

Template for comments

ECB Guideline on the supervisory approach by national competent authorities to coverage of non-performing exposures held by less significant supervised entities

Institution/Company

Association of Cooperative Banks of Greece

Contact person

Mr/Ms

First name

Surname

Email address

Telephone number

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General comments

Observations of the Association of Cooperative Banks of Greece on the ECB’s Draft Guideline for Non-Performing Exposures of Less Significant Institutions

Dear Sir/Madam,

We appreciate the opportunity to participate in the public consultation on the European Central Bank’s draft guideline addressed to national competent authorities regarding the coverage of non-performing exposures (NPEs) by less significant institutions (LSIs).

The Association of Cooperative Banks of Greece represents the cooperative banks operating in Greece, which are characterized by their small size, strong regional presence, and focus on financing small businesses and households, particularly Small Business Services (SBSs) and Small and Medium-sized Enterprises (SMEs).

As regards NPEs, the Total GBV of NPEs for Greek Cooperatives amount to circa 445mn, therefore, not considered overall material for the Greek Banking system (Total GBV of loans of Greek Cooperatives is < 1% of total banking sector).

With this note, we wish to express our deep concern regarding the option of an immediate/front-loaded rather than gradual/proportional approach to addressing the issue of NPEs.

Following the severe Greek financial crisis of 2010–2019, OSIs in Greece addressed the NPE issue through securitisation mechanisms supported by the Greek State Aid scheme (HAPS). However, Greek Cooperative Banks did not benefit from similar support.

In light of the above, taking into account proportionality and materiality as well as level playing field considerations, we would like to request an extended and gradual timeline of implementation of prudential backstop, i.e. 2026-2030 horizon, starting from 60% at 31.12.2026 with a step of 10% for each following year.

This will allow Greek Cooperative Banks sufficient time to strengthen their capital position, gradually reduce their NPE ratio to single digits (below 5%), and preserve their role in serving local communities.

We trust that our observations will contribute to strengthening the proportionality and effectiveness of the supervisory framework, taking into account the unique conditions and challenges faced by cooperative banks in Greece.

Sincerely,
Association of Cooperative Banks of Greece

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- Please enter all your feedback in this list.
- When entering feedback, please make sure that:
- each comment deals with a single issue only;
 - you indicate the relevant article/chapter/paragraph, where appropriate;
 - you indicate whether your comment is a proposed amendment, clarification or deletion.

Deadline: 27 October 2025

ID	Article	Paragraph	Type of comment	Detailed comment	Concise statement as to why your comment should be taken on board	Name of commenter	Personal data
1						,	Don't publish
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