



## **BANK OF GREECE**

**EUROSYSTEM**

### **PRESS RELEASE**

Athens, 17 February 2020

#### **Re: Balance Sheet and Profit and Loss Account for financial year 2019**

At its meeting on 17 February 2020, the General Council of the Bank of Greece approved the Bank's audited Annual Accounts for the financial year ending 31.12.2019.

The net income of financial year 2019 amounted to €1,166.0 million, while expenses amounted to €323.7 million.

The Bank's profit for 2019 increased by €184.7 million to €842.3 million, from €657.6 million in 2018. This profit shall be distributed in accordance with Article 71 of the Bank's Statute.

The General Council of the Bank of Greece decided to propose to the General Meeting of Shareholders the distribution of the intended dividend to shareholders, the increase of the extraordinary reserve by €50.0 million, and the transfer of an amount of €779.0 million to the Government, in accordance with Article 71(1) and (3) of the Bank's Statute.

The dividend per share that will be proposed to the General Meeting of the Bank's shareholders for distribution is €0.6720, unchanged from the year 2018.

#### **• Income**

The total net income arising from interest on the implementation of the Eurosystem's single monetary policy, interest on the Bank's investment portfolio, commissions, and other income from domestic and foreign operations amounted to €1,166.0 million, having decreased by 2.8% from €1,199.4 million in 2018. This change is mainly due to reduced interest income from ELA funding, as credit institutions had fully repaid such funding by 21 March 2019.

Specifically:

- Net interest income, income from financial operations and the pooling of the Eurosystem's monetary income amounted to €907.0 million, having decreased by 12.9% from €1,040.9 million in 2018.

- Net income from fees and commissions increased by 17.5% to €103.5 million, from €88.1 million<sup>1</sup> in 2018.
- Income from equity shares and participating interests increased by €78.0 million to €134.8 million, from €56.8 million in 2018.
- Finally, the Bank's other income amounted to €20.7 million, having decreased by 52.2% from €13.6 million<sup>1</sup> in 2018.

- **Expenses**

Total expenses amounted to €323.7 million, compared with €541.8 million in 2018, having decreased by €218.1 million.

Staff costs and pension benefit expenses amounted to €824.3 million, compared with €264.1 million in the previous financial year, having increased by €560.2 million. This increase is mainly due to additional provisions for the pension plan of the Bank (which fully covers the cost of pension benefits for its staff), as a result of a significant decline in the discount rates applied in the actuarial assessment of the Bank's long-term obligations.

Provisions for financial risks established in past years and amounting to €766.0 million were released (due to a significant improvement in Greece's financial condition), having a positive effect on the results for 2019. At the same time, additional provisions of €197.9 million were established, primarily aimed to cover liabilities that are likely to arise from pending lawsuits by the Bank's pensioners.

Finally, total accumulated provisions, as at 31 December 2019, amounted to €7,797.4 million, compared with €7,805.8 million as at 31 December 2018.

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<sup>1</sup> The relevant items of the profit and loss account of the previous year have been reclassified in financial year 2019, for comparability purposes.