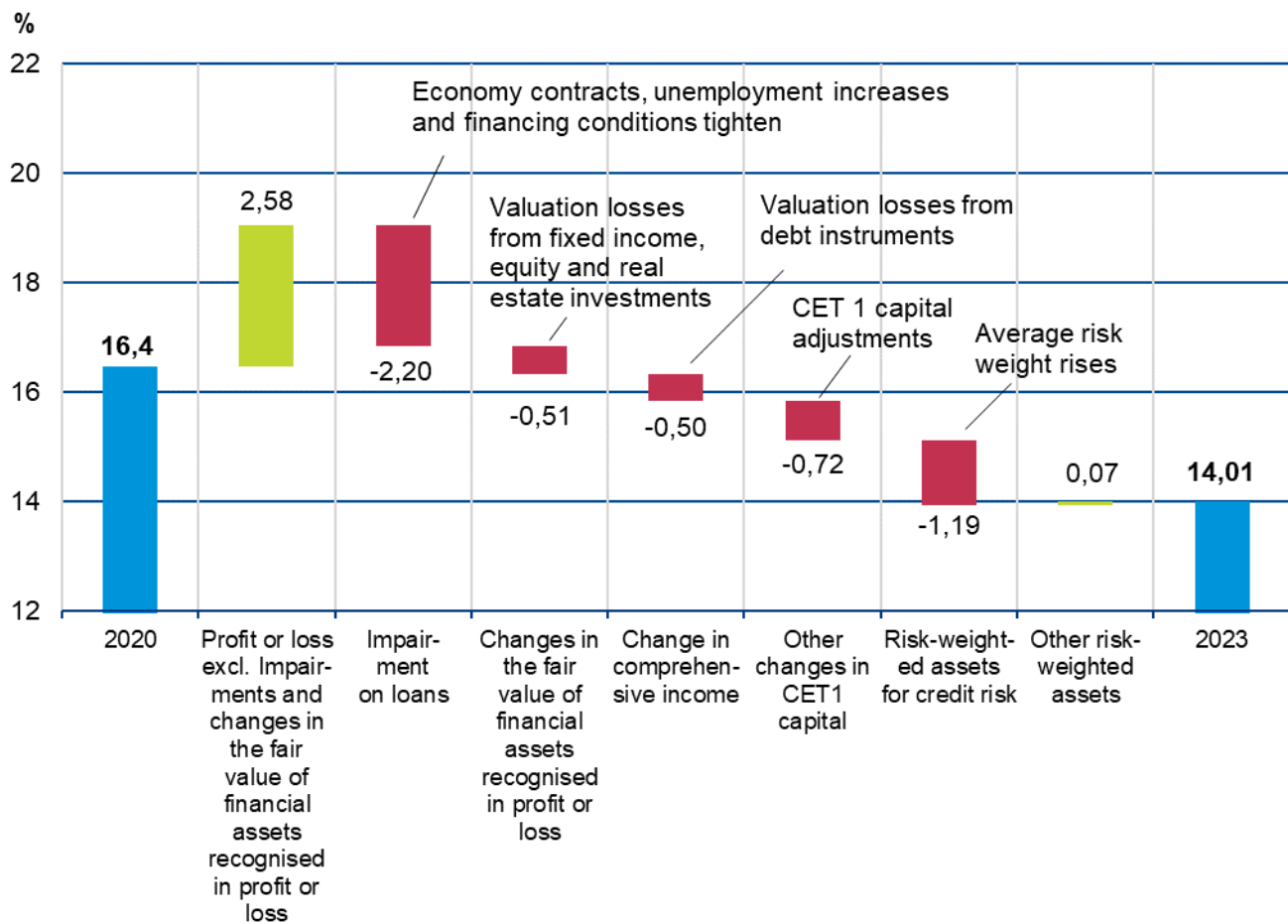


Stress test adverse scenario 2021–2023, for 7 smaller banks (LSI banks)

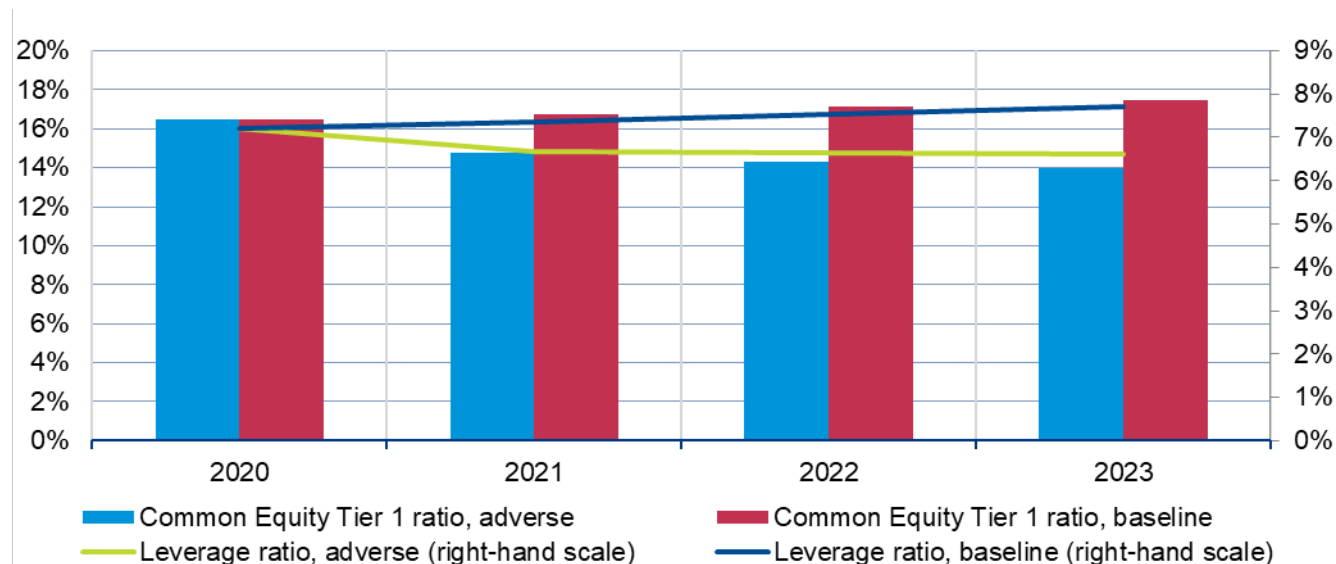
Chart 1. Changes in LSI¹ banking sector CET 1² ratio in the adverse scenario



Source: FIN-FSA

¹ LSI = less significant institution.

² Average, weighted by risk-weighted assets.

Chart 2. LSI banking sector solvency in the adverse and the baseline scenario


Source: FIN-FSA

Table 1. LSI banking sector developments

LSI banking sector	Outcome	Adverse scenario			
	2020	2021	2022	2023	
Figures, EUR million	2020	2021	2022	2023	
Common Equity Tier 1 ratio	16.5 %	14.8 %	14.3 %	14.0 %	
Total capital ratio	17.5 %	15.7 %	15.2 %	14.8 %	
Leverage ratio	7.2 %	6.7 %	6.6 %	6.6 %	
Net interest income	543.8	534.2	518.6	507.3	
Net fee and commission income	405.3	345.2	330.9	329.1	
Other income. total	60.2	54.0	52.7	51.4	
Total income	1 049.7	835.3	894.8	896.7	
Changes in the fair value of financial assets recognised in profit or loss	40.6	-98.2	-7.3	9.0	
Total expenses	747.7	745.0	746.1	745.5	
Impairments on loans	70.2	144.5	125.9	144.8	
Earnings before taxes	231.8	-54.2	22.8	6.4	
Changes in fair value reserve	2.9	-108.3	4.3	10.1	
Non-performing exposures	547.3	818.6	962.6	1 110.7	
Non-performing exposures/total exposures	1.37 %	2.05 %	2.41 %	2.78 %	
Impairments on loans/loan stock	0.18 %	0.36 %	0.32 %	0.36 %	