

## **ANNOUNCEMENT**

Following Piraeus Bank's recent announcement with respect to postings on the "euro2day.gr" website regarding the agreement with KKR Credit, the Bank would like to provide the following additional information:

As per the framework agreement, KKR Credit (KKR) has agreed to manage the underlying portfolio of MIG related loans and shares which shall be transferred to the securitisation vehicles managed and/or controlled by KKR. The involvement of KKR is expected to be very beneficial for the underlying companies as it will be able to add much needed operating expertise, capital and liquidity, facilitate debt restructuring, open up international market opportunities, and provide the underlying companies with the best possible opportunities for future growth and development.

KKR has also committed to invest up to EUR 300 million over the next five years through the securitization vehicles into certain of MIG's underlying subsidiary companies. It is self evident these investments can only take place following KKR's internal approvals, a thorough due diligence of the underlying companies' competitive position, the development of business plans and the precise identification of their investment needs. Any future investment is also subject to Piraeus Bank's approval.

As with all our past retained securitizations, this transaction will not initially alter significantly the current risk profile of Piraeus Bank's exposure to the underlying assets and therefore is unlikely to alter its current balance sheet treatment. Full risk transfer to third party investors is not possible at this time, as it would entail significant loss of value and would not allow Piraeus Bank to benefit from the recovery it would achieve from the professional and independent management of these positions over the next five years by a qualified, experienced and professional manager with KKR's track record. This is due to the nature of the transferred assets which include shareholder loans and illiquid equity positions and the overall underperformance of the portfolio. However, the securitization notes that Piraeus Bank receives in exchange for its contributing these assets into the vehicles makes it easier in the future to sell down its exposures, deconsolidate these positions, enhance its liquidity and achieve a much better financial outcome than an outright sale today. This is consistent with the Piraeus Bank current commitments to de-lever its balance sheet.