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MAY



**HELLENIC REPUBLIC
MINISTRY OF FINANCE
GENERAL ACCOUNTING OFFICE
BUDGET DIRECTORATE**

STATE BUDGET EXECUTION 5 MONTHS - JANUARY - MAY 2010 - 2011

(Fiscal basis - in mio €)

	2010	2011	Change 5 / Months 11/10 (3=2:1)	2011	2010	2011	Annual change 11/10 (7=6:5)
	5 / Months (1)	5 / Months (2)		5 / Months Target (4)	Annual outcome* (5)	Budget Estimates ** (6)	
Ordinary Budget							
1. Net Revenue(a+b-c)	19.760	18.358	-7,1	20.521	51.187	55.560	8,5
a. Revenue before Tax Refunds	21.508	20.574	-4,3	21.851	56.156	59.320	5,6
b. NATO revenue	3	18		7	13	40	207,7
c. Tax refunds	1.751	2.234	27,6	1.337	4.982	3.800	-23,7
2. Expenditures (a+b+c+d+e+f)	25.940	27.592	6,4	26.577	66.432	70.788	6,6
a. Primary expenditure ***	20.418	21.292	4,3	19.916	51.649	52.633	1,9
b. Transfers to hospitals for the settlement of part of their past debt ****	0	375		277	375	450	19,9
c. NATO expenditure (from special revenues)	3	2	-35,2	7	23	40	73,9
d. Military procurement programmes	65	64	-1,4	689	1.017	1.600	57,3
e. Guarantees called to bodies classified outside the General Government *****	56	15	-73,3	49	145	145	0,0
f. Interest payments	5.397	5.844	8,3	5.639	13.223	15.920	20,4
Public Investment Program (P.I.B.)							
3. Revenue	309	661	113,7	434	3.072	3.922	27,7
4. Expenditure	3.230	1.701	-47,3	3.450	8.447	8.500	0,6
5. State Budget Deficit (1-2+3-4)	9.100	10.275	12,9	9.072	20.620	19.806	-3,9

* According to the latest published data.

** According to the data published in the Budget for the year 2011.

*** Not included in the year 2010, advance payments to LG's of amount 433 mil Euro, which were disbursed in the year 2009 and were included in the deficit formulation of the year 2009.

**** This amount does not affect the deficit of the current year 2011 because, according to the implemented ESA 95 methodology, it was included in the deficit of the respective years when it was created.

***** Data concerning guarantees called were not published in the corresponding budget execution bulletins of 2010.

RECEIPTS - PAYMENTS NOT INCLUDED IN THE TABLE ABOVE

Receipts	0	0			0	0
- Other receipts	0	0			0	0
Payments	144	4.304			4.251	3.522
- Expenditure by special bond issuance (Social Security Funds, repayment of unsettled hospital liabilities, etc.)	0	4.140			1.549	420
- Tax refunds by special bond issuance	0	0			315	0
- Capital payments to the Financial Stability Fund	0	0			1.500	2.000
- participation in the share capital increase of various enterprises	0	7			60	51
- Guarantees called to bodies classified inside the General Government *****	144	157			827	1.051
TOTAL STATE BUDGET RECEIPTS	20.070	19.019			54.259	59.482
TOTAL STATE BUDGET PAYMENTS	29.314	33.597			79.130	82.810
TOTAL BORROWING REQUIREMENTS *****	9.244	14.578			24.871	23.328

***** Total funding needs do not coincide with the total borrowing requirements of the state budget, because they include payments reciprocal to receipts of General Government bodies, thus they do not affect General Government balance.

According to the preliminary data available for the execution of the State Budget for the five months January – May 2011, on a fiscal basis, the deficit amounts to 10,275 million euros compared to the target of 9,072 million euros set in the 2011 Budget. During the same period in 2010, the State Budget deficit amounted to 9,100 million Euros.

On State Budget (Ordinary and Public Investment Budget), expenditures are lower than the budget target (30,027 mil. Euros) by 734 million euros while State Budget total revenues (Ordinary and Investment Budget) have a shortfall by 1,936 million euros compared to the budget target (20,955 mil. Euros).

In particular, the revenues of the ordinary budget, before tax refunds, in May present an increase by 4.7% against previous year and also an increase by 1.3% has been initiated, despite the increased revenue refunds by 151 million euros during the current month. On a five month basis, net revenues amounted to 18,358 million Euros, restricting their shortfall to 7.1% comparing to 9.1% in the four months.

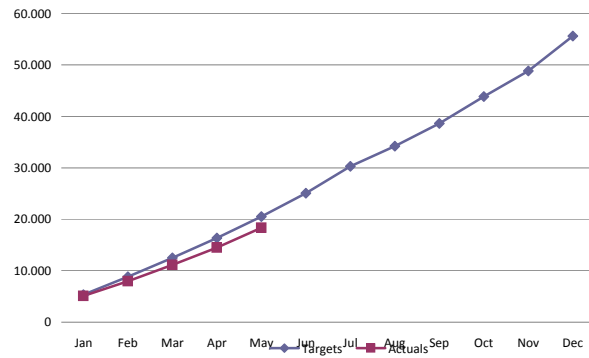
The revenue shortfall can be mainly attributed to the larger than projected recession – during the period when the Budget was being prepared – in the last quarter of 2010, lower receipts from vehicle's circulation fees by 393 million Euros in January 2011 (because the due date for payment was not extended into January 2011, as in 2010), the reduced receipts from withholding personal income tax in 2011 due to the more favourable tax treatment of personal income as a result of the new tax law and the increased tax refunds for the settlement of past years' obligations. On the other hand, revenues from the Public Investment Budget increased by 113.7% or 352 million Euros vis-à-vis the five months of 2010.

It should be noted that the report on the execution of the State Budget provides revenue data for the five months of 2011 on a cash basis. The total level of revenues for 2011 on a national account basis, however, is calculated based on the course of revenues in the first two months of 2012 also, while part of the revenues for the first months of 2011 contribute to the calculation of 2010 revenues on a national accounts basis. Ordinary budget expenditures increased by 6.4% compared to the same period of 2010. This increase mainly is due to the transfer of 375 million Euros to hospitals for the settlement of past debts and increased interest payments expenditures by 446 million Euros. Primary expenditures increased by 4.3% or 874 million Euros during the same period, mainly due to the increased grants to the Agricultural Insurance Organization (OGA), to Wage Earners Fund (IKA) and to the Employment Agency (OAED).

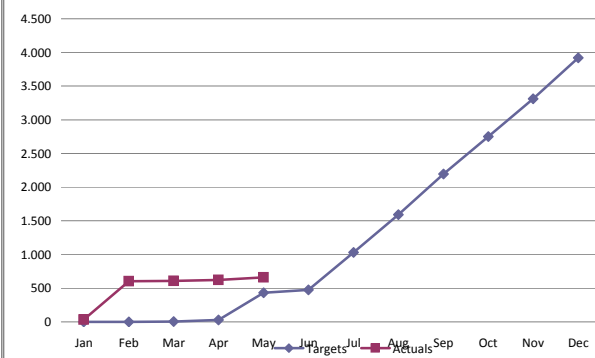
Moreover, Public Investment Budget (P.I.B.) expenditures declined by 47.3% or 1,528 million Euros. It should be noted that the above data correspond to the execution only of the State Budget and thus do not reflect all fiscal data that are taken into account when measuring the General Government deficit according to the ESA95 (Eurostat's) classification, which is the benchmark for the assessment of the Economic Policy Programme of Greece.

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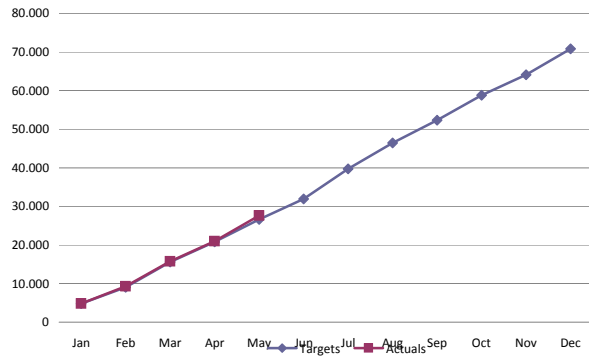
Ordinary Budget Net Revenues (Targets - Actuals)



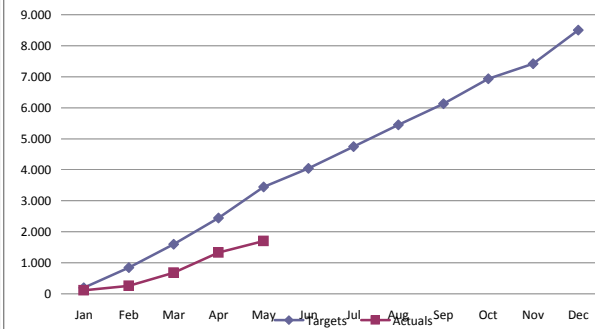
Public Investment Budget Revenues (Targets - Actuals)



Ordinary Budget Expenditure (Targets - Actuals)



Public Investment Budget Expenditure (Targets - Actuals)



State Budget Deficit (Targets - Actuals)

