

## BANK OF CYPRUS EUR 3BN COVERED BOND PROGRAMME

**Report Date:** 28/02/2017  
**Completion Date:** 03/03/2017

### CYPRLOT COVER POOL MONTHLY INVESTOR REPORT

	Series 1	Series 2	Series 3	Series 4	Series 5
<b>Issue</b>	650.000.000 €				
<b>Coupon</b>	EURIBOR 003M + 3.25%				
<b>Coupon Payment Frequency</b>	Quarterly				
<b>Coupon Payment Dates</b>	12/3 - 12/6 - 12/9 - 12/12				
<b>Maturity Date</b>	12/12/2018				
<b>Extension Period</b>	12/12/2072				
<b>Rating Agencies</b>	Moody's/ Fitch				
<b>Issue Rating</b>	Baa3 / BB+				
<b>ISIN</b>	XS0718673311				
<b>Primary Cover Pool Assets</b>	Cypriot Residential Mortgage Loans				
<b>Trustee</b>	Bank of New York Mellon Corporate Trustee Services Ltd				
<b>Account Bank</b>	Bank of New York Mellon				
<b>Swap Counterparties</b>	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	923.687.252		
Complementary Assets (in the basic cover)	0		
Hedging Contracts (mark-to-market value)	0		
Covered Bonds (outstanding amount)	650.000.000		
<b>Result</b>	142,11%	100,00%	PASS
<b>Net Present Value Test</b>			
Eligible Loans (present value of inflows)	1.197.498.016		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	692.250.000		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	171.000		
<b>Result</b>	172,9%	105,0%	PASS
<b>Stress scenarios:</b>			
<b>1. Interest rate shift by -200bps</b>			
Eligible Loans (present value of inflows)	1.225.657.482		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	692.250.000		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	171.000		
<b>Result</b>	177,0%	105,0%	PASS
<b>2. Interest rate shift by +200bps</b>			
Eligible Loans (present value of inflows)	1.120.418.332		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	688.259.255		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	167.264		
<b>Result</b>	162,8%	105,0%	PASS

<b>3. VaR Negative shift in interest rates</b>			
Eligible Loans (present value of inflows)	1.248.569.358		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	692.788.005		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	171.000		
<b>Result</b>	180,2%	105,0%	PASS
<b>4. VaR Positive shift in interest rates</b>			
Eligible Loans (present value of inflows)	1.172.303.770		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	692.250.000		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	171.000		
<b>Result</b>	169,3%	105,0%	PASS
<b>Weighted Maturity Test</b>			
Weighted Average Life of Cover Pool assets in the basic and supervisory cover	9,10		
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	34.263.400		
Outflow in the next 180 days	4.817.439		
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
	5,3%	5,0%	PASS
<b>COMMITTED OVERCOLLATERALISATION TEST</b>			
Committed Overcollateralisation Requirement as per OC Notice	COVER POOL	REQUIREMENT	PASS / FAIL
	47,4%	47,0%	PASS

## COVER POOL INFORMATION

Cover Pool Summary	
Total LOAN BALANCE:	1.020.621.607 €
Average LOAN BALANCE:	77.868 €
NO. OF LOANS:	13.107
WA SEASONING (in months):	82,2
WA REMAINING TERM (in months):	193,9
NO. OF BORROWERS:	14.226
NO. OF PROPERTIES:	10.534
WA LTV:	55,2%
Loans to employees of group:	5,4%
WA Interest Rate on Floating rate Loans:	3,2%
WA MARGIN ON FLOATING RATE LOANS:	2,5%
WA Interest Rate on Floating rate Loans originated over last quarter:	3,3%
Percentage of VARIABLE MORTGAGES:	28,2%
WA Interest Rate on Fixed rate Loans:	4,3%
Borrower concentration: %age of largest 10 borrowers :	1,30%
Loans in arrears > 90 days:	0,0%

Supervisory Over Collateralisation	
Supplementary Assets	34.263.400 €
Transaction Account Balance	20.766.092 €
Deducting for liquidity reserve	(4.817.439)
Net supplementary assets available for OC	50.212.053 €

Contractual Over Collateralisation	
Loan balances in excess of basic cover	370.621.607 €
Adjustment to Loan balances due to set-off	74.034.183 €
Adjustment to Loan balances due to LTV	22.900.172 €
Total Cover Pool OC (allowing for set-off and LTV)	273.687.252 €
As a % of Outstanding Cover Bond Issuance	42,1%
Asset Percentage (Covered Bond Issuance as a % of Cover Assets)	70,4%

TOTAL COMMITTED OVER COLLATERALISATION	
In Basic Cover	42,1%
In Supplementary Assets	5,3%
<b>Total</b>	<b>47,4%</b>

### Cover Pool Indexed LTV Distribution

Indexed LTV ranges	Total Loan Balance	No. of Borrowers
0-≤40%	293.756.535 €	6.485
>40%-≤50%	137.966.093 €	1.754
>50%-≤60%	136.505.945 €	1.569
>60%-≤70%	144.551.133 €	1.447
>70%-≤80%	129.506.560 €	1.320
>80%-≤85%	52.154.063 €	484
>85%-≤90%	48.483.433 €	449
>90%-≤95%	46.199.566 €	433
>95%-≤100%	31.498.277 €	285
>100%-≤105%	- €	-
>105%	- €	-
<b>TOTAL</b>	<b>1.020.621.607 €</b>	<b>14.226</b>

## Cover Pool Regional Distribution

Region	Total Loan Balance	% of total loan balance
Nicosia	450.843.129 €	44,2%
Limassol	309.272.628 €	30,3%
Larnaca	117.094.639 €	11,5%
Paphos	102.961.281 €	10,1%
Amochostos	40.449.931 €	4,0%
No data		0,0%
		0,0%
		0,0%
		0,0%
		0,0%
		0,0%
<b>TOTAL</b>	<b>1.020.621.607 €</b>	<b>100,0%</b>

## Cover Pool Rate Type Distribution

Rate Type	Total Loan Balance	% of total loan balance
Floating rate	987.777.060 €	96,8%
Fixed rate with reset <2 years	22.499.704 €	2,2%
Fixed rate with reset ≥2 but < 5 years	7.357.507 €	0,7%
Fixed rate with reset ≥5 years	2.987.336 €	0,3%
<b>TOTAL</b>	<b>1.020.621.607 €</b>	<b>100,0%</b>

## Cover Pool Occupancy Type Distribution

Occupancy Type	Total Loan Balance	% of total loan balance
Owner-occupied	893.464.059 €	87,5%
Non-owner-occupied (buy-to-let) where BORROWER has < 3 properties	43.984.928 €	4,3%
Non-owner-occupied (buy-to-let) where BORROWER has > 2 properties	- €	0,0%
Vacation/ second home	83.115.057 €	8,1%
Partially owner-occupied	- €	0,0%
Other/No data	57.563 €	0,0%
<b>TOTAL</b>	<b>1.020.621.607 €</b>	<b>100,0%</b>

## Cover Pool Property Type Distribution

Property Type	Total Loan Balance	% of total loan balance
House	782.662.002 €	76,7%
Flat in block with less than 4 units	- €	0,0%
Flat in block with 4 or more units	237.959.605 €	23,3%
PARTIAL COMMERCIAL USE	- €	0,0%
Other/No data	- €	0,0%
<b>TOTAL</b>	<b>1.020.621.607 €</b>	<b>100,0%</b>

## Cover Pool Loan Type Distribution

Loan Type	Total Loan Balance	% of total loan balance
Purchase	651.054.504 €	63,8%
RE-MORTGAGE	- €	0,0%
EQUITY RELEASE	82.171.474 €	8,1%
RENOVATION	266.022.511 €	26,1%
Construction (new)	- €	0,0%
Other/No data	21.373.118 €	2,1%
<b>TOTAL</b>	<b>1.020.621.607 €</b>	<b>100,0%</b>

## Cover Pool Seasoning Distribution

Seasoning (months)	Total Loan Balance	% of total loan balance
< 12	66.365.933 €	6,5%
≥12-<24	54.994.612 €	5,4%
≥24-<36	26.940.748 €	2,6%
≥36-<60	55.502.213 €	5,4%
≥60	816.818.101 €	80,0%
<b>TOTAL</b>	<b>1.020.621.607 €</b>	<b>100,0%</b>

## Cover Pool Loans - Arrears Analysis

Months	Total Loan Balance	% of total loan balance
Not in Arrears	926.421.899 €	90,8%
<2 (and not BPI or Fce)	90.364.419 €	8,9%
≥2-<6 (and not BPI or Fce)	3.835.289 €	0,4%
≥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>1.020.621.607 €</b>	<b>100,0%</b>