

***FENCA 2010***  
*ANNUAL GENERAL MEETING*

# Welcome



Main sponsor:

# The meaning of the Congress



The 10<sup>th</sup> Congress of FENCA in Greece has a double meaning



To further develop the European credit collection industry through sharing information and mutually supporting one another in common issues

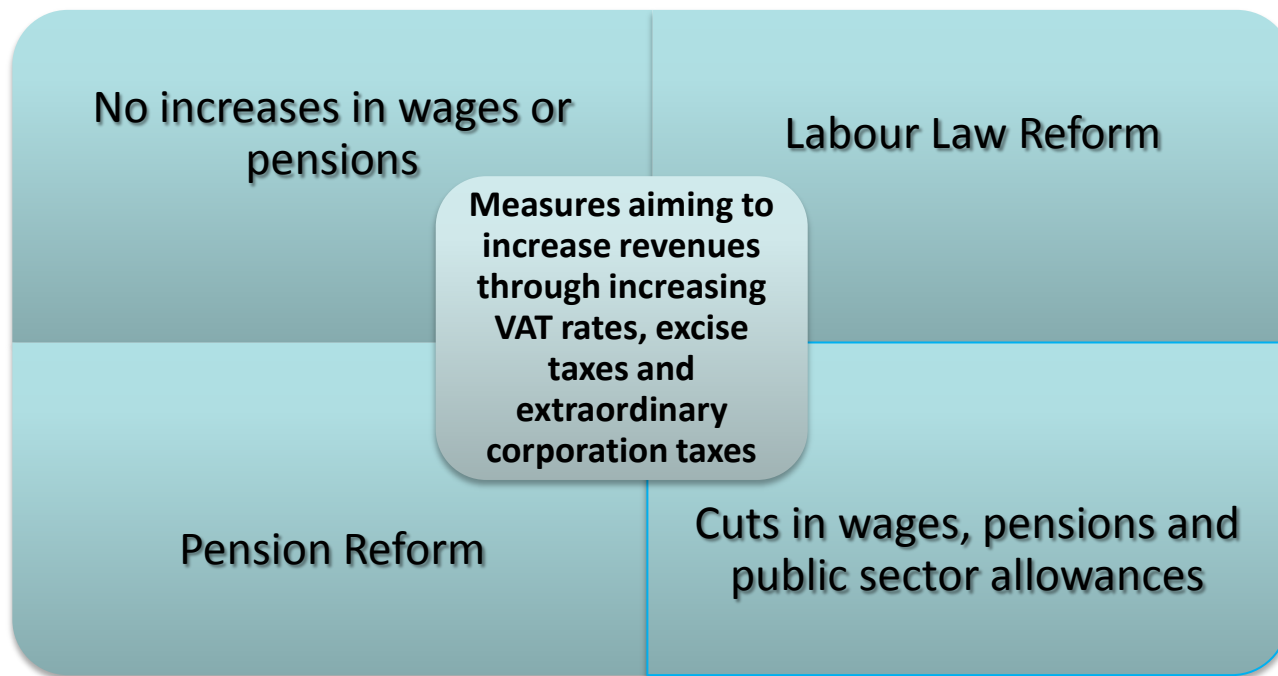
It takes place in a country which is facing its greatest hardships in post-war history.

The support of our European partners at this Congress is symbolic and shows optimism and faith in everything the Greek people are trying to achieve.

# The current situation in Greece

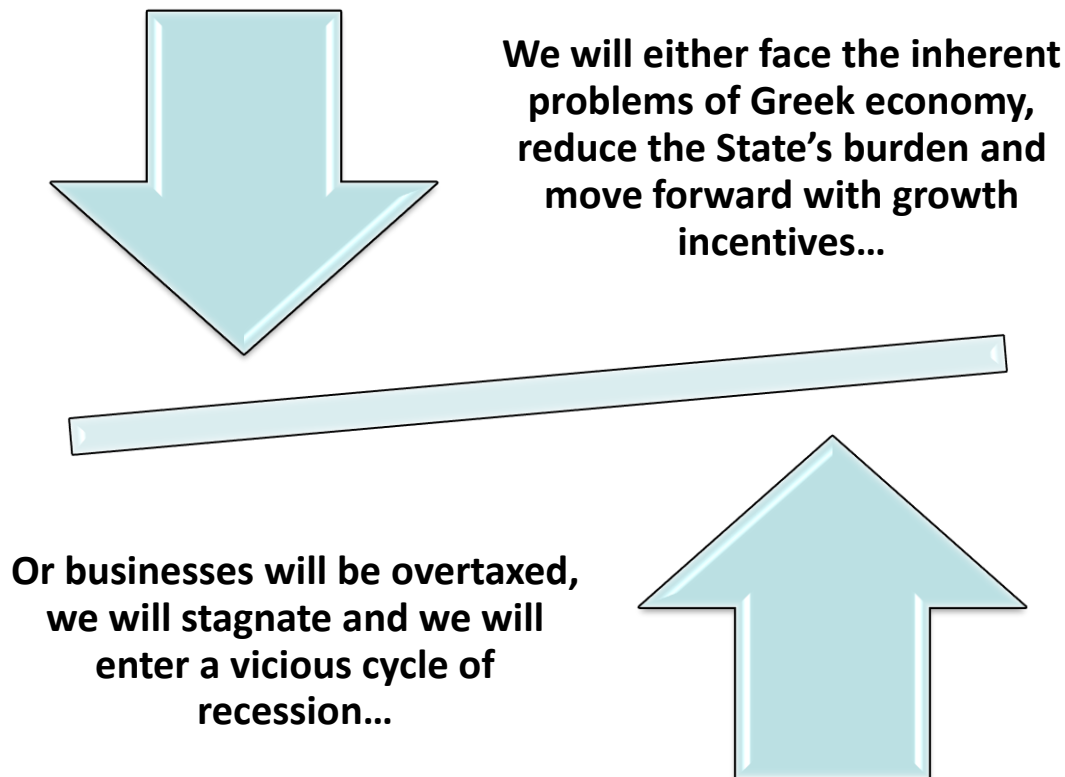
We are under a necessary monitoring framework provided by the EU support mechanism, involving the IMF.

First stage of the process-Measures initially implemented:



# Time for bold decisions!

- We are in the midst of a critical transition period in which:



# Figures

Public debt/GDP(Growth rate)

- **317 bn. Euro(-3.5%)**

Public deficit

- **Jan-Jul 2010 -39.7%**
- **(12,097 m Euros from 20,050 m Euros in 2009's corresponding period)**

Number of employees in the public sector

- **770.000**

Unemployment

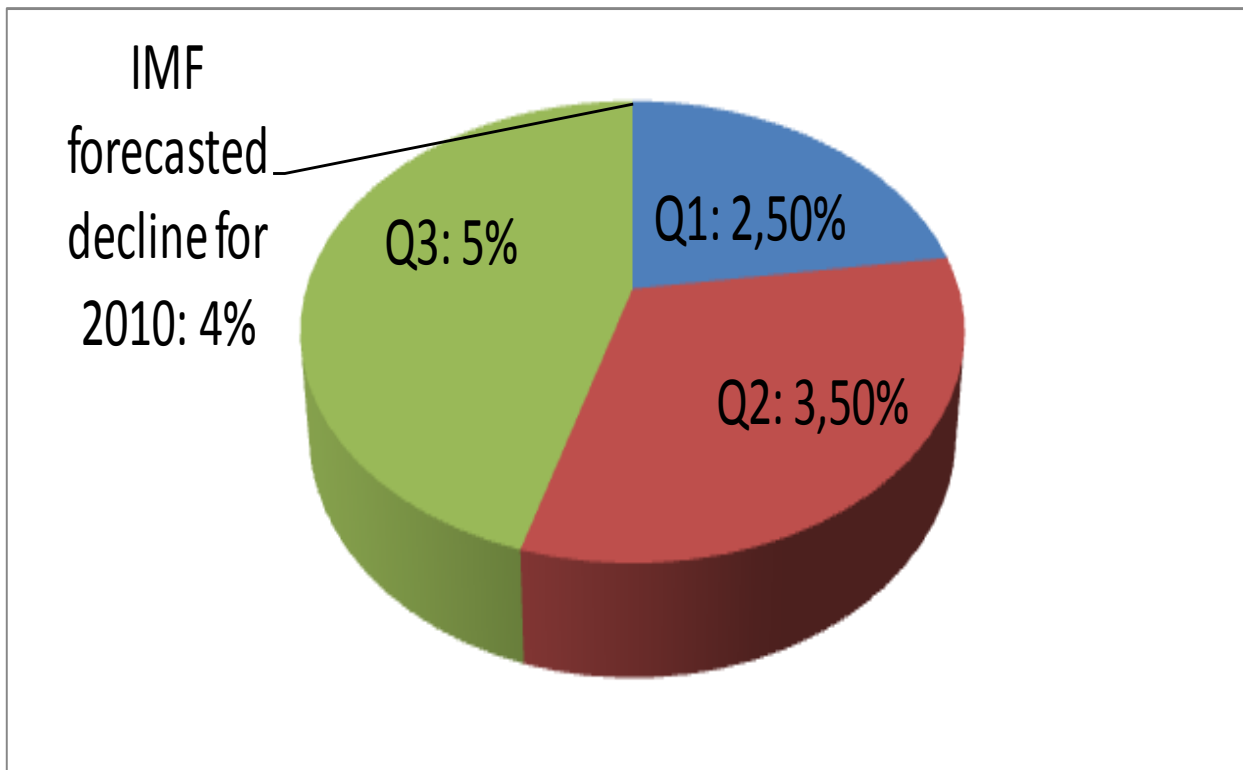
- **11.7%**

\*According to Hellenic Statistical Authority

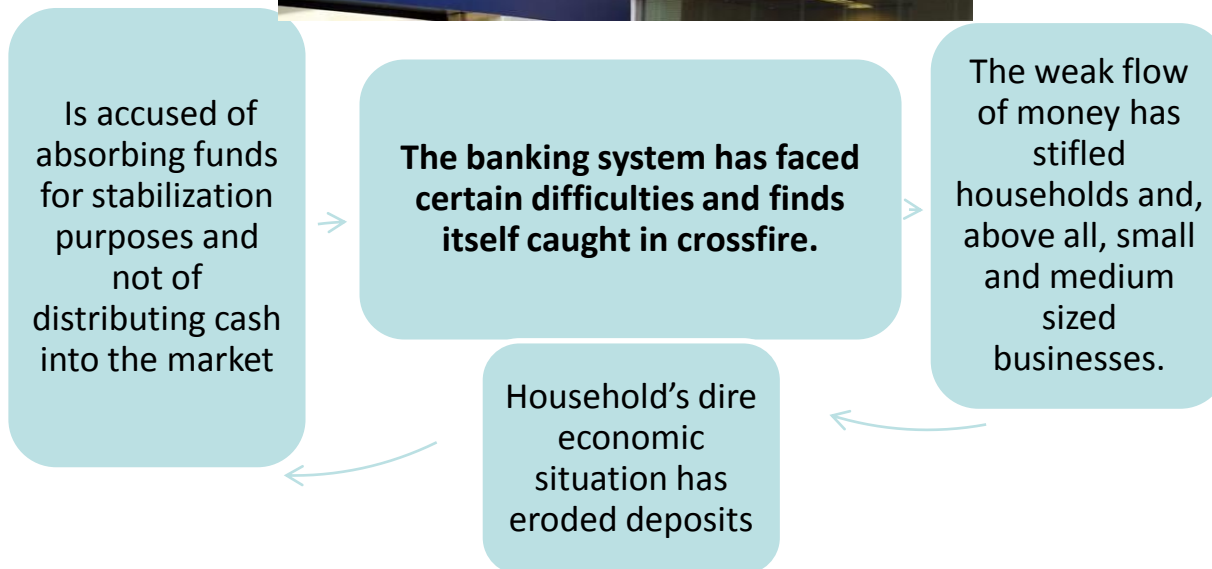


# Recession

2010



# The financial system in Greece



# Figures

**Loans in  
arrears:  
22bn-28bn  
are forecasted**

**Loans  
overdue: 8.2%**

**Decrease in  
deposits: 7%  
since  
1/1/2010(16.3  
bn Euros)**

**Reduced loans  
growth to 2%  
from 4.2% in  
December  
2009.**





# The credit collection industry in Greece

Since the creation of the first companies in 1995, up until today, the industry has been regarded with:



ESEDA was set up in order to address this particular issue.

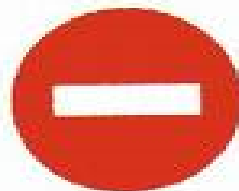
## The credit collection industry in Greece

- Since the draft bill of 2009, the activities of credit collection have been limited. The following activities have been eliminated:

**Phone campaigns**

**Promotion of financial products**

**Supporting telephone services**



In a limited market, like the Greek one, the elimination of these activities, significantly limits the growth of companies.

## The credit collection industry in Greece

**20** companies were registered in the recent Registry of Credit Collection companies

All member-companies of ESEDA (**12**) belong to Registry

Among them are large multinational companies



After the **draft bill** of 2009 the Greek companies

were restricted to a **single purpose** (Collection Centers)

- Since it was founded in 2005, ESEDA has aimed to build the conditions necessary for companies within the industry to function properly through a strict regulatory framework in the market in order to follow the European Union's requirements.

<b>ESEDA</b>	
Year Founded	2005
Member companies	12
Employees	3.200
Telephone contacts per day	350.000
Turnover for 2010	45 m. Euros

# We aim to...

- be the sector's key institutional representative; continuing the discussion with the State, public bodies, business and social partners in the market and also to..

## Inform..

- ..the public and authorities in order to familiarize them issues of financial claims negotiations

## Defend..

- ..institutional collective interests, overall trade policy and the activities which fall under the procedures of financial claims negotiations

## Contribute..

- ..to employees' long term education and training in order to comply with professional requirements and to give them the right to long term development





**Two major initiatives  
from the last  
Governments**



**Registry of  
companies**

**The legislation for  
operating  
conditions of credit  
collection  
companies has  
been passed.**

A longstanding demand of ESEDA,  
defining which companies can operate  
in the sector.

Our suggestions, which were submitted  
during the public consultations, were taken  
into account and were finally included in  
the legislation. For example, mandatory  
public registration, stringent checking  
procedures and recording of telephone  
communications.

# Why is registry important to us?

Rewards the policy of strict criteria that ESEDA sets for its members.

Protects the credibility of our member companies.

Reinforces the industry's social role.

Helps to protect the rights, not only of companies but also of consumers and of the thousand of employees who work in the companies.

It drives the message of unity and participation in decision making between the industry's reliable companies.

We support initiatives which provide solutions to households and lead citizens to more effective management of their debts.  
This is our role.



# New bill?

The existing environment demands that we leave behind the unsuccessful formulas of the past....

The bill is inconsistent in its rules compared to European standards and is in conflict with the basic principles of running of a company.

The risk of further delay in the collection of arrears' debts and perpetuating the phenomenon of overcharge

The risk of justifying irresponsible behavior and multiplying expired arrears without any consequences.

Extending banks' failure to open up liquidity in order to finance the thousands of small businesses which are suffocating

The danger of thousands of jobs being lost in our sector





## Facing a new reality

The Greek State is obliged to collect hundreds of millions in uncollectible arrears for its Inland Revenue and Insurance Funds

The tax evasion phenomenon and public debt constitute the greatest wounds to the Greek economy

Even political leaders widely accept the fact that the public revenue collection mechanism is insufficient and inefficient.



However, the current government shows its will to desassociate itself from the mind set and practices which led the economy to its current tragic plight.



# Our proposal

- At ESEDA, we have the expertise and infrastructure to support such initiatives. We have drafted a study which proves exactly what the State can gain from our proposal.



# Proposal

On a daily basis we prove that the credit collection industry in Greece possesses the ability to perform as a mediator as well as to guarantee the financial system's equilibrium.



As an intermediary link between consumers and banks, we can contribute to the necessary for the development of the economy flow of funds.

This cooperation is applied successfully in several European countries.



# We call for everyone's cooperation

- We continue to put forward responsible, constructive and realistic proposals. Cooperation can only be a good thing.
- We urge the Government to include us as a partner in the creation of a new strategy which will be to the benefit of both the consumers and the companies.
- We also call upon you, our colleagues, from FENCA to join us in our efforts to convince both European and Greek institutions on the need to develop a new, pan European and Greek institutional framework.
- The sooner this takes place, the sooner Greece and Europe will find a way out of the crisis.



# Thank you very much!

