

Press release

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LBBW with good result in the stress test

Landesbank Baden-Württemberg (LBBW) successfully passed the EU-wide stress test for banks. Several scenarios regarding the future economic development and their effects on banks have been run through. In the so-called basic stress scenario (benchmark scenario) - with the underlying assumption of a decline in economic growth in the euro-zone - LBBW would achieve a core capital ratio (Tier 1) of 9.8 per cent at the end of 2011. In addition, an adverse scenario was run through with a decrease in the gross domestic product. In this case, the core capital ratio would be 8.4 per cent in 2011. Even with a further deterioration of the adverse scenario with additional losses on sovereign exposures the core capital ratio would still be 8.1 per cent.

“The stress test shows that LBBW has a solid capitalisation. Thus, even in the case of further major distortions in the financial markets, we have sufficient buffer”, said the Chairman of LBBW’s Board of Managing Directors, Hans-Jörg Vetter. At the end of 2009, LBBW’s core capital ratio stood at 9.8 per cent. Due to the further reduction of risk-weighted assets which was higher than scheduled, the core capital ratio was already 10.1 per cent as of 31 May 2010.

Further details regarding LBBW’s stress test can be found under www.lbbw.de.