

Model validation memo — ILAAP Behavioural Assumption Set 2026

Funding and liquidity — ILAAP outflow assumptions

ICAAP / ILAAP assumption review

MODEL

ILAAP Behavioural Assumption Set 2026

ENGAGEMENT

Sample — ILAAP funding assumption review

PREPARED

2026-10-07

PREPARED BY

AlphaIQ CertifyIQ, computed by the product

RECOMMENDATION



May be relied upon, with conditions

12 sections · 6 traced figures · 2 finding(s) · 4 test(s) named as not performed

SYNTHETIC SAMPLE

Every figure in this report was computed by CertifyIQ from a synthetic book — Funding by counterparty class, assumed outflow and rollover rates against realised behaviour. No real institution, model or customer is described. The book is `funding-book.csv`; how it was generated, and the defects planted in it, are documented in `funding-book-dgp.json`.

AT A GLANCE · SYNTHETIC SAMPLE

ILAAP Behavioural Assumption Set 2026

Funding and liquidity — ILAAP outflow assumptions · ICAAP / ILAAP assumption review

May be relied upon, with conditions

2 material finding(s) require remediation or an accepted compensating control before unqualified reliance. Each is listed in section 9 with the evidence that produced it.

12

SECTIONS

6

TRACED
FIGURES

2

MATERIAL

0

NOTABLE

0

OBSERVATIONS

4

NOT
PERFORMED

Supervisory frame: this memo is built to "ICAAP / ILAAP Supervisory Review", published under EU · CSSF / SSM. No supervisory frame is declared for this engagement, so the frame above was chosen by the model's family rather than by its supervisor. That is not a statement that the two agree: nobody has recorded who supervises this model, and a reader in another jurisdiction should treat the section structure, the citations and the recommendation vocabulary as EU's.

Evidence manifest: none sealed. The documents behind each figure are named where the figure is; the set of documents on record when this memo was written has not been attested by anyone, so it cannot be cited here.

How to read this sample. Every number below was computed by CertifyIQ from a synthetic book (funding-book.csv), through the same resolver, metric pack and report builder a signed-in engagement uses. Each figure carries its own trace — where it came from and what it was judged against. Tests that could not be performed are named with the reason, never left out. Where no threshold was declared, a metric is reported but not judged, because this report does not invent an institution's tolerances.

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1 Purpose and scope

This memo reports an independent review of ILAAP Behavioural Assumption Set 2026 against the funding metric pack, over 72 observed class-month(s) across 3 counterparty class(es), over 24 month(s) from 2024-07-01 to 2026-06-01.

WHAT IS UNDER TEST IS THE INSTITUTION'S OWN ASSUMPTIONS, and there is no alternative to that here. This pack ships no threshold: the circular governing internal liquidity adequacy assessment sets process, governance and documentation obligations and publishes no ratio, limit or tolerance. So every figure below is measured

against a number AlphaQ sample engagement declared in Sample ILAAP, section 4.2 on 2026-04-22, and the memo names whose claim each bar is.

AN ASSUMPTION HAS NO MEANING APART FROM THE SCENARIO IT IS AN ASSUMPTION UNDER, so the declaration names one: "Combined idiosyncratic and market-wide stress, 30 days". The assumed rates under that scenario cover 3 counterparty class(es) — financial-institution, non-financial-corporate, retail — and a book carrying a class the declaration does not cover is refused at import rather than measured against another class's rate.

2 Model description and provenance

The estimates under review are the behavioural inputs an internal liquidity adequacy assessment rests on: the share of each class of funding assumed to leave under stress, the share of maturing wholesale funding assumed to renew, and the concentration the institution accepts in its funding base. Each is estimated, each is revised infrequently, and each is capable of being wrong in a way a number shows.

The declared assumptions. financial-institution: 9.00% assumed monthly outflow, 80% assumed rollover; non-financial-corporate: 5.00% assumed monthly outflow, 70% assumed rollover; retail: 3.00% assumed monthly outflow, 50% assumed rollover. Concentration limit 25.0% of the funding base.

Evidence: "Funding counterparty-class book — synthetic", AlphaQ synthetic funding book (funding-book-dgp.json). Content hash ea493e557d9b989a9738883ba3e092b53077d655a316e8fe2f8f247b5184150a. Every figure in this memo derived from realised data is computed on this file and no other; re-running the validation against a file with a different hash produces a different memo.

3 Independent replication

NO REPLICA WAS BUILT AND NONE WAS EXECUTED, and for this family that sentence needs unpacking, because what an institution would most like replicated here is not a model at all.

The assumptions under review are rates, not models with coefficients: an institution states that retail deposits run off at a given rate under a named scenario, and this review measures that statement against what happened. There is nothing to replicate, only something to test — which is a stronger position rather than a weaker one, because a rate tested against realised behaviour needs no replica to be challenged.

WHAT IS NOT REPLICATED, and a reader should not conclude otherwise: the liquidity coverage ratio and the net stable funding ratio computed FROM these assumptions have not been independently reproduced, and this platform declines to compute them at all. They are prescribed calculations — the regulation publishes the haircuts, the outflow rates and the stable-funding factors — so a second line's opinion on one is an opinion about classification and data lineage rather than about a model. The reasoning is recorded in full where a user meets it.

4 Data and evidence reviewed

72 observed class-month(s) across 3 counterparty class(es), over 24 month(s) from 2024-07-01 to 2026-06-01. 72 row(s) were read and 0 dropped.

A row is kept when it carries a counterparty class, a month this parser can read, a positive opening balance, an outflow, a maturing amount, a rolled amount and a largest-depositor share in [0, 1]. A row missing any of those is DROPPED WITH ITS REASON rather than defaulted: an assumed rate compared against a defaulted realised one is a comparison of this platform's arithmetic with itself.

A CLASS THE DECLARATION DOES NOT COVER IS NOT DROPPED — the whole book is refused. An institution that has not declared an assumption for a class has not made a testable claim about it, and measuring those balances against another class's rate would invent the claim this memo then reports on.

5 Conceptual soundness

For a set of liquidity assumptions, conceptual soundness is whether the funding base they describe is the funding base the institution actually has. This section reports concentration, which is the property that most often invalidates an otherwise reasonable outflow assumption: a rate estimated across many depositors does not describe a book where one of them holds a quarter of it.

Worst month 2024-12-01 at 22.68%, against a declared limit of 25.0%. 0 of 24 observed month(s) exceeded the limit.

THE WORST MONTH AND NOT THE AVERAGE, because a limit is a limit: a mean that sits inside it while several months breached it answers a question nobody asked.

Largest single-depositor share, worst observed month

MEASURED 22.68%

Largest single-depositor share, worst observed month: 22.68% measured on 72 observed class-months carrying 72 months carrying a realised outflow. Benchmark source: Declared by AlphaIQ sample engagement in Sample ILAAP, section 4.2, 2026-04-22, under the scenario "Combined idiosyncratic and market-wide stress, 30 days".

Declared concentration limit

MEASURED 25.00%

Declared concentration limit: 25.00% measured on 72 observed class-months carrying 72 months carrying a realised outflow. Benchmark source: Declared by AlphaIQ sample engagement in Sample ILAAP, section 4.2, 2026-04-22, under the scenario "Combined idiosyncratic and market-wide stress, 30 days".

6 Outcomes analysis

Outcomes analysis for this family asks one question of each assumption: did what the institution assumed match what happened.

Balance-weighted across classes over 72 class-month(s): realised 6.97% against an assumed 6.89%, a signed error of 0.08 percentage points.

THE SIGN IS REPORTED because the two directions are different problems. A realised outflow ABOVE the assumption means the stress assumption was too mild and the buffer sized from it is too small. One BELOW it means liquidity is being held against behaviour that did not happen. Which of those is the finding is the institution's judgement; that both are errors is this review's.

AND THE POOLED FIGURE ABOVE SHOULD BE READ WITH SECTION 8, not instead of it. Classes that miss in opposite directions cancel here, so a pooled error inside tolerance is not on its own evidence that the assumptions held.

Rollover is measured over the MATURING AMOUNTS ONLY: realised 67.5% against an assumed 78.7%. Funding that never came up for renewal contributes nothing to this figure, because it tested nothing.

Outflow rate, realised**MEASURED 6.97%**

Outflow rate, realised: 6.97% measured on 72 observed class-months carrying 72 months carrying a realised outflow.

Benchmark source: Declared by AlphaIQ sample engagement in Sample ILAAP, section 4.2, 2026-04-22, under the scenario "Combined idiosyncratic and market-wide stress, 30 days".

Outflow rate, assumed**MEASURED 6.89%**

Outflow rate, assumed: 6.89% measured on 72 observed class-months carrying 72 months carrying a realised outflow.

Benchmark source: Declared by AlphaIQ sample engagement in Sample ILAAP, section 4.2, 2026-04-22, under the scenario "Combined idiosyncratic and market-wide stress, 30 days".

Rollover rate, realised**MEASURED 67.50%**

Rollover rate, realised: 67.50% measured on 72 observed class-months carrying 72 months carrying a realised outflow.

Benchmark source: Declared by AlphaIQ sample engagement in Sample ILAAP, section 4.2, 2026-04-22, under the scenario "Combined idiosyncratic and market-wide stress, 30 days".

MATERIAL funding-rollover Less maturing funding rolled over than the institution assumed

Of the funding that matured in the observed window, 67.5% was renewed against an assumed 78.7%. A rollover assumption set too high understates the refinancing need in every stress horizon computed from it.

Evidence to re-run: Over the maturing amounts only, content hash ea493e557d9b.

7 Scenario and stress testing

NO SCENARIO WAS PROJECTED BY THIS REVIEW. The assumptions tested above are the institution's own, under its own declared scenario — "Combined idiosyncratic and market-wide stress, 30 days" — and what this review establishes is whether those assumptions describe the observed book, not what would happen under a scenario nobody has observed.

That distinction is the value rather than a limitation. A stress projection rests on its assumptions, so a projection reviewed without testing its inputs reviews the arithmetic and not the risk. This review tests the inputs.

The design and severity of the scenario itself is a governance obligation rather than a figure, and is named in section 11 with the record that establishes it.

NOT PERFORMED — AND WHY**Whether the declared stress scenario is severe enough**

A judgement about plausibility under conditions that have not occurred, which no book of realised behaviour can settle. The scenario's design, its severity rationale and its approval are records this review reads rather than figures it computes.

8 Ongoing monitoring

Ongoing monitoring asks whether the assumptions still hold, and for which parts of the funding base.

Worst: retail at 1.41%. Best: non-financial-corporate at 0.12%. Across 3 class(es).

THIS ROW EXISTS BECAUSE THE POOLED FIGURE IN SECTION 6 CAN PASS WHILE THE ASSUMPTIONS FAIL. Classes that miss in opposite directions cancel when balance-weighted, so an institution can read an aggregate

error inside tolerance while one class runs off half again as fast as assumed. Where the two rows disagree, this one is the finding.

Outflow -error spread across counterparty classes

MEASURED 1.29%

Outflow -error spread across counterparty classes: 1.29% measured on 72 observed class-months carrying 72 months carrying a realised outflow. Benchmark source: Declared by AlphaIQ sample engagement in Sample ILAAP, section 4.2, 2026-04-22, under the scenario "Combined idiosyncratic and market-wide stress, 30 days".

MATERIAL funding-class-spread The retail assumption is wrong by far more than the pooled figure suggests

Outflow error differs by 1.29 percentage points between the best and worst counterparty class. A set of assumptions whose aggregate lands on target because one class overshoots and another undershoots is not a set of assumptions that worked, and the buffer is sized per class.

Evidence to re-run: Per-class outflow over 72 class-month(s), content hash ea493e557d9b.

9 Findings

2 finding(s) were raised, 2 of them material. Each carries the evidence a reviewer would re-run to check it.

Against the findings register: 2 finding(s) open, 2 at grade 1, 2 carrying a grade the engine PROPOSED and nobody has owned, 2 newly raised. Oldest open finding is 0 day(s) old.

MATERIAL funding-class-spread The retail assumption is wrong by far more than the pooled figure suggests

Outflow error differs by 1.29 percentage points between the best and worst counterparty class. A set of assumptions whose aggregate lands on target because one class overshoots and another undershoots is not a set of assumptions that worked, and the buffer is sized per class.

Evidence to re-run: Per-class outflow over 72 class-month(s), content hash ea493e557d9b.

MATERIAL funding-rollover Less maturing funding rolled over than the institution assumed

Of the funding that matured in the observed window, 67.5% was renewed against an assumed 78.7%. A rollover assumption set too high understates the refinancing need in every stress horizon computed from it.

Evidence to re-run: Over the maturing amounts only, content hash ea493e557d9b.

10 Third-party dependencies and residual risk

No third-party dependency is declared for this engagement. The assumptions under review are the institution's own, estimated from its own funding history, and the pack reads only the book the institution supplied.

Where an institution's outflow or rollover assumptions are taken from a vendor's calibration or from a peer benchmark, that is a dependency and it belongs on this page: the assumptions would then be somebody else's estimates carried on this institution's balance sheet, and the review would need to say who is accountable for revising them when the book diverges.

11 Limitations and tests not performed

Every check a reviewer might expect of this family and this pack does not perform is named here with its reason, so that what WAS performed means something.

THE PACK SHIPS NO THRESHOLD, which is the single most important limitation and is a property of the framework rather than of this platform: the circular governing internal liquidity adequacy assessment sets process, governance and documentation obligations and publishes no ratio, limit or tolerance. Each figure above is therefore judged against a number the institution declared, or is reported and not judged at all.

NOT PERFORMED — AND WHY

The liquidity coverage ratio and the net stable funding ratio

DECLINED BY NAME AND NOT MERELY UNBUILT, which is a different statement and the one a reader needs. Both are prescribed calculations: the regulation itself publishes the haircuts applied to liquid assets, the outflow rates applied to each class of liability, and the stable-funding factors. Nothing in either is estimated, so nothing in either can be wrong in a way a metric would show. What CAN be wrong is how an instrument was classified, and that is a controls question. The reasoning is shown to a user beside the model family picker, with the condition that would reverse it

Intraday liquidity

A funding book carries month-end and month-flow quantities. Intraday liquidity is a question about timing WITHIN a day — peak usage, settlement throughput, the moment a payment could not have been made — and no monthly book can answer it however it is read. A second evidence shape and a different declaration, not a computation added to this one

Whether the liquidity buffer is composed of assets that would actually be liquid

This pack reads the LIABILITY side: what ran off and what rolled. The composition and encumbrance of the buffer held against it is the asset side, and a pack that reported on one while silent about the other would read as covering liquidity risk. Named here so the half that is absent is visible

Appendix A Reproducibility

Engine funding-metrics/1.0.0, metric pack "funding", thresholds from AlphaIQ ILAAP assumption pack — NO threshold is shipped. Every row reads a rate or a limit the institution declares, because the governing circular publishes process obligations and no numbers.

The funding book is stored as supplied and content-hashed over its raw bytes; it is re-hashed on every read and a disagreement refuses the run rather than repairing it. The declaration is stored beside it and validated on resolution with the same function the parser uses, so a book cannot be measured against a tolerance the parser would have refused.

Every figure in this memo is a pure function of the stored book and the stored declaration. No model was executed, no replica was built and no random draw was made, so a rerun over the same two artefacts reproduces this document exactly.



AlphaIQ CertifyIQ — independent validation of models and the decisions they drive. This sample was produced by the product itself; nothing in it was written by hand.

Memo content hash 79ebd982ca9ba647f5585580ad71e2a330ee39a317007b5d61dbde9860ece64c

This document is a recommendation, not a certification. A certificate is issued only on attested evidence, which a synthetic sample does not have.