

**Question for written answer E-004770/2025
to the Commission**
Rule 144
Nikolas Farantouris (The Left)

Subject: State aid, Hercules scheme (HAPS) and deferred tax credits for banks and funds

Under the Hercules scheme (Hellenic Asset Protection Scheme – HAPS), the Greek state provides guarantees of over EUR 19 billion on the senior notes of non-performing loan securitisations¹. At the same time, Greek banks retain these notes and have established real estate subsidiaries (Real Estate Owned Companies – ReoCos), which benefit from deferred tax credit (DTC), which in practice functions as State aid as it counts towards Tier 1 capital (CET1)². These ReoCos acquire borrowers' properties at auction at undervalued prices³ and pay little or no tax⁴. A prime example is the ReoCo Frontier, which – with a share capital of only EUR 25 000⁵ – received EUR 675 million in bond financing from the National Bank of Greece, its sole shareholder⁶.

The Commission is asked:

1. Has it assessed to what extent the banks' ReoCos' use of deferred tax credits to acquire borrowers' properties constitutes unlawful State aid?
2. Does it intend to investigate whether the combination of state guarantees under HAPS and tax advantages distorts competition in the property market?
3. What measures is it taking to ensure that state resources are not used for speculative activity to the detriment of borrowers' assets?

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¹ https://assets.kpmg.com/content/dam/kpmg/gr/pdf/2019/12/NPEs_securitization_HERCULES.pdf,
<https://dbrs.morningstar.com/research/438971/greek-npl-market-update-almost-five-years-into-haps>

² https://www.europarl.europa.eu/doceo/document/E-10-2025-000485-ASW_EN.html

³ <https://www.reportersunited.gr/en/14444/minotaur-captured-eurobank/>

⁴ <https://dbrs.morningstar.com/research/438971/greek-npl-market-update-almost-five-years-into-haps>

⁵ <https://publicity.businessportal.gr/company/160145201000>

⁶ <https://publicity.businessportal.gr/api/download/financial/1984253?companyId=160145201000>