



7 July 2010

## **CEBS'S STATEMENT ON**

### **KEY FEATURES OF THE EXTENDED EU-WIDE STRESS TEST**

Following [its statement issued on 18 June 2010](#), CEBS provides further information on the EU-wide stress test exercise which is now being finalised by CEBS and the national supervisory authorities, in close cooperation with the ECB.

The objective of the extended stress test exercise is to assess the overall resilience of the EU banking sector and the banks' ability to absorb further possible shocks on credit and market risks, including sovereign risks, and to assess the current dependence on public support measures.

The exercise is being conducted on a bank-by-bank basis using commonly agreed macro-economic scenarios (baseline and adverse) for 2010 and 2011, developed in close cooperation with the ECB and the European Commission.

The macro-economic scenarios include a set of key macro-economic variables (e.g. the evolution of GDP, of unemployment and of the consumer price index), differentiated for EU Member States, the rest of the EEA countries and the US. The exercise also envisages adverse conditions in financial markets and a shock on interest rates to capture an increase in risk premia linked to a deterioration in the EU government bond markets.

On aggregate, the adverse scenario assumes a 3 percentage point deviation of GDP for the EU compared to the European Commission's forecasts over the two-year time horizon. The sovereign risk shock in the EU represents a deterioration of market conditions as compared to the situation observed in early May 2010.

The scope of the stress testing exercise has been extended to include not only the major EU cross-border banking groups but also key domestic credit institutions in Europe. The banks that have been included in the exercise are

listed in the Annex. In each EU Member State, the sample has been built by including banks, in descending order of size, so as to cover at least 50% of the national banking sector, as expressed in terms of total assets. For the EU banking sector as a whole, the 91 banks represent 65% of the EU banking sector. Banking groups have been tested on a consolidated level. This means that subsidiaries and branches of an EU cross-border banking group have been included in the exercise as a part of the test of the group as a whole.

The results of the stress test will be disclosed, both on an aggregated and on a bank-by-bank basis, on **23 July 2010**.

It should be noted that a stress testing exercise does not provide forecasts of expected outcomes, but rather a what-if analysis aimed at supporting the supervisory assessment of the adequacy of capital of European banks.

## **Background**

The Committee of European Banking Supervisors (CEBS) is composed of high level representatives from the banking supervisory authorities and central banks of the European Union. CEBS's main tasks are to advise the European Commission in the field of banking activities, to contribute to the consistent implementation of Community Directives and to the convergence of supervisory practices, and to enhance supervisory co-operation.

CEBS is also mandated to perform and provide regularly to the European Commission and other EU institutions, forward-looking assessments of micro-prudential trends, potential risks and vulnerabilities in the banking sector, conducted on a bottom-up basis and based notably on the information gathered from colleges of supervisors.

CEBS was mandated by the ECOFIN, in December 2009, to coordinate a second EU-wide stress testing exercise of the banking system, which was extended by the EU Council in June.

## Annex

### List of banks covered by the 2010 EU-wide stress test exercise

| Country        | Name of the institution                      |
|----------------|--|
| <b>Austria</b> | ERSTE GROUP BANK AG                          |
|                | RAIFFEISEN ZENTRALBANK OESTERRREICH AG (RZB) |
| <b>Belgium</b> | KBC GROUP                                    |
|                | DEXIA  |
| <b>Cyprus</b>  | MARFIN POPULAR BANK PUBLIC CO LTD            |
|                | BANK OF CYPRUS PUBLIC CO LTD                 |
| <b>Denmark</b> | DANSKE BANK                                  |
|                | JYSKE BANK A/S                               |
|                | SYDBANK A/S                                  |
| <b>Finland</b> | OP-POHJOLA GROUP                             |
| <b>France</b>  | BNP PARIBAS                                  |
|                | CREDIT AGRICOLE                              |
|                | BPCE   |
|                | SOCIETE GENERALE                             |
| <b>Germany</b> | DEUTSCHE BANK AG                             |
|                | COMMERZBANK AG                               |
|                | HYPO REAL ESTATE HOLDING AG                  |
|                | LANDESBANK BADEN-WÜRTTEMBERG                 |
|                | BAYERISCHE LANDESBANK                        |
|                | DZ BANK AG DT. ZENTRAL-GENOSSENSCHAFTSBANK   |
|                | NORDDEUTSCHE LANDESBANK -GZ-                 |
|                | DEUTSCHE POSTBANK AG                         |
|                | WESTLB AG                                    |
|                | HSH NORDBANK AG                              |
|                | LANDESBANK HESSEN-THÜRINGEN GZ               |
|                | LANDESBANK BERLIN AG                         |

| <b>Country</b>            | <b>Name of the institution</b>             |
|---------------------------|--|
| <b>Germany</b><br>[cont.] | DEKABANK DEUTSCHE GIROZENTRALE             |
|                           | WGZ BANK AG WESTDT. GENO. ZENTRALBK        |
| <b>Greece</b>             | NATIONAL BANK OF GREECE                    |
|                           | EFG EUROBANK ERGASIAS S.A.                 |
|                           | ALPHA BANK                                 |
|                           | PIRAEUS BANK GROUP                         |
|                           | AGRICULTURAL BANK OF GREECE S.A. (ATEbank) |
|                           | TT HELLENIC POSTBANK S.A.                  |
| <b>Hungary</b>            | OTP BANK NYRT.                             |
|                           | FHB JELZÁLOGBANK NYILVÁNOSAN MŰKÖDŐ RT     |
| <b>Ireland</b>            | BANK OF IRELAND                            |
|                           | ALLIED IRISH BANKS PLC                     |
| <b>Italy</b>              | UNICREDIT                                  |
|                           | INTESA SANPAOLO                            |
|                           | MONTE DEI PASCHI DI SIENA                  |
|                           | BANCO POPOLARE - S.C.                      |
|                           | UNIONE DI BANCHE ITALIANE SCPA (UBI BANCA) |
| <b>Luxembourg</b>         | BANQUE ET CAISSE D'EPARGNE DE L'ETAT       |
|                           | BANQUE RAIFFEISEN                          |
| <b>Malta</b>              | BANK OF VALLETTA (BOV)                     |

| Country            | Name of the institution   |
|--------------------|---|
| <b>Netherlands</b> | ING Bank  |
|                    | RABOBANK GROUP  |
|                    | ABN/ FORTIS BANK NEDERLAND (HOLDING) N.V  |
|                    | SNS BANK  |
| <b>Poland</b>      | POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI S.A. (PKO BANK POLSKI)   |
| <b>Portugal</b>    | CAIXA GERAL DE DEPÓSITOS  |
|                    | BANCO COMERCIAL PORTUGUÊS BANCO COMERCIAL PORTUGUÊS S.A. (BCP OR MILLENNIUM BCP)  |
|                    | ESPÍRITO SANTO FINANCIAL GROUP S.A. (ESFG)  |
|                    | BANCO BPI   |
| <b>Slovenia</b>    | NOVA LJUBLJANSKA BANKA (NLB)  |
| <b>Spain</b>       | BANCO SANTANDER S.A.  |
|                    | BANCO BILBAO VIZCAYA ARGENTARIA S.A. (BBVA)   |
|                    | <u>JUPITER</u><br>CAJA DE AHORROS Y MONTE DE PIEDAD DE MADRID (CAJA MADRID); CAJA DE AHORROS DE VALENCIA, CASTELLÓN Y ALICANTE (BANCAJA); CAIXA DÉSTALVIS LAIETANA; CAJA INSULAR DE AHORROS DE CANARIAS; CAJA DE AHORROS Y MONTE DE PIEDAD DE AVILA; CAJA DE AHORROS Y MONTE DE PIEDAD DE SEGOVIA; CAJA DE AHORROS DE LA RIOJA. |
|                    | <u>CAIXA</u><br>CAJA DE AHORROS Y PENSIONES DE BARCELONA (LA CAIXA); CAIXA DÉSTALVIS DE GIRONA.   |
|                    | <u>CAM</u><br>CAJA DE AHORROS DEL MEDITERRÁNEO (CAM); CAJA DE AHORROS DE ASTURIAS; CAJA DE AHORROS DE SANTANDER Y CANTABRIA; CAJA DE AHORROS Y MONTE DE PIEDAD DE EXTREMADURA.  |
|                    | BANCO POPULAR ESPAÑOL, S.A.   |
|                    | BANCO DE SABADELL, S.A.   |
|                    | <u>DIADA</u><br>CAIXA DÉSTALVIS DE CATALUNYA; CAIXA DÉSTALVIS DE TARRAGONA: CAIXA DÉSTALVIS DE MANRESA.   |
|                    | <u>BREOGAN</u><br>CAJA DE AHORROS DE GALICIA; CAIXA DE AFORROS DE VIGO, OURENSE E PONTEVEDRA (CAIXANOVA).   |

| Country              | Name of the institution  |
|----------------------|--|
| <b>Spain [cont.]</b> | <u>MARE NOSTRUM</u><br>CAJA DE AHORROS DE MURCIA; CAIXA DÉSTALVIS DEL PENEDES; CAJA DE AHORROS Y MONTE DE PIEDAD DE LAS BALEARES (SA NOSTRA); CAJA GENERAL DE AHORROS DE GRANADA.                          |
|                      | BANKINTER, S.A.  |
|                      | <u>ESPIGA</u><br>CAJA DE AHORROS DE SALAMANCA Y SORIA (CAJA DUERO); CAJA DE ESPAÑA DE INVERSIONES CAJA DE AHORROS Y MONTE DE PIEDAD (CAJA ESPAÑA).   |
|                      | BANCA CIVICA, S.A.   |
|                      | CAJA DE AHORROS Y M.P. DE ZARAGOZA, ARAGON Y RIOJA   |
|                      | ANTEQUERA Y JAEN (UNICAJA)   |
|                      | BANCO PASTOR, S.A.   |
|                      | <u>CAJA SOL</u><br>MONTE DE PIEDAD Y CAJA DE AHORROS SAN FERNANDO DE HUELVA, JEREZ Y SEVILLA (CAJA SOL); CAJA DE AHORRO PROVINCIAL DE GUADALAJARA.   |
|                      | BILBAO BIZKAIA KUTXA,AURREZKI KUTXA ETA BAHITETXEA   |
|                      | <u>UNNIM</u><br>CAIXA DÉSTALVIS DE SABADELL; CAIXA DÉSTALVIS DE TERRASSA; CAIXA DÉSTALVIS COMARCAL DE MANLLEU.   |
|                      | CAJA DE AHORROS Y M.P. DE GIPUZKOA Y SAN SEBASTIAN   |
|                      | <u>CAI</u><br>CAJA DE AHORROS Y MONTE DE PIEDAD DEL CÍRCULO CATÓLICO DE OBREOS DE BURGOS (CAJA CÍRCULO); MONTE DE PIEDAD Y CAJA GENERAL DE AHORROS DE BADAJOZ; CAJA DE AHORROS DE LA INMACULADA DE ARAGÓN. |
|                      | CAJA DE AHORROS Y M.P. DE CORDOBA  |
|                      | BANCA MARCH, S.A.  |
|                      | BANCO GUIPUZCOANO, S.A.  |
|                      | CAJA DE AHORROS DE VITORIA Y ALAVA   |
|                      | CAJA DE AHORROS Y M.P. DE ONTINYENT  |
|                      | COLONYA - CAIXA D'ESTALVIS DE POLLENSA   |
| <b>Sweden</b>        | NORDEA BANK  |
|                      | SKANDINAVISKA ENSKILDA BANKEN AB (SEB)   |
|                      | SVENSKA HANDELSBANKEN  |
|                      | SWEDBANK   |

| <b>Country</b> | <b>Name of the institution</b> |
|----------------|--------------------------------|
| <b>UK</b>      | ROYAL BANK OF SCOTLAND (RBS)   |
|                | HSBC HOLDINGS PLC              |
|                | BARCLAYS                       |
|                | LLOYDS BANKING GROUP           |