



Definitive agreements for the sale of Sunrise I portfolio of Non-Performing Exposures amounting to €7.2bn Gross Book Value

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

The Sunrise I portfolio consists of retail and corporate NPEs. It comprises c.205k loan exposures and a gross book value of €7.2bn, as at 30.09.2020.

The implied valuation for the Transaction, based on the nominal value of the senior notes and the sale price of the mezzanine and junior notes, corresponds to 34.5% of gross book value.

The Transaction is part of the wider Sunrise transformation programme Piraeus announced on 16 March 2021 and underlines the rapid progress in Piraeus’ c.€19bn NPE clean-up plan, leading to a single-digit NPE ratio within less than 12 months.

Piraeus Bank has already filed an application for the inclusion of the Sunrise I senior notes in the Hellenic Asset Protection Scheme (the “Hercules” scheme). The application relates to the provision of a guarantee by the Greek State on the senior notes of c.€2.45bn.

The Transaction will be classified as held for sale in Q2.2021. Together with Phoenix and Vega NPE transactions that are also pending completion this quarter, the Piraeus NPE ratio will radically drop to c.23% from the reported 46% of March 2021. Subject to the required approvals, the loans within the Sunrise I securitization perimeter are expected to be derecognized from Piraeus Financial Holdings consolidated statement of financial position within H2.2021.

The expected capital impact of the Transaction stands at c.2.7 percentage points over the December 2020 total capital ratio, taking into account the P&L effect and the RWAs relief of the Transaction.

Piraeus Bank will retain five percent (5%) of the mezzanine and junior notes of the Sunrise I securitization as per the respective securitization requirements. Conditional upon requisite supervisory and corporate approvals, Piraeus Financial Holdings is contemplating to distribute part or the whole of the remainder of the said instruments to its shareholders. Piraeus Bank will also retain one hundred percent (100%) of the senior notes.

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

UBS 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 Piraeus' legal counsels on the Transaction, while Orrick Herrington & Sutcliffe LLP acted as the arrangers' legal counsel on the Transaction.

Athens, 15 June 2021