

Alpha Services and Holdings S.A. announces that it has entered into a binding agreement with Cerberus for the sale of a Cypriot portfolio of non-performing loans and real estate properties with a total gross book value of Euro 2.4 billion (Project Sky) [14.2.2022]

Alpha Services and Holdings S.A. (together with its subsidiaries, the “Alpha Bank Group” or the “Group”) has reached an agreement with an affiliate of Cerberus Capital Management, L.P. (“Cerberus”) for the sale of a portfolio of Cypriot non-performing loans and real estate properties with a total gross book value of c. Euro 2.4 billion (the “Portfolio”). The Portfolio will be sold by the 100% (indirect) subsidiary of the Group, Alpha International Holdings S.M.S.A.

Project Sky forms part of Alpha Bank Group’s strategy for the reduction of its stock of non-performing loans and is the culmination of a series of similar successful transactions completed by the Group over the previous years. With this transaction, the Group further de-risks its balance sheet by reducing the NPE ratio by an additional approximately five percentage points to c.13% (as of September 30, 2021 pro forma).

The impact on the Group’s income statement is fully in line with the allocated loss budget at c. Euro 0.2 billion with a commensurate impact on the Group’s Total Capital Adequacy Ratio (CAD) of c.20 bps (as of September 30, 2021 pro forma).

Completion of the transaction is expected to take place in Q3 2022, subject to the receipt of customary regulatory approvals.

Alantra Corporate Portfolio Advisors International Limited (“Alantra”) acted as financial advisor, KPMG Limited (Cyprus) as local due diligence advisor, Allen & Overy LLP as international legal counsel, and Chryssafinis and Polyviou LLC as local legal counsel.