

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

**Report Date:** 31/12/2019  
**Completion Date:** 07/01/2020

**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

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	925.322.766		
Complementary Assets (in the basic cover)	0		
Hedging Contracts (mark-to-market value)	0		
Covered Bonds (outstanding amount)	650.000.000		
<b>Result</b>	142,36%	100,00%	PASS
<b>Net Present Value Test</b>			
Eligible Loans (present value of inflows)	1.104.760.265		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	682.500.000		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	171.000		
<b>Result</b>	161,8%	105,0%	PASS
<b>Stress scenarios:</b>			
<b>1. Interest rate shift by -200bps</b>			
Eligible Loans (present value of inflows)	1.100.929.779		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	682.500.000		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	171.000		
<b>Result</b>	161,3%	105,0%	PASS
<b>2. Interest rate shift by +200bps</b>			
Eligible Loans (present value of inflows)	1.079.822.419		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	678.845.751		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	167.403		
<b>Result</b>	159,0%	105,0%	PASS

<b>3. VaR Negative shift in interest rates</b>			
Eligible Loans (present value of inflows)	1.110.703.915		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	682.988.069		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	171.000		
<b>Result</b>	162,6%	105,0%	PASS
<b>4. VaR Positive shift in interest rates</b>			
Eligible Loans (present value of inflows)	1.108.614.615		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	682.500.000		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	171.000		
<b>Result</b>	162,4%	105,0%	PASS
<b>Weighted Maturity Test</b>			
Weighted Average Life of Cover Pool assets in the basic and supervisory cover	8,80		
Weighted average life of covered bonds	1,9		
<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	33.495.300		
Outflow in the next 180 days	3.513.593		
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

COMMITTED OVERCOLLATERALISATION TEST	COVER POOL	REQUIREMENT	PASS / FAIL
Committed Overcollateralisation Requirement as per OC Notice	47,5%	47,0%	PASS

**COVER POOL INFORMATION**

<b>Cover Pool Summary</b>	
Total LOAN BALANCE:	999.544.402 €
Average LOAN BALANCE:	73.464 €
NO. OF LOANS:	13.606
WA SEASONING (in months):	83,4
WA REMAINING TERM (in months):	196,9
NO. OF BORROWERS:	14.948
NO. OF PROPERTIES:	10.772
WA LTV:	52,5%
Loans to employees of group:	3,4%
WA Interest Rate on Floating rate Loans:	2,4%
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):	43,7%
WA Interest Rate on Fixed rate Loans:	2,3%
Borrower concentration: %age of largest 10 borrowers :	1,59%
Loans in arrears > 90 days:	0,0%

<b>Supervisory Over Collateralisation</b>	
Supplementary Assets	33.495.300 €
Transaction Account Balance	16.988.115 €
Deducting for liquidity reserve	(3.513.593)
Net supplementary assets available for OC	46.969.822 €
<b>Contractual Over Collateralisation</b>	
Loan balances in excess of basic cover	349.544.402 €
Adjustment to Loan balances due to set-off	61.291.113 €
Adjustment to Loan balances due to LTV	12.930.523 €
Total Cover Pool OC (allowing for set-off and LTV)	275.322.766 €
As a % of Outstanding Cover Bond Issuance	42,4%
Asset Percentage (Covered Bond Issuance as a % of Cover Assets)	70,2%
<b>TOTAL COMMITTED OVER COLLATERALISATION</b>	
In Basic Cover	42,4%
In Supplementary Assets	5,2%
<b>Total</b>	<b>47,5%</b>

**Cover Pool Indexed LTV Distribution**

Indexed LTV ranges	Total Loan Balance	No. of Borrowers
0-≤40%	302.598.454 €	6.947
>40%-≤50%	147.430.903 €	1.899
>50%-≤60%	156.149.263 €	1.765
>60%-≤70%	151.683.477 €	1.785
>70%-≤80%	136.538.912 €	1.544
>80%-≤85%	40.704.867 €	402
>85%-≤90%	29.400.755 €	277
>90%-≤95%	21.686.595 €	199
>95%-≤100%	13.351.176 €	130
>100%-≤105%	- €	-

>105%	- €	-
<b>TOTAL</b>	<b>999.544.402 €</b>	<b>14.948</b>

## Cover Pool Regional Distribution

Region	Total Loan Balance	% of total loan balance
Nicosia	422.060.969 €	42,2%
Limassol	321.260.093 €	32,1%
Larnaca	110.718.893 €	11,1%
Paphos	100.618.189 €	10,1%
Ammochostos	44.886.258 €	4,5%
No data		0,0%
		0,0%
		0,0%
		0,0%
		0,0%
		0,0%
<b>TOTAL</b>	<b>999.544.402 €</b>	<b>100,0%</b>

## Cover Pool Rate Type Distribution

Rate Type	Total Loan Balance	% of total loan balance
Floating rate	981.870.160 €	98,2%
Fixed rate with reset <2 years	6.529.382 €	0,7%
Fixed rate with reset ≥2 but < 5 years	5.405.838 €	0,5%
Fixed rate with reset ≥5 years	5.739.023 €	0,6%
<b>TOTAL</b>	<b>999.544.402 €</b>	<b>100,0%</b>

## Cover Pool Occupancy Type Distribution

Occupancy Type	Total Loan Balance	% of total loan balance
Owner-occupied	892.596.033 €	89,3%
Non-owner-occupied (buy-to-let) where BORROWER has < 3 properties	31.011.624 €	3,1%
Non-owner-occupied (buy-to-let) where BORROWER has > 2 properties	- €	0,0%
Vacation/ second home	75.595.138 €	7,6%
Partially owner-occupied	- €	0,0%
Other/No data	341.607 €	0,0%
<b>TOTAL</b>	<b>999.544.402 €</b>	<b>100,0%</b>

## Cover Pool Property Type Distribution

Property Type	Total Loan Balance	% of total loan balance
House	755.206.001 €	75,6%
Flat in block with less than 4 units	- €	0,0%
Flat in block with 4 or more units	244.338.401 €	24,4%
PARTIAL COMMERCIAL USE	- €	0,0%
Other/No data	- €	0,0%
<b>TOTAL</b>	<b>999.544.402 €</b>	<b>100,0%</b>

## Cover Pool Loan Type Distribution

Loan Type	Total Loan Balance	% of total loan balance
Purchase	703.226.119 €	70,4%
RE-MORTGAGE	- €	0,0%
EQUITY RELEASE	97.784.968 €	9,8%
RENOVATION	169.266.836 €	16,9%
Construction (new)	- €	0,0%
Other/No data	29.266.479 €	2,9%
<b>TOTAL</b>	<b>999.544.402 €</b>	<b>100,0%</b>

## Cover Pool Seasoning Distribution

Seasoning (months)	Total Loan Balance	% of total loan balance
< 12	109.212.008 €	10,9%
≥12-<24	109.529.626 €	11,0%
≥24-<36	72.675.020 €	7,3%
≥36-<60	115.263.867 €	11,5%
≥60	592.863.881 €	59,3%
<b>TOTAL</b>	<b>999.544.402 €</b>	<b>100,0%</b>

## Cover Pool Loans - Arrears Analysis

Months	Total Loan Balance	% of total loan balance
Not in Arrears	955.856.247 €	95,6%
<2 (and not BPI or Fce)	42.020.687 €	4,2%
≥2-<6 (and not BPI or Fce)	1.667.467 €	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>999.544.402 €</b>	<b>100,0%</b>