

# ***QUALITATIVE AND QUANTITATIVE ASPECTS OF OPERATIONAL BANKING RISK IN ROMANIA***

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***Abstract:***

*The purpose of this paper is to present the quantitative and qualitative aspects of operational banking risk to the level of Romanian banking societies. The study focuses on the implementation and maintenance of an operational banking risk management framework. The paper is organized as follows: first, it describes the operational banking risk. Second, the paper presents the means through the banks quantify the operational banks. Third, it is present the challenges of measurement of the operational banking risk for supervisory authority and banks. The active banks in Romania must determine their capital necessary for covering the operational risk using one of the three means of quantification mentioned by the Basel II Agreement, assumed by the Capital Adequacy Directive and by the national legislation - the National Romanian Bank's regulation regarding the operational risk: the Basic Indicator Approach, the Standardized Approach and Advanced Measurement Approaches. Banks may choose one of the three methods mentioned above.*

***Keywords:*** *operational risk, bank, operational risk management*

***JEL codes::*** *G20, G21, G28, F36*