EBA Survey on management buffers

Fields marked with * are mandatory.

EBA Survey on Management Buffers

The objective of this survey is to better understand the definition, possible drivers and determination of banks' management buffers, including aspects such as which stacks/ratios (of own funds, MREL etc) they refer to, and interaction with other thresholds (e.g. recovery triggers). The responses to the survey will be treated as confidential.

Structure of the survey

The survey is organised into 3 sections of which section 2 is divided in 8 subsections:

Section 1 - General
Section 2 - Prudential and resolution stacks regarding which the bank has explicitly defined a separate management buffer target (questions in this section only appear if the institution sets a management buffer target)
    2.1. Identification of relevant stacks
    2.2. Reference level/threshold used to compare management buffer to (qualitative)
    2.3. Height of bank's current management buffer target(s) during normal circumstances
    2.4. Incorporation in ICAAP and Disclosure
    2.5. Interaction between stacks
    2.6. Interaction between management buffer targets
    2.7. Drivers for determining management buffer target(s) in normal circumstances
    2.8. Surplus held above management buffer target(s) in normal circumstances
Section 3 - Interaction with related concepts, thresholds and other aspects

Filling in the qualitative questionnaire

The deadline for submitting the qualitative questionnaire is **05/09/2023**.

All sections of the questionnaire should be completed in English.

Banks should respond to all questions, unless otherwise stated. Some questions are dependent on previous responses and may therefore not appear.

If anything is unclear, please don't hesitate to use the contact form on the right hand side of the screen.

* Name of the bank

```


```

* LEI code of the bank

```


```

* Please indicate the country of the institution (drop down list)

- ○ Austria
- ○ Belgium
- ○ Bulgaria
- ○ Croatia
- ○ Cyprus
- ○ Czech Republic
- ○ Denmark
- ○ Estonia
- ○ Finland
- ○ France
- ○ Germany
- ○ Greece
- ○ Hungary
- ○ Iceland
- ○ Ireland
- ○ Italy
- ○ Latvia
- ○ Liechtenstein
- ○ Lithuania
- ○ Luxemburg
- ○ Malta
- ○ Netherlands
- ○ Norway
- ○ Poland
- ○ Portugal
- ○ Romania
- ○ Slovakia
- ○ Slovenia
- ○ Spain
- ○ Sweden
- ○ Other

* If other, please explain:

```


```

Section 1 - General

* 1) How do you define the concept of a "management buffer" (e.g. capital in excess of the minimum requirements and guidance or in reference of an internal capital metric)?

> [ ]

* 2) Have you set at least one target (e.g. medium term aim / orientation point, threshold, or other) for your management buffer (e.g. on an own funds stack/ratio, leverage ratio or MREL/TLAC stack)?

- ○ Yes
- ○ No

* If no, please explain the reasons.

> [ ]

* If yes, please explain why your institution has set a management buffer target(s).

> [ ]

Section 2 - Prudential and resolution stacks regarding which the bank has explicitly defined a separate management buffer target

Questions in section 2 appear only if bank has set a management buffer target (if "yes" is selected under question 2).

2.1. Identification of relevant stacks

3) (a) Please indicate in the rows (that are listed below) regarding which stack(s)/ratio(s) the bank has defined a management buffer target. Please note the following:
- The selection of stack(s)/ratio(s) should depend on the composition of the target capacity.
- Where, for example, a CET1 management buffer target is driven by MREL, but there is no specific management buffer target set above the MREL ratio (e.g. x% above MREL-MDA), institutions should not select the MREL deminated stacks, but select the CET1 % TREA stack (i.e. only select MREL % TREA as a stack if the institution has a certain management buffer target in terms of MREL % TREA). The elements that play a role for your institution in the choice of management buffer target(s) will be requested in further questions
- Some stacks only apply to certain type of banks. For example the TLAC stacks are only applicable if the bank is a G-SII, and the subordination stacks are generally only relevant for G-SII, Top Tier and Fished (in accordance with Article 45c(6) BRRD).

* Please note that multiple stacks/ratios can be selected (if the bank has management buffer targets denominated in more than one ratio):
- ☐ CET1 % TREA (Please note that TREA stands for Total Risk Exposure Amount in the CRR, which is often referred to as total risk weighted assets)

- ☐ Tier 1 % TREA
- ☐ Tier 1 % LRE (leverage ratio - please note that LRE stands for Leverage Ratio Exposure in the CRR, which is the denominator of the leverage ratio)
- ☐ Total Capital (or TC) % TREA
- ☐ TLAC % TREA
- ☐ Subordinated MREL % TREA
- ☐ TLAC % TEM (Please note that TEM stands for total exposure measure and is the definition used in the BRRD to refer to leverage ratio exposure).
- ☐ Subordinated MREL % TEM
- ☐ MREL (subordinated and non-subordinated) % TREA
- ☐ MREL (subordinated and non-subordinated) % TEM
- ☐ Other, please specify

* Please specify what "other" stack/ratio the bank has defined a management buffer target for (e.g. an internally defined metric).

```



```

2.2. Reference level/threshold used to compare management buffer to (qualitative)

3) (b) What is the level/threshold that you (internally) compare the management buffer to? For example for a management buffer target in the CET % TREA stack it is possible to define the management buffer in comparison to for example TSCR, OCR or OCR+P2G. For a management buffer target in LRE stack or MREL stack there may be other reference points.
Some definitions to keep in mind:
- P2R (Pillar 2 requirement) means the additional own funds requirements imposed in accordance with Article 104(1)(a) of Directive 2013/36/EU to address risks other than the risk of excessive leverage.
- TSCR stands for Total SREP Capital Requirement (CET1 for the CET%TREA stack, Tier1 for the Tier1% TREA stack, Total Capital for the TC%TREA stack, as applicable) and consists of the sum of: a. the own funds requirement pursuant to Article 92(1), point (a/b/c) of Regulation (EU) No 575/2013; and b. the part of the P2R which is required by the competent authority to be held in the form of CET1/T1/TC capital (as applicable).
- OCR stands for Overall Capital Requirement (in the form of CET1/T1/TC as applicable) and consists of the sum of: a. TSCR; and b. combined capital buffer requirements.
- P2G stands for Pillar 2 Guidance for risks other than the risk of excessive leverage. It is the additional own funds communicated by the competent authority to address risks other than the risk of excessive leverage, as referred to in Article 104b of the CRD.

* CET1 % TREA: Reference level/threshold to compare management buffer to. Please note that a <u>qualitative</u> answer is expected such as "TSCR", "OCR", "OCR + P2G", "other please specify".

```



```

* T1 % TREA: Reference level/threshold to compare management buffer to. Please note that a <u>qualitative</u> answer is expected such as "TSCR", "OCR", "OCR + P2G", "other please specify".

* **T1 % LRE (leverage ratio):** Reference level/threshold to compare management buffer to. Please note that a <u>qualitative</u> answer is expected such as "TSLRR", "OLRR", "OLRR+ P2GLR", "other please specify".
Some definitions to keep in mind for the LRE:
- P2RLR means the additional own funds requirements imposed in accordance with Article 104(1)(a) of Directive 2013/36/EU to address the risk of excessive leverage.
- TSLRR stands for Total SREP Leverage Ratio Requirement and consists of the sum of: a. the own funds requirement pursuant to Article 92(1), point (d) of Regulation (EU) No 575/2013; and b. P2RLR.
- OLRR stands for Overall Leverage Ratio Requirement and consists of the sum of: a. TSCR; and b. LR G-SII buffer requirement in accordance with Article 92(1a) of Regulation (EU) No 575/2013.
- P2GLR stands for Pillar 2 Guidance for the risk of excessive leverage. It is the additional own funds communicated by the competent authority to address the risk of excessive leverage, as referred to in Article 104b of the CRD.

* **TC % TREA:** Reference level/threshold to compare management buffer to. Please note that a <u>qualitative</u> answer is expected such as "TSCR", "OCR", "OCR + P2G", "other please specify".

* **TLAC % TREA:** Reference level to compare management buffer to. Please note that a <u>qualitative</u> answer is expected such as "CBR on top of TLAC minimum in accordance with Art 16a BRRD", "other please specify".

* **Subordinated MREL% TREA:** Reference level to compare management buffer to. Please note that a <u>qualitative</u> answer is expected such as "CBR on top of Subordinated MREL minimum in accordance with Art 16a BRRD", "other please specify".

* **TLAC % TEM:** Reference level to compare management buffer to. Please note that a <u>qualitative</u> answer is expected such as "TEM-based TLAC minimum", "other please specify".

* **Subordinated MREL % TEM:** Reference level to compare management buffer to. Please note that a <u>qualitative</u> answer is expected such as "TEM-based subordinated MREL minimum", "other please specify".

*

5

MREL (subordinated and non-subordinated) % TREA: Reference level to compare management buffer to. Please note that a <u>qualitative</u> answer is expected such as "CBR on top of MREL minimum in accordance with Art 16a BRRD", "other please specify".

* **MREL (subordinated and non-subordinated) % TEM:** Reference level to compare management buffer to. Please note that a <u>qualitative</u> answer is expected such as "TEM-based MREL minimum", "other please specify".

* Other: Reference level to compare management buffer to. Please note that a <u>qualitative</u> answer is expected.

2.3. Height of bank's current management buffer target(s) during normal circumstances

3) (c) Please indicate the level/height (in terms of % TREA/LRE/TEM/other) of the bank's current management buffer target(s) for normal circumstances. Please note the following:
- For each management buffer target, the <u>cumulative</u> target is requested and not the distance to the reference points used by the bank. For example if a bank has a management buffer in the CET1 % TREA stack which would (just) be met if the bank has an available CET1 % TREA ratio of 14%, then 14% represents the CET1 % TREA management buffer target requested in this question. For the purposes of this question it is irrelevant information that the target is for example 1% above OCR + P2G of the bank.
- As for a single ratio/stack there may be different management buffer thresholds set, reflecting different degrees of ambition/action needed, when providing your targets below, please indicate the approximate character of the management buffer threshold/target(s) set. Preset broad categories are i) medium term aim / orientation point, ii) early warning threshold, iii) limit / level necessary for sustainable operation, iv) other. Multiple columns / targets for the same ratio/stack can be provided in the below to reflect a range with category i) likely representing the higher end of the range and category iii) the lower end of the range. Please describe in more detail in the second row.
- If your management buffer target has changed recently, please take the management buffer target that was applicable on the 31 December 2022 reference date and indicate&explain in the explanatory field at the end of question 3) (c).
- If you have management buffer targets for future points in time that are different from the currently applicable (e.g. to reflect a phase-in) then please provide these as well and distinguish them also using the explanatory field at the end of question 3) (c).
- If you set your management buffer target as an absolute amount (e.g. of EUR) to be met, please convert these target amounts to %TREA and indicate&explain in the explanatory field at the end of question 3) (c).
- For the purposes of this survey normal circumstances are considered to be periods other than severe idiosyncratic or macroeconomic stress which may be characterised with losses / negative profits.

* **CET1 % TREA**: management buffer target as % TREA. Please note that a percentage (%TREA) is expected as an answer in the table below (i.e. the <u>cumulative</u> CET1%TREA ratio if the institution would be on the brink of meeting its management buffer threshold/target for this ratio). Please complete the column(s) closest to the character of the management buffer threshold(s)/target(s) set: i) medium term aim / orientation point, ii) early warning threshold, iii) limit / level necessary for sustainable operation, iv) other. Multiple columns / targets for the same ratio/stack can be completed (<u>it is mandatory to at least complete one column</u>). Please describe in more detail in the second row.

	i) medium term aim / orientation point,	ii) early warning threshold	iii) limit / level necessary for sustainable operation	iv) other
* CET1%TREA target(s) (e.g. 15%, 14%, 13%)				
* Please explain				

* **T1 % TREA**: management buffer target as % TREA. Please note that a percentage (%TREA) is expected as an answer in the table below (i.e. the cumulative T1%TREA ratio if the institution would be on the brink of meeting its management buffer threshold/target for this ratio). Please complete the column(s) closest to the character of the management buffer target(s) set: i) medium term aim / orientation point, ii) early warning threshold, iii) limit / level necessary for sustainable operation, iv) other. Multiple columns / targets for the same ratio/stack can be completed (it is mandatory to at least complete one column). Please describe in more detail in the second row.

	i) medium term aim / orientation point,	ii) early warning threshold	iii) limit / level necessary for sustainable operation	iv) other
* T1%TREA target(s)				
* Please explain				

* **T1 % LRE** (leverage ratio): management buffer target as % LRE. Please note that a percentage (%LRE) is expected as an answer in the table below (i.e. the <u>cumulative</u> T1%LREratio if the institution would be on the brink of meeting its management buffer threshold/target for this ratio). Please complete the column(s) closest to the character of the management buffer target(s) set: i) medium term aim / orientation point, ii) early warning threshold, iii) limit / level necessary for sustainable operation, iv) other. Multiple columns / targets for the same ratio/stack can be completed (<u>it is mandatory to at least complete one column</u>). Please describe in more detail in the second row.

	i) medium term aim / orientation point,	ii) early warning threshold	iii) limit / level necessary for sustainable operation	iv) other
* T1%LRE target(s)				
* Please explain				

* **TC % TREA**: management buffer target as % TREA. Please note that a percentage (%TREA) is expected as an answer in the table below (i.e. the <u>cumulative</u> TC%TREA ratio if the institution would be on the brink of meeting its management buffer threshold/target for this ratio). Please complete the column(s) closest to the character of the management buffer target(s) set: i) medium term aim / orientation point, ii) early warning threshold, iii) limit / level necessary for sustainable operation, iv) other. Multiple columns / targets for the same ratio/stack can be completed (<u>it is mandatory to at least complete one column</u>). Please describe in more detail in the second row.

	i) medium term aim / orientation point,	ii) early warning threshold	iii) limit / level necessary for sustainable operation	iv) other
* TC%TREA target(s)				
* Please explain				

* **TLAC % TREA**: management buffer target as % TREA. Please note that a percentage (%TREA) is expected as an answer in the table below (i.e. the <u>cumulative</u> TLAC%TREA ratio if the institution would be on the brink of meeting its management buffer threshold/target for this ratio). Please complete the column (s) closest to the character of the management buffer target(s) set: i) medium term aim / orientation point, ii) early warning threshold, iii) limit / level necessary for sustainable operation, iv) other. Multiple columns / targets for the same ratio/stack can be completed (<u>it is mandatory to at least complete one column</u>). Please describe in more detail in the second row.

	i) medium term aim / orientation point,	ii) early warning threshold	iii) limit / level necessary for sustainable operation	iv) other
* TLAC%TREA target(s)				
* Please explain				

* **Subordinated MREL % TREA**: management buffer target as % TREA. Please note that a percentage (% TREA) is expected as an answer in the table below (i.e. the <u>cumulative</u> subordinated MREL %TREA ratio if the institution would be on the brink of meeting its management buffer threshold/target for this ratio). Please complete the column(s) closest to the character of the management buffer target(s) set: i) medium term aim / orientation point, ii) early warning threshold, iii) limit / level necessary for sustainable operation, iv) other. Multiple columns / targets for the same ratio/stack can be completed (<u>it is mandatory to at least complete one column</u>). Please describe in more detail in the second row.

	i) medium term aim / orientation point,	ii) early warning threshold	iii) limit / level necessary for sustainable operation	iv) other
* Subordinated MREL%TREA target(s)				
* Please explain				

* **TLAC % LRE**: management buffer target as % LRE. Please note that a percentage (%LRE) is expected as an answer in the table below (i.e. the <u>cumulative</u> TLAC%LRE ratio if the institution would be on the brink of meeting its management buffer threshold/target for this ratio). Please complete the column(s) closest to the character of the management buffer target(s) set: i) medium term aim / orientation point, ii) early warning threshold, iii) limit / level necessary for sustainable operation, iv) other. Multiple columns / targets for the same ratio/stack can be completed <u>(it is mandatory to at least complete one column)</u>. Please describe in more detail in the second row.

	i) medium term aim / orientation point,	ii) early warning threshold	iii) limit / level necessary for sustainable operation	iv) other
* TLAC%LRE target(s)				
* Please explain				

* **Subordinated MREL % TEM**: management buffer target as % TEM. Please note that a percentage (% TEM) is expected as an answer in the table below (i.e. the <u>cumulative</u> subordinated MREL %TEM ratio if the institution would be on the brink of meeting its management buffer threshold/target for this ratio). Please complete the column(s) closest to the character of the management buffer target(s) set: i) medium term aim / orientation point, ii) early warning threshold, iii) limit / level necessary for sustainable operation, iv) other. Multiple columns / targets for the same ratio/stack can be completed (<u>it is mandatory to at least complete one column</u>). Please describe in more detail in the second row.

	i) medium term aim / orientation point,	ii) early warning threshold	iii) limit / level necessary for sustainable operation	iv) other
* Subordinated MREL%TEM target(s)				
* Please explain				

* **MREL (subordinated and non-subordinated) % TREA**: management buffer target as % TREA. Please note that a percentage (%TREA) is expected as an answer in the table below (i.e. the <u>cumulative</u> MREL% TREA ratio if the institution would be on the brink of meeting its management buffer threshold/target for this ratio). Please complete the column(s) closest to the character of the management buffer target(s) set: i) medium term aim / orientation point, ii) early warning threshold, iii) limit / level necessary for sustainable operation, iv) other. Multiple columns / targets for the same ratio/stack can be completed (<u>it is mandatory to at least complete one column</u>). Please describe in more detail in the second row.

	i) medium term aim / orientation point,	ii) early warning threshold	iii) limit / level necessary for sustainable operation	iv) other
* MREL%TREA target(s)				
* Please explain				

* **MREL (subordinated and non-subordinated) % TEM**: management buffer target as % TEM. Please note that a percentage (%TEM) is expected as an answer in the table below (i.e. the <u>cumulative</u> MREL% TEM ratio if the institution would be on the brink of meeting its management buffer threshold/target for this ratio). Please complete the column(s) closest to the character of the management buffer threshold/target(s) set: i) medium term aim / orientation point, ii) early warning threshold, iii) limit / level necessary for sustainable operation, iv) other. Multiple columns / targets for the same ratio/stack can be completed (<u>it is mandatory to at least complete one column</u>). Please describe in more detail in the second row.

	i) medium term aim / orientation point,	ii) early warning threshold	iii) limit / level necessary for sustainable operation	iv) other
* MREL%TEM target(s)				
* Please explain				

* Other: management buffer target as % of ... or with the amount ...

> [text box]

* Please describe any aspect that may be important for understanding how the management buffer target(s) is (are) articulated. This includes aspects such as:
- Whether any adjustment is made to the regular calculation of TREA, LRE, TEM. Or whether the target(s) is (are) originally articulated in absolute amounts.
- Whether the management buffer target(s) has changed recently.
- Whether and if so which management buffer targets are for future points in time that are different from the current. By how much would the management buffer targets for the future / near term be different than current ones?

> [text box]

* In case the scope of the resolution entity differs significantly from the prudential scope please explain whether any MB targets for MREL/TLAC you have referred to above are expressed as a percentage of what TREA/TEM (on the basis of prudential or resolution entity scope)?

> [text box]

2.4. Incorporation in ICAAP and Disclosure

* 4) Where applicable, could you briefly explain what role management buffers play in your ICAAP and capital planning process?

> [text box]

* 5) Do you publicly disclose any of your management buffer target(s)/threshold(s)?

- ◯ Yes
- ◯ No

* Please explain which ones, what is the motivation for their disclosure and via which channel they are disclosed (e.g. annual report, presentation of results, specific documentation for shareholders or other investors)?

> [text box]

2.5. Interaction between stacks

6) With regards to the TREA-based CET1/T1/T2 own funds capital ratio stacks, please consider the following conjectures:

* A) The build up towards MREL target has been a major factor in determining my institution's management buffer target(s) for the TREA-based CET1/T1/T2 own funds capital ratios.

- ○ Strongly agree
- ○ Agree
- ○ Neutral
- ○ Disagree
- ○ Strongly disagree
- ○ Not applicable

Please explain this effect

[ ]

* B) The leverage ratio requirement has been a major factor in determining my institution's management buffer target(s) for the TREA-based CET1/T1/T2 own funds capital ratios.
- ○ Strongly agree
- ○ Agree
- ○ Neutral
- ○ Disagree
- ○ Strongly disagree
- ○ Not applicable

* Please explain this effect.

[ ]

2.6. Interaction between management buffer targets

Setting management buffer targets

* 7) Do you distinguish between normal and stressed circumstances for setting different management buffer target(s)/thresholds?
- ○ Yes
- ○ No

* Do you make this distinction for each stack that you have set a management buffer target for? Please explain.

[ ]

* 8) Has the definition or size of your management buffer(s) varied over the five past years?
- ○ Yes
- ○ No

* If yes, please explain how and why.

[ ]

*9) What is the institution's general methodology behind the determination of management buffer target(s)? Please select what applies (multiple answers possible):

☐ (a) internal economic model
☐ (b) internal stress test
☐ (c) supervisory stress test
☐ (d) managerial considerations
☐ (e) maintaining a margin above most binding stack
☐ (f) any expectation that the supervisor has formulated
☐ Other, please explain

* Please explain the factors selected (if any) and any other methodology (if selected "other").

[ ]

*10) Could you explain whether and how management buffer targets have any effect on the usability of resources held to meet the combined buffer requirement, P2G or management buffer itself?

[ ]

*11) What are the internal measures (e.g. decision making process, which stakeholders you inform) you take when you need to change and/or use your management buffer? If relevant, please, if make a distinction between the management buffer itself and the use of any surplus you may have in excess of the management buffer target(s). In addition please explain whether you have the objective to operate exactly at the management buffer target / consider any tolerance for operating below/above the target and for how long. In case your bank has multiple management buffer targets/thresholds for one ratio, please explain whether and how the highest levels might be less restrictive.

[ ]

2.7. Drivers for determining management buffer target(s) in normal circumstances

*12) Can you rank the importance of the following drivers when determining management buffer targets (higher means greater relevance and lower means comparatively lesser relevance):

Use drag&drop or the up/down buttons to change the order or accept the initial order.

⁞⁞ Anticipation of regulatory changes, including the implementation/development of new regulations affecting the activities of your institution.;

⁞⁞ Possible evolution/volatility in the determination of existing stacking order components by competent /resolution authority (to be explained which one such as P2R/P2G/MREL requirement), or the way in which they are reinforced/ notified in case of potential breach.

⁞⁞ Prevent/anticipate potential scrutiny on adequacy of levels by competent/resolution authority.

⁞⁞ Macro-economic uncertainty / unexpected losses

⁞⁞ Market signalling / credit rating / reputational / funding costs

⠿	Risk management reasons

⠿	Strategic planning / future acquisitions.

⠿	Renewal instrument (e.g. MREL eligible liability approaching <1 year residual maturity)

⠿	Recovery indicator threshold breach

⠿	Breach of early warning level in RAS

⠿	Other (please explain)

* Please explain your ranking and generally elaborate on the significant sub-factors regarding the main drivers (e.g. regarding regulatory change the specific regulatory change that may be of relevance). In addition explain if one important category of drivers was not mentioned (other in the above) or if none of the factors were particularly relevant.

* If drivers differ depending on the stack / management buffer target – in case of having more than one – please specify and explain.

* In case your bank has multiple management buffer targets/thresholds for one ratio, and the relevance of drivers differs between them, please explain how.

* If the importance of drivers differ in stress circumstances vs. normal circumstances, please explain.

2.8. Surplus held above management buffer target(s) in normal circumstances:

* 13) Are you currently above (i.e. do you hold a surplus above) one or more of your institution's management buffer target(s)?

○ Yes
○ No

* 14) If you answered yes to question 13, for what reasons do you hold such a surplus?
Please rank the following drivers (reasons for having a surplus) from the most relevant to the less relevant (higher in the list means greater relevance).

Use drag&drop or the up/down buttons to change the order or accept the initial order.

20

:: Possible evolution/volatility in the determination of existing stacking order components by competent /resolution authority (to be explained which one such as P2R/P2G/MREL requirement), or the way in which they are reinforced/ notified in case of potential breach.

:: Prevent/anticipate potential scrutiny on adequacy of levels by competent/resolution authority.

:: Macro-economic uncertainty / unexpected losses

:: Risk management reasons.

:: Structure of the group (e.g. daisy chain risks)

:: Strategic planning / future acquisitions

:: Planned dividends etc

:: Renewal instrument (e.g. MREL eligible liability approaching <1 year residual maturity).

:: Other (please explain)

:: Anticipation of regulatory changes, including the implementation/development of new regulations affecting the activities of your institution.;

* Please explain your ranking and generally elaborate on the significant sub-factors regarding the main drivers (e.g. regarding regulatory change the specific regulatory change that may be of relevance). In addition explain if one important category of drivers was not mentioned (other in the above) or if none of the factors were particularly relevant.

* If reasons for having a surplus differ depending on the stack / management buffer target – in case of having more than one – please specify and explain.

* In case your bank has multiple management buffer targets/thresholds for one ratio, and the reasons for having a surplus differs between them, please explain how.

* If the importance of reasons for having a surplus differ in stress circumstances vs. normal circumstances, please explain.

* 15) If you have more than one management buffer target, please explain why you may hold different sized surpluses (or shortfalls) regarding the different management buffer targets?

Section 3 - Interaction with related concepts, thresholds and other aspects

* 16) Are management buffers integrated in your institution's Risk Appetite Framework (RAF) and Risk Appetite Statement (RAS)?

   ○ Yes

   ○ No

* a) Does the management buffer target(s) relate to the limit(s) defined in the RAS?

   ○ Yes

   ○ No

* Please explain

* b) do you formulate early warning threshold(s) (from your RAS) within your management buffer(s) (e.g. as intermediary levels between the management buffer target(s) and the applicable reference point(s))?

   ○ Yes

   ○ No

* Please explain

* 17) Do you determine (alternative) management buffer targets from an economic internal perspective, with other non-regulatory metrics included in the Risk Appetite Framework (rather than determining it as a comparison to regulatory/supervisory thresholds)?

   ○ Yes

   ○ No

* Please select what applies (multiple answers possible):

   ☐ (a) economic capital considerations

   ☐ (b) profitability indicators

   ☐ (c) dividend pay-out considerations

   ☐ (d) asset quality considerations

   ☐ (e) external ratings considerations

   ☐ (f) market-based indicators

   ☐ (g) Other, please explain

* Please explain your selection above.

*18) Are metrics coming from the ICAAP and recovery plan (other than mentioned in question 16 or 17) influencing the determination of the management buffer target(s)? If yes, please explain (also considering metrics resulting from any ICAAP and recovery plan stress tests and related overall recovery capacity or "ORC").

<div style="border:1px solid #ccc; height:80px;"></div>

*19) Are recovery plan indicators thresholds (particularly when these thresholds are defined for indicators that are the same as the stacks you set a management buffer for) explicitly reflected as metrics supporting the determination of the management buffer target(s)?

○ Yes

○ No

*Is the management buffer target(s) set: below / at the same level / above the recovery plan indicators thresholds? Please select what applies:

☐ Below

☐ At the same level

☐ Above

*Please explain

<div style="border:1px solid #ccc; height:80px;"></div>

*20) To what extent, if any, have supervisory expectations, regulatory guidance, or disclosure, contributed to the decision to set management buffers, their definition and levels?

<div style="border:1px solid #ccc; height:80px;"></div>

*21) Are there any other aspects you would like to raise in the context of management buffers and stacking orders?

<div style="border:1px solid #ccc; height:80px;"></div>