



Press Release

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LBBW succeed in the stress test of European banks

Landesbank Baden-Württemberg (LBBW) successfully passed the EU-wide stress test for banks. Several scenarios regarding the future economic development and their eventual effects on banks have been run through by Committee of European Banking Supervisors (CEBS).

In the so-called basic stress scenario (benchmark scenario) - with the underlying assumption of a decline in economic growth in the eurozone - 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.

Note for editors

LBBW Bank CZ a.s. has been present on the Czech banking market since 1991, and over the years it has established a firm position as a modern and universal commercial bank. From September 1, 2008 Landesbank Baden-Württemberg (LBBW) has been its 100% shareholder. LBBW Bank CZ a.s. provides top-class services in the area of corporate, retail, investment and international banking as well as on the financial markets. LBBW Bank was selected and awarded by experts as the **Third Most Dynamic Bank of the Year 2008**.



In the past, the bank has changed both its shareholder and its name. Under the name of LBBW Bank CZ a.s. it has been known as of September 17, 2008. Until this time the bank was active on the Czech market under the name of BAWAG Bank CZ a.s.

Landesbank Baden-Württemberg (LBBW) is both a commercial bank and the central bank of the savings banks in Baden-Württemberg, Saxony and Rhineland-Palatinate. With total assets of EUR 412 billion and more than 13,000 employees (as of 31 Dec. 2009), LBBW is one of the largest banks in Germany, and in its core market Baden-Württemberg it is by far the most important one. Its core activities are the private customer business and the business with corporate customers, in particular small and medium-sized enterprises, as well as savings banks. A further focus is placed on real-estate financing and the customer-oriented capital market business with banks, savings banks and institutional investors. Together with its regional customer banks Baden-Württembergische Bank (BW-Bank), Rheinland-Pfalz Bank and Sachsen Bank, LBBW services more than one million private customers and 27,000 corporate customers in more than 200 branch offices – for many of these customers, they have been the main banker for many years. LBBW is one of the largest banks in Germany. LBBW's head offices are located in Stuttgart, Karlsruhe, Mannheim and Mainz.