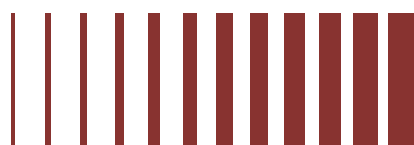


Emergency Measures in the Greek Banking and Capital Markets Sector in Response to the COVID-19 Crisis

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**KARATZAS
& PARTNERS**



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The points below summarise the first batch of emergency measures attempting to mitigate the COVID-19 public health crisis effects in the Greek Banking and Capital Markets Sector.

A. Specific measures for the Greek Market

- **Ban on short selling**

In order to ensure smooth operation of the Greek capital market, the Hellenic Capital Markets Commission (HCMC) decided during its meeting on 17 March 2020 to ban, pursuant to article 20 of Regulation 236/2012, short selling or other transactions that create or increase a net short position in shares listed on the ATHEX, irrespective of the place of execution of the relevant orders.

The ban applies also to all financial instruments that are taken into account to calculate the net short position based on articles 5 and 6 and Annex I, part 1 of Regulation (EU) no 918/2012.

The ban applies from 18.03.2020, 00.00.01 (CET), until 24.04.2020, 24.00.00 (CET).

- **Loans' holiday and suspension of foreclosures**

The Greek Banks members of the Hellenic Bank Association (HBA) decided on 19 March 2020 to suspend any loan instalments payable within the next three (3) months. The measure applies to performing exposures (PEs) of natural persons directly affected by the public health crisis and in particular those eligible for the special aid granted by the Hellenic Republic to persons (employees, self-employed and owners of small business) whose businesses suspended operations by virtue of the Government's emergency measures.

By virtue of the joint Ministerial Decision no. Δ1α/ΓΠ.οικ.18176/15.03.2020 all enforcement proceedings, including auctions, along with any trials before civil courts are suspended for the period between 16 March 2020 and 27 March 2020.

In addition, the members of the Servicers of Non-Performing Loans Association, announced on 19 March 2020 that similarly to Greek Banks they suspend any loan instalments payable within the next three (3) months by all persons eligible for the special aid granted by the Hellenic Republic. Furthermore, they will propose tailor-made solutions, including reduction or suspension of instalments for three (3) months to all persons and entities financial affected by the COVID-19 Crisis and they will instruct any associated law firms and debt recovery firms to adapt any communication with the debtors to the aforementioned.



B. EU-wide measures

- **Postponement of EU-wide stress tests**

European Banking Authority (EBA) announced on 12 March 2020 its decision to postpone the EU-wide stress test exercise to 2021. This will allow banks to focus on and ensure continuity of their core operations, including support for their customers. For 2020, the EBA will carry out an additional EU-wide transparency exercise in order to provide updated information on banks' exposures and asset quality to market participants.

Furthermore, EBA recommends to all Competent Authorities to make full use, where appropriate, of the flexibility embedded in the regulatory framework regarding capital and liquidity adequacy to support the banking sector. As an example, EBA suggests allowing Banks to cover Pillar 2 requirements with capital instruments other than common equity tier 1 (CET1) is an example. Regarding liquidity coverage ratio EBA suggests Competent Authorities avoid any measures that may lead to the fragmentation of funding markets. In addition, EBA calls for a close dialogue between supervisors and banks to ensure accurate classification of exposures and a case by case strategy on their non-performing exposures, based on the flexibility in the implementation of the EBA Guidelines on management of non-performing and forborne exposures.

- **Pandemic Emergency Purchase Programme (PEPP)**

On 18 March 2020 ECB's Governing Council among others to launch a new temporary asset purchase programme of private and public sector securities to counter the serious risks to the monetary policy transmission mechanism and the outlook for the euro area posed by the outbreak and escalating diffusion of COVID-19 of an overall amount of €750 billion. The Governing Council will terminate net asset purchases under PEPP once it judges that the coronavirus Covid-19 crisis phase is over, but in any case not before the end of the year.

A waiver of the eligibility requirements for securities issued by the Greek government will be granted for purchases under PEPP.

C. Other considerations

- **Disclosure of inside information**

Under the economic stress of the COVID-19 crisis issuers may be in possession of inside information regarding their solvency and liquidity sufficiency. Consequently, assessment should be made on what information may need to be disclosed and at what time, especially for credit and financial institution for which article 17 (5) of the Market Abuse Regulation provides a specific framework to preserve the stability of the financial system.

- **Business continuity**

Business continuity is of utmost importance for Banks in the COVID-19 environment of restrictions to movement. Some of the most important challenges Banks are facing is the activation and continuous implementation of Business Continuity Plans, the safeguarding of the effective continuation of any outsourced functions, given that outsourced contractors may not have contingency plans at the same level as the Banks, cyber-security since literally all transactions are conducted via digital channels and compliance with data protection regulation and banking secrecy rules for Banks' employees working remotely.