



Alpha Services and Holdings enters into a binding agreement with Davidson Kempner in relation to the Cosmos Transaction and applies for the submission of the Cosmos Securitization notes to the Hellenic Asset Protection Scheme (“Hercules” program) [22.10.2021]

Following the successful completion of the Galaxy Transaction and in the context of implementing its updated Business Plan, Alpha Services and Holdings S.A. (“HoldCo”), the 100% parent of Alpha Bank S.A. (“Alpha Bank” or the “Bank”, and together with the HoldCo, the “Group”), announces that it has entered into a binding agreement with certain entities managed and advised by Davidson Kempner Capital Management LP (“Davidson Kempner”) in relation to the sale and transfer of 51% of the Mezzanine and Junior securitization notes of a Euro 3.4 billion Gross Book Value portfolio of primarily Non-Performing Exposures (NPEs) (the “Cosmos Transaction”). The Bank will retain 100% of the Senior notes, which are expected to benefit from the provisions of the “Hercules” program, namely the Hellenic Asset Protection Scheme (“HAPS”), and 5% of the Mezzanine and Junior notes in line with the risk retention requirements. Cepal Hellas Financial Services Single Member S.A. will be the servicer of the Cosmos Securitization.

Furthermore, on 15.10.2021, the Group filed an application under Law 4649/2019 for the submission of the Cosmos securitization to the HAPS. The application concerns the provision of a guarantee by the Greek State for the Senior notes of the Cosmos securitization with a total nominal value of up to Euro 1.7 billion.

The total proceeds for the Group from the sale of 51% of the Mezzanine and Junior notes of the Cosmos Securitization, along with the value of the Senior notes, correspond to c.50% of the gross book value of the loan portfolio. The Cosmos Transaction is expected to be capital adequacy neutral, as the incremental P&L charge of Euro 0.3 billion, in line with the Group’s guidance for NPE transactions, will be counterbalanced by a commensurate capital relief from lower risk weighted assets. The transaction will allow the Group to further de-risk its balance sheet towards its stated business plan targets.

The completion of the Cosmos Transaction, which is expected to take place in the fourth quarter of 2021, is subject to certain conditions, amongst which the issuance of the Ministerial Decision for the provision of a guarantee for the Senior notes under the HAPS and the regulatory approval on the significant risk transfer (“SRT”) of the underlying loan portfolio by the Single Supervisory Mechanism (“SSM”).

Following the completion of the Cosmos Transaction, the HoldCo intends to contribute 44% of the Mezzanine and Junior notes of the Galaxy and Cosmos Securitizations to a wholly owned subsidiary that it will establish and then subsequently distribute in kind the shares of such subsidiary to its Shareholders. The timetable of such distribution will be announced by the HoldCo promptly following relevant corporate decisions.