

Alpha Services and Holdings S.A. announces the agreement on the key commercial and legal terms for the acquisition of substantially the whole of the banking assets and liabilities of AstroBank [27.2.2025]

Alpha Services and Holdings S.A. (“Alpha Holdings” or the “Group”), 100% parent company of Alpha Bank S.A. (“Alpha Bank”), announces that it has reached a binding agreement on the key financial and legal terms for the acquisition of substantially the whole of the banking assets, liabilities, and personnel of AstroBank Public Company Ltd (“AstroBank”) (the “Transaction”). The Transaction will be implemented through Alpha Bank Cyprus Ltd (“Alpha Bank Cyprus”), a wholly owned subsidiary of Alpha Holdings.

The acquisition aligns with the Group’s strategic objective of strengthening its market presence and financial footprint in core markets. With Cyprus’ strong economic outlook and expected real GDP growth surpassing that of the broader Euro area, it presents an attractive market for consolidating market share. This investment highlights Alpha Bank’s long-term commitment to the Cypriot market.

As a result of the Transaction, Alpha Bank Cyprus is set to expand significantly, increasing its market share to c.10% in terms of total assets, thereby consolidating its position as the third largest bank in Cyprus. Specifically, Alpha Bank Cyprus is expected to increase its loan portfolio by more than 60%, its deposit base by c.70%, its asset base by c.65%, and, on a fully phased-in synergies basis, double its recurring profitability by exceeding €100 million in recurring net income going forward.

The transaction is expected to have a limited impact on the Group’s CET1 ratio of around 40 basis points. As per the transaction terms, the acquisition perimeter will exclude certain of AstroBank’s NPEs, with these being carved out prior to the completion of the transaction, effectively making the acquisition NPE-neutral at Group level. Furthermore, the acquisition is expected to be c.5% accretive to the Group’s Earnings Per Share (EPS) whilst adding c. 60bps to the Return on Tangible Equity (ROTE) post cost and funding synergies.

Completion of the Transaction (the “Completion”) is expected to take place within Q4 of 2025 and is subject to the finalization of the transaction documentation, and to the satisfaction of customary conditions precedent, including obtaining all necessary regulatory approvals and consents. Subject to the transaction documentation, the purchase price for AstroBank at Completion (the “Purchase Price”) is estimated at no less than €205 million.