

Tables**Table 1**

**(relating to section 20 (1))
Volatility rate for increase in replacement cost**

Residual maturity	Interest-rate contracts	Contracts concerning foreign-exchange rates and gold	Contracts concerning equities	Contracts concerning precious metals except gold	Contracts concerning commodities other than precious metals
≤ 1 year	0.0%	1.0%	6.0%	7.0%	10.0%
>1 ≤ 5 years	0.5%	5.0%	8.0%	7.0%	12.0%
> 5 years	1.5%	7.5%	10.0%	8.0%	15.0%

Table 2

**(relating to section 23)
Volatility rate for replacement cost using original exposure method**

Maturity	Solely interest-rate contracts (residual maturity)	Contracts concerning foreign-exchange rates and gold (original maturity)
≤ 1 year	0.5%	2.0%
> 1 ≤ 2 years	1.0%	5.0%
Additional allowance for each additional year	1.0%	3.0%

Table 3

**(relating to section 26 number 1 letter (a))
CRSA risk weight for central governments per credit quality step**

Credit quality step	1	2	3	4	5	6
CRSA risk weight	0%	20%	50%	100%	100%	150%

Table 4

**(relating to section 26 number 1 letter (b))
CRSA risk weight for central governments per minimum export insurance premium (MEIP)**

MEIP	0	1	2	3	4	5	6	7

CRSA risk weight	0%	0%	20%	50%	100%	100%	100%	150%
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Table 5

(relating to section 29 number 3)

CRSA risk weight for multilateral development banks per credit quality step

Credit quality step	1	2	3	4	5	6
CRSA risk weight	20%	50%	50%	100%	100%	150%

Table 6

(relating to section 31 number 2)

Institutions according to central government domicile

Credit quality step of central government	1	2	3	4	5	6
MEIP of central government	0 or 1	2	3	4	5 or 6	7
CRSA risk weight	20%	50%	100%	100%	100%	150%

Table 7

(relating to section 32)

CRSA risk weight for covered bonds

CRSA risk weight for exposures of issuing institution	20%	50%	100%	150%
CRSA risk weight of covered bond	10%	20%	50%	100%

Table 8

(relating to section 33 number 1 letter (a))

CRSA risk weight for corporates with short-term credit assessment

Credit quality step	1	2	3	4	5	6
CRSA risk weight	20%	50%	100%	150%	150%	150%

Table 9

(relating to section 33 number 1 letter (b), section 36 (1) number 1)

CRSA risk weight for corporates with other than short-term credit assessment;

CRSA risk weight for CIU exposures

Credit quality step	1	2	3	4	5	6
CRSA risk weight	20%	50%	100%	100%	150%	150%

Table 10

**(relating to section 38 (4) number 1 letter (a), section 242)
CRSA securitisation risk weight with short-term assessment**

Credit quality step	1	2	3	all others
CRSA securitisation risk weight	20%	50%	100%	1,250%

Table 11

**(relating to section 38 (4) number 1 letter (b), section 242)
CRSA securitisation risk weight with other than short-term credit assessment**

Credit quality step	1	2	3	4	5 and higher
CRSA securitisation risk weight	20%	50%	100%	350%	1,250%

Table 12

**(relating to section 41 (1) and (2), sections 42 and 47)
Nomination of ECAIs by credit assessment-related asset category**

Credit assessment-related asset category	Types of exposures
Countries	CRSA exposures assignable to the CRSA exposure class Central governments pursuant to section 25 (2),
	CRSA exposures assignable to the CRSA exposure class Regional governments and local authorities pursuant to section 25 (3),
	CRSA exposures assignable to the CRSA exposure class Other public-sector entities pursuant to section 25 (4) whose CRSA risk weight is either that pursuant to section 28 number 1 or that pursuant to section 28 number 2,
	CRSA exposures assignable to the CRSA exposure class Institutions pursuant to section 25 (7), and
	CRSA exposures assignable to the CRSA exposure class Covered bonds issued by credit institutions pursuant to section 25 (8);
Banks	CRSA exposures assignable to the CRSA exposure class Multilateral development banks pursuant to section 25 (5) whose CRSA risk weight is determined pursuant to section 29 number 3;
Corporates	CRSA exposures assignable to the CRSA exposure class Corporates pursuant to section 25 (9);
CIU exposures	CRSA exposures assignable to the CRSA exposure class Exposures in the form of collective investment undertakings (CIU) pursuant to section 25 (12);

Securitisation positions	IRBA exposures pursuant to section 85 (6) sentence 1 number 1
	CRSA securitisation positions pursuant to section 227 (3), and
	IRBA securitisation positions pursuant to section 227 (4).

Table 13
(relating to section 83 (4) sentence 4)
CRSA risk weight of assigned CIU exposures

Prescribed CRSA risk weight	0%	10%	20%	35%	50%	75%	100%	150%
Replacement CRSA risk weight	0%	10%	20%	35%	50%	75%	100%	200%

Table 14
(relating to section 97 (1))
Simple IRBA risk weight for specialised lending exposures

Residual maturity	Risk weight category				
	Strong	Good	Satisfactory	Weak	Defaulted
< 2.5 years	50%	70%	115%	250%	0%
≥ 2.5 years	70%	90%	115%	250%	0%

Table 15
(relating to section 104 (4))
Expected loss for IRBA specialised lending exposures

Residual maturity	Risk weight category				
	Strong	Good	Satisfactory	Weak	Defaulted
< 2.5 years	0%	0.4%	2.8%	8%	50%
≥ 2.5 years	0.4%	0.8%	2.8%	8%	50%

Table 16
(relating to section 192 (1))
Market value volatility adjustments

Feature of underlying for calculating supervisory market value volatility adjustments		Supervisory market value volatility adjustment		
Debt security				
Credit assessment		Residual maturity	Exposure to issuers pursuant to	
	Credit quality step		section 155 sentence 1 numbers 3 to 6	section 155 sentence 1 numbers 7 to 13
	1	≤ 1 year	0.5%	1%
	1	> 1 ≤ 5 years	2%	4%
	1	> 5 years	4%	8%
	2 or 3	≤ 1 year	1%	2%
	2 or 3	> 1 ≤ 5 years	3%	6%
	2 or 3	> 5 years	6%	12%
	4	All	15%	Ineligible
Equity				
Listed on a recognised stock index or stock or futures exchange		15%		
Traded on a stock or futures exchange		25%		
Cash		0%		
Gold		15%		

Table 17
(relating to section 211 (3) sentence 1)
Volatility adjustment

Maturity	Solely interest-rate contracts (residual maturity)	Contracts concerning foreign exchange rates and gold (original maturity)
≤ 1 year	0.35%	1.50%
> 1 ≤ 2 years	0.75%	3.75%
Additional allowance for each additional year	0.75%	2.25%

Table 18
(relating to section 257 (2) sentence 1)
IRBA securitisation risk weight with long-term credit assessment

Credit quality step	Applicable risk weight		
	"Granular and most senior"	"Granular and not most senior"	"Non-granular"
1	7%	12%	20%
2	8%	15%	25%
3	10%	18%	35%
4	12%	20%	35%
5	20%	35%	35%
6	35%	50%	50%
7	60%	75%	75%
8	100%	100%	100%
9	250%	250%	250%
10	425%	425%	425%
11	650%	650%	650%
Worse than 11	1,250%	1,250%	1,250%

Table 19
(relating to section 257 (2) (sentence 1))
IRBA securitisation risk weight with short-term credit assessment

Credit quality step	Applicable risk weight		
	"Granular and most senior"	"Granular and not most senior"	"Non-granular"
1	7%	12%	20%
2	12%	20%	35%
3	60%	75%	75%
Other	1,250%	1,250%	1,250%

Table 20
(relating to section 297 (1) and (3) sentence 1)
Maturity ladder for commodity positions

Maturity band
≤ 1 month
> 1 ≤ 3 months

> 3 ≤ 6 months
> 6 months ≤ 1 year
> 1 ≤ 2 years
> 2 ≤ 3 years
> 3 years

Table 21
(relating to section 298 (2) sentence 1)
Net positions of underwriting commitments

Number of working days that have elapsed since the date of assuming the initial binding underwriting commitment	Percent-age
0	0%
1	10%
2	25%
3	25%
4	50%
5	75%
6 or more	100%

Table 22
(relating to section 299 (4) number 3)
Closely matched positions arising from derivatives

Length of time to the next interest-fixing date or residual maturity	Limits
< 1 month	Same calendar day
≥ 1 month ≤ 1 year	Within 7 calendar days
> 1 year	Within 30 calendar days

Table 23**(relating to section 301 (1), section 309 (3) sentence 1 and (5) sentence 4, section 311 (1) sentence 2)****Maturity bands under the maturity-based method**

Column A	Column B	Column C
Maturity band in coupon category A	Maturity band in coupon category B	Weighting (%)
≤ 1 month	≤ 1 month	0.00
$> 1 \leq 3$ months	$> 1 \leq 3$ months	0.20
$> 3 \leq 6$ months	$> 3 \leq 6$ months	0.40
> 6 months ≤ 1 year	> 6 months ≤ 1 year	0.70
$> 1 \leq 1.9$ years	$> 1 \leq 2$ years	1.25
$> 1.9 \leq 2.8$ years	$> 2 \leq 3$ years	1.75
$> 2.8 \leq 3.6$ years	$> 3 \leq 4$ years	2.25
$> 3.6 \leq 4.3$ years	$> 4 \leq 5$ years	2.75
$> 4.3 \leq 5.7$ years	$> 5 \leq 7$ years	3.25
$> 5.7 \leq 7.3$ years	$> 7 \leq 10$ years	3.75
$> 7.3 \leq 9.3$ years	$> 10 \leq 15$ years	4.50
$> 9.3 \leq 10.6$ years	$> 15 \leq 20$ years	5.25
$> 10.6 \leq 12.0$ years	> 20 years	6.00
$> 12.0 \leq 20.0$ years		8.00
> 20 years		12.50

Table 24

(relating to section 302 (1) sentence 1 and (2), section 309 (4) sentence 2 and (5) sentence 5,
 section 311 (1) sentence 2 and (2) sentence 2 number 2 letter (c))
Maturity bands under the duration-based method

Maturity band	Assumed interest rate change in %
< 1month	1.00
> 1 ≤ 3 months	1.00
> 3 ≤ 6 months	1.00
> 6 months ≤ 1 year	1.00
> 1 ≤ 1.9 years	0.90
> 1.9 ≤ 2.8 years	0.80
> 2.8 ≤ 3.6 years	0.75
> 3.6 ≤ 4.3 years	0.75
> 4.3 ≤ 5.7 years	0.70
> 5.7 ≤ 7.3 years	0.65
> 7.3 ≤ 9.3 years	0.60
> 9.3 ≤ 10.6 years	0.60
> 10.6 ≤ 12.0 years	0.60
> 12.0 ≤ 20.0 years	0.60
> 20 years	0.60

Table 25

(relating to section 318 (2) sentence 1)
Number of overshootings to determine model accuracy

Number of overshootings	Weighting factor
Fewer than 5	0.00
5	0.40
6	0.50
7	0.65
8	0.75
9	0.85
10 or more	1.00

Table 26

(relating to section 218 (2) sentence 2, section 220 (4), section 221 (2) sentence 1)
Risk categories of SM risk positions

Hedging set category		CCR multiplier
1.	SM risk positions in interest rates arising from money deposits received as financial collateral, from payment legs and underlying debt instruments whose specific risk pursuant to section 303 attracts a capital charge of 1.6% or less other than those assignable to hedging set category 2.	0.2%
2.	SM risk positions in interest rates arising from a reference debt instrument that underlies a credit default swap whose specific risk pursuant to section 303 attracts a capital charge of 1.6% or less.	0.3%
3.	SM risk positions in interest rates arising from underlying debt instruments whose specific risk pursuant to section 303 attracts a capital charge of more than 1.6%.	0.6%
4.	SM risk positions in exchange rates	2.5%
5.	SM risk positions in electric power	4.0%
6.	SM risk positions in gold	7.0%
7.	SM risk positions in equity	7.0%
8.	SM risk positions in precious metals not assignable to hedging set category 6	8.5%
9.	SM risk positions in commodities not assignable to hedging set categories 5 or 8	10.0%
10.	SM risk positions in underlying instruments not assignable to hedging set categories 1 to 9.	10.0%

Table 27

(relating to section 221 (2))
Hedging sets for interest rate risk positions

	Government-referenced interest rates	Non-government-referenced interest rates
Maturity	≤ 1 year	≤ 1 year
Maturity	> 1 ≤ 5 years	> 1 ≤ 5 years
Maturity	> 5 years	> 5 years

Table 28

(relating to section 247 (4) sentence 1 and section 262 sentence 2)
Conversion figures for investors' interests in securitisation transactions to be recognised by the originator

3-month average excess spread as % of the	Conversion figure for
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trapping point for the excess spread	securitisation transactions with an early amortisation provision which is	
	controlled	non-controlled
$\geq 133.33\%$	0%	0%
$100\% < 133.33\%$	1%	5%
$75\% < 100\%$	2%	15%
$50\% < 75\%$	10%	50%
$25\% < 50\%$	20%	100%
$< 25\%$	40%	100%

Table 29
(relating to section 275)

Regulatory business lines

Business line	List of activities
Corporate finance	Underwriting and/or placing of financial instruments on a firm commitment basis, services related to underwriting, investment advice, advice to undertakings on capital structure, industrial strategy and related matters and advice and services relating to mergers and the purchase of undertakings, investment research and financial analysis and other forms of general recommendation relating to transactions in financial instruments.
Trading and sales	Dealing on own account, money broking, reception and transmission of orders in relation to financial instruments, execution of orders on behalf of clients, placing of financial instruments without a firm commitment basis and operation of multilateral trading facilities (corresponding transactions with retail customers are to be assigned to the business line Retail brokerage)
Retail brokerage Activities with individual physical persons or with small and medium-sized entities meeting the criteria set out in section 25 (10) of the Solvency Regulation for the Retail business class.	Investment advice, reception and transmission of orders in relation to financial instruments, execution of orders on behalf of clients and placing of financial instruments without a firm commitment basis.
Commercial banking	Acceptance of deposits and other repayable funds, lending, financial leasing, guarantees and commitments. (corresponding transactions with retail customers are to be assigned to the Retail banking business line)
Retail banking Activities with individual physical persons or with small and medium-sized entities meeting the criteria set out in section 25 (10) of the Solvency Regulation for the Retail business class	Acceptance of deposits and other repayable funds, lending, financial leasing guarantees and commitments.

Payment and settlement	Money transmission services, issuing and administering means of payment
Agency services	Safekeeping and administration of financial instruments for the account of clients, custodianship and related services (such as cash/collateral management).
Asset management	Portfolio management, managing of UCITS ¹ and other forms of asset management

¹ Undertakings for Collective Investments in Transferable Securities

Table 30
(relating to section 287 (3))
Loss event categories

Event-type category	Definition
Internal fraud	Losses due to acts of a type intended to defraud, misappropriate property or circumvent regulations, the law or company policy, excluding diversity/discrimination events, which involves at least one internal party.
External fraud	Losses due to acts of a type intended to defraud, misappropriate property or circumvent the law, by a third party
Employment practices and workplace safety	Losses arising from acts inconsistent with employment, health or safety laws or agreements, from payment of personal injury claims, or from diversity/discrimination events.
Clients, products and business practices	Losses arising from an unintentional or negligent failure to meet a professional obligation to specific clients (including fiduciary and suitability requirements), or from the nature or design of a product.
Damage to physical assets	Losses arising from loss or damage to physical assets from natural disaster or other events.
Business disruption and system failures	Losses arising from disruption of business or system failures.
Execution, delivery and process management	Losses from failed transaction processing or process management, from relations with trade counterparties and vendors.

Formulas and explanatory notes

Formula 1

**(relating to section 87)
Conditional probability of default for an IRBA exposure**

$$N[(1 - R)^{-0.5} * N^{-1}(PD) + (R/(1 - R))^{0.5} * N^{-1}(0.999)]$$

where

PD is the forecast probability of default (section 88),

R is the correlation with the economic factor for this IRBA exposure (section 89).

N(x) is the cumulative distribution function for a standard normal random variable (ie the probability that a normal random variable with mean zero and variance of one is less than or equal to x),

N⁻¹(z) is the inverse cumulative distribution function for a standard normal random variable (ie the value x such that N(x)= z).

Formula 2

**(relating to section 89 (1) sentence 1 and section 90)
Correlation with the economic factor for IRBA exposures**

$$R_{\min} * (1 - e^{(-K * PD)}) / (1 - e^{(-K)}) + R_{\max} * [1 - (1 - e^{(-K * PD)}) / (1 - e^{(-K)})]$$

where

PD is the forecast probability of default for this IRBA exposure,

e^x is the exponential function with Euler's number e as the base

R_{min} is the minimum correlation,

R_{max} is the maximum correlation and

K is the coefficient.

Formula 3

(relating to section 91 (1)) Reduced correlation for SMEs

$$0.04 * (1 - ((\max(S; 5) - 5) / 45))$$

where

S is the size indicator expressed in euro million,

max(x; y) is the higher of x and y.

Formula 4

(relating to section 95) IRBA maturity correction factor

$$(1 - 1.5 * b)^{-1} * (1 + (M - 2.5) * b)$$

where

b is the residual maturity coefficient under the PD/LGD approach.

M for an IRBA exposure recognised as specially protected is the maximum of one year and the relevant residual maturity pursuant to section 96, and for all other IRBA exposures is the relevant residual maturity pursuant to section 96 for this IRBA exposure.

The residual maturity coefficient under the PD/LGD approach b is derived from the formula

$$b = (0.11852 - 0.05478 * \ln(PD))^2$$

where

$\ln(x)$ is the natural logarithm of x ,

PD for an IRBA exposure recognised as specially protected is the minimum of the obligor's forecast PD and the protection provider's forecast PD, and for all other IRBA exposures is the forecast PD for this IRBA exposure.

Formula 5

(relating to section 96 (2) number 1)

Residual maturity for an IRBA exposure with a fixed principal and interest cash flow schedule

$$\sum_t t * CF_t / \sum_t CF_t$$

where

t is a given time period,

CF_t denotes the cash flows (principal repayments, interest payments and fees) contractually payable by the obligor in period t .

Formula 6

(relating to section 96 (2) number 6 sentence 1)

Residual maturity for an IRBA exposure with an exposure value under IMM

$$M = \text{Min} \left(\frac{\sum_{k=1}^{t_k \leq 1 \text{Jahr}} \text{Effective} EE_k * \Delta t_k * df_k + \sum_{\substack{\text{Re stlaufzeit} \\ t_k > 1 \text{Jahr}}} EE_k * \Delta t_k * df_k}{\sum_{k=1}^{t_k \leq 1 \text{Jahr}} \text{Effective} EE_k * \Delta t_k * df_k} ; 5 \right)$$

where

- M is the relevant residual maturity
- df_k is the risk-free discount factor for future time period t_k ,
- t_k is the future time period pursuant to section 223 (6) sentence 1,
- Δt_k $t_k - t_{k-1}$,
- EE is the expected value of the distribution of the positive market values,
- EffectiveEE is the effective expected value of the distribution of the positive market values pursuant to section 223 (5) sentences 4 and 5

Formula 7

(relating to section 211 (2) sentence 3)
Add-on when calculating the net assessment basis of derivatives

$$Z = 0,4 * S + 0,6 * V * S$$

where

- S is the sum of the future expected increases in the potential replacement cost (section 20) of the transactions included.
- V is the ratio of the current potential replacement cost (section 19) that would result from the counterparty's default, amounting to the difference between the positive and negative market values of the transactions included, to the sum of the current potential replacement costs (section 19), calculated separately for the transactions included.

Formula 8

(relating to section 218 (1) sentence 1) Net assessment basis pursuant to the SM

$$N = b * \max \left(CMV - CMC; \sum_j \left| \sum_i RPT_{ij} - \sum_l RPC_{lj} \right| * F_j \right)$$

where

N is the net assessment basis of a netting set,

CMV is the sum of the current market values of the derivative CCR exposures within the netting set,

CMC is the sum of the current market values of the financial collateral posted and received within the netting set,

RPT_{ij} is the SM risk position i arising from derivative CCR risk exposures which are assigned to the hedging set j,

RPC_{lj} is the SM risk position l arising from financial collateral posted and received which is assigned to the hedging set j,

F_j is the CCR multiplier which, according to the category in Column 1 of Table 26 in Annex 1, is to be assigned to the SM risk positions contained in hedging set j pursuant to Column 2 of Table 26 in Annex 1

b has a value of 1.4.

Formula 9

(relating to section 233 (1) sentence 1) Risk-weighted exposure amount for securitisation transactions with a maturity mismatch

$$RW^* = [RW(SP) \times (t-t^*)/(T-t^*)] + [RW(Ass) \times (T-t)/(T-t^*)].$$

where

- RW(Ass) is the risk-weighted exposure amount that results as the product of the assessment basis of the securitisation position and the amount-weighted average risk weight of the positions in the securitised portfolio; this amount-weighted average risk weight is the quotient of the sum of the risk-weighted exposure amounts and the sum of the assessment bases of the positions in the securitised portfolio;
- RW(SP) is the risk-weighted exposure amount that would result for the securitisation position if there were no maturity mismatch;
- T is the longest residual maturity, expressed in years, of a position currently or potentially held in the securitised portfolio, up to a maximum of five years;
- t is the residual maturity, expressed in years, of the credit protection by which the tranching is achieved for the securitisation position;
- t* has a value of 0.25.

Formula 10

(relating to section 257 (3) sentence 3)

Number of effective CCR exposures of a securitised portfolio – Alternative 1

$$N = \frac{\left(\sum_i EAD_i \right)^2}{\sum_i EAD_i^2}$$

EAD_i is the sum of the exposure values of the CCR exposures to obligor i .

Formula 11

(relating to section 257 (3) sentence 3, section 258 (3))
Number of effective CCR exposures of a securitised portfolio – Alternative 2

$$N = \frac{1}{C_1}$$

C1 is the share of the assessment basis of the CCR exposure in the securitised portfolio with the largest assessment basis in the sum of the assessment bases of all CCR exposures in the securitised portfolio.

Formula 12

(relating to section 258 (3) number 2)
Number of effective CCR exposures of a securitised portfolio – Alternative 3

$$N = \left(C_1 C_m + \left(\frac{C_m - C_1}{m - 1} \right) \max\{1 - m C_1, 0\} \right)^{-1}$$

Cm is the ratio of the sum of the assessment bases of the *m* CCR exposures in the securitised portfolio with the largest assessment bases to the sum of the assessment bases of all CCR exposures in the securitised portfolio; the institution can specify the value *m* from the set of natural numbers greater than one; the expression "max{a, b}" denotes the higher of a and b.

Formula 13

(relating to section 258 (2) number 2, (3) and (4), section 259 (1) sentence 3, section 261 (2) number 2, section 266 (2) sentence 1 und (3) number 2)
Risk weight of a securitisation tranche including an IRBA securitisation position

The risk weight pursuant to section 258 (2) number 2 of a securitisation tranche of which an IRBA securitisation position forms part is determined by the expression

$$12.5 \times \frac{S[L + T] - S[L]}{T}$$

The value $S[x]$ of the Supervisory Formula Method function S for a value x is defined as

$$S[x] = \begin{cases} x & \text{für } x \leq Kirbr \\ Kirbr + K[x] - K[Kirbr] + (d \cdot Kirbr / \omega) (1 - e^{\omega(Kirbr-x)/Kirbr}) & \text{für } x > Kirbr \end{cases}$$

where, subject to section 258 (4) for the parameters h and v ,

$$K[x] = (1-h) \cdot ((1 - Beta[x; a, b]) \cdot x + Beta[x; a+1, b] \cdot c)$$

$$K[Kirbr] = (1-h) \cdot ((1 - Beta[Kirbr; a, b]) \cdot Kirbr + Beta[Kirbr; a+1, b] \cdot c)$$

mit

$$a = g \cdot c$$

$$b = g \cdot (1-c)$$

$$c = Kirbr / (1-h)$$

$$d = 1 - (1-h) \cdot (1 - Beta[Kirbr; a, b])$$

$$f = \left(\frac{v + Kirbr^2}{1-h} - c^2 \right) + \frac{(1 - Kirbr) \cdot Kirbr - v}{(1-h) \cdot \tau}$$

$$g = \frac{(1-c) \cdot c}{f} - 1$$

$$h = (1 - Kirbr / ELGD)^N$$

$$v = \frac{(ELGD - Kirbr) \cdot Kirbr + 0.25 \cdot (1 - ELGD) \cdot Kirbr}{N}$$

and

τ has a value of 1,000

ω has a value of 20.

The expression "Beta[x; a, b]" denotes the cumulative beta distribution with parameters a and b evaluated at point x ; a value of zero shall be used for "Beta[x; a, b]" where the value of N equals one and the value of $ELGD$ equals one.

The variables T , L , $KIRBR$ and, subject to section 258 (3), the variables N and $ELGD$ shall be determined as follows.

1. The thickness T of the securitisation tranche of which the IRBA securitisation position to be recognised according to the Supervisory Formula Method forms part is the ratio, expressed as a decimal, of

- a) the assessment basis of this securitisation tranche as determined pursuant to number 7 and
 - b) the sum of the assessment bases of the exposures in the securitised portfolio of this securitisation transaction.
2. The credit enhancement level L for the securitisation tranche of which the IRBA securitisation position to be recognised according to the Supervisory Formula Method forms part is the ratio, expressed as a decimal, of
- a) the sum of the assessment bases, as determined pursuant to number 7, of those securitisation tranches of this securitisation transaction that are junior to the securitisation tranche of which the IRBA securitisation position to be recognised according to the Supervisory Formula Method forms part to
 - b) the sum of the assessment bases of the exposures in the securitised portfolio of this securitisation transaction;
- the net profits from capitalising future income from exposures in the securitised portfolio which, pursuant to section 10 (3a) sentence 4 of the Banking Act are not to be assigned to the reserves pursuant to section 10 (2a) sentence 1 of the Banking Act, shall not be included in the measurement pursuant to letter (a).
3. The capital requirement ratio KIRBR for the securitised portfolio is the ratio, expressed as a decimal, of
- a) the capital requirement KIRB pursuant to number 4 and
 - b) the sum of the assessment bases of the exposures in the securitised portfolio of this securitisation transaction.
4. The capital requirement KIRB for the securitised portfolio is the product of 0.08 and the sum of
- a) the sum of the risk-weighted IRBA exposure amounts pursuant to section 84 and 12.5 times the expected loss amounts pursuant to section 104 of all exposures in the securitised portfolio which, as CCR exposures of the institution, would be IRBA exposures pursuant to section 71, and

- b) the sum of the risk-weighted CRSA exposure amounts pursuant to section 24 sentence 2 of all exposures in the securitised portfolio which, as CCR exposures of the institution, would be CRSA exposures pursuant to section 24 sentence 1 which, at the institution's discretion, are exempted either temporarily or, pursuant to section 70, permanently from IRBA use.
5. The number N of effective CCR exposures in a securitised portfolio shall, subject to section 258 (3) number 2, be calculated pursuant to section 257 (4).
6. The exposure-weighted loss given default ELGD shall be calculated, subject to section 258 (3) number 1, as

$$ELGD = \frac{\sum_i LGD_i \times EAD_i}{\sum_i EAD_i}$$

where LGD_i is the average forecast LGD pursuant to section 92 calculated for all exposures to obligor i in the securitised portfolio; for calculating the average forecast LGD of all exposures to a given obligor in the securitised portfolio, the assessment bases of these exposures are to be used as weights; EAD_i is the sum of the exposure values of exposures to obligor i ; when calculating LGD_i and EAD_i , exposures in the securitised portfolio to counterparties constituting a group of connected clients shall be aggregated; if the securitised portfolio contains exposures which are shares in securitisation tranches, the forecast LGD for these exposures shall be set at 100 per cent for calculating ELGD; if the securitised portfolio contains exposures which, as CCR exposures of the institution, would be CRSA exposures which, at the institution's discretion, are exempted either temporarily or, pursuant to section 70, permanently from IRBA use, the forecast LGD for these exposures shall be set at 100 per cent for calculating ELGD; if the counterparty credit risk and the dilution risk of the exposures in the securitised portfolio are replicated simultaneously when using the Supervisory Formula Method, the forecast LGD used to calculate ELGD shall be the weighted average of the forecast LGD pursuant to section 92 for this exposure as an IRBA exposure for counterparty credit risk and an LGD of 75 per cent for dilution risk pursuant to section 93 (1) sentence 4; the applicable weight shall be the risk-weighted IRBA exposure amount of this exposure as an IRBA exposure for counterparty credit risk on the one hand and for dilution risk on the other.

7. The assessment basis of a securitisation tranche of which a securitisation position forms part shall be the assessment basis which would result for this securitisation position if it formed the whole of this securitisation tranche.