

PUBLIC INTERVENTIONS
AND INSTITUTIONAL ACTIONS
TO SAFEGUARD FINANCIAL
STABILITY AND OVERCOME
THE CRISIS



**THE CHRONICLE
OF THE GREAT
CRISIS:
THE BANK
OF GREECE
2008-2013**



BANK OF GREECE
EUROSYSTEM

CENTRE FOR CULTURE,
RESEARCH AND DOCUMENTATION

THE CHRONICLE OF THE GREAT CRISIS: THE BANK OF GREECE 2008-2013

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FOREWORD BY THE GOVERNOR

In 2001, when Greece joined Economic and Monetary Union and adopted the single currency, the omens were auspicious and expectations were great. The impression at the time was that Greece's inclusion in the core of European economies would act as a catalyst to accelerate its real convergence with the advanced European countries at both the economic and social level.

Unfortunately, these expectations did not materialise. In the years that followed, the economy grew, but not on the basis of a growth model that could ensure sustainable progress. The Greek society showed a clear preference for consumption over saving and investment, while it strongly reacted to attempts to change established structures. The political system assigned a big weight to political costs and hesitated to undertake decisive reform initiatives. The country enjoyed the benefits of the single currency, but did not try to meet the obligations arising from its adoption.

In the economy in particular, growth was strong, but was led by domestic demand, which was fuelled by borrowing, both public and private. The production base did not adjust accordingly and competitiveness declined rapidly, resulting in a deterioration of the external deficit. Public spending kept increasing, while revenue lagged behind, leading to large deficits and historically high levels of public debt.

These problems were repeatedly highlighted by the Bank of Greece, the European Commission and international organisations. The warnings however were not heeded, and the country continued on its carefree path, borrowing in order to consume more and more goods and services that it did not itself produce. With the onset of the global financial crisis in 2007-2008, the international environment changed drastically. In the new conditions that emerged, countries with large structural imbalances were hit the most severely. In Greece, the international financial crisis soon evolved into a sovereign debt crisis. The markets, in a context of reassessment of credit risk that did not preclude a Greek default, imposed new, more onerous lending conditions, which gradually became prohibitive.

As early as in 2008, it became evident that the economy's survival required the implementation of a multiannual programme for reducing the fiscal deficit, con-

trolling debt dynamics and carrying out extensive structural reforms. In early 2010 it became clear that it was no longer possible to cover deficits with financing from the markets. Against this background, in April 2010 the Greek government requested financial support from the euro area countries and the IMF, and in the following month the Memorandum of Economic and Financial Policies was signed. This triggered a process of sharp economic adjustment to avoid default and lay the groundwork for rebalancing the economy.

This process, currently at an advanced stage, has not been linear or painless. It had not been clear from the outset that an orderly adjustment could indeed be achieved, while an exit from the euro area often loomed and was sometimes seen as unavoidable. Moreover, the conduct of economic policy during that period was subject to critical swings between the consistent implementation of measures and—due to political cost considerations—hesitation, which peaked in mid-2011 and resurged in the period of the two election rounds in mid-2012. Finally, significant modifications were made to the original agreements with our partners, to make up for delays in the implementation of the programme or errors in initial forecasts.

Eventually, collapse and exit from the euro area, which appeared as very likely, were prevented thanks to the continued support from our partners and the efforts of successive governments. Thus, today we can look forward to the future with greater confidence, as we can expect that the economy will recover and, under certain conditions, will enter into a new, virtuous circle of growth.

The economic and social costs of the adjustment have been and remain heavy. The citizens' sacrifices have been very painful. However, the problems of recent years and the losses in terms of output, employment and incomes have been the price that was paid to prevent a collapse of the economy, towards which the country was heading due to erroneous choices of the past.

This basic position, which pervades all the analyses and interventions of the Bank of Greece, can be seen clearly in the first part of this publication, which briefly reviews the period from 2000 to 2009. As early as in late 2008, the Bank was warning that the imminent crisis would be deep and of a structural nature, adding that overcoming that crisis would require a long, systematic and painstaking effort, given that problems accumulated over several years had to be urgently addressed.

The second part of *The Chronicle of the great crisis* reviews developments during the critical four-year period from 2010 to 2013. The year 2013 was a milestone, marking the completion of major changes and a halt to the deep recession. Of course, the economy's adjustment was not completed in 2013. It has to continue, in order to consolidate what has been achieved so far and create the conditions for growth, lower unemployment and improved incomes. However, today—in early

2014— as a cycle is closing, it would be appropriate to take stock of the progress made, evaluate actions and omissions and, most importantly, draw lessons for the future; indeed, this is the main objective of this publication.

The *Chronicle* covers developments in Greece and the international environment, and records in detail the public interventions and institutional actions of the Bank of Greece aimed to safeguard financial stability and contribute to an exit from the crisis, in response to a rapidly changing and, therefore, fluid environment. In the same period, the Bank, through its active participation in the Governing Council of the European Central Bank, contributed to decisions that were crucial to addressing the crisis in the euro area.

I believe that the *Chronicle* can prove particularly useful, since it gathers in a single volume the views and assessments of the Bank of Greece on the critical issues of the period, its institutional actions to safeguard monetary and financial stability and its contribution to the creation of a new European environment.

Whether, and to what extent, these interventions have contributed to overcoming the crisis is up to future historians to judge. But what can be safely said today is that during the crisis, as has been the case throughout its history, the Bank of Greece was a firm point of reference, an anchor of stability in an environment of tumultuous changes and heightened uncertainty. The Bank's positions, as described in detail in the chapters of the *Chronicle*, were expressed clearly and according to the following constant policy orientations:

- Greece should make every effort to remain in the euro area and steer clear of default, which would have incalculable economic and social consequences.
- The adjustment programme and the agreements with our partners ensure the financing of the Greek economy. Without them, default would have been inevitable. This is why they must be implemented with determination and consistency. Moreover, to a very large extent the programme's terms relate to changes that should have been implemented long ago.
- In order to return to growth, securing its European perspective, the country should eliminate its fiscal imbalances, improve its competitiveness and enhance the export orientation of its economy, modernise the state, restore competitive conditions in markets and reduce the burden of public debt. Greece needs a new growth model. A return to the past is not an option.
- Fiscal adjustment should rely primarily on expenditure cuts. An increase in government revenues must be sought by reducing tax evasion and broadening the tax base to make possible the necessary lowering of tax rates in the future.
- The implementation of bold structural reforms will mitigate the severity of the recession and will subsequently support and accelerate the recovery.

- The historical challenge that the country is facing necessitates the greatest possible alignment of political and social forces, an understanding at the national level and convergence of views.
- The adjustment programmes are a necessary but not sufficient condition for exiting the crisis. A radical reorientation of the economy towards a new model requires a comprehensive National Plan for Growth, which will have far-reaching goals and will be implemented consistently.

Adhering to these policy orientations, the Bank of Greece performed its institutional functions with the primary aim of protecting financial stability and bank deposits. Its contribution in this field can be judged by results. Banks have continued to operate smoothly, even in periods of acute uncertainty. Thus a banking crisis—which would also have had a direct impact on the country's future within the euro area—was prevented. At the same time, the banking system, assisted by appropriate planning on the part of the state and the Bank of Greece and despite the heavy losses it has suffered, has managed to effectively deal with the problems and has been restructured on solid foundations. By end-2013, bank recapitalisation had been well under way, 12 banks had been placed into liquidation or resolved, while any risk of contagion from the Cyprus crisis had been averted. These processes were completed without any depositor suffering the slightest loss. Today, the structure of the Greek banking sector is entirely different from the one at the beginning of the crisis. Excess capacity has largely been eliminated, with fewer but stronger banks in operation. In this regard, let me point out the enormous efforts made by the Bank to cope with unprecedented conditions that required swift decision-making and difficult and delicate handling. The Bank responded to these challenges, often outstretching its capacities, thanks to the hard work and dedication of its staff.

The *Chronicle of the great crisis* tells the story of the efforts—successful or not—setbacks, risks, achievements and delays that marked this turbulent and eventful period of recent Greek history. This narrative, in my view, can help towards an informed assessment of the path that we as a country have followed and indicate appropriate orientations for the future.

Today, nearly four years on from the first Memorandum and after five years of deep recession, we have evidently entered a new phase and the economy seems poised to recover, having come a long way in terms of adjustment. The efforts made in the preceding period have prevented developments that would have been catastrophic and have removed visible risks. But the endeavour is yet to be completed, and the remaining problems, particularly in the structural field, need to be effectively addressed. The big challenge that lies ahead of us now is how to turn the ongoing stabilisation into dynamic growth on solid foundations. This is today the top

item on the national policy agenda, the only way that can ensure that the sacrifices of the past years will not have been in vain.

George Provopoulos
Governor of the Bank of Greece

INTRODUCTION

The purpose of this publication

The present publication aims at recording the activity of the Bank of Greece (BoG) in the period 2008-2013, with a particular focus on its contribution towards addressing and overcoming the crisis. For that purpose, it discusses on the one hand the economic developments, the policies pursued and the climate prevailing at the time, and on the other hand the actions of the BoG in those particular circumstances.

As the events discussed are too recent to allow a properly distanced historical inquiry, the account provided here is only limited to information released by economic policy makers in Greece and abroad, most notably to the BoG's decisions, acts and other public interventions at the time.

The period examined was in many ways exceptional and will certainly mark a watershed in the history of modern Greece, dividing it into a “before” and an “after”. In times which are critical and characterised by high risks, such as the ones in question, decision and policy making also tend to be critical and characterised by high risk. Throughout that period the BoG was actively involved in decision making, directly or indirectly, playing an important role domestically as well as internationally, as a member of the Eurosystem.

The role of the Bank of Greece

The BoG has primarily an institutional role, as detailed in its Statute. At the same time, however, it also has a role of advisor to economic policy makers as well as to the society at large. A few months after officially taking up duties as Governor of the BoG in June 2008, George Provopoulos summed up this dual nature of the BoG's activity, in what can be seen as a ‘statement of intention’, as follows:

“My aspiration is to ensure that the Bank of Greece can continue to effectively function as an advisor not only to the government, but to society as a whole. This approach provides me with a better understanding of our role, one that I believe we will carry on playing. We are committed to openness, keeping abreast of social developments, while always fulfilling our institutional role as precisely defined in the Treaty on European Union. At the same time, however, we pay attention to issues of income distribution, we stress the need to protect the vulnerable groups of the population and we are in favour of sustainable growth that can lead to a lasting improvement of living standards. I believe this would be inconceivable in the absence of environmental protection or without addressing social inequalities, i.e. conditions we consider essential for ensuring that society can always prosper and enjoy wealth that should grow year after year”.¹

With a view to accurately recording the events of the period in question, the role of the BoG is examined here adopting a dual approach:

The Bank of Greece as a public institution with specific tasks and responsibilities, such as:

- to participate in the Eurosystem and contribute to ECB decisions, being entrusted with monetary policy implementation in Greece; and
- to supervise the banking system and the private insurance sector, being responsible for safeguarding financial stability and empowered to implement resolution measures for banks.

With specific regard to safeguarding financial stability, the BoG faced enormous challenges. The banking system, hit by the financial crisis and the sovereign debt crisis, had suffered heavy losses. Against this background, the prevailing conditions of —at times extremely high— uncertainty could at any moment evolve into a major crisis of confidence in the banking system, triggering developments that would most likely lead to the country’s exit from the euro area. To avert such an eventuality, the BoG stepped up its action for safeguarding financial stability, aiming in particular at:

- a stricter and more effective supervision of banks;
- ensuring adequate supply of liquidity at a time when Greece and its banks were cut off from international markets;

¹ Hellenic Parliament, Meeting of the Permanent Committee on Economic Affairs, 21 October 2008, Minutes.

- meeting the general public's increased demand for cash;
- safeguarding all bank deposits; and
- helping shape the conditions for restoring the soundness of the banking system and restructuring it.

The Bank of Greece as a potential advisor to the government on general economic policy issues and as a source of public information:

The Bank fulfils this role mainly through its regular and extraordinary publications and/or public interventions, including:

- the Governor's *Annual Report* on the state of the economy;
- the biannual *Monetary Policy Report*, submitted to the Greek Parliament and the Cabinet;
- occasional *Financial Stability Reports* (two in 2009 and one in 2010);
- testimonies by the Governor before the Greek Parliament;
- articles, speeches, statements and interviews by the Governor;
- periodical publications (such as the *Bulletin of Conjunctural Indicators* and the *Economic Bulletin*);
- studies on economic policy-relevant issues (authored or co-authored by BoG staff or commissioned to other researchers); and
- press releases, which provide information and communicate the Bank's official stance.

In the context of the crisis, the BoG —as a review of its communication activities would show— saw a need to enhance its public discourse and increase the frequency of its interventions, with a view to:

- warning about major risks which, although clearly looming, had not been realised by the general public; and
- raising awareness of the complexity of the problems and the need to change the course of the economy, thus contributing to the formulation of policies for an effective management of the crisis.

The BoG's public discourse has been enriched with new elements during the crisis, since the Bank has sought to strengthen its role as an advisor to society, communicating directly with the public, which in that period was inundated with conflicting and inaccurate information and signals that often resulted in confusion and higher uncertainty. Through its statements and its participation in the public debate, the BoG has aimed to present the true facts in a comprehensible manner, dispel misconceptions and misunderstandings, and provide to all citizens reliable and timely information on the available options and implications thereof. The same lines have been followed in the respective communication policies of all central banks,

which—in response to the conditions of the crisis— have shifted away from the traditional communication model whereby their public discourse was addressed to a closed circle of experts and was often cryptic.

The main reasons why central banks were led to broaden the scope of their communication have been the following:

First, the crisis brought to the fore several issues and terms related to the economy and the financial system (e.g. spreads, liquidity, credit risk, debt restructuring and sustainability, etc.) that previously concerned economists and experts alone. But when such matters started monopolising the interest of television programmes and public debate participants, central banks shifted their focus onto informing the citizens directly, so as to avoid any inaccuracies and/or misunderstandings as much as possible.

Second, the lively public debate during the crisis has often led to the adoption of simplistic approaches to complex problems, and from there on to an unnecessary overstatement of certain aspects of the situation. Expressing their own reasoned assessments and well-founded views, and explaining all aspects of the problems discussed, central banks tried to contribute to a more balanced and lucid exchange of ideas, based on correct information.

Third, in the course of the crisis, central banks have adopted extraordinary measures and have taken unprecedented action; as a result, they have come under much criticism, while the Eurosystem as a whole has often been accused of having exceeded its mandate. All this criticism could not go unanswered.²

Structure and contents of the study

The present study is structured in two parts, separated by the milestone of Greece's recourse to the support mechanism in late April 2010.

The *first part* (Chapters 1-3), covering the period from 2000, when it was decided that Greece would join the EMU, to the peak of the crisis in late 2009 and early 2010, seeks to demonstrate that the crisis was primarily a result of long-term domestic processes, which led to an accumulation of macroeconomic imbalances and structural problems. The global financial turmoil brought to the fore and accentuated these problems, which thus necessitated immediate and radical response.

² For more details on the communication practices of the central banks and the European Central Bank (ECB) in the crisis period, see “Building trust in a world of unknown unknowns: central bank communication between markets and politics in the crisis”, speech by Jörg Asmussen, member of the ECB Executive Board, at the European Communication Summit 2012, Brussels, 6 July 2012.

The BoG insistently warned about the seriousness of the situation, the first signs of which had already been detected in 2007, while the imbalances and problems had been repeatedly identified since the early years of that decade.

The *second part* covers the BoG's activities during the turbulent period which started with the first Memorandum of May 2010 and lasts to this day. After a positive start in terms of meeting the targets set, this period has tested the limits of the Greek economy, culminating in the open threat of a default and exit from the euro area between late 2011 and mid-2012. The greatest risk looming in this environment of extreme uncertainty was a sudden and generalised crisis of confidence in the banking system, which would lead to a collapse of the economy. This is why, since the beginning of the crisis and especially in 2011-2012, the BoG's main concern has been to avert this risk and ensure full protection of deposits, something that was indeed achieved through a series of actions that safeguarded financial stability and crucially supported the credibility, restoration of soundness and restructuring of the banking system. The second part of the study describes these actions in detail and also discusses all other interventions by the BoG, all converging on a key choice: to maintain the country's euro area membership and to work with its partners in order to ensure it.

Specifically, in the first part:

Chapter 1 begins with a brief overview of the new environment created by EMU participation. Although more favourable for the Greek economy, this environment involved serious medium-term constraints that should be taken into account in economic policy making and implementation. Furthermore, entry into the euro area entailed a change in the institutional role of the BoG, which became an integral part of the Eurosystem and thus shared responsibility for the formulation of the single monetary policy in the euro area. The same chapter also provides an account of developments between euro area entry in 2001 and 2007, and highlights the factors that gradually led to the huge twin deficits (fiscal and external) which, in the BoG's view, constituted the main causes of the crisis. As pointed out in this chapter, fiscal policy did not take advantage of the favourable conditions offered by EMU participation and the resulting growth momentum so as to address the chronic structural causes of deficit and debt creation. In this period, the BoG highlighted several key aspects of critical issues for the economy, proposing concrete solutions for overcoming macroeconomic imbalances and structural weaknesses.

Chapter 2 focuses on the global crisis and the drastic changes it brought about to the economic environment. It discusses the swings in sentiment that strongly affected the Greek economy, as well as the efforts made at EU level to tackle the cri-

sis. These first efforts marked the initial steps taken towards an exploration of ways to rearrange the set-up and functioning of the EU and the euro area on new terms, which would not only help address the immediate problems that had emerged but also prevent the recurrence of similar problems in the future. These efforts included the decisions to support the Greek, Irish, Portuguese, and (later) Cypriot economies in cooperation with the ECB and the IMF, as well as (on different conditions) the Spanish banking system; the initiatives taken by the Eurosystem in this respect are also discussed. Meanwhile, in Greece, although developments in 2008 and 2009 had clearly shown that the global financial crisis posed a direct threat to the domestic economy as well, social and political forces had not adequately realised the magnitude of the problem.

Chapter 3 discusses the BoG's public interventions in 2008-2009. During that two-year period the BoG kept warning, indeed at a high tone, about the risks ahead and the need to drastically reorient economic policy, stressing that the international crisis was bound to have a much stronger impact on countries with structural weaknesses, such as Greece. This chapter describes in detail the Bank's warnings on all the critical issues that the situation was bringing to the fore, one-after-the other, namely:

- the risk of a derailment of the fiscal deficit and the liquidity problems the crisis was creating in the banking system;
- the risk to the country's creditworthiness in international markets;
- the adverse debt dynamics, which tended to become uncontrollable; and
- the threat of a protracted crisis and the difficulties it entailed.

The same chapter also reviews the policy recommendations made by the BoG – all based on its fundamental position that no measure would be sufficient unless it formed part of long-term planning for changing the growth model that had led to the crisis. Moreover, it also presents the institutional action taken by the BoG and the Eurosystem in order to shield the banking system from the impact of the sovereign debt crisis, which was leading to successive credit rating downgrades of the country and its banks.

Then, in part two of the study:

Chapter 4 describes the specific initiatives undertaken by the EU and the euro area over the four years from 2010 to 2013, concerning:

- First, the establishment of an EU framework for providing financial support to Member States, in order to address problems that if left uncontrolled could become systemic at the European level.
- Second, a reform of the architecture of the EU and the completion of EMU, marked by new rules and arrangements for the coordination of fiscal policies and the

convergence of macroeconomic policies, as well as by effective progress towards a banking union (particularly in 2013).

Chapter 5 describes the important initiatives taken by the Eurosystem between 2010 and 2013 in order to tackle the crisis, including both its interest rate policy and the implementation of non-standard monetary policy measures specifically designed to:

- restore the effectiveness and proper functioning of the monetary policy transmission mechanism and address the fragmentation of the credit market;
- ensure the supply of sufficient liquidity to European banks; and
- restore normal conditions in bond markets across Europe.

Chapter 6 provides a compact narrative of developments in Greece during the crisis, with most notable milestones:

- the country's request for financial support in April and the first Memorandum of Economic and Financial Policies in early May 2010;
- its promising initial performance in meeting the targets during 2010;
- the errors and delays that led it to the brink of default in the summer of 2011;
- the formation of a coalition government in November 2011;
- the conclusion of the new loan agreement and the adoption of the 2nd Adjustment Programme in February 2012;
- the peaking of uncertainty in spring 2012;
- the gradual improvement of confidence and certain economic aggregates after the elections of June 2012;
- the important statement of the Eurogroup in November 2012 on support to Greece; and

— the economy starting on a track of stabilisation in 2013, in parallel with the achievement of a primary budget surplus, the elimination of the current account deficit, negative inflation, and the first upgrading of Greece's sovereign credit rating.

Chapter 7 details the BoG's public interventions in the four years from 2010 to 2013 aimed at helping overcome the crisis. Specifically, in 2010 the BoG considered that, under the circumstances prevailing at the time, coming under the support mechanism was not only inevitable but also necessary for Greece, and outlined the preconditions for the programme's success. In 2011 it called attention to the serious delays observed in the programme's implementation, which eventually necessitated a restructuring of the debt. In 2012 it clearly argued in favour of an affirmative response to the country's historic dilemma on whether to stay in the euro area or not. In 2013 it highlighted that the main aim of economic policy should be to accelerate recovery and create the conditions for a transition to a new growth model by making best use of opportunities actually existing, and also emphasised that, against the

background of uncertainties and risks that still remained, it was imperative to ensure that all social and political forces would come together, in support of a national policy for exiting the crisis and returning to growth. At the same time, it also focused on the question of financing the economy and the role of banks.

Chapter 8 provides a detailed account of the BoG's institutional activities with a view to safeguarding financial stability. Thanks to such action by the BoG, the support provided through some critically important decisions made by the Eurosystem and the measures taken by the State, financial stability was not disrupted and all deposits were fully protected to the last euro, despite the occasional upsurges of economic uncertainty. A long list of important actions not only contributed to financial stability, but also led to the restructuring of the banking sector in Greece; these include:

- strengthening and expanding the supervisory powers of the BoG;
- clearly efficient management of banknotes (ensuring the smooth supply of credit institutions across the country with the necessary quantities of euro banknotes) and provision of liquidity (through Eurosystem operations and/or Emergency Liquidity Assistance);
- establishing an innovative institutional framework for the resolution of credit institutions and applying its rules in particular cases;
- the participation of Greek banks in EU-wide stress tests;
- conducting a diagnostic study on the loan portfolios of Greek banks;
- preparing a banking sector strategic assessment study; and
- adopting in the spring of 2013 the necessary measures to nip in the bud any risk of contagion from Cypriot to Greek banks.

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Table 1 Annual percentage changes in key macroeconomic aggregates, 2001-2008

Year	GDP	Private consumption	Public consumption	Gross capital formation	Average earnings in total economy (nominal)	Inflation	Unemployment (% of labour force)
2001	4.2	5.0	0.7	4.8	4.7	3.4	10.8
2002	3.4	4.7	7.2	9.5	6.6	3.6	10.3
2003	5.9	3.3	-0.9	11.8	5.6	3.5	9.7
2004	4.4	3.8	3.5	0.4	7.2	2.9	10.5
2005	2.3	4.5	1.1	-6.3	4.4	3.5	9.9
2006	5.5	4.4	3.1	14.9	5.7	3.2	8.9
2007	3.5	3.6	7.1	22.8	5.2	2.9	7.3
2008	-0.2	4.3	-2.6	-14.3	6.2	4.2	7.6
Average annual rate of change:							
2001-2007	4.2	4.2	3.1	7.9	5.6	3.3	9.8
2001-2008	3.6	4.2	2.4	4.8	5.7	3.4	9.5

Sources: ELSTAT and Bank of Greece.

Table 2 Competitiveness – fiscal aggregates*All aggregates as percentages (%) of GDP, unless otherwise indicated*

Year	Annual percentage changes in real effective exchange rate (on the basis of relative consumer prices/on the basis of relative unit labour costs)	Current account balance	Trade balance	Credit to households by domestic MFIs (consumer credit)	Credit to non-financial corporations by domestic MFIs	General government revenue	General government expenditure	General government net borrowing (deficit)	Public debt
2001	1.1 / 0.7	-7.2	-14.8	5.4	34.3	40.9	45.4	-4.4	103.7
2002	2.6 / 4.0	-6.5	-14.5	6.2	35.1	40.3	45.1	-4.8	101.7
2003	5.5 / 4.0	-6.5	-13.1	7.2	35.4	39.0	44.7	-5.7	97.4
2004	1.9 / 4.3	-5.8	-13.7	9.2	38.6	38.1	45.5	-7.4	98.6
2005	-0.1 / 0.5	-7.6	-14.3	11.3	42.0	39.0	44.6	-5.6	100.0
2006	0.8 / 0.8	-11.4	-16.9	12.7	44.9	39.2	45.3	-6.0	106.1
2007	1.6 / 1.6	-14.6	-18.6	14.3	49.9	40.7	47.5	-6.8	107.4
2008	2.5 / 7.1	-14.9	-18.9	15.6	56.8	40.7	50.6	-9.9	112.9
Average annual percentage of GDP (or rate of change):									
2001-2007	1.9* / 2.5*	9.1	-15.5	10.1	41.2	39.6	45.5	-5.8	102.2
2001-2008	2.0* / 3.1*	-9.8	-15.9	10.8	43.2	39.7	46.1	-6.3	103.5

* Cumulative change in 8-year period 2001-2008: 16.9% (on the basis of relative consumer prices), 27.7% (on the basis of relative unit labour costs).

Sources: ELSTAT, Eurostat and Bank of Greece.

Table 3 Revised general government deficit**% of GDP*

	1997*	1998*	1999*	2000	2001	2002	2003	2004
Notification of 27.2.2004	4.0	2.5	1.8	2.0	1.4	1.4	1.7	1.2
Notification of 31.8.2004	6.0	4.3	3.4	4.1	3.7	3.7	4.6	5.3
Current estimates	5.9	3.9	3.1	3.7	4.5	4.8	5.7	7.6

* Data for the years 1997-1999 were revised unilaterally by Eurostat.

Source: (a) for the notifications of 27.2-31.8.2004; data notified under the Excessive Deficit Procedure; (b) for current estimates: European Commission, *Statistical Annex to European Economy-Spring 2013*.**Table 7 Yield spread between 10-year Greek and German government bonds***In basis points*

Date	Yield spread
31.12.2009	229
29.1.2010	377
26.2.2010	351
31.3.2010	331
27.4.2010	654
31.5.2010	508
30.6.2010	789
30.7.2010	756
31.8.2010	937
30.9.2010	824
29.10.2010	820
30.11.2010	930
31.12.2010	960

Source: Bank of Greece.

Table 9 General government fiscal data, 2008-2013
(on a national accounts basis)*Current prices; million euro*

	2008	2009	2010	2011	2012*	2013
Revenue	94,847	88,628	90,197	88,439	86,380	n.a.
Expenditure	117,730	124,794	113,912	108,308	97,584	n.a.
of which:						
Interest payments (EDP)	11,673	11,976	12,855	14,888	9,643	n.a.
Deficit	22,883	36,166	23,715	19,869	11,204	n.a.
Primary deficit (EDP)	11,210	24,190	10,860	4,981	1,561	n.a.
Public debt	263,287	299,690	329,514	355,141	303,928	n.a.
GDP	233,198	231,081	222,151	208,532	193,749	n.a.
(% of GDP)						
Revenue	40.7	38.4	40.6	42.4	44.6	n.a.
Expenditure	50.5	54.0	51.3	51.9	50.4	n.a.
of which:						
Interest payments (EDP)	5.0	5.2	5.8	7.1	5.0	n.a.
Deficit (EDP)	9.8	15.7	10.7	9.5	5.8	n.a.
Primary deficit (EDP)	4.8	10.5	4.9	2.4	0.8	n.a.
Public debt	112.9	129.7	148.3	170.3	156.9	n.a.

* Excluding government support to financial institutions, amounting to €6,210 million (or 3.2% of GDP) in 2012. Including revenue from the 2008 liquidity support scheme for banks.

Sources: Eurostat News Release 21.10.2013 and ELSTAT Press Release 11.10.2013. Eurostat data for 2013 (1st EDP notification) were expected to be released on 23.4.2014.

Table 13 Purchases and sales of gold sovereigns by the BoG*Monthly data, Jan. 2008-Dec. 2013*

Period	Purchases (number of pieces) (1)	Sales (number of pieces) (2)	Purchases/ sales (3)=(1):(2)	Period	Purchases (number of pieces) (1)	Sales (number of pieces) (2)	Purchases/ sales (3)=(1):(2)
2008				2009			
Jan.	54,287	13,141	4.13	Jan.	19,077	13,518	1.41
Feb.	30,829	6,554	4.70	Feb.	31,091	17,656	1.76
March	0	0	0	March	20,390	15,389	1.32
Apr.	23,848	13,094	1.82	Apr.	21,589	9,991	2.16
May	33,433	6,973	4.79	May	12,090	6,063	1.99
June	25,061	10,890	2.30	June	11,189	5,647	1.98
July	29,235	7,955	3.68	July	14,725	6,840	2.15
Aug.	29,587	8,488	3.49	Aug.	24,621	4,915	5.01
Sept.	30,549	18,255	1.67	Sept.	25,441	5,815	4.38
Oct.	17,530	61,866	0.28	Oct.	20,445	5,135	3.98
Nov.	26,320	22,388	1.18	Nov.	19,170	8,685	2.21
Dec.	15,464	10,889	1.42	Dec.	27,406	11,986	2.29
Total	316,143	180,493	1.75	Total	247,234	111,640	2.21
2010				2011			
Jan.	15,519	9,617	1.61	Jan.	9,190	13,278	0.69
Feb.	16,114	11,901	1.35	Feb.	11,021	5,748	1.92
March	19,863	18,985	1.05	March	12,335	9,491	1.30
Apr.	18,240	21,506	0.85	Apr.	9,296	7,586	1.23
May	9,442	33,051	0.29	May	11,331	6,743	1.68
June	15,008	35,045	0.43	June	9,461	6,718	1.41
July	15,175	12,514	1.21	July	8,621	9,560	0.90
Aug.	16,832	6,686	2.52	Aug.	10,689	8,581	1.25
Sept.	13,598	7,745	1.76	Sept.	12,307	10,757	1.14
Oct.	12,907	5,954	2.17	Oct.	7,906	14,823	0.53
Nov.	24,449	13,686	1.79	Nov.	10,239	20,819	0.49
Dec.	18,236	17,785	1.03	Dec.	10,290	32,763	0.31
Total	195,383	194,475	1.00	Total	122,686	146,867	0.84
2012				2013			
Jan.	6,672	24,066	0.28	Jan.	11,273	2,653	4.25
Feb.	6,740	11,505	0.59	Feb.	10,652	2,029	5.25
March	9,154	4,070	2.25	March	11,503	5,096	2.26
Apr.	6,676	3,803	1.76	Apr.	9,024	15,927	0.57
May	7,872	11,051	0.71	May	7,583	4,194	1.81
June	6,587	13,620	0.48	June	8,642	4,865	1.78
July	8,799	2,833	3.11	July	7,975	5,524	1.44
Aug.	8,938	4,495	1.99	Aug.	6,775	3,429	1.98
Sept.	10,133	2,642	3.84	Sept.	7,682	2,825	2.72
Oct.	10,244	3,795	2.70	Oct.	9,525	4,432	2.15
Nov.	10,069	2,649	3.80	Nov.	7,329	4,112	1.78
Dec.	9,691	2,360	4.11	Dec.	7,300	5,933	1.23
Total	101,575	86,889	1.17	Total	105,263	61,019	1.73

Note: Data on the number of gold sovereigns purchased or sold by the Bank of Greece are relevant mainly because they signal the direction of changes (increase-decrease) in each period.

Source: Bank of Greece, Cash Department. See also: <http://www.bankofgreece.gr/Pages/en/Markets/LIRA/goldlira.aspx>.

Table 14 Outstanding deposits by non-financial corporations and households*Million euro*

End of period	Non-financial corporations	Households	Total	End of period	Non-financial corporations	Households	Total
Jan. 2007	32,697	140,716	173,414	July 2010	34,996	177,395	212,391
Feb. 2007	32,195	141,368	173,564	Aug. 2010	35,661	177,470	213,131
March 2007	33,501	143,811	177,312	Sept. 2010	36,514	176,500	213,013
Apr. 2007	33,316	145,042	178,358	Oct. 2010	35,214	176,414	211,628
May 2007	33,697	145,027	178,724	Nov. 2010	35,802	173,433	209,235
June 2007	35,702	149,774	185,476	Dec. 2010	36,094	173,510	209,604
July 2007	39,861	149,287	189,148	Jan. 2011	34,894	170,627	205,521
Aug. 2007	38,654	150,292	188,945	Feb. 2011	33,887	169,030	202,918
Sept. 2007	38,128	151,153	189,282	March 2011	33,680	165,505	199,185
Oct. 2007	37,153	151,228	188,381	Apr. 2011	32,935	163,821	196,756
Nov. 2007	38,960	152,303	191,263	May 2011	32,612	159,321	191,933
Dec. 2007	39,515	158,414	197,929	June 2011	32,064	156,116	188,179
Jan. 2008	38,055	158,615	196,671	July 2011	30,951	156,265	187,217
Feb. 2008	37,981	159,998	197,980	Aug. 2011	31,528	157,135	188,663
March 2008	39,710	161,316	201,026	Sept. 2011	30,657	152,549	183,206
Apr. 2008	38,289	164,817	203,106	Oct. 2011	29,523	146,898	176,420
May 2008	39,265	166,250	205,515	Nov. 2011	28,757	144,142	172,898
June 2008	41,137	168,570	209,707	Dec. 2011	28,857	145,370	174,227
July 2008	39,323	170,954	210,276	Jan. 2012	26,771	142,186	168,957
Aug. 2008	40,604	173,242	213,846	Feb. 2012	25,833	138,548	164,381
Sept. 2008	42,904	175,337	218,241	March 2012	25,773	139,583	165,356
Oct. 2008	43,173	179,909	223,083	Apr. 2012	25,676	140,276	165,952
Nov. 2008	42,589	181,434	224,024	May 2012	24,245	133,193	157,438
Dec. 2008	42,196	185,424	227,620	June 2012	23,174	127,414	150,587
Jan. 2009	40,668	188,181	228,849	July 2012	23,540	130,357	153,897
Feb. 2009	39,891	189,528	229,418	Aug. 2012	23,241	130,157	153,398
March 2009	40,168	190,140	230,308	Sept. 2012	23,398	130,932	154,329
Apr. 2009	41,097	193,017	234,114	Oct. 2012	24,251	130,995	155,246
May 2009	39,283	193,022	232,305	Nov. 2012	24,770	131,120	155,889
June 2009	42,172	195,346	237,518	Dec. 2012	26,388	135,063	161,451
July 2009	39,974	194,578	234,552	Jan. 2013	25,172	135,796	160,968
Aug. 2009	41,169	195,228	236,397	Feb. 2013	25,980	138,037	164,017
Sept. 2009	42,652	195,171	237,824	March 2013	25,888	138,253	164,141
Oct. 2009	40,618	194,881	235,499	Apr. 2013	25,551	136,784	162,335
Nov. 2009	41,091	193,354	234,445	May 2013	26,543	136,870	163,413
Dec. 2009	40,670	196,860	237,531	June 2013	26,083	136,591	162,674
Jan. 2010	38,097	194,968	233,064	July 2013	25,970	136,416	162,386
Feb. 2010	37,040	192,797	229,836	Aug. 2013	25,908	136,300	162,208
March 2010	36,329	191,464	227,792	Sept. 2013	26,106	135,241	161,347
Apr. 2010	36,413	186,299	222,712	Oct. 2013	25,582	134,802	160,384
May 2010	36,732	183,499	220,230	Nov. 2013	26,168	134,874	161,042
June 2010	37,969	178,905	216,874	Dec. 2013	28,257	134,994	163,251

Source: Banks' consolidated financial statements, statistical data from the Bank of Greece site.

Table 19 Euro banknotes put into circulation by the Bank of Greece: net flows and stocks

<i>Value in billion euro</i>					
Period	Net flow	Circulation	Period	Net flow	Circulation
Jan. 2007	-1.76	15.15	July 2010	0.05	27.88
Feb. 2007	0.17	15.32	Aug. 2010	-1.11	26.77
March 2007	1.14	16.46	Sept. 2010	-0.57	26.20
Apr. 2007	0.12	16.58	Oct. 2010	-0.06	26.14
May 2007	-0.16	16.42	Nov. 2010	1.07	27.21
June 2007	0.39	16.82	Dec. 2010	2.46	29.67
July 2007	0.23	17.05	Jan. 2011	-0.58	29.09
Aug. 2007	-0.55	16.49	Feb. 2011	-0.12	28.98
Sept. 2007	-0.19	16.30	March 2011	1.75	30.73
Oct. 2007	-0.29	16.01	Apr. 2011	1.64	32.36
Nov. 2007	0.32	16.33	May 2011	2.45	34.81
Dec. 2007	2.35	18.68	June 2011	1.82	36.63
Jan. 2008	-1.71	16.97	July 2011	-0.22	36.42
Feb. 2008	0.20	17.17	Aug. 2011	-1.95	34.48
March 2008	0.29	17.47	Sept. 2011	2.45	36.93
Apr. 2008	0.84	18.31	Oct. 2011	3.41	40.34
May 2008	-0.63	17.68	Nov. 2011	1.02	41.36
June 2008	0.12	17.80	Dec. 2011	0.04	41.40
July 2008	0.10	17.91	Jan. 2012	-0.82	40.57
Aug. 2008	-0.67	17.23	Feb. 2012	1.20	41.77
Sept. 2008	-0.26	16.97	March 2012	-1.64	40.13
Oct. 2008	2.07	19.04	Apr. 2012	-0.20	39.98
Nov. 2008	-0.23	18.81	May 2012	3.29	43.27
Dec. 2008	1.91	20.72	June 2012	2.11	45.37
Jan. 2009	-1.70	19.03	July 2012	-3.31	42.06
Feb. 2009	-0.10	18.92	Aug. 2012	-1.35	40.71
March 2009	0.17	19.09	Sept. 2012	-1.23	39.49
Apr. 2009	0.64	19.74	Oct. 2012	-0.97	38.52
May 2009	-0.20	19.54	Nov. 2012	-0.50	38.02
June 2009	-0.03	19.50	Dec. 2012	0.02	38.04
July 2009	0.04	19.55	Jan. 2013	-2.05	36.64
Aug. 2009	-0.83	18.72	Feb. 2013	-1.11	34.87
Sept. 2009	-0.37	18.35	March 2013	0.67	35.57
Oct. 2009	-0.05	18.30	Apr. 2013	1.79	37.37
Nov. 2009	0.10	18.40	May 2013	-1.16	36.20
Dec. 2009	2.49	20.90	June 2013	-0.24	35.97
Jan. 2010	-1.03	19.87	July 2013	-0.48	35.48
Feb. 2010	0.39	20.26	Aug. 2013	-0.25	35.23
March 2010	3.12	23.38	Sept. 2013	-0.53	34.70
Apr. 2010	1.26	24.65	Oct. 2013	-0.15	34.54
May 2010	0.98	25.62	Nov. 2013	0.003	34.55
June 2010	2.20	27.82	Dec. 2013	0.93	35.48

Source: Bank of Greece.

Table 20 Value of euro banknotes in circulation: Greece and Eurosystem*In billion euro*

Period	Greece	Eurosystem	Period	Greece	Eurosystem
Jan. 2007	15.15	602.28	July 2010	27.88	820.58
Feb. 2007	15.32	604.22	Aug. 2010	26.77	813.93
March 2007	16.46	613.56	Sept. 2010	26.20	813.35
Apr. 2007	16.58	621.22	Oct. 2010	26.14	815.02
May 2007	16.42	625.39	Nov. 2010	27.21	816.77
June 2007	16.82	633.04	Dec. 2010	29.67	839.70
July 2007	17.05	640.25	Jan. 2011	29.09	821.36
Aug. 2007	16.49	637.14	Feb. 2011	28.98	820.24
Sept. 2007	16.30	637.25	March 2011	30.73	824.15
Oct. 2007	15.99	641.79	Apr. 2011	32.36	834.36
Nov. 2007	16.31	645.66	May 2011	34.81	837.97
Dec. 2007	18.67	676.62	June 2011	36.63	846.96
Jan. 2008	16.96	650.37	July 2011	36.42	855.68
Feb. 2008	17.16	653.94	Aug. 2011	34.48	849.78
March 2008	17.54	661.18	Sept. 2011	36.93	857.32
Apr. 2008	18.37	669.63	Oct. 2011	40.34	864.37
May 2008	17.74	671.82	Nov. 2011	41.36	867.79
June 2008	17.87	678.55	Dec. 2011	41.39	888.63
July 2008	17.96	686.54	Jan. 2012	40.57	868.85
Aug. 2008	17.29	683.37	Feb. 2012	41.77	867.32
Sept. 2008	17.03	683.89	March 2012	40.13	869.92
Oct. 2008	19.10	727.55	Apr. 2012	39.98	873.86
Nov. 2008	18.86	731.30	May 2012	43.27	883.00
Dec. 2008	20.78	762.77	June 2012	45.37	893.72
Jan. 2009	19.08	739.78	July 2012	42.06	897.86
Feb. 2009	18.98	741.90	Aug. 2012	40.71	896.41
March 2009	19.15	747.04	Sept. 2012	39.49	892.48
Apr. 2009	19.81	759.00	Oct. 2012	38.52	891.39
May 2009	19.61	761.27	Nov. 2012	38.02	889.70
June 2009	19.58	763.72	Dec. 2012	38.04	912.59
July 2009	19.62	772.67	Jan. 2013	35.98	882.54
Aug. 2009	18.79	767.51	Feb. 2013	34.88	879.98
Sept. 2009	18.42	767.18	March 2013	35.57	896.36
Oct. 2009	18.37	771.49	Apr. 2013	37.37	901.52
Nov. 2009	18.48	776.10	May 2013	36.20	905.22
Dec. 2009	20.97	806.41	June 2013	35.97	911.01
Jan. 2010	19.87	783.54	July 2013	35.48	918.36
Feb. 2010	20.26	784.29	Aug. 2013	35.23	919.36
March 2010	23.38	797.06	Sept. 2013	34.70	918.59
Apr. 2010	24.65	798.15	Oct. 2013	34.54	924.23
May 2010	25.62	805.28	Nov. 2013	34.55	927.47
June 2010	27.82	812.06	Dec. 2013	35.48	956.19

Sources: Bank of Greece and ECB.

Table 21 Euro banknotes put into circulation by the BoG*In thousand bundles*

Period	Circulation	Period	Circulation
		<i>Jan. 2012</i>	67.75
<i>Feb. 2010</i>	71.15	<i>Feb. 2012</i>	81.59
<i>March 2010</i>	126.66	<i>March 2012</i>	63.51
<i>Apr. 2010</i>	88.47	<i>Apr. 2012</i>	76.04
<i>May 2010</i>	81.64	<i>May 2012</i>	114.34
<i>June 2010</i>	102.84	<i>June 2012</i>	117.72
<i>July 2010</i>	85.16	<i>July 2012</i>	59.07
<i>Aug. 2010</i>	71.27	<i>Aug. 2012</i>	67.62
<i>Sept. 2010</i>	79.34	<i>Sept. 2012</i>	58.96
<i>Oct. 2010</i>	78.29	<i>Oct. 2012</i>	70.63
<i>Nov. 2010</i>	93.04	<i>Nov. 2012</i>	68.29
<i>Dec. 2010</i>	133.62	<i>Dec. 2012</i>	92.40
<i>Jan. 2011</i>	71.19	<i>Jan. 2013</i>	59.48
<i>Feb. 2011</i>	73.38	<i>Feb. 2013</i>	54.05
<i>March 2011</i>	105.04	<i>March 2013</i>	80.55
<i>Apr. 2011</i>	103.85	<i>Apr. 2013</i>	99.29
<i>May 2011</i>	113.74	<i>May 2013</i>	56.56
<i>June 2011</i>	100.12	<i>June 2013</i>	62.63
<i>July 2011</i>	89.14	<i>July 2013</i>	71.17
<i>Aug. 2011</i>	71.49	<i>Aug. 2013</i>	66.28
<i>Sept. 2011</i>	113.72	<i>Sept. 2013</i>	63.26
<i>Oct. 2011</i>	114.23	<i>Oct. 2013</i>	71.31
<i>Nov. 2011</i>	97.85	<i>Nov. 2013</i>	67.63
<i>Dec. 2011</i>	95.65	<i>Dec. 2013</i>	98.80

Note: A bundle is made up of 1,000 banknotes of the same denomination.

Source: Bank of Greece.

Table 22 Extraordinary shipments of euro banknotes

Number of banknotes	Denomination	Date	Country of origin	Value (in euro)
15,000,000	100	10.6.2010	Italy	1,500,000,000
38,400,000	50	16.6.2011	Austria	1,920,000,000
36,800,000	50	24.11.2011	Austria	1,840,000,000
Total				5,260,000,000

Source: Bank of Greece.

Table 23 Bank resolution and recapitalisation costs in Greece, 2011–2013, in euro

	No.	Credit institution	Resolution date	Transferee/ acquirer	Funds injected by the HFSF		
					To the transferee/ acquirer to meet capital needs	Capital injections	Total resolution costs
Interim credit institutions ¹	1	Proton Bank ²	9.10.2011				
	2	T Bank ³	17.12.2011	Hellenic Postbank	1,121,621,860	910,000,000	2,031,621,860
	3	Hellenic Postbank	18.01.2013		676,956,514		676,956,514
Non-core banks	4	Coop. Bank of Lesvos-Limnos	23.03.2012	National Bank of Greece	3,732,554,000	500,000,000	4,232,554,000
	5	Coop. Bank of Achaia	23.03.2012	National Bank of Greece	55,516,733		55,516,733
	6	Coop. Bank of Lamia	23.03.2012	National Bank of Greece	209,473,992		209,473,992
	7	ATEbank	27.07.2012	Piraeus Bank	55,493,756		55,493,756
	8	Greek branches of Cypriot banks	22.03.2013	Piraeus Bank	7,470,717,000		8,040,717,000
	9	First Business Bank ⁵	10.05.2013	National Bank of Greece	524,000,000		524,000,000
	10	Probank ⁶	26.07.2013	National Bank of Greece	95,000,000		551,970,455
	11	Coop. Bank of W. Macedonia	8.12.2013	Alpha Bank	233,000,000		795,733,502
	12	Coop. Bank of Evia	8.12.2013	Alpha Bank	PENDING		PENDING
	13	Coop. Bank of Dodecanese	8.12.2013	Alpha Bank	PENDING		PENDING
	Total costs for the resolution of non-core banks ⁶				14,768,981,753	1,410,000,000	17,600,981,753
Core banks	No.	Credit institution	Recapitalisation date		Capital needs according to BoG	Private investment	HFSF
	1	National Bank of Greece	28.05.2012		9,756,000,000	1,079,000,000	8,677,000,000
	2	Piraeus Bank	28.05.2012		7,335,000,000	1,444,000,000	5,891,000,000
	3	Alpha Bank	28.05.2012		4,571,000,000	550,000,000	4,021,000,000
Total costs for the recapitalisation of core banks					5,839,000,000	0	5,839,000,000
Total costs for the resolution and recapitalisation of the banking sector ⁷					27,501,000,000	3,073,000,000	24,428,000,000
					14,768,981,753		44,028,981,753

¹ The differential between the transferred assets and the transferred liabilities of banks under resolution.

² The HFSF injected at first €250 million to the bank's initial capital. Subsequently, it provided €265 million for its share capital increase and, lastly, it contributed €395 million for its sale to Eurobank. The Hellenic Deposit and Investment Guarantee Fund (HDIGF) contributed €862 million to cover part of the initial funding gap.

³ The Hellenic Deposit and Investment Guarantee Fund (HDIGF) contributed €450 million to cover part of the initial funding gap.

⁴ On 2.7.2013 the acquisition of Proton Bank and TT Hellenic Postbank by Eurobank was announced. On 17.12.2011 the absorption of T Bank by TT Hellenic Postbank had taken place following an order of transfer.

⁵ Data concerning the necessary funds to meet capital requirements are provisional.

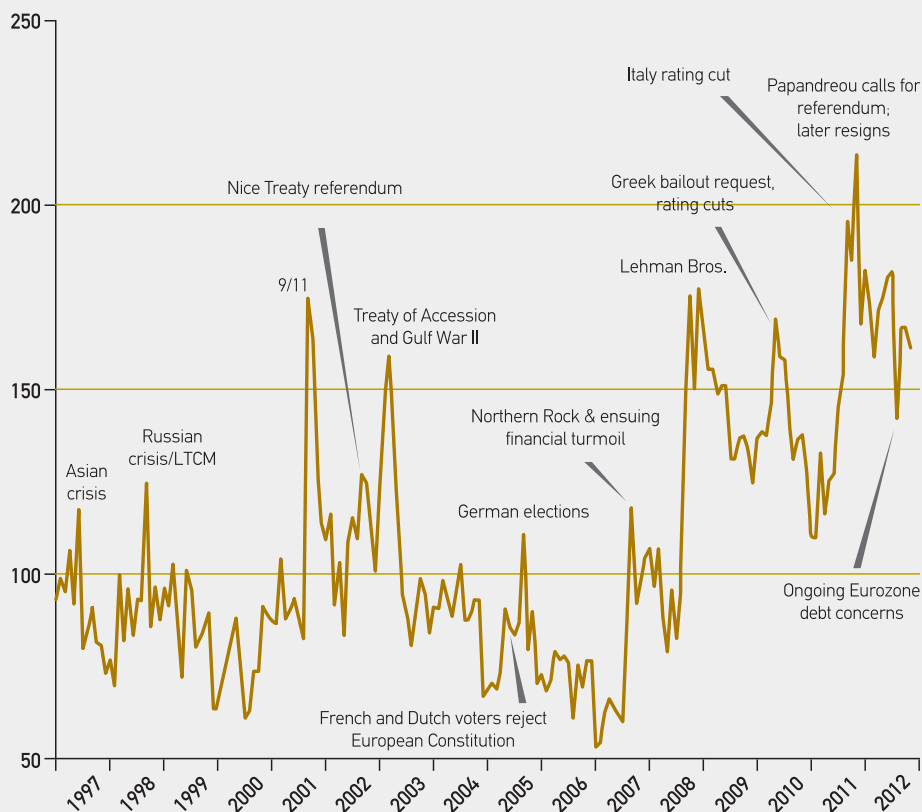
⁶ Costs include a provisional valuation from the resolution of the cooperative banks of Western Macedonia, Evia and Dodecanese, as well as provisional data from FBB's and Proton Bank's capital requirements.

⁷ Total costs include an amount of €1,312 million contributed by HDIGF to meet the funding gap in implementation of resolution measures at Proton Bank and T Bank. As a result, the HFSF has contributed an amount of €40,176 million for resolution and recapitalisation purposes over the 2011–2013 period.

Source: Bank of Greece, Resolution Unit.

Chart 1 European policy uncertainty index

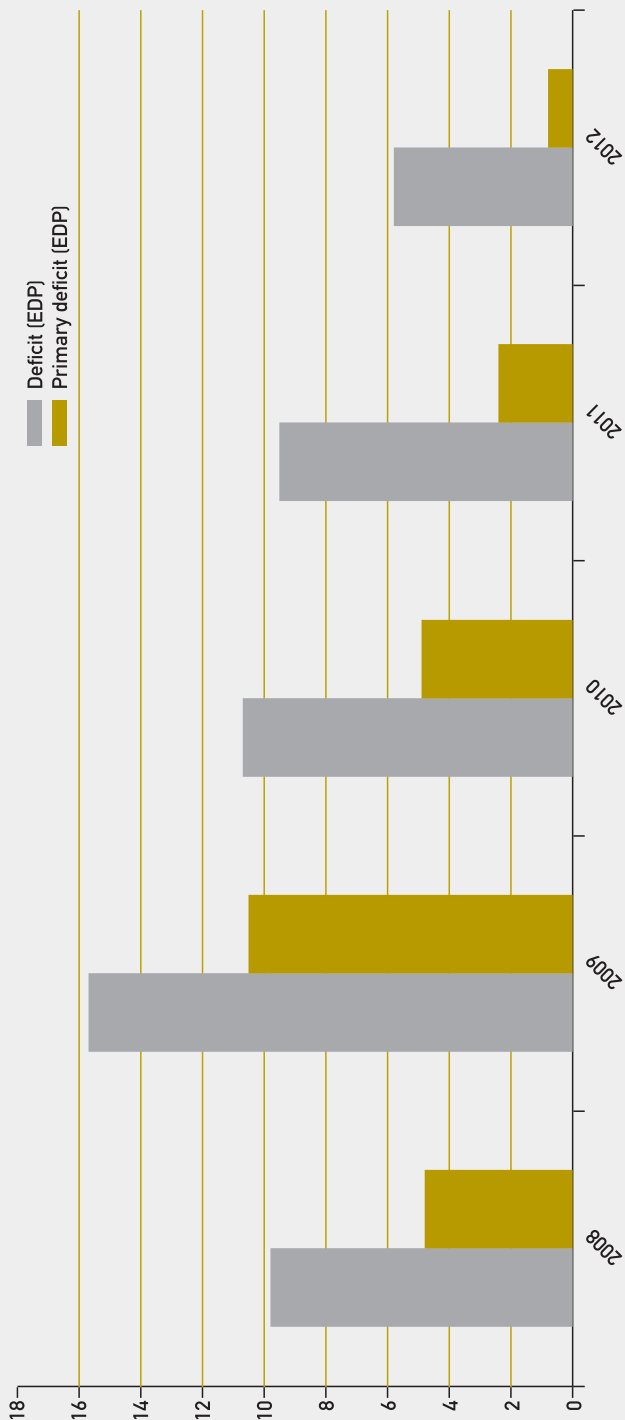
Jan. 1997 – Nov. 2012



Note: Index composed of a News-Based Index (0.5 weight), and country-level components measuring forecaster disagreement about inflation rates and federal government budget balance (each 0.25 weight). News-Based component composed of the monthly number of news articles containing uncertain or uncertainty, economic or economy, as well as policy relevant terms (scaled by the smoothed number of articles containing "today"). Policy-relevant terms include: "policy", "tax", "spending", "regulation", "central bank", "budget", and "deficit". Series is normalised to mean 100 from 1997-2010. Index covers Jan. 1997-Nov. 2012. Papers include *El Pais*, *El Mundo*, *Corriere della Sera*, *La Repubblica*, *Le Monde*, *Le Figaro*, *Financial Times*, *The Times*, *Handelsblatt*, *FAZ*. All searches done in the native language of the paper in question. Over the reviewed period, the index peaked in November 2011 (217.3).

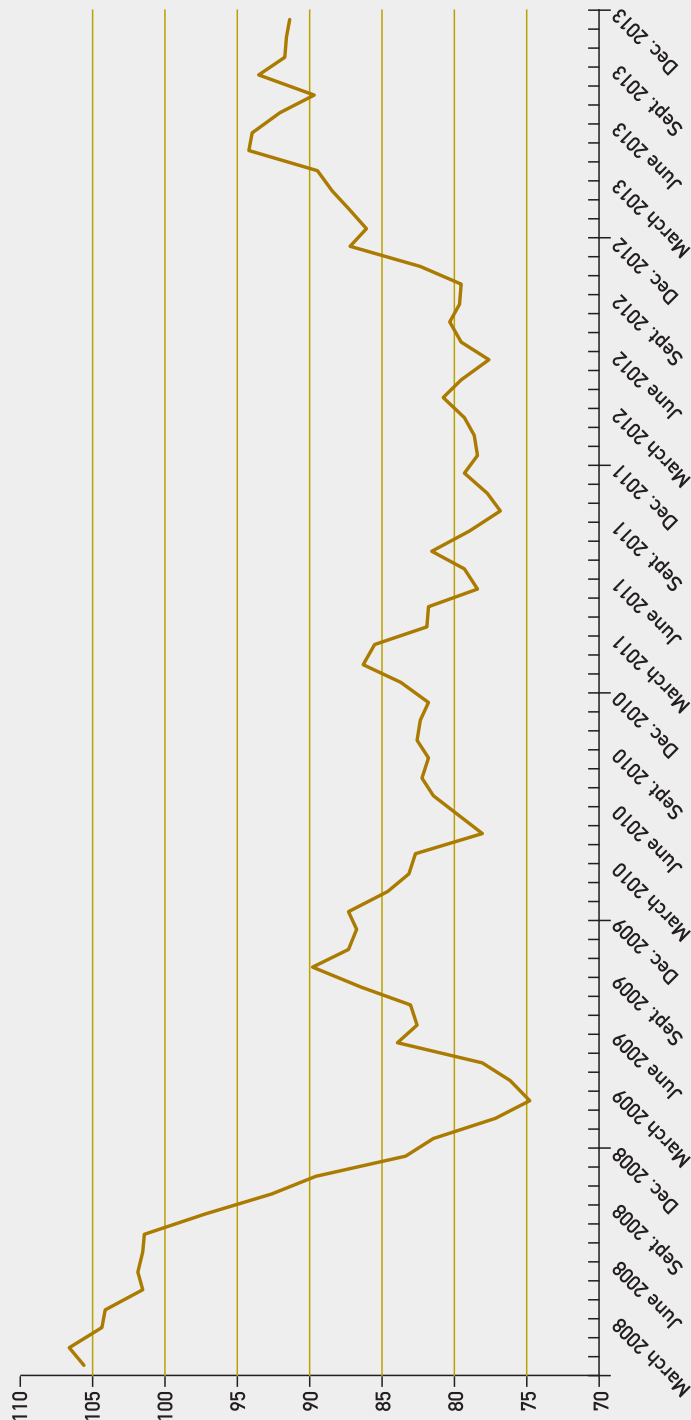
Source: Baker, S.R., N. Bloom and S.J. Davis, "Measuring Economic Policy Uncertainty", Chicago Booth Research Paper No. 1302, 29 April 2013; see http://www.stanford.edu/group/SITE/SITE_2013/2013_segment_2_papers/baker.pdf.

Chart 2 Deficit and primary deficit according to the Excessive Deficit Procedure (EDP) methodology
% of GDP, 2008-2012



Note: Excluding government support to financial institutions, amounting to €6,210 million (3.3% of GDP) in 2012. Including revenue stemming from the 2008 liquidity support scheme for banks.
Sources: Eurostat News Release 21.10.2013 and ELSTAT Press Release 11.10.2013.

Chart 3 Economic sentiment indicator
Jan. 2008–Dec. 2013; index 1990–Jan.2014=100



Source: European Commission.

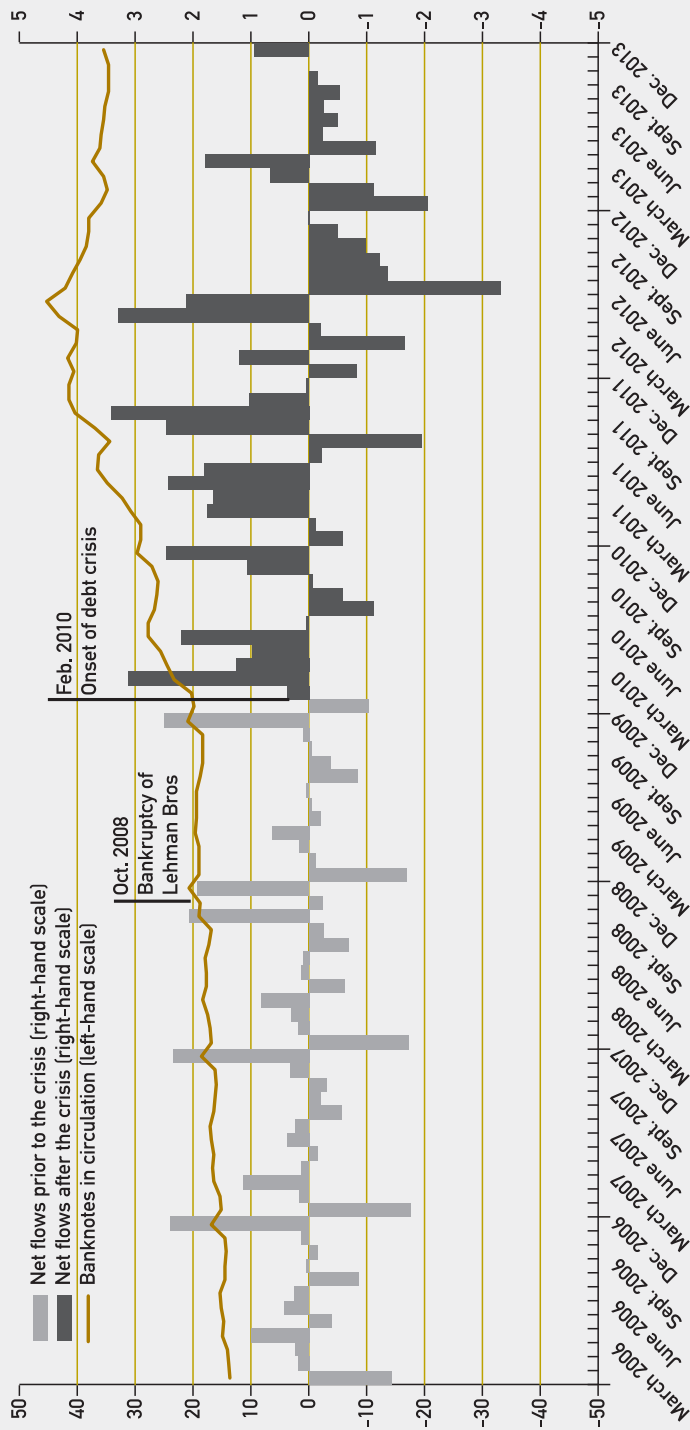
Chart 4 Evolution of deposits by non-financial corporations and households in Greece
In million euro; end-of-period data; Jan. 2007-Dec. 2013



Source: Banks' consolidated financial statements, statistical data from the BoG site.

Chart 5 Euro banknotes put into circulation by the BoG: net flows and stocks

Jan 2006-Dec. 2013; billion euro



Source: Bank of Greece.

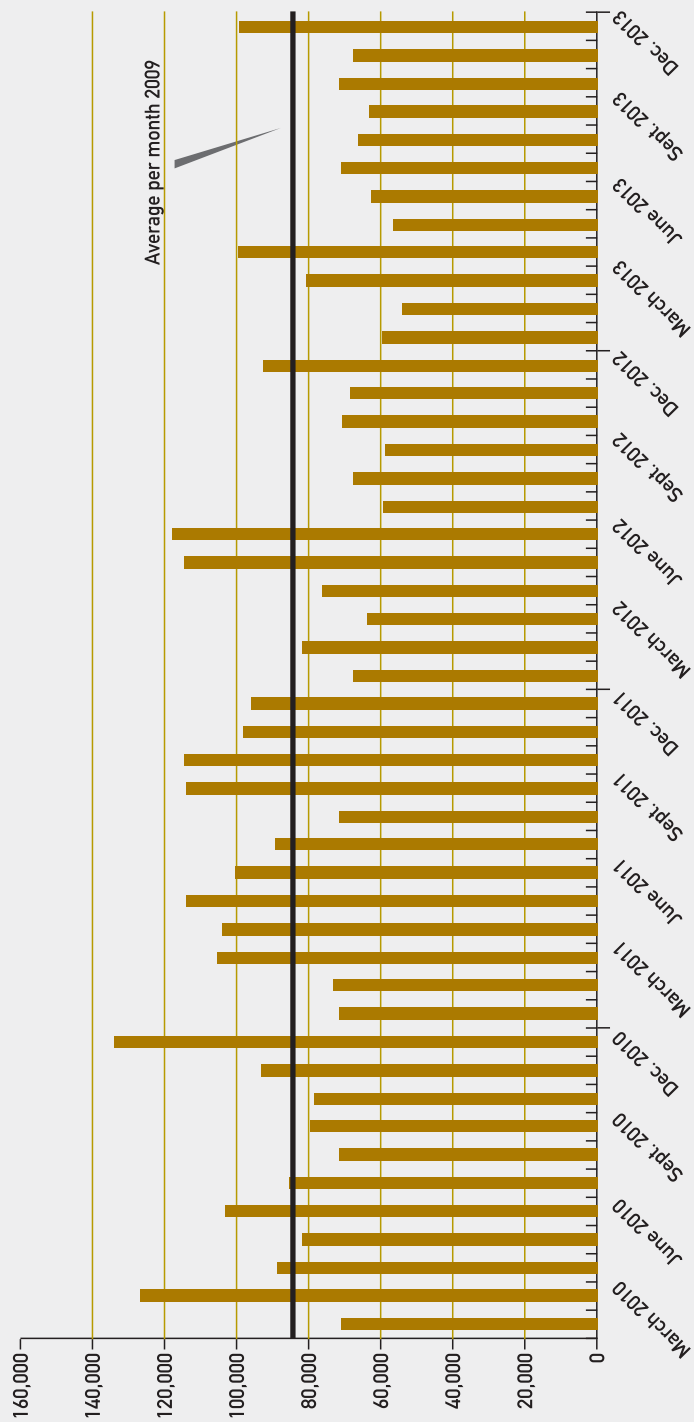
Chart 6 Value of euro banknotes in circulation in Greece and in the Eurosystem
% of GDP, Jan. 2007-Dec. 2013



Sources: Bank of Greece and ECB.

Chart 7 Euro banknotes put into circulation by the BoG (number of bundles)

Feb. 2010-Dec. 2013



Source: Bank of Greece.

Chart 8 Percentage ratio of euro banknote logistical stocks (held by the Eurosystem or the BoG) to non-MFI deposits

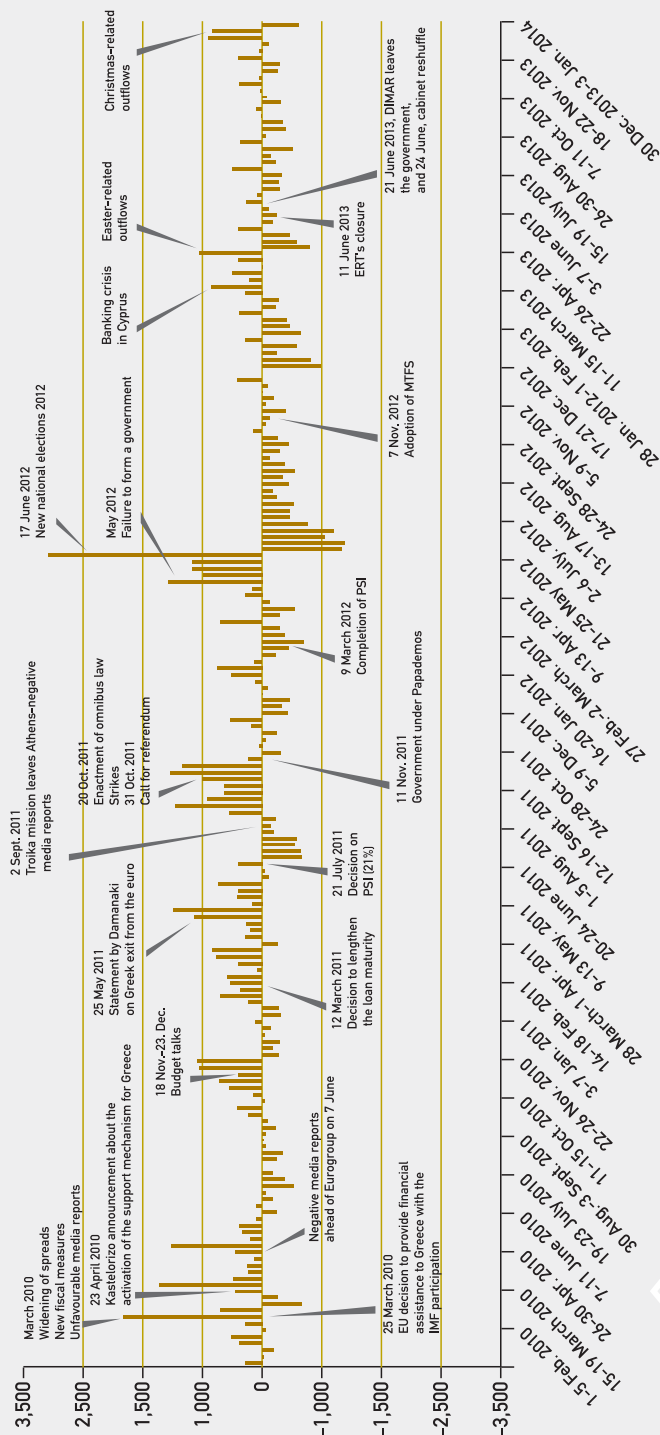
Jan. 2006-Dec. 2013



Sources: Bank of Greece and ECB.

Chart 9 Crisis timeline (weekly) – net flow of euro banknotes in value terms

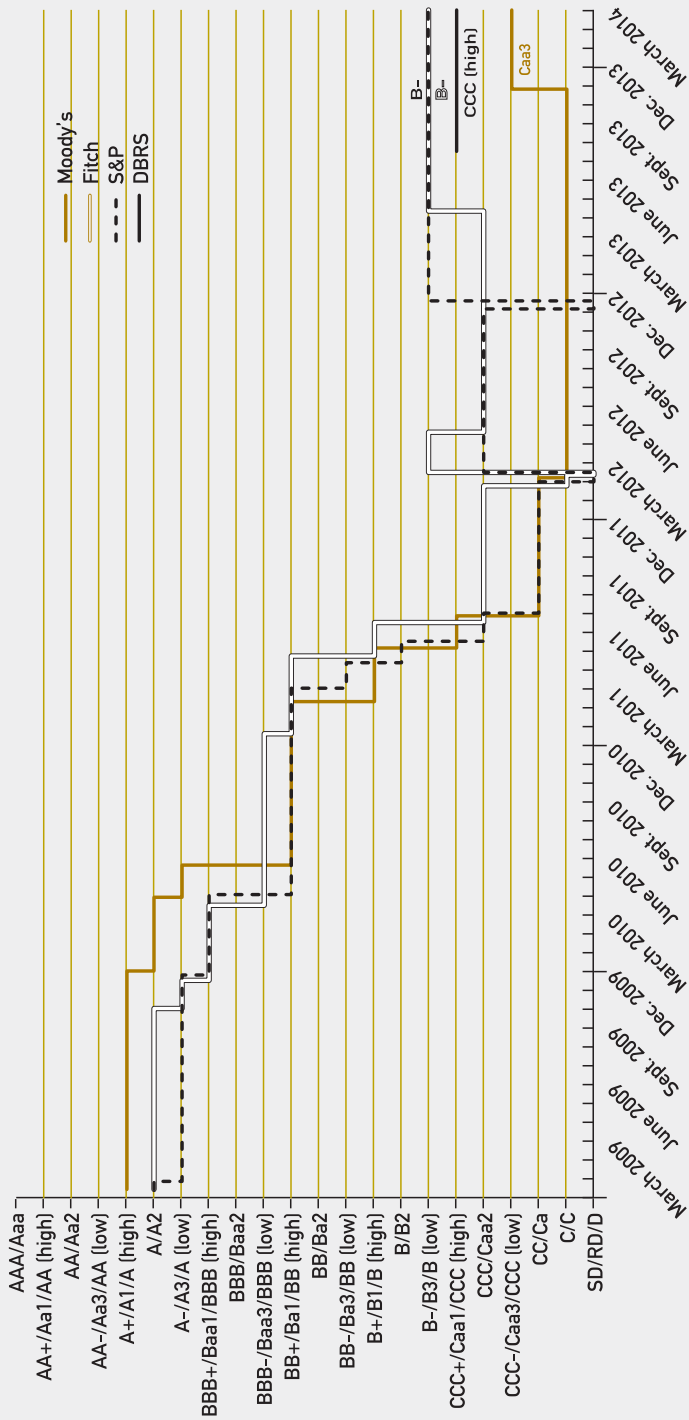
In million euro



Note: The presentation of events is not exhaustive and is limited to those that are considered to have influenced demand for euro banknotes.

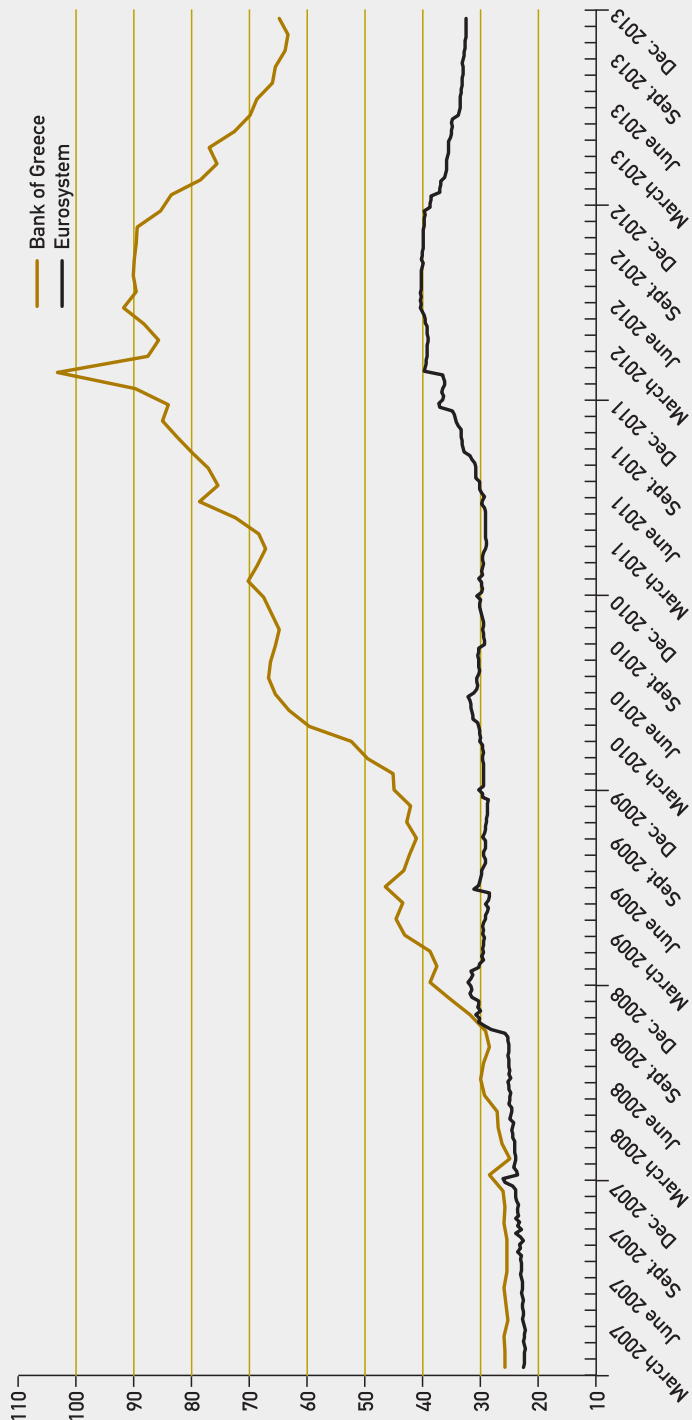
Source: Bank of Greece.

Chart 10 Evolution of Greece's credit rating



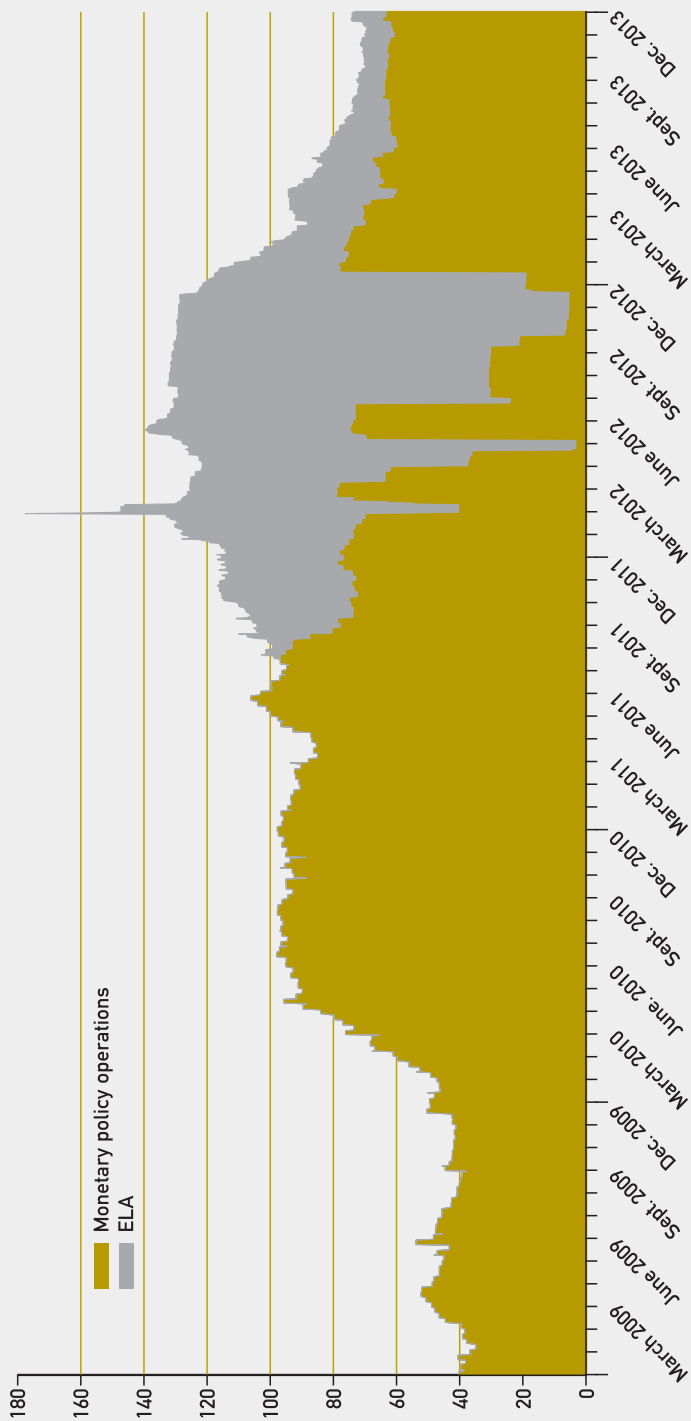
Source: Bank of Greece.

Chart 11 Central bank total assets
% of respective nominal GDP; Jan. 2007-Dec. 2013



Sources: Bank of Greece and ECB.

Chart 12 Greek banks' recourse to Eurosystem monetary policy operations and emergency liquidity assistance (ELA)
In billion euro; Jan. 2009-Dec. 2013



Source: Bank of Greece.

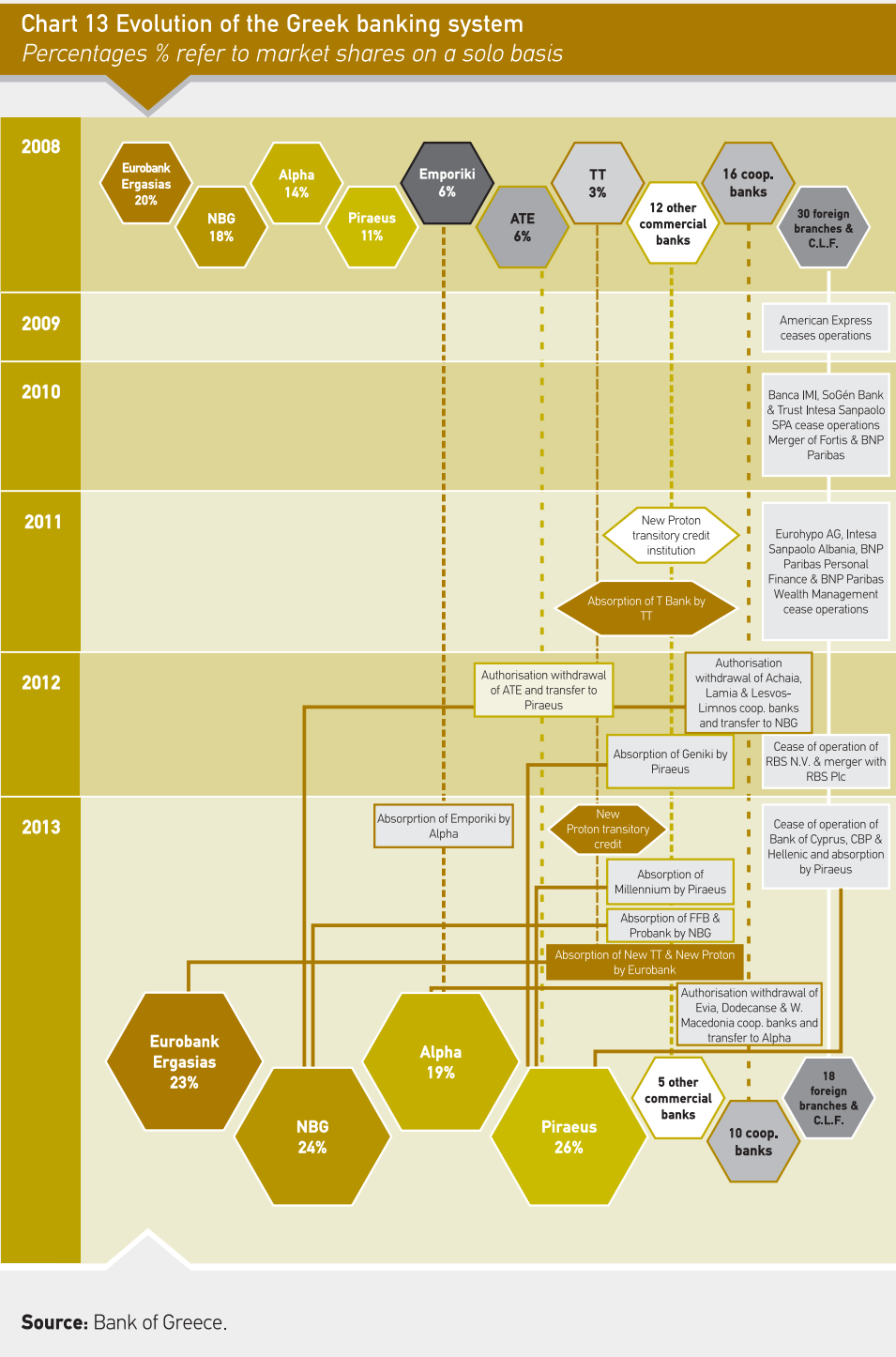
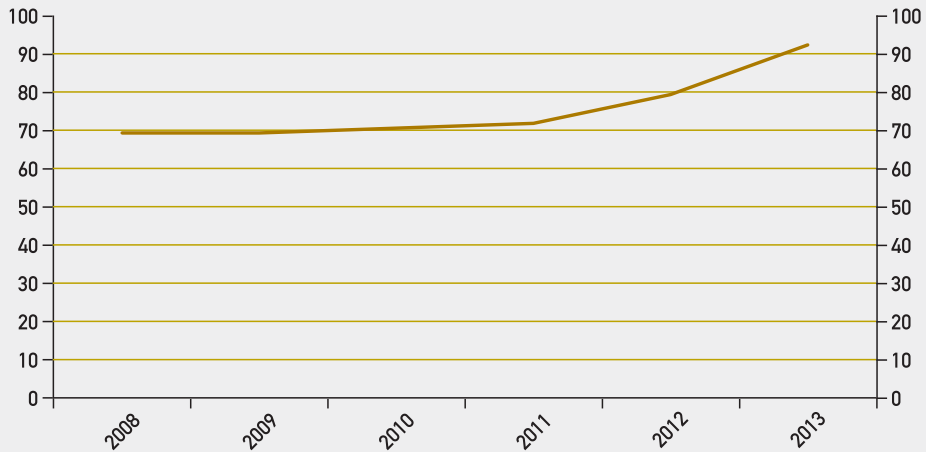
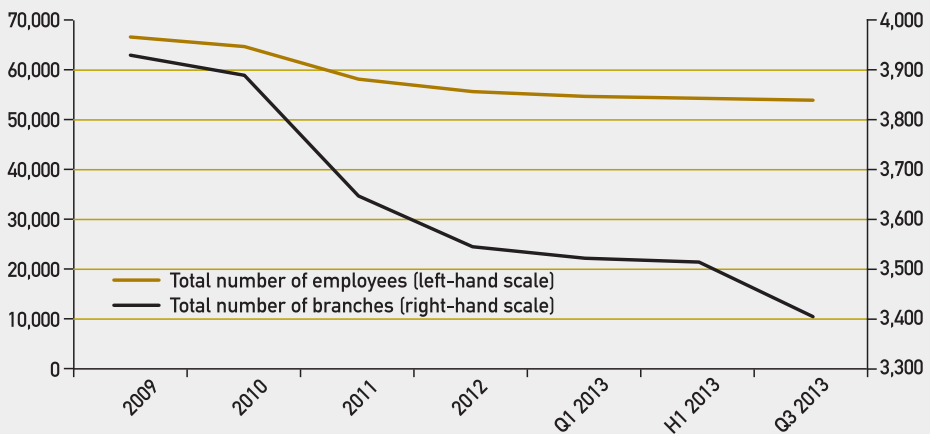


Chart 14 Concentration in the Greek banking system*Market shares of the five largest banks, percentages %, 2008-2013***Source:** Bank of Greece.**Chart 15 Employees and branches of commercial and cooperative banks***2009-2013***Source:** Bank of Greece.

