



BANK OF GREECE
EUROSYSTEM

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Auditing Company: Deloitte Certified Public Accountants S.A.
Type of Auditor's Report: Unmodified opinion
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BALANCE SHEET AS AT 31 DECEMBER 2020
NINETY THIRD YEAR
(in euro)

ASSETS			LIABILITIES			
	31.12.2020	31.12.2019		31.12.2020	31.12.2019	
1. Gold and gold receivables	7,493,521,336	6,544,316,602	1. Banknotes in circulation	32,642,320,560	29,539,154,700	
2. Claims on non-euro area residents denominated in foreign currency	4,035,177,082	2,700,269,631	2. Liabilities to euro area credit institutions related to monetary policy operations denominated in euro	27,330,906,652	9,108,199,191	
2.1 Receivables from the International Monetary Fund (IMF)	689,373,556	720,713,956	2.1 Current accounts (covering the minimum reserve system)	27,330,906,652	9,108,199,191	
2.2 Balances with banks and security investments, external loans and other external assets	3,345,803,526	1,979,555,675	2.2 Deposit facility	0	0	
3. Claims on euro area residents denominated in foreign currency	580,033,591	228,868,498	2.3 Fixed-term deposits	0	0	
3.1 General government	21,934,646	19,475,008	2.4 Fine-tuning reverse operations	0	0	
3.2 Other claims	558,098,945	209,393,490	2.5 Deposits related to margin calls	0	0	
4. Claims on non-euro area residents denominated in euro	23,013	23,170	3. Other liabilities to euro area credit institutions denominated in euro	0	0	
4.1 Balances with banks, security investments and loans	23,013	23,170	4. Liabilities to other euro area residents denominated in euro	25,046,298,161	27,421,848,711	
4.2 Claims arising from the credit facility under ERM II	0	0	4.1 General government	24,077,736,328	25,930,712,804	
5. Lending to euro area credit institutions related to monetary policy operations denominated in euro	41,238,000,000	7,651,000,000	4.2 Other liabilities	968,561,833	1,491,135,907	
5.1 Main refinancing operations	0	51,000,000	5. Liabilities to non-euro area residents denominated in euro	2,367,956,944	2,466,433,379	
5.2 Longer-term refinancing operations	41,238,000,000	7,600,000,000	6. Liabilities to euro area residents denominated in foreign currency	699,698,974	741,439,347	
5.3 Fine-tuning reverse operations	0	0	7. Liabilities to non-euro area residents denominated in foreign currency	2,360	2,578	
5.4 Structural reverse operations	0	0	7.1 Deposits and other liabilities	2,360	2,578	
5.5 Marginal lending facility	0	0	7.2 Liabilities arising from the credit facility under ERM II	0	0	
5.6 Credits related to margin calls	0	0	8. Counterpart of special drawing rights allocated by the IMF	0	0	
6. Other claims on euro area credit institutions denominated in euro	1,918,439	1,828,428	9. Intra-Eurosystem liabilities	80,312,080,267	25,658,087,094	
7. Securities of euro area residents denominated in euro	110,437,634,563	75,075,229,320	9.1 Liabilities related to promissory notes backing the issuance of ECB debt certificates	0	0	
7.1 Securities held for monetary policy purposes	99,229,628,663	63,909,382,552	9.2 Net liabilities related to the allocation of euro banknotes within the Eurosystem	0	0	
7.2 Other securities of euro area residents denominated in euro	11,208,005,900	11,165,846,768	9.3 Net liabilities arising from balances of TARGET2 accounts	80,312,080,267	25,658,087,094	
8. General government long-term debt denominated in euro	4,294,887,693	4,863,576,750	9.4 Other liabilities within the Eurosystem (net)	0	0	
9. Intra-Eurosystem claims	12,590,751,169	9,978,878,494	10. Items in course of settlement	689,800	548,823	
9.1 Participating interest in the ECB	473,379,901	472,980,896	11. Other liabilities	982,982,058	931,257,299	
9.2 Claims equivalent to the transfer of foreign reserves to the ECB	997,925,769	1,002,089,435	11.1 Off-balance-sheet instruments revaluation differences	428,120	0	
9.3 Net claims related to the allocation of euro banknotes within the Eurosystem	10,976,875,790	8,455,772,990	11.2 Accruals and income collected in advance	243,726,738	66,916,406	
9.4 Net claims arising from balances of TARGET2 accounts	0	0	11.3 Sundry	738,827,200	864,340,893	
9.5 Other claims within the Eurosystem (net)	142,569,709	48,035,173	12. Provisions	7,525,566,262	7,797,365,401	
10. Items in course of settlement	0	0	13. Revaluation accounts	5,633,919,175	4,847,400,108	
11. Other assets	2,529,051,574	2,110,926,323	14. Capital and reserves	658,577,247	643,180,585	
11.1 Coins of euro area	73,960,407	51,696,946	14.1 Capital	111,243,362	111,243,362	
11.2 Tangible and intangible fixed assets	573,746,007	548,599,990	14.2 Ordinary reserve	111,243,362	111,243,362	
11.3 Other financial assets	108,556,326	104,632,067	14.3 Extraordinary reserve	434,500,000	134,500,000	
11.4 Off-balance-sheet instruments revaluation differences	65,460	2,040,409	14.4 Special reserve from the revaluation of land and buildings	0	284,890,789	
11.5 Accruals and prepaid expenses	1,192,968,210	826,922,126	14.5 Other special reserves	1,590,523	1,303,072	
11.6 Sundry	579,755,164	577,034,785	TOTAL LIABILITIES	183,200,998,460	109,154,917,216	
TOTAL ASSETS	183,200,998,460	109,154,917,216				
OFF-BALANCE-SHEET ITEMS	31.12.2020	31.12.2019	NOTES:			
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	50,739,259,348	42,949,646,348	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 methods applying from time to time to the European System of Central Banks (ESCB), as established by the European Central Bank (ECB) by Guideline (EU) 2016/2249 of 31.11.2016 (ECB/2016/54) and its subsequent amendments. These principles are based on generally accepted accounting principles (GAAP), tailored to best suit the needs and reflect the special status of the national central banks (NCBs) of the Eurosystem. Any issues that are not covered by the aforementioned principles and ECB guidelines or are governed by non-mandatory provisions are to be treated either in accordance with the ECB recommendations or in accordance with the Bank's Statute, Law 4548/2018 "Reform of the law on sociétés anonymes" and Law 4308/2014 "Greek Accounting Standards, relevant arrangements, and other provisions", to the extent that as they do not contravene the provisions of the Statute.			
2. Greek government securities and other debt securities relating to the management and custody of assets of public entities, social security funds and private agents	5,272,951,108	4,488,903,130	2. Gold has been valued at the price provided by the ECB as at 31 December 2020: €1,543.884 per fine ounce, compared with €1,354.104 as at 31 December 2019.			
3. Assets eligible as collateral for Eurosystem monetary policy operations and intraday credit	53,819,967,077	17,332,193,717	3. Claims/liabilities denominated in foreign currency have been converted to euro using the euro foreign exchange reference rates of the ECB as at 31 December 2020.			
4. Other off-balance-sheet items	12,099,808,763	10,405,850,542	4. Debt securities (other than those held-to-maturity, non-marketable securities and securities held for monetary policy purposes) have been valued at the mid-market prices of 31 December 2020. Marketable debt securities classified as held-to-maturity, non-marketable securities and securities held for monetary policy purposes are valued at amortised cost and are subject to impairment.			
TOTAL OFF-BALANCE-SHEET ITEMS	121,931,986,296	75,176,593,737	5. An impairment test on real estate (land and buildings), carried out on 31 December 2020, led to a partial reversal of past impairment losses of € 18.9 million and to an impairment loss of € 3.5 million, with a total positive effect of € 15.4 million on the results for the year.			
			6. The Bank's provisions include a provision against financial and operational risks, a provision for staff insurance benefits, as well as special provisions. The latter include a litigation provision against potential liabilities in respect of pending lawsuits initiated by third parties against the Bank, primarily relating to main and auxiliary pension amounts, as roughly estimated by an actuarial study.			
			7. "Other off-balance-sheet items" include the liability of the Hellenic Republic to the IMF from the SDR allocations, as well as the promissory note issued by the Hellenic Republic in favour of the IMF for the outstanding part of the loans received. As at 31.12.2020, the value of the promissory note was SDR 4.6 billion, equivalent to €5.4 billion.			
			8. Certain items of the profit and loss account for the year 2019 have been reclassified to be comparable with the respective items of the year 2020.			
PROFIT AND LOSS ACCOUNT FOR THE YEAR 2020	2020	2019	STATEMENT OF PROFIT DISTRIBUTION (*)	2020	2019	
	(in euro)	(in euro)	(Article 71 of the Statute)	(in euro)	(in euro)	
1. Net interest income	515,718,831	835,656,387	Profit for the year	661,670,428	842,313,498	
1.1 Interest income	756,405,687	851,121,956	Transfer of special reserve from the revaluation of land and buildings	284,890,789	0	
1.2 Interest expense	-240,686,856	-15,465,569	Profit for distribution	946,561,217	842,313,498	
2. Net result of financial operations, write-downs and risk provisions	14,487,271	56,819,536	Dividend to be distributed for the year 2020 (€ 0.6720 per share for 19,864,886 shares)	-13,349,203	-13,349,203	
2.1 Realised gains arising from financial operations	14,487,271	56,819,536	Extraordinary reserve	-300,000,000	-50,000,000	
2.2 Write-downs on financial assets and positions	-104,648,600	-1,963,703	Amount to be transferred to the Government	-633,212,014	-778,964,295	
2.3 Transfer from provisions for financial risks	104,648,600	1,963,703		0	-842,313,498	
3. Net income from fees and commissions	117,417,899	103,550,649	Tax returned (**)	0	18,955,869	
3.1 Fees and commissions income	122,069,190	107,203,411	Amount to be distributed for the year 2018	0	-3,871,269	
3.2 Fees and commissions expense	-4,651,291	-3,652,762	Amount to be distributed for the years 2014-2017	0	-15,084,600	
4. Income from equity shares and participating interests	48,510,309	134,754,766		0	0	
5. Net result of pooling of monetary income	113,980,539	14,563,443		0	0	
6. Other income	33,226,611	20,818,660		0	0	
Total net income	843,341,460	1,166,163,441				
7. Staff costs and pension benefit expenses	-381,521,985	-824,338,330				
8. Other administrative expenses	-58,056,292	-53,988,958				
9. Depreciation of tangible and intangible fixed assets	-10,585,228	-11,858,174				
10. Consultancy fees for the auditing of the banking system	-2,119,340	-1,720,177				
11. Provisions	270,611,813	568,055,696				
Total expenses	-181,671,032	-323,849,943				
PROFIT FOR THE YEAR	661,670,428	842,313,498				
			Athens, 1 March 2021			
			THE GOVERNOR	THE DIRECTOR OF THE ACCOUNTING DEPARTMENT		
			YANNIS STOURNARAS	MARIA PAGONI		

TRUE TRANSLATION FROM THE ORIGINAL IN GREEK

Independent Auditors' Report

To the Shareholders of the BANK OF GREECE

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Bank of Greece (the Bank), which comprise the balance sheet as at 31 December 2020, the profit and loss account and the statement of profit distribution for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2020 and its financial performance for the year then ended in accordance with the accounting principles and methods established by the European Central Bank (ECB), under the "Guideline (EU) 2016/2249 of 3.11.2016 (ECB/2016/34)" as amended and currently in force, as adopted by the Bank in Article 54A of its Statute, and for any issues that are not covered by the aforementioned ECB rules and guidelines, in accordance with Law 4548/2018 "Sociétés anonymes Law reform" and Law 4308/2014 "Greek Accounting Standards, relevant arrangements, and other provisions", where these have been implemented by the Bank.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as these have been incorporated into Greek legislation. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We have been independent of the Bank during the whole period of our appointment in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as incorporated into Greek legislation and the ethical requirements in Greece relevant to the audit of the financial statements and we have fulfilled our ethical requirements in accordance with the applicable legislation and the above mentioned Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters and the relevant risks of material misstatement were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matters
<p>Provision against financial risks</p> <p>The provision against financial risks amounted to € 4,109 million as at 31 December 2020, compared to € 4,539 million as at 31 December 2019. This provision includes the provision against credit and market risk.</p> <p>The provision against financial risks is estimated by Management, is subjective and involves a high degree of judgement to the recognition of post model adjustments to the credit and market risk, the Bank's assets are exposed to, which is applied on the output of the related models, therefore, we considered that it is a key audit matter.</p> <p>Management has provided information on the provision against financial risks on Note 12 "Provisions", paragraph "c. Provision against Financial and Operational Risks" of the financial statements.</p>	<p>On the basis of the audit risk assessment, and following a risk-based approach, we assessed the adequacy of the provision against financial risks measured by Bank.</p> <p>Our audit procedures include, among others, the following:</p> <ul style="list-style-type: none">• Assessment of the design and implementation of the internal controls related to the Management's judgement for the recognition of post model adjustments to the credit and market risk model outputs.• Assessment of the appropriateness of the Management's adjustments to the credit and market risk model outputs, focusing mainly on the methodology applied and to the documentation of the assumptions used, critically analyzing these assumptions, comparing them to actual data and other supporting evidence and considering significant developments compared to previous year.• Testing whether the provision against financial risks has been approved by the by the appropriate level of authority as per the Bank's governance.• Assessment of the accuracy of the disclosures related to this key audit matter.

Other information

Management is responsible for the other information. The other information is included in the General Council's Report, referred to in the "Report on Other Legal and Regulatory Requirements" and in the Report on the Greek Economy (Part A of the Governor's Report for the financial year 2020), but does not include the financial statements and our auditor's report thereon. The Governor's Report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, upon our reading of the Governor's Report, based on the work we have performed, we conclude that there is a material misstatement in this other information, we are required to communicate that fact to those charged with governance of the Bank.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting principles and methods established by the European Central Bank (ECB), under the "Guideline (EU) 2016/2249 of 3.11.2016 (ECB/2016/34)" as amended and currently in force, as adopted by the Bank in Article 54A of its Statute, and for any issues that are not covered by the aforementioned ECB rules and guidelines, in accordance with Law 4548/2018 "Sociétés anonymes Law reform" and Law 4308/2014 "Greek Accounting Standards, relevant arrangements, and other provisions", where these have been implemented by the Bank, and for such internal controls as Management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

The Audit Committee (article 44 of Law 4449/2017) of the Bank is responsible for overseeing the Bank's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs, as these have been incorporated into Greek legislation, will always detect a material misstatement, when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

Auditor's responsibilities for the audit of the financial statements - Continued

As part of an audit in accordance with ISAs, as these have been incorporated into Greek legislation, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit, 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 Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements present fairly the underlying transactions and events.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those of most significance in the audit of the financial statements for the current period and are, therefore, the key audit matters.

Report on Other Legal and Regulatory Requirements

1. General Council's Report

Taking into consideration that Management is responsible for the preparation of the General Council's Report for the financial year 2020, which also includes the Corporate Governance Statement, according to the provisions of paragraph 5 of article 2 of Law 4336/2015 (part B), we note the following:

- a) The General Council's Report includes the Corporate Governance Statement, which provides the information required by article 152 of Law 4548/2018.
- b) In our opinion, the General Council's Report for the financial year 2020 has been prepared in accordance with the Bank's Statute and the applicable legal requirements of articles 150-151 and paragraph 1 (subparagraphs c' and d') of article 152 of Law 4548/2018 and its content is consistent with the accompanying financial statements for the year ended 31 December 2020.
- c) Based on the knowledge we obtained during our audit of the Bank of Greece and its environment, we have not identified any material inconsistencies in the General Council's Report.

2. Additional Report to the Audit Committee

Our audit opinion on the accompanying financial statements is consistent with the additional report to the Bank's Audit Committee referred to in Article 11 of European Union (EU) Regulation 537/2014.

3. Non-audit Services

We have not provided to the Bank any prohibited non-audit services referred to in Article 5 of European Union (EU) Regulation 537/2014.

The allowable non-audit services provided to the Bank, during the year ended 31 December 2019 are disclosed in Note "VI. Additional Information" of the accompanying financial statements.

4. Appointment

We were appointed statutory auditors for the first time by the General Assembly of the Bank of Greece on 24 February 2017. Our appointment has been, since then, uninterruptedly renewed for three consecutive years based on the decisions reached by shareholder's Annual General Assembly.

1 March 2021

The Certified Public Accountant

The Certified Public Accountant

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