Quarterly Test

NBB Stress Tests

Cover Test	Scenario	Inflows	Outflows	Total
Stresstest 1	Interest Rate Increase + 200	15,355,887,476	11,745,141,215	3,610,746,260
Stresstest 2	Interest Rate Decrease - 200	14,804,081,355	11,745,141,215	3,058,940,140
Stresstest 3	Prepayment (CPR =10 %)	14,300,025,014	11,745,141,215	2,554,883,799
Stresstest 4	Prepayment (CPR =20 %)	13,901,287,852	11,745,141,215	2,156,146,636
Stresstest 5	Prepayment (CPR =30 %)	13,679,956,943	11,745,141,215	1,934,815,727
Stresstest 6	Prepayment (CPR =40 %)	13,541,974,110	11,745,141,215	1,796,832,894
Stresstest 7	Property Value Decline -10%	15,064,752,131	11,745,141,215	3,319,610,915
Stresstest 8	Property Value Decline -20%	14,891,095,881	11,745,141,215	3,145,954,665
Stresstest 9	Property Value Decline -20% + Additional Loss 1 %	14,771,011,846	11,745,141,215	3,025,870,631

Cover Test	Scenario	Value Cover Assets (Art. 6 RD)	Value Primary Cover Assets (Art. 6 RD)	Nominal Value covered bonds	Loan Cover Test (Min.85%)	Total Asset Cover Test (Min.105%)
Stresstest 1	Interest Rate Increase + 200	12,988,106,914	12,261,145,841	11500000000	106.62%	112.94%
Stresstest 2	Interest Rate Decrease - 200	12,988,106,914	12,261,145,841	11500000000	106.62%	112.94%
Stresstest 3	Prepayment (CPR =10 %)	12,988,106,914	12,261,145,841	11500000000	106.62%	112.94%
Stresstest 4	Prepayment (CPR =20 %)	12,988,106,914	12,261,145,841	11500000000	106.62%	112.94%
Stresstest 5	Prepayment (CPR =30 %)	12,988,106,914	12,261,145,841	11500000000	106.62%	112.94%
Stresstest 6	Prepayment (CPR =40 %)	12,988,106,914	12,261,145,841	11500000000	106.62%	112.94%
Stresstest 7	Property Value Decline -10%	12,909,020,773	12,182,059,699	11500000000	105.93%	112.25%
Stresstest 8	Property Value Decline -20%	12,735,364,523	12,008,403,449	11500000000	104.42%	110.74%
Stresstest 9	Property Value Decline -20% + Additional Loss 1 %	12,615,280,488	11,888,319,414	11,500,000,000	103.38%	109.70%

Liquidity Test	Scenario	Inflows	Outflows	Total
Stresstest 1	Interest Rate Increase + 200	1,484,715,471	43,591,396	1,441,124,075
Stresstest 2	Interest Rate Decrease - 200	1,453,758,522	43,591,396	1,410,167,125
Stresstest 3	Prepayment (CPR =10 %)	1,468,821,854	43,591,396	1,425,230,458
Stresstest 4	Prepayment (CPR =20 %)	1,464,991,745	43,591,396	1,421,400,349
Stresstest 5	Prepayment (CPR =30 %)	1,461,294,933	43,591,396	1,417,703,536
Stresstest 6	Prepayment (CPR =40 %)	1,457,726,248	43,591,396	1,414,134,852
Stresstest 7	Property Value Decline -10%	1,472,790,652	43,591,396	1,429,199,256
Stresstest 8	Property Value Decline -20%	1,472,790,652	43,591,396	1,429,199,256
Stresstest 9	Property Value Decline -20% + Additional Loss 1 %	1,472,790,652	43,591,396	1,429,199,256

CPR Stress Graph

Stress CPR on CB Value

Legend:
- Outstanding Residential Mortgage Loans (0% CPR)
- Stress Royal Value (0% CPR)
- Stress Royal Value (-Factor1- % CPR)
- Stress Royal Value (-Factor2- % CPR)
- Stress Royal Value (-Factor3- % CPR)
- Stress Royal Value (-Factor4- % CPR)
- Covered bonds (until maturity date)
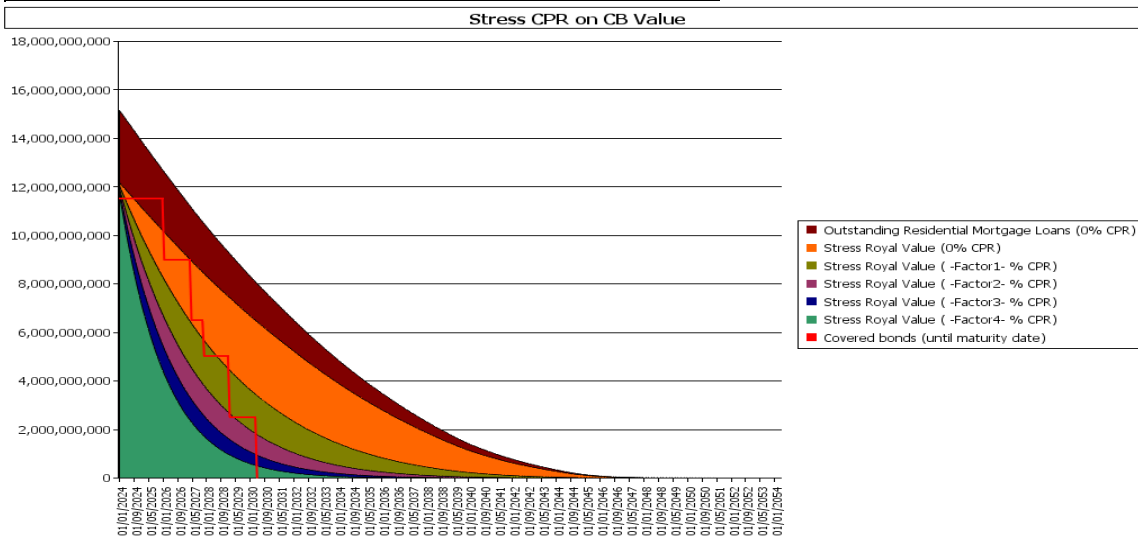
Description Stress Tests

Factor	1	2	3	4
CPR %	10	20	30	40

Stress Test 1 Interest Rate Increase 200 basispoints:
this test will increase the interest income for all variable rate loans and will increase interest costs on covered bonds with variable rate. Loans and covered bonds that are fixed rate are not impacted.

Stress Test 2 Interest Rate Decrease 200 basispoints:
this test will decrease the interest income for all variable rate loans and will decrease interest costs on covered bonds with variable rate. Loans and covered bonds that are fixed rate are not impacted.

Stress Test 3 to 6 CPR of XX%: this test will assume a CPR rate of XX%:
Because repayments on cover assets are also part of the cover pool in the category of the repaid cover asset (Royal Decree art. 3 §2), the effect of this stress test is limited to loss of interest income on the prepaid part of the loan. The levels of CPR are linked to the internal CPR model of the Bank. As long as this model indicates a level below 10%, the stress test will use the stress levels 10% to 40% in steps of 10%. In case the model increases its estimation above 10%, the stress test will use increased levels, starting at the nearest round-up of 5%.

Stress test 7 and 8 Property Value Decline of XX%:
this stress test will assume a general decline in property prices of XX%. This will have an effect on the value calculation (Royal Decree art. 6) of loans where the property price is the determining factor or of loans for which the property price becomes the determining factor after the applied decrease. House price decreases of 10% and 20% will be applied until internal risk models increase their levels, after which these stress tests will increase with the same rate.

Stress Test 9 Property Value Decline + Additional Loss:
in addition to the stress tests 7 and 8, this stress test will take the highest property value decline and will add an additional 1% loss rate. The 1% level will be maintained as long as internal risk models indicate that the additional loss under the combined stress of 20% property value decline and additional 5% foreclosure rate, remains below 1%. In case the additional loss increases above 1%, the stress test will use the nearest round-up of 0.1%.