

Testing exercise

- Banks to share the filled-in testing exercise template for each test with IRTs via IRIS.
- Banks are expected to conduct the test as outlined in the testing exercise template.

Bank

[Group name]

[G-SII/O-SII/top tier bank/bank]

[SPE/MPE strategy]

[PoE for MPE BU resolution group, if applicable]

Test ID

Test [...] / [year [...]]

Basic outline of the test

Set-up:	<i>[Remote (application used)/Hybrid (application used)/Physical]</i>
Testing method:	<i>[Banks should identify the test method actually used during the test]</i>
Testing area(s) and subarea(s):	<i>[Banks should identify the testing areas and sub-areas]</i>
Entities (identifier) and scope of the test for each entity:	<i>[Banks should outline the name of each entity, its LEI code, and the scope of the test for each entity]</i>
Findings from prior testing to be reassessed:	<i>[Banks should outline findings from prior tests that were taken into account and reassessed during this test]</i>
Reference document(s):	<i>[Banks should identify the reference document(s) used during the test, including all relevant playbooks and other documents outlining the processes to be tested, with a reference to the version used – i.e. Playbook X, version [month/year]]</i>
Scope of bailinable instruments covered in the exercise (please fill in as N/A if not applicable)	<i>[Banks should identify the set of bailinable instruments in scope for the test]</i>

Scope of liabilities subject to WDC powers covered in the exercise (non-resolution entities) (please fill in as N/A if not applicable)	<i>[Banks should identify the liabilities subject to WDC powers in scope for the test, for each non-resolution entity, where relevant]</i>
FMI covered by the test (please fill in as N/A if not applicable):	<i>[Banks are expected to identify all FMIs in scope for the test]</i>
Additional expectations from the IRT:	<i>[Banks are expected to explain how they intend to implement additional expectations from the IRT on the test, as identified in the multi-annual testing programme]</i>
Number of sessions:	<i>[Banks should identify the number of sessions conducted during the test]</i>

Scenario

Reference date/period:	<i>[Banks should identify the reference date/period for data for the test, where applicable]</i>
Level of losses and balance sheet depletion:	<i>[Banks should identify the level of losses and describe the balance depletion effect applicable for the test, where relevant]</i>
Nature of the crisis (fast-moving/slow-moving; liquidity/capital focus):	<i>[Banks should explain whether the crisis assumed as part of the scenario for the test is fast-moving or slow-moving, with a focus on liquidity, or capital, or both]</i>
Nature of the crisis (idiosyncratic/system-wide event):	<i>[Banks should explain whether the crisis assumed as part of the scenario for the test is idiosyncratic or system-wide event in nature]</i>
Assumptions about steps, staff and resource availability:	<i>[Banks should explain whether the bank should use the assumptions about steps, staff and resource availability exactly as they are outlined in the reference document, or if it should use stressed assumptions; in the latter case, the IRT should outline the stressed assumptions, and/or mention that assumptions may be (further) stressed during the test]</i>
Narrative:	<i>[If the IRT has requested it, banks should outline a brief story to provide additional flavour for the scenario and the test; the story should be in line with, and provide an explanation for, the nature of the crisis and for the assumptions about steps, staff and resource availability; alternatively, banks should use the narrative provided by the IRT]</i>

Any ex-ante deviation from the test as set by the IRT in the multi-annual testing programme? If so, what is the justification? Has the IRT been contacted and agreed with this deviation?	<i>[Banks are expected to identify any deviation from the test as set by the IRT and the justification, if any, for this deviation. Banks should also note whether the IRT has been contacted in this regard, and whether it has approved the deviation]</i>
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Planned sessions

Session [...] (Please create a table for each session; sessions should be numbered – session 1, session 2, session 3, etc.)

Date/time for the session:	<i>[Banks should identify when the session started and when it ended, including the date and the time]</i>
Documents necessary to start the session:	<i>[Banks should identify which documents were used for the first activity that took place during the session]</i>
Output:	<i>[Banks should identify which documents were prepared and finalised during the session]</i>
Activities planned for the session (mapped to the relevant reference document(s) and broken down by time period):	<i>[Banks should break down each session and identify which activities are meant to be covered for each time period during that session]</i>
Staff involved in the session and respective role (names, functions and departments):	<i>[Banks should outline the name, function and department of staff involved during the session]</i>

Independent observer(s) / Facilitator(s)

Name(s), role(s) and department(s) of the independent observer(s):	<i>[Banks should indicate the name, role within the bank, and department, of any independent observers. If independent observers are external consultants, then they should be identified as external consultants and their consultancy firm, if any, should be identified]</i>
Name(s), role(s) and department(s) of the facilitator(s):	<i>[Banks should indicate the name, role within the bank, and department, of any facilitators. If facilitators are external consultants, then they should be identified as external consultants and their consultancy firm, if any, should be identified]</i>

(NB: Facilitators may only be employed for desktop exercises and walkthroughs.)

Preparation for the test

Description of preparatory activities:	<i>[Banks should outline any preparatory activities to be undertaken ahead of the test]</i>
List of materials prepared for the test:	<i>[Banks should outline any materials to be prepared ahead of the test, for use during the test]</i>