Non-Performing Loans & Loan Restructuring as a Growth Opportunity

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New York | 12 December 2016
NPE Deleveraging from Banks’ Balance Sheets to Underpin the Re-direction of Capital Towards Funding Economic Growth

Source: BlackRock Solutions
SSM Target Setting has Defined the Path Towards the Substantial Deleveraging of NPEs from Greek Banks’ Balance Sheets…

Operational Targets Submitted to SSM – NPE Portfolios

In € Billions

Successful Workouts

Collateral Liquidations

Portfolio Dispositions

Write-offs

Source: Bank of Greece, Investor Presentations and Public Disclosures
…While Recent ECB NPL Guidance has set out the Blueprint for the Strategic, Operational and Financial Implementation of this Path

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**Strategic and Operating Impact**

- Assessing Operating Environment
- Developing NPL Strategy
- Implementing Operational Plan
- Performance Management & Reporting

**Financial / Accounting Impact**

- Forbearance Practices
- Viability and Affordability Assessment
- Implementation of NPE Definition
- Links between Regulatory and Accounting Definitions

- Policies and Procedures
- Recognition /Reversal of Impairments
- Timeliness of Provisioning & Write-offs

- Governance, Procedures and Controls
- Methodology of Collateral Valuation
- Valuation of Foreclosed Assets

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**Regulatory Emphasis placed upon:**

- Decision Making
- Control Framework
- Early Warning Systems
- Monitoring & Supervisory Reporting

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Source: ECB Supervisory Guidance
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