

## **BBA and RiskBusiness International collaborate to enhance GOLD**

**Rome, September 28, 2010**

The British Bankers' Association (BBA) and RiskBusiness International today announced at the DIPO 2010 International Conference on Operational Risk Data for Decision Making an important collaboration in the areas of consortium loss data sharing, key risk indicators (KRIs) and classification structures for operational risk management. In 2000, the BBA launched the first ever operational risk loss data pooling facility, the Global Operational Loss Database (GOLD). With participation from banks around the globe, GOLD moved from its first classification structure based around cause to adopt the Basel II Loss Event Types as its primary classification mechanism in 2005. Today, the BBA once again reflects industry leadership in introducing GOLD MKII.

"It has become increasingly obvious that banks today need detailed information on industry experience" said David Dooks, Director of Statistics at the BBA and manager of the GOLD consortium. "Historically, banks were satisfied in exchanging simplistic statistical analysis and using that either for comparative purposes or as a possible input into some form of exposure model. Today, the focus is far more on risk management than measurement and our participants need to know what happened, how it happened, why it happened and when it happened, so that they can use the information for detailed internal analysis. This implies the need for far more granular classification hierarchies, more frequent data interchange and more robust technology to deliver and meet these needs".

In response to the GOLD participant's needs, the BBA turned to RiskBusiness International, the advisory firm which has won industry awards for its pioneering work around risk-related content in the areas of classification hierarchies and libraries of risks, processes, controls and monitoring metrics. "RiskBusiness has been working with loss data consortia for several years and understands all the issues around high-quality consensual pooling of sensitive data on an anonymous basis" commented Dooks. "With their assistance, we can begin to capitalise on our rich pool of loss data, augment the existing classification structures with new attributes and move onwards to start benchmarking KRIs. In addition, with the exciting development work underway in areas such as causal analysis and control type classification, GOLD participants will benefit directly in their own internal operational risk management programmes".

Under the collaboration agreement, the BBA will provide GOLD participants with access to the RiskBusiness Taxonomy Service and KRI Library, while utilising the RiskBusiness Loss Data Consortium Service to expand the existing GOLD MKI functionality and the KRI Benchmarking Service for KRI data comparison. A GOLD MKII Steering Committee has been established to oversee the extension process and to provide governance for the GOLD participants.

Mike Finlay, Chief Executive at RiskBusiness International stated: "We are very excited about working with the BBA on the development of GOLD MKII. The BBA led the way in forming the very first loss data consortium and it is fitting that the BBA is once again taking the lead by providing greater granularity and more detail to GOLD participants around the world. One of the major benefits to individual firms from their operational risk management programmes over time will be the enhanced flow of risk-related information – GOLD MKII is focussed on facilitating the secure, anonymised exchange of risk data of all kinds – losses, exposures, indicators, etc – amongst global, regional and local peers, at a level of granularity appropriate to the business activity in question, supported by tools and classification structures making the interpretation of the information fast and user-friendly".

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### **About the British Bankers' Association**

The BBA is the leading trade association for the UK banking and financial services sector. We speak for over 200 member banks from 60 countries on the full range of UK and international banking issues. These member banks collectively provide the full range of banking and financial services and make up the world's largest international banking centre, operating some 150 million accounts and contributing £50 billion annually to the UK economy.

We also represent 45 Professional Associate (PA) member firms. These firms enjoy many benefits of BBA membership, including access to up-to-the-minute information about key industry developments and also the ability to directly contact BBA policy directors should specialist help be required

### **About RiskBusiness International Limited**

RiskBusiness is an international risk advisory firm specializing in the design and delivery of industry leading operational and enterprise risk management solutions. RiskBusiness provide advice, content, services and tools to individual institutions, industry associations and regulators. RiskBusiness content services are based on industry leading taxonomies and integrated classification structures. These are designed to facilitate the successful adoption of risk programs by business management and to enable the integration of governance, risk and compliance programs, through the use of a common language and structure for the organization of risk information. Our taxonomies include libraries of risks, controls, causes, processes and risk measurement/management metrics or KRIs. These services are supported by web-based ASP risk management, data collection and comparison and risk content delivery tools. Visit RiskBusiness on the Web at [www.riskbusiness.com](http://www.riskbusiness.com).

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