

**BANK OF CYPRUS EUR 3BN COVERED BOND PROGRAMME**

**Report Date:** 31/10/2017  
**Completion Date:** 03/11/2017

**CYPRIOI COVER POOL MONTHLY INVESTOR REPORT**

	Series 1	Series 2	Series 3	Series 4	Series 5
<b>Issue</b>	650.000.000 €				
<b>Coupon</b>	EURIBOR 003M + 3.25%				
<b>Coupon Payment Frequency</b>	Quarterly				
<b>Coupon Payment Dates</b>	12/3 - 12/6 - 12/9 - 12/12				
<b>Maturity Date</b>	12/12/2018				
<b>Extension Period</b>	12/12/2072				
<b>Rating Agencies</b>	Moody's/ Fitch				
<b>Issue Rating</b>	Baa3/BBB-				
<b>ISIN</b>	XS0718673311				
<b>Primary Cover Pool Assets</b>	Cypriot Residential Mortgage Loans				
<b>Trustee</b>	Bank of New York Mellon Corporate Trustee Services Ltd				
<b>Account Bank</b>	Bank of New York Mellon				
<b>Swap Counterparties</b>	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	923.466.878		
Complementary Assets (in the basic cover)	0		
Hedging Contracts (mark-to-market value)	0		
Covered Bonds (outstanding amount)	650.000.000		
<b>Result</b>	142,07%	100,00%	PASS
<b>Net Present Value Test</b>			
Eligible Loans (present value of inflows)	1.178.387.135		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	676.406.250		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	106.875		
<b>Result</b>	174,2%	105,0%	PASS
<b>Stress scenarios:</b>			
<b>1. Interest rate shift by -200bps</b>			
Eligible Loans (present value of inflows)	1.219.264.949		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	676.406.250		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	106.875		
<b>Result</b>	180,2%	105,0%	PASS
<b>2. Interest rate shift by +200bps</b>			
Eligible Loans (present value of inflows)	1.097.877.388		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	673.066.317		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	105.390		
<b>Result</b>	163,1%	105,0%	PASS

<b>3. VaR Negative shift in interest rates</b>			
Eligible Loans (present value of inflows)	1.217.722.249		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	676.835.364		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	106.875		
<b>Result</b>	179,9%	105,0%	PASS
<b>4. VaR Positive shift in interest rates</b>			
Eligible Loans (present value of inflows)	1.151.969.722		
Complementary Assets (present value of inflows)	0		
Claims under hedging contracts	0		
Covered Bond Holders (present value of payments)	676.406.250		
Obligations under hedging contracts	0		
Other Cover Pool Creditors (present value of payments)	106.875		
<b>Result</b>	170,3%	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	1,2		
<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	33.973.556		
Outflow in the next 180 days	4.796.079		
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 5,2%	REQUIREMENT 5,0%	PASS / FAIL PASS

COMMITTED OVERCOLLATERALISATION TEST	COVER POOL	REQUIREMENT	PASS / FAIL
Committed Overcollateralisation Requirement as per OC Notice	47,3%	47,0%	PASS

**COVER POOL INFORMATION**

<b>Cover Pool Summary</b>	
Total LOAN BALANCE:	998.800.135 €
Average LOAN BALANCE:	78.522 €
NO. OF LOANS:	12.720
WA SEASONING (in months):	84,1
WA REMAINING TERM (in months):	195,8
NO. OF BORROWERS:	13.850
NO. OF PROPERTIES:	10.211
WA LTV:	55,5%
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:	3,0%
Percentage of VARIABLE MORTGAGES (based on bank's rates):	34,0%
WA Interest Rate on Fixed rate Loans:	3,2%
Borrower concentration: %age of largest 10 borrowers :	1,88%
Loans in arrears > 90 days:	0,0%

<b>Supervisory Over Collateralisation</b>	
Supplementary Assets	33.973.556 €
Transaction Account Balance	23.139.604 €
Deducting for liquidity reserve	(4.796.079)
Net supplementary assets available for OC	52.317.081 €
<b>Contractual Over Collateralisation</b>	
Loan balances in excess of basic cover	348.800.135 €
Adjustment to Loan balances due to set-off	53.447.115 €
Adjustment to Loan balances due to LTV	21.886.142 €
Total Cover Pool OC (allowing for set-off and LTV)	273.466.878 €
As a % of Outstanding Cover Bond Issuance	42,1%
Asset Percentage (Covered Bond Issuance as a % of Cover Assets)	70,4%
<b>TOTAL COMMITTED OVER COLLATERALISATION</b>	
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%	278.382.919 €	6.182
>40%-≤50%	136.135.610 €	1.706
>50%-≤60%	134.801.073 €	1.540
>60%-≤70%	151.404.440 €	1.532
>70%-≤80%	126.882.231 €	1.291
>80%-≤85%	52.425.556 €	482
>85%-≤90%	48.419.751 €	459
>90%-≤95%	43.801.193 €	387
>95%-≤100%	26.547.363 €	271
>100%-≤105%	- €	-

>105%	- €	-
<b>TOTAL</b>	<b>998.800.135 €</b>	<b>13.850</b>

## Cover Pool Regional Distribution

Region	Total Loan Balance	% of total loan balance
Nicosia	440.485.440 €	44,1%
Limassol	311.954.744 €	31,2%
Larnaca	110.757.044 €	11,1%
Paphos	95.391.497 €	9,6%
Ammochostos	40.211.410 €	4,0%
No data		0,0%
		0,0%
		0,0%
		0,0%
		0,0%
		0,0%
<b>TOTAL</b>	<b>998.800.135 €</b>	<b>100,0%</b>

## Cover Pool Rate Type Distribution

Rate Type	Total Loan Balance	% of total loan balance
Floating rate	993.547.885 €	99,5%
Fixed rate with reset <2 years	1.154.102 €	0,1%
Fixed rate with reset ≥2 but < 5 years	339.850 €	0,0%
Fixed rate with reset ≥5 years	3.758.299 €	0,4%
<b>TOTAL</b>	<b>998.800.135 €</b>	<b>100,0%</b>

## Cover Pool Occupancy Type Distribution

Occupancy Type	Total Loan Balance	% of total loan balance
Owner-occupied	874.266.135 €	87,5%
Non-owner-occupied (buy-to-let) where BORROWER has < 3 properties	47.431.056 €	4,7%
Non-owner-occupied (buy-to-let) where BORROWER has > 2 properties	- €	0,0%
Vacation/ second home	77.102.944 €	7,7%
Partially owner-occupied	- €	0,0%
Other/No data		0,0%
<b>TOTAL</b>	<b>998.800.135 €</b>	<b>100,0%</b>

## Cover Pool Property Type Distribution

Property Type	Total Loan Balance	% of total loan balance
House	759.181.408 €	76,0%
Flat in block with less than 4 units	- €	0,0%
Flat in block with 4 or more units	239.618.727 €	24,0%
PARTIAL COMMERCIAL USE	- €	0,0%
Other/No data	- €	0,0%
<b>TOTAL</b>	<b>998.800.135 €</b>	<b>100,0%</b>

## Cover Pool Loan Type Distribution

Loan Type	Total Loan Balance	% of total loan balance
Purchase	642.725.989 €	64,3%
RE-MORTGAGE	- €	0,0%
EQUITY RELEASE	88.749.807 €	8,9%
RENOVATION	243.495.959 €	24,4%
Construction (new)	- €	0,0%
Other/No data	23.828.381 €	2,4%
<b>TOTAL</b>	<b>998.800.135 €</b>	<b>100,0%</b>

## Cover Pool Seasoning Distribution

Seasoning (months)	Total Loan Balance	% of total loan balance
< 12	68.223.376 €	6,8%
≥12-<24	85.769.669 €	8,6%
≥24-<36	38.038.698 €	3,8%
≥36-<60	38.967.402 €	3,9%
≥60	767.800.991 €	76,9%
<b>TOTAL</b>	<b>998.800.135 €</b>	<b>100,0%</b>

## Cover Pool Loans - Arrears Analysis

Months	Total Loan Balance	% of total loan balance
Not in Arrears	896.426.785 €	89,8%
<2 (and not BPI or Fce)	99.628.470 €	10,0%
≥2-<6 (and not BPI or Fce)	2.744.880 €	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>998.800.135 €</b>	<b>100,0%</b>