BANK OF CYPRUS EUR 3BN COVERED BOND PROGRAMME

Report Date: 31/12/2017
Completion Date: 03/01/2018

CYPRIOT COVER POOL MONTHLY INVESTOR REPORT

	Series 1	Series 2	Series 3	Series 4	Series 5
Issue	650.000.000 €				
Coupon	EURIBOR 003M + 3.25%				
Coupon Payment Frequency	Quarterly				
Coupon Payment Dates	12/3 - 12/6 - 12/9 - 12/12				
Maturity Date	12/12/2018				
Extension Period	12/12/2072				
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	923.534.198		
Complementary Assets (in the basic cover)	0		
Hedging Contracts (mark-to-market value)	0		
Covered Bonds (outstanding amount)	650.000.000		
Result	142,08%	100,00%	PASS
Net Present Value Test			
Eligible Loans (present value of inflows)	1.171.967.028		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	671.125.000		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	85.500		
Result	174,6%	105,0%	PASS
Stress scenarios:			
1. Interest rate shift by -200bps			
Eligible Loans (present value of inflows)	1.212.663.912		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	671.125.000		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	85.500		
Result	180,7%	105,0%	PASS
2. Interest rate shift by +200bps			
Eligible Loans (present value of inflows)	1.089.841.622		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	668.008.058		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	84.572		
Result	163,1%	105,0%	PASS

3. VaR Negative shift in interest rates			
Eligible Loans (present value of inflows)	1.207.816.886		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	671.125.000		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	85.500		
Result	179,9%	105,0%	PASS
4. VaR Positive shift in interest rates			
Eligible Loans (present value of inflows)	1.296.959.390		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	671.125.000		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	85.500		
Result	193,2%	105,0%	PASS
Weighted Maturity Test			
Weighted Average Life of Cover Pool assets in the basic and supervisory cover	9,10		
Weighted average life of covered bonds	1		
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	33.849.352		
Outflow in the next 180 days	4.864.620		
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	47,3%	47,0%	PASS

COVER POOL INFORMATION

Cover Pool Summary	
Total LOAN BALANCE:	1.000.986.547 €
Average LOAN BALANCE:	78.239 €
NO. OF LOANS:	12.794
WA SEASONING (in months):	83,9
WA REMAINING TERM (in months):	196,0
NO. OF BORROWERS:	13.961
NO. OF PROPERTIES:	10.241
WA LTV:	55,4%
Loans to employees of group:	4,3%
WA Interest Rate on Floating rate Loans:	3,1%
WA MARGIN ON FLOATING RATE LOANS:	2,3%
WA Interest Rate on Floating rate Loans originated over last quarter:	2,7%
Percentage of VARIABLE MORTGAGES (based on bank's rates):	35,4%
WA Interest Rate on Fixed rate Loans:	3,2%
Borrower concentration: %age of largest 10 borrowers :	1,81%
Loans in arrears > 90 days:	0,0%

Supervisory Over Collateralisation	
Supplementary Assets	33.849.352 €
Transaction Account Balance	12.999.477 €
Deducting for liquidity reserve	(4.864.620)
Net supplementary assets available for OC	41.984.209 €
Contractual Over Collateralisation	
Loan balances in excess of basic cover	350.986.547 €
Adjustment to Loan balances due to set-off	56.632.434 €
Adjustment to Loan balances due to LTV	20.819.915 €
Total Cover Pool OC (allowing for set-off and LTV)	273.534.198 €
As a % of Outstanding Cover Bond Issuance	42,1%
Asset Percentage (Covered Bond Issuance as a % of Cover Assets)	70,4%
TOTAL COMMITED OVER COLLATERALISATION	
In Basic Cover	42,1%
In Supplementary Assets	5,2%
Total	**47,3%**

Cover Pool Indexed LTV Distribution

Indexed LTV ranges	Total Loan Balance	No. of Borrowers
0-≤40%	279.180.602 €	6.244
>40%-≤50%	137.333.604 €	1.724
>50%-≤60%	134.108.548 €	1.545
>60%-≤70%	154.706.862 €	1.567
>70%-≤80%	127.557.831 €	1.298
>80%-≤85%	56.590.723 €	519
>85%-≤90%	46.273.582 €	440
>90%-≤95%	41.434.565 €	388
>95%-≤100%	23.800.229 €	236
>100%-≤105%	- €	-

>105%	- €	-
TOTAL	**1.000.986.547 €**	**13.961**

Cover Pool Regional Distribution

Region	Total Loan Balance	% of total loan balance
Nicosia	442.709.556 €	44,2%
Limassol	313.737.810 €	31,3%
Larnaca	109.496.182 €	10,9%
Paphos	94.971.150 €	9,5%
Ammochostos	40.071.848 €	4,0%
No data		0,0%
		0,0%
		0,0%
		0,0%
		0,0%
		0,0%
TOTAL	**1.000.986.547 €**	**100,0%**

Cover Pool Rate Type Distribution

Rate Type	Total Loan Balance	% of total loan balance
Floating rate	996.328.197 €	99,5%
Fixed rate with reset <2 years	1.002.050 €	0,1%
Fixed rate with reset ≥2 but < 5 years	336.042 €	0,0%
Fixed rate with reset ≥5 years	3.320.258 €	0,3%
TOTAL	**1.000.986.547 €**	**100,0%**

Cover Pool Occupancy Type Distribution

Occupancy Type	Total Loan Balance	% of total loan balance
Owner-occupied	876.853.219 €	87,6%
Non-owner-occupied (buy-to-let) where BORROWER has < 3 properties	46.962.550 €	4,7%
Non-owner-occupied (buy-to-let) where BORROWER has > 2 properties	- €	0,0%
Vacation/ second home	77.170.778 €	7,7%
Partially owner-occupied	- €	0,0%
Other/No data		0,0%
TOTAL	**1.000.986.547 €**	**100,0%**

Cover Pool Property Type Distribution

Property Type	Total Loan Balance	% of total loan balance
House	758.858.658 €	75,8%
Flat in block with less than 4 units	- €	0,0%
Flat in block with 4 or more units	242.127.889 €	24,2%
PARTIAL COMMERCIAL USE	- €	0,0%
Other/No data		0,0%
TOTAL	**1.000.986.547 €**	**100,0%**

Cover Pool Loan Type Distribution

Loan Type	Total Loan Balance	% of total loan balance
Purchase	649.620.749 €	64,9%
RE-MORTGAGE	- €	0,0%
EQUITY RELEASE	90.981.448 €	9,1%
RENOVATION	237.078.765 €	23,7%
Construction (new)	- €	0,0%
Other/No data	23.305.584 €	2,3%
TOTAL	**1.000.986.547 €**	**100,0%**

Cover Pool Seasoning Distribution

Seasoning (months)	Total Loan Balance	% of total loan balance
< 12	74.045.617 €	7,4%
≥12-<24	86.440.867 €	8,6%
≥24-<36	47.287.014 €	4,7%
≥36-<60	42.877.431 €	4,3%
≥60	750.335.618 €	75,0%
TOTAL	**1.000.986.547 €**	**100,0%**

Cover Pool Loans - Arrears Analysis

Months	Total Loan Balance	% of total loan balance
Not in Arrears	916.598.354 €	91,6%
<2 (and not BPI or Fce)	82.800.705 €	8,3%
≥2-<6 (and not BPI or Fce)	1.587.488 €	0,2%
≥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	**1.000.986.547 €**	**100,0%**