



JOINT MEDIA RELEASE

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COMPREHENSIVE ASSESSMENT RESULTS

The European Central Bank (ECB) has published the results of the comprehensive assessment exercise undertaken on 130 banks located in 19 Member States participating in the Single Supervisory Mechanism (SSM). The exercise was conducted by the ECB in conjunction with the national competent authorities responsible for banking supervision in these Member States, and also involved the European Banking Authority (EBA).

The comprehensive assessment consisted of two components, namely an asset quality review (AQR) on the basis of a methodology designed and published by the ECB, and a stress test following a methodology designed and published by the EBA. The comprehensive assessment was conducted on three credit institutions licensed by the Malta Financial Services Authority (MFSA). These were Bank of Valletta plc, HSBC Bank Malta plc, and Deutsche Bank (Malta) Ltd. The selection of these banks was made on the basis of criteria that were determined and published by the ECB.

The comprehensive assessment identified no capital shortfalls, both in the baseline and adverse scenarios, for Bank of Valletta plc, HSBC Bank Malta plc, and Deutsche Bank (Malta) Ltd.

The overall results confirm the soundness and resilience of each of these three banks as the CET1 capital ratio of each of these banks remained above the 8% minimum threshold after the AQR. Similarly, the results of the stress test, under the adverse scenario and including the full impact of the AQR, show that by 2016 the CET1 capital ratio for each of these three banks still remained well above the 5.5% established minimum threshold, with both Bank of Valletta plc and HSBC Bank Malta plc recording a CET1 capital ratio of 8.9%, while that for Deutsche Bank (Malta) Ltd stood at 138.8%.

The comprehensive assessment results for Bank of Valletta plc, HSBC Bank Malta plc, and Deutsche Bank (Malta) Ltd may be accessed through the websites of the Central Bank of Malta and the Malta Financial Services Authority, respectively.

Further information on the comprehensive assessment and results for all the 130 significant banks participating in the SSM is available on the website of the ECB.