determining Tier 1 capital under this part. The amount of deferred tax assets that can be realized from taxes paid in prior carryback years and from the reversal of existing taxable temporary differences generally would not be deducted from assets and from equity capital.

(iii) Notwithstanding paragraph (h)(1)(B)(ii) of this section, the amount of carryback potential that may be considered in calculating the amount of deferred tax assets that a savings association that is part of a consolidated group (for tax purposes) may include in Tier 1 capital may not exceed the amount which the association could reasonably expect to have refunded by its parent.

(2) Projected future taxable income. Projected future taxable income should not include net operating loss carryforwards to be used within one year of the most recent calendar quarter-end date or the amount of existing temporary differences expected to reverse within that year. Projected future taxable income should include the estimated effect of tax planning strategies that are expected to be implemented to realize tax carryforwards that will otherwise expire during that year. Future taxable income projections for the current fiscal year (adjusted for any significant changes that have occurred or are expected to occur) may be used when applying the capital limit at an interim calendar quarter-end date rather than preparing a new projection each quarter.

(3) Unrealized holding gains and losses on available-for-sale debt securities. The deferred tax effects of any unrealized holding gains and losses on available-for-sale debt securities may be excluded from the determination of the amount of deferred tax assets that are dependent upon future taxable income and the calculation of the maximum allowable amount of such assets. If these deferred tax effects are excluded, this treatment must be followed consistently over time.


APPENDIXES A–B [RESERVED]

APPENDIX C TO PART 567—RISK-BASED CAPITAL REQUIREMENTS—INTERNAL-RATINGS-BASED AND ADVANCED MEASUREMENT APPROACHES

Part I General Provisions
Section 1 Purpose, Applicability, Reservation of Authority, and Principle of Conservatism
Section 2 Definitions
Section 3 Minimum Risk-Based Capital Requirements
Part II Qualifying Capital
Section 11 Additional Deductions
Section 12 Deductions and Limitations Not Required
Section 13 Eligible Credit Reserves
Part III Qualification
Section 21 Qualification Process
Section 22 Qualification Requirements
Section 23 Ongoing Qualification
Section 24 Merger and Acquisition Transitional Arrangements
Part IV Risk-Weighted Assets for General Credit Risk
Section 31 Mechanics for Calculating Total Wholesale and Retail Risk-Weighted Assets
Section 32 Counterparty Credit Risk of Repo-Style Transactions, Eligible Margin Loans, and OTC Derivative Contracts
Section 33 Guarantees and Credit Derivatives: PD Substitution and LGD Adjustment Approaches
Section 34 Guarantees and Credit Derivatives: Double Default Treatment
Section 35 Risk-Based Capital Requirement for Unsettled Transactions
Part V Risk-Weighted Assets for Securitization Exposures
Section 41 Operational Criteria for Recognizing the Transfer of Risk
Section 42 Risk-Based Capital Requirement for Securitization Exposures
Section 43 Ratings-Based Approach (RBA)
Section 44 Internal Assessment Approach (IAA)
Section 45 Supervisory Formula Approach (SFA)
Section 46 Recognition of Credit Risk Mitigants for Securitization Exposures
Section 47 Risk-Based Capital Requirement for Early Amortization Provisions
Part VI Risk-Weighted Assets for Equity Exposures
Section 51 Introduction and Exposure Measurement
Section 52 Simple Risk Weight Approach (SRWA)
Section 53 Internal Models Approach (IMA)
Section 54 Equity Exposures to Investment Funds

366