BANK OF CYPRUS EUR 3BN COVERED BOND PROGRAMME

Report Date: 30/06/2018
Completion Date: 04/07/2018

CYPRIOT 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
Nominal Value Test			
Eligible Loans (adjusted for set off and LTV) plus interest accrued on the loans	923.921.199		
Complementary Assets (in the basic cover)	0		
Hedging Contracts (mark-to-market value)	0		
Covered Bonds (outstanding amount)	650.000.000		
Result	142,14%	100,00%	PASS
Net Present Value Test			
Eligible Loans (present value of inflows)	1.121.278.727		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	709.478.185		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	299.250		
Result	158,0%	105,0%	PASS
Stress scenarios:			
1. Interest rate shift by -200bps			
Eligible Loans (present value of inflows)	1.123.886.414		
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		
Result	158,9%	105,0%	PASS
2. Interest rate shift by +200bps			
Eligible Loans (present value of inflows)	1.096.675.189		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	701.331.282		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	288.042		
Result	156,3%	105,0%	PASS

3. VaR Negative shift in interest rates			
Eligible Loans (present value of inflows)	1.129.672.008		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	708.333.178		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	299.250		
Result	159,4%	105,0%	PASS
4. VaR Positive shift in interest rates			
Eligible Loans (present value of inflows)	1.120.195.132		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	712.105.239		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	299.149		
Result	157,2%	105,0%	PASS
Weighted Maturity Test			
Weighted Average Life of Cover Pool assets in the basic and supervisory cover	8,90		
Weighted average life of covered bonds	3,3		
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	33.596.377		
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

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:	1.001.388.429 €
Average LOAN BALANCE:	77.268 €
NO. OF LOANS:	12.960
WA SEASONING (in months):	84,3
WA REMAINING TERM (in months):	195,5
NO. OF BORROWERS:	14.175
NO. OF PROPERTIES:	10.325
WA LTV:	54,3%
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:	2,5%
Percentage of VARIABLE MORTGAGES (based on bank's rates):	38,2%
WA Interest Rate on Fixed rate Loans:	3,1%
Borrower concentration: %age of largest 10 borrowers :	2,27%
Loans in arrears > 90 days:	0,0%

Supervisory Over Collateralisation	
Supplementary Assets	33.596.377 €
Transaction Account Balance	17.313.066 €
Deducting for liquidity reserve	(3.619.561)
Net supplementary assets available for OC	47.289.881 €
Contractual Over Collateralisation	
Loan balances in excess of basic cover	351.388.429 €
Adjustment to Loan balances due to set-off	59.544.534 €
Adjustment to Loan balances due to LTV	17.922.696 €
Total Cover Pool OC (allowing for set-off and LTV)	273.921.199 €
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%	284.284.186 €	6.389
>40%-≤50%	148.400.658 €	1.816
>50%-≤60%	142.637.974 €	1.658
>60%-≤70%	151.604.181 €	1.601
>70%-≤80%	132.054.844 €	1.349
>80%-≤85%	45.216.009 €	429
>85%-≤90%	44.008.346 €	421
>90%-≤95%	33.555.947 €	327
>95%-≤100%	19.626.285 €	185
>100%-≤105%	- €	-

>105%	- €	-
TOTAL	**1.001.388.429 €**	**14.175**

Cover Pool Regional Distribution

Region	Total Loan Balance	% of total loan balance
Nicosia	434.779.873 €	43,4%
Limassol	317.199.768 €	31,7%
Larnaca	110.019.275 €	11,0%
Paphos	98.082.172 €	9,8%
Ammochostos	41.307.342 €	4,1%
No data		0,0%
		0,0%
		0,0%
		0,0%
		0,0%
		0,0%
TOTAL	**1.001.388.429 €**	**100,0%**

Cover Pool Rate Type Distribution

Rate Type	Total Loan Balance	% of total loan balance
Floating rate	989.715.834 €	98,8%
Fixed rate with reset <2 years	6.343.792 €	0,6%
Fixed rate with reset ≥2 but < 5 years	2.695.752 €	0,3%
Fixed rate with reset ≥5 years	2.633.051 €	0,3%
TOTAL	**1.001.388.429 €**	**100,0%**

Cover Pool Occupancy Type Distribution

Occupancy Type	Total Loan Balance	% of total loan balance
Owner-occupied	878.531.649 €	87,7%
Non-owner-occupied (buy-to-let) where BORROWER has < 3 properties	44.745.919 €	4,5%
Non-owner-occupied (buy-to-let) where BORROWER has > 2 properties	- €	0,0%
Vacation/ second home	78.110.861 €	7,8%
Partially owner-occupied	- €	0,0%
Other/No data		0,0%
TOTAL	**1.001.388.429 €**	**100,0%**

Cover Pool Property Type Distribution

Property Type	Total Loan Balance	% of total loan balance
House	760.689.778 €	76,0%
Flat in block with less than 4 units	- €	0,0%
Flat in block with 4 or more units	240.698.651 €	24,0%
PARTIAL COMMERCIAL USE	- €	0,0%
Other/No data		0,0%
TOTAL	**1.001.388.429 €**	**100,0%**

Cover Pool Loan Type Distribution

Loan Type	Total Loan Balance	% of total loan balance
Purchase	666.261.440 €	66,5%
RE-MORTGAGE	- €	0,0%
EQUITY RELEASE	92.084.916 €	9,2%
RENOVATION	220.168.051 €	22,0%
Construction (new)	- €	0,0%
Other/No data	22.874.022 €	2,3%
TOTAL	**1.001.388.429 €**	**100,0%**

Cover Pool Seasoning Distribution

Seasoning (months)	Total Loan Balance	% of total loan balance
< 12	95.571.123 €	9,5%
≥12-<24	77.749.815 €	7,8%
≥24-<36	66.327.505 €	6,6%
≥36-<60	51.969.301 €	5,2%
≥60	709.770.685 €	70,9%
TOTAL	**1.001.388.429 €**	**100,0%**

Cover Pool Loans - Arrears Analysis

Months	Total Loan Balance	% of total loan balance
Not in Arrears	939.465.388 €	93,8%
<2 (and not BPI or Fce)	60.739.360 €	6,1%
≥2-<6 (and not BPI or Fce)	1.183.681 €	0,1%
≥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	**1.001.388.429 €**	**100,0%**