



## **Piraeus Bank and Intrum sign a binding agreement for the Phoenix NPE portfolio**

Following the announcement of a binding commitment letter on 1st September 2020, Piraeus Bank S.A. (“Piraeus” or the “Bank”) and Intrum AB (publ) (“Intrum”) have now signed a binding agreement for the sale of thirty percent (30%) of the mezzanine notes of the “Phoenix” securitization, which amounts to €1.92bn gross book value (the “Transaction”). It is noted that Phoenix mainly comprises of residential mortgage non-performing loans.

As announced on 10th August 2020, Piraeus has already filed an application for the inclusion of the Phoenix senior notes in the Hellenic Asset Protection Scheme (“Hercules” scheme).

The implied valuation of the portfolio based on the nominal value of the senior notes and the sale price of the mezzanine notes corresponds to 50% of the total gross book value of the portfolio.

Pro-forma for the transaction, Piraeus Bank’s NPE ratio will be reduced to 44% from 47%, while the NPE coverage ratio will increase to 46% from 45%, in September 2020.

The Transaction is subject to all necessary approvals, as well as the consent of the Hellenic Financial Stability Fund.

In addition, conditional upon requisite supervisory and corporate approvals, the Bank is contemplating to distribute sixty-five percent (65%) of the mezzanine notes to its shareholders and retain five percent (5%) of the said instruments as per the respective securitization requirements. Upon completion of the Bank’s imminent corporate transformation (hive-down), the new licensed banking entity will retain one hundred percent (100%) of the senior notes and five percent (5%) of the mezzanine notes. Subject to the said approvals, the loans within the Phoenix securitization perimeter are expected to be derecognized from Piraeus’ consolidated statement of financial position within H1.2021.

UBS Europe SE is acting as sole arranger and financial advisor to Piraeus on the Transaction. Alantra CPAI Limited is acting as financial advisor to the Bank on the Transaction. Paul Hastings (Europe) LLP and Bernitsas Lawfirm are acting as the Bank’s legal advisors on the Transaction, while Orrick, Herrington & Sutcliffe, LLP and Moratis Passas Law Firm are acting as the arranger's legal advisors.

Athens, 28 December 2020