A Case Study in Firmwide Stress Testing: Engineering the CCAR Process

Carsten Heiliger, Sun Trust

ABSTRACT
Stress testing has become pervasive. The trouble lies in isolating the substantive, insightful activity from the overwrought chaff. Almost an overused platitude, the term “stress testing” can be inserted into just about any process in a financial institution, and there will be an army of consultants claiming to have a best-practice opinion on the topic. The reality is far more convoluted. Often, what is referred to as a stress test is simply a sensitivity analysis with a focus on a suboptimal outcome. Other times, an operationally focused risk assessment is termed a stress test, as it is analyzing processes performing below an optimal level.

No paper was submitted for publication.

CONTACT INFORMATION

Carsten Heiliger
Sun Trust
Carsten.Heiliger@SunTrust.com

SAS and all other SAS Institute Inc. product or service names are registered trademarks or trademarks of SAS Institute Inc. in the USA and other countries. © indicates USA registration.

Other brand and product names are trademarks of their respective companies.