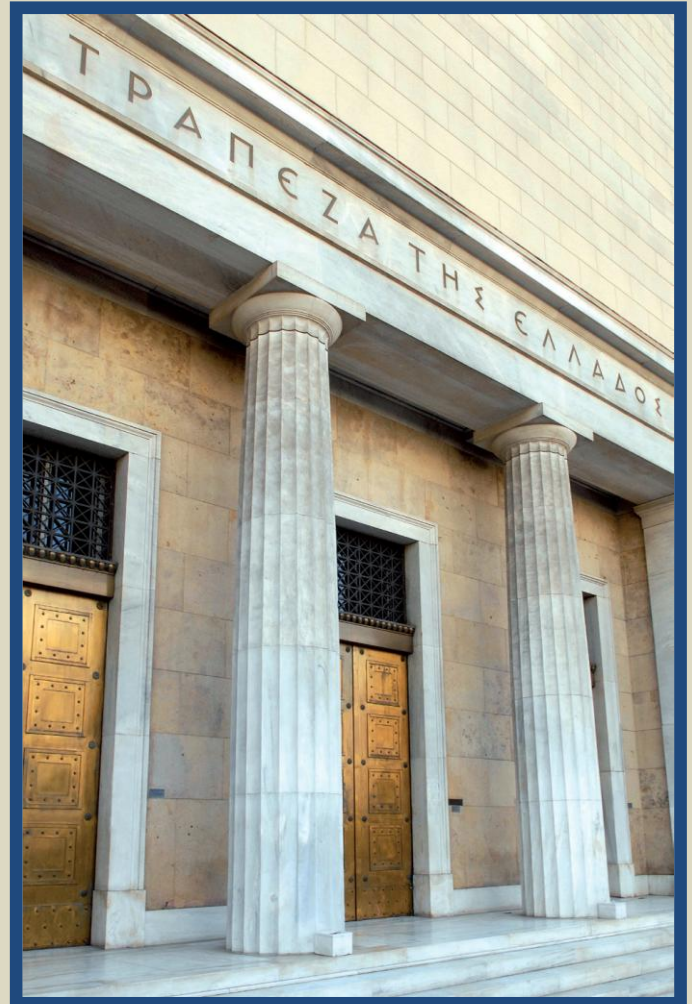


# FINANCIAL STABILITY REVIEW



May  
2026



**BANK OF GREECE**  
EUROSYSTEM



# FINANCIAL STABILITY REVIEW



May  
2026



**BANK OF GREECE**  
EUROSYSTEM

**BANK OF GREECE**

21, El. Venizelos Street

GR - 102 50 Athens

**[www.bankofgreece.gr](http://www.bankofgreece.gr)**

Financial Stability Department

Tel. +30 210 320 5111

Fax +30 210 320 5419

**ISSN 2944-9065 (online)**

DOI: <https://doi.org/10.52903/finsta.en202605>

# TABLE OF CONTENTS

<b>I. EXECUTIVE SUMMARY</b> .....	<b>7</b>
<b>II. ECONOMIC ENVIRONMENT</b> .....	<b>11</b>
1. Economic activity: developments and prospects .....	11
2. Fiscal developments.....	14
3. Financial condition of households.....	17
3.1 Developments in households' credit and indebtedness .....	17
3.2 Households' interest rate risk.....	18
3.3 Households' income risk.....	18
3.4 House price risk.....	19
Box II.1 Review of the implementation of macroprudential borrower-based measures.....	21
3.5 Integrated assessment of the financial condition of households.....	24
4. Financial condition of enterprises.....	25
4.1 Financial data .....	25
4.2 Credit to non-financial corporations and indebtedness .....	25
5. Developments in domestic and international money and capital markets.....	29
<b>III. THE BANKING SECTOR</b> .....	<b>31</b>
1. Key balance sheet figures .....	31
2. Risks .....	33
2.1 Credit risk.....	33
2.2 Liquidity risk.....	40
2.3 Market risk .....	42
2.4 Operational risk.....	46
2.5 International activity risks.....	50
3. Resilience.....	52
3.1 Profitability .....	52
3.2 Capital adequacy .....	54
<b>IV. MACROPRUDENTIAL POLICY</b> .....	<b>56</b>
1. Setting the countercyclical capital buffer rate.....	56
1.1 Methodology for the application of the countercyclical capital buffer in Greece .....	56
1.2 Assessment of cyclical systemic risks.....	57
1.3 Setting the countercyclical capital buffer rate for Greece .....	59
2. Identification of the other systemically important institutions in greece (O-SIIS) and setting of the O-SII buffer rate.....	59
3. Borrower-based measures .....	61
<b>V. OTHER SECTORS OF THE FINANCIAL SYSTEM</b> .....	<b>62</b>
1. Structure of the domestic financial system .....	62

<b>2. Overview of occupational and private insurance .....</b>	<b>64</b>
2.1 Key figures of private insurance undertakings .....	64
2.2 Key figures of occupational insurance .....	68
<b>3. Other financial institutions.....</b>	<b>69</b>
3.1 Leasing companies – factoring companies – consumer credit companies .....	69
3.2 Credit servicing firms (CSFs) .....	70
3.3 Payment institutions, electronic money institutions, payment initiation service providers and account information service providers .....	76
<b>VI. FINANCIAL MARKET INFRASTRUCTURES .....</b>	<b>79</b>
<b>1. Payment Systems.....</b>	<b>79</b>
1.1 TARGET2-GR .....	79
1.2 Interbanking Systems S.A. (DIAS) .....	79
1.3 Athens Clearing House – ACH .....	81
<b>2. Payment Cards .....</b>	<b>82</b>
2.1 Number of payment cards .....	82
2.2 Transactions with payment cards .....	82
2.3 Payment card fraud transactions.....	83
<b>3. Central Counterparties.....</b>	<b>85</b>
3.1 Regulatory developments .....	85
3.2 Euronext Clearing Athens S.A. ....	86
<b>4. Central Securities Depositories .....</b>	<b>87</b>
4.1 Regulatory developments .....	87
4.2 The Bank of Greece Securities Settlement System (BOGS) .....	89
4.3 The Dematerialised Securities System of the company “Euronext Securities Athens” .....	90
<b>SPECIAL FEATURE I.....</b>	<b>92</b>
<b>MONITORING AND ASSESSMENT FRAMEWORK FOR SYSTEMIC RISKS IN THE GREEK FINANCIAL SYSTEM.....</b>	<b>92</b>
<b>SPECIAL FEATURE II .....</b>	<b>99</b>
<b>DEVELOPMENTS IN THE USE OF DLT TECHNOLOGY IN FINANCIAL MARKETS.....</b>	<b>99</b>
<b>SPECIAL FEATURE III.....</b>	<b>102</b>
<b>ICT THIRD-PARTY RISK MANAGEMENT.....</b>	<b>102</b>

## I. EXECUTIVE SUMMARY

**Risks to the global and the European economies have intensified.** Rising trade protectionism, heightened geopolitical tensions, particularly in the Middle East, and ongoing supply chain disruptions are weighing on the growth outlook. Mounting uncertainty in international energy markets has led to oil and gas price hikes, resulting in stronger inflation pressures and higher volatility in financial markets. In this environment, the risk of a sharp repricing of financial assets internationally remains elevated, compounded by a risk of stagflationary pressures. The implications for macroeconomic aggregates and the financial condition of businesses and households will largely depend on the duration and intensity of the conflict.

**The Greek economy grew at a satisfactory pace also in 2025, despite the challenges stemming from the international environment.** Real gross domestic product (GDP) growth stood at 2.1% (same as in 2024), outperforming the euro area average (1.4%). Economic growth was mainly driven by higher investment (which grew almost twice as much as in 2024) and private consumption, while the external sector also had a positive contribution. The significant strengthening of investment activity improved the investment-to-GDP ratio, indicating a gradual closing of the investment gap of the previous period. At the same time, foreign direct investment reached an all-time high, reflecting the improved investment sentiment and the confidence of international investors in the Greek economy. In addition, employment picked up in 2025, albeit at a milder pace than in 2024. Inflation, as measured by the Harmonised Index of Consumer Prices (HICP), marginally declined to 2.9% in 2025, compared with 3.0% in 2024, remaining significantly above the euro area average (2.1%).

**The Greek banking sector's fundamentals further strengthened in 2025.** Profitability and asset quality improved further, while the capital adequacy of Greek banking groups remained at satisfactory levels. Moreover, liquidity remains high, above the Banking Union average. The successive credit ratings upgrades of banks during 2025 provided new momentum and attracted investor interest, as all Greek significant institutions are now within investment grade territory.

**In 2025, Greek banking groups continued to benefit from favourable liquidity conditions, further tapping alternative sources of funding.** The liquidity ratios of Greek banking groups remain well above prudential requirements. More specifically, in December 2025, the Liquidity Coverage Ratio (LCR) stood at 200.0% and the Net Stable Funding Ratio (NSFR) at 136.3%. The liquidity of Greek credit institutions and their smooth access to the interbank market and capital markets have enhanced their resilience to potential shocks.

**The quality of credit institutions' loan portfolios improved.** In December 2025, non-performing loans (NPLs) on a solo basis stood at EUR 5.7 billion, down by 5.2% from December 2024, mainly due to loan recoveries, sales and write-offs. The ratio of NPLs to total loans stood at 3.3% in December 2025 (from 3.8% in December 2024), as credit growth was accompanied by a decline in NPLs. This is the lowest level of the NPL ratio since Greece joined the euro area, having largely converged with the average for significant institutions within the Banking Union.

**In 2025, Greek banks made progress in strengthening their operational risk management framework.** Digital transformation, increased and sophisticated cyber threats, as well as significant dependence on third-party Information and Communication Technology providers necessitate the transition to a modern digital business resilience model.

**Greek banking groups further improved their profitability.** In 2025, Greek banking groups posted profits, after tax and discontinued operations, amounting to EUR 4.7 billion, compared with profits of EUR 4.2 billion in 2024. More specifically, the operating income of Greek banking groups in 2025 increased by 0.5% year-on-year. Despite credit growth, net interest income fell by 3.8%, affected by the cuts in key ECB interest rates, which started in June 2024 and continued into the first half of 2025. By contrast, net fee and commission income rose by 12.3%. As a result, core operating income (i.e. net interest income and net fee and commission income) fell by 0.7%. At the same time, gains from financial transactions decreased, while other operating income followed an upward path. Additionally, operating costs increased by 7.2%, mainly owing to higher administrative costs, while loan loss provisions declined by 26.4%. Banking groups' return on assets (RoA) and return on equity (RoE) stood at 1.3% and 11.8%, respectively.

**The capital adequacy of Greek banking groups remained at satisfactory levels in 2025.** Specifically, the Common Equity Tier 1 (CET1) ratio on a consolidated basis declined to 15.3% in December 2025, from 16% in December 2024, while the Total Capital Ratio (TCR) fell marginally to 19.7%, from 19.8% in December 2024. The differentiation in the development of these ratios mainly reflects the issuance of capital instruments that qualify as prudential own funds but are not classified under CET1 capital. Also, although Deferred Tax Credits (DTCs) still represent a substantial proportion of CET1 capital (December 2025: 40.1%, December 2024: 47%), their gradual amortisation has accelerated due to the implementation of a voluntary DTC amortisation plan.

\*\*\*

**In the current macroeconomic and financial environment, implementing an appropriate macroprudential policy to prevent the build-up of systemic risks and to strengthen banking sector resilience is crucial.** The Bank of Greece assesses on a quarterly basis the intensity of cyclical systemic risks and the appropriateness of the Countercyclical Capital Buffer (CCyB) rate for Greece and sets or adjusts it, if necessary. The analysis of the indicators examined by the Bank of Greece confirms that, overall, there is no excessive credit growth; however, the analysis points to emerging cyclical systemic risks in certain areas, such as credit to non-financial corporations, residential real estate prices and the current account. Moreover, the domestic macroeconomic environment, the further improvement of the banking sector's fundamentals and prudential ratios, as well as the restructuring of less significant institutions still favour the creation of macroprudential space to ensure financial stability over the medium term. Against this backdrop, the Bank of Greece decided to raise the CCyB rate for Greece by 0.25%, setting it at 0.5%, i.e. at the Positive Neutral Countercyclical Capital Buffer (PN CCyB) target rate, applicable from 1 October 2026.

In addition, the Bank of Greece identified Other Systemically Important Institutions (O-SIIs) in Greece for the year 2025, applying the relevant European Banking Authority (EBA) guidelines,

and set the O-SII buffer rate for 2026 at 1.25% for Eurobank Ergasias Services and Holdings S.A. on a consolidated basis and at 1.00% for the other three O-SIIs.<sup>1</sup>

Lastly, the Bank of Greece has put in place macroprudential borrower-based measures (BBMs) for loans and other credit to natural persons secured by residential real estate located in Greece, effective from January 2025. In more detail, a cap was introduced on the loan-to-value ratio at origination (LTV-O) of 90% for first-time buyers and 80% for second and subsequent borrowers, as well as a cap on the debt service-to-income ratio at origination (DSTI-O) of 50% for first-time buyers and 40% for second and subsequent borrowers.

\*\*\*

**During 2025, the insurance sector stood up to the challenges deriving from the international environment, while successfully managing the growing demands for innovation and digital transition.** The interest of credit institutions in acquiring qualifying holdings in the share capital of insurance undertakings reflects the sound fundamentals and the positive outlook of the sector.

**Credit servicers play an important role in managing non-performing private debt in Greece.** As of December 2025, the total value of exposures under management by credit servicers stood at EUR 91.5 billion, up by EUR 4.1 billion compared with December 2024, following the assumption of the management of new portfolios, mainly on behalf of credit acquirers. Of the total exposures under management, EUR 81.5 billion (or 89.1%) concern exposures managed on behalf of credit acquirers and the remaining EUR 10 billion (or 10.9%) concern exposures managed on behalf of credit/financial institutions. Regarding the portfolio structure managed by credit servicers, the largest share (84%) concerns non-performing exposures and the remaining (16%) performing exposures.

**In 2025, Payment Institutions (PIs) and Electronic Money Institutions (EMIs) strengthened both their operating results and their capital base.** The total value of payment transactions carried out in 2025 by PIs stood at EUR 66.1 billion, up by 6% compared with 2024. By contrast, the total value of payment transactions carried out by EMIs came to EUR 10.8 billion, down by 68.4% (EUR 23.5 billion) year-on-year. This drop is attributable to a merger by absorption of the largest EMI by the credit institution of the same group, resulting in payment services now being provided directly by the absorbing credit institution.

**In 2025, the financial system infrastructures, i.e. payment, clearing and settlement systems, operated effectively, ensuring secure and reliable transactions.** A considerable year-on-year increase (73%) was recorded in the number of instant credit transfer transactions. Most of these transactions were carried out through the IRIS Payments service, which complies with Regulation (EU) 2024/886 and advances instant payments, while ensuring speed and security of transactions in Greece. Card fraud transactions and their related indicators also decreased, mainly due to enhanced prevention measures, effective cooperation between stakeholders and increased awareness of users of payment instruments.

---

<sup>1</sup> It should be noted that on 12.12.2025 and 19.12.2025, respectively, the merger by absorption of Eurobank Ergasias Services and Holdings S.A. by Eurobank S.A. and the merger by absorption of Piraeus Financial Holdings S.A. by Piraeus Bank S.A. were completed. Consequently, the 1.25% rate is applicable to Eurobank S.A. on a consolidated basis and the 1% rate is applicable to Piraeus Bank S.A. on a consolidated and a solo basis.

\*\*\*

**The outlook for the Greek economy remains favourable; however, the recent surge in geopolitical uncertainty is expected to dampen the growth momentum in 2026.** According to the latest Bank of Greece projections, in 2026 the economy is expected to grow by 1.9%, while inflation is estimated to turn out at 3.1%. Risks to the Bank of Greece's growth forecasts are mainly tilted to the downside and relate primarily to the ongoing international geopolitical tensions, particularly the war in the Middle East. Therefore, the duration and intensity of the conflict will largely determine the domestic growth outlook. Nevertheless, the Greek economy is now better placed to absorb external shocks, owing to stronger fundamentals, structural reforms, and the accumulated experience from managing successive crises.

**The strong fundamentals of the banking sector are critical for supporting the real economy.** The outlook for the banking sector remains positive, despite heightened uncertainty, as banks are now much better placed than in the past to absorb potential shocks. In addition, enhanced competition in the domestic banking sector, thanks to the restructuring of less significant banks, also has a benign impact. However, the highly volatile external environment may affect the financial condition of firms and households in Greece. Rising raw material, energy and transport costs push up overall production costs, squeeze profit margins for businesses and, combined with supply chain shortages, hamper their operation. At the same time, heightened uncertainty and potentially higher financing costs are impacting on the investment sentiment and may lead to a postponement of business decisions. Also, rising inflation erodes household disposable income and dampens consumption. Therefore, a prolongation of the conflict in the Middle East for a protracted period could adversely affect banks' asset quality and the implementation of their credit growth targets. At the same time, it would increase cybersecurity risks and the possibility of a sharp repricing of financial assets worldwide.

**The implementation of coherent policies by all stakeholders serves as a shield against exogenous risks.** Banks must ensure the smooth financing of the real economy by applying prudent credit standards, taking advantage of their strong liquidity and further enhancing their capital adequacy. In addition, it is necessary to accelerate the processes for completing the Banking Union and to promote the Savings and Investments Union, as they are expected to deepen financial integration as well as enhance financial stability and competitiveness in the European Union.

## II. ECONOMIC ENVIRONMENT

### 1. ECONOMIC ACTIVITY: DEVELOPMENTS AND PROSPECTS

Despite the challenges stemming from the international environment, the Greek economy continued to grow at a satisfactory pace in 2025, achieving an annual growth rate of 2.1% (same as in 2024) and thus outperforming the euro area average (1.4%). Growth in economic activity was mainly driven by higher investment (which grew almost twice as much as in the previous year) and private consumption, while the contribution of the external sector was also positive.

Business expectations remained above the euro area average in 2025, while the consumer confidence indicator stood at low levels, comparable to those of 2024, amid deteriorating expectations regarding the country's general economic situation and households' financial situation. The Purchasing Managers' Index (PMI) suggests strong growth in manufacturing output for 2025, remaining well above the euro area average.

**Table II.1 GDP and its main components (2022 – 2025)**

(percentage changes)

	2022	2023	2024	2025	Q1 2025	Q2 2025	Q3 2025	Q4 2025
Private consumption	9.3	2.3	2.4	2.0	2.6	1.2	1.4	2.5
Public expenditure	0.0	2.8	-2.6	0.3	3.5	0.8	-0.3	-2.2
Gross fixed capital formation	22.1	6.5	4.5	8.9	-1.3	7.7	13.2	14.0
<i>Residential investment</i>	60.1	22.1	12.9	22.4	0.4	16.2	26.2	41.2
<i>Other construction</i>	13.8	13.8	8.1	8.3	-2.5	9.8	17.7	8.5
<i>Equipment</i>	23.1	0.5	0.8	6.9	3.8	11.3	5.3	20.6
<b>Domestic demand</b>	<b>7.6</b>	<b>1.1</b>	<b>3.6</b>	<b>0.8</b>	<b>2.1</b>	<b>2.2</b>	<b>2.9</b>	<b>3.5</b>
Exports of goods and services	6.2	2.2	1.0	1.7	1.3	1.1	1.5	2.7
<i>Exports of goods</i>	3.4	0.5	-1.2	3.0	3.1	-0.5	2.4	7.1
<i>Exports of services</i>	9.3	4.0	3.2	0.4	-0.4	2.5	0.4	-1.1
Imports of goods and services	10.9	0.0	4.8	-1.3	1.7	-3.1	-3.9	1.1
<i>Imports of goods</i>	13.1	-1.4	4.2	-2.1	1.1	-4.7	-5.0	0.6
<i>Imports of services</i>	4.4	5.0	6.4	1.0	3.7	1.1	-1.9	1.3
<b>Real GDP at market prices</b>	<b>5.5</b>	<b>2.1</b>	<b>2.1</b>	<b>2.1</b>	<b>2.4</b>	<b>1.7</b>	<b>2.1</b>	<b>2.4</b>

Sources: Hellenic Statistical Authority (ELSTAT) and Bank of Greece.

Notes: Constant market prices of 2020. Annual data: non-seasonally adjusted. Quarterly data: seasonally adjusted.

In more detail, real gross domestic product (GDP) growth stood at 2.1% in 2025, unchanged from 2024 and 2023. Private consumption, despite a slowdown compared to 2024 (2.0% against 2.4%), was a significant driver of growth. Household consumption was supported by a boost in the nominal disposable income of households, which increased by 5.3% in 2025 due to the positive con-

tribution of labour income (primarily employee compensation and secondarily self-employed income). In 2025, inflation led to a 1.8% rise in real disposable income. At the same time, public consumption increased marginally by 0.3%.

In 2025, significant progress was achieved in investment, which contributed the most to GDP growth, with gross fixed capital formation rising by 8.9% in 2025, up from 4.5% in 2024. A positive contribution came mainly from investment in “Transport equipment” (20.8%), “Residential investment” (22.4%), “Other construction” (8.3%) and “Machinery and weapon systems” (7.8%), while investment in “ICT equipment” declined (-8.6%).

Net exports made a positive contribution of 1.2 percentage point to growth in 2025, due to a simultaneous increase in exports and decrease in imports. Exports grew by 1.7%, driven mainly by a 3.0% increase in exports of goods. Imports fell by 1.3%, owing to a 2.1% decrease in imports of goods.

On the supply side, total gross value added rose by 1.3% in 2025 on the back of strong performance in all sectors of economic activity. At a sectoral level, construction grew significantly, while a positive contribution also came from industry and most services sectors. By contrast, negative contributions came from “Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles”, “Transportation and storage” and “Accommodation and food service activities”, which are also the sectors with the largest contribution to the Greek economy.

The current account deficit improved to 5.7% of GDP, against 7.2% of GDP in 2024. For the most part, this resulted from a decline in the net oil import bill and a rise in travel receipts. The primary and secondary income accounts also had a positive impact, mainly on account of lower net interest, dividend and profit payments, as well as the disbursement of two tranches by the Recovery and Resilience Facility (RRF), respectively. By contrast, the non-oil balance of goods deteriorated, while the surplus of the transport and other services balances also shrank.

The labour market continued to grow in 2025, although employment increased at a more moderate pace than in 2024. More specifically, total employment rose by 1.5% and dependent employment by 5.6%, while the number of other employed persons dropped by 7.8%, primarily due to a decline in the self-employed without employees and family workers. The unemployment rate fell to 8.9%, from 10.1% in 2024. This included a significant improvement for women (11.2%, from 12.8% in 2024), as well as for youth aged 20-29 years (16.1%, from 18.4% in 2024). At the same time, the long-term unemployment rate fell to 4.9%, from 5.4% in 2024. The labour force participation rate for the 15-64 age group rose slightly in 2025 (70.9%, from 70.5% in 2024), reflecting an increase in both the male and the female labour force participation rate.

Labour cost growth decelerated sharply in 2025, as labour market tightness showed signs of decline. At the same time, raises in the minimum wage and public sector salaries moderated year-on-year. Specifically, compensation per employee increased by 3.5% (compared with 5.8% in 2024), while unit labour costs grew at a rate of 2.3% (compared with 4.6% in 2024), i.e. at a significantly lower rate compared with the euro area average (3.2%).

Inflation, as measured by the Harmonised Index of Consumer Prices (HICP), declined marginally to 2.9% in 2025, against 3.0% year-on-year, remaining well above the euro area average (2.1%). This marginal decline is due to disinflationary effects from processed food, non-energy industrial goods and energy prices. Conversely, the rise in services inflation and, to a lesser extent, in un-

processed food inflation prevented a further decline in headline inflation. The large inflation differential between Greece and the euro area average reflects, among other things, the positive output gap in the Greek economy. Core inflation (which excludes food and energy) remained unchanged at 3.6%.

According to the latest Bank of Greece projections, economic activity is expected to grow by 1.9% in 2026 and 2.0% in 2027, while inflation is estimated to stand at 3.1% and 2.4%, respectively. Risks to the growth forecasts of the Bank of Greece are tilted to the downside and stem from: a) the possibility of a prolonged war in the Middle East and its impact on international economic developments; b) global trade uncertainty caused by the imposition of protectionist trade measures; c) labour market tightness, which may add to wage pressures and worsen competitiveness; (d) the impact of climate change, which may lead to natural disasters. Factors such as a higher-than-expected fiscal multiplier, a faster-than-expected implementation of the necessary reforms (with positive effects on the productivity of the Greek economy), and a further strengthening of tourism, could all have an upward effect on growth.

## 2. FISCAL DEVELOPMENTS

In 2025, tax revenues significantly overshot the fiscal targets, as revised in the 2026 Budget, confirming the sustained momentum in the economy and the improvement in tax compliance. This was primarily driven by positive developments in income growth, corpo-rate profitability, employment and tax compliance, while it is also partly linked to the im-pact of higher-than-ex-pected inflation.

Revenue overperformance is largely associated with improved tax and social security con-tributions compliance resulting from the fight against tax and contribution evasion. This was supported by policy measures, such as the wider use of digital tools and electronic transactions, which en-hanced the efficiency of the tax collection mechanism, and the ex-tended implementation of the digital work card, which boosted revenue from social securi-ty contributions. This allowed the adoption of a package of permanent expansionary fiscal measures, amounting to EUR 1.76 bil-lion, effective from 2026. The package includes tax relief, such as a cut in direct tax rates, with a focus on supporting the middle class, families with children and young workers, as well as income support measures.

As a result of the sustained positive fiscal momentum in the course of 2025, the target for the 2025 primary balance was overshot by a large margin, as was the case in 2024. According to the first EDP notification of fiscal data for 2022-2025 by the Hellenic Statistical Authority (ELSTAT) in the context of the Excessive Deficit Procedure in April 2026, the general government balance recorded a surplus of 1.7% of GDP, against a surplus of 1.3% in 2024. The general government primary balance for 2025 stood at a surplus of 4.9% of GDP (against 4.8% of GDP in 2024), significantly exceeding both the 2025 Budget projection (2.4% of GDP), and the estimate in the 2026 Budget (3.7% of GDP). Further to similar developments in 2024, this performance marks a historic milestone for fiscal data in at least the last thirty years. Moreover, public debt dropped markedly in 2025 by 8 percentage points to 146.1% of GDP (a post-2009 low), against 154.2% in 2024. This decline is attributable to both an increase in GDP and a decrease in the nominal debt level (by EUR 2 billion). Compared with other EU countries, Greece achieved the largest reduc-tion in the debt-to-GDP ratio and the largest primary surplus as a percentage of GDP.

As regards 2026, the 2026 Budget projects a primary surplus of 2.8% of GDP, while pub-lic debt is estimated to drop further to 138.2% of GDP. However, with the target for the 2025 primary balance overshot by a large margin, and given that this development is due to additional perma-nent revenue stemming from structural reforms and contained primary expenditure, the targets set in the 2026 Budget are expected to be overachieved. According to the Annual Progress Report submitted by Greece in April 2026 in the context of the European Semester, the primary balance for 2026 is now estimated at a surplus of 3.2% of GDP and public debt at 136.8% of GDP. The net expenditure indicator – i.e. the ceiling on nationally financed net primary expenditure<sup>2</sup> – was revised upwards to 7.5% (from the 5.7% projected in the 2026 Budget and against a 3.6% budg-etary commitment under the 2025-2028 Medium-Term Fiscal-Structural Plan – MTFSP). This is mainly attributable to the permanent character of the improved performance of the net expenditure indicator for 2025, which grew at a rate of 2.9% (against a growth rate of 4.4% projected in the

---

<sup>2</sup> General government public expenditure net of interest payments, EU-financed expenditure, national expenditure on EU programmes, cyclical unemployment spending, one-off expenditure and discretionary revenue measures.

2026 Budget and a 3.7% budgetary commitment in the MTFSP),<sup>3</sup> accounting also for the ceiling on public expenditure annual growth introduced by the new fiscal rules (a maximum of 0.3% of GDP per annum or 0.6% of GDP cumulatively from 2023, with a mark-up resulting from the application of the escape clause for defence spending).

This allowed for additional expansionary fiscal interventions in March and April 2026, amounting to EUR 800 million, aiming to mitigate the effects of rising fuel prices due to the war in the Middle East and to support vulnerable social groups, without compromising compliance with the new EU fiscal governance framework. These are mainly temporary, targeted and tailored support measures for households, pensioners, tenants, farmers and the productive sectors of the economy, as well as measures to mitigate energy costs for industry.

In October 2025-April 2026, the investment climate for Greece remained positive. In November, Fitch Ratings upgraded the Greek economy from BBB to BBB+, i.e. one notch above the investment-grade threshold, with stable outlook. Scope Ratings also changed its outlook on the Greek economy to positive. In April 2026, S&P kept the rating of the Greek economy at BBB, with stable outlook. These positive developments reflect the enhanced credibility of the Greek economy, underpinned by the consistent overperformance of the primary fiscal balance in recent years, as well as expectations for further declines in the public debt-to-GDP ratio in the coming years.

Against this favourable background, in the first four months of 2026, the Greek government raised on international markets an amount covering over 50% of its borrowing programme for the year (EUR 8 billion).<sup>4</sup> In particular, in January the Greek government raised EUR 4 billion through the issuance of a 10-year bond; the issue was oversubscribed by 12 times and the yield stood at 3.47%. The bond reopened in February and April, amounting to EUR 300 million and EUR 250 million respectively, while the yield stood at 3.34% (lower than in the original issue) and at 3.7%, respectively.

Public debt is expected to continue its downward course in the coming years, displaying increased resilience over the medium term, but facing mounting risks in the long term due, as concessional loans by the official sector become gradually refinanced through borrowing on market terms. Assuming adherence to the achievement of fiscal targets and effective use of EU resources, it is expected that the debt-to-GDP ratio will follow a steady downward trajectory, while gross financing needs will remain below the thresholds of 15% of GDP in the medium term and 20% of GDP in the long term, with public debt exhibiting high resilience to a series of adverse shocks over the medium term.

The practical application of the rules of the new fiscal framework in the last two years showed that the implementation of structural reforms and the rapid reduction of public debt create the conditions for the adoption of expansionary fiscal measures without compromising long-term fiscal sustainability. Following a series of reforms aimed at effectively combating tax and contribution evasion, the consistent overperformance of tax revenues and social security contributions reflects the sustained shrinking of the shadow economy, as also indicated by recent data from the

---

<sup>3</sup> In 2025, the net expenditure indicator performed considerably better than initially projected, owing to a cutback in spending in the same year and to an overperformance of public revenue, which was reflected in an increase of discretionary revenue measures. As a result, the available fiscal space broadened, making it possible to adjust the expenditure ceiling.

<sup>4</sup> Public Debt Management Agency (PDMA), Funding Strategy for 2026.

European Commission on the reduction of the VAT gap in recent years.<sup>5</sup> In this context, there is room for additional permanent fiscal expansion, as the new EU fiscal framework provides that the annual growth of net expenditure is adjusted in line with the course of permanent discretionary revenue measures, under certain restrictions.

Efforts to further combat tax evasion and broaden the tax base should continue. Simplifying the tax system, reducing compliance costs and red tape, and nurturing a culture of tax responsibility through financial education in schools should also be employed to this end.

Such an approach – fully harmonised with the new EU fiscal framework – will generate additional fiscal space. In turn, this will enable the introduction of new measures to further reduce the high tax burden on employment, boost incomes, increase public investment and reinforce economic resilience. Thus, the current fiscal overperformance will strength-en the medium-term resilience of the Greek economy in the face of ongoing and future challenges.

---

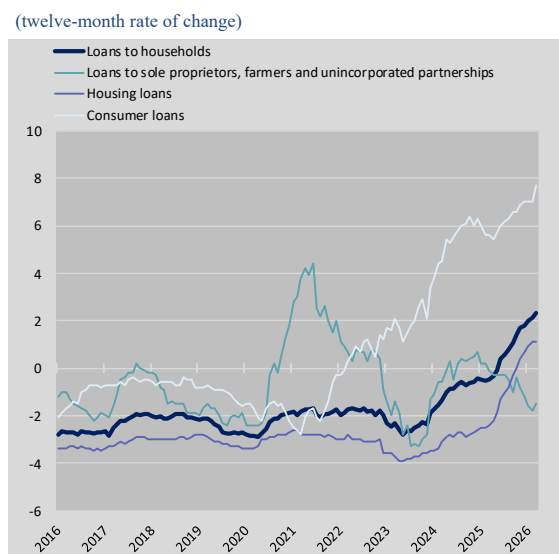
<sup>5</sup> European Commission (2025), *Mind the Gap – Challenges and opportunities for tax compliance and tax expenditures in the EU – Full report*, Publications Office of the European Union, December.

### 3. FINANCIAL CONDITION OF HOUSEHOLDS

#### 3.1 DEVELOPMENTS IN HOUSEHOLDS' CREDIT AND INDEBTEDNESS

The annual growth rate of household lending<sup>6</sup> by domestic monetary financial institutions (MFIs) stood at 2.3% (see Chart II.1). This increase is attributed to housing and consumer loans (March 2026: 1.1% and 7.7% respectively), as the annual rate of change in loans to sole proprietors, farmers and unincorporated partnerships remained negative (-1.5%). The reversal of the deleveraging in housing loans constitutes a positive development, as mortgage loan disbursements in 2025 reached EUR 2 billion, compared with EUR 1.3 billion in 2024.<sup>7</sup> As regards the outlook for household credit, the momentum is expected to continue into 2026, albeit at a moderate growth rate. More specifically for housing loans, the disbursement of the remaining funds under the “My Home II” Programme<sup>8</sup> is expected to continue supporting net mortgage flows.

**Chart II.1 Financing of households by domestic MFIs (2016 - March 2026)**



Source: Bank of Greece.

Note: The growth rates reflect changes in the balances, which have been adjusted for loan write-offs, securities depreciation, foreign exchange variations and reclassifications.

According to the results of the Bank Lending Survey, in the first quarter of 2026<sup>9</sup> and the fourth quarter of 2025,<sup>10</sup> demand for housing loans remained unchanged, following the decline recorded in the third quarter of 2025.<sup>11</sup> Demand for consumer loans also remained unchanged, following an increase in the third quarter of 2025. Over the next quarter, demand for both housing and consumer loans is not expected to change substantially. On the loan supply side, in the first quarter of 2026 and the second half of 2025, credit standards for household loans remained unchanged for both housing and consumer loans. Terms and conditions of housing loans tightened somewhat, due to increases in non-interest rate charges during the first quarter of 2026, while those for consumer and other loans remained unchanged. During the same period, the rejection rate for household loan applications remained almost unchanged.

<sup>6</sup> Including the financing of individuals, private non-profit institutions serving households (NPISHs) and sole proprietors by domestic MFIs.

<sup>7</sup> Data under ECA 231/3/15.07.2024.

<sup>8</sup> It is noted that a reasonable period usually elapses between the submission of an application under the “My Home II” Programme and the disbursement of the loan. Credit institutions participating in the “My Home II” Programme disbursed loans amounting to EUR 408 million in 2025, out of the Programme’s total budget of EUR 1 billion.

<sup>9</sup> See the Bank of Greece’s Press Release on the Bank Lending Survey: Q1 2026, 28.04.2026.

<sup>10</sup> See the Bank of Greece’s Press Release on the Bank Lending Survey: Q4 2025, 03.02.2026.

<sup>11</sup> See the Bank of Greece’s Press Release on the Bank Lending Survey: Q3 2025, 29.10.2025.

### 3.2 HOUSEHOLDS' INTEREST RATE RISK

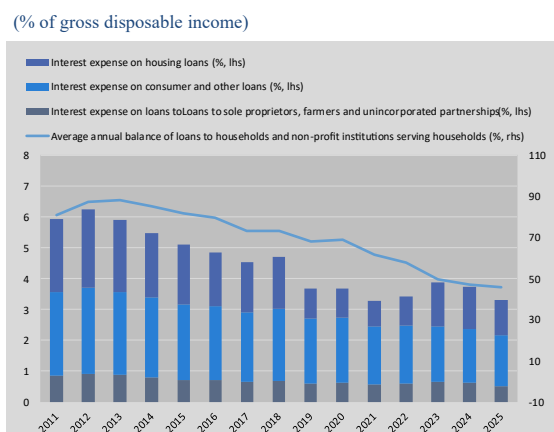
The gradual reduction in the ECB deposit facility rate (cumulatively by 200 basis points from June 2024 to June 2025) is partly reflected in lending rates. More specifically, the average interest rate on the outstanding balances of housing loans with a maturity of over five years decreased by 74 basis points (bps) during the June 2024-February 2026 period (February 2026: 3.6%, June 2024: 4.3%), while for housing loans with a maturity of over one and up to five years it remained unchanged (February 2026: 5.5%, June 2024: 5.5%). The average interest rate on the outstanding balances of consumer and other loans to households decreased by 25 bps during the June 2024-February 2026 period for loans with a maturity of up to one year (February 2026: 14.7%, June 2024: 14.9%), by 54 bps for loans with a maturity of over one and up to five years (February 2026: 10.5%, June 2024: 11.1%) and by 7 bps for loans with a maturity of over five years (February 2026: 8.3%, June 2024: 8.4%). A more pronounced decline was recorded in the average interest rate on outstanding loans to sole proprietors, farmers and unincorporated partnerships, which decreased by 73 bps during the June 2024-February 2026 period for loans with a maturity of up to one year (February 2026: 6.8%, June 2024: 7.5%), by 180 bps for loans with a maturity of over one and up to five years (February 2026: 5.4%, June 2024: 7.2%) and by 149 bps for loans with a maturity of over five years (February 2026: 5.3%, June 2024: 6.8%).

Interest expenses as a percentage of households' gross disposable income declined in 2025, following a decrease in interest rates on outstanding loans (see Chart II.2). Finally, average annual household debt as a percentage of gross disposable income stood at 45.6%, marking an improvement compared with 2024 (47.0%), as the growth of disposable income outpaced the increase in total household debt. In conclusion, interest rate risk for households has slightly eased.

### 3.3 HOUSEHOLDS' INCOME RISK

The evolution of households' disposable income is a key determinant of the relative ease of servicing their loan obligations. According to quarterly data from the non-financial accounts of the institutional sectors compiled by the Hellenic Statistical Authority (ELSTAT), household nominal disposable income increased by 9.8% year-on-year in the fourth quarter of 2025, while real disposable income grew by 6.8%. Throughout 2025, nominal disposable income increased by 5.3% on average, while real disposable income rose by 1.8%, reflecting the impact of higher inflation.

**Chart II.2 Household debt and interest expenses as a percentage of gross disposable income (2011-2025)**



Sources: Bank of Greece calculations and Hellenic Statistical Authority.

Notes:

1. Interest expenses are approximated by the product of the weighted average interest rate, per category, on outstanding performing loans and the average annual balance of household debt by category.
2. Household debt includes loans to sole proprietors, farmers, unincorporated partnerships as well as housing, consumer and other loans provided by domestic credit institutions. It also includes loans in these categories that are managed by credit servicing firms (CSFs) operating in Greece.
3. Gross disposable income on an annual basis is calculated as the sum of four quarterly income observations. The latest observation for 2025 considers income data from the first quarter of 2025 to the fourth quarter of 2025. It is noted that the income of every household is included, irrespective of whether they are indebted.

The rise in nominal disposable income over this period is attributed to the positive contribution of both self-employed income and dependent labour income.

Furthermore, at the beginning of 2026 the labour market continued to improve, as shown both by the unemployment rate and the employment expectations index.<sup>12</sup> More specifically, according to the results of ELSTAT’s Labour Force Survey, the seasonally adjusted unemployment rate stood at 9.0% in March 2026 (March 2025: 9.4%). The employment expectations index for Greece stood at 111.2 in April 2026 (115.1 in December 2025), compared with an EU average of 93.2.<sup>13</sup>

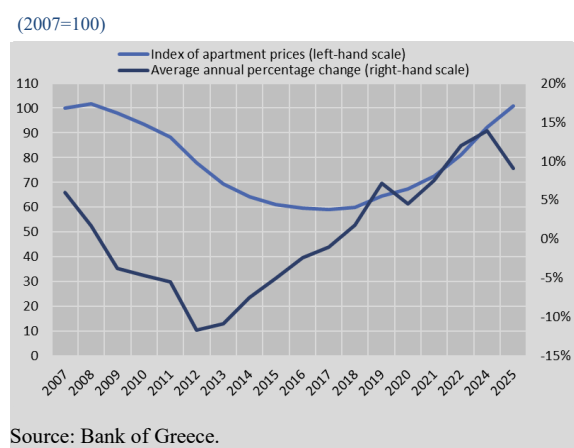
Overall, income risk for households remains contained, while its outlook is contingent upon the intensity and duration of geopolitical developments and their impact on macroeconomic conditions.

### 3.4 HOUSE PRICE RISK

The increase in residential real estate prices continued in 2025, albeit at a more moderate pace.

Specifically, apartment prices (in nominal terms) rose by 7.8% year-on-year in 2025 and have now exceeded their previous peak of 2008 (2025: 108.6, 2008: 101.7, see Chart II.3). Prices for new apartments (up to five years old) increased at an average annual rate of 7.4% in 2025 (2025: 113.8), while those for old apartments rose by 8.1% year-on-year, with the corresponding price index standing at 105.4 in 2025. In terms of geographical breakdown, strong annual growth rates in apartment prices were recorded in Thessaloniki (9.6%) and in other big cities (9.8%). In Athens, the annual growth rate of apartment prices stood at 6.2%, with the price index reaching 113.1 in 2025.

**Chart II.3 Index of apartment prices and annual percentage change (2007-2025)**



A similar trend was observed in rental prices, with the corresponding price index standing at 116.1 in the fourth quarter of 2025, compared with 106.8 in the fourth quarter of 2024.<sup>14</sup> In contrast with the apartment price index, the rental price index remains below its historical peak (Q3 2011: 124.3).

The continued increase in residential property prices in Greece is mainly attributed to the persistence of conditions of excess demand relative to available supply. On the demand side, robust interest is recorded from both domestic and foreign buyers. Strong foreign demand is reflected in the evolution of net foreign direct investment in real estate, which during the price upswing period (2018-2025) averaged EUR 1.6 billion annually, compared with around EUR 170 million annually during the period of declining prices (2008-2017). However, in 2025, net foreign direct investment in real estate declined by 25% year-on-year, a development partly attributed to recent

<sup>12</sup> For more details on labour market developments, see Section II.1, Economic activity: developments and prospects.

<sup>13</sup> Values above 100 indicate high expectations on expected dependent employment.

<sup>14</sup> Data from the Organisation for Economic Cooperation and Development (OECD), 2015=100, [OECD Data Explorer • Analytical house prices indicators](#).

modifications of the Golden Visa regime,<sup>15</sup> while the impact of recent geopolitical developments on demand is yet to be seen. At the same time, domestic demand is bolstered by structural factors, such as increasing urbanisation and the rise in the number of households, despite the overall population decline, a development linked, inter alia, to the increase in single-person and single-parent households.<sup>16</sup>

On the supply side, the limited availability of dwellings reflects both the effective withdrawal of part of the existing housing stock from the market and its historically sluggish pace of replenishment. The higher number of vacant properties is attributed, inter alia, to delays in the settlement of private debt and the consequent tying up of the underlying real estate collateral in lengthy enforcement proceedings. These properties remain effectively withdrawn from the market, as uncertainty over the outcome of these proceedings significantly limits the incentives of existing owners to invest in their maintenance or upgrading. Also significant is the widespread commercial use of residential properties, particularly those allocated to the short-term rental market (number of accommodations with final registration in the “Short-Term Stay Property Registry” for 2024: 207,572),<sup>17</sup> although recent government measures to curb the expansion of this market are expected to help alleviate the housing issue. Furthermore, fragmented ownership hampers decision-making on the management and utilisation of properties,<sup>18</sup> while the elevated cost of renovation acts as a deterrent to undertaking the necessary expenditure for maintaining residential properties and putting them back on the market. At the same time, the replenishment of the housing stock has remained sluggish, as the gross value added of the construction sector has remained for several years close to 2% of GDP (Q4 2025: 2.2%), significantly below the European average (Q4 2025: 5%). Private construction activity slowed down in 2025 compared with 2024 (as building permits decreased by 2.4% in number terms, by 9.4% in surface area and by 2.4% in volume terms). This development is partly attributed to the uncertainty caused in the market by the Council of State’s ruling regarding the incentive framework under the New Building Regulation. The revision of this framework in line with the Court’s ruling contributed to a rebound in private building activity during the second half of 2025.

The above developments in residential property prices point to emerging cyclical systemic risks and, although they do not yet raise concerns from a financial stability perspective, they warrant close monitoring of the lending standards, particularly as mortgage loan disbursements are recovering.

The increase in housing prices and rents, combined with the tax burden on real estate and elevated operating costs, have contributed in recent years to an exacerbation of the housing affordability issue in Greece, as is the case in many EU countries, and to a deterioration of the Housing Affordability Index (HAI), the values of which indicate marginal or low housing affordability for

---

<sup>15</sup> According to a consolidated report by the Ministry of Migration and Asylum ([March 2026 - Legal Migration | Annex B, Table 13a, available in Greek](#)), the number of applications for the initial issuance of a permanent investor residence permit – Golden Visa amounted to 7,029 in 2025, down by 25.1% relative to 2024 (9,384). In the first quarter of 2026, a further decline of 58% was recorded (Q1 2026: 1,236; Q1 2025: 2,913).

<sup>16</sup> According to the 2021 Population Census, the population in urban areas (municipal units/municipal communities) accounts for 78.5% of the total population and resides in an area covering 13.7% of the total territory, whereas in 2011 the population in urban areas accounted for 72.4% and resided in an area covering 14.3% of the territory. Furthermore, the number of non-nuclear households increased by 26% (+319,770 households) compared with 2011, and the number of single-parent households (single father/single mother) increased by 9% (+39,349 households).

<sup>17</sup> See ELSTAT, [On short-term rental accommodation establishments operating through digital platforms](#).

<sup>18</sup> The Ministry of Justice recently launched a consultation on a bill entitled ‘Reform of Succession Law and Related Provisions’. The bill, notably its provisions on the reserved share, is expected to help reduce future cases of fragmented ownership.

2024.<sup>19</sup> Against this background, at the current juncture reinforcing and accelerating measures to mitigate the potential adverse impact of the housing issue on households' financial position is seen as an appropriate policy response. Emphasis should be placed on providing incentives to increase the available building stock, both through the development of new and the upgrading of existing degraded residential properties, as well as by providing incentives to put back on the market residential properties that have been withdrawn.<sup>20</sup>

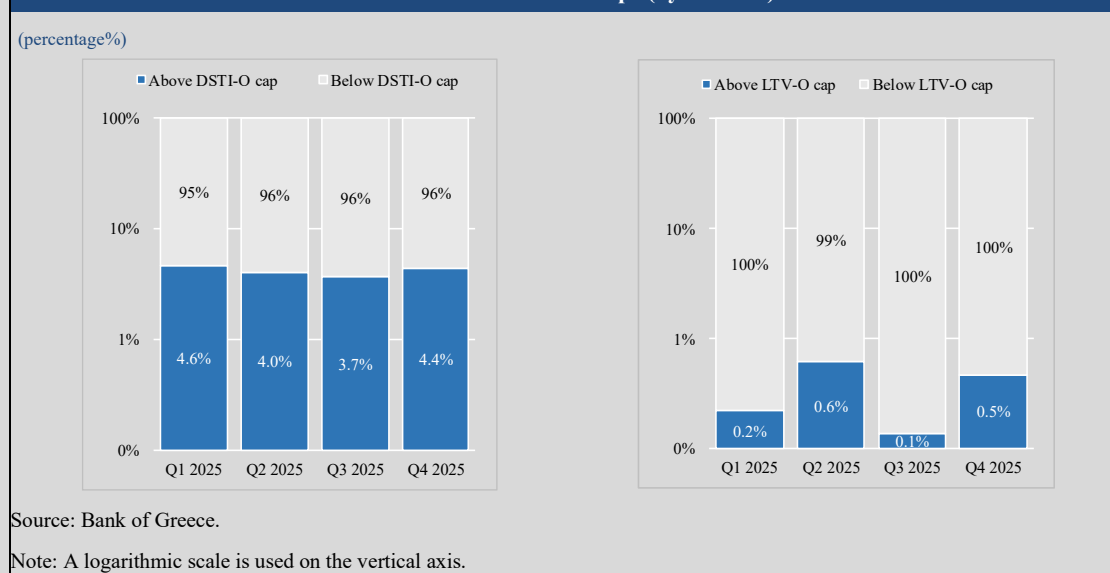
### Box II.1 Review of the implementation of macroprudential borrower-based measures

This box discusses indebtedness among households having received a residential real estate (RRE) loan during the 2023-2025 period and explores the impact of macroprudential borrower-based measures (BBMs) on the risk profile of these loans during the first year of their implementation.<sup>i</sup>

An RRE loan is defined as any financing to a natural person that is collateralised by residential immovable property, irrespective of the loan purpose. This includes housing, renovation and consumer loans, as well as loans to sole proprietors, farmers and unincorporated partnerships, provided that they are collateralised by residential immovable property.<sup>ii</sup>

The analysis first examines the degree of compliance of credit institutions with the binding caps imposed on the debt-service-to-income at origination (DSTI-O) ratio and the loan-to-value at origination (LTV-O) ratio, as well as the extent to which credit institutions make use of the flexibility (waiver) to grant RRE loans in excess of these binding caps.<sup>iii</sup> At banking sector level, the caps are complied with, and limited use is made of the available flexibility (see Chart 1).

Chart 1 Share of loans above/below DSTI-O and LTV-O caps (by number)



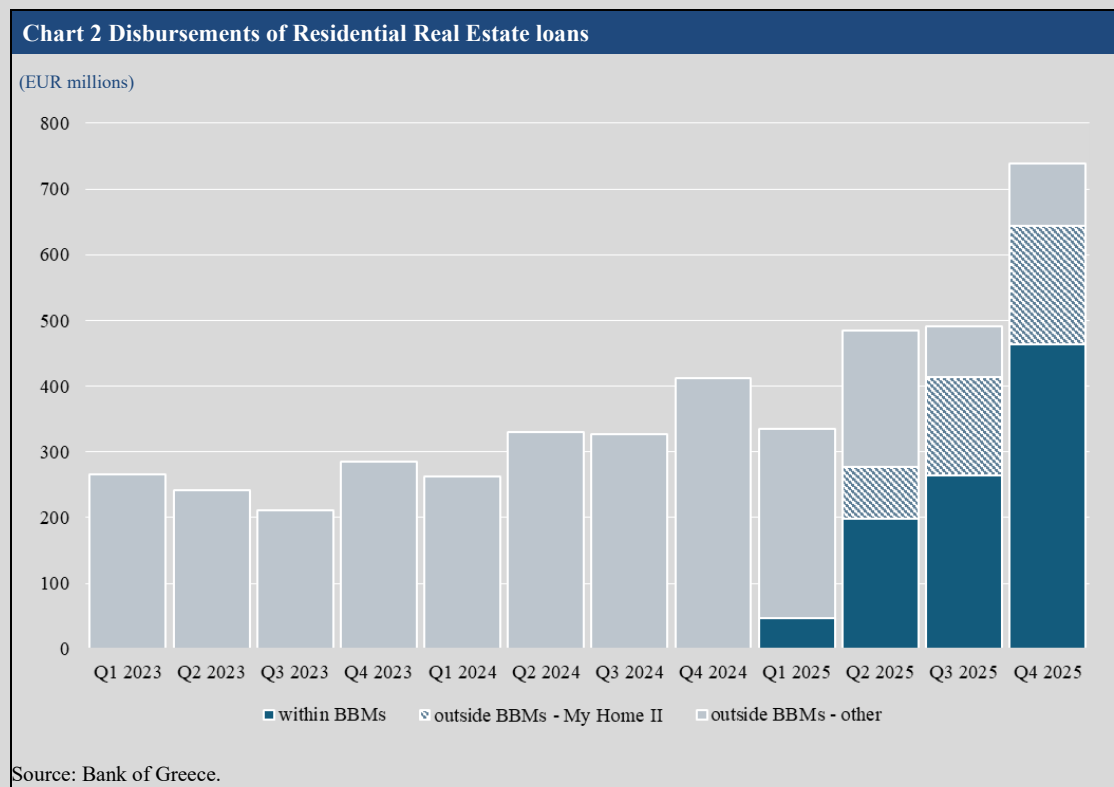
In more detail, in 2025, loans exceeding the DSTI-O cap ranged between 3.7% and 4.6% of the total number of new RRE loans, while loans exceeding the LTV-O cap ranged between 0.1% and 0.6% over the same period. Consequently, the waiver was utilised to a greater extent in the

<sup>19</sup> See Bank of Greece (2026), *Governor's Annual Report for 2025*, Chapter IV, Special Feature 1, April (in Greek).

<sup>20</sup> See Ministry of Social Cohesion and Family, presentation of the results from the implementation of housing policy measures (February 2026, in Greek).

case of the DSTI-O ratio, the caps of which appear to be more binding on borrowers; this is consistent with the findings of the Housing Affordability Index (HAI) analysis, which point to marginal or low housing affordability since as early as 2024.

The evolution of new RRE loans is then examined in order to assess whether the macroprudential borrower-based measures may have had any contractionary effect, which would run counter to the intended policy impact in the wake of a 15-year continuous deleveraging in mortgage lending.



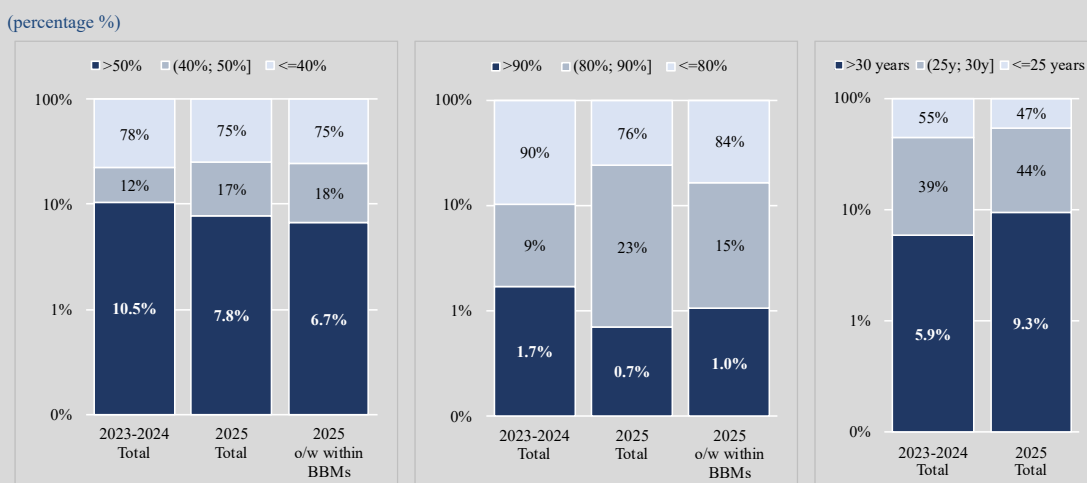
In 2025, RRE loan disbursements amounted to EUR 2 billion, compared with EUR 1.3 billion in the previous year, reflecting a substantial increase. This rise is partly driven by disbursements under the “My Home II” Programme, which amounted to approximately EUR 0.4 billion in 2025. Given that loan disbursements increased year-on-year even when excluding those associated with the “My Home II” Programme, which are outside the perimeter of the macroprudential measures, BBMs do not appear to have considerably restricted access to bank financing.

Finally, it is examined whether the increase in RRE loan disbursements recorded in 2025 was accompanied by a deterioration in the risk profile of new loans. The level of risk associated with new RRE loans can be assessed by the extent of the tail of each indicator’s distribution, i.e. the share of new loans exhibiting particularly elevated indicator values within the total loan flow. Loans located in the tail of the distribution are characterised by extended maturity at origination, a high DSTI-O ratio and/or a high LTV-O ratio and are considered more prone to default, especially in an adverse economic environment.

The sustained containment of the tail distribution of the examined indicators provides clear evidence that credit institutions are indeed applying prudent lending standards and, by extension, underscores the effectiveness of the Bank of Greece’s BBMs. Ensuring that this condition continues to hold is considered particularly important, especially during periods of credit growth.

Indeed, in 2025 the tail of the DSTI-O distribution accounted for 7.8% of new loans, compared with 10.5% in the 2023-2024 period, down by 2.7 percentage points (pps). The extent of the DSTI-O tail was even smaller for new RRE loans subject to BBMs (2025: 6.7%). Similarly, a decrease was observed in the tail of the LTV-O ratio, which narrowed from 1.7% in the 2023-2024 period to 0.7% in 2025. By contrast, the tail of the distribution based on maturity at origination increased by 3.4 pps (2025: 9.3%, 2023-2024: 5.9%) in the absence of a relevant binding cap under the current BBM framework.

**Chart 3 Distribution of the DSTI-O and LTV-O ratios and maturity at origination for new RRE loans**



Source: Bank of Greece.

Note: A logarithmic scale is used on the vertical axes.

In conclusion, at banking sector level, on the one hand, BBMs are complied with and limited use is made of the waivers provided for by the framework, and, on the other hand, new disbursements are growing at a satisfactory pace. The credit risk profile of new RRE loans remains broadly conservative, and lending standards remain prudent, partly as a result of BBMs.

The Bank of Greece will continue to regularly monitor credit institutions' compliance with the BBMs in place, as well as the effectiveness of these measures. In addition, it will assess the need for targeted interventions aimed at enhancing their effectiveness, such as the introduction of caps on maturity at origination.

<sup>i</sup> See Section IV, 'Macroprudential policy' of this Financial Stability Review.

<sup>ii</sup> [Executive Committee Act 231/3/15.07.2024](#) "Adoption of Recommendation ESRB/2016/14 of the European Systemic Risk Board of 31 October 2016 on closing real estate data gaps, as amended by Recommendation ESRB/2019/3 of the European Systemic Risk Board of 21 March 2019 – Repeal of Executive Committee Act No. 175/1/29.07.2020 (Government Gazette B 3561/28.08.2020)" (in Greek).

<sup>iii</sup> Pursuant to ECA 227/1/2024, the DSTI-O and LTV-O caps may be waived for up to 10% of the total number of new loans and other credit originated and at least partially disbursed in each quarter at institution-/entity-level.

<sup>iv</sup> See Bank of Greece (2026), *Governor's Annual Report for 2025*, Chapter IV, Special Feature 1, April (in Greek).

### 3.5 INTEGRATED ASSESSMENT OF THE FINANCIAL CONDITION OF HOUSEHOLDS

According to the experimental distributional wealth accounts<sup>21</sup> compiled by the European System of Central Banks (ESCB),<sup>22</sup> adjusted net wealth<sup>23</sup> *per capita* in Greece reached EUR 93 thousand in the third quarter of 2025, up by 10.4% from the third quarter of 2024 (EUR 84.3 thousand). The increase in adjusted net wealth is mainly attributed to a rise in the value of households' residential property during the period under review. Actually, the largest contribution to total net wealth originates from housing assets (59.1% of total adjusted assets *per capita*). The adjusted debt-to-asset ratio stood at 8.7% in the third quarter of 2025, improving by 62 basis points year-on-year (third quarter of 2024: 9.3%), and remained below the euro area average (third quarter of 2025: 10.4%).

Considering the aforementioned risk factors, the financial condition of households does not, at present, raise any concerns regarding the safeguarding of financial stability over the short term.

---

<sup>21</sup> Experimental data are economic and financial data, collected and compiled by the ECB, whose quality is somewhat lower than that of other ECB statistics; however, these datasets are regarded as sufficiently reliable to be useful for monetary policy purposes and various ESCB tasks.

<sup>22</sup> See [Distributional Wealth Accounts](#).

<sup>23</sup> A household's net wealth is the difference between its total assets (financial and non-financial) and its total liabilities.

## 4. FINANCIAL CONDITION OF ENTERPRISES

### 4.1 FINANCIAL DATA

In 2025, the revenue of Greek corporates increased year-on-year. In particular, according to ELSTAT (Hellenic Statistical Authority) data,<sup>24</sup> the turnover for all enterprises and activities of the economy as a whole amounted to EUR 492.1 billion, up by 1.6% compared to 2024 (Chart II.4).

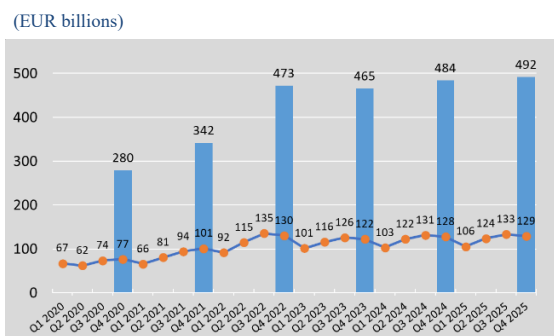
The most pronounced year-on-year percentage growth in turnover was observed in the “Mining and Quarrying” sector (up by 11.2%), followed by “Education” (up by 8.9%). Conversely, the “Public Administration and Defense; Compulsory Social Security” sector experienced a decline of 11.6% in turnover. It should be noted that the two largest sectors in terms of contribution to total business turnover, namely “Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles” (37%) and “Manufacturing” (20%), recorded increases of 1.0% and 1.7% respectively.

In 2025, the profitability of Greek non-financial corporations (NFCs), in terms of operating surplus, exhibited notable year-over-year improvement. Specifically, according to ELSTAT data,<sup>25</sup> the gross operating surplus of NFCs grew by 6.6% in 2025 (compared with 2.2% in 2024). Similarly, net operating surplus rose by 9.0% in 2025 (compared with a marginal increase of 0.2% in 2024). Therefore, the performance of the business sector in terms of operating profits – as expressed by the net profit share (i.e. the ratio of net operating surplus to net value added) – stood at 27.3% in 2025, compared with 26.9% in 2024, remaining high and above the pre-pandemic three-year average for 2017-2019 (25.2%).

### 4.2 CREDIT TO NON-FINANCIAL CORPORATIONS AND INDEBTEDNESS

Financing to NFCs by domestic monetary and financial institutions (MFIs) accounts for a substantial portion of total private sector financing (64%) (see Chart II.5). The annual growth rate of NFC financing by domestic MFIs accelerated strongly in 2025 (averaging 15.0%, compared with 9.5% in 2024), while in May 2025 it reached the highest level observed since early 2009 (17.4%). From June 2025 onwards, a gradual deceleration in the growth rate was observed, although financing growth remained strong (March 2026: 10.4%, see Chart II.6). The ratio of NFC credit to GDP stood at 32.9%, increased compared with December 2024 (31.4%) (see Chart II.7).

**Chart II.4 Turnover evolution for all enterprises and the activities of the economy as a whole**



Source: Hellenic Statistical Authority.

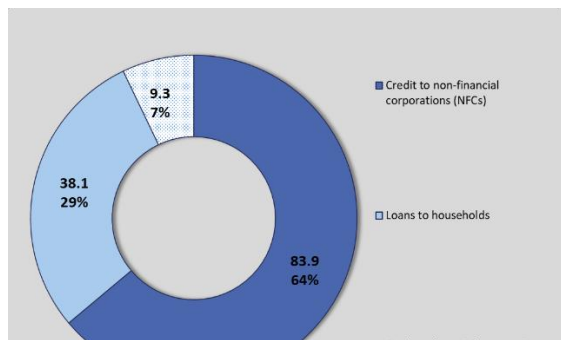
Note: Quarterly and annual data are depicted in line and bars, respectively.

<sup>24</sup> [Press Release – Evolution of turnover of enterprises, December, 4<sup>th</sup> Quarter 2025.](#)

<sup>25</sup> [Quarterly Non-Financial Accounts of Institutional Sectors for Non-Financial Corporations](#) (S.11), 4<sup>th</sup> Quarter 2025.

**Chart II.5 Credit to the domestic private sector by domestic MFIs**

(EUR billions; %; March 2026)

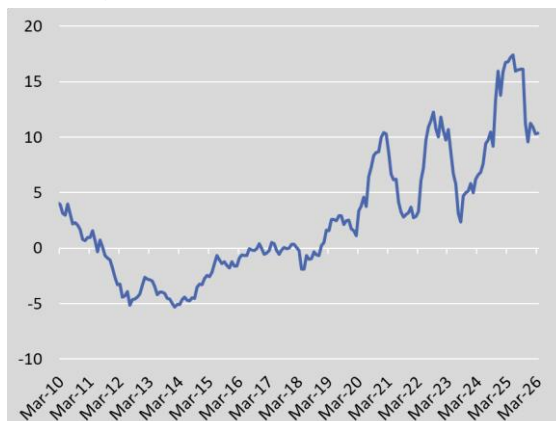


Source: Bank of Greece.

Note: Outstanding amounts at end of period, including securitised loans and corporate bonds.

**Chart II.6 Annual growth rate of credit to NFCs by domestic MFIs**

(%; annual growth rates)



Source: Bank of Greece.

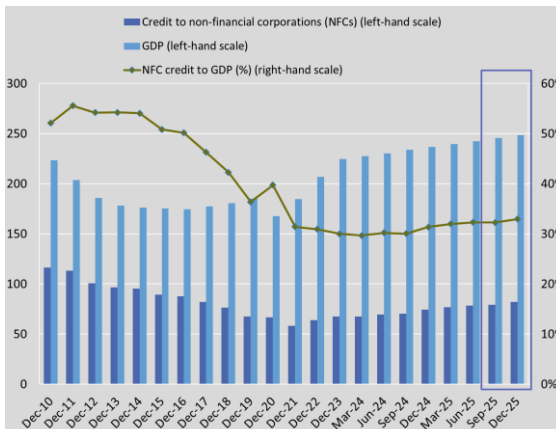
Note: Growth rates are derived from changes in the outstanding amounts, corrected for loan write-offs, exchange rate variations and reclassifications or sales of loans.

Co-financing and guarantee schemes administered by development institutions, along with bank loans associated with the Recovery and Resilience Facility (RRF), made a considerable contribution to business credit availability. In 2025, disbursements of business loans by domestic credit institutions associated with financial instruments or the loan component of the Recovery and Resilience Facility accounted for 29% of the total. More specifically, for small and medium-sized enterprises (SMEs), new lending associated with financial instruments or Recovery and Resilience Facility loans accounted for approximately 40%.

According to the results of the Bank Lending Survey published by the Bank of Greece on a quarterly basis,<sup>26</sup> credit standards for loans to NFCs and the overall terms and conditions for granting loans “eased somewhat”<sup>27</sup> during 2025. Over the same period, overall demand for loans by NFCs “increased somewhat”, while banks’ expectations for the following quarter were more cau-

**Chart II.7 Ratio of NFC credit to Gross Domestic Product (GDP) (December 2010 – December 2025)**

(EUR billions; %)



Sources: Bank of Greece, Hellenic Statistical Authority.

Note: GDP figures are shown on an annualised basis.

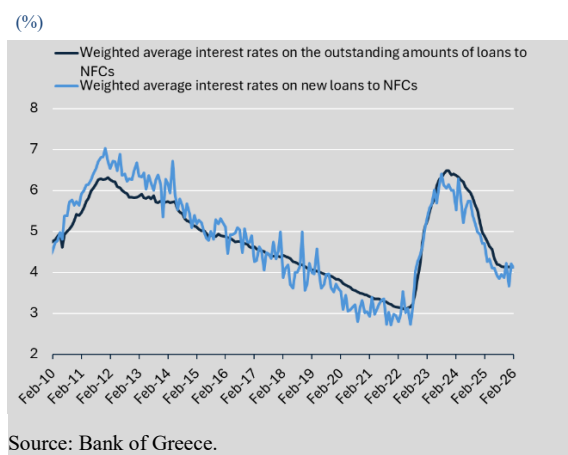
<sup>26</sup> The [Bank Lending Survey](#) is conducted on a quarterly basis by the national central banks of the euro area in collaboration with the European Central Bank (ECB), on a sample of approximately 150 banks from all euro area countries, including the four significant credit institutions in Greece.

<sup>27</sup> It is noted that the average of banks’ responses is on a scale of 1 to 5, where: 1=lending standards/terms and conditions “tightened considerably”, 2=“tightened somewhat”, 3=“remained basically unchanged”, 4=“eased somewhat” and 5=“eased considerably”.

tious, anticipating slightly increased demand. In addition, the main factors supporting loan demand by NFCs were primarily “mergers/acquisitions and corporate restructuring”, as well as “inventories and working capital” and “debt refinancing/restructuring and renegotiation”.

In addition, during the first half of 2025, the Governing Council of the European Central Bank (ECB) continued the cycle of key interest rate cuts that had started in June 2024,<sup>28</sup> resulting in lower borrowing costs for enterprises and households in the euro area. Specifically, in Greece, the weighted average interest rate on new loans to NFCs declined by 127 basis points to 3.7% in December 2025, from 4.9% in December 2024, before increasing again to 4.1% in February 2026. Similarly, the weighted average interest rate on outstanding loans to NFCs decreased by 106 basis points to 4.1% in December 2025, from 5.2% in December 2024, and remained unchanged through February 2026 (see Chart II.8)

**Chart II.8 Weighted average interest rates on new and outstanding loans to NFCs by MFIs (February 2010 – February 2026)**



Source: Bank of Greece.

At the same time, Greek NFCs raised financing through the issuance of corporate bonds at a lower cost, benefiting from the reduction in the ECB’s key interest rates. Specifically, in 2025, eight new corporate bond issuances were completed, with a total value of EUR 3.7 billion. In addition, it should be noted that yields on corporate bonds issued by Greek NFCs followed a downward trend during 2025, which continued into early 2026. However, following the escalation of geopolitical tensions and the outbreak of war in the Middle East, bond yields increased, in line with developments in European corporate bond markets.

More favourable financing conditions and the decline in corporate borrowing costs are also reflected in the composite cost-of-borrowing indicator for NFCs in Greece. According to ECB calculations,<sup>29</sup> this indicator declined by 126 basis points and stood at 3.7% in December 2025, compared with 5.0% in December 2024. Correspondingly, for euro area countries, the indicator decreased by 63 basis points over the same period (from 4.4% in December 2024 to 3.7% in December 2025). Although the indicator in Greece remains higher than in most euro area countries, since summer 2024 it has gradually converged towards the European average, with the spread narrowing to 16 basis points in December 2025, from 63 basis points in December 2024.

Since early 2026, non-financial corporations have faced challenges primarily due to increased uncertainty in the global environment, driven by escalating trade protectionism and sustained geopolitical tensions, notably the war in the Middle East. These dynamics are anticipated to impact international trade, potentially disrupt supply chains and sustain inflationary pressures, thereby weighing overall on the business environment. The above developments may adversely affect key European markets and, consequently, demand for Greek goods and services, while higher energy

<sup>28</sup> It should be noted that during the first half of 2025, the Governing Council of the ECB reduced its key interest rates cumulatively by 100 basis points.

<sup>29</sup> See ECB, [MFI interest rates](#) and [Methodological Note](#).

costs are expected to intensify pressures on production costs. At the same time, prolonged uncertainty may constrain foreign direct investment and prompt the deferral of business decisions, thereby undermining investment prospects and impeding the growth trajectory of enterprises.

As regards the outlook for NFC financing, the maintenance of a satisfactory rate of economic growth in 2026, together with the absorption of resources from the Recovery and Resilience Facility and the co-financing and guarantee programmes of the Hellenic Development Bank and the European Investment Bank, is expected to support financing conditions.

## 5. DEVELOPMENTS IN DOMESTIC AND INTERNATIONAL MONEY AND CAPITAL MARKETS

In 2025 and the early months of 2026, the world's leading stock market indices reached unprecedented levels, even amid periods of elevated volatility triggered by rising trade protectionism, geopolitical tensions and armed conflicts.

The Athex Composite Share Price Index delivered a robust performance, rising by 44.3% and outperforming most European indices.<sup>30</sup> The surge was propelled by a favourable macroeconomic backdrop, successive credit rating upgrades of the Greek sovereign,<sup>31</sup> fiscal stability and the continued improvement in the fundamentals of the banking sector, which led the rally, with the Banking Index posting an impressive return of 78%. Key developments included Euronext's acquisition of a majority stake in the Hellenic Exchanges – Athens Stock Exchange S.A. and multiple upgrades of the Greek equity market by major international index providers. These developments further strengthened investor confidence in the long-term prospects of the Greek capital market.

Specifically, in July 2025, the global index provider S&P Dow Jones Indices proposed the upgrade of the Greek market from Emerging to Developed Market status, effective from September 2026. Moreover, in October 2025, FTSE Russell announced the upgrade of Greece to Developed Market status, effective from 21 September 2026.<sup>32</sup> Similarly, in March 2026, Morgan Stanley announced the upgrade of the Greek stock market from Emerging to Developed Market and its inclusion in the Morgan Stanley Composite Index (MSCI), effective from May 2027. Finally, in April 2026, STOXX upgraded Greece to Developed Market status, effective from 21 September 2026.

However, the continued geopolitical crisis in the Middle East has triggered renewed high volatility across global and European equity markets in the early months of 2026 (see Chart II.9), underscoring the risk of an abrupt re-pricing of financial assets internationally.

**Chart II.9 European and US financial markets' volatility**

(1.1.2025-15.4.2026, daily values)



<sup>30</sup> Best performing European stock market indices in 2025: Hungarian Traded Index: 59.7%, Prague Stock Exchange Index: 52.6%, Slovenian Blue Chip Index: 50.3%.

<sup>31</sup> DBRS Morningstar, 5.9.2025: affirmed BBB, stable outlook; Fitch, 14.11.2025: BBB, stable outlook, from BBB-, positive outlook; S&P, 18.4.2025: BBB, stable outlook, from BBB-, positive outlook; Moody's, 14.3.2025: Baa3, stable outlook, from Ba1, positive outlook; and Scope Ratings, 7.11.2025: BBB, positive outlook, from BBB, stable outlook.

<sup>32</sup> In particular, FTSE Russell announced the upgrade of Greece from the Advanced Emerging category to Developed Market status in the FTSE GEIS indices, effective from 21 September 2026.

In advanced economies, monetary policy gradually became less restrictive, as central banks continued the rate-cutting cycle that had started in 2024, reflecting progress in the disinflation process (see Chart II.10). The gradual easing of key policy rates continued at varying paces throughout 2025, whereas no changes have been observed so far in 2026.

Specifically, the ECB cut the deposit facility rate by a cumulative 200 basis points between June 2024 and June 2025, lowering it to 2%.

The Bank of England cut its key interest rate by a cumulative 100 basis points in four successive occasions during 2025, bringing the rate to 3.75%. Similarly, the US Federal Reserve (Fed) reduced its target range for the policy rate by 75 basis points in 2025, through three cuts of 25 basis points each, and kept interest rates unchanged in 2026 at the 3.50%-3.75% range.

During 2025, yields on benchmark government bonds in the euro area increased, mainly due to developments in Germany and France. Specifically, German government bond yields rose significantly in March 2025, following the announcement of fiscal expansion plans by the government. In addition, French government bond yields increased in the third quarter of 2025, as political instability heightened – albeit temporarily – investor concerns regarding fiscal policy in France.

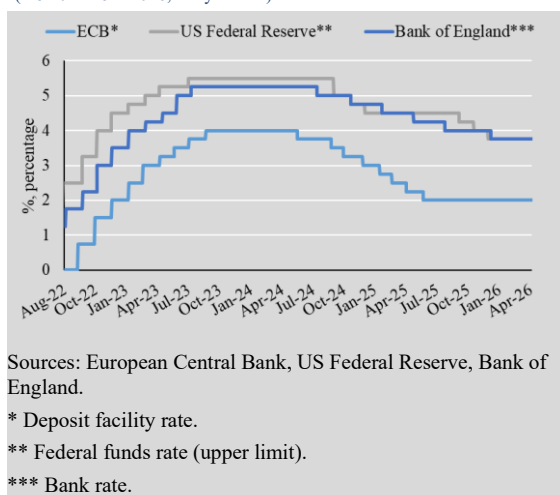
Greek government bond yields recorded a modest increase, tracking only partially the upward trend observed in euro area benchmark yields (see Chart II.11). As a result, the yield spread of the Greek 10-year government bond relative to the corresponding German Bund narrowed from 85 basis points at the beginning of January 2025 to 59 basis points on 31 December 2025. However, the conflict in the Middle East led to a renewed widening of the spread (15 April 2026: 74.5 basis points).

At the same time, Greek bank bond yields recorded a modest increase in 2025, which continued into the first quarter of 2026. However, following successive credit rating upgrades, all major Greek banks are now within investment-grade territory. This development provides important support amid heightened global uncertainty.

Greek banks' senior preferred bond yields are now moving in line with those of BBB-rated European banks. Between January 2025 and April 2026, Greek banks raised a total of approximately EUR 9.7 billion through bond issuances, at weighted average interest rates of 3.2% for senior preferred bonds, 4.72% for Tier 2 instruments and 6.07% for Additional Tier 1 (AT1) instruments.

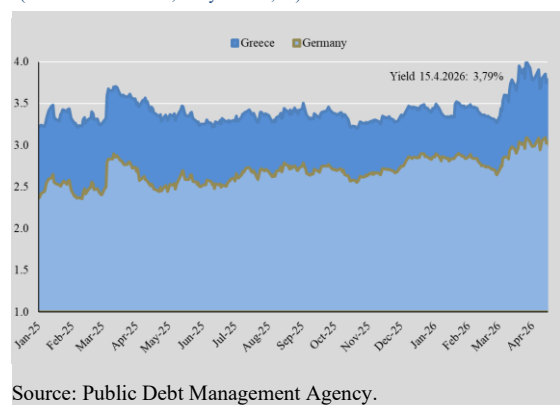
**Chart II.10 Central banks' key interest rates**

(1.8.2022-15.4.2026, daily values)



**Chart II.11 Greek and German 10-year bond yields**

(1.1.2025-15.4.2026, daily values, %)



### III. THE BANKING SECTOR

#### 1. KEY BALANCE SHEET FIGURES

In December 2025, Greek banking groups' assets stood at EUR 375.2 billion, up by 8.8% (or EUR 30.2 billion) compared to December 2024 (see Table III.1), mainly driven by organic expansion, while acquisitions (e.g. Ethniki Insurance, Astrobank) also contributed to a lesser extent.

**Table III.1 Structure of assets and liabilities of Greek commercial banking groups**

(in EUR millions, %)

	2024		2025		Change
		%		%	
<b>Assets</b>					
Cash & balances with Central Bank	34,335	10.0	35,023	9.3	687
Due from banks	9,676	2.8	11,660	3.1	1,984
Loans & advances to customers (net)	177,270	51.4	193,726	51.6	16,457
Derivative financial instruments	3,591	1.0	2,840	0.8	-750
Securities	79,378	23.0	89,997	24.0	10,620
Investment in subsidiaries & associates, tangible and intangible assets	11,988	3.5	13,554	3.6	1,565
Non-current assets held for sale	3,036	0.9	2,383	0.6	-654
Other assets	25,709	7.5	26,000	6.9	291
<b>Total</b>	<b>344,983</b>	<b>100.0</b>	<b>375,183</b>	<b>100.0</b>	<b>30,200</b>
	2024		2025		Change
		%		%	
<b>Liabilities</b>					
Deposits from customers	263,186	76.3	280,109	74.7	16,923
Due to banks	13,598	3.9	17,240	4.6	3,642
Derivative financial instruments	3,585	1.0	3,001	0.8	-584
Debt securities in issue & other borrowed funds	18,675	5.4	21,491	5.7	2,816
Liabilities related to assets held for sale	1,186	0.3	1,285	0.3	99
Other liabilities	8,998	2.6	11,986	3.2	2,988
Total equity	35,755	10.4	40,072	10.7	4,317
<b>Total</b>	<b>344,983</b>	<b>100.0</b>	<b>375,183</b>	<b>100.0</b>	<b>30,200</b>

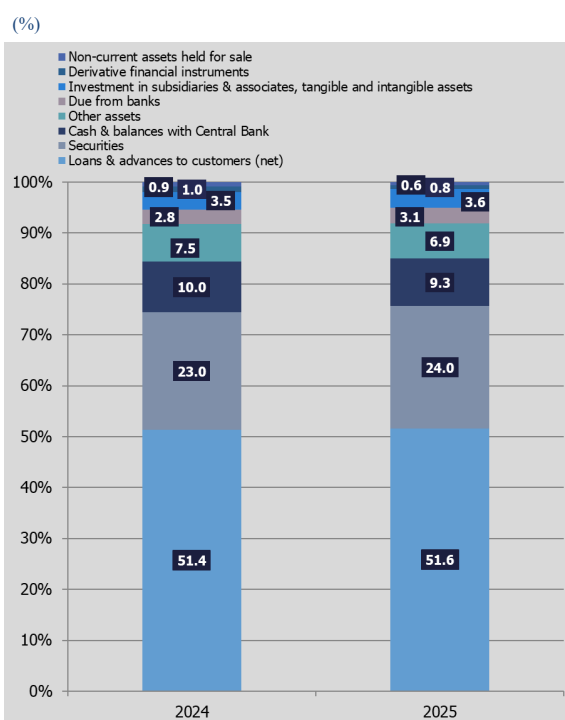
Source: Bank of Greece.

Note: Comparative financial figures have been restated following reclassifications made in the Financial Statements.

More specifically, changes in assets' volumes and composition are mainly attributed to (see Chart III.1):

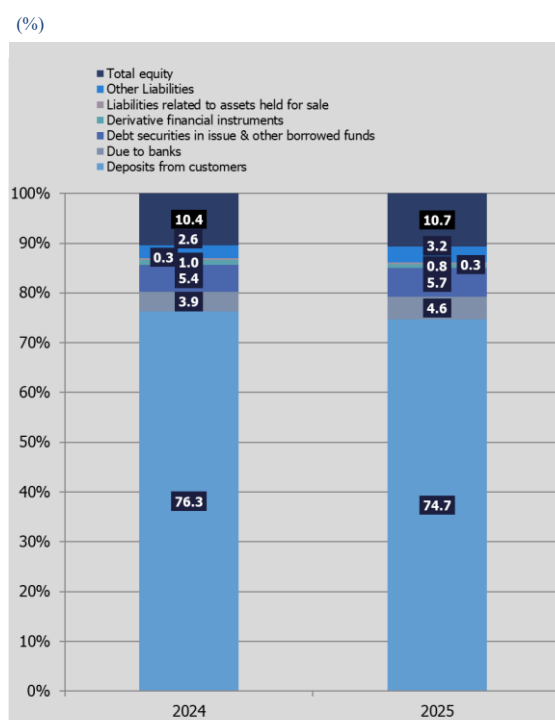
- (i) an increase of EUR 16.5 billion in net loans, as loan disbursements exceeded the reduction in balances due to loan repayments. As a result, the share of net loans in total assets increased marginally (December 2025: 51.6%, December 2024: 51.4%);
- (ii) a rise of EUR 10.6 billion in debt securities, mainly due to an increase in holdings of foreign government bonds, resulting in a rise in the share of debt securities in total assets (December 2025: 24.0%, December 2024: 23.0%).

**Chart III.1 Structure of assets of Greek banking groups**



Source: Bank of Greece.

**Chart III.2 Structure of liabilities of Greek banking groups**



Source: Bank of Greece.

On the liabilities side, the most significant developments were as follows (see Chart III.2):

- (i) an increase of EUR 16.9 billion in deposits from customers, primarily in Greece. Nevertheless, the share of deposits from customers in total liabilities decreased (December 2025: 74.7%, December 2024: 76.3%);
- (ii) an increase of EUR 4.3 billion in equity, mainly due to a rise in retained earnings and the issuance of Additional Tier 1 capital instruments. As a result, the share of equity in total liabilities grew (December 2025: 10.7%, December 2024: 10.4%);
- (iii) An increase in amounts due to banks by EUR 3.6 billion, owing to an increase in repos. Consequently, the share of amounts due to banks in total liabilities widened (December 2025: 4.6%, December 2024: 3.9%);
- (iv) an increase in other liabilities by EUR 3.0 billion, due to the consolidation of liabilities arising from mergers and acquisitions, resulting in an increase in the share of other liabilities in total liabilities (December 2025: 3.2%, December 2024: 2.6%); and
- (v) an increase in debt securities in issue and other borrowed funds by EUR 2.8 billion. Consequently, the share of debt securities in issue and other borrowed funds in total liabilities grew (December 2025: 5.7%, December 2024: 5.4%).

## 2. RISKS

### 2.1 CREDIT RISK

#### Evolution of key figures

In 2025, the quality of credit institutions' loan portfolios in Greece improved further. The total stock of non-performing loans (NPLs) stood at EUR 5.7 billion, down by 5.2% or EUR 310 million compared to December 2024, according to on-balance-sheet data on a solo basis<sup>33</sup> (see Table III.2). It should be noted that the cumulative decrease in NPLs from their peak level in March 2016 reached 94.7% or EUR 101.5 billion.

**Table III.2 Key figures – Total portfolio**

(EUR millions, on-balance-sheet items)	Dec. 2024	Dec. 2025
<b>Breakdown of NPLs</b>		
Total loans	158,797	171,853
Performing loans	152,808	166,175
Non-performing loans	5,988	5,679
<i>Unlikely-to-pay</i>	2,015	1,945
<i>Past due &gt; 90 days</i>	2,395	2,062
<i>91-180 days</i>	310	362
<i>181-360 days</i>	324	356
<i>&gt;1 year</i>	1,761	1,344
<i>Denounced loans</i>	1,579	1,671
<b>Breakdown of forborne loans</b>		
Forborne loans	5,459	4,051
<i>Performing forborne loans</i>	3,405	2,059
<i>Non-performing forborne loans</i>	2,055	1,992
<b>Breakdown of impairment losses and collateral</b>		
Accumulated provisions for non-performing loans	2,441	2,170
Total collateral	99,285	98,844
Collateral for performing loans	95,231	94,815
Collateral for non-performing loans	4,054	4,029
<i>Unlikely-to-pay</i>	1,392	1,506
<i>Past due &gt; 90 days</i>	1,546	1,334
<i>Denounced loans</i>	1,116	1,188
Collateral for non-performing loans under restructuring	1,398	1,554
<b>Breakdown of non-performing loan flows and write-offs</b>		
	Dec. 2024	Dec. 2025
Flows of non-performing loans during the period	1,025	1,357
Flows to performing loans	-1,314	-836
Flows to non-performing loans	2,339	2,193
Write-offs	419	299
of which write-offs of denounced loans	304	153

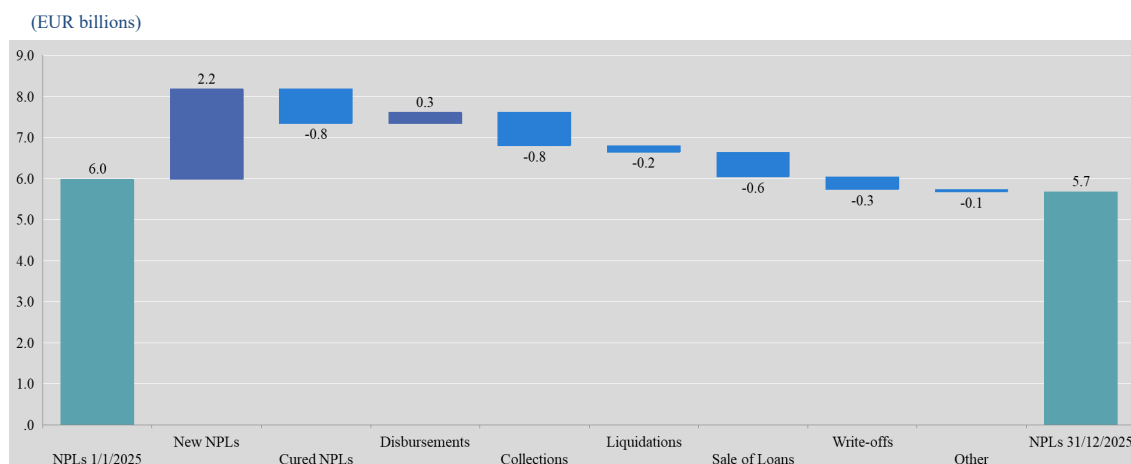
Source: Bank of Greece.

The drop in NPLs in 2025 was primarily driven by collections, sales and write-offs of loans<sup>34</sup> (see Chart III.3), while collateral liquidation remained limited.

<sup>33</sup> On a consolidated basis, the NPL stock stood at EUR 6.1 billion, down by 6.2% or EUR 406 million compared to 2024.

<sup>34</sup> It should be noted that portfolio sales include loan portfolios that have been transferred to the "Held For Sale" portfolio.

**Chart III.3 Flows of non-performing loans in 2025**



Source: Bank of Greece.

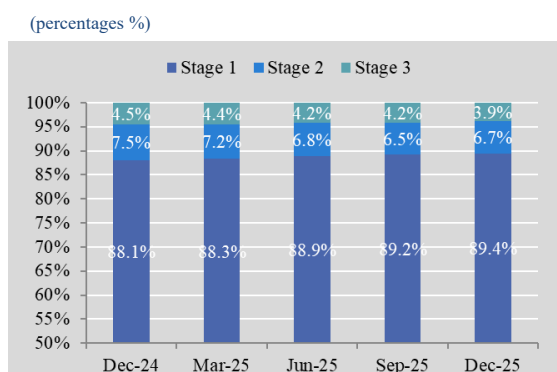
Notes: The categories "Liquidations" and "Sale of Loans" include any partial write-off amounts related to these categories. The "Write-offs" category exclusively includes loan write-offs. NPL sales transactions, directly or through securitisations, are included in the "Sale of Loans" and "Other" categories. "Disbursements/Purchases/Arrears Capitalisation" include accrued interest, purchase of loans and arrears capitalisation.

However, it should be noted that the net inflow of new NPLs in 2025 – calculated as the sum of “new NPLs” and “disbursements”, minus reclassifications to performing status (see Chart III.3) – is positive.

The ratio of NPLs to total loans on a solo basis stood at 3.3% in December 2025, compared with 3.8% in 2024, as a result of both a decline in NPLs and credit expansion. This is the lowest level of the NPL ratio since Greece joined the euro area, having significantly converged with the average for significant institutions within the Banking Union.

Furthermore, portfolio quality is reflected in the allocation of the total loan stock across stages, classified according to credit risk levels, in compliance with International Financial Reporting Standard 9 (IFRS 9). In 2025, compared with 2024, there is a decline in loans classified under Stage 3 – those with the highest credit risk – due to the reduction in NPLs, and an increase in the proportion of loans classified under Stage 1 – those with the lowest credit risk – due to credit expansion (see Chart III.4).

**Chart III.4 Allocation of the total loan stock per stage according to IFRS 9**



Source: Bank of Greece.

## Indicators for NPL monitoring and evaluation

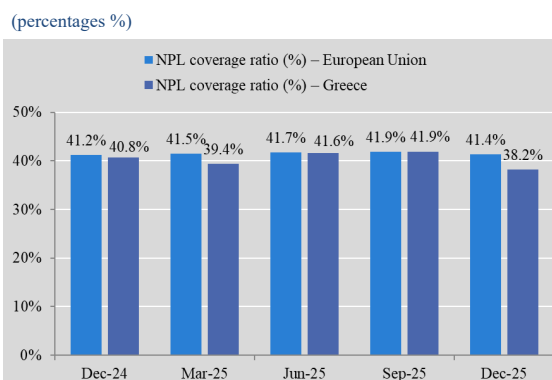
Regarding the indicators for monitoring and assessing NPL management, the following are observed at the end of 2025 (see Table III.3):

<b>Table III.3 Key indicators – Total portfolio</b>		
(percentages %, on-balance-sheet items)	<b>Dec. 2024</b>	<b>Dec. 2025</b>
<b>Credit quality indicators</b>		
NPL ratio	3.8	3.3
> 90 days past due	2.5	2.2
<b>NPL structure</b>		
Unlikely-to-pay	33.6	34.3
Past due > 90 days	40.0	36.3
91-180 days	5.2	6.4
181-360 days	5.4	6.3
>1 year	29.4	23.7
Denounced loans	26.4	29.4
<b>Forborne to total loans</b>		
Forborne loans	3.4	2.4
Forborne performing loans	2.1	1.2
Forborne non-performing loans	1.3	1.2
<b>Coverage ratios and write-offs</b>		
Coverage Ratio of NPLs by Provisions	40.8	38.2
Total write-offs to total loans	0.3	0.2
Total write-offs to NPLs	7.0	5.3
NPL collateral coverage ratio	67.7	71.0
<i>Collateral coverage on forborne non-performing loans</i>	68.0	78.0
<i>Total NPL coverage (provisions + collaterals)</i>	108.5	109.2
<b>Quarterly Default Rate and Recovery Rate (%)</b>		
	<b>Q4 2024</b>	<b>Q4 2025</b>
Default rate	0.4	0.5
Recovery rate of regular loan servicing	3.9	3.7
<b>Cost of Credit risk</b>		
Loan-loss impairment to net loans	0.7	0.6
Loan-loss impairment to total assets	0.4	0.3

Source: Bank of Greece.

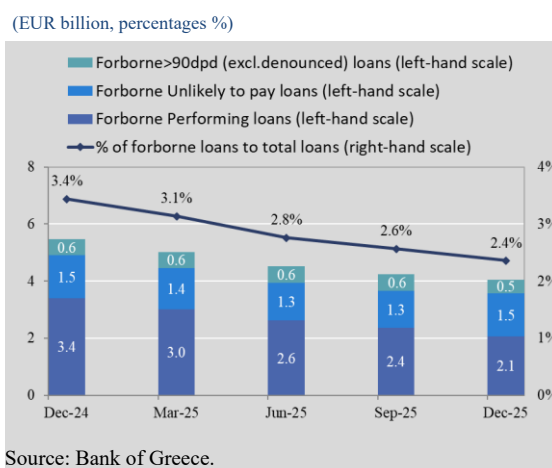
- The NPL coverage ratio (accumulated provisions) stood at 38.2% in December 2025, compared with 40.8% in December 2024. This decline is attributed to the technical impact of increased loan write-offs and sales, which lead to a decrease in the ratio, combined with the enhanced value of collateral due to the continued rise in property prices and the consequent improvement in the mix of the remaining portfolio. As a result of this decrease, the NPL coverage ratio in Greece is now approximately 3 percentage points below the average for significant institutions within the Banking Union (see Chart III.5). Specifically, accumulated provisions for covering NPLs in December 2025 amounted to EUR 2.2 billion, down by EUR 271 million compared to December 2024.
- The NPL collateral coverage ratio in December 2025 was 71%, up from 67.7% in December 2024, while the collateral coverage ratio of non-performing forborne loans was 78%, compared with 68% at the end of 2024.
- Total forborne loans<sup>35</sup> in December 2025 decreased to EUR 4 billion, from EUR 5.5 billion in December 2024, representing 2.4% of total loans (down from 3.4% in 2024) (see Chart III.6). The decline in forborne loans is mainly due to transactions involving the sale of NPLs and loan write-offs. It should be noted that 11.8% of forborne loans are in arrears by more than 90 days, an increased percentage compared to December 2024 (10.3%).
- At the portfolio level, NPLs of households and businesses showed diverging trends in 2025. Specifically, while the business portfolio recorded the most significant decrease (-15.2% or EUR 550 million), which was seen in loans to large corporates (-35.5% or EUR 427 million) and small and medium-sized enterprises (-9.2% or EUR 131 million), household NPLs recorded an increase of 10.2% (or EUR 240 million), mainly accounted for by residential (EUR 177 million) and secondarily by consumer loans (EUR 63 million) (see Chart III.7).

**Chart III.5 NPL coverage ratio by accumulated provisions**



Sources: Bank of Greece, EBA Risk Dashboard.

**Chart III.6 Evolution of forborne loans per category and evolution of the ratio of forborne loans to total loans**

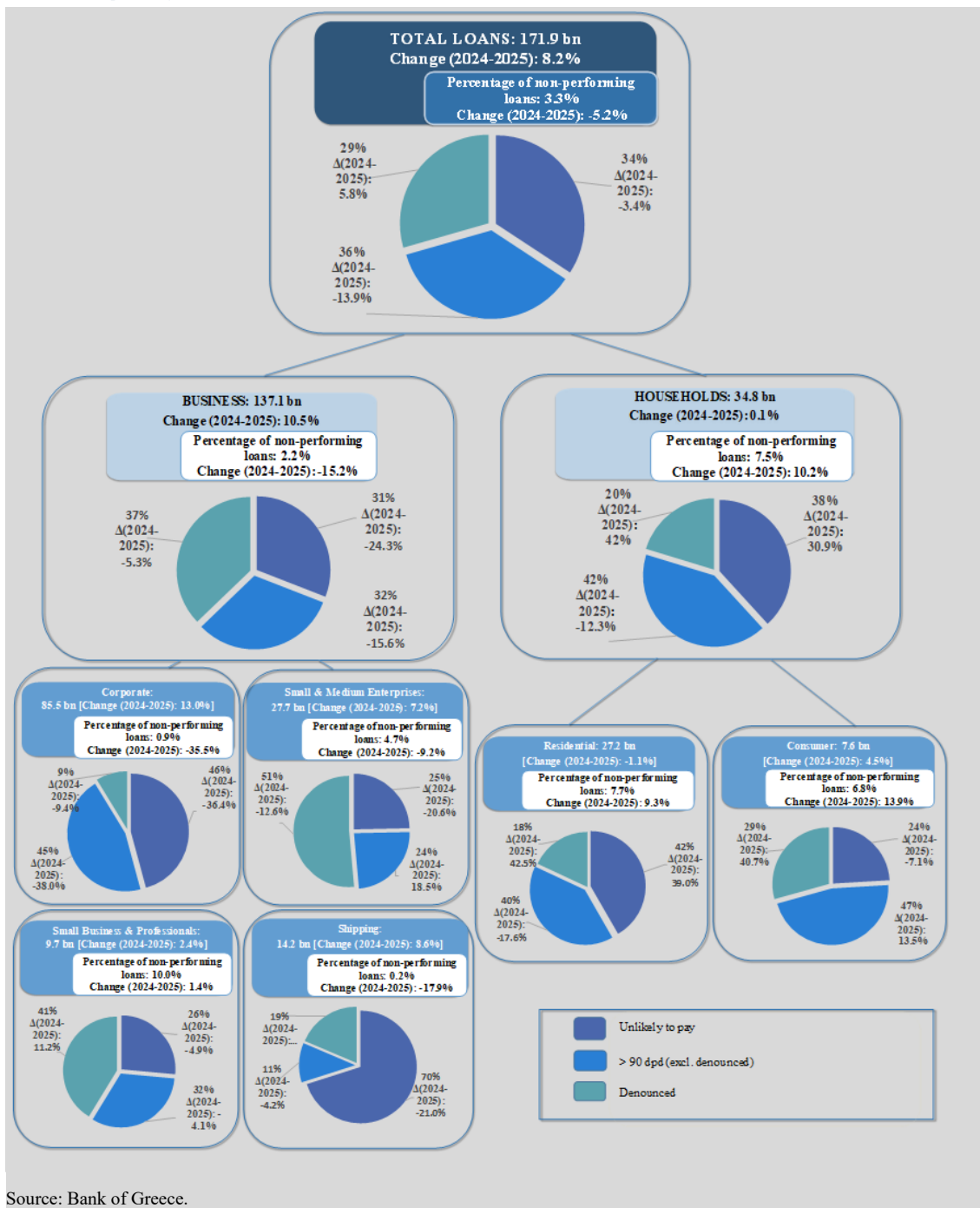


Source: Bank of Greece.

<sup>35</sup> Bank of Greece Executive Committee Act (ECA) 175/2/29.7.2020 provides an indicative typology of forbearance and resolution and closure solutions for performing and non-performing loans.

**Chart III.7 Structure and evolution of Greek commercial banks' total loans and NPLs by loan portfolio category during 2025**

(EUR billions, percentages %)



Source: Bank of Greece.

## Credit risk by business sector

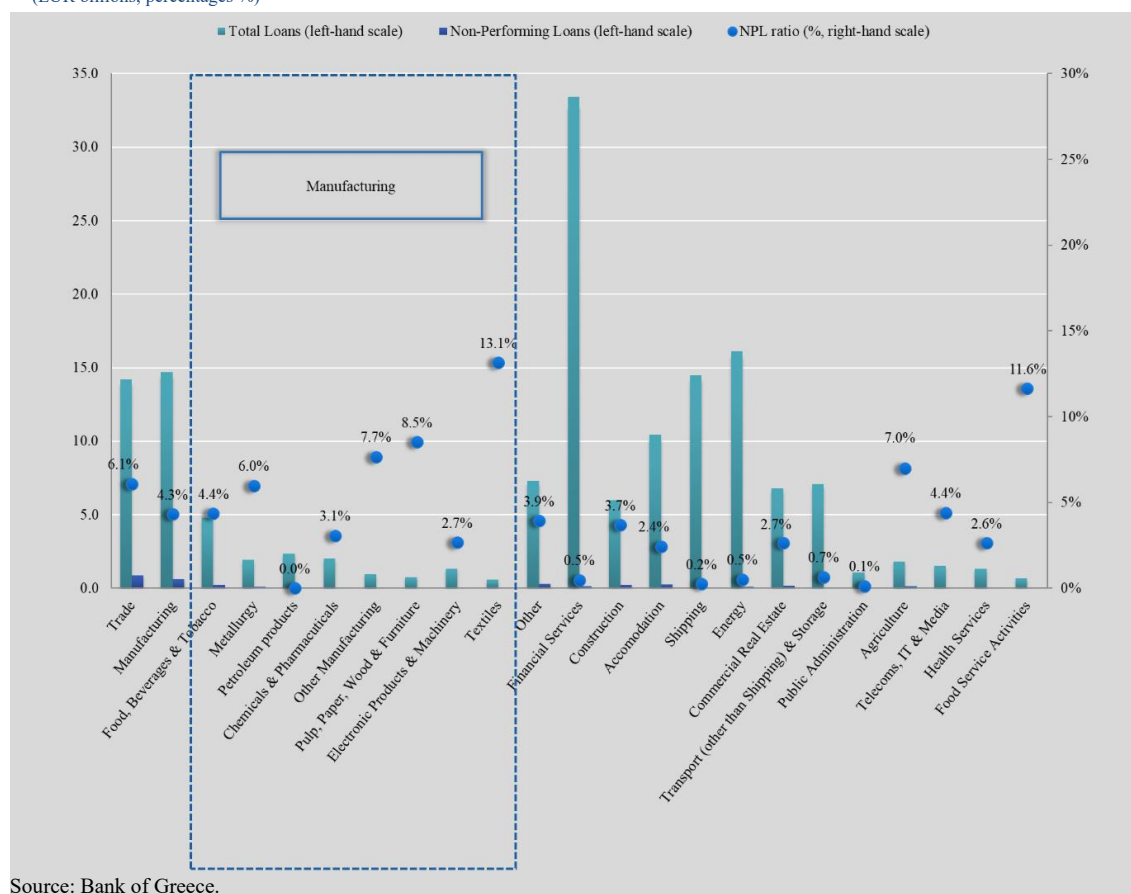
As at December 2025, the outstanding balance of on-balance-sheet financing to businesses amounted to EUR 137 billion on a solo basis<sup>36</sup>. The NPL ratio in the business portfolio was 2.2%, mainly driven by the low NPL ratio of large corporates (0.9%), despite the elevated NPL ratio of micro enterprises (10%) and small and medium-sized enterprises (4.7%).

As regards the sectoral breakdown of financing to the Greek economy, the largest share concerns financial services<sup>37</sup> (24.4% of total corporate financing), followed by energy (11.8%), manufacturing (10.7%) and shipping (10.6%).

The highest NPL ratios are recorded in the sectors of food services (11.6%), agriculture (7%), trade (6.1%), manufacturing (4.3%) and construction (3.7%). High NPL ratios are also recorded in sub-sectors of manufacturing, such as textiles (13.1%), paper, wood and furniture industries (8.5%) and other manufacturing activities (7.7%), which however concern lower lending balances and therefore have a small impact on the overall NPL ratio of the manufacturing sector. The lowest NPL ratios are observed in shipping (0.2%), financial services (0.5%) and energy (0.5%) (see Chart III.8).

**Chart III.8 Sectoral breakdown of business loans in 2025**

(EUR billions, percentages %)



Source: Bank of Greece.

<sup>36</sup> For the purposes of Section 2.1 on Credit Risk, business loans are defined as the outstanding balances on a solo basis of loans to: a) small business professionals (SBPs); b) small and medium-sized enterprises (SMEs); c) large corporates; and d) shipping companies.

<sup>37</sup> The high concentration of financing to financial services is primarily due to credit institutions' holdings of senior notes issued in the context of NPL securitisations ("Hercules" program) which remain in banks' portfolios.

## Prospects

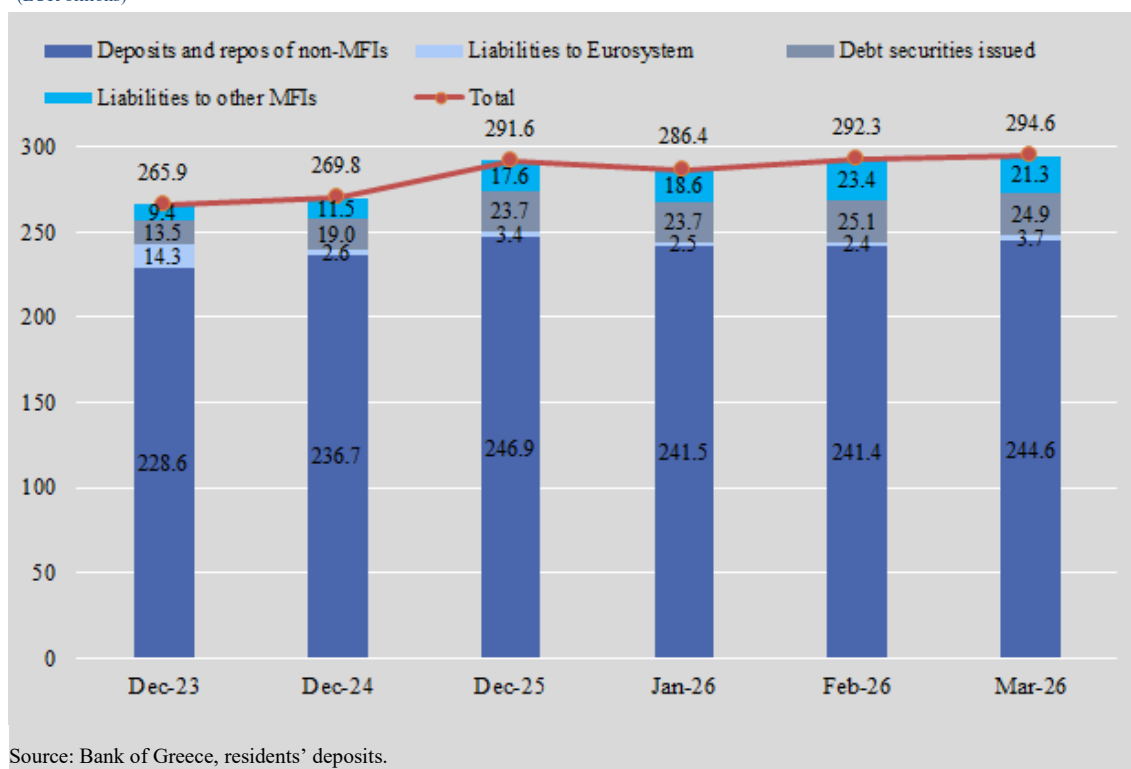
Geopolitical risk and its repercussions on the macroeconomic environment and international financial conditions constitute the most significant source of uncertainty regarding the outlook for loan portfolio quality. Significant banks' direct exposure to counterparties from Middle Eastern countries is limited (below 1% of their total exposures), with the highest concentrations relating to Turkey (EUR 291.3 million), Saudi Arabia (EUR 201.7 million) and Qatar (EUR 140.6 million), while it is worth noting that a significant portion of this exposure concerns bond holdings. However, the indirect effects of the conflict in the medium term may be more significant. The substantial increase in energy costs, compounded by the high energy dependence of European countries, including Greece, is expected to exert upward pressure on inflation and downward pressure on the rate of economic growth, straining the financial situation of businesses and households. Sectors with high energy intensity or greater vulnerability to geopolitical developments, such as transport and storage, manufacturing, coastal shipping, agriculture, construction and tourism, are more exposed. In this light, monitoring the evolution of the quality of exposures to these sectors is deemed necessary, in order to identify early potential pockets of credit risk concentration resulting from the turmoil.

## 2.2 LIQUIDITY RISK

In 2025, Greek banking groups continued to benefit from favourable liquidity conditions, while further tapping alternative funding sources, a trend that continued into the first quarter of 2026. Specifically, deposits and repurchase agreements (repos) of non-financial corporations (including households) increased by EUR 10.2 billion or 4.3% in 2025, whereas the EUR 2.3 billion drop recorded in the first quarter of 2026 relates to seasonal fluctuations. A significant increase was also recorded in debt securities issued (24.7%) and in liabilities to other monetary financial institutions (52.7%), a trend which also continued in the first quarter of 2026 (see Chart III.9).

**Chart III.9 Greek banking groups' funding sources**

(EUR billions)



Source: Bank of Greece, residents' deposits.

## Bank liquidity indicators

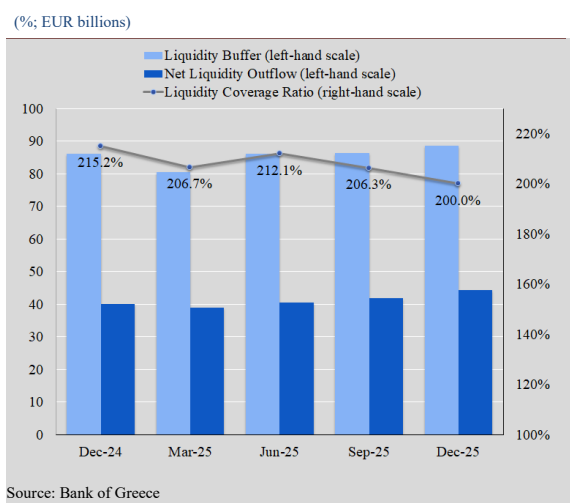
In 2025, Greek banking groups maintained high liquidity levels. The Liquidity Coverage Ratio (LCR) declined slightly and stood at 200.0% in December 2025, from 215.2% in December 2024 (see Chart III.10), remaining well above the minimum regulatory requirement of 100% and significantly higher than the average level for significant institutions (“SIs”) within the Banking Union (158.6% for SIs in December 2025).<sup>38</sup> The decline in the LCR mainly reflects an increase in net liquidity outflows.

In addition, the Net Stable Funding Ratio (NSFR) stood at 136.3% in December 2025, down from 138.5% in December 2024, reflecting banks’ adequate funding of long-term assets without excessive reliance on short-term funding (see Chart III.11). The slight decline in the ratio was driven by increased funding flows supporting the expansion of the loan portfolio. The NSFR for Greek banks remained above both the corresponding average for SIs within the Banking Union (126.5% in December 2025)<sup>39</sup> and the minimum prudential requirement for the NSFR (100%).

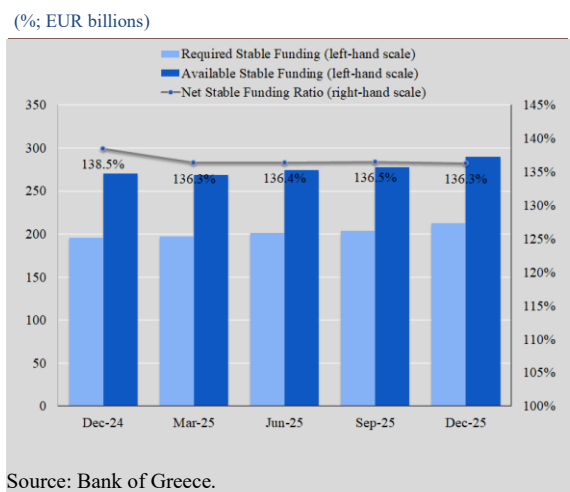
Lastly, the loan-to-deposit ratio for households and non-financial corporations slightly increased to 62.6%<sup>40</sup> in December 2025, from 60.6%<sup>41</sup> in December 2024, remaining approximately 40 percentage points below the average ratio for SIs within the Banking Union (100.5%<sup>42</sup> in December 2025).

The liquidity position of Greek banking groups, together with their smooth access to the interbank market and capital markets following successive credit rating upgrades, has strengthened their resilience to potential shocks.

**Chart III.10 Liquidity Coverage Ratio – LCR**



**Chart III.11 Net Stable Funding Ratio – NSFR**



<sup>38</sup> [Supervisory data](#), ECB Banking Supervision.

<sup>39</sup> [Supervisory data](#), ECB Banking Supervision.

<sup>40</sup> Supervisory data, ECB Banking Supervision, [Supervisory Banking Statistics for significant institutions - Fourth quarter 2025](#).

<sup>41</sup> Supervisory data, ECB Banking Supervision, [Supervisory Banking Statistics for significant institutions - Fourth quarter 2024](#).

<sup>42</sup> [Supervisory data](#), ECB Banking Supervision.

### 2.3 MARKET RISK

The securities portfolio<sup>43</sup> of Greek credit institutions is mainly composed of Greek government securities (40%) and foreign government bonds (38%). The share of the latter has been increasing, thereby contributing to the diversification of banks' bond portfolio. Actually, the largest part of these portfolios (85%) consists of securities that are held to maturity and measured at amortised cost rather than at fair value. Thus, daily price changes do not affect their book values, while at the same time market risk for banks is mitigated through the interest rate risk hedging strategies they apply.

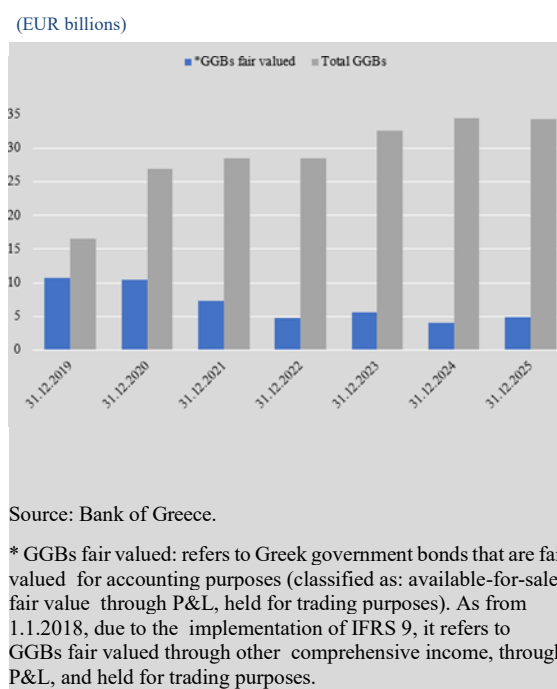
#### Exposure to Greek government securities

The total amount of Greek government securities (including Treasury bills) held by Greek banks in their portfolios amounted to EUR 34.3 billion in December 2025 (representing about 9% of their assets), down by EUR 87.2 million (0.3%) compared to December 2024, but more than double the pre-pandemic level (EUR 16.5 billion in December 2019).

Specifically, the value of the Greek government securities held by the bank-ing sector in fair-valued<sup>44</sup> portfolios reached EUR 4.9 billion in December 2025, compared with EUR 4.1 billion in December 2024 (see Table III.4 and Chart III.12), up by 20.2%. The value of this portfolio as a percentage of banks' total assets increased to 1.3%, from 1.2% in December 2024.

It should be noted that, in assessing the interest rate risk of the total Greek government securities portfolio, based on its composition as at December 2025, a potential increase in the general level of interest rates (risk-free rates) by 1 basis point (bp) (PV01) would result in a loss of EUR 25.4 million for all Greek banks, compared with a loss of EUR 26.9 million in December 2024. In the same vein, the effect of a potential increase in credit spreads by 1 bp (CS01) would lead to a loss of EUR 27.2 million in December 2025, compared with a loss of EUR 29.6 million in December 2024. However, it should be noted that the actual impact on banks' profits or capital would be limited to a loss of EUR 1.9 million in each case for the above-mentioned interest rate changes (PV01, CS01). This loss pertains only to the part of Greek government securities held in fair-valued portfolios (Fair value through Profit and Loss or through Other Comprehensive Income – OCI), for which any valuation changes are directly reflected in the income statement or capital.

Chart III.12 Greek government securities portfolio



<sup>43</sup> Supervisory data on a consolidated basis with reference date 31.12.2025.

<sup>44</sup> Based on IFRS 9, the assets classified in the following portfolios are fair-valued: Held For Trading – HFT, Fair Valued Through Profit and Loss – FVTPL, Mandatorily Through Fair Value – MTFV and Fair Valued Through Other Comprehensive Income – FVTOCI.

**Table III.4 Breakdown of financial investments**

(EUR millions)

	2022	2023	2024	2025	Change (%) 2024 – 2025
<b>Total</b>	<b>56,030</b>	<b>66,768</b>	<b>82,780</b>	<b>91,003</b>	<b>9.9%</b>
Greek government securities	28,503	32,562	34,393	34,305	-0.3%
<i>of which Treasury bills</i>	2,632	3,031	1,588	1,805	13.7%
Foreign government bonds	15,240	18,160	26,227	32,854	25.3%
Supranational bonds	700	1,125	1,751	1,781	1.7%
Bank bonds	5,283	7,015	8,821	8,667	-1.7%
Corporate bonds	3,551	3,462	4,673	5,184	10.9%
Other bonds	121	964	3,180	3,123	-1.8%
Equities	694	822	860	1,297	50.8%
Mutual fund units/shares	351	501	508	512	0.9%
Participating interests	1,588	2,158	2,368	3,279	38.5%
<b>Portfolios held at fair value</b>	<b>11,532</b>	<b>12,651</b>	<b>13,331</b>	<b>15,261</b>	<b>14.5%</b>
Greek government securities	4,786	5,664	4,059	4,880	20.2%
<i>of which Treasury bills*</i>	2,473	2,952	1,583	1,723	8.9%
Foreign government bonds	3,266	3,457	5,303	5,254	-0.9%
Supranational bonds	243	335	682	549	-19.6%
Bank bonds	875	663	414	966	133.4%
Corporate bonds	1,318	1,178	1,279	1,641	28.3%
Other bonds	0	31	226	163	-27.8%
Equities	694	822	860	1,297	50.8%
Mutual fund units/shares	351	501	508	512	0.9%

Source: Bank of Greece.

### Exposure to foreign government bonds

The value of foreign government bonds held by banking groups amounted to EUR 32.9 billion as at December 2025, up by EUR 6.6 billion (25.3%) compared with December 2024. Foreign government bonds mainly concern issues by countries of the European Union (EU) and the Group of Ten (G10) and account for approximately 38% of banks' bond portfolio (8.9% of their assets). The majority of these bonds (84%) are held to maturity and measured at amortised cost.

### **Exposure to non-government bonds**

In addition to government bonds, banks hold in their portfolios bonds issued by supranational organisations, bank bonds, corporate bonds, and bonds issued by non-bank financial institutions. Specifically, in December 2025, the value of supranational bonds stood at EUR 1.8 billion (up by EUR 29.9 million or 1.7%), bank bonds at EUR 8.7 billion (down by EUR 154 million or 1.7%) and corporate bonds at EUR 5.2 billion (up by EUR 511.1 million or 10.9%). At the same time, banks also hold other bonds, primarily issued by non-bank financial institutions, amounting to EUR 3.1 billion.

### **Exposure to equities, mutual funds and participating interests**

The value of equity securities, mutual fund shares/units and participating interests held by the banking sector increased both in absolute terms and as a percentage of its total assets. Specifically, in December 2025 banks held equity securities, participating interests and mutual fund shares/units with a total value of EUR 5.1 billion, representing 1.4% of the banking sector's total assets, compared with EUR 3.7 billion in December 2024 or 1.1% of the banking sector's total assets (see Table III.4). This increase was mainly due to the completion of the acquisition of Ethniki Insurance by Piraeus Bank in November 2025 and, secondarily, to an increase in the equity portfolio of a subsidiary of a significant institution.

### **Exposure to foreign exchange risk**

The open foreign exchange position<sup>45</sup> of Greek banks amounted to EUR 1 billion in December 2025, up by EUR 487 million year-on-year. As at December 2025, Greek banks had open foreign exchange positions of EUR 113 million in US dollars (USD), EUR 30 million in pounds sterling (GBP) and EUR 48 million in Swiss francs (CHF). Their relatively limited exposure to the above major currencies is attributable both to the fact that foreign currency-denominated assets are funded using deposits in the same currency and to the use of foreign exchange derivative instruments (e.g. FX swaps, cross-currency swaps), which significantly mitigate foreign exchange risk. In addition, the open foreign exchange position of Greek banks in the local currencies of their subsidiaries' host countries increased significantly, mainly due to changes in the balance sheet structure of their foreign subsidiaries (e.g. discontinuation by a significant credit institution of hedging through foreign exchange derivative instruments). Compared to December 2024, banks' exposure to US dollars (USD) increased by EUR 57.7 million, whereas exposure to Swiss francs (CHF) decreased by EUR 10.7 million and to pounds sterling (GBP) by EUR 50.7 million.

### **Interest rate sensitivity of debt securities and derivatives**

An interest rate risk analysis of the banking sector's securities and derivatives portfolio shows that an increase of 1 bp in interest rates (PV01) for fair-valued portfolios, whose fair value amounted to EUR 15.3 billion as at December 2025, would result in a loss of EUR 9.7 million. Regarding total portfolios of securities and derivatives, i.e. assets valued both at fair value and at amortised cost, an increase of 1 bp in interest rates would imply potential losses of EUR 35.7 million based on December 2025 data. Similarly, a 1 bp widening of

---

<sup>45</sup> For the calculation at system level, opposite positions in the same currency in different credit institutions are not netted. In addition, for the calculation of the open foreign exchange position, the larger of the buy (long) and sell (short) positions per currency is considered.

credit spreads (CS01) is estimated to cause a loss of EUR 5.9 million for the fair-valued portfolios, while the total potential loss across all portfolios would amount to approximately EUR 54.9 million. Greek banks maintain a portfolio of interest rate derivatives, primarily for economic hedging purposes. These instruments are generally simple in structure and are typically cleared through central counterparties or are involved in bilateral transactions governed by standardised counterparty risk mitigation agreements. These derivative positions help mitigate the overall interest rate sensitivity described above.

### **Capital requirements for market risk**

Total capital requirements for market risk rose to EUR 307.5 million in December 2025 (2.2% of total capital requirements), up from EUR 252.2 million in December 2024. This increase is mainly attributable to higher capital requirements for interest rate risk and foreign exchange risk, as a result of the increase in the corresponding positions. Capital requirements for market risk are distributed as follows: 55% for trading debt securities, 14% for equity securities, 23% for foreign exchange and 8% for commodities. Capital requirements for credit valuation adjustment (CVA) risk across the banking sector amounted to EUR 34.7 million in December 2025, compared with EUR 43.2 million in December 2024 (about 0.2% of total capital requirements).

## 2.4 OPERATIONAL RISK

Operational risk constitutes one of the main categories of risk facing financial institutions in Greece and is affected by both internal and external factors. In particular, according to Regulation (EU) 2024/1623, which amends Regulation (EU) No 575/2013, “operational risk” means the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, including, but not limited to, legal risk, model risk or information and communication technology (ICT) risk, but excluding strategic and reputational risk. Causes of operational risk may include deficient internal procedures and inadequate governance, human error, fraud and insufficient staff training, business disruptions and systems failures, as well as natural disasters, pandemics, or attacks by third parties.

ICT risks, including cyber threats, constitute a significant factor of operational risk. ICT risk is defined, according to Regulation (EU) 2022/2554 on digital operational resilience (DORA Regulation),<sup>46</sup> as any reasonably identifiable circumstance in relation to the use of network and information systems which, if materialised, may compromise the security of the network and information systems, of any technology dependent tool or process, of operations and processes, or of the provision of services by producing adverse effects in the digital or physical environment.

### Main sources of operational risk

Digital transformation in the financial sector offers significant benefits; however, at the same time, it increases exposure to risks arising from the use of new technologies and dependence on technology providers, making organisations more vulnerable to cyberattacks and potential operational disruptions. The complexity and interdependencies resulting from the interconnection of systems – both within the organisation and with systems of other organisations in the same or different sectors, as well as with third-party providers’ infrastructures – constitute factors that may lead to propagation of the effects of a single incident, causing cascading operational disruptions and giving a systemic character to such an incident. Major or large-scale incidents may result in financial losses, reputational damage and threats to systemic stability.

In addition, current geopolitical tensions increase the likelihood of cyberattacks targeting the financial system. At the same time, the evolving regulatory framework (e.g., the DORA Regulation and the General Data Protection Regulation<sup>47</sup>) entails increased compliance requirements. Finally, legal risk remains elevated, reflecting, among other things, banks’ exposure to litigation (e.g. loan-related disputes and consumer protection cases).

### Trends and challenges related to ICT risks

In assessing a bank’s overall exposure to ICT risks, five (5) main categories of inherent risk are primarily taken into consideration<sup>48</sup>: ICT security risk, ICT availability and continuity risk, ICT change risk, ICT integrity risk and ICT outsourcing/third-party risk.

The number and severity of ICT incidents, as well as current cyberattack trends, constitute key parameters for determining inherent ICT risk. Although the exact number of cyberattacks in the European Union (EU) financial sector remains unknown, publicly available data, together with

---

<sup>46</sup> Regulation (EU) 2022/2554 of the European Parliament and of the Council of 14 December 2022 on digital operational resilience for the financial sector and amending Regulations (EC) No 1060/2009, (EU) No 648/2012, (EU) No 600/2014, (EU) No 909/2014, and (EU) 2016/1011.

<sup>47</sup> General Data Protection Regulation (GDPR).

<sup>48</sup> Guidelines EBA/GL/2017/05 on the assessment of ICT risks under the Supervisory Review and Evaluation Process (SREP), Title 3: Assessment of institutions’ exposure to ICT risks and of related controls.

data collected through the reporting of major incidents by banks to supervisory authorities, indicate that both the volume and the complexity of such attacks have increased significantly in recent years. The impact of successful attacks extends beyond financial losses, affecting reputation, operations and customer confidence in the financial system. Available data from major incident reports submitted to the Bank of Greece indicate that the attacks that occurred in 2025 have so far been addressed satisfactorily by Greek banks' security infrastructures and controls, without significant operational disruptions to the systems that support their critical functions. Furthermore, the Cyber Resilience Stress Test conducted by the European Central Bank (ECB) in 2024 showed that European banks have in place frameworks for responding to and recovering from severe cybersecurity incidents, while there is always room for improvement.

The use of advanced artificial intelligence (AI) models in cyberattacks and internal operations constitutes an additional challenge for the financial sector, as it has a dual impact: on the one hand, it enhances organisations' internal efficiency, digital transformation and resilience; on the other hand, it expands the scope of sophisticated cyber threats and the potential escalation of malicious attacks. Protection against these threats requires continuous vigilance through the adoption of appropriate security measures and safeguards, as well as the timely implementation of corrective updates and patches.

With regard to exposure to ICT change risks, a major challenge lies in implementing changes to systems and infrastructures supporting critical functions, in the context of major ICT projects aimed at adopting innovative products and services, replacing obsolete/legacy systems, migrating to new core banking systems, systems' integration as part of banking institutions' operational mergers, and other similar projects.

### **Monitoring and measurement of operational risk**

The categories of operational risk for which operational losses are recorded follow the classification of the Basel Committee on Banking Supervision and include:

- Internal fraud
- External fraud
- Employment practices and workplace safety
- Clients, products and business practices
- Damage to physical assets
- Business disruption and system failures
- Execution, delivery and process management.

The analysis of operational losses provides insights into the structure and the main determinants of operational risk. At the level of risk categories, losses are concentrated primarily in the "Clients, Products and Business Practices" category, highlighting the importance of conduct and compliance risks (including legal risk). The increase in these losses recorded in 2023 is largely attributable to fines. At the same time, categories such as external fraud and execution and process management failures show a relatively stable contribution, reflecting the occurrence of recurring medium-frequency events, while categories such as internal fraud and damage to physical assets remain of limited significance.

Most losses arising from ICT risks fall within the Basel operational risk category "Business Disruption and System Failures." However, potential ICT-related losses may refer to multiple categories, as technology is now deeply embedded in almost every banking function. Thus, a cyberat-

tack may be classified as “External Fraud,” while errors in system configuration may be considered “Execution and Process Management Failures.” Effective prevention of losses arising from ICT risks requires the identification of both their root cause and the source of the risk.

### **Actions to mitigate the impact of operational risk**

In the current financial environment, effective operational risk management is crucial for ensuring the business continuity of institutions, protecting customers and maintaining the stability of the financial system. In this context, financial institutions are required to strengthen their operational risk management systems by adopting a comprehensive risk governance framework, internal control mechanisms and processes for the timely identification and assessment of operational risks. At the same time, the implementation of business continuity and recovery plans, as well as the strengthening of cybersecurity mechanisms, contribute to reducing both the likelihood and the severity of potential disruptions and enhance the operational resilience of financial institutions.

With regard to ICT risks, which may affect the smooth and uninterrupted provision of services in the financial sector, banks are required to ensure operational resilience in order to protect their systems and data. The increase in threats in recent years has led the EU authorities to take initiatives to keep these risks under control. The main regulatory innovation in this context is the Digital Operational Resilience Act (DORA), which entered into force on 17 January 2025, aiming to strengthen the digital operational resilience of the EU financial sector. Law 5193/2025 designates the Bank of Greece and the Hellenic Capital Market Commission as the competent authorities responsible for supervising compliance of financial entities, as appropriate.

The main pillars of DORA are: ICT risk management; management and reporting of major incidents; digital operational resilience testing; and ICT third-party risk management. In addition, voluntary information sharing among banks regarding emerging cyber threats and attack techniques is encouraged, in order to strengthen the sector’s collective defense.

As with other policy areas in the EU, cybersecurity – due to its importance – is a shared responsibility of multiple national and European stakeholders. In this regard, the Bank of Greece cooperates with other bodies and authorities at national and European level, such as the National Cybersecurity Authority and the European Supervisory Authorities, in the context of information exchange, as well as through the European Systemic Cyber Incident Coordination Framework (EU-SCICF), which aims to strengthen coordination with different stakeholders in order to ensure the smooth functioning of the crisis management framework, particularly at cross-border level and in cases of systemic cyber incidents.

Under DORA, banks are required to notify their national supervisory authority of any major incident. The Regulation also introduces the requirement for large (based on specific criteria) financial institutions to conduct advanced Threat-Led Penetration Testing (TLPTs) every three years.<sup>49</sup>

In recent years, Greek banks have made progress in strengthening their operational risk management framework by investing in cybersecurity infrastructure, adopting advanced risk monitoring tools and reinforcing internal control mechanisms. However, despite the improvements observed in individual areas, the importance of operational risks – particularly in light of the intensification

---

<sup>49</sup> For actions related to the management of ICT third-party service provider risk, which is arguably the most demanding pillar, please see Special Topic III: Management of risk arising from third-party ICT service providers in the present Report.

of digital transformation, the increasing complexity of the regulatory and operational environment, and rapid technological advances – warrants a continuous enhancement of the operational resilience of financial institutions.

## 2.5 INTERNATIONAL ACTIVITY RISKS

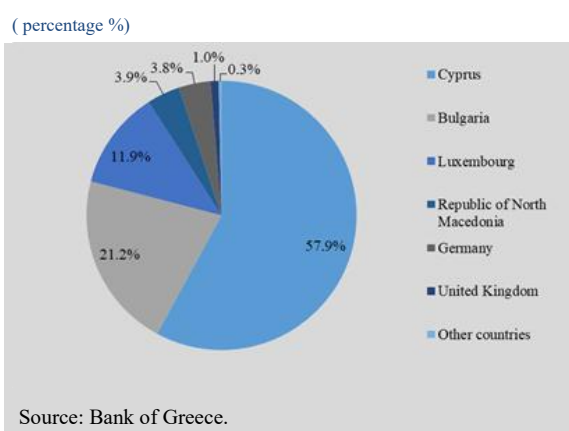
In 2025 Greek banks expanded their international presence. Specifically, the merger of Hellenic Bank with Eurobank Cyprus<sup>50</sup> and the acquisition of AstroBank by Alpha Bank Cyprus<sup>51</sup> were completed. Lastly, CrediaBank announced an agreement for the acquisition of a 70.03% stake in HSBC Malta.<sup>52</sup>

The assets of Greek banks' subsidiaries and branches abroad stood at EUR 65.1 billion in December 2025, up by 18.9% compared to end-2024. The share of international activities in the banking sector's total assets on a consolidated basis reached 14.4% in December 2025.<sup>53</sup>

Broken down by region, South-East (SE) Europe<sup>54</sup> accounts for 83% of the total assets of Greek banking groups' international activities as of December 2025, mostly located in Cyprus and Bulgaria (see Chart III.13). Financial centres, namely Luxembourg, Germany, and the United Kingdom, represent 16.7% thereof, led by Luxembourg. The share of SE Europe, where the highest number of business units and staff are concentrated, in Greek banks' deposits abroad is even larger (92.8%, see Table III.5).

The profitability of banking subsidiaries and branches abroad stood at EUR 813 million in 2025. The subsidiaries in Cyprus and Bulgaria were the main contributors, generating approximately 49% and 33%, respectively, of the total international activity pre-tax profits. It should be noted that the pre-tax profits of subsidiaries and branches abroad contributed 18.7% to the overall profitability of Greek banking groups.

**Chart III.13 Distribution of Greek banking groups' assets abroad (December 2025)**



<sup>50</sup> [Announcement of the merger of Hellenic Bank with Eurobank Cyprus.](#)

<sup>51</sup> [Announcement of the completion of the acquisition of AstroBank.](#)

<sup>52</sup> [Announcement of the agreement regarding majority acquisition in HSBC Bank Malta plc.](#)

<sup>53</sup> According to supervisory data submitted on the activity of credit institutions abroad through branches and subsidiaries, see [Bank of Greece Executive Committee Act 242/3/11.06.2025.](#)

<sup>54</sup> The activity of Greek banks in SE Europe concerns the following countries: Bulgaria, Republic of North Macedonia and Cyprus.

**Table III.5 Key figures of Greek banking groups abroad (December 2025)**

(EUR million)

Country	Assets	Gross loans	NPLs	NPL ratio (%)	Deposits	Number of business units	Number of employees
<b>SE Europe</b>	<b>54,037</b>	<b>23,889</b>	<b>455</b>	<b>1.9%</b>	<b>43,371</b>	<b>325</b>	<b>7,665</b>
Bulgaria	13,780	8,901	209	2.4%	11,046	184	3,322
Republic of North Macedonia	2,564	1,837	49	2.6%	1,947	56	972
Cyprus	37,693	13,151	197	1.5%	30,377	85	3,371
<b>Financial centres</b>	<b>10,839</b>	<b>6,819</b>	<b>36</b>	<b>0.5%</b>	<b>3,194</b>	<b>5</b>	<b>262</b>
Germany	2,488	2,289	36	1.6%	103	1	12
United Kingdom	626	521	0	0%	521	1	91
Luxembourg	7,726	4,009	0	0%	2,569	3	159
<b>Other countries<sup>1</sup></b>	<b>216</b>	<b>49</b>	<b>1</b>	<b>1.9%</b>	<b>188</b>	<b>15</b>	<b>305</b>
<b>TOTAL</b>	<b>65,092</b>	<b>30,757</b>	<b>491</b>	<b>1.6%</b>	<b>46,753</b>	<b>345</b>	<b>8,232</b>

Source: Bank of Greece.

<sup>1</sup> Other countries include Ukraine.

Gross loans stood at EUR 30.8 billion in December 2025. NPLs amounted to EUR 491 million, representing 1.6% of the total loan portfolio. More specifically, the NPL ratio reached 1.3% for corporate loans, 1.5% for mortgage loans and 3.3% for consumer loans. The provisioning coverage ratio of NPLs stood at 93.1%. Deposits rose to EUR 46.8 billion in December 2025, up by 12.8% year-on-year, while the loan-to-deposit ratio stood at 65.8%.

The international activities of Greek banking groups help diversify their sources of income and mitigate concentration risk, which both enhance the viability of their business plans in the medium term. The accession of Bulgaria to the euro area as of 1 January 2026 is a positive development, making it the twenty-first member of the euro area and the first country sharing a common border with Greece to adopt the euro as its currency.

### 3. RESILIENCE

#### 3.1 PROFITABILITY

In 2025, Greek banks recorded profits after taxes and discontinued operations amounting to EUR 4.7 billion, compared with profits of EUR 4.2 billion in 2024 (see Table III.6). Underlying this development were, inter alia, an increase in non-interest income and a decrease in provisions for credit risk.

**Table III.6 Financial results of the Greek banking sector**

(in EUR millions, %)

	2024	2025	Change (%)
<b>Operating income</b>	<b>11,804</b>	<b>11,861</b>	<b>0.5</b>
Net interest income	9,002	8,662	-3.8
- Interest income	16,279	14,850	-8.8
- Interest expenses	-7,277	-6,188	-15.0
Net non-interest income	2,801	3,200	14.2
- Net fee and commission income	2,126	2,387	12.3
- Income from financial operations	417	340	-18.5
- Other operating results	258	473	83.1
<b>Operating costs</b>	<b>-4,250</b>	<b>-4,554</b>	<b>7.2</b>
Staff costs	-2,191	-2,274	3.8
Administrative costs	-1,396	-1,598	14.4
Depreciation	-662	-682	3.0
<b>Net income (operating income less costs)</b>	<b>7,554</b>	<b>7,307</b>	<b>-3.3</b>
Impairment charges	-1,658	-1,220	-26.4
Other impairment losses	-372	-214	-42.5
Non-recurring profits/losses	-80	-49	-39.4
<b>Pre-tax profits (+)/losses (-)</b>	<b>5,444</b>	<b>5,824</b>	<b>7.0</b>
Taxes	-1,313	-1,123	-14.5
Profits(+)/Losses(-) from discontinued operations	50	15	-70.0
<b>After tax profits (+)/losses (-)</b>	<b>4,181</b>	<b>4,716</b>	<b>12.8</b>

Source: Financial statements for the four significant institutions (SIs) and supervisory data for the less significant institutions (LSIs).

Note: Comparative financial figures have been restated following reclassifications made in the Financial Statements.

More specifically, in 2025, the operating income of Greek banking groups increased by 0.5% compared to 2024 (see Table III.6). Net interest income decreased by 3.8% despite credit growth, affected by the gradual reductions in the ECB's key policy rates that commenced in mid-2024 and continued throughout the first half of 2025. The decline in interest expenses was also driven by the same factors. Consequently, the net interest margin stood at 2.5%, down from 2.9% in the corresponding period of 2024, remaining however above the corresponding European average for banking groups under the Single Supervisory Mechanism. Net fee and commission income rose by 12.3%, supported by portfolio management fees, lending-related fees and other fee and commission income. As a result, core operating income (i.e. net interest income and net fee and commission income) decreased by 0.7%. Income from financial operations decreased in 2025, mainly due to lower net results from trading portfolio transactions. Finally, other operating income rose, as in 2024 it had been weighed down by non-recurring expenses, including costs associated with the disposal of the HFSF's stake in certain significant institutions.

Operating costs increased by 7.2%, mainly due to higher administrative costs. The faster increase in operating costs than in operating income led to a deterioration of Greek banking groups' cost-to-income ratio to 38.4% in 2025, which however remains significantly lower than the European average (55.0%, see Table III.7).

**Table III.7 Profitability indicators**

(%)

	Greece		Banking Union <sup>1</sup>
	2024	2025	2025
Net interest margin <sup>2</sup>	2.9	2.5	1.5
Operating costs/Total assets	1.2	1.2	1.3
Cost-to-income ratio	36.0	38.4	55.0
Cost of credit risk	0.7	0.6	0.5
Return on Assets (RoA) <sup>3,4</sup>	1.2	1.3	0.7
Return on Equity (RoE) <sup>3,4</sup>	11.7	11.8	9.5

Sources: Financial statements for the four significant institutions (SIs) and supervisory data for the less significant institutions (LSIs), [ECB Banking Supervision, Supervisory data](#).

<sup>1</sup> Banking groups directly supervised by the ECB.

<sup>2</sup> the indicator is calculated on the basis of interest-bearing assets.

<sup>3</sup> Indicators are calculated using total assets at the end of the corresponding period.

<sup>4</sup> RoA and RoE indicators are calculated using profits/losses after tax and discontinued operations.

Note: Comparative financial figures have been restated following reclassifications made in the Financial Statements.

Credit risk provisions decreased in 2025, resulting in a further decline in the cost of credit risk,<sup>55</sup> which stood at 0.6% of loans net of provisions, primarily reflecting the improved quality of the loan portfolio (Table III.7).

As a result, Greek banking groups recorded profit after taxes and discontinued operations, while the RoA and RoE ratios rose to 1.3% and 11.8% respectively.

Regarding the profitability outlook, the factors that are expected to affect it include: a) the achievement of banks' business objectives for new loan disbursements to non-financial corporations and households; b) geopolitical instability, which may weigh on demand for new loans and/or increase credit risk; c) the diversification of their income sources through acquisitions and the contribution of some banking groups' international expansion; and d) developments in the financial situation of vulnerable households and businesses that may affect banks' credit risk costs.

<sup>55</sup> The cost of credit risk is the ratio of credit risk provisions to loans after accumulated provisions.

### 3.2 CAPITAL ADEQUACY

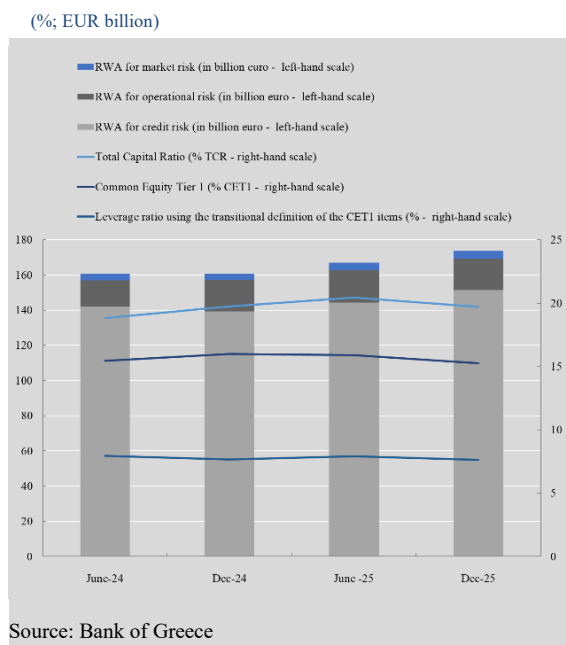
The capital adequacy ratios of Greek banking groups remained at satisfactory levels in 2025. Specifically, the Common Equity Tier 1 (CET1) ratio on a consolidated basis declined to 15.3% in December 2025, from 16.0% in December 2024, while the Total Capital Ratio (TCR) fell marginally to 19.7%, from 19.8% in December 2024 (see Chart III.14).<sup>56</sup> The differentiation between the two ratios primarily reflects the issuance of capital instruments recognised as regulatory capital but not included in CET1 capital. In particular, during 2025, banks issued Additional Tier 1 (AT1) instruments amounting to EUR 2.2 billion and Tier 2 instruments totalling EUR 1.4 billion.<sup>57</sup>

In more detail, as at December 2025, the prudential own funds of Greek banks were 7.4% higher, reaching EUR 34.2 billion, as the positive impact from profits after tax and discontinued operations and the issuance of capital instruments accounted for as equity offset the negative impact from the partial retainment of earnings for future distribution, mergers and acquisitions of third-party entities, as well as from the gradual amortisation of Deferred Tax Credits (DTCs), which has already been accelerated under the voluntary DTC acceleration plan. Nevertheless, DTCs continue to account for a significant share of CET1, standing at 40.1% as at December 2025, compared with 47% in December 2024.

In December 2025, Risk-Weighted Assets (RWAs) were 7.8% higher year-on-year. Specifically, credit risk-weighted assets rose by 8.7%, mainly due to credit expansion and the implementation of Regulation (EU) 2024/1623 (CRR III), which, inter alia, introduces greater risk sensitivity in the calculation of credit risk. Credit risk-weighted assets accounted for 87.3% of total RWAs, reflecting the business model of Greek banks, which remains focused on traditional banking and particularly lending activities. Operational risk-weighted assets constitute the second largest share of total risk-weighted assets, corresponding to 10.3% of total RWAs. Lastly, market risk-weighted assets account for only 2.5% of total RWAs.

The leverage ratio<sup>58</sup> declined slightly to 7.6% in December 2025, from 7.7% in December 2024, as the increase in total exposures, as calculated for leverage ratio purposes, outpaced the rise in

**Chart III.14 Capital adequacy and leverage ratios and break-down of RWAs of Greek banking groups (June 2024 – December 2025)**



<sup>56</sup> The CET1 ratio is below the average for institutions under the direct supervision of the Single Supervisory Mechanism (CET1: 16.2% in December 2025), while the Total Capital Ratio has converged towards the corresponding average (TCR: 20.3% in December 2025, see [Single Supervisory Mechanism – SSM](#)).

<sup>57</sup> It should be noted that some of these issuances replaced earlier ones (EUR 200 million Tier 2 and EUR 600 million AT1), while Eurobank proceeded with the early redemption of a Tier 2 bond with a nominal value of EUR 950 million.

<sup>58</sup> Defined as the ratio of Tier 1 capital (using the transitional definition of Tier 1 capital) to the Leverage Exposure Measure, as calculated according to the relevant articles of Regulation (EU) No 575/2013 and Regulation 2019/876 for leverage ratio purposes.

Tier 1 capital. It should be noted that the leverage ratio of the Greek banking system remains well above the average for significant institutions within the Banking Union (December 2025: 5.9%<sup>59</sup>). At the same time, Greek banks meet their Minimum Requirements for Own Funds and Eligible Liabilities (MREL). In this context, in addition to issuing capital instruments (AT1 and Tier 2), banks regularly issue senior unsecured bonds eligible for MREL purposes, thereby diversifying their funding sources.

The outlook for the capital adequacy of Greek banks will depend on several factors, including: (a) maintaining the capacity for internal capital generation and accelerated DTC amortisation; (b) the implementation of capital enhancement actions (e.g. synthetic securitisations) and the ability to issue capital instruments (Additional Tier 1, Tier 2); (c) loan portfolio quality and its impact on risk-weighted assets; (d) profit distribution policy.

---

<sup>59</sup> Source: [Single Supervisory Mechanism – SSM](#)

## IV. MACROPRUDENTIAL POLICY

### 1. SETTING THE COUNTERCYCLICAL CAPITAL BUFFER RATE

#### 1.1 METHODOLOGY FOR THE APPLICATION OF THE COUNTERCYCLICAL CAPITAL BUFFER IN GREECE

The Bank of Greece, in accordance with Executive Committee Act 235/1/07.10.2024,<sup>60</sup> assesses on a quarterly basis the intensity of cyclical systemic risks and the appropriateness of the countercyclical capital buffer (CCyB) rate for Greece and sets or adjusts it, if necessary.

The CCyB aims to prevent or mitigate the build-up of cyclical systemic risks and address the procyclicality of credit growth and leverage, i.e. to ensure an appropriate level of credit growth and leverage throughout the economic and financial cycle. The CCyB rate ranges from 0% to 2.5%, calibrated in steps of 0.25 percentage points or multiples of 0.25 percentage points.<sup>61</sup> The CCyB consists of Common Equity Tier 1 (CET1) capital and is expressed as a percentage of the total risk exposure amount of institutions that are exposed to credit risk in Greece.<sup>62</sup>

The setting of the CCyB rate above zero commences during the phase of the economic and financial cycle in which the level of risk is at a standard level (standard risk environment), i.e. when risks are neither subdued nor particularly elevated, in order to help institutions absorb any potential losses and ensure the smooth flow of financing to the real economy in the event of unexpected shocks (see Chart IV.1). The positive neutral rate of the countercyclical capital buffer (PN CCyB) is gradually built up towards achieving the target rate.

In the upward phase of the economic cycle, the setting of the CCyB rate takes into account the PN CCyB target rate. Once the cyclical systemic risk assessment by the Bank of Greece indicates a build-up of cyclical systemic risks, the Bank of Greece decides, at its discretion, to increase the CCyB rate above the PN CCyB target rate with a view to preventing or mitigating the build-up of cyclical systemic risks and excessive credit growth and leverage.

Conversely, during the downward phase of the economic cycle or in the event of shocks, the CCyB's partial (reduction) or full release (setting to zero) may encourage credit supply, thereby contributing to the smooth financing of the real economy. The CCyB's partial or full release takes immediate effect as soon as it is announced, while any increase is applicable 12 months at the latest from the date of its announcement.

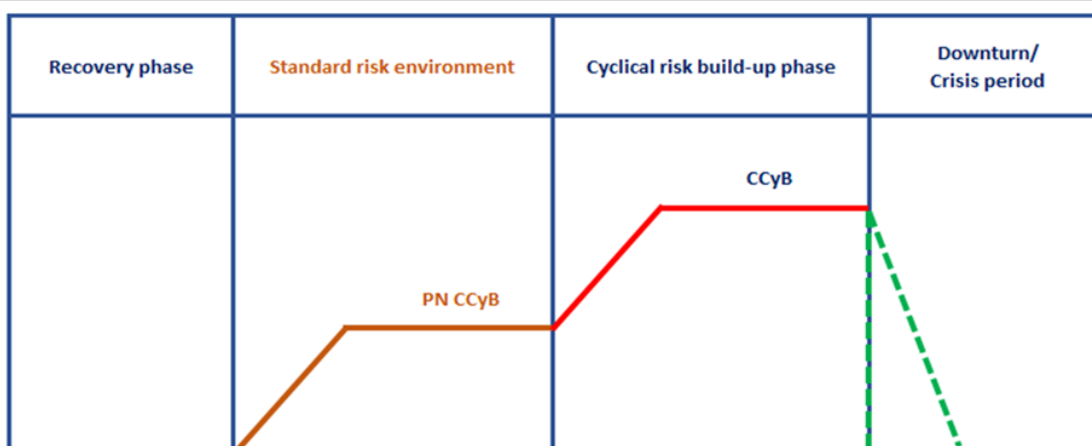
---

<sup>60</sup> "Application of the countercyclical capital buffer in Greece – Repeal of Executive Committee Act 202/1/11.03.2022".

<sup>61</sup> The Bank of Greece, as national designated authority, may set the CCyB rate in excess of 2.5%, where justified on the basis of the considerations set out in Article 130 of Law 4261/2014 with regard to the calculation of the institution-specific countercyclical capital buffer rate.

<sup>62</sup> The total risk exposure amount is calculated in accordance with Article 92(3) of Regulation (EU) No 575/2013.

**Chart IV.1** Stylised representation of the build-up and release of the countercyclical capital buffer (CCyB) depending on the intensity of cyclical systemic risks across the four phases of the economic and financial cycle



Source: Bank of Greece.

During the phase in which the economy or the financial system recovers from severe endogenous or exogenous shocks, or in the wake of a systemic crisis, the CCyB rate is set at zero to encourage the supply of credit, thereby contributing to the smooth flow of financing to the real economy. The CCyB rate remains zero until the intensity of cyclical systemic risks is assessed to be at a standard level.

By Executive Committee Act 235/1/07.10.2024, the Bank of Greece laid down the implementation procedure for applying, and the methodology for setting, the CCyB rate in Greece and set the PN CCyB target rate for Greece at 0.5%.

## 1.2 ASSESSMENT OF CYCLICAL SYSTEMIC RISKS

The quarterly assessment of the intensity of cyclical systemic risks and the appropriateness of the CCyB rate in Greece takes into account, inter alia, the “standardised credit-to-GDP gap”, as defined in Recommendation ESRB/2014/1. This indicator reflects the deviation of the ratio of credit to GDP from its long-term trend. In more detail, the credit-to-GDP ratio is initially calculated as the sum of short and long-term debt securities and loans (i.e. credit), as reported in the financial liabilities of the private non-financial sector, to the sum of the figures of the last four quarterly observations of GDP (in nominal terms, non-seasonally adjusted). Subsequently, the long-term trend of the credit-to-GDP ratio is calculated by applying the Hodrick-Prescott filter. The “standardised credit-to-GDP gap” is the difference between the credit-to-GDP ratio and its long-term trend. A high positive value of the “standardised credit-to-GDP gap” indicates excessive credit growth relative to GDP growth, which poses increased risks to the financial system, thus requiring the setting of the CCyB rate at a level above 0%. In addition to the “standardised credit-to-GDP gap”, the Bank of Greece also examines a number of additional indicators to monitor the build-up of cyclical systemic risks.<sup>63</sup> These indicators are grouped into six regions:

- Credit developments, where the outstanding credit-to-GDP ratio at current prices, the growth of loans to households and the growth of credit to non-financial corporations are monitored;

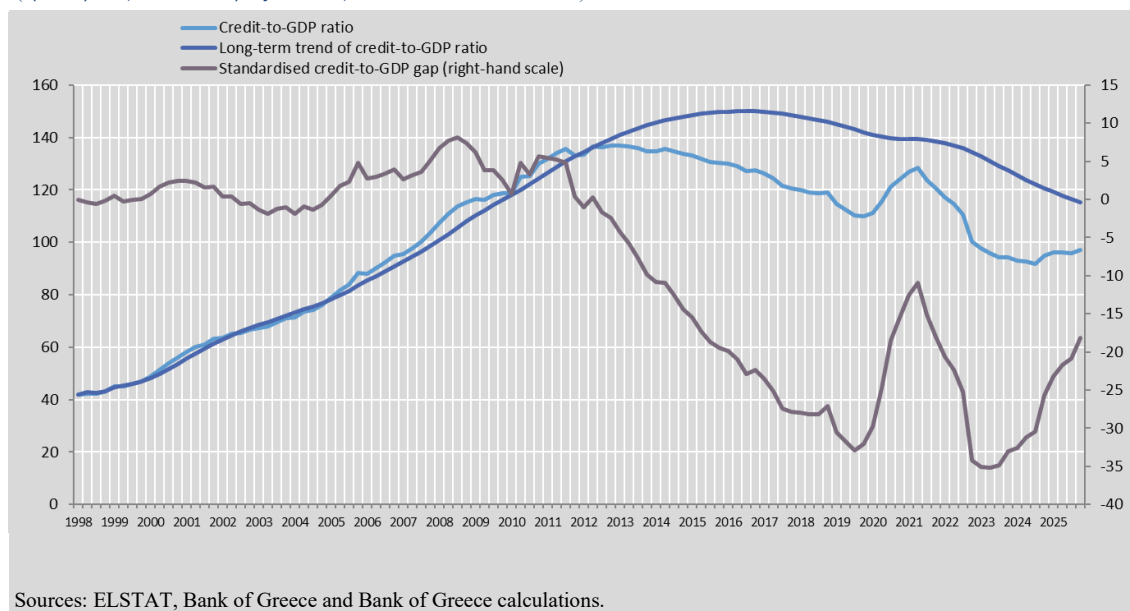
<sup>63</sup> For definitions, see [Bank of Greece Executive Committee Act 235/1/07.10.2024](#).

- Private sector indebtedness, where the growth of credit to the domestic private sector, the ratio of outstanding credit to non-financial corporations to GDP and households' debt-to-income ratio and debt-service-to-income ratio at origination (DSTI-O) for loans secured by residential real estate are monitored;
- Potential overvaluation of property prices, where the rise in the price index of residential and commercial real estate (offices and retail) is monitored;
- The strength of bank balance sheets, where the net interest margin (NIM), the growth of risk-weighted assets, the leverage ratio and the loan-to-deposit ratio are monitored;
- External imbalances, as reflected in the evolution of the current account balance-to-GDP ratio;
- Potential mispricing of risk, where the ATHEX Composite Share Price Index and the FTSE/ATHEX bank index are monitored.

In Greece, the “standardised credit-to-GDP gap” has remained in negative territory since 2012. In the fourth quarter of 2025, it stood at -18.1 percentage points, compared with -20.8 in the previous quarter (see Chart IV.2). It should be noted that the fourth quarter of 2025 is the latest available quarter for the financial liabilities of the private non-financial sector. For this value of the “standardised credit-to-GDP gap”, the benchmark buffer rate (buffer guide), as defined in para. 3(a) of recommendation B of Recommendation ESRB/2014/1, is zero.

**Chart IV.2 Standardised credit-to-GDP gap, credit-to-GDP ratio and long-term trend of the credit-to-GDP ratio (Q4 1997-Q4 2025)**

(quarterly data; non-seasonally adjusted GDP; Hodrick Prescott one-sided filter)



Sources: ELSTAT, Bank of Greece and Bank of Greece calculations.

The analysis of additional indicators examined by the Bank of Greece points to emerging cyclical systemic risks in certain areas, such as credit growth to non-financial corporations, residential real estate prices and the current account, but confirms that there is no excessive credit growth in Greece. Overall, cyclical systemic risks in Greece are assessed as low and the risk environment as standard.

### 1.3 SETTING THE COUNTERCYCLICAL CAPITAL BUFFER RATE FOR GREECE

In the first three quarters of 2025, taking into account the analysis of additional indicators, the Bank of Greece maintained the CCyB rate at 0.25%, applicable from 1 October 2025, as set by Executive Committee Act 235/2/07.10.2024.<sup>64</sup>

At the current juncture, the domestic macroeconomic environment, the further improvement of the banking sector's fundamentals and prudential ratios, as well as the restructuring of less significant institutions still favour the creation of macroprudential space to ensure financial stability over the medium term.

In this context, the Bank of Greece, by Executive Committee Act 248/1/06.10.2025,<sup>65</sup> decided to raise the CCyB rate for Greece by 0.25%, setting it at 0.5%, i.e. at the level of the PN CCyB target rate, applicable from 1 October 2026.

Given that cyclical systemic risks in Greece were assessed as low during the first and second quarters of 2026, the CCyB rate remained unchanged.

## 2. IDENTIFICATION OF THE OTHER SYSTEMICALLY IMPORTANT INSTITUTIONS IN GREECE (O-SIIS) AND SETTING OF THE O-SII BUFFER RATE

An O-SII buffer aims to reduce moral hazard and strengthen the resilience of other systemically important institutions (O-SIIs).<sup>66</sup> In this context, moral hazard arises when an institution expects not to be let to fail, given its systemic importance (“too big to fail”). Imposing additional capital requirements in the form of an O-SII buffer limits excessive risk-taking by a systemically important institution, thus reducing moral hazard by strengthening the systemically important institution's capital buffer to absorb potential losses and thereby limiting contagion risk.

The O-SII buffer consists of Common Equity Tier 1 (CET1) capital and its rate is set at a level of up to 3% of the total risk exposure amount.<sup>67</sup> The O-SII buffer is set on a solo, sub-consolidated or consolidated basis, as applicable, and its rate is reviewed at least once a year.

Under Law 4261/2014 (Article 124), the Bank of Greece is responsible for identifying O-SIIs among the institutions authorised in Greece. O-SIIs are identified on an annual basis, so as to consider the application of an O-SII buffer and the calibration thereof.

For the identification of O-SIIs, the Bank of Greece applies the methodology included in the relevant European Banking Authority (EBA) guidelines.<sup>68</sup> In accordance with this methodology, the competent authorities should, for each bank falling under their jurisdiction, calculate relative scores indicating the systemic importance of each institution based on specific criteria. These criteria relate to size, importance for the economy, complexity/cross-border activity and interconnectedness of the institution with the financial system. These four criteria each consist of one or more mandatory indicators, which will be used as a minimum by the competent authorities in

<sup>64</sup> [“Setting of the countercyclical capital buffer rate, applicable from 1 October 2025”](#).

<sup>65</sup> [“Setting of the countercyclical capital buffer rate at 0.5%, applicable from 1 October 2026”](#).

<sup>66</sup> In contrast with Global Systemically Important Institutions (G-SIIs).

<sup>67</sup> It should be noted that the O-SII buffer may exceed 3% upon approval by the European Commission.

<sup>68</sup> EBA/GL/2014/10, as adopted by Bank of Greece Executive Committee Act 56/18.12.2015 and further specified by Bank of Greece Executive Committee Act 221/1/17.10.2023.

**Table IV.1. Mandatory indicators for the scoring of O-SIIs in Greece**

Criterion	Indicators	Weight (%)
<b>Size</b>	Total assets	25
<b>Importance</b>	Value of domestic payment transactions	8.33
	Private sector deposits from depositors in the EU	8.33
	Private sector loans to recipients in the EU	8.33
<b>Complexity/Cross-border activity</b>	Value of OTC derivatives (notional)	8.33
	Cross-jurisdictional liabilities	8.33
	Cross-jurisdictional claims	8.33
<b>Interconnectedness</b>	Intra-financial system liabilities	8.33
	Intra-financial system assets	8.33
	Debt securities outstanding	8.33

calculating the score of each institution. The score of each institution is expressed in basis points (bps). Each competent authority sets a threshold in bps; institutions with a score equal to or higher than that should be identified as O-SIIs. This threshold can be set from 275 bps up to 425 bps to take into account the specificities of the Member State's banking sector and to ensure the homogeneity of the group of O-SIIs designated in this way based on the O-SIIs' systemic importance. The 350 bps level is proposed as an indicative threshold. Competent authorities may also designate further relevant entities as O-SIIs based on additional qualitative and/or quantitative indicators of systemic importance.

In calculating the systemic importance scores of Greek banks, the Bank of Greece used only the mandatory indicators (see Table IV.1) and selected a threshold of 350 bps.

As a result, the following institutions were identified as O-SIIs for 2025 on a consolidated basis:

- Alpha Bank S.A.
- Eurobank Ergasias Services and Holdings S.A.
- National Bank of Greece S.A.
- Piraeus Financial Holdings S.A. and respectively the following credit institutions at solo level:
  - Alpha Bank S.A.
  - Eurobank S.A.
  - National Bank of Greece S.A.
  - Piraeus Bank S.A.

The above four credit institutions identified as O-SIIs represent approximately 94% of the total assets of the domestic banking sector.

Pursuant to Bank of Greece Executive Committee Act 246/1/15.09.2025,<sup>69</sup> the Bank of Greece decided to set the O-SII buffer rate for 2026 as follows:

- at 1.25% for Eurobank Ergasias Services and Holdings S.A. at consolidated level,<sup>70</sup> and
- at 1.00% for the following O-SIIs:

<sup>69</sup> "Identification of other systemically important institutions (O-SIIs) for the year 2025 and setting of O-SII buffer rates for the year 2026".

<sup>70</sup> It should be noted that on 12 December 2025 the merger by absorption of Eurobank Ergasias Services and Holdings S.A. by Eurobank S.A. was completed and hence the rate of 1.25% applies to Eurobank S.A. on a consolidated basis.

- Alpha Bank S.A. at solo and consolidated level,
- Eurobank S.A. at solo level,
- National Bank of Greece S.A. at solo and consolidated level, and
- Piraeus Financial Holdings S.A. at consolidated level and Piraeus Bank S.A. at solo level.<sup>71</sup>

### 3. BORROWER-BASED MEASURES

Borrower-based measures (BBMs) aim to prevent the accumulation of systemic risks stemming from the property market and related to private sector (household or business) financing. The activation of BBMs helps prevent excessive easing of credit standards, thereby strengthening borrower resilience and reducing credit risk for lenders.

The Bank of Greece is responsible for enacting macroprudential borrower-based measures under Article 133A of Law 4261/2014, which was inserted by Article 54 of Law 5036/2023, effective from 29 March 2023. In the context of its macroprudential mandate, the Bank of Greece may adopt a decision laying down, inter alia, the type of borrower-based measures, the ratios or features of credit to which caps apply, the cap percentages, the types of credit to which BBMs apply, as well as the terms and conditions of their implementation.

The Bank of Greece enacted BBMs for loans and other credit extended to natural persons and secured by residential real estate (RRE) located in Greece by Executive Committee Act 227/1/08.03.2024,<sup>72</sup> applicable from 1 January 2025. More specifically, the cap on the loan-to-value ratio at origination (LTV-O ratio) is set at 90% for first-time buyers<sup>73</sup> and 80% for second and subsequent buyers. Additionally, the cap on the debt service-to-income ratio at origination (DSTI-O ratio) is set at 50% for first-time buyers and 40% for second and subsequent buyers. It should be noted that the DSTI-O ratio is the annual debt servicing costs of the total debt of the borrower divided by the borrower's total annual disposable income at the time of loan/credit origination, while the LTV-O ratio is the total amount of the loan or loan tranches secured by real estate property at the time of origination divided by the value of the real estate collateral at the time of origination.

More relaxed caps for first-time buyers were set to facilitate their access to the mortgage lending market. Furthermore, credit providers are allowed to exempt up to 10% of the total number of new loans and other credit approved and at least partially disbursed in each quarter at the institution or entity level from each of the abovementioned caps. Compliance with the exemption quotas is assessed separately for first-time buyers and for second and subsequent buyers. The abovementioned BBMs do not apply to non-performing loans and forborne loans, portfolios of re-performing loans purchased by credit institutions from credit servicing firms, as well as to loans disbursed under national housing policy or green transition programmes.

<sup>71</sup> It should be noted that on 19 December 2025 the merger by absorption of Piraeus Financial Holdings S.A. by Piraeus Bank S.A. was completed and hence the rate of 1% applies to Piraeus Bank S.A. on a consolidated and individual basis.

<sup>72</sup> "Enactment of macroprudential borrower-based measures regarding loans and other credit to natural persons secured by residential real estate under Article 133A of Law 4261/2014".

<sup>73</sup> First-time buyer is a borrower who, at the moment of loan origination, has no outstanding RRE loan.

## V. OTHER SECTORS OF THE FINANCIAL SYSTEM

### 1. STRUCTURE OF THE DOMESTIC FINANCIAL SYSTEM

In 2025, the structure of the domestic financial system remained largely unchanged, with banks remaining its main pillar (see Table V.1). More specifically, the assets of the banking sector amounted to 84.1% of the total assets of the financial system, with significant institutions (SIs) accounting for 77.8% of the total, while less significant institutions (LSIs) and branches of foreign banks accounted for only 5.1% and 1.2%, respectively. The pronounced concentration within the sector is illustrated by the fact that four SIs together held 92.5% of total banking sector assets.

Table V.1 Structure of the domestic financial system

	2023			2024			2025		
	No.	Assets (EUR millions)	%	No.	Assets (EUR millions)	%	No.	Assets (EUR millions)	%
<b>Banks</b>	<b>33</b>	<b>294,415</b>	<b>86.1%</b>	<b>33</b>	<b>303,924</b>	<b>84.7%</b>	<b>33</b>	<b>328,647</b>	<b>84.1%</b>
Significant Institutions (Sis)	4	277,319	81.1%	4	283,851	79.1%	4	304,023	77.8%
Less Significant Institutions (LSIs)	8	13,854	4.0%	8	16,042	4.5%	8	19,831	5.1%
Foreign banks' branches	21	3,242	0.9%	21	4,031	1.1%	21	4,793	1.2%
<b>Non-Bank financial institutions</b>	<b>362</b>	<b>47,687</b>	<b>13.9%</b>	<b>385</b>	<b>54,911</b>	<b>15.3%</b>	<b>419</b>	<b>62,005</b>	<b>15.9%</b>
Insurance undertakings*	31	20,287	5.9%	31	21,224	5.9%	31	22,064	5.6%
Occupational Insurance Funds and Occupational Pension Funds	31	2,196	0.6%	31	2,513	0.7%	32	2,833	0.7%
Undertakings for collective investment in transferable securities (UCITS)	193	11,237	3.3%	225	16,117	4.5%	255	20,627	5.3%
<i>Mutual funds</i>	<i>185</i>	<i>10,449</i>	<i>3.1%</i>	<i>217</i>	<i>14,986</i>	<i>4.2%</i>	<i>243</i>	<i>19,376</i>	<i>5.0%</i>
<i>Money Market funds</i>	<i>8</i>	<i>788</i>	<i>0.2%</i>	<i>8</i>	<i>1,131</i>	<i>0.3%</i>	<i>12</i>	<i>1,251</i>	<i>0.3%</i>
Portfolio investment and real estate investment companies	11	4,946	1.4%	10	5,472	1.5%	10	5,629	1.4%
Leasing and factoring companies	12	6,618	1.9%	13	7,196	2.0%	13	7,597	1.9%
Microfinance Institutions	3	4	0.0%	3	10	0.0%	5	23	0.0%
Brokerage firms	44	818	0.2%	41	882	0.2%	43	1,600	0.4%
Mutual Fund Management Companies	14	286	0.1%	13	283	0.1%	13	369	0.1%
Credit servicing firms	23	1,294	0.4%	18	1,213	0.3%	17	1,263	0.3%
<b>Total</b>	<b>395</b>	<b>342,102</b>	<b>100%</b>	<b>418</b>	<b>358,834</b>	<b>100%</b>	<b>452</b>	<b>390,653</b>	<b>100%</b>

Source: Bank of Greece.

\*The number of insurance undertakings refers to those that operate and are supervised in accordance with the European Directive 'Solvency II'.

In 2025, the share of non-bank financial institutions grew to 15.9%, with their assets amounting to EUR 62.0 billion, up by EUR 7.1 billion compared to 2024. This increase is mainly attributed to a EUR 4.5 billion rise in the assets of Undertakings for Collective Investment in Transferable Securities (UCITS), with total assets amounting to EUR 20.6 billion (5.3% of the total assets of the financial system). It should be noted that mutual funds have experienced a substantial surge

in assets over the past three years, nearly doubling since December 2023, as they constitute an alternative investment option to time deposits, especially following the introduction of target maturity funds in 2022.<sup>74</sup>

Insurance undertakings remain the second largest segment of the domestic financial system. In 2025, their assets amounted to EUR 22 billion, up by 4% compared to 2024, but their share in the domestic financial system's assets declined slightly to 5.6%.

Leasing and factoring companies remain minor participants in the financial system, accounting for just 1.9% of the overall financial system. Likewise, portfolio investment and real estate investment companies represent only 1.4% of the financial system.

It should be noted that the share of credit servicing firms (CSFs) in the total assets of the financial system remained very small, just 0.3%. Although credit servicers' assets are limited in size, they manage portfolios totalling EUR 91.5 billion, which include the bulk of non-performing loans (NPLs) within the financial system.

---

<sup>74</sup> The increase in the assets of mutual funds is mainly driven by the introduction of target maturity funds, which typically have a maturity of two to five years. A detailed overview of target maturity funds can be found in Box V.1 "Develop-ments in the mutual funds market", *Financial Stability Review*, Bank of Greece, May 2025.

## 2. OVERVIEW OF OCCUPATIONAL AND PRIVATE INSURANCE

### 2.1 KEY FIGURES OF PRIVATE INSURANCE UNDERTAKINGS<sup>75</sup>

In 2025, no significant changes were observed in the structure of the Greek private insurance market, with 34 insurance undertakings<sup>76</sup> operating in it. According to the type of authorisation and insurance activities pursued, these undertakings can be classified as follows:

- 2 life insurance undertakings;
- 19 non-life insurance undertakings; and
- 13 insurance undertakings (composites) pursuing both life and non-life business (including life insurance undertakings underwriting only non-life business of the “Accident” and “Sickness” classes).

Of the above 34 insurance undertakings, 31 operate and are supervised in accordance with the European Directive “Solvency II”, which is applicable in all EU Member States since 1.1.2016, while 3 insurance undertakings are excluded, due to their size, from the application of certain requirements related to all three key pillars of Solvency II.<sup>77</sup> Of the 31 insurance undertakings subject to the provisions of Solvency II, 11 belong to insurance groups with their parent undertaking in other Member States, 7 to insurance groups subject to supervision by the Bank of Greece and the remaining 13 do not form part of any insurance group headquartered in the EU. In addition, 8 insurance undertakings with their head offices in Greece operate in other EU Member States under the freedom to provide services (see Table V.2).

Furthermore, according to the most recent available data from the European Insurance and Occupational Pensions Authority (EIOPA) as at December 2024, 211 insurance undertakings with head offices in other EU Member States<sup>78</sup> operated in Greece under either the freedom of establishment (through branches) or the freedom to provide services, the financial supervision of which is under the responsibility of the supervisory authorities of their home Member State.<sup>79</sup>

---

<sup>75</sup> The cut-off date for information and data in this chapter is 31.12.2025.

<sup>76</sup> Excluding the mutual insurance undertakings referred to in the first sentence subparagraph of Article 7(1) of Law 4364/2016.

<sup>77</sup> The Bank of Greece, based on the principle of proportionality, has allowed 3 insurance undertakings that meet the required size and business criteria to be excluded from certain Solvency II provisions regarding solvency, system of governance and public disclosure and reporting requirements.

<sup>78</sup> Source: European Insurance and Occupational Pensions Authority (EIOPA).

<sup>79</sup> In 2024, the annual gross written premiums of these undertakings amounted to EUR 416 million for activities under the freedom of establishment and EUR 1,219 million for activities under the freedom to provide services, which corresponds to 6% and 17%, respectively, of the total Greek insurance market.

**Table V.2 Number of insurance undertakings operating in Greece**

	2021	2022	2023	2024	2025
Life insurance undertakings	2	2	2	2	2
Non-life insurance undertakings	18	19	19	19	19
Composite insurance undertakings	16	15	13	13	13
<b>Total</b>	<b>36</b>	<b>36</b>	<b>34</b>	<b>34</b>	<b>34</b>
<i>of which supervised in accordance with Solvency II</i>	34	34	31	31	31
Branches of insurance undertakings established in another EU Member State	21	20	21	22	21
Insurance undertakings pursuing business under the freedom to provide services or the freedom of establishment	216	230	188	211	N/A

Source: Bank of Greece.

It should be noted that these undertakings have a large market share in third-party motor liability insurance. In 2025, their share (in terms of number of vehicles) decreased to 18%, from 22% in December 2024.

The financial figures presented below concern only the 31 undertakings which are subject to supervision by the Bank of Greece under Solvency II.

The domestic insurance market is characterised by significant concentration, especially with regard to life and composite insurance undertakings. The 5 largest of these insurance undertakings hold 87% of the relevant market, in terms of technical provisions, while the 5 largest non-life insurance undertakings hold a 61% share of the relevant market in terms of gross written premiums.

In 2025, gross written premiums in the life insurance business<sup>80</sup> amounted to EUR 2.9 billion, up by 2% compared to 2024. Of this amount, EUR 1.4 billion is related to insurance products linked to investments (48% of total gross written premiums of life business, up from 47% in 2024). At the same time, an increase of 4% was recorded in the gross written premiums of insurance products with profit participation features and a decrease of 16% in other life insurance business (see Chart V.1).

During the same period, non-life insurance premiums<sup>81</sup> amounted to EUR 2.9 billion, up by 10% compared to 2024. The lines of business with the most significant market shares are third-party motor liability insurance (28%), fire insurance (22%) and hospital expenses insurance (17%), with year-on-year changes of +8%, +11% and +10%, respectively. In 2025, the claims incurred (excluding reinsurance recoveries) amounted to EUR 2.3 billion for life insurance (down by 4% compared to 2024) and EUR 1.1 billion for non-life insurance (up by 6% compared to 2024) (see Chart V.2).

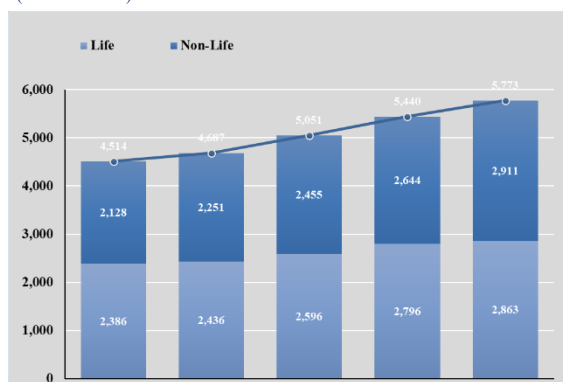
For non-life insurance, the market loss ratio for 2025 remained unchanged at 51% compared with 2024, while the expense ratio (administration expenses and commissions) rose to 48% (from 47% in 2024).

<sup>80</sup> Including Life insurance business of composite insurance undertakings.

<sup>81</sup> Including Non-Life insurance business of composite insurance undertakings.

**Chart V.1 Gross written premiums**

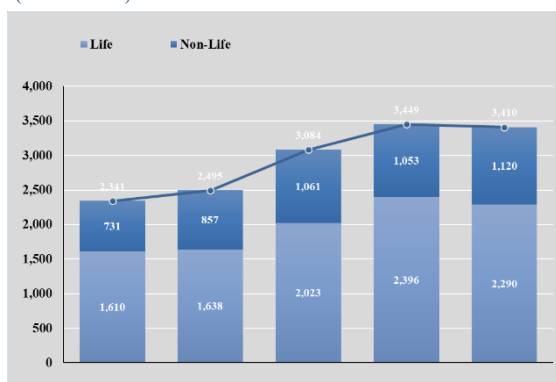
(EUR millions)



Source: Bank of Greece.

**Chart V.2 Claims incurred**

(EUR millions)



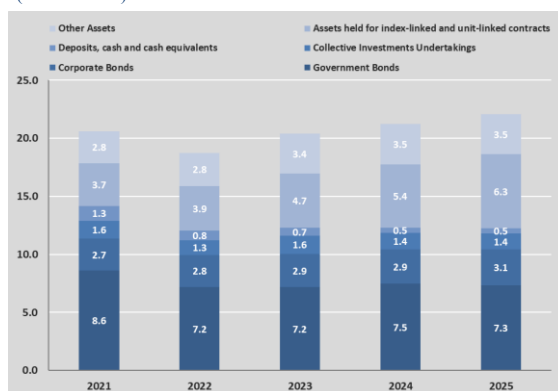
Source: Bank of Greece.

The total assets of the insurance undertakings supervised by the Bank of Greece amounted to EUR 22.1 billion in December 2025, increased by 4% compared to December 2024. Of the total assets, EUR 7.3 billion (33%) were held in government bonds and EUR 3.1 billion (14%) in corporate bonds. As concerns the credit rating of these assets, almost the entirety of government bonds and 90.6% of corporate bonds were rated BB- and above. In addition, EUR 6.3 billion (29%) related to unit- and index-linked insurance products (see Chart V.3).

Accordingly, in 2025, the total liabilities of insurance undertakings amounted to EUR 17.9 billion (from EUR 17.5 billion in December 2024), while total technical provisions stood at €16.1 billion for the same period (from EUR 15.8 billion in December 2024), of which EUR 12.5 billion related to life insurance and EUR 3.5 billion to non-life insurance. As far as life technical provisions are concerned, 45% refers to unit- and index-linked insurance products (against 40% in December 2024) (see Chart V.4).

**Chart V.3 Breakdown of insurance undertakings' assets**

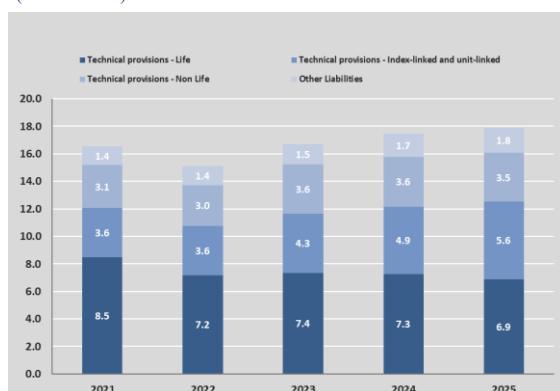
(EUR billions)



Source: Bank of Greece.

**Chart V.4 Breakdown of insurance undertakings' liabilities**

(EUR billions)



Source: Bank of Greece.

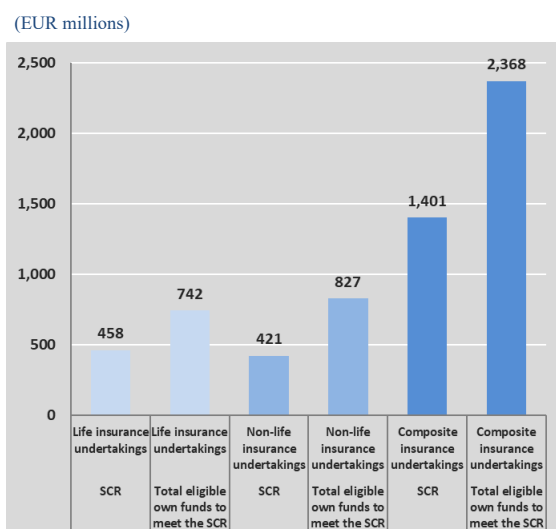
Total own funds in the insurance market amounted to EUR 4.2 billion, increased by 11% compared to December 2024. The total Solvency Capital Requirement (SCR)<sup>82</sup> stood at EUR 2.3 billion and the respective total eligible own funds at EUR 3.9 billion. Concerning the quality of the eligible own funds in the insurance market, 92% of these are classified as high-quality capital (Tier 1). Additionally, the SCR coverage ratio for all insurance undertakings is significantly higher than 100% (see Table V.3 and Chart V.5). The Minimum Capital Requirement (MCR)<sup>83</sup> for the entire insurance market came to EUR 0.8 billion and the respective total eligible own funds amounted to EUR 3.7 billion (Table V.3 and Chart V.6).

**Table V.3 Capital requirements, eligible own funds and solvency ratios**

(amounts in EUR millions)	2021	2022	2023	2024	2025
Total Solvency Capital Requirement (SCR)	2,094	1,954	2,107	2,120	2,281
Total eligible own funds to meet the SCR	3,984	3,606	3,697	3,669	3,937
SCR ratio	190.3%	184.6%	175.5%	173.1%	172.6%
Minimum Capital Requirement (MCR)	714	676	737	740	770
Total eligible own funds to meet the MCR	3,718	3,290	3,365	3,376	3,655
MCR ratio	521.0%	486.9%	456.8%	456.0%	474.4%

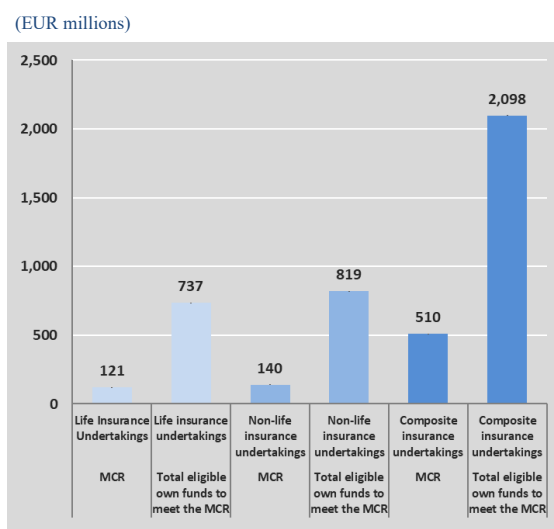
Source: Bank of Greece.

**Chart V.5 Total SCR and total eligible own funds to meet the SCR per type of insurance undertaking (2025)**



Source: Bank of Greece.

**Chart V.6 MCR and total eligible own funds to meet the MCR per type of insurance undertaking (2025)**

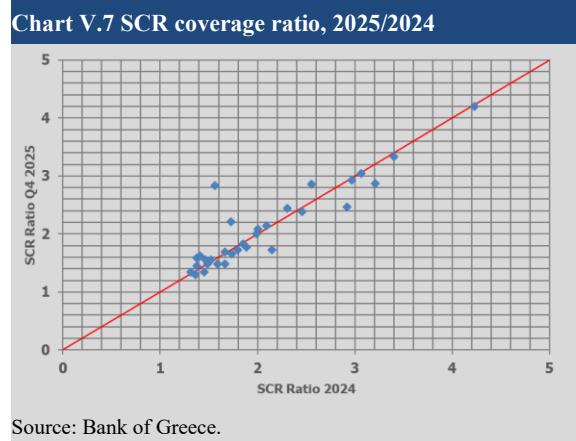


Source: Bank of Greece.

<sup>82</sup> The Solvency Capital Requirement reflects the amount of own funds necessary to ensure that an insurance undertaking is able to absorb losses at a confidence level of 99.5% with a time horizon of one year.

<sup>83</sup> The Minimum Capital Requirement reflects the amount of own funds necessary to ensure that an insurance undertaking is able to absorb losses at a confidence level of 85% with a time horizon of one year and represents a level of capital below which the interest of policyholders would be seriously jeopardized if the undertaking were allowed to continue operating.

Changes in the SCR coverage ratio of insurance undertakings were observed during 2025, however all undertakings remain solvent (see Chart V.7). In Chart V.7, undertakings above the red line saw an improvement in the SCR coverage ratio in 2025 compared with the previous year (45% of all insurance undertakings), while undertakings below the red line saw a deterioration in their SCR coverage ratio.



## 2.2 KEY FIGURES OF OCCUPATIONAL INSURANCE

As at 31.12.2025, 27 Occupational Pension Funds (OPFs) were active in Greece across sectors including the public sector, shipping, the banking industry and other occupational sectors (such as economists, geotechnical engineers, police officers, firefighters and coast guard personnel).

The total assets of the OPFs supervised by the Bank of Greece amounted to EUR 620.4 million, up by 22.5% compared to December 2024. Of the total assets, EUR 102.1 million (16.5%) were invested in bonds (compared to EUR 131.5 million as at 31.12.2024), of which EUR 83.7 million were in government bonds (compared to EUR 112.4 million as at 31.12.2024) and EUR 18.4 million in corporate bonds (compared to EUR 19.1 million as at 31.12.2024). Additionally, EUR 467.4 million (75%) were invested in collective investment undertakings (compared to EUR 331.9 million as at 31.12.2024).

The total liabilities amounted to EUR 600.7 million (compared to EUR 489.9 million as at 31.12.2024), with technical provisions reaching EUR 590.4 million (compared to EUR 471.1 million as at 31.12.2024), representing 98.3% of total liabilities.

### 3. OTHER FINANCIAL INSTITUTIONS

#### 3.1 LEASING COMPANIES – FACTORING COMPANIES – CONSUMER CREDIT COMPANIES

In 2025, other financial institutions grew. Specifically, the assets of leasing companies rose by 3.8% compared with December 2024, reaching EUR 3.0 billion. Similarly, factoring companies experienced a robust increase of 10.1% in their assets, which amounted to EUR 4.3 billion. Although their asset levels remain very low, microfinance institutions more than doubled their asset base compared to 2024, propelled by heightened lending activity and the licensing of two new institutions in 2025, (EUR 22.8 million, up from EUR 10.3 million in 2024, see Chart V.8).

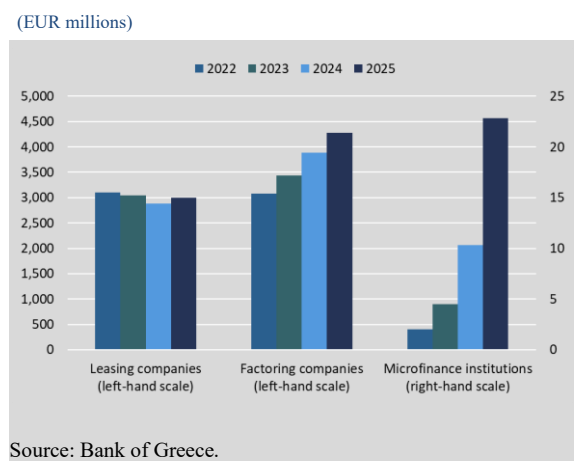
The integration between other financial institutions and credit institutions is substantial, as entities affiliated with banking groups account for 97.2% of the sector’s total assets. Additionally, borrowing from parent banking groups constituted 14.1% of their liabilities in December 2025, down from 15.4% in December 2024.

From an income statement perspective, the profitability of leasing companies improved markedly in 2025, with pre-tax profits rising to EUR 8.4 million, up from EUR 1.2 million in 2024. Factors such as the narrowing of intercompany spreads within certain banking group subsidiaries, increased activity in operating leases, mainly in the urban transport vehicle segment, and the completion of a securitised trade receivables sale by one company in 2024 combined to enhance net interest income in 2025. By contrast, factoring companies experienced a decline in profitability, with pre-tax profits falling to EUR 58.3 million in 2025 from 60.4 million in 2024. This decrease was primarily attributable to lower interest income following the ECB’s key interest rate cuts and to compressed interest margins caused by fierce competition. Microfinance institutions posted higher pre-tax losses of EUR 1.3 million in 2025, up from EUR 0.9 million in 2024, mainly driven by elevated operating costs (see Chart V.9).

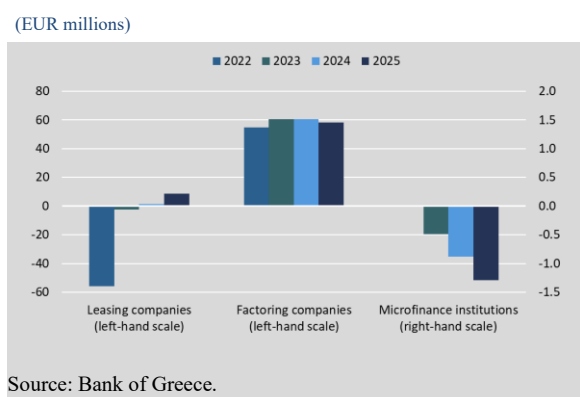
The non-performing loans (NPLs) of other financial institutions (on-balance sheet data) decreased to EUR 665.5 million in 2025, from EUR 736.8 million in 2024. It should be noted that leasing companies accounted for the largest share of NPLs (EUR 625.9 million in 2025, compared with EUR 682.7 million in 2024). For these companies, the ratio of NPLs to total loans stood at 18.8% in 2025, down from 22.2% in 2024. The elevated NPL ratio is mainly attributable to three leasing

companies. The non-performing loans (NPLs) of other financial institutions (on-balance sheet data) decreased to EUR 665.5 million in 2025, from EUR 736.8 million in 2024. It should be noted that leasing companies accounted for the largest share of NPLs (EUR 625.9 million in 2025, compared with EUR 682.7 million in 2024). For these companies, the ratio of NPLs to total loans stood at 18.8% in 2025, down from 22.2% in 2024. The elevated NPL ratio is mainly attributable to three leasing

**Chart V.8 Evolution of assets of other financial institutions**



**Chart V.9 Evolution of pre-tax profits of other financial institutions**

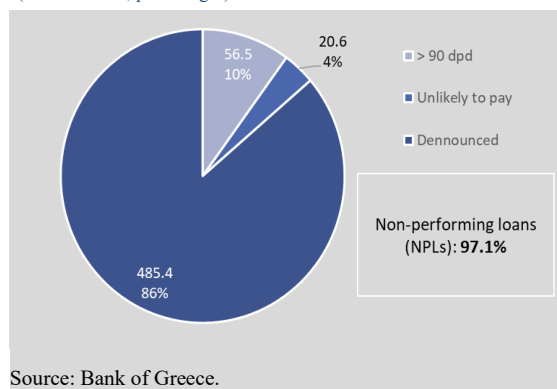


companies,<sup>84</sup> whose portfolios include NPLs stemming from older financing contracts; for these entities, the NPL ratio reached 97.1% (see Chart V.10a). For all other leasing companies, the NPL ratio stood at 2.3% (see Chart V.10b).

The NPL ratio for factoring companies and microfinance institutions in 2025 stood at 0.9% and 4.8%, respectively.

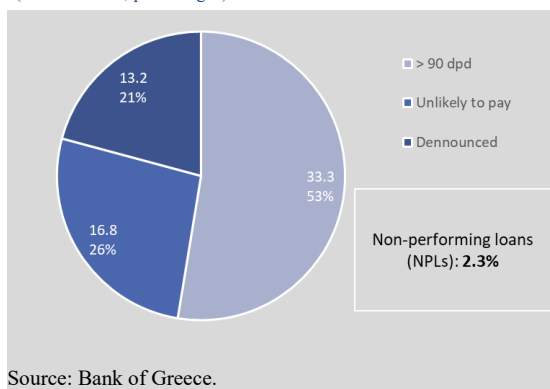
**Chart V.10a Composition of NPLs for financial leasing companies whose portfolios include NPLs stemming from older financing contracts (December 2025)**

(EUR millions, percentages)



**Chart V.10b Breakdown of NPLs for financial leasing companies excluding the companies whose portfolio mainly consists of NPLs.(December 2025)**

(EUR millions, percentages)



### 3.2 CREDIT SERVICING FIRMS (CSFS)

17 CSFs are operating in Greece; none of them has so far applied for an authorisation to refinance receivables. The market is highly concentrated: the three largest firms collectively hold a 84.8% market share (by assets under management), three firms account for 12.5% and the remaining 11 firms exhibit minimal or no activity, representing just 2.7% of the market. In addition, one Greek-based firm has notified its intention to provide servicing activities in another EU Member State, while a servicer from another Member State has similarly expressed its intention to operate in Greece.

In July 2025, an Executive Committee Act of the Bank of Greece ([ECA 244/4/25.07.2025](#)) entered into force, introducing enhanced regulatory requirements for the operation of credit servicing firms and granting credit servicers based in Greece a deadline until 1 December 2025<sup>85</sup> to overhaul their existing internal governance systems. The new framework introduces additional requirements regarding corporate governance systems, internal control functions and supervisory reporting. At the same time, it specifies the requirements applicable to credit servicing firms established in other EU Member States and operating in Greece. It also outlines the reporting obligations of credit purchasers vis-à-vis the Bank of Greece. The Bank of Greece systematically monitors the implementation of the above provisions to ensure full compliance with the applicable regulatory framework.

<sup>84</sup> The assets of these three companies, whose portfolios consist mainly of non-performing loans (NPLs), account for 5.2% of the total assets of leasing companies.

<sup>85</sup> Executive Committee Act (ECA) 244/4/25.07.2025 sets out, inter alia, the conditions and criteria for the establishment of an Audit Committee. As regards the number of independent and non-executive members of the Audit Committee, institutions have until 30 June 2026 to comply with the relevant requirements.

## CSFs' aggregate financial data

In December 2025, the total assets of CSFs amounted to EUR 1.3 billion, up by EUR 97 million compared with December 2024. Total equity decreased to EUR 614 million (December 2024: EUR 739 million), whereas total liabilities (including provisions) increased to EUR 649 million, from EUR 414 million in December 2024 (see Chart V.11). CSFs' net profits after tax for 2025 reached EUR 126 million, down by 5.7% compared with the end of 2024. Staff expenses and administrative costs as a percentage of turnover stood at 55.7% in 2025, slightly higher than in 2024 (53.6%).

As of December 2025, the total value of exposures under management<sup>86</sup> by CSFs amounted to EUR 91.5 billion, up by EUR 4.1 billion compared with December 2024, following the assumption of new portfolios, mainly on behalf of credit acquiring firms. Of the total assets under management, EUR 81.5 billion, or 89.1%, relate to exposures managed by credit servicing firms on behalf of credit acquiring firms,<sup>87</sup> while the remaining EUR 10 billion, or 10.9%, concern the management of exposures on behalf of credit/financial institutions.

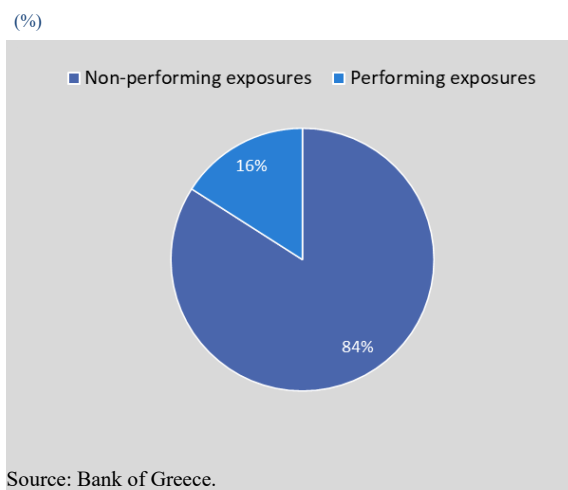
The bulk of exposures managed by CSFs on behalf of credit acquiring firms has been assigned to them in the context of credit institutions' strategies for the reduction of non-performing exposures (NPEs).

The composition of the portfolios managed by CSFs remained broadly unchanged in terms of asset quality, as the total exposures under management continued to consist mainly of NPEs (84%) and, to a lesser extent, performing exposures (16%) (see Chart V.12).

**Chart V.11 Composition of CSFs' liabilities (December 2025)**



**Chart V.12 Composition of portfolios managed by CSFs (December 2025)**



<sup>86</sup> Exposures include all debt instruments (loans and advances and debt securities), excluding off-balance-sheet exposures and write-offs. It should be noted that Bank of Greece Executive Committee Act [ECA 244/4/25.07.2025](#) (available only in Greek) modified, inter alia, supervisory data and information to be submitted by CSFs to the Bank of Greece.

<sup>87</sup> Any discrepancies between the supervisory data analysed in this section of the Financial Stability Report and the data regularly published by the Bank of Greece on its website are mainly due to the different perimeter of each data release.

### Management of exposures serviced on behalf of credit acquiring firms

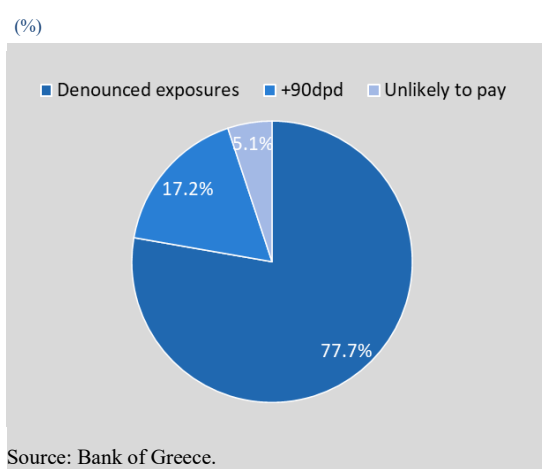
The total value of exposures managed by CSFs on behalf of credit acquiring firms increased by EUR 10 billion in 2025, reaching EUR 81.5 billion, mainly due to the onboarding of new loan portfolios for servicing. In particular, CSFs undertook the management of new portfolios with a total value of EUR 12.2 billion, originating from credit/financial institutions (EUR 7.5 billion) and from PQH Single Special Liquidation S.A. (EUR 4.7 billion).

The bulk of these exposures relates to business loans (49.5%), followed by mortgage loans (31%) and consumer loans (19.4%), showing a similar composition to that of December 2024 (see Chart V.13).

**Chart V.13 Exposures under CSF management by portfolio (December 2025)**



**Chart V.14 Non-performing exposures under CSF management – portfolio composition by arrears bucket (December 2025)**

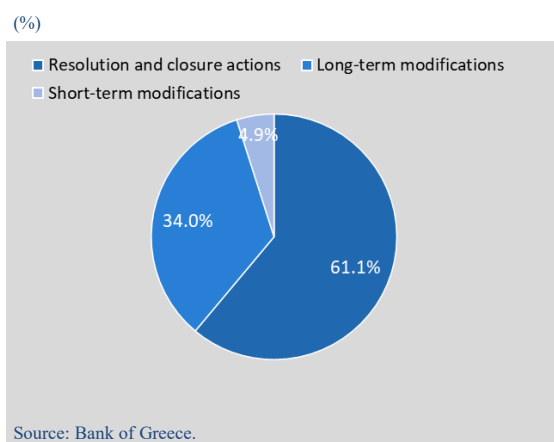


As of December 2025, the exposures under management on behalf of credit acquiring firms were by 89.2% classified as NPEs. The bulk of these NPEs were denounced exposures (77.7%), while 17.2% were exposures more than 90 days past due and 5.1% were unlikely-to-pay exposures (see Chart V.14).

In 2025, repayments, liquidation of collateral and write-offs of exposures managed by CSFs on behalf of credit acquiring firms stood at EUR 4 billion. More specifically, repayments amounted to EUR 2.2 billion, liquidation of collateral to EUR 1 billion and write-offs to EUR 0.8 billion.

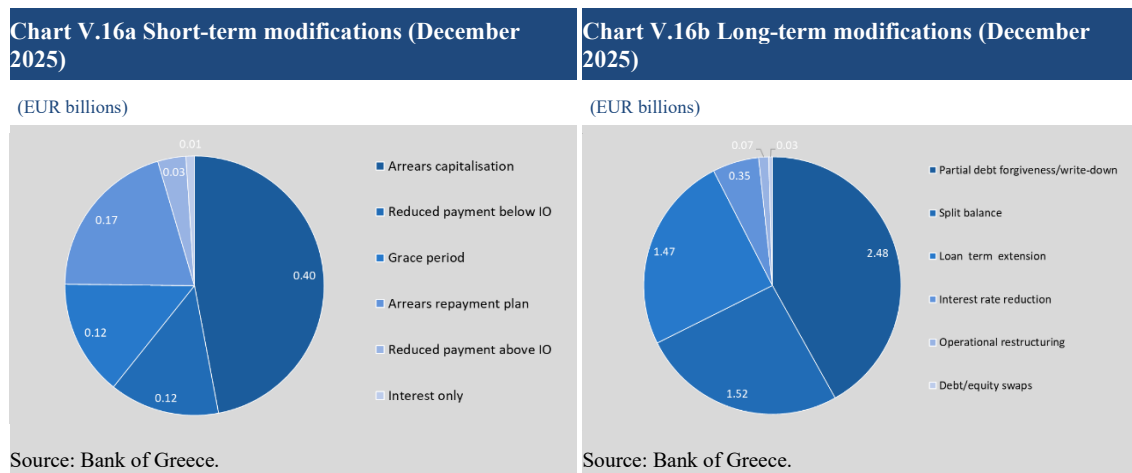
Lastly, the modifications made until the end of 2025 represented 21.3% of the total portfolio managed on behalf of credit acquiring firms. The bulk of the modifications consisted of resolution and closure actions (61.1%), followed by long-term modifications (34%) and short-term modifications (4.9%) (see Chart V.15). These figures show an increase in resolution and

**Chart V.15 Breakdown of debt under CSF management per type of modification (December 2025)**

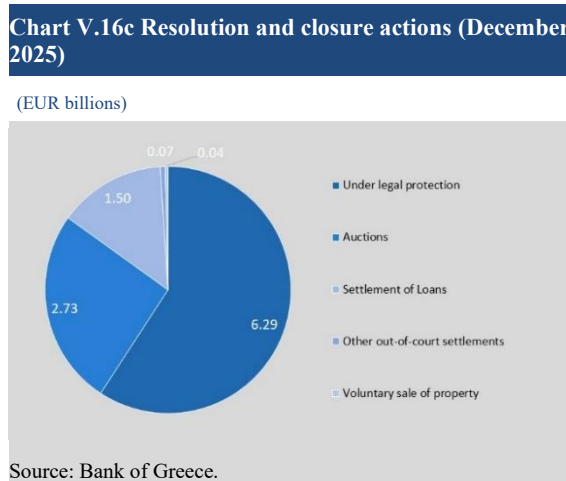


closure actions compared with December 2024 (55.7%). As of December 2025, the stock of modified exposures on which resolution and closure actions were taken amounted to EUR 10.6 billion (December 2024: EUR 10 billion), long-term modifications to EUR 5.9 billion and short-term modifications to EUR 0.9 billion (December 2024: EUR 6.9 billion and EUR 1.0 billion, respectively).

Among short-term modifications,<sup>88</sup> capitalisation of arrears remained the most common tool, accounting for 47% of total short-term modifications (see Chart V.16a). The most common long-term<sup>89</sup> modification types were partial debt write-down, split balance and extension of the loan term, accounting for 42%, 26% and 25% respectively (see Chart V.16b).



Over the same period, the most common types of resolution and closure actions<sup>90</sup> were settlement of loans under legal protection, auctions and settlement of loans (59%, 26% and 14% respectively) (see Chart V.16c).



<sup>88</sup> Short-term modifications are those with a duration of less than two years, applicable to cases where the repayment difficulties are reasonably judged to be temporary.

<sup>89</sup> Long-term modifications are those with a duration of more than two years, based on conservative assumptions regarding the borrower's future repayment capacity throughout the repayment schedule.

<sup>90</sup> Resolution and closure actions include any change in the type of loan contract or termination of the contract.

## Management of exposures serviced on behalf of credit/financial institutions

The total value of exposures managed by CSFs on behalf of credit/financial institutions stood at EUR 9.9 billion in December 2025, down by EUR 5.9 billion compared with December 2024 (EUR 15.8 billion), mainly due to portfolio sales to credit acquiring firms and management actions. Of these exposures, 41.6% were NPEs, compared with 53% in December 2024.

More specifically, the portfolio of exposures managed on behalf of credit/financial institutions consists mainly of mortgage loans (60%), followed by business loans (29%) and consumer loans (11%) (see Chart V.17). In 2025, the share of mortgage loans expanded significantly and, to a lesser extent, so did the share of consumer loans.

In 2025, repayments and liquidation of collateral managed by CSFs on behalf of credit/financial institutions amounted to EUR 1.4 billion, of which EUR 1.3 billion were repayments and EUR 78 million collateral liquidation.

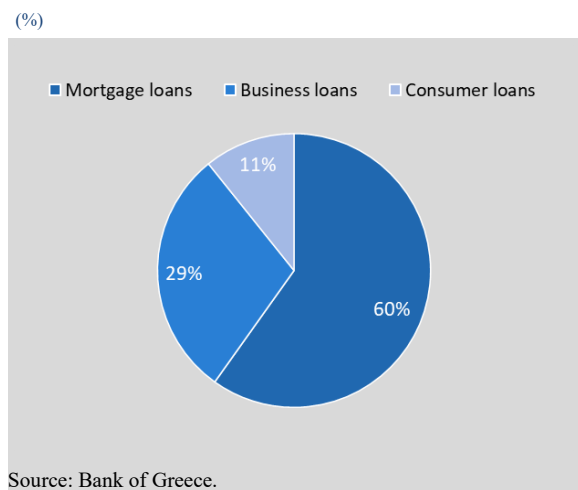
### Secondary market activity

In the secondary loan market, which concerns transactions involving loans managed by credit servicing firms, transactions involving 170 loan portfolios with a total asset value of EUR 11.8 billion were carried out during the period 2019-2025 (see Chart V.18). Following the peak in activity in 2024, when 43 loan portfolios with a total asset value of EUR 4.9 billion (value as at the transfer date) were transferred, 24 transactions with a total asset value of EUR 2.7 billion were completed in 2025. Activity in the Greek secondary loan market is expected to persist, driven by credit servicing firms' intensified efforts to achieve their operational targets, particularly those related to the "Hercules" state guarantee scheme.

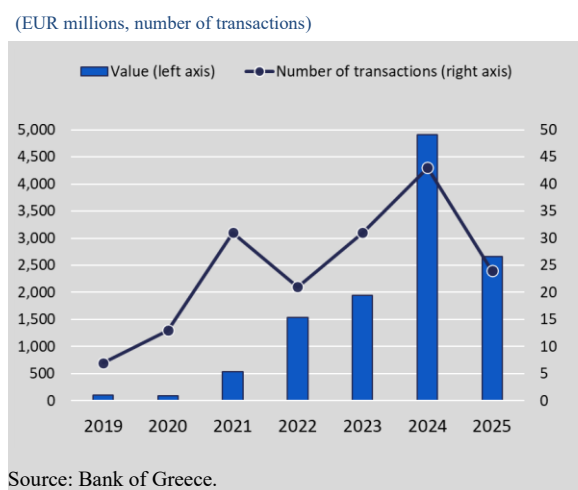
### Key takeaways and challenges

CSFs play a significant role in the management of non-performing private debt in Greece, as they managed NPEs amounting to EUR 77 billion as at December 2025. The effectiveness of NPL management is affected by a number of structural factors, the most significant ones being limited access to financing for debt restructuring and the substantial delays in completing the required legal procedures in cases where all other available restructuring options have been exhausted.

**Chart V.17 Breakdown of exposures under CSF management on behalf of credit/financial institutions per asset class (December 2025)**



**Chart V.18 Transactions in the secondary market (2019-2025)**



Utilising the opportunities provided by the current institutional framework for loan refinancing and/or debt restructuring through the granting of new financing could contribute to the rehabilitation of part of the NPL portfolios, including the provision of working capital to financially viable businesses.

The key challenges facing CSFs refer to the intensification of their actions in private debt management. These challenges mainly refer to: (i) meeting the recovery targets set under the ‘Hercules’ scheme; (ii) accelerating the digitalisation of processes; and (iii) upgrading the quality and effectiveness of the services provided to borrowers.

In response, the Bank of Greece, in cooperation with the Ministry of Economy and Finance, the Ministry of Justice, other competent authorities and in consultation with CSFs, has undertaken a series of initiatives aimed at advancing structural reforms. These initiatives seek to facilitate the more effective management of private debt and ensure fair treatment of all debtors, with particular consideration for vulnerable social groups. Furthermore, the active participation of credit servicers in the out-of-court debt settlement mechanism is of critical importance, as it requires the adjustment of their operational procedures in order to ensure alignment between the mechanism’s standardised processes and the ability to provide sustainable and, where necessary, customised solutions to debtors.

### 3.3 PAYMENT INSTITUTIONS, ELECTRONIC MONEY INSTITUTIONS, PAYMENT INITIATION SERVICE PROVIDERS AND ACCOUNT INFORMATION SERVICE PROVIDERS

#### Key figures

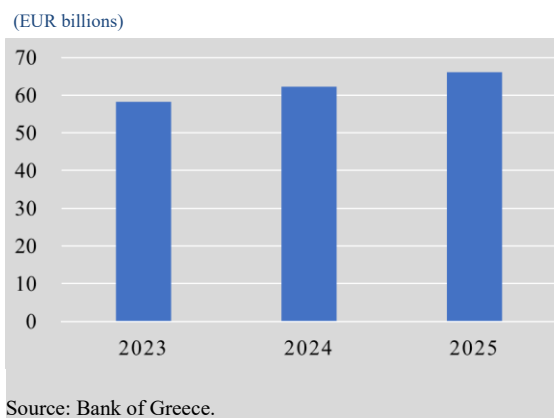
##### (a) Payment Institutions (PIs)

The Bank of Greece has authorised 14<sup>91</sup> payment institutions (PIs) and one account information service provider (AISP).<sup>92</sup> The total value of payment transactions carried out by PIs in 2025 amounted to EUR 66.1 billion, up by 6% compared to 2024 (EUR 62.3 billion, see Chart V.19).

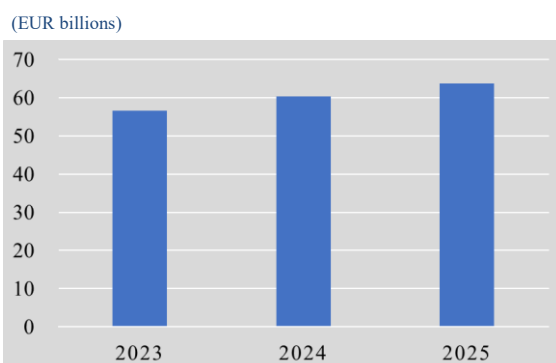
Notably, 96.6% of the total transaction value, amounting to EUR 63.8 billion, originated from five PIs that provide acquiring services, up by 5.6% year-on-year (EUR 60,4 billion in 2024, see Chart V.20).

The remaining amount of EUR 2.3 billion in transaction value primarily relates to money remittance services, up by 19.7% relative to 2024 (EUR 1.9 billion, see Chart V.21).

**Chart V.19 Total annual value of payment transactions by PIs**

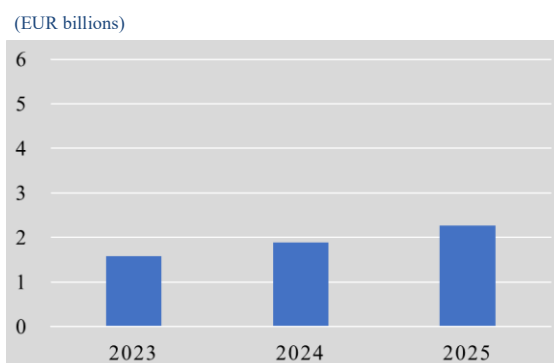


**Chart V.20 Total annual value of acquiring transactions by PIs**



Source: Bank of Greece.

**Chart V.21 Total annual value of money remittance transactions by PIs**



Source: Bank of Greece.

<sup>91</sup> At the time of writing, the register referred to in Article 14 of Law 4537/2018 and posted on the Bank of Greece website included 13 PIs due to withdrawal of the authorisation of an institution in February 2026.

<sup>92</sup> Law 4537/2018 transposed into Greek law Directive (EU) 2015/2366 (Payment Services Directive II – PSD II) establishing the regulatory framework for payment services in the internal market. In accordance with Article 14 of Law 4537/2018, the Bank of Greece publishes on its official website a public register of authorised PIs and AISPs established in Greece ([Supervised institutions \(bankofgreece.gr\)](http://bankofgreece.gr)).

As at 31 December 2025,<sup>93</sup> the total equity of PIs amounted to EUR 150 million, up by 12.2% year-on-year. The increase is primarily attributed to the growth in the equity of PIs operating in the acquiring sector, mainly resulting from their operational profitability. In 2025, the PI sector recorded profit (before extraordinary income/provisional expenses) of EUR 53.8 million, compared with EUR 35.4 million in 2024 (see Chart V.22).

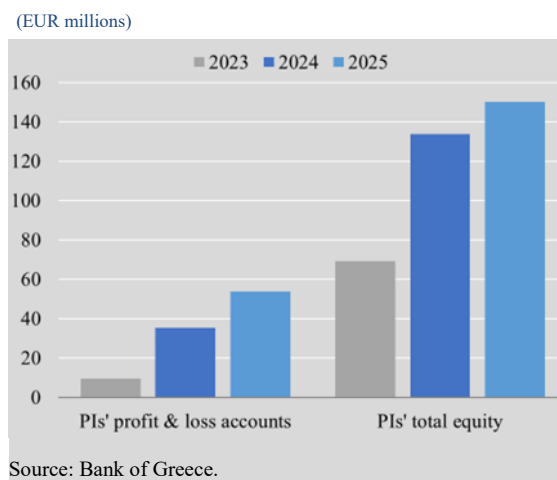
### (b) Electronic Money Institutions (EMIs)

The Bank of Greece has authorised four electronic money institutions (EMIs).

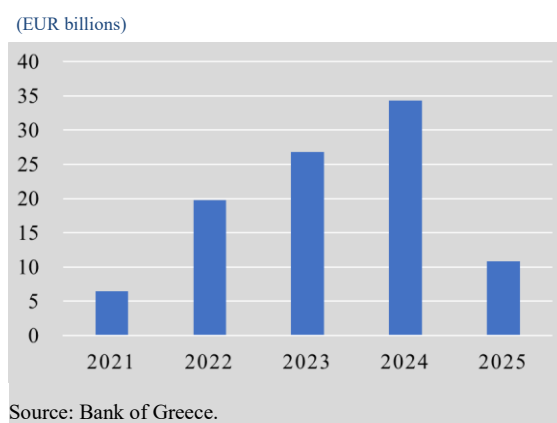
The total annual value of payment transactions carried out by EMIs in 2025 amounted to EUR 10.8 billion, down by 68.4% (EUR 23.5 billion) compared to 2024 (see Chart V.23). This decline in payment value is attributed to the merger by absorption of the largest EMI by a credit institution of the same group.<sup>94</sup> These payment services are now provided by the credit institution.

Nevertheless, the four institutions that continue to operate as EMIs increased the value of payment transactions by 67.2% to EUR 10.8 billion in 2025, compared with EUR 6.5 billion in 2024. Of these institutions, only two provide electronic money services alongside payment services.

**Chart V.22 PIs' profit and loss accounts and total equity**



**Chart V.23 Total annual value of payment transactions by EMIs**



<sup>93</sup> At the time of writing, all payment institutions had submitted unaudited financial statements to the Bank of Greece.

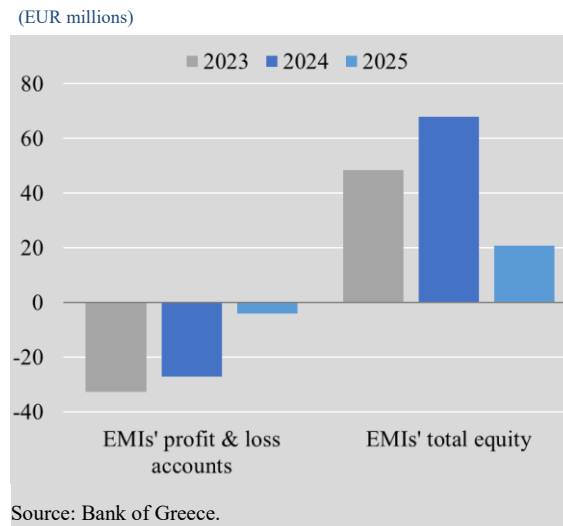
<sup>94</sup> On 31 January 2025, following Decision No. 516/19.11.2024 of the Credit and Insurance Committee of the Bank of Greece, the merger by absorption of the electronic money institution under the name "VIVA Payment Services Single-Member S.A." by the credit institution under the name "VIVABANK Single-Member Banking S.A." was announced in the General Commercial Registry (GEMI).

As at 31 December 2025,<sup>95</sup> the total equity of EMIs amounted to EUR 20.7 million, down by EUR 47.3 million year-on-year (from EUR 68 million, see Chart V.24), due to the aforementioned corporate restructuring. The total equity of the other EMIs posted an increase of EUR 1.1 million compared to December 2024 (EUR 20.7 million, up from EUR 19.6 million).

In 2025, the four EMIs recorded losses amounting to EUR 4.2 million, compared with losses of approximately EUR 5.3 million in 2024 (EUR 27.2 million including the absorbed institution, see Chart V.24). It should be noted that performance within the sector varies, as two of the institutions reported profits totalling EUR 4.8 million, while the other two recorded losses of EUR 8.9 million.

Furthermore, 336 PIs and 260 EMIs, based in other Member States of the European Economic Area (EEA), have notified the Bank of Greece of their intention to provide payment services in Greece under the EU passporting regime. The majority of these institutions exercise the freedom to provide services without establishment. With regard to the payment services offered, most of the aforementioned institutions are engaged in the issuance of payment instruments and/or merchant acquiring, fund transfers and execution of remittances.

**Chart V.24 EMIs' profit and loss accounts and total equity**



<sup>95</sup> All EMIs had submitted unaudited financial statements to the Bank of Greece at the time of writing of this review.

## VI. FINANCIAL MARKET INFRASTRUCTURES

Payment, clearing and settlement systems operated effectively throughout 2025, ensuring the secure and reliable functioning of the financial system and contributing to the implementation of the Eurosystem’s monetary policy and the maintenance of confidence in the single currency.

### 1. PAYMENT SYSTEMS

#### 1.1 TARGET2-GR

TARGET-GR, the Greek component of the pan-European real-time gross settlement payment system, operated effectively and efficiently. In 2025, the number of interbank and customer payment orders processed domestically and cross-border through the system amounted to 1,320.7 thousand, up by a significant 22% compared with 2024, while the value of payment orders remained broadly unchanged at EUR 1.2 trillion.

#### 1.2 INTERBANKING SYSTEMS S.A. (DIAS)

DIAS, the multilateral clearing system for retail payments, fully met the requirements of the interbank and retail payments market, maintaining 100% technical availability throughout 2025. The number of payment orders processed by the system in 2025 increased by 16% compared with 2024 (see Table VI.1). Broken down by interbank payment service provided, a significant 16% increase was recorded in credit transfer transactions, while POS terminal transactions for payments to entities of the Greek public sector rose by 17% and ATM terminal transactions by 32% compared with 2024. By contrast, the number of electronic cheques clearing transactions declined by 7%, continuing the downward trend observed in recent years. The value of transactions amounted to EUR 544 billion, representing an increase of 8% compared with 2024.

**Table VI.1 Transactions of DIAS payment system**

(in million transactions)

Type of transactions	2025	2024	2023
Credit transfers and other fund transfers	452.3	390.4	342.3
<i>Of which instant credit transfers</i>	122.0	70.6	36.8
Direct debits	35.6	32.2	28.0
Cheques	1.9	2.0	2.1
ATM withdrawals	5.4	4.1	3.9
POS payments	43.2	36.8	28.0
<b>Total</b>	<b>538.4</b>	<b>465.5</b>	<b>404.4</b>

Source: DIAS.

Given the critical role of instant credit transfers in ensuring the speed and reliability of payment transactions, the significant increase in the number of instant credit transfer transactions by 73% compared with 2024 is noteworthy. Their number reached 122 million transactions, up from 70.6 million transactions in 2024. Most of these transactions were carried out through the IRIS payments service (IRIS). The IRIS service is the national payment solution developed by DIAS with the aim of aligning payment service providers operating in Greece with the requirements of the new European regulatory framework (Regulation (EU) 2024/886<sup>96</sup>) on expanding the use of instant payments, so as to provide users of payment instruments with immediate and secure service.

<sup>96</sup> [Regulation \(EU\) 2024/886](#) of the European Parliament and of the Council

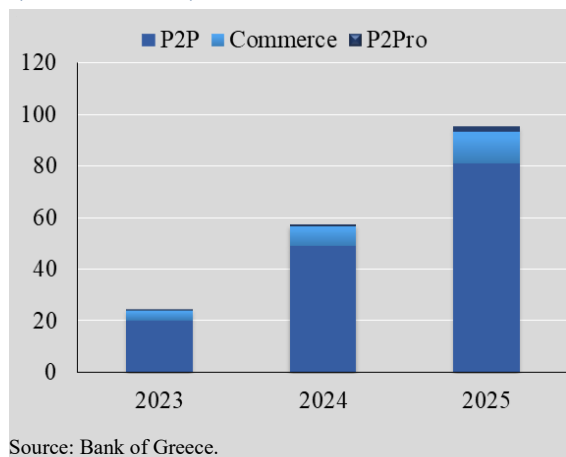
It should be noted that, under the Regulation’s requirements, an instant credit transfer in euro enables funds to be credited to the payee’s account within 10 seconds and on a 24/7 basis.

More specifically, in 2025, 95.4 million IRIS transactions were recorded, compared with 57.3 million transactions in 2024, up by 66%. These transactions accounted for 78% of the total number of instant credit transfer transactions. This development highlights the importance of the service for the smooth and gradual expansion in the use of instant payments for person-to-person (P2P) money transfers and for payments to professionals and businesses (Person to Professionals – P2Pro), both in physical stores and in e-commerce transactions (Commerce).

A closer examination of the number and value of transactions by individual IRIS service shows that the largest share of transactions was carried out through the instant person-to-person money transfer service (P2P), with their number reaching 81 million in 2025, up from 49.3 million transactions in 2024 (see Chart VI.1). Their corresponding value amounted to EUR 4.6 billion, compared with EUR 2.6 billion in 2024 (see Chart VI.2). At the same time, the number of users of the P2P service increased by 24%, reaching 4.2 million users, up from 3.4 million in 2024, reflecting the growing confidence of users in this service.

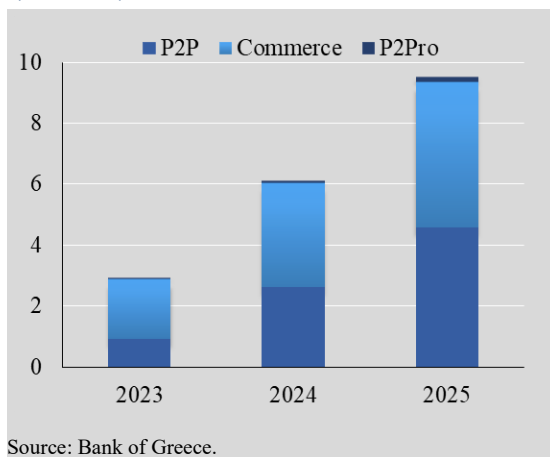
**Chart VI.1 Number of transactions per “IRIS” service**

(in million transactions)



**Chart VI.2 Value of transactions per “IRIS” service**

(EUR billions)



The average value per P2P transaction amounted to EUR 57, compared with EUR 54 in 2024, representing an increase of 6%. By contrast, the average value per transaction between individuals and professionals/businesses stood at EUR 73, compared with EUR 75 in 2024, marking a decrease of 3%. Finally, the average value of Commerce transactions amounted to EUR 383, down from EUR 470 in 2024, recording a decrease of 18%, a development consistent with the widening use of the service across a broader range of transactions.

of 13 March 2024 amending Regulations (EU) No 260/2012 and (EU) 2021/1230 and Directives 98/26/EC and (EU) 2015/2366 as regards instant credit transfers in euro.

### **1.3 ATHENS CLEARING HOUSE – ACH**

In 2025, the Athens Clearing House (ACH) processed 24 thousand fewer paper-based cheques, down by 29% compared with 2024. The daily average number of cheques cleared amounted to 234, down by 28% compared with 2024. The value of cleared cheques also declined by 21%, with the average daily value of cheques cleared standing at EUR 15 million. Over time, a gradual decline has been observed in both the number and the value of cheques processed by the ACH, reflecting the increasing preference of transacting parties for electronic means of payment.

## 2. PAYMENT CARDS

### 2.1 NUMBER OF PAYMENT CARDS

In December 2025, the total number of active payment cards in circulation amounted to 22.9 million, increased by 12% year-on-year. Debit cards<sup>97</sup> reached 19.5 million, up by 13%.

Among the various categories of debit cards, prepaid cards recorded the strongest increase (70%) compared with December 2024, reaching 2.8 million cards. This rise was mainly attributable to the implementation, as of 15 March 2025, of the new method for disbursing cash benefits, allowances and financial support provided by the Public Employment Service (DYPA) and the Organisation of Welfare Benefits and Social Solidarity (OPEKA), under which benefits to beneficiaries are required to be paid via prepaid cards.<sup>98</sup>

Credit cards amounted to 3.3 million, up by 4%, of which 178 thousand were virtual cards (up by 17% compared with 2024).

### 2.2 TRANSACTIONS WITH PAYMENT CARDS

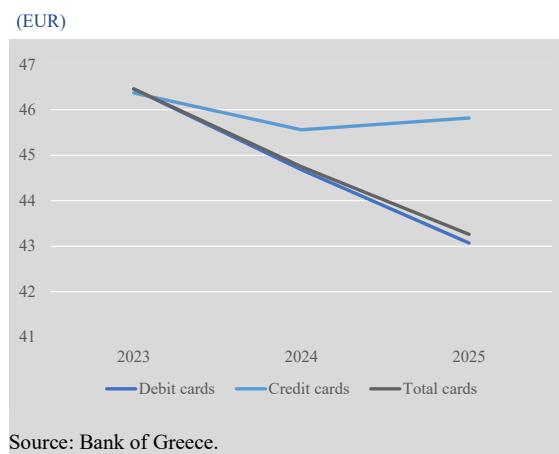
The total number of payment card transactions in 2025 amounted to 2.7 billion, increased by 10%, while the total value of payment card transactions reached EUR 119.5 billion, up by 6% year-on-year. Most card transactions were carried out using debit cards (93% of the total), with the number of debit card transactions amounting to 2.5 billion in 2025, up by 10%. Credit card transactions totalled 195.5 million, up by 5%.

The average number of transactions per card in 2025 declined to 120, from 122 in 2024. This decrease was mainly attributable to a reduction in the average number of debit card transactions, which fell to 131 from 134 transactions in 2024.

Similarly, the average annual transaction value per card decreased by 5% to EUR 5,204, compared with EUR 5,468 in 2024. This development was primarily driven by a 6% decline in the average value of debit card transactions, which fell to EUR 5,646 from EUR 6,002 in 2024, while the average transaction value per credit card increased by 1%, reaching EUR

2,649, up from EUR 2,616 in 2024. The average value per transaction declined further in 2025 to EUR 43, from EUR 44 in 2024 (see Chart VI.3). This decrease resulted from a 4% reduction in the average value per debit card transaction, which fell to EUR 43 from EUR 45 in the previous year.

Chart VI.3 Average value of transactions per card type



<sup>97</sup> For the purposes of this Review, debit cards include prepaid cards and cash withdrawal cards without the possibility of making purchases. Credit cards include virtual cards and deferred debit cards.

<sup>98</sup> Article 152 of Law 5078/2023, as amended by Article 23 of Law 5178/2025 “Payment of allowances and other cash benefits through prepaid cards – Amendment to paragraphs 1, 4 to 6 and 8, and insertion of paragraph 9 into Article 152 of Law 5078/2023”.

### 2.3 PAYMENT CARD FRAUD TRANSACTIONS

An analysis of payment card fraud transaction data indicates that, in 2025, the number of fraudulent transactions decreased by 9% compared with 2024 (see Table VI.2). The fraud-to-transaction ratio in volume terms stood at 0.013%, corresponding to one fraudulent transaction per 7.6 thousand transactions in 2025, down by 20% year-on-year.

The value of fraudulent transactions in absolute terms amounted to EUR 22.6 million (see Table VI.3), unchanged from 2024. Nevertheless, given the increase in the total value of transactions to EUR 120 billion (from EUR 112 billion in 2024), the fraud-to-transaction ratio in value terms stood at 0.019%, corresponding to EUR 1 of fraudulent transaction value per EUR 5.3 thousand of transaction value in 2025, compared with EUR 1 of fraudulent transaction value per EUR 4.9 thousand of transaction value in 2024. Key factors contributing to the reduction in fraudulent transactions include the continued adoption of fraud prevention measures by payment service providers, their cooperation with domestic and international authorities aimed at dismantling criminal organisations involved in various types of fraud, as well as the ongoing awareness-raising efforts directed at users of electronic payment instruments regarding their proper and secure use and the emerging forms of fraud to which they may be exposed. By way of illustration, these include (a) the dismantling by the Cyber Crime Division of criminal organisations whose members were engaged in investment frauds;<sup>99</sup> (b) the issuance of a press release by the Independent Authority for Public Revenue (IAPR) entitled “Beware of misleading messages on your mobile phones (SMS)”, according to which citizens received misleading text messages (SMS) on their mobile phones regarding the alleged granting of welfare subsidies, purportedly sent by IAPR;<sup>100</sup> (c) the implementation of measures to address fraudulent telephone calls using the “Caller ID Spoofing” method, in cooperation with the Hellenic Telecommunications and Post Commission (HTPC) and the Hellenic Bank Association.<sup>101</sup>

Regarding the number of fraudulent transactions by transaction type, decreases in fraud were observed across all transaction types. Specifically, the number of fraud incidents declined by 21%

**Table VI.2 Fraud to transaction ratio – Volume**

(transactions)

Period	Number of transactions	Number of fraudulent transactions	Fraud to transaction ratio
2025	2,763,517,204	363,101	0.013%
2024	2,511,635,391	398,723	0.016%
2023	2,210,865,672	410,345	0.019%

Source: Bank of Greece.

**Table VI.3 Fraud to transaction ratio – Value**

(EUR)

Period	Value of transactions	Value of fraudulent transactions	Fraud to transaction ratio
2025	119,556,511,221	22,601,632	0.019%
2024	112,384,241,323	22,601,527	0.020%
2023	102,709,542,581	23,770,874	0.023%

Source: Bank of Greece.

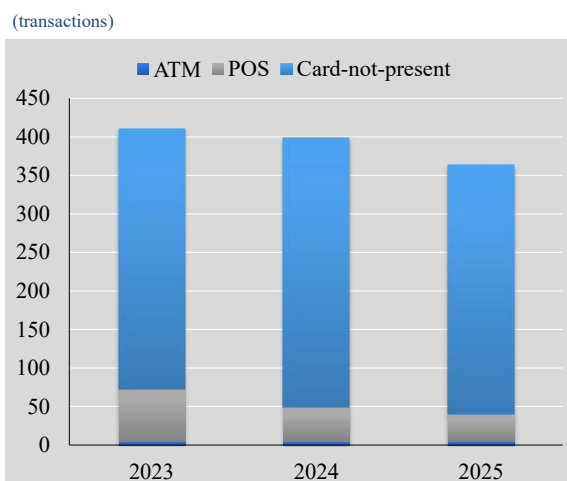
<sup>99</sup> Hellenic Police Headquarters press release dated 18 May 2025 “Two [criminal](#) organisations engaging in investment frauds were dismantled by the Cyber Crime Division”.

<sup>100</sup> Press release of the Independent Authority for Public Revenue (IAPR) dated 14.5.2025, “[IAPR: Beware of misleading messages on your mobile phones \(SMS\)](#)”.

<sup>101</sup> Hellenic Telecommunications and Post Commission press release dated 8 May 2025 “[Taking of measures and issuance of recommendations to consumers regarding scam phone calls using Caller ID Spoofing](#).”

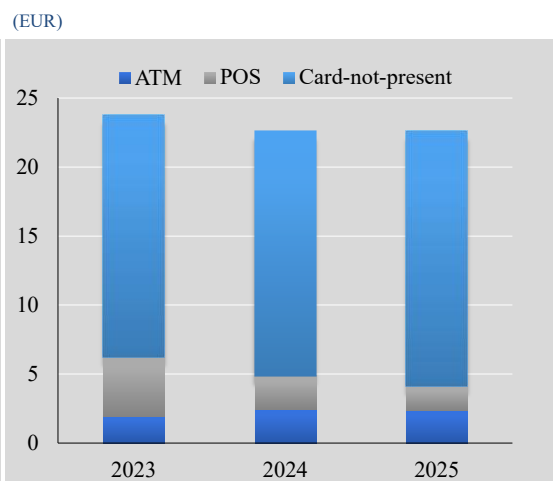
for POS transactions, by 7% for remote card-not-present (CNP) transactions and by 6% for ATM transactions compared with 2024. A significant decrease was also recorded in the value of fraudulent transactions, with POS transactions declining by 28% and ATM transactions showing a marginal decrease of 2%, while the value of fraudulent remote card-not-present (CNP) transactions increased by 4% (see Charts VI.4 and VI.5).

**Chart VI.4 Number of fraudulent transactions per transaction type**



Source: Bank of Greece.

**Chart VI.5 Value of fraudulent transactions per transaction type**



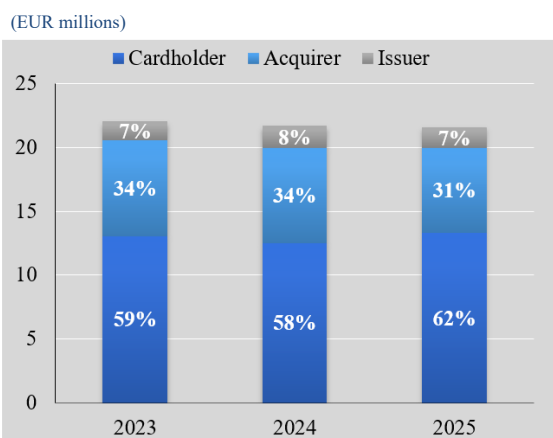
Source: Bank of Greece.

An analysis of fraud incidents in POS transactions shows that their decline was mainly driven by a reduction in fraudulent transactions conducted by using lost or stolen cards. More specifically, the value of fraudulent POS transactions involving lost/stolen cards decreased by 17% to EUR 1.4 million, while the number of such fraudulent transactions declined by 19%.

With regard to fraud in remote transactions, it is observed that the overwhelming majority (98% in value and 99% in volume) relates to fraudulent online transactions. These incidents mainly involve internet transactions with foreign merchants, as was the case in previous years.

The financial losses arising from fraudulent transactions are allocated among the parties involved in the transaction according to their respective liability. The distribution of losses among the three parties involved in the payment card transaction cycle (see Chart VI.6) indicates that the largest share of losses is borne by cardholders and payment service providers accepting card transactions. Specifically, in 2025, cardholders and acquiring payment service providers absorbed 62% and 31% of the total losses, respectively, while issuing payment service providers bore 7% of the losses.

**Chart VI.6 Loss allocation in fraudulent transactions**



Source: Bank of Greece.

### 3. CENTRAL COUNTERPARTIES

#### 3.1 REGULATORY DEVELOPMENTS

The regulatory framework governing central counterparties in the European Union (EU) is being enhanced through the gradual implementation of the recent reforms to the European Market Infrastructure Regulation (EMIR), the specification of technical standards by the European supervisory authorities and the strengthening of supervisory convergence at EU level.

Central to developments is the practical implementation of the amendments to EMIR (EMIR 3<sup>102</sup>). The aim of the reforms is to enhance the resilience of European clearing infrastructures, reduce excessive dependence on third countries and strengthen the EU's strategic autonomy in the derivatives sector. Particular importance is attached to the introduction of the Active Account Requirement (AAR), through which the substantive participation of financial (and non-financial) counterparties in central counterparties (CCPs) established within the EU is encouraged. At the same time, individual clearing thresholds and technical parameters relating to the implementation of the central clearing obligation are being revised.

On 6 February 2026, the Regulatory Technical Standards (RTS) developed by the European Securities and Markets Authority (ESMA), the EU's financial markets regulator and supervisor, were published in the Official Journal of the EU, further clarifying the terms of the AAR.

Additionally, on 25 February 2026, ESMA published draft RTS establishing new, revised clearing thresholds under EMIR 3. The proposed thresholds ensure the continued coverage of systemic risk in OTC derivatives markets, while avoiding unnecessary complexity and additional compliance burdens for market participants.

On 16 December 2025, ESMA confirmed that it would maintain the recognition of LCH Limited and LME Clear Limited, CCPs established in the United Kingdom, to provide clearing services to clearing members in the EU under the provisions of EMIR. Following its assessment, ESMA found that the conditions under which these counterparties were initially recognised as Tier 2 (LCH Limited) and Tier 1 (LME Clear Limited), respectively, continue to be met. ESMA's decisions on the determination of the tiering and recognition of the two CCPs remain in force until 30 June 2028.

---

<sup>102</sup> Regulation (EU) 2024/2987 of the European Parliament and of the Council of 27 November 2024 amending Regulations (EU) No 648/2012, (EU) No 575/2013 and (EU) 2017/1131 as regards measures to mitigate excessive exposures to third-country central counterparties and improve the efficiency of Union clearing markets.

### 3.2 EURONEXT CLEARING ATHENS S.A.

Euronext Clearing Athens S.A.<sup>103</sup> provides clearing services and acts as a central counterparty for Euronext Athens transactions, covering the securities and derivatives markets, as well as the securities lending facility. In addition, it undertakes the clearing of derivatives transactions on the Energy Exchange.

In 2025, centrally cleared derivatives and securities lending transactions increased significantly compared to 2024, in terms of both average daily trading volume and average daily value.

In more detail, the average daily volume of transactions in the derivatives market and the securities lending facility amounted to 58,414 transactions in 2025, up by 55% compared to 2024 (37,595 transactions), as shown in Table VI.4. This change is mainly attributable to the increase observed in stock futures.

**Table VI.4 Daily Average Traded Volume in the Euronext Athens Derivatives Market by type of contract and in the Securities Lending Facility**

	Index Futures	Index Options	Stock Futures	Stock Options	Lending (Multilateral/Bilateral)	Total
2021	1,205	152	46,238	71	567	48,233
2022	1,162	87	33,064	39	678	35,029
2023	1,579	144	42,188	54	421	44,386
2024	1,306	79	35,807	20	383	37,595
2025	1,501	266	55,701	113	834	58,414

Source: Monthly Statistical Bulletin, Derivatives – lending, Euronext Athens.

A higher growth rate (by 212% compared to 2024) was observed in the average daily value of transactions, which rose to EUR 42.6 million in 2025, a change driven by a corresponding increase in the average daily value of both stock and index futures (see Table VI.5).

**Table VI.5 Daily Average Traded Value in the Derivatives Market of Euronext Athens by type of contract**

(EUR millions)

	Index Futures	Index Options	Stock Futures	Stock Options	Total
2021	5.0	0.6	8.3	0.06	14.0
2022	4.9	0.4	8.2	0.03	13.5
2023	8.1	0.8	14.4	0.04	23.4
2024	4.5	0.3	8.9	0.01	13.7
2025	15.5	2.6	24.4	0.11	42.6

Source: Monthly Statistical Bulletin, Derivatives – lending, Euronext Athens.

<sup>103</sup> On 20 April 2026, Euronext announced the renaming of the Athens Stock Exchange Group to Euronext Athens, completing the integration of the Greek capital market into the Euronext Group. As part of the transition to the new corporate identity, ATHEXCLEAR was renamed Euronext Clearing Athens.

## 4. CENTRAL SECURITIES DEPOSITORIES

### 4.1 REGULATORY DEVELOPMENTS

In October 2025, the European Parliament approved the European Commission’s proposal as regards a shorter settlement cycle for transactions in transferable securities executed on trading venues.<sup>104</sup> Therefore, it is expected that, as of 11 October 2027, transactions in transferable securities which are executed on trading venues will be settled on the first business day after the trading takes place (T+1), instead of two business days, as is the case today.<sup>105</sup>

The shortening of the settlement cycle in the European Union (EU) to T+1 is expected to significantly reduce market risks, in particular counterparty risk and volatility risk, and to lower the capital required to cover margin requirements. Consequently, EU market practices will be aligned with those of the global financial markets that already follow the T+1 cycle, thus reducing the costs associated with the current misalignment of settlement periods and increasing the competitiveness of the EU capital markets.

In general, as pointed out in a relevant report by the European Securities and Markets Authority (ESMA),<sup>106</sup> the shortening of the settlement cycle in the EU will enhance the efficiency and resilience of the post-trading processes. In addition, the move to T+1, combined with the harmonisation and standardisation of processes, will promote market integration and the Savings and Investment Union’s objectives.

On the other hand, one of the key challenges of the shorter settlement cycle is the compression of all processes that could increase the risk of settlement fails.

For the transition to the shorter settlement cycle and given the complexity of implementing the needed changes, ESMA, the European Commission and the European Central Bank put in place a specific governance structure to coordinate the shift. The new governance model includes the T+1 Coordination Committee and the T+1 Industry Committee, in which market stakeholders participate. In June 2025, the T+1 Industry Committee, assisted by a number of dedicated specialised workstreams, published a series of high-level recommendations that serve as a roadmap for the financial services industry, guiding stakeholders through the necessary changes to achieve this critical objective.<sup>107</sup>

The recommendations cover all the phases of the transaction lifecycle: trading, clearing, settlement, asset management, FX trading, corporate actions, securities financing transactions, as well as legal and regulatory issues. Following the publication of the high-level roadmap, it became evident that additional practical guidance would benefit market participants. Hence, in February 2026, the T+1 Industry Committee published a handbook aimed at translating the high-level recommendations into actionable operational guidance.<sup>108</sup>

---

<sup>104</sup> See [Regulation \(EU\) 2025/2075 of the European Parliament and of the Council of 8 October 2025 amending Regulation \(EU\) No 909/2014 as regards a shorter settlement cycle in the Union](#).

<sup>105</sup> Securities financing transactions that are documented as single transactions composed of two linked operations, given the non-standardised settlement periods that might need to be agreed to by the parties to achieve their objectives, are exempt from the T+1 settlement cycle requirement.

<sup>106</sup> See European Securities and Markets Authority, [Report on ESMA assessment of the shortening of the settlement cycle in the European Union](#).

<sup>107</sup> See EU T + 1 Industry Committee, [High-level Roadmap to T+1 Securities Settlement in the EU](#).

<sup>108</sup> See EU T+1 Industry Committee, [EU-T+1 Securities Settlement Handbook](#).

Moreover, in February 2026, the T+1 Industry Committee published the results of a readiness survey<sup>109</sup> in which a large number of companies participated, including credit institutions, insurance undertakings, asset managers, central securities depositories, central counterparties, trading venues, etc. This survey found that 23% of all companies were not acquainted with the general recommendations of the high-level roadmap, while 50% of all companies had not yet developed an implementation plan for the changes needed. On the other hand, the majority of companies identified the development of automated/standardised procedures and the interactions between market participants as the main challenges in the transition to T+1. As only 30% of the recommendations have been implemented, the coming months will be crucial for developing implementation plans and putting them into practice.

In addition, in March 2026, the Advisory Group on Market Infrastructures for Securities and Collateral – AMI-SeCo published a harmonised implementation guide specifically for corporate actions that complements the general recommendations of the high-level roadmap.<sup>110</sup> This guide provides market stakeholders with detailed guidance to facilitate the harmonised implementation of the changes related to corporate actions.

Finally, in March 2026, relevant workstreams from the EU, the United Kingdom and Switzerland working on the shortening of the settlement cycle, considering the high degree of dependencies among the financial markets and the similarities of the post-trade processes across jurisdictions, jointly published a Testing and Readiness plan.<sup>111</sup> This plan underlines the importance of developing automated processes and ensuring the timely preparation of all stakeholders involved in the settlement chain (market participants, providers of critical services and financial market infrastructures). In addition, the plan stresses that the testing should start immediately, where possible, so that stakeholders will have adequate time for the development and improvement of processes and tools. Hence, the financial market infrastructures are encouraged to allow their participants to access their test environment at the earliest opportunity. Furthermore, it envisages five testing windows in 2027. In these testing windows all testing infrastructures will be available so as to allow participating stakeholders to test their processes across the transaction chain in national and international markets.

\*\*\*

The use of distributed ledger technology (DLT) is being increasingly explored and adopted in the financial sector. The Eurosystem has stated that it supports the adoption of innovative solutions for the financial infrastructures that it uses, provided that the security and efficiency of the TARGET services are safeguarded, with the aim of further enhancing overall market efficiency and promoting the European capital market integration.

Along these lines, the Eurosystem has decided to accept marketable assets issued in CSDs using DLT-based services as eligible collateral for Eurosystem credit operations as of 30 March 2026.<sup>112</sup>

---

<sup>109</sup> See [EU T+1 Industry Committee Readiness Survey](#).

<sup>110</sup> See Advisory Group on Market Infrastructures for Securities and Collateral, [T+1 – Corporate Events: Harmonised Implementation Guide](#).

<sup>111</sup> See [European Union \(EU\), United Kingdom \(UK\), and Switzerland \(CH\) T+1 Testing Plan](#).

<sup>112</sup> See Special Feature II “**Error! Reference source not found.** Developments in the use of DLT technology in financial markets” in the current Financial Stability Review.

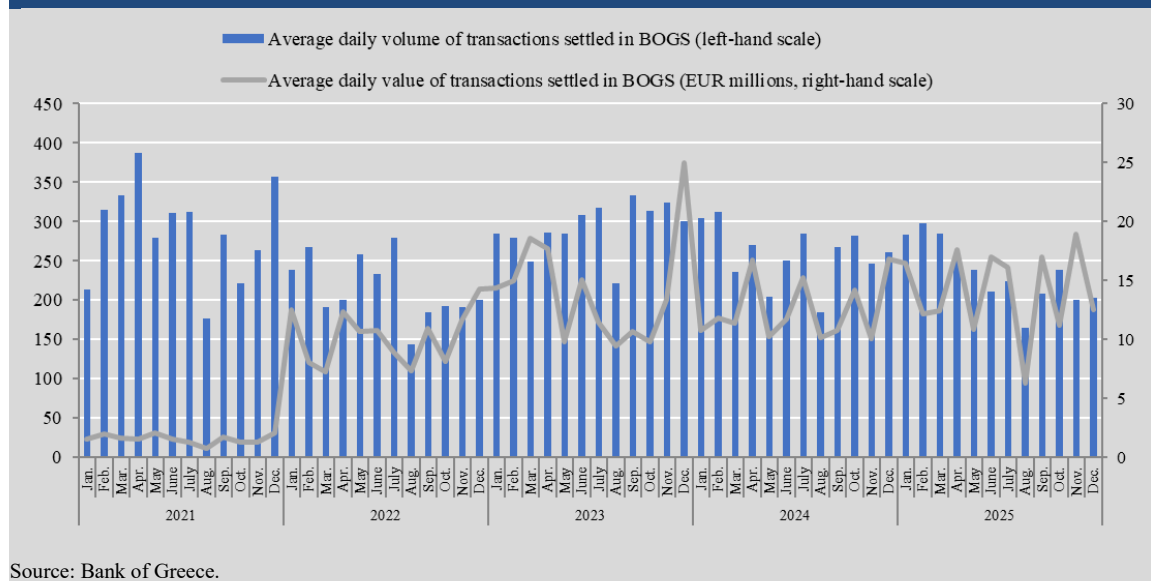
## 4.2 THE BANK OF GREECE SECURITIES SETTLEMENT SYSTEM (BOGS)

In 2025, BOGS demonstrated a high level of security and efficiency in the services provided, efficiently serving both the participants and the Hellenic Republic, which is the main issuer of the securities recorded and monitored through the System. The effective operation of BOGS is critical for collateral management in the framework of monetary policy and for the stability of the national financial system.

The average daily value of transactions settled in BOGS in 2025 (buy/sell transactions, securities repos, internal transfer of securities, etc.) amounted to EUR 14.1 billion, up by 12.6% year-on-year (2024: EUR 12.5 billion). The observed rise in trading activity is partially due to the increased value of transactions in the special purpose Greek government Treasury bill, which is used extensively in repo transactions,<sup>113</sup> and to the PDMA's issuing activity in the period under review (issuance of a 10-year bond, buybacks of 5-year and 7-year bonds and reopenings of 15-year and 30-year bonds). Specifically, the average daily value of buy/sell transactions in 2025 amounted to EUR 608 million, up by 25% year-on-year (2024: EUR 487 million).

The average daily volume of transactions in 2025 decreased compared to the previous year and amounted to 234 transactions (2024: 259 transactions on average), of which 118 were buy/sell transactions (2024: 129 on average, see Chart VI.7).

Chart VI.7 Average daily volume and value of transactions settled in BOGS (2021-2025)



Source: Bank of Greece.

In compliance with the Central Securities Depositories Regulation (CSDR) and the provisions on measures to prevent and address settlement fails, BOGS has been publishing annual reports on the transactions that failed to settle due to lack of securities or cash. According to the 2025 annual report, transactions that failed to settle on the intended settlement date were mainly due to lack of

<sup>113</sup> The special purpose Greek government Treasury bill was issued under Article 1, subpara. C4 of Law 4254/2014, which provides that the Public Debt Management Agency (PDMA), in order to fulfil its objective: "As agent and on behalf of the Greek government and in accordance with the procedure laid down in Law 2628/1998 (Government Gazette A 151), as currently in force, may issue, hold and manage securities of the Greek government, with the sole purpose of using them to enter into repurchase agreements (repos) or for providing collateral in hedging transactions, on the entire debt of the Greek government, while at the same time carrying out their cash settlement".

securities, accounting for 0.6% of the total transaction value and 11.3% of the total transaction volume, from 0.7% and 9.2% in 2024, respectively.

#### 4.3 THE DEMATERIALIZED SECURITIES SYSTEM OF THE COMPANY “EURONEXT SECURITIES ATHENS”

In 2025, settlement activity in the Dematerialised Securities System managed by Euronext Securities Athens<sup>114</sup> showed a significant increase both in terms of the average daily value and in terms of the average daily number of settled transactions compared to 2024.

Specifically, the average daily number of settled transactions in 2025 amounted to 50,693, up by 37% compared to 2024 (37,246 transactions). At the same time, the average daily value of settled transactions in 2025 grew by 57% year-on-year and amounted to EUR 218.8 million (see Table VI.6). These increases reflect the outstanding performance of the Greek capital market in 2025.

**Table VI.6 Average daily number and value of settled transactions<sup>1</sup> in Euronext Securities Athens**

	Equities	Options	Corporate bonds	ETFs	Government debt	Alternative market (stocks)	Total
<b>Average daily number of transactions settled in Euronext Securities Athens</b>							
2020	32,700	7	64	3	0.21	206	32,982
2021	29,939	56	75	2	2	312	30,386
2022	29,404	12	131	2	0	576	30,126
2023	36,172	29	166	8	0	691	37,066
2024	36,170	11	195	44	0	826	37,246
2025	49,963	23	215	125	0	639	50,963
<b>Average daily cash value of transactions settled in Euronext Securities Athens (EUR thousand)</b>							
2020	64,475	2	761	40	10	120	65,408
2021	70,248	23	986	17	85	297	71,655
2022	72,481	12	977	16	0	409	73,896
2023	109,501	18	888	86	3	543	111,038
2024	137,282	3	1,303	225	0	948	139,761
2025	216,133	2	1,650	311	0	729	218,825

Source: Axia Numbers, Monthly Statistical Bulletin, Euronext Athens.

<sup>1</sup> Market transactions are the transactions of the Euronext Athens that were settled in the Dematerialised Securities System, calculated by the single count method (purchases only).

Note: Any differences in totals are due to rounding.

In compliance with CSDR and the provisions on measures to prevent and address settlement fails, Euronext Securities Athens publishes annual reports on the transactions that failed to settle due to lack of securities or cash. According to the 2025 annual report, transactions that failed to settle

<sup>114</sup> On 20 April 2026, Euronext announced the renaming of the Athens Stock Exchange Group to Euronext Athens, completing the integration of the Hellenic capital market into the Euronext Group. As part of the transition to the new corporate identity, the Hellenic Central Securities Depository was renamed Euronext Securities Athens.

on the intended settlement date were very limited, accounting for 0.17% of the total transaction value (2024: 0.08%) and 0.02% of the total transaction volume (2024: 0.01%). The vast majority of these cases (89%) were due to lack of securities.

# SPECIAL FEATURE I

## MONITORING AND ASSESSMENT FRAMEWORK FOR SYSTEMIC RISKS IN THE GREEK FINANCIAL SYSTEM

### Introduction

The Bank of Greece identifies, monitors and assesses systemic risks to financial stability across all sectors of the financial system, namely the banking sector, insurance undertakings, other financial institutions, as well as financial markets and infrastructures. Systemic risks are threats capable of destabilising the entire financial system, rather than only isolated firms or sectors, and are classified into cyclical and structural risks. Cyclical systemic risks are associated with economic cycle fluctuations, reflecting the financial institutions' tendency to engage in excessive risk-taking during expansionary periods of the economic cycle and their risk aversion during downturns. Structural systemic risks are associated with structural characteristics of the financial system and/or long-term trends.<sup>115</sup> At the same time, in recent years a third source of systemic risk has increasingly emerged, associated with non-bank financial intermediaries (NBFIs). This sector has grown significantly at the global level, as following the global financial crisis part of financial activities began to shift gradually outside the traditional banking sector, and has therefore become a subject of systematic analysis and monitoring.<sup>116</sup>

### Monitoring and assessment framework for systemic risks

In 2025, the Bank of Greece developed a dedicated framework for the identification and classification of systemic risks (“Systemic Risk Heatmap”), aiming both to capture and monitor the evolution of potential vulnerabilities in the Greek financial system over time. The framework was designed to encompass the entire financial system, utilising a comprehensive array of indicators in its development. These indicators are grouped into risk areas identified across the different dimensions of systemic risk, in order to provide a consistent representation of developments across the various sectors. It should be noted that, in selecting the indicators, relevant research studies and best practices of international organisations and other supervisory authorities were taken into account, together with the specific characteristics of the Greek financial system. Considering that the banking sector accounts for the bulk of the financial system's assets (84% as at December 2025), special emphasis was placed on accurately representing its significance, while also including the non-bank financial sector and its principal institutional categories.<sup>117</sup> The objective was to ensure the completeness and representativeness of the analysis.

---

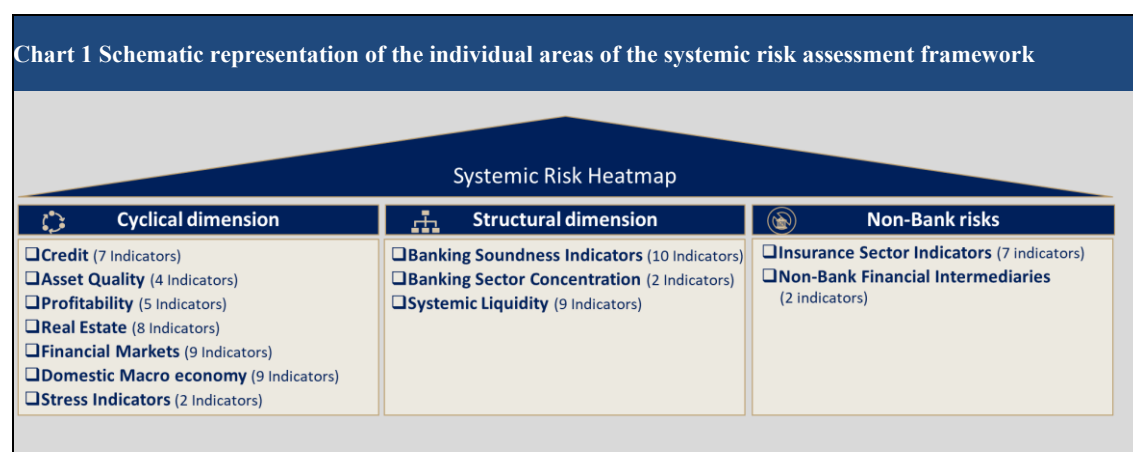
<sup>115</sup> See [Recommendation of the European Systemic Risk Board of 4 April 2013 on intermediate objectives and instruments of macroprudential policy](#).

<sup>116</sup> See indicatively: European Commission, [Targeted consultation assessing the adequacy of macroprudential policies for non-bank financial intermediation \(NBFIs\)](#); Basel Committee on Banking Supervision, [Banks' interconnections with non-bank financial intermediaries](#); European Systemic Risk Board, [Financial stability risks from linkages between banks and the non-bank financial intermediation sector](#); [FSB Workplan to Address Nonbank Data Challenges](#); [NBF Risk Monitor](#).

<sup>117</sup> Insurance undertakings and mutual funds constitute the main categories of institutions within the non-bank financial sector and, based on 2025 data, account for 6% and 5%, respectively, of the total assets of the financial system, while leasing and factoring companies represent 2%. The remaining 3% consists of other institutions, namely real estate investment companies (REICs), investment firms, microfinance institutions, occupational insurance funds and institutions for occupational retirement provision (IORPs), mutual fund management companies and credit servicing firms.

The assessment framework visually depicts the risk level associated with each indicator through a colour-coded scale,<sup>118</sup> employing a “traffic light” approach.<sup>119</sup> The classification of the risk level for each indicator is achieved through the use of thresholds, which have been determined on the basis of statistical methodologies, international best practices, guidelines stemming from the Supervisory Review and Evaluation Process (SREP) of the European Central Bank<sup>120</sup> and expert judgment. It should be noted that, in international literature, similar systemic risk assessment frameworks for other countries widely use methodological approaches based on the standardisation of variables through z-scores and percentile-based methods.<sup>121</sup> However, these approaches rely on historical data and technical assumptions that may affect the interpretation of the results. Moreover, in economies that have experienced significant fluctuations in economic activity or deep crises, such as Greece, past outliers are embedded in the “normal distribution” assumption. This may lead to a biased interpretation of the level of risk, potentially leading either to an underestimation of the current build-up of risks or to an overestimation of temporary deviations. Therefore, in the final calibration of thresholds for determining the risk levels of individual indicators, both historical data and the structural characteristics of the Greek economy and financial sector were taken into consideration.

Overall, the systemic risk assessment framework includes 73 quantitative indicators, grouped into 12 distinct areas, covering both cyclical and structural dimensions as well as risks stemming from the non-bank financial sector (Chart 1). It should be noted that the indicators are updated on a quarterly basis and constitute an important component of the analysis of systemic risks in the Greek financial system. At the same time, the framework serves as an input for macroprudential policies, as it contributes to the assessment of systemic risk developments and supports the decision-making process regarding the activation or calibration of macroprudential measures.



The individual risk areas are analysed below.

<sup>118</sup> Three shades of green are used to indicate the absence of risk, while three colors – yellow, orange and red – are used to depict increasing levels of risk.

<sup>119</sup> The term “traffic light” refers to a risk visualisation system based on the use of three colours (green, yellow and red), where green indicates a low level of risk, yellow a moderate level of risk and red a high level of risk.

<sup>120</sup> The guidelines of the Supervisory Review and Evaluation Process (SREP) of the European Central Bank form part of the Banking Union’s Single Supervisory framework and establish the methodology through which supervisory authorities assess, on an annual basis, banks’ risk profiles, capital adequacy, governance and liquidity, as well as the necessary supervisory measures and requirements.

<sup>121</sup> See European Systemic Risk Board, [Systemic liquidity risk: a monitoring framework](#) and European Systemic Risk Board, [Methodologies for the assessment of real estate vulnerabilities and macroprudential policies: commercial real estate](#).

## A. Cyclical dimension

The cyclical dimension examines risks associated with the phases of the economic cycle and constitutes the largest category of the assessment framework, as it includes the greatest number of individual risk areas. It should be noted that the monitoring of cyclical systemic risks is inextricably linked to the formulation of macroprudential policy, as their assessment constitutes a key factor in the activation and calibration of the relevant macroprudential instruments.

Within this context, the credit expansion area includes key indicators related to credit growth dynamics, such as the standardised credit-to-GDP gap and year-on-year household and NFC credit growth, which constitute key parameters for the calibration of the countercyclical capital buffer.<sup>122</sup>

The asset quality and profitability areas relate exclusively to the banking sector and include indicators reflecting the quality of portfolios and the profitability of credit institutions, such as the non-performing loan (NPL) ratio, return on equity and return on assets.

Particular emphasis is placed on the monitoring of developments in the real estate market, given that this market has historically constituted a significant potential source of systemic risk. In this context, in order to capture developments across the real estate market as a whole, price indicators are used for both residential and commercial real estate, which have been developed and are published periodically by the Bank of Greece. It is worth noting that the commercial real estate (CRE) market in particular has emerged in recent years as a significant source of risk at the European level, leading the Bank of Greece to develop a dedicated framework for the assessment of risks arising from CRE loans and investments.<sup>123</sup>

The domestic macroeconomy area includes key macroeconomic indicators aimed at capturing the broader economic environment within which financial risks arise, such as real gross domestic product (GDP) growth, the unemployment rate, inflation, the general government debt-to-GDP ratio, etc.

For the financial stress indicators area, composite indicators developed and used by the European Central Bank for monitoring the build-up of country-specific risks were selected. The objective was to enable comparisons of the level of financial stress in the Greek economy relative to other EU Member States.

Finally, the analysis of cyclical risks also includes indicators related to financial markets, given that both the valuation levels and volatility of financial assets may constitute a source of systemic risk accumulation. At present, international organisations, including the European Systemic Risk Board, have repeatedly highlighted that elevated valuations in money and capital markets, combined with geopolitical risks, are among the most significant sources of systemic risk. Consequently, it was considered necessary to include indicators monitoring the valuation of both equity and debt securities, as well as credit spreads.

---

<sup>122</sup> The [countercyclical capital buffer](#) constitutes a macroprudential policy instrument aimed at preventing or mitigating the build-up of cyclical systemic risks, ensuring an appropriate level of credit expansion and leverage throughout all phases of the economic and financial cycle, and strengthening the resilience of the banking sector.

<sup>123</sup> See Bank of Greece, [Financial Stability Review - October 2024](#), Special Feature I “A framework for assessing risks from commercial real estate (CRE) loans and investments in Greece”.

## B. Structural dimension

The structural dimension of systemic risk concerns the financial system as a whole and is associated with its structural characteristics. Unlike cyclical risks, which vary according to the phase of the economic cycle, structural risks are more persistent in nature and may affect the financial system over the medium-to-long term.

Against this background, the assessment framework includes risk areas reflecting the key structural and operational characteristics of the Greek financial system, taking into account its bank-dominated structure. More specifically, the banking sector soundness area includes indicators reflecting the resilience of credit institutions, such as banking sector asset growth, capital adequacy, leverage and liquidity indicators. These indicators provide an overall picture of the banking sector's fundamentals and its capacity to absorb and withstand potential external shocks.

The banking sector concentration area examines indicators reflecting the degree of concentration, such as the Herfindahl index and the concentration ratio based on the market share of the five largest credit institutions (CR-5). Given the structure of the Greek financial system, these indicators exhibit long-term stability. Nevertheless, their systematic monitoring remains useful for assessing risks within the banking sector and the potential implications of risk transmission among credit institutions.

Finally, the systemic liquidity area includes indicators reflecting funding and liquidity conditions within the financial system. It should be noted that the selection of these indicators was based, inter alia, on relevant research work recently published by the European Systemic Risk Board on the monitoring of systemic liquidity risks.<sup>124</sup>

## C. Non-bank risks

The non-bank financial sector in Greece remains relatively limited in size, particularly compared with its growing importance at the international level. As a result, it constitutes the smallest category within the systemic risk assessment framework. It should be noted that, within this category, emphasis was placed on insurance undertakings, which represent the second largest sector of the financial system by assets.

More specifically, the monitoring of risks in the insurance sector relies on supervisory data that allow for the assessment of the solvency and profitability of insurance undertakings. As regards the remaining sectors of the non-bank financial system, risk monitoring focuses on their asset growth and liquidity positions.

## Assessment of systemic risks

Overall systemic risk is determined by assessing individual risk areas. Specifically, the intensity, direction, qualitative and quantitative characteristics of the individual indicators are assessed, followed by the determination of the level of risk for each area, in order to identify the level of risk for each dimension. The overall level of risk for the financial system is the aggregate of the individual dimensions.

---


<sup>124</sup> See European Systemic Risk Board, [Systemic liquidity risk: a monitoring framework](#).

Based on the above, the analysis of the individual risk areas as at the third quarter of 2025 (based on the available data for all indicators), as presented in Table 1 below, indicates a gradual build-up of cyclical systemic risks with an upward trend, mainly in specific sectors such as financing to non-financial corporations and residential and commercial real estate prices. Nevertheless, the overall level of cyclical risks remains low. Similarly, as shown in Table 2, structural risks and risks stemming from the non-bank financial sector remain low, with no clear trend emerging at this stage. In conclusion, the overall level of systemic risks in the Greek financial system remains low.

**Table 1: Risk areas of the cyclical dimension**

Q3 2025	Bank of Greece																										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025		
<b>Cyclical Risk through the cycle</b>																											
<b>Credit</b>																											
Credit-to-GDP gap																											
Domestic private sector credit growth, % y-o-y																											
NFC credit growth, % y-o-y																											
Household credit growth, % y-o-y																											
Credit to the domestic private sector-to-GDP																											
Credit to non-financial corporations (NFC)-to-GDP																											
Loans granted to households, ratio of adjusted gross disposable income																											
<b>Asset quality</b>																											
NPL ratio (solo - banking)																											
NPL ratio (solo - sis)																											
Net NPL ratio (system-wide)																											
NPL coverage ratio																											
<b>Profitability</b>																											
Return on equity (ROE)																											
Return on equity (ROE), sis																											
Return on assets (ROA)																											
Return on assets (ROA), sis																											
Net interest margin (NIM)																											
Net interest margin (NIM), sis																											
Cost of risk (3-year average)																											
Cost of risk (3-year average), sis																											
Cost-to-income																											
Cost-to-income, sis																											
<b>Real estate</b>																											
Commercial real estate price growth (offices)																											
Commercial real estate price growth (retail)																											
Residential property price growth																											
Residential property price-to-income ratio																											
Real estate investment funds or trusts 3Y avg annual growth, %																											
Bank lending for CRE annual growth (%)																											
Gross value added construction and RE activities, relative to GDP %																											
<b>Financial markets</b>																											
ATHEX 3-month moving average q-o-q growth rate																											
FTSE Athex Banks Index 3-month moving average q-o-q growth rate																											
Market capitalization / GDP																											
Senior preferred bank bonds (excl FX bonds) average yields																											
Sub bonds Tier II average yields																											
Sub bonds excl Tier II average yields																											
Greek government bond spreads – monthly average (%)																											
5yr CDS spreads of Greece																											
Average of 5yr CDS spreads of Greek banks																											
<b>Domestic macro economy</b>																											
Total employment, % y-o-y																											
Unemployment rate %																											
HICP Inflation, % y-o-y																											
General government debt-to-GDP ratio (% of GDP)																											
General government deficit-to-GDP ratio GR (% of GDP)																											
Current account balance-to-GDP (rolling)																											
Real GDP growth, % y-o-y																											
Purchasing Managers' Index (PMI)																											
Economic Sentiment Indicator (100=long term average)																											
<b>Stress indicators</b>																											
Country Level Index of Financial Stress (CLIFS) GR																											
Composite Indicator of Sovereign Stress (SovCIS) GR																											

Table 2: Risk areas of the structural and NBFi dimensions

Q3 2025	 BANK OF GREECE <small>ΕΛΛΗΝΙΚΗ ΤΡΑΠΕΖΑ</small>																								
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Structural Risk through the cycle</b>																									
<b>Banking soundness indicators</b>																									
Banking sector assets growth, % y-o-y	[Heatmap data]																								
RWA density	[Heatmap data]																								
Total capital ratio	[Heatmap data]																								
Leverage ratio (full implementation of CRR)	[Heatmap data]																								
Liquidity Coverage ratio (LCR)	[Heatmap data]																								
Net loan-to-deposit ratio	[Heatmap data]																								
Net Stable Funding ratio (NSFR)	[Heatmap data]																								
Interbank & wholesale (excl. Eurosystem)/Total assets	[Heatmap data]																								
Share of funding sourced from ESCB	[Heatmap data]																								
Level of intermediation	[Heatmap data]																								
<b>Banking sector concentration</b>																									
Herrfindahl for credit institutions in total assets, Greece, annual	[Heatmap data]																								
CR5 in total assets, Greece, annual	[Heatmap data]																								
<b>Systemic liquidity</b>																									
Unsecured funding to wholesale funding	[Heatmap data]																								
Net liquidity outflows 30-days to total assets	[Heatmap data]																								
Deposit growth rate, % y-o-y	[Heatmap data]																								
Funding spread (senior bank bonds - 10 year German Bund)	[Heatmap data]																								
Bid-ask spread of 10-year Greek government bond	[Heatmap data]																								
30-day Volatility of 10-year Greek government bond	[Heatmap data]																								
Turnover ratio of Athens stock exchange	[Heatmap data]																								
EURIBOR/ESTR-OIS spread (bps)	[Heatmap data]																								
VIX index	[Heatmap data]																								
<b>Non-Bank Risk through the cycle</b>																									
<b>Insurance sector indicators</b>																									
Insurance sector assets growth, % y-o-y	[Heatmap data]																								
Gross written premiums, % y-o-y	[Heatmap data]																								
SCR ratio	[Heatmap data]																								
Cumulative market share of entities with SCR ratio <120%	[Heatmap data]																								
Net combined ratio (Non-Life)	[Heatmap data]																								
Net loss ratio (Non-Life)	[Heatmap data]																								
Return on excess of assets over liabilities (Solvency II)	[Heatmap data]																								
<b>Non-Bank risks</b>																									
NBFI assets growth (including I, MF, L, F), % y-o-y	[Heatmap data]																								
Net mutual fund flows over mutual fund assets	[Heatmap data]																								

## SPECIAL FEATURE II

### DEVELOPMENTS IN THE USE OF DLT TECHNOLOGY IN FINANCIAL MARKETS

In recent years, financial markets have been undergoing a significant digital transformation, with new technologies gradually reshaping the way financial instruments are issued, traded and settled. In this context, Distributed Ledger Technology (DLT) has attracted growing interest from market participants, due to its potential to automate processes, increase transparency and improve the efficiency of financial market infrastructures. The use of this technology is no longer confined to experimental applications or pilot projects, but is gradually expanding into larger-scale tests under realistic market conditions and into practical implementations across financial markets.

Since 23 March 2023, the DLT Pilot Regime has been implemented in the European Union (EU), establishing a special regulatory framework that allows platforms and infrastructures to obtain authorisation and use DLT in a controlled environment for the issuance, trading and settlement of financial instruments, while at the same time ensuring investor protection and financial stability.<sup>125</sup>

The DLT Pilot Regime defines three categories of authorised entities/infrastructures: a) a DLT multilateral trading facility (DLT MTF), which focuses on the trading of financial instruments; b) a DLT settlement system (DLT SS), which focuses on the settlement of transactions as well as the initial recording and safekeeping of securities; and c) a DLT trading and settlement system (DLT TSS), which combines trading and settlement functions within a single platform.

In these infrastructures, financial instruments (e.g. shares or bonds) are issued, recorded, and transferred in the form of digital tokens.<sup>126</sup> These financial instruments (tokenised financial assets) constitute digital representations of assets that are issued and traded through DLT. During the period 2024–2025, several DLT platforms/infrastructures obtained authorisation from the competent national supervisory authorities within the EU, such as<sup>127</sup>:

- CSD Prague, based in the Czech Republic, which is the first central securities depository to receive authorisation to operate as a DLT SS;
- 21X AG, based in Germany, which was authorised to operate as a DLT TSS;
- Lise SA, based in France, which received authorisation and provides trading and settlement services (DLT TSS), focusing on shares of small and medium-sized enterprises;
- Securitize Europe Brokerage and Markets, based in Spain, which was authorised to operate as a DLT TSS for the issuance, trading, and settlement of shares and bonds.

In addition, EU central securities depositories such as Euroclear and Clearstream, which have been authorised under Regulation (EU) No 909/2014 on central securities depositories (CSDR), have developed and integrated DLT platforms into their service ecosystems for the issuance and

---

<sup>125</sup> Regulation (EU) 2022/858 of the European Parliament and of the Council of 30 May 2022 on a pilot regime for market infrastructures based on distributed ledger technology, and amending Regulations (EU) No 600/2014 and (EU) No 909/2014 and Directive 2014/65/EU. According to Article 2 of this Regulation, ‘distributed ledger’ means an information repository that keeps records of transactions and that is shared across, and synchronised between, a set of DLT network nodes using a consensus mechanism.

<sup>126</sup> Digital tokens are entries in a database that are recorded digitally and that can contain information and functionality within the token themselves. Digital tokens can represent financial or real assets. See BIS, “[Tokenisation in the context of money and other assets: concepts and implications for central banks](#)” - October 2024; Regulation (EU) 2022/858, recital 3; and Bank of Greece, [Financial Stability Review - April 2024](#), Special Feature II: The use of new technology in the settlement of transactions.

<sup>127</sup> See European Securities and Markets Authority, [Authorised DLT Market Infrastructures](#).

management of digital securities in tokenised form, while at the same time maintaining connectivity with their existing traditional systems.

The number and diversity of applications cover a broad range of business models and functions, reflecting the growing interest in financial markets in the use of DLT.

However, as highlighted in a relevant report by the European Securities and Markets Authority (ESMA),<sup>128</sup> factors such as the lack of access to central bank money for the settlement of DLT-based transactions, operational differences among infrastructures and the limited integration of regulatory requirements hinder the interoperability of financial market infrastructures (DLT/and traditional platforms/infrastructures). In addition, the development of DLT infrastructures entails significant operational and financial challenges, particularly regarding technological development, compliance with cybersecurity requirements, risk management and the legal structuring of tokenised assets. As a result, DLT platforms currently operate in isolated environments (silos), with a limited number of users/participants and low transaction volumes.

In Greece, Law 5113/2024 introduced measures for the implementation of the DLT Pilot Regime, and the Hellenic Capital Market Commission, by its announcement of 27 February 2025, informed market participants and investors that it had incorporated ESMA guidelines regarding the standard forms, formats and templates to apply for authorisation to operate a DLT market infrastructure.<sup>129</sup> Consequently, companies wishing to operate DLT TSS infrastructures in Greece may submit their applications in accordance with the above guidelines. To date, however, no Greek company has been authorised as a DLT platform/infrastructure under the DLT Pilot Regime.

### **Eurosystem and settlement in central bank money**

In this evolving environment, the Eurosystem's strategy for the integration of DLT into financial markets focuses on exploring secure and efficient mechanisms for the settlement of transactions in central bank money and on developing integrated, innovative and resilient tokenised financial markets in Europe. Central bank money constitutes the safest and most liquid form of money, ensuring the singleness of money and providing an anchor of stability for payments.

The objective of this strategy is to assess the potential use of DLT for the modernisation of traditional issuance, trading and settlement processes, while at the same time safeguarding investor protection and financial stability.

Based on the results of the exploratory work conducted by the Eurosystem in 2024,<sup>130</sup> which confirmed market participants' interest in DLT and the use of tokens, the European Central Bank (ECB) announced in July 2025 its strategy based on a single programme that follows a two-track approach:<sup>131</sup>

- 1) Pontes: the short-term track – aiming at creating a Eurosystem DLT platform (bridge) that will connect DLT platforms with the existing Eurosystem's TARGET services. Pontes will enable the settlement of tokenised DLT transactions in central bank money, with

---

<sup>128</sup> See: [ESMA Report on the Functioning and Review of the DLT Pilot Regime](#).

<sup>129</sup> See: European Securities and Markets Authority, [Guidelines on standard forms, formats and templates to apply for permission to operate a DLT market infrastructure](#).

<sup>130</sup> See: [The Eurosystem's exploratory work on new technologies for wholesale central bank money settlement](#), ECB, June 2025.

<sup>131</sup> See: [ECB commits to distributed ledger technology settlement plans with dual-track strategy](#).

a pilot production phase expected to begin by the end of the third quarter of 2026, laying the foundations for future developments;

- 2) Appia: the long-term track – an analytical and exploratory initiative investigating the potential for an innovative and integrated tokenised European financial ecosystem based on DLT technology, through the development of common standards, policies, and operational building blocks, in which central bank money will play a central role. According to the “Appia Roadmap” published in March 2026,<sup>132</sup> the objectives of Appia are to: a) ensure the effectiveness of monetary policy and financial stability and the smooth functioning of payment systems; b) foster a more integrated, competitive, and innovative ecosystem through efficient infrastructures for financial markets; c) support the strategic autonomy and resilience of the EU’s monetary and financial systems; and d) to ensure the relevance of the euro as an international currency. The design of this new ecosystem will be based on close cooperation between the public and private sectors, with the aim of developing a blueprint to be published in 2028. Alongside the Appia Roadmap, a public consultation<sup>133</sup> was also launched, through which stakeholders may provide feedback on the Appia approach and express their interest in contributing to the Appia programme implementation phase.

Additionally, in January 2026, the ECB announced that, as of 30 March 2026, the Eurosystem recognises as eligible collateral for monetary policy operations financial instruments issued in central securities depositories providing DLT- based services.<sup>134</sup> At the same time, it is exploring if, how and under what criteria assets issued using DLT and not represented in eligible securities settlement systems could also become eligible and be mobilised as Eurosystem collateral in the future.

---

<sup>132</sup> See: [Appia – paving the way for a future-ready, integrated financial ecosystem leveraging tokenisation and DLT](#).

<sup>133</sup> See: [Public consultation on the Eurosystem’s Appia project](#).

<sup>134</sup> See: [ECB paves way for acceptance of DLT-based assets as eligible Eurosystem collateral](#).

## **SPECIAL FEATURE III**

### **ICT THIRD-PARTY RISK MANAGEMENT**

#### **Introduction**

Financial institutions globally and in Greece are gradually moving from mild digital transformation to rapid adoption of innovative technologies, in order to respond to an increasingly competitive business environment and the evolving financial services demand patterns. However, since most financial institutions lack in-house capacity to develop the innovative technological infrastructures necessary to maintain their competitive edge and better serve their customers, they turn to outsourcing critical functions to third-party information and communication technology (ICT) service providers that offer direct access to cutting-edge technologies.

Against this background, this Special Feature aims to highlight both the benefits and the risks arising from the use of ICT third-party service providers, take stock of the current institutional framework worldwide and present the critical ICT service provider oversight framework established under DORA.

#### **Services by ICT third-party providers to financial institutions**

ICT services by third-party providers cover a wide range of functions and infrastructures that can support critical or important functions of financial institutions. One of the key services provided is cloud infrastructure, which enables flexible and scalable resource management coupled with reduced deployment and maintenance costs. Cloud migration is the dominant type of outsourcing; this is also reflected in ECB data, which however highlight a growing reliance on a limited number of large providers.

At the same time, big data analytics plays an increasingly important role, as it allows processing of large amounts of data, application of advanced analytical methods and use of machine learning techniques, which support critical functions of financial institutions such as credit risk assessment, fraud detection and product customisation.

Cybersecurity services are another key function outsourced to ICT third-party service providers, given the growing complexity and intensity of cyber threats. Specialised providers take over critical functions such as Security Operations Centres (SOCs), incident detection and response services, as well as penetration testing, helping to strengthen institutions' resilience.

Increased reliance on such services further underlines the significance of third-party providers' operational resilience and reliability, as any disruptions to their operations may have a direct and systemic impact on the financial system.

#### **Benefits from using ICT third-party service providers**

The use of ICT third-party service providers offers significant benefits to financial institutions, most importantly enhanced economic efficiency and optimised resource allocation. By using third-party providers, institutions can cut down investments for in-house infrastructure development and maintenance by adopting agile user-based pricing models offered by third-party providers, thereby reducing operational costs.

Additionally, working with expert providers allows direct access to cutting-edge technologies and high-level know-how. Providers continuously invest in innovation, offering advanced solutions in areas such as data analytics, process automation and cybersecurity, which allows financial institutions to enjoy better operational efficiency and respond promptly to the developments and challenges of the digital environment.

Lastly, outsourcing significantly enhances the agility and scalability of institutions' operations, allowing for swift adaptation to changing market conditions and rapid development of new products and services. Moreover, assigning less critical or technically challenging functions to third-party providers frees up resources, allowing institutions to focus on their core activities and on improving customer experience.

### **Risks associated with ICT third-party service providers**

Despite significant benefits, the growing use of ICT third-party service providers also entails significant risks for financial institutions. The increasing reliance of institutions on technological infrastructures – to support critical or important functions – offered by a sole third-party provider may create single points of failure. In the event of a disruption or failure of such services or technological infrastructures, the impact can be immediate and widespread, significantly impairing institutions' business continuity.

Moreover, outsourcing of data storage and processing to third-party providers amplifies the risks related to information security and confidentiality. Cyberattacks, data breaches or unauthorised access to data can have serious implications, both for the institution concerned and for the confidence in the financial system as a whole.

A key issue is “vendor lock-in”, which curtails an institutions' ability to switch to alternative solutions or providers. Technical complexity, system incompatibility and high migration costs often make switching providers difficult or even impossible, thus increasing dependence and reducing institutions' bargaining power.

Lastly, concentration of critical services among a limited number of large providers significantly increases systemic risk. Servicing of numerous financial institutions by a limited number of providers means that a single incident can rapidly spread to the entire system. This, together with institutions' lack of knowledge of providers' internal functions, as well as changes in both providers and sub-contractors, further heightens the uncertainty and complexity surrounding ICT third-party risks.

### **The growing use of ICT third-party service providers in the financial sector in figures**

Available data show a clear and continuous rise in the involvement of ICT third-party service providers in the European financial sector. According to the European Central Bank,<sup>135</sup> outsourcing costs as a share of administrative expenses rose to 7.2% in 2023 (from 6.8% in 2022), while average cloud costs per institution grew by 13.5%. This reflects institutions' strategic shift towards cloud infrastructure outsourcing solutions.

---

<sup>135</sup> ECB Supervision Newsletter, [Outsourcing trends in the banking sector](#), 19.2.2025.

Moreover, the outsourcing ecosystem is becoming increasingly complex. On average, each contract includes multiple levels of subcontracting, with around four subcontractors per contract and the share of contracts sub-outsourced to external service providers amounting to 67%. At the same time, the share of critical functions outsourced to service providers that are difficult or impossible to re-insource stands at a very high level, close to 95%, pointing to a high degree of third-party dependence. These trends confirm that outsourcing has become a structural feature of the financial system.

### **Supervisory challenges associated with ICT third-party risk management**

As evident by the ECB data presented above, the extensive involvement of ICT third-party service providers in the operations of financial institutions creates new challenges for financial supervision. Most importantly, the global nature of ICT third-party service providers makes it necessary to strengthen cross-border cooperation and supervisory coordination between competent authorities. Given that the same few third-party providers serve multiple institutions in different countries, points to a growing need for common standards, information sharing and coordinated action among supervisors at both European and international level.

Another challenge is associated with the different supervisory regimes of ICT third-party service providers and financial institutions. The latter have been operating for decades under close and systematic supervision, with clearly defined governance, risk management and compliance frameworks, unlike many technology companies that historically have never been subject to equally rigorous supervisory scrutiny. This asymmetry creates issues both for financial institutions, which are expected to ensure that third-party providers comply with strict regulatory standards, such as DORA, and for supervisors, which have to deal with entities that are not familiar with traditional supervisory practices.

Lastly, providers' involvement at various levels makes it difficult to map dependencies and assess the impact of potential disruptions, while also making compliance and security control along the subcontracting chain more challenging.

This gives rise to a need to develop new supervisory approaches and to enhance technology providers' understanding of regulatory expectations, in order to ensure that the associated risks are effectively managed.

### **An institutional framework for third-party risk management**

Regulators and supervisors identified the above supervisory challenges early enough; this led to an increasingly coherent international institutional framework for managing ICT third-party risks. Thus, in December 2022, the European Union adopted DORA,<sup>136</sup> which introduced, *inter alia*, a single binding framework for monitoring and controlling ICT third-party risks, alongside establishing, for the first time, direct oversight over critical third-party providers, with the aim to ensure the overall resilience of the financial system.

---

<sup>136</sup> Regulation (EU) 2022/2554 of the European Parliament and of the Council of 14 December 2022 on digital operational resilience for the financial sector and amending Regulations (EC) No 1060/2009, (EU) No 648/2012, (EU) No 600/2014, (EU) No 909/2014 and (EU) 2016/1011.

Subsequently, in 2023, supervisors in the United States issued uniform guidelines on ICT third-party risk management,<sup>137</sup> covering the full lifecycle of relationships with third-party providers, with a focus on enhancing operational resilience and shielding against data security threats, while constantly safeguarding the robustness of financial institutions.

Consistent with DORA, the United Kingdom also set up a comprehensive supervisory framework for critical third-party providers,<sup>138</sup> allowing competent authorities to intervene directly. With this regulation, the UK supervisory authorities refined the rules on operational resilience, focusing on the identification and management of risks that could threaten the stability of the country's financial system.

Subsequently, the European Banking Authority launched a public consultation in 2025<sup>139</sup> on draft guidelines that expand the scope of third-party risk management beyond outsourcing arrangements, effectively complementing the DORA framework. Among other things, these guidelines require maintaining a full register of third-party arrangements and an assessment of the dependencies to third-party providers.

Lastly, at the international level, the principles issued by the Bank for International Settlements in 2025<sup>140</sup> are a point of reference for third-party risk management, as they integrate it into the overall corporate governance, with a particular focus on risks stemming from the chain of sub-contractors, requiring institutions to ensure transparency and visibility regarding both outsourcing and sub-outsourcing arrangements.

The above developments in the institutional framework on the ICT third-party risk management field demonstrate the gradual convergence of various international approaches towards a harmonised operational resilience framework, which aims to monitor the growing reliance on third-party providers in order to prevent any disruption of the stability of the global financial system.

### **DORA's key pillars and innovations with regard to third-party providers**

As already mentioned, the leading new feature introduced by DORA is the focus on third-party risk management. Thus, the Regulation requires a comprehensive reform, changing third-party management from a routine process to a continuous strategic obligation of financial institutions. The key innovation is that a holistic approach is required, calling financial institutions to retain full control over and responsibility for their digital resilience and to integrate third-party risk management into their overall risk management systems, ensuring that their operation is not undermined by reliance on third parties.

In this context, financial institutions are required to assess their concentration risk, which would allow them to diversify among third-party providers of critical or important functions, in order to achieve better risk diversification. They are also required to maintain a register of information with all contractual arrangements, with a particular focus on identifying those associated with critical or important functions. Moreover, contracts with third-party providers should also contain, among other things, provisions on rights of access, inspection and audit. They should also provide

---

<sup>137</sup> Federal Reserve Regulatory Service, [Interagency Guidance on Third-Party Relationships](#), 06/2023.

<sup>138</sup> UK FCA/PRA, [Operational resilience: Critical third parties to the UK financial sector](#), 11/2024, PS16/24.

<sup>139</sup> European Banking Authority, [Consultation Paper on EBA Draft Guidelines on the sound management of third-party Risk Management](#), 07/2025.

<sup>140</sup> BIS Principles for Sound Management of Third-Party Risk (12/2025) - [Principles for the sound management of third-party risk](#)

for third-party exit strategies and transition plans, to prevent vendor lock-in and ensure business continuity even when cooperation is terminated.

In this context, the most important new feature introduced by DORA is the establishment of a common framework for the oversight of Critical Third-Party Providers (CTPPs) at EU level. For the first time, the European Supervisory Authorities – ESAs (EBA, ESMA, EIOPA) – are assigned direct oversight of ICT third-party service providers supporting financial entities across the European Union, a mandate that complements rather than replaces supervision by national competent authorities.

### **Oversight of critical third-party providers: operating model**

The oversight framework for critical third-party providers aims at achieving two key objectives: on the one hand, to effectively manage risks associated with critical ICT third-party service providers, while ensuring provision of sound and resilient services to financial institutions, and on the other hand, to prevent failures that could assume systemic proportions, with specific emphasis on the concentration risk that arises when many institutions are dependent on the same provider.

The operating model for the oversight of CTPPs, in line with the ESAs' instructions,<sup>141</sup> is structured as a role hierarchy that ensures consistency and effectiveness of supervisory actions. At the top stand the EBA, EIOPA and ESMA Boards of Supervisors, which are ultimately responsible for the adoption of recommendations and decisions on the imposition of penalties, while the Joint Committee ensures coordination among the three ESAs and sound decision-making on the designation of critical providers.

The Oversight Forum acts as the central body for consultation and preparation. It brings together representatives of the ESAs and national competent authorities to assess risks and develop the annual oversight plan. The Joint Oversight Network (JON) provides the necessary technical support and ensures consistency of audit practices across the European Union. At the operational level, Joint Examination Teams (JETs) are the executive arm; they are staffed by experts and are responsible for carrying out general investigations (off-site), on-site inspections and direct communication with CTPPs.

### **Bank of Greece actions on third-party risk management**

The Bank of Greece, in line with the new DORA requirements, has included ICT third-party risks in its supervisory perimeter concerning financial institutions. The first step was to develop a comprehensive platform to collect, in a secure environment, the institutions' registers of information on ICT third-party service providers. These registers, following an initial regulatory taxonomy compliance check, are forwarded to the ESAs to be used as source in the process of identifying critical ICT third-party service providers.

The registers of information on ICT third-party service providers collected by the Bank of Greece also serve to map the relationships of financial institutions with ICT third-party service providers. This analysis allows the Bank of Greece to gain a comprehensive picture of dependencies on third-party providers in the domestic financial system, thereby facilitating the identification of

---

<sup>141</sup> European Banking Authority, [ESAs publish guide on DORA Oversight activities Guide and Presentation](#), 15.7.2025.

potential risks arising from concentration of critical or important functions in a limited number of third-party providers.

Furthermore, the Bank of Greece, in line with its institutional role and as per Article 149 “Representation in the Oversight Forum” of Law 5193/2025, represents Greece in the oversight forum, which aims, *inter alia*, to strengthen cooperation among European authorities and to develop common supervisory requirements and guidance for optimal management of ICT third-party risks. Moreover, the Bank of Greece opted for active involvement in the new oversight framework for third-party providers through its representation in the Joint Examination Teams, whose task is to ensure joint oversight of critical ICT third-party service providers by the relevant supervisory authorities, in order to safeguard the digital resilience of the EU financial sector.

## Conclusion

Growing reliance of financial institutions on ICT third-party service providers has become a structural feature of the modern financial system. While outsourcing offers significant benefits in terms of efficiency, innovation and agility, it also entails new types of risk, which could assume systemic proportions. A key consideration is that responsibility for complying with the regulatory framework and ensuring operational resilience rests entirely with financial institutions themselves, regardless of their degree of dependence on ICT third-party service providers.

DORA marks an essential reform in this area, as it expands the supervisory scope from the institutions themselves to the wider ecosystem of ICT service providers. The establishment of European direct oversight of critical ICT third-party service providers, combined with initiatives by national supervisory authorities such as the Bank of Greece, paves the way for enhancing system-wide transparency and resilience. In this environment, effective ICT third-party risk management becomes instrumental for maintaining financial stability.

The ultimate objective of managing third-party risk is not to discourage third-party involvement, but rather to ensure that risks arising from third-party providers are taken into account both by supervisors in their assessments and by financial institutions, which would enable them to manage all their risks effectively, with a view to ensuring the resilience of the financial system.





