

# BANK OF CYPRUS EUR 3BN COVERED BOND PROGRAMME

Report Date: 30/09/2019  
 Completion Date: 04/10/2019

## CYPRIOI 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/A				
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**

<b>BASIC COVER</b>	<b>Value</b>	<b>Requirement</b>	<b>PASS / FAIL</b>
<b>Nominal Value Test</b>			
Eligible Loans (adjusted for set off and LTV) plus interest accrued on the loans	924.810.762		
Complementary Assets (in the basic cover)	0		
Hedging Contracts (mark-to-market value)	0		
Covered Bonds (outstanding amount)	650.000.000		
<b>Result</b>	<b>142,28%</b>	<b>100,00%</b>	<b>PASS</b>
<b>Net Present Value Test</b>			
Eligible Loans (present value of inflows)	1.109.354.205		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	686.562.500		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	192.375		
<b>Result</b>	<b>161,5%</b>	<b>105,0%</b>	<b>PASS</b>
<b>Stress scenarios:</b>			
<b>1. Interest rate shift by -200bps</b>			
Eligible Loans (present value of inflows)	1.101.823.513		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	686.562.500		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	192.375		
<b>Result</b>	<b>160,4%</b>	<b>105,0%</b>	<b>PASS</b>
<b>2. Interest rate shift by +200bps</b>			
Eligible Loans (present value of inflows)	1.082.964.077		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	682.809.762		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	188.193		
<b>Result</b>	<b>158,6%</b>	<b>105,0%</b>	<b>PASS</b>

<b>3. VaR Negative shift in interest rates</b>			
Eligible Loans (present value of inflows)	1.130.446.492		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	688.280.409		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	192.273		
<b>Result</b>	164,2%	105,0%	PASS
<b>4. VaR Positive shift in interest rates</b>			
Eligible Loans (present value of inflows)	1.130.623.446		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	686.562.500		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	192.375		
<b>Result</b>	164,6%	105,0%	PASS
<b>Weighted Maturity Test</b>			
Weighted Average Life of Cover Pool assets in the basic and supervisory cover	8,70		
Weighted average life of covered bonds	2,2		
<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	33.508.567		
Outflow in the next 180 days	3.392.910		
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 5,2%	REQUIREMENT 5,0%	PASS / FAIL 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:	998.916.626 €
Average LOAN BALANCE:	74.379 €
NO. OF LOANS:	13.430
WA SEASONING (in months):	83,0
WA REMAINING TERM (in months):	196,5
NO. OF BORROWERS:	14.764
NO. OF PROPERTIES:	10.654
WA LTV:	53,1%
Loans to employees of group:	3,8%
WA Interest Rate on Floating rate Loans:	2,5%
WA MARGIN ON FLOATING RATE LOANS:	2,0%
WA Interest Rate on Floating rate Loans originated over last quarter:	2,5%
Percentage of VARIABLE MORTGAGES (based on bank's rates):	43,9%
WA Interest Rate on Fixed rate Loans:	2,4%
Borrower concentration: %age of largest 10 borrowers :	2,21%
Loans in arrears > 90 days:	0,0%

<b>Supervisory Over Collateralisation</b>	
Supplementary Assets	33.508.567 €
Transaction Account Balance	14.190.038 €
Deducting for liquidity reserve	(3.392.910)
Net supplementary assets available for OC	44.305.696 €
<b>Contractual Over Collateralisation</b>	
Loan balances in excess of basic cover	348.916.626 €
Adjustment to Loan balances due to set-off	59.863.140 €
Adjustment to Loan balances due to LTV	14.242.724 €
Total Cover Pool OC (allowing for set-off and LTV)	274.810.762 €
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%	297.340.327 €	6.759
>40%-≤50%	142.836.098 €	1.846
>50%-≤60%	151.987.673 €	1.767
>60%-≤70%	162.510.863 €	1.813
>70%-≤80%	129.511.580 €	1.487
>80%-≤85%	43.157.194 €	420
>85%-≤90%	31.349.701 €	301
>90%-≤95%	25.548.305 €	225
>95%-≤100%	14.674.885 €	146
>100%-≤105%	- €	-

>105%	- €	-
<b>TOTAL</b>	<b>998.916.626 €</b>	<b>14.764</b>

## Cover Pool Regional Distribution

Region	Total Loan Balance	% of total loan balance
Nicosia	420.159.389 €	42,1%
Limassol	325.536.315 €	32,6%
Larnaca	109.453.020 €	11,0%
Paphos	99.199.769 €	9,9%
Ammochostos	44.568.132 €	4,5%
No data		0,0%
		0,0%
		0,0%
		0,0%
		0,0%
		0,0%
<b>TOTAL</b>	<b>998.916.626 €</b>	<b>100,0%</b>

## Cover Pool Rate Type Distribution

Rate Type	Total Loan Balance	% of total loan balance
Floating rate	983.324.238 €	98,4%
Fixed rate with reset <2 years	6.447.774 €	0,6%
Fixed rate with reset ≥2 but < 5 years	3.963.419 €	0,4%
Fixed rate with reset ≥5 years	5.181.195 €	0,5%
<b>TOTAL</b>	<b>998.916.626 €</b>	<b>100,0%</b>

## Cover Pool Occupancy Type Distribution

Occupancy Type	Total Loan Balance	% of total loan balance
Owner-occupied	888.810.498 €	89,0%
Non-owner-occupied (buy-to-let) where BORROWER has < 3 properties	34.949.768 €	3,5%
Non-owner-occupied (buy-to-let) where BORROWER has > 2 properties	- €	0,0%
Vacation/ second home	74.730.181 €	7,5%
Partially owner-occupied	- €	0,0%
Other/No data	426.179 €	0,0%
<b>TOTAL</b>	<b>998.916.626 €</b>	<b>100,0%</b>

## Cover Pool Property Type Distribution

Property Type	Total Loan Balance	% of total loan balance
House	758.239.170 €	75,9%
Flat in block with less than 4 units	- €	0,0%
Flat in block with 4 or more units	240.677.456 €	24,1%
PARTIAL COMMERCIAL USE	- €	0,0%
Other/No data	- €	0,0%
<b>TOTAL</b>	<b>998.916.626 €</b>	<b>100,0%</b>

## Cover Pool Loan Type Distribution

Loan Type	Total Loan Balance	% of total loan balance
Purchase	697.762.888 €	69,9%
RE-MORTGAGE	- €	0,0%
EQUITY RELEASE	98.991.683 €	9,9%
RENOVATION	173.233.436 €	17,3%
Construction (new)	- €	0,0%
Other/No data	28.928.620 €	2,9%
<b>TOTAL</b>	<b>998.916.626 €</b>	<b>100,0%</b>

## Cover Pool Seasoning Distribution

Seasoning (months)	Total Loan Balance	% of total loan balance
< 12	120.750.882 €	12,1%
≥12-<24	100.117.259 €	10,0%
≥24-<36	72.762.350 €	7,3%
≥36-<60	102.009.102 €	10,2%
≥60	603.277.033 €	60,4%
<b>TOTAL</b>	<b>998.916.626 €</b>	<b>100,0%</b>

## Cover Pool Loans - Arrears Analysis

Months	Total Loan Balance	% of total loan balance
Not in Arrears	950.516.627 €	95,2%
<2 (and not BPI or Fce)	46.564.395 €	4,7%
≥2-<6 (and not BPI or Fce)	1.835.604 €	0,2%
≥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>998.916.626 €</b>	<b>100,0%</b>