

NATIONAL BANK OF GREECE

# REPORT

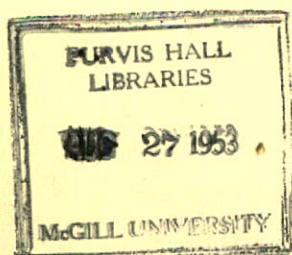
FOR THE YEAR 1951

BY MR. STAVROS J. COSTOPOULOS

GOVERNOR OF THE NATIONAL BANK OF GREECE

PRESENTED AT THE  
ORDINARY GENERAL MEETING OF SHAREHOLDERS  
HELD ON APRIL 5, 1952

ATHENS





NATIONAL BANK OF GREECE

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# BANK'S OFFICES

HEAD OFFICE: ATHENS, 86 Aiolou Street

## ATHENS - PIRAEUS AREA

Central Office (86 Aiolou St.)	Kallithea
Mitropolis Square Office	Nea Ionia
Agora (Socratous Street)	Halandrion
Kerameikos (Panagi Tsaldari St.)	Peiraieus Office (Gr. Britain St.)
Pagkrati	Nikaia (Peiraieus)
Tritis Septemvriou Street	Zea (   »   )

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Agrinion	Halkis	Kymi - Koumi	Poros
Agyia (Larisa)	Hania - Canea, Crete	Kyparissia	Potamos (Kythira)
Aigion - Vostizza	Hios - Chio	Kythira - Cerigo	Preveza
Aitolikon	Ierapetra, Crete	Lagkadas	Pylos - Navarino
Alexandroupolis	Ioannina - Janina	Lamia	Pyrgos
Almyros	Irakleion - Candia, Crete	Larisa	Rethymni, Crete
Amalias	Istiaia	Leukas	Rodos - Rhodes
Amfikleia	Itea	Levadeia	Serrai
Amfissa	Ithaki - Ithaca	Limin Vatheos-Vathy	Siteia, Crete
Amyntaion	Kalamai	Port, Samos	Skiathos (Volos)
Andros	Kalavryta	Limnos	Souflion
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Argostolion	Karditsa	Mesologgion - Misso-	Syros
Arta	Karlovasi, Samos	longhi	Thessaloniki - Salonica
Atalanti	Karpenision	Messini	Thira - Santorin
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Dimitsana	Katerini	Mytilini	Trikkala
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Farsala	Kilkis	Orestias	Xanthi
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Gargalianoi	Korinthos - Corinth	Patrai	Zakynthos - Zante
Grevena	Kos	Paxoi	

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AS ON 31<sup>ST</sup> DECEMBER, 1951

# REPORT OF THE GOVERNOR







GENTLEMEN,

The new Management of the Bank, appointed by your unanimous vote last year, are glad of the opportunity offered them to-day to communicate with you.

We come before your General Meeting in order to give you an account of the activities of the year 1951 and to submit to your approval the results obtained. But, before attempting such an analysis, we think it indispensable to review, as briefly as possible, the developments in the international field and in the Greek economy during the past year.

This survey, by pointing out the weak spots in the present economic and financial position, will help to make clearer the conditions which affected our Institution's business during the year under review.

### ***The Greek Economy in the Year 1951.***

#### **I. The Peculiar Features of the Greek Economy in 1951.**

The Greek economic problem appears, at first sight, in a somewhat particular form in 1951. As has been generally acknowledged, the development of the Greek economy and the results realized in its various sectors, both organic and monetary, were such as to create a definite hope that, with the beginning of 1952, it would start taking the first sure steps towards return to a state of permanent stability and regularity. And this was in spite of the vulnerability that it presents from the social point of view, owing both to the losses which it has suffered, and to the sensitiveness of the public finances due to the extraordinary military charges.

Few countries indeed, as it appears from reliable statistics, can show such a high percentage increase in production in the course of the past year. Agricultural production, as a result of the works undertaken, was raised by



more than 10%, and industrial by 14%, while the overall national income seems to have considerably exceeded pre-war levels, the quantity of goods available for consumption within the country being thus increased. Financial resources were developed, and the Government's revenues rose to 5,700,000 million drachmae in 1951 from 4,630,000 million in 1950. Payments for the purposes of reconstruction, now based on a more general economic programming and implemented at an increasingly quick pace, amounted to 750,000 million drachmae in the first half of 1951, compared with 613,000 million drachmae in the corresponding period of 1950.

But the most characteristic evidence of the general improvement was to be seen in the currency, which reflects the strength of any economy. Indeed, during the whole of 1951 until October the Greek drachma, in spite of abrupt fluctuations in international prices, to which, as is natural, it is exceptionally sensitive owing to the dependence of the Greek economy on foreign countries, regained its independence and sovereignty, and seemed to reassume, by stages, its organic function as a currency. That, indeed, is the conclusion to be drawn from: 1) the continuous expansion of bank deposits, as shown principally by the progressive improvement of the ratio between the amount of the deposits and that of the bank notes in circulation, which rose from 80.7% in December, 1950 to 95.6% in December, 1951; 2) the higher rate of increase of the private deposits at our Bank, which remains the chief reservoir of savings, in comparison with the deposits of a compulsory nature. Deposits by private persons of all kinds were equal to 36.7% of the deposits of public institutions and insurance funds in December, 1950, and to 55.1% in December, 1951; and, finally, 3) the interruption of the tendency towards rising prices, the inflationary pressures in this country having proved, up to October, 1951, to be much less than in the corresponding period of the previous year. Indeed, the cost of living index rose by 4.7% between December, 1950 and September, 1951, while in the corresponding period, from December, 1949 to September, 1950, it had risen by 10.2%. These conditions, favourable to the currency, were made more so both by the fact that the price of the sovereign remained stable, even without any intervention by the Bank of Greece on such a scale as in the corresponding period of 1950, and by the keeping down of the volume of bank notes in circulation thanks to the Government's measures, and in spite of the increase in the credits extended to the economy from 4,483,000 million drachmae to 5,457,000 million drachmae, that is to say by 974,000 million drachmae.



Notwithstanding this obvious progress, achieved in almost all the phases of Greek economic life, and in spite of the addition of so many assets to the country's economy, it is regrettable that, during the last quarter of the past year, some monetary uneasiness recurred. This uneasiness was mainly due to psychological reasons, which under the present conditions of international irregularity and instability are stronger than the real ones. It could easily become the source and starting point of a new economic disturbance in this country, as well as of difficulties in the application of an efficient credit policy, if it had not been possible to restrain, since February last, the renewed tendency towards hoarding.

## **II. The Causes of the Monetary Uneasiness.**

### **A) The External Factors.**

There are two main causes that may be considered as having brought about those factors, real or psychological, which tended to neutralize the favourable facts observed. It was on these facts that the Government in 1951 based its efforts to safeguard the currency, that essential element on which all economic success depends.

1) *The Curtailment of American Aid.* The first element of instability was the curtailment of American aid, this and the international developments being the two fundamental factors that influenced the economic policy pursued in Greece.

The heavy burdens on the United States' economy arising out of international conditions caused Congress to cut the total economic aid down to 1,022 million dollars.

In the case of Greece the aid was reduced from \$ 207 million in the previous year to \$ 182 million. It was natural that this should cause a large gap in the balance of payments, which balance could barely have been secured even with aid of 225 million dollars, as was provided in the reconstruction programmes. A gap of such an extent, however, could not be expected to be covered by an increase in foreign exchange receipts from visible or invisible Greek exports, on account of the conditions prevailing in international and intra-European trade. On the contrary, owing to the higher international prices and to the indirect curtailment of American aid resulting therefrom, the gap was more likely to widen. This created many problems for Greece's economy, more especially from the point of view of reconstruction.



and monetary stability, as imports necessarily had to be restricted. Indeed, as regards the two fundamental objects of our economy, already mentioned, it became necessary to face the hard problem of redistributing between them the reduced amount of American aid. This had to be done in a manner that would neither impede the continuation of reconstruction, which had begun under such good omens, nor jeopardize the country's monetary stability.

We do not know how this problem will finally be resolved. It may be necessary to allot a part of the American aid, larger than in the previous year, to reinforcing the deflationary measures taken by the Government and towards meeting financial charges disproportionate to the country's economic strength. However, the improvement in economic, financial and monetary conditions noticed during recent months gives ground for hope that this part will be small. Thus, by making a supreme effort and by working hard it may be possible to continue reconstruction along the lines laid down in 1951. These lines were verified by our great ally and helper, the United States, and were recognized as being the minimum which could ensure the survival of the Greek population.

2) *International Economic Conditions.* The second factor in the monetary psychology created in Greece by the country's close dependence on foreign countries, no less important than the last, was the inflationary forces which have existed almost uniformly in all the free nations. These have resulted from armament programmes, the curtailment of American aid, the shortage of raw materials and the unfavourable forecasts as to the future.

In fact, it is of particular importance to state that in nearly all European countries, which not only escaped the hard trials that Greece suffered in her painful march towards economic recovery, but have almost if not quite completed their economic rehabilitation, confidence in the value of their national currencies is alarmingly undermined. Between January and December, 1951, in spite of increased productive efforts, prices increased by 24% in France and by 16% in Sweden, as against 10% in Greece. A consequence of this was that countries like Great Britain and Sweden, which had succeeded in stabilizing salaries and wages, were unable to continue that policy during the past year. Moreover, some of them, like France and Great Britain, which had achieved economic stability, with equilibrium in their balance of payments, now face a worsening of their external payments position. The «dollar problem» is in most cases once more beyond their control, and the status of their foreign exchange reserves is considered almost catastrophic.



Unfortunately, the inflationary phenomena are still alarmingly obvious in the West European countries. To this contributes the tendency of the governments and certain individuals to spend beyond their means, a tendency which is apparent in Greece too. Workers, farmers and industrialists continually claim higher remuneration and profits, sometimes disproportionate to their contribution to the working of the economy. On the other hand, producers in general ask for credits much larger than they need for production. This gives rise to demands on the currency, the satisfaction of which would need much greater wealth than really exists. Thus the inflation percolates, as it were, from industry to industry, from area to area and from country to country; and this sets up conditions of open or concealed inflation which fully justify the charge that we live in an age of inflation.

3) *Repercussions of External Factors on the Greek Economy.* In such an international economic and monetary atmosphere it is natural that the inflationary factors latent in the Greek economy because of its structure, should be intensified. The same applies to the psychological reactions to the cut in American aid. These reactions are of a violence quite disproportionate to the real facts of the internal monetary situation; and that makes them much more difficult to face. Public distrust in the future of the economy and the currency has mainly been manifested since October, 1951 in faster movement of money in the hands of the public, a thing which can hardly be controlled. It has also been reflected in a certain growth in stocks of goods, with a consequent increase of prices and a growing demand for sovereigns. This went on until February last, when, the situation having been stabilized through anti-inflationary measures taken by the Government and the Bank of Greece, the public changed their minds and became willing to offer sovereigns in considerable quantity.

It is, however mainly through the trade balance that the Greek economy, and hence the currency, feel the repercussions of the tendency to national self-sufficiency which now prevails in Europe. Owing to the rise in prices of raw materials and the resulting worsening of their terms of trade, European countries are aiming at autarky by promoting exports and restricting imports. Greece still depends on foreign aid for nearly two thirds of her imports, and urgently needs large quantities of all primary necessities as well as goods of technical kinds. She therefore sometimes feels keenly the effects of the tendency to self-sufficiency, as well as those of the rise in international prices, which may well tend to produce a general deflation. In any case, Greece gains



little from the rise in the prices of her exports, because, owing to international conditions, the prospects of demand for them in the international market are not very encouraging; and this remains so in spite of all attempts to reduce costs of production. The difficulty experienced by the country in its efforts to dispose of its exportable products is not only reflected in the foreign trade balance; it also affects the whole Greek economy profoundly. For, in view of the nature of these products and their unsuitability to meet requirements within the country beyond certain limits, it is natural that the part of their production which cannot find a normal outlet abroad and thus procure valuable foreign exchange should merely go into stock. Furthermore, this growth in stocks leads in many ways—and this without any additional inflow of consumer goods except those coming from American aid—to greater purchasing opportunities for a part of the population, which has a marked tendency towards increased consumption. This alters both the formation of incomes and the spending of them. It also affects the public finances, the currency and the formation of savings, without the American aid being able to restore the disturbed order in any of these respects. This brief description will make clear why, even though the national income has now increased, the Greek economy is not proportionately less dependent on foreign aid.

#### **B) The Internal Factors.**

As already mentioned, monetary stability in this country was somewhat disturbed during the last months of the year under review because certain conditions indispensable to its maintenance were not fulfilled. This was a result of the cut in American aid, the rise in international prices and the consequent aggravation of the psychological reactions caused by distrust in the future of the country's economy. To these factors was added the influence of some internal factors, more especially the increase of the currency in circulation by 428,000 million drachmae.

Objectively speaking, this increase should, of course, be considered as harmless in view of the fact that it was no greater than the growth in national income. However, it is bad for monetary stability because of other factors which determine monetary psychology and the offer of goods in connection with the peculiar structure of the demand for these latter, as well as the strength of the pressure for an increase in the various kinds of income.

The causes which produce an increase of the currency in circulation at the end of each year are familiar.



The pressure for the issue of bank notes was due in 1951 primarily to seasonal causes, which, of course, fall off at the beginning of the new year. It also came from Treasury transactions. Payments for military purposes, and, to some extent, the cost of higher wages caused expenditure to exceed receipts in the last months of the calendar year. Finally, it was due to the necessity of financing the increased economic activity, and to the policy of forming central stocks of agricultural produce.

### **III. The Reactions of the Greek Economy.**

Since the factors in the present Greek psychology are mostly of foreign origin, it can be seen how difficult it is to act independently within the country to establish monetary order. In other words it is hard to follow an effective policy when reactions occur in Greece as well as in foreign countries, often having their origin in these latter, and being thus outside the range of Greek Government action. Of course, it would be easy to appropriate a larger part of American aid for the import of consumer goods, in order to avoid the threat to monetary stability. It was however thought better to have recourse to exclusively internal monetary measures as a means of counterbalancing the unfavourable influence on Greek psychology due to external factors, and thus to strike a balance between the inflationary and the deflationary forces which affect the Greek economy. These measures constitute a general frame within which the economy moves at present. They have been chiefly directed, on the one hand, to saving drachmae in order to ensure monetary stability and to realize productive investments to the greatest possible extent; and, on the other hand, to disciplining demand to the utmost by applying price controls, as well as by controlling the formation and use of monetary incomes.

From the monetary point of view, stability was sought by a restriction of credits. As a result of this restriction the rate of growth of total credits to the economy out of funds of the Bank of Greece fell off throughout 1951. In fact, there were substantial decreases in February, 1951 (by 130 thousand million drachmae), August, 1951 (by 89 thousand million drachmae) and January, 1952 (by 72 thousand million drachmae). The cut in these credits mainly affected general trade, the tobacco trade and industry.

Two tables at the end of this Report show in detail the movement in the credits to the economy and in their distribution by trades and industries.



#### **IV. Consequences of the Measures.**

There are clear indications that the combined and systematic application of the measures has begun to produce favourable results, and has averted the monetary disturbance which for a time threatened. All indices clearly show that a period of monetary stability is now coming; and it seems that this period will be long enough to allow us to find a solution for many problems which the Greek economy is facing. It is anyhow certain that, with a good use of American aid funds, and with a more substantial revision of the budget, entailing less luxury for the Greek Government and more sacrifices for our wealthy classes, the country will once more come through its difficulties. This is not the first time that the Greek people have been called upon to give proofs of their frugality and their patriotism; nor is it the first time that success will crown their efforts.

But by the measures taken, especially those relating to credits, the whole economy of the country was placed within an anti-inflationary frame, and the course of economic activity became dependent on mainly psychological considerations.

More precisely, the reduction of credits, which is the consequence of the anti-inflationary policy, results in a decrease of productive activity and a rise in unemployment. It seems fair to conclude that the inflationary pressures caused by shortage of goods are not due to exhaustion, but arise from the inability to expand the means of production in Greece. Such expansion is hindered by the fear that the banking system will not be able to finance it adequately, owing to the sensitiveness of the national currency. It is a strange peculiarity of the Greek economy that, in a period of inflationary psychology, when supply is less than demand, the economy is facing a reduction of demand to a point causing an involuntary stockpiling.

#### **V. Consequences for the National Bank.**

Thus the Greek economy is involved in the cycle of alternate inflation and deflation to which it is led by the prevailing psychological trend. But this instability does a still greater damage to the banking system, and more particularly to the National Bank.

The proper sphere of action for the National Bank is indicated by the close connexion which it has with the various branches of the economy, especially trade and industry; by the results which it has obtained by providing



the Greek economy with the necessary funds; by the favourable conditions under which it offers those funds; by the fact that the major part of the nation's savings is committed to its custody in order to make them profitable; by its overall activities for the benefit of the country; and by its characteristic handling of credit questions. The National Bank carries out its duties in all these respects with a proper organization, and through a staff whose numbers and quality are adequate to the tasks which the Bank performs.

It is therefore natural that the National Bank should be influenced, perhaps more than other institutions, by the abrupt changes in a credit policy due to psychological considerations. This must be so, in view of the Bank's special character and strong position.

The credit policy followed at present is certainly right, in the light of the need to safeguard the currency and the more general economic interests. But, in view of the fact that the policy of the National Bank is an organic and inherent part of the whole economy of this country, it is natural that our Institution should feel the effect of the bad conditions because of its national character. The Bank will nevertheless fight without rest, performing its arduous duty in the service of the national economy, with the certainty that it will do good to the country and will thus fulfil its historic mission.

The vacillations in the application of credit policy, however, do harm to the economy as well as to the banks. They could be avoided if the policy were systematically administered in such a way as to ensure a steady flow of banking business. The problem which credit policy will have to resolve in practice includes not only the safeguarding of monetary stability and the greatest possible productivity of credit, but also the fixing, with continuity and consistency, of general directives, terms and conditions for its application; it certainly does not include measures concerning the development of factors foreign to this policy.

## **VI. The Industrialization of the Country and the National Bank.**

In the brief analysis which we have attempted, we think that we have shown that the country's current economic problems, the so-called short-term problems, will be solved in spite of the unfavourable general conditions under which the Greek economy is labouring. The solution will come through American aid, even though curtailed, with the help of the monetary and financial policy of anti-inflation that has been followed. The cost of such a



solution is undoubtedly heavy. Owing to the cut in the resources available for production, the country's economy is already growing dull. This has begun to be seen on both the assets and the liabilities side of our balance sheet, as well as in the results realized during 1952 by this Institution, which is so closely connected with the nation's economy.

Unfortunately, however, and until the monetary situation is stabilized, it is impossible to act otherwise. A more liberal short-term monetary and credit policy might possibly bring about a temporary prosperity; but it would in the end harm the national economy because of the psychology of inflation which it would induce. But, if monetary equilibrium is not in danger at present, the restoration of a more permanent and stable internal and external economic equilibrium in this country can be secured only to the extent, to which the country's material equipment is reinforced, through reconstruction and through an increase of the available real capital, far beyond pre-war levels. This should be done in such a way as to enable the country to pay its way, and to improve the balance of payments, which now shows a threatening gap.

At present, under the prevailing international conditions, the chances of developing Greek production and technical equipment are not particularly good. Not only has American aid for reconstruction diminished, as already stated, but in addition the use of the funds appropriated is being restricted by the American Mission, mainly from the fear of inflation. On the other hand most indications relating to the next fiscal year point to a probable further cut in American aid. Such curtailment would of course weaken the support on which recovery of the Greek economy now mainly depends. It would hinder completion of the land reclamation and electric power works now in progress, which form the basis for further economic development, and which cannot be financed out of their own revenues because it will be so long before they are productive.

But the development and rational exploitation of Greece's wealth-producing resources, and the securing of equilibrium in her balance of payments, as well as the finding of a solution for our acute population problem, are necessarily basic Greek aims; and they go far beyond the fundamental reconstruction works already begun. Besides, it has become a common belief with us that the application of a rational programme, free from fantastic longings, for the structural readaptation of industry is urgently needed as a complement to the development of agricultural and mining production. The



necessity of such a programme clearly follows from the facts of the present situation in this country, including the need to reduce imports, to exploit certain raw materials which are still of no use to our economy, and to diversify and consequently broaden Greek exports.

Any programme to expand industrial potential is bound to meet difficulties, mainly from the point of view of securing the necessary funds. We believe that for this purpose the existing possibilities of financial relief should be systematically studied and increased; and that this should be done simultaneously with and independently of the efforts which the country ought to make for the continuation of American aid, indispensable as that is generally admitted to be. The financial relief will be secured either within the framework of plans for aid to underdeveloped areas, or perhaps even by applying to the International Bank for Reconstruction and Development in order to obtain a loan at a low rate of interest and otherwise on favourable terms. Such terms would be justified in view of the nature of the works to be carried out, as well as the situation of the balance of payments, because these will not allow the country to bear, at least for some time to come, and until the works have become productive, the burden of the service of foreign loans. A concentration of the home savings now hoarded would certainly be most helpful too. But, to achieve this, it would be necessary to restore the thing which has suffered more than any other in Greece, that is credit; and to give confidence back to the organ through which credit operates, that is the banking system.

In applying this industrial programme, differences of opinion may well arise as to the choice of objectives, as well as regarding the most suitable industrial investments. It is on these choices that the country's future will depend. Considering the experience of the last three years, however, we believe that there is no doubt as to who are the most competent and permanent organs, through which to effect a moderate and rational reorganization of industry.

Any industrial programme must create complicated questions of organization and administration, as well as monetary and credit problems. In particular industrial credit, at both short and long term, presenting, as it is now generally agreed, a single problem, entails special features and risks. These risks can only be faced, in such a way as to help the national economy, by an institution with a perfect organization and specialized staff, capable of thoroughly and accurately appreciating both the general situation



and that of each individual borrower. It is only by applying such a rational and comprehensive policy for loans to industry, within the framework of a national economic policy, that the country's industry can be made to pay and the banks can be secure.

There is at the present time one credit institution which, more than any other, fills this bill. It is the National Bank.

In asking that industrial credit should be entrusted to its unique competence, and managed through the services operating within the Bank and specially organized, the National Bank does not rely on the fact that until the outbreak of the second world war it was virtually the sole founder of industry in Greece. Nor does it rely on its history, identified though that is with the creation of the Greek economy, nor on its special character as an organization inspired by the idea of serving the general welfare above its own interest. It points out two things only:

1) On the one hand it is necessary, as is almost everywhere recognized, and as is done in both theory and practice, to serve all the needs of industry by a uniform type of credit, the industrial credit at both long and short term; and this form of credit needs to be handled through one single institution. That institution should have a thorough understanding of matters of finance, a perfect organization, long experience and ample knowledge, such as will enable it to distribute in an adequate and equitable way both short-term and long-term credits. It should have far-reaching financial strength so as to attract both home and foreign capital successfully, and, finally, it needs considerable prestige for sponsoring industrial enterprises. If, without regard to these conditions, other credit institutions of varying mentality, experience and specialization were authorized to do more business in industrial credit, a form of credit which was developed and shaped to its present form by the National Bank, then extremely disagreeable consequences might follow both for the nation and for the banks. If industrial credits are handled in an incoherent and inconsistent way, without planning or any uniform system, this will create dangers for the adequate shaping and development of industry and, in consequence, for the liquidity and elasticity of the economy. Further, it will endanger the liquidity and security of the whole banking system. Equally unpleasant consequences would follow if credits for industry were handled by a special Industrial Bank founded for that purpose. This is because, first, the new bank could hardly become competent in a short time to deal with its difficult task; while, secondly, a new burden would be



imposed on the Greek economy and the rate of interest, already very high owing to the overhead costs of the existing banks. It would therefore be a mistake to handle industrial credit through any channels other than the National Bank, which has up to now carried out this task so well, as is generally acknowledged. This is the more so as we are now in a time when the systematic development of capital investments in industry is desired. It is moreover recognized that the other banks have no specialized departments adequate to look after this task; and it is clear that the reduction of bank expenses, which so burden the economy, is highly desirable.

2) Both the Government and the economy, at this moment when they are facing such complex problems relating to the country's industrialization, need, on the one hand, to establish a programme of economic action proportionate to the importance of this aim, and, on the other hand, to take more advantage than hitherto of the existence in this country of an institution, the National Bank, which is competent to apply such a programme. The National Bank is indeed a large, powerful and highly efficient institution; to its creative, sound and socially useful activities the Greek nation, since its revival, has entrusted, not only its savings but also the creation of its economy. It was the National Bank which first founded, one after another, all the branches of economic activity, including trade, agriculture, industry and banking, and then shaped and strengthened them and brought them to their present importance.

Those admirable achievements of the National Bank make it the most suitable institution for the development of industry and industrial credit in general. It is for the National Bank to undertake this task, combined as it is with a wider economic and social service, not only because of its overall constitution and history, but also because the country's economy is now to be developed on more rational lines. In handling industrial credit as a matter for its exclusive competence, the National Bank would have an outlet for a productive use of its power. This power is based on its great liquid resources, its prestige in home and foreign markets, and its extensive credit mechanism.

We now submit for your approval our Balance Sheet for the year 1951 together with a statement of the results obtained.



## ***General Remarks on the Bank's Operations.***

### **Deposits.**

The total deposits at the Bank, which amounted at the end of 1950 to 730,856 million drachmae, reached 960,431 million drachmae at the end of 1951, thus showing an increase of 229,575 million drachmae, or 31.41 per cent.

Their breakdown, according to categories, was as follows:

Sight Deposits .....	Drs.	428,992	million
Savings Deposits .....	»	27,485	»
Time and Permanent Deposits ..	»	11,705	»
Deposits of Public Organizations pursuant to E. L. 1611/1950	»	492,249	»

As we stated in our last year's Report, Emergency Law 1611 of 30th December, 1950 came into force as from 1st January, 1951. According to this law all funds of Legal Persons at Public Law as well as those of Insurance Funds at Public or Private Law invested in the form of interest bearing deposits have been transferred to the Bank of Greece, which became their administrator. The latter, however, was compelled to invest such funds in interest bearing deposits with banks or banking organizations, in order that they might be used by these institutions for financing agriculture, trade or industry.

The same law fixed the amount of the funds to be transferred to each bank. This amount was to be equal to the balance of similar deposits held at each bank on 30th June, 1950. By subsequent decisions of the Currency Committee it was further provided, on the one hand, how the amount by which such deposits had increased between 30th June, 1950 and 30th December, 1950 was to be distributed between the banks, and, on the other hand, what was to be the distribution of the new funds which in future would be invested in the form of interest bearing deposits with the Bank of Greece. At first these funds were distributed in proportion to the capital, share capital and reserves, of each bank and 63.02 % of them were assigned to our Bank; but later, as from 1st May, 1951, the proportion for our Bank was reduced to 50%. This distribution remained in force until 9th February last, when it ceased because it was decided that, from that date onwards, new



funds of Public Organizations up to a certain amount would be lent to the Government and used for the continuation of reconstruction works. If this is done, our Bank will be deprived of an important source of supply of new funds, estimated at between 13 and 15 thousand million per month.

The deposits of Public Organizations originally transferred to us by the Bank of Greece amounted to 408,133 million drachmae. By 31st December, 1951 they had increased to 492,248 million drachmae. This amount does not include the deposits for the current administrative needs of these organizations.

It must be stated here that the depositing at banks of funds intended to cover the cash transactions of Public Organizations (Legal Persons at Public Law and Insurance Funds), that is for their current administrative needs, has continued. From this source some additional deposits came to this Bank.

Every effort was made by us to attract deposits of other categories, that is deposits of legal persons at private law, deposits of private persons and savings deposits. In spite of strong competition on the part of the other banks, which offered very high rates of interest, satisfactory results were obtained and the private deposits were increased by 60%. That should be regarded as a sign of the activity of this Bank and of the increasing confidence in it. But the conditions prevailing since the Liberation, which are against private saving, still persist. The shortage of payment media, the low level of subsistence, and distrust of the drachma constantly reappear, so that private saving continues to be much restricted and to develop very slowly.

The total amount of the deposits held on 31st December, 1951 at banks and banking organizations reached drs. 2,118,067 million as against drs. 1,533,500 million on 30th December, 1950, thus showing an increase of drs. 584,567 million. This increase raised the ratio between savings and note circulation from 80.7% at the end of 1950 to 95.6% at the end of 1951.

The drachma deposits, amounting to drs. 915,790 million, at our Bank on 31st December, 1951, represented 43.24% of all the deposits at credit institutions, whereas the proportion was 45.45% on 30th December, 1950. This small decrease in the proportion held in our Bank is due to the reduction in our share of the Public Organizations' funds, as well as to the withdrawal, during the year 1951, of a sum of 50 thousand million by the Treasury from the deposits of Public Authorities. Nevertheless this proportion, which is almost equal to that in 1939, clearly shows that this



Bank continues to be a strong institution which inspires undiminished confidence in depositors.

### **Credits Received from the Bank of Greece.**

During the year ended, besides the resources arising from deposits, this Bank (as well as all other banks) received credits from the Bank of Greece for the purpose of assisting trade, industry and the other wealth-producing branches of the country's economy. The balance of funds thus provided amounted on 31st December, 1951 to drs. 635,280 million, as against drs. 560,142 million at the end of 1950, or an increase of drs. 75,138 million.

It should be observed that the amount of the credits from the Bank of Greece, continually increased as from March, 1951, reaching drs. 683,235 million in October, 1951. Then, owing to the deflationary policy applied since the fourth quarter of 1951, it decreased in November and, finally, amounted in December last to drs. 635,280 million, as mentioned above.

### **Movement of Funds.**

During the last year the total amount of funds transferred through our Bank was slightly higher than in 1950, with a corresponding increase of profits arising from such transactions and almost the same average yield.

### **Loans and Advances.**

#### **A) To Traders.**

The growth of deposits and, to a smaller extent, larger credits granted to us by the Bank of Greece, allowed a general increase of our advances to traders. From 1,381,000 million drachmae on 30th December, 1950 they reached 1,550,000 million drachmae on 31st December, 1951, being thus augmented by 169,000 million drachmae. An increase appears in the lendings on personal guarantee, while advances on pledge of merchandise show a small decrease.

The analysis of our commercial discounts and advances was as follows (in millions of drachmae), as compared with those on 30th December, 1950:



	30th December 1950	31st December 1951	Increase (+) or decrease (-)
Discounts and Current Accounts on Personal			
Guarantee .....	669,069	891,324	+ 222,255
Loans and Current Accounts on Pledge of			
Securities .....	4,127	5,399	+ 1,272
Loans and Current Accounts on Pledge of			
Merchandise .....	707,972	653,559	- 54,413
<i>Totals</i> .....	<u>1,381,168</u>	<u>1,550,282</u>	<u>+ 169,114</u>

It must be noted that our lendings, which were constantly developing during the past year, began to be restricted as from November last, owing to the more severe deflationary measures applied by the Currency Committee, as stated above. This curtailment has become more evident during the first quarter of this year.

The average rate of interest on our lendings, including commission as recognized by law, was 14.28% in 1951, as against 15.50% in the preceding year. This clearly proves, that the money lent by this Bank, always inspired by a more general conception of the good of the country, carried a rate of interest lower than the maximum legally authorized, which is 16%, and also lower than the rate last year.

#### **B) Loans to, and Bonds of, Corporate Bodies.**

The very small amount of funds appropriated for this branch of business has been increased by 40 million drachmae, owing to our participation in an 8% 1951 Loan of drs. 420 million for the Athens Club. The relative account stood in our balance sheet at 296 million drachmae on 31st December, 1951.

#### **C) Reconstruction Loans for Account of the Greek State.**

These showed a considerable increase during the past year, their net total having reached \$ 10,141,656 at the end of 1951, equivalent in our books to drs. 50,708 million, as against \$ 4,855,206 at the end of 1950. It is to be noted that the figure of drs. 50,708 million is reckoned at a rate of drs. 5,000 per dollar, as is the case with all our accounts in foreign exchange. Consequently the above-mentioned amount in current drachmae is three times larger than the one appearing in our Balance Sheet.



## **Investments.**

The Bank's holdings of Greek Government Bonds and Treasury Bills remained unchanged during the whole year.

The holdings in Bank and Company Shares showed an increase of drs. 4,539 million, resulting from the acquisition of shares of certain companies. These included shares of the «Hellas» Airways Co., since exchanged for shares of the National Greek Airlines T. A. E. Co., the Greek Industry Home Co., the Nea Ionia Weaving Co., the Lamposa Hotel Co., the Prometheus Financial and Technical Co., and the Andrew P. Cambas Wines and Spirits Co.

On the other hand, during the same year we proceeded to sell certain other shares, especially those of the Greek Electric Co.

The value of all the securities belonging to our Bank, as it appeared in our books on 31st December, 1951, amounted to drs. 3,738 million for Greek Government Bonds and Treasury Bills and drs. 81,426 million for Bank and Company Shares.

## **Bank Buildings and Real Estate.**

In the course of 1951 the Bank purchased three plots of land for an aggregate sum of drs. 801,820,695 for the erection of offices. One of these plots is destined for an enlargement of our Metropolis Square Office in Athens, the other two for the erection of offices for our Kiaton and Xylocastron branches. These last offices will be built later, as our branches there are now in rented houses, the lease of which will soon expire. Expenditure for improvement of the Bank's buildings amounted to drs. 2,360,024,205, while the maintenance expenses on the buildings reached drs. 875,200,921. Of the improvement expenditure a sum of drs. 1,607,552,975 related to the completion of rebuilding of the Bank's central building begun in 1950, as well as to enlargements executed during 1951. These changes were thought indispensable for a smooth functioning of the Head Office departments as well as of those of our Central Office, after the separation of our routine departments from the Head Office. In addition a sum of drs. 399,721,160 was spent on the rebuilding and enlargement of our Metropolis Square Office. Finally, drs. 352,750,070 related: a) to a new building under construction in Gargalianoi for our Branch there. This was previously in a quite inadequate rented building; b) to our Naupaktos Office, the interior of which was



rebuilt because of its age; c) to improvements in some others of the Bank's own offices. From the maintenance expenditure, on the other hand, an amount of drs. 362,280,581 related to the Head Office building, and a sum of drs. 512,920,340 to all other offices of the Bank.

During the year 1951 a property was acquired in Psaron Street, Athens, for a price of drs. 178,970,000 in settlement of a debt of the seller to our Bank. The book value of our buildings at 1, Pesmazoglu Street and in Laurium (formerly belonging to Oikonomopoulos) was raised by drs. 767,563,288 in virtue of a subsequent arrangement with their former owners. In this way legal actions concerning these properties were definitely settled. There was also an increase of drs. 11,806,700 in the book value of properties in Athens (Psaron Street), Amalias and Salonica, owing to improvements effected. On the other hand the value of real estate appearing in our books, was reduced by drs. 169,622,414, a sum representing the book value of properties in Serrai and Canea which were sold. Drs. 363,722,695 were written off for the value of properties purchased during the enemy occupation and restored to their former owners in 1951 according to the law (buildings at 39, Nikis St., 16, Phidias St., and 22, Pallados St.), as well as for a reduction of the instalments paid in advance by this Bank for the properties retained. Finally, the book value of real estate in Egypt was diminished by an amount of drs. 49,128,634 representing the price of properties sold.

Amortization of the book value of buildings and real estate to the extent of drs. 4,400 million took place in 1951.

Thus the value of the Bank's buildings and real estate, as it appears in our books, was reduced to drs. 94,382,630,388 at the end of 1951 from drs. 95,244,919,243 at the end of 1950.

#### **Office Equipment.**

New items of office equipment to the value of drs. 1,678,261,695 were bought during 1951. From this amount drs. 863,000,000 were spent for the acquisition of calculating machines and typewriters and drs. 406,256,450 for the maintenance of those already in use. Besides this, a sum of drs. 1,500 million was used for writing off such expenses.

Thus the balance outstanding on account of office equipment amounted to drs. 9,737,270,194 on 31st December, 1951.



## Results of the Year 1951.

The gross profits of the Bank for the year now ended amounted to	Drs.	275,718,703,526
Expenses and interest paid by the Bank amounted to . . . .	Drs.	<u>253,236,493,488</u>

Of which:

Expenses . . . . .	Drs.	198,093,519,076
Interest paid . . . . .	"	<u>55,142,974,412</u>

The expenses are made up as follows:

<i>Administrative Expenses</i> . . . . .	Drs.	185,223,323,163
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of which:

Remuneration of Staff . . . . .	Drs.	126,316,723,724	"
Contributions to the Staff's Pension, Welfare and Insurance Funds . . . . .	"	36,682,053,956	"
Office Expenses (stationery, lighting, heating, postage, telegrams, etc.) . . . . .	"	17,009,191,033	"
Indemnities to Pensioners and to Dismissed Employees . . . . .	"	2,622,707,330	"
Contributions and Donations for Benevolent Purposes . . . . .	"	2,592,647,120	"
Taxes (Income Tax, Turnover Tax, etc.) . . . . .	"	12,870,195,913	
<i>Total</i> . . . . .	Drs.	<u>198,093,519,076</u>	

The proportions borne by each category of expenditure to the total, as compared with those in the preceding year and in 1939, were:

	1939		1950		1951	
	Millions	Ratio to total	Millions	Ratio to total	Millions	Ratio to total
Remuneration of Staff . . . . .	206	67 %	99,731	66 %	126,317	64 %
Indemnities to Pensioners and Dis- missed Employees . . . . .	7	2 %	2,025	1 %	2,622	1 %
Contributions to Staff Welfare Funds	26	8 %	24,527	16 %	36,682	18 %
Taxes . . . . .	22	7 %	10,587	7 %	12,870	7 %
Contributions and Donations . . . .	6	2 %	1,147	1 %	2,593	1 %
Other Expenses . . . . .	43	14 %	13,310	9 %	17,009	9 %
<i>Totals</i> . . . . .	<u>310</u>	<u>100 %</u>	<u>151,327</u>	<u>100 %</u>	<u>198,093</u>	<u>100 %</u>

As regards the Bank's contribution to the Staff Welfare Funds we would point out, that a sum of drs. 5,554 million during 1951 represents



an extraordinary grant to the Staff Insurance Fund for a supplementary indemnity allowed by this fund to employees who left the service during the occupation period.

It is also to be noted that the administrative expenditure, and more especially the staff's remuneration in the year under review, had to bear an exceptional and additional charge of almost 6,000 million drachmae, representing a retroactive calculation, as from 16th May, 1949, of long service and family allocations on a compounded salaries basis, including special salary increases, as well as an arrangement of the order of seniority of women members of the staff with retroactive effect.

The amount of contributions and donations for benevolent purposes is larger than in the previous year, mainly owing to the Bank's contribution of drs. 800 million to the collection for rebuilding destroyed churches, and to the increase of the Bank's contribution for the National Institution and the Soldier's Flannel Fund by 300 million drachmae:

The amount of interest paid was made up as follows:

On Sight Deposits . . . . .	Drs.	10,973,833,836
» Savings Deposits . . . . .	»	939,382,662
» Time and Permanent Deposits . . . . .	»	398,310,628
» Deposits of Public Organizations according to E.L. 1611/1950 . . . . .	»	20,845,577,915
» Creditor Current Accounts . . . . .	»	21,985,869,371
<i>Total</i> . . . . .	Drs.	<u>55,142,974,412</u>

In addition the following amounts were written off or provided for doubtful debts:

a) Amortization of maintenance expenses, and of a part of the book value of the Bank's buildings and real property . . . . .	Drs.	5,275,200,921
b) Amortization of maintenance expenses, and of a part of the book value of office equipment . . . . .	»	1,906,256,450
c) Provision for doubtful debts . . . . .	»	7,000,000,000
<i>Total</i> . . . . .	Drs.	<u>14,181,457,371</u>

The amortization of a part of the book value of our buildings and real property, amounting to 4,400 million drachmae, as well as of the office equipment, amounting to 1,500 million drachmae, is that prescribed by the laws and regulations now in force. The provision for doubtful debts, on the other hand, amounting to 7,000 million drachmae is believed to be sufficient



to cover any risks arising from the Bank's lendings, especially when considering the sums set aside for this purpose in previous years.

Thus, against the gross profits of the year 1951, amounting to . . . Drs. 275,718,703,526  
we have had total expenses, interest and amortization amounting to » 267,417,950,859  
*leaving a surplus of income over expenditure amounting to Drs. 8,300,752,667*

We propose that this net profit of drs. 8,300,752,667 should be used to pay to shareholders a gross dividend, subject to diminution by the amount of the special income tax, of 375,000 drachmae per share, leaving a balance of drs. 50,752,667 to be carried forward to next year.

A gross dividend is proposed because, as you know, from this year onwards, the analytical income tax on dividends is no longer constant as in the past, but progressive according to the amount to be collected by each shareholder. Consequently it depends on the number of the shares owned.

In deciding on the amount of the dividend to be proposed for distribution, the Board of Directors took into consideration and complied with the decision of the Currency Committee of 29th February, 1952. According to this decision the Board fixed the amount to be paid for gross dividend this year at a sum lower by 20% than the gross dividend approved a year before. The distribution of a larger amount, up to the one allocated last year for gross dividend, would involve, according to the decision of the Currency Committee, the payment to the Bank of Greece of a sum equal to the net dividend distributed for the year 1950, that is 6,600 million drachmae, against debts of our Bank arising from credits extended to it during the first years after the Liberation for payment of salaries to its staff, as well as from other payments. That would undoubtedly deprive our Bank of this amount, and consequently diminish its funds available for investment. Besides this, it should be remembered that during the current year our Bank has to bear considerably increased expenses. These arise mainly from the application, as from 1st January, 1952, of new collective salary scales agreed for the staff. The Bank has also to face a decrease, temporary as it is hoped, in its loans and advances and it is in absolute need of developing every possible activity, and of using every possible source of funds and business.

During the year ended the staff, by performing their tasks in the usual exemplary manner, greatly contributed to the promotion of the Bank's business. For this we express to them our gratitude and commendation.



### ***Election of a Deputy-Governor.***

The term of office of Mr. P. Gounarakis, Deputy-Governor, who was elected by the Extraordinary General Meeting of 26th September, 1946 for a period of six years, ends on 26th September, 1952. But according to Article 22 of the Charter, the election may take place at the last General Meeting of the Shareholders convened before the new term of office begins. The Board of Directors, making use of the right granted by this provision of the Charter, thought it appropriate to put this matter on the Agenda of the present Ordinary General Meeting, in order to avoid the convening of an Extraordinary Meeting in September next, which would entail expenses and extra work for the Bank's staff, and would weary Shareholders.

Further, the Board have unanimously decided to propose to you the re-election of the Deputy-Governor Mr. P. Gounarakis, whose very important cooperation in the work of management during the last six years they have greatly appreciated.

### ***Election of Directors.***

This question is subdivided into the following:

a) Election of five Directors for a three-year period, until the Ordinary General Meeting of 1955, in place of His Beatitude the Archbishop of Athens and All Greece Mr. Spyridon Vlahos, as well as in place of Messrs. Nicholas Dritsas, Xenophon Zolotas, Anthony Benakis and John Terzakis, who are retiring under the Charter on the expiry of their term of office. As will be remembered Directors, whose period of office expires, can be re-elected according to the Charter.

b) Approval of the election of Mr. B. Kyriacopoulos, provisionally elected by the Board of Directors in the place of Mr. Panag. Hondrodimos, Director, who resigned.

c) Election of a Director to fill a place made vacant after the period of office of the late Mr. Nich. Rontiris came to an end. The election of a new Director in his place will be for a full period of three years.



### ***Announcements.***

In July last there died Mr. Constantine Zavitzianos, a former Co-Governor of this Bank. The Board of Directors duly honoured the memory of this man, who managed the Bank in the period from 1941 to 1943, a quite exceptional time of difficulty and danger.

During 1951 our Bank has founded an Agency in Moirai (Crete), and decided to open Branches in Ptolemais and Megara, as well as an Agency in Naoussa. These offices will soon be operating.





# T A B L E S



## Credits Extended to the Greek Economy

(Amounts in thousands of millions of drachmae)

M O N T H S	Commercial Credits					Non Commercial Credits				Grand Total
	To In- dustry	To To- bacco Trade	To Trade in General	Miscel- laneous Credits	Total	To Agri- culture	For Move- ment of Crops	To Mort- gage Bu- siness	Total	
1949 December . . . . .	366.4	373.4	840.4	165.3	1,745.5	1,034.8	527.4	80.5	1,642.7	3,388.2
1950 January . . . . .	329.8	339.2	794.4	203.2	1,666.6	1,075.6	412.5	79.6	1,567.7	3,234.3
February . . . . .	345.4	287.7	792.4	208.6	1,634.1	1,088.3	386.9	82.5	1,557.7	3,191.8
March . . . . .	385.9	257.0	812.4	221.2	1,676.5	1,104.6	383.1	83.7	1,571.4	3,247.9
April . . . . .	420.3	239.2	835.6	225.0	1,720.1	1,139.7	399.8	85.2	1,624.7	3,344.8
May . . . . .	420.3	250.2	885.3	242.1	1,797.9	1,178.9	382.7	89.9	1,651.5	3,449.4
June . . . . .	403.9	310.3	1,009.2	259.0	1,982.4	1,172.8	473.9	88.2	1,734.9	3,717.3
July . . . . .	425.7	355.2	1,069.3	262.5	2,112.7	1,158.4	485.1	89.4	1,732.9	3,845.6
August . . . . .	439.8	392.6	1,117.5	272.7	2,222.6	1,102.4	473.4	91.6	1,667.4	3,890.0
September . . . . .	456.4	430.7	1,195.7	283.4	2,366.2	1,076.9	612.7	92.5	1,782.1	4,148.3
October . . . . .	423.2	436.4	1,218.9	309.7	2,388.2	1,113.6	633.0	95.1	1,841.7	4,229.9
November . . . . .	447.5	416.6	1,211.1	307.3	2,382.5	1,200.8	644.3	101.9	1,947.0	4,329.5
December . . . . .	499.9	388.5	1,227.3	334.8	2,450.5	1,280.3	726.3	99.1	2,105.7	4,556.2



M O N T H S	Commercial Credits					Non Commercial Credits				Grand Total
	To In- dustry	To To- bacco Trade	To Trade in General	Miscel- laneous Credits	Total	To Agri- culture	For Move- ment of Crops	To Mort- gage Bu- siness	Total	
1951 January . . . . .	497.9	336.3	1,170.8	340.1	2,345.1	1,354.3	683.7	99.6	2,137.6	4,482.7
February. . . . .	502.9	287.9	1,143.7	361.1	2,295.6	1,432.7	578.7	100.9	2,112.3	4,407.9
March . . . . .	541.1	270.2	1,120.1	361.3	2,292.7	1,470.7	579.8	103.0	2,153.5	4,446.2
April . . . . .	579.5	385.7	1,139.7	369.1	2,474.0	1,551.0	500.4	104.8	2,156.2	4,630.2
May . . . . .	609.7	472.4	1,216.0	384.2	2,682.3	1,565.5	535.6	108.5	2,209.6	4,891.9
June . . . . .	680.0	514.3	1,395.2	396.0	2,985.5	1,636.5	556.6	108.3	2,301.4	5,286.9
July . . . . .	711.2	524.9	1,383.6	393.0	3,012.7	1,641.5	498.8	112.1	2,252.4	5,265.1
August . . . . .	705.0	561.6	1,313.3	394.8	2,974.7	1,535.9	537.3	114.7	2,187.9	5,162.6
September . . . . .	769.3	581.8	1,309.1	398.4	3,058.6	1,348.2	577.4	123.6	2,049.2	5,107.8
October . . . . .	821.1	586.8	1,350.0	389.7	3,147.6	1,446.1	710.0	153.3	2,309.4	5,457.0
November . . . . .	831.7	552.4	1,370.1	388.9	3,143.1	1,486.0	713.2	162.3	2,361.5	5,504.6
December . . . . .	842.7	503.5	1,385.0	393.6	3,124.8	1,500.5	777.0	166.7	2,444.2	5,569.0



# **Loans to Trade, Industry and Agriculture Classified by Sources and by Branches of Economic Activity in the Years 1949, 1950, and 1951.**

(Amounts in thousands of millions of drachmae)

	31st December, 1949		31st December, 1950		31st December, 1951	
<b>Loans to Industry:</b>						
By the National Bank of Greece .....	216.4		295.7		493.2	
» » Bank of Greece, direct .....	26.5		67.9		72.5	
» » other Banks .....	123.5	366.4	137.5	501.1	277.0	842.7
<b>Loans to the Tobacco Trade:</b>						
By the National Bank of Greece .....	189.1		215.4		297.9	
» » Bank of Greece, direct .....	116.4		113.3		160.8	
» » other Banks .....	67.9	373.4	59.8	388.5	44.8	503.5
<b>Loans to Trade in General:</b>						
by the National Bank of Greece .....	424.2		536.6		569.6	
» » Bank of Greece, direct .....	68.7		104.3		168.2	
» » other Banks .....	347.5	840.4	586.4	1,227.3	647.2	1,385.0
<b>Miscellaneous Loans:</b>						
By the National Bank of Greece .....	50.4		127.1		125.1	
» » Bank of Greece, direct .....	91.1		135.4		159.8	
» » other Banks .....	23.8	165.3	73.8	336.3	108.6	393.5
		1,745.5		2,453.2		3,124.7
<b>Loans to Agriculture:</b>						
By the other Banks .....		1,034.8		1,280.3		1,500.5
<b>Loans for the Movement of Crops:</b>						
By the Bank of Greece, direct .....	84.8		129.0		191.4	
» » other Banks .....	442.6	527.4	598.5	727.5	585.6	777.0
<b>Loans for Real Estate Mortgage purposes:</b>						
By the other Banks .....		80.5		99.1		166.7
		1,642.7		2,106.9		2,444.2
Total of Loans Extended .....		3,388.2		4,560.1		5,568.9
Loans out of Funds Coming from the Issue Privilege		2,277.0		3,149.3		3,920.8
Loans out of the Banks' own Available Funds ....		1,111.2		1,410.8		1,648.1
		3,388.2		4,560.1		5,568.9
Loans by the National Bank of Greece .....	880.1		1,174.8		1,485.8	
» » » Bank of Greece, direct .....	387.5		549.9		752.7	
» » » other Banks :						
To Agriculture and for Real Estate Mortgage Purposes	1,557.9		1,977.9		2,252.8	
To the Other Branches of Economic Activity ...	562.7	2,120.6	857.5	2,835.4	1,077.6	3,330.4
		3,388.2		4,560.1		5,568.9



# BALANCE SHEET



## BALANCE —

31<sup>st</sup> Decem—

## ASSETS

## Funds available:

1) Cash in hand and with the Bank of Greece . . . . .	Drs. 165,132,496,203.—	
2) Gold, foreign exchange and foreign banknotes . . . . .	28,965,960,936.—	194,098,457,139.—
Bonds of Greek National Loans and Treasury Bills . . . . .		3,737,941,712.—
Bills Discounted and Current Accounts against Personal Guarantee		891,324,420,714.—
Loans and Current Accounts on Pledge of Securities . . . . .		5,399,096,763.—
» » » » » » » » Merchandise . . . . .		653,559,000,282.—
» to, and Bonds of, Corporate Bodies . . . . .		296,761,621.—
Reconstruction Loans for a/c of the Greek State . . . . .		50,708,281,850.— <sup>(1)</sup>
Investments . . . . .		81,426,038,545.—
Bank Premises and Real Estate . . . . .		94,382,630,388.—
Office Furniture, etc. . . . .		9,737,270,194.—

Drs. . . . . 1,984,669,899,208.—

<sup>1)</sup> Accounting equivalent of \$ 10,141,656.37 at 5,000 drachmae.

NOTE: Accounts in foreign exchange are shown at 20,000 drachmae per pound sterling, 5,000 drachmae per dollar, and for the other currencies accordingly.

## DR.

## PROFIT AND

## Expenses:

To General Expenses . . . . .	Drs. 148,541,269,207.—	
» Taxes (income tax, turnover tax, etc.) »	12,870,195,913.—	
» Staff Pension, Mutual Assistance and Self - Insurance Funds . . . . .	36,682,053,956.—	198,093,519,076.—

## Interest Paid:

On Sight Deposits, Savings-Bank Deposits, Permanent and Time Deposits and Public Organisations' Deposits . . . . .	Drs. 33,157,105,041.—	55,142,974,412.—
On Creditor Current Accounts. . . . .	» 21,985,869,371.—	

## Amounts Written off:

To Bank's Premises and Real Estate . . . . .	Drs. 5,275,200,921.—	
» Office Furniture, etc. . . . .	» 1,906,256,450.—	
» Provision . . . . .	» 7,000,000,000.—	14,181,457,371.—
Net Profits . . . . .		8,300,752,667.—
	Drs. . . . .	275,718,703,526.—

## DISTRIBUTION OF NET PROFITS

Net Profits . . . . .	
To Gross Dividend, i. e. subject to deduction of the respective » Balance carried forward . . . . .	

Athens, 13th March, 1952

G. J. PESMAZOGLU  
CHAIRMANSTAVROS J. COSTOPOULOS  
GOVERNOR



# SHEET

ber, 1951

## LIABILITIES

### Capital:

1) Share Capital Drs. 80,000,000,000.—		
10% increase,		
Leg. Decree No		
2021/1942 . . . »	8,000,000,000.—	Drs. 88,000,000,000.—
2) Reserve Funds:		
a) Statutory . . Drs. 44,000,000,000.—		
b) Additional . . »	70,752,094,698.—	» 114,752,094,698.—
		202,752,094,698.—

### Deposits:

1) Sight Deposits . . . . .	Drs. 428,992,383,630.—	
2) Savings - Bank Deposits . . . . .	» 27,484,974,436.—	
3) Permanent and Time Deposits . . . . .	» 11,705,121,737.—	
4) Public Organisations' Deposits (E- merg. Law No 1611/1950). . . . .	» 492,248,539,064.—	960,431,018,867.—
Greek State. Long-Term Reconstruction Loans . . . . .		50,708,281,850.— <sup>(1)</sup>
Creditor Current Accounts . . . . .		651,609,429,523.—
Suspense Accounts . . . . .		110,868,321,603.—
Dividend for 1951 . . . . .		8,250,000,000.—
Profit and Loss Account, Balance carried forward . . . . .		50,752,667.—
	Drs. . . . .	1,984,669,899,208.—

<sup>1)</sup> Accounting equivalent of \$ 10,141,656.37 at 5,000 drachmae.

## LOSS ACCOUNT

CR.

By Balance brought forward from last year . . . . .	68,285,152.—
» Interest Received, Dividends, Difference on Foreign Exchange, Commissions, Safe Custody Fees, Income from Real Estate and Sundry Profits . . . . .	275,650,418,374.—

Drs. . . . . 275,718,703,526.—

OF 8,300,752,667.— DRACHMAE

. . . . .	Drs. 8,300,752,667.—
income tax, at Drs. 375,000 per share	Drs. 8,250,000,000.—
. . . . .	» <u>50,752,667.—</u>

G. D. DIMAKOPOULOS  
MANAGER, CHIEF ACCOUNTANT











