

ΕΛΛΗΝΙΚΗ ΑΝΑΠΤΥΞΙΑΚΗ ΤΡΑΠΕΖΑ



HELLENIC DEVELOPMENT BANK

## EMGN Spring Academy 2024

Risk Mgmt Strategy in a context of financial crisis

# Empowering Greek SMEs for a Brighter Future

## □ Our Mission:

- Design, implement, and manage specialized financial initiatives.
- Empower entrepreneurs through financial instruments.

## □ Our Approach:

- Resource Integration: Combining resources from the European Union, national reserves, and partnerships with Financial Intermediaries and Commercial Banks.
- Innovative Solutions: Creating impactful financial products tailored for the entrepreneurial community.

## □ Key Achievements:

- Transformation: Strengthening internal structures and developing innovative programs.
- Efficiency: Quick and effective implementation of financial products.
- Impact: Over 120,000 loans and guarantees issued since 2003.
- Financial Reach: More than €16 billion in cumulative principal loan disbursements.

## □ Our Commitment:

- Sustainable Development: Facilitating access to funding and paving the way for growth.
- Entrepreneurship: A relentless mission to champion the dreams of Greek entrepreneurs.
- Economic Progress: Managing over ten portfolio funds to drive economic progress.

## HDB Multifaceted Business Model at a Glance

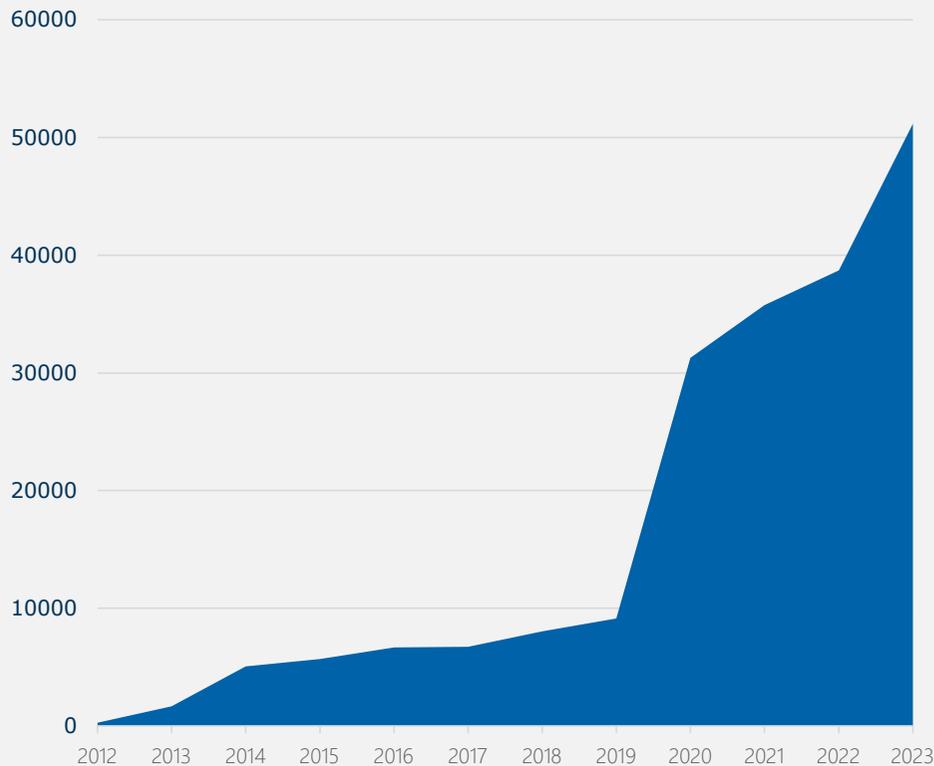
Portfolio Funds  
Management

Development of  
Loan and  
Guarantee  
Schemes

Supporting  
SMEs at Every  
Stage

# Resilience and Innovation: HDB's Journey through 2020

No of Clients



- ❑ Responding to COVID-19:
  - Robust Credit Guarantee Program: Low-interest loans and flexible repayment options to support businesses.
  - Client Growth: Expanded from 9,000 to over 30,000 clients, stabilizing the economic landscape.
- ❑ Digital Transformation:
  - Technological Advancements: Implementation of a state-of-the-art Know Your Customer platform.
  - Enhanced Services: Expansion of online banking services and virtual consultations.
- ❑ Strategic Collaborations:
  - Partnerships: Collaborations with financial institutions, government bodies, and international organizations to amplify impact.
- ❑ Sustainable Recovery Vision:
  - Future Investments: Focus on green technologies, digital infrastructure, and transformative projects.
  - Long-term Resilience: Building an environmentally conscious and forward-thinking economic landscape.
- ❑ Looking Ahead:
  - Innovation and Empowerment: Continuing to innovate and empower businesses to thrive.
  - Building a Brighter Future: Leveraging lessons learned to create a resilient future for Greece.

# Navigating Financial Crises: The Role of HDB

## □ Key Milestones:

- Supporting SMEs: Facilitated access to credit, vital for Greece's economy.
- Economic Recovery: Managed national and EU resources to revitalize the economy.
- Pandemic Response: Provided crucial support to businesses of all sizes during COVID-19.

## □ Current Role and Vision:

- 2024: Established as a cornerstone of Greek economic development.
- Diverse Portfolio: Promoting sustainable growth and managing diverse resources.
- Symbol of Resilience: Embodying innovation and driving economic prosperity.

## □ Challenges During Financial Crises:

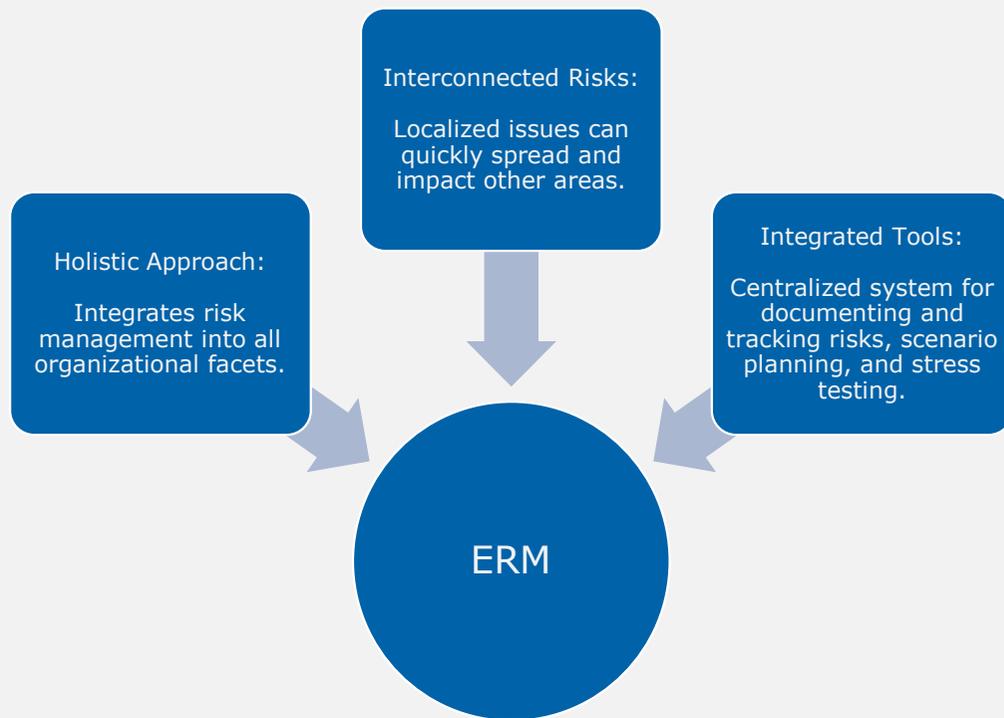
- Funding Disruption: Tightened lending and reduced consumer spending.
- Operational Risks: Supply chain disruptions, regulatory uncertainty, and rising unemployment.
- Market Risks: Inflation, currency devaluation, interest rate fluctuations, and investor pessimism.

## □ Proactive Risk Management:

- Commitment to Support: Aiding Greek enterprises in mitigating risks.
- Fostering Resilience: Promoting adaptive strategies to navigate turbulent times



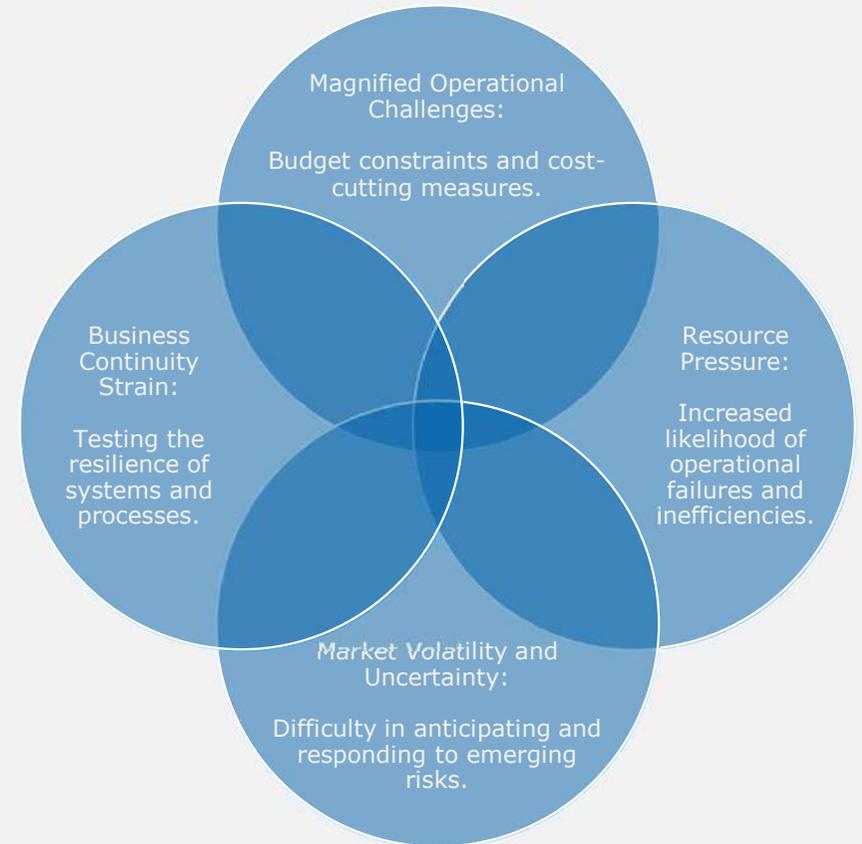
# The Pivotal Role of Risk Management at HDB



- ❑ Effective Risk Management:
  - Dual Focus: Mitigating threats and identifying growth opportunities.
  - Long-term Sustainability: Safeguarding interests in a changing financial landscape.
- ❑ Risk Policies:
  - Foundation of Risk Management: Ensures a clear, consistent approach.
  - Continuous Review: Regular policy audits and enhancements.
- ❑ Risk Assessment:
  - Proactive Framework: Identifying, evaluating, and prioritizing risks.
  - Advanced Analytics: Using data analytics and machine learning for portfolio analysis.
- ❑ Promoting Risk Awareness:
  - Culture of Accountability: Regular training and guidance for staff.
  - Empowerment: Enabling staff to recognize and address risks.
- ❑ Commitment to Sustainable Growth:
  - Vigilance, Proactivity, Collaboration: Navigating uncertainties effectively.
  - Achieving Sustainable Growth: For HDB and its stakeholders.

# Proactive Risk Management in Financial Crises

- ❑ Proactive Risk Management at HDB:
  - Comprehensive RCSA Framework:
    - Engaging the entire institution in identifying, assessing, and prioritizing risks.
    - Understanding day-to-day operations and potential risks.
    - Assessing and tightening controls to manage risks effectively.
  
- ❑ Building Trust and Confidence:
  - Proactive Communication Plan:
    - Keeping stakeholders informed about risk management efforts.
    - Ensuring transparency and timely updates.
    - Strengthening reputation and resilience in the financial sector.
  
- ❑ Commitment to Safeguarding Interests:
  - Risk Management as a Mindset:
    - Embedding practices like RCSA into daily operations.
    - Demonstrating commitment to stakeholders.
    - Navigating through crises with resilience and confidence.



Challenges During Financial Crises

# Navigating Financial Crises with KYC

## Current Reach:

- Over 27,000 businesses registered, 12,000 applications totaling €2.5 billion.

## Active for One Year:

- Enhancing SME access to financing.

## Pilot to Full Scale:

- Starting with 'Small Agricultural Business Loans'.



## □ Safeguarding Integrity and Stability:

- Precision and Confidence: Steering through financial crises.
- KYC Principle: A lifeline and beacon of resilience.

## □ Comprehensive KYC Process:

- Deep Database Dive: Cross-referencing information for credibility.
- Eligibility Factors: Tax clearance, insurance clearance, business size, geographic location.
- Advanced Technology: Leveraging cutting-edge solutions for verification.

## □ Risk Management and Fraud Prevention:

- Defensive Wall: Mitigates default and insolvency risks.
- Fraud and Money Laundering Defense: Detecting and preventing illicit activities.

## □ Fostering Responsible Lending:

- Eligibility and Credibility Assessments: Ensuring loans to financially viable borrowers.
- Promoting Transparency: Fortifying resilience and accountability.

# Navigating Financial Crises with Data-Driven Decision-Making

## Understanding the Impact of Financial Crises:

- Economic Havoc: Disrupting markets and impacting credit risk.
- Commitment to Resilience: Proactive risk management and data-driven decisions.

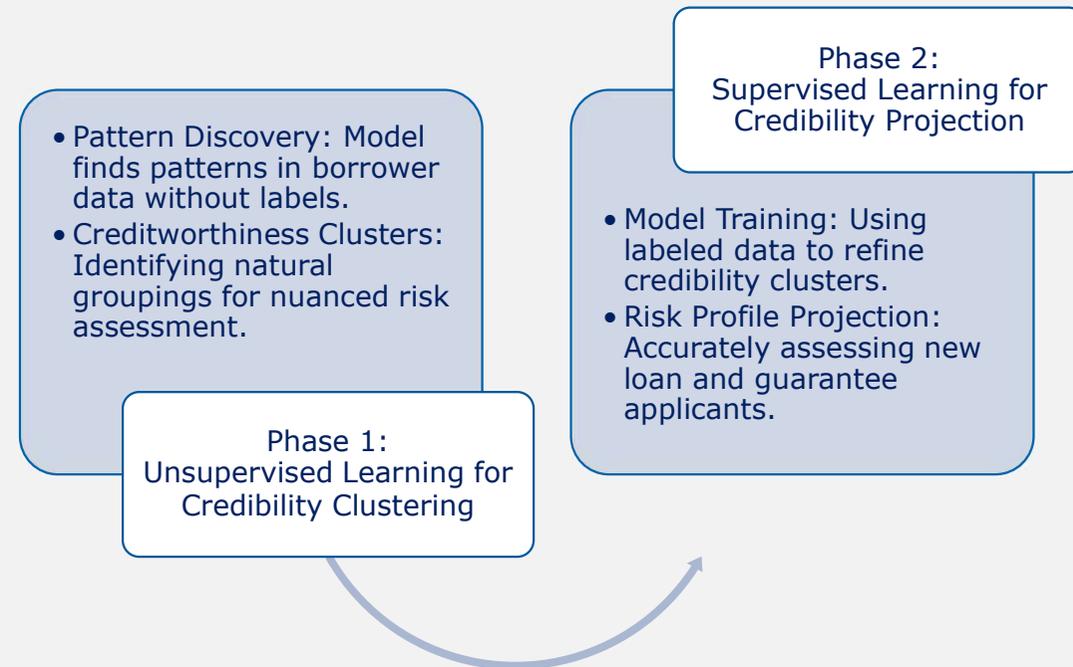
## Benefits of Machine Learning Models:

- Enhanced Risk Assessment: Informed lending decisions ensure institutional stability.
- Customized Programs: Tailoring loans and guarantees to diverse client needs.
- Operational Efficiency: Automated processing of applications, scalable and accurate.
- Transparent Governance: Ensuring regulatory compliance and upholding integrity.

## Conclusion:

- Resilience and Adaptability: Embracing innovation and collaboration.
- Commitment to Excellence: Navigating challenges with integrity and data-driven insights.
- Future Outlook: Guided by excellence and a steadfast commitment to stakeholders.

## Journey of Innovation



“**Risk** comes from  
not knowing  
what you are doing.”

Warren Buffett