

 Early Warning System

EBRD-54588

Investment in Piraeus Bank NPL portfolio



Quick Facts

| | |
|-------------------------------|---|
| Countries | Romania |
| Financial Institutions | European Bank for Reconstruction and Development (EBRD) |
| Status | Approved |
| Bank Risk Rating | U |
| Voting Date | 2023-06-30 |
| Borrower | APS Theta S.a r.l. |
| Sectors | Finance |
| Investment Type(s) | Equity |
| Project Cost (USD) | \$ 436.66 million |



Project Description

According to the Bank's website, the EBRD and APS are jointly investing in a participation to a Non-Performing Loan ("NPL") portfolio in Romania sold by Piraeus Bank Greece ("PB"). The portfolio consists of approximately 1,800 loans originated by PB Romania with aggregate total legal claims of about EUR 400 million as of 31 December 2022 (the "Portfolio"). The participation in the Portfolio is acquired by an SPV based in Luxembourg, and the management of the portfolio will be delegated to APS, a leading NPL servicer in CESEE region and co-investor for the transaction (the "Project").

As of June 2023, the NPL ratio in Romania stood at 2.65%, a strong improvement from a high of 22% reached in 2014. However, while headline NPL figures improved, many of those NPLs still remain in the Romanian economy. The Project supports the ultimate resolution of these NPLs, facilitating the return of blocked collateral to the economy and supporting borrowers to exit bankruptcy proceedings. The Project also makes an important contribution to the secondary loan market in Romania, which forms a critical part of a well-functioning financial system. Moreover the Portfolio continues to consume capital from PB, which will be freed up for new lending activity.



Early Warning System Project Analysis

Categorised FI (ESP 2019).



Investment Description

- European Bank for Reconstruction and Development (EBRD)

A participation to a Non-Performing Loan ("NPL") portfolio.

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- [Piraeus Bank S.A.](#) (Financial Intermediary)



Private Actors Description

Client: APS Theta S.a r.l., a Luxembourg Securitisation Vehicle

Seller: Piraeus Bank S.A.

Co-investor/Service (NPL): APS



| Private Actor 1 | Private Actor 1 Role | Private Actor 1 Sector | Relation | Private Actor 2 | Private Actor 2 Role | Private Actor 2 Sector |
|-----------------|----------------------|------------------------|----------|--------------------|----------------------|------------------------|
| - | - | - | - | APS Holding | Investor | - |
| - | - | - | - | APS Theta S.a r.l. | Client | - |



Contact Information

COMPANY CONTACT INFORMATION

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ACCESS TO INFORMATION

You can request information by emailing: accessinfo@ebrd.com or by using this electronic form:
<https://www.ebrd.com/eform/information-request>

ACCOUNTABILITY MECHANISM OF EBRD

The Project Complaint Mechanism (PCM) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an European Bank for Reconstruction and Development (EBRD)-financed project. If you submit a complaint to the PCM, it may assess compliance with EBRD's own policies and procedures to prevent harm to the environment or communities or it may assist you in resolving the problem that led to the complaint through a dialogue with those implementing the project. Additionally, the PCM has the authority to recommend a project be suspended in the event that harm is imminent.

You can contact the PCM at: pcm@ebrd.com or you can submit a complaint online using an online form at:
http://www.ebrd.com/eform/pcm/complaint_form?language=en

You can learn more about the PCM and how to file a complaint at: <http://www.ebrd.com/work-with-us/project-finance/project-complaint-mechanism.html>



Bank Documents

- [Framework: NPL Resolution Framework II](#)