BANK OF CYPRUS EUR 3BN COVERED BOND PROGRAMME

Report Date: 28/02/2018
Completion Date: 02/03/2018

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				

Bank of Cyprus

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	923.751.224		
Complementary Assets (in the basic cover)	0		
Hedging Contracts (mark-to-market value)	0		
Covered Bonds (outstanding amount)	650.000.000		
Result	142,12%	100,00%	PASS
Net Present Value Test			
Eligible Loans (present value of inflows)	1.160.589.260		
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	172,9%	105,0%	PASS
Stress scenarios:			
1. Interest rate shift by -200bps			
Eligible Loans (present value of inflows)	1.210.861.577		
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	180,4%	105,0%	PASS
2. Interest rate shift by +200bps			
Eligible Loans (present value of inflows)	1.079.640.586		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	667.975.671		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	84.569		
Result	161,6%	105,0%	PASS

3. VaR Negative shift in interest rates			
Eligible Loans (present value of inflows)	1.201.241.640		
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	179,0%	105,0%	PASS
4. VaR Positive shift in interest rates			
Eligible Loans (present value of inflows)	1.131.781.087		
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	168,6%	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	0,8		
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	33.720.725		
Outflow in the next 180 days	4.857.029		
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

Bank of Cyprus

COVER POOL INFORMATION

Cover Pool Summary	
Total LOAN BALANCE:	1.004.737.263 €
Average LOAN BALANCE:	77.875 €
NO. OF LOANS:	12.902
WA SEASONING (in months):	84,5
WA REMAINING TERM (in months):	195,3
NO. OF BORROWERS:	14.100
NO. OF PROPERTIES:	10.364
WA LTV:	54,7%
Loans to employees of group:	4,3%
WA Interest Rate on Floating rate Loans:	3,0%
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):	36,3%
WA Interest Rate on Fixed rate Loans:	3,1%
Borrower concentration: %age of largest 10 borrowers :	1,96%
Loans in arrears > 90 days:	0,0%

Supervisory Over Collateralisation	
Supplementary Assets	33.720.725 €
Transaction Account Balance	23.102.449 €
Deducting for liquidity reserve	(4.857.029)
Net supplementary assets available for OC	51.966.145 €
Contractual Over Collateralisation	
Loan balances in excess of basic cover	354.737.263 €
Adjustment to Loan balances due to set-off	61.291.257 €
Adjustment to Loan balances due to LTV	19.694.782 €
Total Cover Pool OC (allowing for set-off and LTV)	273.751.224 €
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%	284.589.158 €	6.340
>40%-≤50%	143.981.683 €	1.805
>50%-≤60%	139.237.103 €	1.581
>60%-≤70%	153.888.492 €	1.578
>70%-≤80%	125.433.339 €	1.306
>80%-≤85%	51.974.275 €	481
>85%-≤90%	45.322.713 €	431
>90%-≤95%	38.228.426 €	364
>95%-≤100%	22.082.072 €	214
>100%-≤105%	- €	-

>105%	- €	-
TOTAL	**1.004.737.263 €**	**14.100**

Cover Pool Regional Distribution

Region	Total Loan Balance	% of total loan balance
Nicosia	446.360.025 €	44,4%
Limassol	312.530.568 €	31,1%
Larnaca	109.259.460 €	10,9%
Paphos	95.874.944 €	9,5%
Ammochostos	40.712.265 €	4,1%
No data		0,0%
		0,0%
		0,0%
		0,0%
		0,0%
		0,0%
TOTAL	**1.004.737.263 €**	**100,0%**

Cover Pool Rate Type Distribution

Rate Type	Total Loan Balance	% of total loan balance
Floating rate	1.000.069.682 €	99,5%
Fixed rate with reset <2 years	815.907 €	0,1%
Fixed rate with reset ≥2 but < 5 years	335.070 €	0,0%
Fixed rate with reset ≥5 years	3.516.604 €	0,4%
TOTAL	**1.004.737.263 €**	**100,0%**

Cover Pool Occupancy Type Distribution

Occupancy Type	Total Loan Balance	% of total loan balance
Owner-occupied	877.622.216 €	87,3%
Non-owner-occupied (buy-to-let) where BORROWER has < 3 properties	50.444.306 €	5,0%
Non-owner-occupied (buy-to-let) where BORROWER has > 2 properties	- €	0,0%
Vacation/ second home	76.670.741 €	7,6%
Partially owner-occupied	- €	0,0%
Other/No data		0,0%
TOTAL	**1.004.737.263 €**	**100,0%**

Cover Pool Property Type Distribution

Property Type	Total Loan Balance	% of total loan balance
House	757.557.295 €	75,4%
Flat in block with less than 4 units	- €	0,0%
Flat in block with 4 or more units	247.179.968 €	24,6%
PARTIAL COMMERCIAL USE	- €	0,0%
Other/No data		0,0%
TOTAL	**1.004.737.263 €**	**100,0%**

Cover Pool Loan Type Distribution

Loan Type	Total Loan Balance	% of total loan balance
Purchase	657.942.677 €	65,5%
RE-MORTGAGE	- €	0,0%
EQUITY RELEASE	89.417.694 €	8,9%
RENOVATION	234.193.794 €	23,3%
Construction (new)	- €	0,0%
Other/No data	23.183.098 €	2,3%
TOTAL	**1.004.737.263 €**	**100,0%**

Cover Pool Seasoning Distribution

Seasoning (months)	Total Loan Balance	% of total loan balance
< 12	80.681.751 €	8,0%
≥12-<24	86.476.617 €	8,6%
≥24-<36	49.706.070 €	4,9%
≥36-<60	43.997.908 €	4,4%
≥60	743.874.917 €	74,0%
TOTAL	**1.004.737.263 €**	**100,0%**

Cover Pool Loans - Arrears Analysis

Months	Total Loan Balance	% of total loan balance
Not in Arrears	944.999.806 €	94,1%
<2 (and not BPI or Fce)	57.481.879 €	5,7%
≥2-<6 (and not BPI or Fce)	2.255.578 €	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	**1.004.737.263 €**	**100,0%**