

Annex XVII – Operational Risk Structured template Instructions

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INTERNAL MODEL: OPERATIONAL RISK

Each undertaking can use their own operational risks classification.

The OP_MAP_R*_C* codes contain information on the scenarios defined by the undertaking. In case of multi-tier classifications, info on the two highest levels should be provided. All the information to be filled in are related to the one year forecasted loss probability distributions.

For a level 1 occurrence all numerical information (SCR, quantiles) should refer to the aggregation of the risk made at that level. Of course, each level 2 occurrence could come from an aggregation of lower levels loss distributions.

	ITEM	INSTRUCTIONS
Operational Risk		
OP_QUE_XXX_R1_C1	Is Basel L1 classification used?	Ie. The seven high-level categories specified in Basel II Select ‘Yes’ or ‘No’ from Drop-down list
OP_QUE_XXX_R2_C1	Is Basel L1 and L2 classification used?	Ie. The Level 1 and 2 categories specified in Basel II [Annex 7]. Select ‘Yes’ or ‘No’ from Drop-down list
OP_MAP_XXX_R1_C1 To OP_MAP_XXX_RXX_C1	Internal scenario classification	This table should be completed by all undertakings [ie. even if the undertaking answers ‘No’ to ‘OP_QUE_XXX_R1_C1’ and/or ‘OP_QUE_XXX_R2_C1’] with the names of the internal scenarios used for Operational risk calculations by the internal model.
OP_MAP_XXX_R1_C2 To OP_MAP_XXX_RXX_C2	Internal Unique ID	This unique ID of the internal scenario. This should be consistent across different reporting periods. This is a text field.
OP_MAP_XXX_R1_C3 To OP_MAP_XXX_RXX_C3	Basel Level 1 classification mapping	For completion by undertakings which answer ‘Yes’ in OP_QUE_XXX_R1_C1. Elements in the drop down list: <ol style="list-style-type: none"> 1) Internal fraud 2) External fraud 3) Employment practices and workspace safety 4) Damage to physical assets 5) Business disruption and system failures 6) Clients, products and business practices 7) Execution, delivery and process management
OP_MAP_XXX_R1_C4 To OP_MAP_XXX_RXX_C4	Basel Level 2 classification mapping	For completion by undertakings which answer ‘Yes’ in OP_QUE_XXX_R2_C1. The occurrence “Other” can be used in case the risk could be classified in a level 1 Basel category but there is not a level 2 one. Elements in the drop down list: <ol style="list-style-type: none"> 1) Internal fraud Unauthorized activity Theft and fraud Other

		<p>2) External fraud Theft and fraud Systems security Other</p> <p>3) Employment practices and workspace safety Employee relations Safe environment Diversity and discrimination Other</p> <p>4) Damage to physical assets Disasters and other events Other</p> <p>5) Business disruption and system failures Systems Other</p> <p>6) Clients, products and business practices Suitability, disclosure and fiduciary Improper business or market practices Product flaws Selection, sponsorship and exposure Advisory activities Other</p> <p>7) Execution, delivery and process management Transaction capture, execution and maintenance Monitoring and reporting Customer intake and documentation Customer / client account management Trade counterparties Vendors and suppliers Other</p>
OP_DES_XXX_ R1_C3 To OP_DES_XXX_ RXX_C3	Probability Distribution	<p>Elements in the drop-down list:</p> <ol style="list-style-type: none"> 1. Poisson-lognormal 2. Lognormal 3. Poisson-Pareto 4. Empirical 5. Pareto 6. Other, please specify
OP_SCR_XXX_ R1_C4 To OP_SCR_XXX_ RXX_C4	Solvency Capital Requirement	Solvency capital requirement net of reinsurance contracts per scenario.
OP_PCT_XXX_ R1_C5 To OP_PCT_XXX_ RXX_C17	Percentiles (see Annex XII for the required percentiles)	Percentiles of the loss distribution (losses corresponds to the right tail) per scenario.
OP_SCR_XXX_ R1_C1	Total undiversified Level 2	Sum of level 2 capital requirements stand-alone contributions. Any lower aggregation level should be already considered.
OP_SCR_XXX_ R2_C1	Sum of diversification inside level 2 items	
OP_SCR_XXX_ R3_C1	Total undiversified Level 1	Sum of level 1 capital requirements stand-alone contributions. Any lower aggregation level should be already considered.

OP_SCR_XXX_R4_C1	Operational risk – diversification between Level 1 items	Difference of OP_SCR_XXX_R3_C1 and OP_SCR_XXX_R5_C1
OP_SCR_XXX_R5_C1	Operational risk - diversified	Diversified operational risk capital requirement.