



BANK OF GREECE
EUROSYSTEM

PRESS RELEASE

Athens, 19 March 2012

Subject: BALANCE SHEET AND PROFIT AND LOSS ACCOUNT FOR THE FINANCIAL YEAR 2011

At its meeting on 19 March 2012, the General Council of the Bank of Greece approved the Bank's audited Annual Accounts for the financial year ending 31 December 2011.

The Bank's profit for the year 2011 amounted to €96.6 million, compared with €190.4 million in 2010, decreasing by 49.3%, resulting from building up high provisions.

The net income increased, while the reduction (for a second consecutive year) of the operating expenses was significant (2011: 9%, 2010: 13.2%), especially for the staff and pension costs.

The total gross dividend per share that will be proposed to the General Meeting of the Bank's shareholders for distribution is €0.8375, compared with €2.60 in the year 2010.

Analysis of the Profit and Loss Account for the financial year 2011

❖ Income

The total net income in 2011 stemming from Eurosystem monetary policy operations, interest on the Bank's portfolios, commissions and other income from domestic and foreign activities amounted to €1,594.8 million, compared with €1,044.4 million in 2010, having increased by 52.7%.

In particular:

- **Net interest income and income from financial operations and pooling of Eurosystem's monetary income** amounted to €1,459 million, compared with €878 million in 2010, increased by 66%.
- **Net income from fees and commissions** dropped by 30.6% to €98.3 million, from €141.5 million in 2010, owing to lower fees collected from transactions executed on behalf of the Greek State.
- **Income from equity shares and participating interests** rose by €11.5 million to €23.8 million, compared with €12.3 million in 2010, as a result of an increase in distributed profits from the European Central Bank.
- **Finally, the Bank's other income** amounted to €13.9 million, compared to €12.5 million in 2010, increased by 11.2%.

❖ Expenses

- **Operating expenses excluding provisions** (staff costs, pensions, depreciation and other expenses) dropped by €34.4 million (-9%) to €346.7 million, compared with €381.1 million in 2010, mainly owing to significantly lower staff and pension costs by €33.5 million (-10.5%).
- **Provisions** increased considerably also in 2011 (by €1,151 million) and amounted to €3,951 million.

The practice of building up high provisions and reserves, with a view to strengthening the financial position of the Bank of Greece and enabling it to best fulfill its tasks, is in line with the principle of prudence followed by the ECB and the other National Central Banks of the Eurosystem.

These provisions are intended to cover, among other things, unexpected losses and doubtful claims, credit risks, foreign exchange and interest rate risks, counterparty risks stemming from Eurosystem monetary policy operations and general operational risks.