

## BANK OF CYPRUS EUR 3BN COVERED BOND PROGRAMME

**Report Date:** 30/11/2018  
**Completion Date:** 06/12/2018

### CYPRLOT 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	924.691.466		
Complementary Assets (in the basic cover)	0		
Hedging Contracts (mark-to-market value)	0		
Covered Bonds (outstanding amount)	650.000.000		
<b>Result</b>	142,26%	100,00%	PASS
<b>Net Present Value Test</b>			
Eligible Loans (present value of inflows)	1.112.596.179		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	704.969.818		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	277.875		
<b>Result</b>	157,8%	105,0%	PASS
<b>Stress scenarios:</b>			
<b>1. Interest rate shift by -200bps</b>			
Eligible Loans (present value of inflows)	1.116.558.743		
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>	158,8%	105,0%	PASS
<b>2. Interest rate shift by +200bps</b>			
Eligible Loans (present value of inflows)	1.088.849.465		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	697.612.528		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	268.140		
<b>Result</b>	156,0%	105,0%	PASS

<b>3. VaR Negative shift in interest rates</b>			
Eligible Loans (present value of inflows)	1.119.333.187		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	703.834.414		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	277.875		
<b>Result</b>	159,0%	105,0%	PASS
<b>4. VaR Positive shift in interest rates</b>			
Eligible Loans (present value of inflows)	1.111.811.242		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	707.662.268		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	277.833		
<b>Result</b>	157,0%	105,0%	PASS
<b>Weighted Maturity Test</b>			
Weighted Average Life of Cover Pool assets in the basic and supervisory cover	8,90		
Weighted average life of covered bonds	2,9		
<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	33.506.925		
Outflow in the next 180 days	3.583.504		
2. if Maturity Date >30 days, <180 days		Complementary Assets > highest net outflow until bond maturity (excl. principal)	N/A
2a) First Test	N/A		N/A
2b) Second Test	N/A	Complementary/Liquid Assets >= 50% of Bond principal amount	N/A
3. if Maturity Date < 30 days		Complementary Assets > highest net outflow until bond maturity (excl. principal)	N/A
2a) First Test	N/A		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
	5,2%	5,0%	PASS
<b>COMMITTED OVERCOLLATERALISATION TEST</b>			
Committed Overcollateralisation Requirement as per OC Notice	COVER POOL	REQUIREMENT	PASS / FAIL
	47,4%	47,0%	PASS

**COVER POOL INFORMATION**

<b>Cover Pool Summary</b>	
Total LOAN BALANCE:	1.004.520.306 €
Average LOAN BALANCE:	76.839 €
NO. OF LOANS:	13.073
WA SEASONING (in months):	84,3
WA REMAINING TERM (in months):	196,1
NO. OF BORROWERS:	14.383
NO. OF PROPERTIES:	10.409
WA LTV:	53,8%
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):	41,8%
WA Interest Rate on Fixed rate Loans:	2,7%
Borrower concentration: %age of largest 10 borrowers :	2,34%
Loans in arrears > 90 days:	0,0%

<b>Supervisory Over Collateralisation</b>	
Supplementary Assets	33.506.925 €
Transaction Account Balance	18.803.909 €
Deducting for liquidity reserve	(3.583.504)
Net supplementary assets available for OC	48.727.330 €

<b>Contractual Over Collateralisation</b>	
Loan balances in excess of basic cover	354.520.306 €
Adjustment to Loan balances due to set-off	62.599.731 €
Adjustment to Loan balances due to LTV	17.229.109 €
Total Cover Pool OC (allowing for set-off and LTV)	274.691.466 €
As a % of Outstanding Cover Bond Issuance	42,3%
Asset Percentage (Covered Bond Issuance as a % of Cover Assets)	70,3%

<b>TOTAL COMMITTED OVER COLLATERALISATION</b>	
In Basic Cover	42,3%
In Supplementary Assets	5,2%
<b>Total</b>	<b>47,4%</b>

**Cover Pool Indexed LTV Distribution**

Indexed LTV ranges	Total Loan Balance	No. of Borrowers
0-≤40%	292.896.322 €	6.540
>40%-≤50%	147.234.481 €	1.833
>50%-≤60%	146.686.841 €	1.676
>60%-≤70%	155.444.831 €	1.680
>70%-≤80%	126.358.363 €	1.371
>80%-≤85%	46.122.683 €	439
>85%-≤90%	39.848.626 €	384
>90%-≤95%	27.876.081 €	265
>95%-≤100%	22.052.079 €	195
>100%-≤105%	- €	-
>105%	- €	-
<b>TOTAL</b>	<b>1.004.520.306 €</b>	<b>14.383</b>

## Cover Pool Regional Distribution

Region	Total Loan Balance	% of total loan balance
Nicosia	427.587.041 €	42,6%
Limassol	326.864.524 €	32,5%
Larnaca	112.097.122 €	11,2%
Paphos	97.660.199 €	9,7%
Amochostos	40.311.420 €	4,0%
No data		0,0%
		0,0%
		0,0%
		0,0%
		0,0%
		0,0%
<b>TOTAL</b>	<b>1.004.520.306 €</b>	<b>100,0%</b>

## Cover Pool Rate Type Distribution

Rate Type	Total Loan Balance	% of total loan balance
Floating rate	992.782.687 €	98,8%
Fixed rate with reset <2 years	5.620.242 €	0,6%
Fixed rate with reset ≥2 but < 5 years	2.702.829 €	0,3%
Fixed rate with reset ≥5 years	3.414.548 €	0,3%
<b>TOTAL</b>	<b>1.004.520.306 €</b>	<b>100,0%</b>

## Cover Pool Occupancy Type Distribution

Occupancy Type	Total Loan Balance	% of total loan balance
Owner-occupied	890.482.053 €	88,6%
Non-owner-occupied (buy-to-let) where BORROWER has < 3 properties	38.873.690 €	3,9%
Non-owner-occupied (buy-to-let) where BORROWER has > 2 properties	- €	0,0%
Vacation/ second home	75.164.563 €	7,5%
Partially owner-occupied	- €	0,0%
Other/No data		0,0%
<b>TOTAL</b>	<b>1.004.520.306 €</b>	<b>100,0%</b>

## Cover Pool Property Type Distribution

Property Type	Total Loan Balance	% of total loan balance
House	768.727.992 €	76,5%
Flat in block with less than 4 units	- €	0,0%
Flat in block with 4 or more units	235.792.314 €	23,5%
PARTIAL COMMERCIAL USE	- €	0,0%
Other/No data	- €	0,0%
<b>TOTAL</b>	<b>1.004.520.306 €</b>	<b>100,0%</b>

## Cover Pool Loan Type Distribution

Loan Type	Total Loan Balance	% of total loan balance
Purchase	684.697.962 €	68,2%
RE-MORTGAGE	- €	0,0%
EQUITY RELEASE	92.985.893 €	9,3%
RENOVATION	203.682.392 €	20,3%
Construction (new)	- €	0,0%
Other/No data	23.154.060 €	2,3%
<b>TOTAL</b>	<b>1.004.520.306 €</b>	<b>100,0%</b>

## Cover Pool Seasoning Distribution

Seasoning (months)	Total Loan Balance	% of total loan balance
< 12	105.595.361 €	10,5%
≥12-<24	76.632.608 €	7,6%
≥24-<36	84.460.770 €	8,4%
≥36-<60	60.123.275 €	6,0%
≥60	677.708.292 €	67,5%
<b>TOTAL</b>	<b>1.004.520.306 €</b>	<b>100,0%</b>

## Cover Pool Loans - Arrears Analysis

Months	Total Loan Balance	% of total loan balance
Not in Arrears	939.527.642 €	93,5%
<2 (and not BPI or Fce)	62.179.075 €	6,2%
≥2-<6 (and not BPI or Fce)	2.813.589 €	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>1.004.520.306 €</b>	<b>100,0%</b>