

CLASSIFICATION OF OFF-BALANCE SHEET ITEMS**Full risk (100% credit conversion factor)**

- ◆ Direct credit substitutes including:
 - General guarantees of indebtedness,
 - Acceptances,
 - Endorsements on bills not bearing the name of another credit institution,
 - Transactions with recourse,
 - Irrevocable standby letters of credit having the character of credit substitutes,
- ◆ Credit derivatives,
- ◆ Forward asset purchases,
- ◆ Forward forward deposits placed,
- ◆ The unpaid portion of partly paid shares and securities,
- ◆ Commitments with certain drawdown,
- ◆ Asset sale and repurchase agreements when the reporting bank is the transferor of an asset and is not entitled to show the asset in its balance sheet,
- ◆ Other items also carrying full risk.

Medium risk (50% credit conversion factor)

- ◆ Transaction related contingents not having the character of direct credit substitutes including:
 - Warranties and indemnities (including tender, performance, customs and tax bonds),
 - Guarantees (not having the character of credit substitutes),
 - Irrevocable standby letters of credit (not having the character of credit substitutes),

- ◆ Undrawn credit facilities (agreements to lend, purchase or underwriting of securities, provide guarantees or acceptance facilities) with an original maturity of over one year,
- ◆ Documentary credits issued and confirmed
- ◆ Note issuance facilities (NIFs) and revolving underwriting facilities (RUFs),
- ◆ Other items also carrying medium risk.

Medium/low risk (20% credit conversion factor)

- ◆ Documentary credits in which underlying shipment acts as collateral and other self-liquidating transactions,
- ◆ Undrawn credit facilities (agreements to lend, purchase securities, provide guarantees or acceptance facilities) with an original maturity of up to and including one year which may not be cancelled unconditionally at any time without notice or that do not effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness.
- ◆ Other items also carrying medium/low risk.

Low risk (0% credit conversion factor)

- ◆ Undrawn credit facilities (agreements to lend, purchase securities, provide guarantees or acceptance facilities) which may be cancelled unconditionally at any time without notice, or that do effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness. Retail credit lines may be considered as unconditionally cancellable if the terms permit the credit institution to cancel them to the full extent allowable under consumer protection and related legislation.
- ◆ Endorsements of bills which have previously been accepted by a bank,
- ◆ Other items also carrying low risk.