Commission de Surveillance du Secteur Financier

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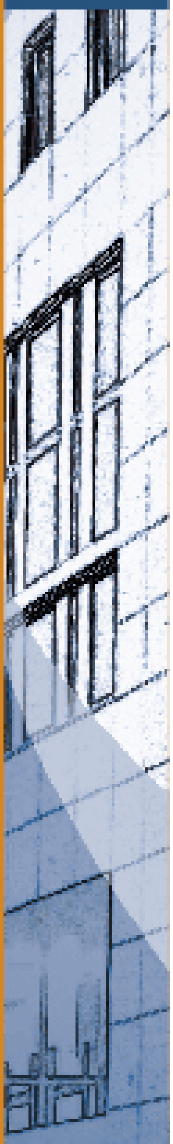

2011 EU-WIDE BANK STRESS TEST

The 2011 EU-wide bank stress test conducted by the European Banking Authority (EBA), in coordination with national supervisory authorities, the European Systemic Risk Board (ESRB), the European Central Bank (ECB) and the European Commission, is part of the framework for the assessment of the resilience of the financial sector performed by the European System of Financial Supervision (ESFS). Its objective is to improve transparency, identify vulnerabilities, inform policymakers and ensure appropriate measures, including strengthening capital levels where needed, are taken to address possible deficiencies.

The 2011 exercise has been carried out on 90 banking groups which represent 65% of total consolidated assets of the European banking sector. The stress test assesses the adequacy of these banks' capital against a 5% Core Tier 1 capital benchmark under an adverse macro-economic scenario developed by the ECB and commonly agreed by the participating authorities. The adverse scenario assumes that a wide range of macro-economic parameters deteriorate markedly when compared to the EU Commission's autumn 2010 forecast. Further details regarding the common methodology and the conduct of the exercise, including quality assurance, can be found on the EBA website.

In line with the directions provided by the EBA on the choice of sample, Banque et Caisse d'Epargne de l'Etat, Luxembourg was included by the CSSF as the sole Luxembourg bank directly participating in the exercise. Other Luxembourg based banks are covered indirectly through their parent companies which take part in the exercise on the basis of their consolidated financial condition that contains in particular their Luxembourg branches and subsidiaries. In this way almost 80% of the exposures of the Luxembourg banking center are included in the EU-wide stress test.

Given the common stress testing methodology, including various constraining assumptions, the estimated Core Tier 1 capital ratio of Banque et Caisse d'Epargne de l'Etat, Luxembourg would increase to 13,3% under the adverse scenario in 2012 compared to 12,0% as of end 2010. **Thus the Core Tier 1 capital ratio of Banque et Caisse d'Epargne de l'Etat, Luxembourg would, even under the adverse scenario, remain significantly above the 5% benchmark.** The 13,3% Core Tier 1 capital figure would be reached without having to take into account any mitigating measures decided by the management of the bank, in particular through a release of its current stock of countercyclical prudential provisions ("provision forfaitaire").

The improvement in the estimated solvency position of Banque et Caisse d'Epargne de l'Etat, Luxembourg between 2010 and 2012 is due to a significant extent to the fact that the profit generating capacity of the bank for the years 2011 and 2012 is more than sufficient to make up for the presumed increased impairments and foregone revenues under the adverse scenario. As a consequence, the CSSF has determined that no supervisory remedial measure is required in this context.

The detailed results for Banque et Caisse d'Epargne de l'Etat, Luxembourg are available at the CSSF website www.cssf.lu.

The European banking groups BNP Paribas, Dexia, ING, BPCE and Caixa Geral De Depósitos which are among the 90 EU banks included in the sample of the exercise and have Luxembourg entities with significant market shares in the domestic market for credit and deposit taking, have also been assessed on a consolidated basis to be resilient to the potential adverse developments underlying the EBA stress test. The Luxembourg entities of these banking groups are BGL BNP Paribas, Dexia Banque Internationale à Luxembourg, ING LUXEMBOURG S.A., Banque BCP S.A. and Caixa Geral de Depósitos SA, Lisboa (Portugal), Luxembourg branch respectively. The assets of these institutions are included in the total consolidated assets of their parent companies.

Detailed information about the stress testing outcomes of the banking groups included in the 2011 EU-wide stress test can be obtained from the EBA website at http://www.eba.europa.eu/EU-wide-stress-testing.aspx.