



**BANK OF GREECE**  
EUROSYSTEM  
SEVENTY-NINTH YEAR  
**BALANCE SHEET AS AT 31 DECEMBER 2006**  
(in euro)

ASSETS			LIABILITIES		
	31.12.2006	31.12.2005		31.12.2006	31.12.2005
<b>1. Gold and gold receivables</b>	<b>2.210.725.255</b>	<b>1.938.504.319</b>	<b>1. Banknotes in circulation</b>	<b>15.338.479.600</b>	<b>13.799.748.640</b>
<b>2. Claims on non-euro area residents denominated in foreign currency</b>	<b>486.131.282</b>	<b>486.694.896</b>	<b>2. Liabilities to euro area credit institutions related to monetary policy operations denominated in euro</b>	<b>4.529.984.822</b>	<b>4.286.009.203</b>
2.1 Receivables from the IMF	125.814.163	173.601.402	2.1 Current accounts (covering the minimum reserve system)	4.526.984.822	4.282.809.203
2.2 Balances with banks and security investments, external loans and other external assets	360.317.119	313.093.494	2.2 Deposit facility	3.000.000	3.200.000
<b>3. Claims on euro area residents denominated in foreign currency</b>	<b>553.330.050</b>	<b>951.283.800</b>	<b>3. Other liabilities to euro area credit institutions denominated in euro</b>	<b>22.195.000</b>	<b>27.565.000</b>
3.1 General government	302.662.973	857.695.042	<b>4. Liabilities to other euro area residents denominated in euro</b>	<b>912.830.809</b>	<b>1.106.657.696</b>
3.2 Other claims	250.667.077	93.588.758	4.1 General government	893.567.625	1.085.934.059
<b>4. Claims on non-euro area residents denominated in euro</b>	<b>649.303.017</b>	<b>1.252.443.482</b>	4.2 Other liabilities	19.263.184	20.723.637
4.1 Balances with banks, security investments and loans	649.303.017	1.252.443.482	<b>5. Liabilities to non-euro area residents denominated in euro</b>	<b>851.539.789</b>	<b>863.282.339</b>
4.2 Claims arising from the credit facility under ERM II	0	0	<b>6. Liabilities to euro area residents denominated in foreign currency</b>	<b>83.723.120</b>	<b>163.530.138</b>
<b>5. Lending to euro area credit institutions related to monetary policy operations denominated in euro</b>	<b>4.795.146.004</b>	<b>2.354.018.096</b>	<b>7. Liabilities to non-euro area residents denominated in foreign currency</b>	<b>111.747.203</b>	<b>109.831.235</b>
5.1 Main refinancing operations	3.083.000.000	1.561.000.000	7.1 Deposits and other liabilities	111.747.203	109.831.235
5.2 Longer-term refinancing operations	1.712.146.004	793.018.096	7.2 Liabilities arising from the credit facility under ERM II	0	0
<b>6. Other claims on euro area credit institutions denominated in euro</b>	<b>942.132.861</b>	<b>1.013.525.131</b>	<b>8. Counterpart of special drawing rights allocated by the IMF</b>	<b>118.206.311</b>	<b>125.275.550</b>
<b>7. Securities of euro area residents denominated in euro</b>	<b>6.298.382.914</b>	<b>7.253.276.427</b>	<b>9. Intra-Eurosystem liabilities</b>	<b>9.752.092.960</b>	<b>8.455.940.423</b>
<b>8. General government debt denominated in euro</b>	<b>8.744.528.645</b>	<b>8.786.178.291</b>	9.1 Liabilities related to promissory notes backing the issuance of ECB debt certificates	0	0
8.1 Long-term debt	1.385.447.037	1.527.126.785	9.2 Net liabilities related to the allocation of euro banknotes within the Eurosystem	1.568.551.555	1.232.234.040
8.2 Loans for participation in the IMF	718.441.211	761.114.532	9.3 Net liabilities related to transactions with the ESCB (TARGET)	8.183.541.405	7.216.770.680
8.3 Long-term loans and securities	6.640.640.397	6.497.936.974	9.4 Other liabilities within the Eurosystem (net)	0	6.935.703
<b>9. Intra-Eurosystem claims</b>	<b>1.453.912.102</b>	<b>1.448.244.341</b>	<b>10. Items in course of settlement</b>	<b>55.474.879</b>	<b>48.873.833</b>
9.1 Participating interest in the ECB	393.403.998	393.403.998	<b>11. Other liabilities</b>	<b>778.947.772</b>	<b>784.830.284</b>
9.2 Claims equivalent to the transfer of foreign reserves to the ECB	1.055.840.343	1.055.840.343	11.1 Off-balance sheet instruments revaluation differences	0	8.324
9.3 Claims related to promissory notes backing the issuance of ECB debt certificates	0	0	11.2 Accruals and income collected in advance	170.041.389	143.172.258
9.4 Net claims related to the allocation of euro banknotes within the Eurosystem	0	0	11.3 Sundry	608.906.383	641.649.702
9.5 Net claims related to transactions with the ESCB (TARGET)	0	0	<b>12. Provisions</b>	<b>1.052.296.846</b>	<b>846.722.005</b>
9.6 Other claims within the Eurosystem (net)	4.667.761	0	<b>13. Revaluation accounts</b>	<b>650.634.500</b>	<b>682.695.696</b>
<b>10. Items in course of settlement</b>	<b>2.039.130</b>	<b>1.834.373</b>	<b>14. Capital and reserves</b>	<b>667.209.560</b>	<b>648.230.563</b>
<b>11. Other assets</b>	<b>8.789.731.911</b>	<b>6.462.189.449</b>	14.1 Capital	88.994.690	88.994.690
11.1 Coins	41.305.892	34.660.705	14.2 Ordinary reserve	88.994.690	88.994.690
11.2 Tangible and intangible fixed assets	795.690.484	758.447.832	14.3 Extraordinary reserve	19.000.000	-
11.3 Other financial assets	6.813.977.432	4.619.720.123	14.4 Special reserve from the revaluation of land and buildings under Law 3229/2004	470.018.863	470.018.863
11.4 Accruals and prepaid expenses	705.669.379	613.823.872	14.5 Special reserves	201.317	222.320
11.5 Sundry	473.088.724	435.536.917			
<b>TOTAL ASSETS</b>	<b>34.925.363.171</b>	<b>31.949.192.605</b>	<b>TOTAL LIABILITIES</b>	<b>34.925.363.171</b>	<b>31.949.192.605</b>
<b>OFF-BALANCE-SHEET ITEMS</b>	<b>31.12.2006</b>	<b>31.12.2005</b>			
1. Investments in Greek government securities relating to the management of the "Common capital of legal persons in public law and social security funds" according to Law 2469/97	18.034.147.613	19.105.547.134			
2. Investments in Greek government securities and other securities relating to the management and custody of funds of public entities, social security funds and private agents	10.753.664.510	10.430.655.763			
3. Other off-balance-sheet items	7.035.832.577	5.256.542.624			
<b>TOTAL OFF-BALANCE-SHEET ITEMS</b>	<b>35.823.644.700</b>	<b>34.792.745.521</b>			

**NOTES:**

- Under Article 54A of the Bank's Statute, the balance sheet was drawn up in compliance with the accounting rules and techniques determined by the European Central Bank (ECB) and applying to the members of the European System of Central Banks (ESCB).
- The weighted key for subscription of the Bank of Greece to the ECB's capital fully paid up by the 12 national central banks of the Eurosystem is 2.65405%.
- Claims/liabilities denominated in euro or foreign currency are broken down into claims on/liabilities to euro area residents and non-euro area residents.
- Account balances related to monetary policy operations are shown under separate items.
- The value of gold has been calculated on the basis of the euro price of the gold ounce referred to in the ECB's exchange rate list of 29 December 2006 (€482.688 per ounce compared with €434.856 per ounce on 30 December 2005).
- Claims and liabilities in foreign currency have been valued on the basis of the exchange rates referred to in the ECB's exchange rate list of 29 December 2006.
- The value of securities has been calculated on the basis of average prices applying on 29 December 2006, except for the securities included in asset item 11.3 "Other financial assets", which have been valued at cost. This item monitors the investment portfolio of the Bank of Greece, which comprises Greek government securities

- and government securities issued by other euro area countries; these securities constitute fixed investment to be held by the Bank up to maturity. In financial year 2006, it was decided to reclassify securities totalling €1.6 billion under "securities held to maturity" from the category "trading book" (asset item 7).
- Fixed assets are valued at cost, except land and buildings, which are valued at market prices, determined by independent appraisers, less depreciation.
- The depreciation of buildings and banknote production costs is calculated, as of financial year 2005, at a rate of 2.5% and 20%, respectively, according to the estimated useful life of buildings (40 years) and the lifetime of banknotes (5 years on average).
- Out of the profit for financial year 2006, €19 million were allocated to an extraordinary reserve.
- Some items of the balance sheet and the profit and loss account for financial year 2005 have been reclassified so as to be comparable with the corresponding items for financial year 2006.

**PROFIT AND LOSS ACCOUNT FOR THE YEAR 2006**

	2 0 0 6	(in euro)	2 0 0 5
<b>1 Net interest income</b>	<b>305.562.534</b>		<b>311.925.536</b>
1.1 Interest income	809.375.938		683.455.834
1.2 Interest expense	-503.813.404		-371.530.298
<b>2. Net result of financial operations, write-downs and risk provisions</b>	<b>362.192.133</b>		<b>133.521.961</b>
2.1 Realised gains arising from financial operations	362.192.133		155.179.029
2.2 Write-downs on financial assets and positions	-22.939.084		-21.657.068
2.3 Transfer from provisions for foreign exchange rate and price risks	22.939.084		0
<b>3. Net income from fees and commissions</b>	<b>121.812.074</b>		<b>124.906.121</b>
3.1 Fees and commissions income	122.842.921		125.933.049
3.2 Fees and commissions expense	-1.030.847		-1.026.928
<b>4. Income from equity shares and participating interests</b>	<b>3.472.030</b>		<b>3.476.715</b>
<b>5. Net result of pooling of monetary income</b>	<b>4.667.120</b>		<b>9.874.431</b>
<b>6. Other income</b>	<b>33.147.655</b>		<b>27.094.748</b>
<b>Total net income</b>	<b>830.853.546</b>		<b>610.799.512</b>
<b>7. Staff costs</b>	<b>-214.153.481</b>		<b>-200.810.488</b>
7.1 Wages and salaries	-140.052.880		-132.282.005
7.2 Employer's contributions and other levies	-74.100.601		-68.528.483
<b>8. Pensions</b>	<b>-55.381.266</b>		<b>-49.036.451</b>
<b>9. Administrative and other expenses</b>	<b>-50.641.472</b>		<b>-39.460.857</b>
<b>10. Depreciation of tangible and intangible fixed assets</b>	<b>-38.436.988</b>		<b>-33.803.564</b>
<b>11. Provisions</b>	<b>-227.604.875</b>		<b>-59.228.907</b>
<b>Total expenses</b>	<b>-586.218.082</b>		<b>-382.340.267</b>
<b>Profit for the year</b>	<b>244.635.464</b>		<b>228.459.245</b>

**DISTRIBUTION OF NET PROFIT**

(Article 71 of the Statute)

	2 0 0 6	(in euro)	2 0 0 5
Dividend €0.67 per share on 15,891,909 shares	10.647.579		10.647.579
Ordinary reserve	0		22.248.671
Extraordinary reserve	19.000.000		0
Additional dividend €2.23 per share on 15,891,909 shares*	35.438.957		27.493.003
Tax payment on dividends (Law 3296/2004, Article 6)	18.824.078		17.948.509
To the Government	160.724.850		150.121.483
	<b>244.635.464</b>		<b>228.459.245</b>

\* The dividend and the additional dividend for the year 2005, was €2.40 per share.

Athens, 19 March 2007

THE GOVERNOR  
NICHOLAS C. GARGANAS

THE DIRECTOR OF THE ACCOUNTS DEPARTMENT  
DIMITRIOS E. MATSIMANIS

This is a translation from the original "INDEPENDENT AUDITOR'S REPORT" issued in the Greek Language

To the Shareholders of BANK OF GREECE A.E.

**Report on the Financial Statements**

We have audited the accompanying financial statements of BANK OF GREECE A.E., which comprise the balance sheet as at December 31, 2006, the income statement, and the statement of profit distribution. 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 determined by the European Central Bank as they have been adopted by the Bank in Article 54A of its Articles of Association and the Greek Company Law. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. Auditor's Responsibility: Our responsibility is to express an opinion on these financial statements based on our audit. Except as discussed in the following paragraph, we conducted our audit in accordance with the Greek Auditing Standards which are based on International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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. Opinion: The recorded provision for pension and other liabilities to Employee Funds amounts to €909 million, which is not supported by an analysis of the calculation method and, consequently, we could not assess its adequacy. In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to adequacy of the provision for pension and other liabilities to Employee Funds, the financial statements give a true and fair view of the financial position of BANK OF GREECE A.E. as of December 31, 2006, and of its financial performance for the year then ended in accordance with the accounting principles determined by the European Central Bank as they have been adopted by the Bank in Article 54A of its Articles of Association and the Greek Company Law. Report on Other Legal and Regulatory Requirements: The content of the General Council report is consistent with the aforementioned financial statements.

Athens, 19 March 2007

The Certified Auditors - Accountants

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