

Adjustments to the Supervision Manual ILAAP (version 2.1)

Stress Testing:

I. 10B

New criterion viii) The stress scenarios include stress on the liquidity value of buffer assets due to market value movements or changes in the haircuts applied by central banks. A simple comparison between stressed outflows and current liquidity value of the buffer assets is insufficient.

New criterion ix) Next to stress scenarios considering extreme, but plausible assumptions aimed at testing the survivability of the institution, also stress tests with less extreme assumptions are performed. These stress tests are aimed at testing the risk of undershooting the regulatory minimum requirements during times of less extreme (e.g. market wide, but not idiosyncratic) stress.

I.10D

New criterion iv) With respect to criteria i – iii above senior management distinguishes between scenarios of extreme stress and scenarios considering less extreme assumptions as described in 10b item ix and relates this to the risk appetite and contingency plans.

II.5A

New criterion ii) The institution applies both scenarios of extreme stress (for example, to determine survival periods) and of less extreme stress (for example, to help gauge the funding plan's feasibility or to test the compliance with internal targets or minimum requirements during periods of market turmoil).

NB Numbering ii - viii renumbered due to adding of criterion ii.

II.5E

New introduction for i) The institution uses prudent estimates of both the liquidity value and the time required to liquidate buffer assets. Additional stress is applied relative to the actual liquidity value. The institution makes use of information on and (potential future) developments in:

Changed criterion ii) The central bank haircuts applicable to all types of collateral and the stability of these haircuts.

Contingency Funding Plan:

I.11C

New criterion v) The CFP distinguishes actions in specific currencies and geographical areas that are relevant for the institution or a CFP is available for each significant area / currency.

II.9

New criterion v) For all significant currencies the CFP contains actions specifically aimed at countering outflows in those currencies and the estimated liquidity value and timing of these actions are set in a prudent manner when their effect is cross border and the execution depends on (FX-swap) markets.