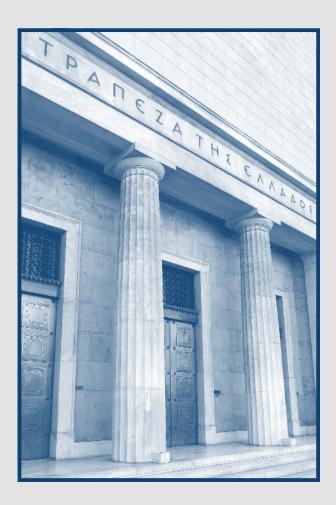
# SUMMARY OF THE ANNUAL REPORT 2012

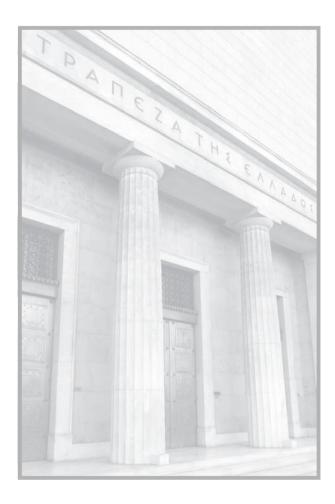


## FEBRUARY 2013



# SUMMARY OF THE ANNUAL REPORT 2012

Presented to the General Meeting of Shareholders by Governor George Provopoulos





FEBRUARY 2013

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### THE OUTLOOK IS IMPROVING – EFFORTS SHOULD CONTINUE IN ORDER TO ENSURE THAT THE SACRIFICES ARE NOT IN VAIN

#### I A VISIBLE IMPROVEMENT IN GREECE'S **ECONOMIC PROSPECTS**

The ten months since the last General Meeting of Shareholders have seen important developments, which are now shaping a new and clearly improved economic environment.

The progress made during this crucial period was far from predictable, given that a year ago many analysts anticipated that a Greek default and exit from the euro area was almost inevitable. This eventuality has been significantly reduced and the economy can now look forward to a recovery and exit from the crisis, with the support of our European partners and the International Monetary Fund.

The turnaround in sentiment, the dissipation of pessimistic expectations and the gradual restoration of confidence have been due to a number of factors, which helped the Greek economy avoid the serious impending risks and get back onto a track of rebalancing and stabilisation.

First among these factors was the affirmative answer of the Greek people to the historic dilemma concerning Greece's continued participation in the euro area. This answer was delivered with the formation of the coalition government, which explicitly stated its determination to safeguard the country's European path and pledged to implement the adjustment programme. These key choices, the more intense implementation of the programme and the progress in making up for the major delays caused by the two consecutive national elections made it possible for the Eurogroup, at end-November and in mid-December 2012, to decide to support Greece financially. These developments had a beneficial effect on economic sentiment in Greece and abroad.

On the domestic front, the Economic Sentiment Indicator rose to a two-year high of 86-87 in December 2012-January 2013, suggesting that the strong uncertainties of the previous months have eased considerably. An

improvement in confidence is also evidenced by developments in the Athens Exchange, with stock prices more than doubling since early June 2012. Further evidence of improved confidence is the reversal of the downward trend of deposits, which increased by EUR 15 billion between June 2012 and January 2013.<sup>1</sup>

Abroad, the negative references to Greece are now much less frequent, while EU officials express unequivocally their willingness to support Greece. The reversal in sentiment is reflected in a sharp narrowing of the yield spread between Greek and German ten-vear government bonds, from about 3,000 basis points in May 2012 to less than 1,000 basis points by February 2013.

The second factor which has contributed to this improvement is the progress made in the implementation of the adjustment programme, particularly in addressing the twin deficits - fiscal and external. This progress is a sign of incipient rebalancing and restructuring in the economy.

In the fiscal domain, deficit reduction has been remarkable. Between 2009 and 2012, both the general government deficit and the corresponding primary deficit were reduced by 9 percentage points of GDP, while the fall in the structural deficit was even larger (15 percentage points). The fiscal measures taken by end-2012 corresponded to 30% of GDP (on a gross basis) - one of the main reasons for the observed social tensions. Debt dynamics, which had been worsening until recently mainly on account of the large and protracted decrease in GDP, is already being positively affected by the Eurogroup decisions of 27 November 2012. The debt-to-GDP ratio is estimated to have dropped by almost 10 percentage points in 2012 and, according to the Economic Adjustment Programme, is forecast to come to 124%

<sup>1</sup> On the basis of monthly data, domestic deposits by the private sector decreased by EUR 89.2 billion between October 2009 and June 2012, before rising by EUR 11.4 billion between July and December 2012. On the basis of daily data, however, both the outflow of October 2009-20 June 2012 and the inflow of 21 June-31 December 2012 were higher.





of GDP in 2020 and to fall below 110% by 2022. The Eurogroup decisions included debt buy-back, lower interest rates and extension of maturities of loans from the official sector as well as the transfer to Greece of income from Greek government bonds held by euro area national central banks. As a result, Greece is now able to borrow from the official sector at particularly low rates. These measures are subject to strict conditionality, while further interest rate cuts are foreseen once Greece achieves an annual primary surplus.

Regarding the *external sector*, the current account deficit shrank to 2.9% in 2012, down from a peak of almost 15% of GDP in 2008. More importantly, between 2010 and 2012, Greece recovered more than 75% of the loss in cost competitiveness incurred over the 2001-2009 period. This development, together with structural reforms underway, will have a beneficial impact on export performance and growth in the years ahead.

**Third** was the success in safeguarding financial stability and confidence in the banking system in a period marked by record levels of uncertainty. The progress that has been made would obviously not have been feasible, had the banking system collapsed making Greece's exit from the euro area inevitable. This risk however was averted and not a single depositor suffered the slightest loss. More importantly, though, despite the deep crisis, not only was systemic stability preserved, but also the groundwork was laid for a robust banking system.

**Fourth**, the continued financial support from our official lenders, which gives Greece both the chance to restructure its banking system and the time to carry forward the structural transformation of its economy. This support, provided on favourable terms, is unprecedented by international standards, with loans to Greece for the period 2010-2014 amounting to EUR 237 billion, of which EUR 195.3 billion had been disbursed by January 2013. The remaining EUR 41.7 billion are to be disbursed by end-2014.

Fifth, the steps being taken towards supplementing the institutional architecture of both the European Union and the euro area. The ongoing discussions and the first decisions taken in this direction have helped to turn the international climate around; in turn, this affected sentiment in Greece favourably. True, the pace of institutional reforms in the European Union may at times be slower than what markets would expect. Still, there is tangible evidence of Europe's will to avert crises in the future or, should they emerge, to address them effectively. The report Towards a Genuine Economic and Monetary Union, prepared by the President of the European Council, in collaboration with the Presidents of the European Commission, the Eurogroup and the European Central Bank, initially proposed the establishment of an integrated financial framework, having as central elements a single European banking supervision and a common deposit insurance and resolution framework. The regulatory framework for the assignment of the single banking supervision to the ECB, which, together with national supervisory authorities, will make up the single supervisory mechanism (SSM), has been prepared and will soon be adopted. In December, the European Council urged co-legislators to agree on the proposals for a Recovery and Resolution Directive and for a Deposit Guarantee Scheme Directive by June 2013. Finally, of particular importance was the announcement in August 2012 of the Outright Monetary Transactions (OMTs) (the details of which were made known one month later), which by itself helped to restore relatively normal conditions in euro area financial markets.

#### 2 THE ONGOING RECESSION LEAVES NO ROOM FOR COMPLACENCY

The developments outlined above suggest that Greece has come a long way. The distance that remains to be covered, though shorter, will be particularly hard, as all efforts from now on will be on top of the sacrifices already made. However, the foundations for addressing serious, chronic problems have been laid. The significant and immediate risk of collapse has been averted; the possibility of a Greek exit from the euro area has been significantly reduced; and confidence is gradually being restored. Yet, these encouraging developments leave no room for complacency.

#### 2013 will be another year of recession – Unemployment will rise further

The Greek economy is still going through a deep crisis, and the risk of a derailing has not been completely eliminated.

In 2012, GDP contracted for the fifth year in a row (by 6.4%, according to provisional estimates from ELSTAT), bringing the cumulative decline for the five-year period 2008-2012 to 20.1%. This percentage will rise further, as the recession is expected to continue, albeit at a slower pace.

The recession led to a dramatic decline in employment: over the four-year span 2009-2012, total employment decreased by about 17.5%, while salaried employment decreased more, by over 19%. The loss of thousands of jobs pushed the rate of unemployment up from 7.6% in 2008 to historically high levels: about 24.5% on average in 2012 and 27.0% in November; a further rise is expected in 2013.

This crisis, unprecedented in magnitude and duration, has multiple adverse effects as it:

- reduces per capita income and the standard of living;

- makes physical and human capital obsolete;

 causes savings and banks' deposit base to shrink, thereby leading to liquidity constraints;

- feeds uncertainty and discourages investment;

 hampers fiscal consolidation, as lower incomes mean less public revenue. This fuels a vicious circle of deficits and recession that leads to repeated revisions of deficit and debt targets, undermining the credibility of the programme.

The recession of the last few years has, indeed, turned out to be deeper than initially forecast. The magnitude of the recession, though, should not be put down to forecasting errors, but rather to the manner in which the adjustment programme has been implemented: with the wavering, the mistakes and omissions and, above all, the delays in implementing structural reforms - i.e. shortcomings which not only prevented the mitigation of the contractionary effects of fiscal consolidation, but also prolonged and compounded the deterioration in confidence, thus entrenching the debilitating view that Greece would default and exit the euro area. The recession was also intensified by tight financing conditions for enterprises and households, largely caused by heightened uncertainty and concern. However, if the envisaged structural reforms had been implemented consistently right from the start, their favourable effects on the duration and severity of the recession would, by now, have already made themselves felt. It should, furthermore, be noted that the inaccuracy of the initial forecasts has, in fact, been recognised in practice with the revisions to the programme: the implementation horizon, the cost of borrowing and the maturities of the loans provided to Greece, the size of financial support and even the measures to reduce the level of sovereign debt. In any event, the inaccuracy of forecasts cannot be used as an excuse to deviate from the programme and, especially, to relax the structural reform effort. The implementation of the programme has become all the more crucial, now that the financing conditions for the private sector and the overall economic outlook have begun to improve in the wake of the June 2012 elections.

#### 3 2013 WILL BE A DIFFICULT YEAR – RECOVERY WILL BE VISIBLE IN THE COURSE OF 2014

As long as the prospect of an exit from the crisis is not clearly in sight, the deep and contin-



uing recession creates a very unfavourable climate and feeds social tensions. Nevertheless, it must be understood that we are now at a turning point. There is no doubt that 2013 will be a difficult year, mainly due to the implementation of fiscal measures and to high unemployment. But today we can expect recessionary forces to weaken gradually by end-2013 and the Greek economy to return to positive growth rates in the course of 2014. This forecast is supported not only by the factors mentioned above, but also by tangible signs that improvement is filtering through to the real economy. Positive effects are expected from:

• a boost to liquidity and confidence as a result of the recapitalisation of banks and, primarily, the return of deposits to the banking system that will also enhance bank liquidity. This gradual return into the system of cash hoarded at the peak of the crisis could, by itself, further strengthen liquidity at banks and in the economy as a whole by about EUR 15 billion over the next 12-18 months.

• a further improvement in cost competitiveness – expected in 2013 to more than offset the competitiveness losses of 2001-2009 – and a continued increase in exports, especially to non-EU countries;

• a speeding-up of the privatisation process, leading potentially to investments several times larger than the initial ones. The recent decisions of multinational firms to expand or further support their activities in Greece are another positive development;

 swifter progress in the deregulation of markets;

• the relaunching of major infrastructure projects, such as highways;

• the implementation of private investment projects, with bank financing supported indirectly through resources from the National Strategic Reference Framework (NSRF) and the European Investment Bank; • the planned payment of public sector arrears, amounting in total to EUR 9.3 billion. The Ministry of Finance estimates that EUR 3.5 billion will have been paid by end-March 2013.

Furthermore, the *external environment* is expected to be less adverse. In 2013 global GDP growth is expected to pick up slightly, provided that concerted efforts continue to be made towards resolving the European crisis. Euro area GDP is projected to decrease only marginally and in any case less than in 2012, while positive GDP growth rates, albeit lower than in 2012, are projected for the US and Japan.

In order to ensure that the above factors will deliver the expected results, it is necessary to safeguard the recent improvement in confidence. Any extreme or untimely demands put forward by different social groups would be counterproductive. Society as a whole stands to make a lasting gain when the economy gets back on its feet again. It also goes without saying that unlawful incidents against business operations — no matter how isolated — are particularly detrimental to the investment environment and, in the end, undermine the prospect for a recovery in employment.

#### 4 PRESSING AHEAD WITH THE IMPLEMENTATION OF THE PROGRAMME IS A PREREQUISITE FOR RECOVERY

If the previously outlined trends continue, it can be reasonably expected that real economic recovery will come fairly soon. For this to happen, certain conditions must be fulfilled, the most important of which is **the ongoing implementation of the adjustment programme, with strict adherence to the targets and timetables set**. This will ensure continued funding as well as reduction of the debt and will once and for all eliminate the risk of exit from the euro area, consolidate confidence in the economy's future, attract new foreign investment and convey a clear message that



# the worst is behind us and an exit from the crisis is in sight.

At this crucial moment, however, any complacency or relaxation leading to deviation from the targets would cause the improvements seen so far to evaporate, the adjustment programme to fail, the crisis to deepen and the negative consequences we are experiencing today to multiply. In such an event, the economy would find itself much worse off than it was before the programme was launched.

#### 5 A COMPREHENSIVE POLICY FOR RECOVERY AND SUSTAINABLE GROWTH

#### Speeding up recovery and growth

According to the Medium-Term Fiscal Strategy and the Budget, GDP will drop by 4.5% in 2013, with a small increase forecast for 2014 that will accelerate over the following two years. All of the fiscal and debt targets have been set for Greece based on these forecasts.

Therefore, if these forecasts can be overshot, i.e. if a recovery can be achieved by the end of 2013 and if output growth can then be speeded up in the following years, Greece would be able to surprise the markets positively and turn the situation around, given that:

- the trends of rising unemployment and declining incomes would be halted sooner;
- the debt-to-GDP ratio would improve faster;
- confidence would be strengthened, with a positive impact on sentiment, as it would become increasingly clear that there is an end to the crisis;
- public revenue would rise (in absolute terms), thereby creating fiscal room for manoeuvre.

*It is indeed feasible* to achieve economic recovery sooner than forecast, as long as certain conditions are fulfilled.

#### Completion of the reforms currently underway

As pointed out above, pressing ahead with the implementation of the adjustment programme is the main prerequisite for recovery. Together with the consistent implementation of the fiscal consolidation measures already enacted, action must now be taken to make up for the gaps caused by past delays in the areas of structural reforms in the public sector and the markets, privatisations and the creation of an environment favourable to entrepreneurship.

#### Creating the conditions for gradually lightening the tax burden of those who already pay taxes

Top priority must be given to the tax reform agenda, centred on broadening the tax base and curbing tax evasion. This would create scope for reducing the heavy tax burden that, increasingly in the last few years, has been shouldered by those who already pay taxes. This increase in the tax burden came as the result of two factors: first, the decision to base the deficit reduction effort on increasing revenue, more so than on cutting back on expenditure; and second, a chronic structural inability of the tax administration to curb tax evasion. The combination of these two factors brought about a disproportionate increase in the tax burden and led many to believe that tax increases were the basic aim of the adjustment programme and would continue perpetually.

This is why both factors must change. Fiscal adjustment should focus, first, on cutting down on those expenditure items that are not conducive to growth and increasing the return on other items of expenditure and, second, on modernising tax administration in order to effectively tackle tax evasion.

The tax policy must now turn the situation around and convince that the ultimate aim of the adjustment programme is in fact to reduce taxes, something that cannot be achieved if the programme is not implemented consistently.



This would help restore the sense of equity in tax matters, which has been seriously undermined, and will generate positive expectations that will serve to partly offset the contractionary impact of spending cuts.

#### Implementation of a new growth model

As the Bank of Greece has repeatedly stressed, the aims of the adjustment programme are fiscal consolidation and, through structural reforms, the rebasing of the country's productive capacity on new foundations and a new, more export-led growth model. This would require shifting resources towards the production of competitive, internationally tradable goods and services. But if we are to succeed in transforming the economy, we must realise that this far-reaching, historically imperative change is our sole responsibility. The adjustment programme sets out only the minimum changes that need to be made. In no way does the programme relieve us of our primary responsibility as a nation to implement a broader national action plan for growth. Such an action plan, in parallel to the fiscal consolidation programme, would incorporate the necessary policies for the transition to a new model of sustainable growth.<sup>2</sup> There has been progress in this area as well, albeit at a much slower pace than in the fiscal area. Now that public finances are stabilising, it is essential, and indeed feasible, that we proceed faster with structural reforms that will ensure:

• an efficient public sector, both citizen- and business-friendly;

- modern infrastructure; and
- open, competitive markets.

A positive step in this direction was the joint announcement on 28 January 2013 by the Ministries of Finance and Development of a study on the prospects of the Greek economy through 2020, for the purpose of drawing up a multi-year action plan for growth.

#### Effective use of EU funds

Following the recent decision by the European Council (8 February 2013), the total structural funds allocated to Greece for 2014-2020 can be as much as EUR 18.3 billion. More specifically, EUR 14.5 billion will come from the new National Strategic Reference Framework (NSRF), up from the amount of EUR 11.2 billion initially proposed by the European Commission. An additional amount of EUR 1.8 billion, previously included in the NSRF, will be allocated for agricultural development. Furthermore, the government estimates that, as provided for in paragraph 54 of the European Council Conclusions with its explicit reference to Greece, another EUR 2 billion will be made available to Greece in 2016, when the total allocations to the Member States are to be adjusted on the basis of the then available most recent statistics on the large decrease in GDP caused by the crisis.

These resources could significantly boost demand and help, in the short term, to bring recovery forward (together with a faster absorption of NSRF 2007-2013 funds) and, in the medium term, to implement a comprehensive strategy for the transformation of the economy's productive base.

In the current context of low investment activity and insufficient liquidity, EU resources can, if used efficiently, help to address serious gaps in the financing of new investment projects. The EU funds available under the current and the next NSRF will function this time as powerful tools for growth, provided they are effectively integrated into a broader national action plan for growth. So far, EU funds, despite their positive contribution, have not been managed in a way to yield maximum advantage. This is precisely why, under the new circumstances,



<sup>2</sup> See Malliaropulos D. and T. Anastasatos, "The Improvement in the Competitive Position of the Greek Economy and Prospects for an Export-led Growth Model", *Economy and Markets*, Eurobank, January 2013, and the proceedings of the conference "The Content of Growth" jointly organised by IOBE and Konrad-Adenauer-Stiftung on 24 January 2013.

integrating EU resources into a national growth strategy will reinforce the necessary transformations towards a new, sound production model. The management of NSRF funds will also have to be completely redesigned, in order to accelerate absorption and eliminate the remaining time-consuming bureaucratic procedures.

#### 6 RESTORING NORMAL LIQUIDITY CONDITIONS AND RESTRUCTURING THE BANKING SECTOR

# The liquidity crisis turned into a solvency crisis in 2012

Since the onset of the crisis, the Greek banking system has faced the consequences of the repeated downgrades of Greek sovereign debt, which triggered a number of bank downgrades. Banks were cut off from international money and capital markets, while the prevailing uncertainty led to mass deposit withdrawals and a loss of more than one third of the banks' deposit base in less than three years. Banks were forced to have extensive recourse to central bank refinancing, initially through the Eurosystem monetary policy operations. Gradually, however, due to the declining value of the eligible collateral in their portfolios, banks had to turn to the Bank of Greece for Emergency Liquidity Assistance. On account of the private sector involvement (PSI) in the restructuring Greek sovereign debt, bank holdings of government bonds suffered heavy losses, while the continuing recession has led to a progressive rise in non-performing loans.

Pressures on the capital base and liquidity of banks heightened in 2012. In the January-September 2012 period, the Greek banking groups listed on the Athens Exchange recorded losses of EUR 5.1 billion (after tax), which reflect, on the one hand, additional write-downs on their Greek government bond holdings as a result of the PSI and, on the other, impairment charges on loans to the private sector. Accumulated losses led to a sharp decline in banks' capital adequacy, making their recapitalisation imperative. As an indication of the outlook for private loan performance, it is worth noting that the NPL ratio for the banking system as a whole rose to 22.5% by end-September 2012, from 16% at end-December 2011. Meanwhile, the balance of business and household deposits decreased through mid-June 2012. The uncertainties that prevailed throughout the protracted election period led to successive surges in cash outflows from banks, requiring the latter to be supplied with an exceptionally large amount of banknotes. Any failure by the Bank of Greece or technical difficulty in meeting the banks' needs for banknotes in full and any doubt as to the banks' ability to repay customer deposits would have led to a collapse in confidence, with devastating consequences for financial stability and Greece's overall prospects. Despite the extremely adverse conditions, action taken by the government and the Bank of Greece ensured that the banking system weathered the shock and that not one depositor lost a single euro of their savings.

#### The lack of liquidity is affecting the real economy

Liquidity constraints have impaired the banking sector's capacity to finance the real economy. Annual credit expansion to non-financial enterprises and households has remained negative since September 2011 and November 2010 respectively, thus creating problems for production, investment, exports and the real estate market. Insufficient liquidity was one of the channels through which the debt crisis stifled economic activity.

Liquidity tensions were significantly eased by Greek banks' recourse to the monetary policy operations of the Eurosystem and to the Emergency Liquidity Assistance (ELA) from the Bank of Greece. Thanks to the ample provision of central bank liquidity, the decline in bank credit to households and businesses was much milder than the shrinking of the banks' deposit base. In this respect, the Bank of Greece, as an integral part of the Eurosystem, contributed to mitigating the adverse impact on economic activity of the sovereign debt crisis and of fiscal consolidation. Without the support of the central bank, the difficulties of business and households in accessing bank credit, as reported in relevant surveys, would have been much larger and, as a result, the real economy would have faced more severe liquidity constraints.

#### The restructuring of the banking system

In 2012, despite the deep crisis, the groundwork was laid for the banking system to turn the page. It has now become clear that the Greek banking system could not continue with its previous structure in the new era. Banks are already taking their first steps towards internal reorganisation, by adapting their business models, and the entire banking sector is being reshaped through the joining of forces. The size of the Greek economy calls for fewer and stronger banks that will be more resilient to economic shocks.<sup>3</sup>

This process of consolidation will be to the benefit of depositors and borrowers alike, as larger banks typically have easier access to international money and capital markets and, given their greater efficiency and effectiveness, have fewer incentives to undertake high-risk investments.

#### The recapitalisation of banks

One positive development, which was a prerequisite for the completion of restructuring, was the securing of necessary funds from the Support Programme for the banks' recapitalisation. In order to determine which banks would be eligible for public support, the Bank of Greece conducted a strategic assessment of the banking system in March 2012. Using a wide range of regulatory and business criteria, the exercise assessed the independent viability prospects of each bank (as envisaged in the Memorandum of March 2012) and estimated which banks were more likely within a reasonable time frame to be able to repay the funds they had been granted.

In May and December 2012, the four big ("core") banks identified as viable received an advance payment from the Hellenic Financial Stability Fund (HFSF), in the form of European Financial Stability Fund (EFSF) notes, to replenish their capital above the regulatory minimum. The next steps of the recapitalisation process involve the issuance of contingent convertible bonds (CoCos) and the completion of capital increases by the end of April 2013. Private shareholders will retain control of HFSF-supported banks, provided that they subscribe no less than 10% of the new common shares to be issued. According to the Memorandum of December 2012, the other banks will have to raise private capital by the end of April 2013. They also have the option of merging with other banks, provided that they can submit a sound Business Plan and meet recapitalisation needs by April 2013. If they fail to recapitalise in either way, the Bank of Greece will activate the steps for an orderly resolution at the latest by June 2013, in a manner that will safeguard financial stability and the interests of depositors.

It should be recalled that the banks' capital needs were estimated taking the following into consideration: (i) the losses incurred due to the PSI; (ii) credit loss projections on banks' loan portfolios; and (iii) banks' internal capital generation in 2012-2014. Furthermore, with respect to the total capital needs of the Greek banking system, the Bank of Greece in December 2012 updated its estimate of the Financial Envelope, i.e. the level of public funds necessary to cover the Greek banking sector's recapitalisation and restructuring costs over the period 2012-2014. The Bank of Greece considers that, under reasonable levels of economic uncertainty, the amount of EUR 50 billion earmarked in the Economic Adjustment Programme is sufficient to cover the Greek banking sector's recapitalisation and restructuring needs. It should be noted that this amount also includes a capital buffer to accom-



**<sup>3</sup>** See Bank of Greece, *Monetary Policy – Interim Report 2012*, November 2012.

modate any unexpected developments that could increase the needed funds.

The resolution, restructuring and recapitalisation process is well under way, as evidenced by the following comparative facts and figures:

• At the onset of the crisis, there were 17 banks in operation. There were also 16 cooperative banks, with a combined market share of just 1%.

• So far, the resolution framework has been used to resolve seven banks: four commercial banks and three cooperative banks.

• At present, a merger between the two largest banks, the National Bank of Greece and Eurobank, is in the process of being completed.

• Alpha Bank, the third largest bank, has absorbed Emporiki Bank, a subsidiary of Crédit Agricole.

• Piraeus Bank has absorbed Geniki Bank, a subsidiary of Société Générale, as well as the sound assets and the deposits of the stateowned ATEBank; it is currently negotiating the acquisition of Millennium Bank.

It is therefore expected that, in a few months from now, when the process is completed, the banking system will comprise three large, strong groups, as well as some smaller banks, the market shares of which will ensure competition. The Greek banking system is clearly becoming more compact and efficient, as conditions are being put in place to enable it to exploit synergies and economies of scale. It is becoming stronger and better-capitalised. At the same time, it retains its strong and profitable presence in south-eastern Europe.

# A stronger banking system capable of financing economic recovery

The restructuring and parallel recapitalisation of the banking system are pivotal reforms that

crucially contribute to gradually restoring confidence in the prospects of the Greek economy and, as mentioned earlier, constitute prerequisites for economic recovery. The gradual return of household and business deposits is a first sign that developments in the banking sector are being positively assessed. The continued return of deposits and the successful completion of the recapitalisation process in the first months of 2013 will help Greek banks in the medium term to gradually regain access to international money and capital markets. On a more general note, the relaxation of banks' capital and liquidity constraints is creating conditions for stronger credit flows to finance production, investment and exports. Having navigated through very troubled waters, the banking system is emerging stronger and able to finance growth.

#### 7 CHALLENGES AND OPPORTUNITIES

As has been repeatedly stressed, the economic crisis has brought about not only acute problems, but also significant opportunities. The two most important opportunities, which pose a challenge for Greece today, are:

**First**, to restructure the economy towards highproductivity and high-value added sectors which would produce internationally tradable goods and services that can prove competitive both in the external and in the domestic market.

**Second**, to modernise public administration and streamline the public sector, while making it more citizen- and business-friendly.

The ability to rise to these major challenges hinges on building and strengthening social consensus as regards the implementation of the economic adjustment programme, so as to bring the recovery forward and create the conditions for sustainable growth.

Comparing the current situation with the one prevailing just a few months ago, it is clear that



much has changed for the better. Most importantly, the risk of default and exit from the euro area is now remote. Thus the main factor that had fuelled uncertainty in the markets and among Greek citizens is weakening. We can now expect, with reasonable certainty, that the next few years will lead Greece out of the crisis and onto a path of growth as a euro area member with the support of its partners. As this expectation is consolidated, sentiment in Greece and abroad will continue to improve, speeding up recovery. For this to happen though, the implementation of the adjustment programme that has been agreed upon must continue without deviations or delays. Commitment to achieving the targets and, where possible, overshooting the targets, will remove any remaining uncertainties and strengthen positive prospects, with direct effects on the real economy.

We have already come most of the way on a difficult road at tremendous cost to Greek society. Now that the end of this road is finally in sight, we need to intensify our efforts in order to cover the remaining distance and ensure, this time, that the citizens' efforts and sacrifices will not be in vain.



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# Table I Gross expenditure of the economy and gross domestic product (2011 and Q2 2011-Q3 2012) $^{\rm I}$

(at constant market prices of 2005)

		Annual percentage changes						
		2011			2012			
	2011	Q2	Q3	Q4	Q1	Q2	Q3	Jan Sept.
1. Private consumption	-7.7	-7.3	-3.5	-7.3	-9.5	-8.6	-8.4	-8.9
2. Public consumption	-5.2	-9.0	-3.3	-0.5	0.5	-1.4	-10.7	-4.0
3. Gross fixed capital formation	-19.6	-18.4	-15.3	-23.0	-22.4	-19.8	-19.5	-20.6
3.1 Dwellings	-18.0	-16.4	-18.0	-23.3	-31.2	-31.1	-33.9	-32.0
3.2 Other construction	-25.1	-26.5	-25.3	-22.7	-7.1	-0.2	3.1	-0.9
3.3 Equipment	-18.1	-14.8	-6.8	-23.3	-23.4	-24.4	-24.0	-23.9
3.4 Other investment	-16.9	-18.5	-13.9	-20.4	-4.3	-4.2	-1.0	-3.0
4. Domestic final demand <sup>2</sup>	-9.3	-9.5	-5.3	-9.0	-9.9	-9.2	-10.3	-9.8
<ol> <li>Change in inventories and statistical discrepancy (% of GDP)</li> </ol>	0.4	-0.2	-1.0	3.4	-2.8	0.0	-2.6	-1.8
6. Domestic demand	-8.7	-8.9	-5.9	-9.7	-11.7	-9.1	-11.8	-10.9
7. Exports of goods and services	0.3	0.9	4.4	-5.1	4.1	-3.1	-4.5	-1.9
7.1 Exports of goods	4.0	8.0	9.9	-9.1	6.9	-1.0	-0.5	1.3
7.2 Exports of services	-3.0	-5.4	1.0	-1.0	0.3	-5.6	-7.1	-5.0
8. Imports of goods and services	-7.3	-5.2	-2.9	-12.0	-17.5	-13.7	-20.9	-17.4
8.1 Imports of goods	-6.4	-3.9	-0.1	-10.9	-19.3	-15.9	-22.4	-19.2
8.2 Imports of services	-10.9	-10.2	-12.4	-15.7	-10.1	-4.5	-14.9	-9.8
GDP at market prices	-7.1	-7.9	-4.0	-7.9	-6.7	-6.3	-6.9	-6.6

	Contribution to GDP change (percentage points)							
1. Private consumption	-5.64	-5.22	-2.43	-4.92	-7.48	-6.22	-5.84	-6.51
2. Public consumption	-0.95	-1.66	-0.58	-0.10	0.10	-0.25	-1.91	-0.69
3. Gross fixed capital formation	-3.61	-3.46	-2.43	-4.24	-3.91	-3.30	-2.73	-3.31
3.1 Dwellings	-1.00	-0.87	-0.91	-1.36	-1.79	-1.51	-1.46	-1.59
3.2 Other construction	-1.05	-1.25	-0.95	-1.14	-0.19	-0.01	0.09	-0.03
3.3 Equipment	-1.36	-1.14	-0.39	-1.50	-1.89	-1.74	-1.34	-1.66
3.4 Other investment	-0.20	-0.20	-0.18	-0.24	-0.04	-0.04	-0.01	-0.03
4. Domestic final demand <sup>2</sup>		-10.33	-5.43	-9.48	-11.34	-9.84	-10.41	-10.53
5. Change in inventories and statistical discrepancy	0.70	0.69	-0.59	-1.13	-2.02	0.13	-1.43	-1.11
6. Domestic demand	-9.52	-9.64	-6.02	-10.61	-13.35	-9.71	-11.84	-11.63
7. Exports of goods and services	0.05	0.19	1.20	-1.12	0.79	-0.74	-1.34	-0.43
7.1 Exports of goods	0.40	0.82	1.11	-1.09	0.70	-0.12	-0.07	0.17
7.2 Exports of services	-0.36	-0.63	0.16	-0.10	0.03	-0.66	-1.21	-0.61
8. Imports of goods and services	-2.32	-1.56	-0.85	-3.82	-5.83	-4.19	-6.27	-5.43
8.1 Imports of goods	-1.58	-0.89	-0.03	-2.68	-5.08	-3.84	-5.33	-4.75
8.2 Imports of services	-0.75	-0.68	-0.84	-1.15	-0.71	-0.30	-0.92	-0.64
9. External balance of goods and services (net exports)	2.37	1.75	2.05	2.69	6.62	3.45	4.94	5.00
GDP at market prices	-7.1	-7.9	-4.0	-7.9	-6.7	-6.3	-6.9	-6.6

Source: ELSTAT, quarterly national accounts, 7 December 2012, non-seasonally adjusted data. 1 According to ELSTAT estimates published on 14 February 2013, annual GDP growth rates for the second and third quarters of 2012 are revised to 6.4% and 6.7%, respectively. 2 Excluding inventories and statistical discrepancy.



#### Table 2 Indicators of consumer demand (2009-2013)

#### (annual percentage changes)

	2009	2010	2011	2012	2013 (available period)
Volume of retail trade (general indicator)	-11.4	-6.2	-10.2	-12.6 (JanNov.)	
Volume of retail trade (excluding fuel and lubricants)	-9.3	-6.9	-8.7	-12.1 ( » » )	
Food-beverages-tobacco1	-6.1	-5.5	-6.0	-9.3 ( » » )	
Clothing-footwear	1.4	-11.4	-18.8	-21.2 ( » » )	
Furniture-electrical appliances-household equipment	-15.3	-12.7	-15.7	-17.7 ( » » )	
Books-stationery-other	-24.0	-4.3	-5.2	-12.5 ( » » )	
Revenue from VAT (at constant prices)	-10.2	0.1	-5.9	-12.8	
Retail trade business expectations index	-21.4	-26.4	-0.5	-3.1	11.9 (Jan.)
New private passenger car registrations	-17.4	-37.2	-29.8	-41.7	-25.5 ( » )
Tax revenue from mobile telephony <sup>2</sup>	13.2	37.1	-16.8	-8.4	
Outstanding balance of consumer credit <sup>3</sup>	1.8 (Dec.)	-4.2 (Dec.)	-6.4 (Dec.)	-5.1 (Dec.)	

Sources: ELSTAT (retail trade, cars), Ministry of Finance (VAT revenue, tax revenue from mobile telephony), IOBE (expectations), Bank of

Greece (consumer credit). 1 Comprising big food stores and specialised food-beverages-tobacco stores. 2 Monthly service fee per subscription until July 2009. As of August 2009, new progressive rates apply to mobile telephony contracts and dif-ferent fees to prepaid mobile telephony.

3 Comprising bank loans and securitised loans. The rates of change are adjusted for loan write-offs, foreign exchange valuation differences and a transfer of loans by one bank to a domestic subsidiary finance company in 2009.



#### Table 3 Indicators of investment demand (2009-2013)

(annual perce	ntage changes <sup>1</sup> )
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(unnual percentage enanges )					
	2009	2010	2011	2012	2013 (available period)
Capital goods output	-22.5	-22.1	-9.7	-14.8	
Capacity utilisation rate in the capital goods industry	73.4	66.1	62.7	58.2	63.2 (Jan.)
Bank credit to domestic enterprises <sup>2</sup>	5.1 (Dec.)	1.1 (Dec.)	-2.0 (Dec.)	-4.3 (Dec.)	
Disbursements under the Public Investment Programme <sup>3</sup>	-2.8	-11.3	-17.1	-10.5	35.5 (Jan.)
Production index in construction (at constant prices)	-17.5	-29.2	-28.1	-26.3 (JanSept.)	
Volume of private construction activity (on the basis of permits issued)	-26.5	-23.3	-37.7	-30.5 (JanNov.)	
Cement production	-21.4	-14.3	-37.8	-12.8	
Business expectations index in construction	-31.4	-27.4	-27.8	26.1	5.9 (Jan.)
Outstanding balance of total bank credit to housing <sup>4</sup>	3.7 (Dec.)	-0.3 (Dec.)	-2.9 (Dec.)	-3.3 (Dec.)	

Sources: ELSTAT (capital goods output, volume of private construction activity, cement production, production in construction), IOBE (capacity utilisation rate, business expectations index), Bank of Greece (bank credit to domestic enterprises and housing, disbursements under the Public Investment Programme).

Public Investment Programme). 1 Except for the capacity utilisation rate in the capital goods industry, which is measured in percentages. 2 Comprising loans and corporate bonds, securitised loans and securitised corporate bonds but excluding (as of June 2010) loans to sole pro-prietors. The rates of change are adjusted for loan write-offs, foreign exchange valuation differences, as well as loans and corporate bonds trans-ferred by domestic MFIs to their subsidiaries operating abroad and to one domestic subsidiary finance company in 2009. 3 As of January 2012 actual cash payments and not appropriations under the public investment budget. 4 Comprising loans and securitised loans. The rates of change are adjusted for loan write-offs, foreign exchange valuation differences and the transfer of loans bur one bonk to a domestic subsidiary finance company in 2009.

transfer of loans by one bank to a domestic subsidiary finance company in 2009.



# Table 4 Gross value added at basic prices and GDP at market prices (2011 and Q2 2011-Q3 2012) $^{\prime}$

(at constant prices of 2005)									
		Annual percentage changes							
			2011			201	12		
	2011	Q2	Q3	Q4	Q1	Q2	Q3	Jan Sept.	
1. Agriculture, forestry and fishing	-5.4	-4.8	-7.7	-1.2	-3.4	-0.8	-5.3	-3.2	
2. Secondary sector	-12.6	-14.2	-9.2	-15.1	-9.4	-4.2	-3.2	-5.6	
2.1 Industry including energy	-7.4	-9.5	-4.2	-11.1	-6.9	-2.0	-0.8	-3.2	
2.2 Construction	-28.4	-28.4	-26.3	-28.2	-18.8	-12.4	-13.7	-15.1	
3. Tertiary sector	-5.7	-5.8	-3.1	-5.8	-6.0	-6.8	-7.4	-6.8	
3.1 Trade, hotels and restaurants. transport and communications	-10.9	-10.5	-5.3	-13.8	-15.1	-14.7	-11.8	-13.6	
3.2 Information and communication	-8.1	-5.9	-4.4	-9.0	-9.0	-7.0	-3.3	-6.5	
3.3 Financial and insurance activities	-8.0	-10.7	-6.5	-5.3	-7.3	-7.0	-10.9	-8.4	
3.4 Real estate activities	2.4	2.3	4.6	5.1	0.4	0.3	0.2	0.3	
3.5 Professional, scientific and technical activities	-18.1	-17.3	-14.9	-19.5	-6.3	-1.3	2.2	-1.8	
3.6 Public administration and defence	-0.8	-1.8	-1.0	0.3	0.8	-1.8	-7.1	-2.7	
3.7 Arts, entertainment and recreation	-0.2	2.4	-1.1	-2.2	-12.0	-14.1	-12.4	-12.8	
4. Gross value added at basic prices	-6.6	-6.9	-3.9	-7.0	-6.5	-6.1	-6.4	-6.3	
5. Taxes on products	-10.8	-14.7	-4.1	-14.2	-8.2	-7.2	-10.3	-8.6	
6. Subsidies on products	-10.3	-16.8	-11.7	5.1	-8.1	-6.9	-7.7	-7.6	
7. Gross domestic product at market prices	-7.1	-7.9	-4.0	-7.9	-6.7	-6.3	-6.9	-6.6	

		Contribut	ions to the (per	e annual o centage p	0	value add	ed	
1. Agriculture, forestry and fishing	-0.23	-0.21	-0.34	-0.04	-0.16	-0.04	-0.22	-0.14
2. Secondary sector	-2.03	-2.29	-1.41	-2.48	-1.49	-0.62	-0.46	-0.86
2.1 Industry including energy	-0.90	-1.14	-0.50	-1.39	-0.86	-0.24	-0.10	-0.40
2.2 Construction	-1.12	-1.15	-0.91	-1.09	-0.64	-0.38	-0.36	-0.46
3. Tertiary sector	-4.56	-4.63	-2.44	-4.59	-4.76	-5.44	-6.01	-5.40
3.1 Trade, hotels and restaurants, transport and communications	-2.78	-2.66	-1.54	-3.14	-3.19	-3.59	-3.39	-3.39
3.2 Information and communication	-0.43	-0.30	-0.21	-0.50	-0.47	-0.37	-0.15	-0.33
3.3 Financial and insurance activities	-0.46	-0.66	-0.36	-0.29	-0.46	-0.41	-0.59	-0.49
3.4 Real estate activities	0.31	0.29	0.57	0.69	0.05	0.04	0.03	0.04
3.5 Professional, scientific and technical activities	-1.03	-1.03	-0.67	-1.31	-0.30	-0.07	0.09	-0.09
3.6 Public administration and defence	-0.16	-0.37	-0.19	0.07	0.19	-0.37	-1.42	-0.53
3.7 Arts, entertainment and recreation	-0.01	0.11	-0.05	-0.10	-0.58	-0.67	-0.57	-0.61
4. Gross value added at basic prices	-6.6	-6.9	-3.9	-7.0	-6.5	-6.1	-6.4	-6.3

Source: ELSTAT, quarterly national accounts, 7 December 2012, non-seasonally adjusted data. 1 For the revised GDP growth rates published on 14 February 2013, see footnote 1, Table 1.



### Table 5 Industrial production

(2005=100)

100.0 6.1	Weights 2005 100.0 56.6	2010 -5.9 -6.5	2011 -7.8	2012	(2005=100)
			-7.8		
6.1		-6.5		-3.2	75.4
	56.6		0.6	0.6	77.1
		-13.1	5.9	8.6	92.8
	1.9	42.5	-24.3	-2.2	87.2
	9.1	16.2	18.5	-13.9	75.8
	32.4	-0.1	-13.7	-13.7	49.3
69.8	100.0	-5.1	-8.5	-3.9	73.0
	18.2	-4.1	-0.9	-3.8	92.3
	6.0	-7.6	-9.3	-8.3	80.
	1.9	-17.5	10.5	-8.9	75.
	3.1	-20.6	-22.0	-17.4	27.
	3.4	-23.1	-25.2	-7.0	33.
	0.6	-36.9	-15.6	-31.6	28.
	1.2	9.4	24.9	-11.1	67.
	2.3	-3.4	-8.9	-10.6	76.
	1.9	-14.1	-24.5	-18.6	46.
	11.3	5.7	-14.5	24.3	117.
	5.3	1.5	-4.4	-11.9	71.
	2.5	2.4	-0.4	-5.5	144.
	4.2	-7.0	-7.7	-9.5	71.
	10.3	-14.2	-35.7	-15.8	32.
	8.0	12.0	6.4	-6.1	92.
	5.1	0.2	-4.4	-9.8	68.
	1.2	-26.6	-23.6	-11.0	20.
	3.0	-4.1	-11.0	-6.0	66.
	2.1	-21.0	-8.0	-13.3	51.
	0.8	-1.6	-30.5	-14.7	42.
	1.6	-35.1	-32.4	-26.5	27.
	1.5	-19.0	-22.1	-28.6	35.
	0.5	-10.5	-13.3	-13.2	48.
	4.1	-22.8	-1.4	-14.6	48.
20.8	100.0	-9.2	-8.8	-3.0	76.
3.3	100.0	0.7	-1.6	0.9	103.0
100.0		-5.9	-7.8	-3.2	75.4
36.8		-4.9	-8.4	5.3	89.
28.0		-0.9	-8.8	-10.1	63.8
8.6		-22.1	-9.7	-14.8	42.8
2.3		-13.4	-15.6	-17.8	46.0
					81.0
	3.3 100.0 36.8 28.0 8.6	3.1       3.4       0.6       1.2       2.3       1.2       1.3       1.3       1.4       5.3       2.5       4.2       10.3       2.5       4.2       10.3       3.0       5.1       1.2       3.0       5.1       3.0       5.1       1.2       3.0       5.1       1.2       3.0       5.1       1.2       3.0       1.12       3.0       1.13       3.0       3.1       1.1       3.0       1.1       3.0       1.1	3.1     -20.6       3.4     -23.1       0.6     -36.9       1.2     9.4       2.3     -3.4       1.2     9.4       1.3     5.7       1.13     5.7       2.5     2.4       2.5     2.4       4.2     -7.0       10.3     -14.2       8.0     12.0       5.1     0.2       1.2     -26.6       3.0     -4.1       1.2     -26.6       3.0     -4.1       1.2     -26.6       3.0     -4.1       1.2     -26.6       3.0     -4.1       1.2     -26.6       3.0     -4.1       1.2     -26.6       3.0     -4.1       1.2     -21.0       0.8     -1.6       3.0     -4.1       1.5     -19.0       0.5     -10.5       1.6     -35.1       1.7     -19.0       0.8     100.0       0.7     -22.8       20.8     100.0       36.8     -4.9       28.0     -0.9       8.6     -22.1       2.3     -13.4	3.1         -20.6         -22.0           3.4         -23.1         -25.2           0.6         -36.9         -15.6           1.2         9.4         24.9           2.3         -3.4         -8.9           1.2         9.4         24.9           2.3         -3.4         -8.9           1.9         -14.1         -24.5           1.13         5.7         -14.5           5.3         1.5         4.4           2.5         2.4         -0.4           4.2         -7.0         -7.7           10.3         -14.2         -35.7           10.3         -14.2         -35.7           10.3         -14.2         -35.7           10.3         -14.2         -35.7           10.3         -14.2         -35.7           10.3         -14.2         -35.6           3.0         -4.1         -11.0           2.1         -21.0         -8.0           1.5         -19.0         -22.1           1.5         -19.0         -22.1           1.5         -19.0         -22.1           1.5         -19.0         -22.1 </td <td>3.1<math>-20.6</math><math>-22.0</math><math>-17.4</math><math>3.4</math><math>-23.1</math><math>-25.2</math><math>-7.0</math><math>0.6</math><math>-36.9</math><math>-15.6</math><math>-31.6</math><math>1.2</math><math>9.4</math><math>24.9</math><math>-11.1</math><math>2.3</math><math>-3.4</math><math>-8.9</math><math>-10.6</math><math>1.9</math><math>-14.1</math><math>-24.5</math><math>-18.6</math><math>1.3</math><math>5.7</math><math>-14.5</math><math>24.3</math><math>5.3</math><math>1.5</math><math>4.4</math><math>-11.9</math><math>2.5</math><math>2.4</math><math>-0.4</math><math>-5.5</math><math>4.2</math><math>-7.0</math><math>-7.7</math><math>-9.5</math><math>10.3</math><math>-14.2</math><math>-35.7</math><math>-15.8</math><math>8.0</math><math>12.0</math><math>6.4</math><math>-6.1</math><math>5.1</math><math>0.2</math><math>-4.4</math><math>-9.8</math><math>1.2</math><math>-26.6</math><math>-23.6</math><math>-11.0</math><math>3.0</math><math>-4.1</math><math>-11.0</math><math>-6.0</math><math>3.0</math><math>4.1</math><math>-11.0</math><math>-6.0</math><math>3.1</math><math>-21.0</math><math>-8.0</math><math>-13.3</math><math>0.8</math><math>1.6</math><math>-30.5</math><math>-14.7</math><math>1.6</math><math>-35.1</math><math>-32.4</math><math>-26.5</math><math>1.5</math><math>-19.0</math><math>-22.1</math><math>-28.6</math><math>0.5</math><math>-10.5</math><math>-13.3</math><math>-13.2</math><math>4.1</math><math>-22.8</math><math>-1.4</math><math>-14.6</math><math>20.8</math><math>100.0</math><math>0.7</math><math>-1.6</math><math>0.9</math><math>100.0</math><math>0.7</math><math>-1.6</math><math>0.9</math><math>36.8</math><math>-4.9</math><math>-8.4</math><math>5.3</math><math>28.0</math><math>-0.9</math><math>-8.8</math><math>-10.1</math><math>8.6</math><math>-22.1</math><math>-9.7</math><math>-14.8</math><math>2.3</math><math>-13.4</math><math>-15.6</math><math>-17.8</math></td>	3.1 $-20.6$ $-22.0$ $-17.4$ $3.4$ $-23.1$ $-25.2$ $-7.0$ $0.6$ $-36.9$ $-15.6$ $-31.6$ $1.2$ $9.4$ $24.9$ $-11.1$ $2.3$ $-3.4$ $-8.9$ $-10.6$ $1.9$ $-14.1$ $-24.5$ $-18.6$ $1.3$ $5.7$ $-14.5$ $24.3$ $5.3$ $1.5$ $4.4$ $-11.9$ $2.5$ $2.4$ $-0.4$ $-5.5$ $4.2$ $-7.0$ $-7.7$ $-9.5$ $10.3$ $-14.2$ $-35.7$ $-15.8$ $8.0$ $12.0$ $6.4$ $-6.1$ $5.1$ $0.2$ $-4.4$ $-9.8$ $1.2$ $-26.6$ $-23.6$ $-11.0$ $3.0$ $-4.1$ $-11.0$ $-6.0$ $3.0$ $4.1$ $-11.0$ $-6.0$ $3.1$ $-21.0$ $-8.0$ $-13.3$ $0.8$ $1.6$ $-30.5$ $-14.7$ $1.6$ $-35.1$ $-32.4$ $-26.5$ $1.5$ $-19.0$ $-22.1$ $-28.6$ $0.5$ $-10.5$ $-13.3$ $-13.2$ $4.1$ $-22.8$ $-1.4$ $-14.6$ $20.8$ $100.0$ $0.7$ $-1.6$ $0.9$ $100.0$ $0.7$ $-1.6$ $0.9$ $36.8$ $-4.9$ $-8.4$ $5.3$ $28.0$ $-0.9$ $-8.8$ $-10.1$ $8.6$ $-22.1$ $-9.7$ $-14.8$ $2.3$ $-13.4$ $-15.6$ $-17.8$



### Table 6 Activity indicators in the services sector (2009-2013)

(annual percentage changes)					
	2009	2010	2011	2012	201 (availabl period
A. Services turnover indicators					
1.Trade					
Wholesale trade	-8.9	-5.9	-13.5	-13.9 (JanSept.)	
Retail trade	-10.2	-1.1	-7.2	-11.3 (JanNov.)	
Motor trade	-15.7	-36.5	-26.5	-31.8 (JanSept.)	
2. Transport					
Land transport	-31.5	-18.1	-1.7	-2.8 ( » » )	
Sea transport	-22.8	-8.5	-2.7	-17.2 ( » » )	
Air transport	-11.7	-7.0	-0.9	-3.7 ( » » )	
Storage and supporting transport activities	-32.2	-10.8	-7.9	-5.9 ( » » )	
3. Hotels and restaurants					
Accommodation and food service activities	-9.1	-8.2	-7.4	-16.5 ( » » )	
4. Information and communication					
Telecommunications	-8.9	-11.3	-8.9	-0.3 ( » » )	
Film, video, and TV programme production, recordings and music products	1.4	-6.6	-28.4	-5.7 ( » » )	
Programming and broadcasting activities	-6.7	-2.1	-27.1	-17.3 ( » » )	
5. Professional-scientific-technical activities					
Legal, accounting and management consulting services	-12.4	-7.3	-0.3	3.0 ( » » )	
Architectural and engineering services	-18.6	-20.4	-19.6	-11.7 ( » » )	
Advertising and market research	-18.4	-23.8	-21.2	-17.2 ( » » )	
Travel agencies and related activities	-9.9	-24.5	-35.3	-28.2 ( » » )	
B. Passenger traffic					
Athens International Airport	-1.5	-5.0	-6.3	-10.4	
Aegean Airlines <sup>1</sup>	9.9	-5.1	4.2	-6.4 (JanSept.)	
Piraeus port (OLP)	-3.8	-6.0	-0.8	-17.5	
C. Business expectations index in the services sector	-28.3	-9.3	-2.9	-11.2	8.7 (Jan

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



#### Table 7 Summary table of key short-term indicators for the real estate market

		Aver	age ann	ual perc	entage o	hanges
Indicators	2007	2008	2009	2010	2011	201
1. Indices of prices of dwellings (BoG) and rents (ELSTAT)						
1.1 Indices of apartment prices <sup>1</sup>						
a. All apartments (Greece)	5.9	1.7	-3.7	-4.7	-5.5	-11.7
a1. By age						
a. New (up to 5 years)	7.2	2.3	-2.0	-4.2	-5.0	-11.8
b. Old (over 5 years)	5.2	1.3	-4.8	-5.0	-5.8	-11.0
a2. By geographical area: Total						
a. Athens	6.2	0.9	-4.6	-3.2	-6.4	-11.8
b. Thessaloniki	7.0	1.5	-6.0	-7.4	-6.8	-13.7
c. Other cities	6.3	1.8	-2.7	-5.3	-4.1	-10.9
d. Other areas	4.6	3.3	-1.9	-5.8	-4.4	-11.4
a2.1 By geographical area: New (up to 5 years)						
a. Athens	9.6	0.0	-3.5	-2.7	-6.5	-12.7
b. Thessaloniki	3.7	3.5	-5.3	-6.8	-8.2	-11.2
c. Other cities	7.8	2.4	-2.1	-4.3	-3.4	-11.
d. Other areas	4.1	5.4	1.0	-5.7	-3.6	-11.1
a2.2 By geographical area: Old (over 5 years)						
a. Athens	4.5	1.4	-5.2	-3.5	-6.3	-11.3
b. Thessaloniki	8.4	0.6	-6.3	-7.6	-6.2	-14.8
c. Other cities	5.3	1.4	-3.2	-6.1	-4.7	-10.0
d. Other areas	5.0	1.4	-4.4	-5.9	-5.2	-11.0
1.2 Indices of prices of dwellings in urban areas excluding Athens <sup>2</sup>	3.8	2.6	-2.9	-6.7	-7.5	-10.1 (Q3)
1.3 Price index of rents	4.5	3.9	3.6	2.4	0.8	-2.1
1.4 House price-to-rent ratio (2007=100) <sup>3</sup>	100.0	97.9	91.0	84.7	79.4	71.0
2. Indices of residential property transactions						
2.1 Indices of residential property transactions with MFI intermediation (E	$GoG)^1$					
a. Number of transactions	36.8	-21.7	-35.7	-0.2	-42.5	-34.2
b. Volume of transactions (in square metres)	36.6	-23.5	-38.9	-0.1	-39.8	-33.
c. Value of transactions	41.1	-20.0	-40.0	-6.2	-40.1	-41.4
2.2 Indices of contracts of real estate transactions signed in the presence of	a lawyer: A	thens (I	DSA)			
a. Number of contracts	1.4	-10.0	-18.0	-16.3	-34.1	-48.0
b. Value of contracts	12.5	-2.3	-28.3	-20.8	-43.0	-45.5
2.3 Number of residential property transfers recorded at the Land Registry of Athens	-	-	-	-15.5	-30.5	-40.3

Sources: BoG: Bank of Greece, ELSTAT: Hellenic Statistical Authority, DSA: Athens Bar Association, IOBE: Foundation for Economic and Industrial Research, Land Registry of Athens.

1 The indices of residential property transactions are based on appraisal reports by banks' engineers regarding the value and qualitative characteristics of the residential properties underlying loan agreements. It cannot be excluded that part of such appraisals are not connected with transactions in residential property, but concern renegotiation of existing loans, registration of a mortgage to back non-housing loans, debt transfers from one bank to another, etc.

2 Data collected by Bank of Greece branches, mainly from real estate agencies.

3 In absolute terms.



# Table 7 Summary table of key short-term indicators for the real estate market (continued)

		Aver	rage anr	nual per	centage	change
Indices	2007	2008	2009	2010	2011	2012
3. Other indices						
3.1 Construction cost indices of (new) residential buildings (ELSTAT)	4.6	5.1	-0.3	1.8	1.0	-0.1
3.2 Volume of private building construction activity (ELSTAT, in cubic metres)	-5.8	-17.3	-26.5	-23.7	-37.7	-30.5 (11 mon.)
3.3 Production indices in construction (ELSTAT)	14.3	7.8	-17.5	-29.2	-28.1	-35.3 (Q3)
3.4 Cement production (ELSTAT)	-9.2	-3.1	-21.4	-14.3	-37.8	-15.6 (11 mon.)
3.5 Number of persons employed in construction (ELSTAT)	8.9	0.1	-6.6	-12.7	-22.5	-15.3 (Q3)
3.6 Investment in construction (ELSTAT) <sup>4</sup>						
a. Total construction	19.9	-21.2	-12.8	-19.2	-21.0	-19.0 (Q3)
b. Residences	25.6	-33.6	-20.7	-21.6	-18.0	-33.9 (Q3)
3.7 Index of business expectations in construction (IOBE)						
a. Total private construction	1.9	-8.4	-43.2	9.3	-18.1	-33.3
b. Months of assured production <sup>3</sup>	16.8	17.3	15.9	12.9	11.1	8.4
c. Activity relative to previous quarter <sup>5</sup>	10.2	10.0	-16.1	-39.0	-52.7	-44.8
d. Planned future activity <sup>5</sup>	-33.2	-28.8	-42.8	-63.2	-80.9	-76.4
e. Prospects of employment over the next 3-4 months <sup>5</sup>	9.6	10.4	-32.1	-46.4	-53.8	-41.3
3.8 Outstanding balances of loans from domestic MFIs (BoG) <sup>6</sup>						
a. Outstanding balances of loans to households	22.2	12.6	3.1	-1.2	-3.9	-3.8
b. Outstanding balances of housing loans to households	21.5	11.2	3.7	-0.3	-2.9	-3.3
3.9 Non-performing housing loan ratio (BoG) <sup>6</sup>	3.6	5.3	7.4	10.0	15.0	20.2 (Q3)

Sources: BoG: Bank of Greece, ELSTAT: Hellenic Statistical Authority, DSA: Athens Bar Association, IOBE: Foundation for Economic and Industrial Research. 3 In absolute terms.
4 In constant terms.
5 Weighted percentage balances of positive and negative answers.
6 End-of-period balances.



### Table 8 Population, labour force and employment

			Annua	l percentage cl	nanges	
	Q2 2012			Q24		
	(in thousands)	2008	2009	2010	2011	2012
Population aged 15+1	9,370	0.2	0.3	0.4	0.4	0.3
Population aged 15-641	7,223	0.3	-0.1	0.2	0.0	-0.1
Labour force <sup>1</sup>	4,962	0.4	0.7	0.9	-1.1	-0.1
Employment <sup>1</sup>	3,793	1.4	-1.1	-2.3	-6.1	-8.7
- Primary sector <sup>1</sup>	494	-0.7	2.1	4.2	-7.6	-3.1
- Secondary sector <sup>1</sup>	630	1.1	-6.4	-7.4	-16.5	-15.0
- Tertiary sector	2,670	1.9	0.1	-1.9	-2.8	-8.2
Labour force participation rate <sup>2</sup>		67.2	67.7	68.3	67.6	67.8
Employment rate <sup>3</sup>		62.2	61.6	60.1	56.4	51.7
Unemployment as a percentage of the labour force		7.2	8.9	11.8	16.3	23.6

Source: ELSTAT, Labour Force Surveys.
1 Second quarter-on-second quarter.
2 Labour force participation rate of population aged 15-64.
3 Employed persons aged 15-64 as a percentage of population aged 15-64.
4 Average changes and average levels for the first nine months of 2012 are reported in the main text.



			<b>Consumer Price Index</b>	rice Index					Industrial	<b>Industrial Producer Price Index</b>	ce Index		Import	ort
				Sub-indices					Domestic market	market			price index in industry	index ustry
			CPI excl.		-					Sub-indices		External market		
Year or General quarter index	eral Goods	Services	fuel & fresh fruit and vegetables	CPI excluding food & fuel	Food and non- alcoholic beverages	Fresh fruit and vegetables	Fuel	General index	General index excl. energy	Interme- diate goods	Consumer goods	General index	General index	General index excl. energy
2006	3.2 3.4	3.0	2.7	2.5	3.7	3.3	10.9	7.3	6.5	7.3	6.2	4.8	4.2	2.7
2007	2.9 2.5	3.5	2.9	3.0	3.2	5.6	1.3	4.1	2.7	6.1	-0.3	3.0	2.6	3.0
2008	4.2 4.3	3.9	3.4	3.0	5.4	4.6	14.7	10.0	6.4	8.4	4.5	6.4	7.1	2.5
2009	1.2 -0.5	3.6	2.4	2.6	1.9	5.3	-15.7	-5.8	-0.1	-1.2	0.9	-6.0	-1.8	0.5
2010	4.7 5.6	3.6	3.0	3.4	0.1	-4.3	36.2	6.1	0.9	2.3	-0.3	8.8	6.6	1.4
2011	3.3 4.2	2.3	1.5	1.3	3.1	5.1	18.8	7.4	2.7	4.8	1.1	8.8	7.6	1.5
2012	1.5 2.2	0.5	0.3	0.1	1.5	1.5	12.0	4.9	0.8	0.6	1.1	4.1	4.5	0.6
2009 Q1	1.5 -0.5	4.3	3.2	3.3	3.6	8.2	-22.6	-5.2	1.1	0.5	1.5	-7.8	-2.4	1.4
Q2	0.7 -1.5	3.7	2.3	2.5	2.7	11.0	-23.0	-8.8	-0.7	-2.2	0.5	-9.5	-4.4	0.5
Q3	0.7 -1.2	3.3	2.1	2.3	2.1	8.3	-18.5	-9.1	-1.0	-2.9	0.8	-8.2	-3.7	-0.2
Q4	2.0 1.0	3.2	2.0	2.4	-0.7	-5.8	4.8	0.4	0.4	0.1	0.7	2.0	3.7	0.1
2010 Q1	3.0 2.8	3.3	1.7	2.1	-1.7	-9.4	33.0	6.4	1.1	1.5	0.8	9.4	8.3	0.8
Q2	5.2 6.2	3.8	3.3	3.8	-0.9	-9.3	42.9	7.5	1.1	2.3	0.0	10.2	8.0	1.4
Q3	5.5 6.7	4.0	3.7	4.1	1.4	1.2	35.3	4.9	0.6	2.3	-0.9	7.5	5.2	1.4
Q4	5.1 6.6	3.1	3.3	3.6	1.6	2.1	33.5	5.6	1.0	3.2	-0.9	8.3	5.1	1.9
2011 Q1	4.7 5.9	3.2	2.5	2.5	2.5	3.4	29.2	7.6	2.6	6.3	-0.3	10.2	7.4	2.1
Q2	3.5 4.5	2.4	1.7	1.6	3.4	10.2	17.1	7.1	3.0	5.7	1.0	8.4	7.1	1.8
Q3	2.4 2.9	1.8	0.7	0.3	2.8	2.0	16.1	8.1	2.8	4.7	1.6	9.3	7.8	1.5
Q4	2.8 3.6	1.9	1.3	0.8	3.7	4.7	14.3	6.9	2.2	2.8	1.9	7.5	8.1	0.7
2012 Q1	2.0 2.5	1.4	0.9	0.6	2.5	2.2	12.6	7.1	1.1	0.8	1.6	6.2	7.7	0.5
Q2	1.5 2.0	0.9	0.7	0.5	1.8	1.0	8.9	4.5	0.7	0.5	1.0	3.8	4.3	0.6
Q3	1.3 1.9	0.6	0.3	0.1	1.6	4.7	10.1	5.3	0.7	0.5	1.0	4.2	5.0	0.6
Q4	1.1 2.5	2.0-	5 0-	2 0-	00	-16	16.6	00	0.6	0.6	2.0	<i>c c</i>	11	0.8

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**Table 9 Price indicators** 



Table 10 Price developments in Greece and the euro area	ea.											
(annual percentage changes)												
	2011	2012	2012 March	2012 Apr.	2012 May	2012 June	2012 July	2012 Aug.	2012 Sept.	2012 Oct.	2012 Nov.	2012 Dec.
A. Euro area												
Harmonised Index of Consumer Prices (HICP) and its components												
Overall index	2.7	2.5	2.7	2.6	2.4	2.4	2.4	2.6	2.6	2.5	2.2	2.2
Goods	3.3	3.0	3.3	3.2	2.9	2.8	2.8	3.2	3.2	3.0	2.6	2.5
Food	2.7	3.1	3.3	3.1	2.8	3.2	2.9	3.0	2.9	3.1	3.0	3.2
Processed food <sup>1</sup>	3.3	3.1	3.9	3.7	3.4	3.2	2.9	2.7	2.5	2.4	2.4	2.4
Unprocessed food	1.8	3.0	2.2	2.1	1.8	3.1	2.9	3.5	3.7	4.3	4.1	4.4
Industrial goods	3.7	3.0	3.4	3.2	3.0	2.6	2.8	3.3	3.4	3.0	2.4	2.2
Non-energy industrial goods	0.8	1.2	1.4	1.3	1.3	1.3	1.5	1.1	1.2	1.1	1.1	1.0
Energy	11.9	7.6	8.5	8.1	7.3	6.1	6.1	8.9	9.1	8.0	5.7	5.2
Services	1.8	1.8	1.8	1.7	1.8	1.7	1.8	1.8	1.7	1.7	1.6	1.8
Industrial producer prices	5.9	2.7	3.5	2.6	2.3	1.8	1.7	2.7	2.7	2.6	2.1	2.1
B. Greece												
Harmonised Index of Consumer Prices (HICP) and its components												
Overall index	3.1	1.0	1.4	1.5	0.9	1.0	6.0	1.2	0.3	0.9	0.4	0.3
Goods	4.0	1.9	2.0	2.4	1.5	1.5	1.4	1.7	1.2	2.4	1.7	1.9
Food	4.2	1.3	1.9	1.3	1.4	1.6	1.4	1.8	0.9	0.4	-0.3	-0.7
Processed food <sup>1</sup>	4.7	1.2	2.0	1.9	1.7	1.5	1.6	1.3	-0.3	-0.5	-0.6	-0.7
Unprocessed food	3.4	1.4	1.8	0.5	0.8	1.8	1.1	2.5	2.9	2.0	0.3	-0.6
Industrial goods	3.9	2.3	2.1	3.1	1.6	1.4	1.3	1.7	1.3	3.7	2.8	3.5
Non-energy industrial goods	-0.2	-0.6	-1.0	0.6	-0.6	-0.7	-0.7	-1.1	-1.6	-0.4	-0.7	0.3
Energy	16.7	12.6	12.7	12.0	9.2	8.4	9.0	12.6	11.7	18.2	15.2	14.9
Services	1.9	-0.2	0.5	0.3	0.2	0.3	0.2	0.2	-0.9	-1.1	-1.2	-1.8
Industrial producer prices	7.4	4.9	6.7	5.2	5.1	3.2	4.1	6.8	5.1	4.2	2.6	2.1
Source: Calculations based on ECB and ELSTAT data. 1 Including alcoholic beverages and tobacco.												



# Table 11 Contributions to the inflation differential between Greece and the euro area (2007-2012)

(percentage points)						
	2007	2008	2009	2010	2011	2012
HICP inflation differential	0.9	1.0	1.1	3.1	0.4	-1.5
Contributions:						
Core inflation	1.00	0.77	0.91	1.60	-0.04	-1.64
of which						
Services	0.50	0.56	0.64	0.71	0.01	-0.86
Processed food	0.13	-0.14	0.14	0.52	0.21	-0.29
Non-energy industrial goods	0.35	0.35	0.13	0.37	-0.26	-0.49
Unprocessed food	-0.06	0.03	0.39	-0.12	0.08	-0.16
Energy	-0.03	0.24	-0.25	1.66	0.40	0.35



### Table 12 Earnings and labour costs (2006-2013)

(annual percentage changes)								
	2006	2007	2008	2009	2010	2011	2012	2013 (forecast)
Average gross earnings (nominal):								
– total economy	5.7	5.2	6.2	4.6	-4.6	-1.7	-6.6	-7.7
- central government <sup>1</sup>	3.1	3.8	7.1	5.2	-7.7	-0.5	-3.8	-6.7
– public utilities	7.0	7.1	8.2	7.7	-5.5	-7.9	-9.5	-10.0
– banks	10.8	8.9	0.0	3.7	-1.8	0.1	-7.5	-10.0
- non-bank private sector	6.8	6.1	6.5	2.8	-2.9	-1.7	-9.3	-7.8
Minimum earnings	6.2	5.4	6.2	5.7	1.7	0.9	-19.6 <sup>3</sup>	
Average gross earnings (real)	2.4	2.2	1.9	3.3	-8.9	-4.7	-7.6	-7.3
Total compensation of employees	7.8	8.2	8.5	3.2	-6.9	-8.1	-13.9	-11.5
Compensation per employee	5.9	5.6	6.8	4.9	-4.0	-0.7	-6.0	-7.9
Unit labour costs:								
– total economy	2.2	4.5	8.7	6.4	-2.1	-1.1	-8.0	-7.3
– business sector <sup>2</sup>	2.8	5.3	7.9	4.4	-1.1	-3.5	-12.1	-8.0

Sources: ELSTAT (GDP 2006-2011), Bank of Greece estimates/forecasts (GDP for 2012-2013 and the other annual aggregates for 2006-2013).

3 Average compensation per employee.
2 The business sector includes private and public enterprises and banks.
3 Average annual change, based on the cut of minimum earnings by a percentage between 22% (for persons aged 25+) and 32% (for persons under 25), as of 15 February 2012.



# Table 13 Average earnings and unit labour costs in total economy: Greece and the euro area (2001-2013)

(annual percentage change	es)			
	Average	earnings	Unit labo	our costs
Year	Greece	Euro area	Greece	Euro area
2001	4.7	2.8	3.9	2.4
2002	6.6	2.7	5.5	2.5
2003	5.6	2.9	2.3	2.2
2004	7.2	2.6	4.3	1.0
2005	4.4	2.2	3.4	1.3
2006	5.7	2.5	2.2	1.1
2007	5.2	2.5	4.5	1.4
2008	6.2	3.4	8.7	3.8
2009	4.6	1.8	6.4	4.3
2010	-4.6	1.9	-2.1	-0.7
2011	-1.7	2.2	-1.1	0.9
2012	-6.6	1.9	-8.0	1.4
2013 (forecast)	-7.7	2.0	-7.3	1.2

Sources: For Greece, Bank of Greece estimates; for the euro area: European Commission, Economic Forecasts, Autumn 2012.



### Table 14 Greece: nominal and real effective exchange rate (EER) indices<sup>1</sup>

(annual percentage changes in year averages)

		Real	EER
	Nominal EER	On the basis of relative consumer prices	On the basis of relative unit labour costs in total economy
2000	-6.3	-6.9	-5.0
2001	1.7	1.1	0.4
2002	2.3	2.6	4.3
2003	5.0	5.5	4.0
2004	1.7	1.9	4.4
2005	-1.0	-0.1	0.5
2006	0.0	0.8	0.9
2007	1.3	1.6	3.7
2008	2.4	2.5	6.6
2009	1.2	1.6	3.4
2010	-2.8	-0.5	-5.2
2011	0.5	0.4	-2.1
2012*	-2.0	-3.3	-12.05
Cumulative percentage change between 2001 and 2012	10.5	14.6	7.4

Sources: Exchange rates: ECB, euro reference exchange rates. CPI: ECB, HICP where available. Unit labour costs in total economy: Bank of Greece estimates for Greece, ECB for the other countries.

\* Provisional data and estimates.

These indices are compiled by the Bank of Greece and include Greece's 28 main trading partners. Weights were revised on the basis of imports and exports of manufacturing goods (SITC 5-8) in the years 1998-2000 for the period 1993-2000 and in the years 2004-2006 for the period 2001-2011. Weights take account of third-market effects.



### Table 15 Selected indicators of social cohesion

		Greece						EU-151	EU-27 <sup>1</sup>
Indicator	2005	2006 2007	2008 2009	2010	2011				
I. Risk of poverty									
1 At-risk-of-poverty rate									
1.1 Total population	19.6	20.5	20.3	20.1	19.7	20.1	21.4	16.7	16.9
a. People aged 65+	27.9	25.6	22.9	22.3	21.4	21.3	23.6	16.4	16.0
b. Children aged 0-15	19.3	21.5	22.8	22.7	23.4	22.3	23.3	19.5	20.3
c. Single-parent households	43.5	29.6	34.2	27.1	32.1	33.4	43.2	34.7	34.5
d. Two adults with 3 or more children	32.7	38.0	29.7	27.2	28.6	26.7	20.8	24.0	25.9
1.2 In-work poverty	12.9	13.9	14.3	14.3	13.8	13.8	11.9	8.5	8.9
a. Part-time employment	24.1	26.1	27.2	26.0	26.9	29.4	21.4	12.1	13.5
b. Temporary employment	17.4	18.2	19.0	15.9	15.1	13.4	8.9	13.7	13.2
1.3 Unemployed	32.6	33.3	35.9	37.0	37.9	38.6	44.0	45.1	45.1
2 At-risk-of-poverty gap <sup>2</sup>									
Total population	23.9	25.8	26.0	24.7	24.1	23.4	26.1	22.5	23.3
a. People aged 65+	23.7	24.4	24.2	20.8	14.7	14.6	21.1	16.4	16.6
b. Children aged 0-15	22.5	25.7	30.0	26.5	26.4	27.3	27.8	23.5	24.4
3 At-risk-of-poverty line (in euro)									
a. Single-member households	5,650	5,910	6,120	6,480	6,897	7,178	6,591		
b. Two adults with two children	11,866	12,411	12,852	13,608	14,484	15,073	13,842		
II. Inequality indicators									
1. Gini coefficient	33.2	34.3	34.3	33.4	33.1	32.9	33.6	30.8	30.7
2. S80/S20 ratio <sup>3</sup>	5.8	6.1	6.0	5.9	5.8	5.6	6.0	5.1	5.1
III. Social welfare									
1. Social expenditure, % of GDP									
Total	24.9	24.7	24.8	26.3	28.0	29.1		30.3	29.5
a. Pensions	12.2	12.1	12.3	12.7	13.4	13.9		13.3	13.1
b. Social transfers	12.7	12.6	12.5	13.6	14.6	15.2		17.0	16.4
2. Reduction in the at-risk-of-poverty rate:									
Social expenditure (total)	19.6	20.0	21.6	21.4	22.3	22.7	23.5	25.8	26.3
a. Pensions	16.6	17.1	18.2	18.2	19.3	19.0	20.1	16.1	17.1
b. Social transfers	3.0	2.9	3.4	3.2	3.0	3.7	3.4	9.7	9.2

Source: Eurostat.
1 Data for the EU-15 and the EU-27 refer to the latest available year (2011 data referring to the earnings of 2010).
2 Distance of the income of the poor from the poverty line as a percentage of the poverty line.
3 Income quintile share ratio, calculated as the ratio of total income received by 20% of the households with the highest income (the top quintile) to that received by 20% of the households with the lowest income (the bottom quintile).



### Table 16 Balance of payments

(million euro)

			January-December	
		2010	2011	2012*
I CURRENT ACCOUNT BALANCE (I.A+I.B+I.C+I.D)		-22,506.0	-20,633.5	-5,583.7
I.A	Trade balance (I.A.1–I.A.2)	-28,279.6	-27,229.1	-19,582.7
	Oil trade balance	-8,627.2	-11,126.9	-10,220.0
	Non-oil trade balance	-19,652.4	-16,102.1	-9,362.8
	Ships balance	-3,672.7	-3,370.9	-1,042.6
	Trade balance excl. oil and ships I.A.1 Exports of goods	-15,979.7 <i>17,081.5</i>	-12,731.2 20,230.6	-8,320.1 22,017.6
	Oil	4,950.0	6,187.7	7,426.4
	Ships (receipts)	858.1	695.1	737.8
	Other goods	11,273.4	13,347.8	13,853.5
	I.A.2 Imports of goods	45,361.0	47,459.6	41,600.4
	Oil	13,577.1	17,314.6	17,646.3
	Ships (payments)	4,530.8	4,066.0	1,780.4
	Other goods	27,253.1	26,079.0	22,173.7
I.B	Services balance (I.B.1-I.B.2)	13,248.5	14,629.6	14,719.4
	I.B.1 Receipts	28,477.8	28,609.2	27,105.6
	Travel	9,611.3	10,504.7	10,024.1
	Transport	15,418.4	14,096.6	13,286.4
	Other services	3,448.1	4,007.9	3,795.2
	I.B.2 Payments	15,229.4	13,979.6	12,386.3
	Travel	2,156.0	2,266.5	1,848.7
	Transport	8,155.4	7,234.4	6,322.0
	Other services	4,917.9	4,478.7	4,215.5
I.C	Income balance (I.C.1-I.C.2)	-7,673.8	-8,594.8	-2,164.8
	I.C.1 Receipts	4,009.3	3,322.1	3,272.8
	Wages, salaries	199.7	188.0	200.0
	Interest, dividends, profits	3,809.6	3,134.1	3,072.7
	I.C.2 Payments	11,683.1	11,916.9	5,437.5
	Wages, salaries	377.6	470.0	468.0
LD	Interest, dividends, profits	11,305.5	11,447.0	4,969.6
I.D	Current transfers balance (I.D.1–I.D.2)	198.9	560.8	1,444.4
	I.D.1 Receipts	<i>4,654.3</i> 3,188.5	4,435.0	5,124.6 4,060.2
	General government (mainly receipts from the EU) Other sectors (emigrants' remittances, etc.)	1,465.8	3,254.9 1,180.1	1,064.4
	I.D.2 Payments	4,455.4	3,874.2	3,680.2
	General government (mainly payments to the EU)	2,860.4	2,485.4	2,647.9
	Other sectors	1,595.0	1,388.8	1,032.3
	ITAL TRANSFERS BALANCE (II.1–II.2)	2,071.5	2,671.8	2,327.6
II.1	Receipts	2,356.2	2,932.7	2,564.6
	General government (mainly receipts from the EU)	2,239.3	2,798.5	2,486.0
	Other sectors	116.9	134.2	78.6
II.2		284.7	260.8	237.1
	General government (mainly payments to the EU)	15.8	12.7	13.7
	Other sectors	268.9	248.1	223.3
III CUR	RENT ACCOUNT AND CAPITAL TRANSFERS BALANCE (I+II)	-20,434.5	-17,961.7	-3,256.1
IV FINA	ANCIAL ACCOUNT BALANCE (IV.A+IV.B+IV.C+IV.D)	20,853.9	17,838.1	3,556.0
	Direct investment <sup>1</sup>	-927.0	-452.6	2,322.4
	By residents abroad	-1,176.2	-1,274.9	30.4
	By non-residents in Greece	249.2	822.3	2,292.0
IV.B	Portfolio investment <sup>1</sup>	-20,855.0	-19,778.3	-100,503.9
	Assets	13,278.7	4,139.0	-58,686.1
	Liabilities	-34,133.6	-23,917.3	-41,817.8
IV.C	Other investment <sup>1</sup>	42,538.8	38,050.0	101,742.6
	Assets	7,658.7	7,638.7	13,976.2
	Liabilities	34,880.2	30,411.3	87,766.4
	(General government borrowing)	29,978.18	39,873.869	109,093.94
	Change in reserve assets <sup>2</sup>	97.0	19.0	-5.0
	ORS AND OMISSIONS	-419.4	123.6	-299,9
RESER	VE ASSETS	4,777	5,332	5,500

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



#### Table 17 Direct investment

(million euro)			
A. Geographical breakdown of inward foreign direct investment			
	2010	2011*	2012*
European Union - 27	197	376	2,237
Euro area	530	224	2,065
Other OECD countries <sup>1</sup>	45	509	155
Balkan countries <sup>2</sup>	3	-2	-3
Middle East, Mediterranean and former USSR <sup>3</sup>	9	15	21
Other	-4	-77	-118
Total direct investment by non-residents	249	822	2,292
B. Geographical breakdown of outward foreign direct investmen	ıt		
	2010	2011*	2012*
European Union - 27	607	837	-418
Euro area	489	120	402
Other OECD countries <sup>1</sup>	542	324	218
Balkan countries <sup>2</sup>	90	18	53
Middle East, Mediterranean and former USSR <sup>3</sup>	17	12	12
Other	-80	84	105
Total direct investment by residents	1,176	1,275	-30

Source: Bank of Greece.
\* Provisional data.
1 Australia, Canada, Iceland, Japan, S. Korea, Mexico, New Zealand, Norway, Switzerland, Turkey and United States.
2 Albania and former Yugoslavia (Bosnia-Herzegovina, Croatia, FYROM, Serbia and Montenegro).
3 Greece's main trading partners in the Middle East, the Mediterranean and former USSR countries.



#### Table 18 Greece's international investment position

(million euro)			
	2010	<b>2011</b> <sup>1</sup>	2012*
1. Direct investment	5,686	11,228	5,986
Abroad by residents	31,899	33,772	33,627
In Greece by non-residents	26,213	22,544	27,641
2. Portfolio investment	-88,162	-17,716	51,332
Assets	71,839	63,920	111,955
Liabilities	160,001	81,636	60,623
3. Financial derivatives	1,395	2,104	2,850
4. Other investment	-142,328	-180,504	-285,552
Assets	112,576	106,275	91,073
Liabilities	254,904	286,779	376,625
5. Reserve assets	4,777	5,332	5,500
Net international investment position (i.i.p.) (1+2+3+4+5)	-218,632	-179,556	-219,884
GDP	222,151	208,532	195,018
Net i.i.p. as % of GDP	-98.4	-86.1	-112.8
Courses Borth of Crosse			

Source: Bank of Greece. \* For 2012, Bank of Greece estimates based on provisional b.o.p. and i.i.p. data. 1 Revised data.



#### Table 19 Gross external debt position

(million euro)						
	2007	2008	2009	2010	<b>2011</b> <sup>1</sup>	2012*
A. General government	177,106	191,985	224,946	181,902	156,995	244,057
B. Bank of Greece	10,797	35,348	49,036	87,088	104,750	98,355
C. Other credit institutions	97,424	111,194	112,861	116,422	91,191	75,500
D. Other sectors	19,501	21,252	24,216	16,691	9,698	12,131
E. Direct investment (intercompany lending)	3,690	4,614	5,716	5,072	7,316	7,363
Debt liabilities to affiliated enterprises	827	1,082	2,824	1,635	1,750	1,722
Debt liabilities to direct investors	2,863	3,532	2,892	3,437	5,566	5,641
Gross external debt (A+B+C+D+E)	308,517	364,393	416,775	407,175	369,950	437,406
% of GDP	138.25	156.26	180.36	183.29	177.41	224.29

Source: Bank of Greece. \* For 2012, Bank of Greece estimates based on provisional b.o.p. and i.i.p. data. 1 Revised data.



# Table 20 Export activity data based on a sample of Panhellenic Exporters' Association members

		2012
7.3	25.2%	38.7%
% 3.65%	2.9%	2.9%
% 11%	32.8%	9.5%
79	3.65%	3.65%         2.9%



#### Table 21 General government and state budget deficits

(percentages of GDP)					
	2008	2009	2010	2011	2012*
General government deficit <sup>1</sup> (national accounts data – convergence criterion)	-9.8	-15.6	-10.7	-9.4	-6.6
– Central government	-9.9	-15.4	-11.8	-9.0	-
<ul> <li>Social security organisations, local government, legal entities in public law</li> </ul>	0.1	-0.3	1.1	-0.4	-
State budget deficit <sup>2</sup> (administrative data)	-6.2	-14.6	-10.0	-10.9	-8.1
State budget deficit <sup>3</sup> (cash data)	-7.4	-14.1	-10.5	-11.1	-5.5 <sup>4</sup>

Sources: Bank of Greece, Ministry of Finance and ELSTAT. \* Provisional data.

<sup>-</sup> Provisional data.
1 ELSTAT data, as notified to the European Commission (Excessive Deficit Procedure). Data on the general government deficit for 2011 are estimates from the State General Accounting Office's general government cash data of February 2012. Figures may not add up due to rounding.
2 State General Accounting Office data, as shown in the state budget.
3 Bank of Greece data referring to the state budget deficit on a cash basis excluding movements in the OPEKEPE account.
4 Excluding accrued interest of €4,751 million, paid in the form of EFSF notes, on PSI bonds, as well as interest payments of €519 million due to the debt buy-back through EFSF notes.



#### Table 22 Consolidated debt of general government<sup>1</sup>

(million euro)							
	2005	2006	2007	2008	2009	2010	2011
Short-term	1,337	2,479	2,180	5,790	12,334	11,745	14,449
- securities	1,156	943	1,625	5,496	10,820	9,121	11,844
- loans	181	1,536	555	294	1,514	2,624	2,605
Medium- and long-term	209,846	221,409	236,617	256,767	285,871	316,763	340,524
- securities	168,336	178,600	192,712	211,516	242,802	244,312	240,004
- loans	41,510	42,809	43,905	45,251	43,069	72,451	100,520
Coin and deposits	1,235	988	693	728	1,477	1005	820
Total	212,418	224,876	239,490	263,285	299,682	329,513	355,793
% of GDP	110.0	107.7	107.5	112.9	129.7	148.3	170.6
- euro-denominated debt	209,671	222,820	237,574	261,653	298,422	323,500	347,642
of which:							
to the Bank of Greece	(7,988)	(7,991)	(7,521)	(7,051)	(6,581)	(6,154)	(5,684)
to the IMF/EU/ECB						(27,121)	(65,379)
- non-euro denominated debt <sup>2</sup>	2,747	2,056	1,916	1,632	1,260	6,013	8,151
of which: to the IMF/EU/ECB						(4,704)	(7,831)

Source: State General Accounting Office. 1 According to the definition in the Maastricht Treaty. 2 Valuation using exchange rates as at 31 December of each year.



#### Table 23 Decomposition of changes in the general government debt-to-GDP ratio<sup>1</sup>

(percentages of GDP)											
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012*
General government debt-to-GDP ratio	101.7	97.4	98.9	110.0	107.8	107.3	112.9	129.7	148.3	170.6	161.0
Changes in the general government debt-to-GDP ratio	-2.1	-4.2	1.4	11.2	-2.2	-0.5	5.6	16.8	18.6	22.2	-9.6
- Primary balance	-0.8	0.7	2.7	0.8	1.1	1.7	4.7	10.5	4.7	2.2	1.2
<ul> <li>Change in GDP and change in interest rates</li> </ul>	-1.2	-4.3	-1.9	0.7	-3.5	-2.2	0.5	6.2	11.2	16.9	18.2
- Deficit-debt adjustment <sup>2</sup>	-0.1	-0.5	0.7	9.7	0.2	0.1	0.4	0.1	2.7	3.1	-29.0

Sources: Ministry of Finance, General Directorate of Economic Policy, "Hellas: Macroeconomic Aggregates", European Commission, "The Second Economic Adjustment Programme for Greece-First Review December 2012". \* Provisional data. GDP for 2012 is €194,003 million.

1 Changes in the debt ratio have been decomposed using the following formula:

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

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

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



#### Table 24 State budget deficit on a cash basis<sup>1,2</sup>

#### (million euro)

		Annua	al data	
	2009	2010	2011	2012*
State budget	32,622	23,396	23,144	10,697
% of GDP	14.1	10.5	11.1	5.5
- Ordinary budget <sup>3</sup>	25,3184	18,3335	20,4626	8,5037
- Public investment budget	7,304	5,063	2,682	2,194

Source: Bank of Greece.

\* Provisional data.

1 As shown by the respective accounts with the Bank of Greece and other credit institutions.

2 Excluding movements in the OPEKEPE (Payment and Control Agency for Guidance and Guarantee Community Aid) account.

3 Including movements in public debt management accounts. 4 Not taking into account expenditure of €3,769 million for the acquisition of preference shares of Greek banks pursuant to Law 3723/2008 and of €1,500 million for the issuance of bonds to cover the capital increase of the Guarantee Fund for Small and Very Small Enterprises (TEMPME), but including revenue of €673.6 million from the sale of OTE shares, of €72.3 million from the privatisation of Olympic Airlines, as well as the issuance of a bond amounting to €531 million, the proceeds of which were given as a grant to OGA to cover obligations of the Greek government.

5 Including expenditure of: a) €297.9 million (bond issue reopening) for the payment of past government debt to the Social Insurance Institute (IKA); and b) €714.7 million (bond issuance) for the payment of Greek government debt to the Hellenic Petroleum SA (ELPE), EGNA-TIA MOTORWAY SA, and the Agricultural Bank of Greece, but excluding expenditure of: a) €849.2 million (bond issue reopening) for the repayment of public hospitals' arrears pursuant to Article 27 of Law 3867/2010, which burdens the 2010 debt; and b) €424.3 million (bond issuance) for the settlement of financial obligations to the Hellenic Agricultural Insurance Organisation (ELGA), a replacement of previous loan with the same terms. Also excluding expenditure of €1,500 million for the paying-up of the capital of the Hellenic Financial Stability Fund.

6 Not including revenue of: a) €675 million from the sale of preference shares of the Agricultural Bank of Greece by the Greek State; and b) €250 million from the Deposits & Loans Fund due to the reduction of its reserves. By contrast, including privatisation proceeds of €1,536 million, but excluding expenditure of: a) €4,011 million (bond issue reopening) for the repayment of public hospitals' arrears pursuant to Article 27 of Law 3867/2010, which burdens the 2011 debt; b) €350 million (bond issuance) for the settlement of financial obligations of the Hellenic Agricultural Insurance Organisation (ELGA), a replacement of previous loan with the same terms; and c) €140.2 million (bond issuance) for covering the State's debt to the former employees of Olympic Airlines that were laid off. Also, not including expenditure of €1,551.8 million for the participation of the Greek State to capital increases, of which €1,434.5 million relate to the capital increase of the Agricultural Bank of Greece as well as to the proceeds from a bond issue reopening ( $\leq 1,380$  million) paid for the purchase by the Greek State of preference shares of the National Bank of Greece and Piraeus Bank. 7 Including revenue of: a)  $\leq 303$  million relating to ANFA returns; and b)  $\leq 10.6$  million from privatisation proceeds, but excluding expendi-

ture of: a) €4,751 million for accrued interest paid in the form of EFSF short-term securities on PSI bonds, as well as interest payments to the amount of €519 million due to debt buy-back through securities issued by the EFSF; b) €9.9 million (bond issuance) for covering the State's debt to the Jewish Community of Thessaloniki; and c) €73 million for the participation of the Greek State to capital increases (Horse Racing Organisation of Greece (ODIE), Hellenic Vehicle Industry (ELVO), Hellenic Defence Systems SA, etc.). Including expenditure of €901.3 million relating to Greece's participation in the European Stability Mechanism (ESM).



#### Table 25 Financing of the state budget deficit

(million euro)								
	20	)9	20	10	20	11	201	2*
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
Greek Treasury bills and government bonds <sup>1</sup>	39,953 <sup>4</sup>	122.5	1,1555	4.9	-19,7636	-85.4	-8,3657	-79.5
Change in the balances of central government accounts with the banking system <sup>2</sup>	-4,6124	-14.1	-8,148	-34.8	3,086	13.3	-2,895	-27.5
External borrowing <sup>3</sup>	-2,719	-8.3	-1,314	-5.6	-1,650	-7.1	-1,071	-10.2
Borrowing from the IMF/EU/ECB			31,703	135.5	41,471	179.2	23,028	215.3
– from the EU			21,000		31,900		21,397	
– from the IMF			10,703		9,571		1,631	
Total	32,622	100.0	23,396	100.0	23,144	100.0	10,697	100.0

Source: Bank of Greece.

\* Provisional data.

1 Comprising Treasury bills, short-term securities and government bonds issued in Greece, as well as bonds convertible into shares.

2 Comprising changes in the central government accounts held with the Bank of Greece and other credit institutions. Excluding changes in the OPEKEPE account.

3 Comprising borrowing abroad and securities issuance abroad (all currencies). Excluding non-residents' holdings of bonds issued in Greece. 4 Including the issuance of bonds of €3,769 million for the acquisition of preference shares of Greek banks to help strengthen their liquidity position, as well as the issuance of bonds of €1,500 million for covering the capital increase of the Credit Guarantee Fund for Small and Very Small Enterprises (TEMPME SA).

6 Excluding bonds issued by the Greek government for the payment of arrears of public hospitals and of the Hellenic Agricultural Insurance Organisation (ELGA). See also footnote 5 in Table 24.
6 Excluding bonds issued by the Greek government for the payment of arrears of public hospitals, ELGA and Olympic Airlines. See also foot-

note 6 in Table 24.

7 Excluding expenditure of €9.9 million (bond issuance) for covering the State's debt to the Jewish Community of Thessaloniki.



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(million euro)

			Annual data				Percentage changes	changes	
	2010	2011	2012	5	2013	2011/10	2012/11	11	2013/12
			Revised targets	Execution*	Budget		Revised targets	Execution*	Budget/ Execution*
	(1)	(2)	(3)	(4)	(5)	(6=2:1)	(7=3:2)	(8=4:2)	(9=5:4)
I. Revenue	53,929	53,932	52,393	51,925	51,458	0.0	-2.9	-3.7	-0.9
1. Ordinary budget (net)	50,857	50,159	47,706	48,325	46,322	-1.4	-4.9	-3.7	-4.1
Revenue before tax refunds	56,179	54,285	51,363	51,482	49,137	-3.4	-5.4	-5.2	-4.6
Special revenue from licensing and consession fees	0	1,157	32	15	86				
Tax refunds	5,322	5,283	3,689	3,172	2,901	-0.7	-30.2	-40.0	-8.5
2. Public investment budget	3,072	3,773	4,687	3,601	5,136	22.8	24.2	-4.6	42.6
– Own revenue	271	147	200	166	200	-45.8	36.1	12.9	20.5
- Receipts from the EU	2,801	3,626	4,487	3,434	4,936	29.5	23.7	-5.3	43.7
II. Expenditure	76,212	76,705	68,705	67,614	62,652	0.6	-10.4	-11.9	-7.3
(State budget primary expenditure)	62,989	60,357	56,970	55,391	53,752	-4.2	-5.6	-8.2	-3.0
1. Ordinary budget	67,758	70,146	61,855	61,499	55,802	3.5	-11.8	-12.3	-9.3
<ul> <li>Interest payments</li> </ul>	13,223	16,348	11,735	12,223	8,900	23.6	-28.2	-25.2	-27.2
- Ordinary budget primary expenditure	52,179	51,561	47,586	47,137	44,650	-1.2	<i>T.T.</i>	-8.6	-5.3
- Grants to hospitals for past debt settlement	367	435	400	392	400				
<ul> <li>Procurement of defense equipment</li> </ul>	1,017	360	700	410	750				
- Call-in of guarantees from entities of which	972	1,442	869	296	1,027				
from within the general government	827	1,249	691	679	558				
from outside the general government	145	193	178	117	469				
- Fee for disbursement of EFSF loans	0	0	565	541	75				
2. Public investment budget	8,454	6,559	6,850	6,114	6,850	-22.4	4.4	-6.8	12.0
III. State budget balance	-22,283	-22,773	-16,312	-15,688	-11,194	2.2	-28.4	-31.1	-28.6
% of GDP	-10.0	-10.9	-8.4	-8.1	-6.1				
1. Ordinary budget	-16,901	-19,987	-14,149	-13,174	-9,480				
2. Public investment budget	-5,382	-2,786	-2,163	-2,513	-1,714				
IV. State budget primary balance	-9,060	-6,425	-4,577	-3,465	-2,294	-29.1	-28.8	-46.1	-33.8
% of GDP	-4.1	-3.1	-2.4	-1.8	-1.3				
V. General government balance									
% of GDP (on a national accounts basis)	-10.7	-9.4	-6.6	1	-5.2				
Amortisation payments	19,549	28,843	12,860	23,905	12,845	47.5	-55.4	-17.1	-46.3
GDP (at current prices)	222,151	208,532	194,003	194,003	183,049	-6.1	-7.0	-7.0	-5.6
Source: Ministry of Finance. * Provisional data.									



#### Table 27 Bank interest rates on new deposits by households in Greece and the euro area

(percentages per annum)			
	December 2011	December 2012	Change Dec. 2012/ Dec. 2011 (percentage points)
Overnight <sup>1</sup>			
Weighted average interest rate in the euro area	0.54	0.39	-0.15
Maximum interest rate	1.10	1.10	0.00
Minimum interest rate	0.09	0.02	-0.07
Interest rate in Greece	0.48	0.49	0.01
Interest rate differential between Greece and the euro area	-0.06	0.10	0.16
With an agreed maturity of up to one year <sup>2</sup>			
Weighted average interest rate in the euro area	2.78	2.71	-0.07
Maximum interest rate	4.88	4.70	-0.18
Minimum interest rate	0.98	0.41	-0.57
Interest rate in Greece	4.88	4.70	-0.18
Interest rate differential between Greece and the euro area	2.10	1.99	-0.11
Sources: ECB and euro area NCBs. 1 End-of-month rates. 2 Monthly averages.			



#### Table 28 Bank interest rates on new loans in Greece and the euro area

(percentages per annum)			
	Δεχέμβριος 2011	Δεκέμβ <u>ο</u> ιος 2012	Change Dec. 2012/ Dec. 2011 (percentage points)
A. Loans with a floating rate or an initial rate fixation of up to one year <sup>1</sup>			
A.1. Loans up to €1 million to non-financial corporations			
Weighted average interest rate in the euro area	4.44	3.79	-0.65
Maximum interest rate	7.53	7.29	-0.24
Minimum interest rate	2.63	2.10	-0.53
Interest rate in Greece <sup>2</sup>	7.26	6.46	-0.80
Interest rate differential between Greece and the euro area	2.82	2.67	-0.15
A.2. Loans of more than $\notin 1$ million to non-financial corporations			
Weighted average interest rate in the euro area	3.16	2.28	-0.88
Maximum interest rate	6.64	6.70	0.06
Minimum interest rate	2.24	1.67	-0.57
Interest rate in Greece	6.64	6.07	-0.57
Interest rate differential between Greece and the euro area	3.48	3.79	0.31
A.3. Housing loans			
Weighted average interest rate in the euro area	3.49	2.86	-0.63
Maximum interest rate	5.73	5.32	-0.41
Minimum interest rate	2.41	1.77	-0.64
Interest rate in Greece	4.18	3.04	-1.14
Interest rate differential between Greece and the euro area	0.69	0.18	-0.51
A.4. Consumer loans			
Weighted average interest rate in the euro area	5.27	5.32	0.05
Maximum interest rate	21.33	18.94	-2.39
Minimum interest rate	3.08	3.54	0.46
Interest rate in Greece	8.49	7.59	-0.90
Interest rate differential between Greece and the euro area	3.22	2.27	-0.95
B. Loans with an initial rate fixation of over one and up to 5 years <sup>1</sup>			
B.1. Housing loans			
Weighted average interest rate in the euro area	3.74	3.24	-0.50
Maximum interest rate	5.58	6.90	1.32
Minimum interest rate	2.57	2.46	-0.11
Interest rate in Greece	3.29		-
Interest rate differential between Greece and the euro area	-0.45	-1.32	-0.87
B.2. Consumer loans			
Weighted average interest rate in the euro area	6.44	6.04	-0.40
Maximum interest rate	23.06	21.19	-1.87
Minimum interest rate	4.76	4.30	-0.46
Interest rate in Greece	9.87	7.04	-0.40
Interest rate differential between Greece and the euro area	3.43	1.00	-2.43
interest rate uniciential between Oreece and the euro area	5.45	1.00	-2.43

Sources: ECB and euro area NCBs. 1 Monthly average rates. 2 As of June 2010, loans to sole proprietors are presented separately and are no longer included in "credit to enterprises".



Table 29 Credit' to the economy by domestic MFIs	4FIs											
(annual percentage changes; non-seasonally adjusted data)												
	2008	2009	2010	2011					2012			
	Q4²	Q4²	Q4²	Q4²	Dec. <sup>3</sup>	Q1 <sup>2</sup>	Q2²	$Q3^2$	Q4²	Oct. <sup>3</sup>	Nov. <sup>3</sup>	Dec. <sup>3</sup>
1. Total MFI credit	16.3	6.5	6.7	-1.3	-1.9	-1.9	-3.4	-3.9	-3.7	-3.4	-3.6	-4.9
2. Credit to general government	7.3	17.2	32.7	2.3	2.0	3.6	0.3	-1.3	-1.0	1.3	-0.2	-8.0
3. Credit to the private sector	18.3	4.4	0.8	-2.4	-3.1	-3.5	-4.5	-4.7	-4.6	-4.8	-4.6	-4.0
3.1 Enterprises <sup>4</sup>	21.8	5.5	1.9	-0.8	-2.0	-2.4	-4.3	-5.0	-5.2	-5.6	-5.4	-4.4
of which:												
3.1.1 Credit to non-financial corporations	23.8	5.4	1.8	-1.0	-1.8	-2.8	-4.1	-4.7	-4.2	-4.4	-4.1	-3.3
3.1.2 Credit to insurance companies and other financial insti- tutions (non-MFI)	-2.4	7.4	4.2	4.2	-5.2	4.3	-8.2	-11.2	-21.1	-23.5	-24.2	-20.9
3.2 Sole proprietors <sup>4</sup>	,	ı	1.3	-6.0	-6.6	-7.3	-6.2	-4.9	-3.3	-3.6	-2.8	-3.0
3.3 Individuals and private non-profit institutions	14.6	3.2	-0.3	-3.6	-3.9	-4.2	-4.4	-4.3	-4.0	-4.1	-3.9	-3.8
of which:												
3.3.1 Housing credit	13.1	3.9	0.5	-2.5	-2.9	-3.1	-3.4	-3.6	-3.6	-3.7	-3.5	-3.4
3.3.2 Consumer credit	18.4	2.4	-3.0	-6.6	-6.4	-6.7	-6.5	-5.7	-5.2	-5.2	-5.1	-5.1
Source: Bank of Greece. 1 Including MFI loans and holdings of corporate bonds and government securities, as well as the outstanding amounts of securitised loans and securitised corporate loans. The rates of change are adjusted for loan write- offs reclassifications and exchange rate variations in respect of loans denominated in foreign currency and for the immaired value of government securities for mubile delt restructuring mirroses in March-Anril 2012	nt securities, as lenominated i	s well as the	outstanding rrency and fo	amounts of a	securitised lo	ans and secu	tritised corpo ecurities for	orate loans.	The rates of	change are a o mirnoses i	adjusted for lo n March-Ann	oan write-

offs, reclassifications and exchange rate variations in respect of loans denominated in foreign currency and for the impaired value of government securities for public debt restructuring purposes in March-April 2012. 2 The quarterly average is derived from monthly averages (which are calculated as the arithmetic means of two successive end-of-month figures) and is not the three-month average of end-of-month annual growth rates (see the Technical notes in the "Euro area statistics" section of the ECB Monthly Bulletin). Then the average quarterly rate of average annual rates is taken for the months comprising this quarter. 3 (see the Technical notes in the "Euro area statistics" section of the ECB Monthly Bulletin). Then the average quarterly rate of average annual rates is taken for the months comprising this quarter. 4 As of June 2010, loans to sole proprietors are presented separately and are no longer included in "credit to enterprises".

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le 30 Credit <sup>1</sup> to the domestic private sector by domestic MFIs
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Tab

# (annual percentage changes; non-seasonally adjusted data)

	Outstanding holonoos on	2008	2009	2010	2011	=			2012		
	31.12.12 (million euro)	Q4²	Q4²	Q4 <sup>2</sup>	Q4 <sup>2</sup>	December <sup>3</sup>	Q1 <sup>2</sup>	Q2 <sup>2</sup>	$03^2$	$Q4^2$	December <sup>3</sup>
A. Enterprises <sup>4,5</sup>	107,335	21.8	5.5	1.9	-0.8	-2.0	-2.4	-4.3	-5.0	-5.2	-4.4
A.1 Non-financial corporations	100,758	23.8	5.4	1.8	-1.0	-1.8	-2.8	-4.1	-4.7	-4.2	-3.3
1. Trade	22,167	22.2	5.0	-2.1	-5.7	-6.0	-6.9	-8.3	-8.5	-8.2	-7.4
2. Industry <sup>6</sup>	22,162	17.4	-2.8	-1.3	0.4	0.1	-1.9	-3.5	-5.3	-3.9	-2.1
3. Shipping	12,442	24.6	3.9	6.9	1.1	2.4	0.2	-0.6	-2.1	-3.4	-3.4
4. Construction	10,286	37.4	2.2	2.3	-3.6	-7.4	-7.0	-7.1	-7.2	-4.9	-1.9
5. Tourism	7,501	24.4	6.4	4.0	-1.0	-2.3	-1.5	-0.4	-0.6	0.2	1.1
6. Electricity - gas - water supply	6,057	36.5	14.8	23.1	13.9	12.3	10.7	5.9	6.1	6.8	4.5
7. Agriculture	1,412	20.5	3.7	0.6	-5.0	-5.6	-8.5	-10.4	-8.6	-7.4	-6.3
8. Transport (excluding shipping)	1,119	35.7	19.5	-3.8	-7.9	-3.7	-5.0	-6.3	-7.3	-7.0	-8.1
9. Other sectors	17,612	23.8	12.3	5.0	0.1	-2.1	-2.3	-3.8	-3.8	-3.8	-3.5
A.2 Insurance companies and other financial institu- tions (non-MFI)	6,577	-2.4	7.4	4.2	4.2	-5.2	4.3	-8.2	-11.2	-21.1	-20.9
B. Sole proprietors <sup>5</sup>	13,790	•	1	1.3	-6.0	-6.6	-7.3	-6.2	-4.9	-3.3	-3.0
C. Individuals and private non-profit institutions	106,530	14.6	3.2	-0.3	-3.6	-3.9	-4.2	-4.4	-4.3	-4.0	-3.8
1. Housing loans	74,634	13.1	3.9	0.5	-2.5	-2.9	-3.1	-3.4	-3.6	-3.6	-3.4
2. Consumer loans	30,236	18.4	2.4	-3.0	-6.6	-6.4	-6.7	-6.5	-5.7	-5.2	-5.1
– Credit cards	6,471	12.4	-0.4	-4.8	-9.9	-9.9	-10.2	-10.1	-9.0	-7.5	-6.8
– Other consumer loans <sup>7</sup>	23,765	20.9	3.4	-2.4	-5.6	-5.3	-5.6	-5.4	-4.7	-4.6	-4.6
3. Other loans	1,660	7.5	-2.3	9.6	3.8	-2.2	-2.1	-4.4	-9.4	-0.2	3.0
TOTAL	227,655	18.3	4.4	0.8	-2.4	-3.1	-3.5	-4.5	-4.7	-4.6	-4.0
Source: Rank of Greece											

# Source: Bank of Greece.

1 Including MFI loans and holdings of corporate bonds as well as the outstanding amounts of securitised loans and securitised corporate loans. The rates of change are also adjusted for writhe-offs, reclassifications and exchange rate variations.

2 The quarterly average is derived from monthly averages (which are calculated as the arithmetic means of two successive end-of-month figures) and is not the three-month average of end-of-month annual growth rates (see the Technical notes in the "Euro area statistics" section of the ECB Monthly Bulletin). Then the average quarterly rate of average annual rates is taken for the months comprising this quarter. 3 Based on end-of-month levels.

4 Sectors are listed in descending order according to their share in total credit, with the exception of "other sectors".
5 As of June 2010, loans to sole proprietors are presented separately and are no longer included in "credit to enterprises".
6 Comprising manufacturing and mining/quarrying.
7 Comprising personal loans and loans against supporting documents.



# Table 31 Financial results of Greek commercial banks and banking groups (Jan.-Sept. 2011 - Jan.-Sept. 2012)

(thousand euro)						
		Banks		В	anking groups	
	JanSept. 2011	JanSept. 2012	Change (%)	JanSept. 2011	JanSept. 2012	Change (%)
Operating income	4,999,982	2,997,987	-40.0	8,183,946	6,367,804	-22.2
Net interest income	4,440,881	3,413,263	-23.1	6,796,897	5,666,115	-16.6
- Interest income	10,695,570	9,172,671	-14.2	13,731,711	12,397,099	-9.7
– Interest expenses	6,254,689	5,759,408	-7.9	6,934,814	6,730,984	-2.9
Net non-interest income	559,101	-415,276	-	1,387,049	701,689	-49.4
– Net fee income	436,231	318,522	-27.0	974,927	889,229	-8.8
- Income from financial operations	-139,543	-642,370	-	30,238	-366,169	-
– Other income	262,413	-91,428	-	381,884	178,629	-53.2
Operating costs	2,624,348	2,496,988	-4.9	4,217,985	4,293,369	1.8
Staff costs	1,513,664	1,449,063	-4.3	2,374,912	2,276,479	-4.1
Administrative costs	922,310	849,949	-7.8	1,432,066	1,387,469	-3.1
Depreciation	186,048	190,706	2.5	385,465	388,694	0.8
Other costs	2,326	7,270	212.6	25,542	240,727	842.5
Net income (operating income less costs)	2,375,634	500,999	-78.9	3,965,961	2,074,435	-47.7
Provisions for credit risk	3,815,494	5,646,806	48.0	4,638,644	6,360,114	37.1
Impairment losses on Greek government bonds <sup>1</sup>	4,342,679	1,594,395	-63.3	4,598,320	1,622,445	-64.7
Other impairment losses <sup>2</sup>		244,893	-		286,078	-
Share of profit (loss) of associates				-16,100	14,063	-
Pre-tax profits	-5,782,539	-6,985,095	-	-5,287,103	-6,180,139	-
Taxes	-1,072,006	-1,250,164	-	-947,475	-1,107,258	-
After tax profits	-4,710,533	-5,734,931	-	-4,339,628	-5,072,881	-

Source: Financial statements of Alpha Bank, Attika Bank, Geniki Bank, National Bank of Greece, Eurobank and Piraeus Bank. The financial results for Piraeus Bank also include data for the 27.7.2012-30.9.2012 period which cover the "healthy" parts of the Agricultural Bank of Greece transferred to Piraeus Bank (Bank of Greece, Resolution Measures Committee Decision – Meeting 4/27.7.12, Government Gazette 2209/27 July 2012).

Aggregates for the Jan.-Sep. 2011 period concern banks' PSI provisions associated with the agreement of 21 July 2011 for the restructuring of Greek government debt. Aggregates for the Jan.-Sept. 2012 period concern further impairment losses associated with the PSI agreements of 26 October 2011 and 21 February 2012 for the restructuring of Greek government debt, which had not been recorded in the 2011 financial statements of banks and banking groups.

2 Impairment losses from corporate bonds, mutual funds and shares and write-downs in the face value of tangible and intangible assets.



#### Table 32 Greenhouse gas emissions<sup>1</sup> and the Kyoto Protocol targets

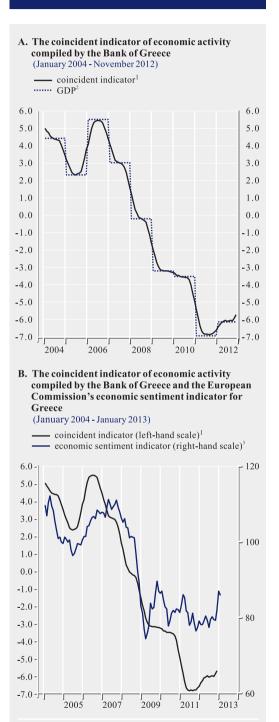
				2010 data				Provis estimate	
	1990	Kyoto Protocol (base year) <sup>2</sup>	2010	Change 2010 over 2009	Change 2010 over 1990	Change of base year- 2010	Kyoto targets 2008-2012	Change 2011 over 2010	Change 2011 over 1990
Country	(in million t	onnes of CO <sub>2</sub> o	equivalents)		(percentage	e changes)		(percentage	changes)
Austria	78.2	79.0	84.6	6.1	8.2	7.0	-13.0	-2.3	5.8
Belgium	143.3	145.7	132.5	5.8	-7.6	-9.1	-7.5	-8.4	-15.3
Denmark	68.6	69.3	61.1	0.6	-11.0	-11.9	-21.0	-7.5	-17.7
Finland	70.4	71.0	74.6	12.8	6.0	5.0	0.0	-8.2	-2.8
France	559.9	563.9	522.4	1.5	-6.6	-7.4	0.0	-4.6	-10.9
Germany	1,246.1	1,232.4	936.5	2.7	-24.8	-24.0	-21.0	-1.8	-26.2
Greece	105.0	107.0	118.3	-5.1	12.6	10.6	25.0	-1.3	11.2
Ireland	55.2	55.6	61.3	-0.7	11.2	10.3	13.0	-5.6	5.0
Italy	519.2	516.9	501.3	2.0	-3.5	-3.0	-6.5	-2.2	-5.6
Luxembourg	12.8	13.2	12.1	4.9	-5.9	-8.3	-28.0	-1.8	-7.6
Netherlands	212.0	213.0	210.1	5.6	-0.9	-1.4	-6.0	-6.0	-6.8
Portugal	60.1	60.1	70.6	-5.1	17.5	17.4	27.0	-0.9	16.5
Spain	282.8	289.8	355.9	-2.8	25.8	22.8	15.0	0.1	25.9
Sweden	72.8	72.2	66.2	11.0	-9.0	-8.2	4.0	-5.1	-13.6
United Kingdom	763.9	776.3	590.2	3.1	-22.7	-24.0	-12.5	-6.1	-27.4
EU-15 (older Member States)	4,249.3	4,265.5	3,797.6	2.1	-10.6	-11.0	-8.0	-3.5	-13.8
EU-27	5,583.1		4,720.9	2.4	-15.4			-2.5	-17.5

Source: For 2010: European Environment Agency Technical Report no. 3/2012, Annual European Union greenhouse gas inventory 1990-2010 and inventory report 2012, 27.5.2012. For 2011: European Environment Agency Technical Report no. 13/2012, Approximated EU GHG inventory: Early Estimates for 2011, 24.10.2012.

1 Total emissions excluding the "land use change and forestry" sector. 2 For  $CO_2$ ,  $CH_4$  and  $N_2O_2$  all Member States chose 1990 as their base year. For HFC, PFC and  $SF_6$ , 12 Member States chose 1995 as their base year, while Austria, France and Italy chose 1990. For Cyprus, Malta and EU-27 neither Kyoto Protocol targets nor respective base year data have been set.



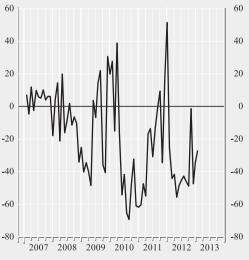
#### Chart I Economic activity indicators



#### Chart 2 Consumer demand indicators







Sources: ELSTAT (retail trade and cars) and IOBE (expectations). The index of business expectations is based on firms' estimates of sales and inventories as well as on their forecasts on business activity over the next three months. 1 Percentage changes over same month of previous year.

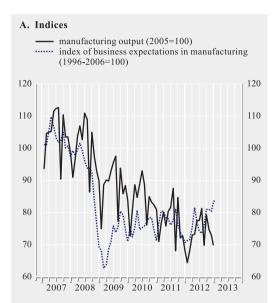
Sources: Bank of Greece (coincident indicator, as well as GDP for 2012), ELSTAT (GDP 2004-2010) and European Commission (economic sentiment indicator).

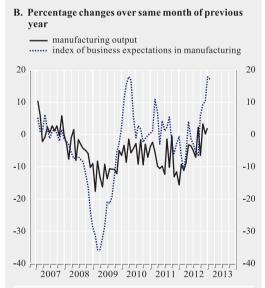
1 Annualised monthly percentage changes.

2 Annual rate of change. 3 Monthly data.



#### Chart 3 Manufacturing output and business expectations (January 2007 - January 2013)

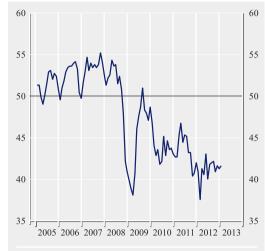


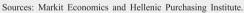


Sources: ELSTAT (output) and IOBE (expectations). The index of business expectations is based on manufacturing firms' assessments regarding aggregate demand and inventory levels as well as output forecasts for the next 3-4 months.

#### Chart 4 Purchasing Managers' Index (PMI) in manufacturing (January 2005 - January 2013)

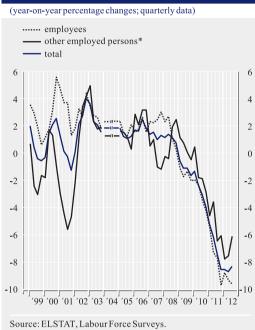
(seasonally adjusted; values over 50 indicate expansion)







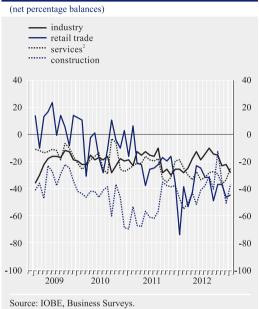
## Chart 5 Employment (1999-2012)



Note: New revised data for 1998-2003, published in January 2005. No changes are shown for 2004, as data are not fully comparable due to a change in the survey sample.

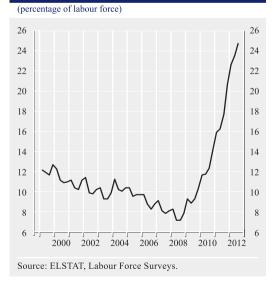
(employers) + self-employed without staff + assistants in family businesses.

# Chart 6 Employment expectations<sup>1</sup> (March 2009 - January 2013)



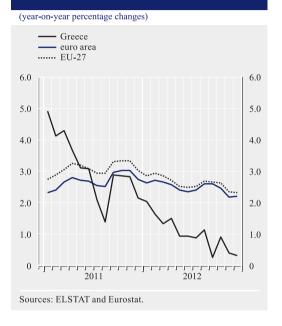
I Firms were asked to assess the prospect of an increase in the number of their employees over the coming period. 2 Excluding banks and retail trade.

# Chart 7 Total unemployment rate (1999-2012)



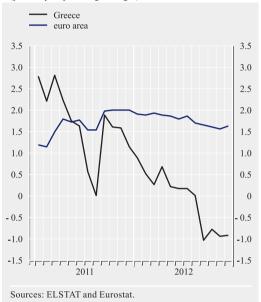


#### Chart 8 Harmonised index of consumer prices in Greece, the euro area and the European Union (January 2011 - December 2012)



#### Chart 9 Core inflation in Greece and the euro area on the basis of the HICP excluding energy and unprocessed food (January 2011 - December 2012)

(year-on-year percentage changes)



#### Chart 10 Annual inflation differentials between Greece and the euro area (2006 - 2012)

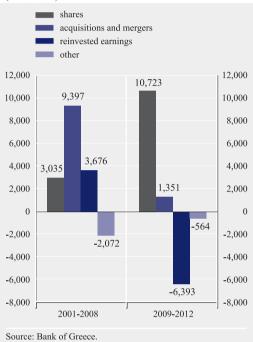


(selected price indicators; differentials in percentage points)

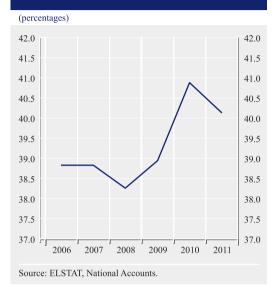


# Chart II Inward foreign direct investment (2001-2012)

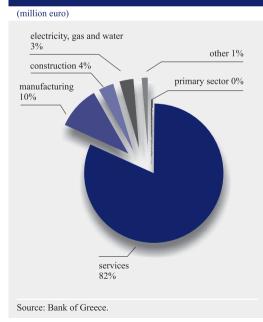
(million euro)



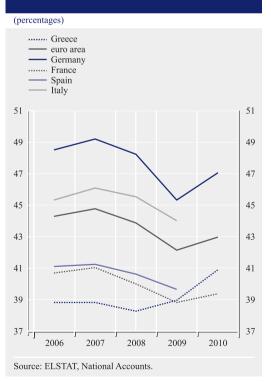
# Chart 13 The share of tradables in total value added in the Greek economy



# Chart 12 Inward foreign direct investment by sector of economic activity (2001-2012)

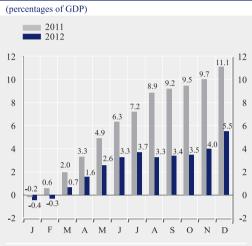


#### Chart 14 The share of tradables in total value added in Greece, the euro area and selected euro area countries





# Chart 15 Net borrowing requirement of central government on a cash basis (January 2011 - December 2012)

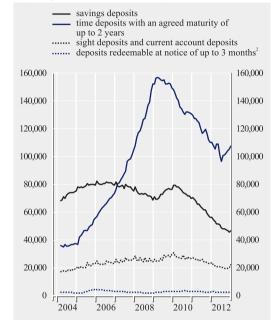


Source: Bank of Greece.

Notes:"Monthly" data refer to the percentage for the period from the beginning of the year up to the reference month. The balance in the OPEKEPE (Payment and Control Agency for Guidance and Guarantee Community Aid) account is excluded.

#### Chart 16 Deposits in Greece<sup>1</sup> (January 2004 - December 2012)

(end-of-period balances; million euro)



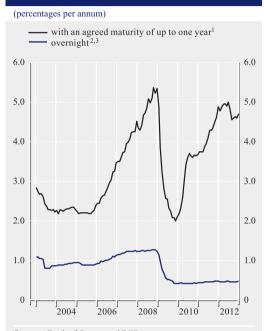
Source: Bank of Greece.

1 These aggregates are included in M3 together with repurchase agreements (repos), money market fund shares/units, and debt securities with a maturity of up to two years, issued by domestic MFIs (minus domestic MFI holdings of debt securities issued by MFIs of other euro area countries) according to the ECB definition.

 $2\,Including\,savings\,deposits\,in\,currencies\,other\,than\,the\,euro.$ 

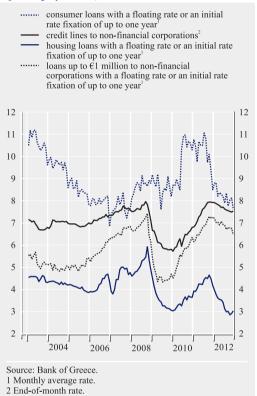


#### Chart 17 Bank interest rates on new deposits by households in Greece (January 2003 - December 2012)



#### Chart 18 Bank interest rates on new loans in Greece (January 2003- December 2012)

(percentages per annum)



Sources: Bank of Greece and ECB.

1 Monthly average rate. 2 Represented by the interest rate on savings deposits, which make up the bulk of overnight deposits. 3 End-of-month rate.

Summary of Annual Report 2012

#### Chart 19 Bank interest rates on new loans: differential between Greece and the euro area (January 2003 - December 2012)

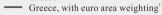
#### (percentage points)



#### Chart 20 Average interest rate spread between new loans and new deposits in Greece (January 2003 - December 2012)

#### (percentage points)

······ Greece





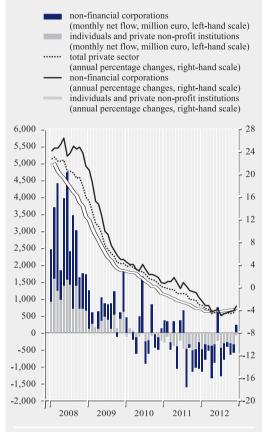
Sources: Bank of Greece and ECB.

1 That is, the spread between the average rate on new bank lending and the average deposit rate, had the composition of loans and deposits in Greece been the same as the euro area average.



#### Chart 21 Credit<sup>1</sup> to the domestic private sector by domestic MFIs (January 2008- December 2012)

#### (monthly net flow<sup>2</sup>; annual percentage changes)

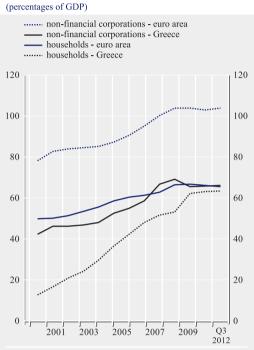


Source: Bank of Greece.

1 Including MFI loans and holdings of corporate bonds, as well as the outstanding amounts of securitised loans and securitised corporate bonds. The annual rates of change are adjusted for loan write-offs and reclassifications and foreign exchange valuation differences on loans denominated in foreign currency.

2 The monthly net flow of credit is calculated as the difference between the outstanding stock of credit at the beginning and the end of a given month, adjusted for foreign exchange valuation differences in respect of loans denominated in foreign currency, loan write-offs and reclassifications during that month.

#### Chart 22 Debt of non-financial corporations<sup>1</sup> and households<sup>2</sup> in the euro area and Greece (2000-Q3 2012)<sup>3</sup>



Sources: Bank of Greece and ECB (outstanding debt), Eurostat and ELSTAT (GDP). GDP figures for 2012 are calculated as the sum of four quarters up to Q3 2012.

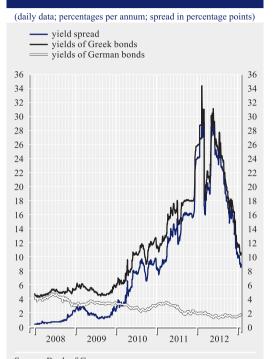
 The debt of non-financial corporations comprises loans, debt securities issued, as well as pension fund reserves.
 Household debt comprises the overall stock of household

2 Household debt comprises the overall stock of household loans and securitised loans. Debt data are derived from the financial accounts of the household sector, which record the sector's total financial assets and liabilities.

3 Due to a reclassification (from June 2010 onwards), loans to sole proprietors, previously included in "credit to enterprises", are now classified as "credit to households". This change increases the debt stock of households (compared with December 2009) and decreases it for non-financial corporations.

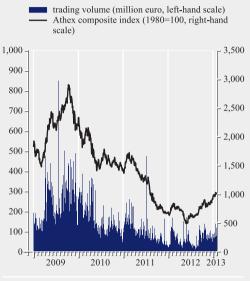


#### Chart 23 10-year Greek and German government bond yields<sup>1</sup> (January 2008-January 2013)



#### Chart 24 Athens Exchange: composite share price index and trading volume (January 2009 - January 2013)

(daily data)



Source: Athens Exchange.

#### Source: Bank of Greece.

1 As Greek government bonds are traded on several regulated markets (e.g. HDAT, BrokerTec, MTS, ICAP etc.), as well as on electronic OTC trading platforms (e.g. Reuters, Bloomberg), divergences in prices (and relevant yields) are often observed across data providers. These divergences became more apparent in Q4 2011 due to considerably lower transactions in Greek bonds; therafter they narrowed, but have not been eliminated.





### ANNUAL ACCOUNTS OF THE BANK OF GREECE FOR THE YEAR 2012



# BALANCE SHEET AS AT 31 DECEMBER 2012

EIGHTY-FIFTH YEAR

(in euro)

2. Chains on non-euro area residents denominated in foreign currency992,872,9702.1 Receivables from the International Monetary Fund (IMF)925,936,9602.2 Balances with banks and security investments, external loans and other external assts66,936,0103. Claims on euro area residents denominated in foreign currency343,692,7703.1 General government286,157,0163.2 Other claims57,535,7544.1 Balances with banks, security investments and loans23,8734.2 Claims arising from the credit facility under ERM II05. Lending to euro area credit institutions related to monetary policy operations19,346,500,0005.1 Main refinancing operations17,401,500,0005.2 Longer-term refinancing operations19,45,000,0005.4 Structural reverse operations05.5 Marginal lending facility05.6 Credits related to margin calls06. Other claims on euro area credit institutions denominated in euro101,850,944,3657.3 Securities of euro area residents denominated in euro13,817,542,8007.1 Securities for ouro area residents denominated in euro13,817,542,8007.2 Other securities of euro area residents denominated in euro6,170,409,0229. Intra-Eurosystem claims1,31,31,910,5919.1 Participating interest in the ECB53,35,65,7139.3 Net claims related to the allocation of euro banknotes within the Eurosystem09.4 Other claims within the Eurosystem (net)09.5 Other claims within the Eurosystem (net)09.5 Other claims within the Eurosystem (net) <th>,770,281,682 982,306,649 942,163,589 40,143,060 ,018,555,147 290,508,741 728,046,406 113,867 113,867 ,159,500,000 ,177,500,000 ,942,000,000 ,009,194,702 ,149,321,189 7,766,490,399</th>	,770,281,682 982,306,649 942,163,589 40,143,060 ,018,555,147 290,508,741 728,046,406 113,867 113,867 ,159,500,000 ,177,500,000 ,942,000,000 ,009,194,702 ,149,321,189 7,766,490,399
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2.1Receivables from the International Monetary Fund (IMF)925,936,9602.2Balances with banks and security investments, external loans and other external assets66,936,0103.Claims on euro area residents denominated in foreign currency343,692,7703.1General government2286,157,0163.2Other claims57,535,7544.Lalances with banks, security investments and loans23,8734.1Balances with banks, security investments and loans23,8734.2Claims arising from the credit facility under ERM II05.Lending to euro area credit institutions related to monetary policy operations denominated in euro19,346,500,0005.1Main refinancing operations1,945,000,0006.3Fine-turing reverse operations05.4Structural reverse operations05.5Marginal lending facility05.6Credits related to margin calls06. Other claims on euro area credid institutions denominated in euro101,850,944,3657.2Other securities of euro area residents denominated in euro101,850,944,3657.2Other securities of euro area residents denominated in euro6,976,2377.1Securities of euro area residents denominated in euro1,381,849,1389.1Participating interest in the ECB533,636,7139.2Chaims related to the allocation of euro bankoles within the Eurosystem 009.3Net claims related to the allocation of euro bankoles within the Eurosystem 00	942,163,589 40,143,060 ,018,555,147 290,508,741 728,046,406 113,867 113,867 0 ,159,500,000 ,942,000,000 0 40,000,000 0 40,000,000 0 ,009,194,702 ,149,321,189
2.2       Balances with banks and security investments, external loans and other external assets       66,936,010         3. Claims on euro area residents denominated in foreign currency       343,692,770       11         3.1       General government       286,157,016       57,535,754         4. Claims on non-euro area residents denominated in euro       23,873       23,873       1         4.1       Balances with banks, security investments and loans       23,873       0         5.1       Lending to euro area credit institutions related to monetary policy operations denominated in euro       19,346,500,000       76         5.1       Main refinancing operations       1,945,000,000       12         5.2       Longer-term refinancing operations       1,945,000,000       12         5.4       Structural reverse operations       0       0         5.5       Marginal lending facility       0       0         5.6       Credits related to margin calls       0       101,850,944,365       52         7.2       Other claims on euro area credit institutions denominated in euro       101,850,944,365       52         7.2       Other securities of euro area residents denominated in euro       6,170,409,022       0         9.       Intra-Eurosystem claims       1,3817,542,800       12	40,143,060 ,018,555,147 290,508,741 728,046,406 113,867 113,867 0 ,159,500,000 0,942,000,000 0 40,000,000 0 40,000,000 0 ,009,194,702 ,149,321,189
3.1General government286,157,0163.2Other claims57,535,7544. Claims on non-euro area residents denominated in euro23,8734.1Balances with banks, security investments and loans23,8734.2Claims arising from the credit facility under ERM II05.Lending to euro area credit institutions related to monetary policy operations denominated in euro19,346,500,0005.1Main refinancing operations17,401,500,0005.2Longer-term refinancing operations1,945,000,0005.3Fine-tuning reverse operations05.4Structural reverse operations05.5Marginal lending facility05.6Credits related to margin calls06. Other claims on euro area credit institutions denominated in euro101,850,944,3657.2Other securities of euro area residents denominated in euro13,817,542,8007.1Securities held for monetary policy purposes 7.26,964,976,2377.2Other securities of euro area residents denominated in euro6,170,409,0228. General government long-term debt denominated in euro1,813,849,138119.1Participating interest in the ECB 9.3533,636,713119.3Net claims related to the allocation of euro banknotes within the Eurosystem 00148,301,8349.4Net claims within the Eurosystem (net)148,301,83409.5Other assets2,490,128,554311.1Coins 11.369,373,41213 <t< td=""><td>290,508,741 728,046,406 <b>113,867</b> 113,867 0 ,159,500,000 ,177,500,000 ,942,000,000 0 40,000,000 0 ,009,194,702 ,149,321,189</br></br></td></t<>	290,508,741 728,046,406 <b>113,867</b> 113,867 0 ,159,500,000 ,177,500,000 ,942,000,000 0 40,000,000 0 
3.1General government286,157,0163.2Other claims57,535,7544. Claims on non-euro area residents denominated in euro23,8734.1Balances with banks, security investments and loans23,8734.2Claims arising from the credit facility under ERM II05.Lending to euro area credit institutions related to19,346,500,000monetary policy operations denominated in euro19,346,500,000125.2Longer-term refinancing operations17,401,500,000125.3Fine-tuning reverse operations01,945,000,000605.4Structural reverse operations005.5Marginal lending facility005.6Credits related to margin calls06. Other claims on euro area credit institutions denominated in euro101,850,944,365527.2Other securities of euro area residents denominated in euro101,850,944,365528.General government long-term debt denominated in euro6,70,409,02209.Intra-Eurosystem claims1,813,849,138119.1Participating interest in the ECB533,636,713119.2Claims equivalent to the transfer of foreign reserves to the ECB1,131,910,591119.3Net claims arising from balances of TARGET2 accounts009.4Net claims arising from balances of TARGET2 accounts0148,301,8349.5Other claims within the Eurosystem (net)148,301,83409.4Net cla	290,508,741 728,046,406 <b>113,867</b> 113,867 0 ,159,500,000 ,177,500,000 ,942,000,000 0 40,000,000 0 ,009,194,702 ,149,321,189
3.2Other claims57,535,7544. Claims on non-euro area residents denominated in euro23,8734.1Balances with banks, scurity investments and loans23,8734.2Claims arising from the credit facility under ERM II05.Lending to euro area credit institutions related to monetary policy operations denominated in euro19,346,500,0005.1Main refinancing operations17,401,500,0005.2Longer-term refinancing operations1,945,000,0005.3Fine-tuning reverse operations05.4Structural reverse operations05.5Marginal lending facility06.Other claims on euro area credit institutions denominated in euro101,850,944,3657.Securities of euro area residents denominated in euro20,782,519,0377.1Securities of euro area residents denominated in euro13,817,542,8007.2Other securities of euro area residents denominated in euro6,170,409,0229.Intra-Eurosystem claims1,813,849,1389.1Participating interest in the ECB533,636,7139.2Claims equivalent to the transfer of foreign reserves to the ECB1,131,910,5919.3Net claims rising from balances of TARGET2 accounts09.4Net claims rising from balances of TARGET2 accounts09.5Other assets2,490,128,55411.1Coins69,373,41212.2Tangible and intangible fixed assets22,122,874	<b>113,867</b> 113,867 0 <b>,159,500,000</b> <b>,177,500,000</b> <b>,000</b> <b>,000</b> <b>,000</b> <b>,009,194,702</b> <b>,149,321,189</b>
4.1Balances with banks, security investments and loans2.3,873 04.2Claims arising from the credit facility under ERM II05.Lending to euro area credit institutions related to monetary policy operations denominated in euro19,346,500,0005.1Main refinancing operations17,401,500,0005.2Longer-term refinancing operations1,945,000,0005.3Fine-tuning reverse operations05.4Structural reverse operations05.5Marginal lending facility06.6Other claims on euro area credit institutions denominated in euro101,850,944,3657.5Securities of euro area residents denominated in euro20,782,519,0377.1Securities of euro area residents denominated in euro13,817,542,8007.2Other securities of euro area residents denominated in euro6,170,409,0228.General government long-term debt denominated in euro1,131,910,5919.1Participating interest in the ECB533,636,7139.2Claims equivalent to the transfer of foreign reserves to the ECB533,636,7139.3Net claims arising from balances of TARGET2 accounts000148,301,8340148,301,834111.Coins2,341,58712.Tanigible and intangible fixed assets2,490,128,55413.Other financial assets2,249,722,874	113,867 0 ,159,500,000 ,942,000,000 0 40,000,000 0 ,009,194,702 ,149,321,189
4.2       Claims arising from the credit facility under ERM II       0         5.       Lending to euro area credit institutions related to monetary policy operations denominated in euro       19,346,500,000       76         5.1       Main refinancing operations       17,401,500,000       12         5.2       Longer-term refinancing operations       1,945,000,000       66         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       101,850,944,365       52         7.2       Other securities of euro area residents denominated in euro       6,964,976,237       12         7.1       Securities held for monetary policy purposes       6,964,976,237       12         8. General government long-term debt denominated in euro       6,170,409,022       66         9. Intra-Eurosystem claims       1,813,849,138       11         9.1       Participating interest in the ECB       533,636,713       13         9.2       Claims related to the allocation of euro banknotes within the Eurosystem       0       0 </td <td>,159,500,000 ,177,500,000 ,942,000,000 0 40,000,000 0 ,009,194,702 ,149,321,189</td>	,159,500,000 ,177,500,000 ,942,000,000 0 40,000,000 0 ,009,194,702 ,149,321,189
5. Lending to euro area credit institutions related to monetary policy operations denominated in euro19,346,500,000765.1 Main refinancing operations17,401,500,000125.2 Longer-term refinancing operations1,945,000,000665.3 Fine-tuning reverse operations005.4 Structural reverse operations005.5 Marginal lending facility006. Other claims on euro area credit institutions denominated in euro101,850,944,365527. Securities of euro area residents denominated in euro20,782,519,037217.1 Securities of euro area residents denominated in euro6,964,976,237127.2 Other securities of euro area residents denominated in euro6,170,409,02208. General government long-term debt denominated in euro6,333,636,713129. Intra-Eurosystem claims1,1813,849,138119.1 Participating interest in the ECB533,636,713129.3 Net claims related to the allocation of euro banknotes within the Eurosystem0148,301,8349.4 Net claims within the Eurosystem (net)148,301,834149.5 Other claims within the Eurosystem (net)148,301,834149.1 Items in course of settlement2,341,587311.1 Coins69,373,4112131412.1 Tangible and intangible fixed assets69,373,4112313.2 Other financial assets29,122,8743	,159,500,000 ,177,500,000 0,942,000,000 0 40,000,000 0 ,009,194,702 ,149,321,189
monetary policy operations denominated in euro19,346,500,000765.1Main refinancing operations17,401,500,000135.2Longer-term refinancing operations1,945,000,000665.3Fine-tuning reverse operations005.4Structural reverse operations005.5Marginal lending facility005.6Credits related to margin calls006. Other claims on euro area credit institutions denominated in euro101,850,944,365527. Securities of euro area residents denominated in euro20,782,519,037217.1Securities of euro area residents denominated in euro6,964,976,23777.2Other securities of euro area residents denominated in euro6,170,409,02268. General government long-term debt denominated in euro6,170,409,02269. Intra-Eurosystem claims1,181,81,849,138149.1Participating interest in the ECB533,636,713149.2Claims equivalent to the transfer of foreign reserves to the ECB1,131,910,591149.3Net claims related to the allocation of euro banknotes within the Eurosystem0148,301,8349.4Net claims within the Eurosystem (net)148,301,834149.5Other assets2,490,128,554311.1Coins69,373,4123311.2Tangible and intangible fixed assets29,122,8743	5,177,500,000 0,942,000,000 0 40,000,000 0 ,009,194,702 ,149,321,189
5.1Main refinancing operations17,401,500,000135.2Longer-term refinancing operations005.3Fine-tuning reverse operations005.4Structural reverse operations005.5Marginal lending facility005.6Credits related to margin calls005.7Securities of euro area credit institutions denominated in euro101,850,944,365525.7Securities of euro area residents denominated in euro20,782,519,037217.1Securities of euro area residents denominated in euro6,964,976,237127.2Other securities of euro area residents denominated in euro6,170,409,02208. General government long-term debt denominated in euro6,170,409,02209. Intra-Eurosystem claims1,813,849,138119.1Participating interest in the ECB533,036,713119.2Claims equivalent to the transfer of foreign reserves to the ECB533,036,713119.3Net claims arising from balances of TARGET2 accounts0148,301,8340148,301,8340148,301,834140. Items in course of settlement2,341,587231.1Coins11,1 Coins24,757,986311.3Other financial asets29,122,8743	5,177,500,000 0,942,000,000 0 40,000,000 0 ,009,194,702 ,149,321,189
5.2Longer-term refinancing operations1,945,000,000665.3Fine-tuning reverse operations05.4Structural reverse operations05.5Marginal lending facility05.6Credits related to margin calls05.7Securities of euro area credit institutions denominated in euro101,850,944,365527.8Securities of euro area residents denominated in euro20,782,519,037217.1Securities of euro area residents denominated in euro6,964,976,237127.2Other securities of euro area residents denominated in euro6,170,409,02268.General government long-term debt denominated in euro6,170,409,02269.Intra-Eurosystem claims1,813,849,138119.1Participating interest in the ECB533,636,713129.2Claims related to the allocation of euro banknotes within the Eurosystem009.4Net claims related to the allocation of euro banknotes within the Eurosystem0148,301,8349.5Other claims within the Eurosystem (net)148,301,834148,301,8349.1Lems in course of settlement2,341,58721.1Coins11.169,373,41231.2Tangible and intangible fixed assets29,122,8743	,942,000,000 0 40,000,000 0 ,009,194,702 ,149,321,189
5.3Fine-tuning reverse operations05.4Structural reverse operations05.5Marginal lending facility05.6Credits related to margin calls05.7Securities on euro area credit institutions denominated in euro101,850,944,365525.8Securities of euro area residents denominated in euro20,782,519,037217.1Securities held for monetary policy purposes6,964,976,237127.2Other securities of euro area residents denominated in euro13,817,542,800128General government long-term debt denominated in euro6,170,409,02269.Intra-Eurosystem claims1,813,849,138149.1Participating interest in the ECB533,636,713129.2Claims related to the allocation of euro banknotes within the Eurosystem009.3Net claims arising from balances of TARGET2 accounts0148,301,8349.4Net claims within the Eurosystem (net)148,301,834148,301,8349.5Other claims within the Eurosystem (net)2,341,58721.1Coins11,23,37,341231.2Tangible and intangible fixed assets824,757,98631.3Other financial assets29,122,8743	0 0 40,000,000 0 ,009,194,702 ,149,321,189
5.4Structural reverse operations05.5Marginal lending facility05.6Credits related to margin calls06. Other claims on euro area credit institutions denominated in euro101,850,944,365527. Securities of euro area residents denominated in euro20,782,519,037217.1Securities of euro area residents denominated in euro6,964,976,237727.2Other securities of euro area residents denominated in euro6,170,409,022728. General government long-term debt denominated in euro6,170,409,022729. Intra-Eurosystem claims1,813,849,138149.1Participating interest in the ECB533,636,713139.2Claims equivalent to the transfer of foreign reserves to the ECB533,636,713139.3Net claims related to the allocation of euro banknotes within the Eurosystem009.4Net claims related to the allocation of euro banknotes within the Eurosystem0148,301,8349.1Items in course of settlement2,341,58729.4Net claims within the Eurosystem (net)148,301,834349.5Other assets2,490,128,5543511.1Coins69,373,412824,757,98611.3Other financial assets29,122,87434	,149,321,189
5.5Marginal lending facility 5.605.6Credits related to margin calls05.6Credits related to margin calls101,850,944,365525.7Securities of euro area credit institutions denominated in euro101,850,944,365527.8Securities held for monetary policy purposes 7.26,964,976,237 13,817,542,800117.1Securities of euro area residents denominated in euro6,170,409,02208.General government long-term debt denominated in euro6,170,409,02209.Intra-Eurosystem claims1,813,849,13819.1Participating interest in the ECB533,636,713 1,131,910,591119.2Claims equivalent to the transfer of foreign reserves to the ECB 9.3533,636,713 1,131,910,591119.4Net claims arising from balances of TARGET2 accounts 0 9.5009.4Net claims within the Eurosystem (net)0148,301,8349.1Items in course of settlement2,341,587211.1Coins 11.269,373,412 2824,757,986 11.369,373,412 2824,757,986 29,122,8743	40,000,000 0 ,009,194,702 ,149,321,189
5.6Credits related to margin calls05.6Credits related to margin calls05.6Credits related to margin calls101,850,944,3655.7Securities of euro area residents denominated in euro20,782,519,0377.1Securities held for monetary policy purposes6,964,976,2377.2Other securities of euro area residents denominated in euro6,170,409,0226.6,170,409,02267.1Securities of euro area residents denominated in euro6,170,409,0226.6,170,409,02267.1Securities in the ECB533,636,7139.1Participating interest in the ECB533,636,7139.2Claims equivalent to the transfer of foreign reserves to the ECB533,636,7139.3Net claims related to the allocation of euro banknotes within the Eurosystem09.4Net claims arising from balances of TARGET2 accounts09.5Other claims within the Eurosystem (net)148,301,8349.1Lems in course of settlement2,341,58711.1Coins69,373,41211.2Tangible and intangible fixed assets824,757,98611.3Other financial assets29,122,874	0 ,009,194,702 ,149,321,189
7. Securities of euro area residents denominated in euro20,782,519,037217.1Securities held for monetary policy purposes6,964,976,237117.2Other securities of euro area residents denominated in euro6,170,409,02208. General government long-term debt denominated in euro6,170,409,02209. Intra-Eurosystem claims1,813,849,138119.1Participating interest in the ECB533,636,713119.2Claims equivalent to the transfer of foreign reserves to the ECB533,636,713119.3Net claims related to the allocation of euro banknotes within the Eurosystem0148,301,8349.4Net claims arising from balances of TARGET2 accounts0148,301,8349.5Other claims within the Eurosystem (net)148,301,834148,301,8349.1Items in course of settlement2,341,587211.1Coins69,373,412824,757,986311.3Other financial assets29,122,8743	,149,321,189
7.1Securities held for monetary policy purposes 7.26,964,976,237 13,817,542,8007.17.2Other securities of euro area residents denominated in euro6,170,409,02268.General government long-term debt denominated in euro6,170,409,02269.Intra-Eurosystem claims1,813,849,13819.1Participating interest in the ECB533,636,71319.2Claims equivalent to the transfer of foreign reserves to the ECB533,636,71319.3Net claims related to the allocation of euro banknotes within the Eurosystem 0009.4Net claims arising from balances of TARGET2 accounts 00148,301,8349.5Other claims within the Eurosystem (net)148,301,83419.4Net claims of settlement2,341,58739.5Other assets2,490,128,554311.1Coins 11.269,373,412311.2Tangible and intangible fixed assets 11.3824,757,986 29,122,8743	
7.1Securities held for monetary policy purposes 7.26,964,976,237 13,817,542,8007.17.2Other securities of euro area residents denominated in euro6,170,409,02268.General government long-term debt denominated in euro6,170,409,02269.Intra-Eurosystem claims1,813,849,13819.1Participating interest in the ECB533,636,71319.2Claims equivalent to the transfer of foreign reserves to the ECB533,636,71319.3Net claims related to the allocation of euro banknotes within the Eurosystem 0009.4Net claims arising from balances of TARGET2 accounts 00148,301,8349.5Other claims within the Eurosystem (net)148,301,83419. Items in course of settlement2,341,58731.1Coins 11.269,373,41231.2Tangible and intangible fixed assets 11.3824,757,986 29,122,8743	
7.2Other securities of euro area residents denominated in euro13,817,542,800138. General government long-term debt denominated in euro6,170,409,02269. Intra-Eurosystem claims1,813,849,13819.1Participating interest in the ECB533,636,71319.2Claims equivalent to the transfer of foreign reserves to the ECB533,636,71319.3Net claims related to the allocation of euro banknotes within the Eurosystem019.4Net claims arising from balances of TARGET2 accounts009.5Other claims within the Eurosystem (net)148,301,83419. Items in course of settlement2,341,587311.1Coins69,373,412311.2Tangible and intangible fixed assets824,757,986311.3Other financial assets29,122,8743	,700,490,399
D. Intra-Eurosystem claims1,813,849,13819.1Participating interest in the ECB533,636,71319.2Claims equivalent to the transfer of foreign reserves to the ECB1,131,910,59119.3Net claims related to the allocation of euro banknotes within the Eurosystem009.4Net claims arising from balances of TARGET2 accounts009.5Other claims within the Eurosystem (net)148,301,8341D. Items in course of settlement2,341,58721.1Coins69,373,412311.2Tangible and intangible fixed assets824,757,986311.3Other financial assets29,122,8743	,382,830,790
9.1Participating interest in the ECB533,636,7139.2Claims equivalent to the transfer of foreign reserves to the ECB1,131,910,5919.3Net claims related to the allocation of euro banknotes within the Eurosystem09.4Net claims arising from balances of TARGET2 accounts09.5Other claims within the Eurosystem (net)148,301,834. Items in course of settlement2,341,587. Other assets2,490,128,554311.1Coins69,373,41211.2Tangible and intangible fixed assets824,757,98611.3Other financial assets29,122,874	,659,874,462
9.1Participating interest in the ECB533,636,7139.2Claims equivalent to the transfer of foreign reserves to the ECB1,131,910,5919.3Net claims related to the allocation of euro banknotes within the Eurosystem09.4Net claims arising from balances of TARGET2 accounts09.5Other claims within the Eurosystem (net)148,301,8340.Items in course of settlement2,341,5871.Other assets69,373,41211.1Coins824,757,98611.3Other financial assets29,122,874	,632,798,971
9.2Claims equivalent to the transfer of foreign reserves to the ECB1,131,910,5919.3Net claims related to the allocation of euro banknotes within the Eurosystem09.4Net claims arising from balances of TARGET2 accounts09.5Other claims within the Eurosystem (net)148,301,8340.Items in course of settlement2,341,5871.Other assets69,373,41211.2Tangible and intangible fixed assets824,757,98611.3Other financial assets29,122,874	500,888,380
9.3Net claims related to the allocation of euro banknotes within the Eurosystem09.4Net claims arising from balances of TARGET2 accounts09.5Other claims within the Eurosystem (net)148,301,834. Items in course of settlement2,341,587. Other assets2,490,128,55411.1Coins69,373,41211.2Tangible and intangible fixed assets824,757,98611.3Other financial assets29,122,874	,131,910,591
9.5 Other claims within the Eurosystem (net)       148,301,834         0. Items in course of settlement       2,341,587         1. Other assets       2,490,128,554       3         11.1 Coins       69,373,412       3         11.2 Tangible and intangible fixed assets       824,757,986       32,4757,986         11.3 Other financial assets       29,122,874       3	0
Items in course of settlement       2,341,587         . Other assets       2,490,128,554       3         11.1 Coins       69,373,412       3         11.2 Tangible and intangible fixed assets       824,757,986       3         11.3 Other financial assets       29,122,874	0
Other assets         2,490,128,554         3           11.1 Coins         69,373,412         3           11.2 Tangible and intangible fixed assets         824,757,986         3           11.3 Other financial assets         29,122,874         3	0
11.1 Coins       69,373,412         11.2 Tangible and intangible fixed assets       824,757,986         11.3 Other financial assets       29,122,874	317,653
11.2 Tangible and intangible fixed assets824,757,98611.3 Other financial assets29,122,874	,054,155,454
11.3 Other financial assets 29,122,874	72,132,824
	827,039,091
11.4 OII-balance-sheet instruments revaluation differences 15/,2/2	29,104,193
	7,256,329
11.5 Accruals and prepaid expenses         675,776,423           11.6 Sundry         890,960,587	,203,167,522 915,455,495
OTAL ASSETS 159,778,239,828 168	,436,419,776
FF-BALANCE-SHEET ITEMS 31.12.2012	31.12.2011
I. Greek government securities relating to the management of the "Common capital	51.12.2011
of legal entities in public law and social security funds" according to Law 2469/97 19,791,242,415 2: 2. Greek government securities and other debt securities relating to the management	445 050 50
	3,415,359,594
B. Assets eligible as collateral for Eurosystem monetary policy operations and intraday credit       25,568,946,751       142	5,745,993,739
Assets accepted by the Bank of Greece as eligible collateral for emergency liquidity	
	5,745,993,739 2,876,476,764
	5,745,993,739
01al orr-balance-sheet filmis     2/3,202,019,200     2/3	5,745,993,739 2,876,476,764 4,822,677,096

#### Notes:

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



(in euro)

		(in euro)
LIABILITIES	31.12.2012	31.12.2011
1. Banknotes in circulation	23,576,814,320	22,957,704,380
<ol> <li>Liabilities to euro area credit institutions related to monetary policy operations denominated in euro</li> <li>Current accounts (covering the minimum reserve system)</li> <li>Deposit facility</li> <li>Fixed-term deposits</li> <li>Fine-tuning reverse operations</li> <li>Deposits related to margin calls</li> <li>Other liabilities to euro area credit institutions denominated in euro</li> </ol>	<b>2,168,651,315</b> 1,369,351,315 410,000,000 0 389,300,000 <b>0</b>	<b>4,703,006,264</b> 2,506,356,264 1,179,500,000 0 1,017,150,000 <b>0</b>
<ol> <li>Liabilities to other euro area residents denominated in euro</li> <li>General government</li> <li>Other liabilities</li> </ol>	<b>7,191,431,209</b> 5,721,347,961 1,470,083,248	<b>5,553,155,243</b> 3,838,270,484 1,714,884,759
5. Liabilities to non-euro area residents denominated in euro	1,008,139,644	1,041,850,236
6. Liabilities to euro area residents denominated in foreign currency	32,019,524	16,178,298
<ul> <li>7. Liabilities to non-euro area residents denominated in foreign currency</li> <li>7.1 Deposits and other liabilities</li> <li>7.2 Liabilities arising from the credit facility under ERM II</li> </ul>	<b>2,224</b> 2,224 0	<b>2,268</b> 2,268 0
8. Counterpart of special drawing rights allocated by the IMF	911,998,065	928,426,952
9. Intra-Eurosystem liabilities	112,814,781,585	123,244,992,854
<ul> <li>9.1 Liabilities related to promissory notes backing the issuance of ECB debt certificates</li> <li>9.2 Net liabilities related to the allocation of euro banknotes within the Eurosystem</li> <li>9.3 Net liabilities arising from balances of TARGET2 accounts</li> <li>9.4 Other liabilities within the Eurosystem (net)</li> </ul>	0 14,459,590,040 98,355,191,545 0	0 18,437,110,570 104,750,000,738 57,881,546
10. Items in course of settlement	3,232,633	15,074,984
<ul> <li>11. Other liabilities</li> <li>11.1 Off-balance-sheet instruments revaluation differences</li> <li>11.2 Accruals and income collected in advance</li> <li>11.3 Sundry</li> <li>12. Provisions</li> </ul>	<b>792,319,332</b> 96,926 117,545,452 674,676,954	<b>1,159,769,724</b> 2,889 181,090,409 978,676,426
	6,213,496,005	3,951,100,114
13. Revaluation accounts	4,249,859,880	4,049,716,285
<ul> <li>14. Capital and reserves</li> <li>14.1 Capital</li> <li>14.2 Ordinary reserve</li> <li>14.3 Extraordinary reserve</li> <li>14.4 Special reserve from the revaluation of land and buildings</li> <li>14.5 Other special reserves</li> </ul>	<b>815,494,092</b> 111,243,362 111,243,362 84,500,000 507,247,856 1,259,512	815,442,174 111,243,362 111,243,362 84,500,000 507,247,856 1,207,594
TOTAL LIABILITIES	159,778,239,828	168,436,419,776

2 The Bank's key for subscription of the ECB's capital fully paid up by all 17 National Central Banks of the Eurosystem is 2.80818%.

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

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

5 Gold has been valued at the price provided by the ECB as at 31 December 2012:  $\leq 1,261.179$  per fine oz, compared with  $\leq 1,216.864$  as at 30 December 2011.

6 Claims/liabilities denominated in foreign currency have been converted to euro using the euro foreign exchange reference rates of the ECB as at 31 December 2012.

7 Marketable securities (other than held-to-maturity) are valued at the mid-market prices of 31 December 2012. Marketable securities classified as held-to-maturity and non-marketable securities are valued at amortised cost subject to impairment. In financial year 2012 no impairment losses were incurred.

8 "Other off-balance-sheet items" include the promissory note of €22.1 billion (SDR 18.9 billion) issued by the Greek government for the total amount of the loan received from the IMF until 31 December 2012.

9 Certain items of the balance sheet and the profit and loss account for the year 2011 have been reclassified to ensure comparability with the respective items of the year 2012.



#### PROFIT AND LOSS ACCOUNT FOR THE YEAR 2012

#### (in euro)

	2012	2011
1. Net interest income	2,673,764,628	1,468,721,829
<ol> <li>Interest income</li> <li>Interest expense</li> </ol>	3,827,258,869 -1,153,494,241	2,930,940,084 -1,462,218,255
2. Net result of financial operations, write-downs and risk provisions	66,279,995	33,468,983
<ul> <li>2.1 Realised gains arising from financial operations</li> <li>2.2 Write-downs on financial assets and positions</li> <li>2.3 Transfer from provisions for foreign exchange rate,</li> </ul>	66,279,995 -73,849	33,468,983 -299,303
interest rate, credit and gold price risks	73,849	299,303
3. Net income from fees and commissions	71,834,689	98,293,953
<ul><li>3.1 Fees and commissions income</li><li>3.2 Fees and commissions expense</li></ul>	75,723,080 -3,888,391	100,360,667 -2,066,714
4. Income from equity shares and participating interests	20,133,200	23,770,587
5. Net result of pooling of monetary income	148,822,314	-43,398,113
6. Other income	14,636,772	13,938,443
Total net income	2,995,471,598	1,594,795,682
7. Staff costs	-157,870,006	-182,999,639
8. Pension costs	-112,234,922	-103,056,260
8.1 Payment of pensions	-133,465,539	-132,101,191
8.2 Contributions and other income	21,230,617	29,044,931
9. Other administrative expenses	-40,108,577	-47,018,524
10. Depreciation of tangible and intangible fixed assets	-13,583,648	-13,642,905
11. Consultancy fees for the auditing of the Banking System	-10,291,676	0
12. Provisions	-2,342,733,566	-1,151,441,512
Total expenses	-2,676,822,395	-1,498,158,840
PROFIT FOR THE YEAR	318,649,203	96,636,842

#### DISTRIBUTION OF PROFIT (Article 71 of the Statute)

(in euro)

	2012	2011
Dividend to be distributed €0.5376 per share for 19,864,886 shares (compared to €0.67 per share in 2011)*	10,679,362	13,309,473
Tax on dividends (tax rate 20%, Article 14, paragraphs 9 and 10, Law 3943/2011)	2,669,841	3,327,369
To the Government	305,300,000	80,000,000
	318,649,203	96,636,842

\* The gross dividend for financial year 2012 amounts to  $\pounds 0.6720$  per share compared with  $\pounds 0.8375$  for financial year 2011. Dividends are subject to withholding tax at a rate of 25% in accordance with Law 3943/2011, Article 14 paragraphs 1 and 2.

Athens, 21 January 2013

THE GOVERNOR

THE DIRECTOR OF THE ACCOUNTING DEPARTMENT

GEORGE A. PROVOPOULOS

MARIA K. PAGONI



#### To the Shareholders of BANK OF GREECE A.E.

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of the BANK OF GREECE A.E. (the "Bank") which comprise the balance sheet as of 31 December 2012 and the statement of income, the appropriation account for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting principles prescribed by the European Central Bank as adopted by the Bank in article 54 A of its Statute and the accounting standards prescribed by Greek Law and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's responsibility

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

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

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

#### **Basis for Qualified Opinion**

The balance sheet caption "Provisions" includes an amount of EUR 2 095 million (31 December 2011: EUR 1 939 million) that concerns provision for pensions and other employees benefits. We were not provided any information relating to the calculation of the provision and consequently we are unable to evaluate its adequacy and the effect in the income statement.

#### **Qualified Opinion**

In our opinion, except for the possible effects of the matter discussed in the Basis for Qualified Opinion paragraph, the financial statements give a true and fair view of the financial position of the Bank of Greece as at 31 December 2012 and of its financial performance for the year then ended in accordance with the accounting principles prescribed by the European Central Bank as adopted by the Bank in article 54A of its Statute and the accounting standards prescribed by Greek Law.





#### **Report on Other Legal and Regulatory Requirements**

We verified that the contents of the Report of the Governor relating to the statement of income for 2012 is consistent and corresponds with the accompanying financial statements within the scope set by articles 37 and 43A of C.L. 2190/1920.

Athens, 21 January 2013

KPMG Certified Auditors A.E. AM SOEL 114

Marios T. Kyriacou Certified Auditor Accountant AM SOEL 11121 Nikolaos Vouniseas Certified Auditor Accountant AM SOEL 18701



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