

BANKING COMPLEXITY & GOVERNANCE

(A systemic and structured analysis on banking management)

Rome, 17th November 2015

Milan, 18th November 2015

Hotel Atlantico – 23, Cavour rd., Rome

Hotel Crowne Plaza – 73, Melchiorre Gioia rd., Milan

The recent changes to the Supervisory Circulars in terms of governance and control systems introduced the need of a reflection on the themes related to the complexity of the banking activities in the current period.

The training unit of Save Consulting Group decided to organize a meeting to provide an in-depth analysis of such themes and their interrelations with Corporate Governance, Corporate Bodies and Control Systems.

For what it refers the contents, it has been deemed appropriate to underline some significant aspects explaining how effective governance systems, along with a proper organization, represent an essential condition for the achievement of corporate targets and constitute, together with the capital, the cornerstones for a sound economic-financial structure of the bank:

These are the necessary conditions so that banks can be able to:

- *Define strategies, consistent and appropriate to their own possibilities*
- *Develop a timing action and reaction, fit and appropriate, in case of unforeseeable circumstances and events*
- *Provide for a structured control systems, efficient and effective*
- *Establish appropriate remuneration and incentive policies*

During the last period, the financial news showed that times are changing and underlined that rapid changes to political/economical scenarios have to be considered a recurrent event in the banking system, leading to many 'mini-crisis' that despite having a very localised impact, significantly impact also on the financial market, transferring and spreading the shocks.

The regulatory bodies often intervene introducing restrictive measures and approaches, but - as it will be explained during the meeting - the most suitable solution consists in the introduction, instead of 'curative approaches', of preventive approaches, since they take into account not only time changes, but they also contribute to the creation of a more efficient and effective banking and financial system.

It should be noted that in case of significant levels of participation the afternoon sessions will be diversified according to the specific operational features, with specific themes.

9.30 a.m. Registration of the participants

9.40 a.m. Beginning of the meeting

➤ **INTRODUCTION**

- ✓ *Corporate Governance*: meaning and purposes
- ✓ Characteristics of *Corporate Governance*
 - Models of capitalism
 - Ownership structures as a whole
 - Administrative and control models

➤ **DEVELOPMENTS IN THE REGULATORY FIELD**

- ✓ The beginning: Circular No. 263
- ✓ Introduction of the European laws: CRR and CRD IV
- ✓ The current regulatory model - Circular No. 285:
 - Correlations between Circular No. 263 and 285
 - Relevant updates:
 - 10th update – Non-EU banks
 - 11th update – Control System, Informative System and Liquidity risk Governance
 - 12th update – Inspective and Informative Supervision

➤ **CORPORATE BODIES: ROLES AND COMPETENCES**

- ✓ Corporate system
 - Ownership structures
 - Shareholder agreements
- ✓ Shareholders' meeting
- ✓ Administrative Body
 - Committees
- ✓ Control Body
- ✓ *Enforcement*

➤ **ORGANISATION: MEANING AND DEVELOPMENT**

- ✓ Understand and interpret the organisational themes
- ✓ Organisational contingencies
- ✓ Relationship between corporate strategy and organisational structure
- ✓ Management of change

Workshop

In the second part, we will deal with two modules providing detailed information on the application method referring both to the internal management processes and referring to the Save's proposal, linked to the qualitative aspects of the modelling and adjustment of the organisational structure.

➤ **MODELLING AND ADJUSTMENT OF ORGANISATIONAL STRUCTURE**

- ✓ Variables that influence the changes
- ✓ Underestimation of the organisational structure
- ✓ Implementing models of the types of organisational structures
- ✓ Choose an appropriate organisational structure
 - Small banks
 - Large banking groups

➤ **ORGANISATIONAL AND MANAGEMENT INTERNAL PROCESSES**

- ✓ Role of the organisation and best practices
- ✓ Corporate procedures: not a constrain, but an opportunity
- ✓ Integrated management – procedural and informative workflow
- ✓ Fine tuning – audit procedures
- ✓ A practical approach to change: the Product Sheet

5.00 p.m. End of the meeting

SPEAKERS: Mr. Roberto and Mr. Davide Savelli – Partners of Save Consulting Group
Mr. Paolo Cataldi – Consultant at Save Consulting Group