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2023

91ST ORDINARY MEETING OF SHAREHOLDERS
ATHENS, 8 APRIL 2024

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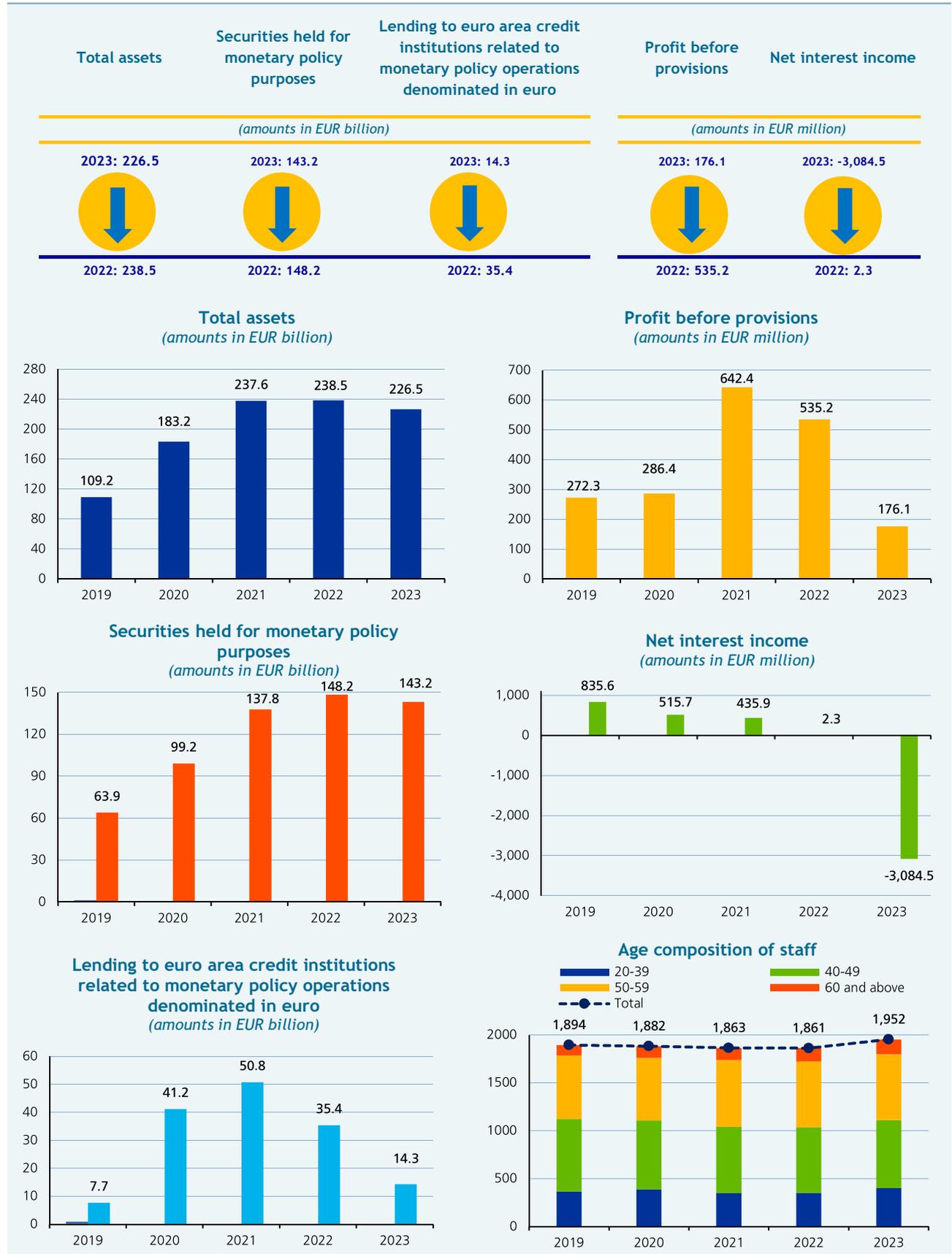
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AT A GLANCE

EVOLUTION OF THE BANK'S KEY FIGURES

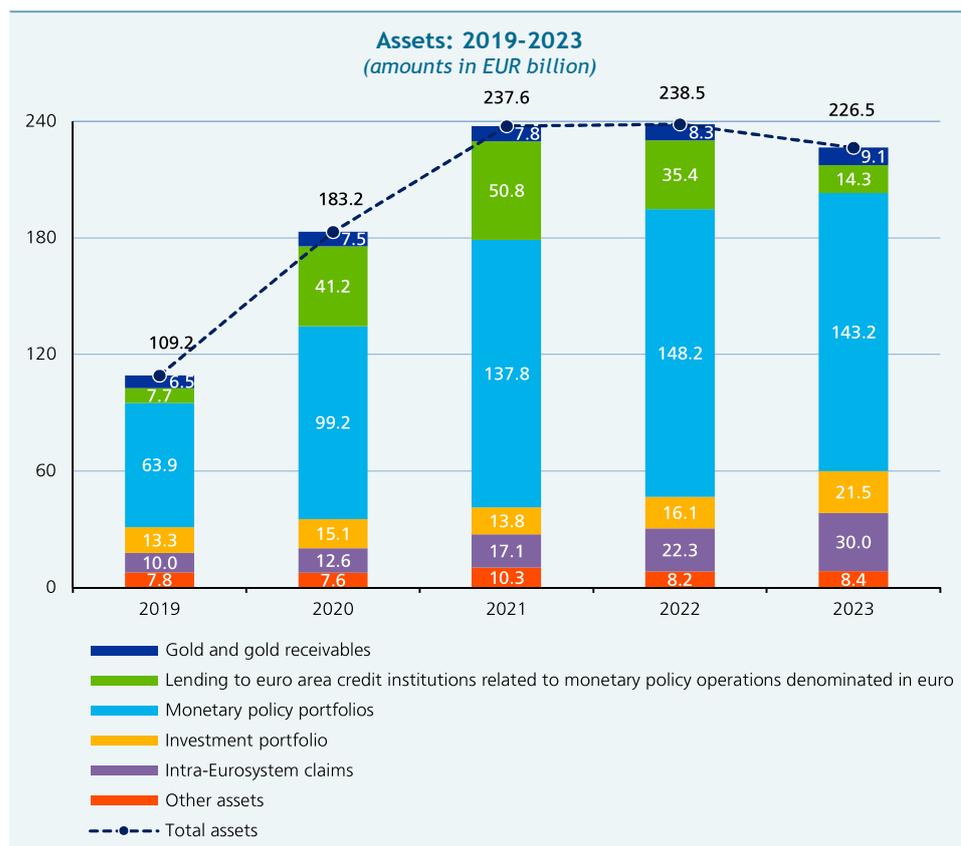


BALANCE SHEET

ASSETS

The Bank of Greece's assets as at 31 December 2023 amounted to EUR 226.5 billion, down by EUR 12.0 billion compared with the previous year. Underlying this change is a decline in lending to euro area credit institutions related to monetary policy operations denominated in euro, mainly as a result of the maturing of Targeted Longer-Term Refinancing Operations (TLTRO III).

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



The Bank of Greece's total assets increased significantly over the period 2019-2022, mainly due to the purchases of debt securities in the context of the implementation of the monetary policy of the Eurosystem. In particular, the total assets' increase in 2020 and 2021 was mainly the result of net purchases of debt securities under the Asset Purchase Programme (APP)¹ and the launch of the Pandemic Emergency Purchase Programme (PEPP)² in 2020.

Lending to euro area credit institutions related to monetary policy operations denominated in euro decreased by EUR 21.1 billion and amounted to EUR 14.3 billion as at 31 December 2023, compared with EUR 35.4 billion as at 31 December 2022, as a result of the maturity and early repayment of TLTRO III operations amounting to EUR 13.5 billion and EUR 7.5 billion, respectively. In addition, the last PELTRO operation of EUR 50.0 billion matured.

- 1 The Asset Purchase Programme (APP) portfolio comprises the third Covered Bond Purchase Programme (CBPP3), the Asset-Backed Securities Purchase Programme (ABSPP), the Public Sector Purchase Programme (PSPP) and the Corporate Sector Purchase Programme (CSPP). The Bank of Greece did not participate in the ABSPP and CSPP, and only holds supranational securities and multilateral development banks' securities under the PSPP. More details on the APP portfolio are available on the [ECB's website](#).
- 2 More details on the PEPP portfolio are available on the [ECB's website](#).

- *TLTRO III operations*

Following seven quarterly Targeted Longer-Term Refinancing Operations (TLTROs III) introduced in 2019, the Governing Council of the ECB decided in December 2020 to introduce three further operations, which were conducted between June and December 2021. These operations have a three-year maturity and the participants have the option, on a quarterly basis, of terminating or reducing the amount of TLTRO III concerned before maturity.

For the period from 24 June 2020 to 23 June 2022, the borrowing rates on these operations can be as low as 50 basis points below the average interest rate on the Deposit Facility (DFR), but in any case, may not become less negative than -1%. For the remaining period until maturity they may not be lower than the average DFR during this period. 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 these operations will be indexed to the average applicable key ECB interest rates over this period.

The actual interest rates can only be known at the maturity or early repayment of each operation and, prior to that, a reliable estimate is only possible to be used for calculating the TLTRO III interest accruals. The DFR was the interest rate applicable to the Bank of Greece for calculating the TLTRO III accrued interest for the financial year 2023.

- *PELTRO operations*

Of the total four additional Pandemic Emergency Longer-Term Refinancing Operations (PELTROs) allotted in 2021 on a quarterly basis, each with a tenor of approximately one year, the last operation matured on 26 January 2023.

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 was 25 basis points lower than the average rate applied in the Eurosystem's Main Refinancing Operations rate (MRO rate) over the life of the respective PELTRO.

Securities held for monetary policy purposes account for 63.2% of the Bank's total assets. The Bank of Greece holds monetary policy securities in the context of the following Programmes: the Covered Bond Purchase Programmes (CBPPs), the Securities Markets Programme (SMP), the Public Sector Purchase Programme (PSPP) and the Pandemic Emergency Purchase Programme (PEPP). These securities are valued at amortised cost subject to impairment.

- *Asset Purchase Programme (APP)*

Until the end of February 2023,³ the Eurosystem continued reinvesting, in full, the principal payments from maturing securities purchased under the Asset Purchase Programme (APP). Between March and the end of June 2023, the Eurosystem was not reinvesting all of the principal payments from maturing securities and in July 2023 it discontinued reinvestments. Thereafter, the APP portfolio was declining due to maturities.

- *Pandemic Emergency Purchase Programme (PEPP)*

This Programme 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.

3 See: "Monetary policy decisions", ECB press release of [15.12.2022](#).

Throughout the year, the Eurosystem continued reinvesting, in full, the principal payments from maturing securities purchased under the PEPP. The Governing Council intends to continue to reinvest, in full, the principal payments from maturing securities purchased under the PEPP throughout the first half of 2024.⁴ Over the second half of 2024, it also intends to reduce the PEPP portfolio by EUR 7.5 billion per month on average and to discontinue reinvestments under the PEPP by the end of the same year.

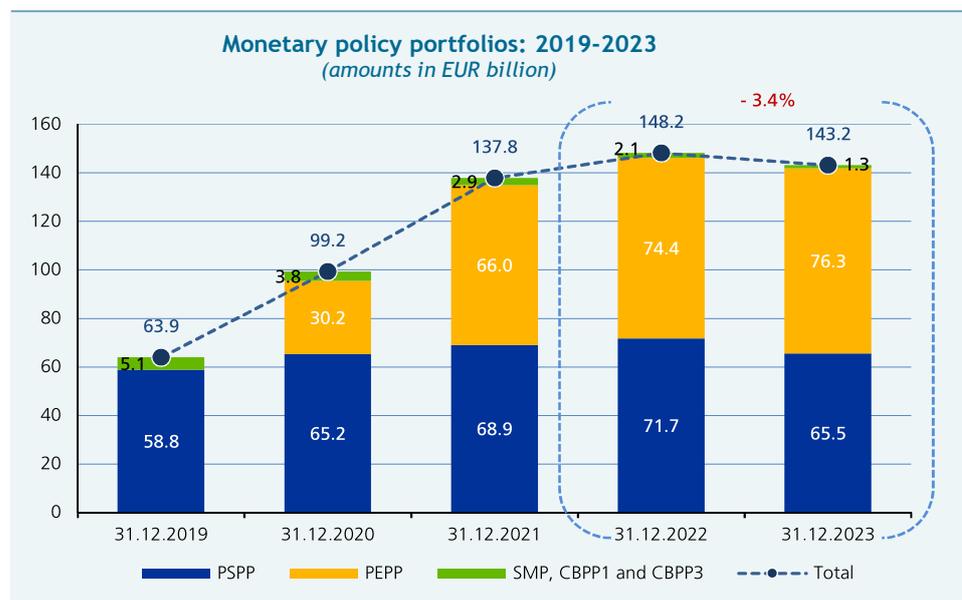
Moreover, the Governing Council of the ECB will continue applying flexibility in reinvesting redemptions coming due in the PEPP portfolio, with a view to countering risks to the monetary policy transmission mechanism related to the pandemic.

Securities held for monetary policy purposes as at 31 December 2023 amounted to EUR 143.2 billion, compared with EUR 148.2 billion as at 31 December 2022, down by EUR 5.0 billion.

This change is primarily due to net maturities (maturities minus purchases) of securities under the PSPP, as well as maturities of securities under the CBPP3, amounting to EUR 6.0 billion and EUR 0.7 billion, respectively. At the same time, net purchases of securities under the PEPP increased by EUR 2.4 billion (see note on asset item 7.1 "Securities held for monetary policy purposes").

The structure and size of the monetary policy portfolios of debt securities over the past five years are presented in the chart below, according to which, as at 31.12.2023:

- 53.3% relates to debt securities under PEPP⁵;
- 45.7% concerns securities under the PSPP⁶; and
- a small percentage of 1.0% concerns debt securities under the CBPP3 and the SMP.



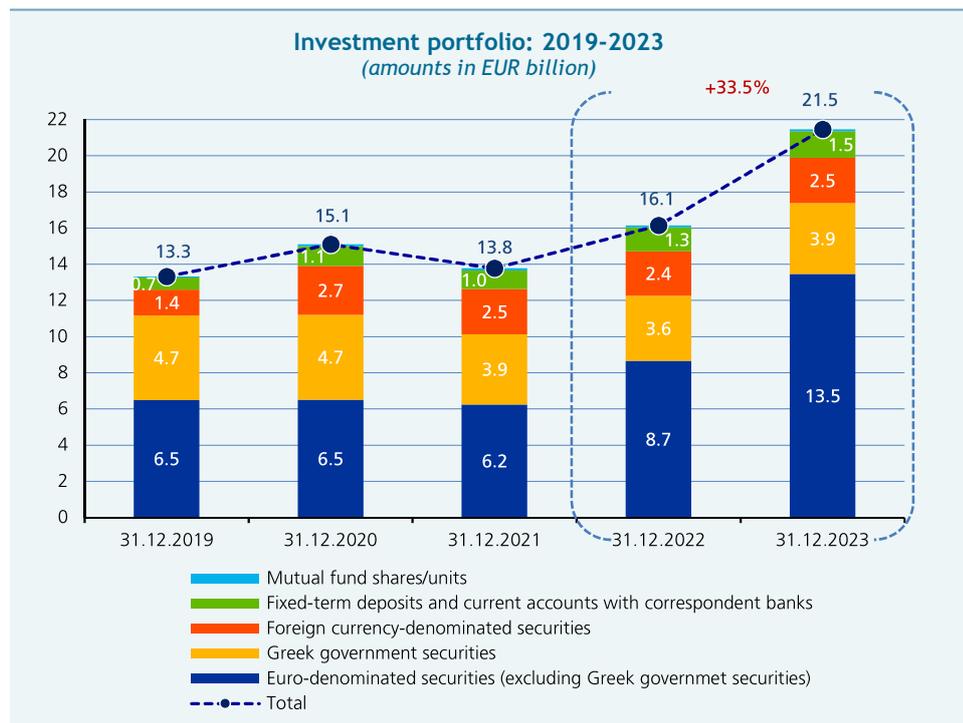
The **investment portfolio**, which the Bank holds for purely investment purposes, includes euro-denominated bonds and Treasury bills issued by governments of euro area countries, including the Greek government, foreign currency-denominated bonds and notes issued by euro area and non-euro area residents, 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.

⁴ See: "Monetary policy decisions", ECB press release of 14.12.2023.

⁵ As at 31.12.2023, the Bank of Greece only held government debt securities and supranational securities under the PEPP.

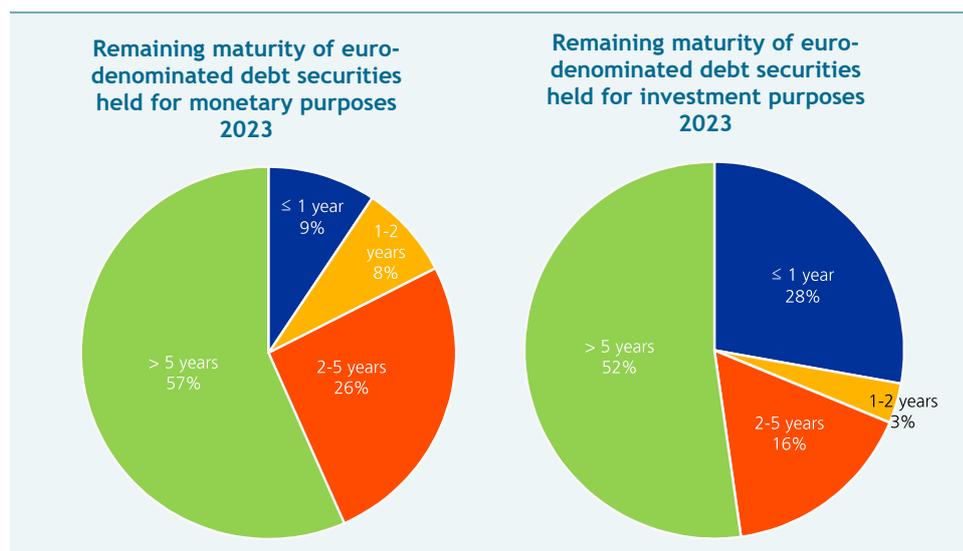
⁶ As at 31.12.2023, the Bank of Greece only held supranational securities and multilateral development banks' securities under the PSPP.

The structure and size of the investment portfolio over the last five years are presented in the chart below.



As at 31.12.2023, this portfolio amounted to EUR 21.5 billion, compared with EUR 16.1 billion as at 31.12.2022, up by EUR 5.4 billion, mainly due to the purchase of euro-denominated bonds and treasury bills issued by governments of euro area countries (other than those of the Greek government).

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

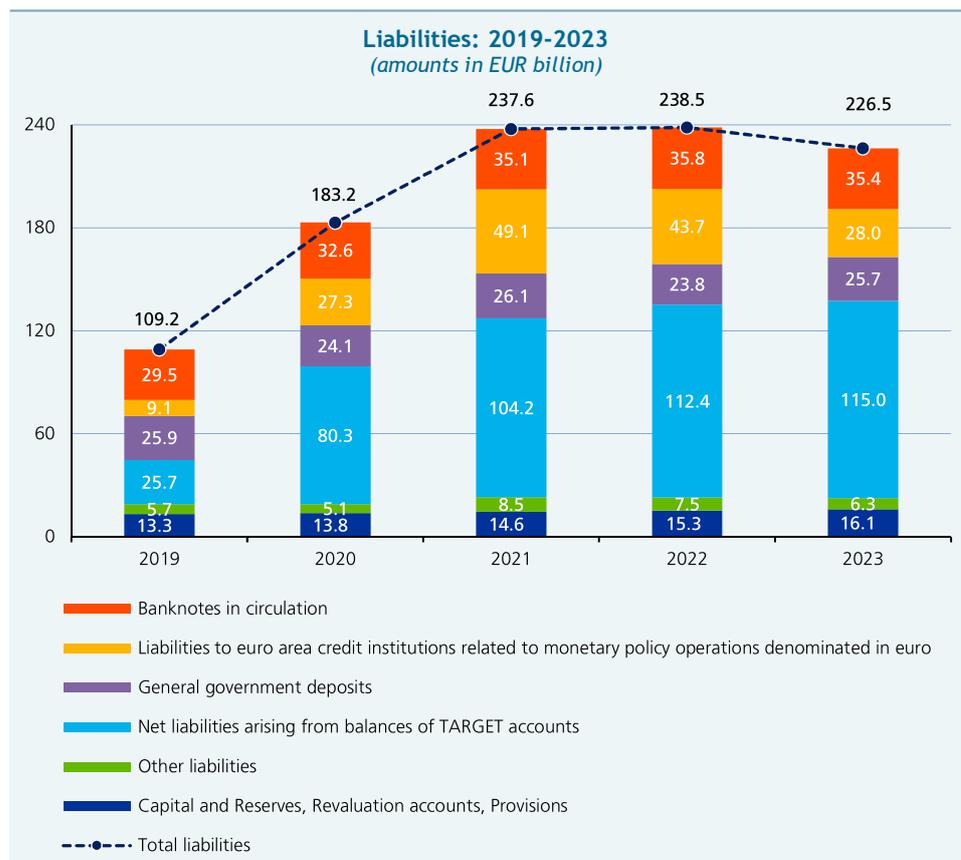
The financial assets and liabilities on the balance sheets of the Eurosystem's National Central Banks (NCBs) that are not directly linked to the conduct of monetary policy are usually referred to as "Net Financial Assets" (NFAs).

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.

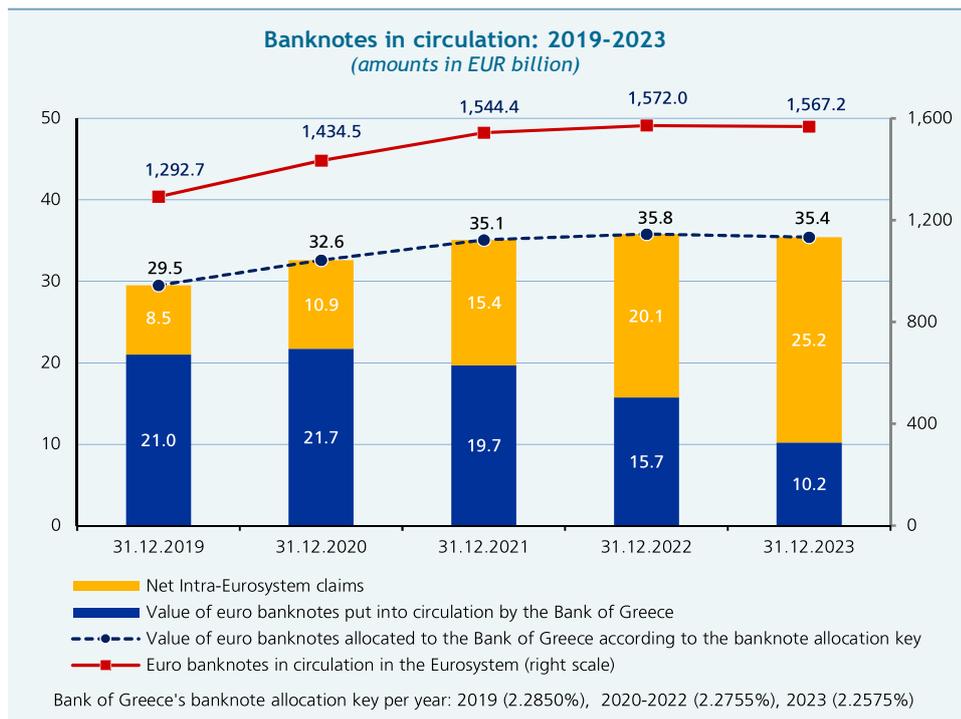


The value of **euro banknotes in circulation by the Bank of Greece on the basis of the banknote allocation key** amounted to EUR 35.4 billion as at 31.12.2023, compared with EUR 35.8 billion as at 31.12.2022, down by 1.1%, due to a decrease both in the Bank's banknote allocation key⁷ and total banknotes in circulation in the Eurosystem (EUR 1,567.2 billion as at 31.12.2023, compared with EUR 1,572.0 billion as at 31.12.2022).

The value of **euro banknotes put into circulation by the Bank of Greece**⁸ fell by 35.0% and amounted to EUR 10.2 billion as at 31.12.2023, compared with EUR 15.7 billion as at 31.12.2022. As this value is lower than the euro banknotes allocated to the Bank, the difference of EUR 25.2 billion is shown in asset item 9.3 "Net claims related to the allocation of euro banknotes within the Eurosystem".

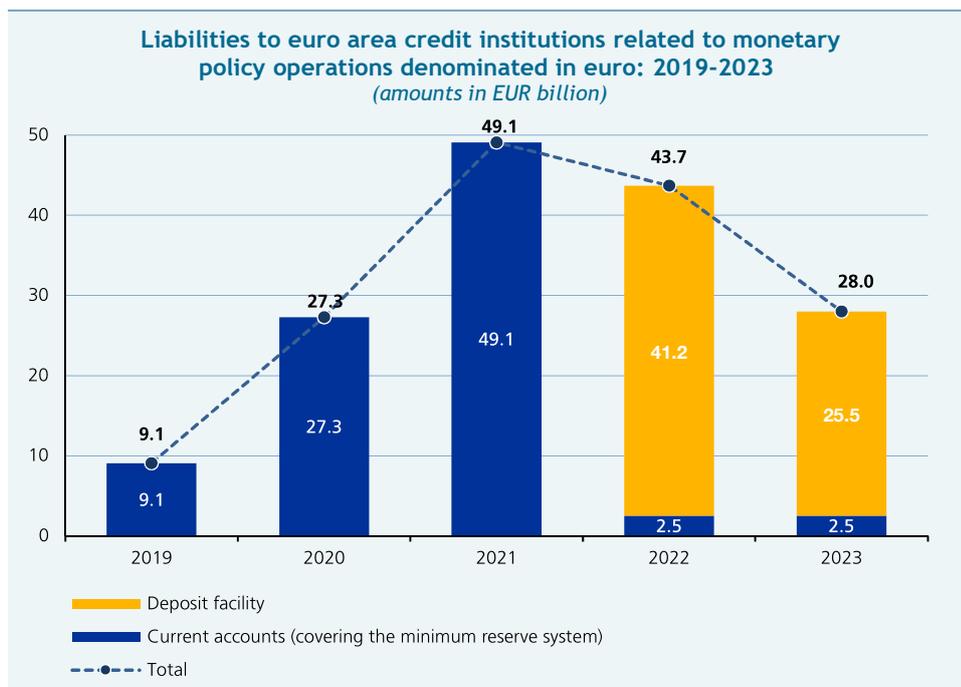
7 As from 31.12.2023, the banknote allocation key of the Bank of Greece is 2.2575%, compared with 2.2755% at 31.12.2022, as the result of the entry of the Central Bank of Croatia (Hrvatska Narodna Banka) into the Eurosystem on 1.1.2023.

8 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 put into circulation by the Bank.



Liabilities to euro area credit institutions related to monetary policy operations denominated in euro decreased by EUR 15.7 billion and as at 31.12.2023 their balance amounted to EUR 28.0 billion, compared with EUR 43.7 billion as at 31.12.2022.

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.



The current accounts of credit institutions (covering the minimum reserve system) amounted to EUR 2.5 billion, as at 31.12.2023, unchanged from 31.12.2022. The

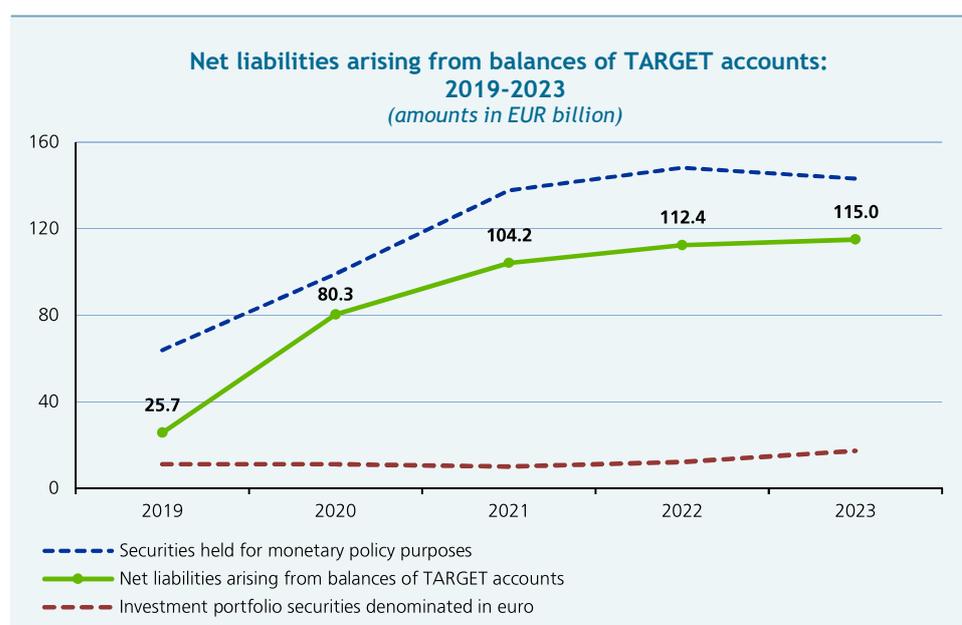
standing deposit facility fell significantly by EUR 15.7 billion to EUR 25.5 billion as at 31.12.2023, compared with EUR 41.2 billion as at 31.12.2022, mainly due to credit institutions' repayment of Targeted Longer-Term Refinancing Operations (TLTROs III). The increase in the standing deposit facility in 2022 is due to the fact that credit institutions transferred their deposits from their current accounts, as a consequence of the raise of the Deposit Facility Rate (DFR) above zero as of 14 September 2022.

Net liabilities arising from balances of TARGET accounts amounted to EUR 115.0 billion as at 31.12.2023, compared with EUR 112.4 billion as at 31.12.2022, up by EUR 2.6 billion.

TARGET ACCOUNTS

TARGET (Trans-European Automated Real-time Gross Settlement Express Transfer system) 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 TARGET balances (see III. Summary of important accounting policies, "Intra-ESCB balances/intra-Eurosystem balances").



In 2023, the increase in net liabilities arising from balances of TARGET accounts is mainly a result of net purchases of securities under the Bank's investment portfolio, while their evolution over the period 2019-2022 was mainly due to net purchases of securities by the Bank for monetary policy purposes, most of which are settled via TARGET.

Revaluation accounts,⁹ provisions against 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 fluctuations in prices and/or exchange rates and thus constitute a first line of defence against the risks to which the Bank is exposed. As at 31.12.2023, revaluation accounts increased by EUR

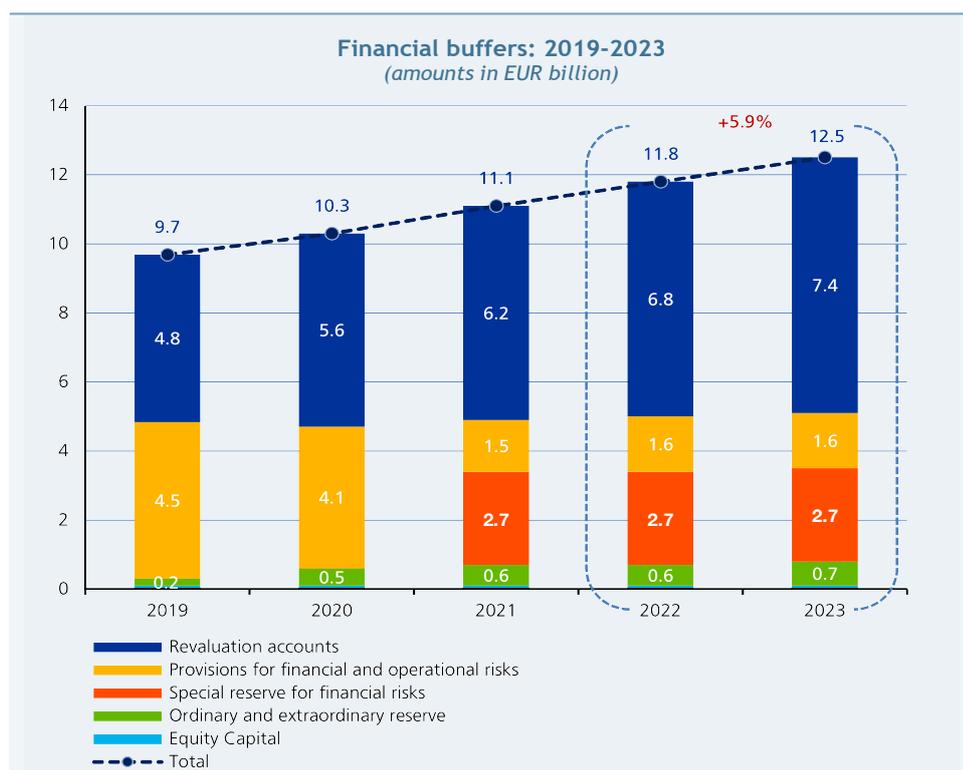
⁹ Revaluation accounts do not include "Accumulated actuarial gains/(losses)" resulting from the remeasurement of the liabilities from the defined benefit plans.

0.6 billion, mainly owing 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.

Following a decision by the Bank's Risk Management Committee, the provision for financial risks remained unchanged compared with the previous year, amounting to EUR 1,622.0 million.

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 85.4 million (see note "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 543.6 million**, compared with **EUR 885.1 million** in the previous year, down by 38.6%.

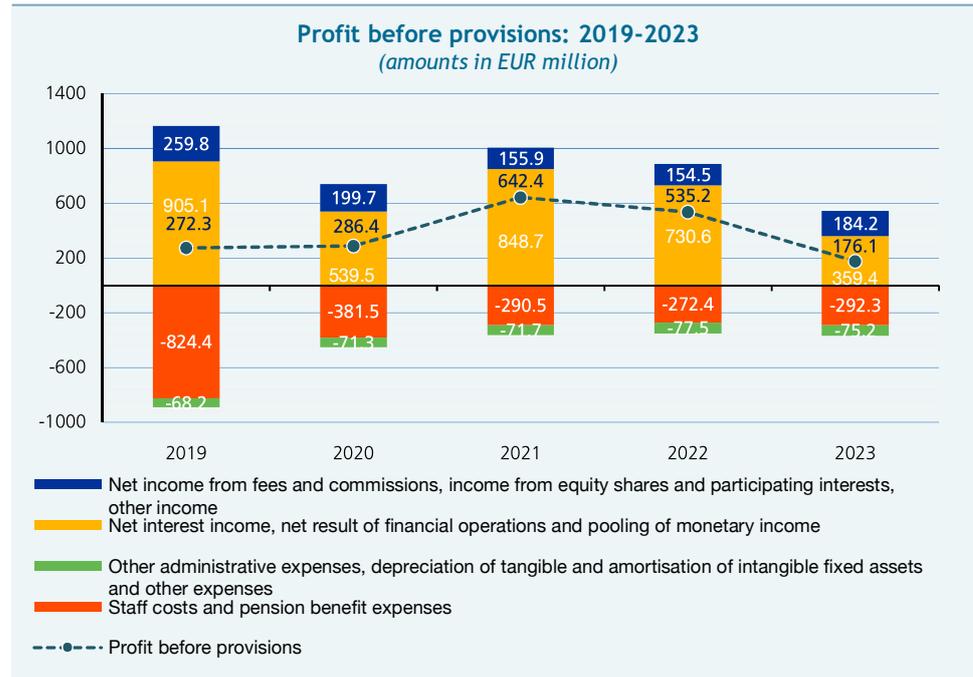
Total expenses before provisions amounted to **EUR 367.5 million**, compared with **EUR 349.9 million** in the previous year, up by 5.0%.

The Bank's **profit before provisions** in 2023 amounted to **EUR 176.1 million**, from **EUR 535.2 million** in the previous year, having decreased by 67.1%.

Net profit amounted to **EUR 98.7 million**, compared with **EUR 456.8 million** in the previous year.

The evolution of Bank's **profit before provisions**¹⁰ over the last five years is presented in the chart below:

¹⁰ Certain items that comprise the Bank's profit before provisions for the period 2019-2022 have been reclassified to be comparable with the respective items of the year 2023. In particular, in 2023, the amounts included in item 2.3 "Transfer from provisions against financial risks", which no longer exists in the Profit and Loss Account, were reclassified to Profit and Loss Account item 10 "Provisions", compared to the publications of previous years.



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 543.6 million, from EUR 885.1 million in the previous year, having decreased by 38.6%.

More specifically:

- **Net income from interest, financial operations and the reallocation of the Eurosystem's monetary income** amounted to EUR 359.4 million, from EUR 730.6 million in 2022, having decreased by 50.8%.
- **Net income from fees and commissions** increased by 6.4% to EUR 138.7 million, from EUR 130.3 million in the previous year.
- **Income from equity shares and participating interests** amounted to EUR 4.0 million, unchanged from the previous year.
- Finally, **other income** more than doubled to EUR 41.5 million, compared with EUR 20.2 million in the previous year, due to the recognition of income amounting to EUR 23.8 million, resulting from the impairment test of real estate assets.

MONETARY INCOME IN THE EUROSISTEM

Monetary income

Monetary income is the income accruing to the NCBs of the Eurosystem in the single monetary policy implementation. 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. 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 its reallocation at Eurosystem level. 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 on the monetary income is provided in note 5 of the Profit and Loss Account, "*Net result of pooling of monetary income*".

Net interest income decreased by EUR 3,086.8 million to an expense of EUR 3,084.5 million, against an income of EUR 2.3 million in the previous year. This significant reduction is primarily 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 substantial 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.¹¹

In particular, the decrease is due to:

- an increase in interest expense on balances of TARGET accounts amounting to EUR 3,709.4 million, as a result of an increase in the interest rate, namely the Eurosystem's Main Refinancing Operations rate (MRO rate) (year average: 3.8%, compared with 0.6% in the previous year);
- an increase in interest expense on the standing deposit facility by EUR 841.4 million as a result of an increase both in the relevant average outstanding balance and in the interest rate, namely the Deposit Facility Rate (DFR) (year average: 3.3%, compared with 0.1% in the previous year);
- an increase in interest expense on Greek government deposits by EUR 580.2 million, as a result of the increase in their interest rate.

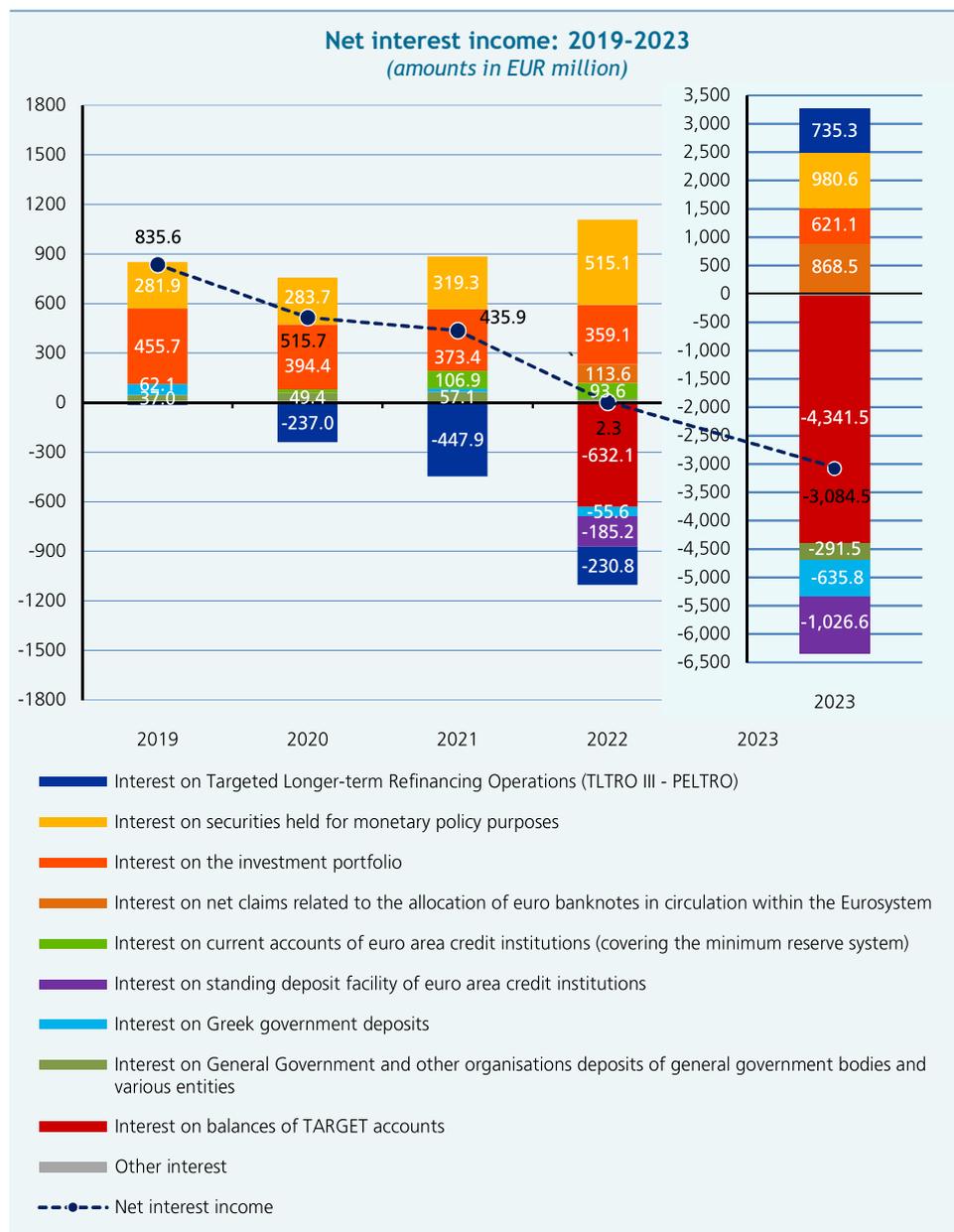
The decrease in net interest income was offset by:

- the recognition of Targeted Longer-Term Refinancing Operations (TLTRO III) interest income of EUR 735.2 million, against interest expense of EUR 231.0 million that had been recognised in the previous year; the DFR is the interest rate applicable to the Bank of Greece for the remuneration of TLTROs III from 23 November 2022 onwards;
- an increase in interest income from monetary policy portfolios by EUR 465.5 million, mainly due to an increase in interest on supranational securities in the PSPP portfolio – owing to an increase in their average yield – as well as on PEPP portfolio securities – owing to an increase in their average yield and average balance;

¹¹ See "*Monetary policy decisions*", ECB press releases of [2.2.2023](#), [16.3.2023](#), [4.5.2023](#), [15.6.2023](#), [27.7.2023](#) and [14.9.2023](#).

- an increase in interest income from the investment portfolio by EUR 262.0 million, mainly due to an increase in interest both on securities in euro (except for Greek government debt securities) and on securities in foreign currency, as a result of an increase in their average yield and average balance;
- an increase by EUR 754.9 million in interest income on net claims related to the allocation of euro banknotes in circulation within the Eurosystem, as a result of an increase in the interest rate, namely the Eurosystem's Main Refinancing Operations rate (MRO rate), and their average balance.

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 expense on Targeted Longer-Term Refinancing Operations (TLTRO III). During the current year, the decline is mainly due to a significant increase in interest expense on balances of TARGET accounts and interest expense on the standing deposit facility.

• Expenses before provisions

Expenses before provisions			
(EUR million)	2023	2022	Change
Staff costs and pension benefit expenses	292.3	272.4	19.9
Other administrative expenses	63.3	66.4	-3.1
Depreciation and amortisation costs	11.9	11.1	0.8
Total	367.5	349.9	17.6

Total **expenses before provisions** amounted to EUR 367.5 million, compared with EUR 349.9 million in the previous year, up by 5.0%.

More specifically:

Staff costs and pension benefit expenses amounted to EUR 292.3 million, compared with EUR 272.4 million in the previous year, up by EUR 19.9 million. In 2023, the expenses of the defined benefit plans that were charged to the Profit and Loss Account (P&L) amounted to EUR 92.1 million (2022: EUR 68.7 million).

Other administrative expenses totalled EUR 63.3 million, compared with EUR 66.4 million in the previous year, down by EUR 3.1 million, mainly due to a decrease in the consumption of materials and stationery, as well as in lighting and heating expenses.

Depreciation and amortisation costs amounted to EUR 11.9 million, compared with EUR 11.1 million in the previous year, up by EUR 0.8 million.

• Provisions

During the current year, **provisions** contributed to an increase in expenses by EUR 77.4 million, compared with EUR 78.4 million in the previous year, a decrease of 1.3%.

Specifically, special provisions of EUR 86.0 million were established (2022: EUR 2.5 million), concerning mainly pending lawsuits by pensioners of the Bank. At the same time, special provisions of EUR 8.6 million (2022: EUR 59.1 million) were released in connection with additional liabilities from the retirement of current employees, the amount of which was approximated by an actuarial study.

The total losses of EUR 12.8 million (2022: EUR 54.2 million) from the year-end revaluation of foreign exchange and securities were offset by transferring an equal amount from the provision established against financial and operational risks. At the same time, provisions against financial risks of EUR 12.8 million were established (2022: EUR 189.2 million) following a decision by the Bank's Risk Management Committee to maintain the established provision unchanged compared to the previous year, when it stood at EUR 1,622.0 million.

APPROPRIATION OF PROFITS

Net profit for financial year 2023 amounted to EUR 98.7 million.

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

- dividend to be distributed: EUR 13.3 million (12% of the Bank's capital); and
- extraordinary reserve: EUR 85.4 million.

RISK MANAGEMENT

The Bank of Greece recognises, evaluates 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, and the relevant tasks have been assigned to the Risk Management Department, whose task is to manage (financial and operational) risks and to ensure business continuity at Bank level. The Risk Management Department reports to the Risk Management Committee and the Bank's Management.

The Risk Management Department:

- 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;
- keeps and monitors the Central Balance Sheet Register;
- is responsible for developing and implementing the in-house credit assessment system (GR ICAS), while it also monitors and evaluates its performance both annually and on an ad hoc basis.

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 calendar 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.

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

The Risk Management Department 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 ECB and shared among the NCBs. These risks include credit risk, market risk and the risk arising from any mismatch between the sensitivity of assets and liabilities to changes in interest rates. The Bank's share of this allocation is taken into account when measuring the total risk.

In addition, the Risk Management Department contributed to the implementation of the Bank of Greece in-house credit assessment system (GR ICAS) and its approval by the ECB Governing Council in February 2023. The Risk Management Department is the competent department for implementing the GR ICAS as an accepted credit assessment system for non-financial corporations whose loans from credit institutions are provided as collateral for Eurosystem credit operations. The Risk Management Department is also responsible for maintaining and supervising the work of the Central Balance Sheet Office (CBSO), whose mission is to collect, process and analyse the financial data of non-financial corporations.

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

Operational risks and business continuity

Operational risks concern the negative effects on the Bank of Greece'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 Department 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.

As regards business continuity, the process of revising the Business Continuity Management (BCM) framework that governs the development and updating of the business continuity plans of the various business areas of the Bank continued.

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 financial statements of the Bank of Greece (the Bank), which comprise the balance sheet as at 31 December 2023, the profit and loss account and the statement of profit distribution for the year then ended, and notes to the financial statements, including notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2023 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 Statute in conjunction with 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 Statute.

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 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 to euro area credit institutions 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 1,622million as at 31 December 2023.</p> <p>The measurement process for financial risks (including credit risk and market risk) is complex, involves estimates and 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.</p> <p>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 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”, but does not include the financial statements and our auditor’s report thereon. 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 Statute in conjunction with 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 Statute, 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 uncertainty 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 2023, 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 2023 has been prepared in accordance with the Bank's Statute and 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 financial statements for the year ended 31 December 2023.
- 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 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.

The allowable non-audit services provided to the Bank, during the year ended 31 December 2023 are disclosed in Note 5 in Section VI. "Additional Information" of the financial statements.

4. Appointment

We were appointed statutory auditors for the first time by the General Assembly of the Bank of Greece on 07 April 2022. Since then, our appointment has been renewed for the fiscal year 2023 by the General Assembly of the Bank of Greece held on 07/04/2023.

04 March 2024

The Certified Auditor Accountant
KOSTAS STATHOPOULOS
SOEL R.N. 42201

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The Certified Auditor Accountant
ANDREAS HADJIDAMIANOU
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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 AS AT 31.12.2023

BALANCE SHEET AS AT 31 DECEMBER 2023

(in euro)

ASSETS		Note	31.12.2023	31.12.2022
1.	Gold and gold receivables	1	9,118,836,040	8,315,986,789
2.	Claims on non-euro area residents denominated in foreign currency	2	5,471,970,488	5,173,082,228
	2.1 Receivables from the International Monetary Fund (IMF)	2.1	1,674,596,524	1,728,659,968
	2.2 Balances with banks and security investments, external loans and other external assets	2.2	3,797,373,964	3,444,422,260
3.	Claims on euro area residents denominated in foreign currency	3	345,822,277	482,908,368
	3.1 General government	3.1	0	23,944,221
	3.2 Other claims	3.2	345,822,277	458,964,147
4.	Claims on non-euro area residents denominated in euro	4	24,489	22,784
	4.1 Balances with banks, security investments and loans	4.1	24,489	22,784
	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	14,339,000,000	35,423,400,000
	5.1 Main refinancing operations	5.1	0	0
	5.2 Longer-term refinancing operations	5.2	14,339,000,000	35,423,400,000
	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	1,682,246	1,486,496
7.	Securities of euro area residents denominated in euro	7	160,551,153,357	160,420,762,541
	7.1 Securities held for monetary policy purposes	7.1	143,172,450,175	148,154,939,009
	7.2 Other securities of euro area residents denominated in euro	7.2	17,378,703,182	12,265,823,532
8.	General government long-term debt denominated in euro	8	2,941,022,742	3,478,819,849
9.	Intra-Eurosystem claims	9	30,044,111,311	22,287,438,863
	9.1 Participating interest in the ECB	9.1	503,561,541	503,561,541
	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	25,157,169,805	20,073,139,395
	9.4 Net claims arising from balances of TARGET accounts	9.4	0	0
	9.5 Other claims within the Eurosystem (net)	9.5	3,385,454,196	712,812,158
10.	Items in course of settlement		0	0
11.	Other assets	11	3,656,273,780	2,880,765,658
	11.1 Coins of euro area	11.1	36,302,711	46,813,436
	11.2 Tangible and intangible fixed assets	11.2	592,570,979	570,170,655
	11.3 Other financial assets	11.3	125,807,396	115,818,250
	11.4 Off-balance-sheet instruments revaluation differences	11.4	813,130	45,202
	11.5 Accruals and prepaid expenses	11.5	2,340,924,708	1,595,246,747
	11.6 Sundry	11.6	559,854,856	552,671,368
TOTAL ASSETS			226,469,896,730	238,464,673,576

NINETY SIXTH YEAR

(in euro)

LIABILITIES	Note	31.12.2023	31.12.2022
1. Banknotes in circulation	1	35,380,149,525	35,771,610,915
2. Liabilities to euro area credit institutions related to monetary policy operations denominated in euro	2	27,967,319,526	43,694,914,508
2.1 Current accounts (covering the minimum reserve system)	2.1	2,456,691,052	2,507,194,960
2.2 Deposit facility	2.2	25,510,628,474	41,187,719,548
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	0
4. Liabilities to other euro area residents denominated in euro	4	26,491,373,087	25,057,106,363
4.1 General government	4.1	25,726,540,595	23,800,806,836
4.2 Other liabilities	4.2	764,832,492	1,256,299,527
5. Liabilities to non-euro area residents denominated in euro	5	2,978,760,941	3,076,522,869
6. Liabilities to euro area residents denominated in foreign currency	6	1,702,212,353	1,756,096,807
7. Liabilities to non-euro area residents denominated in foreign currency	7	2,621	2,715
7.1 Deposits and other liabilities	7.1	2,621	2,715
7.2 Liabilities arising from the credit facility under ERM II		0	0
8. Intra-Eurosystem liabilities	8	114,955,507,920	112,440,835,732
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 TARGET accounts	8.3	114,955,507,920	112,440,835,732
8.4 Other liabilities within the Eurosystem (net)	8.4	0	0
9. Items in course of settlement	9	5,807,004	13,199,947
10. Other liabilities	10	932,035,114	1,392,845,189
10.1 Off-balance-sheet instruments revaluation differences	10.1	0	163,611
10.2 Accruals and income collected in advance	10.2	786,014,312	856,846,888
10.3 Sundry	10.3	146,020,802	535,834,690
11. Provisions	11	4,468,136,872	4,465,767,289
12. Revaluation accounts	12	8,043,834,435	7,336,388,673
13. Capital and reserves	13	3,544,757,332	3,459,382,569
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	575,889,379	490,531,600
13.4 Special reserve for financial risks	13.4	2,744,771,262	2,744,771,262
13.5 Other special reserves	13.5	1,609,967	1,592,983
TOTAL LIABILITIES		226,469,896,730	238,464,673,576

PROFIT AND LOSS ACCOUNT FOR THE YEAR 2023

(in euro)

	Note	2023	2022
1. Net interest income	1	-3,084,475,258	2,290,875
1.1 Interest - income	1.1	3,257,084,683	1,105,976,743
1.2 Interest - expense	1.2	-6,341,559,941	-1,103,685,868
2. Net result of financial operations and write-downs	2	66,273,180	22,143,460
2.1 Realised gains arising from financial operations		79,122,485	76,385,714
2.2 Write-downs on financial assets and positions		-12,849,305	-54,242,254
3. Net income from fees and commissions	3	138,710,123	130,362,534
3.1 Fees and commissions income		148,477,026	139,799,392
3.2 Fees and commissions expense		-9,766,903	-9,436,858
4. Income from equity shares and participating interests	4	3,996,566	3,993,279
5. Net result of pooling of monetary income	5	3,377,651,143	706,062,158
6. Other income	6	41,516,332	20,241,097
Total net income		543,672,086	885,093,403
7. Staff costs and pension benefit expenses	7	-292,259,236	-272,373,563
8. Other administrative expenses	8	-63,321,612	-66,377,217
9. Depreciation of tangible and intangible fixed assets	9	-11,942,697	-11,158,851
Total expenses before provisions		-367,523,545	-349,909,631
Profit before provisions		176,148,541	535,183,772
10. Provisions	10	-77,441,559	-78,408,348
NET PROFIT FOR THE YEAR		98,706,982	456,775,424

STATEMENT OF PROFIT DISTRIBUTION 2023^(*)

Article 71 of the Statute

(in euro)

	2023	2022
Profit for the year	98,706,982	456,775,424
Dividend to be distributed for the year 2023 (€ 0.6720 per share for 19,864,886 shares)	-13,349,203	-13,349,203
Extraordinary reserve	-85,357,779	-42,700,000
Amount to be transferred to the Greek State	0	-400,726,221
	0	0

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

Athens, 4 March 2024

THE GOVERNOR

FINANCIAL DEPARTMENT
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 applicable 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.¹²

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 with post-employment benefits are accounted for in accordance with Decision (EU) 2016/2247 of 3.11.2016 on the annual accounts of the European Central Bank (ECB/2016/35), as amended.¹³ 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 4308/2014 "Greek Accounting Standards, relevant arrangements and other provisions", to the extent that it does 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 31.12.2023, 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;
- accruals;
- post-balance-sheet events recognition.

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.

¹² The unofficial consolidated text with all the amendments is available at [EUR-Lex - 02016O0034-20211231 - EN - EUR-Lex \(europa.eu\)](#).

¹³ The unofficial consolidated text with all the amendments is available at [EUR-Lex - 02016D0035\(01\)-20211231 - EN - EUR-Lex \(europa.eu\)](#).

(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 portfolios 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 (trade date approach),¹⁴ 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 daily, 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 existing portfolio which is held for monetary policy purposes are valued at amortised cost (the acquisition cost adjusted for amortisation of premium or accretion of 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.
- 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.¹⁵ There is no netting between different equity funds.

Tangible and intangible fixed assets

Fixed assets comprise real estate (land plots, 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

¹⁴ In accordance with Article 5 of Guideline (EU) 2016/2249 of 3.11.2016 (ECB/2016/34), as amended and in force.

¹⁵ 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.

as well as intangible fixed assets are valued at acquisition cost, adjusted for depreciation and impairment. Land plots, 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 and 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 transferred 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 netted 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 initial impairment was recorded.

(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 Benefits

The Bank offers staff 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 benefits"*.

The service costs (current and past service), the gains or the losses arising from settlements and the net financial costs of the defined benefit obligation are recognised in the Profit and Loss Account under the *"Staff costs and pension benefit expenses"* item. Remeasurement gains/losses of the obligation 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 benefit 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) Provisions 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. The measurements are carried out based on the data of the last day of each year.

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.

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 NCBs, which together comprise the Eurosystem, issue euro banknotes.¹⁶ The total value of euro banknotes in circulation is allocated to the Eurosystem NCBs on the last working day of each month according to the banknote allocation key.¹⁷

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. The share of banknotes in circulation that has been allocated to the Bank of Greece is disclosed under the liability item *"Banknotes in circulation"* of the balance sheet.

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 puts into circulation gives rise to intra-Eurosystem interest-bearing¹⁸ claims/liabilities. These claims or liabilities are disclosed correspondingly under *"Net claims/liabilities related to the allocation of euro banknotes within the Eurosystem"*.

16 Decision of the ECB of 13 December 2010 on the issue of euro banknotes (recast) (ECB/2010/29), OJ L35, 9.2.2011, p. 26, as amended and in force. The unofficial consolidated text with all the amendments is available at [https://eur-lex.europa.eu/legal-content/EL/TXT/PDF/?uri=CELEX:02010D0029\(01\)-20200201&from=EN](https://eur-lex.europa.eu/legal-content/EL/TXT/PDF/?uri=CELEX:02010D0029(01)-20200201&from=EN).

17 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.

18 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 L347, 20.12.2016, p. 26, as amended and in force. The unofficial consolidated text with all the 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).

In order to avoid significant changes to the NCBs' income in relation 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, from the cash changeover year and for the following five years the intra- Eurosystem balances arising from the allocation of euro banknotes are adjusted accordingly.

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 during 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. In 2023, adjustments arise from the entry of the NCB of Croatia (1 January 2023) and should cease to apply in 2029.

Interest income and interest expenses on these claims/liabilities are cleared through the ECB accounts and are 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 TARGET (Trans-European Automated Real-time Gross Settlement Express Transfer system), thus generating bilateral balances in the TARGET accounts of European Union NCBs. Payments conducted by the ECB and the NCBs also affect these accounts. All settlements are automatically aggregated and adjusted to form part of a single position of each NCB vis-à-vis the ECB. The movements in TARGET accounts are reflected in the accounting records of the ECB and the NCBs on a daily basis. Euro-denominated intra-Eurosystem balances of the Bank of Greece vis-à-vis the ECB arising from TARGET are presented on the balance sheet as a single net asset or liability position and disclosed under "*Net claims/liabilities arising from balances of TARGET accounts*".

Intra-ESCB balances vis-à-vis non-euro area NCBs, not arising from TARGET, 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*".

Various other intra-Eurosystem balances denominated in euro (such as the ECB interim profit distribution to the NCBs, if any, monetary income results etc.) 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 participation in the ECB are disclosed under the asset item "*Participating interest in the ECB*". In particular this 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 of their share in the ECB's equity value¹⁹ as a result of all the previous ECB capital key adjustments; 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.

Intra-Eurosystem balances arising from the transfer of foreign reserve assets to the ECB by NCBs 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 of euro banknotes allocated to the ECB, as well as the income arising from the securities held under (a) the

¹⁹ Equity value (in the sense used herein) means the total of reserves, revaluation accounts and provisions equal to reserves, minus any loss carried forward from previous financial years of the ECB. In the event of capital key adjustments taking place during the financial year, the equity value also includes the ECB's accumulated net profit/loss until the date of the adjustment.

Securities Markets Programme (SMP), (b) the third Covered Bond Purchase Programme (CBPP3), (c) the Asset-Backed Securities Purchase Programme (ABSPP), (d) the Public Sector Purchase Programme (PSPP), and (e) the Pandemic Emergency Purchase Programme (PEPP) is distributed to the NCBs in January of the following year by means of an interim profit distribution,²⁰ 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 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 interest*".

(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.

20 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 J 53, 25.2.2015, p. 24, as amended and in force. The unofficial consolidated text with all the 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			
	31.12.2023	31.12.2022	Change
Volume in ounces (thousands)	4,882.0	4,874.3	7.7
Volume in tonnes	151.9	151.6	0.3
Value (EUR million)	9,118.8	8,316.0	802.8

This item includes:

- the Bank’s holdings of international standard gold and gold sovereigns (3,678.0 thousand ounces on 31.12.2023, compared with 3,673.3 thousand ounces on 31.12.2022);
- gold receivables from the Greek State (985.6 thousand ounces on 31.12.2023 and 31.12.2022), 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 (218.4 thousand ounces on 31.12.2023, compared with 215.4 thousand ounces on 31.12.2022).

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

Gold and gold receivables increased slightly, by 7.7 thousand ounces, reflecting mainly sales and purchases of gold sovereigns and gold coins. The EUR 802.8 million increase in their value compared to 31.12.2022 is mainly attributed to gold valuation effects.

The price of gold on 29.12.2023, as determined by the ECB, was EUR 1,867.828 per ounce, up from EUR 1,706.075 on 30.12.2022.

The net result of gold valuation (value as at 31.12.2023 compared to the average acquisition cost) came to EUR 7,162.0 million (31.12.2022: EUR 6,374.4 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)	31.12.2023		31.12.2022		Change	
	SDR	EUR	SDR	EUR	SDR	EUR
SDR holdings	802.5	975.5	806.0	1,008.9	-3.5	-33.4
SDR component of Greece’s quota in the IMF	575.0	699.1	575.0	719.8	0.0	-20.7
Total	1,377.5	1,674.6	1,381.0	1,728.7	-3.5	-54.1

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 2.3 billion SDRs (EUR 2.8 billion), thus increasing its SDR holdings by an equivalent amount. On 4.4.2022, the Greek State conducted an early repayment of principal to the IMF amounting to 1.5 billion SDRs (EUR 1.9 billion), 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.

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.

• SDR component of Greece's quota in the IMF

This account presents the SDR component of Greece's quota in the IMF. The quota denominated in euro (EUR 2,257.1 million) is disclosed 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 29.12.2023, as determined by the ECB (1 SDR = EUR 1.2157 compared with 1 SDR = EUR 1.2517 as at 30.12.2022).

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)	31.12.2023	31.12.2022	Change
Marketable securities not held to maturity			
Bonds/Treasury bills	2,362.2	2,104.8	257.4
Green bonds	189.5	96.6	92.9
Total	2,551.7	2,201.4	350.3
Mutual fund shares/units			
Mutual fund shares in Chinese yuan with the BIS	68.0	79.5	-11.5
Mutual fund shares in Green bonds in US dollars with the BIS	25.2	24.8	0.4
Total	93.2	104.3	-11.1
Fixed-term deposits with non-euro area banks denominated in foreign currency			
Current accounts with correspondent banks - non-euro area residents denominated in foreign currency	67.3	38.2	29.1
Cash holdings of foreign currency	21.1	34.1	-13.0
Grand total	3,797.4	3,444.4	353.0

On 31.12.2023, most of these claims were denominated in US dollars (EUR 2,823.5 million compared with EUR 2,728.8 million on 31.12.2022), Chinese yuan (EUR 374.7 million compared with EUR 435.1 million on 31.12.2022), pounds sterling (EUR 357.8 million compared with EUR 169.1 million on 31.12.2022), Canadian dollars (EUR 68.0 million compared with EUR 34.2 million on 31.12.2022), Australian dollars (EUR 61.9 million compared with EUR 34.2 million on 31.12.2022) and Norwegian kroner (EUR 57.5 million compared with EUR 15.8 million on 31.12.2022).

Marketable securities were valued at the mid-market prices as at 29.12.2023 per International Security Identification Number (ISIN), resulting in revaluation gains of EUR 2.5 million (30.12.2022: EUR 0.2 million) and in revaluation losses of EUR 5.8 million (30.12.2022: EUR 35.6 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 (item 2 of the Profit and Loss Account "Net result of financial operations and write downs") and were offset by transferring the corresponding amount from the provision booked for this purpose (item 10 of the Profit and Loss Account "Provisions").

Mutual fund shares/units were valued at the closing price as at 29.12.2023, resulting in revaluation gains of EUR 9.8 million (30.12.2022: EUR 7.8 million), which were transferred to revaluation accounts (liability item 12 "Revaluation accounts").

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)	31.12.2023	31.12.2022	Change
Loan denominated in US dollars	0.0	0.2	-0.2
Gold-linked loan	0.0	23.7	-23.7
Total	0.0	23.9	-23.9

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

On 29.12.2023 the Greek State paid the last instalment of the US dollar-denominated loan and proceeded with a one-off repayment of the 30-year non-interest-bearing gold-linked loan (13,942.857 ounces). This repayment resulted in a foreign exchange revaluation gain of EUR 20.4 million, recognised in the Profit and Loss Account (see note 2 of the Profit and Loss Account "Net result of financial operations and write-downs").

3.2 Other claims

Other claims			
(EUR million)	31.12.2023	31.12.2022	Change
Fixed-term deposits with euro area banks denominated in foreign currency	344.9	214.5	130.4
Marketable securities (bonds, Treasury bills) not held to maturity	0.0	242.8	-242.8
Current accounts with correspondent banks - euro area residents denominated in foreign currency	0.9	1.7	-0.8
Total	345.8	459.0	-113.2

From the above claims, as at 31.12.2023, an amount of EUR 197.7 million is denominated in US dollars (31.12.2022: EUR 288.3 million), an amount of EUR 116.5 million is denominated in pounds sterling (31.12.2022: EUR 160.2 million) and an amount of EUR 31.6 million is denominated in Canadian dollars (31.12.2022: EUR 0.0 million). On 31.12.2023, the Bank of Greece had no claims in Norwegian kroner (31.12.2022: EUR 10.5 million).

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 24.5 thousand as at 31.12.2023 (31.12.2022: EUR 22.8 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 410.3 billion, as at 31.12.2023, compared with EUR 1,324.3 billion, as at 31.12.2022, of which the Bank of Greece granted EUR 14.3 billion to domestic credit institutions, compared with EUR 35.4 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 the counterparty defaults and the proceeds from the realisation of the collateral provided by the counterparty are 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 through liquidity providing reverse transactions with frequency and maturity of normally one week, through standard tenders. These operations play a key role in achieving the objectives of steering interest rates, managing market liquidity and signalling the monetary policy stance. Since October 2008, these operations have been conducted as fixed rate tenders with full allotment.

On 31.12.2023, the said operations had a zero balance, as in the previous year. It should be noted that, in 2023, the average balance of these operations amounted to EUR 209.6 million, compared with an average balance of EUR 10.7 million in 2022.

5.2 Longer-term refinancing operations

These operations 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)	31.12.2023	31.12.2022	Change
TLTRO III operations	14,339.0	35,373.4	-21,034.4
PELTRO operations	0.0	50.0	-50.0
Total	14,339.0	35,423.4	-21,084

In 2023, longer-term refinancing operations decreased by EUR 21,084.4 million, mainly as a result of the maturity of TLTRO III operations of EUR 13,513.0 million and of the early repayment of EUR 7,521.4 million. In addition, the last PELTRO operation of EUR 50.0 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 and the participants have the option, on a quarterly basis, of terminating or reducing the amount of a TLTRO III operation before maturity.

For the period from 24 June 2020 to 23 June 2022, the borrowing rates on these operations can be as low as 50 basis points below the average interest rate on the Deposit Facility (DFR), but in any case may not become less negative than -1%. For the remaining period until maturity they may not be lower than the average DFR during this period. 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 these operations will be indexed to the average applicable key ECB interest rates over this period.

The actual interest rates can only be known at the maturity or early repayment of each operation and, prior to that, a reliable estimate is only possible to be used for calculating the TLTRO III interest accruals. The DFR was the interest rate applicable to the Bank of Greece for calculating the TLTRO III accrued interest for the financial year 2023.

• PELTRO operations

Of the total four additional Pandemic Emergency Longer-Term Refinancing Operations (PELTROs) conducted in 2021 on a quarterly basis, each with a tenor of approximately one year, the last operation matured on 26 January 2023.

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 was 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)	31.12.2023	31.12.2022	Change
Current accounts by correspondent banks - euro area residents denominated in euro	1.7	1.5	0.2

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

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).

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 ²	July 2009	June 2010	ECB/2009/16	Covered bonds of euro area residents
CBPP2 ³	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 ⁴
Asset purchase programmes (APP)⁵				
CBPP3	October 2014	active	ECB/2020/8 (as amended)	Covered bonds of euro area residents
ABSPP ³	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 or recognised agencies as well as by international organisations and multilateral development banks located in the euro area
CSPP ³	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 ⁵

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

2 At end-2022 and end-2023, the Bank of Greece did not hold securities under the CBPP1. However, in 2022, the Bank of Greece recognised interest income from this portfolio amounting to EUR 24 thousand, since the last programme matured in February 2022.

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

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

5 The reinvestments under the APP were discontinued as of 1 July 2023.

• *Asset Purchase Programme (APP)*

Until the end of February 2023,²¹ the Eurosystem continued reinvesting, in full, the principal payments from maturing securities purchased under the APP.²² Subsequently, the APP portfolio declined at a measured and predictable pace. Until the end of June 2023, the decline amounted to EUR 15 billion per month on average, as the Eurosystem did not reinvest all of the payments from maturing securities. In June 2023,²³ the ECB's Governing Council decided to discontinue reinvestments under the APP as from July 2023. Thereafter, the APP portfolio was declining due to maturities.

• *Pandemic Emergency Purchase Programme (PEPP)*

Throughout the year, the Eurosystem continued reinvesting, in full, the principal payments from maturing securities purchased under the PEPP.²⁴ The Governing Council intends²⁵ to continue to reinvest, in full, the principal payments from maturing securities purchased under the PEPP throughout the first half of 2024. Over the second half of 2024, it also intends to reduce the PEPP portfolio by EUR 7.5 billion per month on average and to discontinue reinvestments under the PEPP at the end of the same year.

Moreover, the Governing Council of the ECB will continue applying flexibility in reinvesting redemptions coming due in the PEPP portfolio, with a view to countering risks to the monetary policy transmission mechanism related to the pandemic.

The aggregate value of the monetary policy portfolios held by the NCBs of the Eurosystem on 31.12.2023 stood at EUR 4,269.0 billion, of which the Bank of Greece held EUR 143.2 billion (31.12.2022: EUR 4,479.9 billion and EUR 148.2 billion, respectively).

Debt securities held for monetary policy purposes are accounted for at amortised cost subject to impairment.

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 (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 ECB. In these tests, the impairment indicators are assessed separately for each programme. In cases where impairment indicators are observed, further analysis is performed to confirm that the cash flows of the underlying securities have not been affected by an impairment event.

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 31.12.2023, the Eurosystem NCBs held securities of an aggregate value of EUR 1,048.7 billion, of which EUR 109.4 billion are held by the Bank of Greece (31.12.2022: EUR 1,095.4 billion and EUR 113.9 billion, respectively).

As a result of the impairment test conducted on securities purchased through the corporate portfolio under the Pandemic Emergency Purchase Programme (PEPP-CORP), the Governing Council of the ECB has deemed it appropriate to establish a provision against credit risks in monetary policy operations (see note on liability item 11d "*Provisions against risks arising from monetary policy operations*" and note 5 on Profit and Loss Account item "*Net result of pooling of monetary income*").

In the impairment test carried out on the other monetary policy portfolios at the end of 2023, the Governing Council of the ECB found no evidence warranting an impairment of the assets in these monetary policy portfolios.

The amortised cost of the monetary policy securities held by the Bank of Greece and their market value²⁶ (which is not recorded on the Balance Sheet or in the Profit and Loss Account but is provided for comparison purposes only) are presented in the following table:

21 See: "*Monetary policy decisions*", ECB press release of [15.12.2022](#).

22 More details on the APP portfolio are available on the [ECB's website](#).

23 See: "*Monetary policy decisions*", ECB press release of [15.6.2023](#).

24 More details on the PEPP portfolio are available on the [ECB's website](#).

25 See: "*Monetary policy decisions*", ECB press release of [14.12.2023](#).

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

Securities held for monetary policy purposes						
(EUR million)	31.12.2023		31.12.2022		Change	
	Amortised Cost	Market Value	Amortised Cost	Market Value	Amortised Cost	Market Value
Securities - Asset Purchase Programmes which have been completed/terminated						
Securities Markets Programme (SMP)	55.5	59.6	53.9	59.5	1.6	0.1
Total	55.5	59.6	53.9	59.5	1.6	0.1
Asset Purchase Programme (APP)						
Third Covered Bond Purchase Programme (CBPP3)	1,271.9	1,233.9	2,006.6	1,930.1	-734.7	-696.2
Public Sector Purchase Programme (PSPP)	65,504.1	58,416.3	71,678.6	61,844.0	-6,174.5	-3,427.7
Total	66,776.0	59,650.2	73,685.2	63,774.1	-6,909.2	-4,123.9
Pandemic Emergency Purchase Programme (PEPP)						
Sovereign Debt Securities under the PEPP	33,793.2	30,557.0	34,276.8	28,123.6	-483.6	2,433.4
Supranational Securities under the PEPP	42,547.7	35,665.4	40,139.0	31,239.9	2,408.7	4,425.5
Total	76,340.9	66,222.4	74,415.8	59,363.5	1,925.1	6,858.9
Grand total	143,172.4	125,932.2	148,154.9	123,197.1	-4,982.5	2,735.1

Changes in the amortised cost of the securities held for monetary policy purposes are analysed in the following table:

(EUR million)	Amortised cost 31.12.2022	Purchases	Maturities	Premium/ discount	Amortised cost 31.12.2023
SMP	53.9	0.0	0.0	1.6	55.5
CBPP3	2,006.6	0.0	-732.6	-2.1	1,271.9
PSPP – Supranational Securities	71,678.6	2,275.8	-8,243.5	-206.8	65,504.1
PEPP – Sovereign Debt Securities	34,276.8	5,677.3	-5,832.9	-328.0	33,793.2
PEPP – Supranational Securities	40,139.0	3,830.6	-1,262.2	-159.7	42,547.7
Total	148,154.9	11,783.7	-16,071.2	-695.0	143,172.4

The following tables present the amortised cost of the monetary policy debt securities as at 31.12.2023 and 31.12.2022, on a remaining maturity basis:

31.12.2023					
(EUR million)	Total	≤ 1 year	1-2 years	2-5 years	> 5 years
SMP	55.5	34.8	0.0	17.1	3.6
CBPP3	1,271.9	440.6	538.9	292.4	0.0
PSPP – Supranational Securities	65,504.1	9,009.9	7,010.6	16,697.0	32,786.6
PEPP – Sovereign Debt Securities	33,793.2	2,331.4	1,320.7	7,814.5	22,326.6
PEPP – Supranational Securities	42,547.7	1,543.1	2,790.1	12,266.0	25,948.5
Total	143,172.4	13,359.8	11,660.3	37,087.0	81,065.3

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

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)	31.12.2023	31.12.2022	Change
Marketable securities (other than those classified as held-to-maturity)			
Euro area securities, other than Greek government securities			
• Bonds	179.6	107.0	72.6
• Treasury bills	4,172.7	721.6	3,451.1
Greek government securities			
• Bonds	4.8	152.7	-147.9
• Treasury bills	422.3	639.1	-216.8
Total	4,779.4	1,620.4	3,159.0
Marketable securities held to maturity			
• Greek government bonds	3,483.9	2,811.2	672.7
• Euro area bonds, other than Greek government bonds	8,611.1	7,678.9	932.2
• Euro area Green bonds, other than Greek government bonds	497.0	149.5	347.5
Total	12,592.0	10,639.6	1,952.4
Mutual fund shares/units	7.3	5.8	1.5
Grand total	17,378.7	12,265.8	5,112.9

The securities, other than those classified as held to maturity, were valued at the mid-market prices as at 29.12.2023 per International Security Identification Number (ISIN). The resulting revaluation losses of EUR 0.3 million (31.12.2022: revaluation losses of EUR 10.7 million) were transferred to the Profit and Loss Account (item 2 "Net result of financial operations and write downs") and were offset by transferring the corresponding amount from the provision established for this purpose (item 10 of the Profit and Loss Account "Provisions"). The resulting revaluation gains of EUR 7.1 million were transferred to revaluation accounts (liability item 12 "Revaluation accounts").

Securities 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. In the context of the impairment test carried out at the end of 2023, no evidence was identified warranting an impairment of these assets.

Mutual fund shares/units were valued at the closing price as at 28.12.2023 and the resulting revaluation gains of EUR 5.5 million (31.12.2022: EUR 4.0 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 31.12.2023 and 31.12.2022, on a remaining maturity basis:

31.12.2023					
(EUR million)	Total	≤ 1 year	1-2 years	2-5 years	> 5 years
Marketable securities (other than those classified as held-to-maturity)					
Euro area securities, other than Greek government securities					
• Bonds	179.6	0.0	54.2	90.6	34.8
• Treasury bills	4,172.7	4,172.7	0.0	0.0	0.0
Greek government securities					
• Bonds	4.8	0.0	0.0	4.8	0.0
• Treasury bills	422.3	422.3	0.0	0.0	0.0
Total	4,779.4	4,595.0	54.2	95.4	34.8

31.12.2023					
(EUR million)	Total	≤ 1 year	1-2 years	2-5 years	> 5 years
Marketable securities held to maturity					
• Greek government bonds	3,483.9	213.2	76.3	1,167.1	2,027.3
• Euro area bonds, other than Greek government bonds	8,611.1	29.0	463.9	1,501.6	6,616.6
• Euro area Green bonds, other than Greek government bonds	497.0	0.0	0.0	101.8	395.2
Total	12,592.0	242.2	540.2	2,770.5	9,039.1
Grand total	17,371.4	4,837.2	594.4	2,865.9	9,073.9

31.12.2022					
(EUR million)	Total	≤ 1 year	1-2 years	2-5 years	> 5 years
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
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	7,678.9	189.6	29.9	1,411.0	6,048.4
• Euro area Green bonds, other than Greek government bonds	149.5	0.0	0.0	68.4	81.1
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

8. General government long-term debt denominated in euro

General government long-term debt denominated in euro			
(EUR million)	31.12.2023	31.12.2022	Change
Interest-bearing loans granted to the Greek State			
Interest-bearing loans granted to the Greek State until 31.12.1993	0.0	81.5	-81.5
Interest-bearing loans granted to the Greek State in settlement of exchange rate valuation differences of Law 1083/80	0.0	390.6	-390.6
Total	0.0	472.1	-472.1
Non-interest-bearing loans granted to the Greek State to finance Greece's quota in the IMF	2,941.0	3,006.7	-65.7
Grand total	2,941.0	3,478.8	-537.8

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

- In 2023, interest-bearing loans granted to the Greek State matured and were repaid.
- The decrease by EUR 65.7 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 depreciation 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)	31.12.2023	31.12.2022	Change
Bank of Greece’s share in the paid-up capital of the ECB	217.8	217.8	0.0
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	503.6	0.0

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 weightings of the NCBs’ keys for subscription to the ECB’s capital are adjusted every five years following 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, in accordance with Article 48.3 of the Statute of the ESCB, the ECB’s subscribed capital 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 amounts then prevailing by the ratio, within the expanded capital key, between the weighting of the entering NCB(s) and the weighting of those NCBs that are already members of the ESCB.

The NCBs’ keys for subscription to the ECB’s capital		
National Central Banks	2023 %	2022 %
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

The NCBs' keys for subscription to the ECB's capital		
National Central Banks	2023 %	2022 %
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
Hrvatska narodna banka (Croatia)	0.6595	0.0000
Subtotal for euro area NCBs	81.9881	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)	0.0000	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	18.0119	18.6714
Grand total	100.0000	100.0000

The data shown in the table below relate to the Bank of Greece's contribution to the ECB's capital.

Bank of Greece's share in the capital of the ECB					
(EUR million)	31.12.2023		31.12.2022		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	2.0117		2.0117		
Bank of Greece's share in the subscribed capital of the ECB		217.8		217.8	0.0
ECB capital paid up by the 20 Eurosystem NCBs		8,875.2		8,803.8	71.4
Eurosystem key of the Bank of Greece	2.45365		2.47355		
Bank of Greece's share in the paid-up capital of the ECB		217.8		217.8	0.0

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 2022,²⁷ Hrvatska Narodna Banka paid up the remainder of its capital subscription to the ECB. As a result of the

27 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 (OJ 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 (OJ C 18, 19.1.2023, p. 1-3).

change in the capital key following Hrvatska Narodna Banka's entry into the Eurosystem, the ECB capital paid up by the Eurosystem NCBs increased by EUR 71.4 million to EUR 8,875.2 million and the Bank of Greece's share in the ECB's paid up capital (Eurosystem key) decreased from 2.47355% to 2.45365%. The share that the Bank of Greece holds in the subscribed capital of the ECB remained unchanged at EUR 217.8 million. This amount corresponds to 2,0117% of the subscribed capital of the ECB.

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)	31.12.2023		31.12.2022		Change
	%	€	%	€	
Total foreign reserve assets transferred to the ECB by the 20 NCBs of the Eurosystem		40,671.1		40,343.9	327.2
Eurosystem key of the Bank of Greece	2.45365		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 30.2 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.²⁸

With the euro cash changeover in Croatia on 1 January 2023, in accordance with Article 48.1 and 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. Consequently, the total foreign reserve assets transferred to the ECB by the NCBs of the Eurosystem increased by EUR 327.2 million to EUR 40,671.1 million.

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)	31.12.2023	31.12.2022	Change
Net claims related to the allocation of euro banknotes within the Eurosystem	25,157.2	20,073.1	5,084.1

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 puts into circulation is recorded as "Net claims/liabilities related to the allocation of euro banknotes within the Eurosystem".

²⁸ 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 L336, 30.12.2000, p. 114.

The increase of these claims in comparison to 31.12.2022, amounting to EUR 5,084.1 million, is mainly due to the decrease in the total value of the banknotes 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 MRO rate, which on 31.12.2023 stood at 4.5% (year average 3.8%, compared with 0.6% in 2022).

9.4 Net claims arising from balances of TARGET accounts

The net balance related to the ESCB balance (TARGET) as at 31.12.2023 was a liability of the Bank, as in the previous financial year, and is disclosed under liability item 8.3 "Net liabilities arising from balances of TARGET accounts".

9.5 Other claims within the Eurosystem (net)

Other claims within the Eurosystem (net)			
(EUR million)	31.12.2023	31.12.2022	Change
– from the reallocation of monetary income of the current year	3,372.9	705.0	2,667.9
– from corrections to monetary income reallocation of previous years	5.8	1.1	4.7
– from other claims	6.8	6.7	0.1
Total	3,385.5	712.8	2,672.7

Other claims within the Eurosystem, amounting to EUR 3,385.5 million, stemmed from:

- The Bank's net result (income of EUR 3,372.9 million) from the reallocation of the Eurosystem's monetary income for the financial year 2023. 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 5.8 million collected by the Bank due to corrections to monetary income reallocation for the years 2022 and 2021 (see note 5 of the Profit and Loss Account, "Net result of pooling of monetary income").
- An amount of EUR 6.8 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 TARGET 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.

11. Other assets

11.1 Coins of euro area

Coins of euro area			
(EUR million)	31.12.2023	31.12.2022	Change
Coins of euro area	36.3	46.8	-10.5

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 1.1.2023	570.2	360.5	162.2	19.7	27.8
Changes attributable to:					
• Additions	10.5	0.0	3.4	1.9	5.2
• Depreciation costs	-11.9	0.0	-5.2	-4.2	-2.5
• Reclassifications	0.0	0.0	0.3	14.4	-14.7
• Impairment/Reversal of impairment	23.8	23.0	0.8	0.0	0.0
Book value on 31.12.2023	592.6	383.5	161.5	31.8	15.8
Cost	803.6	383.5	170.8	173.1	76.2
Accumulated depreciation costs	-211.0	0.0	-9.3	-141.3	-60.4
Book value on 31.12.2023	592.6	383.5	161.5	31.8	15.8

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

The “Other” category includes advance payments for the acquisition of other equipment and software to be installed, amounting to EUR 9.7 million, as well as intangible fixed assets (mainly software expenses) and capitalised expenses amounting to EUR 6.1 million (EUR 20.0 million and EUR 7.8 million, respectively, on 31.12.2022).

According to the Bank of Greece’s policy (see III. Summary of Significant Accounting Policies, “Tangible and intangible fixed assets”), the Bank assigned to certified valuers the preparation of a report on the calculation of the recoverable value of real estate assets. The impairment test of real estate assets conducted on 31.12.2023 resulted in a partial reversal of impairment losses of EUR 27.4 million incurred in previous years and an impairment loss of EUR 3.6 million, with a total positive effect of EUR 23.8 million on the Profit and Loss Account (see note of the Profit and Loss Account item 6 “Other income”).

11.3 Other financial assets

Other financial assets			
(EUR million)	31.12.2023	31.12.2022	Change
Staff insurance scheme assets	95.4	85.4	10.0
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	125.8	115.8	10.0

The “Sundry” category mainly includes the participating interest in DIAS Interbanking Systems S.A., amounting to EUR 4.1 million (unchanged compared to 2022), 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 includes 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 amounting to EUR 735.9 thousand, as well as the unrealised revaluation gains on Greek government securities (warrants), the total of which amounted to EUR 77.2 thousand (31.12.2022: EUR 45.2 thousand). These security positions are disclosed in off-balance-sheet (memorandum) accounts at nominal value. These amounts were also entered in revaluation accounts (liability item 12 "Revaluation accounts").

11.5 Accruals and prepaid expenses

Accruals and prepaid expenses			
(EUR million)	31.12.2023	31.12.2022	Change
Accrued interest income from:			
Securities portfolio			
• Securities held for monetary policy purposes	1,102.4	1,045.9	56.5
• Investment portfolio securities	157.4	124.0	33.4
Total	1,259.8	1,169.9	89.9
Longer-term refinancing operations (TLTRO III - positive interest rate)	509.4	64.7	444.7
Longer-term refinancing operations (PELTRO - positive interest rate)	0.0	0.2	-0.2
Net claims related to the allocation of euro banknotes within the Eurosystem	282.3	89.9	192.4
Claims equivalent to the transfer of foreign reserves to the ECB	32.7	5.0	27.7
Other interest income	2.9	12.9	-10.0
Total	2,087.1	1,342.6	744.5
Other accrued income from:			
• Fees	48.9	45.9	3.0
• Third-party sales of Printing Works Department (IETA) products	4.4	3.9	0.5
• Other	2.7	3.2	-0.5
Total	56.0	53.0	3.0
Prepaid expenses/Advance payments	197.8	199.6	-1.8
Grand total	2,340.9	1,595.2	745.7

11.6 Sundry

Sundry			
(EUR million)	31.12.2023	31.12.2022	Change
Staff loans	403.1	403.2	-0.1
Other	156.8	149.5	7.3
Total	559.9	552.7	7.2

Sundry amounted to EUR 559.9 million on 31.12.2023, compared with 552.7 million on 31.12.2022.

The "Other" category mainly includes the following: loan receivables from the former Bank of Crete, receivables from insurance undertakings and customers, Printing Works Department (IETA) 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 for claims against third parties, which is included in the liability item 11a "Special provisions".

LIABILITIES

1. Banknotes in circulation

Banknotes in circulation			
(EUR million)	31.12.2023	31.12.2022	Change
Value of euro banknotes put into circulation by the Bank of Greece ²⁹	10,222.9	15,698.5	-5,475.6
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)	-3,076.3	-3,110.8	34.5
Claim/liability according to Bank of Greece's weighting in the ECB capital key	28,233.5	23,183.9	5,049.6
Net claim related to the allocation of euro banknotes in circulation within the Eurosystem	25,157.2	20,073.1	5,084.1
Value of euro banknotes put into circulation by the Bank of Greece according to the banknote allocation key	35,380.1	35,771.6	-391.5

This item represents the Bank of Greece's share of all euro banknotes in circulation in the Eurosystem and is calculated based on the Bank's banknote allocation key (2.2575% on 31.12.2023, against 2.2755% on 31.12.2022, following Hrvatska Narodna Banka's entry into the Eurosystem on 1.1.2023).

During 2023, the total value of euro banknotes put into circulation by the Eurosystem fell by 0.3% (31.12.2023: EUR 1,567.2 billion, 31.12.2022: EUR 1,572.0 billion). The value of euro banknotes in circulation by the Bank of Greece on the basis of the banknote allocation key amounts to EUR 35,380.1 million at the end of 2023, compared with EUR 35,771.6 million at the end of 2022, down by 1.1%, due to a decrease in both the Bank's banknote allocation key and total banknotes in circulation in the Eurosystem. The value of euro banknotes put into circulation by the Bank of Greece decreased by 34.9% and stood at EUR 10,222.9 million on 31.12.2023, against EUR 15,698.5 million on 31.12.2022. As this is lower than the euro banknotes allocated to the Bank, the difference of EUR 25,157.2 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)

Current accounts (covering the minimum reserve system)			
(EUR million)	31.12.2023	31.12.2022	Change
Current accounts (covering the minimum reserve system)	2,456.7	2,507.2	-50.5

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 disposal and accounts of credit institutions that are exempt from the minimum reserve requirements, which are disclosed separately in liability item 3 "Other liabilities to euro area credit institutions denominated in euro".

It should be noted that, in 2023, the average balance of credit institutions' current accounts amounted to EUR 2.2 billion, compared with an average balance of EUR 35.2 billion in 2022 (down by 93.8%).

This significant change in the average balance 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 (DFR) to a level above zero as from 14 September 2022 and the suspension of the two-tier system for excess reserve remuneration.

Regarding the current account remuneration, the following apply:

²⁹ The calculation of the value of the banknotes put into circulation by the Bank is governed by the provisions of Article 14 paragraph 2(a) of Guideline (EU) 2016/2249 of 3.11.2016 (ECB/2016/34), as amended.

• *Minimum reserves*

Minimum reserve holdings by credit institutions with the central bank were remunerated at the prevailing main refinancing operations (MRO) rate until 20 December 2022 and at the Deposit Facility Rate (DFR) from 21 December 2022 to 19 September 2023. On 27 July 2023, the Governing Council of the ECB decided³⁰ that, as from 20 September 2023, these holdings will be remunerated at 0%.

• *Excess reserves*

As from June 2014, the excess reserves of credit institutions, i.e. their current account holdings with the NCBs 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 the remuneration of reserves, 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.³¹ 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 decided³² to suspend the implementation of the two-tier system by setting the multiplier at zero, as the said remuneration system of excess reserves was no longer necessary.

Throughout 2023, excess reserves in current account holdings were remunerated at 0%, as the DFR had been above zero since 14 September 2022.

2.2 Deposit facility

Deposit facility			
(EUR million)	31.12.2023	31.12.2022	Μεταβολή
Deposit facility	25,510.6	41,187.7	-15,677.1

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, i.e. the Deposit Facility Rate, which, following successive increases during 2023, amounted to 4.0% on 31.12.2023 (year average: 3.3%, against 0.1% in the previous year).

The outstanding amount of these deposits changes on a daily basis. On 31.12.2023, the deposits in question amounted to EUR 25.5 billion. A decrease of EUR 15.7 billion, compared to the previous year, is mainly due to the repayment, by credit institutions, of Targeted Longer-Term Refinancing Operations (TLTRO III). It should be noted that, in 2023, the average balance of deposit facility accounts amounted to EUR 31.3 billion, compared with an average balance of EUR 15.3 billion in 2022.

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.

On 31.12.2023, 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 requirement.

On 31.12.2023, the balance of these liabilities was zero, as in the previous year.

30 See ECB press release of [27.7.2023](#).

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

32 See: "Monetary policy decisions", ECB press release of [8.9.2022](#).

4. Liabilities to other euro area residents denominated in euro

4.1 General government

General government			
(EUR million)	31.12.2023	31.12.2022	Change
General government	25,726.5	23,800.8	1,925.7

This item includes the balances of the accounts of the Greek State and general government entities.

It should be noted that, in 2023, the average balance of these accounts amounted to EUR 27.2 billion, compared with an average balance of EUR 31.4 billion in 2022 (down by 13.4%).

4.2 Other liabilities

Other liabilities			
(EUR million)	31.12.2023	31.12.2022	Change
Other liabilities	764.8	1,256.3	-491.5

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)	31.12.2023	31.12.2022	Change
IMF deposits	2,259.5	2,325.2	-65.7
Other deposits	719.2	751.3	-32.1
Total	2,978.7	3,076.5	-97.8

The IMF deposits concern deposits amounting to EUR 2,259.5 million (31.12.2022: EUR 2,325.2 million) and mainly relate to the account denominated in euro (No.1), amounting to EUR 2,257.1 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 decrease of EUR 65.7 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 (appreciation 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 = 0.82134 SDR on 22.12.2023,³³ 1 euro = 0.79814 SDR on 23.12.2022). 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).

6. Liabilities to euro area residents denominated in foreign currency

Liabilities to euro area residents denominated in foreign currency			
(EUR million)	31.12.2023	31.12.2022	Change
Liability to the Greek State in SDRs from IMF allocations	975.5	1,008.9	-33.4
Liability to the Greek State (SDR component of Greece's quota in the IMF)	699.1	719.8	-20.7
Other liabilities	27.6	27.4	0.2
Total	1,702.2	1,756.1	-53.9

³³ Latest exchange rate available on the IMF website https://www.imf.org/external/np/fin/data/rms_mth.aspx?SelectDate=2023-12-31&report-Type=CVSDR.

The 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)”).

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

7.1 Deposits and other liabilities

As at 31.12.2023, this item amounted to EUR 2.6 thousand (31.12.2022: EUR 2.7 thousand) and includes deposits of various entities outside the euro area.

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 31.12.2023, the balance was zero, as the value of the euro banknotes that had been put into circulation was less than that allocated to the Bank according to the banknote allocation key, 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 TARGET accounts

Net liabilities arising from balances of TARGET accounts			
(EUR million)	31.12.2023	31.12.2022	Change
Net liabilities arising from balances of TARGET accounts	114,955.5	112,440.8	2,514.7

Net liabilities arising from balances of TARGET accounts increased by EUR 2,514.7 million to EUR 114,955.5 million, against 112,440.8 million in the previous year.

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 EU NCBs participating in the TARGET 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 31.12.2023 stood at 4.5% (year average 3.8%, against 0.6% in 2022).

8.4 Other liabilities within the Eurosystem (net)

As at 31.12.2023, the net balance of other transactions of the Bank of Greece with the Eurosystem was a claim of the Bank, as in the previous year, and is disclosed under asset item 9.5 “Other claims within the Eurosystem (net)”.

9. Items in course of settlement

Items in course of settlement			
(EUR million)	31.12.2023	31.12.2022	Μεταβολή
Items in course of settlement	5.8	13.2	-7.4

This item includes various transactions that on 31.12.2023 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

Off-balance-sheet instruments revaluation differences			
(EUR million)	31.12.2023	31.12.2022	Change
Off-balance-sheet instruments revaluation differences	0.0	0.2	-0.2

As at 31.12.2023, no off-balance-sheet instruments revaluation differences were registered. On 31.12.2022, this item represented 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)	31.12.2023	31.12.2022	Change
Interest accruals on Targeted Longer-Term Refinancing Operations – TLTRO III (negative interest rate)	131.0	576.2	-445.2
Interest expense accruals of TARGET account	445.4	206.7	238.7
Interest accruals on deposits of general government and various entities	170.7	37.5	133.2
Interest accruals on Pandemic Emergency Longer-Term Refinancing Operations – PELTRO (negative interest rate)	0.0	0.1	-0.1
Other accrued interest and commissions	8.8	5.9	2.9
Fees and expenses payable	29.4	29.6	-0.2
Deferred revenues	0.7	0.8	-0.1
Total	786.0	856.8	-70.8

10.3 Sundry

Sundry			
(EUR million)	31.12.2023	31.12.2022	Change
Dividends to be distributed	13.3	13.3	0.0
Profit to be transferred to the Greek State	0.0	400.7	-400.7
Other liabilities	132.7	121.8	10.9
Total	146.0	535.8	-389.8

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.), liabilities to the Greek State under the SURE loan scheme, as well as other liabilities.

11. Provisions

Provisions					
(EUR million)	Total	Special provisions	For staff benefits	Against financial and operational risks	Against risks arising from monetary policy operations
		(a)	(b)	(c)	(d)
Balance on 1.1.2023	4,465.8	493.4	2,350.4	1,622.0	0.0
Increase	120.5	86.0	20.6	12.8	1.1
Release	-14.0	-8.6	-5.4	0.0	0.0
Provisions used	-123.8	-3.8	-107.2	-12.8	0.0
Transfers	0.0	-203.5	203.5	0.0	0.0
Change in defined contribution plans and in other provisions	19.6	2.6	17.0	0.0	0.0
Subtotal	2.3	-127.3	128.5	0.0	1.1
Balance on 31.12.2023	4,468.1	366.1	2,478.9	1,622.0	1.1

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

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)	31.12.2023	31.12.2022	Change
• for claims against third parties	64.4	64.7	-0.3
• for pending third-party lawsuits	249.6	382.0	-132.4
• other	52.1	46.7	5.4
Total	366.1	493.4	-127.3

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, 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.

During the current year, provisions for third-party lawsuits amounting to EUR 203.5 million were transferred to cover main pension costs which were approximated by an actuarial study (see liability note 11b "Provisions for staff benefits").

(b) Provisions for staff benefits

Provisions for staff benefits			
(EUR million)	31.12.2023	31.12.2022	Change
Defined benefit plans:			
• Severance pay under Law 2112/1920	42.0	39.9	2.1
• Main pension	1,576.5	1,437.0	139.5
• Supplementary pension	481.5	511.6	-30.1
Total	2,100.0	1,988.5	111.5
Defined contribution plans	378.9	361.9	17.0
Grand total	2,478.9	2,350.4	128.5

Defined benefit plans

The accumulated provisions amounting to EUR 2,100.0 million, compared with EUR 1,988.5 million in the previous year, include the Bank's defined benefit obligations including staff severance pay (Law 2112/1920, as applicable), amounting to EUR 42.0 million, compared with EUR 39.9 million in the previous year, and the provision of main and supplementary pensions, totalling EUR 2,058.0 million, compared with EUR 1,948.6 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 2023 and 2022 is given in the following tables:

Defined benefit plans				
(EUR million)	Severance pay under Law 2112/1920	Main pension	Supplementary pension	Total
Balance on 1.1.2023	39.9	1,437.0	511.6	1,988.5
Current service cost	0.7	21.2	10.0	31.9
Net financial cost	1.2	43.5	15.5	60.2
Past service cost	0.0	203.5	0.0	203.5
Actuarial gain due to changes in financial assumptions	-1.1	-91.5	-37.3	-129.9
Actuarial loss due to experience changes	4.0	42.6	6.4	53.0
Benefit payments	-2.7	-79.8	-24.7	-107.2
Balance on 31.12.2023	42.0	1,576.5	481.5	2,100.0

Defined benefit plans				
(EUR million)	Severance pay under Law 2112/1920	Main pension	Supplementary pension	Total
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

The current service cost and the net financial cost, totalling EUR 92.1 million (2022: EUR 68.7 million), are recognised in item 7 of the Profit and Loss account "*Staff costs and pension benefit expenses*", while remeasurement gains of EUR 76.9 million (2022: EUR 440.6 million) are recognised under liability item 12 "*Revaluation accounts*".

On 30 October 2023, cuts and reductions imposed on the main pensions of the Bank's insured staff were lifted pursuant to Article 6(1) of Law 4051/2012 Article 1 para. IA subpara. IA.5, point 1 of Law 4093/2012, starting from the scheduled pension payment of January 2024. As a result, the actuarial study on the main pension for the year 2023 also included past service cost of EUR 203.5 million. This cost was offset in the Profit and Loss Account, as an equal amount was transferred from the special provisions established for this purpose.

The main actuarial assumptions used are as follows:

Main actuarial assumptions per actuarial study	Law 2112/1920		Main pension		Supplementary pension	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Discount rate	3.20%	3.15%	3.50%	3.11%	3.58%	3.10%
Inflation rate	2.25%	2.50%	2.25%	2.50%	2.25%	2.50%
Mortality	EVK2000 Swiss Table for Men and Women					
Future increases	Wages: 2.75% (inflation rate plus 0.50%) Pension: 1.85%					

Defined contribution plans

The defined contribution plans mainly concern parental and other post-employment benefits totalling EUR 378.9 million, compared with EUR 361.9 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 investment portfolio. The measurement is carried out based on the data of the last day of each year.

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.

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;
- 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 2023 is analysed as follows:

- A provision of EUR 12.8 million (31.12.2022: EUR 54.2 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 and write-downs*" and note 10 of the Profit and Loss Account "*Provisions*").
- Increase of the provision by EUR 12.8 million (31.12.2022: EUR 189.2 million) following a decision by the Bank's Risk Management Committee to maintain the established provision unchanged compared with the previous year, when it stood at EUR 1,622.0 million.

(d) Provision against risks arising from monetary policy operations

The ECB, in cooperation with the NCBs, conducts impairment tests on securities related to the implementation of the single monetary policy (SMP, CBPP, PSPP, CSPP, ABSPP and PEPP).

In this context, as a result of the impairment test conducted on securities in the corporate portfolio of the Pandemic Emergency Purchase Programme (PEPP – CORP), the Governing Council of the ECB has deemed it appropriate to establish a buffer of EUR 42.9 million, against credit risks in monetary policy operations during 2023.

In accordance with Article 32.4 of the ESCB Statute, this buffer will be funded by all the NCBs of participating Member States, in proportion to their subscribed capital key shares in the ECB prevailing in 2023. As a result, a provision for EUR 1.1 million equivalent to 2.45365% (Eurosystem key of the Bank of Greece) of the total provision was created (see note 5 of Profit and Loss Account “*Net result of pooling of monetary income*”).

12. Revaluation accounts

Revaluation accounts			
(EUR million)	31.12.2023	31.12.2022	Μεταβολή
Unrealised revaluation gains:			
• Gold	7,162.0	6,391.1	770.9
• Foreign currency	257.7	411.1	-153.4
• Securities	9.6	0.2	9.4
• Mutual fund shares/units	15.3	11.8	3.5
• Warrants	0.1	0.0	0.1
Total	7,444.7	6,814.2	630.5
Accumulated actuarial gains/(losses)	599.1	522.2	76.9
Grand total	8,043.8	7,336.4	707.4

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 Significant Accounting policies, “*Income recognition*”).

The revaluation at the end of 2023 resulted in unrealised gains of EUR 7,444.7 million, compared with EUR 6,814.2 million at the end of 2022, most of which (EUR 7,162.0 million on 31.12.2023, compared with EUR 6,391.1 million on 31.12.2022) 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 Significant accounting policies, “*Provisions for staff benefits*”).

The increase in actuarial gains by EUR 76.9 million, compared to the previous year, is mainly due to an increase in the discount rates applied during the actuarial measurement of the liabilities from the defined benefit plans (see note on liability item 11b “*Provisions for staff benefits*”).

13. Capital and reserves

The Bank’s total equity on 31.12.2023 amounted to EUR 3,544.7 million, compared with EUR 3,459.4 million on 31.12.2022.

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

13.1 Capital

The Bank’s capital, after having been increased by Legislative Decrees 413/70 and 889/71, Laws 542/77 and 1249/82, Ministerial Decision E. 2665/88, Law 2065/92, Ministerial Decision 1281/30.10.96 and Cabinet Acts

8/4.2.2000, 32/23.5.2002, 17/4.7.2005 and 8/10.6.2008, 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 31.12.2023 stood at EUR 575.9 million, compared with EUR 490.5 million on 31.12.2022, as a result of its increase by EUR 85.4 million through retained profit.

13.4 Special reserve for financial risks

The special reserve for financial risks on 31.12.2023 amounted to EUR 2,744.8 million, unchanged compared to the previous year.

13.5 Other special reserves

The other special reserves on 31.12.2023 stood at EUR 1.6 million (2022: 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 RESULTS³⁴

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 543.6 million, from EUR 885.1 million in the previous year, having decreased by 38.6%.

In particular:

- **Net income from interest, financial operations and the reallocation of Eurosystem monetary income** totalled EUR 359.4 million, compared with EUR 730.6 million in the previous year, down by 50.8%.
- **Net income from fees and commissions** increased by 6.4% to EUR 138.7 million, from EUR 130.3 million in the previous year.
- **Income from equity shares and participating interests** amounted to EUR 4.0 million, unchanged from the previous year.
- Finally, **other income** more than doubled and amounted to EUR 41.5 million, from EUR 20.2 million in the previous year.

EXPENSES BEFORE PROVISIONS

Total expenses before provisions amounted to EUR 367.5 million, compared with EUR 349.9 million in the previous year, up by 5.0%.

PROVISIONS

During the current year, **provisions** contributed to an increase in expenses by EUR 77.4 million, compared with EUR 78.4 million in the previous year, down by 1.3%.

³⁴ Certain items have been reclassified to better present the results.

NET INCOME

1. Net interest income

Net interest income decreased by EUR 3,086.8 million to an expense of EUR 3,084.5 million, against income of EUR 2.3 million in the previous year. This significant reduction 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 substantial 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.³⁵

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.

1.1 Interest income

The individual categories of interest income are as follows:

Interest income			
(EUR million)	2023	2022	Change
a. on loans to credit institutions related to monetary policy operations	743.9	0.0	743.9
b. on securities held for monetary policy purposes	980.6	515.1	465.5
c. on investment portfolio	621.1	359.1	262.0
d. on long-term claims on the Greek government	3.3	4.1	-0.8
e. on long-term claims arising from the transfer of foreign reserves to the ECB	32.7	5.0	27.7
f. on net claims related to the allocation of euro banknotes in circulation within the Eurosystem	868.5	113.6	754.9
g. on liabilities to euro area credit institutions related to monetary policy operations denominated in euro	0.0	94.2	-94.2
h. on deposits of general government bodies and various entities	0.0	10.6	-10.6
i. on securities lending programmes	5.2	3.9	1.3
j. other interest income	1.8	0.4	1.4
Total	3,257.1	1,106.0	2,151.1

Interest income increased by EUR 2,151.1 million to EUR 3,257.1 million, compared with EUR 1,106.0 million in the previous year, mainly due to the recognition of interest income on Targeted Longer-Term Refinancing Operations (TLTRO III), compared to the previous year, during which interest expense was recognised, as well as to an increase in interest income on PEPP and PSPP monetary policy portfolio securities, on securities in euro (except Greek government debt securities), on securities denominated in foreign currency in the investment portfolio and on net claims related to the allocation of euro banknotes in circulation within the Eurosystem.

In particular:

1.1.a Interest income on loans to credit institutions related to monetary policy operations

Interest income on loans to credit institutions related to monetary policy operations			
(EUR million)	2023	2022	Change
– Main Refinancing Operations (MROs)	8.6	0.0	8.6
– Longer-Term Refinancing Operations (LTROs):	735.3	0.0	735.3
• TLTRO III operations	735.2	0.0	735.2
• PELTRO operations	0.1	0.0	0.1
Total	743.9	0.0	743.9

35 See: "Monetary policy decisions", ECB press releases of [2.2.2023](#), [16.3.2023](#), [4.5.2023](#), [15.6.2023](#), [27.7.2023](#) and [14.9.2023](#).

During the current year, interest income on loans to credit institutions related to monetary policy operations amounted to EUR 743.9 million, against an interest expense of EUR 230.8 million that had been recognised in the previous year (see note 1.2.a of the Profit and Loss Account "*Interest expense on loans to credit institutions related to monetary policy operations*"), mainly due to an increase in the interest rate on Targeted Longer-Term Refinancing Operations (TLTRO III).

The DFR was the interest rate applicable to the Bank of Greece for calculating the TLTRO III accrued interest since the beginning of the last remuneration period of these operations, which began on 23 November 2022 (see note on asset item 5.2 "*Longer-term refinancing operations*").

1.1.b 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)	2023	2022	Change
– Securities Markets Programme (SMP)	4.4	5.7	-1.3
– Third Covered Bond Purchase Programme (CBPP3)	13.2	17.6	-4.4
– Public Sector Purchase Programme (PSPP) – Supranational securities	469.6	225.3	244.3
– Pandemic Emergency Purchase Programme (PEPP) – Government debt securities	423.0	296.7	126.3
– Pandemic Emergency Purchase Programme (PEPP) – Supranational securities	70.4	-30.2	100.6
Total	980.6	515.1	465.5

The increase of EUR 465.5 million, compared to the previous year, is mainly due to a rise in interest on the supranational securities of the PSPP portfolio, as a result of an increase in their average yield, and the securities of the PEPP portfolio, as a result of increases in their average yield and average balance.

1.1.c Interest income on the investment portfolio

Interest by investment category is as follows:

Interest income on the investment portfolio			
(EUR million)	2023	2022	Change
– securities in euro (except Greek government debt securities)	332.8	192.6	140.2
• securities in euro	324.6	192.0	132.6
• green securities in euro	8.2	0.6	7.6
– Greek government debt securities in euro	107.1	111.6	-4.5
– securities in foreign currency	122.6	38.2	84.4
• securities in foreign currency	116.4	37.5	78.9
• green securities in foreign currency	6.2	0.7	5.5
– fixed-term deposits and current accounts	58.6	16.7	41.9
Total	621.1	359.1	262.0

The increase of EUR 262.0 million, compared to the previous year, is mainly due to an increase in interest income both on securities in euro (except Greek government debt securities) and on securities in foreign currency, as a result of a rise in their average yield and average balance.

1.1.d 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, the interest amounted to EUR 3.3 million, down by EUR 0.8 million compared to the previous year (2022: EUR 4.1 million). This decrease is a result of the maturity and full repayment of said loans within the year (see note on asset item 8 "*General government long-term debt denominated in euro*").

1.1.e. 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 32.7 million, up by EUR 27.7 million compared to the previous year (2022: EUR 5.0 million), as a result of an increase in the interest rate, namely the Eurosystem's Main Refinancing Operations rate (MRO rate) (see note on asset item 9.2 "Claims equivalent to the transfer of foreign reserves to the ECB").

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

In the current year, interest income on net claims related to the allocation of the euro banknotes in circulation within the Eurosystem amounted to EUR 868.5 million, marking a significant increase of EUR 754.9 million compared to the previous year (2022: EUR 113.6 million), as a result of an increase in the interest rate, namely the Eurosystem's main refinancing operations rate (MRO rate), and in their average balance (see note on asset item 9.3 "Net claims related to the allocation of euro banknotes within the Eurosystem").

1.1.g 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)	2023	2022	Change
– on current accounts (covering the minimum reserve system)	0.0	93.6	-93.6
– on deposits related to margin calls	0.0	0.6	-0.6
Total	0.0	94.2	-94.2

During the current year, interest expense on liabilities to euro area credit institutions related to monetary policy operations denominated in euro was recognised, as explained in note 1.2.b "Interest expense on liabilities to euro area credit institutions related to monetary policy operations denominated in euro", compared to the previous year, during which interest income of EUR 94.2 million was recognised.

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

In the current year, interest expense on deposits of general government bodies and various entities was recognised, as explained in note 1.2.d "Interest expense on deposits of general government bodies and various entities", compared to the previous year, during which interest income of EUR 10.6 million was recognised.

1.1.i Interest income on securities lending programmes

In the current year, interest income on securities lending programmes amounted to EUR 5.2 million, up by EUR 1.3 million compared to the previous year (2022: EUR 3.9 million), concerning the Bank's participation in securities lending programmes from the investment portfolio and monetary policy portfolios.

1.1.j Other interest income

In the current year, other interest income amounted to EUR 1.8 million, up by EUR 1.4 million compared to the previous year (2022: EUR 0.4 million). This category mainly includes default interest from the settlement of monetary income for 2022, and interest income on loans granted to the Bank's staff.

In 2023, it was decided to present interest income on securities lending programmes separately, as explained in note 1.1.i "Interest income on securities lending programmes", which had been included in this category until the publication of the previous year.

1.2 Interest expense

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

Interest expense			
(EUR million)	2023	2022	Change
a. on loans to credit institutions related to monetary policy operations	0.0	230.8	-230.8
b. on liabilities to euro area credit institutions related to monetary policy operations denominated in euro	1,072.5	185.2	887.3
c. on Greek government deposits	635.8	55.6	580.2
d. on deposits of general government bodies and various entities	291.5	0.0	291.5
e. on net liabilities arising from balances of TARGET accounts	4,341.5	632.1	3,709.4
f. other interest expense	0.3	0.0	0.3
Total	6,341.6	1,103.7	5,237.9

Interest expense increased by EUR 5,237.9 million to EUR 6,341.6 million, compared with EUR 1,103.7 million in the previous year, mainly due to an increase in interest on the balance of TARGET accounts, the standing deposit facility and Greek government deposits.

In particular:

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)	2023	2022	Change
- Longer-Term Refinancing Operations (LTROs):			
• TLTRO III operations	0.0	231.0	-231.0
• PELTRO operations	0.0	-0.2	0.2
Total	0.0	230.8	-230.8

During the current year, interest income on loans to credit institutions related to monetary policy operations were recognised, as explained in note 1.1.a “*Interest income on loans to credit institutions related to monetary policy operations*”, compared to the previous year, during which an interest expense of EUR 230.8 million was recognised.

In particular, for 2022 the following approach was applied for calculating the interest accruals on Targeted Longer-Term Refinancing Operations (TLTRO III):

(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, 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 (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

Interest by liability is as follows:

Interest expense on liabilities to euro area credit institutions related to monetary policy operations denominated in euro			
(EUR million)	2023	2022	Change
– on current accounts (covering the minimum reserve system)	45.9	0.0	45.9
– on the standing deposit facility	1,026.6	185.2	841.4
Total	1,072.5	185.2	887.3

During the current year, the interest expense on current accounts of credit institutions (covering the minimum reserve system) amounted to EUR 45.9 million, compared with an interest income of EUR 93.6 million that had been recognised in the previous year (see note 1.1.g of the Profit and Loss Account “*Interest income on liabilities to euro area credit institutions related to monetary policy operations denominated in euro*”). This interest expense for 2023 comes exclusively from the required minimum reserves of credit institutions, which are remunerated at the Deposit Facility Rate (DFR) between 21 December 2022 and 19 September 2023 and at zero percent as from 20 September 2023, on the basis of a decision by the ECB’s Governing Council (see note on liability item 2.1 “*Current accounts (covering the minimum reserve system)*”).

The increase in interest expense on the standing deposit facility by EUR 841.4 million, compared to the previous year, was a result of a rise both in the relevant average outstanding balance and in the interest rate, namely the Deposit Facility Rate (DFR) (see note on liability item 2.2 “*Deposit facility*”).

1.2.c Interest expense on Greek government deposits

In the current year, the interest expense on Greek government deposits amounted to EUR 635.8 million, up by EUR 580.2 million compared to the previous year (2022: EUR 55.6 million), as a result of the increase in their interest rate.

1.2.d Interest expense on deposits of general government bodies and various entities

During the current year, the interest expense on deposits of general government bodies and various entities amounted to EUR 291.5 million, against interest income of EUR 10.6 million that had been recognised in the previous year, mainly due to an increase in their interest rate.

1.2.e Interest expense on net liabilities arising from balances of TARGET accounts

In the current year, the interest expense on the balance of TARGET accounts amounted to EUR 4,341.5 million, marking a significant increase of EUR 3,709.4 million compared to the previous year (2022: EUR 632.1 million), as a result of an increase in the interest rate, namely the Eurosystem’s Main Refinancing Operations rate (MRO rate) (see note on liability item 8.3 “*Net liabilities arising from balances of TARGET accounts*”).

2. Net result of financial operations and write-downs

The net result is broken down as follows:

Net result of financial operations and write-downs			
(EUR million)	2023	2022	Change
2.1 Realised gains arising from financial operations			
– on foreign exchange operations	43.6	66.8	-23.2
– on securities operations	13.8	8.4	5.4
– on purchases and sales of gold coins	1.3	1.2	0.1
– on exchange revaluation of gold-linked loan	20.4	0.0	20.4
Total	79.1	76.4	2.7
2.2 Write-downs on financial assets and positions			
– from revaluation of foreign currency positions	-6.8	-4.9	-1.9
– from revaluation of securities	-6.0	-49.3	43.3
Total	-12.8	-54.2	41.4
2. Net result of financial operations and write-downs	66.3	22.2	44.1

The net result of financial operations rose by EUR 2.7 million to EUR 79.1 million, compared with EUR 76.4 million in the previous year. During the current year, foreign exchange revaluation gains of EUR 20.4 million were recognised arising from the repayment of a gold-linked loan by the Greek State (see note on asset item 3.1 “General government”).

Moreover, losses of EUR 12.8 million from the year-end revaluation of foreign exchange and securities were recognised in the Profit and Loss Account (P&L) at the end of 2023, compared with losses of EUR 54.2 million in the previous year. Specifically, the revaluation of securities resulted in a loss totalling EUR 6.0 million, substantially lower than that of the previous year (2022: EUR 49.3 million), due to an increase in their market value at the end of 2023.

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” and note 10 of the Profit and Loss Account “Provisions”). In 2023, an amount of EUR 54.2 million was reclassified from item 2.3 “Transfer from provisions against financial risks”, which no longer exists in the Profit and Loss Account, to item 10 “Provisions”, specifically in the category “Provisions against financial and operational risks”, compared to the publication of the previous year, to make it comparable with the current financial year.

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)	2023	2022	Change
3.1 Fees and commissions income			
Remuneration for the management of the “Common Capital of Legal Entities in Public Law & Social Security Funds” – Law 2469/97	93.1	86.2	6.9
Commissions on receipts and payments on behalf of the Greek government	27.4	27.9	-0.5
Remuneration for managing Greek government securities	13.5	11.5	2.0
Contributions of insurance undertakings for supervision services	4.7	4.5	0.2
Income from participation in the Electronic Secondary Securities Market (HDAT)	1.8	1.7	0.1
Other fees and commissions	8.0	8.0	0.0
Total	148.5	139.8	8.7
3.2 Fees and commissions expense			
	-9.8	-9.5	-0.3
3. Net income from fees and commissions	138.7	130.3	8.4

4. Income from equity shares and participating interests

In the current year, income from equity shares and participating interests was recognised, amounting to EUR 4.0 million, unchanged from the previous year. The aforementioned income consists mostly in dividends received from the Bank’s participation in the Bank for International Settlements (BIS).

During the current and the previous year, the ECB did not distribute a dividend to the NCBs, since its total financial result was negative.

5. Net result of pooling of monetary income

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 the Eurosystem’s earmarkable 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;
- net intra-Eurosystem liabilities arising from balances of TARGET accounts;
- net intra-Eurosystem liabilities related to the allocation of euro banknotes 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 Programme (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 the PEPP (government debt securities), are calculated daily on the basis of the latest available rate for the Eurosystem’s Main Refinancing Operations rate (MRO rate)³⁶, 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;³⁷
- claims equivalent to the transfer of foreign reserve assets to the ECB;
- net intra-Eurosystem claims arising from balances of TARGET 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 NCB’s gold holdings in proportion to each NCB’s capital key share. Gold is considered to generate no income.

The difference of the value of an NCB’s earmarkable assets and the liability base (GAP) is remunerated for monetary income calculation purposes at the prevailing Eurosystem’s Main Refinancing Operation rate (MRO rate).

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.

36 Said portfolio securities fall under no-risk sharing, meaning that losses from these portfolios, if they were to materialise, are not shared by the Eurosystem NCBs. Moreover, the income allocated is not the actual income, but the imputed income, calculated at the prevailing Eurosystem’s Main Refinancing Operations rate (MRO rate).

37 Said portfolio securities fall under risk sharing, meaning that losses from these portfolios, if they were to materialise, are shared in full by the Eurosystem NCBs, as is the relevant actual income, in proportion to the prevailing ECB capital key shares.

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.

Net result of pooling of monetary income is broken down as follows:

Net result of pooling of monetary income			
(EUR million)	2023	2022	Change
– Monetary income allocated to the Bank of Greece according to its capital key in the Eurosystem	1,000.1	176.5	823.6
– Minus: monetary income pooled by the Bank of Greece	-2,372.8	-528.5	-1,844.3
Result of pooling of monetary income	3,372.9	705.0	2,667.9
Corrections to monetary income reallocation of previous years	5.8	1.1	4.7
Provision against risks arising from the Eurosystem's monetary policy operations	-1.1	0.0	-1.1
Total	3,377.6	706.1	2,671.5

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

The amount receivable of EUR 3,372.9 million, which arose for the Bank of Greece in 2023, is due to the fact that the Bank pooled during the current year negative monetary income of EUR 2,372.8 million, against its corresponding monetary income of EUR 1,000.1 calculated on the basis of its Eurosystem key.

The corrections to monetary income reallocation of previous years, amounting to EUR 5.8 million, concern the recalculation and reallocation of monetary income for 2022 and 2021.

The net result of pooling of monetary income includes the Bank of Greece's share of EUR 1.1 million from the establishment of a provision against credit risks in monetary policy operations for a corporate portfolio security under the PEPP (PEPP-CORP) held by an NCB, as a result of the impairment test conducted (see liability note 11d "*Provision against risks arising from monetary policy operations*").

The analysis of the net result of the Bank of Greece's monetary income in its various components is presented in the table below.

Analysis of the net result of the Bank of Greece's monetary income					
(EUR million)	Monetary income pooled	Total monetary income pooled by the Eurosystem NCBs	Monetary income reallocation based on the Eurosystem key	Result of pooling of monetary income	Result of pooling of monetary income
	(a)		(b)	(b - a)	
	2023			2022	
Lending to euro area credit institutions related to monetary policy operations denominated in euro	743.9	26,849.9	658.8	-85.1	-29.8
Securities held for monetary policy purposes (risk sharing)	557.6	8,483.3	208.2	-349.4	-76.7
Securities held for monetary policy purposes (no-risk sharing) ¹	1,280.6	127,854.2	3,137.1	1,856.5	292.2
Claims equivalent to the transfer of foreign reserves to the ECB	32.7	1,334.5	32.7	0.0	0.0
Net claims(+) / net liabilities(-) related to the allocation of euro banknotes within the Eurosystem	868.5	-4,816.8	-118.2	-986.7	-131.8
Liabilities to euro area credit institutions related to monetary policy operations denominated in euro	-1,072.5	-130,387.3	-3,199.2	-2,126.7	-70.4

Analysis of the net result of the Bank of Greece's monetary income

(EUR million)	Monetary income pooled	Total monetary income pooled by the Eurosystem NCBs	Monetary income reallocation based on the Eurosystem key	Result of pooling of monetary income	Result of pooling of monetary income
	(a)		(b)	(b - a)	
		2023			2022
Net claims(+) / net liabilities(-) arising from balances of TARGET accounts	-4,341.5	14,171.7	347.7	4,689.2	683.8
GAP (difference between earmarkable assets and the liability base)	-442.1	-2,729.9	-67.0	375.1	37.7
Total	-2,372.8	40,759.6	1,000.1	3,372.9	705.0

1 For the calculation of monetary income, these securities are considered to generate income at the latest available interest rate used by the Eurosystem in its tenders for Main Refinancing Operations (MRO rate). Therefore, the amount contributed to the pooled monetary income differs from that included in net interest income (see amount of EUR 423.0 million from the government securities under the PEPP portfolio in the table of note 1.1.b of the Profit and Loss Account "Interest income on securities held for monetary policy purposes").

6. Other income

Other income			
(EUR million)	2023	2022	Change
Income from production of goods	11.5	12.2	-0.7
Other operating income	6.2	8.0	-1.8
Result of real estate assets' impairment/reversal of impairment	23.8	0.0	23.8
Total	41.5	20.2	21.3

Other income includes income of EUR 11.5 million (2022: EUR 12.2 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, lottery tickets), as well as other operating income of EUR 6.2 million (2022: EUR 8.0 million), derived from the participation of the Bank of Greece in Eurosystem's projects, the management of real estate, accreditation fees, etc. Moreover, income amounting to EUR 23.8 million was recognised, mainly due to a partial reversal of an impairment loss on real estate incurred in previous years (see asset item 11.2 "Tangible and intangible fixed assets").

In 2023, an amount of EUR 0.6 million under "Other administrative expenses" was reclassified to "Other income", compared to the publication of the previous year, to make it comparable with the current financial year.

EXPENSE

7. Staff costs and pension benefit expenses

Staff costs and pension benefit expenses			
(EUR million)	2023	2022	Change
Staff wages and other benefits	200.2	203.7	-3.5
Expenses of defined benefit plans	92.1	68.7	23.4
Total	292.3	272.4	19.9

In the current year, staff costs and pension benefit expenses increased by a total of EUR 19.9 million compared to the previous year, mainly due to a rise in the expenses of the defined benefit plans. The expenses of the

defined benefit plans, which are recognised on the Profit and Loss Account, are derived from actuarial studies and are presented in detail in the note on liability item 11b *"Provisions for staff benefits"*.

The previous year's staff wages and other benefits include an amount of EUR 12.7 million, due to a one-off increase in the funds of the defined contribution plan for post-employment benefits.

8. Other administrative expenses

Other administrative expenses			
(EUR million)	2023	2022	Change
Software rights – Cost of developing and operating management information systems	13.0	13.1	-0.1
Third party fees	10.8	10.9	-0.1
Rent, property and equipment maintenance/repair expenses	6.5	5.7	0.8
Publications and subscriptions	5.5	5.3	0.2
Consumption of materials and stationery	6.6	8.7	-2.1
Expenses for lighting, water supply, heating and phone charges	5.1	6.8	-1.7
Other expenses	15.8	15.9	-0.1
Total	63.3	66.4	-3.1

During the current year, other management expenses decreased by EUR 3.1 million compared to the previous year, mainly due to a decrease in the consumption of materials and stationery, as well as in lighting and heating expenses.

In 2023, an amount of EUR 0.6 million under *"Other administrative expenses"* was reclassified to *"Other income"*, compared to the publication of the previous year, to make it comparable with the current financial year.

9. Depreciation of tangible and amortisation of intangible fixed assets

Depreciation and amortisation costs amounted to EUR 11.9 million, compared with EUR 11.1 million in the previous year, up by EUR 0.8 million. The depreciation and amortisation expense per fixed asset category are presented in the note on asset item 11.2 *"Tangible and intangible fixed assets"*.

10. Provisions

Provisions			
(EUR million)	2023	2022	Change
Special provisions	77.4	-56.6	134.0
Provisions against financial and operational risks	0.0	135.0	-135.0
Total	77.4	78.4	-1.0

During the current year, provisions contributed to an increase in expenses by EUR 77.4 million, compared with EUR 78.4 million in the previous year.

Specifically, special provisions of EUR 86.0 million were established (2022: EUR 2.5 million), concerning mainly pending lawsuits by pensioners of the Bank. At the same time, special provisions of EUR 8.6 million (2022: EUR 59.1 million) for additional liabilities regarding the retirement of current employees were released, the amount of which was approximated by an actuarial study.

The total losses of EUR 12.8 million (2022: EUR 54.2 million) from the year-end revaluation of foreign exchange and securities were offset by transferring an equal amount from the provision established against financial and operational risks (see note 2 of the Profit and Loss Account *"Net result of financial operations and write-downs"*).

At the same time, provisions against financial risks of EUR 12.8 million were established (2022: EUR 189.2 million) following a decision by the Bank's Risk Management Committee to maintain the established provision unchanged compared with the previous year, when it stood at EUR 1,622.0 million.

In 2023, an amount of EUR 54.2 million was reclassified from item 2.3 *"Transfer from provisions against financial risks"*, which no longer exists in the Profit and Loss Account, to item 10 *"Provisions"*, specifically in the category *"Provisions against financial and operational risks"*, compared to the publication of the previous year, to make it comparable with the current financial year.

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)	31.12.2023	31.12.2022	Change
1. Greek government securities relating to the management of the "Common Capital of Legal Entities in Public Law & Social Security Funds" according to Law 2469/97	68,985.7	62,827.2	6,158.5
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	5,685.4	5,886.2	-200.8
3. Assets eligible as collateral for Eurosystem monetary policy operations and intraday credit	29,582.1	50,863.5	-21,281.4
4. Other off-balance-sheet items	11,349.2	12,610.2	-1,261.0
Total	115,602.4	132,187.1	-16,584.7

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 3,786.9 million on 31.12.2023, compared with EUR 3,897.0 million on 31.12.2022);
- securities pledged as collateral to the Bank of Greece for participation in securities lending programmes of EUR 5,599.2 million on 31.12.2023, compared with EUR 6,774.5 million on 31.12.2022;
- 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, totalling EUR 1,888.0 million on 31.12.2023, compared with EUR 1,892.8 million on 31.12.2022;
- 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), warrants and sale of futures for dollar-denominated bonds, totalling EUR 75.1 million on 31.12.2023, compared with EUR 45.9 million on 31.12.2022.

2. Contingent liabilities

As at 31 December 2023, there were pending lawsuits against the Bank of Greece in relation to its general operations amounted to EUR 119.4 million (31.12.2022: EUR 102.6 million), for which no provisions have 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 31.12.2023.

3. Other information

Number of staff

On 31.12.2023, the total staff numbered 1,952, while on 31.12.2022 it numbered 1,861.

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 Article 29 of the Statute of the ESCB, the weightings assigned to the NCBs in the key for subscription to the ECB's capital are adjusted every five years. The fifth such adjustment following the establishment of the ECB was made on 1 January 2024, as follows:

The NCBs' keys for subscription to the ECB's capital		
National Central Banks	Key for subscriptions to the ECB's capital until 31.12.2023 %	Key for subscriptions to the ECB's capital as of 1.1.2024 %
Banque Nationale de Belgique (Belgium)	2.9630	3.0005
Deutsche Bundesbank (Germany)	21.4394	21.7749
Eesti Pank (Estonia)	0.2291	0.2437
Central Bank of Ireland (Ireland)	1.3772	1.7811
Bank of Greece (Greece)	2.0117	1.8474
Banco de España (Spain)	9.6981	9.6690
Banque de France (France)	16.6108	16.3575
Banca d'Italia (Italy)	13.8165	13.0993
Central Bank of Cyprus (Cyprus)	0.1750	0.1802
Latvijas Banka (Latvia)	0.3169	0.3169
Lietuvos bankas (Lithuania)	0.4707	0.4826
Banque centrale du Luxembourg (Luxembourg)	0.2679	0.2976
Central Bank of Malta (Malta)	0.0853	0.1053
De Nederlandsche Bank (Netherlands)	4.7662	4.8306
Oesterreichische Nationalbank (Austria)	2.3804	2.4175
Banco de Portugal (Portugal)	1.9035	1.9014
Banka Slovenije (Slovenia)	0.3916	0.4041
Národná banka Slovenska (Slovakia)	0.9314	0.9403
Suomen Pankki (Finland)	1.4939	1.4853
Hrvatska narodna banka (Croatia)	0.6595	0.6329
Total of euro area NCBs	81.9881	81.7681
Българска народна банка (Bulgarian National Bank) (Bulgaria)	0.9832	0.9783
Česká národní banka (Czech Republic)	1.8794	1.9623
Danmarks Nationalbank (Denmark)	1.7591	1.7797
Magyar Nemzeti Bank (Hungary)	1.5488	1.5819
Narodowy Bank Polski (Poland)	6.0335	6.0968
Banca Națională a României (Romania)	2.8289	2.8888
Sveriges Riksbank (Sweden)	2.9790	2.9441
Total of non-euro area NCBs	18.0119	18.2319
Grand total	100.0000	100.0000

On 1 January 2024, the share that the Bank of Greece held in the subscribed capital of the ECB decreased from 2.0117% to 1.8474% and consequently asset item 9.1 "Participating interest in the ECB" decreased by EUR 17.8 million to EUR 200.0 million.

Pursuant to Article 30.2 of the Statute of the ESCB, the contributions of the NCBs to the transfer of foreign reserve assets to the ECB are fixed in proportion to their share in the ECB's subscribed capital. Given the decrease in the weighting of the Bank of Greece in the ECB's subscribed capital, the claim equivalent to this transfer was also adjusted accordingly. This resulted in a reduction of EUR 81.5 million on 1 January 2024, which was repaid by the ECB.

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 2023. The following table presents the total fees for audit services for 2023 and 2022.

Independent auditor's fees		
(in euro)	2023	2022
Audit service fees	180,000	180,000
Fees for other audit services	31,000	31,000
Total	211,000	211,000

Athens, 4 March 2024

THE GOVERNOR

FINANCIAL DEPARTMENT

THE DIRECTOR

THE ACCOUNTANT

YANNIS STOURNARAS

YANNIS ASIMAKOPOULOS

THEOCHARIS NTOVAS

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