Question for written answer E-005925/2018
to the Commission
Rule 130
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Subject: Bank of Greece's new plan for non-performing loans

Working together with the four systemically important banks, the Bank of Greece (BoG) is planning to implement a new plan to combat non-performing exposures (NPEs).

The plan involves setting up a special purpose vehicle (SPV), to which accounting capital in the form of deferred tax credits (DTCs) will be transferred, at the same time as non-performing exposures (NPEs) (i.e. bad loans), together with their collateral. The vehicle will then securitise the non-performing loans and sell them on the market.

Under the Third Memorandum, the Commission, the ECB and the Government agreed on a strategy of liberalising the NPE market and auctioning off housing.

The BoG plan automatically creates a shortfall of an estimated EUR 3 to 5 billion in capital at the systemically important banks.

– The strategy for tackling bad loans currently being implemented in Greece is based, among other things, on a violent attack on social housing, involving auctioning it off. Does the Commission consider that this strategy has turned out to be a failure?

– What is the official assessment of the proposed plan to combat bad loans?

– Does the Commission believe that the Greek banks will need capital aid, which the Greek nation will once again be forced to pay for?