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Greece

BANKING & FINANCE

Contributing firm

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This country-specific Q&A provides an overview of banking & finance laws and regulations applicable in Greece.

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GREECE

BANKING & FINANCE



1. What are the national authorities for banking regulation, supervision and resolution in your jurisdiction?

The national competent authority (**NCA**) for the regulation, supervision and resolution of banks in Greece is the Bank of Greece (**BoG**), in coordination with Single Supervisory Mechanism (**SSM**), as established under Council Regulation (EU) No. 1024/2013 (**SSMR**). The framework for the cooperation between SSM and BoG is set out under Regulation (EU) No. 468/2014 (SSM Operational Framework). ECB has undertaken the direct prudential supervision of systemically important banks (**SIs**) established in the Eurozone, and thus in Greece, while BoG exercises its prudential supervision powers with respect to less significant institutions (**LSIs**). BoG maintains its capacity as resolution NCA. The adoption of potential resolution measures for banks may require the cooperation with the Ministry of Finance, the Hellenic Financial Stability Fund (**HFSF**) (in case of the provision of extraordinary public financial support) and the Hellenic Deposit and Investment Guarantee Fund (**HDGIF**). Again, there is an interplay between the Greek and the EU resolution framework for credit institutions, with the Single Resolution Board (**SRB**) being designated as the competent resolution authority under the Bank Recovery and Resolution Directive 2014/59/EU (**BRRD**). Thus, with respect to credit institutions under SSM supervision, the SRB is the competent body to adopt measures provided for in the Single Resolution Mechanism Regulation (EU) No. 806/2014 (**SRM**), and potentially finance them through the funds of the Single Resolution Fund (**SRF**). In its capacity as national resolution authority, the BoG would implement the measures adopted by the SRB, in accordance with the powers conferred on it by Greek law 4335/2015 transposing the BRRD (the **Greek BRRD Law**).

2. Which type of activities trigger the requirement of a banking licence?

In accordance with article 9 of Greek law 4261/2014 (the **Greek Banking Law**), the following activities are

restricted only to institutions having been granted a banking license:

- accepting deposits and other repayable funds from the public;
- without prejudice to any special provisions of applicable legislation (e.g. with respect to Micro-credit institutions), the professional granting of loans and/or other types of credit.

Article 11 of the Greek Banking Law provides for other regulated services, i.e. services the provision of which triggers a licensing requirement, including, *inter alia*, payment and e-money services or investment service,) however these are not construed as constituting a trigger event specifically for a banking license, because the relevant services may be provided in compliance with a different licensing framework (e.g. payment institution, e-money institution, leasing company or investment firm).

3. Does your regulatory regime know different licenses for different banking services?

A banking license is universal, in the sense that an entity holding a banking license is entitled to offer and perform all services of article 9 of the Greek Banking Law and article 11 of the Greek Banking Law. Concurrent licensing regimes apply for certain of the services listed under article 11 of the Greek Banking Law, other than the *stricto sensu* banking services. In particular,:

- With respect to investment and ancillary services as listed under Annex I of Directive 2014/65/EU of the European Parliament and of the Council (**MiFID II**), the licensing and supervisory competent authority is the Hellenic Capital Markets Commission (**HCMC**). The relevant regulatory and legal requirements are provided for by Greek law 4514/2018 (the **Greek MiFID Law**);
- With respect to payment services, e-money services, factoring, leasing, claims'

management companies and currency exchanges services, to the extent not provided under a general banking license, the licensing and supervisory authority is the BoG and the relevant regulatory and legal requirements are provided for:

- Greek law 4537/2018 (the **Greek PSD2 Law**) with respect to payment services;
- Greek law 4021/2011 (the **Greek EMD Law**) and further specified via Executive Committee Act no.164/2/13.12.2019, with respect to e-money institutions;
- Greek law 1905/1990 (the **Greek Factoring Law**) with respect to companies providing only factoring services;
- Greek law 1665/1986 (the **Greek Leasing Law**), with respect to companies providing only leasing services;
- Greek Law 4354/2015 (the **Greek Claims Management Law**), with respect to claims' management companies; and
- Greek law 2515/1997 (the **Greek Currency Exchange Law**), with respect to currency exchanges;

Special licensing regimes are also provided for:

- the consumer credit companies of article 153 of the Greek Banking Law; and
- the micro-credit institutions under Greek law 4701/2020 (the **Greek Micro-Credit Law**).

In both cases the licensing and supervisory authority remains Bank of Greece.

4. Does a banking license automatically permit certain other activities, e.g., broker dealer activities, payment services, issuance of e-money?

Yes, if a general banking license is granted for all activities listed under article 11 of the Greek Banking law (i.e. activities that are subject to mutual recognition, in accordance with Annex 1 of Directive 2013/36/EU of the European Parliament and of the Council (**CRD IV**)). Moreover, Greek banks are allowed to distribute insurance products (bancassurance business) in the capacity of insurance agents.

5. Is there a “sandbox” or “license light” for specific activities?

There is no officially established “sandbox” and any

regulated activity can be provided or marketed in Greece after the relevant licensing requirements have been satisfied.

In March 2019, BoG set up an Innovation Hub to enable FinTech aiming to encourage industry participants to engage in dialogue with the regulator regarding digital transformation and innovation, and subsequently became a member of the European Forum for Innovation Facilitators (**EFIF**), since its launch in April 2019. The BoG had also initiated the process of launching a regulatory sandbox and a relevant procurement note has been issued by the European Bank for Reconstruction and Development (**EBRD**).

6. Are there specific restrictions with respect to the issuance or custody of crypto currencies, such as a regulatory or voluntary moratorium?

Until today, there is no special local regime for the issuance and custody of crypto-currencies.

However, Greek Law 4557/2018 (the **Greek AML Law**) was recently amended to transpose Directive (EU) 2018/843 (the **AMLD V**) to include in the scope of the customer due diligence and reporting requirements the providers of exchange services between virtual and fiat currencies and custodian wallets (the **Crypto-Currency Services**).

Further to the above, a register for the Crypto-Currency Services providers in Greece has been established. The register is kept by the HCMC. No Crypto-Currency Service can be provided in Greece, if HCMC rejects the registration of the provider. As stressed by the HCMC in the relevant public communication issued on the entry into force of the new regime, the registration does not constitute, and should not be communicated to investors as, an authorisation of any type.

7. What is the general application process for bank licenses and what is the average timing?

The terms and conditions for the establishment and operation of credit institutions in Greece are laid down in the Greek Banking Law, and further specified in the BoG Executive Committee Act 142/11.6.2018, as amended and currently applicable, and the Banking and Credit Committee Decision 211/1/5.12.2005.

More specifically, the applicant submits to the BoG the license application with supporting documentation

containing information *inter alia* on organisational and capital structure and *fit-and-proper* assessments with respect to Board of Directors Members and key function holders, as well as the AML officer. Moreover, the applicant must provide information on shareholders with holdings exceeding 1%, a copy of its AoA and a detailed programme of operations, in which all material information that will allow the BoG to make its assessment of the application is contained (including funding sources, projected capital adequacy ratio, group structure, distribution channels, accounting/auditing procedures, IT system architecture and security policy and corporate governance framework).

In the event that BoG rejects the license application of a credit institution, it will notify the applicant within six months from receipt of said application, or, in the event that the application was incomplete, within six months from the filing of all information required by BoG to issue its decision. In any event, the decision granting license or rejecting the application shall be issued within 12 months from receipt of a complete application.

8. Is mere cross-border activity permissible? If yes, what are the requirements?

In principle, the provision of banking services to clients resident in Greece on a cross-border basis is allowed only to banks duly authorized in another EEA jurisdiction. Where the provider of the relevant services is licensed in another EEA jurisdiction (**home state**), they may market and/or offer any of the services for which they are licensed in their home state on a cross-border basis, based on the European passport (freedom to provide services), subject to a notification process. BoG, in its capacity as the supervisory authority of the host state, may *inter alia* require the reporting of information and supervise the compliance with certain regulatory business conduct rules.

Where the provider of the relevant services is not licensed in another EEA jurisdiction (i.e. it is a **third-state entity**) and intends to provide such services in Greece, they must establish a subsidiary or a branch which will be licensed by BoG. Such a subsidiary/branch would have to comply with all requirements (*inter alia* organisational and capital) that are applicable to a Greek credit institution licensed under the Greek Banking Law for the same services. The regulatory framework on their establishment and operation is further elaborated in the BoG Executive Committee Act 58/18.1.2016.

9. What legal entities can operate as banks? What legal forms are generally used to operate as banks?

In accordance with article 8 of the Greek Banking Law, credit institutions established in Greece must have the legal form of a *societe anonyme* under Greek Law 4548/2018. Alternatively, they may be established and operate under any of the following legal forms:

- A credit cooperative society under Greek Law 1667/1986; or
- A European company (**SE**), under Council Regulation (EC) No 2157/2001; or
- A European cooperative society (**SCE**), under Council Regulation (EC) No 1435/2003.

10. What are the organizational requirements for banks, including with respect to corporate governance?

Institutions licensed by the BoG as banks have to comply with the corporate governance requirements set out in the Greek Banking Law and in the BoG Governor's Act No. 2577/2006, as amended, which sets out the "Framework of operational principles and criteria for the evaluation of the organization and Internal Control Systems of credit and financial institutions and relevant powers of their management bodies". The relevant corporate governance framework is based on the three lines of defense model, as reflected *inter alia* in the following main pillars:

1. **Management:** The board of directors has the overall responsibility for the bank and approves and oversees the consistent implementation of the strategic objectives, risk strategy and internal governance of the bank. With respect to banking groups, the board of directors of the parent entity is responsible for the entire corporate group, including for establishing the corporate strategy at group level and for coordinating and ensuring the internal consistency of the relevant control functions within the subsidiaries. To be able to carry out these tasks, the board of directors must be composed of members that collectively have the requisite knowledge and experience at least in relation to the primary activities of the bank. Moreover, the separation principle is meant to prevent conflicts of interest, by ensuring administrative separation between executive and supervisory functions; at least one member, or two members of the board of

directors in case the value of the bank's assets exceeds 10 billion euros, must be non-executive and independent, and the chairperson of the board of directors cannot assume the function of the bank's chief executive officer, unless an exemption is granted by BoG. The board of directors is assisted by committees, which perform the duties assigned to them by the board of directors and/or by specific legal provisions.

2. **Support functions:** Greek banks have to identify, monitor and manage risks through the relevant functions. Greek banks are required to have a risk management unit, independent of all operation functions, which is responsible for designing, specifying and implementing policies related to risk management and capital adequacy, including the application of an early warning system, the annual performance of stress tests and the periodical submission of relevant reports to the board of directors. In addition, the compliance function is entrusted to the Compliance Unit (or to specific persons, depending on the size of a bank), which establishes and implements appropriate procedures and an annual programme to ensure full, uninterrupted and readily verifiable compliance of the bank with applicable laws, regulations and the bank's internal rules and policies,
3. **Internal Control:** An internal control unit is mainly responsible for performing the checks required for an objective, independent and substantiated assessment of the efficiency of the internal control system at both single-entity and corporate group level. The establishment of an Audit Committee is also mandatory for Greek banks whose shares are listed and traded on a regulated market, have subsidiaries or branches outside of the Greek territory, or have assets with value exceeding 100 million euros.
4. The above mechanisms are supplemented by a bank's remuneration policy (and the establishment of a remuneration committee or, as the case may be, the assignment of such duties to non-executive members of the board of directors), policies and procedures addressing conflicts of interest, and potentially by the adoption of a Corporate Governance Code. Greek banks offering investment services also need to comply with relevant organisational requirements set out in the Greek MiFID Law.

In addition, Greek banks whose shares are listed on a regulated market in Greece are also subject to the corporate governance requirements applicable to Greek listed entities.

11. Do any restrictions on remuneration policies apply?

The Greek Banking Law has transposed almost *verbatim* the CRD IV provisions on remuneration policies, including those setting a cap on the bonuses of bankers (i.e. the variable component cannot be higher than the fixed component, unless the general meeting of the bank's shareholders approves a higher ratio up to 200% of the fixed remuneration), with any deviation from the cap being subject to a specific corporate procedure and to notification to BoG, evidencing that the higher ratio is not contrary to the regulatory capital obligations of the bank. The applicable regulatory framework also includes the provisions of Regulation (EU) No 575/2013 of the European Parliament and of the Council (**CRR**) on the disclosure of remuneration policies etc. and the regulatory provisions enacted by BoG, mainly the BoG Governor's Act No. 2650/2012 on the remuneration policy to be applied by credit institutions, as in force, the BoG Executive Committee Act No. 158/2019 endorsing the EBA Guidelines on sound remuneration policies (EBA/GL/2015/22) and the BoG Governor's Act No. 2577/2006, as amended.

Greek banks whose shares are listed on a regulated market additionally need to ensure that their remuneration policies meet the minimum content requirements provided for in Greek Law 4548/2018, prepare relevant remuneration reports and comply with specific provisions on employee share schemes.

Greek banks that have received capital support from the HFSF are subject to additional restrictions.

Further restrictions may be imposed on distributions within the context of the exercise of the prudential supervisory power of the competent authorities.

12. Has your jurisdiction implemented the Basel III framework with respect to regulatory capital? Are there any major deviations, e.g., with respect to certain categories of banks?

In line with the Basel III framework, the CRD IV regulatory framework has been fully transposed in Greece through the Greek Banking Law (including the introduction of capital buffers to be maintained by

banks), whilst CRR and the EU implementing and delegated acts for CRR are directly applicable to Greek banks, without any transposition measure being required.

As of to date, Directive (EU) 2019/878 (**CRD V**) has not been transposed in Greek law, but a draft bill for its transposition is in public consultation. Subject to certain exceptions, Regulation (EU) 2019/876 (**CRR II**) shall apply from 28 June 2021.

13. Are there any requirements with respect to the leverage ratio?

The leverage ratio of the Greek banks is calculated in accordance with the CRR provisions, reported to BoG under the reporting requirements of the Commission's Implementing Regulation (EU) No 680/2014 (as amended by Commission Implementing Regulation (EU) 2016/428 with respect to the reporting of the leverage ratio) and disclosed publicly. This monitoring procedure is intended to prevent excessive leverage, but currently there is no limit to the leverage ratio. However, CRR II introduces for the first time a binding 3% leverage ratio requirement, which will apply to Greek banks from June 2021.

In view of the exceptional circumstances due to the Covid-19 pandemic, ECB has announced on 27 September 2020 that banks under its direct supervision in the Euro area, including Greek banks, are allowed to exclude certain central bank exposures from the leverage ratio until June 2021.

14. What liquidity requirements apply? Has your jurisdiction implemented the Basel III liquidity requirements, including regarding LCR and NSFR?

Greek banks are subject to the liquidity metrics under CRR and Commission Delegated Regulation (EU) 2015/61, as amended, i.e. the liquidity coverage ratio (LCR) and the net stable funding ratio (NSFR). Whenever a Greek bank assesses that it will not be able to satisfy the LCR or the NSFR requirements, it has to notify BoG and take measures to ensure compliance with LCR and NSFR limits.

The CRR II and CRD V package will bring about certain changes to the regulatory requirements with respect, *inter alia*, to the NSFR.

15. Do banks have to publish their financial

statements? Is there interim reporting and, if so, in which intervals?

Pursuant to generally applicable corporate rules to entities established in Greece as *societes anonymes*, Greek banks have to publish their annual financial statements. Greek banks whose shares are listed on a regulated market are also obliged to publish half-year and quarterly financial statements for the first and the third quarter of each financial year, as provided for and further specified in Greek Law 3556/2007 which transposed Directive 2004/109/EC in Greek law, as currently applicable.

16. Does consolidated supervision of a bank exist in your jurisdiction? If so, what are the consequences?

The Greek Banking Law and the CRR establish the principle of prudential supervision on a consolidated basis for Greek credit institutions. Pursuant to the SSM rules and the Greek Banking Law, BoG is responsible for the consolidated supervision where it has authorised an institution as a less significant institution (LSI) which is a parent institution in Greece or an EU parent institution. Moreover, BoG exercises prudential supervision with respect to credit institutions whose parent company is a financial holding company or a mixed financial holding company in an EU member-state (CRR, article 12). Conversely, where the institution is classified as an SI, ECB will exercise its prudential supervision on a consolidated basis, again through SSM. By way of consequence and in any case, the regulatory framework set forth by articles 11 *et seq.* of CRR will be applicable, affecting the methodology via which the observance of prudential rules will be assessed.

17. What reporting and/or approval requirements apply to the acquisition of shareholdings in, or control of, banks?

In accordance with the BoG Executive Committee Act 142/11.6.2018, as currently applicable, implementing the 2016the Joint Guidelines for the prudential assessment of acquisitions and increases of qualifying holdings in the financial sector (JC/GL/2016/01) of the Joint Committee of the European Supervisory Authorities, if a natural or legal person, alone or acting in concert, has decided to:

- acquire, directly or indirectly a qualifying holding (i.e. 10%); or
- increase an existing qualified holding so that the proportion of the voting rights or of the

capital held would reach or exceed 20%, 1/3 or 50%, or so that the credit institution would become its subsidiary; or

- although not included in the above cases, plans, to control the credit institution,

has to notify in writing BoG and submit a fit-and-proper assessment questionnaire.

Relevant data and submission of the assessment questionnaire may be required by the BoG on a discretionary basis even for less significant changes in the institution's holdings (e.g. where the acquired holding exceeds 1% of the credit institution's share capital).

18. Does your regulatory regime impose conditions for eligible owners of banks (e.g., with respect to major participations)?

BoG checks the suitability of a proposed acquirer of qualifying holdings (defined as a direct or indirect holding in an undertaking which represents 10 % or more of the capital or of the voting rights or which makes it possible to exercise a significant influence over the management of said undertaking) in light of the following criteria:

1. the reputation of the proposed acquirer and any BoD members that they plan to propose;
2. the financial soundness of the acquirer;
3. the ability of the credit institution to continue complying with its prudential requirements;
4. any reasonable grounds to suspect that the proposed acquisition bears significant AML/CFT risks.

19. Are there specific restrictions on foreign shareholdings in banks?

There is currently no distinction between domestic and foreign investment in banks under Greek law, nor is there any additional requirement that potential foreign acquirers of shareholdings in Greek banks must meet that is not applicable with respect to potential domestic acquirers.

20. Is there a special regime for domestic and/or globally systemically important banks?

Four (4) Greek banks qualify as significant institutions under the SSMR and are subject to the direct supervision of ECB. BoG also identifies every year the banks to be

treated as other systematically important institutions (O-SIIs), to which the O-SII buffer and the combined buffer apply. However, there are no banks identified as global systemically important institutions (G-SIIs) in Greece.

21. What are the sanctions the regulator(s) can order in the case of a violation of banking regulations?

In performing its supervisory tasks, the BoG may decide to impose administrative sanctions on supervised entities in cases of non-compliance with the legal and regulatory framework. More specifically, the BoG has the power impose penalties both on credit institutions and members of the Board of Directors due to an infringement of the provisions of the Greek Banking Law, of CRR or of any delegated administrative act. The nature of the imposed sanction may vary depending on the nature of the violation and on the discretion of the BoG. Sanctions may *inter alia* include:

- if the sanctioned entity is a legal person, administrative fines up to €10,000,000 or 10% of the entity's turnover;
- if the sanctioned entity is a natural person (e.g. in their capacity as BoD member), administrative fines of up to €5,000,000;
- a public notice of the violation;
- if the sanctioned entity is a BoD member of a supervised entity, a suspension of their voting rights.

Finally, it is noted that the pursuit on a professional basis of *stricto sensu* banking activities (taking deposits and granting loans) in violation of the licensing requirements set by articles 9 *et seq.* of the Greek Banking Law constitutes a criminal offense.

22. What is the resolution regime for banks?

The legislation governing resolution of credit institutions in Greece is set out in the Greek BRRD Law and the Greek Banking Law (where the Greek BRRD Law refers with respect to, *inter alia*, the ranking of liabilities in case of special liquidation). The Greek BRRD Law has transposed almost verbatim the provisions of the BRRD.

The resolution tools include :

- the sale of business tool, whereby the resolution authority transfers ownership of all or some assets, rights or liabilities of the resolution entity to a purchaser on commercial terms without requesting the

- consent of the shareholders;
- the bridge institution tool, whereby the transactional architecture is the same as per above, but the purchaser is a publicly controlled entity known as a *bridge institution*;
- the asset separation tool, whereby the purchaser is an asset management vehicle.; and
- the bail-in tool.

With respect to LSIs, BoG is the competent resolution authority in Greece and may, in that capacity, request available information, carry out raids and impose fines and administrative penalties. In the event that the resolution of a SI is required, SRB is recognised as the authority with competency to devise the resolution strategy, with BoG having an executory role.

23. How are client's assets and cash deposits protected?

Greek Law 4370/2016, transposing Directive 2014/49/EU (the **HDGIF Law**), governs the operation of the Hellenic Deposit and Investment Guarantee Fund (**HDIGF**). The HDIGF's purposes are (i) to compensate depositors if repayment of their deposits by the credit institution is not possible, (ii) to compensate investor clients where a credit institution cannot fulfil its obligations to them and (iii) to finance resolution measures for credit institutions. The HDIGF is funded by all Greek banks (including their foreign branches), as well as by local branches of third-country credit institutions (participation by local branches of EU-licensed credit institutions is available on an optional basis). The HDIGF operates three distinctive schemes (corresponding to each of its purposes), namely:

- A Deposit Guarantee Scheme (with a maximum coverage of €100,000 per depositor, per bank);
- An Investor Compensation Scheme (with a maximum coverage of €30,000 per investor per bank);
- A Resolution Fund for banks (where operation of the SRF is not applicable, pursuant to articles 24 and 36 of the HDGIF Law).

Further to the above, according to article 145 par. 3 of the Greek Banking Law, assets owned by customers of the credit institution under resolution and for which such ownership can be verified based on the relevant entries in the books of the credit institution as well as any other means of evidence, including safe deposit content, are segregated from the insolvent entity's other assets.

Same as above, there are excluded liabilities from the

scope of the bail in resolution tool which refer to any obligation deriving from custody of clients' assets.

24. Does your jurisdiction know a bail-in tool in bank resolution and which liabilities are covered?

Under the Greek BRRD Law, the resolution authority has the power to use the bail-in tool under the same circumstances that the BRRD, as currently applicable, provides for. When using the bail-in tool, the relevant resolution authority must write down or convert obligations of the entity under resolution in the following order:

- (a) CET1;
- (b) Additional Tier 1 instruments;
- (c) Tier 2 instruments;
- (d) other subordinated debt, in accordance with the ranking of claims in special liquidation proceedings; and
- (e) other eligible liabilities, in accordance with the ranking of claims in special liquidation proceedings.

A number of liabilities are excluded from the bail-in tool, including covered deposits and secured liabilities (including covered bonds). For the purposes of the bail-in tool, the designated resolution entities are required to maintain at all times a sufficient aggregate amount of own funds and eligible liabilities at a stand-alone and/or consolidated level, the aim of which is to ensure that they have sufficient loss-absorbing capacity.

25. Is there a requirement for banks to hold gone concern capital ("TLAC")?

The BRRD sets minimum requirements for own funds and eligible liabilities framework (**MREL**) on credit institutions' business, financial condition and results of operations. The scope of these requirements is institution-specific, meaning that MREL is set for each institution in consultation with the competent resolution authority (i.e. SRB or BoG) and will be a function of different paragons, such as the systemic importance of the institution, its size and anticipated resolution scheme.

TLAC requirements in the EU are applicable to global systemically important institutions (G-SIIs), denominators of which are aligned with the existent MREL standard, pursuant to the Regulation (EU) 2019/877, which amended the SRM Regulation.

However, it is noted that there are no G-SIIs currently headquartered in Greece and thus TLAC requirements would only be applicable to a credit institution in Greece to the extent that it would be considered as a resolution entity or material subsidiary of a G-SII.

26. In your view, what are the recent trends in bank regulation in your jurisdiction?

The EU Commission and ECB have taken an approach based on both flexibility and prudence, to address the extraordinary circumstances created in the wake of to the Covid-19 pandemic. The initiatives taken by ECB include relief measures regarding asset quality deterioration and non-performing loans, relief measures regarding the operational aspects of supervision, relief measures regarding capital and liquidity requirements, as well as restrictions on dividends and variable remuneration. This trend however is not expected to

continue after the end of the Covid-19 pandemic.

Further to the above, draft bills for the transposition of CRD V and BRRD II have been recently put to public consultation in Greece.

27. What do you believe to be the biggest threat to the success of the financial sector in your jurisdiction?

Following a ten-year financial and economic crisis, the recovery of the Greek economy and of the Greek financial sector has also been affected by the Covid-19 pandemic and by the measures taken to combat the pandemic. Although the portfolios of non-performing loans (NPLs) of the Greek systemic banks has been reduced through targeted actions, such as the securitization of NPLs backed by the asset protection scheme "Hercules", the Covid-19 pandemic is expected to generate a new inflow of NPLs despite moratoria that have been granted.

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