



**Bank  
of  
Greece**



Since 1928,  
the central  
bank of the  
Greeks



**BANK OF GREECE**  
EUROSYSTEM

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# Bank of Greece

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2018 marks the 90th anniversary of the Bank of Greece. The Bank's success in addressing major challenges in the course of this lifespan can be attributed to three main factors:

First, the Bank's strong institutional set-up and its operational framework, which harmoniously combines the fundamental requirement of independence with the legitimate demand for accountability and control;

Second, its commitment to the European orientation of the Greek economy and to its duty, arising from its own Statute and its participation in the Eurosystem, to ensure price stability and safeguard financial stability.

Third, its high-quality staff, who have embraced the Bank's key objectives with dedication and responsibility, always acting in the best interests of our fellow citizens.

Yannis Stournaras  
Governor of the Bank of Greece



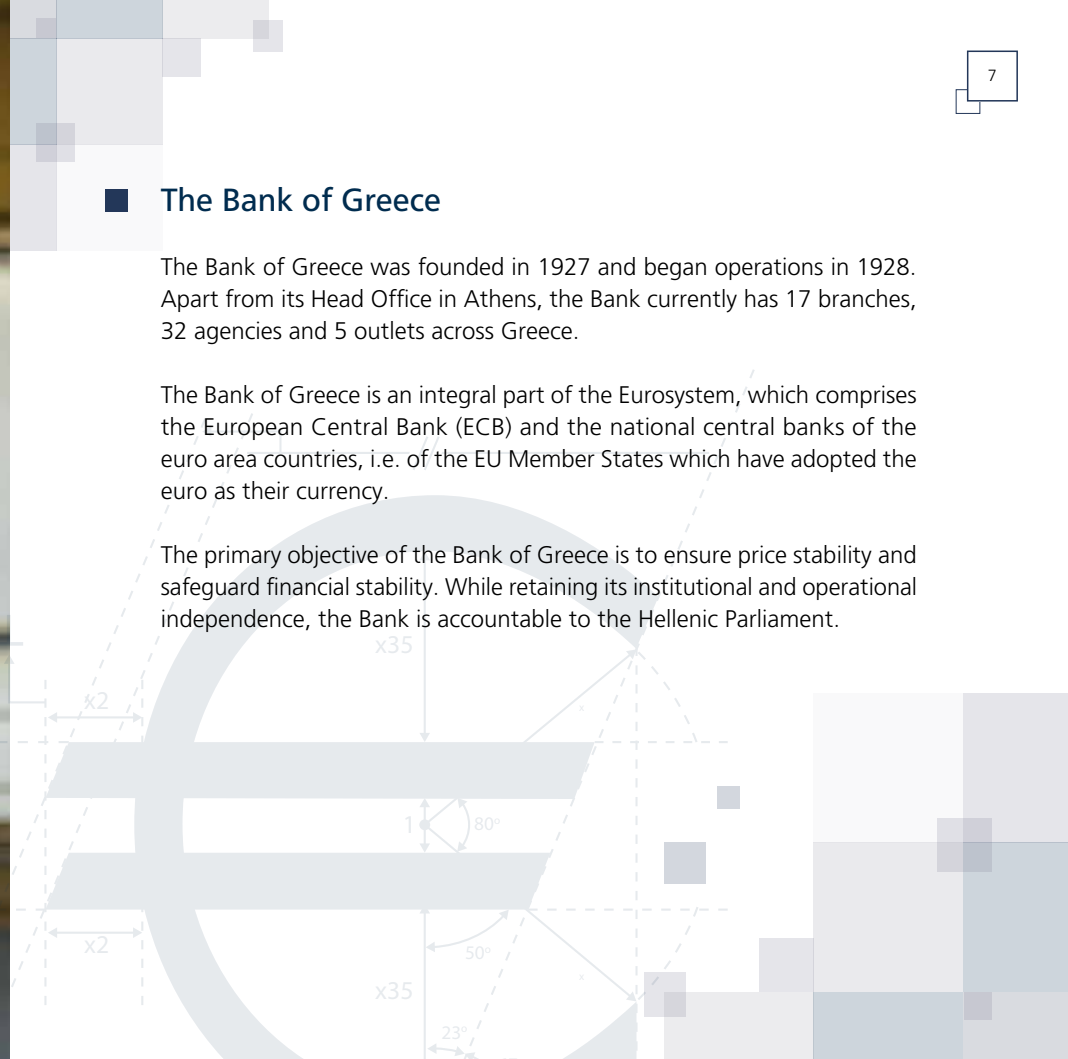
“ I want  
to know  
more about  
the Bank  
of Greece ”

## ■ The Bank of Greece

The Bank of Greece was founded in 1927 and began operations in 1928. Apart from its Head Office in Athens, the Bank currently has 17 branches, 32 agencies and 5 outlets across Greece.

The Bank of Greece is an integral part of the Eurosystem, which comprises the European Central Bank (ECB) and the national central banks of the euro area countries, i.e. of the EU Member States which have adopted the euro as their currency.

The primary objective of the Bank of Greece is to ensure price stability and safeguard financial stability. While retaining its institutional and operational independence, the Bank is accountable to the Hellenic Parliament.





“I want to know to whom the Bank of Greece is accountable”

## ■ Independence and accountability


The Bank of Greece is independent. In accordance with the Treaty on European Union and the Bank's Statute, the Bank of Greece shall neither seek nor take instructions from any third party in the performance of its tasks.

Experience in many countries over the years has shown that the institutional independence of central banks is conducive to maintaining price stability.

The operational framework of the Bank of Greece harmoniously combines the fundamental requirement of independence with a legitimate demand for accountability and control.

The Bank is controlled by the Greek State and is accountable to Greek citizens through the Hellenic Parliament.





“Is the Bank of Greece like the bank where I have an account?”

## ■ What does the Bank of Greece do? And what does it not do?

The Bank of Greece is the country's **central bank**. It is an independent authority performing a public function: it is responsible for ensuring price stability, i.e. controlling inflation (the rate of price increases), and for safeguarding the stability of the financial system (banks, insurance undertakings, etc.).

The Bank of Greece **is not** a commercial bank. It is not possible to deposit your money with, or receive a loan from, the Bank of Greece. One could say that the Bank of Greece is the bank of the banks, in the sense that it takes deposits from commercial banks operating in Greece and also lends money to them.



“I want to be confident that prices will remain stable”


## ■ Price stability

Price stability ensures, foremost, the protection of the more disadvantaged, as the people most affected by high inflation tend to be those with limited chances of increasing their earnings, like unskilled workers or pensioners. Price stability also protects the value of deposits, promotes economic growth and employment, and constitutes a main factor of social stability.

The Bank of Greece pursues price stability through the conduct of monetary policy. In the euro area, monetary policy decisions are made in a centralised manner by the Governing Council of the European Central Bank (ECB), while implementation is decentralised to the national central banks.

The Governor of the Bank of Greece is a member of the ECB Governing Council, which formulates euro area monetary policy, mainly by setting the interest rates and terms at which commercial banks borrow from central banks. Consequently, this affects the interest rates at which individuals and businesses borrow from commercial banks.

The monetary policy of the Eurosystem aims to maintain inflation below, but close to, 2% over the medium term.



“ I want  
to be confident  
that the  
financial  
system  
is stable  
and reliable ”

## ■ Financial stability

Banking operations are part of our daily lives. Banks are where people deposit their money and from where they get their loans. It is most often through banks that people receive their wages, pay their bills and obtain cash.

The Bank of Greece works together with the Single Supervisory Mechanism (SSM) of the European Central Bank and supervises credit institutions operating in Greece. In collaboration with other competent authorities, the Bank also monitors banking risks that could threaten financial stability.

In addition, the Bank of Greece supervises some categories of financial sector undertakings, such as insurance undertakings which provide coverage and compensate their policy-holders for risks to their lives and property.

The Bank of Greece is not responsible for supervising relations between banks and their customers, with the exception of matters pertaining to transparency of procedures and terms of banking transactions.





“ We want to have trust in the banknotes we use ”

## ■ Euro banknotes and coins

Banknotes (i.e. paper money) and coins are used on a daily basis by just about everyone.

Their value stems from shared conviction that the banknote or coin in question can be used as a medium of exchange, as a unit of account and as store of value. This value is determined by the credibility of the issuing central bank.

The Bank of Greece issues euro banknotes, which have the status of legal tender, following the authorisation of the ECB. The Bank supplies the commercial banks with the quantities of euro banknotes and coins needed to meet customer demand. The Bank is also where damaged banknotes are withdrawn from circulation and replaced.

The Bank of Greece plays an important role in counterfeit deterrence, through continuous information updates to citizens and institutions regarding the security features of euro banknotes and coins.

The Bank of Greece Banknote Printing Works (IETA), or Mint, is where euro coins are struck and where euro banknotes, as well as other security documents (such as passports, security tapes, etc.) are printed.



“ I want  
reliable  
information  
on economic  
developments ”

## ■ Economic information - Culture

Through its publication of reports, studies and reliable statistical data, the Bank of Greece keeps the public abreast of economic developments and provides the government, political parties and competent authorities with reliable information on matters of economic policy.

The Bank also provides financial education.

Through the activities of the Centre for Culture, Research and Documentation, which is responsible for the Bank's Collections, Historical Archives, Library and Museum, the Bank of Greece fulfils a role as a custodian and disseminator of Greek culture.

## ■ Payment systems

The Bank of Greece ensures the smooth operation of payment systems.

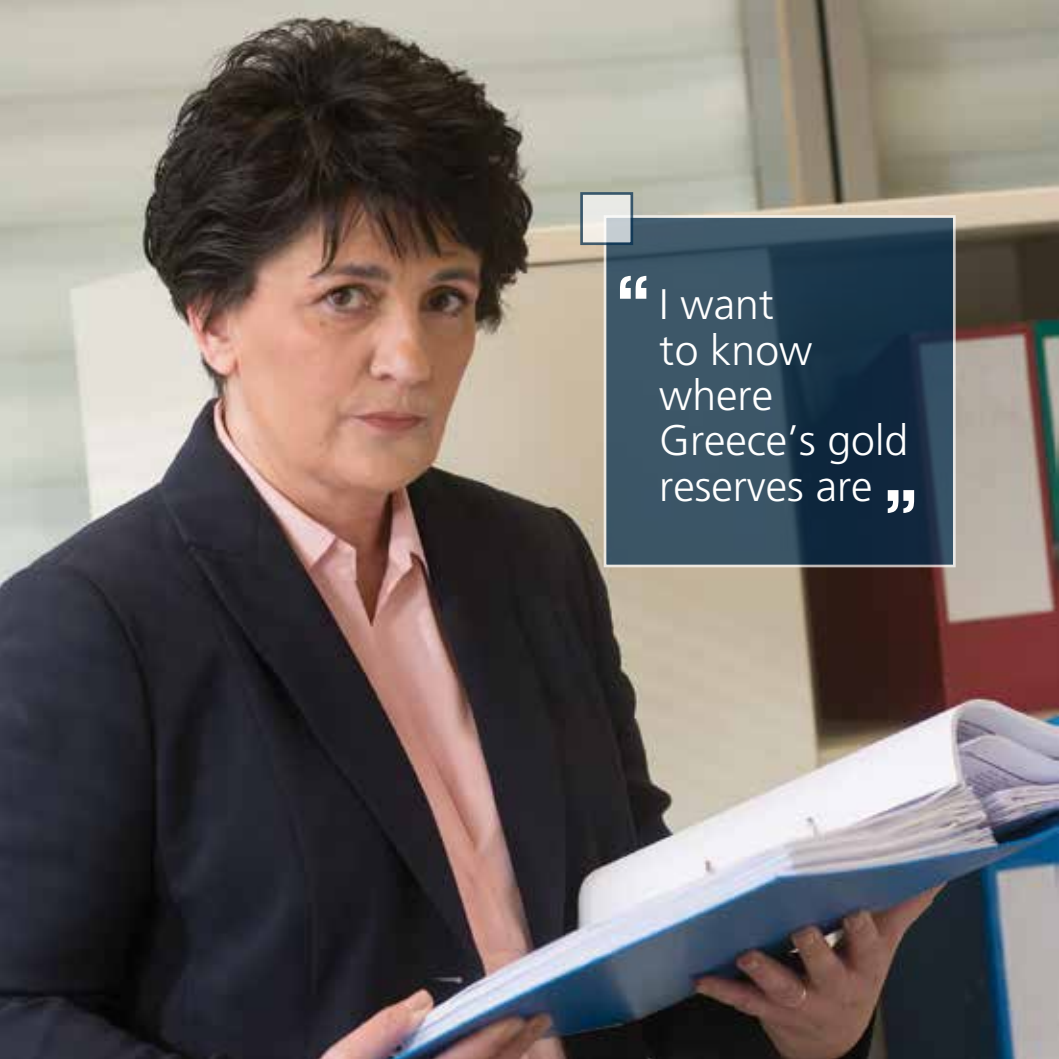
It monitors and oversees, inter alia, the DIAS payment system and the Athens Clearing Office.

Since 19 May 2008, the Bank participates in the Trans-European Automated Real-time Gross settlement Express Transfer system, known as TARGET2, a platform that links over 55,000 banks worldwide (and all their customers).

The Bank of Greece also acts as treasurer and fiscal agent of the Greek State.



“ I want  
to be  
confident  
that  
my payments  
are reliable  
and secure ”



“ I want to know where Greece’s gold reserves are ”

## ■ The country’s gold reserves

The Bank of Greece holds and manages the country’s official reserves (gold and foreign currency).

The exact amount of gold held by the Bank is disclosed in the Governor’s Annual Report, in the Balance Sheet section. Almost half of the gold reserves are in the Bank’s vaults, from where they have not been moved in decades. In line with standard international practice, the remaining gold reserves have, for decades now, been held at the Bank of England, the Federal Reserve Bank of New York and Swiss banks.

During World War II, Governor Kyriakos Varvaressos followed the Greek government into exile and rescued the Bank’s gold reserves. Via Crete and Alexandria, the gold was first moved to South Africa and then to London, from where it was repatriated to Greece at the end of the war.





“ I want to know who owns the Bank of Greece ”

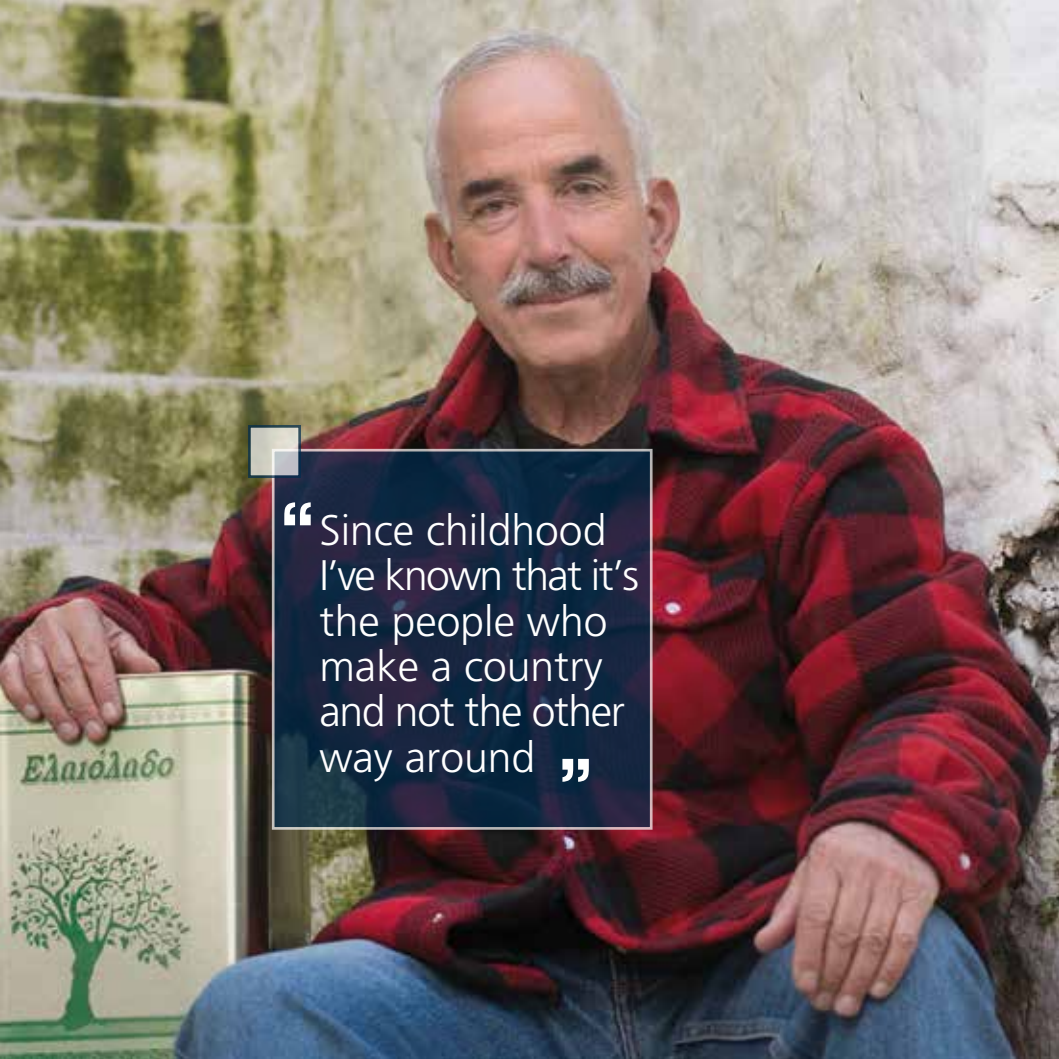
### ■ Some other interesting facts about the Bank of Greece

Although the Bank of Greece is, for historical reasons, listed on the Athens Exchange, private shareholders do not control and cannot affect the decisions of the Bank's General Meeting or the performance of the Bank's tasks, as provided for in its Statute, which is annexed to an international agreement and any amendment thereto must be ratified by law.

The Bank of Greece supports the overall economic policy of the government, without prejudice to its primary objective, i.e. ensuring price stability and safeguarding financial stability.

The Bank of Greece contributes to the State budget, since, under its Statute, the bulk of its profit is transferred to the State. **From 2012 to 2017, this amount came to a total of nearly 5 billion euro!**





“Since childhood  
I’ve known that it’s  
the people who  
make a country  
and not the other  
way around”

## ■ People and history

The Bank of Greece employs some 1,800 people, 750 of whom (42%) hold postgraduate degrees.

Literary figures like Ilias Venezis and Kiki Dimoula, as well as the artist Michael Axelos, worked in the past at the Bank of Greece.

At the end of their term of office, four Bank of Greece Governors became prime ministers of Greece: the Bank’s first Governor, Alexandros Diomidis; Emmanuel Tsouderos; Xenophon Zolotas; and Lucas Papademos, who has also served as Vice President of the European Central Bank.

“ ... Οι αρχαιότεροι των υπαλλήλων μεταβιβά-  
ζομεν εις τους νεωτέρους μας την παράδοσιν τῆς ἀρετῆς καὶ τοῦ  
χρέους. Καὶ διδομεν τὴν ὑπόσχεσιν ὅλοι ὅτι ἡ παράδοσις θὰ συ-  
νεχισθῇ. ”

*“...We, the older generation of employees, hand down the tradition of virtue and duty to the younger generation. And we all pledge that this tradition will live on”.*

*Ilias Venezis, Chronicle of the Bank of Greece, 1955*



## ■ During the financial crisis

The Bank of Greece provided a safety net for the country's economy and an anchor to the European Family.

The Bank provided Greece's government and political parties with reliable and prompt information, while also raising public awareness with its Reports and interventions.

It ensured the unhindered provision of liquidity to credit institutions, including through Emergency Liquidity Assistance (ELA).

It supplied credit institutions with sufficient quantities of euro banknotes and coins, so that no shortages were recorded, even in the country's most remote regions.

It helped minimise the impact of capital controls by mitigating their negative effects on the economy.

It made a decisive contribution to the restructuring of the banking sector and the successful recapitalisation of banks. Without suffering any major shocks, the banking system was able to weather the storm, even at the height of uncertainty, and **ensure that not a single euro was lost by depositors!**

For more information,  
visit the Bank of Greece website at:  
[www.bankofgreece.gr](http://www.bankofgreece.gr)

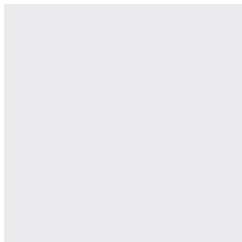
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*Postal address:*

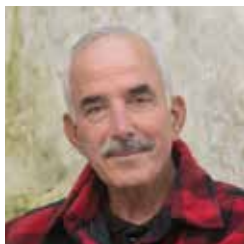
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*Bank of Greece Museum:* [www.facebook.com/BoGMuseum/](https://www.facebook.com/BoGMuseum/)



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