

Elements included in the calculation of the relevant indicator

1. Interest receivable and similar income
2. Interest payable and similar charges
3. Income from shares and other variable/fixed-yield securities
4. Commissions/fees receivable
5. Commissions/fees payable
6. Net profit or net loss on financial operations
7. Other operating income

Elements that are included in the calculation of the relevant indicator shall be taken from the report F 02.00 - Profit and loss account included in the Instruction on the preparation and presentation of FINREP reports on an individual basis (approved by the decision no. 42 of 02.03.2018 of the Executive Board of the National Bank of Moldova) or, where appropriate, from the FIN-2 income statement "Profit and loss account" included in the Instruction on FINREP consolidated financial statements, applicable to banks (approved by the decision no. 133 of 11.07.2013 of the Council of Administration of the National Bank of Moldova, with subsequent amendments and completions), as well as from the bank's analytical accounting.

Annex 2

to the Regulation on the treatment of banks' operational risk
according to the Basic Indicator Approach and the Standardised Approach

Business lines

Business line	List of activities	Percentage (beta factor)
1. Corporate finance	<ul style="list-style-type: none"> a) Underwriting of financial instruments or placing of financial instruments on a firm commitment basis b) Services related to underwriting c) Investment advice d) Advice to undertakings on capital structure, industrial strategy and related matters and advice and services relating to the mergers and the purchase of undertakings e) Investment research and financial analysis and other forms of general recommendation relating to transactions in financial instruments 	18%
2. Trading and sales	<ul style="list-style-type: none"> a) Dealing on own account b) Money broking on interbank markets c) Reception and transmission of orders in relation to one or more financial instruments d) Execution of orders on behalf of clients e) Placing of financial instruments without a firm commitment basis f) Operation of Multilateral Trading Facilities 	18%
3. Retail brokerage (Activities with natural persons or with SMEs meeting the criteria set out in the Regulation on the treatment of bank's credit risk according to the Standardised Approach (approved by the decision of the Executive Board of the NBM no. 111 of 24.05.2018) for the retail exposure class)	<ul style="list-style-type: none"> a) Reception and transmission of orders in relation to one or more financial instruments b) Execution of orders on behalf of clients c) Placing of financial instruments without a firm commitment basis 	12%
4. Commercial banking	<ul style="list-style-type: none"> a) Acceptance of deposits and other repayable funds b) Lending c) Financial leasing d) Guarantees and commitments 	15%
5. Retail banking (Activities with natural persons or with SMEs meeting the criteria set out in the Regulation on the treatment of bank's credit risk according to the Standardised Approach (approved by the decision of the Executive Board of the NBM no. 111 of 24.05.2018) for the retail exposure class)	<ul style="list-style-type: none"> a) Acceptance of deposits and other repayable funds b) Lending c) Financial leasing d) Guarantees and commitments 	12%
6. Payment and settlement	<ul style="list-style-type: none"> a) Money transmission services, b) Issuing and administering means of payment 	18%
7. Agency services	Safekeeping and administration of financial instruments for the account of clients, including custodianship and related services such as cash/collateral management	15%
8. Asset management	<ul style="list-style-type: none"> a) Portfolio management b) Management of UCITS c) Other forms of asset management 	12 %

List of documents to be enclosed with the notification of the use of the Standardised Approach / requesting prior approval for the use of the Alternative Standardised Approach

1. A document signed by a person authorized to engage the bank, to include:
 - a) a description of the self-assessment process and its conclusions, confirming the bank's compliance with the specific requirements for the use of the Standardised Approach / Alternative Standardised Approach, as well as the provisions of this Regulation;
 - b) a communication of the structure of the group of which the bank is a part, the competent authorities responsible for the supervision of its group members as well as the approaches used by them - in the cases specified in Items 33 and 34 of this Regulation.
2. Internal audit report assessing the suitability of the operational risk management system and the self-assessment process, in compliance with the stipulated specific requirements.
3. Documents setting out procedures to ensure compliance with the provisions of Item 27, as well as the bank's policies and criteria for mapping its activities in the eight business lines set out in Annex 2 to this Regulation;
4. Form "C 16.00" on operational risk, contained in the "Instruction on banks' COREP reporting for supervisory purposes", enclosing a presentation of the method of calculating relevant indicators for the bank's business lines;
5. A note specifying, where appropriate, the date on which the bank started using the Standardised Approach for internal purposes.

**Aspects to be considered by banks in course of their self-assessment when transiting to the
use of the Standardised Approach / Alternative Standardized Approach**

The self-assessment will take into account:

- 1) the internal definition of operational risk and its compliance with the definition laid down in Item 5 par.2) of this Regulation.
- 2) the policies and criteria developed by the bank for mapping its activities in the eight business lines, as set out in Annex 2 to this Regulation, with emphasis on their compliance with the provisions of Item 25 and the principles laid down in Item 26 of this Regulation.
- 3) the policies and criteria established by the bank to determine relevant indicators for the eight business lines of activity set out in Annex 2 to this Regulation, with emphasis on their compliance with the principles set out in Item 26 of this Regulation. The bank shall also mention how an independent review of the mapping of relevant indicators for business lines, as provided for in Item 26 par.7), is to be carried out.
- 4) the suitability of the bank's operational risk assessment and management system with clear and well-defined responsibilities, with emphasis on its compliance with the specific criteria for the Standardized Approach set out in Item 27 of this Regulation - with regard to the qualitative requirements specific to the Standardized Approach .