

Press release

Comprehensive assessment shows robust European banking sector

The results of the comprehensive assessment of the 130 most significant European banks show that the sector is very robust and capable of sustaining a severe recession, the European Banking Federation concludes from the final results of the assessment as published today by the European Central Bank, European Banking Authority and national supervisors.

Their analysis confirms that European banks, as a result of precautionary actions taken in recent years, continuing in 2014, now hold significantly more capital and have greater overall resilience. According to the ECB, banks have strengthened the resilience of their balance sheets by more than €200 billion since the exercise was announced in July 2013. The median Common Equity Tier 1 capital ratio shows a healthy 12.4 percent, which - under the most severe adverse stress test scenario ever - would fall to 8.3 percent, still well above the minimum requirement of 5.5 percent.

Wim Mijs, Chief Executive of the EBF, says: "These results clearly confirm that our sector now is in a much better shape than a few years ago. They should dispel any lingering doubts on the health of the European banking sector. Now we can look forward to continuing work on strengthening Europe's financial services markets."

The comprehensive assessment required significant efforts of individual banks and was a comprehensive task for the industry, notably in a number of countries that have carried out restructuring programmes during the past years.

The EBF notes that banks with an identified capital shortfall will have six or nine months to remedy their situation based on a plan approved by the authorities.

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About the European Banking Federation:

Launched in 1960, the European Banking Federation is the voice of the European banking sector from countries in the European Union and the European Free Trade Association. Members of the federation are 32 national banking associations. The EBF represents the interests of some 4,500 banks, large and small, wholesale and retail, local and cross-border financial institutions. Together these banks account for over 80 percent of the total assets and deposits and some 80 percent of all bank loans in the EU alone. Website: www.ebf-fbe.eu