



BANK OF GREECE
EUROSYSTEM

ANNUAL ACCOUNTS 2022



90TH ORDINARY MEETING OF SHAREHOLDERS
ATHENS, 7 APRIL 2023



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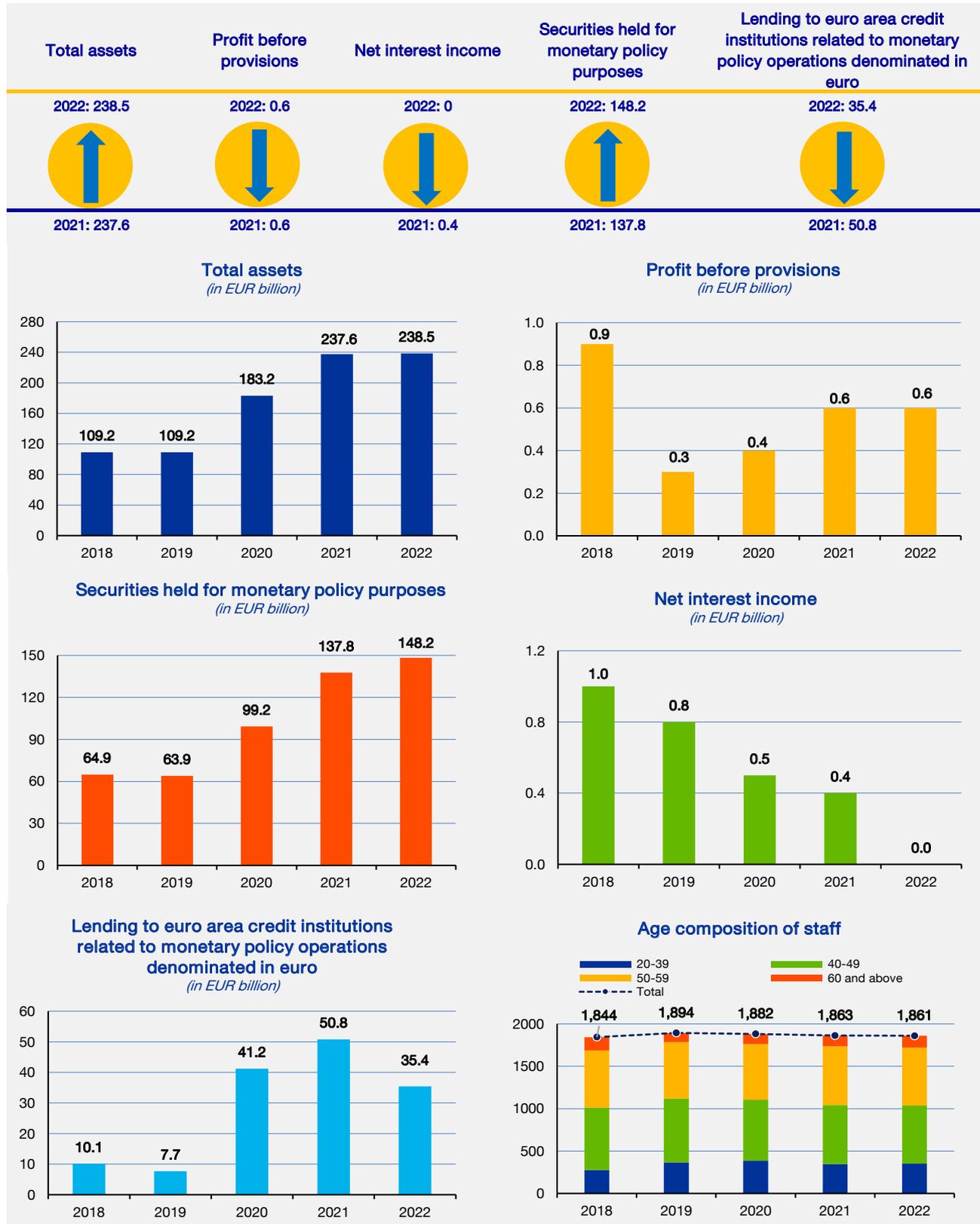
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AT A GLANCE

EVOLUTION OF THE BANK'S KEY FIGURES

(in EUR billion)

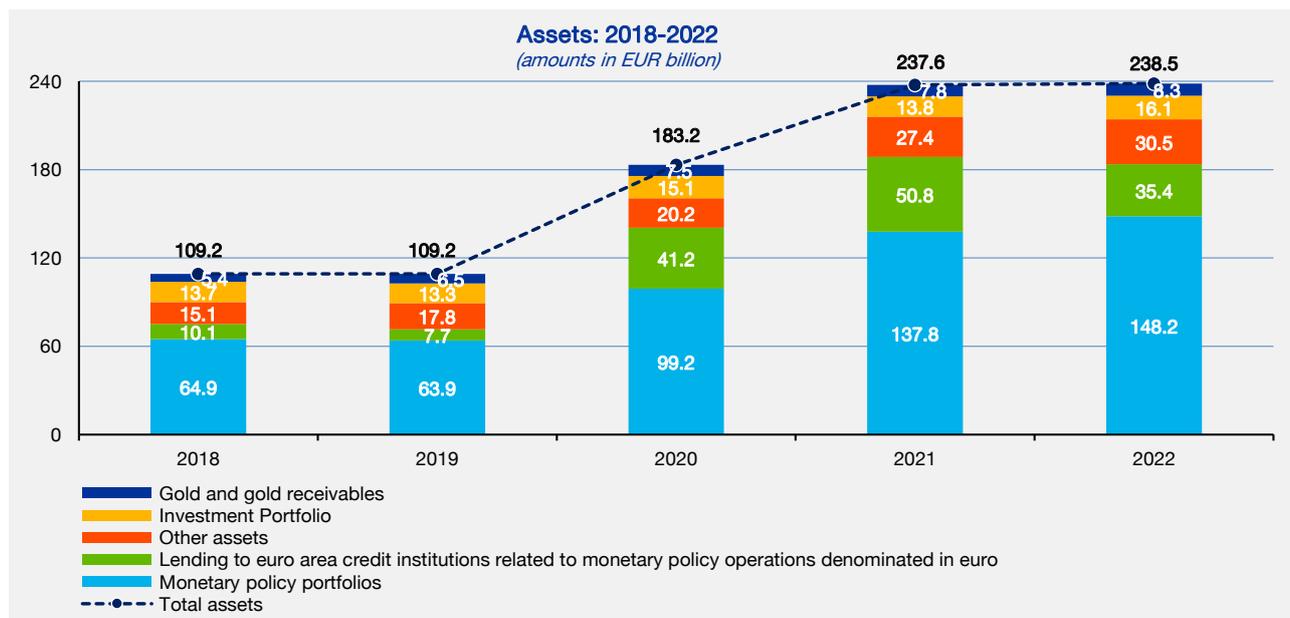


BALANCE SHEET

ASSETS

The Bank of Greece's assets as at 31 December 2022 amounted to EUR 238.5 billion, up by EUR 0.9 billion compared with the previous year. Underlying the increase in total assets over the past three years has mainly been a rise in net purchases of debt securities in the monetary policy portfolio, as a result of the Eurosystem's monetary policy decisions in the context of pandemic-related support to euro area economies.

The evolution of the main assets over the past five years is shown in the chart below:



Lending to euro area credit institutions related to monetary policy operations denominated in euro decreased in 2022 by EUR 15.4 billion to EUR 35.4 billion, compared with EUR 50.8 billion in 2021, as a result of the maturity of TLTRO III operations amounting to EUR 3.8 billion, as well as early repayments (partial or total) amounting to EUR 11.6 billion. In addition, PELTRO operations of EUR 20.0 million matured.

This item includes lending to domestic credit institutions by the Bank through Targeted Longer-Term Refinancing Operations (TLTROs III) and Pandemic Emergency Longer-Term Refinancing Operations (PELTROs), in the context of the implementation of the single monetary policy of the Eurosystem. For financial year 2022, most of these operations concerned TLTROs III, with a small amount (EUR 50.0 million) relating to PELTROs.

• TLTRO III operations

It should be recalled that the Governing Council of the ECB decided, in financial years 2019 and 2020, to introduce ten targeted longer-term refinancing operations (TLTROs III) and to reduce the interest rate on those operations. In particular, the interest rate applicable for the period from 24 June 2020 to 23 June 2021 and for the period from 24 June 2021 to 23 June 2022 ('special interest rate period' and 'additional special interest rate period', respectively)¹ can be as low as 50 basis points below the average interest rate on the deposit facility prevailing over the same period, but in any case may not become less negative than -1%.

Additionally, on 27 October 2022 the Governing Council decided that, from 23 November 2022 until the maturity date or early repayment date of each respective outstanding TLTRO III operation, the interest rate on TLTRO III

¹ On 30.4.2020, the Governing Council of the ECB decided that the special interest rate period would apply from 24.6.2020 to 23.6.2021. On 10.12.2020, the Governing Council of the ECB decided to extend this period by 12 months, up to and including 23.6.2022 (additional special interest rate period).

operations will be indexed to the applicable key ECB interest rates over this period. On the same date, the Governing Council decided that three additional voluntary early repayment dates are introduced to provide TLTRO III participants with additional opportunities to partly, or fully, repay their respective TLTRO III borrowings before their maturity.

In particular, regarding the Bank's 2022 financial statements, the following approach was applied for calculating the TLTRO III interest accruals:

(i) for the period up to 23 June 2022, the interest rate of the additional special interest period (communicated to domestic credit institutions on 10 June 2022) was applied. This interest rate amounted to -1.0%, i.e. 50 basis points lower than the average interest rate of the deposit facility rate (DFR);

(ii) for the period from 24 June 2022 to 22 November 2022, the average deposit facility rate applicable from the settlement date of each TLTRO III operation until 22 November 2022 was applied; and

(iii) for the period from 23 November 2022 to 31 December 2022, the average deposit facility rate applicable during that period was applied.

In addition, in the above interest calculation for 2022, the impact of the change in the deposit facility rate (DFR) within 2022 on the interest of the pre-special interest period was also considered.

• PELTRO operations

In the year 2020, the Governing Council of the ECB initially decided to conduct a new series of seven additional longer-term refinancing operations, called pandemic emergency longer-term refinancing operations (PELTROs), which matured successively within the third quarter of 2021. Subsequently, in financial year 2021, the Governing Council of the ECB decided to carry out four additional PELTROs, on a quarterly basis each with a tenor of approximately one year in the course of 2022.²

Securities held for monetary policy purposes increased by EUR 10.4 billion compared to the previous year and account for 62.1% of the Bank's total Assets. Specifically, they amounted to EUR 148.2 billion on 31.12.2022, compared with EUR 137.8 billion on 31.12.2021.

The change is mainly due to an increase of EUR 8.4 billion in net purchases of debt securities under the Pandemic Emergency Purchase Programme (PEPP), which was launched to address the risks to the monetary policy transmission mechanism and the pronounced shocks to the euro area economy's growth outlook due to the pandemic. In addition, net purchases of debt securities under the Public Sector Purchase Programme (PSPP) increased by EUR 2.7 billion.

The structure and size of the monetary policy portfolios of debt securities are presented in the chart below, according to which, as at 31.12.2022:

- 50.2% relates to debt securities under the Pandemic Emergency Purchase Programme (PEPP);³
- 48.4% concerns securities under the Public Sector Purchase Programme (PSPP);⁴

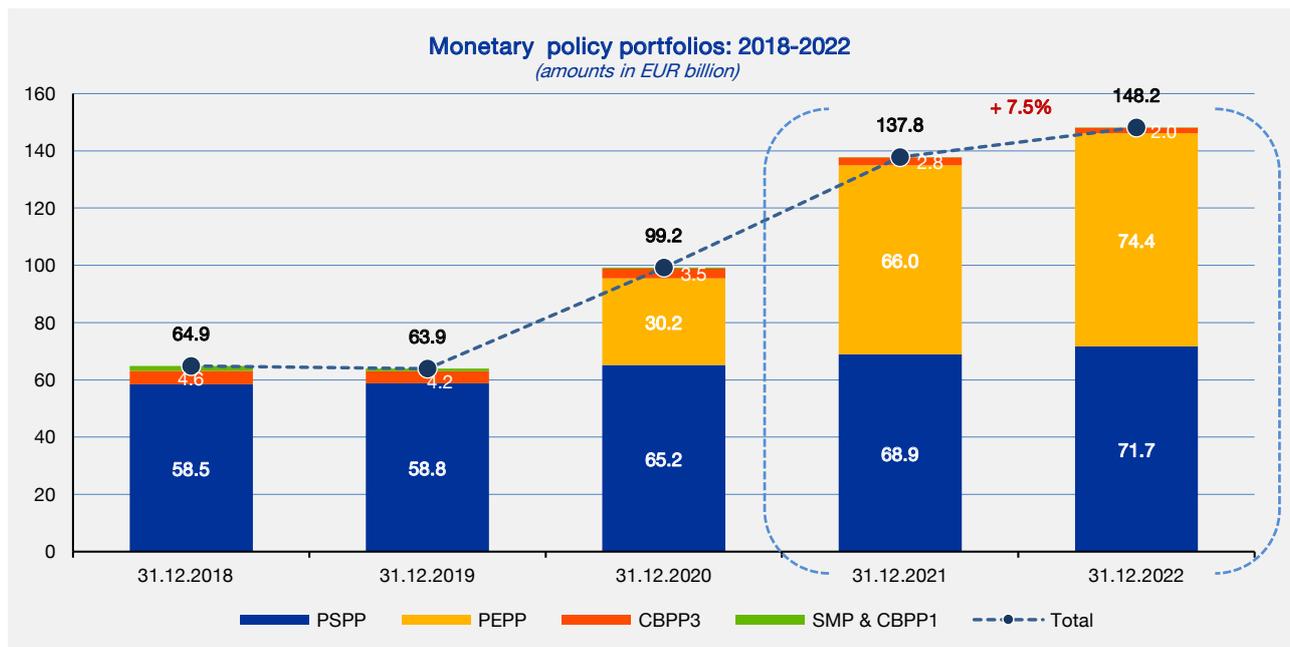
and

- a small percentage of 1.4% concerns debt securities under the Eurosystem's Covered Bond Purchase Programmes (CBPP3) and the Securities Markets Programme (SMP).

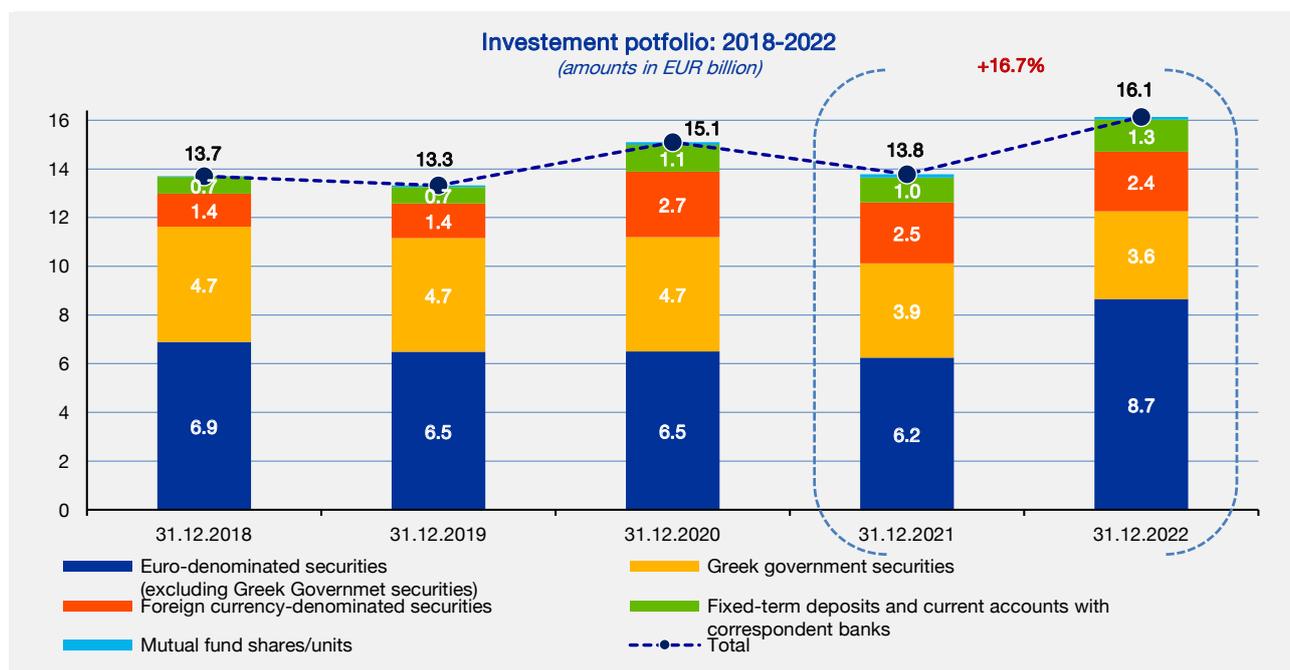
² The fourth PELTRO matured on 26.01.2023.

³ Under the PEPP, on 31.12.2022 Bank of Greece only held government debt securities and supranational securities.

⁴ Under the PSPP, on 31.12.2022 the Bank of Greece only held bonds issued by international organisations and multilateral development banks in the euro area.

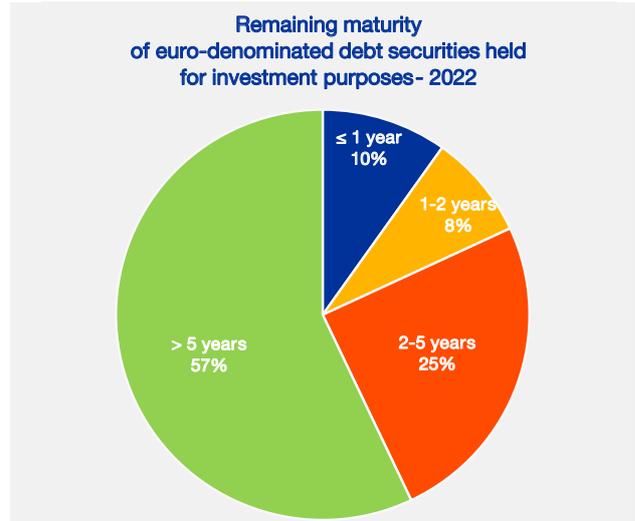
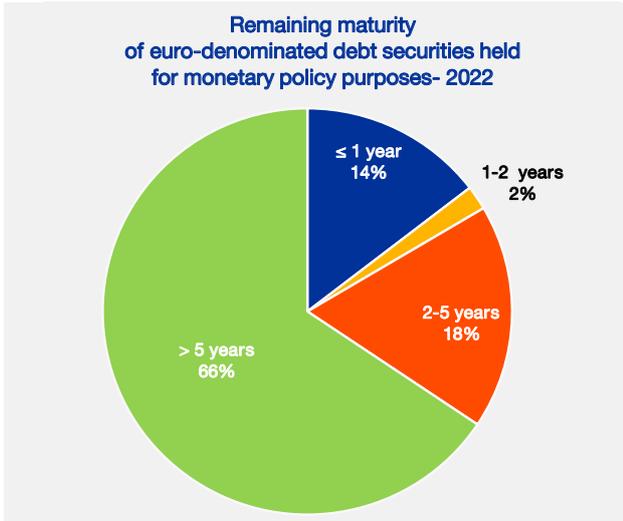


The **Bank's investment portfolio** amounted to EUR 16.1 billion, compared with EUR 13.8 billion in 2021, up by EUR 2.3 billion, mainly due to the purchase of bonds and Treasury bills (other than those of the Greek government).



The specific portfolio, which the Bank holds for purely investment purposes, includes euro-denominated bonds and Treasury bills issued by governments of euro area countries, including the Greek government, foreign currency-denominated bonds and notes issued by euro area and non-euro area residents, as well as mutual fund shares/units, fixed-term deposits and current accounts with correspondent banks (euro area and non-euro-area residents) in foreign currency and euro.

Most of the euro-denominated debt securities held for both monetary policy and investment purposes by the Bank have a long-term residual maturity (over 5 years).



NET FINANCIAL ASSETS

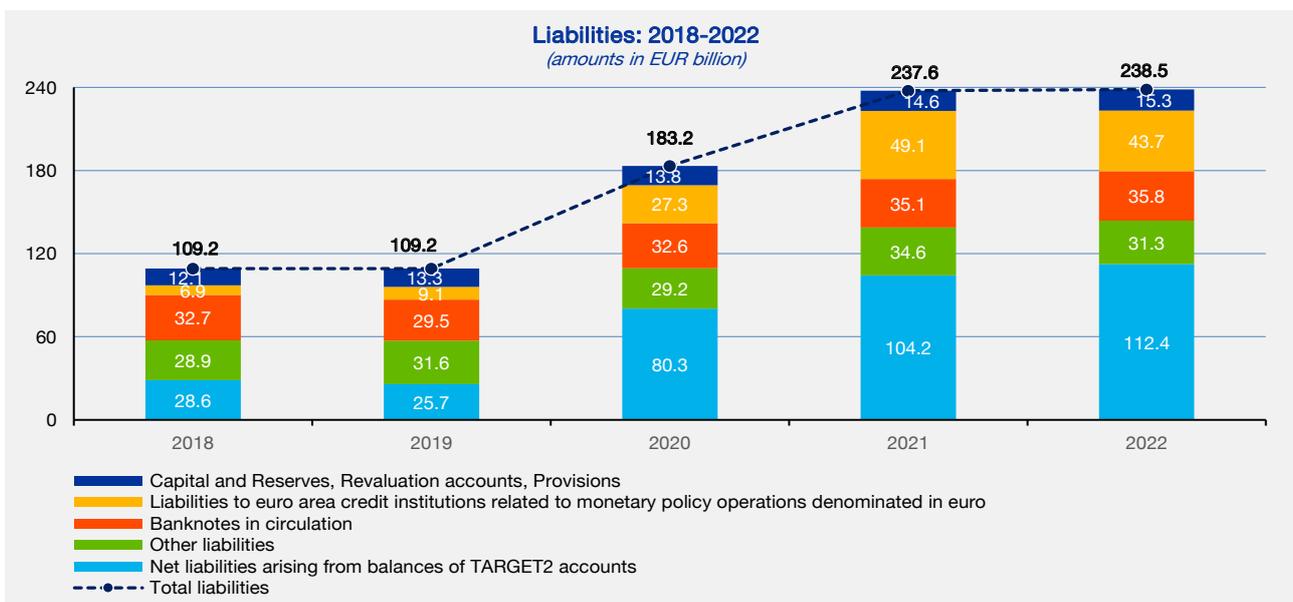
The financial assets and liabilities on the balance sheets of the Eurosystem's National Central Banks (NCBs) that are not directly linked to the conduct of monetary policy are usually referred to as "net financial assets" (NFAs).

NFAs arise as a result of central banks' management of their investments, including foreign reserve assets and gold reserves, deposits from the public and private (non-bank) sector, NCBs' operation as a lender of last resort, etc. Changes in NFAs affect the level of liquidity available to banks.

For this reason, the Eurosystem has established a relevant agreement on NFAs (Agreement on Net Financial Assets – ANFA), which sets the rules and limits to be applied by the NCBs, in order to ensure that non-monetary policy holdings that are related to national tasks of the NCBs do not interfere with monetary policy. Specifically, ANFA sets a ceiling on the total amount of net financial assets of all NCBs and their calibration.

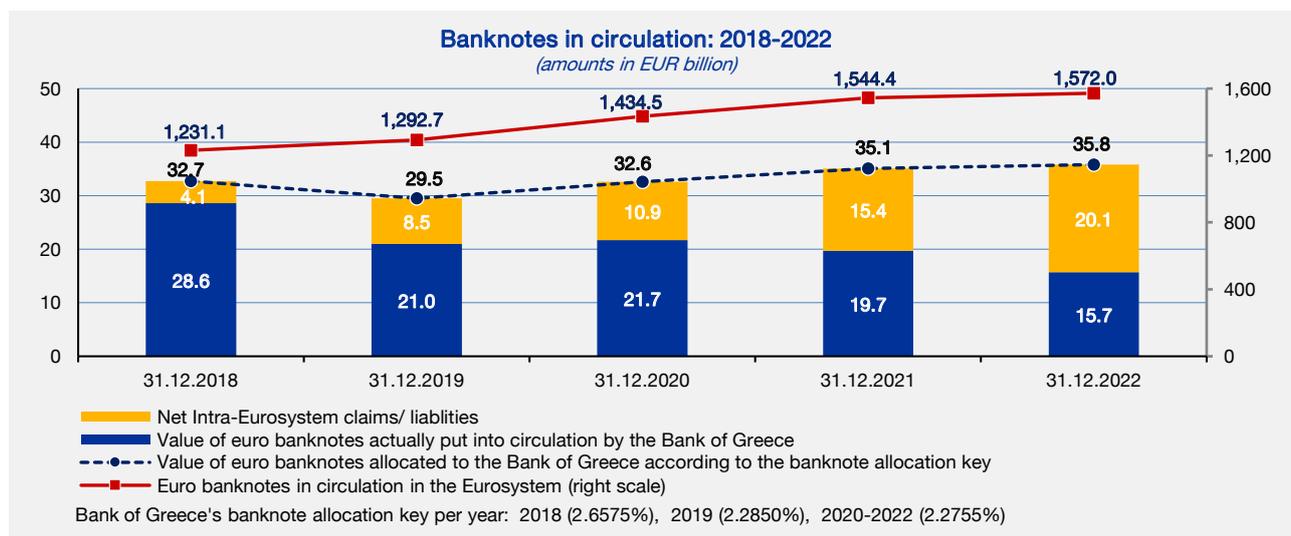
LIABILITIES

The evolution of the key liability items over the last five years is presented in the chart below.



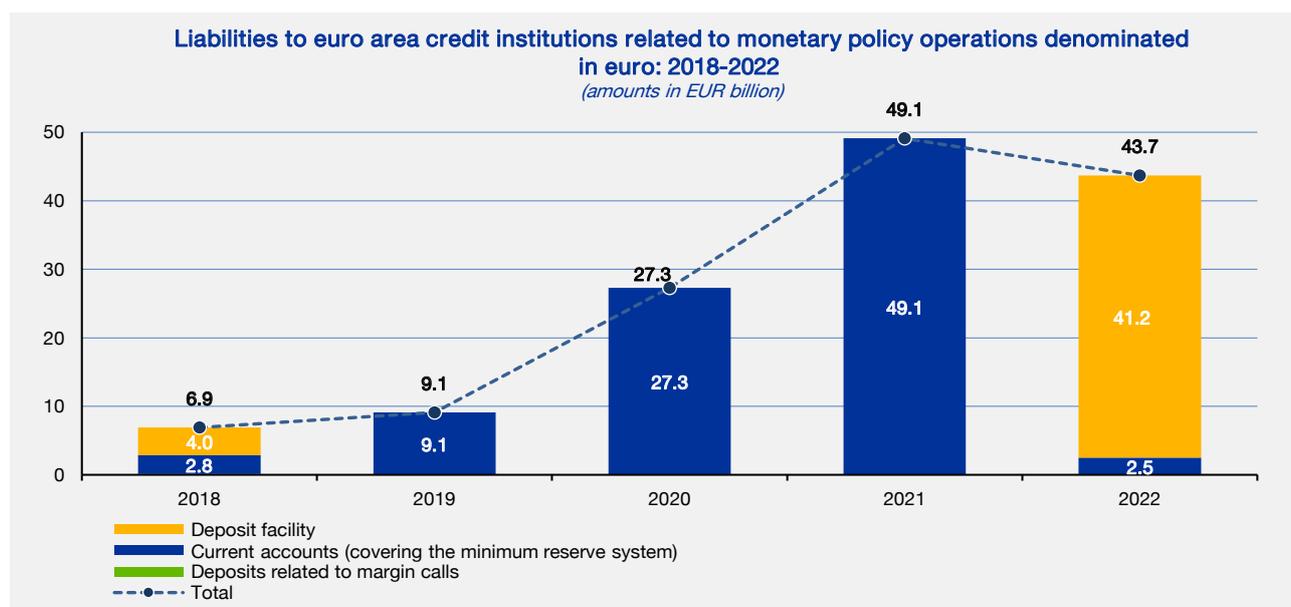
The value of **euro banknotes in circulation by the Bank of Greece** on the basis of the banknote allocation key stood at EUR 35.8 billion at end-2022, compared with EUR 35.1 billion at end-2021, up by 2.0%, due to an increase in **total banknotes in circulation in the Eurosystem** (EUR 1,572.0 billion as at 31.12.2022, compared with EUR 1,544.4 billion as at 31.12.2021).

The value of **euro banknotes actually put into circulation by the Bank of Greece**⁵ decreased by 20.3%, from EUR 19.7 billion in 2021 to EUR 15.7 billion in 2022. As the value of euro banknotes put into circulation is lower than the euro banknotes allocated to the Bank, their difference of EUR 20.1 billion is shown in asset item 9.3 “*Net claims related to the allocation of euro banknotes within the Eurosystem*”.



Liabilities to euro area credit institutions related to monetary policy operations denominated in euro decreased significantly by EUR 5.4 billion and as at 31.12.2022 their balance stood at EUR 43.7 billion, compared with EUR 49.1 billion in the previous financial year.

The evolution of liabilities to euro area credit institutions related to monetary policy operations denominated in euro over the last five years is presented in the chart below.



⁵ The provisions of Article 14.2(a) of Guideline (EU) 2016/2249 of 3.11.2016 (ECB/2016/34), as amended, apply to the calculation of the value of banknotes actually put into circulation by the Bank.

The current accounts of credit institutions showed a decrease of EUR 46.6 billion (EUR 2.5 billion on 31.12.2022, against EUR 49.1 billion on 31.12.2021). This decrease is due to the transfer of credit institutions' deposits in excess of minimum reserves (excess reserves) from credit institutions' current accounts to deposit facility accounts, as a consequence of the increase in the deposit facility rate to a level above zero from 14 September 2022 and the suspension of the two-tier system for excess reserve remuneration.

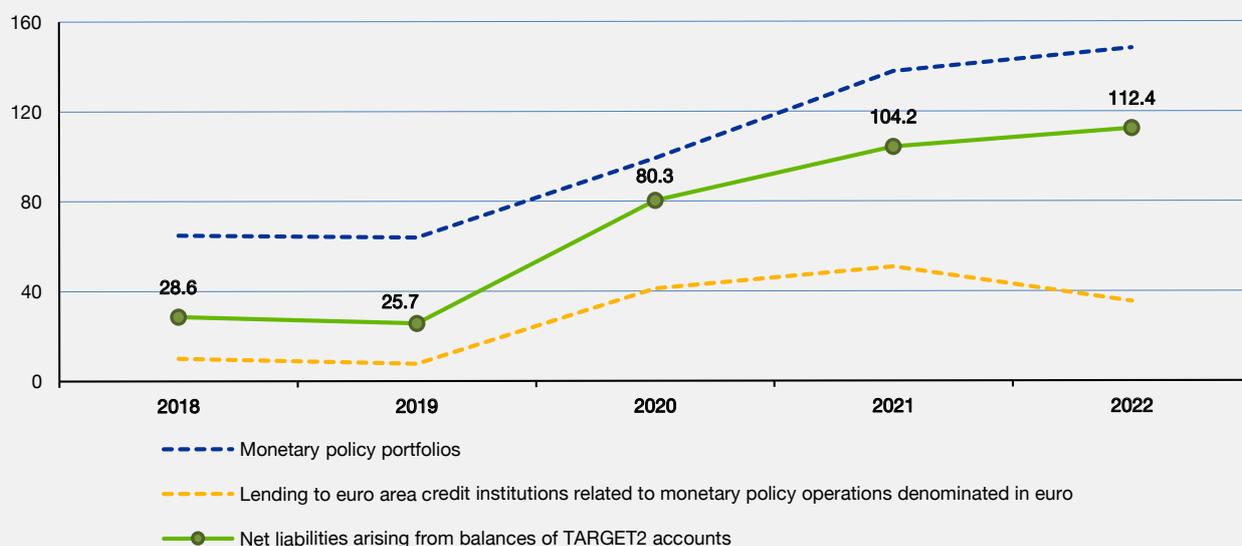
Net liabilities arising from balances of TARGET2 accounts stood at EUR 112.4 billion as at 31.12.2022, compared with EUR 104.2 billion as at 31.12.2021, up by EUR 8.2 billion.

TARGET2 ACCOUNTS

TARGET2 (Trans-European Automated Real-time Gross settlement Express Transfer system 2) is a system for transferring funds from one bank to another, both within one country and between countries. National Central Banks (NCBs) of the Eurosystem and commercial banks use it to process payments in euro and transfer funds from one bank to another easily and securely.

The net flow of funds between two countries is recorded on the balance sheets of the respective NCBs, regardless of whether the transfer is carried out by a commercial bank or the central bank. The accumulation over time of these flows creates the TARGET2 balances (see III. Summary of important accounting policies, "Intra-ESCB balances/intra-Eurosystem balances").

Net liabilities arising from balances of TARGET2 accounts: 2018-2022
(amounts in EUR billion)



The increase in net liabilities arising from the balance of the TARGET2 account in 2022 and their evolution over the period 2018-2022 are mainly a result of net purchases of securities by the Bank for monetary policy purposes, which are settled through TARGET2, in conjunction with the liquidity provided to credit institutions over the same period (lending to euro area credit institutions related to monetary policy operations denominated in euro).

Revaluation accounts, provisions for financial risks, reserves (ordinary, extraordinary and special reserve for financial risks) and **equity capital** constitute the **financial buffers** of the Bank against financial and operational risks.

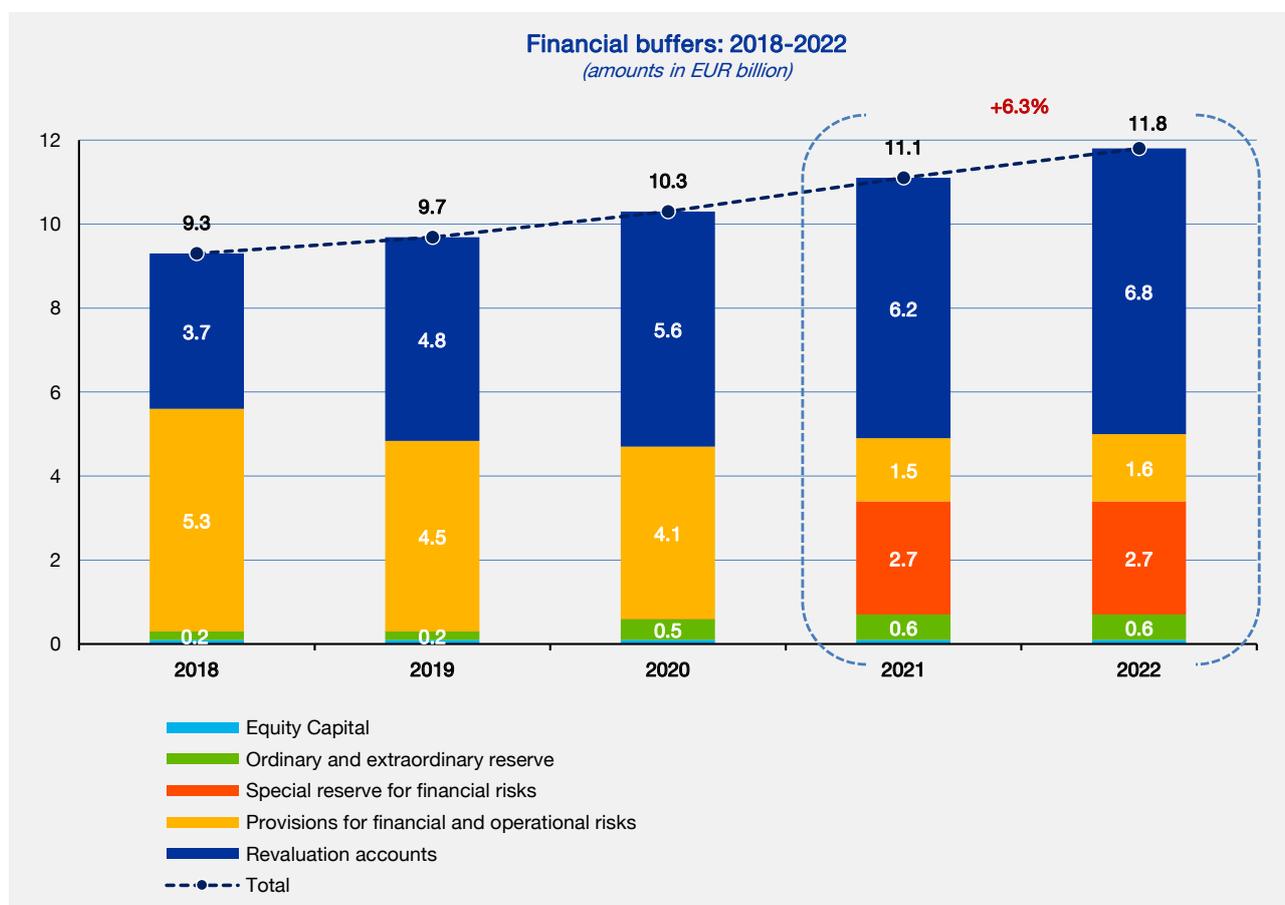
Revaluation accounts include unrealised gains on the valuation of gold, foreign currency-denominated financial instruments and debt securities. The revaluation accounts are used to offset the effects of potential adverse fluctua-

tions in prices and/or exchange rates and thus constitute a first line of defence against the risks to which the Bank is exposed. Revaluation accounts for 2022 increased by EUR 0.6 billion, mainly due to an increase in unrealised gains on the valuation of gold, as a result of a rise in the price of gold per ounce compared with the previous year.

After taking into account a VaR measurement of financial risks at 99% confidence level, according to which risks amounted to EUR 1,622.0 million, the Bank decided to increase provisions against financial risks by EUR 189.2 million (31.12.2021: release of EUR 2.6 billion).

In addition, aiming to reinforce its financial position and deal with emergency needs, the Bank decided to raise, through retained profits, the extraordinary reserve by EUR 42.7 million (see note 1c of the management report "Appropriation of profits").

The evolution of the level of the Bank's financial buffers over the last five years is shown in the chart below:



PROFIT AND LOSS ACCOUNT

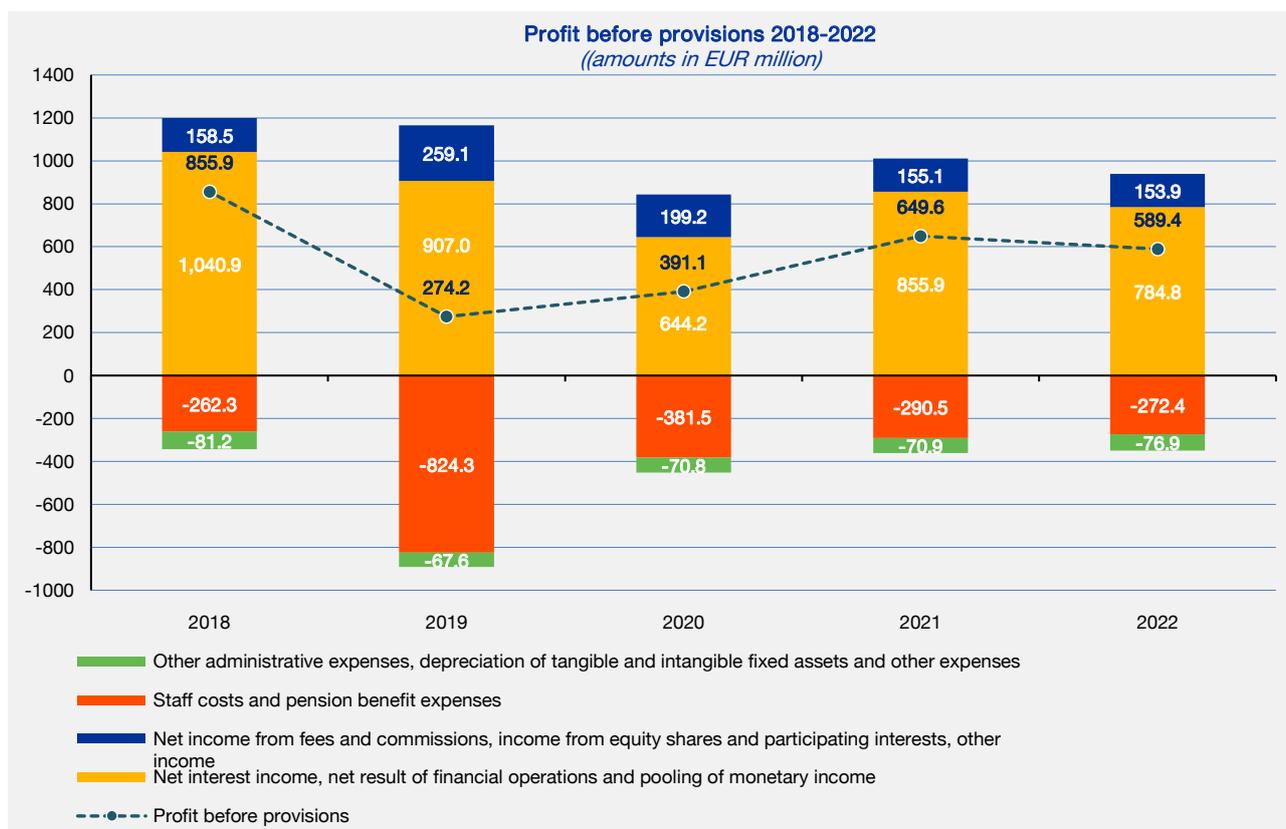
Total net income amounted to **EUR 938.7 million**, compared with **EUR 1,011.0 million** in the previous year, down by 7.2%.

Total expenses before provisions amounted to **EUR 349.3 million**, compared with **EUR 361.4 million** in the previous year, down by 3.3%.

The Bank's **profit before provisions** in 2022 amounted to **EUR 589.4 million**, from **EUR 649.6 million** in the previous year, having decreased by 9.3%.

Net profit amounted to **EUR 456.8 million**, compared with **EUR 3,270.5 million** in the previous year.

The evolution of **profit before provisions** over the last five years is shown in the chart below:



In detail, in the current year the income, expenses and provisions were as follows:

• Income

The **total net income** from interest from the implementation of the single monetary policy of the Eurosystem, interest on the Bank's investment portfolio, commissions and other income from domestic and cross-border operations amounted to EUR 938.7 million, from EUR 1,011.0 million in the previous year, having decreased by 7.2%.

In more detail:

- **Net income from interest, financial operations and the reallocation of Eurosystem monetary income** totalled EUR 784.8 million, compared with EUR 855.9 million in the previous year, down by 8.3%.
- **Net income from fees and commissions** increased by 1.6% to EUR 130.3 million, from EUR 128.2 million in the previous year.
- **Income from equity shares and participating interests** amounted to EUR 4.0 million, from EUR 10.8 million in the previous year, having decreased by 63.0%.
- Finally, **other income** amounted to EUR 19.6 million, up by 21.7% from EUR 16.1 million in the previous year.

MONETARY INCOME IN THE EUROSISTEM

Monetary income

Monetary income is the income accruing to the NCBs in the performance of the monetary policy function. In particular, this income –traditionally referred to as seigniorage income– includes the income derived from assets held against banknotes in circulation and deposit liabilities to credit institutions.

Note-issuing privilege

The note-issuing privilege, i.e. the right to issue money, is held exclusively by the European Central Bank (ECB) and the National Central Banks (NCBs) of the Eurosystem, after being delegated by the Governing Council of the ECB, in accordance with the Statute of the European System of Central Banks.

The currency is issued in the form of banknotes, the value of which is recorded as a liability on the NCBs' balance sheet on the liability side. Against banknotes, NCBs hold assets related to the implementation of monetary policy and have deposit liabilities to credit institutions. These assets generate interest income for the NCBs and credit institutions' deposits incur interest expense. The interest income on these assets –reduced by the interest expense on credit institutions' deposits– held against the non-interest-bearing liability (banknotes) constitutes seigniorage income.

Reallocation of monetary income

After the introduction of the single currency, a major challenge for the Eurosystem was the fair allocation of monetary income, as in a monetary union money moves outside the borders of each Member State, with the result that the banknotes in circulation displayed by the NCBs do not reflect domestic demand.

For this purpose, the amount of monetary income collected by each NCB during the financial year (pooled monetary income) is aggregated at Eurosystem level and then reallocated to NCBs in proportion to their paid-up shares in the ECB's capital, i.e. based on the allocation key of each NCB (monetary income to which it is legally entitled). Therefore, if the amount of monetary income to which an NCB is legally entitled is higher than the monetary income pooled by it, then that NCB is entitled to receive monetary income through Eurosystem-wide redistribution. Obviously, in the opposite case, i.e. when the amount of monetary income to which an NCB is legally entitled is lower than that pooled by it, then that NCB contributes monetary income so that it is fairly (proportionately) redistributed to other NCBs that pooled monetary income lower than that they are legally entitled to.

More information is provided in note 5 of the results, "*Net result of pooling of monetary income*".

Net interest income amounted to EUR 2.3 million, compared with EUR 435.9 million in the previous year, down by 99.5%.

The reduction of net interest income is due to the mismatch between the fixed interest income on assets and the variable interest expense on short-term liabilities, as a consequence of the rapid increase in the ECB's key interest rates during the current year, in accordance with the relevant decisions of the Governing Council of the ECB⁶.

In particular, the decrease is due to:

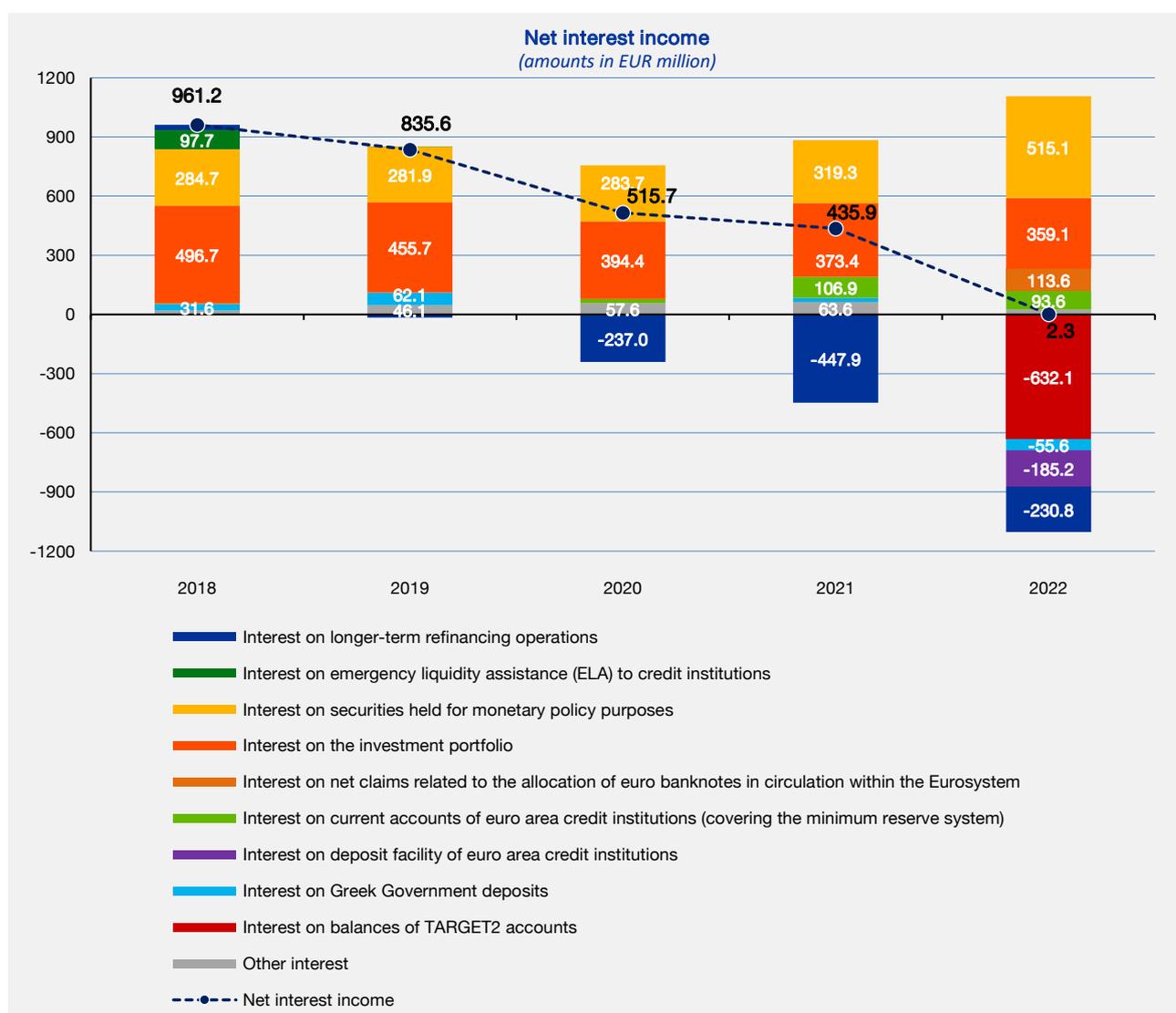
- a rise in interest expenses on balances of TARGET2 accounts amounting to EUR 632.1 million, as a result of an increase in the Eurosystem's main refinancing operations rate (MRO rate) to a level above zero as from 27 July 2022 (year average: 0.58%, compared with zero interest rate in the previous year);
- an increase in interest expenses on the standing deposit facility by EUR 185.2 million due to the transfer of credit institutions' excess reserves from their current accounts to the accounts in question, as the deposit facility rate (DFR) turned positive as from 14 September 2022 (average: 0.8%, compared with -0.50% in the previous year);
- interest expenses on Greek government deposits amounting to EUR 55.6 million, compared with an interest income of EUR 20.6 million that had been recognised in the previous year, mainly due to an increase in their interest rate at a level above zero.

⁶ See the Press Releases of [21 July 2022](#), [8 September 2022](#), [27 October 2022](#) and [15 December 2022](#) on the decisions of the Governing Council of the ECB.

The reduction in net interest income was offset by:

- an increase in interest income from monetary policy portfolios by EUR 195.8 million, mainly due to an increase in interest on government debt securities in the PEPP portfolio and supranational securities in the PSPP portfolio, as a result of a rise in their average yield and average balance;
- an increase by EUR 113.6 million in interest income from net claims deriving from the allocation of euro banknotes in circulation within the Eurosystem, as a result of a hike in the Eurosystem's MRO (Main Refinancing Operations) rate to a level above zero as from 27 July 2022;
- a decrease by EUR 217.1 million in interest expenses on longer-term refinancing operations, mainly due to a decrease in interest on the TLTRO III operations, as a result of changes in their interest rate, as well as the maturities and early repayments made in 2022.

The evolution of **net interest income** over the last five years is shown in the following chart:



It should be noted that net interest income over the last five years is decreasing. In 2020 and 2021, this reduction was due to a significant increase in interest expenses on targeted longer-term refinancing operations (TLTRO III). During the current year, the decline is mainly due to a significant increase in interest expenses on balances of TARGET2 accounts and interest expenses on the standing deposit facility.

• Expenses before provisions

Expenses before provisions			
(EUR million)	2022	2021	Change
Staff costs and pension benefit expenses	272.4	290.5	-18.1
Other administrative expenses	65.8	62.3	3.5
Depreciation costs	11.1	8.6	2.5
Total	349.3	361.4	-12.1

Total expenses before provisions amounted to EUR 349.3 million, compared with EUR 361.4 million in the previous year, down by 3.3%.

In more detail:

Staff costs and pension benefit expenses amounted to EUR 272.4 million, compared with EUR 290.5 million in the previous year, down by EUR 18.1 million. In 2022, the expenses of the defined benefit plans that burdened the Profit and Loss Account (P&L) amounted to EUR 68.7 million (2021: EUR 111.4 million).

Other administrative expenses totalled EUR 65.8 million, compared with EUR 62.3 million in the previous year, up by EUR 3.5 million, mainly due to an increase in lighting and heating expenses.

Depreciation costs amounted to EUR 11.1 million, compared with EUR 8.6 million in the previous year, up by EUR 2.5 million.

• Provisions

During the current year, **provisions** contributed to an increase in expenses by EUR 132.6 million, against a decrease in expenses by EUR 2,620.9 million in the previous year.

In particular, provisions were established against financial risks amounting to EUR 189.2 million (2021: release of EUR 2,614.8 million), as well as special provisions amounting to EUR 2.5 million (2021: EUR 7.2 million). At the same time, special provisions of EUR 59.1 million (2021: EUR 13.3 million) were released, concerning mainly pending lawsuits by pensioners of the Bank based on an actuarial study.

APPROPRIATION OF PROFITS

Net profit for financial year 2022 amounted to EUR 456.8 million.

In accordance with Article 71 of the Statute, it is proposed that profit be appropriated⁷ as follows:

- dividend to be distributed: EUR 13.3 million (12% of the Bank's capital);
- extraordinary reserve: EUR 42.7 million;
- amount to be transferred to the Greek government: EUR 400.7 million.

RISK MANAGEMENT

The Bank recognises, measures and monitors the risks assumed on a continuous basis, aiming at managing them effectively. These risks are divided into financial and operational.

Risk management is a critical function of the Bank, which is why the relevant tasks have been assigned to a Special Unit of the Bank, the Risk Management Unit, which is independent and is entrusted with the Risk Management and Business Continuity functions at Bank level, keeping the Administration informed accordingly.

⁷ Possible deviations in totals are due to rounding.

The Risk Management Unit:

- has the responsibility of identifying, recording, assessing, measuring, monitoring, hedging, mitigating and reporting the risks that have been assumed or are to be assumed at Bank level, in cooperation with all the Departments/Units, which have the primary responsibility for risk management on a daily basis, in the area of their competence;
- is responsible for specifying the risk management policy and for coordinating its implementation by the Bank's Business Units;
- together with the competent Business Units, assesses the risks facing each one of them, specifies the risk appetite limits and monitors their compliance by establishing and implementing appropriate procedures;
- recommends to the Risk Management Committee the appropriate techniques for adjusting risks to acceptable levels;
- conducts stress tests;
- develops methodologies for assessing all risks and recommends policies to manage them;
- regularly assesses the adequacy of methods and systems for identifying, measuring and monitoring risks and proposes corrective measures, if deemed appropriate;
- prepares the necessary reports on matters of its competence in order to inform the Risk Management Committee;
- submits an annual programme and regularly, at least every six months, a report to the Risk Management Committee.

Financial risks

To measure financial risks, the Value-at-Risk and Expected Shortfall methods are applied with a confidence level of 99% over a one-year period. Both methods calculate the loss that may be incurred by a portfolio due to adverse developments in parameters that affect its value over a certain time period and with a certain level of confidence. The measurements and the evaluation of the Bank's level of exposure to the risks in question are carried out based on the data of the last working day of each year.

The monitored financial risks include market risk and credit risk. Market risk comes from the possible change in the market prices of the financial assets in the portfolios, due to a change in interest rates (interest rate risk) and/or a change in exchange rates (exchange risk). Credit risk is the risk of losses due to the occurrence of a credit event. A credit event is defined as the inability of a counterparty to make full or timely payments due, including the possible restructuring of its debt or the downgrading of its credit rating. Counterparties may include borrowing credit institutions, issuers of securities that the Bank holds, as well as credit institutions with which the Bank holds deposits.

Credit risk, in particular, is measured with the CreditMetrics methodology, based on a calibration, which is reviewed on a regular basis.

The Risk Management Unit measures market risk and credit risk in the Bank's investment portfolios. As regards the portfolios linked to the implementation of the single monetary policy of the Eurosystem, the risks are measured and monitored centrally by the European Central Bank (ECB) and shared among the national central banks (NCBs). The Bank's share of this allocation is taken into account when measuring the total risk.

Both market risk and credit risk are systematically monitored through the preparation of regular reports on their size and evolution.

In addition, the Risk Management Unit contributed to the integration of parameters related to climate change and environmental sustainability in the implementation of the Eurosystem's monetary policy, specifically in the areas of data disclosure, risk assessment, the collateral framework and the corporate sector purchase programme (CSPP). It also completed the review of the approved interim risk management framework for the Eurosystem's emergency, pandemic-related monetary policy measures.

Operational risks

Operational risks concern the negative effects on the Bank's financial condition, business operation and/or reputation resulting from inadequate or failed internal governance and processes, people, systems, and/or as a result of external events.

The recognition, recording and evaluation of operational risks is carried out by the Bank's own business units, which assess the probability of the occurrence of these risks and evaluate the effects. An update is provided on an annual basis. The Risk Management Unit provides methodological support to the Bank's business units for the recording and evaluation of operational risks, collects the data for the entire Bank and produces a consolidated report to the Risk Management Committee.

THIS REPORT HAS BEEN TRANSLATED FROM THE ORIGINAL VERSION IN GREEK

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of the Bank of Greece

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Bank of Greece (the Bank), which comprise the balance sheet as at 31 December 2022, the profit and loss account and the statement of profit distribution for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2022 and its financial performance for the year then ended in accordance with the accounting principles and methods established by the European Central Bank (ECB), under the "Guideline (EU) 2016/2249 of 3.11.2016 (ECB/2016/34)" as amended and currently in force, as adopted by the Bank in Article 54A of its Statute. For matters that may not be covered by the aforementioned ECB rules or whose application is not mandatory but recommended, either the ECB recommendations or the provisions of the Bank's Articles of Association in conjunction with Law 4548/2018 "Sociétés anonymes Law reform" and Law 4308/2014 "Greek Accounting Standards, relevant arrangements and other provisions" shall be followed, as appropriate, to the extent that they do not contradict with the provisions of the Articles of Association.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as these have been incorporated into Greek legislation. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We have been independent of the Bank during the whole period of our appointment in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as incorporated into Greek legislation and the ethical requirements in Greece relevant to the audit of the financial statements and we have fulfilled our ethical requirements in accordance with the applicable legislation and the above-mentioned Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

A key audit matter is this matter that, in our professional judgement, was of most significance in our audit of the financial statements of the current period. This matter and the relevant risks of material misstatement was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

In this context, we describe below how our audit addressed the issue below.

We have fulfilled the responsibilities described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report, including those related to the key audit matter. Accordingly, our audit included performing procedures designed to address the risks of material misstatement of the financial statements. The results

of our auditing procedures, including the procedures performed on the matter below, provide a basis for our opinion on the accompanying financial statements.

Key audit matter	How our audit addressed the key audit matter
Provision against financial risks	
<p>The Bank recognises, measures and monitors the financial risks arising from its assets such as euro-denominated securities issued by euro area residents and euro-denominated loans not related to monetary policy operations.</p> <p>In addition, financial risks include risks arising from the exercise of the monetary policy of the Eurosystem which are measured by the European Central Bank.</p> <p>Following a decision of the Bank's Risk Management Committee, which took into account the measurement of financial risks based on the VaR (Value at Risk) method, a provision for financial risks has been established, which amounted to EUR 1,622 million as at 31 December 2022.</p> <p>The measurement process for financial risks (including credit risk and market risk) is complex, involves methodological assumptions and has a significant impact on the Bank's results. We therefore considered it to be a key audit matter.</p> <p>The Bank's management has provided information on the provision against financial risks in the section IV. Note 11 "Provisions", paragraph "c. Provisions against Financial and Operational Risks" of the financial statements.</p>	<p>Based on the audit risk assessment and following a risk-based approach, we assessed the financial risks measurement process. Our audit procedures include, among others, the following:</p> <ol style="list-style-type: none"> 1. Understanding of the process of the financial risks and methodology used by the Bank to recognise, measure and monitor the accounting estimates of provisions and verify the approvals of the amount of the provision by the relevant level of authority within the Bank of Greece. 2. Assessment of the design and implementation of the internal controls related to the measurement of financial risks (credit risk and market risk). 3. With the participation of EY specialists, we reviewed the methodology and the relevant assumptions used by the Bank for the measurement of provisions and performed independent recalculations on a sample basis. 4. Examination of the accuracy and completeness of the Bank's assets used to measure the provisions. 5. Assessment of the completeness and the accuracy of the disclosures in the financial statements related to this key audit matter.

Other matter

The financial statements of the Bank for the prior financial year ended 31 December 2021 were audited by other Chartered Accountants, who issued an audit report with an unqualified opinion on 1 March 2022.

Other information

Management is responsible for the other information. The other information is included in the General Council's Report, referred to in the "Report on Other Legal and Regulatory Requirements".

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of the Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting principles and methods established by the European Central Bank (ECB), under the "Guideline (EU) 2016/2249 of 3.11.2016 (ECB/2016/34)" as amended and currently in force, as adopted by the Bank in Article 54A of its Statute. For matters that may not be covered by the aforementioned ECB rules or whose application is not mandatory but recommended, either the ECB recommendations or the provisions of the Bank's Articles of Association in conjunction with Law 4548/2018 " Sociétés anonymes Law reform " and Law 4308/2014 "Greek Accounting Standards, relevant arrangements, and other provisions" shall be followed, as appropriate, to the extent that they do not contradict with the provisions of the Articles of Association, where these have been implemented by the Bank, and for such internal controls as Management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

The Audit Committee (article 44 of Law 4449/2017) of the Bank is responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISAs, as these have been incorporated into Greek legislation, will always detect a material misstatement, when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

As part of an audit in accordance with ISAs, as these have been incorporated into Greek legislation, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit, 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material un-

certainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements present fairly the underlying transactions and events.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and we communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those of most significance in the audit of the financial statements for the current period and are, therefore, the key audit matters.

Report on Other Legal and Regulatory Requirements

1. General Council's Report

Taking into consideration that Management is responsible for the preparation of the General Council's Report for the financial year 2022, which also includes the Corporate Governance Statement, according to the provisions of paragraph 5 of article 2 of Law 4336/2015 (part B), we note the following:

- a) The General Council's Report includes the Corporate Governance Statement, which provides the information required by article 152 of Law 4548/2018.
- b) In our opinion, the General Council's Report for the financial year 2022 has been prepared in accordance with the applicable legal requirements of articles 150-151 and paragraph 1 (subparagraphs c' and d') of article 152 of Law 4548/2018 and its content is consistent with the accompanying financial statements for the year ended 31 December 2022.
- c) Based on the knowledge we obtained during our audit of the Bank of Greece and its environment, we have not identified any material inconsistencies in the General Council's Report.

2. Additional Report to the Audit Committee

Our audit opinion on the accompanying financial statements is consistent with the additional report to the Bank's Audit Committee referred to in Article 11 of European Union (EU) Regulation 537/2014.

3. Non-audit Services

We have not provided to the Bank any prohibited non-audit services referred to in Article 5 of European Union (EU) Regulation 537/2014.



4. Appointment

We were appointed statutory auditors for the first time by the General Assembly of the Bank of Greece on 07 April 2022.

2 March 2023

The Certified Auditor Accountant
Kostas Stathopoulos
SOEL R.N. 42201
Ernst & Young (Hellas) Certified Auditors Accountants S.A.
8B Chimarras St., Maroussi
151 25, Greece
Company SOEL R.N. 107

The Certified Auditor Accountant
Andreas Hadjidamianou
SOEL R.N. 61391
Ernst & Young (Hellas) Certified Auditors Accountants S.A.
8B Chimarras St., Maroussi
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Company SOEL R.N. 107

The present constitutes an informal translation in English of the original Report prepared by ERNST & YOUNG (HELLAS) Certified Auditors-Accountants SA ("EY") in Greek language.

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FINANCIAL STATEMENTS

BALANCE SHEET AS AT 31 DECEMBER 2022

(in euro)

ASSETS	Note	31.12.2022	31.12.2021
1. Gold and gold receivables	1.	8,315,986,789	7,828,166,312
2. Claims on non-euro area residents denominated in foreign currency	2.	5,173,082,228	6,868,711,471
2.1 Receivables from the International Monetary Fund (IMF)	2.1	1,728,659,968	3,597,379,314
2.2 Balances with banks and security investments, external loans and other external assets	2.2	3,444,422,260	3,271,332,157
3. Claims on euro area residents denominated in foreign currency	3.	482,908,368	425,143,903
3.1 General government	3.1	23,944,221	22,735,845
3.2 Other claims	3.2	458,964,147	402,408,058
4. Claims on non-euro area residents denominated in euro	4.	22,784	22,856
4.1 Balances with banks, security investments and loans	4.1	22,784	22,856
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	5.	35,423,400,000	50,843,400,000
5.1 Main refinancing operations	5.1	0	0
5.2 Longer-term refinancing operations	5.2	35,423,400,000	50,843,400,000
5.3 Fine-tuning reverse operations		0	0
5.4 Structural reverse operations		0	0
5.5 Marginal lending facility		0	0
5.6 Credits related to margin calls		0	0
6. Other claims on euro area credit institutions denominated in euro	6.	1,486,496	1,936,171
7. Securities of euro area residents denominated in euro	7.	160,420,762,541	147,957,532,914
7.1 Securities held for monetary policy purposes	7.1	148,154,939,009	137,826,696,663
7.2 Other securities of euro area residents denominated in euro	7.2	12,265,823,532	10,130,836,251
8. General government long-term debt denominated in euro	8.	3,478,819,849	3,922,306,370
9. Intra-Eurosystem claims	9.	22,287,438,863	17,131,009,436
9.1 Participating interest in the ECB	9.1	503,561,541	488,470,721
9.2 Claims equivalent to the transfer of foreign reserves to the ECB	9.2	997,925,769	997,925,769
9.3 Net claims related to the allocation of euro banknotes within the Eurosystem	9.3	20,073,139,395	15,389,256,095
9.4 Net claims arising from balances of TARGET2 accounts	9.4	0	0
9.5 Other claims within the Eurosystem (net)	9.5	712,812,158	255,356,851
10. Items in course of settlement		0	0
11. Other assets	11.	2,880,765,658	2,648,570,653
11.1 Coins of euro area	11.1	46,813,436	53,453,963
11.2 Tangible and intangible fixed assets	11.2	570,170,655	577,335,736
11.3 Other financial assets	11.3	115,818,250	111,672,679
11.4 Off-balance-sheet instruments revaluation differences	11.4	45,202	21,820
11.5 Accruals and prepaid expenses	11.5	1,595,246,747	1,339,054,674
11.6 Sundry	11.6	552,671,368	567,031,781
TOTAL ASSETS		238,464,673,576	237,626,800,086

(in euro)

LIABILITIES	Note	31.12.2022	31.12.2021
1. Banknotes in circulation	1.	35,771,610,915	35,142,503,430
2. Liabilities to euro area credit institutions related to monetary policy operations denominated in euro	2.	43,694,914,508	49,119,566,410
2.1 Current accounts (covering the minimum reserve system)	2.1	2,507,194,960	49,119,566,410
2.2 Deposit facility	2.2	41,187,719,548	0
2.3 Fixed-term deposits		0	0
2.4 Fine-tuning reverse operations		0	0
2.5 Deposits related to margin calls	2.5	0	0
3. Other liabilities to euro area credit institutions denominated in euro	3.	0	8,992,726
4. Liabilities to other euro area residents denominated in euro	4.	25,057,106,363	27,235,028,591
4.1 General government	4.1	23,800,806,836	26,139,126,808
4.2 Other liabilities	4.2	1,256,299,527	1,095,901,783
5. Liabilities to non-euro area residents denominated in euro	5.	3,076,522,869	2,452,690,164
6. Liabilities to euro area residents denominated in foreign currency	6.	1,756,096,807	3,626,240,543
7. Liabilities to non-euro area residents denominated in foreign currency	7.	2,715	2,557
7.1 Deposits and other liabilities	7.1	2,715	2,557
7.2 Liabilities arising from the credit facility under ERM II		0	0
8. Intra-Eurosystem liabilities	8.	112,440,835,732	104,172,293,204
8.1 Liabilities related to promissory notes backing the issuance of ECB debt certificates		0	0
8.2 Net liabilities related to the allocation of euro banknotes within the Eurosystem	8.2	0	0
8.3 Net liabilities arising from balances of TARGET2 accounts	8.3	112,440,835,732	104,172,293,204
8.4 Other liabilities within the Eurosystem (net)	8.4	0	0
9. Items in course of settlement	9.	13,199,947	869,572
10. Other liabilities	10.	1,392,845,189	1,303,171,891
10.1 Off-balance-sheet instruments revaluation differences	10.1	163,611	0
10.2 Accruals and income collected in advance	10.2	856,846,888	633,120,410
10.3 Sundry	10.3	535,834,690	670,051,481
11. Provisions	11.	4,465,767,289	4,838,094,545
12. Revaluation accounts	12.	7,336,388,673	6,310,667,444
13. Capital and reserves	13.	3,459,382,569	3,416,679,009
13.1 Capital	13.1	111,243,362	111,243,362
13.2 Ordinary reserve	13.2	111,243,362	111,243,362
13.3 Extraordinary reserve	13.3	490,531,600	447,831,600
13.4 Special reserve for financial risks	13.4	2,744,771,262	2,744,771,262
13.5 Other special reserves	13.5	1,592,983	1,589,423
TOTAL LIABILITIES		238,464,673,576	237,626,800,086

PROFIT AND LOSS ACCOUNT FOR THE YEAR 2022

(in euro)

	Note	2022	2021
1. Net interest income	1.	2,290,875	435,917,185
1.1 Interest - income	1.1	1,106,018,380	883,886,131
1.2 Interest - expense	1.2	-1,103,727,505	-447,968,946
2. Net result of financial operations, write-downs and risk provisions	2.	76,385,714	172,464,662
2.1 Realised gains arising from financial operations		76,385,714	172,464,662
2.2 Write-downs on financial assets and positions		-54,242,254	-7,228,738
2.3 Transfer from provisions for financial risks		54,242,254	7,228,738
3. Net income from fees and commissions	3.	130,353,332	128,221,252
3.1 Fees and commissions income		139,799,392	135,802,303
3.2 Fees and commissions expense		-9,446,060	-7,581,051
4. Income from equity shares and participating interests	4.	3,993,279	10,837,011
5. Net result of pooling of monetary income	5.	706,062,158	247,506,533
6. Other income	6.	19,670,908	16,096,575
Total net income		938,756,266	1,011,043,218
7. Staff costs and pension benefit expenses	7.	-272,373,563	-290,474,304
8. Other administrative expenses	8.	-65,797,826	-62,261,079
9. Depreciation of tangible and intangible fixed assets	9.	-11,158,851	-8,670,784
Total expenses before provisions		-349,330,240	-361,406,167
Profit before provisions		589,426,026	649,637,051
10. Provisions	10.	-132,650,602	2,620,893,600
NET PROFIT FOR THE YEAR		456,775,424	3,270,530,651

STATEMENT OF PROFIT DISTRIBUTION (*)

Article 71 of the Statute

(in euro)

	2022	2021
Profit for the year	456,775,424	3,270,530,651
Dividend to be distributed for the year 2022 (€ 0.6720 per share for 19,864,886 shares)	-13,349,203	-13,349,203
Extraordinary reserve	-42,700,000	-13,331,600
Special reserve for financial risks	0	-2,744,771,262
Amount to be transferred to the Government	-400,726,221	-499,078,586
	0	0

* The profit distribution is subject to approval by the General Meeting of Shareholders.

Athens, 2 March 2023

FINANCIAL DEPARTMENT

THE GOVERNOR

THE DIRECTOR

THE ACCOUNTANT

YANNIS STOURNARAS

YANNIS ASIMAKOPOULOS

THEOCHARIS NTOVAS
License No Class A 0137991

NOTES ON THE FINANCIAL STATEMENTS

I. FRAMEWORK FOR DRAWING UP THE FINANCIAL STATEMENTS

The financial statements of the Bank of Greece are drawn up in accordance with Article 54A of its Statute, on the basis of the accounting principles and methods applying from time to time to the European System of Central Banks (ESCB), as established by the European Central Bank (ECB) in Guideline (EU) 2016/2249 of 3.11.2016 (ECB/2016/34), as amended.⁸

These principles are based on generally-accepted accounting principles (GAAP), tailored to best suit the needs and reflect the special status of the National Central Banks (NCBs) of the Eurosystem. It should also be noted that the Bank's liabilities in respect of post-employment benefits are accounted for in accordance with Decision (EU) 2016/2247 of the ECB of 3 November 2016 on the annual accounts of the European Central Bank (ECB/2016/35), as amended and in force.⁹ Any issues that are not covered by the aforementioned principles and ECB guidelines or are governed by non-mandatory provisions are to be treated either in accordance with ECB recommendations or in accordance with the Bank's Statute, taken in conjunction with Law 4548/2018 "Reform of the law on sociétés anonymes" and Law 4308/2014 "Greek Accounting Standards, relevant arrangements and other provisions", to the extent that they do not contravene the provisions of the Statute. In this context, the Bank has in place appropriate policies and procedures to prepare the financial statements and to account for financial events.

The financial statements of the Bank of Greece comprise the Balance Sheet, the Profit and Loss Account and the Statement of Profit Distribution for the year ended on 31.12.2022, as well as a summary of significant accounting principles and methods and other explanatory information (Notes on the Financial Statements). Given the special role of the Bank of Greece as the country's central bank, the publication of a cash flow statement would not provide the readers of the financial statements with any useful additional information.

II. ACCOUNTING PRINCIPLES AND QUALITATIVE CHARACTERISTICS

The main accounting principles and the qualitative characteristics governing the preparation of the financial statements in the Eurosystem (i.e. the ECB and the euro area NCBs) and which, thus, apply to the Bank of Greece as well, are the following:

- economic reality and transparency;
- prudence;
- materiality;
- consistency and comparability;
- going concern basis;
- accruals principle;
- post-balance-sheet events recognition.

⁸ The unofficial consolidated text with all the amendments is available at [EUR-Lex - 02016O0034-20211231 - EN - EUR-Lex \(europa.eu\)](#).

⁹ The unofficial consolidated text with all the amendments is available at [EUR-Lex - 02016D0035\(01\)-20211231 - EN - EUR-Lex \(europa.eu\)](#).

III. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Recognition of assets and liabilities

An asset or liability is recognised in the balance sheet when:

- any associated future economic benefit is expected to flow to or from the Bank of Greece;
- all of the associated risks and rewards have been transferred to the Bank of Greece; and
- the value of the asset or the liability can be measured reliably.

b. Recording of transactions

The accounts are kept on a historical cost basis, except for marketable securities (other than portfolios designated as held-to-maturity and the existing current portfolios held for monetary policy purposes), gold and all other on-balance-sheet and off-balance-sheet assets and liabilities denominated in foreign currency, which are valued at market prices.

Transactions pertaining to financial assets and liabilities are recorded in the accounts on their settlement date.

With the exception of spot transactions in securities, transactions pertaining to financial instruments denominated in foreign currency are recorded on the basis of the economic approach (the 'regular approach'),¹⁰ according to which:

- Transactions are recorded on off-balance-sheet (memorandum) accounts on the transaction/trade date.
- On the settlement/value date, the off-balance-sheet booking entries are reversed and the transactions are booked on balance sheet accounts.

It should be noted that foreign currency positions, realised gains and losses arising from net sales and the average cost are calculated on the trade date. Accrued interest, premiums or discounts related to financial instruments denominated in foreign currency are calculated and recorded in the accounts on a daily basis, thus also affecting the foreign currency position.

c. Valuation of assets and liabilities

Assets and liabilities in foreign currency and gold

The assets and liabilities of the Bank in foreign currency and gold are converted into euro at the exchange rate prevailing on the balance sheet date, as determined by the ECB. Income and expenses are converted into euro at the exchange rate prevailing on the trade date. The revaluation of foreign exchange assets and liabilities, including on-balance-sheet and off-balance-sheet instruments, is performed on a currency-by-currency basis.

Revaluation to the market price for assets and liabilities denominated in foreign currency is treated separately from the exchange rate revaluation.

No distinction is made between price and currency revaluation differences for gold. A single gold valuation is accounted for on the basis of the price in euro per fine ounce of gold, as determined by the ECB.

Securities

- The securities included in the current portfolio which is held for monetary policy purposes are valued at amortised cost (the acquisition cost adjusted for amortisation of premium or discount) subject to impairment.
- Marketable securities are valued at the mid-market prices prevailing on the balance sheet date, on a security-by-security basis (per ISIN), provided they are not classified as held-to-maturity and are not held for monetary policy purposes. Any options embedded in securities are not treated separately for valuation purposes.

¹⁰ In accordance with Article 5 of Guideline (EU) 2016/2249 of 3.11.2016 (ECB/2016/34), as amended and in force.

- Marketable securities classified as held-to-maturity and non-marketable securities are valued at amortised cost subject to impairment.
- Illiquid shares as well as equity instruments held as permanent investments are valued at acquisition cost subject to impairment.
- Marketable investment funds (and/or equity portfolios under external management that closely track the return of an index-linked mutual fund) are valued at market prices per mutual fund and not on the basis of the underlying assets, provided that they meet certain predetermined criteria.¹¹ There is no netting between different equity funds.

Tangible and intangible fixed assets

Fixed assets comprise real estate (land, buildings and fixtures, buildings under construction), furniture, works of art, machinery, electronic equipment, as well as intangible fixed assets. Both real estate and movable equipment as well as intangible fixed assets are valued at acquisition cost, adjusted for depreciation and impairment. Land, buildings under construction and works of art are not depreciated.

Depreciation is calculated on a straight-line basis over the expected useful life of the fixed asset.

The expected useful life of fixed assets per category is the following:

Buildings – fixtures	40 years
Other equipment	4-15 years
Intangible fixed assets and capitalised expenses	4-5 years

The Bank's real estate is subject to impairment as at the balance sheet date, when there are specific indications which derive both from internal and external sources of information. The Bank assigns to certified valuers the preparation of a report on the calculation of the recoverable value of real estate, if there are indications of impairment, and, in any case, every three years for all real estate.

d. Income recognition

- Income and expenses are recognised in the accounting period in which they are earned or incurred and not in the period in which they are received or paid.
- Realised gains and losses arising from foreign currency, gold and debt security transactions are taken to the Profit and Loss Account. Such realised gains and losses are calculated by reference to the average cost of the respective asset on the date they are realised.
- Unrealised gains (revaluation gains) are not recognised as income but are recorded directly to revaluation accounts.
- Unrealised losses (revaluation losses), when in excess of previous revaluation gains registered in the corresponding revaluation account, are transferred at year-end to the Profit and Loss Account and are not reversed against new revaluation gains in subsequent years. In addition, unrealised losses on any one security or currency or on gold holdings are not netted against unrealised gains on other securities or currencies or gold. The average cost of a financial asset giving rise to an unrealised loss at the end of the financial year is adjusted to the year-end exchange rate or market price.
- Premiums or discounts arising on purchased securities are calculated and presented as part of interest income and are amortised over the remaining contractual life of the securities, according to the internal rate of return (IRR) method.
- Impairment losses are taken to the Profit and Loss Account and are not reversed in subsequent years, unless the impairment decreases and the decrease can be related to an observable event that occurred after the impairment was first recorded.

¹¹ The criteria refer broadly to the level of the Bank's influence on the everyday transactions/operations conducted by the mutual fund, to the legal status governing the mutual fund and to how the investment is assessed.

e. Off-balance-sheet items

The securities and the items in euro included in the off-balance-sheet (memorandum) accounts are recorded at their nominal value.

The off-balance-sheet transactions in financial instruments in foreign currency (foreign exchange forward transactions, forward legs of foreign exchange swaps and other currency instruments involving an exchange of one currency for another at a future date) are included in the net foreign currency position for the purpose of calculating the average cost of purchase and the foreign exchange gains and losses.

f. Staff insurance benefits

The Bank offers staff insurance benefit plans (for staff in active employment or retired), divided into defined benefit plans and defined contribution plans.

Defined benefit plans pertain to severance pay to staff in active employment (Law 2112/1920), as well as to the provision of main and supplementary pension for all insured staff. The relevant liabilities are determined annually, on the basis of an independent actuarial study using the projected unit credit method. The defined benefit obligation is recognised in the “Provisions” liability item, under “Provisions for staff insurance benefits”.

Service costs (current and past service), gains or losses arising from settlements and net financial cost of the defined benefit obligation are recognised in the Profit and Loss Account item “Staff costs and pension benefit expenses”. Remeasurement gains/losses are recognised directly in the balance sheet under the liability item “Revaluation accounts”. In order to fully reflect the value of the deficit or the surplus of the defined benefits schemes, it is not allowed to reclassify them subsequently to the Profit and Loss Account.

The Bank offers parental benefit and post-employment benefit plans as defined contribution plans for its insured staff. The contributions to these plans are entered under the “Staff costs and pension benefit expenses” item of the Profit and Loss Account. These plans do not entail an additional financial burden for the Bank, beyond the already paid employer’s contributions.

At the same time, the Bank manages, in separate portfolios, the assets of the defined contribution plans and the said assets are included in the “Other financial assets” asset item.

g. Provision against financial risks

The Bank books and maintains provisions against financial and operational risks arising from its activities.

The Bank recognises, measures and monitors the risks undertaken after weighing and thoroughly checking the data, arising from its own funds portfolios, as well as from the granting of loans beyond the monetary policy implementation framework.

The financial risks monitored also include the risks deriving from the implementation of the single monetary policy of the Eurosystem. These risks are measured by the ECB for each NCB. The measurements are carried out based on the data of the last business day of each year.

In this context, the Bank establishes provisions following the practice of the ECB and the other NCBs of the Eurosystem. The estimation of these provisions is examined on an annual basis.

h. Banknotes in circulation

The ECB and the euro area National Central Banks (NCBs), which together comprise the Eurosystem, issue euro banknotes.¹² The total value of euro banknotes in circulation is allocated to the Eurosystem NCBs on the last business day of each month, according to the banknote allocation key.¹³

¹² Decision of the ECB of 13 December 2010 on the issue of euro banknotes (recast) (ECB/2010/29), OJ L 35, 9.2.2011, p. 26, as amended and in force. The unofficial consolidated text with the list of amendments is available at [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=%20CELEX:02010D0029\(01\)-20200201&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=%20CELEX:02010D0029(01)-20200201&from=EN).

¹³ The term “banknote allocation key” refers to the 92% share of each Eurosystem NCB in the total paid-up (by all the Eurosystem NCBs) capital of the ECB.

The ECB has been allocated an 8% share of the total value of euro banknotes in circulation, while the remaining 92% is allocated to the NCBs according to their Eurosystem key. The share of banknotes in circulation that has been allocated to the Bank of Greece is disclosed in the balance sheet under liability item “Banknotes in circulation”.

The difference between the value of euro banknotes allocated to each NCB according to its banknote allocation key and the value of euro banknotes that the NCB actually puts into circulation gives rise to remunerated intra-Eurosystem balances¹⁴. These claims or liabilities are disclosed under the sub-item “*Net claims/liabilities related to the allocation of euro banknotes within the Eurosystem*”.

In order to avoid significant changes in NCBs’ relative income positions as compared to previous years, it is provided that, each time an EU Member State adopts the euro and its NCB joins the Eurosystem as a new member the intra-Eurosystem balances arising from the allocation of euro banknotes are adjusted from the cash changeover year until five years following the cash changeover year.

The amounts of these adjustments are calculated after taking into account the differences between the average value of banknotes in circulation allocated to each NCB in the reference period (i.e. for a period of 24 months starting 30 months before the euro cash changeover) and the average value of banknotes that would have been allocated to each NCB for the reference period, in accordance with its ECB capital key.

The interest income and expense on these claims/liabilities is cleared through the ECB accounts and is disclosed in the Profit and Loss Account under “*Net interest income*”.

i. Intra-ESCB balances/intra-Eurosystem balances

Intra-ESCB balances result from cross-border transactions among European Union NCBs (for the most part initiated by private entities). These transactions are mainly carried out via TARGET2 Trans-European Automated Real-time Gross Settlement Express Transfer system, thus generating bilateral balances in the TARGET2 accounts of EU central banks. These bilateral balances are netted out and then assigned to the ECB on a daily basis, leaving each NCB with a single net bilateral position vis-à-vis the ECB only. Euro-denominated intra-Eurosystem balances of the Bank of Greece vis-à-vis the ECB arising from TARGET2 are presented on the balance sheet as a single net asset or liability position and disclosed under “*Net claims/liabilities arising from balances of TARGET2 accounts*”.

Intra-ESCB balances vis-à-vis non-euro area NCBs, not arising from TARGET2, are disclosed either under the asset item “*Claims on non-euro area residents denominated in euro*” or under the liability item “*Liabilities to non-euro area residents denominated in euro*”.

Other intra-Eurosystem balances denominated in euro (such as the ECB interim profit distribution to the NCBs and the redistribution of monetary income) are recorded on the balance sheet of the Bank of Greece as a single net asset or liability position under the asset item “*Other claims within the Eurosystem (net)*” or under the liability item “*Other liabilities within the Eurosystem (net)*”.

Intra-Eurosystem claims arising from the Bank of Greece’s participating interest in the ECB are reported under the asset item “*Participating interest in the ECB*”. This particular asset item includes (a) the NCBs’ paid-up share in the ECB’s subscribed capital; (b) any net amount paid by the NCBs due to the increase in their shares in the ECB’s equity value¹⁵ as a result of all the previous revisions of the ECB’s keys; and (c) contributions in accordance with Article 48.2 of the Statute of the ESCB with respect to central banks of Member States whose derogations have been abrogated.

¹⁴ Decision of the ECB of 3 November 2016 on the allocation of monetary income of the national central banks of Member States whose currency is the euro (ECB/2016/36) OJ L 347, 20.12.2016, p. 26, as amended and in force. The unofficial consolidated text with the list of amendments is available at [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02016D0036\(01\)-20201231&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02016D0036(01)-20201231&from=EN).

¹⁵ Equity value (in the sense used herein) means the total of ECB’s reserves, revaluation accounts and provisions equal to reserves, minus any loss carried forward from previous financial years. In the event of capital key adjustments taking place during the financial year, equity value also includes the ECB’s accumulated net profit/loss until the date of the adjustment.

Intra-Eurosystem balances arising from the transfer of foreign reserve assets to the ECB by NCBs at the time of joining the Eurosystem are denominated in euro and reported under the asset item “*Claims equivalent to the transfer of foreign reserves to the ECB*”.

Intra-Eurosystem balances arising from the allocation of euro banknotes in circulation among the NCBs are included as a single net asset or liability position under “*Net claims/liabilities related to the allocation of euro banknotes within the Eurosystem*”.

j. ECB profit distribution

The Governing Council of the ECB has decided that the seigniorage income of the ECB, which arises from the 8% share from the total value of euro banknotes in circulation allocated to the ECB, as well as the income arising from the securities held for monetary policy purposes under the Securities Markets Programme (SMP), the third Covered Bond Purchase Programme (CBPP3), the Asset-Backed Securities Purchase Programme (ABSPP), the Public Sector Purchase Programme (PSPP) and the Pandemic Emergency Purchase Programme (PEPP) is distributed to the NCBs in January of the following year by means of an interim profit distribution,¹⁶ unless otherwise decided by the Governing Council. Any such decision shall be taken where, on the basis of a reasoned estimate prepared by the Executive Board, the Governing Council expects that the ECB will have an overall annual loss or will make an annual net profit that is less than this income. The Governing Council may also decide to transfer all or part of this income to a provision for financial risks.

Furthermore, the Governing Council of the ECB may also decide to reduce the amount of the income on euro banknotes in circulation to be distributed by the amount of the costs incurred by the ECB in connection with the issue and handling of euro banknotes.

The amount distributed to NCBs is disclosed in the Profit and Loss Account under “*Income from equity shares and participating interests*”.

k. Post-balance-sheet events

Assets and liabilities are adjusted for events that occur between the annual balance sheet date and the date on which the financial statements are approved, if they affect materially the condition of assets or liabilities at the balance sheet date. Events which occur after the balance sheet date and do not affect the figures of the balance sheet but whose importance is such that non-disclosure would affect the ability of the users of the financial statements to make proper evaluations and decisions are mentioned in the notes on the financial statements.

¹⁶ Decision (EU) 2015/298 of the ECB of 15 December 2014 on the interim distribution of the income of the European Central Bank (ECB/2014/57), OJ L 53, 25.2.2015, p. 24, as amended and in force. The unofficial consolidated text with the list of amendments is available at [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02014D0057\(01\)-20201231&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02014D0057(01)-20201231&from=EN).

IV. NOTES ON THE BALANCE SHEET

ASSETS

1. Gold and gold receivables

Gold and gold receivables			
	31.12.2022	31.12.2021	Change
Volume in ounces (thousands)	4,874.3	4,863.8	10.5
Volume in tonnes	151.6	151.3	0.3
Value (EUR million)	8,316.0	7,828.2	487.8

This item includes:

- the Bank's holdings of international standard gold and gold sovereigns (3,673.3 thousand ounces on 31.12.2022, compared with 3,666.9 thousand ounces on 31.12.2021);
- gold receivables from the Greek State (985.6 thousand ounces on 31.12.2022 and 31.12.2021), corresponding to Greece's participation in the IMF (the gold component of Greece's quota has been paid by the Bank of Greece to the IMF on behalf of the Greek State); and
- non-international standard gold and gold coins (215.4 thousand ounces on 31.12.2022, compared with 211.3 thousand ounces on 31.12.2021).

A part of the gold holdings is kept with banks abroad.

Gold and gold receivables increased slightly, by 10.5 thousand ounces, reflecting mainly sales and purchases of gold sovereigns and gold coins. The EUR 487.8 million increase in their value compared to 31.12.2021 is mainly attributed to gold valuation effects.

The price of gold on 30.12.2022, as determined by the ECB, was EUR 1,706.075 per ounce, up from EUR 1,609.483 on 31.12.2021.

The net result of gold valuation (value as at 31.12.2022 compared to the average acquisition cost) came to EUR 6,374.4 million (31.12.2021: EUR 5,904.1 million) and is disclosed under liability item 12 "Revaluation accounts". This amount represents unrealised profit and serves as a buffer against potential losses from gold price movements.

2. Claims on non-euro area residents denominated in foreign currency

This item includes receivables from the IMF (in SDRs), balances of current accounts kept with correspondent banks abroad, fixed-term deposits, securities holdings and the value of the Bank's cash holdings of foreign currency.

2.1 Receivables from the International Monetary Fund (IMF)

Receivables from the International Monetary Fund (IMF)						
(EUR million)	31.12.2022		31.12.2021		Change	
	SDR	Euro	SDR	Euro	SDR	Euro
SDR holdings	806.0	1,008.9	2,335.7	2,886.7	-1,529.7	-1,877.8
SDR component of Greece's quota in the IMF	575.0	719.8	575.0	710.7	0.0	9.1
Total	1,381.0	1,728.7	2,910.7	3,597.4	-1,529.7	-1,868.7

These receivables derive from the overall participation of Greece in the IMF and are mirrored in equivalent liabilities to the Greek State (see note on liability item 6 "Liabilities to euro area residents denominated in foreign currency").

- **SDR holdings**

Greece's SDR holdings come over time from SDR allocations by the IMF, the last one of which was effected on 23.8.2021, with the amount allocated to Greece standing at SDR 2.3 billion (EUR 2.8 billion), thus increasing its SDR holdings by an equivalent amount.

It should be noted that the said allocations aim to provide liquidity to the global economic system by boosting the foreign reserve assets of the IMF member countries. These allocations were carried out in proportion to their current quotas in the IMF.

On 4.4.2022, the Greek State conducted an early repayment of principal to the IMF amounting to SDR 1,510.0 million (EUR 1,880.4 million), utilising its SDR holdings. Via the above payment, the Greek State repaid the total amount of loans concluded with the IMF from May 2010 onwards.

- **SDR component of Greece's quota in the IMF**

This account presents the SDR component of Greece's quota in the IMF. The component of the quota denominated in euro (EUR 2,322.8 million) is presented under liability item 5 "*Liabilities to non-euro area residents denominated in euro*" as an IMF deposit kept with the Bank. The two components mentioned above comprise Greece's total quota in the IMF.

The above receivables from the IMF were valued based on the SDR/euro exchange rate as at 30.12.2022, as determined by the ECB (1 SDR = EUR 1.2517 compared with EUR 1.2359 as at 31.12.2021).

2.2 Balances with banks and security investments, external loans and other external assets

Balances with banks and security investments, external loans and other external assets			
(EUR million)	31.12.2022	31.12.2021	Change
Fixed-term deposits with non-euro area banks denominated in foreign currency	1,066.4	881.3	185.1
Current accounts with correspondent banks – non-euro area residents denominated in foreign currency	38.2	9.5	28.7
Marketable securities (bonds, Treasury bills) not held to maturity	2,201.4	2,230.2	-28.8
Mutual fund shares/units	104.3	122.4	-18.1
Cash holdings of foreign currency	34.1	27.9	6.2
Total	3,444.4	3,271.3	173.1

On 31.12.2022 most of these claims were denominated in US dollars (EUR 2,728.8 million), Chinese yuan (EUR 435.1 million), pounds sterling (EUR 169.1 million) and Canadian dollars (EUR 34.2 million).

The Bank holds with the Bank for International Settlements (BIS) a mutual fund denominated in Chinese yuan (EUR 79.5 million) and a green bond fund denominated in US dollars (EUR 24.8 million). Out of a total of EUR 2,201.4 million placed in marketable securities, an amount of EUR 96.6 million pertains to green bonds.

Marketable securities were valued at the mid-market prices as at 30.12.2022 per International Security Identification Number (ISIN), resulting in revaluation gains of EUR 0.2 million (31.12.2021: EUR 3.2 million) and in revaluation losses of EUR 35.6 million (31.12.2021: EUR 6.4 million). The revaluation gains were transferred to revaluation accounts (liability item 12 "*Revaluation accounts*"), while the revaluation losses were transferred to the Profit and Loss Account and were offset by transferring the corresponding amount from the provision booked for this purpose (item 2 of the Profit and Loss Account "*Net result of financial operations, write-downs and risk provisions*").

Mutual fund shares/units were valued at the closing price as at 30.12.2022, resulting in revaluation gains of EUR 7.8 million (31.12.2021: EUR 7.1 million) and in revaluation losses of EUR 2.7 million (31.12.2021: EUR 0.6 million). The revaluation gains were transferred to revaluation accounts (liability item 12 "*Revaluation accounts*"), while the revaluation losses were transferred to the Profit and Loss Account and were offset by transferring the corresponding

amount from the provision established for this purpose (item 2 of the Profit and Loss Account “*Net result of financial operations, write-downs and risk provisions*”).

3. Claims on euro area residents denominated in foreign currency

This item comprises claims on General government arising from long-term loans, current account balances with correspondent banks abroad, fixed-term deposits and securities holdings.

3.1 General government

General government			
(EUR million)	31.12.2022	31.12.2021	Change
Loan denominated in US dollars	0.2	0.3	-0.1
Gold-linked loan	23.7	22.4	1.3
Total	23.9	22.7	1.2

These claims include a loan denominated in US dollars and a gold-linked loan granted to the Greek State to finance its participation in international organisations (apart from the IMF).

The gold-linked loan was valued at the price of gold per ounce as at 30.12.2022, which stood at EUR 1,706.075, and the resulting revaluation gain of EUR 18.2 million (31.12.2021: EUR 16.9 million) is included in liability item 12 “*Revaluation accounts*”.

3.2 Other claims

Other claims			
(EUR million)	31.12.2022	31.12.2021	Change
Fixed-term deposits with euro area banks denominated in foreign currency	214.5	137.6	76.9
Marketable securities (bonds, Treasury bills) not held to maturity	242.8	264.3	-21.5
Current accounts with correspondent banks – euro area residents denominated in foreign currency	1.7	0.5	1.2
Total	459.0	402.4	56.6

From the above claims, as at 31.12.2022, an amount of EUR 288.3 million is denominated in US dollars (31.12.2021: EUR 389.3 million), an amount of EUR 160.2 million is denominated in pounds sterling (31.12.2021: EUR 13.1 million) and an amount of EUR 10.5 million is denominated in Norwegian kroner.

Marketable securities were valued at the mid-market prices as at 30.12.2022 per International Security Identification Number (ISIN), resulting in revaluation losses of EUR 0.3 million, compared with EUR 0.1 million in the previous financial year. The revaluation losses were transferred to the Profit and Loss Account and were offset by transferring the corresponding amount from the provision booked for this purpose (item 2 of the Profit and Loss Account “*Net result of financial operations, write-downs and risk provisions*”).

4. Claims on non-euro area residents denominated in euro

4.1 Balances with banks, security investments and loans

This item includes interest-bearing current account balances with banks abroad, totalling EUR 22.8 thousand as at 31.12.2022 (31.12.2021: EUR 22.9 thousand).

5. Lending to euro area credit institutions related to monetary policy operations denominated in euro

This item includes the outstanding balances of loans granted by the Bank of Greece to domestic credit institutions in the context of the implementation of the euro area single monetary policy.

The total outstanding amount of Eurosystem credit through monetary policy operations was EUR 1,324.3 billion, as at 31.12.2022, compared with EUR 2,201.9 billion, as at 31.12.2021, of which the Bank of Greece granted EUR 35.4 billion to domestic credit institutions, compared with EUR 50.8 billion in the previous financial year.

Liquidity is provided to counterparties via main and longer-term refinancing operations as well as under the marginal lending facility against adequate collateral. The acceptable assets are divided into marketable and non-marketable ones and fulfil the Eurosystem's eligibility criteria.

It should be noted that, under Article 32.4 of the Statute of the ESCB and of the ECB, income and losses arising from Eurosystem monetary policy operations are allocated to the NCBs according to their respective Eurosystem keys.

Losses from these operations can only materialise if both the counterparty defaults and the recovery of funds received from the resolution of the collateral provided by the counterparty is not sufficient. It should be noted that NCBs may exercise their discretion to accept as collateral specific categories of eligible collateral for which the risk is fully borne by the NCB.

In particular:

5.1 Main refinancing operations

Main refinancing operations are conducted in the form of reverse liquidity-providing transactions, usually through weekly standard tenders, and normally have a maturity of one week. These operations play a key role in achieving the applicable monetary policy objectives. Since October 2008, these operations have been conducted as fixed rate tenders with full allotment. On 31.12.2022 these specific operations had a zero outstanding balance (average annual outstanding balance EUR 10.7 million).

5.2 Longer-term refinancing operations

These operations aim to provide counterparties with additional longer-term refinancing. The said operations were conducted as fixed rate tenders with full allotment.

Longer-term refinancing operations			
(EUR million)	31.12.2022	31.12.2021	Change
• TLTRO III operations	35,373.4	50,773.4	-15,400.0
• PELTRO operations	50.0	70.0	-20.0
Total	35,423.4	50,843.4	-15,420.0

In 2022, longer-term refinancing operations decreased by EUR 15,420.0 million, as a result of the maturity of TLTRO III operations of EUR 3,750.0 million and of the early repayment (partial or total) of EUR 11,650.0 million. In addition, PELTRO operations of EUR 20.0 million matured.

• TLTRO III operations

Following the series of seven quarterly Targeted Longer-Term Refinancing Operations (TLTROs III) decided in 2019, the Governing Council of the ECB resolved in December 2020 to add three further operations, which were conducted from June to December 2021. These operations have a three-year maturity. For the first seven TLTRO III operations, as of September 2021, starting 12 months after the settlement of each operation, participants have the option, on a quarterly basis, of terminating or reducing the amount of a TLTRO III operation before maturity. For the next three TLTRO III operations, the participants have that option on a quarterly basis, starting from June 2022.

According to the initial decisions of the Governing Council of the ECB in 2019, the final interest rate applied to each TLTRO III operation could be as low as the average Deposit Facility Rate (DFR) prevailing over the life of the operation.

In addition, in 2020,¹⁷ aiming to address the effects of the Covid-19 pandemic, the ECB's Governing Council decided to reduce the interest rate of Targeted Longer-Term Refinancing Operations (TLTROs III), for the period from 24 June

¹⁷ Decisions of the ECB's Governing Council of 30 April 2020 and of 10 December 2020.

2020 to 23 June 2021 and for the period from 24 June 2021 to 23 June 2022 (the “special interest rate period” and the “additional special interest rate period” respectively), to a level 50 basis points lower than the average Deposit Facility Rate (DFR) applicable over the same period, but in any case may not become less negative than -1%.

Additionally, on 27 October 2022 the Governing Council decided that, from 23 November 2022 until the maturity date or early repayment date of each respective outstanding TLTRO III operation, the interest rate on TLTRO III operations will be indexed to the average applicable key ECB interest rates over this period. On the same date, the Governing Council decided that three additional voluntary early repayment dates are introduced to provide TLTRO III participants with additional opportunities to partly, or fully, repay their respective TLTRO III borrowings before their maturity.

The actual interest rates can only be known at the maturity or early repayment of each operation and, thus, before that a reliable estimate is only possible as far as the interest rate-related data regarding the special interest rate period and the additional special interest rate period have already been communicated to the counterparties.

Based on the above, the accrued interest of TLTRO III operations in the financial statements of the Bank for the financial year 2022 was calculated as follows:

(i) for the period up to 23 June 2022, the interest rate of the additional special interest rate period communicated to domestic credit institutions on 10 June 2022 was applied. This interest rate amounted to -1.0%, i.e. 50 basis points lower than the average Deposit Facility Rate (DFR);

(ii) for the period from 24 June 2022 to 22 November 2022, the average Deposit Facility Rate (DFR) applicable from the settlement date of each TLTRO III operation until 22 November 2022 was applied; and

(iii) for the period from 23 November 2022 to 31 December 2022, the average Deposit Facility Rate (DFR) applicable during that period was applied.

In addition, in the above interest calculation for 2022, the impact of the change in the Deposit Facility Rate (DFR) within 2022 on the interest of the pre-special interest period was also considered.

• *PELTRO operations*

Of the four additional Pandemic Emergency Longer-Term Refinancing Operations (PELTROs) in total conducted in 2021 on a quarterly basis, on the basis of a decision by the ECB’s Governing Council, each with a tenor of approximately one year, three matured in the course of 2022.¹⁸

These operations provided a liquidity backstop to the euro area banking system and contributed to preserving the smooth functioning of the money market during the extended pandemic period.

The PELTROs were conducted as fixed rate tender procedures with full allotment. The interest rate is 25 basis points lower than the average rate applied in the Eurosystem’s main refinancing operations over the life of the respective PELTRO.

6. Other claims on euro area credit institutions denominated in euro

Other claims on euro area credit institutions denominated in euro

(EUR million)	31.12.2022	31.12.2021	Change
Current accounts by correspondent banks – euro area residents denominated in euro	1.5	1.9	-0.4

This item discloses claims on euro area credit institutions which are not related to monetary policy operations.

¹⁸ The fourth PELTRO matured on 26 January 2023.

7 Securities of euro area residents denominated in euro

7.1 Securities held for monetary policy purposes

This item comprises securities acquired by the Bank of Greece in the context of the following Programmes: Covered Bond Purchase Programmes (CBPPs), Securities Markets Programme (SMP), Public Sector Purchase Programme (PSPP) and Pandemic Emergency Purchase Programme (PEPP).

All securities held in the context of the first and the second Covered Bond Purchase Programme (CBPP1 and CBPP2) matured in the course of 2022, and therefore the ECB and the euro area NCBs did not have holdings of these securities as at 31 December 2022.

Securities purchase programmes for monetary policy purposes

	Start date	End date	Decision	Universe of eligible securities ¹
Securities – Asset Purchase Programmes which have been completed/terminated				
CBPP1	July 2009	June 2010	ECB/2009/16	Covered bonds of euro area residents
CBPP2 ⁴	November 2011	October 2012	ECB/2011/17	Covered bonds of euro area residents
SMP	May 2010	September 2012	ECB/2010/5	Public and private debt securities issued in the euro area ²
Asset Purchase Programmes (APPs) still active				
CBPP3	October 2014	active	ECB/2020/8 (as amended)	Covered bonds of euro area residents ¹
ABSPP ⁴	November 2014	active	ECB/2014/45 (as amended)	Senior and guaranteed mezzanine tranches of asset-backed securities of euro area residents
PSPP	March 2015	active	ECB/2020/9	Bonds issued by euro area central, regional or local governments, other recognised agencies as well as by international organisations and multi-lateral development banks located in the euro area
CSPP ⁴	June 2016	active	ECB/2016/16 (as amended)	Bonds and commercial paper issued by non-bank corporations established in the euro area
Pandemic Emergency Purchase Programme (PEPP)				
PEPP	March 2020	active	ECB/2020/17 (as amended)	All asset categories eligible under the APP ³

1 Additional eligibility criteria for the specific programmes are included in the decisions of the Governing Council.

2 In the context of the SMP, only public debt securities issued by five euro area treasuries were purchased.

3 A waiver of the eligibility requirements was granted for securities issued by the Greek Government.

4 The Bank of Greece did not participate in CBPP2, ABSPP and CSPP.

• Asset Purchase Programme (APP)

In the first quarter of 2022, the Eurosystem continued its net (i.e. on a net basis, minus repayments) purchases under the Asset Purchase Programme (APP)¹⁹ at a monthly pace of EUR 20 billion on average.

In March 2022, the Governing Council of the ECB decided²⁰ to revise the net purchases amounts to EUR 40 billion in April, EUR 30 billion in May and EUR 20 billion in June, while, in June 2022, the Governing Council of the ECB decided²¹ to end net asset purchases under the APP as of 1 July 2022.

The Governing Council of the ECB intends to continue reinvesting, in full, the payments from maturing securities until the end of February 2023. Subsequently, the APP portfolio will decline at a measured and predictable pace, as

19 More details on the APP portfolio are available on the ECB's website.

20 See the press release of 10 March 2022 on the decisions of the Governing Council of the ECB.

21 See the press release of 9 June 2022 on the decisions of the Governing Council of the ECB.

the Eurosystem will not reinvest all of the payments from maturing securities. The decline will amount to EUR 15 billion per month on average until the end of the second quarter of 2023 and its subsequent pace will be determined over time. The Governing Council of the ECB will regularly reassess the pace of the APP portfolio decline to ensure it remains consistent with the overall monetary policy strategy and stance, to preserve market functioning and to maintain firm control over short-term money market conditions.

- ***Pandemic Emergency Purchase Programme (PEPP)***

In the first quarter of 2022, the Eurosystem continued its net asset purchases under the PEPP,²² though at a lower pace compared to the previous quarter, following the decision of the ECB's Governing Council in December 2021.²³ Based on the same decision, net purchases under the PEPP were discontinued at the end of March 2022. The Governing Council of the ECB intends to reinvest the principal payments from maturing securities purchased under the PEPP at least until the end of 2024.

The Governing Council of the ECB will continue applying flexibility in the reinvestments, with a view to countering risks to the monetary policy transmission mechanism related to the pandemic. In any case, the future roll-off of the PEPP portfolio will be managed to avoid interference with the appropriate monetary policy stance.

The securities held for monetary policy purposes are valued at amortised cost and are subject to impairment tests.

The Governing Council of the ECB assesses, on a regular basis, the financial risks associated with the portfolios of securities held for monetary policy purposes (CBPP1, CBPP2, CBPP3, SMP, ABSPP, PSPP, CSPP and PEPP). Impairment tests for the above portfolios are conducted on an annual basis, using year-end data, and are approved by the Governing Council of the ECB. In these tests, impairment indicators are assessed separately for each programme. In cases where impairment indicators are observed, a further analysis is carried out to confirm that the cash flows of the underlying securities have not been affected by an impairment event.

In the impairment test carried out at end-2022, the Governing Council of the ECB found no evidence warranting an impairment of the assets in these monetary policy portfolios.

The aggregate value of the monetary policy portfolios held by the NCBs of the Eurosystem on 31.12.2022 stood at EUR 4,479.9 billion, of which the Bank of Greece held EUR 148.2 billion (31.12.2021: EUR 4,268.0 billion and EUR 137.8 billion respectively).

According to the general arrangement established under Article 32.4 of the ECB Statute, the losses arising from monetary policy portfolios, if they were to materialise, are shared in full by the Eurosystem NCBs, according to their applicable Eurosystem keys, excluding the losses arising from sovereign debt securities under the PSPP and the PEPP.

In the above context, on 31.12.2022, the Eurosystem NCBs held securities of an aggregate value of EUR 1,095.4 billion, of which EUR 113.9 billion are held by the Bank of Greece (31.12.2021: EUR 1,032.7 billion and EUR 106.5 billion respectively).

The amortised cost of the monetary policy securities held by the Bank of Greece as well as their market value²⁴ (which is not recorded on the balance sheet or in the Profit and Loss Account but is provided solely for comparability purposes) are presented in the following table:

²² More details on the PEPP portfolio are available on the ECB's website.

²³ See the press release of 16 December 2021 on the decisions of the Governing Council of the ECB.

²⁴ Market values are indicative and were derived on the basis of market quotes. When the market quotes are not available, the market values are calculated using internal Eurosystem models.

Securities held for monetary policy purposes

(EUR million)	31.12.2022		31.12.2021		Change	
	Amortised Cost	Market Value	Amortised Cost	Market Value	Amortised Cost	Market Value
Securities - Asset Purchase Programmes which have been completed/terminated						
First Covered Bond Purchase Programme (CBPP1)	0.0	0.0	5.0	5.0	-5.0	-5.0
Securities Markets Programme (SMP)	53.9	59.5	75.9	92.2	-22.0	-32.7
Total	53.9	59.5	80.9	97.2	-27.0	-37.7
Asset Purchase Programme (APP)						
Third Covered Bond Purchase Programme (CBPP3)	2,006.6	1,930.1	2,799.1	2,855.2	-792.5	-925.1
Public Sector Purchase Programme (PSPP)	71,678.6	61,844.0	68,942.3	70,621.3	2,736.3	-8,777.3
Total	73,685.2	63,774.1	71,741.4	73,476.5	1,943.8	-9,702.4
Pandemic Emergency Purchase Programme (PEPP)						
Sovereign Debt Securities under the PEPP	34,276.8	28,123.6	31,311.8	31,268.6	2,965.0	-3,145.0
Supranational Securities under the PEPP	40,139.0	31,239.9	34,692.6	33,973.0	5,446.4	-2,733.1
Total	74,415.8	59,363.5	66,004.4	65,241.6	8,411.4	-5,878.1
Grand total	148,154.9	123,197.1	137,826.7	138,815.3	10,328.2	-15,618.2

The reduction of the amortised cost of the CBPP1, SMP and CBPP3 portfolios is due to securities' maturities. At the same time, in 2022, the Bank, in the context of the implementation of the relevant Eurosystem monetary policy decisions, continued to purchase securities under the PSPP and PEPP portfolios.

The following tables present the amortised cost of the monetary policy debt securities as at 31.12.2022 and 31.12.2021, on a remaining maturity basis:

31.12.2022

(EUR million)	Total	≤ 1 year	1-2 years	2-5 years	> 5 years
SMP	53.9	0.0	33.7	16.7	3.5
CBPP3	2,006.6	732.8	442.5	831.3	0.0
PSPP – Supranational Securities	71,678.6	8,271.1	9,059.5	19,237.3	35,110.7
PEPP – Sovereign Debt Securities	34,276.8	4,280.7	1,137.5	6,138.8	22,719.8
PEPP – Supranational Securities	40,139.0	1,267.1	1,561.6	10,628.5	26,681.8
Total	148,154.9	14,551.7	12,234.8	36,852.6	84,515.8

31.12.2021

(EUR million)	Total	≤ 1 year	1-2 years	2-5 years	> 5 years
CBPP1	5.0	5.0	0.0	0.0	0.0
SMP	75.9	23.6	0.0	48.9	3.4
CBPP3	2,799.1	919.0	604.4	1,151.0	124.7
PSPP – Supranational Securities	68,942.3	6,430.7	8,328.8	20,446.1	33,736.7
PEPP – Sovereign Debt Securities	31,311.8	3,421.0	1,353.2	5,579.8	20,957.8
PEPP – Supranational Securities	34,692.6	1,702.0	1,277.0	8,782.0	22,931.6
Total	137,826.7	12,501.3	11,563.4	36,007.8	77,754.2

7.2 Other securities of euro area residents denominated in euro

This item includes euro-denominated bonds and Treasury bills issued by euro area governments, including the Greek government, as well as mutual fund shares/units. These portfolios are held by the Bank purely for investment purposes.

Other securities of euro area residents denominated in euro

(EUR million)	31.12.2022	31.12.2021	Change
A. Marketable securities			
(other than those classified as held-to-maturity)			
Euro area securities, other than Greek government securities			
• Bonds	107.0	120.5	-13.5
• Treasury bills	721.6	0.0	721.6
Greek government securities			
• Bonds	152.7	370.3	-217.6
• Treasury bills	639.1	0.0	639.1
Total	1,620.4	490.8	1,129.6
B. Marketable securities held to maturity			
• Greek government bonds	2,811.2	3,512.6	-701.4
• Euro area bonds, other than Greek government bonds	7,828.4	6,121.4	1,707.0
Total	10,639.6	9,634.0	1,005.6
C. Mutual fund shares/units	5.8	6.0	-0.2
Grand total	12,265.8	10,130.8	2,135.0

It should be noted that euro area bonds, other than Greek government bonds, of a total amount of EUR 7,828.4 million include green bonds of EUR 149.5 million.

The securities, excluding those classified as held-to-maturity, were valued at the mid-market prices as at 30.12.2022 per International Security Identification Number (ISIN). The resulting revaluation losses of EUR 10.7 million (31.12.2021: revaluation profits of EUR 3.4 million) were transferred to the Profit and Loss Account and were offset by transferring the corresponding amount from the provision established for this purpose (item 2 of the Profit and Loss Account "Net result of financial operations, write-downs and risk provisions").

The securities which are held to maturity are presented at amortised cost. These are securities with fixed or predetermined payments and defined tenor which the Bank intends to hold to maturity. The relevant impairment test carried out at end-2022 found no evidence warranting an impairment of these assets.

Mutual fund shares/units were valued at the closing price as at 30.12.2022 and the resulting revaluation gains of EUR 4.0 million (31.12.2021: EUR 4.3 million) were transferred to revaluation accounts (liability item 12 "Revaluation accounts").

The following tables present the book value of the other securities of euro area residents denominated in euro (excluding mutual fund shares/units) as at 31.12.2022 and 31.12.2021, on a remaining maturity basis:

31.12.2022

(EUR million)	Total	≤ 1 year	1-2 years	2-5 years	> 5 years
A. Marketable securities					
(other than those classified as held-to-maturity)					
Euro area securities, other than Greek government securities					
• Bonds	107.0	34.3	0.0	41.3	31.4
• Treasury bills	721.6	721.6	0.0	0.0	0.0
Greek government securities					
• Bonds	152.7	148.3	0.0	4.4	0.0
• Treasury bills	639.1	639.1	0.0	0.0	0.0
Total	1,620.4	1,543.3	0.0	45.7	31.4
B. Marketable securities held to maturity					
• Greek government bonds	2,811.2	55.1	205.7	667.9	1,882.5
• Euro area bonds, other than Greek government bonds	7,828.4	189.6	29.9	1,479.4	6,129.5
Total	10,639.6	244.7	235.6	2,147.3	8,012.0
Grand total	12,260.0	1,788.0	235.6	2,193.0	8,043.4

31.12.2021

(EUR million)	Total	≤ 1 year	1-2 years	2-5 years	> 5 years
A. Marketable securities (other than those classified as held-to-maturity)					
Euro area securities, other than Greek government securities					
• Bonds	120.5	63.7	30.4	7.1	19.3
Greek government securities					
• Bonds	370.3	211.2	154.2	4.9	0.0
Total	490.8	274.9	184.6	12.0	19.3
B. Marketable securities held to maturity					
• Greek government bonds	3,512.6	833.7	55.4	855.4	1,768.1
• Euro area bonds, other than Greek government bonds	6,121.4	115.7	159.5	782.9	5,063.3
Total	9,634.0	949.4	214.9	1,638.3	6,831.4
Grand total	10,124.8	1,224.3	399.5	1,650.3	6,850.7

8. General government long-term debt denominated in euro

General government long-term debt denominated in euro

(EUR million)	31.12.2022	31.12.2021	Change
A. Interest-bearing loans granted to the Greek State			
Interest-bearing loans granted to the Greek State until 31.12.1993	81.5	163.0	-81.5
Interest-bearing loans granted to the Greek State in settlement of exchange rate valuation differences of Law 1083/80	390.6	781.3	-390.7
Total	472.1	944.3	-472.2
B. Non-interest-bearing loans granted to the Greek State to finance Greece's quota in the IMF	3,006.7	2,978.1	28.6
Grand total	3,478.8	3,922.3	-443.6

This item refers to long-term loans denominated in euro granted by the Bank to the Greek State. In particular:

- The decrease by EUR 472.2 million observed in the balances of interest-bearing loans granted to the Greek State compared to the previous financial year is due to their gradual repayment. It should be noted that the said loans mature in 2023.
- The increase by EUR 28.6 million of the balances of non-interest-bearing loans granted to the Greek State to finance Greece's quota in the IMF compared to the previous financial year is a result of the incorporation of the difference from the adjustment of the "IMF deposits denominated in euro" account, due to the SDR's appreciation against the euro, as envisaged in the agreement executed between the Greek State and the Bank of Greece (see note on liability item 5 "Liabilities to non-euro area residents denominated in euro").

The loans granted to the Greek State to finance Greece's quota in the IMF shall be paid back in full to the Bank of Greece if and when the IMF ceases operations or if Greece ceases to be an IMF member.

9. Intra-Eurosystem claims

9.1 Participating interest in the ECB

Participating interest in the ECB

(EUR million)	31.12.2022	31.12.2021	Change
Bank of Greece's share in the paid-up capital of the ECB	217.8	202.7	15.1
Bank of Greece's contribution to the ECB's reserves and provisions	285.8	285.8	0.0
Total participating interest in the ECB	503.6	488.5	15.1

Pursuant to Article 28 of the Statute of the ESCB and of the ECB, the NCBs of the ESCB are the sole subscribers to and holders of the capital of the ECB.

Subscription to the ECB capital is based on a key assigned to each NCB.

Each NCB is assigned a weighting in this key which is equal to the sum of:

- 50% of the share of the respective Member State in the gross domestic product of the European Union at current prices; and
- 50% of the share of the respective Member State in the population of the European Union (Article 29.1 of the Statute of the ESCB).

Pursuant to Article 29.3 of the Statute of the ESCB, the weights of the NCBs' keys for subscription to the ECB's capital are adjusted every five years after the establishment of the ESCB. Moreover, the weights of the NCBs' keys for subscription to the ECB's capital are adjusted whenever there is a change in the composition of the subscribers to the said capital.

The euro area NCBs have fully paid up their subscriptions to the ECB's capital according to their capital keys and are allocated the profits (or losses) of the ECB.

The non-euro area NCBs of the European Union pay up only 3.75% of their subscribed capital as a contribution to the operational costs of the ECB.

Also, according to Article 48.3 of the ESCB Statute, the subscribed capital of the ECB is automatically increased whenever a new Member State accedes to the European Union and its respective NCB joins the ESCB. The increase is determined by multiplying the respective amount then prevailing by the ratio, within the expanded capital key, between the weighting of the entering NCB and the weights of the NCBs which are already members of the ESCB.

The NCBs' keys for subscription to the ECB's capital

National Central Banks	2022	2021
	%	%
Banque Nationale de Belgique (Belgium)	2.9630	2.9630
Deutsche Bundesbank (Germany)	21.4394	21.4394
Eesti Pank (Estonia)	0.2291	0.2291
Central Bank of Ireland (Ireland)	1.3772	1.3772
Bank of Greece (Greece)	2.0117	2.0117
Banco de España (Spain)	9.6981	9.6981
Banque de France (France)	16.6108	16.6108
Banca d'Italia (Italy)	13.8165	13.8165
Central Bank of Cyprus (Cyprus)	0.1750	0.1750
Latvijas Banka (Latvia)	0.3169	0.3169
Lietuvos bankas (Lithuania)	0.4707	0.4707
Banque centrale du Luxembourg (Luxembourg)	0.2679	0.2679
Central Bank of Malta (Malta)	0.0853	0.0853
De Nederlandsche Bank (Netherlands)	4.7662	4.7662
Oesterreichische Nationalbank (Austria)	2.3804	2.3804
Banco de Portugal (Portugal)	1.9035	1.9035
Banka Slovenije (Slovenia)	0.3916	0.3916
Národná banka Slovenska (Slovakia)	0.9314	0.9314
Suomen Pankki (Finland)	1.4939	1.4939
Subtotal for euro area NCBs	81.3286	81.3286

Българска народна банка (Bulgarian National Bank) (Bulgaria)	0.9832	0.9832
Česká národní banka (Czech Republic)	1.8794	1.8794
Danmarks Nationalbank (Denmark)	1.7591	1.7591
Hrvatska narodna banka (Croatia)	0.6595	0.6595
Magyar Nemzeti Bank (Hungary)	1.5488	1.5488
Narodowy Bank Polski (Poland)	6.0335	6.0335
Banca Națională a României (Romania)	2.8289	2.8289
Sveriges Riksbank (Sweden)	2.9790	2.9790
Subtotal for non-euro area NCBs	18.6714	18.6714
Grand total	100.0000	100.0000

The data shown in the table below relate to the Bank's contribution to the ECB's capital, reserves and provisions.

Bank of Greece's share in the capital of the ECB

(EUR million)	31.12.2022		31.12.2021		Change
	%	€	%	€	
Subscribed capital of the ECB (27 EU member countries)		10,825.0		10,825.0	0.0
Bank of Greece's key for subscription to the ECB's capital	2.01170		2.01170		
Bank of Greece's share in the subscribed capital of the ECB		217.8		217.8	0.0
ECB capital paid up by the 19 Eurosystem NCBs		8,803.8		8,193.7	610.1
Eurosystem key of the Bank of Greece	2.47355		2.47355		
Bank of Greece's share in the paid-up capital of the ECB		217.8		202.7	15.1

The Bank's share in the subscribed capital of the ECB is EUR 217.8 million. This amount corresponds to 2.01170% of the subscribed capital of the ECB and to 2.47355% of the ECB capital paid up by the 19 Eurosystem NCBs, which stands at EUR 8,803.8 million.

The subscribed capital of the ECB amounts to EUR 10,825.0 million. Following the Bank of England's withdrawal from the European System of Central Banks (ESCB) on 31 January 2020, the subscribed capital of the ECB remained unchanged and the Bank of England's share therein was reallocated to the remaining euro area and non-euro area NCBs.

The ECB capital paid up by all the ESCB countries also remained unchanged and stood at EUR 7,659.4 million in 2020, as the remaining NCBs were required to cover the withdrawn Bank of England's paid up capital of EUR 58.0 million. In addition, the Governing Council of the ECB decided that the euro area NCBs should subsequently pay in full their increased subscriptions to the ECB capital in two annual instalments.²⁵

In this context, the euro area NCBs paid the first instalment for the increase of their share in the ECB's capital in December 2021 and the second one in December 2022, each one amounting to EUR 610.1 million. As a result of the above-mentioned, the ECB's capital paid up by all the Eurosystem NCBs amounted to EUR 8,803.8 million on 31.12.2022.

Similarly, the Bank of Greece paid the first instalment, amounting to EUR 15.1 million in December 2021, thus increasing its share in the ECB's paid-up capital from EUR 187.6 million in 2020 to EUR 202.7 million in 2021. Like-

²⁵ In particular, Decision (EU) 2020/138 of the European Central Bank of 22.1.2020 on the paying-up of the European Central Bank's capital by the national central banks of Member States whose currency is the euro and repealing Decision (EU) 2019/44 (ECB/2020/4), Decision (EU) 2020/136 of the European Central Bank of 22.1.2020 on the paying-up of the European Central Bank's capital by the non-euro area national central banks and repealing Decision (EU) 2019/48 (ECB/2020/2) and Decision (EU) 2020/139 of the European Central Bank of 22.1.2020 laying down the terms and conditions for transfers of the European Central Bank's capital shares between the national central banks and for the adjustment of the paid-up capital and repealing Decision (EU) 2019/45 (ECB/2020/5).

wise, the Bank of Greece paid the second instalment of EUR 15.1 million on 28 December 2022, thus increasing its share in the ECB's paid-up capital from EUR 202.7 million in 2021 to EUR 217.8 million in 2022.

The Bank of Greece's contribution to the ECB's reserves and provisions amounts to EUR 285.8 million and remained unchanged compared to the previous financial year.

9.2 Claims equivalent to the transfer of foreign reserves to the ECB

Claims equivalent to the transfer of foreign reserves to the ECB

(EUR million)	31.12.2022		31.12.2021		Change
	%	€	%	€	
Total foreign reserve assets transferred to the ECB by the 19 NCBs of the Eurosystem		40,343.9		40,343.9	0.0
Eurosystem key of the Bank of Greece	2.47355		2.47355		
Claims of the Bank of Greece from the transfer of foreign reserve assets to the ECB		997.9		997.9	0.0

This item represents the Bank's claims arising from the transfer of foreign reserve assets to the ECB, in accordance with the Treaty establishing the European Union (Article 30 of the Statute of the ESCB).

Foreign reserve assets in proportion to the Bank's share in the paid-up capital of the ECB were transferred upon the entry of the country into the euro area and of the Bank of Greece into the Eurosystem. They comprised assets denominated in US dollars and Japanese yen (85%) and gold (15%).

Against the foreign reserve assets transferred as above, the Bank of Greece acquired an equivalent claim in euro, remunerated on a daily basis at 85% of the latest available interest rate of the Eurosystem's Main Refinancing Operations (MRO rate). The difference of 15% reflects a zero return on the gold component.²⁶

9.3 Net claims related to the allocation of euro banknotes within the Eurosystem

Net claims related to the allocation of euro banknotes within the Eurosystem

(EUR million)	31.12.2022	31.12.2021	Change
Net claims related to the allocation of euro banknotes within the Eurosystem	20,073.1	15,389.3	4,683.8

This item includes the net claims of the Bank of Greece resulting from the allocation of euro banknotes within the Eurosystem (see III. Summary of significant accounting policies, "Banknotes in circulation" and "Intra-ESCB balances/Intra-Eurosystem balances", as well as the note on liability item 1 "Banknotes in circulation").

The ECB has been allocated a share of 8% in the total value of euro banknotes in circulation, while the remaining 92% is allocated to the NCBs according to their Eurosystem key on a monthly basis. The difference between the value of euro banknotes allocated to each NCB and the value of euro banknotes that the NCB actually puts into circulation is recorded as "Net claims/liabilities related to the allocation of euro banknotes within the Eurosystem".

The increase of these claims compared to 31.12.2021, amounting to EUR 4,683.8 million, is due to, on the one hand, an increase in the total value of euro banknotes put into circulation by the Eurosystem and, on the other, a decrease in the total value of euro banknotes actually put into circulation by the Bank of Greece compared to the previous financial year.

This balance is remunerated on a daily basis at the prevailing Eurosystem Main Refinancing Operations (MRO) rate, which as of 27.7.2022 is positive.

²⁶ Guideline of the ECB of 3 November 1998 as amended by the Guideline of 16 November 2000 on the composition, valuation and modalities for the initial transfer of foreign-reserve assets, and the denomination and remuneration of equivalent claims (ECB/2000/15), OJ L 336, 30.12.2000, p. 114.

9.4 Net claims arising from balances of TARGET2 accounts

The net balance related to the ESCB balance (TARGET2) as at 31.12.2022 was a liability of the Bank, as in the previous financial year, and is therefore disclosed under liability item 8.3 “*Net liabilities arising from balances of TARGET2 accounts*”.

9.5 Other claims within the Eurosystem (net)

Other claims within the Eurosystem (net)			
(EUR million)	31.12.2022	31.12.2021	Change
– from the reallocation of monetary income of the current year	705.0	243.7	461.3
– from corrections to monetary income reallocation of previous years	1.1	3.8	-2.7
– from the interim profit distribution of the ECB	0.0	3.7	-3.7
– from other claims	6.7	4.1	2.6
Total	712.8	255.3	457.5

Other claims within the Eurosystem, amounting to EUR 712.8 million, stemmed from:

- The Bank’s net result (income of EUR 705 million) from the reallocation of the Eurosystem’s monetary income for the financial year 2022. The monetary income pooled by the Bank was lower than the one allocated to it according to its Eurosystem key (see note 5 of the Profit and Loss Account, “*Net result of pooling of monetary income*”).
- An amount of EUR 1.1 million collected by the Bank due to corrections to monetary income reallocation for the years 2020 and 2021 (see note 5 of the Profit and Loss Account, “*Net result of pooling of monetary income*”).
- An amount of EUR 6.7 million, which pertains to the interest on a temporary Support to mitigate Unemployment Risks in an Emergency (SURE) loan transferred to the ECB in the context of the said loan scheme, following a relevant order by the Greek State.

According to the regulation of the SURE loan scheme, the amounts for the repayment of both principal and interest on the loans granted to the Member States shall be deposited by the Member States 20 TARGET2 business days earlier than the scheduled repayment date to the accounts of the respective NCBs kept with the ECB. As a result, intra-Eurosystem claims of the NCBs against the ECB and, correspondingly, intra-Eurosystem liabilities of the ECB to the NCBs shall be generated.

A liability of an equal amount is presented in liability item 10.3 “*Sundry*”, so as to reflect the fact that this specific amount remains in the account of the Bank of Greece kept with the ECB on behalf of the Greek State.

In 2021, this item also includes the amount owed to the Bank of Greece from the interim profit distribution of the ECB. As regards 2022, the Governing Council of the ECB, taking into account the total result of the year, decided not to distribute the total amount stemming from seigniorage as well as the income from securities purchased under the SMP, APP and PEPP (see III. Summary of significant accounting policies, “*ECB profit distribution*”). Thus, at the end of 2022, no amount was credited to the Bank of Greece from the interim profit distribution of the ECB.

11. Other assets

11.1 Coins of euro area

Coins of euro area			
(EUR million)	31.12.2022	31.12.2021	Change
Coins of euro area	46.8	53.5	-6.7

The balance of this item represents the Bank’s holdings of euro coins issued by euro area countries.

The coins put into circulation by the Bank of Greece on behalf of the Greek State are entered into a special account which is included in liability item 4.1 “*General government*”.

11.2 Tangible and intangible fixed assets

Tangible and intangible fixed assets					
(EUR million)	Total	Land	Buildings	Equipment	Other
Book value on 1.1.2022	577.3	363.4	164.9	17.6	31.4
Changes attributable to:					
• Additions	8.0	0.0	3.6	1.6	2.8
• Depreciation costs	-11.1	0.0	-5.1	-4.1	-1.9
• Reclassifications	0.0	0.0	-0.1	4.6	-4.5
• Disposals/Write-offs	-4.0	-2.9	-1.1	0.0	0.0
Book value on 31.12.2022	570.2	360.5	162.2	19.7	27.8
Cost	814.9	360.5	211.6	157.1	85.7
Accumulated depreciation costs	-244.7	0.0	-49.4	-137.4	-57.9
Book value on 31.12.2022	570.2	360.5	162.2	19.7	27.8

Tangible and intangible fixed assets					
(EUR million)	Total	Land	Buildings	Equipment	Other
Book value on 1.1.2021	573.7	363.8	166.8	14.1	29.0
Changes attributable to:					
• Additions	13.0	0.0	3.2	1.6	8.2
• Depreciation costs	-8.6	0.0	-5.1	-2.8	-0.7
• Reclassifications	0.0	0.0	0.0	5.1	-5.1
• Disposals/Write-offs	-0.8	-0.4	0.0	-0.4	0.0
Book value on 31.12.2021	577.3	363.4	164.9	17.6	31.4
Cost	811.9	363.4	209.2	152.1	87.2
Accumulated depreciation costs	-234.6	0.0	-44.3	-134.5	-55.8
Book value on 31.12.2021	577.3	363.4	164.9	17.6	31.4

The “Other” category includes advance payments for the acquisition of other equipment and software to be installed, amounting to EUR 20.0 million, as well as intangible fixed assets (mainly software expenses) and capitalised expenses amounting to EUR 7.8 million (EUR 28.9 million and EUR 2.5 million respectively on 31.12.2021).

Within the year 2022, real estate sales of a total value of EUR 4.0 million were carried out, which concerned former branches of the Bank.

In 2022 there were no indications of impairment and, thus, there was no evidence warranting an impairment test.

11.3 Other financial assets

Other financial assets			
(EUR million)	31.12.2022	31.12.2021	Change
Staff insurance scheme assets	85.4	81.3	4.1
Bank for International Settlements shares denominated in SDRs	20.9	20.9	0.0
Participating interest in the Hellenic Deposit and Investment Guarantee Fund	5.3	5.3	0.0
Sundry	4.2	4.2	0.0
Total	115.8	111.7	4.1

The “Sundry” category mainly includes the participating interest in DIAS Interbanking Systems S.A., amounting to EUR 4.1 million (unchanged compared to 2021), as well as shares of Hellenic Exchanges – Athens Exchange S.A. and of the Society for Worldwide Interbank Financial Telecommunication (SWIFT).

11.4 Off-balance-sheet instruments revaluation differences

This item mainly includes the unrealised revaluation gains on Greek government securities (warrants), the total of which stood at EUR 45.2 thousand on 31.12.2022 (31.12.2021: EUR 21.8 thousand). These security positions are

disclosed in off-balance-sheet (memorandum) accounts at nominal value. These amounts were also entered in re-valuation accounts (liability item 12 “*Revaluation accounts*”).

11.5 Accruals and prepaid expenses

Accruals and prepaid expenses			
(EUR million)	31.12.2022	31.12.2021	Change
Accrued interest income from:			
Securities portfolio			
• Securities held for monetary policy purposes	1,045.9	918.1	127.8
• Investment portfolio securities	124.0	127.6	-3.6
Total	1,169.9	1,045.7	124.2
Longer-term refinancing operations TLTRO III (positive interest rate)	64.7	0.0	64.7
Longer-term refinancing operations PELTRO (positive interest rate)	0.2	0.0	0.2
Net claims related to the allocation of euro banknotes within the Eurosystem	89.9	0.0	89.9
Claims equivalent to the transfer of foreign reserves to the ECB	5.0	0.0	5.0
Other interest income	12.9	36.4	-23.5
Total	1,342.6	1,082.1	260.5
Other accrued income from:			
• Fees	45.9	42.0	3.9
• Third-party sales of Printing Works Department (IETA) products	3.9	3.5	0.4
• ECB’s final profit distribution	0.0	1.0	-1.0
• Other	3.2	3.3	-0.1
Total	53.0	49.8	3.2
Prepaid expenses/Advance payments	199.6	207.1	-7.5
Grand total	1,595.2	1,339.0	256.2

The total of accruals and prepaid expenses stood at EUR 1,595.2 million on 31.12.2022, compared with EUR 1,339.0 million on 31.12.2021.

The category “*Other interest income*” includes accrued interest on General government deposits, which are presented in liability item 4.1 “*General government*”.

11.6 Sundry

Sundry			
(EUR million)	31.12.2022	31.12.2021	Change
Staff loans	403.2	404.3	-1.1
Other	149.5	162.7	-13.2
Total	552.7	567.0	-14.3

Sundry stood at EUR 552.7 million on 31.12.2022, compared with EUR 567.0 million on 31.12.2021.

The “*Other*” category mainly includes the following: loan receivables from the former Bank of Crete, receivables from insurance undertakings, Printing Works Department (IETA) customers and inventories as well as forms and stationery inventories.

For the loan receivables from the former Bank of Crete, amounting to EUR 61.0 million, a provision of an equal amount has been established, which is included in the liability category 11a “*Special provisions*”.

LIABILITIES

1. Banknotes in circulation

Banknotes in circulation			
(EUR million)	31.12.2022	31.12.2021	Change
Value of euro banknotes actually put into circulation by the Bank of Greece²⁷	15,698.5	19,753.2	-4,054.7
Liability resulting from the ECB's share in the total euro banknotes in circulation (8% of the total value of euro banknotes in circulation multiplied by the Eurosystem key)	-3,110.8	-3,056.0	-54.8
Claim/liability according to Bank of Greece's weighting in the ECB capital key	23,183.9	18,445.3	4,738.6
Net claim related to the allocation of euro banknotes in circulation within the Eurosystem	20,073.1	15,389.3	4,683.8
Value of euro banknotes put into circulation by the Bank of Greece according to the banknote allocation key	35,771.6	35,142.5	629.1

This item represents the Bank of Greece's share of total euro banknotes in circulation in the Eurosystem and is calculated based on the Bank's banknote allocation key (2.2755% on 31.12.2022, unchanged compared to the previous year).²⁸

The total value of euro banknotes put into circulation by the Eurosystem rose by 1.8% in 2022 (EUR 1,572.0 billion on 31.12.2022, compared with EUR 1,544.4 billion on 31.12.2021). The value of euro banknotes in circulation by the Bank of Greece on the basis of the banknote allocation key amounts to EUR 35,771.6 million at the end of 2022, compared with EUR 35,142.5 million at the end of 2021, up by 1.8%, due to an increase in total banknotes in circulation in the Eurosystem. The value of euro banknotes actually put into circulation by the Bank of Greece decreased by 20.5%, from EUR 19,753.2 million in 2021 to EUR 15,698.5 million in 2022. As the actual euro banknotes' circulation is lower than the euro banknotes allocated to the Bank, their difference of EUR 20,073.1 million is shown in asset item 9.3 "Net claims related to the allocation of euro banknotes within the Eurosystem" (see III. Summary of significant accounting policies, "Banknotes in circulation").

2. Liabilities to euro area credit institutions related to monetary policy operations denominated in euro

2.1 Current accounts (covering the minimum reserve system)

(EUR million)	31.12.2022	31.12.2021	Change
2.1 Current accounts (covering the minimum reserve system)	2,507.2	49,119.6	-46,612.4

This item represents the deposits of domestic credit institutions with the Bank of Greece, which are used to fulfil their obligation to maintain minimum reserves in the Eurosystem and to settle payments between them, excluding the funds of credit institutions that are not freely disposable and accounts of credit institutions that are exempt from the minimum reserve requirements, which are disclosed separately in liability item 3 "Other liabilities towards euro area credit institutions denominated in euro".

²⁷ The provisions of Article 14 paragraph 2(a) of Guideline (EU) 2016/2249 of 3.11.2016 (ECB/2016/34), as amended, apply to the calculation of the value of banknotes actually put into circulation by the Bank.

²⁸ As from 01.01.2023, the banknote allocation key of the Bank of Greece is 2.2575%, from 2.2755% on 31.12.2022, as a result of the entry of the Central Bank of Croatia (Hrvatska Narodna Banka) into the Eurosystem (see VI. Additional Information "Post-balance-sheet events").

The significant decrease is due to the transfer of credit institutions' deposits in excess of minimum reserves (excess reserves) from credit institutions' current accounts to deposit facility accounts, as a consequence of the increase in the deposit facility rate to a level above zero as from 14 September 2022 and the suspension of the two-tier system for excess reserve remuneration.²⁹

It should be noted that, in 2022, the average balance of credit institutions' current accounts amounted to EUR 35.2 billion, compared with an average balance of EUR 34.1 billion in 2021 (up by 3.2%).

Regarding the current account remuneration, the following applies:

- **Minimum reserves**

Minimum reserve holdings by credit institutions with the central bank were remunerated until 20 December 2022 at the prevailing main refinancing operation (MRO) rate of the Eurosystem. On 27 October 2022, the Governing Council of the ECB decided that, as from 21 December 2022, these holdings will be remunerated at the deposit facility rate (DFR).

- **Excess reserves**

From June 2014, the excess reserves of credit institutions, i.e. their current account holdings with the national central banks in excess of average minimum reserves, are subject to remuneration at the lower of 0% or the deposit facility rate (DFR).

As from 30 October 2019, the Governing Council of the ECB introduced a two-tier system for reserve remuneration, according to which part of the aforementioned excess reserves of credit institutions was excluded from the negative deposit facility rate and was remunerated at an annual rate of 0%. The amount of said excess reserves which was excluded at the end of the year from the negative deposit facility rate –the exempt tier– was determined as six times the minimum reserve requirement of each credit institution.³⁰ The non-exempt tier of excess reserves continued to be remunerated at the lower of 0% or the deposit facility rate (DFR).

With the increase of the deposit facility rate (DFR) to a level above zero from 14 September 2022, the Governing Council of the ECB decided to suspend the implementation of the two-tier system by setting the multiplier to zero, as the two-tier system for the remuneration of excess reserves was no longer necessary.

2.2 Deposit facility

(EUR million)	31.12.2022	31.12.2021	Change
Deposit facility	41,187.7	0.0	41,187.7

This item relates to the standing deposit facility offered by the Eurosystem to credit institutions, in the context of the implementation of the euro area single monetary policy.

Specifically, it consists of overnight deposits placed by credit institutions with the Bank of Greece and remunerated at a pre-specified interest rate, which, following successive increases during 2022, amounted to 2.0% on 31.12.2022.

The outstanding amount of these deposits changes on a daily basis. On 31.12.2022, the deposits in question amounted to EUR 41.2 billion.

The significant increase, compared to the previous year, is due to the fact that credit institutions transferred their excess reserves from their current accounts to deposit facility accounts, as a consequence of the ECB Governing Council's decision of 14 September 2022 to raise the deposit facility rate (DFR) above zero.

2.5 Deposits related to margin calls

This item includes deposits made by counterparties when the market value of the assets they have pledged as collateral in monetary policy operations falls short of an established trigger point.

²⁹ See the press release of 8 September 2022 on the decisions of the Governing Council of the European Central Bank.

³⁰ The multiplier may be adjusted by the Governing Council of the ECB depending on the level of excess reserves.

On 31.12.2022, the said deposits had a zero balance, as in the previous year.

3. Other liabilities to euro area credit institutions denominated in euro

This item includes funds of credit institutions that are not freely disposable, as well as accounts of credit institutions that are exempt from the minimum reserve requirements.

On 31.12.2022, these liabilities had a zero balance.

4. Liabilities to other euro area residents denominated in euro

4.1 General government

(EUR million)	31.12.2022	31.12.2021	Change
General government	23,800.8	26,139.1	-2,338.3

This item includes the balances of the accounts of the Greek State and General Government Entities.

During 2022, the average balance of the aforementioned accounts amounted to EUR 31.4 billion, up by 7.5% from EUR 29.2 billion in 2021.

4.2 Other liabilities

(EUR million)	31.12.2022	31.12.2021	Change
Other liabilities	1,256.3	1,095.9	160.4

This item mainly includes balances of various entities and balances of brokerage firms.

5. Liabilities to non-euro area residents denominated in euro

Liabilities to non-euro area residents denominated in euro

(EUR million)	31.12.2022	31.12.2021	Change
IMF deposits	2,325.2	2,296.6	28.6
Other deposits	751.3	156.1	595.2
Total	3,076.5	2,452.7	623.8

The IMF deposits concern deposits amounting to EUR 2,325.2 million (31.12.2021: EUR 2,296.6 million) and mainly relate to the account denominated in euro (No.1), amounting to EUR 2,322.8 million, held by the IMF with the Bank and corresponding to the euro component of Greece's quota in the IMF (see note on asset item 2.1 "Receivables from the International Monetary Fund (IMF)").

The increase of EUR 28.6 million compared to the previous year was a result of an adjustment of the year-end account balance, due to the change in the exchange rate of the SDR against the euro (depreciation of the euro), so that the deposits correspond to the amount of SDRs that is determined by the IMF at the end of the year. The exchange rate is taken from the IMF (1 euro = 0.79814 SDR on 23.12.2022,³¹ 1 euro = 0.808092 SDR on 23.12.2021). Based on agreements signed between the Greek State and the Bank of Greece, the Greek State assumes the exchange rate risk arising from the IMF deposits, and a corresponding adjustment is made to the outstanding amounts of loans granted to the Greek State for its participation in the IMF.

Other deposits mainly include the funds of the European Investment Fund (EIF), the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD).

31 Latest exchange rate available on the IMF website https://www.imf.org/external/np/fin/data/rms_mth.aspx?SelectDate=2021-12-31&reportType=CVSDR

6. Liabilities to euro area residents denominated in foreign currency

Liabilities to euro area residents denominated in foreign currency

(EUR million)	31.12.2022	31.12.2021	Change
Liability to the Greek State in SDRs from IMF allocations	1,008.9	2,886.7	-1,877.8
Liability to the Greek State (SDR component of Greece's quota in the IMF)	719.8	710.7	9.1
Other liabilities	27.4	28.8	-1.4
Total	1,756.1	3,626.2	-1,870.1

The above liabilities to the Greek State in SDRs are mirrored in equivalent claims on the IMF (see note on asset item 2.1 “*Receivables from the International Monetary Fund (IMF)*”).

The decrease of EUR 1,870.1 million compared to the previous year is mainly due to the early full repayment by the Greek State of the loan tranches it had received from the IMF, amounting to 1,510.0 million SDRs (EUR 1,880.4 million), utilising its SDR holdings.

7. Liabilities to non-euro area residents denominated in foreign currency

7.1 Deposits and other liabilities

This item includes deposits from various entities outside the euro area totalling EUR 2.7 thousand, compared with EUR 2.6 thousand in the previous year.

8. Intra-Eurosystem liabilities

8.2 Net liabilities related to the allocation of euro banknotes within the Eurosystem

This item includes liabilities of the Bank of Greece resulting from the allocation of euro banknotes in circulation within the Eurosystem (see III. Summary of significant accounting policies, “*Banknotes in circulation*”).

On 31.12.2022, the balance was zero, as the value of the euro banknotes that had actually been put into circulation was less than that allocated to the Bank, as in the previous year. Therefore, their difference appears as a claim in asset item 9.3 “*Net claims related to the allocation of euro banknotes within the Eurosystem*”.

8.3 Net liabilities arising from balances of TARGET2 accounts

(EUR million)	31.12.2022	31.12.2021	Change
Net liabilities arising from balances of TARGET2 accounts	112,440.8	104,172.3	8,268.5

In 2022, the increase in net liabilities arising from balances of TARGET2 accounts by EUR 8,268.5 million is mainly a result of net asset purchases by the Bank for monetary policy purposes.

This item represents the Bank’s net liabilities vis-à-vis the ECB, arising from cross-border transactions of domestic credit institutions in the EU and from the Bank’s transactions with other Eurosystem NCBs, the ECB and non-Eurosystem ESCB central banks participating in the TARGET2 system (Trans-European Automated Real-time Gross settlement Express Transfer system).

This balance is remunerated on a daily basis at the prevailing Eurosystem MRO rate, which on 31.12.2022 stood at 2.5% (year average 0.58%).

8.4 Other liabilities within the Eurosystem (net)

The net balance of other transactions of the Bank of Greece with the Eurosystem as at 31.12.2022 was a claim of the Bank, as in the previous year, and is therefore disclosed under asset item 9.5 “*Other claims within the Eurosystem (net)*”.

9. Items in course of settlement

(EUR million)	31.12.2022	31.12.2021	Change
Items in course of settlement	13.2	0.9	12.3

This item includes various transactions that on 31.12.2022 were under settlement, as in the previous year, which mainly concern cheques and payment orders whose settlement is pending, as well as interim account balances under settlement.

10. Other liabilities

10.1 Off-balance-sheet instruments revaluation differences

(EUR million)	31.12.2022	31.12.2021	Change
Off-balance-sheet instruments revaluation differences	0.2	0.0	0.2

This item represents the result of the year-end revaluation of the outstanding balances of foreign currency spot transactions recorded in off-balance-sheet (memorandum) accounts on the basis of the economic approach.

10.2 Accruals and income collected in advance

Accruals and income collected in advance

(EUR million)	31.12.2022	31.12.2021	Change
Interest accruals on longer-term refinancing operations – TLTRO III (negative interest rate)	576.2	602.8	-26.6
Interest expense accruals of TARGET2 account	206.7	0.0	206.7
Interest accruals on longer-term refinancing operations – PELTROs (negative interest rate)	0.1	0.0	0.1
Fees and expenses payable	66.7	27.3	39.4
Deferred revenues	0.8	0.9	-0.1
Other accrued interest and commissions	6.3	2.1	4.2
Total	856.8	633.1	223.7

10.3 Sundry

Sundry

(EUR million)	31.12.2022	31.12.2021	Change
Dividends to be distributed	13.3	13.3	0.0
Profit to be transferred to the Greek government	400.7	499.1	-98.4
Other liabilities	121.8	157.7	-35.9
Total	535.8	670.1	-134.3

The “*Other liabilities*” category includes other taxes to be paid, the balances of credit suspense accounts and other accounts on behalf of third parties (suppliers, etc.), as well as other liabilities.

11. Provisions

Provisions

(EUR million)	Total	Special provisions (a)	For staff insurance benefits (b)	Against financial and operational risks (c)
Balance on 1.1.2022	4,838.1	555.1	2,796.0	1,487.0
Increase	191.7	2.5	0.0	189.2
Release	-431.0	-59.1	-371.9	0.0
Provisions used	-161.6	-5.8	-101.6	-54.2
Change in defined contribution plans and in other provisions	28.6	0.7	27.9	0.0
Subtotal	-372.3	-61.7	-445.6	135.0
Balance on 31.12.2022	4,465.8	493.4	2,350.4	1,622.0

Provisions

(EUR million)	Total	Special provisions (a)	For staff insurance benefits (b)	Against financial and operational risks (c)
Balance on 1.1.2021	7,525.6	564.0	2,852.6	4,109.0
Increase	36.9	7.2	29.7	0.0
Release	-2,628.1	-13.3	0.0	-2,614.8
Provisions used	-109.4	-3.3	-98.9	-7.2
Change in defined contribution plans and in other provisions	13.1	0.5	12.6	0.0
Subtotal	-2,687.5	-8.9	-56.6	-2,622.0
Balance on 31.12.2021	4,838.1	555.1	2,796.0	1,487.0

Adequate provisioning aims to strengthen the Bank's financial position so that it can best fulfil its mandate and address the risks to which it is exposed.

The Bank reviews these provisions annually and adjusts them after a risk assessment.

In greater detail:

a. Special provisions

Special provisions

(EUR million)	31.12.2022	31.12.2021	Change
• for claims against third parties	64.7	66.5	-1.8
• for pending third-party lawsuits	382.0	441.1	-59.1
• other	46.7	47.5	-0.8
Total	493.4	555.1	-61.7

Special provisions include:

- provisions for legal claims of the Bank against third parties in order to cover the risk that may result from non-collection thereof;
- provisions for the coverage of pending lawsuits by third parties against the Bank in the event of their success, which are mainly related to the main and supplementary pension, the amount of which was approximated by an actuarial study, as well as provisions for additional liabilities regarding the retirement of current employees, the amount of which was also approximated by an actuarial study;
- other provisions, in order to mainly cover the risk of non-collection of granted loans.

b. Provisions for staff insurance benefits

Provisions for staff insurance benefits

(EUR million)	31.12.2022	31.12.2021	Change
Defined benefit plans			
• Severance pay (Law 2112/1920)	39.9	49.5	-9.6
• Main and supplementary pension	1,948.6	2,412.5	-463.9
Total	1,988.5	2,462.0	-473.5
Defined contribution plans	361.9	334.0	27.9
Grand total	2,350.4	2,796.0	-445.6

Defined benefit plans

The accumulated provisions amounting to EUR 2,350.4 million, compared with EUR 2,796.0 million in the previous year, include the Bank's defined benefit obligations including staff severance pay (Law 2112/1920, as applicable), amounting to EUR 39.9 million, compared with EUR 49.5 million in the previous year, and the provision of main and

supplementary pensions, totalling EUR 1,948.6 million, compared with EUR 2,412.5 million in the previous year, as the Bank has undertaken and provides social insurance for its staff, under Law 3863/2010, Article 64, according to which the calculation of benefits is governed by the general provisions of law, as applicable, taken in conjunction with the provisions of the corresponding Statutes of the former Funds of the Bank.

The defined benefit obligation is calculated annually by independent actuaries; a relevant breakdown for 2022 and 2021 is given in the tables below:

Defined benefit plans

(EUR million)	Severance pay, Law 2112/1920		Supplementary pension		Total
		Main pension			
Balance on 1.1.2022	49.5	1,784.4	628.1	2,462.0	
Current service cost	1.0	29.6	13.3	43.9	
Net financial cost	0.3	17.8	6.7	24.8	
Actuarial gain due to changes in financial assumptions	-8.4	-416.3	-151.1	-575.8	
Actuarial loss due to experience changes	1.7	95.5	38.0	135.2	
Benefit payments	-4.2	-74.0	-23.4	-101.6	
Balance on 31.12.2022	39.9	1,437.0	511.6	1,988.5	

Defined benefit plans

(EUR million)	Severance pay, Law 2112/1920		Supplementary pension		Total
		Main pension			
Balance on 1.1.2021	48.6	1,853.0	629.4	2,531.0	
Current service cost	0.9	29.9	12.8	43.6	
Net financial cost	0.1	8.4	2.8	11.3	
Past service cost	0.0	37.9	18.6	56.5	
Actuarial gain due to changes in financial assumptions	-1.3	-107.4	-37.2	-145.9	
Actuarial loss due to experience changes	4.4	35.5	24.4	64.3	
Benefit payments	-3.2	-72.9	-22.7	-98.8	
Balance on 31.12.2021	49.5	1,784.4	628.1	2,462.0	

In accordance with the accounting policy on the remeasurement of the defined benefit obligation, service costs (current and past service) and net financial cost totalling EUR 68.7 million (2021: EUR 111.4 million) are recognised in item 7 of the Profit and Loss Account “*Staff costs and pension benefit expenses*”, while remeasurement gains/losses (up by EUR 440.6 million, from EUR 81.6 million in 2021) are recognised in the balance sheet under liability item 12 “*Revaluation accounts*” (see III. Summary of important accounting policies, “*Staff insurance benefits*”).

The main actuarial assumptions used are as follows:

Main actuarial assumptions per actuarial study	Law 2112/1920		Main pension		Supplementary pension	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Discount rate	3.15%	0.71%	3.11%	1.02%	3.10%	1.08%
Inflation rate	2.50%	2.00%	2.50%	2.00%	2.50%	2.00%
Mortality	EVK2000 Swiss Table for Men and Women					
Future increases	Wages: 3.00% (inflation rate plus 0.50%), Pensions: 1.85%					

Defined contribution plans

The defined contribution plans mainly concern parental and post-employment benefits totalling EUR 361.9 million, compared with EUR 334.0 million in the previous year. According to the Bank’s decision, these benefits do not entail an additional financial burden for the Bank, beyond the employer’s contributions already paid.

c. Provisions against financial and operational risks

The Bank establishes and maintains provisions against financial and operational risks arising from its activities. The level of these provisions is examined on an annual basis.

The Bank measures, monitors and recognises the risks undertaken after weighing and thoroughly checking the data, in order to manage them effectively. In this context, it establishes provisions following the practice of the ECB and the other NCBs of the Eurosystem.

The identified risks are:

– Market risk

Market risk is the risk of a decrease in the market value of financial instruments acquired by the Bank due to possible adverse changes in exchange rates (exchange rate risk) or interest rates (interest rate risk).

– Credit risk

Credit risk is the risk of loss from a borrower, or counterparty's failure, that becomes unable to pay back the owed amount to the Bank on time. Counterparties may include borrowers, issuers of investment securities, as well as recipients of the Bank's deposits.

– Operational risk

Operational risk is the risk of impact on the Bank's financial condition, operational readiness and/or reputation resulting from inadequate or failed internal governance and processes, people, systems and/or external events.

The Bank measures the financial risks arising from its own funds portfolios, as well as from loans not related to monetary policy implementation.

The financial risks monitored also include the risks deriving from the implementation of the Eurosystem's single monetary policy. These risks are measured by the ECB for each NCB. The measurements are carried out based on the data of the last working day of each year.

From the measurement process and at the discretion of the Bank's Administration, provisions have been established to cover the following risks:

- the credit and/or market risk related to the Bank's own funds' portfolios, as well as to loans not related to monetary policy implementation;
- the credit and/or market risk related to the single monetary policy implementation, i.e. the refinancing operations with counterparty credit institutions and the acquisition of securities within the framework of the Eurosystem's asset purchase programmes.

The evolution of the provisions against financial risks for 2022 is analysed as follows:

- A provision of EUR 54.2 million (31.12.2021: EUR 7.2 million) was used to offset a loss recognised in the Profit and Loss Account from the end-year valuation of foreign exchange and securities (see note 2 of the Profit and Loss Account, "*Net result of financial operations, write-downs and risk provisions*").
- Provisions against financial risks were increased by EUR 189.2 million (31.12.2021: release of EUR 2,614.8 million), following a decision by the Bank's Risk Management Committee, which took into account the VaR measurement of financial risks at 99% confidence level (31.12.2022: EUR 1,622.0 million, 31.12.2021: EUR 1,487.0 million).

12. Revaluation accounts

Revaluation accounts			
(EUR million)	31.12.2022	31.12.2021	Change
Unrealised revaluation gains:			
Gold	6,391.1	5,919.7	471.4
Foreign currency	411.1	291.4	119.7
Securities	0.2	6.6	-6.4
Mutual fund shares/units	11.8	11.4	0.4
Warrants	0.0	0.0	0.0
Total	6,814.2	6,229.1	585.1
Accumulated actuarial gains/(losses)	522.2	81.6	440.6
Grand total	7,336.4	6,310.7	1,025.7

Unrealised revaluation gains

On the basis of the accounting rules and principles set out by the European Central Bank for the ESCB member NCBs, and in particular the principle of prudence, unrealised revaluation gains on gold, financial instruments in foreign currency and securities are not recognised as income in the Profit and Loss Account, but are transferred directly to revaluation accounts (serving as reserves for these particular assets only). By contrast, unrealised revaluation losses at year-end are recognised as expenses and are taken to the Profit and Loss Account (see III. Summary of important accounting policies, “*Income recognition*”).

The revaluation at the end of 2022 resulted in unrealised gains of EUR 6,814.2 million, compared with EUR 6,229.1 million at the end of 2021, most of which (EUR 6,391.1 million, compared with EUR 5,919.7 million on 31.12.2021) comes from gold.

Accumulated actuarial gains/losses

The revaluation account “*Accumulated actuarial gains/(losses)*” includes the changes resulting from the remeasurement of the liabilities from the defined benefit plans and concerns actuarial gains/losses. In order to fully reflect the value of the deficit or the surplus of the defined benefits schemes, it is not allowed to reclassify them subsequently to the Profit and Loss Account (see III. Summary of Important Accounting Policies, “*Staff insurance benefits*”).

The increase in actuarial gains by EUR 440.6 million, compared to the previous year, is mainly due to a significant increase in the discount rates applied at the actuarial measurement of the liabilities from the defined benefit plans (see note on liability item 11b “*Staff insurance benefits*”).

13. Capital and reserves

The Bank’s total equity on 31.12.2022 amounted to EUR 3,459.4 million, compared with EUR 3,416.7 million on 31.12.2021.

In more detail, the Bank’s capital and reserves are as follows:

13.1 Capital

The Bank’s capital, after increases by Legislative Decrees 413/1970 and 889/1971, Laws 542/1977 and 1249/1982, Ministerial Decision E. 2665/1988, Law 2065/1992, Ministerial Decision 1281/30.10.1996 and Cabinet Acts 8/04.02.2000, 32/23.05.2002, 17/04.07.2005 and 8/10.06.2008, now stands at EUR 111,243,362 and is divided into 19,864,886 shares of a face value of EUR 5.60 each.

13.2 Ordinary reserve

The ordinary reserve amounts to EUR 111,243,362 and is equal to the equity capital.

13.3 Extraordinary reserve

The extraordinary reserve on 31.12.2022 stood at EUR 490.5 million, compared with EUR 447.8 million on 31.12.2021, as a result of its increase by EUR 42.7 million through retained profit.

13.4 Special reserve for financial risks

The special reserve for financial risks amounted to EUR 2,744.8 million, unchanged compared to the previous year.

13.5 Other special reserves

The other special reserves on 31.12.2022 stood at EUR 1.6 million (2021: EUR 1.6 million) and represent the value of artworks and fixed assets transferred gratis to the Bank.

V. NOTES ON THE PROFIT AND LOSS ACCOUNT

BRIEF ANALYSIS OF FINANCIAL RESULTS

NET INCOME

The **total net income** from the implementation of the single monetary policy of the Eurosystem, interest income on the Bank's investment portfolio, commissions and other income from domestic and cross-border operations came to EUR 938.7 million, from EUR 1,011.0 million in the previous year, having decreased by 7.2%.

In more detail:

- **Net income from interest, financial operations and the reallocation of Eurosystem monetary income** totalled EUR 784.8 million, compared with EUR 855.9 million in the previous year, down by 8.3%.
- **Net income from fees and commissions** increased by 1.6% to EUR 130.3 million, from EUR 128.2 million in the previous year.
- **Income from equity shares and participating interests** amounted to EUR 4.0 million, from EUR 10.8 million in the previous year, having decreased by 63.0%.
- Finally, **other income** amounted to EUR 19.6 million, up by 21.7% from EUR 16.1 million in the previous year.

EXPENSES BEFORE PROVISIONS

Total expenses before provisions amounted to EUR 349.3 million, compared with EUR 361.4 million in the previous year, down by 3.3%.

PROVISIONS

During the current year, **provisions** contributed to an increase in expenses by EUR 132.6 million, against a decrease in expenses by EUR 2,620.9 million in the previous year.

In particular, provisions were established against financial risks amounting to EUR 189.2 million (2021: release of EUR 2,614.8 million), as well as special provisions amounting to EUR 2.5 million (2021: EUR 7.2 million). At the same time, special provisions of EUR 59.1 million (2021: EUR 13.3 million) were released, concerning pending lawsuits by pensioners of the Bank, based on an actuarial study.

NET INCOME

1. Net interest income

Net interest income (interest income minus interest expense) amounted to EUR 2.3 million, compared with EUR 435.9 million in the previous year, marking a significant decrease of 99.5%. The reduction in question is due to the mismatch between the fixed interest income on assets and the variable interest expense on short-term liabilities, as a consequence of the rapid increase in the ECB's key interest rates during the current year, in accordance with the relevant decisions of the Governing Council of the ECB.³²

Interest income and interest expense arising from the same balance sheet (sub-) item related to monetary policy operations are netted out and are disclosed as either interest income or interest expense, taking into account whether the net amount is positive or negative.

³² See the Press Releases of [21 July 2022](#), [8 September 2022](#), [27 October 2022](#) and [15 December 2022](#) on the decisions of the Governing Council of the ECB.

1.1 Interest income

The individual categories of interest income are as follows:

Interest income			
(EUR million)	2022	2021	Change
a. on securities held for monetary policy purposes	515.1	319.3	195.8
b. on investment portfolio	359.1	373.4	-14.3
c. on long-term claims on the Greek government	4.1	3.4	0.7
d. on long-term claims arising from the transfer of foreign reserves to the ECB	5.0	0.0	5.0
e. on net claims related to the allocation of euro banknotes in circulation within the Eurosystem	113.6	0.0	113.6
f. on liabilities to euro area credit institutions related to monetary policy operations denominated in euro	94.2	106.9	-12.7
g. on Greek government deposits	0.0	20.6	-20.6
h. on deposits of general government bodies and various entities	10.6	57.1	-46.5
i. other interest income	4.3	3.2	1.1
Total	1,106.0	883.9	222.1

Interest income increased by EUR 222.1 million to EUR 1,106.0 million, compared with EUR 883.9 million in the previous year, mainly due to an increase in interest on PEPP and PSPP monetary policy portfolio securities, as well as an increase in interest on the net claims related to the allocation of the euro banknotes in circulation within the Eurosystem. This increase was partially offset by a decrease in interest on deposits of general government bodies and various entities.

In more detail:

1.1.a Interest income on securities held for monetary policy purposes

Interest by portfolio is as follows:

Interest income on securities held for monetary policy purposes			
(EUR million)	2022	2021	Change
First covered bond purchase programme (CBPP1)	0.0	0.2	-0.2
Third covered bond purchase programme (CBPP3)	17.6	22.8	-5.2
Securities markets programme (SMP)	5.7	11.8	-6.1
Public sector purchase programme (PSPP) – Supranational securities	225.3	149.7	75.6
Pandemic emergency purchase programme (PEPP) – Government debt securities	296.7	194.0	102.7
Pandemic emergency purchase programme (PEPP) – Supranational securities	-30.2	-59.2	29.0
Total	515.1	319.3	195.8

The increase of EUR 195.8 million, compared to the previous year, is mainly due to a rise in interest on the government debt securities of the PEPP portfolio and the supranational securities of the PSPP portfolio, as a result of increases in their average yield and average balance.

1.1.b Interest income on the investment portfolio

Interest by investment category is as follows:

Interest income on the investment portfolio			
(EUR million)	2022	2021	Change
– securities in euro (except Greek government debt securities)	192.6	182.2	10.4
– Greek government debt securities in euro	111.6	172.8	-61.2
– securities in foreign currency	38.2	13.2	25.0
– fixed-term deposits and current accounts	16.7	5.2	11.5
Total	359.1	373.4	-14.3

The decrease of EUR 14.3 million, compared to the previous year, is mainly attributable to a decline of EUR 61.2 million in interest income on Greek government debt securities denominated in euro, due to a decrease in their average balance and average yield, as a result of investing in Treasury bills upon maturity of bonds. This decrease was offset by an increase in interest income on securities denominated in euro (excluding Greek government debt securities), securities denominated in foreign currency and fixed-term deposits and current accounts, due to an increase in their average balances and average yields.

1.1.c Interest income on long-term claims on the Greek government

Interest income on long-term claims on the Greek government concerns loans that the Bank had granted to the Greek government until 31.12.1993.

In the current year, such interest totalled EUR 4.1 million, up by EUR 0.7 million compared to the previous year (2021: EUR 3.4 million). This rise is mainly due to an interest rate increase, which was partially offset by the reduction of the outstanding balance of these loans, due to their gradual repayment (see note on asset item 8 “*General government long-term debt denominated in euro*”).

1.1.d Interest income on long-term claims arising from the transfer of foreign reserves to the ECB

In the current year, interest income on long-term claims arising from the transfer of foreign reserves to the ECB amounted to EUR 5.0 million, as a result of an increase in the Eurosystem’s MRO (main refinancing operations) rate to a level above zero as from 27 July 2022 (see note on asset item 9.2 “*Claims equivalent to the transfer of foreign reserves to the ECB*”).

1.1.e Interest income on net claims related to the allocation of euro banknotes within the Eurosystem

During the current year, interest income on net claims related to the allocation of the euro banknotes in circulation within the Eurosystem amounted to EUR 113.6 million, as a result of an increase in the rate of the main refinancing operations of the Eurosystem (MRO rate) at a level above zero as from 27 July 2022 (see note on asset item 9.3 “*Net claims related to the allocation of euro banknotes within the Eurosystem*”).

1.1.f Interest income on liabilities to euro area credit institutions related to monetary policy operations denominated in euro

Interest by liability is as follows:

Interest income on liabilities to euro area credit institutions related to monetary policy operations denominated in euro (EUR million)			
	2022	2021	Change
– credit institutions’ minimum and excess reserve accounts	93.6	106.9	-13.3
– deposits related to margin calls	0.6	0.0	0.6
Total	94.2	106.9	-12.7

Interest income on minimum reserve accounts and excess reserve current accounts decreased by a total of EUR 13.3 million compared to the previous year, as a result of an increase in the interest rate to a level above zero (see note on liability item 2.1 “*Current accounts (covering the minimum reserve system)*”).

In the current year, interest income on deposits related to margin calls amounted to EUR 0.6 million (2021: EUR 12.5 thousand).

1.1.g Interest income on Greek government deposits

During the current year, interest expenses on Greek government deposits were recognised, as explained in note 1.2.c “*Interest expenses on Greek government deposits*”, compared to the previous year, during which interest income of EUR 20.6 million was recognised, due to the application of a negative interest rate.

1.1.h Interest income on deposits of general government bodies and various entities

In the current year, interest income on deposits of general government bodies and various entities amounted to EUR 10.6 million, having declined by EUR 46.5 million compared to the previous year (2021: EUR 57.1 million),

mainly due to an increase of the interest rate to a level above zero, against the application of a negative interest rate during the previous year.

1.1. i Other interest income

In the current year, other interest income totalled EUR 4.3 million, up by EUR 1.1 million compared to the previous year (2021: EUR 3.2 million). This category mainly includes interest income from the Bank's participation in securities lending programmes from the investment portfolio and monetary policy portfolios, as well as interest income on loans granted to its staff.

1.2 Interest expenses

The individual categories of interest expenses are broken down as follows:

Interest expenses			
(EUR million)	2022	2021	Change
a. on loans to credit institutions related to monetary policy operations	230.8	447.9	-217.1
b. on liabilities to euro area credit institutions related to monetary policy operations denominated in euro	185.2	0.0	185.2
c. on Greek government deposits	55.6	0.0	55.6
d. on balances of TARGET2 accounts	632.1	0.0	632.1
e. other interest expense	0.0	0.1	-0.1
Total	1,103.7	448.0	655.7

Interest expenses increased by EUR 655.7 million to EUR 1,103.7 million, compared with EUR 448.0 million in the previous year, mainly due to an increase in interest on the balance of TARGET2 accounts and the standing deposit facility. This increase was partially offset by a decrease in interest rates on the Targeted Longer-Term Refinancing Operations (TLTROs III).

In more detail:

1.2.a Interest expense on loans to credit institutions related to monetary policy operations

Interest expense on loans to credit institutions related to monetary policy operations			
(EUR million)	2022	2021	Change
TLTRO III operations	231.0	447.6	-216.6
PELTRO operations	-0.2	0.3	-0.5
Total	230.8	447.9	-217.1

The decrease of EUR 217.1 million, compared to the previous year, is mainly due to a decline in interest on the Targeted Longer-Term Refinancing Operations (TLTROs III), as a result of changes in their interest rate, early repayments and maturities which took place in 2022. In particular, for 2022 the following approach was applied for calculating the TLTRO III interest accruals:

(i) for the period up to 23 June 2022, the interest rate of the additional special interest period communicated to domestic credit institutions on 10 June 2022 was applied. This interest rate amounted to -1.0%, i.e. 50 basis points lower than the average Deposit Facility Rate (DFR);

(ii) for the period from 24 June 2022 to 22 November 2022, the average Deposit Facility Rate (DFR) applicable from the settlement date of each TLTRO III operation to 22 November 2022 was applied; and

(iii) for the period from 23 November 2022 to 31 December 2022, the average Deposit Facility Rate (DFR) applicable during that period was applied.

In addition, the above interest calculation for 2022, the impact of the change in the Deposit Facility Rate (DFR) within 2022 on the interest of the pre-special interest period was also considered (see note on asset item 5.2 “*Longer-term refinancing operations*”).

1.2.b Interest expense on liabilities to euro area credit institutions related to monetary policy operations denominated in euro

During the current year, interest expenses on the standing deposit facility came to EUR 185.2 million due to the transfer of credit institutions’ excess reserves from their current accounts to the accounts in question, as the Deposit Facility Rate (DFR) turned positive as from 14 September 2022 (see note on liability item 2.2 “*Deposit facility*”).

1.2.c Interest expense on Greek government deposits

During the current year, interest expenses on Greek government deposits amounted to EUR 55.6 million, against interest income of EUR 20.6 million that had been recognised in the previous year, mainly due to an increase in their interest rate at a level above zero.

1.2.d Interest expense on balances of TARGET2 accounts

During the current year, interest expenses on balances of TARGET2 accounts amounted to EUR 632.1 million, as a result of an increase in the Eurosystem’s main refinancing operations rate (MRO rate) to a level above zero as from 27 July 2022 (see liability note on liability item 8.3 “*Net liabilities arising from balances of TARGET2 accounts*”).

2. Net result of financial operations, write-downs and risk provisions

The net result is broken down as follows:

Net result of financial operations, write-downs and risk provisions			
(EUR million)	2022	2021	Change
2.1 Realised gains/(losses) arising from financial operations			
– on foreign exchange operations	66.8	30.3	36.5
– on securities operations	8.4	141.4	-133.0
– on purchases and sales of gold coins	1.2	0.8	0.4
Total	76.4	172.5	-96.1
2.2 Write-downs on financial assets and positions			
– from revaluation of foreign currency positions	-4.9	0.0	-4.9
– from revaluation of securities	-49.3	-7.2	-42.1
Total	-54.2	-7.2	-47.0
2.3 Transfer from provisions against financial risks	54.2	7.2	47.0
2. Net result of financial operations, write-downs and risk provisions	76.4	172.5	-96.1

The net result of financial operations decreased by EUR 96.1 million to EUR 76.4 million, compared with EUR 172.5 million in the previous year, mainly due to a reduction of profits from securities operations.

In particular, during the previous year, profits of EUR 130.6 million were recognised, as the Bank participated in the invitation of the Greek government for a debt buyback by selling for cash three PSI bonds. The sale of these bonds from the “Held-to-maturity” portfolio was effected in accordance with Article 9 para. 6(c) of ECB Guideline 2016/34.

Moreover, losses of EUR 54.2 million from the year-end revaluation of foreign exchange and securities were recognised in the Profit and Loss Account (P&L), compared with losses of EUR 7.2 million from the revaluation of securities in the previous year. Specifically, the revaluation of securities resulted in a loss totalling EUR 49.3 million, as a result of a decrease in the market value of part of the debt securities in the Bank’s investment portfolio, both in euro and in US dollars, due to an increase in their yields in 2022. The total losses were offset by transferring an equal amount from the provision established for this purpose (see note on liability item 11c “*Provisions against financial and operational risks*”).

3. Net income from fees and commissions

The individual categories of net income from fees and commissions are as follows:

Net income from fees and commissions			
(EUR million)	2022	2021	Change
3.1 Fee and commission income			
Remuneration for the management of the Common Capital of Legal Entities in Public Law & Social Security Funds – Law 2469/97	86.2	80.4	5.8
Commissions on receipts and payments on behalf of the Greek government	27.9	26.6	1.3
Remuneration for managing Greek government securities	11.5	16.0	-4.5
Contributions of insurance undertakings for supervision services	4.5	4.1	0.4
Income from participation in the Electronic Secondary Securities Market (HDAT)	1.7	1.7	0.0
Other fees and commissions	8.0	7.0	1.0
Total	139.8	135.8	4.0
3.2 Fee and commission expense	-9.5	-7.6	-1.9
3. Net income from fees and commissions	130.3	128.2	2.1

4. Income from equity shares and participating interests

Income from equity shares and participating interests			
(EUR million)	2022	2021	Change
Income from the ECB:			
a. Share in the interim profit distribution	0.0	3.7	-3.7
b. Share in the net profit distribution	0.0	1.0	-1.0
Other income from equity shares and participating interests	4.0	6.1	-2.1
Total	4.0	10.8	-6.8

In more detail:

Income from the ECB

During the current year, the ECB, taking into account the total financial result for the year, which was zero, did not distribute a dividend to the NCBs, while during the previous year income totalling EUR 4.7 million were recognised from the interim and net distribution of ECB profits.

Other income from equity shares and participating interests

The income in question amounted to EUR 4.0 million and consists mostly of dividends received from the Bank's participation in the Bank for International Settlements (BIS).

5. Net result of pooling of monetary income

Net result of pooling of monetary income			
(EUR million)	2022	2021	Change
Monetary income allocated to the Bank according to its capital key in the Eurosystem	176.5	28.9	147.6
Minus net monetary income pooled by the Bank of Greece	-528.5	-214.8	-313.7
a. Result of pooling of monetary income	705.0	243.7	461.3
b. Corrections to monetary income reallocation of previous years	1.1	3.8	-2.7
Total	706.1	247.5	458.6

During the current year, the net result of monetary income reallocation was positive for the Bank of Greece, as in the previous year.

Monetary income is the income accruing to the NCBs in the context of implementing the monetary policy of the Eurosystem.

The amount of each NCB's monetary income is equal to its annual income (actual and imputed) derived from Eurosystem's assets held against the liability base, less interest paid on items included in the liability base. The net result is allocated to the NCBs according to their subscribed capital key.

The liability base is composed of the following items:

- banknotes in circulation;
- liabilities to euro area credit institutions related to monetary policy operations denominated in euro;
- intra-Eurosystem liabilities arising from the issuance of ECB debt certificates ;
- net intra-Eurosystem liabilities arising from balances of TARGET2 accounts;
- net intra-Eurosystem liabilities related to the allocation of euro banknotes in circulation within the Eurosystem;
- accrued interest recorded at quarter-end on monetary policy liabilities, the maturity of which is one year or longer;
- liabilities vis-à-vis the ECB backing the claim in relation to swap agreements that earn net income for the Eurosystem;
- deposit liabilities to defaulted Eurosystem counterparties which have been reclassified from liability item 2.1 “*Current accounts (covering the minimum reserve system)*”, [if applicable].

The assets that are held against the liability base (“ earmarkable assets”) are the following:

- lending to euro area credit institutions related to monetary policy operations denominated in euro;
- securities held for monetary policy purposes. These include securities issued by euro area credit institutions which have been purchased under the Covered Bond Purchase Programmes (CBPP1, CBPP2 and CBPP3), securities purchased under the Securities Markets Programme (SMP) and the Public Sector Purchase Programme (PSPP), as well as under the Corporate Sector Purchase Programme (CSPP) and the Pandemic Emergency Purchase Programme (PEPP). Yields on covered bonds purchased under the CBPP1 and CBPP2 and on securities purchased under the PSPP (securities issued by central, regional or local governments and other recognised agencies), as well as under PEPP (government debt securities), are calculated daily on the basis of the latest available rate for the Eurosystem's main refinancing operations (MRO rate), while for securities purchased under the SMP, CBPP3, PSPP (only supranational securities), CSPP and PEPP (supranational securities and corporate debt securities) actual yields are calculated;
- intra-Eurosystem claims equivalent to the transfer of foreign reserve assets to the ECB;
- net intra-Eurosystem claims arising from balances of TARGET2 accounts;
- net intra-Eurosystem claims related to the allocation of euro banknotes within the Eurosystem;
- claims on euro area counterparties related to swap agreements between the ECB and a non-Eurosystem central bank that earn net income for the Eurosystem;
- accrued interest recorded at quarter-end on monetary policy assets the maturity of which is one year or longer;
- a limited amount of each NCBs' gold holdings in proportion to each NCB's capital key share. Gold is considered to generate no income.

When the value of an NCB's earmarkable assets exceeds or falls short of the value of its liability base, the difference is offset by applying, to the value of the difference, the applicable (marginal) interest rate of the Eurosystem's main refinancing operations.

At the end of every financial year, the monetary income pooled by the Eurosystem is reallocated to the NCBs according to their paid-up shares in the capital of the ECB. Pooling and reallocating monetary income brings about net reallocation effects, since the level of the liability base and earmarkable assets of an NCB, as well as the corresponding interest income/expenses on earmarkable assets and the liability base, may deviate from the corresponding amounts calculated on the basis of its Eurosystem key.

This method of allocating the Eurosystem's monetary income was established by Decision ECB/2016/36 of the Governing Council of the ECB, as amended.

The amount receivable of EUR 705.0 million, which arose for the Bank in 2022, is due to the fact that the monetary income pooled by the Bank, which turned out an expense of EUR 528.5 million, was less than the amount calculated on the basis of the Bank's Eurosystem key (an income of EUR 176.5 million).

The corrections to monetary income reallocation of previous years, amounting to EUR 1.1 million, concern the recalculation and reallocation of monetary income for 2020 and 2021.

6. Other income

Other income (EUR million)	2022	2021	Change
Income from production of goods	12.2	9.5	2.7
Other operating income	7.4	6.6	0.8
Total	19.6	16.1	3.5

Other income includes income of EUR 12.2 million (2021: EUR 9.5 million), which comes from the production of goods of the Printing Works Department (IETA), mainly on behalf of the Greek government (coins, passports, entry visas, tobacco tax strips), as well as other operating income of EUR 7.4 million (2021: EUR 6.6 million), derived from the participation of the Bank of Greece in Eurosystem projects, the management of real estate, accreditation fees, etc.

EXPENSE

7. Staff costs and pension benefit expenses

Staff costs and pension benefit expenses (EUR million)	2022	2021	Change
Staff wages and other benefits	203.7	179.1	24.6
Expenses of defined benefit plans	68.7	111.4	-42.7
Total	272.4	290.5	-18.1

In the current year, staff costs and pension benefit expenses decreased by a total of EUR 18.1 million compared to the previous year, mainly due to a reduction in the expenses of the defined benefit plans. The expenses of the defined benefit plans concern the service costs (current and past service) and the net financial costs based on actuarial studies, and are presented in detail in the note on liability item 11b "Provisions for staff insurance benefits".

This decrease was partially offset by an increase in staff wages and other benefits by EUR 24.6 million, compared to the previous year, due to a one-off increase of EUR 12.7 million in the funds of the defined contribution plan for post-employment benefits and also due to the implementation of the firm-level collective agreement.

8. Other administrative expenses

Other administrative expenses

(EUR million)	2022	2021	Change
Consumption of materials and forms	8.7	9.8	-1.1
Software rights – Cost of management information systems	13.1	13.1	0.0
Third party fees	10.9	10.1	0.8
Publications and subscriptions	5.3	5.1	0.2
Rent, property and equipment maintenance/repair Expenses	5.7	6.5	-0.8
Other expenses	22.1	17.7	4.4
Total	65.8	62.3	3.5

During the current year, other management expenses increased by EUR 3.5 million compared to the previous year, mainly due to an increase in lighting and heating expenses of EUR 2.9 million.

9. Depreciation of tangible and amortisation of intangible fixed assets

Depreciation and amortisation costs amounted to EUR 11.1 million, compared with EUR 8.6 million in the previous year, up by EUR 2.5 million. The depreciation and amortisation expense per fixed asset category is presented in the note of asset item 11.2 “*Tangible and intangible fixed assets*”.

10. Provisions

During the current year, provisions contributed to an increase in expenses by EUR 132.6 million, against a decrease in expenses by EUR 2,620.9 million in the previous year.

In particular, provisions were established against financial risks amounting to EUR 189.2 million (2021: release of EUR 2,614.8 million), as well as special provisions amounting to EUR 2.5 million (2021: EUR 7.2 million). At the same time, special provisions of EUR 59.1 million (2021: EUR 13.3 million) were released, concerning pending lawsuits by pensioners of the Bank, based on an actuarial study.

The provisions for the current and the previous year are presented in detail in the note on liability item 11 “*Provisions*”.

VI. ADDITIONAL INFORMATION

1. Off-balance-sheet (memorandum) items

Off-balance-sheet (memorandum) items			
(EUR million)	31.12.2022	31.12.2021	Change
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	62,827.2	53,003.5	9,823.7
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	5,886.2	5,059.5	826.7
3. Assets eligible as collateral for Eurosystem monetary policy operations and intraday credit	50,863.5	60,728.0	-9,864.5
4. Other off-balance-sheet items	12,610.2	12,339.4	270.8
Total	132,187.1	131,130.4	1,056.7

On 4.4.2022, the Greek State conducted an early repayment of loans to the IMF amounting to SDR 1,510.0 million, utilising its SDR holdings. Via the above payment, the Greek State repaid the total amount of loans concluded with the IMF from May 2010 onwards. Therefore, the relevant promissory note in the amount of EUR 1,868.6 million that had been issued by the Greek State, and which was valid on 31.12.2021, ceases to exist.

So, other off-balance-sheet items include:

- the Hellenic Republic's liability to the IMF arising from SDR allocations of SDR 3,110.3 million, (EUR 3,897.0 million on 31.12.2022, compared with EUR 3,849.0 million on 31.12.2021);
- documentary credits to be executed, third-party guarantees for good performance, euro coins in the Bank's warehouse, Greek government securities, government-owned securities held for custody, as well as securities pledged as collateral to the Bank of Greece for participation in securities lending programmes, totalling EUR 8,687.7 million on 31.12.2022, compared with EUR 6,617.7 million on 31.12.2021;
- foreign currency spot transactions from the transaction date to the settlement date (application of the economic approach to the presentation of these transactions in the balance sheet) totalling EUR 25.5 million on 31.12.2022, compared with EUR 4.2 million on 31.12.2021.

2. Contingent liabilities

As at 31 December 2022, there were pending lawsuits against the Bank of Greece in relation to its general operations amounting to EUR 102.6 million (31.12.2021: EUR 106.9 million), for which no provision has been established.

After evaluating the current legal framework and the individual facts in dispute, the Administration judges, based on the existing chances of success of these lawsuits, that there is no reason to establish provisions on 31.12.2022.

3. Other information

Number of personnel

On 31.12.2022, the total staff numbered 1,861, while on 31.12.2021 it numbered 1,863.

Agreement with the Central Bank of Cyprus

The Bank of Greece manages part of the ECB's reserve assets that have been transferred by the Bank of Greece and the Central Bank of Cyprus, based on a pooling agreement between the two NCBs. The agreement was signed in 2009 and is of indefinite duration. Management is carried out at the Bank in accordance with the framework and directives of the ECB.

4. Post-balance-sheet events

- Pursuant to Council Decision 2022/1211/EU of 12 July 2022, taken in accordance with Article 140(2) of the Treaty on the Functioning of the European Union, Croatia adopted the single currency on 1 January 2023. In accordance with Article 48.1 of the Statute of the ESCB and the legal acts adopted by the Governing Council on 30 December 2022,³³ Hrvatska Narodna Banka paid up the remainder of its capital subscription to the ECB. In accordance with Article 48.1, in conjunction with Article 30.1, of the Statute of the ESCB, Hrvatska Narodna Banka transferred foreign reserve assets to the ECB in an amount corresponding to its subscribed capital share. As a result of the change in the capital key following Hrvatska Narodna Banka's entry into the Eurosystem, the Bank of Greece's share in the ECB's paid up capital (capital key) declined from 2.47355% to 2.45365%. The Bank of Greece's share in the ECB's subscribed capital is 2.0117%.
- Until 2 March 2023, approval date of the financial statements by the General Council of the Bank of Greece, an amount of EUR 4.1 billion has been repaid early from TLTRO III operations that were outstanding on 31 December 2022. (In the same period, a total amount of EUR 99.3 billion was repaid early to the Eurosystem for the outstanding TLTRO III operations) (see note on asset item 5.2 "Longer-term refinancing operations".)

5. Independent auditor's services

The auditing firm ERNST & YOUNG (GREECE) Certified Auditors Accountants S.A. is the legal independent auditor for the year that ended on 31 December 2022, while for the 2017-2021 financial years the auditor was Deloitte Certified Public Accountants SA. The certified auditors, in addition to the services of the mandatory audit of the 2022 financial statements, also provided non-audit services (pre-agreed procedures). The following table presents the total fees for audit and non-audit services for 2022 and 2021.

Independent auditor's fees

(EUR)	2022	2021
Audit service fees	180,000	218,000
Fees for other audit services	31,000	23,000
Non-audit service fees	0	13,000
Total	211,000	254,000

Athens, 2 March 2023

FINANCIAL DEPARTMENT

THE GOVERNOR

THE DIRECTOR

THE ACCOUNTANT

YANNIS STOURNARAS

YANNIS ASIMAKOPOULOS

THEOCHARIS NTOVAS
License No Class A 0137991

³³ Decision ECB/2022/51 of 30 December 2022 on the paying-up of capital, transfer of foreign reserve assets and contributions by Hrvatska Narodna Banca to the European Central Bank's reserves and provisions equivalent to reserves of the ECB (EE L 17, 19.1.2023, p. 94-98); Agreement of 30 December 2022 between Hrvatska Narodna Banca and the European Central Bank regarding the claim credited to Hrvatska Narodna Banca by the European Central Bank under Article 30.3 of the Statute of the European System of Central Banks and the European Central Bank, (EE C 18, 19.1.2023, p. 1-3).

ΤΡΑΠΕΖΑ