

**BANK OF CYPRUS EUR 3BN COVERED BOND PROGRAMME**

**Report Date:** 31/07/2018  
**Completion Date:** 06/08/2018

**CYPRIOI COVER POOL MONTHLY INVESTOR REPORT**

	Series 1	Series 2	Series 3	Series 4	Series 5
Issue	650.000.000 €				
Coupon	EURIBOR 003M + 2.50%				
Coupon Payment Frequency	Quarterly				
Coupon Payment Dates	12/3 - 12/6 - 12/9 - 12/12				
Maturity Date	12/12/2021				
Extension Period	12/12/2075				
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
<b>Nominal Value Test</b>			
Eligible Loans (adjusted for set off and LTV) plus interest accrued on the loans	924.378.106		
Complementary Assets (in the basic cover)	0		
Hedging Contracts (mark-to-market value)	0		
Covered Bonds (outstanding amount)	650.000.000		
<b>Result</b>	<b>142,21%</b>	<b>100,00%</b>	<b>PASS</b>
<b>Net Present Value Test</b>			
Eligible Loans (present value of inflows)	1.118.820.643		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	709.403.883		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	299.217		
<b>Result</b>	<b>157,6%</b>	<b>105,0%</b>	<b>PASS</b>
<b>Stress scenarios:</b>			
<b>1. Interest rate shift by -200bps</b>			
Eligible Loans (present value of inflows)	1.123.685.905		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	706.875.000		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	299.250		
<b>Result</b>	<b>158,9%</b>	<b>105,0%</b>	<b>PASS</b>
<b>2. Interest rate shift by +200bps</b>			
Eligible Loans (present value of inflows)	1.094.776.179		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	701.209.391		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	287.861		
<b>Result</b>	<b>156,1%</b>	<b>105,0%</b>	<b>PASS</b>

<b>3. VaR Negative shift in interest rates</b>			
Eligible Loans (present value of inflows)	1.131.084.537		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	708.156.264		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	299.250		
<b>Result</b>	159,7%	105,0%	PASS
<b>4. VaR Positive shift in interest rates</b>			
Eligible Loans (present value of inflows)	1.117.230.945		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	711.565.579		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	298.886		
<b>Result</b>	156,9%	105,0%	PASS
<b>Weighted Maturity Test</b>			
Weighted Average Life of Cover Pool assets in the basic and supervisory cover	8,90		
Weighted average life of covered bonds	3,2		
<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	33.528.891		
Outflow in the next 180 days	3.619.561		
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
<b>SUPERVISORY OVER-COLLATERALISATION</b>			
Complementary Assets	COVER POOL 5,2%	REQUIREMENT 5,0%	PASS / FAIL PASS

COMMITTED OVERCOLLATERALISATION TEST	COVER POOL	REQUIREMENT	PASS / FAIL
Committed Overcollateralisation Requirement as per OC Notice	47,4%	47,0%	PASS

**COVER POOL INFORMATION**

<b>Cover Pool Summary</b>	
Total LOAN BALANCE:	1.004.491.706 €
Average LOAN BALANCE:	77.298 €
NO. OF LOANS:	12.995
WA SEASONING (in months):	84,6
WA REMAINING TERM (in months):	195,1
NO. OF BORROWERS:	14.228
NO. OF PROPERTIES:	10.345
WA LTV:	54,2%
Loans to employees of group:	4,2%
WA Interest Rate on Floating rate Loans:	2,9%
WA MARGIN ON FLOATING RATE LOANS:	2,2%
WA Interest Rate on Floating rate Loans originated over last quarter:	2,4%
Percentage of VARIABLE MORTGAGES (based on bank's rates):	38,8%
WA Interest Rate on Fixed rate Loans:	3,0%
Borrower concentration: %age of largest 10 borrowers :	2,57%
Loans in arrears > 90 days:	0,0%

<b>Supervisory Over Collateralisation</b>	
Supplementary Assets	33.528.891 €
Transaction Account Balance	20.815.574 €
Deducting for liquidity reserve	(3.619.561)
Net supplementary assets available for OC	50.724.904 €
<b>Contractual Over Collateralisation</b>	
Loan balances in excess of basic cover	354.491.706 €
Adjustment to Loan balances due to set-off	62.183.200 €
Adjustment to Loan balances due to LTV	17.930.400 €
Total Cover Pool OC (allowing for set-off and LTV)	274.378.106 €
As a % of Outstanding Cover Bond Issuance	42,2%
Asset Percentage (Covered Bond Issuance as a % of Cover Assets)	70,3%
<b>TOTAL COMMITTED OVER COLLATERALISATION</b>	
In Basic Cover	42,2%
In Supplementary Assets	5,2%
<b>Total</b>	<b>47,4%</b>

**Cover Pool Indexed LTV Distribution**

Indexed LTV ranges	Total Loan Balance	No. of Borrowers
0-≤40%	286.638.490 €	6.451
>40%-≤50%	146.811.050 €	1.799
>50%-≤60%	146.216.335 €	1.664
>60%-≤70%	152.631.289 €	1.608
>70%-≤80%	132.348.096 €	1.361
>80%-≤85%	44.020.690 €	427
>85%-≤90%	43.106.283 €	415
>90%-≤95%	33.635.616 €	321
>95%-≤100%	19.083.858 €	182
>100%-≤105%	- €	-

>105%	- €	-
<b>TOTAL</b>	<b>1.004.491.706 €</b>	<b>14.228</b>

## Cover Pool Regional Distribution

Region	Total Loan Balance	% of total loan balance
Nicosia	436.420.724 €	43,4%
Limassol	319.201.065 €	31,8%
Larnaca	109.716.299 €	10,9%
Paphos	98.393.244 €	9,8%
Ammochostos	40.760.374 €	4,1%
No data		0,0%
		0,0%
		0,0%
		0,0%
		0,0%
<b>TOTAL</b>	<b>1.004.491.706 €</b>	<b>100,0%</b>

## Cover Pool Rate Type Distribution

Rate Type	Total Loan Balance	% of total loan balance
Floating rate	992.996.111 €	98,9%
Fixed rate with reset <2 years	6.298.631 €	0,6%
Fixed rate with reset ≥2 but < 5 years	2.577.394 €	0,3%
Fixed rate with reset ≥5 years	2.619.569 €	0,3%
<b>TOTAL</b>	<b>1.004.491.706 €</b>	<b>100,0%</b>

## Cover Pool Occupancy Type Distribution

Occupancy Type	Total Loan Balance	% of total loan balance
Owner-occupied	881.445.570 €	87,8%
Non-owner-occupied (buy-to-let) where BORROWER has < 3 properties	45.778.693 €	4,6%
Non-owner-occupied (buy-to-let) where BORROWER has > 2 properties	- €	0,0%
Vacation/ second home	77.267.443 €	7,7%
Partially owner-occupied	- €	0,0%
Other/No data		0,0%
<b>TOTAL</b>	<b>1.004.491.706 €</b>	<b>100,0%</b>

## Cover Pool Property Type Distribution

Property Type	Total Loan Balance	% of total loan balance
House	761.785.398 €	75,8%
Flat in block with less than 4 units	- €	0,0%
Flat in block with 4 or more units	242.706.308 €	24,2%
PARTIAL COMMERCIAL USE	- €	0,0%
Other/No data	- €	0,0%
<b>TOTAL</b>	<b>1.004.491.706 €</b>	<b>100,0%</b>

## Cover Pool Loan Type Distribution

Loan Type	Total Loan Balance	% of total loan balance
Purchase	671.438.364 €	66,8%
RE-MORTGAGE	- €	0,0%
EQUITY RELEASE	91.556.442 €	9,1%
RENOVATION	218.489.093 €	21,8%
Construction (new)	- €	0,0%
Other/No data	23.007.808 €	2,3%
<b>TOTAL</b>	<b>1.004.491.706 €</b>	<b>100,0%</b>

## Cover Pool Seasoning Distribution

Seasoning (months)	Total Loan Balance	% of total loan balance
< 12	96.623.082 €	9,6%
≥12-<24	76.019.309 €	7,6%
≥24-<36	70.401.693 €	7,0%
≥36-<60	55.988.620 €	5,6%
≥60	705.459.002 €	70,2%
<b>TOTAL</b>	<b>1.004.491.706 €</b>	<b>100,0%</b>

## Cover Pool Loans - Arrears Analysis

Months	Total Loan Balance	% of total loan balance
Not in Arrears	927.636.586 €	92,3%
<2 (and not BPI or Fce)	73.619.884 €	7,3%
≥2-<6 (and not BPI or Fce)	3.235.236 €	0,3%
≥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>1.004.491.706 €</b>	<b>100,0%</b>