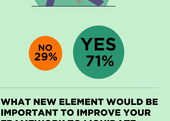
2022 Benchmark

Benchmark Legal Experts and Financial Crises

ANSWERS FROM 32 CENTRAL BANKS AND SUPERVISION AND RESOLUTION AUTHORITIES

OVER THE PAST FIVE YEARS, HAVE YOU EXPERIENCED ANY FAILURES OF CREDIT INSTITUTIONS IN YOUR JURISDICTION?



DO YOU THINK THAT YOUR NATIONAL FRAMEWORK TO LIQUIDATE FIRMS FACING DIFFICULTIES IS APPROPRIATE FOR BANKS?

NO 29%

YES 71%

WHAT NEW ELEMENT WOULD BE IMPORTANT TO IMPROVE YOUR FRAMEWORK TO LIQUIDATE BANKS?

An harmonization of the creditors hierarchy

Providing attractive measures allowing the private or public sector to take over a bank facing difficulties in order to maintain both the bank's network, its assets and its employees

A well defined process to transfer of business as for example the current valuation process, Virtual Data Room.

A specific, swift, liquidation regime with a single Court competent for all liquidation cases

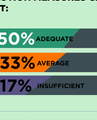
YOUR COUNTRY HAS ADOPTED A RESOLUTION FRAMEWORK FOLLOWING THE FSB'S KEY ATTRIBUTES OF EFFECTIVE RESOLUTION REGIMES FOR FINANCIAL INSTITUTIONS

NO 35%

YES 65%

IN YOUR COUNTRY BANKS HAVE TO PREPARE AND SET UP RECOVERY PLANS

YES 100%

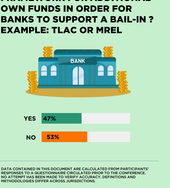


A DISTRESSED BANK HAS ALREADY APPLY ITS RECOVERY PLAN IN YOUR COUNTRY

YES 22%

NO 78%

DID YOUR COUNTRY ALREADY IMPLEMENTED ONE OF THE FOLLOWING RESOLUTION MEASURES?



THE APPLICATION OF THESE RESOLUTION MEASURES GAVE A RESULT:

50% ADEQUATE

33% AVERAGE

17% INSUFFICIENT

DID THE IMPLEMENTATION OF YOUR RESOLUTION FRAMEWORK RESULTED INTO A LITIGATION BEFORE COURTS?

YES 44%

NO 56%

WHAT TYPES OF LEGAL GREIVANCES HAVE BEEN ALLEGED AGAINST THE RESOLUTION PROCESS?

Parties usually require compensation for alleged unlawful losses caused by the decision of the resolution authority to initiate the insolvency regime.

The write down of the deposits of the depositors of the Lebanese Bank of Business

Losses to the shareholders, lack of opportunity to file objections, inadequate notice, violations of regulations and the timeliness of taking actions

DID YOUR COUNTRY ADOPTED A FRAMEWORK FOR ADDITIONAL OWN FUNDS IN ORDER FOR BANKS TO SUPPORT A BAIL-IN ? EXAMPLE: TLAC OR MREL

DATA CONTAINED IN THIS DOCUMENT ARE CALCULATED FROM PARTICIPANTS' RESPONSES TO THE QUESTIONNAIRE. THE DATA ARE PROVIDED FOR INFORMATIVE PURPOSES. NO ATTEMPT HAS BEEN MADE TO VERIFY ACCURACY. DEFINITIONS AND METHODOLOGIES DIFFER ACROSS JURISDICTIONS.

BANQUE DE FRANCE
EUROSYSTEM
lbfr
Law firm
Paris-Madrid