



Definitive agreements for the sale of Sunrise II portfolio of Non-Performing Exposures amounting to €2.7bn gross book value

Piraeus Financial Holdings S.A. (“Piraeus”) announces that it has entered into definitive agreements with Intrum AB (publ) and Serengeti Asset Management LP for the sale of forty-nine percent (49%) and two percent (2%), respectively, of the mezzanine and junior notes from the Sunrise II securitization, (the “Transaction”).

The Sunrise II portfolio comprises c.47k retail and corporate loans with a gross book value of €2.7bn, as at 31 December 2020.

The implied valuation for the Transaction, based on the nominal value of the senior notes and the proceeds from the sale of the mezzanine and junior notes, corresponds to 47.4% of the portfolio gross book value.

The Transaction is part of the wider Sunrise transformation programme of Piraeus, announced on 16 March 2021, and follows the successful closing of the €7.2bn Sunrise I securitization. It underlines the rapid progress in Piraeus’ c.€19bn NPE clean-up plan, leading to a single-digit NPE ratio by early 2022.

On 5 August 2021, Piraeus Bank applied for inclusion of the Sunrise II senior notes within the Hellenic Asset Protection Scheme framework. The application refers to the Greek State writing a guarantee on the senior notes of €1.2bn.

The Transaction will be classified as ‘held for sale’ as at 30 September 2021, driving Piraeus NPE ratio to c.17% based on Q2.2021 figures, down from 45% as at 31 December 2020 and 23% as at 30 June 2021. Subject to required approvals, Piraeus expects to derecognize the Sunrise II NPE loans from its consolidated statement of financial position within Q4 2021.

The expected capital impact of the Transaction stands at c.1 percentage point over the June 2021 total capital ratio, taking into account the P&L effect and the respective RWA relief.

Piraeus Bank will retain five percent (5%) of the mezzanine and junior notes of the Sunrise II securitization as per the relevant securitization regulatory requirements. Piraeus Bank will also retain the senior notes, in their entirety.

The Transaction is subject to the ordinary approvals by the competent Greek authorities, as well as to the consent of the Hellenic Financial Stability Fund.

Goldman Sachs Bank Europe SE and Alantra CPAI Limited acted as arrangers and financial advisors to Piraeus on the Transaction. Paul Hastings (Europe) LLP and Moratis Passas Law Firm acted as legal counsels to Piraeus and to the arrangers on the Transaction.

Athens, 08 November 2021