



Press Release

Lazaros Papagaryfallou at the Delphi Economic Forum 2025: “Initiatives to improve access to lending and affordable housing for SMEs and individuals”

The reasons limiting access to financing for individuals and enterprises and the initiatives needed for broader financial inclusion.

Alpha Bank’s Deputy CEO Lazaros Papagaryfallou, highlighted the issue of SMEs’ and individuals’ access to financing, who participated in the panel titled “Is Growth Leaving People and Businesses Behind? The Challenge of Financial Inclusion Presentation” at this year’s Delphi Economic Forum.

The causes of low credit expansion

In his intervention, Mr. Papagaryfallou mentioned several reasons why both SMEs and individuals are facing difficulties in accessing lending. Regarding SMEs, Mr. Papagaryfallou **mentioned as a starting point the limited financial knowledge and familiarity with financial tools**, pointing out that this **leads to low self-confidence and a “discouraged borrower” attitude**, as over 20% of Greek SMEs **do not apply for loans, as they anticipate rejection by their bank**.

At the same time, the very structure of the Greek economy, the regulatory framework in place and the banks’ lending criteria define the relevant perimeter, as about **1/3 of SMEs have overdue debts**, while as the annual results declared by 64% of the legal entities involve losses or nil profit, these entities not considered eligible for funding. *“We should not forget that **digital penetration remains low, as only 39% of SMEs have achieved a basic level of digitalization**, compared to 55% in the EU – a fact which limits their capacity to make use of the available funding programs,”* said Mr. Papagaryfallou. Moreover, he added, the legacy of the financial crisis continues is still affecting businesses, with the highest rates of non-performing exposures (NPEs) observed among self-employed professionals and micro-enterprises.

As far as individuals are concerned, the primary factor contributing to their lack of access to lending, according to the Deputy CEO of Alpha Bank, is economic uncertainty, as the successive crises, inflation and limited disposable income have resulted in an attitude focused on avoiding financial exposures. *“In mortgage credit, **disbursements are projected to reach Euro 2 billion this year, compared to over Euro 16 billion in 2008. The supply of residential properties is significantly limited** as a result of the contraction of construction activity during the crisis, coupled with the increase in short-term rentals, while the fact that **house prices are now approaching their pre-crisis levels** is also discouraging,”* said Mr. Papagaryfallou.

The role of Alpha Bank

The Bank's Deputy CEO stressed that Alpha Bank **is providing effective assistance to the efforts for greater access to financing and lending for both SMEs and individuals**. *“For businesses, we are implementing training and technical support programs, **we are pioneers in making use of the funds available from the Recovery and Resilience Facility for SMEs and we adopt a banking advisory approach**. At the same time, as far as individuals and the critical issue of housing are concerned, **we are actively participating in the ‘Spiti mou’ program, with an approval rate of over 80%, of loan applications**, contributing to the purchase of a home,*



*especially by the younger generations and by households with limited access to financing,” said Mr. Papagaryfallou, making **special reference to Alpha Bank’s recent move to strengthen alternative financing methods for businesses.** “We recently announced **the acquisition of Flexfin’s fintech platform**, which focuses **on factoring for micro-enterprises**, precisely in order to be able to leverage the synergies that exist with companies specializing in this field,” he added.*

Alternative evaluation models

Alpha Bank’s Deputy CEO focused on proposals for solutions to enhance access to lending for SMEs and individuals.

Mr. Papagaryfallou stressed that the banks should **develop alternative credit rating models**, making use of **non-traditional data**. *“Creating a new **integrated system** that will also include evidence of positive credit behavior is critical. Such an infrastructure will allow banks to **assess the creditworthiness of customers, while at the same time reducing the cost of managing credit risk and thus expanding access to financing**,”* said Mr. Papagaryfallou. He also stressed that the banks have **taken initiatives to revamp Teiresias, the country’s credit bureau**, to promote financial inclusion.

On the sidelines of the discussion, the Deputy CEO of Alpha Bank made extensive references to **the issue of housing**, arguing that there have been initiatives to stimulate demand for real estate, with incentives for prospective buyers.

*“**Yet the time has come to provide solutions on the supply side**, as is the case in many European countries. In fact, the affordable housing sector has attracted institutional funds that invest in one of the strongest needs, especially for younger people. Moreover, the **legal framework for social housing in Greece** appears to be nearing completion. Its enactment could attract significant investments in this segment and **enable interaction between government policies and the initiatives of the domestic banking system** to stimulate financing. Public-private partnerships for **building affordable residential properties** can make a significant contribution to this end, with **the state providing land or vacant buildings and the banks offering low-interest loans to developers**,”* said Mr. Papagaryfallou.