

BANK OF RUSSIA

REGULATION

№ 346-P OF NOVEMBER 3, 2009

ON THE PROCEDURE FOR CALCULATING THE AMOUNT OF OPERATIONAL RISK

List of amending documents

(as amended by the Bank of Russia Ordinance № 2846-U, dated 3 July 2012)

1. Pursuant to the provisions of Articles 62 and 72 of the Federal Law of the Russian Federation № 86-FZ, dated 10 July 2002, ‘On the Central Bank of the Russian Federation (Bank of Russia)’ (Legislation Bulletin of the Russian Federation, 2002, № 28, Article 2790; 2003, № 2 Article 157; № 52, Article 5032; 2004, № 27, Article 2711; № 31, Article 3233; 2005, № 25, Article 2426; № 30, Article 3101; 2006, № 19, Article 2061; № 25, Article 2648; 2007, № 1, Article 9, Article 10; № 10, Article 1151; № 18, Article 2117; 2008, № 42, Article 4696, Article 4699; № 44, Article 4982; № 52, Article 6229, Article 6231; 2009, № 1, Article 25; № 29, Article 3629) and pursuant to the decision of the Bank of Russia Board of Directors (Minutes of the Meeting of the Bank of Russia Board of Directors № 20, dated 20 October 2009), this Regulation prescribes for the following procedure for calculating the amount of operational risk for the purpose of calculation of the Bank’s Capital Adequacy Ratio (N1) as prescribed by the Bank of Russia Instruction № 110-I, dated 16 January 2004, ‘On Banks’ Required Ratios’ registered by the Ministry of Justice of the Russian Federation under № 5529 on 6 February 2004, № 5997 on 27 August 2004, № 6391 on 14 March 2005, № 6833 on 28 July 2005, № 6926 on 19 August 2005, № 7740 on 25 April 2006, № 9755 on 5 July 2007, № 10659 on 10 December 2007, № 11535 on 14 April 2008, № 11907 on 30 June 2008, № 13522 on 17 March 2009, № 13572 on 23 March 2009, № 13807 on 22 April 2009, № 14464 on 5 August 2009 (Bank of Russia Bulletin № 11 dated 11 February 2004; № 53 dated 8 September 2004; № 19 dated 13 April 2005, № 40 dated 10 August 2005, № 46 dated 31 August 2005, № 26 dated 4 May 2006, № 39 dated 11

July 2007, № 69 dated 17 December 2007, № 19 dated 30 April 2008, № 36 dated 9 July 2008, № 20 dated 25 March 2009, № 21 dated 1 April 2009, № 25 dated 29 April 2009, № 47 dated 12 August 2009).

2. The following formula shall be used to calculate the amount of operational risk:

$$OR = 0,15x \frac{\sum_{i=1}^n I_i}{n}$$

where:

OR is the amount of operational risk;

I_i is the income received during the n-th year for the purposes of calculating the amount of capital to cover the operational risk, determined in clause 3 of this Regulation;

n is the number of years preceding the calculation date of the operational risk (should not exceed three years).

3. Annual I_i value for the purposes of calculating the amount of capital to cover operational risk is comprised of net interest income and net non-interest income.

Net interest income is equal to the amount stated under the balance sheet item 'Net Interest Income (Negative Interest Margin)' of Report Form № 0409807 'Profit and Loss Statement (disclosure form)' (hereinafter referred to as 'Form № 0409807') as prescribed by the Bank of Russia Ordinance № 2332-U, dated 12 November 2009, 'On the List, Forms, and Procedure for Compiling and Presenting Reporting Forms by Credit Institutions to the Central Bank of the Russian Federation' registered by the Ministry of Justice of the Russian Federation under № 15615 on 16 December 2009, № 17590 on 18 June 2010, № 19313 on 22 December 2010, № 21060 on 20 June 2011, № 22650 on 16 December 2011 (Bank of Russia Bulletin № 75-76 dated 25 December 2009, № 35 dated 25 June 2010, № 72 dated 28 December 2010, № 34 dated 28 June 2011, № 73 dated 23 December 2011) (hereinafter referred to as 'Bank of Russia Ordinance № 2332-U').

(as amended by the Bank of Russia Ordinance № 2846-U, dated 3 July 2012)

Net non-interest income is the sum of balance sheet items 'Net Income Generated by Transactions That Involve Financial Assets Assessed at Fair Value through Profit or Loss', 'Net Income Generated by FX Transactions', 'Net Income Generated by Foreign Currency Revaluation', 'Income Generated by Equity Participation in Other Legal

Entities', 'Commission Income', 'Other Operating Income' (except for other income in the form of charges, penalties, and forfeits under other banking operations and transactions, income generated through other (business) transactions; other income classified as other, income generated through property received free of charge, cash inflow as compensation of the losses incurred, including but not limited to insurance compensation received from insurers, received extra material assets, cash liquidity, writing off liabilities and unclaimed accounts payable) less the amount stated under the 'Commission Expenses' balance sheet item Form № 0409807, and less the amounts stated under the following balance sheet items: 'Expenses Incurred in Connection with Precious Metals and Precious Stones Transactions' (reference 22203) and 'Negative Revaluation of Precious Metals' (reference 24103) Regulation № 302-P, dated 26 March 2007, 'On Rules for Maintaining the Accounting Records by Credit Institutions Located within the Russian Federation' registered by the Ministry of Justice of 30 July 2010, № 18642 on 6 October 2010, № 19133 on 8 December 2010, № 19564 on 24 January 2011, № 21379 on 15 July 2011, № 21772 on 12 September 2011, № 21855 on 21 September 2011, № 22545 on 12 December 2011, № 204049 on 4 May 2012 (Bank of Russia Bulletin № 20-21 dated 16 April 2007, № 60 dated 31 October 2007, № 67 dated 19 November 2008, № 72 dated 10 December 2008, № 75 dated 31 December 2008, № 72 dated 16 December 2009, № 77 dated 28 December 2009, № 45 dated 11 August 2010, № 56 dated 13 October 2010, № 68 dated 15 December 2010, № 7 dated 2 February 2011, № 43 dated 4 August 2011, № 52 dated 21 September 2011, № 54 dated 28 September 2011, № 71 dated 19 December 2011, and № 23 dated 12 May 2012)

(as amended by Bank of Russia Ordinance № 2846-U, dated 3 July 2012)

If any of the I_i items of the Form №0409807 have a negative value, the value stated under such item shall not be taken into consideration for the purposes of assessing the operational risk.

(this paragraph was introduced by Bank of Russia Ordinance № 2846-U, dated 3 July 2012.).

4. The value of I_i for each financial year preceding the assessment date of the operational risk is calculated by credit institution based on the comparable data included in Form № 0409807.

If Form № 0409807 does not contain the comparable data for any financial year preceding the assessment date of the operational risk exposure, the credit institution shall calculate the value of I_i for the corresponding financial period. For this purpose, the values of Form № 0409807 are recalculated for the corresponding years using the algorithms of the Calculation Table for the Profit and Loss Account (disclosure form) and the Procedure for Preparing Form № 0409807 Report 'Statement of Profit and Loss (disclosure form)' as prescribed by Bank of Russia Ordinance № 2332-U (as amended by Bank of Russia Ordinance № 24846-U, dated 3 July 2012)

If the I_i for any year (any years) is a negative figure or is a zero figure, this I_i shall not be taken into account for the purposes of operational risk assessment. At the same time, the value of the 'number of years' (n) shall be decreased by the number of years when the I_i was calculated as zero or a negative figure.

5. The operational risk shall be calculated on an annual basis as of 1 January of each year following the reporting year on the first operational day following the publication date of Form 0409807 for the reporting year.

6. The following amounts of operational risk shall be taken into account when calculating the Bank's Capital Adequacy Ratio (N1):

for reports as of 1 August 2010 and later: 40 % of the operational risk amount calculated as per this Regulation;

for reports as of 1 August 2011 and later: 70 % of the operational risk amount calculated as per this Regulation;

for reports as of 1 August 2012 and later: 100 % of the operational risk amount calculated as per this Regulation.

7. This Regulation is subject to official publication by the Bank of Russia Bulletin and shall become effective from 1 July 2010.

Governor of the Central Bank
of the Russian Federation
S.M. IGNATIEV