

Categorization of operational risk events

Draft Version of July 2022

This form must be filled in by all banks whose business indicator is larger or equal to CHF 1,25bn (art. 92d par. 1 Capital Ordinance (CAO)) and all banks that have received FINMA approval to include internal loss data to calculate their operational risk capital requirements (Art. 92d par. 4 CAO).

ID	Label	Legal references and comments
Columns		
<i>Year T</i>		For example, if the reporting date is 31.12.2023, the year T is the year 2023
<i>Event types</i>		LROO-FINMA Art. 27 par. 1 let. a, LROO-FINMA Appendix 2 Each loss event is mapped to one of these event types. Columns 01-07 therefore capture all losses with accounting date in Year T from "Loss events netting \geq CHF 25'000".
01	Internal fraud	Losses with accounting date in Year T from loss events mapped to the event type category "Internal fraud"
02	External fraud	Losses with accounting date in Year T from loss events mapped to the event type category "External fraud"
03	Employment practices and workplace safety	Losses with accounting date in Year T from loss events mapped to the event type category "Employment practices and workplace safety"
04	Clients, products, and business practices	Losses with accounting date in Year T from loss events mapped to the event type category "Clients, products and business practices"
05	Damage to physical assets	Losses with accounting date in Year T from loss events mapped to the event type category "Damage to physical assets"
06	Business disruption and system failures	Losses with accounting date in Year T from loss events mapped to the event type category "Business disruption and system failures"
07	Execution delivery and process management	Losses with accounting date in Year T from loss events mapped to the event type category "Execution delivery and process management"
<i>Related to other risk types</i>		-
08	Related to credit risk and not covered by calculation of credit risk RWA	CAO art. 93 par. 1 let. a Losses with accounting date in Year T related to credit risk and not already covered in the calculation of credit risk RWA.
09	Related to market risk	CAO art. 93 par. 1 let. a Losses with accounting date in Year T related to market.
Rows		
Loss events netting \geq CHF 25'000		CAO art. 93 par. 1, let. d and par. 3, LROO-FINMA art. 29 par. 1, LROO-FINMA Appendix 3 In Rows 001-003, only consider losses from loss events whose aggregate net loss amount over the ten-year period (Year T to Year T-9) is larger or equal to CHF 25'000. Use the accounting date of the gross losses and the loss recoveries to determine which year they are mapped to (CAO art. 93 par. 2 and LROO-FINMA art. 27 par. 1 let. f and g).
001	Total amount of gross losses	CAO art. 94 par. 1, 4 and 5, LROO-FINMA art. 27 par. 2 let. c For each of the Columns 01-09: Sum of gross losses with accounting date in the year T whose loss events are mapped to the corresponding column.
002	Total amount of loss recoveries	CAO art. 94 par. 1 and 2, LROO-FINMA art. 27 par. 1 let. g For each of the Columns 01-09: Sum of loss recoveries with accounting date in the year T whose loss events are mapped to the corresponding column.
003	Total amount of net losses	CAO art. 94 par. 1 to 3, LROO-FINMA art. 29 par. 2 For each of the Columns 01-09: Row 001 minus Row 002
004	Number of loss events contributing to total gross losses	CAO art. 94, LROO-FINMA art. 27 and art. 29 par. 1 Number of loss events whose aggregate net loss amount over the ten-year

period (Year T to Year T-9) is larger or equal to CHF 25'000.

005	Total amount of net losses qualifying for exclusion	CAO art. 93a par. 3-4, LROO-FINMA art. 30 For each of the Columns 01-09: Sum of net losses with accounting date in the year T whose loss events qualify for exclusion. If FINMA has been notified of the exclusion of a loss event as per CAO art. 93a par. 4 and LROO-FINMA art. 30 par. 3 and there has been no negative response from FINMA in the 6 weeks post notification, the loss event can be considered as qualifying for exclusion.
006	Number of loss events qualifying for exclusion	CAO art. 93a par. 3-4, LROO-FINMA art. 30
007	Total amount of net losses after exclusion of qualifying losses	Row 003 minus Row 005
008	Maximum single loss event	For each of the Columns 01-09: amount of maximum single gross loss with accounting date in the year T from the loss events mapped to the corresponding column

Further information can be found on our website at

...:

- Latest survey updates
- Electronic forms to download
- Important information on reporting
- Contacts

E_PC_OPRLOSSCAT_Notes.fm/