

READ ME FILE

Title: Macrofinancial Stress Testing on Australian Banks

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Description

This 'read me' file contains the details of the supplementary material provided with RDP 2022-03. The model detailed in the RDP uses confidential data provided by banks to APRA and from the RBA's Securitisation Dataset. These data have not been provided. This means readers will be unable to run the model code. Still, the code provides the full set of details for the construction of the model variables and its output.

The 'function_scripts' folder contains R scripts that set the default parameters for the model and define the relevant functions.

- Default_settings_function.R generates the default model parameters for each model run.
- Data_import_functions.R imports the relevant bank data from an internal RBA database and the RBA Securitisation Dataset, creates and renames the relevant variables.
- Projection_functions_low_level.R and Projection_functions_high_level.R create the appropriate R function that form the basis of the model. *(NB: lines 24–30 and 188 of Projection_functions_low_level.R were changed on 14 September 2023 to correct some small mistakes.)*

Main_run_script.R loads in the appropriate initial objects and parameters from the csv files in main folder, runs the other scripts, and runs the final model.

Data used to plot the figures will be released and can be found in 'rdp-2022-03-graph-data.xlsx'.

Figure 2 – publically available

Figure 3 – publically available

Figure 5 – publically available

Figure 6 – publically available

Figure 7 – publically available

Figure 8 – publically available

Figure 9 – publically available

Software Version

R version 4.0.3

Disclaimer

The programs in this folder are intended for academic and personal use only.

Anyone who uses the code should cite the paper.

14 September 2023