

Republic of Cyprus



Investor Presentation

March 2023

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The Republic of Cyprus

Key facts

- **Political system:** Presidential Democracy
- **Legislature:** House of Representatives
- **Population:** 918.100 (est. 2021)
- **Geographical size:** 9.251 km²
- **Currency:** Euro
- **GDP per capita in PPS¹:** 91% of EU-27 (2021)
- **Human Development Index:** 29th out of 191 (HDR², 2021)
- **Main economic sectors:**
 - Services (83% of GVA³ in 2022p): Business and financial services, retail trade, Information and communication.
 - Industry (15% of GVA in 2022p): Construction, manufacturing of pharmaceutical and food products.
- **International memberships:** EU, Eurozone, Council of Europe, United Nations, IMF, World Bank, Commonwealth, World Trade Organisation et al.



Source: Cyprus Statistical Service, Eurostat, United Nations

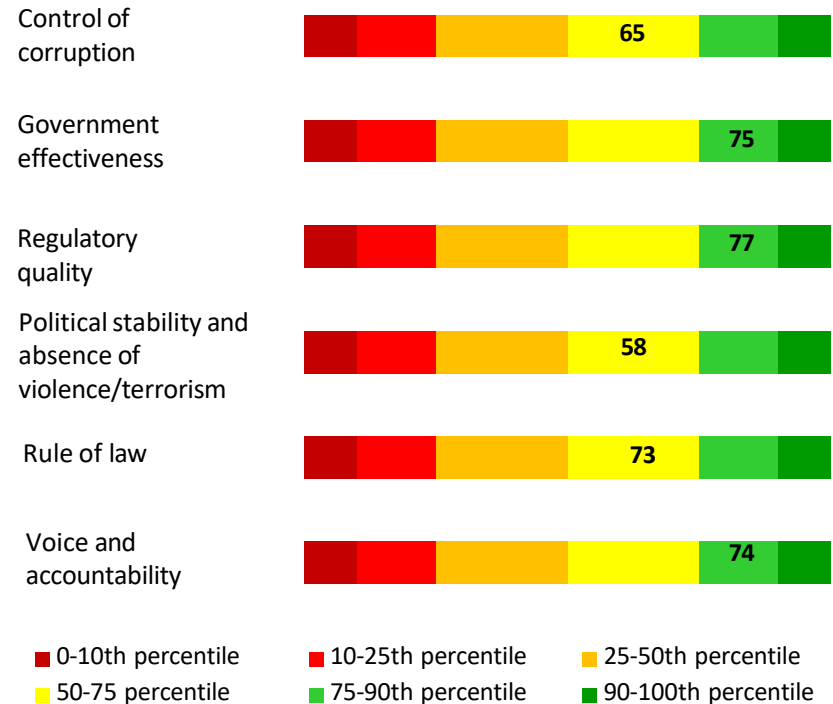
Notes: 1. Purchasing Power Standards ; 2. Human Development Report ; 3. Gross Value Added



Solid institutional framework and effectiveness

- Cyprus is at satisfactory levels in terms of the Worldwide Governance Indicators of the World Bank.
- The Republic of Cyprus has a presidential system of governance with divisions of authority in the executive, legislative and judicial branches. The constitution vests executive power in a President who is elected for five years. Legislative power is exercised by the House of Representatives and judicial power lies with the Courts.
- Next scheduled elections: Local (2024), Presidential elections were held in Feb. 2023.
- Government effectiveness shown by track record of correction of imbalances with swift improvement of public finances in the years 2006-2008 and 2013-2015. The response to COVID-19 and repercussions after Russia-Ukraine crisis have also been efficient and successful in dealing with them.
- Cyprus' legal system is modelled on the English legal system and European Law; also practises Common Law.

Worldwide Governance Indicators for Cyprus (2021)



Source: The World Bank (WGI, 2022 update)

Republic of Cyprus' national sustainability objectives

Commitments to Paris and beyond

- Cyprus ratified the Paris Agreement and committed to limiting global warming to well below 2 degrees Celsius.
- Cyprus commits to the relevant climate and energy targets set by the EU for 2030, including reduction of GHG emissions, increasing energy efficiency & share of renewable energy in the energy mix.
- In 2015, Cyprus committed support to the 17 Sustainable Development Goals ("SDGs") of the United Nations.



Cyprus has a number of national sustainability strategies

These strategies reflect a commitment to address environmental and social vulnerabilities and advance the UN SDGs.

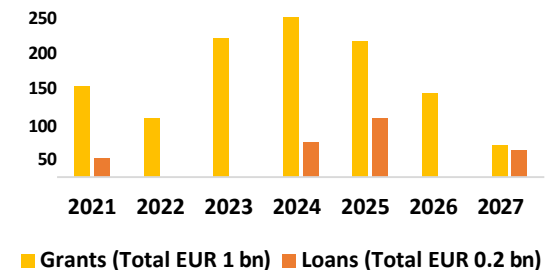
The National Energy and Climate Plan, published Jan 2020, established the following targets:

- Reducing greenhouse gas emissions by at least 20.9% compared to 2005 in sectors not covered by the EU Emissions Trading System.
- Emissions from land use/change/forestry are offset by at least equivalent removal of CO2 from atmosphere.
- By 2030, reducing final energy consumption by 13% and primary energy consumption by 17% vs 2007 levels.
- Increasing the share of renewable energy sources in energy consumption.

The Recovery & Resilience Plan 2021-26:

- Established as a beneficiary of the EU's response to COVID-19, through the EU Recovery & Resilience Facility ('RRF'), Cyprus received €157m in Sep 2021, with €1.2bn expected over lifetime of plan.
- Cyprus intends for sustainable borrowing under Green, Social and/or Sustainable Instruments to complement the initiatives under the Recovery and Resilience Plan.

RRF allocation to Cyprus (€1.2 bn)



Source: Ministry of Finance, University of Cyprus

Recovery and Resilience Plan: A closer look

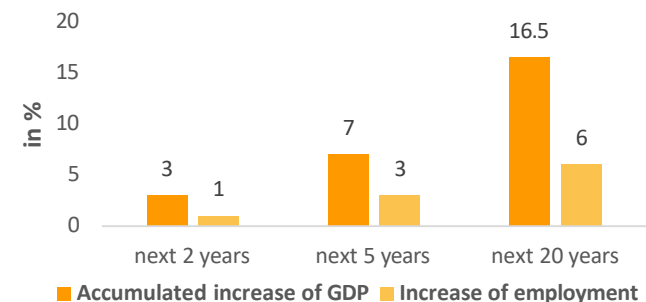
The ROC has placed sustainability at the heart of its Recovery and Resilience Plan, 2021-26

- **Key strategic goal:** Strengthening the economy’s resilience and the country’s potential for economically, socially and environmentally sustainable long-term growth and welfare.
- Cyprus intends for **sustainable borrowing under Green/Social/Sustainable Instruments to complement the objectives of the Recovery and Resilience Plan.**

Key initiatives	Support schemes to assist households, enterprises and public sector with energy efficiency and renewable investments	Investments in the energy upgrade of public buildings / other public infrastructure	Incentives for reduction of GHG emissions in agriculture, business and industry	Introduction of accessible and smart transport by replacement of conventional stock with zero and low emission vehicles	Initiatives to reduce energy poverty in households with disabled people
	Smart and sustainable water management, targeting both water supply and demand	Promoting resilience and effectiveness in the public health system	Public education system modernisation, upskilling & retraining	Initiatives to encourage broader labour market participation	Reform of the social welfare system and expansion of benefits to promote social welfare and inclusion

A significant macroeconomic impact

- In assessing Cyprus’s Recovery and Resilience Plan, the European Commission concluded that the plans put forward by Cyprus are **“expected to have a deeply transformative effect on Cyprus’ economy and society”¹**, with a particular focus on green transition and social resiliency.
- The plan has long term positive implications for economic growth (GDP) and employment rates.
- Each element of the plan not only ties into the use of proceeds in Cyprus’ Sustainable Finance Framework, but also maps to the UN SDGs.



Note: 1. https://ec.europa.eu/commission/presscorner/detail/en/ip_21_4624

Source: Ministry of Finance, University of Cyprus



ROC's broader sustainability policies

Cyprus has taken a variety of steps and initiatives to lay the foundation for green and social progress within its national laws and regulations:

Bolstering ROC's sustainability agenda through policy

Climate Change/Transition:

- 'SAVE' subsidy scheme
- 'Polluter pays' laws
- Amendments to Motor/Traffic Laws
- Environmental Information Regulations
- Renewable Energy Directive & Energy Efficiency National Fund
- River Basin Management Plan and Water Policy
- Flood Risk Management Plan
- Nearly Zero Energy Buildings Action Plan

Water Scarcity and Drought:

- Sustainable Water Resources Management Strategy
- Water infrastructure, desalination and recycling projects
- System upgrades: installation of new metering, improved irrigation networks and piping
- Investment in wastewater treatment and upgraded flood channels
- In line with EU water directives

Wildlife Conservation:

- 'Natura 2000' European Ecological Network
- 63 marine and terrestrial Sites of Community Importance ('SCIs')
- Species & habitat types included in Annexes of the EU Habitats Directive
- 1996 Convention on Biological Diversity (Regulatory) Act
- 2012 Forestry Law, Forest Advisory Board & National Forestry Policy

Promoting Social Welfare:

- Guaranteed Minimum Income and Social Benefits Law maintains social welfare for citizens struggling to meet their basic needs in the event of a downturn
- The GMI scheme is aligned with other European minimum income schemes
- Social benefits to persons with disabilities help cover their social needs and assist in further improving the quality of their everyday life.

Strategic Focus on Agriculture:

- Under the EU Common Agricultural Policy (CAP) 2021-27, specific subsidies are included to support entry into the farming profession for those under 40



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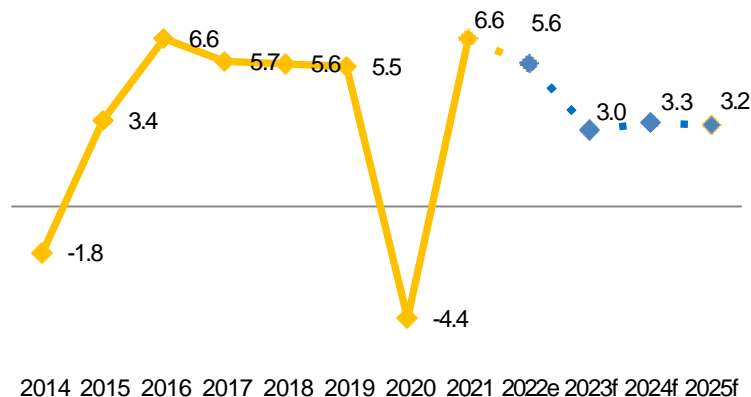
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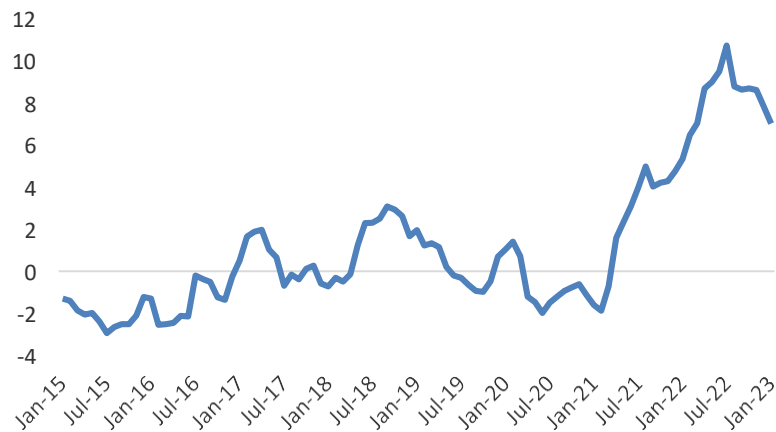
Solid near-term growth outlook and inflationary pressures

- Following five consecutive years of a **strong economic growth**, and well above the eurozone average, economic activity recorded a contraction of 4.4% in 2020 due to the COVID-19 pandemic, albeit at a lower pace than other eurozone countries.
- In 2021, the economy recorded a positive rate of growth of 6.6% of GDP in real terms compared to the year 2020.
- In 2022 the economic activity remained strong despite the adverse external environment. The economy recorded a positive growth rate of 5.6% of GDP compared to the corresponding period in 2021. For the period 2023-2025, the real GDP growth is forecast at around 3.2% on average.
- Since April 2021 **inflation rates** turned again to positive territory recorded an increase of 2.5% in 2021 with core inflation averaging at 1.1%. In 2022 CPI inflation recorded an increase of 8.4% with core inflation averaging at 4.9%.
- The largest positive effects in the change of the CPI in 2022 were attributed mainly to increases in the price of housing, water, electricity, gas and other fuels and transport. In January 2023 the CPI inflation increased by 7.1% compared to January 2022.

Real GDP growth (% change)



Annual inflation (CPI) (% change)



Source: Cyprus Statistical Service, Ministry of Finance

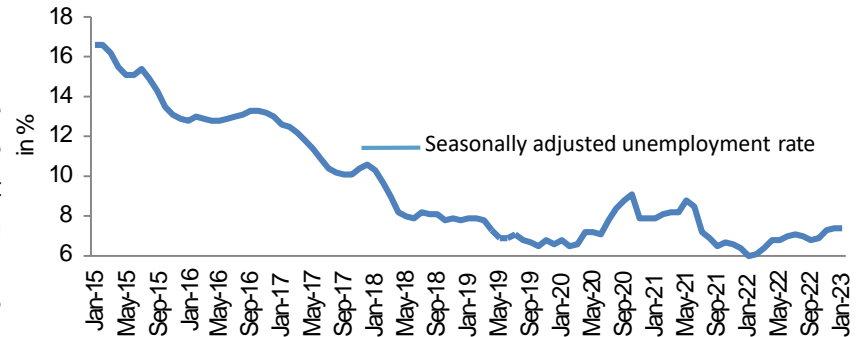
Note: "f" denotes forecasts by the Ministry of Finance, as of Oct. 2022. All forecasts are based on assumptions and there can be no assurance they will be realised.



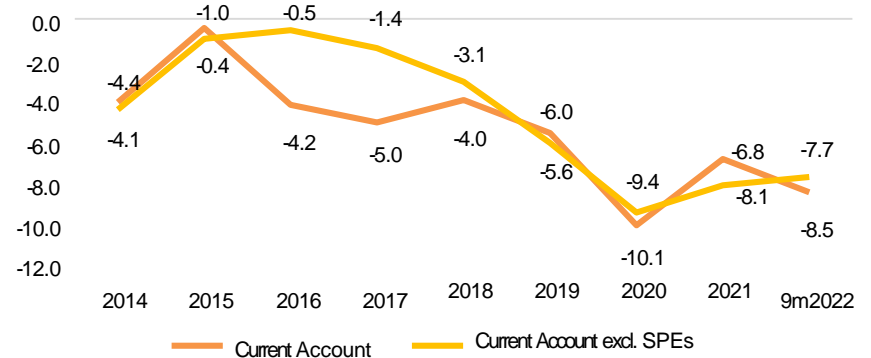
Unemployment rates and Current Account

- Labour Force Survey (LFS) **unemployment** in monthly seasonally adjusted terms increased to 7.4% in January 2023 compared to 6.0 % in January 2022.
- Youth unemployment is on downward trend reaching 18.6% in 2022 while long-term unemployment is at 2.3%.
- Moderate **current account** deficits until 2018, within the limits set by the European Commission (-4%/+6% of GDP). The deterioration of the current account in 2020 was mainly attributed to the income account as well as the services' balance, due to the COVID-19 pandemic. In 2021, the current account exhibited an improvement due to increased surplus in services and decreased deficit in the secondary income. The aforementioned developments were partly offset by increased deficits in goods and primary income.
- For the 9 months of 2022, the current account deficit stood at 8.5% of GDP compared to a deficit of 5.9% the corresponding period the year before. The deterioration resulted mainly from the increased deficit in goods and to a much lesser extent to secondary income. The aforementioned developments were partly offset by increased surplus in services and decreased deficit in primary income
- The resulting deficit adjusted for the impact of Special Purpose Entities (SPEs), that is, classifying SPEs as non-residents, stood at €2.1 bn (7.7% of GDP) in 9m2022, compared with a deficit of €1.3 bn (5.6% of GDP) in 9m2021.
- Services-based economy has been diversified from the traditionally main sectors, with IT&Telecom and Pharmaceuticals sectors now contributing to the economic activity.

Deterioration in Labour market contained due to fiscal measures



Current Account Balance (% of GDP)



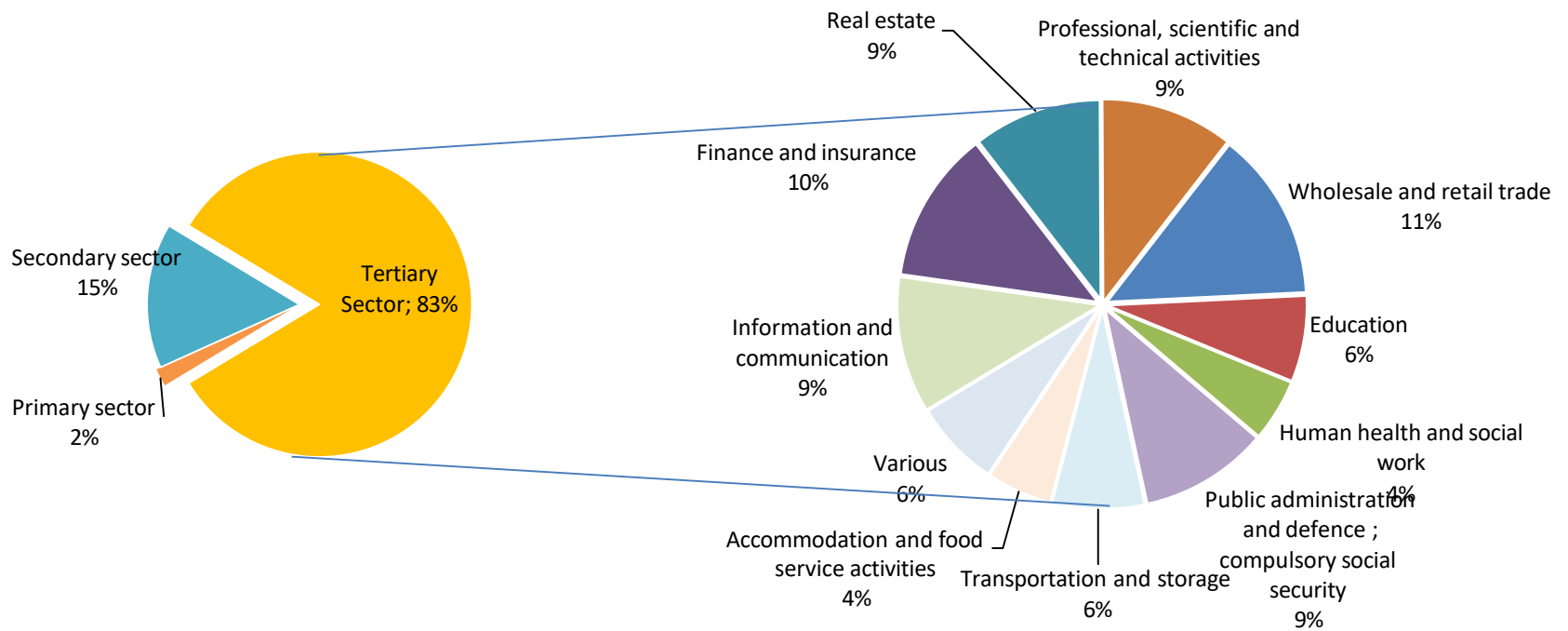
Note: Special Purpose Entities (SPEs) primarily operate in the shipping industry (ship registration/deregistration) with a small footprint on the economy Source: Central Bank of Cyprus, Cyprus Statistical Service, Eurostat



A diversifying services-based economy

Whilst financial-business services, tourism and shipping services have been traditionally the main sectors of Cyprus, the economic activity has recently diversified in IT& Telecoms and pharmaceuticals manufacturing

Structure of Economy in 2022 (Current prices, % of GVA)



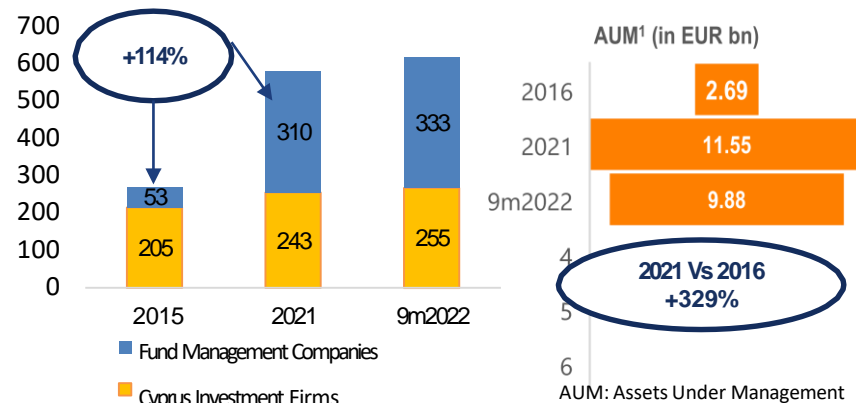
Source: Cyprus Statistical Service

Significant international business and shipping center

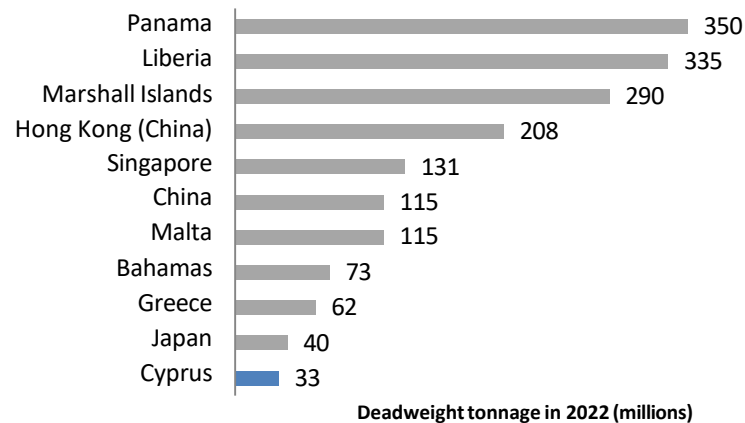
- Cyprus is a regional Business and Financial Services Centre with strong regulation and supervision and a reliance on a well balanced portfolio of services.
- It maintains a modern, consistent and simple tax system with a broad tax base, limited exceptions or credits, and low tax rates and a significant network of Agreements for Avoidance of Double Taxation (67 as of today). Cyprus is a Common Law country and has a well-developed professional services industry with more than 20 years presence in the international financial markets and over 500 organisations supporting international business.
- It has been developed to provide not only classic shipping services but also ship management due to its strong geographical, institutional and commercial advantages. One of the top ship management centers worldwide, having 60 ship management companies in operation, including some of the most popular shipping companies.
- Cyprus's ship management revenue increased further representing 4.6% of GDP during the second half of 2022 compared to 4.2% of GDP the corresponding period the year before recording a gradual recovery from the outbreak of the COVID-19 pandemic.

Source: Cyprus Securities and Exchange Commission, UNCTAD

Investment Firms and Fund Management



Leading flags of registration by dead-weight tonnage

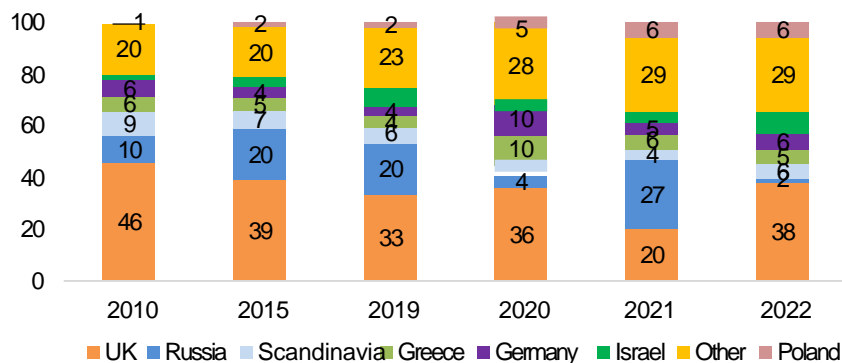


Tourism: a long-standing economic pillar

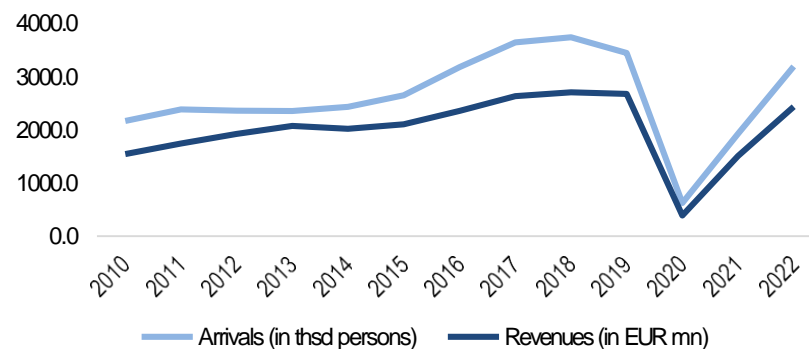
Tourism is one of the key drivers of economic growth

- The tourism sector was among the sectors hit most severely in 2020 due to the Covid-19 pandemic by the measures on travel restrictions taken by the Cypriot Government as well as by other countries in order to control the spread of the virus within the population and safeguard the national health systems
- In 2021, arrivals reached around 1937 thousand persons compared to 632 thousand persons in 2020 and revenues reached around EUR 1514 mn compared to EUR 392 mn the year before.
- In 2022 tourist arrivals recorded an increase of 65% reaching 3201 thousand persons compared to the year before. The total revenues exhibited also an increase of 61% reaching EUR 2439 mn in 2022 compared to the year before.
- The reduction from Russia and Ukraine has been outweighed by other jurisdictions mainly European markets.
- For the period following, the ongoing efforts have been focused on upgrading the tourist product through hotel renovations, new infrastructure as well as with the construction of the casino resort contributing to the increased tourist arrivals either from existing or new markets and increased revenues.

Geographical diversification over time



Tourist arrivals and receipts



Source: Cyprus Statistical Service

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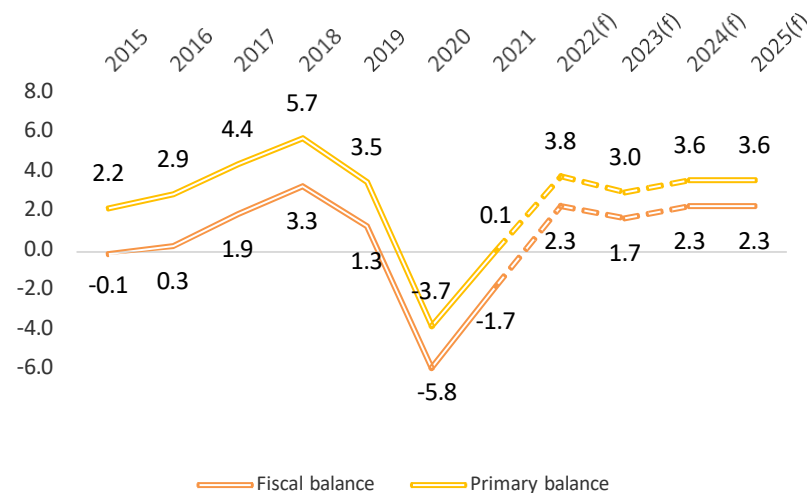
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Rebound of public finances from 2021 onwards

- After five continuous years of fiscal surpluses (2015-2019)¹ the budget balance of the General Government turned to negative reaching -5.8% in 2020 due to the effects of the negative rate of growth in real terms as well as to the support measures of a one-off nature to cope with the COVID-19 outbreak (fiscal impact: -3.4% of GDP).
- In 2021 the fiscal balance recorded a significant improvement by 4.1 pp despite the continuation of support measures for COVID-19 outbreak (fiscal impact-3.0% of GDP).
- In 2022 the budget balance was positive reaching 2.3% of GDP compared to a deficit of 1.7% of GDP the year before, recording a significant improvement of about 4pp of GDP. This development was attributed to the withdrawal of most of the Covid-related measures and the continuous improvement of the economic environment.
- Further improvement of the public finances are expected in the medium term, with the fiscal position reaching a surplus of 1.7% of GDP in 2023 and 2.3% of GDP in the years 2024-2025.
- The revenue side recorded an increase of 14.5% during the period under review vis-à-vis the corresponding period of 2021, mainly due to increased revenue from direct and indirect taxes. Social contributions also contributed to the increase of public revenue.

Evolution of main fiscal indicators, % of GDP



- The expenditure side increased at a rate of 4.1% in 2022 vis-à-vis the corresponding period of 2021 with the subsidies and interest contributed negatively to the percentage change of expenditure whilst the social transfers and compensation of employees contributed positively to the percentage change of expenditure.

Source: Ministry of Finance

Note: "f" denotes forecasts by the Ministry of Finance as of Oct. 2022. All forecasts are based on assumptions and there can be no assurance they will be realised.

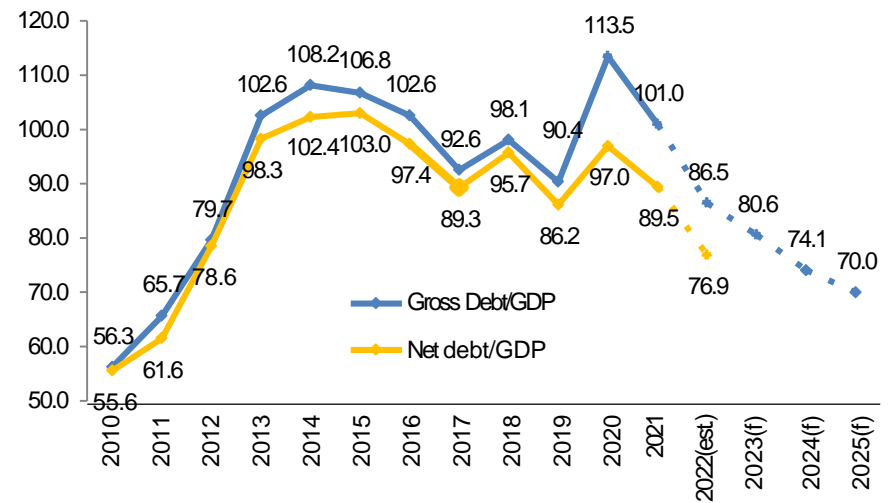
1 = Excluding methodological treatments relates to ex-CCB in years 2015 and 2018



Positive public debt dynamics from 2021 onwards

- In 2020, the increase of the debt-to-GDP ratio to **113.5 percent** (of which 12 percent was due to increased cash buffer) from 90.4 percent the year before, was attributed to the revision of the Annual Funding Plan targeted to tackle the challenges of the pandemic crisis from the beginning of the year.
- In 2021, general government debt recorded a substantial decrease of about 12.5 percentage points (p.p) of the GDP, reaching **101%** of the GDP, which was the highest reduction among the euro area countries.
- In 2022 the general government debt recorded a further reduction of about 14.5 p.p reaching **86.5%** of GDP, which constitutes the second largest decrease of debt to GDP in the EU.
- The debt-to-GDP ratio is expected to further decline during the medium term and fall below 75 percent of GDP **by the end of 2025, to about 71 percent**. However, there is a high uncertainty surrounding the developments of the Russian- Ukraine crisis, along with the global economic uncertainty.

Evolution of gross and net general government debt, %



Source: Cyprus Statistical Service, Ministry of Finance

Note: "f" denotes forecasts by the Ministry of Finance as of April 2022. All forecasts are based on assumptions and there can be no assurance they will be realised.

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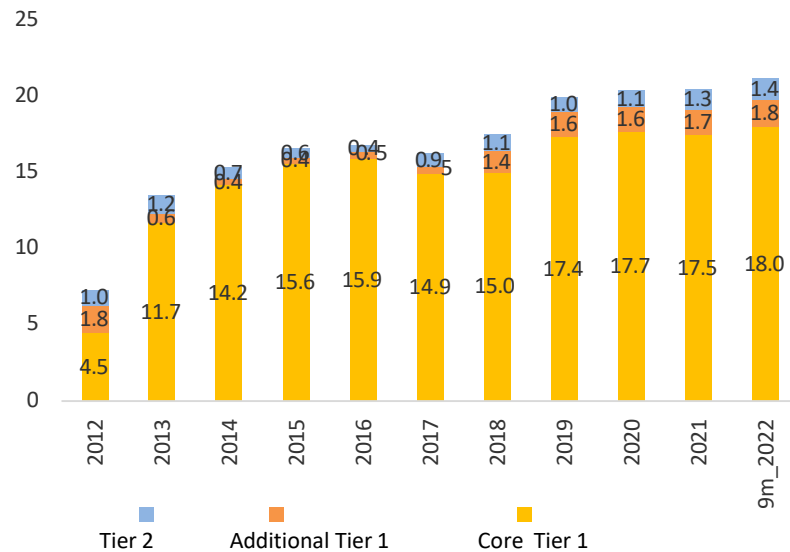
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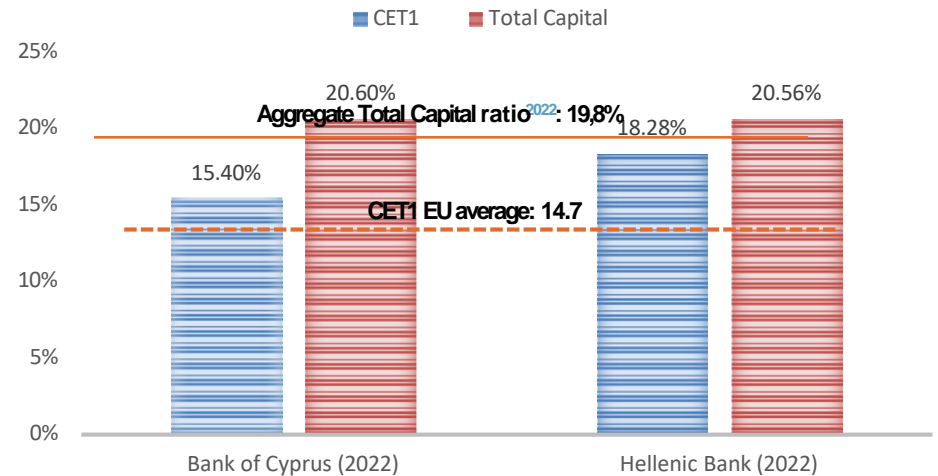
Solid capital base of the banks

- International investors hold majority of shareholding and broad composition in systemic banks.
- Since 2013 the banks' capital position has been consistently strengthened, due to increase in common equity and deleveraging, resulting in key ratios of systemic banks to be above the thresholds specified by the supervisor.
- Capital Ratios are at satisfactory levels, compared to EU average.

Aggregate banking sector capital position, %



Systemic Banks capital ratios at 2022Q3, %

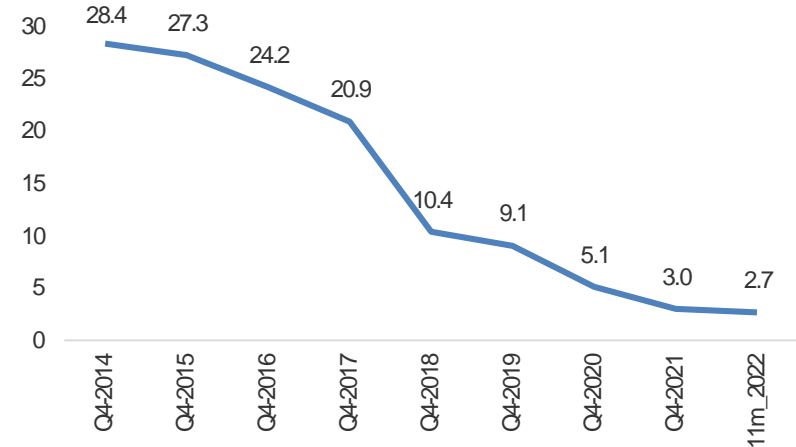


Source: ECB, Central Bank of Cyprus, systemic banks publications.

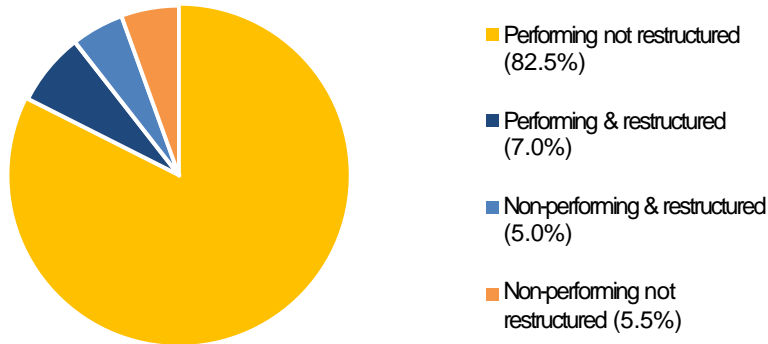
Continuous reduction in NPEs

- In 2018 sharp reduction by 50% in NPES due to NPEs sale by Bank of Cyprus (“Helix”, €2.7bn NPEs) and Cooperative Bank carve-out (€6.9bn NPE).
- In 2020 and 2021, Bank of Cyprus and Hellenic Bank reached further agreements for NPE portfolio sales. By the end of November 2022 NPEs dropped to €2.7 bn (10.5% of gross loans) and accumulated provisions stood at 52% of NPEs. Banks continue deleverage efforts and further sales of NPE portfolio are expected to drop further the NPEs in the future.
- Remaining reduction attributed to cash repayments, successful restructurings reclassified as performing, write-offs and settlement of debt via swaps of immovable property.

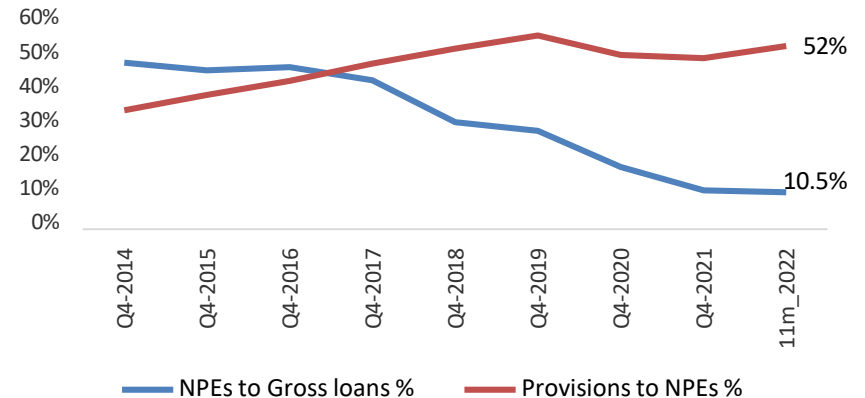
Non performing exposures, in EUR bn



Gross loans breakdown, November 2022, in %



Non performing exposures and provisions, in %



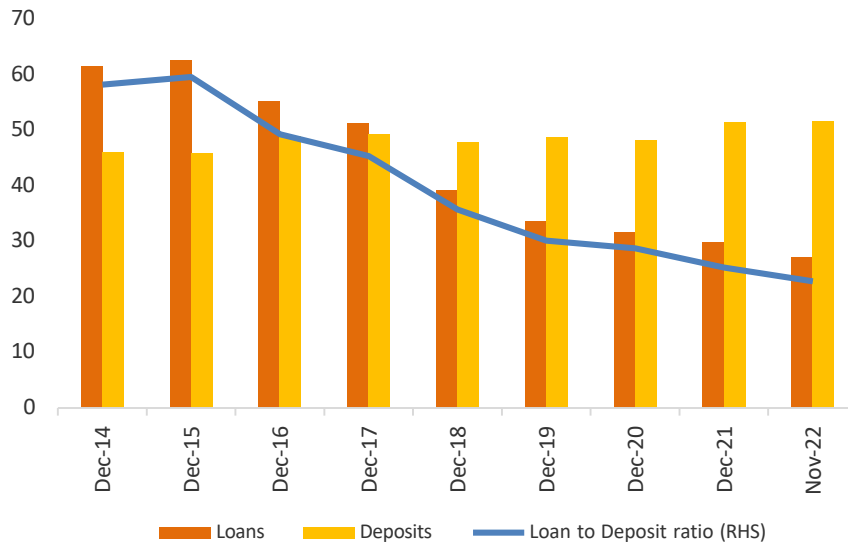
Source: Central Bank of Cyprus, Ministry of Finance



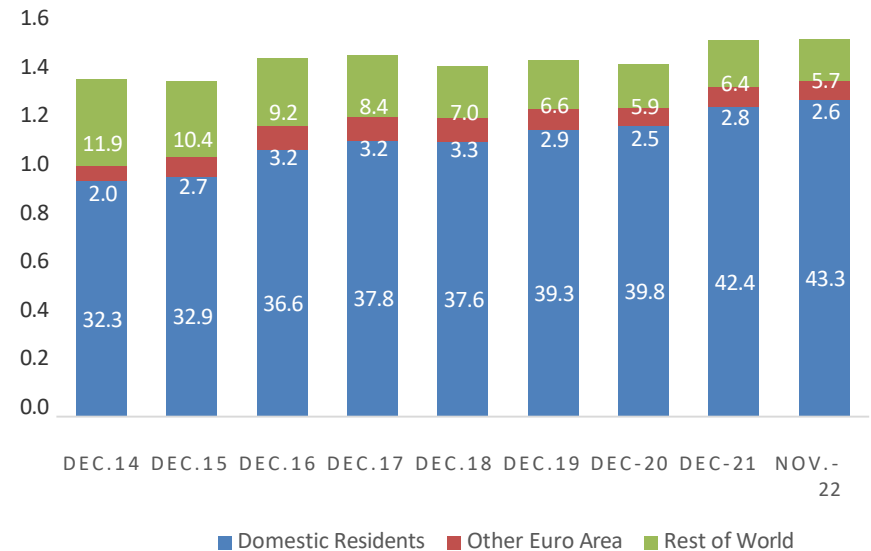
Evolution of deposits

- Loans to deposits ratio decreased significantly since the peak of 2015 due to sale of NPEs, and stabilization of deposits.
- The deposit increases in domestic base reflect the stronger domestic economy, and increased confidence to the sector.
- Reduction in the non resident deposits, due to proactive risk mitigating practices by banks.

Evolution of Loans and Deposits, in EUR bn



Origin of deposits, in EUR bn

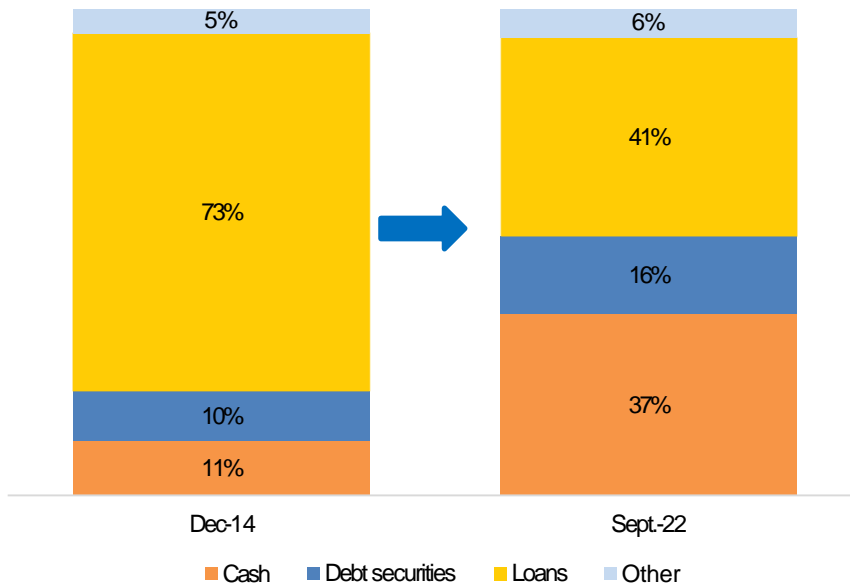


Source: Central Bank of Cyprus



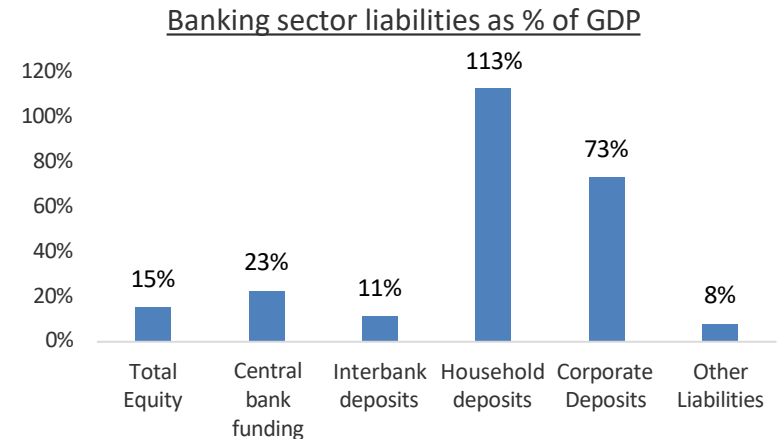
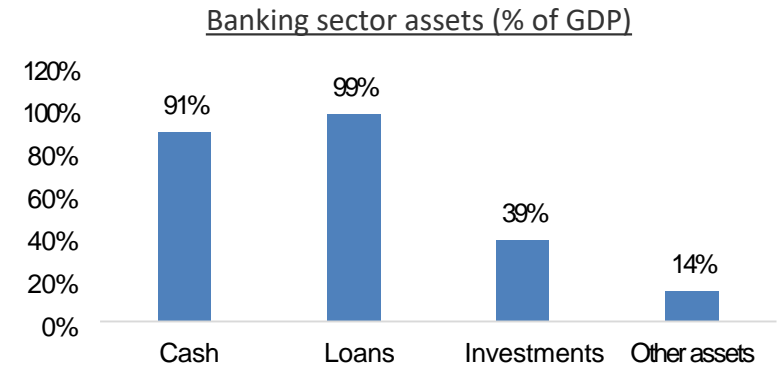
Evolution of Assets and Liabilities of Banking Sector

Share of cash balance and liquid assets, % of assets



- Increasing liquidity of banks with increase in proportion of cash to assets.
- Decreasing proportion of loans to total assets.

Banking system balance sheet (% GDP), Sept. 2022

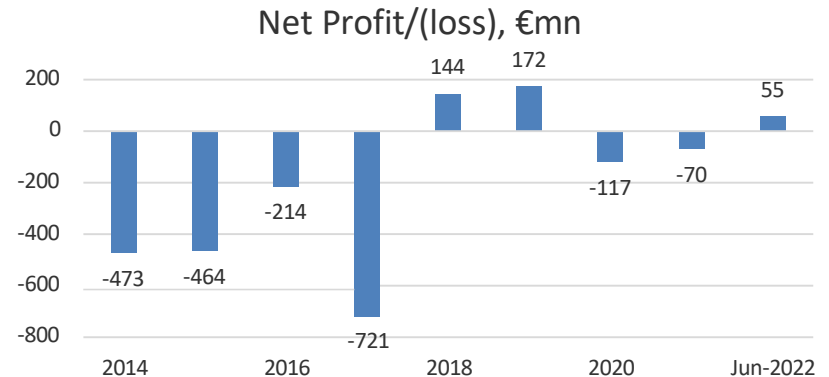


Source: Central Bank of Cyprus

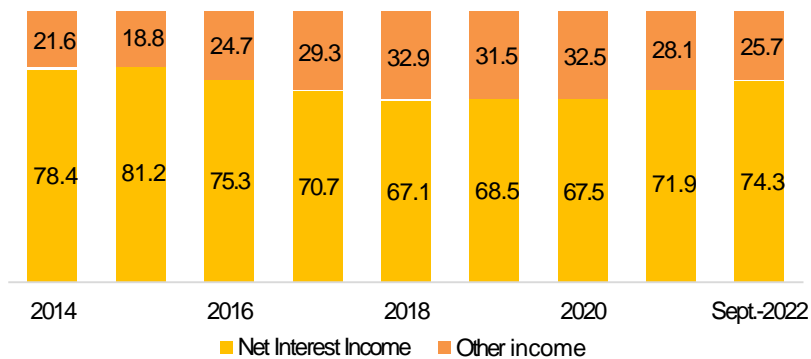
Loan impairments main driver of profit/loss evolution

- Volatile profitability due to impairments and sale of Cyprus Cooperative Bank.
- Main banks record profits as of 2018, as the de-risking of balance sheets continues.
- Interest income in decline along net interest margin. Fees and commissions form the largest component of non-interest income.

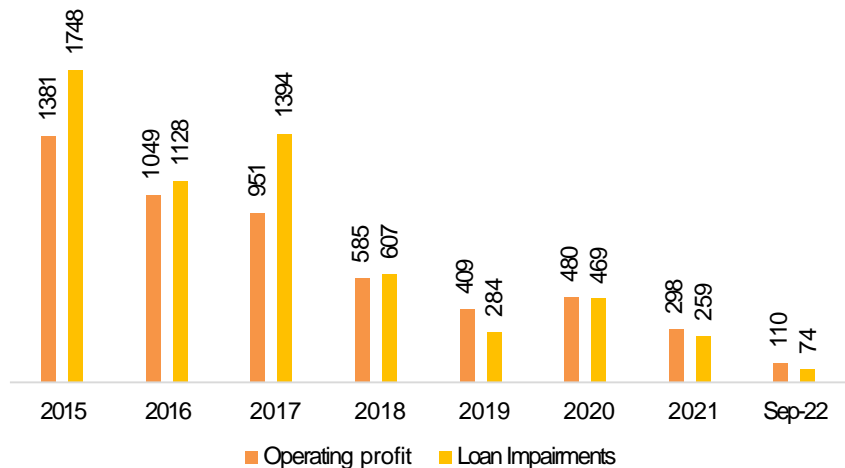
Net profit/(loss), in EUR mn



Income structure, in %



Operating profit and Impairment, in EUR mn



Source: Central Bank of Cyprus



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Public Debt Management Strategy

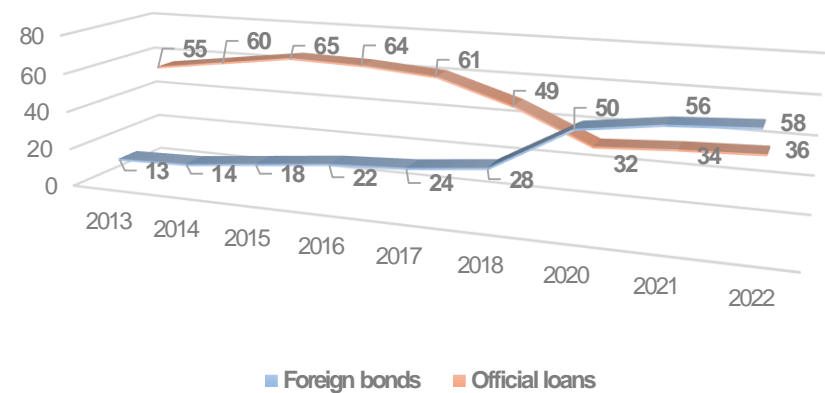
Cornerstones in Public Debt Management Strategy 2022-24

Target	Progress
Smoothing of debt maturity profile and extension of marketable debt maturity	On course: Average maturity of marketable and total debt extended significantly
Maintaining liquid funds for the next 6-9-month financing needs	Achieved
Risk mitigation via reduced exposure to foreign currency and interest rate risks	Foreign currency exposure Achieved: reduced to zero Interest rate risk On course: on a downward trend, new issuance completed in EUR, fixed rate format only
Completion and extension of the sovereign bond yield curve	On course: Significant improvement; Yield curve extended up to 30-year tenor since May 2019. New EMTN with 30-year tenor in April 2020
Enhancement of investor relations and expansion of investor base	On course: higher diversification and larger orderbooks recorded in primary issuances

New Public Debt Management Strategy 2023-2025

- Strategically, the **international bonds** will continue to be the **main financing** instrument to achieve further extension of yield curve and increase in debt maturity. The domestic market will continue to serve as a complimentary financing source.
- Focusing on **longer-term, fixed-rate, euro denominated issuances** to assume low new risk into portfolio.
- Enhancement of the **secondary market functioning**.
- Enhancement of **investor relations** and **expansion of investor base** in order to reduce further the cost of debt.

Share of international bonds in total debt stock, %



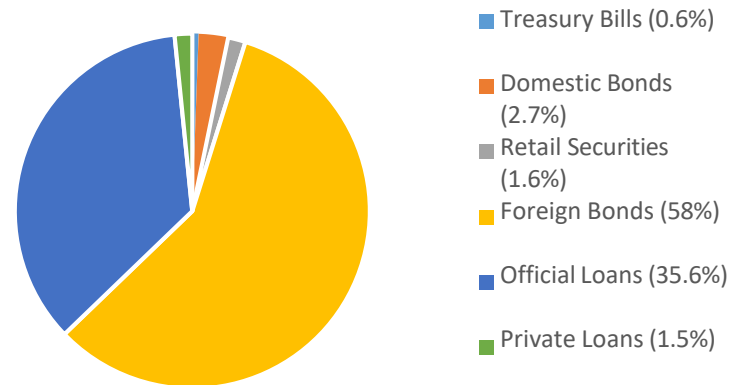
Public debt overview

Public debt structure, Dec.2022 (est.)

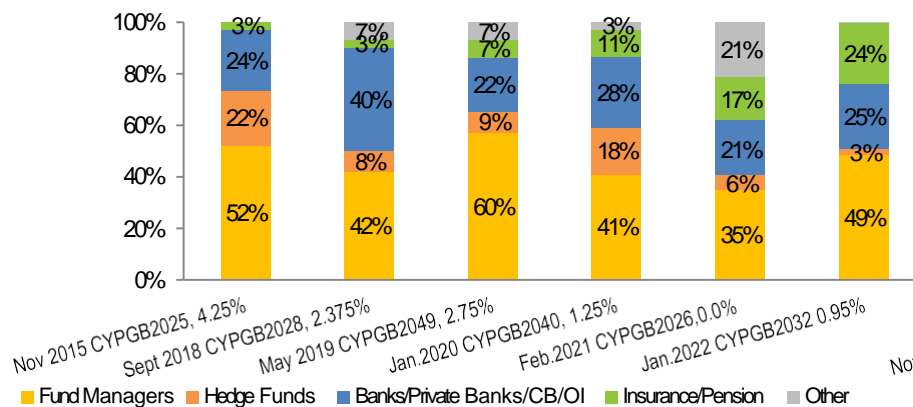
General Government Debt €23.4 bn
General Government Debt/GDP 86.5% est.
Of which liquid assets/GDP 9.6%

- Short term debt 0.6%
- Resident holders (estimate at issuance) 13%
- Domestic currency 100%
- Fixed interest rate 70%
- Private sector holdings (at issuance) 33%

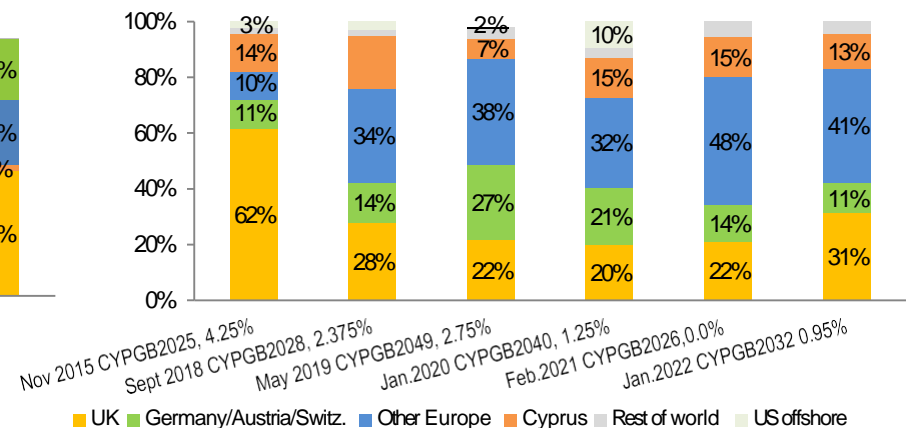
Public debt by instrument, Dec.2022 (est.)



Evolution of investor base by type



Evolution of investor base by geography



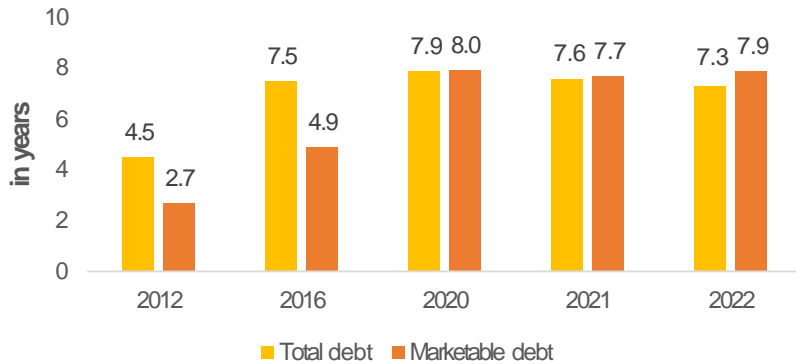
Source: Public Debt Management Office

Note: "est" denotes estimates by the Ministry of Finance as of Feb.2023..

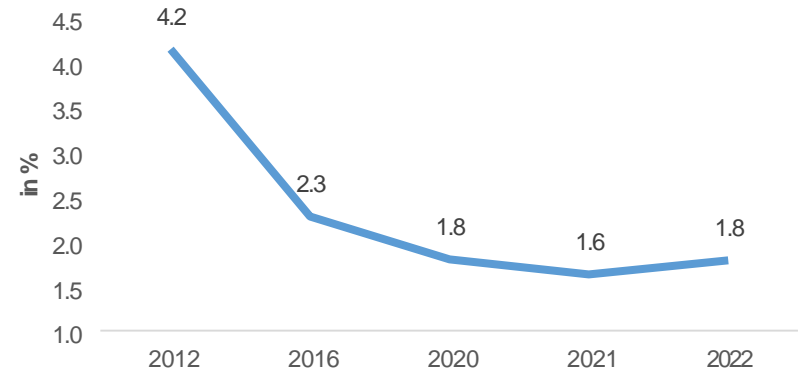


Debt portfolio cost-risk indicators improving

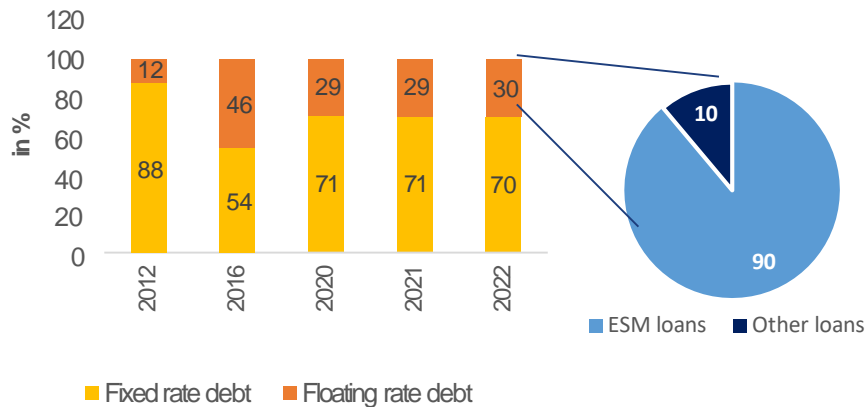
Weighted average maturity of debt, in years



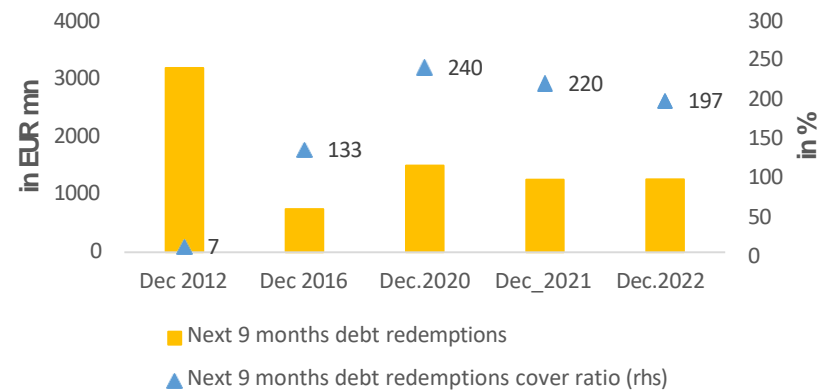
Weighted average cost of public debt, in %



Interest rate distribution of debt, in %



Evolution of government liquidity buffer, in EUR mn



Source: Public Debt Management Office

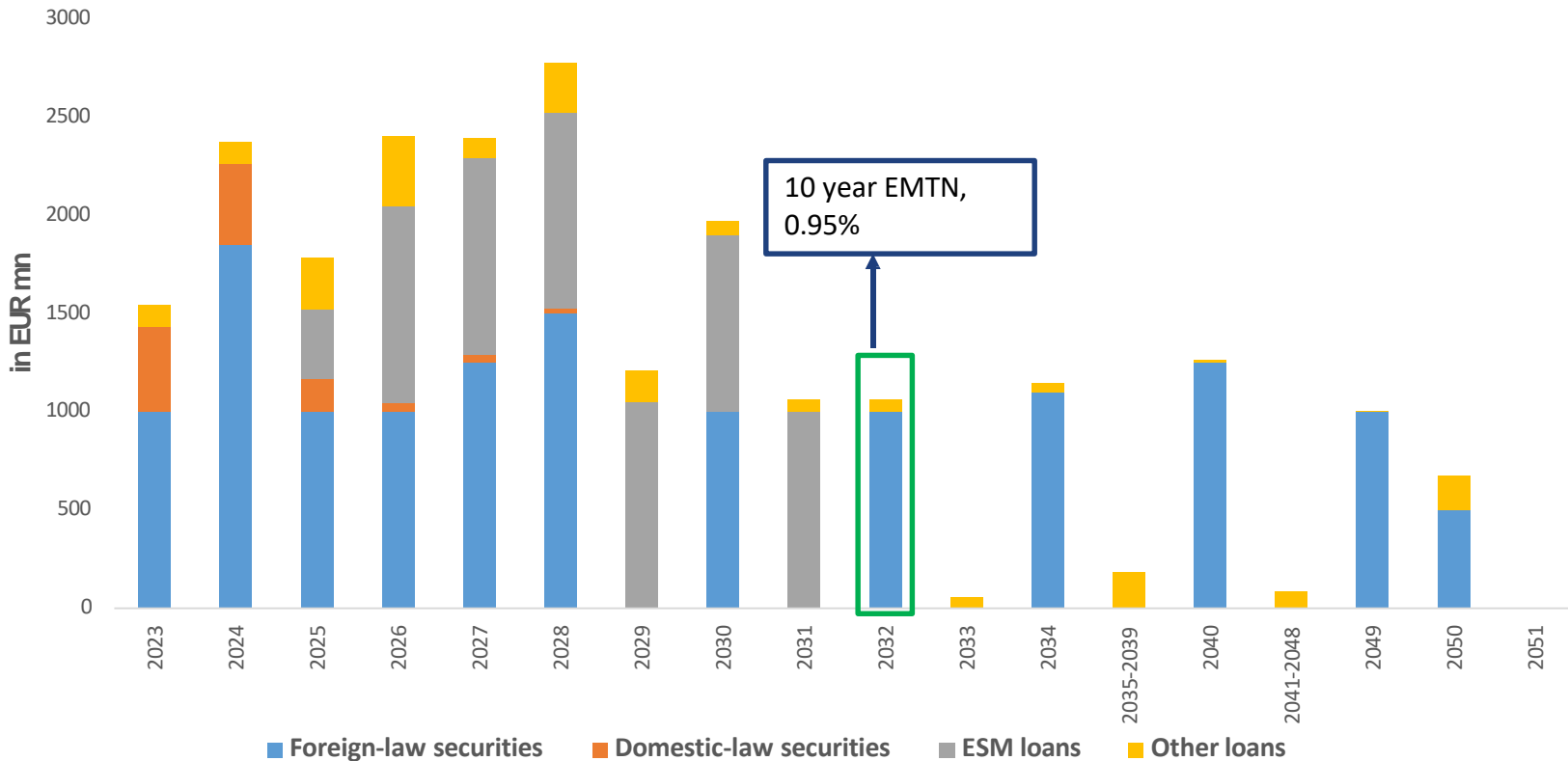
For Dec. 2012 and Dec. 2016, debt redemptions refer to 12 month period



Public debt maturity structure

Active management of debt aims to smooth out maturities further

Debt maturity profile Dec. 2022, in EUR mn



Source: Public Debt Management Office

Note: Green box in the diagram illustrate the latest EMTN transaction executed in 2022.



Annual Funding Plan 2023

Financing needs and sources		
	AFP in 2022 EUR bn	AFP in 2023 EUR bn
Financing needs	1.8	1.1
Debt Redemptions	2.2	1.5
Treasury Bills	0.3	0.1
Domestic Bonds-Retail bonds	0.8	0.3
EMTNs	1.0	1.0
Loans	0.1	0.1
Fiscal needs, cash basis	(0.4)	(0.4)
Financing Sources (upper borrowing limit)	1.8	1.5
Treasury Bills	0.14	0.3
EMTN	1.0	1.0
Loans	0.13	0.18
Retail bond	0.02	0.04
Utilization of cash reserves (minus sign=increase)	0.51	-0.4

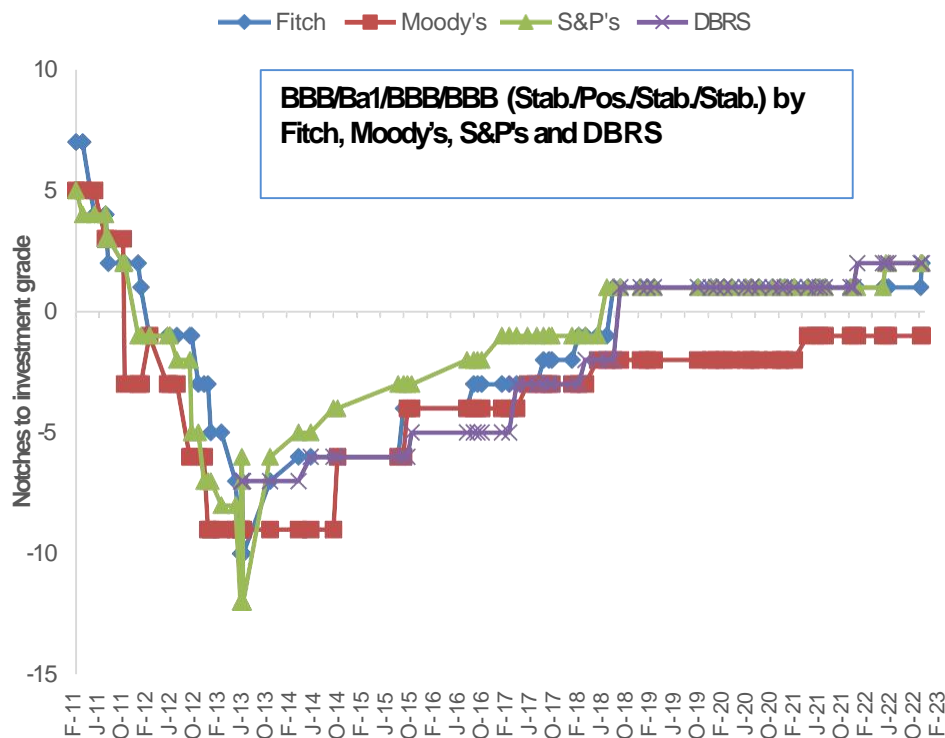
- The main funding of the AFP 2022 is through the issuance of one international benchmark bond and at a lesser extent through other financing sources.
- Complementary financing through Retail bonds, Treasury bills and loans. The yields of 3-month Treasury Bills turned to positive territory since June 2022 with the weighted average yield at 0.37% in 2022 compared to -0.36% in 2021.
- Very strong cash position with the liquidity at the end of 2022 covering more than 3.5 times the next 9-month financing needs of the year 2023.
- The main financing instrument of AFP 2023 remains the international bonds which takes the form of a sustainability bond. Lower financing needs in 2023 due to lower debt redemptions and projected fiscal surplus.

Source: Public Debt Management Office

Note: Discrepancies between the totals and the sum of constituent items are contributed to rounding.

Gradual enhancement of investment grade status

Credit rating history and current status



Ratings' summary ¹

Rating strengths

- High income per capita, strong institutions and governance, strong regulatory quality
- Fiscal policy space
- Highly skilled labour force
- Favorable Government debt profile

Concerns

- High levels of public and private debt
- Banking sector asset weakness
- Capital market access for banks
- Impact of crisis in Ukraine to Cyprus economy in the medium-term.

Progress

- Material reduction in the stock of NPEs and the strengthening of the banking sector
- Strong fiscal policy management
- Robust and resilient growth supporting also by NRRP
- Strong Government financing buffer

Note: 1. Non-exclusive list, as indicated in publicly available opinions of the Credit Rating Agencies reports. Please see full reports for more detail.



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Overview of the Framework and SPO

Overview of ROC'S Sustainable Financing Framework



- ROC'S Sustainable Finance Framework is aligned with Green and Social Bond Principles as published by the ICMA, the ICMA Sustainable Bond Guidance and the LMA Green and Social Loan Principles following Core Components and Key Recommendations:

Use of Proceeds, Project Selection and Evaluation, Management of Proceeds, Reporting, Sustainable Finance Framework, External Review

- Cyprus has also taken into consideration the developing EU Taxonomy on environmentally sustainable economic activities in developing the criteria for eligible expenditures under this Framework.

ROC'S Sustainable Financing Framework received a Second Party Opinion (SPO) from ISS ESG

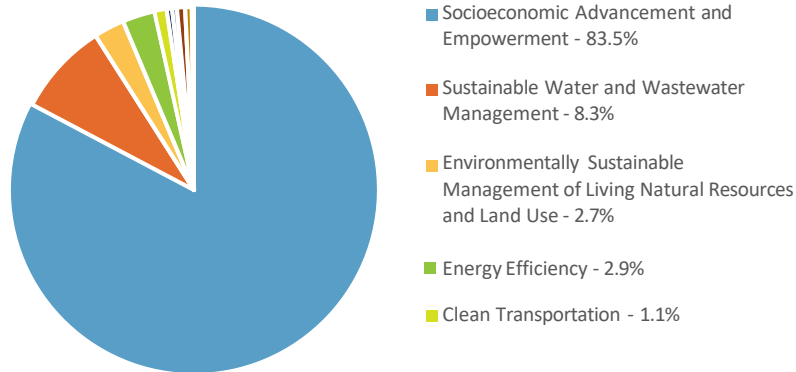


- ISS-ESG has assessed the Republic of Cyprus' Sustainable Finance Framework as **'Aligned'** to the Green and Social Bond Principles as published by the ICMA, the ICMA Sustainable Bond Guidance and the LMA Green and Social Loan Principles.
- ISS-ESG has judged the sustainability quality of the eligibility criteria as **'Positive'**.
- ISS ESG has judged the linking of the transaction to Cyprus' overall ESG Profile as **'Consistent with Issuer's sustainability strategy'**.

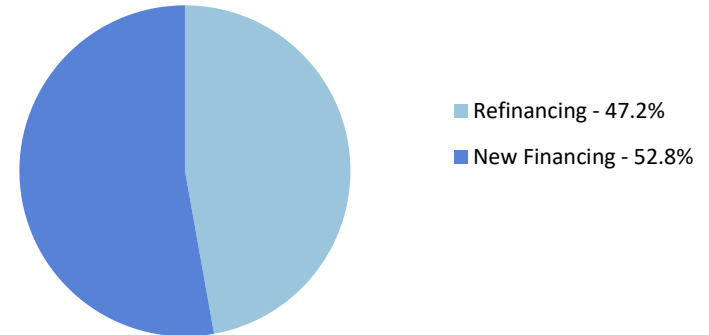


ROC's Eligible Project Categories: Indicative Asset Pool

Indicative split: Green/Social Bond Principles Categories

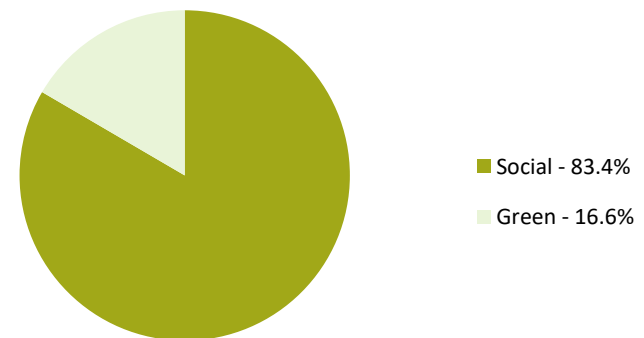


Indicative Refinancing (20-22) vs New Financing (23-25)





















- Total indicative assets identified: €1.06bn
- ROC has a strong focus on green transition, and the bulk of EU funds under the RRF are earmarked for energy efficiency and renewable energy related projects to support this ambition. As a result of ROC ensuring the prevention of double-counting projects that benefit from EU co-financing, the allocation under this Framework has a social skew. This is also consistent with ROC's commitment to social protection, welfare and inclusion.
- Cyprus retains a commitment to both social and environmental projects.








Indicative Split: Green vs Social projects (EURm)



ROC's Eligible Green Project Categories Overview

Eligible Categories	UN SDGs	Eligibility Criteria
Clean Transportation	   	<p>Measures related to:</p> <ul style="list-style-type: none"> Electric vehicles (e.g. expanding charging infrastructure), enlarging and improving bicycle infrastructure, infrastructure (e.g. pavements, bike lanes) dedicated to personal mobility devices whose propulsion comes from the physical activity of the user and/or zero-emission motor and related R&D activities
Renewable Energy	 	<p>Expenditures related to:</p> <ul style="list-style-type: none"> Production, acquisition, operation or distribution of renewable energy (e.g. solar, biomass), connection of renewable energy to the grid, transmission of renewable energy and related R&D activities
Energy Efficiency	 	<p>Support for:</p> <ul style="list-style-type: none"> Energy efficient solutions for commercial, public and industrial sectors (including smart grids), residential energy efficiency programmes (including heating, retrofit and insulation), reduction of energy use in industrial processes and related R&D activities
Pollution prevention and Control		<p>Identification and remediation of contaminated sites, measures supporting the development of waste management activities such as waste prevention, waste reduction and recycling and projects and R&D on resource efficiency and environmentally friendly waste management including the avoidance, re-use, reduction and recycling of waste</p>
Biodiversity conservation and environmentally sustainable management of living natural resources and land use	  	<p>Protection and enhancement of terrestrial and marine biodiversity, ecosystems and natural capital, protection of wetlands, conservation, restoration and rehabilitation of land to maintain or improve the habitat, including through the establishment of protected land or national parks, environmental protection measures in agriculture and sustainable forest management, including afforestation, rehabilitation, and conservation</p>
Sustainable water and wastewater management	 	<p>Programmes designed to preserve water assets, improve the ecological status and quality of water, sanitation and wastewater treatment, such as:</p> <ul style="list-style-type: none"> Building supply, purification and sewage treatment infrastructure, excluding fossil fuel operations, construction, operation, maintenance and upgrades of own infrastructures for the management of water resources, increasing water recycling and wastewater treatment facilities and actions aimed at promoting the efficient use of water and improving the quality of the water environment
Climate change adaptation		<p>Extreme weather events observation and monitoring systems, flood and forest fire protection, resilience and other risk mitigation programmes, data driven climate monitoring solutions and engineering activities and technical consultancy dedicated to adaptation to climate change</p>
Circular economy adapted products, production technologies and processes	 	<p>Expenditures related to the promotion of a circular economy, such as:</p> <ul style="list-style-type: none"> Collection, treatment and recycling of municipal waste, and projects supporting the use of sustainable production and sustainable consumption practices
Green buildings		<p>New buildings and the relevant renovation works of existing buildings which have received or are expected to receive a recognized green building certifications, including: LEED "Gold" or above, BREEAM "Excellent" or above and EPC "A", as well as any other local equivalent standards</p>

ROC's Eligible Social Project Categories Overview

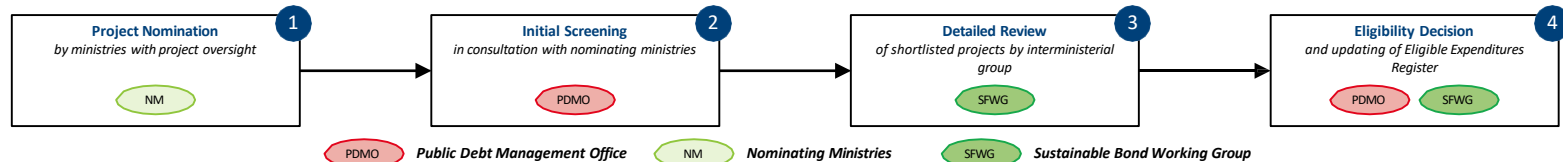
Eligible Categories	UN SDGs	Eligibility Criteria
Affordable basic infrastructure		<p>Develop and provide access to basic infrastructure, including in the following areas:</p> <p>Water & Sanitation - Increase the percentage of the total population with access to drinking water, optimize water-quality monitoring processes & improve waste management processes</p> <p>Energy - Expenditures to ensure access to affordable, reliable, sustainable and modern energy for all, and improvement in electrical supply, with a view to expand geographical coverage, in particular in rural areas</p> <p>Transportation - Strengthening of the transportation infrastructure in order to increase connectivity, especially for rural areas and populations or other underserved areas</p> <p>Target populations: Population at large, but especially low-income households, people with disabilities, migrants and/or displaced persons, undereducated, underserved owing to a lack of quality access to essential goods and services, unemployed, women and/or sexual and gender minorities, aging populations and vulnerable youth and other vulnerable groups, including as a result of natural disasters</p>
Access to Essential Services / Healthcare		<p>Providing access to essential healthcare infrastructure and services for all populations by: extending healthcare capacities and improving the quality of the existing healthcare, preventive and curative action to deal with pandemic and other natural catastrophes, increasing the number of post-graduate healthcare workers, improving the quality of healthcare services and improving the quality of disease prevention services</p> <p>Target populations: Particularly low-income households, people with disabilities, elderly people, migrants and/or displaced persons, undereducated, underserved, unemployed, women/gender minorities, aging populations and vulnerable youth and other vulnerable groups, including as a result of natural disasters</p>
Access to Essential Services / Education & Vocational Training		<p>Providing access to essential educational and science infrastructure and services for all by: strengthening the accessibility of pre-school education programs, ensuring better educational conditions for socially disadvantaged pupils, extending capacity within the public/free education system and improving the quality of the existing educational infrastructure and equipment</p> <p>Target populations: Pre-school children, schoolchildren to 12th grade, university staff, academic staff, secondary/vocational school staff, students and scientists</p>
Affordable Housing		<p>Providing access to affordable housing to vulnerable populations by extending the social and affordable housing supply, improving the quality of the existing social and affordable housing and providing financial assistance to facilitate access to housing and ownership</p> <p>Target populations: Low income, people living without adequate housing, households in positions of insecurity and exclusion</p>
Employment Generation		<p>Supporting employment generation and labour market integration including through: employment generation and retention initiatives, extending capacities and improving quality of vocational education and initiatives to support venture investment</p> <p>Target populations: Unemployed and underemployed, NEETs (those not in education, employment or training), SMEs and persons with disabilities</p>
Socioeconomic Advancement and Empowerment		<p>Providing equitable access to and control over assets, services, resources, and opportunities, and promoting equitable participation and integration into the market and society, including reduction of income inequality</p> <p>Target populations: Low-income, vulnerable youth, non-profit organisations, people with disabilities</p>
Food Security and Sustainable Food Systems		<p>Supporting physical, social, and economic access to safe, nutritious, and sufficient food that meets dietary needs and requirements and reducing impacts from food production, including through:</p> <ul style="list-style-type: none"> Programmes to promote resilient agricultural practices and target reduction of food loss and waste, initiatives to promote improved productivity of small-scale producers and development of short circuits/local food systems, and expansion of organic farming in line with the EU's Common Agricultural Policy and pursuant to EU regulation <p>Target population: Population at large, farmers (especially farmers in disadvantaged areas)</p>



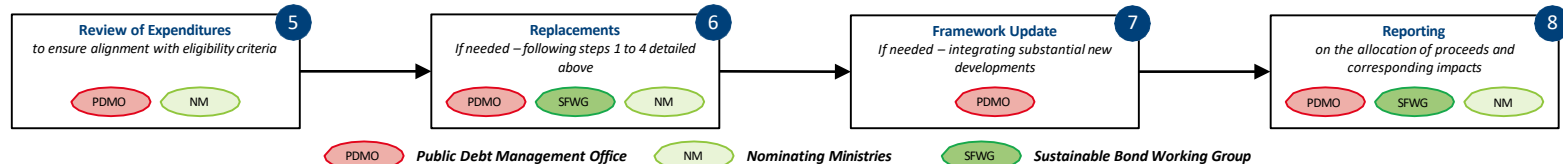
ROC's Project Evaluation and Selection Process

Cyprus will coordinate a Sustainable Bond Working Group to review projects nominated by government departments and prepare for annual reporting

Initial Project Evaluation and Selection



Ongoing Review and Preparation for Annual Reporting



Roles and responsibilities throughout the ongoing review process

- ✓ PDMO reaches out to nominating ministries to reconfirm allocated projects have not changed materially & remain in compliance with established criteria
- ✓ If necessary, all parties work together to reallocate proceeds to replacement projects
- ✓ PDMO reviews Framework annually, makes amendments (with SFWG oversight) as required, & procures an updated SPO if needed
- ✓ Prior to annual allocation/impact reporting, Cyprus PDMO reaches out to nominating ministries to confirm final spend and impact KPIs, before procuring external review/SFWG signoff and publishing

Interministerial Sustainable Finance Working Group (SFWG)

The SFWG is chaired by the Public Debt Management Office senior lead for sustainable debt finance, and also includes representatives from the following ministries:

- Ministry of Finance (officials responsible for budget planning)
- Ministry of Agriculture, Rural Development and Environment
- Ministry of Energy, Commerce and Industry
- Ministry of Labour and Social Insurance/Deputy Ministry of Social Welfare
- Ministry of Transport, Communications and Works

ROC's Management of Proceeds

Management of proceeds

- The Republic of Cyprus may use proceeds from the issuance of any Sustainable Instruments issued under this Framework for general budgetary purposes or such other use as may be specified in the applicable offering document for such issuance.

Eligible Expenditures Register

- The Eligible Expenditures Register managed by the PDMO will reflect the working list of eligible expenditures based on the screening process described above, and will indicate the expenditures against which proceeds from any Sustainable Instrument issuance have been matched.
- The Eligible Expenditures Register will therefore reflect the net proceeds from each Sustainable Instrument issuance, the amount of proceeds matched against specified eligible expenditures, and the amount of proceeds remaining to be allocated for each Sustainable Instrument series.

Selection & Allocation timing

- The Republic will endeavor to fully match the net proceeds from any Sustainable Instrument issuance to Eligible Expenditures **within two budget years** from the date that the relevant Sustainable Instrument has been issued and will manage proceeds from any Sustainable Issuance accordingly on a per-issuance basis.
- In the event that amounts raised from Sustainable Instruments are not immediately and fully allocated to Eligible Expenditures, the PDMO will manage unallocated proceeds in line with its normal cash management guidelines and will ensure that its cash accounts maintain a balance that is no less than the amounts unallocated under any Sustainable Instrument issuances outstanding.



ROC's Impact and Allocation Reporting Commitments

Allocation reporting

- Published annually
- Will be publically available on the PDMO's website no later than the end of the calendar year after any Sustainable Instrument issuance
- Will include:
 - Total net proceeds from any Sustainable issue (listed by ISIN)
 - Breakdown of the allocation of the net proceeds between each of the Eligible Green and Social categories
 - Split of allocations between refinancing vs. new expenditures made post-issuance
 - Breakdown of the allocation of the net proceeds of Sustainable Bond issuances by ICMA Green/ Social Bond Principles Category
 - Breakdown of the allocation of the net proceeds of Sustainable Bond issuances by UN SDG
 - Breakdown of the allocation of the net proceeds of Sustainable Bond issuances by geography

Impact reporting, examples:

Renewable energy

- Output of additional renewable energy in MWh p.a.
- Additional capacity of renewable energy plant(s) and installations constructed, refurbished or subsidized in MW

Energy efficiency

- Annual greenhouse gas emissions reduced/avoided in tons of carbon dioxide equivalent (CO₂ e)
- Annual energy savings in MWh or GJ

Affordable basic infrastructure

- Number of women/youth supported
- Increased access to clean, affordable water & sanitation
- Improved health outcomes for community
- Improvement in sustainable/eco-friendly/low carbon mobility

Employment generation

- Increase in GDP
- Enhanced financial resilience
- Increased demographic dividend
- Improved quality of life by easing the burden of housing expenses for low-income families

Climate change adaptation

- Number of climate change adaptation/resilience projects supported
- Number of additional citizens protected from floods
- Area protected from floods

Circular economy

- Amount of waste diverted from landfill
- Monetary value of products (recycled materials, etc.) created from waste processing / products containing a high proportion of recycled materials



ROC's Second Party Opinion

Opinion provided by ISS-ESG

“The use of proceeds categories have a significant contribution to SDGs 1 ‘No Poverty’, 2 ‘Zero Hunger’, 3 ‘Good Health and Well Being’, 4 ‘Quality Education’, 6 ‘Clean Water and Sanitation’ 7 ‘Affordable and Clean Energy’, 8 ‘Decent Work and Economic Growth’, 10 ‘Reduced Inequalities’, 11 ‘Sustainable Cities and Communities’, 12 ‘Responsible Consumption and Production’, 13 ‘Climate Action’, 14 ‘Life Below Water’ and 15 ‘Life on Land’, and a limited contribution to SDG 5 ‘Gender Equality’.”

“The Issuer defines exclusion criteria for harmful project categories and a three years lookback period, in line with best market practices.”

“The key sustainability objectives and the rationale for issuing Sustainable Financing Instruments are clearly described by the Issuer. All project categories financed are in line with the sustainability objectives of the Issuer.”



Scoring delivered by ISS-ESG

Criteria	Score
Part I: Alignment to the Green and Social Bond Principles Category, the ICMA Sustainable Bond Guidelines and the LMA Green and Social Loan Principles?	✓ Aligned
Part II: Sustainability quality of the eligibility criteria?	✓ Positive
Part III: Linking of the transaction to Cyprus’ overall ESG Profile?	✓ Consistent with Issuer’s sustainability strategy



Social Project Case Study: *Female Entrepreneurship Scheme*

THALIA Programme (2021-27)

Aim: This scheme targets the development, promotion and support of female entrepreneurship and the creation of new jobs in the economy.

Description: The Scheme's main objective is to support, develop and promote the SMEs in the manufacturing sector and other specific economic activities that are established or to be established in areas controlled by the Cyprus Government.

Potential Uses of Proceeds:

- ✓ Expansion of existing business through investments that will improve the technological level, the production process and the productivity at SMEs
- ✓ The creation of new units and reinforcement of entrepreneurship
- ✓ The creation of new job positions

Beneficiaries:

- ✓ New or existing SMEs in the manufacturing sector that are established or to be established in areas controlled by the Cyprus Government
- ✓ New or existing SMEs operating in other specific economic activities as shown in section 6 of the Scheme's Guide

Achievements/ timeline:

- ✓ The project is ongoing since 2018 in various forms assisting the increase of female entrepreneurship. Eligible assets are €5 mln

ICMA Social Bond Principles Category: Socioeconomic Advancement and Empowerment



Indicative Impact metrics

- ✓ Number of jobs created
- ✓ Number of beneficiaries
- ✓ Number of SMEs supported (generally and in the manufacturing sector)

Picture: <https://eit.europa.eu/our-activities/entrepreneurship/women-entrepreneurship-and-leadership>



Social Project Case Study: *Social benefits to persons with disabilities*

Social benefits to persons with disabilities

Aim: Provision of social benefits used by persons with disabilities.

Description: The social benefits are to help cover their social needs for care services, personal assistance, support in communication, mobility, independent living and other social needs. These are for specific subsets of the population - for example there is a monthly grant to blind people, monthly ability allowance regulated by law (people with mobile disabilities, blind, kidney problems, cell diseases). The disability is assessed, and various medical certificates taken into account.

Potential Uses of Proceeds:

- ✓ Motor disability allowance
- ✓ Monthly grant to people suffering from blindness
- ✓ Spend includes one-off benefits as well as recurring monthly spend

Beneficiaries:

- ✓ Individuals suffering from a range of disabilities

Achievements/ timeline:

- ✓ The project is ongoing and is crucial in assisting in the economic and social integration of persons with disabilities (more than 10.000 beneficiaries annually). Eligible expenditures are €270 mln

ICMA Social Bond Principles Category: Socioeconomic Advancement and Empowerment



Indicative Impact metrics

- ✓ Number of beneficiaries

Picture: <https://ec.europa.eu/social/main.jsp?catId=1484>



Green Project Case Study: *Water Management & Infrastructure*

Water-related infrastructure in Nicosia, Larnaca and Paphos

Aim: To increase the uninterrupted provision of water (and thus strengthen water security) to the regions of Nicosia, Larnaca and Paphos.

Description:

This project is related to EU Council Specific Recommendations 2019/CSR 4 & 2020/CSR 3 and to the Ministry of Agriculture National strategic Plan under the strategic objective: "Sustainably meeting water needs."

Some of the old water pipes in these regions are exposed to asbestos and are made of cement. This infrastructure project will contribute to the installation of new pipes, which will also reduce leaks.

Potential Uses of Proceeds:

- ✓ Installation of new water pipes to promote water security

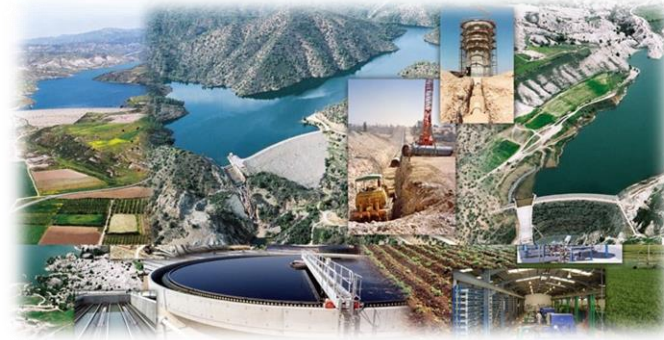
Beneficiaries:

- ✓ Communities in the Nicosia, Larnaca and Paphos regions with reduced water security

Achievements/ Timeline:

- ✓ Improved health parameters for population/ Reduced water waste/ Reduced energy costs. All projects will be completed by 2030. Eligible expenses are €13.5mln

ICMA Green Bond Principles Category: Sustainable Water and Wastewater Management



Indicative Impact metrics

- ✓ Energy consumption per m3
- ✓ Volume of water treated (litres) / transferred through pipes
- ✓ Number of beneficiaries
- ✓ Kilometres of pipe installed
- ✓ % leak reduction



Green Project Case Study: *Restoring the environment at Amiantos mine*

Environmental Restoration at abandoned asbestos mine in Troodos mountain

Aim: Work to restore the environment to its natural state at the site of an abandoned asbestos mine and prevent possible pollution from the old mine.

Description: The objective of the project is to contribute to halting loss of biodiversity through improvement of restoration and management practices in the Amiantos asbestos mine, part of the Troodos National Forest Park, and a major part of the most valuable mountain landscape of Cyprus. The ultimate aim is to improve restoration practices, in terms of efficiency and conformity to EU Directives and to broaden their scope to sufficiently address biodiversity conservation and landscape improvement aspects. Restoration works around the abandoned mine first began in 1995.

Potential Uses of Proceeds:

- ✓ Identification and remediation of contaminated sites
- ✓ Investment in restoration techniques to be executed by experts, staff training and standardisation of new methods through relevant guides
- ✓ Other measures supporting restoration of the area, e.g. construction of an artificial pond in the mine's crater, planting hygrophilous trees, hydroseeding and responsible management of mine waste

Beneficiaries:

- ✓ Communities surrounding the Troodos National Forest Park

Achievements/timeline:

- ✓ Restoring environment and biodiversity to its natural state. Project started in late 90's and expected not to be completed before 2030. eligible expenses are €2 mln

ICMA Green Bond Principles Category: Pollution Prevention and Control

Before:



After:



Indicative Impact metrics

- ✓ Certified area covered (ha)
- ✓ Water quality
- ✓ Erosion levels
- ✓ Quantitative measures to improvements in biodiversity (e.g. number of species supported)



Green Project Case Study: *SAVE subsidy schemes*

SAVE home subsidy schemes

Aim: The Scheme aims to promote deep energy renovation of existing households, belonging to individuals. It's main objective is to reduce each household's primary energy consumption at least by 60%.

Description: The scheme is targeting energy efficiency gains up to 60% in households though improvements in the infrastructure of the houses either through improvements in temperature insulation or the installing of technical equipment that reduces energy consumption (e.g. PV cells). Energy savings are estimated by Qualified Experts, who issue Energy Performance Certificates before and after energy renovation of each household.

Potential Uses of Proceeds:

- ✓ Eligible measures cover a wide range of investments such as insulation of buildings' shell, replacement of windows, window shading systems, replacement of heating / air conditioning systems, installation of renewable energy systems, energy storage systems, installation of electricity saving systems etc.

Beneficiaries:

- ✓ Households subject to energy efficiency-based home improvements

Achievements/ timeline:

- ✓ Projected 3 800 households to use the scheme.
- ✓ €30mn eligible expenses in the period 2020-2025
- ✓ Expected to spur activity and investment in green construction & services

Picture: <https://dom.com.cy/en/live/digest/cyprus-launches-home-energy-drive-program/>

ICMA Green Bond Principles Category: Energy Efficiency



Indicative Impact metrics

- ✓ Percentage saving in energy efficiency
- ✓ Number of beneficiaries



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Looking Ahead

Main indicators	2021	2022 (est.)	2023 <i>f</i>	2024 <i>f</i>	2025 <i>f</i>
Real GDP (% change)	5.5%	5.6%	3.0%	3.3%	3.2%
Unemployment rate	7.5%	7.0%	6.4%	5.7%	5.0%
Public debt (% of GDP)	101.0%	86.5%	80.6%	74.1%	70.0%
Fiscal Balance (% of GDP)	-1.7%	2.3%	1.7%	2.3%	2.3%

Source: Ministry of Finance

(1) "*f*" denotes forecasts by the Ministry of Finance as of October 2022. Forecasts are based on assumptions and there can be no assurance that any such forecasts will be realised. Forecasts are subject to revisions from time to time.



Key credit highlights

Prudent fiscal policy	Robust and sustainable economic growth	Consolidated banking sector
Improved debt risk-cost indicators	Strong institutions and legal system	Upside risks in services and energy sector
Government prefunding	Political stability	Economic resilience



Contacts

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Other sources of information

- Ministry of Finance www.mof.gov.cy
- Ministry of Foreign Affairs www.mfa.gov.cy
- Ministry of Energy, Commerce, Industry and Tourism www.mcit.gov.cy
- Central Bank of Cyprus www.centralbank.cy
- Cyprus Statistical Service www.mof.gov.cy/cystat
- Cyprus Investment Promotion Agency www.investcyprus.org.cy



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RRF allocation to Cyprus and RRP budget

- The total budget of the CY RRP amounts to €1,206 bln, which will be financed through grants of €1,006 bln (at current prices) and additional funding of about €0,20 bln in the form of loan.
- RRP Strategic Objectives & New Growth Model for the Cypriot Economy.
- The Plan is structured around five (5) Policy Axes and thirteen (13) Components, with an implementation period up to 2026, all aligned with the Plan's strategic goal and objectives. The key strategic goal of the RRP Cyprus is:

«Strengthening the economy's resilience and the country's potential for economically, socially and environmentally sustainable long-term growth and welfare»

Source: Cyprus Statistical Service, Ministry of Finance

Note: "f" denotes forecasts by the Ministry of Finance, as of October 2021. All forecasts are based on assumptions and there can be no assurance they will be realised.



Aim of the RRP measures

Through the implementation of the RRP measures, the aim is to promote Cyprus as:

- A country with high levels of resilience, productivity and competitiveness through a sustainable model of long-term growth;
- A country where the education system and workforce development are aligned with the skills needed for the future;
- A country with high performance in Green and Digital transition;
- A country with a resilient health system that follows best practices from top health systems around the world;
- A welfare state with a strong protection network for those in need of state assistance;
- A state of law, transparency and accountability, with strong anti-corruption mechanisms.

Source: Cyprus Statistical Service, Ministry of Finance

Note: "f" denotes forecasts by the Ministry of Finance, as of October 2021. All forecasts are based on assumptions and there can be no assurance they will be realised.



Cyprus RRP total investments

CYPRUS RRP TOTAL INVESTMENTS

€1,2 bln

from EU mechanism

+ €1,1 bln

additional private funds mobilised in Cyprus

(133 measures - reforms & investments)

58 reforms

75 investments

41% green transition

23% digital transition



The economic impact of RRP

- The economic impact assessment of the RRP carried out by the University of Cyprus, the Cypriot RRP is expected to have **significant macroeconomic impact in the short, medium and long term**. More specifically, some key results of the relevant assessment show that:
 - the RRP can lead to economic growth and more specifically increase the GDP of Cyprus by about 3% in the short-term (2022-2023) and by around 7% in the medium-term (2022-2026), compared to the baseline growth of the economy without the RRP;
 - the Plan increases employment by more than 2.5%, or by around 11,000 new jobs during the period 2021-2026;
 - the contribution of productivity to GDP and employment rises from 10.6% and 13.2% in the short-term and 23.5% and 29.3% in the medium-term.



RRP policy axes and allocation of funds

Policy Axis / Component	Budget (in euro mln)	Percentage of total budget (%)
1. Public health, civil protection and lessons learned from the pandemic	74,1	6,1%
1.1. Resilient and Effective Health System, Enhanced Civil Protection	74,1	6,1%
2. Accelerated transition to a green economy	447,6	37,1%
2.1. Climate neutrality, energy efficiency and renewable energy penetration	269	22,3%
2.2. Sustainable transport	91,3	7,6%
2.3. Smart and sustainable water management	87,3	7,2%
3. Strengthening the resilience and competitiveness of the economy	422,3	35%
3.1. New growth model and diversification of the economy	166,4	13,8%
3.2. Enhanced research and innovation	64	5,3%
3.3. Business support for competitiveness	54,1	4,3%
3.4. Modernizing public and local authorities, making justice more efficient and fighting corruption	96	7,9%
3.5. Safeguarding fiscal and financial stability	44,5	3,7%
4. Towards a digital era	89,4	7,4%
4.1. Upgrade infrastructure for connectivity	53	4,4%
4.2. Promote e-government	36,4	3%
5. Labour market, social protection, education and human capital	172,9	14,3%
5.1. Educational system modernization-up-skilling and retraining	94	7,8%
5.2. Labour market, social protection, social welfare and inclusion	78,9	6,5%
Total RFP	1,206	100%
<i>Green transition</i>	<i>≈ 491</i>	<i>≈ 41%¹</i>
<i>Digital transition</i>	<i>≈ 282</i>	<i>≈ 23%</i>

Indicative Payment profile of the NRRP Program

Details of payment request	# M&Ts (Grants)	Grant amount in €mln	# M&Ts (Loans)	Loans amount in €mln	Total amount in €mln	Year of payment
13% pre-financing	0	130,772,986	0	26,041,600	156,814,586	2021
1st dose	14	85,000,000	0	0	85,000,000	2022
2 nd to 3 rd dose	48	200,000,000	1	0	200,000,000	2023
4 th to 5 th dose	54	230,000,000	4	50,000,000	280,000,000	2024
6 th to 7 th dose	47	195,000,000	3	85,000,000	280,000,000	2025
8 th to 9 th dose	56	120,000,000	3	0	144,451,461	2026
10 th dose	37	45,173,061	4	39,278,400	225,000,000	2027
	256	1,005,946,047	15	200,320,000	1,206,266,047	

^[1] This amount corresponds to the financial allocation after deduction of Cyprus' proportional share of the expenses of Article 6(2) of Regulation (EU) 2021/241, calculated in accordance with the methodology of Article 11 of that Regulation and corresponds to 0.02% of the allocation.

