

# Sustainable Future V

## The Resilience of the Greek Banking Sector & the current Iran Conflict

**Gikas A. Hardouvelis**

GET INVOLVED,  
Tuesday, 26 May 2026

Keynote Speech:

✓ Gikas Hardouvelis, Chairman of the Board of Directors of the National Bank of Greece

**NATIONAL BANK  
OF GREECE**



**I. Geopolitical Uncertainty**

**II. Greek Bank Resilience**

**III. The Future is digital**

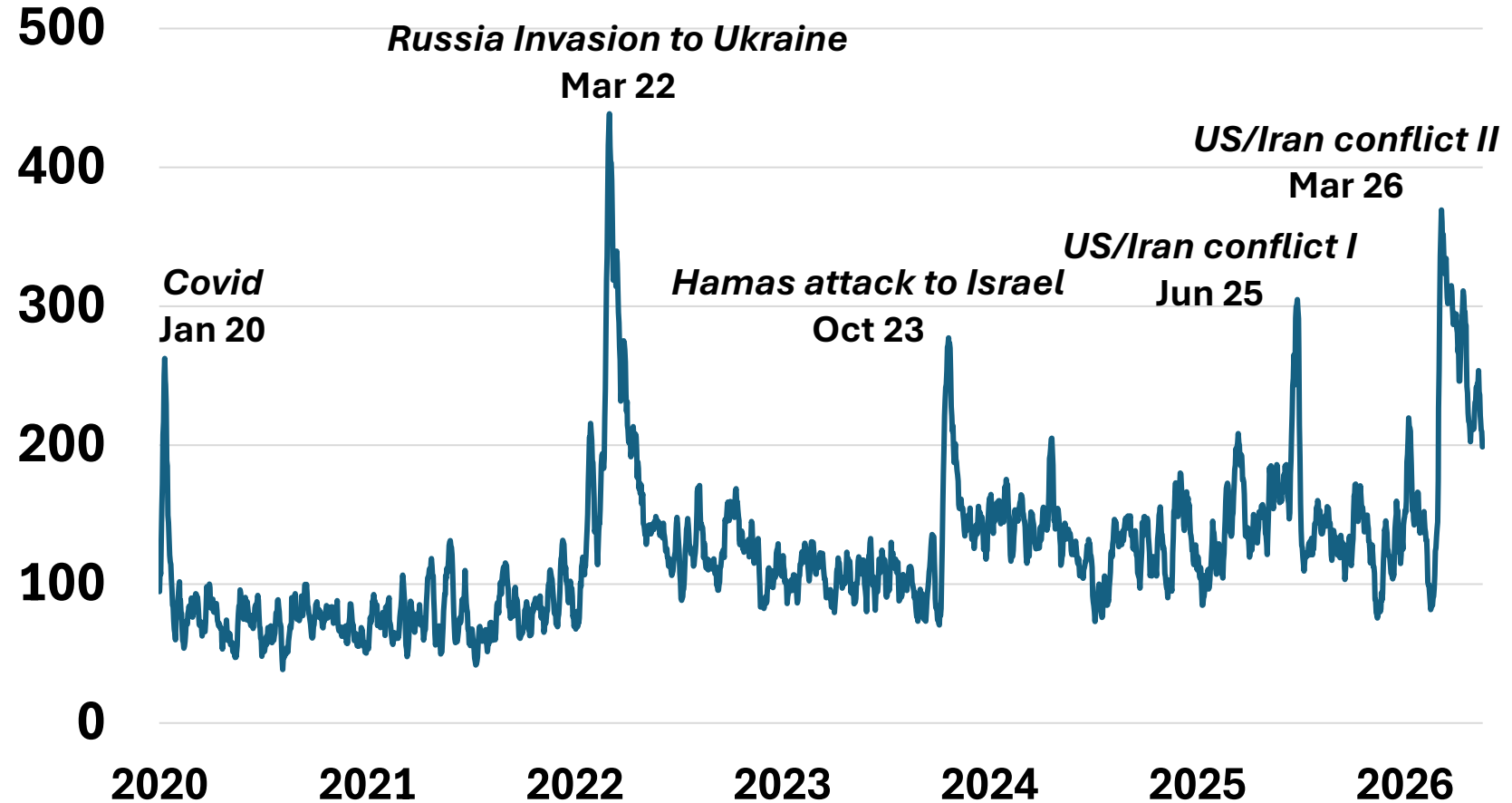
# I. Global geopolitical Uncertainty increased

## Geopolitical uncertainty

- ❑ Is a primary driver of market risk, leading to a shift to national security and regionalization.
- ❑ Supply Chain "friendshoring" and re-shoring.
- ❑ Sectors linked to defense, technology (AI), critical minerals, and renewable energy are seeing higher demand. Conversely, energy-intensive sectors (chemicals, plastics, transport) are experiencing intense pressure.

## Geopolitical Risk (GPR) Index

*7 day moving average of Daily GPR*

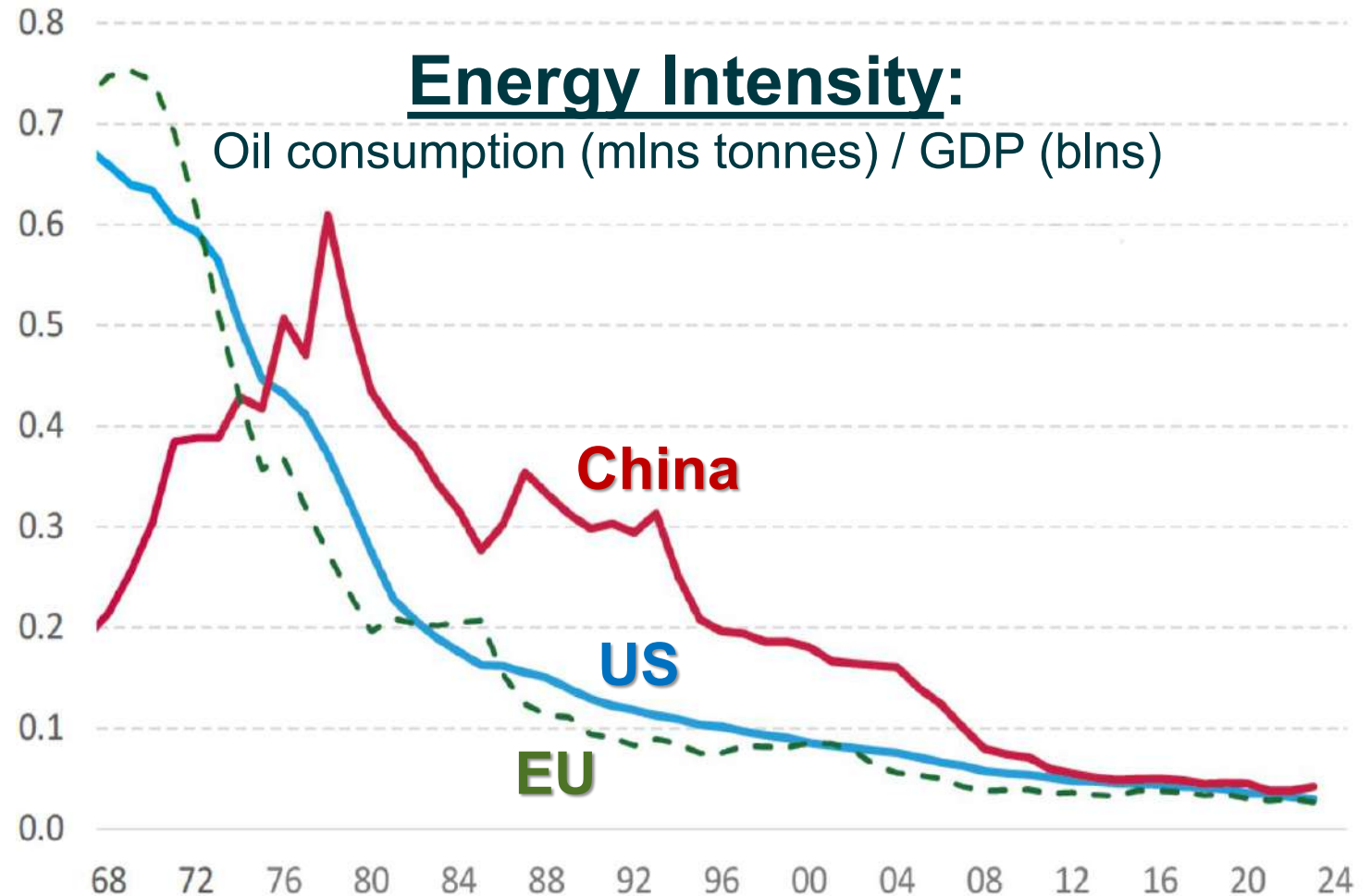


Source: <https://www.matteoiacoviello.com/gpr.htm>,

Geopolitical Risk (GPR) Index (Daily data last updated May 18, 2026)

# I. Energy Shock: Its Impact is contained

- ❑ **Double shock** on oil and supply chains. Experts claim this is the largest oil shock in 60 years.
- ❑ **Oil shock is asymmetric, heavier on Asia & the Middle East, versus Europe or the US.**
- ❑ **The destruction of refineries & pipelines may restrict supply for a longer time.**
- ❑ **Yet oil shock impact is less pronounced than in the 1970s.**
  - **The energy intensity has fallen sharply over the past 50 years.**
  - **Since the 1970s, the # of barrels needed to generate 1 unit of GDP has declined by a factor of 15-20.**



Source: UBS, Haver

# I. Energy Shock: ECB's Adverse Scenario

- ❑ ECB's original Adverse scenario is now the “new baseline”.
- ❑ Scenarios predict stagflationary pressures.
- ❑ There is little fiscal space, and monetary policy will be restrictive in the months to come

	2025	2026f	2027f
Macroeconomic projections for the EA & Greece, conditioned on latest ECB staff assumptions for energy prices & EA growth under the <b>adverse scenario</b>			
Crude oil (\$/brl)	69	98	80
Gas price (€/MWh)	36	67	42
EA Real GDP (yoy %)	1,5	0,6	1,2
EA CPI inflation (yoy %)	2,1	3,5	2,1
GR Real GDP (yoy %)	2,2	1,8	2,1
GR CPI inflation (yoy %)	2,5	4,0	2,4

- ❑ The Greek economy is sensitive to imported energy and petroleum in particular:
  - 77.7% of the energy consumed in Greece is imported.
  - Petroleum accounts for 54.2% of the total consumed energy.

*Note: The potential effects of policy support measures & monetary policy responses are not incorporated into the projections*

# I. Market responses are subdued

		RUSSIAN INVASION OF UKRAINE			USA-IRAN CONFLICT		
		24/2/22	20/5/22	Δ	27/2/26	25/5/26	Δ
<b>ENERGY PRICES</b>	BRENT (USD/barrel)	99,08	112,55	<b>13,5</b>	72,48	96,14	<b>23,7</b>
<b>MARKET BASED INFLATION EXPECTATIONS</b>	EUR 1Y1Y SWAP RATE	0,58%	1,47%	<b>0,89%</b>	2,16%	2,79%	<b>0,63%</b>
	EUR 5Y5Y SWAP RATE	1,86%	2,23%	<b>0,37%</b>	2,08%	2,12%	<b>0,04%</b>
	USD 1Y1Y SWAP RATE	2,05%	2,93%	<b>0,88%</b>	2,93%	4,01%	<b>1,08%</b>
	USD 5Y5Y SWAP RATE	2,45%	2,61%	<b>0,16%</b>	2,38%	2,44%	<b>0,06%</b>
<b>GOVERNMENT BONDS</b>	GERMANY 2Y	-0,43%	0,33%	<b>0,76%</b>	2,00%	2,53%	<b>0,53%</b>
	GERMANY 10Y	0,17%	0,94%	<b>0,77%</b>	2,64%	2,95%	<b>0,31%</b>
	USA 2Y	1,58%	2,58%	<b>1,00%</b>	3,37%	4,06%	<b>0,69%</b>
	USA 10Y	1,96%	2,78%	<b>0,82%</b>	3,94%	4,59%	<b>0,65%</b>
	GREECE 10Y	2,57%	3,71%	<b>1,14%</b>	3,27%	3,59%	<b>0,32%</b>
	ITALY 10Y	1,81%	3,00%	<b>1,19%</b>	3,27%	3,65%	<b>0,38%</b>
	FRANCE 10Y	0,66%	1,47%	<b>0,81%</b>	3,22%	3,56%	<b>0,34%</b>
<b>EXCHANGE RATE</b>	EUR/USD	1,12	1,06	<b>-0,06</b>	1,18	1,16	<b>-0,02</b>
<b>EQUITY INDICES</b>	S&P 500	4288,70	3900,36	<b>-9,1%</b>	6878,88	7473,47	<b>+8,6%</b>
	STOXX EURO 600	438,96	431,10	<b>-1,8%</b>	633,85	631,63	<b>-0,4%</b>

# II.

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**I. Geopolitical Uncertainty**

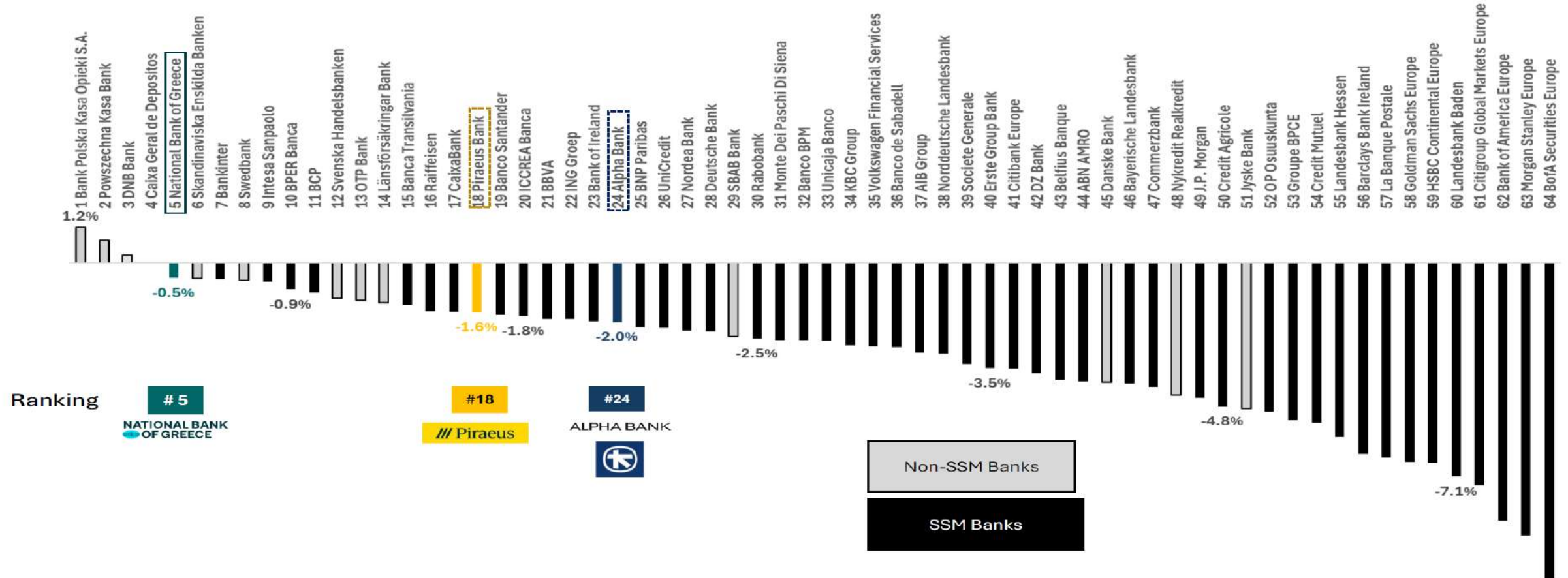
**II. Greek Bank Resilience**

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## II. Are Greek banks resilient?

- ❑ **SSM was aware of geopolitical uncertainty early on, before the Iran conflict.**
  - **Reverse Stress Test on 110 directly supervised banks in 2026: Each bank was asked to identify the most relevant geopolitical risk events that could lead to at least a 300-basis point depletion in its Common Equity Tier 1 (CET1) capital as %RWAs. Then had to explain the measures it would take to recover the lost capital.**
- ❑ **Strict supervision in Europe: P2R, P2G, MREL, SREP, ESG, Frequent and diverse On-Site-Inspections, DORA and RDARR**
- ❑ **Competition from the less regulated NBFIs across Europe**
- ❑ **Greek banks have investment grade status, provide plenty of credit to the economy, are well capitalized, have adequate liquidity, and have brought down their NPL ratios.**
- ❑ **The current Iran conflict has minor effects on banks**

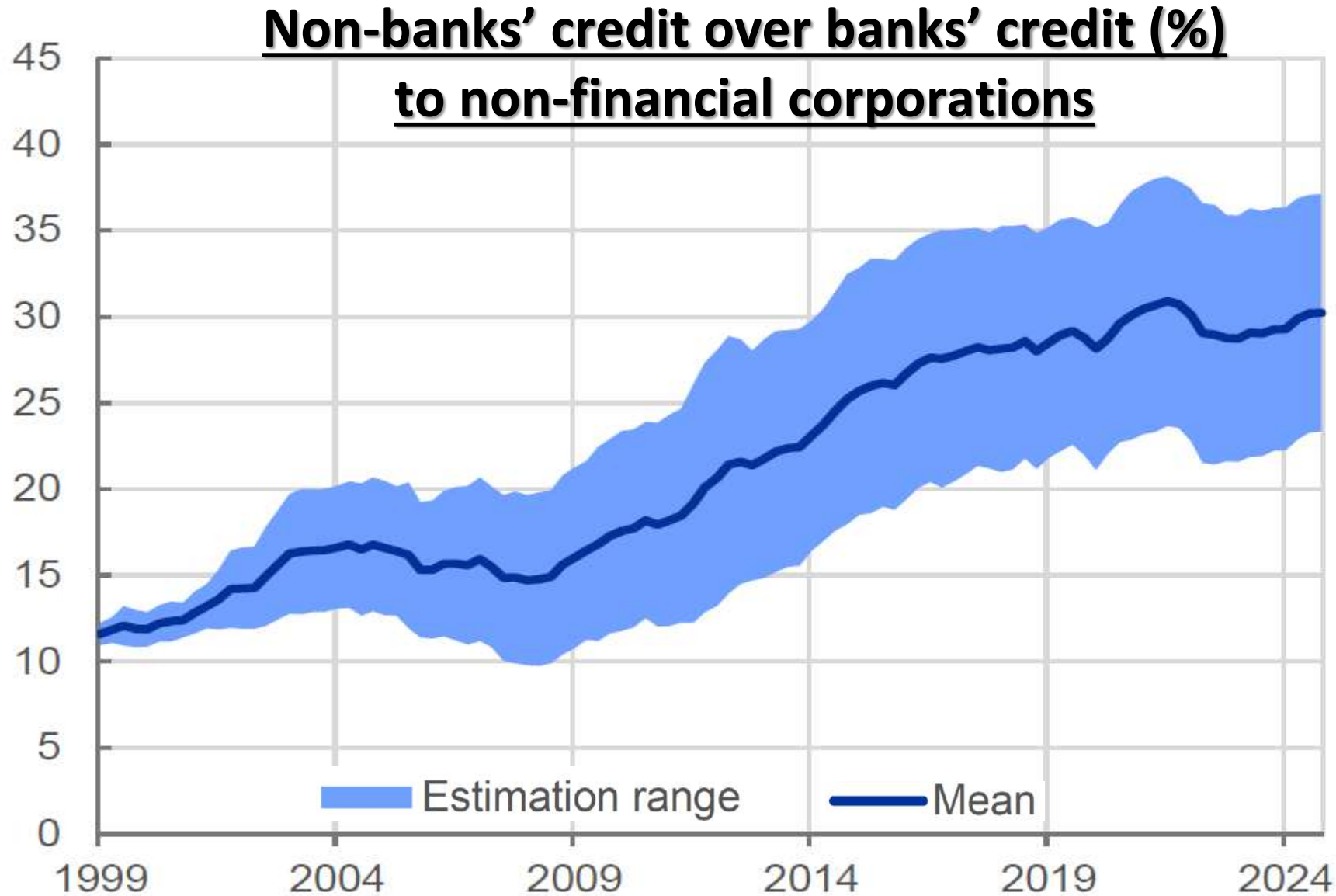
# II. Results of the most recent EBA Stress tests (2025)



❑ Adverse scenario cumulative losses of capital over 2024-2027 based on the balance sheets of 31/12/2024.

❑ EBA sample of 64 banks, 51 of which are under SSM.

## II. Non-Bank Financial Institutions expand in Europe



# II. Greek systemic bank have investment grade status

☐ NBG and Eurobank at the top of domestic ratings



**MOODY'S**  
RATINGS

Baa3 (Stable)

Baa1 (Negative)

Baa1 (Negative)

Baa1 (Stable)

Baa1 (Stable)

**S&P Global**  
Ratings

BBB (Stable)

BBB- (Positive)

BBB- (Positive)

N/A

BB+ (Positive)

**FitchRatings**

BBB (Stable)

BBB- (Positive)

BBB- (Positive)

BBB- (Stable)

BBB- (Stable)

**SCOPE** | Ratings

BBB (Positive)

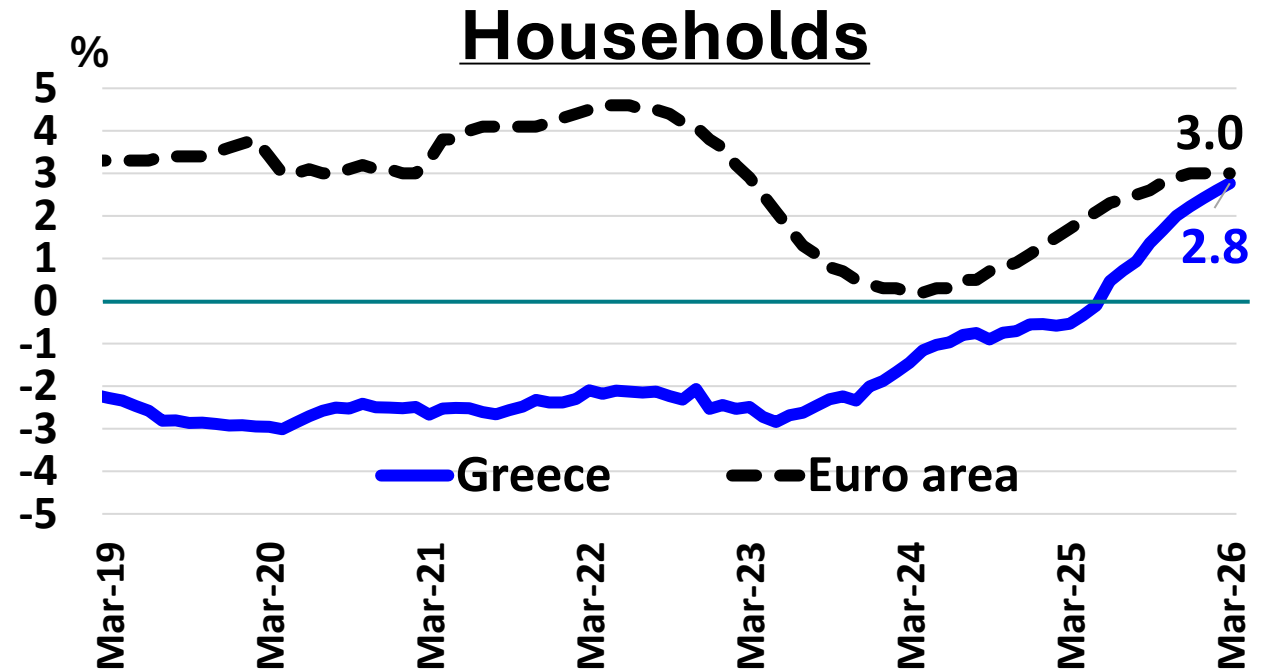
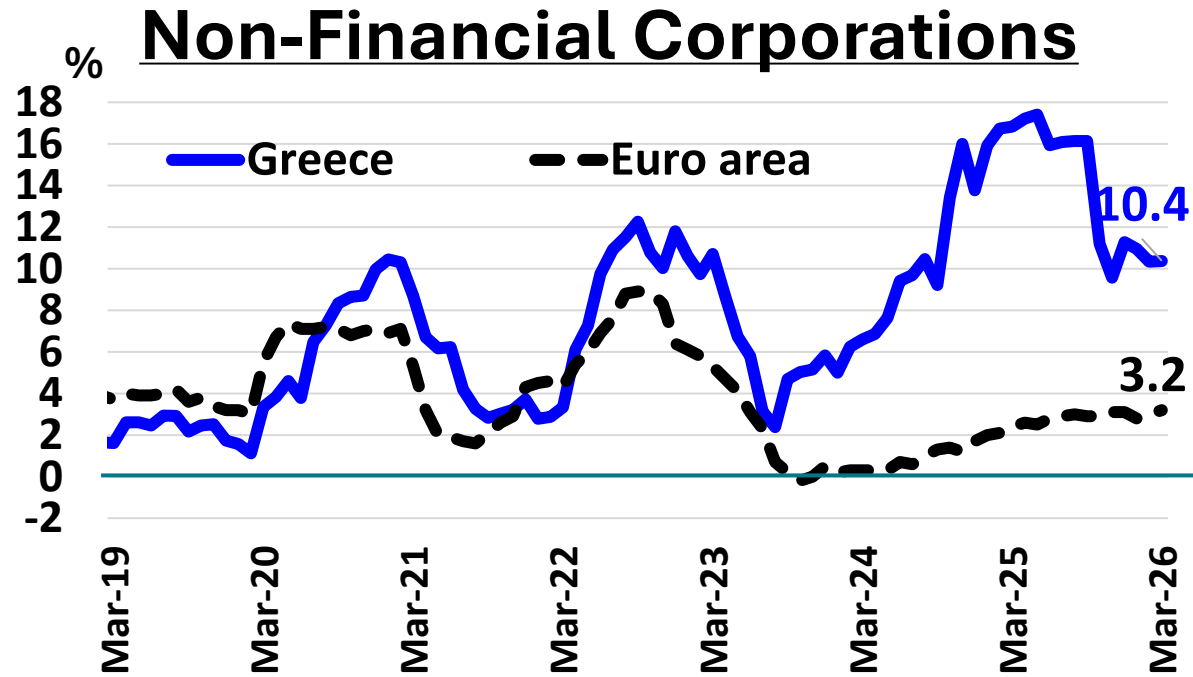
BBB+ (Stable)

N/A

BBB (Stable)

N/A

## II. Recent Credit expansion to the private sector



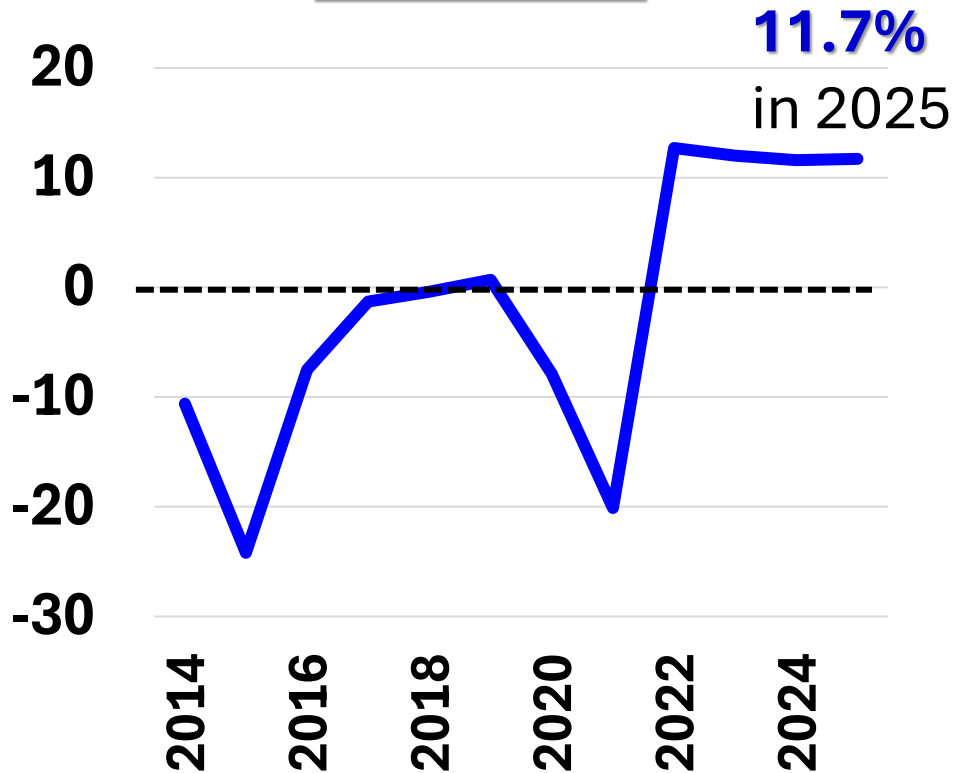
Source: ECB, BoG

- ❑ Credit expansion in EA: Strong to households, subdued to non-financial corporates.
- ❑ Credit expansion in Greece: Very strong to non-financial corporates, recovering to households.





# II. The Greek banking sector is profitable since 2022

## Return on Equity (ROE)

### Greek Banks



## 2025 Financial Results

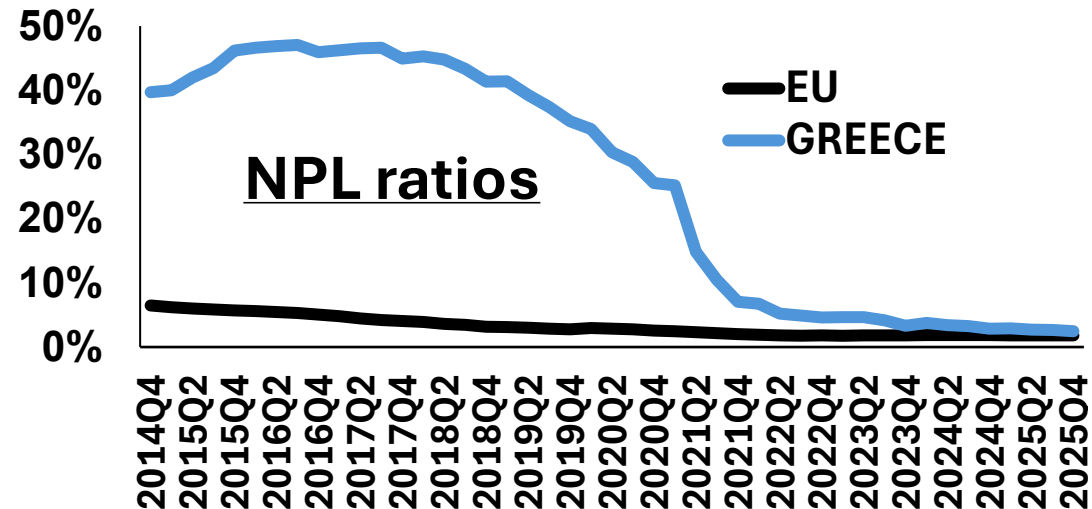
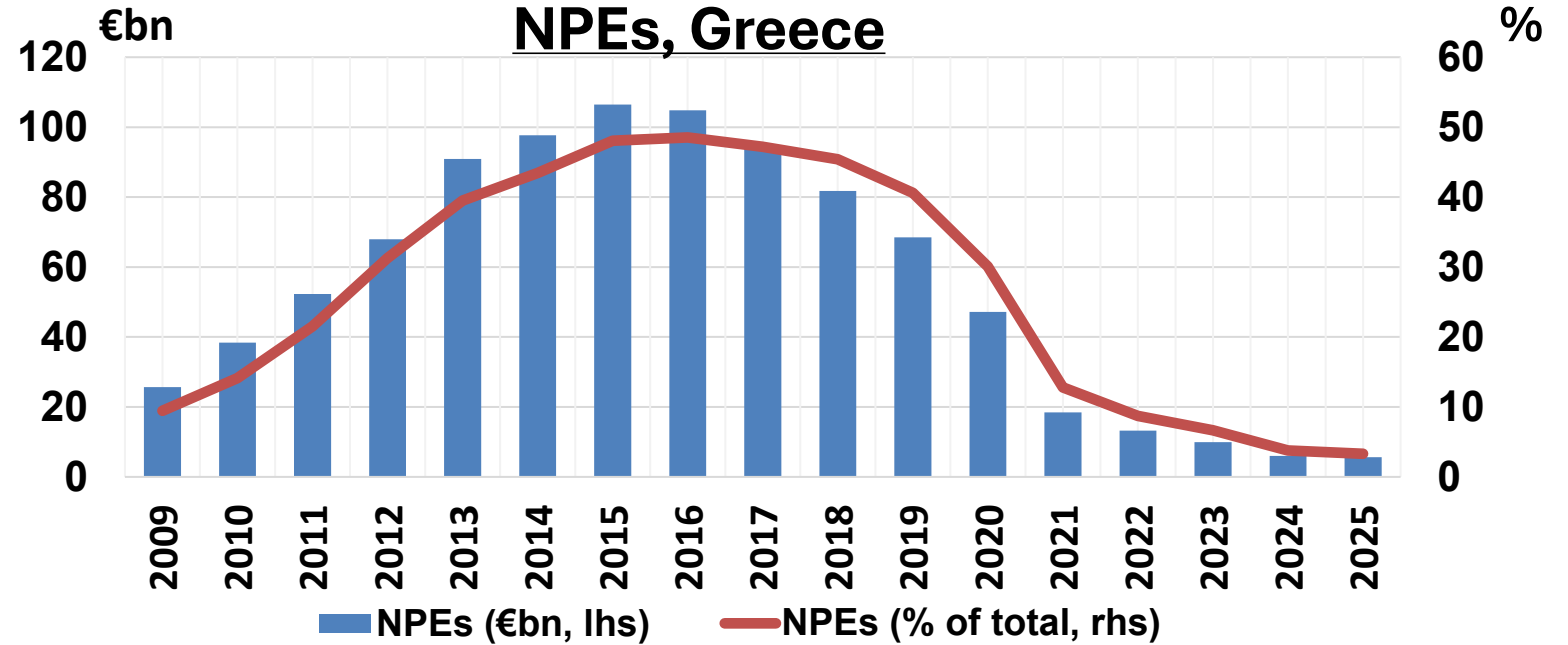
				
CET1 ratio	18.8%	15.6%	15.0%	12.7%
LCR	236%	172%	184%	216%
NPE ratio	2.4%	2.6%	3.6%	2.3%
S2 / S3 coverage	7.9% / 55.8%	10.2% / 46.1%	4.4% / 28.4%	5.5% / 43.4%
Cost/Income	34%	37%	39%	33%
PAT	€1.259bn	€1.362bn	€943.3bn	€1.070bn
Capitalization (25/5/26)	€13.1bn	€13.9bn	€8.6bn	€10.8bn

Sources: Eurostat, BoG, Banks' financial results

❑ The negative ROE in 2020-2021 is due to massive securitizations and the NPL clean-up.

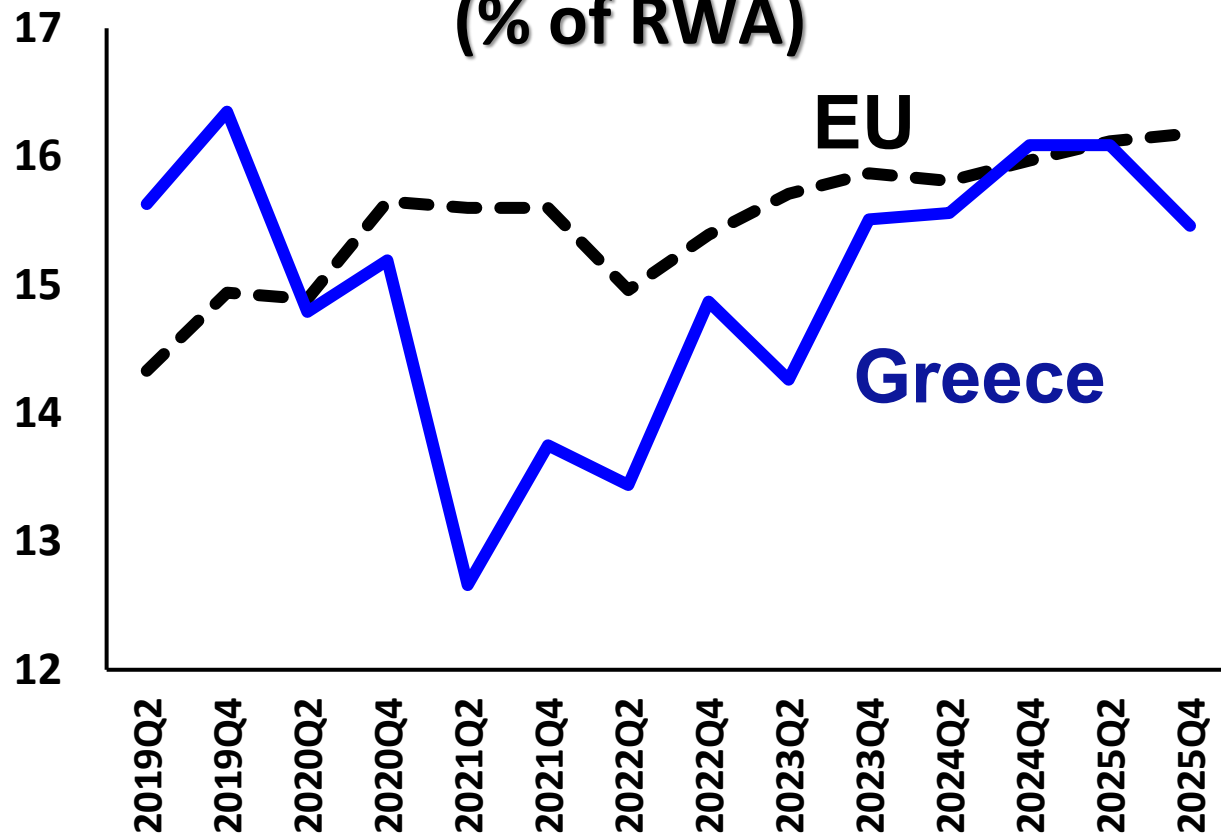
# II. NPEs have dropped close to EU average

- ❑ In 2015-2016 about half of the loans were problematic.
- ❑ The Hercules securitization with its government guarantee on the senior notes together with the loan hive-down accounting innovation helped expedite the balance sheet clean-up.
- ❑ Hive-down was used by Eurobank, Piraeus & Alpha.
- ❑ At End-2025, the NPL ratio at 2.5% vs. EU average at 1.8%.

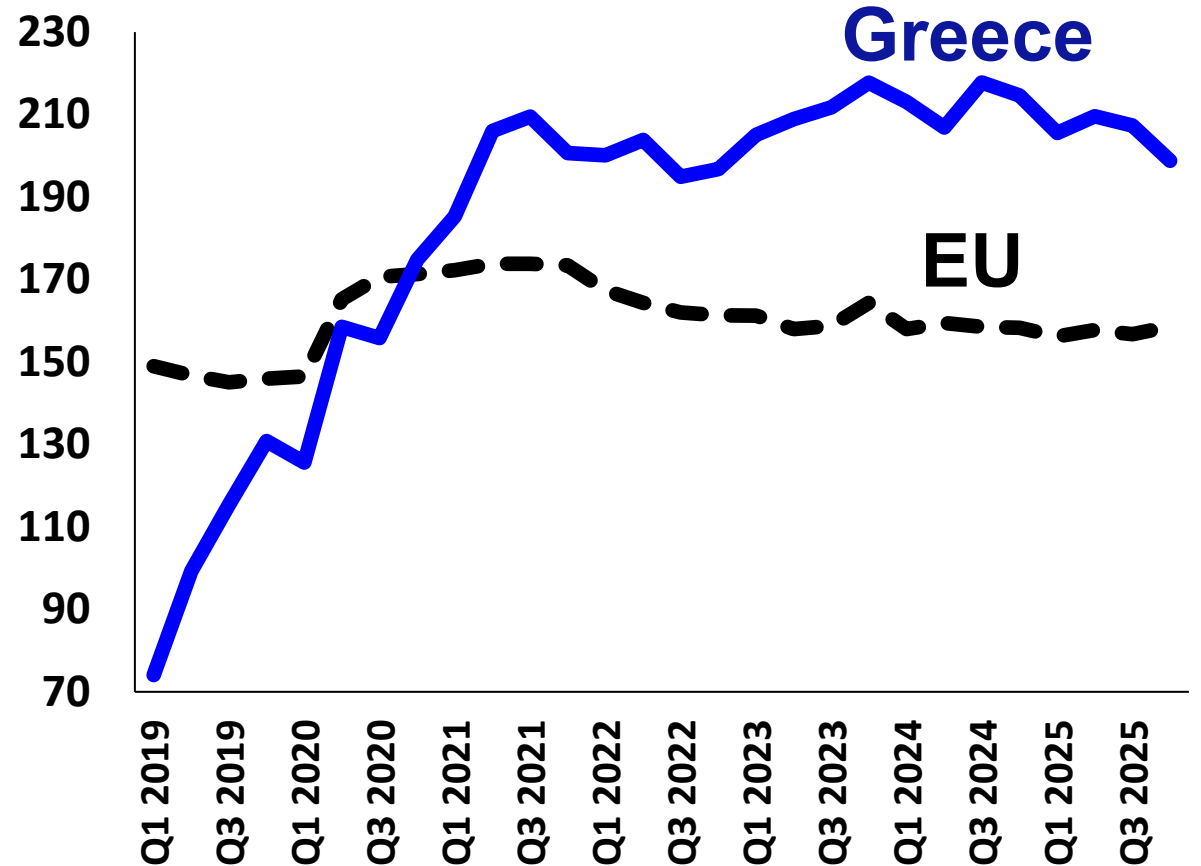


# II. Adequate Capital & Liquidity

**CET1: Core Equity Tier 1**  
(% of RWA)



**LCR: Liquidity Coverage Ratio**



Source: ECB, SSM statistics

## II. How does the Iran conflict affect banks?

- ❑ **A rise in ECB rates improves Net Interest Income and profitability.**
  - **The spread between lending and deposit rates increases, which more than offsets a possible drop in the growth of loan volumes.**
- ❑ **Banks had the opposite problem in the previous months, as ECB rates were declining, yet they managed to contain the negative impact on profitability.**
- ❑ **Fee expansion in Asset Management, Bank Assurance, and payment services is a component of bank strategy.**

# III.

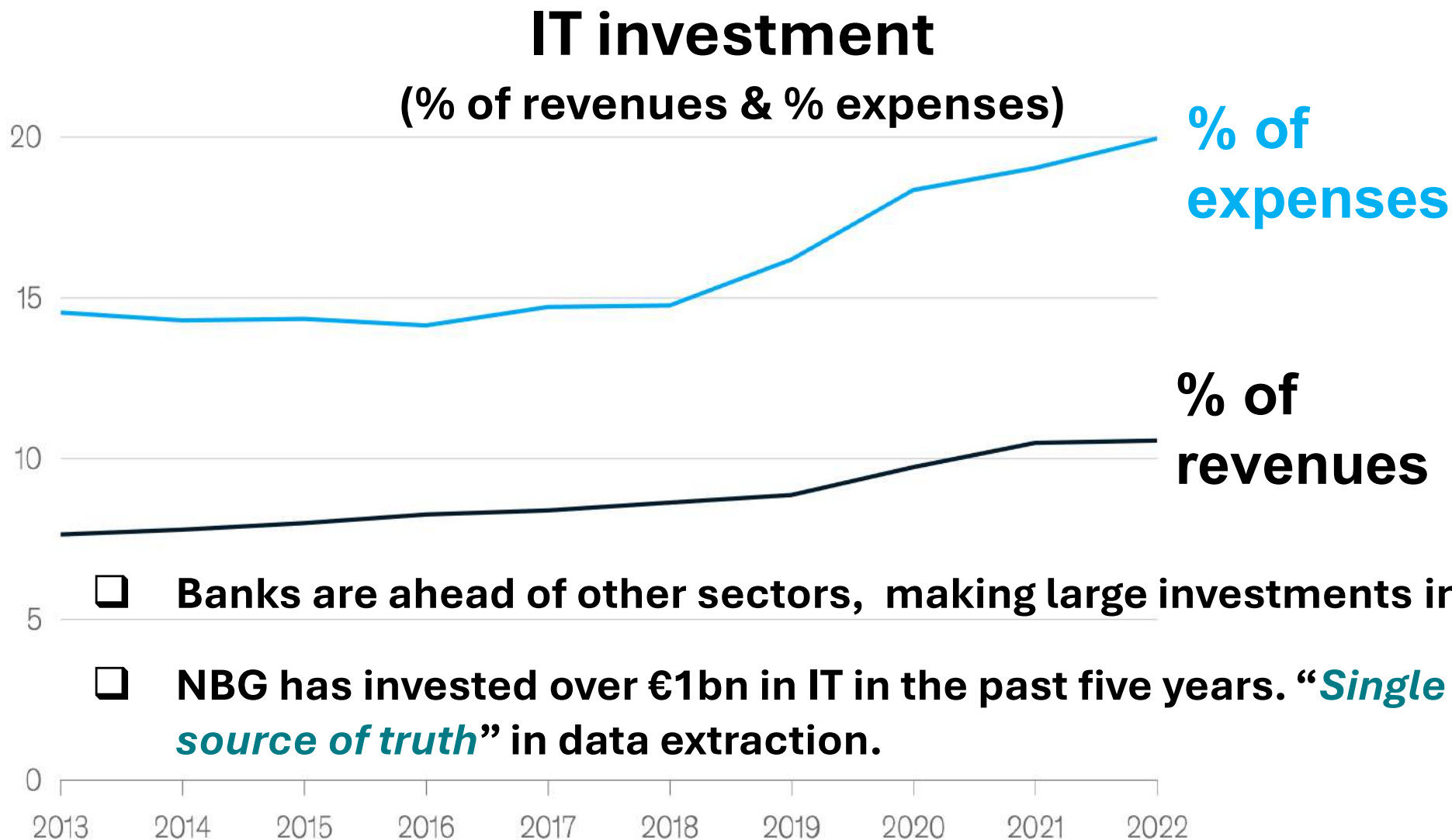
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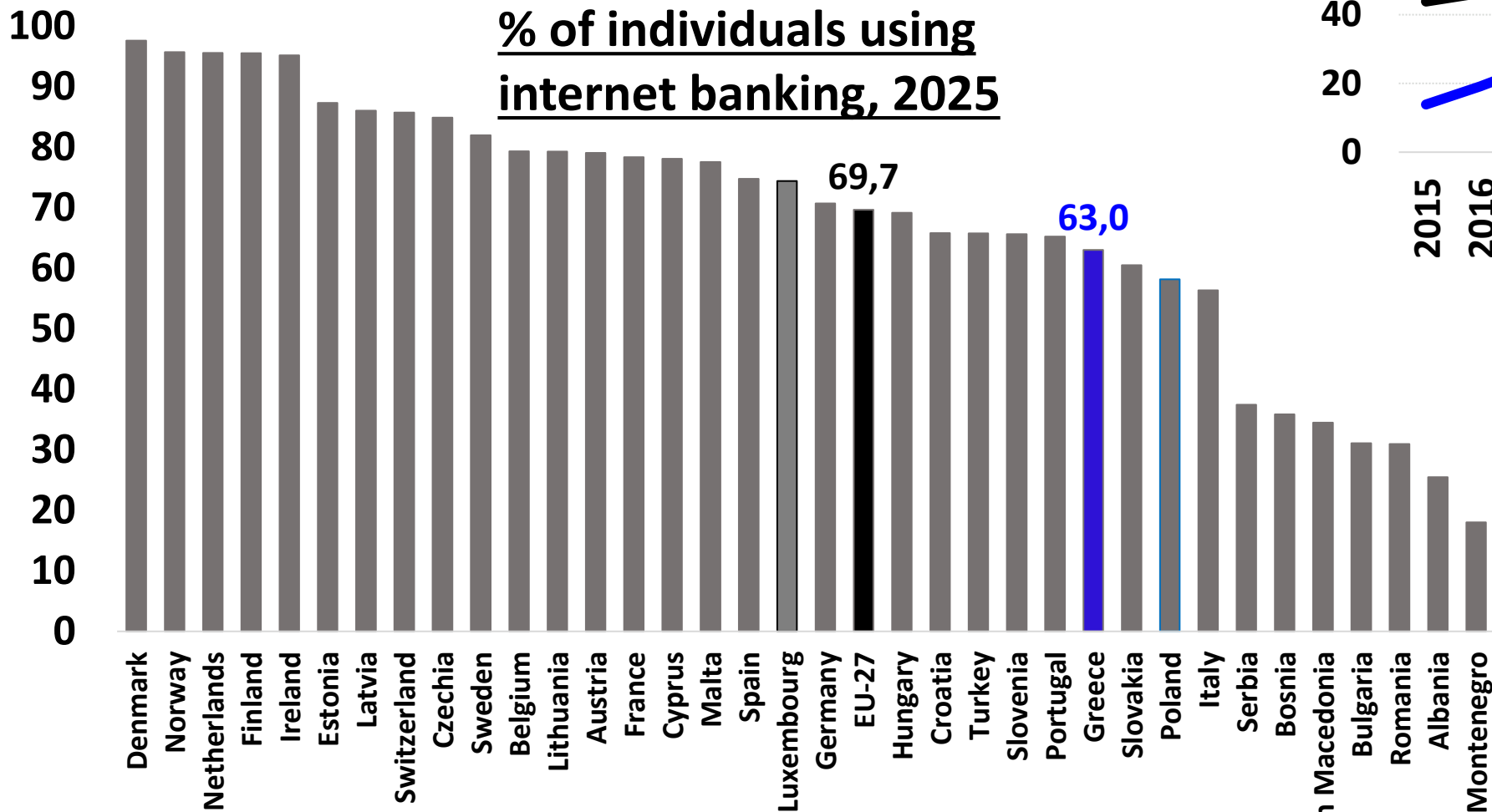
# III. Banks' investment in technology rises over time



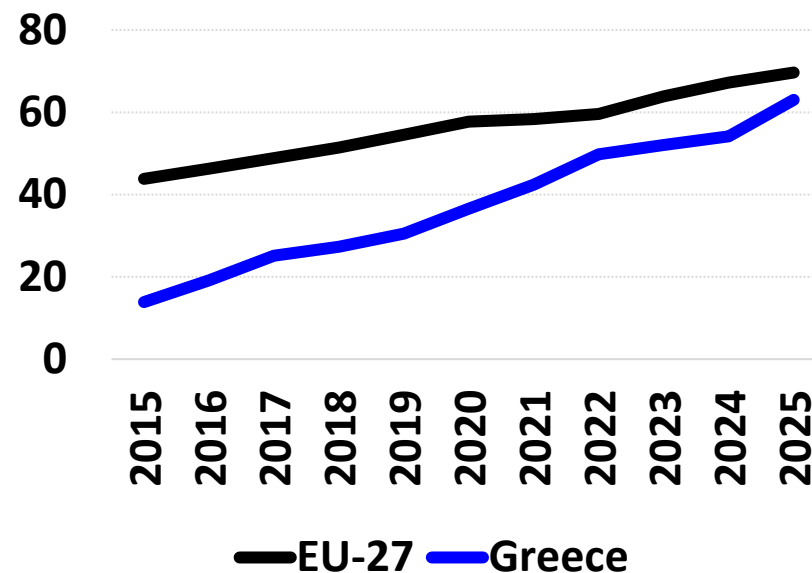
Source: McKinsey research, October 2024

# III. Citizens increasingly use digital means

☐ % of individuals using internet banking in Greece steadily rising since 2015.



Source: Eurostat



# III. The Future of Finance: Market shifts & Hidden Risks

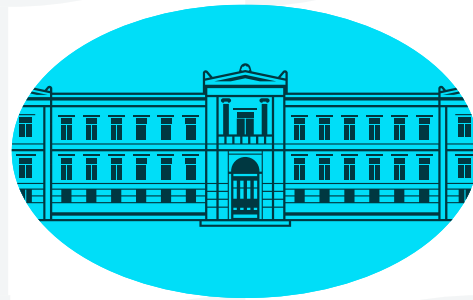
## □ Financial landscape trends:

- **Fintech & AI:** *AI systems are moving beyond assisting to autonomous action, capable of independent multi-step actions.*
- **Alternative Financing and Structural Shifts:** *Tokenized Real-World Assets (RWA), Digital Euro. Today market cap of Crypto: \$3 trillion, Digital money: \$300 bn, RWAs: \$30 bn*

## □ Emerging Risks:

- **AI-Driven Cyber Threats & Systemic Risk:** *Financial services is the top target for AI-powered cyberattacks, which can bypass authentication, create synthetic identities, and manipulate transaction flows. Furthermore, AI in underwriting and high-speed, autonomous payments can accelerate the propagation of stress throughout the system.*
- **Opaque Valuations & Liquidity Mismatches, Interconnectedness & Contagion:** *Private credit funds hold highly illiquid assets, often lack transparency, and are increasingly linked to banks through secured credit lines and to insurance firms via investments.*

# **The Resilience of the Greek Banking Sector and the current Iran Conflict**



**Thank you for your attention!**

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