



Funding through RCB within the framework for the Investment plan for Europe

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- The economy has recovered after the crisis and is growing faster than the EU average

- Economic and business confidence is steadily improving

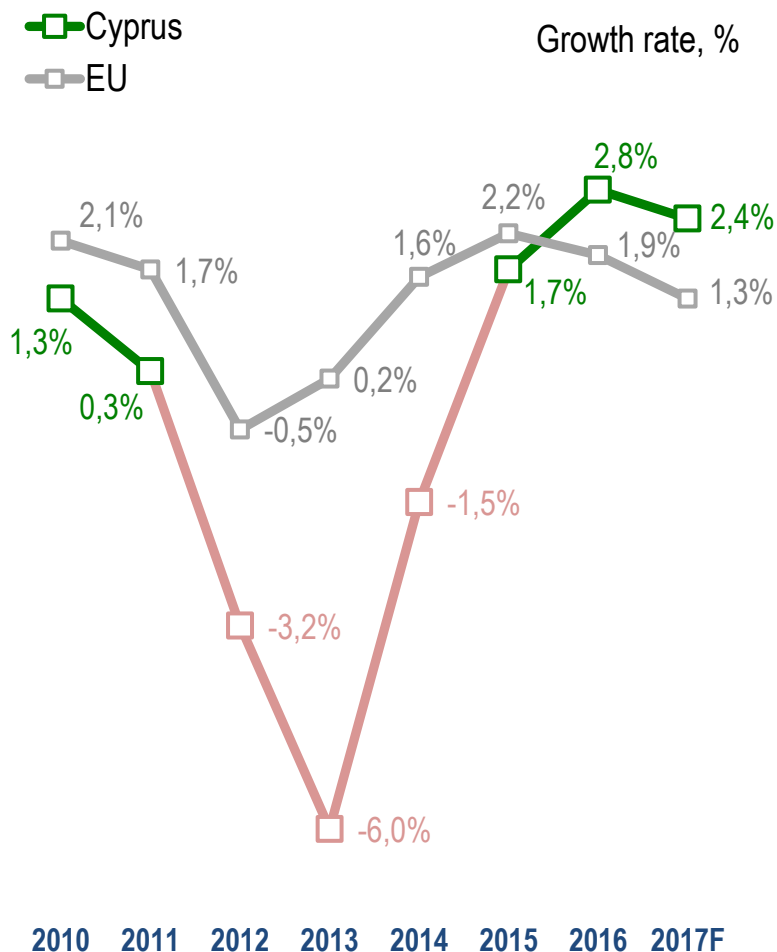
- Cyprus is only 1 notch below investment grade

- More opportunities for attracting affordable financing for local businesses

Successfully overcame the consequences of the crisis in 2013



Economic growth recovered



Business confidence is growing steadily

Economic Sentiment Indicator (ESI)

97,9	77,9	114,8
○	○	○
2010	2012	March 2017

- ✓ Reached the highest level for the last 16 years in Cyprus
- ✓ ESI for the euro area is 107.9 as at March 2017

Only 1 notch left to investment grade

BB+ by S&P

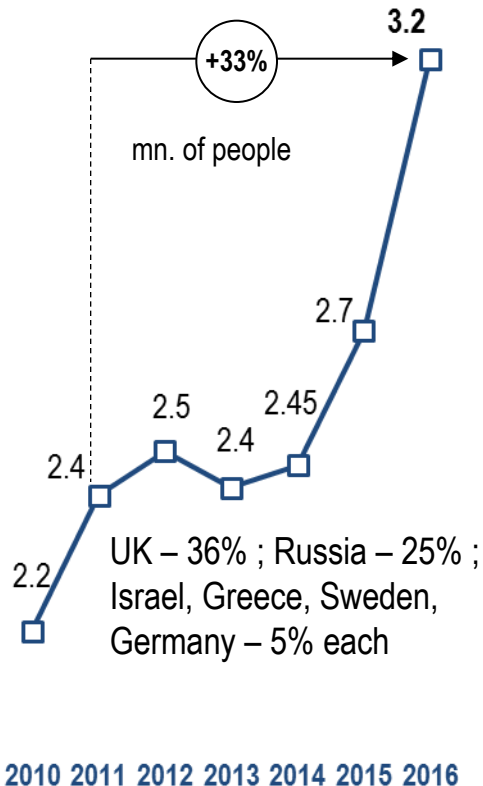
The rating was assigned in March 2017
(12 notches up from 2013)

For comparison: Italy BBB-, Spain BBB+, Portugal BB+, Greece B-, Croatia BB, Malta A-

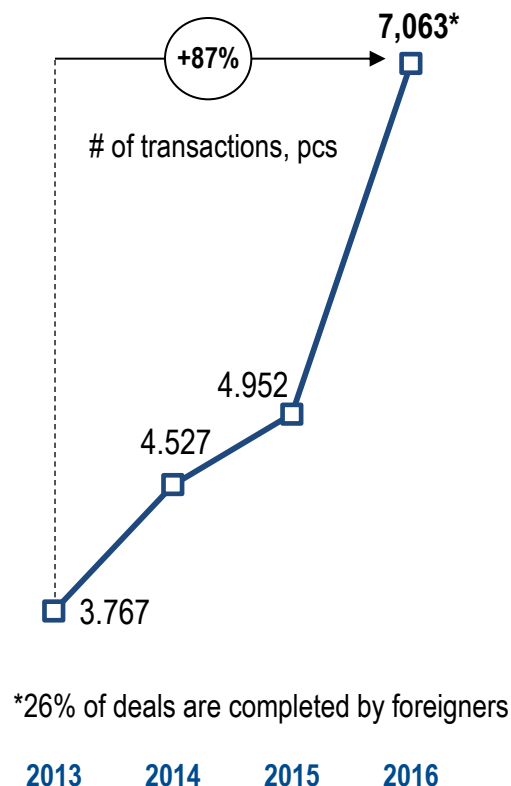
The main pillars of the economy provide investment opportunities, meanwhile we see a lack of development of new ones



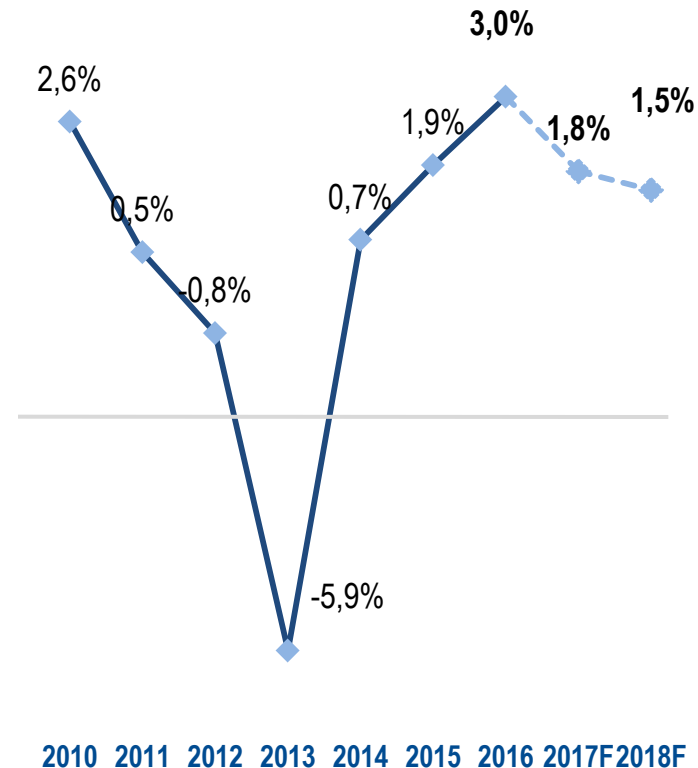
Tourist flow is growing rapidly



The real estate market is recovering



Private Consumption



- ✓ Revenues from tourism reached 2.4 billion euros and increased by 17% over the past 3 years
- ✓ There is a significant growth in investments in new hotels and recreational facilities
- ✓ Services and shipping continue to be very important for the economy and may benefit from recent external developments

Leading European development institutions and RCB Bank support businesses and innovation in Cyprus



Financing through the EIB scheme

- Cooperation began on 18th February 2016 and has recently been extended
- Several SMEs and Mid caps have been financed already while many projects are under consideration

#	Industry	Targeted use
1	Education	Construction of primary and secondary schools
2	Accommodation	New hotels, new rooms and renovation of existing
3	Food service	New restaurants
4	Manufacturing	New factory for cheese production
5	Pharmaceuticals	New warehouse facility
6	Retail	Bakery chain renovation
7	Food service	New food franchise

Financing with EIF

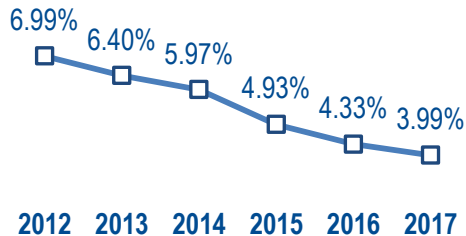
- The InnovFin SME Guarantee Facility began in February 2017 purely to encourage innovation
 - The first application of the Juncker Plan for Europe in Cyprus
 - One project has been successfully financed (a new plant for the production of patented toys mainly for export)
 - A number of projects are under consideration
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- RCB Bank was the first bank in Cyprus to enter into the InnovFin SME Guarantee Facility with the EIF
 - EIF is taking credit risk on the end beneficiary along with RCB
 - The definition of 'innovation' is reasonably flexible to be as inclusive as possible

Attractive financing is available for new projects



Average cost of financing on the market vs EIB
'Loans for SME and Midcaps III' related funding

Average market rates for new loans



Average conditions within the framework

IR = less than 3%
Term = 10 years

- ✓ Interest rates for loans are decreasing due to the EIB involvement and the intense competition on the market

RCB Bank: a trusted long-term partner

- Strong regulatory capital base: > **€559 mn**
 - Capital Adequacy (CET1): > **20%**
 - Loans to customers: **€7,165 bn**
 - Low level of NPLs: <**0,8%**
 - Net profit: > **€82 mln**
-
- Strategic understanding of industries and businesses
 - Personal approach ensures that every client receives individual attention and service
 - Fast to make decisions and find solutions
 - Competitive interest rates

We are happy to address your questions



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