BANK OF CYPRUS EUR 3BN COVERED BOND PROGRAMME

Report Date: 31/07/2017
Completion Date: 03/08/2017

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	923.794.162		
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)	1.180.645.998		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	681.687.500		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	128.250		
Result	173,2%	105,0%	PASS
Stress scenarios:			
1. Interest rate shift by -200bps			
Eligible Loans (present value of inflows)	1.225.923.520		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	681.687.500		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	128.250		
Result	179,8%	105,0%	PASS
2. Interest rate shift by +200bps			
Eligible Loans (present value of inflows)	1.102.065.398		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	678.141.918		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	126.085		
Result	162,5%	105,0%	PASS

3. VaR Negative shift in interest rates			
Eligible Loans (present value of inflows)	1.250.058.218		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	682.327.831		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	128.250		
Result	183,2%	105,0%	PASS
4. VaR Positive shift in interest rates			
Eligible Loans (present value of inflows)	1.154.144.474		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	681.687.500		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	128.250		
Result	169,3%	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	1,5		
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	33.879.401		
Outflow in the next 180 days	4.850.444		
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

COVER POOL INFORMATION

Cover Pool Summary	
Total LOAN BALANCE:	999.628.703 €
Average LOAN BALANCE:	78.396 €
NO. OF LOANS:	12.751
WA SEASONING (in months):	83,0
WA REMAINING TERM (in months):	196,0
NO. OF BORROWERS:	13.810
NO. OF PROPERTIES:	10.193
WA LTV:	55,6%
Loans to employees of group:	4,5%
WA Interest Rate on Floating rate Loans:	3,1%
WA MARGIN ON FLOATING RATE LOANS:	2,4%
WA Interest Rate on Floating rate Loans originated over last quarter:	3,1%
Percentage of VARIABLE MORTGAGES:	31,9%
WA Interest Rate on Fixed rate Loans:	4,0%
Borrower concentration: %age of largest 10 borrowers :	1,88%
Loans in arrears > 90 days:	0,0%

Supervisory Over Collateralisation	
Supplementary Assets	33.879.401 €
Transaction Account Balance	24.696.744 €
Deducting for liquidity reserve	(4.850.444)
Net supplementary assets available for OC	53.725.700 €
Contractual Over Collateralisation	
Loan balances in excess of basic cover	349.628.703 €
Adjustment to Loan balances due to set-off	52.913.622 €
Adjustment to Loan balances due to LTV	22.920.919 €
Total Cover Pool OC (allowing for set-off and LTV)	273.794.162 €
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%	280.942.937 €	6.160
>40%-≤50%	132.661.949 €	1.687
>50%-≤60%	135.359.697 €	1.539
>60%-≤70%	147.728.937 €	1.489
>70%-≤80%	126.946.462 €	1.292
>80%-≤85%	53.149.471 €	474
>85%-≤90%	50.988.274 €	494
>90%-≤95%	42.393.577 €	389
>95%-≤100%	29.457.398 €	286
>100%-≤105%	- €	-
>105%	- €	-
TOTAL	**999.628.703 €**	**13.810**

Cover Pool Regional Distribution

Region	Total Loan Balance	% of total loan balance
Nicosia	435.051.392 €	43,5%
Limassol	312.538.807 €	31,3%
Larnaca	112.972.997 €	11,3%
Paphos	99.005.722 €	9,9%
Ammochostos	40.059.784 €	4,0%
No data		0,0%
		0,0%
		0,0%
		0,0%
		0,0%
		0,0%
TOTAL	**999.628.703 €**	**100,0%**

Cover Pool Rate Type Distribution

Rate Type	Total Loan Balance	% of total loan balance
Floating rate	977.491.142 €	97,8%
Fixed rate with reset <2 years	12.630.116 €	1,3%
Fixed rate with reset ≥2 but < 5 years	6.985.977 €	0,7%
Fixed rate with reset ≥5 years	2.521.468 €	0,3%
TOTAL	**999.628.703 €**	**100,0%**

Cover Pool Occupancy Type Distribution

Occupancy Type	Total Loan Balance	% of total loan balance
Owner-occupied	874.953.475 €	87,5%
Non-owner-occupied (buy-to-let) where BORROWER has < 3 properties	46.903.096 €	4,7%
Non-owner-occupied (buy-to-let) where BORROWER has > 2 properties	- €	0,0%
Vacation/ second home	77.772.131 €	7,8%
Partially owner-occupied	- €	0,0%
Other/No data		0,0%
TOTAL	**999.628.703 €**	**100,0%**

Cover Pool Property Type Distribution

Property Type	Total Loan Balance	% of total loan balance
House	757.441.013 €	75,8%
Flat in block with less than 4 units	- €	0,0%
Flat in block with 4 or more units	242.187.690 €	24,2%
PARTIAL COMMERCIAL USE	- €	0,0%
Other/No data		0,0%
TOTAL	**999.628.703 €**	**100,0%**

Cover Pool Loan Type Distribution

Loan Type	Total Loan Balance	% of total loan balance
Purchase	641.104.355 €	64,1%
RE-MORTGAGE	- €	0,0%
EQUITY RELEASE	86.321.441 €	8,6%
RENOVATION	248.633.467 €	24,9%
Construction (new)	- €	0,0%
Other/No data	23.569.440 €	2,4%
TOTAL	**999.628.703 €**	**100,0%**

Cover Pool Seasoning Distribution

Seasoning (months)	Total Loan Balance	% of total loan balance
< 12	72.185.844 €	7,2%
≥12-<24	72.917.731 €	7,3%
≥24-<36	32.601.526 €	3,3%
≥36-<60	41.500.852 €	4,2%
≥60	780.422.750 €	78,1%
TOTAL	**999.628.703 €**	**100,0%**

Cover Pool Loans - Arrears Analysis

Months	Total Loan Balance	% of total loan balance
Not in Arrears	903.424.900 €	90,4%
<2 (and not BPI or Fce)	93.059.773 €	9,3%
≥2-<6 (and not BPI or Fce)	3.144.030 €	0,3%
≥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	**999.628.703 €**	**100,0%**