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Press and Communications

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## Press release

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### EBA announces 2014 EU-wide stress test publication date

**The European Banking Authority (EBA) will publish the 2014 EU-wide stress test results on Sunday 26 October 2014. The stress test, which assesses the resilience of EU banks to a hypothetical adverse macroeconomic scenario, uses a common methodology developed by the EBA, and applies it consistently across all participating banks. With up to 12,000 data points per bank disclosed, it will provide an unmatched level of transparency into the EU banking sector. Simultaneously, the ECB will be publishing the results of its Comprehensive Assessment (CA).**

The EBA announced today that detailed individual results for all banks participating in the EBA EU-wide stress test, along with detailed balance sheets and exposure data as of end 2013, will be published on Sunday 26 October 2014 at 12:00 Central European Time (11 GMT time). The results, as checked by competent authorities including the ECB, will cover up to 12,000 data points per each bank across the entire EU and it will cover banks' composition of capital, risk weighted assets (RWAs), profit and loss (P&L), exposures to sovereigns, credit risk and securitisation. The EBA also will, for the first time, disclose a fully loaded CRR/CRD4 Common Equity Tier 1 (CET1) capital ratio for each bank for information purposes.

In order to help understanding these detailed data sets, the EBA will make available on its website the following information and tools: an aggregate summary report; an interactive map tool summarising the main results and drivers for the results, by country and by bank; bank-by-bank results (reported in the EBA disclosure templates); a set of interactive Excel-tools that provide users with main aggregate and bank-by-bank results and underlying figures; and a downloadable database and data model including all bank-level information provided in the EBA disclosure templates. The results will be published in the EBA disclosure templates, blank versions of which are now available on the EBA website.

Piers Haben said "The EU bank stress test is not only about which banks may fail or not. Rather, it will provide valuable insight into the progress made so far by EU banks in cleaning their balance sheets and strengthening their capital position". Haben added that "the exercise also provides an unmatched level of transparency into the EU banking sector, so as to promote market discipline and investor confidence"

The EBA also expects the publication of results to be accompanied by supporting information from competent authorities across the EU including their approach to implementing supervisory measures for banks falling below the threshold and other banks that may be deemed to have vulnerabilities.

## Note to the editors

The EU-wide stress exercise, covering 123 banks<sup>1</sup> across 22 EU countries, is carried out by the European Central Bank (ECB) and competent authorities from all relevant EU jurisdictions under the coordination of the EBA.

While the EBA developed the common methodology and ensured the disclosure of results and the ESRB provided the underlying adverse macroeconomic scenario, competent EU authorities including the ECB were responsible for the quality assurance of banks' results and asset quality reviews informing the starting point of the stress test.

The 2014 EU wide stress test has been carried out on a static balance sheet assumption as of end December 2013, over a three-year time horizon. The impact of the stress test is assessed in terms of the transitional CRR/CRD IV Common Equity Tier 1 ratio. For the purpose of the EU-wide stress test the following hurdle rates were applied as a minimum across all participating banks:

- The capital hurdle rate was set at 8% Common Equity Tier 1 ratio for the baseline scenario.
- The capital hurdle rate was set at 5.5% Common Equity Tier 1 ratio for the adverse scenario.

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<sup>1</sup> The list of banks that are taking part in the 2014 EU-wide stress test has been updated to accommodate the following changes since April 2014:

- Banco Ceiss and Unicaja (MPCA Ronda, Cádiz, Almería, Málaga, Antequera y Jaén): Following the acquisition of Banco Ceiss by Unicaja, the stress test is being performed at the level of the merged entity (Unicaja).

- Banco Espirito Santo: Following the recent resolution decision applied to Banco Espirito Santo that led to the creation of Novo Banco, the stress test exercise for Novo Banco has been postponed

- Wüstenrot & Württembergische AG: This bank will be treated at a sub-consolidated level, which means that the stress test and the publication of results will be conducted separately for the two bank entities of the group, Wüstenrot Bank AG Pfandbriefbank and Wüstenrot Bausparkasse AG."