

# BANK OF CYPRUS EUR 3BN COVERED BOND PROGRAMME

Report Date: 31/03/2018  
 Completion Date: 03/04/2018

## CYPRIOI 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
<b>Nominal Value Test</b>			
Eligible Loans (adjusted for set off and LTV) plus interest accrued on the loans	923.810.142		
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>142,12%</b>	<b>100,00%</b>	<b>PASS</b>
<b>Net Present Value Test</b>			
Eligible Loans (present value of inflows)	1.161.294.283		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	665.843.750		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	64.125		
<b>Result</b>	<b>174,4%</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)	1.204.561.196		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	665.843.750		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	64.125		
<b>Result</b>	<b>180,9%</b>	<b>105,0%</b>	<b>PASS</b>
<b>2. Interest rate shift by +200bps</b>			
Eligible Loans (present value of inflows)	1.078.394.781		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	662.801.035		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	63.651		
<b>Result</b>	<b>162,7%</b>	<b>105,0%</b>	<b>PASS</b>

<b>3. VaR Negative shift in interest rates</b>			
Eligible Loans (present value of inflows)	1.191.910.496		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	665.843.750		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	64.125		
<b>Result</b>	179,0%	105,0%	PASS
<b>4. VaR Positive shift in interest rates</b>			
Eligible Loans (present value of inflows)	1.138.154.085		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	665.843.750		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	64.125		
<b>Result</b>	170,9%	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	0,7		
<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	33.690.133		
Outflow in the next 180 days	4.864.917		
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	REQUIREMENT	PASS / FAIL
	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:	1.001.693.097 €
Average LOAN BALANCE:	78.429 €
NO. OF LOANS:	12.772
WA SEASONING (in months):	84,2
WA REMAINING TERM (in months):	195,2
NO. OF BORROWERS:	13.932
NO. OF PROPERTIES:	10.243
WA LTV:	54,7%
Loans to employees of group:	4,2%
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:	2,9%
Percentage of VARIABLE MORTGAGES (based on bank's rates):	37,0%
WA Interest Rate on Fixed rate Loans:	3,1%
Borrower concentration: %age of largest 10 borrowers :	2,17%
Loans in arrears > 90 days:	0,0%

Supervisory Over Collateralisation	
Supplementary Assets	33.690.133 €
Transaction Account Balance	16.639.865 €
Deducting for liquidity reserve	(4.864.917)
Net supplementary assets available for OC	45.465.081 €
Contractual Over Collateralisation	
Loan balances in excess of basic cover	351.693.097 €
Adjustment to Loan balances due to set-off	58.408.751 €
Adjustment to Loan balances due to LTV	19.474.204 €
Total Cover Pool OC (allowing for set-off and LTV)	273.810.142 €
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	5,2%
<b>Total</b>	<b>47,3%</b>

### Cover Pool Indexed LTV Distribution

Indexed LTV ranges	Total Loan Balance	No. of Borrowers
0-≤40%	284.018.848 €	6.220
>40%-≤50%	141.750.039 €	1.795
>50%-≤60%	140.102.966 €	1.573
>60%-≤70%	153.325.595 €	1.570
>70%-≤80%	126.686.272 €	1.317
>80%-≤85%	52.525.036 €	476
>85%-≤90%	42.530.209 €	400
>90%-≤95%	38.403.934 €	358
>95%-≤100%	22.350.198 €	223
>100%-≤105%	- €	-

>105%	- €	-
<b>TOTAL</b>	<b>1.001.693.097 €</b>	<b>13.932</b>

## Cover Pool Regional Distribution

Region	Total Loan Balance	% of total loan balance
Nicosia	440.696.801 €	44,0%
Limassol	316.036.336 €	31,6%
Larnaca	108.405.468 €	10,8%
Paphos	95.803.771 €	9,6%
Ammochostos	40.750.721 €	4,1%
No data		0,0%
		0,0%
		0,0%
		0,0%
		0,0%
		0,0%
<b>TOTAL</b>	<b>1.001.693.097 €</b>	<b>100,0%</b>

## Cover Pool Rate Type Distribution

Rate Type	Total Loan Balance	% of total loan balance
Floating rate	997.270.253 €	99,6%
Fixed rate with reset <2 years	851.271 €	0,1%
Fixed rate with reset ≥2 but < 5 years	332.443 €	0,0%
Fixed rate with reset ≥5 years	3.239.129 €	0,3%
<b>TOTAL</b>	<b>1.001.693.097 €</b>	<b>100,0%</b>

## Cover Pool Occupancy Type Distribution

Occupancy Type	Total Loan Balance	% of total loan balance
Owner-occupied	871.626.911 €	87,0%
Non-owner-occupied (buy-to-let) where BORROWER has < 3 properties	52.250.589 €	5,2%
Non-owner-occupied (buy-to-let) where BORROWER has > 2 properties	- €	0,0%
Vacation/ second home	77.815.596 €	7,8%
Partially owner-occupied	- €	0,0%
Other/No data		0,0%
<b>TOTAL</b>	<b>1.001.693.097 €</b>	<b>100,0%</b>

## Cover Pool Property Type Distribution

Property Type	Total Loan Balance	% of total loan balance
House	756.111.898 €	75,5%
Flat in block with less than 4 units	- €	0,0%
Flat in block with 4 or more units	245.581.199 €	24,5%
PARTIAL COMMERCIAL USE	- €	0,0%
Other/No data	- €	0,0%
<b>TOTAL</b>	<b>1.001.693.097 €</b>	<b>100,0%</b>

## Cover Pool Loan Type Distribution

Loan Type	Total Loan Balance	% of total loan balance
Purchase	658.128.650 €	65,7%
RE-MORTGAGE	- €	0,0%
EQUITY RELEASE	91.453.149 €	9,1%
RENOVATION	229.707.323 €	22,9%
Construction (new)	- €	0,0%
Other/No data	22.403.975 €	2,2%
<b>TOTAL</b>	<b>1.001.693.097 €</b>	<b>100,0%</b>

## Cover Pool Seasoning Distribution

Seasoning (months)	Total Loan Balance	% of total loan balance
< 12	85.674.189 €	8,6%
≥12-<24	86.546.511 €	8,6%
≥24-<36	53.553.151 €	5,3%
≥36-<60	44.764.788 €	4,5%
≥60	731.154.458 €	73,0%
<b>TOTAL</b>	<b>1.001.693.097 €</b>	<b>100,0%</b>

## Cover Pool Loans - Arrears Analysis

Months	Total Loan Balance	% of total loan balance
Not in Arrears	941.228.237 €	94,0%
<2 (and not BPI or Fce)	58.879.248 €	5,9%
≥2-<6 (and not BPI or Fce)	1.585.612 €	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>1.001.693.097 €</b>	<b>100,0%</b>