

25 September 2025

**Financial and other  
Developments 6M2025**

***Statement by the Chairman of the Board of Directors of KEDIPE,  
Lambros Papadopoulos:***

The results of 6M2025 were mixed, with increased total restructurings and/or recovery solutions by 13% which amounted to €321mIn while cash inflows decreased by 23% to €162mIn, but with increased pace in Q22025. Further acceleration of both solutions and cash inflows is expected in the second half of 2025.

With today's repayment of State Aid in cash of €50mIn for Q32025 and indirect repayments mainly through the "Mortgage to Rent" and ESTIA Schemes, the total repayment of State Aid reached €1.660mIn. Assets (excluding interests) at the end of 6M2025 amounted to €4,3bIn and included cash and liquid assets of €199mIn, immovable properties of €372mIn and performing loans of €669mIn.

The target of Business Plan remains the repayment of State Aid amounting €3,5bIn.

The results of Non-Performing Loans Settlement Scheme secured by a primary residence announced in April 2024 continue to be very positive and for this reason the duration of the Scheme has been extended, while in July 2025 an Early Repayment of Performing Loans Scheme was announced, with strong interest from borrowers who are in the process of securing refinancing from banking institutions .

Following the Preliminary Agreement with Hellenic Bank in April 2025 for the termination of Asset Protection Scheme and the buy-back of related non-performing loan portfolio, as well as the termination of obligations and guarantees regarding the Business Transfer Agreement from ex-CCB to ex-Hellenic Bank in 2018, the procedures are in progress and the whole transaction is expected to be completed early next year. The necessary approval from the Competition Authority of the European Commission was granted on 19<sup>th</sup> of September 2025 and the completion of part of the transaction relating to the termination of obligations and guarantees under the Business Transfer Agreement of 2018 is expected soon.

Regarding the progress of the "Mortgage to Rent Scheme", 680 applications have been approved while 254 properties have been already onboarded. Until the end of the year the acquisition of 400 properties and the approval of a total of about 800-900 applications is expected. A significant number of applications (900) are delayed at the technical evaluation stage due to delays on behalf of the borrowers as well for securing the documents deemed necessary to complete the process from the District Local Government Organizations. The Scheme remains within the revised plan for approval of 1600 applications, double the initial estimate of 800 approvals.

## **Financial Developments 6M2025**

- Cash inflows from operations in 6M2025 amounted to €161,5mIn indicating a decrease of 22,9% compared to €209,4mIn in 6M 2024, while excluding inflows of €17,7mIn relating to the sale of a high value property in 6M 2024, the decrease is 15,7%.

Cumulative cash inflows from the beginning of KEDIPEs operations on 1/9/2018 up to 30/6/2025 amounted to €2.726mIn. Inflows from the management of loans and properties amounted to €2.635mIn or 32,7% of the nominal value of the loans and properties portfolio of €8.051mIn as at 1/9/2018.

- Operating expenses and asset management expenses in 6M2025 amounted to €48,6mIn, decreased by 13,7% from €56,3mIn in 6M2024.
- Total restructuring and/or recovery solutions performed through the servicing company doValue amounted to €321mIn in 6M2025 compared to €284mIn in 6M2024.

Total solutions from the beginning of KEDIPEs operations up to 30<sup>th</sup> June 2025 amounted to €4.906mIn or 66,6% of the initial loan balance of €7.371mIn.

- Loans at nominal value amounted to €5.217mIn at the end of 6M2025 from €5.439mIn at the end of YR2024 and €5.747mIn at the end of 6M2024.
- At the end of 6M2025, assets amounted to €5.828mIn in nominal value and included cash and liquid assets of €199mIn, immovable properties of €372mIn and performing loans of €669mIn. Total deleveraging from the beginning of operations on 1<sup>st</sup> September 2018 until 30<sup>th</sup> June 2025 reached 29,4% and excluding contractual loan interest reached 48,2%.
- The contractual value of the assets under the Asset Protection Scheme with Hellenic Bank as at 31/03/2025 (last reporting date for which a claim has been filed) amounted to €1.117mIn compared to €2.608mIn at the beginning of the Scheme indicating a total decrease of 57%. The reference value of the assets at 31/03/2025 amounted to €840mIn compared to €2.271mIn at the beginning of the Scheme (reference value is the amount covered by the Scheme) indicating a total decrease of 63% from the starting date.

Under the Scheme, claims amounting to €103,3mIn have been filed by Hellenic Bank for the period 1st September 2018 to 31st March 2025. Total net payments amounted to €102,7mIn for repayment of claims until 30<sup>th</sup> September 2024. Under the Preliminary agreement with Hellenic Bank for the termination of the Scheme, claims for the period after 30<sup>th</sup> of September 2024 will not become payable and will be waived upon the signing of the final agreement and the termination of the Scheme.

Total payments by Hellenic Bank to the State as a guarantor of the Scheme amounted cumulatively up to 31<sup>st</sup> December 2024 to €45,1mIn.

- Net cash inflows, after the payment of expenses and liabilities in 6M2025 amounted to €108,2mIn, indicating a decrease of 42,6% compared to €188,5mIn in 6M2024. Cumulatively from the beginning of KEDIPEs operations, net cash inflows after the payment of expenses amounted to €1.688,8mIn.
- Cash payments of €100mIn against State Aid were made in 6M2025, increasing the total amount of repayment of State Aid in cash to €1.570mIn from the beginning of KEDIPEs operations in September 2018 until 30th June 2025. In parallel, KEDIPEs maintains

reserve of €90mIn for the future acquisitions of immovable properties under the “Mortgage to Rent” Scheme.

## **Other developments**

### **New State Aid payment**

Following a Board of Directors decision, a new State Aid payment of €50mIn was made in Q32025 increasing the total amount of repayment of State Aid in cash to €1.620mIn from the beginning of KEDIPEs operations in September 2018. Additionally, KEDIPEs continues to maintain a cash reserve of €90mIn for financing the “Mortgage to Rent” Scheme.

### **Assets Protection Scheme**

Following the Preliminary Agreement with Hellenic Bank in April 2025 for the termination of Asset Protection Scheme and the buy-back of protected non-performing loans as well as the termination of obligations and guarantees in relation to the Business transfer Agreement from ex-CCB to ex-Hellenic Bank in 2018, the procedures are in process and the overall transaction is expected to be completed early next year. The relevant necessary approval from the Competition Authority of the European Commission was granted on 19<sup>th</sup> of September of 2025. The completion of the Transaction regarding the termination of obligations and guarantees of the Business Transfer Agreement of 2018 is expected to be completed in September 2025.

### **«Mortgage to Rent» Scheme**

Regarding the developments under the “Mortgage to Rent” Scheme of which KEDIPEs is the implementing body, out of a total of 2166 applications that have not been rejected or withdrawn, 680 applications have been approved, while 254 properties have already been on boarded. By the end of the year, 400 properties are expected to be on boarded and around 800-900 applications to be approved. A significant number of applications (900) are delayed at the technical evaluation stage due to delays on behalf of the borrowers as well for securing the documents deemed necessary to complete the process from the District Local Government Organizations. The Scheme remains within the revised plan for approval of 1600 applications, double the initial estimate of 800 approvals.

The expenditure to date for the implementation of the “Mortgage to Rent” Scheme amounted to €30mIn, for the inclusion of 254 properties in the Scheme.

### **New Scheme for Early Repayment of Performing Loans**

The campaign of the new Scheme for Early Repayment of performing loans was announced in July 2025, offering borrowers the opportunity to fully repay their restructured and performing loans. The Scheme has attracted strong interest, and based on the data available to date, the response has been particularly positive, with a participation rate that exceeded initial estimations. Though the Scheme borrowers benefit from a significant discount on the balance of their loan, which enhances the possibility of smooth and favorable repayment of their obligations. The Scheme will remain in force until the end of the year, and this initiative is fully integrated into KEDIPEs’s business plan, substantially contributing to the acceleration of the reduction of the total loan portfolio managed by KEDIPEs.

A detailed presentation on the progress results up to 30/6/2025 has been posted on the website of KEDIPES at the following link:

<https://kedipes.com.cy/αποτελεσματα-διαχειρισης/>