



BANK OF ENGLAND

News release

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Bank of England announces the timetable for publication of the 2016 UK stress testing results and the participation in the 2017 stress tests

The Bank of England is today setting out the timetable for the publication of the UK stress test results and announcing the set of firms that will take part in the Bank's 2017 Biennial Exploratory Scenario.

2016 stress test results

On 29 March 2016 the Bank of England set out details of the scenario for the stress test for the seven major UK banks and building societies. The scenario was agreed by the Financial Policy Committee (FPC) and Prudential Regulation Authority (PRA) Board.

The 2016 stress test assesses the resilience of the UK banking system to a severe slowdown in the UK and global economies. The stress scenario incorporated in the Bank's concurrent stress test is not a forecast. Rather, it is a coherent 'tail-risk' scenario designed to be severe and broad enough to assess the resilience of UK banks to a severe shock.

The Bank of England has received firms' initial stress testing submissions and is in the process of analysing the results. The FPC and the PRA Board will discuss that analysis over the autumn. Final decisions on the results of the stress tests will be made by both committees on 29 November and will be fed back to the firms involved on the same day. The UK stress test results will be published alongside the Financial Stability Report at 07:00 hrs (GMT) on 30 November.

The Bank of England will not comment on any speculation about the results until they are published. The results will be decided on 29 November, not before.

2017 Biennial Exploratory Scenario

Consistent with the approach set out in October 2015, next year the Bank of England's stress test of major banks will for the first time include two scenarios. In addition to the Annual Cyclical Scenario, which is intended to assess the risks to the banking system emanating from the financial cycle, there will be an

additional 'exploratory' scenario. This will allow banks' resilience to a wider range of potential threats to be assessed.

The seven banks participating in the 2016 stress test will participate in both these scenarios in 2017.

The Bank of England will publish the Exploratory Scenario, alongside the 2017 Annual Cyclical Scenario, in 2017 Q1.

Notes to Editors

1. In March 2016 the Bank announced the seven banks and building societies participating in the 2016 test: Barclays plc, HSBC Holdings plc, Lloyds Banking Group plc, Nationwide Building Society, The Royal Bank of Scotland Group plc, Santander UK plc and Standard Chartered plc. The Bank published the [key elements of the 2016 test](#) and [guidance for firms participating in the 2016 test](#).
2. In October 2015 the Bank announced the [main features of the stress-testing framework from 2016 to 2018](#). As part of this approach the Bank set out its intention that 'every other year, the annual cyclical scenario will be complemented by an additional scenario intended to probe the resilience of the system to risks that may not be neatly linked to the financial cycle'. This biennial exploratory scenario 'will explore emerging or latent threats to financial stability'.

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