BANK OF CYPRUS EUR 3BN COVERED BOND PROGRAMME

Report Date: 31/05/2017
Completion Date: 07/06/2017

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	923.819.667		
Complementary Assets (in the basic cover)	0		
Hedging Contracts (mark-to-market value)	0		
Covered Bonds (outstanding amount)	650.000.000		
Result	142,13%	100,00%	PASS
Net Present Value Test			
Eligible Loans (present value of inflows)	1.193.720.452		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	686.968.750		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	149.625		
Result	173,7%	105,0%	PASS
Stress scenarios:			
1. Interest rate shift by -200bps			
Eligible Loans (present value of inflows)	1.226.727.965		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	686.968.750		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	149.625		
Result	178,5%	105,0%	PASS
2. Interest rate shift by +200bps			
Eligible Loans (present value of inflows)	1.114.736.060		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	683.241.287		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	146.723		
Result	163,1%	105,0%	PASS

3. VaR Negative shift in interest rates			
Eligible Loans (present value of inflows)	1.257.042.480		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	687.765.861		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	149.625		
Result	182,7%	105,0%	PASS
4. VaR Positive shift in interest rates			
Eligible Loans (present value of inflows)	1.166.251.891		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	686.968.750		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	149.625		
Result	169,7%	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	1,7		
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	34.041.284		
Outflow in the next 180 days	4.851.245		
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	47,4%	47,0%	PASS

COVER POOL INFORMATION

Cover Pool Summary	
Total LOAN BALANCE:	1.001.352.758 €
Average LOAN BALANCE:	78.476 €
NO. OF LOANS:	12.760
WA SEASONING (in months):	82,4
WA REMAINING TERM (in months):	195,5
NO. OF BORROWERS:	13.804
NO. OF PROPERTIES:	10.181
WA LTV:	55,7%
Loans to employees of group:	4,7%
WA Interest Rate on Floating rate Loans:	3,2%
WA MARGIN ON FLOATING RATE LOANS:	2,4%
WA Interest Rate on Floating rate Loans originated over last quarter:	3,3%
Percentage of VARIABLE MORTGAGES:	30,4%
WA Interest Rate on Fixed rate Loans:	4,1%
Borrower concentration: %age of largest 10 borrowers :	2,05%
Loans in arrears > 90 days:	0,0%

Supervisory Over Collateralisation	
Supplementary Assets	34.041.284 €
Transaction Account Balance	24.258.064 €
Deducting for liquidity reserve	(4.851.245)
Net supplementary assets available for OC	53.448.103 €
Contractual Over Collateralisation	
Loan balances in excess of basic cover	351.352.758 €
Adjustment to Loan balances due to set-off	54.208.387 €
Adjustment to Loan balances due to LTV	23.324.704 €
Total Cover Pool OC (allowing for set-off and LTV)	273.819.667 €
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	**47,4%**

Cover Pool Indexed LTV Distribution

Indexed LTV ranges	Total Loan Balance	No. of Borrowers
0-≤40%	280.960.569 €	6.192
>40%-≤50%	133.398.405 €	1.685
>50%-≤60%	136.129.679 €	1.544
>60%-≤70%	147.060.846 €	1.470
>70%-≤80%	126.350.060 €	1.294
>80%-≤85%	54.546.475 €	473
>85%-≤90%	48.176.501 €	453
>90%-≤95%	44.737.288 €	423
>95%-≤100%	29.992.935 €	270
>100%-≤105%	- €	-
>105%	- €	-
TOTAL	**1.001.352.758 €**	**13.804**

Bank of Cyprus

Cover Pool Regional Distribution

Region	Total Loan Balance	% of total loan balance
Nicosia	429.233.445 €	42,9%
Limassol	315.931.963 €	31,6%
Larnaca	115.370.000 €	11,5%
Paphos	100.267.734 €	10,0%
Ammochostos	40.549.616 €	4,0%
No data		0,0%
		0,0%
		0,0%
		0,0%
		0,0%
		0,0%
TOTAL	**1.001.352.758 €**	**100,0%**

Cover Pool Rate Type Distribution

Rate Type	Total Loan Balance	% of total loan balance
Floating rate	976.222.304 €	97,5%
Fixed rate with reset <2 years	15.287.996 €	1,5%
Fixed rate with reset ≥2 but < 5 years	7.082.181 €	0,7%
Fixed rate with reset ≥5 years	2.760.276 €	0,3%
TOTAL	**1.001.352.758 €**	**100,0%**

Cover Pool Occupancy Type Distribution

Occupancy Type	Total Loan Balance	% of total loan balance
Owner-occupied	873.422.368 €	87,2%
Non-owner-occupied (buy-to-let) where BORROWER has < 3 properties	48.066.003 €	4,8%
Non-owner-occupied (buy-to-let) where BORROWER has > 2 properties	- €	0,0%
Vacation/ second home	79.864.386 €	8,0%
Partially owner-occupied	- €	0,0%
Other/No data		0,0%
TOTAL	**1.001.352.758 €**	**100,0%**

Cover Pool Property Type Distribution

Property Type	Total Loan Balance	% of total loan balance
House	760.952.627 €	76,0%
Flat in block with less than 4 units	- €	0,0%
Flat in block with 4 or more units	240.400.131 €	24,0%
PARTIAL COMMERCIAL USE	- €	0,0%
Other/No data		0,0%
TOTAL	**1.001.352.758 €**	**100,0%**

Cover Pool Loan Type Distribution

Loan Type	Total Loan Balance	% of total loan balance
Purchase	640.387.488 €	64,0%
RE-MORTGAGE	- €	0,0%
EQUITY RELEASE	84.342.549 €	8,4%
RENOVATION	252.797.385 €	25,2%
Construction (new)	- €	0,0%
Other/No data	23.825.335 €	2,4%
TOTAL	**1.001.352.758 €**	**100,0%**

Cover Pool Seasoning Distribution

Seasoning (months)	Total Loan Balance	% of total loan balance
< 12	71.040.971 €	7,1%
≥12-<24	66.310.469 €	6,6%
≥24-<36	29.744.399 €	3,0%
≥36-<60	48.415.407 €	4,8%
≥60	785.841.511 €	78,5%
TOTAL	**1.001.352.758 €**	**100,0%**

Cover Pool Loans - Arrears Analysis

Months	Total Loan Balance	% of total loan balance
Not in Arrears	902.888.550 €	90,2%
<2 (and not BPI or Fce)	95.487.002 €	9,5%
≥2-<6 (and not BPI or Fce)	2.977.205 €	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	**1.001.352.758 €**	**100,0%**