



BANK OF GREECE

SEVENTY-EIGHTH YEAR

BALANCE SHEET AS AT 31 DECEMBER 2005

(in euro)

ASSETS			2 0 0 5	2 0 0 4	LIABILITIES			2 0 0 5	2 0 0 4
1.	Gold and gold receivables		1,938,504,319	1,430,827,937	1.	Banknotes in circulation		13,799,748,640	12,238,189,655
2.	Claims on non-euro area residents denominated in foreign currency		494,074,402	904,914,418	2.	Liabilities to euro area credit institutions related to monetary policy operations denominated in euro		4,286,009,203	5,234,280,080
2.1	Receivables from the IMF		173,601,402	334,351,329	2.1	Current accounts (covering the minimum reserve system)		4,282,809,203	5,233,450,080
2.2	Balances with banks and security investments, external loans and other external assets		320,473,000	570,563,089	2.2	Deposit facility		3,200,000	830,000
3.	Claims on euro area residents denominated in foreign currency		951,283,800	1,382,733,073	3.	Other liabilities to euro area credit institutions denominated in euro		27,565,000	0
3.1	General government		857,695,042	1,224,358,075	4.	Liabilities to other euro area residents denominated in euro		1,106,657,696	1,211,444,873
3.2	Other claims		93,588,758	158,374,998	4.1	General government		1,085,934,059	1,196,313,972
4.	Claims on non-euro area residents denominated in euro		1,254,313,788	1,196,035,142	4.2	Other liabilities		20,723,637	15,130,901
4.1	Balances with banks, security investments and loans		1,254,313,788	1,196,035,142	5.	Liabilities to non-euro area residents denominated in euro		863,282,339	648,506,465
4.2	Claims arising from the credit facility under ERM II		0	0	6.	Liabilities to euro area residents denominated in foreign currency		164,012,424	127,864,569
5.	Lending to euro area credit institutions related to monetary policy operations denominated in euro		2,354,018,096	201,368,044	7.	Liabilities to non-euro area residents denominated in foreign currency		109,831,235	536,364,014
5.1	Main refinancing operations		1,561,000,000	48,000,000	7.1	Deposits and other liabilities		109,831,235	536,364,014
5.2	Longer-term refinancing operations		793,018,096	153,368,044	7.2	Liabilities arising from the credit facility under ERM II		0	0
6.	Other claims on euro area credit institutions denominated in euro		1,013,525,131	771,559,153	8.	Counterpart of special drawing rights allocated by the IMF		125,275,550	117,993,482
7.	Securities of euro area residents denominated in euro		7,281,045,787	6,443,828,060	9.	Intra-Eurosystem liabilities		8,455,940,423	6,966,258,551
8.	General government debt denominated in euro		8,786,178,291	9,254,374,380	9.1	Liabilities related to promissory notes backing the issuance of ECB debt certificates		0	0
8.1	Long-term debt		1,527,126,785	1,668,806,532	9.2	Net liabilities related to the allocation of euro banknotes within the Eurosystem		1,232,234,040	416,930,960
8.2	Loans for participation in the IMF		761,114,532	726,634,375	9.3	Net liabilities related to transactions with the ESCB (TARGET)		7,216,770,680	6,545,889,704
8.3	Long-term loans and securities		6,497,936,974	6,858,933,473	9.4	Other liabilities within the Eurosystem (net)		6,935,703	3,437,887
9.	Intra-Eurosystem claims		1,449,244,341	1,449,244,341	10.	Items in course of settlement		28,141,546	27,541,742
9.1	Participating interest in the ECB		393,403,998	393,403,998	11.	Other liabilities		804,083,276	973,095,264
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		8,324	0
9.3	Claims related to promissory notes backing the issuance of ECB debt certificates		0	0	11.2	Accruals and income collected in advance		143,172,258	133,340,775
9.4	Net claims related to the allocation of euro banknotes within the Eurosystem		0	0	11.3	Sundry		660,902,694	839,754,489
9.5	Net claims related to transactions with the ESCB (TARGET)		0	0	12.	Provisions		846,722,005	821,921,817
9.6	Other claims within the Eurosystem (net)		0	0	13.	Revaluation accounts		682,695,696	123,871,662
10.	Items in course of settlement		1,834,373	389,343	14.	Capital and reserves		648,230,563	625,981,892
11.	Other assets		6,424,173,268	6,618,040,175	14.1	Capital		88,994,690	66,746,019
11.1	Coins		34,660,705	33,287,864	14.2	Ordinary reserve		88,994,690	66,746,019
11.2	Tangible and intangible fixed assets		758,447,832	758,842,518	14.3	Special reserve from the revaluation of land and buildings under Law 3229/2004		470,018,863	492,267,534
11.3	Other financial assets		4,619,813,384	4,864,714,102	14.4	Special reserves		222,320	222,320
11.4	Accruals and prepaid expenses		576,711,439	570,467,497					
11.5	Sundry		434,539,908	390,728,194					
	TOTAL ASSETS		31,948,195,596	29,653,314,066		TOTAL LIABILITIES		31,948,195,596	29,653,314,066
	OFF-BALANCE-SHEET ITEMS		2005	2004					
1.	Investments in Greek government securities on behalf of public entities (legal persons in public law, social security funds in public and private law)		19,105,547,134	15,218,519,470					
2.	Investments in Greek government securities and other debt securities on behalf of public entities, social security funds and private agents		10,430,655,763	8,723,342,399					
3.	Other off-balance-sheet items		5,256,542,624	2,606,875,223					
	TOTAL OFF-BALANCE-SHEET ITEMS		34,792,745,521	26,548,737,092					

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).
- 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 30 December 2005 (€434.856 per ounce compared with €321.562 per ounce in 2004).
- 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 30 December 2005.
- The value of securities has been calculated on the basis of average prices applying on 30 December 2005, 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.
- 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 the 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). The change in the depreciation rate for buildings from 5% to 2.5% had a positive effect of €4.7 million on financial results, while the increase in the depreciable value of buildings (due to their revaluation at market prices) and the change in the depreciation method for banknote production costs had a negative effect of €4.9 million on financial results.
- By Council of Ministers' Act 17/4 July 2005, the Bank's capital was increased by €22,248,671.20. This amount accounts for a part of the surplus value which arose from the revaluation (31 Dec. 2004), at market prices, of the Bank's land and of the undepreciated value of the Bank's buildings. The increase was covered by the issuance of 3,972,977 new shares of a nominal value of €5.00 each, which were distributed free of charge (bonus shares) to the Bank's shareholders, at a rate of one bonus share to three old shares. The Bank's ordinary reserve was increased by an equal amount, drawn from the profits for the financial year 2005, so as to become equal to the capital, in compliance with Articles 10 and 71 of the Bank's Statute.
- The weighted key for subscription of the Bank of Greece to the ECB's capital fully paid by the 12 National Central Banks of the Eurosystem is 2.65405%.
- Some items of the balance sheet and the profit and loss account for the financial year 2004 have been reclassified so as to be comparable with the corresponding items for the financial year 2005.

PROFIT AND LOSS ACCOUNT FOR THE YEAR 2005

	2 0 0 5	2 0 0 4
		(in euro)
1 Net interest income	311,925,536	301,535,422
1.1 Interest income	683,455,834	673,598,545
1.2 Interest expense	-371,530,298	-372,063,123
2 Net result of financial operations, write-downs and risk provisions	133,713,007	28,260,030
2.1 Realised gains/losses arising from financial operations	155,370,075	99,505,494
2.2 Write-downs on financial assets and positions	-21,657,068	-71,245,464
2.3 Transfer to/from provisions for foreign exchange rate and price risks	0	0
3 Net income from fees and commissions	124,906,121	141,630,119
3.1 Fees and commissions income	125,933,049	142,465,547
3.2 Fees and commissions expense	-1,026,928	-835,428
4 Income from equity shares and participating interests	3,476,715	2,459,420
5 Net result of pooling of monetary income	9,874,431	10,795,758
6 Other income	26,903,702	113,943,220
Total net income	610,799,512	598,623,969
7 Staff costs	-200,810,488	-191,813,880
7.1 Wages and salaries	-132,282,005	-126,350,375
7.2 Employer's contributions and other levies	-68,528,483	-65,463,505
8 Pensions and benefits	-49,036,451	-46,562,364
9 Administrative and other expenses	-39,460,857	-37,552,145
10 Depreciation of tangible and intangible fixed assets	-33,803,564	-34,613,846
11 Provisions	-59,228,907	-82,476,430
Total expenses	-382,340,267	-393,018,665
Profit for the year	228,459,245	205,605,304

DISTRIBUTION OF NET PROFIT

(Article 71 of the Statute)

	2 0 0 5	2 0 0 4
		(in euro)
Dividend on capital, €0.67 per share on 15,891,909 shares	10,647,579	7,985,684
To the ordinary reserve	22,248,671	0
Additional dividend, €1.73 per share on 15,891,909 shares*	27,493,003	25,983,272
Tax payment (Law 3296/2004, Article 6)	17,948,509	18,290,976
To the Government	150,121,483	153,345,372
	228,459,245	205,605,304

* The dividend on capital and the additional dividend for the year 2004, adjusted to take into account the new number of shares, was €2.14 per share.

Athens, 22 March 2006

THE GOVERNOR
NICHOLAS C. GARGANAS

THE DIRECTOR OF THE ACCOUNTS DEPARTMENT
DIMITRIOS E. MATSIMANIS

AUDITORS' REPORT
To the Shareholders of BANK OF GREECE AE.

We have audited the accompanying financial statements of BANK OF GREECE AE, as of and for the year ended 31 December 2005. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Greek Auditing Standards, which are based on the International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, evaluating the overall financial statement presentation as well as assessing the consistency of the General Council report with the aforementioned financial statements. We believe that our audit provides a reasonable basis for our opinion. Based on our audit we noted that the recorded provision for pension and other liabilities to Employee Funds amounts to €705 million, whose adequacy we could not assess. In our opinion, except for the effect on the financial statements of the matter referred to in the preceding paragraph, the aforementioned financial statements give a true and fair view of the financial position of the Company as of 31 December 2005, and of the results of its operations, 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 Company Law 2190/1920, and the General Council Report is consistent with the aforementioned financial statements. Without qualifying our opinion we draw attention to Note 8 to the financial statements. The company's results for the year 2005 have been affected positively by €4.7 million due to the change in depreciation rates for buildings based on their useful life and negatively by €4.9 million due to the increase of their depreciable amount (as a result of revaluation) and the change in the depreciation method of banknotes capitalized production cost now depreciated based on their useful life.

The Certified Auditors - Accountants

Nikolaos Moustakis
(Registration no 13971)
110 km National Road Athens Lamia
144 51 Metamorphosi Attiki

Despina Xenaki
(Registration no 14161)
110 km National Road Athens Lamia
144 51 Metamorphosi Attiki

Athens, 22 March 2006

Ernst & Young (Hellas) A.E.
Certified Auditors Accountants
(Registration no 107)