

## BANK OF CYPRUS EUR 3BN COVERED BOND PROGRAMME

**Report Date:** 31/01/2017  
**Completion Date:** 06/02/2017

### CYPRIOI 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	923.761.304		
Complementary Assets (in the basic cover)	0		
Hedging Contracts (mark-to-market value)	0		
Covered Bonds (outstanding amount)	650.000.000		
<b>Result</b>	142,12%	100,00%	PASS
<b>Net Present Value Test</b>			
Eligible Loans (present value of inflows)	1.192.996.310		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	692.260.368		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	171.000		
<b>Result</b>	172,3%	105,0%	PASS
<b>Stress scenarios:</b>			
<b>1. Interest rate shift by -200bps</b>			
Eligible Loans (present value of inflows)	1.227.233.605		
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>	177,2%	105,0%	PASS
<b>2. Interest rate shift by +200bps</b>			
Eligible Loans (present value of inflows)	1.116.967.665		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	688.248.342		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	167.260		
<b>Result</b>	162,3%	105,0%	PASS

<b>3. VaR Negative shift in interest rates</b>			
Eligible Loans (present value of inflows)	1.258.132.372		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	692.901.674		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	171.000		
<b>Result</b>	181,5%	105,0%	PASS
<b>4. VaR Positive shift in interest rates</b>			
Eligible Loans (present value of inflows)	1.163.771.334		
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>	168,1%	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	34.309.292		
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. N/A principal)	N/A
2a) First Test	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. N/A principal)	N/A
2a) First Test	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 5,3%	REQUIREMENT 5,0%	PASS / FAIL PASS
<b>COMMITTED OVERCOLLATERALISATION TEST</b>			
Committed Overcollateralisation Requirement as per OC Notice	COVER POOL 47,4%	REQUIREMENT 47,0%	PASS / FAIL PASS

## COVER POOL INFORMATION

Cover Pool Summary	
Total LOAN BALANCE:	1.020.117.004 €
Average LOAN BALANCE:	78.056 €
NO. OF LOANS:	13.069
WA SEASONING (in months):	81,5
WA REMAINING TERM (in months):	193,9
NO. OF BORROWERS:	14.210
NO. OF PROPERTIES:	10.516
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:	3,4%
Percentage of VARIABLE MORTGAGES:	28,0%
WA Interest Rate on Fixed rate Loans:	4,3%
Borrower concentration: %age of largest 10 borrowers :	1,31%
Loans in arrears > 90 days:	0,0%

Supervisory Over Collateralisation	
Supplementary Assets	34.309.292 €
Transaction Account Balance	22.011.074 €
Deducting for liquidity reserve	(4.817.439)
Net supplementary assets available for OC	51.502.927 €

Contractual Over Collateralisation	
Loan balances in excess of basic cover	370.117.004 €
Adjustment to Loan balances due to set-off	73.260.183 €
Adjustment to Loan balances due to LTV	23.095.517 €
Total Cover Pool OC (allowing for set-off and LTV)	273.761.304 €
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%	292.766.426 €	6.463
>40%-≤50%	138.981.371 €	1.760
>50%-≤60%	136.494.451 €	1.577
>60%-≤70%	141.347.791 €	1.418
>70%-≤80%	130.868.938 €	1.320
>80%-≤85%	53.623.079 €	512
>85%-≤90%	47.072.739 €	442
>90%-≤95%	46.953.530 €	424
>95%-≤100%	32.008.679 €	294
>100%-≤105%	- €	-
>105%	- €	-
<b>TOTAL</b>	<b>1.020.117.004 €</b>	<b>14.210</b>

**Cover Pool Regional Distribution**

Region	Total Loan Balance	% of total loan balance
Nicosia	448.912.746 €	44,0%
Limassol	310.625.747 €	30,5%
Larnaca	117.887.785 €	11,6%
Paphos	101.575.040 €	10,0%
Ammochostos	41.115.685 €	4,0%
No data		0,0%
		0,0%
		0,0%
		0,0%
		0,0%
		0,0%
<b>TOTAL</b>	<b>1.020.117.004 €</b>	<b>100,0%</b>

**Cover Pool Rate Type Distribution**

Rate Type	Total Loan Balance	% of total loan balance
Floating rate	985.671.427 €	96,6%
Fixed rate with reset <2 years	24.077.710 €	2,4%
Fixed rate with reset ≥2 but < 5 years	7.304.159 €	0,7%
Fixed rate with reset ≥5 years	3.063.708 €	0,3%
<b>TOTAL</b>	<b>1.020.117.004 €</b>	<b>100,0%</b>

**Cover Pool Occupancy Type Distribution**

Occupancy Type	Total Loan Balance	% of total loan balance
Owner-occupied	893.223.166 €	87,6%
Non-owner-occupied (buy-to-let) where BORROWER has < 3 properties	43.057.499 €	4,2%
Non-owner-occupied (buy-to-let) where BORROWER has > 2 properties	- €	0,0%
Vacation/ second home	83.778.082 €	8,2%
Partially owner-occupied	- €	0,0%
Other/No data	58.257 €	0,0%
<b>TOTAL</b>	<b>1.020.117.004 €</b>	<b>100,0%</b>

#### Cover Pool Property Type Distribution

Property Type	Total Loan Balance	% of total loan balance
House	783.307.079 €	76,8%
Flat in block with less than 4 units	- €	0,0%
Flat in block with 4 or more units	236.809.925 €	23,2%
PARTIAL COMMERCIAL USE	- €	0,0%
Other/No data	- €	0,0%
<b>TOTAL</b>	<b>1.020.117.004 €</b>	<b>100,0%</b>

#### Cover Pool Loan Type Distribution

Loan Type	Total Loan Balance	% of total loan balance
Purchase	648.952.260 €	63,6%
RE-MORTGAGE	- €	0,0%
EQUITY RELEASE	83.681.152 €	8,2%
RENOVATION	266.241.715 €	26,1%
Construction (new)	- €	0,0%
Other/No data	21.241.877 €	2,1%
<b>TOTAL</b>	<b>1.020.117.004 €</b>	<b>100,0%</b>

#### Cover Pool Seasoning Distribution

Seasoning (months)	Total Loan Balance	% of total loan balance
< 12	67.012.581 €	6,6%
≥12-<24	53.148.814 €	5,2%
≥24-<36	26.622.739 €	2,6%
≥36-<60	56.975.341 €	5,6%
≥60	816.357.528 €	80,0%
<b>TOTAL</b>	<b>1.020.117.004 €</b>	<b>100,0%</b>

#### Cover Pool Loans - Arrears Analysis

Months	Total Loan Balance	% of total loan balance
Not in Arrears	910.876.151 €	89,3%
<2 (and not BPI or Fce)	106.963.910 €	10,5%
≥2-<6 (and not BPI or Fce)	2.276.944 €	0,2%
≥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>1.020.117.004 €</b>	<b>100,0%</b>