

**APPENDIX A – EXAMPLE STANDARD COMPONENTS FOR RBNW REQUIREMENT, §702.106  
(EXAMPLE CALCULATION IN BOLD)**

<i>Risk portfolio</i>	<i>Dollar balance</i>	<i>Amount as percent of quarter-end total assets</i>	<i>Risk weighting</i>	<i>Amount times risk weighting</i>	<i>Standard component</i>
Quarter-end total assets	<b>200,000,000</b>	<b>100.0000 %</b>			
(a) Long-term real estate loans	<b>60,000,000</b>	<b>30.0000 % =</b>			<b>2.20 %</b>
Threshold amount: 0 to 25%		<b>25.0000 %</b>	.06	<b>1.5000 %</b>	
Excess amount: over 25%		<b>5.0000 %</b>	.14	<b>0.7000 %</b>	
(b) MBLs outstanding	<b>35,000,000</b>	<b>17.5000 % =</b>			<b>1.10 %</b>
Threshold amount: 0 to 15%		<b>15.0000 %</b>	.06	<b>0.9000 %</b>	
Intermediate tier: >15% to 25%		<b>2.5000 %</b>	.08	<b>0.2000 %</b>	
Excess amount: over 25%		<b>0.0 %</b>	.14	<b>0.0 %</b>	
(c) Investments	<b>50,000,000 =</b>	<b>25.0000 % =</b>			<b>1.51 %</b>
<i>Weighted-average life:</i>					
0 to 1 year	<b>24,000,000</b>	<b>12.0000 %</b>	.03	<b>0.3600 %</b>	
>1 year to 3 years	<b>15,000,000</b>	<b>7.5000 %</b>	.06	<b>0.4500 %</b>	
>3 years to 10 years	<b>10,000,000</b>	<b>5.0000 %</b>	.12	<b>0.6000 %</b>	
>10 years	<b>1,000,000</b>	<b>0.5000 %</b>	.20	<b>0.1000 %</b>	
(d) Low-risk assets	<b>4,000,000</b>	<b>2.0000 %</b>	.00		<b>0 %</b>
Sum of risk portfolios (a) through (d) above	<b>149,000,000</b>	<b>74.5000 %</b>			
(e) Average-risk assets	<b>51,000,000</b>	<b>25.5000 %<sup>a/</sup></b>	.06		<b>1.53 %</b>
(f) Loans sold with recourse	<b>40,000,000</b>	<b>20.0000 %</b>	.06		<b>1.20 %</b>
(g) Unused MBL commitments	<b>5,000,000</b>	<b>2.5000 %</b>	.06		<b>0.15 %</b>
(h) Allowance	<b>2,040,000.00<sup>b/</sup></b>	<b>1.0200 %</b>	(1.00)		<b>(1.02) %</b>
Sum of standard components: <b>RBNW requirement<sup>c/</sup></b>					<b>6.67 %</b>

a/ The Average-risk assets risk portfolio percent of quarter-end total assets equals 100 percent minus the sum of the percentages in the four risk portfolios above (i.e., Long-term real estate loans, MBLs outstanding, Investments, and Low-risk assets).

b/ The Allowance risk portfolio is limited to the equivalent of 1.50 percent of total loans.

For an example computation of the permitted dollar balance of Allowance, see worksheet in Appendix B below.

c/ A credit union is classified "undercapitalized" if its net worth ratio is less than its applicable RBNW requirement. The dollar equivalent of RBNW requirement may be computed for informational purposes as the RBNW requirement percent of total assets.