

2016 EUROPEAN BANK STRESS TESTS

NOT AS GOOD AS THEY LOOK

FIRST GLANCE AT RESULTS





Highlights

ST 2016 Results are out –
At a first glance, results are positive for banks.

However, important challenges for banks and regulators remain open.

- Key Positive Factors
- Bank Challenges
- Regulatory Challenges

Key Messages

We measured the credibility of stress tests based on the capital depletion and actions they generate

- Stress Test Impacts
- Capital Actions
- Europe vs. US and UK
- Bank Strategic Priorities

HIGHLIGHTS

ST 2016 Results are out – At a first glance, results are positive for banks. Only one fail as expected, no needs for additional capital calls and increased capacity to pay dividends: all good news for markets. However, important challenges for banks and regulators remain open.

Stress test results help us to understand (1) bank's vulnerability to adverse scenarios and associated capital needs and (2) available capacity left to distribute capital in form of dividends and stock repurchases. With these in mind results are positive:



- 1. Capital Needs:** Although capital depletion measured in terms of CET 1 impact increased by 114bps, no further bank capital calls are required
- 2. Capital Flexibility:** Stress test results will not influence minimum SREP requirements but only capital guidance without triggering restrictions on dividend and AT1 coupon payments. This results in increased capital bank flexibility.

However 2016 stress test results are not as good as they look as they continue to display important challenges for banks and regulators. With respect to **banks**, lagging profitability and exposure to non-performing assets are remaining issues:

- Banks**
- 1. Lagging Profitability:** Only 1 bank of the 51 analysed show ROE above cost of capital under the 2016-18 baseline scenario and no bank adds shareholder value under the adverse scenario. This explains why banks trade at 0.7 times book value and show the need for further restructuring of prices, cost and business models.
 - 2. Large Stock of Non-Productive Assets:** NPL ratio continues to be high with countries like Italy (17%) and Ireland (17%) that contrast with US (2%). European banks must accelerate unwinding of non-productive assets as they generate high operating, funding and capital costs while constraining new credit.

With respect to **regulators**, transparency on capital requirements and market confidence continue to be unresolved:


- Supervisors**
- 1. Transparency on Capital Requirements:** ECB has softened its stance on capital actions resulting from stress tests. There are no bank fails and stress tests do not impact minimum requirements. This contrasts with the US/UK where stress tests have greater influence as they have become the main binding constraint for banks. Harshness of US CCAR has contributed to bank strength and credit growth (+10% in the last quarter vs. +1% in EU)
 - 2. Market Confidence:** The test is a missed opportunity to resolve market doubts on certain banks or countries (Italy and Portugal). Politics and bank supervision need to align towards long lasting structural solutions.

KEY MESSAGES (1 OF 2)

We measured the credibility of stress tests based on the capital depletion and actions they generate.

Stress Test Impacts

Impact of 2016 stress tests shows average capital depletion (2015 CET1 to adverse) of 380bps, 114bps higher than that created by 2014 stress tests (266bps).

Capital Depletion	All Banks	European G-SIBs	Worst 3 Countries	Best 3 Countries	Worst 3 Banks	Best 3 Banks
CET 1 Phased-In Adverse	-380bps	-372bps			MPS, AIB, RBS	DNB, PBP, SWED
CET Fully Loaded Adverse	-340bps	-360bps			MPS, AIB, GEM	DNB, DBK, KXA

1. Increased capital depletion is explained by new methodology features (conduct risk, FX lending, NII constraints and conservative market risk assumptions), elimination of CET1 phased-in transitional arrangements (+40bps) and tougher quality assurance process
2. Banks which currently benefit more from phased-in transitional arrangements are more impacted
3. European G-SIBs display average capital depletion of 372bps in line with total average
4. Worst 3 capital depletion (Ireland, Germany and The Netherlands) vs Top 3 (Norway, Poland and Sweden)
5. Worst 3 capital depletion banks (Banca Monte dei Paschi, Allied Irish Banks and Royal Bank of Scotland)

Capital Actions

ECB has softened its stance on capital actions resulting from stress tests. There are no bank fails and only expect immediate capital from 1 bank which fell below 5.5% CET 1 Adverse. In addition, Pillar 2 Guidance is created as an add-on to SREP requirements (not binding and not relevant for MDA trigger) maintaining overall capital demand stable from 2015 SREP.




1. 1 bank failed the 5.5% CET1 adverse minimum threshold (Banca Monte dei Paschi) vs. 25 fails in 2014
2. Approximately €5bn of common equity raising during 2016 vs. 2014 pre-empted raising of €50bn
3. SREP decision will incorporate stress test results as an element of Pillar 2 guidance (P2 G) and not as a binding requirement. Calculation of P2 G explained later in document.
4. Removing stress test results from Pillar 2 requirements is positive for bank's dividend potential and AT1 valuation. However, the approach departs from UK and US where stress tests are binding.
5. The difference between adverse CET 1 and 5.5% minimum increased at 390bps vs. 296bps in 2014. 2014-15 CET1 generation of +210bps fully compensated the +114bps stress capital depletion.

KEY MESSAGES (2 OF 2)

Europe vs. US and UK Stress Tests

Comparison of 2016 European stress tests vs. those conducted for both US and UK banks shows comparable capital impacts. However, US and UK tests are a binding capital constraint for banks.

- Key differences of ECB vs. UK and US tests are as follows
 - ECB uses static balance sheet assumptions while US and UK use dynamic balance sheet with or without management overlays
 - ECB uses benchmarks while UK and US have developed granular supervisory models
 - US qualitative adjustments related to quality of management practices are a key driver
 - US and UK use stress test results as binding for banks while the ECB has eliminated this year any stress test binding constraint and has created a capital add-on as guidance
- Stress test result differences exist in terms of capital depletion (measured as stress test impact in CET1) and capital flexibility (measured as CET1 Adverse – Hurdle Rate)

Latest ST Results			
Capital Depletion	+380bps	+360bps	+520bps
Capital Flexibility	+390bps	+310bps	+260bps

US is the most binding stress test

Bank Strategic Priorities

Stress test results also show remaining challenges for European banks – profitability levels that do not meet investor requirements on cost of capital and further needs for balance sheet unwinding of large stocks of non-productive assets

- Profitability** – European bank valuation is currently at 0.7 times due to lagging profitability vs. cost of capital (assumed @10%). Analysis of ROE under baseline and adverse scenarios shows:
 - Only 1 bank meets ROE levels above cost of capital in baseline scenario
 - No banks meet ROE levels in adverse scenario
 - ROE analysis for 2014 stress test exercise shows similar pattern
- Non-performing loans** - NPL ratio continues to be high with countries like Italy (17%) and Ireland (17%) that contrast with US (2%)
 - All 51 European banks tested show NPL of 5% with coverage of 86%
 - NPL shows strong correlation with CET1 capital depletion

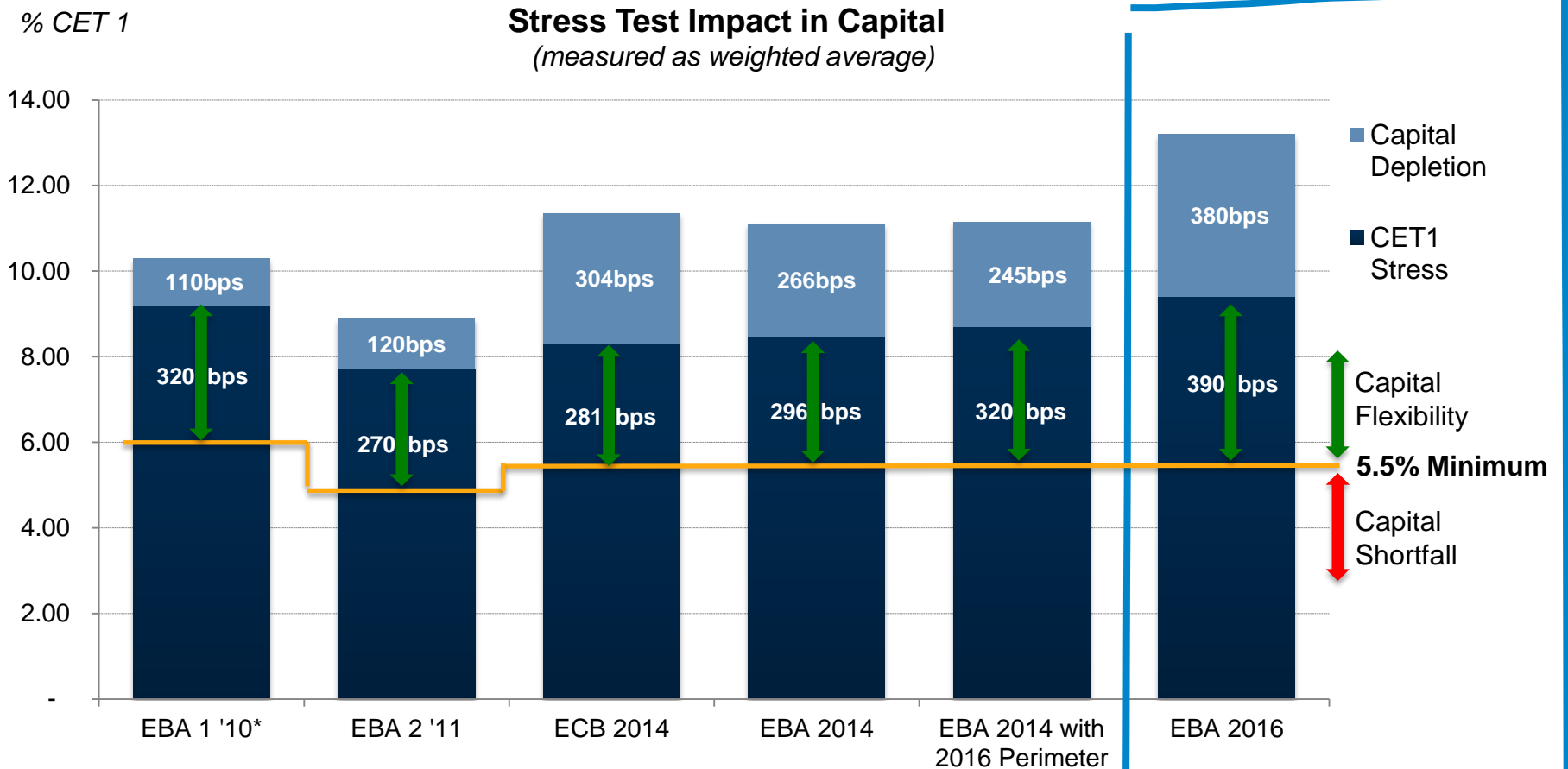


Stress Test Impacts	Capital Actions	US & UK vs. EUROPE	Bank Strategic Priorities
<p>Analysis of stress test impacts in capital depletion and flexibility</p> <ul style="list-style-type: none"> • Trend analysis • Phased in vs. Fully loaded CET 1 • Analysis by country • Analysis by bank • Waterfall analysis 	<p>Evaluation of capital impact of stress test results</p> <ul style="list-style-type: none"> • Immediate capital actions • Simulation of Pillar 2 Guidance 	<p>Comparative analysis of global stress test regimes</p> <ul style="list-style-type: none"> • Approach differences • Comparative analysis of ST impacts in capital depletion and flexibility • UK banks – comparison of EBA and EBA results 	<p>Analysis of bank strategic priorities using stress test results</p> <ul style="list-style-type: none"> • ROE analysis • NPL analysis

OVERALL STRESS TEST IMPACT

Stress Test Impacts

Impact of 2016 stress tests shows average capital depletion (2015 CET1 to adverse) of 380bps, 114bps higher than that created by 2014 stress tests (266bps).



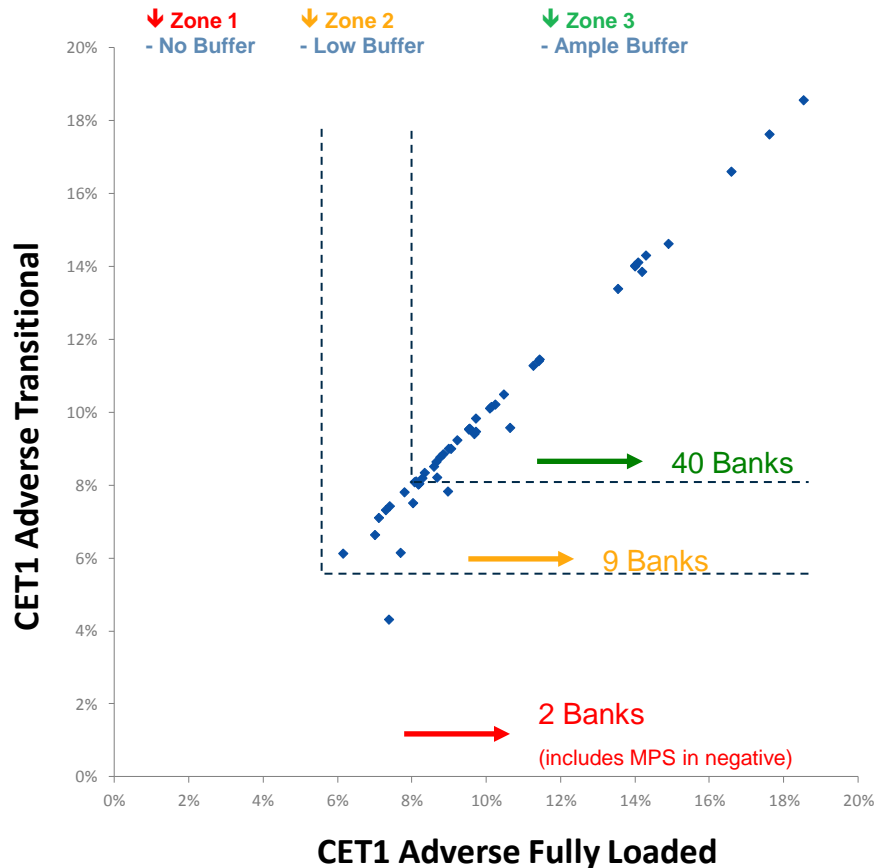
* Note: Based on Tier 1 Capital

CAPITAL FLEXIBILITY

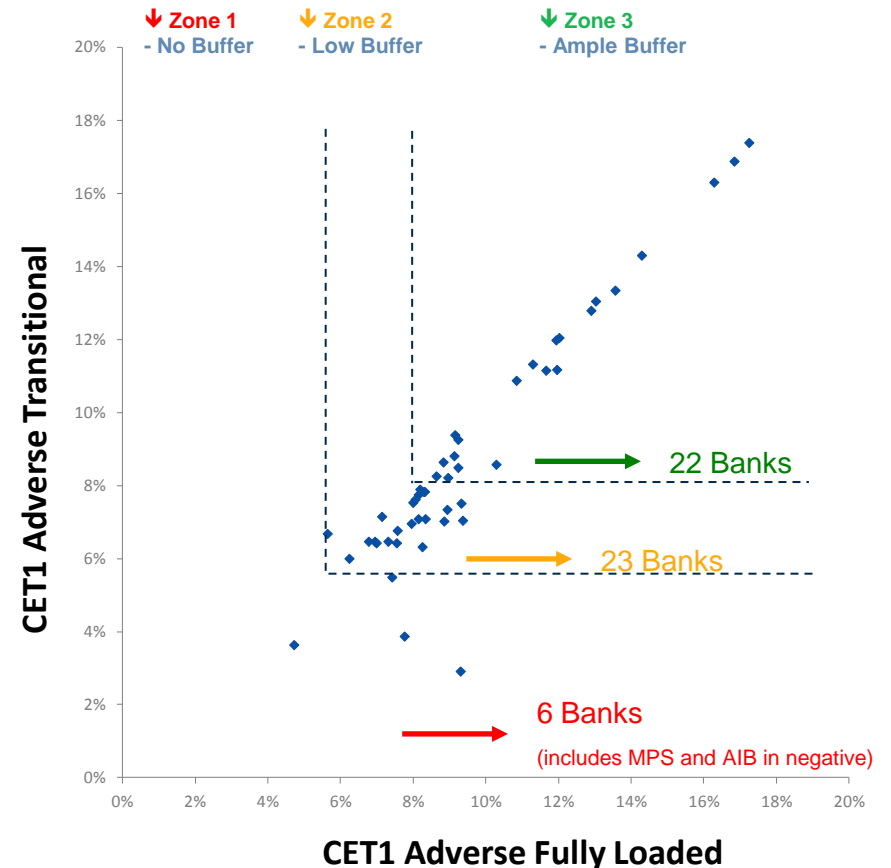
Stress Test Impacts

Capital flexibility improvement compared to EBA 2014 results. Out of 51 banks, 40 maintains CET1 transitional ratio of over 8% under EBA 2016 adverse, and only 2 banks fall below 6%.

2016 Results



2014 Results *



* 2014 Results using EBA 2016 perimeter (51 banks)

STRESS TEST IMPACT BY COUNTRY

Stress Test Impacts

Worst 3 transitional capital depletion countries are Ireland, Germany and the Netherlands. On a fully loaded basis, best 3 countries are Norway, Poland and Spain.

Country	Country Name	EBA 2016						EBA 2014						Depletion Chg. 16 vs 14 (FL)
		Stressed CET1 Depletion 2015-2018						Stressed CET1 Depletion 2013-2016						
		Transit.	Level	Qrt.	Fully Loaded	Level	Qrt.	Transit.	Level	Qrt.	Fully Loaded	Level	Qrt.	
AT	Austria		-423			-418	4th		-220			-455	4th	● -37
BE	Belgium		-411			-348			-507	4th		-659	4th	● -311
DE	Germany		-537	4th		-387			-391	4th		-361		● 26
DK	Denmark		-283	1st		-246			-265			-246		● 0
ES	Spain		-386			-232	1st		-142	1st		-276		● -44
FI	Finland		-458	4th		-455	4th		-439	4th		-521	4th	● -65
FR	France		-286			-292			-226			-221		● 72
HU	Hungary		-419			-372			-396	4th		-393		● -21
IE	Ireland		-710	4th		-703	4th		-530	4th		-1364	4th	● -661
IT	Italy		-409			-380			-337			-563	4th	● -184
NL	Netherlands		-480	4th		-422	4th		-251			-93	1st	● 328
NO	Norway		-1	1st		-1	1st		-1	1st		-1	1st	● 0.3
PL	Poland		-182	1st		-198	1st		11	1st		10	1st	● 188
SE	Sweden		-234	1st		-236	1st		-159	1st		-74	1st	● 162
UK	United Kingdom		-400			-398			-215			-252		● 146
EU	Total 2016 (15 Countries)		-383			-335			-245			-212		● 124
EU	Total 2014 (22 Countries)*								-270			-350		

* 22 countries that include 123 banks (EBA 2014 perimeter)

STRESS TEST IMPACT BY BANK

Stress Test Impacts

Worst capital depletion banks for both transitional and fully loaded basis are Banca Monte dei Paschi, Allied Irish Banks and Royal Bank of Scotland and Bank Nederlandse Gemeenten.

Country	Bank Name	EBA 2016						EBA 2014						Depletion Chg. 16 vs 14 (FL)
		Stressed CET1 Depletion 2015-2018			Stressed CET1 Depletion 2013-2016			Stressed CET1 Depletion 2013-2016			Stressed CET1 Depletion 2013-2016			
		Transit.	Level	Qrt.	Fully Loaded	Level	Qrt.	Transit.	Level	Qrt.	Fully Loaded	Level	Qrt.	
AT	Erste Group Bank AG	■	-416		■	-423	4th	■	-242		■	-323		● 100
AT	Raiffeisen Zentralbank Österreich AG	■	-432		■	-408		■	-194		■	-584	4th	● -176
BE	Belfius Banque S.A.	■	-449		■	-323		■	-619	4th	■	-705	4th	● -381
BE	KBC Group NV	■	-389		■	-361		■	-441	4th	■	-637	4th	● -276
DE	Bayerische Landesbank	■	-690	4th	■	-365		■	-383		■	-615	4th	● -250
DE	Commerzbank AG	■	-636	4th	■	-471	4th	■	-288		■	-390		● 81
DE	DekaBank Deutsche Girozentrale	■	-492		■	-397		■	-603	4th	■	-651	4th	● -254
DE	Deutsche Bank AG	■	-540	4th	■	-332		■	-453	4th	■	-638	4th	● -307
DE	Landesbank Baden-Württemberg	■	-694	4th	■	-658	4th	■	-604	4th	■	-799	4th	● -141
DE	Landesbank Hessen-Thüringen Girozentrale	■	-369		■	-301		■	-407	4th	■	-448		● -147
DE	Norddeutsche Landesbank-Girozentrale	■	-432		■	-347		■	-88	1st	■	-165	1st	● 181
DE	NRW.Bank	■	-742	4th	■	-714	4th	■	-590	4th	■	-622	4th	● 92
DE	Volkswagen Financial Services AG	■	-241	1st	■	-211	1st	■	-245		■	-294		● -83
DK	Danske Bank	■	-210	1st	■	-147	1st	■	-201		■	-254		● -107
DK	Jyske Bank	■	-206	1st	■	-201	1st	■	-130	1st	■	-152	1st	● 49
DK	Nykredit	■	-526		■	-533	4th	■	-462	4th	■	-462	4th	● 71
ES	Banco Bilbao Vizcaya Argentaria	■	-375		■	-208	1st	■	-158		■	-233		● -25
ES	Banco de Sabadell	■	-350		■	-369		■	-193		■	-244		● 125
ES	Banco Popular Español	■	-610	4th	■	-358		■	-250		■	-364		● -7
ES	Banco Santander	■	-402		■	-199	1st	■	-144	1st	■	-305		● -107
ES	Banco Financiero y de Ahorros	■	-393		■	-417		■	-30	1st	■	-202		● 214
ES	Caja de Ahorros y Pensiones de Barcelona	■	-273	1st	■	-184	1st	■	-94	1st	■	-277		● -93
FI	OP Osuuskunta	■	-458		■	-455	4th	■	-439	4th	■	-521	4th	● -65
FR	BNP Paribas	■	-246	1st	■	-236		■	-246		■	-292		● -57
FR	Groupe BPCE	■	-329		■	-331		■	-304		■	-361		● -30
FR	Groupe Crédit Agricole	■	-303		■	-319		■	-196		■	-216		● 103
FR	Groupe Crédit Mutuel	■	-199	1st	■	-216	1st	■	-85	1st	■	-97	1st	● 119
FR	La Banque Postale	■	-348		■	-470	4th	■	-88	1st	■	-66	1st	● 404
FR	Société Générale	■	-339		■	-341		■	-253		■	-360		● -19
EU	Total 2016 (51 Banks)	■	-383		■	-335		■	-245		■	-239		● 96
EU	Total 2014 (123 Banks)							■	-270		■	-350		

STRESS TEST IMPACT BY BANK

Stress Test Impacts

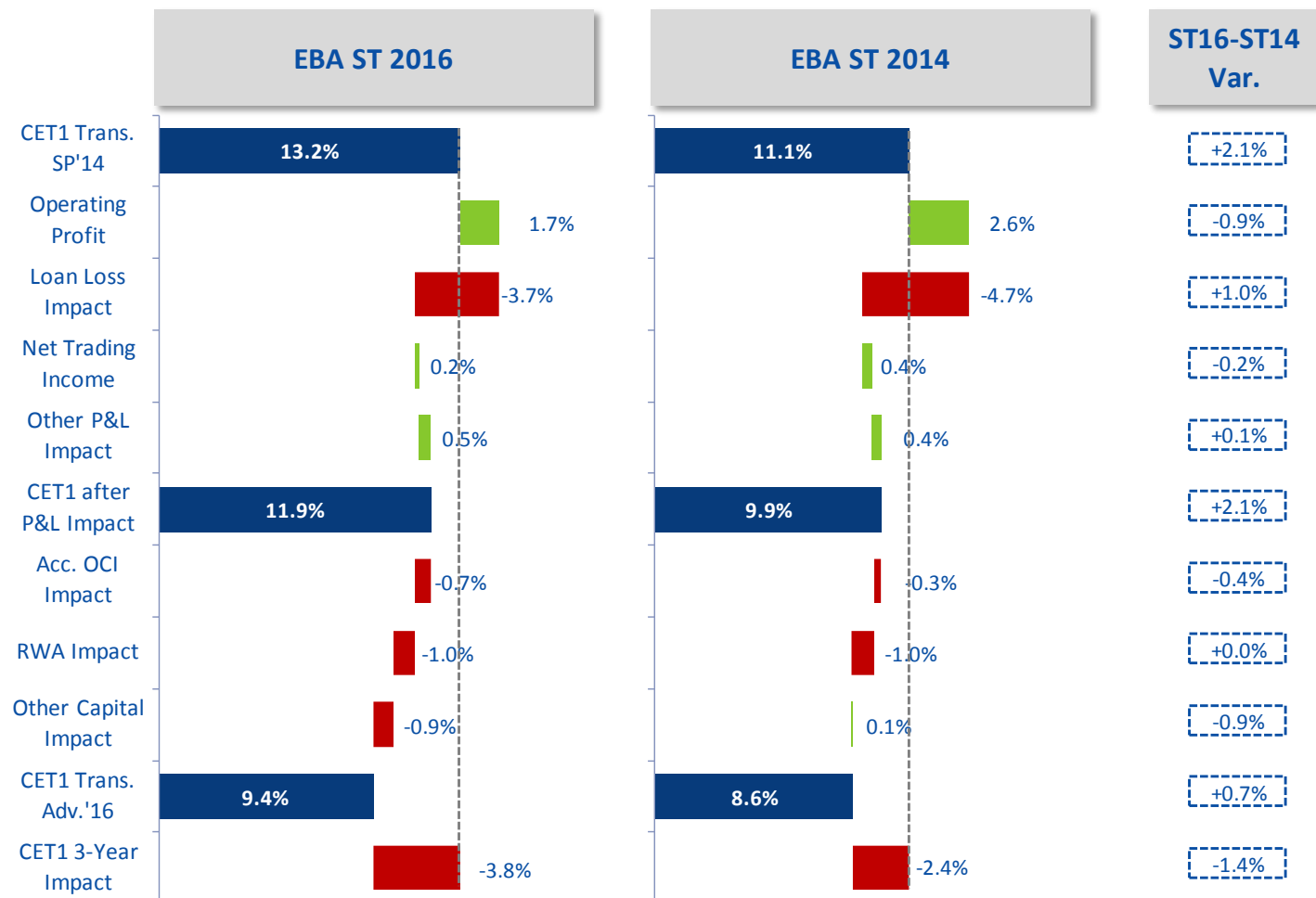
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		Transit.	Level	Qrt.	Fully Loaded	Level	Qrt.	Transit.	Level	Qrt.	Fully Loaded	Level	Qrt.	
HU	OTP Bank Ltd		-419			-372		-396	4th		-393		● -21	
IE	Allied Irish Banks plc		-847	4th		-880	4th		-772	4th		-1822	4th	● -943
IE	The Governor and Company of the Bank of Ireland		-560	4th		-513	4th		-251			-891	4th	● -378
IT	Banca Monte dei Paschi di Siena S.p.A.		-1423	4th		-1451	4th		-708	4th		-1052	4th	● 399
IT	Banco Popolare - Società Cooperativa		-410			-339			-321			-432		● -93
IT	Intesa Sanpaolo S.p.A.		-274	1st		-226	1st		-339			-387		● -161
IT	UniCredit S.p.A.		-347			-329			-279			-313		● 16
IT	Unione Di Banche Italiane Società Cooperativa Per Azioni		-323			-277			-362			-394		● -116
NL	ABN AMRO Bank N.V.		-597	4th		-591	4th		-296			-330		● 262
NL	Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.		-538	4th		-387			-367			-496	4th	● -108
NL	ING Bank N.V.		-394			-371			-143	1st		-185	1st	● 187
NL	Bank Nederlandse Gemeenten N.V.		-706	4th		-855	4th		-458	4th		-446		● 410
NO	DNB Bank Group		-1	1st		-1	1st		-1	1st		-1	1st	● 0
PL	POWSZECHNA KASA OSZCZEDNOSCI BANK POLSKI S.A. (BANK POLSKI)		-182	1st		-198	1st		11	1st		10	1st	● 188
SE	Nordea Bank AB (publ)		-236	1st		-236	1st		-156	1st		-156	1st	● 80
SE	Skandinaviska Enskilda Banken AB (publ) (SEB)		-225	1st		-225	1st		-164			-164	1st	● 61
SE	Svenska Handelsbanken AB (publ)		-270	1st		-270			-180			-180	1st	● 91
SE	Swedbank AB (publ)		-187	1st		-203	1st		-186			-186	1st	● 17
UK	Barclays plc		-412			-405			-195			-195		● 210
UK	HSBC Holdings plc		-312			-312			-150	1st		-150	1st	● 162
UK	Lloyds Banking Group plc		-291			-291			-399	4th		-425		● -133
UK	Royal Bank of Scotland Group plc		-746	4th		-745	4th		-291.7			-189		● 556
EU	Total 2016 (51 Banks)		-383			-335			-245			-239		● 96
EU	Total 2014 (123 Banks)								-270.1			-350		

STRESS TEST IMPACT – WATERFALL BY KEY COMPONENT

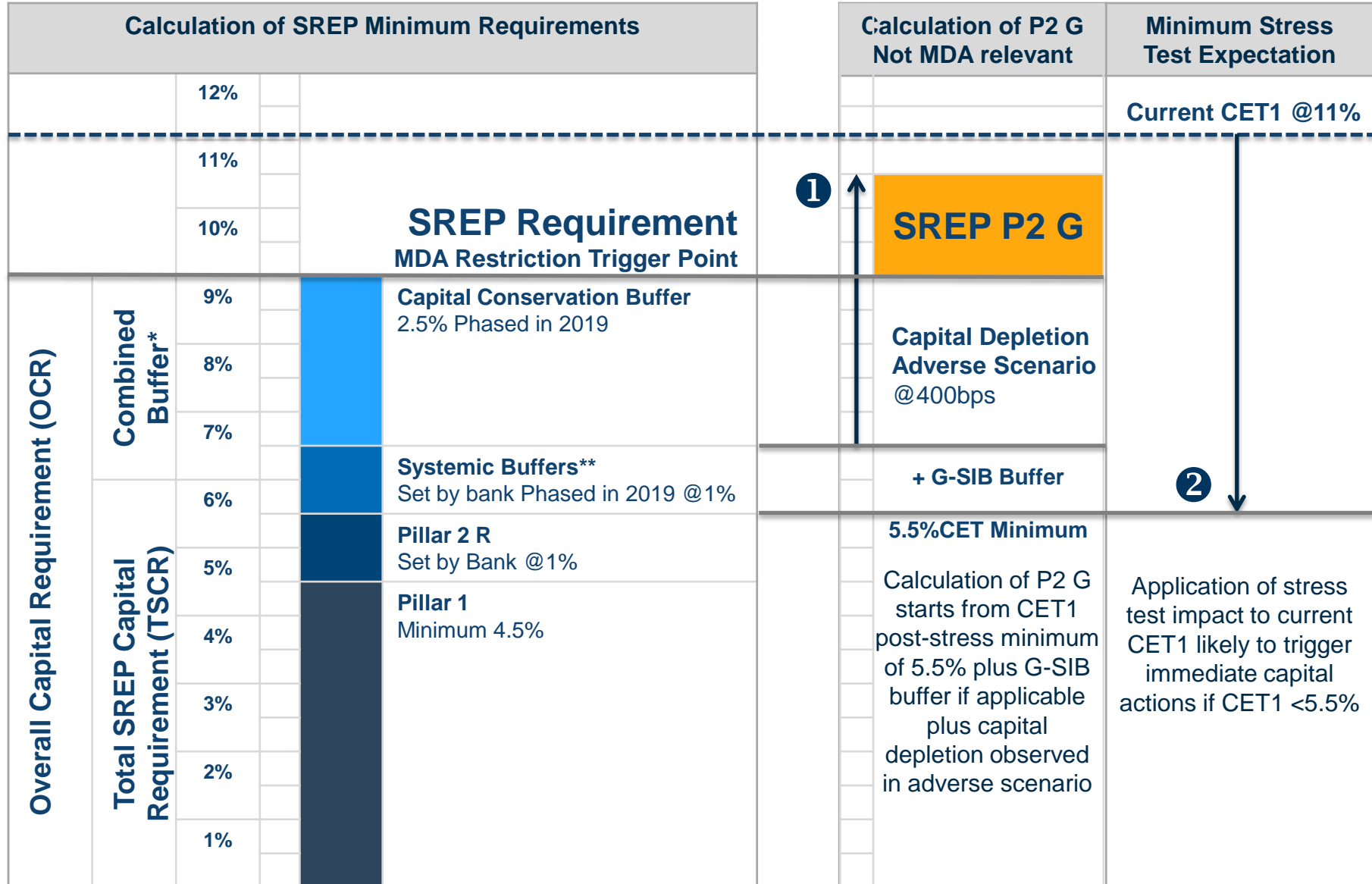
Stress Test Impacts

CET1 adverse depletion of +380bps driven by loan losses, OCI and RWA impacts. Operating profit includes losses from conduct & other operational risks of 110 bps.



CAPITAL ACTIONS AND INTEGRATION WITH SREP

Capital Actions



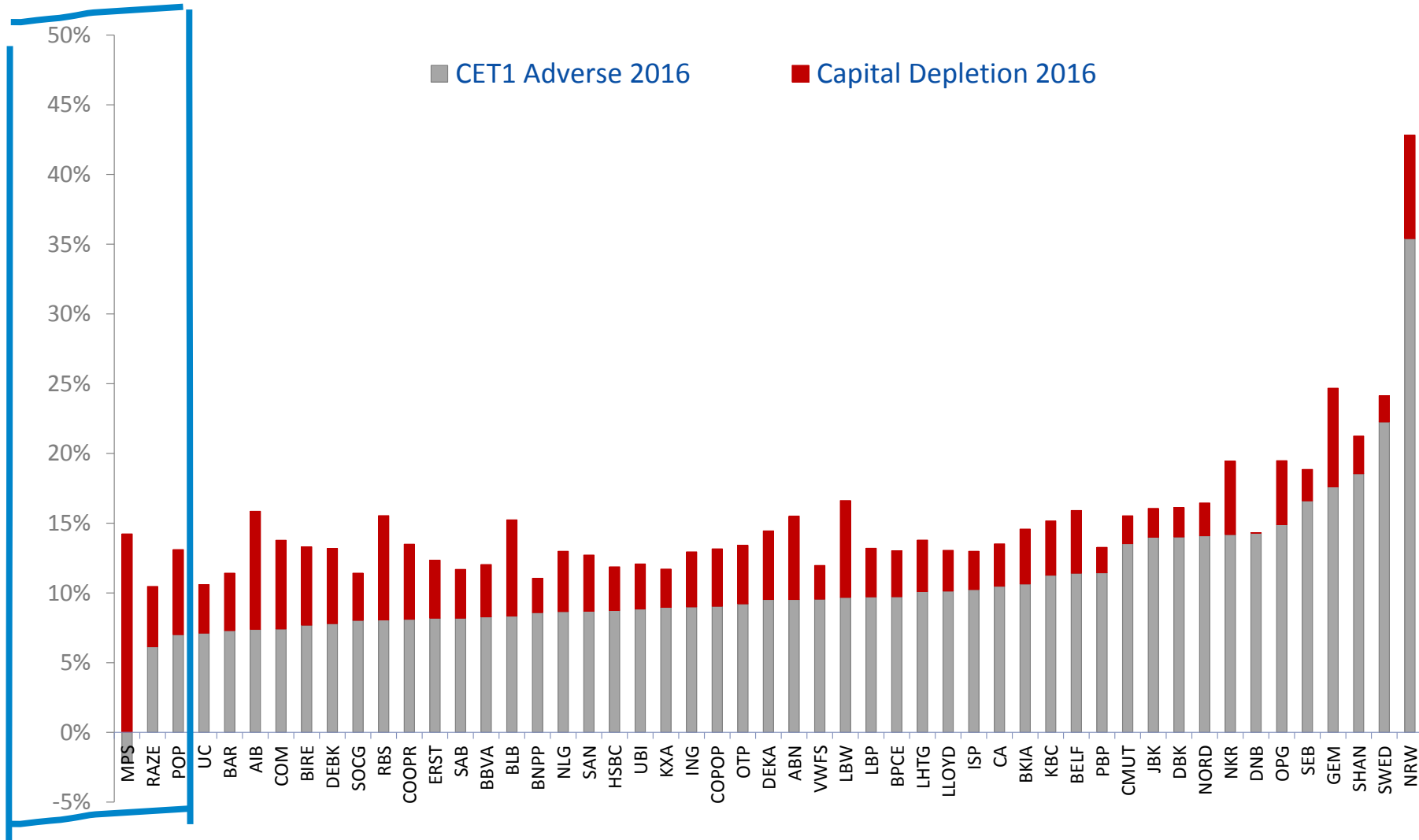
* Countercyclical Buffer = 0

** Maximum of SRB, G-SIIB Buffer and O-SII Buffer

BANKS WITH IMMEDIATE NEED FOR CAPITAL ACTION

Capital Actions

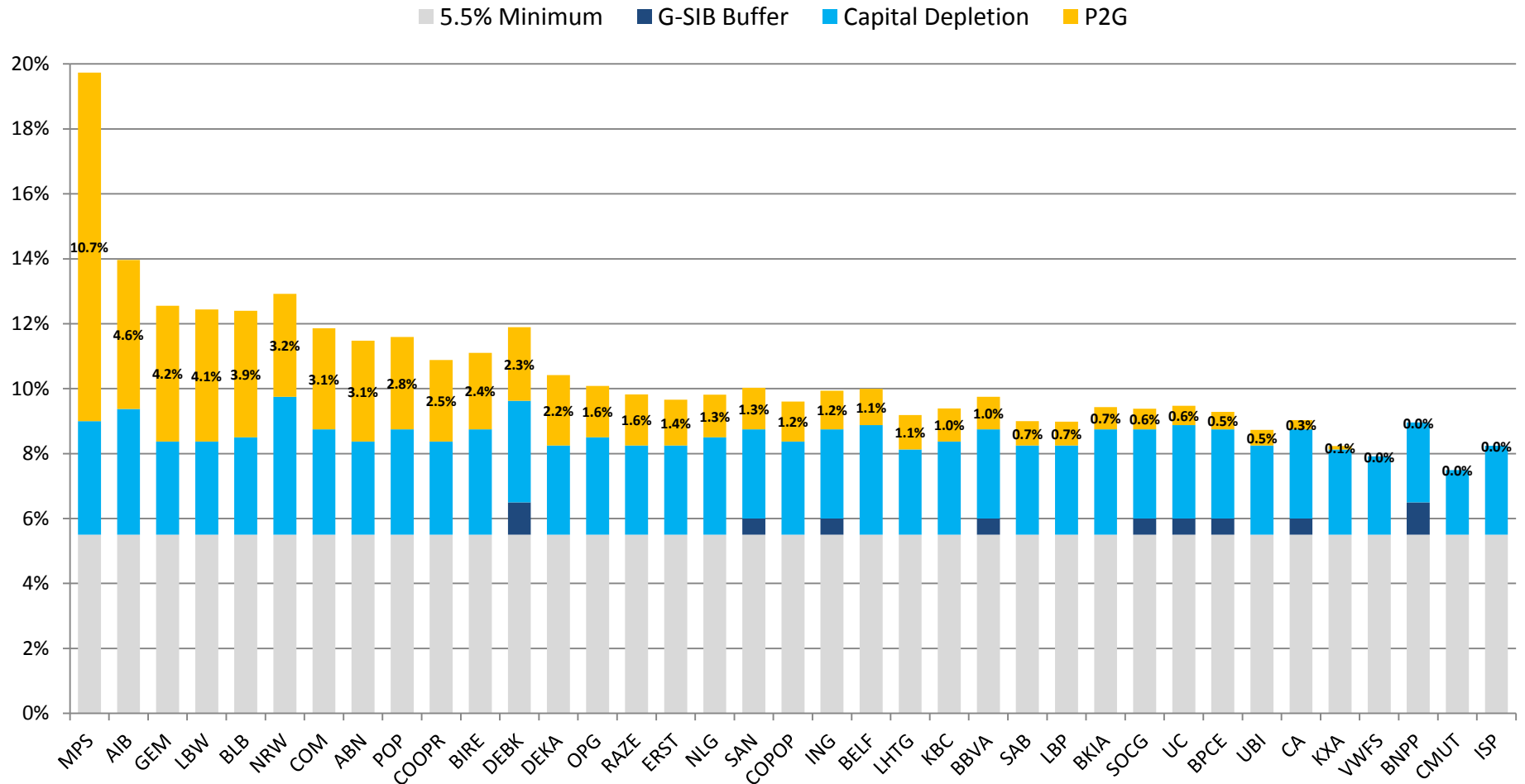
We expect markets to demand immediate capital actions for banks with CET 1 Adverse below 5.5% (MPS). Banks close to 5.5% threshold will experience market pressure.



SIMULATION OF BANK PILLAR 2 GUIDANCE

Capital Actions

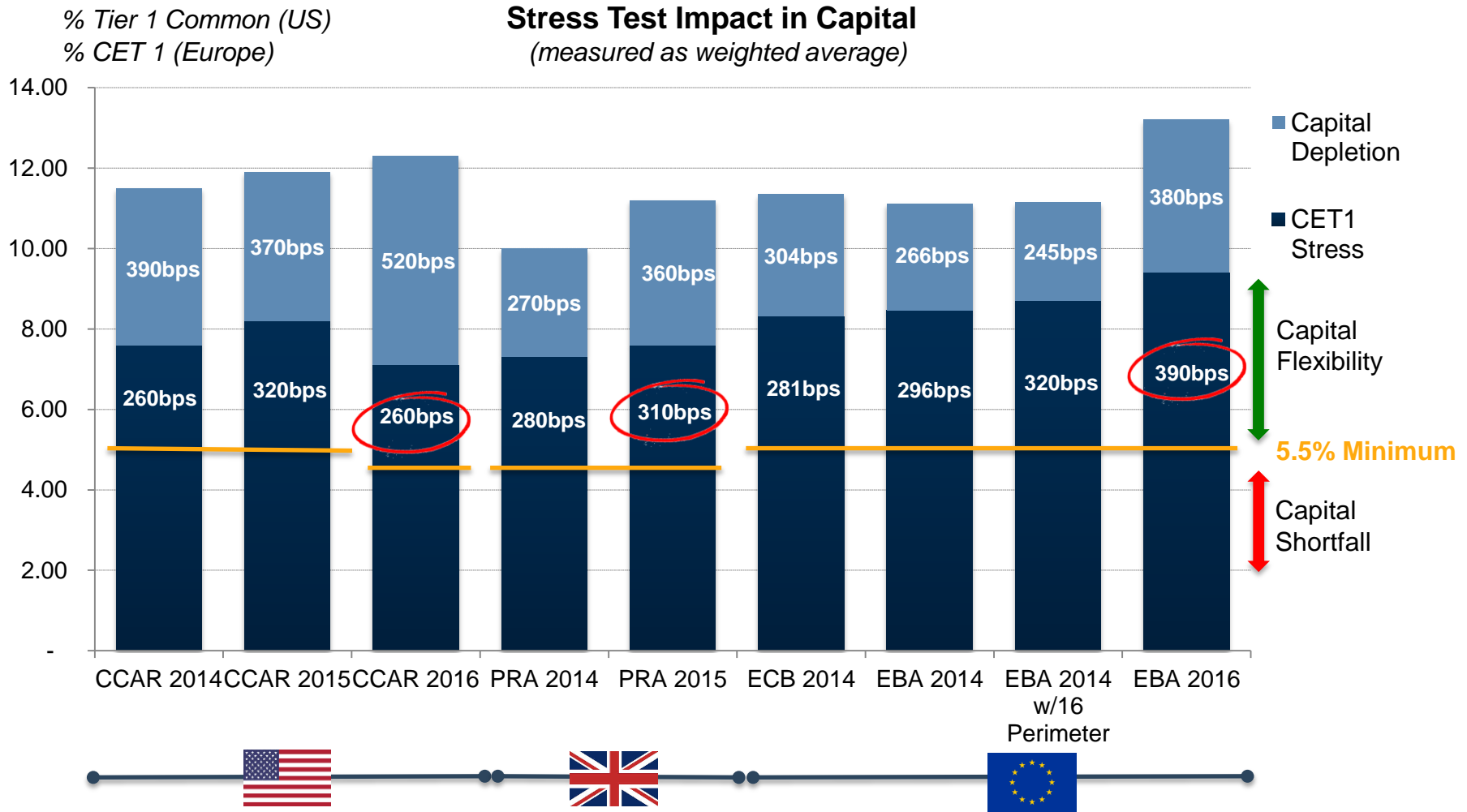
We have made a pro-forma calculation of Pillar 2 guidance for ECB SSM banks based on capital depletion observed in stress test.



COMPARISON OF GLOBAL STRESS TEST REGIMES

US & UK vs. EUROPE




Another measure of comparability across global stress tests is remaining capital flexibility (available for capital distributions) above minimum thresholds post stress test. While thresholds and depletion varies across stress test and regimes, remaining capital flexibility is very similar.



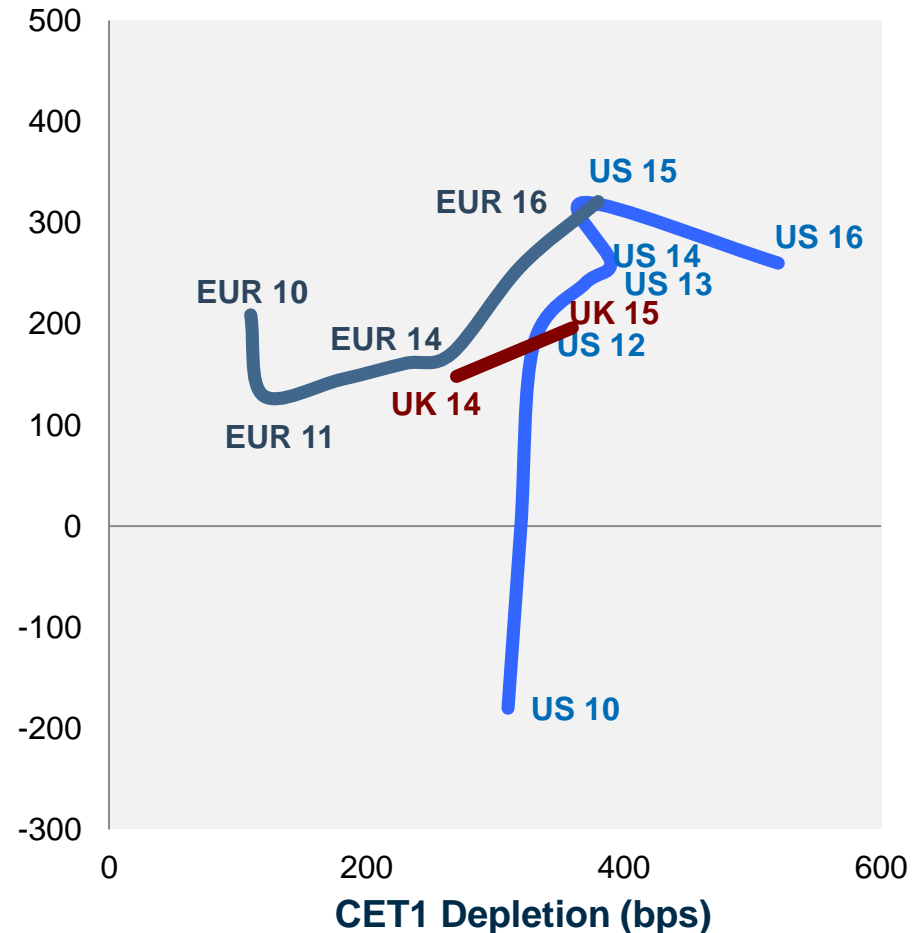
COMPARISON OF GLOBAL STRESS TEST REGIMES

US & UK vs. EUROPE

There are multiple differences between global stress test regimes that have drawn different journeys. While all increase CET1 depletion over time only the US is currently constraining flexibility.

			
	US CCAR	UK Stress Test	ECB Stress Test
Scope	30 Banks	8 Banks	51 Banks
Frequency	Annual	Annual	Biennially
Capital Target	4.5% hurdle rate	4.5% hurdle rate + PRA buffer	5.5% soft hurdle + Pillar 2 guidance
Models	Bank + regulatory models	Bank + regulatory models	Bank models+ supervisory benchmarks + ECB quality control
Key Assumption	Dynamic balance sheet	Dynamic balance with and w/o mgmt. actions	Static balance sheet
Modeling Scope	Credit, Market & Operational and PPNR	Credit, Market & Operational and PPNR	Credit, Market & Operational and PPNR
Qualitative Adjustment	Very Extensive	Extensive	Limited

Capital Flexibility (bps)
(CET1 Adverse – Hurdle Rate)

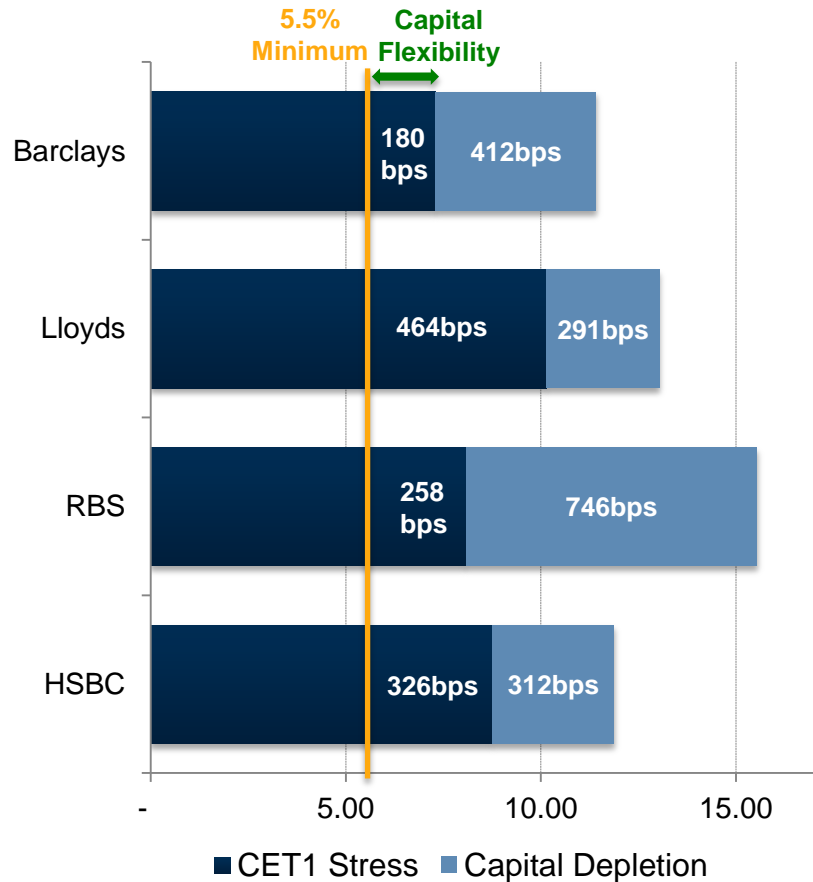


COMPARISON OF GLOBAL STRESS TEST REGIMES

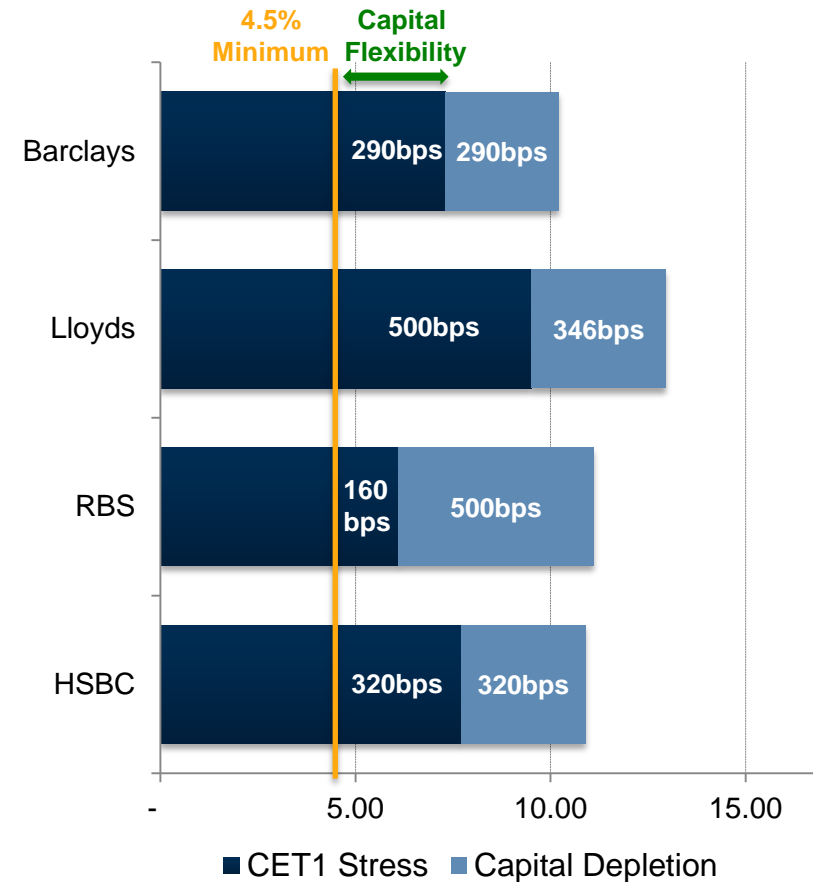
US & UK vs. EUROPE

Capital flexibility is, for most UK banks, very different between in EBA 2016 and PRA 2015 due to differences in stress test exercises, especially in capital target threshold.

EBA 2016 Stress Test



PRA 2015 Stress Test

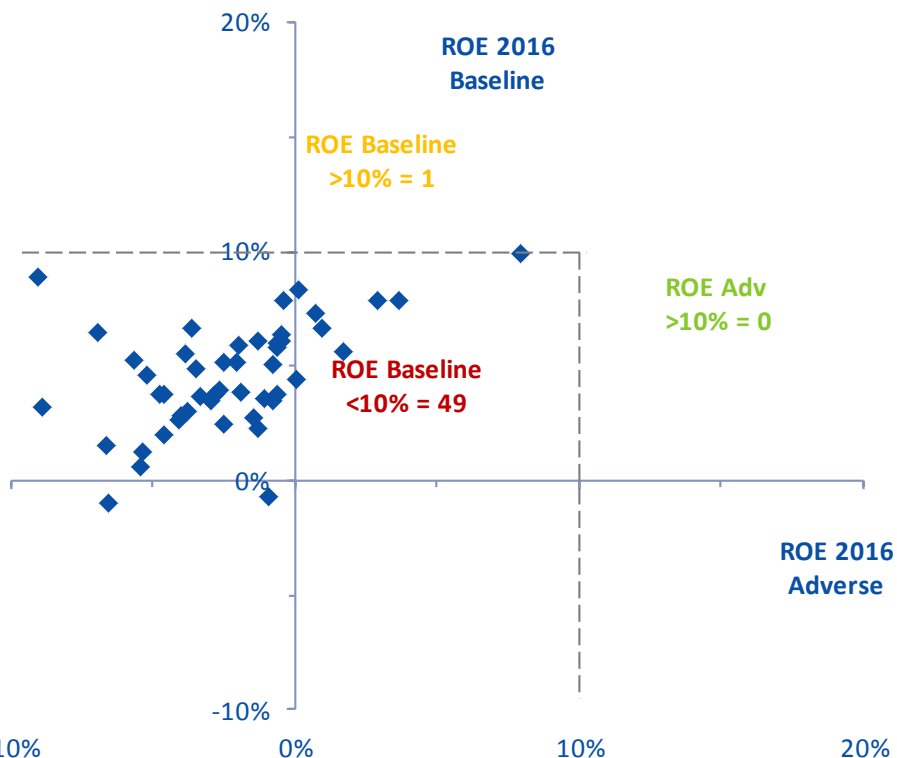


Source: PRA Stress Test Disclosures as of December 2015

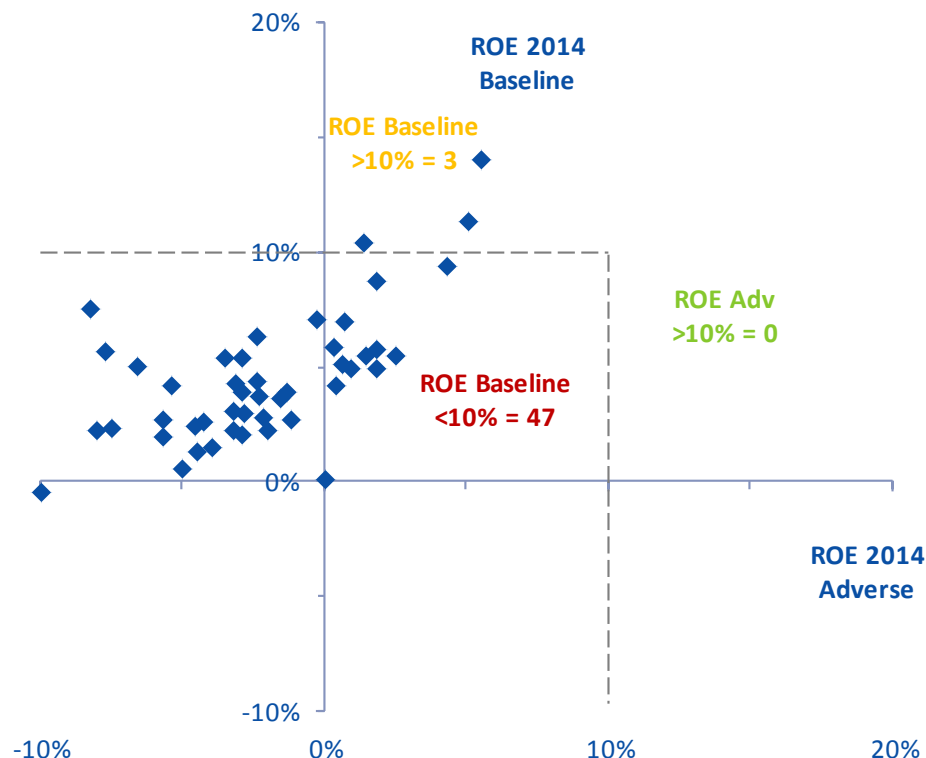
BANK STRATEGIC PRIORITIES – LAGGING ROE

Zero banks present ROE over 10% during EBA 2016 Stress Test exercise under adverse scenario and only 1 bank under baseline, similar performance as compared to EBA 2014 exercise.

ROE 2016 Adverse vs. Baseline



ROE 2014 Adverse vs. Baseline



BANK STRATEGIC PRIORITIES – NON-PRODUCTIVE ASSETS

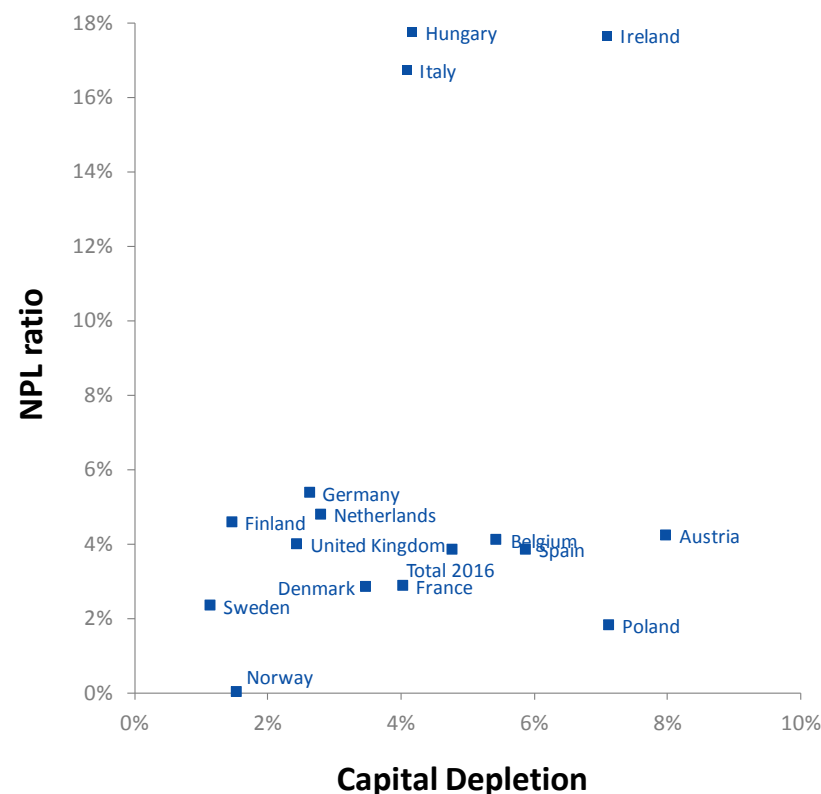
Bank Strategic Priorities

Hungary, Ireland and Italy present much higher NPL ratios compared to the average 15 countries of 4.78%. High NPL rates strongly correlate to CET1 capital depletion.

NPLs and Coverage by Country

Country Name	NPLs (mill. €)	NPL ratio	Coverage ratio	Coverage + guarantees (%)
Austria	18,793	7.99%	59%	85%
Belgium	14,021	5.43%	47%	87%
Germany	45,620	2.63%	39%	71%
Denmark	16,566	3.48%	30%	91%
Spain	122,524	5.88%	46%	104%
Finland	1,234	1.46%	37%	91%
France	139,821	4.03%	53%	83%
Hungary	4,711	17.75%	63%	93%
Ireland	30,735	17.66%	39%	83%
Italy	225,291	16.71%	46%	85%
Netherlands	43,356	2.80%	38%	83%
Norway	2,444	1.54%	39%	39%
Poland	3,478	7.12%	52%	97%
Sweden	10,527	1.14%	15%	76%
United Kingdom	82,160	2.44%	30%	82%
Total 2016 (15 Countries)	761,281	4.78%	44%	86%

NPL ratio vs. Capital Depletion



BANK STRATEGIC PRIORITIES – NON-PRODUCTIVE ASSETS

Bank Strategic Priorities

European banks accumulated €467 Bn in stressed debt for Corporates, but not every country has adequate provision coverage. France and Spain have strong coverage which promotes deal flow.

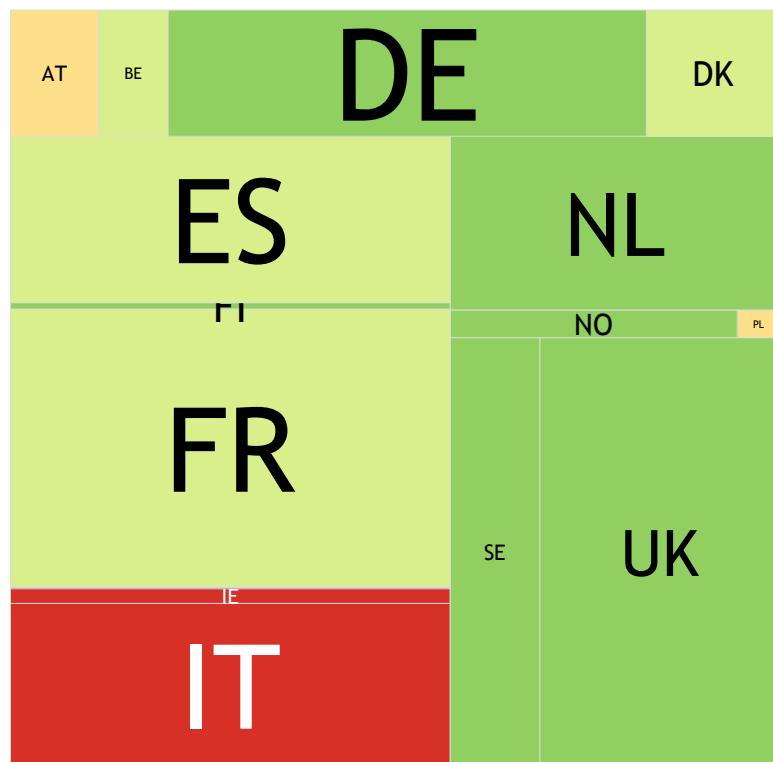
Gross Carrying Amount (mln. €)
NPL ratio (%)

Corporates
(measured as size)

NPLs amount (mln. €)
Coverage ratio (%)

Corporates NPL
(measured as size)

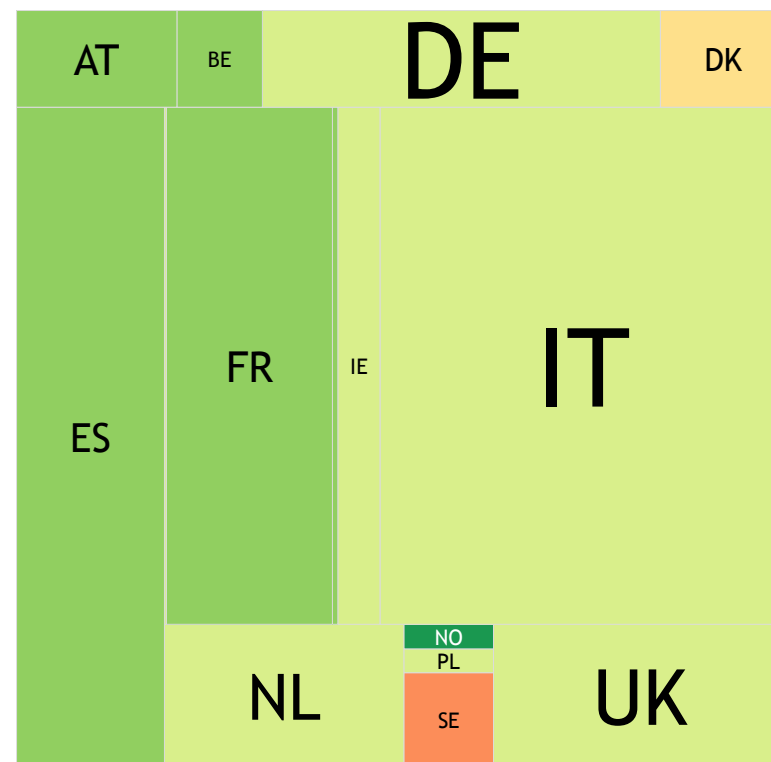
Total size € 5.4 Tn



Non-performing loans ratio %



Total size € 467 Bn



Coverage ratio %



BANK STRATEGIC PRIORITIES – NON-PRODUCTIVE ASSETS

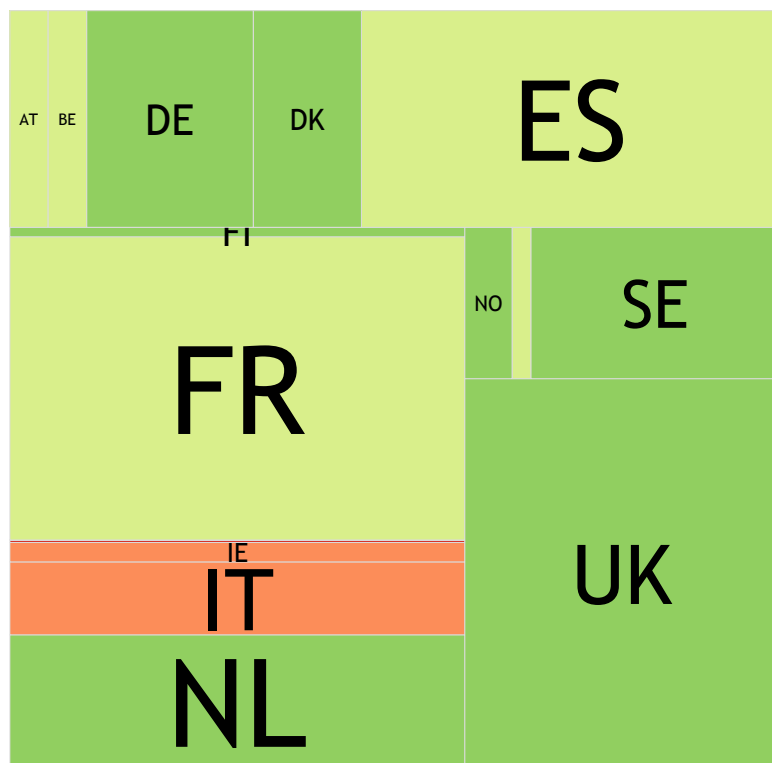
Bank Strategic Priorities

European banks accumulated over €264 Bn in stressed real estate related. France, Italy, UK and Spain real estate distressed represent approximately 80% of the total.

Gross Carrying Amount (mln. €)
NPL ratio (%)

Retail
(measured as size)

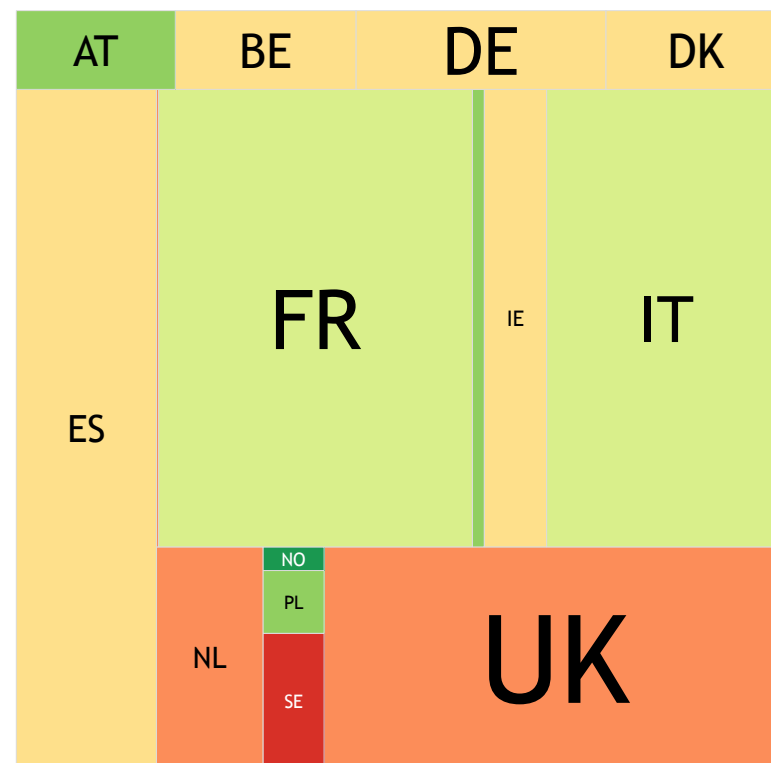
Total size € 6.5 Tn



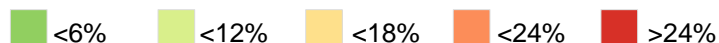
NPLs amount (mln. €)
Coverage ratio (%)

Retail NPL
(measured as size)

Total size € 264 Bn



Non-performing loans ratio %



Coverage ratio %



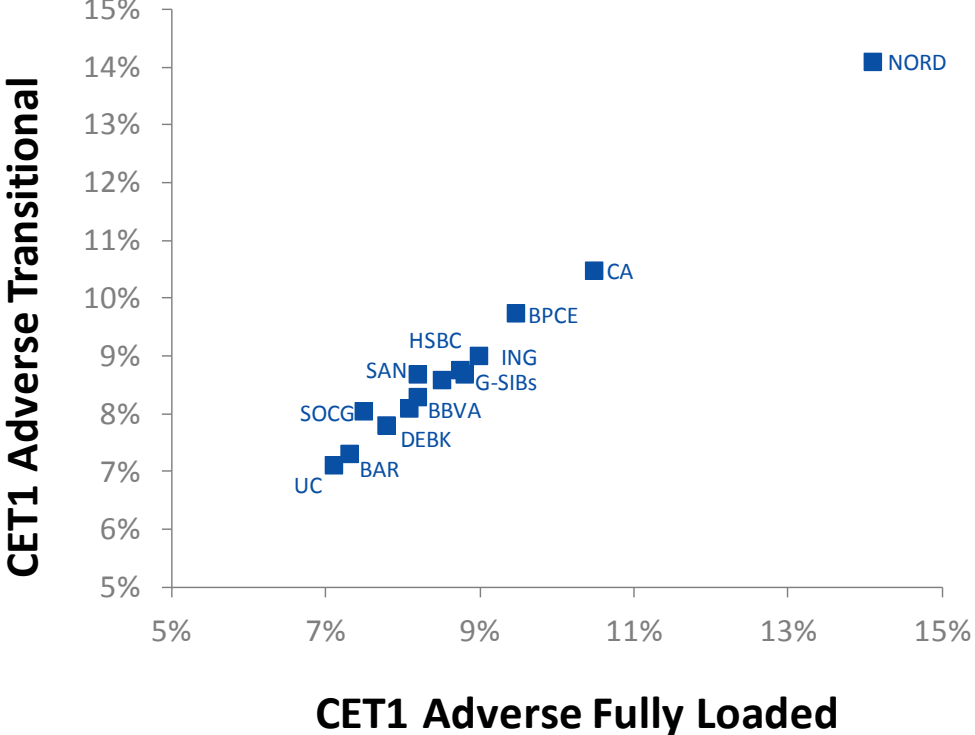


APPENDICES

CAPITAL DEPLETION AND CET1 COMPARISON – G-SIBS



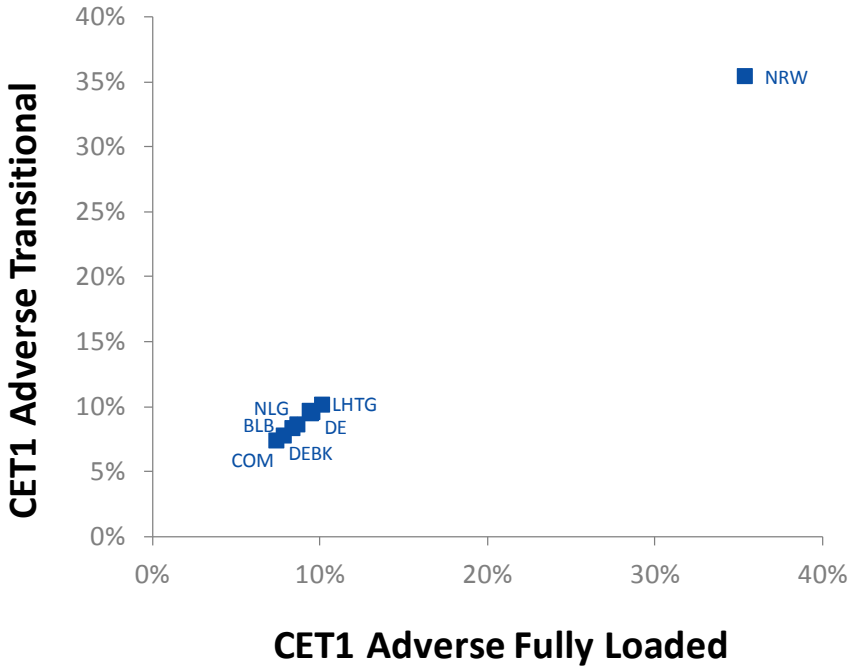
Code	Bank Name	EBA 2016		Depletion Chg. 16 vs 14 (FL)
		Stressed CET1 Depletion 2015-2018		
		Level Transit.	Level (FL)	
DEBK	Deutsche Bank AG	-540	-332	● -307
BBVA	Banco Bilbao Vizcaya Argentaria	-375	-208	● -25
SAN	Banco Santander	-402	-199	● -107
BNPP	BNP Paribas	-246	-236	● -57
BPCE	Groupe BPCE	-329	-331	● -30
CA	Groupe Crédit Agricole	-303	-319	● 103
SOCG	Société Générale	-339	-341	● -19
UC	UniCredit S.p.A.	-347	-329	● 16
ING	ING Bank N.V.	-394	-371	● 187
NORD	Nordea Bank AB (publ)	-236	-236	● 80
BAR	Barclays plc	-412	-405	● 210
HSBC	HSBC Holdings plc	-312	-312	● 162
RBS	Royal Bank of Scotland Group plc	-746	-745	● 556
G-SIBs	G-SIBs	-372	-360	● 79



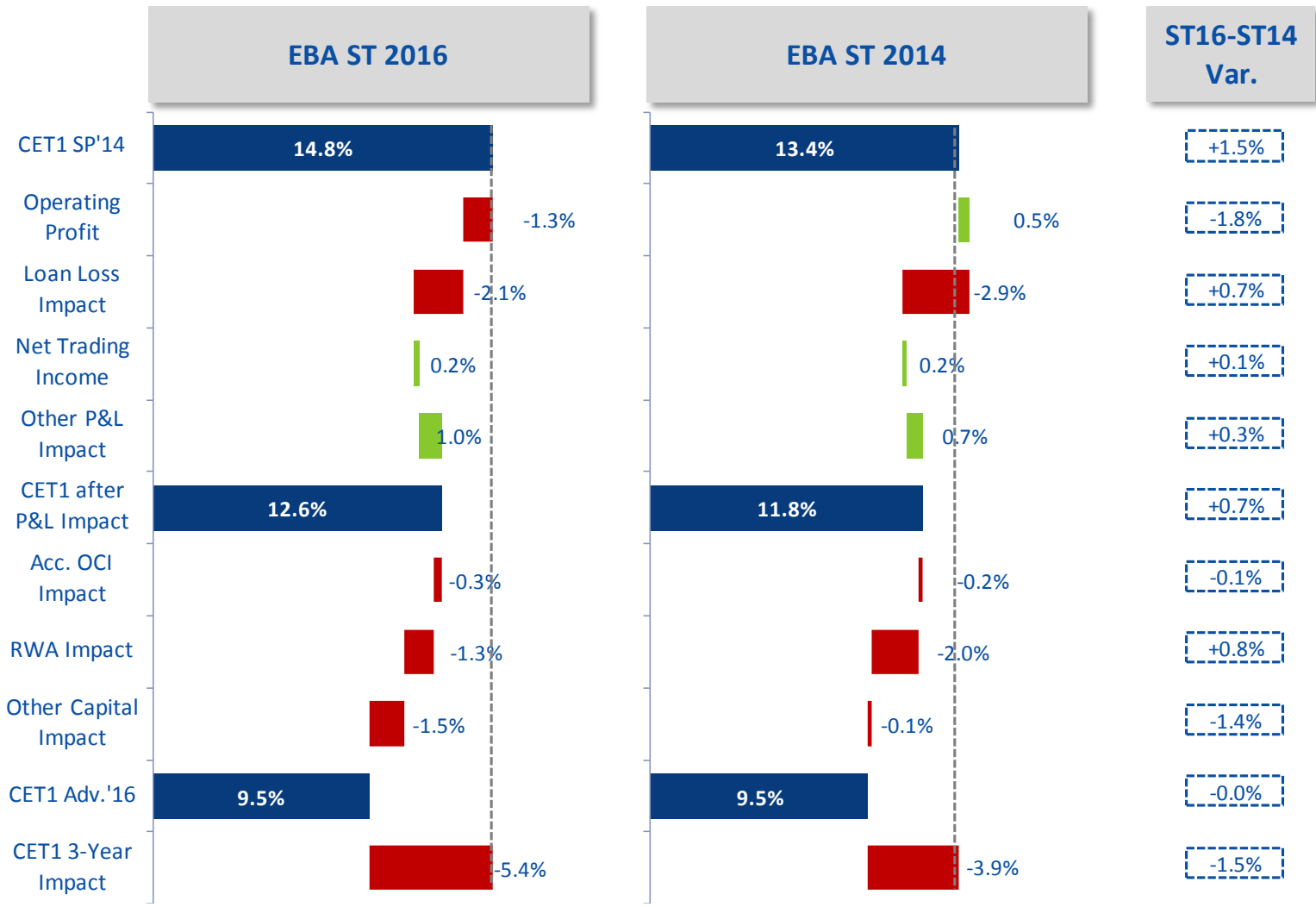
CAPITAL DEPLETION AND CET1 COMPARISON - GERMANY



		EBA 2016		Depletion Chg. 16 vs 14 (FL)
		Stressed CET1 Depletion 2015-2018		
Code	Bank Name	Level Transit.	Level (FL)	
BLB	Bayerische Landesbank	-690	-365	● -250
COM	Commerzbank AG	-636	-471	● 81
DEKA	DekaBank Deutsche Girozentrale	-492	-397	● -254
DEBK	Deutsche Bank AG	-540	-332	● -307
LBW	Landesbank Baden-Württemberg	-694	-658	● -141
LHTG	Landesbank Hessen-Thüringen Giroze	-369	-301	● -147
NLG	Norddeutsche Landesbank-Girozentra	-432	-347	● 181
NRW	NRW.Bank	-742	-714	● 92
VWFS	Volkswagen Financial Services AG	-241	-211	● -83
DE	Germany	-537	-387	● 26



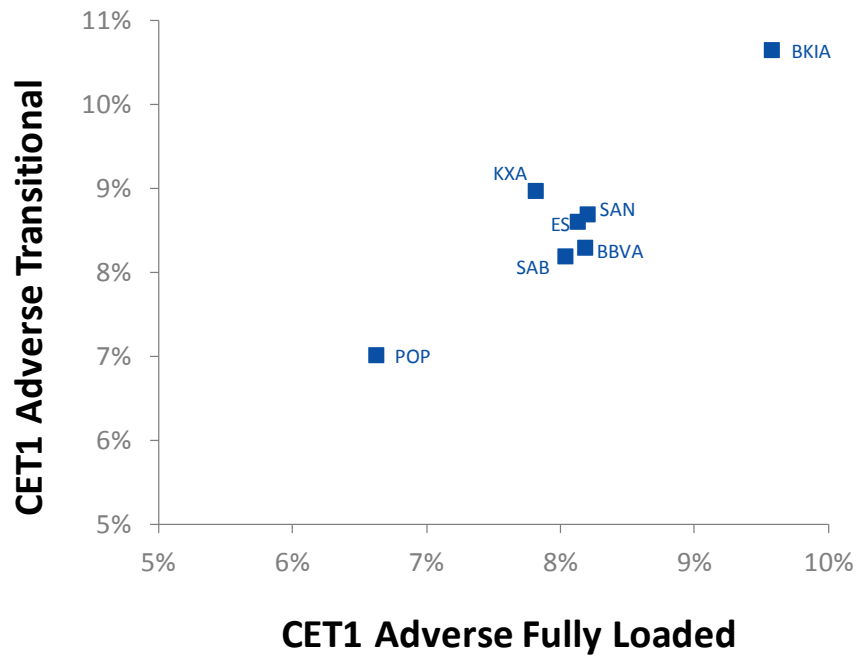
STRESS TEST IMPACT – WATERFALL BY KEY COMPONENT - GERMANY



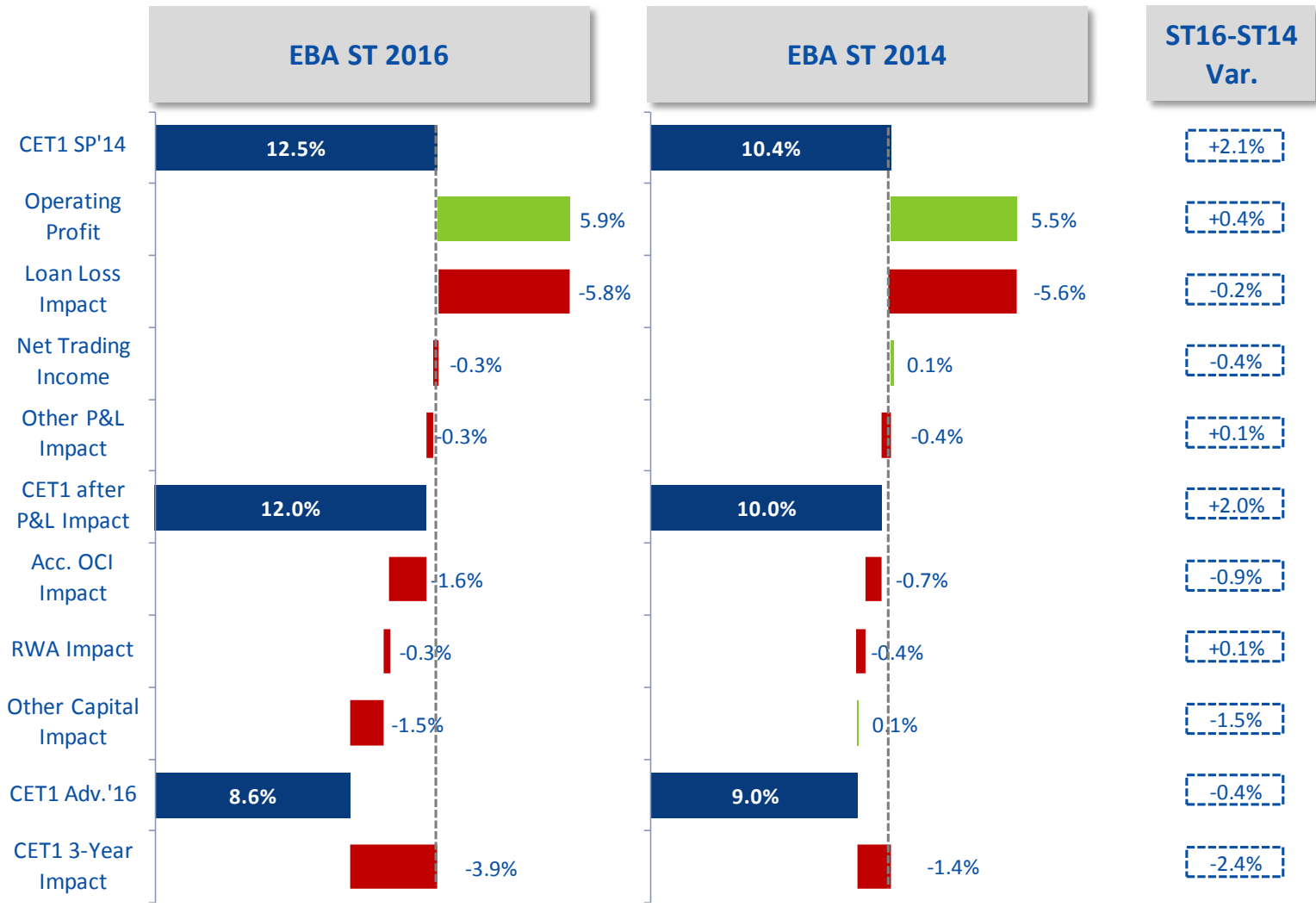
CAPITAL DEPLETION AND CET1 COMPARISON - SPAIN



Code	Bank Name	EBA 2016		Depletion Chg. 16 vs 14 (FL)
		Level Transit.	Level (FL)	
BBVA	Banco Bilbao Vizcaya Argentaria	-375	-208	● -25
SAB	Banco de Sabadell	-350	-369	● 125
POP	Banco Popular Español	-610	-358	● -7
SAN	Banco Santander	-402	-199	● -107
BKIA	Banco Financiero y de Ahorros	-393	-417	● 214
KXA	Caja de Ahorros y Pensiones de Barce	-273	-184	● -93
ES	Spain	-386	-232	● -44



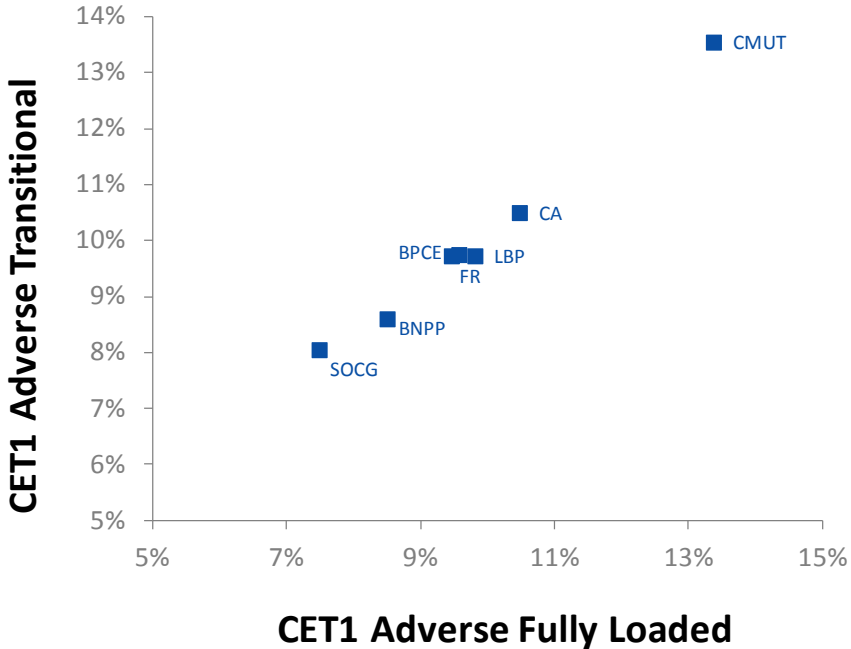
STRESS TEST IMPACT – WATERFALL BY KEY COMPONENT - SPAIN



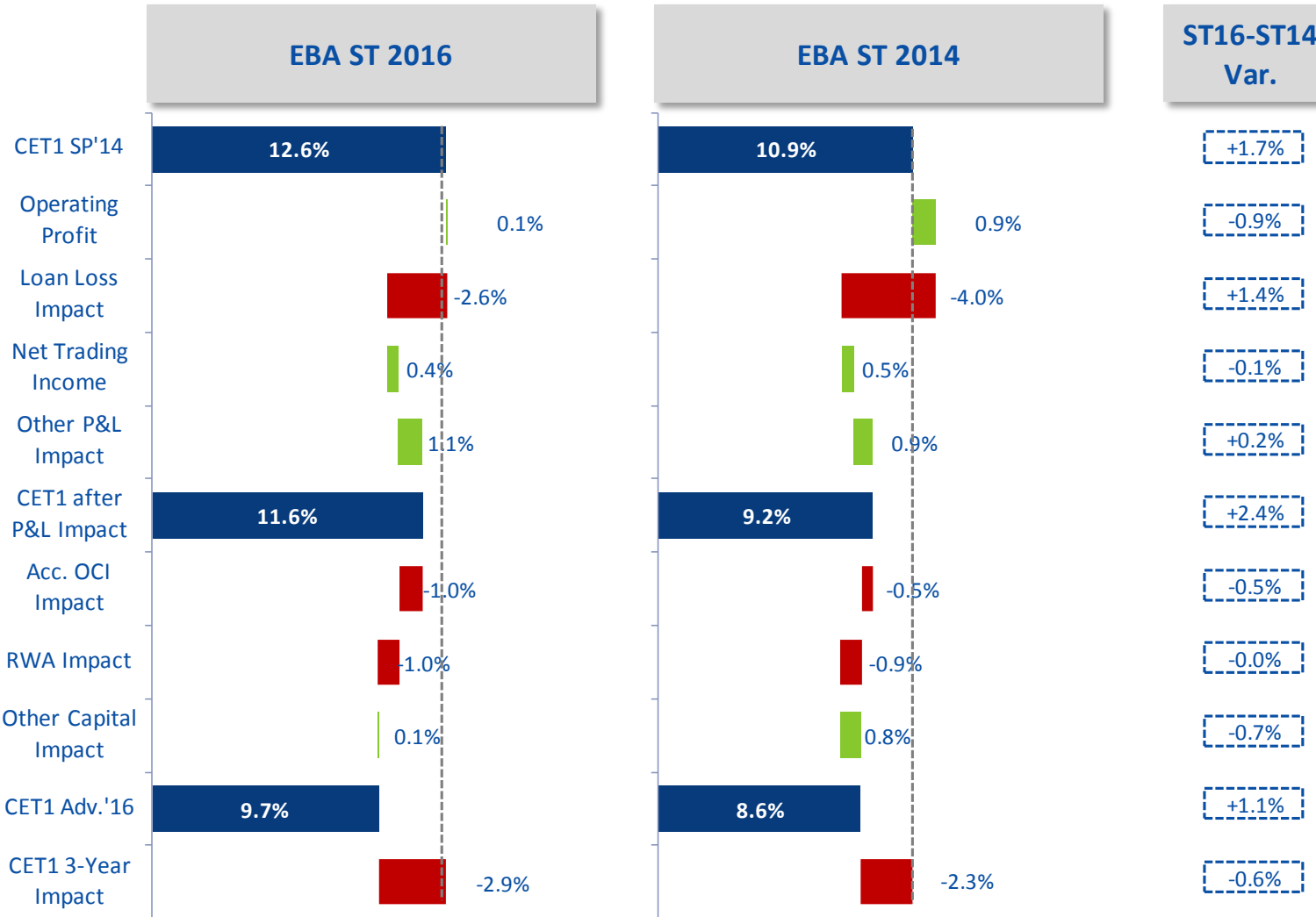
CAPITAL DEPLETION AND CET1 COMPARISON - FRANCE



		EBA 2016			
		Stressed CET1 Depletion 2015-2018		Depletion Chg. 16 vs 14 (FL)	
Code	Bank Name	Level Transit.	Level (FL)		
BNPP	BNP Paribas	-246	-236	●	-57
BPCE	Groupe BPCE	-329	-331	●	-30
CA	Groupe Crédit Agricole	-303	-319	●	103
CMUT	Groupe Crédit Mutuel	-199	-216	●	119
LBP	La Banque Postale	-348	-470	●	404
SOCG	Société Générale	-339	-341	●	-19
FR	France	-286	-292	●	72



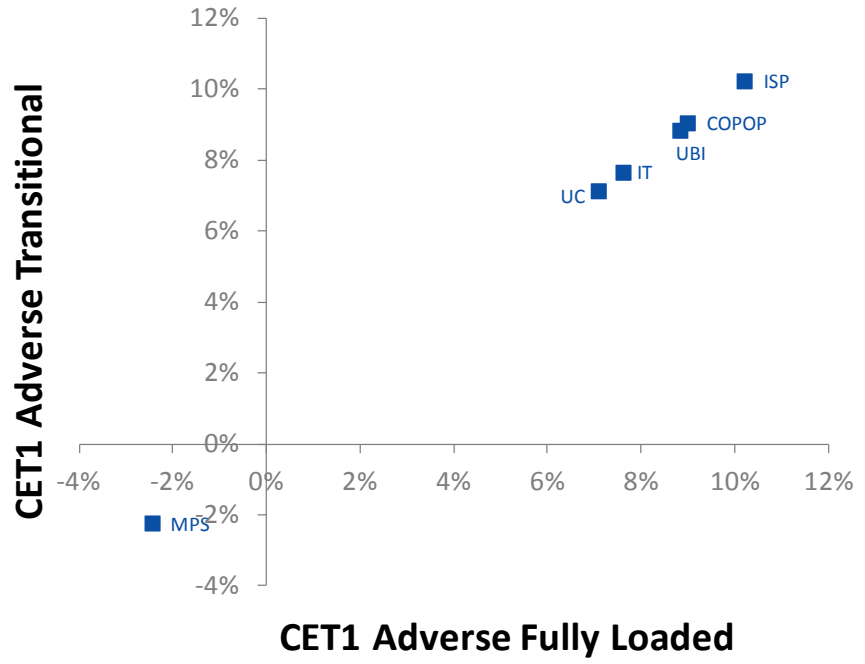
STRESS TEST IMPACT – WATERFALL BY KEY COMPONENT – FRANCE



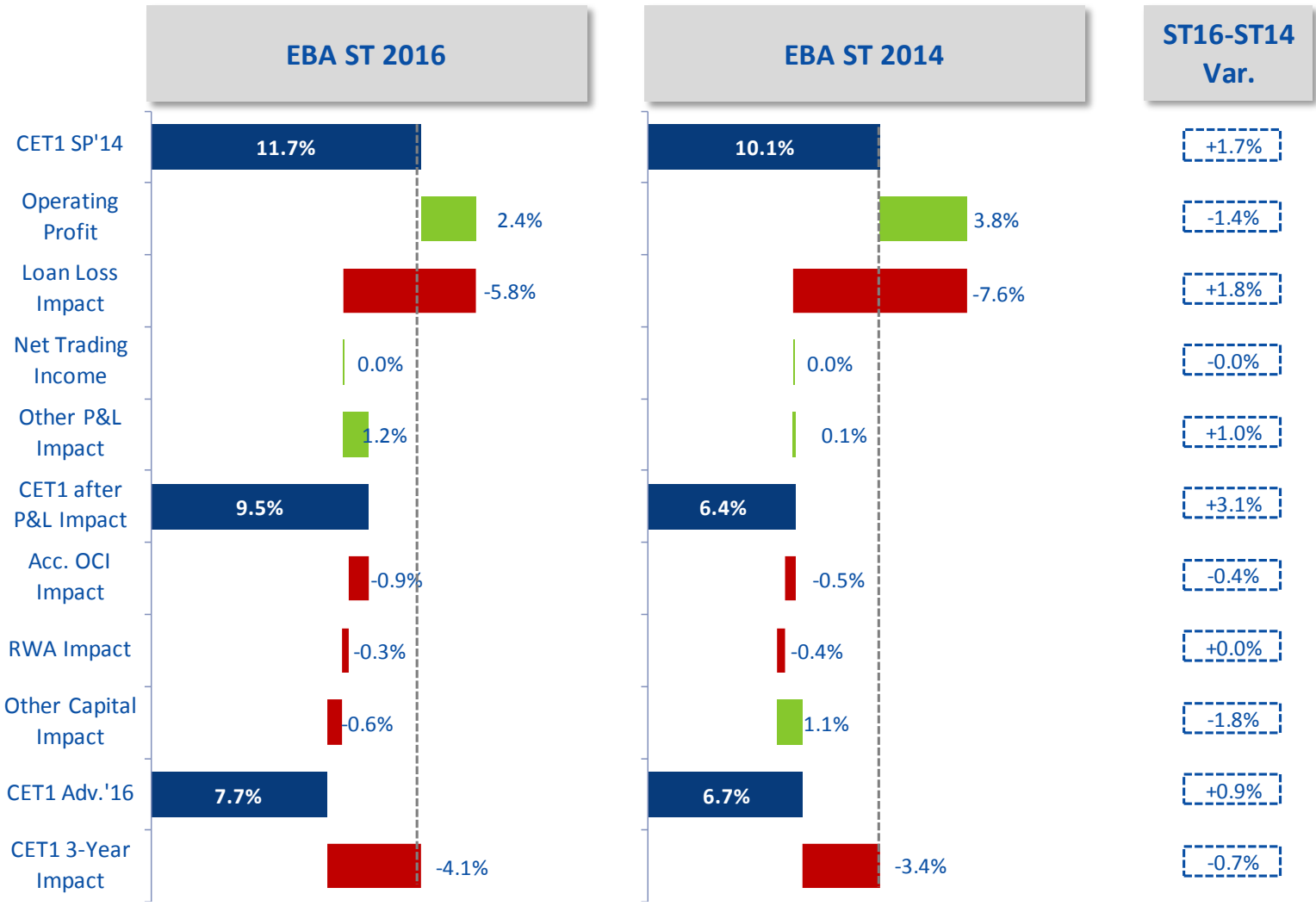
CAPITAL DEPLETION AND CET1 COMPARISON - ITALY



		EBA 2016		Depletion Chg. 16 vs 14 (FL)
		Stressed CET1 Depletion 2015-2018		
Code	Bank Name	Level Transit.	Level (FL)	
MPS	Banca Monte dei Paschi di Siena S.p.A.	-1423	-1451	● 399
COPOP	Banco Popolare - Società Cooperativa	-410	-339	● -93
ISP	Intesa Sanpaolo S.p.A.	-274	-226	● -161
UC	UniCredit S.p.A.	-347	-329	● 16
UBI	Unione Di Banche Italiane Società Coc	-323	-277	● -116
IT	Italy	-409	-380	● -184



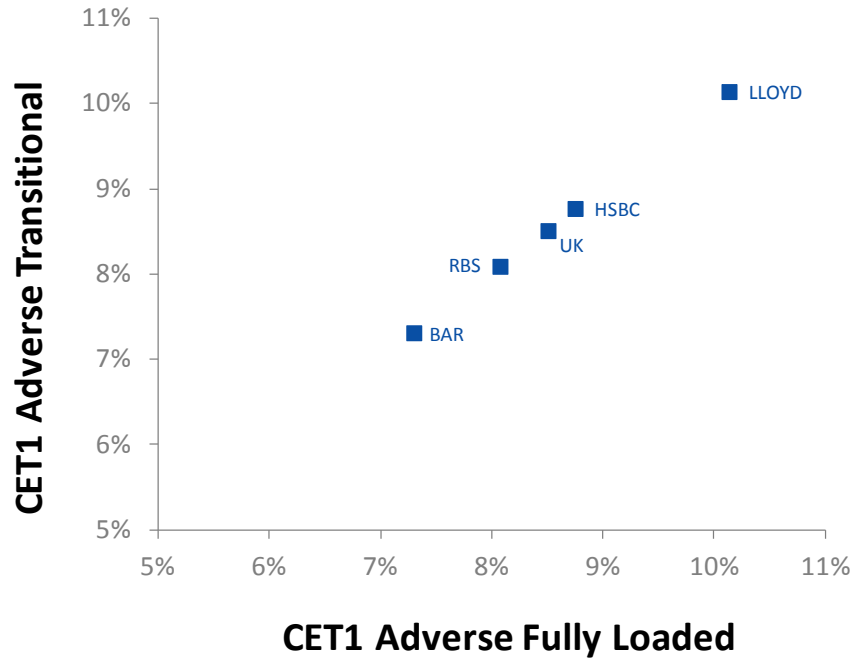
STRESS TEST IMPACT – WATERFALL BY KEY COMPONENT – ITALY



CAPITAL DEPLETION AND CET1 COMPARISON - UK



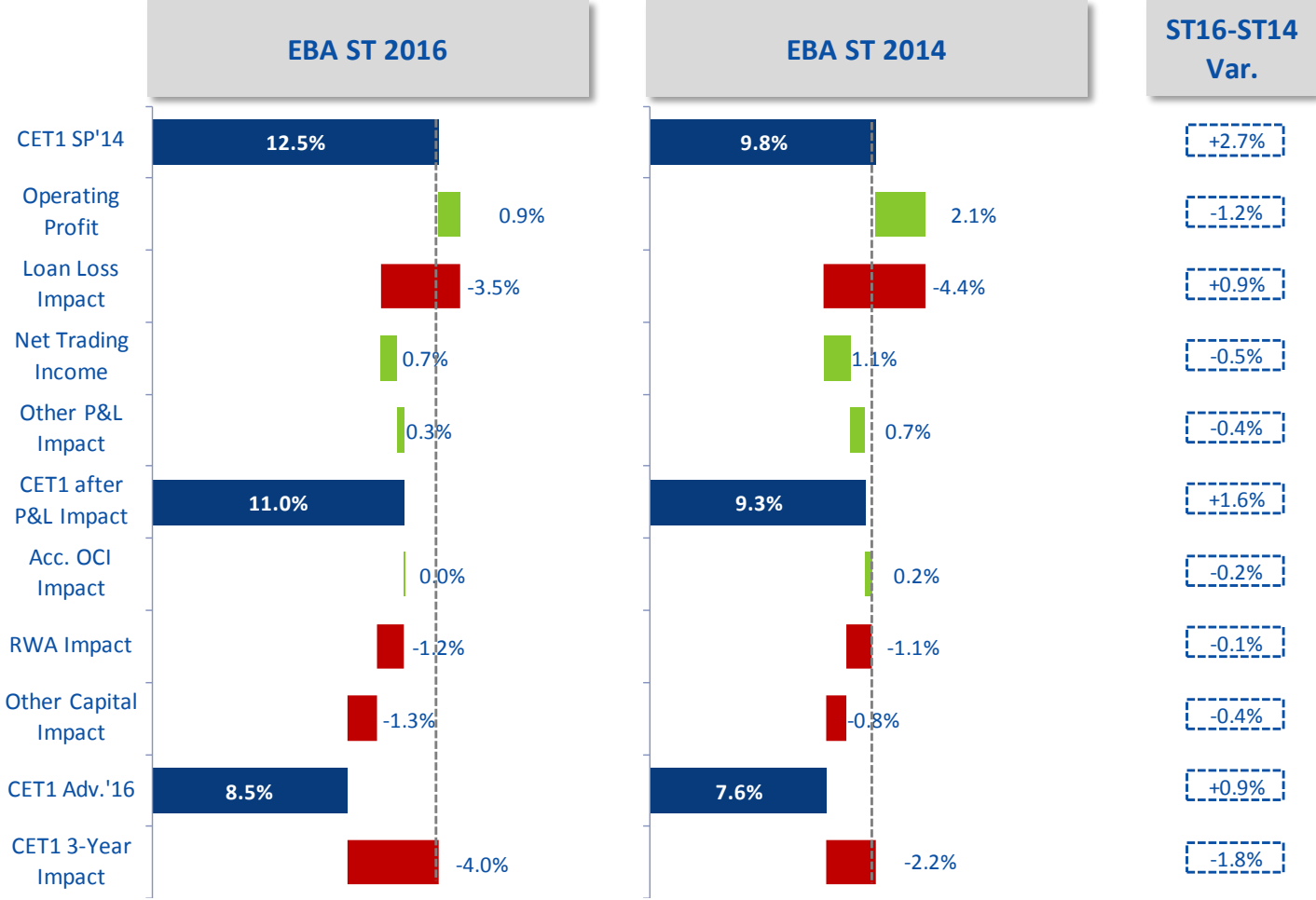
		EBA 2016		Depletion Chg. 16 vs 14 (FL)	
		Stressed CET1 Depletion 2015-2018			
Code	Bank Name	Level Transit.	Level (FL)		
BAR	Barclays plc	-412	-405	●	210
HSBC	HSBC Holdings plc	-312	-312	●	162
LLOYD	Lloyds Banking Group plc	-291	-291	●	-133
RBS	Royal Bank of Scotland Group plc	-746	-745	●	556
UK	United Kingdom	-400	-398	●	146



STRESS TEST IMPACT – WATERFALL BY KEY COMPONENT - UK



UK banks almost doubled the impact observed in 2014. With a depletion of +400bps due to lower operating profit and a higher capital impact of +60bps, final CET1 stays at 8.5%



BANK TICKERS BY COUNTRY

No.	Banks	Bank Code	Country
1	Erste Group Bank AG	ERST	Austria
2	Raiffeisen-Landesbanken-Holding GmbH	RAZE	Austria
3	Belfius Banque SA	BELF	Belgium
4	KBC Group NV	KBC	Belgium
5	Deutsche Bank AG	DEBK	Germany
6	Commerzbank AG	COM	Germany
7	Landesbank Baden-Württemberg	LBW	Germany
8	Bayerische Landesbank	BLB	Germany
9	Norddeutsche Landesbank Girozentrale	NLG	Germany
10	Landesbank Hessen-Thüringen Girozentrale	LHTG	Germany
11	DekaBank Deutsche Girozentrale	DEKA	Germany
12	NRW.BANK	NRW	Germany
13	Volkswagen Financial Services AG	VWFS	Germany
14	Danske Bank	DBK	Denmark
15	Jyske Bank	JBK	Denmark
16	Nykredit Realkredit	NKR	Denmark
17	Criteria Caixa, S.A.U.	KXA	Spain
18	Banco Santander S.A.	SAN	Spain
19	Banco Bilbao Vizcaya Argentaria S.A.	BBVA	Spain
20	Banco Popular Español S.A.	POP	Spain
21	Banco de Sabadell S.A.	SAB	Spain
22	BFA Tenedora de Acciones S.A.U.	BKIA	Spain
23	OP Osuuskunta	OPG	Finland
24	BNP Paribas	BNPP	France
25	Groupe Crédit Agricole	CA	France
26	Groupe BPCE	BPCE	France

No.	Banks	Bank Code	Country
27	Société Générale S.A.	SOCG	France
28	Groupe Crédit Mutuel	CMUT	France
29	La Banque Postale	LBP	France
30	The Royal Bank of Scotland Group Public Limited Company	RBS	UK
31	HSBC Holdings	HSBC	UK
32	Barclays Plc	BAR	UK
33	Lloyds Banking Group Plc	LLOYD	UK
34	OTP Bank Nyrt.	OTP	Hungary
35	Allied Irish Banks plc	AIB	Ireland
36	The Governor and Company of the Bank of Ireland	BIRE	Ireland
37	Intesa Sanpaolo S.p.A.	ISP	Italy
38	UniCredit S.p.A.	UC	Italy
39	Banca Monte dei Paschi di Siena S.p.A.	MPS	Italy
40	Banco Popolare - Società Cooperativa	COPOP	Italy
41	Unione Di Banche Italiane Società Per Azioni	UBI	Italy
42	ING Groep N.V.	ING	Netherlands
43	Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.	COOPR	Netherlands
44	ABN AMRO Group N.V.	ABN	Netherlands
45	N.V. Bank Nederlandse Gemeenten	GEM	Netherlands
46	DNB Bank Group	DNB	Norway
47	Powszechna Kasa Oszczędności Bank Polski SA	PBP	Poland
48	Nordea Bank - group	NORD	Sweden
49	Skandinaviska Enskilda Banken - group	SEB	Sweden
50	Svenska Handelsbanken - group	SHAN	Sweden
51	Swedbank – group	SWED	Sweden

LIST OF G-SIBS

No.	Banks	Bank Code	Country
1	Deutsche Bank AG	DEBK	Germany
2	Banco Bilbao Vizcaya Argentaria	BBVA	Spain
3	Banco Santander	SAN	Spain
4	BNP Paribas	BNPP	France
5	Groupe BPCE	BPCE	France
6	Groupe Crédit Agricole	CA	France
7	Société Générale	SOCG	France
8	UniCredit S.p.A.	UC	Italy
9	ING Bank N.V.	ING	Netherlands
10	Nordea Bank AB (publ)	NORD	Sweden
11	Barclays plc	BAR	United Kingdom
12	HSBC Holdings plc	HSBC	United Kingdom
13	Royal Bank of Scotland Group plc	RBS	United Kingdom

Note (1): G-SIB list as of November 2014

Note (2): Excluding Standard Chartered since not assessed in the 2016 EU-wide stress test

ALVAREZ & MARSAL

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