

02/10/2024

**Progress Report  
and Other Developments  
KEDIPE**

- **Cash inflows of €111m in Q2 2024 and inflows of €256m in the first six months - inflows remain at a high and satisfactory level comparable to the previous year. Loan solutions in Q2 2024 amounted to €186m with restructurings (€61m) and other consensual solutions, comprising 90% of total solutions.**
- **Repayment of State Aid of €60m in cash in Q2 2024, and a further repayment of €40m in Q3. Total repayment for 2024 amounted to €240m, with a parallel increase of the cash reserve for the «Mortgage to Rent» Scheme in Q3 by €20m (from €60m to €80m) in view of the increased number of applications received.**
- **Recalibration of the Business Plan with the main target continuing to be the full repayment of State Aid of 2018 amounting €3,54bn. A significantly increased number of solutions is expected for loans secured by a primary residence by 2027 and completion of the Business Plan by 2030.**
- **The acceptance of applications for the «Mortgage to rent» Scheme has been completed, with 3.095 applications – a number significantly higher than initial forecasts, supported by the broad support of the Scheme and the stability in the legislative Foreclosure Framework. The first 41 approval letters have already been sent, while an increase in the flow and implementation of the approvals is expected in the coming weeks.**
- **Positive results of the Campaign for the repayment of non-performing loans secured by a primary residence valued under €350 thousands with significant cash inflows which are estimated at approximately €40m to €50m for 2024. Through this campaign, solutions are expected to be reached for loans of €150m to €180m, including restructurings.**
- **Commencement of Project Ledra 2 for sale of part of the loan portfolio which will include loans under the Estia Scheme. The sale will not affect the rights of borrowers.**

## Financial Developments Q2 2024

- Cash inflows of Q2 2024 amounted to €111,7mIn, indicating a decrease of 22,4% against €144,0mIn in Q1 2024, and an increase of 0,9% against €110,7mIn in Q2 2023.

Cash inflows of Q1 2024 were significantly enhanced by inflows from the sale of a loan portfolio as well as the sale of a high value property. Excluding these significant transactions cash inflows in Q2 2024 indicate a significant increase of 38% against Q1 2024.

Cumulative cash inflows from the beginning of KEDIPES operations on 1/9/2018 up to 30/06/2024 amounted to €2.359mIn. Inflows from the management of loans and properties amounted to €2.229mIn or 27,7% 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 Q2 2024 amounted to €24,9mIn, decreased by 9,8% from €27,6mIn in Q1 2024 and increased by 2,5% from €24,3mIn in Q2 2023.
- Loans at nominal value amounted to €5.747mIn at the end of Q2 2024 from €5.822mIn at the end of Q1 2024 and €6.127mIn at the end of Q2 2023. Total deleveraging from the beginning of KEDIPES operations from 1<sup>n</sup> September 2018 to 30<sup>th</sup> June 2024 reached 22,0% and excluding contractual loan interest reached 43,9%.
- Total restructuring and/or recovery solutions performed through the servicing company doValue amounted to €185,8mIn in Q2 2024 compared to €94,3mIn in Q1 2024 and €189,5mIn in the corresponding quarter of the previous year.

Total solutions from the beginning of operations of KEDIPES up to Q2 2024 amounted to €4.202mIn or 57,0% of the initial loan balance of €7.371mIn.

- At the end of Q2 2024, assets amounted to €6.347mIn in nominal value and include cash and liquid assets of €152mIn, immovable properties of €411mIn and performing loans of €663mIn. Total deleveraging from the beginning of operations on 1<sup>st</sup> September 2018 to 30<sup>th</sup> June 2024 reached 23,1% and excluding capitalized loan interest reached 42,6%.
- Under the Asset Protection Scheme which concerns Hellenic Bank, the contractual value of the assets under the Scheme as at 31/03/2024 amounted to €1.298mIn compared to €2.608mIn at the beginning of the Scheme indicating a total decrease of 50% since the beginning of the Scheme. The reference value of the assets at 31/03/2024 amounted to €995mIn compared to €2.271mIn at the beginning of the Scheme (reference value is the amount covered by the Scheme) indicating a total reduction of 56% from the starting date.

Under the Scheme, claims amounting to €104,7mIn have been filed until today by Hellenic Bank (HB) for the period from 1 September 2018 to 31 March 2024. The claim filed for Q1 2024 amounted to €4,6mIn and relates to the increase in

accounting provisions for impairments on non-performing loans that continue to remain in default.

In parallel, until 30 June 2024 payments have been made amounting to €99,0mln or 95% of the total claims, including payment of €1,6mln in Q2 2024.

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

- Net cash inflows, after the payment of expenses and liabilities in Q2 2024 amounted to €79,5mln indicating a decrease of 27,0% compared to €109,0mln in Q1 2024, which as mentioned above, were enhanced by the inflows from the sale of a loan portfolio and immovable property of a high value, and a decrease of 8,0% compared to €86,4mln for Q2 2023. Cumulatively from the beginning of KEDIPES operations, net cash inflows after the payment of expenses and liabilities amounted to €1.431,6mln.
- A cash payment of €60mln against State Aid was made in Q2 2024, increasing the total amount of repayment of State Aid in cash to €1.360mln from the beginning of KEDIPES operations in September 2018 to 30 June 2024.

### **Other Developments**

- Following a Board of Directors decision, a new payment of State Aid of €40mln was made in Q3 2024 increasing the total amount of repayment of State Aid in cash in 2024 to €240mln and €1.400mln from the beginning of KEDIPES operations in September 2018.
- In parallel, due to the increased number of applications received, KEDIPES has increased the cash reserve maintained for the future acquisitions of immovable properties under the “Mortgage to Rent” Scheme by €20mln from €60mln to €80mln.
- The deadline for submitting applications ended on 6<sup>th</sup> of September and 3.095 applications have been submitted, of which 1.128 relate to KEDIPES portfolio. Approximately 73% of applications (2.143 out of 2.921 applications reviewed) have passed the initial checks (compliance with eligibility criteria in accordance with the terms of the Scheme) and will undergo technical and legal due diligence to confirm eligibility and implementation of next steps, in accordance with the terms of the Scheme. For 41 properties the degree of implementation is at an advanced stage, and these are expected to be onboarded in Q4 2024.
- The commencement of Project Ledra 2 is planned for the sale of part of the loan portfolio which will include loans under the Estia Scheme. The sale will not affect the rights of borrowers.
- The campaign for the repayment of non-performing loans secured by a primary residence under €350 thousands has already led to significant cash inflows. For the whole of 2024, it is estimated that there will be inflows of €40mln to €50mln.

Through this campaign, solutions are expected to be reached for loans of €150mln to €180mln, including restructurings.

A detailed presentation on the progress results up to 30/06/2024 has been posted on the website of KEDIPES at the following link:

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