ANNUAL REPORT ON PRUDENTIAL SUPERVISION AND RESOLUTION ACTIVITIES

2025

ATHENS 2026

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EUROSYSTEM

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In 2025, the resilience of the Greek financial sector strengthened further. In the European Banking Authority's (EBA) 2025 EU-wide stress test, Greek Significant Institutions (SIs) performed better than the EU average, while the exercise conducted by the International Monetary Fund (IMF) in the context of the Financial Sector Assessment Program (FSAP) confirmed their resilience under adverse scenarios. Moreover, the SIs were upgraded to investment-grade status by international credit rating agencies and raised funds in international markets on competitive terms. At the same time, Less Significant Institutions (LSIs) increased their market share, improved their operational efficiency and accelerated their balance sheet clean-up efforts, bringing their non-performing loan (NPL) ratio down to below 5% at the end of 2025.

During 2025, the insurance sector successfully responded to the challenges arising from the international environment and to the growing demands associated with innovation and digital transformation. Credit institutions' interest in acquiring qualifying holdings in the share capital of insurance undertakings attests to the sector's sound fundamentals and favourable outlook, and is consistent with credit institutions' efforts to diversify their income sources.

In addition, the Bank of Greece introduced enhanced regulatory requirements for the operation of credit servicers, including additional obligations relating to corporate governance arrangements, internal control functions and supervisory reporting.

However, the escalation of geopolitical tensions in the Middle East has triggered a sharp rise in energy prices, weighing on growth prospects and reigniting inflationary pressures worldwide. At the same time, the persistence of high US tariffs and ongoing shifts in global supply chains are constraining global trade growth and intensifying geoeconomic fragmentation. A de-escalation of geopolitical tensions could help contain or even reduce energy prices; however, the outlook remains uncertain and depends on the full restoration of energy flows.

Against this background, a key supervisory priority for credit institutions in 2026 is to strengthen their resilience to geopolitical risks, heightened uncertainty in the global macro-financial environment and Information and Communication Technology (ICT) risks. Emphasis is placed on the application of prudent lending standards to new lending, on concentration risk and on monitoring the effectiveness of restructuring solutions. As regards the supervision of the insurance sector, a key priority is the timely identification and monitoring of emerging risks, such as climate-related, geopolitical and cybersecurity risks, which call for enhanced operational resilience. Finally, as regards credit servicers, a key supervisory objective remains the effective remediation of persisting weaknesses, particularly in corporate governance and in systems for monitoring the management of claims. At the same time, efforts are focused on promoting transparency in the relationship between borrowers and credit servicers.

This Report enhances transparency and accountability on the part of the Bank of Greece regarding the exercise of its supervisory responsibilities. I would like to take this opportunity to thank all the staff of the supervisory directorates for their commendable work and professionalism, particularly in a year in which the International Monetary Fund, in the context of the Financial Sector Assessment Program, praised the quality and effectiveness of the supervision exercised by the Bank of Greece.

Athens, July 2026

Yannis Stournaras

Governor

In 2025, the Greek financial system demonstrated strong resilience, despite intensifying geopolitical challenges and heightened uncertainty. Its resilience was also confirmed by the International Monetary Fund (IMF) in the context of the Financial Sector Assessment Program (FSAP). This assessment of Greece, the first since 2006, recognised the significant progress made by the Greek banking sector. According to its findings, short-term risks to financial stability in Greece are limited, while Significant Institutions (SIs) are adequately capitalised, maintain satisfactory liquidity levels and are resilient to severe stress scenarios. Moreover, the assessment highlighted the high standards and strong independence of the supervision exercised by the Bank of Greece, while also underscoring the financial system's enhanced preparedness to withstand future shocks.

The banking sector consolidated its return to normality, further strengthening its fundamentals. Significant Institutions maintained satisfactory levels of capital adequacy and recorded strong organic profitability, allowing them to distribute dividends and undertake strategic investments in Greece and abroad. Similarly, Less Significant Institutions (LSIs) improved their profitability and asset quality, with the operational merger of the two largest among them marking an important milestone.

The Greek insurance market also performed positively, maintaining a strong solvency position while effectively managing contemporary challenges, such as rising claims costs, the increased frequency of extreme weather events and growing demands for innovation and digital transformation. An important development was the assumption by the Bank of Greece, as of 1 January 2025, of responsibility for the supervision of Occupational Pension Funds (OPFs), thereby broadening its supervisory remit.

A milestone in the Bank of Greece's supervisory activities in 2025 was the modernisation of the internal governance framework for credit and financial institutions through the issuance of Executive Committee Act (ECA) 243/2/7.7.2025. Among other things, the new Act strengthens requirements relating to internal governance, internal control and risk management, taking into account the principle of proportionality, and places particular emphasis on the development of a strong risk culture.

The Bank of Greece received a positive assessment from the European Banking Authority (EBA) in the context of the follow-up peer review of authorisation procedures for Payment Institutions and Electronic Money Institutions under the Payment Services Directive (PSD2). The assessment highlighted the full and effective implementation of the EBA Guidelines on authorisation, the strengthening of corporate governance requirements and the implementation by the Bank of Greece of the necessary remedial actions.

Substantial progress was also made during the first year of application of the Digital Operational Resilience Act (DORA). The Bank of Greece developed a secure incident-reporting framework for all supervised institutions and implemented the process for collecting the Registers of Information on ICT third-party service providers, while also actively participating in the new EU-level oversight framework for critical ICT third-party service providers.

The effective exercise of supervision was also complemented by the imposition of sanctions for breaches of the supervisory framework. The pecuniary penalties imposed concerned breaches of the framework for the prevention of money laundering and terrorist financing, the transparency of banking transactions, the operation of credit servicers, as well as breaches of the insurance legislation. Sanctions are a useful tool for fostering a strong compliance culture.

Looking ahead, a key challenge is the implementation of the European Regulation on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, as well as the assumption of direct supervisory responsibilities by the newly-established Authority for Anti-Money Laundering and Countering the Financing of Terrorism (AMLA) from 2028. The Bank of Greece actively participates in the relevant European processes, representing all national supervisory authorities, and contributes to preparations for a smooth transition to the new supervisory environment.

At the European level, completing the Banking Union through the establishment of its third pillar, the European Deposit Insurance Scheme (EDIS), remains imperative for strengthening the competitiveness of the European banking sector. At the same time, the Bank of Greece actively supports the “simplification without deregulation” of the European Union’s regulatory framework, with a view to reducing unnecessary complexity and enhancing competitiveness, while preserving the safeguards that protect depositors and the real economy.

The challenges facing supervised institutions in the coming years remain complex, reflecting geopolitical tensions, climate change and rapid technological developments. Against this background, our supervisory priorities focus, among other things, on strengthening institutions’ operational and technological resilience, safeguarding their capital adequacy, managing climate-related risks and enhancing their digital strategies. Particular emphasis is placed on ensuring that institutions develop adequate policies for managing the risks stemming from artificial intelligence, in view of its increasing use.

I would like to express my sincere gratitude to the staff of the Bank of Greece for their crucial contribution to maintaining the Bank’s high supervisory standards and enabling it to respond effectively to ever-increasing demands. Their professional expertise, dedication and commitment to fostering a culture of more efficient, effective and risk-focused supervision are the cornerstone of our ability to fulfil our mission: safeguarding financial stability and the public interest.

Athens, July 2026

Christina Papaconstantinou

Deputy Governor

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Acronyms and abbreviations

AI	Artificial Intelligence	**IORP**	Institution for Occupational Retirement Provision
AISP	Account Information Service Provider	**IRRBB**	Interest Rate Risk in the Banking Book
ALM	Asset and Liability Management	**IT**	Information Technology
AML	Anti-Money Laundering	**JST**	Joint Supervisory Team
AML/CFT	Anti-Money Laundering and Countering the Financing of Terrorism	**LSI**	Less Significant Institution
AMLA	Anti-Money Laundering Authority	**MiCA**	Markets in Crypto-Assets Regulation
AMLR	Anti-Money Laundering Regulation	**MIS**	Management Information Systems
API	Application Programming Interface	**ML**	Money Laundering
BCBS	Basel Committee on Banking Supervision	**MREL**	Minimum Requirement for own funds and Eligible Liabilities
BIS	Bank for International Settlements	**NCA**	National Competent Authority
BoD	Board of Directors	**NPL**	Non-Performing Loan
BRRD	Bank Recovery and Resolution Directive	**NRA**	National Resolution Authority
CCR	Counterparty Credit Risk	**OPF**	Occupational Pension Fund
CCyB	Countercyclical Capital Buffer	**ORC**	Overall Recovery Capacity
CFT	Countering the Financing of Terrorism	**O-SII**	Other Systemically Important Institution
CMDI	Crisis Management and Deposit Insurance Framework	**PEPP**	Pan-European Personal Pension Product
CRD	Capital Requirements Directive	**PI**	Payment Institution
CRR	Capital Requirements Regulation	**PRIIPs**	Packaged Retail and Insurance-based Investment Products
DGSD	Deposit Guarantee Schemes Directive	**PSD**	Payment Services Directive
DORA	Digital Operational Resilience Act	**PSR**	Payment Services Regulation
EBA	European Banking Authority	**RDARR**	Risk Data Aggregation and Risk Reporting
ECA	Executive Committee Act	**RRF**	Recovery and Resilience Facility
ECB	European Central Bank	**RTF**	Risk Tolerance Framework
EDIS	European Deposit Insurance Scheme	**SA**	Standardised Approach
EEA	European Economic Area	**SCA**	Strong Customer Authentication
EIOPA	European Insurance and Occupational Pensions Authority	**SFDR**	Sustainable Finance Disclosure Regulation
EMI	Electronic Money Institution	**SI**	Significant Institution
ESG	Environmental, Social and Governance	**SRB**	Single Resolution Board
ESMA	European Securities and Markets Authority	**SREP**	Supervisory Review and Evaluation Process
FinTech	Financial Technology	**SRF**	Single Resolution Fund
FRTB	Fundamental Review of the Trading Book	**SRM**	Single Resolution Mechanism
FSAP	Financial Sector Assessment Program	**SRMR**	Single Resolution Mechanism Regulation
HFSF	Hellenic Financial Stability Fund	**SSM**	Single Supervisory Mechanism
ICAAP	Internal Capital Adequacy Assessment Process	**STS**	Simple, Transparent and Standardised
ICT	Information and Communication Technology	**TCB**	Third-Country Branch
IFRS	International Financial Reporting Standards	**TEKE**	Hellenic Deposit and Investment Guarantee Fund
IMF	International Monetary Fund	**TF**	Terrorist Financing

1. SUPERVISORY ROLE OF THE BANK OF GREECE

1.1 SUPERVISORY ROLE AND TASKS

The Bank of Greece, as central bank and independent authority, plays a pivotal role in safeguarding the stability and smooth functioning of the financial system. In accordance with Article 55A of its Statute, the Bank of Greece supervises the financial system by exercising microprudential and macroprudential supervision.

Macroprudential supervision monitors developments within the financial system, identifies risks and vulnerabilities, and implements macroprudential policy measures aimed at strengthening the system's resilience and limiting the build-up of systemic risks that could disrupt the smooth provision of financial services. Macroprudential supervision is a national competence.

Under its microprudential supervision mandate, the Bank of Greece monitors supervised institutions' compliance with the regulatory framework and supervisory requirements, with a view to ensuring their solvency and the effective functioning of the financial system. As the competent authority, the Bank of Greece supervises credit and financial institutions, insurance and reinsurance undertakings, as well as occupational pension funds operating in Greece. The supervision of credit institutions is carried out in cooperation with the European Central Bank (ECB) under the Single Supervisory Mechanism (SSM).

In exercising its supervisory powers, the Bank of Greece assesses supervised institutions' compliance with capital adequacy and liquidity requirements, conducts on-site inspections and evaluates internal governance arrangements, as well as institutions' compliance with the obligations arising from the regulatory framework on the prevention of money laundering and terrorist financing. Furthermore, the Bank of Greece assesses applications for authorisation and expansion of activities, as well as for the acquisition or increase of qualifying holdings. It also monitors compliance with the regulatory framework on transparency in procedures and the terms and conditions of transactions, particularly with respect to pre-contractual information provided to customers on the terms governing their transactions. In cases of breaches of the applicable legal and regulatory framework falling within its supervisory remit, the Bank of Greece imposes administrative penalties or other administrative measures. The Bank of Greece's supervisory practices are aligned both with the European regulatory framework and with international and European best practices.

Figure 1
Prudential supervision and resolution in Credit Institutions

Source: Bank of Greece.

The Bank of Greece is also responsible for the supervision of special and insurance liquidations of supervised entities whose authorisation has been withdrawn and for which a special or insurance liquidator has been appointed.

In addition, the Bank of Greece has been designated as the National Resolution Authority (NRA) for the credit institutions under its supervision. Resolution refers to the application of measures to a credit institution that is failing or likely to fail. The resolution function involves the preparation of resolution plans and the implementation of appropriate measures to ensure, inter alia, the continuity of critical functions of institutions under resolution and to prevent significant adverse effects on financial stability. These tasks are carried out by the Bank of Greece in cooperation with the Single Resolution Board (SRB) under the Single Resolution Mechanism (SRM).

This Report focuses on the activities undertaken and implemented by the Bank of Greece during 2025 to safeguard the stability of the Greek financial system, while also highlighting its role and responsibilities in this regard.

1.2 INTERNAL ORGANISATION OF PRUDENTIAL SUPERVISION AND RESOLUTION

Supervisory Business Units responsible for prudential supervision and resolution

The Bank of Greece's mandate for prudential supervision and resolution is exercised by the competent Supervisory Business Units, whose main tasks are outlined below:

Table 1
Main tasks of Supervisory Business Units responsible for prudential supervision and resolution

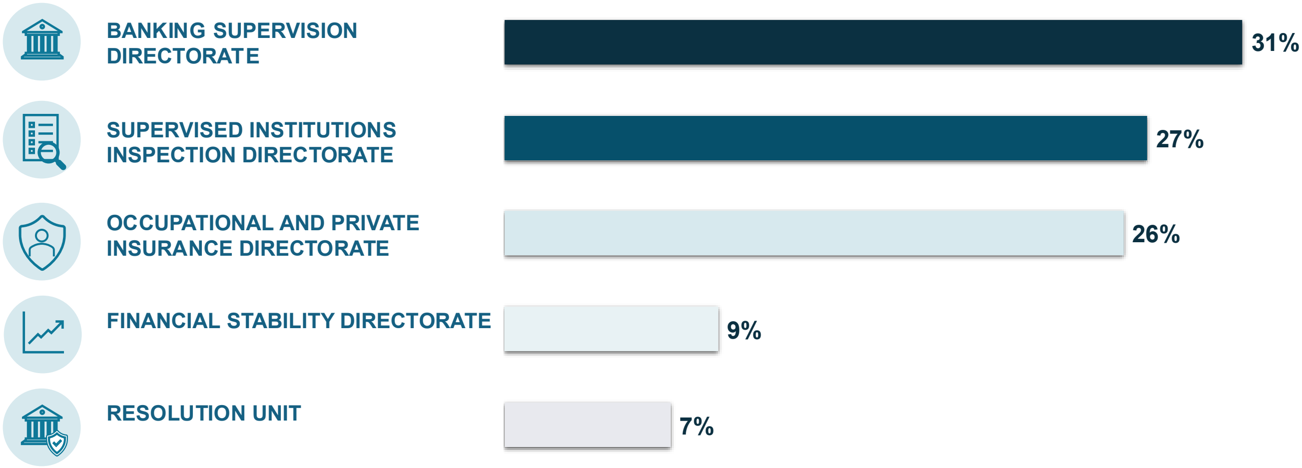
Supervised Institutions Inspection Directorate	
–	Conducts on-site inspections of institutions supervised by the Bank of Greece regarding all prudential risks and the prevention of money laundering and terrorist financing.
–	Supervises and conducts on-site inspections of all supervised institutions regarding Information and Communication Technology (ICT) and Security risks.
–	Supervises payment institutions, e-money institutions, account information service providers, payment initiation service providers and bureaux de change.
–	Supervises and conducts on-site inspections of credit institutions under special liquidation, financial institutions under special liquidation falling within the supervisory scope of the Bank of Greece, as well as insurance undertakings under insurance liquidation and occupational pension funds under liquidation.
–	Supervises compliance with the obligations arising from the institutional framework for the prevention of money laundering and terrorist financing for all entities supervised by the Bank of Greece and develops the relevant institutional framework.
–	Supports the work of the Executive Committee and the Credit and Insurance Committee; coordinates and manages, in cooperation with the competent organisational units of the Bank of Greece, the issues discussed in the Supervisory Board of the European Central Bank, as well as matters related to the imposition of administrative fines on supervised institutions or natural persons.
Occupational and Private Insurance Supervision Directorate	
–	Conducts prudential supervision of Greek (re)insurance undertakings with respect to their total business in Greece and in other European Union (EU) Member States, either under the freedom of establishment (through a branch) or under the freedom to provide services.
–	Conducts prudential supervision of branches in Greece of foreign (re)insurance undertakings authorised in third countries (outside the EU).
–	Supervises insurance product distributors domiciled in Greece to ensure their compliance with information and conduct obligations towards policyholders and insured parties.
–	Supervises the business practices of insurance undertakings domiciled in Greece, in their capacity as insurance product manufacturers, throughout the entire lifecycle of an insurance contract.
–	Develops and updates the examination syllabus for the certification of the professional knowledge of (re)insurance intermediaries and conducts the related examinations.
–	Approves professional training seminars in the context of the lifelong learning requirement for insurance product distributors.
–	Supervises Pan-European Personal Pension Products (PEPPs).
–	Participates in the Board of Supervisors of the European Insurance and Occupational Pensions Authority (EIOPA) and ensures the transposition of the EIOPA guidelines into the Greek regulatory framework.
–	Supervises Occupational Pension Funds (OPFs) with respect to capital adequacy to support their activities, the establishment of an effective governance and risk management system, investment management and the provision of the required information to OPF members and beneficiaries.
–	Monitors, on an ongoing basis, compliance by Institutions for Occupational Retirement Provision (IORPs) of other EU Member States operating in Greece on a cross-border basis with the requirements of national social security and labour legislation relating to occupational insurance, as well as with the requirements concerning the provision of information to members and beneficiaries of occupational pension benefits (Articles 16-24 of Law 5078/2023, Government Gazette A 211), in cooperation with the competent authorities of the home Member States.
Banking Supervision Directorate	
–	Reviews compliance of supervised entities, on a solo and consolidated basis, with the regulatory framework governing their operation.
–	Reviews applications for banking licenses and other related requests and monitors the continued fulfilment of the relevant terms and conditions.
–	Monitors, on an ongoing basis, compliance with the frameworks governing capital adequacy, liquidity and concentration risk, and cooperates with the European Central Bank (ECB) in the context of the Single Supervisory Mechanism (SSM).
–	Develops supervisory methodologies for assessing capital adequacy, securitisation and covered bond risks, as well as for carrying out the Supervisory Review and Evaluation Process (SREP).

–	Adopts the regulatory framework for the supervision of credit and financial institutions.
–	Assesses the internal control systems of supervised entities, including risk management and compliance systems.
–	Supervises transparency in banking procedures and transactions.
–	Analyses the financial statements and supervisory data of credit institutions and other financial institutions.
–	Identifies vulnerabilities and assesses risks for the banking sector.
–	Recommends the imposition of administrative sanctions that the Bank of Greece may impose on supervised entities.
–	Develops supervisory methodologies and issues guidance and other documentation for the identification, monitoring and management of crises, as well as environmental, social and governance (ESG) issues.
–	Monitors and manages supervisory quality assurance issues.
Financial Stability Directorate	
–	Monitors and evaluates systemic risks to financial stability stemming from all sectors of the financial system (banking sector, insurance undertakings, financial institutions, financial markets).
–	Formulates the strategy and the regulatory framework of macroprudential policy in Greece and implements it through appropriate macroprudential policy measures.
–	Supervises, in cooperation with the competent supervisory directorates and irrespective of the type of supervised institution, specialised matters relating to the regulatory framework for digital financial services, as well as digital financial services that make use of financial technology (FinTech), artificial intelligence and innovation more broadly.
–	Oversees payment systems and payment instruments, as well as securities settlement systems and central counterparties, with a view to ensuring their reliability and reducing systemic risk.
–	Publishes a biannual Financial Stability Review analysing the risks and resilience of the financial system.
–	Conducts stress tests at both micro- and macroprudential level.
–	Assesses the internal models of credit institutions and participates in relevant on-site inspections.
Resolution Unit	
–	Assesses the situation of credit institutions for the purpose of determining whether the application of resolution measures is warranted.
–	Takes all necessary actions for the Bank of Greece to exercise its powers as resolution authority under Article 2 (“Recovery and resolution of credit institutions and investment firms”) of Law 4335/2015.
–	Submits recommendations to the competent body, i.e. the Resolution Measures Committee.
–	Takes the necessary actions arising from participation in the Single Resolution Mechanism (SRM).
–	Submits reporting templates for resolution purposes.
–	Implements actions provided for under Article 145B of Law 4261/2014.

Source: Bank of Greece.

As at December 2025, the Bank of Greece employs a total of 336 staff members engaged in prudential supervision and resolution, distributed across the competent Supervisory Business Units as shown in the chart below.

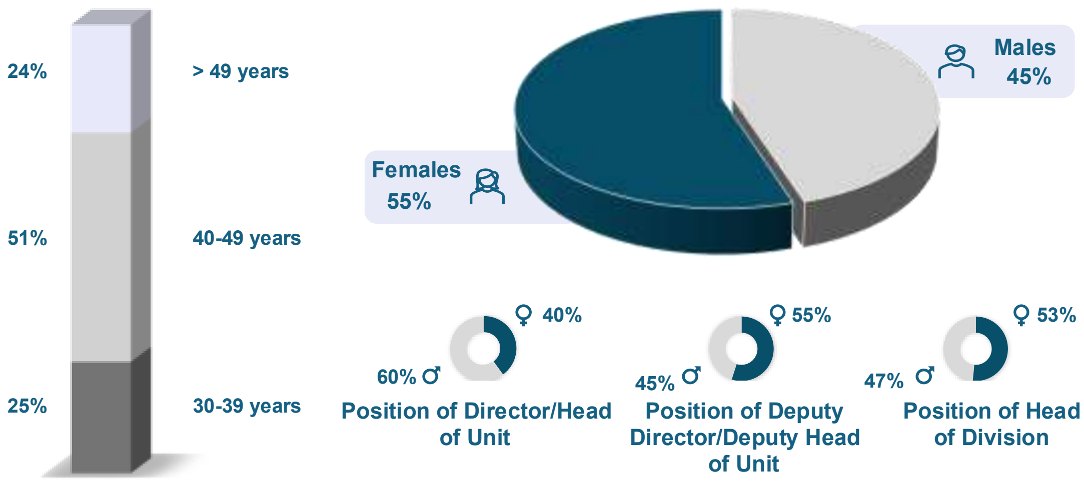
Chart 1
Headcount of the Supervisory Business Units



Source: Bank of Greece.

The following figures present the age and gender composition of staff in the Supervisory Business Units in 2025.

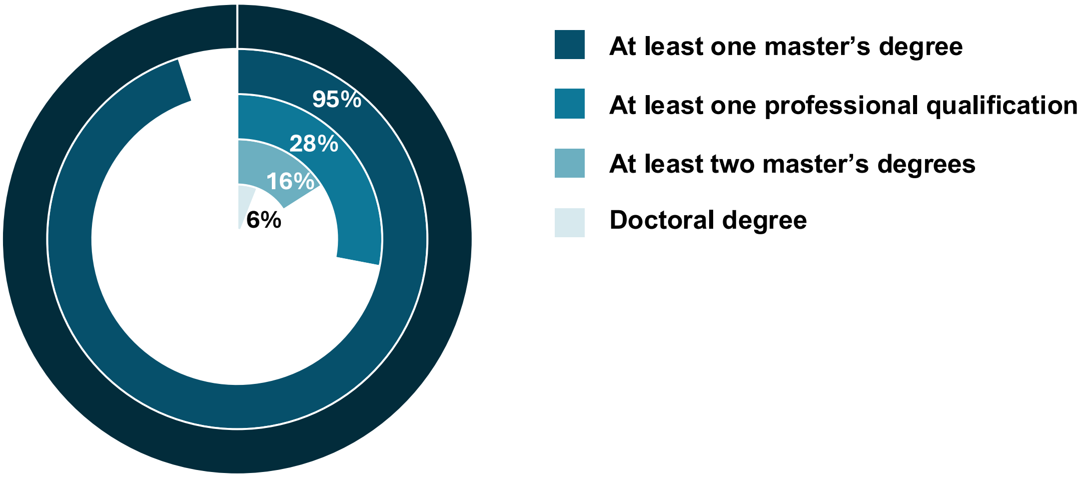
Chart 2
Age and gender composition of the Supervisory Business Units



Source: Bank of Greece.

Of the staff in the Supervisory Business Units, 95% hold at least one master’s degree, while 16% hold a second master’s degree. Furthermore, 6% of staff hold a doctoral degree, while 28% hold at least one professional qualification (e.g. ACCA, CFA, FRM, CIA).

Chart 3
Academic studies and professional qualifications of the Supervisory Business Units' personnel



Source: Bank of Greece.

Competent decision-making bodies

The competent decision-making bodies for matters of prudential supervision are the Executive Committee and the Credit and Insurance Committee of the Bank of Greece. The bodies responsible for resolution matters are the Executive Committee and the Resolution Measures Committee. Decisions in the context of the exercise of the Bank of Greece's macroprudential mandate are taken by the Executive Committee and the Financial Stability Committee.

Executive Committee

Pursuant to Article 55A of its Statute, the powers of the Bank of Greece in prudential supervision are exercised by Executive Committee Acts (ECAs) or by bodies empowered by it to that effect. The Executive Committee is composed of the Governor and the Deputy Governors.

Credit and Insurance Committee

As a body authorised by the Executive Committee, in accordance with ECAs 1/20.12.2012 (Government Gazette B 3410) and 52/2.10.2015 (Government Gazette B 2312), the Credit and Insurance Committee issues regulatory and individual decisions and recommendations of the Bank of Greece in the exercise of its supervisory powers. These concern, among other things, the granting and withdrawal of authorisations, the operational requirements for supervised institutions, the adoption of measures, as well as the imposition of sanctions on legal and natural persons.

The Committee is composed of the Governor of the Bank of Greece as Chair, one Deputy Governor (who does not participate in the Resolution Measures Committee), the Director General of Prudential Supervision, as well as the Directors of five Directorates[1].

[1] Banking Supervision Directorate, Supervised Institutions Inspection Directorate, Occupational and Private Insurance Supervision Directorate, Financial Stability Directorate and Government Financial Operations and Accounts Directorate.

Resolution Measures Committee

The tasks of the Bank of Greece regarding the resolution of credit institutions are performed, as explicitly provided for under Article 55A of its Statute and Article 3 within Article 2 of Law 4335/2015, by its ECAs or its authorised bodies.

In this context, by ECAs 6/8.1.2013 (Government Gazette B 13) and 52/2.10.2015 (Government Gazette B 2312), the Resolution Measures Committee has been entrusted with issuing all the decisions and recommendations of the Bank of Greece as resolution authority. The Resolution Measures Committee is composed of the Deputy Governor to whom the Resolution Unit reports, the Director General of Monetary Policy and Financial Markets, the Head of the Resolution Unit and the Directors of three Directorates[2].

Financial Stability Committee

Pursuant to Bank of Greece ECA 254/3/19.1.2026, the Financial Stability Committee, as a body empowered by the Executive Committee, is responsible for issuing decisions in the context of exercising the Bank of Greece's macroprudential tasks under Article 55A of its Statute. Such decisions concern capital buffers and other macroprudential policy measures. In addition, the Committee is responsible for decision-making regarding emergency liquidity assistance as a means of safeguarding the stability of the financial system and, in this context, for determining the specific terms and conditions governing its provision. The Committee is composed of the Governor of the Bank of Greece as Chair, the two Deputy Governors, the Director General of Prudential Supervision, the Director General of Monetary Policy and Financial Markets, and the Directors of three Directorates[3].

Box 1.1

Supervisory fees for credit and financial institutions

The issuance of ECA 238/2/10.1.2025 of the Bank of Greece, entitled "Determination of supervisory fees payable by credit and financial institutions to cover the Bank of Greece's supervisory expenses pursuant to Article 147 of Law 4261/2014" (see link, available in Greek) introduced the imposition of supervisory fees by the Bank of Greece on supervised institutions in order to cover the annual cost of supervision. The provisions of the Executive Committee Act apply to:

(a) credit institutions having their head office in Greece,

(b) financial institutions having their head office in Greece, and

(c) branches of credit institutions having their head office in a third country operating in Greece.

The cost of supervision forms the basis for calculating the supervisory fees applicable to each category of institution and comprises the cost of the Bank of Greece's Supervisory Functions in respect of the exercise of direct supervision, the cost of cooperating with and assisting the ECB and acting on its instructions.

The categories of supervisory fees imposed are:

[2] Statistics Directorate, Financial Operations Directorate and Payment and Settlement Systems Directorate.
[3] Financial Operations Directorate, Financial Stability Directorate and Banking Supervision Directorate.

(i) annual supervisory fees, which are variable and are calculated on an individual, sub-consolidated or consolidated basis, depending on the level at which supervision of the institutions is exercised, and

(ii) application assessment fees, which are fixed and apply in cases related to the authorisation of a new institution, the amendment of the services provided or the exemption of services falling within the scope of Article 3 of Law 4537/2018.

The allocation of the cost of supervision for the purpose of determining the annual supervisory fee payable by each supervised institution is carried out using fee factors based on data as at 31 December of the reference period[1], as reported by the institutions for prudential supervisory purposes at the highest level of supervisory consolidation. The Executive Committee Act sets out, inter alia, the methodology for calculating the annual supervisory fee, the amounts of the application assessment fees, as well as the notification and payment procedure.

The Executive Committee Act has applied since 1 January 2026.

For the first application, credit and financial institutions are required to cover 80% and 60%, respectively, of the relevant supervisory cost for the year 2025, in accordance with the provisions of the Executive Committee Act. These percentages will increase to 100% and 80%, respectively, within a three-year period.

[1] Calendar year to which the annual supervisory fees relate and which precedes the fee imposition period.

1.3 SUPERVISORY PRIORITIES 2026-2028

The Bank of Greece sets its supervisory priorities on an annual basis for the coming years, with the aim of effectively fulfilling its supervisory role. These priorities cover all supervised institutions. When setting priorities, the macroeconomic outlook, regulatory changes as well as the level of institutions' risk on a consolidated and on an individual basis, are taken into consideration.

With regard to Significant Institutions (SIs), the supervisory priorities of the Bank of Greece are aligned with the priorities of the Single Supervisory Mechanism (SSM). At the same time, the results of the Supervisory Review and Evaluation Process (SREP), as well as progress made in relation to the priorities of previous years are taken into account. The supervisory priorities are based on an analysis of the key risks and challenges that credit institutions are expected to face. Based on this analysis, the main aspects of supervisory intervention are defined and the corresponding supervisory activities are specified.

In the context of the assessment of the main risks and challenges of the SIs, their prospects remain positive, amidst an environment of increased geopolitical and macroeconomic uncertainty. Potential impacts arising from geopolitical and macroeconomic developments require institutions to enhance their resilience, with particular emphasis on maintaining adequate capitalisation, strengthening risk management frameworks – including the integration of climate-related risks – and reinforcing operational resilience and technological infrastructure. This can be achieved through the implementation of robust operational risk frameworks, enhanced risk reporting mechanisms and digital transformation strategies, including the responsible adoption of artificial intelligence.

The supervisory priorities for the 2026-2028 three-year period focus on the following areas:

- Credit Risk: The evaluation of credit risk management remains a priority, with emphasis on new lending and on ensuring that the relevant credit policies comply with the regulatory framework and the supervisory guidelines. The credit institutions' strategic objective is to expand their lending activities, primarily through the financing of large corporates and participation in international syndicated loans. Emphasis will therefore be placed on monitoring concentration risk. A further key supervisory priority is the evaluation of the restructuring solutions offered by the credit institutions, especially on retail loan portfolios with step-up repayment features, fixed instalments and variable interest rates, as the Greek credit institutions work towards replacing existing products with new restructurings. Finally, supervision will continue focusing on reducing NPLs and the foreclosed assets.
- Business Model: Supervision focuses on the evaluation of the credit institutions' business plans and the monitoring of their implementation, focusing on the loan pricing policies. A central priority is also the monitoring of the operational integration and the migration of IT systems of credit institutions that have undergone mergers and acquisitions, both in the domestic market and in foreign markets.
- Internal Governance: The focus of supervisory attention remains on the effectiveness, the collective suitability and the succession planning of Boards of Directors and their committees. Supervision focuses also on the evaluation of the Internal Control Function, as well as of the Risk Management framework and the corrective measures relating to Regulatory Compliance. Furthermore, supervision will also focus on the processes for defining and monitoring risk appetite levels, as well as on the framework for embedding institutions' risk culture.
- ICT Risks and Cybersecurity: Enhancing the management and the control environment for ICT risk remains at the forefront of supervisory attention. Supervisory activities will encompass strengthening digital resilience, ICT risk management mechanisms and the effectiveness of measures implemented to safeguard systems against cyber threats. This will include, inter alia, the assessment of compliance with the requirements of the DORA regulation, including digital operational resilience testing and the management of risks associated with third-party providers of critical ICT services. Supervisory assessment will also cover the sound management of ICT change risks arising from significant changes to critical systems, such as the replacement of core banking systems or system consolidations resulting from mergers.

Figure 2
Supervisory priorities for the SIs for the period 2026-2028

Priority 1: Strengthening banks' resilience to geopolitical risks and macro-financial uncertainties

Ensure prudent risk-taking and sound credit standards	Credit risk
Ensure adequate capitalisation and consistent implementation of CRR III	Multiple risk categories
Ensure prudent management of climate and nature-related risks	

Priority 2: Strengthening banks' operational resilience and fostering robust ICT capabilities

Implement robust and resilient operational risk management frameworks	Operational risk
Remedy deficiencies in risk reporting capabilities and related information systems	Governance
Medium to long-term priority strategy focusing on banks' digital and, in particular, AI-related strategies, governance and risk management	Multiple risk categories

Source: European Central Bank.

For Less Significant Institutions (LSIs), the Bank of Greece sets its supervisory priorities in a similar manner, taking into account the macroeconomic environment, the risks and vulnerabilities of LSIs, as well as the annual priorities of the SSM.

The supervisory priorities for the 2026-2028 three-year period focus on the following areas:

- Credit Risk: Greek LSIs have exhibited significant credit expansion rates in recent years. Although credit expansion is important for LSIs in order to increase their profitability and ensure the viability and sustainability of their business model, it should be carried out with the adoption of sound credit criteria and practices. In this context, the Bank of Greece systematically monitors the implementation of LSIs' credit granting policies, focusing on those LSIs with the highest credit expansion rates. It is further noted that there are still LSIs with considerably high NPL ratios, despite the reduction in NPL ratios of LSIs and the significant improvement in asset quality of the Greek LSI sector. In accordance with ECA 252/2/19.12.2025, the Bank of Greece has requested specific LSIs to draft and implement operational plans for the reduction of NPL ratios and systematically monitors their implementation.
- Business Model: The prospects of the global economy are becoming increasingly uncertain considering the heightened geopolitical tensions and the disruptions in international trade. The uncertainty around the Middle East developments and the potential persistence of increased energy prices constitute downside risks for both the Greek and the euro area economy. Considering the above, the Bank of Greece closely monitors the implementation of credit institutions' business plans, focusing in particular on their exposure to sectors such as transport, manufacturing (mainly energy-intensive sectors, such as the chemical industry), construction and the agricultural sector (which is under pressure from increased

fertiliser prices) – all of which are considered vulnerable in the event of continued geopolitical tensions and persistently elevated energy prices. Particular emphasis is placed on monitoring the implementation of capital strengthening plans by banks with high NPL ratios.

- Internal Governance: The further upgrade of the quality of corporate governance of LSIs remains a supervisory priority for the Bank of Greece. In this context, the Bank of Greece has requested LSIs to strengthen critical control functions (such as Risk Management and Internal Audit), to adopt best corporate governance practices and to draft, update and implement internal governance policies. Furthermore, the Bank of Greece will conduct a horizontal analysis in 2026 of LSIs' remuneration policies and procedures and will review their compliance with the supervisory framework and their impact on the LSIs' risk profile.
- ICT and Security Risks: Monitoring of credit institutions' actions regarding their compliance with the requirements of the DORA Regulation on the Digital Operational Resilience of the Financial Sector, with emphasis on the implementation of testing and management of critical third-party ICT service providers, the strengthening of cybersecurity mechanisms and the enhancement of effective ICT risk management by the third line of defence (internal audit).

With regard to the resolution of credit institutions, the supervisory priorities of the Bank of Greece are fully aligned with those of the Single Resolution Board (SRB). The implementation of the SRB's strategy "SRM: Vision 2028"[4], which outlines its priorities for the next period with the overarching aim of ensuring financial stability, focuses on enhancing the banking sector's preparedness for effective crisis management, assessing alternative resolution tools beyond the bail-in tool, as well as conducting testing exercises to ensure that credit institutions are adequately prepared should resolution measures be required.

Against this background, credit institutions are expected to enhance their resolvability, particularly with regard to the implementation of variant strategies, by assessing the feasibility of the separation and transfer of assets and liabilities, in line with the SRB's guidance. At the same time, credit institutions are expected to strengthen their infrastructure and processes, with emphasis on upgrading their Management Information Systems (MIS), so as to ensure timely production of reliable data required for valuations and decision-making in the context of resolution measures' implementation.

At the same time, credit institutions will further strengthen their operational preparedness through dry-run exercises. In particular, during 2026, emphasis will be placed on testing the procedures for the bail-in tool implementation as well as internal loss transfer mechanisms. At a subsequent stage, testing will focus on critical areas, such as liquidity, MIS and the separability and transferability of assets and liabilities.

The supervisory priorities regarding the supervision of Financial Institutions – such as Payment Institutions, Third-Party Payment Service Providers and Electronic Money Institutions – focus on the adequacy of governance and internal control systems, the safeguarding of payment service users' funds, the adequacy of own funds and the management of outsourcing arrangements. In addition, particular emphasis is placed on the management of ICT and cybersecurity risks and on the implementation of the requirements of the DORA Regulation by supervised institutions. Furthermore, it will be a supervisory priority to monitor the institutions' projects that entail significant changes to their critical systems. At the same time, the optimisation of the

[4] Single Resolution Board, SRM Vision 2028.

supervisory risk assessment tool for Payment Institutions and Electronic Money Institutions is being promoted, as well as the adaptation to the requirements arising from the imminent implementation of the new regulatory framework regarding payment services (Payment Services Directive 3, Payment Services Regulation).

The revision of the prudential supervisory framework through ECA 244/4/25.7.2025 further strengthened the supervisory powers of the Bank of Greece and introduced more stringent regulatory requirements for credit servicers, with a view to enhancing the sound functioning and resilience of the sector. A key supervisory objective remains the effective remediation of persistent weaknesses identified in credit servicers, particularly in the areas of corporate governance and systems for monitoring credit servicing activities. At the same time, efforts are focused on promoting transparency in the relationship between borrowers and credit servicers. Against this background, supervisory interventions focus on improving corporate governance frameworks, internal control functions and procedures for handling complaints and grievances, while particular emphasis is placed on mapping and assessing the companies' ICT risks, with a view to strengthening the mechanisms for preventing and managing such risks. In addition, the Bank of Greece, in cooperation with the Ministry of Economy and Finance, the Ministry of Justice and other competent authorities, has undertaken a series of initiatives aimed at facilitating more effective private debt management, while ensuring the proper and fair treatment of all debtors, with particular attention to those belonging to vulnerable social groups. These initiatives are subject to consultation with credit servicers.

In the field of digital finance, the Bank of Greece has prioritised the implementation of the provisions of Regulation (EU) 2023/1114[5], based on the methodology it has developed to fulfil the supervisory responsibilities assigned to it, under Law 5193/2025. In addition, a cooperation framework will be established with the Hellenic Capital Market Commission for the handling of applications concerning the provision of crypto-asset services or the issuance of crypto-assets, as well as for the supervision of the relevant service providers. The Bank of Greece will also issue Executive Committee Acts to supplement the secondary legislation adopted under the Regulation. Furthermore, with regard to the forthcoming Regulation on payment services[6], which is expected to be published in its final form during 2026, the Bank of Greece will participate, in the context of the work of the European Banking Authority, in the development of the relevant secondary legislation governing the obligations of Payment Service Providers in relation to Open Banking.

The Bank of Greece, taking into account developments in the insurance sector, as well as current strategic supervisory priorities set at the EU level, is strengthening its supervisory approach to make it more timely, flexible and risk-oriented. The objective is to ensure the stability and resilience of insurance undertakings, as well as to enhance policyholder confidence, in an environment of increasing geopolitical, technological and environmental challenges.

The main supervisory actions for the 2026-2028 period include:

- Assessment of the implementation by insurance undertakings of a reasonable value-for-money approach in insurance products, including evaluation of the adequacy of benefits

[5] Regulation (EU) 2023/1114 of the European Parliament and of the Council of 31 May 2023 on markets in crypto-assets, and amending Regulations (EU) No 1093/2010 and (EU) No 1095/2010 and Directives 2013/36/EU and (EU) 2019/1937.
[6] Proposal for a Regulation (EU) on payment services in the internal market and amending Regulation (EU) No 1093/2010.

and product performance in relation to costs, with a focus on life insurance products linked to investments or indices, using cost and performance benchmarks based on the methodology applied at European level[7].

- Transition to a more mature and dynamic supervisory framework through adaptation to the regulatory framework resulting from the transposition of the revised Solvency II Directive, in the areas of Solvency Capital Requirement, governance and risk management. In this context, the Bank of Greece aims to strengthen prudential and risk-based supervision, with a focus on the timely identification and monitoring of emerging risks, such as climate and environmental, geopolitical, as well as technological and cyber risks, which require enhanced operational resilience.
- Strengthening the data collection and analysis process, to enable more effective and consistent monitoring of insurance undertakings' compliance with the regulatory framework. This includes the further development and use of quantitative and qualitative data, to support risk profile assessment and prioritisation of supervisory actions, to enhance comparability, transparency and targeted supervisory intervention.
- Further refinement of the supervisory approach for assessing insurance undertakings' governance system, in light of the proportionality measures of the revised Solvency II framework, focusing on the fitness and propriety of management, key functions and internal control and risk management systems, while also addressing the link between strategic planning and evidence-based risk analysis.
- Assessment of the ESG indicator recording and reporting framework for supervisory and strategic purposes, aiming to strengthen the integration of sustainability into risk governance and improve the quality and comparability of related information. This includes an examination of the presence and extent of Green and Sustainable Investments within the largest insurance undertakings and the degree to which these are embedded in their investment strategies.
- Assessment of operational risks, with a particular focus on ICT and cybersecurity risks, as well as risks arising from ICT outsourcing arrangements, in line with Regulation (EU) 2022/2554 (Digital Operational Resilience Act – DORA).
- Preparation for the implementation of the Insurance Recovery and Resolution Directive, providing a framework for the recovery and resolution of insurance and reinsurance undertakings, including support for its effective transposition into national legislation.

The assessment of compliance of supervised institutions with the obligations arising from the Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT) institutional framework remains a key priority for the Bank of Greece in the coming years. The adoption of the European Anti-Money Laundering Regulation (AMLR) and the establishment of the European "Anti-Money Laundering Authority (AMLA)" constitute the key pillars of the transition towards a robust and uniform European regulatory and supervisory framework. AMLA commenced its operations in 2025 and is expected, over a three-year period, to reach full staffing levels, develop its Information Technology (IT) infrastructure and issue its regulatory and implementing technical standards, with a view to becoming fully operational by 1 January 2028, when it will assume direct supervision of 40 financial institutions.

[7] See link.

For the period 2026-2028, the Bank of Greece has set the following priorities:

- active participation in AMLA's activities, in which it represents all national supervisory authorities, contributing to the development of the single European regulatory and supervisory framework, through the issuance of regulatory/implementing technical standards and guidelines (indicatively, 24 regulatory instruments are expected to be issued within 2026);
- smooth transition to AMLA's supervisory environment and implementation at the national level of the new European supervisory ML/TF risk assessment methodology in close co-operation with supervised institutions;
- strengthening supervisory dialogue and providing guidance to supervised institutions throughout the transition to the new regulatory framework, with the entry into application of the AMLR on 10 July 2027 serving as a key milestone;
- intensifying supervision and on-site inspections regarding supervised institutions' procedures and systems for the ongoing monitoring of their customers' transactions, so as to enable the more effective detection and investigation of suspicious transactions and the submission of reports to the Hellenic Anti-Money Laundering Authority.

Finally, with regard to macroprudential policy, the improvement in the fundamentals and supervisory indicators of the banking sector creates a favourable environment for the creation of adequate macroprudential space that will ensure the stability of the financial system in the medium term.

Box 1.2

Results of the International Monetary Fund's Financial Sector Assessment Program for the Bank of Greece

The Financial Sector Assessment Program (FSAP), established in 1999, is an in-depth assessment of a country's financial sector by the International Monetary Fund (IMF). In advanced economies, FSAPs are conducted by the IMF with a focus on assessing the resilience of the financial sector, the quality of the regulatory and supervisory framework, and the ability to manage and resolve financial crises. This is Greece's second assessment, following the one conducted in 2006 (see link).

The main conclusions of the assessment can be summarised as follows:

- Short-term risks to financial stability, as assessed prior to the start of the crisis in the Middle East, are limited and remain manageable.
- Significant Institutions (SIs) are well capitalised, highly liquid and resilient under stress scenarios.
- The Bank of Greece enjoys strong independence and applies high standards of supervision, while the authorities have learned from previous crises and are well prepared for future shocks.
- The Bank of Greece's approach to the supervision of Less Significant Institutions (LSIs) is thorough, systematic and intrusive.

- The Bank of Greece has taken a proactive approach to systemic risk and macroprudential issues.

The key recommendations to the Bank of Greece, as the competent micro- and macroprudential authority, as well as the resolution authority, are as follows:

1. to further enhance the monitoring of large exposures to support the early identification and timely mitigation of potential risks in the context of systemic risk assessment;
2. to continue to prioritise governance and the management of non-performing loans (NPLs) in LSIs, and to heighten governance requirements for larger and higher-risk LSIs;
3. to strengthen the arrangements for the supervision of credit servicers by requiring the regular submission of updated business plans and annual performance reports, as well as by introducing public and market transparency requirements;
4. to prepare for the possible application of a combination of resolution tools and ensure readiness to implement resolution for LSIs, should this become necessary;
5. to strengthen the use of quantitative methodologies for calibrating the positive neutral countercyclical capital buffer, so as to ensure the adequacy of releasable buffers, and to develop internal stress scenarios for macroprudential purposes, thereby enabling more flexible and targeted assessments of macroprudential risks and the adoption of appropriate policy measures.

2. MICROPRUDENTIAL SUPERVISION

2.1 SUPERVISION OF CREDIT INSTITUTIONS

Regulatory framework

The main European framework on the supervision of credit institutions consists of:

- Directive 2013/36/EU (Capital Requirements Directive – CRD[8]) on access to the activity of credit institutions and prudential supervision, as transposed into Greek law by Law 4261/2014;
- Regulation (EU) No 575/2013 (Capital Requirements Regulation – CRR[9]) on prudential supervision requirements;
- Regulation (EU) No 1024/2013 on the tasks of the European Central Bank concerning prudential supervision (SSM Regulation); and
- Regulation (EU) No 468/2014 of the ECB on cooperation within the SSM (SSM Framework Regulation).

The Single Supervisory Mechanism

The Single Supervisory Mechanism (SSM)[10] comprises the European Central Bank (ECB) and the National Competent Authorities (NCAs) of the euro area Member States, as well as those EU Member States that choose to participate.

Significant and Less Significant Institutions

Within the framework of the SSM, credit institutions are classified as “Significant Institutions” (SIs) and “Less Significant Institutions” (LSIs), according to the criteria set out in the SSM Regulation:

- SIs: They are directly supervised by the ECB through Joint Supervisory Teams (JSTs), which are composed of staff from the ECB and the NCAs.
- LSIs: They are directly supervised by the NCAs and, therefore, in Greece by the Bank of Greece. The ECB oversees the system with a view to ensuring that the supervisory activities of the NCAs adhere to high supervisory standards and are applied consistently.

The supervision of credit institutions

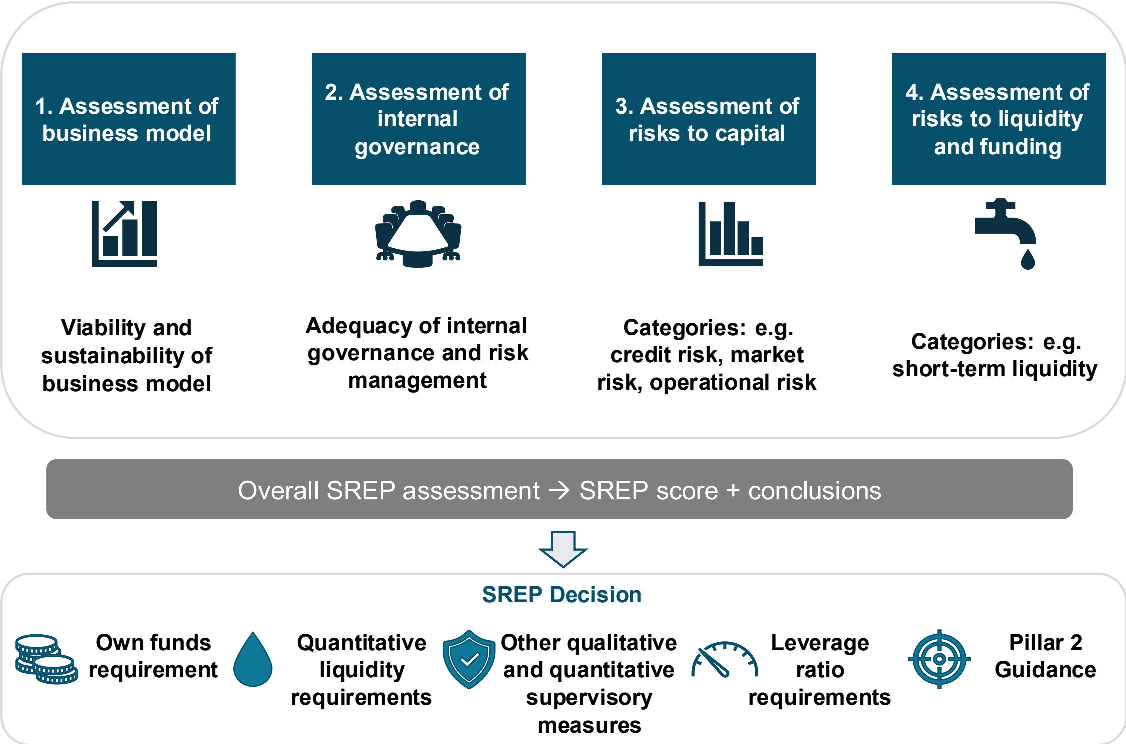
The supervision of SIs and LSIs is ongoing and comprises supervisory activities carried out both remotely (off-site supervision), e.g. through the Supervisory Review and Evaluation Process (SREP), thematic reviews and horizontal activities, and through on-site inspections at the institutions’ premises.

[8] Last amended by Directive 2024/1619 (CRD VI).
[9] Last amended by Regulation 2024/1623 (CRR III).
[10] It constitutes one of the three pillars of the European Banking Union, alongside the Single Resolution Mechanism (SRM) and the European Deposit Insurance Scheme (EDIS).

Supervisory Review and Evaluation Process

The SREP is an important annual process that assesses the risks faced by credit institutions and examines their ability to manage them effectively. The objective is to consistently assess the risk profile of each bank and adopt the necessary supervisory measures. The SREP concludes with a Supervisory Decision imposing additional capital requirements, as well as quantitative or qualitative supervisory measures and recommendations.

Figure 3
Supervisory Review and Evaluation Process (SREP)



Source: European Central Bank.

On-site inspections

On-site activities include on-site inspections, which provide an in-depth analysis of a credit institution's condition, focusing on specific risk areas. On-site supervision also encompasses internal model investigations, which assess the extent to which the internal models used by credit institutions to calculate capital requirements comply with the regulatory framework. The findings of on-site inspections constitute a valuable input for the assessment of credit institutions' risks within the context of the SREP. Based on these findings, the Joint Supervisory Teams (JSTs) issue specific supervisory recommendations to credit institutions to address any weaknesses or deficiencies identified and monitor their implementation.

Stress testing exercises

The supervisory authorities conduct stress tests to assess the resilience of credit institutions to financial and economic shocks, as well as to measure a particular risk under adverse scenarios. For SIs, this includes the annual supervisory stress tests[11], which serve as input to the SREP. In this context, stress tests are carried out to assess the solvency of institutions as part

[11] Article 100 of the CRD.

of the EU-wide exercises coordinated every two years by the European Banking Authority (EBA). In the years when no EU-wide exercise takes place, the ECB conducts thematic stress tests focusing on specific supervisory priorities. With regard to LSIs, the Bank of Greece conducts stress tests at regular intervals.

Common procedures

The Bank of Greece cooperates with the ECB in the common procedures concerning SIs and LSIs. These include the granting and withdrawal of banking authorisations, as well as the approval of the acquisition or increase of a qualifying holding in a credit institution. The Bank of Greece assesses the relevant applications and submits proposals to the ECB, which takes the final decision.

Covered bonds and securitisations

The Bank of Greece is the competent authority for the authorisation and supervision of the issuance of covered bond programmes by credit institutions having their head office in Greece. In addition, with regard to Regulation (EU) 2017/2402 on securitisations, the Bank of Greece is responsible for the supervision of the specific framework for simple, transparent and standardised (STS) securitisations where the issuer (or sponsor in the securitisation) is a credit institution or another institution under its supervision and, in the case of LSIs, for supervising compliance with Articles 6 to 9, which apply to all securitisations. Finally, for LSIs, the Bank of Greece is responsible for the recognition and supervisory assessment of significant risk transfer in a securitisation under Regulation (EU) No 575/2013.

Supervised credit institutions

In 2025, the Bank of Greece supervised the categories of institutions listed in Table 2:

Table 2
Number of credit institutions operating in Greece (31.12.2025)

Greek SIs	4
Greek LSIs	8
Branches of credit institutions with their head office outside the EU	2
Branches of credit institutions with their head office in an EU Member State	19

Source: Bank of Greece.

2.1.1 Supervision of Significant Institutions

The Significant Institutions in the year 2025

Despite the prevailing geopolitical uncertainty, the Greek banking sector remained resilient in 2025. The organic profitability of Greek SIs remained high, primarily driven by the net interest and fee income, while the efficiency ratios remained at satisfactory levels. As a result, the SIs capital positions improved, maintaining substantial buffers over the minimum regulatory thresholds. Against this backdrop, SIs proceeded in 2025 with increased dividend distributions compared to the previous financial year, confirming the banking sector’s transition to normalised conditions. At the same time, credit expansion continued, focusing primarily on large corporates and specifically on the financing of large-scale infrastructure and construction projects. In this area, SIs met or exceeded their targets, supported also by increased demand for lending under the Recovery and Resilience Facility (RRF). The small and medium-sized enterprises sector also contributed significantly. Household lending recorded positive growth for the first time in many years, mainly due to subsidised initiatives (such as the “My Home 1” and “My Home 2” programmes under the RRF) as well as by the SIs’ own initiatives. Asset quality further improved, converging further towards the European average. Liquidity remains satisfactory, as deposits rise and credit institutions now have full access to capital markets, while upgrades of the sovereign credit rating of Greece and those of the banking groups have led to reduced funding costs. Finally, Greek SIs undertook a series of strategic investments both in the domestic market and abroad, aiming to enhance their profitability and diversify their revenue sources. In 2025, the legal merger of two foreign subsidiaries belonging to a domestic SI was also completed, alongside the acquisitions in the financial and insurance sectors of the domestic market.

Off-site supervision

As a result of the Supervisory Review and Evaluation Process (SREP) for 2025, Pillar 2 capital requirements were reduced, on average by 11 basis points, for all four SIs[12]. Additionally, the 2025 SREP letters maintained the common supervisory requirement for the four SIs to obtain supervisory approval prior to dividend distribution.

Other supervisory measures focused primarily on:

- credit risk management, with emphasis on the management of non-performing loans (NPLs) in specific portfolios;
- restructuring of retail loans with step-up, fixed-instalment and variable-rate characteristics, through sustainable and long-term solutions, as well as monitoring of the relevant implementation plans;
- Information and Communication Technology-related weaknesses;
- operational resilience and IT infrastructure, including, inter alia, digital transformation programmes.

In addition to the SREP, the Joint Supervisory Teams (JSTs) carried out targeted supervisory activities in 2025. More specifically:

- **Profit Distribution**: The dividend policies of credit institutions and requests for dividend distribution were assessed. In addition, requests relating to share buyback programmes in the context of remuneration policy were examined.
- **Business Model**: The three-year business plans of credit institutions were assessed with regard to the viability and future sustainability of their business models, with a focus on: strategies for diversifying profitability sources and the potential to enhance their efficiency; further reduction of operating costs; and their resilience to external shocks and ability to adapt to structural changes.
- **Credit Risk**: Focus was placed on retail loan portfolios with step-up characteristics, fixed instalments and variable interest rates, with the Joint Supervisory Teams (JSTs) conducting in-depth reviews of: forbearance policies and procedures; methods for assessing the viability of forbearance measures; the timely provision of alternative, sustainable

[12] See link.

forbearance solutions, while limiting the offering of products with step-up characteristics, as well as monitoring processes for assessing their efficiency and effectiveness. Furthermore, in the context of evaluating the adequacy of provisions, the JSTs examined the corresponding IFRS 9-based provisioning models, assessed findings arising from related on-site inspections, issued compliance recommendations and are monitoring the SIs' action plans. A similar JST assessment was carried out with respect to the actions taken by the SIs to address findings from on-site inspections in commercial real estate lending portfolios or business loans secured by commercial real estate. In the context of assessing risks arising from assets acquired by SIs through foreclosure (real estate owned), their plans to reduce exposure to such assets were assessed, as well as the characteristics of SI transactions aimed at reducing the related risk. Finally, a detailed assessment was conducted of IFRS 9 Stage 2 loans (i.e. loans with a significant increase in credit risk) and, in particular, on the adequacy of their provisioning coverage.

- **Market Risk**: The framework for the identification and management of these risks was assessed, with a focus on the definition of the trading book perimeter, as well as the corporate governance and adequacy of the relevant market risk measurement models. In addition, the risks arising from valuation/pricing were assessed, along with the internal control mechanisms for market risk, with emphasis on the organisation and effectiveness of the internal validation unit, the internal audit unit and the limit-setting framework for market risk.
- **Corporate Governance**: A thematic review was conducted regarding the functioning of the Compliance function. Furthermore, the actions taken by credit institutions in response to findings from previous thematic reviews and on-site inspections were assessed in relation to the collective suitability of the Board of Directors (BoD), remuneration policies and procedures, the risk management unit, the internal audit unit and risks related to data aggregation and reporting.
- **Interest Rate Risk**: A detailed assessment was carried out for option risk in the banking book, arising from prepayment risk, early repayment risk and fixed-rate loans. In addition, assessments were conducted on unrealised losses in the banking book, the perimeter relating to credit spread risk in the banking book, as well as the adequacy of limit-setting within the risk appetite framework. The JSTs assessed the actions taken by the SIs to address the findings arising from the thematic review on Asset and Liability Management (ALM).
- **Operational Risk**: Particular emphasis was placed on the management of legal costs. In addition, an extensive assessment of the framework governing operational resilience was conducted, while the reputational risk monitoring and management framework was also examined. The JSTs analysed losses incurred by the SIs related to external fraud, employment practices, workplace safety and business operation disruptions. Furthermore, the operational risk governance framework was assessed, along with risks arising from outsourcing arrangements, with regard to concentration in service providers, criticality of outsourced services and related monitoring and control procedures of SIs. Regarding ICT and Security Risk, the JSTs focused on areas such as security risk, availability and business continuity risk, ICT change risk, ICT data integrity risk, ICT governance and risk management, as well as ICT operations, including incident management and information security management. The SIs' remediation action plans in response to findings from the ECB's cyber resilience stress test were also assessed. A significant part of the assessment covered operational resilience and the actions taken by credit institutions to achieve full compliance with the

DORA Regulation, with particular focus on the implementation plan for any outstanding actions. Finally, a horizontal assessment was conducted across all Payment Service Providers regarding the application of Regulation (EU) 2018/389 in relation to Application Programming Interfaces (APIs) and procedures for embedding payment cards into digital wallets, with particular emphasis on compliance with Strong Customer Authentication (SCA) obligations.

- **Liquidity Risk**: The assessment by the JSTs focused on the actions taken by credit institutions to address findings arising from on-site inspections and thematic reviews conducted in previous years, as well as on the assessment of the level of short-term liquidity and the sustainability of funding sources of SIs.
- **Climate Risk**: Regarding climate and environmental risks, emphasis was placed on the weaknesses related to their integration into the Internal Capital Adequacy Assessment Process (ICAAP), as well as into stress testing exercises. The weaknesses had been identified in the context of both previous SREP cycles and the thematic review conducted by the ECB in 2022.
- **Recovery Plans**: Recovery plans[13] were assessed, with emphasis on their governance, financial condition indicators, stress scenarios and available recovery strategies. The process was carried out in cooperation with the Single Resolution Board (SRB). Furthermore, in the context of cooperation with supervisory authorities of third countries outside the SSM, their supervisory teams were requested to provide their opinion on the recovery plans of material legal entities of Greek SIs operating in those countries. The results were discussed in the college of supervisors[14] and the relevant joint decisions were issued.
- **Cooperation with Other Supervisory Authorities**: Supervisory visits were held with the management bodies of Greek banking groups' subsidiaries within the SSM, where the JSTs cooperated with local supervisory authorities for the exchange of information and the strengthening of supervision. For subsidiaries beyond the SSM's remit, colleges of supervisors were organised with the relevant supervisory authorities. Finally, meetings were held for the exchange of information and the discussion of supervisory matters with the relevant SRB teams within the framework of the Single Resolution Mechanism (SRM) cooperation.

On-site inspections

The on-site inspections of SIs constitute a key prudential supervision tool and the need to conduct them is determined by the JST, based on the overall supervisory strategy, the Supervisory Examination Programme and the credit institution's characteristics. The annual inspection programme for the four Greek SIs, which covers the inspections to be carried out in the upcoming year, is developed through close cooperation between the Bank of Greece and the relevant SSM[15] units, while it is approved by the Supervisory Board of the ECB.

On-site inspections at SIs may be conducted either exclusively by inspectors from the Bank of Greece or in collaboration with inspectors from the SSM and/or other NCAs, in which case

[13] A recovery plan is a strategic plan prepared by credit institutions to restore their financial position and liquidity under stress scenarios.
[14] A college of supervisors is a group comprising supervisors from the country in which a credit institution has its head office and from the countries in which it operates. Its purpose is to facilitate the exchange of information and promote a better understanding of the credit institution's risk profile.
[15] These are the JSTs and the Divisions of the ECB's Directorate General On-site and Internal Model Inspections (DG OMI).

they are characterised as mixed-team missions. If the Head of Mission is an inspector from the ECB or from a supervisory authority of a country other than the home country of the credit institution, the inspection is characterised as a cross-border mission. The inspection team may be supported by external consultants, when deemed necessary. The Head of Mission and the team members are appointed by the SSM. On-site inspections are conducted on the basis of the manuals developed by the SSM, which cover, among others, topics such as the composition of inspection teams, preparation and organisation of an inspection, proposed timetable for each inspection stage, analytical methodology (per risk area) for the conduct of inspections, as well as guidelines for the drafting of reports.

On-site inspections in 2025

During 2025, nine inspections were conducted at Greek SIs, focusing on credit risk, internal governance, counterparty credit risk (CCR), interest rate risk in the banking book, as well as ICT and security risk. Specifically, the inspections aimed at assessing:

- **credit risk models used for the calculation of collective provisions** in accordance with International Financial Reporting Standard (IFRS) 9;
- **processes of risk data aggregation and risk reporting** (BCBS 239, Risk Data Aggregation and Risk Reporting – RDARR), particularly with regard to credit risk data;
- **the operation of the compliance function**, focusing on the governance framework and compliance risk monitoring processes, the involvement in the new product approval process and the monitoring of outsourcing arrangements;
- **the counterparty credit risk management framework**, focusing on risk measurement methodologies and the management of related collaterals;
- **the framework for managing interest rate risk in the banking book (IRRBB)** and the methodologies for its measurement, and
- **ICT and security risk management.**

The above inspections[16] are presented in the following table, categorised by risk area. Of these, seven were led by Heads of Mission from the Bank of Greece, while two were led by

[16] Some of these inspections were carried out as part of an "on-site inspection campaign" under the SSM framework. These campaigns include inspections across different institutions and countries, overseen by a central coordinating team at the ECB level, with a harmonised scope and methodology, enabling the comparative analysis of the inspection results.

Heads of Mission from the ECB or another NCA.

Table 3
On-site inspections at SIs in 2025 per risk area

Risk areas	Number of inspections
Credit risk	3
Internal governance	2
Interest Rate Risk in the Banking Book	1
Counterparty Credit Risk	1
ICT and Security risk	2
Total inspections	**9**

Source: Bank of Greece.

In addition to the above inspections, during the first months of 2025, the final reports of three inspections initiated in late 2024, covering credit risk and internal governance, were completed and submitted to the supervised institutions. Finally, it should be noted that inspectors from the Bank of Greece participated in two cross-border inspections of significant institutions in the euro area, either as Heads of Mission or as members of the inspection teams.

Key findings of on-site inspections at Greek SIs

With regard to the **credit risk inspections**, weaknesses were identified through the assessment of the collective provisioning models and focused on the methodologies and assumptions incorporated into the calculation of risk parameters. In addition, the sample-based credit file review revealed deficiencies in the assessment of the risk classification of exposures, the identification of indicators of a significant increase in credit risk and data quality.

Regarding the **Risk Data Aggregation and Risk Reporting (RDARR) inspection**, deficiencies were observed in compliance with the principles of the international BCBS 239 standard, pertaining, among other things, to the overall governance framework and to the processes for aggregating, managing and processing data. As concerns the regulatory compliance inspection, weaknesses were identified in the framework for monitoring and reporting the relevant risks, as well as in the oversight of outsourcing arrangements.

In the context of the inspection concerning **Counterparty Credit Risk**, weaknesses were identified in internal governance with reference to the management of the relevant risk. In parallel, the inspection pertaining to Interest Rate Risk in the Banking Book (IRRBB) highlighted weaknesses in the governance framework and in the methodologies for measuring and validating this risk.

Concerning the **ICT risk inspections**, shortcomings were identified in the management and monitoring of ICT outsourcing arrangements, the recognition and management of vulnerabilities and the handling of major operational or security incidents.

Box 2.1

Risk Tolerance Framework

In the early years following the establishment of the SSM, it was essential to codify supervisory practices and develop supervisory expectations in order to ensure consistency, overcome differences at national level and establish a common supervisory approach. Given the progress made in the functioning of the SSM and taking into account changing economic conditions, supervisors need to operate with greater flexibility and the supervisory approach needs to adapt according to risk. Against this background, the SSM has adopted and implemented a new Risk Tolerance Framework (RTF) to enable supervisory work to focus on strategic priorities and the key vulnerabilities of credit institutions. The new framework plays a central role in fostering a more risk-focused supervisory culture, empowering supervisors to tailor their activities to the individual situation of the credit institution they supervise rather than to apply a one-size-fits-all approach to all risks across credit institutions.

One of the core processes to which the RTF is being applied is the new multi-year approach to the SREP. More specifically, supervisors plan individual SREP activities more flexibly over a medium-term horizon and concentrate their limited resources on those risks that most merit scrutiny and supervisory intervention in each SREP cycle. The results confirm that supervisory teams using the RTF made greater use of the flexibility embedded in the framework and were able to assign a higher priority to the most relevant risks in their assessments. Furthermore, the results of consistency checks show that this increased prioritisation did not impair the consistency of assessments across credit institutions.

The broader objective is for all supervisory activities to be conducted within this new framework, giving supervisors the flexibility to focus on the most essential tasks. The RTF will help transform the supervisory approach, so that it becomes progressively less “tick-box-oriented”.

Deputy Governor Christina Papaconstantinou is among the members of the Supervisory Board who have been tasked with promoting the RTF, with a view to its gradual application across all supervisory activities of the ECB and the national competent authorities. To this end, the Bank of Greece has organised relevant training seminars for SSM staff.

2.1.2 Supervision of Less Significant Institutions, branches with their head office in a third country or in an EEA country

A. Supervision of Less Significant Institutions

The Less Significant Institutions in 2025

During 2025 the operational merger of two large Greek Less Significant Institutions (LSIs) was completed, following their legal merger in 2024. Additionally, one Cooperative Bank changed its legal status from Cooperative of Limited Liabilities into Société Anonyme. Consequently, the Greek sector of Cooperative Banks now consists of three Cooperatives.

The market share of the Greek LSIs in the Greek banking market remains small; however, it increased in 2025 and amounted by the end of the said year (in terms of total assets) to 5.3% (against 4.8% at end-2024), as a result of higher credit growth rates exhibited by LSIs against Significant Institutions (15.6% against 4.5%).

The operational profitability of LSIs improved within 2025, despite the compression of Net Interest Margin due to lower interest rates. The main drivers of the operational profitability were the increase of Net Interest Income and Net Income from Fees and Commissions, which is related to the LSIs’ credit expansion. The increase of Operational income, combined with the stable Operational expenses, resulted in a significant decline of the Cost-to-Income Ratio to below 60%. However, the LSIs average Cost-to-Income Ratio continues to exceed the level of the relevant ratio for the Significant Institutions.

The capital position of the LSIs also improved within 2025 (despite the significant credit expansion) mainly due to the issuance of capital instruments eligible for additional TIER I capital and TIER II capital. It is worth noting that a significant share of the issuances from the two larger LSIs was covered by foreign investors. The investors' interest in the Greek LSIs is also highlighted by the noteworthy participation of foreign investors in the Share Capital Increase and the issuance of Additional Tier I instruments conducted by the two larger LSIs in the first half of 2026. These corporate actions significantly improved the capital position of the two larger LSIs. Additionally, the entry of an investor in a smaller LSI, acquiring the majority of its share capital (completed in the first quarter of 2026), should also be noted.

Regarding the LSIs' asset quality, the NPL ratio slightly decreased within 2025. It is noted that the first successful sale of an NPL Portfolio without the use of a Public Guarantee Scheme was completed by a small LSI within 2025.

The liquidity position of the LSIs does not raise any concerns. The main source of LSIs' liquidity is their customer deposits, which increased significantly within 2025.

Off-site supervision

The Bank of Greece implements the SSM methodology in the LSIs' supervision and adjusts the frequency and intrusiveness of its supervisory actions considering the size and riskiness of the supervised LSIs in line with the proportionality principle. At the beginning of each year, the Bank of Greece identifies the most significant risks for the Greek LSIs, determines its supervisory priorities and drafts a relevant supervisory action plan for each LSI.

For 2025 the main identified risks included the credit risk focusing on both NPL management and the credit granting processes applied by the LSIs with significant credit growth rates, internal corporate governance, the impact of the geopolitical crises on the LSIs' business model and their liquidity position and, finally, the risks from the increased digitalisation of financial services. Additionally, Banking Supervision also focused on the ICT and Cybersecurity Risks and on the compliance of LSIs with the requirements of the DORA Regulation.

The most significant supervisory actions undertaken by the Bank of Greece for the supervision of the LSIs include:

During the first quarter of 2025, the Bank of Greece concluded the SREP assessment for three LSIs, imposed revised capital requirements, took supervisory measures and issued recommendations. Additionally, the SREP assessment for six LSIs commenced in 2025 and was completed in April 2026. Additionally, in the context of SREP and other horizontal supervisory actions, the Bank of Greece:

- **Business Model:** Monitored the implementation of the business plans of the LSIs and assessed their business plans to ensure the viability and sustainability of their business models, as well as their capacity to implement them effectively. In the context of this assessment, it reviewed the LSIs' Action Plans for the identification and management of climate-related and environmental risks. In addition, it monitored the implementation of business plans, with particular emphasis on the Capital Strengthening Plans of LSIs with weak capital positions.

- **Credit Risk:** Continued to focus on supervising the actions undertaken by the LSIs with high NPL ratios aiming at reducing their exposure to NPL portfolios. In the context of incorporating ECB Guideline (EU) 2025/2595 on the coverage of non-performing exposures held by LSIs into the national supervisory framework (ECA of the Bank of Greece 252/2/19.12.2025), the Bank of Greece requested the LSIs to submit revised NPL management plans to ensure compliance with the provisions of the aforementioned Executive Committee Act. Furthermore, it assessed the implementation of the credit granting policies of LSIs exhibiting significant credit expansion and the credit underwriting criteria applied.

- **Corporate Governance:** Following horizontal thematic reviews of the composition and functioning of the Boards of Directors and Audit Committees, monitored the implementation of the corrective actions that had been requested. In addition, the Bank of Greece reviewed the minutes of meetings of the Boards of Directors and their key Board Committees to assess the adequacy and effectiveness of their operation. Finally, supervisors of the Bank of Greece held meetings with the independent members of the Boards of Directors of LSIs and the Heads of Internal Audit Units to assess their contribution to the effective operation of the Boards and the extent to which they are capable of fulfilling their assigned responsibilities.

- **Operational Risk:** With regard to ICT and IT security risks, assessed the level of inherent ICT risk, the adequacy of ICT risk management frameworks and issues related to the institutions' compliance with the requirements of the new DORA Regulation. Supervisory activities also included monitoring and assessing the implementation of system migration and integration plans in the context of the operational merger of institutions. In addition, the Bank of Greece conducted a horizontal assessment of all Payment Service Providers with respect to the implementation of Commission Delegated Regulation (EU) 2018/389, focusing on Application Programming Interfaces (APIs) and the processes for integrating payment cards into digital wallets, with particular emphasis on compliance with SCA requirements.

- **Liquidity Risk:** Conducted a thematic review of LSIs to assess the accuracy of supervisory reporting related to their liquidity position and closely monitored developments in customer deposits.

- **Recovery Plans:** Conducted the annual assessment of the recovery plans of LSIs and issued detailed, specific recommendations for their improvement. In parallel, during 2025, the Bank of Greece developed a Data Collection Template to be completed by LSIs and submitted together with their Recovery Plans. Through this template, LSIs will be requested to provide accurate and comprehensive information on the recovery indicators, recovery options and Overall Recovery Capacity (ORC) incorporated into their Recovery Plans.

B. Supervision of third-country credit institutions (outside the EU)

Two branches of Credit Institutions headquartered in countries outside the European Union, i.e. third-country branches (TCBs), operate in the Greek banking market. Regarding their supervision, the Bank of Greece has adopted a supervisory approach similar to the one employed for the supervision of LSIs, adjusted for the specificities of TCBs. In particular, the TCBs do not have a Board of Directors and their capital and liquidity are provided by their headquarters. Additionally, their size is very small.

In the first quarter of 2025, the Bank of Greece concluded the SREP assessment for the two

TCBs, which resulted in the imposition of additional Pillar 2 capital requirements and the imposition of supervisory measures and requirements regarding, among others, their internal governance system and the operational risk management processes and procedures.

On-site inspections

On-site inspections of LSIs and Branches of Credit Institutions established in a third country (outside the EU) are carried out in accordance with the SSM methodology applied for SIs, while adhering to the principle of proportionality, i.e. considering the size, activities and risk profile of the supervised credit institution.

During 2025, four inspections were carried out, three of which had as their main scope the assessment of credit risk, including examination of the loan portfolio credit quality and the lending criteria for newly-originated loans, the review of procedures for exposures risk classification under IFRS 9 requirements, the calculation of loan impairments and collateral management. In addition, an inspection was carried out regarding the assessment of Information and Communication Technology (ICT) risk management, focused on the operation of the three lines of defence and the management of business continuity of ICT services.

Box 2.2

Climate-related and environmental risks in Less Significant Institutions

During 2025, the Bank of Greece substantially strengthened its supervisory approach towards Less Significant Institutions with regard to climate-related and environmental risks. Building on the initial actions taken, the supervisory focus shifted from the preparation of action plans towards the operational integration of these risks.

In this context, institutions were called upon, among other things, to strengthen the link between climate-related and environmental risks and their strategic direction, to develop more systematic monitoring tools based on appropriate indicators and to gradually develop methodologies for scenario analysis and stress testing.

In 2025, additional requirements were introduced for LSIs, in line with the guidance and supervisory expectations set out in the ECB Guide on climate-related and environmental risks (see link). These expectations pertain primarily to the integration of climate-related and environmental risks into the overall risk management framework, data collection and the development of reporting to the management body, as well as the conduct of stress tests in the context of the Internal Capital Adequacy Assessment Process (ICAAP). The Bank of Greece assessed the progress made by LSIs in meeting these expectations, taking into account the principle of proportionality.

In 2026, particular emphasis is being placed on the development of, and the assessment process for, specific prudential plans addressing environmental and climate-related risks, which LSIs will be required to submit from 2027 onwards, in accordance with the requirements of CRD VI and in line with the relevant EBA and ECB guidelines.

C. Supervision of credit institutions having their head office in an EU Member State and operating in Greece under the freedom of establishment

As of December 2025, 19 credit institutions established in other European Union Member States were providing services in Greece through branches[17], 7 of which have been established since 2019. This development reflects the increased confidence of foreign investors in the prospects of the Greek economy, following the country's exit from the economic adjustment programmes. In recent years, these institutions have recorded steady growth in both lending and deposit-taking activities, as illustrated in the relevant charts. Nevertheless, their aggregate market share in the Greek banking sector remains limited, at approximately 1%. These institutions are supervised by the competent authority of the Member State in which the parent credit institution is established.

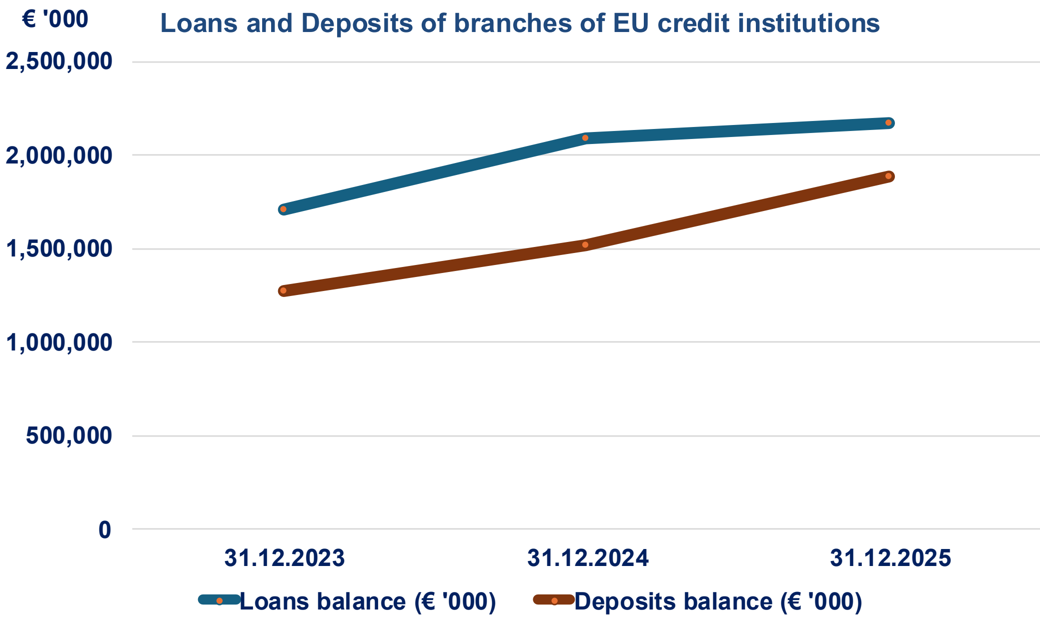
In parallel, more than 500 credit institutions[18] established in other European Union Member States provide services in Greece without a physical presence, making use of the EU passporting regime.

Chart 4
EU credit institutions operating in Greece through a branch under the freedom of establishment in 2025

Source: Bank of Greece.

[17] A detailed list of the credit institutions established in other European Union Member States that currently provide services in Greece through branches is available at the following link (see Table B): Credit Institutions.
[18] A detailed list of the credit institutions established in other European Union Member States that currently provide services in Greece without a physical presence is available at the following link: Credit Institutions Operating without Establishment.

Chart 5
Trends in loans and deposits of EU credit institution branches operating in Greece under the freedom of establishment



Source: Bank of Greece.

The supervision of these branches by the Bank of Greece is limited to compliance with the provisions on the prevention and combating of money laundering and terrorist financing (AML/CFT), as well as the provisions governing transparency of transactions. The Bank of Greece's activities in the field of AML/CFT are elaborated in Chapter 4. It should be noted that deposits accepted by these branches are covered by the deposit guarantee scheme operating in their respective home Member States.

2.1.3 Supervisory exercises

Significant Institutions

EBA EU-wide Stress Test

The Bank of Greece participated in the 2025 European Banking Authority (EBA) EU-wide stress test, coordinated by the EBA to assess the resilience of European Union credit institutions under adverse macroeconomic and financial conditions. In parallel, the Single Supervisory Mechanism (SSM) conducted a corresponding stress test exercise for significant credit institutions under its direct supervision that were not included in the EBA sample. The Bank of Greece contributed to this exercise both by seconding seven staff members to the ECB and through the active participation of its experts in the advisory working group responsible for providing information on the specific features of the Greek banking sector. The exercise was based on two macroeconomic scenarios, a baseline and an adverse scenario, over a three-year horizon, under the assumption of a static balance sheet[19]. The adverse scenario assumed an escalation of geopolitical tensions, coupled with increasingly protectionist trade policies, which could lead to higher energy and commodity prices, rising inflation and interest rates, and a slowdown in economic activity, ultimately resulting in higher unemployment and a drop in

[19] A bank's balance sheet is assumed to remain unchanged over the analysis period. In other words, no new loans or investments are added and future strategies or business actions of the bank are not taken into account.

real estate prices.

Regarding Greece, three significant credit institutions participated in the exercise. Greek banks outperformed the European average, mainly due to the comparatively stronger contribution of net interest income and, more broadly, their improved operating profitability, with reference date 31.12.2024.

Quantitative impact study

In 2025, the Bank of Greece participated in the Quantitative Impact Study (QIS[20]), coordinated by the EBA, which served as the basis for the report published by the Bank for International Settlements (BIS) and the corresponding EBA report. Given that CRR III, which specifies the implementation of the Basel III framework in the European Union, has been applicable since 1 January 2025, the impact of the new framework has been reflected in the supervisory reporting (Common Reporting – COREP) submitted since 31 March 2025. Accordingly, the exercise focused on the collection of data to support policy advice in areas identified under the CRR III/CRD VI framework, as well as for monitoring and analytical purposes, supporting the development of EBA deliverables, such as technical standards, guidelines and other regulatory products. Four significant Greek credit institutions participated in the exercise, with data collected as at 31 December 2024. The process included three rounds of data quality assurance and only those credit institutions that met the required standards of data completeness and quality were included in EBA's final report.

Supervisory benchmarking

The Bank of Greece participated in the supervisory benchmarking exercise coordinated by the EBA, which focuses on credit institutions with approved internal models for market risk and/or credit risk used in the calculation of capital requirements. Three Greek significant credit institutions with approved market risk models participated in the exercise.

As part of the exercise, credit institutions were required to calculate, for a range of hypothetical portfolios, specific market risk measures based on their internal models (e.g. Value-at-Risk and stressed Value-at-Risk), as well as measures for a range of financial instruments and portfolios under the new market risk standardised approach (Fundamental Review of the Trading Book – Standardised Approach (FRTB-SA)), which is expected to apply as of 1 January 2027[21]. In particular, institutions were required to submit estimates under the Sensitivity-Based Method, the Default Risk Charge and the Residual Risk Add-On. The benchmarking exercise identified potential instances of risk underestimation. Participating credit institutions were requested to provide additional documentation identifying any potential weaknesses and/or methodological assumptions in both their internal models and the estimates produced under the standardised approach of the new market risk framework (FRTB-SA).

Significant and Less Significant Institutions

Thematic Review of SIs' and LSIs' Recovery Plans

In 2025, the Bank of Greece conducted a thematic review of the recovery plans submitted by supervised credit institutions in September 2024. The thematic review covered areas such as the governance arrangements underpinning the recovery plans, recovery indicators and

[20] See link.
[21] See link.

scenarios, as well as banks' Overall Recovery Capacity (ORC) under stress conditions.

This was the first horizontal analysis of its kind conducted for Greek credit institutions. The exercise led to the development of a structured database and an assessment framework, which are expected to serve as a reference point for future thematic reviews, allowing for progressively greater depth and sophistication in the analysis.

2.1.4 Horizontal analysis in risk analysis

The Bank of Greece's horizontal supervisory units, in close collaboration with the Joint Supervisory Teams (JSTs) for each SI and the supervisors of LSIs, regularly analyse financial and supervisory data to identify vulnerabilities and assess institutions' resilience to current and emerging risks and threats. In this context, these units conduct horizontal analyses across various risk areas and engage with credit institutions, providing technical support where deemed necessary. At the same time, they contribute to the work of the SSM expert groups involved in horizontal supervisory activities.

In addition, the Bank of Greece designs and develops data analytics applications using big data and produces relevant supervisory reports. In particular, data collected on a monthly basis under the AnaCredit[22] framework are systematically utilised for supervisory and financial stability purposes. This analytical work is conducted through the development of a series of interactive dashboards used to monitor credit risk indicators both at system level and at individual credit institution level. The dashboards also facilitate the assessment of the degree of interconnectedness among Greek credit institutions and between Greek credit institutions and non-financial corporations.

In 2025, in addition to the analysis of financial statements and supervisory data, the following activities were carried out:

- Evaluation of the annual NPL reduction strategy plans of LSIs.
- Review of the business plans submitted by SIs.
- Development of horizontal technical analyses by risk area.
- Additional reports were developed as part of the analysis of AnaCredit data. These reports estimate the provision shortfall for performing exposures at each credit institution, taking into account bank-specific credit risk parameters (e.g. transition rates), accumulated credit risk provisions and available collaterals.
- Active participation in SSM supervisory activities relating to asset and liability management (ALM) at the euro area level, as well as in similar activities focusing on the domestic banking sector, taking into account the increasing importance of effective liquidity and funding risk management.
- Initiation of the development of a banking risk calibration scale and a framework for assessing the resilience of the banking sector, aiming to enhance the identification of banking risks and the determination of supervisory priorities.

[22] AnaCredit is a shared database of granular credit and credit risk data used by the European Central Bank (ECB), the national central banks of the euro area and certain national central banks outside the euro area.

2.1.5 Covered bonds and securitisations

Supervision of covered bonds

Part A of Law 4920/2022[23] transposed Directive (EU) 2019/2162[24] on the issue and supervision of covered bonds into Greek law. Under this law, the Bank of Greece continues to be the competent authority, which authorises and supervises the issue of covered bond programmes by credit institutions having their head office in Greece, in accordance with Executive Committee Act (ECA) 215/1/3.2.2023.[25]

Law 4920/2022 allowed credit institutions issuing covered bonds to use the label "European Covered Bond" or the label "European Covered Bond (Premium)" in programmes approved by the Bank of Greece. As at December 2025, only the four systemic credit institutions have issued covered bond programmes authorised by the Bank of Greece. All covered bond programmes are in line with the current regulatory framework, with the exception of one, which has been authorised by the Bank of Greece, in accordance with the previous regulatory framework (i.e. the provisions of Article 152 of Law 4261/2014 and Presidential Decree 2620/28.8.2009). In addition, in 2025, three significant credit institutions obtained the Bank of Greece's approval for the use of the label "European Covered Bond (Premium)", following their request and a related reassessment[26] of three covered bond programmes. In accordance with Article 28(1)(c) of Law 4920/2022, the Bank of Greece regularly publishes and updates the list of covered bonds.[27]

As at 31 December 2025, 14 bonds with a total nominal value of EUR 9.7 billion and a Net Present Value of EUR 9.8 billion have been issued under covered bond programmes. The total covered assets, which include loans secured by completed real estate property for residential use in Greece, have a value of EUR 12.4 billion.

Finally, it should be noted that the EBA, in close cooperation with the NCAs (including the Bank of Greece), prepared an analysis for the revision of the European covered bond framework[28] collecting data and assessing the application of national and European rules. The outcome of this analysis was submitted on 23 September 2025 to the European Commission.

Supervision of securitisations

As regards securitisations and in particular the specific framework for "Simple, Transparent and Standardised" (STS) securitisation based on Regulation (EU) 2017/2402 and Articles 69 and 69A of Law 4706/2020, the Bank of Greece assesses compliance with the requirements laid down in Articles 18 to 27 of the above-mentioned Regulation, where the issuer (or sponsor in the securitisation) is a credit institution or other institution under its supervision. In addition, the Bank of Greece is the competent authority to assess and supervise the compliance of LSIs with the requirements of Articles 6 to 9 of this Regulation that each securitisation must meet, such as risk retention, information transparency requirements, the prohibition of re-

[23] Law 4920/2022 transposing Directive (EU) 2019/2162 of the European Parliament and of the Council of 27 November 2019 on the issue of covered bonds and covered bond public supervision and amending Directives 2009/65/EC and 2014/59/EU […].
[24] Directive (EU) 2019/2162 of the European Parliament and of the Council of 27 November 2019 on the issue of covered bonds and covered bond public supervision and amending Directives 2009/65/EC and 2014/59/EU.
[25] ECA 215/1/3.2.2023 Covered bond issue and supervision framework.
[26] Instructions on covered bonds (in Greek).
[27] List of Covered Bonds.
[28] EBA Advice on the review of the EU covered bond framework.

securitisation and the criteria for granting credit. It should be noted, however, that, for the Significant Institutions (SIs), the assessment of the above-mentioned requirements falls within the remit of the European Central Bank.

For the year 2025, the Bank of Greece assessed six securitisation transactions for compliance with the STS criteria of Regulation (EU) 2017/2402, four for SIs and two for a Less Significant Institution (LSI). For these two securitisations, the Bank of Greece also carried out an assessment of compliance with the requirements referred to in Articles 6-9 of Regulation (EU) 2017/2402. The European Securities and Markets Authority has been notified for all securitisations in respect of their compliance with the STS criteria, in accordance with the procedures established for that purpose under Article 27 of Regulation (EU) 2017/2402.

In addition, with regard to the two transactions carried out by an LSI during the year, the Bank of Greece, as the competent authority[29], also assessed the transfer of significant credit risk based on the provisions of Regulation (EU) No 575/2013.

With regard to the transfer of significant credit risk, the Bank of Greece receives data on a regular basis to ensure that the recognition of commensurate risk transfer is maintained. The Bank of Greece regularly reviews the arrangements, processes and mechanisms to be applied in the context of the STS securitisations with the aim of continuously ensuring compliance with the relevant criteria. In this vein, the Bank of Greece may decide, if the conditions are met, to verify that a securitisation transaction no longer meets the STS criteria.

Within the scope of its responsibilities, the Bank of Greece provided technical support to the Ministry of Finance and Economics in the revision of the securitisation legislative framework at European level. The revision takes the form of targeted amendments to the EU Capital Requirements Regulation (575/2013) and the EU Securitisation Regulation (2017/2402). More specifically, on 17 June 2025 the European Commission published a package of legislative proposals aimed at renewing the EU securitisation framework. The objective of these proposals is to make the framework simpler and more effective in order to stimulate the real economy, while maintaining financial stability. The European Council reviewed the relevant proposals of the European Commission in order to formulate its own views, which it published on 19.12.2025[30]. The next step, following the finalisation of the relevant proposals by the European Parliament, is the conduct of trilogues among the three European institutions. The implementation of the new framework is expected to take place in 2027.

Box 2.3

European Banking Authority Annual Peer Reviews

The European Banking Authority (EBA) conducts annual peer reviews of competent authorities to assess their supervisory practices and compare their effectiveness with those of peer authorities across the European Union. The objective is to promote supervisory convergence and enhance the consistency and effectiveness of supervision throughout the EU, while identifying supervisory best practices.

Peer reviews are conducted in accordance with an EBA-approved methodology designed to ensure consistency throughout the assessment process. The methodology establishes the procedures governing self-assessments and peer assessments, reporting and publication

[29] For SIs, the competent supervisor for assessing and supervising the transfer of significant credit risk is the ECB.
[30] See link.

requirements, as well as the follow-up process for monitoring the implementation of the review findings.

Gender diversity

In 2025, the Bank of Greece participated in two EBA peer reviews. In particular, it took part in the EBA Peer Review on Gender Diversity, together with the competent authorities of Austria, the Czech Republic, Finland and Germany, as well as the Single Supervisory Mechanism (SSM). The review assessed how competent authorities implemented and supervised compliance with the regulatory requirements on gender diversity during the reference period from 1 March 2023 to 31 March 2025, with a view to evaluating their compliance with the applicable regulatory framework and identifying supervisory best practices. Overall, the Bank of Greece was assessed as fully compliant in most of the areas reviewed. According to the peer review findings, the Bank of Greece:

- has fully and effectively incorporated the regulatory requirements relating to gender diversity policies of credit institutions into both its regulatory framework applicable to supervised institutions and its internal supervisory methodologies;
- applies effective supervisory arrangements and procedures for assessing and monitoring the gender diversity policies of credit institutions, including the collection and assessment of the relevant supervisory information;
- has implemented the necessary remedial measures and monitors their effective implementation in response to the findings of the EBA's 2023 report on the review of gender-neutral remuneration policies and the diversity benchmarking report.

Authorisations under PSD2

The Bank of Greece also participated in the EBA Follow-up Peer Review on Authorisation under PSD2, which assessed the implementation of the recommendations stemming from the 2023 peer review concerning the authorisation procedures for payment institutions (PIs) and electronic money institutions (EMIs) under the Second Payment Services Directive (PSD2).

The follow-up review evaluated the extent to which competent authorities across the Member States had implemented the recommended actions, focusing on key areas such as authorisation procedures, compliance with the EBA Guidelines, governance and internal control frameworks, and anti-money laundering and countering the financing of terrorism (AML/CFT) arrangements.

The review concluded that, overall, the competent authorities have made significant progress and supervisory convergence across the European Union has further improved. At the same time, progress remains uneven, as certain authorities have demonstrated limited or no improvement, while shortcomings continue to exist in key areas, particularly with regard to the assessment of governance arrangements, the adequacy of internal control frameworks, the effectiveness of AML/CFT arrangements and the existence of a meaningful local presence.

Overall, the Bank of Greece demonstrated a high degree of compliance with the applicable requirements. According to the review findings, the Bank of Greece:

- has fully and effectively implemented the EBA Guidelines on authorisation through Executive Committee Act 164/2/13.12.2019;
- requires payment institutions and electronic money institutions to establish the three lines of defence and to comply with corporate governance requirements by bringing those institutions within the scope of Executive Committee Act 243/2/7.7.2025;
- performs fit and proper assessments of members of the management body and key function holders in accordance with Executive Committee Act 224/1/21.12.2023;
- has implemented the necessary remedial measures in response to the findings of the 2023 EBA peer review, monitors their implementation and has introduced a pre-application process.

2.2 SUPERVISION OF FINANCIAL INSTITUTIONS

The Bank of Greece is the authority exclusively responsible for the authorisation and prudential supervision of the following financial institutions:

- Payment Institutions and Electronic Money Institutions, Third-Party Payment Service Providers
- Bureaux de Change
- Microfinance institutions
- Leasing companies and factoring companies
- Credit servicers
- Credit companies
- Residential credit intermediaries.

2.2.1 Payment Institutions, Electronic Money Institutions and Third-Party Payment Service Providers

The Bank of Greece, in accordance with the applicable regulatory framework[31], is designated as the competent authority for the supervision of Payment Institutions (PIs), Electronic Money Institutions (EMIs) and Account Information Service Providers (AISPs) established in Greece.

Supervised institutions

In 2025, the Bank of Greece supervised the categories of institutions listed in the table below:

[31] The regulatory framework includes: (i) Law 4537/2018, which transposed Directive (EU) 2015/2366 on payment services in the internal market into Greek law, and (ii) Law 4021/2011, which transposed the provisions of Directive 2009/110/EC on the taking up, pursuit and prudential supervision of the business of electronic money institutions into Greek law. In addition, Executive Committee Act 164/2/13.12.2019 of the Bank of Greece sets out the terms and conditions governing the licensing and operation of Payment Institutions (PIs) and Electronic Money Institutions (EMIs).

Table 4
Number of Payment and Electronic Money Institutions and Third-Party Payment Service Providers

Payment Institutions (PI)	14[1]
Electronic Money Institutions (EMIs)	4
Third-Party Payment Service Providers	1

[1] In early 2026, the authorisation of a Payment Institution (PI) was withdrawn.

Source: Bank of Greece.

The total value of payment transactions processed in the 2025[32] reference period by PIs amounted to EUR 65.9 billion, up by 5.78% compared to the 2024 reference period (EUR 62.3 billion). Meanwhile, the total annual value of payment transactions processed by EMIs during the same period reached EUR 10.9 billion, up by 67.69% compared to the 2024 reference period (EUR 6.50 billion)[33].

The supervision of these institutions is ongoing and includes off-site supervisory actions, supervisory meetings and on-site inspections at their premises. The prudential supervision exercised by the Bank of Greece to ensure continuous compliance with regulatory requirements adheres to the principle of proportionality and is tailored to the risks to which institutions are exposed, considering their business model and the products and services they offer.

In 2025, the Bank of Greece:

- evaluated documentation (e.g. reports, statements) and additional information submitted by institutions regarding capital requirements, corporate governance, risk management, regulatory compliance and outsourcing arrangements;
- finalised the development of the supervisory risk assessment tool for Payment Institutions (PIs) and Electronic Money Institutions (EMIs) and completed the assessment of all such institutions;
- assessed policies and procedures relating to safeguarding requirements for users' funds in payment services and compliance with interchange fee caps;
- conducted on-site meetings with Payment Institutions (PIs) providing money remittance services and with Electronic Money Institutions (EMIs) to review progress in the implementation of their business plans and strategies;
- participated in discussions within the Council of the European Union on the development of the new European regulatory framework for payment services (PSD3 and PSR), monitoring developments and contributing to the formulation of positions on the proposed regulatory provisions;
- examined requests concerning new products and services of authorised Payment Institutions (PIs) and Electronic Money Institutions (EMIs), including expansion into new markets, the development of new business activities and significant changes to existing products and services;
- assessed the cross-border expansion of Payment Institutions (PIs) and Electronic Money

[32] The reporting period for 2025 covers the period from 1 January to 31 December 2025.
[33] For comparability purposes, the annual value of payment transactions of the Electronic Money Institution (EMI) that was absorbed by a credit institution during 2024 was not taken into account.

Institutions (EMIs). In this context, two Electronic Money Institutions operated in twelve Member States under the freedom to provide services, while two Payment Institutions expanded their activities to two Member States, one through agents and the other under the freedom to provide services;

- performed an evaluation of the agents of supervised institutions, with corresponding updates to the public registers[34];
- conducted a horizontal assessment of all Payment Service Providers regarding the implementation of Commission Delegated Regulation (EU) 2018/389, particularly with respect to Application Programming Interfaces (APIs) and the integration of payment cards into digital wallets, including compliance with Strong Customer Authentication (SCA) requirements.

On-site inspections of PIs and EMIs are based on the same principles and practices applied to credit institutions, in accordance with the principle of proportionality, considering the size, activities and risk profile of the supervised entity. Regarding the inspection methodology, the inspection team applies the methodology developed by the Bank of Greece, which follows the structure of the corresponding methodology of the SSM.

During 2025, four on-site inspections were carried out at PIs, which mainly concerned the assessment of the organisational structure, the internal control system and the operational units supporting it. In addition, the calculation process for supervisory capital requirements was examined, as well as the compliance with safeguarding measures for payment service users' funds. ICT risk management constituted, among others, a subject in one of the four on-site inspections. Regarding the findings arising from the inspections, weaknesses were identified in the operational framework of the institutions' BoD, in the effectiveness of the operation of the internal control system units as well as in the adequacy of the procedures and control mechanisms for ICT risk management.

2.2.2 Bureaux de Change

The Bank of Greece, in accordance with Law 2515/1997, is the authority responsible for the authorisation and supervision of Bureaux de Change. In 2025, there were nine Bureaux de Change operating in Greece. During 2025, the authorisation of one Bureau de Change was withdrawn, following the institution's voluntary surrender of its authorisation.

Supervisory responsibilities primarily include assessing compliance by Bureaux de Change with the current regulatory framework. Additionally, in 2025, the Bank of Greece conducted evaluations of documentation and information submitted by Bureaux de Change regarding capital requirements, corporate governance, risk management, compliance and outsourcing arrangements. A key focus of the Bank of Greece's supervisory activity in 2025 was monitoring compliance by Bureaux de Change with the supervisory measures and recommendations communicated following the corporate governance assessment conducted in 2024, with the aim of strengthening the effective functioning of their BoDs.

[34] According to Article 14 of Law 4537/2018, the Bank of Greece maintains a public register on its official website, where authorised payment institutions (PIs), electronic money institutions (EMIs) and account information service providers (AISPs) based in Greece (supervised institutions) are registered. Additionally, according to Article 15 of the aforementioned law, the Bank of Greece is responsible for updating the electronic central register maintained by the EBA.

2.2.3 Microfinance Institutions

The Bank of Greece is responsible for the authorisation and supervision of Microfinance Institutions, according to the provisions of Law 4701/2020 and ECAs 178/1/2.10.2020 and 193/2/27.9.2021. As at December 2025, five Microfinance Institutions[35] were operating in Greece, two of which were authorised in 2025 but had not yet commenced business activities. A key feature of the sector is the small size of the institutions and the low amount of financing they may provide, which cannot exceed EUR 25,000 per borrower. The distinct characteristic of the sector lies in providing access to financing to persons that do not have access to traditional banking services, combined with support through business advisory, education and mentoring services. The sector remains at an early stage of development; however, it received a significant boost during 2025 following the launch of the Microfinance Fund, managed by the Hellenic Development Bank. The Fund foresees the granting of low-interest loans amounting to a total of EUR 80 million, through Microfinance Institutions. The sector's outstanding loan portfolio amounted to EUR 18.9 million as at 31 December 2025, compared with EUR 8 million at the end of 2024.

The regulatory framework includes robust governance requirements broadly comparable to those applicable to less significant credit institutions, taking into account the principle of proportionality. From July 2025, the supervisory framework was further strengthened through ECA 243/2/7.7.2025, which introduced, inter alia, more stringent requirements concerning internal control functions and their heads. With regard to capital adequacy, the requirement is limited to maintaining a minimum initial capital of EUR 250,000.

As part of its ongoing prudential supervision, the Bank of Greece monitored the operations of Microfinance Institutions throughout 2025, focusing on adherence with the minimum capital requirement, review of regulatory reporting (especially on loans granted and their performance) and assessment of policies and annual reports on risk management, compliance and internal control systems. Additionally, the Bank of Greece monitored the institutions' compliance with regulatory requirements regarding outsourcing and ICT and security risk.

2.2.4 Leasing and Factoring Companies

The Bank of Greece is responsible for the authorisation and supervision of leasing and factoring companies, according to the provisions of Laws 1665/1986 and 1905/1990, respectively, as well as Bank of Greece ECAs 193/1/27.9.2021 and 193/2/27.9.2021.

A key feature of these institutions is their relatively small size and limited activities. Regarding their capital adequacy, the supervisory requirement is limited to maintaining an initial capital of EUR 9 million for leasing companies and EUR 4.5 million for factoring companies.

As at December 2025, there were eight leasing companies operating in Greece[36], of which five belong to credit institution groups. Their total receivables amount to EUR 3.33 billion. In addition, there were seven factoring companies operating in Greece[37], all of which belong to credit institution groups. Their total receivables amount to EUR 4.21 billion.

[35] A detailed list of the Microfinance Institutions currently operating in Greece is provided at the following link: Microfinance Institutions.
[36] A detailed list of the leasing companies currently operating in Greece is provided at the following link: Leasing Companies.
[37] A detailed list of the factoring companies currently operating in Greece is provided at the following link: Factoring Companies.

The common supervisory framework for these institutions includes internal governance requirements broadly similar to those for credit institutions, based on the principle of proportionality. Among other requirements, they are subject to specific provisions regarding internal control systems, outsourcing, ICT and security risk management.

During 2025, the supervisory framework was further strengthened through the Bank of Greece's ECA 243/2/7.7.2025, which introduced enhanced internal governance requirements. Inter alia, the Act established more stringent provisions concerning internal control functions and their heads, broadly aligned with those applicable to less significant credit institutions, while maintaining the principle of proportionality. Among other provisions, the new requirements include the appointment of at least one independent non-executive member to the BoD and the submission of annual reports by institutions that are not subsidiaries of credit institutions.

2.2.5 Credit servicers

The Bank of Greece is the competent authority for the authorisation and supervision of credit servicers based in Greece, according to the provisions of Law 5072/2023 and the Bank of Greece ECAs 225/1/30.1.2024 and 244/4/25.7.2025. As of December 2025, there were 17 credit servicers operating in Greece[38], while during 2025 the authorisation of one credit servicer was withdrawn, following the institution's voluntary surrender of its authorisation. A key characteristic of the industry is its high concentration, as 91% of total assets under management are serviced by the four largest companies, while the remaining firms show little activity.

In addition, one of the above-mentioned servicers has notified its intention to provide credit servicing activities in another EU Member State, while a credit servicer established in another EU Member State has notified its intention to provide credit servicing activities in Greece.

The adoption of ECA 244/4/25.7.2025 introduced more stringent prudential supervisory requirements for credit servicers, particularly in relation to corporate governance and internal control functions, credit servicing agreements, the outsourcing of credit servicing activities, the collateral management policy, supervisory reporting, the obligations of EU-based credit servicers operating in Greece and the obligations of credit purchasers.

The compliance deadline for the internal governance requirements applicable to credit servicers established in Greece was set for 1 December 2025[39].

As part of its ongoing prudential supervision during 2025, the Bank of Greece monitored the activities of these companies assessing:

- the information submitted on a regular and ad hoc basis (including information relating to developments in managed portfolios, financial data, complaints, servicing agreements, outsourcing arrangements and shareholding structures), together with analyses both at individual-institution and sector-wide level;
- transactions in the secondary market;
- the adequacy and effective implementation of internal control systems;

[38] A detailed list of the credit servicers currently operating in Greece is available at the following link: Credit Servicers.
[39] The deadline for the establishment of an Audit Committee, where applicable, was set at 30 June 2026.

- complaints submitted by debtors, insofar as they concern matters falling within the Bank of Greece's supervisory remit, such as the provision of the necessary information to customers regarding the terms and conditions of transactions, compliance with the Code of Conduct under Law 4224/2013, the authorisation and supervision of credit servicers, and the supervision of credit purchasers. Matters falling within the remit of other authorities are examined by the respective competent authorities, in particular the Hellenic Data Protection Authority with regard to the protection of personal data and the Ministry of Economy and Finance with regard to matters concerning the relationship between credit servicers and credit purchasers, on the one hand, and borrowers, on the other;
- the existence of appropriate internal governance policies and effective governance procedures, as well as compliance with the provisions of the Code of Conduct established under Law 4224/2013.

As a result of the above supervisory activities, the Bank of Greece took administrative measures and imposed sanctions on certain credit servicers during 2025 for breaches of the regulatory framework relating to complaints handling, implementation of the Code of Conduct and the effectiveness of internal control functions. The Bank of Greece also issued recommendations requiring the adoption of corrective measures.

On-site inspections of credit servicers are conducted in line with the same principles and practices that apply to credit institutions, in accordance with the principle of proportionality. During 2025, two on-site inspections were carried out at credit servicers. The inspections focused primarily on assessing the adequacy and effectiveness of the Management Information Systems (MIS), as well as the effectiveness of the corporate governance framework, particularly regarding the monitoring of the performance of loan portfolios included in the Hellenic Asset Protection Scheme ("Hercules"). The inspections identified weaknesses pertaining to corporate governance arrangements as well as to the implementation of approved policies and procedures related to the monitoring of the performance of loan portfolios managed under the Hercules programme.

2.2.6 Credit companies

The Bank of Greece is responsible for the authorisation and supervision of credit companies, according to the provisions of Law 4261/2014 and ECAs 193/1/27.9.2021 and 193/2/27.9.2021. These entities may grant all types of credit to both natural and legal persons.

The supervision of credit, leasing and factoring companies and microfinance institutions is conducted under a common framework, in accordance with ECA 193/2/27.9.2021. With respect to capital adequacy, the requirement is limited to maintaining a minimum initial capital of EUR 4.5 million.

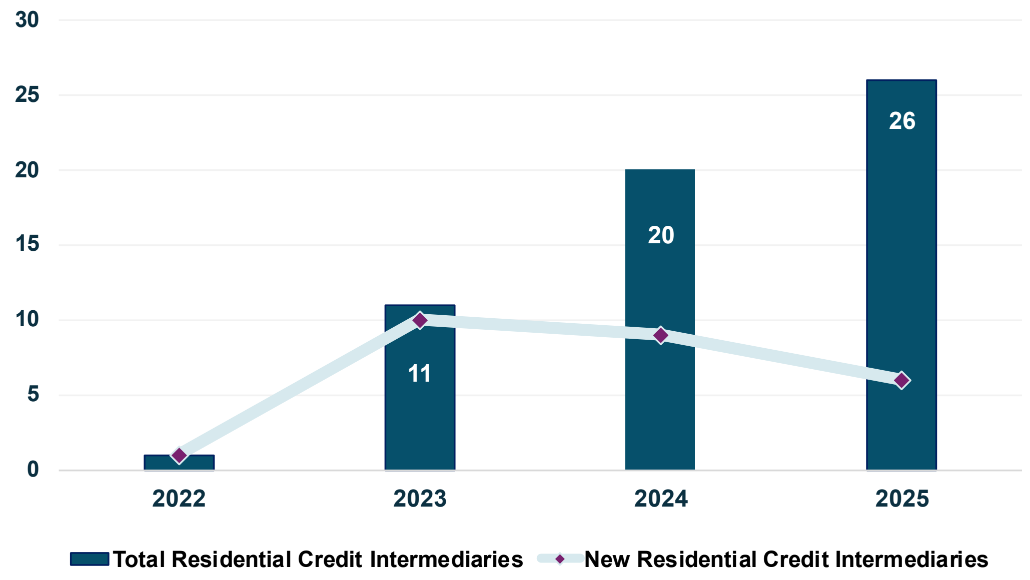
During 2025, no credit companies were authorised or operating in Greece.

2.2.7 Residential credit intermediaries

The Bank of Greece is responsible for the authorisation and supervision of residential credit intermediaries, in accordance with the provisions of Article 28 of Law 4438/2016 and the Bank of Greece's ECA 137/16.4.2018.

As at December 2025, there were 26 residential credit intermediaries operating in Greece[40], while six new residential credit intermediaries were authorised during 2025.

Chart 6
Authorisations of residential credit intermediaries



Source: Bank of Greece.

In addition, as at December 2025, eight residential credit intermediaries established in another EU Member State[41] had notified their intention to provide services in Greece.

As part of ongoing prudential supervision, the Bank of Greece assessed the prudential reports and monitored the number and value of contracts for which credit mediation services were provided. During 2025, approximately 1,800 such agreements were concluded, with a total value of more than EUR 300 million. Furthermore, the Bank of Greece reviewed the statistical data on complaints and ensured that all residential credit intermediaries have a valid professional liability insurance contract in place.

Box 2.4
Revision of the Bank of Greece Regulatory Sandbox

The Bank of Greece Regulatory Sandbox is a regulatory regime that provides financial technology (FinTech) firms with a controlled environment in which they can test innovative financial products, services and business models for a defined period under the guidance of, and in close cooperation with, the Bank of Greece. During 2025, the Regulatory Sandbox framework was revised to enhance the effectiveness of the supervisory process and to align it with developments in the regulatory and technological landscape.

Under the original framework, eligibility for participation was restricted to applicants that already held an authorisation as a financial institution. This significantly limited the pool of potential participants and, consequently, the Sandbox's capacity to support financial

[40] A detailed list of the residential credit intermediaries currently operating in Greece is available at the following link: Residential Credit Intermediaries.
[41] A detailed list of the residential credit intermediaries established in other EU Member States that have notified their intention to provide services in Greece is available at the following link: Residential Credit Intermediaries EU.

innovation. Furthermore, authorised entities already had an established communication channel with the Bank of Greece through their designated supervisory contact for innovation-related matters.

Against this background, the need emerged to increase the flexibility of the framework and broaden access to the Sandbox, particularly by allowing participation by unauthorised entities. This possibility was introduced through Article 49 of Law 5072/2023.

Following this legislative amendment, a comprehensive revision of the Regulatory Sandbox framework became necessary in order to ensure an effective and consistent supervisory assessment of a broader and more diverse range of applications. Accordingly, Executive Committee Act 248/2/6.10.2025 restructured the Sandbox process by introducing, among other changes, a new Supervisory Assessment phase, positioned between the submission of an application and the potential testing phase.

During the Supervisory Assessment phase, the proposed activity is subject to an in-depth evaluation covering the applicable regulatory framework, the associated risks and the relevant authorisation requirements. This enables an informed supervisory decision on the appropriate next steps. The Supervisory Assessment also serves as a pre-authorisation mechanism, enhancing supervisors' understanding of innovative business models while facilitating and streamlining subsequent authorisation procedures.

The revised Regulatory Sandbox is now structured around five phases: Application, Supervisory Assessment, Test Preparation, Testing and Exit. The Test Preparation and Testing phases are activated only where appropriate, depending on the characteristics of the proposed activity. This new structure enhances the framework's flexibility, allowing supervisory guidance to be provided even where testing is not considered necessary.

Going forward, priority will be given to the full operational implementation of the revised framework and to the effective use of the Supervisory Assessment phase as a key supervisory tool for evaluating financial innovation. At the same time, the Bank of Greece is considering the introduction of demand management mechanisms, such as operating the Sandbox through thematic cohorts, in order to safeguard the quality of the supervisory process and ensure the efficient allocation of supervisory resources.

2.3 SUPERVISION OF OCCUPATIONAL AND PRIVATE INSURANCE

Regulatory framework

The Bank of Greece has supervised the private insurance market since 1 January 2010 and, as of 1 January 2025, it also supervises Occupational Pension Funds (OPFs).

The regulatory framework governing the operation of the private insurance sector, based on which the supervisory responsibilities of the Bank of Greece are exercised, includes Union and national provisions, notably including the following:

- Directive 2009/138/EC (Solvency II), which was transposed into Greek legislation by Law 4364/2016, and Delegated Regulation (EU) 2015/35, which regulates the insurance and reinsurance undertakings that are active in the EU[42];

- Directive (EU) 2016/97, which was transposed into Greek legislation by Law 4583/2018, regarding the distribution of insurance products in the EU; and
- Directive (EU) 2016/2341 of the European Parliament and of the Council (IORP II), which was transposed into Greek legislation by Law 5078/2023, regarding Occupational Pension Funds.

Supervisory approach and methodology

The Bank of Greece conducts supervision off-site (off-site supervision) and on-site (on-site inspections) at the headquarters of insurance undertakings, occupational pension funds and insurance intermediaries. The prudential supervisory approach is focused on the timely identification of material risks and is proportionate to the nature, complexity and impact of the risks undertaken by each supervised entity.

The supervisory review process is conducted in accordance with European supervisory practices and is based on an analysis of the individual risks that comprise the risk profile of each supervised entity, in particular insurance, credit, market and interest rate, operational and liquidity risks. It also includes an assessment of the governance framework, financial position, strategy and business model, which together form the basis for prioritising supervisory interventions. In certain cases, it may be necessary to carry out inspections or reviews of specialised issues, issue recommendations or guidance and impose supervisory measures or administrative sanctions.

The Bank of Greece is taking the necessary measures to adapt its supervisory activities to the new regulatory framework, in light of the transposition of the amendment to the Solvency II Directive (Solvency II Review) into Greek law.

The supervised (re)insurance undertakings in 2025

In 2025, there were 34 insurance undertakings[43] operating in the Greek private insurance market, which can be classified according to the type of authorisation as follows:

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

Out of the above 34 insurance undertakings, 31 operate and are supervised in accordance with the Solvency II Directive, which applies to all EU Member States as from 1.1.2016, while 3 are exempted, due to their size, from several requirements related to all three pillars of

[42] On 8.1.2025, Directives (EU) 2025/2 and (EU) 2025/1 of the European Parliament and of the Council of 27 November 2024 were published. These Directives are to be transposed into national law and are scheduled to apply from 30.1.2027. Directive (EU) 2025/2 amends the existing regulatory framework established by Directive 2009/138/EC in areas including proportionality, the quality of supervision, supervisory reporting, long-term guarantee measures, macroprudential tools, sustainability risks and the supervision of groups and cross-border activities. Directive (EU) 2025/1 establishes a recovery and resolution framework for insurance and reinsurance undertakings.
[43] Excluding the mutual insurance undertakings referred to in the first sentence of para. 1 of Article 7 of Law 4364/2016.

Solvency II[44]. Out of the 31 insurance undertakings subject to the provisions of Solvency II, 11 belong to insurance groups with their parent undertaking in another country and 7 to insurance groups subject to the supervision of the Bank of Greece. In addition, 13 insurance undertakings do not belong to any EU-based insurance group.

Despite geopolitical developments and the continuously evolving environment, the Greek insurance market maintained its capital adequacy in 2025, while own funds remained broadly unchanged compared with the previous year. At the same time, the insurance sector successfully managed the rising cost of claims and operations, as well as the increasing frequency of severe climate-related events, confirming the resilience of insurers' business models. Gross written premiums of the life insurance business of the insurance undertakings regulated by the Bank of Greece recorded an increase, primarily driven by stronger sales of insurance contracts linked to investments. Non-life gross written premiums also increased, mainly reflecting higher premiums in motor third-party liability insurance, fire insurance and hospital expenses insurance. The total assets of insurance undertakings increased compared with the previous year, with a significant part of investments allocated to highly-rated government and corporate bonds.

The supervised Occupational Pension Funds (OPFs) in 2025

In 2025, 27 Occupational Pension Funds (OPFs) operated in Greece, the majority of which apply a defined contribution funded scheme. Their total assets amounted to EUR 620 million, representing an increase of 22.5% compared with 2024. Their asset portfolios are characterised by broad diversification, with investments accounting for 93.9% of total assets. Investment portfolios of OPFs are well diversified, with investments concentrated primarily in bonds and undertakings for collective investment in transferable securities. As a result, they are assessed as carrying a low level of investment risk. No deficiencies were identified with regard to the coverage of liabilities or the capital adequacy of OPFs. In terms of governance, the majority of OPFs rely on the outsourcing of their key functions and overall management to a limited number of service providers.

2.3.1 Supervision of (Re)Insurance Undertakings

Off-site supervision

The key aspects of prudential supervision by the Bank of Greece were the monitoring of capital adequacy and own funds quality, as well as the risk profile evaluation of insurance undertakings in relation to existing and emerging risks. Key actions focused on the supervision of the financial and solvency position of insurance undertakings and included monitoring and evaluating the adequacy of technical provisions and the quality and eligibility of own funds of supervised entities. Emphasis was placed on the analysis of investment risk for the largest undertakings, the review of reinsurance arrangements to assess the effectiveness of risk transfer mechanisms and the supervision of the implementation of sound corporate governance principles. Specifically, the Bank of Greece:

- established remedial action programmes to address the findings of on-site inspections conducted at insurance undertakings, particularly with regard to the processes for

[44] 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 exempted from certain Solvency II provisions regarding solvency requirements, the governance system and public disclosure.

calculating technical provisions and corporate governance and monitored the implementation of the measures undertaken by the management bodies of supervised undertakings to ensure compliance with the regulatory and supervisory framework;

- reviewed reinsurance agreements as part of the supervisory assessment of risk transfer mechanisms, examining the effectiveness of risk transfer under loss scenarios and the economic impact of the relevant contracts. The review also assessed the appropriateness of their accounting and supervisory treatment and their incorporation into the Solvency Capital Requirement, while analysing governance-related aspects, with particular emphasis on the adequacy of actuarial and management information and compliance with approved risk appetite limits;
- examined assets and transactions of insurance undertakings as part of the assessment of the availability and eligibility of own funds, with particular emphasis on identifying encumbrances or dependencies that could limit their loss-absorbing capacity. Where such limitations were identified, the corresponding adjustments to own funds and supervisory reporting were required;
- analysed investment portfolios of major insurance undertakings, focusing on market risk, credit quality, issuer concentration, country exposures and the overall portfolio structure;
- reviewed health insurance portfolios of selected insurance undertakings to assess compliance with the regulatory framework applicable to governance, underwriting risk and its management, the calculation of technical provisions and capital requirements, and risk mitigation practices applicable to health insurance portfolios;
- developed a Climate Risk Scorecard to assess the insurance undertakings' level of compliance with supervisory expectations and identify areas requiring improvement, particularly with regard to the identification and assessment of climate-related risks, the integration of such risks into business strategy and the use of appropriate risk management tools;
- developed a quantitative tool for assessing asset and liability management (ALM) risk, including duration mismatches, with the aim of evaluating insurance undertakings' exposure to interest rate and liquidity risks and assessing the adequacy of assets to meet future liabilities;
- organised bilateral meetings with the management of all insurance undertakings on their intended strategy (Strategy Days), focusing on the adaptability of business models to the challenges of the macroeconomic and business environment;
- processed applications for the granting and extension of authorisations, the acquisition or increase of qualifying holdings and corporate transactions involving insurance undertakings, including share capital increases and reductions, portfolio transfers and amendments to articles of association, in accordance with the applicable regulatory framework;
- cooperated with the supervisory authorities of other EU Member States, primarily through the European System of Financial Supervision, under the coordination of the European Insurance and Occupational Pensions Authority (EIOPA);

– participated in 14 Colleges[45] of Supervisors for groups based in the EU and hosted one College of Supervisors for a group based in Greece. As part of the College of Supervisors' activities, it participated in a joint supervisory visit to a group subsidiary in Greece to assess its strategy, business developments and key risks. The findings of the visit were communicated to the members of the College and subsequently monitored within the College's work plan. In parallel, it maintained a regular exchange of supervisory information with EU supervisory authorities on matters of common interest, particularly regarding the fit and proper assessment of members of the administrative, management and supervisory bodies of insurance undertakings.

Box 2.5

European Insurance and Occupational Pensions Authority

EIOPA is one of the three European Supervisory Authorities within the European System of Financial Supervision, with a mandate to contribute to the stability of the financial system, promoting the transparency of financial markets and products and the protection of insurance policyholders, pension scheme members and beneficiaries.

EIOPA's main decision-making body is the Board of Supervisors, in which the Bank of Greece is also represented. In addition, the Bank of Greece participates in key EIOPA committees and contributes to the development of guidelines and their integration into the Greek regulatory framework.

In 2025, EIOPA conducted a pan-European stress test for Institutions for Occupational Retirement Provision (IORPs), the first to place particular emphasis on liquidity risk, assessing their resilience to rapid interest rate movements and liquidity pressures arising from hedging positions. Results showed that, overall, the sector maintains adequate liquidity buffers and is capable of withstanding adverse developments, primarily through adjustments to investment strategies. In addition, EIOPA published the results of the Peer Review on the supervision of stochastic valuation for the calculation of best estimate for products with options and guarantees.

Regarding climate change-related actions, EIOPA continued to promote initiatives aimed at integrating climate change risks into the risk assessment and solvency evaluation of insurance and reinsurance undertakings, further strengthening the supervisory framework to support a more consistent and comprehensive approach to the assessment of environmental risks.

Finally, EIOPA launched additional initiatives to simplify the regulatory framework and reduce administrative burden, with the objective of enhancing the competitiveness of the EU insurance market and fostering the development of a more integrated market for insurance and pension products.

[45] Colleges serve as a cooperation mechanism between national supervisory authorities for the supervision of cross-border insurance groups. EIOPA supports the effective exchange of critical supervisory information, joint risk assessment and alignment of supervisory decisions, ensuring that multinational insurance groups are supervised in a consistent and harmonised manner across all countries where they operate.

On-site inspections

During 2025, seven on-site inspections were initiated at insurance undertakings. The inspections assessed the risk management framework, the management and operational effectiveness of reinsurance arrangements, the compliance with general corporate governance requirements, including the internal control system, and the management of Information and Communication Technology (ICT) risks. The inspections are presented per risk area in the table below.

Table 5
On-site inspections at (re)insurance undertakings in 2025 per risk area

Risk area	Number of inspections
Risk Management Framework	3
Reinsurance	1
General Governance Requirements	1
ICT Risk and Security	2
Total inspections	**7**

Source: Bank of Greece.

The inspections identified weaknesses in: (a) the system of corporate governance, particularly regarding the level of involvement and the adequacy of documentation supporting decisions of the BoD and its committees; (b) the integration of the Own Risk and Solvency Assessment process and the risk appetite framework into strategic planning and business decision-making; and (c) the operation of the risk management system, including governance of underwriting risk and the establishment and monitoring of risk tolerance limits for key risk categories.

With regard to ICT risk, weaknesses were identified in: (a) the identification of ICT risks by the 2nd line of defence and the monitoring of remediation timelines; (b) the absence of specialised ICT audits by the 3rd line of defence and insufficient follow-up of outstanding findings; and (c) the management of user access rights and privileged accounts.

2.3.2 Supervision of Occupational Pension Funds

As of 1 January 2025, the Bank of Greece assumed, under Law 5078/2023, the supervision of Occupational Pension Funds (OPFs). The primary objective of supervision is to protect the rights of members and beneficiaries of OPFs and to ensure the stability and soundness of OPFs.

The relevant responsibilities of the Bank of Greece for OPFs include, among other things, authorising their establishment and operation; maintaining a relevant registry; ensuring ongoing compliance with the applicable regulatory framework – particularly in relation to governance, capital adequacy, risk and investment management, and the provision of required information to members and beneficiaries; taking all appropriate and necessary corrective and enforcement measures when and where needed; and evaluating OPFs' requests for cross-border activity.

Additionally, the Bank of Greece continuously monitors the compliance of Institutions for Occupational Retirement Provision (IORPs) of other EU Member States operating in Greece on a cross-border basis with the requirements of national social security and labour legislation related to occupational pension benefit programmes.

During 2025, the main prudential supervision activities focused on the supervision of the financial condition and solvency of Occupational Pension Funds (OPFs) and included monitoring and assessing their ability to cover solvency capital requirements and the corresponding technical provisions. At the same time, emphasis was placed on examining compliance with the enhanced governance requirements of the new regulatory framework. In particular, the Bank of Greece:

- ensured the timely and accurate submission of supervisory information by supervised OPFs and its transmission to EIOPA, recording the first such submission since the establishment of the occupational pensions framework;
- conducted an introductory (kick-off) presentation aimed at informing newly-supervised entities about its supervisory strategy;
- organised bilateral meetings with the management of OPFs under the Strategy Days framework, focusing on the challenges they face;
- worked on further developing supervisory tools, such as the use of risk assessment scorecards within the Supervisory Review Process, applying a risk-based approach;
- conducted a mapping of the key areas of the governance system and specific characteristics of OPFs, in order to identify potential weaknesses;
- assessed supervisory reporting by OPFs, in particular reports from key functions, focusing on solvency issues, coverage of technical provisions, investment structure in relation to the approved strategic asset allocation, compliance with investment limits and risk tolerance thresholds;
- reviewed pending applications (as of the publication date of Law 5078/2023) for amendments to OPFs' articles of association;
- assessed applications for the establishment and expansion of cross-border activity in Greece by Institutions for Occupational Retirement Provision (IORPs) headquartered in other EU Member States;
- participated in EIOPA working groups related to occupational pensions and provided data to both EIOPA and the Organisation for Economic Co-operation and Development.

2.3.3 Supervision of Insurance Undertakings' and Distributors' Market Conduct

The Bank of Greece is responsible for supervising distribution networks and practices at two levels. First, the Bank of Greece supervises manufacturers of insurance products, to ensure that they comply with the insurance obligations they have undertaken under insurance contracts. Second, the Bank of Greece supervises distributors of insurance products (insurance intermediaries), to ensure that they comply with the legislation on disclosure and business ethics standards in the sale of insurance products.

During 2025, supervisory tools based on a risk-based approach were used with the aim of identifying and addressing the most significant risks across the entire market. The Bank of Greece conducted on-site and off-site inspections of insurance undertakings with cross-border activity in Greece, as well as of insurance intermediaries. These inspections focused primarily on the pre-contractual information provided to prospective policyholders.

During 2025, the Bank of Greece:

- assessed and approved professional training seminars for insurance intermediaries to be conducted in 2026, enabling them to fulfil their continuing professional development requirement of at least 15 hours per year;
- handled inquiries from insurance intermediaries regarding the application of the regulatory framework and their general obligations in relation to the distribution of insurance products;
- investigated complaints against insurance product manufacturers and distributors, and took appropriate action (by providing responses to complainants and imposing legally-prescribed sanctions where breaches of insurance legislation were identified);
- issued recommendations to supervised persons (insurance intermediaries) for the implementation of necessary corrective actions;
- incorporated into its procedures the provisions of Article 45 of Law 4583/2018, as amended by Article 76 of Law 5193/2025, concerning the receipt and management of reports of breaches in insurance distribution activities (whistleblowing);
- participated, through its staff, in working groups of the EIOPA, examining specific thematic areas aimed at protecting policyholders and ensuring the stability of the insurance market;
- participated in the exchange of information with other EU supervisory authorities regarding the activities of insurance product manufacturers and distributors operating cross-border (either through branches or under the freedom to provide services regime).

In accordance with the 2025 annual on-site inspection programme, one inspection was initiated at an insurance product distributor (insurance intermediary). In parallel, three inspections that had commenced in 2024 were completed during 2025. The inspections assessed compliance with the legislative and regulatory framework governing insurance distribution.

The inspections identified weaknesses in: (a) the coordination and oversight of insurance agents, resulting from insufficient supervision of their activities and the absence of written agreements with insurance undertakings; (b) the compliance with regulatory requirements regarding the prohibition of collaborations between individuals with incompatible roles and collaborations with insurance intermediaries who do not hold the required distribution license; and (c) the pre-contractual disclosure and advisory process relating to insurance and insurance-based investment products.

2.4 AUTHORISATION AND FIT AND PROPER ASSESSMENT

Credit Institutions

The Bank of Greece cooperates with the ECB in the context of the common procedures as set out in Regulation (EU) 468/2014 of the ECB. These procedures concern both SIs and LSIs and include the authorisation of credit institutions in Greece, the withdrawal of authorisation of credit institutions and the approval of the acquisition or increase of a qualifying holding in an existing credit institution.

The Credit and Insurance Committee of the Bank of Greece makes its own assessment and submits a proposal for a decision (approval or rejection) to the ECB (according to the SSM Regulation), with the latter being responsible for issuing the final decision. In addition, the Bank of Greece is the authority responsible for the fit and proper assessment of the BoD members and Key Function Holders of credit institutions. Specifically for SIs, fit and proper assessment is carried out jointly with the ECB, which issues the final decision. Apart from the above, the Bank of Greece is the authority exclusively responsible for authorising, withdrawing authorisation and approving the acquisition or increase of a qualifying holding in the branches of credit institutions based in third countries and the representative offices of credit institutions based in third countries.

In 2025, a new methodology (Risk-Based Strategy) was developed at the SSM level with the aim of streamlining the procedures for authorisation, voluntary withdrawal of authorisation and the approval of the acquisition or increase of a qualifying holding by classifying the cases according to their risk and complexity level. The new methodology aims to ensure a more efficient allocation of supervisory resources by focusing on high-risk procedures, while enhancing the overall efficiency of the assessment and approval process. For all other cases (i.e. low-risk and complexity, low-risk and medium- or high-complexity procedures), the need for communication and information exchange, both for the assessed entities and among the competent authorities and the JSTs, is reduced through targeted assessments. The new methodology has become applicable to new procedures jointly assessed with the ECB since 30 September 2025.

The responsibilities and procedures applied by the Bank of Greece regarding the fit and proper assessment of the BoD members and Key Function Holders of credit institutions and financial institutions are aligned with the Joint Guidelines (EBA/GL/2021/06) issued by the European Banking Authority (EBA) and the European Securities and Markets Authority (ESMA). Within this framework, when the Bank of Greece has concluded that the application file is complete, it prepares the “Acknowledgement of Receipt”, which is communicated to the supervised entity. Specifically for the SIs, the required documentation is submitted through the IMAS Portal[46].

The table below depicts the total number of requests that were assessed in collaboration with ECB within the year 2025:

Table 6
Number of common procedures and Fit and Proper assessments (SIs and LSIs)

Procedures	Number
Authorisation	-
Approval of acquisition/increase in a qualifying holding	2
Fit and Proper Assessment	9 (for the SIs)

Source: Bank of Greece.

In addition, the Bank of Greece is responsible for granting approval or exemption from approval of financial holding companies or mixed financial holding companies under Article 22A of Law

[46] The IMAS Portal enables the supervised entities and third parties to submit information related to supervisory procedures, monitor their progress and exchange information with the competent authorities.

4261/2014 and the Bank of Greece Executive Committee Act 190/1/16.6.2021. In 2025, the Bank of Greece granted exemptions from approval to three financial holding companies.

Financial Institutions

The Bank of Greece is the authority exclusively responsible for authorising, withdrawing authorisation, approving the acquisition or increase of a qualifying holding, as well as for conducting the fit and proper assessment of the BoD members and Key Function Holders of the following types of financial institutions in Greece:

- leasing, factoring and credit companies,
- microfinance institutions,
- credit servicers,
- residential credit intermediaries,
- payment institutions, electronic money institutions and payment services providers and
- Bureaux de Change

The table below presents all applications assessed by the Bank of Greece during 2025.

Table 7
Authorisations/Withdrawals of authorisation and qualifying holding procedures for financial institutions

	Authorisations	Withdrawals	Qualifying Holdings
PIs and EMIs	2[47]	1	1
Bureaux de Change	-	1	
Credit Servicers	-	1[48]	3
Leasing Companies	1	-	1
Factoring Companies	-	-	3
Microfinance Institutions	2	-	-
Residential Credit Intermediaries	6	-	-

Source: Bank of Greece.

In addition, the Bank of Greece assessed applications for exemptions from the provisions of Law 4537/2018 on payment services in the internal market. More specifically, four exemption applications were assessed, three of which concerned payment instruments that can be used only in a limited way[49], while one concerned cash withdrawal services provided through ATMs by providers acting on behalf of one or more card issuers that are not parties to the framework contract with the customer withdrawing cash from a payment account, provided that such providers do not offer any other payment services[50]. Furthermore, during 2025, the Bank of Greece carried out a number of fit and proper assessments of members of the Boards of

[47] The authorisation of one Payment Institution was extended.
[48] Voluntary surrender of the authorisation.
[49] Point (k) of Article 3 of Law 4537/2018.
[50] Point (n) of Article 3 of Law 4537/2018.

Directors and Key Function Holders of financial institutions.

Lastly, another important responsibility of the Bank of Greece concerns the management of notifications relating to the exercise of passporting rights by financial institutions for the provision of services in Greece, either through establishment (branches or agents) or under the freedom to provide services.

(Re)Insurance Undertakings

The Bank of Greece is responsible[51] for reviewing applications for authorisation of entities based in Greece that intend to undertake (re)insurance activities. However, in 2025, no such applications were received.

During the same year, the Bank of Greece assessed specific requests from supervised (re)insurance undertakings regarding the acquisition of direct or indirect qualifying holdings, the reduction of share capital and the transfer of insurance portfolios.

Table 8
Approval procedures for (re)insurance undertakings

Requests	Number
Extension of Authorisation	2
Approval of Acquisition/Increase of a Qualifying Holding	12
Share Capital Increase/Reduction	3
Insurance Portfolio Transfers	4
Amendments to the Articles of Association	2
Amendments of the Policy with respect to the change of the Partial Internal Model	1

Source: Bank of Greece.

[51] According to Law 4364/2016 and Bank of Greece Executive Committee Acts 120/11.7.2017 and 60/12.2.2016 as currently in force.

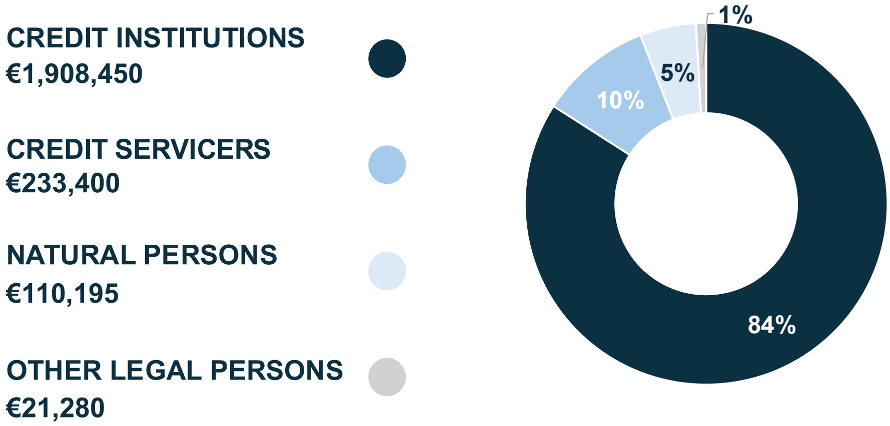
3. SANCTIONS

According to Article 55A of its Statute, the Bank of Greece, when performing its supervisory tasks, imposes administrative sanctions on all persons subject to its supervisory powers, their legal representatives and persons in managerial positions, for breaches of the framework within its scope of supervision.

In 2025, the Credit and Insurance Committee of the Bank of Greece identified in its decisions 38 breaches of the framework within the Bank of Greece's scope of supervision. These breaches were committed by credit institutions, insurance undertakings, credit servicers, natural persons and other legal persons.

In all the above cases, it was decided to impose pecuniary penalties, which totalled EUR 2,273,325. In some cases involving breaches of the legal framework, in addition to the pecuniary penalty, the persons responsible were instructed to refrain from such breaches in the future or corrective measures were imposed.

Chart 7
Penalties imposed by category of supervised persons (amounts in EUR)



Source: Bank of Greece.

Breaches of the AML/CFT framework

In 2025, a total of 13 breaches of provisions of the AML/CFT framework were identified, committed by one credit institution. In this case, a pecuniary penalty amounting to a total of EUR 1,891,050 was imposed on the supervised institution, which was also required to take corrective measures.

Breaches of the insurance legislation framework

In 2025, a total of 13 breaches of the insurance legislation framework were identified, committed by 11 natural persons, one credit institution acting as an insurance intermediary and one legal person carrying out insurance intermediation activities. Pecuniary penalties amounting to a total of EUR 145,875 were imposed for these breaches, while in 6 of the above cases the persons responsible were also instructed to refrain from such breaches in the future.

Breaches of the transparency of the banking transactions framework

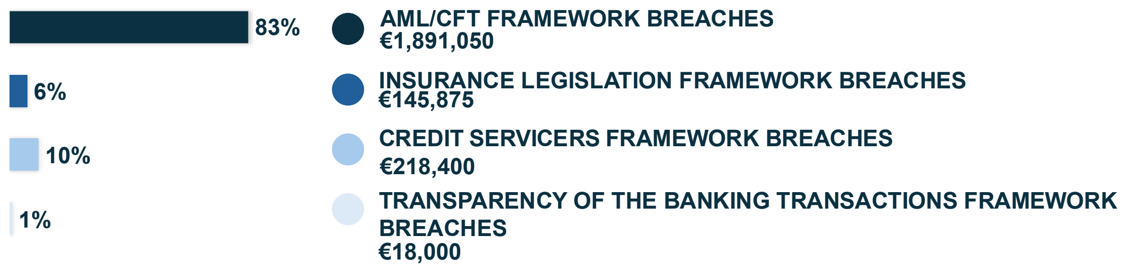
In 2025, following customer complaints, a total of 6 breaches of the transparency of banking transactions framework were identified, committed by two credit servicers and one credit institution. Pecuniary penalties amounting to a total of EUR 18,000 were imposed for these breaches.

Breaches of the framework addressing the operation of the credit servicers

In 2025, following customer complaints, a total of 5 breaches of the framework governing the operation of credit servicers were identified, committed by one credit servicer. A pecuniary penalty amounting to a total of EUR 218,400 was imposed for these breaches.

Summary information on the administrative sanctions imposed by the Bank of Greece in recent years is published on its website (see link).

Chart 8
Penalties imposed by category of breach



Source: Bank of Greece.

4. PREVENTION OF MONEY LAUNDERING AND TERRORIST FINANCING

The Bank of Greece is the supervisory authority responsible for the implementation of the institutional framework on the prevention of Money Laundering (ML) and Terrorist Financing (TF) by the entities which fall under its supervision. The responsibilities of the Bank of Greece are exercised, inter alia, by specifying, through the issuance of regulatory acts, the individual obligations of supervised entities, providing instructions and updates, assessing ML/TF risks, conducting off-site supervision and on-site inspections and imposing administrative sanctions. The actions taken by the Bank of Greece in 2025 are summarised below.

Regulatory framework

Law 4557/2018 constitutes the cornerstone of the national AML/CFT framework and transposes the provisions of Directive (EU) 2015/849 into Greek law. The Bank of Greece has specified the obligations of supervised institutions through regulatory acts. In 2025, regulatory acts were issued, such as the Executive Committee Acts (ECAs) 242/1/11.6.2025 and 242/2/11.6.2025 concerning the verification of the identification data of legal entities. In addition, ECA 244/5/25.7.2025 amended ECA 172/1/29.5.2020, which lays down the terms and conditions for the remote electronic identification of natural persons establishing a business relationship. Finally, through ECA 242/4/11.6.2025, the Bank of Greece adopted the European Banking Authority Guidelines (EBA/GL/2024/11) on information requirements in relation to transfers of funds and certain crypto-assets transfers under Regulation (EU) 2023/1113[52].

Off-site supervision

During 2025, the Bank of Greece:

- assessed the ML/TF risk and the adequacy of the AML/CFT internal control mechanisms of 128 supervised entities operating in 10 sectors;
- requested Bureaux de Change and credit servicers to submit reporting templates for assessing the inherent ML/TF risk;
- requested the supervised entities to provide clarifications and further information on areas of increased risk or take corrective measures/implement recommendations made in previous years and provided updated instructions;
- provided targeted guidance to supervised institutions on specific issues, such as in the context of remote electronic identification of natural persons;
- requested credit institutions, payment institutions and electronic money institutions to prepare and submit updated Business-Wide Risk Assessments, providing specific guidance. Subsequently, the Bank of Greece evaluated the assessments and, where necessary, requested specific adjustments, with the aim of improving the identification and management of ML/TF risk;
- carried out specific targeted off-site investigations (in credit institutions, credit servicers), focusing on customer due diligence measures applied to specific customers and

[52] For more information on the changes to the legal and regulatory framework in 2025, see Chapter 8.1.

transactions, and relevant weaknesses were identified in specific institutions;

- carried out supervisory visits to supervised institutions (credit institutions, electronic money institutions, credit servicers, postal company providing payment services) with the aim of conducting in-depth reviews of specific supervisory areas;
- organised 4 AML/CFT Supervisory Colleges for 4 supervised institutions and participated, as a permanent member, in AML/CFT Colleges relating to 19 supervised institutions, organised by 6 European AML/CFT supervisory authorities.

On-site inspections

During 2025, four on-site inspections were carried out at two credit institutions, one significant credit institution (SI) and one less significant institution (LSI), and two payment institutions. In addition, two inspections initiated in 2024 were completed during 2025, in accordance with the inspection programme established for that year. These inspections concerned one less significant institution (LSI) and one payment institution providing payment acquiring services.

The inspections assessed compliance with the anti-money laundering and countering the financing of terrorism (AML/CFT) regulatory framework, with particular emphasis on the policies and procedures implemented as well as on the information systems installed by the inspected institutions for monitoring customer transactions and activities, identifying unusual or suspicious transactions, assessing such transactions and submitting Suspicious Transaction Reports to the Hellenic Anti-Money Laundering Authority. For credit institutions, the inspections also included an assessment of information and communication technology (ICT) risks relating to the specialised AML/CFT transaction monitoring systems.

The inspections completed during 2025 identified weaknesses in the AML/CFT framework implemented by the inspected institutions, particularly in relation to established policies and procedures, customer due diligence measures and transaction monitoring processes and systems for AML/CFT purposes.

Box 4.1

Participation of the Bank of Greece in the activities of the Anti-Money Laundering Authority (AMLA)

The activities of the Bank of Greece in relation to the AMLA can be summarised as follows:

1. Participation in the five meetings of the AMLA General Board in supervisory composition, assuming the responsibility for single joint representation of the country's supervisory authorities.

2. Appointment of representatives in six Working Groups established by AMLA and participation in the intensive work for the development of a total of eleven regulatory or implementing technical standards and guidelines, as well as in the finalisation of the risk assessment methodology of supervised institutions, representing and, where appropriate, coordinating the other supervisory authorities of the country.

3. Active participation in the project team of the Ministry of Economy and Finance for the analysis of the new European AML/CFT institutional framework and the examination of the required legislative amendments, and, in parallel, submission of a proposal for the transposition of the implementing provisions of Regulation (EU) 2023/1113 into Greek law.

4. Strengthening cooperation with the private sector, in the context of the working group with the Hellenic Bank Association, with a view to addressing practical implementation issues and preparing a smooth transition to the new European regulatory and supervisory framework.

Visit of the AMLA Chair

The Bank of Greece coordinated the visit of AMLA Chair, Ms. Bruna Szego, to Greece in October 2025 and organised her meetings with: a) the supervisory authorities and the Hellenic Anti-Money Laundering Authority and b) professional associations representing the private sector. The aforementioned meetings focused on preparations for the transition to the new European regulatory and supervisory framework and on the related challenges that the above-mentioned authorities and private sector companies are expected to face.

5. MACROPRUDENTIAL SUPERVISION

The Bank of Greece exercises its macroprudential powers under Article 55A of its Statute with a view to safeguarding the stability of the financial system[53] as a whole, by mitigating the build-up of systemic risks and strengthening its resilience. Macroprudential supervision complements microprudential supervision, focusing on systemic risk. Macroprudential policy measures pertain to the financial system as a whole or significant parts thereof, whereas microprudential supervision targets individual financial institutions. In this context, the Bank of Greece identifies, monitors and assesses systemic risks and takes adequate macroprudential policy measures.

5.1 SYSTEMIC RISK MONITORING

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, financial institutions and financial markets and infrastructures. Systemic risks are defined as those that can cause disruptions to the entire financial system and not just to individual companies or sectors. They are classified into cyclical[54] systemic risks, which are associated with the phase of the economic and financial cycle, and structural risks, which are linked to structural characteristics of the financial system and/or long-term trends (e.g. the digital transition and climate change).

Within this context, the Bank of Greece develops methodologies and analytical tools for the timely identification of systemic risks. In 2025, it developed a monitoring and risk classification tool (the "Systemic Risk Heatmap"), aimed at identifying and providing a comprehensive assessment of vulnerabilities in the Greek financial system. The tool comprises 73 quantitative indicators, grouped into 12 distinct risk areas, covering cyclical and structural systemic risks, as well as risks stemming from the non-bank financial sector (see the figure below).

Figure 4
Schematic representation of the systemic risk assessment and classification framework

Systemic Risk Heatmap		
Cyclical dimension	**Structural dimension**	**Non-bank risks**
❑ **Credit** (7 indicators) ❑ **Asset Quality** (4 indicators) ❑ **Profitability** (5 indicators) ❑ **Real Estate** (8 indicators) ❑ **Financial Markets** (9 indicators) ❑ **Domestic Macro Economy** (9 indicators) ❑ **Stress Indicators** (2 indicators)	❑ **Banking Soundness Indicators** (10 indicators) ❑ **Banking Sector Concentration** (2 indicators) ❑ **Systemic Liquidity** (9 indicators)	❑ **Insurance Sector** (7 indicators) ❑ **Non-Bank Financial Intermediaries** (2 indicators)

Source: Bank of Greece.

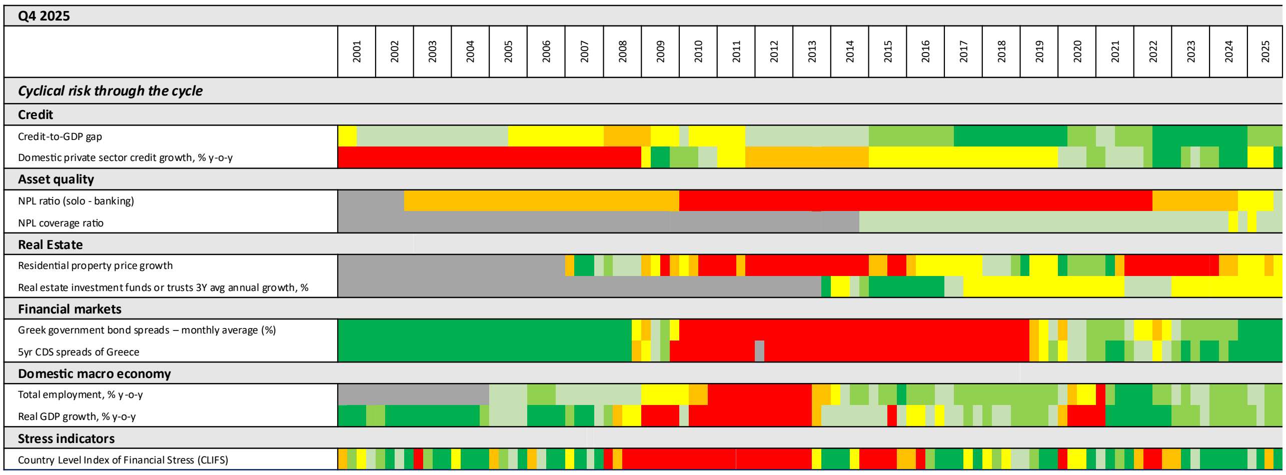
The assessment framework visually depicts the risk level associated with each indicator through a colour-coded scale,[55] employing a "traffic light" approach. The risk classification for

[53] Financial stability can be defined as a condition in which the financial system is capable of withstanding economic and financial shocks and performs its intermediation role smoothly. This reduces the likelihood of financial crises and, should a crisis arise, mitigates the adverse impacts on the real economy.
[54] The cyclical dimension of systemic risk relates to the tendency of banks to assume excessive risks during the expansionary phase of the economic cycle and their pronounced reluctance to take on risk during the downturn phase. See link.
[55] Three shades of green are used to indicate the absence of risk, while yellow, orange and red are used to denote increasing levels of risk.

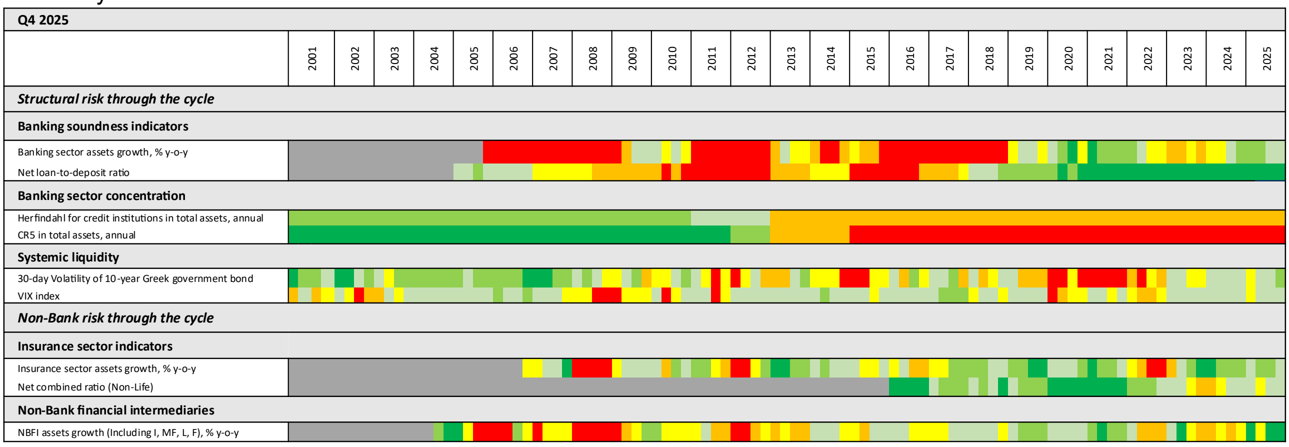
each indicator is determined through the use of thresholds established on the basis of statistical methodologies, international best practices and the expert judgement of the Bank of Greece staff. This approach makes it possible both to assess the current level of risk and to monitor changes and emerging trends over time. The framework is updated on a quarterly basis and constitutes an important component of the analysis of systemic risks in the Greek financial system. It also serves as an input to both the preparation of the Financial Stability Review and the formulation of macroprudential policy.

Based on the above, the analysis of the individual risk areas for the fourth quarter of 2025 indicates a gradual build-up of cyclical systemic risks, although they remain at a low level. Structural risks and risks stemming from the non-bank financial sector also remain low, with no clear trend emerging. Overall, systemic risks remain at a low level.

Chart 9
Illustrative indicators of the "Systemic Risk Heatmap"



Note: The Cyclical Risk through the cycle table above is provided for illustrative purposes and does not include all indicators. Grey-shaded areas indicate that data is not available.



Note: The Structural and Non-Bank Risk through the cycle tables above are provided for illustrative purposes and do not include all indicators. Grey-shaded areas indicate that data is not available.

Source: Bank of Greece.

5.2 APPLICATION OF MACROPRUDENTIAL POLICY MEASURES

As the national designated authority, the Bank of Greece has activated three macroprudential policy instruments. Regarding the countercyclical capital buffer (CCyB), the Bank of Greece has adopted a framework for its implementation in Greece, under which the activation of the buffer commences during the phase of the business and financial cycle in which the level of risk is at a standard level (standard risk environment) and continues towards achieving the target rate, which has been set at 0.5%.[56] At the same time, the Bank of Greece assesses on a quarterly basis the intensity of cyclical systemic risks and the appropriateness of the CCyB rate for Greece and sets or adjusts it, if necessary. During the first three quarters of 2025, the Bank of Greece maintained the CCyB rate at 0.25%. In the fourth quarter of 2025, the Bank of Greece decided to raise the CCyB rate for Greece by 0.25 percentage points, setting it at 0.5%,[57] i.e. at the level of the positive neutral CCyB target rate, applicable from 1 October 2026.[58]

In addition, the Bank of Greece identified Other Systemically Important Institutions (O-SIIs) in Greece for the year 2025 and set the O-SII buffer rate for the year 2026 at 1.25% for Eurobank Ergasias Services and Holdings S.A. at consolidated level and at 1% for the following O-SIIs: 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, Piraeus Financial Holdings S.A. at consolidated level and Piraeus Bank S.A. at solo level.[59] The identification of O-SIIs follows the methodology set out in the relevant EBA guidelines, as adopted by ECA 56/18.12.2015 and further specified by ECA 221/1/17.10.2023, which incorporates the most recent ECB methodology for the O-SII buffer floor, the revised ECB O-SII floor methodology.[60]

Finally, the Bank of Greece has enacted macroprudential borrower-based measures for loans and other credit extended to natural persons and secured by residential real estate[61] located in Greece. These measures have been applicable since 1 January 2025. The Bank of Greece has developed an appropriate framework for monitoring their implementation, covering both the degree of compliance of credit institutions with the measures and the assessment of their effectiveness in achieving the intended objective. Compliance is assessed on a quarterly basis through the collection of aggregate data under ECA 231/3/15.7.2024. In parallel, the Bank of Greece carried out a one-off assessment during the initial implementation phase of the measures to verify whether credit institutions had adapted their loan origination procedures in a timely and appropriate manner. The effectiveness of the measures is evaluated by considering, on the one hand, the share of loans located in the tail of the distribution of residential real estate loan indicators and, on the other hand, any indications that the flow of new lending has been constrained as a result of the implementation of the measures. The methodology for assessing the first dimension, which provides insights into the prudence of lending standards applied to new loans, was presented in a relevant Special Feature in the May 2025 Financial Stability Review (see link).

[56] ECA 235/1/7.10.2024.
[57] The CCyB rate is set by an ECA of the Bank of Greece and is applicable 12 months at the latest from the date of its announcement.
[58] ECA 248/1/6.10.2025.
[59] ECA 246/1/15.9.2025. It is noted that, on 12 December 2025 and 19 December 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. Hence, the rate of 1.25% applies to Eurobank S.A. on a consolidated basis and the rate of 1% applies to Piraeus Bank S.A. on a consolidated and on individual basis.
[60] See link.
[61] ECA 227/1/8.3.2024.

6. RESOLUTION

The resolution of credit institutions is governed by the following fundamental regulatory framework:

- Regulation (EU) No 806/2014 (Single Resolution Mechanism Regulation – SRMR) establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund; and
- Directive 2014/59/EU (Bank Recovery and Resolution Directive – BRRD) on the recovery and resolution of credit institutions and investment firms, as transposed into Greek law by Law 4335/2015.

In particular, Regulation (EU) No 806/2014 establishes and regulates the operation of the Single Resolution Mechanism (SRM), which constitutes one of the three pillars of the Banking Union and aims to ensure the orderly resolution of credit institutions, with the least possible impact on the real economy and the public finances of the participating EU Member States and other countries. Since January 2016, centralised decision-making power in respect of resolution within the SRM has been assigned to the Single Resolution Board (SRB). The SRB works in close cooperation with the National Resolution Authorities (NRAs) of participating Member States of the Banking Union, which are authorised to implement the SRB's decisions. In Greece, the Bank of Greece has been designated as the NRA. Furthermore, the SRB and the NRAs cooperate closely with the SSM, the European Commission, the Council of the European Union, the EBA, as well as with other European and international authorities.

In parallel, the Single Resolution Fund (SRF) has been established, which serves as the resolution financing arrangement at Banking Union level and is used exclusively for the effective application of the resolution tools and for specific purposes. The national counterpart of the SRF is the Resolution Scheme of the Hellenic Deposit and Investment Guarantee Fund (TEKE), which has been designated as the resolution financing arrangement for the branches of credit institutions headquartered in non-EU countries.

The Bank of Greece acts as the Greek NRA for credit institutions under Law 4335/2015 and within the framework of the SRM. It is directly responsible for LSIs, while SIs fall under the SRB's direct remit. For each SI, the SRB has established an Internal Resolution Team comprising staff members from both the SRB and the Bank of Greece. The Bank of Greece and the SRB take all the necessary measures to ensure that the credit institutions which may be deemed to be failing can be subject to resolution actions without disrupting financial stability.

In particular, the Bank of Greece, among other tasks, cooperates with the SRB in preparing resolution plans for SIs; prepares resolution plans for LSIs; assesses the need to take resolution actions in respect of LSIs; assesses, selects and implements the appropriate resolution tools for LSIs; implements the SRB's decisions and monitors their execution, while also participating in the calculation and collection of credit institutions' contributions to the SRF[62].

During 2025, in the context of Internal Resolution Teams for SIs, the Bank of Greece:

[62] It is noted that the calculation and collection of contributions from domestic third-country branches to TEKE is carried out exclusively at national level.

- participated in the preparation and finalisation of resolution plans and in the determination of the Minimum Requirement for own funds and Eligible Liabilities (MREL[63]). The Bank of Greece implemented the relevant decisions adopted by the SRB for the determination of MREL and monitored credit institutions' compliance with these requirements on a quarterly basis;
- contributed to the detailed assessment of the progress made by SIs towards their resolvability. Notably, in 2025, SIs made significant progress across all dimensions of resolvability, which enabled them to benefit from the updated MREL calculation methodology and ultimately achieve full compliance with their final MREL target by the end of the transitional period;
- explored alternative resolution strategies entailing the use of transfer tools, based on the relevant SRB guidance and taking into account the reports submitted by the credit institutions for this purpose. This work will continue in the coming years, as it has been identified as one of the SRB's strategic priorities; and
- participated in the on-site inspection conducted by the SRB at a Greek credit institution.

With respect to LSIs, in 2025, the 2024 resolution planning cycle was completed with the adoption of seven resolution plans. As part of the 2025 resolution planning cycle, three resolution plans were drafted which, following their notification to the SRB, were adopted by the Resolution Measures Committee during the first half of 2026.

Moreover, in 2025, the Bank of Greece successfully completed the collection, quality assurance and submission to the SRB of the 2024 resolution reporting templates for all credit institutions established in Greece.

At the same time, the Bank of Greece participated in the procedures relating to the regular ex ante contributions to the SRF. It is noted that, for the year 2025, the SRB did not determine such contributions, as the target level of 1% of covered deposits of credit institutions authorised in the participating Member States had already been reached (see the SRB press release, 10.2.2025).

The Bank of Greece works in close cooperation with the SRB in the context of strengthening National Resolution Authorities' crisis preparedness. In 2025, the first version of the national handbook for the implementation of the four resolution tools (Bail-In, Sale of Business, Bridge Institution, Asset Separation) was completed. At the same time, the Bank of Greece cooperated with the SRB in order to prepare standardised legal templates aimed at enhancing crisis preparedness (Crisis Repository).

Additionally, the Bank of Greece actively participated, through its representatives, in the SRB's decision-making bodies (Plenary Session, Executive Session), as well as in the horizontal committees and working groups of the SRB and the EBA.

[63] MREL aims to ensure that there is sufficient loss absorption capacity by the owners/shareholders and creditors of the credit institution during resolution, without disrupting financial stability or requiring the provision of state aid.

7. LIQUIDATIONS

The Bank of Greece, in the context of its supervisory role, exercises supervision and conducts on-site inspections of credit and financial institutions under special liquidation, insurance undertakings under insurance liquidation, as well as institutions for occupational retirement provision under liquidation.

During 2025, significant developments took place in the liquidation proceedings. The Bank of Greece contributed, through its proposals, to important interventions in the existing institutional framework, leading to amendments to Laws 4261/2014 and 4364/2016. These interventions aim to improve the functioning of liquidations, enhance their effectiveness, and, overall, accelerate the relevant procedures.

At the same time, the Bank of Greece revised its own regulatory framework to make the management of claims of credit institutions under special liquidation more flexible and aligned with banking practices, facilitating faster and smoother completion of liquidation procedures and ensuring the maximum possible return to creditors, including the Hellenic Financial Stability Fund (HFSF) and the Hellenic Deposit and Investment Guarantee Fund (TEKE).

Furthermore, in 2025, pursuant to decisions of the Credit and Insurance Committee of the Bank of Greece, over EUR 100 million was distributed to the TEKE and the HFSF, more than EUR 2 million was paid as compensation to former employees of credit institutions under liquidation and over EUR 20 million was distributed to satisfy beneficiaries of insurance claims and to meet tax liabilities to the State.

Finally, as part of its supervisory activities, the Bank of Greece conducted two on-site visits to insurance undertakings under insurance liquidation and one on-site visit to a special liquidator, hereby complementing its off-site supervision and strengthening the overall monitoring of the liquidation process. Additionally, in 2025, two on-site inspections of insurance undertakings under insurance liquidation – initiated in 2024 – were completed. The inspections focused on assessing the management of the liquidation estate and the settlement of the liquidation's liabilities. The inspections identified weaknesses in the organisation and monitoring of the insurance liquidation process, particularly regarding the management and recovery of assets, as well as deficiencies in the completeness of supervisory reporting.

Box 7.1

Bank of Greece Workshop on "Supervision and Progress in the Liquidation of Financial Institutions"

As part of its efforts to strengthen institutional dialogue, the Bank of Greece organised a workshop in late 2025 on supervision and progress of the liquidation of financial institutions, bringing together key stakeholders from the sector.

The discussions focused on bank and insurance liquidations, highlighting the progress achieved as well as the main challenges that continue to delay their completion. It was emphasised that substantial progress has been achieved in liquidation procedures, through the implementation of a comprehensive and robust supervisory framework, despite the adverse conditions arising from the financial crisis of 2009-2012 and the placement of 14 credit institutions under special liquidation. Similarly, in the insurance sector, following the transfer of supervisory responsibility to the Bank of Greece under Law 3867/2010, effective supervisory mechanisms were developed despite the absence of a unified European framework.

The workshop, which brought together all relevant stakeholders, contributed significantly to institutional dialogue, the exchange of best practices, and the identification of the need for continuous adaptation and coordinated action in addressing challenges associated with liquidation processes – thus promoting transparency, coordination and more effective management of procedures for the benefit of creditors and policyholders.

8. DEVELOPMENTS IN THE LEGAL AND REGULATORY FRAMEWORK

8.1 EXECUTIVE COMMITTEE ACTS

In the area of prudential supervision, throughout the year 2025 the Executive Committee of the Bank of Greece adopted a number of Executive Committee Acts (ECAs) relating to credit institutions, insurance undertakings and financial institutions, with a view to strengthening supervisory effectiveness and supporting the sound and orderly functioning of the financial system. The ECAs are published on the Bank of Greece's website. The following are indicative examples:

ECA 238/2/10.1.2025 – Determination of supervisory fees payable by credit and financial institutions to cover the Bank of Greece's supervisory expenses pursuant to Article 147 of Law 4261/2014: Establishes the methodology for calculating supervisory fees, as well as the procedure for their notification to, and payment by, credit and financial institutions.

ECA 239/1/13.2.2025 – Cash Flow Timing Analysis relating to Securitised Receivables: Sets out the Bank of Greece's reporting requirements concerning the management of securitisation portfolios for which significant risk transfer has been achieved pursuant to Article 244 of Regulation (EU) No 575/2013.

ECA 240/1/27.2.2025 – Terms and procedure for the provision of payment services and electronic money redemption through agents by credit institutions established or operating through a branch in Greece: This ECA specifies the framework and conditions regarding the provision of payment services and electronic money redemption through agents by credit institutions in Greece.

ECA 240/2/27.2.2025 – Adoption of the EBA Guidelines on resubmission of historical data under the EBA reporting framework (EBA/GL/2024/04): Resubmission of historical data in cases of inaccuracies, errors or other changes, in accordance with the EBA framework for supervisory and resolution reporting.

ECA 241/2/9.4.2025 – Adoption of the EBA Guidelines, of 29 May 2020, on loan origination and monitoring (EBA/GL/2020/06): This Act establishes the procedures, arrangements and internal governance mechanisms relating to the origination and monitoring of credit facilities throughout their life cycle.

ECA 242/1/11.6.2025 – Amendment to the Private Insurance Supervisory Committee Decision 154/5A/31.8.2009 on the "Prevention of the use of the financial system for money laundering and terrorist financing" (Government Gazette B 2005) and ECA 242/2/11.6.2025 – Amendment to the Banking and Credit Committee Decision 281/5/17.3.2009 on the "Prevention of the use of credit and financial institutions under Bank of Greece supervision for money laundering and terrorist financing" (Government Gazette B 650): Introduces the possibility of retrieving and transmitting identification and verification data of legal persons through the "Know Your Business – eGov-KYB" electronic service of the Public Administration's Single Digital Portal.

ECA 242/3/11.6.2025 – Submission of data on the activity of institutions abroad: This Act updates the reporting requirements applicable to the activities of credit institutions conducted abroad through branches and/or subsidiaries.

ECA 242/4/11.6.2025 – Adoption of the European Banking Authority Guidelines (EBA/GL/2024/11) on information requirements in relation to transfers of funds and certain crypto-assets transfers under Regulation (EU) 2023/1113 ("Travel Rule Guidelines"): Specifies the factors and procedures for detecting and managing transfers lacking the required information on the payer or payee, the measures to be taken to manage ML/TF risk where such information is missing or incomplete and the technical aspects of the application of Regulation (EU) 2023/1113 to direct debits.

ECA 243/2/7.7.2025 – Internal governance framework – Adoption of the EBA Guidelines on internal governance (EBA/GL/2021/05) – Repeal of Bank of Greece Governor's Act 2577/9.3.2006 "Framework of operational principles and criteria for the evaluation of the organisation and Internal Control Systems of credit and financial institutions and relevant powers of their management bodies" (Government Gazette A 59): Revision and modernisation of the internal governance regulatory framework for credit and financial institutions and adoption of the EBA Guidelines on internal governance (see Box 8.1 below).

ECA 243/3/7.7.2025 – Amendment to Executive Committee Act 142/11.6.2018 "Procedures for (a) the authorisation of credit institutions in Greece and (b) the acquisition of, or increase in, a holding in credit institutions" (Government Gazette B 2674): Amendment of the ECA regarding qualifying holdings where the proposed acquirer is a supervised natural or legal person.

ECA 243/4/7.7.2025 – Whistleblowing mechanism for reporting potential or actual breaches of Law 4583/2018 (Government Gazette A 212): By delegation of Article 45 of Law 4583/2018, this Act establishes a mechanism for reporting potential or actual breaches (whistleblowing). Through the whistleblowing mechanism, employees of supervised entities may submit reports to the Bank of Greece concerning impending or already committed breaches of the provisions of Law 4583/2018, enabling the supervisory authority to detect, investigate and address such breaches in a timely manner. In this context, the Bank of Greece's website has been enhanced with a dedicated webpage describing the relevant procedure[64] and providing information to all interested parties.

ECA 244/3/25.7.2025 – Procedures for the authorisation of a credit institution in Greece – Repeal of Chapter A of Executive Committee Act 142/11.6.2018 "Procedures for (a) the authorisation of credit institutions in Greece and (b) the acquisition of, or increase in, a holding in credit institutions" (Government Gazette B 2674): Revision of the procedure for the authorisation of credit institutions in Greece.

ECA 244/4/25.7.2025 – Prudential supervisory requirements for credit servicers and obligations of credit purchasers under Law 5072/2023 (Government Gazette A 198): Establishment of the prudential supervisory framework for credit servicers and the obligations of credit purchasers under Law 5072/2023.

ECA 244/5/25.7.2025 – Amendment to Bank of Greece Executive Committee Act 172/1/29.5.2020 on the "Terms and conditions for remote electronic identification of natural persons in the initiation of a business relationship with credit and financial institutions supervised by the Bank of Greece" (Government Gazette B 2098): Introduces an additional

[64] Insurance distribution – Reports of breaches of Article 45 of Law 4583/2018 (in Greek).

permitted method of remote electronic identification and enhances the additional risk-mitigation measures applicable to remote identification by means of a dynamic selfie.

ECA 245/2/2.9.2025 – Adoption of the Joint Guidelines of the European Supervisory Authorities on the templates for explanations and opinions, and the standardised test for crypto-assets, under Article 97(1) of Regulation (EU) 2023/1114 (JC 2024 28): Establishment of the requirements for the legal opinions to be submitted to the Bank of Greece by credit institutions, payment institutions and electronic money institutions intending to offer or seek admission to trading of an asset-referenced token (ART) or to provide crypto-asset services (CASP).

ECA 245/3/2.9.2025: Amendment to ECA 60/12.2.2016 on the "Adoption of EIOPA Guidelines on the system of governance (EIOPA-BoS-14-253/28.1.2015)" (Government Gazette B 405): The amendment concerns the fit and proper questionnaire applicable to members of the administrative, management or supervisory body and to key function holders within insurance undertakings. The adopted changes enhance transparency and compliance with the General Data Protection Regulation (GDPR), requiring the Bank of Greece to inform the persons concerned about the processing, retention and possible transmission of their personal data in the exercise of its supervisory powers.

ECA 245/4/2.9.2025 – Amendment to ECA 120/11.7.2017 on the "Prudential assessment of acquisitions and increases of qualifying holdings in insurance or reinsurance undertakings" (Government Gazette B 2619): The Act amends ECA 120/11.7.2017 regarding the prudential assessment procedure for the acquisition and increase of qualifying holdings in insurance or reinsurance undertakings. The amendment aims to update the questionnaires and supporting documentation submitted by the persons concerned, while also clarifying procedural matters.

ECA 246/1/15.9.2025 – Identification of other systemically important institutions (O-SIIs) for the year 2025 and setting of O-SII buffer rates for the year 2026.

ECA 248/1/6.10.2025 – Setting of the countercyclical capital buffer rate at 0.5%, applicable from 1 October 2026: Sets the CCyB rate for Greece at 0.5% and establishes 1 October 2026 as the date from which institutions are required to apply that rate.

ECA 248/2/6.10.2025 – Revision of the framework governing the establishment and operation of the Bank of Greece Regulatory Sandbox – Repeal of ECA 189/1/14.5.2021 (Government Gazette B 2018): Revises the framework governing the establishment and operation of the Bank of Greece Regulatory Sandbox in respect of FinTech services or products falling within the Bank of Greece's remit.

ECA 250/1/12.11.2025 – Amendment to Executive Committee Act 142/11.6.2018 on the "Procedures for the acquisition of, or increase in, a holding in credit institutions" (Government Gazette B 2674): Amendment of the framework regarding the acquisition or increase of qualifying holdings in credit institutions.

ECA 250/2/12.11.2025 – Minimum initial capital of credit institutions headquartered in Greece – Repeal of ECA 201/1/1.3.2022 "Minimum initial capital of credit institutions headquartered in Greece and repeal of Governor's Acts 2258/2.11.1993 and 2471/10.4.2001" (Government Gazette B 1126): This Act sets the minimum initial capital required for the establishment and operation of credit institutions.

ECA 250/3/12.11.2025 – Adoption of the European Banking Authority Guidelines on overall recovery capacity in recovery planning (EBA/GL/2023/06): Specifies how credit institutions are to calculate their Overall Recovery Capacity (ORC) in the context of recovery planning. On this basis, institutions calculate their ORC under stress conditions by selecting a range of credible and feasible recovery options and a range of severe macroeconomic and financial scenarios.

ECA 251/1/16.12.2025 – Adoption of Guideline 11 ("Qualifications of Staff") of the European Securities and Markets Authority Guidelines on certain aspects of the suitability requirements and format of the periodic statement for portfolio management activities under the Markets in Crypto Assets Regulation (MiCA) (ESMA35-1872330276-2031): Establishment of the suitability requirements applicable to staff performing portfolio management activities under MiCA.

ECA 251/2/16.12.2025 – Reporting mechanism for actual or potential breaches of the provisions of Law 4261/2014 and Regulation (EU) No 575/2013: Establishment of the framework and mechanism for the submission to the Bank of Greece of reports by employees of supervised institutions concerning actual or potential breaches of the Banking Law, Regulation (EU) No 575/2013 (CRR) or delegated acts adopted thereunder (whistleblowing).

ECA 251/3/16.12.2025 – Adoption of the European Banking Authority Guidelines of 18 December 2023 on the benchmarking of diversity practices, including diversity policies and the gender pay gap, under Directive 2013/36/EU and Directive (EU) 2019/2034 (EBA/GL/2023/08): Establishment of uniform rules for the benchmarking of diversity practices at the management body level of credit institutions, including diversity policies and the gender pay gap.

ECA 252/2/19.12.2025 – Adoption of European Central Bank Guideline (EU) 2025/2595 of 10 December 2025 on the supervisory approach of the Bank of Greece to the coverage of non-performing exposures held by less significant credit institutions (ECB/2025/40): Supervisory approach of the Bank of Greece to the coverage of non-performing exposures held by less significant credit institutions.

Box 8.1

Revision of the internal governance framework for Credit and Financial Institutions

In 2025, the Bank of Greece revised and modernised the internal governance regulatory framework for credit and financial institutions through the issuance of the Executive Committee Act (ECA) 243/2/7.7.2025. Through this ECA, the European Banking Authority's guidelines on internal governance (EBA/GL/2021/05) were adopted, thereby aligning the Greek framework with the updated European standards. Furthermore, the Bank of Greece Governor's Act 2577/9.3.2006, which had constituted the primary regulatory framework for internal governance for almost two decades, was repealed, although certain provisions considered important for the Bank of Greece's supervisory purposes were retained and incorporated into the new ECA. The development of the aforementioned ECA was based on an extensive consultation process with the Hellenic Bank Association and the Association of Cooperative Banks of Greece.

ECA 243/2/7.7.2025 introduces a modern internal governance framework based on the principle of proportionality. In particular, it clearly defines the responsibilities and composition of the BoD and its committees, defines the concept of independence of internal control functions and specifies the responsibilities of both these functions and their respective heads. Furthermore, it requires the development of a robust internal control framework, including an integrated risk management framework that encompasses, among other things, anti-money laundering and counter-terrorist financing (AML/CFT) risks, as well as environmental, social and governance (ESG) risks. The ECA also promotes a strong risk management culture, encourages compliance with high ethical and professional standards through the adoption of a code of conduct or a similar instrument and requires the establishment of conflicts of interest policy and whistleblowing procedures. Finally, the reporting requirements to the Bank of Greece, together with the relevant submission deadlines, are revised to better reflect their supervisory purpose.

8.2 EUROPEAN REGULATORY DEVELOPMENTS

Commission Implementing Regulation (EU) 2025/2303 of 14 November 2025 laying down implementing technical standards with regard to procedures, standard forms and templates for the provision of information for the purposes of resolution plans for credit institutions and investment firms:

Establishes updated implementing technical standards on the provision of information by credit institutions and investment firms to resolution authorities in the context of the resolution plans required under Directive 2014/59/EU (BRRD). The Regulation lays down the procedures, standard forms and templates to be used, with the aim of ensuring a consistent and harmonised collection of information across the European Union.

Leveraging the experience gained by resolution authorities from the application of Commission Implementing Regulation (EU) 2018/1624 and taking into account the amendments to the BRRD, the new Regulation updates and improves the reporting templates to better reflect current resolution planning needs and effective exchange of information among the competent authorities. At the same time, it repeals Implementing Regulation (EU) 2018/1624, consolidating the regulatory framework and enhancing the consistency of its application across all Member States.

New European package of measures to strengthen Supplementary Pensions

On 20 November 2025, the European Commission presented a package of proposed amendments to the IORP II Directive, governing the operation and supervision of Institutions for Occupational Retirement Provision (IORPs), and to the Pan-European Personal Pension Product (PEPP) Regulation. The proposed measures aim to facilitate the development of supplementary pensions across Europe, promote economies of scale, provide all European Union citizens with access to a secure pan-European personal pension product and help ensure better returns on retirement savings.

Regarding the IORP II Directive, the proposed amendments aim to modernise and enhance the regulatory and supervisory framework governing IORPs. Specifically, the legislation's scope is expanded to cover entities not currently subject to any prudential supervisory regime, while the authorisation and prudential supervision requirements applicable to IORPs are made more stringent. At the same time, the proposed amendments to IORP II introduce greater operational flexibility, including the possibility for a single IORP to manage more than one pension scheme and for multiple sponsoring undertakings to participate in a single scheme, as well as greater flexibility in investment choices.

A key focus of the proposal is the enhanced protection of members' and beneficiaries' interests. The proposed amendments increase the financial resilience requirements that IORPs must demonstrate and reinforce the risk management framework through regular stress testing exercises. The proposal also seeks to strengthen the prudent person principle, the corporate governance framework and internal control systems, including the establishment of a separate compliance function. In addition, it introduces enhanced disclosure obligations and a mandatory complaints-handling process. The set of proposed amendments to the IORP II Directive is completed by strengthening supervisory powers and risk-based prudential supervision, aligned with the risk profile of each IORP.

The IORP II Directive has been transposed into Greek legislation through Law 5078/2023, Part A of which sets out the provisions governing the operation of IORPs established in Greece, referred to as Occupational Pension Funds (OPFs). The amendments to the IORP II Directive, once finalised following the completion of the legislative process, are expected to enhance the credibility and stability of the occupational pensions framework and create a more robust, transparent and efficient occupational pension system, providing greater protection of savings and greater confidence among savers in the system.

As regards the PEPP, the original legislative framework established it as an optional Pan-European Personal Pension Product, intended as a safe retirement savings solution and designed to be transferable across the European Union, thereby facilitating labour mobility. The proposed amendments to the relevant EU Regulation 2019/1238, once finalised, will have direct application into national law and aim to establish a more efficient and attractive framework for individual retirement savings at EU level. The objective is to provide savers with more reliable options to supplement their future retirement income through products offering transparency, competitiveness and easier access.

In order to make PEPPs more attractive and comparable, the legislative proposal aims to enhance market transparency through stricter registration requirements in the EIOPA public register. Furthermore, the existing two-tier structure of PEPP is being reformed: the Basic PEPP will constitute a standardised, low-risk retirement option, no longer subject to a cap on saver charges as is currently the case, while the Individualised PEPP will offer greater investment flexibility, albeit at a higher risk.

To safeguard savers' rights, the proposal envisages strengthening supervisory and corporate governance rules applicable to PEPPs, to ensure they deliver genuine value for money. Furthermore, the prudent person principle is reinforced, ensuring that savings are managed in a safe and responsible manner. At the same time, disclosure requirements for PEPP savers are significantly strengthened, with clearer information on the features of the different PEPP types and the options available to them.

These measures aim to strengthen savers' confidence in PEPPs and create more favourable conditions for safer and more efficient retirement savings.

Amendment of the Sustainable Finance Disclosure Regulation (SFDR) framework

In 2025, the European Commission submitted a proposal to amend the Sustainable Finance Disclosure Regulation (SFDR)[65], aiming to promote sustainable investments by enhancing the transparency and reliability of sustainability-related financial products. The proposal is

[65] The proposal amends Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (SFDR) and Regulation (EU) No 1286/2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs), while also repealing Commission Delegated Regulation (EU) 2022/1288.

also aligned with the European Union's broader policy agenda, including the European Green Deal, the Sustainable Finance Strategy and the Financial Literacy Strategy.

The proposed amendments aim to simplify and harmonise sustainability-related disclosure requirements, improve comparability of sustainability-related financial products and further protect investors against greenwashing and misleading claims.

To achieve the above objectives, the proposal requires financial market participants to provide clearer and more comparable sustainability-related information. It also establishes a new framework for classifying sustainable finance products into three main categories: transition products, ESG basics products and sustainable products. This classification will enable investors to obtain clearer information and gain a better understanding of each product's characteristics, thus supporting more responsible investment decisions.

The proposal introduces clearer rules governing the use of sustainability-related data and estimates when providing information to investors, as well as requirements concerning the naming, marketing and disclosure of such products. Furthermore, the proposed amendments to the PRIIPs Regulation require the inclusion of clear sustainability-related disclosures in the Key Information Document, enabling retail investors to readily identify the sustainability category of each financial product.

The proposed revised framework, if adopted, is expected to enhance transparency and credibility of sustainability-related financial products available on the market. It also aims to provide investors with appropriate tools for making their investment decisions.

New Crisis Management and Deposit Insurance (CMDI) Framework

The Crisis Management and Deposit Insurance (CMDI) package concerns the review of the EU framework for managing bank crises and protecting depositors. It aims to make the handling of failing banks more effective and consistent, particularly in the case of small and medium-sized institutions, while reducing the need to resort to public funds and promoting greater use of tools financed by the banking sector itself. The European Commission presented its proposal in April 2023, while a political agreement between the Council and the European Parliament was reached on 25 June 2025. On 5 March 2026, the Council formally adopted its position at first reading, paving the way for the completion of the legislative process [66].

Box 8.2

Initiatives to simplify the regulatory and supervisory framework at the European and national level

In 2025, wide-ranging initiatives were launched at the European level to simplify the regulatory and supervisory framework governing the financial sector, in response to the growing need to enhance the competitiveness of the European economy. These challenges were underscored by the 2024 reports of Mario Draghi and Enrico Letta, which highlighted the need to further strengthen the competitiveness of the European banking sector.

Against this background, efforts have been directed towards building a "bolder, simpler and

[66] Regulation (EU) 2026/808 (revision of the SRMR Regulation), Directive (EU) 2026/806 (BRRD III – revision of the Bank Resolution and Recovery Directive) and Directive (EU) 2026/804 (DGSD II – revision of the Deposit Guarantee Schemes Directive).

faster Union", accompanied by a broader simplification agenda that encompasses the simplification of the regulatory and supervisory framework for the financial sector. As a result, the European Union institutions and bodies as well as the supervisory authorities have undertaken targeted initiatives aimed at improving the quality and effectiveness of the regulatory and supervisory framework, reducing unnecessary burden, fostering greater convergence across Member States and enhancing the efficiency, consistency and proportionality of regulatory and supervisory requirements, while safeguarding the resilience of the European financial system.

European Commission

The European Commission is advancing the simplification agenda through three main strands of action:

- Targeted legislative amendments (Omnibus packages) aimed at addressing overlaps and disproportionately burdensome requirements.
- The reprioritisation of regulatory technical standards and guidelines, assessing their continued necessity and scope for simplification.
- Following a targeted consultation in February 2026, the European Commission issued a Communication on 17 July 2026 on enhancing the competitiveness of the EU banking sector, with the objective of creating a more integrated, efficient and competitive European single banking market capable of supporting growth, innovation and the Union's strategic priorities. The European Commission identified three key challenges: the fragmentation of the banking market across Member States, the insufficient adaptation of Basel III rules to the specific characteristics of the European banking system and the complexity of the existing regulatory framework. To address these challenges, several measures are promoted, including removing barriers to cross-border banking activities, enabling more efficient management of capital and liquidity within banking groups, strengthening deposit protection mechanisms and facilitating the provision of cross-border services. At the same time, the review of certain international supervisory standards is envisaged to ensure that the specific characteristics of EU banks are reflected. Particular emphasis is placed on simplifying the regulatory framework through the reduction of administrative burden, the streamlining of capital requirements and resolution procedures, and the adjustment of regulatory requirements for small and non-complex credit institutions. The European Commission is expected to propose, during the first quarter of 2027, a package of measures aimed at amending the EU banking regulatory framework.

European Central Bank

In March 2025, the European Central Bank (ECB) established a High-Level Task Force on Simplification with the aim of developing proposals to simplify the European regulatory and supervisory framework. The Task Force proceeded with the formulation of high-level recommendations, which were published on 11 December 2025 on the ECB's website (see link).

These recommendations are complemented by an ECB report outlining its current agenda for enhancing the effectiveness, efficiency and risk focus of European banking supervision, which was also published on the ECB's website (see link).

European Banking Authority

The European Banking Authority (EBA) carried out an assessment of the development of Level 2 and Level 3 regulatory products, reporting requirements, the EBA's contribution to the Union's prudential framework, as well as its internal processes. It identified improvements that could be implemented and formulated relevant proposals (see link).

European Insurance and Occupational Pensions Authority and European Securities and Markets Authority

Similar initiatives aimed at simplifying the regulatory and supervisory framework have also been launched by the other European Supervisory Authorities, namely the European Insurance and Occupational Pensions Authority (EIOPA) (see link) and the European Securities and Markets Authority (ESMA).

Bank of Greece

In 2025, the Bank of Greece closely monitored and actively participated in the work of the ECB and the EBA concerning the simplification of the European regulatory and supervisory framework. It sought to ensure that its supervisory views and experience were taken into account in the relevant reforms, particularly in the development of proposals to simplify the supervisory reporting framework, reduce the administrative burden and compliance costs for supervised institutions and improve the coordination, transparency and effectiveness of the overall supervisory reporting system at the European level.

At the same time, it undertook its own initiatives to simplify the national regulatory framework, following the general principle of "simplification without deregulation". Specifically, both an internal consultation and a consultation with the Hellenic Bank Association were conducted, which resulted in the collection of simplification proposals, primarily concerning reporting obligations and supervisory approval procedures (such as approvals for the acquisition of qualifying holdings).

Following an assessment of the above proposals, the Bank of Greece simplified the framework for assessing the acquisition of qualifying holdings in cases where the proposed shareholders are supervised institutions, the Hellenic State or other EU Member States (Executive Committee Acts 243/3/7.7.2025 and 250/1/12.11.2025).

At the same time, with the aim of reducing the administrative and regulatory burden, as well as limiting unnecessary requirements for supervised institutions, amendments to the regulatory and supervisory framework governing the national requirements for the submission of supervisory data to the Bank of Greece were initiated in 2025. These amendments were completed with the issuance of Executive Committee Act 256/5/16.6.2026 (Government Gazette B 3938), which simplifies the data and information that supervised institutions are required to submit to the Bank of Greece on a periodic basis.

Furthermore, as part of efforts to simplify and digitalise processes, the mandatory use of the ECB's IMAS Portal for the submission of credit institution authorisation applications was introduced (Executive Committee Act 244/3/25.7.2025), thereby enhancing the efficiency of the licensing process.

Finally, in addition to the above initiatives, opportunities for further simplification in other areas of the national regulatory framework will be explored in the coming period, taking into account developments at the European level.

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