



PRESS RELEASE
“2ND CAPITAL LINK INVEST IN CYPRUS” FORUM
FRIDAY SEPTEMBER 28th 2018, THE METROPOLITAN CLUB, NEW YORK CITY

October 8, 2018

Capitalizing on the long established track record of organizing highly successful large scale investment conferences in major industry centers around the world, the **“2nd Capital Link Invest in Cyprus” Forum** was held on **September 28th 2018**, at **The Metropolitan Club** in **New York City**. The Forum was organized at the initiative and active support of the Cyprus Union of Ship-owners and in cooperation with the Cyprus Investment Promotion Agency. Hellenic Bank was the Lead Sponsor, while Deloitte and EY were the Grand Sponsors.

The conference aimed to raise awareness about Cyprus as a global business and investment destination to a wider investor audience through a prestigious, high caliber, high impact event in New York City. It featured the developments and reforms in the Cypriot economy and the Cypriot government's program for the economy and investments. It also featured political and business leaders and decision makers from both public and private sectors, including the CEOs of major Cypriot organizations, senior executives of US and international companies active in the region, and:

- **H.E. Nicos Anastasiades**, President - Republic of Cyprus, delivered the Keynote address of the Forum
- **Hon. Harris Georgiades**, Minister of Finance of the Republic of Cyprus, delivered Keynote remarks on “The Economy of Cyprus – Developments & Outlook”
- **Hon. George Lakkotrypis**, Minister of Energy, Commerce, Industry and Tourism of the Republic of Cyprus, delivered Keynote remarks on “Cyprus as a Regional Energy Hub”
- **Hon. Natasa Pilides**, Deputy Minister of Shipping of the Republic of Cyprus, delivered keynote remarks on “Cyprus as a Regional Maritime & Logistics Industry Hub”

The event provided a high level informative platform for the US investment, financial and business communities on the investment and business opportunities, including opportunities arising out of the oil and gas exploitation at the Cypriot Exclusive Economic Zone, with Cyprus enhancing its position as an energy, shipping and logistics hub.

PANEL & PRESENTATION TOPICS

Mr. Nicolas Bornozis, President of Capital Link Inc., in his welcome remarks at the Forum, stated: “Our objective is to organise this event every year to keep the momentum of raising the profile of Cyprus as a global business and investment destination to a wider investor audience. We are very honoured and happy with the top level participation of government and business leaders who presented and discussed the developments and reforms in the Cypriot economy, the Cypriot government's program for the economy and investments as well as business and investment opportunities across several keys sectors. There is significant potential in banking and financial services, energy, shipping and logistics and tourism, to name a few key areas. The oil and gas exploitation at the Cypriot Exclusive Economic Zone has attracted interest from major US and global energy concerns. Furthermore, with BREXIT looming in the horizon, Cyprus can benefit significantly as a financial and business hub.”

ECONOMY – BUSINESS & INVESTMENT FRAMEWORK

Introduced by: **Mr. Nicolas Nicolaou**, President – Cyprus – US Chamber of Commerce

Mr. Nicolas Nicolaou stated: “The Cyprus-US Chamber of Commerce congratulates Capital Link for a very successful 2nd Annual Forum on Cyprus which was held in New York City on Friday September 28. The attendees received an overview of 3 main sectors of the Cypriot economy and were able to hear the latest developments.

The economic recovery of the Cypriot economy is just beginning and there are many opportunities for American companies and individual investors to participate.”

Cyprus as an Investment & Business Destination

Section remarks: **Mr. Michalis P. Michael**, Chairman - Cyprus Investment Promotion Agency

Mr. Michalis P. Michael stated: “This high calibre event was a unique opportunity to not only present Cyprus as an attractive business and investment destination, but also to explore opportunities for enhanced cooperation and synergies between Cyprus and the US. Our small but dynamic island is a robust and forward-looking business and investment centre, offering a high quality, duly regulated service and a unique value proposition that ensures the best possible experience for investors and businesspeople worldwide. Sound governance and public finances, state modernisation and a stable and robust political and economic environment, offer international businesses grounds to invest, prosper and grow.”

The Economy of Cyprus – Developments & Outlook

Keynote Remarks: **H.E. Harris Georgiades**, Minister of Finance Republic of Cyprus.

H.E. Harris Georgiades in his speech he stated: “During the last few years Cyprus has achieved a remarkable economic recovery. The strong performance confirms the resilience and strong fundamentals of the Cyprus economy and the excellent prospects of its key productive sectors. Cyprus currently enjoys one of the highest growth rates in the EU and is increasingly considered as a stable, safe and attractive destination for new business and investments. But far from being complacent, our government remains committed to maintaining macroeconomic stability fiscal discipline and a business friendly economic environment and is engaged in a never-ending reform effort in order to retain and improve the competitive edge of our economy”.

BANKING & FINANCIAL SERVICES

Introduced by: **Mr. Costas Kellas**, CEO – Objecutive, Inc.; Former President – Hellenic American Bankers Association Presentation / Remarks: **Mr. Phivos Stasopoulos**, General Manager, Business Division - Hellenic Bank.

Mr. Phivos Stasopoulos stated: “With stronger growth on the horizon, new opportunities are leaping up in the wake of rebuilding the Cypriot economy and the Cypriot banking sector. Investment opportunities that could be tapped into by international financial groups, are mergers and acquisitions, private equity and venture capital projects as well as financing of infrastructure projects in the energy industry, casino and resort development and other large-scale projects.

Within the framework of banking institutions consolidation and NPE management, very recently, Hellenic Bank has acquired certain assets and liabilities of the Cyprus Cooperative Bank. This move provides attractive strategic, commercial and financial advantages for Hellenic. The acquisition agreement establishes Hellenic Bank as the leading Retail and SME bank in Cyprus.”

Banking & Financial Services (Panel Discussion)

Moderator: Mr. Frank Miller, Partner - Shearman & Sterling

Panelists:

- **Mr. John Patrick Hourican**, Chief Executive Officer - Bank of Cyprus



- **Mr. Emiliou Kyriacou**, Managing Director, Citi Country Officer: Greece & Cyprus - Citibank Europe Plc.
- **Mr. Stephanos Kassianides**, General Manager, International Business Banking - Eurobank Cyprus
- **Mr. Phivos Stasopoulos**, General Manager, Business Division - Hellenic Bank

Mr. Frank Miller discussed with the panelists the key priorities and challenges for the banking sector following a watershed year in Cyprus, and the related risks of most concern to the sector.

Mr. Emiliou Kyriacou, Managing Director, Citi Country Officer: Greece & Cyprus - Citibank Europe Plc., stated: "Cyprus has recorded ongoing positive momentum and remains on a strong growth trajectory, supported by the Government's commitment towards fiscal discipline and measures to achieve meaningful NPL reduction in the banking sector. These factors constituted the catalyst for the country's recent milestone upgrade to investment grade by S&P and consequently the very successful 10-year sovereign bond issuance that followed. Citi has been a trusted partner to our clients on the island for many years and today, we remain equally committed in supporting their efforts for growth and economic progress."

Mr. Stephanos Kassianides, General Manager, International Business Banking - Eurobank Cyprus, stated: "The era of uncertainty and instability, both in the banking sector and the Cyprus economy appears to be ending. The signs are all there; the economy has shown consistent growth for the past three years, Cyprus' sovereign rating is back to investment grade, and non-performing exposures of the banking system are being responsibly managed through market consolidations and sale of NPLs. Eurobank remains very optimistic about its future and the future of the Cyprus economy. We are committed to work tirelessly on our already successful path, and we will continue to support the Cypriot economy and sustainable development initiatives, innovation, entrepreneurship, while at the same time creating new jobs."

ENERGY

Introduced by: **Mr. Aristos Constantine** – Cyprus Trade Commissioner

Mr. Aristos Constantine stated: "It is readily apparent Cyprus proves out the old adage that 'what does not kill you, makes you stronger'.

The transition that Cyprus has undergone over the last few years has resulted in our economy today being more robust, diversified and competitive than ever before.

Cyprus has introduced investor and company-friendly measures that are fueling new growth sectors and make it an ideal place within the European Union to establish regional - indeed, worldwide – operations. Cyprus is today a uniquely competitive jurisdiction for EU regulated fund management solutions and is becoming one of the fastest growing investment fund centers in Europe. With our attractive Intellectual Property (IP) regime, and with research centers established in all major cities supporting innovative research and a rapidly growing startup ecosystem, Cyprus is a perfect choice to start and scale companies and is already attracting many successful tech companies.

And now at a time of transition in a post Brexit Europe, as well as changes here in the United States and around the world, Cyprus is positioned to be a unifying force for cooperation and stability in our very important region of the EastMed and beyond.

The ever strengthening bilateral and trilateral relationships Cyprus has forged, encompass a plethora of important sectors and issues but perhaps the most catalytic and impactful is the Energy sector."

Cyprus as a Regional Energy Hub

Keynote Remarks: **H.E. Yiorgos Lakkotrypis**, Minister of Energy, Commerce, Industry & Tourism, Republic of Cyprus

H.E. Yiorgos Lakkotrypis in his speech he stated: "Cyprus is fully committed to implementing its strategy for exploiting, in the most efficient way, the underwater wealth in its Exclusive Economic Zone, for the benefit of all

Cypriots. To this end, we are constantly taking initiatives in energy diplomacy, intended to promote joint efforts by East Med countries towards establishing the synergies required to attract multibillion infrastructure investments for hydrocarbons production and transport. The resulting geopolitical alignment of interests in our shared region and beyond, is the only way to build trust and strengthen relationships, both essential elements for regional stability and, consequently, legal and investment certainty.”

Cyprus as a Regional Energy Hub – Business & Investment Opportunities in Energy (Panel Discussion)

Moderator: Mr. Stavros Pantzaris, Country Manager Partner – EY Cyprus

Panelists:

- **Mr. Ed Cox**, Director - Noble Energy
- **Mr. Yaniv Friedman**, Deputy CEO - Delek Drilling
- **Mr. Varnavas Theodossiou**, Lead Country Manager & Vice-President - ExxonMobil Exploration and Production Cyprus (Offshore) Limited

Mr. Stavros Pantzaris, Country Manager Partner – EY Cyprus, stated: “Recent oil & gas developments have created a positive momentum and have firmly placed Cyprus on the Energy map as an emerging Energy, Maritime and Logistics hub. A few months ago, ENI and Total concluded a successful drill in Block 6 and are now planning their next activity, while ExxonMobil with Qatar Petroleum have already announced the commencement of their drilling program in Block 10 later this year. Last week, an inter-state agreement was concluded between Cyprus and Egypt for a gas pipeline to transfer gas from the Aphrodite Block to Egypt. Depending on any additional gas reserves to be discovered in the region, the options of the construction of the EastMed pipeline and/or a liquefaction plant on the island are still on the table.”

Mr. Varnavas Theodossiou, Lead Country Manager & Vice-President - ExxonMobil Exploration and Production Cyprus (Offshore) Limited, stated: “ExxonMobil expects natural gas demand to rise by 40% through 2040, when it will have displaced coal as the second-largest fuel. Europe already imports more than half its gas, and so new supplies from within Europe would be most welcome; a role Cyprus could play if enough gas is found.

He also referred to the overall economic impact from oil and gas activities that can have a much bigger multiplier effect which can be seen already in the Cyprus economy e.g. increasing activities and jobs in support industries; legal and accounting services. Finally he shared his company’s positive experience in doing business in Cyprus.”

SHIPPING & LOGISTICS

Cyprus as a Regional Maritime & Logistics Industry Hub

Keynote Remarks: **H.E. Natasa Pilides**, Deputy Minister of Shipping, Republic of Cyprus

H.E. Natasa Pilides in her speech she stated: “The 2nd Capital Link Invest in Cyprus Forum was an excellent forum which brought together stakeholders from the US and Cyprus to discuss and explore possibilities for collaboration in various sectors of the economy. The shipping panel included a number of important investors in the Cyprus maritime sector, who offered valuable insight on the prospects of the Cyprus maritime cluster. Shipping in Cyprus has shown steady growth in the last decades, with Cyprus maintaining one of the largest fleets worldwide, as well as a resident industry offering the full range of shipping and shipping-related activities.”

The Shipowners’ Perspective (Panel Discussion)

Maritime Expertise and Infrastructure in Cyprus - Cyprus as an Operational Hub

Moderator: Mr. Costas Georghadjis, Audit Partner – Deloitte

Panelists:

- **Mr. Polys Hajioannou**, CEO - Safe Bulkers; Vice President - Cyprus Union of Shipowners



- **Mr. Andreas Hadjiyiannis**, President - Cyprus Sea Lines Shipping; President - Cyprus Union of Shipowners
- **Mr. Andreas Hadjipetrou**, Managing Director - Columbia Shipmanagement
- **Capt. Eberhard Koch**, Chairman, CEO & Partner - Österreichischer Lloyd Seerederei (Cyprus) Ltd.

Mr. Costas Georghadjis, Audit Partner – Deloitte, stated: “Discuss with shipowners and shipmanagers why Cyprus can be the choice from where to operate their business. It will aim to draw comparisons to other maritime hubs and highlight Cyprus’ main competitive advantages in terms of the overall infrastructure, the government interaction and the tax regime that governs shipping operations. The costs of operating from Cyprus will be discussed but also the quality of resources and services available in Cyprus. It will also seek to understand what additional incentives/measures should be given/introduced to make Cyprus more attractive.”

Mr. Polys Hajioannou, CEO and Chairman of the Board of NYSE listed Safe Bulkers, Inc. and Vice President of the Cyprus Shipowners Union, stated:

“We are a successor to Vassos Hajioannou business, who first invested in shipping in 1958, and this year we celebrate our 10th anniversary as a public company and the 60th year of my family's uninterrupted presence in the dry bulk sector. It's been 3 years since the establishment of Safe Bulkers Management Ltd., in Limassol, Cyprus, through which we efficiently run a large part of our public and private fleet from the shipping center of Limassol.

We are proud for having played a small part in Cyprus ascent as a regional energy and maritime hub. Cyprus enjoys a very competitive corporate tax rate and a fully EU-harmonized taxation system which continuously attracts investors worldwide utilizing its full potential. The infrastructure of the shipping cluster along with a high level of banking and legal services, support any type of business.

Safe Bulkers owns 41 modern bulk carriers, 39 of which fly the Cyprus flag around the globe transporting dry-bulk cargoes, mainly grain, coal and iron ore along worldwide shipping routes for the worlds’ largest consumers of marine dry-bulk transportation services. In addition, 14 out of 15 of our privately owned modern bulk carriers of my immediate family, are flying the Cyprus flag despite the Turkish embargo.”

Mr. Andreas Hadjiyiannis, President - Cyprus Sea Lines Shipping; President - Cyprus Union of Shipowners, stated: “The IMO decision to minimize sulfur emissions which result in the formation of toxic sulfur oxides that return to the sea through acid rain with a consequent effect on the sea life is correct. It is the deadline of 01/01/2020 which proved over optimistic and led to speculation of what the IMO will do in the forthcoming deadlock.

Some refineries introduced the idea of blending fuels to profit from the increase in price of the required low sulfur fuel. Blends that have a flash point lower than MARPOL and ISO requirements carry a high risk of explosion incidents that cannot be ignored.

Alternatively, shipowners can comply with the IMO emission requirement by collecting the sulfur oxides from the ships’ funnels and depositing them directly into the sea thereby simply circumventing the typical cycle. This alternative led to the introduction of the open loop scrubber at a cost of \$3-4 million each, a business of 200-300 billion USD.

Some shipowners hope that the majority of their competitors will not afford the scrubbers or will not take the risk that the IMO will continue to allow the dumping of the sulfur oxides into the sea. Several countries have already banned this process recognizing its dramatic effect on the sea life. These shipowners would therefore be required to use fuel blends at double the price of the HSFO and eventually be forced out of the market.

The countries which have the expertise and a duty towards the safety of their crew, their ships, and the seas are called to assess the risks involved in the fuel blends and the depositing of sulfur oxides into the sea versus staying

firm on the initial IMO mandate to ban HSFO, and allow only the use of LSHFO, which can become available in most ports within months. Both EXXON and SHELL have already confirmed they will have availability in the key ports.

Alternatively, with the use of scrubbers, HSFO will continue to be used and the resulting sulfur oxides will continue to be deposited into the ecosystem in its entirety. Until all the ships are fitted with scrubbers, they will be required to use blends with the inherent risk of explosion and consequently human casualties and oil spills. It is a matter of safety for the IMO to provide the necessary period, so that the industry gains the required experience and assesses the risks of these new measures.”

Whilst **Mr. Andreas Hadjipetrou**, Managing Director - Columbia Shipmanagement, was very complimentary towards the very close collaboration between the private sector and the government, he highlighted the fact that Cyprus has been welcoming to foreign investors for decades and not only during the recent years. He mentioned that, similarly to Columbia Shipmanagement a number of the shipping companies on the island were established by foreign entrepreneurs up to 30-40 years ago and they have nowadays grown to be worldwide leaders in their sectors and especially in technical and crew management.

Capt. Eberhard Koch, Chairman, CEO & Partner of ÖL Shipping Group in Limassol, a family owned shipping group, called Cyprus "The Shipping Star of the Mediterranean" and he firmly believes in it.

His target during the Forum was to arouse participants interest in diversifying their investments with new investments in Shipping in Cyprus.

He mentioned that Cyprus has the capacity of being a very strong & influential European as well as an international Shipping hub. The Cyprus flag ranks no 3 in Europe and no 11 worldwide.

Shipping is one of the most important pillars of the Cyprus economy. The Cyprus registry is robust and positioned amongst the world's leading shipping powers.

With its ideal strategic geographical position at the cross road of 3 continents, Europe, Africa and Asia, Cyprus indeed plays a key role. A safe, transparent, modern business center, the island is an ideal investment gateway, Capt. Koch stated.

LUNCHEON & KEYNOTE ADDRESS

Introductory Remarks: **Mr. Andreas Hadjiyiannis**, President - Cyprus Sea Lines Shipping; President - Cyprus Union of Shipowners

Keynote Address: **H.E. Nicos Anastasiades**, President - Republic of Cyprus

President Anastasiades, outlined his Government's commitment to facilitating business and investment relations between Cyprus and the United States. He referred to Cyprus' remarkable economic turnaround, as the result of prudent management of public finances, the adoption of measures which facilitated economic and investment opportunities, various significant structural reforms, as well as the recapitalization of the banking system.

He further underscored that financial institutions diligently implement corporate governance policies and have stepped up efforts to combat money laundering. American investors could be assured that the Republic of Cyprus provides investment security and protection, due to its full compliance with European and international standards, and could benefit from the comparative advantages Cyprus has to offer.

The President highlighted that two weeks ago international rating agencies, had upgraded the rating of the Cyprus economy to "investment grade", after being downgraded to "junk" seven years ago and following successive upgrades thereafter. The development demonstrates the positive economic outlook of Cyprus, enhances the trust of existing investors, and sends a strong message to new potential investors.



Focusing also on the energy sector, President Anastasiades expressed his sincere appreciation for the involvement of U.S. companies in Cyprus's exclusive economic zone for the exploitation of hydrocarbon reserves, and referred to recent significant steps, such as the signing of the Intergovernmental Agreement with Egypt for the exploitation of "Aphrodite" and the transfer of gas from Cyprus to Egypt, aiming at transforming the Eastern Mediterranean into an energy hub that would contribute to the region's stability and energy security.

KEYNOTE REMARKS

Mr. Matthew Palmer, Deputy Assistant Secretary - European and Eurasian Affairs - US Department of State

PARTICIPATING COMPANIES & ORGANIZATIONS:

Bank of Cyprus • Citibank Europe Plc. • Columbia Shipmanagement • Cyprus Investment Promotion Agency • Cyprus Sea Lines Shipping • Cyprus Trade Commissioner • Cyprus Union of Shipowners • Cyprus-US Chamber of Commerce • Delek Drilling • Deloitte • Eurobank Cyprus • ExxonMobil Exploration and Production Cyprus (Offshore) Limited • EY Cyprus • Hellenic American Bankers Association • Hellenic Bank • Noble Energy • Objective, Inc. • OL - Österreichischer Lloyd Seerederei (Cyprus) Ltd. • Safe Bulkers • Shearman & Sterling • US Department of State

THE CONFERENCE WAS ORGANIZED:

IN COOPERATION WITH: Cyprus Union of Shipowners • Invest Cyprus (Cyprus Investment Promotion Agency)

SPONSORS:

LEAD SPONSOR: Hellenic Bank

GRAND SPONSORS: Deloitte • EY

SPONSORS: Columbia Shipmanagement • Eurobank Cyprus • Safe Bulkers • Shearman & Sterling

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SUPPORTING ORGANIZATIONS: Ahepa • AHI-American Hellenic Institute • EMBCA-Eastern Mediterranean Business Culture Alliance • Greek American Chamber • Greek Energy Forum • HABA-Hellenic American Bankers Association • HACC-Hellenic American Chamber of Commerce • HALC-Hellenic American Leadership Council • THI-The Hellenic Initiative • Leadership 100 • The Rotary Club of New York • Wista Cyprus • Wista International • Wista Hellas • Wista USA

FORUM'S MATERIAL

The material of the Forum (presentations, speeches, photos, interviews and videos) is available at:

<http://forums.capitallink.com/cyprus/2018/>

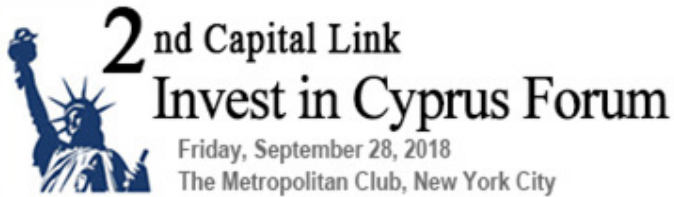
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ORGANIZERS

Founded in 1995, Capital Link is a New York based investor relations, financial communications and advisory firm with a strategic focus on the maritime, commodities and energy sectors, MLPs, as well as Closed-End Funds and ETFs. Based in New York City, Capital Link has presence in London, Athens & Oslo. Capital Link is a member of the Baltic Exchange and works very closely with the New York Stock Exchange, NASDAQ and the London Stock Exchange as well as with major international and supranational organizations and industry associations in the areas of the firm's strategic concentration.

Our proactive approach, which integrates **Investor Relations, Information Technology and Media**, enhances awareness and branding for our clients through tailored outreach programs targeting analysts, institutional and individual investors and the financial media complemented by extensive and uniquely powerful marketing platforms. **Capital Link offers a full suite of services including strategic and corporate advisory, investor relations, media relations, public and industry relations and the organization of corporate events. Capital Link is also known for the organization of large scale, high quality Investment Forums** focusing on maritime transportation and U.S. investment products in key industry centers, such as **New York, London, Athens, Limassol, Shanghai, Singapore and as of this year in Tokyo**. We organize twelve to fourteen conferences annually, of which seven are focused on the maritime sector. **The Capital Link Investment Forums** feature industry leaders and draw the elite of the global financial and investment communities. The **Capital Link brand** is widely-recognized and valued worldwide by participants in these communities for combining rich informational and educational content with as well as superior networking opportunities. In addition to conferences, **Capital Link organizes Webinars** focusing on investment strategies, sectors, critical topics of interest to the investment community and company presentations. Capital Link's **global marketing platform** enhances the visibility and reach of these events on a global scale that lasts well beyond the date on which each event is held, becoming a continuous reference point for market participants.

Capital Link's efforts have been recognized by the 2011 Lloyd's List Greek Shipping Awards, in 2012 and 2013 by the InterContinental Finance Magazine and in 2016 by the Wealth & Finance Magazine, Also, by the International Propeller Club of the United States and AHI-American Hellenic Institute.