

July 1st, 2021

Summary of the annual evaluation of the members of the General Council and the Executive Board of the Hellenic Financial Stability Fund.

The SP gives a mixed evaluation about the overall activity of the Fund. On the one hand, the Fund achieved serious results. The HFSF contributed to improvements in the four systemic banks as regards governance issues and NPL reduction policies. The institution - through the Pinnacle project - contributed to the identification, design and implementation of a business strategy for the systemic banks. However, the Fund has not yet clearly communicated an exit strategy, an issue we have flagged already in previous years. In spite of the severe impact of the pandemic, the Fund ensured continuity of work.

The SP acknowledges that the HFSF faced very important challenges during 2020, including the transactions in connection with the capital and the transformation of Piraeus Bank. To solve the problems that emerged, the General Council was called to take an additional role. This, together with the departure of two Members of the Executive Board, allowed the internal governance situation to start improving only in the first half of 2021.

Although in general the HFSF could effectively deal with the operational consequences of the pandemic, both internal and external relationships deteriorated during 2020 and only improved recently. The leadership of the Fund – including both governance bodies – could not preserve the good institutional culture that had been achieved in earlier years. As we mentioned in previous years, the silo-attitude in the Fund is a problem, which was only temporarily overcome thanks to the strong project management implemented by the Steering Committee.