

Banking & Finance 2026

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Greece: Law and Practice & Trends and Developments

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Law and Practice

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Machas & Partners is a full-service Greek law firm headquartered in Athens, with additional offices in London and Monaco, maintaining a strong local and international presence to provide strategic legal services tailored to global business needs. With a strong banking & finance practice, the firm provides fully integrated advice across the entire credit cycle from debt origination to secondary loan market transactions, debt buy-backs, distressed refinancing and restructuring of debt instruments. Machas & Partners represents lenders and borrowers in all types of financing

transactions including bond issues and LMA loans, structured and project finance deals, securitisations and debt restructurings, acquisition financings and leveraged buyouts as well as transactions relating to OTC derivatives. The firm's clients include all major Greek credit institutions, some of the world's largest commercial banks, investment banks, investment banking firms, private investment funds and other institutional actors, as well as LBO sponsors, private equity funds, hedge funds, strategic buyers, borrowers and issuers of securities under Greek and UK law.

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1. Loan Market Overview

1.1 The Regulatory Environment and Economic Background

Greece's economy is expected to continue its growth trajectory in 2026, with a GDP growth rate projected at 1.8% by year-end, surpassing the euro area average. Investment remains a crucial driver of Greece's economic stability, particularly with support from European Recovery and Resilience Facility (RRF) funds, which continue to provide substantial liquidity for infrastructure, green and digital projects and further support the modernisation and competitiveness of the Greek economy.

The quality of Greek banks' loan portfolios is expected to continue improving in 2026. The NPL ratio stood at 3.3% at the end of 2025, its lowest level since Greece joined the euro area and is expected to decline further as banks continue to reduce legacy exposures through credit growth, loan sales of targeted portfolios and fewer securitisations. At the same time, loans transferred to non-resident specialised financial institutions and serviced by domestic credit servicing firms amounted to approximately EUR 79.6 billion in Q1 2026, with continued progress in servicing and resolving these portfolios.

Following a period of monetary policy easing, the ECB raised its key interest rates by 25 basis points in June 2026, bringing the deposit facility rate to 2.25%, before maintaining these rates at its July 2026 meeting, but a further increase by the end of 2026 cannot be ruled out. In Greece, lending rates have generally declined from their previous highs, although margins, debt service coverage and hedging costs continue to

be closely negotiated in new-money, refinancing and restructuring transactions. In May 2026, the weighted average interest rate on new corporate loans with a defined maturity and floating rate was 4.20%.

1.2 Impact of Global Conflicts

Geopolitical tensions pose mainly external risks to Greece's financial stability. Greece's direct exposure to tensions in the Middle East and Ukraine is limited, albeit these factors could spill over through slower euro area growth, market volatility, higher energy and transport costs and pressure on asset quality. The banking sector has substantially strengthened in recent years and is now well-capitalised, highly liquid and resilient. Strong credit growth, combined with domestic demand and the push to deploy RRF funds ahead of the programme's expected completion, has fuelled investment activity, while effective microprudential and macroprudential supervision remains important to preserve financial stability amid heightened external risks.

1.3 The High-Yield Market

The high-yield bond market has played a critical role in shaping Greece's financial market trends, particularly as the country has recovered from its debt crisis and gained investment-grade status.

The high-yield market has given issuers access to deeper pools of capital following Greece's recent credit upgrades. This has led to greater diversification in financing strategies, with companies issuing bonds to secure long-term financing and investors becoming more willing to take on corporate debt at higher returns.

Additionally, international investors' involvement in Greece's high-yield market has increased, boosting liquidity and encouraging more sophisticated financial structures. This trend aligns with broader European high-yield market activity, which is becoming more attractive amid global economic uncertainty and rising demand for yield.

1.4 Alternative Credit Providers

The Greek loan market operates as a regulated environment where lending activities are primarily reserved for duly licensed credit institutions. Other financial institutions, such as credit companies, microfinance institutions and servicers, licensed by the Bank of Greece (BoG) or benefiting from the EU passporting rules, may also provide, under certain conditions, loans or other forms of credit. Legal practice has created special treatment for bond loans, which are issued only by *Sociétés Anonymes* and subscribed by private placement or through a public offering.

Notably, Law 5072/2023 broadened the scope of credit companies and servicers and transposed key elements of Directive (EU) 2021/2167 on credit servicers and credit purchasers. Credit companies may now provide all forms of credit not only to individuals but also to businesses, while servicers may provide credit for refinancing or restructuring purposes for loans they manage themselves or on behalf of other servicers. Despite these changes, market uptake has been limited so far.

Regarding microfinance institutions, a key 2025 reform strengthened the framework by aligning it with EU principles of responsible microcredit. The law streamlines licensing, clarifies oversight and modernises procedures such as liquidation and the special clearance procedure, aiming to expand access to small-scale financing and improve institutional efficiency.

Furthermore, credit funds are expected to emerge in the Greek market and play an increasingly important role in Greece's financing landscape, as alternative lenders seek to capitalise on growing demand for private credit and the diversification of corporate funding sources beyond traditional bank lending. The anticipated transposition of AIFMD II (Directive (EU) 2024/927) into Greek law, due in 2026, is expected to

further facilitate the development of loan-originating alternative investment funds and private credit strategies in Greece.

Meanwhile, individual and bespoke asset-backed financing transactions involving foreign corporate lenders and other alternative asset managers have gained traction in Greek financing practice, driven by rapid transaction origination and disbursement timelines and the absence of use-of-proceeds restrictions. These financing schemes bear a conceptual resemblance to Lombard-style credit facilities, a traditional banking product that enables holders of valuable liquid investment portfolios to obtain immediate, purpose-free liquidity without disposing of the underlying assets and forfeiting any income or potential future appreciation. While alternative asset-backed lending can serve similar purposes, it is fundamentally different in that such transactions are typically offered against illiquid collateral and carry short maturities and high yields, due to the lack of real-time mark-to-market valuation of the underlying assets and margin-call mechanisms, the correspondingly increased default exposure, as well as the more complex or less effective enforcement mechanisms.

1.5 Banking and Finance Techniques

The principal financing techniques include granting finance in the form of bond loans, even for small transactions. Bonds are flexible financing instruments that can be used effectively in small transactions, as well as in private placements, listed corporate bond issuances, secured financings and refinancing transactions, while also benefiting from well-established bondholder agent mechanics. Greek law bond loans may also be attractive for liquidity-management purposes, because bonds issued under such structures can be used as collateral in Eurosystem monetary policy operations, subject to the applicable Eurosystem eligibility criteria.

Greek financing transactions are commonly structured through a combination of contractual, corporate and security-law techniques. Structures commonly involve senior secured facilities, bridge-to-refinancing arrangements, intercreditor arrangements and related subordination arrangements, extended intra-group corporate guarantees, share pledges, account

pledges, receivables assignments and real estate security. Lender protections include strict drawdown procedures and cash-control provisions, full scope representations, extended undertakings and financial covenants, interconnected mandatory prepayment triggers and cross-acceleration and cross-default provisions. Mid- and large-cap financings and cross-border transactions are commonly documented by reference to LMA-style terms, adapted to Greek law requirements and customary terms, including in particular on corporate capacity, financial assistance, security creation and perfection, tax, enforcement and insolvency.

Project Finance

Typically, project finance in Greece is structured on a limited-recourse or non-recourse basis through a special-purpose project company, with debt repayment primarily dependent on the project's own cash flows rather than the general creditworthiness of the sponsors. It is most common in renewable energy, storage, grid infrastructure, PPPs, concessions and large real-estate developments. Financing requires alignment of the entire contractual framework of the project, including project agreements (EPC, O&M, concession or PPP), offtake or revenue arrangements, grid connection documentation, permits, land rights and insurance with the terms of the facility. The structuring focus is on project bankability and the enforceability of security interests, especially over revenues and disbursements are subject to comprehensive technical, legal, regulatory, tax, environmental and insurance due diligence. The financing package commonly includes cash-waterfall provisions, distribution lock-ups, completion support, sponsor undertakings, direct agreements and step-in rights.

Structural Subordination

A relevant technique in Greek financing structures is structural subordination, particularly in multi-tiered holding structures where debt is raised above the operating-company level. Financing may be raised at a parent or intermediate holding-company level, with debt service dependent on dividends, distributions, management fees, upstream loans or other cash flows from operating subsidiaries. In Greek practice, this technique is often managed through careful group structuring, negative pledge and indebtedness cov-

enants, upstream and downstream guarantees and distribution controls with an elaborate waterfall mechanism, including permitted payment exceptions.

Structured Finance and Securitisation

Structured finance and securitisation also remain important, both as balance-sheet management tools and as financing techniques for receivables, performing loan portfolios, non-performing exposures and other cash-flow-generating assets. Although the large systemic-bank NPL clean-up cycle has matured, securitisation and portfolio-financing techniques remain relevant for credit servicers, investors, alternative asset managers and holders of receivables seeking financing, refinancing or risk transfer solutions. Securitisation techniques have been shaped significantly by the NPL deleveraging cycle and the Hellenic Asset Protection Scheme, but the technique extends beyond NPL disposals. The typical structure involves the transfer of receivables, loans or other cash-flow-generating assets to a special-purpose securitisation vehicle, with the purchase price funded through the issuance of notes to investors. Greek transactions may involve performing or non-performing loan portfolios, trade receivables, leasing receivables, consumer credit, mortgage loans, business loans, energy receivables or other identifiable cash flows. Structuring requires careful analysis of asset eligibility, true sale, perfection of assignments, debtor notification, servicing arrangements, collection-account mechanics, credit enhancement, cash waterfalls, note subordination, reserve accounts, representations and warranties and commingling risk. As these transactions are inherently cross-border, tax neutrality and related tax considerations are heavily considered, alongside transfer restrictions, data protection, banking secrecy, licensing or servicing perimeter issues, insolvency remoteness, recognition of security and the enforceability of contractual subordination.

Venture Financing

Preferred equity in VC is a flexible financing technique, particularly where parties seek capital lodged between senior debt and ordinary equity. It can be structured through preferred shares, share classes with enhanced economic rights, preferential dividends, liquidation preferences, redemption mechanics, exit rights and other bespoke arrangements. Unlike ordinary lending,

however, investors' returns are linked to the issuer's distributable profits, available reserves, exit proceeds or other value-realisation events, as achieving profits or having lawfully distributable amounts is a legal prerequisite for distributions under Greek corporate and capital-maintenance rules. This profit-dependency is both a feature and a constraint, making such instruments an appropriate financing technique where fixed debt service is intended to be avoided and the investor's return is meant to align with the issuer's performance.

1.6 ESG/Sustainability-Linked Lending

Sustainability considerations have become increasingly embedded in Greek lending practices, particularly through syndicated financings where Greek systemic banks integrate ESG compliance requirements, sustainability-performance undertakings and indemnities for breaches. Green and sustainability-linked lending is especially prominent in the energy sector, with banks and international investors financing renewable projects, energy storage, grid upgrades and green infrastructure in line with the EU Green Deal and Fit-for-55 targets.

Beyond the environmental sector, inclusive financing initiatives have also gained ground through state-backed programmes. The "My Home II" scheme supports primary residence acquisition through co-financed housing loans, half of which are interest-free through RRF funds, while the "Upgrade My Home" programme provides co-financed loans to improve the energy efficiency of existing dwellings. These initiatives combine social policy goals with environmental sustainability, broadening the reach of sustainable finance at the retail level.

The regulatory framework is also evolving. Greece has transposed the Corporate Sustainability Reporting Directive through Law 5164/2024, which aligns with the European Sustainability Reporting Standards (ESRS) and imposes enhanced reporting obligations on financial institutions' ESG risks and policies. In parallel, the EU Taxonomy Regulation (Regulation (EU) 2020/852) establishes a common classification for environmentally sustainable activities, shaping the design and labelling of ESG-linked financial products.

2. Authorisation

2.1 Providing Financing to a Company

Credit institutions established and operating in Greece must be licensed by the BoG, in cooperation with the ECB, to provide financing to a company. Credit institutions, which may be established as

- a *Société Anonyme* (SA);
- a credit co-operatives of Law 1667/1986;
- a *Societas Europaea* (SE); or
- a European Co-operative Society (SCE),

must meet specific requirements, which in brief are the following:

- EUR18 million in fully paid-up initial capital (different thresholds apply to credit co-operatives and branches of non-EU credit institutions);
- fit and proper assessment for shareholders, management and the key function holders (eg, risk management, CFO, internal audit);
- a comprehensive business plan covering the first three years;
- implementation of the required policies and procedures (eg, internal control, AML, IT, risk management, outsourcing, consumer protection, conflicts of interest, corporate governance, etc); and
- participation in the Deposit Guarantee Scheme.

Non-bank financial institutions – such as authorised servicers, microfinance providers and credit companies – may also extend credit, subject to licensing by the BoG and compliance with AML and governance requirements. The licensing process broadly mirrors that of banks and requires, among other things, a detailed business plan, information on ownership and management (including "fit and proper" assessments) and evidence of sufficient initial capital.

EU/EEA licensed institutions can operate in Greece under EU passporting rules, while non-EU banks must establish and operate a branch in Greece through a separate licensing process with the BoG.

3. Structuring and Documentation

3.1 Restrictions on Foreign Lenders Providing Loans

The Greek loan market operates within a regulated environment, where lending activities are primarily reserved for duly licensed credit institutions and other authorised financial institutions. For more, please refer to section 2.1 **Providing Financing to a Company** together with section 1.4 **Alternative Credit Providers**.

3.2 Restrictions on Foreign Lenders Receiving Security

The receipt of security or guarantees by foreign lenders is not restricted or impeded in any way.

3.3 Restrictions and Controls on Foreign Currency Exchange

There are no restrictions or controls regarding foreign currency exchange.

3.4 Restrictions on the Borrower's Use of Proceeds

In principle, there are no restrictions on the utilisation purpose of loans or debt securities. However, credit institutions are bound by Regulation (EU) 2024/1624 and national Law 4557/2018 on the prevention of the use of the financial system for money laundering or terrorist financing, implementing the Directive (EU) 2015/849 (the “4th Anti-money Laundering Directive”), Directive (EU) 2018/843 (the “5th Anti-money Laundering Directive”) and Directive (EU) 2018/1673 on combatting money laundering by criminal law. Therefore, when credit institutions lend monies to borrowers, they routinely incorporate appropriate language in the debt agreements to eliminate or mitigate the risk of AML breaches. Finance documentation typically includes undertakings and conditions precedent that require the borrower to provide information about the intended use and scope of the debt proceeds. Inserting such language will align with the respective credit institution's internal “know-your-customer” procedure (KYC), which has been developed and implemented to monitor suspicious operations.

3.5 Agent and Trust Concepts

Greek law does not recognise the common law concept of agency and the split of ownership under trusts. However, Greek law recognises a concept resembling a security agent and trustee, found in bond loans, known as a bondholder agent. In bond loans governed by Greek law, a bondholder agent is appointed to act on behalf of all bondholders, holding and enforcing security interests in its name for the account and benefit of all bondholders. This role allows for centralised enforcement and registration of security rights, effectively replicating the function of a trustee in this context.

If another law governs the bond loan, Greek law recognises the person entitled to hold personal and in rem security interests in its name and on behalf of the bondholders as having the powers vested in the bondholder agent, provided the relevant Greek perfection and registration requirements are satisfied. In non-bond financings, finance documentation commonly includes parallel debt language so the security agent can validly hold the benefit of the security interests in its own name.

3.6 Loan Transfer Mechanisms

Rights under a loan agreement may be contractually assigned by way of sale, subject to any contractual transfer restrictions and applicable notification or perfection requirements. A Bank may also sell a loan portfolio to a credit-acquiring company. Another option is to transfer the loans as part of a securitisation transaction, which Greek banks have used extensively.

A security interest is an ancillary right to that of the principal obligation it secures and, as a result, it is transferred by operation of law together with the transfer of the principal claim it secures.

3.7 Debt Buyback

In Greece, debt buybacks by borrowers or sponsors are generally permitted under specific conditions and are used to restructure and reduce debt. Debt buybacks are customary in bond loans and typically entail the cancellation of the respective bonds when the borrower repays or repurchases the debt incorporated in the bond securities. This practice is common in distressed debt scenarios or when companies have

financially strong sponsors who may inject additional capital into the business.

3.8 Public Acquisition Finance

In Greece, “certain funds” provisions are critical and required in public acquisition finance transactions, particularly during takeovers or mergers. Such provisions have not yet become standard in private market acquisition financing, but other mechanisms, such as commitment letters, ensure deal certainty and protect sellers and buyers by reducing the risk of funding withdrawal.

Short-form and long-form agreements are used for documentation depending on the transaction size and complexity.

3.9 Recent Legal and Commercial Developments

Law 5193/2025 marks a significant update to Greece’s financial regulatory framework, introducing measures across digital resilience, microfinance and sustainable finance. It supplements and transposes key EU initiatives while also enhancing the supervisory powers of the Bank of Greece and the Hellenic Capital Market Commission (HCMC). The main areas of reform are as follows.

- **Markets in Crypto-Assets Regulation:** The law supplements Regulation (EU) 2023/1114 by establishing a national supervisory and licensing framework for Crypto-Assets Service Providers (CASPs) and allocating key responsibilities between the BoG and the HCMC. This provides regulatory certainty for CASPs and creates a clearer framework for Greece’s development as a regulated crypto-asset market.
- **Digital Operational Resilience Act (DORA):** The law supplements Regulation (EU) 2022/2554 and transposes Directive (EU) 2022/2556, imposing new ICT resilience and governance obligations on financial institutions and their critical third-party providers. The Bank of Greece and the HCMC now share oversight and hold broader supervisory and sanctioning powers.
- **Microfinance institutions:** The framework for microfinance has been modernised, with simplified licensing and updated procedures for liquidation

and asset recovery, ensuring closer alignment with EU standards for microcredit.

- **European Green Bonds and Sustainability Disclosures:** The law also designates the Bank of Greece as a competent authority for implementing Regulation (EU) 2023/2631, equipping it with oversight and enforcement powers to supervise compliance with the European green bond regime and sustainability-related disclosure obligations.

Directive (EU) 2024/1619 (Capital Requirements Directive VI) and its expected transposition into the Greek legal order, given the elapsed deadline of 10 January 2026 (Greece received a formal notice of non-compliance in March 2026), is set to strengthen the prudential supervisory framework applicable to Greek credit institutions by enhancing requirements on bank governance, ESG and climate-related risks, operational resilience and the management of banks’ crypto-asset exposures. It harmonises the regime for establishing and operating third-country branches. In addition, CRD VI introduces a new prudential framework governing banks’ acquisition of material holdings in other entities, as well as bank mergers and divisions, both of which complement the existing qualifying holding regime amid a surge in financial institution M&As across the euro area.

Furthermore, the adoption of Directive (EU) 2024/927 of the European Parliament and of the Council (Alternative Investment Funds Directive II) and its forthcoming transposition into Greek law are expected to strengthen the framework for alternative investment funds in Greece, particularly by introducing a harmonised regime for loan originating funds and facilitating the development of private credit and alternative financing alongside traditional bank lending.

In addition, the transposition of Directive (EU) 2023/2225 (Consumer Credit Directive II) into Greek law by virtue of Law 5317/2026 significantly strengthens the regulatory framework for consumer credit, introducing enhanced creditworthiness, transparency and consumer protection provisions, while covering a broader range of digital and emerging credit products under its *ratione materiae*.

Last but not least, January 2026 marked the launch of the Greek Central Credit Register maintained and operated by the BoG. The launch of the Central Credit Register is part of a broader governmental plan to foster transparency, time efficiency, data-driven decision-making, financial awareness and to drastically reduce information asymmetries across the loan origination lifecycle. This plan is expected to be supplemented in the foreseeable future with the launch of a centralised Credit Scoring Platform. Most importantly, for corporate borrowers, the Register reshapes the market by making financial behaviour visible, measurable and comparable.

3.10 Usury Laws

In Greece, no provision imposes a general statutory cap on the interest rate that can be charged in loan or credit agreements. An exception would be the maximum default interest rate charged by credit institutions, which cannot exceed the contractual interest by more than 2.5% per annum.

For credit granted by non-bank institutions, the contractual and default interest rate should align with the reference rate determined by the Bank of Greece and general Greek-law principles on abusive or excessive interest.

Notably, Law 3259/2004 limits the total outstanding debt in such agreements. Specifically, the total outstanding debt arising from any loan or credit agreement with a credit institution may not exceed three times the capital originally drawn down for each loan or credit agreement. This threshold applies to the aggregate sum of the capital drawn down across all agreements in cases involving multiple loans or credits. For current revolving accounts, the limit is set at three times the debt amount as it stood at the time of the last disbursement.

3.11 Disclosure Requirements

In Greece, certain financial contracts are subject to mandatory disclosure requirements, particularly for entities involved in public markets or under regulatory supervision and depending on the size and purpose of the financial contract.

Listed companies must comply with capital market disclosure requirements, which include disclosure obligations for financial reporting, including annual, semi-annual and quarterly reports. Additionally, companies must disclose significant shareholding changes to the Hellenic Capital Market Commission (HCMC).

Credit institutions must meet additional requirements, including disclosure or supervisory notification of holdings above certain levels, particularly if those holdings can influence management decisions.

4. Tax

4.1 Withholding Tax

The tax treatment of interest payments and related financial transactions varies depending on the nature of the credit, the type of lender and the specific terms of the agreement.

Contractual and default interest payments made under loans granted by credit institutions are exempt from withholding tax. Interest payments under bond loans to foreign entities or Greek non-banking institutions are generally subject to withholding tax at 15%, subject to any applicable double tax treaty or other EU-law relief. As an exception, interest payments on bond loans made to credit institutions are exempt from withholding tax. Pursuant to the provisions of Law 5193/2025, withholding tax on income received after 11 April 2025 from listed corporate bonds, acquired by private individuals who are tax residents of Greece, was reduced to 5%.

4.2 Other Taxes, Duties, Charges or Tax Considerations

Digital transaction duty, corporate income tax, real estate transfer tax and VAT may be relevant to lenders making loans or taking security from entities incorporated in Greece. In particular, loans made in Greece, except for those granted by Greek banking institutions or branches of foreign banking institutions operating in Greece, are subject to digital transaction duty (formerly referred to as stamp duty). The applicable rate is 2.4% for loans between natural persons or between natural and legal persons and 3.6% for loans between legal persons.

In addition, a special levy imposed by Law 128/1975 applies to loans provided by financial institutions operating in Greece or abroad (except bond loans). Real estate transfer tax may also be relevant if enforcement or a security structure involves real estate. In addition, hypothecations and pledges require registration and are subject to registration fees and notarial costs. Flat registration fees apply for the lawful establishment and perfection of security interests in the context of bond loan transactions.

4.3 Foreign Lenders or Non-Money Centre Bank Lenders

Tax concerns can be mitigated by properly structuring the transaction. The parties may structure the financing as a bond loan, which benefits from exemptions from stamp duty (now Digital Transaction Duty) and the levy of Law 128/1975. In some instances, double taxation treaties (DTTs) – or EU Legislation – may apply, which can reduce the withholding tax rate or even preclude its application.

If a foreign lender is actively involved in managing or overseeing loans in Greece, this could constitute a permanent establishment trigger for the lender, leading to the application of Greek corporate tax on their profits. Mitigation involves proper structuring of the transaction to minimise the risk that the foreign lender has a physical presence or significant business activities in Greece.

Please also refer to 4.2 **Other Taxes, Duties, Charges or Tax Considerations**.

5. Guarantees and Security

5.1 Assets and Forms of Security

Depending on the type of financing, lenders will typically require certain assets to form the collateral package. Below are the most common assets encumbered for the benefit of the financiers, along with the forms the security typically takes.

- Ownership rights, such as shares, share units, participations and interests in legal entities: the security may take the form of financial collateral or a pledge (see Pledge below).

- Claims arising out of bank accounts, intragroup or other loans or credit agreements, insurance contracts, lease contracts, etc: the security may take the form of assignment of claims (see Assignment below) by way of pledge (for credit claims and claims on bank accounts, the security may also form financial collateral). If certain conditions are met, a floating charge may also be permissible.
- Movable assets: the security may take the form of a pledge. If certain conditions are met, a floating charge may also be permissible.
- Immovable assets: the security may take the form of a hypothecation or prenotation of hypothecation (referred in transactional practice as mortgage and prenotation of mortgage) (see Mortgage below).

The valid creation of a pledge under the Greek civil code normally requires delivery of possession of the pledged asset to the lender.

Pledge

A pledge is perfected by executing a private agreement with a certified date (such as a notarial agreement) or by an electronic document, serving the agreement via a court bailiff on the respective legal person and registering it with the Unified Electronic Pledge Registry (the “Registry”). A share pledge, the most common security over ownership rights, should be registered in the shareholders’ register if the shares are incorporated in physical share certificates and the relevant certificates should be annotated. In the case of dematerialised shares, the pledge agreement should be serviced to the central securities depository and registered in its system.

Assignment

Claims are commonly secured through an assignment by way of pledge or, if certain criteria are met, under financial collateral. The assignment agreement is established by executing a private agreement with a certified date (such as a notarial agreement) or by a qualifying electronic document, which is served via a court bailiff on the debtor of the assigned claim and registered with the Registry. For bond loans, any annotation must be made on the physical bond certificate (if issued) and the bondholder register must reflect the encumbrance. Floating charges require registration with the competent pledge registry and service

of the agreement on the pledgor. A notification form in connection with the assignment agreement shall be registered with the Registry and the agreement should be delivered to the pledgor.

Mortgage

Greek law does not recognise the split between legal and beneficial (equitable) ownership. The most common security over real estate property in Greece is the registration of a hypothecation or a prenotation of hypothecation on the property. Hypothecation is an encumbrance over real estate property established as security for the preferential satisfaction of its beneficiary in the repayment of the secured claim. Hypothecation serves a similar transactional purpose to a common law mortgage which, however, involves the transfer of legal ownership from the mortgagor to the mortgagee. By contrast, hypothecation operates as a charge, whereby the hypothecator retains ownership of the encumbered real estate, while the hypothecatee is granted a security interest that does not include a right of foreclosure but rather a claim for judicial sale by auction in case of default.

A hypothecation is perfected by the registration of the respective title, which confers the right to record a hypothecation upon the lender with the competent land registry or cadastral office (as applicable). The said title is comprised of a notarial deed or a court decision. The perfection of a prenotation of hypothecation also includes the registration of the respective title, which may be a court decision, a payment order or minutes of a mediation procedure, with the land registry or cadastral office.

The establishment of prenotation of hypothecation, hypothecation, notional pledge and floating charge are all subject to flat registration fees at the competent public registry, along with fees proportional to the secured amount (currently around 0.8%). However, by joint decision of the Ministers of Digital Governance and Economy, the required registration fees for pledges are determined based on the amount of the secured obligations. Exceptionally for bond loans, the fee for each registration of security interests with the relevant public registries is EUR 100.

Subject to the above specific perfection steps required for each security, a written agreement is needed to validly create all security interests. If the perfection and publicity prerequisites are not fulfilled, the validity or enforceability of the relevant security interest may be challenged.

5.2 Floating Charges and/or Similar Security Interests

Greek legislation does not provide a universal or similar security interest over a company's present and future assets. According to Greek law, an individually defined movable asset or right may become the subject of a security interest. Greek law recognises floating security under Law 2844/2000 over a pool of movable assets or rights with changing composition, including business receivables, provided that the secured assets are sufficiently identifiable and the relevant publicity requirements are met. A floating charge that can be granted over a company's present and future assets, which are at least identifiable, is only available if the parties to the security qualify as businesses. Future assets may be the subject of a security interest as long as they can be identified or are identifiable.

5.3 Downstream, Upstream and Cross-Stream Guarantees

Certain restrictions apply to companies in relation to the giving of downstream, upstream and cross-stream guarantees. In principle, related party transactions may be voidable or unenforceable unless the statutory approval process is followed. Special approval of such transactions by the board of directors or, exceptionally, by the general meeting of shareholders and the publication of the announcement of such approval is required for the validity of the transaction.

Irrespective of the body authorising the transaction, the board of directors proceeds with publishing the announcement of the approval with the General Commercial Registry. For companies with listed shares, an independent auditor must also issue a fairness opinion for transparency purposes before authorising the guarantee.

The company may validly grant the guarantee immediately upon obtaining the written consent of all share-

holders that they will abstain from convening a general meeting to resolve on the matter or, failing such consent, upon expiry of a ten-day period following publication of the approval in the registry without any general meeting having been convened.

For further information, please see **5.4 Restrictions on the Target**.

5.4 Restrictions on the Target

Greece has financial assistance restrictions that restrict or even prohibit a target company from making advance payments, granting loans or providing guarantees in favour of third parties for the acquisition of the company's own shares, unless the statutory whitewash conditions are satisfied.

Financial assistance may be permitted if the following conditions are met:

- the financial assistance is made on an arm's length basis;
- a report is prepared by the board of directors stating how the said transaction serves the corporate interest of the company, its terms and any liquidity or solvency risk it might entail; the report should be communicated to the general assembly of the shareholders and published in the General Commercial Registry;
- shareholders' approval during the general meeting is obtained with an enhanced quorum and majority;
- the company's net equity should meet or exceed the paid-up share capital, along with any non-distributable reserves, at all times.

The target company shall record a non-distributable reserve in its balance sheet in an amount equal to the financial assistance to be provided.

5.5 Other Restrictions

Digital transaction duty may apply when granting guarantees or security, depending on whether the secured credit triggers such duty. Granting a guarantee or creating a security in connection with a non-bank loan agreement might give rise to payment of digital transaction duty.

5.6 Release of Typical Forms of Security

A security interest is an ancillary or accessory right. This means security rights depend on the underlying obligation they secure; therefore, the security right is automatically extinguished if the debt is discharged.

To publicise the release of the security, certain formalities should be followed. The process is relatively straightforward, but it may vary slightly depending on the type of asset and the specific security involved.

If a security interest has been registered with a competent authority, such as a land registry, cadastral office or the Unified Electronic Pledge Registry, it is necessary to either deregister the interest or update the registry to reflect the change in the beneficiary of the security interest.

The release of any type of security may also include executing a written agreement between the pledgor and the pledgee confirming repayment or discharge of the secured obligation by other means.

5.7 Rules Governing the Priority of Competing Security Interests

The Greek Code of Civil Procedure contains detailed rules governing the priority of competing security interests. These rules apply if the judicial auction proceeds are insufficient to cover all creditors' claims. Under such legislation, claims may carry privileges of the following types, which in turn determine the class of the respective creditors:

- claims established by operation of law carry a general privilege;
- claims created due to a pledge or hypothecation carry a special privilege; and
- unsecured claims carry no privilege.

Regarding the allocation of proceeds in enforcement procedures, a distinction should be made based on when the respective debt obligations arose. For secured debts incurred before 17 January 2018, Greek law provides that the proceeds from the auction sale of collateral in enforcement proceedings are allocated after deducting related enforcement costs and senior claims. In particular, 65% goes to secured creditors, 25% to creditors with general privilege (such as the

tax authorities, social security funds and employees) and 10% to unsecured creditors. If any of these creditor categories are not present, the distribution is adjusted accordingly. For secured debts created on or after 17 January 2018, provided the collateral was initially unencumbered and properly registered, the order of payment prioritises certain employee claims, followed by secured creditors. Within each class of creditors, claims are satisfied based on the priority rule *prior tempore potior iure* basis: whoever registered its security earlier gets paid first.

The priority of claims among a group of lenders or between two separate groups of lenders can be contractually varied by entering into a subordination or intercreditor agreement. This is a common practice in syndicated loans or mezzanine finance structures involving different debt tranches.

Contractual subordination provisions should remain effective in the insolvency of a borrower incorporated in Greece so long as they do not alter the statutory ranking of creditors and do not conflict with mandatory provisions of the law. As such, claims with a general privilege (eg, unpaid social security contributions) may override any contractual subordination. Furthermore, the insolvency administrator may challenge certain transactions if deemed detrimental to creditors.

5.8 Priming Liens

In the context of a securitisation transaction, a statutory pledge over the business receivables is customarily established for the benefit of the noteholders over the receivables and the collections of those receivables.

6. Enforcement

6.1 Enforcement of Collateral by Secured Lenders

In principle, enforcement of security interests typically necessitates judicial proceedings. For most forms of collateral – such as hypothecations, pledges and non-possessory pledges – creditors must obtain an enforceable title (eg, a court judgment or payment order) and proceed with enforcement through court-supervised mechanisms, such as public auctions. The

process entails strict steps and procedural requirements.

Self-help remedies, where a creditor unilaterally enforces a security interest without court involvement, are extremely limited under Greek law, but certain out-of-court collection rights are now available following the enactment of Law 5123/2024. In particular, the creditor may now collect the pledged claim without further action after a 10-day grace period lapses once the secured claim becomes due and payable, in whole or in part. In case the pledged claim becomes due before the secured claim, the provisions of the Greek Civil Code apply. This provision appears to streamline enforcement by aligning the interests of pledgees and pledgors.

For security interests established under Legislative Decree 17.7/13.8.1923, for the benefit of credit institutions, enforcement is more streamlined. No enforcement title is required and secured creditors may immediately publish a notice of public auction of the pledged assets, bypassing the three-day period that applies in standard enforcement proceedings.

The most expedited and straightforward enforcement process is set out for the realisation of security in the form of financial collateral. In addition to not requiring an enforcement title or the three-day waiting period, the creditor can sell the financial collateral directly or acquire ownership of the collateral and set off its value against the debtor's financial obligations. The latter alternative and optional remedy of creditors constitutes an exception to the *lex commissoria* doctrine applying to all other security interests.

Regarding guarantees, enforcement typically involves initiating judicial action against the guarantor to obtain a court judgment. Under civil law, guarantors may raise specific defences, such as the benefit of discussion. However, in commercial contexts, guarantors often waive these defences in the guarantee agreement.

6.2 Foreign Law and Jurisdiction

In Greece, the choice of foreign law is generally valid and enforceable in accordance with Regulation (EC) No 593/2008 (Rome I). This framework allows the

contracting parties broad autonomy to select the law applicable to their contract.

However, this freedom is subject to certain limitations. Greek courts may refuse to apply a foreign law where such application would be manifestly incompatible with Greek public policy (*ordre public*), as provided under civil law. Public policy encompasses mandatory rules that cannot be derogated from by private agreement (*ius cogens*). Furthermore, under Article 33 of the Greek Civil Code, a provision of foreign law will not be applied if its effects are contrary to a mandatory rule of the forum.

In addition, overriding mandatory provisions of Greek law (rules of immediate application) may apply irrespective of the parties' choice of law, particularly in areas involving tax, customs and administrative issues.

With respect to submission to jurisdiction clauses, these are generally enforceable under Greek law. However, Greek courts scrutinise and may decline to apply unilateral jurisdiction clauses or clauses that disproportionately favour one party by granting non-reciprocal rights.

Waivers of immunity can be upheld under Greek law, provided the entity waiving immunity has the capacity to do so. State-owned entities or sovereign borrowers may be subject to different rules depending on whether Greek or EU laws restrict their ability to waive immunity in a contract. Greek courts would review such waivers carefully to ensure they do not violate any sovereign or Greek public law principles.

6.3 Foreign Court Judgments and Arbitral Awards

Judgments issued in other EU Member States are enforceable in Greece under Regulation (EU) No 1215/2012 (Brussels I Recast) without retrial of the merits of the case, with Denmark bound through the parallel EU-Denmark Agreement. There are certain grounds for the refusal of the recognition of such an EU judgment, such as if the judgment is irreconcilable with an earlier judgment given in another Member State.

A judgment by a foreign court can be recognised and enforced in Greece if recognition and enforcement are provided for in EU Regulations or International Conventions. Second, a foreign judgment against a company may be enforceable in Greece if certain conditions are met: the judgment must be final, not subject to appeal in the foreign jurisdiction and not violate Greek public policy and the foreign court must have had proper jurisdiction under Greek law. The Greek court will not retry the merits of the case; it will merely examine whether the requirements for the recognition of the foreign decision are met.

Greece is a contracting party to a significant number of international conventions related to arbitration, most notably the 1958 New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards (ratified by Law 4220/1961, the "NYC").

Traditionally, the NYC has primarily governed the enforcement of foreign arbitral awards in Greece. However, in cases where the Convention did not apply – due to the reciprocity and commerciality reservations adopted by Greece – foreign arbitral awards were, until recently, declared enforceable only upon the cumulative satisfaction of the requirements set out in Articles 903, 905 (1) and 906 of the Greek Code of Civil Procedure (GCCP), thereby imposing a more onerous standard than that established by the NYC.

Law 5016/2023 on International Commercial Arbitration (the "Greek International Arbitration Law"), based on the UNCITRAL Model Law, including its 2006 amendments, has fundamentally reshaped this landscape. The new law expressly incorporates NYC's regime and introduces a unified legal framework for the recognition and enforcement of all foreign arbitral awards.

Pursuant to Law 5016/2023, a foreign arbitral award is recognised as binding and can be declared enforceable upon written application to the competent court, in line with international standards. The enactment of this law effectively displaces previous reliance on the GCCP provisions and establishes a clear, streamlined and internationally aligned enforcement mechanism. Again, the Greek court will not re-examine the merits

of the case but will only assess fulfilment of statutory requirements.

6.4 A Foreign Lender's Ability to Enforce Its Rights

A foreign lender's ability to enforce its rights under a loan or security agreement could be impeded if the enforcement actions were held to be inconsistent with the principles of good faith and proportionality. Greek courts could interpret this as an abusive exercise of rights and consequently limit or reject the enforcement action, without necessarily rendering the underlying agreement void.

7. Bankruptcy and Insolvency

7.1 Impact of Insolvency Processes

The commencement of insolvency proceedings in Greece may influence a lender's ability to enforce loans, security interests or guarantees. Once a petition is filed for the declaration of insolvency, the court may take preventive measures to protect the debtor's estate and prevent actions that could harm its creditors. Such measures may include suspending individual enforcement actions by creditors or prohibiting transfers of assets to or from the debtor. In this pre-insolvency stage, unsecured lenders may have their enforcement actions suspended until the insolvency decision is published.

In contrast, secured creditors are largely unaffected by preventive measures and may enforce against the secured assets, except in cases where there is a valid request to sell the business as a going concern and thus realise more value. Finally, creditors secured by financial collateral maintain a privileged position, are excluded from the scope of preventive measures and may enforce immediately.

During the insolvency stage, all individual enforcement actions are suspended. However, secured creditors are exempt from such suspension regarding assets over which they hold security for a period of nine months from the declaration of insolvency. After this period expires, the suspension extends to secured creditors' enforcement actions. Exceptionally, individual enforcement actions by secured creditors are

suspended when the court orders the sale of the business assets as a going concern or of its individual operating units and the asset over which security has been granted forms part of those assets. In both cases, if the sale process is terminated because no satisfactory offers were received or 18 months have elapsed since the insolvency declaration without any pending auction, secured creditors regain their right to enforce for a period of nine months after the termination date. After this period, enforcement actions are also suspended. A secured creditor's seizure of an asset from the insolvency estate remains effective until the asset is sold through public auction or the seizure is reversed. Again, during the insolvency process, financial collateral takers are not impacted by the suspension and can continue to enforce their rights without restrictions.

7.2 Waterfall of Payments

Insolvency law allows super-senior ranking of creditors' claims arising from new financing in the context of rehabilitation. The super-senior privilege applies to financing provided to keep the business operational, either in the form of cash, loans or essential goods and services. The purpose of this provision is to incentivise lenders and suppliers to offer necessary funding to keep the debtor's business afloat during the rehabilitation phase, as these monies are vital for business continuity and for underpinning restructuring efforts.

Apart from the super-senior ranking, the order in which creditors are paid during a company's insolvency is determined by the privileges and priorities set out in the Greek Code of Civil Procedure.

7.3 Length of Insolvency Process and Recoveries

Insolvency processes may take up to five years, from submitting the insolvency petition to the company's discharge. A typical insolvency process may take two years to complete. However, the timeline may vary if parallel cross-border insolvency processes open in more than one jurisdiction because the insolvent entity's assets can be traced abroad.

The insolvency law enacted in 2020 is currently in force and aims to streamline proceedings, improve recovery rates for creditors and balance the inter-

ests of both debtors and creditors. However, creditor recoveries are not always commensurate with the company's value at the time insolvency proceedings begin. Delays, administrative inefficiencies and volatile market conditions may impact the realisable value of assets.

7.4 Rescue or Reorganisation Procedures Other Than Insolvency

Greece offers two company rescue procedures outside insolvency proceedings.

The first is an out-of-court debt settlement, an electronic platform-based process in which the debtor negotiates and enters into a debt restructuring agreement with certain creditors, including financial institutions and the Greek state. This procedure does not require court involvement or ratification, making it a faster, less formal alternative to judicially-driven insolvency procedures.

The second is a rehabilitation procedure that involves a more structured approach, where the debtor and its creditors negotiate a rehabilitation agreement, including a business plan for restructuring the company's debts. Unlike the out-of-court process, the court must ratify the rehabilitation agreement to make it binding on all parties and ensure it treats creditors fairly. It may allow the company to avoid insolvency by restructuring its obligations under court supervision.

Both mechanisms are designed to offer flexibility and efficiency, encouraging the resolution of financial distress before insolvency proceedings become necessary.

7.5 Risk Areas for Lenders

When a borrower, security provider or guarantor becomes insolvent in Greece, lenders may face the following risks.

Automatic Stay on Enforcement

Upon the declaration of insolvency, a temporary stay may be imposed on creditors' enforcement actions, which can delay lenders from realising their security. While secured creditors maintain priority, their ability to immediately enforce security may be limited, particularly during restructuring efforts.

Claw-Back of Transactions

Lenders face the risk of claw-back actions, which can nullify transactions made in the period leading up to the insolvency declaration. This can include preferential payments or asset transfers that occurred within a "suspect period" before insolvency.

Challenges to Guarantees

Guarantors may attempt to escape liability if the guarantee is not structured to cover amendments to the loan or changes in the financial status of the borrowing company.

Decline in Asset Value

Delays in the liquidation process or deteriorating market conditions may reduce the value of the assets securing the credit, further impacting the recovery for secured creditors. If liquidation is not completed within 18 months, piecemeal liquidation might be forced, which can yield lower returns.

8. Project Finance

8.1 Recent Project Finance Activity

Project finance activity has remained robust through 2026, driven primarily by a record-high inflow of EU funds to Greece under the Recovery and Resilience Facility (RRF), as well as increasing investment in renewable energy, energy storage, electricity networks and other public and social infrastructure projects. Financing activity continues to support Greece's ongoing environmental transition, digital transformation and infrastructure modernisation efforts, with commercial banks, the EIB, the EBRD and private capital increasingly contributing to the financing of such projects.

The key sectors and industries sourcing project financing are energy and infrastructure, followed by transport, tourism, real estate, telecommunications and digital infrastructure.

Recent deals in the energy sector span solar PV installations and wind farm projects, as well as larger-scale investments in energy storage, electricity networks, grid interconnections and data centres, as well as waste treatment, recycling and related facilities.

8.2 Public-Private Partnership Transactions

Projects implemented via PPP structures continue to gain momentum in Greece.

Law 3389/2005 is the foundational legal framework for Public-Private Partnerships (PPPs) in Greece, facilitating collaboration between the public and private sectors in delivering infrastructure projects and public services. The law simplified the previously cumbersome process, providing that PPP projects can be implemented upon approval by the Interministerial PPP Committee.

Law 4412/2016 and 4413/2016 govern public procurement and concessions in Greece and are designed to align with EU legislation, cover the procurement of public works, supplies and services and apply to both public sector agencies and entities active in regulated industries.

Law 4782/2021 introduced significant reforms to Law 4412/2016, modernising public procurement processes.

Depending on the specific sector in which the project is classified, other laws may be relevant. For projects with energy assets, Law 3468/2006, as amended, regulates the production of electricity from renewable energy sources (“RES”); Law 4001/2011 on the operation of electricity and natural gas energy markets for the exploration, production and hydrocarbon transmission networks and Law 4014/2011, as amended, sets out the requirements for the environmental licensing of projects.

Greek law imposes no prohibitions or other restrictions on the types of projects that can be executed as PPPs.

8.3 Governing Law

Greek law does not require the project documents to be governed by Greek law. The parties are free to choose the law of a foreign jurisdiction to govern the project contracts.

For more, see **6.2 Foreign Law and Jurisdiction** and **6.3 Foreign Court Judgments**.

8.4 Foreign Ownership

In principle, there are no restrictions on foreign entities’ ability to own or hold real estate property in Greece. Certain restrictions apply to the acquisition of real estate in Greece’s designated border areas by legal persons with seats outside the EU, in which case the competent public authority must grant special authorisation; otherwise, the acquisition is void.

Foreign lenders can directly exercise remedial rights under hypothecation and prenotations of hypothecation created over immovable property in the same manner as a domestic lender would (see also **3.2 Restrictions on Foreign Lenders Receiving Security**).

8.5 Structuring Deals

When selecting a project financing structure, the parties should carefully assess specific commercial and jurisdictional realities rather than relying on a standard model. In Greece, where regulatory delays and zoning approvals are often time-consuming, structures that account for pre-completion risks – such as extended grace periods in loan agreements or phased equity contributions – are particularly useful.

Projects with long-term, contracted revenue streams can support higher debt ratios, allowing lenders to rely on predictable cash flows. In contrast, toll road concessions with demand risk may necessitate hybrid structures that blend availability payments with user fees. Tax considerations, including VAT treatment on construction inputs and transfer pricing rules for related-party service contracts, may also shape the project and financing structure. Ultimately, the financing structure must reflect not only project-specific risk allocation but also local legal, regulatory and market-specific dynamics to ensure economic viability.

The sponsors’ business objectives and motivations will dictate the appropriate legal structure for the project company. Commonly, sponsors combine their efforts with those of other entities by forming horizontal or vertical joint ventures. This is particularly common in the construction and management of large, complex projects that require substantial capital outlays, resources, proprietary knowledge or management skills that each participant may lack individually.

When structuring the deal, key issues include the level of risk and cost-sharing, the level of control and ownership structure the participating firms wish to have and the governance mechanism. The project company may assume any legal form permitted by the Greek legal system. In most cases, the project company is organised as a private, unlisted company (*société anonyme*). If this legal form is chosen, Law 4548/2018 on the reform of *Sociétés Anonymes* will apply. In addition to other advantages, such as being a separate legal entity and offering limited liability for shareholders, a project company organised as a *société anonyme* can have greater access to funding, as it can issue bond loans. Bond loans offer beneficial tax treatment compared to other credit arrangements and flat fees for the registration of the registrable collateral.

Greece recently enacted Law 5202/2025, establishing a framework for screening foreign direct investments (“FDI”), complemented by Joint Ministerial Decision 64260/11.11.2025. While the law does not directly address nationalisation or expropriation, it introduces mechanisms that may significantly impact foreign investments in sectors considered sensitive to national security or public order.

Under this law, FDIs in sectors such as energy, transport, healthcare, information and communication technologies, digital infrastructure, defence and tourism infrastructure in border areas are subject to mandatory notification and review. Investments that result in an aggregate shareholding of at least 25% generally trigger a screening process, with lower thresholds potentially applying in particularly sensitive sectors.

The Interministerial Committee for the Screening of Foreign Direct Investments conducts the initial assessment and the Minister of Foreign Affairs issues the final decision in cases requiring an in-depth investigation. The authorities may approve the investment, impose conditions or prohibit it. Non-compliance with the notification requirement can lead to the reversal of the investment and administrative sanctions ranging from EUR5,000 to EUR100,000 or even up to twice the value of the investment in certain cases.

For more information, see **8.4 Foreign Ownership**.

8.6 Common Financing Sources and Typical Structures

In the Greek market, projects are predominantly financed by local and international commercial banks, with bond loans being the most common structure. Multilateral institutions also play a crucial role by providing long-term financing, guarantees and co-financing solutions for large-scale projects. Blended finance is also common in project finance deals. Multilaterals often combine their resources with governmental programmes (such as Greece’s Recovery and Resilience Facility) to de-risk investments and attract private investment.

8.7 Natural Resources

Generally, Greece has no statutory limitations on exporting natural resources. Due to recent geopolitical tensions, the EU has imposed comprehensive export restrictions targeting specific countries. These sanctions include bans on exporting goods that could contribute to those countries’ military, technological or industrial capabilities. Export prohibitions apply to dual-use goods, advanced technology items and certain energy sector equipment, aiming to curb the military and economic infrastructure of sanctioned countries.

8.8 Environmental, Health and Safety Laws

A series of legislative instruments governs Greece’s environmental regulatory framework. Indicatively, for projects in the energy and infrastructure sectors, Laws 4014/2011, 4685/2020, 4964/2022 and 5037/2023, as amended and currently in force, regulate the environmental licensing process. In particular, Law 3468/2006, as amended, regulates the production of electricity from renewable energy sources (“RES”), while Law 4001/2011 on the operation of electricity and natural gas energy markets for the exploration, production and hydrocarbon transmission networks and Law 4014/2011, as recently amended, set out the requirements for the environmental licensing of projects. Furthermore, the recent enactment of Law 5215/2025 established, for the first time, a comprehensive regulatory framework for the production and integration of biomethane and hydrogen in Greece. Law 5215/2025 introduced Greece’s first comprehensive framework for producing and integrating biomethane and hydrogen, marking a significant step

toward diversifying the country's clean energy mix. Greek banks and investors must also adhere to additional environmental standards, which are commonly incorporated as obligations in project financing documentation.

The key legal framework is Law 3850/2010, as amended and in force, along with Law 5053/2023 and specific legislative provisions, in compliance with EU law (primarily Directive 89/391/EEC) on worker health and safety in Greece. The prevention of workplace accidents, the implementation of preventive measures to ensure workplace safety and equal treatment among workers are issues that fall within the scope of this legislation. Lenders and investors often require evidence of adherence to health and safety standards, such as documented risk assessments and health and safety plans, as part of due diligence processes. Additionally, Law 4808/2021 introduced innovative provisions, including an obligation for businesses employing more than 20 people to adopt a policy to prevent violence and harassment in the workplace. The Hellenic Labour Inspectorate is responsible for inspecting and enforcing these rules.

Trends and Developments

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Machas & Partners is a full-service Greek law firm headquartered in Athens, with additional offices in London and Monaco, maintaining a strong local and international presence to provide strategic legal services tailored to global business needs. With a strong banking & finance practice, the firm provides fully integrated advice across the entire credit cycle from debt origination to secondary loan market transactions, debt buy-backs, distressed refinancing and restructuring of debt instruments. Machas & Partners represents lenders and borrowers in all types of financing transactions including bond issues and LMA

loans, structured and project finance deals, securitisations and debt restructurings, acquisition financings and leveraged buyouts as well as transactions relating to OTC derivatives. The firm's clients include all major Greek credit institutions, some of the world's largest commercial banks, investment banks, investment banking firms, private investment funds and other institutional actors, as well as LBO sponsors, private equity funds, hedge funds, strategic buyers, borrowers and issuers of securities under Greek and UK law.

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Market Trends in Greece's Banking Ecosystem *Macroeconomic outlook and growth prospects*

The Greek banking and finance sector continues its robust performance in 2026, building on the solid foundation established in previous years and supported by a positive macroeconomic outlook. Greece's return to investment-grade status across the major rating agencies, completed with Moody's upgrade to Baa3 in March 2025, has strengthened investor confidence and broadened access to international capital markets. At the same time, the Greek economy maintained solid growth in 2026, with GDP projected to expand by approximately 1.8%, remaining above the EU average and supported particularly by robust investment and a record-high inflow of EU funds under the Recovery and Resilience Facility (RRF) ahead of the programme's expected completion. The Bank of Greece estimates that approximately one third of new business loans and one fourth of SME lending are supported by development-bank financing instruments and/or the RRF, while the Greece 2.0 RRF loan programme continues to provide low-interest loans, with investment-plan approval deadlines running to 31 August 2026 and a typical structure of up to 50% RRF loan, at least 30% commercial bank co-financing and at least 20% own funds. Credit growth is likely to remain concentrated in sectors connected to Greece's investment cycle and comparative advantages, including renewable energy, storage and grid infrastructure, data centres, logistics, tourism and hospitality, real estate, shipping, public-private partnerships, concessions and export-oriented manufacturing. These sectors are expected to generate a mix of project finance, acquisition finance, corporate lending, bond issuance and alternative-credit opportunities, with financing structures increasingly shaped by energy-transition requirements, EU-funded investment programmes and private-sector co-financing needs.

Banking sector resilience and Monetary policy

This sustained growth trajectory reflects the sector's successful transformation following the challenging decade from the 2009 fiscal crisis through recent heightened geopolitical tensions, mounting trade protectionism and inflationary pressures. The banking system has further enhanced its resilience, underpinned by balance sheet strengthening, with asset quality in systemically important banks continuing to

improve, as evidenced by a drop in the non-performing loan ratio to 3.3% at the end of 2025, its lowest level since Greece joined the euro area.

On the monetary policy front, following a period of easing, the ECB raised its key interest rates by 25 basis points in June 2026, bringing the deposit facility rate to 2.25%, before maintaining these rates at its July 2026 meeting and a further increase by the end of 2026 cannot be ruled out. In Greece, lending rates have generally declined from their previous highs, although margins, debt service coverage and hedging costs continue to be closely negotiated in new-money, refinancing and restructuring transactions. In May 2026, the weighted average interest rate on new corporate loans with a defined maturity and floating rate stood at 4.20%.

Debt capital markets move the needle

Renewed momentum in Greek debt capital markets, driven by successive corporate bond issuances, confirms the re-emergence of listed corporate bonds as a financing tool for sizeable Greek corporates, offering attractive coupons to retail and institutional investors. After a strong 2025, when Greek non-financial corporates completed eight new corporate bond issuances totalling approximately EUR3.7 billion, issuance activity remained active in 2026, with large Greek corporates tapping the market for approximately EUR900 million by mid-year. 2026 bond listings include Capital Clean Energy Carriers, LAMDA Development, PREMIA Real Estate Investment Company and Seanergy Maritime Holdings, illustrating multi-sectorial activity across shipping, real estate, major urban development projects and asset-heavy sectors. The issuances have been supported by improved sovereign and bank credit profiles, stronger investor confidence in Greek credit and the increasing ability of domestic issuers to access both retail and institutional liquidity through Euronext Athens fixed-income market.

This trend is reinforced in 2026 by two structural capital-market developments, namely Euronext's acquisition of a majority stake in ATHEX Group and the subsequent rebranding of Athens Exchange Group as Euronext Athens, as well as Greece's reclassification to Developed Market status by major international index providers, with the FTSE Russell and STOXX

changes taking effect on 21 September 2026. These developments are expected to enhance the visibility, liquidity and international investor reach of the Greek market by broadening the pool of international institutional investors inclined to consider Greek securities, including Athens-listed debt instruments and strengthening Athens' role as a gateway for Greek and South-Eastern European issuers seeking access to European capital markets.

Fintech and crypto-assets move into the regulated mainstream

The crypto assets sector is moving from the margins of financial innovation into the regulated mainstream. With MiCA now setting the EU-wide framework and Law 5193/2025 embedding the necessary national measures, 2026 marks a turning point: crypto is no longer treated primarily as a speculative or technology-led phenomenon, but as a regulated financial-services activity with defined rules, supervisory expectations and market-entry requirements. The Hellenic Capital Market Commission has played a particularly important role in giving practical shape to this new market, combining supervisory discipline with openness to innovation, providing involved stakeholders a clearer authorisation pathway for crypto-asset service providers without prejudicing investor protection, governance, transparency and market integrity.

Digitalisation and payments

Digitalisation remains a key driver of transformation in Greece's financial services sector in 2026, with traditional banks continuing to expand mobile and online banking, digital payments, wallets and technology-enabled lending, alongside growing activity by fintechs, payment institutions and electronic money institutions. The Greek payments ecosystem is also benefiting from the wider adoption of instant and mobile payments, including SEPA instant credit transfers and account-to-account payment solutions and the continued development of innovative payment solutions.

The continued expansion of key stakeholders such as Viva, which combines payment acquiring, banking and business solutions across Europe, alongside the emergence of new digital banking models such as Snappi, illustrates increasing diversification and

competition in the Greek financial services market. Meanwhile, the Bank of Greece's FinTech Innovation Hub reflects the supervisor's focus on facilitating innovation within an appropriate regulatory framework. At the same time, Revolut surpassed 2 million customers in Greece, reportedly representing more than 18% of the population, with Greece becoming its 11th-largest market globally by retail customers. The anticipated establishment of a local Greek branch and the launch of domestic Greek IBANs could mark a shift toward establishing a primary banking relationship in Greece, especially for salary payments, direct debits, recurring bills and merchant/customer acceptance.

Regulatory Developments

Markets in Crypto-Assets Regulation (MiCAR)

A key regulatory development in 2025 was the adoption of Law 5193/2025, which aligns Greek legislation with important EU Regulations and Directives. For the crypto-assets industry, it establishes the national regulatory and supervisory framework that supplements Regulation (EU) 2023/1114. In particular, Law 5193/2025 designates the Hellenic Capital Markets Commission (HCMC) as the competent authority for authorising and supervising Crypto-Assets Service Providers (CASPs) in Greece and provides the relevant licensing, supervisory and enforcement framework. The HCMC has since established procedures for CASP authorisation, facilitating the Greek crypto industry's transition into the new regulatory framework.

The new regime enhances regulatory certainty and investor protection while creating a clearer pathway to establish and operate crypto-asset businesses in Greece. In particular, a domestic authorisation framework, combined with MiCAR's EU-wide passporting mechanism, strengthens Greece's position as a jurisdiction for regulated crypto-asset services and supports greater integration between the digital-asset sector and the traditional financial system.

The framework has already begun to translate into market activity, with the HCMC granting the first Greek CASP authorisations in July 2026. The first licenses mark an important milestone in the development of the crypto-assets market, encouraging further entry and investment in the sector.

Digital Operational Resilience Act (DORA)

Regulation (EU) 2022/2554 (DORA) establishes uniform requirements for the governance and security of information and communication technology (ICT) systems utilised by financial institutions and their critical third-party service providers. Law 5193/2025 supplements that EU framework in Greece by designating competent authorities and providing national supervisory and enforcement measures. The regime aims to strengthen financial entities' capacity to withstand, respond to and recover from cyber threats and ICT disruptions, reflecting the EU's focus on operational resilience as a core component of financial stability.

To align national legislation with the new framework, amendments were made to Law 4261/2014, providing for the implementation by credit institutions of an ICT business continuity plan, as well as a response and recovery plan pertaining to the ICT systems used by them, enhanced oversight of outsourcing arrangements and reporting obligations regarding third-party ICT providers.

The law designates the Bank of Greece (BoG) as the competent authority for credit institutions, payment and e-money institutions and insurers. The BoG has been vested with broad supervisory and enforcement powers, including on-site inspections, public disclosure of breaches, administrative fines, license withdrawals and, in severe cases, the removal of senior management.

Capital Requirements Directive VI (CRD VI)

The forthcoming transposition of Directive (EU) 2024/1619 (CRD VI) into Greek law, now overdue following the elapsed transposition deadline of 10 January 2026, will introduce a strengthened prudential framework for bank M&A and other strategic investments by Greek credit institutions. Building on the existing qualifying-holding regime, CRD VI introduces dedicated supervisory regimes for banks acquiring material holdings and for mergers and divisions of credit institutions, giving competent authorities additional tools to assess the prudential implications of such transactions.

For the Greek banking sector, these reforms are particularly relevant against the backdrop of increasing

consolidation and strategic investment activity across the European banking market. The new framework will require greater regulatory scrutiny of transactions involving Greek credit institutions, while providing a more harmonised and comprehensive approach to assessing their impact on capital, governance, risk management and financial stability. The material-holding and merger/division regimes will also need to be considered alongside the qualifying-holding assessment where their respective scopes overlap, potentially resulting in parallel supervisory assessments for certain transactions.

CRD VI will also materially reshape the framework applicable to third-country bank branches operating in Greece. It introduces a harmonised authorisation and prudential regime for third-country branches, including minimum capital and liquidity requirements, governance and risk-management standards and enhanced reporting obligations, while subjecting larger or systemically important branches to heightened supervisory scrutiny. These reforms are expected to level the playing field between EU and third-country banks and strengthen supervisory oversight of international banking activity in Greece, while providing a clearer regulatory framework for third-country institutions seeking access to the Greek market.

Alternative financing

While traditional banks continue to provide most credit in Greece, the market is undergoing a notable shift toward alternative lending solutions. This transition is propelled by increasing demand from small and medium-sized enterprises (SMEs) seeking a wider range of financing options. This shift has highlighted the need for a robust institutional framework to facilitate lending by non-banking financial institutions. The trend has been significantly shaped by the regulatory framework overhaul with Law 5072/2023, which established a new framework for credit purchasers and credit servicers and expanded the scope of alternative lending, as well as Law 5193/2025.

Credit Companies have emerged as a dynamic and attractive option for investors interested in the alternative lending market. Traditionally focused on providing credit to natural persons, recent amendments under Law 5072/2023 have significantly expanded

their operational scope to include legal entities. For natural persons, credit companies offer mortgage and consumer credits and can facilitate the restructuring of existing loans from the same or other credit institutions. By accommodating the varied financial needs of businesses, credit companies play a crucial role in promoting economic stability and growth, particularly in a climate where affordable credit is essential. Notably, 2026 marks the revival of the credit-company landscape in Greece, as a consortium of two banks submitted a file to the Bank of Greece for authorisation as a credit company.

Including servicing companies as credit providers not only expands options for borrowers but also helps reduce the overall non-performing loan (NPL) ratio in the financial system. Greek banks have recorded the lowest NPL ratio since Greece joined the euro area. However, the significant reduction in NPEs on bank balance sheets does not automatically mean debt has been removed from Greek companies, as most overdue liabilities by non-financial corporations have been transferred to non-bank credit-acquiring companies and are currently managed by “servicers”. Loans transferred to non-resident specialised financial institutions and serviced by domestic credit servicing firms amounted to approximately EUR 79.6 billion in Q1 2026.

Furthermore, credit funds are expected to emerge in the Greek market and play an increasingly important role in Greece’s financing landscape, as alternative lenders seek to capitalise on growing demand for private credit and the diversification of corporate funding sources beyond traditional bank lending. The forthcoming transposition of AIFMD II (Directive (EU) 2024/927) into Greek law, due in 2026, is expected to further facilitate the development of loan-originating alternative investment funds and private credit strategies in Greece.

Meanwhile, individual and bespoke asset-backed financing transactions involving foreign corporate lenders and other alternative asset managers have gained traction in Greek financing practice, driven by rapid transaction origination and disbursement timelines and the absence of use-of-proceeds restrictions. These financing schemes bear a conceptual resemblance

to Lombard-style credit facilities, a traditional banking product that enables holders of valuable liquid investment portfolios to obtain immediate, purpose-free liquidity without the requirement for the disposal of such underlying assets and the corresponding loss of any generating income or potential future appreciation. While alternative asset-backed lending can serve similar purposes, it is fundamentally different in that such transactions are typically offered against illiquid collateral and carry short maturities and high yields, due to the lack of real-time mark-to-market valuation of the underlying assets and margin-call mechanisms, the correspondingly increased default exposure, as well as the more complex or less effective enforcement mechanisms.

Central Credit Register

January 2026 marked the official launch of the Greek Central Credit Register (CCR) maintained and operated by the Bank of Greece. Both creditors and debtors now have regulated access to data attesting to a debtor’s credit profile, alleviating the burden of manual credit status research on behalf of credit providers. On the other hand, debtors, natural and legal persons, benefit from a real-time snapshot of their debts to lenders, provided that the latter report the relevant data to CCR.

The launch of the CCR is part of a broader government plan to foster transparency, time efficiency, data-driven decision-making, financial awareness and to drastically reduce information asymmetries across the loan origination lifecycle. This plan is expected to be supplemented in the foreseeable future with the launch of a centralised Credit Scoring Platform.

The official launch of the Greek CCR marks a decisive policy-level shift towards a more robust, inclusive and resilient credit ecosystem. By establishing a comprehensive and standardised repository of credit data under the supervision of the Bank of Greece, the CCR introduces a new structural baseline for credit assessment and market discipline. The impact of this reform lies not only in reducing inherent informational asymmetries but also in improving visibility of financial behaviour. For corporate borrowers, the CCR reshapes the market by making financial behaviour visible, measurable and comparable. A strong credit

profile emerges as a strategic asset, directly influencing financing terms, access to capital markets and the ability to engage in strategic partnerships and transactions. In this environment, disciplined credit behaviour translates into tangible competitive advantage.

Conclusion

The developments in Greece's banking and finance landscape through 2026 reflect a comprehensive transformation towards modernisation, digitalisation and enhanced competitiveness. The continued implementation of EU-funded investments together with sustained robust consumption and investment activity supports economic growth and strengthens the foundations of the financial sector.

The completion of Greece's investment-grade restoration from all major rating agencies positions the country for continued access to favourable financing conditions and broader investor participation. The blend of traditional banking practices with innovative financial solutions, the evolution of credit companies and servicers and the comprehensive digital infrastructure initiatives position Greece's financial ecosystem to support sustainable economic growth in the years ahead.

As the country approaches the conclusion of the RRF programme, the focus is increasingly shifting from recovery to sustained growth and further financial-sector development with a view to translating this record inflow into durable, privately-financed investment, ensuring that the momentum built during the RRF era is sustained once the facility winds down and that banks, alternative lenders and capital markets can progressively assume the financing role currently supported by EU funds.



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