



BANK OF GREECE
EUROSYSTEM



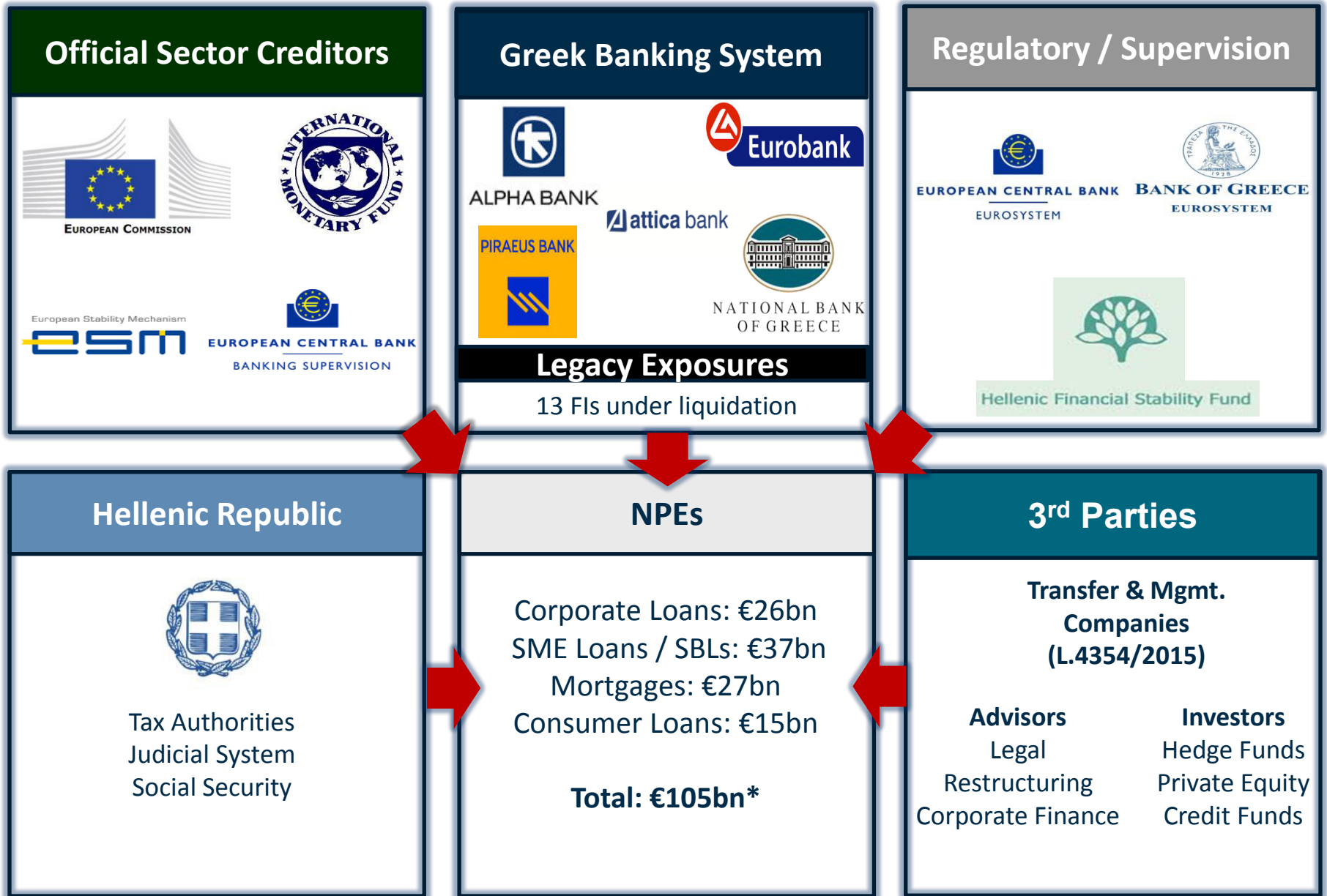
European Bank
for Reconstruction and Development

KEY CONSIDERATIONS FOR BORROWERS WITH EXPOSURES TO MULTIPLE BANKS

10 March 2016



COMPLEX NPL ENVIRONMENT WITH MULTIPLE STAKEHOLDERS



* Approximation for the four systemic Banks based on assumptions as of 30/09/2015

HANDLING OF BORROWERS WITH EXPOSURES TO MULTIPLE BANKS

Lender NPE strategies and approach

- ✓ Develop a framework for lenders to discuss their strategies at senior management and line management level
- ✓ “Rules of Engagement” Protocol: lender(s) taking the lead, standstill, creditor committee, appointment of advisors
- ✓ Save time, safeguard enterprise value and minimize costs

Debtor Information

Financial restructuring linked with operational restructuring

Lender decision making:

- ✓ timely approval process
- ✓ risks associated with restructuring decisions

Regulatory Supervision, Lenders Reporting and Evaluation

New legislation on NPL Management & Transfer Companies

MERITS AND CONSIDERATIONS OF NPL MANAGEMENT STRUCTURES

❑ Regardless of the NPL management structure, key issues remain for restructuring remain:

- ✓ New Money injection
- ✓ Governance and decision making frameworks to allow for independent and timely restructuring, leveraging existing knowledge with 3rd party expertise

KEY CONSIDERATIONS	Internal NPL Unit	Private Bad Bank	Shared Workout Platform
Set-up Funding and Loss Absorption	<input type="radio"/>	<input checked="" type="radio"/>	<input type="checkbox"/>
Transfer Price Flexibility	<input checked="" type="radio"/>	<input type="radio"/>	<input type="checkbox"/>
Simple Operational Transition	<input checked="" type="radio"/>	<input type="radio"/>	<input type="checkbox"/>
Clear Market Signal	<input type="checkbox"/>	<input checked="" type="radio"/>	<input type="checkbox"/>
Transfer of know-how	<input type="checkbox"/>	<input checked="" type="radio"/>	<input type="checkbox"/>
Flexibility / Scalability	<input type="checkbox"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>