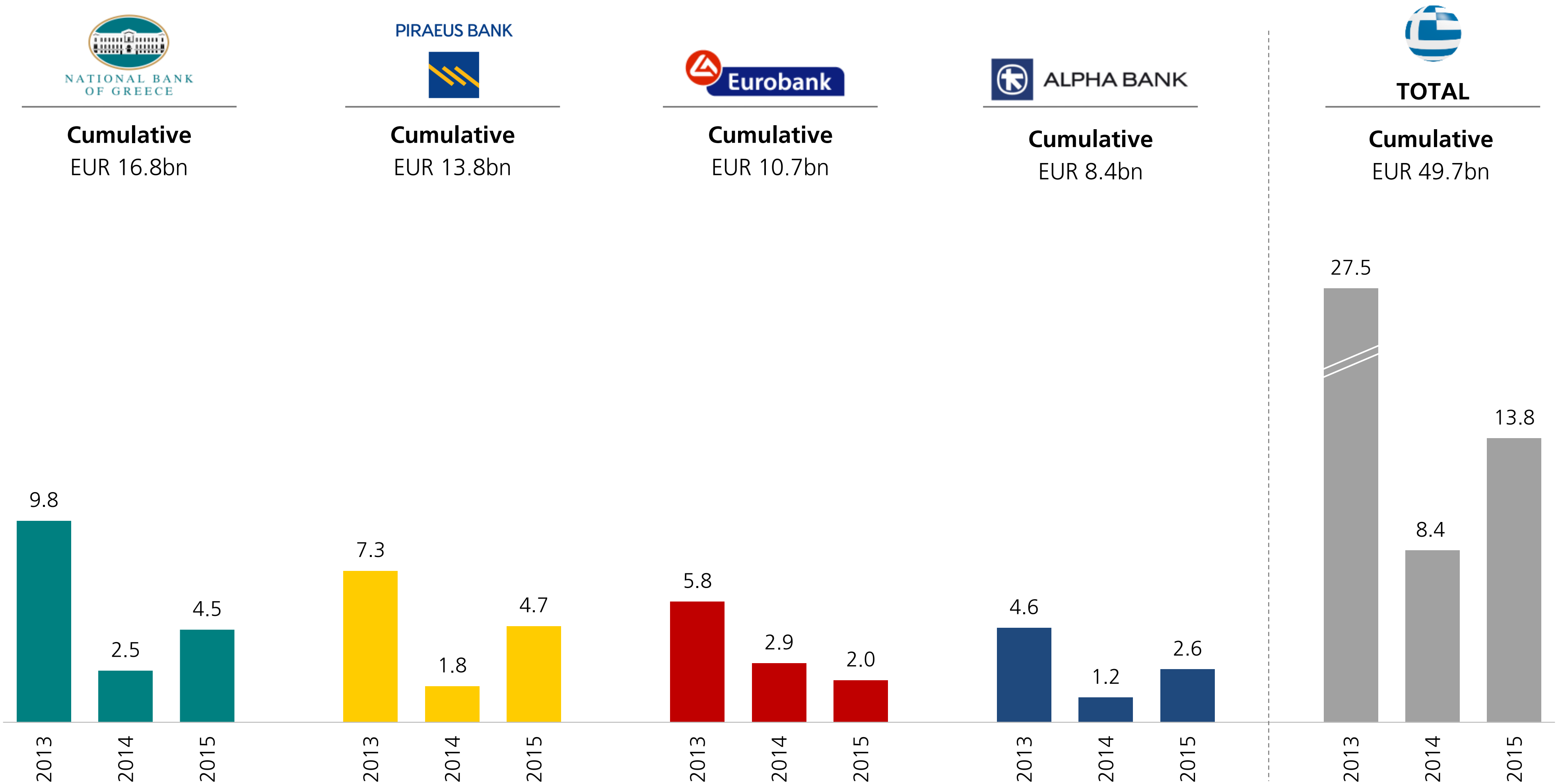
Greek banks
Is another recapitalisation on the horizon?

Athens
09 March 2016

Greek banks went through *a series of recapitalisations in the recent years…*

The four systemic Greek banks raised a total of circa EUR 50bn of capital since 2013.

Greek banks I Capital raisings
(EURbn)

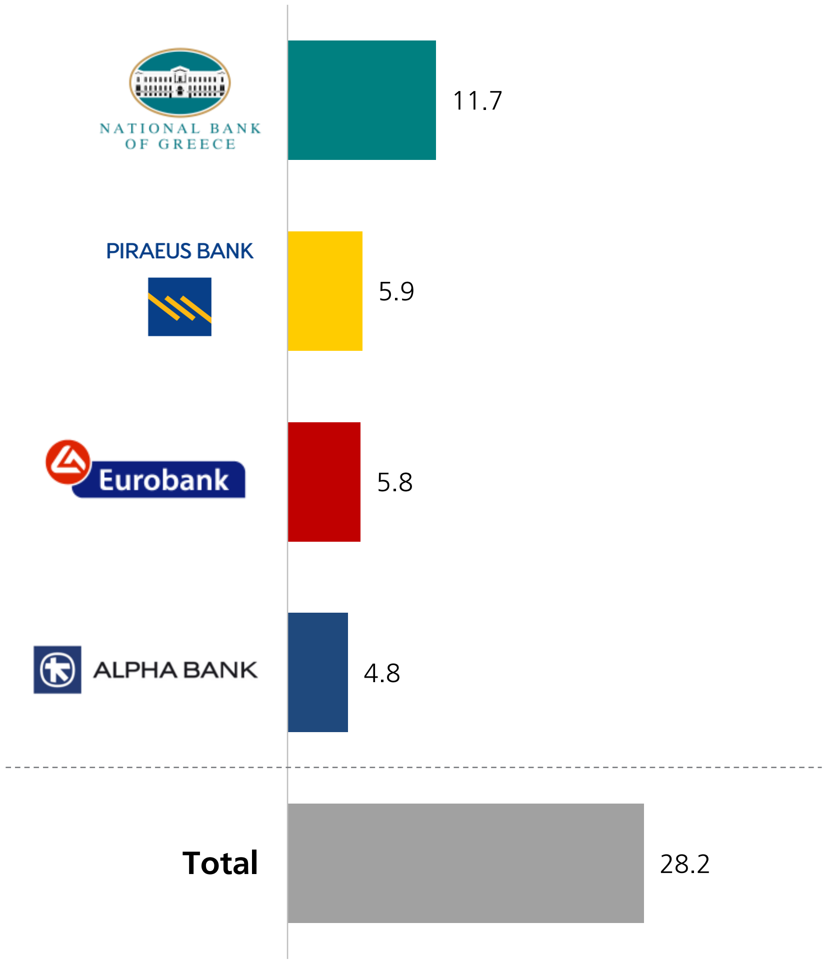


Source: Company information, broker notes.

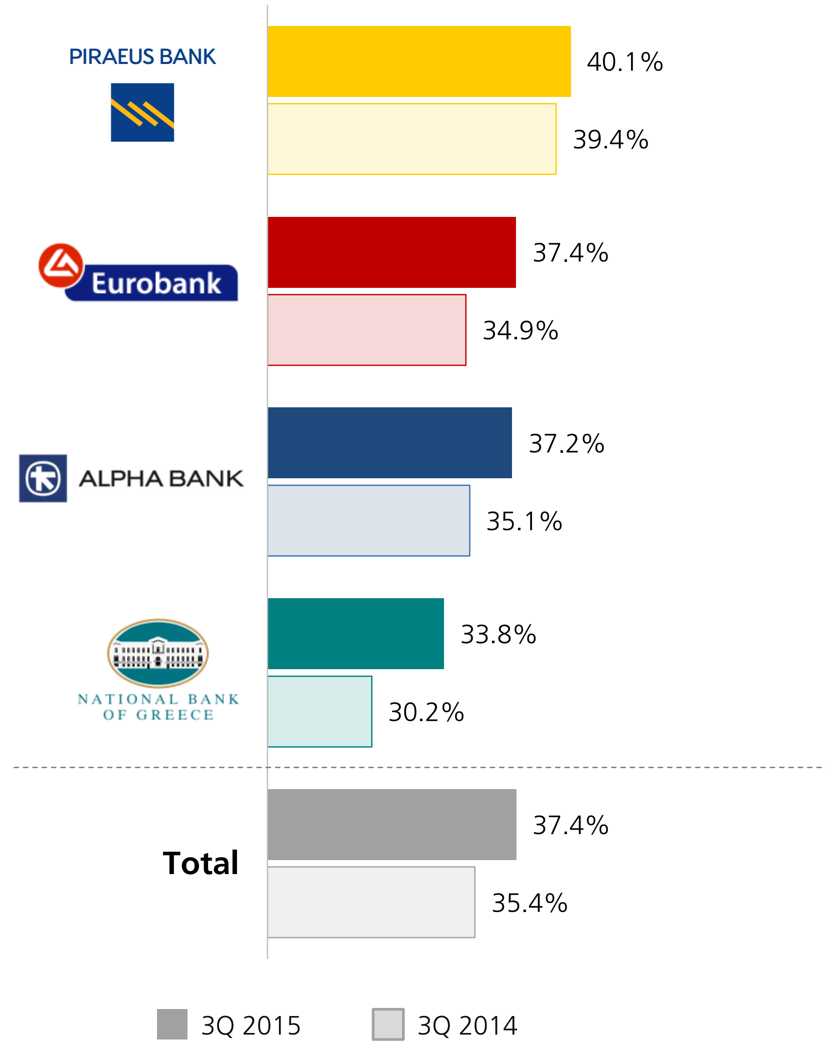
…driven by *Greek sovereign exposures and continued NPL accumulation…*

Distressed asset quality, and resulting losses (i.e. PSI losses and loan impairment charges), were the primary reason that resulted in the large-scale capital raisings of the Greek banks.

Total PSI losses I FY 2011
(EURbn)



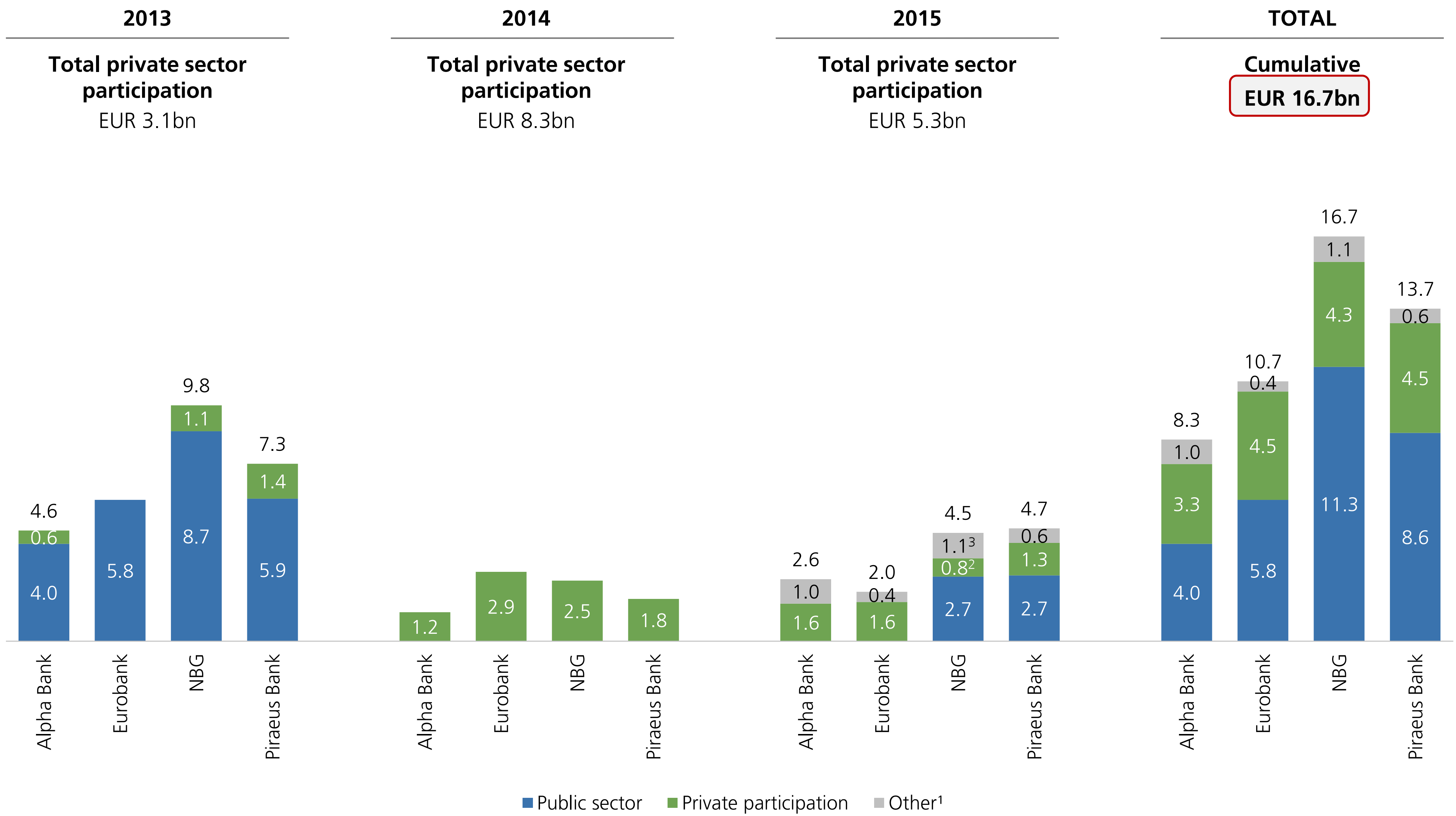
NPL ratios I Greece only



Source: Company information.

…yet, international investors showed consistent support for the Greek banking sector, *buying into each capital raising*…

Private capital from international institutional investors into Greek banks amounted to a total of circa EUR 17bn since 2013.



Source: Company information.

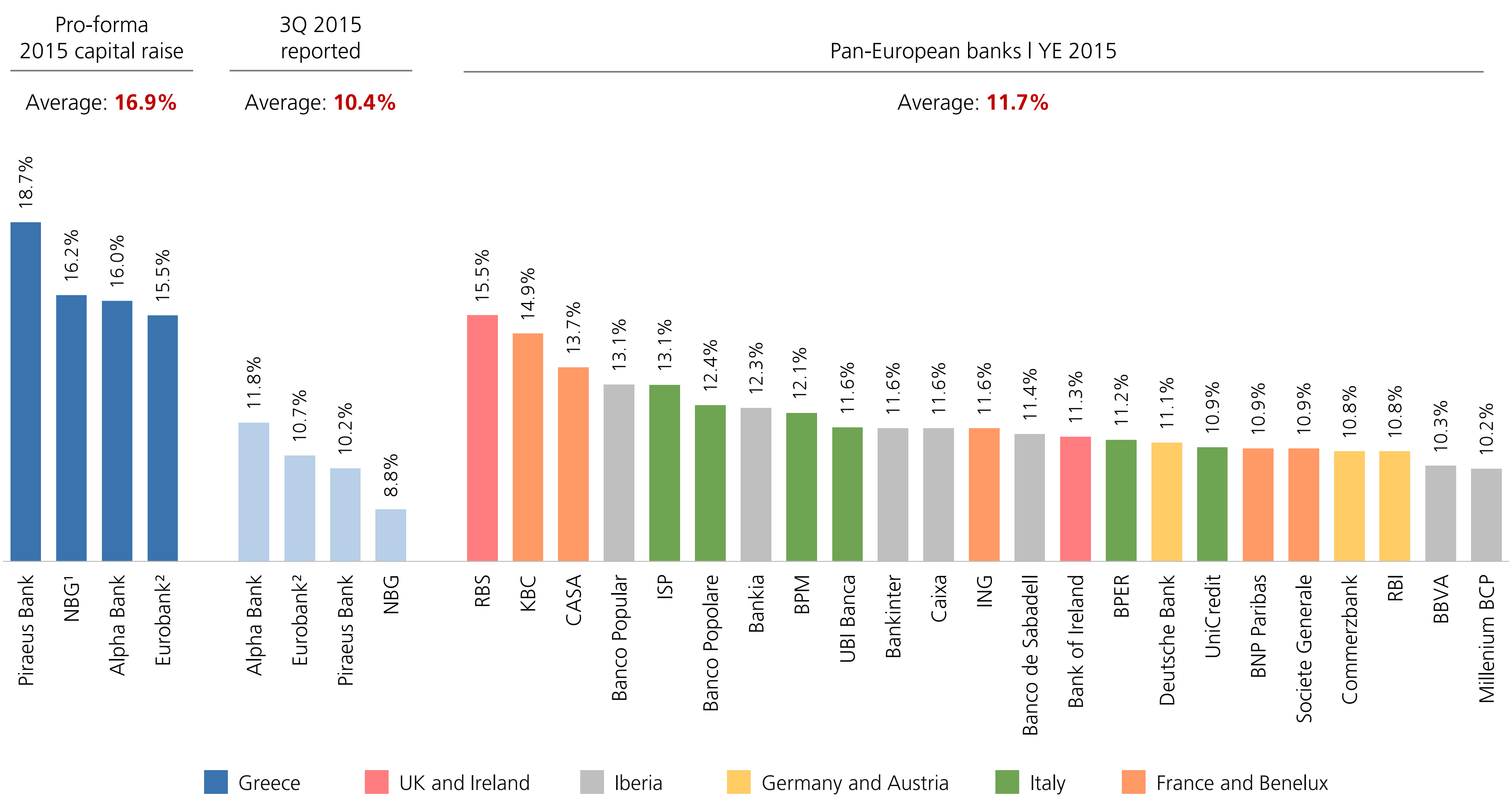
Notes:

1. Other refers to Liability Management Exercises (**LME**).
2. Includes Greek retail offering (EUR 300m).
3. Includes mandatory conversion of US preference shares.

…today, the Greek banks are among the *best capitalised banks in Europe…*

Greek banks' fully-loaded CET1 ratios rank at the highest end of the European benchmark following the recent recapitalisations.

Pan-European benchmarking I Fully-loaded CET1 capital ratios



Source: Company information.
Notes: Greek banks pro-forma capital ratios as reported for Eurobank and Alpha Bank (YE 2015).
1. NBG CET1 capital ratio includes state preference shares (EUR 1,350m); pro-forma adjustment does not include the sale of Finansbank.
2. Eurobank CET1 capital ratio includes state preference shares (EUR 950m).

…and have been *assessed multiple times by the regulators under the most stressed scenarios*

Greek banks have on aggregate booked over EUR 22bn of provisions since 4Q 2013[1], resulting in NPL coverage ratios above 60%.

Capital shortfall I ECB CA 2015[2]

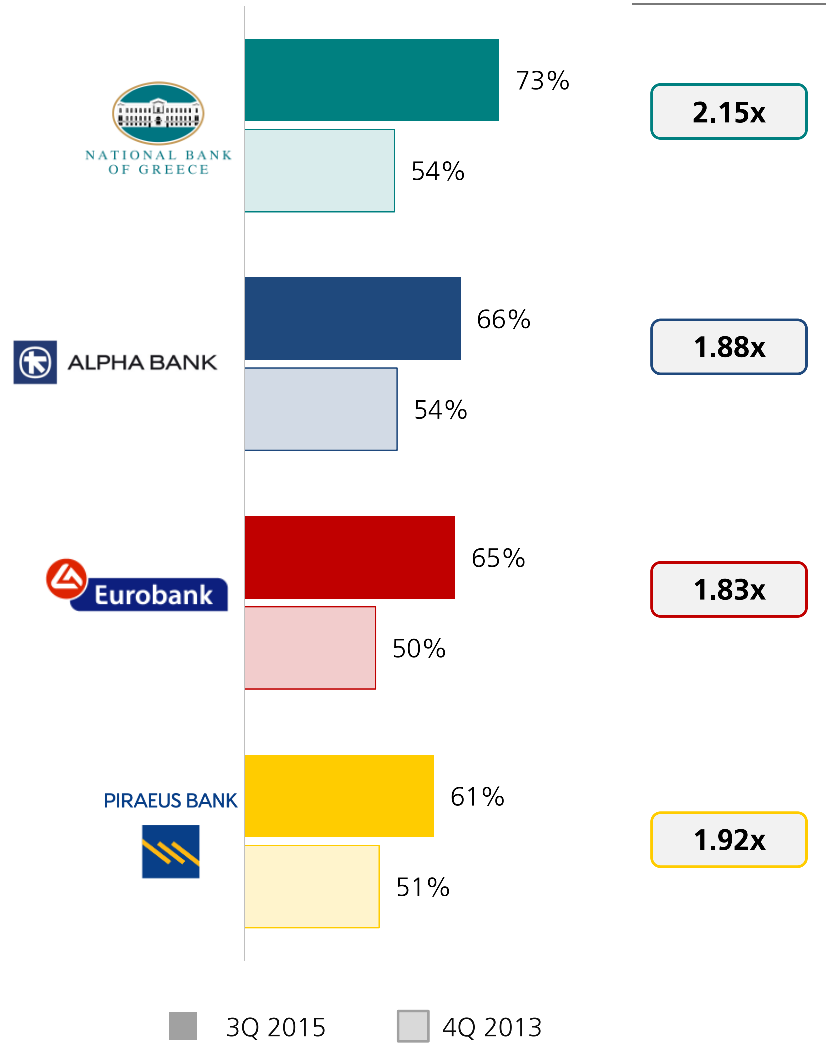
(EURbn)	ALPHA BANK	Eurobank	NATIONAL BANK OF GREECE	PIRAEUS BANK	Total
AQR impact *(A)*	-	0.3	0.8	2.2	3.4
Baseline scenario *(B)*	0.3	0.3	1.6	2.2	4.4
Adverse scenario *(C)*	2.7	2.1	4.6	4.9	14.4
Aggregate shortfall *(maximum of A,B,C)*	**2.7**	**2.1**	**4.6**	**4.9**	**14.4**

Stress tests I ECB CA 2015[2]

(EURm)	ALPHA BANK	Eurobank	NATIONAL BANK OF GREECE	PIRAEUS BANK
Pre-provision income *(Cumulative, 1H 2015 – 17E)*				
Baseline scenario	2,310	1,883	3,299	2,021
Adverse scenario	931	846	2,219	46
Delta	**-1,379**	**-1,037**	**-1,080**	**-1,975**

Provision levels of Greek banks
NPL cash coverage ratio

Cost of risk / NPL formation (4Q'13 – 3Q'15)

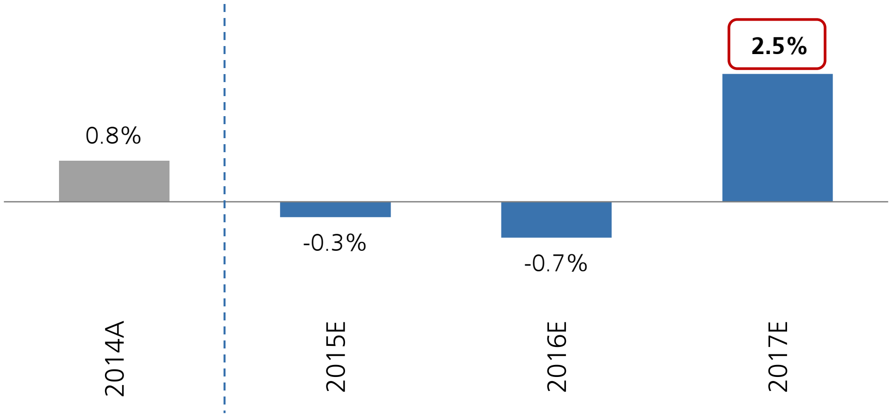


Source: Company information, ECB.
Notes:
1. Excludes 4Q 2015 as certain Greek banks have not yet disclosed FY 2015 financial results.
2. Refers to the 2015 Comprehensive Assessment Exercise conducted by the European Central Bank.

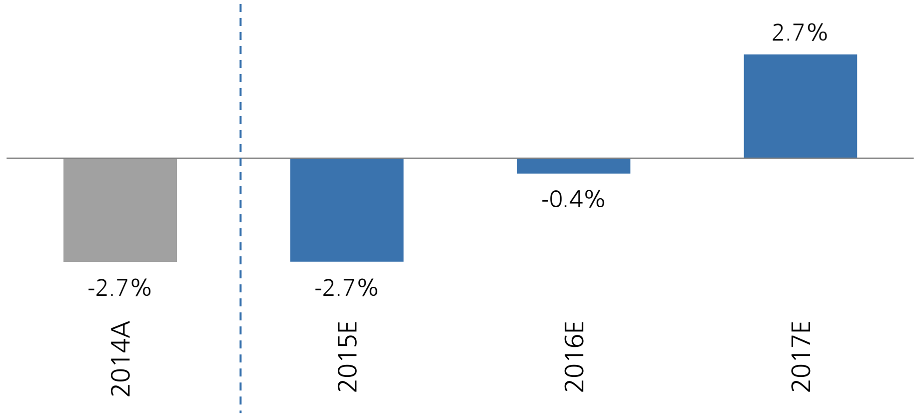
A stable political and recovering macroeconomic environment will ensure that *2015 recapitalisations were the last ones for the Greek banks in the foreseeable future…*

GDP recovery is on-going and return to growth expected in 2017; 2015 GDP growth of -0.2% indicates strong resilience given the recent developments (2 elections, 1 referendum, 1-month bank holiday and capital controls).

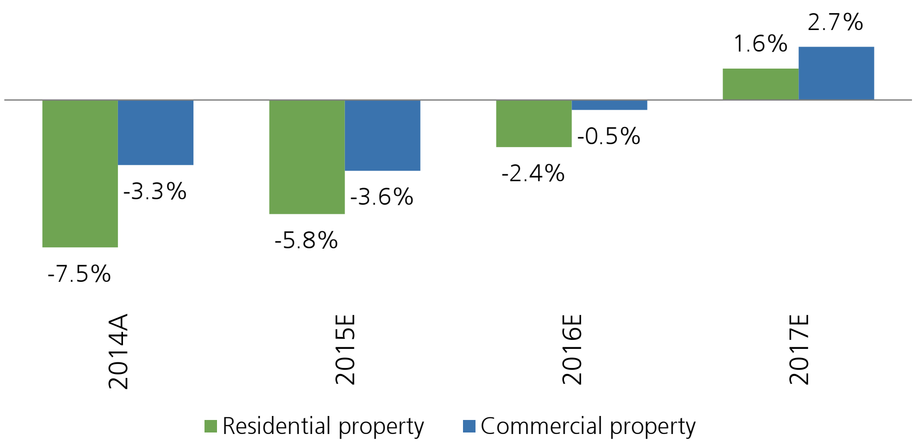
Real GDP growth



Private sector I Credit growth

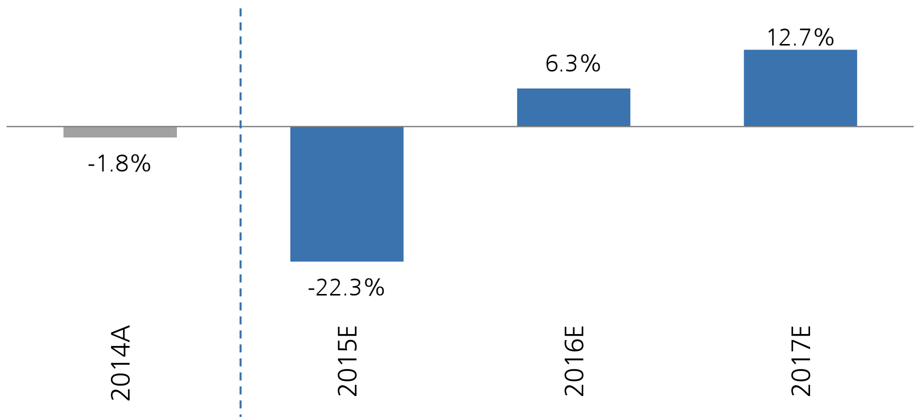


Property price index
Y-o-y change



Private sector I Deposit growth

Deposits expected to return back to the banking system in an accelerated manner



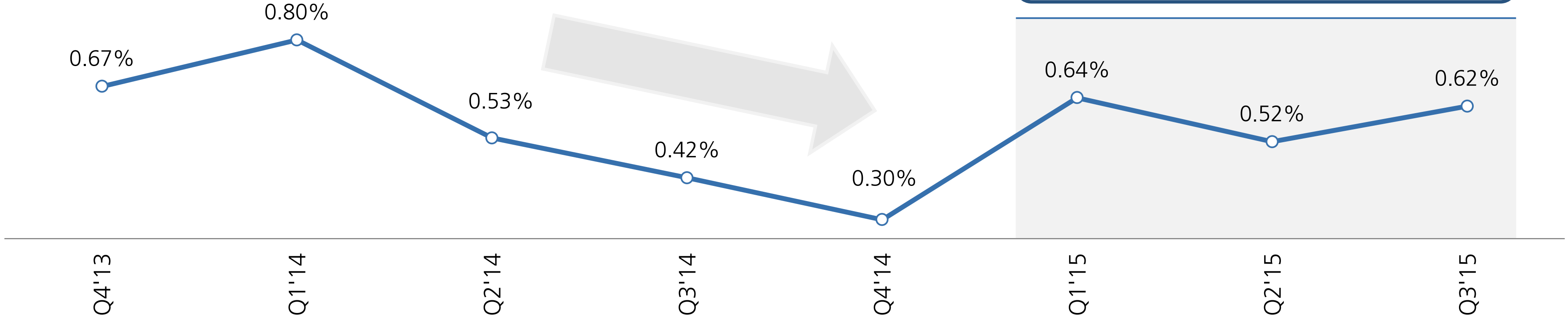
Source: Selected broker notes.

…and lead to *fading NPL formation, and minimal strain on banks' capital levels*

NPL formation expected to decrease further going-forward; banks have sufficient provision buffers for future losses

Greek banking sector I Historical NPL formation[1]
As % of gross loans

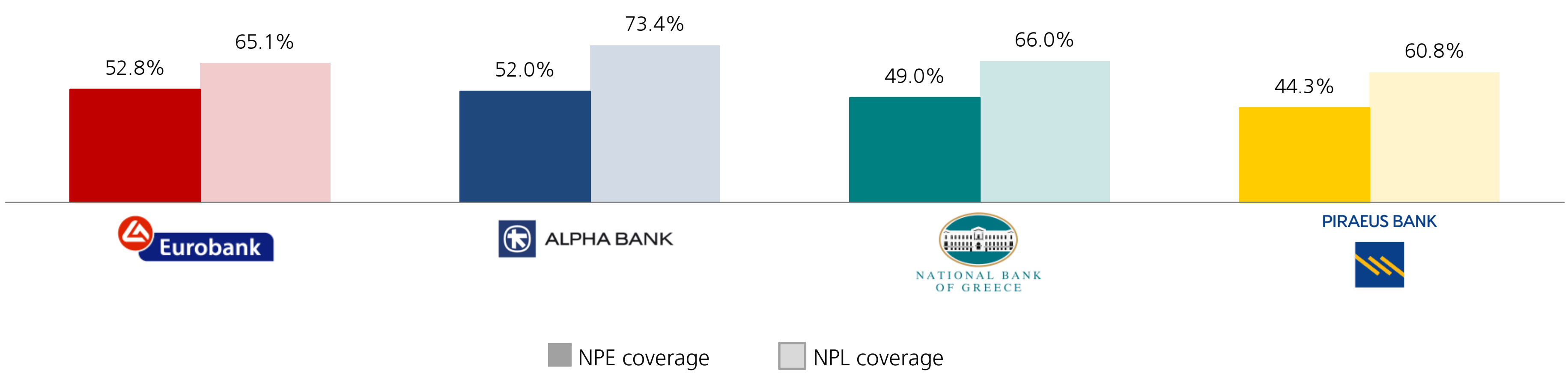
Uptick in 2015 (versus 2014) primarily related to macroeconomic / political developments and expected to decrease from 4Q 2015 onwards



Greek banking sector I Coverage levels (3Q 2015)[2]

Total NPL coverage *(including collaterals)*

Eurobank	Alpha Bank	National Bank of Greece	Piraeus Bank
>120%	123%	>120%	127%



Note:
1. Refers to domestic NPL formation of four systemic Greek banks; excludes 4Q 2015 as certain Greek banks have not yet disclosed FY 2015 financial results.
2. Ranking based on NPE coverage ratios.