



Measuring Operational Risk – Myth or Reality?

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Closing Remarks

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Experiences from the Financial Turmoil

■ SocGen

1. Internal control
2. Risk culture

■ OTD (Originate to Distribute) e.g sub prime

1. Credit risk becomes Operational risk
2. Needs a future-oriented perspective on historical data



Operational risk vs. "Other" risks

- Border between risks – Reputation & Liquidity
- Pillar I & Pillar II Capital – Measurable vs. Non Measurable
- OR in insurance companies – Solvency II
- Risk mitigation for insurance industry

Summary

- Measure OR – Capital relief not first objective
- Mitigation should be driven by Risk Awareness
- Insurance or ORTM for capital alleviation
- Is there a "true" risk transfer?
- Visualize banks specific risk
- A broad palette of solutions
- Basel & CRD revision of rules