

Deloitte regulatory news alert

SSM

Results of Comprehensive Assessment



The European Central Bank published yesterday the results of the Comprehensive Assessment conducted on the 130 most important banks of the Euro zone. This assessment was required prior to the effective entry into force of the Single Supervisory Mechanism (SSM) on 4 November 2014. The Comprehensive Assessment includes the Asset Quality Review and the Stress Test.

Key points of the [aggregate report on the Comprehensive Assessment](#) are:

- Capital shortfall of €25 billion detected at 25 participant banks
- Banks' asset values need to be adjusted by €48 billion, €37 billion of which did not generate capital shortfall
- Shortfall of €25 billion and asset value adjustment of €37 billion implies overall impact of €62 billion on banks
- Additional €136 billion found in non-performing exposures
- Adverse stress scenario would deplete banks' capital by €263 billion, reducing median CET1 ratio by 4 percentage points from 12.4% to 8.3%

The results from the standalone Asset Quality Review confirm that the six Luxembourg institutions' assets are appropriately valued and additional prudential provisions are limited. The Stress Test results show that the six institutions are sufficiently resilient to withstand the two hypothetical Stress Test scenarios.

The [Deloitte interactive tool](#) provides an overview of results published by the European Central Bank and enables comparisons between countries and institutions.

We trust this information is of assistance and remain at your disposal for any further questions.

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