

**“Looking for appropriate solutions to the economic crisis  
problem: The Cyprus bail-in example”**

**Andreas Kountouris**

**Limassol, April 2018**



CYPRUS UNIVERSITY OF TECHNOLOGY  
FACULTY OF MANAGEMENT AND ECONOMICS  
DEPARTMENT OF COMMERCE, FINANCE AND SHIPPING

“Looking for appropriate solutions to the economic crisis problem:  
The Cyprus bail-in example”

Andreas Kountouris

Limassol, April 2018

## Approval Form

**“Looking for appropriate solutions to the economic crisis problem:**

**The Cyprus bail-in example”**

Presented by

Andreas Kountouris

Supervisor: Neophytos Lambertides, Associate Professor in Finance

Signature \_\_\_\_\_

Member of the committee:

Signature \_\_\_\_\_

Member of the committee:

Signature \_\_\_\_\_

Cyprus University of Technology

Limassol, April 2018

## **Copyrights**

Copyright ©2018 Andreas Kountouris

All rights reserved.

The approval of the thesis by the Department of Commerce, Finance and Shipping does not imply necessarily the approval by the Department of the views of the writer.

## ABSTRACT

This essay was prepared to describe the reasons led to the economic crisis in Cyprus on March 2018.

First of all the essay starts with the first Chapter which includes the facts that led to collapse of the Cyprus' banking system before the disaster of March 2013.

Following this stream of thoughts the second Chapter is dedicated to the sad facts of March 2013 and the consequences led to the bail-in.

The third Chapter refers to the 'next day' of the crisis with the conditions and effects of this situation and it especially it analyses the trends that led to the Cyprus banking crisis and the consequences for the financial sector of Cyprus.

In the last Chapter, Analysis, we prepared a multiple regression using the quarterly credit ratings for Cyprus from the three credit agents (S&P, Fitch and Moody's) and quarterly values for six variables (Fiscal Balance, External Debt, GDP growth, Inflation, GDP per capital income, External Balance).