



FS CAPSECURE_360

Your customized liquidity stress testing solution made by Frankfurt School

FS CapSecure_360 in a nutshell

- Advanced liquidity stress-testing solution tailored for financial institutions.
- Assesses liquidity resilience through a 90-day stress period triggered by specific events, along with various assumptions under stress testing scenarios.
- Guides institutions in managing balance sheet liquidity and funding constraints with precision.
- Seamless implementation with integrated data, training, and continuous support.

About Frankfurt School

- Full-fledged private university based in Frankfurt am Main / Germany
- Leading business school in Europe
- Bachelor, Master, and PhD programmes
- Executive and online education
- International Advisory Services – consultancy, development, and education
- World-wide coverage with several regional offices



Stress Scenarios / Model Parameters

- Define trigger events
- Specify correlation assumptions
- Long-term borrowing restrictions
- Overdraft limits and short-term funding assumptions
- Model drawdown of liquidity standby facilities
- Liquidation of investments to generate cash
- Transaction balance reduction
- Interest incentive management
- Collection ratio assumptions
- Assumptions on new loan disbursements
- Capital spending deferral
- Operating expense assumptions
- In-built Monte-Carlo Simulation for multiple parameter modelling

Impacts

- Actionable insights for strategic decision-making
- Compliance with liquidity regulations and stress testing requirements.
- Confidence among investors and stakeholders
- Proactive risk management practices
- Competitiveness in volatile markets
- Business continuity during crises
- Potential loss minimization

Users

- Commercial Banks & NBFIs
- Guarantee Organizations
- Microfinance Institutions

Contact us



Frankfurt School

FS Risk 360

risk-management@fs.de

FS CAPSECURE_360

Your customized liquidity stress testing solution made by Frankfurt School

Synopsis

FS CapSecure_360 offers advanced liquidity stress testing tailored for financial institutions, providing precise assessment of liquidity resilience triggered by specific events over a 90-day period. With seamless implementation and integrated support, it guides institutions in managing balance sheet liquidity and funding constraints effectively. This solution ensures compliance with regulations, builds stakeholder trust, and enhances competitiveness, while minimizing potential losses and maintaining business continuity during crises.

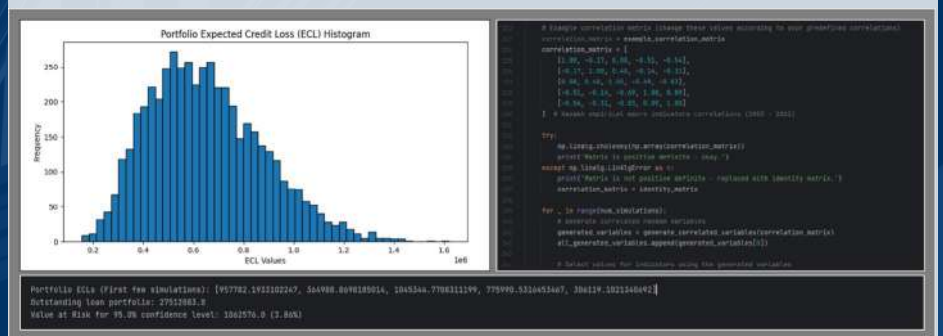
Benefits

Using FS CapSecure_360 provides actionable insights for strategic decision-making, ensuring regulatory compliance, and fostering stakeholder confidence. It enhances competitive advantage by optimizing liquidity management strategies and maintaining business continuity during crises. Additionally, it minimizes potential losses by effectively managing liquidity risks and streamlining operational efficiency.

Implementation

FS CapSecure_360 is an open-source tool, offering a user-friendly interface and the flexibility to customize inputs and outputs to meet and respond to your specific needs. The implementation of tool is supported by our team of experts, who provide guidance on data integration and assist with the setup and maintenance of the model. We also offer training and capacity building to equip your institution with the required knowledge and skills to manage financial and treasury operations.

Liquidity Stress Test		Trigger Date		
		31-Dec-2021		
Scenario Assumptions	Trigger Event +	30 days	60 days	90 days
Sight Deposits (excl. collateral deposits): Run-off per period		5,00%	2,50%	2,50%
Term Deposits & Savings Plans: Run-off per period		10,00%	5,00%	5,00%
Retention Premium Paid on Retail Deposits p.a.		3,00%	3,00%	3,00%
Loan Collection Rate declines to		97,00%	95,00%	92,50%
Reduction of Loan Disbursements % of budget		5,00%	10,00%	15,00%
Money Market Utilization Paydown per period		100,00%	0,00%	0,00%
Operational & Personnel Cost Reduction, % of budget		0,00%	5,00%	10,00%
Conversion Rate Unencumbered Liquid Assets to Cash		80,00%	10,00%	10,00%
Trigger Event +		30 days	60 days	90 days
Stressed Net Cash Flows - TRY Equivalent		Jan-2022	Feb-2022	Mär-2022
>> From Loan Portfolio Change				
Total Cash from Portfolio Principal Collections & Disbursement		688.059.393	926.373.954	1.123.267.140
>> Lending Interest Received				
Total Cash from Lending Interest		955.516.569	941.698.892	921.518.948
Total Cash from Lending		1.643.575.962	1.868.072.846	2.044.786.088
>> From Deposit Losses				
Total Cash from Deposit Losses		-4.902.760.960	-2.454.950.253	-2.454.779.434
>> Cash Deposit Interest Paid				
Total Cash from Deposit Interest		-629.043.866	-598.448.285	-567.859.822
Total Cash from Deposits		-5.531.804.826	-3.053.398.538	-3.022.639.256
>> Cash from Short-Term Borrowing & Investing				
Pay Down Overdraft and Money Market Utilizations		-	-	-
Draw Standby Facility (if applicable)		-	-	-
Unencumbered Liquid Assets Converted to Cash		5.804.687.189	725.585.899	725.585.899
Total Cash from Liquidity Management		5.804.687.189	725.585.899	725.585.899
>> Other Financial Flows				
Total Principal Paid on Borrowings		-	-	-
Total Interest Paid on Borrowings		-23.868.294	-24.122.905	-23.592.155
>> Operating Costs & Other Revenues				
Cash Operating Costs & Revenues		-371.782.849	-359.508.384	-346.663.052
Net Cash Flow		1.520.807.182	-843.371.082	-622.522.476



FS CapSecure_360 contributes to:

8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



10 REDUCED INEQUALITIES



16 PEACE, JUSTICE AND STRONG INSTITUTIONS



+

Contact us

➔ risk-management@fs.de