

NPL&REO in Greece 2026

SPRING UPDATE

The Greek NPL market enters a new stage, marked by strong activity in the secondary market and the latest phase of HAPS. The NPL stock, which grew in 2024 for the first time in almost 10 years, has resumed the downward path.

Economy

2025 was a solid year for the Greek economy, with GDP growth of 2.1% and outperformance of the eurozone. This performance was driven by private consumption, improvements in the labour market and decelerating inflation.

2.1% (2024) =

2.1%

**GDP GROWTH 2025
(PROJECTION)**
SOURCE: EUROPEAN
COMMISSION

3.0% (2024) ↓

2.9%

**INFLATION RATE 2025
(HICP)**
SOURCE: EUROPEAN
COMMISSION

2.1% (2025) ↑

2.2%

**GDP GROWTH 2026
(FORECAST)**
SOURCE: EUROPEAN
COMMISSION

Property Market

House prices in Greece sustained the pace of growth, sitting at 7.7%. However, the headline outcome reflects regional differences. While appreciation slowed in Athens and Thessaloniki, other cities saw more intense increases. Secondary cities are currently experiencing a rise of around 9.0% in housing prices, now close to the 9.6% seen in Thessaloniki.

7.8% (Q3 2024) ↓

7.7%

**GREECE Y-O-Y HOUSING
PRICE VARIATION (Q3 2025)**
SOURCE: BANK OF GREECE

7.7% (Q3 2024) ↓

6.6%

**ATHENS Y-O-Y HOUSING
PRICE VARIATION (Q3 2025)**
SOURCE: BANK OF GREECE

12.1% (Q3 2024) ↓

9.6%

**THESSALONIKI Y-O-Y HOUSING
PRICE VARIATION (Q3 2025)**
SOURCE: BANK OF GREECE

4.9% (Q3 2024) ↑

8.9%

**OTHER CITIES Y-O-Y HOUSING
PRICE VARIATION (Q3 2025)**
SOURCE: BANK OF GREECE

€1.9bn (Q1-Q3 2024) ↓

€1.5bn

**FOREIGN DIRECT INVESTMENT
IN THE GREEK RE (Q1-Q3 2025)**
SOURCE: BANK OF GREECE

17.2% (Q1-Q3 2024) ↓

-23.9%

**Y-O-Y VARIATION IN FDI
IN THE GREEK RE (Q1-Q3 2024)**
SOURCE: BANK OF GREECE

NPL Stock and Ratio

After a long cycle of consecutive quarterly reductions in NPL stock was interrupted in 2024, the downward trend has been resumed in the latest four quarters. In fact, in Q3 2025, the Greek NPL stock pile sat at €5.7 billion, reflecting annual and quarterly declines of 16.2% and 3.4%, respectively. This is an amount sharply lower than the

€6.8bn (Q3 2024) ↓

€5.7bn

NPL STOCK (Q3 2025)
SOURCE: EBA

2.0% (Q3 2024) =

2.0%

**SHARE IN EUROPE'S
NPL STOCK (Q3 2025)**
SOURCE: EBA

3.3% (Q3 2024) ↓

2.7%

NPL RATIO (Q3 2025)
SOURCE: EBA

€100 billion recorded between 2014 and 2017. So, Greece, which was once one of the countries of greatest concern in Europe in what concerns deleveraging, currently accounts for only 2% of the European NPL aggregate stock.

Progress is also particularly evident in terms of the NPL ratio. In Q3 2025, 2.7% of credit granted in the Greek financial system was in default, down from the 3.3% figure recorded in the same period the previous year. Greece still holds a NPL ratio above the European average of 1.8%, although progressing positively and Europe's reading remaining unchanged over the last year. It should be noted that, between 2015 and 2017, around 47% of Greece's credit stock was in default.



HOUSEHOLDS (Q3 2025)

54.0% (Q3 2024) =

54.0%

OF GREEK NPLS
€3.1bn/-16.2% Y-O-Y
SOURCE: EBA

57.0% (Q3 2024) ↓

55.0%

OF NPL SITS IN MORTGAGES
€1.7bn/-19.0% Y-O-Y
SOURCE: EBA



NON-FINANCIAL CORPORATIONS (Q3 2025)

44.0% (Q3 2024) ↑

46.0%

OF GREEK NPLS
€2.6bn/-13.3% Y-O-Y
SOURCE: EBA

50.0% (Q3 2024) =

50.0%

OF NPL TO NFC IS SECURED
BY CORPORATE REAL ESTATE
€1.3bn/-13.3% Y-O-Y
SOURCE: EBA

NPL Potential Deals

In 2025, the Greek banking sector continued the multi-year reduction of NPL that began in the aftermath of the euro-area debt crisis. By Q3 2025, on-balance-sheet NPL had declined sharply from their historical peaks, as banks transferred large portfolios to servicers and investors and reduced internal stocks to low single-digit billions of euros. As a result, transaction activity is expected to accelerate in 2025, with total portfolio sales estimated at €11-12 billion, compared to approximately €4-5 billion in 2024.

This increase partly reflects the postponement of two jumbo transactions announced in 2024 (Alphabet and Domus/Rodhium) but completed only in early 2025. It also signals sustained investor confidence in Greek credit assets after years of balance-sheet clean-up, strongly supported by the Hercules Asset Protection Scheme (HAPS), which has played a key role in stabilizing the banking system. The scheme entered its final implementation phase in 2024, enabling the completion of pending securitizations from earlier rounds—such as Frontier III (€700 million face value)—and allowing new transactions, as non-systemic banks gained access to HAPS. Among the most significant deals in 2025 were the Domus and Rhodium securitizations, backed by portfolios from Attica Bank and Pancreta Bank, respectively, with a combined face value of €3.7 billion; the transaction was finalized in early 2025, although it has been brought to the market in 2024. Other HAPS-supported securitizations during this phase included Piraeus Bank's Alexandria and Giza portfolios, with face values of €1.5 billion and €200 million, respectively.

At the same time, NPL activity is increasingly shifting towards the secondary market. After acquiring the jumbo portfolios of recent years and benefiting from earlier HAPS phases, investors are now targeting smaller, more granular opportunities. These often arise as carve-outs from larger portfolios, segmented by sector or loan type. A prominent example was the former Ariadne portfolio, which, after transferring to PQH, was relaunched as the Alphabet portfolio. Its value was revised from €5.2 billion to €4.8 billion and divided into three sub-portfolios. Although launched in 2024, the transaction was completed in Q1 2025, becoming the largest NPL sale in the country.

Overall, while 2024 marked continued balance-sheet repair, 2025 is set to deliver significantly higher transaction volumes, driven by stronger secondary market activity, ongoing regulatory support, and sustained investor appetite.

€11-12_{bn}

NPL SALES 2025
(ESTIMATED)
SOURCE: PRIME YIELD