



Press Release

H.E. HARIS GEORGIADES, MINISTER OF FINANCE OF THE REPUBLIC OF CYPRUS

AT CAPITAL LINK INVEST IN CYPRUS FORUM :

“CYPRUS AS A BUSINESS AND INVESTMENT DESTINATION”

New York, March 22, 2017

The “Capital Link Invest in Cyprus Forum” aims to raise awareness about Cyprus as an investment and business destination to a wider investor audience through a prestigious, high caliber, high impact international summit. The Summit took place in New York on Wednesday, March 22, 2017, at the Metropolitan Club, with keynote speaker H.E. the President of the Republic of Cyprus H.E. Nicos Anastasiades. The Forum was organized in cooperation and with the support of the Cyprus Union of Shipowners, the Cyprus Investment Promotion Agency and the Cyprus - US Chamber of Commerce. Main sponsors of the conference are the Cyprus Union of Shipowners and Ernst & Young.

More than **500 delegates** attended the forum, which provided them with a unique combination of informational, marketing and networking opportunities. Besides the high level panel discussions, a series of one-to-one meetings took place with government officials and company executives. **Distinguished speakers and executives** from the entire spectrum of financial, investment and business communities, such as US institutional investors, investment and commercial banks, analysts, financial advisors and companies with activity in Cyprus, as well as international Cypriot and Greek media participated in the forum.

The Forum presented the developments and reforms in the Cypriot economy and the Cypriot Government’s programme for the economy and investments. It highlighted investment and business opportunities in key areas such as banking and financial services, shipping and transportation, logistics, energy, IT and tourism. And it stressed the increasing importance of Cyprus as a regional maritime, logistics, energy and operational hub.

It attracted the highest level of participation from both the government and the private sectors in Cyprus and the United States. It featured the President of the Republic of Cyprus, the Deputy Assistant Secretary of the US Department of State, 3 key Cypriot Government Ministers, international companies and investors currently active in Cyprus, the Presidents of the Cyprus Union of Shipowners and of the Cyprus Investment Promotion Agency, the CEOs of major Cypriot banks and senior executives of Cypriot, US and international companies active in the region. This was a top level international summit about Cyprus featuring more specifically:

- 3 of the largest Cypriot banks: Bank of Cyprus, Cooperative Central Bank, Hellenic Bank
- Senior Representatives from European & International Organizations: European Bank for Reconstruction and Development and European Investment Bank
- Global Commercial and Investment Banks: CITI, Goldman Sachs
- the 4 largest international auditing and consulting firms: Ernst & Young, Deloitte, PricewaterhouseCoopers, KPMG and also McKinsey & Company
- International giants in the energy sector: ENI, Delek Group & Avner Oil & Gas Exploration, Exxon Mobil, Noble Energy,
- US investors with active presence in Cyprus: Third Point, Invesco Private Capital / WL Ross & Co., Spectrum Gaming Capital
- Major shipping companies: The Cyprus Union of Shipowners, Safe Bulkers, which is listed on the New York Stock Exchange and Euroseas which is listed on NASDAQ; Cyprus Sea Lines Shipping;
- Major shipping industry participants: Columbia Shipmanagement, Tototheo Group;
- Cypriot American Entrepreneurs with investment presence in Cyprus : Nikos Mouyiaris, Dinos Iordanou, Andreas Kramvis, John Televantos.



H.E. Haris Georgiades, Minister of Finance of the Republic of Cyprus
Was the keynote speaker of the Forum segment “THE ECONOMY - BUSINESS & INVESTMENT FRAMEWORK “

ECONOMY - BUSINESS & INVESTMENT FRAMEWORK	
The Economy of Cyprus - Developments & Outlook	KEYNOTE REMARKS:  H.E. Harris Georgiades, Minister of Finance  Presentation/PDF
Cyprus: A Dynamic Business and Investment Centre	Mr. Christodoulos E. Angastiniotis , Chairman - Cyprus Investment Promotion Agency
Doing Business in Cyprus - Legal and Tax Considerations	Mr. Pieris Markou , Partner, Tax & Legal Services Leader - Deloitte Limited
Cyprus: Growth Opportunities in the Financial Sector and Beyond	Mr. Ernestos Panayiotou , Partner – McKinsey & Co.

The Economy of Cyprus - Developments & Outlook.

H.E. Minister Haris Georgiades stated:

“Ladies and gentlemen,

This is truly a pleasure and an honour. I should thank you all for your presence, and I should thank Capital Link for their initiative to organise this event. My appreciation also goes to the co-organisers and the sponsors who have joined forces and are giving us today this opportunity to promote Cyprus and to highlight the prospects for further expanding the US-Cyprus economic and commercial ties.

So let me start by raising a question. What is it which makes a country attractive for business and investment? It’s a number of reasons actually, but if I were to single out two, I would mention stability and opportunity.

No entrepreneur will be comfortable enough to take a major decision or to make an important step in an environment of uncertainty and instability. And no investment will ever make sense in the absence of opportunity.

Ladies and gentlemen,

I am convinced that Cyprus currently offers an ideal combination of stability and opportunity. It is an island of safety and stability, during uncertain times. It is an island offering opportunity and excellent prospects for business and investment.

This was not, exactly, the case a few years back, when Cyprus made the headlines for all the wrong reasons. A combination of loose fiscal policy resulting in excessive budget deficits, together with lax supervision and bad practices in the banking sector resulting in an unsustainable credit expansion, but primarily a political failure to act in a timely manner, drove Cyprus into a deep recession and lead to a severe economic and financial crisis.

But since then, what has been achieved is nothing short of a remarkable recovery. A rebound which came much sooner than anyone was expecting and in a manner which confirms the resilience of the Cyprus economy and the excellent prospects of its key productive sectors.

The two main problem areas which I have mentioned, that is public finances and banking, have been tackled.

On public finances we did what we had to do, and fully eliminated a budget deficit which, for a succession of years, stood at a level of 5-6% of the GDP. We did so in one go, over a since year, exactly because we were eager to restore macroeconomic stability and confidence. Since 2014, we are operating with a balanced budget and with a primary surplus of around 2.5% of the GDP, which makes it the highest in the EU. The fiscal outlook for 2017 and for the years ahead, remains within the very same parameters.



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Placing public expenditure under control and operating with a balanced budget, was not an end in itself. It was the means which enabled us to maintain tax stability and to promote significant tax breaks and incentives aimed at reinvigorating economic activity.

A labour tax introduced in 2011 has been abolished as of the beginning of this year, thus making hiring easier. Likewise, a tax on property ownership has been scraped, and property transfer fees have been reduced by 50%, thus offering a boost and supporting the recovery of the property sector. Among others, we have also introduced a permanent tax deduction for all new equity invested in any Cypriot company on the basis of a notional interest rate and, very recently, we have introduced an additional tax break for investment in start-ups and innovative companies.

I should mention that maintaining an attractive and competitive tax regime is something which enjoys strong cross-party support in Cyprus, and this offers a further sense of stability and predictability.

In a similar manner, decisive action was taken in our financial sector, on which we shall hear more in a while, by a new generation of banking leaders who have been tasked to reform and to restore the reputation of the sector.

Capital and solvency ratios have improved significantly and currently stand above the EU average. The regulatory framework and KYC procedures have been enhanced, banking sector supervision is now conducted by the European Central Bank in Frankfurt, and corporate governance has improved. In short, the banking sector of Cyprus has healed to a significant extent.

Here, a special reference should be made to the very significant presence of US investors in the largest of Cypriot banks. This has been a most welcomed development of the last few years, offering yet another strong signal for the restoration of confidence.

Ladies and gentlemen,

Cyprus currently enjoys one of the highest growth rates in the EU, just short of 3% of the GDP, and this is, in fact, the projection for the medium term. All the key sectors of the economy are now contributing to growth.

The financial and business services sector retains significant comparative advantages, most important of which I consider the world class expertise which has been attained over the years. In a very good example of government and industry working together, we are currently reforming the legal and administrative framework aiming to further develop the Cyprus Funds sector and investment fund management.

The Cyprus shipping industry has remained strong and has been attracting new business throughout the last few years. Not everyone realizes that Cyprus is, in fact, the largest ship management Centre in Europe. You will hear more from the responsible Minister himself, Transport Minister Demetriades, who has earned my respect for seeing through a very beneficial privatization of the largest port of Cyprus, that of Limassol, standing up to criticism regarding very short term transitional difficulties which have already been tackled. High on the agenda of government priorities is the conclusion a concession agreement for our second port, that of Larnaca, by the end of this year.

Tourism, is obviously the flagship industry of Cyprus, and I can tell you that we are already gearing for yet another record season. Enhanced air connectivity has been instrumental in increasing tourist arrivals and take note of this fact: Cyprus is the country enjoying the best weather in Europe, by far.

The Minister responsible for Tourism will also be on the panel in a short while, but being also responsible for energy, and commerce and industry, I doubt he will manage to cover all the positive developments under his portfolio. Minister Lakkotrypīs has not been facing much criticism, I call him the good news Minister.

One of the very good news is the imminent conclusion of yet another concession agreement, with a consortium from the US, Hong Kong and Cyprus, for the creation of the largest integrated casino resort in Europe. This will be a 0.5bln euro project, and will offer a major addition to the tourist product of Cyprus, also delivering very significant tax revenues.

In addition to the casino resort, we have recently seen significant foreign investment in sectors including Marinas, hotels, residential projects, airliners, the retail sector and pharmaceuticals.

The public sector has also been implementing major investment in higher education and research, in an effort to broaden the base and diversify our economy.

According to rough estimates, public and private sector investment in infrastructure, currently underway, exceeds 12% of the GDP.

Ladies and gentlemen,

It is obvious that Cyprus has made a comeback. The restoration of stability and confidence opens the way for new business and new investment opportunities.



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Speaking on behalf of the government I can offer a very clear commitment that we shall continue striving to create an even friendlier environment for entrepreneurship and business.

In fact, let me say that we are neither satisfied nor complacent with what has been achieved so far. We know that we can do even better.

Firstly, we have still not been able to fully alleviate the consequences of the financial crisis. Non-performing loans are still a major legacy problem for our banks, even though they are declining. Unemployment is also declining, but remains high. And we feel that more could be done to cut back on bureaucracy and to simplify procedures. But more importantly, we acknowledge that our economy and our key sectors, even the well-established ones like tourism, have a significant potential to grow more.

So we must continue, and this is exactly what we intend to do.

And we shall do so not only on a local level, but also on a regional and European and international level.

Cyprus will continue working for regional stability and co-operation.

It will continue acting as a dedicated and reliable member of the EU, pushing the Union in the direction of enhancing the competitiveness and the growth prospects of our economies. But fending off any moves that will result in increased taxation or in unnecessarily restrictive rules and regulations.

And we shall continue to take a clear stance in favour of free trade and open markets on a global scale.

Within this framework we shall continue to value our relationship with the US as one of strategic importance and we shall continue to work for expanding our commercial and investment ties even more.

Ladies and gentlemen

Thank you for your attention”.

H.E. Harris Georgiades, Minister of Finance Meetings with INSTITUTIONAL INVESTORS ATTENDING THE FORUM

Institutional investors and Representatives of funds with investment interest in Cyprus participated at the Forum and many of them had personal meetings with the Ministers. We can indicatively mention the participation of the following : Alliance Bernstein - AEA Investors - Arsenal Capital, - Arch Capital Group Ltd - Atlas Merchant Capital LLC - Bank of Tokyo Mitsubishi - BTG Pactual - Calamos Investments - Duff & Phelps, LLC - Deutsche Bank - Dupont Capital Management - Eaton Vance Managers - Eden Roc Capital - Elements Capital Partners - Fortress Investment Group - Gamut Capital Management, L.P. - Grifon Capital - Heritage Realty Services LLC - Keefe, Bruyette & Woods, Inc. - Landesbank Baden-Wuerttemberg - Mana Products, Inc. - Objecutive, Inc., Teneo Capital, Valyrian Capital

H.E. Harris Georgiades, Minister of Finance at PRESS CONFERENCE WITH “OMOGENEIAKA MEDIA”

In the Context of the Forum, a press conference was organized with the Cypriot and Greek Media. H.E. Harris Georgiades, Minister of Finance participated at the press conference.

MEETINGS WITH INTERNATIONAL MEDIA

A series of meetings were organized with International Media : New York Times, Thomson Reuters, Wall Street Journal

Welcome Message of Nicolas Bornozis

Nicolas Bornozis, President of Capital Link and organizer of the Forum thanked very warmly **H.E. Harris Georgiades, Minister of Finance for his participation and support**. Mr. Bornozis stated : “We are particularly proud to inaugurate the Capital Link Invest in Cyprus Forum. Our objective is to promote and raise awareness about Cyprus as a business and investment destination to a wider investor universe through a prestigious, high caliber, high impact event in New York City. Cyprus has come a long way restructuring its economy and is already a significant regional maritime, logistics, energy and operational hub. We are humbled to have with us today such a high level of representation, featuring political and business leaders and decision makers from the public and private sectors, including the President and three key Government Ministers from the Republic of Cyprus, the CEOs of major Cypriot



organizations and senior executives of US and international companies active in the region. Capital Link's commitment to Cyprus includes two major events. The "Capital Link Cyprus Shipping Forum" which took place in Limassol on Thursday, February 9, 2017 with great success. The second event is the "Capital Link Invest in Cyprus Forum" which is held today in New York. We would like to thank the sponsors, media partners and supporting organizations for their cooperation and contribution in making this event such a unique success."

**H.E. Harris Georgiades, Minister of Finance at special ceremony
at the New York Stock Exchange in honor of Cyprus**

Within the context of the "Capital Link Invest in Cyprus Forum", Safe Bulkers, which is listed on NYSE (NYSE: SB), organized a special ceremony at the New York Stock Exchange in honor of Cyprus. Mr. Polys Hajioannou, Chairman of the Board of Directors and Chief Executive Officer of SAFE BULKERS, INC with the President of Republic of Cyprus H.E. Nicos Anastasiades, accompanied by the Ministers of the Cypriot Government, Mr. Marios Demetriades, Mr. Harris Georgiades, Mr. Yiorgos Lakkotrypīs and other officials, rang the "Closing Bell" on Tuesday March 21, 2017.

There is a unique and powerful symbolism delivering the message of Cyprus as a Business and Investment Destination through the Ringing of the Closing Bell at the New York Stock Exchange, the largest Stock Exchange in the world, a ceremony that is viewed by millions worldwide.

The New York Stock Exchange (NYSE) flew the Cypriot flag together with the US and Safe Bulkers flags, on Wall Street and issued special commemorative medals for the occasion.

Welcome remarks were given by Mr. John Tuttle, NYSE Global Head of Listings.

The Closing Bell ceremony was attended by : Mr. Polys Hajioannou, CEO - Safe Bulkers; Vice President - Cyprus Union of Shipowners, **H.E. Nicos Anastasiades**, President - Republic of Cyprus, **Mr. Marios Demetriades**, Minister of Transport, Communication and Works, **Mr. Harris Georgiades**, Minister of Finance, **Mr. Yiorgos Lakkotrypīs**, Minister of Energy, Commerce, Industry and Tourism, **H.E. Mr. Leonidas Pantelides** - Ambassador of Cyprus to US, **Mr. Vassilios Philippou** - Consul General of Cyprus in New York, **Mr. Nikos Christodoulides** - Government Spokesman – Republic of Cyprus, **Mr. Loukas Barmparis** President - Safe Bulkers, **Mr. Konstantinos Adamopoulos** CFO – Safe Bulkers, **Mr. Christos Megalou** Director – Safe Bulkers, **Mr. Nicolas Bornozis**, President-Capital Link, the spouse and the daughter of Mr. Polys Hajioannou and other dignitaries.

The event was broadcasted live on major news stations in the United States and abroad to an audience of millions of viewers worldwide. More than 150 million people watch the NYSE Bell Ceremonies.

H.E. Harris Georgiades, Minister of Finance at CITI'S SPEAKER'S DINNER RECEPTION

On the occasion of the forum "Capital Link Invest in Cyprus", Mr. Emiliou Kyriacou, Citi's Country Officer in Greece and Cyprus, hosted a Speakers' Dinner Reception in honor of the Cypriot delegation and the speakers of the forum at Citi's Executive Conference Center on March 21st, 2017.

Citi, with over 200 years of experience in the international markets and presence in more than 100 countries, has been helping its clients to address world's toughest challenges and equally importantly to embrace its greatest opportunities. Within the same context, with over 50 years of uninterrupted presence in Greece and Cyprus, Citi has been contributing to the successes of its large corporate and public sector clients.

FORUM SPONSORS

LEAD SPONSORS: Cyprus Union of Shipowners • EY

LEAD SUPPORTING ORGANIZATION: CIPA (Cyprus Investment Promotion Agency)

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SUPPORTING ORGANIZATIONS:

AHI-American Hellenic Institute • EUROPEAN AMERICAN CHAMBER OF COMMERCE • HABA-Hellenic American Bankers Association • HALC-Hellenic American Leadership Council • HACC -Hellenic American Chamber of Commerce • HLA -Hellenic Lawyers Association • WISTA CYPRUS Women's International Shipping & Trading Association • WISTA Women's International Shipping & Trading Association

SUPPORTING MEDIA:

ALL ABOUT SHIPPING, CYPRUS GAS NEWS, CYPRUS SHIPPING NEWS, GREEK NEWS, HELLENIC NEWS OF AMERICA, KATHIMERINI, MIGNATIOU.COM, THE NATIONAL HERALD, SHIP2SHORE

PARTICIPATING COMPANIES

• AEA Investors Arch Capital Group Ltd. • Arsenal Capital • Bank of Cyprus (LON:BOCH) • Central Cooperative Bank • Citibank Europe • Columbia Shipmanagement • Cyprus Government Officials • Cyprus Investment Promotion Agency • Cyprus Sea Lines Shipping • Cyprus Trade Commissioner • Cyprus Union of Shipowners • Delek Drilling & Avner Oil Exploration • Deloitte Limited • EBRD • Eni Petroleum Co. Inc • European Investment Bank • Euroseas Ltd. • Exxon Mobil • EY • First Athens Corporate Finance • Flot & Co. PC • Goldman Sachs Asset Management • Granfeld Wealth • Hard Rock • Hellenic American Bankers Association • Hellenic Bank (HB:LI) • Invesco Private Capital • KPMG Ltd. • Lemissoler • Mana Products, Inc. • McKinsey & Co. • Mobileye • Noble Energy • Objecutive, Inc. • PointRF Systems PLC • PwC • Safe Bulkers (NYSE:SB) • Spectrum Gaming Capital • Tornaritis Law Firm • Third Point • Tototheo Group • US Chamber of Commerce • U.S. Department of State • WL Ross & Co. • York Capital Management

CONFERENCE MATERIAL

The 65 page Forum Journal can be accessed on line <http://forums.capitallink.com/cyprus/2017>. It was distributed to forum participants, investment banks and supporting organizations, and to the Cypriot Consulates located throughout the U.S. as well as to a wider investor audience outside the event. The Journal contains articles from top government officials in Cyprus and the U.S.

FORUM VIDEOS, PRESENTATIONS & WEBCASTS, PHOTOS

All videos can be accessed on the Forum website: <http://forums.capitallink.com/cyprus/2017>.

There is a full archive of the presentations and audio files of the panel discussions and presentations.

Also, there are video interviews with major event participants and presenters.

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For more details and extensive information, please visit: <http://forums.capitallink.com/cyprus/2017/index.html>

The CAPITAL LINK website: www.capitallink.com

The CAPITAL LINK FORUM website: www.capitallinkforum.com



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ORGANIZERS

Capital Link is an Advisory, Investor Relations and Financial Communications firm. Capital Link is known for the organization of large scale high quality maritime and investor forums in key industry centers, such as New York, London, Athens and Shanghai, and as of 2017 in Limassol. Capital Link organizes fourteen conferences annually, of which seven are focused on the maritime sector. Capital Link's events draw the elite of the financial, investment and maritime communities and provide a unique combination of superior informational content, marketing and networking opportunities. Capital Link's global marketing platform enhances the visibility and reach of these events during the year on a global scale that lasts well beyond the date on which each event is held, becoming a continuous reference point for market participants.