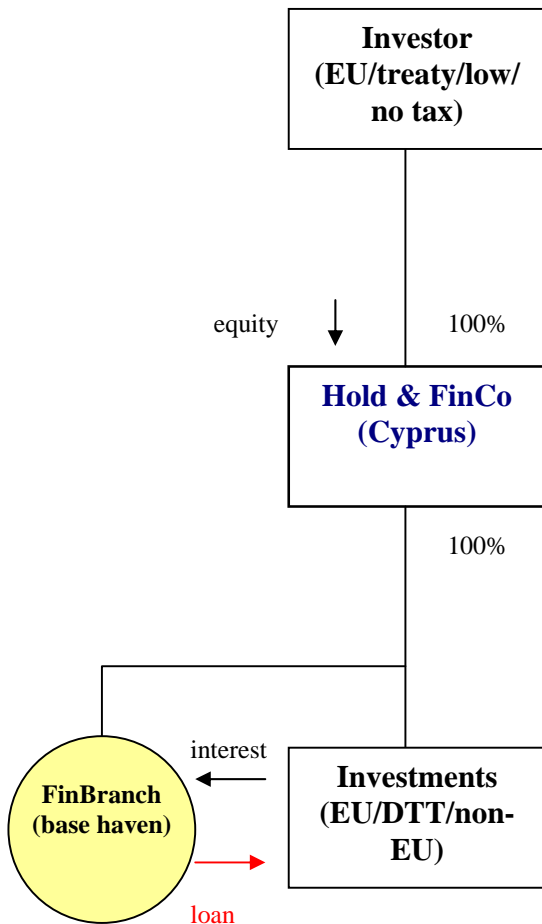


FOREIGN FINANCING BRANCH STRUCTURE

Foreign Financing Branch planning



- Taxation on set up:
 - ✓ No or limited transaction tax
 - ✓ Allocate loans to FinBranch constituting a PE
- Taxation on income and gains:
 - ✓ Interest income no or low taxed on branch/PE level
 - ✓ Income and gains of PE exempt in Cyprus
 - ✓ No notional interest between head office (Hold & FinCo) and PE (FinBranch)
- Repatriation/exit:
 - ✓ In the form of dividends and repayment of capital: no tax
 - ✓ No tax on gains from sale of shares held by Investor

