

Greek Banks

NII-driven earnings cycle to slow down but consensus is still too low; remain OW

We expect the NII-driven earnings cycle for Greek banks to slow down from here, in line with our cautious house view ([link](#)), as deposit costs are set to rise and interest rates to normalize by YE25. At the same time, we think consensus expectations still do not adequately reflect the top-line trajectory for the sector considering the above-trend loan growth momentum, low LDRs and retail-heavy deposit bases, as well as limited marginal competition. We are 3%/9%/8% above consensus NII in FY23-25E, and combined with careful cost management and normalizing cost of risk, we see banks generating 10.6% avg. ROTE in FY25E, with JPMe EPS 8% higher than consensus. Valuations continue to look relatively undemanding at 4.5x-5.5x JPM 2024E P/E and 0.45x-0.7x P/TBV. We retain our OWs on all four banks and flag Eurobank for its strong ROTE profile, good capital return potential, and EPS-accretive M&A that is not in the price.

- **Approaching peak NII, but consensus estimates still look too low:** Greek banks posted 59% YoY NII growth in 1H23 driven by a swift pass-through of higher rates on the asset side (loan pass-through 70%-80%) and limited repricing of liabilities (deposit beta 13%), driving the bulk of 65%/30% consensus EPS upgrades for FY23E/24E. The NII-driven earnings cycle will likely slow down from here (JPMe 2024/25E NII +0%/-5%), but we think that consensus expectations are still low considering the structural underpinnings of the sector, and are 3%/9%/8% above BBG consensus NII in FY23-25E.
- **Increasing CoR as a result of recent floods but the impact looks contained:** The four systemic banks have c.€2bn loan exposure in the areas affected by the recent floods (1.7% of total loans) and have frozen loan repayments, auctions, and other legal proceedings until YE23, and also announced a €50mn one-off donation to the affected population. The total impact looks contained for now, but reflecting risks of asset quality deterioration, we increase our FY23-25E CoR to avg. 80bps (vs c.60bps normalized guidance).
- **Valuations undemanding for the mid-term, focus to shift on capital return:** The recent pullback in Greek bank shares reflect profit taking following a strong ytd performance (with ASEDTR up 48% vs 13%/18% for SX7P/CEEMEA Banks) as well as recent negative headlines including the Thessaly floods. However, we think the strong earnings outlook remains intact and forecast the banks to generate 10.6% avg. ROTE in FY25E with YE25 ECB DFR at 2.50%, despite fairly conservative risk cost assumptions. Our EPS is now 8% above BBG consensus on avg. driven by higher NII. Valuations at 4.5x-5.5x 2024E P/E and 0.45x-0.7x P/TBV are at 30%/25% discount to European banks and 30%/50% discount to CEEMEA banks on P/E and P/TBV. From here, we think market focus increasingly shifts to normalized ROTEs and capital return. We retain our OWs on all four banks with 55% avg. upside to our Dec-24 PTs, and flag Eurobank (51% upside) for its high ROTE, high capital return potential, and EPS accretive HB transaction that does not seem to be in the price; NBG (47% upside) for its superior balance sheet; and Piraeus/Alpha (62%/64% upside) for strong operational turnaround and as value plays.

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See page 18 for analyst certification and important disclosures, including non-US analyst disclosures.

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Equity Ratings and Price Targets

Company	Ticker	Mkt Cap (€ bn)	Price (€)	Rating		Price Target			
				Cur	Prev	Cur	End Date	Prev	End Date
Alpha Bank	ALPHA GA	3.16	1.35	OW	n/c	2.20	Dec-24	2.00	n/c
Eurobank	EUROB GA	5.45	1.47	OW	n/c	2.25	Dec-24	1.90	n/c
National Bank of Greece	ETE GA	5.02	5.49	OW	n/c	8.10	Dec-24	7.30	n/c
Piraeus Bank	TPEIR GA	3.57	2.85	OW	n/c	4.65	Dec-24	3.90	n/c

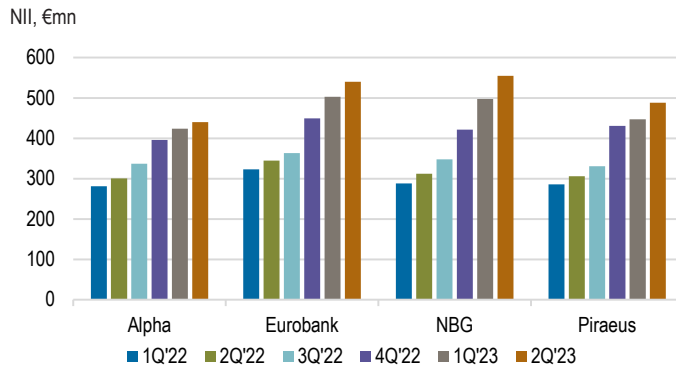
Source: Company data, Bloomberg Finance L.P., J.P. Morgan estimates. n/c = no change. All prices as of 19 Sep 23.

Adj. EPS Estimate Changes

€		FY23E			FY24E		
Company	BBG Ticker	Prev	Cur	Δ	Prev	Cur	Δ
Alpha Bank	ALPHA GA	0.23	0.28	21.34%	0.29	0.30	3.83%
Eurobank	EUROB GA	0.26	0.31	17.52%	0.27	0.29	4.04%
National Bank of Greece	ETE GA	0.96	1.10	14.73%	1.01	1.08	7.06%
Piraeus Bank	TPEIR GA	0.52	0.65	25.14%	0.58	0.70	21.02%

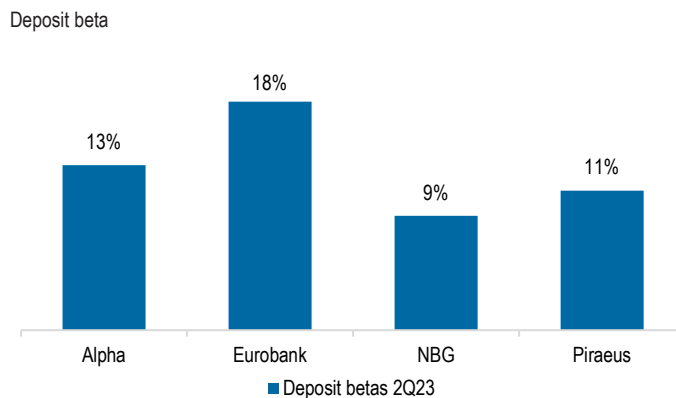
Source: Bloomberg Finance L.P., J.P. Morgan estimates.

Figure 1: Greek banks have enjoyed strong NII momentum with higher rates, posting 59% YoY growth in 1H23 ...



Source: Company data, J.P. Morgan.

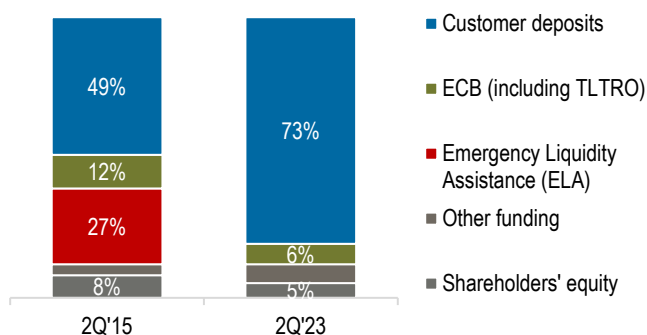
Figure 3: ... and limited repricing of deposits, with average deposit betas at 13% in 2Q23



Source: Company data, J.P. Morgan.

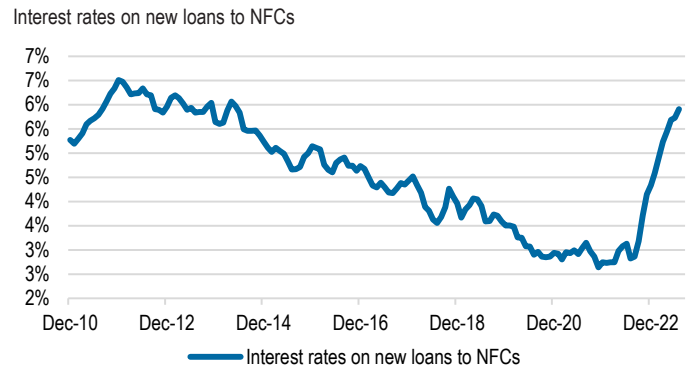
Figure 5: ... and vastly improved funding profiles over the last few years, with deposits now making up 73% of total funding

Funding components (% of balance sheet): peak crisis vs today



Source: Company data, J.P. Morgan.

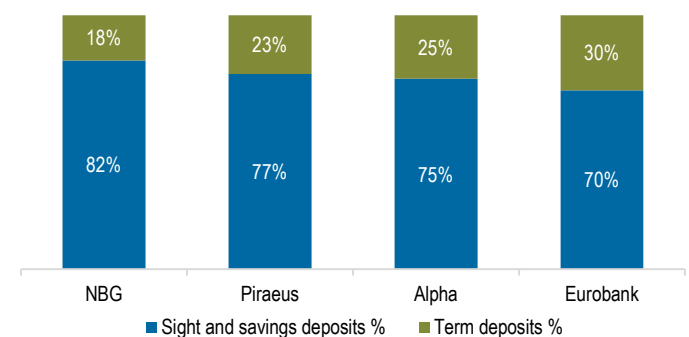
Figure 2: ... supported by a swift repricing of loans, with interest rate pass-through in the 70%-80% area



Source: ECB, J.P. Morgan.

Figure 4: Low betas are partly a reflection of relatively low share of costly term deposits in total, which ranges from 18% at NBG to 30% at Eurobank (2Q23) ...

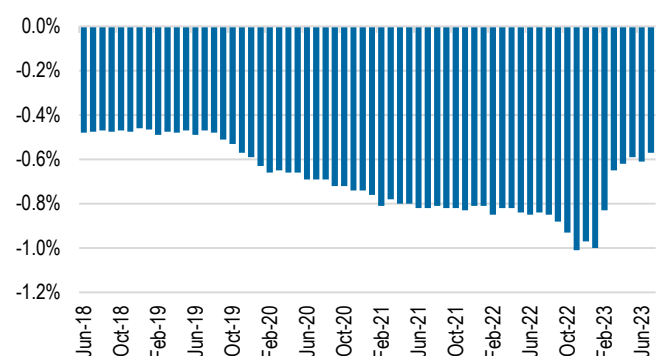
Breakdown of deposits by type



Source: Company data, J.P. Morgan.

Figure 6: The system's funding comfort is reflected in deposit costs, which in Greece are c50bps lower than the Eurozone average; a visible reversal from a few years ago

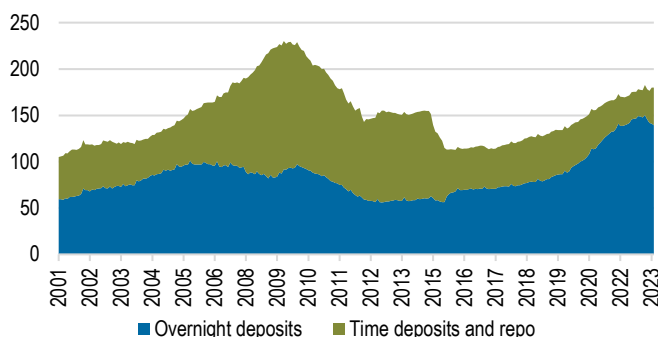
%-pt spread in blended deposit costs, Greece vs Eurozone (outstanding)



Source: ECB, J.P. Morgan.

Figure 7: Following a significant deposit flight during the crisis, most recent inflows have gone into overnight deposit accounts, which represent 77% of total deposits

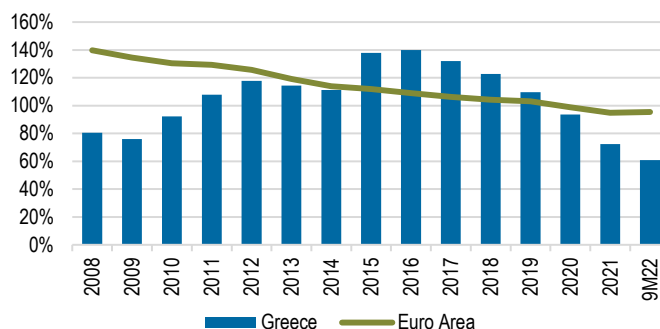
System deposit stock by term, €bn



Source: BOG, J.P. Morgan.

Figure 8: Coupled with sluggish loan growth, deposit inflows have driven system LDR to as low as 60%, well below the Eurozone average

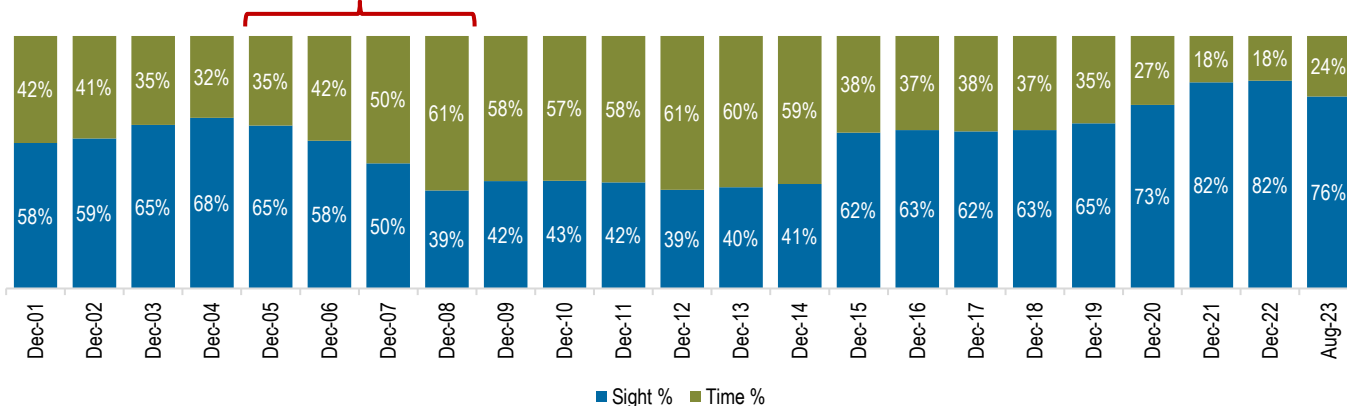
Loan/deposit ratio



Source: ECB, J.P. Morgan.

Figure 9: Share of time deposits has started to increase, but it is still far from historic peaks. We bake in 40% share of time deposits into our model forecasts through the cycle, lower than the 2005-2007 rate hike cycle

Rate hike cycle leading to peak time deposit share of 61%



Source: Bank of Greece, J.P. Morgan.

Table 1: The NII-driven earnings cycle will likely slow down from here (JPMe 2024/25E NII +0%/-5%), but we think that consensus expectations are still low considering the structural underpinnings of the sector, and are 3%/9%/8% above BBG consensus NII in FY23-25E

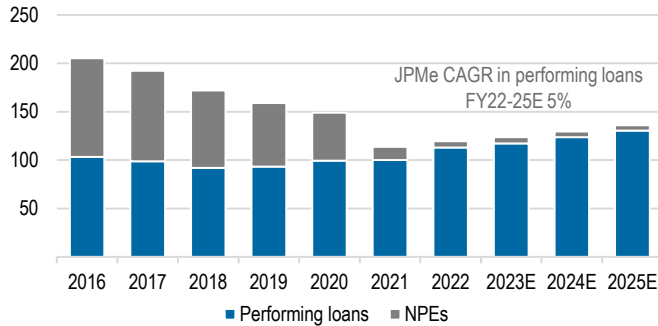
Net interest income

	2022	2023E			2024E			2025E		
	Actual	JPMe	BBG Cons.	% Diff.	JPMe	BBG Cons.	% Diff.	JPMe	BBG Cons.	% Diff.
Alpha	1,314	1,768	1,761	0%	1,788	1,793	0%	1,697	1,724	-2%
Eurobank	1,480	2,175	2,061	6%	2,121	1,969	8%	2,072	1,922	8%
National Bank of Greece	1,369	2,197	2,128	3%	2,177	1,959	11%	2,086	1,859	12%
Piraeus	1,353	1,946	1,876	4%	1,937	1,738	11%	1,794	1,626	10%

Source: J.P. Morgan expectations, Bloomberg Finance L.P.

Figure 10: After years' of struggle, loan growth has finally returned with JPMe 6% 2022-25 CAGR, driven entirely by corporate loans, which is set to support NII in outer years

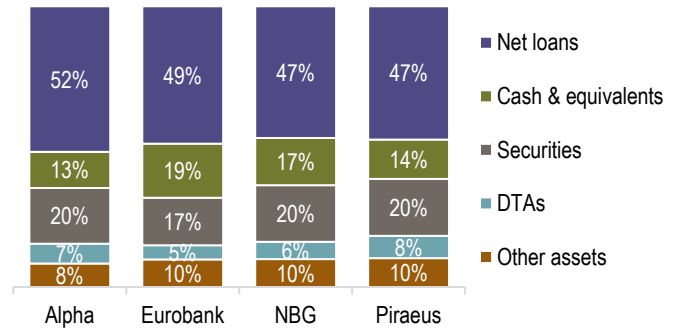
Loan balances, bn



Source: Company data, J.P. Morgan.

Figure 11: On the asset side, banks have been growing their securities book as well, which now make up 17%-20% of the balance sheet

Composition of balance sheet (%)



Source: Company data, J.P. Morgan.

Table 2: New lending spreads are on a normalizing path, but still well above Eurozone averages

New lending spreads vs 3m Euribor

Corporate

%	Dec-16	Dec-17	Dec-18	Dec-19	Dec-20	Dec-21	Dec-22	Jul-23	Δ YoY	Δ 5y
Greece	4.9	4.7	3.9	4.0	3.3	3.4	2.5	2.4	-5bp	-142bp
Ireland	2.9	3.2	2.5	2.9	3.3	2.9	2.6	2.1	-53bp	-42bp
Italy	1.8	1.8	1.7	1.7	1.9	1.8	1.5	1.4	-6bp	-27bp
Portugal	3.1	2.5	2.8	2.6	2.5	2.6	2.4	2.0	-40bp	-76bp
Spain	2.3	2.2	2.1	1.8	2.1	1.9	1.3	1.2	-9bp	-92bp
Euro area	1.9	1.8	1.7	1.8	2.0	1.8	1.4	1.3	-6bp	-41bp

Consumer (<1 year)

	Dec-16	Dec-17	Dec-18	Dec-19	Dec-20	Dec-21	Dec-22	Jul-23	Δ YoY	Δ 5y
Greece	6.8	8.0	10.2	11.3	11.8	11.9	9.3	9.3	8bp	-86bp
Ireland	8.6	8.4	8.0	9.6	8.7	8.3	5.9	4.4	-152bp	-358bp
Italy	4.2	4.3	3.9	4.2	4.3	4.5	3.0	3.0	-4bp	-87bp
Portugal	5.9	5.5	5.4	6.1	5.6	7.3	5.1	4.3	-80bp	-114bp
Spain	3.6	3.7	3.1	3.3	3.3	3.3	1.3	1.0	-38bp	-214bp
Euro area	5.0	4.8	5.2	5.8	5.5	5.7	4.6	4.7	14bp	-49bp

Mortgage

%	Dec-16	Dec-17	Dec-18	Dec-19	Dec-20	Dec-21	Dec-22	Jul-23	Δ YoY	Δ 5y
Greece	3.1	3.3	3.4	3.2	3.0	2.6	1.7	0.5	-123bp	-292bp
Ireland	3.5	3.4	3.3	3.4	3.6	3.6	1.6	0.5	-114bp	-287bp
Italy	2.0	1.9	1.8	1.8	1.8	1.9	0.7	0.9	21bp	-91bp
Portugal	2.1	1.8	1.7	1.5	1.2	1.2	1.0	0.8	-18bp	-83bp
Spain	1.9	1.9	2.0	2.0	1.9	1.9	1.0	0.4	-63bp	-162bp
Euro area	2.1	2.0	1.9	1.9	1.9	1.9	1.0	0.8	-22bp	-112bp

Source: ECB, J.P. Morgan.

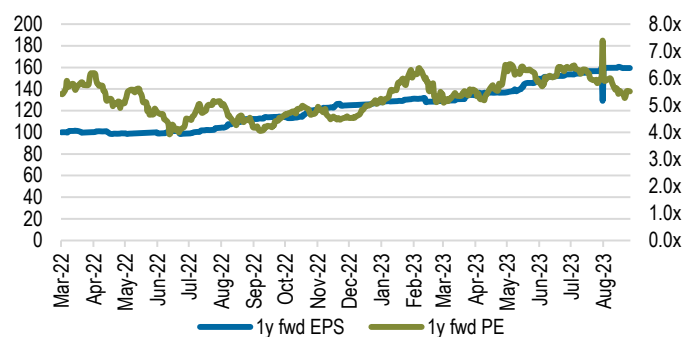
Figure 12: Greek Bank shares have seen a stellar performance and now trade at 0.6x 1y fwd P/BV; risk sentiment has improved visibly



Source: Bloomberg Finance L.P., J.P. Morgan.

Figure 14: This strong performance mainly reflects strong EPS upgrades (+65%/+30% FY23-24E ytd); P/E re-rating limited with 1y fwd P/E at 5.0x

1y fwd EPS (LHS; 31-Dec-21 = 100); 1y fwd P/E ratio (RHS)



Source: Bloomberg Finance L.P., J.P. Morgan.

Figure 16: Greek Banks' market-implied cost of equity is at 18%, higher than 12% we use in our valuation models

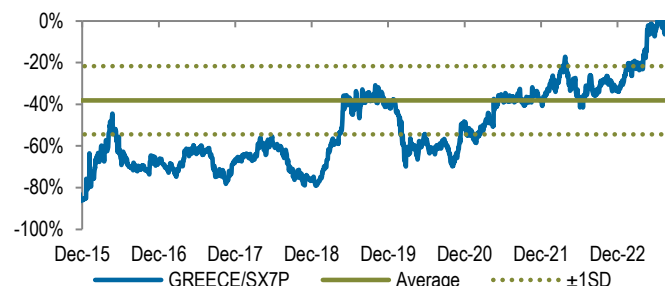
Market-implied cost of equity (based on consensus ROE and P/BV)



Source: Bloomberg Finance L.P., J.P. Morgan.

Figure 13: The sector's P/BV discount to SX7P is now at 18%

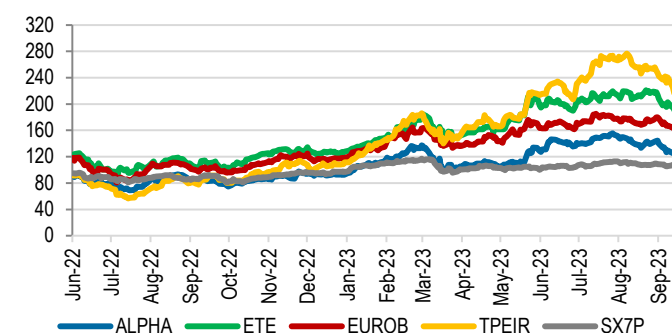
1y fwd P/BV: Greek banks/SX7P



Source: Bloomberg Finance L.P., J.P. Morgan.

Figure 15: All four systemic banks have performed well vs SX7P; Alpha so far lagging relative to other peers

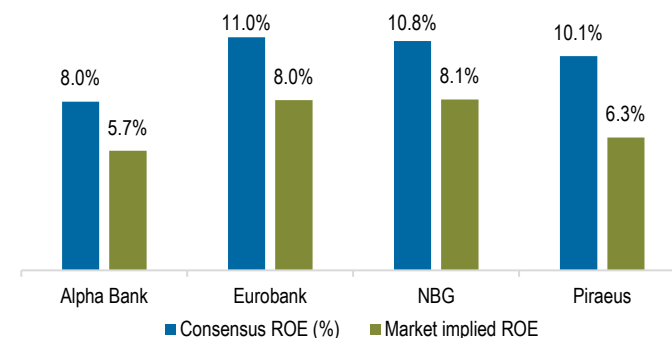
Share price performance (31-Dec-21 = 100)



Source: Bloomberg Finance L.P., J.P. Morgan.

Figure 17: The discrepancy between market-implied ROE and consensus ROE is still visible; largest Piraeus at 4%-pts

Market implied ROE vs consensus ROE (2024)



Source: Bloomberg Finance L.P., J.P. Morgan.

Table 3: European Banks: Valuation

	Mkt cap (€ bn)	Rating	Price	Price Target	Upside/ Downside	P/NAV (x)		P/E (x)		RoNAV (%)			Div. Yield			SBB Yield			FLB3 CET1 Ratio			TAR*
						2024E	2025E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E*	2025E*	YTD
Greece	17.9				49%	0.6	0.6	5.4	5.9	14.2%	12.3%	10.5%	2.4%	5.0%	4.7%	0.0%	0.0%	0.0%	15.4%	16.7%	17.7%	59%
Alpha Bank	3.2	OW	€1.42	€2.20	55%	0.5	0.4	4.3	4.4	11.0%	10.4%	9.0%	1.9%	4.6%	4.4%	0.0%	0.0%	0.0%	14.5%	15.7%	16.7%	38%
Eurobank	5.6	OW	€1.53	€2.25	47%	0.7	0.6	5.6	5.7	17.4%	12.9%	11.5%	4.0%	5.5%	5.4%	0.0%	0.0%	0.0%	17.2%	18.3%	19.1%	44%
National Bank Of Greece	5.4	OW	€5.87	€8.10	38%	0.7	0.6	5.4	5.9	15.4%	13.3%	11.2%	3.7%	5.5%	5.1%	0.0%	0.0%	0.0%	17.5%	18.7%	19.6%	56%
Piraeus Bank	3.7	OW	€2.98	€4.65	56%	0.5	0.5	4.8	5.0	12.9%	12.5%	10.2%	0.0%	4.2%	4.1%	0.0%	0.0%	0.0%	12.4%	13.9%	15.1%	104%
Ireland	19.8				37%	0.9	0.8	6.1	5.8	16.6%	13.9%	14.0%	6.5%	6.2%	6.8%	6.5%	7.6%	7.5%	15.3%	15.0%	14.9%	7%
AIB	10.6	OW	€4.1	€5.9	46%	0.9	0.8	6.1	5.9	17.1%	14.7%	14.1%	6.1%	6.2%	6.9%	7.6%	7.7%	7.4%	16.0%	15.7%	15.3%	14%
Bank of Ireland	9.2	N	€8.7	€11.0	27%	0.8	0.9	6.1	5.7	16.0%	13.0%	13.8%	7.0%	6.2%	6.6%	5.3%	7.5%	7.6%	14.5%	14.2%	14.3%	0%
Italy	90.4				32%	0.8	0.7	6.6	6.1	14.0%	12.6%	12.5%	8.6%	8.5%	9.1%	6.5%	5.8%	6.0%	15.9%	15.0%	14.9%	45%
Intesa Sanpaolo	45.1	OW	€2.5	€3.2	30%	1.0	0.9	6.9	6.5	15.8%	14.6%	14.5%	10.4%	10.4%	11.1%	3.3%	3.3%	3.8%	14.9%	14.2%	14.1%	23%
UniCredit	38.7	OW	€21.7	€30.0	38%	0.6	0.6	6.2	5.6	12.6%	10.9%	10.8%	6.1%	6.0%	6.6%	11.3%	9.7%	9.6%	17.2%	16.2%	16.0%	72%
Banco BPM	6.5	N	€4.3	€4.6	7%	0.6	0.6	6.9	6.6	9.5%	8.7%	8.7%	10.0%	10.0%	10.0%	0.0%	0.0%	0.0%	14.2%	13.7%	14.0%	36%
Spain	137.2				32%	0.8	0.7	5.8	5.5	15.1%	14.0%	13.9%	7.0%	7.0%	7.3%	3.1%	3.3%	3.3%	12.5%	12.4%	12.3%	23%
Bankinter	5.2	UW	€5.8	€6.0	3%	1.0	0.9	7.8	7.9	16.7%	13.2%	12.4%	7.1%	6.7%	6.6%	0.0%	0.0%	0.0%	12.2%	12.3%	12.3%	-4%
BBVA	43.0	N	€7.2	€8.9	23%	0.9	0.8	5.8	5.5	15.6%	15.3%	15.4%	7.9%	8.1%	8.6%	2.3%	2.3%	2.3%	12.7%	12.6%	12.4%	34%
Sabadell	5.8	OW	€1.0	€1.6	54%	0.5	0.5	5.0	5.1	10.7%	11.0%	9.1%	10.6%	9.6%	9.6%	3.4%	3.4%	3.4%	13.0%	13.3%	13.1%	20%
Santander	56.5	N	€3.5	€4.7	35%	0.7	0.6	5.5	5.0	14.2%	13.1%	13.2%	4.6%	4.9%	5.2%	4.5%	4.6%	4.6%	12.4%	12.2%	12.2%	27%
Caixabank	26.6	N	€3.5	€5.0	41%	0.9	0.9	6.4	6.2	17.0%	14.5%	14.1%	10.1%	9.2%	9.5%	1.9%	2.8%	2.8%	12.2%	12.1%	12.0%	3%
Austria & Regionals	46.9				29%	0.9	0.9	6.5	6.4	16.0%	15.1%	16.5%	6.5%	6.5%	7.7%	2.2%	2.4%	2.7%	15.0%	14.9%	14.7%	8%
Erste	14.1	OW	€32.9	€47.0	43%	0.7	0.7	5.6	6.5	16.1%	14.2%	11.3%	8.2%	7.5%	6.5%	0.0%	0.0%	0.0%	14.6%	14.9%	14.9%	17%
KBC	24.9	N	€59.8	€70.0	17%	1.2	1.1	7.9	7.1	15.7%	15.7%	16.3%	6.0%	6.5%	7.2%	3.5%	4.1%	2.7%	15.0%	14.5%	14.5%	4%
Raiffeisen	4.3	N	€13.1	€15.1	15%	0.2	0.2	2.2	2.8	13.2%	11.3%	8.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	16.4%	17.3%	17.7%	-15%
BAWAG	3.5	OW	€42.7	€74.0	73%	0.9	0.9	5.2	5.1	21.5%	19.0%	18.3%	11.2%	11.1%	11.4%	5.0%	2.8%	2.8%	14.6%	15.3%	15.8%	-7%
Portugal	3.9				31%	0.7	0.7	5.8	5.1	18.4%	13.2%	14.4%	11.6%	9.9%	12.2%	0.0%	0.0%	0.0%	13.7%	13.5%	13.0%	78%
Millennium bcp	3.9	N	€0.3	€0.3	31%	0.7	0.7	5.8	5.1	18.4%	13.2%	14.4%	11.6%	9.9%	12.2%	0.0%	0.0%	0.0%	13.7%	13.5%	13.0%	78%
UK	256.3				10%	0.8	0.8	6.4	6.4	14.6%	13.1%	12.1%	6.9%	8.0%	6.8%	6.0%	4.1%	4.2%	13.8%	13.8%	13.9%	19%
France & Netherlands	192.8				17%	0.7	0.6	7.0	6.5	10.1%	10.1%	10.3%	7.0%	6.9%	7.5%	5.1%	3.0%	3.0%	13.3%	12.9%	12.8%	24%
Investment banks	352.4				13%	1.4	1.4	12.1	10.2	9.8%	12.2%	13.5%	3.2%	3.4%	3.4%	3.0%	3.2%	4.0%	14.7%	14.6%	14.7%	13%
Germany & Switzerland	25.3				29%	1.7	1.6	8.5	7.8	17.7%	17.7%	17.8%	4.5%	5.0%	5.3%	2.4%	4.4%	4.9%	15.4%	14.9%	15.0%	15%
Nordics	148.8				3%	1.2	1.2	8.1	8.5	17.2%	15.6%	14.4%	7.6%	7.6%	7.7%	1.8%	2.1%	2.1%	18.0%	17.5%	17.3%	16%
JPM Core Europe WA	1026.9				18%	0.9	0.8	7.5	6.9	13.5%	12.6%	12.4%	6.7%	7.0%	7.0%	4.2%	3.3%	3.5%	14.4%	14.2%	14.1%	23%
Eurozone WA	524.2				27%	0.7	0.7	6.4	6.0	12.8%	12.0%	12.0%	7.1%	7.1%	7.7%	4.4%	3.7%	3.8%	13.8%	13.4%	13.3%	24%
Arithmetic Mean	31.7				20%	0.9	0.8	7.1	6.7	13.6%	12.8%	12.5%	6.5%	6.7%	6.9%	3.5%	3.6%	3.5%	14.9%	14.6%	14.6%	16%

Source: Bloomberg Finance L.P., J.P. Morgan. Note: (*) Basel IV.

Table 4: CEEMEA Banks: Valuation

	Mkt cap (€ bn)	Rating	Price	Price Target	Upside/ Downside	P/E (x)			P/NAV (x)			RoNAV (%)			Div. Yield			SBB Yield			FLB3 CET1 Ratio			TAR*
						2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E*	2025E*	YTD
Greece	17.9				56%	5.9	5.4	5.9	0.7	0.6	0.6	14.2%	12.3%	10.5%	2.4%	4.9%	4.7%	0.0%	0.0%	0.0%	15.4%	16.7%	17.7%	59%
Alpha Bank	3.2	OW	€1.3	€2.2	64%	5.9	4.0	4.2	0.5	0.4	0.4	11.0%	10.4%	9.0%	1.9%	4.4%	4.2%	0.0%	0.0%	0.0%	14.5%	15.7%	16.7%	38%
Eurobank	5.6	OW	€1.5	€2.3	51%	5.8	5.4	5.6	0.8	0.7	0.6	17.4%	12.9%	11.5%	4.0%	5.5%	5.3%	0.0%	0.0%	0.0%	17.2%	18.3%	19.1%	44%
National Bank Of Greece	5.4	OW	€5.5	€8.1	47%	6.1	5.1	5.5	0.8	0.6	0.6	15.4%	13.3%	11.2%	3.7%	5.5%	5.1%	0.0%	0.0%	0.0%	17.5%	18.7%	19.6%	56%
Piraeus Bank	3.7	OW	€2.9	€4.7	62%	5.7	4.7	4.8	0.6	0.5	0.5	12.9%	12.5%	10.2%	0.0%	4.1%	4.0%	0.0%	0.0%	0.0%	12.4%	13.9%	15.1%	104%
CEE	20.9				36%	6.5	6.7	6.7	1.2	1.1	0.9	21.5%	16.3%	15.4%	6.6%	5.9%	5.9%	0.0%	0.0%	0.0%	14.6%	15.1%	15.7%	35%
Komerční	5.3	N	CZK687.5	CZK820.0	19%	8.3	9.0	8.2	1.2	1.2	1.0	14.4%	12.9%	13.5%	7.8%	7.2%	8.0%	0.0%	0.0%	0.0%	18.4%	17.8%	17.2%	14%
Moneta Money Bank	1.8	N	CZK85.0	CZK94.0	11%	8.6	8.7	8.3	1.5	1.5	1.4	17.9%	17.4%	17.4%	9.3%	8.1%	8.4%	0.0%	0.0%	0.0%	18.7%	19.7%	20.1%	23%
NLB	1.6	OW	€15.5	€35.0	126%	3.1	3.3	3.7	0.6	0.5	0.5	19.8%	16.7%	13.2%	8.4%	10.3%	11.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	27%
OTP	10.7	OW	Ft14695.0	Ft17800.0	21%	4.5	4.5	4.4	0.9	0.8	0.7	26.1%	17.7%	16.7%	6.0%	4.8%	5.2%	0.0%	0.0%	0.0%	16.2%	17.3%	18.6%	49%
Poland	24.6				-6%	5.1	7.1	7.8	1.1	1.0	1.0	19.5%	14.9%	12.7%	7.6%	6.9%	6.2%	0.0%	0.0%	0.0%	19.5%	20.8%	21.5%	27%
Alior	1.5	UW	zł51.7	zł30.8	-40%	4.4	6.1	7.3	0.8	0.7	0.7	22.9%	12.9%	9.9%	0.0%	4.1%	3.4%	0.0%	0.0%	0.0%	16.3%	17.3%	16.6%	51%
Pekao	5.8	N	zł101.7	zł120.0	18%	4.9	6.7	7.1	1.1	1.1	1.1	24.1%	16.2%	15.1%	15.3%	11.1%	10.5%	0.0%	0.0%	0.0%	16.0%	17.2%	18.1%	24%
PKO	9.6	N	zł35.5	zł38.0	7%	4.8	6.3	7.2	1.1	1.0	0.9	17.9%	16.2%	13.1%	7.4%	8.0%	6.9%	0.0%	0.0%	0.0%	20.4%	21.4%	21.7%	17%
Turkey	29.3				-30%	4.9	4.0	3.4	0.9	0.8	0.6	22.3%	21.3%	20.2%	2.6%	2.8%	3.0%	0.0%	0.0%	0.0%	14.7%	14.6%	14.9%	59%
Egypt	5.4				-15%	6.5	5.2	5.1	2.3	1.7	1.3	43.0%	42.5%	33.1%	3.5%	4.3%	4.4%	0.0%	0.0%	0.0%	15.6%	18.3%	21.2%	43%
UAE	83.5				12%	8.7	9.6	9.1	1.4	1.3	1.2	18.3%	14.4%	13.7%	4.6%	4.5%	4.7%	0.0%	0.0%	0.0%	14.1%	14.4%	14.6%	7%
Qatar	36.5				8%	10.0	9.3	8.6	1.8	1.6	1.5	18.3%	18.4%	18.3%	4.2%	4.6%	5.2%	0.0%	0.0%	0.0%	15.1%	15.7%	16.0%	-12%
Saudi	190.3				23%	13.9	12.2	10.8	2.3	2.1	1.9	17.3%	17.8%	18.2%	3.9%	4.3%	4.8%	0.0%	0.0%	0.0%	17.3%	17.6%	17.7%	-3%
South Africa	55.4				33%	10.3	9.6	11.1	2.1	1.9	2.4	21.2%	21.0%	23.8%	6.6%	7.3%	7.9%	0.0%	0.0%	0.0%	16.6%	16.6%	20.6%	6%
Weighted average	486.1				15%	9.5	8.9	8.0	1.7	1.5	1.6	17.0%	16.1%	15.6%	4.1%	4.3%	4.6%	0.0%	0.0%	0.0%	14.5%	14.9%	14.9%	8%
Arithmetic Mean	31.7				20%	7.6	7.1	6.7	1.0	0.9	0.8	13.6%	12.8%	12.5%	6.5%	6.7%	6.9%	3.5%	3.6%	3.5%	14.9%	14.6%	14.6%	16%

Source: Bloomberg Finance L.P., J.P. Morgan. Note: (*) Basel IV.

Investment Thesis, Valuation and Risks

Alpha Bank (Overweight; Price Target: €2.20)

Investment Thesis

Alpha Bank has recently announced its ambition to deliver >12% ROTE in FY25 (excluding excess CET1 above 13% management target), aiming to grow EPS at >20% CAGR in FY22-FY25 on favorable revenue dynamics driven primarily by NII, as well as strong cost efficiencies with 3% annual net cost take out despite inflationary pressures. Our 9.2% ROTE looks smaller than target ROTE as it does not adjust equity for surplus capital (our ROTE would increase to 11% adjusted for this), and as we conservatively bake in ~80bps cost of risk in FY25E (in line with peers) vs Alpha's <70bps guidance.

Alpha's earnings guidance translates into €1.9bn organic capital build in the strategy period, and, coupled with €0.4bn projected DTA conversion into equity, results in c.16% CET1 by FY25. Compared to 13% management target, the capital trajectory signals €1.4bn "surplus" CET1 in FY25, and likely to support dividend payments from FY23 onwards subject to regulatory approval.

Valuation

Our Dec-24 PT of €2.20 is based on a Gordon growth model, incorporating 9.2% 2025E ROTE, 12.0% cost of equity and 1.5% growth rate.

EUR / %	
LT growth rate	1.5%
COE	12.0%
Normalized ROTE	9.2%
Fair P/TBV	0.7x
TBVPS	3.27
Fair value	2.38
Dividends in PT period	0.09
Target price (Dec-24)	2.20

Source: Company data, J.P. Morgan estimates.

Risks to Rating and Price Target

Downside risks include:

- Higher-than-expected asset quality deterioration and sustained Greek recession – NPLs formation could pick up again, restructured loans could flow back into NPLs, thereby requiring higher provisioning levels,
- Lower-than-expected loan growth or higher spread compression, which would negatively impact the ROTE trajectory,
- Dilution risk arising from the large DTC stock in case of accounting losses following the hive-down

Investment Thesis, Valuation and Risks

Eurobank (Overweight; Price Target: €2.25)

Investment Thesis

Eurobank screens with the highest normalized ROTE among peers with a leading Greek franchise and additional contribution from international businesses (>30% of earnings), particularly Bulgaria, as well as the €1.4bn real estate investment portfolio that contributes to c.6% of Group PBT. The group's 2Q23 CET1 ratio of 16.1% is very comfortable, and capital trajectory from here is largely earnings-driven with FY25E CET1 reaching 19.1% at JPMe, providing comfortable room for dividend payments and M&A transactions.

On the latter, the Group has recently announced that it has entered into share purchase agreements to increase its stake in Hellenic Bank (Bloomberg ticker HB CY, not covered) to 55.3% from the current 29.2%, subject to regulatory approvals (expected in the next 9-12 months). We think the transaction is positive for Eurobank as it enhances its current corporate-focused Cypriot subsidiary with a strong retail franchise and allows Eurobank to deploy excess capital in an EPS accretive way. Pro-forma for the transaction, we estimate that Eurobank's FY25E CET1 decreases by c.100bps but 2025E net profit increases by 12%, and 2025E ROTE increases to 13.2% from current JPMe 11.8%. Pro-forma for the transaction, our Dec-24 target price would increase to €2.60 (from €2.25). We also note that upon consolidation (with stake at >50%) the Group will proceed with a mandatory tender offer to minority shareholders, hence its ultimate stake will likely increase further.

Valuation

Our Dec-24 PT of €2.25 is based on a Gordon growth model, incorporating 11.7% adjusted 2025E ROTE, 12.0% cost of equity and 1.5% terminal growth rate.

EUR / %	Current	Pro-forma for HB
LT growth rate	1.5%	1.5%
COE	12.0%	12.0%
Normalized ROTE	11.8%	13.2%
Fair P/TBV	1.0x	1.1x
TBVPS	2.52	2.44
Fair value	2.39	2.60
Dividends in PT period	0.15	0.14
Target price (Dec-24)	2.25	2.60

Source: Company data, J.P. Morgan estimates.

Risks to Rating and Price Target

Downside risks to our call include:

- Slower-than-expected macro recovery leading to higher than expected asset quality deterioration - NPLs formation could pick up again, restructured loans could flow back into NPLs, thereby requiring higher provisioning levels,
- Slower recovery in performing loan growth,
- Dilution risk arising from sizeable deferred tax credits in the capital base in case of P&L losses.

Investment Thesis, Valuation and Risks

National Bank of Greece (Overweight; Price Target: €8.10)

Investment Thesis

We remain OW NBG shares and continue to like the bank's fundamental turnaround story, with: 1) high gearing to higher interest rates with a large and sticky deposit base, and with term deposits making up only 15% of total, lowest among Greek peers, 2) best-in-class CET1 ratio of 17.3% in 2Q23, which grows further to >19% on JPMe by 2025E, 5% NPE ratio and highest NPE coverage ratio among Greek peers at 79%. Upcoming HFSF disposals can potentially create a short-term overhang.

Valuation

Our Dec-24 PT of €8.10 based on a Gordon growth model, incorporating 2025E 11.2%ROTE, 12.0% cost of equity and 1.5%growth rate.

EUR / %	
LT growth rate	1.5%
COE	12.0%
Normalized ROTE	11.2%
Fair P/TBV	0.9x
TBVPS	9.22
Fair value	8.55
Dividends in PT period	0.54
Target price (Dec-24)	8.10

Source: Company data, J.P. Morgan estimates.

Risks to Rating and Price Target

Downside risks to our call include

- Slower-than-expected macroeconomic growth, which could lead to higher-than-expected asset quality deterioration recession – NPLs formation could pick up again, restructured loans could flow back into NPLs, thereby requiring higher provisioning levels
- Dilution risk arising from sizeable deferred tax credits in the capital base in case of P&L losses
- Potential overhang from HFSF's 40.39% stake in the share capital

Investment Thesis, Valuation and Risks

Piraeus Bank (*Overweight; Price Target: €4.65*)

Investment Thesis

Equipped with the capital it needs, Piraeus cut its NPEs by >€20bn since end-2020, while making structural improvements to improve ROTE towards an ambitious 14% this year and 12% in FY25E (management guidance). The group's thinner relative capital buffers have historically been our key concern, but via several capital actions including synthetic securitizations and asset disposals, the group has outperformed its business plan and brought CET1 target to 12.2% as of 2Q23 (2025 JPMe 15.1%), with the bank aiming to restart dividend payments from 2023E onwards. Piraeus shares have seen a stellar performance, up +100% ytd, yet at 0.5x 2024E P/TBV 4.8x P/E still appear cheap on a mid-term view, in our view. We are OW.

Valuation

Our Dec-24 PT of €4.65 is based on a Gordon growth model, incorporating 10.2% 2025E ROTE (post AT1 coupons), 12.0% cost of equity and 1.5% growth rate.

EUR / %	
LT growth rate	1.5%
COE	12.0%
Normalized ROTE	10.2%
Fair P/TBV	0.8x
TBVPS	6.14
Fair value	5.09
Dividends in PT period	0.12
Target price	4.65

Source: Company data, J.P. Morgan estimates.

Risks to Rating and Price Target

Key downside risks to our call include: 1) slower-than-expected macro recovery leading to higher-than-expected asset quality deterioration – NPLs formation could pick up again, restructured loans could flow back into NPLs, thereby requiring higher provisioning levels, 2) slower recovery in performing loan growth, 3) dilution risk arising from sizeable deferred tax credits in the capital base in case of P&L losses.

Alpha Bank: Summary of Financials

Income Statement						Balance Sheet					
	FY21A	FY22A	FY23E	FY24E	FY25E		FY21A	FY22A	FY23E	FY24E	FY25E
Interest income	1,888	1,888	3,725	3,913	3,806	Cash and cash equivalents	11,803	12,895	6,447	4,513	4,739
Interest expense	(512)	(573)	(1,957)	(2,126)	(2,110)	Net loans	36,860	38,747	39,035	40,251	41,770
Net interest income	1,376	1,314	1,768	1,788	1,697	PP&E	738	529	550	572	595
Non interest income	570	643	512	548	590	Net intangibles	478	475	522	543	565
o/w Fee income	396	394	382	416	454	Other assets	23,476	25,367	26,740	25,780	27,273
o/w Trading income	143	179	80	82	85	Total assets	73,356	78,013	73,295	71,660	74,942
Net revenues	1,946	1,957	2,280	2,336	2,287	Interest earning assets	64,613	67,659	62,064	61,828	64,076
Non interest expense	(1,203)	(984)	(1,028)	(946)	(924)	Deposits	46,970	50,759	52,282	53,850	55,466
o/w Employee costs	(403)	(377)	(378)	(372)	(366)	Borrowings	2,593	2,923	4,073	4,573	5,573
Pre-Prov. Profits	742	973	1,252	1,390	1,362	Other liabilities	17,714	18,067	9,618	5,193	5,250
Provisions	(395)	(286)	(331)	(339)	(351)	Total liabilities	67,276	71,750	65,973	63,616	66,289
Reported PBT	348	688	920	1,051	1,012	Shareholder equity	6,050	6,245	7,310	8,037	8,648
Adj. PBT	348	688	920	1,051	1,012	Minority interests	29	18	11	7	4
Income taxes	(51)	(216)	(267)	(305)	(293)	Total liabilities and Shareholder equity	73,356	78,013	73,295	71,660	74,942
Minority interest	(0)	(0)	0	0	0	Interest bearing liabilities	64,835	70,332	64,514	62,113	64,741
Reported Net profit	(2,906)	371	581	704	676	Book Value Per Share	2.57	2.66	2.94	3.25	3.51
Adj. Net profit	263	389	667	704	676	Tangible Book Value Per Share	2.37	2.46	2.72	3.02	3.27
PPOP per share	0.32	0.41	0.53	0.59	0.58						
Reported EPS	(1.24)	0.16	0.25	0.30	0.29						
Adj. EPS	0.11	0.17	0.28	0.30	0.29						
DPS	0.00	0.00	0.03	0.06	0.06						
Diluted shares outstanding	2,347	2,348	2,348	2,348	2,348						
Balance Sheet Gearing						Asset Quality/Capital					
	FY21A	FY22A	FY23E	FY24E	FY25E		FY21A	FY22A	FY23E	FY24E	FY25E
Loans/Deposits	78.5%	76.3%	74.7%	74.7%	75.3%	Loan loss reserves/Loans	(6.0%)	(2.9%)	(3.4%)	(3.6%)	(3.7%)
Loan/Assets	60.6%	52.3%	53.1%	56.7%	58.1%	NPEs/Loans	18.3%	7.2%	4.8%	2.7%	-
Customer deposits/Liabilities	69.8%	70.7%	79.2%	84.6%	83.7%	NPLs/Loans	6.2%	4.2%	3.3%	2.6%	2.1%
LT debt/Liabilities	-	-	-	-	-	Cost of Risk	0.85%	0.73%	0.80%	0.80%	0.80%
						Loan loss reserves/NPEs	43.1%	35.0%	53.2%	94.7%	278.7%
						Loan loss reserves/NPLs	71.0%	86.4%	85.6%	120.0%	158.0%
						NPE y/y growth	(65.8%)	(59.7%)	(33.2%)	(42.0%)	-
						NPL y/y growth	(83.5%)	(31.3%)	(19.3%)	(20.1%)	(15.3%)
						Tier 1 ratio (fully loaded)	11.3%	12.5%	15.7%	16.9%	17.9%
						Tier 1 ratio (phased-in)	13.8%	12.3%	13.0%	14.3%	15.4%
						CAR (fully loaded)	14.4%	15.6%	18.8%	19.9%	20.7%
						CAR (phased-in)	16.7%	15.4%	16.0%	17.2%	18.2%
Ratio Analysis (%)						Ratio Analysis (%)					
	FY21A	FY22A	FY23E	FY24E	FY25E		FY21A	FY22A	FY23E	FY24E	FY25E
Net interest margin	2.1%	2.0%	2.7%	2.9%	2.7%	Return on equity (ROE)	3.7%	6.3%	9.8%	9.2%	8.1%
Non interest income/Net revenue	29.3%	32.8%	22.4%	23.5%	25.8%	Return on assets (ROA)	0.4%	0.5%	0.9%	1.0%	0.9%
Non interest income/Avg. Assets	0.8%	0.8%	0.7%	0.8%	0.8%	Operating ROA	0.5%	0.9%	1.2%	1.5%	1.4%
Efficiency ratio	61.8%	50.3%	45.1%	40.5%	40.4%	Pre-Tax ROA	0.5%	0.9%	1.2%	1.5%	1.4%
Revenue/Assets	2.7%	2.6%	3.0%	3.2%	3.1%	Tax rate	14.6%	31.5%	29.0%	29.0%	29.0%
RORWA	0.7%	1.2%	2.0%	2.1%	1.9%						
RWA	33,967	32,822	33,061	34,637	36,313	Net loans y/y growth	(6.4%)	5.1%	0.7%	3.1%	3.8%
Avg. RWA	39,668	33,395	32,942	33,849	35,475	Assets y/y growth	4.7%	6.3%	(6.0%)	(2.2%)	4.6%
Avg. IEA	67,152	66,019	64,861	61,946	62,952	RWA y/y growth	(25.1%)	(3.4%)	0.7%	4.8%	4.8%
Gross Loans	39,201	39,922	40,421	41,751	43,386	Deposits y/y growth	7.2%	8.1%	3.0%	3.0%	3.0%
Avg. IBL	62,949	67,785	67,423	63,313	63,427	Net interest income y/y growth	(9.9%)	(4.5%)	34.5%	1.1%	(5.1%)
LLR	(2,341)	(1,175)	(1,386)	(1,499)	(1,616)	Revenues y/y growth	(24.4%)	0.6%	16.5%	2.5%	(2.1%)
NPEs	7,155	2,887	1,929	1,118	-	Adj. EPS y/y growth	(18.1%)	47.7%	71.5%	5.5%	(3.9%)
NPLs	2,411	1,657	1,337	1,068	904	BVPS y/y growth	(52.3%)	3.4%	10.7%	10.5%	8.0%
P/BV (x)	0.5	0.5	0.5	0.4	0.4	IE assets/Assets	93.4%	86.9%	85.7%	85.5%	85.9%
Adj. P/E (x)	12.0	8.1	4.7	4.5	4.7	Margins (as % of Avg. Assets)	1.9%	1.7%	2.3%	2.5%	2.3%
Dividend yield	0.0%	0.0%	2.0%	4.7%	4.6%	Equity/Assets	9.5%	8.1%	9.0%	10.6%	11.4%
Dividend payout	0.0%	0.0%	10.7%	21.2%	21.3%	Cost/Assets	1.7%	1.3%	1.4%	1.3%	1.3%
						Assets/Equity	10.0	12.3	11.2	9.4	8.8

Source: Company reports and J.P. Morgan estimates.

Note: € in millions (except per-share data). Fiscal year ends Dec

Eurobank: Summary of Financials

Income Statement						Balance Sheet					
	FY21A	FY22A	FY23E	FY24E	FY25E		FY21A	FY22A	FY23E	FY24E	FY25E
Interest income	1,422	1,766	3,169	3,498	3,314	Cash and cash equivalents	13,515	14,994	10,496	6,088	5,783
Interest expense	(101)	(286)	(994)	(1,377)	(1,242)	Net loans	38,967	41,677	42,426	43,932	45,549
Net interest income	1,321	1,480	2,175	2,121	2,072	PP&E	815	775	783	791	798
Non interest income	584	1,236	626	655	685	Net intangibles	269	297	297	297	297
o/w Fee income	456	522	548	575	604	Other assets	24,286	23,717	27,591	30,280	32,003
o/w Trading income	93	716	80	82	83	Total assets	77,852	81,460	81,593	81,386	84,430
Net revenues	1,904	2,716	2,801	2,776	2,757	Interest earning assets	66,427	71,395	68,715	67,033	69,758
Non interest expense	(876)	(856)	(911)	(923)	(925)	Deposits	53,168	57,239	59,133	61,090	63,114
o/w Employee costs	(434)	(419)	(451)	(470)	(486)	Borrowings	2,552	3,552	4,830	5,648	5,867
Pre-Prov. Profits	1,028	1,859	1,890	1,853	1,832	Other liabilities	16,497	13,951	9,705	5,903	6,011
Provisions	(470)	(380)	(465)	(445)	(460)	Total liabilities	72,217	74,742	73,668	72,642	74,992
Reported PBT	585	1,498	1,476	1,495	1,445	Shareholder equity	5,539	6,623	7,829	8,648	9,340
Adj. PBT	585	1,498	1,476	1,495	1,445	Minority interests	96	95	96	97	98
Income taxes	(162)	(337)	(335)	(434)	(419)	Total liabilities and Shareholder equity	77,852	81,460	81,593	81,386	84,430
Minority interest	1	(0)	(0)	(0)	(0)	Interest bearing liabilities	70,750	73,040	71,949	70,906	73,239
Reported Net profit	328	1,330	1,207	1,047	1,011	Book Value Per Share	1.49	1.78	2.11	2.33	2.52
Adj. Net profit	424	1,161	1,141	1,062	1,026	Tangible Book Value Per Share	1.42	1.70	2.03	2.25	2.44
PPOP per share	0.28	0.50	0.51	0.50	0.49						
Reported EPS	0.09	0.36	0.32	0.28	0.27						
Adj. EPS	0.11	0.31	0.31	0.29	0.28						
DPS	0.00	0.00	0.06	0.09	0.08						
Diluted shares outstanding	3,709	3,715	3,715	3,715	3,715						
Balance Sheet Gearing						Asset Quality/Capital					
	FY21A	FY22A	FY23E	FY24E	FY25E		FY21A	FY22A	FY23E	FY24E	FY25E
Loans/Deposits	73.3%	72.8%	71.7%	71.9%	72.2%	Loan loss reserves/Loans	(4.6%)	(3.7%)	(3.9%)	(4.1%)	(4.2%)
Loan/Assets	55.7%	52.8%	53.7%	55.2%	56.3%	NPEs/Loans	8.5%	6.0%	5.1%	5.3%	-
Customer deposits/Liabilities	73.6%	76.6%	80.3%	84.1%	84.2%	NPLs/Loans	4.4%	3.2%	3.5%	3.2%	2.9%
LT debt/Liabilities	-	-	-	-	-	Cost of Risk	1.02%	0.66%	0.82%	0.75%	0.75%
						Loan loss reserves/NPEs	58.2%	57.3%	69.6%	77.0%	156.4%
						Loan loss reserves/NPLs	87.7%	109.3%	114.1%	119.6%	135.9%
						NPE y/y growth	(38.8%)	(25.1%)	(14.6%)	9.8%	-
						NPL y/y growth	(58.1%)	(22.2%)	11.1%	(6.4%)	(6.4%)
						Tier 1 ratio (fully loaded)	12.7%	15.2%	17.2%	18.3%	19.2%
						Tier 1 ratio (phased-in)	13.7%	16.0%	17.2%	18.3%	19.2%
						CAR (fully loaded)	15.1%	18.4%	20.3%	21.3%	22.1%
						CAR (phased-in)	16.0%	19.2%	20.3%	21.3%	22.1%
Ratio Analysis (%)						Ratio Analysis (%)					
	FY21A	FY22A	FY23E	FY24E	FY25E		FY21A	FY22A	FY23E	FY24E	FY25E
Net interest margin	2.1%	2.1%	3.0%	3.0%	2.9%	Return on equity (ROE)	7.9%	19.1%	15.8%	12.9%	11.4%
Non interest income/Net revenue	30.7%	45.5%	22.3%	23.6%	24.9%	Return on assets (ROA)	0.6%	1.5%	1.4%	1.3%	1.2%
Non interest income/Avg. Assets	0.8%	1.6%	0.8%	0.8%	0.8%	Operating ROA	0.8%	2.0%	1.9%	1.9%	1.8%
Efficiency ratio	46.0%	31.5%	32.5%	33.3%	33.6%	Pre-Tax ROA	0.9%	2.0%	1.9%	2.0%	1.9%
Revenue/Assets	2.6%	3.4%	3.4%	3.4%	3.3%	Tax rate	27.7%	22.5%	22.7%	29.0%	29.0%
RORWA	1.1%	2.8%	2.7%	2.5%	2.3%						
RWA	39,789	41,899	42,553	44,062	45,684	Net loans y/y growth	4.1%	7.0%	1.8%	3.5%	3.7%
Avg. RWA	40,013	40,844	42,226	43,307	44,873	Assets y/y growth	14.9%	4.6%	0.2%	(0.3%)	3.7%
Avg. IEA	60,879	69,369	70,055	67,874	68,396	RWA y/y growth	(1.1%)	5.3%	1.6%	3.5%	3.7%
Gross Loans	40,815	43,450	44,171	45,789	47,523	Deposits y/y growth	12.4%	7.7%	3.3%	3.3%	3.3%
Avg. IBL	65,867	72,176	72,494	71,427	72,072	Net interest income y/y growth	(2.1%)	12.1%	47.0%	(2.5%)	(2.3%)
LLR	(1,872)	(1,626)	(1,745)	(1,857)	(1,974)	Revenues y/y growth	(12.3%)	42.6%	3.1%	(0.9%)	(0.7%)
NPEs	3,488	2,613	2,231	2,449	-	Adj. EPS y/y growth	(21.2%)	173.3%	(1.8%)	(7.0%)	(3.4%)
NPLs	1,800	1,400	1,555	1,456	1,363	BVPS y/y growth	5.6%	19.5%	18.2%	10.5%	8.0%
P/BV (x)	1.0	0.8	0.7	0.6	0.6	IE assets/Assets	83.7%	86.4%	85.9%	83.3%	82.5%
Adj. P/E (x)	12.8	4.7	4.8	5.1	5.3	Margins (as % of Avg. Assets)	1.8%	1.9%	2.7%	2.6%	2.5%
Dividend yield	0.0%	0.0%	4.2%	5.8%	5.6%	Equity/Assets	7.5%	7.7%	8.9%	10.1%	10.8%
Dividend payout	0.0%	0.0%	18.9%	30.5%	30.5%	Cost/Assets	1.2%	1.1%	1.1%	1.1%	1.1%
						Assets/Equity	13.5	13.1	11.3	9.9	9.2

Source: Company reports and J.P. Morgan estimates.

Note: € in millions (except per-share data). Fiscal year ends Dec

National Bank of Greece: Summary of Financials

Income Statement						Balance Sheet					
	FY21A	FY22A	FY23E	FY24E	FY25E		FY21A	FY22A	FY23E	FY24E	FY25E
Interest income	1,212	1,369	2,197	2,177	2,086	Cash and cash equivalents	15,827	14,226	9,958	8,962	8,962
Interest expense			-	-	-	Net loans	30,439	35,561	36,599	38,397	40,311
Net interest income	1,212	1,369	2,197	2,177	2,086	PP&E	495	500	515	530	546
Non interest income	691	691	420	446	475	Net intangibles	353	431	431	431	431
o/w Fee income	287	347	358	379	402	Other assets	36,844	27,395	28,614	30,190	30,839
o/w Trading income	463	406	125	131	138	Total assets	83,958	78,113	76,117	78,510	81,090
Net revenues	1,902	2,060	2,617	2,623	2,561	Interest earning assets	65,156	66,272	65,817	67,004	69,311
Non interest expense	(1,027)	(968)	(902)	(879)	(908)	Deposits	53,493	55,192	56,848	58,553	60,310
o/w Employee costs	(434)	(433)	(445)	(465)	(486)	Borrowings	991	1,794	3,294	4,794	4,794
Pre-Prov. Profits	875	1,092	1,715	1,744	1,652	Other liabilities	23,702	14,651	8,496	6,896	7,102
Provisions	(271)	(280)	(279)	(323)	(338)	Total liabilities	78,186	71,638	68,638	70,243	72,206
Reported PBT	604	812	1,436	1,421	1,314	Shareholder equity	5,750	6,452	7,456	8,244	8,861
Adj. PBT	604	812	1,436	1,421	1,314	Minority interests	22	23	23	23	23
Income taxes	(15)	(157)	(402)	(412)	(381)	Total liabilities and Shareholder equity	83,958	78,113	76,117	78,510	81,090
Minority interest	-	-	-	-	-	Interest bearing liabilities	68,224	65,003	60,359	60,315	62,125
Reported Net profit	867	1,057	1,004	989	913	Book Value Per Share	6.29	7.05	8.15	9.01	9.69
Adj. Net profit	653	708	1,004	989	913	Tangible Book Value Per Share	5.90	6.58	7.68	8.54	9.22
PPOP per share	0.96	1.19	1.88	1.91	1.81						
Reported EPS	0.95	1.16	1.10	1.08	1.00						
Adj. EPS	0.71	0.77	1.10	1.08	1.00						
DPS	0.00	0.00	0.22	0.32	0.30						
Diluted shares outstanding	915	915	915	915	915						
Balance Sheet Gearing						Asset Quality/Capital					
	FY21A	FY22A	FY23E	FY24E	FY25E		FY21A	FY22A	FY23E	FY24E	FY25E
Loans/Deposits	56.9%	64.4%	64.4%	65.6%	66.8%	Loan loss reserves/Loans	(5.2%)	(4.0%)	(4.1%)	(4.2%)	(4.2%)
Loan/Assets	38.9%	44.4%	48.8%	50.6%	51.5%	NPEs/Loans	11.3%	4.3%	4.0%	2.2%	-
Customer deposits/Liabilities	68.4%	77.0%	82.8%	83.4%	83.5%	NPLs/Loans	3.9%	2.8%	2.6%	2.5%	2.4%
LT debt/Liabilities	1.3%	1.9%	3.6%	5.8%	6.7%	Cost of Risk	0.86%	0.63%	0.66%	0.75%	0.75%
						Loan loss reserves/NPEs	54.4%	60.3%	97.9%	135.1%	398.1%
						Loan loss reserves/NPLs	121.7%	137.4%	149.5%	160.4%	169.4%
						NPE y/y growth	(18.1%)	(55.9%)	(3.6%)	(43.7%)	-
						NPL y/y growth	(46.9%)	(16.3%)	(3.3%)	0.8%	0.3%
						Tier 1 ratio (fully loaded)	14.9%	15.7%	17.5%	18.7%	-
						Tier 1 ratio (phased-in)	16.9%	16.6%	17.5%	18.7%	19.6%
						CAR (fully loaded)	15.5%	16.8%	18.6%	19.7%	-
						CAR (phased-in)	17.5%	17.7%	18.6%	19.7%	20.6%
Ratio Analysis (%)						Ratio Analysis (%)					
	FY21A	FY22A	FY23E	FY24E	FY25E		FY21A	FY22A	FY23E	FY24E	FY25E
Net interest margin	1.9%	2.0%	3.3%	3.2%	3.0%	Return on equity (ROE)	12.1%	11.6%	14.4%	12.6%	10.7%
Non interest income/Net revenue	36.3%	33.5%	16.0%	17.0%	18.5%	Return on assets (ROA)	0.8%	0.9%	1.3%	1.3%	1.1%
Non interest income/Avg. Assets	0.9%	0.9%	0.5%	0.6%	0.6%	Operating ROA	0.8%	1.1%	1.9%	1.9%	1.7%
Efficiency ratio	54.0%	47.0%	34.5%	33.5%	35.5%	Pre-Tax ROA	0.8%	1.1%	1.9%	1.9%	1.7%
Revenue/Assets	2.4%	2.5%	3.4%	3.4%	3.2%	Tax rate	2.4%	19.4%	28.0%	29.0%	29.0%
RORWA	1.8%	2.0%	2.7%	2.6%	2.3%						
RWA	34,700	36,400	37,274	38,615	40,006	Net loans y/y growth	12.7%	16.8%	2.9%	4.9%	5.0%
Avg. RWA	35,659	35,550	36,837	37,945	39,311	Assets y/y growth	8.4%	(7.0%)	(2.6%)	3.1%	3.3%
Avg. IEA	60,756	66,533	66,044	66,411	68,158	RWA y/y growth	(5.2%)	4.9%	2.4%	3.6%	3.6%
Gross Loans	32,093	37,054	38,175	40,071	42,088	Deposits y/y growth	9.0%	3.2%	3.0%	3.0%	3.0%
Avg. IBL	65,308	67,186	62,681	60,337	61,220	Net interest income y/y growth	3.7%	13.0%	60.5%	(0.9%)	(4.2%)
LLR	(1,655)	(1,493)	(1,576)	(1,674)	(1,776)	Revenues y/y growth	(24.6%)	8.3%	27.0%	0.2%	(2.4%)
NPEs	3,623	1,596	1,539	867	-	Adj. EPS y/y growth	187.6%	8.4%	41.9%	(1.6%)	(7.6%)
NPLs	1,247	1,044	1,009	1,017	1,020	BVPS y/y growth	13.5%	12.2%	15.6%	10.6%	7.5%
P/BV (x)	0.9	0.8	0.7	0.6	0.6	IE assets/Assets	74.9%	83.0%	85.6%	85.9%	85.4%
Adj. P/E (x)	7.7	7.1	5.0	5.1	5.5	Margins (as % of Avg. Assets)	1.5%	1.7%	2.8%	2.8%	2.6%
Dividend yield	0.0%	0.0%	4.0%	5.9%	5.5%	Equity/Assets	6.8%	7.6%	9.0%	10.2%	10.7%
Dividend payout	0.0%	0.0%	20.0%	30.0%	30.0%	Cost/Assets	1.3%	1.2%	1.2%	1.1%	1.1%
						Assets/Equity	14.9	13.3	11.1	9.8	9.3

Source: Company reports and J.P. Morgan estimates.

Note: € in millions (except per-share data). Fiscal year ends Dec

Piraeus Bank: Summary of Financials

Income Statement						Balance Sheet					
	FY21A	FY22A	FY23E	FY24E	FY25E		FY21A	FY22A	FY23E	FY24E	FY25E
Interest income	1,785	1,691	2,563	2,782	2,720	Cash and cash equivalents	15,519	9,653	8,688	9,036	9,397
Interest expense	(375)	(338)	(617)	(845)	(926)	Net loans	36,501	37,367	36,948	37,947	39,033
Net interest income	1,410	1,353	1,946	1,937	1,794	PP&E	1,930	2,250	2,295	2,341	2,388
Non interest income	1,120	1,236	573	602	629	Net intangibles	267	312	315	318	321
o/w Fee income	399	428	432	453	476	Other assets	25,552	26,079	26,009	27,705	29,538
o/w Trading income	682	744	75	80	81	Total assets	79,770	75,661	74,255	77,347	80,676
Net revenues	2,530	2,588	2,520	2,540	2,423	Interest earning assets	66,633	62,072	61,070	62,810	64,662
Non interest expense	(899)	(895)	(907)	(876)	(804)	Deposits	55,442	58,372	60,123	61,927	63,785
o/w Employee costs	(380)	(385)	(381)	(373)	(373)	Borrowings	1,906	1,786	2,286	3,936	4,936
Pre-Prov. Profits	1,631	1,693	1,613	1,663	1,619	Other liabilities	16,639	8,922	4,742	3,608	3,335
Provisions	(4,340)	(685)	(695)	(441)	(453)	Total liabilities	73,987	69,080	67,151	69,471	72,056
Reported PBT	(2,691)	1,037	896	1,197	1,140	Shareholder equity	5,788	6,553	7,076	7,847	8,593
Adj. PBT	(2,691)	1,037	896	1,197	1,140	Minority interests	15	28	28	28	28
Income taxes	(316)	(140)	(335)	(362)	(331)	Total liabilities and Shareholder equity	79,790	75,661	74,255	77,347	80,676
Minority interest	(1)	(2)	(2)	(2)	(2)	Interest bearing liabilities	72,606	67,735	65,847	68,206	70,829
Reported Net profit	(3,015)	944	548	824	798	Book Value Per Share	4.63	5.24	5.66	6.28	6.87
Adj. Net profit	218	634	811	874	798	Tangible Book Value Per Share	3.94	4.51	4.93	5.54	6.14
PPOP per share	1.30	1.35	1.29	1.33	1.29						
Reported EPS	(2.41)	0.76	0.44	0.66	0.64						
Adj. EPS	0.17	0.51	0.65	0.70	0.64						
DPS	0.00	0.00	0.00	0.12	0.12						
Diluted shares outstanding	1,250	1,250	1,250	1,250	1,250						
Balance Sheet Gearing						Asset Quality/Capital					
	FY21A	FY22A	FY23E	FY24E	FY25E		FY21A	FY22A	FY23E	FY24E	FY25E
Loans/Deposits	65.8%	64.0%	61.5%	61.3%	61.2%	Loan loss reserves/Loans	(5.1%)	(3.7%)	(4.2%)	(4.4%)	(4.6%)
Loan/Assets	54.4%	47.9%	51.6%	51.6%	51.0%	NPEs/Loans	13.7%	8.4%	7.4%	5.8%	-
Customer deposits/Liabilities	74.9%	84.5%	89.5%	89.1%	88.5%	NPLs/Loans	8.5%	4.6%	4.6%	4.2%	3.9%
LT debt/Liabilities	-	-	-	-	-	Cost of Risk	0.93%	0.76%	1.15%	1.00%	1.00%
						Loan loss reserves/NPEs	42.8%	39.7%	49.9%	66.2%	160.3%
						Loan loss reserves/NPLs	58.3%	67.4%	86.3%	98.5%	111.7%
						NPE y/y growth	(76.5%)	(37.9%)	(13.0%)	(19.8%)	-
						NPL y/y growth	(80.9%)	(45.7%)	(0.0%)	(5.0%)	(5.0%)
						Tier 1 ratio (fully loaded)	10.5%	13.5%	14.2%	15.7%	16.8%
						Tier 1 ratio (phased-in)	13.0%	15.0%	14.2%	15.7%	16.8%
						CAR (fully loaded)	13.4%	16.4%	17.0%	18.2%	19.2%
						CAR (phased-in)	15.8%	17.8%	17.0%	18.2%	19.2%
Ratio Analysis (%)						Ratio Analysis (%)					
	FY21A	FY22A	FY23E	FY24E	FY25E		FY21A	FY22A	FY23E	FY24E	FY25E
Net interest margin	2.0%	2.0%	3.0%	3.0%	2.7%	Return on equity (ROE)	3.4%	10.3%	11.9%	11.7%	9.7%
Non interest income/Net revenue	44.3%	47.7%	22.8%	23.7%	26.0%	Return on assets (ROA)	0.3%	0.8%	1.1%	1.2%	1.0%
Non interest income/Avg. Assets	1.5%	1.6%	0.8%	0.8%	0.8%	Operating ROA	(3.5%)	1.4%	1.3%	1.7%	1.5%
Efficiency ratio	35.5%	34.6%	36.0%	34.5%	33.2%	Pre-Tax ROA	(3.5%)	1.4%	1.3%	1.6%	1.5%
Revenue/Assets	3.3%	3.3%	3.4%	3.4%	3.1%	Tax rate	(11.8%)	13.5%	37.4%	30.2%	29.0%
RORWA	0.6%	2.0%	2.5%	2.6%	2.2%						
RWA	32,207	31,178	32,568	34,563	36,717	Net loans y/y growth	(7.9%)	2.4%	(1.1%)	2.7%	2.9%
Avg. RWA	37,652	31,693	31,873	33,565	35,640	Assets y/y growth	11.5%	(5.2%)	(1.9%)	4.2%	4.3%
Avg. IEA	62,061	65,731	61,571	61,940	63,736	RWA y/y growth	(25.3%)	(3.2%)	4.5%	6.1%	6.2%
Gross Loans	38,492	38,787	38,584	39,713	40,933	Deposits y/y growth	11.7%	5.3%	3.0%	3.0%	3.0%
Avg. IBL	67,433	71,490	66,791	67,026	69,517	Net interest income y/y growth	(5.1%)	(4.0%)	43.9%	(0.5%)	(7.4%)
LLR	(1,971)	(1,421)	(1,636)	(1,766)	(1,901)	Revenues y/y growth	33.6%	2.3%	(2.7%)	0.8%	(4.6%)
NPEs	5,276	3,276	2,851	2,287	-	Adj. EPS y/y growth	(112.4%)	190.5%	27.9%	7.7%	(8.7%)
NPLs	3,260	1,772	1,771	1,683	1,599	BVPS y/y growth	(71.3%)	13.2%	8.0%	10.9%	9.5%
P/BV (x)	0.6	0.5	0.5	0.5	0.4	IE assets/Assets	82.1%	83.0%	82.1%	81.7%	80.7%
Adj. P/E (x)	16.4	5.6	4.4	4.1	4.5	Margins (as % of Avg. Assets)	1.8%	1.7%	2.6%	2.6%	2.3%
Dividend yield	0.0%	0.0%	0.0%	4.3%	4.2%	Equity/Assets	8.2%	7.9%	9.1%	9.8%	10.4%
Dividend payout	0.0%	0.0%	0.0%	18.7%	18.7%	Cost/Assets	1.2%	1.2%	1.2%	1.2%	1.0%
						Assets/Equity	11.8	12.6	11.0	10.2	9.6

Source: Company reports and J.P. Morgan estimates.

Note: € in millions (except per-share data). Fiscal year ends Dec

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Alpha Bank (ACBr.AT, ALPHA GA) Price Chart



Date	Rating	Price (€)	Price Target (€)
31-Dec-20	OW	0.95	1.2
29-Mar-21	OW	0.92	1.4
21-May-21	NR	1.24	--
28-Jul-21	OW	1.07	1.5
14-Dec-21	OW	1.05	1.6
10-May-22	OW	0.98	1.5
13-Sep-22	OW	0.94	1.4
16-Dec-22	OW	0.99	1.5
29-Jun-23	OW	1.47	2

Source: Bloomberg Finance L.P. and J.P. Morgan; price data adjusted for stock splits and dividends. Initiated coverage Jul 14, 2004. All share prices are as of market close on the previous business day.

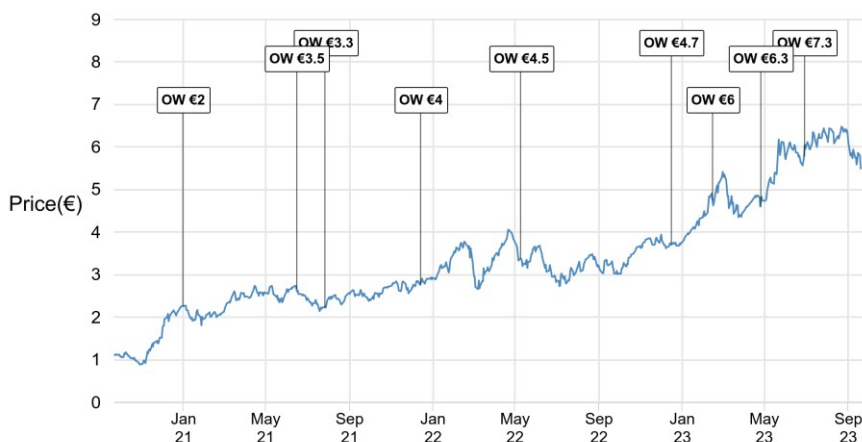
Eurobank (EURBr.AT, EUROB GA) Price Chart



Date	Rating	Price (€)	Price Target (€)
31-Dec-20	OW	0.58	0.8
28-Jul-21	OW	0.77	1.1
02-Nov-21	OW	0.93	1.2
14-Dec-21	OW	0.90	1.3
10-May-22	OW	0.90	1.6
13-Sep-22	OW	0.92	1.5
16-Dec-22	OW	1.03	1.6
29-Jun-23	OW	1.46	1.9

Source: Bloomberg Finance L.P. and J.P. Morgan; price data adjusted for stock splits and dividends. Initiated coverage Jul 14, 2004. All share prices are as of market close on the previous business day.

National Bank of Greece (NBGr.AT, ETE GA) Price Chart



Date	Rating	Price (€)	Price Target (€)
31-Dec-20	OW	2.25	2
16-Jun-21	OW	2.66	3.5
28-Jul-21	OW	2.23	3.3
14-Dec-21	OW	2.76	4
10-May-22	OW	3.38	4.5
16-Dec-22	OW	3.73	4.7
15-Feb-23	OW	4.75	6
26-Apr-23	OW	4.60	6.3
29-Jun-23	OW	5.78	7.3

Source: Bloomberg Finance L.P. and J.P. Morgan; price data adjusted for stock splits and dividends. Initiated coverage Jul 14, 2004. All share prices are as of market close on the previous business day.

Piraeus Bank (BOPr.AT, TPEIR GA) Price Chart



Date	Rating	Price (€)	Price Target (€)
31-Dec-20	N	1.28	1.1
19-Mar-21	NR	0.69	--
27-May-21	N	1.49	2
28-Jul-21	N	1.36	1.9
14-Dec-21	N	1.32	2
10-May-22	N	1.26	1.8
13-Sep-22	OW	1.10	2.198
16-Dec-22	OW	1.38	2.347
29-Jun-23	OW	2.83	3.9

Source: Bloomberg Finance L.P. and J.P. Morgan; price data adjusted for stock splits and dividends. Initiated coverage Jul 14, 2004. All share prices are as of market close on the previous business day.

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