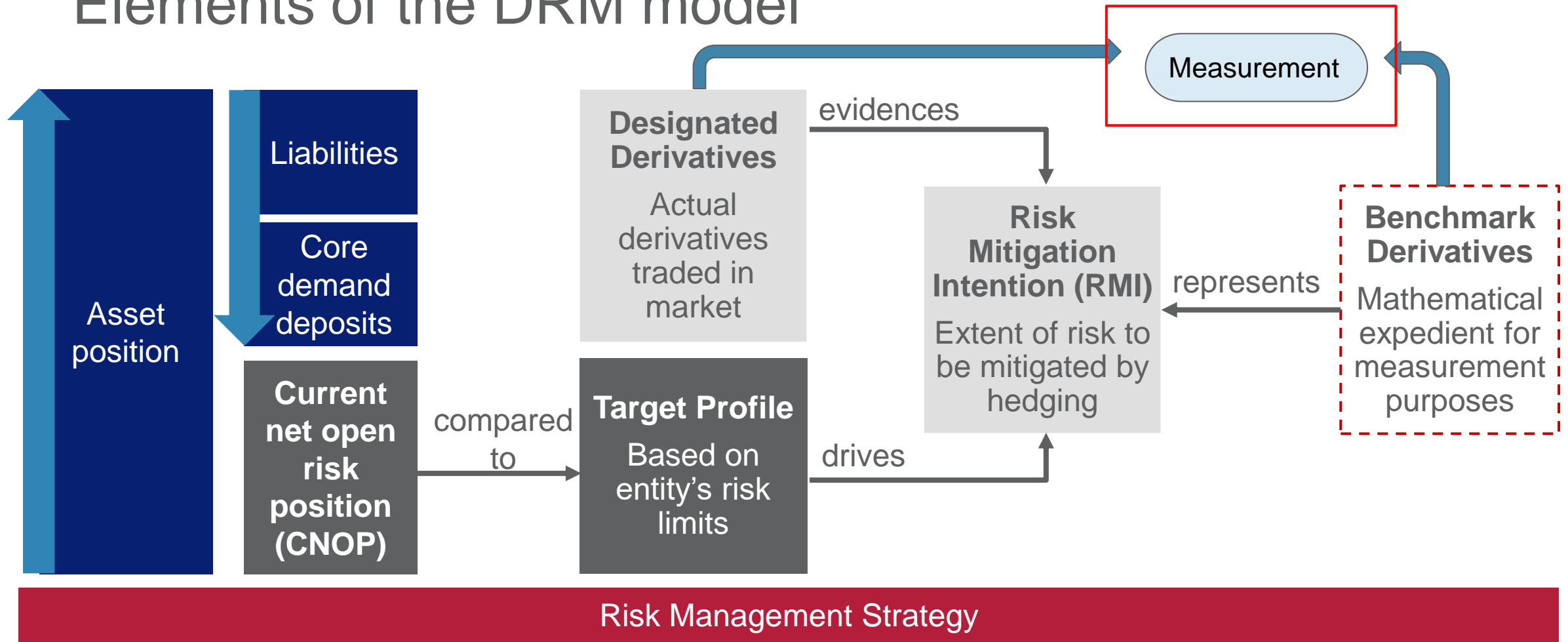
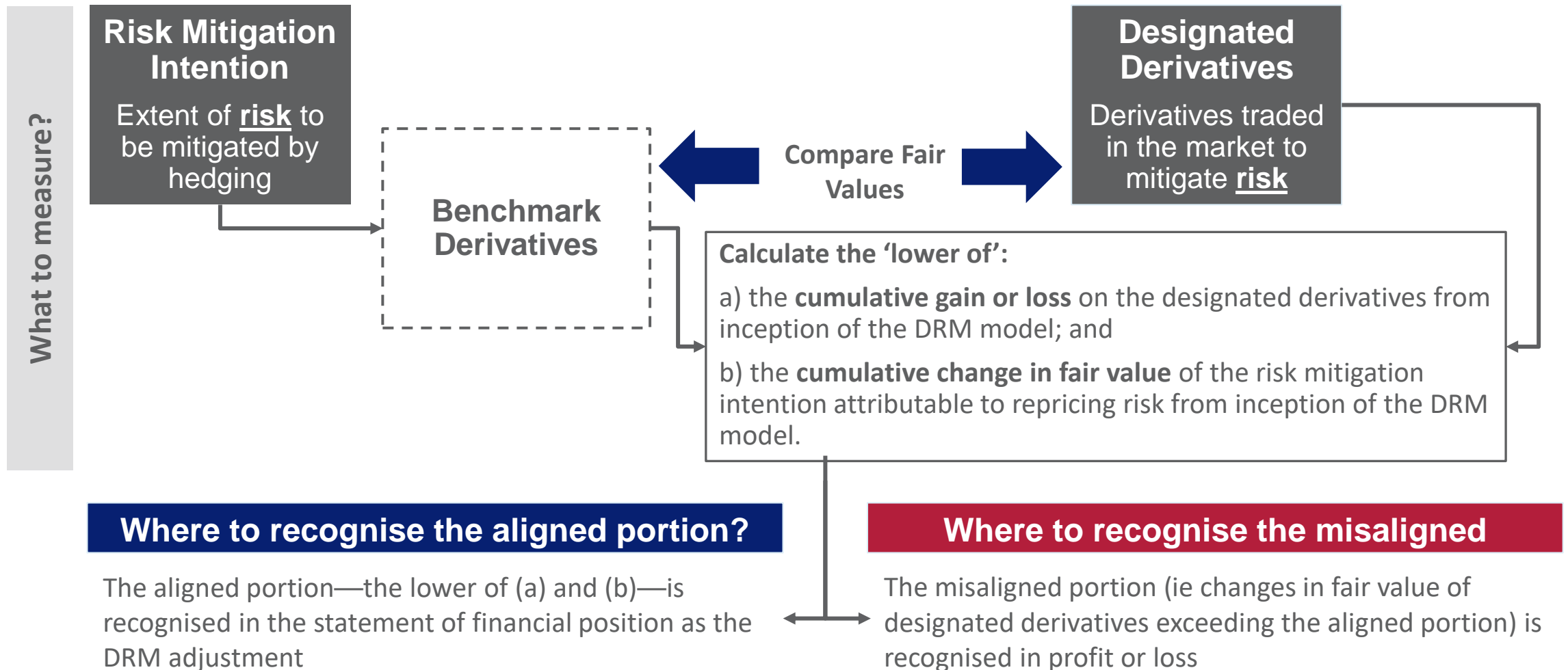

Dynamic Risk Management Webcast

Measurement of the DRM adjustment

Elements of the DRM model



Mechanics of the DRM Model—Measurement



The DRM adjustment



Question

- What were the key factors the IASB considered to reach this tentative decision?
- How does this change improve the DRM model?

Response

- The IASB focussed on how to reflect the economic phenomenon
- Successful derivatives achieve ‘protection’ in the form of reduced variability
- The departure from the Conceptual Framework is justified to provide more useful information

