

Progress Report
September 2018 – June 2020

KEDIPES
Cyprus Asset
Management Company

September 2020

**Progress Report
KEDIPES**
to 30/06/20

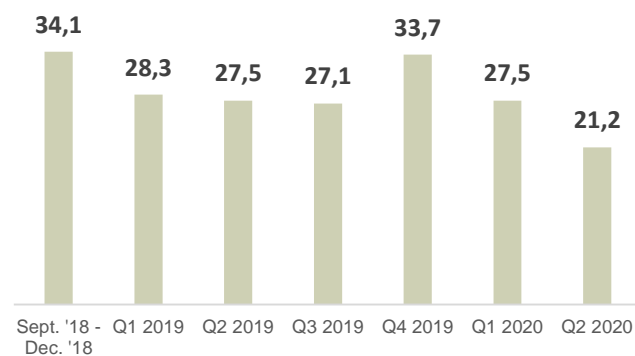
- 1 Portfolio Progress Report Summary**
- 2 Operational Framework KEDIPES**
- 3 Credit Portfolio Management and Resultant Cash Inflows**
- 4 Property Management and Resultant Cash Inflows**
- 5 Cash Outflows**
- 6 Appendix A – Macroeconomic Forecasts**

Cash Inflows (€mIn)



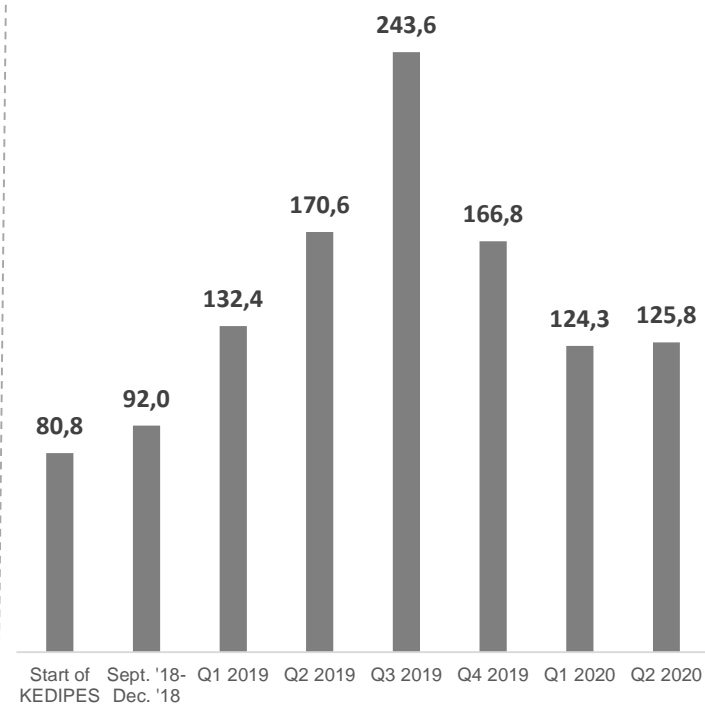
- Q1 and Q2 of 2020 have been affected by the COVID-19 pandemic as the restrictive measures brought to a standstill the property market and the implementation of restructuring or recovery solutions.
- In line with the relevant decree, deferred loan instalments amounted to €58m.
- Further details can be found on [Page 18](#).

Operational Expenses (€mIn)



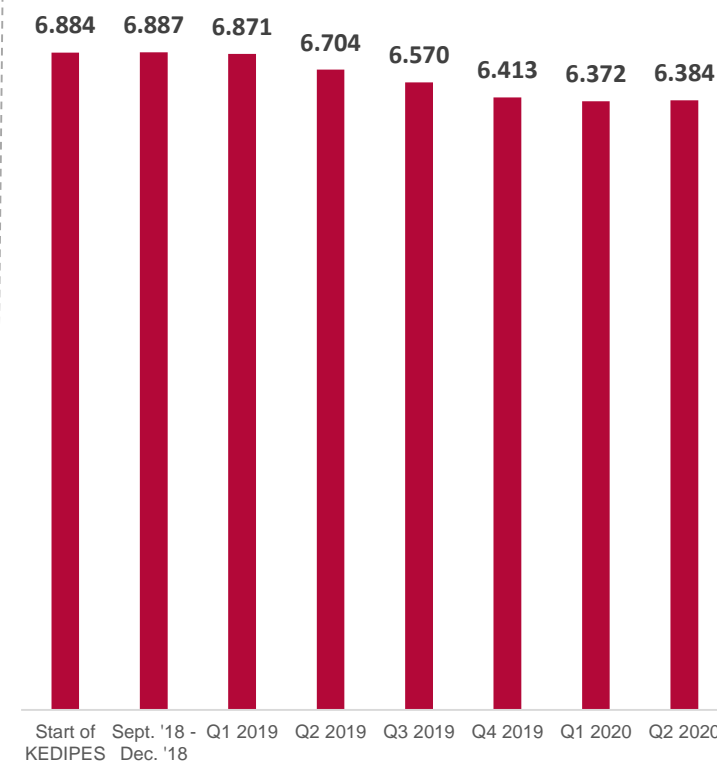
- Gradual decline in staff costs and KEDIPES operating expenses due to the conversion from a bank (ex-CCB) to a State Asset Management Company.
- A significant part of the outflows is related to the asset level expenses.
- Further details can be found on [Page 24](#).

Cash Position (€mIn)



- The main difference in the cash position between Q3 2019 and Q2 2020 is the repayment of €240m of State Aid - €120m in December 2019, €90m in March 2020 and €30m in June 2020.
- Further details can be found on [Page 6](#).

Non-Performing Loans (€mIn)*

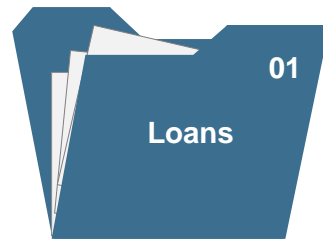


- Gradual decrease in the size of the non-performing loans portfolio due to restructuring or recovery solutions via Altamira.
- Slight increase of 0,2% over the previous quarter at the end of Q2 due to lower cash inflows and application of interest.
- Further details can be found on [Page 15](#).

* Main criteria for categorisation as NPE:

- >90 days in arrears
- <= 90 days after restructuring but not yet declassified as NPE.

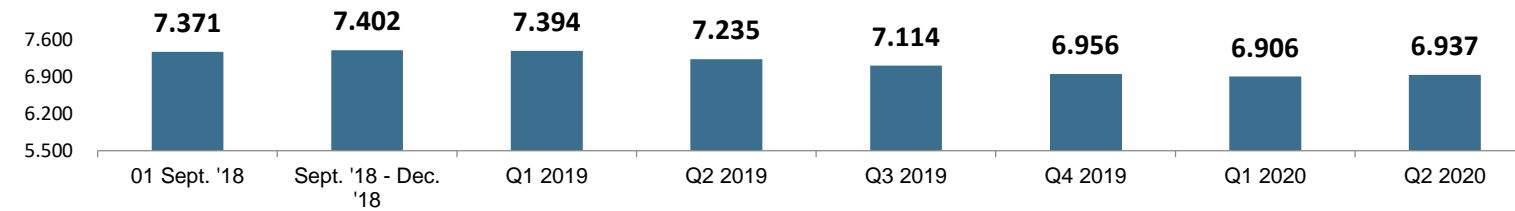
Assets under Management



01

Loans

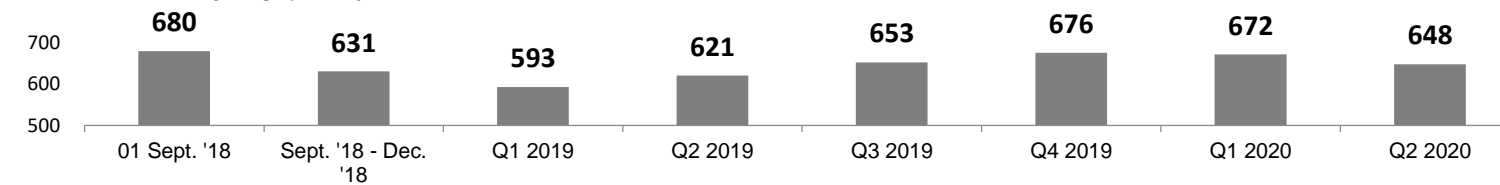
Loans (€mIn)



02

Immovable Property

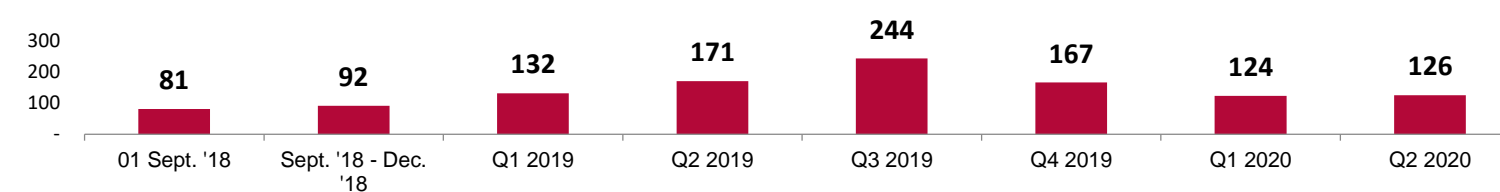
Immovable Property (€mIn)



03

Cash and balances with banks

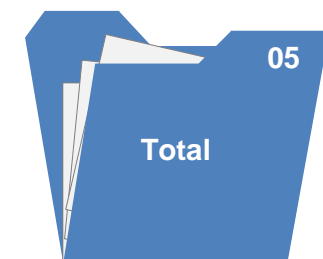
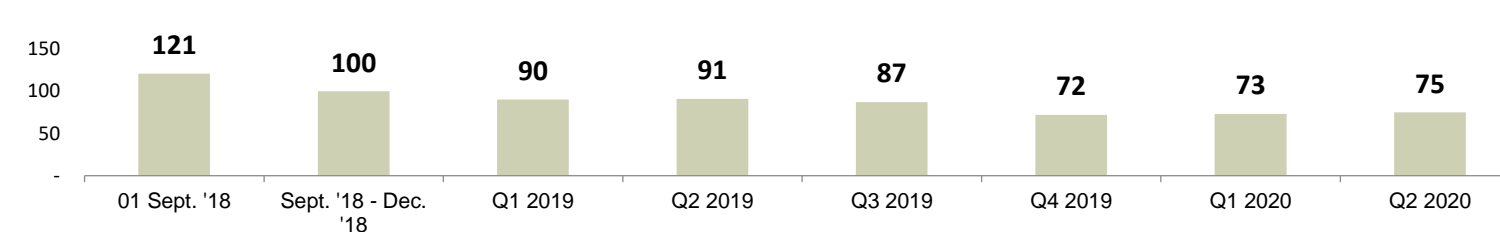
Cash and balances with banks (€mIn)



04

Participation in commercial cooperative companies and other assets

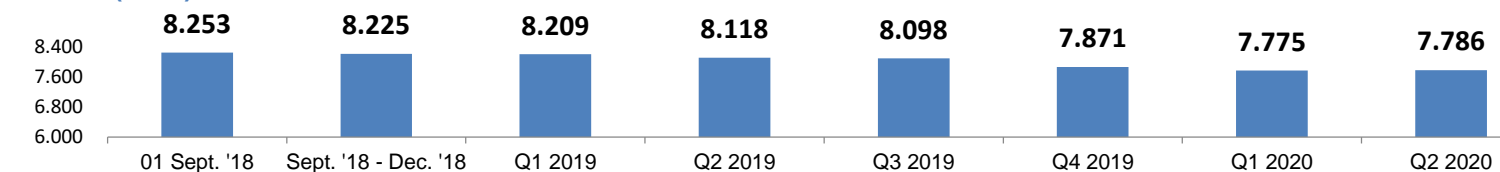
Participation in commercial cooperative companies and other assets (€mIn)



05

Total

Total (€mIn)

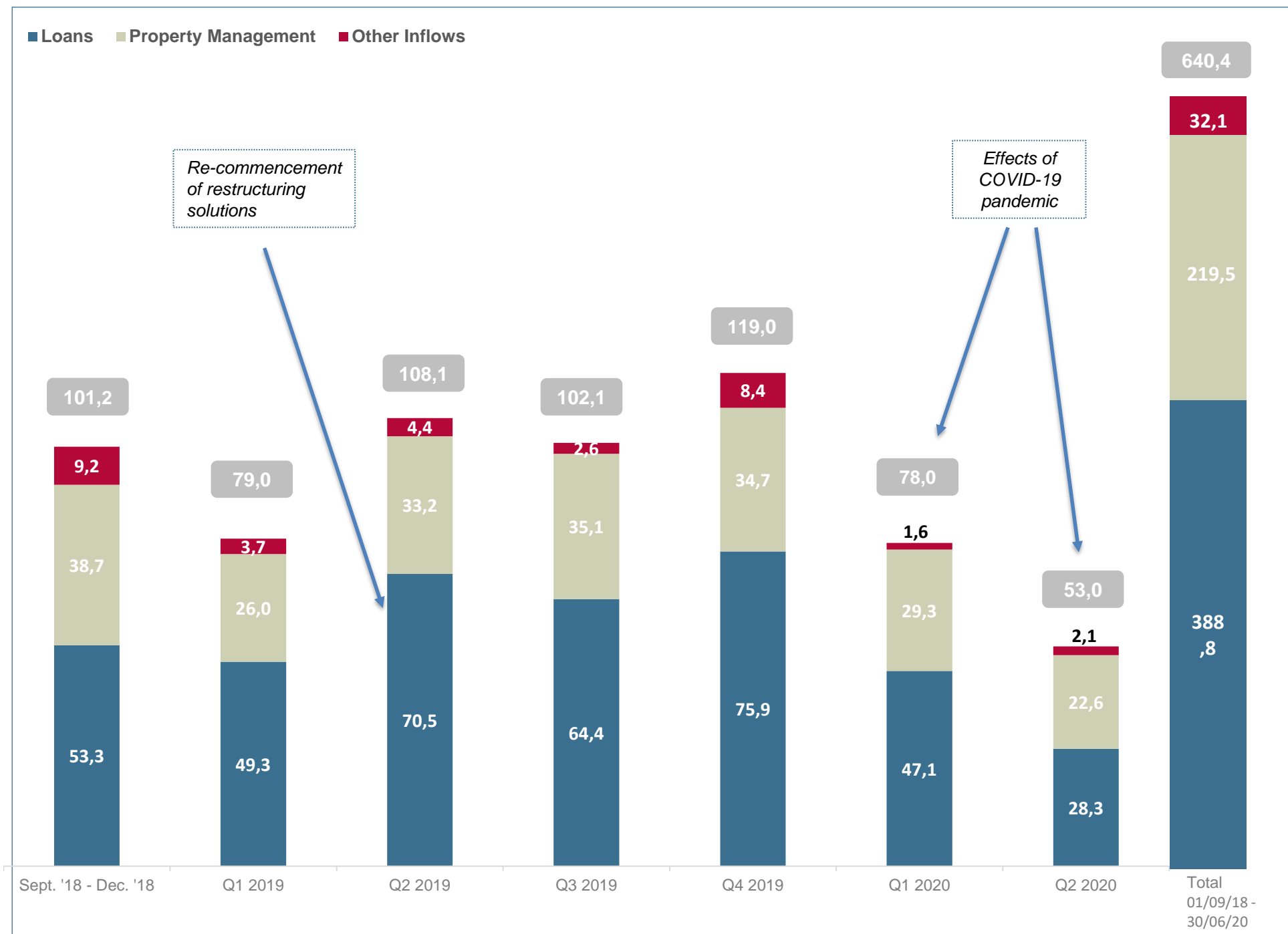


Variance Sep'18 – Jun. '20



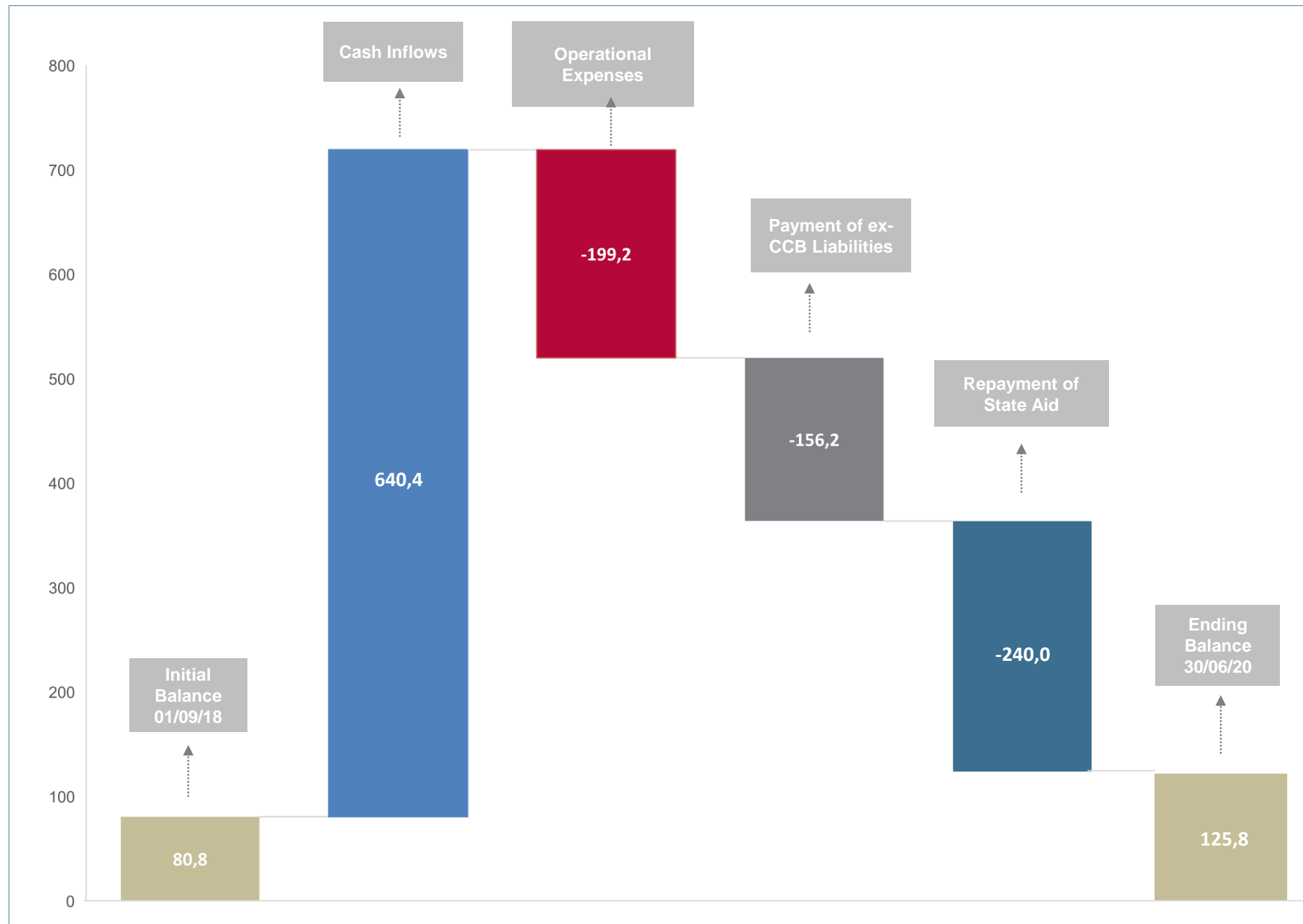
- Assets include advances at their nominal value.
- Total Assets amounted to €7.786 in Q2 2020, a total decrease of 5,7% or 14,4% excluding interest.
- The non-audited accounting value of total assets as at 30/06/2020, and impairments, is estimated at €3.579m.

Cash Inflows (€mln)



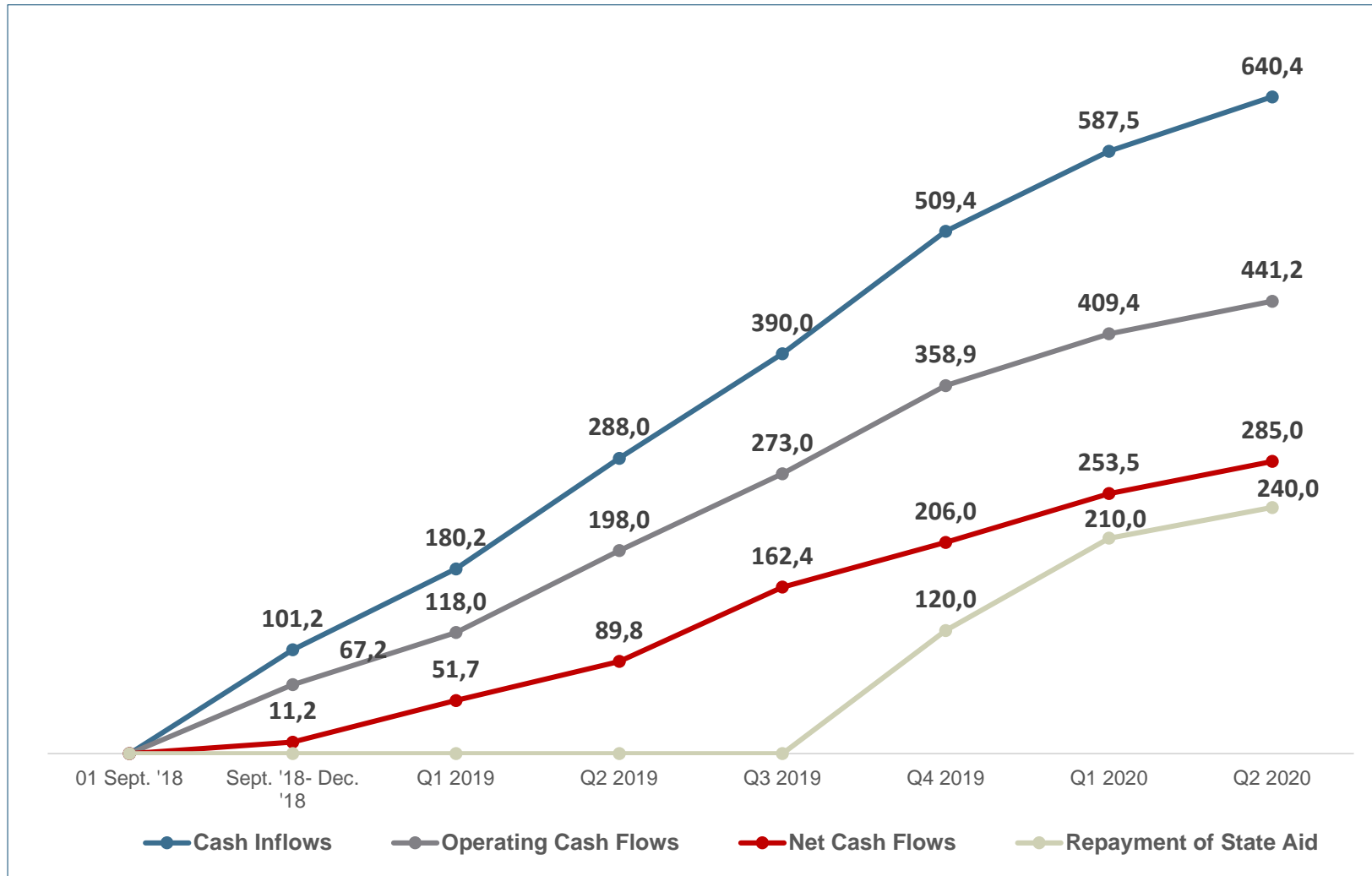
- The cumulative cash flow to 30/6/2020 reached €640,4m, exceeding the original business plan (for the licensing of KEDIPES in 2018) by €16m. The updated business plan will be finalised in 2020.
- Cash flows in Q2 2020 reached €53m, down 32% on the €78m of the previous quarter and 55,5% on the final quarter of 2019, ie before the pandemic struck.
- Loan recoveries contribute 61% and disposal of real estate assets 34% to total cash inflows.
- Cumulative other cash flows totalling €32,1m relate mainly to income from services provided to Hellenic Bank under the transitional service agreement, as well as from sales of office and electronic equipment (totalling €15m of which €1,1m was in Q2 2020), and services to Altamira Cyprus also within the framework of the relevant service agreement (a total of €8,9m of which €0,9m was in Q2 2020). The income derived from services provided to Hellenic Bank was a one-off event since the relevant agreement expired in November 2019.

Cash Position (€mIn)



- The final cash position of KEDIPES on 30/06/2020 was €125,8m, reflecting:
 - Cash inflows €640,4m
 - Payment of operating and asset management costs €199,2m
 - Payment of liabilities of the former CCB €156,2m of which €128,8m concerns payments relating to the Staff Voluntary Redundancy Scheme
 - Repayment of state aid €240,0m
- Despite the reduction in cash inflows because of the pandemic, positive operating cash inflows chiefly in June 2020, following the lifting of the restrictive measures, allowed the repayment of €30m of state aid in cash in June 2020, increasing the amount of state aid repaid in cash to €120m for 2020 and to a total of €240m overall.

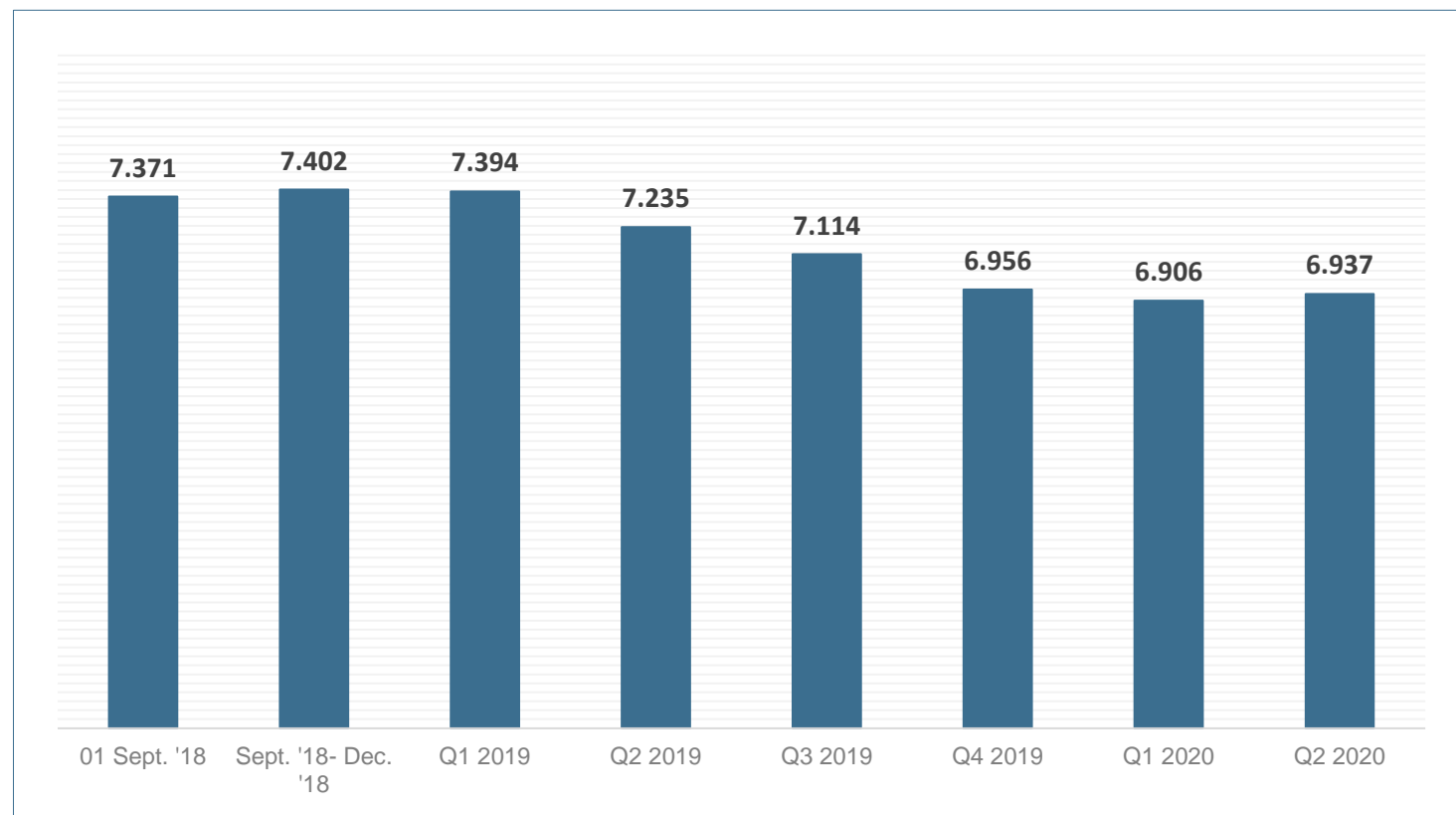
Cash Inflows 01/09/18 – 30/06/20 (€mIn)



Cash Position (€mIn)

- The State Aid repayment is examined on a quarterly basis, in accordance with cash available and medium term cash needs. Repayments to June 2020 totalled €240m as follows:
 - €120m Q4 2019
 - €90m Q1 2020
 - €30m Q2 2020
- After the reporting period, in September 2020, a new repayment of €40m was made, bringing the total amount of state aid repaid until now to €280m.
- In addition to the cash repayments approximately:
 - €140m will be repaid in the form of the transfer of property at market prices
 - €1,3m will be repaid in the form of the transfer of art collections

Loan Portfolio Deleveraging (€mIn)



Loan Portfolio Progress	€mIn	+ / -
Balance 01/09/2018	7.371	
Recoveries	-636	-8,6%
<i>Cash Collections</i>	-389	-5,3%
<i>Value of properties on-boarded</i>	-247	-3,4%
Write-Offs (contractual)	-520	-7,1%
Total Deleveraging	-1.156	-15,7%
Balance 30/06/2020	6.215	-15,7%
<i>Contractual Interest</i>	+722	
Balance 30/06/2020	6.937	-5,9%

- Loan portfolio recoveries reached €636m or 8,6% of the initial gross book value in the form of:
 - ✓ Cash: €389m or 5,3% of the initial gross book value
 - ✓ Property: €247m or 3,4% of the initial gross book value
- In addition, there were write-offs totalling €520m or 7,1%, giving a total deleveraging of 15,7% before contractual interest.

Impact of COVID-19

- ✓ COVID-19 has significantly affected the activities of both KEDIPES and Altamira Cyprus (contact with customers, signing of documentation, property transactions) and also the progress of key projects.
- ✓ The macroeconomic implications and the imposition of lockdown measures in March negatively impacted cash inflows in Q1 and Q2 2020, as it dramatically limited the implementation of restructuring or recovery solutions and halted real estate transactions. Specifically, total inflows decreased to €78m in Q1 2020 and €53m in Q2 (the lowest inflows since the start of operations), a decrease of 34% and 55% compared to the €119m inflow of Q4 2019.
- ✓ In accordance with the provision of the relevant decree issued by the Republic of Cyprus, requests for the suspension of instalments on 5.677 loan accounts amounting to €735m have been approved to the end of 2020. This corresponds to a negative impact on cash inflow of €58m for 2020. Irrespective of the suspended instalments, €6,4m was collected from April to August 2020 in relation to approved applications.
- ✓ Activities relating to auctions have recommenced as of 01/09/2020.
- ✓ The Asset Protection Scheme claim by Hellenic Bank for Q1 2020 reached €6,4m compared to €1,7m for Q4 2019 due to increased provisions reflecting deteriorating macro economic assumptions. Claims are expected to increase, despite the fact that exposure via the Scheme to vulnerable sectors, in particular tourism and trade companies, is limited.

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June 2018

Approval of the provision of State Aid Support totalling €3,54bn to ex-CCB as liquidity from the Republic of Cyprus.

Establishment of a List of Commitments by the European Commission's Directorate-General for Competition governing its operational framework.

August 2018

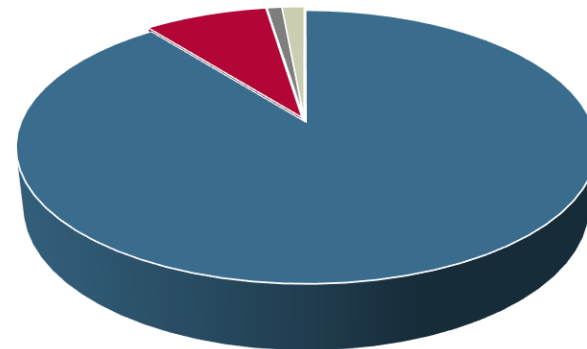
Termination of the activities of ex-CCB and withdrawal of its licence as a Licenced Credit Institution.

Renaming of CCB as a Cooperative Company under the name SEDIPES.

September 2018

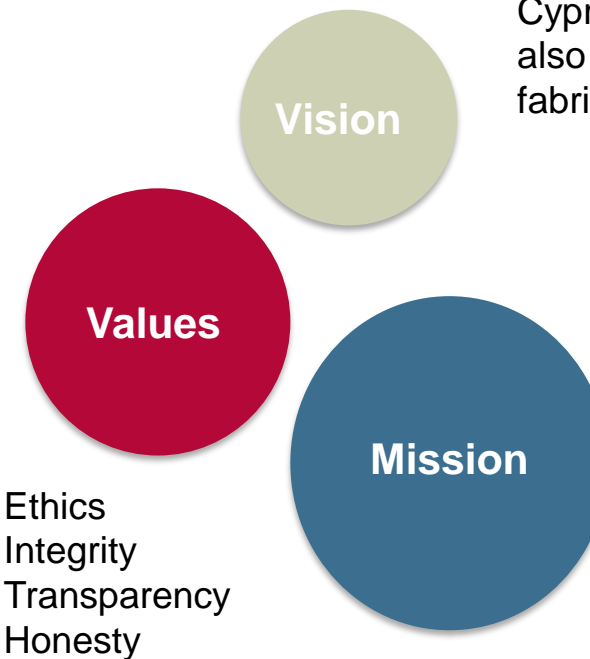
Creation of KEDIPES as a credit acquiring company, a 100%-owned subsidiary of the residual entity SEDIPES and commencement of the management and deleveraging of the assets remaining within its perimeter.

Portfolio Under Management 1st September 2018



- Advances Nominal Value €7.371εκ.
- Real Estate €680εκ.
- Cash and Deposits €81εκ.
- Participations and other Assets €121εκ.

Contributing to the stability of the financial system and the economy with a positive impact on Cypriot society, whilst also preserving the fabric of society.



Maximise recovery of the State Aid Support to the benefit of the Cypriot taxpayer, through effective management of the assets of ex-CCB and in full compliance with the provisions of the European Commission's List of Commitments.

Initial Actions

- Operation as an asset management company using existing staff and infrastructure
- Segregation of the balance sheet, systems, buildings and staff to execute the transaction with Hellenic Bank
- Cessation of banking operations (eg current accounts) and insurance services
- Securing a licence from the CBC to operate as a Credit Acquiring Company
- Continuation of cooperation with Altamira Cyprus ensuring an uninterrupted flow of restructures
- Establishment and operation of a Transitional Service Agreement with Hellenic Bank
- Management of large volumes of computer and office equipment and other legacy/pending issues of ex-CCB
- Cooperation with the competent State authorities concerning public inquiries / investigations relating to ex-CCB
- Licensing of SEDIPES to allow restructuring to recommence
- Establishment of a new Board of Directors

Strategic Actions

- Completion of the data transfer to Hellenic Bank in September 2019
- Completion of the Transitional Agreement for the Provision of Services to Hellenic Bank (TSA)
- Collections in excess of the initial KEDIPEs Business Plan
- Completion of the financing (€128,6m) and management of the Staff Voluntary Redundancy Scheme
- Repayment of State Aid, €120m in 2019 and €160m in 2020
- Development of a corporate governance framework
- Completion of the sale of participation in Altamira Cyprus to Altamira Spain for €4.5m in September 2020
- Transfer agreement with the State for properties worth approximately €140m and other Art Collections worth €1,3m.
- Management of claims under the Hellenic Bank Asset Protection Scheme
- Improvement of the organisational structure and gradual implementation of the new organogram
- Management of the ESTIA scheme and alternative strategic solutions in the Business Plan
- Initiation of Project Ledra for the possible sale of loans

Challenges

- Delay in completing the transfer of assets from SEDIPES to KEDIPEs
- Negative effects of the COVID-19 pandemic on cash flows, on the recoverable value of assets and on claims under the Loan Guarantee Scheme
- Compliance with the Commitments of the European Commission's Directorate-General for Competition and revision of the Portfolio Service Level Agreement
- Lack of direct access to the land registry system "Ariadne"
- Improvement of data quality
- Specialisation of staff to meet the needs of an Asset Management Company
- Low levels of interest in participation in the ESTIA Scheme
- Expected increased supply of properties on the market from other Credit Acquiring Companies
- Uncertainty surrounding practical impact of the Insolvency Framework and the law on Foreclosures

List of Commitments to DG Competition

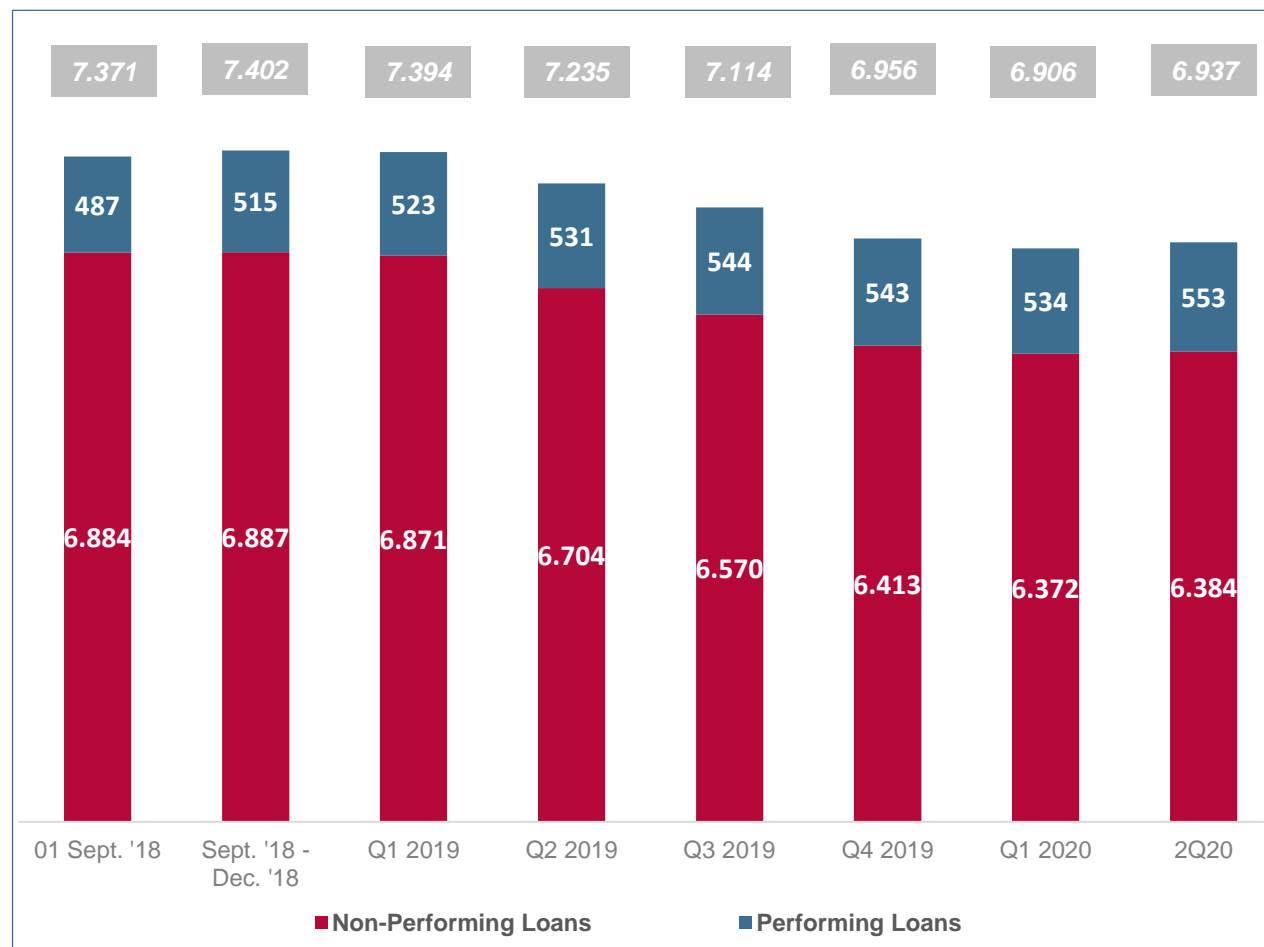
KEDIPEs operates on the basis of the “List of Commitments” signed on 15/06/2018 between the Republic of Cyprus and the European Commission’s Directorate-General for Competition (<https://kedipes.com.cy/κεδιπες/κατάλογος-δεσμευσεων/>). Compliance with the commitments is monitored by the “Monitoring Trustee”, which is Baker Tilly.

Commitment	Description of Commitment	Progress
10	All claims of CCB shareholders remain in the Residual Entity (RE) and cannot be transferred to Hellenic Bank (HB) at a later stage.	In compliance and will be evaluated on an ongoing basis
11	In return for the state support that was secured in the process of selling the assets and operations, the RoC must have a claim equal to the value of that aid.	In compliance and will be evaluated on an ongoing basis
12	Sale of SEDIPES shareholding in the joint venture with Altamira Cyprus. An independent expert will verify compatibility with market conditions.	Completed 09/09/2020, following Cyprus Competition Authority’s approval, the sale of share in Altamira Asset Management (Cyprus) Limited from SEDIPES to Altamira Asset Management S.A. The sale price was agreed at €4.5m and it has been confirmed by an independent expert that this is consistent with market conditions.
13	Surrender of the banking license or reduction in the scope of operations to the minimum necessary for the activities described in Commitment 14	Completed
14	The sole activity of the RE will be to manage the assets of the residual entity with the objective of divestment, liquidation or winding down in order to repay the state aid. In addition, RE will not conduct any other economic activity, nor will it acquire clients or sell products	The range of activities has been limited as planned. Full compliance will be achieved with implementation of the new organisational structure and strategic plan
15	The RE will not acquire a share in any company	In compliance and will be evaluated on an ongoing basis
16	The sole objective of the company is to maximise the recovery of assets as quickly as possible and in an appropriate way. The company will be run by people with specialist knowledge and international experience. It will be independent of the state which can give instructions only relating to the protection of taxpayers’ money and on maximising recovery of the state aid. Management will be granted performance-based remuneration.	Not completed. Central Bank approval is awaited for the 5 th independent board member and appointment of the CEO. To be evaluated on an ongoing basis.
17	Success will be evaluated on a regular basis and strategic business plans adjusted accordingly	Partial compliance and will be evaluated on an ongoing basis
18	Management of the assets will be done by a private Portfolio Servicing Company – either by a new company via a transparent, unconditional tendering process or by the existing provider, Altamira Cyprus, where the terms of the agreement will be assessed by an independent expert. The Servicer’s remuneration will be performance-based.	Not completed. In progress
19	The RE retains the right to transfer the entire asset portfolio to any other state-owned asset management company, provided that the financial terms of the transfer do not call into question the assumption of the liability of the shareholders of the CCB.	When the transfer to KEDIPEs is completed, it will be compatible with the Commitment
20	The terms listed in Commitment 13-19 also apply to the state-owned asset management company which could take over the portfolio of the RE.	In compliance and will be evaluated on an ongoing basis

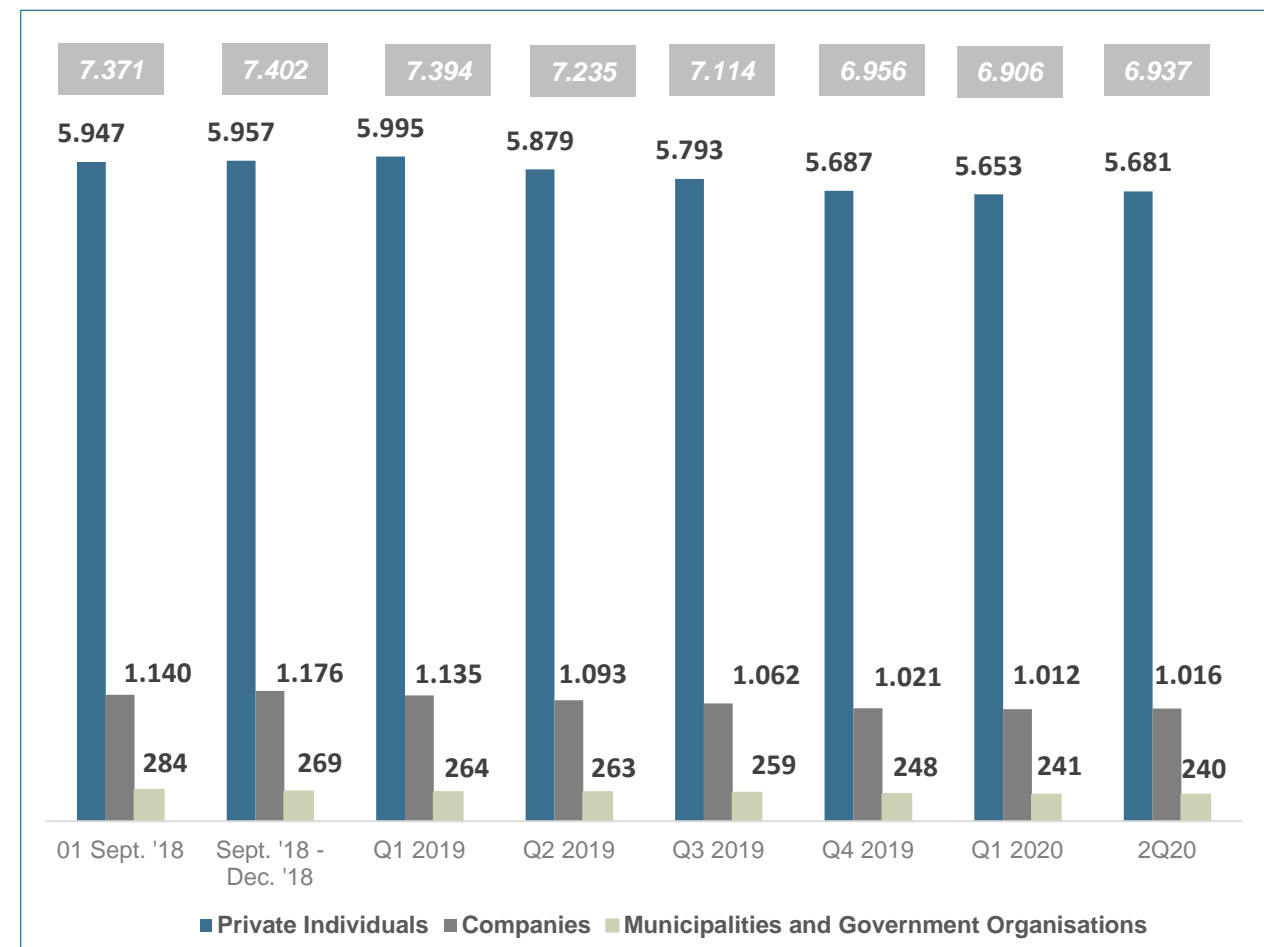
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Loan Categorisation (€mIn)



Loans by Institutional Sector (€mIn)

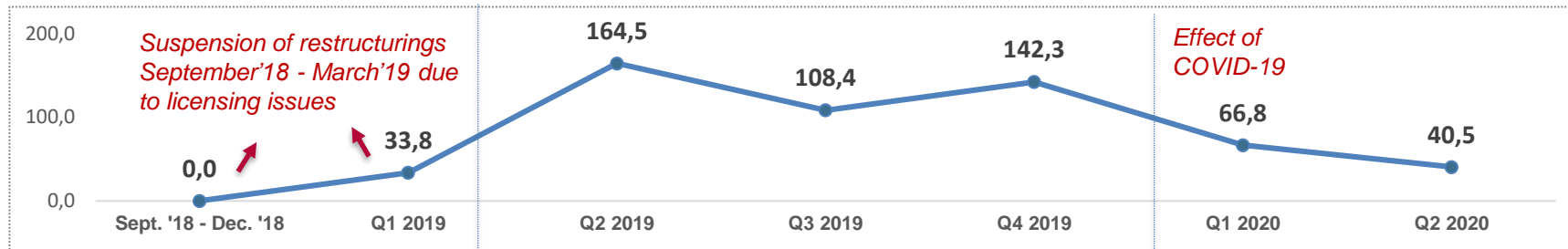


- Loans balances amounted to €6.937m at the end of Q2 2020 down from €6.906m the previous quarter, recording an increase of 0,5% due to reduced collections and write-offs because of the pandemic, which were less than the interest. Total deleveraging since the start of operations reached 5,9%. Excluding interest capitalization, deleveraging since the start of operations amounts to 15,7%.
- Loans to Municipalities and Government Organisations are decreasing gradually through regular (usually annual) instalments, with an overall reduction of 15,5%. At the same time, the reduction in loans to companies totals 10,9% whilst the decrease of Private Individuals amounts to 4,5%.
- The main focus of the KEDIPES business plan is the reduction of the non-performing portfolio through restructuring solutions or recoveries (Page 16). Work has begun on the preparation and possible sale of performing, restructured loans.

Recovery Solutions via Altamira Cyprus



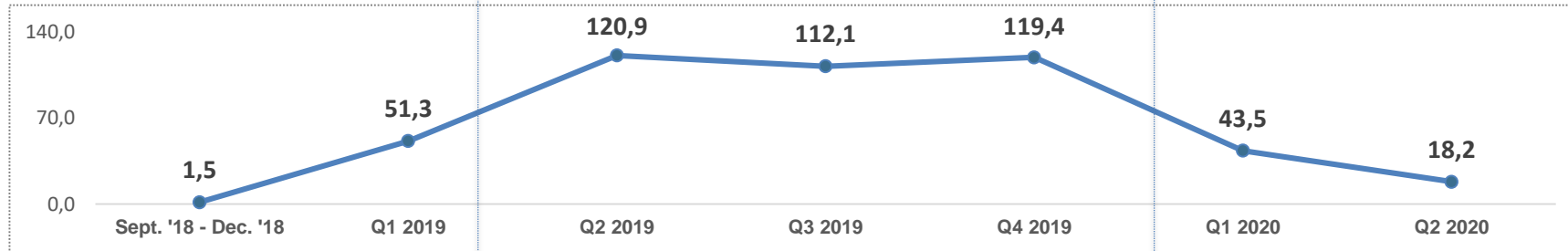
Restructurings



€556,3m
(37,8%)



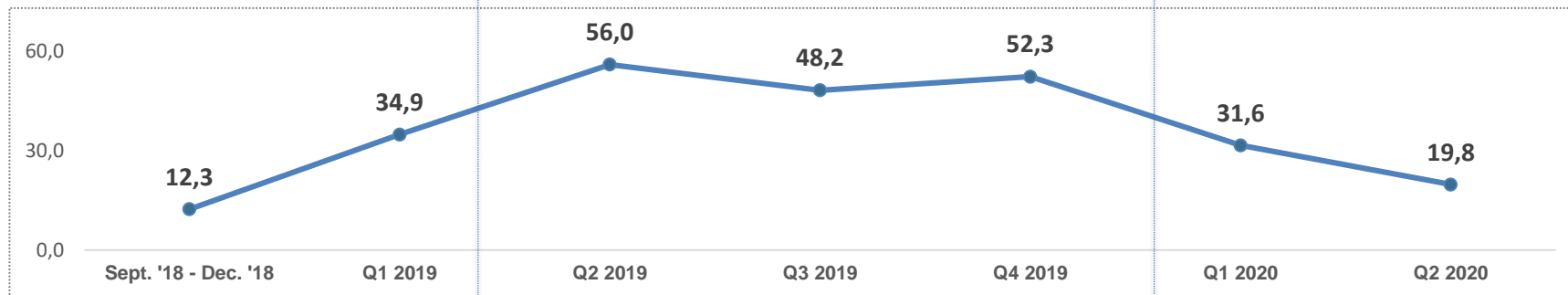
Debt-to-Asset Swaps



€466,8m
(31,7%)



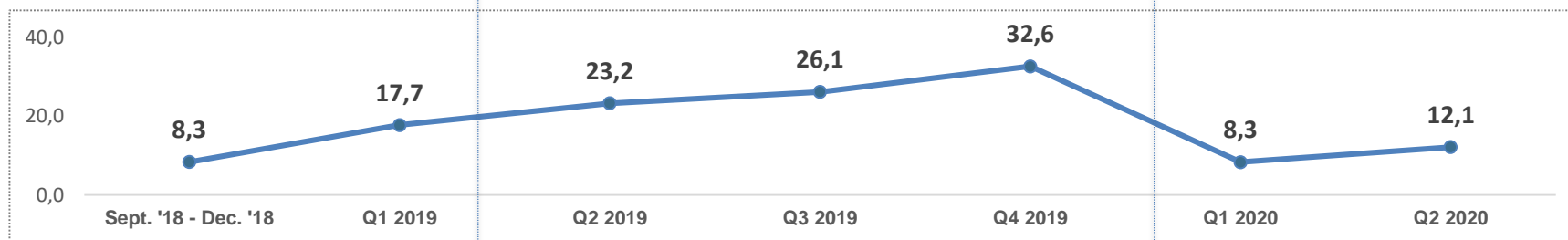
Full Settlements



€255,2m
(17,3%)



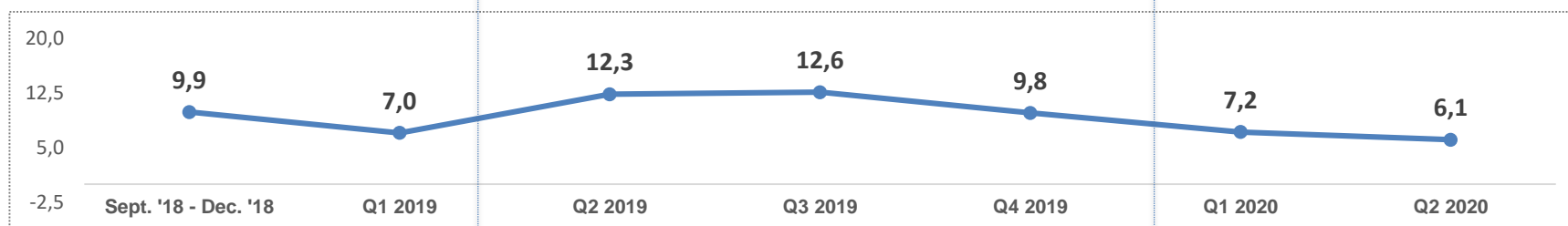
Re-performing Loans



€128,3m
(8,7%)



Cash Collections on Overdue Loans



€64,9m
(4,4%)

Quarterly Totals

32m.

145m.

377m.

307m.

356m.

157m.

97m.

Total Solutions:
€1.472mIn
(Nominal loan value basis)

Main Eligibility Criteria for the Scheme

- Credit facilities secured by mortgage on primary residence with a market value not exceeding €350,000
- At least 20% of the borrower's total lending exceeds 90 days in arrears. Loans restructured after 30 September 2017 are not eligible.
- Total gross annual income does not exceed €20,000 for single people and €60,000 for a family with at least 4 dependent children
- The household's net assets, excluding the primary residence, does not exceed 80% of the Open Market Value of the primary residence, capped at €250,000
- European citizen residing permanently and continuously in the EU

State Support

- Subsidy of 1/3 of the instalment by the Government where the above criteria are met in full
- The budget was approved by Parliament in January 2019
- In effect from 2 September 2019
- The Scheme will be valid for the entire duration of each loan

**Completed
ESTIA
Applications
€416mIn**

Timelines

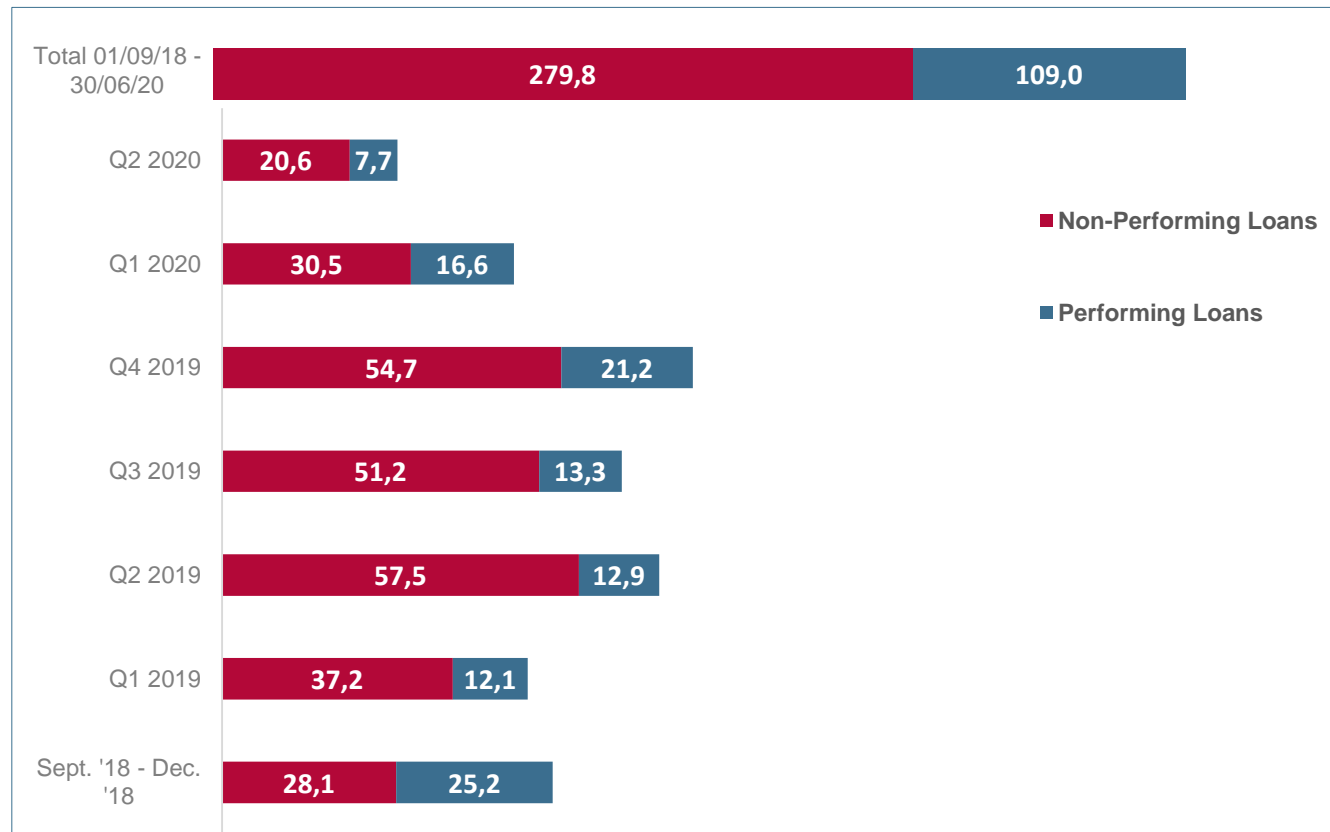
- On 26/03/20, the Council of Ministers extended the deadlines of the ESTIA Scheme as follows:
 - ❖ Applications to be submitted by interested parties until 15/6/20
 - ❖ Deadline for full completion of applications until 31/7/20
 - ❖ Evaluation of eligibility until 31/8/20
 - ❖ Offer of a restructuring solution to successful applicants 15/9/20
 - ❖ Approval of Procedure by the Competent Authority until 30/11/20

KEDIPES Portfolio

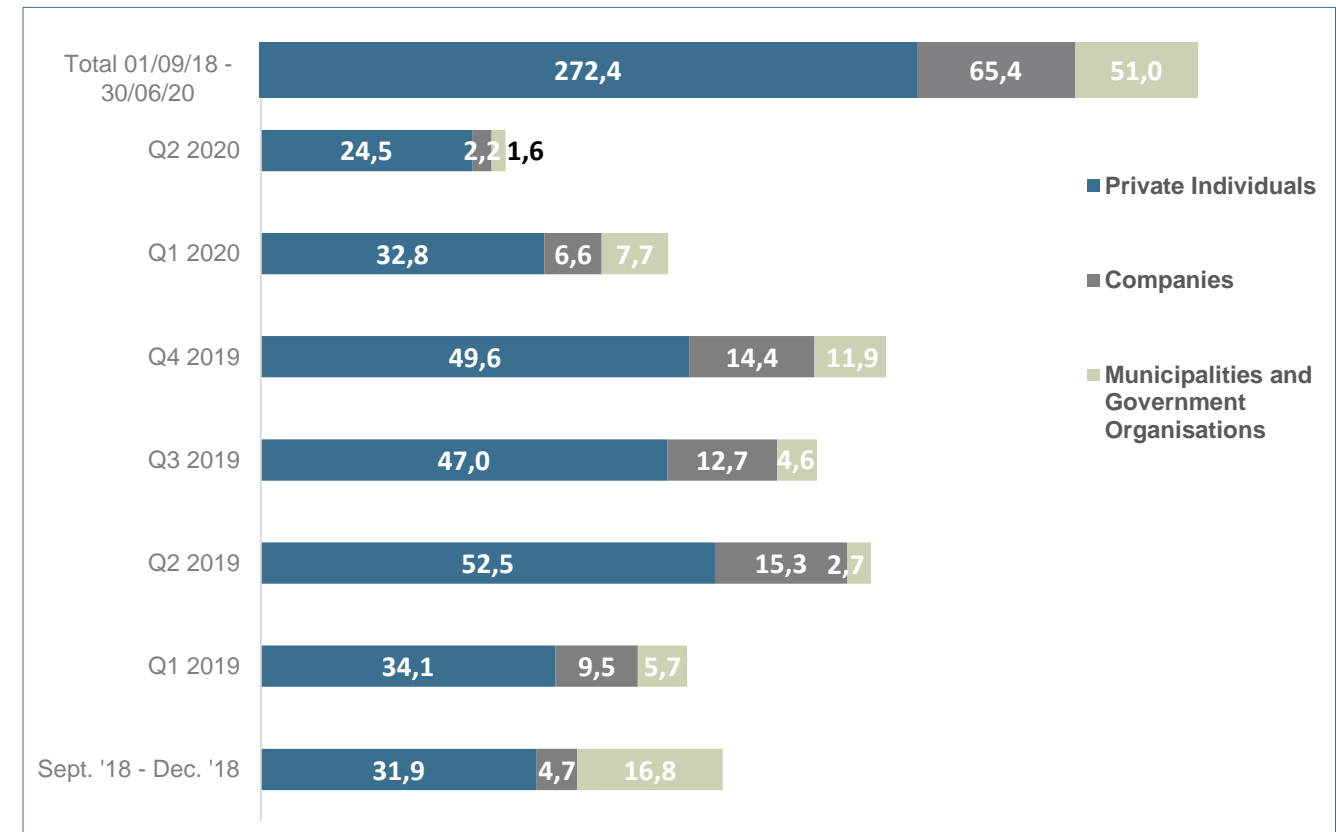
The results of ESTIA so far are not considered satisfactory despite the efforts of KEDIPES to promote the Scheme. Specifically till 25/09/2020:

- Applications are limited to 3,801 accounts, amounting to €887m.
- Fully completed applications, corresponding to a total of 1,858 λογαριασμούς amounting to €416m.
- Approved applications correspond to a total of 550 accounts amounting to €113m.

Inflows from Loans Management (€mIn)



Inflows by Institutional Sector (€mIn)

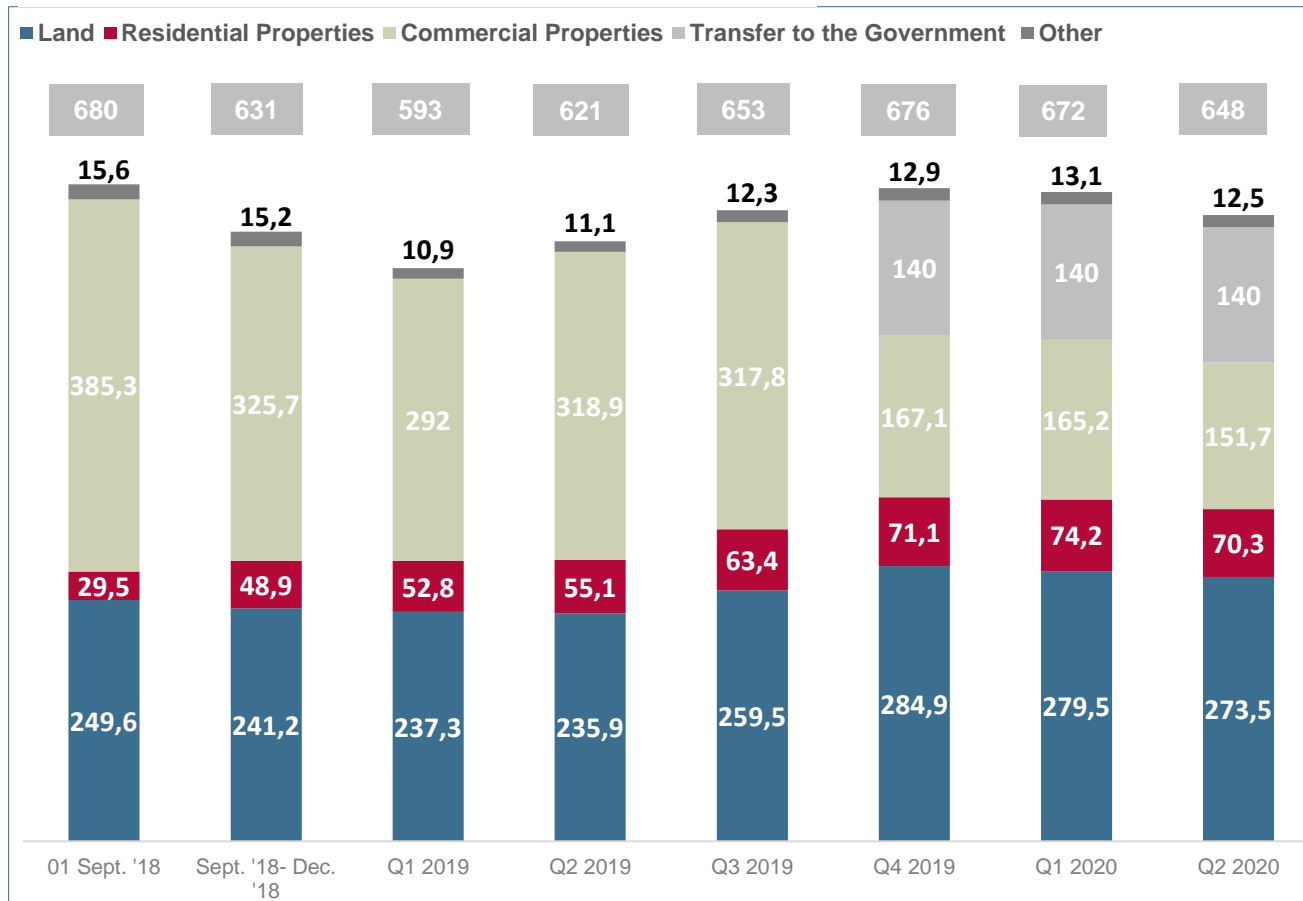


- The pandemic led to a reduction in inflows from loans in Q2 2020 to €28,3m. In particular, a reduction of 66,6% on Q1 2020 and 84,7% on Q4 2019 was noted in inflows from Companies, and from Private Individuals a reduction of 25,3% on Q1 2020 and 50,6% on Q4 2019, during which quarter the highest level of inflows was recorded since the inception of KEDIPES.
- In accordance with the provisions of the relevant decree aimed at dealing with the consequences of the pandemic, which allows for instalments to be deferred until the end of 2020, to date applications have been submitted for more than 5.676 loan accounts amounting to €735m with instalments totalling €58m. The deadline for the submission of applications expired on 26 June 2020.
- Restructuring or recovery solutions through the management company Altamira Cyprus reached €96,7m in Q2 2020 compared to €157,3m in the previous quarter. Total solutions since the start of operations amounted to €1.471,6m or 20% of the initial lending balance of €7.371bn. These solutions lead to direct, or in the case of real estate recovery indirect, cash flows.

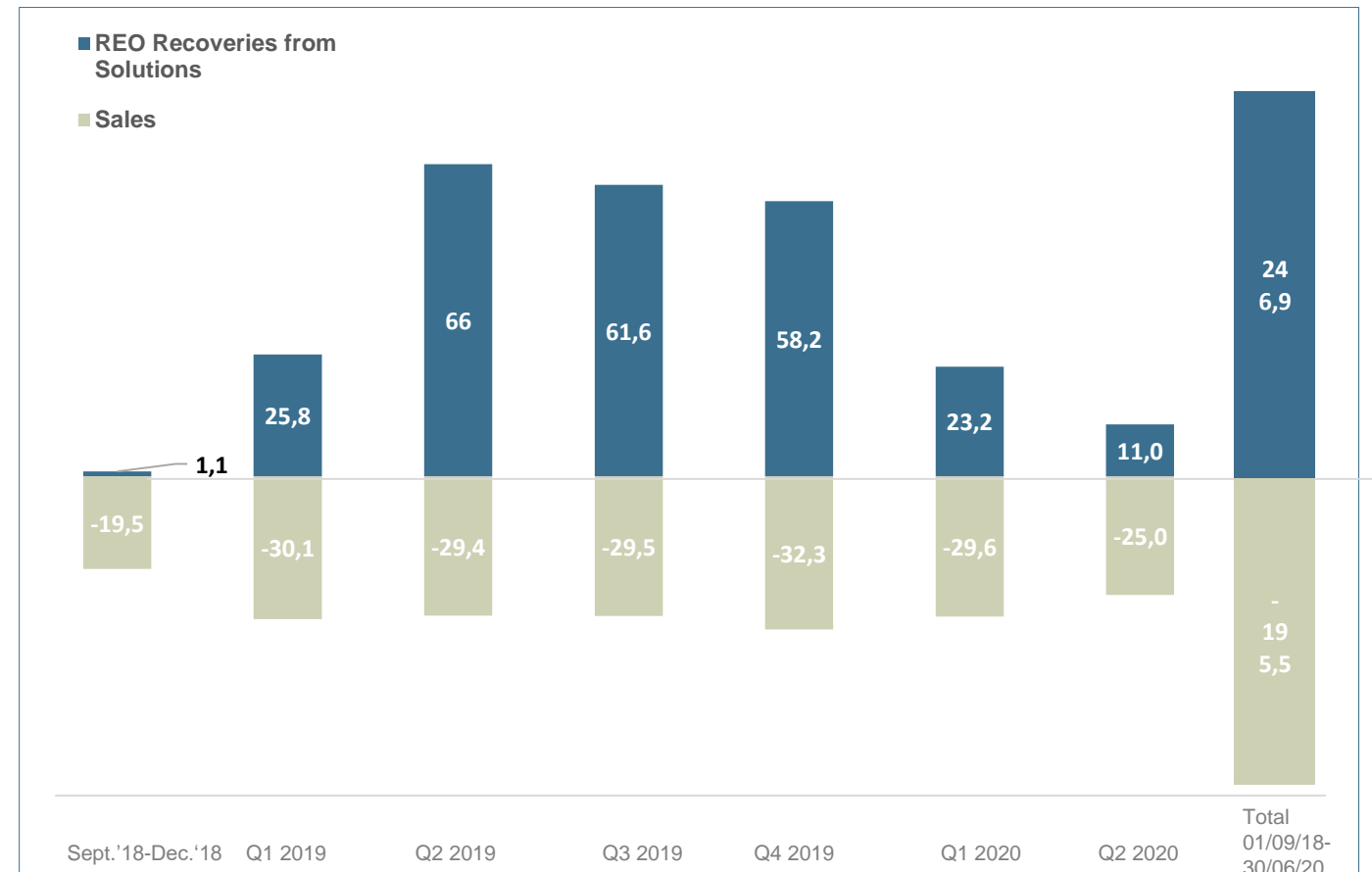
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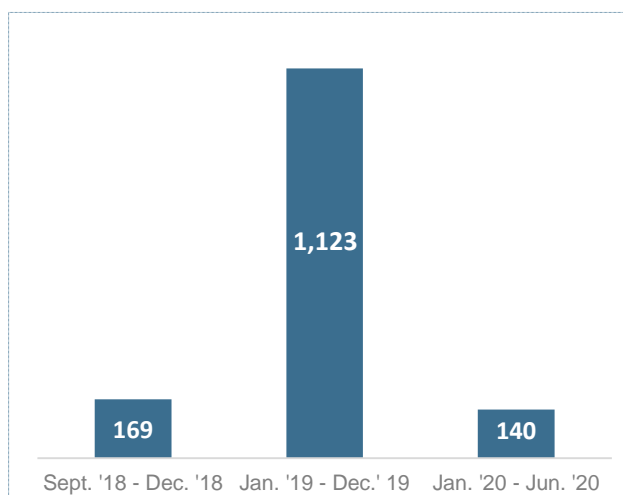
Property Portfolio by Sector (€mIn)



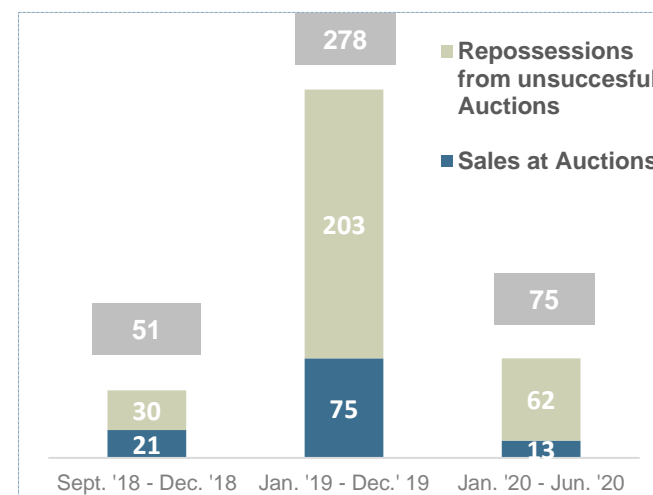
Property Recoveries and Sales (€mIn)



Auctions (No. of Properties)



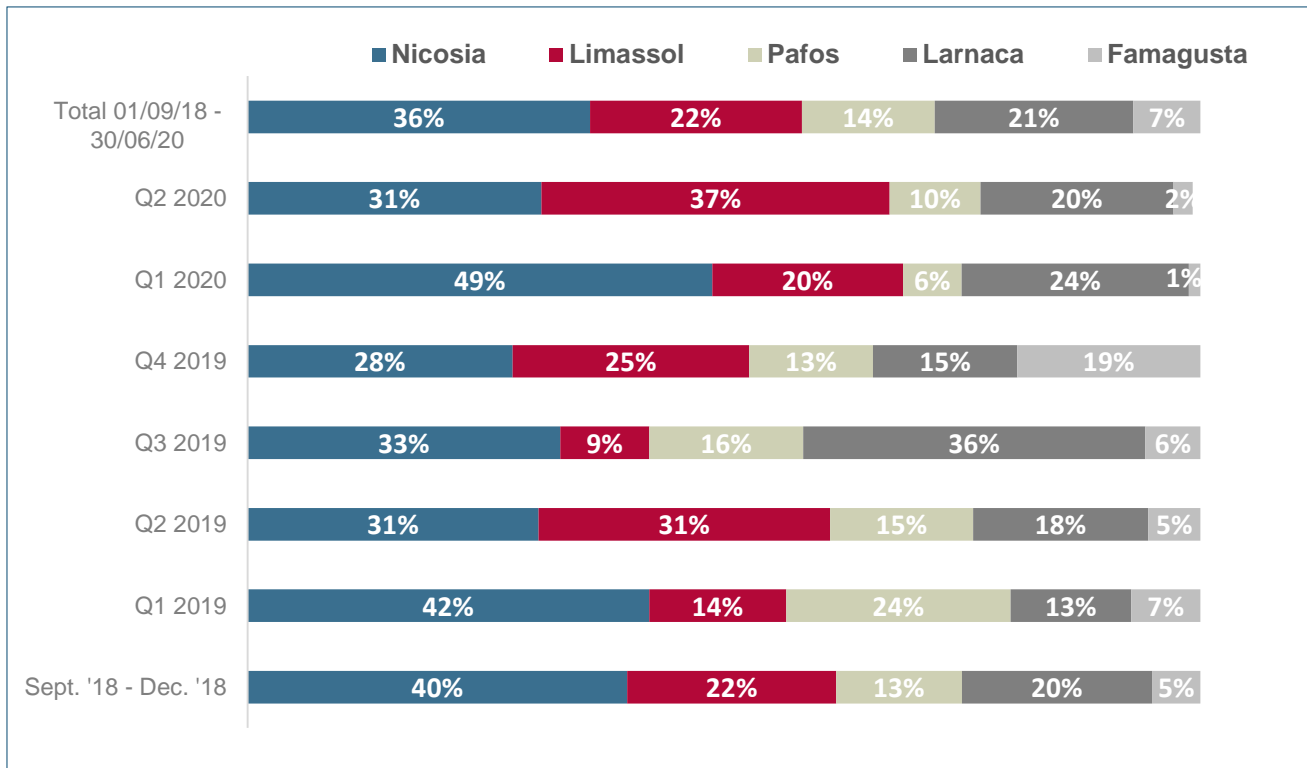
Auction Results (No. of Properties)



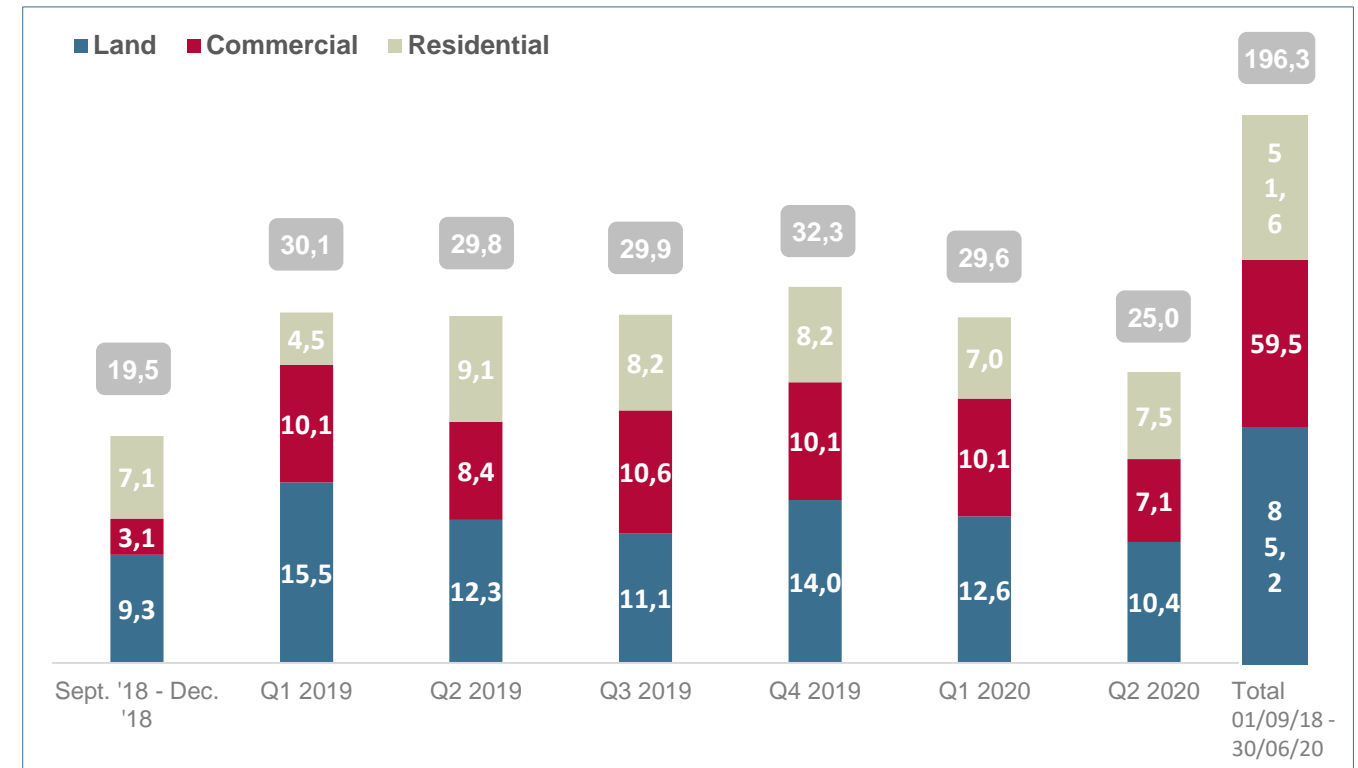
- DTAs totalled €246,9m (of which €29m were recoveries after failed auctions) with a decrease to €23,2m in Q2 2020 due to the pandemic in comparison with €23,2m and €58,2m in the most recent previous quarters.
- Sales from real estate stock amounted to €195,5m, of which €25m were completed in Q2 2020. Successful auctions totalled €8,3m.
- Real estate worth €140m has been excluded from selling activities and will be transferred to the State in repayment of the state aid, immediately upon completion of evaluations by responsible government departments.
- In addition, properties with a market value of €43m were transferred to Hellenic Bank in Q1 2019 in completion of the asset transfer transaction.

REO Stock and Sales by Altamira Cyprus

Property Sales by Region (%)



Property Sales by Sector (€m)

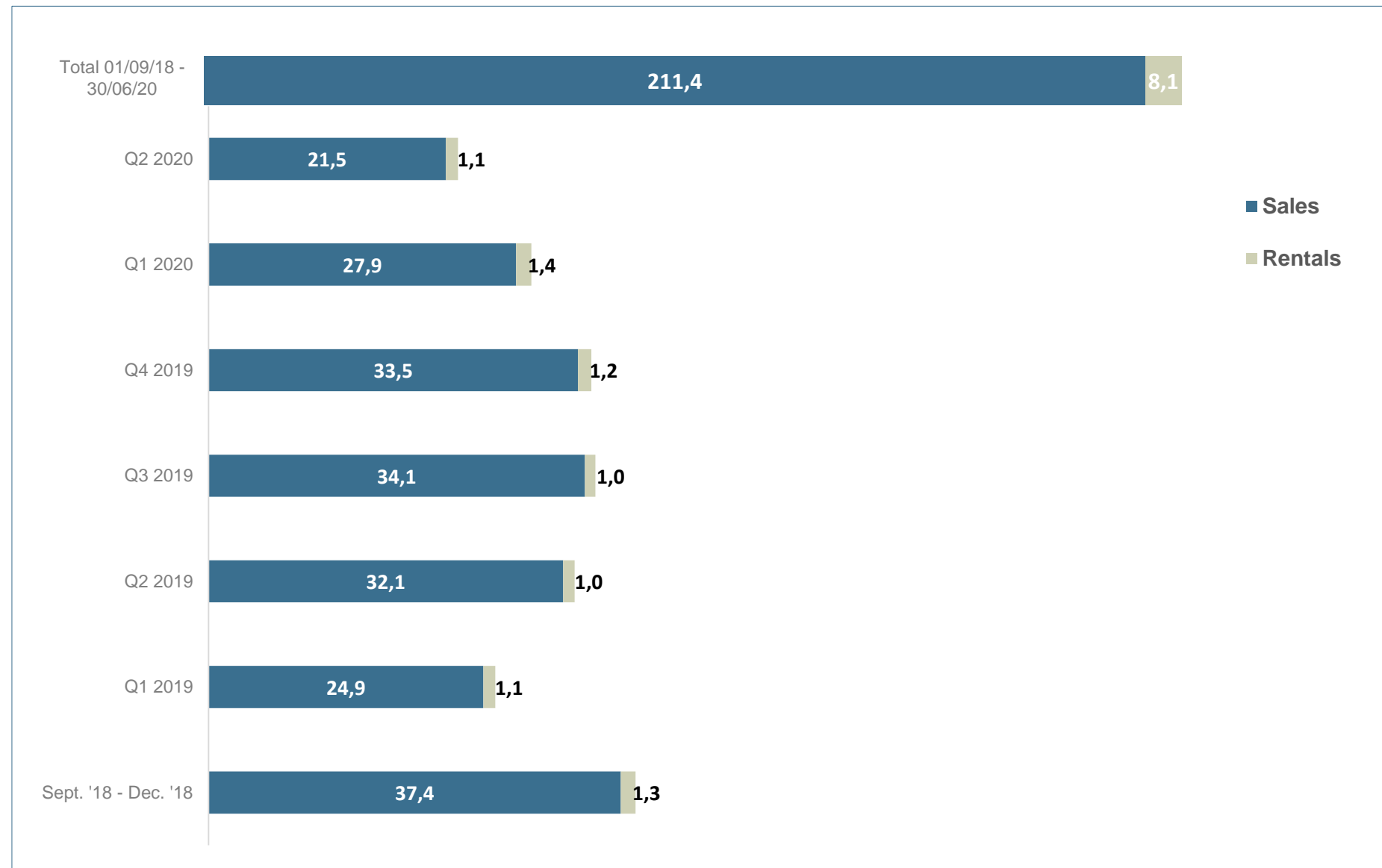


REO Stock Available for Sale	Location	Sept. '18 - Dec. '18		Q1 2019		Q2 2019		Q3 2019		Q4 2019		Q1 2020		Q2 2020	
		#	€m	#	€m	#	€m	#	€m	#	€m	#	€m	#	€m
		Nicosia	1,000	198,8	1,063	203,9	1,052	170,5	1,197	186,3	1,288	210,7	1,286	204,9	1,257
Larnaca	649	76,9	697	87,2	743	77,7	807	87,4	872	103,8	850	100,6	799	95,8	
Limassol	480	122,8	501	87,2	464	73,5	531	80,6	599	100,9	596	102,5	560	95,0	
Paphos	332	57,7	343	64,5	339	50,3	392	56,3	445	59,0	449	60,3	448	58,5	
Famagusta	148	25,8	167	24,7	160	21,5	158	22,3	169	23,2	180	24,5	170	23,9	
Total*	2,609	482,0	2,771	467,5	2,758	393,7	3,085	433,0	3,373	497,8	3,361	492,8	3,234	476,3	

- REO stock available for sale consists mainly of moderate liquidity and value level of assets. Real estate stock in Nicosia represents 38,9% of total stock however there is a wide dispersal across all cities.
- A total of 612 properties amounting to €84m were sold within 1 year of their recovery, indicating strong investment interest in the market with the exception of the period March – May 2020 due to the pandemic.

*the above represents real estate stock available for sale by Altamira Cyprus. Property for own use by KEDIPES and Altamira Cyprus are excluded, as are properties to be transferred to the State.

Inflows from Property Management

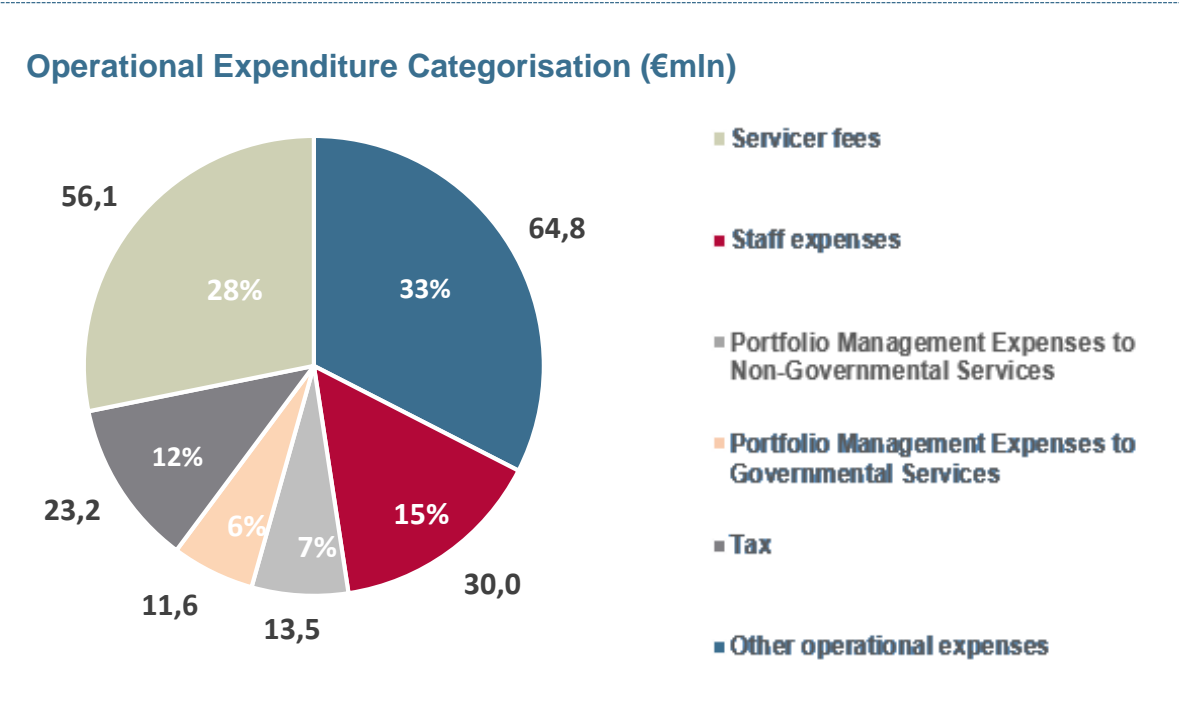
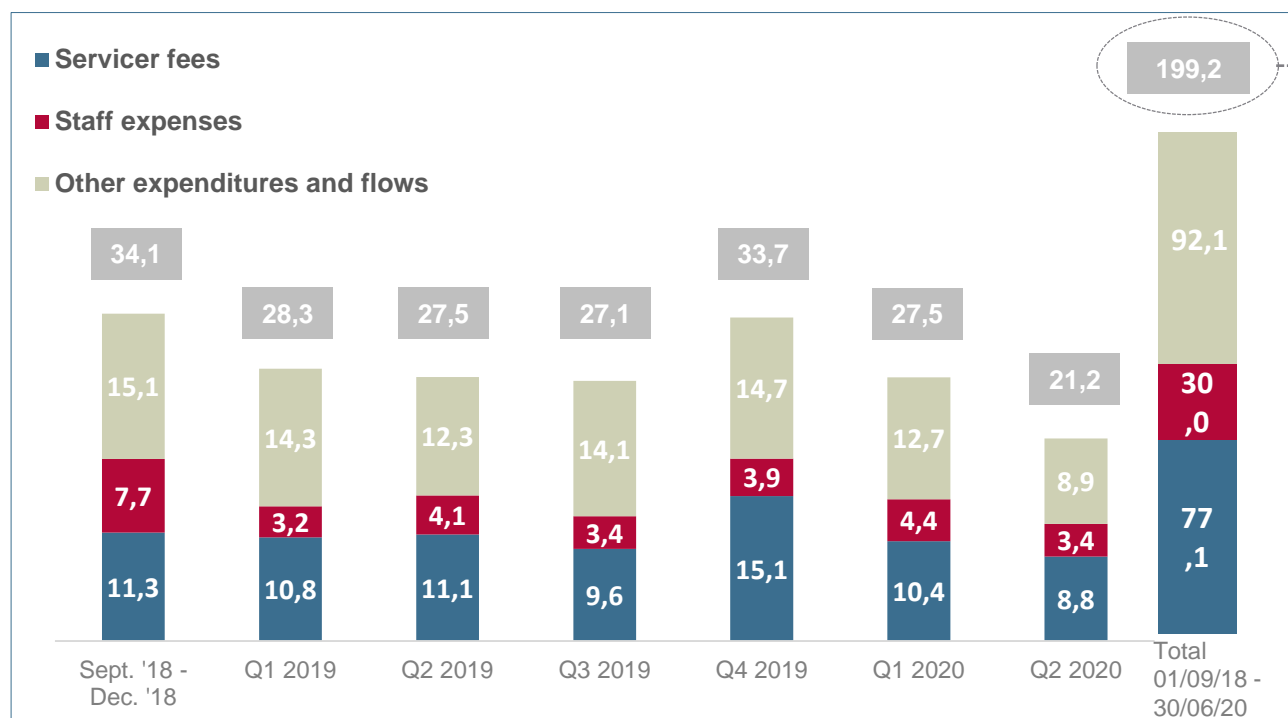


- Total collections from real estate sales through Altamira Cyprus reached €211,4m to 30/06/2020 and total collections from rentals €8,1m.
- Collections from sales in Q2 2020 reached €21,5m, a decrease of 22,9% over the preceding quarter and 35,8% on Q4 2019, whilst rents also decreased by 21,4% on the previous quarter.
- It is noted that the sale of property is not promoted where there is a relevant decision by the Council of Ministers for its acquisition by the State for use by governmental services or local authorities.
- The total amount collected from property sales is higher for the period due to settlement of property sales which took place prior to 1/9/2018.

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to 30/06/20

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Expenses (€mIn)



Servicer Expenses

Under the agreement with Altamira Cyprus for the management of advances of more than 90 days past due, as well as the sales/rentals of properties, a total of €77,1m has been paid up to 30/06/2020 (including non-recoverable VAT). The fee comprises a fixed element and a variable element which is based on the restructuring or recovery solutions implemented and on the collections from property sales and rents.

Staff Expenses

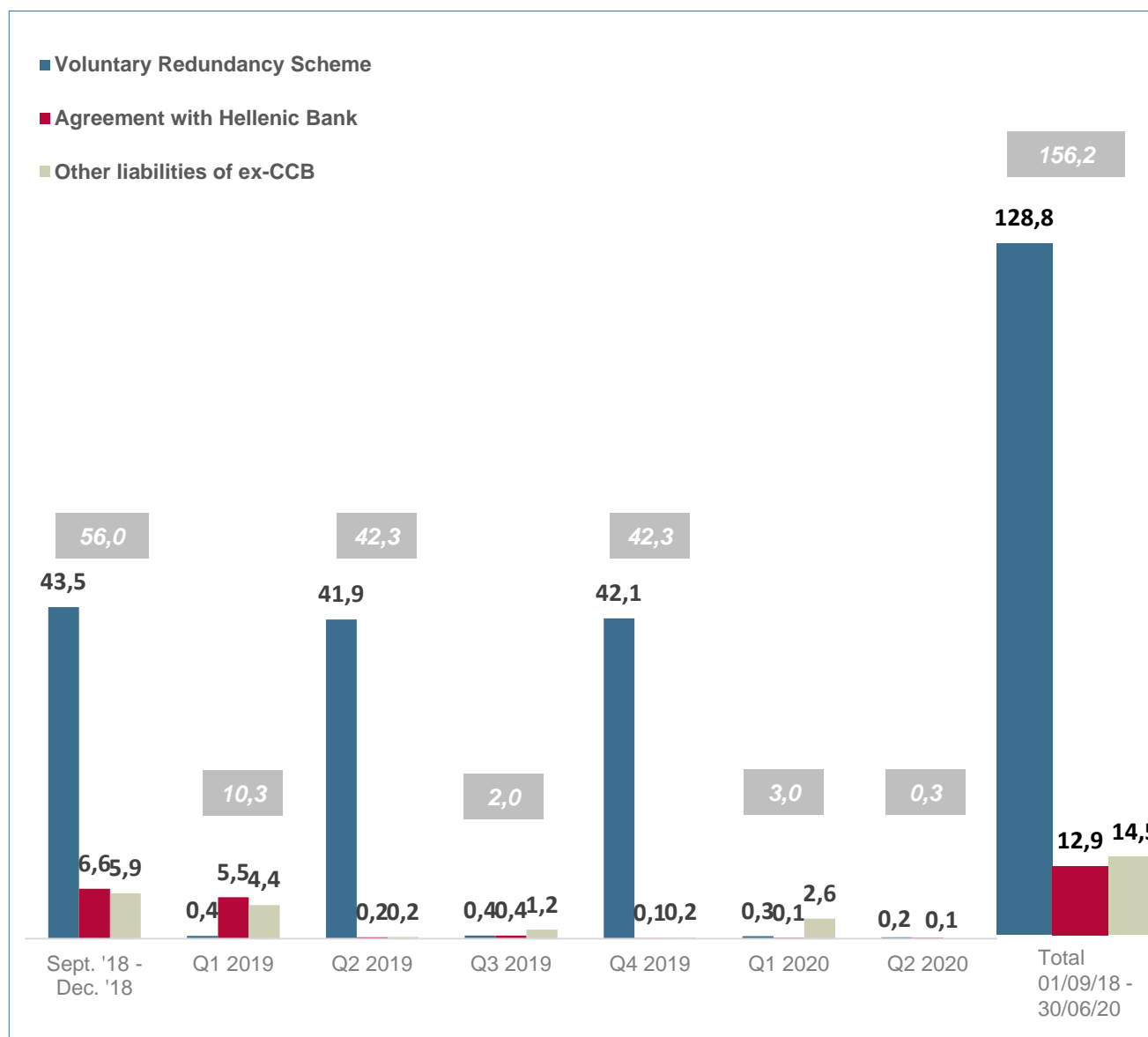
KEDIPES staff costs were €30m to 30/06/2020, with the number of KEDIPES staff totalling 360 people (of which 67 returned from Altamira Cyprus), whilst a further 171 people at Altamira Cyprus are staff of ex-CCB. All those who left under the Voluntary Redundancy Scheme (VRS) and were employed on a temporary basis for the smooth continuation of the business and to support Hellenic Bank have been released following expiry of the Transitional Service Agreement in November 2019.

Other Expenses and Flows

A total cost of €92,1m which mainly concerns:

- regular operating expenses (such as buildings costs, computer systems, networks and communications, document management, professional and supervisory expenses etc). The accounting operational expenses of KEDIPES came to €48.808m of which €4.832m relate to Q2 2020. A significant part of the operating expenses arose from support provided to Hellenic Bank and was invoiced to Hellenic Bank in line with the relevant agreement.
- expenses related to the management and recovery of assets (such as legal fees, appraisal costs, payment of taxes on the acquisition of property). These costs came to €27,6m of which €2,8m related to Q2 2020. Of these expenses, €11,6m is paid for state services.
- capital expenditure and other flows.
- a total of €34,8m was paid to the Government in the form of Value Added Tax and asset management costs.

Settlement of Liabilities of the former CCB (€m)



Voluntary Redundancy Scheme

A total of 1.040 people from the Cyprus Cooperative Bank left under the scheme on 31/08/18. The provisioned total compensation of €128,8m was paid in three instalments, with payment of the final instalment made in December 2019.

Agreement with Hellenic Bank

Under the agreement, amounts totalling €12,7m have been paid to Hellenic Bank in relation to the agreement concerning the transfer of business.

Under the Asset Protection Scheme to Hellenic Bank, claims have been filed for the period up to 31/03/2020. Total claims, adjusted for the results of negotiations thus far, amount to €79,5m as follows:

- Losses for the period 01/09/18 – 30/06/19 – €63,2m.
- Losses for the period 01/07/19 – 31/09/19 – €8,1m.
- Losses for the period 01/10/19 – 31/12/19 – €1,7m.
- Losses for the period 01/01/20 – 31/03/20 – €6,5m.

The first claim relates mainly to accounting provisions recognised by Hellenic Bank following completion of the transfer of business. Claims gradually reduced with the stabilisation of the behaviour of the portfolio. The economic impact of the pandemic is expected to affect future claims.

Negotiations on the above claims is ongoing. KEDIPES is taking into account the claims, maintaining the appropriate cash reserves in order to settle liabilities upon completion of negotiations.

In accordance with the terms of the Scheme, Hellenic Bank has paid the Republic of Cyprus a fee of €15m for the guarantees granted.






Other Liabilities of ex-CCB

These mainly concern payments for supervisory fees, taxes and social security.

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- Below are forecasts for the key economic indicators for the Cyprus Economy until 13/05/2020. In general, the forecasts of the Ministry of Finance and the European Commission show a bigger recession in 2020 and recovery in 2021 in comparison with the other forecasts.
- GDP is expected to decline on average by 7.2% and Public Debt to increase by 116% in 2020. In addition, unemployment will rise due to the significant decrease in market activity.
- The Government has announced a package of measures aimed at supporting the Economy and achieving as swift an economic recovery as possible.

Forecast Macroeconomic Indicators					
Change in GDP % 2020 / 2021	- 7% / + 6%	- 7,4% / + 6,1%	- 3,5% / + 3,8%	- 6.5% / + 5.6%	- 6% / + 5%
Unemployment 2020 / 2021	9% / 7,5%	8,6% / 7,5%	8% / 7%	8.8% / 7.4%	N/A
Budget Deficit as a % of GDP 2020 / 2021	4.3% / N/A	10,9% / 10,1%	7.3% / 0.7%	8.3% / 5.6%	6.7% / 3.6%
Public Debt as a % of GDP 2020 / 2021	116.8% / 103.2%	115,7% / 105%	N/A	N/A	108% / 105%
Inflation Rate 2020 / 2021	- 0.3% / 1%	- 0.2% / 1%	0.1% / 0.7%	0.7% / 1%	0.6 % / 1.5%

The above estimates are based on the assumption that the pandemic will not return within the year or in the future.

Macroeconomic indicators from the Ministry of Finance: http://mof.gov.cy/assets/modules/wnp/articles/202005/653/docs/stability_programme_final_2020_2023.pdf

Other indicators: <https://www.pwc.com.cy/en/publications/assets/pwc-covid-19-impact-on-cyprus-economy-may-2020.pdf>

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Thank you



**KEDIPES
Cyprus Asset
Management Company**

September 2020