BANK OF CYPRUS EUR 3BN COVERED BOND PROGRAMME

Report Date: 31/08/2018
Completion Date: 05/09/2018

CYPRIOT 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
Nominal Value Test			
Eligible Loans (adjusted for set off and LTV) plus interest accrued on the loans	924.740.309		
Complementary Assets (in the basic cover)	0		
Hedging Contracts (mark-to-market value)	0		
Covered Bonds (outstanding amount)	650.000.000		
Result	142,27%	100,00%	PASS
Net Present Value Test			
Eligible Loans (present value of inflows)	1.117.355.492		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	709.318.358		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	299.225		
Result	157,5%	105,0%	PASS
Stress scenarios:			
1. Interest rate shift by -200bps			
Eligible Loans (present value of inflows)	1.121.887.935		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	706.875.000		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	299.250		
Result	158,6%	105,0%	PASS
2. Interest rate shift by +200bps			
Eligible Loans (present value of inflows)	1.093.654.470		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	701.326.008		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	287.893		
Result	155,9%	105,0%	PASS

3. VaR Negative shift in interest rates			
Eligible Loans (present value of inflows)	1.126.023.148		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	707.736.136		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	299.250		
Result	159,0%	105,0%	PASS
4. VaR Positive shift in interest rates			
Eligible Loans (present value of inflows)	1.115.831.138		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	711.120.978		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	299.005		
Result	156,8%	105,0%	PASS
Weighted Maturity Test			
Weighted Average Life of Cover Pool assets in the basic and supervisory cover	8,90		
Weighted average life of covered bonds	3,2		
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	33.498.450		
Outflow in the next 180 days	3.619.561		
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	47,4%	47,0%	PASS

COVER POOL INFORMATION

Cover Pool Summary	
Total LOAN BALANCE:	1.005.229.034 €
Average LOAN BALANCE:	76.964 €
NO. OF LOANS:	13.061
WA SEASONING (in months):	84,7
WA REMAINING TERM (in months):	194,8
NO. OF BORROWERS:	14.295
NO. OF PROPERTIES:	10.383
WA LTV:	54,2%
Loans to employees of group:	4,1%
WA Interest Rate on Floating rate Loans:	2,9%
WA MARGIN ON FLOATING RATE LOANS:	2,2%
WA Interest Rate on Floating rate Loans originated over last quarter:	2,6%
Percentage of VARIABLE MORTGAGES (based on bank's rates):	39,5%
WA Interest Rate on Fixed rate Loans:	2,9%
Borrower concentration: %age of largest 10 borrowers :	2,57%
Loans in arrears > 90 days:	0,0%

Supervisory Over Collateralisation	
Supplementary Assets	33.498.450 €
Transaction Account Balance	20.360.179 €
Deducting for liquidity reserve	(3.619.561)
Net supplementary assets available for OC	50.239.068 €
Contractual Over Collateralisation	
Loan balances in excess of basic cover	355.229.034 €
Adjustment to Loan balances due to set-off	62.495.316 €
Adjustment to Loan balances due to LTV	17.993.409 €
Total Cover Pool OC (allowing for set-off and LTV)	274.740.309 €
As a % of Outstanding Cover Bond Issuance	42,3%
Asset Percentage (Covered Bond Issuance as a % of Cover Assets)	70,3%
TOTAL COMMITED OVER COLLATERALISATION	
In Basic Cover	42,3%
In Supplementary Assets	5,2%
Total	**47,4%**

Cover Pool Indexed LTV Distribution

Indexed LTV ranges	Total Loan Balance	No. of Borrowers
0-≤40%	287.562.889 €	6.491
>40%-≤50%	148.196.006 €	1.816
>50%-≤60%	144.922.149 €	1.663
>60%-≤70%	151.862.207 €	1.592
>70%-≤80%	132.485.799 €	1.390
>80%-≤85%	44.783.205 €	445
>85%-≤90%	44.422.543 €	413
>90%-≤95%	30.214.108 €	299
>95%-≤100%	20.780.128 €	186
>100%-≤105%	- €	-

>105%	- €	-
TOTAL	**1.005.229.034 €**	**14.295**

Cover Pool Regional Distribution

Region	Total Loan Balance	% of total loan balance
Nicosia	435.822.376 €	43,4%
Limassol	320.434.914 €	31,9%
Larnaca	110.244.645 €	11,0%
Paphos	98.261.159 €	9,8%
Ammochostos	40.465.941 €	4,0%
No data		0,0%
		0,0%
		0,0%
		0,0%
		0,0%
		0,0%
TOTAL	**1.005.229.034 €**	**100,0%**

Cover Pool Rate Type Distribution

Rate Type	Total Loan Balance	% of total loan balance
Floating rate	993.732.202 €	98,9%
Fixed rate with reset <2 years	6.733.816 €	0,7%
Fixed rate with reset ≥2 but < 5 years	1.960.703 €	0,2%
Fixed rate with reset ≥5 years	2.802.313 €	0,3%
TOTAL	**1.005.229.034 €**	**100,0%**

Cover Pool Occupancy Type Distribution

Occupancy Type	Total Loan Balance	% of total loan balance
Owner-occupied	882.092.345 €	87,8%
Non-owner-occupied (buy-to-let) where BORROWER has < 3 properties	45.584.536 €	4,5%
Non-owner-occupied (buy-to-let) where BORROWER has > 2 properties	- €	0,0%
Vacation/ second home	77.552.153 €	7,7%
Partially owner-occupied	- €	0,0%
Other/No data		0,0%
TOTAL	**1.005.229.034 €**	**100,0%**

Cover Pool Property Type Distribution

Property Type	Total Loan Balance	% of total loan balance
House	763.006.058 €	75,9%
Flat in block with less than 4 units	- €	0,0%
Flat in block with 4 or more units	242.222.977 €	24,1%
PARTIAL COMMERCIAL USE	- €	0,0%
Other/No data		0,0%
TOTAL	**1.005.229.034 €**	**100,0%**

Cover Pool Loan Type Distribution

Loan Type	Total Loan Balance	% of total loan balance
Purchase	673.756.149 €	67,0%
RE-MORTGAGE	- €	0,0%
EQUITY RELEASE	92.568.718 €	9,2%
RENOVATION	216.333.959 €	21,5%
Construction (new)	- €	0,0%
Other/No data	22.570.209 €	2,2%
TOTAL	**1.005.229.034 €**	**100,0%**

Cover Pool Seasoning Distribution

Seasoning (months)	Total Loan Balance	% of total loan balance
< 12	98.633.811 €	9,8%
≥12-<24	75.340.984 €	7,5%
≥24-<36	74.297.452 €	7,4%
≥36-<60	56.764.597 €	5,6%
≥60	700.192.190 €	69,7%
TOTAL	**1.005.229.034 €**	**100,0%**

Cover Pool Loans - Arrears Analysis

Months	Total Loan Balance	% of total loan balance
Not in Arrears	928.955.490 €	92,4%
<2 (and not BPI or Fce)	72.908.696 €	7,3%
≥2-<6 (and not BPI or Fce)	3.364.848 €	0,3%
≥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	**1.005.229.034 €**	**100,0%**