

13/06/2024

**Progress Report
KEDIPE up to 31/03/2024**

- **Cash inflows of €144mln in Q1 2024, supported by the completion of a loan portfolio sale.**
- **Repayment of State Aid of €140mln in cash in Q1 2024, the highest quarterly repayment since the beginning of KEDIPE operations in September 2018.**
- **Further repayment of State Aid of €60mln is anticipated within June 2024.**
- **Total repayment of €1,36bln since the beginning of KEDIPE operations.**

Other developments:

- **«Mortgage to Rent» Scheme - 2.000 applications received.**
- **Completion of loan portfolio sale agreement – (Project LEDRA).**
- **Completion of Voluntary Redundancy Scheme with 27 departures.**
- **On going Campaign for full repayment of loans secured by a primary residence under €350,000 based on the value of property - satisfactory response.**

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

Cash inflows in Q1 2024 were €144,0mln increased by 11,1% compared to €129,6mln in Q4 2023, and increased by 34,9% compared to €106,7mln in Q1 2023.

Inflows are significantly enhanced by the completion of the loan portfolio sale to the Bank of Cyprus, as well as the sale of a high value property. Excluding these significant transactions, regular cash inflows amounted to €80,7mln at approximately the same levels as Q1 2023.

A cash payment of €140mln, against State Aid was made in Q1 2024, which was the highest quarterly payment from the beginning of KEDIPE operations, increasing the total repayment of State Aid in cash to €1,3bln since the beginning of KEDIPE operations in September 2018. In parallel, KEDIPE maintains €60mln cash reserve for the purchase of immovable properties under the «Mortgage to Rent» Scheme.

Q2 2024 is expected to be improved in relation to the regular cash flows of Q1 2024 and further repayment of State Aid amounting to €60mln is expected within June 2024.

«Mortgage to Rent» Scheme:

The implementation of «Mortgage to Rent» Scheme aiming the support of vulnerable borrowers who have as a security their primary residence, continues. KEDIPE, as the implementing body, has received approximately 2.000 applications to date.

1.382 applications have passed the initial eligibility check and properties are currently undergoing technical due diligence, to confirm their eligibility, in accordance with the terms of the Scheme. In parallel, the notification of the applicants who have been rejected as they did not meet the initial eligibility criteria for inclusion in the Scheme, has begun.

Campaign for the repayment of non-performing loans secured by a primary residence valued under €350,000

Through a parallel effort of KEDIPES in coordination with the servicing company doValue, to find a consensual solution for non-performing loans, an opportunity is given to a group of borrowers with a non-performing loan secured only by a primary residence valued under €350 thousand which was non performing on 31/12/2023 and remains non-performing, for full repayment of the loan based on the value of the property. The campaign is being currently carried out and the interest shown by the borrowers is considered satisfactory.

Completion of project LEDRA:

Regarding the sale of a portfolio of performing loans to the Bank of Cyprus amounting approximately to €58mIn with reference date 31/12/2022, this has been completed.

Labor matters:

The Voluntary Redundancy Scheme (VRS) which was in force for five months from October 2023 until March 2024, has been completed. Under the Scheme, 27 employees have departed, a number that is considered satisfactory according to the target which had been set initially for the gradual reduction of the number of employees. Today, the number of employees is 313.

Financial Developments Q1 2024

- Cash inflows of Q1 2024 amounted to €144,0mIn indicating an increase of 11,1% against €129,6mIn in Q4 2023, and an increase of 34,9% against €106,7mIn in Q1 2023.

Cash inflows of Q1 2024 are significantly enhanced by the inflow from the sale of loan portfolio as during the quarter the sale of loan portfolio to Bank of Cyprus has been completed, while the sale of a high value property has also been completed. Excluding these significant transactions regular cash inflows amounted to €80,7mIn at approximately the same levels as Q1 2023, which also included the sale of a high value property.

Cumulative cash inflows from the beginning of KEDIPES operations on 1/9/2018 up to 31/03/2024 amounted to €2.248mIn. Inflows from the management of loans and properties amounted to €2.121mIn or 26,3% of the nominal value of the loan and properties portfolio of €8.051mIn as at 1/9/2018.

- Operating expenses and asset management expenses in Q1 2024 amounted to €27,6mIn, decreased by 11,3% from €31,1mIn in Q4 2023 and increased by 2,6% from €26,9mIn in Q1 2023.
- Loans at nominal value amounted to 5.822mIn at the end of Q1 2024 compared to €5.895mIn at the end of Q4 2023 and €6.127mIn at the end of Q1 2023. Total deleveraging from the beginning of KEDIPES operations from 1st September 2018 until 31st March 2024 reached 21,0% and excluding contractual loan interest reached 42,3%.

- Total restructuring and/or recovery solutions performed through the servicing company doValue amounted to €94,3mIn in Q1 2024 compared to €231,7mIn in Q4 2023 and €92,7mIn in the corresponding quarter of the previous year.

Total solutions from the beginning of operations of KEDIPES up to Q1 2024 amounted to €4.016mIn or 54,5% of the initial loan balance of €7.371mIn.

- Assets at the end of Q1 2024 amounted to €6.427mIn in nominal value and include cash €133mIn, immovable properties amounting to €427mIn and €657mIn of performing loans. Total deleveraging from the beginning of operations on 1st September 2018 until 31st March 2024 reached 22,1% and excluding capitalized loan interest reached 41,1%.
- Under the Asset Protection Scheme which concerns Hellenic Bank, the contractual value of the assets under the Scheme as at 31/12/2023 amounted to €1.333mIn compared to €2.608mIn at the beginning of the Scheme indicating a total decrease of 49% since the beginning of the Scheme. The reference value of the assets at 31/12/2023 amounted to €1.029mIn compared to €2.271mIn at the beginning of the Scheme (reference value is the amount covered by the Scheme) indicating a total reduction of 55% from the starting date.

Under the Scheme, claims amounting to €100,2mIn have been filed until today by Hellenic Bank (HB) for the period from 1st September 2018 to 31st December 2023. The last claim of Q4 2023 amounted to €61 thousand.

In parallel, until today payments have been made amounting to €97,4mIn or 97% of the total claims, including payment of €5,5mIn in Q1 2024.

Total payments of Hellenic Bank to the State as a guarantor of the Scheme amounted cumulatively to €44,1mIn

- Net cash inflows, after the payment of expenses and liabilities in Q1 2024 amounted to €109,0mIn, indicating an increase of 32,0% compared to €82,6mIn in Q4 2023, and an increase of 39,2% compared to €78,3mIn for Q1 2023. Cumulatively from the beginning of KEDIPES operations, net cash inflows after the payment of expenses amounted to €1.352,0mIn.
- A cash payment of €140mIn against State Aid was made in Q1 2024, the highest quarterly payment from the beginning of KEDIPES operations, increasing the total amount of repayment of State Aid in cash to €1,3bln from the beginning of KEDIPES operations in September 2018. In parallel, KEDIPES maintains €60mIn as a cash reserve relating to future acquisition of immovable properties under the «Mortgage to Rent » Scheme.

A detailed presentation on the progress results up to 31/03/2024 has been posted on the website of KEDIPES at the following link:

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