

PRESS RELEASE 10/14

■ CEBS' EU-WIDE STRESS TESTING EXERCISE 2010

The objective of the 2010 EU-wide stress test exercise conducted under the mandate from the EU Council of Ministers of Finance (ECOFIN) and coordinated by the Committee of European Banking Supervisors (CEBS) in cooperation with the European Central Bank (ECB), national supervisory authorities and the EU Commission, 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.

The exercise has been conducted on a bank-by-bank basis for a sample of 91 EU banks from 20 EU Member States, covering at least 50% of the banking sector, in terms of total consolidated assets, in each of the 27 EU Member States, using commonly agreed macro-economic scenarios (benchmark and adverse) for 2010 and 2011, developed in close cooperation with the ECB and the European Commission.

As part of the CEBS' exercise, based on the latest available reporting data, CSSF has assessed the regulatory solvency implications for 2 major domestic banks - Banque et Caisse d'Epargne de l'Etat and Banque Raiffeisen – using the risk parameters jointly determined by the CEBS and the ECB for the purpose of the CEBS' stress testing exercise.

As determined by the CSSF, both banks are resilient to the adverse developments foreseen in the CEBS exercise and stay well above the 6% Tier 1 threshold. As a consequence, the CSSF has determined that no further follow-up action is required in this context. The detailed results for the two Luxembourg banks are available from the section "EU-wide Stress Testing Exercise" at the CSSF website www.cssf.lu.

The two aforementioned banks represent 5% of the total Luxembourg banking assets at March 31, 2010. Other major Luxembourg banks, totaling 66% of the Luxembourg banking system, have been part of the exercise through the stress test applied at the consolidated level of their parent companies. Detailed information about the stress testing outcomes of these banking groups can be obtained from the CEBS website at www.c-ebs.org.

The European banking groups BNP Paribas, Dexia, ING, BPCE and Caixa Geral De Depósitos which are among the 91 EU banks included in the sample of the exercise and have Luxembourg entities with significant market shares in the domestic market for credit and deposit taking, have also been assessed on a consolidated basis to be resilient to the adverse developments of the CEBS stress testing exercise. The Luxembourg entities of these banking groups are BGL BNP Paribas, Dexia Banque Internationale à Luxembourg, ING LUXEMBOURG S.A., Banque BCP S.A. and Caixa Geral de Depósitos SA, Lisboa (Portugal), Luxembourg branch respectively. The assets of these institutions are included in the total consolidated assets of their parent companies.

