BANK OF CYPRUS EUR 3BN COVERED BOND PROGRAMME

Report Date: 31/01/2018
Completion Date: 05/02/2018

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				

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	923.673.266		
Complementary Assets (in the basic cover)	0		
Hedging Contracts (mark-to-market value)	0		
Covered Bonds (outstanding amount)	650.000.000		
Result	142,10%	100,00%	PASS
Net Present Value Test			
Eligible Loans (present value of inflows)	1.161.842.571		
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	173,1%	105,0%	PASS
Stress scenarios:			
1. Interest rate shift by -200bps			
Eligible Loans (present value of inflows)	1.210.970.186		
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)	1.080.970.357		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	667.977.741		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	84.573		
Result	161,8%	105,0%	PASS

3. VaR Negative shift in interest rates			
Eligible Loans (present value of inflows)	1.203.919.671		
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	179,4%	105,0%	PASS
4. VaR Positive shift in interest rates			
Eligible Loans (present value of inflows)	1.132.803.033		
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	168,8%	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		
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	33.743.204		
Outflow in the next 180 days	4.858.450		
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:	1.005.408.631 €
Average LOAN BALANCE:	78.029 €
NO. OF LOANS:	12.885
WA SEASONING (in months):	84,1
WA REMAINING TERM (in months):	195,5
NO. OF BORROWERS:	14.099
NO. OF PROPERTIES:	10.354
WA LTV:	55,0%
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:	2,6%
Percentage of VARIABLE MORTGAGES (based on bank's rates):	36,0%
WA Interest Rate on Fixed rate Loans:	3,1%
Borrower concentration: %age of largest 10 borrowers :	1,80%
Loans in arrears > 90 days:	0,0%

Supervisory Over Collateralisation	
Supplementary Assets	33.743.204 €
Transaction Account Balance	20.635.799 €
Deducting for liquidity reserve	(4.858.450)
Net supplementary assets available for OC	49.520.553 €
Contractual Over Collateralisation	
Loan balances in excess of basic cover	355.408.631 €
Adjustment to Loan balances due to set-off	61.388.257 €
Adjustment to Loan balances due to LTV	20.347.108 €
Total Cover Pool OC (allowing for set-off and LTV)	273.673.266 €
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%	282.602.478 €	6.313
>40%-≤50%	140.837.596 €	1.775
>50%-≤60%	138.042.126 €	1.574
>60%-≤70%	156.508.620 €	1.592
>70%-≤80%	123.929.012 €	1.298
>80%-≤85%	55.886.791 €	512
>85%-≤90%	43.633.052 €	428
>90%-≤95%	40.864.637 €	377
>95%-≤100%	23.104.320 €	230
>100%-≤105%	- €	-

>105%	- €	-
TOTAL	**1.005.408.631 €**	**14.099**

Cover Pool Regional Distribution

Region	Total Loan Balance	% of total loan balance
Nicosia	445.572.299 €	44,3%
Limassol	313.565.613 €	31,2%
Larnaca	109.447.571 €	10,9%
Paphos	96.361.865 €	9,6%
Ammochostos	40.461.283 €	4,0%
No data		0,0%
		0,0%
		0,0%
		0,0%
		0,0%
		0,0%
TOTAL	**1.005.408.631 €**	**100,0%**

Cover Pool Rate Type Distribution

Rate Type	Total Loan Balance	% of total loan balance
Floating rate	1.000.757.526 €	99,5%
Fixed rate with reset <2 years	868.388 €	0,1%
Fixed rate with reset ≥2 but < 5 years	336.315 €	0,0%
Fixed rate with reset ≥5 years	3.446.402 €	0,3%
TOTAL	**1.005.408.631 €**	**100,0%**

Cover Pool Occupancy Type Distribution

Occupancy Type	Total Loan Balance	% of total loan balance
Owner-occupied	881.261.437 €	87,7%
Non-owner-occupied (buy-to-let) where BORROWER has < 3 properties	47.565.498 €	4,7%
Non-owner-occupied (buy-to-let) where BORROWER has > 2 properties	- €	0,0%
Vacation/ second home	76.581.696 €	7,6%
Partially owner-occupied	- €	0,0%
Other/No data		0,0%
TOTAL	**1.005.408.631 €**	**100,0%**

Cover Pool Property Type Distribution

Property Type	Total Loan Balance	% of total loan balance
House	760.902.468 €	75,7%
Flat in block with less than 4 units	- €	0,0%
Flat in block with 4 or more units	244.506.162 €	24,3%
PARTIAL COMMERCIAL USE	- €	0,0%
Other/No data		0,0%
TOTAL	**1.005.408.631 €**	**100,0%**

Cover Pool Loan Type Distribution

Loan Type	Total Loan Balance	% of total loan balance
Purchase	655.592.247 €	65,2%
RE-MORTGAGE	- €	0,0%
EQUITY RELEASE	89.564.122 €	8,9%
RENOVATION	235.871.341 €	23,5%
Construction (new)	- €	0,0%
Other/No data	24.380.921 €	2,4%
TOTAL	**1.005.408.631 €**	**100,0%**

Cover Pool Seasoning Distribution

Seasoning (months)	Total Loan Balance	% of total loan balance
< 12	80.363.433 €	8,0%
≥12-<24	86.411.566 €	8,6%
≥24-<36	46.773.014 €	4,7%
≥36-<60	44.013.380 €	4,4%
≥60	747.847.239 €	74,4%
TOTAL	**1.005.408.631 €**	**100,0%**

Cover Pool Loans - Arrears Analysis

Months	Total Loan Balance	% of total loan balance
Not in Arrears	908.822.542 €	90,4%
<2 (and not BPI or Fce)	92.342.218 €	9,2%
≥2-<6 (and not BPI or Fce)	4.243.871 €	0,4%
≥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	**1.005.408.631 €**	**100,0%**