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<b>Nota di contenuto</b>	<p>Cover; CONTENTS; GLOSSARY; INTRODUCTION; BANKING-SOLVENCY STRESS TESTS; A. Summary of Both Solvency Stress Tests; B. Bottom-Up Solvency Stress Tests; C. Top-Down Solvency Stress Tests; D. Reconciliation of Both Solvency Stress Tests; BANKING-LIQUIDITY STRESS TESTS; SUMMARY AND POLICY IMPLICATIONS-BANKING; INSURANCE-SOLVENCY STRESS TESTS; BOXES; 1. Review of Aggregation Approach; 2. Key Elements of Different Valuation Approaches Applied in the Stress Test; 3. Contagion Effects in Bank assurance; SUMMARY AND POLICY IMPLICATIONS-INSURANCE; REFERENCES; TABLES</p> <p>1. Stress Test Matrix (Stem) for the Banking Sector: Solvency and Liquidity Risks 2. Composition of the System and Banks Included in the Stress Tests; 3. Financial Soundness Indicators for Banks Included in the Solvency Stress Test; 4. Macroeconomic Scenarios for Solvency Stress Test; 5. Overview of the Basel II and III Minimum Capital Requirements; 6. Liquidity Stress Test Parameters (Basel III Standard Measures); 7. Liquidity Stress Test Parameters (NBB Liquidity Ratio); 8. Insurance Sector-Stress Test Specification; FIGURES; 1. Banking Sector Developments</p> <p>2. Liquidity and Short-term Funding 3. Bank Funding; 4. Insurance Financial Soundness Indicators (FSIs); 5. Macroeconomic Assumptions under Different Stress Test Scenarios; 6. Solvency Stress Tests-Risk Drivers; 7. Evolution of Aggregate Capital Ratios in Solvency Stress Tests; 8. Solvency Stress Test Results-Total Capital Hurdle Rates; 9. Solvency Stress Test Results-Tier 1 Capital Hurdle Rate; 10. Solvency Stress Test Results-CET1 Capital Hurdle Rate; 11. Banks' Liquidity Ratios and Stress Test Results; 12. Insurance Stress Test Results; ANNEX; I. Guidelines for the Bottom-Up Solvency Stress APPENDICES I. Proposed Timeline for Completion of Solvency; II. Key BU Solvency Stress Test Parameters; III. Overview of Stress Test Scenarios (in percent); IV. Interpolated Interest Rate Term Structure and Swap Rate Curve; V. Possible Satellite Model Specification; VI. Minimum Funding Cost: Empirical Estimation of Nonlinear Change; VII. Sovereign Haircuts for Selected Countries; VIII. Estimation Methodology for Sovereign Risk Valuation Haircuts; IX. Pay-out Ratio, Hurdle Rates, and Changes in Risk-Weighted Assets; X. Suggested Output Format for Reporting by Firms to NBB</p>
<b>Sommario/riassunto</b>	<p>The Belgium Financial Sector Assessment Program (FSAP) stress testing exercise examines a financial sector that remains in a state of transformation. Domestic economic challenges remain sources of continued uncertainty as the banking sector consolidates and reduces funding risks. Insurers face challenges from adverse economic and business conditions. Solvency and funding shocks under different macroeconomic scenarios were assessed. Both banking and insurance tests underscore the importance of sovereign risk for financial stability. The implementation of stress tests needs to be closely aligned with the resolution and recovery planning.</p>

