

**BANK OF CYPRUS EUR 3BN COVERED BOND PROGRAMME**

**Report Date:** 30/09/2018  
**Completion Date:** 04/10/2018

**CYPRIOI COVER POOL MONTHLY INVESTOR REPORT**

	Series 1	Series 2	Series 3	Series 4	Series 5
<b>Issue</b>	650.000.000 €				
<b>Coupon</b>	EURIBOR 003M + 2.50%				
<b>Coupon Payment Frequency</b>	Quarterly				
<b>Coupon Payment Dates</b>	12/3 - 12/6 - 12/9 - 12/12				
<b>Maturity Date</b>	12/12/2021				
<b>Extension Period</b>	12/12/2075				
<b>Rating Agencies</b>	Moody's/ Fitch				
<b>Issue Rating</b>	Baa3/BBB+				
<b>ISIN</b>	XS0718673311				
<b>Primary Cover Pool Assets</b>	Cypriot Residential Mortgage Loans				
<b>Trustee</b>	Bank of New York Mellon Corporate Trustee Services Ltd				
<b>Account Bank</b>	Bank of New York Mellon				
<b>Swap Counterparties</b>	N/A				

## STATUTORY TESTS

BASIC COVER	Value	Requirement	PASS / FAIL
<b>Nominal Value Test</b>			
Eligible Loans (adjusted for set off and LTV) plus interest accrued on the loans	924.509.496		
Complementary Assets (in the basic cover)	0		
Hedging Contracts (mark-to-market value)	0		
Covered Bonds (outstanding amount)	650.000.000		
<b>Result</b>	142,23%	100,00%	PASS
<b>Net Present Value Test</b>			
Eligible Loans (present value of inflows)	1.113.842.697		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	704.595.405		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	277.797		
<b>Result</b>	158,0%	105,0%	PASS
<b>Stress scenarios:</b>			
<b>1. Interest rate shift by -200bps</b>			
Eligible Loans (present value of inflows)	1.121.821.350		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	702.812.500		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	277.875		
<b>Result</b>	159,6%	105,0%	PASS
<b>2. Interest rate shift by +200bps</b>			
Eligible Loans (present value of inflows)	1.091.874.353		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	697.515.385		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	267.777		
<b>Result</b>	156,5%	105,0%	PASS

<b>3. VaR Negative shift in interest rates</b>			
Eligible Loans (present value of inflows)	1.129.885.701		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	703.661.221		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	277.875		
<b>Result</b>	160,5%	105,0%	PASS
<b>4. VaR Positive shift in interest rates</b>			
Eligible Loans (present value of inflows)	1.112.370.815		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	705.747.306		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	277.371		
<b>Result</b>	157,6%	105,0%	PASS
<b>Weighted Maturity Test</b>			
Weighted Average Life of Cover Pool assets in the basic and supervisory cover	9,00		
Weighted average life of covered bonds	3,1		
<b>Result</b>		D(pool) > D(bond)	PASS
<b>Liquidity Test</b>			
1. if Maturity Date > 180 days		Complementary Assets > highest net outflow in the next 180 days	PASS
Complementary Assets	33.442.575		
Outflow in the next 180 days	3.583.504		
2. if Maturity Date >30 days, <180 days			
2a) First Test	N/A	Complementary Assets > highest net outflow until bond maturity (excl. principal)	N/A
2b) Second Test	N/A	Complementary/Liquid Assets >= 50% of Bond principal amount	N/A
3. if Maturity Date < 30 days			
2a) First Test	N/A	Complementary Assets > highest net outflow until bond maturity (excl. principal)	N/A
2b) Second Test	N/A	Complementary/Liquid Assets >= 50% of Bond principal amount	N/A
<b>SUPERVISORY OVER-COLLATERALISATION</b>			
Complementary Assets	COVER POOL	REQUIREMENT	PASS / FAIL
	5,1%	5,0%	PASS

COMMITTED OVERCOLLATERALISATION TEST	COVER POOL	REQUIREMENT	PASS / FAIL
Committed Overcollateralisation Requirement as per OC Notice	47,4%	47,0%	PASS

**COVER POOL INFORMATION**

<b>Cover Pool Summary</b>	
Total LOAN BALANCE:	1.003.074.424 €
Average LOAN BALANCE:	77.065 €
NO. OF LOANS:	13.016
WA SEASONING (in months):	84,5
WA REMAINING TERM (in months):	196,0
NO. OF BORROWERS:	14.262
NO. OF PROPERTIES:	10.355
WA LTV:	54,1%
Loans to employees of group:	4,1%
WA Interest Rate on Floating rate Loans:	2,9%
WA MARGIN ON FLOATING RATE LOANS:	2,2%
WA Interest Rate on Floating rate Loans originated over last quarter:	2,6%
Percentage of VARIABLE MORTGAGES (based on bank's rates):	40,3%
WA Interest Rate on Fixed rate Loans:	2,9%
Borrower concentration: %age of largest 10 borrowers :	2,55%
Loans in arrears > 90 days:	0,0%

<b>Supervisory Over Collateralisation</b>	
Supplementary Assets	33.442.575 €
Transaction Account Balance	13.938.617 €
Deducting for liquidity reserve	(3.583.504)
Net supplementary assets available for OC	43.797.688 €
<b>Contractual Over Collateralisation</b>	
Loan balances in excess of basic cover	353.074.424 €
Adjustment to Loan balances due to set-off	60.750.719 €
Adjustment to Loan balances due to LTV	17.814.209 €
Total Cover Pool OC (allowing for set-off and LTV)	274.509.496 €
As a % of Outstanding Cover Bond Issuance	42,2%
Asset Percentage (Covered Bond Issuance as a % of Cover Assets)	70,3%
<b>TOTAL COMMITTED OVER COLLATERALISATION</b>	
In Basic Cover	42,2%
In Supplementary Assets	5,1%
<b>Total</b>	<b>47,4%</b>

**Cover Pool Indexed LTV Distribution**

Indexed LTV ranges	Total Loan Balance	No. of Borrowers
0-≤40%	291.830.295 €	6.523
>40%-≤50%	144.892.302 €	1.786
>50%-≤60%	147.156.028 €	1.679
>60%-≤70%	147.707.289 €	1.564
>70%-≤80%	130.508.269 €	1.374
>80%-≤85%	46.143.470 €	453
>85%-≤90%	43.321.454 €	412
>90%-≤95%	30.190.304 €	287
>95%-≤100%	21.325.014 €	184
>100%-≤105%	- €	-

>105%	- €	-
<b>TOTAL</b>	<b>1.003.074.424 €</b>	<b>14.262</b>

## Cover Pool Regional Distribution

Region	Total Loan Balance	% of total loan balance
Nicosia	433.808.278 €	43,2%
Limassol	320.649.484 €	32,0%
Larnaca	109.743.144 €	10,9%
Paphos	98.112.406 €	9,8%
Ammochostos	40.761.111 €	4,1%
No data		0,0%
		0,0%
		0,0%
		0,0%
		0,0%
<b>TOTAL</b>	<b>1.003.074.424 €</b>	<b>100,0%</b>

## Cover Pool Rate Type Distribution

Rate Type	Total Loan Balance	% of total loan balance
Floating rate	990.007.235 €	98,7%
Fixed rate with reset <2 years	7.100.943 €	0,7%
Fixed rate with reset ≥2 but < 5 years	2.558.711 €	0,3%
Fixed rate with reset ≥5 years	3.407.535 €	0,3%
<b>TOTAL</b>	<b>1.003.074.424 €</b>	<b>100,0%</b>

## Cover Pool Occupancy Type Distribution

Occupancy Type	Total Loan Balance	% of total loan balance
Owner-occupied	880.873.872 €	87,8%
Non-owner-occupied (buy-to-let) where BORROWER has < 3 properties	45.210.784 €	4,5%
Non-owner-occupied (buy-to-let) where BORROWER has > 2 properties	- €	0,0%
Vacation/ second home	76.989.768 €	7,7%
Partially owner-occupied	- €	0,0%
Other/No data		0,0%
<b>TOTAL</b>	<b>1.003.074.424 €</b>	<b>100,0%</b>

## Cover Pool Property Type Distribution

Property Type	Total Loan Balance	% of total loan balance
House	761.396.832 €	75,9%
Flat in block with less than 4 units	- €	0,0%
Flat in block with 4 or more units	241.677.592 €	24,1%
PARTIAL COMMERCIAL USE	- €	0,0%
Other/No data	- €	0,0%
<b>TOTAL</b>	<b>1.003.074.424 €</b>	<b>100,0%</b>

## Cover Pool Loan Type Distribution

Loan Type	Total Loan Balance	% of total loan balance
Purchase	674.829.596 €	67,3%
RE-MORTGAGE	- €	0,0%
EQUITY RELEASE	95.116.838 €	9,5%
RENOVATION	210.522.153 €	21,0%
Construction (new)	- €	0,0%
Other/No data	22.605.837 €	2,3%
<b>TOTAL</b>	<b>1.003.074.424 €</b>	<b>100,0%</b>

## Cover Pool Seasoning Distribution

Seasoning (months)	Total Loan Balance	% of total loan balance
< 12	99.851.490 €	10,0%
≥12-<24	76.922.538 €	7,7%
≥24-<36	76.879.196 €	7,7%
≥36-<60	58.569.859 €	5,8%
≥60	690.851.340 €	68,9%
<b>TOTAL</b>	<b>1.003.074.424 €</b>	<b>100,0%</b>

## Cover Pool Loans - Arrears Analysis

Months	Total Loan Balance	% of total loan balance
Not in Arrears	946.825.693 €	94,4%
<2 (and not BPI or Fce)	53.221.810 €	5,3%
≥2-<6 (and not BPI or Fce)	3.026.921 €	0,3%
≥6-<12 (and not BPI or Fce)	- €	0,0%
>12 (and not BPI or Fce)	- €	0,0%
Bankruptcy proceedings initiated ("BPI") (and not Fce)	- €	0,0%
Foreclosure ("Fce")	- €	0,0%
<b>TOTAL</b>	<b>1.003.074.424 €</b>	<b>100,0%</b>