



EBF PRESS RELEASE

2018 EU-wide stress tests: Banks again fully committed

BRUSSELS, 1 February 2018 – Taking note of the announcement on the launch of the 2018 EU-wide bank sector stress tests by the European Banking Authority, the European Banking Federation, as voice of the banking sector, wishes to underline its full commitment to this process, designed to maintain and reinforce the resilience of the banking sector.

The previous tests and the asset quality review undertaken in 2014 clearly demonstrated the resilience of the European banking sector and showed that the post-crisis recapitalisation efforts by European banks have paid off. Banks have continued to strengthen their balance sheet in recent years, making it possible for the sector to withstand a severe economic downturn such as the one being simulated in the tests.

Says Wim Mijs, Chief Executive of the European Banking Federation:

"The new structure for bank supervision in Europe introduced in 2014 under Banking Union has quickly shaped the new normal in European banking. Let me express my sincere appreciation for the close cooperation between the supervisors and the banks that has made this possible. We are confident that the third major round of stress tests carried out under this new European reality will again confirm that health and solidity of our sector.

Banks are allocating significant resources to the supervisory processes at a time when profitability remains under pressure. That shows we are fully committed and the EBF Banking Supervision team is ready to provide guidance where needed. These tests help reinforce confidence in our industry and we are pleased to see this also is being recognized by the supervisors."

The 2018 exercise, performed at a crucial moment when banks are migrating towards the new IFRS 9 accounting standards, is being carried out on a sample of 49 EU banks, 35 of which falling under the jurisdiction of the Single Supervisory Mechanism. EBA has published¹ the common macroeconomic scenario for this exercise along with this announcement while the final methodology has been defined earlier in November 2017. The results will be released by 2 November 2018.

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¹ <http://www.eba.europa.eu/-/eba-launches-2018-eu-wide-stress-test-exercise>

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About the EBF:

The EBF serves as the voice of the European banking sector, uniting 32 national banking associations in Europe that together represent some 3,500 banks – large and small, wholesale and retail, local and international. Launched in 1960, the EBF is committed to creating a single market for financial services in the European Union and to supporting policies that foster economic growth. A thriving European economy and flourishing society. Banks are keen to deliver on their role in society as partners in prosperity. For the European Banking Federation this is about contributing to a stable and inclusive financial ecosystem, with secure financing available for citizens, businesses and innovators everywhere, supported by excellence in regulation.