

# Navigating Your GRC Journey

## Risk assessment with GRC Platform

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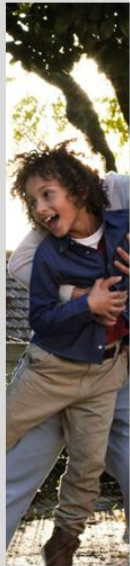
# Agenda

1. Organizational Structure
2. Internal Audit (DCPE) : in short
3. Audit cycle - Tools
4. Business Challenge Faced
5. GRC Program Objectives
6. Successes and Benefits
7. Risk assessment process
8. Audience Questions and Discussion

# Organizational Structure

## A SOLID UNIVERSAL BANK, WITH 3 COMPLEMENTARY PILLARS

### French Retail Banking



**3 differentiated complementary brands:**  
Societe Generale, Credit du Nord, Boursorama

**No.3** Retail bank in France  
**No.1** Online bank in France  
**No.2** Commercial bank for large corporates in France

**11 M**  
clients

**176 Bn €**  
credit outstandings

### International Retail Banking & Financial Services



**No.3** Czech Republic  
**No.2** Romania  
**No.1** Russia foreign owned retail bank  
**No.1** Cameroon, Senegal, Cote d'Ivoire  
**No.4** bank in Morocco  
**No.2** Europe **No.3** International Car renting  
**No.1** Europe Equipment Finance  
**No.4** Bancassurance in France

**22 M**  
clients

**118 Bn €**  
credit outstandings

### Global Banking and Investor Solutions



**No.1** World Equity Derivatives  
**No.3** World Natural Resources Finance  
**No.1** Euro Corporate issuances  
**No.2** EMEA project finance bookrunner  
**No.1** Certificates & Warrants  
**No.3** World Listed derivatives clearing  
**No.1** France **No.2** Europe in Fund Accounting & Administration Services  
**No.1** Private bank in France

**> 5,000**  
FI & Corporate clients

**104 Bn €**

# Internal Audit (DCPE) IN SHORT

- Create in 2010, with the business local audit teams and the Inspection.
- Today, gathers the **General Inspection** (139 people), the **Audit** (1,025 people), and **Transversal Functions** (76 people).
- Under the authority of the Group Head of Inspection and Audit, head of DCPE, who directly reports to the **Group Chairman and CEO**.



1,240 | EMPLOYEES  
ALL OVER  
THE WORLD

56 % | OF STAFF  
ABROAD  
IN 50 COUNTRIES

1,482 | ASSIGNMENTS  
CARRIED OUT  
IN 2013

47 % | OF WOMEN

12 | HUBS

0.8 % | AUDITORS / GROUP  
STAFF RATIO

33 | YEARS OLD  
ON AVERAGE

76 | COUNTRIES  
COVERED

# Audit cycle - Tools



INTRANET DCPE

## **RADAR** RISK ASSESSMENT

(annual)

- 1 Risk universe mapping
- 2 Risk ratings and documentation  
(Conversations, indicators, ...)

## **DATT** AUDIT PLAN

- 1 Planification et follow up of the missions
- 2 Team management

## **ARCHIV** REPORT

- 1 Edition
- 2 Storage

## **MAP** MISSIONS

- 1 Diagnostic
- 2 Controls & Findings
- 3 Conclusions

## **KART** RECOMMENDATIONS

- 1 Publication
- 2 Follow up of action plans
- 3 Closing

# Business Challenges Faced

Main challenges	Benefits
Build a common risk assessment framework in order to assess the risks across the whole organization (investment banking, insurance or retail banking) and across geographies	Having the same methods enables to compare
Assessment should be performed at a low level of granularity (an audit entity should have a consistent risk profile) but consolidation should be provided at any wished level	Risks on an audit entity should be assessable during a mission.  Aggregated level makes easier the reading and restitution of results
The risk assessment should enable to set up the audit plan and prioritize audit assignments	For efficiency and risk management reasons, risky entities should be prioritized to be audited.

## Organization

- During 6 months, one workgroup by week (20 people)
- During 6 months, setting up of the tool

# Successes and Benefits

## Risk assessment process

- Results:
  - The whole planned process was deployed within the tool in a year
  - For the first time a common picture of the risks of all the bank have been set up(same method, same language)
- Lessons learnt:
  - The importance of risk theories and statistical methods knowledge
  - The importance of development with targeted volumes for smooth deployment
  - Doing this in one year was very ambitious
  - The importance of trainings in order to deploy such a new process

# Risk Assessment process



## Current Metricstream RADAR solution supported functionalities:

- Descriptive data management and audit universe, repositories creation
- Integrate qualitative and quantitative data to support the scoring
- Score risks related to Group activities, Prioritization and Planning
- Build a proposed audit plans
- Provide reporting functions



**QUESTIONS ?**

# Join the Discussion Online



#GRCSummitEU2014