

Thursday, June 27, 2019

ANNOUNCEMENT

EUROBANK AND CELIDORIA S.À R.L. AN ENTITY ULTIMATELY OWNED BY FUNDS WHOSE INVESTMENT MANAGER IS THE PACIFIC INVESTMENT MANAGEMENT COMPANY LLC OR AN AFFILIATE THEREOF (“CELIDORIA”) HAVE SIGNED A BINDING AGREEMENT FOR THE SALE OF 95% OF THE MEZZANINE AND JUNIOR NOTES OF A SECURITIZATION OF A NON-PERFORMING RESIDENTIAL MORTGAGE LOAN PORTFOLIO OF C. 2 BILLION EURO GROSS BOOK VALUE (PROJECT PILLAR)

EUROBANK AND BRAVO STRATEGIES III LLC, AN AFFILIATE OF CELIDORIA (“BRAVO”) HAVE ALSO AGREED TO ENTER INTO EXCLUSIVE NEGOTIATIONS FOR THE SALE OF 20% OF THE MEZZANINE AND JUNIOR NOTES OF A SECURITIZATION OF NON-PERFORMING LOANS OF A TOTAL GROSS BOOK VALUE OF C. 7.4 BILLION EURO (PROJECT CAIRO) AND THE SALE OF A MAJORITY STAKE IN FPS (PROJECT EUROPE)

Eurobank Ergasias S.A. (“Eurobank”) has entered into an agreement with Celidoria, for the sale of 95% of the mezzanine and junior notes of a securitization of a non-performing residential mortgage loan portfolio of gross book value of c. € 2 billion (Project Pillar). Eurobank shall retain 100% of the senior notes, as well as 5% of the mezzanine and junior notes. 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 c. 58% of the total gross book value of the portfolio. The closing of the transaction is subject to SSM approval and is expected to occur within July 2019.

Eurobank and BRAVO have further agreed to enter into exclusive negotiations for projects Cairo and Europe. Project Cairo refers to the sale of 20% of the mezzanine and junior notes of a securitization of a mixed assets portfolio with a gross book value of c. € 7.4 billion. Project Europe refers to the sale of a majority stake in Financial Planning Services (FPS), a licensed NPL servicer currently 100% owned by Eurobank. The exclusive negotiation period will start immediately and end on 30 September 2019. Within this period the parties intend to conclude the agreements for projects Cairo and Europe.

“The agreement we have reached on Project Pillar is the second significant milestone in the execution of our frontloaded plan for derisking our balance-sheet, following Eurobank’s recent merger with Grivalia. We are delighted to couple it with entering exclusive negotiations with a partner of unique global caliber, in view of completing the remaining two steps of our plan, the first multi-asset securitization of NPEs (Project Cairo) and the sale of a majority stake in our market-leading subsidiary servicer FPS. This transaction is also a milestone for the Greek market, opening a new chapter in the active management of Greek NPEs. Both agreements send a clear signal of renewed market trust to the prospects of Eurobank and the Greek economy” says Fokion Karavias, CEO of Eurobank.