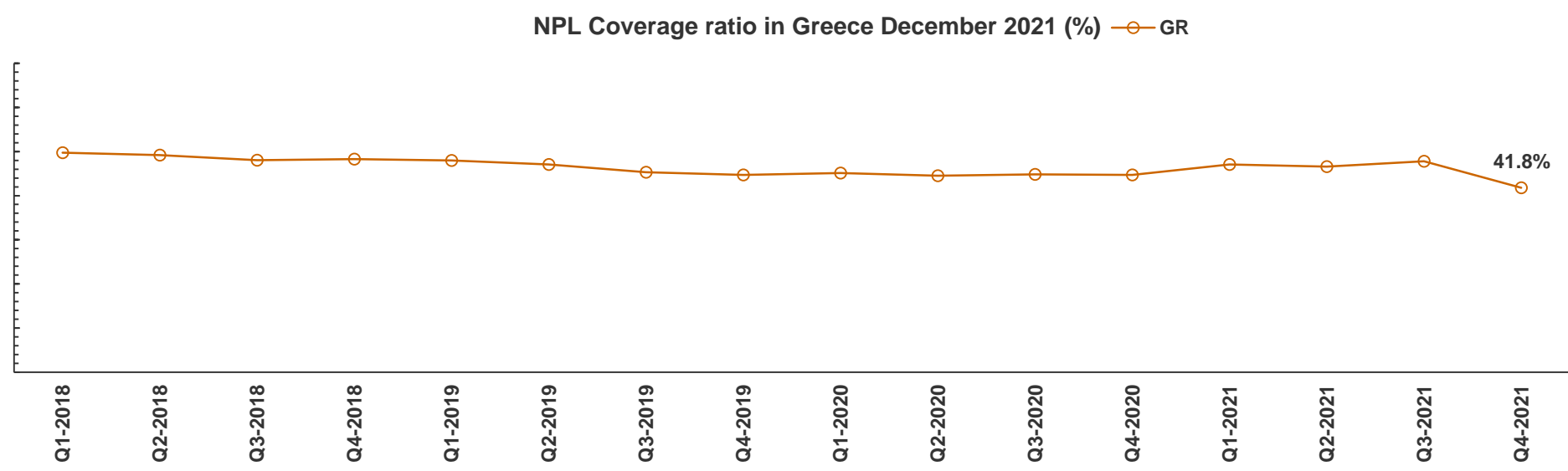
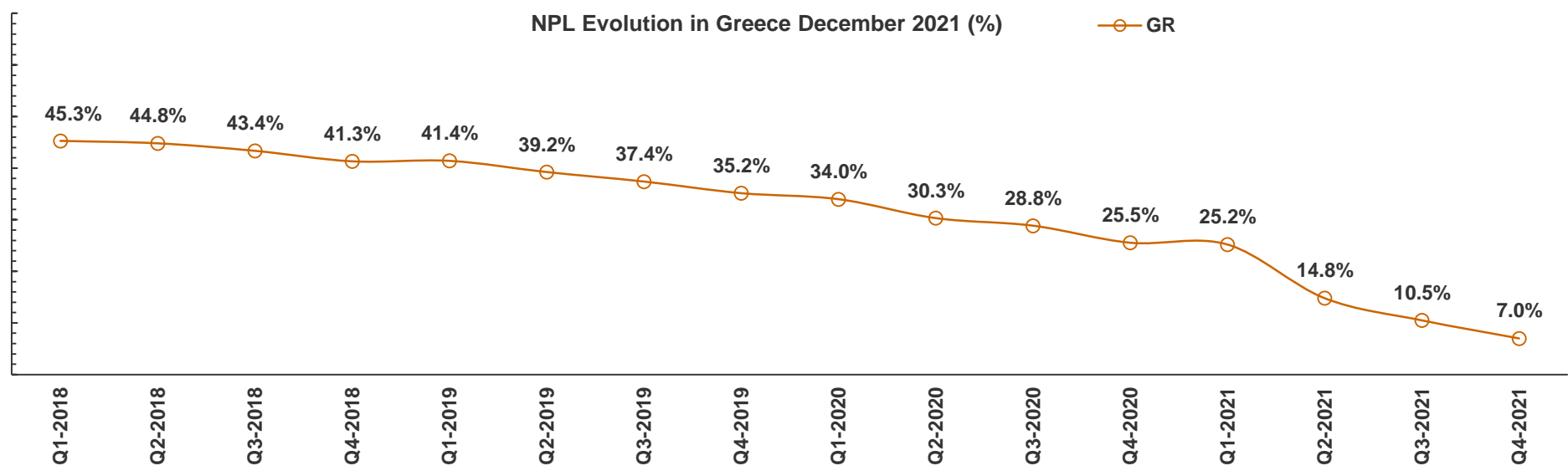

Greek NPL Market Overview

May 2022

General Overview

NPL stock has reduced significantly since its peak, with significant progress during 2021; Greece, however, still holds highest NPL ratio in the EU at 7% compared to an average of 2% as of Q4 2021

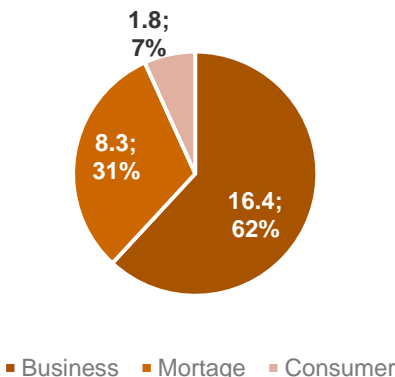
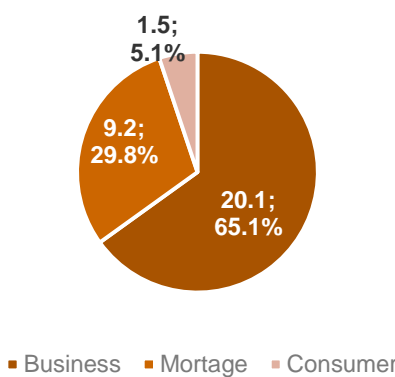
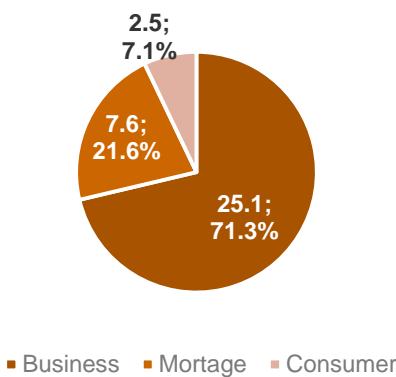
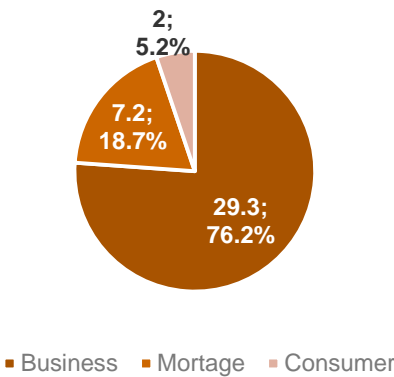


Banking Landscape and Prospects

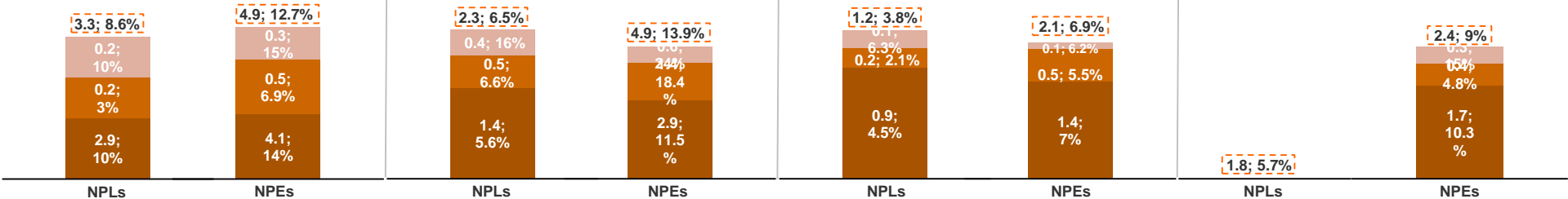
Asset quality of the Systemic Banks' loan portfolios



Total Gross Loans Breakdown FY 2021
(€ bn and %)



NPEs and NPLs Breakdown FY 2021
(€ bn and % per sector)



Note: Eurobank's NPE's and gross loans' breakdown depicts the domestic landscape. No info about NPLs split.
Also NBG's gross loans are estimated based on adding NPLs with Performing Loans figures.
The % of NPEs and NPLs categories is reported in relation to the total loans of the respective category.

Banking Landscape and Prospects

Bridge I and II schemes slowed down the rapid increase of the banks' NPE stock caused by the pandemic...

Payment Moratorium

The **European Banking Authority** terminated the applications for **moratoria** at 31/03/2021:

- €30bn of loans were affected

Bridge (Gefyra) I

- **Government subsidy (9 months)** for the repayment of mortgage loans only, backed by the **primary residence** as collateral
- **Applications** expired at **31/10/2020**
- Applicable only to debtors that have been financially affected by the pandemic
- Were incorporated in the program more than **75k** debtors

Bridge (Gefyra) II

- **Government subsidy (8 months)** for the repayment of corporate loans for SMEs, SBs and self-employed professionals estimated at €500 mn
- **Applications** expired at **31/05/2021**
- Applicable only to debtors that have been financially affected by the pandemic
- Were incorporated in the program more than **18k** loans

In the pandemic period

From the middle of March **2020** until the end of January **2022**, **408,632** loans amounting to **€28.8** bn were given the possibility of payment suspension or assistance in repayment of installments

Banking Landscape and Prospects

...while the suspension of auctions last year led to collections strategy adjustments for banks and funds

e-Auctions

- Auctions have been resumed in September 2021
- Target for **40,000 auctions in 2022**
- **118,000** auctions have already been posted in the online platform
- Abstention of lawyers from auctions of real estate of vulnerable borrowers until **30/6/2022**

Private institution

for acquisition and re-leasing of primary real estate residences





- The **institution** will be selected by the Ministry of Finance after an international tender launched in Q2 2022
- The institution will be tasked with buying the debtor's primary residence and will be obliged to rent it to the debtor for 12 years. During the 12-year lease and until its expiration & it is obliged to resell the residence to the debtor, if his/her financial position improves and he/she is consistent with the rent repayment schedule

Integration criteria:

- a) Household income criteria between €7,000-€21,000
 - b) Value of real estate asset property between €120,000-€180,000
- The Institution is expected to commit to purchase a total of primary residences of vulnerable debtors up to **2 billion euros**

Banking Landscape and Prospects

The systemic banks have significantly reduced their NPE ratios despite the pandemic

	 EUROBANK	 ALPHA BANK	 NATIONAL BANK OF GREECE	 PIRAEUS BANK
NPE ratio targets 2022	5.8% (from 33.5% in 2019)	<10% (from 45% in 2019)	6% (from 31% in 2019)	9% (from 49% in 2019)
Completed or ongoing key actions	<ol style="list-style-type: none"> 1. Front-loaded, substantial large sale of NPE portfolio through Project Mexico with GBV €3.2bn 2. The sale of NPE securitization through Project Wave I & II (GBV €1.1bn) to Intrum 	<ol style="list-style-type: none"> 1. The sale of 51% of the Mezzanine and Junior Securitisation Notes to Davidson Kempner in June 2021 through Project Galaxy brought the bank's NPE ratio to 13% 2. Sale of 80% of Cepal to Davidson Kempner in Q2 2021 	<ol style="list-style-type: none"> 1. The sale of 95% of the Mezzanine and Junior notes to Bain Capital, Fortress and doValue Greece in June 2021 through Project Frontier (value of €6bn) pushed NBG's NPE ratio below 15% 	<p>Sale of the Sunrise II project in Dec. 2021 (GBV €2.7bn).</p> <p>Key points:</p> <ol style="list-style-type: none"> 1. The bank will hold 100% of the senior bonds and 5% of the intermediate and junior bonds 2. Increase is +50 basis points on the total capital adequacy ratio in September 2021

- The pandemic has not significantly affected NPL deal flow, with only slight delays observed in some deals
- Ongoing deals still going forward, but **pricing was affected** (e.g. project Icon upfront fee was reduced by ~25% due to the pandemic before closing, but with future performance-based earn-out clauses added)

Banking Landscape and Prospects

Piraeus, Eurobank and Alpha have completed the hive downs of their NPL units to international servicing organizations



• October 2019

• June 2020

• June 2021

Completion date



Key-info

- **Intrum** agreed to acquire Piraeus bank's **Recovery Management Services platform**; Recovery Banking Unit (**RBU**) which was **hived down** into a **separate legal entity** (**NewCo**)
- Intrum acquired **80%** of the **NewCo** shares while PB maintained the remaining 20%
- NewCo have entered an agreement **servicing** PB's **NPEs** and **REO portfolios**
- **Deal value € 328 mn**

- **doValue** acquired 80% of Eurobank's **FPS**
- **doValue** will service Eurobank's **NPE** portfolio, as well as its portfolio in arrears of <90dpd
- Agreement has a duration of 14 years
- **Project Cairo** happened in parallel with the disposal of FPS to doValue and the securitisation included three classes of notes where 50.1% of Junior notes and 20% of Mezzanine notes were sold to doValue for **€ 15mn**

- **Alpha Bank** agreed with Davidson Kempner for the sale of **€ 10,8bn Galaxy** portfolio (51% of Mezzanine and Junior notes) and 80% of Cepal, while the bank maintains the remaining 20%
- The agreement has a duration of 13 years (with an extension right) and new Cepal will service **€ 4.6bn** of third-party portfolios in addition to Project Galaxy,

Banking Landscape and Prospects

Attica Bank still running transactions to reduce its NPE ratio



Transactions

- **Attica Bank** securitized a portfolio of GBV €1.33 bn NPLs (project Artemis) in 2017
- After a **reorganization** in 2020, the securitization consists of **€487 mn of Senior Notes, €38 mn of Mezzanine notes and new A2 notes of €61 mn** that includes the master servicer's claim
- **Attica Bank** completed project Astir in December 2020, that included two securitizations of GBV €341 mn and €371 mn of corporate NPEs
- **In April 2021** the bank announced the re-securitization of the project Artemis loans in addition to another GBV € 212 mn of Stage II and Stage III loans (project Omega)
- The bank will aim to sell at least 50% of the mezzanine and junior notes to a third party and include the senior notes to the state asset protection scheme "Hercules"

NPE ratio and balances

- The **NPE ratio** currently stands at **33.6%** as of end FY2021
- The NPE cash coverage ratio is estimated at 45.5%
- Alternative credit risk transfer tools will be assessed upon receipt of preliminary ratings, in order to meet the 'clean' bank target (**less than 5% NPE**)

Thea Artemis

- **Attica Bank** completed the process to **sell its participation** in the servicing company "**Thea Artemis**" to an independent investor (**Ellington Management Group**)
- The process started in Q3 2020 and was completed in Q2 2021
- The bank's **participation** in "Thea Artemis" was **20%**
- **Thea Artemis** was created in 2017 during the project Artemis securitisation and Attica bank transferred 80% of the servicers' shares to **Aldridge EDC**

Regulatory Developments

The new insolvency framework described in Law 4738/2020 aims to provide a holistic solution regarding the non performing private debt held in Greece and at the same time provide a second chance to insolvent cooperative debtors while protecting their primary residence



Launch date
Q1 2021



All type of **debts** to banks, municipalities, national insurance providers and third party lenders



Applicable only for debtors that do **not** hold 90% of their debt with one lender (i.e. individuals holding one mortgage)



- **Debt relief** within **12 months** from the **hand over of any assets**
- In case of **no assets** present debt relief is provided **3 years** after insolvency

Pre-insolvency mechanism



- **Debts** can be **settled before** the **debtor** becomes **insolvent**
- **Prerequisite:** Debt should be **settled** with the creditors to be repaid in up to **240 installments**
- **Out-of-Court-Workout mechanism** for **automated debt settlement** proposal
- **Legal entity** can **maintain** their **assets** but they should consent to a **restructuring** plan by a **representative** appointed by the **applicable justice court**
- **Filing for insolvency** can be **submitted** by the **lenders** and the **First Instance Prosecutor's Office** without the debtors' consent
- The **Arrears Resolution Process** is **discontinued** if debtors choose to be **incorporated** in a settlement under **Law 4738/2020**



Debtors under the new legislation receive a **second chance** to restart their financial activity



- **Primary residence** is **protected** for all debtors
- State guarantees the debtors are **not evicted** from their primary residence post insolvency
- Establishment of **private companies** acquiring **auctioned properties** and **renting** them **back** to debtors for **12 years** with a buy-back option
- **Rent** partly **subsidized** by the **state** during this period

Law 3869/2010

Debtors can **terminate** the **legal proceedings** if they wish and be incorporated in the new framework



Debtors' income is considered in the selection process ensuring that "**uncooperative**" or "**strategic bad debtors**" are excluded from the beneficial treatment under the new Law 4738/2020

Deals have drastically accelerated, since Project Artemis in July 2017...

 **Securitization**

 **Sale**

Project Eclipse

Seller: Eurobank
Acquirer: Intrum
Perimeter: Retail unsecured
Outstanding Principal Balance: €1.5 bn
Price: €0.045 bn
Servicer: FPS

Project Amoeba

Seller: Piraeus Bank
Acquirer: Bain Capital Credit
Perimeter: SME secured
Gross Book Value: €1.45 bn
Price: €0.432 bn
Servicer: Special Financial Solutions

Project Arctos

Seller: Piraeus Bank
Acquirer: APS, IFC, EBRD, Balbec Capital
Perimeter: Retail Unsecured
Gross Book Value: €0.4 bn
Price: €0.05 bn
Servicer: APS Hellas

Project Chios

Seller: Piraeus Bank
Acquirer: N/A
Perimeter: Business loans
Gross Book Value: €0.1 bn
Price: N/A
Servicer: N/A

Project Mercury

Seller: Alpha Bank
Acquirer: Hoist
Perimeter: Retail /SB
Outstanding Principal Balance: €1.3 bn
Price: €0.076 bn
Servicer: Cepal

Project Jupiter

Seller: Alpha Bank
Acquirer: Apollo
Perimeter: SME secured
Total Outstanding Balance: €1.2bn
Price: €0.3 bn
Servicer: Cepal

Project Metexelxis

Seller: Attica Bank
Acquirer: Pimco
Perimeter: Mixed Securitization
Book Value: €0.7 bn
Price: €0.05 bn (for €0.357 bn Junior note)
Servicer: QQuant

Project Pillar

Seller: Eurobank
Acquirer: Pimco
Perimeter: Mortgages (95% of mezzanine and junior notes)
Price: €0.11 bn
Servicer: FPS

Project Neptune

Seller: Alpha Bank
Acquirer: Fortress
Perimeter: Corporate Secured
Gross Book Value: €1.8 bn
Price: €0.45 bn
Servicer: TBC

Project Leo

Seller: NBG
Acquirer: Cross Ocean Partners
Perimeter: Shipping
Gross Book Value: €0.26 bn
Price: c50% of the on balance-sheet portfolio amount
Servicer: QQuant

July 2017

Nov. 2017

March 2018

May 2018

June 2018

Sept. 2018

Oct. 2018

Nov. 2018

May 2019

June 2019

Nov. 2019

Nov. 2019

Project Artemis

Seller: Attica Bank
Acquirer: Aldridge
Perimeter: Retail & Corporate
Securitization consisting of:
Senior notes: €0.49 bn
Mezzanine: €0.038 bn
Junior notes: € 0.8 bn
Price: €0.07 bn

Project Venus

Seller: Alpha Bank
Acquirer: B2Holding, Waterfall Asset Management, EBRD
Perimeter: Retail/SB Unsecured
Outstanding Principal Balance: €2 bn
Price: €0.09 bn
Servicer: B2Kapital

Project Earth

Seller: NBG
Acquirer: Carval-Intrum
Perimeter: Retail Unsecured
Outstanding Principal Balance: €2 bn
Price: €0.1 bn
Servicer: QQuant

SME Securitization

Seller: Eurobank
Book value: €1.25 bn
Senior note: €0.813 bn (sold via private placement)
Junior note: €0.438 bn (held by Eurobank)

Project Zenith

Seller: Eurobank
Acquirer: B2Holding, Waterfall Asset Management
Perimeter: Retail Unsecured
Outstanding Principal Balance: €1 bn
Price: €0.066 bn
Servicer: B2Kapital

Project Symbol

Seller: NBG
Acquirer: Elliott-Centerbridge
Perimeter: SME Secured
Total Outstanding Balance: €1.6 bn
Price: €0.250 bn
Servicer: Cepal

Project Nemo

Seller: Piraeus Bank
Acquirer: Davidson Kempner
Perimeter: Shipping
Gross Book Value: €0.5 bn
Price: €0.240 bn
Servicer: Mountstreet

Project Mirror

Seller: NBG
Acquirer: Carval
Perimeter: Retail/SME Unsecured
Outstanding Principal Balance: €1.2 bn
Price: €0.09 bn
Servicer: QQuant

Project Aeolus

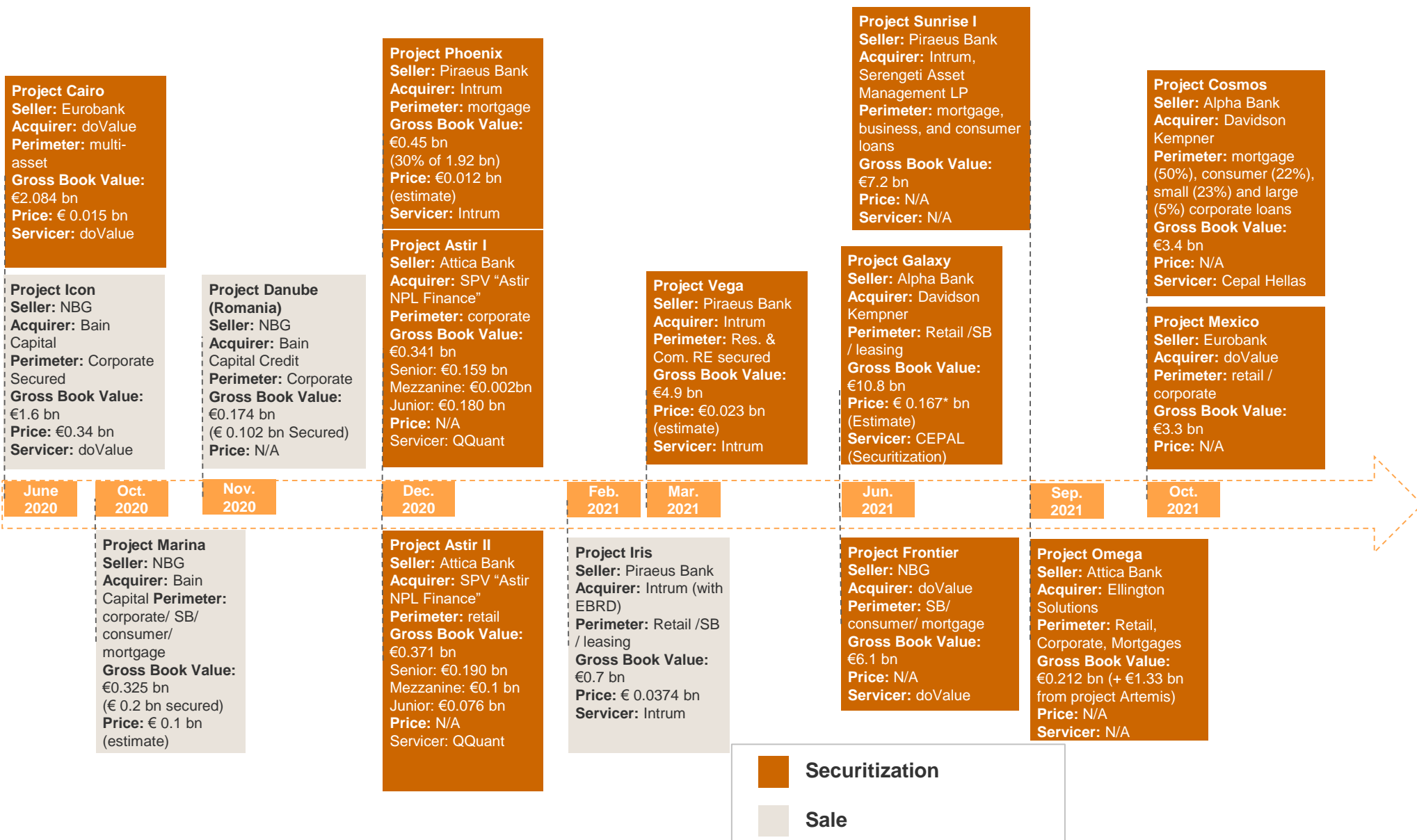
Seller: PQH
Acquirer: Intrum Hellas
Perimeter: Consumer & SB unsecured
Gross Book Value: €1.1 bn
Price: €0.071 bn
Servicer: Intrum

Continued on next page

⁹ This analysis does not include single-ticket deals

Deals Monitor


...with 43 deals completed to date...



Deals Monitor

...worth more than €52 bn in Gross Book Value...

Project Wave I & II Seller: Eurobank Acquirer: Intrum, Perimeter: business loans Gross Book Value: €1.1 bn Price: N/A Servicer: N/A	Project Istros Seller: Piraeus Bank Acquirer: N/A Perimeter: Business loans Gross Book Value: €0.13 bn Price: N/A Servicer: N/A	Project Dory Seller: Piraeus Bank Acquirer: Davidson Kempner Capital Management LP Perimeter: shipping Gross Book Value: €0.4 bn Price: €0.2 bn Servicer: N/A	
Project Pivot Seller: Piraeus Bank Acquirer: N/A Perimeter: Corporate Gross Book Value: €0.3 bn Price: N/A Servicer: N/A	Project Svlto Seller: Piraeus Bank Acquirer: N/A Perimeter: Business loans Gross Book Value: €0.05 bn Price: N/A Servicer: N/A	Project Steel Seller: Piraeus Bank Acquirer: N/A Perimeter: Business loans Gross Book Value: €0.05 bn Price: N/A Servicer: N/A	Project Orbit Seller: Alpha Bank Acquirer: Hoist Finance AB (Publ) Perimeter: consumer, small business and mortgage loans Gross Book Value: €1.3 bn Price: N/A Servicer: N/A
Dec. 2021	In 2021	Mar. 2022	
Project Sunrise II Seller: Piraeus Bank Acquirer: Intrum, Serengeti Asset Management LP Perimeter: mortgage, business, and consumer loans Gross Book Value: €2.7 bn Price: N/A Servicer: N/A	Project Kalypso Seller: Piraeus Bank Acquirer: N/A Perimeter: Business loans Gross Book Value: €0.07 bn Price: N/A Servicer: N/A	Project Danube Seller: Piraeus Bank Acquirer: N/A Perimeter: Business loans Gross Book Value: €0.06 bn Price: N/A Servicer: N/A	

 **Securitization**
 **Sale**

* The deal was 267 mn, but included the sale of 80% of Cepal

Deals Monitor

...with 17 more deals expected to close in 2022

Project Solar Seller: NBG Acquirer: N/A Perimeter: Business loans Gross Book Value: €0.2 bn Price: N/A Servicer: N/A	Project Frontier II Seller: NBG Acquirer: N/A Perimeter: Mortgages, business, and consumer loans Gross Book Value: €0.9 bn Price: N/A Servicer: N/A	Project Solar Seller: Piraeus Bank Acquirer: N/A Perimeter: Secured SB Gross Book Value: €0.5 bn Price: N/A Servicer: N/A	Project Sunrise III Seller: Piraeus Bank Acquirer: N/A Perimeter: Mortgage, business, and consumer loans Gross Book Value: €0.8 bn Price: N/A Servicer: N/A	Project Triton Seller: Piraeus Bank Acquirer: N/A Perimeter: Shipping Gross Book Value: €0.6 bn Price: N/A Servicer: N/A	
Project Solar Seller: Alpha Bank Acquirer: N/A Perimeter: Secured SB Gross Book Value: €0.4 bn Price: N/A Servicer: N/A	Project Pronto Seller: NBG Acquirer: N/A Perimeter: Leasing Gross Book Value: €0.07 bn Price: N/A Servicer: N/A	Project Bridge Seller: Piraeus Bank Acquirer: N/A Perimeter: SB /corporate secured Gross Book Value: €1 bn Price: N/A Servicer: N/A	Project Sunshine Seller: Piraeus Bank Acquirer: N/A Perimeter: Leasing contracts Gross Book Value: €0.5 bn Price: N/A Servicer: N/A	Project Wheel Seller: Piraeus Bank Acquirer: N/A Perimeter: Business loans Gross Book Value: €0.02 bn Price: N/A Servicer: N/A	Project Ariadne Seller: PQH Acquirer: N/A Perimeter: Mortgage, business, and consumer loans Gross Book Value: €5.2 bn Price: N/A Servicer: N/A
Expected to be closed in H2 2022					2022
Project Trinity Seller: Piraeus Bank Acquirer: N/A Perimeter: Secured large corporate Gross Book Value: €0.8 bn Price: N/A Servicer: N/A	Project Calypso Seller: Eurobank Acquirer: N/A Perimeter: Corporate Gross Book Value: €0.05 bn Price: N/A Servicer: N/A	Project Star Seller: Eurobank Acquirer: N/A Perimeter: Mortgages Gross Book Value: €0.03 bn Price: N/A Servicer: N/A	Project Ermis III Seller: Piraeus Bank Acquirer: N/A Perimeter: Small Corporate Gross Book Value: €N/A bn Price: N/A Servicer: N/A	Project Ermis M Seller: Piraeus Bank Acquirer: N/A Perimeter: Mortgages Gross Book Value: €1.5 bn Price: N/A Servicer: N/A	Project Daedalus Seller: PQH Acquirer: N/A Perimeter: N/A Gross Book Value: €0.06 bn Price: N/A Servicer: N/A

 **Securitization**
 **Sale**

* The deal was 267 mn, but included the sale of 80% of Cepal

Greek banks have completed sixteen (16) NPE deals in 2021 with a total GBV of more than €42bn, compared to €10bn in the period 2017-2020



Piraeus bank completed **10** NPE deals with total Gross Book Value of circa **€16.6 bn**



Eurobank completed **1** NPE deal with total Gross Book Value of circa **€4.6 bn**



ALPHA BANK

Alpha bank completed **2** NPE deals with total Gross Book Value of circa **€14.2 bn**



**NATIONAL BANK
OF GREECE**

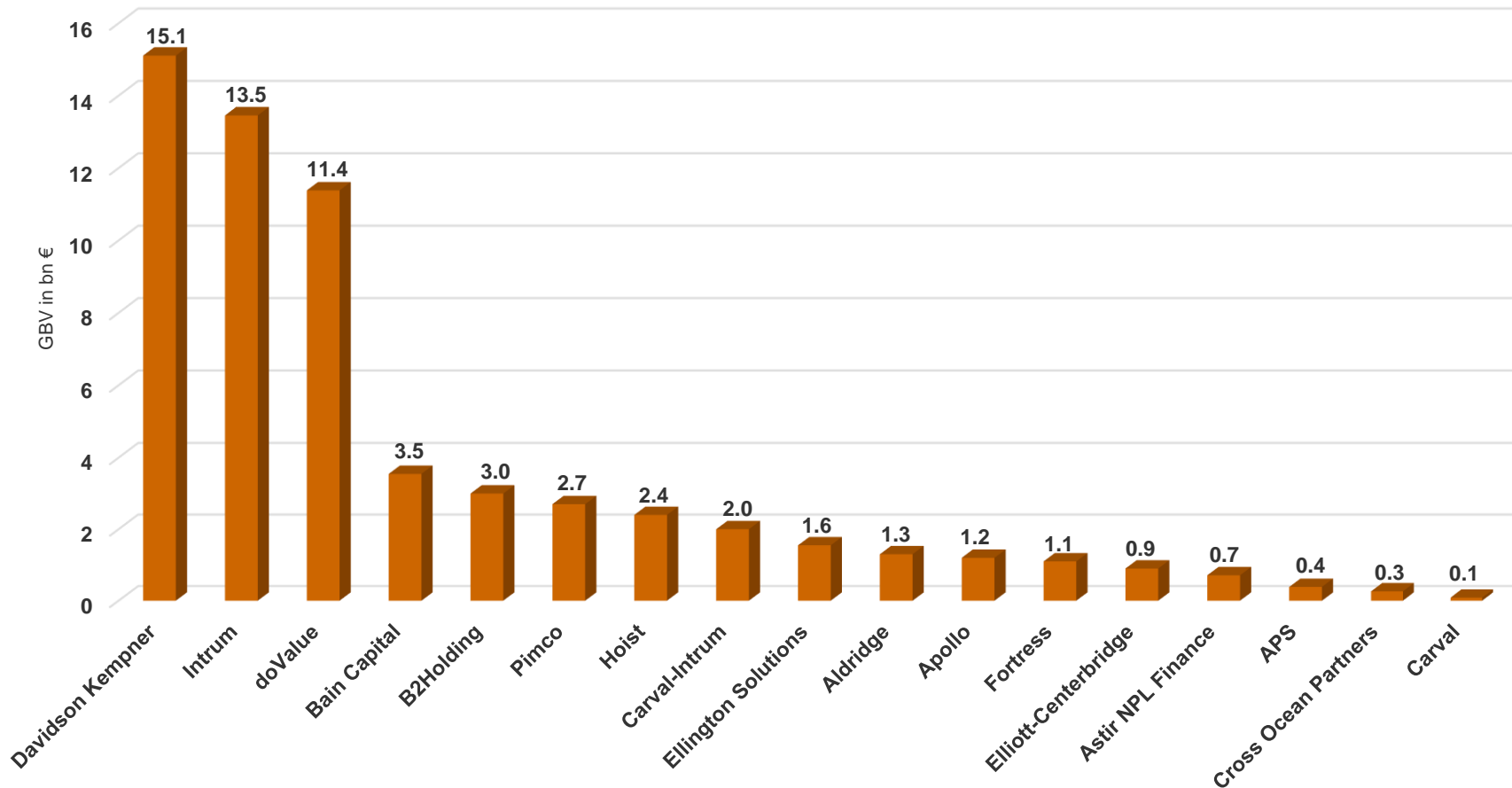
NBG completed **1** NPE deal with total Gross Book Value of circa **€6.1 bn**



Attica bank completed **1** NPE deal with total Gross Book Value of circa **€1.5 bn**

Several funds have been active in NPL portfolio purchases over the past years

Total Acquired Portfolio in Gross Book Value per Acquirer



The market has matured enough to allow the emergence of the secondary market for NPL transactions...

Definition

- The **secondary market** of non performing loans, i.e. the transfer of portfolios from fund to fund has come into full swing in late 2021 early 2022. These are loans that have already changed hands in the context of securitization or sales

Establishment of the secondary market

- The return of **re-performed loans** back to the banks and the economy will be one of the big bets of **2022**
- The **resale** of parts of the **NPL** portfolios will **help** the **funds** to **achieve** their collections **targets** set by **Hercules**
- The **servicers' collections performances** are estimated to be **25%-30% lower** than their **initial estimations** included in their business plans as a **result** of the **freeze** and the **auctions**, the **court hearings** and the **lawyers' abstention**

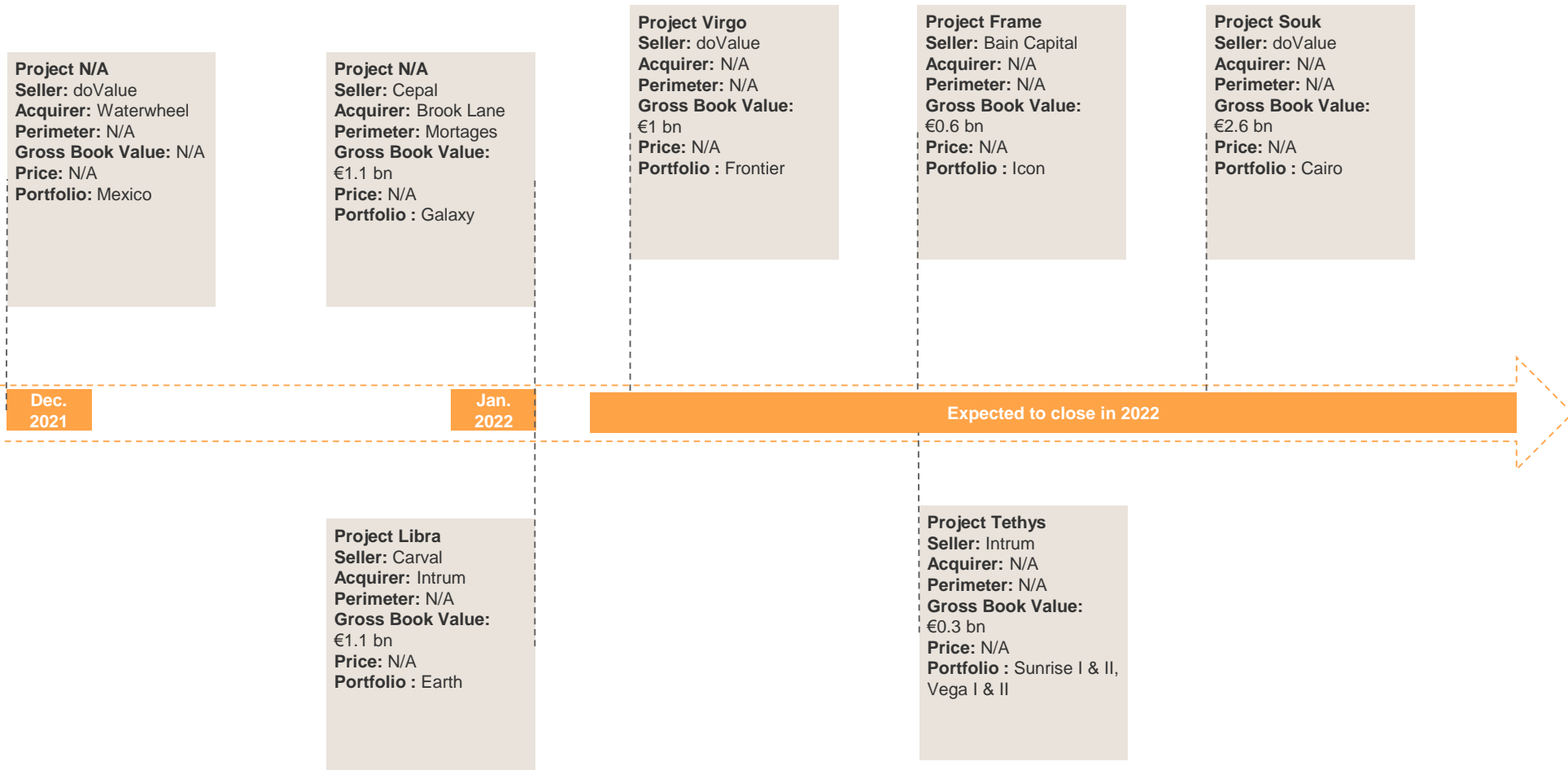
ECB rules

- The **ECB prohibits** the **return** of **loans** that have been sold or securitized **to the same bank** that issued them originally. Therefore credit institutions can acquire re-performed loans from other banks going through NPL servicers

NPLs types expected to dominate the market in 2023-25

- **Re-performed loans** from the sales of specific portfolios and not from securitizations
- Securitized loans which became **re-performed**

...with three secondary transactions completed so far and at least four more in the pipeline



Loan Servicing Companies – The Secondary Market

The Bank of Greece has issued 26 Servicing licenses...

	Company	Shareholders	CEO	Deals	Target Asset Class	Staff
1	Cepal Hellas	Davidson Kempner & Alpha Bank	Theodore Athanassopoulos	Framework Agreement with EBRD, KKR and Pillarstone and Assignment of a € 0.5 bn. Portfolio, Project Mercury, Project Jupiter, Project Symbol, Project Galaxy, Project Cosmos, Project Dory	Consumer, Mortgage, SME	~1,000
2	doValue Hellas	doValue & Eurobank	Anastasios Panousis	Project Eclipse, Project Pillar, Project Cairo*, Eurobank own portfolio, Project Icon, Project Mexico, Project Frontier	Consumer, Mortgage, SB	~1,000
3	Pillarstone	KKR	N/A	Exiting the market	Corporate	N/A
4	Θεά Άρτεμις (thea-artemis)	Attica Bank, Aldridge & DDM	Irini Maragoudaki	Project Artemis (€1.3 bn.)	Consumer, Mortgage, SME	N/A
5	Resolute Asset Management	Resolute Asset Management UK	Christoforos I. Stratos	N/A	Tourism & Hospitality Real Estate	~15
6	Independent Portfolio Management (IPM)	Copernicus	N/A	N/A	SME	N/A
7	UCI Hellas	UCI Spain	Aristidis Arvanitakis	Own Mortgage portfolio, 3 rd -party Mortgage and Consumer portfolio	Mortgage	34
8	B2Kapital	B2Holding Group	Levon Kazarian	Project Venus, Project Zenith	Consumer, Mortgage, SME	~100
9	QQuant Master Servicer	Qualco-PIMCO (bought a 20% stake in Qualco)	Nikolaos Vardaramatos	Metexelixis, Project Earth, Project Mirror, Project Astir I & II	Consumer, Mortgage, SME	~150
10	DV01 Asset Management	Dimitri Vlachos	Dimitri Vlachos	N/A	Corporate	~2-5
11	Special Financial Solutions	Bain Capital	Dimitris Zoumbroulis	Project Amoeba	SME & Corporate of PB	~7-15
12	Hoist Hellas	Hoist AG	Sarah Salmona	Project Mercury (acquired, serviced by Cepal), Project Orbit	Consumer, Mortgage, SME	~16-21
13	APS Recovery Greece	APS, Euroxx	Minas Athanassiadis	Project Arctos	Consumer, Mortgage, SME	~30
14	Cerved Hellas	Cerved	Gikas Manalis	N/A	Consumer, Mortgage, SME	N/A
15	EOS Matrix	EOS Group	Anthony Messados	N/A	Consumer, SME	N/A
16	EU Praxis FSI	Fire Group S.p.A. & StormHarbour Securities	Ilias Kyriacopoulos	N/A	Consumer, SME, Corporate	N/A
17	Intrum Hellas	Intrum, Piraeus	George Georgakopoulos	Piraeus Bank NPE portfolio, Project Aeolus, Project Phoenix, Project Vega, Project Wave I & II, Project Sunrise I & II	Consumer, SME, Corporate	~1,000

Loan Servicing Companies – The Secondary Market

...but 23 players remain, with two licenses having been revoked and one servicer having merged with the leading market player

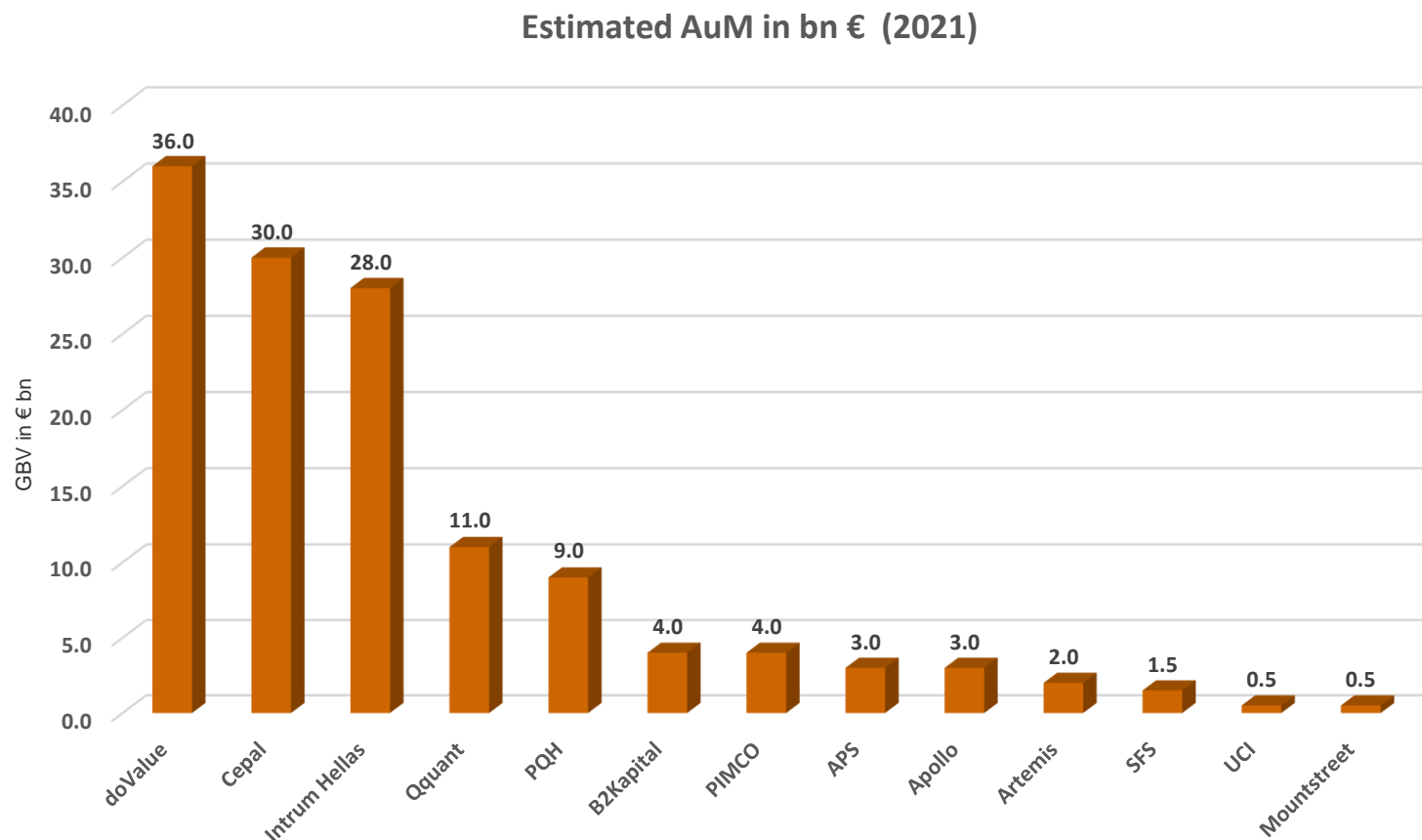
	Company	Shareholders	CEO	Deals	Target Asset Class	Staff
28	NPA	N. A. Andrikopoulos	Joanna Telioudi	N/A	Consumer, SME, Corporate	N/A
19	Mountstreet	Mountstreet Group	Vassilis Theofanopoulos	Project Nemo	SME, Corporate	~15
20	Pepper	Pepper group	Thomas Ziogas	-	Secured	N/A
21	HipoGes Hellas	HipoGes Iberia	Hugo Velez	-	Secured	N/A
22	First Capital	First Capital / NM Advisors	Nikolaos Marantos	-	Retail, SME, Corporate	N/A
23	Silverton	Silverton Group GmbH	Panos Psomas	-	N/A	N/A

	Company	Shareholders	CEO	Licence revocation date	Target Asset Class
1	MELFIN	Mellon	Aggelos D. Aggelidis	31/3/2022	Consumer, Mortgage, SME
2	Lysis	ICAP group	George Sotiropoulos	21/12/2021	N/A

	Company	Merged with
1	Do Value	doValue Hellas

Loan Servicing Companies – The Secondary Market

13 Servicers are currently active with a total AuM of around €134bn (estimated FY 2021*)

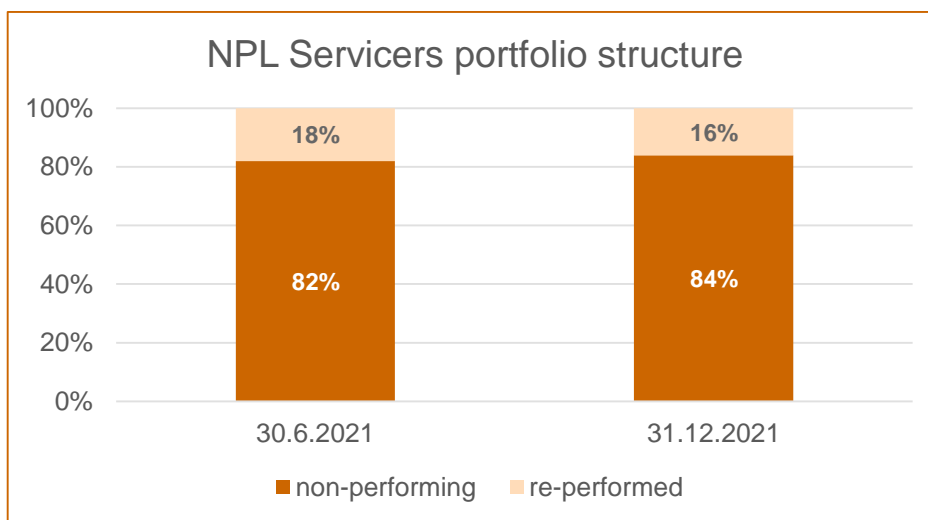
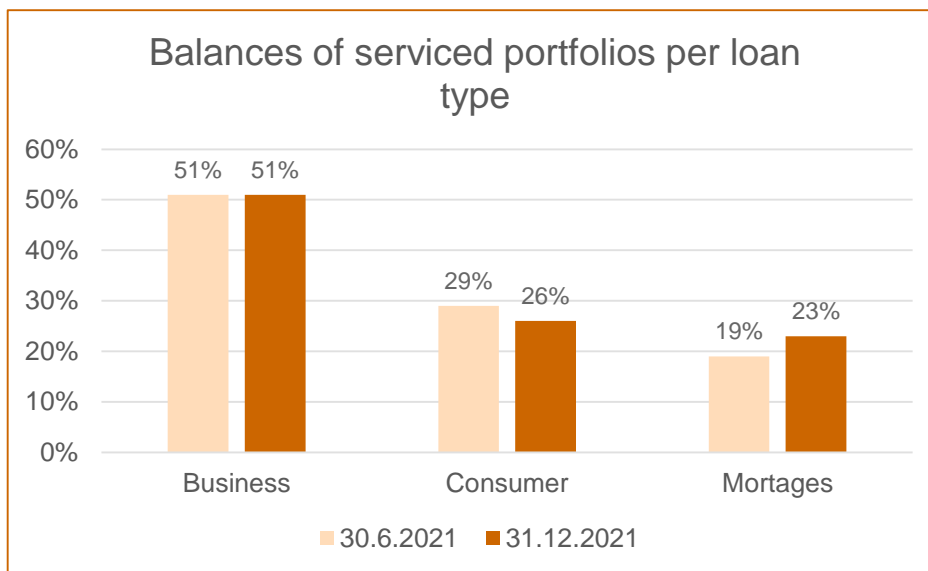


** Based on publicly available data (servicer press releases, deal announcements etc.) – includes all announced AuM, not only NPEs
May include double-counting or omissions due to master servicing – sub-servicing relationships
Deviation from Bank of Greece data due to reasons above as well as servicing agreements for loans still on Bank balance sheets*

Loan Servicing Companies – The Secondary Market

According to the Bank of Greece's Financial Stability Review for May 2022 the majority of loans serviced in the Greek NPL market consist of business / corporate exposures

- The majority of loans serviced **consist of business / corporate exposures**
- In the second half of 2021 there was **an increase in the share of mortgages serviced** and a decrease in consumer loans
- The vast majority of loans serviced by NPL servicers are non-performing
- **A slight increase in the share of non-performing loans** vs the performing ones was witnessed in the second half of 2021



Loan Servicing Companies – The Secondary Market

Servicers' M&A Deals to Date

DoValue-LPN Capital

- DoValue acquired licensed servicer LPN capital
- Until that point DoValue was operating under its Italian banking license

PIMCO-Qualco

- Pimco raised its stake in the Qualco group to 40%, fully covering a capital increase of approximately 10mn € in the group holding company and acquiring 6mn € in proportion to the other shareholders in 7,5%

Copernicus-IPM

- Copernicus signed an agreement to acquire 75% of IPM from Alvarez & Marsal

Stengos Group - MountStreet

- T.O. International Holding (a Stengos family company) announced the start of a process for the acquisition of 50% of MountStreet Hellas for €450,000

May 2018

Jun. 2018

Sep. 2019

Oct. 2019

Dec. 2019

Jun. 2020

Dec. 2021

SFS-Piraeus Bank

- SFS was acquired by Bain Capital from Piraeus Bank as part of project Amoeba

Intrum-Piraeus Bank

- Piraeus RBU transferred to Intrum
- New servicing firm created
- 80% stake Intrum
20% stake Piraeus bank

FPS-DoValue

- Acquisition of 80% of FPS from DoValue as part of project Europe
- Transaction was valued at 248mn €

NPL Market – Future Outlook

The Greek NPL market has gone through its stage of infancy and is now showing signs of maturity, which is expected to lead to several changes in its structure

Portfolio / RE Management

- **Proactive management** in restructuring, as well as in liquidations – initiatives for the rationalization of entire sectors, asset management of REOs needed
- Increased cost of living, effects of pandemic could affect **servicer business plans** and **performance covenants under Hercules**
- **Secondary transactions** partly mitigate the above, bringing cashflow forward, but at the risk of “running down” the portfolio and creating issues at a later stage
- **Significant RE stock** coming to market (~250,000 assets expected to be managed by servicers) – risk of “flooding”?

Legal & Regulatory

- **Recent changes** (e.g. primary residence protection, bank executives liability) facilitating more effective management, partly addressing strategic defaults
- **More changes needed** for the acceleration of enforcement proceedings that underpin portfolio cashflow assumptions (e.g. speeding up of litigation)

Servicing Market Scope

- **Servicers become the dominant force cf. Banks** in addressing the NPE problem – Bank balance sheets may have been “cleaned up” but NPEs are still an issue for Greek society
- **Extension of servicer scope to other asset classes** (e.g. utilities) has already begun, and could eventually constitute a lucrative (albeit niche) side-business
- The **Ariadni transaction** and the **creation of the sale and lease-back platform** expected to consolidate servicer positions in the market
- Regulatory calls (combined with market needs) for **extending servicers’ scope into refinancing** expected to drive players into this activity, **requiring additional funds**
- The first **exits from the market have materialized** – more to come?

Deals

- **“Hercules”** has defined the securitization landscape and accelerated bank balance sheet deleveraging
- **Increased interest for “single-ticket” deals** expected as additional liquidity scans the market for opportunities
- **Secondary market deals** signify market entering maturity and are expected to continue