

SUMMARY OF THE ANNUAL REPORT

2011



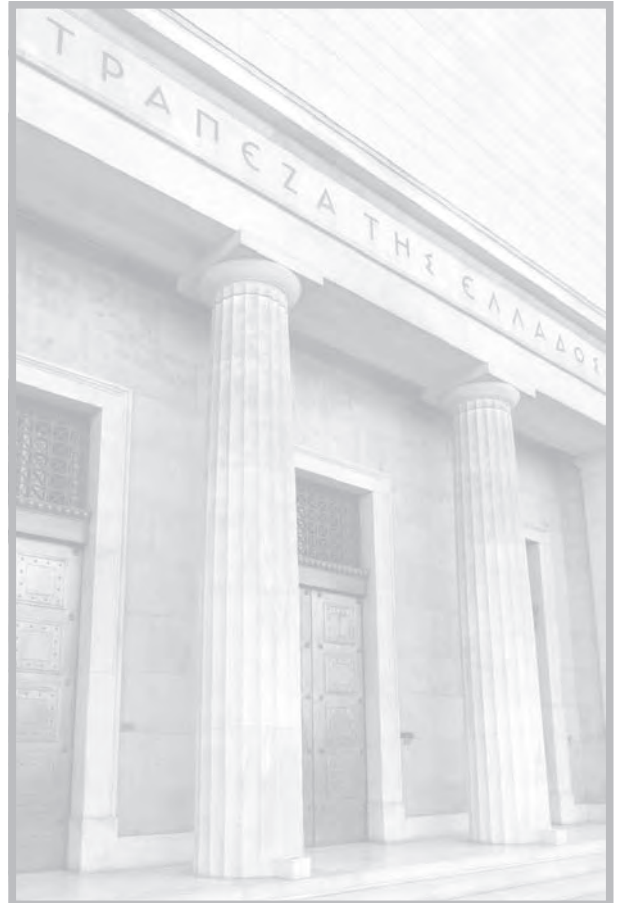
APRIL 2012



BANK OF GREECE
EUROSYSTEM

SUMMARY OF THE ANNUAL REPORT 2011

Presented to the General Meeting of Shareholders
by Governor George Provopoulos



APRIL 2012



BANK OF GREECE
EUROSYSTEM

BANK OF GREECE

Address

21, E. Venizelos Avenue
GR-102 50 Athens

Website

<http://www.bankofgreece.gr>

Telephone

+30 210 320.2393

Fax

+30 210 323.3025

*Printed in Athens, Greece
at the Bank of Greece Printing Works*

ISSN 1105 - 0527

CONTENTS

THE STRATEGY FOR THE GREEK ECONOMY'S EXIT FROM THE CRISIS AND WHAT IS AT STAKE

1	The objective conditions are more favourable than previously, but exit from the crisis will depend exclusively on the country's willingness and ability to rise to the historic challenge	7
2	A strategy that goes beyond the memorandum – geared towards an exit from the crisis and towards sustainable growth – must be implemented consistently and without delay	10
3	Restoring the normal financing of the economy: the restructuring of the banking system will contribute to economic recovery and growth	13
4	Concluding remarks	14
	APPENDIX	17
	ANNUAL ACCOUNTS OF THE BANK OF GREECE	57
	INDEPENDENT AUDITOR'S REPORT	61

THE STRATEGY FOR THE GREEK ECONOMY'S EXIT FROM THE CRISIS AND WHAT IS AT STAKE

I THE OBJECTIVE CONDITIONS ARE MORE FAVOURABLE THAN PREVIOUSLY, BUT EXIT FROM THE CRISIS WILL DEPEND EXCLUSIVELY ON THE COUNTRY'S WILLINGNESS AND ABILITY TO RISE TO THE HISTORIC CHALLENGE

The historical stakes are still high

Two years after the first Memorandum, we are now faced with a new challenge, one that is especially crucial for the country's future. Despite the progress made, failure to act in a resolute and timely manner, along with the recession, resulted in a worsening of the dynamics of public debt, making a new agreement for financial support necessary. The size of the loan support package — taken together with the first package of May 2010 — is unprecedented in relation to the size of our economy and covers borrowing needs up to 2015, provided that the accompanying reform programme is implemented promptly and rigorously. The new loan agreement and the economic adjustment programme 2012-2014 create more favourable conditions for pursuing the required effort and are tangible proof of our partners' willingness to support us. On the other hand, the international environment remains fluid and uncertainty continues to surround the course of the global economy and the unfolding of the sovereign debt crisis in European economies.

These objective facts, both at home and abroad, leave no room for slackening off or complacency. If we are to take advantage of the new opportunity, we must now promptly implement all that we have agreed to and make up for the delays of previous years. There is no easy way out of the crisis. The adjustment that has begun must be carried through with determination.

Inevitably, the current pre-election period has temporarily sidelined planned reforms. A significant part of the credibility gained thanks to the loan agreement and the cooperation between political forces has already been used up. If, after the election, there is any question about the will of the new government and of

society to implement the loan agreement and the reform programme, today's favourable prospects will be reversed. In such an event, the problems would rapidly multiply and spread to total economy, leading the country to an impasse.

What is historically at stake remains crucial: a choice between an orderly, albeit painstaking, effort to reconstruct the economy within the euro area, with the support of our partners; or a disorderly economic and social regression, taking the country several decades back, and eventually driving it out of the euro area and the European Union.

We are now called upon to resolve this dilemma through actions, and not just words, and to assume the historical responsibility of making the choice, as a society, as a political system, as citizens. The future of our country is today in our hands.

Past failures to act in a resolute and timely manner, as well as delaying tactics, have magnified the actual costs of adjustment

The second adjustment programme, along with the private sector involvement in the restructuring of Greece's public debt, leading to its substantial reduction, mark the end of one phase of the crisis. During that phase, destabilisation was avoided. With the help of our partners, with a hard effort and at considerable cost, changes were made that were important, but still insufficient in relation to the size of the economic problem at hand. This explains the repeated underperformance with respect to the targets of the adjustment programme after the first Memorandum. The related revisions would have been avoided if we had accepted from the outset our full responsibility *about the need to change course, once it had become clear that the growth model followed was no longer sustainable.*

This did not happen, or at least not to the extent required. The Memorandum, which contained reforms that should have been implemented long

ago, was handled defensively and treated as an external imposition. Under the delusion that the political and social costs could be contained, the changes made were often limited to the strict minimum. This defensive stance, however, proved to be totally counter-productive – *it multiplied the cost of adjustment and deepened and prolonged the recession.*

A promising new start: a battle has been won, but the war is not over

This brought us to the restructuring of debt and the new loan agreement – choices which, given the circumstances, had become unavoidable. The agreement averts a deterioration in the public debt dynamics and creates a more favourable framework for the economy. Thus, a dangerous phase of the crisis comes to a close – at great social cost, but without any devastating effects – and we now find ourselves at a promising new starting point. A battle has been won, but not the war. This is why there can be no justification for slackening off or for complacency. On the contrary, heightened and continued vigilance is required, together with an intensification of efforts with more effective tools and a faster pace.

The effective implementation of reforms calls for qualitative changes across the entire spectrum of economy and society

In order to succeed where we have systematically failed in the past, we must abandon the attitudes and behaviours that led us to the crisis in the first place and promptly make fundamental qualitative changes. Above all, we need to change the way in which we plan, decide and ultimately implement reforms, which at the present critical juncture may be painful in the short run, but historically necessary. Changes must be made to all governance practices that have proved ineffective. These changes involve the functioning of the state, the operation of public administration and more broadly, institutions, the political system, the judicial system, the social partners, as well as the values and attitudes that shape our behaviour.

The agreement of society and of political forces is needed on the main issue: the country's European prospects and growth

For these long-overdue changes to proceed, what is needed is the broadest possible consensus across society and the spectrum of political views.

Citizens must be convinced of the necessity of the changes stemming from the country's choice of euro area membership; further they must understand that an eventual failure to implement the changes would entail losses many times greater, as well as an irreparable break-up of social cohesion.

Political forces must focus on what unites them, thereby ensuring the continuity of the state, which also means safeguarding both the rule of law and equality before the law. Moreover, looking beyond their legitimate – and necessary within a democracy – difference in views and approaches, the political forces must safeguard the continuity of the much-needed core reforms.

The necessary changes can be realised today

Today we are better positioned to take action towards economic recovery and towards changing our growth and governance models – a medium-term goal, the pursuit of which must nonetheless begin immediately to ensure sustainable growth. We must take advantage of this position to build on what we have achieved and to discard all that has kept us back. The objective conditions that make this possible are in place:

- The restructuring of the debt substantially reduces the country's debt obligations and the cost of servicing them, thereby facilitating fiscal adjustment and supporting economic growth.
- The loan agreement and the accompanying economic adjustment programme were passed by Parliament with a large majority.

- Whilst the fiscal deficit remains high, it has been substantially reduced over the past two years. The objective of achieving primary surpluses from 2013 onwards is clearly attainable.
- The supportiveness of our partners is in the form of concrete and substantial assistance.
- The need to speed up the recovery features prominently on the agenda of consultations with the European Union and has generated a positive response.
- There is now broader public awareness of the gravity of the situation and of the need for radical change if Greece is to remain within the European Union.
- The banking system proved resilient during a difficult period and today looks forward to its restructuring, which would enable it to operate more effectively to the benefit of the economy.

Uncertainty and risks

The abovementioned factors will help the economy to recover from the crisis and then to settle onto a steady growth path. However, the economic developments have yet to show an improvement, while the risks remain high and uncertainty is still considerable.

The recession and unemployment turned out worse than initially expected

- The recession that began in 2008 continues unabated. In 2011, real GDP contracted by 6.9%. The situation worsened in the fourth quarter, reflecting, among other things, the fact that uncertainty remained high. The decline in GDP was driven by the fall in both consumption and investment, the latter dropping by more than 20%, i.e. much more than expected.
- A further reason for the deterioration in GDP in the fourth quarter of 2011 was the halt in the upward trend in real exports of goods, after four successive quarters of growth (on a national accounts basis). Exports of goods

increased on average in 2011, but more slowly than in 2010 (3.6% against 5.4%). The decrease in exports in the fourth quarter can be attributed not only to the slowdown in economic activity in our trading partners, but also to financial constraints faced by exporting firms (in particular, limited access to bank and trade credit).

- On the supply side, output of the secondary sector fell sharply (almost twice as much as in 2010: -12%, compared with -6.1%), mainly attributable to construction (-17.9%, against -8.1% in 2011) and industry including energy (-9.1%, from -5%). The decline in output of the tertiary sector intensified as well (-5.9%, against -3.1%). By contrast, agricultural output increased by 2.5% but, given the sector's small size, this positive development had little effect on GDP as a whole.

- The decline in production was the main cause of the net loss of some 298,000 jobs and the surge in unemployment by approximately 248,000 people in 2011.

- Conditions in the financial sector deteriorated. The rate of credit expansion to the private sector, which has been steadily decelerating since 2008, turned negative in 2011. While this development can be partly attributed to reduced demand for credit on account of the recession, an important factor was also the liquidity squeeze experienced by banks, resulting from the loss of confidence brought about by the fiscal crisis and the debt situation. Today many sound businesses are suffering the consequences of that squeeze and, as a result, are having difficulty staying afloat.

The general government deficit was reduced in 2011 as a percentage of GDP, but meeting the targets for 2012 will require a hard and persistent effort

According to estimates due to be released by Eurostat on 23 April, the general government deficit was reduced by more than one percentage point, while the primary deficit was

reduced by about 2.5% of GDP. Furthermore, in the first quarter of 2012, the central government deficit, on a cash basis, decreased markedly year-on-year, while a primary *surplus* in the order of 0.5% of GDP was recorded, compared with a primary *deficit* of 0.5% of GDP over the corresponding period in 2011. Primary expenditure fell, albeit less than targeted, due to increased subsidies to social security funds. Attaining the full-year targets will obviously require a hard and persistent effort.

Meanwhile, there is considerable uncertainty in the international environment as well

Global economic activity, after a strong recovery in 2010, slowed in 2011 on account of the sovereign debt crisis in advanced economies, the general decline in confidence, and the impact on demand from rising and currently very high commodity prices.

The global economy's recovery suffered a severe blow in the second half of 2011 and particularly in the last months of the year, from heightened uncertainty caused by the intensifying sovereign debt crisis in the euro area. As a consequence, the risks surrounding projections for 2012 remain elevated. GDP growth is expected to slow both in emerging and developing economies, though still remaining high; among advanced economies, the US and Japan are expecting an improvement, whereas the euro area will enter a mild recession in 2012. This projection is subject to considerable downside risks, relating in particular to an intensification of the debt crisis as well as further increases in commodity prices.

The recession is negatively affecting expectations and is fuelling the vicious circle

Delays with fiscal adjustment and the implementation of structural reforms, negative developments in the real economy and adverse conditions still surrounding the provision of bank finance to the economy, apart from their direct impact on incomes and especially unemployment, are also contributing to uncertainty

about the economic outlook. As long as the vicious circle of fiscal contraction-recession-uncertainty continues, the prospects for meeting deficit and debt targets will tend to weaken, thus refuelling negative expectations.

Some consider the vicious circle to be due to the tight fiscal policy pursued. Though not without foundation, this interpretation is incomplete. It fails to take into account that, while fiscal consolidation does bring about a decrease in aggregate demand, it also affects *expectations*. Positive expectations can be generated when:

- (i) a fiscal consolidation plan is able to convince that it forms part of a credible medium-term programme, aimed at reducing the share of the public sector in the total economy, frees up resources for the private sector and ensures a smooth servicing of public debt; and
- (ii) there is strong evidence that the economic adjustment programme is likely to succeed and that its continuity is ensured, regardless of political developments.

When these two conditions are in place, expectations of a *positive* final outcome can take hold, indirectly boosting consumption and investment. These indirect effects can, to a greater or lesser extent, offset the decline in demand brought about by the fiscal deficit reduction and, after a year or two, lead to economic recovery.

2 A STRATEGY THAT GOES BEYOND THE MEMORANDUM – GEARED TOWARDS AN EXIT FROM THE CRISIS AND TOWARDS SUSTAINABLE GROWTH – MUST BE IMPLEMENTED CONSISTENTLY AND WITHOUT DELAY

A national strategy for the orderly reconstruction of the economy

It has now become clear that the changes undertaken thus far are insufficient. Both the

fiscal and the external deficit remain high, implying that the country continues to live beyond its means, by relying on the financial support of its partners. Serious structural weaknesses in the public sector can still be found even in cases where measures to eliminate them have been legislated. Market distortions undercut competition and hamper growth. Competitiveness, despite improving in cost terms, still lags behind in structural terms. If, on top of these chronic structural weaknesses, one adds the important cyclical problems caused by the recession, then it becomes clear that the difficult task before us calls for a persistent and coordinated effort over several years.

What is now needed is a comprehensive strategy that goes beyond the Memorandum.

Recovery and growth through the mobilisation of the private business sector

A strategy for recovery and growth is of utmost priority. Failure to tackle the recession could compromise our ability to meet the targets of fiscal consolidation. But recovery and growth cannot be brought forward with piecemeal measures or, more importantly, with financing from public expenditure. In the current context, growth requires the mobilisation of the private business sector; this cannot be achieved as long as the state continues to dominate the economy. Nor can it happen as long as the fiscal deficit and public debt are persistently high. Moreover, there cannot be growth as long as there is a climate of uncertainty and distrust about the prospects of the economy.

The **prerequisites** for growth are therefore:

- (i) the restoration of confidence and the elimination of uncertainty;
- (ii) the creation of an environment favouring entrepreneurship;
- (iii) the transfer of resources from an inefficient public sector to the production of goods

and services by the private sector and, especially, from the sector of non-tradable goods and services to that of the tradable.

Actions for growth

As early as in 2010, the Bank of Greece pointed out the need for a comprehensive Action Plan for Growth, which would run in parallel with fiscal consolidation, specify needed structural policies and provide a framework for coordinating the growth-enhancing activities of the public sector that do not put the fiscal targets at risk.

Such a plan is all the more urgent today, with both short- and medium-term goals.

Goals with immediate results

- A speeding-up of the privatisation programme. Apart from generating proceeds that reduce the debt, privatisation typically entails further investment to fully exploit the assets acquired. Privatisations open up opportunities for foreign direct investment, which leads to technology transfer and productivity gains, thereby helping to increase investment expenditure and, ultimately, aggregate demand.
- A faster absorption of funds under the National Strategic Reference Framework (NSRF) and the securing of funds from international institutions, such as the European Investment Bank, so that important infrastructure projects that have been put on hold can be resumed.
- Reforms to improve the business environment, including measures to deal with red tape and reduce the administrative burden on businesses, to simplify the regulatory framework and to restore market competition.

Structural changes for a transition to a new growth model

Apart from measures with immediate results, a long-term growth policy is needed. Such a

policy must as of today strive for reforms to foster the transition to a new, export-oriented, growth model. These reforms must focus on changing the structure of production and removing distortions. The largest distortion of all is perhaps the high concentration of available resources in activities intended for the domestic market (and mostly controlled by the public sector) or in the resale of imported goods. Euro area entry and increased competition did not bring about major changes in this model, which is why Greece's structure of production has changed so little, compared to other economies; as a result, the level of structural competitiveness remains low.

Structural changes to improve productivity

The last two years have seen an improvement in Greece's cost competitiveness against its 28 major trading partners, mainly as a result of lower relative unit labour costs. While this is definitely a positive development, it is not sufficient. A sustainable improvement in competitiveness can only be fostered through continued productivity gains. For this to be achieved, structural reforms are required in order to remove the distortions and allow the transfer of resources to more productive activities, especially to the production of internationally-traded goods and services. The ultimate objective is export growth and import substitution, i.e. a strengthening of the position of domestic products in both the external and the home markets. Structural reforms aimed at creating a business-friendly environment and at attracting foreign direct investment can make a decisive contribution in this direction. Such reforms involve:

- bolstering competition in the markets for goods and services;
- modernising public administration;
- speeding up judicial procedures;
- rationalising and simplifying the regulatory environment;

- supporting labour market mobility;
- encouraging innovation, research and export-oriented activities;
- increasing the effectiveness of education at all levels; and
- ensuring a stable tax system;

None of this is new. All of these points have been raised before on numerous occasions and the need for such reforms is widely recognised. In several of these areas, measures have even been adopted. But the pace of implementation remains slow, meaning that the benefits are not yet visible. At the present critical juncture, all of these reforms must be carried forward simultaneously, with resolve and without being watered down.

Projections of key macroeconomic aggregates for 2012

The available short-term indicators for the first months of 2012 suggest that the recession will continue this year.

- The Bank of Greece – taking into account also the latest available data and indications – forecasts an average annual rate of decline in GDP of close to 5%, implying that the recession will be less pronounced than in 2011; this forecast assumes that the necessary structural reforms will be implemented without delay and according to plan. There have been some signs of stabilisation in the first quarter, but the economic environment remains volatile and uncertainty is still high.
- The **average rate of unemployment** is projected to increase this year and exceed 19%, up from 17.7% last year. In January 2012, the rate of unemployment reached 21.8%.
- Forecast reductions in **unit labour costs** for 2012-13, together with projected price developments, should lead to a marked improvement in cost competitiveness, thereby contributing to export growth and import substitution. In par-

ticular, it is estimated that by the end of 2012, two thirds to three quarters of the total cost competitiveness lost over the period 2001-2009 will have been recovered and that, by end-2013, all of the loss will likely have been recovered. Moreover, the current account deficit is projected to decrease from 9.8% of GDP in 2011 to roughly 7.5% of GDP in 2012 and this downward trend should continue in the years to come.

- Finally, the downward trend in inflation (measured by the Harmonised Index of Consumer Prices – HICP) will also continue in 2012, with average annual inflation expected to be around 1.2%, while core inflation will probably be zero on average. On the basis of certain assumptions, inflation is projected to fall further in 2013, possibly to below 0.5%, and average core inflation should be negative (around -0.3%).

3 RESTORING THE NORMAL FINANCING OF THE ECONOMY: THE RESTRUCTURING OF THE BANKING SYSTEM WILL CONTRIBUTE TO ECONOMIC RECOVERY AND GROWTH

The recession and the evolution of credit flows interact

The fiscal crisis and the associated climate of uncertainty have significantly worsened financial conditions during the past two years. Doubts as to the Greek economy's ability to break out of the vicious circle affected Greek banks, with the result that they were shut out of international markets and experienced a continuous decline in deposits: from end-October 2009 to end-February 2012, domestic bank deposits by the private sector decreased by over €70 billion, an equivalent to approximately one third of Greek GDP. The deposit outflows markedly constrained banks' ability to provide credit to the economy. Apart from its impact on deposits, the prevailing uncertainty also affected the inflow of foreign direct investment and the absorption of EU funds which, together with reduced bank financing, deepened the recession. Meanwhile, there is no doubt that the recession has contributed to a

decline in loan demand, while the generalised increase in credit risk dampened loan supply.

Economic recovery therefore hinges upon the setting in motion of a virtuous circle, whereby an improved economic outlook fosters the strengthening of the banking system, so that the latter can, in turn, supply credit to the real economy, with positive feedback effects on expectations, and so on.

It is possible to improve the funding potential

The second package of financial support and the alleviation of the fiscal burden can substantially improve the funding potential for the economy, provided of course that what has been agreed upon is effectively implemented. This can be achieved in the following ways:

First, by restoring confidence, which could initially lead to a return of bank deposits of some €10-15 billion of cash now being hoarded and then encourage capital repatriation. This would substantially improve banks' liquidity positions.

Second, by attracting funds from sources other than the banking system. Two sources can be mentioned in this regard. The privatisation programme, with expected proceeds of €19 billion by 2015 and €50 billion overall in the medium term, mainly in the form of capital inflows from abroad, will lead to much greater total inflows, if the additional investments needed to fully exploit the assets to be acquired are taken into consideration. Credit flows to businesses could be supported by an additional €15 billion, provided that our absorption rate of NSRF funds is improved. To this, one should add the funds available from the European Investment Bank, which will be allocated to Greek businesses through the intermediation of domestic commercial banks.

The restructuring of the banking system

Apart from those other sources, the key factor to improving financial conditions is the strengthening and restructuring of the banking system, currently in progress.

2012 will be a critical year in shaping the future structure of the banking system in Greece. Banks now face losses originating from the fiscal crisis. First, they are dealing with the implications of having invested in Greek government bonds, an instrument considered safe until recently. Second, banks also face the consequences of the increased difficulty that households and businesses have in servicing their debt obligations in a timely manner, on account of the protracted recession. These developments imply that it is imperative for banks to strengthen their capital bases.

Anticipating these challenges as early as in the summer of 2011, the Bank of Greece, in cooperation with the International Monetary Fund, the European Commission and the European Central Bank, began planning a number of measures to safeguard financial stability and protect depositors. These measures mainly include:

- meeting short-term liquidity needs through the Eurosystem;
- formulating, in cooperation with the government, a resolution regime for credit institutions, and applying it where necessary, in order to safeguard financial stability;
- securing €50 billion from the financial support programme for the banking system's recapitalisation and restructuring;
- conducting a diagnostic exercise to determine the capital requirements of Greek commercial banks for 2012-2014.

As regards the recapitalisation exercise, the Bank of Greece took into consideration:

- the impairment of Greek government bonds held in bank portfolios;
- expected losses on bank lending portfolios;
- provisions already set aside for these losses;
- the business plans submitted by banks.

The recapitalisation of banks

After banks' capital needs and recapitalisation plans have been assessed, banks will be given time to raise funds in the market and then, if necessary, from the Financial Stability Fund (subject to conditionality) in a manner that ensures the smooth functioning of banks and preserves private sector incentives. The Bank of Greece estimates that the €50 billion earmarked under the Loan Agreement will be more than sufficient to cover capital needs and is also confident that the recapitalisation and restructuring of the banking system will soon be successfully completed. This will strengthen the role of banks as a supplier of financing to the economy and boost confidence in the banking system. The restructuring of the banking system is one of the most crucial structural reforms needed by the economy today and will be instrumental in restoring confidence.

The objective: a sound, strong and competitive banking system

The banking sector will, following its restructuring, be relieved of past burdens. It will be more sound, efficient and robust and its size will correspond to the real needs of the economy. The publication of banks' capital needs will substantially increase transparency, which will in turn help banks to gradually regain the confidence of markets and depositors. This will enable them to better perform their fundamental role of financial intermediation and contribute to the return of the Greek economy to a path of sustainable growth. What is more, with the catalytic role of the Financial Stability Fund, opportunities will open up for synergies and perhaps even partnerships, not possible until now.

4 CONCLUDING REMARKS

Projections for domestic economic developments in 2012 are fraught with uncertainties. The economic outlook for the euro area is also subject to uncertainties, linked to the

possibility of an intensification of the sovereign debt crisis. It is against this challenging backdrop that the Greek economy needs to embark on a path of stabilisation as soon as possible. To this end, and for the sacrifices made by the Greek people not to have been in vain, society must at this critical juncture take a responsible stance – this applies in particular to political forces and the social partners. In other words, what is needed is a government and a society in full readiness from the very first day of the post-election period, so as to win the war on all fronts, starting with the construction of an efficient and flexible

state that will serve both the competitive functioning of markets and social cohesion, promote social dialogue and facilitate the proper utilisation of the country's resources. This will avert conditions that would lead not only to our sacrifices going to waste, but also to a drastic deterioration in the standard of living. Instead, the economy will be able to get back on track to recovery by the end of 2013 and gradually into a virtuous circle of confidence-fiscal balance-growth. This is the way for unemployment to start to decrease from today's high unprecedented levels and for employment to resume an upward trend.

APPENDIX

TABLES AND CHARTS

TABLES

1	Gross expenditure of the economy and gross domestic product	19
2	Indicators of consumer demand	20
3	Indicators of investment demand	20
4	Activity indicators in the services sector	21
5	Industrial production	22
6	Summary table of key short-term indicators for the real estate market	23
7	Population, labour force and employment	24
8	Price indicators	25
9	Price developments in Greece and the euro area	26
10	Earnings and labour costs	27
11	Average earnings and unit labour costs in total economy: Greece and the euro area	27
12	Greece: nominal and real effective exchange rate (EER) indices	28
13	Selected indicators of social cohesion	29
14	Balance of payments	30
15	Export performance – Import penetration by sector	31
16	Geographical breakdown of inward foreign direct investment	32
17	Geographical breakdown of outward foreign direct investment	32
18	Greece's international investment position	33
19	Gross external debt position	33
20	General government and state budget deficits	34
21	Consolidated debt of general government	34
22	Decomposition of changes in the general government debt-to-GDP ratio	35
23	State budget deficit on a cash basis	36
24	Financing of the state budget deficit	37
25	State budget balance	38
26	Greek contribution to the main monetary aggregates of the euro area	39
27	Bank interest rates on new deposits by households in the euro area and Greece	40

28	Bank interest rates on new deposits by households in euro area countries	40
29	Bank interest rates on new loans in the euro area and Greece	41
30	Bank interest rates on new loans in euro area countries	42
31	Credit to the economy by domestic MFIs	43
32	Credit to the domestic private sector by domestic MFIs	44
33	Total number and value of mutual funds' assets	45
34	Financial results of Greek commercial banks and banking groups	46
35	Greenhouse gas emissions and the Kyoto Protocol targets	47

CHARTS

1	Economic activity indicators	48
2	Consumer demand indicators	48
3	Output and business expectations in manufacturing	49
4	Purchasing Managers' Index (PMI) in manufacturing	49
5	Employment	49
6	Employment expectations	50
7	Total unemployment rate	50
8	Harmonised index of consumer prices in Greece, the euro area and the European Union	50
9	Core inflation in Greece and the euro area on the basis of the HICP excluding energy and unprocessed food	50
10	Annual inflation differentials between Greece and the euro area	51
11	Deposits, repurchase agreements and money market fund units in Greece	51
12	Bank interest rates on new deposits by households in Greece and the euro area	52
13	Bank interest rates on new loans in Greece	52
14	Bank interest rates on new loans: differential between Greece and the euro area	53
15	Average interest rate spread between new loans and new deposits in Greece and the euro area	53

16 Credit to the domestic private sector by domestic MFIs	54	18 10-year Greek and German government bond yields in HDAT	55
17 Debt of households and non-financial corporations in the euro area and Greece	54	19 Athens Exchange: composite share price index and trading volume	55

Table I Gross expenditure of the economy and gross domestic product

(at constant market prices of 2005)

	Value in million euro	Annual percentage changes					
	2005	2006	2007	2008	2009	2010	2011
1. Private consumption	134,725	4.3	3.7	4.0	-1.3	-3.6	-7.1
2. Public consumption	34,937	2.3	7.6	-2.1	4.8	-7.2	-9.1
3. Gross fixed capital formation	40,020	20.4	5.4	-6.7	-15.2	-15.0	-20.7
3.1 Construction	25,156	22.7	-8.9	-12.7	-10.0	-12.2	-21.4
3.2 Equipment	13,043	15.6	37.0	1.3	-24.0	-20.0	-22.1
3.3 Other investment	1,821	24.4	-10.2	-4.2	15.8	-7.1	-7.0
4. Domestic final demand ¹	209,682	7.0	4.7	0.7	-3.1	-6.3	-9.6
5. Change in inventories and statistical discrepancy (% of GDP)	1,302	0.5	1.6	1.2	-1.7	-1.3	-0.1
6. Exports of goods and services	44,807	3.1	6.9	3.0	-19.5	4.2	-0.3
6.1 Exports of goods	20,490	5.1	4.1	-0.4	-15.7	5.4	3.6
6.2 Exports of services	24,317	1.4	9.5	5.9	-22.5	3.2	-3.8
7. Final demand	255,790	6.2	5.9	0.8	-8.0	-4.4	-7.2
8. Imports of goods and services	62,741	8.2	14.6	3.3	-20.2	-7.2	-8.1
8.1 Imports of goods	51,875	7.9	15.3	1.5	-21.0	-10.7	-7.1
8.2 Imports of services	10,866	9.8	11.6	12.3	-16.5	7.0	-11.6
GDP at market prices	193,050	5.5	3.0	-0.2	-3.2	-3.5	-6.9
Contribution to GDP change (percentage points)							
1. Private consumption		2.99	2.58	2.78	-0.91	-2.68	-5.25
2. Public consumption		0.41	1.34	-0.39	0.87	-1.39	-1.71
3. Gross fixed capital formation		4.24	1.28	-1.62	-3.43	-2.98	-3.63
3.1 Construction		2.95	-1.35	-1.70	-1.18	-1.33	-2.12
3.2 Equipment		1.05	2.74	0.12	-2.40	-1.56	-1.43
3.3 Other investment		0.23	-0.11	-0.04	0.15	-0.08	-0.08
4. Domestic final demand ¹		7.64	5.17	0.80	-3.47	-7.08	-10.57
5. Inventories and statistical discrepancy		-0.13	1.13	-0.44	-2.81	0.42	1.27
6. Exports of goods and services		0.72	1.57	0.71	-4.73	0.85	-0.07
6.1 Exports of goods		0.54	0.43	-0.05	-1.67	0.50	0.37
6.2 Exports of services		0.18	1.14	0.75	-3.07	0.35	-0.44
7. Final demand		8.22	7.88	1.07	-11.01	-5.81	-9.37
8. Imports of goods and services		2.68	4.88	1.23	-7.76	-2.30	-2.47
8.1 Imports of goods		2.13	4.20	0.45	-6.57	-2.72	-1.68
8.2 Imports of services		0.55	0.68	0.78	-1.18	0.43	-0.79
9. External balance of goods and services (net exports)		-1.96	-3.31	-0.52	3.03	3.14	2.39
GDP at market prices		5.5	3.0	-0.2	-3.2	-3.5	-6.9

Source: ELSTAT, National Accounts, provisional data for 2006-11, March 2012.

¹ Excluding inventories and statistical discrepancy.

Table 2 Indicators of consumer demand (2009-2012)

(annual percentage changes)

	2009	2010	2011	2012 (available period)
Volume of retail trade (excluding fuel and lubricants)	-9.3	-6.9	-8.7	-10.2 (Jan.)
Food-beverages-tobacco ¹	-6.1	-5.5	-6.0	-8.8 (")
Clothing-footwear	1.4	-11.4	-18.8	-19.9 (")
Furniture-electrical appliances-household equipment	-15.3	-12.7	-15.7	-10.4 (")
Books-stationery-other	-24.0	-4.3	-5.2	-11.9 (")
Revenue from VAT (at constant prices)	-10.2	0.1	-5.9	-15.6 (Jan.-Feb.)
Retail trade business expectations index	-21.4	-26.4	-0.5	-15.0 (Jan.-Mar.)
New private passenger car registrations	-17.4	-37.2	-29.8	-36.0 (" ")
Tax revenue from mobile telephony ²	13.2	37.1	-16.8	-6.2 (Jan.-Feb.)
Outstanding balance of consumer credit ³	2.0 (Dec.)	-4.2 (Dec.)	-6.4 (Dec.)	-6.8 (Feb.)

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 different 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 (2009-2012)(annual percentage changes¹)

	2009	2010	2011	2012 (available period)
Capital goods output	-22.5	-22.1	-11.7	-7.7 (Jan.)
Capacity utilisation rate in the capital goods industry	(73.4)	(66.1)	(62.7)	(56.3) (Jan.-Mar.)
Bank credit to domestic enterprises ²	5.1 (Dec.)	1.1 (Dec.)	-2.0 (Dec.)	-2.7 (Feb.)
Disbursements under the Public Investment Programme ³	-2.8	-11.3	-17.1	-25.0 (Jan.-Feb.)
Production index in construction (at constant prices)	-17.5	-31.6	-28.0	...
Volume of private construction activity (on the basis of permits issued)	-26.5	-23.3	-37.7	...
Cement production	-21.4	-14.3	-37.8	-58.8 (Jan.)
Business expectations index in construction	-31.4	-27.4	-27.8	25.6 (Jan.-Mar.)
Outstanding balance of total bank credit to housing ⁴	3.7 (Dec.)	-0.3 (Dec.)	-2.9 (Dec.)	-3.2 (Feb.)

Sources: ELSTAT (capital goods output, volume of private construction activity, cement production), IOBE (capacity utilisation rate, business expectations index), Bank of Greece (bank credit to domestic enterprises and housing, disbursements under the 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 proprietors. The rates of change are adjusted for loan write-offs, foreign exchange valuation differences, as well as loans and corporate bonds transferred by domestic MFIs to their subsidiaries operating abroad and to one domestic subsidiary finance company in 2009.

3 As of 2012 real payments and not money transfers to the public investment account.

4 Comprising 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 4 Activity indicators in the services sector (2009-2012)

(annual percentage changes)

	2009	2010	2011	2012 (available period)
Services turnover indicators				
Motor trade	-15.7	-36.5	-26.6	...
Wholesale trade	-8.9	-5.9	-13.4	...
Telecommunications	-8.9	-11.3	-8.9	...
Land transport	-31.5	-18.1	-1.7	...
Sea transport	-22.8	-8.5	-2.7	...
Air transport	-11.7	-7.0	-0.9	...
Storage and supporting transport activities	-32.2	-10.8	-7.9	...
Travel agencies and related activities	-9.9	-24.5	-35.3	...
Tourism (accommodation and food service activities)	-9.1	-8.2	-7.4	...
Legal, accounting and management consulting services	-12.4	-7.3	-3.5	...
Architectural and engineering services	-18.6	-20.4	-19.2	...
Advertising and market research	-18.4	-23.8	-21.1	...
Information and Communication Services	...	...	...	...
– Film, video, and TV programme production, recordings and music products	1.4	-6.6	-28.4	...
– Programming and broadcasting activities	-6.7	-2.1	-27.1	...
Passenger traffic				
Athens International Airport	-1.5	-5.0	-6.3	-10.9 (Jan.-Feb.)
Aegean Airlines ¹	9.9	-5.1	4.2	...
Piraeus port (OLP)	-3.8	-6.0	-0.8	-26.9 (Jan.)
Business expectations index in the services sector	-28.3	-9.3	-2.9	-7.9 (Jan.-Mar.)

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

Table 5 Industrial production

(2005=100)

	Weights 2005	Average annual percentage changes			Level 2011 (2005=100)	
		2009	2010	2011		
Industry	100.0		-9.4	-5.9	-8.6	77.2
1. Mining and quarrying	6.1	100.0	-11.8	-6.5	-0.4	75.9
Mining of coal and lignite	56.6		-2.3	-13.1	5.9	85.4
Extraction of crude petroleum and natural gas	1.9		31.2	42.5	-24.3	89.2
Mining of metal ores	9.1		-23.3	16.2	18.5	88.0
Other mining and quarrying	32.4		-27.7	-0.1	-17.1	55.2
2. Manufacturing	69.8	100.0	-11.2	-5.1	-9.6	75.7
Food	18.2		-2.7	-4.1	-4.5	92.3
Beverages	6.0		-4.8	-7.6	-9.4	87.3
Tobacco	1.9		-2.7	-17.5	10.5	82.4
Textiles	3.1		-27.8	-20.6	-21.8	32.8
Wearing apparel	3.4		-23.6	-23.1	-25.4	36.1
Leather and footwear	0.6		-14.9	-36.9	-14.5	42.7
Wood and cork	1.2		-27.3	9.4	2.5	61.9
Paper and paper products	2.3		-3.0	-3.4	-8.5	86.1
Printing and reproduction of recorded media	1.9		-11.3	-14.1	-24.6	57.1
Coke and refined petroleum products	11.3		-0.1	5.7	-14.5	94.7
Chemicals and chemical products	5.3		-14.6	1.5	-4.3	81.0
Basic pharmaceuticals	2.5		18.3	2.4	-0.5	152.8
Rubber and plastic products	4.2		-13.7	-7.0	-7.2	79.2
Non-metallic mineral products	10.3		-24.2	-14.2	-36.2	37.9
Basic metals	8.0		-17.9	12.0	6.4	98.5
Metal products	5.1		-17.7	0.2	-4.8	75.9
Computers, electronics and optical products	1.2		-42.2	-26.6	-17.1	25.4
Electrical equipment	3.0		-20.1	-4.1	-12.1	69.5
Machinery and equipment n.e.c.	2.1		-27.0	-21.0	-8.0	59.7
Motor vehicles, trailers and semi-trailers	0.8		-13.3	-1.6	-30.2	50.0
Other transport equipment	1.6		-18.6	-35.1	-43.5	31.0
Furniture	1.5		-27.2	-19.0	-20.6	49.9
Other manufacturing	0.5		-12.5	-10.5	-13.5	55.7
Repair and installation of machinery and equipment	4.1		-15.2	-22.8	-4.9	55.2
3. Electricity	20.8	100.0	-4.2	-9.2	-8.8	78.4
4. Water supply	3.3	100.0	-3.1	0.7	-1.7	101.9
Industry	100.0		-9.4	-5.9	-8.6	77.2
Main industrial groupings						
Energy	36.8		-2.9	-4.9	-8.4	84.9
Intermediate goods	28.0		-18.4	-0.9	-9.7	70.3
Capital goods	8.6		-22.5	-22.1	-11.7	49.2
Consumer durables	2.3		-20.7	-13.4	-15.7	56.6
Consumer non-durables	24.3		-4.1	-7.2	-6.5	85.3

Source: ELSTAT, 12 March 2012.

Table 6 Indices of prices and residential property transactions

Indicators	Average annual percentage changes							
	2005	2006	2007	2008	2009	2010	2011	2012
1. Indices of prices of dwellings (BoG) and rents (ELSTAT)								
1.1 Indices of apartment prices (new series)								
a. All apartments (Greece)	-	-	5.9	1.7	-3.7	-4.7	-5.1	...
a1 By age								
a. New (up to 5 years)	-	-	7.2	2.3	-2.0	-4.2	-4.4	...
b. Old (over 5 years)	-	-	5.2	1.3	-4.8	-5.0	-5.6	...
a2 By geographical area: Total								
a. Athens	-	-	6.2	0.9	-4.6	-3.2	-6.3	...
b. Thessaloniki	-	-	7.0	1.5	-6.0	-7.4	-6.6	...
c. Other cities	-	-	6.3	1.8	-2.7	-5.3	-3.9	...
d. Other areas	-	-	4.6	3.3	-1.9	-5.8	-3.2	...
a2.1 By geographical area: New (up to 5 years)								
a. Athens	-	-	9.6	0.0	-3.5	-2.7	-6.4	...
b. Thessaloniki	-	-	3.7	3.5	-5.3	-6.8	-7.3	...
c. Other cities	-	-	7.8	2.4	-2.1	-4.3	-2.9	...
d. Other areas	-	-	4.1	5.4	1.0	-5.7	-1.9	...
a2.2 By geographical area: Old (over 5 years)								
a. Athens	-	-	4.5	1.4	-5.2	-3.5	-6.3	...
b. Thessaloniki	-	-	8.4	0.6	-6.3	-7.6	-6.3	...
c. Other cities	-	-	5.3	1.4	-3.2	-6.1	-4.8	...
d. Other areas	-	-	5.0	1.4	-4.4	-5.9	-4.3	...
1.2 Indices of prices of dwellings (historical series)								
a. Urban areas	10.9	13.0	6.2	1.5	-4.3	-4.4	-5.3	...
a1. Athens	8.6	11.7	6.2	0.9	-4.6	-3.2	-6.3	...
b1. Other urban areas ¹	13.4	13.0	3.8	2.6	-2.9	-6.7	-7.5	...
1.3 Price index of rents	4.2	4.4	4.5	3.9	3.6	2.4	0.8	-0.6(3month)
1.4 House price-to-rent ratio (2007=100) ²	90.9	98.7	100.0	97.9	91.0	84.7	79.7	...
2. Indices of residential property transactions								
2.1 Indices of residential property transactions with MFI intermediation (BoG) ³								
a. Number of transactions	-	-	36.8	-21.7	-35.7	-0.2	-44.1	...
b. Volume of transactions (in square metres)	-	-	36.6	-23.5	-38.9	-0.1	-41.3	...
c. Value of transactions	-	-	41.1	-20.0	-40.0	-6.2	-41.2	...
2.2 Indices of contracts of real estate transactions signed in the presence of a lawyer: Athens (DSA)								
a. Number of contracts	-	-22.3	1.4	-10.0	-18.0	-16.3	-34.1	...
b. Value of contracts	-	-2.9	12.5	-2.3	-28.3	-20.8	-43.0	...
2.3 Number of notarial acts of real estate transactions ⁴ (ELSTAT)								
a. Greece, total	29.6	-19.6	-3.0	-5.8	-13.9	-13.3	...	...
b. Athens	49.5	-22.0	-8.2	-9.2	-14.0	-16.8	...	...
2.4 Number of real estate transactions ⁴ (Ktimatologio SA)								
a. Greece, total	-	-	-	-	-16.3	-9.8	-28.1	...
b. Athens	-	-	-	-	-15.2	-12.5	-34.0	...
2.5 Number of properties sold ⁴ (Ktimatologio SA)								
a. Greece, total	-	-	-	-	-14.0	-13.0	-28.8	...
b. Athens	-	-	-	-	-8.0	-19.2	-33.6	...
2.6 Number of residential property transfers recorded at the Land Registry of Athens								
	-	-	-	-	-	-15.5	-30.5	-39.3(3month)

Sources: BoG: Bank of Greece, ELSTAT: Hellenic Statistical Authority, DSA: Athens Bar Association, Ktimatologio SA (Hellenic Cadastre), Land Registry of Athens.

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

2 In absolute terms.

3 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 a renegotiation of existing loans, registration of a mortgage to back non-housing loans, debt transfers from one bank to another, etc.

4 Including all real estate categories of residential and commercial properties (dwellings, general stores, offices, building plots, rural plots of land, etc.).

Table 7 Population, labour force and employment

	Q2 2011 (thousands of persons)	Annual percentage changes				
		Q2 ⁴				
		2007	2008	2009	2010	2011
Population aged 15+ ¹	9,338	0.6	0.2	0.3	0.4	0.4
Population aged 15-64 ¹	7,231	0.8	0.3	-0.1	0.2	0.0
Labour force ¹	4,967	0.8	0.4	0.7	0.9	-1.1
Employment ¹	4,156	1.5	1.4	-1.1	-2.3	-6.1
– Primary sector ¹	510	-2.6	-0.7	2.1	4.2	-7.6
– Secondary sector ¹	740	3.1	1.1	-6.4	-7.4	-16.5
– Tertiary sector	2,906	1.7	1.9	0.1	-1.9	-2.8
Labour force participation rate ²		67.0	67.2	67.7	68.3	67.6
Employment rate ³		61.5	62.2	61.6	60.1	56.4
Unemployment as a percentage of the labour force		8.1	7.2	8.9	11.8	16.3

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 annual changes and average year levels are reported in the main text.

Table 8 Price indicators

(annual percentage changes)

Year or quarter	Consumer Price Index										Industrial Producer Price Index						Import price index in industry			
	Sub-indices										Domestic market						External market		General index	General index excl. energy
	General index	Goods	Services	CPI excl. fuel & fresh fruit and vegetables	CPI excluding food & fuel	Food and non-alcoholic beverages	Fresh fruit and vegetables	Fuel	Sub-indices			Sub-indices		General index	General index					
									General index	Inter-mediate goods	Consumer goods	General index excl. energy	Inter-mediate goods			Consumer goods				
2005	3.5	3.4	3.7	3.1	3.2	0.6	-8.1	18.0	5.9	3.0	3.8	2.5	3.7	8.8	1.2					
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					
2008 Q1	4.3	5.0	3.3	2.9	2.3	6.1	7.1	24.0	11.5	6.9	9.3	4.9	8.5	8.1	2.5					
Q2	4.8	5.6	3.6	3.6	3.0	6.4	5.3	21.5	13.5	7.2	9.4	5.3	10.0	10.1	2.3					
Q3	4.7	5.1	4.2	3.7	3.2	4.5	-3.1	22.9	14.2	7.2	9.7	4.9	9.8	10.1	2.8					
Q4	2.9	1.7	4.5	3.5	3.4	4.5	8.9	-7.4	1.3	4.2	5.4	3.0	-2.4	0.4	2.3					
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					

Source: ELSTAT.

Table 9 Price developments in Greece and the euro area

(annual percentage changes)

	2010	2011	2011 May	2011 June	2011 July	2011 Aug.	2011 Sept.	2011 Oct.	2011 Nov.	2011 Dec.	2012 Jan.	2012 Feb.
A. Euro area												
<i>Harmonised Index of Consumer Prices (HICP) and its components</i>												
Overall index	1.6	2.7	2.7	2.7	2.5	2.5	3.0	3.0	3.0	2.7	2.7	2.7
Goods	1.8	3.3	3.4	3.2	2.9	3.0	3.7	3.9	3.9	3.3	3.2	3.4
Food	1.1	2.7	2.8	2.7	2.6	2.7	3.0	3.3	3.4	3.1	3.1	3.3
Processed food ¹	0.9	3.3	3.2	3.1	3.4	3.6	4.0	4.3	4.3	4.1	4.1	4.1
Unprocessed food	1.3	1.8	2.4	2.0	1.3	1.1	1.4	1.8	1.9	1.6	1.6	2.2
Industrial goods	2.2	3.7	3.6	3.5	3.1	3.1	4.1	4.2	4.1	3.4	3.2	3.4
Non-energy industrial goods	0.5	0.8	1.0	0.9	0.0	0.0	1.2	1.3	1.3	1.2	0.9	1.1
Energy	7.4	11.9	11.1	10.9	11.8	11.8	12.4	12.4	12.3	9.7	9.2	9.5
Services	1.4	1.8	1.8	2.0	2.0	1.9	1.9	1.8	1.9	1.9	1.9	1.8
Industrial producer prices	2.9	5.9	6.2	5.9	6.1	5.8	5.8	5.5	5.4	4.3	3.8	3.6
B. Greece												
<i>Harmonised Index of Consumer Prices (HICP) and its components</i>												
Overall index	4.7	3.1	3.1	3.1	2.1	1.4	2.9	2.9	2.8	2.2	2.1	1.7
Goods	5.9	4.0	3.9	4.0	2.8	1.6	3.7	3.7	3.7	2.7	2.9	2.5
Food	3.1	4.2	3.5	3.6	3.3	2.4	3.1	3.7	4.0	4.3	3.3	2.5
Processed food ¹	5.0	4.7	2.5	2.1	2.4	2.7	4.6	4.6	4.2	4.2	3.5	3.2
Unprocessed food	0.2	3.4	5.1	6.1	5.0	2.0	0.6	2.3	3.5	4.4	2.8	1.4
Industrial goods	7.7	3.9	4.2	4.2	2.4	1.1	4.0	3.7	3.5	1.7	2.6	2.5
Non-energy industrial goods	1.9	-0.2	1.0	1.0	-1.4	-3.3	0.7	0.0	0.1	-0.9	-0.5	-0.7
Energy	30.4	16.7	14.3	13.9	13.8	13.9	14.5	15.2	14.1	9.5	13.2	14.3
Services	3.1	1.9	2.0	1.9	1.2	1.1	1.8	1.7	1.7	1.5	0.9	0.3
Industrial producer prices	6.1	7.4	7.1	6.3	8.7	7.5	8.1	7.9	7.2	5.7	7.7	6.9

Source: Calculations based on ECB and ELSTAT data.

¹ Including alcoholic beverages and tobacco.

Table 10 Earnings and labour costs (2005-2012)

(annual percentage changes)

	2005	2006	2007	2008	2009	2010	2011	2012 (estimate)
Greece								
Average gross earnings (nominal):								
– total economy	4.4	5.7	5.2	6.2	4.6	-4.8	-3.0	-8.4 to -9.2
– central government ¹	2.3	3.1	3.8	7.1	5.2	-8.5	-4.9	-7.4
– public utilities	7.6	7.0	7.1	8.2	7.7	-5.5	-7.9	-9.5
– banks	1.5 ²	10.8	8.9	0.0	3.7	-1.8	0.1	-7.5
– non-bank private sector	5.6	6.8	6.1	6.5	2.8	-2.9	-1.7	-8.5 to -10.1
Minimum earnings	4.9	6.2	5.4	6.2	5.7	1.7	0.9	-19.6⁴
Average gross earnings (real)	0.9	2.4	2.2	1.9	3.3	-9.1	-6.4	-9.5 to -10.3
Total compensation of employees	5.8	7.8	8.2	8.5	3.2	-7.2	-8.4	-10.5 to -11.4
Compensation per employee	3.9	5.9	5.6	6.8	4.9	-4.3	-2.0	-6.3 to -7.2
Unit labour costs:								
– total economy	3.4	2.2	5.0	8.7	6.6	-3.8	-2.6	-5.9 to -6.8
– business sector ³	3.8	2.8	5.8	7.9	4.6	-2.7	-4.5	-7.8 to -9.1

Sources: ELSTAT (GDP 2005-2011), Bank of Greece estimates/forecasts (for 2012 GDP and the other annual aggregates in 2005-2012).

1 Average compensation per employee.

2 The relatively low growth rate of bank employees' average earnings mainly reflects changes in staff structure.

3 The business sector includes private and public enterprises and banks.

4 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 11 Average earnings and unit labour costs in total economy: Greece and the euro area (2001-2012)

(annual percentage changes)

Year	Average earnings		Unit labour costs	
	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	5.0	1.4
2008	6.2	3.3	8.7	3.7
2009	4.6	1.8	6.6	4.1
2010	-4.8	1.6	-3.8	-0.8
2011	-3.0	2.3	-2.6	1.0
2012 (forecast)	-8.4 to -9.2	2.0	-5.9 to -6.8	1.4

Sources: For Greece, Bank of Greece estimates. For the euro area: *European Commission, Economic Forecasts*, Autumn 2011.

Table 12 Greece: nominal and real effective exchange rate (EER) indices¹

(annual percentage changes in year averages)

	Nominal EER	Real 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	0.7
2002	2.3	2.6	4.2
2003	5.0	5.5	3.8
2004	1.7	1.9	4.4
2005	-1.0	-0.1	0.4
2006	0.0	0.8	0.9
2007	1.3	1.6	4.1
2008	2.4	2.5	6.7
2009	1.2	1.6	3.7
2010	-2.8	-0.5	-6.6
2011*	0.5	0.4	-3.7
Cumulative percentage change between 2001 and 2011	12.7	18.5	19.1

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.

¹ 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 2001-2010. Weights take account of third-market effects.

Table 13 Selected indicators of social cohesion

Indicator	Greece						EU-15 ¹	EU-27 ¹
	2005	2006	2007	2008	2009	2010		
I. Risk of poverty								
<i>1. At-risk-of-poverty rate</i>								
<i>1.1 Total population</i>	19.6	20.5	20.3	20.1	19.7	20.1	16.2	16.4
a. People aged 65+	27.9	25.6	22.9	22.3	21.4	21.3	16.1	15.9
b. Children aged 0-15	19.3	21.5	22.8	22.7	23.4	22.3	19.5	20.2
c. Single-parent households	43.5	29.6	34.2	27.1	32.1	33.4	37.1	36.8
d. Two adults with 3 or more children	32.7	38.0	29.7	27.2	28.6	26.7	24.0	25.9
<i>1.2 In-work poverty</i>	12.9	13.9	14.3	14.3	13.8	13.8	8.0	8.5
a. Part-time employment	24.2	26.4	27.2	26.0	26.9	29.4	13.2	12.9
b. Temporary employment	17.4	18.2	19.0	15.9	15.1	13.4	13.2	12.9
<i>1.3 Unemployed</i>	33.2	33.1	35.4	36.8	38.1	38.5	44.9	45.1
<i>2. At-risk-of-poverty gap²</i>								
<i>Total population</i>	23.8	26.1	27.2	24.7	24.1	23.4	22.5	23.1
a. People aged 65+	23.3	24.4	23.6	20.8	14.7	14.6	16.0	16.3
b. Children aged 0-15	22.5	26.1	29.0	26.5	26.4	27.3	22.2	23.7
<i>3. At-risk-of-poverty line (in euro)</i>								
a. Single-member households	5,650	5,910	6,120	6,480	6,897	7,178	...	...
b. Two adults with two children	11,866	12,411	12,852	13,608	14,484	15,073	...	...
II. Inequality indicators								
<i>1. Gini coefficient</i>	33.2	34.3	34.3	33.4	33.1	32.9	30.5	30.5
<i>2. S80/S20 ratio³</i>	5.8	6.1	6.0	5.9	5.8	5.6	5.0	5.0
III. Social welfare								
<i>1. Social expenditure, % of GDP</i>								
<i>Total</i>	24.9	24.7	24.8	26.3	28.0	...	30.3	29.5
a. Pensions	12.2	12.1	12.3	12.7	13.4	...	13.3	13.1
b. Social transfers	12.7	12.6	12.5	13.5	14.5	...	17.0	16.4
<i>2. Reduction in the at-risk-of-poverty rate:</i>								
Social expenditure (total)	19.6	20.0	21.6	21.4	22.3	22.7	27.1	27.0
a. Pensions	16.6	17.1	18.2	18.2	19.3	19.0	17.2	17.5
b. Social transfers	3.0	2.9	3.4	3.2	3.0	3.7	9.9	9.5

Source: Eurostat.

1 Data for the EU-15 and the EU-27 refer to the latest available year (2007 data referring to the earnings of 2006).

2 Measures the distance of the proportion of the population from the poverty line.

3 Share ratio, defined as the ratio of total income received by 20% of the households with the highest income (highest quantile) to that received by 20% of the households with the lowest income (lowest quantile).

Table 14 Balance of payments

(million euro)

	January – December		
	2009	2010	2011*
I CURRENT ACCOUNT BALANCE (I.A+I.B+I.C+I.D)	-25,818.7	-22,975.6	-21,096.1
I.A Trade balance (I.A.1 – I.A.2)	-30,767.3	-28,279.6	-27,221.2
Oil trade balance	-7,596.5	-8,627.2	-11,126.9
Non-oil trade balance	-23,170.8	-19,652.4	-16,094.2
Ships balance	-3,356.9	-3,621.3	-3,261.2
Trade balance excl. oil and ships	-19,813.9	-16,031.1	-12,833.0
<i>I.A.1 Exports of goods</i>	<i>15,318.0</i>	<i>17,081.5</i>	<i>20,233.0</i>
Oil	3,063.2	4,950.0	6,187.7
Ships (receipts)	771.7	798.6	754.7
Other goods	11,483.1	11,332.9	13,290.6
<i>I.A.2 Imports of goods</i>	<i>46,085.3</i>	<i>45,361.0</i>	<i>47,454.1</i>
Oil	10,659.8	13,577.1	17,314.6
Ships (payments)	4,128.6	4,419.9	4,015.9
Other goods	31,296.9	27,364.0	26,123.7
I.B Services balance (I.B.1 – I.B.2)	12,640.2	13,248.5	14,630.8
<i>I.B.1 Receipts</i>	<i>26,983.3</i>	<i>28,477.8</i>	<i>28,609.2</i>
Travel	10,400.3	9,611.3	10,504.7
Transport	13,552.2	15,418.4	14,096.6
Other services	3,030.9	3,448.1	4,007.9
<i>I.B.2 Payments</i>	<i>14,343.2</i>	<i>15,229.4</i>	<i>13,978.4</i>
Travel	2,424.6	2,156.0	2,266.5
Transport	7,073.4	8,155.4	7,233.2
Other services	4,845.1	4,917.9	4,478.7
I.C Income balance (I.C.1 – I.C.2)	-8,984.3	-8,143.4	-9,066.5
<i>I.C.1 Receipts</i>	<i>4,282.9</i>	<i>3,571.9</i>	<i>3,339.4</i>
Wages, salaries	294.6	199.7	188.0
Interest, dividends, profits	3,988.3	3,372.2	3,151.4
<i>I.C.2 Payments</i>	<i>13,267.2</i>	<i>11,715.2</i>	<i>12,405.9</i>
Wages, salaries	411.9	377.6	470.0
Interest, dividends, profits	12,855.2	11,337.7	11,936.0
I.D Current transfers balance (I.D.1 – I.D.2)	1,292.6	198.9	560.8
<i>I.D.1 Receipts</i>	<i>5,380.7</i>	<i>4,654.3</i>	<i>4,435.0</i>
General government (mainly receipts from the EU)	3,527.9	3,188.5	3,254.9
Other sectors (emigrants' remittances, etc.)	1,852.8	1,465.8	1,180.1
<i>I.D.2 Payments</i>	<i>4,088.1</i>	<i>4,455.4</i>	<i>3,874.2</i>
General government (mainly payments to the EU)	2,679.6	2,860.4	2,485.4
Other sectors	1,408.5	1,595.0	1,388.8
II CAPITAL TRANSFERS BALANCE (II.1 – II.2)	2,017.4	2,071.5	2,671.8
II.1 Receipts	2,328.1	2,356.2	2,932.7
General government (mainly receipts from the EU)	2,133.2	2,239.3	2,798.5
Other sectors	194.9	116.9	134.2
II.2 Payments	310.7	284.7	260.8
General government (mainly payments to the EU)	14.4	15.8	12.7
Other sectors	296.3	268.9	248.1
III CURRENT ACCOUNT AND CAPITAL TRANSFERS BALANCE (I+II)	-23,801.3	-20,904.1	-18,424.3
IV FINANCIAL ACCOUNT BALANCE (IV.A+IV.B+IV.C+IV.D)	24,395.4	21,323.5	17,887.0
IV.A Direct investment¹	274.5	-457.4	25.1
By residents abroad	-1,479.3	-738.8	-1,286.2
By non-residents in Greece	1,753.8	281.4	1,311.3
IV.B Portfolio investment¹	22,663.8	-20,855.0	-17,778.3
Assets	-8,973.0	13,278.7	6,139.0
Liabilities	31,636.8	-34,133.6	-23,917.3
IV.C Other investment¹	1,563.1	42,538.8	35,621.2
Assets	-23,875.7	7,658.7	5,432.9
Liabilities	25,438.8	34,880.2	30,188.3
(General government borrowing)	2,865.0	29,978.2	39,873.9
IV.D Change in reserve assets²	-106.0	97.0	19.0
V ERRORS AND OMISSIONS	-594.1	-419.4	537.0
RESERVE ASSETS	3,857.0	4,777.0	5,332.0

Source: Bank of Greece.

* Provisional data.

1 (+) net inflow, (-) net outflow.

2 (+) decrease, (-) increase.

Table 15 Export performance – Import penetration by sector¹

a. Export Performance							
Sectors	2005	2006	2007	2008	2009	2010	2011
Food	19.1	20.0	18.8	20.8	23.3	21.1	25.3
Beverages	6.3	6.1	4.1	4.3	3.2	3.0	3.7
Tobacco	77.5	66.9	65.2	84.9	61.0	59.8	61.2
Textiles	78.6	68.5	56.9	63.7	97.9	139.1	160.8
Clothes	58.4	60.2	62.1	68.6	71.7	68.3	88.8
Leather-footwear	24.0	39.8	41.6	34.6	26.0	47.6	79.2
Wood and cork	10.6	8.0	8.9	9.7	11.4	5.8	7.9
Paper and paper products	13.6	10.8	11.8	14.9	15.8	12.9	17.8
Printing	4.6	2.8	1.5	2.1	3.2	2.0	2.8
Oil and coal products	30.6	33.0	31.5	38.8	38.2	42.9	50.8
Chemicals	26.9	29.6	22.8	33.1	34.4	32.0	36.7
Basic pharmaceuticals	87.7	77.8	63.5	65.5	61.0	61.8	59.5
Rubber and plastic products	39.6	49.7	52.2	48.4	37.9	39.3	64.2
Non-metallic mineral products	8.8	8.6	7.9	10.0	11.5	11.4	9.5
Basic metals	27.1	33.1	33.9	34.2	24.3	25.9	35.7
Metal products	33.9	36.1	42.1	61.2	57.6	50.3	62.9
Computer, electronics and optical products	8.4	5.1	7.9	11.7	26.3	28.4	13.5
Electrical equipment	42.5	40.3	68.9	53.8	47.4	44.2	53.8
Machinery and equipment n.e.c.	56.1	51.7	64.5	80.3	87.5	100.8	117.3
Motor vehicles and transport equipment	19.5	29.9	38.9	17.8	14.5	16.4	17.3
Furniture	5.9	8.0	9.5	9.4	9.2	11.5	9.0
Other manufacturing activities	169.7	162.6	228.3	192.1	110.1	115.2	153.3
Total manufacturing	28.5	30.3	31.1	34.1	32.3	36.1	45.0
Total manufacturing excluding fuel	27.9	29.4	31.0	32.3	30.4	32.6	41.6
b. Import penetration							
Sectors	2005	2006	2007	2008	2009	2010	2011
Food	38.6	39.5	40.5	43.4	41.5	38.8	40.7
Beverages	18.0	18.9	18.6	17.6	15.4	14.6	9.3
Tobacco	71.4	65.7	66.6	83.4	63.6	63.7	57.2
Textiles	76.1	71.5	65.2	72.5	98.0	186.7	334.2
Clothes	76.2	81.3	82.3	87.9	90.1	89.6	96.3
Leather-footwear	81.4	85.5	85.9	85.8	84.4	90.1	95.2
Wood and cork	59.9	60.6	65.7	65.2	62.1	49.0	37.2
Paper and paper products	58.4	59.3	61.0	61.6	53.8	48.8	45.0
Printing	27.3	27.0	25.9	20.8	21.3	19.4	21.6
Oil and coal products	63.4	66.3	64.9	70.6	68.3	67.7	74.3
Chemicals	68.2	70.0	67.1	70.8	69.8	68.4	69.1
Basic pharmaceuticals	94.9	90.8	85.4	86.0	82.5	82.4	85.1
Rubber and plastic products	70.5	75.1	76.9	74.5	67.8	65.5	76.5
Non-metallic mineral products	19.2	18.2	20.1	19.8	19.1	16.8	20.7
Basic metals	40.1	47.5	48.4	49.2	35.5	34.4	39.0
Metal products	61.8	55.5	62.2	72.2	66.5	58.9	60.3
Computer, electronics and optical products	74.5	77.4	82.3	83.2	88.4	88.4	85.5
Electrical equipment	81.1	78.5	88.4	84.9	82.2	77.8	79.4
Machinery and equipment n.e.c.	94.6	93.4	95.6	97.7	98.6	100.1	102.5
Motor vehicles and transport equipment	85.8	89.8	90.5	88.0	84.1	82.7	80.5
Furniture	55.1	60.6	63.4	65.3	66.9	67.0	66.1
Other manufacturing activities	112.1	111.4	125.5	114.5	101.7	103.0	111.8
Total manufacturing	61.7	63.8	64.9	67.7	64.1	63.7	68.2
Total manufacturing excluding fuel	61.2	62.9	64.9	66.5	62.6	61.7	64.0

Sources: ELSTAT (Industrial output index; annual industrial survey); Bank of Greece for imports and exports data.

¹ *Import penetration* is defined as the ratio of import value to apparent consumption (the sum of imports and non-export domestic output), and *export performance* as the share of production that is exported.

Table 16 Geographical breakdown of inward foreign direct investment

(million euro)

	2009	2010	2011*
EU-27	1,561	180	722
Euro area	1,601	725	845
Other OECD countries ¹	87	93	547
Balkan countries ²	0	3	-2
Middle East, Mediterranean and former USSR ³	6	9	15
Other countries	100	-3	28
Total direct investment by non-residents	1,754	281	1,311

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 17 Geographical breakdown of outward foreign direct investment

(million euro)

	2009	2010	2011*
EU-27	1,142	605	1,298
Euro area	1,118	459	120
Other OECD countries ¹	18	108	68
Balkan countries ²	143	90	46
Middle East, Mediterranean and former USSR ³	21	17	5
Other countries	155	-81	-130
Total direct investment by residents	1,479	739	1,286

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)

	2009	2010 ¹	2011*
1. Direct investment	-1,835	5,686	11,983
Abroad by residents	27,387	31,899	33,185
In Greece by non-residents	29,222	26,213	21,202
2. Portfolio investment	-140,750	-79,792	-9,314
Assets	97,815	80,209	72,322
Liabilities	238,565	160,001	81,636
3. Financial derivatives	1,771	1,395	2,104
4. Other investment	-62,449	-142,328	-180,498
Assets	129,561	112,576	106,281
Liabilities	192,010	254,904	286,779
5. Reserve assets	3,857	4,777	5,332
Net international investment position (iip) (1+2+3+4+5)	-199,406	-210,262	-170,393
GDP	231,641	227,318	215,088
Net iip as % of GDP	-86.1	-92.5	-79.2

Source: Bank of Greece.

* Provisional estimates.

¹ Revised data.**Table 19 Gross external debt position**

(million euro)

	2006	2007	2008	2009	2010 ¹	2011*
A. General government	154,660	177,106	191,985	224,946	181,902	156,995
B. Bank of Greece	8,183	10,797	35,348	49,036	87,088	104,750
C. Other Monetary Financial Institutions	68,624	97,424	111,194	112,861	116,422	91,191
D. Other sectors	18,637	19,501	21,252	24,216	16,691	9,698
E. Direct investment	2,803	3,690	4,614	5,716	5,072	5,096
Debt liabilities to affiliated enterprises	620	827	1,082	2,824	1,635	1,659
Debt liabilities to direct investors	2,183	2,863	3,532	2,892	3,437	3,437
Gross external debt (A+B+C+D+E)	252,906	308,517	364,393	416,775	407,175	367,730
% of GDP	121.07	138.49	156.45	179.92	179.12	170.97

Source: Bank of Greece.

* Provisional data.

¹ Revised data.

Table 20 General government and state budget deficits

(percentages of GDP)

	2007	2008	2009	2010	2011*
General government deficit¹ <i>(national accounts data – convergence criterion)</i>	-6.5	-9.8	-15.8	-10.6	-9.2
– Central government	-6.5	-9.9	-15.6	-11.7	-
– Social security organisations, local authorities, legal entities in public law	0.0	0.1	0.3	1.1	-
State budget deficit² <i>(administrative data)</i>	-4.7	-6.3	-14.3	-9.8	-10.6
State budget deficit³ <i>(cash data)</i>	-5.6	-7.5	-14.1	-10.3	-10.8

Sources: Bank of Greece, Ministry of Finance and ELSTAT.

* Provisional data.

1 ELSTAT data, as notified to the European Commission (Excessive Deficit Procedure). Data on the general government deficit for 2010 are estimates from the State General Accounting Office's general government cash data of February 2011. 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.

Table 21 Consolidated debt of general government¹

(million euro)

	2005	2006	2007	2008	2009	2010	2011*
Short-term	1,337	2,479	2,180	5,790	12,334	11,745	14,363
– securities	1,156	943	1,625	5,496	10,820	9,121	11,758
– loans	181	1,536	555	294	1,514	2,624	2,605
Medium- and long-term	209,846	221,409	236,617	256,766	285,874	316,785	340,434
– securities	168,336	178,600	192,712	211,516	242,802	244,312	236,880
– loans	41,510	42,809	43,905	45,250	43,072	72,473	103,554
Coin and deposits	1,235	988	693	728	1,477	1,005	820
Total	212,418	224,876	239,490	263,284	299,685	329,535	355,617
<i>% of GDP</i>	<i>110.0</i>	<i>107.7</i>	<i>107.5</i>	<i>113.0</i>	<i>129.4</i>	<i>145.0</i>	<i>165.3</i>
– euro-denominated debt	209,671	222,820	237,574	261,652	298,425	323,522	347,466
<i>of which:</i>							
<i>to the Bank of Greece</i>	<i>(7,988)</i>	<i>(7,991)</i>	<i>(7,521)</i>	<i>(7,051)</i>	<i>(6,581)</i>	<i>(6,154)</i>	<i>(5,684)</i>
<i>to the IMF/EU/ECB</i>						<i>(27,121)</i>	<i>(65,379)</i>
– non-euro denominated debt	2,747	2,056	1,916	1,632	1,260	6,013	8,151 ²
<i>of which: to the IMF/EU/ECB</i>						<i>(4,704)</i>	<i>(7,831)</i>

Source: State General Accounting Office.

* Provisional data.

1 According to the definition in the Maastricht Treaty.

2 Valuation using exchange rates as at 31.12.2011.

Table 22 Decomposition of changes in the general government debt-to-GDP ratio¹

(percentages of GDP)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011*
General government debt-to-GDP ratio	103.7	101.7	97.4	98.9	110.0	107.7	107.5	113.0	129.4	145.0	165.3
Changes in the general government debt-to-GDP ratio	0.3	-2.1	-4.2	1.4	11.2	-2.4	-0.1	5.5	16.3	15.6	20.4
– Primary balance	-2.0	-0.7	0.7	2.6	1.0	1.3	2.0	4.8	10.6	5.0	2.3
– Change in GDP and change in interest rates	-0.9	-1.4	-4.5	-2.0	0.2	-4.1	-2.4	0.1	5.5	7.9	14.9
– Deficit-debt adjustment ²	3.2	0.1	-0.4	0.9	10.0	0.3	0.2	0.7	0.2	2.8	3.1

Sources: Ministry of Finance, General Directorate of Economic Policy, “Hellas: Macroeconomic Aggregates” and ELSTAT.

* Provisional data.

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

$$\left(\frac{D_t}{Y_t} - \frac{D_{t-1}}{Y_{t-1}} \right) = \frac{PB_t}{Y_t} + \left(\frac{D_{t-1}}{Y_{t-1}} * \frac{i_t - g_t}{1 + g_t} \right) + \frac{SF_t}{Y_t}$$

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 23 State budget deficit on a cash basis^{1,2}

(million euro)

	Ετήσια στοιχεία			
	2008	2009	2010	2011*
State budget	17,361	32,622	23,396	23,144
% of GDP	7.5	14.1	10.3	10.8
– Ordinary budget ³	12,585 ⁴	25,318 ⁵	18,333 ⁶	20,082 ⁷
– Public investment budget	4,776	7,304	5,063	3,062

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 Aids) account.

3 Including movements in public debt management accounts.

4 Including proceeds of €430.8 million from the sale of Hellenic Telecommunications Organisation (OTE) shares and expenditure of €570.8 million for a grant to Agricultural Insurance Organisation (OGA), but excluding the payment of Greek government debt to the Social Insurance Institute (IKA) by the issuance of bonds of €1,172 million. It should be noted that during the strike of the Bank of Greece personnel in March 2008, public debt service payments of €1,537 million were effected through commercial banks, of which €359 million in interest payments were not reflected in the cash data of the Bank of Greece. If this latter amount is included in interest payments, then the state budget deficit rises from 7.5% of GDP to 7.6% of GDP.

5 Excluding expenditure of €3,769 million for the acquisition of preference shares of Greek banks under Law 3723/2008 and of €1,500 million for the issuance of bonds to cover the capital increase of the Credit Guarantee Fund for Small and Very Small Enterprises (TEMPME SA), but including proceeds of €673.6 million from the sale of OTE shares and €72.3 million from the privatisation of Olympic Airlines, as well as the payment of Greek government debt to OGA by the issuance of bonds of €531 million.

6 Including expenditure of: (i) €297.9 million (bond issue reopening) for the payment of past government debt to the Social Insurance Institute (IKA); and (ii) €714.7 million (bond issuance) for the payment of past government debt to the Hellenic Petroleum SA (ELPE), EGNA-TIA MOTORWAY SA and the Agricultural Bank of Greece, but excluding expenditure of: (i) €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 (ii) €424.3 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. Also excluding expenditure of €1,500 million for the paying-up of the capital of the Financial Stability Fund.

7 Not including revenue of: (i) €675 million from the sale of preference shares of the Agricultural Bank of Greece by the Greek State; and (ii) €250 million from the Deposits & Loans Fund due to the reduction of its reserves. By contrast, including privatisation proceeds of €1,548.3 million, but excluding expenditure of: (i) €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; (ii) €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 (iii) €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 in 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 (€1,380 million) paid for the purchase by the Greek State of preference shares of the National Bank of Greece and Piraeus Bank.

Table 24 Financing of the state budget deficit

(million euro)

	2008		2009		2010		2011*	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
Greek Treasury bills and government bonds ¹	17,283 ⁴	99.6	39,953 ⁵	122.5	1,155 ⁶	4.9	-19,763 ⁷	-85.4
Change in the balances of central government accounts with the banking system ²	-3,596	-20.7	-4,612 ⁵	-14.1	-8,148	-34.8	3,086	13.3
External borrowing ³	3,674	21.2	-2,719	-8.3	-1,314	-5.6	-1,650	-7.1
Borrowing from the IMF/EU/ECB					31,703	135.5	41,471	179.2
– from the EU					21,000		31,900	
– from the IMF					10,703		9,571	
Total	17,361	100.0	32,622	100.0	23,396	100.0	23,144	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 Excluding bonds issued by the Greek government for debt repayment to the Social Insurance Institute – IKA. See also footnote 4 in Table 23.

5 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 repayment of debts of public hospitals and of the Hellenic Agricultural Insurance Organisation (ELGA). See also footnote 6 in Table 23.

7 Excluding bonds issued by the Greek government for the repayment of debts of public hospitals, ELGA and Olympic Airlines. See also footnote 7 in Table 23.

Table 25 State budget balance

(million euro)

	Annual data						Percentage changes			
	2009	2010	2011		2012	2010/09	2011/2010		2012/11	
	(1)	(2)	(3)	(4)	(5)	(7=2:1)	Estimates	Execution*	Suppl. Budget/ Exec.*	
			Medium-term Programme	Estimates	Execution*	Suppl. Budget after the PSI				
I. Revenue	50,586	53,929	57,967	54,673	53,861	56,159	6.6	1.4	-0.1	4.3
1. Ordinary budget	48,546	50,857	54,042	51,308	50,091	51,409	4.8	0.9	-1.5	2.6
Revenue before tax refunds	53,443	56,155	57,012	55,212	54,191	54,889	5.1	-1.7	-3.5	1.3
Revenue from NATO	55	24	40	40	26	60				
Special revenue from the issue of State licenses	0	0	790	1,056	1,157	270				
Tax refunds	4,952	5,322	3,800	5,000	5,283	3,810	7.5	-6.1	-0.7	-27.9
2. Public investment budget	2,040	3,072	3,925	3,365	3,770	4,750	50.6	9.5	22.7	26.0
– Own revenue	183	271	203	190	146	200	48.1	-29.9	-46.1	37.0
– Receipts from the EU	1,857	2,801	3,722	3,175	3,623	4,550	50.8	13.4	29.3	25.6
III. Expenditure	84,213	76,212	79,020	77,631	76,743	70,298	-9.5	1.9	0.7	-8.4
(State budget primary expenditure)	71,888	62,989	63,018	61,251	60,395	57,248	-12.4	-2.8	-4.1	-5.2
1. Ordinary budget	74,625	67,758	71,470	70,741	70,135	62,998	-9.2	4.4	3.5	-10.2
– Interest payments	12,325	13,223	16,002	16,380	16,348	13,050	7.3	23.9	23.6	-20.2
– Ordinary budget primary expenditure	57,992	52,146	52,009	51,790	51,532	47,625	-10.1	-0.7	-1.2	-7.6
– Grants for the repayment of public hospitals' arrears	1,498	367	450	450	435	400				
– Expenditure for NATO	51	33	40	40	16	60				
– Procurement of defence equipment	2,175	1,017	1,500	600	359	700				
– Call-in of guarantees from entities within and outside the general government	584	972	1,469	1,481	1,445	1,163				
2. Public investment budget	9,588	8,454	7,550	6,890	6,608	7,300	-11.8	-18.5	-21.8	10.5
III. State budget balance	-33,627	-22,284	-21,053	-22,958	-22,882	-14,139	-33.7	3.0	2.7	-38.2
% of GDP	-14.5	-9.8	-9.3	-10.5	-10.6	-6.9				
1. Ordinary budget	-26,079	-16,901	-17,428	-19,433	-20,044	-11,589				
2. Public investment budget	-7,548	-5,382	-3,625	-3,525	-2,838	-2,550				
IV. State budget primary balance	-21,302	-9,061	-5,051	-6,578	-6,534	-1,089				
% of GDP	-9.2	-4.0	-2.2	-3.0	-3.0	-0.5				
V. General government balance										
% of GDP (on a national accounts basis)	-15.8	-10.6	-7.3	-9.0	-9.2	-6.7				
Amortisation payments	29,135	19,549	28,950	28,851	28,843	41,900	-32.9	47.6	47.5	45.3
GDP (at current prices)	231,642	227,318	225,400	217,771	215,088	206,319	-1.9	-4.2	-5.4	-4.1

Source: State General Accounting Office.

* Provisional data.

Table 26 Greek contribution to the main monetary aggregates of the euro area

(non-seasonally adjusted data)

	Outstanding balances on 29.02.12 (million euro)	Annual percentage changes ¹														
		2006		2007		2008		2009		2010		2011		2012		
		Q4 ²	Q4 ²	Q4 ²	Q4 ²	Q4 ²	Q4 ²	Q4 ²	Q4 ²	Q4 ²	Q1 ²	Q2 ²	Q3 ²	Q4 ²	Dec. ³	Feb. ³
1. Overnight deposits	69,288	0.7	-0.9	-7.0	11.4	-8.0	-11.6	-12.6	-13.7	-17.3	-18.0	-21.0	-18.0	-21.0	-18.0	-21.0
1.1 Sight deposits and current account deposits	21,133	1.8	10.3	-3.6	15.7	-7.6	-8.4	-7.1	-9.1	-12.8	-12.2	-18.0	-12.2	-18.0	-12.2	-18.0
1.2 Savings deposits	48,155	0.2	-4.6	-7.9	9.5	-8.1	-13.1	-15.3	-16.0	-19.3	-20.3	-22.1	-19.3	-22.1	-20.3	-22.1
2. Time deposits with an agreed maturity of up to 2 years	95,491	37.5	42.2	39.1	2.7	-13.8	-11.2	-8.6	-9.0	-14.6	-15.3	-17.5	-14.6	-15.3	-15.3	-17.5
3. Deposits redeemable at notice of up to 3 months ⁴	2,591	-24.4	-20.3	-24.1	64.2	-7.0	-8.1	0.1	-15.0	-14.9	-13.6	-12.5	-14.9	-13.6	-13.6	-12.5
4. Total deposits (1+2+3)	167,370	12.1	15.9	15.3	6.6	-11.3	-11.3	-10.3	-11.1	-15.7	-16.4	-18.9	-15.7	-16.4	-16.4	-18.9
5. Repurchase agreements	73	-35.7	-54.3	-11.4	-67.1	-48.9	-43.9	-27.5	-36.0	1.4	2.4	-28.4	1.4	2.4	2.4	-28.4
6. Money market fund shares/units	635	-2.5	40.5	-58.8	-44.8	-45.8	-29.3	-7.0	-11.8	-22.7	-31.6	-36.2	-22.7	-31.6	-31.6	-36.2
7. Debt securities issued with a maturity of up to 2 years ⁵	-1	24.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8. M3 excluding currency in circulation (4+5+6+7)	168,077	10.6	14.7	14.4	4.8	-11.8	-11.4	-10.2	-11.2	-15.8	-16.5	-19.0	-15.8	-16.5	-16.5	-19.0

Sources: Bank of Greece and ECB.

1. Annual rates of change in the corresponding index, which is compiled on the basis of outstanding stocks for December 2001 and cumulative monthly flows, adjusted for exchange rate variations, reclassifications, etc.
 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*).
 3. Based on end-of-month levels.
 4. Including savings deposits in currencies other than the euro.
 5. This aggregate is calculated on a consolidated basis with the other euro area countries and thus does not include domestic MFIs' holdings of debt securities with a maturity of up to two years issued by euro area MFIs.

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

(percentages per annum)

	December 2010	December 2011	Change Dec. 2011/ Dec. 2010 (percentage points)	February 2012	Change Feb. 2012/ Dec. 2010 (percentage points)
Overnight¹					
Weighted average interest rate in the euro area	0.43	0.54	0.11	0.52	0.09
Maximum interest rate	1.10	1.10	0.00	1.12	0.02
Minimum interest rate	0.07	0.09	0.02	0.09	0.02
Interest rate in Greece	0.44	0.48	0.04	0.47	0.03
Interest rate differential between Greece and the euro area	0.01	-0.06	-0.07	-0.05	-0.06
With an agreed maturity of up to one year²					
Weighted average interest rate in the euro area	2.27	2.78	0.51	2.90	0.63
Maximum interest rate	3.98	4.88	0.90	4.86	0.88
Minimum interest rate	0.75	1.03	0.28	0.55	-0.20
Interest rate in Greece	3.68	4.88	1.20	4.86	1.18
Interest rate differential between Greece and the euro area	1.41	2.10	0.69	1.96	0.55

Sources: ECB and euro area NCBS.

1 End-of-month rates.

2 Monthly averages.

Table 28 Bank interest rates on new deposits by households in euro area countries¹

	Overnight ²		With an agreed maturity of up to 1 year ³	
	December 2010	February 2012	December 2010	February 2012
Austria	0.57	0.79	1.22	1.76
Belgium	0.34	0.32	0.75	0.55
Cyprus	1.10	1.12	3.98	4.29
Estonia	0.12	0.12	1.19	1.12
Finland	0.42	0.44	1.67	1.78
France	0.08	0.09	1.87	2.18
Germany	0.71	0.88	1.06	1.42
Greece	0.44	0.47	3.68	4.86
Ireland	0.62	0.53	1.84 ⁴	2.47 ⁴
Italy	0.28	0.37	1.40	3.21
Luxembourg	0.71	0.78	0.80	0.68
Malta	0.28	0.31	1.96	1.89
Netherlands	0.43	0.55	2.49	3.03
Portugal	0.07	0.11	2.56	3.52
Slovakia	0.37	0.42	1.97	2.29
Slovenia	0.20	0.24	1.94	2.35
Spain	0.27	0.26	2.68	2.64

Sources: ECB and euro area NCBS.

1 Despite the efforts to harmonise statistical methodologies across the euro area, considerable heterogeneity remains in the classification of banking products, which is partly due to differences in national conventions and practices as well as in regulatory and fiscal arrangements.

2 End-of-month rates.

3 Monthly averages.

4 The interest rate applies to all time deposits irrespective of maturity. The latest available data refer to January 2012.

Table 29 Bank interest rates on new loans in the euro area and Greece

(percentages per annum)

	December 2010	December 2011	Change Dec. 2011/ Dec. 2010 (percentage points)	February 2012	Change Feb. 2012/ Dec. 2010 (percentage points)
A. Loans with a floating rate or an initial rate fixation of up to one year¹					
A.1. Loans up to €1 million to non-financial corporations					
Weighted average interest rate in the euro area	3.50	4.47	0.97	4.28	0.78
Maximum interest rate	6.64	7.53	0.89	7.54	0.90
Minimum interest rate	2.55	2.87	0.32	2.38	-0.17
Interest rate in Greece ²	6.34	7.26	0.92	7.02	0.68
Interest rate differential between Greece and the euro area	2.84	2.79	-0.05	2.74	-0.10
A.2. Loans of more than €1 million to non-financial corporations					
Weighted average interest rate in the euro area	2.59	3.15	0.56	2.65	0.06
Maximum interest rate	6.18	7.55	1.37	6.47	0.29
Minimum interest rate	1.95	2.24	0.29	1.82	-0.13
Interest rate in Greece	4.98	6.64	1.66	5.81	0.83
Interest rate differential between Greece and the euro area	2.39	3.49	1.10	3.16	0.77
A.3. Housing loans					
Weighted average interest rate in the euro area	2.78	3.49	0.71	3.44	0.66
Maximum interest rate	5.16	5.73	0.57	5.23	0.07
Minimum interest rate	1.88	2.52	0.64	2.12	0.24
Interest rate in Greece	3.65	4.18	0.53	3.77	0.12
Interest rate differential between Greece and the euro area	0.87	0.69	-0.18	0.33	-0.54
A.4. Consumer loans					
Weighted average interest rate in the euro area	5.15	5.26	0.11	5.70	0.55
Maximum interest rate	18.99	21.33	2.34	22.49	3.50
Minimum interest rate	3.16	3.08	-0.08	3.20	0.04
Interest rate in Greece	10.27	8.49	-1.78	8.80	-1.47
Interest rate differential between Greece and the euro area	5.12	3.23	-1.89	3.10	-2.02
B. Loans with an initial rate fixation of over one and up to 5 years²					
B.1. Housing loans					
Weighted average interest rate in the euro area	3.52	3.74	0.22	3.64	0.12
Maximum interest rate	5.46	5.31	-0.15	5.55	0.09
Minimum interest rate	2.38	2.57	0.19	2.54	0.16
Interest rate in Greece	3.95	3.29	-0.66	2.80	-1.15
Interest rate differential between Greece and the euro area	0.43	-0.45	-0.88	-0.84	-1.27
B.1. Consumer loans					
Weighted average interest rate in the euro area	5.95	6.44	0.49	6.58	0.63
Maximum interest rate	29.23	23.06	-6.17	17.88	-11.35
Minimum interest rate	4.56	4.76	0.20	3.23	-1.33
Interest rate in Greece	8.21	9.87	1.66	9.66	1.45
Interest rate differential between Greece and the euro area	2.26	3.43	1.17	3.08	0.82

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 30 Bank interest rates on new loans in euro area countries¹

(percentages per annum)

	New loans with a floating rate or an initial rate fixation of up to one year ²						New loans with an initial rate fixation of over one and up to five years ²				
	To non-financial corporations			Housing loans			Consumer loans		Consumer loans		
	Loans up to €1 million		Loans over €1 million	Dec. 2010	Feb. 2012	Dec. 2010	Feb. 2012	Dec. 2010	Feb. 2012	Dec. 2010	Feb. 2012
	Dec. 2010	Feb. 2012	Dec. 2010	Feb. 2012	Dec. 2010	Feb. 2012	Dec. 2010	Feb. 2012	Dec. 2010	Feb. 2012	
Austria	2.55	2.67	2.20	2.18	2.75	3.06	4.95	5.12	4.88	5.17	
Belgium	2.63	2.38	1.95	1.82	3.12	3.86	5.27	6.28	5.90	6.26	
Cyprus	6.64	7.12	6.18	6.47	5.16	5.23	6.79	6.98	³	³	
Estonia	5.01	4.62	4.12	4.02	3.23	3.11	18.99	22.49	29.23	17.88	
Finland	2.86	3.21	2.47	2.41	2.08	2.27	3.38	3.97	4.67	5.90	
France	2.65	3.04	2.19	2.58	3.06	3.71	6.40	6.44	5.68	6.55	
Germany	3.77	3.56	2.78	2.58	3.38	3.55	3.16	3.20	5.27	5.58	
Greece	6.34	7.02	4.98	5.81	3.65	3.77	10.27	8.80	8.21	9.66	
Ireland	3.87	4.72	3.12	2.40	3.01	3.09	4.76	7.94	³	³	
Italy	3.18	4.92	2.56	3.09	2.52	3.99	6.63	9.09	6.65	7.99	
Luxembourg	2.69	2.55	2.52	2.24	1.88	2.12	³	³	4.56	3.23	
Malta	4.81	5.03	4.32	3.94	3.42	3.29	5.81	5.69	³	³	
Netherlands	3.47	3.30	2.29	2.38	3.58	4.01	³	³	³	³	
Portugal	5.92	7.54	4.44	5.90	2.96	4.38	6.67	8.36	10.13	12.46	
Slovakia	4.02	4.39	3.30	2.30	4.74	5.02	7.56	14.10	15.13	16.11	
Slovenia	5.60	6.04	5.06	4.35	3.35	3.72	4.73	5.25	6.74	7.26	
Spain	3.78	4.96	2.57	2.90	2.52	3.54	5.06	7.73	8.07	10.29	

Sources: ECB and euro area NCBS.

¹ Despite the efforts to harmonise statistical methodologies across the euro area, considerable heterogeneity remains in the classification of banking products, which is partly due to differences in national conventions and practices as well as in regulatory and fiscal arrangements.

² Monthly average rates.

³ These countries do not publish data on the respective interest rates.

Table 3I Credit¹ to the economy by domestic MFIs

(annual percentage changes; non-seasonally adjusted data)

	2008		2009		2010		2011				2012		
	Q4 ²	Q4 ²	Q4 ²	Q4 ²	Q4 ²	Dec. ³	Q1 ²	Q2 ²	Q3 ²	Q4 ²	Dec. ³	Jan. ³	Feb. ³
1. Total MFI credit	16.3	6.5	6.8	5.7	3.6	0.5	0.0	-1.3	-1.9	-1.4	-2.1	-1.9	-1.4
2. Credit to general government	7.3	17.2	32.7	28.3	17.9	5.2	4.9	2.5	2.3	6.6	2.3	1.9	6.6
3. Credit to the private sector	18.3	4.5	0.9	0.0	-0.2	-0.8	-1.4	-2.4	-3.1	-3.8	-3.1	-3.3	-3.8
3.1 Enterprises ⁴	21.8	5.5	2.0	1.1	1.0	0.7	0.3	-0.8	-2.0	-2.7	-1.9	-1.9	-2.7
<i>of which:</i>													
3.1.1 Credit to non-financial corporations	23.8	5.4	1.9	0.8	0.8	0.9	0.1	-1.0	-1.8	-3.3	-1.8	-2.6	-3.3
3.1.2 Credit to insurance companies and other financial institutions (non-MFI)	-2.4	7.4	4.2	8.2	4.0	-2.1	3.1	4.2	-5.2	7.1	-5.2	10.5	7.1
3.2 Sole proprietors ⁴	-	-	1.4	0.3	0.1	-2.2	-4.1	-6.0	-6.6	-7.8	-6.6	-7.3	-7.8
3.3 Individuals and private non-profit institutions	14.6	3.3	-0.3	-1.2	-1.5	-2.2	-2.8	-3.6	-3.9	-4.3	-3.9	-4.1	-4.3
<i>of which:</i>													
3.3.1 Lending for house purchase	13.1	3.9	0.5	-0.3	-0.8	-1.5	-2.0	-2.5	-2.9	-3.2	-2.9	-3.1	-3.2
3.3.2 Consumer credit	18.4	2.4	-2.8	-4.2	-4.2	-5.0	-6.2	-6.6	-6.4	-6.8	-6.4	-6.6	-6.8

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 bonds. The rates of change are adjusted for loan write-offs, reclassifications and exchange rate variations in respect of loans denominated in foreign currency. The rate of change in credit to enterprises is also adjusted for loans and corporate bonds transferred by MFIs to subsidiaries abroad and to a domestic finance company. Since these transactions lead to an increase or decrease, accordingly, in the outstanding stock of credit in the financial statements of domestic MFIs but do not affect credit to domestic enterprises and households, the calculation of net flows and rates of change has been correspondingly adjusted.

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*).

3 Based on end-of-month levels.

4 As of June 2010, loans to sole proprietors are presented separately and are no longer included in "credit to enterprises".

Table 32 Credit¹ to the domestic private sector by domestic MFIs

(annual percentage changes; non-seasonally adjusted data)

	Outstanding balances on 29.02.12 (million euro)	2008		2009		2010		2011				2012	
		Q4 ²	December ³	Q4 ²	December ³	Q4 ²	December ³	Q1 ²	Q2 ²	Q3 ²	Q4 ²	Dec. ³	Jan. ³	Feb.^{3}
A. Enterprises⁴	119,455	21.8	5.5	2.0	1.1	1.0	0.7	0.3	-0.8	-2.0	-1.9	-2.7	-2.7
A.1 Non-financial corporations⁵	110,418	23.8	5.4	1.9	0.8	0.8	0.9	0.1	-1.0	-1.8	-2.6	-3.3	-3.3
1. Trade	24,146	22.2	5.0	-2.1	-3.5	-3.4	-3.1	-5.0	-5.7	-6.0	-6.6	-7.4	-7.4
2. Industry ⁶	23,138	17.4	-2.8	-1.3	-2.0	-1.2	-0.7	1.0	0.4	0.1	-1.9	-2.6	-2.6
3. Shipping	16,182	24.6	3.9	6.9	4.2	6.5	4.6	0.3	1.1	2.4	0.1	-0.4	-0.4
4. Construction	10,614	37.4	2.2	2.3	1.9	0.2	-0.3	0.0	-3.6	-7.4	-7.6	-6.4	-6.4
5. Tourism	7,435	24.4	6.4	4.0	2.9	1.1	-0.2	0.1	-1.0	-2.3	-1.9	-1.1	-1.1
6. Electricity - gas - water supply	5,924	36.5	14.8	23.1	21.6	19.0	18.3	18.8	13.9	12.3	12.0	8.7	8.7
7. Agriculture	1,938	20.5	3.7	0.6	1.1	-0.7	-0.2	-2.9	-5.0	-5.6	-8.4	-8.9	-8.9
8. Transport (excluding shipping)	1,839	35.7	19.5	-3.8	-9.2	-10.2	-10.8	-12.9	-7.9	-3.7	-4.8	-6.0	-6.0
9. Other sectors	19,202	23.8	12.3	5.0	4.1	4.5	5.0	2.8	0.1	-2.1	-1.5	-2.8	-2.8
A.2 Insurance companies and other financial institutions (non-MFI)	9,037	-2.4	7.4	4.2	8.2	4.0	-2.1	3.1	4.2	-5.2	10.5	7.1	7.1
B. Sole proprietors⁴	15,149	-	-	1.4	0.3	0.1	-2.2	-4.1	-6.0	-6.6	-7.3	-7.8	-7.8
C. Individuals and private non-profit institutions	112,237	14.6	3.3	-0.3	-1.2	-1.5	-2.2	-2.8	-3.6	-3.9	-4.1	-4.3	-4.3
1. Housing loans	77,857	13.1	3.9	0.5	-0.3	-0.8	-1.5	-2.0	-2.5	-2.9	-3.1	-3.2	-3.2
2. Consumer loans	32,568	18.4	2.4	-2.8	-4.2	-4.2	-5.0	-6.2	-6.6	-6.4	-6.6	-6.8	-6.8
- Credit cards	7,187	12.4	-0.4	-4.6	-5.4	-5.8	-7.0	-9.4	-9.9	-9.9	-10.0	-10.4	-10.4
- Other consumer loans ⁷	25,382	20.9	3.5	-2.2	-3.7	-3.6	-4.4	-5.2	-5.6	-5.3	-5.6	-5.7	-5.7
3. Other loans	1,811	7.5	-2.3	9.6	10.7	12.1	14.7	23.7	3.8	-2.2	-0.4	-3.3	-3.3
TOTAL	246,841	18.3	4.5	0.9	0.0	-0.2	-0.8	-1.4	-2.4	-3.1	-3.3	-3.8	-3.8

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 rates of change are adjusted for loan write-offs, reclassifications and exchange rate variations in respect of loans denominated in foreign currency. The rate of change in credit to enterprises is also adjusted for loans and corporate bonds transferred in 2009 by domestic MFIs to subsidiaries abroad and to a domestic finance company. Since these transactions lead to an increase or decrease, accordingly, in the outstanding stock of credit in the financial statements of domestic MFIs but do not affect credit to domestic enterprises and households, the calculation of net flows and rates of change has been correspondingly adjusted.

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*).

3 Based on end-of-month levels.

4 As of June 2010, loans to sole proprietors are presented separately and are no longer included in "credit to enterprises".

5 Sectors are listed in descending order according to their share in total credit, with the exception of "other sectors". The rates of change per sector are adjusted for the write-offs of receivables.

6 Comprising manufacturing and mining/quarrying.

7 Comprising personal loans and loans against supporting documents.

Table 33 Total number and value of mutual funds' assets¹

Έτος	Number	Value of mutual funds' assets In million euro
2000	269	30,978.7
2001	272	26,826.1
2002	263	25,429.2
2003	265	30,384.0
2004	262	31,628.5
2005	258	27,089.9
2006	269	22,971.0
2007	260	20,701.0
2008	269	8,385.0
2009	236	8,070.0
2010	230	6,372.0
2011	224	4,009.0

Source: Bank of Greece.

¹ End-of-period levels.

**Table 34 Financial results of Greek commercial banks and banking groups
(Jan.-Sept. 2010 – Jan.-Sept. 2011)**

(amounts in million euro)

	Banks			Banking groups		
	Jan.-Sept. 2010	Jan.-Sept. 2011	Change (%)	Jan.-Sept. 2010	Jan.-Sept. 2011	Change (%)
Operating income	6,465	6,545	1.2	10,160	9,890	-2.7
Net interest income	6,094	6,002	-1.5	8,807	8,436	-4.2
– Interest income	12,654	13,595	7.4	16,142	16,765	3.9
– Interest expenses	6,559	7,593	15.8	7,335	8,329	13.5
Net non-interest income	371	543	46.3	1,353	1,454	7.5
– Net fee income	857	617	-28.0	1,402	1,175	-16.2
– Income from financial operations	-617	-372	-	-324	-204	-
– Other income	131	298	127.6	275	483	75.7
Operating costs	4,134	3,839	-7.1	5,909	5,591	-5.4
Staff costs	2,480	2,279	-8.1	3,412	3,184	-6.7
Administrative costs	1,381	1,297	-6.1	2,004	1,891	-5.6
Depreciation	231	254	10.0	439	461	5.1
Other costs	42	9	-78.9	53	56	4.3
Net income (operating income less costs)	2,331	2,707	16.1	4,251	4,299	1.1
Provisions for credit risk	3,874	5,245	35.4	4,678	6,178	32.1
Provisions for the PSI ¹		5,926	-		6,264	-
Share of profit (loss) of associates			-	-12	-53	-
Pre-tax profits	-1,542	-8,465	-	-439	-8,195	-
Taxes	178	-1,052	-	439	-924	-310.5
After tax profits	-1,720	-7,413	-	-878	-7,271	-

Source: Financial statements of Greek commercial banks and banking groups.
1 In respect to the agreement of 21 July 2011 on the PSI.

Table 35 Greenhouse gas emissions¹ and the Kyoto Protocol targets

	1990	Kyoto Protocol (base year) ²	2009	Change 2009 over 2008	Change 2009 over 1990	Change 2009 over base year	Kyoto targets 2008-2012
	(in million tonnes of CO ₂ equivalents)			(percentage changes)			
Austria	78.2	79.0	80.1	-7.9	2.4	1.3	-13.0
Belgium	143.3	145.7	124.4	-7.9	-13.2	-14.6	-7.5
Denmark	68.0	69.3	61.0	-4.2	-10.3	-12.0	-21.0
Finland	70.4	71.0	66.3	-5.8	-5.7	-6.6	0.0
France	562.9	563.9	517.2	-4.1	-8.1	-8.3	0.0
Germany	1,247.9	1,232.4	919.7	-6.3	-26.3	-25.4	-21.0
Greece	104.4	107.0	122.5	-4.7	17.4	14.5	25.0
Ireland	54.8	55.6	62.4	-8.0	13.8	12.2	13.0
Italy	519.2	516.9	491.1	-9.3	-5.4	-5.0	-6.5
Luxembourg	12.8	13.2	11.7	-4.7	-8.9	-11.3	-28.0
Netherlands	211.9	213.0	198.9	-2.8	-6.1	-6.6	-6.0
Portugal	59.4	60.1	74.6	-4.3	25.5	24.0	27.0
Spain	283.2	289.8	367.5	-9.2	29.8	26.8	15.0
Sweden	72.5	72.2	60.0	-5.6	-17.2	-16.9	4.0
United Kingdom	776.1	776.3	566.2	-8.7	-27.0	-27.1	-12.5
EU-15	4,264.9	4,265.5	3,723.7	-6.9	-12.7	-12.7	-8.0

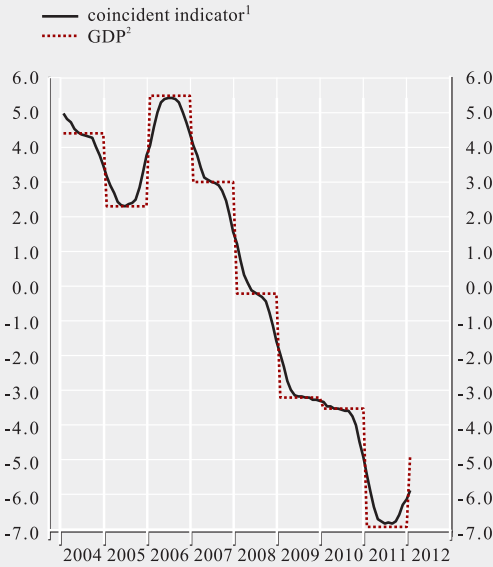
Source: European Environment Agency, *Annual European Community greenhouse gas inventory 1990-2008 and inventory report 2011*, 27 May 2011.

1 Total emissions excluding the "land use, land use change and forestry" sector.

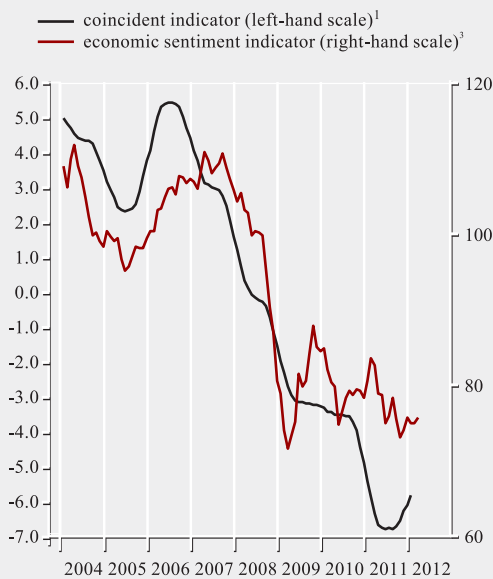
2 For the gases CO₂, CH₄ and N₂O, all the Member States chose 1990 as their base year. For the gases HFC, PFC and SF₆, 12 Member States chose 1995 as their base year, while Austria, France and Italy chose 1990.

Chart 1 Economic activity indicators

A. The coincident indicator of economic activity compiled by the Bank of Greece (January 2004 - January 2012)



B. The coincident indicator of economic activity compiled by the Bank of Greece and the European Commission's economic sentiment indicator for Greece (January 2004 - March 2012)

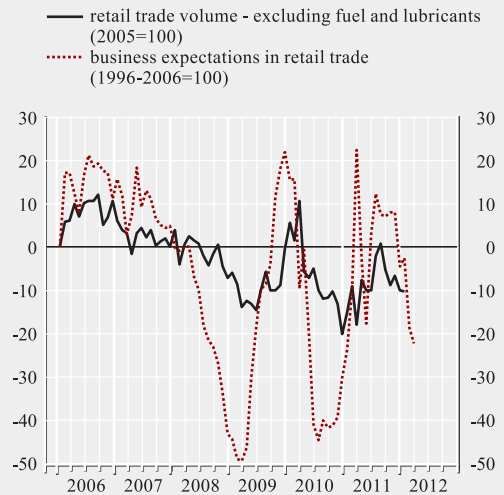


Sources: Bank of Greece (coincident indicator, as well as GDP for 2012), ELSTAT (GDP 2004-2010) and European Commission (economic sentiment indicator).

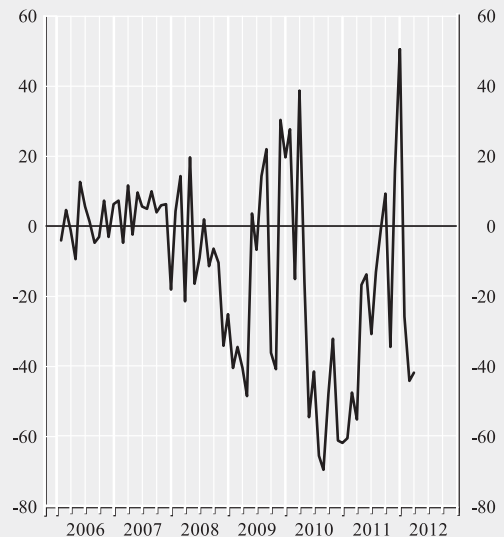
- 1 Annualised monthly percentage changes.
- 2 Annual rate of change.
- 3 Monthly data.

Chart 2 Consumer demand indicators

A. Retail trade volume and business expectations¹ (January 2006 - March 2012)



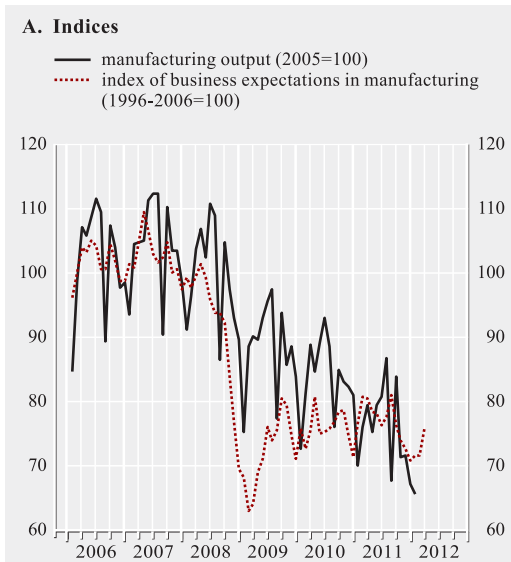
B. New private passenger car registrations¹ (January 2006 - March 2012)



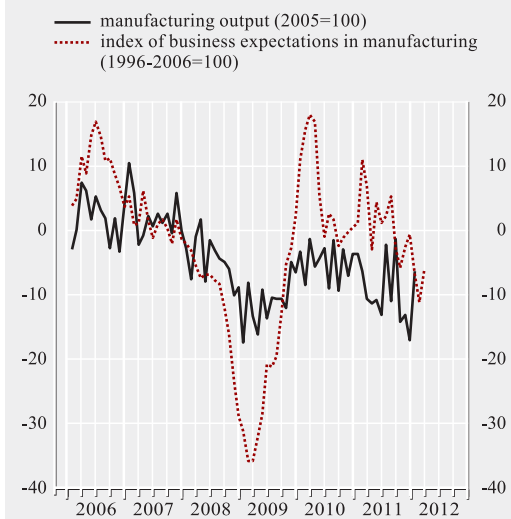
Sources: ELSTAT (retail trade and cars) and IOBE (expectations). The index of business expectations is based on firms' estimates of sales and stocks as well as on their forecasts on business activity over the next three months.

¹ Percentage changes over same month of previous year.

Chart 3 Output and business expectations in manufacturing (January 2006 - March 2012)



B. Percentage changes over same month of previous year



Sources: ELSTAT (output) and IOBE (expectations). The index of business expectations is based on business firms' estimates of total demand and stocks, and on output forecasts for the next 3-4 months.

Chart 4 Purchasing Managers' Index (PMI) in manufacturing (January 2004 - March 2012)

(seasonally adjusted; values over 50 indicate expansion)

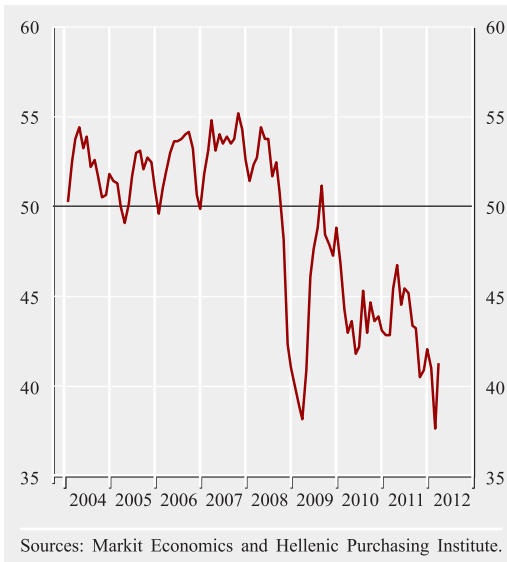


Chart 5 Employment (1999-2011)

(percentage changes over corresponding quarter of previous year)



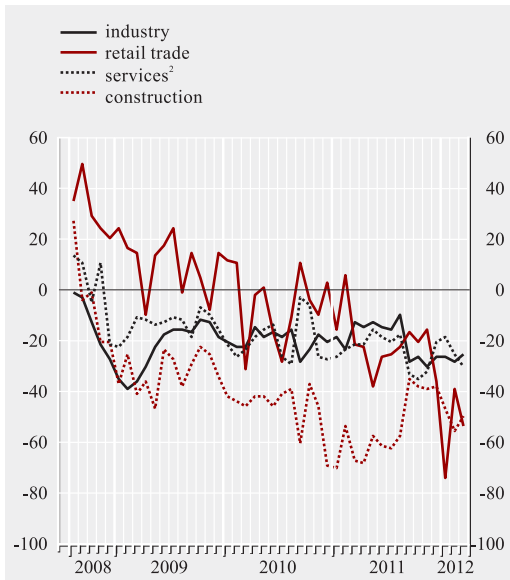
Source: ELSTAT, Labour Force Surveys.

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.

* Other employed persons = self-employed with staff (employers) + self-employed without staff + assistants in family businesses.

**Chart 6 Employment expectations¹
(August 2008 - March 2012)**

(net percentage balances)

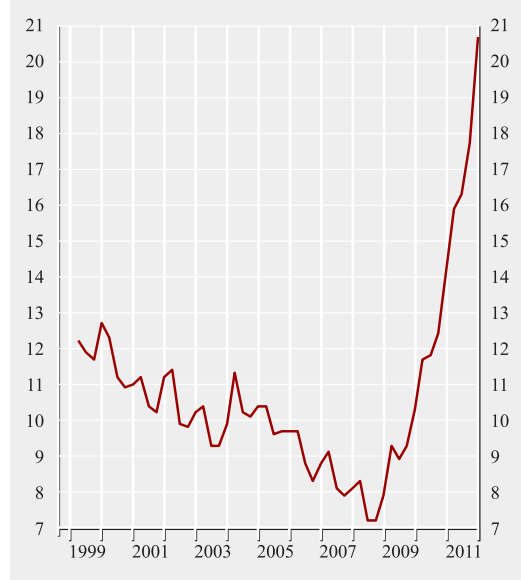


Source: IOBE, Business Surveys.

¹ 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
(1999-2011)**

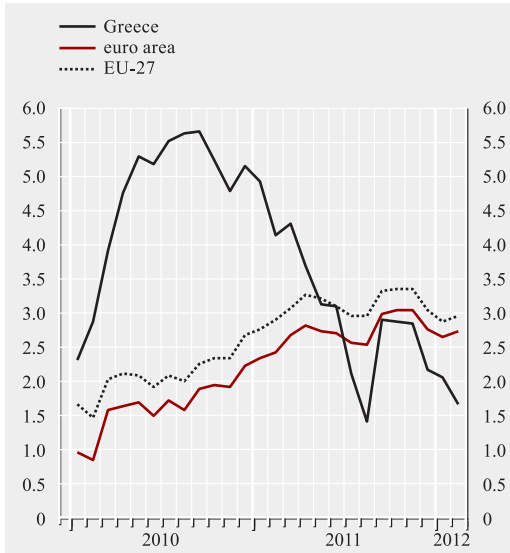
(percentage of labour force)



Source: ELSTAT, Labour Force Surveys.

**Chart 8 Harmonised index of consumer prices
in Greece, the euro area and the European
Union
(January 2010 - February 2012)**

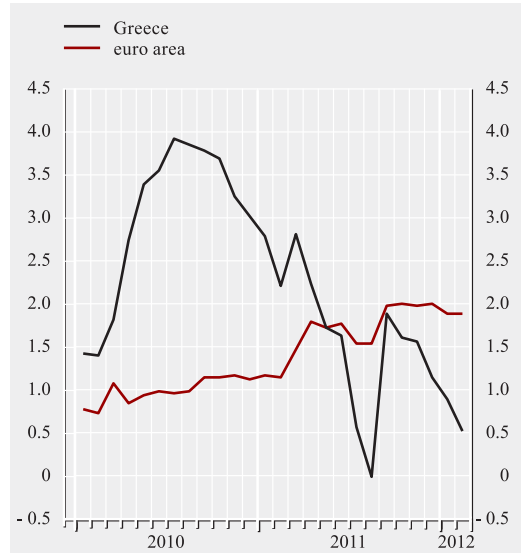
(year-on-year percentage changes)



Sources: ELSTAT and Eurostat.

**Chart 9 Core inflation in Greece and the euro
area on the basis of the HICP excluding energy
and unprocessed food
(January 2010 - February 2012)**

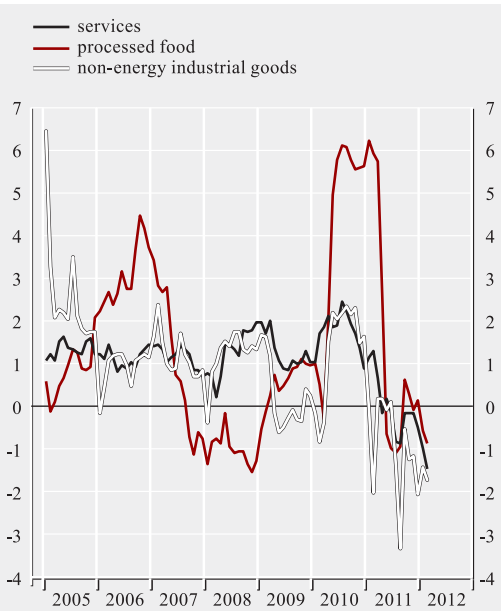
(year-on-year percentage changes)



Sources: ELSTAT and Eurostat.

Chart 10 Annual inflation differentials between Greece and the euro area (2005 - 2012)

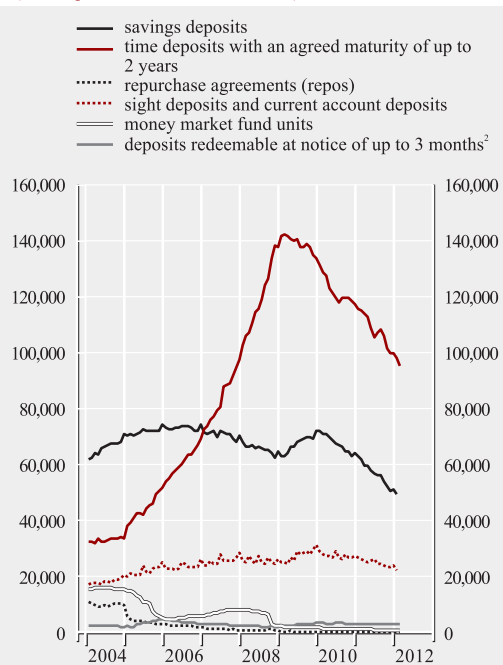
(selected price indicators; differentials in percentage points)



Source: Calculations based on Eurostat and ECB data.

Chart 11 Deposits, repurchase agreements and money market fund units in Greece¹ (January 2004 - February 2012)

(end-of-period balances, million euro)



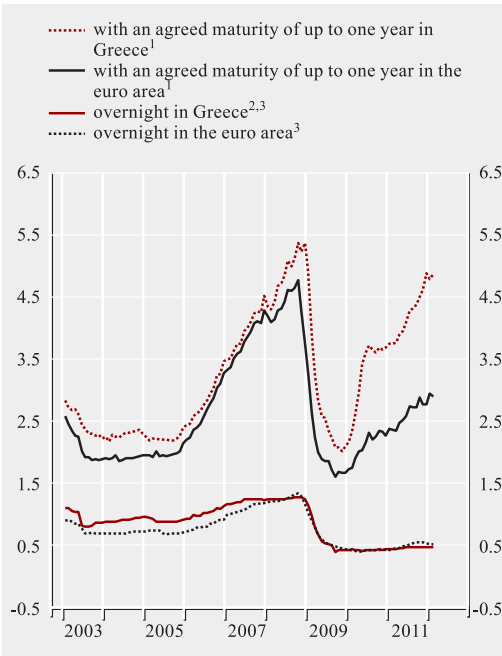
Source: Bank of Greece.

1 These aggregates are included in M3 according to the ECB definition and therefore constitute the Greek contribution to the corresponding euro area aggregates.

2 Including savings deposits in currencies other than the euro.

Chart 12 Bank interest rates on new deposits by households in Greece and the euro area (January 2003 - February 2012)

(percentages per annum)



Sources: Bank of Greece and ECB.

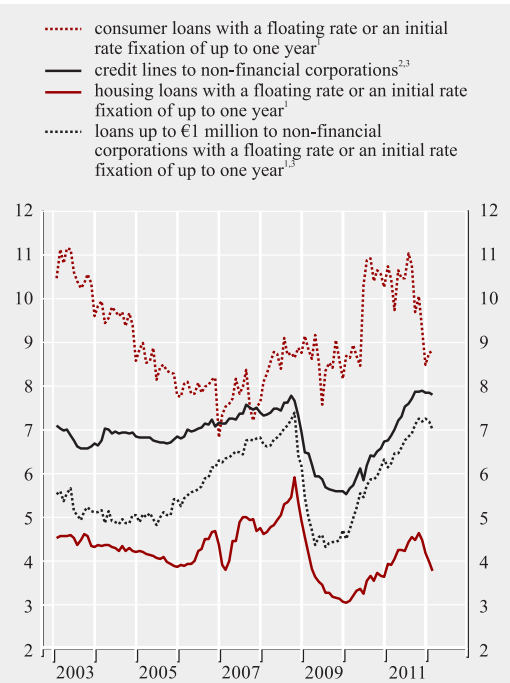
1 Monthly average rate.

2 The bulk of overnight deposits concerns savings deposits, and the interest rate on overnight deposits almost coincides with the interest rate on savings deposits.

3 End-of-month rate.

Chart 13 Bank interest rates on new loans in Greece (January 2003 - February 2012)

(percentages per annum)



Source: Bank of Greece.

1 Monthly average rate.

2 End-of-month rate.

3 See footnote 2 in Table 29.

Chart 14 Bank interest rates on new loans: differential between Greece and the euro area (January 2003 - February 2012)

(percentage points)

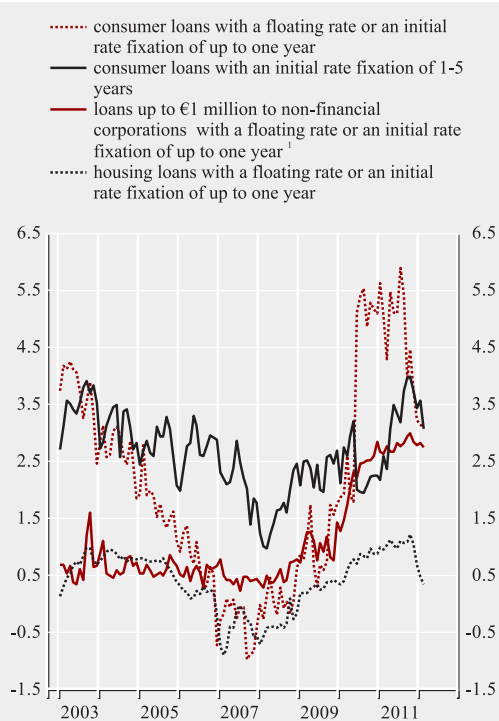


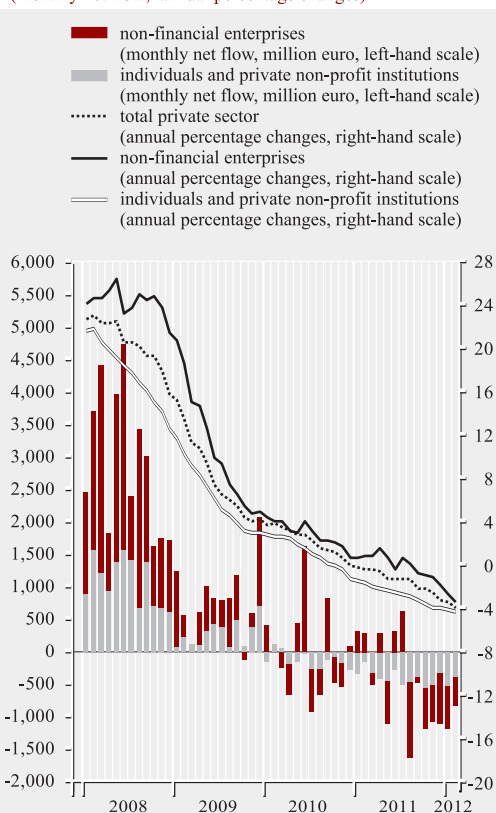
Chart 15 Average interest rate spread between new loans and new deposits in Greece and the euro area (January 2003 - February 2012)

(percentage points)



Chart 16 Credit¹ to the domestic private sector by domestic MFIs (January 2008 - February 2012)

(monthly net flow;² annual percentage changes)



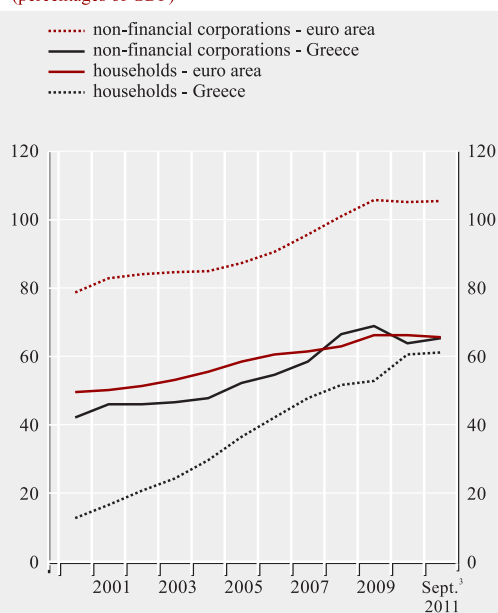
Source: Bank of Greece.

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

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

Chart 17 Debt of households¹ and non-financial corporations² in the euro area and Greece (2000-September 2011)

(percentages of GDP)



Sources: Bank of Greece and ECB (outstanding debt), Eurostat and ELSTAT (GDP). GDP figures for 2010 are calculated as the sum of four quarters up to Q3 2010.

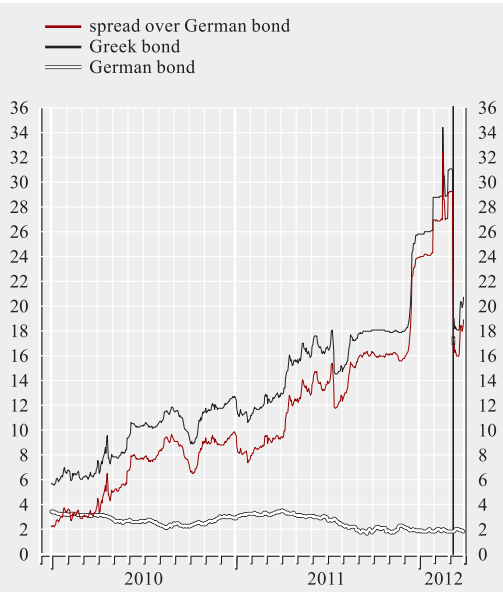
1 The debt of non-financial corporations comprises loans, debt securities issued, as well as pension fund reserves.

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), 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 18 10-year Greek and German government bond yields in HDAT (January 2010 - March 2012)

(percentages per annum, spread in percentage points, daily data)



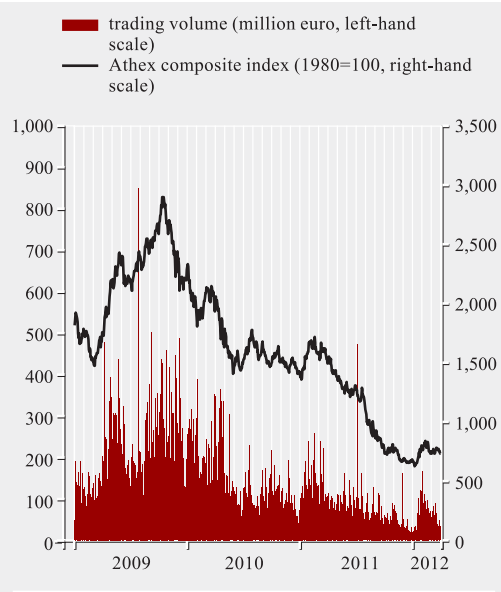
Source: Bank of Greece.

1 As trading in Greek government bonds takes place in many organised markets (e.g. HDAT, BrokerTec, MTS, ICAP etc.) as well as in electronic over-the-counter trading platforms (e.g. Reuters, Bloomberg), deviations in prices (and relevant yields) are often observed. These deviations became more apparent in Q4 2011 due to considerably lower transactions in Greek bonds.

2 The vertical line represents the date at which the new Greek bonds started being traded (12 March 2012), after the completion of PSI+.

Chart 19 Athens Exchange: composite share price index and trading volume (January 2009 - March 2012)

(daily data)



Source: Athens Exchange.



**ANNUAL ACCOUNTS
OF THE BANK OF GREECE
FOR THE YEAR 2011**

BALANCE SHEET AS AT 31 DECEMBER 2011

EIGHTY-FOURTH YEAR

(in euro)

ASSETS	31.12.2011	31.12.2010
1. Gold and gold receivables	5,770,281,682	5,005,114,533
2. Claims on non-euro area residents denominated in foreign currency	982,306,649	1,009,983,571
2.1 Receivables from the International Monetary Fund (IMF)	942,163,589	908,925,790
2.2 Balances with banks and security investments, external loans and other external assets	40,143,060	101,057,781
3. Claims on euro area residents denominated in foreign currency	1,018,555,147	283,797,006
3.1 General government	290,508,741	200,915,553
3.2 Other claims	728,046,406	82,881,453
4. Claims on non-euro area residents denominated in euro	113,867	165,813
4.1 Balances with banks, security investments and loans	113,867	165,813
4.2 Claims arising from the credit facility under ERM II	0	0
5. Lending to euro area credit institutions related to monetary policy operations denominated in euro	76,159,500,000	97,668,800,000
5.1 Main refinancing operations	15,177,500,000	18,023,000,000
5.2 Longer-term refinancing operations	60,942,000,000	78,382,800,000
5.3 Fine-tuning reverse operations	0	1,263,000,000
5.4 Structural reverse operations	0	0
5.5 Marginal lending facility	40,000,000	0
5.6 Credits related to margin calls	0	0
6. Other claims on euro area credit institutions denominated in euro	71,745,340	71,609,150
7. Securities of euro area residents denominated in euro	21,149,321,189	23,860,877,515
7.1 Securities held for monetary policy purposes	7,766,490,399	4,898,275,295
7.2 Other securities of euro area residents denominated in euro	13,382,830,790	18,962,602,220
8. General government long-term debt denominated in euro	6,659,874,462	6,867,002,312
9. Intra-Eurosystem claims	1,632,798,971	1,600,050,638
9.1 Participating interest in the ECB	500,888,380	468,140,047
9.2 Claims equivalent to the transfer of foreign reserves to the ECB	1,131,910,591	1,131,910,591
9.3 Net claims related to the allocation of euro banknotes within the Eurosystem	0	0
9.4 Net claims arising from balances of TARGET2 accounts	0	0
9.5 Other claims within the Eurosystem (net)	0	0
10. Items in course of settlement	317,653	415,701
11. Other assets	54,991,468,016	2,272,489,005
11.1 Coins	72,132,824	69,322,438
11.2 Tangible and intangible fixed assets	827,039,091	755,550,905
11.3 Other financial assets	29,104,193	29,172,193
11.4 Off-balance-sheet instruments revaluation differences	7,256,329	1,653,134
11.5 Accruals and prepaid expenses	1,203,167,522	988,458,366
11.6 Sundry	52,852,768,057	428,331,969
TOTAL ASSETS	168,436,282,976	138,640,305,244
OFF-BALANCE-SHEET ITEMS	31,12,2011	31,12,2010
1. Greek government securities relating to the management of the "Common capital of legal entities in public law and social security funds" according to Law 2469/97	23,415,359,594	22,599,433,438
2. Greek government securities and other securities relating to the management and custody of funds of public entities, social security funds and private agents	6,745,993,739	9,408,108,799
3. Assets eligible as collateral for Eurosystem monetary policy operations and intraday credit	142,876,476,764	162,000,732,695
4. Other off-balance-sheet items	106,545,923,428	10,870,038,657
TOTAL OFF-BALANCE-SHEET ITEMS	279,583,753,525	204,878,313,589

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).

2 The Bank's key for subscription to 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.

LIABILITIES	31.12.2011	31.12.2010
1. Banknotes in circulation	22,957,704,380	21,748,281,800
2. Liabilities to euro area credit institutions related to monetary policy operations denominated in euro	4,703,006,264	10,528,376,123
2.1 Current accounts (covering the minimum reserve system)	2,506,356,264	3,303,376,123
2.2 Deposit facility	1,179,500,000	7,165,000,000
2.3 Fixed-term deposits	0	60,000,000
2.4 Fine-tuning reverse operations	0	0
2.5 Deposits related to margin calls	1,017,150,000	0
3. Other liabilities to euro area credit institutions denominated in euro	0	0
4. Liabilities to other euro area residents denominated in euro	5,553,155,243	2,339,465,608
4.1 General government	3,838,270,484	781,941,428
4.2 Other liabilities	1,714,884,759	1,557,524,180
5. Liabilities to non-euro area residents denominated in euro	1,041,850,236	766,281,837
6. Liabilities to euro area residents denominated in foreign currency	16,178,298	22,321,537
7. Liabilities to non-euro area residents denominated in foreign currency	2,268	56,827
7.1 Deposits and other liabilities	2,268	56,827
7.2 Liabilities arising from the credit facility under ERM II	0	0
8. Counterpart of special drawing rights allocated by the IMF	928,426,952	905,349,233
9. Intra-Eurosystem liabilities	123,244,992,854	95,054,832,880
9.1 Liabilities related to promissory notes backing the issuance of ECB debt certificates	0	0
9.2 Net liabilities related to the allocation of euro banknotes within the Eurosystem	18,437,110,570	7,921,552,125
9.3 Net liabilities arising from balances of TARGET2 accounts	104,750,000,738	87,088,090,137
9.4 Other liabilities within the Eurosystem (net)	57,881,546	45,190,618
10. Items in course of settlement	15,074,984	23,305,724
11. Other liabilities	1,159,632,924	787,477,099
11.1 Off-balance-sheet instruments revaluation differences	2,889	1,719
11.2 Accruals and income collected in advance	181,090,409	114,941,633
11.3 Sundry	978,539,626	672,533,747
12. Provisions	3,951,100,114	2,385,419,686
13. Revaluation accounts	4,049,716,285	3,263,692,564
14. Capital and reserves	815,442,174	815,444,326
14.1 Capital	111,243,362	111,243,362
14.2 Ordinary reserve	111,243,362	111,243,362
14.3 Extraordinary reserve	84,500,000	84,500,000
14.4 Special reserve from the revaluation of land and buildings	507,247,856	507,247,856
14.5 Other special reserves	1,207,594	1,209,746
TOTAL LIABILITIES	<u>168,436,282,976</u>	<u>138,640,305,244</u>

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 30 December 2011: €1,216.864 per fine oz, compared with €1,055.418 as at 31 December 2010.

6 Claims/liabilities denominated in foreign currency have been converted into euro using the euro foreign exchange reference rates of the ECB as at 30 December 2011.

7 Marketable securities (other than held-to-maturity) are valued at the mid-market prices of 30 December 2011. Marketable securities classified as held-to-maturity and non-marketable securities are valued at amortised cost subject to impairment. In financial year 2011 no impairment losses incurred.

8 Fixed assets are valued at cost, with the exception of land and buildings which are valued at market prices determined by independent appraisers, less depreciation.

9 From 2005 onwards, depreciation of buildings is calculated at a rate of 2.5%, over their expected life (40 years).

10 Other off-balance-sheet items include a promissory note of €20.8 billion (SDR 17.5 billion) issued by the Greek government for the total amount of the loan received from the IMF until 31 December 2011.

11 In 2011 the assets and liabilities of the former main and supplementary pension funds were included in the Bank's financial statements (Law 3863/2010 Article 64).

12 Certain items of the profit and loss account for the year 2010 have been reclassified to ensure comparability with the respective items of the year 2011.

PROFIT AND LOSS ACCOUNT FOR THE YEAR 2011

(in euro)

	2011	2010
1. Net interest income	1,468,721,829	825,890,005
1.1 Interest income	2,930,940,084	1,741,334,930
1.2 Interest expense	-1,462,218,255	-915,444,925
2. Net result of financial operations, write-downs and risk provisions	33,468,983	50,321,799
2.1 Realised gains arising from financial operations	33,468,983	50,321,799
2.2 Write-downs on financial assets and positions	-299,303	-21,326,568
2.3 Transfer from provisions for foreign exchange rate, interest rate, credit and gold price risks	299,303	21,326,568
3. Net income from fees and commissions	98,293,953	141,548,446
3.1 Fees and commissions income	100,360,667	143,186,356
3.2 Fees and commissions expense	-2,066,714	-1,637,910
4. Income from equity shares and participating interests	23,770,587	12,288,700
5. Net result of pooling of monetary income	-43,398,113	1,834,971
6. Other income	13,938,443	12,538,894
Total net income	1,594,795,682	1,044,422,815
7. Staff costs and pensions	-286,055,899	-319,516,458
8. Administrative and other expenses	-47,018,524	-48,106,674
9. Depreciation of tangible and intangible fixed assets	-13,642,905	-13,481,729
10. Provisions	-1,151,441,512	-472,865,662
Total expenses	-1,498,158,840	-853,970,523
PROFIT FOR THE YEAR	96,636,842	190,452,292

Note: Item 5 "Net result of pooling of monetary income" includes amounts regarding the partial release of the provision of €149,522,606 against counterparty risks related to the monetary policy operations of the Eurosystem, first established in 2008 (2011: €32,792,789, 2010: €47,025,589).

DISTRIBUTION OF NET PROFIT

(Article 71 of the Statute)

(in euro)

	2011	2010**
Dividend €0.67 per share (number of shares 19,864,886)*	13,309,473	13,309,473
Extraordinary reserve	0	12,000,000
Additional dividend	0	25,943,542
Tax payment on dividends (tax rate 20%, article 14, paragraphs 9 and 10, Law 3943/2011)	3,327,369	12,395,689
To the Government	80,000,000	126,803,588
	96,636,842	190,452,292

* The total gross dividend for financial year 2011 amounts to €0.8375 per share compared to €2.60 in the previous year. Dividends are subject to withholding tax of 25% in accordance with article 14 of Law 3943/2011 (paragraphs 1 and 2).

** The distribution of profit for 2010 is disclosed as conducted according to Law 3943, which was published in 31.3.2011, after the publication of the relevant financial statements (14.3.2011).

Athens, 19 March 2012

THE GOVERNOR

THE DIRECTOR OF THE ACCOUNTS DEPARTMENT

GEORGE A. PROVOPOULOS

CHRISTOS K. PAPAKONSTANTINOY

To the Shareholders of the BANK OF GREECE S.A.**Report on the Financial Statements**

We have audited the accompanying financial statements of the BANK OF GREECE S.A. ('the Bank'), which comprise the Balance Sheet as at December 31, 2011, and the income statement, and the statement of profit distribution 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 (ECB) as adopted by the Bank in article 54A of its Statute, and note 12 in the financial statements concerning the method used to provide for interest rate, foreign exchange rate, credit, gold price and operating risk, and the Accounting Standards prescribed by Greek legislation, 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 about 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 entity'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

From our audit it results that the balance sheet item 'Provisions' amounting to €1,939 million includes provisions for pensions and other personnel benefits amounting to €1,465 million (31 December 2010: €1,465 million) and provisions treated as reserves amounting to €474 million arising from the incorporation in the Bank, in the current year, of the former pension funds in relation to the main and auxiliary pensions, for its personnel, for which we were unable to obtain audit evidence concerning their calculation and consequently we are unable to evaluate the adequacy of such provision.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the BANK OF GREECE S.A. as at December 31, 2011, and of its financial performance for the year then ended in accor-

dance with the accounting principles prescribed by the European Central Bank as adopted by the Bank in article 54A of its Statute and note 12 in the financial statements concerning the method used to provide for interest rate, foreign exchange rate, credit, gold price and operating risk, and the Accounting Standards prescribed by Greek legislation.

Emphasis of Matter

Without any further prejudice in our opinion, we refer to Note 7 of the financial statements of the Bank and we note the fact that for all of the Greek Government Bonds held by the Bank in its securities portfolio that have been classified as held to maturity, from the yearly impairment test carried out by the ECB and the Bank it showed that there is no need for the provision of impairment losses.

Report on Other Legal and Regulatory Requirements

We confirm the reconciliation and correspondence of the information given in the Report of the Governor with regard to the income statement for the year ended 2011 with the attached financial statements, according to articles 43a and 37 of the Law 2190/1920.

Athens, 19 March 2012

THE CERTIFIED AUDITORS ACCOUNTANTS

Christodoulos Seferis

Sofia Kalomenides

(Registration Number

(Registration Number

of the Greek Body of

of the Greek Body of

Chartered Accountants 23 431)

Chartered Accountants 13 301)

Ernst & Young (Hellas) S.A.

Certified Auditors Accountants

(Registration Number of the Greek Body of Accountants 107)

11th km National Road Athens-Lamia

144 51 Metamorfosi Attiki

 ERNST & YOUNG

