\*\*Major changes in detail in points on every key of the new\_file when compared to the old\_file not in table format\*\*

\*\*Introduction and Purpose\*\*

\* The old file only mentions that banks are required to have a process for assessing their overall capital adequacy in relation to their risk profile and a strategy for maintaining their capital levels.

\* The new file adds that banks must have a robust risk management framework, including a clear definition of risk appetite and a methodology for assessing and monitoring risks.

\* The new file also adds that banks must have a comprehensive assessment of risks, including credit risk, operational risk, market risk, liquidity risk and other risks.

\* The new file also adds that banks must have an effective management information system (MIS) and internal control processes.

\* The new file also adds that banks must be able to demonstrate that the decided minimum capital levels are well founded and consistent with their overall risk profile and current operating environment.

\* The new file also adds that banks must have a clear strategy for maintaining their capital levels and must be able to demonstrate that they can withstand a range of severe but plausible market shocks.

\*\*ICAAP Executive Summary\*\*

\* The old file does not mention the ICAAP Executive Summary.

\* The new file adds that the ICAAP Executive Summary should include the main findings of the ICAAP, a brief description of the ICAAP governance framework, a brief presentation of the bank's structure, subsidiaries, businesses, material risks, risk appetite, and risk mitigating actions, where applicable.

\* The new file also adds that the ICAAP Executive Summary should include a description of the current capital position of the bank showing the allocation of capital per risk type, covering Pillar 1 and Pillar 2 risks.

\* The new file also adds that the ICAAP Executive Summary should include a description of the current capital composition of the bank against minimum capital requirements covering at least CET1, AT1, and Tier 2 capital ratios.

\* The new file also adds that the ICAAP Executive Summary should include a forward-looking analysis of the budgeted capital position of the bank, based on the bank's expected business plan over the next three (3) years, reflecting the current, and expected economic conditions. This needs to cover expected dividend distribution.

\* The new file also adds that the ICAAP Executive Summary should include an analysis of the capital position and capital ratios under several stress scenarios, the analysis of the stress scenarios should include the intended risk mitigation actions.

\* The new file also adds that the ICAAP Executive Summary should include an assessment of the adequacy of the bank's risk management processes including critical judgment on the areas that need improvement.

\* The new file also adds that the ICAAP Executive Summary should include a conclusion of the ICAAP addressing the suitability of the capital to cover the bank's current and expected risks.

\*\*ICAAP Governance\*\*

\* The old file does not mention the ICAAP Governance.

\* The new file adds that the Board has ultimate ownership and responsibility of the ICAAP. It is required to approve an ICAAP on a yearly basis.

\* The new file also adds that the Board is also expected to approve the ICAAP governance framework with a clear and transparent assignment of responsibilities, adhering to the segregation of functions.

\* The new file also adds that the policy framework should be approved by the Board. Senior Management has to implement the framework via effective procedures and systems. The framework must include measures reflected in the ICAAP report applied in day-to-day business and supported by suitable MIS at appropriate frequencies.

\*\*ICAAP Methodology, Scope and Use Test\*\*

\* The old file does not mention the ICAAP Methodology, Scope and Use Test.

\* The new file adds that the ICAAP is an ongoing process.

\* The new file also adds that the ICAAP supplements the Pillar 1 minimum regulatory capital requirements by (i) identifying risks that are not addressed or not fully addressed through Pillar 1 regulations, referred to as Pillar 2 risks, and (ii) determining a level of capital commensurate with the level of risk.

\* The new file also adds that the Central Bank requires each bank to adopt a Pillar 1 plus approach. According to this, the bank's total capital requirements include the minimum Pillar 1 regulatory capital requirements, plus the capital required to cover Pillar 2 risks. As a result, the ICAAP should result in additional capital requirements specific to each bank's business model.

\* The new file also adds that the frequency of reporting to the Board is expected to be at least quarterly, but, depending on the size, complexity, business model, risk types of the institution, and the market environment, reporting might need to be more frequent to ensure timely management actions.

\* The new file also adds that the ICAAP should be supported by robust methodologies and data.