



## Announcement

### 2014 ECB Comprehensive Assessment

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- Bank of Cyprus successfully passes the 2014 ECB Comprehensive Assessment following share capital increase of €1 bn in September 2014
  - Significant pre-emptive strengthening of the Bank's capital position ensured that the Bank was well positioned for the Comprehensive Assessment
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Nicosia, 26 October 2014

#### **Group Profile**

*Founded in 1899, Bank of Cyprus Group is the leading banking and financial services group in Cyprus. The Group provides a wide range of financial products and services which include retail and commercial banking, finance, factoring, investment banking, brokerage, fund management, private banking, life and general insurance. The Group operates through a total of 280 branches, of which 144 operate in Russia, 130 in Cyprus, 1 in Romania, 4 in the United Kingdom and 1 in the Channel Islands. Bank of Cyprus also has representative offices in Russia, Ukraine and China. The Bank of Cyprus Group employs 6.747 staff worldwide. At 30 June 2014, the Group's Total Assets amounted to €28,6 bn and Total Equity was €2,8 bn.*

Bank of Cyprus Public Company Ltd (“Bank”) has successfully passed the 2014 ECB Comprehensive Assessment (“Comprehensive Assessment”) conducted by the European Central Bank (“ECB”) in cooperation with the European Banking Authority (“EBA”) and the Central Bank of Cyprus (“CBC”). Decisive pre-emptive action to raise €1 bn equity capital in September 2014 ensured that the Bank was well capitalized for the Comprehensive Assessment.

The Bank notes the announcements made today by the ECB, the EBA and the CBC on the Comprehensive Assessment and fully acknowledges the outcome of this exercise.

The Comprehensive Assessment was performed by the ECB prior to assuming full responsibility for supervision under the Single Supervisory Mechanism (“SSM”) in November 2014 in collaboration with National Competent Authorities (“NCAs”) of the Member States participating in the SSM and was supported at all levels by independent third parties.

The Comprehensive Assessment comprised of two main pillars:

- an asset quality review (AQR) – to enhance the transparency of bank balance sheets by reviewing the quality of banks’ assets, including the adequacy of asset and collateral valuation and related provisions;
- the 2014 EU-wide stress test – performed in close cooperation with the EBA. This examined the resilience of banks’ balance sheets to stress scenarios using a common methodology developed by the EBA and applied across all participating banks. The outcomes of the stress test reflect the predefined baseline and adverse stress test scenarios and are not forecasts of financial performance nor forecasts of capital ratios. A stress testing exercise does not provide forecasts of expected outcomes since the adverse scenarios are designed as “what-if” scenarios including plausible but extreme assumptions, which are therefore not very likely to materialise. Different stresses may produce different outcomes depending on the circumstances of each institution and provide important prudential information for supervisors. The 2014 EU-wide stress test of the Bank has been carried out on a dynamic<sup>1</sup> balance sheet assumption starting end December 2013, over a 3-year time horizon.

The Comprehensive Assessment was based on a capital benchmark of 8% Common Equity Tier 1 (CET1) ratio, including transitional arrangements of CRR/CRD IV, for both the AQR and the Baseline stress test scenario. For the purposes of the EU-wide stress test the minimum ratios applied across all participating banks were set at 8% CET1 ratio for the Baseline scenario and 5,5% CET1 ratio for the Adverse scenario.

As shown on the table below, as a result of the application of the AQR and the stress test, the AQR Adjusted CET1 ratio (based on transitional arrangements as of 1.1.2014) of the Bank is estimated at 7,28%, the Adjusted CET1 ratio after the Baseline Scenario is estimated at 7,73% and the Adjusted CET1 ratio after the Adverse Scenario is estimated at 1,51%. Based on these estimated capital ratios, the theoretical Aggregated Capital Shortfall of the Comprehensive Assessment is estimated at €19 mn. Taking into account the successful capital increase of €1 bn completed on 18 September 2014, the theoretical shortfall is amply covered leading to a capital surplus of €31 mn and, therefore, the Bank is not obliged to proceed with any capital enhancing actions. As such, adjusting the above mentioned ratios for the capital increase, the AQR Adjusted CET1 ratio (based on transitional arrangements as of 1.1.2014) rises to 11,53%, the Adjusted CET1 ratio after the Baseline Scenario rises to 11,62% and the Adjusted CET1 ratio after the Adverse Scenario rises to 5,85%.

	As included in the ECB template	Adjusted for the capital increase
AQR adjusted CET1 ratio	7,28%	11,53%
Adjusted CET1 ratio after Baseline Scenario	7,73%	11,62%
Adjusted CET1 ratio after Adverse Scenario	1,51%	5,85%

<sup>1</sup> Applicable to banks with approved restructuring plans prior to 31 December 2013.

It is noted that the reported CET1 ratio of the Bank as at 30 June 2014 stood at 11,3% whereas, after taking into account the €1 bn capital increase, the Bank's pro-forma CET1 ratio as at 30 June 2014 (based on transitional arrangements as of 1.1.2014) reached 15,6%.

As part of Phase 3 of its Share Capital Increase<sup>2</sup>, the Bank intends to proceed with a Retail Offer of up to €100 mn of new ordinary shares for subscription by existing shareholders prior to any listing of its shares on the Cyprus Stock Exchange and the Athens Exchange. Subject to obtaining the relevant approvals, the Bank anticipates that the Retail Offer and the listing will take place by year-end 2014.

The Comprehensive Assessment was a very thorough exercise which was carried out across 130 banks covering approximately 85% of total euro area banking system assets and took 12 months to be completed. This Comprehensive Assessment is considerably broader and tougher than any previous exercises and is an important first step towards restoring trust and confidence in the banking sector by bringing greater transparency of the banks' balance sheets and consistency of supervisory practices in Europe, identifying problems and implementing necessary corrective actions and thus assuring stakeholders that banks are fundamentally sound and trustworthy.

Dr Christis Hassapis, Chairman of the Board of Directors of the Bank of Cyprus Group, commented: *"The positive result of the Comprehensive Assessment reaffirms the solid capital position of the Bank, even under the most extreme, severe theoretical stress conditions. It also reflects the pro-activeness of the Group in raising adequate capital in advance of the Comprehensive Assessment. Today's result is another milestone for the Bank and will further strengthen the confidence of depositors and other stakeholders towards the Bank. As the leading bank in Cyprus, the Bank will contribute to and benefit significantly from improving economic fundamentals and confidence in its home market."*

John Hourican, CEO of the Bank of Cyprus Group, commented: *"We are pleased that the well-timed and deliberate actions taken during 2014, and in particular the pre-emptive €1 bn share capital increase, have ensured a positive result in the ECB's Comprehensive Assessment. The share capital increase has generated a significant capital buffer, ensuring that the Bank could weather even the adverse stress scenario envisaged by the authorities. The Bank will continue to ensure that appropriate capital levels are maintained reflecting the economic environment and the challenges we are faced with. We remain committed and focused on the implementation of our restructuring and we are gradually and steadily becoming a stronger, better bank for our customers, our shareholders, our employees and for Cyprus as a whole. A stronger Bank will be better positioned to support the economic recovery in Cyprus, leading to increased prosperity in the country. We want to thank all our stakeholders for the trust they continue to place with us and assure them that the Bank will continue to ensure this trust is well justified."*

### **Notes to editors**

*Further details on the results of the AQR and the stress test under the baseline and adverse scenarios, as well as information on the Bank's credit exposures and exposures to central and local governments, are provided in the disclosure tables based on the common format provided by the ECB and EBA, which are attached herein.*

*The Comprehensive Assessment is prudential in nature. Accounting rules were an important consideration. For the purposes of the exercise, the ECB was not bound by accounting rules where the application of prudential or economic judgment led to an alternative result. It should also be noted, that because the exercise is prudential it does not necessitate accounting changes.*

*The stress test was carried out based on the EBA common methodology and key common simplifying assumptions (e.g. constant balance sheet, uniform treatment of securitisation exposures) as published in the EBA Methodology. Therefore, the information relative to the scenarios is provided only for comparison purposes.*

See more details on the methodology on the EBA website <https://www.eba.europa.eu/-/eba-publishes-common-methodology-and-scenario-for-2014-eu-banks-stress-test>

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<sup>2</sup> The Share Capital Increase was approved by the Bank's shareholders at an Extraordinary General Meeting on 28<sup>th</sup> August 2014 and Phases 1 and 2 were completed on 18<sup>th</sup> September 2014.

## Introduction to the Comprehensive Assessment disclosure templates

This document contains final disclosure of the results of the Comprehensive Assessment for Bank of Cyprus Public Company Ltd. Specifically, the template contains the bank's overall Comprehensive Assessment result, as well as more detail on Asset Quality Review (AQR) outcomes. Further detail on the joint ECB-EBA stress tests can be found in the bank's EBA transparency template.

This page provides detail on how to read the templates, and contains important caveats to consider within the context of final results

### Bank-specific notes

## Sheet descriptions

### Main Results and Overview

- A. Key information on the bank before the Comprehensive Assessment (end-2013)
- B. The main results of the Comprehensive Assessment
- C. Major capital measures impacting Tier 1 eligible capital, from 1 January 2014 to 30 September 2014

### Detailed AQR Results

- D. Matrix Breakdown of AQR Result
- E. Matrix Breakdown of Asset Quality Indicators
- F. Leverage ratio impact of the Comprehensive Assessment

### Approved Restructuring Results

This is a repetition of Section B, main results of the Comprehensive Assessment, for those banks who have an agreed restructuring plan.

## Section descriptions

Section	Contents	Key fields	Notes
<b>A. Main information on the bank before the Comprehensive Assessment (end-2013)</b>	This section contains information on the size, performance and starting point capital holding of the bank as at year-end 2013	<b>A6</b> Starting point CET1% - bank provided starting point for any adjustments following the Comprehensive Assessment	<ul style="list-style-type: none"> <li>- <b>Numbers in this section are provided primarily for transparency purposes and should not be used for comparisons to other sections/sheets.</b></li> <li>- As an example, the NPE ratio exhibited in this section applies across all segments and all bank portfolios, and as such does not provide a like for like comparison with the NPE ratio data displayed in section E (which relates only to portfolios selected in Phase 1 of the AQR)</li> </ul>
<b>B. Main results of the Comprehensive Assessment</b>	This key section of the disclosure template contains the main results of the Comprehensive Assessment	Key fields discussed in more detail below	<ul style="list-style-type: none"> <li>- <b>Banks have 6 months to recapitalise any shortfall resulting from the AQR and Stress Test baseline scenario, and 9 months to recapitalise any shortfall resulting from the Stress Test adverse scenario</b></li> </ul>
<b>C. Major capital measures impacting Tier 1 eligible capital, from 1 January 2014 to 30 September 2014</b>	This section displays major capital market activity affecting Tier 1 eligible capital		<ul style="list-style-type: none"> <li>- <b>Section C should be read as informational only. Figures here do not feed into the final CET1% results as detailed in section B, nor do they mitigate the bank's disclosed capital shortfall (B11)</b></li> <li>- For banks with a capital shortfall, this information will be taken into account during the capital planning phase that follows disclosure of Comprehensive Assessment results</li> </ul>
<b>D. Matrix Breakdown of AQR Result</b>	This section gives workblock specific AQR results	<ul style="list-style-type: none"> <li><b>D.A - D.F</b> provides AQR results broken down by asset segment, and by AQR workblock</li> <li><b>D.G - D.I</b> provides the results of the Level 3 non-derivative exposures review</li> <li><b>D20</b> is the gross impact of the AQR before offsetting</li> <li><b>D21</b> provides impact of insurance protection</li> <li><b>D22</b> provides the tax impact</li> <li><b>D23</b> shows the net total impact of the AQR</li> </ul>	<ul style="list-style-type: none"> <li>- <b>The selection of asset classes for portfolio review was based on an approach aimed at identifying those portfolios with the highest risk of misclassification and misvaluation. Therefore, extrapolation of results to the non-selected portfolios would be incorrect from a statistical stand-point</b></li> <li>- In the AQR exercise the resulting increase in provisions (from a supervisory perspective) are translated into a change in CET1</li> <li>- Items D1 to D21 are before offsetting impacts such as asset protection and taxes</li> </ul>
<b>E. Matrix Breakdown of Asset Quality Indicators</b>	The section provides asset quality indicators (NPE levels and coverage ratio), broken down by asset segment	<ul style="list-style-type: none"> <li>- <b>E1</b> shows the evolution of NPE levels for portfolios selected in Phase 1</li> <li>- <b>E10</b> shows the evolution of coverage ratios for portfolios selected in Phase 1</li> </ul>	<ul style="list-style-type: none"> <li>- <b>Information reported only for portfolios subject to detailed review in AQR, i.e. those selected in Phase 1 of the AQR</b></li> <li>- <b>Figures presented should not be interpreted as accounting figures</b></li> <li>- <b>The asset quality indicators are based on EBA's simplified definition of NPE</b></li> <li>- While the application of this definition constitutes an important step forward in terms of harmonisation across the euro area banking sector, the degree of harmonisation reached is not complete due to factors such as different materiality thresholds across Member States. However, a solid basis of consistency has been implemented for the Comprehensive Assessment, implying a very significant improvement in comparability across banks and jurisdictions</li> <li>- <b>Leverage ratios are currently not binding, are displayed for information purposes only and have no impact on the capital shortfall</b></li> <li>- Due to the 'static balance sheet' assumption used as part of the Stress Test, the leverage ratio might be misleading for the Stress Tests and is therefore displayed for AQR only</li> </ul>
<b>F. Leverage ratio impact of the Comprehensive Assessment</b>	This shows the change in the leverage ratio from the AQR		

## Source of key figures / drivers of key results

B MAIN RESULTS OF THE COMPREHENSIVE ASSESSMENT (CA)			
B1	<b>CET1 Ratio at year end 2013 including retained earnings / losses of 2013</b> B1 = A6	%	10.00%
B2	Aggregated adjustments due to the outcome of the AQR	Basis Points Change	-100
B3	<b>AQR adjusted CET1 Ratio</b> B3 = B1 + B2	%	9.00%
B4	Aggregate adjustments due to the outcome of the <b>baseline</b> scenario of the joint EBA ECB Stress Test to lowest capital level over the 3-year period	Basis Points Change	-200
B5	<b>Adjusted CET1 Ratio after Baseline Scenario</b> B5 = B3 + B4	%	7.00%
B6	Aggregate adjustments due to the outcome of the <b>adverse</b> scenario of the joint EBA ECB Stress Test to lowest capital level over the 3-year period	Basis Points Change	-400
B7	<b>Adjusted CET1 Ratio after Adverse Scenario</b> B7 = B3 + B6	%	5.00%

For illustrative purposes only

**B1 - the CET1 ratio as at 31 December 2013 is provided by the bank, and acts as the starting point against which Comprehensive Assessment impact is measured**

Note that CET1 is defined in accordance with CRDIV/CRR applicable as of 1 January 2014

**B2 - sourced from D23, the net AQR impact after tax and risk protection netting effects**

**B3 = B1 + B2**

**B4 = the delta between the AQR adjusted CET1% and the baseline scenario CET1%, in the year where capital level vs threshold (8%) is the lowest**

Note - this information comes from the EBA transparency templates. The key fields in these templates are the baseline figures in the "Capital" sheet, section C.1

**B5 = B3 + B4 (note the starting point for this adjustment is the AQR adjusted CET1%)**

**B6 = the delta between the AQR adjusted CET1% and the adverse scenario CET1%, in the year where capital level vs threshold (5.5%) is the lowest**

Note - this information comes from the EBA transparency templates. The key fields in these templates are the adverse figures in the "Capital" sheet, section C.1

**B7 = B3 + B6 (note the starting point for this adjustment is the AQR adjusted CET1%)**

## 2014 COMPREHENSIVE ASSESSMENT OUTCOME

	<b>ECB PUBLIC</b>
NAME OF THE ENTITY	CYBOCG Bank of Cyprus Public Company Ltd

### 1 Main Results and Overview

#### A MAIN INFORMATION ON THE BANK BEFORE THE COMPREHENSIVE ASSESSMENT (end 2013)

		END 2013
A1	Total Assets (based on prudential scope of consolidation)	Mill. EUR 29.660,77
A2	Net (+) Profit/ (-) Loss of 2013 (based on prudential scope of consolidation)	Mill. EUR -2.138,18
A3	Common Equity Tier 1 Capital according to CRDIV/CRR definition, transitional arrangements as of 1.1.2014	Mill. EUR 2.449,56
A4	Total risk exposure * according to CRDIV/CRR definition, transitional arrangements as of 1.1.2014	Mill. EUR 23.530,00
A5	Total exposure measure according to Article 429 CRR "Leverage exposure"	Mill. EUR 30.628,00
A6	CET1 ratio according to CRDIV/CRR definition, transitional arrangements as of 1.1.2014 A6=A3/A4	% 10,41%
A7	Tier 1 Ratio (where available) according to CRD3 definition, as of 31.12.2013 as reported by the bank	% 10,20%
A8	Core Tier 1 Ratio (where available) according to EBA definition	% 10,17%
A9	Leverage ratio	% 8,00%
A10	Non-performing exposures ratio	% 44,74%
A11	Coverage ratio for non-performing exposure	% 34,08%
A12	Level 3 instruments on total assets	% 0,35%

#### B MAIN RESULTS OF THE COMPREHENSIVE ASSESSMENT (CA)

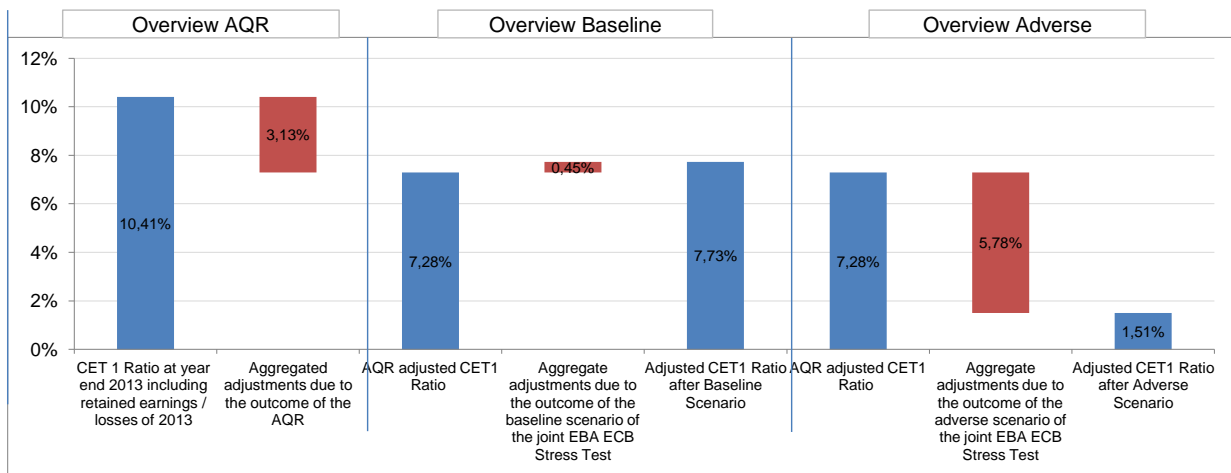
<b>B1</b>	<b>CET1 Ratio at year end 2013 including retained earnings / losses of 2013</b> <b>B1 = A6</b>	%	<b>10,41%</b>
B2	Aggregated adjustments due to the outcome of the AQR	Basis Points Change	-313
<b>B3</b>	<b>AQR adjusted CET1 Ratio</b> <b>B3 = B1 + B2</b>	%	<b>7,28%</b>
B4	Aggregate adjustments due to the outcome of the <b>baseline</b> scenario of the joint EBA ECB Stress Test to lowest capital level over the 3-year period	Basis Points Change	45
<b>B5</b>	<b>Adjusted CET1 Ratio after Baseline Scenario</b> <b>B5 = B3 + B4</b>	%	<b>7,73%</b>
B6	Aggregate adjustments due to the outcome of the <b>adverse</b> scenario of the joint EBA ECB Stress Test to lowest capital level over the 3-year period	Basis Points Change	-578
<b>B7</b>	<b>Adjusted CET1 Ratio after Adverse Scenario</b> <b>B7 = B3 + B6</b>	%	<b>1,51%</b>

#### Capital Shortfall

		Basis Points <sup>1</sup>	Mill. EUR
B8	to threshold of 8% for AQR adjusted CET1 Ratio	72	168,29
B9	to threshold of 8% in Baseline Scenario	27	68,80
B10	to threshold of 5.5% in Adverse Scenario	399	919,22
<b>B11</b>	<b>Aggregated Capital Shortfall of the Comprehensive Assessment</b> <b>B11 = max( B8, B9, B10 )</b>	<b>399</b>	<b>919,22</b>

\* Total risk exposure figure is pre-AQR. Please note that the corresponding Year End 2013 figure in the EBA Transparency template is post-AQR and therefore may not match exactly.

<sup>1</sup> RWA used corresponds to relevant scenario in worst case year



**C MAJOR CAPITAL MEASURES IMPACTING TIER 1 ELIGIBLE CAPITAL FROM 1 JANUARY 2014 TO 30 SEPTEMBER 2014**

Issuance of CET1 Instruments		Impact on Common Equity Tier 1 Million EUR
C1	Raising of capital instruments eligible as CET1 capital	1.000,00
C2	Repayment of CET1 capital, buybacks	
C3	Conversion to CET1 of hybrid instruments becoming effective between January and September 2014	
Net issuance of Additional Tier 1 Instruments		Impact on Additional Tier 1 Million EUR
C4	with a trigger at or above 5.5% and below 6%	
C5	with a trigger at or above 6% and below 7%	
C6	with a trigger at or above 7%	
Fines/Litigation costs		Million EUR
C7	Incurred fines/litigation costs from January to September 2014 (net of provisions)	

## 2014 COMPREHENSIVE ASSESSMENT OUTCOME

NAME OF THE ENTITY

CYBOCG

Bank of Cyprus Public Company Ltd

ECB PUBLIC

### 2. Detailed AQR Results

#### D. Matrix Breakdown of AQR Result (B2)

Note:

- The selection of asset classes for portfolio review was based on an approach aimed at identifying those portfolios with the highest risk of misclassification. Therefore, extrapolation of results to the non-selected portfolios would be incorrect.

- The columns D. C to D .F include (but are not limited to) any impacts on provisioning associated with the reclassification of performing to non-performing exposure.

- In the AQR exercise the resulting increase in provisions (from a supervisory perspective) are translated into a change in CET1.

- Items D1 to D21 are before offsetting impacts such as asset protection and taxes.

- Basis points are calculated using total risk exposure from Section A4

- For the interpretation of the detailed results the interested reader may refer to the AQR manual outlining the methodology or to the accompanying Aggregate Report where the main features of the CA exercise are reiterated. Find the AQR manual here:

<http://www.ecb.europa.eu/press/pr/date/2014/html/pr140311.en.html>

	D .A	D .B	D .C		D .D		D .E		D .F	
	Credit Risk RWA year end 2013	Portfolio selected in Phase 1	Adjustments to provisions on sampled files		Adjustments to provisions due to projection of findings		Adjustment to provisions due to collective provisioning review		Impact on CET1 capital before any offsetting impact	
	Mill. EUR	% of RWA selected in Phase 1	Basis Points	Mill. EUR	Basis Points	Mill. EUR	Basis Points	Mill. EUR	Basis Points	Mill. EUR
<b>D1 Total credit exposure</b>	<b>21.372,04</b>	<b>60 - 80%</b>	<b>68</b>	<b>159,61</b>	<b>50</b>	<b>117,26</b>	<b>193</b>	<b>454,46</b>	<b>-311</b>	<b>-731,33</b>
D2 Sovereigns and Supranational non-governmental organisations	44,74	0%	0	0,00	0	0,00	0	0,00	0	0,00
D3 Institutions	726,34	0%	0	0,00	0	0,00	0	0,00	0	0,00
D4 Retail	5.205,81	60 - 80%	0	0,00	0	0,00	102	240,03	-102	-240,03
D5 thereof SME	1.192,82	20 - 40%					37	87,10	-37	-87,10
D6 thereof Residential Real Estate (RRE)	1.666,04	60 - 80%	0	0,00	0	0,00	0	0,00	0	0,00
D7 thereof Other Retail	2.346,95	60 - 80%					65	152,93	-65	-152,93
D8 Corporates	13.901,77	80 - 100%	68	159,61	50	117,26	91	214,43	-209	-491,30
D9 Other Assets	1.493,38	0%	0	0,00	0	0,00	0	0,00	0	0,00

Units of Measurement

#### D10 Additional information on portfolios with largest adjustments accounting for (at least) 30% of total banking book AQR adjustment:

Asset Class	Geography										
Real estate related	CYPRUS	1.294,42		17	40,33	27	64,30	26	61,35	-71	-165,99
Large corporates (non real estate)	CYPRUS	1.055,97		12	27,22	14	32,21	33	78,56	-59	-137,99
SME	RUSSIAN FEDERATION	848,19			0,00		0,00	37	87,10	-37	-87,10

NB: In some cases the total credit RWA reported in field D.A1 may not equal the sum of the components below, or corresponding metrics in the EBA transparency templates. These cases are driven by inclusion of specialised assets types which lie outside the categories given above

	Units of Measurement	D .G	D .H	D .I	
		Portfolio size Carrying Amount	Portfolio selection	Impact on CET1 before any offsetting impact	
		Mill. EUR	% selected in Phase 1	Basis points	Mill. EUR
D11	CVA			-2	-4,10
D12	<b>Fair Value review</b>			0	0,00
D13	Non derivative exposures review	<i>Please refer to Definitions and Explanations sheet</i>			
D14	Bonds	0,00	0%	0	0,00
D15	Securitisations	0,00	-	0	0,00
D16	Loans	0,00	-	0	0,00
D17	Equity (Investment in PE and Participations)	0,00	0%	0	0,00
D18	Investment Properties / Real Estate / Other	0,00	0%	0	0,00
D19	Derivatives Model Review			0	0,00

	Basis points <sup>2</sup>	Mill. EUR	
D20	Gross impact on capital	-313	-735,43
D21	Offsetting impact due to risk protection	0	0,00
D22	Offsetting tax impact	0	0,00

D23	Net total impact of AQR results on CET1 ratio	-313	
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*Please refer to Definitions and Explanations sheet*  
D23 = (D20 + D21 + D22) + (Adjustment for change in RWA due to AQR)

#### E. Matrix Breakdown of Asset Quality Indicators

- The selection of asset classes for portfolio review was based on an approach aimed at identifying those portfolios with the highest risk of misclassification. Therefore, extrapolation of results to the non-selected portfolios would be incorrect from a statistical stand-point.
- The asset quality indicators are based on EBA's simplified definition of NPE.
- All parties involved made significant efforts to increase the degree of harmonisation of the NPE definition and its application.
- While the application of this definition constitutes a very important leap forward in terms of harmonisation across the euro area banking sector, the degree of harmonisation reached is not completely perfect due to factors such as different materiality thresholds across Member States. However, a solid basis of consistency has been implemented for the comprehensive assessment, implying a very significant improvement in comparability across banks from different jurisdictions.
- The figures presented should not be understood as accounting figures.

<sup>2</sup> Basis point impact includes adjustment to RWA

Information reported only for portfolios subject to detailed review in AQR

Asset quality indicators

Based on EBA simplified definition

Non-Performing Exposure Ratio

E1	<b>Total credit exposure</b>
E2	<b>Sovereigns and Supranational non-governmental organisations</b>
E3	<b>Institutions</b>
E4	<b>Retail</b>
E5	<i>thereof SME</i>
E6	<i>thereof Residential Real Estate (RRE)</i>
E7	<i>thereof Other Retail</i>
E8	<b>Corporates</b>
E9	<b>Other Assets</b>

	E .A	E .B	E .C	E .D
	unadjusted NPE Level year end 2013	Changes due to the credit file review	Changes due to the projection of findings	AQR-adjusted NPE Level
Units of Measurement	%	Basis Points	Basis Points	%
	65,15%	-101	-346	60,68%
	-	0	0	
	-	0	0	
	40,27%	-13	-647	33,66%
	38,99%			
	38,30%	-21	-1032	27,77%
	44,31%			
	77,53%	-144	-197	74,12%
	-	0	0	

Coverage Ratio

NB: Coverage ratios displayed in E.E - E.I cover only the exposure that was marked as non-performing pre-AQR. Therefore exposures that were newly reclassified to NPE during the AQR are NOT included in the calculation for E.E - E.I

E10	<b>Total credit exposure</b>
E11	<b>Sovereigns and Supranational non-governmental organisation</b>
E12	<b>Institutions</b>
E13	<b>Retail</b>
E14	<i>thereof SME</i>
E15	<i>thereof Residential Real Estate (RRE)</i>
E16	<i>thereof Other Retail</i>
E17	<b>Corporates</b>
E18	<b>Other Assets</b>

	E .E	E .F	E .G	E .H	E .I	E .J
	unadjusted coverage ratio of non-performing exposure, year end 2013	Changes due to the credit file review	Changes due to the projection of findings	Changes due to the collective provisioning review on non-performing exposures	AQR - adjusted ratio of provisions on NPE to NPE	Coverage ratio for exposures newly classified as NPE during the AQR
Units of Measurement	%	%	%	%	%	%
	20,94%	1,71%	2,51%	1,46%	26,62%	
	-	0,00%	0,00%			
	-	0,00%	0,00%			
	25,62%	0,13%	5,94%	7,88%	39,57%	
	15,92%			43,58%	59,50%	
	15,98%	0,14%	7,42%	0,00%	23,53%	
	43,31%			11,82%	55,13%	
	19,74%	2,08%	1,86%		23,67%	17,62%
	-	0,00%	0,00%			

**F. LEVERAGE RATIO IMPACT OF THE COMPREHENSIVE ASSESSMENT**

## Explanatory Note:

- Note that the leverage ratio is based on the CRR Article 429 as of January 2014.
- It is currently not binding, is displayed for information purposes only and has no impact on the capital shortfall (B11).
- As the constant balance sheet assumption, which is applied in the Stress Test, might be misleading for the leverage ratio, the ratio is displayed for AQR only.

F1	Leverage Ratio at year end 2013	%	8,00%
	<i>Please refer to Definitions and Explanations sheet</i>		
	F1 = A9		
F2	Aggregated adjustments to Leverage Ratio due to the outcome of the AQR	Basis Points	-240
	F2 = (D20+D21+D22)/A5		
F3	AQR adjusted Leverage Ratio	%	5,60%
	F3 = F1 + F2		

### 3. Definitions and Explanations

Reference	Name	Definition or further explanation
<b>A. MAIN INFORMATION ON THE BANK BEFORE THE COMPREHENSIVE ASSESSMENT (end 2013)</b>		
A1	Total Assets (based on prudential scope of consolidation)	Sum of on balance positions. Note that for this and all following positions the scope of consolidation follows Article 18 CRR (therefore direct comparison with financial accounts based on accounting scope of consolidation will result in differences). Year-end 2013.
A2	Net (+) Profit/ (-) Loss of 2013 (based on prudential scope of consolidation)	Net profits (positive number) or net losses (negative number) in the year 2013. After taxes. Exclusive Other Comprehensive Income. The scope of consolidation follows Article 18 CRR (therefore direct comparison with financial accounts based on accounting scope of consolidation will result in differences).
A3	Common Equity Tier 1 Capital	At year-end 2013, according to CRDIV/CRR definition, transitional arrangements as of 1.1.2014, Article 50 CRR. The only exception to national transitional arrangements is sovereign AFS losses (Article 467 CRR) where a harmonised approach is taken with a 20% deduction irrespective of national discretion concerning phase-in. This exception is necessary to be consistent with EBA's CET1 definition applied in the stress test exercise. This includes losses of 2013 or retained earnings of 2013 subject to Article 26.2 CRR.
A4	Total risk exposure	Article 92.3 CRR, "total RWA", as of year-end 2013, according to CRDIV/CRR definition, transitional arrangements as of 1.1.2014.
A5	Total exposure measure according to Article 429 CRR	Denominator of leverage ratio (A9), "leverage exposure", according to Article 429 CRR.
A6	CET1 ratio	A6=A3/A4, Article 92.1a CRR, figures as of year-end 2013. With national transitional arrangements as per 1 January 2014. The only exception to national transitional arrangements is sovereign AFS losses (Article 467 CRR) where a harmonised approach is taken with a 20% deduction irrespective of national discretion concerning phase-in. This exception is necessary to be consistent with EBA's CET1 definition applied in the stress test exercise.
A7	Tier 1 Ratio	Unadjusted Basel II figure as of 31.12.2013 as reported by the bank
A8	Core Tier one ratio	Unadjusted Basel II figure as of 31.12.2013 as reported by the bank
A9	Leverage ratio at year end 2013	See EBA Implementing Technical Standards for Supervisory Reporting (Legal basis: Article 99 of Regulation (EU) No 575/2013 and ITS on Supervisory Reporting of institutions published in the Official Journal of the European Commission on 28/06/2014) module for leverage ratio: <a href="#">- Annex X - Leverage ratio templates</a> <a href="#">- Annex XI - Instructions on Leverage (Part II 2.12)</a>
A10	Non-performing exposures ratio	Numerator: Exposure (book value plus CCF-weighted off-balance exposure) that is non-performing according to the simplified NPE definition (see Section 2.4.4. of the AQR Phase 2 manual) at year end 2013 (total of consolidated bank): An NPE is defined as: <ul style="list-style-type: none"> <li>• Every material exposure that is 90 days past-due even if it is not recognised as defaulted or impaired</li> <li>• Every exposure that is impaired (respecting specifics of definition for nGAAP vs. IFRS banks)</li> <li>• Every exposure that is in default according to CRR</li> </ul> Definition of exposure: <ul style="list-style-type: none"> <li>• Any facility that is NPE must be classed as such</li> <li>• For retail: NPE is defined at the facility level</li> <li>• For non-retail: NPE is defined at the debtor level – if one material exposure is classified as NPE, all exposures to this debtor level shall be treated as NPE</li> <li>• Materiality is defined as per the EBA ITS guidelines (i.e. as per Article 178 CRR) and hence in line with national discretion</li> <li>• Off balance sheet exposures are included. Derivative and trading book exposures are not included as per the EBA ITS.</li> </ul> Denominator: total exposure (performing and non-performing). Same definition of exposure as above.  As of year-end 2013 and total of consolidated bank.

A11	Coverage ratio for non-performing exposure	<p>Numerator:  Specific allowances for individually assessed financial assets (As per IAS 39 AG.84-92. FINREP table 4.4, column 080. EBA/ITS/2013/03 Annex V. Part 2. 35-38)  + Specific allowances for collectively assessed financial assets (As per IAS 39 AG.84-92. FINREP table 4.4, column 090. EBA/ITS/2013/03 Annex V. Part 2. 35-38)  + Collective allowances for incurred but not reported losses (As per IAS 39 AG.84-92. FINREP table 4.4, column 100. EBA/ITS/2013/03 Annex V. Part 2. 35-38)</p> <p>Denominator:  the non-performing exposure (numerator of A10)</p> <p>As of year-end 2013 and total of consolidated bank.</p>
A12	Level 3 instruments on total assets	<p>Level 3 assets are those according to IFRS 13, para. 86-90 (covering Available for Sale, Fair Value through P&amp;L and Held for Trading)  Not defined for banks using nGAAP.  Total assets = A1</p>
<b>B. MAIN RESULTS OF THE COMPREHENSIVE ASSESSMENT (CA)</b>		
B1	CET1 Ratio	B1=A6
B2	Aggregated adjustments due to the outcome of the AQR	This is the sum of all AQR results impacting (from an accounting or prudential perspective) the CET1 ratio. The split into its components is provided in the sheet "Detailed AQR Results". In basis points, marginal effect.
B3	AQR adjusted CET1 Ratio	B3 = B1 + B2 based on year-end 2013 figures and CRR/CRDIV phase-in as of 1 January 2014
B4	Aggregate adjustments due to the outcome of the baseline scenario of the joint EBA ECB Stress Test	Additional adjustments due to baseline scenario to lowest capital level over the 3-year period. Note that this also includes phasing-in effects of CRR and CRD 4 as of arrangements of respective national jurisdiction. In line with EBA disclosure.
B5	Adjusted CET1 Ratio after Baseline Scenario	B5= B4 + B3 Note that this is an estimate of the outcome of a hypothetical scenario and refers to a future point in time. It should not be confused with the bank's forecast or multi year plan.
B6	Aggregate adjustments due to the outcome of the adverse scenario of the joint EBA ECB Stress Test	Additional adjustments due to adverse scenario to lowest capital level over the 3-year period. Note that this also includes phasing-in effects of CRR and CRDIV as of arrangements of respective national jurisdiction. In line with EBA disclosure.
B7	Adjusted CET1 Ratio after Adverse Scenario	B7 = B5 + B6 Note that this is an estimate of the outcome of an adverse hypothetical scenario and refers to a future point in time. It should not be confused with the bank's forecast or multi-year plan.
B8	Shortfall to threshold of 8% for AQR adjusted CET1 Ratio	$B8=(8-B3)*100$ (if $B3<8$ , otherwise 0)
B9	Shortfall to threshold of 8% in Baseline Scenario	$B9=(8-B5)*100$ (if $B5<8$ , otherwise 0)
B10	Shortfall to threshold of 5.5% in Adverse Scenario	$B10=(5.5-B7)*100$ (if $B7<5.5$ , otherwise 0)
B11	Aggregated Capital Shortfall of the Comprehensive Assessment	B11= max( B8, B9, B10 ) B11 will be capital shortfall coming out of the comprehensive assessment. For details on which measures are considered eligible to mitigate the shortfall see the accompanying Aggregated Report.

<b>C. Memorandum Items</b>		
Please refer to the bank specific notes on the first sheet for details on any capital raising that is already reflected in the dynamic balance sheet of the Stress Test		
C1	Raising of capital instruments eligible as CET1 capital (+)	Changes to CET1 due to new issuances of common equity.
C2	Repayment of CET1 capital, buybacks (-)	Changes to CET1 due to repayment or reduction of CET1 (i.e. buybacks).
C3	Conversion to CET1 of existing hybrid instruments (+)	Changes to CET1 due to conversion of existing hybrid instruments into CET1 which took place between 1 January 2014 and 30 September 2014.
C4	Net Issuance of Additional Tier 1 Instruments with a trigger at or above 5.5% and below 6%	Net issuance of AT1 Instruments (Article 52 CRR) with a trigger at or above 5.5% and below 6% between 1 January 2014 and 30 September 2014, expressed in terms of RWA. AT1 instruments which have been converted into CET1 are not to be accounted for in this cell to avoid double counting with C3.
C5	Net Issuance of Additional Tier 1 Instruments with a trigger at or above 6% and below 7%	Net issuance of AT1 Instruments (Article 52 CRR) with a trigger at or above 6% and below 7% between 1 January 2014 and 30 September 2014, expressed in terms of RWA. AT1 instruments which have been converted into CET1 are not to be accounted for in this cell to avoid double counting with C3.
C6	Net Issuance of Additional Tier 1 Instruments with a trigger at or above 7%	Net issuance of AT1 Instruments (Article 52 CRR) with a trigger at or above 7% CET1 between 1 January 2014 and 30 September 2014, expressed in terms of RWA. AT1 instruments which have been converted into CET1 are not to be accounted for in this cell to avoid double counting with C3.
C7	Incurred fines/litigation costs from January to September 2014 (net of provisions)	Incurred fines/litigation costs from 1 January to September 2014 (net of provisions). Only litigation costs with a realized loss > 1 Basis Point of CET1 (as of 1.1.2014) are in scope.
<b>D. Matrix Breakdown of AQR Result</b>		
Asset class	Corporates	Asset class is an aggregated of the AQR sub-asset classes Project finance, Shipping, Aviation, Commercial real estate (CRE), Other real estate, Large corporates (non real estate) and Large SME (non real estate)
D .A	Credit Risk RWA year end 2013	Total credit risk weighted assets including off balance sheet items.
D .B	Portfolio selected	Indication of the fraction of the overall RWA per asset class that was selected in Phase 1 of the AQR. This follows a "bucketing approach" rather than disclosing the precise figures. Buckets are defined as follows: "Not relevant" ; 0% ; < 20% ; 20-40% ; 40-60% ; 60-80% ; 80-100% ; 100%
D .C	Adjustments to provisions on sampled files	Amount of adjustments to specific provisions on the credit file samples. This includes all files from the single credit file review (on a technical note: also the prioritized files).
D .D	Adjustments to provisions due to projection of findings	Amount of adjustments to specific provisions based on the projection of findings of the credit file review to the wider portfolio (negative numbers).
D .E	Adjustment to provisions due to collective provisioning review	Amount of adjustments to collective provisions as determined based on the challenger model in cases where the bank's collective provisioning model is found to be out of line with the standards expressed in the AQR Manual.
D .F	Adjustments on CET1 before offsetting impact	Gross amount of the aggregated adjustments disclosed in D.C - D.E before the offsetting impact of risk protection and tax (negative numbers).
D.G	Portfolio size Carrying Amount	Portfolio size - Level 3 Carrying Amount
D .H	Portfolio selection	Indication of the carrying amount (gross mark-to-market as of year-end 2013, before AQR adjustment) of Level 3 position that has been reviewed by NCA Bank Team divided by total level 3 carrying amount (gross mark-to-market as of year-end 2013, before AQR adjustment and before PP&A) for this asset class.
D .I	Adjustments on CET1 before offsetting impact	Amount of adjustments resulting from: - CVA Challenger model (D11). - the different components of the fair value exposures review (D13-D19), as well as the fair value review as a whole (D12) .

D10	Additional information on portfolios with largest adjustments accounting for (at least) 30% of total banking book AQR adjustment:	This breakdown is omitted where the overall AQR impact (B2) is less than 10 basis points CET1 and single rows are omitted where they have an impact of less than 1 basis point CET1. Note this adjustment is already reflected in the asset class break down of D1 to D9 and displayed here only on a more granular level.
D11	CVA	Adjustments resulting from CVA challenger model. CVA see Article 383 CRR CVA, calculated as the market loss-given-default multiplied by the sum of expected losses at each point in time. The expected loss at each point in time <i>i</i> is calculated as the product of the PD factor at that point in time and the Exposure factor at that point in time
D12	Adjustments to fair value assets in the banking and trading book	Split of the aggregated adjustment from the fair value review, excluding the adjustment to CVA (D11)
D13	Non derivative exposures review	This includes changes in scope of exposure following PP&A. Note this includes accrual accounted real estate positions and portfolios accounted at cost.
D20	Sum of D.F1, D.I 11 and D.I 12	Gross amount of the aggregated CET1 adjustment based on the AQR before offsetting impact of asset protection, insurance and tax (negative number).
D21	Offsetting impact due to risk protection	Aggregated estimated impact of asset protection schemes (e.g. portfolio guarantees) and insurance effects that may apply to applicable portfolios (positive number).
D22	Offsetting tax impact	The offsetting tax impact includes the assumed creation of DTAs, which accounts for limitations imposed by accounting rules. Appropriate CRRIV DTA deductions are made for any tax offsets.
D23	Net total impact of AQR results on CET1	Net amount of the aggregated CET1 adjustment based on the AQR after offsetting impact of risk protection and tax (negative number). Sums the impact from D20, D21, D22, and incorporates the effect of changing RWA.
<b>E. Matrix Breakdown of Asset Quality Indicators</b>		
<ul style="list-style-type: none"> <li>• The asset quality indicators are based on EBA's simplified definition of NPE.</li> <li>• All parties involved made significant efforts to increase the degree of harmonisation of the NPE definition and its application.</li> <li>• While the application of this definition constitutes a very important leap forward in terms of harmonisation across the euro area banking sector, the degree of harmonisation reached is not completely perfect due to factors such as different materiality thresholds across Member States. However, a solid basis of consistency has been implemented for the comprehensive assessment, implying a very significant improvement in comparability across banks from different jurisdictions.</li> <li>• The figures presented should not be understood as accounting figures.</li> </ul>		
E .A	unadjusted NPE Level year end 2013	Total NPE for all portfolios in-scope for detailed review during the AQR. Expressed as a percentage of Total Exposure for these portfolios
E .B	Changes due to the single credit file review	Exposure re-classified from performing to non-performing according to the CFR classification review.
E .C	Changes due to the projection of findings	Exposure re-classified from performing to non-performing according to the projection of findings.
E .D	AQR - adjusted NPE level	<u>Numerator:</u> Exposure (book value plus CCF-weighted off-balance exposure) reported by the bank as non-performing according to the simplified NPE definition (see AQR Phase 2 Manual Section 2.4.4. and explanation for A10 above) at year end 2013 + Exposure re-classified from performing to non-performing according to the CFR classification review and projection of findings.  <u>Denominator:</u> total exposure (performing and non-performing). Same exposure definition as above.
E .E	unadjusted coverage ratio of non-performing exposure, year end 2013	Specific provisions divided by non-performing exposure for portfolios in-scope for detailed review in the AQR. NB: The NPE used is that set of exposures which were originally marked as NPE pre-AQR.
E .F	Changes due to the single credit file review	Amount of adjustments to provisions based on single credit file review.
E .G	Changes due to the projection of findings	Amount of adjustments to provisions based on the projection of findings of the credit file review to the wider portfolio.
E .H	Changes due to the collective provisioning review on non-performing exposures	Amount of adjustments to collective provisions as determined based on the challenger model in cases where the bank's collective provisioning model is found to be out of line with the standards expressed in the AQR Manual.
E .I	AQR - adjusted ratio of provisions on NPE to NPE	Coverage ratio adjusted for AQR findings.
E .J	Coverage ratio for exposures newly classified as NPE during the AQR	Additional provisions specified for exposure newly classified as non-performing during the AQR

<b>F. LEVERAGE RATIO IMPACT OF THE COMPREHENSIVE ASSESSMENT</b>		
F1	Leverage Ratio at year end 2013	See A9 above
F2	Aggregated adjustments due to the outcome of the AQR	Adjustments to the leverage ratio based on all quantitative AQR adjustments affecting its components
F3	AQR adjusted Leverage Ratio	Leverage ratio as at December 2013, incorporating all quantitative AQR adjustments to capital. Leverage ratio definition based on CRR Article 429 as of September 2014



## 2014 EU-wide Stress Test

Bank Name	CY - Bank of Cyprus Public Company Ltd
LEI Code	PQ0RAP85KK9Z75ONZW93

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## 2014 EU-wide Stress Test Summary Adverse Scenario

### CY - Bank of Cyprus Public Company Ltd

Actual figures as of 31 December 2013	mIn EUR, %
Operating profit before impairments	799
Impairment losses on financial and non-financial assets in the banking book	2.097
Common Equity Tier 1 capital <sup>(1)</sup>	1.714
Total Risk Exposure <sup>(1)</sup>	23.530
<b>Common Equity Tier 1 ratio, % <sup>(1)</sup></b>	<b>7,3%</b>

Outcome of the adverse scenario as of 31 December 2016	mIn EUR, %
3 yr cumulative operating profit before impairments	1.319
3 yr cumulative impairment losses on financial and non-financial assets in the banking book	1.552
3 yr cumulative losses from the stress in the trading book	85
Valuation losses due to sovereign shock after tax and prudential filters	3
Common Equity Tier 1 capital <sup>(1)</sup>	346
Total Risk Exposure <sup>(1)</sup>	23.011
<b>Common Equity Tier 1 ratio, % <sup>(1)</sup></b>	<b>1,5%</b>

Memorandum items	mIn EUR
<b>Common EU wide CET1 Threshold (5.5%)</b>	1.266
Total amount of instruments with mandatory conversion into ordinary shares upon a fixed date in the 2014 -2016 period (cumulative conversions) <sup>(2)</sup>	0
Total Additional Tier 1 and Tier 2 instruments eligible as regulatory capital under the CRR provisions that convert into Common Equity Tier 1 or are written down upon a trigger event <sup>(3)</sup>	0
Of which: eligible instruments whose trigger is above CET1 capital ratio in the adverse scenario <sup>(3)</sup>	0

**(1)** According to CRR/CRD4 definition transitional arrangements as per reporting date. Figures as of 31/12/2013 computed as of first day of application: 01/01/2014.

**(2)** Conversions not considered for CET1 computation

**(3)** Excluding instruments with mandatory conversion into ordinary shares upon a fixed date in the 2014 -2016 period



## 2014 EU-wide Stress Test Summary Baseline Scenario

### CY - Bank of Cyprus Public Company Ltd

Actual figures as of 31 December 2013	mIn EUR, %
Operating profit before impairments	799
Impairment losses on financial and non-financial assets in the banking book	2.097
Common Equity Tier 1 capital <sup>(1)</sup>	1.714
Total Risk Exposure <sup>(1)</sup>	23.530
<b>Common Equity Tier 1 ratio, % <sup>(1)</sup></b>	<b>7,3%</b>

Outcome of the baseline scenario as of 31 December 2016	mIn EUR, %
3 yr cumulative operating profit before impairments	3.059
3 yr cumulative impairment losses on financial and non-financial assets in the banking book	448
3 yr cumulative losses from the stress in the trading book	2
Common Equity Tier 1 capital <sup>(1)</sup>	2.978
Total Risk Exposure <sup>(1)</sup>	23.011
<b>Common Equity Tier 1 ratio, % <sup>(1)</sup></b>	<b>12,9%</b>

Memorandum items	mIn EUR
<b>Common EU wide CET1 Threshold (8.0%)</b>	<b>1.841</b>

*(1) According to CRR/CRD4 definition transitional arrangements as per reporting date. Figures as of 31/12/2013 computed as of first day of application: 01/01/2014.*







## 2014 EU-wide Stress Test

### P&L

(mln EUR)

	31/12/2013	Baseline Scenario			Adverse Scenario		
		31/12/2014	31/12/2015	31/12/2016	31/12/2014	31/12/2015	31/12/2016
<b>Net interest income</b>	<b>1.110</b>	<b>1.211</b>	<b>1.253</b>	<b>1.055</b>	<b>775</b>	<b>735</b>	<b>491</b>
<b>Net trading income</b>		7	7	8	-34	-17	-9
of which trading losses from stress scenarios		-1	-1	0	-42	-25	-17
<b>Other operating income</b>	-51,056	61	13	15	57	8	39
<b>Operating profit before impairments</b>	<b>799</b>	<b>1.036</b>	<b>1.076</b>	<b>947</b>	<b>513</b>	<b>477</b>	<b>328</b>
Impairment of financial assets (-)	-2021,013824	-380	-388	244	-709	-658	172
Impairment of financial assets other than instruments designated at fair value through P&L (-)	-2023,498824	-309	-346	273	-644	-619	198
Impairment Financial assets designated at fair value through P&L (-)	2,485	-72	-43	-29	-65	-39	-26
Impairment on non financial assets (-)	-76	25	25	25	-119	-119	-119
<b>Operating profit after impairments from stress scenarios</b>	<b>-1.298</b>	<b>681</b>	<b>713</b>	<b>1.217</b>	<b>-315</b>	<b>-300</b>	<b>381</b>
Other Income and expenses	-1586,051	-365	-133	-363	-387	-175	-647
<b>Pre-Tax profit</b>	<b>-2.884</b>	<b>316</b>	<b>580</b>	<b>854</b>	<b>-702</b>	<b>-475</b>	<b>-266</b>
Tax	11,226	-95	-174	-256	0	0	0
<b>Net income</b>	<b>-2.873</b>	<b>221</b>	<b>406</b>	<b>598</b>	<b>-702</b>	<b>-475</b>	<b>-266</b>
<b>Attributable to owners of the parent</b>	<b>-2.862</b>	<b>220</b>	<b>396</b>	<b>597</b>	<b>-703</b>	<b>-484</b>	<b>-266</b>
of which carried over to capital through retained earnings	-2.862	220	396	597	-703	-484	-266
of which distributed as dividends	0	0	0	0	0	0	0



## 2014 EU-wide Stress Test

RWA  (mln EUR)	Baseline Scenario				Adverse Scenario		
	as of 31/12/2013	as of 31/12/2014	as of 31/12/2015	as of 31/12/2016	as of 31/12/2014	as of 31/12/2015	as of 31/12/2016
Risk exposure amount for credit risk	21.372	23.149	22.271	20.853	23.017	22.031	20.776
Risk exposure amount Securitisation and re-securitisations	0	0	0	0	0	0	0
Risk exposure amount Other credit risk	21.372	23.149	22.271	20.853	23.017	22.031	20.776
Risk exposure amount for market risk	97	97	97	97	97	97	97
Risk exposure amount for operational risk	2.061	2.498	2.137	2.061	2.061	2.061	2.061
Transitional floors for Risk exposure amount	0	0	0	0	568	316	76
AOR Adjustments	0	0	0	0	0	0	0
<b>Total Risk exposure amount</b>	<b>23.530</b>	<b>25.743</b>	<b>24.505</b>	<b>23.011</b>	<b>25.743</b>	<b>24.505</b>	<b>23.011</b>



## 2014 EU-wide Stress Test

### Securitisation

(mln EUR)

		as of 31/12/2013	Baseline scenario			Adverse scenario		
			31/12/2014	31/12/2015	31/12/2016	31/12/2014	31/12/2015	31/12/2016
<b>Exposure values</b>	Banking Book	0						
	Trading Book (excl. correlation trading positions under CRM)	0						
	Correlation Trading Portfolio (CRM)	0						
	<b>Total</b>	<b>0</b>						
<b>Risk exposure values</b>	Banking Book	0	0	0	0	0	0	0
	Trading Book (excl. correlation trading positions under CRM)	0	0	0	0	0	0	0
	<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Impairments</b>	Hold to Maturity portfolio	0	0	0	0	0	0
Available for Sale portfolio		0	0	0	0	0	0	0
Held for trading portfolio								
<b>Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>









**2014 EU-wide Stress Test**  
Capital

CRR / CRDIV DEFINITION OF CAPITAL	Baseline Scenario				Adverse Scenario			COREP CODE	REGULATION
	As of 31/12/2013	As of 31/12/2014	As of 31/12/2015	As of 31/12/2016	As of 31/12/2014	As of 31/12/2015	As of 31/12/2016		
<b>OWN FUNDS</b>	1.760	1.991	2.401	2.978	1.061	619	346	CA1 (1)	Articles 4(118) and 72 of CRR
<b>COMMON EQUITY TIER 1 CAPITAL (net of deductions and after applying transitional adjustments)</b>	1.714	1.991	2.401	2.978	1.061	619	346	CA1 (1.1.1)	Article 50 of CRR
Capital instruments eligible as CET1 Capital (including share premium and net own capital instruments)	4.677	4.677	4.677	4.677	4.677	4.677	4.677	CA1 (1.1.1.1)	Articles 26(1) points (a) and (b), 27 to 29, 36(1) point (f) and 42 of CRR
Of which: CET1 instruments subscribed by Government	0	0	0	0	0	0	0	-	-
Retained earnings	-2.916	-2.696	-2.299	-1.702	-3.619	-4.103	-4.369	CA1 (1.1.1.2)	Articles 26(1) point (c), 26(2) and 36 (1) points (a) and (f) of CRR
Accumulated other comprehensive Income	0	50	94	91	23	80	76	CA1 (1.1.1.3)	Articles 4(100), 26(1) point (d) and 36 (1) point (f) of CRR
Of which: arising from unrealised gains/losses from Sovereign exposure in AFS portfolio	0	0	0	0	-22	-5	-5	-	-
Of which: arising from unrealised gains/losses from the rest of AFS portfolio	0	-2	-4	-4	-6	-10	-12	-	-
Other Reserves	-35	-35	-35	-35	-35	-35	-35	CA1 (1.1.1.4)	Articles 4(117) and 26(1) point (e) of CRR
Funds for general banking risk	0	0	0	0	0	0	0	CA1 (1.1.1.5)	Articles 4(112), 26(1) point (f) and 36 (1) point (f) of CRR
Minority interest given recognition in CET1 capital	67	67	67	67	67	67	67	CA1 (1.1.1.7)	Article 84 of CRR
Adjustments to CET1 due to prudential filters excluding those from unrealised gains/losses from AFS portfolio	-55	-53	-53	-53	-50	-49	-50	CA1 (1.1.1.9)	Articles 32 to 35 of and 36 (1) point (f) of CRR
Adjustments to CET1 due to prudential filters from unrealised gains/losses from Sovereign Exposure in AFS portfolio	0	0	0	0	17	3	2	-	-
(-) Intangible assets (including Goodwill)	-24	-24	-24	-24	-24	-24	-24	CA1 (1.1.1.10 + 1.1.1.11)	Articles 4(113), 36(1) point (b) and 37 of CRR. Articles 4(115), 36(1) point (b) and 37 point (a) of CRR
(-) DTAs that rely on future profitability and do not arise from temporary differences net of associated DTLs	0	0	0	0	0	0	0	CA1 (1.1.1.12)	Articles 36(1) point (c) and 38 of CRR
(-) IRB shortfall of credit risk adjustments to expected losses	0	0	0	0	0	0	0	CA1 (1.1.1.13)	Articles 36(1) point (d), 40 and 159 of CRR
(-) Defined benefit pension fund assets	0	5	3	2	6	4	3	CA1 (1.1.1.14)	Articles 4(109), 36(1) point (e) and 41 of CRR
(-) Reciprocal cross holdings in CET1 Capital	0	0	0	0	0	0	0	CA1 (1.1.1.15)	Articles 4(122), 36(1) point (g) and 44 of CRR
(-) Excess deduction from AT1 items over AT1 Capital	0	0	0	0	0	0	0	CA1 (1.1.1.16)	Article 36(1) point (j) of CRR
(-) Deductions related to assets which can alternatively be subject to a 1.250% risk weight	0	0	0	0	0	0	0	CA1 (1.1.1.17 to 1.1.1.21)	Articles 4(36), 36(1) point (k) (i) and 89 to 91 of CRR. Articles 36(1) point (k) (ii), 243(1) point (b), 244(1) point (b) and 258 of CRR. Articles 36(1) point (k) (iii) and 379(3) of CRR. Articles 36(1) point (k) (iv) and 383(5) of CRR and
Of which: from securitisation positions (-)	0	0	0	0	0	0	0	CA1 (1.1.1.18.1)	Articles 36(1) point (k) (i), 243(1) point (b), 244(1) point (b) and 258 of CRR
(-) Holdings of CET1 capital instruments of financial sector entities where the institution does not have a significant investment	0	0	0	0	0	0	0	CA1 (1.1.1.22)	Articles 4(27), 36(1) point (h), 43 to 46, 49 (2) and (3) and 79 of CRR
(-) Deductible DTAs that rely on future profitability and arise from temporary differences	0	0	-29	-46	0	0	0	CA1 (1.1.1.23)	Articles 36(1) point (c) and 38. Articles 48(1) point (a) and 48(2) of CRR
(-) Holdings of CET1 capital instruments of financial sector entities where the institution has a significant investment	0	0	0	0	0	0	0	CA1 (1.1.1.24)	Articles 4(27), 36(1) point (i), 43, 45, 47, 48(1) point (b), 49(1) to (3) and 79 of CRR
(-) Amount exceeding the 17.65% threshold	0	0	0	0	0	0	0	CA1 (1.1.1.25)	Article 470 of CRR
Transitional adjustments	0	0	0	0	0	0	0	CA1 (1.1.1.6 + 1.1.8 + 1.1.26)	-
Transitional adjustments due to grandfathered CET1 Capital instruments (+/-)	0	0	0	0	0	0	0	CA1 (1.1.1.6)	Articles 483(1) to (3) and 484 to 487 of CRR
Transitional adjustments due to additional minority interests (+/-)	0	0	0	0	0	0	0	CA1 (1.1.1.8)	Articles 479 and 480 of CRR
Other transitional adjustments to CET1 Capital excl. adjustments for Sovereign exposure in AFS (+/-)	0	0	0	0	0	0	0	CA1 (1.1.1.26)	Articles 469 to 472, 478 and 481 of CRR
<b>ADDITIONAL TIER 1 CAPITAL (net of deductions and after transitional adjustments)</b>	0	0	0	0	0	0	0	CA1 (1.1.2)	Article 61 of CRR
Of which: (+) Other existing support government measures	0	0	0	0	0	0	0	-	-
<b>TIER 1 CAPITAL (net of deductions and after transitional adjustments)</b>	1.714	1.991	2.401	2.978	1.061	619	346	CA1 (1.1)	Article 25 of CRR
<b>TIER 2 CAPITAL (net of deductions and after transitional adjustments)</b>	45	0	0	0	0	0	0	CA1 (1.2)	Article 71 of CRR
<b>TOTAL RISK EXPOSURE AMOUNT</b>	23.530	25.743	24.505	23.011	25.743	24.505	23.011	CA2 (1)	Articles 92(3), 95, 96 and 98 of CRR
of which: stemming from exposures that fall below the 10% / 15% limits for CET1 deduction (-)	0	0	0	0	0	0	0		Articles 36(1) points (a) and (f). Article 38 and Article 48 of CRR
of which: stemming from from CVA capital requirements (+)	0	0	0	0	0	0	0		Article 381 to 386 of CRR
of which: stemming from higher asset correlation parameter against exposures to large financial institutions under IRB the IRB approaches to credit risk (+)	0	0	0	0	0	0	0		Articles 153(2) of CRR
of which: stemming from the application of the supporting factor to increase lending to SMEs (-)	0	0	0	0	0	0	0		Recital (44) of CRR
of which: stemming from the effect of exposures that were previously part of Risk Exposure amount and receive a deduction treatment under CRR/CRDIV (-)	0	0	0	0	0	0	0		-
of which: others subject to the discretion of National Competent Authorities	0	0	0	0	0	0	0		Article 124 to 164 of CRR
<b>Common Equity Tier 1 Capital ratio</b>	7.29%	7.73%	9.80%	12.94%	4.12%	2.53%	1.51%	CA3 (1)	-
<b>Tier 1 Capital ratio</b>	7.29%	7.73%	9.80%	12.94%	4.12%	2.53%	1.51%	CA3 (3)	-
<b>Total Capital ratio</b>	7.48%	7.73%	9.80%	12.94%	4.12%	2.53%	1.51%	CA3 (5)	-
<b>Common Equity Tier 1 Capital Threshold</b>		2059	1960	1841	1416	1348	1266		
Total amount of instruments with mandatory conversion into ordinary shares upon a fixed date in the 2014 -2016 period (cumulative conversions) (1)		0	0	0	0	0	0		
Total Additional Tier 1 and Tier 2 instruments eligible as regulatory capital under the CRR provisions that convert into Common Equity Tier 1 or are written down upon a trigger event (2)					0	0	0		
Of which: eligible instruments whose trigger is above CET1 capital ratio in the adverse scenario (2)					0	0	0		
<b>Fully Loaded Common Equity Tier 1 Capital ratio (3)</b>				12.94%			1.51%		

ulation

mented CRR/CRD IV definition of Common Equity Tier 1 capital including 60% of unrealised gains/losses from Sovereign Exposure in AFS portfolio



## 2014 EU-wide Stress Test - Restructuring scenarios

Effects of mandatory restructuring plans publicly announced before 31st December 2013 and formally agreed with the European Commission.					
(mln EUR)	Baseline scenario		Adverse scenario		Narrative description of the transactions. (type, date of completion/commitment, portfolios, subsidiaries, branches)
	CET1 impact	Risk exposure amount impact	CET1 impact	Risk exposure amount impact	
	2013	-45,70653	2,91038E-11		
2014	-3,153008167	-221,6347499	7,432089139	-82,68300751	0
2015	21,2526601	-1670,065305	27,329403	-1375,202487	0
2016	6,138306447	-3242,890767	66,27579368	-2897,090428	0
<b>Total</b>	-21,46857162	-5134,590822	101,0372858	-4354,975922	





## 2014 EU-wide Stress Test

Major Capital Measures from 1 January to 30 September 2014

### Major Capital Measures Impacting Tier 1 and Tier 2 Eligible Capital from 1 January 2014 to 30 September 2014

Issuance of CET 1 Instruments	Impact on Common Equity Tier 1 Million EUR
Raising of capital instruments eligible as CET1 capital (+)	1000
Repayment of CET1 capital, buybacks (-)	0
Conversion to CET1 of hybrid instruments becoming effective between 1 January and 30 September 2014 (+)	0

Net issuance of Additional Tier 1 and T2 Instruments	Impact on Additional Tier 1 and Tier 2 Million EUR
Net issuance of Additional Tier 1 and T2 Instruments with a trigger at or above bank's post stress test CET1 ratio in the adverse scenario during the stress test horizon (+/-)	0
Net issuance of Additional Tier 1 and T2 Instrument with a trigger below bank's post stress test CET1 ratio in the adverse scenario during the stress test horizon (+/-)	0

Losses	Million EUR
Realized fines/litigation costs from 1 January to 30 September 2014 (net of provisions) (-)	0
Other material losses and provisions from 1 January to 30 September 2014 (-)	0