



KKR Credit Launches a Pan-European Platform to Support Companies and Actively Manage Bank Assets

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The platform is already operating in Italy, working with UniCredit and Intesa Sanpaolo. Expansion into further European countries will follow

LONDON--(BUSINESS WIRE)-- KKR Credit, part of KKR & Co. L.P. a leading global investment firm, today announced the launch of a pan-European platform that aims to support banks in managing their exposures to non-core and under-performing assets by improving the performance and value of the businesses which underpin the exposure.

The platform is intended to provide long-term capital and operational expertise to businesses to help them stabilise and grow, creating value for all stakeholders. The platform will be structured so that the participating banks share in the upside of the recovery in performance of the businesses and the value of the related assets on the banks' balance sheet.

There are €1.9 trillion of non-performing and non-core assets, including €1.2 trillion of non-performing loans, sitting on the balance sheets of European banks. These assets are capital intensive and are ultimately restraining the growth of the banks, companies and economies in which they both operate. KKR Credit's solution is directed toward helping to unlock bank lending and rebuild companies, supporting local and national economies in turn.

The launch of this platform is a continuation of KKR's commitment to investing in industry across Europe and will be funded by commitments from certain funds managed or advised by KKR or its affiliates. Since 1996, KKR has invested in more than 100 major companies across industrial sectors in Europe, representing approximately \$25 billion in invested long-term capital.

Johannes P. Huth, Head of KKR Europe, Africa and Middle East, said: "This is about supporting banks in managing specific exposures, including non-core and underperforming corporate loans, real estate and shipping. It will allow banks to share in the upside of the recovery in performance and value of those assets over time. It is the combination of our operational expertise and our ability to provide fresh long-term capital to the underlying businesses that allows us to offer this innovative solution to banks. The evolution of bank strategies in response to changing regulation has created a real opportunity for such an approach."

Mubashir Mukadam, KKR's European Head of Special Situations, said: "In our Special Situations business, we have substantial experience investing in debt and equity positions and working with companies in need of financial and operational restructuring. With this platform, we plan to continue that successful line of investment. The platform has already commenced work in Italy, working with UniCredit and Intesa Sanpaolo. The banks' exposures to a selected portfolio of assets selected by the banks and KKR Credit – initially worth up to 1 billion euros – will be transferred to a vehicle managed by the platform. The Italian platform is built in open architecture allowing other banks to join and include their own exposures. Besides Italy, we are evaluating opportunities in a number of other selected European countries in the near-term."

- Ends -

About KKR

KKR is a leading global investment firm that manages investments across multiple asset classes including private equity, energy, infrastructure, real estate, credit and hedge funds. KKR aims to generate attractive investment returns by following a patient and disciplined investment approach, employing world-class people, and driving growth and value creation at the asset level. KKR invests its own capital alongside its partners' capital and brings opportunities to others through its capital markets business. References to KKR's investments may include the activities of its sponsored funds. For additional information about KKR & Co. L.P. (NYSE: KKR), please visit KKR's website at www.kkr.com.

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