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
Austria	ERSTE GROUP BANK AG
	RAIFFEISEN ZENTRALBANK OESTERRREICH AG (RZB)
Belgium	KBC GROUP
	DEXIA
Cyprus	MARFIN POPULAR BANK PUBLIC CO LTD
	BANK OF CYPRUS PUBLIC CO LTD
Denmark	DANSKE BANK
	JYSKE BANK A/S
	SYDBANK A/S
Finland	OP-POHJOLA GROUP
France	BNP PARIBAS
	CREDIT AGRICOLE
	BPCE
	SOCIETE GENERALE
Germany	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

Country	Name of the institution
Germany [cont.]	DEKABANK DEUTSCHE GIROZENTRALE
	WGZ BANK AG WESTDT. GENO. ZENTRALBK
Greece	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.
Hungary	OTP BANK NYRT.
	JELZÁLOGBANK NYILVÁNOSAN MŰKÖDŐ RT.
Ireland	BANK OF IRELAND
	ALLIED IRISH BANKS PLC
Italy	UNICREDIT
	INTESA SANPAOLO
	MONTE DEI PASCHI DI SIENA
	BANCO POPOLARE - S.C.
	UNIONE DI BANCHE ITALIANE SCPA (UBI BANCA)
Luxembourg	BANQUE ET CAISSE D'EPARGNE DE L'ETAT
	BANQUE RAIFFEISEN
Malta	BANK OF VALLETTA (BOV)

Country	Name of the institution
Netherlands	ING Bank
	RABOBANK GROUP
	ABN/ FORTIS BANK NEDERLAND (HOLDING) N.V
	SNS BANK
Poland	POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI S.A. (PKO BANK POLSKI)
Portugal	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
Slovenia	NOVA LJUBLJANSKA BANKA (NLB)
Spain	BANCO SANTANDER S.A.
	BANCO BILBAO VIZCAYA ARGENTARIA S.A. (BBVA)
	JUPITER 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.
	CAIXA CAJA DE AHORROS Y PENSIONES DE BARCELONA (LA CAIXA); CAIXA DÉSTALVIS DE GIRONA.
	CAM 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.
	DIADA CAIXA DÉSTALVIS DE CATALUNYA; CAIXA DÉSTALVIS DE TARRAGONA: CAIXA DÉSTALVIS DE MANRESA.
	BREOGAN CAJA DE AHORROS DE GALICIA; CAIXA DE AFORROS DE VIGO, OURENSE E PONTEVEDRA (CAIXANOVA).

Country	Name of the institution
Spain [cont.]	MARE NOSTRUM 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.
	ESPIGA 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.
	CAJA SOL 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
	UNNIM CAIXA DÉSTALVIS DE SABADELL; CAIXA DÉSTALVIS DE TERRASSA; CAIXA DÉSTALVIS COMARCAL DE MANLLEU.
	CAJA DE AHORROS Y M.P. DE GIPUZKOA Y SAN SEBASTIAN
	CAI 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
Sweden	NORDEA BANK
	SKANDINAVISKA ENSKILDA BANKEN AB (SEB)
	SVENSKA HANDELSBANKEN
	SWEDBANK

Country	Name of the institution
UK	ROYAL BANK OF SCOTLAND (RBS)
	HSBC HOLDINGS PLC
	BARCLAYS
	LLOYDS BANKING GROUP