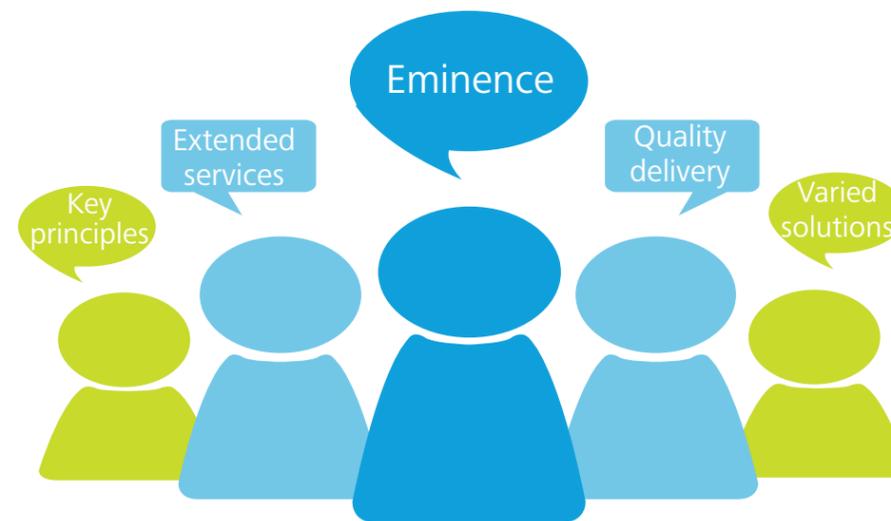


Deloitte
Global Stress Testing
Solutions



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Our global reach and experience supports clients in navigating the complexity of multi-jurisdictional stress testing regimes.

Key objectives

Market insights

Stress testing has become a fundamental tool to gauge the resiliency of the financial sector and is now one of the key supervisory tools to assess regulatory capital shortfalls for the PRA, the EBA, the Federal Reserve, and other international supervisors.

The new stress testing exercises have greater regulatory scrutiny from both a quantitative and qualitative perspective.

Only by optimising and embedding stress testing processes into business- as usual activities can firms cope with the greater demands made of their stress testing teams - while minimising the operational costs of what are currently largely manual processes.

A fully embedded stress testing framework enables a firm to better understand its true risk profile and make informed strategic decisions that protect its long-term sustainability.

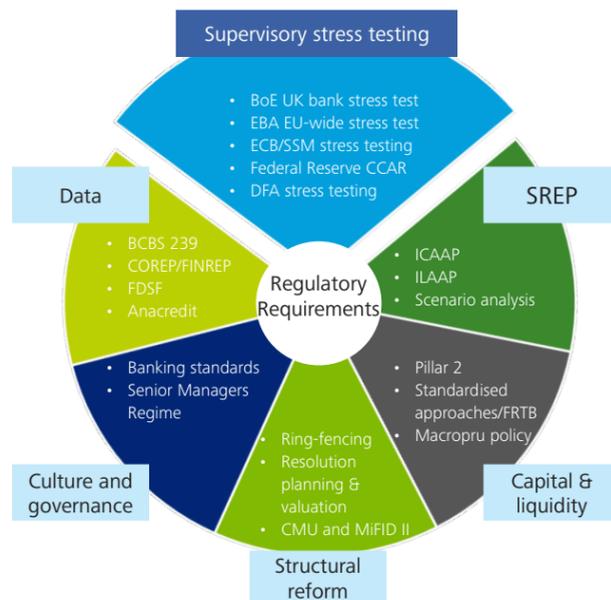
Senior management is focused on:

- The severity of the stress scenarios and corresponding impact to the firm;
- The vulnerability and volatility of the business lines and portfolios; and
- The process by which strategic planning can be improved.

Regulators use stress testing:

- To determine the health of a firm;
- To assess firms' risk management capabilities;
- To assess the adequacy of a firm's capital reserves;
- To conduct benchmarking analysis and supervise risk appetite; and
- To better understand the impact of scenarios on the wider economy.

Stress testing within the regulatory landscape

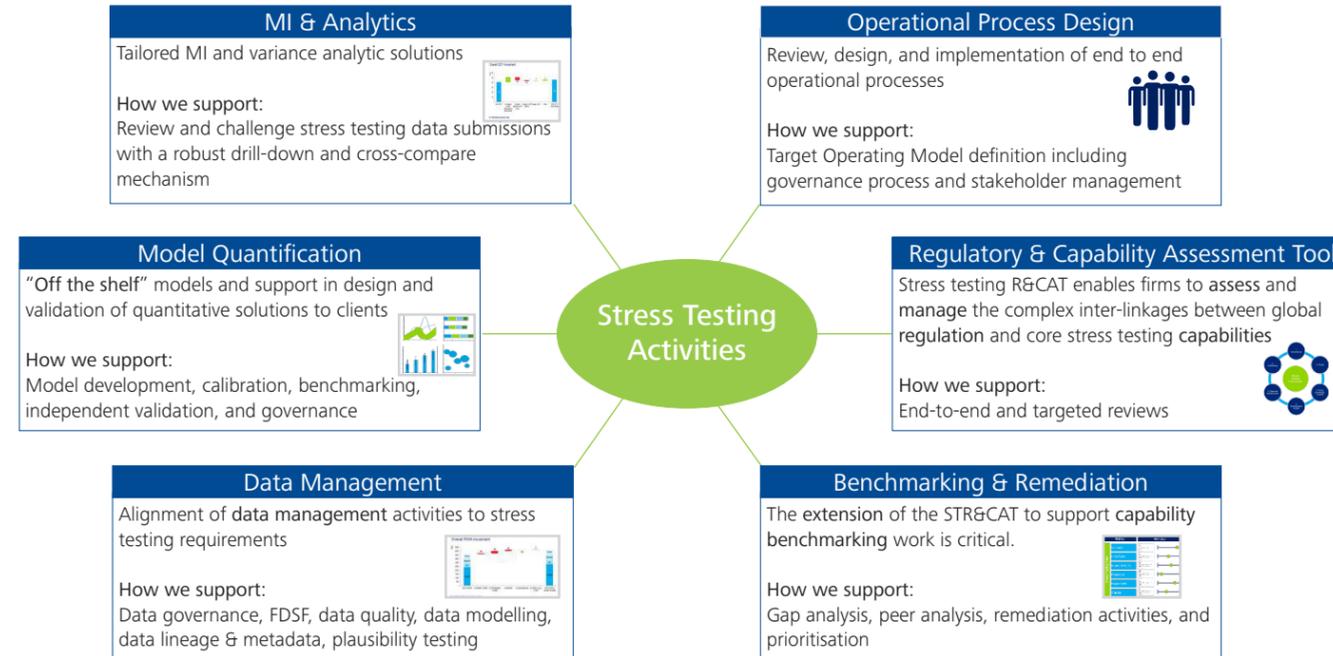


Deloitte Stress Testing capabilities

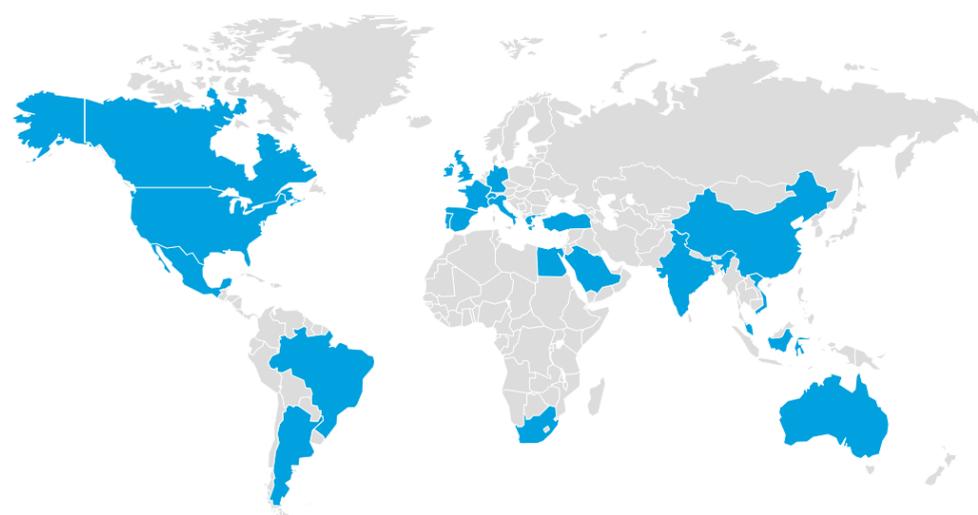
Our global footprint and strong experience in the critical areas within stress testing allow us to have a global framework with local insights

We help firms meet the challenge of developing an industry leading stress testing framework by—

- Designing and implementing bespoke solutions which can support effective end-to-end stress testing activities allowing firms to use their stress testing framework as a core risk management tool;
- Supporting remediation activities by implementing short term solutions, conducting gap analysis, and regulatory and peer benchmarking; and establishing enhancement plans to help firms align themselves with their risk strategy; and
- Delivering tactical solutions by providing our clients with specialised resources with demonstrated experience in the market.



Global presence—our commitment



Our global footprint covers all major regions with over 250 experienced stress testing SMEs supported by access to additional technical resources.

Our experience

Selected credentials

France

- EBA stress test live delivery support
- Credit Risk and NI model development
- Icaap stress test support
- Stress testing framework review and benchmarking

EMEA

- EBA stress test live delivery support
- Model development for use in UK 2014 PRA exercise
- Internal audit of model development and validation Stress testing core capability review
- Credit Risk model development

North America

- CCAR and DFAST credit and operational risk model validation
- Model Risk Management—Governance assessment and implementation
- PPNR model development and implementation

South America

- Development of credit risk stress testing methodology and process
- Market Risk Basel II internal models gap analysis and roadmap
- ICAAP documentation support

Asia & Australia

- Development of stress testing assumption setting frameworks
- Model development, validation, and establishment of monitoring framework

Africa

- Capabilities benchmarking and gap analysis
- Integration of stress testing framework, risk appetite, and capital modelling methodologies
- Stress Testing framework design including governance structure

Global leaders



Marc Van Caeneghem is Partner within Risk Advisory Practice in France. He has 20 years of banking experience and leads Risk Advisory department and Deloitte Basel Practice for EMEA.



Mohamed Benlaribi is Director in the Risk Advisory Practice. He co-ordinates Deloitte's Stress Testing proposition for France and Emea. Areas of focus : stress testing framework development, review and benchmarking, PGL modelling, and integrated stress testing solutions across functions and the business



Frédéric Bujoc is Partner within Risks Advisory Practice. He has 17 years of banking experience. Frédéric is currently co-ordinating Deloitte's ALM proposition for France and EMEA. Areas of focus : ALM, counterparty risk and market risk modelling.



Hervé is Partner in the Risk Advisory department, in charge of operational and credit risk relative services. Hervé has been involved in risk management areas since more than 19 years. Hervé is in charge of the control of provisioning models and is particularly involved in the IFRS 9 project, as part of the Implementation Transition Group set up by the IASB. Areas of focus : credit risk and operational risk model and validation, IFRS 9 depreciation