

Navigating Your GRC Journey

Compliance Risk Assessment Société Générale

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Agenda

1. Organizational Structure: Lines of Business and Key Stakeholders
2. Organization Overview: Vision and Key Facts
3. Business Challenge Identification: Top Challenges Facing Organization and Industry
4. GRC Program Objectives and Strategies
5. Overcoming Business Challenges
6. Technology as an Enabler
7. Successes and Benefits
8. Key Learnings and Best Practices
9. Audience Questions and Discussion

Organizational Structure

Société Générale

Global Banking & Investor Solutions

GBIS

- Corporate Investment Banking
- Private Banking
- Asset Management
- Securities Services

French Retail Banking

RBDF

- SG Retail Banking
- Crédit du Nord
- Boursorama

International Retail Banking & Financial Services

IBFS

- International Retail Banking
- Equipment/Automotive Finance
- Insurance

Organizational Structure

Société Générale Corporate Secretary

Société Générale Group Compliance
Management, Strategy, COO

Transversal Functions

**Financial
Crime**

**Governance
& Expertise**

**Steering &
Control**

Business Functions

**Global
Banking &
Investor
solutions**

**Private
Banking**

**France &
International
Retail
banking**

Organization Overview

The COMPLIANCE Function

MISSIONS

TOPICS

1 – N
Relation

Analysis of Regulation

Relations with Regulators

Compliance Risks Assessment

Norms & Policies Definition

Procedures Implementation

Controls & Results Management

Treatments of Incidents

Follow-up of Action Plans

Trainings

Anti-Money Laundering

Know your Customer

Embargoes

Corruption

Conflicts of Interests

Clients Protection

New Products Committee

Professional Cards & Licences

Market Abuse

Markets Rules

Regulatory Reporting

Employees Code of Conduct

Banking Data Privacy

Issuers Threshold Crossing

Obligation of Staff Training


Business Specific Regulation

Requirements

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Business Challenges Faced

The COMPLIANCE Challenges

REGULATIONS (...)						
Regulations	PRIV. BKG	INSUR.	SEC. SERV.	ASSET MGT.	CORP. INV.	RETAIL BKG
Dodd Frank	X		X	X	X	X
FATCA	X	X	X	X	X	X
EMIR			X	X	X	
MIFID II	X	X	X	X	X	X
UCITS V & VI		X	X	X		
PRIPS		X				X
FTT	X	X	X	X	X	X
CRR, CRD4, Basel III, EBA, FSB...						

OTHER

Culture of Risk

Small Teams

Multi-tasks Teams

Non consistency or integration of Business Systems

Quasi no Compliance Systems

Increase of Global Projects

Increase of Reporting

Resources Shortage

GRC Program Objectives & Strategies

The COMPLIANCE Objectives

Know, anticipate and/or mitigate the Risks of non-Compliance to the regulation in order to:

- **Ensure that the Group acts in Compliance with any regulation applying to any type of business and in any Country**
- **Protect the Group, the Clients and the Employees**
- **Reinforce the Reputation of the Group**

COMPLIANCE RISK ASSESSMENT CRA

- ✓ Provide Compliance Department with a software at SG Group level allowing to:
 - Apply a consistent & cross-border method for Compliance risks across the Group
 - Secure data and facilitate the update of the Compliance Risks Cartographies
- ✓ Ensure regulations applying to SG Group are identified, analyzed and managed
- ✓ Ensure action plans are monitored by Compliance to reduce high regulatory risk issues
- ✓ Allow a synthetic and/or consolidated view on the compliance risks at various levels
- ✓ Manage the Annual Compliance Program and identify where resources are needed
- ✓ Enhance and facilitate the reporting process across all levels of Management

Overcoming Business Challenges

The CRA Project Challenges

THE CREATION OF

- ✓ **A Global Compliance Risks Table**
- ✓ **A Common Compliance Risk Approach**
- ✓ **A Global Compliance Risk Calculation Methodology**

Technology as an Enabler

METRICSTREAM Solutions Areas

**The Compliance Module,
integrating an Action Plan Module**

METRICSTREAM Solutions Functionalities

**Business Organisation
Database**

Regulatory Database

**Risks & Mitigants
Database**

Risk Assessment Engine

Action Plans

Reporting

IMPLEMENTATION STRATEGY

**Release in Production
of 1st version**

**Implementation
Division by Division and
Country by Country**

**Upgrade
of version**

Successes and Benefits

SUCCESS Metrics & KPI

- ✓ RESIDUAL RISK Report
- ✓ RISKS Consolidation/Deconsolidation

- ✓ Number of Risks assessed
- ✓ Number of High Residual Risks
- ✓ Number of Action Plans open/closed

KEY Process Improvement & EFFICIENCIES gained

- ✓ A GLOBAL Overview of our RISKS
- ✓ A CONSISTENT Compliance Risk Approach

- ✓ DIRECT Reporting through the CRA
- ✓ REPORTS can be shown on request to Regulators/Auditors

Key Learnings and Best Practices

KEY Learnings

- ✓ Countries have different levels of Culture of Risk
- ✓ Weight of Regulatory framework differs

BEST Practices

- ✓ Establish a COMMON global frame
- ✓ Stay FLEXIBLE
- ✓ Find SOLUTIONS where necessary

ROAD Ahead

- ✓ Continue to implement the system across the Group
- ✓ Enlarge the Group Compliance Risk Table depending on the Business Divisions implementation

Questions ?



Join the Discussion Online



#GRCSummitEU2014