

Saudi Arabian Monetary Agency

Banking Supervision Dept.

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4 July 2012

From : Saudi Arabian Monetary Agency
To : All Banks
Attention : Managing Directors, Chief Executive Officers and General Managers
Subject : **Basle Committee for Banking Supervision (BCBS) Consultative Document entitled "Principles for Effective Risk Data Aggregation and Risk Reporting"**

The BCBS has issued a consultative document for comments entitled "Principles for Effective Risk Data Aggregation and Risk Reporting". All banks are requested to study this document for comments and in this regard, ensure as a minimum that the paper is circulated to all relevant Senior Staff including CFOs, CRO's, Basel III Project Leaders, Compliance Officers, Head of Technology Department, etc.

One of the significant lessons learnt from the global financial crisis was that banks' information technology (IT) and data architectures were inadequate to support the broad management of financial risks. Many banks lacked the ability to aggregate risk exposures and concentrations effectively at the bank group level, across business lines and between legal entities. Consequently, banks were unable to manage their risks because of their weak risk data aggregation capabilities. Bank can obtain this document from the BIS website: www.bis.org.

All banks are expected to provide their comments no later than by 1 September 2012.

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