Subject: Failure of Greek banking system to inject liquidity into the real economy

Over the last two years, Greek banks have been receiving unprecedented liquidity from the ECB, which they have, however, failed to inject into the real economy. More specifically, of the EUR 47 billion in Eurosystem loans intended to help deal with the consequences of the pandemic and reinvigorate the real economy, EUR 37 billion are still deposited with the Bank of Greece. Even where a proportion of the liquidity is channelled into the real economy, large firms benefit disproportionately, leaving the vast majority of Greek firms and households unable to obtain bank loans. Moreover, according to the ECB annual survey on access to business funding, the financing gap in Greece is now at 14%, compared with an EU average of 4%. Furthermore, 22% of loan applications submitted by SMEs in Greece are rejected, compared to an EU average of 8%.

In view of this:

1. What action will the ECB take to ensure that the liquidity channelled by it into the Greek banking system is promptly injected into the real economy for the public benefit?

2. What action will it take to ensure that the overwhelming share of the liquidity it has channelled into Greek banks does not lie dormant but is used to step up lending to the real economy? What measures will it take to expedite the necessary procedures?

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2 https://www.naftemporiki.gr/finance/story/1791726