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PANEL "ADDRESSING A CRISIS-RELATED SURGE IN DISTRESSED ASSETS"

Dealing with NPLs in Times of Crisis

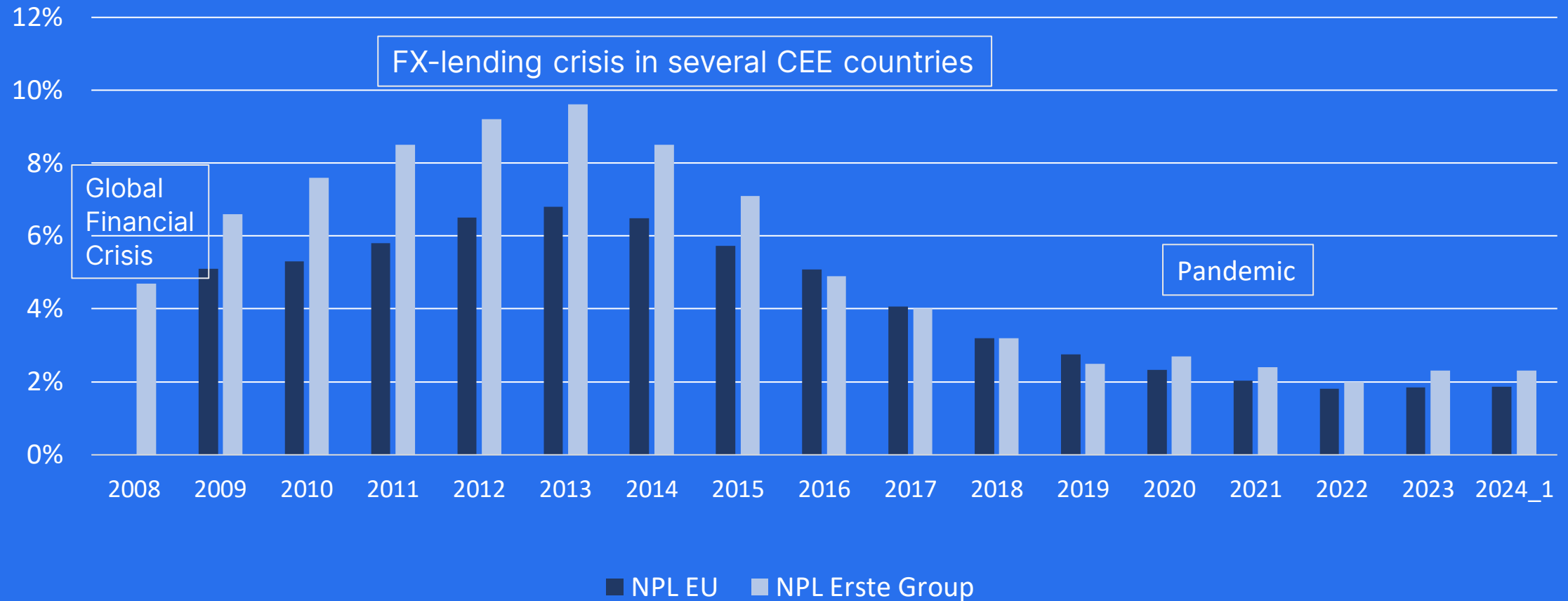
Alexandra Habeler-Drabek
Chief Risk Officer at Erste Group

Our Operating Environment Of The Last Decade: Multiple Crises With Direct And Indirect Impacts On Our Region

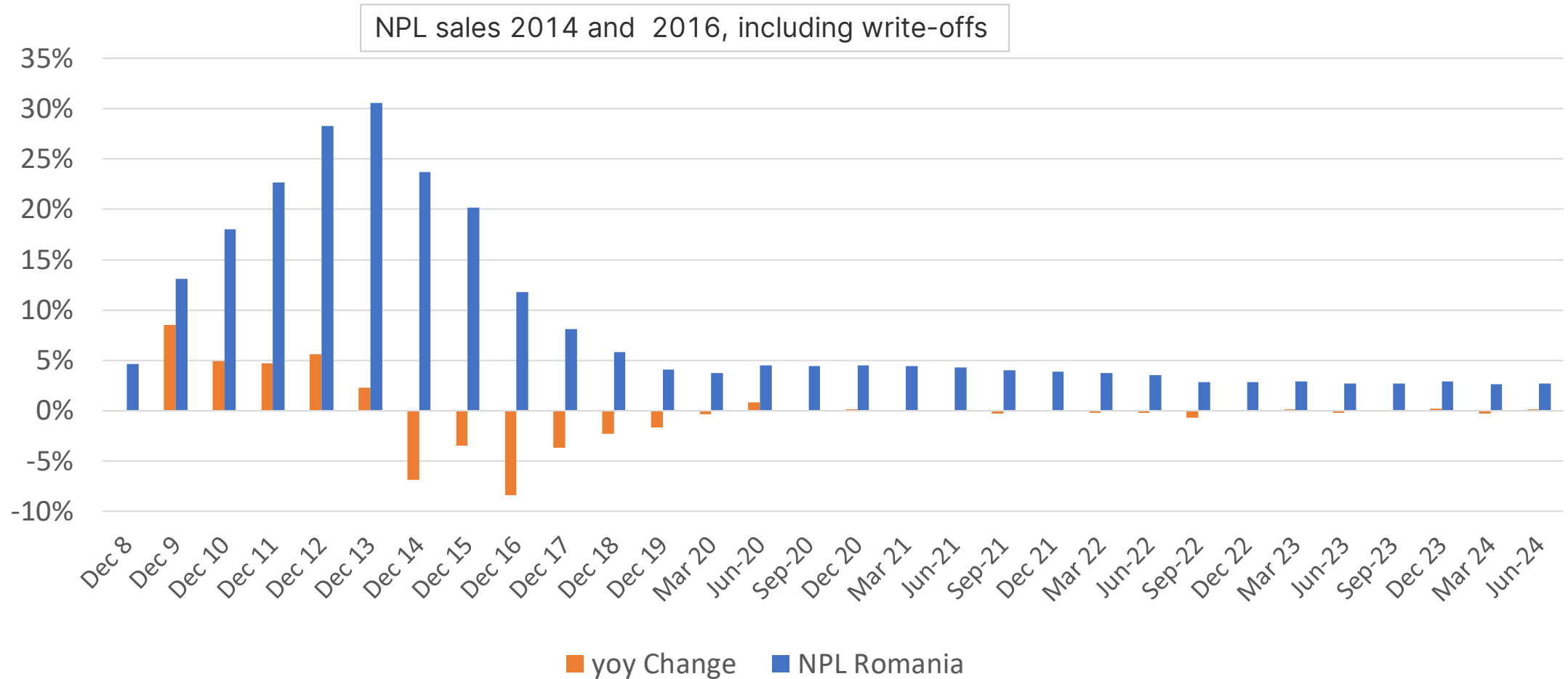
1. Global Financial Crisis (2007-2008)
2. European sovereign debt crisis (2009 - mid/end of 2010s)
3. FX-lending crisis in several CEE countries after 2010
4. US-China trade war after 2018
5. Pandemic of 2020-21
6. Inflation and cost-of-living crisis of 2021-23, triggered by global supply chain crunch and energy supply crises
7. Ongoing military conflicts in Middle-East, Ukraine, increasing US-China tensions, multipolar alliances

NPL Reduction At Erste Group

NPL Development In Erste's Region And The EU



NPL Development at our Romanian Subsidiary BCR 2008-2024



Challenges

1. Complexity
2. Reputational risks
3. Regulatory and legal hurdles (for NPL sales)
4. Rules regarding enforcement differ between jurisdictions (for mortgage loans)
5. Legal costs (especially in case of debt enforcement)
6. Asset repossession
7. Bad Bank (transfer pricing)