

Greece

I. Institutional coverage

The statistics published in *Banking Statistics – Financial Statistics of Banks* are on an annual basis and refer to calendar year. The data relate to commercial banks incorporated in Greece. Separate data are also provided for the: a) five largest banks in this group in terms of total assets; b) co-operative banks as of 2004 onwards. It is noted that after a reclassification starting from 2000, which affected the “commercial banks” category, and following a number of mergers and acquisitions that took place in the past few years and affected the composition of the group of “large commercial banks”, data series from 2000 onwards are not comparable with those of earlier years and as of this year the large commercial banks data refer to the top-five banks. Also, other miscellaneous financial institutions refer to leasing, factoring and investment firms and mutual funds, while other miscellaneous monetary institutions refer to the Deposits and Loans Fund.

II. Geographical coverage and degree of consolidation

The data cover the Greek commercial banks and subsidiaries of foreign commercial banks incorporated in Greece. The balance sheet and the income statement are reported on a corporate basis and therefore they do not include data related to subsidiaries of the aforementioned banks. They include, however, data concerning the operations of Greek commercial bank branches located abroad.

III. Summary description of activities of banks

Payment facilities

All commercial banks offer checking accounts, but the use of these accounts is relatively limited. Salary accounts and automated fund transfers as well as credit-cards, Automated Teller Machines (ATMs) and Electronic Fund Transfer (EFT) are constantly increasing.

Deposits from the public

Commercial banks accept all types of deposits. A large majority (more than 85 per cent) of deposits is in the form of savings and time deposits. The banks are free to set interest rates on deposits.

Money market business

The interbank money market consists mainly of transactions involving day-to-day loans between banks at freely determined rates and is used to smooth out discrepancies between the demand for and the supply of liquid assets in the day-to-day business of

banks. In addition to interbank deposits, banks can also utilise the two standing facilities of the Bank of Greece:

- deposit facility;
- marginal lending facility.

Another standing facility was available to banks until March 2000. They could make overdrafts, at a penalty rate, from their current accounts with the Bank of Greece.

Lending business and credit exposure

Commercial banks are allowed to engage in all kinds of lending operations. Most of their financing (approximately 95 per cent of total commercial bank lending) is granted to the private sector and the remaining part to public enterprises and entities. Commercial banks provide primarily short or medium-term credit to industrial and commercial companies, but they are also involved in long-term financing. During the last few years, credit to households, in the form of consumer credit and housing loans, has become increasingly widespread.

As from 1992, the European Union (EU) Second Banking Directive has been transposed into Greek Legislation. Consequently, no credit institution may maintain a qualifying holding (10 per cent or more of another firm's equity) in a non-bank enterprise that exceeds 15 per cent of the credit institution's own funds. As to the total amount of a credit institution's qualifying holdings in non-bank enterprises, it may not exceed 60 per cent of the credit institution's own funds. Moreover, in the context of prudential supervision, a credit institution's exposure to a client or group of connected clients can not exceed 25 per cent of the credit institution's own funds. Also, a credit institution may not incur large exposures (10 per cent or more of its own funds) which, as a total, exceed 800 per cent of its own funds.

Foreign exchange trading and foreign payments

All commercial banks operating in Greece have been authorised by the Bank of Greece to trade in foreign exchange on both the spot and forward markets, for their own account as well as for their customers.

Security business, portfolio management and trust business

All commercial banks are allowed to trade in shares and bonds for their clients, assist in share and bond issues, and offer portfolio management assistance to their clients and safekeeping services for securities. Banks are also allowed to underwrite new issues of securities.

Non-banking business

Commercial banks are not allowed to engage in commercial and industrial activities for their own account.

IV. Reconciliation of national data with the OECD presentation

Income statement

Net provisions

According to Greek law, banks must set aside general provisions to cover bad and doubtful debt. A general annual provision expense of up to 1 per cent of total outstanding

loans is recognised as tax deductible in the case of commercial banks. Specific provision charges for loan losses or identified individual bad debts which are on a non-accrual status may be deducted from taxable income.

Balance sheet

Capital and reserves

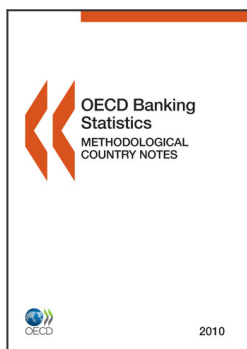
According to Greek legislation a commercial bank must allocate at least 5 per cent of its annual profit to the ordinary reserve fund. This requirement applies until the ordinary reserve fund reaches at least one-third of the share capital. Additional reserves can also be created but always within the limits imposed by the statute of each bank and the Greek legislation concerning the distribution of profits.

Total assets/liabilities

This item reports the gross and not the consolidated total of the banks.

V. Sources

The responsibility for collecting and compiling the statistics lies with the Bank of Greece, Economic Research Department, Athens.



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