



EUROPEAN CENTRAL BANK  
EUROSYSTEM

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**GUIDELINE (EU) 2026/[XX] OF THE EUROPEAN CENTRAL BANK**  
**of 22 September 2026**  
**amending Guideline (EU) 2016/65 on the valuation haircuts applied in the implementation of the**  
**Eurosystem monetary policy framework (ECB/2015/35)**  
**(ECB/2026/27)**

THE GOVERNING COUNCIL OF THE EUROPEAN CENTRAL BANK,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 127(2), first indent, thereof,

Having regard to the Statute of the European System of Central Banks and of the European Central Bank, and in particular Article 3.1, first indent, Articles 9.2, 12.1, 14.3 and 18.2 and Article 20, first paragraph, thereof,

Whereas:

- (1) In accordance with Article 18.1 of the Statute of the European System of Central Banks and of the European Central Bank, the European Central Bank (ECB) and the national central banks of the Member States whose currency is the euro (hereinafter the 'NCBs') may conduct credit operations with credit institutions and other market participants, with lending being based on adequate collateral. The general conditions under which the ECB and the NCBs stand ready to enter into credit operations, including the criteria determining the eligibility of collateral for the purposes of Eurosystem credit operations, are laid down in Guideline (EU) 2015/510 of the European Central Bank (ECB/2014/60)<sup>1</sup>.
- (2) All eligible assets for Eurosystem credit operations are subject to specific risk control measures in order to protect the Eurosystem against financial losses in circumstances in which the collateral has to be realised due to an event of default of a counterparty. The Eurosystem risk control framework is regularly reviewed in order to ensure adequate protection. As a result of that regular review, the Governing Council decided in November 2025 to introduce certain changes to the risk control framework.
- (3) These include a general update of the haircuts for marketable assets other than own-use or retained assets in haircut categories I to V in order to reflect the latest available data.

<sup>1</sup>

Guideline (EU) 2015/510 of the European Central Bank of 19 December 2014 on the implementation of the Eurosystem monetary policy framework (General Documentation Guideline) (ECB/2014/60) (OJ L 91, 2.4.2015, p. 3, ELI: <http://data.europa.eu/eli/guideline/2015/510/oj>).

- (4) In addition, the Governing Council decided to align the approach to the treatment of asset-backed securities with that of covered bonds, establishing a definition of retained asset-backed securities by reference to their mobilisation by the originator itself or by a closely-linked entity, by analogy with own-use covered bonds, and providing for the application of dedicated haircuts. This is in line with the risk management principles of protection, consistency, simplicity and transparency which underpin the design of the Eurosystem's collateral framework, including valuation haircuts.
- (5) Furthermore, with a view to achieving a more appropriate treatment of own-use covered bonds, in particular as regards their maturity and liquidation risk, the Governing Council decided to replace the existing flat haircut add-ons with a dedicated haircut schedule. This schedule introduces a more granular, maturity-based structure which more accurately captures the risk profile of such assets.
- (6) In order to allow for a more granular and apposite treatment of the risks associated with credit claims, the Governing Council decided to update the applicable haircut schedule by including as an additional factor in determining the haircut applicable to a credit claim the type of amortisation for that credit claim. The type of amortisation is established with requirements relating to the gradual repayment of the principal over the lifetime of the credit claim in accordance with the contractual obligations of the borrower. The measure aims to address the risk differential between amortising and non-amortising credit claims, by applying higher haircuts to the latter.
- (7) In addition, in order to ensure a consistent risk treatment of assets issued by subsidiaries belonging to corporate issuer groups in the non-financial sector and their respective parent undertakings within the Eurosystem collateral framework, amendments should be made to the allocation of eligible marketable assets to haircut categories.
- (8) Therefore, Guideline (EU) 2016/65 of the European Central Bank (ECB/2015/35)<sup>2</sup> should be amended accordingly,

HAS ADOPTED THIS GUIDELINE:

#### *Article 1*

#### **Amendments**

Guideline (EU) 2016/65 (ECB/2015/35) is amended as follows:

- (1) in Article 1, paragraph 2 is amended as follows:
  - (a) point (c) is replaced by the following:
 

‘(c) the coupon structure of the asset;’;
  - (b) point (d) is replaced by the following:
 

‘(d) the credit quality step to which the asset is allocated; and’;
  - (c) the following point (e) is added:

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<sup>2</sup> Guideline (EU) 2016/65 of the European Central Bank of 18 November 2015 on the valuation haircuts applied in the implementation of the Eurosystem monetary policy framework (ECB/2015/35) (OJ L 14, 21.1.2016, p. 30, ELI: <http://data.europa.eu/eli/guideline/2016/65/oj>).

- ‘(e) for covered bonds and asset-backed securities, whether or not they have the status of “own-use covered bonds” or “retained asset-backed securities”, as defined in Article 3(2a) and Article 3(3), respectively.’;

(2) Article 2 is amended as follows:

(a) in point (c), point (i) is replaced by the following:

- ‘(i) non-financial corporations or financial subsidiaries belonging to a corporate issuer group as defined in Article 2, point (35a), of Guideline (EU) 2015/510 (ECB/2014/60);’;

(b) point (d) is replaced by the following:

- ‘(d) unsecured debt instruments issued by: (i) credit institutions; (ii) agencies which are credit institutions that do not meet the quantitative criteria set out in Annex XIIa to Guideline (EU) 2015/510 (ECB/2014/60); and (iii) financial corporations other than credit institutions or financial subsidiaries belonging to a corporate issuer group as defined in Article 2, point (35a), of Guideline (EU) 2015/510 (ECB/2014/60) are included in haircut category IV;’;

(3) Article 3 is replaced by the following:

*‘Article 3*

**Valuation haircuts for marketable assets**

1. The valuation haircuts for marketable assets allocated to haircut categories I to IV shall be determined based on:

- (a) the allocation of the specific asset to credit quality step 1, 2 or 3;
- (b) the residual maturity of the asset as detailed in paragraph 2;
- (c) the coupon structure of the asset as detailed in paragraph 2.

2. For marketable assets allocated to haircut categories I to IV, except for own-use covered bonds as provided for in paragraph 2a, the applicable valuation haircut shall depend on the residual maturity and coupon structure of the asset (fixed/floating or zero), as determined based on Table 2 in the Annex to this Guideline. The relevant maturity for determining the valuation haircut to be applied shall be the residual maturity of the asset, irrespective of the type of coupon structure.

2a. For own-use covered bonds, the applicable valuation haircut shall depend on the residual maturity and coupon structure of the asset (fixed/floating or zero), as determined based on Table 3a in the Annex to this Guideline. For the purposes of this Guideline, “own-use” shall mean the submission or use as collateral by a counterparty of covered bonds that are issued or guaranteed by the counterparty itself or by any other entity with which that counterparty has close links as determined in accordance with Article 138 of Guideline (EU) 2015/510 (ECB/2014/60).

The determination of the residual maturity for own-use covered bonds shall depend on whether the own-use covered bonds have a soft bullet structure or a conditional pass-through structure, as follows:

- (a) in the case of own-use covered bonds with a soft bullet structure, the residual maturity shall be defined as the maximum length to which the maturity may be extended as reflected in the terms and conditions for the specific covered bond;
  - (b) in the case of own-use covered bonds with a conditional pass-through structure, the residual maturity shall correspond to the [10,15) year category.
3. For marketable assets allocated to haircut category V regardless of their coupon structure, the valuation haircuts shall be determined based on the weighted average life of the asset, as specified in paragraph 4, and whether the counterparty mobilises a retained asset-backed security, as set out in Tables 2a and 3b in the Annex to this Guideline. For the purposes of this Guideline, “retained asset-backed securities” shall mean asset-backed securities that are submitted or used as collateral by a counterparty that originated the asset-backed security or by entities closely linked to the originator. Such close links shall be determined in accordance with Article 138 of Guideline (EU) 2015/510 (ECB/2014/60).
4. The weighted average life of the senior tranche of an asset-backed security shall be estimated as the expected weighted average time remaining until repayment has been made for that tranche. For retained asset-backed securities, the calculation of the weighted average life of the senior tranche shall assume that issuer call options will not be exercised.’;
- (4) Article 4 is amended as follows:
- (a) the title is replaced by the following:  
**‘Valuation markdowns applied to specific types of marketable assets’;**
  - (b) the introductory wording is replaced by the following:  
 ‘In addition to the valuation haircuts laid down in Article 3, the following valuation markdowns shall apply for specific types of marketable assets.’;
  - (c) points (a) and (aa) are replaced by the following:
    - ‘(a) all marketable assets allocated to haircut categories II, III, IV and V that are theoretically valued in accordance with the rules contained in Article 134 of Guideline (EU) 2015/510 (ECB/2014/60) shall be subject to a valuation markdown. The valuation markdown shall depend on the expected residual maturity or the weighted average life of the asset, at the levels set out in Table 4 in the Annex to this Guideline. For the purpose of computing the valuation markdown for own-use covered bonds, the expected residual maturity shall be the originally scheduled maturity date unless and until a maturity extension has been triggered. The valuation markdown for retained asset-backed securities shall be computed using the weighted average life of the senior tranche as specified in Article 3(4);
    - (aa) marketable assets denominated in pounds sterling, yen or US dollars shall be subject to an additional valuation markdown of: (i) 16 % on assets denominated in pounds sterling or US dollars; and (ii) 26 % on assets denominated in yen;’
  - (d) point (b) is deleted;
  - (e) point (c) is replaced by the following:

- ‘(c) if for the purposes of collateral management by an NCB, triparty agent, or TARGET for auto-collateralisation it cannot be ascertained whether a covered bond is own used or an asset-backed security is retained, the valuation haircut detailed in Tables 3a and 3b in the Annex to this Guideline shall be applied in such systems or platform to the entire outstanding amount of the covered bond that may be own used or to the entire outstanding amount of the asset-backed security that may be retained, respectively.’;

(5) Article 5 is amended as follows:

(a) paragraph 1 is replaced by the following:

‘1. Individual credit claims shall be subject to specific valuation haircuts determined according to the residual maturity, the credit quality step, the interest rate structure and the amortisation type as laid down in Table 3 in the Annex to this Guideline.’;

(b) in paragraph 2, point (d) is replaced by the following:

‘(d) floating rate credit claims with a resetting period of one year or less, with a floor, and without a ceiling, shall be treated as floating rate credit claims.’;

(c) the following paragraph 2a is inserted:

‘2a. The amortisation type of a credit claim shall be determined in accordance with the following rules:

- (a) A credit claim shall be classified as amortising if on the day on which the credit claim is mobilised as collateral and throughout the remaining lifetime of the credit claim the conditions set out in points (i) and (ii) are met:
  - (i) The principal shall be repaid in a gradual manner over the lifetime of the credit claim, according to a pre-determined amortisation schedule requiring at least annual repayments of principal.
  - (ii) At least one of the following applies:
    - (1) the pre-determined amortisation schedule requires the payment of both principal and interest in each instalment and the total amount of principal and interest paid in each instalment is constant and greater than zero;
    - (2) the first instalment comprises only interest and the remaining instalments are constant, greater than zero and comprise both principal and interest;
    - (3) the principal amount repaid in any of the instalments including principal is constant and greater than zero.
  - (iii) In determining whether a credit claim meets the conditions set out in points (i) and (ii), the following shall apply:
    - (1) adjustments to the total amount of principal and interest paid in the final instalment shall be permitted if they result from mathematical rounding or adjustments to the final principal balance;

- (2) adjustments to the pre-determined amortisation schedule for floating-rate claims shall be permitted where those adjustments result from interest rate resets;
- (3) adjustments to the pre-determined amortisation schedule for fixed rate claims shall be permitted when there is an agreement between the debtor and the creditor of the credit claim to reset the fixed interest rate.
- (iv) The counterparty shall have the sole responsibility to establish that a credit claim meets the conditions set out in this point (a).
- (b) Credit claims not meeting the conditions set out in point (a) shall be classified as non-amortising. If the counterparty cannot establish whether a credit claim meets the conditions set out in point (a), the credit claim shall be classified as non-amortising.
- (c) If the contractual terms of a credit claim provide that the repayment of principal starts later than the second instalment, the relevant credit claim shall be treated as non-amortising during the initial period in which only interest is paid and shall be treated as amortising when the principal repayment starts provided that it fulfils the conditions set out in point (a).
- (d) Credit claims whose terms expressly permit modifications specifically to the amortisation profile at any point during the loan's remaining lifetime, with the result that following such a permitted modification the credit claim may not meet the conditions set out in point (a), shall be treated as non-amortising at all times.

For the purposes of this paragraph, the classification of a credit claim as “amortising” shall be based on the contractual payment obligations of the borrower, as set out in the pre-determined amortisation schedule, and not on voluntary payment options.’;

- (6) the Annex is replaced by the Annex to this Guideline.

## *Article 2*

### **Taking effect and implementation**

1. This Guideline shall take effect on the day of its notification to the NCBs.
2. The NCBs shall take the necessary measures to comply with this Guideline and apply them from 30 November 2026. They shall notify the ECB of the texts and means relating to those measures by 30 October 2026 at the latest.

## *Article 3*

### **Addressees**

This Guideline is addressed to all Eurosystem central banks.

Done at Frankfurt am Main, 22 September 2026.

*For the Governing Council of the ECB*

[signed]

*The President of the ECB*

Christine LAGARDE

## ANNEX

The Annex to Guideline (EU) 2016/65 (ECB/2015/35) is replaced by the following:

‘ANNEX

**Table 1**

**Haircut categories for eligible marketable assets based on the type of issuer and/or type of asset**

| Category I                                                                                                                                                                                                           | Category II                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Category III                                                                                                                                                                                                                                                                                                                                                                                                | Category IV                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Category V                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| <p>Debt instruments issued by central governments</p> <p>Debt instruments issued by the European Union</p> <p>Debt certificates issued by national central banks of Member States whose currency is not the euro</p> | <p>Debt instruments issued by local and regional governments</p> <p>Debt instruments issued by entities (credit institutions or non-credit institutions) classified by the Eurosystem as agencies and which meet the quantitative criteria set out in Annex XIIa to Guideline (EU) 2015/510 (ECB/2014/60)</p> <p>Debt instruments issued by multilateral development banks and international organisations other than the European Union</p> <p>Legislative covered bonds</p> <p>Multi cédulas</p> | <p>Debt instruments issued by non-financial corporations or financial subsidiaries belonging to a corporate issuer group as defined in Article 2, point (35a), of Guideline (EU) 2015/510 (ECB/2014/60), corporations in the government sector and agencies which are non-credit institutions that do not meet the quantitative criteria set out in Annex XIIa to Guideline (EU) 2015/510 (ECB/2014/60)</p> | <p>Unsecured debt instruments issued by credit institutions and agencies which are credit institutions that do not meet the quantitative criteria set out in Annex XIIa to Guideline (EU) 2015/510 (ECB/2014/60)</p> <p>Unsecured debt instruments issued by financial corporations other than (a) credit institutions and (b) financial subsidiaries belonging to a corporate issuer group as defined in Article 2, point (35a), of Guideline (EU) 2015/510 (ECB/2014/60).</p> | <p>Asset-backed securities</p> |

**Table 2**

**Valuation haircut levels (in %) applied to non-own-use eligible marketable assets in haircut categories I to IV**

|                       |                                     | <i>Haircut categories</i> |             |                          |             |                          |             |                          |             |
|-----------------------|-------------------------------------|---------------------------|-------------|--------------------------|-------------|--------------------------|-------------|--------------------------|-------------|
| <i>Credit quality</i> | <i>Residual maturity (years)(*)</i> | Category I                |             | Category II              |             | Category III             |             | Category IV              |             |
|                       |                                     | fixed or floating coupon  | zero coupon | fixed or floating coupon | zero coupon | fixed or floating coupon | zero coupon | fixed or floating coupon | zero coupon |
| Steps 1 and 2         | [0,1)                               | 0,5                       | 0,5         | 1,0                      | 1,0         | 1,5                      | 1,5         | 7,0                      | 7,0         |
|                       | [1,3)                               | 1,0                       | 2,0         | 1,5                      | 2,5         | 2,5                      | 3,5         | 8,5                      | 9,5         |
|                       | [3,5)                               | 1,5                       | 2,5         | 2,5                      | 4,0         | 3,5                      | 5,0         | 10,0                     | 11,5        |
|                       | [5,7)                               | 2,0                       | 3,0         | 3,5                      | 5,0         | 5,0                      | 7,0         | 12,0                     | 14,0        |
|                       | [7,10)                              | 3,0                       | 4,5         | 4,5                      | 6,5         | 7,0                      | 9,5         | 14,0                     | 17,0        |
|                       | [10,15)                             | 4,0                       | 6,0         | 6,0                      | 8,0         | 9,0                      | 11,5        | 17,0                     | 22,0        |
|                       | [15,30)                             | 5,0                       | 7,0         | 8,0                      | 11,0        | 14,0                     | 17,5        | 21,0                     | 27,0        |
|                       | [30, ∞)                             | 7,0                       | 10,0        | 11,0                     | 14,0        | 18,0                     | 22,0        | 25,0                     | 33,0        |
| Step 3                | [0,1)                               | 2,5                       | 2,5         | 3,5                      | 3,5         | 6,0                      | 6,0         | 12,5                     | 12,5        |
|                       | [1,3)                               | 4,0                       | 5,0         | 6,0                      | 7,0         | 8,0                      | 9,0         | 15,0                     | 16,0        |
|                       | [3,5)                               | 6,0                       | 7,5         | 8,5                      | 10,0        | 10,0                     | 11,5        | 17,5                     | 19,5        |
|                       | [5,7)                               | 8,0                       | 9,5         | 10,5                     | 12,5        | 12,0                     | 14,0        | 20,0                     | 22,5        |
|                       | [7,10)                              | 10,5                      | 12,5        | 13,0                     | 16,0        | 14,5                     | 17,5        | 23,0                     | 26,5        |
|                       | [10,15)                             | 12,5                      | 14,5        | 16,0                     | 21,0        | 18,0                     | 23,0        | 27,0                     | 33,0        |
|                       | [15,30)                             | 15,0                      | 18,0        | 20,0                     | 26,0        | 22,0                     | 28,0        | 33,0                     | 41,0        |
|                       | [30, ∞)                             | 18,0                      | 21,0        | 24,0                     | 32,0        | 28,0                     | 36,0        | 40,0                     | 50,0        |

(\*) i.e. [0-1) residual maturity less than one year, [1-3) residual maturity equal to or greater than one year and less than three years, etc.

**Table 2a****Valuation haircut levels (in %) applied to non-retained asset backed securities in haircut category V**

| Credit quality                                                                                                     | Weighted average life (WAL) (*) | Valuation haircut |
|--------------------------------------------------------------------------------------------------------------------|---------------------------------|-------------------|
| Steps 1 and 2                                                                                                      | [0, 1)                          | 1,5               |
|                                                                                                                    | [1, 3)                          | 2,5               |
|                                                                                                                    | [3, 5)                          | 4,0               |
|                                                                                                                    | [5, 7)                          | 6,0               |
|                                                                                                                    | [7, 10)                         | 8,0               |
|                                                                                                                    | [10, 15)                        | 10,0              |
|                                                                                                                    | [15, 30)                        | 12,0              |
|                                                                                                                    | [30, ∞)                         | 17,0              |
| Step 3                                                                                                             | [0, 1)                          | 4,0               |
|                                                                                                                    | [1, 3)                          | 6,0               |
|                                                                                                                    | [3, 5)                          | 9,0               |
|                                                                                                                    | [5, 7)                          | 12,0              |
|                                                                                                                    | [7, 10)                         | 15,0              |
|                                                                                                                    | [10, 15)                        | 18,0              |
|                                                                                                                    | [15, 30)                        | 22,0              |
|                                                                                                                    | [30, ∞)                         | 27,0              |
| (*) i.e. [0,1) WAL less than one year, [1,3) WAL equal to or greater than one year and less than three years, etc. |                                 |                   |

**Table 3****Valuation haircut levels (in %) applied to eligible credit claims**

| <b><i>Credit quality</i></b> | <b><i>Residual maturity (years) *</i></b> | <b><i>Fixed interest payment – Non-amortising</i></b> | <b><i>Fixed interest payment – Amortising</i></b> | <b><i>Floating interest payment – Non-amortising</i></b> | <b><i>Floating interest payment – Amortising</i></b> |
|------------------------------|-------------------------------------------|-------------------------------------------------------|---------------------------------------------------|----------------------------------------------------------|------------------------------------------------------|
| <b>Steps 1 and 2</b>         | [0,1)                                     | 8,0                                                   | 7,0                                               | 6,0                                                      | 4,0                                                  |
|                              | [1,3)                                     | 12,0                                                  | 10,0                                              | 8,0                                                      | 5,0                                                  |
|                              | [3,5)                                     | 20,0                                                  | 14,0                                              | 10,0                                                     | 8,0                                                  |
|                              | [5,7)                                     | 27,0                                                  | 18,0                                              | 13,0                                                     | 11,0                                                 |
|                              | [7,10)                                    | 34,0                                                  | 24,0                                              | 18,0                                                     | 14,0                                                 |
|                              | [10,15)                                   | 42,0                                                  | 30,0                                              | 25,0                                                     | 17,0                                                 |
|                              | [15,30)                                   | 52,0                                                  | 40,0                                              | 35,0                                                     | 22,0                                                 |
|                              | [30, ∞)                                   | 58,0                                                  | 45,0                                              | 42,0                                                     | 29,0                                                 |
| <b>Step 3</b>                | [0,1)                                     | 16,0                                                  | 15,0                                              | 14,0                                                     | 14,0                                                 |
|                              | [1,3)                                     | 26,0                                                  | 22,0                                              | 20,0                                                     | 16,0                                                 |
|                              | [3,5)                                     | 34,0                                                  | 28,0                                              | 26,0                                                     | 18,0                                                 |
|                              | [5,7)                                     | 40,0                                                  | 34,0                                              | 33,0                                                     | 24,0                                                 |
|                              | [7,10)                                    | 48,0                                                  | 38,0                                              | 40,0                                                     | 28,0                                                 |
|                              | [10,15)                                   | 56,0                                                  | 46,0                                              | 47,0                                                     | 33,0                                                 |
|                              | [15,30)                                   | 64,0                                                  | 52,0                                              | 54,0                                                     | 40,0                                                 |
|                              | [30, ∞)                                   | 67,0                                                  | 55,0                                              | 62,0                                                     | 48,0                                                 |

(\*) i.e. [0-1) residual maturity less than one year, [1-3) residual maturity equal to or greater than one year and less than three years, etc

**Table 3a****Valuation haircut levels (in %) applied to own-use covered bonds in haircut category II**

| <b><i>Credit quality</i></b> | <b><i>Residual maturity (years)(*)</i></b> | <b>fixed or floating coupon</b> | <b>zero coupon</b> |
|------------------------------|--------------------------------------------|---------------------------------|--------------------|
| <b>Steps 1 and 2</b>         | [0,1)                                      | 9,0                             | 9,0                |
|                              | [1,3)                                      | 10,0                            | 11,0               |
|                              | [3,5)                                      | 11,5                            | 13,0               |
|                              | [5,7)                                      | 13,0                            | 14,5               |
|                              | [7,10)                                     | 15,0                            | 17,0               |
|                              | [10,15)                                    | 18,0                            | 20,0               |
|                              | [15,30)                                    | 22,0                            | 25,0               |
|                              | [30, ∞)                                    | 28,0                            | 31,0               |
| <b>Step 3</b>                | [0,1)                                      | 12,0                            | 12,0               |
|                              | [1,3)                                      | 13,5                            | 14,5               |
|                              | [3,5)                                      | 15,5                            | 17,0               |
|                              | [5,7)                                      | 17,5                            | 19,5               |
|                              | [7,10)                                     | 20,0                            | 23,0               |
|                              | [10,15)                                    | 24,0                            | 29,0               |
|                              | [15,30)                                    | 30,0                            | 36,0               |
|                              | [30, ∞)                                    | 37,0                            | 45,0               |

\* i.e. [0-1) residual maturity less than one year, [1-3) residual maturity equal to or greater than one year and less than three years, etc

**Table 3b****Valuation haircut levels (in %) applied to retained asset-backed securities (ABSs) in haircut category V**

| Credit quality                                                                                                     | Weighted average life (WAL) (*) | Valuation haircut |
|--------------------------------------------------------------------------------------------------------------------|---------------------------------|-------------------|
| Steps 1 and 2                                                                                                      | [0, 1)                          | 4,0               |
|                                                                                                                    | [1, 3)                          | 5,0               |
|                                                                                                                    | [3, 5)                          | 7,0               |
|                                                                                                                    | [5, 7)                          | 10,0              |
|                                                                                                                    | [7, 10)                         | 13,0              |
|                                                                                                                    | [10, 15)                        | 17,0              |
|                                                                                                                    | [15, 30)                        | 21,0              |
|                                                                                                                    | [30, ∞)                         | 29,0              |
| Step 3                                                                                                             | [0, 1)                          | 7,0               |
|                                                                                                                    | [1, 3)                          | 9,5               |
|                                                                                                                    | [3, 5)                          | 12,5              |
|                                                                                                                    | [5, 7)                          | 16,0              |
|                                                                                                                    | [7, 10)                         | 20,0              |
|                                                                                                                    | [10, 15)                        | 25,0              |
|                                                                                                                    | [15, 30)                        | 31,0              |
|                                                                                                                    | [30, ∞)                         | 39,0              |
| (*) i.e. [0,1) WAL less than one year, [1,3) WAL equal to or greater than one year and less than three years, etc. |                                 |                   |

**Table 4**

**Valuation markdown levels (in %) applied to marketable assets in haircut categories II to V that are theoretically valued**

| Expected residual maturity/Weighted average life (WAL) (years) (*) | Valuation markdown |
|--------------------------------------------------------------------|--------------------|
| [0,1)                                                              | 1,5                |
| [1,3)                                                              | 2,5                |
| [3,5)                                                              | 3,0                |
| [5,7)                                                              | 3,5                |
| [7,10)                                                             | 4,5                |
| [10,15)                                                            | 6,0                |
| [15,30)                                                            | 8,0                |
| [30, ∞)                                                            | 13,0               |

\* i.e. [0-1) expected residual maturity/WAL less than one year, [1-3) expected residual maturity/WAL equal to or greater than one year and less than three years, etc'