

Risk Weights in Compliance with CRR (RGW)

Data for Compliance with Basel III Capital Requirements

- **Assessment of the credit default risk**
- **Individual delivery based on rating agency licenses**
- **Inventory-based data provision in various formats**

Regulation (EU) No 575/2013 (CRR) governs the capital adequacy of financial institutions as set forth by the Basel Committee on Banking Supervision (Basel III). The regulation became effective on January 1, 2014, and replaces in large parts the German Solvency Ordinance (SolvV).

In addition to operational risks and those related to market prices, the credit default risk plays an important role in this context (three pillar principle).

The determination of the required capital according to CRR can either be based on the Internal Ratings-Based (IRB) Approach or on the Standard Credit Risk Approach (CRA). This latter approach uses ratings provided by external rating agencies.

Key factors in this regard are:

- Exposure class assignment
- Determination of exposure risk weights (per Article 114 ff. CRR)

The product Risk Weights in Compliance with CRR offers risk weights using the Standard Credit Risk Approach (CRA). They are provided based on ratings by Fitch, Moody's, and S+P. However, risk weights are also determined independent (neutral) of any ratings. We always deliver the rating-independent risk weights. Rating-dependent risk weights are delivered in addition if...

- risk weights are available for the financial instrument (rating exists and CRR provides for the use of ratings in this case)
- the customer holds a license for the respective rating agency

The selection of risk weights relevant for the determination of capital requirements (per Art. 138 CRR) is made by the customer.

The following data will be provided per financial instrument: exposure class, risk weight, date of the last risk weight change, legal reference, additional information (if applicable), and the used rating.

For the determination of the risk weight, WM Datenservice also considers various types of master data, such as the issuer classification and the zone classification (e.g., European Union Economic Area).

The data is provided daily in VF1 and EDDY-XML format. Upon request, we will gladly provide you with inventory-based test data.



Risk Weights in Compliance with CRR (RGW)

Field profile and population based on the example of ISIN XS1056478164

(Raiffeisen Bank Intl AG Multi-Curr.CP/CD P.11 8.4.15)

Field	Field ID	Field IC/Code	Decode
FieldGroup - Risk Weight Neutral			
Exposure Class	GV327A	0600	Exposures to institutions
Risk Weight in %	GV327B	100	
Example	GV327C	1	On- balance sheet
Date	GV327D	11.09.2014	
Legal Reference	GV327E	604	Art119_Abs1_Art121_Abs2
Notice	GV327F		
Field Group - Risk Weight S+P			
Exposure Class	GV328A	1400	Exposures to institutions and companies with short- term credit assessment
Risk Weight in %	GV328B	50	
Example	GV328C	1	On-balance sheet
Date	GV328D	11.09.2014	
Legal Reference	GV328E	1400	Article 131
Notice	GV328F		
Rating	GV328G	60	Program short-term
Field Group - Risk Weight Moody's			
Exposure Class	GV329A	0600	Exposures to institutions
Risk Weight in %	GV329B	20	
Example	GV329C	1	On-balance sheet
Date	GV329D	11.09.2014	
Legal Reference	GV329E	603	Art119_Abs1_Art121_Abs1
Notice	GV329F		
Rating	GV329G	41	Domicile country issuer local currency
Field Group - Risk Weight Fitch			
Exposure Class	GV330A	0600	Exposures to institutions
Risk Weight in %	GV330B	50	
Example	GV330C	1	On-balance sheet
Date	GV330D	11.09.2014	
Legal Reference	GV330E	603	Art119_Abs1_Art121_Abs1
Notice	GV330F		
Rating	GV330G	30	Issuer in general