

**NATIONAL BANK OF MOLDOVA
EXECUTIVE BOARD**

**DECISION No 221
of 25 September 2025**

**For the approval of the Regulation on
the prudential treatment of securitisation**

Pursuant to Article 68 of Law on the activity of banks No 202/2017 (Official Monitor of the Republic of Moldova, 2017, No 434-439, Article 727), as amended, the Executive Board of the National Bank of Moldova

DECIDED:

This Decision shall:

– partially transpose (article 4 (1) p.13-14a, 61-67 and 129, article 242 p.1-6, 9-18 and 20, article 243 partially (1), (2), article 244 (1)-(4), article 245 (1)-(4), article 246-247, article 248 partially (1), article 249 (1)-(2), partially (3), (4)-(7), partially (8), (9)-(10), article 250, article 251-253, article 254 partially (1), (4), (6)-(7), article 255 (6), article 256, article 257 (1)-(3), article 261-264, article 267 (1), partially (2), (4), article 268 partially (1), (3)-(4), article 269, article 269a partially (1), (2)-(3), partially (6), article 270 (1)-(2), article 270a (1), article 270b-270e) Regulation No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and amending Regulation (EU) No 648/2012, CELEX No: 32013R0575, as amended by Regulation (EU) 2024/2987 of the European Parliament and of the Council;

– partially transpose (article 2 partially (1), (2)-(11), (13)-(20), (29), (31)) Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EC and Regulations (EC) No 1060/2009 and (EU) No 648/2012, published in the Official Journal of the European Union L 347, 28 December 2017, CELEX No: 32017R2402, as amended by Regulation (EU) 2021/557 of the European Parliament and of the Council;

– transpose Commission Implementing Regulation (EU) 2016/1801 of 11 October 2016 on laying down implementing technical standards with regard to the mapping of credit assessments of external credit assessment institutions for securitisation in accordance with Regulation (EU) No 575/2013 of the European Parliament and of the Council, published in the Official Journal of the European Union L 275, 12 October 2016, CELEX No: 32016R1801, as amended by Commission Implementing Regulation (EU) 2022/2365.

1. To approve the Regulation on the prudential treatment of securitisation (annexed).
2. This decision shall enter into force on 1 January 2028.

**Chairman
of the Executive Board**

Anca Dana Dragu

**Chişinău, 25 September 2025
No 221**

REGULATION ON THE PRUDENTIAL TREATMENT OF SECURITISATION

Chapter I

General provisions

1. This Regulation shall lay down the framework for the prudential treatment of securitisations: methods for calculating the exposure value of securitisation positions, criteria for the recognition of significant risk transfer and the use of external credit assessments.

2. This Regulation shall apply to banks headquartered in the Republic of Moldova and branches in the Republic of Moldova of banks from other countries, which are licensed by the National Bank of Moldova (hereinafter referred to as “banks”). This Regulation shall apply both at individual and consolidated levels.

3. For the purposes of this Regulation, the following definitions shall apply:

3.1. **early amortisation provision** means a contractual clause in a securitisation of revolving exposures or a revolving securitisation which requires, on the occurrence of defined events, investors' securitisation positions to be redeemed before the originally stated maturity of those positions;

3.2. **credit-enhancing interest-only strip** means an on-balance sheet asset that represents a valuation of cash flows related to future margin income and is a subordinated tranche in the securitisation;

3.3. **original lender** means an entity which, itself or through related entities, directly or indirectly, concluded the original agreement which created the obligations or potential obligations of the debtor or potential debtor giving rise to the exposures being securitised;

3.4. **securitisation special purpose entity (SSPE)** means a corporation, trust or other entity, other than an originator or sponsor, established for the purpose of carrying out one or more securitisations, the activities of which are limited to those appropriate to accomplishing that objective, the structure of which is intended to isolate the obligations of the SSPE from those of the originator;

3.5. **revolving exposure** means an exposure whereby borrowers' outstanding balances are permitted to fluctuate based on their decisions to borrow and repay, up to an agreed limit;

3.6. **liquidity facility** means the securitisation position arising from a contractual agreement to provide funding to ensure timeliness of cash flows to investors;

3.7. **originator** means an entity which:

3.7.1. itself or through related entities, directly or indirectly, was involved in the original agreement which created the obligations or potential obligations of the debtor or potential debtor giving rise to the exposures being securitised; or

3.7.2. purchases a third party's exposures on its own account and then securitises them;

3.8. **investor** means a natural or legal person holding a securitisation position;

3.9. **credit enhancement** means a contractual arrangement whereby the credit quality of a position in a securitisation is improved in relation to what it would have been if the enhancement had not been provided, including the enhancement provided by more junior tranches (bearing the first loss) in the securitisation and other types of credit protection;

3.10. **synthetic excess spread** means the amount that, according to the documents of a synthetic securitisation, is contractually designated by the originator to absorb losses of the securitised exposures that might occur before the maturity date of the transaction;

3.11. **clean-up call option** means a contractual option that entitles the originator to call the securitisation positions before all of the securitised exposures have been repaid, either by repurchasing the underlying exposures remaining in the pool in the case of traditional securitisations or by terminating the credit protection in the case of synthetic securitisations, in both cases when the amount of outstanding underlying exposures falls to or below certain pre-specified level;

3.12. **rated position** means a securitisation position which has an eligible credit assessment in accordance with Chapter IV;

3.13. **unrated position** means a securitisation position which does not have an eligible credit assessment in accordance with Chapter IV;

3.14. **senior securitisation position** means a position backed or secured by a first claim on the whole of the underlying exposures, disregarding for these purposes amounts due under interest rate or currency derivative contracts, fees or other similar payments, and irrespective of any difference in maturity with one or more other senior tranches with which that position shares losses on a pro-rata basis;

3.15. **re-securitisation position** means an exposure to a re-securitisation;

3.16. **securitisation position** means an exposure to a securitisation;

3.17. **mezzanine securitisation position** means a position in the securitisation which is subordinated to the senior securitisation position and more senior than the first loss tranche, and which is subject to a risk weight lower than 1 000% and higher than 25 % in accordance with Subsections 2 and 3 of Chapter IV of this Regulation;

3.18. **asset-backed commercial paper programme (ABCP programme)** means a programme of securitisations the securities issued by which predominantly take the form of asset-backed commercial paper with an original maturity of one year or less;

3.19. **non-refundable purchase price discount** means the difference between the outstanding balance of the exposures in the underlying pool and the price at which those exposures are sold by the originator to the SSPE, where neither the originator nor the original lender are reimbursed for that difference;

3.20. **resecuritisation** means securitisation where at least one of the underlying exposures is a securitisation position;

3.21. **securitisation** means a transaction or scheme, whereby the credit risk associated with an exposure or a pool of exposures is tranced, having all of the following characteristics:

3.21.1. payments in the transaction or scheme are dependent upon the performance of the exposure or of the pool of exposures;

3.21.2. the subordination of tranches determines the distribution of losses during the ongoing life of the transaction or scheme;

3.22. **non-performing exposure (NPE) securitisation** means a securitisation backed by a pool of non-performing exposures the nominal value of which makes up not less than 90 % of the

entire pool's nominal value at the time of origination and at any later time where assets are added to or removed from the underlying pool due to replenishment, restructuring or any other relevant reason;

3.23. **revolving securitisation** means a securitisation where the securitisation structure itself revolves by exposures being added to or removed from the pool of exposures irrespective of whether the exposures revolve or not;

3.24. **simple, transparent and standardised securitisation (STS securitisation)** means a securitisation that meets the requirements set out in the regulatory acts regarding securitisation.

3.25. **synthetic securitisation** means a securitisation where the transfer of risk is achieved by the use of credit derivatives or guarantees, and the exposures being securitised remain exposures of the originator;

3.26. **traditional securitisation** means a securitisation involving the transfer of the economic interest in the exposures being securitised through the transfer of ownership of those exposures from the originator to an SSPE or through sub-participation by an SSPE, where the securities issued do not represent payment obligations of the originator;

3.27. **servicer** means an entity that manages a pool of purchased receivables or the underlying credit exposures on a day-to-day basis;

3.28. **sponsor** means a bank, whether located in the Republic of Moldova or not, or an investment firm, other than an originator, that:

3.28.1. establishes and manages an asset-backed commercial paper programme or other securitisation that purchases exposures from third-party entities, or

3.28.2. establishes an asset-backed commercial paper programme or other securitisation that purchases exposures from third-party entities and delegates the day-to-day active portfolio management involved in that securitisation to an entity authorised to perform such activity;

3.29. **overcollateralisation** means any form of credit enhancement by virtue of which underlying exposures are posted in value which is higher than the value of the securitisation positions;

3.30. **tranche** means a contractually established segment of the credit risk associated with an exposure or a pool of exposures, where a position in the segment entails a risk of credit loss greater than or less than a position of the same amount in another segment, without taking account of credit protection provided by third parties directly to the holders of positions in the segment or in other segments;

3.31. **first loss tranche** means the most subordinated tranche in a securitisation that is the first tranche to bear losses incurred on the securitised exposures and thereby provides protection to the second loss and, where relevant, higher ranking tranches;

3.32. **asset-backed commercial paper transaction (ABCP transaction)** means a securitisation within an ABCP programme.

Chapter II

Criteria for STS securitisations qualifying for differentiated capital treatment

4. Positions in an ABCP programme or ABCP transaction that qualify as positions in an STS securitisation shall be eligible for the treatment set out in Subsections 2 and 4 of Section 3 Chapter IV where the following requirements are met:

4.1. the underlying exposures meet, at the time of their inclusion in the ABCP programme, to the best knowledge of the originator or the original lender, the conditions for being assigned, under

the Standardised Approach and taking into account any eligible credit risk mitigation, a risk weight equal to or smaller than 75 % on an individual exposure basis where the exposure is a retail exposure or 100 % for any other exposures; and

4.2. the aggregate exposure value of all exposures to a single obligor at ABCP programme level does not exceed 2 % of the aggregate exposure value of all exposures within the ABCP programme at the time the exposures were added to the ABCP programme. For the purposes of this calculation, loans or leases to a group of connected clients, to the best knowledge of the sponsor, shall be considered as exposures to a single obligor.

5. In the case of trade receivables, subpoint 4.2. of the first subparagraph shall not apply where the credit risk of those trade receivables is fully covered by eligible credit protection, provided that in that case the protection provider is a bank, an investment firm, an insurance undertaking or a reinsurance undertaking.

6. Subpoint 4.2 shall not apply to securitised residual values of leases that are not exposed to refinancing or resell risk due to a legally enforceable commitment to repurchase or refinance the exposure at a pre-determined amount by an eligible third party.

7. Positions in a securitisation, other than an ABCP programme or ABCP transaction, that qualify as positions in an STS securitisation, shall be eligible for the treatment set out in subpoints 2 and 4 of Section 3 Chapter IV where the following requirements are met:

7.1. at the time of inclusion in the securitisation, the aggregate exposure value of all exposures to a single obligor in the pool does not exceed 2 % of the exposure values of the aggregate outstanding exposure values of the pool of underlying exposures. For the purposes of this calculation, loans or leases to a group of connected clients shall be considered as exposures to a single obligor. These provisions shall not apply to securitised residual values of leases that are not exposed to refinancing or resell risk due to a legally enforceable commitment to repurchase or refinance the exposure at a pre-determined amount by an eligible third party;

7.2. at the time of their inclusion in the securitisation, the underlying exposures meet the conditions for being assigned, under the Standardised Approach and taking into account any eligible credit risk mitigation, a risk weight equal to or smaller than:

7.2.1. 40 % on an exposure value-weighted average basis for the portfolio where the exposures are loans secured by residential mortgages or fully guaranteed residential loans;

7.2.2. 50 % on an individual exposure basis where the exposure is a loan secured by a commercial mortgage;

7.2.3. 75 % on an individual exposure basis where the exposure is a retail exposure;

7.2.4. for any other exposures, 100 % on an individual exposure basis;

7.3. where subpoints 7.2.1 and 7.2.2, apply, the loans secured by lower ranking security rights on a given asset shall only be included in the securitisation where all loans secured by prior ranking security rights on that asset are also included in the securitisation;

7.4. where subpoint 7.2.1, applies, no loan in the pool of underlying exposures shall have a loan-to-value ratio higher than 100 %, at the time of inclusion in the securitisation, measured in accordance with the Regulation on the treatment of banks' credit risk using standardised approach, approved by Decision of the Executive Board of the National Bank of Moldova No 111/2018 (hereinafter – Regulation No 111/2018) and the Regulation on credit risk mitigation techniques of banks, approved by Decision of the Executive Board of the National Bank of Moldova No 112/2018 (hereinafter – Regulation No 112/2018).

Chapter III

Recognition of significant risk transfer

Section 1

Traditional securitisation

8. The originator bank of a traditional securitisation may exclude underlying exposures from its calculation of risk-weighted exposure amounts and, where relevant, expected loss amounts if either of the following conditions is fulfilled:

8.1. significant credit risk associated with the underlying exposures has been transferred to third parties;

8.2. the originator bank applies a 1 000 % risk weight to all securitisation positions it holds in the securitisation or deducts these securitisation positions from Common Equity Tier 1 items in accordance with the Regulation on own funds of banks and capital requirements, approved by Decision of the Executive Board of the National Bank of Moldova No 109/2018 (hereinafter – Regulation No 109/2018).

9. Significant credit risk shall be considered as transferred in either of the following cases:

9.1. the risk-weighted exposure amounts of the mezzanine securitisation positions held by the originator bank in the securitisation do not exceed 50 % of the risk-weighted exposure amounts of all mezzanine securitisation positions existing in this securitisation;

9.2. the originator bank does not hold more than 20 % of the exposure value of the first loss tranche in the securitisation, provided that both of the following conditions are met:

9.2.1. the originator bank can demonstrate that the exposure value of the first loss tranche exceeds a reasoned estimate of the expected loss on the underlying exposures by a substantial margin;

9.2.2. there are no mezzanine securitisation positions.

10. Where the possible reduction in risk-weighted exposure amounts, which the originator bank would achieve by the securitisation under subpoints 9.1 or 9.2, is not justified by a commensurate transfer of credit risk to third parties, the National Bank of Moldova may decide within the supervision process, on a case-by-case basis, that significant credit risk shall not be considered as transferred to third parties.

11. By way of derogation from point 9, the National Bank of Moldova may grant prior approval to the originator bank for the recognition of significant credit risk transfer in relation to a securitisation where the originator bank demonstrates in each case that the reduction in own funds requirements which the originator achieves by the securitisation is justified by a commensurate transfer of credit risk to third parties. Prior approval may only be granted where the bank cumulatively meets the following conditions:

11.1. the bank has adequate internal risk management policies and methodologies to assess the transfer of credit risk;

11.2. the bank has also recognised the transfer of credit risk to third parties in each case for the purposes of the bank's internal risk management and its internal capital allocation.

12. In addition to the requirements set out in points from 8 to 11, for the recognition of a significant credit risk transfer, the following conditions must be cumulatively met:

12.1. the transaction documentation reflects the economic substance of the securitisation;

12.2. the securitisation positions do not constitute payment obligations of the originator bank;

12.3. the underlying exposures are placed beyond the reach of the originator bank and its creditors in a manner that meets the simplicity requirement set out in the regulatory acts on securitisation;

12.4. the originator bank does not retain control over the underlying exposures. It shall be considered that control is retained over the underlying exposures where the originator has the right to repurchase from the transferee the previously transferred exposures in order to realise their benefits or if it is otherwise required to re-assume transferred risk. The originator bank's retention of servicing rights or obligations in respect of the underlying exposures shall not of itself constitute control of the exposures;

12.5. the securitisation documentation does not contain terms or conditions that:

12.5.1. require the originator bank to alter the underlying exposures to improve the average quality of the pool; or

12.5.2. increase the yield payable to holders of positions or otherwise enhance the positions in the securitisation in response to a deterioration in the credit quality of the underlying exposures;

12.6. where applicable, the transaction documentation makes it clear that the originator or the sponsor may only purchase or repurchase securitisation positions or repurchase, restructure or substitute the underlying exposures beyond their contractual obligations where such arrangements are executed in accordance with prevailing market conditions and the parties to them act in their own interest as free and independent parties (arm's length principle);

12.7. where there is a clean-up call option, that option shall also meet all of the following conditions:

12.7.1. it can be exercised at the discretion of the originator bank;

12.7.2. it may only be exercised when 10 % or less of the original value of the underlying exposures remains unamortised;

12.7.3. it is not structured to avoid allocating losses to credit enhancement positions or other positions held by investors in the securitisation and is not otherwise structured to provide credit enhancement;

12.8. the originator bank has received an opinion from a qualified legal counsel confirming that the securitisation complies with the conditions set out in subpoint 12.3.

Section 2 ***Synthetic securitisation***

13. The originator bank of a synthetic securitisation may calculate risk-weighted exposure amounts, and, where relevant, expected loss amounts with respect to the underlying, where either of the following conditions is met:

13.1. significant credit risk has been transferred to third parties either through funded or unfunded credit protection;

13.2. the originator bank applies a 1 000 % risk weight to all securitisation positions that it retains in the securitisation or deducts these securitisation positions from Common Equity Tier 1 items in accordance with Regulation No 109/2018.

14. Significant credit risk shall be considered as transferred in either of the following cases:

14.1. the risk-weighted exposure amounts of the mezzanine securitisation positions held by the originator bank in the securitisation do not exceed 50 % of the risk-weighted exposure amounts of all mezzanine securitisation positions existing in this securitisation;

14.2. the originator bank does not hold more than 20 % of the exposure value of the first loss tranche in the securitisation, provided that both of the following conditions are met:

14.2.1. the originator can demonstrate that the exposure value of the first loss tranche exceeds a reasoned estimate of the expected loss on the underlying exposures by a substantial margin;

14.2.2. there are no mezzanine securitisation positions.

15. Where the possible reduction in risk-weighted exposure amounts, which the originator bank would achieve by the securitisation, is not justified by a commensurate transfer of credit risk to third parties, the National Bank of Moldova may decide within the supervision process, on a case-by-case basis, that significant credit risk shall not be considered as transferred to third parties.

16. By way of derogation from points 14 and 15, the National Bank of Moldova may grant prior approval to the originator bank for the recognition of significant credit risk transfer in relation to a securitisation where the originator bank demonstrates in each case that the reduction in own funds requirements which the originator achieves by the securitisation is justified by a commensurate transfer of credit risk to third parties. Prior approval may only be granted where the bank cumulatively meets the following conditions:

16.1. the bank has adequate internal risk-management policies and methodologies to assess the transfer of risk;

16.2. the bank has also recognised the transfer of credit risk to third parties in each case for the purposes of the bank's internal risk management and its internal capital allocation.

17. In addition to the requirements set out in points 13, 14 and 16, all of the following conditions shall be met:

17.1. the transaction documentation reflects the economic substance of the securitisation;

17.2. the credit protection by virtue of which credit risk is transferred complies with Subsection 3 of Section 1 Chapter IV;

17.3. the securitisation documentation does not contain terms or conditions that:

17.3.1. impose significant materiality thresholds below which credit protection is deemed not to be triggered if a credit event occurs;

17.3.2. allow for the termination of the protection due to deterioration of the credit quality of the underlying exposures;

17.3.3. require the originator bank to alter the composition of the underlying exposures to improve the average quality of the pool; or

17.3.4. increase the bank's cost of credit protection or the yield payable to holders of positions in the securitisation in response to a deterioration in the credit quality of the underlying pool;

17.4. the credit protection is enforceable in all relevant jurisdictions;

17.5. where applicable, the transaction documentation makes it clear that the originator or the sponsor may only purchase or repurchase securitisation positions or repurchase, restructure or substitute the underlying exposures beyond their contractual obligations where such arrangements are executed in accordance with prevailing market conditions and the parties to them act in their own interest as free and independent parties (arm's length principle);

17.6. where there is a clean-up call option, that option shall also meet all the following conditions:

17.6.1. it may be exercised at the discretion of the originator bank;

17.6.2. it may only be exercised when 10 % or less of the original value of the underlying exposures remains unamortised;

17.6.3. it is not structured to avoid allocating losses to credit enhancement positions or other positions held by investors in the securitisation and is not otherwise structured to provide credit enhancement;

17.7. the originator bank has received an opinion from a qualified legal counsel confirming that the securitisation complies with the conditions set out in subpoint 17.4.

Section 3
Operational requirements for early amortisation provisions

18. Where the securitisation includes revolving exposures and early amortisation provisions or similar provisions, significant credit risk shall only be considered transferred by the originator bank where the requirements laid down in Sections 1 and 2 of this Chapter are met and the early amortisation provision, once triggered, does not:

18.1. subordinate the bank's senior or *pari passu* claim on the underlying exposures to the other investors' claims;

18.2. subordinate further the bank's claim on the underlying exposures relative to other parties' claims; or

18.3. otherwise increase the bank's exposure to losses associated with the underlying revolving exposures.

Chapter IV
Calculation of risk-weighted exposure amounts

Section 1
General Provisions

Subsection 1
Calculation of risk-weighted exposure amounts

19. Where an originator bank has transferred significant credit risk associated with the underlying exposures of the securitisation in accordance with Chapter III, that bank may:

19.1. in the case of a traditional securitisation, exclude the underlying exposures from its calculation of risk-weighted exposure amounts, and, as relevant, expected loss amounts;

19.2. in the case of a synthetic securitisation, calculate risk-weighted exposure amounts, and, where relevant, expected loss amounts, with respect to the underlying exposures in accordance with Subsections 5 and 6 of Section 1 of this Chapter.

20. Where the originator bank has decided to apply point 19, it shall calculate the risk-weighted exposure amounts as set out in this Chapter for the positions that it may hold in the securitisation. Where the originator bank has not transferred significant credit risk or has decided not to apply point 19, it shall not be required to calculate risk-weighted exposure amounts for any position it may have in the securitisation but shall continue including the underlying exposures in its calculation of risk-weighted exposure amounts and, where relevant, expected loss amounts as if they had not been securitised.

21. Where there is an exposure to positions in different tranches in a securitisation, the exposure to each tranche shall be considered a separate securitisation position. The providers of credit protection to securitisation positions shall be considered as holding positions in the securitisation. Securitisation positions shall include exposures to a securitisation arising from interest rate or currency derivative contracts that the bank has entered into with the transaction.

22. Unless a securitisation position is deducted from Common Equity Tier 1 items pursuant to Regulation No 109/2018, the risk-weighted exposure amount shall be included in the banks' total of risk-weighted exposure amounts for the purposes of point 132 of Regulation No 109/2018.

23. The risk-weighted exposure amount of a securitisation position shall be calculated by multiplying the exposure value of the position, calculated as set out in Subsection 2 of Section 1 of this Chapter, by the relevant total risk weight.

24. The total risk weight shall be determined as the sum of the risk weight set out in this Chapter and any additional risk weight in accordance with Subsection 4 of Section 5 of this Chapter.

Subsection 2 Exposure value

25. The exposure value of a securitisation position shall be calculated as follows:

25.1. the exposure value of an on-balance sheet securitisation position shall be its accounting value remaining after any relevant specific credit risk adjustments on the securitisation position have been applied in accordance with point 96, subpoint 3) of Regulation No 109/2018;

25.2. the exposure value of an off-balance sheet securitisation position shall be its nominal value less any relevant specific credit risk adjustments on the securitisation position in accordance with point 96, subpoint 3) of Regulation No 109/2018, multiplied by the relevant conversion factor as set out in this subpoint. The conversion factor shall be 100 %, except in the case of cash advance facilities. To determine the exposure value of the undrawn portion of the cash advance facilities, a conversion factor of 0 % may be applied to the nominal amount of a liquidity facility that is unconditionally cancellable provided that repayment of draws on the facility are senior to any other claims on the cash flows arising from the underlying exposures and the bank has demonstrated to the satisfaction of the National Bank of Moldova that it is applying an appropriately conservative method for measuring the amount of the undrawn portion;

25.3. the exposure value for the counterparty credit risk of a securitisation position that results from a derivative instrument listed in Annex 1 to the Regulation on the treatment of market risk according to the standardised approach approved by Decision of the Executive Board of the National Bank of Moldova No 114/2018, shall be determined in accordance with Regulation on the treatment of counterparty credit risk for banks approved by Decision of the Executive Board of the National Bank of Moldova No 102/2020;

25.4. an originator bank may deduct from the exposure value of a securitisation position which is assigned 1 000 % risk weight in accordance with Regulation No 109/2018 or deducted from Common Equity Tier 1, the amount of the specific credit risk adjustments on the underlying exposures in accordance with point 96, subpoint 3) of Regulation No 109/2018, and any non-refundable purchase price discounts connected with such underlying exposures to the extent that such discounts have caused the reduction of own funds;

25.5. The exposure value of a synthetic excess spread shall include, as applicable, the following:

25.5.1. any income from the securitised exposures already recognised by the originator bank in its income statement under the applicable accounting framework that the originator bank has contractually designated to the transaction as synthetic excess spread and that is still available to absorb losses;

25.5.2. any synthetic excess spread that is contractually designated by the originator bank in any previous periods and that is still available to absorb losses;

25.5.3. any synthetic excess spread that is contractually designated by the originator bank for the current period and that is still available to absorb losses;

25.5.4. any synthetic excess spread contractually designated by the originator bank for future periods.

25.6. For the purposes of subpoint 25.5, any amount that is provided as collateral or credit enhancement in relation to the synthetic securitisation and that is already subject to an own funds requirement in accordance with this Regulation shall not be included in the exposure value.

Subsection 3

Recognition of credit risk mitigation for securitisation positions

26. A bank may recognise funded or unfunded credit protection with respect to a securitisation position where the requirements for credit risk mitigation laid down in this Regulation and in Regulation No 112/2018 are met.

27. Eligible funded credit protection shall be limited to financial collateral which is eligible for the calculation of risk-weighted exposure amounts under Regulation No 111/2018 as laid down under Regulation No 112/2018 and recognition of credit risk mitigation shall be subject to compliance with the relevant requirements as laid down under Regulation No 112/2018. Eligible unfunded credit protection and unfunded credit protection providers shall be limited to those which are eligible in accordance with Regulation No 112/2018 and recognition of credit risk mitigation shall be subject to compliance with the relevant requirements as laid down under Regulation No 112/2018.

28. By way of derogation from point 27, the eligible providers of unfunded credit protection listed in point 36, subpoint 2) of Regulation No 112/2018 shall have been assigned a credit assessment by a recognised external credit assessment company (ECAI) which correspond to credit quality step 2 or above at the time the credit protection was first recognised and currently correspond to credit quality step 3 or above.

29. By way of derogation from point 27, SSPEs shall be eligible protection providers where all of the following conditions are met:

29.1. the SSPE owns assets that qualify as eligible financial collateral in accordance with Regulation No 112/2018;

29.2. the assets referred to in subpoint 29.1 are not subject to claims or contingent claims ranking ahead or *pari passu* with the claim or contingent claim of the bank receiving unfunded credit protection; and

29.3. all the requirements for the recognition of financial collateral set out in Regulation No 112/2018 are met.

30. For the purposes of point 29, the amount of the protection adjusted for any currency and maturity mismatches in accordance with Regulation No 112/2018 shall be limited to the volatility adjusted market value of those assets and the risk weight of exposures to the protection provider as specified under the Standardised Approach shall be determined as the weighted-average risk weight that would apply to those assets as financial collateral under the Standardised Approach.

31. Where a securitisation position benefits from full credit protection or a partial credit protection on a pro-rata basis, the following requirements shall apply:

31.1. the bank providing credit protection shall calculate risk-weighted exposure amounts for the portion of the securitisation position benefiting from credit protection in accordance with Section 3 of Chapter IV as if it held that portion of the position directly;

31.2. the bank buying credit protection shall calculate risk-weighted exposure amounts in accordance with Regulation No 112/2018 for the protected portion.

32. In all cases not covered by point 31, the following requirements shall apply:

32.1. the bank providing credit protection shall treat the portion of the position benefiting from credit protection as a securitisation position and shall calculate risk-weighted exposure amounts as if it held that position directly in accordance with Section 3 of Chapter IV, subject to points 33-35;

32.2. the bank buying credit protection shall calculate risk-weighted exposure amounts for the protected portion of the position referred to in subpoint 32.1 in accordance with Regulation No 112/2018. The bank shall treat the portion of the securitisation position not benefiting from credit protection as a separate securitisation position and shall calculate risk-weighted exposure amounts in accordance with Section 3 of Chapter IV, subject to points 33-35.

33. Banks using the Securitisation Standardised Approach (SEC-SA) under Subsection 1 and 2 of Section 3, Chapter IV shall determine the attachment point (A) and detachment point (D) separately for each of the positions derived in accordance with point 32 as if these had been issued as separate securitisation positions at the time of origination of the transaction. The capital charge of the underlying pool (K_{SA} value) shall be calculated taking into account the original pool of exposures underlying the securitisation.

34. Banks using the Securitisation External Ratings Based Approach (SEC-ERBA) under Subsections 3 and 4 of Section 3, Chapter IV for the original securitisation position shall calculate risk-weighted exposure amounts for the positions derived in accordance with point 32 as follows:

34.1. where the derived position has the higher seniority, it shall be assigned the risk weight of the original securitisation position;

34.2. where the derived position has the lower seniority, it may be assigned an inferred rating in accordance with point 71. In that case, thickness input T shall only be computed on the basis of the derived position. Where a rating may not be inferred, the bank shall apply the higher of the risk weight resulting from either:

34.2.1. applying the SEC-SA in accordance with point 33 and Section 3 of Chapter IV; or

34.2.2. the risk weight of the original securitisation position under the SEC-ERBA.

35. The derived position with the lower seniority shall be treated as a non-senior securitisation position even if the original securitisation position prior to protection qualifies as senior.

Subsection 4 Implicit support

36. A sponsor bank or an originator bank which in respect of a securitisation has made use of Subsection 1, Section 1 of this Chapter in the calculation of risk-weighted exposure amounts or has sold instruments from its trading book to the effect that it is no longer required to hold own funds for the risks of those instruments shall not provide support, directly or indirectly, to the securitisation beyond its contractual obligations with a view to reducing potential or actual losses to investors.

37. A transaction shall not be considered as support for the purposes of point 36 where the transaction has been duly taken into account in the assessment of significant credit risk transfer and both parties have executed the transaction acting in their own interest as free and independent parties (arm's length principle). For these purposes, the bank shall undertake a full credit review of the transaction and, at a minimum, take into account all of the following items:

37.1. the repurchase price;

37.2. the bank's capital and liquidity position before and after repurchase;

- 37.3. the performance of the underlying exposures;
- 37.4. the performance of the securitisation positions;
- 37.5. the impact of support on the losses expected to be incurred by the originator relative to investors.

38. The originator bank and the sponsor bank shall notify the National Bank of Moldova of any transaction entered into in relation to the securitisation in accordance with point 37.

39. The conditions of full competition and the cases in which a transaction is not structured so as to provide support, within the meaning of this subsection, are established by the competent authorities designated under the law.

40. If an originator bank or a sponsor bank fails to comply with point 36 in respect of a securitisation, the bank shall include all of the underlying exposures of that securitisation in its calculation of risk-weighted exposure amounts as if they had not been securitised and disclose:

- 40.1. that it has provided support to the securitisation in breach of point 36; and
- 40.2. the impact of the support provided in terms of own funds requirements.

Subsection 5

Originator banks' calculation of risk-weighted exposure amounts securitised in a synthetic securitisation

41. For the purpose of calculating risk-weighted exposure amounts for the underlying exposures, the originator bank of a synthetic securitisation shall use the calculation methodologies set out in this Section where applicable instead of those set out in Regulation No 111/2018.

42. The requirements set out in point 41 shall apply to the entire pool of exposures backing the securitisation. Subject to Subsection 6, the originator bank shall calculate risk-weighted exposure amounts with respect to all tranches in the securitisation in accordance with this Chapter, including the positions in relation to which the bank is able to recognise credit risk mitigation in accordance with Subsection 3 of this Section. The risk weight to be applied to positions which benefit from credit risk mitigation may be amended in accordance with Regulation No 112/2018.

Subsection 6

Treatment of maturity mismatches in synthetic securitisations

43. For the purposes of calculating risk-weighted exposure amounts in accordance with Subsection 5 of this Section, any maturity mismatch between the credit protection by which the transfer of risk is achieved and the underlying exposures shall be calculated as follows:

43.1. the maturity of the underlying exposures shall be taken to be the longest maturity of any of those exposures subject to a maximum of 5 years. The maturity of the credit protection shall be determined in accordance with Regulation No 112/2018;

43.2. an originator bank shall ignore any maturity mismatch in calculating risk-weighted exposure amounts for securitisation positions subject to a risk weight of 1 000 % in accordance with this Chapter. For all other positions, the maturity mismatch treatment set out in Regulation No 112/2018 shall be applied in accordance with the following formula:

$$RW^* = RW_{SP} \left[\frac{(t - t^*)}{(T - t^*)} \right] + RW_{Ass} \left[\frac{(T - t)}{(T - t^*)} \right]$$

where:

RW^* = risk-weighted exposure amounts for the purposes of point 132, subpoint 1) of Regulation No 112/2018;

| | |
|------------|---|
| RW_{Ass} | =risk-weighted exposure amounts for the underlying exposures as if they had not been securitised, calculated on a pro-rata basis; |
| RW_{SP} | =risk-weighted exposure amounts calculated under Subsection 5 of this Section as if there was no maturity mismatch; |
| T | = maturity of the underlying exposures, expressed in years; |
| t | = maturity of credit protection, expressed in years; |
| t^* | = 0,25 |

Subsection 7

Reduction in risk-weighted exposure amounts

44. Where a securitisation position is assigned a 1 000 % risk weight under this Chapter, banks may deduct the exposure value of such position from Common Equity Tier 1 capital in accordance with Regulation No 112/2018 as an alternative to including the position in their calculation of risk-weighted exposure amounts. For that purpose, the calculation of the exposure value may reflect eligible funded credit protection in accordance with Subsection 3 of this Section.

45. Where a bank makes use of the alternative set out in point 44, it may subtract the amount deducted in accordance with Regulation No 112/2018 from the amount specified in Subsection 2 of Section 4 of this Chapter as maximum capital requirement that would be calculated in respect of the underlying exposures as if they had not been securitised.

Section 2

Hierarchy of methods and common parameters

Subsection 1

Hierarchy of methods

46. Banks shall use one of the following methods to calculate risk-weighted exposure amounts in accordance with the following hierarchy:

46.1. the standardised approach (SEC-SA), in accordance with points 61-64;

46.2. where the SEC-SA may not be used, the external ratings-based approach (SEC-ERBA) shall be used in accordance with points 65-75 for rated positions or positions in respect of which an inferred rating may be used.

47. By way of derogation from point 46, the National Bank of Moldova may prohibit banks, on a case-by-case basis, from applying the SEC-SA when the risk-weighted exposure amount resulting from the application of the SEC-SA is not commensurate to the risks posed to the bank or to financial stability, including but not limited to the credit risk embedded in the exposures underlying the securitisation. In the case of exposures not qualifying as positions in an STS securitisation, increased attention shall be paid in particular to securitisations with highly complex and risky features.

48. For a position in a re-securitisation, banks shall apply the SEC-SA in accordance with Subsection 1 of Section 3 of this Chapter, with the modifications set out in Subsection 1 of Section 5 of this Chapter.

49. In all other cases, a risk weight of 1 000 % shall be assigned to securitisation positions.

Subsection 2
Determination of K_{SA}

50. Where a bank applies the SEC-SA, it shall calculate K_{SA} by multiplying the risk-weighted exposure amounts that would be calculated under Regulation No 111/2018 in respect of the underlying exposures as if they had not been securitised by 10%, and then dividing the result by the exposure value of the underlying exposures. K_{SA} shall be expressed in decimal form between zero and one. In this regard, banks shall calculate the exposure value of the underlying exposures without netting any specific credit risk adjustments and additional value adjustments in accordance with Regulation No 111/2018, as well as other own funds reductions.

Subsection 3
Determination of attachment point (A) and detachment point (D)

51. For the purpose of calculating risk-weighted exposure amounts, banks shall set the attachment point (A) as the threshold at which losses within the pool of underlying exposures would start to be allocated to the relevant securitisation position. The attachment point (A) shall be expressed as a decimal value between zero and one and shall be equal to the greater of the following two values: zero and the ratio of, on the one hand, the balance of the pool of underlying exposures in the securitisation minus the outstanding balance of all tranches that rank senior or *pari passu* to the tranche containing the relevant securitisation position including the exposure itself and, on the other hand, to the outstanding balance of all the underlying exposures in the securitisation.

52. For the purpose of calculating risk-weighted exposure amounts, banks shall set the detachment point (D) as the threshold above which losses within the pool of underlying exposures would result in a complete loss of principal for the tranche containing the relevant securitisation position. The detachment point (D) is expressed as a decimal value between zero and one and is equal to the greater of the following two values: zero and the ratio of, on the one hand, the balance of the pool of underlying exposures in the securitisation minus the outstanding balance of all tranches that rank senior to the tranche containing the relevant securitisation position and, on the other hand, to the outstanding balance of all the underlying exposures in the securitisation.

53. For the purposes of points 51 and 52, banks shall treat overcollateralisation and funded reserve accounts as tranches and the assets comprising such reserve accounts as underlying exposures.

54. For the purposes of points 51 and 52, banks shall disregard unfunded reserve accounts and assets that do not provide credit enhancement, such as those that only provide liquidity support, currency or interest rate swaps and cash collateral accounts related to those positions in the securitisation. For funded reserve accounts and assets providing credit enhancement, the bank shall only treat as securitisation positions the parts of those accounts or assets that are loss-absorbing.

55. Where two or more positions of the same transaction have different maturities but share pro rata loss allocation, the calculation of the attachment points (A) and the detachment points (D) shall be based on the aggregated outstanding balance of those positions and the resulting attachment points (A) and detachment points (D) shall be the same.

56. For the purpose of calculating the attachment points (A) and detachment points (D) of a synthetic securitisation, the originator bank of the securitisation shall treat as a tranche the exposure value of the securitisation position corresponding to the synthetic excess spread referred to in subpoint 25.3 and adjust the attachment points (A) and detachment points (D) of the other tranches it retains, adding the respective exposure value to the balance of the pool of underlying exposures in the securitisation. Only the originator bank shall make this adjustment.

Subsection 4
Determination of tranche maturity (M_T)

57. For the purposes of calculating risk-weighted exposure amounts and taking into account the provisions of point 58, banks may measure the maturity of a tranche (M_T) according to one of the following methods:

57.1. the weighted-average maturity of the contractual payments due under the tranche in accordance with the following formula:

$$\sum_t t \text{ CF}_t / \sum_t \text{ CF}_t,$$

where CF_t denotes all contractual payments (principal, interests and fees) payable by the borrower during period t ; or

57.2. the final legal maturity of the tranche in accordance with the following formula:

$$M_T = 1 + (M_L - 1) * 80\%,$$

where M_L is the final legal maturity of the tranche.

58. For the purposes of point 57, the determination of a tranche maturity (M_T) shall be subject in all cases to a floor of one year and a cap of five years.

59. Where a bank may become exposed to potential losses from the underlying exposures by virtue of contract, the bank shall determine the maturity of the securitisation position by taking into account the longest maturity of such underlying exposures.

60. For revolving exposures, the longest contractually possible remaining maturity of the exposure that might be added during the revolving period shall apply.

Section 3
Methods to calculate risk-weighted exposure amounts

Subsection 1

Calculation of risk-weighted exposure amounts under the Standardised Approach (SEC-SA)

61. Under the SEC-SA approach, the risk-weighted exposure amount for a position in a securitisation shall be calculated by multiplying the exposure value of the position, as calculated in accordance with Subsection 2 of Section 1 of this Chapter, by the applicable risk weight, determined as follows, in all cases subject to a floor of 15 %:

| | |
|---|---------------------|
| $RW = 1000 \%$ | where $D \leq K_A$ |
| $RW = 10K_{SSFA(K_A)}$ | where $A \geq K_A$ |
| $RW = \left[\left(\frac{K_A - A}{D - A} \right) 10 \right] + \left[\left(\frac{D - K_A}{D - A} \right) 10K_{SSFA(K_A)} \right]$ | where $A < K_A < D$ |

where:

D is the detachment point as determined in accordance with Subsection 3 of Section 2 of this Chapter;

A is the attachment point as determined in accordance with Subsection 3 of Section 2 of this Chapter;

K_A is a parameter calculated in accordance with point 62;

$$K_{SSFA(K_A)} = \frac{e^{a u} - e^{a 1}}{a (u - 1)}$$

where:

$$a = - (1/(p * K_A))$$

$$u = D - K_A$$

$$l = \max (A - K_A; 0)$$

$p = 1$ for a securitisation exposure that is not a re-securitisation exposure.

62. For the purposes of point 61, K_A shall be calculated as follows:

$$K_A = (1 - W)K_{SA} + W 0.5$$

where:

K_{SA} is the capital charge of the underlying pool as defined in Subsection 2 of Section 2 of this Chapter;

W = ratio of:

- (a) the sum of the nominal amount of underlying exposures in default, and
- (b) the sum of the nominal amount of all underlying exposures.

62.1. An exposure in default shall mean an underlying exposure that exhibits one of the following characteristics:

- 62.1.1. 90 days or more past due;
- 62.1.2. subject to bankruptcy or insolvency proceedings;
- 62.1.3. subject to foreclosure or similar proceeding; or
- 62.1.4. in default in accordance with the securitisation documentation.

62.2. Where the bank does not know the delinquency status for 5 % or less of underlying exposures in the pool, the bank may use the SEC-SA approach, subject to the following adjustment in the calculation of K_A :

$$K_A = \left(\frac{\text{EAD}_{\text{subportofoliu1 unde W este cunoscut}}}{\text{EAD Total}} \times K_A^{\text{subportofoliu1 unde W este cunoscut}} \right) + \frac{\text{EAD}_{\text{Subportofoliu1 unde W este necunoscut}}}{\text{EAD Total}}$$

Subpool 1 where W known

Subpool 1 where W known

Subpool 1 where W unknown

62.3. Where the bank does not know the delinquency status for more than 5 % of underlying exposures in the pool, the position in the securitisation must be risk-weighted at 1 000 %.

63. Where a bank has a securitisation position in the form of a derivative to hedge market risks, including interest rate or currency risks, the bank may attribute to that derivative an inferred risk weight equivalent to the risk weight of the reference position calculated in accordance with this subsection. For the purposes of this point, the reference position shall be the position that is *pari passu* in all respects to the derivative or, in the absence of such *pari passu* position, the position that is immediately subordinate to the derivative.

Subsection 2 Treatment of STS securitisations under the SEC-SA

64. Under the SEC-SA the risk weight for a position in an STS securitisation shall be calculated in accordance with Subsection 1 of Section 3 of this Chapter, subject to the following modifications:

risk-weight floor for senior securitisation positions = 10 %

$$p = 0,5$$

Subsection 3

Calculation of risk-weighted exposure amounts under the External Ratings Based Approach (SEC-ERBA)

65. Under the SEC-ERBA, the risk-weighted exposure amount for a securitisation position shall be calculated by multiplying the exposure value of the position as calculated in accordance with Subsection 2 of Section 1 of this Chapter by the applicable risk weight in accordance with this Subsection.

66. For exposures with short-term credit assessments or when a rating based on a short-term credit assessment may be inferred in accordance with point 71, the following risk weights shall apply:

Table 1

| | | | | |
|---------------------|------|------|-------|-------------------|
| Credit Quality Step | 1 | 2 | 3 | All other ratings |
| Risk weight | 15 % | 50 % | 100 % | 1 000 % |

67. For exposures with long-term credit assessments or when a rating based on a long-term credit assessment may be inferred in accordance with point 71, the risk weights set out in Table 2 shall apply, adjusted as applicable for tranche maturity (M_T) in accordance with Subsection 4 of Section 2 of this Chapter and point 68 and for tranche thickness for non-senior tranches in accordance with point 69:

Table 2

| Credit Quality Step | Senior tranche | | Non-senior (thin) tranche | |
|---------------------|----------------------------|---------|----------------------------|---------|
| | Tranche maturity (M_T) | | Tranche maturity (M_T) | |
| | 1 year | 5 years | 1 year | 5 years |
| 1 | 15 % | 20 % | 15 % | 70 % |
| 2 | 15 % | 30 % | 15 % | 90 % |
| 3 | 25 % | 40 % | 30 % | 120 % |
| 4 | 30 % | 45 % | 40 % | 140 % |
| 5 | 40 % | 50 % | 60 % | 160 % |
| 6 | 50 % | 65 % | 80 % | 180 % |
| 7 | 60 % | 70 % | 120 % | 210 % |
| 8 | 75 % | 90 % | 170 % | 260 % |
| 9 | 90 % | 105 % | 220 % | 310 % |
| 10 | 120 % | 140 % | 330 % | 420 % |
| 11 | 140 % | 160 % | 470 % | 580 % |
| 12 | 160 % | 180 % | 620 % | 760 % |
| 13 | 200 % | 225 % | 750 % | 860 % |
| 14 | 250 % | 280 % | 900 % | 950 % |
| 15 | 310 % | 340 % | 1 000 % | 1 000 % |
| 16 | 380 % | 420 % | 1 000 % | 1 000 % |
| 17 | 460 % | 505 % | 1 000 % | 1 000 % |
| All other | 1 000 % | 1 000 % | 1 000 % | 1 000 % |

68. In order to determine the risk weight for tranches with a maturity between 1 and 5 years, banks shall use linear interpolation between the risk weights applicable for 1 and 5 years maturity respectively in accordance with Table 2.

69. In order to account for tranche thickness, banks shall calculate the risk weight for non-senior tranches as follows:

$$\mathbf{RW = [RW \text{ after adjusting for maturity according to point 68}] [1 - \min (T; 50 \%)]}$$

where

T = tranche thickness measured as D – A

where

D is the detachment point as determined in accordance with Subsection 3 of Section 2 of this Chapter;

A is the attachment point as determined in accordance with Subsection 3 of Section 2 of this Chapter.

70. The risk weights for non-senior tranches resulting from points 67-69 shall be subject to a floor of 15 %. In addition, the resulting risk weights shall be no lower than the risk weight corresponding to a hypothetical senior tranche of the same securitisation with the same credit assessment and maturity.

71. For the purposes of using inferred ratings, banks shall attribute to an unrated position an inferred rating equivalent to the credit assessment of a rated reference position which meets all of the following conditions:

71.1. the reference position ranks *pari passu* in all respects to the unrated securitisation position or, in the absence of a *pari passu* ranking position, the reference position is immediately subordinate to the unrated position;

71.2. the reference position does not benefit from any third-party guarantees or other credit enhancements that are not available to the unrated position;

71.3. the maturity of the reference position shall be equal to or longer than that of the unrated position in question;

71.4. on an ongoing basis, any inferred rating shall be updated to reflect any changes in the credit assessment of the reference position.

72. Where a bank has a securitisation position in the form of a derivative to hedge market risks, including interest rate or currency risks, the bank may attribute to that derivative an inferred risk weight equivalent to the risk weight of the reference position calculated in accordance with this Subsection. In this regard, the reference position shall be the position that is *pari passu* in all respects to the derivative or, in the absence of such *pari passu* position, the position that is immediately subordinate to the derivative.

Subsection 4

Treatment of STS securitisations under the SEC-ERBA

73. Under the SEC-ERBA, the risk weight for a position in an STS securitisation shall be calculated in accordance with Subsection 3 of this Section, subject to the modifications laid down in this Subsection.

74. For exposures with short-term credit assessments or when a rating based on a short-term credit assessment may be inferred in accordance with point 71, the risk weights according to Table 3 shall apply:

Table 3

| | | | | |
|---------------------|------|------|------|-------------------|
| Credit Quality Step | 1 | 2 | 3 | All other ratings |
| Risk weight | 10 % | 30 % | 60 % | 1 000 % |

75. For exposures with long-term credit assessments or when a rating based on a long-term credit assessment may be inferred in accordance with point 71, risk weights shall be determined in accordance with Table 4, adjusted for tranche maturity (M_T) in accordance with Subsection 4 of Section 2 of this Chapter and point 68 and for tranche thickness for non-senior tranches in accordance with point 69:

Table 4

| Credit Quality Step | Senior tranche | | Non-senior (thin) tranche | |
|---------------------|----------------------------|---------|----------------------------|---------|
| | Tranche maturity (M_T) | | Tranche maturity (M_T) | |
| | 1 year | 5 years | 1 year | 5 years |
| 1 | 10 % | 10 % | 15 % | 40 % |
| 2 | 10 % | 15 % | 15 % | 55 % |
| 3 | 15 % | 20 % | 15 % | 70 % |
| 4 | 15 % | 25 % | 25 % | 80 % |
| 5 | 20 % | 30 % | 35 % | 95 % |
| 6 | 30 % | 40 % | 60 % | 135 % |
| 7 | 35 % | 40 % | 95 % | 170 % |
| 8 | 45 % | 55 % | 150 % | 225 % |
| 9 | 55 % | 65 % | 180 % | 255 % |
| 10 | 70 % | 85 % | 270 % | 345 % |
| 11 | 120 % | 135 % | 405 % | 500 % |
| 12 | 135 % | 155 % | 535 % | 655 % |
| 13 | 170 % | 195 % | 645 % | 740 % |
| 14 | 225 % | 250 % | 810 % | 855 % |
| 15 | 280 % | 305 % | 945 % | 945 % |
| 16 | 340 % | 380 % | 1 000 % | 1 000 % |
| 17 | 415 % | 455 % | 1 000 % | 1 000 % |
| All other | 1 000 % | 1 000 % | 1 000 % | 1 000 % |

Section 4**Caps for securitisation positions****Subsection 1****Maximum risk weight for senior securitisation positions: look-through approach**

76. A bank which has knowledge at all times of the composition of the underlying exposures may assign the senior securitisation position a maximum risk weight equal to the exposure-weighted-average risk weight that would be applicable to the underlying exposures as if the underlying exposures had not been securitised.

77. In the case of pools of underlying exposures where the bank uses exclusively the Standardised Approach, the maximum risk weight of the senior securitisation position shall be equal to the exposure-weighted-average risk weight that would apply to the underlying exposures under Regulation No 111/2018, as if they had not been securitised.

78. Where the maximum risk weight calculated in accordance with point 76 results in a lower risk weight than the risk-weight floors set out in Section 3 of this Chapter, as applicable, the former shall be used instead.

Subsection 2
Maximum capital requirements

79. An originator bank, a sponsor bank using the SEC-SA of SEC-ERBA may apply a maximum capital requirement for the securitisation position it holds equal to the capital requirements that would be calculated under Regulation No 111/2018 in respect of the underlying exposures had they not been securitised.

80. The maximum capital requirement shall be the result of multiplying the amount calculated in accordance with point 79 by the largest proportion of interest that the bank holds in the relevant tranches (V), expressed as a percentage and calculated as follows:

80.1. for a bank that has one or more securitisation positions in a single tranche, V shall be equal to the ratio of the nominal amount of the securitisation positions that the bank holds in that given tranche to the nominal amount of the tranche;

80.2. for a bank that has securitisation positions in different tranches, V shall be equal to the maximum proportion of interest across tranches. For these purposes, the proportion of interest for each of the different tranches shall be calculated as set out in subpoint 80.1.

81. When calculating the maximum capital requirement for a securitisation position in accordance with this Subsection, the entire amount of any gain on sale and credit-enhancing interest-only strips arising from the securitisation transaction shall be deducted from Common Equity Tier 1 items in accordance with Regulation No 109/2018.

Section 5
Miscellaneous provisions

Subsection 1
Re-securitisations

82. For a position in a re-securitisation, banks shall apply the SEC-SA in accordance with Subsection 1 of Section 3 of this Chapter, with the following changes:

82.1. $W = 0$ for any exposure to a securitisation tranche within the pool of underlying exposures;

82.2. $p = 1,5$;

82.3. the resulting risk weight shall be subject to a risk-weight floor of 100 %.

83. K_{SA} parameter for the underlying securitisation exposures shall be calculated in accordance with Section 2 of this Chapter.

84. The maximum capital requirements set out in Section 4 shall not be applied to re-securitisation positions.

85. Where the pool of underlying exposures consists of a mix of securitisation tranches and other types of assets, the K_A parameter shall be determined as the nominal exposure weighted-average of the K_A parameters calculated individually for each subset of exposures.

Subsection 2
Treatment of non-performing exposures securitisations (NPE)

86. Non-performing exposure (NPE) means an exposure classified as non-performing according to Regulation No 109/2018.

87. The risk weight of a position in an NPE securitisation shall be calculated in accordance with Subsection 1 of Section 2 or Subsection 1 of Section 4 of this Chapter. The risk weight is subject to a threshold of 100 %, except where Subsection 3 of Section 3 of this Chapter applies.

88. By way of derogation from point 87, institutions shall assign a 100% risk weight to the senior securitisation position in a traditional NPE securitisation, unless Subsection 3 of Section 3 of this Chapter applies.

89. By way of derogation from point 88, where the exposure-weighted average risk weight calculated in accordance with the *look-through* approach set out in Subsection 1 of Section 4 of this Chapter is less than 100 %, institutions may apply the lower risk weight, subject to a risk weight floor of 50 %.

Subsection 3 ***Senior positions in STS on-balance sheet securitisations***

90. An originator bank may calculate the risk-weighted exposure amounts of a securitisation position in an STS on-balance sheet securitisation as referred to in Subsection 1 or Subsection 3 of this Chapter, as applicable, where that position meets both of the following conditions:

- 90.1. the securitisation meets the requirements set out in point 7;
- 90.2. the position qualifies as the senior securitisation position.

91. The National Bank of Moldova shall monitor the application of point 90 in particular with regard to:

91.1. the market volume and market share of STS on-balance sheet securitisations in respect of which the originator bank applies point 90, across different asset classes;

91.2. the observed allocation of losses to the senior tranche and to other tranches of STS on-balance sheet securitisations, where the originator bank applies point 90 in respect of the senior position held in such securitisations;

91.3. the impact of the application of point 90 on the leverage of banks;

91.4. the impact of the use of STS on-balance sheet securitisations in respect of which the originator bank applies point 90 on the issuance of capital instruments by the respective originator banks.

Subsection 4 ***Additional risk weight***

92. Where a bank does not meet the requirements in any material respect by reason of negligence or omission of the provisions applicable to all securitisations, the National Bank of Moldova shall impose a proportionate additional risk weight of no less than 250 % of the risk weight, capped at 1 000 %, which shall apply to the relevant securitisation positions in the manner specified in point 24. The additional risk weight shall progressively increase with each subsequent infringement of the due diligence and risk management provisions. The National Bank of Moldova shall take into account the exemptions for certain securitisations regarding the risk retention requirement by reducing the risk weight they would otherwise impose under this Subsection in respect of a securitisation to which the provisions on exemption from the application of the risk retention requirement apply.

Chapter V **External credit assessments**

Section 1 ***Use of credit assessments by ECAIs and requirements applicable to them***

93. Banks may use only credit assessments to determine the risk weight of a securitisation position in accordance with this Regulation where the credit assessment has been issued or has been endorsed by an ECAI in accordance with Annex 3 to Regulation No 111/2018.

94. For the purposes of calculating risk-weighted exposure amounts in accordance with Chapter IV, banks shall only use a credit assessment of an ECAI where all of the following conditions are met:

94.1. there is no mismatch between the types of payments reflected in the credit assessment and the types of payments to which the bank is entitled under the contract giving rise to the securitisation position in question;

94.2. the ECAI publishes the credit assessments and information on loss and cash-flow analysis, sensitivity of ratings to changes in the underlying ratings assumptions, including the performance of underlying exposures, and on the procedures, methodologies, assumptions, and key elements underpinning the credit assessments in accordance with Chapter VI of Regulation No 111/2018. For the purposes of this subpoint, information shall be considered as publicly available where it is published in accessible format. Information that is made available only to a limited number of entities shall not be considered as publicly available;

94.3. the credit assessments are included in the ECAI's transition matrix;

94.4. the credit assessments are not based or partly based on unfunded support provided by the bank itself. Where a position is based or partly based on unfunded support, the bank shall consider that position as if it were unrated for the purposes of calculating risk-weighted exposure amounts for this position in accordance with Chapter IV;

94.5. the ECAI has committed to publishing explanations on how the performance of underlying exposures affects the credit assessment.

Section 2

Use of credit assessments and securitisation mapping

95. Banks may nominate one or more ECAIs the credit assessments of which shall be used in the calculation of its risk-weighted exposure amounts in accordance with this Regulation (hereinafter referred to as the 'nominated ECAI').

96. Banks shall use the credit assessments of its securitisation positions in a consistent and non-selective manner and, for these purposes, shall comply with the following requirements:

96.1. banks may not use an ECAI's credit assessments for its positions in some tranches and another ECAI's credit assessments for its positions in other tranches within the same securitisation that may or may not be rated by the first ECAI;

96.2. where a position has two credit assessments by nominated ECAIs, the bank shall use the less favourable credit assessment;

96.3. where a position has at least three credit by nominated ECAIs, the two most favourable credit assessments shall be used. If the two most favourable assessments are different, the less favourable of the two shall be used;

96.4. banks shall not actively solicit the withdrawal of less favourable ratings.

97. Where the exposures underlying a securitisation benefit from full or partial eligible credit protection, in accordance with Regulation No 112/2018, and the effect of such protection has been reflected in the credit assessment of a securitisation position by a nominated ECAI, banks shall use the risk weight associated with that credit assessment. Where the credit protection referred to in this point is not eligible under Regulation No 112/2018, the credit assessment shall not be recognised, and the securitisation position shall be treated as unrated.

98. Where a securitisation position benefits from eligible credit protection in accordance with Regulation No 112/2018 and the effect of such protection has been reflected in its credit assessment by a nominated ECAI, banks shall treat the securitisation position as if it were unrated and calculate the risk-weighted exposure amounts in accordance with Regulation No 112/2018.

99. The National Bank of Moldova shall map the credit quality steps set out in this Regulation relative to credit assessments carried out by each ECAI designated in accordance with the annex to this Regulation.

Mapping table

| Credit Quality Step | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | All other |
|--|---------------------------------------|-------------------|-------------------|------------------|-----------------|-----------------|-----------------|-------------------|-------------------|-------------------|------------------|------------------|------------------|-----------------|-----------------|-----------------|---|-------------------------|
| <i>A.M. Best (EU) Rating Services B.V.</i> | | | | | | | | | | | | | | | | | | |
| Long-term issue credit rating scale | | | | | | | | | | | | | | | | | | |
| | aaa(sf) | aa+(sf) | aa(sf) | aa-(sf) | a+(sf) | a(sf) | a-(sf) | bbb+(sf) | bbb(sf) | bbb-(sf) | bb+(sf) | bb(sf) | bb-(sf) | b+(sf) | b(sf) | b-(sf) | ccc+(sf), ccc(sf), ccc-(sf) | Below ccc-(sf) |
| Short-term issue rating scale | | | | | | | | | | | | | | | | | | |
| | AMB-1+(sf), AMB-1(sf) | AMB-2(sf) | AMB-3(sf) | | | | | | | | | | | | | | | Below AMB-3(sf) |
| <i>ARC Ratings S.A.</i> | | | | | | | | | | | | | | | | | | |
| Medium- and long-term issues rating scale | | | | | | | | | | | | | | | | | | |
| | AAA _{SF} | AA _{SF} | AA _{SF} | AA _{SF} | A _{SF} | A _{SF} | A _{SF} | BBB _{SF} | BBB _{SF} | BBB _{SF} | BB _{SF} | BB _{SF} | BB _{SF} | B _{SF} | B _{SF} | B _{SF} | JRC _{SF} CCC _{SF} , JRC _{SF} | Below JRC _{SF} |
| Short-term issues rating scale | | | | | | | | | | | | | | | | | | |
| | A-1 _{SF} , A-1 _{SF} | A-2 _{SF} | A-3 _{SF} | | | | | | | | | | | | | | | Below A-3 _{SF} |
| Credit Quality Step | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | All other |
| <i>Axesor Risk Management S.L.</i> | | | | | | | | | | | | | | | | | | |
| Long-term structured finance credit rating scale | | | | | | | | | | | | | | | | | | |

| | | | | | | | | | | | | | | | | | | |
|---|--|--|---------------------|-------------------------------|------------------------------|-------------------|------------------------------|--------------------------------|----------------------------------|--------------------------------|-------------------------------|--------------------|-------------------------------|------------------------------|-------------------|------------------------------|--|--------------------------------|
| | AAA _(sf) | AA _{+(sf)} | AA _(sf) | AA _{-(sf)} | A _{+(sf)} | A _(sf) | A _{-(sf)} | BBB _{+(sf)} | BBB _(s) _{f)} | BBB _{-(sf)} | BB _{+(sf)} | BB _(sf) | BB _{-(sf)} | B _{+(sf)} | B _(sf) | B _{-(sf)} | JRC _{+(sf)} , JRC _(sf) , JRC _{-(sf)} | Below JRC _{-(sf)} |
| <i>Creditreform Rating AG</i> | | | | | | | | | | | | | | | | | | |
| Long-term credit rating scale | | | | | | | | | | | | | | | | | | |
| | AAA _{sf} | AA ₊ _{sf} | AA _{sf} | AA ₋ _{sf} | A ₊ _{sf} | A _{sf} | A ₋ _{sf} | BBB ₊ _{sf} | BBB _{sf} | BBB ₋ _{sf} | BB ₊ _{sf} | BB _{sf} | BB ₋ _{sf} | B ₊ _{sf} | B _{sf} | B ₋ _{sf} | CCC _{sf} | Below CCC _{sf} |
| <i>DBRS Ratings GmbH</i> | | | | | | | | | | | | | | | | | | |
| Long-term obligations rating scale | | | | | | | | | | | | | | | | | | |
| | AAA _(sf) | AA _{(high)(sf)} | AA _(sf) | AA _{(low)(sf)} | A _{(high)(sf)} | A _(sf) | A _{(low)(sf)} | BBB _{(high)(sf)} | BBB _(s) _{f)} | BBB _{(low)(sf)} | BB _{(high)(sf)} | BB _(sf) | BB _{(low)(sf)} | B _{(high)(sf)} | B _(sf) | B _{(low)(sf)} | JRC _{(high)(sf)} , JRC _(sf) , JRC _{(low)(sf)} | Below JRC _{(low)(sf)} |
| Short-term debt and short-term securities rating scales | | | | | | | | | | | | | | | | | | |
| | R-1 _{(high)(sf)} , R-1 _{(middle)(sf)} , R-1 _{(low)(sf)} | R-2 _{(high)(sf)} , R-2 _{(middle)(sf)} , R-2 _{(low)(sf)} | R-3 _(sf) | | | | | | | | | | | | | | | Below R-3 _(sf) |
| Credit Quality Step | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | All other |
| <i>Fitch Ratings Ireland Limited</i> | | | | | | | | | | | | | | | | | | |
| Long-term ratings scale | | | | | | | | | | | | | | | | | | |
| | AAA _{SF} | AA ₊ _{SF} | AA _{SF} | AA ₋ _{SF} | A ₊ _{SF} | A _{SF} | A ₋ _{SF} | BBB ₊ _{SF} | BBB _S _F | BBB ₋ _{SF} | BB ₊ _{SF} | BB _{SF} | BB ₋ _{SF} | B ₊ _{SF} | B _{SF} | B ₋ _{SF} | CCC _{SF} | Below CCC _{SF} |
| Short-term ratings scale | | | | | | | | | | | | | | | | | | |
| | F1 ₊ _{SF} , F1 _{SF} | F2 _{SF} | F3 _{SF} | | | | | | | | | | | | | | | Below F3 _{SF} |

| | | | | | | | | | | | | | | | | | | |
|--|--|---------------------|--------------------|---------------------|--------------------|-------------------|--------------------|----------------------|-------------------------|----------------------|---------------------|--------------------|---------------------|--------------------|-------------------|--------------------|--|-------------------------------|
| <i>HR Ratings de México, S.A. de C.V.</i> | | | | | | | | | | | | | | | | | | |
| Long-term credit rating scale | | | | | | | | | | | | | | | | | | |
| | HR AAA (E) | HR AA+ (E) | HR AA (E) | HR AA- (E) | HR A+ (E) | HR A (E) | HR A- (E) | HR BBB+ (E) | HR BBB (E) | HR BBB- (E) | HR BB+ (E) | HR BB (E) | HR BB- (E) | HR B+ (E) | HR B (E) | HR B- (E) | HR C+ (E) | BelowH R C+ (E) |
| <i>ICAP S.A.</i> | | | | | | | | | | | | | | | | | | |
| Global credit rating scale | | | | | | | | | | | | | | | | | | |
| | AAA _{SF} , AA A-SF | AA+ _{SF} | AA _{SF} | AA- _{SF} | A+ _{SF} | A _{SF} | A- _{SF} | BBB+ _{SF} | BBB _S F | BBB- _{SF} | BB+ _{SF} | BB _{SF} | BB- _{SF} | B+ _{SF} | B _{SF} | B- _{SF} | JRC+ _{SF} , CCC _{SF} , JRC- _{SF} | Below JRC- _{SF} |
| Credit Quality Step | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | All other |
| <i>Japan Credit Rating Agency Ltd</i> | | | | | | | | | | | | | | | | | | |
| Long-term issuer ratings scale | | | | | | | | | | | | | | | | | | |
| | AAA | AA+ | AA | AA- | A+ | A | A- | BBB+ | BBB | BBB- | BB+ | BB | BB- | B+ | B | B- | JRC | Below JRC |
| Short-term issuer ratings scale | | | | | | | | | | | | | | | | | | |
| | J-1+, J-1 | J-2 | J-3 | | | | | | | | | | | | | | | BelowJ- 3 |
| <i>Kroll Bond Rating Agency Europe Limited</i> | | | | | | | | | | | | | | | | | | |
| Long-term credit rating scale | | | | | | | | | | | | | | | | | | |
| | AAA _(sf) | AA+ _(sf) | AA _(sf) | AA- _(sf) | A+ _(sf) | A _(sf) | A- _(sf) | BBB+ _(sf) | BBB _{(s} f) | BBB- _(sf) | BB+ _(sf) | BB _(sf) | BB- _(sf) | B+ _(sf) | B _(sf) | B- _(sf) | JRC+ _(sf) , JRC _(sf) , JRC- _(sf) | Below JRC- _(sf) |
| Short-term credit rating scale | | | | | | | | | | | | | | | | | | |
| | K1+ _(sf) , K1 _(sf) | K2 _(sf) | K3 _(sf) | | | | | | | | | | | | | | | BelowK 3 _(sf) |

| | | | | | | | | | | | | | | | | | | |
|--|--|---------------------|--------------------------|---------------------|--------------------|-------------------------|--------------------|----------------------|---------------------------|----------------------|---------------------|--------------------------|---------------------|--------------------|-------------------------|--------------------|---|-------------------------------|
| Credit Quality Step | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | All other |
| <i>Moody's Investors Service</i> | | | | | | | | | | | | | | | | | | |
| Global long-term rating scale | | | | | | | | | | | | | | | | | | |
| | Aaa _(sf) | Aa1 _(sf) | Aa2 _(s) f) | Aa3 _(sf) | A1 _(sf) | A2 _(s) f) | A3 _(sf) | Baa1 _(sf) | Baa2 _(s) f) | Baa3 _(sf) | Ba1 _(sf) | Ba2 _(s) f) | Ba3 _(sf) | B1 _(sf) | B2 _(s) f) | B3 _(sf) | Caa1 _(sf) , Caa2 _(sf) , Caa3 _(sf) | Below Caa3 _(sf) |
| Global short-term ratings scale | | | | | | | | | | | | | | | | | | |
| | P-1 _(sf) | P-2 _(sf) | P-3 _(sf) | | | | | | | | | | | | | | | Below P-3 _(sf) |
| <i>Scope Ratings GmbH</i> | | | | | | | | | | | | | | | | | | |
| Long-term credit rating scale | | | | | | | | | | | | | | | | | | |
| | AAA _{SF} | AA _{+SF} | AA _{SF} | AA _{-SF} | A _{+SF} | A _{SF} | A _{-SF} | BBB _{+SF} | BBB _S F | BBB _{-SF} | BB _{+SF} | BB _{SF} | BB _{-SF} | B _{+SF} | B _{SF} | B _{-SF} | CCC _{SF} | Below CCC _{SF} |
| Short-term credit rating scale | | | | | | | | | | | | | | | | | | |
| | S-1 _{+SF} , S-1 _{SF} | S-2 _{SF} | S-3 _{SF} | | | | | | | | | | | | | | | Below S-3 _{SF} |
| Credit Quality Step | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | All other |
| <i>S&P Global Ratings Europe Limited</i> | | | | | | | | | | | | | | | | | | |
| Global long-term issue credit rating scale | | | | | | | | | | | | | | | | | | |
| | AAA _(sf) | AA _{+(sf)} | AA _(sf)) | AA _{-(sf)} | A _{+(sf)} | A _(sf) | A _{-(sf)} | BBB _{+(sf)} | BBB _(s) f) | BBB _{-(sf)} | BB _{+(sf)} | BB _(sf) | BB _{-(sf)} | B _{+(sf)} | B _(sf) | B _{-(sf)} | JRC _{+(sf)} , JRC _(sf) , JRC _{-(sf)} | Below JRC _{-(sf)} |
| Global short-term issue credit rating scale | | | | | | | | | | | | | | | | | | |
| | A-1 _{+(sf)} , A-1 _(sf) | A-2 _(sf) | A-3 _(sf) | | | | | | | | | | | | | | | Below A-3 _(sf) |