SUMMARY OF THE ANNUAL REPORT
2013

FEBRUARY 2014

BANK OF GREECE
EUROSYSTEM

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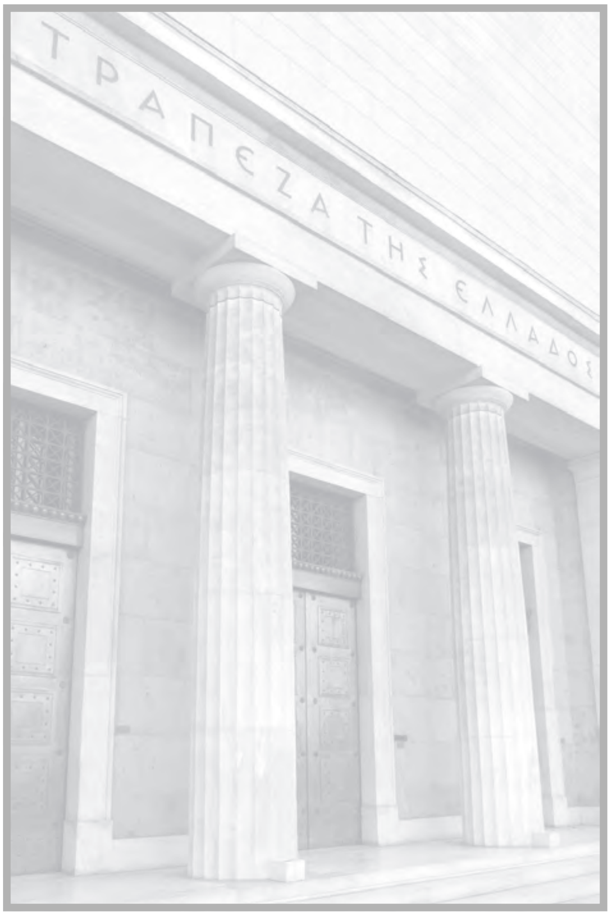
2013

Presented to the General Meeting of Shareholders
by Governor George Provopoulos



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BANK OF GREECE

Address
21, E. Venizelos Avenue
GR-102 50 Athens

Website
http://www.bankofgreece.gr

Telephone
+30 210 320.2393

Fax
+30 210 323.3025

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CHRONIC IMBALANCES CORRECTED IN 2013 – AN EXIT FROM THE CRISIS POSSIBLE IN 2014 UNDER CONDITIONS

1 INDICATIONS ARE THAT 2013 WAS THE LAST YEAR OF RECESSION

At the previous General Meeting of Shareholders of the Bank of Greece in February 2013, the assessment presented was that the Greek economy would soon stabilise. At the time, our forecasts indicated that the recession would gradually ease in the course of 2013 and that positive GDP growth rates would be observed in 2014. The developments in the past year have confirmed this assessment and strengthen the forecast of recovery in 2014.

More specifically, in the past twelve months:

First, economic policy remained committed to the stabilisation programme. Consistent implementation of the programme boosted confidence both domestically and in the international markets:

- The Economic Climate Indicator rose considerably, compared with 2012 and the three previous years.

- The Athex Composite Share Price index was markedly higher than in 2012, reflecting enhanced confidence in the prospects of the economy and the banking system.

- The spread between Greek and German 10-year government bonds fell to 655 basis points at end-2013 (nearing the levels of June 2010), from 1,000 basis points at end-2012.

Second, the improvement in confidence is gradually feeding through into the real economy:

- The Purchasing Managers' Index (PMI) for industry reached a four-year high in the last months of 2013 and recently rose above the growth/contraction threshold;

- Net job creation improved significantly in the course of the year, as the hiring rate picked up and the layoff rate decelerated.

- The fall in GDP in 2013 is expected to have been considerably weaker compared both with 2012 and with projections in early 2013. Specifically, first estimates point to an annual GDP contraction of 3.7% in 2013, mainly on account of the robust performance of exports, especially tourism, and smaller declines in consumption and investment.

Third, in the course of the year the risks to gradual stabilisation did not materialise. The most serious of these risks was the Cypriot crisis, which was dealt with promptly and effectively, without repercussions for confidence in the domestic banking system.

Fourth, the recapitalisation of Greece's four core banks was completed successfully, and major steps were taken towards restructuring and consolidating the banking system. These changes were carried out smoothly, without impact on the safety of deposits and financial stability. This proved to be key to gradually restoring confidence and improving the overall climate.

2 THE YEAR 2013 MARKS A TURNING POINT, WITH THE ELIMINATION OF THE TWIN DEFICITS AND THE RESTORATION OF THE ECONOMY'S COST COMPETITIVENESS

The increasingly brighter outlook during the course of 2013 gradually led to stabilisation and permitted noticeable improvements in fiscal and macroeconomic aggregates:

The *first* noteworthy development is the estimated achievement of a primary surplus for the first time since 2002. After a fiscal adjustment that was unprecedented by international standards, the primary balance of general government is expected to have turned into a surplus of around 0.4% of GDP in 2013, improving by roughly 11 GDP percentage points from 2009. This is a remarkable achievement, considering the severity of the recession.

Second, according to provisional estimates from the Bank of Greece, the current account posted a small surplus in 2013 for the first time in Greece's post-war history. The substantial improvement in the current account balance by roughly 16% of GDP over the last five years was due to lower imports, as a result of the recession, and to increased exports, as the economy regained its cost competitiveness. Specifically, between 2010 and 2013, while imports of goods and services in nominal terms contracted by 15%, exports rose by 21%.

Third, after more than two decades of almost continuous losses in international competitiveness up to 2009, by 2013 Greece had recovered all of the cost competitiveness it had lost relative to its trading partners. This was due mainly to a decline in unit labour costs throughout the economy in the context of a deep recession with a surge in unemployment, and to greater labour market flexibility. Price competitiveness, by contrast, has not yet fully recovered, as inflation only started to respond to weak demand and lower labour costs during 2013. Negative inflation of -0.9% in 2013 has contributed to improving the economy's price competitiveness and supports real incomes.

3 STRUCTURAL REFORMS WERE IMPLEMENTED BETWEEN 2010 AND 2013 THAT HAD BEEN OVERDUE FOR DECADES

Apart from the elimination of the economy's domestic and external macroeconomic imbalances, the period 2010-2013 saw the launching and implementation of a number of structural reforms in labour and product markets and in public administration.

Structural changes in labour and product markets

In the labour market, significant structural changes were adopted, aimed at better aligning wage developments with firm performance and at enhancing labour mobility across sectors. Progress with structural reforms in goods and services markets, by contrast, was not as fast as in the labour market. Nevertheless, according to OECD estimates, Greece ranked first in responsiveness to structural reform recommendations made by the Organisation.

Institutional changes to public administration

The fiscal measures taken during the period 2010-2013, aimed for the most part at improving the budgetary balance as quickly as possible, consisted mainly of increases in direct and indirect taxes and, on the expenditure side, of cuts in wages, pensions and social benefits.

Nonetheless, this period also witnessed significant institutional changes geared towards streamlining the public administration and downsizing the public sector, such as:

- the introduction of a single salary grid across the entire civil service and of centralised wage management via a Single Payment Authority;

- the partial replacement through attrition of exiting or retiring civil servants;

- the preparation of updated organisation charts in public administration;

- the activation of a labour reserve mobility scheme for civil servants;

- the activation of a National Electronic Public Procurement System;

- the local government reform through the Kallikratis programme;

- the restructuring of state-owned enterprises and organisations;

- the reduction of public expenditure on health and pharmaceuticals and the rationalisation of the operation of hospitals;

- the merging of all health insurance funds into a single healthcare provider and the pension reform of July 2010, which have rationalised the health insurance system and will significantly reduce future pension expenditure as a percentage of GDP.

At the same time, important new institutional reforms were implemented that lay the foundations for improved budget procedures, better control of public spending with the possibility of adjusting expenditure ceilings in line with revenue performance, the adoption of corrective measures and the preparation of medium-term fiscal plans.

Despite the above-mentioned measures, several necessary reforms, such as the administrative reform and the restructuring of public entities through mergers or closure, did not progress quickly enough, thereby delaying an effective restructuring of the State and an improvement of public services.

Significant efforts have also been made to upgrade the tax collection mechanism. However, despite definite improvements, notable progress in curbing tax and contribution evasion has yet to be made. Hence, the imposition, at times, of tax increases and additional tax measures, which as a rule increase the tax burden on law-abiding taxpayers.

4 FINANCIAL STABILITY WAS SAFEGUARDED BY THE BANK OF GREECE WITH THE SUPPORT OF THE GOVERNMENT

As a result of the global financial crisis of 2008 and its development into a fiscal crisis in 2009, Greek banks were cut off from international markets and, until June 2012, experienced an unprecedented outflow of deposits, both in magnitude and duration, amounting to roughly €90 billion or one third of the deposit base. In response, they resorted increasingly to short-term financing from the Eurosystem. At the height of the crisis in June 2012, total central bank financing to credit institutions came close to €140 billion.

In addition, although Greek banks entered the crisis with satisfactory capital adequacy ratios, the heavy losses they suffered from 2010 onwards and especially the impact of the Private Sector Involvement (PSI) resulted in nearly all banks being faced with a capital shortage at end-2011. The recapitalisation of Greek banks thus became imperative, in order to fully protect depositors.

Under these adverse circumstances, the government and the Bank of Greece took a number of decisive actions aimed at safeguarding financial stability and protecting depositors. The most important of the measures taken involved:

- the uninterrupted coverage of banks' short-term liquidity needs and the public's demand for cash;

- the securing of adequate public funds for the recapitalisation and restructuring of the Greek banking sector;

- the resolution of weak banks under a new legal framework; and

- the recapitalisation of core banks.

The establishment of an appropriate resolution framework allowed for a smooth restructuring of the banking sector. By end-2013, six commercial and six cooperative banks had been resolved, either via the transfer of their healthy assets to another bank or via the setting-up of an interim credit institution. Also, following a bidding process, the assets and liabilities of Cypriot bank branches were transferred smoothly to a Greek bank.

With the completion of the recapitalisation process by mid-2013, Greek banks' capital adequacy ratios had been restored. The Hellenic Financial Stability Fund (HFSF) is now the largest shareholder in each of Greece's four core banks and has a buffer of over €8 billion to meet any further capital needs. Another positive development is the improvement in the quality of capital, which now consists almost exclusively of Tier 1 capital, whereas in 2008 one fifth of banks' total capital was Tier 2 capital.

The banking landscape today is different from that prevailing at the start of the crisis. Excess capacity has largely been eliminated, fewer but stronger banks are in operation, and the first benefits from the exploitation of synergies are already visible.

The Bank of Greece, as the supervisory authority, has repeatedly argued that the size of the Greek economy and the current economic conjuncture call for fewer, but stronger banks with greater resilience to economic shocks.

5 DURING THE SAME PERIOD, MAJOR INSTITUTIONAL CHANGES WERE LAUNCHED THAT REINFORCE EU ECONOMIC GOVERNANCE

The sovereign debt crisis served as a catalyst for strengthening economic governance in the EU, in general, and the euro area, in particular. Support mechanisms were created. Economic policy coordination and budgetary surveillance have been reinforced through the newly introduced European Semester, as well as with the six-pack and two-pack regulations for strengthening the Stability and Growth Pact and the Fiscal Compact that came into force in January 2013.

The new fiscal framework, laid down by the Fiscal Compact, requires contracting Member States to adopt national fiscal rules to ensure that the annual structural government deficit does not exceed 0.5% of GDP, as well as a correction mechanism to be triggered automatically in the event of deviation from either the Medium-Term Objective (MTO) itself or the adjustment path towards it. According to the Fiscal Compact, the task of monitoring compliance with the national fiscal rules including the medium-term objective and the activation of the correction mechanism are to be assigned to independent fiscal councils.

Furthermore, important decisions were taken at the EU level towards enhancing the institutional framework for financial supervision and safeguarding financial stability in the euro area. Top priority was given to the establishment of a banking union. The approval of the Single Supervisory Mechanism, scheduled to become fully operational by November 2014, as well as the European Council's agreement on a general approach to a Single Resolution Mechanism are important steps towards the completion of the banking union. In 2013, agreement was also reached on directives on deposit guarantee schemes and a framework for the recovery and resolution of credit institutions.

Overall, the reinforcement of economic governance in EMU is expected to bolster stability in the euro area by enabling the early identification and correction of macroeconomic imbalances and the activation of effective crisis management mechanisms. As far as Greece is concerned, the institutional improvements to the EMU architecture will ensure that past mistakes in fiscal management are not repeated and will contribute in the long run to economic stability, while the banking union is expected to boost confidence in the banking system.

6 PREREQUISITES FOR THE MATERIALISATION OF THE FORECASTED RECOVERY IN 2014

Based on all the available data, it is reasonable to forecast that 2013 was the last year of recession. However, if this forecast is to become a reality, not only must the conditions contributing to the improved outlook remain unchanged, but they also have to be taken further. The prerequisites for this to happen are:

- Resolve and consistency in implementing the stabilisation programme. The positive outcomes so far leave no room for complacency or relaxation of fiscal policy. On the contrary, they call for a continuation of fiscal adjustment for maintaining and increasing primary surplus so as to ensure debt sustainability and consolidate the climate of confidence.

- Elimination or at least minimisation of the risks and uncertainties that might be triggered by a deterioration in the social and political climate, as a result of growing confrontation in the run-up to the European and local government elections.

Today, as we are near the end of a protracted recession, a national policy that will lead us safely out of the crisis and onto a path of sustainable growth is required. To be effective, such a policy calls for consensus building and compromise. Both, however, are difficult to achieve in a polarised climate, which acts only to amplify differences and thwarts the convergence of views.

A prerequisite for growth is the continuation of fiscal adjustment and public sector restructuring. In this regard, top priority must be given to:

- ensuring consistency in the execution of the 2014 budget, thereby providing a strong signal that the fiscal adjustment is sustainable and that, combined with a return to growth, it can lead to a definitive exit from the crisis;

- upgrading the tax administration and the tax collection mechanism;

- speeding up the resolution of tax cases pending before the courts, in order to effectively combat tax evasion;

- enhancing the quality of public services; and

- evaluating the performance of public services and civil servants according to transparent and objective criteria.

In the field of social security, a tighter monitoring and control of expenditure as well the curbing of contribution evasion to boost revenue are needed, so as to avoid the accumulation of arrears, especially those owed by the social security funds and the National Organisation for Health Care (EOPYY). The accumulation of arrears at the general government level and the shortfalls from target in privatisation proceeds pose downside risks to the liquidity of the economy, growth and the State's ability to meet its future financial obligations.

The further enhancement of the institutional framework for the preparation, execution and monitoring of the budget with the establishment of an independent fiscal council will further ensure the sustainability of fiscal balance improvement in the post-Memorandum era.

7 FINANCING THE ECONOMIC RECOVERY

The shortage of financing is one of the major constraints on the economy today. This shortage, however, does not stem exclusively from the decline in bank credit. Rather, it is due to a combination of factors, many of which, predating the crisis, had shaped a growth model excessively dependent on bank lending. The banking system essentially went with the flow and responded to rising demand for credit from businesses and households.

Greek businesses, on the other hand, failed to take advantage of the conditions of recurring profitability and improve their financing structure, and thus to reduce their dependence on bank lending. In fact, for as long as they had access to relatively cheap money, they had no real incentive to do so.

With the start of the fiscal crisis in 2009 and the deep recession that followed, both the supply and demand for credit contracted sharply. Against this backdrop, banks' lending capacity was inevitably constrained, as the fiscal crisis strongly affected the credit ratings of the country and by extension of the domestic banking system. Thus, bank credit to the private sector and to businesses in particular gradually declined, causing a large number of businesses to have difficulty financing their production activities.

Subsequently, the banking landscape in Greece has changed. Recapitalisation and restructuring of the banking system are gradually restoring confidence and creating the conditions necessary for the supply of bank credit to the economy to increase over the medium term. However, several factors continue to limit new lending in the short term. The most important are the following:

First, net deposit inflows, a critical determinant of banks' capacity to supply credit to the economy, remain low.

Second, the loan-to-deposit ratio needs to be kept at a conservative level. This ratio has risen largely because of the loss of deposits during the crisis.

Third, the reliance of Greek banks on short-term financing from the Eurosystem remains high, in contrast to other euro area countries, and must be gradually brought down to more reasonable levels.

Fourth, despite the boost in confidence achieved after the recapitalisation, the accumulation of non-performing loans gives rise to concern. This accumulation makes banks reluctant to extend new credit, as it signals a high level of credit risk. Moreover, the non-servicing of loans deprives banks of income that could otherwise be recycled into new loans. Accumulating non-performing loans force banks to tie up more capital for future loan-loss provisions.

The issue of problem loans to businesses and households must now be addressed in a systematic manner. Significant steps in this direction are already being taken by banks, as well as by the government.

The improvement in macroeconomic aggregates, if it continues, will bolster confidence in Greece and its banking system and will pave the way to a gradual normalisation of credit expansion in the medium term.

In the short term, however, the capacity for credit expansion will remain limited. This credit squeeze can be offset by companies turning to alternative sources of funds, such as internal capital generation, corporate bond markets, equity markets, private placements and other modern financing tools, as well as resources available from EU Structural Funds and the European Investment Bank.

8 POLICY TO SPEED UP RESTRUCTURING OF THE ECONOMY AND MOVE QUICKLY TO SUSTAINABLE GROWTH

The main objective of policy today is the strengthening of the productive capacity of the economy so that the emerging recovery can be the start of strong growth in the years ahead. The economy is in a process of transition from a growth model that has exhausted its limits to a new model, capable of ensuring robust, sustainable growth in the future. As the Bank of Greece has repeatedly stressed, this new growth model must be based on a shift:

- from production of non-tradables to production of tradables;

- from consumption to savings and investment.

Admittedly, while the old growth model was discredited suddenly and violently, the new model has yet to emerge clearly into sight. Transformation is, by its very nature, slow and painful, as it entails the elimination of obsolete activities, the emergence of new poles of attraction for capital, innovative investment, a reorientation of the banking system and cutting-edge entrepreneurship. As discussed in this year's Annual Report, the restructuring of the economy towards tradables production has already begun, but remains weak, against the backdrop of recession and heightened uncertainty. Restructuring can, however, be accelerated if economic policy assigns top priority to generating the necessary conditions conducive to growth.

Such a policy objective requires:

- Well-functioning markets for products, labour and capital. Until now, structural reforms in the product markets have lagged behind labour market reforms. Progress must therefore be stepped up in this particular area.

- A business environment in line with best international practices, with a low administrative burden for businesses and an efficient public sector. The institutional shortcomings in these areas and the benefits to be gained from the adoption of best practices have been pointed out in a number of reports from international organisations. It should, finally, be noted that the benefits from the smooth functioning of the products and services markets involve the reallocation of resources not only across, but also within sectors through mergers and acquisitions.

- A stable tax framework, with a steady commitment to reducing the tax burden on businesses and natural persons. Declining taxation would both increase the incentive to invest and make more funds available for investment. This presupposes a broadening of the tax base through an effective curbing of tax evasion.

- Accelerated implementation of the privatisation programme and strengthening of the legal framework for investor protection to attract foreign investment. A shift on the part of companies to market-based financing is crucial and urgently necessary, as the main challenge at present is how to maximise available financial resources to support the recovery.

- The productive use of programmes for the co-financing of loans and guarantees with resources from EU Structural Funds and the European Investment Bank (EIB).

- The active role of the banking system in the restructuring of other sectors of the economy, with specific actions to support truly viable businesses, whether new or old, and to encourage initiatives that promote a bold sectoral restructuring. By adopting such a stance, banks could effectively foster the transition to the new growth model that Greece so urgently needs.

9 THE CHALLENGES AND ROLE OF THE BANKING SECTOR TODAY

As the only sector to have been fully restructured and recapitalised, the banking system today is well-positioned to play an active role and spearhead the restructuring of the business sector. Of course, a transformation of such scope could not but have had its costs, especially for shareholders. Through this process, however, excess capacity has been largely eliminated, and the new banking system now stands on much firmer ground, as demanded by the new growth model. It should be stressed that no other sector in Greece has undergone such or similar restructuring, although this was warranted by the unprecedented conditions generated by the economic crisis. What the banks have learned from experience can be equally valuable for businesses in other sectors and branches.

The banks are therefore called upon today to make an essential contribution to the transformation of production along the lines of the new sustainable growth model. Today, the limited liquidity available should be channelled into the real economy in a way that maximises its growth potential.

Bank strategy must be reoriented towards new patterns of lending and risk management. This would help avoid a recurrence of the trends of the previous decade, when credit was largely used for residential investment and consumption. This means that new credit must now go to dynamic outward-looking enterprises with favourable growth prospects. It goes without saying that in the context of such a reorientation from the banking system, it would be pointless, and even dangerous, to let weak, non-viable businesses and oversaturated sectors to continue operating as usual. Even if the scope for bank lending were theoretically large, providing liquidity to these enterprises would not help the economy grow healthily, nor would these enterprises survive in the long term.

In addition, the strengthening of businesses must be pursued through mergers and acquisitions, with support from the banks involved. At the same time, the businesses themselves must also take initiatives towards restructuring and reorganisation, and take advantage of synergies and networks that can help them cut costs and gain access to foreign markets.

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After five years of deep recession, the Greek economy is showing signs of recovery. We now face the challenge of turning the incipient signs of stabilisation into dynamic growth built on solid foundations. This, today, is the main item on the national agenda, the only way to ensure that the sacrifices of the past years will not have been in vain. The front-runners in this effort will be dynamic firms and sectors that shift their activities to new products and markets, generating a virtuous circle of growth. It is the duty of economic policy to facilitate this effort with all means available. The banking system can and must effectively support the restructuring of the economy towards a new growth model. The Bank of Greece, as the supervisor of the banking system, will strive to create the necessary conditions for this to happen.

APPENDIX

TABLES AND CHARTS

TABLES

CHARTS

Table 1 Demand and GDP

(annual percentage changes and contribution to GDP, at constant market prices of 2005)

	2008	2009	2010	2011	2012	2013 Jan.-Sept.
Private consumption	4.3 (2.9)	-1.6 (-1.2)	-6.2 (-4.4)	-7.7 (-5.6)	-9.1 (-6.5)	-7.7 (-5.5)
Public consumption	-2.6 (-0.5)	4.9 (0.9)	-8.7 (-1.7)	-5.2 (-0.9)	-4.2 (-0.8)	-5.2 (-1.0)
Gross fixed capital formation	-14.3 (-3.9)	-13.7 (-3.2)	-15 (-3.0)	-19.6 (-3.6)	-19.2 (-3.0)	-11.6 (-1.6)
Residential investment	*-33.60* *(-4.2)*	*-20.70* *(-1.7)*	*-21.60* *(-1.5)*	*-18.00* *(-1.0)*	*-32.90* *(-1.6)*	*-36.80* *(-1.3)*
Domestic final demand[1]	-1.2 (-1.4)	-3.0 (-3.5)	-8.3 (-9.1)	-9.3 (-10.2)	-9.8 (-10.4)	-7.8 (-8.1)
Change in inventories and statistical discrepancy (% of GDP)	1.1	-1.8	-0.3	0.4	0.8	1.1
Domestic demand	-0.2 (-0.3)	-5.4 (-6.2)	-7.1 (-7.8)	-8.7 (-9.5)	-9.4 (-10.1)	5.9 (-6.1)
Exports of goods and services	1.7 (0.4)	-19.4 (-4.7)	5.2 (1.0)	0.3 (0.1)	-2.4 (-0.6)	2.0 (0.5)
Imports of goods and services	0.9 (-0.3)	-20.2 (7.7)	-6.2 (1.9)	-7.3 (2.3)	-13.8 (4.2)	-5.5 (1.6)
External demand	... (0.1)	... (3.1)	... (2.9)	... (2.4)	... (3.7)	... (2.1)
Gross domestic product at market prices[2]	-0.2	-3.1	-4.9	-7.1	-6.4	-4.0

Source: ELSTAT, quarterly national accounts, December 2013.
Note: Contributions to GDP (in percentage points) are given in parentheses.
1 Excluding inventories and statistical discrepancy.
2 According to ELSTAT flash estimates for Q4 (released on 14 February 2014), the contraction of GDP in 2013 as a whole was around 3.7%.

Table 2 Indicators of consumer demand (2009-2013)

(annual percentage changes)

	2009	2010	2011	2012	2013 (available period)
Volume of retail trade (general indicator)	-11.4	-6.2	-10.2	-12.2	-8.3 (Jan.-Nov.)
Volume of retail trade (excluding fuel and lubricants)	-9.3	-6.9	-8.7	-11.8	-8.6 (Jan.-Nov.)
Food-beverages-tobacco[1]	-6.1	-5.5	-6.0	-8.9	-9.4 (Jan.-Nov.)
Clothing-footwear	1.4	-11.4	-18.8	-20.4	-2.0 (Jan.-Nov.)
Furniture-electrical appliances-household equipment	-15.3	-12.7	-15.7	-16.3	-6.1 (Jan.-Nov.)
Books-stationery-other	-24.0	-4.3	-5.2	-12.0	-0.8 (Jan.-Nov.)
Revenue from VAT (at constant prices)	-10.2	0.1	-5.9	-12.8	-6.6 (Jan.-Dec.)
Retail trade business expectations index	-21.4	-26.4	-0.5	-3.1	22.9 (Jan.-Dec.)[4]
New private passenger car registrations	-17.4	-37.2	-29.8	-41.7	3.1 (Jan.-Dec.)[5]
Tax revenue from mobile telephony[2]	13.2	37.1	-16.8	-7.9	-12.8 (Jan.-Dec.)
Outstanding balance of consumer credit[3]	1.8	-4.2	-6.4	-5.1	-3.9 (Jan.-Dec.)

Sources: ELSTAT (retail trade, cars), Ministry of Finance (VAT revenue, tax revenue from mobile telephony), IOBE (expectations), Bank of Greece (consumer credit).
1 Comprising big food stores and specialised food-beverages-tobacco stores.
2 Subscribers' fixed monthly levy until July 2009. As of August 2009, new progressive tax rates on mobile telephony contracts and a levy on pre-paid mobile telephony were introduced.
3 Comprising bank loans and securitised loans. The rates of change are adjusted for loan write-offs, foreign exchange valuation differences and a transfer of loans by one bank to a domestic subsidiary finance company in 2009.
4 The figure for January 2014 was 27.6%.
5 The figure for January 2014 was 16.2%.

Table 3 Indicators of investment demand (2009-2013)

(annual percentage changes[1])

	2009	2010	2011	2012	2013 (available period)	2014 (available period)
Capital goods output	-22.5	-22.1	-9.7	-16.4	-11.8 (Jan.-Nov.)	...
Capacity utilisation in the capital goods industry	73.4	66.1	62.7	58.2	61.4 (2013)	60.4 (Jan.)
Bank credit to domestic enterprises[2]	5.1	1.1	-2.0	-4.4	-4.9	...
Disbursements under the Public Investment Programme[3]	-2.8	-11.3	...	-10.5	14.5 (2013)	...
Production index in construction (at constant prices)	-17.5	-29.2	-28.1	-26.1	-6.9 (Jan.-Sept.)	...
Volume of private construction activity (on the basis of permits issued)	-26.5	-23.3	-37.7	-30.6	-29.4 (Jan.-Oct.)	...
Cement production	-21.4	-14.3	-37.8	-12.8	4.6 (Jan.-Nov.)	...
Business expectations index in construction	-31.4	-27.4	-27.8	26.1	50.6 (2013)	95.3 (Jan.)
Outstanding balance of total bank credit to housing[4]	3.7	-0.3	-2.9	-3.4	-3.3	...

Sources: ELSTAT (capital goods output, volume of private construction activity, cement production, production in construction), IOBE (capacity utilisation, business expectations), Bank of Greece (bank credit to domestic enterprises and housing, disbursements under the Public Investment Programme).
1 Except for capacity utilisation in the capital goods industry, which is measured in percentages.
2 Comprising loans and corporate bonds, securitised loans and securitised corporate bonds but excluding (as of June 2010) loans to sole proprietors. The rates of change are adjusted for loan write-offs, foreign exchange valuation differences, as well as loans and corporate bonds transferred by domestic MFIs to their subsidiaries operating abroad and to one domestic subsidiary finance company in 2009.
3 As of January 2012 actual cash payments and not appropriations under the public investment budget.
4 Comprising loans and securitised loans. The rates of change are adjusted for loan write-offs, foreign exchange valuation differences and the transfer of loans by one bank to a domestic subsidiary finance company in 2009.

Table 4 Gross value added at basic prices and GDP at market prices (2008-2012 and Jan.-Sept. 2013)

(annual percentage changes and sectoral contributions to gross value added; at constant prices of 2005)

	Annual percentage changes					
	2008	2009	2010	2011	2012	2013 Jan.-Sept.
1. Agriculture, forestry and fishing	**2.0 (0.1)**	**5.2 (0.2)**	**5.5 (0.2)**	**-5.4 (-0.2)**	**-3.2 (-0.1)**	**-2.9 (-0.1)**
2. Secondary sector	**-10.2 (-2.1)**	**-8.5 (-1.5)**	**-9.9 (-1.7)**	**-12.6 (-2)**	**-4.5 (-0.7)**	**-3.9 (-0.6)**
2.1 Industry including energy	-9.7 (-1.2)	2.0 (0.2)	0.9 (0.1)	-7.4 (-0.9)	-1.7 (-0.2)	-1.7 (-0.2)
2.2 Construction	-11.0 (-0.9)	-24.6 (-1.8)	-32.3 (-1.8)	-28.4 (-1.1)	-15.6 (-0.5)	-13.8 (-0.4)
3. Tertiary sector	**2.8 (2.1)**	**-1.2 (-1)**	**-4.9 (-3.7)**	**-5.7 (-4.6)**	**-6.8 (-5.4)**	**-4.1 (-3.3)**
3.1 Trade, hotels and restaurants, transport and storage	-1.5 (-0.4)	-9.2 (-2.5)	-3.8 (-0.9)	-10.9 (-2.8)	-13.3 (-3.2)	-7.8 (-1.8)
3.2 Information and communication	17.2 (0.7)	7.6 (0.4)	-10.3 (-0.6)	-8.1 (-0.4)	-5.7 (-0.3)	-10.3 (-0.5)
3.3 Financial and insurance activities	11.6 (0.6)	-2.5 (-0.1)	-1.0 (-0.1)	-8.0 (-0.5)	-9.4 (-0.5)	-7.9 (-0.5)
3.4 Real estate activities	7.8 (0.9)	2.3 (0.3)	-8.1 (-1.1)	2.4 (0.3)	0.3 (0)	0.1 (0)
3.5 Professional, scientific and technical activities	-3.6 (-0.2)	7.4 (0.4)	-14.1 (-0.9)	-18.1 (-1)	-4.0 (-0.2)	-6.9 (-0.3)
3.6 Public administration and defence	3.8 (0.7)	1.1 (0.2)	-1.5 (-0.3)	-0.8 (-0.2)	-3.2 (-0.7)	-0.6 (-0.2)
3.7 Arts. entertainment and recreation	-4.1 (-0.2)	8.8 (0.3)	-0.7 (0)	-0.2 (0)	-11.4 (-0.5)	-0.9 (0)
4. Gross value added at basic prices	**0.0**	**-2.2**	**-5.2**	**-6.6**	**-6.2**	**-3.9**

Source: ELSTAT, quarterly national accounts, December 2013, non-seasonally adjusted data.
Note: Within parentheses, contributions to gross value added in percentage points.

Table 5 Activity indicators in the services sector (2009-2013)

(annual percentage changes)

	2009	2010	2011	2012	2013 (available period)
A. Services turnover indicators					
1. Trade					
Wholesale trade	-8.9	-5.9	-13.5	-12.2	-11.6 (Jan.-Sept.)
Retail trade	-10.2	-1.1	-7.2	-11.0	-8.7 (Jan.-Nov.)
Motor trade	-15.7	-36.5	-26.5	-29.3	-6.2 (Jan.-Sept.)
2. Transport					
Land transport	-31.5	-18.1	-1.7	-3.3	-8.1 (Jan.-Sept.)
Sea transport	-22.8	-8.5	-2.7	-15.3	-7.6 (Jan.-Sept.)
Air transport	-11.7	-7.0	-0.9	-1.1	18.2 (Jan.-Sept.)
Storage and supporting transport activities	-32.2	-10.8	-7.9	-4.8	-6.7 (Jan.-Sept.)
3. Hotels and restaurants					
Accommodation and food service activities	-9.1	-8.2	-7.4	-17.2	-0.2 (Jan.-Sept.)
4. Information and communication					
Telecommunications	-8.9	-11.3	-8.9	-5.1	-13.2 (Jan.-Sept.)
Film, video, and TV programme production, recordings and music products	1.4	-6.6	-28.4	-4.9	-14.9 (Jan.-Sept.)
Programming and broadcasting activities	-6.7	-2.1	-27.1	-16.3	-13.8 (Jan.-Sept.)
5. Professional-scientific-technical activities					
Legal, accounting and management consulting services	-12.4	-7.3	-0.3	4.5	7.7 (Jan.-Sept.)
Architectural and engineering services	-18.6	-20.4	-19.6	-12.3	-11.4 (Jan.-Sept.)
Advertising and market research	-18.4	-23.8	-21.2	-16.7	-20.7 (Jan.-Sept.)
Travel agencies and related activities	-9.9	-24.5	-35.3	-26.9	6.9 (Jan.-Sept.)
B. Passenger traffic					
Athens International Airport	-1.5	-5.0	-6.3	-10.4	-3.2 (Jan.-Dec.)
Aegean Airlines[1]	9.9	-5.1	4.2	-5.8	9.0 (Jan.-Sept.)
Piraeus port (OLP)	-3.8	-6.0	-0.8	-17.5	1.0 (Jan.-Dec.)
C. Business expectations index in the services sector	**-28.3**	**-9.3**	**-2.9**	**-11.2**	**28.4 (Jan.-Dec.)**

Sources: ELSTAT (services turnover), Athens International Airport, Aegean Airlines, Piraeus Port Authority (OLP) and IOBE (expectations).
1 Including charter flights.

Table 6 Indicators of industrial activity (2009-2013)

(annual percentage changes[1])

	2009	2010	2011	2012	2013 (available period)	2014 (available period)
1. Industrial production index	**-9.4**	**-5.9**	**-7.8**	**-3.4**	**-3.9 (Jan.-Nov.)**	...
Manufacturing	-11.2	-5.1	-8.5	-4.2	-1.9 (Jan.-Nov.)	...
Mining and quarrying	-11.8	-6.5	0.6	0.7	-10.5 (Jan.-Nov.)	...
Electricity	-4.2	-9.2	-8.8	-3.0	-8.2 (Jan.-Nov.)	...
Main industrial groupings						
Energy	-2.9	-4.9	-8.4	5.3	-4.3 (Jan.-Nov.)	...
Intermediate goods	-18.4	-0.9	-8.8	-10.6	-3.3 (Jan.-Nov.)	...
Capital goods	-22.5	-22.1	-9.7	-16.4	-11.8 (Jan.-Nov.)	...
Consumer durables	-20.7	-13.4	-15.6	-18.4	-15.1 (Jan.-Nov.)	...
Consumer non-durables	-4.1	-7.2	-4.8	-6.0	-2.0 (Jan.-Nov.)	...
2. Industrial turnover index[2]	**-23.2**	**6.0**	**7.1**	**3.0**	**-5.8 (Jan.-Nov.)**	...
Domestic market	-22.2	-0.7	-2.3	-6.4	-11.0 (Jan.-Nov.)	...
External market	-25.6	29.3	21.6	20.2	1.4 (Jan.-Nov.)	...
3. Industrial new orders index[3]	**-28.1**	**4.2**	**1.8**	**-8.1**	**-6.8 (Jan.-Nov.)**	...
Domestic market	-23.4	-3.4	-23.7	-11.9	-6.8 (Jan.-Nov.)	...
External market	-34.7	28.2	22.3	-4.6	-7.3 (Jan.-Nov.)	...
4. Index of business expectations in industry	**-21.5**	**5.1**	**1.4**	**0.4**	**13.7 (2013)**	**1.3 (Jan.)**
5. Industrial capacity utilisation rate	**70.5**	**68.5**	**67.6**	**64.4**	**65.9 (2013)**	**65.9 (Jan.)**
6. Purchasing Managers' Index (PMI)[4]	**45.3**	**43.8**	**43.6**	**41.2**	**49.6 (2013)**	**51.2 (Jan.)**

Sources: ELSTAT(industrial production index, industrial turnover and new orders), IOBE (expectations, industrial capacity utilisation rate), Markit Economics and Hellenic Purchasing Institute (PMI).
1 Excluding capacity utilisation in industry (%) and the PMI in manufacturing.
2 The index refers to the sales of industrial goods and services in value terms.
3 The index reflects developments in demand for industrial goods in value terms.
4 Seasonally adjusted index; values over 50 indicate expansion.

Table 7 Industrial production

(2005=100)

	Weights 2005		Level 2009 (2005=100)	Average annual percentage changes 2010	2011	2012	2013	Level 2013 (2005=100)
Industry	**100.0**		**89.7**	**-5.9**	**-7.8**	**-3.4**	**-3.6**	**72.5**
1. Mining and quarrying	***6.1***	***100.0***	***81.5***	***-6.5***	***0.6***	***0.7***	***-9.8***	***69.6***
Mining of coal and lignite		56.6	92.9	-13.1	5.9	8.6	-14.7	79.1
Extraction of crude petroleum and natural gas		1.9	82.7	42.5	-24.3	-2.2	-7.9	80.3
Mining of metal ores		9.1	63.9	16.2	18.5	-13.9	-0.1	75.7
Other mining and quarrying		32.4	66.6	-0.1	-13.7	-13.6	2.0	50.6
2. Manufacturing	***69.8***	***100.0***	***88.2***	***-5.1***	***-8.5***	***-4.2***	***-2.0***	***71.9***
Food		18.2	100.8	-4.1	-0.9	-3.4	-5.0	87.9
Beverages		6.0	104.2	-7.6	-9.3	-8.3	-2.2	78.4
Tobacco		1.9	90.4	-17.5	10.5	-8.9	2.7	77.1
Textiles		3.1	52.8	-20.6	-22.0	-19.8	-14.8	22.3
Wearing apparel		3.4	62.9	-23.1	-25.2	-6.9	-4.1	32.2
Leather and footwear		0.6	79.2	-36.9	-15.6	-31.7	-1.2	28.5
Wood and cork		1.2	55.2	9.4	24.9	-29.5	-24.8	40.0
Paper and paper products		2.3	97.4	-3.4	-8.9	-10.8	2.5	78.3
Printing and reproduction of recorded media		1.9	88.1	-14.1	-24.5	-20.7	-9.9	40.8
Coke and refined petroleum products		11.3	104.8	5.7	-14.5	24.3	4.3	122.9
Chemicals and chemical products		5.3	83.4	1.5	-4.4	-12.2	2.1	72.6
Basic pharmaceuticals		2.5	149.9	2.4	-0.4	-5.2	13.4	164.4
Rubber and plastic products		4.2	91.8	-7.0	-7.7	-9.2	1.4	72.6
Non-metallic mineral products		10.3	69.3	-14.2	-35.7	-15.8	-1.7	31.6
Basic metals		8.0	82.7	12.0	6.4	-6.2	-5.6	87.2
Metal products		5.1	79.6	0.2	-4.4	-10.4	-13.1	59.3
Computers, electronics and optical products		1.2	41.7	-26.6	-23.6	-6.9	31.2	28.6
Electrical equipment		3.0	82.4	-4.1	-11.0	-6.1	-12.5	57.8
Machinery and equipment n.e.c.		2.1	82.1	-21.0	-8.0	-11.3	2.1	54.0
Motor vehicles, trailers and semi-trailers		0.8	72.8	-1.6	-30.5	-13.8	-2.4	41.9
Other transport equipment		1.6	84.4	-35.1	-32.4	-41.9	-10.2	19.3
Furniture		1.5	77.6	-19.0	-22.1	-29.9	-18.0	28.1
Other manufacturing activities		0.5	72.0	-10.5	-13.3	-12.7	-5.1	46.3
Repair and installation of machinery and equipment		4.1	75.2	-22.8	-1.4	-14.6	-14.8	41.6
3. Electricity	***20.8***	***100.0***	***94.7***	***-9.2***	***-8.8***	***-3.0***	***-6.9***	***70.8***
4. Water supply	***3.3***	***100.0***	***103.0***	***0.7***	***-1.6***	***1.0***	***-2.8***	***100.1***
Industry	**100.0**		**89.7**	**-5.9**	**-7.8**	**-3.4**	**-3.6**	**72.5**
Main industrial groupings								
Energy	36.8		97.5	-4.9	-8.4	5.3	-4.0	85.9
Intermediate goods	28.0		78.5	-0.9	-8.8	-10.6	-3.1	61.5
Capital goods	8.6		71.5	-22.1	-9.7	-16.4	-12.2	36.9
Consumer durables	2.3		77.6	-13.4	-15.6	-18.4	-14.6	39.5
Consumer non-durables	24.3		98.4	-7.2	-4.8	-6.0	-1.4	80.6

Source: ELSTAT.

Table 8 Price developments in Greece and the euro area

(annual percentage changes)

	2009	2010	2011	2012	2013
A. Euro area					
Harmonised Index of Consumer Prices (HICP) and its components					
Overall index	**0.3**	**1.6**	**2.7**	**2.5**	**1.4**
Goods	-0.9	1.8	3.3	3.0	1.3
Food	0.7	1.1	2.7	3.1	2.7
Processed food[1]	1.1	0.9	3.3	3.1	2.2
Unprocessed food	0.2	1.3	1.8	3.0	3.5
Industrial goods	-1.7	2.2	3.7	3.0	0.6
Non-energy industrial goods	0.6	0.5	0.8	1.2	0.6
Energy	-8.1	7.4	11.9	7.6	0.6
Services	2.0	1.4	1.8	1.8	1.4
Industrial producer prices	***-4.8***	***2.7***	***5.7***	***2.8***	***-0.2***
B. Greece					
Harmonised Index of Consumer Prices (HICP) and its components					
Overall index	**1.3**	**4.7**	**3.1**	**1.0**	**-0.9**
Goods	-0.1	5.9	4.0	1.9	0.7
Food	2.5	3.1	4.2	1.3	0.9
Processed food[1]	1.6	5.0	4.7	1.2	0.7
Unprocessed food	3.9	0.2	3.4	1.4	1.3
Industrial goods	-1.7	7.7	3.9	2.3	0.4
Non-energy industrial goods	0.8	1.9	-0.2	-0.6	-1.7
Energy	-12.1	30.4	16.7	12.6	6.3
Services	3.2	3.1	1.9	-0.2	-2.9
Industrial producer prices	***-5.8***	***6.1***	***7.4***	***4.9***	***-0.7***

Source: Calculations based on Eurostat and ELSTAT data.
1 Including alcoholic beverages and tobacco.

Table 9 Price indicators

(annual percentage changes)

Year	Consumer Price Index							
	General index	Sub-indices						
		Goods	Services	CPI excluding fuel & fresh fruit and vegetables	CPI excluding food & fuel	Food and non-alcoholic beverages	Fresh fruit and vegetables	Fuel
2009	1.2	-0.5	3.6	2.4	2.6	1.9	5.3	-15.7
2010	4.7	5.6	3.6	3.0	3.4	0.1	-4.3	36.2
2011	3.3	4.2	2.3	1.5	1.3	3.1	5.1	18.8
2012	1.5	2.2	0.5	0.3	0.1	1.5	1.5	12.0
2013	-0.9	0.1	-2.2	-1.7	-1.9	0.0	3.0	4.6

Year	Industrial Producer Price Index					Import price index in industry	
	Domestic market				External market		
		Sub-indices					
	General index	General index excl. energy	Intermediate goods	Consumer goods	General index	General index	General index excl. energy
2009	-5.8	-0.1	-1.2	0.9	-6.0	-1.8	0.5
2010	6.1	0.9	2.3	-0.3	8.8	6.6	1.4
2011	7.4	2.7	4.8	1.1	8.8	7.6	1.5
2012	4.9	0.8	0.6	1.1	4.1	4.5	0.6
2013	-0.7	0.0	-1.1	1.1	-1.7	-2.7	-0.4

Source: ELSTAT and calculations based on ELSTAT data.

Table 10 Earnings and labour costs (2007-2014)

(annual percentage changes)

	2007	2008	2009	2010	2011	2012	2013	Cumulative change 2010-2013	2014 (fore-cast)
Average gross earnings (nominal):									
– total economy	*5.2*	*6.2*	*4.6*	*-4.6*	*-1.7*	*-6.6*	*-7.4*	*-18.9*	*-1.5*
– central government[1]	3.8	7.1	5.2	-7.7	-0.5	-3.8	-4.8	-15.9	0.0
– public utilities	7.1	8.2	7.7	-5.5	-7.9	-9.5	-10.0	-29.1	0.0
– banks	8.9	0.0	3.7	-1.8	0.1	-7.5	-10.0	-18.2	-6.3
– non-bank private sector	6.1	6.5	2.8	-2.9	-1.7	-9.3	-8.0	-20.4	-1.4
Minimum earnings	**5.4**	**6.2**	**5.7**	**1.7**	**0.9**	**-19.6**[3]	**-2.9**[3]	**-19.9**	**0.0**
Average gross earnings (real)	**2.2**	**1.9**	**3.3**	**-8.9**	**-4.7**	**-7.6**	**-6.7**	**-25.2**	**...**
Total compensation of employees	**8.2**	**8.5**	**3.2**	**-6.9**	**-8.1**	**-14.0**	**-11.5**	**-34.9**	**-1.2**
Compensation per employee	**5.6**	**6.8**	**4.9**	**-4.0**	**-0.7**	**-6.0**	**-7.5**	**-17.1**	**-0.8**
Unit labour costs:									
– total economy	4.5	8.7	6.4	-2.1	-1.1	-8.1	-8.1	-18.2	-1.7
– business sector[2]	5.3	7.9	4.4	-1.1	-3.5	-12.3	-9.0	-23.9	-2.2

Sources: ELSTAT (GDP 2007-2012) and Bank of Greece estimates/forecasts (GDP for 2013-2014 and the other annual aggregates for 2007-2014).
1 Outlays for wages and salaries per employee.
2 The business sector comprises private and public enterprises and banks.
3 Average annual change in 2012 and carryover effect for 2013, based on the cut in minimum earnings by 22% (for persons aged 25+) and 32% (for persons under 25) as of 15 February 2012.

Table 11 Average earnings and unit labour costs in total economy: Greece and the euro area (2001-2014)

(annual percentage changes)

	Average earnings		Unit labour costs	
Year	Greece	Euro area	Greece	Euro area
2001	4.7	2.8	3.9	2.4
2002	6.6	2.7	5.5	2.5
2003	5.6	2.9	2.3	2.2
2004	7.2	2.6	4.3	1.0
2005	4.4	2.2	3.4	1.3
2006	5.7	2.5	2.2	1.1
2007	5.2	2.5	4.5	1.4
2008	6.2	3.4	8.7	3.8
2009	4.6	1.8	6.4	4.3
2010	-4.6	2.0	-2.1	-0.6
2011	-1.7	2.2	-1.1	0.8
2012	-6.6	1.8	-8.1	1.9
2013 (estimate)	-7.4	1.8	-8.1	1.1
2014 (forecast)	-1.5	1.8	-1.7	0.7

Sources: For Greece: Bank of Greece estimates; for the euro area: European Commission, *Economic Forecast Autumn 2013*.

Table 12 Balance of payments

(million euro)

	January-December			
	2010	2011	2012	2013
I CURRENT ACCOUNT BALANCE (I.A+I.B+I.C+I.D)	**-22,506.0**	**-20,633.5**	**-4,615.0**	**1,244.7**
I.A Trade balance (I.A.1 – I.A.2)	**-28,279.6**	**-27,229.1**	**-19,619.0**	**-17,229.4**
Oil trade balance	-8,627.2	-11,126.9	-10,220.0	-7,697.5
Non-oil trade balance	-19,652.4	-16,102.1	-9,399.1	-9,531.9
Ships balance	-3,621.3	-3,261.2	-1,042.6	-1,483.3
Trade balance excl, oil and ships	-16,031.1	-12,840.9	-8,356.4	-8,048.7
I.A.1 Exports of goods	*17,081.5*	*20,230.6*	*22,020.6*	*22,534.8*
Oil	4,950.0	6,187.7	7,426.4	7,941.2
Ships (receipts)	798.6	754.7	737.8	443.0
Other goods	11,332.9	13,288.2	13,856.5	14,150.7
I.A.2 Imports of goods	*45,361.0*	*47,459.6*	*41,639.7*	*39,764.2*
Oil	13,577.1	17,314.6	17,646.3	15,638.7
Ships (payments)	4,419.9	4,015.9	1,780.4	1,926.2
Other goods	27,364.0	26,129.2	22,213.0	22,199.3
I.B Services balance (I.B.1 – I.B.2)	**13,248.5**	**14,629.6**	**15,138.9**	**16,817.4**
I.B.1 Receipts	*28,477.8*	*28,609.2*	*27,526.4*	*27,802.1*
Travel	9,611.3	10,504.7	10,442.5	11,994.8
Transport	15,418.4	14,096.6	13,287.4	12,089.9
Other services	3,448.1	4,007.9	3,796.5	3,717.4
I.B.2 Payments	*15,229.4*	*13,979.6*	*12,387.4*	*10,984.8*
Travel	2,156.0	2,266.5	1,843.9	1,839.3
Transport	8,155.4	7,234.4	6,328.0	5,553.0
Other services	4,917.9	4,478.7	4,215.5	3,592.4
I.C Income balance (I.C.1 – I.C.2)	**-7,673.8**	**-8,594.8**	**-1,566.4**	**-2,819.0**
I.C.1 Receipts	*4,009.3*	*3,322.1*	*3,832.2*	*3,542.4*
Wages, salaries	199.7	188.0	200.8	209.3
Interest, dividends, profits	3,809.6	3,134.1	3,631.4	3,333.1
I.C.2 Payments	*11,683.1*	*11,916.9*	*5,398.6*	*6,361.4*
Wages, salaries	377.6	470.0	468.0	453.0
Interest, dividends, profits	11,305.5	11,447.0	4,930.7	5,908.4
I.D Current transfers balance (I.D.1–I.D.2)	**198.9**	**560.8**	**1,431.5**	**4,475.8**
I.D.1 Receipts	*4,654.3*	*4,435.0*	*5,125.6*	*7,687.8*
General government (mainly receipts from the EU)	3,188.5	3,254.9	4,060.2	6,410.6
Other sectors (emigrants' remittances, etc.)	1,465.8	1,180.1	1,065.4	1,277.3
I.D.2 Payments	*4,455.4*	*3,874.2*	*3,694.1*	*3,212.1*
General government (mainly payments to the EU)	2,860.4	2,485.4	2,647.9	2,433.0
Other sectors	1,595.0	1,388.8	1,046.2	779.0
II CAPITAL TRANSFERS BALANCE (II.1–II.2)	**2,071.5**	**2,671.8**	**2,327.6**	**3,040.8**
II.1 Receipts	**2,356.2**	**2,932.7**	**2,564.6**	**3,380.6**
General government (mainly receipts from the EU)	2,239.3	2,798.5	2,486.0	3,298.9
Other sectors	116.9	134.2	78.6	81.7
II.2 Payments	**284.7**	**260.8**	**237.1**	**339.8**
General government (mainly payments to the EU)	15.8	12.7	13.7	9.7
Other sectors	268.9	248.1	223.3	330.1
III CURRENT ACCOUNT AND CAPITAL TRANSFERS BALANCE (I+II)	**-20,434.5**	**-17,961.7**	**-2,287.5**	**4,285.5**
IV FINANCIAL ACCOUNT BALANCE (IV.A+IV.B+IV.C+IV.D)	**20,853.9**	**17,838.1**	**2,658.2**	**-3,608.9**
IV.A Direct investment[1]	**-927.0**	**-452.6**	**827.1**	**2,405.5**
By residents abroad	-1,176.2	-1,274.9	-527.3	469.0
By non-residents in Greece	249.2	822.3	1,354.3	1,936.5
IV.B Portfolio investment[1]	**-20,855.0**	**-19,778.3**	**-99,903.9**	**-6,583.1**
Assets	13,278.7	4,139.0	-58,086.1	1,023.6
Liabilities	-34,133.6	-23,917.3	-41,817.8	-7,606.7
IV.C Other investment[1]	**42,538.8**	**38,050.0**	**101,744.1**	**675.8**
Assets	7,658.7	7,638.7	13,863.4	17,491.9
Liabilities	34,880.2	30,411.3	87,880.7	-16,816.1
(General government borrowing)	29,978.2	39,873.9	109,093.9	30,061.21
IV.D Change in reserve assets[2]	**97.0**	**19.0**	**-9.0**	**-107.0**
V ERRORS AND OMISSIONS	**-419.4**	**123.6**	**-370.8**	**-676.7**
RESERVE ASSETS	**4,777**	**5,332**	**5,500**	**4,172**

Source: Bank of Greece.
* Provisional data.
1 (+) net inflow, (–) net outflow.
2 (+) decrease, (–) increase.

Table 13 State budget balance

(million euro)

	Annual data					Percentage changes			
	2011	2012	2013		2014	2012/2011	2013/2012		2014/2013
			Estimates	Execution	Budget		Estimates	Execution*	Budget/ Execution*
	(1)	(2)	(3)	(4)	(5)	(6=2:1)	(7=3:2)	(8=4:2)	(9=5:4)
I. Revenue	**53,932**	**51,925**	**53,242**	**53,018**	**54,695**	**-3.7**	**2.5**	**2.1**	**3.2**
1. Ordinary budget (net)	50,159	48,325	48,106	48,423	49,693	-3.7	-0.5	0.2	2.6
Revenue before tax refunds	*54,285*	*51,482*	*50,921*	*51,442*	*52,252*	*-5.2*	*-1.1*	*-0.1*	*1.6*
Special revenue from licensing and consession fees	*1,157*	*15*	*86*	*86*	*230*				
Tax refunds	*5,283*	*3,172*	*2,901*	*3,105*	*2,789*	*-40.0*	*-8.5*	*-2.1*	*-10.2*
2. Public investment budget	3,773	3,601	5,136	4,595	5,002	-4.6	42.6	27.6	8.9
– Own revenue	147	166	200	76	200	12.9	20.5	-54.2	163.2
– Receipts from the EU	3,626	3,434	4,936	4,520	4,802	-5.3	43.7	31.6	6.2
II. Expenditure	**76,705**	**67,614**	**59,327**	**58,459**	**56,248**	**-11.9**	**-12.3**	**-13.5**	**-3.8**
(State budget primary expenditure)	60,357	55,391	53,227	52,415	50,098	-8.2	-3.9	-5.4	-4.4
1. Ordinary budget	70,146	61,499	52,677	51,809	49,448	-12.3	-14.3	-15.8	-4.6
– Interest payments	16,348	12,223	6,100	6,044	6,150	-25.2	-50.1	-50.6	1.8
– Ordinary budget primary expenditure	51,996	47,529	44,831	44,230	41,946	-8.6	-5.7	-6.9	-5.2
– Procurement of defense equipment	360	410	650	529	583				
– Call-in of guarantees from entities *of which*	1,442	796	956	879	699				
from within the general government	1,249	679	522	514	466				
from outside the general government	193	117	434	365	233				
– Fee for disbursement of EFSF loans	0	541	140	127	70				
2. Public investment budget	6,559	6,114	6,650	6,650	6,800	-6.8	8.8	8.8	2.3
III. State budget balance	**-22,773**	**-15,688**	**-6,085**	**-5,441**	**-1,553**	**-31.1**	**-61.2**	**-65.3**	**-71.5**
% of GDP	**-10.9**	**-8.1**	**-3.3**	**-3.0**	**-0.8**				
1. Ordinary budget	-19,987	-13,174	-4,571	-3,386	245				
2. Public investment budget	-2,786	-2,513	-1,514	-2,055	-1,798				
IV. State budget primary balance	**-6,425**	**-3,465**	**15**	**603**	**4,597**	**-46.1**	**-100.4**	**-117.4**	**662.4**
% of GDP	**-3.1**	**-1.8**	**0.0**	**0.3**	**2.5**				
Amortisation payments	28,843	23,905	12,755	12,755	24,930	-17.1	-46.6	-46.6	95.5
GDP (at current prices)	208,532	193,749	182,911	182,911	183,089	-7.1	-5.6	-5.6	0.1

Source: Ministry of Finance.
* Provisional data.

Table 14 Decomposition of changes in the general government debt-to-GDP ratio[1]

(percentages of GDP)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013*
General government debt-to-GDP ratio	97.4	98.9	110.0	107.8	107.3	112.9	129.7	148.3	170.3	156.9	175.5
Changes in the general government debt-to-GDP ratio	-4.2	1.4	11.2	-2.2	-0.5	5.6	16.8	18.6	22.0	-13.4	18.6
– Primary balance	0.7	2.6	1.0	1.3	2.0	4.8	10.5	4.9	2.4	4.0	8.3
– Change in GDP and change in interest rates	-4.3	-1.9	0.7	-3.5	-2.2	0.5	6.2	11.2	16.9	18.0	13.6
– Deficit-debt adjustment[2]	-0.6	0.8	9.5	-0.1	-0.2	0.3	0.1	2.6	2.7	-35.5	-3.3

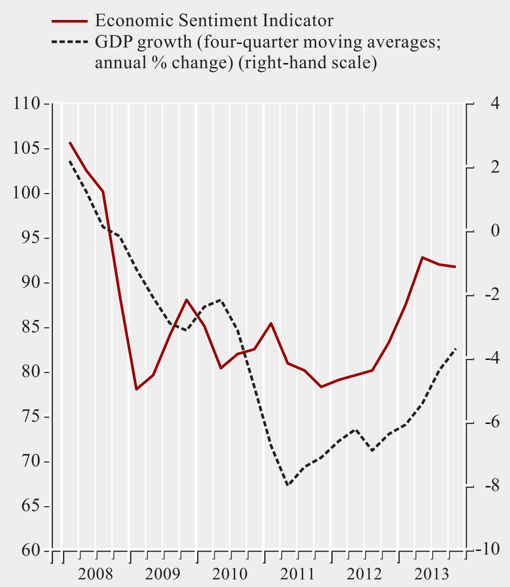
Sources: Ministry of Finance, General Directorate of Economic Policy, “Hellas: Macroeconomic Aggregates”.
* Provisional data..
1 Changes in the debt ratio have been decomposed using the following formula:

$$\left(\frac{D_t}{Y_t} - \frac{D_{t-1}}{Y_{t-1}}\right) = \frac{PB_t}{Y_t} + \left(\frac{D_{t-1}}{Y_{t-1}} * \frac{i_t - g_t}{1+g}\right) + \frac{SF_t}{Y_t}$$

where D_t = general government debt
PB_t = primary balance (deficit or surplus)
Y_t = GDP at current prices
g_t = nominal GDP growth rate
i_t = average nominal rates on government debt
SF_t = deficit-debt adjustment

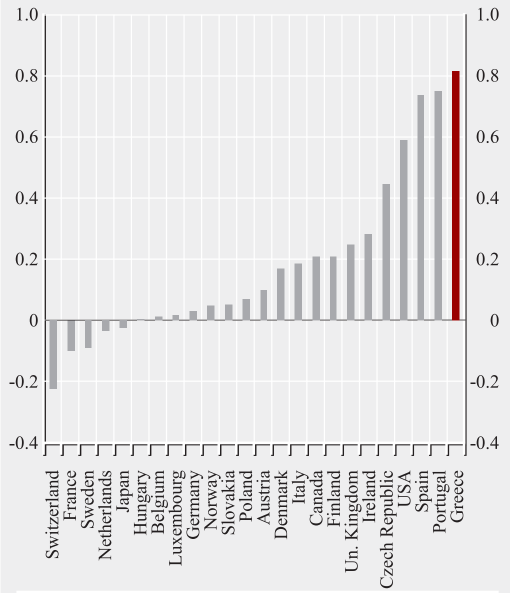
2 The deficit-debt adjustment includes expenditure or liabilities assumed by the general government that do not affect the deficit but increase debt, as well as revenue (e.g. privatisation proceeds) that does not affect the deficit but reduce debt.

Chart 1 GDP growth and the Economic Sentiment Indicator (2008 Q1-2013 Q4)



Sources: ELSTAT, National Accounts, and IOBE/European Commission, Business and Consumer Surveys.

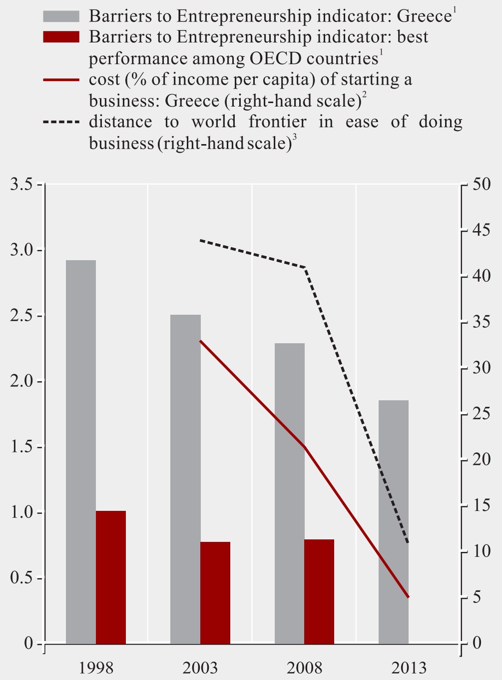
Chart 2 Change in responsiveness to OECD[1] recommendations



Source: OECD (2013), *Economic Policy Reforms: Going for Growth*, OECD Publishing (Chart 1.2B).

1 The indicator represents the change between 2010 and 2012 of the responsiveness rate to OECD recommendations for reforms. It is based on a number of dummy variables recording action taken or not taken in certain policy areas. Each policy area is weighted according to the difficulty of undertaking the relevant reform.

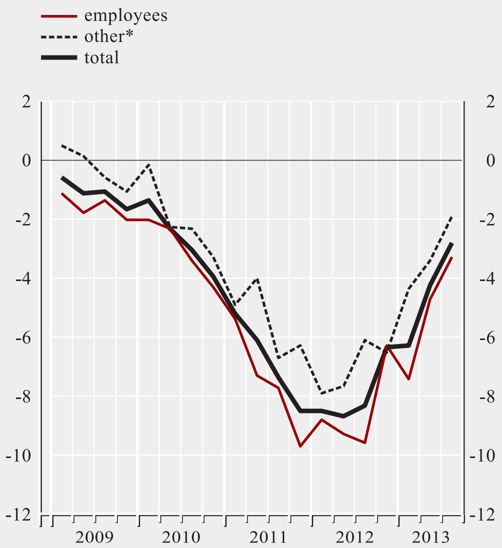
Chart 3 Business environment indicators



Sources: OECD (Product Market Regulation Database and *Economic Surveys: Greece*), and World Bank (*Doing Business*).
1 The Barriers to Entrepreneurship indicator, a component of the OECD Product Market Regulation (PMR) indicator, measures barriers to entrepreneurship in goods and services markets and ranges from 0 to 6, with 6 indicating the presence of barriers.
2 It refers to the costs of starting up a limited liability company.
3 According to the World Bank's Ease of Doing Business indicators (*Doing Business Report*).

Chart 4 Employment (2009 Q1-2013 Q3)

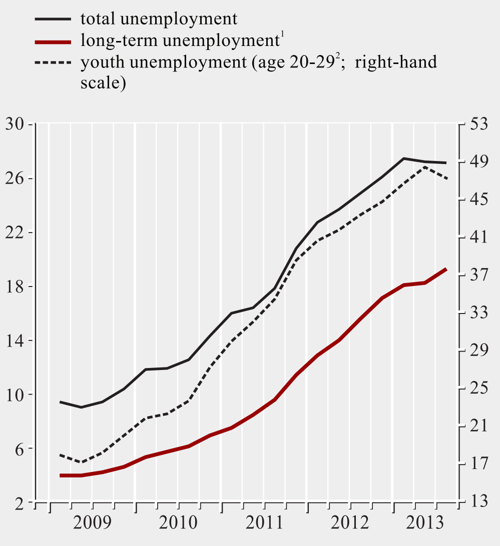
(year-on-year percentage change)



Source: ELSTAT, Labour Force Surveys.
* Other = self-employed with employees (employers) + self-employed without employees + contributing family workers.

Chart 5 Unemployment rates (2009 Q1-2013 Q3)

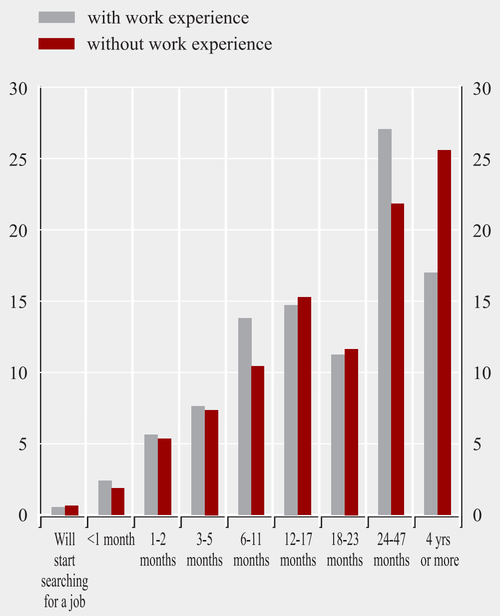
(percentage of labour force)



Source: ELSTAT, Labour Force Surveys.
1 Defined as having been unemployed for over 12 months.
2 As a percentage of the labour force of the same age group.

Chart 6 Distribution of the unemployed (with or without work experience) by length of job search

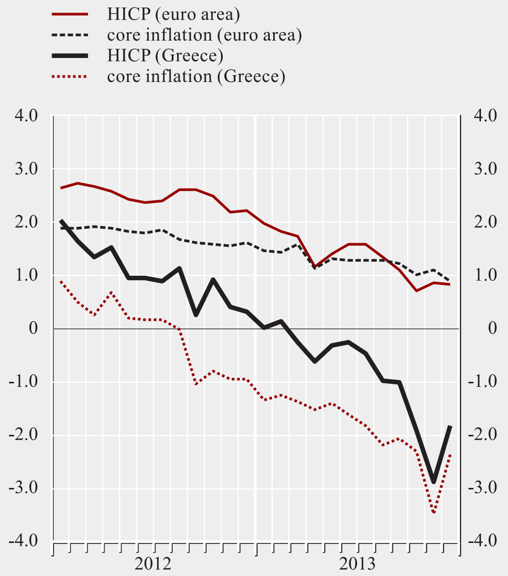
(percentage)



Source: ELSTAT, Labour Force Survey.

Chart 7 Harmonised index of consumer prices (HICP) and core inflation in Greece and the euro area (January 2012-December 2013)

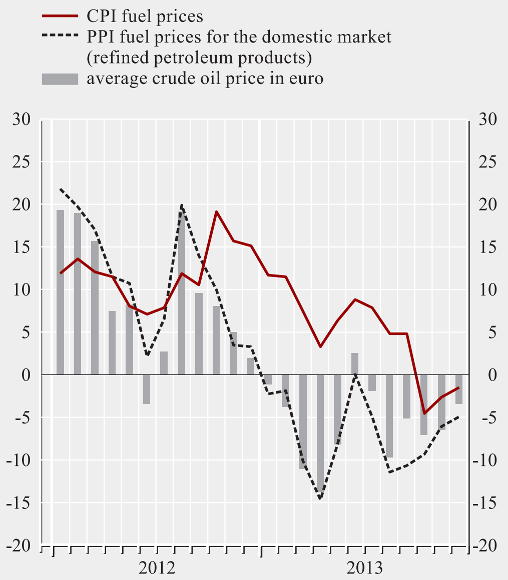
(year-on-year percentage changes; monthly data)



Sources: ELSTAT and Eurostat.

Chart 8 Evolution of CPI/PPI fuel prices and of Brent crude oil prices (in euro) (January 2012 - December 2013)

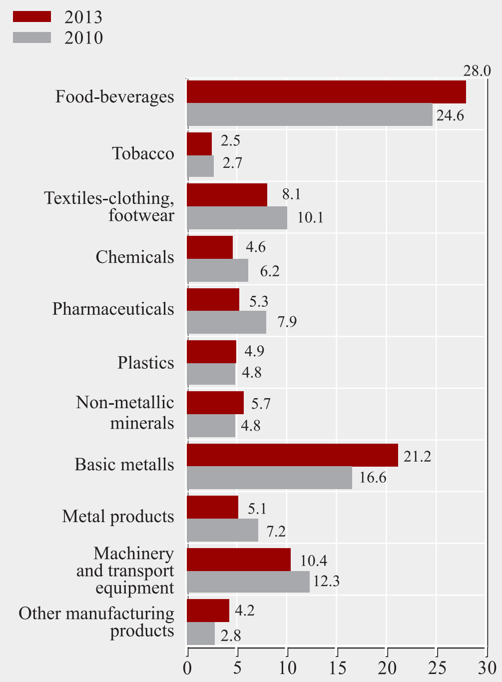
(year-on-year percentage changes; monthly data)



Source: Calculations based on ELSTAT data and, for crude oil prices (UK Brent), on ECB data.

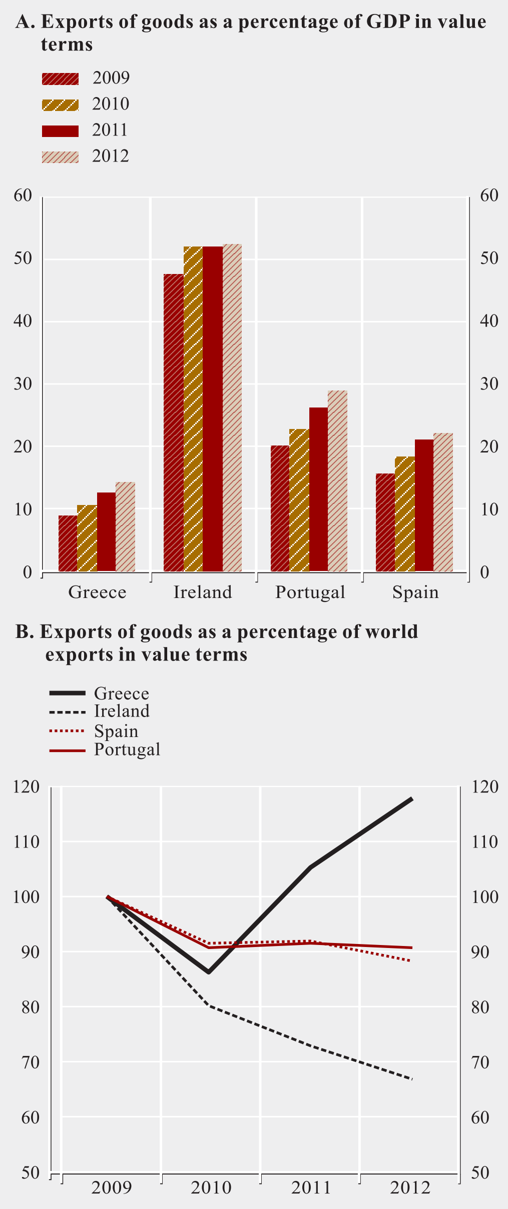
Chart 9 Sectoral breakdown of Greek exports of goods

(percentage of total export receipts excluding fuel and ships*)



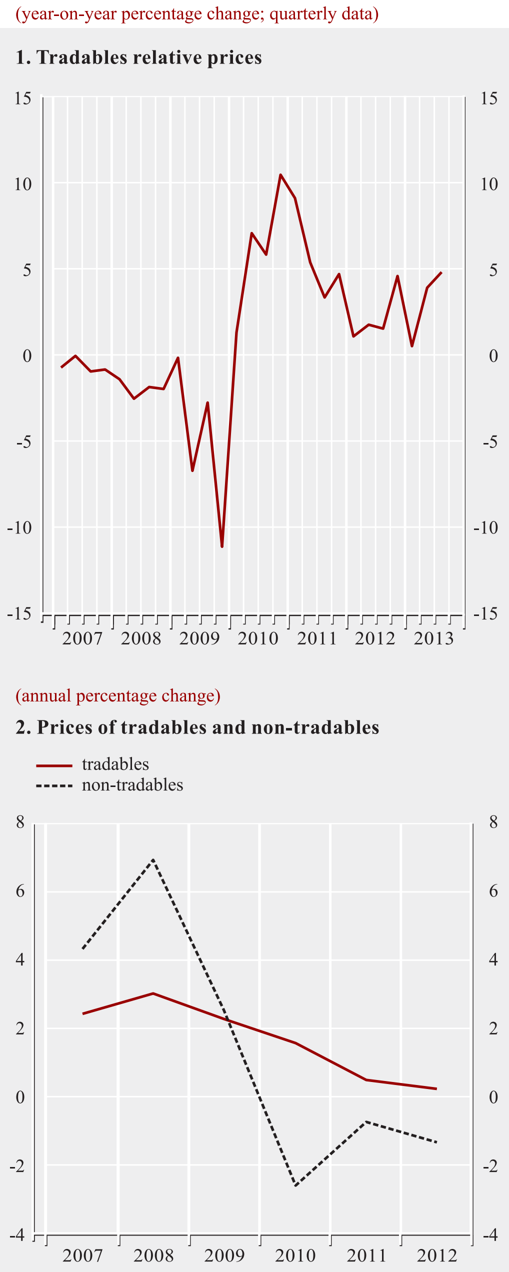
Source: Bank of Greece, Balance of payments statistics.
*Includes only those receipts that are classifiable, i.e. receipts above the threshold for reporting the product code.

Chart 10 Exports of goods as a percentage of GDP and developments in world export market shares



Source: Exports as a percentage of GDP: Eurostat-National Accounts; world export shares: IMF-Direction of Trade statistics.

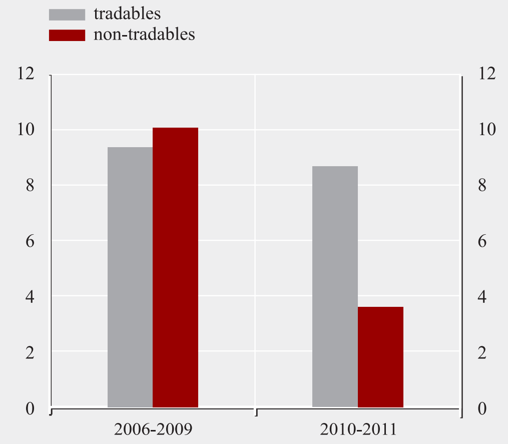
Chart 11 Prices of tradables and non-tradables



Sources: Eurostat, Quarterly and Annual National Accounts (Figures A1 and A2, respectively) and Bank of Greece calculations.

Chart 12 Net profit margin in tradables and non-tradables sectors*

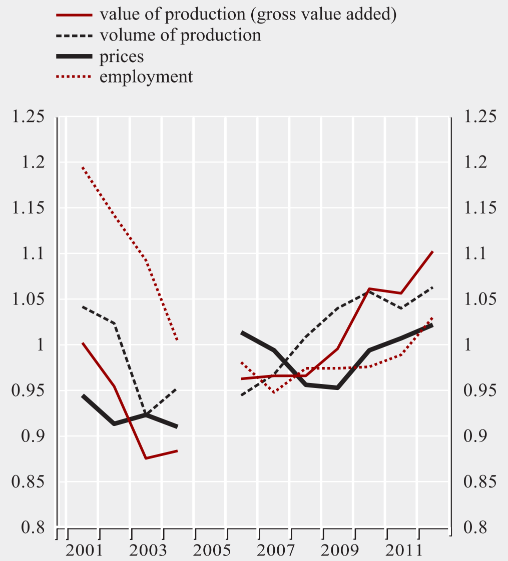
(percentage points)



Sources: Eurostat, Annual National Accounts and Bank of Greece calculations.
* The net profit margin is defined as the ratio of net operating profit to gross output. A proxy of the remuneration of the self-employed has been deducted from the net operating profit.

Chart 13 Evolution of the outwardness of the Greek economy

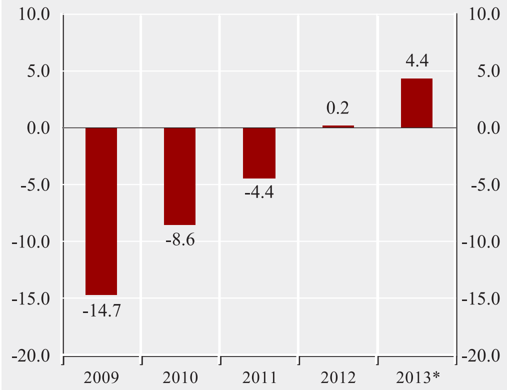
(indices; 2005=1)*



Sources: Eurostat, National Accounts and Bank of Greece calculations.
* Indicators refer to tradables expressed in terms of non-tradables.

Chart 14 Structural primary balance of general government

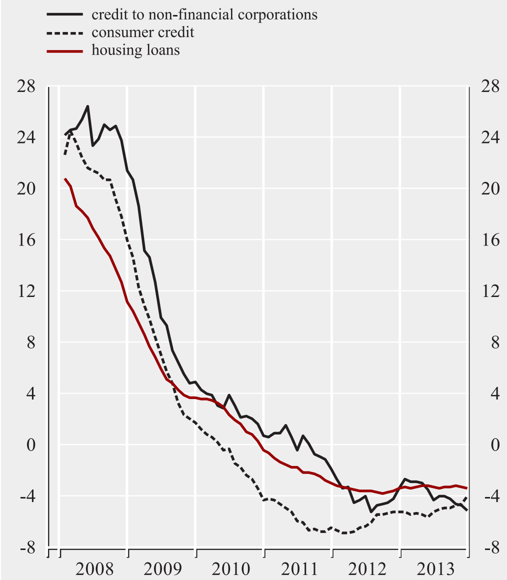
(percentage of potential GDP)



Source: Bank of Greece.
* Forecast.
Note: The structural primary balance of general government is calculated according to the Eurosystem methodology.

Chart 15 Credit[1] to non-financial corporations and households by MFIs in Greece (January 2008-December 2013)

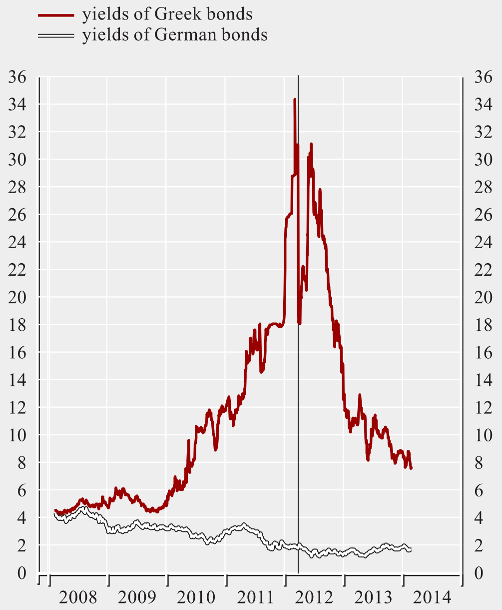
(annual percentage change)



Source: Bank of Greece.
1 Domestic MFI credit to non-financial corporations and households includes the outstanding amounts of loans and, in the case of enterprises, corporate bonds held by MFIs (essentially credit institutions and the Bank of Greece), as well as the outstanding amounts of loans and, in the case of enterprises, securitised corporate bonds. The annual rates of change are adjusted for loan write-offs, reclassifications and transfers of loans, and foreign exchange valuation differences on loans denominated in foreign currency.

Chart 16 10-year Greek and German government bond yields[1] (January 2008-14 February 2014)

(daily data; in percentage points)

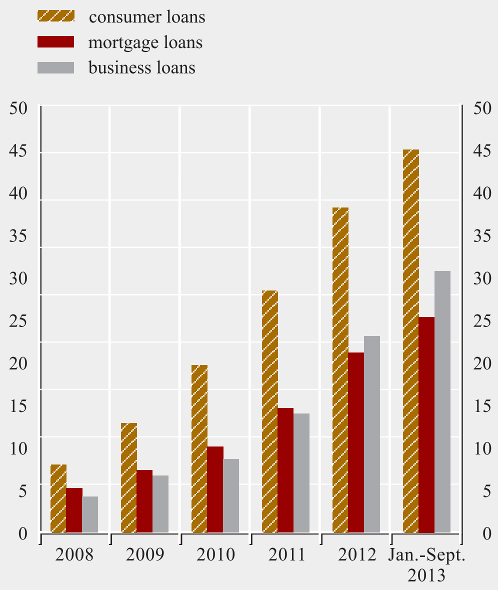


Source: Bank of Greece.

1 As Greek government bonds are traded on several regulated markets (e.g. HDAT, BrokerTec, MTS, ICAP etc.), as well as on electronic OTC trading platforms (e.g. Reuters, Bloomberg), divergences in prices (and corresponding yields) are occasionally observed across data providers. These divergences became more evident in Q4 2011 due to considerably lower transactions in Greek bonds; therafter they narrowed, but have not been eliminated. The vertical line represents the date on which new Greek government bonds were admitted to trading (12 March 2012), following the completion of the exchange of the Greek government bonds under the PSI.

Chart 17 Developments in NPL ratios per loan category

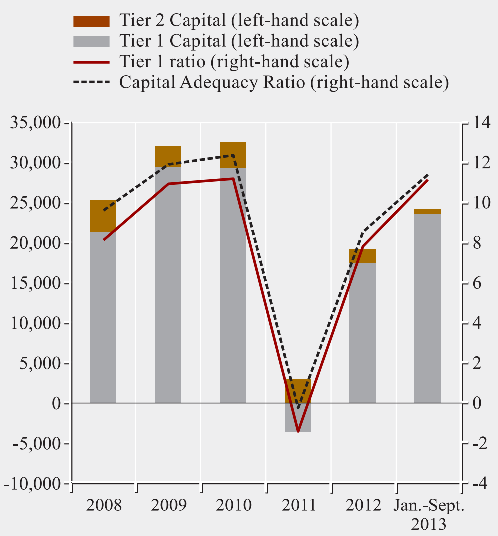
(percentages)



Source: Bank of Greece.

Chart 18 Composition of regulatory capital and developments in capital adequacy of Greek commercial banks

(left-hand scale: million euro; right-hand scale: percentages)



Source: Bank of Greece.

ANNUAL ACCOUNTS OF THE BANK OF GREECE FOR THE YEAR 2013

BALANCE SHEET AS AT 31 DECEMBER 2013
EIGHTY-SIXTH YEAR

(in euro)

ASSETS	31.12.2013	31.12.2012
1. Gold and gold receivables	**4,145,310,521**	**5,984,958,512**
2. Claims on non-euro area residents denominated in foreign currency	**1,059,044,295**	**992,872,970**
2.1 Receivables from the International Monetary Fund (IMF)	889,700,605	925,936,960
2.2 Balances with banks and security investments, external loans and other external assets	169,343,690	66,936,010
3. Claims on euro area residents denominated in foreign currency	**323,744,770**	**343,692,770**
3.1 General government	269,674,472	286,157,016
3.2 Other claims	54,070,298	57,535,754
4. Claims on non-euro area residents denominated in euro	**23,869**	**23,873**
4.1 Balances with banks, security investments and loans	23,869	23,873
4.2 Claims arising from the credit facility under ERM II	0	0
5. Lending to euro area credit institutions related to monetary policy operations denominated in euro	**63,225,800,000**	**19,346,500,000**
5.1 Main refinancing operations	61,780,800,000	17,401,500,000
5.2 Longer-term refinancing operations	1,385,000,000	1,945,000,000
5.3 Fine-tuning reverse operations	0	0
5.4 Structural reverse operations	0	0
5.5 Marginal lending facility	60,000,000	0
5.6 Credits related to margin calls	0	0
6. Other claims on euro area credit institutions denominated in euro	**9,790,608,293**	**101,850,944,365**
7. Securities of euro area residents denominated in euro	**21,119,431,709**	**20,782,519,037**
7.1 Securities held for monetary policy purposes	6,070,173,067	6,964,976,237
7.2 Other securities of euro area residents denominated in euro	15,049,258,642	13,817,542,800
8. General government long-term debt denominated in euro	**5,657,654,356**	**6,170,409,022**
9. Intra-Eurosystem claims	**1,742,834,574**	**1,813,849,138**
9.1 Participating interest in the ECB	531,289,922	533,636,713
9.2 Claims equivalent to the transfer of foreign reserves to the ECB	1,129,060,170	1,131,910,591
9.3 Net claims related to the allocation of euro banknotes within the Eurosystem	0	0
9.4 Net claims arising from balances of TARGET2 accounts	0	0
9.5 Other claims within the Eurosystem (net)	82,484,482	148,301,834
10. Items in course of settlement	**1,592,003**	**2,341,587**
11. Other assets	**2,428,819,510**	**2,464,824,430**
11.1 Coins	66,350,306	69,373,412
11.2 Tangible and intangible fixed assets	815,306,920	824,757,986
11.3 Other financial assets	29,261,974	29,122,874
11.4 Off-balance-sheet instruments revaluation differences	241,762	137,272
11.5 Accruals and prepaid expenses	647,824,052	684,101,549
11.6 Sundry	869,834,496	857,331,337
TOTAL ASSETS	**109,494,863,900**	**159,752,935,704**

OFF-BALANCE-SHEET ITEMS	31.12.2013	31.12.2012
1. Greek government securities relating to the management of the "Common capital of legal entities in public law and social security funds" according to Law 2469/97	20,844,649,345	19,791,242,415
2. Greek government securities and other debt securities relating to the management and custody of assets of public entities, social security funds and private agents and EFSF securities owned by the Hellenic Financial Stability Fund	16,546,729,134	15,702,881,516
3. Assets eligible as collateral for Eurosystem monetary policy operations and intraday credit	84,630,052,242	25,568,946,751
4. Assets accepted by the Bank of Greece as eligible collateral for emergency liquidity assistance to credit institutions	58,286,098,571	191,524,930,187
5. Other off-balance-sheet items	26,495,148,210	22,694,818,331
TOTAL OFF-BALANCE-SHEET ITEMS	**206,802,677,502**	**275,282,819,200**

(in euro)

LIABILITIES	31.12.2013	31.12.2012
1. Banknotes in circulation	**24,640,887,450**	**23,576,814,320**
2. Liabilities to euro area credit institutions related to monetary policy operations denominated in euro	**1,958,581,341**	**2,168,651,315**
2.1 Current accounts (covering the minimum reserve system)	748,581,341	1,369,351,315
2.2 Deposit facility	1,150,000,000	410,000,000
2.3 Fixed-term deposits	0	0
2.4 Fine-tuning reverse operations	0	0
2.5 Deposits related to margin calls	60,000,000	389,300,000
3. Other liabilities to euro area credit institutions denominated in euro	**0**	**0**
4. Liabilities to other euro area residents denominated in euro	**7,985,961,670**	**7,188,910,666**
4.1 General government	6,943,160,210	5,721,347,961
4.2 Other liabilities	1,042,801,460	1,467,562,705
5. Liabilities to non-euro area residents denominated in euro	**990,392,122**	**1,008,139,644**
6. Liabilities to euro area residents denominated in foreign currency	**76,581,690**	**32,019,524**
7. Liabilities to non-euro area residents denominated in foreign currency	**2,128**	**2,224**
7.1 Deposits and other liabilities	2,128	2,224
7.2 Liabilities arising from the credit facility under ERM II	0	0
8. Counterpart of special drawing rights allocated by the IMF	**874,914,774**	**911,998,065**
9. Intra-Eurosystem liabilities	**61,955,261,464**	**112,814,781,585**
9.1 Liabilities related to promissory notes backing the issuance of ECB debt certificates	0	0
9.2 Net liabilities related to the allocation of euro banknotes within the Eurosystem	10,839,345,715	14,459,590,040
9.3 Net liabilities arising from balances of TARGET2 accounts	51,115,915,749	98,355,191,545
9.4 Other liabilities within the Eurosystem (net)	0	0
10. Items in course of settlement	**1,799,852**	**3,232,633**
11. Other liabilities	**1,167,521,706**	**769,535,751**
11.1 Off-balance-sheet instruments revaluation differences	1,310	96,926
11.2 Accruals and income collected in advance	32,433,809	116,573,701
11.3 Sundry	1,135,086,587	652,865,124
12. Provisions	**6,651,794,477**	**6,213,496,005**
13. Revaluation accounts	**2,375,664,547**	**4,249,859,880**
14. Capital and reserves	**815,500,679**	**815,494,092**
14.1 Capital	111,243,362	111,243,362
14.2 Ordinary reserve	111,243,362	111,243,362
14.3 Extraordinary reserve	84,500,000	84,500,000
14.4 Special reserve from the revaluation of land and buildings	507,247,856	507,247,856
14.5 Other special reserves	1,266,099	1,259,512
TOTAL LIABILITIES	**109,494,863,900**	**159,752,935,704**

Notes:

1 Under Article 54A of the Bank's Statute, the financial statements of the Bank of Greece are drawn up in accordance with the accounting principles and rules established by the European Central Bank (ECB) and applying to all members of the European System of Central Banks (ESCB).

2 The Bank of Greece's Eurosystem key as at 31 December 2013 was 2.80097%.

3 Claims/liabilities denominated in euro or foreign currency are broken down into claims on/liabilities to euro area residents and non-euro area residents.

4 Account balances related to monetary policy operations are disclosed under distinct items.

5 Gold has been valued at the price provided by the ECB as at 31 December 2013: €871.220 per fine oz, compared with €1,261.179 as at 31 December 2012.

6 Claims/liabilities denominated in foreign currency have been converted to euro using the euro foreign exchange reference rates of the ECB as at 31 December 2013.

7 Marketable securities (other than held-to-maturity) are valued at the mid-market prices of 31 December 2013. Marketable securities classified as held-to-maturity and non-marketable securities are valued at amortised cost subject to impairment. In financial year 2013 no impairment losses were incurred.

8 "Other off-balance-sheet items" include the promissory note of €26 billion (SDR 23.3 billion) issued by the Greek government for the total amount of the loan received from the IMF until 31 December 2013.

9 Certain items of the balance sheet and the profit and loss account for the year 2012 have been reclassified to ensure comparability with the respective items of the year 2013.

PROFIT AND LOSS ACCOUNT FOR THE YEAR 2013

(in euro)

	2013	2012
1. Net interest income	**1,386,780,492**	**2,673,764,628**
1.1 Interest income	1,864,134,636	3,827,258,869
1.2 Interest expense	-477,354,144	-1,153,494,241
2. Net result of financial operations, write-downs and risk provisions	**26,806,573**	**66,279,995**
2.1 Realised gains arising from financial operations	26,806,573	66,279,995
2.2 Write-downs on financial assets and positions	-10,077,881	-73,849
2.3 Transfer from provisions for foreign exchange rate, interest rate, credit and gold price risks	10,077,881	73,849
3. Net income from fees and commissions	**70,215,064**	**71,834,689**
3.1 Fees and commissions income	72,870,971	75,723,080
3.2 Fees and commissions expense	-2,655,907	-3,888,391
4. Income from equity shares and participating interests	**54,181,615**	**20,133,200**
5. Net result of pooling of monetary income	**52,200,784**	**148,822,314**
6. Other income	**10,137,298**	**14,600,772**
Total net income	**1,600,321,826**	**2,995,435,598**
7. Staff costs	**-146,748,221**	**-157,870,006**
8. Pension benefit expenses	**-98,370,014**	**-112,234,922**
9. Other administrative expenses	**-37,019,678**	**-40,072,577**
10. Depreciation of tangible and intangible fixed assets	**-13,981,296**	**-13,583,648**
11. Consultancy fees for the auditing of the banking system	**-4,260,362**	**-10,291,676**
12. Provisions	**-468,793,052**	**-2,342,733,566**
Total expenses	**-769,172,623**	**-2,676,786,395**
PROFIT FOR THE YEAR	**831,149,203**	**318,649,203**

DISTRIBUTION OF PROFIT
(Article 71 of the Statute)

(in euro)

	2013	2012
Dividend to be distributed: €0.49728 per share for 19,864,886 shares (compared to €0.5376 per share in 2012)*	9,878,410	10,679,362
Tax on dividends (tax rate 26%, Article 9, paragraph 30, Law 4110/2013)	3,470,793	2,669,841
To the Government	817,800,000	305,300,000
	831,149,203	**318,649,203**

* *The gross dividend for financial year 2013 amounts to €0.6720 per share. Dividend to be distributed (€0.49728 per share) is subject to withholding tax at a rate of 10% in accordance with Law 4110/2013, Article 6 paragraph 2.*

Athens, 20 January 2014

THE GOVERNOR

GEORGE A. PROVOPOULOS

THE DIRECTOR OF THE ACCOUNTING DEPARTMENT

MARIA MAVRIDOU

To the Shareholders of BANK OF GREECE A.E.

Report on the Financial Statements

We have audited the accompanying financial statements of the BANK OF GREECE A.E. (the "Bank") which comprise the balance sheet as of 31 December 2013 and the statement of income, the appropriation account for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting principles prescribed by the European Central Bank (ECB) as adopted by the Bank in Article 54A of its Statute and the accounting standards prescribed by Greek Law, where the Guideline of the ECB does not provide specific direction, as well as for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Bank of Greece as at 31 December 2013 and of its financial performance for the year then ended in accordance with the accounting principles prescribed by the ECB as adopted by the Bank in Article 54A of its Statute and the accounting standards prescribed by Greek Law, where the Guideline of the ECB does not provide specific direction.

Report on Other Legal and Regulatory Requirements

We verified that the contents of the Report of the Governor relating to the statement of income for 2013 are consistent and corresponds with the accompanying financial statements within the scope set by Articles 37 and 43A of C.L. 2190/1920.

Athens, 20 January 2014

KPMG Certified Auditors A.E.
AM SOEL 114

Marios T. Kyriacou
Certified Auditor Accountant
AM SOEL 11121

Nikolaos Vouniseas
Certified Auditor Accountant
AM SOEL 18701

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