

broad Eurozone from 2015+.

2. In the short term bank asset quality continues to deteriorate. NPL is 35, double the rate of Italy and > 3x that of Spain

3. Greek banks raised eur50bn in 2013 to recapitalize losses from Greek Govt bond PSI (private sector involvement). The sector is now 35-70% state owned.

### Greek Banks

Presently Greek banks rank as some of the least profitable in Europe (ROA <0.5%, ROE 2-2.5%). Looking forward to 2018 they should trade at least in line with European banks. Sector consolidation, NC asset disposal, rapidly declining cost of wholesale funds and efficiency savings will all contribute to that. The Sector comprises Alpha Bank, Eurobank, Nat Bk of Greece and Piraeus. They are no longer distressed and trade broadly in-line with European peers in terms of EPS and TBV multiples.

### Alpha Bank (ALPHA GA)

Of the three, Alpha Bank looks the most interesting. It trades at a discount to the others and has less complex re-structuring. A recent capital raise increased CT1 to 12%. Most analysts prefer Alpha Bank to its peers for these reasons.

### Alpha Bank Stock Price



Very recent analyst target prices for Alpha Bank are largely above the current price