

Q 1.1 A reintroduction of recycling would make it coherent to integrate realized gains and losses into the main P&L. This would help long term investors to harvest the appreciation of the assets they have invested into.

Q 2.1 Yes, we think that recycling should be accompanied by an impairment model. However, we favor one that is aligned to the expected loss model for fixed income assets. As a trigger event one should look whether there is a dividend cut. If this is the case, the equity instrument should be impaired to its market value. Otherwise it should be impaired progressively aligned to the expected holding period. See paper attached.

Q 3.1 If carrying amounts are permitted for equity instruments, market values should be shown next to them. If the market value is below, the expected holding period should be précised.

Q 3.2 If impairments are retaken this should be made clear to which instruments this relates in the notes.

Q 4.1 A robust impairment model for equities should exclude natural volatility due to changes in liquidity on financial markets.

Q 4.2. None. An impairment model that triggers as soon as the market value falls below the carrying amount nor the old IAS 39 impairment triggers help long term investors as they fear natural market volatility.

Q 4.3 See answer Q 2.1

Q 5.1 No. See answer Q 2.1

Q 5.2 non applicable

Q 6.1 The same way as when the impairment was made in order to be coherent.

Q 6.2 The limited reversal approach in order to see whether the recovery is sustainable.