

CREDITPLUS BANK AG  
BMR: CONTINGENCY PLAN  
OCTOBER 2021

Context:

The Benchmark Regulation (BMR) is the **Regulation (EU) 2016/1011** on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, entered into force in June 2016. The EU Benchmarks Regulation (BMR) was introduced due to concerns about the accuracy and integrity of indices used as benchmarks in financial markets, following the LIBOR scandal. The Benchmarks Regulation aims to restore confidence in financial benchmarks by laying down a regulatory framework at European Union level covering the provision, contribution and use of benchmarks in order to minimize conflicts of interest in benchmark-setting processes and to ensure that Benchmarks are robust and reliable.

Definitions:

The Benchmarks Regulation (BMR) defines a benchmark as any index

"by reference to which the amount payable under a financial instrument or a financial contract, or the value of a financial instrument, is determined, or an index that is used to measure the performance of an investment fund with the purpose of tracking the return of such index or of defining the asset allocation of a portfolio or of computing the performance fees".

Regulatory Requirements

The Benchmark Regulation (BMR) imposes requirements on **benchmark administrators**, **supervised contributors** and **benchmark users**

As a **benchmark user** Creditplus Bank AG has to comply with Article 28(2) – *Changes to and cessation of a benchmark* and Article 29 – *use of a benchmark* and has to establish written contingency plans setting out the actions that have to be taken in the event that a benchmark:

- materially changes (e.g. implementation of a new methodology resulting to significant changes)
- or ceases to be provided

## Action Plan

These contingency plans are primarily designed to cover:

- The sudden and unexpected occurrence of a benchmark event.
- The scheduled cease of a benchmark (for example: with the disappearance of LIBORs)

These plans aimed to describe how Creditplus Bank AG is monitoring potential Benchmark fallback events and the procedures to be followed in case such an event occurs. They cover following actions:

- **Cartography and KPI'S** : detailed inventory of positions/exposures, activities, customers and contracts to determine the impacts (IT, legal, commercial, financial, etc.) of such an event,
- **Risk assessment**: evaluation of risks including financial risks,
- **Transition Plan**: description of actions to be carried out by the actors or managers concerned by the benchmark issue
- **Communication**: internal/external communication informing about the event, raising awareness about the selected index and mobilizing on the operational stages of the transition
- **Processes**: activation of operational and IT procedures
- **Documentation**: analysis of the existing documentation and products in accordance with the fallback clause included in the contract,
- **Agreement with the customer**: Creditplus Bank AG contacts the customer in order to agree on an alternative.

Creditplus Bank AG maintains and internally updates sufficiently detailed and robust written contingency plans.

This publication and the internal plans may also be updated without prior notice and especially in the event that the regulation is amended or in any other case where adjustments need to be considered.