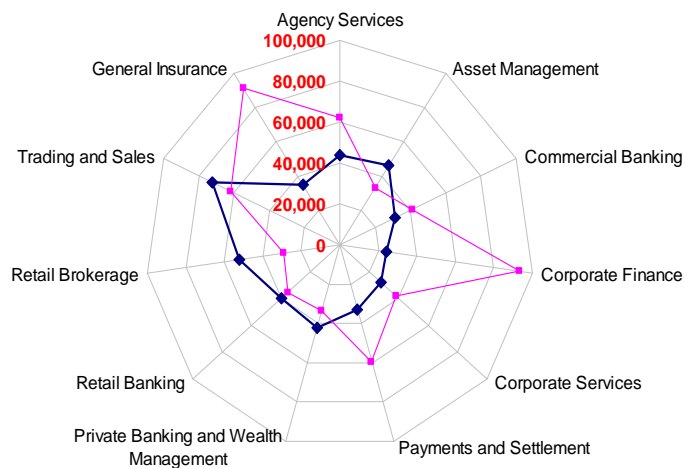


Information about operational risk events within **bbaGOLD** shows how the impact of loss events can be assessed in depth. No inference is made below about the frequency of events, but the charts represent typical impacts of operational risk management failures in 2011. The Basel Accord encourages risk managers to consider external data by risk event types and defined business lines, but **bbaGOLD** takes this approach further and delivers a detailed range of characteristics to describe how, where and why events arose, what lessons can be learnt and how internal controls can be improved.



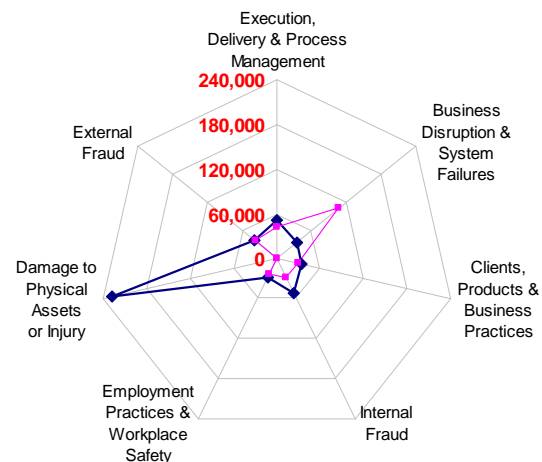
Business lines

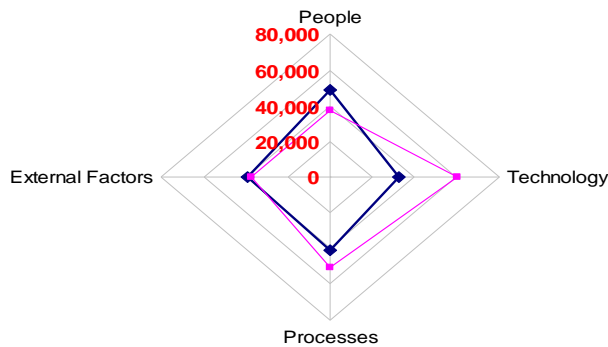
Most business lines saw median losses contained under €60,000 in the first half of last year, while two substantially higher median losses emerged in the second half-year in Corporate Finance and General Insurance.

(2011 - H1 blue, H2 magenta)

Risk event types

Most loss event risk types, as defined by Basel at level 1, saw median losses below €60,000 throughout 2011. However, 'Damage to Physical Assets' events saw median losses of almost four times that amount in H1 and 'Business Disruption & Systems Failures' events saw median losses twice that amount in H2.



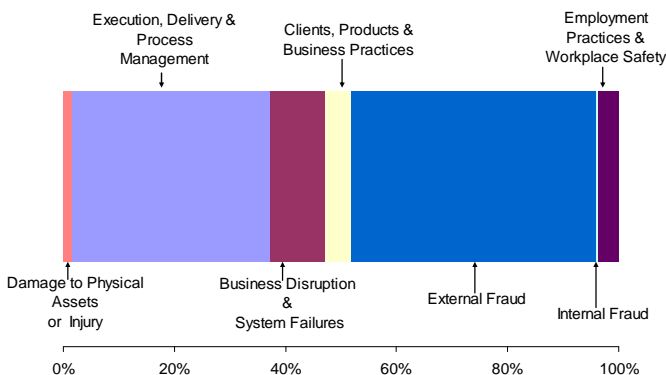
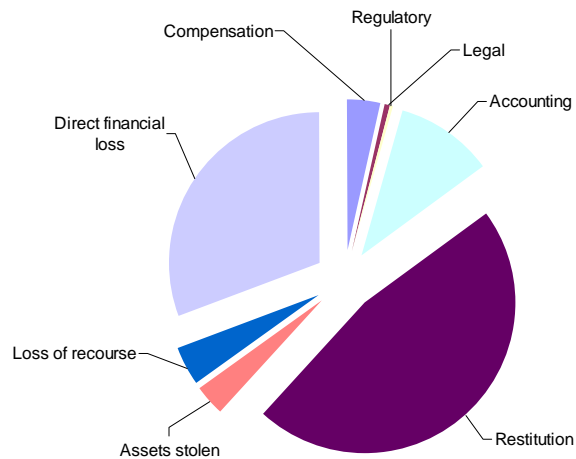


Causal factors

Although median losses for events caused by 'Technology' spiked up in the second half of last year, there was little difference in loss impact between the four causal categories.

Impacts

Restitution of customers' accounts following an event accounted for around a half of all events in 2011. The next highest frequency was direct financial losses, not associated with customers or clients, but relating to funds lost within financial operations which were irrecoverable.

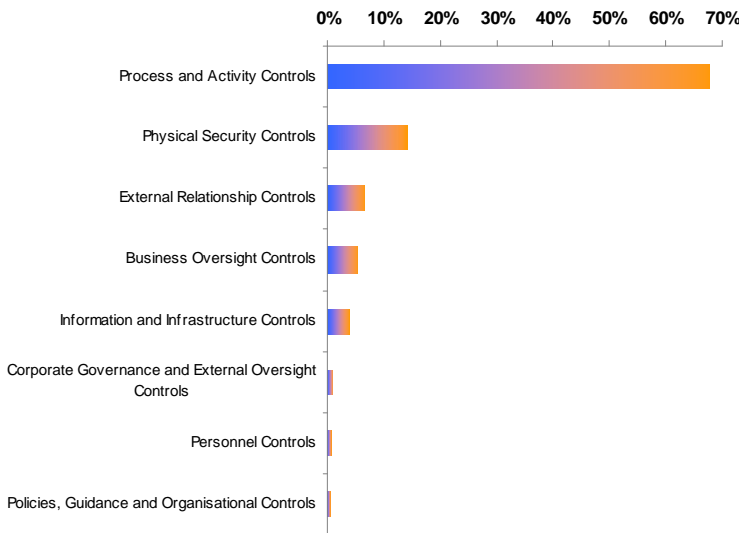
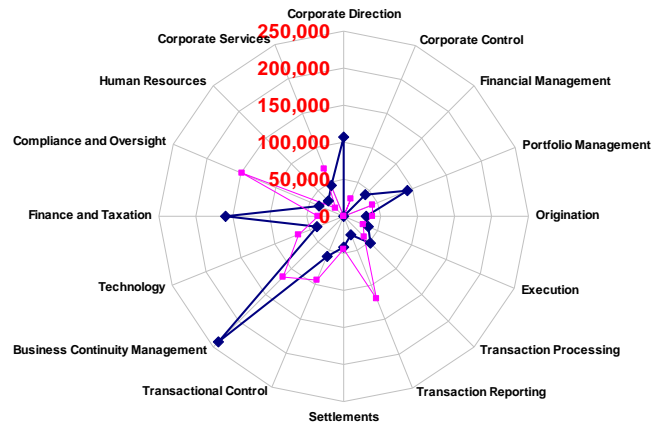


Risk event types

Half of all events in the year were 'External Fraud' events. The next largest category, 'Execution & Process Management', accounted for nearly a third of all events and 'Business Disruption & System Failures' reflected 10% of all events.

Business functions

Across all businesses, median loss impacts across business function (ie the activity rather than the organisational unit) can be more informative. Losses resulting from Business Continuity Management events gave rise to the highest median loss in 2011.



Failing controls

The design and use of Controls reflects institutional risk appetite and risk management practice. Events in 2011 resulted predominantly from the failure of primary controls associated with regular processes and activities, followed by failure of security controls.

Geographic locations

For bbaGOLD participants' operations, median losses were little different across geographic regions in 2011.

