



Distressed Loans in the Greek Banking System

SMEs: Internal
Workout Units

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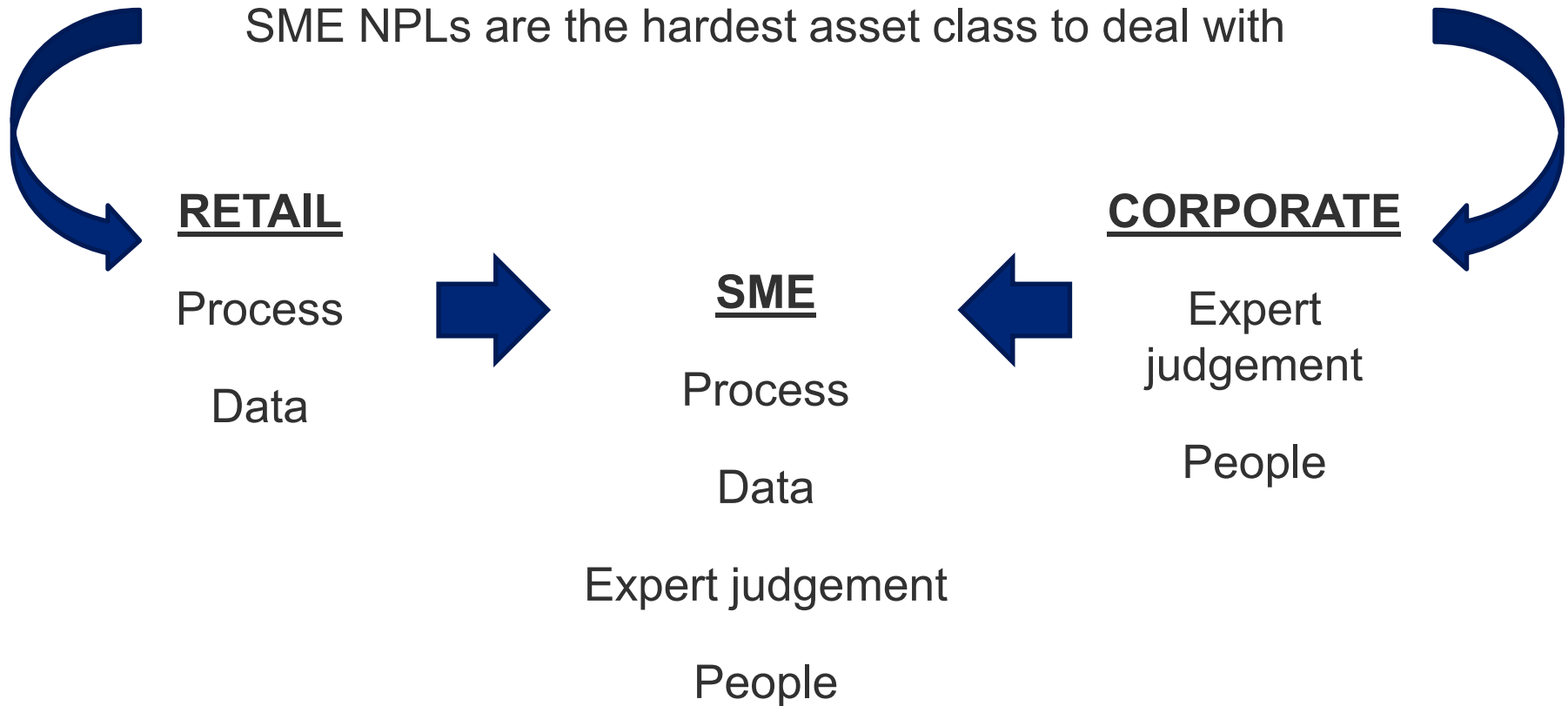


Underlying realities

NPLs will not disappear; they must be dealt with

NPL sales not a panacea; only a tool

SME NPLs are the hardest asset class to deal with



Ten key requirements

1. Deep-rooted problem requires deep-rooted **change**
2. Build a “can do” **culture**
3. **Best people** = best results
4. **Learn** from private equity and distressed investors
5. No chance of results without robust **data**
6. **Asset strategy** leads infrastructure & resources, not vice versa
7. Strategy is underpinned by **business viability** and **collateral**
8. Use all the tools at your disposal; **haircuts** and new money are powerful weapons
9. **Empower** workout
10. Short, **fast decision making** works

Specific topics

1. Pooled bad bank structure unlikely to work as of today, but ...
2. ... Non core divisions are a must with Head at MB level
3. Wrap all foreign subsidiaries under central control
4. Don't rely on the authorities making life easier in the future; use the tools you have



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