

Overall Responsibility of the Management (AT 3)

Risk Management (AT 4)

also on a Group Level (AT 4.5)

Risk-bearing Capacity (AT 4.1)

Overall Risk Profile

On the basis of a risk inventory considering concentration of risk and validated diversification effects

- Consideration of material risks
- Reasons required in case of using exceptions
- Critical analysis of risk measurement methods

Individual methods and procedures for assessment (if necessary estimation) taking into account the aspects of Going Concern and Liquidation

Reasons for the base assumptions and approval of material elements by executive management

Risk Taking Potential

- Ongoing coverage of material risk
- Individual definition

Forward-looking capital planning process



Business Strategy (AT 4.2)

Risk Strategy (AT 4.2)

Resources (AT 7)

Personnel (AT 7.1)

- Quantitative and qualitative requirements with specific requirements for the heads of functions mentioned in AT 4.4
- Deputy regulation

Technical Facilities and Related Processes (AT 7.2)

- Ensuring data integrity, availability, authenticity and confidentiality
- Use of established standards
- Implementation of processes for testing and acceptance
- Involvement of staff in enhancements and changes to technical specifications

Contingency Plan (AT 7.3)

- Business continuity and recovery plans
- Regular contingency tests and reporting
- Determination of communication channels

Documentation (AT 6)

Organisational Guidelines (AT 5)

Internal Surveillance Procedures

Internal Control System (AT 4.3, BT 1)

Organisational and Operational Structure (AT 4.3.1)

- General segregation of functions
- Clear definition of all processes
- Harmonising of all processes
- Regular and ad hoc review of IT and signatory rights as well as competencies

Organisational and Operational Structure for the Lending and Trading Business (BTO)

Lending Business (BTO 1)

- Special segregation of functions and voting (BTO 1.1)
- Lending business processes (BTO 1.2)
- Early detection of risks (BTO1.3)
- Risk classification (BTO 1.4)

Trading Business (BTO 2)

- Special segregation of functions (BTO 2.1)
- Trading business processes (BTO 2.2)

Risk Management and Controlling Processes (AT 4.3.2, BTR)

Identifying, assessing, treating, monitoring and communicating of

- Counterparty risks (BTR 1)
- Market price risks (BTR 2, BTR 2.1)
 - Market price risks in the trading book (BTR 2.2)
 - Market price risks in the banking book (BTR 2.3)
- Liquidity risks (BTR 3, BTR 3.1)
 - Additional requirements for capital market oriented institutions (BTR 3.2)
- Operational risks (BTR 4) under consideration of risk concentration and stress test results within an integrated management of return and risk as well as effective limitation regarding risk-bearing capacity and risk tolerance levels

Stress Tests (AT 4.3.3)

- Different scenarios including severe economic downturn scenarios
- Conception of reverse stress tests
- Critical reflection of results

Risk Control function (AT 4.4.1)

- Unrestricted access to information
- Reporting of removal or appointment of function heads to supervisory board

- Independent risk monitoring and reporting
- Special segregation of functions
- Adequate management level
- Participation in important risk policy decisions

Compliance function (AT 4.4.2)

- Implementation of effective Compliance processes and controls
- Advisory and support of management body
- Risk based monitoring of legal requirements on a regular basis
- Reporting

Internal Audit (AT 4.4.3, BT 2)

- Duties (AT 4.4.3, BT 2.1)
- General Principles (AT 4.4.3, BT 2.2)
- Planning and Conduct of the Audit (AT 4.4.3, BT 2.3)
- Reporting Obligation (AT 4.4.3, BT 2.4)
- Reaction to Findings (AT 4.4.3, BT 2.5)

Adjustment processes (AT 8)

Outsourcing (AT 9)