BANK OF CYPRUS EUR 3BN COVERED BOND PROGRAMME

Report Date: 31/10/2018
Completion Date: 05/11/2018

CYPRIOT COVER POOL MONTHLY INVESTOR REPORT

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

STATUTORY TESTS

BASIC COVER	Value	Requirement	PASS / FAIL
Nominal Value Test			
Eligible Loans (adjusted for set off and LTV) plus interest accrued on the loans	924.474.060		
Complementary Assets (in the basic cover)	0		
Hedging Contracts (mark-to-market value)	0		
Covered Bonds (outstanding amount)	650.000.000		
Result	142,23%	100,00%	PASS
Net Present Value Test			
Eligible Loans (present value of inflows)	1.113.122.377		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	705.078.617		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	277.857		
Result	157,8%	105,0%	PASS
Stress scenarios:			
1. Interest rate shift by -200bps			
Eligible Loans (present value of inflows)	1.119.039.653		
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		
Result	159,2%	105,0%	PASS
2. Interest rate shift by +200bps			
Eligible Loans (present value of inflows)	1.089.609.989		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	697.473.173		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	267.974		
Result	156,2%	105,0%	PASS

3. VaR Negative shift in interest rates			
Eligible Loans (present value of inflows)	1.122.936.542		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	703.739.660		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	277.875		
Result	159,5%	105,0%	PASS
4. VaR Positive shift in interest rates			
Eligible Loans (present value of inflows)	1.111.247.532		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	706.664.773		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	277.693		
Result	157,2%	105,0%	PASS
Weighted Maturity Test			
Weighted Average Life of Cover Pool assets in the basic and supervisory cover	8,90		
Weighted average life of covered bonds	3,0		
Result		D(pool) > D(bond)	PASS
Liquidity Test			
1. if Maturity Date > 180 days		Complementary Assets > highest net outflow in the next 180 days	PASS
Complementary Assets	33.509.775		
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

SUPERVISORY OVER-COLLATERALISATION	COVER POOL	REQUIREMENT	PASS / FAIL
Complementary Assets	5,2%	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

Cover Pool Summary	
Total LOAN BALANCE:	1.003.574.776 €
Average LOAN BALANCE:	77.216 €
NO. OF LOANS:	12.997
WA SEASONING (in months):	84,7
WA REMAINING TERM (in months):	195,7
NO. OF BORROWERS:	14.286
NO. OF PROPERTIES:	10.347
WA LTV:	54,0%
Loans to employees of group:	4,0%
WA Interest Rate on Floating rate Loans:	2,9%
WA MARGIN ON FLOATING RATE LOANS:	2,1%
WA Interest Rate on Floating rate Loans originated over last quarter:	2,5%
Percentage of VARIABLE MORTGAGES (based on bank's rates):	40,9%
WA Interest Rate on Fixed rate Loans:	2,8%
Borrower concentration: %age of largest 10 borrowers :	2,55%
Loans in arrears > 90 days:	0,0%

Supervisory Over Collateralisation	
Supplementary Assets	33.509.775 €
Transaction Account Balance	19.764.693
Deducting for liquidity reserve	(3.583.504)
Net supplementary assets available for OC	49.690.964 €
Contractual Over Collateralisation	
Loan balances in excess of basic cover	353.574.776 €
Adjustment to Loan balances due to set-off	61.615.404 €
Adjustment to Loan balances due to LTV	17.485.312 €
Total Cover Pool OC (allowing for set-off and LTV)	274.474.060 €
As a % of Outstanding Cover Bond Issuance	42,2%
Asset Percentage (Covered Bond Issuance as a % of Cover Assets)	70,3%
TOTAL COMMITED OVER COLLATERALISATION	
In Basic Cover	42,2%
In Supplementary Assets	5,2%
Total	**47,4%**

Cover Pool Indexed LTV Distribution

Indexed LTV ranges	Total Loan Balance	No. of Borrowers
0-≤40%	290.271.336 €	6.513
>40%-≤50%	144.399.905 €	1.778
>50%-≤60%	150.225.836 €	1.694
>60%-≤70%	152.157.319 €	1.635
>70%-≤80%	127.666.651 €	1.355
>80%-≤85%	44.761.111 €	433
>85%-≤90%	41.961.737 €	401
>90%-≤95%	29.828.274 €	283
>95%-≤100%	22.302.605 €	194
>100%-≤105%	- €	-

>105%	- €	-
TOTAL	**1.003.574.776 €**	**14.286**

Cover Pool Regional Distribution

Region	Total Loan Balance	% of total loan balance
Nicosia	429.644.355 €	42,8%
Limassol	324.998.405 €	32,4%
Larnaca	110.650.580 €	11,0%
Paphos	97.767.617 €	9,7%
Ammochostos	40.513.819 €	4,0%
No data		0,0%
		0,0%
		0,0%
		0,0%
		0,0%
		0,0%
TOTAL	**1.003.574.776 €**	**100,0%**

Cover Pool Rate Type Distribution

Rate Type	Total Loan Balance	% of total loan balance
Floating rate	991.123.489 €	98,8%
Fixed rate with reset <2 years	6.367.097 €	0,6%
Fixed rate with reset ≥2 but < 5 years	2.691.844 €	0,3%
Fixed rate with reset ≥5 years	3.392.347 €	0,3%
TOTAL	**1.003.574.776 €**	**100,0%**

Cover Pool Occupancy Type Distribution

Occupancy Type	Total Loan Balance	% of total loan balance
Owner-occupied	885.902.213 €	88,3%
Non-owner-occupied (buy-to-let) where BORROWER has < 3 properties	41.980.024 €	4,2%
Non-owner-occupied (buy-to-let) where BORROWER has > 2 properties	- €	0,0%
Vacation/ second home	75.692.539 €	7,5%
Partially owner-occupied	- €	0,0%
Other/No data		0,0%
TOTAL	**1.003.574.776 €**	**100,0%**

Cover Pool Property Type Distribution

Property Type	Total Loan Balance	% of total loan balance
House	767.686.701 €	76,5%
Flat in block with less than 4 units	- €	0,0%
Flat in block with 4 or more units	235.888.075 €	23,5%
PARTIAL COMMERCIAL USE	- €	0,0%
Other/No data		0,0%
TOTAL	**1.003.574.776 €**	**100,0%**

Cover Pool Loan Type Distribution

Loan Type	Total Loan Balance	% of total loan balance
Purchase	679.834.817 €	67,7%
RE-MORTGAGE	- €	0,0%
EQUITY RELEASE	94.063.148 €	9,4%
RENOVATION	207.596.860 €	20,7%
Construction (new)	- €	0,0%
Other/No data	22.079.950 €	2,2%
TOTAL	**1.003.574.776 €**	**100,0%**

Cover Pool Seasoning Distribution

Seasoning (months)	Total Loan Balance	% of total loan balance
< 12	100.713.061 €	10,0%
≥12-<24	74.292.543 €	7,4%
≥24-<36	83.729.902 €	8,3%
≥36-<60	59.193.919 €	5,9%
≥60	685.645.351 €	68,3%
TOTAL	**1.003.574.776 €**	**100,0%**

Cover Pool Loans - Arrears Analysis

Months	Total Loan Balance	% of total loan balance
Not in Arrears	922.954.468 €	92,0%
<2 (and not BPI or Fce)	77.314.948 €	7,7%
≥2-<6 (and not BPI or Fce)	3.305.359 €	0,3%
≥6-<12 (and not BPI or Fce)	- €	0,0%
>12 (and not BPI or Fce)	- €	0,0%
Bankruptcy proceedings initialted ("BPI") (and not Fce)	- €	0,0%
Foreclosure ("Fce")	- €	0,0%
TOTAL	**1.003.574.776 €**	**100,0%**

Series 5