

**Loan Agreement between the European Union and the Republic of Cyprus for a loan from the
"Recovery and Resilience Fund"**

The above-mentioned Loan Agreement dated 24 August 2021 between the EU as Lender and Cyprus as Borrower provides for a total nominal loan amount of 200.320.000 euros.

It is recalled that, in 2020, the European Commission proceeded to the creation of an extraordinary and temporary instrument of funding the EU recovery and exit from the crisis, under the name Next Generation EU. At its core is the Recovery and Resilience Mechanism, with €672.5 billion in available loans and grants, to support reforms and investments to be implemented by EU Member States to mitigate the economic and social impact of the pandemic and make European economies and societies more sustainable, resilient and better prepared for future challenges but also for the opportunities of green and digital transition.

The 1st instalment of the loan, being a 13% prepayment of the total amount, is presented below:

Transaction #1	(all amounts in EUR)
Nominal amount	26.041.600
Net Refinancing Amount	26.041.600
Disbursement Date	9 September 2021
Maturity Date	6 October 2051

The applicable Day Count Convention is Actual/Actual (ICMA).

The remaining nominal amount of the loan, amounting to EUR 174.278.400 will be disbursed to Cyprus between the years 2022-2026, subject to the fulfillment of the milestones and targets agreed within the framework in the Recovery and Resilience Plan of the Republic of Cyprus, as approved by the European Commission.

Public Debt Management Office
Ministry of Finance
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Nicosia - Cyprus
21 October 2021