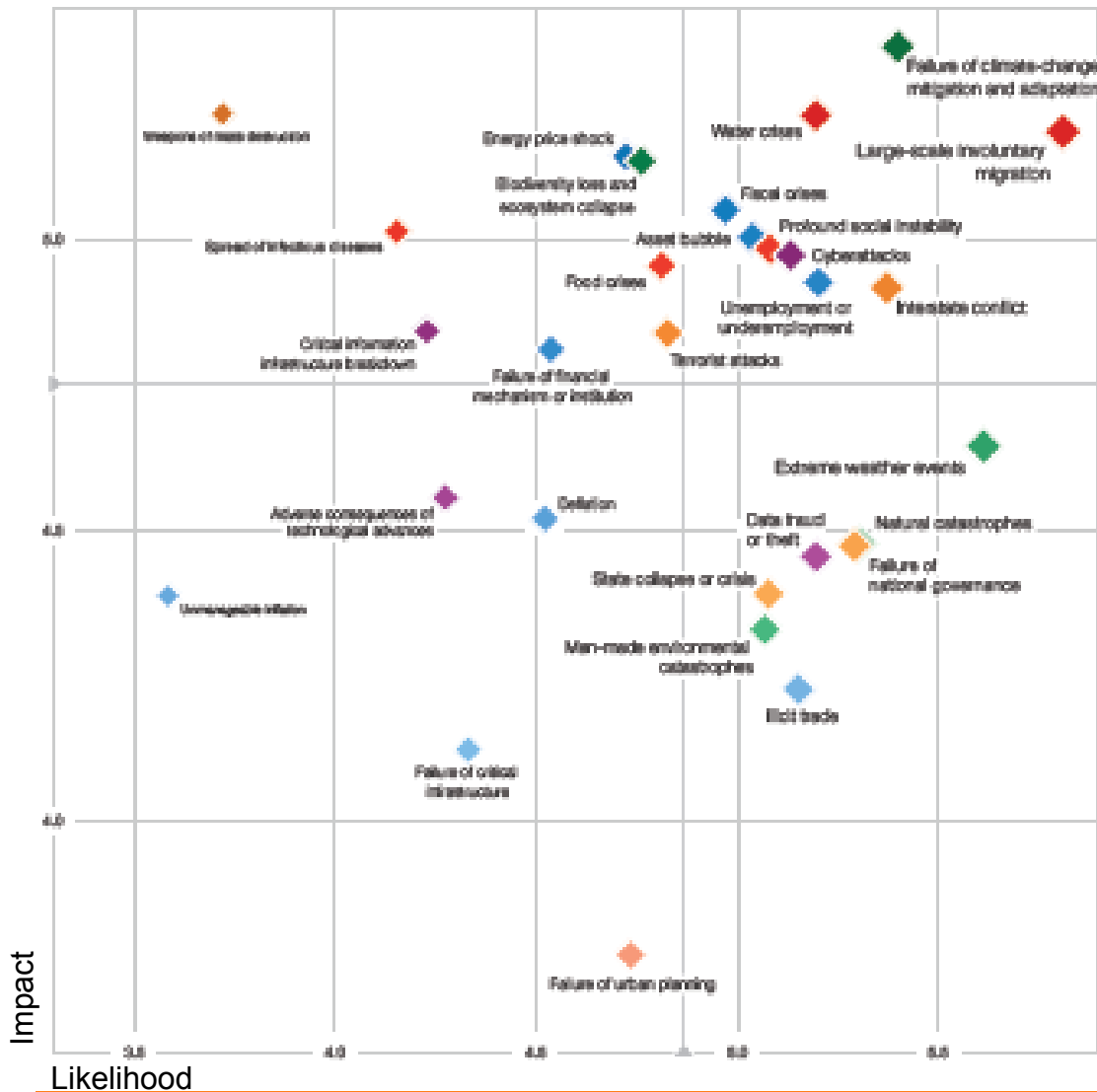
# «KPMG Internal Audit: Top 10 key risks in 2016»



1	Increased regulatory expectations
2	Culture and conduct
3	Regulatory reporting
4	Stress testing
5	Model risk management
6	Cybersecurity
7	Third-party relationships/vendor management
8	Continuous risk assessment
9	Use of data analytics and continuous auditing
10	Internal audit talent recruitment and retention

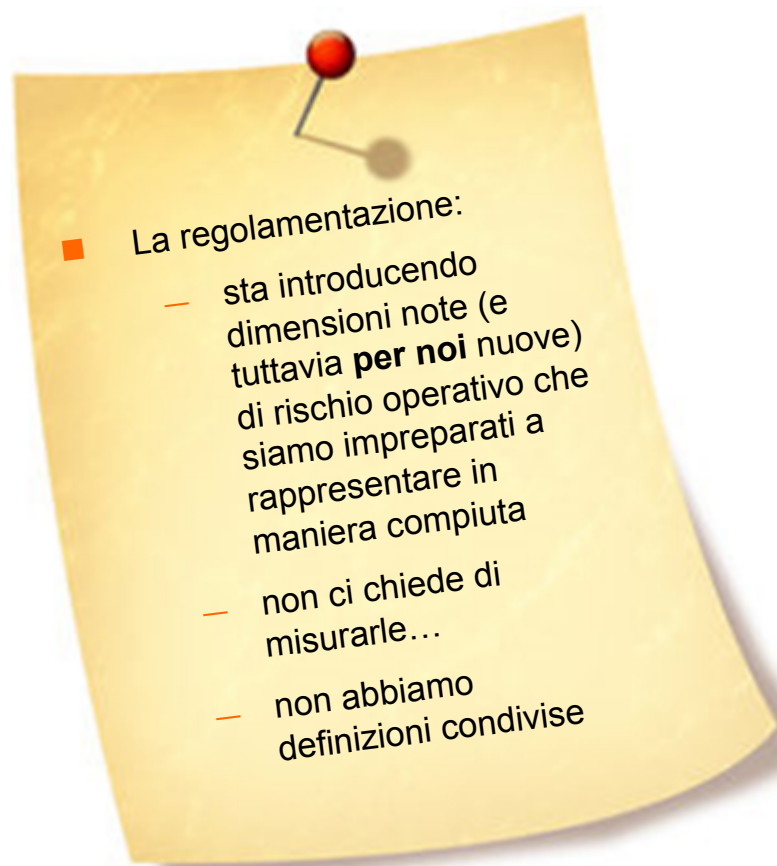
- [...] Political, regulatory, and legal authorities and the media continue to highlight shortcomings in the industry, and regulatory agencies are growing increasingly impatient with failures to invest adequate resources to address their concerns

# «The Global Risks Landscape 2016»



- [...] Global risks materialise in new and unexpected ways and are becoming more imminent

# Alcune riflessioni...

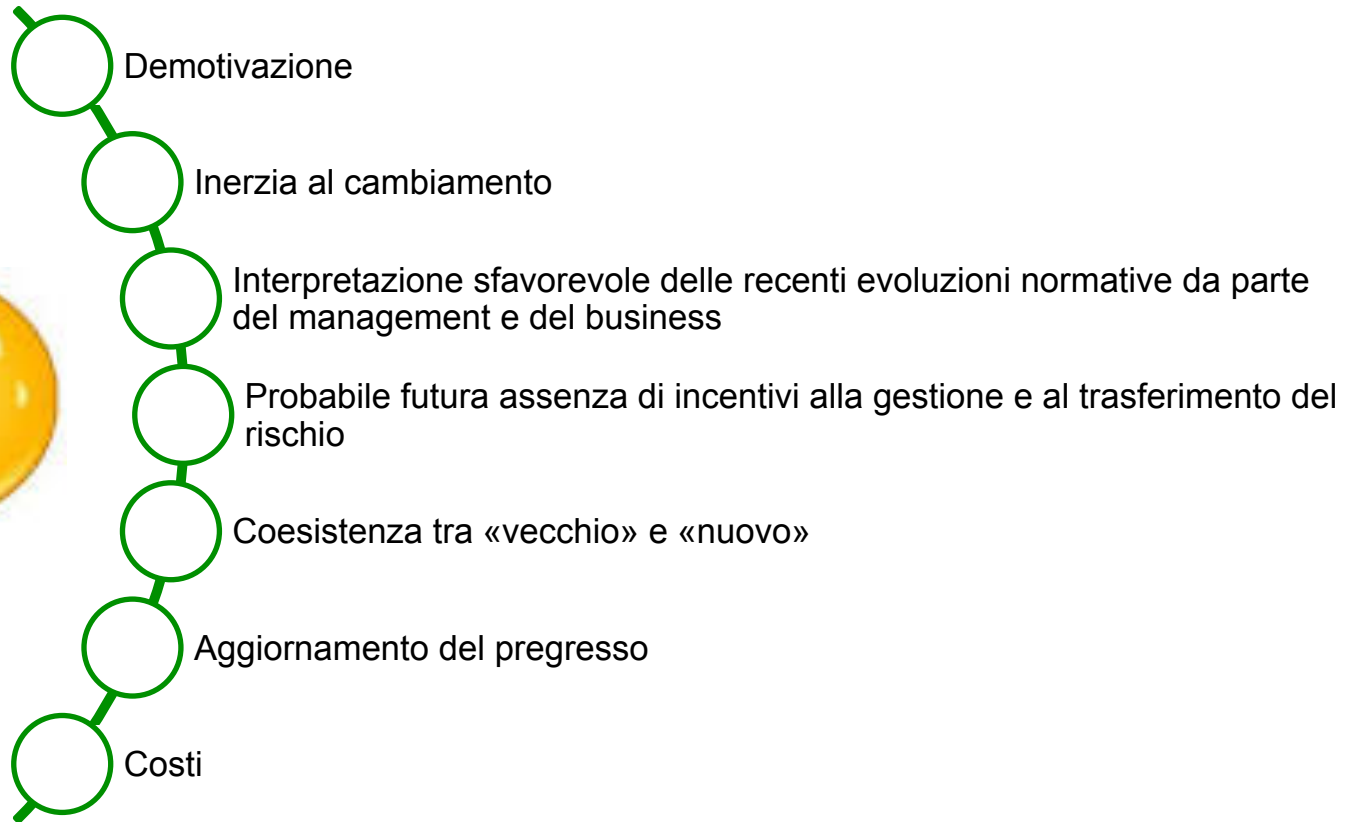


- Noi
  - Abbiamo dedicato molto tempo ed energie alla compliance regolamentare
  - Abbiamo sviluppato sistemi di misurazione, gestione delle informazioni e reporting basati sulle dimensioni (event type e business line) previste dalla normativa
  - Abbiamo (correttamente) demandato compiti di prevenzione e mitigazione (gestione?) ad altre strutture aziendali
  - **Abbiamo davvero raggiunto l'obiettivo «use test»?**

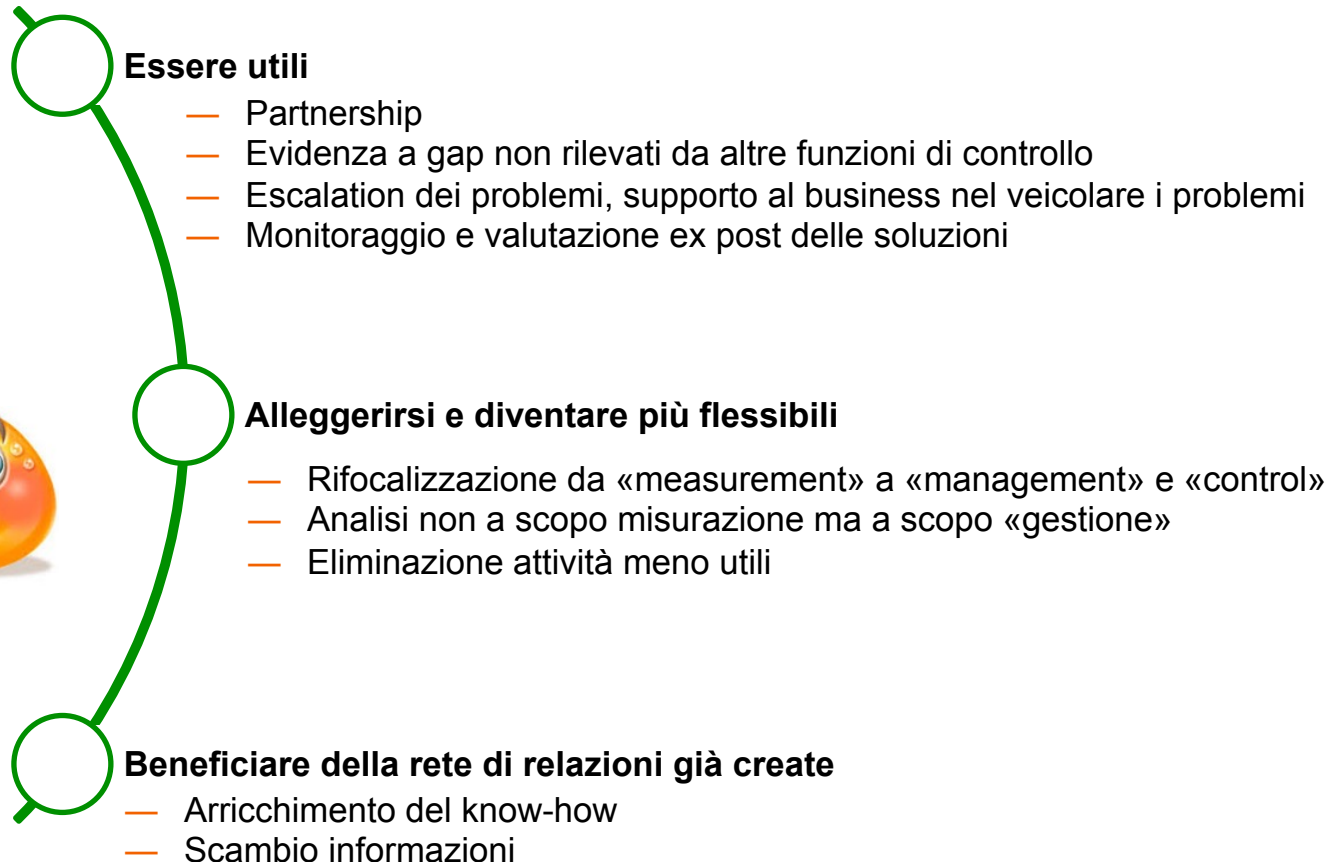




## Alcuni ostacoli...



# Alcune urgenze...



## Alcune soluzioni...



Informazione  
e non dati

- uso diverso della mole di dati nei nostri database
- ripensare il contenuto dei report
- data mining e business intelligence
- non perdite operative ma eventi operativi

Uso diverso  
del know-how  
esistente

- analisi del contesto operativo quale metodo per indagare aree di vulnerabilità
- analisi di scenario per valutare potenziali soluzioni di recovery, per approfondire costi e benefici di interventi di mitigazione preventiva e/o supportare richieste di budget o decisioni di accettazione del rischio, per supportare scelte di tipo strategico
- possiamo sviluppare una logica solida di analisi rischio-rendimento?
- possiamo mettere in relazione le perdite operative con i ricavi?

## Alcune soluzioni...



Analisi di scenario

- pochi scenari, da analizzare con approccio simile a quello seguito per individuare soluzioni di recovery

Altri rischi emergenti

- rischio fornitori

Trasferimento del rischio

- evitare il ritorno a logiche sinistri/premi e soluzioni di trasferimento delle perdite attese

Analisi vecchie questioni aperte

- valutazione rischio nuovi prodotti
- boundary

# Conclusioni

« As a result of these lessons and others that will emerge from this financial crisis, we should consider important principles for our industry, for policymakers and for regulators. For the industry, **we cannot let our ability to innovate exceed our capacity to manage**. Given the size and interconnected nature of markets, the growth in volumes, the global nature of trades and their cross-asset characteristics, **managing operational risk will only become more important** »

*Lloyd Blankfein, CEO Goldman Sachs*



■ **Veruska Orio**

Responsabile Servizio Operational e Reputational Risk

Torino, Corso Inghilterra 3

Tel. 011 555 6860

[veruska.orio@intesasanpaolo.com](mailto:veruska.orio@intesasanpaolo.com)