



FOR IMMEDIATE RELEASE

AXIA Ventures Group acts as Financial Advisor to Alpha Bank in regards to the sale of its 80% stake in Cepal Holdings and €10.8 billion Galaxy portfolio

Athens, Greece, February 24th, 2021 – **Alpha Bank S.A.** (“Alpha Bank” or the “Bank”) announced on February 22nd, 2021 that it has entered into a definitive agreement with certain entities managed and advised by Davidson Kempner Capital Management LP (“Davidson Kempner”) in relation to the sale of 80% of its loan servicing subsidiary Cepal Holdings Single Member S.A. and the sale of 51% of the Mezzanine and Junior securitization notes of the €10.8 billion NPE portfolio (together the “Transaction” or “Project Galaxy”). This landmark transaction represents the second largest rated NPE securitization in Europe. **AXIA Ventures Group** (“AXIA”) acted as **Financial Advisor** to the Bank in relation to this Transaction.

In respect to the sale of Cepal Holdings, an entity managed and advised by Davidson Kempner will acquire 80% of its share capital (“New CEPAL”) with the Bank retaining the remaining 20%. Alpha Bank will enter into an exclusive long-term servicing agreement (“SLA”) with New CEPAL for the management of its existing Retail and Wholesale NPEs in Greece of €8.9 billion, as well as any future flows of similar assets and early collections. This transaction valued 100% of the Enterprise Value of New CEPAL at €267 million, while providing the Bank the ability to realize further upside through an earnout.

In reference to the Galaxy portfolio, 51% of the Mezzanine and Junior securitization notes will be sold to an entity managed and advised by Davidson Kempner for a consideration payable in cash, at an aggregate valuation for 100% of those notes of €40 million. The total proceeds for Alpha Bank including the Senior notes and the sale price of the Mezzanine and Junior notes correspond to c.35% of the total gross book value of the portfolio sold. The Bank will retain 5% of the Mezzanine and Junior securitization notes, to comply with risk retention rules, and intends to distribute 44% of the remaining notes to shareholders, subject to regulatory and corporate approvals.

The Transaction is expected to close in Q2 2021, subject to obtaining all applicable corporate, regulatory and governmental approvals and consents while upon completion, it will fundamentally transform Alpha Bank’s balance sheet, by more than halving the NPE and NPL ratios in Greece to 24% and 13% respectively, a decrease from 43% and 29% in September 2020.

AXIA’s Managing Director and Head of Investment Banking, Mr. Alexandros Argyros stated: *“This transaction is truly unique in many respects. Not only is it the second largest rated NPE securitization in Europe, it also fundamentally transforms the Bank as it achieves a remarkable deleveraging. In addition, it introduces yet another blue-chip investor in the very vibrant NPE landscape in Greece. Last, but not least, it is a testament to the Bank’s capabilities as this very complex Transaction was completed in just eight “Covid-19 months”. I am truly proud for AXIA to have been part of this transformational situation”.*

About AXIA Ventures Group Ltd

AXIA Ventures Group Ltd (“AXIA”), a member of AXIA Financial Group (“AFG”), is a leading regional privately-owned investment banking group providing financial advisory and capital market-related services to corporates, governments and institutional clients. AXIA is headquartered in Nicosia, Cyprus, regulated by the Cyprus Securities and Exchange Commission (License No: 086/07) and fully licensed to provide financial advisory services in many financial markets around the world. AXIA also operates in the US under AXIA Capital Markets LLC (“ACM”), a wholly owned registered broker-dealer and member of FINRA. For more information on AXIA and its services, you can visit the AXIA website at www.axiavg.com.

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