

# BANK OF CYPRUS EUR 3BN COVERED BOND PROGRAMME

Report Date: 31/05/2018  
 Completion Date: 04/06/2018

## 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	924.209.905		
Complementary Assets (in the basic cover)	0		
Hedging Contracts (mark-to-market value)	0		
Covered Bonds (outstanding amount)	650.000.000		
<b>Result</b>	142,19%	100,00%	PASS
<b>Net Present Value Test</b>			
Eligible Loans (present value of inflows)	1.157.060.988		
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>	173,8%	105,0%	PASS
<b>Stress scenarios:</b>			
<b>1. Interest rate shift by -200bps</b>			
Eligible Loans (present value of inflows)	1.201.946.079		
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>	180,5%	105,0%	PASS
<b>2. Interest rate shift by +200bps</b>			
Eligible Loans (present value of inflows)	1.072.520.253		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	662.889.238		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	63.651		
<b>Result</b>	161,8%	105,0%	PASS

<b>3. VaR Negative shift in interest rates</b>			
Eligible Loans (present value of inflows)	1.185.207.592		
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>	178,0%	105,0%	PASS
<b>4. VaR Positive shift in interest rates</b>			
Eligible Loans (present value of inflows)	1.135.005.474		
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>	170,4%	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	0,53		
<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	33.662.709		
Outflow in the next 180 days	4.870.621		
2. if Maturity Date >30 days, <180 days		Complementary Assets > highest net outflow until bond maturity (excl. principal)	N/A
2a) First Test	N/A		N/A
2b) Second Test	N/A	Complementary/Liquid Assets >= 50% of Bond principal amount	N/A
3. if Maturity Date < 30 days		Complementary Assets > highest net outflow until bond maturity (excl. principal)	N/A
2a) First Test	N/A		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	47,4%	47,0%	PASS

**COVER POOL INFORMATION**

<b>Cover Pool Summary</b>	
Total LOAN BALANCE:	1.002.825.052 €
Average LOAN BALANCE:	78.260 €
NO. OF LOANS:	12.814
WA SEASONING (in months):	84,2
WA REMAINING TERM (in months):	195,3
NO. OF BORROWERS:	14.054
NO. OF PROPERTIES:	10.299
WA LTV:	54,3%
Loans to employees of group:	4,2%
WA Interest Rate on Floating rate Loans:	3,0%
WA MARGIN ON FLOATING RATE LOANS:	2,2%
WA Interest Rate on Floating rate Loans originated over last quarter:	2,7%
Percentage of VARIABLE MORTGAGES (based on bank's rates):	38,2%
WA Interest Rate on Fixed rate Loans:	2,8%
Borrower concentration: %age of largest 10 borrowers :	2,43%
Loans in arrears > 90 days:	0,0%

<b>Supervisory Over Collateralisation</b>	
Supplementary Assets	33.662.709 €
Transaction Account Balance	25.484.258 €
Deducting for liquidity reserve	-4.870.621
Net supplementary assets available for OC	54.276.346 €
<b>Contractual Over Collateralisation</b>	
Loan balances in excess of basic cover	352.825.052 €
Adjustment to Loan balances due to set-off	60.583.363 €
Adjustment to Loan balances due to LTV	18.031.784 €
Total Cover Pool OC (allowing for set-off and LTV)	274.209.905 €
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%	286.482.047 €	6.324
>40%-≤50%	148.597.367 €	1.809
>50%-≤60%	142.781.290 €	1.650
>60%-≤70%	149.174.970 €	1.586
>70%-≤80%	132.013.150 €	1.320
>80%-≤85%	46.856.824 €	437
>85%-≤90%	43.123.329 €	418
>90%-≤95%	34.365.111 €	328
>95%-≤100%	19.430.964 €	182
>100%-≤105%	- €	-

>105%	- €	-
<b>TOTAL</b>	<b>1.002.825.052 €</b>	<b>14.054</b>

## Cover Pool Regional Distribution

Region	Total Loan Balance	% of total loan balance
Nicosia	436.390.208 €	43,5%
Limassol	320.169.508 €	31,9%
Larnaca	108.058.120 €	10,8%
Paphos	96.688.668 €	9,6%
Ammochostos	41.518.548 €	4,1%
No data		0,0%
		0,0%
		0,0%
		0,0%
		0,0%
		0,0%
<b>TOTAL</b>	<b>1.002.825.052 €</b>	<b>100,0%</b>

## Cover Pool Rate Type Distribution

Rate Type	Total Loan Balance	% of total loan balance
Floating rate	998.311.391 €	99,5%
Fixed rate with reset <2 years	822.322 €	0,1%
Fixed rate with reset ≥2 but < 5 years	331.465 €	0,0%
Fixed rate with reset ≥5 years	3.359.874 €	0,3%
<b>TOTAL</b>	<b>1.002.825.052 €</b>	<b>100,0%</b>

## Cover Pool Occupancy Type Distribution

Occupancy Type	Total Loan Balance	% of total loan balance
Owner-occupied	877.590.709 €	87,5%
Non-owner-occupied (buy-to-let) where BORROWER has < 3 properties	46.875.721 €	4,7%
Non-owner-occupied (buy-to-let) where BORROWER has > 2 properties	- €	0,0%
Vacation/ second home	78.358.622 €	7,8%
Partially owner-occupied	- €	0,0%
Other/No data		0,0%
<b>TOTAL</b>	<b>1.002.825.052 €</b>	<b>100,0%</b>

## Cover Pool Property Type Distribution

Property Type	Total Loan Balance	% of total loan balance
House	762.070.391 €	76,0%
Flat in block with less than 4 units	- €	0,0%
Flat in block with 4 or more units	240.754.662 €	24,0%
PARTIAL COMMERCIAL USE	- €	0,0%
Other/No data	- €	0,0%
<b>TOTAL</b>	<b>1.002.825.052 €</b>	<b>100,0%</b>

## Cover Pool Loan Type Distribution

Loan Type	Total Loan Balance	% of total loan balance
Purchase	666.971.438 €	66,5%
RE-MORTGAGE	- €	0,0%
EQUITY RELEASE	90.237.166 €	9,0%
RENOVATION	223.338.510 €	22,3%
Construction (new)	- €	0,0%
Other/No data	22.277.938 €	2,2%
<b>TOTAL</b>	<b>1.002.825.052 €</b>	<b>100,0%</b>

## Cover Pool Seasoning Distribution

Seasoning (months)	Total Loan Balance	% of total loan balance
< 12	95.029.756 €	9,5%
≥12-<24	74.541.799 €	7,4%
≥24-<36	65.415.190 €	6,5%
≥36-<60	52.164.465 €	5,2%
≥60	715.673.842 €	71,4%
<b>TOTAL</b>	<b>1.002.825.052 €</b>	<b>100,0%</b>

## Cover Pool Loans - Arrears Analysis

Months	Total Loan Balance	% of total loan balance
Not in Arrears	936.561.172 €	93,4%
<2 (and not BPI or Fce)	63.238.813 €	6,3%
≥2-<6 (and not BPI or Fce)	3.025.067 €	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>1.002.825.052 €</b>	<b>100,0%</b>