Appendix I. FSAP Solvency Stress Tests since FY2010: STeM for S-25 and Other G-20 Countries

	1 United States	2 Indonesia	3 China	4 Luxembourg	5 Netherlands	6 Germany	7 United Kingdom	8 Turkey	9 Russia
Timing of FSAP	FY 2010	FY2010	FY2011	FY2011	FY2011	FY2011	FY2011	FY2011	FY2011
Stress Testing Framework									
1. Scope									
Approach									
Bottom-up	*• No.*	*• Bottom-up (BU) by banks, in collaboration with authorities and IMF.*	*• BU by banks in collaboration with authorities and IMF.*	*• No.*	*• No.*	*• No.*	*• BU by banks in collaboration with authorities and IMF.*	*• BU by banks in collaboration with authorities and IMF.*	*• BU by banks, in collaboration with authorities and IMF.*
Top-down	*• 3 top-down (TD) tests by IMF.*	*• TD by IMF in collaboration with authorities.*	*• TD by authorities.* *• TD by IMF.*	*• TD by authorities.*	*• TD by IMF in collaboration with authorities.*	*• TD by IMF in collaboration with authorities.* *• TD by IMF.*	*• TD by authorities.* *• TD by IMF.*	*• TD by IMF in collaboration with authorities.*	*• TD by authorities.*
Coverage									
Institutions	*• 54 bank holding companies (BHCs) using balance sheet (B/S) approach.* *• 36 BHCs using the Consistent Information Multivariate Density (CIMDO) methodology.* *• 14 SIFIs using Systemic Contingent Claims Analysis (SCCA).*	*• TD: All 121 commercial banks, excl. rural banks(115 for scenario analysis; all for sensitivity analysis).* *• BU: 12 largest banks (8 for scenario analysis, all for sensitivity analysis).*	*• 17 banks (5 large commercial, 12 joint-stock commercial).*	*• 108 subsidiaries and branches.*	*• 7 banks.*	*• 3 banking groups, 16 largest German banks (14 SIFIs plus two Landesbanken), the savings banks (Sparkassen), and the other cooperative banks; very small banks were excluded from the sample.* *• 14 SIFIs (SCCA).*	*• 6 largest banks + largest building society.*	*• 9 largest banks.*	*• BU: 15 largest banks.* *• TD: All commercial banks (1,012).*
Market share	*• B/S: 85 percent.* *• CIMDO: 59 percent.* *• SCCA: 70 percent.*	*• TD: 100 percent.* *• BU: 60 percent.*	*• 66 percent of total banking sector assets (86 percent of commercial banking sector assets).*	*• 100 percent.*	*• 85 percent.*	*• B/S: 85 percent.* *• SCCA: 60 percent.*	*• 88 percent.*	*• Over 80 percent.*	*• BU: 56 percent.* *• TD: 100 percent.*
Reporting basis	*• Consolidated banking groups.*	*• Unconsolidated banking groups.*	*• Consolidated banking groups.*	*• Unconsolidated local entities.*	*• Consolidated banking groups.*	*• Unconsolidated domestic businesses.*	*• Consolidated banking groups.*	*• Unconsolidated domestic businesses.*	*• Unconsolidated local entities.*
Data									
Source	*• Publicly available data.*	*• BU: Banks' own data.* *• TD: Supervisory and publicly available data.*	*• BU: Banks' own data.* *• TD by authorities: Supervisory and publicly available data.*	*• Supervisory data.*	*• Supervisory data.*	*• Supervisory and publicly available data.*	*• BU: Banks' own data.* *• TD: Supervisory and publicly available data.*	*• BU: Banks' own data.* *• TD: Supervisory data.*	*• BU: Banks' own data.* *• TD: Supervisory data.*
Cut-off date	*• End-2009.*	*• As at Sep 2009.*	*• End-2009.*	*• As at Jun 2010.*	*• As at Jun 2010.*	*• Hybrid:* *-- End-2009 for B/S positions.* *-- Sep 2010 for P&L.*	*• End-2010.*	*• End-2010.*	*• End-2010.*
2. Scenario Design									
Risk horizon	• 2010-14 (5 years).	• 2009Q4-2012Q4 (3 years).	• Scenario: 2010 (1 year). • Sensitivity: 1Q, 1 year or 2 years.	• 2011-12 (2 years).	• 2011-15 (5 years).	• 2011-15 (5 years).	• 2011-15 (5 years).	• BU by banks: 2011 (1 year). • TD: 2011-13 (3 years): Sudden stop. • TD: 2011-14 (4 years): Boom and bust.	• Instantaneous. • 2011 (1 year).
Scenarios									
Baseline	*• WEO Apr 2010.*	*• WEO Apr 2009.*	*• N/A.*	*• WEO Oct 2010.*	*• WEO Oct 2010.*	*• WEO Oct 2010.*	*• WEO Oct 2010.*	*• WEO Feb 2011.*	*• Slightly below WEO Jan 2011.*
Growth shocks (calculated per CEBS for SDs unless indicated otherwise)	*• Combined impact of four adverse shocks:* *(i) sizeable and persistent shock to growth rate of potential output;* *(ii) an additional short run demand shock, reflecting high unemployment, weak credit, and continued fall in housing prices;* *(iii) further near-term fiscal stimulus to support near-term growth; and* *(iv) rising inflation expectations.* *• Output gap falls by 2.3 percentage points relative to baseline in adverse scenario. Output gap falls by 3.3 percentage points relative to baseline in alternative adverse scenario.*	*• = 1/3 output loss experienced during Asian crisis.*	*• GDP growth down from 12 percent to:* *--7 percent (mild)* *--5 percent (medium)* *--4 percent (severe).*	*• 1 standard deviation (SD).*	*• 1 SD.* *• 2 SD.*	*• 1.5 SD (1 SD and 2 SD run by FSAP team for internal comparisons).*	*• 1 SD.* *• 2 SD.*	*• Sharp contraction over four quarters followed by a sluggish recovery over the next 12 quarters.* *• A two-year boom in growth and credit followed by a sharp contraction over four quarters and then a sluggish recovery.*	*• 1 SD.* *• 1.7 SD.*
Slow growth scenario	• Yes.	• No.	• Yes	• No.	• No.	• Yes.	• Yes.	• Yes.	• No.
Risks									
Key risk(s)	*• Credit risk.*	*• Credit risk.*	*• Credit risk associated with rapid loan growth.*	*• Credit risk.*	*• Credit risk.*	*• Credit risk.*	*• Credit risk.*	*• Credit risk.*	*• Credit risk.* *• Adjustments for regulatory forbearance.*
Other risks covered in scenario analysis	*• N/A.*	*• N/A.*	*• N/A.*	*• Sovereign risk, in both trading and banking books (CEBS model).*	*• Sovereign risk, in both trading and banking books (CEBS model).* *• Off-balance sheet exposures.*	*• Sovereign risk in trading book only (IMF models); application of sovereign haircuts on banking book in sensitivity analysis completed separately by IMF staff.*	*• Sovereign and banking risks in both trading and banking books (IMF models).* *• Funding risk.*	*• N/A.*	*• Sovereign and other debt holdings, in trading book and AfS in banking book.* *• Propagation channel through network effects.* *• Liquidity stress measured by its solvency impact (losses from fire sales of liquid assets).*
Other tests/risks	*• Sensitivity tests: Credit and market risks.*	*• Sensitivity tests: Credit and market risks.*	*• Sensitivity tests: Credit and market risks, including:* *(i) largest individual exposures;* *(ii) real estate sector exposures;* *(iii) exposures to local government financing platforms (LGFPs);* *(iv) exposures to overcapacity industries; and* *(v) exposures to export sectors.* *• Contagion risk.* *• Reverse stress test.*	*• Sensitivity tests: Credit and market risks.*	*• Sensitivity tests: Credit and market risks.*	*• N/A*	*• N/A*	*• Sensitivity tests: Credit and market risks.*	*• Spillover risk through domestic network effects (included in macro scenarios).*

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Source: "A Framework for Macroprudential Bank Solvency Stress Testing: Application to S-25 and Other G-20 Country FSAPs."

Appendix I. FSAP Solvency Stress Tests since FY2010: STeM for S-25 and Other G-20 Countries

	10	11	12	13	14	15	16	17	18
	Saudi Arabia	Sweden	India	Mexico	Japan	France	Spain	Brazil	Australia
Timing of FSAP	FY2011	FY2011	FY2012	FY2012	FY2012	FY2012	FY2012	FY2012	FY2013
Stress Testing Framework									
1. Scope									
Approach									
Bottom-up	*• No.*	*• No.*	*• BU by banks in collaboration with authorities and IMF.*	*• BU by banks, in collaboration with authorities and IMF.*	*• BU by banks, in collaboration with authorities and IMF.*	*• BU by banks, in collaboration with authorities and IMF.*	*• No.*	*• No.*	*• BU by banks in collaboration with authorities.*
Top-down	*• TD by IMF in collaboration with authorities.*	*• TD by IMF in collaboration with authorities.* *• TD by IMF.*	*• TD jointly by authorities and IMF.*	*• TD by authorities.* *• TD by IMF.*	*• TD by authorities, in collaboration with IMF.*	*• TD by authorities .* *• TD (partial) by IMF.*	*• 2 TD tests by authorities, in collaboration with IMF.* *• TD by IMF.*	*• TD by IMF, in collaboration with authorities.*	*• TD by IMF.*
Coverage									
Institutions	*• 12 largest banks.*	*• 4 largest banks.*	*• BU: 10 large scheduled commercial banks.* *• TD: 39 scheduled commercial banks.*	*• 10 largest banks.*	*• BU: 3 largest commercial bank (financial group consolidated basis).* *• TD: All commercial banks (119).*	*• BU: 8 largest banks.* *• TD by authorities: 5 largest banks.* *• TD by IMF: 8 largest banks.*	*• 29 banks +1 (aggregate of very small banks)* *• 7 publicly listed banks (SCCA).*	*• All banks (137).*	*• 5 largest banks*
Market share	*• 98 percent.*	*• 90 percent.*	*• BU: 50 percent.* *• TD: 80 percent.*	*• 84 percent.*	*• BU: 53 percent of commercial banks, 34 percent of deposit-taking institutions, by assets.* *• TD: 100 percent of commercial banks, 64 percent of deposit-taking institutions, by assets.*	*• BU: 97 percent.* *• TD by authorities: 85 percent.* *• TD by IMF: 97 percent.*	*• 96 percent.* *• SCCA: 44 percent.*	*• 100 percent.*	*• 80 percent.*
Reporting basis	*• Consolidated local entities.*	*• Consolidated banking groups.*	*• Unconsolidated domestic businesses.*	*• Consolidated local entities.*	*• BU: Consolidated banking groups, excl. non-bank subsidiaries.* *• TD: Consolidated banks.*	*• Consolidated banking groups.*	*• Unconsolidated domestic businesses.*	*• Consolidated banking groups.*	*• Consolidated banking groups.*
Data									
Source	*• Supervisory data.*	*• Supervisory and publicly available data.*	*• Supervisory and publicly available data.*	*• BU: Banks' own data.* *TD by authorities: Supervisory data.* *TD by IMF: Publicly available data.*	*• BU: Banks' own data.* *• TD: Supervisory and publicly available data.*	*• BU: Banks' own data.* *• TD by authorities: Supervisory data.* *• TD by IMF: Publicly available data.*	*• Supervisory and publicly available data.*	*• Supervisory and publicly available data.*	*• BU: Banks' own data.* *• TD: Supervisory and publicly available data.*
Cut-off date	*• Dec 2010.*	*• As at Sep 2010.*	*• As at Jun 2011.*	*• As at Jun 2011.*	*• As at Sep 2011.*	*• End-2011.*	*• End-2011.*	*• End-2011.*	*• BU: September 2011.* *• TD: March 2012.*
2. Scenario Design									
Risk horizon	• 2011-15 (1 to 5 years).	• 2011-15 (5 years).	• 2011-2015 (5 years).	• 2012-2013 (2 years).	• TD: 2012-16 (5 years). • BU: 2012-13 (2 years).	• 2012-16 (5 years).	• 2012-13 (2 years).	• 2012-16 (5 years).	• BU: 2012-14 (3 years). • TD: 2012-16(5 years).
Scenarios									
Baseline	*• WEO Oct 2010.*	*• WEO Jan 2011 for SWE.* *• WEO Oct 2010 for associated countries.*	*• WEO Apr 2011.*	*• WEO Jun 2011.*	*• WEO Sep 2011.*	*• WEO submission Feb 2012.*	*• WEO submission Jan 2012.*	*• Preliminary WEO forecast April 2012.*	*• WEO April 2012.*
Growth shocks (calculated per CEBS for SDs unless indicated otherwise)	*• 1 SD.* *• 2 SD.*	*• 1 SD.* *• 2 SD.*	• 2 SD (calculated over 15 years). • 2.5 SD (calculated over 15 years).	*• Consistent with historical periods of distress.*	*• 1 SD.* *• 2 SD.* *• 1 SD plus surge in yield.*	*• 2.1 SD (calculated over 10 years).*	*• 1 SD following a downward revision to the baseline which also incorporates a fiscal adjustment (resulting in 3 SD below 30-year historical average).*	*2.5 SD.*	*• BU: 4 SD.* *• TD: 1 SD; 2 SD; 4 SD.* *(SDs calculated over 50 years.)*
Slow growth scenario	• No.	• Yes.	• Yes.	• No.	• Yes.	• No.	• No.	• Yes (persistent terms of trade shock).	• Yes.
Risks									
Key risk(s)	*• Credit risk.*	*• Credit risk.*	*• Credit risk.*	*• BU and TD by authorities: Credit risk.* *• TD by IMF: Pre-tax profitability--forecast on macro variables.*	*• Credit risk.* *• Interest rate risk.*	*• Credit risk.*	*• Credit risk.*	*• Credit risk.*	*• Credit risk.*
Other risks covered in scenario analysis	*• Oil prices decline by 1 SD to historical average.*	*• Sovereign risk, in both trading and banking books (CEBS model).* *• Funding risk.*	*• N/A.*	*• TD by authorities: Market risk (VaR).*	*• BU: Sovereign risk in trading book and AfS in banking book; risks from domestic and foreign loan exposures, equities, foreign securities, exchange rate.* *• TD: Sovereign risk in both trading and banking books; risks from domestic and foreign loan exposures, equities, foreign securities.*	*• BU and TD by IMF: AAA sovereign risk (trading book and AfS in banking book in scenario analysis; HtM in sensitivity analysis).* *• TD by authorities: AAA sovereign risk (all books).*	*• Sovereign and banking risks, in trading book and AfS in banking book.*	*• Structural reduction of pre-impairment income.* *• Off-balance sheet items.*	*• N/A.*
Other tests/risks	*• Sensitivity tests: Credit and market risks.*	*• Contagion and concentration risks: Riksbank network model.*	• Sensitivity analysis: Credit risk, including sectoral credit risk and concentration risk; interest rate and exchange rate risks; equity prices. • Macro stress test: Credit risk. • Network analysis: Interbank market.	*• TD by authorities: Systemic risk and contagion*	*• Spillover risk: Cross-border and domestic using network model and EDF correlation.*	*• Sensitivity tests: Credit and market risks (BU).* *• Funding risk (BU and TD by authorities).* *• Network analysis and market-based approach: Contagion and spillover risks.*	*• Spillover risk: Network analysis and ring-fencing.*	*• Spillover risk: Network analysis.*	*• Sensitivity tests: Credit and market risks.*

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Appendix I. FSAP Solvency Stress Tests since FY2010: STeM for S-25 and Other G-20 Countries

	1	2	3	4	5	6	7	8	9
	United States	Indonesia	China	Luxembourg	Netherlands	Germany	United Kingdom	Turkey	Russia
Timing of FSAP	FY 2010	FY2010	FY2011	FY2011	FY2011	FY2011	FY2011	FY2011	FY2011
Stress Testing Framework									
Factors that management control									
Balance sheet growth	*• Constant B/S: Growth of B/S in line with nominal GDP. • Deleveraging in adverse case. • Incorporated banks' ability to accumulate tax assets in loss-making quarters that could be used to offset future tax liabilities.*	*• Unpublished information—remains confidential at authorities' request.*	*• Constant B/S: Growth of B/S in line with nominal GDP.*	*• Static (per CEBS).*	*• Static.*	*• Constant B/S: Growth of B/S in line with nominal GDP. • Deleveraging in adverse case.*	*• Constant B/S: Growth of B/S in line with nominal GDP. • Asset disposal under EU state aid rules per EBA guidelines (Lloyds, RBS) and purchase of those assets by other banks (Santander).*	*• In a sudden stop, exposure-at-default is frozen at end-2010 (actual) level and stress applied. • In the boom phase, lending growth at upper envelope of recent historical observations; investment portfolio derived from fiscal projections; wholesale funding growth ramped up to finance credit boom.*	*• Assets grow as projected by CBR's macro-financial model.*
Dividend payout	*• Banks assumed to not raise capital nor reduce dividends in anticipation of a future capital need. Banks expected to not pay out common stock dividends in adverse scenario. • Dividend rule: --5 percent annualized dividend rate for Troubled Asset Relief Program (TARP) preferred shares; --8 percent for other preferred shares (relative to an average of 5 percent over 1990–99); --15 percent for common equity (relative to an average of 22 percent over 1990–99).*	*• Zero payout ratio.*	*• Zero payout ratio.*	*• Zero payout ratio; checked robustness by excluding future profit (payout ratio of 1).*	*• Zero payout ratio.*	*• Dynamic payout ratio (Basel III-like, but more stringent).*	*• Dynamic payout ratio (Basel III-like, but more stringent).*	*• Zero payout in downturn; positive payout assumed during boom period.*	*• Zero payout ratio.*
3. Capital Standards									
Capital definition	• Capital definition in line with Basel I/II	• Capital definition in line with Basel II.	• Capital definition in line with Basel I.	• Capital definition in line with Basel II.	• Capital definition in line with Basel II.	• Changes in capital definition according to QIS-6.	• Changes in capital definition according to QIS-6.	• Capital definition in line with Basel II.	• Capital definition in line with Basel II (standardized approach).
Capital adequacy									
Metrics/Output	*• Capital under stress (T1, T1 common capital). • Contingent liabilities as EL under stress (SCCA).*	*• Capital under stress (total regulatory capital).*	*• Capital under stress (total regulatory capital).*	*• Capital under stress (total regulatory capital).*	*• Capital under stress (T1).*	*• Capital under stress (total capital, T1; qualitative outcome for CET1). • Capital shortfall. • EL under stress (SCCA).*	*• Capital under stress (total capital, T1, CET1). • Capital shortfall. EL under stress (SCCA).*	*• Capital under stress (total regulatory capital).*	*• Capital under stress (total capital, T1). • Capital shortfall. • Number of failed banks and their share in the system by assets.*
Hurdle rate(s)	*• Hurdle rates in line with Basel I/II.*	*• Hurdle rates in line with Basel II.*	*• Hurdle rates in line with Basel I.*	*• Hurdle rates in line with Basel II.*	*• Hurdle rates in line with minimum regulatory requirements, augmented with hurdle rate of 6 percent T1 capital ratio as used in CEBS exercise.*	*• Hurdle rates in line with Basel III schedule (plus quantitative analysis for additional capital buffers).*	*• Hurdle rates in line with Basel III schedule (plus quantitative analysis for additional capital buffers). • Hurdle rates in line with regulatory capital regime band for CET1 and T1 post shock.*	*• Hurdle rates in line with Basel II.*	*• Current regulatory minimum (total capital ratio of 10 percent).*
Changes in RWA	*• RWA path modeled statistically based on the ratio of RWA to total assets. (Under the baseline scenario, RWA/TA would return progressively back to 2000-05 average by mid-2011; under adverse scenarios, RWA/TA would remain stable at the low end-March 2010 levels).*	*• Unpublished information—remains confidential at authorities' request.*	*• RWA kept constant.*	*• RWA calculated using Basel II formula.*	*• RWA calculated using Basel II formula with Basel I floor.*	*• RWA changes in line with QIS-6.*	*• RWA changes in line with QIS-6.*	*• RWA calculated using Basel II formula (reduced by expected loan losses each year).*	*• RWA grows with total assets; the write-off of defaulted loans is deducted.*
Reporting basis	*• Capital adequacy determined on a group-wide consolidated basis.*	*• Capital adequacy determined on an unconsolidated basis.*	*• Capital adequacy determined on a group-wide consolidated basis.*	*• Capital adequacy determined based on unconsolidated local entities.*	*• Capital adequacy determined on a group-wide consolidated basis.*	*• Capital adequacy determined based on unconsolidated banking groups.*	*• Capital adequacy determined on a group-wide consolidated basis.*	*• Capital adequacy determined based on unconsolidated local entities.*	*• Capital adequacy determined based on unconsolidated local entities.*
4. Methodology									
Satellite model(s) used to generate variables	• Adverse scenario generated using a simple closed-economy business cycle model for the US, with standard monetary channels (Taylor rule and nominal rigidities) and fiscal channels (a fiscal rule and a link between the real interest rate and government debt). • Satellite models used in each pillar to map the macrovariables into the financial variables.	• Losses: IMF/Bank Indonesia model.	• Values of the macro variables in the scenarios are based on inputs from a panel of leading experts on Chinese economy.	• Losses: ECB elasticity model.	• Losses: ECB elasticity model.	• Losses, profit (incl. funding costs): Bundesbank model. • Trading result based on heuristic, not as part of core stress test.	• Losses, profit (incl. funding costs), trading result: BoE model.	• N/A.	• Losses, profit (incl. funding costs), trading result. --BU: Banks' internal models or CBR's methodology for combined shocks. --TD: CBR model.
Main model	• TD: • Balance-sheet based • Distress Dependency • Systemic contingent claims	• BU: B/S. • TD: Dynamic panel model developed by IMF and Bank Indonesia.	• BU: B/S (econometric and expert-based). • TD by authorities: B/S (econometric). • TD by IMF: B/S (including cross-checks based on international experience).	• TD: Model used for CEBS exercise.	• TD: B/S.	• TD by IMF in collaboration with authorities: B/S. • TD by IMF: SCCA.	• BU: Banks' internal models. • TD by authorities: BoE RAMSI. • TD by IMF: SCCA.	• BU: Banks' internal models and expert-based approaches. • TD: B/S.	• BU: Banks' internal models or CBR's combined shock test methodology. • TD: CBR's macro stress test model and combined shock test.
5. Communication									
Publication	• Technical Note, published. • Results discussed in FSSA, published.	• Technical Note, not published. • Results discussed in FSSA, published; technical details included as appendix.	• Technical Note, not published. • Results discussed in FSSA, published; some technical details included as appendix.	• Technical Note, not published. • Results discussed in FSSA, published.	• Technical Note, not published. • Results discussed in FSSA, published.	• Technical Note, published. • Results discussed in FSSA, published.	• Technical Note, published. • Results discussed in FSSA, published.	• Technical Note, not published. • Results discussed in FSSA, published.	• Technical Note, not published. • Results discussed in FSSA, published; technical details included as appendix.
Contacts/Contributors:									
IMF staff	M Cihak D Gray A Jobst A Maechler H Oura M Segoviano	J Gobat R Vermeulen	M Cihak	H Oura	N Oulidi	A Jobst C Schmieder	A Jobst L L Ong	J Surti H Hesse M Melecky (World Bank)	H Oura

Note: The IMF fiscal year (FY) runs from May 1 to April 30.

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	Saudi Arabia	Sweden	India	Mexico	Japan	France	Spain	Brazil	Australia
Timing of FSAP	FY2011	FY2011	FY2012	FY2012	FY2012	FY2012	FY2012	FY2012	FY2013
Stress Testing Framework									
Factors that management control									
Balance sheet growth	*• Static B/S.*	*• Constant B/S: Based on Riksbank model for credit growth.*	*• Constant B/S: Growth of B/S in line with nominal GDP.*	*• TD by authorities: Banks' projections.* *• TD by IMF: Static B/S.*	*• Static B/S.*	*• Constant B/S: Growth of B/S in line with nominal GDP (deleveraging).*	*• Static B/S but credit growth is based on satellite model and other income grows proportionately with nominal GDP.*	*• Static B/S but credit growth is based on satellite model and dividend payout is lower under stress.*	*• BU: Constant B/S--growth of B/S in line with authorities' projections.* *• TD: Static.*
Dividend payout	*• Zero payout ratio*	*• Payout ratio based on Basel III capital conservation standards.*	*• N/A.*	*• BU: Banks' own models.* *• TD by authorities: Banks' own models.* *• TD by IMF: Full/zero earnings retention modeled.*	*• TD: Historical payout ratio.* *• BU: Banks' recent dividend policy (fixed amount across all scenarios).*	*• Zero payout under stress.*	*• Historical payout ratio.*	*• Historical payout ratio (baseline, baseline-like years); lower rate under stress (towards zero, respecting the minimum payout ratio for Brazil under certain circumstances).*	*• Zero payout ratio.*
3. Capital Standards									
Capital definition	• Capital definition in line with Basel II.	• Capital definition in line with Basel III schedule.	• Capital definition in line with Basel II.	• Regulatory capital defined by supervisory authority,	• Basel III in line with national phase-in/out schedule. • Basel II for domestically-active banks.	• BU and TD by authorities: Capital definition in line with Title I of Part Ten of CRR. • TD by IMF: Capital definition in line with Basel III schedule.	• Capital definition in line with Basel III schedule.	• Capital definition in line with Basel III schedule for Brazil (which is somewhat more conservative than the Basel III schedule).	• Capital definition in line with Basel II.
Capital adequacy									
Metrics/Output	*• Capital under stress (total regulatory capital).*	• Capital under stress (total capital, T1, CET1). • Capital shortfall (where applicable). • EL under stress (SCCA).	*• Capital under stress (total regulatory capital, T1).*	*• Capital under stress (regulatory capital).*	*• Capital ratio under stress (total capital, T1, CET1) sub-group aggregate and dispersion.* *• Capital shortfall.* *• Number of failed banks and their share in the system by assets.*	*• Aggregated stressed capital ratios for 8 banks.*	*• Capital under stress (total capital, T1, CET1).* *• Capital shortfall.* *• EL under stress (CCA).* *• Number of failed banks.*	*• Capital under stress (total capital, T1, CET1).* *• Capital shortfall.*	*• Capital under stress (total capital, T1).*
Hurdle rate(s)	*• Hurdle rates in line with Basel II.*	*• Hurdle rates in line with Basel III schedule (but CET1 ratio set at 4 percent).*	*• Hurdle rate for total regulatory capital (Tier I plus Tier II).*	*• Regulatory capital set at 10 percent.*	*• Basel III total capital, T1, CET1 ratios with and without conservation buffer.* *• Basel II for domestically-active banks.*	*• Solvency under stress will be assessed in terms of all components of capital (total capital, T1, CET1, plus conservation buffer, and loss absorbency requirement for G-SIBs) for each year of the risk horizon.* *• These ratios will be phased in line with Title I of Part Ten of CRR.*	*• Hurdle rates in line with Basel III schedule (but CET1 set at 4 percent over the risk horizon).*	*• Hurdle rates in line with Basel III schedule for Brazil (which is somewhat more conservative than the Basel III schedule).*	*• Hurdle rates in line with current regulatory standards.*
Changes in RWA	*• RWA weights are kept constant; amount adjusted for loan losses.*	*• RWA declines by the amout of loan losses at the end of each period.*	*• RWA increases by 10 percent and adjusted for loan losses.*	*• BU: Banks' modeling of RWA reduction.* *• TD by authorities: Banks' modeling of RWA reduction.* *• TD by IMF: June 2011 RWA assumed to remain constant throughout risk horizon.*	*• BU: Sep 2011 RWA incorporates Basel 2.5: Basel III factors gradually phased in following draft national regulation.* *• TD: RWA kept constant (Basel II as at Sep 2011).*	*• BU: RWAs estimated using TTC PDs.* *• TD by authorities: Transition matrices model and stressed PDs for RWA; RWA estimated using TTC PDs.* *• TD by IMF: Quasi-IRB approach for RWA; RWA estimated using PIT PDs.*	*• RWA weights for credit, market and operational risk are kept constant; amount changes in line with deleveraging.*	*• RWA adjusted for credit growth and credit losses (statutory capital) and adjusted for risk (quasi-IRB computation).*	*• BU and TD: Banks' modeling of RWA changes.*
Reporting basis	*• Consolidated local entities.*	*• Capital adequacy determined on a group-wide consolidated basis.*	*• Capital adequacy determined based on consolidated local entities.*	*• Capital adequacy determined based on consolidated local entities.*	*• BU: Capital adequacy determined on a group-wide consolidated basis.* *• TD: Capital adequacy determined on the basis of consolidated banks.*	*• Capital adequacy determined on a group-wide consolidated basis.*	*• Capital adequacy determined on a group-wide consolidated basis.*	*• Capital adequacy determined on a group-wide consolidated basis.*	*• Capital adequacy determined on a group-wide consolidated basis.*
4. Methodology									
Satellite model(s) used to generate variables	• Macro financial model linking macroeconomic variables, notably oil prices, to NPLs.	• Losses: ECB elasticity and Riksbank models). • Credit growth: Riksbank models.	• Losses, profit, credit growth: IMF model.	• Comision Nacional Bancaria y de Valores (CNBV) models.	• Losses, profit (incl. funding costs), trading result. • TD: BoJ model. • BU: Banks' internal models.	• TD by authorities: Losses, profit--BdF model. • TD by IMF: Losses, profit, credit growth--IMF model.	• Losses, profit, credit growth: IMF model. • Losses, profit: BdE model.	• Losses, profit, credit: IMF model (aligned with BCB for losses and credit growth).	• Losses: IMF estimates
Main model	• B/S.	• TD by IMF in collaboration with authorities: B/S. • TD by IMF: SCCA.	• BU: Banks' internal models. • TD: B/S (Schmieder et al., 2010) applying RBI models for projections of NPLs.	• BU: Banks' internal models. • TD by authorities: B/S and CIMDO (CNBV). • TD by IMF: B/S--dynamic profit simulation.	• BU: Banks' internal models. • TD: BoJ model.	• BU: Banks' internal models with IMF guidance. • TD by authorities: Authorities' models. • TD by IMF: B/S approach by Schmieder et al. (2010).	• TD by authorities, in collaboration with IMF: B/S (Schmieder et al., 2010). • TD by authorities: BdE panel data and regression models. • TD by IMF: SCCA.	• TD: B/S (Schmieder et al., 2010).	• BU: Banks' internal models under APRA guidance • TD by IMF: B/S approach by Schmieder et al. (2010).
5. Communication									
Publication	• Technical Note, not published. • Results discussed in FSSA, published.	• Technical Notes published. • Results discussed in FSSA, published.	• Technical Note, not published. • Results discussed in FSSA, published.	• Technical Note, not published. • Results discussed in FSSA, published.	• Technical Note, not published. • Technical Note on financial system spillovers published. • Results discussed in FSSA, published.	• Technical Note, publication to be decided by authorities. • Results discussed in FSSA, published.	• No Technical Note. • Results discussed in FSSA; technical details included as appendix, published.	• Technical Note, not published. • Results discussed in FSSA, published.	• No Technical Note. • Results discussed in FSSA, published; technical details included as appendix.
Contacts/Contributors:									
IMF staff	E Yehoue	N Oulidi S Stolz	E Loukoianova	R Scuzzarella	H Oura S Arslanalp	L Schumacher S Muñoz	A Jobst L L Ong S Kwoh	C Schmieder	I Kaminska

Compiled by: Andreas A. Jobst, Li Lian Ong, Christian Schmieder with contributions from FSAP stress testing teams.
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