| Question ID | Publication date | Related ST or QA document/ topic | No. Paragraph | Question | Answer |
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| 1 | 08/05/2019 | ST specifications / cash flow analysis | Footnote 33 | Under the common expected returns approach, do you confirm that the "specified investment return in year t" is the average return used to project investment assets (as in this case there is not one single return but different assumptions for different asset classes)? | Yes, that understanding is correct. |
| 2 | 08/05/2019 | ST specifications / DC module | Paragraph 5.33 | In point 2, with regard to the estimation of the account value, how should the reference to " accrue it with annual return parameters from the stress test specification" be interpreted? Although risk premiums are assumed to be constant over time, the risk free rate is not. Should IORPs assume that the 1-year return for past years is the same as the average return for 2019? | The IORP is expected to estimate the account value on a best effort basis. If a suitable comparable plan member is not available, the IORP is allowed to make certain assumptions, i.e. the use of the average return parameters from the stress test for 2019 could be used in this case, taking into account the applied investment portfolio. |
| 3 | 08/05/2019 | ST specifications / ESG | Paragraph 3.6 | With regard to the breakdown of investments by economic activity, where should direct real estate investments (including property held for own use) be reported? In "assets not allocated"? | The allocation to business activities for real estate investments depends on the individual case and its circumstances. For example, the service category 'L - Real Estate Activities' could be considered, please see more information on NACE codes here: https://ec.europa.eu/eurostat/web/nace-rev2 |
| 4 | 08/05/2019 | DC_Reporting Template | Sheet "Baseline & Adverse Scenario" | As for the bond section is data required for both the geographical (line 32 to line 37) and type of bonds breakdown (line 39 to 47) or is the geographical break down only enough as this is considered in the total investment assets in line 62? | Both break-downs by type and by geographical location are expected to be reported. |
| 5 | 08/05/2019 | Input Helper Tool | GOV - column G | There seems to be an in inconsistency between the ST technical specifications (p.42) and the XLS file "Inputs helper tool" / sheet "GOV" with regard to absolute change in yields in bps for emerging markets. 2Y maturity: TS=+424; XLS=158 5Y maturity: TS=+433; XLS=165 10Y maturity: TS=+390; XLS=143 | The inconsistency has been corrected for. An updated Inputs helper tool v26042019 will be made available through the website (link to be added). |

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| 6 | 08/05/2019 | • Cash-flow analysis<br>• Document(s) : Stress test specifications.pdf, ESRB Adverse Scenario for EIOPA IORP ESMA MMF stress testing exercises in 2019.pdf | • Stress test specifications.pdf : paragraphs 4.44, 5.57, 4.6<br>• ESRB Adverse Scenario for EIOPA IORP ESMA MMF stress testing exercises in 2019.pdf : page 2 | To perform the cash-flow analysis of the DB part of the stress-test, the technical specifications paragraph 4.44 (2) refers to paragraph 5.57 of the same document, which defines the risk premiums for the baseline scenario. Could you confirm that those risk premiums are the same to be used for the adverse scenario?<br>Indeed, we note in paragraph 4.6 of the same document, the sentence « If relevant, IORPs should assume for the valuation of technical provisions that risk premiums on fixed and non-fixed income assets do not change in the stress scenario as compared to the baseline scenario. » . However, based on « ESRB adverse scenario for EIOPA » document, the adversed scenario reflects a "repricing of risk premia in global financial markets » (page 2), which could suggest that the risk premiums (for exemple for equity) are differents. | Yes, the risk premiums in the table below paragraph 5.57 should also be used in the adverse scenario. The annual expected returns provided in the [Returns] sheet of the "Inputs helper tool" spreadsheet have also been calculated in that way, i.e. risk-free forward rates in the baseline and adverse scenario plus a (constant) risk premium. |
| 7 | 08/05/2019 | • Geographical breakdown<br>• Document(s) : DB_reporting template.xls | Sheet "Baseline_&_Adverse_Scenario": Table 1 | For table 1 of « Baseline_&_Adverse_Scenario » sheet, could you please provide us with a definition of (or the list of countries in) "other developped" geographical area for equities and bonds investments ? Is there a list of the countries in "emerging markets" geographical area so that this line could be filled in consistently for all the participants?<br>Generally, the same question applies for "other developed (countries)' data required in the DB_reporting template.xls (table 42. in "QQ_Questionnaire_DB", tables 12 and 17 and question 10 of "QQ_Questionnaire_HA" sheet). | In order to provide some indicative guidance, we provide a categorisation based on the published information from the International Monetary Fund (IMF). Please see separate file. |
| 8 | 08/05/2019 | • Definitions of terms<br>• Document(s) : DB_reporting template.xls | Sheet "QQ_Questionnaire_DB" : Question 3 | In table 3 of « QQ_Questionnaire_DB » sheet, could you please explain the difference between the terms "deferred members" and "retired members", or provide a definition of each of the terms?<br>Could you please provides us with a definition of "members" (does it refer to the employees or to the employers ?) ? | - The term "deffered member" is defined as a pension plan member that no longer contributes to or accrues benefits from the plan but has not yet begun to receive retirement benefits from that plan (OECD glossary of statistical terms). It can be understood as a former employee with retained benefits, that has not reach the retirement age.<br>The term "retired member" is defined as a pension scheme member who no longer contributes to or accrues benefits from the scheme and has begun to receive retirement benefits from that scheme (see instructions of EIOPA pension funds reporting, PFE.50.01 - Member data [Pension funds with ECB add-ons] C0040/ER0031). To be comprehensive, the term "active member" is defined as a pension plan member who is making contributions (and/or on behalf of whom contributions are being made) and is accumulating assets.<br>- The term "member" is defined as in article 6, 5) of IORP Directive 2, which states : "'member' means a person, other than a beneficiary or a prospective member, whose past or current occupational activities entitle or will entitle him/her to retirement benefits in accordance with the provisions of a pension scheme;" Definitions for the different types of members can be found at:<br>https://eiopa.europa.eu/financial-stability-crisis-prevention/financial-stability/statistics under Annex 3 of EU/EEA occupational pensions statistics<br>also available at EC No 250/2009: http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:086:0001:0169:en:PDF |
| 9 | 08/05/2019 | • Definitions of terms<br>• Document(s) : DB_reporting template.xls | Sheet "QQ_Questionnaire_DB" : Question 4 | In table 4 of « QQ_Questionnaire_DB » sheet, could you please provide us with the definitions of the terms "closed to new members" and "closed to new accruals"?<br>Does "closed to new members" means that the contract does not accept new members (i.e. employees), however new contributions for current members can still be made?<br>Does "closed to new accruals" means that in the contract neither new members (i.e. employees) nor new contributions relating to current members can be made ?<br>Does "members" refers to the employees? | Your understanding is correct.<br>'- "New accruals" refers to the futures contributions (whether regular i.e. planed for at the beginning of the accumulation period or un-planed i.e. ad-hoc) of current members of the scheme. However it excludes new members to the scheme. "New members" refers to new members joining an existing scheme (i.e. that is already in place/set up by a sponsor within the IORP) , plus their future contributions to the scheme. For completeness, the category "Open" in table 4 of « QQ_Questionnaire_DB » sheet refers to schemes that accept new members and new accruals, as defined above.<br>- The term "member" is defined as in article 6, 5) of IORP Directive 2, which states : "'member' means a person, other than a beneficiary or a prospective member, whose past or current occupational activities entitle or will entitle him/her to retirement benefits in accordance with the provisions of a pension scheme;" Definitions for the different types of members can be found at:<br>https://eiopa.europa.eu/financial-stability-crisis-prevention/financial-stability/statistics under Annex 3 of EU/EEA occupational pensions statistics<br>also available at EC No 250/2009: http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:086:0001:0169:en:PDF |
| 10 | 15/05/2019 | • Investment behaviour<br>• Document(s) : DB_reporting template.xls | Sheet "QQ_Questionnaire_HA" : Tables 3/4/5/7/8/9/10 | Our portfolio results from a transfer of portfolio from an another entity, which also contained other contracts. Could we base our answers to questions 3/4/5/7/8/9/10 in sheet «QQ_Questionnaire_HA » on the historical policy of the original holder of portfolio? If so, this could lead to a slight bias, in view of our own liability structure. | For IORPs which portfolio results of a transfer of portfolio from an another entity, the answers to these questions on past investment behaviour (before year-end 2018) can be based on the historical investment policy of the entity originally holding the portfolio, if available. However, the answers should explain that the past investment behaviour described relates to the one of the original entity and mention where existing, the bias' nature, source and features.<br>For questions based on future investment strategy, the current investment policies of the IORPs should be considered. The replies should be based on what the IORP is expected to do after the shock. In the comments section of the template please mention the fact that the IORP recently changed status and the impact this may have to each answer. However, given that the investment policy is identical to the one of the other entity the bias is expected to be negligible. |

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| 11 | 15/05/2019 | • Shocks<br>• Document(s) : Stress test specifications.pdf | Annex 3 | Should we also apply shocks to the money market funds? If yes, which one? | In principle, investments in money market funds are subject to the look through approach and the individual underlying assets are stressed with the relevant shocks. In case the fund in question generally invests in cash, cash equivalents or similarly highly liquid instruments, one may consider, where relevant, to use a simplification and to apply a treatment corresponding to 'cash and cash equivalents' and so not to apply a stress. This simplification and its impact should be explained, as well as quantified, where this is reasonably applicable. |
| 12 | 22/05/2013 | • Topic : Shocks<br>• Document(s) : 2019 IORP stress test specifications | Annex 3 | After look-through, which shock should be applied to the residual investment funds? | EIOPA considers the look-through approach a leading principle for the classification of investments and the application of stress scenarios.<br>When the required information to apply the look-through approach is not readily available, IORPs should make a best effort to retrieve that information. EIOPA expects the amount of 'residual investment funds' for IORPs to be limited.<br>IORPs should only report a value for an investment fund as 'residual investment funds' if it is not possible to apply the look-through approach (taking into account annex 3 of the specifications and the use of simplifications as described in 1.41). In case investments have to be qualified as 'residual investment funds', a stress scenario of -47% must be applied. |
| 13 | 22/05/2014 | Comon Balance Sheet | | Would it be possible to use a deterministic approach for the best estimate computation of a portfolio which in run-off (no new members, no new accruals) ? In order to be consistent with the cash-flow analysis, the Best Estimate could be merely computed on the basis of the assumtions used in the CF analysis in a deterministic way. This approach would enable us to work out the discretionnary benefits on one year from the returns generated the previous year. | Please refer to section 2.5 of the annex on the technical specifications of the CBS for guidelines on the methodology for the calculation of the best estimate (BE) of technical provisions (TP).<br>Calculation of BE should deliver a market consistent valuation of TP and include the valuation of options and guarantees embeeded in the contracts (see §2.5.56 ff of the annex on the technical specifications of the CBS).<br>If the difference between a stochastic and deterministic valuation of the BE would be immaterial due to the characteristics of the underlying guarantees borne by the liabilities, then deterministic method could be allowed.<br>Here, in the case of a closed portfolio (i.e. new members or new accruals are not allowed) where lapses are not foreseen and mortality assumptions are deterministic, a deterministic valuation could be allowed for this exercice. The effects of using a simplifcation should be explained, and where rasonably applicable, quantified. |
| 14 | 22/ 05/2015 | Cash flow analysis and Best Estimate | | Are we free to make our own assumptions concerning the equity, real estate, alternative investment... incomes (dividends, rents, distributions) ? Indeed, a total return is specified (input helper tool) but, as far as we know, there is nothing specified about the spliting of the total return into cash incomes and asset value growth. | As per paragraph 4.36 in the stress test specifications, it is not required to make projections of cash flows for investment assets, i.e. coupon and dividend payments. The total return should be applied as given in the input helper tool. Please see paragraphs 4.36 and 4.40 of the stress test specifications for further deatils on the inputs from national valuations. |
| 15 | 22/ 05/2016 | Cash flow analysis and Best Estimate | | Which assumption shall we make for the price index in the next years ? This question arises from the cash-flows due the inflation liked bonds. Since an inflation rate is an anticipation, it has, a priori, nothing to do with the actual price index observed after one or several years of projection. In our opinion, a 2% inflation rate per year would be consistent with the average long term inflation provided by the UFR. Do you agree with this value ? In the adverse scenario, shall we shock it up ? if yes, to which amount ? | In assessing the instantaneous impact of the adverse scenario on the value of inflation-linked bonds, IORPs should use the market-based inflation (spot) curves for the baseline and adverse scenario provided in the [RFR & INF] sheet of the "Inputs helper tool". Market-based inflation curves are only available for the EUR, DKK, GBP and SEK reporting currencies. The inflation rates for the CHF and NOK have been assumed equal to the long-term inflation component of the UFR for all maturities in the baseline scenario. The inflation curves in the adverse scenario are equal to the inflation curves in the baseline scenario plus the shock to the inflation curve in the adverse scenario. See also the answer to Q19.<br><br>For the projection of inflation-dependent cash flows in the cash-flow analysis (after the initial shock), the 1-year forward inflation rates for the baseline and adverse scenario in the [Returns] sheet of the "Inputs helper tool" should be used. See also the answer to Q17.<br><br>For the calculation of investment income on inflation-linked bonds in the cash-flow analysis (after the initial shock), the 1-year nominal risk-free returns in the [Returns] sheet should be used for the "risk-free return" sets and the 1-year nominal expected returns for the relevant bond category for the "expected return" sets. I.e. inflation rates are not needed to calculate projected investment income (post stress). See also the answer to Q17 |
| 16 | 22/ 05/2017 | Cash flow analysis and Best Estimate | | Are there any particular constrains concerning the sellings and purchases in case of cash excedent or deficits respectively (to maintain an allocation for instance or trading prefered maturities) or is it free provided it is consistent with the our business model ? | Sales and purchases of investments assets made in the projection should be done in line with the business strategy of the IORP as in 31/12/2018 and be in line with paragraph 3.11 of the technical specifications:<br><br>"3.11. Since the stress scenario is to be considered instantaneous, no management actions may be assumed before/at the time of the stress in the valuation of the stressed balance sheet in addition to those management actions already assumed in the baseline common balance sheet. However, in assessing the impact of loss-absorbency of the best estimate of technical provisions and security mechanisms on the value of those items on the common balance sheet, IORPs should take into account possible future management actions of the IORP19."<br>Footnote : "19 For more guidance on the allowance for IORP management actions, see paragraphs 2.4.26-31 of EIOPA, Annex to IORP Stress Test 2017 Specifications - Technical Specifications Common Balance Sheet, EIOPA-BoS-17/076v2, 18 May 2017." |

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| 17 | 22/ 05/2018 | Input Helper Tool | Returns | How to read the worksheet "Returns" ? Are these the specifications driving the investments ? Please, could you provide an example with, say, a 10 years bond bought in 2030 ? How is this modeled ? | The worksheet Returns provides for each future year the applicable risk free returns, inflation rates and annual expected returns for the categories Government bonds, Corporate bonds (both financial and non-financial), Cash & Deposits and Non-fixed Income for both the Baseline scenario and the Adverse scenario. Both the risk free rates and inflation rates are 1-year forward rates, i.e. only applicable for their respective reference year.<br><br>1. The risk-free returns should be used in the "risk-free return" sets of the cash-flow analysis to project investment income for all investment categories during the reference year, i.e. the investment income in a certain year equals the value of investment assets at the start of the respective year multiplied by the risk-free return for the respective year.<br>2. The expected returns for the different investment categories should be used in the "expected return" sets of the cash-flow analysis to project investment income for each specific category during the reference year, i.e. the investment income in a certain year equals the asset value of that category at the start of the respective year multiplied by the respective return for that category for the respective year.<br>3. 3. The total return in each year is the weighted average of the investment income per category using the investment shares of each category at start of the year as weights, where the sum of these weights equals 100%. By calculating the total return this way it will automatically contain both investment income such as coupons (and the eventual return there on) as well as the change in asset values. The asset value at start of the year plus the total return during the year will result in the asset value at end of the year. The asset value at end of the year together with the investment shares of each category at the start of the next year will form the basis for the calculation of the total return for the next year. Note: the investment shares of each category at the start of the next year might be different than the investment shares at start of the year before due to the applicable investment policy, although their sum will still be equal to 100%.<br><br>For example, in the "risk-free return" sets, a 10-year bond bought at the start of 2030 earns in the baseline scenario a return of 1.872% in 2030, 1.929% in 2031, 1.918% in 2032, et cetera (cells B17..B26 of the worksheet Returns. Note that the cumulative return over a 10-year period for this bond would amount to 20.4% or 1.875% on an annualised basis. The latter corresponds to the effective 10-year risk-free yield at the start of 2030 in cell K17 of the worksheet Future RFR Baseline. |
| 18 | 22/ 05/2019 | Bond classification | | Can the CIC code be used to classify the bonds in terms of gov, covered and corporate ? If yes, what is the correspondance then ? | This exercise does not require the use of CIC codes. However, they are broadly consistent with the classifications used in the stress test package. Please find the link and correspondance table for CIC codification for the purposes of SII here:<br>https://www.google.co.uk/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&cad=rja&uact=8&ved=2ahUKEwig8eHKiIriAhXK-6QKHeW9DTUQFjAAegQIABAC&url=https%3A%2F%2Feiopa.europa.eu%2FPublications%2FConsultations%2FEIOPA-14-052-Annex_IV_V_-_CIC_table.xls&usg=AOvVaw38ef7zMo5LYwypNtXoYy9g<br>To classify the bonds as either sovereign bond, corporate bond or corporate bond covered, the following correspondance with the CIC code (for third and fourth positions) could be used by the participants :<br>• Government bond : CIC 1<br>• Corporate bond : CIC 21, 22, 23, 24, 25, 28, 29<br>• Corporate bond - covered : CIC 26, 27<br>However, note that for applying the shocks of the adverse scenario, corporate bonds are further distinguished between financial and non-financial. This distinction is not made in the CIC code table. |
| 19 | 22/ 05/2019 | Inflation linked bond stress | | How is the stress computed for an inflation linked bond ? Is the yield defined as the rate equating the price with the present value of cash-flows at their today value or their expected value taking into acount the inflation anticipations ? Does the stress results as a mare yied shock like a fixed bond or does the inflation rate shock plays a role ? Has the current inflation index to be shocked ? If yes, to which amount ? Please, could you illustrate with a simple example ? | The stress for an inflation linked bond is based on the change of the price of the bond due to a change of the scenario. The change of the price of an inflation-linked bond does not only depend on the change in the nominal yield of the bond but also on the market-implied inflation rate. The reason is that the principal of an inflation-linked bond – and hence its coupon payments - are indexed to inflation.<br><br>For example, consider a risk-free 5-year zero-coupon inflation-linked bond that in five years returns a principal amount of 100 indexed to some price index. The value end-2018 would be 104.95 (= 100 x (1+1.071%)^5 / (1+0.099%)^5) in the baseline scenario and 104.54 (= 100 x (1+1.445%)^5 / (1+0.549%)^5) in the adverse scenario, using the EUR risk-free interest and inflation (spot) rates in row 10 (i.e. 5-year maturity) of the worksheet RFR&INF in the "Inputs helper tool". Note that the 5-year real risk free rate equals approximately (1+1.071%) / (1+0.099%) – 1 = 0.97% for the baseline scenario and (1+1.445%) / (1+0.549%) – 1 = 0.89% for the adverse scenario. The value change of the 5-year zero-coupon inflation-linked bond of -0.4% corresponds approximately to minus the duration of the bond multiplied by the change in the real risk-free interest rate, i.e. -1 x 5 x  0.08%.<br><br>In practice, inflation-linked bonds will not be risk-free, so the impact on the bond yield should be taken into account. For example, when the inflation-linked bond is issued by the French government, the nominal yield increases by 0.86% (see cell B12 of the [GOV] sheet in the "Inputs helper tool"). As the inflation rate increases by 0.37% (= 1.445% - 1.071%) between the adverse and the baseline scenario the real 5-year yield increases by 0.49% and the price of the bond declines by approximately 2.4% (= 5 x 0.49%). |

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| 20 | 22/ 05/2019 | Convertible bonds stress | | In order to alleviate modeling, we propose the following prudent way to stress convertible bonds :<br>- a classical fixed rate bond shock performed thanks to the total price. Obviously, the bond shock using the total price instead of the pure bond price contribution provides an upper bond for the lost. Indeed, at the lowest order, the variation of the price is given by the sensibility formula that is proportional to the yield variation times the duration times the price. One can notice that the higher the price is, the lower the yield is and, thus, the duration increases with the price. Therefore, the higher is the base price, the higher is the shock in magnitude. (This holds assuming that the optional piece is not very sensitive to the rate shock, which is true in general. Indeed, either the underlying price is low with respect to the strike and the optional piece can simply be ignored, or the underlying is of the order or higher than the strike and the optional part is much more sensitive to an equity shock so that the rate shock can be neglected.)<br>- and additionnal equity shock given by Equity Shock X Delta equity X Price. Here again this provides an upper bound since the Delta equity decreases as the underlying asset price decreases and the real effect of the equity shock must be lower in general.<br>Do you agree with this method ? | A convertible bond is a bond that the holder can convert to equity for a predetermined number of shares. It is therefore either a bond, or equity. This can be modeled as a bond<br>and an equity (call) option (and shocked appropriately). This should be modeled on a best effort basis, i.e. if any simplifications are made, the IORP should explain which these are, why these are made, as well as explain the impact - and where reasonably applicable - quantify the impact. |
| 21 | 22/ 05/2019 | Bonds funds stresses | | Bonds (and mixed bond-equity) funds represents approximately 1% of our portfolio. For such a small amount, we consider it would be too tedious to make a carefull look through approach. This is why we ask for the possibility to perform a simplified approach for these funds. Although specifications tell us that the most severe shock must be applied when the look through approach is not done we thought about the following method : is it possible to consider the bond part of the fund as a generic bond whose duration and rating are given by their average value over the fund ? According to prudence principles we can downgrade the average rating or raise the duration (rounded at the upper integer, say) if you think it is better. On this basis we could use a mere sensibility formula : shock = yield variation X averaged duration X total price<br>Do you agree with this approximation ? | The stress test specifications are confirmed. For any 'residual investment funds', for which a look through approach is not applied, the most severe shock should be used. Please see also th explanations in Annex 3 of the Stress Test Specifications. |
| 22 | 22/ 05/2019 | Convertible-bonds funds | | Among the bond funds, some of them are convertible bonds funds. Could we mix the methods for both convertible bonds and pure bonds funds in this case ?<br>To be more precise, the fund would be considered as an effective simple bond as in the case of ordinary bonds funds but in addition one would perform and equity shock as if Delta percents of the fund were composed of equity.<br>See example. | Please see further guidance on the required 'look through approach' in Annex 3 of the Stress Test Specifications. For the approach to convertible bonds, please see the explanations provided in Q&A 20. For any 'residual investment funds', for which a look through approach is not applied, the most severe shock should be used. |
| 23 | 22/ 05/2019 | Inflation stress | | Should inflation shock be applied to the liabilities ? If yes, on which type of liabilities should it be applied (claims provisions, …) ? | The inflation shock should be applied to those liabilities that are directly (partly or in whole) dependent on or determined by inflation. For example, if the pension obligation is indexed to inflation, the liability is directly linked to and determined by inflation. |
| 24 | 22/ 05/2019 | • Shock<br>• Document(s) : Stress test specifications.pdf | Annex 1 & §4.1 | Which shock should be applied to governmental agencies asset? Should they be rated on par with the sovereign bonds of their attached governments? (state, region, etc.)? | Please refer to §4.25 of the technical specifications : "Bonds issued by municipalities and regional government, and such that are guaranteed by governments, shall be treated as government bonds of the corresponding jurisdiction. The yield change for bonds issued by supranational institutions should be assumed to be zero for all maturities."<br>Generally bonds that are guaranteed by governments should be treated as government bonds of the corresponding jurisdiction, in terms of shock to be applied. |
| 25 | 22/ 05/2019 | • Shock<br>• Document(s) : Stress test specifications.pdf | Annex 1 | Which shock should be applied to the following assets' classes:<br>- Infrastructures' bonds?<br>- Private debts?<br>- Leverage loans? | For infrastructure investments, first of all, IORPs should establish whether the infrastructure investments constitute bonds/loans or equity investments. Infrastructure bonds or loans should be stressed using the relevant corporate bond stresses. IORPs should apply the relevant listed equity stress or unlisted private equity stress to infrastructure equity investments, depending on whether the infrastructure investment is listed on a public exchange or not.<br><br>Private debt/leveraged loans should be classified as:<br>- 'collateralised securities' if exposure is achieved through securities whose value and payments are a function of a portfolio of underlying private debt/leveraged loans, like Collateralised Loan Obligations (CLOs); or<br>- 'loans' in case of direct exposures or exposures through investment funds or other indirect exposures to which a look-through approach can be applied.<br>In line with paragraphs 4.26/5.18 of the stress test specifications, in both cases the stresses for residential mortgage backed securities (RMBS) should be applied. In case exposures have a non-investment grade credit rating or are unrated, the RMBS stress for a BBB-rated exposure should be applied, being the lowest rating for which an RMBS stress is available. |
| 26 | 22/ 05/2019 | | | For the look-through process, is there a minimal threshold allowed of residual investments funds ? | There is not a minimal threshold. The requirement is to 'look through' all investment funds to an appropriate level of granularity. Please see further guidance in Annex 3 of the Stress Test Specifications. |
| 27 | 22/ 05/2019 | Stress test specifications | 5.10 and Annex 1 | In which category should we classify infrastructure investments and which shock should be applied? | Infrastructure should first be classified as an equity or bond investment. If it classifies as equity, it should then be classified as listed or non listed, and finally as one of the subcategories of either listed or unlisted equity. If it classifies as a bond, a similar approach should be applied.<br><br>As for the stress factors, these should follow the stress factors for respectively equity or bonds. Specifically the unlisted equity shock (private equity) is given in Annex 1 and is equal to 32% (and should be applied if the specific infrastucture investment classifies as unlisted equity). |

| 28 | 22/ 05/2019 | ST Specifications | Par.3.6 (page 13) NACE Taxonomy | According this paragraph, we realize that we should proceed to categorization of corporate bonds' issuers, as per GICS taxonomy. Is this correct or false? | This is not correct. The investments should be categorised in line with the issuer's (main) business activity according to NACE. (See also answer to question 3). The reconciliation from GICS codes to NACE (see Annex 5 of the stress test specifications) has been added to provide for a simplification (please take note of the disclaimer). |
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| 29 | 22/ 05/2019 | DC Reporting Template Index/QQ_Questionnaire_HA | | Cells D79, D80 and D81 are incorrectly linked to sheet Baseline & Adverse Scenario. Should IORPs correct it themselves by editing formulae in cells, or do you publish new correct version of template on the EIOPA website? | These are mistakes. The DC template will be corrected and published on EIOPA's website shortly. |

Annex

| # List 1: euro area countries | # List 2: EEA countries | # List 3: EEA countries (excluding euro area) | # List 4: Other advanced economies | # List 5: Emerging countries |
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| 1 Austria | 1 Austria | 1 Bulgaria | 1 Japan | All countries excluding those of list 1, 2, 3, 4 and the United States. |
| 2 Belgium | 2 Belgium | 2 Czech republic | 2 Canada | |
| 3 Cyprus | 3 Bulgaria | 3 Denmark | 3 Australia | |
| 4 Estonia | 4 Cyprus | 4 Croatia | 4 Hong Kong SAR | |
| 5 Finland | 5 Czech republic | 5 Hungary | 5 Israel | |
| 6 France | 6 Germany | 6 Iceland | 6 Korea | |
| 7 Germany | 7 Denmark | 7 Liechtenstein | 7 Macao SAR | |
| 8 Greece | 8 Estonia | 8 Norway | 8 Korea | |
| 9 Ireland | 9 Spain | 9 Poland | 9 Singapore | |
| 10 Italy | 10 Finland | 10 Romania | 10 Switzerland | |
| 11 Latvia | 11 France | 11 Sweden | 11 New Zealand | |
| 12 Lithuania | 12 Greece | 12 United Kingdom | 12 Puerto Rico | |
| 13 Luxembourg | 13 Croatia | | 13 San Marino | |
| 14 Malta | 14 Hungary | | 14 Taiwan (province of China) | |
| 15 Netherlands | 15 Ireland | | | |
| 16 Portugal | 16 Iceland | | | |
| 17 Slovakia | 17 Italy | | Based on the clasification of the IMF | |
| 18 Slovenia | 18 Liechtenstein | | https://www.imf.org/en/Publications/WEO, | |
| 19 Spain | 19 Lithuania | | Full report - page 132 | |
| | 20 Luxembourg | | | |
| | 21 Latvia | | | |
| | 22 Malta | | | |
| | 23 Netherlands | | | |
| | 24 Norway | | | |
| | 25 Poland | | | |
| | 26 Portugal | | | |
| | 27 Romania | | | |
| | 28 Sweden | | | |
| | 29 Slovenia | | | |
| | 30 Slovakia | | | |
| | 31 United Kingdom | | | |