

## BANK OF CYPRUS EUR 3BN COVERED BOND PROGRAMME

Report Date: 31/01/2019  
 Completion Date: 04/02/2019

### CYPRLOT COVER POOL MONTHLY INVESTOR REPORT

	Series 1	Series 2	Series 3	Series 4	Series 5
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
<b>Nominal Value Test</b>			
Eligible Loans (adjusted for set off and LTV) plus interest accrued on the loans	924.581.120		
Complementary Assets (in the basic cover)	0		
Hedging Contracts (mark-to-market value)	0		
Covered Bonds (outstanding amount)	650.000.000		
<b>Result</b>	142,24%	100,00%	PASS
<b>Net Present Value Test</b>			
Eligible Loans (present value of inflows)	1.107.612.267		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	699.076.300		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	256.500		
<b>Result</b>	158,4%	105,0%	PASS
<b>Stress scenarios:</b>			
<b>1. Interest rate shift by -200bps</b>			
Eligible Loans (present value of inflows)	1.109.178.749		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	698.750.000		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	256.500		
<b>Result</b>	158,7%	105,0%	PASS
<b>2. Interest rate shift by +200bps</b>			
Eligible Loans (present value of inflows)	1.084.285.556		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	693.837.960		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	248.285		
<b>Result</b>	156,2%	105,0%	PASS

<b>3. VaR Negative shift in interest rates</b>			
Eligible Loans (present value of inflows)	1.117.354.228		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	700.205.856		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	256.479		
<b>Result</b>	159,5%	105,0%	PASS
<b>4. VaR Positive shift in interest rates</b>			
Eligible Loans (present value of inflows)	1.147.988.147		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	698.750.000		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	256.500		
<b>Result</b>	164,2%	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	2,8		
<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	33.504.800		
Outflow in the next 180 days	3.652.445		
2. if Maturity Date >30 days, <180 days		Complementary Assets > highest net outflow until bond maturity (excl. N/A principal)	N/A
2a) First Test	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. N/A principal)	N/A
2a) First Test	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 5,2%	REQUIREMENT 5,0%	PASS / FAIL PASS
<b>COMMITTED OVERCOLLATERALISATION TEST</b>			
Committed Overcollateralisation Requirement as per OC Notice	COVER POOL 47,4%	REQUIREMENT 47,0%	PASS / FAIL PASS

## COVER POOL INFORMATION

Cover Pool Summary	
Total LOAN BALANCE:	1.009.681.149 €
Average LOAN BALANCE:	76.811 €
NO. OF LOANS:	13.145
WA SEASONING (in months):	82,6
WA REMAINING TERM (in months):	197,3
NO. OF BORROWERS:	14.527
NO. OF PROPERTIES:	10.489
WA LTV:	53,7%
Loans to employees of group:	3,9%
WA Interest Rate on Floating rate Loans:	2,8%
WA MARGIN ON FLOATING RATE LOANS:	2,1%
WA Interest Rate on Floating rate Loans originated over last quarter:	2,3%
Percentage of VARIABLE MORTGAGES (based on bank's rates):	44,1%
WA Interest Rate on Fixed rate Loans:	2,7%
Borrower concentration: %age of largest 10 borrowers :	2,32%
Loans in arrears > 90 days:	0,0%

Supervisory Over Collateralisation	
Supplementary Assets	33.504.800 €
Transaction Account Balance	18.859.712 €
Deducting for liquidity reserve	(3.652.445)
Net supplementary assets available for OC	48.712.067 €

Contractual Over Collateralisation	
Loan balances in excess of basic cover	359.681.149 €
Adjustment to Loan balances due to set-off	68.697.062 €
Adjustment to Loan balances due to LTV	16.402.967 €
Total Cover Pool OC (allowing for set-off and LTV)	274.581.120 €
As a % of Outstanding Cover Bond Issuance	42,2%
Asset Percentage (Covered Bond Issuance as a % of Cover Assets)	70,3%

TOTAL COMMITTED OVER COLLATERALISATION	
In Basic Cover	42,2%
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%	292.282.241 €	6.577
>40%-≤50%	148.165.812 €	1.848
>50%-≤60%	150.077.500 €	1.729
>60%-≤70%	161.047.472 €	1.735
>70%-≤80%	127.337.760 €	1.406
>80%-≤85%	43.152.144 €	407
>85%-≤90%	38.383.523 €	369
>90%-≤95%	28.192.883 €	258
>95%-≤100%	21.041.813 €	198
>100%-≤105%	- €	-
>105%	- €	-
<b>TOTAL</b>	<b>1.009.681.149 €</b>	<b>14.527</b>

## Cover Pool Regional Distribution

Region	Total Loan Balance	% of total loan balance
Nicosia	431.073.638 €	42,7%
Limassol	324.869.658 €	32,2%
Larnaca	113.002.317 €	11,2%
Paphos	98.650.320 €	9,8%
Ammochostos	42.085.215 €	4,2%
No data		0,0%
		0,0%
		0,0%
		0,0%
		0,0%
		0,0%
<b>TOTAL</b>	<b>1.009.681.149 €</b>	<b>100,0%</b>

## Cover Pool Rate Type Distribution

Rate Type	Total Loan Balance	% of total loan balance
Floating rate	997.382.128 €	98,8%
Fixed rate with reset <2 years	5.471.460 €	0,5%
Fixed rate with reset ≥2 but < 5 years	3.246.485 €	0,3%
Fixed rate with reset ≥5 years	3.581.075 €	0,4%
<b>TOTAL</b>	<b>1.009.681.149 €</b>	<b>100,0%</b>

## Cover Pool Occupancy Type Distribution

Occupancy Type	Total Loan Balance	% of total loan balance
Owner-occupied	900.702.684 €	89,2%
Non-owner-occupied (buy-to-let) where BORROWER has < 3 properties	36.016.915 €	3,6%
Non-owner-occupied (buy-to-let) where BORROWER has > 2 properties	- €	0,0%
Vacation/ second home	72.547.326 €	7,2%
Partially owner-occupied	- €	0,0%
Other/No data	414.223 €	0,0%
<b>TOTAL</b>	<b>1.009.681.149 €</b>	<b>100,0%</b>

#### Cover Pool Property Type Distribution

Property Type	Total Loan Balance	% of total loan balance
House	769.722.319 €	76,2%
Flat in block with less than 4 units	- €	0,0%
Flat in block with 4 or more units	239.958.829 €	23,8%
PARTIAL COMMERCIAL USE	- €	0,0%
Other/No data	- €	0,0%
<b>TOTAL</b>	<b>1.009.681.149 €</b>	<b>100,0%</b>

#### Cover Pool Loan Type Distribution

Loan Type	Total Loan Balance	% of total loan balance
Purchase	699.078.481 €	69,2%
RE-MORTGAGE	- €	0,0%
EQUITY RELEASE	91.040.768 €	9,0%
RENOVATION	194.633.977 €	19,3%
Construction (new)	- €	0,0%
Other/No data	24.927.922 €	2,5%
<b>TOTAL</b>	<b>1.009.681.149 €</b>	<b>100,0%</b>

#### Cover Pool Seasoning Distribution

Seasoning (months)	Total Loan Balance	% of total loan balance
< 12	123.409.690 €	12,2%
≥12-<24	80.906.661 €	8,0%
≥24-<36	85.763.008 €	8,5%
≥36-<60	64.689.185 €	6,4%
≥60	654.912.605 €	64,9%
<b>TOTAL</b>	<b>1.009.681.149 €</b>	<b>100,0%</b>

#### Cover Pool Loans - Arrears Analysis

Months	Total Loan Balance	% of total loan balance
Not in Arrears	927.102.720 €	91,8%
<2 (and not BPI or Fce)	78.967.893 €	7,8%
≥2-<6 (and not BPI or Fce)	3.610.536 €	0,4%
≥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>1.009.681.149 €</b>	<b>100,0%</b>