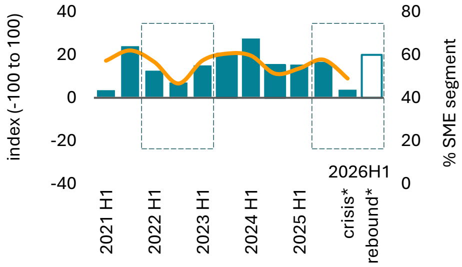
NATIONAL BANK OF GREECE

PRESS RELEASE

Greek SMEs in a volatile world: Sentiment under stress, Fundamentals still intact

The escalation of the geopolitical crisis in the Middle East posed another stress test for Greek SMEs, following five years marked by successive crises. The National Bank of Greece's regular field survey, conducted in April 2026 at the height of the adverse environment, indicates that while the shock weighed heavily on business sentiment, its impact on the sector's underlying fundamentals remained limited. SMEs have become more cautious, but not weaker, confirming that the resilience built up through the successive crises of recent years remains firmly in place.

SMEs Confidence Index

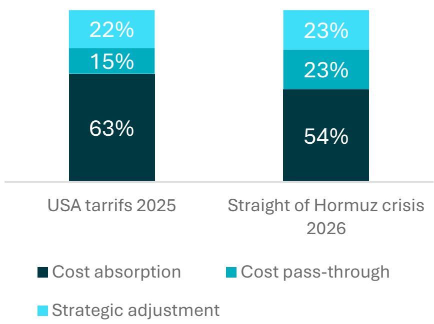


The index corresponds to the net balance of responses for decrease (-100), stability (0), and increase (+100).
* Index measured in April 2026H1 and projected to recover by the end of the first half of the year, based on the evolution of oil prices and the experience from the 2022 crisis.

Greek SMEs experience a confidence shock in the first half of 2026

According to the NBG survey, the SME Confidence Index fell to 4 points, down from 17 points in the previous semester, approaching the levels recorded during the 2022 energy crisis. The deterioration was also reflected in firms' strategic outlook, with only half of the sector identifying growth as its primary objective, compared with almost 60% in the previous semester. However, this shift was not accompanied by a move towards survival-oriented strategies; instead, it was almost entirely absorbed by a rise in stability-oriented strategies, pointing primarily to greater caution rather than a meaningful weakening of SMEs' underlying business fundamentals. As oil prices gradually eased and returned to around their historical average of USD 70-80 per barrel, compared with approximately USD 120 per barrel at the peak of the crisis when the survey was conducted, the historical relationship between energy costs and SME business sentiment suggests that, had the survey been conducted at the end of the first half of the year, the Confidence Index would have returned to its pre-crisis upward trajectory, reaching around 20 points. Such a development would be consistent with the experience of the 2022 energy crisis, when the gradual decline in energy prices was accompanied by a corresponding recovery in business sentiment towards its pre-crisis trend.

SMEs' reaction to crises
(% of affected SMEs)



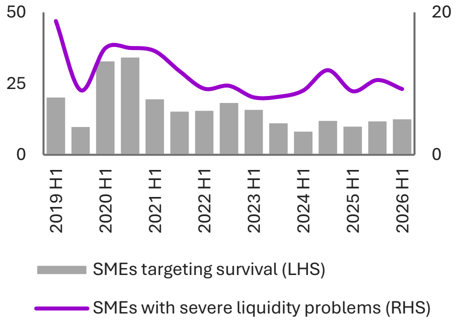
Rising energy costs emerged as the main challenge for SMEs, with most firms choosing to absorb the impact

The detailed survey findings support this interpretation, showing that the decline in confidence was driven primarily by renewed pressures on energy and raw material costs rather than by disruptions to demand, supply chains or investment activity. Tensions around the Strait of Hormuz pushed up oil and natural gas prices, against a backdrop of energy costs that have remained elevated since 2022. As a result, 61% of SMEs reported a significant impact on energy and raw material costs- almost twice the share reporting a comparable impact across the other key aspects of their operations. In other words, the geopolitical shock was mainly transmitted as a cost shock rather than a demand shock. The predominant response against these pressures remained the absorption of the higher costs, with 54% of SMEs making no significant adjustment to their crisis-management strategy. On the one hand, this suggests that firms viewed the disruption as manageable, while on the other hand, it highlights the limited pricing power of SMEs, as a large share of the sector appears to have absorbed the additional costs in order to protect demand and preserve customer relationships.

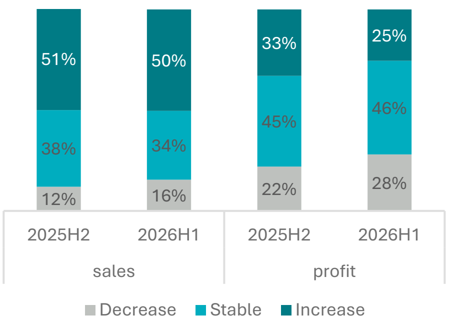
SMEs' core fundamentals remain resilient despite cost pressures

Despite the decision by most firms to absorb part of the cost pressures, the sector's financial position remained remarkably resilient. The share of SMEs pursuing a survival-oriented strategy remained broadly unchanged at 13%, compared with 12% in the previous semester, whereas in earlier periods of heightened pressure it had exceeded 30%. Similarly, the share of firms facing severe liquidity constraints remained close to its historical low, at around 9% of the sector, confirming that the geopolitical shock had only a limited impact on the financial health of Greek SMEs.

SME in distress
(% of SME segment)



SMEs 2026 predictions
(% of SME segment)



This resilience partly reflects the experience SMEs have accumulated in managing successive crises. According to the National Bank of Greece's longitudinal surveys, the share of SMEs reporting a significant impact from external shocks has gradually declined over time: it reached 45% following the recent Middle East crisis, against 50% during the 2024 supply chain disruption caused by the reduction in traffic through the Suez Canal, and around 80% at the onset of the Russia-Ukraine war and the subsequent energy crisis of 2021-2022. While these crises are not fully comparable in terms of their severity or duration, the trend nevertheless points to a progressively stronger capacity to adapt. This resilience is also reflected in firms' sales expectations, with SMEs, even at the height of the crisis, projecting sales growth of around 3% in 2026 (compared with 5% in 2025) and only limited pressure on profitability (despite higher costs).

Overall, the picture emerging for Greek SMEs at the peak of the Middle East crisis is one of a sharp deterioration in business sentiment, but not of a viability crisis. While the shock clearly weighed on costs and profit margins, the sector's core strengths - including its strategic orientation, liquidity position and sales expectations - remained intact. As geopolitical and energy-related disruptions, even when they subside, are likely to remain a recurring source of uncertainty for businesses, the challenge for SMEs is not only to withstand external shocks but also to move gradually beyond absorbing higher costs towards a more proactive approach to risk management. This will require further improvements in operational efficiency, stronger supply chain and commercial organisation, greater use of collaborative arrangements to offset the disadvantages of small scale, and the preservation of financial flexibility.

The study can be found (in Greek) on the National Bank of Greece Group's website, under the section Economic Analysis and Research (Category: Greek Entrepreneurship): https://www.nbg.gr/el/omilos/meletes-oikonomikes-analuseis/elliniki-epixeirimatikotita/mikromesaies-epixeiriseis

Athens, July 9 2026