

ARTICLE OF THE CHAIRMAN OF THE
HELLENIC FINANCIAL STABILITY FUND

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**Principles for Responsible Banking of the United Nations
Environment Program**

Kathimerini Newspaper
Sunday edition

1. <https://www.unepfi.org/banking/bankingprinciples/>
2. http://hfsf.gr/files/press_release_20200701_el.pdf
3. <https://www.un.org/sustainabledevelopment/climate-action/>

KATHIMERINI: What made you support this initiative?

First of all, I would like to thank your newspaper for this invitation, as it is an important opportunity for the Hellenic Financial Stability Fund to present to its readers the main reasons for its support and commitment regarding Sustainable Development and the “Principles of Responsible Banking” of the Program Initiative for the United Nations Environment.

Banks are the main source of financing and liquidity of the Greek economy, with a catalytic role both in the survival and recovery of Greek companies, which were severely affected by the crisis, and in the funding required for substantial growth. At this point I would like to point out that maintaining existing jobs but, above all, creating new ones is linked inextricably with growth and a healthy banking system.

In March 2020 the HFSF became a signatory of the **Principles for Responsible Banking**^{1, 2} of the United Nations Environment Program Finance Initiative to encourage Banks:

- to promote the financing of Sustainable Development and in particular of projects and new technologies that have a positive impact on the environment, the needs and the priorities of society, as reflected in the **Sustainable Development Goals**³, and the **Paris Climate Agreement**.
- to communicate with all stakeholders, such as shareholders, customers, employees and local communities, to advise and cooperate in solving society's evolving goals for a sustainable future with social responsibility and responsible entrepreneurship.
- to continue to implement and continuously improve an environment of sound and efficient corporate governance by applying international best practices, as well as responsible banking with transparency and accountability.

KATHIMERINI: What are the advantages to being a signatory and promoting the "UNITED NATIONS' PRINCIPLES FOR RESPONSIBLE BANKING"?

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Having contributed to maintaining financial stability in Greece, for the sake of public interest, through the recapitalisations of the Banks in 2013 - 2015, the HFSF now is focusing on supporting the Banks as an active shareholder.

This pivotal role is fully in line with the United Nations 2030 Agenda goal of strengthening Macroeconomic Stability and Sustainable Development.

Ensuring a stable macroeconomic environment and financing the economy through sound banking institutions are essential preconditions for investing in Greece.

As a shareholder of the four systemic Greek Banks, the HFSF strongly supports the goal of the Banks adopting the **Principles for Responsible Banking of the United Nations Environment Program**, with emphasis on creating an environment in which the implementation of the legal and regulatory framework, the adoption of international corporate governance best practices, as well as the application of the principles of environmental protection and corporate social responsibility at all levels will enhance further the transparency, efficiency and accountability of Credit Institutions, with a view to improving their profitability and attracting international investors.

KATHIMERINI: What issues are you supporting in practice and why?

The HFSF supports and encourages the Banks in the whole range of their activities for their smooth operation and the effective financing of the economy for the benefit of the community as a whole.

Having set a specific framework for good Corporate Governance based on internationally recognized best practices, the Fund has guided Banks to adopt and implement an enhanced and effective corporate governance and decision-making structure. As a result of assessing and enhancing the Corporate Governance of the Banks since 2016, the Banks have improved their operation significantly, managing to attract new specialized members

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to their Boards of Directors, with high qualifications and extensive experience.

In addition, through its initiative of establishing an Ethics and Sustainability Committee in the Board of Directors, the Fund has promoted the raising to the highest level the issues of ethics and social responsibility Banks face; two banks already have implemented this and it is expected that the rest will follow.

Furthermore, the Fund has prioritized a range of issues of wider social interest, in which Banks already are active increasingly, such as issues of climate change, social cohesion and other contemporary challenges. Specific initiatives for promotion and development in collaboration with other institutions, such as the Hellenic Bank Association and the Bank of Greece, are underway, such as the recent online seminar on Sustainability.

The application of best practices of Corporate Governance and Sustainable Development has been proven to lead to an increase in the performance of companies, making them more attractive to international investors. In this way, the HFSF expects that in the long run implementing them will support the value of the Banks' shares, and in parallel with their attaining the goal of reducing non-performing loans, as well as increasing their profitability, will constitute an attractive investment goal and will facilitate a successful divestment of the Fund from the Banks.

The HFSF continues to be a helper and advocate of a healthy and optimal banking system driven by the public interest.

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