BANK OF CYPRUS EUR 3BN COVERED BOND PROGRAMME

Report Date: 31/08/2017
Completion Date: 04/09/2017

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	923.838.109		
Complementary Assets (in the basic cover)	0		
Hedging Contracts (mark-to-market value)	0		
Covered Bonds (outstanding amount)	650.000.000		
Result	142,13%	100,00%	PASS
Net Present Value Test			
Eligible Loans (present value of inflows)	1.186.416.966		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	681.687.500		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	128.250		
Result	174,0%	105,0%	PASS
Stress scenarios:			
1. Interest rate shift by -200bps			
Eligible Loans (present value of inflows)	1.221.505.299		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	681.687.500		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	128.250		
Result	179,2%	105,0%	PASS
2. Interest rate shift by +200bps			
Eligible Loans (present value of inflows)	1.105.894.401		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	678.186.903		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	126.117		
Result	163,0%	105,0%	PASS

3. VaR Negative shift in interest rates			
Eligible Loans (present value of inflows)	1.237.861.363		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	682.430.548		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	128.250		
Result	181,4%	105,0%	PASS
4. VaR Positive shift in interest rates			
Eligible Loans (present value of inflows)	1.161.030.236		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	681.687.500		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	128.250		
Result	170,3%	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	1,5		
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	33.857.970		
Outflow in the next 180 days	4.850.444		
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:	998.891.836 €
Average LOAN BALANCE:	78.363 €
NO. OF LOANS:	12.747
WA SEASONING (in months):	83,6
WA REMAINING TERM (in months):	195,7
NO. OF BORROWERS:	13.803
NO. OF PROPERTIES:	10.175
WA LTV:	55,5%
Loans to employees of group:	4,5%
WA Interest Rate on Floating rate Loans:	3,1%
WA MARGIN ON FLOATING RATE LOANS:	2,4%
WA Interest Rate on Floating rate Loans originated over last quarter:	3,1%
Percentage of VARIABLE MORTGAGES (based on bank's rates):	32,2%
WA Interest Rate on Fixed rate Loans:	3,9%
Borrower concentration: %age of largest 10 borrowers :	1,88%
Loans in arrears > 90 days:	0,0%

Supervisory Over Collateralisation	
Supplementary Assets	33.857.970 €
Transaction Account Balance	22.199.659 €
Deducting for liquidity reserve	(4.850.444)
Net supplementary assets available for OC	51.207.185 €
Contractual Over Collateralisation	
Loan balances in excess of basic cover	348.891.836 €
Adjustment to Loan balances due to set-off	52.732.506 €
Adjustment to Loan balances due to LTV	22.321.221 €
Total Cover Pool OC (allowing for set-off and LTV)	273.838.109 €
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%	281.385.565 €	6.177
>40%-≤50%	134.825.294 €	1.691
>50%-≤60%	134.659.333 €	1.533
>60%-≤70%	149.825.839 €	1.505
>70%-≤80%	125.102.003 €	1.283
>80%-≤85%	54.172.741 €	494
>85%-≤90%	47.564.882 €	458
>90%-≤95%	45.291.757 €	408
>95%-≤100%	26.064.422 €	254
>100%-≤105%	- €	-
>105%	- €	-
TOTAL	**998.891.836 €**	**13.803**

Cover Pool Regional Distribution

Region	Total Loan Balance	% of total loan balance
Nicosia	436.060.394 €	43,7%
Limassol	313.075.706 €	31,3%
Larnaca	111.571.106 €	11,2%
Paphos	97.848.647 €	9,8%
Ammochostos	40.335.983 €	4,0%
No data		0,0%
		0,0%
		0,0%
		0,0%
		0,0%
		0,0%
TOTAL	**998.891.836 €**	**100,0%**

Cover Pool Rate Type Distribution

Rate Type	Total Loan Balance	% of total loan balance
Floating rate	978.362.728 €	97,9%
Fixed rate with reset <2 years	11.335.370 €	1,1%
Fixed rate with reset ≥2 but < 5 years	6.686.011 €	0,7%
Fixed rate with reset ≥5 years	2.507.728 €	0,3%
TOTAL	**998.891.836 €**	**100,0%**

Cover Pool Occupancy Type Distribution

Occupancy Type	Total Loan Balance	% of total loan balance
Owner-occupied	874.208.742 €	87,5%
Non-owner-occupied (buy-to-let) where BORROWER has < 3 properties	46.210.643 €	4,6%
Non-owner-occupied (buy-to-let) where BORROWER has > 2 properties	- €	0,0%
Vacation/ second home	78.472.451 €	7,9%
Partially owner-occupied	- €	0,0%
Other/No data		0,0%
TOTAL	**998.891.836 €**	**100,0%**

Cover Pool Property Type Distribution

Property Type	Total Loan Balance	% of total loan balance
House	758.288.395 €	75,9%
Flat in block with less than 4 units	- €	0,0%
Flat in block with 4 or more units	240.603.441 €	24,1%
PARTIAL COMMERCIAL USE	- €	0,0%
Other/No data		0,0%
TOTAL	**998.891.836 €**	**100,0%**

Cover Pool Loan Type Distribution

Loan Type	Total Loan Balance	% of total loan balance
Purchase	642.531.526 €	64,3%
RE-MORTGAGE	- €	0,0%
EQUITY RELEASE	86.269.295 €	8,6%
RENOVATION	246.861.207 €	24,7%
Construction (new)	- €	0,0%
Other/No data	23.229.809 €	2,3%
TOTAL	**998.891.836 €**	**100,0%**

Cover Pool Seasoning Distribution

Seasoning (months)	Total Loan Balance	% of total loan balance
< 12	70.370.451 €	7,0%
≥12-<24	76.417.230 €	7,7%
≥24-<36	33.883.507 €	3,4%
≥36-<60	40.433.133 €	4,0%
≥60	777.787.515 €	77,9%
TOTAL	**998.891.836 €**	**100,0%**

Cover Pool Loans - Arrears Analysis

Months	Total Loan Balance	% of total loan balance
Not in Arrears	902.136.740 €	90,3%
<2 (and not BPI or Fce)	93.553.587 €	9,4%
≥2-<6 (and not BPI or Fce)	3.201.509 €	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	**998.891.836 €**	**100,0%**