

Hellenic Financial Stability Fund



Interim Financial Statements
For the period ended 31/03/2014
(In accordance with International Accounting Standard 34)

July 2014



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Statement of Financial Position

<i>Amounts in €</i>	Note	31/03/2014	31/12/2013
ASSETS			
Cash and balances with Central Bank	4	532,846,246	488,766,493
Investment securities	5	10,956,880,588	10,938,032,977
Financial assets at fair value through profit or loss	6	25,082,907,021	22,584,683,404
Property and equipment		167,456	187,766
Intangible assets		25,073	28,307
Accrued income receivable		92,562	-
Receivables from banks under liquidation	7	2,813,066,362	2,853,078,162
Other assets		46,021	1,068,318
Total Assets		39,386,031,329	36,865,845,427
LIABILITIES			
Liabilities for payment of funding gap	8	161,118,506	161,118,506
Derivative financial liability	9	3,357,342,831	2,282,271,430
Other liabilities		425,176	604,713
Total Liabilities		3,518,886,512	2,443,994,649
EQUITY			
Capital		49,700,000,000	49,700,000,000
Accumulated deficit		(13,832,855,183)	(15,278,149,222)
Total Equity		35,867,144,817	34,421,850,778
Total Liabilities & Equity		39,386,031,329	36,865,845,427

The Notes from pages 7 to 16 form an integral part of the financial statements

Athens, 9 July 2014

The Chief Executive Officer

The Executive Board Member

The Chief Financial & Operating Officer

Anastasia Sakellariou

Anastasios Gagales

Ioannis Kyriakopoulos



Statement of Comprehensive Income

<i>Amounts in €</i>	Note	01/01/2014 - 31/03/2014	01/01/2013 - 31/03/2013
Interest income	10	18,940,173	70,099,681
Commission income	11	-	60,655,000
Personnel expenses	12	(499,754)	(509,608)
General administrative & other operating expenses	13	(950,716)	(889,032)
Gain/(loss) from financial instruments at fair value through profit or loss	14	1,427,834,234	-
Depreciation and amortization of property, equipment and intangible assets		(28,681)	(15,204)
Other income/(expenses)		(1,216)	-
Profit for the period		1,445,294,040	129,340,837
Other comprehensive income/(expenses)		-	-
Total comprehensive income/(expenses) for the period		1,445,294,040	129,340,837

The Notes from pages 7 to 16 form an integral part of the financial statements

Athens, 9 July 2014

The Chief Executive Officer

The Executive Board Member

The Chief Financial & Operating Officer

Anastasia Sakellariou

Anastasios Gagales

Ioannis Kyriakopoulos



Statement of Changes in Equity

<i>Amounts in €</i>	Capital	Reserves & accumulated profits/(losses)	Total
Balance as of 01/01/2013	42,500,000,000	(5,670,645,476)	36,829,354,524
Profit for the period	-	129,340,837	129,340,837
Balance as of 31/03/2013	42,500,000,000	(5,541,304,639)	36,958,695,361
Capital increase	7,200,000,000	-	7,200,000,000
Loss for the period	-	(9,736,844,584)	(9,736,844,584)
Balance as of 01/01/2014	49,700,000,000	(15,278,149,223)	34,421,850,777
Profit for the period	-	1,445,294,040	1,445,294,040
Balance as of 31/03/2014	49,700,000,000	(13,832,855,183)	35,867,144,817

The Notes from pages 7 to 16 form an integral part of the financial statements



Statement of Cash Flows

<i>Amounts in €</i>	01/01/2014 - 31/03/2014	01/01/2013 - 31/03/2013
Cash flows from operating activities		
Profit for the period	1,445,294,040	129,340,837
Adjustments for non-cash items included in statement of comprehensive income and other adjustments:	(1,446,745,726)	(70,084,477)
Depreciation and amortization of property, equipment and intangible assets	28,681	15,204
(Gain)/loss from financial instruments at fair value through profit or loss	(1,427,834,234)	-
Interest income	(18,940,173)	(70,099,681)
Net (increase)/decrease in operating assets:	41,034,097	(287,599,022)
Change in receivables from funding gap and liquidations	40,011,800	(226,956,514)
Change in accrued income receivable	-	(60,655,000)
Other assets	1,022,297	12,492
Net increase/(decrease) in operating liabilities:	(179,537)	(185,235)
Other liabilities	(179,537)	(185,235)
Net cash from operating activities	39,402,874	(228,527,896)
Cash flow from investing activities		
Proceeds received from warrants exercised	4,682,017	-
Purchase of property, equipment and intangibles	(5,138)	(51,945)
Net cash from investing activities	4,676,879	(51,945)
Cash flows from financing activities		
Net cash inflows from financing activities	-	-
Net increase/(decrease) in cash and cash equivalents	44,079,753	(228,579,841)
Cash and cash equivalents at beginning of period	488,766,493	827,827,829
Cash and cash equivalents at end of period	532,846,246	599,247,988

The Notes from pages 7 to 16 form an integral part of the financial statements



Notes to the Financial Statements

Note 1 General Information

The Hellenic Financial Stability Fund (hereinafter “HFSF” or “Fund”) was founded on 21/07/2010 (under Law 3864/2010) as a private legal entity and does not belong to the public sector, neither to the broader public sector. It has administrative and financial autonomy, operates exclusively under the rules of the private economy and is governed by the provisions of the founding law as in force. In addition, the provisions of company codified Law 2190/1920 are applied as in force, provided they are not contrary to the provisions and the objectives of the founding law of the Fund. The purely private nature of the Fund is neither affected by the fact that its entire capital is subscribed solely by the Greek State, nor by the issuance of the required decisions by the Minister of Finance. Based on the founding act the Fund’s tenor has been set to 30 June 2017. By decisions of the Minister of Finance, the duration of the Fund may be extended for up to two (2) years, if deemed necessary for the fulfilment of its scope.

The Fund began its operation on 30/09/2010 with the appointment of the members of the Board of Directors (hereinafter “BoD”) by the Ministry of Finance according to the decision A.P. 44560/B. 2018 on 30/09/2010 of the Minister of Finance. The purpose of the Fund is to maintain the stability of the Greek banking system, through the strengthening of the capital adequacy of credit institutions, including subsidiaries of foreign credit institutions, provided they legally operate in Greece under the authorization of the Bank of Greece (hereinafter “BoG”), and through the recapitalization of transitional credit institutions formed in accordance with article 142 of Law 4261/2014. According to Law 4051/2012, as amended by Law 4224/2013, the Fund became liable to pay until 31/12/2014 the amount that the Hellenic Deposit and Investment Guarantee Fund (hereinafter “HDIGF”) would have paid for the process of the resolution of the credit institutions in accordance to Law 4261/2014. In this case the Fund acquired the right and the privilege of the HDIGF in accordance to paragraph 4 of Article 13A of the Law 3746/2009. Furthermore the Fund can provide guarantees to states, international organisations or other recipients and take any action required for the implementation of decisions of euro area bodies concerning the support of the Greek economy.

The Fund’s registered address is in Athens, 10 Eleftheriou Venizelou Avenue.

On 01/02/2013 the Board of Directors was substituted by the Executive Board and the General Council according to the decision of the Minister of Finance 3710/B.204 (Government Gazette YODD 35/30.1.2013). As of the date of issuance of the Fund’s financial statements, the Executive Board and General Council comprised of the following:

Executive Board	Position
Anastasia Sakellariou	Chief Executive Officer
George Koutsos	Deputy Chief Executive Officer
Anastasios Gagales	Member
General Council*	Position
Christos Sclavounis	Chairman
Pierre Mariani	Member
Wouter Devriendt	Member
John Zafiriou	Member
Stephan Wilcke	Member
Avraam Gounaris	Member, Representative of the Ministry of Finance
Vasilios Spiliotopoulos	Member, appointed by the BoG

* Mr. Wouter Devriendt replaced on 13/01/2014 Mr. Andreas Beroutsos, who submitted his resignation on 14/11/2013.

* Mr. Avraam C. Gounaris replaced Ms. Eftychia Michailidou on 14/01/2014.

* Mr. Vasilios Spiliotopoulos replaced Mr. Spyros Zarkos on 06/05/2014 who had previously replaced Mr. Eftimios Gatzonas on 15/01/2014, who submitted his resignation on 16/12/2013.

The interim financial statements have been approved by the Fund’s General Council on 09/07/2014.



Note 2 Summary of Significant Accounting Policies

2.1 Basis of preparation

The condensed interim financial statements of the Fund for the three month period ended 31/03/2014 (the “interim financial statements”) have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting”. These interim financial statements include selected explanatory notes and do not include all the information required for full annual financial statements. Therefore, the interim financial statements should be read in conjunction with the annual financial statements for the year ended 31/12/2013, which have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) as endorsed by the European Union (the “EU”).

The amounts are presented in Euro rounded to the first decimal, unless otherwise stated.

The interim financial statements have been prepared under the historical cost convention, except for available-for-sale financial assets, financial assets held at fair value through profit or loss and derivative financial liabilities (share ownership rights - warrants) which have been measured at fair value.

The Fund does not prepare consolidated financial statements as these do not represent the substance of the investments of the Fund, which according to the law are aiming to contribute to the maintenance of the stability of the Greek banking system, for the sake of public interest and do not meet the needs of their users.

2.2 Adoption of International Financial Reporting Standards (IFRS)

The HFSF applied the same accounting standards as stated in the published annual financial statements for the year ended 31/12/2013, after adopting the following amendments which are effective from 01/01/2014.

- **IAS 32 “Offsetting Financial Assets and Financial Liabilities” (amendment).** The amendment provides clarifications on the application of the offsetting rules.

- **IAS 36 “Recoverable Amount Disclosures for Non-Financial Assets (amendments).** The amendments remove the requirement to disclose the recoverable amount of assets or cash-generating units to which a significant amount of goodwill or intangible assets with indefinite useful lives have been allocated, clarify the disclosures required and introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where the recoverable amount is determined using a present value technique.

- **IAS 39 “Novation of derivatives and continuation of hedge accounting”(amendment).** The amendment provides relief from discontinuing hedge accounting when a derivative designated as a hedging instrument is novated to a clearing counterparty and certain conditions are met.

The adoption of the above amendments had no impact on the HFSF’s interim financial statements.

The adoption by the EU, by 31/12/2014, of new standards, interpretations or amendments, which have been issued or may be issued during the year by the International Accounting Standards Board (IASB), and their mandatory or optional adoption for periods beginning on or after 01/01/2014, may affect retrospectively the periods presented in these interim financial statements.

2.3 Critical judgments and estimates

In preparing these interim financial statements, the significant estimates, judgments and assumptions made by Management in applying the Fund’s accounting policies and the key sources of estimation uncertainty were similar to those applied in the annual financial statements for the year ended 31/12/2013.

Note 3 Segment Reporting

The Fund’s operating segments are consistent with the management reporting system. Income and expenses are associated with each segment and are included in determining business segment performance. The Fund has no geographical segments as, according to its founding law, its operations are solely in Greece. The Fund has no intersegment/intragroup transactions as it does not consolidate any of its investments and each of its business segments are independent.

The Fund operates through the following business segments:



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ΣΤΑΘΕΡΟΤΗΤΑΣ**

HELLENIC FINANCIAL STABILITY FUND

Systemic Banks: This segment includes all the financial institutions which had received capital advances and were eventually recapitalized by the Fund as per the BoG's capital requirements, i.e. National Bank of Greece S.A. (hereinafter "NBG"), Piraeus Bank S.A. (hereinafter "Piraeus"), Alpha Bank S.A. (hereinafter "Alpha") and Eurobank Ergasias S.A. (hereinafter "Eurobank").

Transitional Credit Institutions (TCIs) & HDIGF Operations: This segment includes a) the credit institutions, which have been derived as a result of a resolution and the incorporation of new TCIs, namely New Hellenic Post Bank S.A. (hereinafter "New HPB") and New Proton Bank S.A. (hereinafter "New Proton"), and b) the banks which have been placed under liquidation and the Fund has provided for their funding gap on behalf of the HDIGF, in accordance with Law 4051/2012 as amended by Law 4224/2013.

Other: This segment includes the Fund's results of operations related to the Fund itself and unutilized cash balances and EFSF FRNs.

Analysis by Operating Segment

<i>Amounts in €</i>		01/01-31/03/2014		
	Systemic Banks	TCIs & HDIGF Operations	Other	Total
Interest income	-	-	18,940,173	18,940,173
Personnel expenses	(251,033)	(80,011)	(168,710)	(499,754)
General administrative & other operating expenses	(439,867)	(45,566)	(465,282)	(950,716)
Gain/(loss) from financial instruments at fair value through profit or loss	1,427,834,234	-	-	1,427,834,234
Depreciation and amortization of property, equipment and intangible assets	(20,077)	(5,736)	(2,868)	(28,681)
Other income/(expenses)	(1,216)	-	-	(1,216)
Profit/(Loss) for the period	1,427,122,041	(131,313)	18,303,312	1,445,294,040
Other comprehensive income/(expenses)				
Total comprehensive income /(expenses) for the period	1,427,122,041	(131,313)	18,303,312	1,445,294,040

<i>Amounts in €</i>		31/03/2014		
Total segment assets	25,082,907,021	2,813,066,362	11,490,057,946	39,386,031,329
Total segment liabilities	3,357,640,454	161,203,540	42,518	3,518,886,511

<i>Amounts in €</i>		01/01-31/03/2013		
	Systemic Banks	TCIs & HDIGF Operations	Other	Total
Interest income	56,365,750	-	13,733,931	70,099,681
Commission income	60,655,000	-	-	60,655,000
Personnel expenses	(268,199)	(98,928)	(142,481)	(509,608)
General administrative & other operating expenses	(70,536)	(556,145)	(262,351)	(889,032)
Depreciation and amortization of property, equipment and intangible assets	(10,643)	(3,041)	(1,520)	(15,204)
Profit/(Loss) for the period	116,671,372	(658,114)	13,327,579	129,340,837
Other comprehensive income/(expenses)				
Total comprehensive income /(expenses) for the period	116,671,372	(658,114)	13,327,579	129,340,837

<i>Amounts in €</i>		31/12/2013		
Total segment assets	22,585,706,289	2,853,078,162	11,427,060,976	36,865,845,427
Total segment liabilities	2,282,694,729	161,239,449	60,471	2,443,994,649



Note 4 Cash and Balances with Central Bank

<i>Amounts in €</i>	31/03/2014	31/12/2013
Cash and balances with banks	4,156	10,099
Balances with Central Bank	532,842,090	488,756,394
Total	532,846,246	488,766,493

The cash and balances with banks include a non-interest bearing sight account with a retail bank for the Fund's day-to-day obligations.

The Fund's balances with Central Bank pertain to balances, which are compulsory deposited and maintained in a special interest account at BoG. According to L. 3864/2010, any other form of investment is prohibited.

Note 5 Investment Securities

Loans and Receivables Investment Securities

The Fund's European Financial Stability Facility floating rate notes' (hereinafter "EFSF FRNs") notional amount and fair values as of 31/03/2014 and 31/12/2013 are presented in the tables below:

<i>Amounts in €</i>	ISIN	Issue Date	Interest Rate	Maturity Date	31/03/2014		31/12/2013	
					Nominal Value (€)	Fair Value (€)	Nominal Value (€)	Fair Value (€)
	EU000A1G0A57	19/12/2012	6M Euribor + 34 b.p.	19/12/2022	1,524,900,000	1,542,161,868	1,524,900,000	1,541,399,418
	EU000A1G0A65	19/12/2012	6M Euribor + 35 b.p.	19/12/2023	1,069,394,000	1,081,371,213	1,069,394,000	1,081,376,560
	EU000A1G0A73	19/12/2012	6M Euribor + 36 b.p.	19/12/2024	1,138,609,000	1,151,771,320	1,138,609,000	1,151,691,617
	EU000A1G0BE6	31/5/2013	6M Euribor + 33 b.p.	30/5/2024	3,600,000,000	3,632,076,000	3,600,000,000	3,632,580,000
	EU000A1G0BD8	31/5/2013	6M Euribor + 34 b.p.	30/5/2025	3,600,000,000	3,633,156,000	3,600,000,000	3,632,796,000
	Subtotal				10,932,903,000	11,040,536,401	10,932,903,000	11,039,843,595
	Plus: Accrued interest				23,977,588	23,977,588	5,129,977	5,129,977
	Total				10,956,880,588	11,064,513,989	10,938,032,977	11,044,973,572

Fair Value Hierarchy of EFSF FRNs

The EFSF FRNs are classified as Level 2 as they were valued based on market observable data. The fair value is estimated using the discounted cash flow model based on market interest rates offered for instruments with similar credit quality.

Note 6 Financial Assets at Fair Value through Profit or Loss

The Fund has classified under this caption the shares received from the participation in the share capital increases of the four systemic banks. The Fund has designated the shares at initial recognition at fair value through profit or loss with the gains or losses recognized in the Statement of Comprehensive Income. The fair value as of 31/03/2014 amounts to € 25,082.9m.

The following table presents the fair value of the shares per bank as well as the Levels of the fair value hierarchy.



<i>Amounts in €</i>	Fair values		Fair value hierarchy			Fair values
	31/03/2014	Level 1	Level 2	Level 3	31/12/2013	
Equity instruments						
Alpha	6,381,566,464	6,381,566,464	-	-	5,631,843,970	
NBG	7,967,955,878	7,967,955,878	-	-	7,785,946,734	
Piraeus	8,212,680,078	8,212,680,078	-	-	6,286,831,451	
Eurobank	2,520,704,601	2,520,704,601	-	-	2,880,061,249	
Total	25,082,907,021	25,082,907,021	-	-	22,584,683,404	

Fair value of shares

The fair value of the shares was determined based on the market prices in the Athens Exchange at the reporting date. The Level 1 classification is based on the fact that the market prices are unadjusted quotes in an active market.

Movement of shares

The table below shows the movement of the Fund's investments in the banks during the first quarter of 2014.

<i>No of Shares</i>	Alpha	NBG	Piraeus	Eurobank
Shares held as of 31/12/2013	8,925,267,781	2,022,323,827	4,109,040,164	5,208,067,358
Additions	-	-	-	-
Disposals	-	-	(2,700,125)	-
Shares held as of 31/03/2014	8,925,267,781	2,022,323,827	4,106,340,039	5,208,067,358

Due to the warrants' exercise in January of 2014, the Fund sold 2,700,125 Piraeus shares at a price of € 1.734 per share. The Fund realized gains of € 91,804 from the said exercise reflecting the difference between the warrant's exercise price and the share's issue price (€ 1.70).

Note 7 Receivables from Banks under Liquidation

According to par. 15 of article 9 of Law 4051/2012 (A' 40), as amended by Law 4224/2013, the Fund became liable to pay until 31/12/2014 the amount that the HDIGF would have covered, in the context of the resolution of the financial institutions, as foreseen by par. 13 of art. 141 and par. 7 of art. 142 of Law 4261/2014. In this case the Fund takes over the rights of the HDIGF as per par. 4 of art. 13A of Law 3746/2009. In this context, the HFSF's receivables are a combination of its contribution of EFSF FRNs and cash, instead of the HDIGF, to cover the funding gaps of financial institutions, which were resolved.

During the first quarter of 2014, the Fund collected via the liquidation process a total amount of € 40m in recoveries (€ 38m from Achaiki Cooperative Bank and € 2m from T-Bank).

The movement of the Fund's receivables, including impairments, from banks under liquidation during the first quarter of 2013 is presented in the following table:



01/01/2014 - 31/03/2014

<i>Amounts in €</i>	Opening balance	Additions	Collections	Impairment charges/reversals	Closing balance
Receivables from funding gap paid					
-Achaiki Cooperative Bank	147,868,800	-	(38,000,000)	-	109,868,800
-Lamia Cooperative Bank	39,967,991	-	-	-	39,967,991
-Lesvos-Limnos Cooperative Bank	26,908,340	-	-	-	26,908,340
-Dodecanese Cooperative Bank	166,008,901	-	-	-	166,008,901
-Evia Cooperative Bank	63,939,049	-	-	-	63,939,049
-West Macedonia Cooperative Bank	54,681,344	-	-	-	54,681,344
-Proton Bank	11,684,928	-	-	-	11,684,928
- Agricultural Bank ("ATEbank")	1,750,678,850	-	-	-	1,750,678,850
-Hellenic Post Bank	380,271,150	-	-	-	380,271,150
-T-Bank	2,011,800	-	(2,011,800)	-	0
-First Business Bank	80,274,457	-	-	-	80,274,457
-Probank	128,782,552	-	-	-	128,782,552
Total	2,853,078,162	-	(40,011,800)	-	2,813,066,362

Note 8 Liabilities for Payment of Funding Gap

<i>Amounts in €</i>	31/03/2014	31/12/2013
Liability for Dodecanese Cooperative Bank funding gap	92,538,747	92,538,747
Liability for Evia Cooperative Bank funding gap	41,239,087	41,239,087
Preliminary liability for West Macedonia Cooperative Bank funding gap	27,340,672	27,340,672
Total	161,118,506	161,118,506

As of 31/03/2014 the total amount of € 161.1m pertained to a) the remaining amount of € 133.8m to be paid for the final funding gap of Dodecanese and Evia Cooperative banks (the final funding gap was determined by the BoG on 10/06/2014) and b) 1/3 of the preliminary funding gap of West Macedonia Cooperative Bank amounting to € 27.3m (the preliminary funding gap of West Macedonia Cooperative Bank amounted to € 82m, originating from its liquidation decided by the BoG on 08/12/2013). On 27/06/2013 the Fund contributed € 133.8m in cash to Alpha, which undertook the deposits of the cooperative banks.

Note 9 Derivative Financial Liability

The derivative financial liability account includes solely the warrants issued by the Fund and granted to the private investors which participated in the capital increase of the 3 systemic Banks according to Law 3864/2010 and Cabinet Act 38/2012. The outstanding amount and the fair values per warrant are set out below:

<i>Amounts in €</i>	Number of warrants	Fair value	Fair value
	31/03/2014	31/03/2014	31/12/2013
Derivative financial liability			
Alpha's warrant	1,204,702,851	2,120,277,018	1,349,267,193
NBG's warrant	245,748,580	312,100,697	285,068,353
Piraeus' warrant	848,591,850	924,965,117	647,935,884
Total		3,357,342,831	2,282,271,430



Fair value hierarchy of warrants

Warrants are freely transferrable securities, which are listed for trading in the securities market of the Athens Exchange (ATHEX). The fair values are determined by reference to the prices in the ATHEX unadjusted and therefore they are classified into Level 1.

During the first quarter of 2014 the movement of the warrants outstanding and the number of shares corresponding to 1 warrant (multiplier), if exercised, are presented below:

	Alpha	NBG	Piraeus
Warrants outstanding as of 31/12/2013	1,204,702,851	245,748,580	849,195,130
Warrants exercised	-	-	(603,280)
Warrants outstanding as of 31/03/2014	1,204,702,851	245,748,580	848,591,850
Multiplier	7.4087	8.2292	4.4758

In January 2014 the Fund received an amount of € 4.7m following the exercise of 603,280 of Piraeus's warrants.

Note 10 Interest Income

A breakdown of the Fund's interest income for the first quarter of 2014 and 2013 is provided in the table below:

Amounts in €	01/01/2014 - 31/03/2014	01/01/2013 - 31/03/2013
Interest income from EFSF FRNs	18,847,611	70,099,681
Interest income from deposits	92,562	-
Total	18,940,173	70,099,681

Note 11 Commission Income

Following the signing of the Presubscription Agreements with the banks in 2012 and L. 3864/2010, the banks which received capital advances were obliged to pay the HFSF a 1% annual underwriting fee on the nominal amount of the EFSF FRNs that they received for the period from the date of the advance until the date of the total advances' conversion into share capital.

The analysis of the Fund's commission income for the first quarter of 2014 and 2013 is provided below.

Amounts in €	01/01/2014 - 31/03/2014	01/01/2013 - 31/03/2013
1% annual underwriting fee		
NBG	-	24,390,000
Piraeus	-	15,632,500
Alpha	-	7,355,000
Eurobank	-	13,277,500
Total	-	60,655,000



Note 12 Personnel Expenses

The number of directors and employees under payroll by the Fund as of 31/03/2014 stood at 28. The total personnel expenses for the first quarter of 2014 and 2013 are analysed as follows:

<i>Amounts in €</i>	01/01/2014 - 31/03/2014	01/01/2013 - 31/03/2013
Salaries	434,448	441,276
Employer's contribution	65,306	68,332
Total	499,754	509,608

Note 13 General Administrative and Other Operating Expenses

<i>Amounts in €</i>	01/01/2014 - 31/03/2014	01/01/2013 - 31/03/2013
Utilities and rentals	(86,509)	(80,724)
General Council remuneration	(88,750)	(31,291)
Lawyers' fees	(170,551)	(11,477)
Audit firms' fees	-	(169,340)
Advisors' fees	(48,925)	(424,439)
Professionals' fees	(40,587)	(44,887)
Custody fees	(215,490)	(48,382)
Insurance fees	(201,332)	(14,918)
Fees to bank representatives	(12,833)	(9,796)
Other fees	(32,687)	(15,023)
Other expenses	(53,052)	(38,756)
Total	(950,716)	(889,032)

Note 14 Gain/(Loss) from Financial Instruments at Fair Value through Profit or Loss

The account includes the gains or losses resulting from the revaluation of the shares of the systemic banks held by the Fund and the warrants issued as well as the results from the disposals of the shares following the exercise of the warrants.

The breakdown of the gain or loss by financial instrument for the first quarter of 2014 and 2013 is presented in the table below.

<i>Amounts in €</i>	01/01/2014 - 31/03/2014	01/01/2013 - 31/03/2013
Gain/(loss) from equity instruments		
Alpha	749,722,494	-
NBG	182,009,144	-
Piraeus	1,930,530,644	-
Eurobank	(359,356,648)	-
Subtotal	2,502,905,634	
Gain/(loss) from warrants		
Alpha	(771,009,825)	-
NBG	(27,032,344)	-
Piraeus	(277,029,232)	-
Subtotal	(1,075,071,401)	
Grand Total	1,427,834,234	



Note 15 Commitments and Contingent Liabilities

- a) **Commitments:** Operating lease commitments: The Fund's commitments relate to the operational lease for its offices. The minimum future payments are presented in the table below (it is noted that the Fund may terminate the operating lease for its office following a three-month notice):

<i>Amounts in €</i>	31/03/2014	31/12/2013
No later than 1 year	253,688	253,688
Later than 1 year and no later than 5 years	570,798	634,220
Later than 5 years	-	-
Total	824,486	887,908

- b) No legal cases of third parties against the Fund exist at the issuance date of interim financial statements that may affect negatively the Fund's financial position.

Note 16 Related Party Transactions

Related parties include the Fund's Management, close relatives to the Management, companies owned by the Management and credit institutions in which the Fund has substantial influence over the financial and operating policies.

The significant transactions entered into by the HFSF with related parties during the first quarter of 2014 and 2013 and the balances outstanding as of 31/03/2014 and 31/12/2013 are presented below.

Transactions with key management personnel

The BoD Members (effective for the period from 01/01/2013 up to 31/01/2013) and the Members of Executive Board and General Council (effective from 01/02/2013), as well as close relatives or companies controlled individually or jointly by them, did not enter into transactions with the Fund. Their compensation is not linked to their performance and the gross remuneration in the first quarter of 2014 amounted to € 211k (Q1-2013: € 262k). Furthermore, for the Executive Members an amount of € 14k (Q1-2013: € 14k) had been paid for social security contributions.

Transactions and balances with systemic banks and transitional credit institutions

Systemic Banks

Following the contribution of EFSF FRNs to the systemic banks (NBG, Eurobank, Alpha, Piraeus) in the context of the presubscription agreements and subsequently due to the participation of the HFSF in the recapitalization of the banks, the Fund considers the systemic banks to be related parties as defined by IAS 24.

The nominal amount of the EFSF FRNs contributed to the systemic banks in the context of presubscription agreements amounted to € 24,262m as of 31/03/2013. Furthermore, in the first quarter of 2013 the Fund contributed an amount of € 794.8m in EFSF FRNs to Piraeus following the finalization of ATEbank's funding gap.

The market value of the shares held by the Fund as of 31/03/2014 amounted to € 25,082.9m (31/12/2013: € 22,585m). Moreover, the Fund recognised a liability amounting to € 161.1m to be paid to Alpha relating to a) the final funding gap of Dodecanese and Evia Cooperative banks and b) the 1/3 of the preliminary funding gap of West Macedonia Cooperative Bank.

In the first quarter of 2014 the Fund was reimbursed with € 1,022,885 by Piraeus and Eurobank (Note 8).

In accordance with the presubscription agreement, the Banks which received capital advances obliged to pay to the HFSF a 1% annual underwriting fee on the nominal amount of the EFSF FRNs that they received for the period from



the date of the capital advance until the date of the total advances' conversion into share capital. The accrued commission income for the first quarter of 2013 amounted to € 60,655,000 (Note 13).

Transitional credit institutions

On 29/01/2013 the Fund fully covered New HPB's share capital increase in the form of EFSF FRNs with a nominal value of € 500m and contributed an amount of € 2,730.8m in the form of EFSF FRNs pertaining to the initial funding gap. On 14/02/2013 the Fund disbursed the amount of € 227m in cash, instead of the HDIGF, to New HPB. This amount represented part of the preliminary funding gap, after the liquidation of T-Bank S.A. and the transfer of its assets and liabilities to New HPB.

Note 17 Post Balance Sheet Events

Following the date of the balance sheet, the following events took place regarding the warrants' exercise and share capital increases of the four systemic banks:

NBG

- The bank concluded a € 2,500m share capital increase without preemption rights to existing shareholders on 13/05/2014 through the issuance of 1,136,363,637 new common registered shares at an issue price of € 2.20 per share. Following the said share capital increase the Fund's shareholding in the bank decreased from 84.38% to 57.24%.

Alpha

- The bank concluded a € 1,200m share capital increase without preemption rights to existing shareholders on 28/03/2014 through the issuance of 1,846,153,846 new common registered shares at an issue price of € 0.65 per share. Following the listing of the new shares in the Athens Exchange and the commencement of trading on 04/04/2014, the Fund's shareholding in the bank decreased from 81.71% to 69.90%.
- On 10/06/2014 the bank announced that 60,899,318 warrants were exercised at an exercise price of € 0.46, which corresponded to 451,179,721 common registered shares (3.53% of the bank's share capital). Following the exercise of the warrants, the Fund's shareholding in the bank decreased from 69.90% to 66.36%.

Piraeus

- The bank concluded a € 1,750m share capital increase without preemption rights to existing shareholders on 10/04/2014 through the issuance of 1,029,411,764 new common registered shares at an issue price of € 1.70 per share. Following the said share capital increase the Fund's shareholding in the bank decreased from 80.95% to 67.30%.
- On 07/07/2014 the bank announced that 4,951,260 warrants were exercised at an exercise price of € 1.77, which corresponded to 22,160,707 common registered shares (0.36% of the bank's share capital). Following the exercise of the warrants, the Fund's shareholding in the bank decreased from 67.30% to 66.93%.

Eurobank

- The bank concluded a € 2,864m share capital increase without preemption rights to existing shareholders on 29/04/2014 through the issuance of 9,238,709,677 new common registered shares at an issue price of € 0.31 per share. Following the said share capital increase the Fund's shareholding in the bank decreased from 95.23% to 35.41%.

- On 07/04/2014 the HFSF Law (L. 3864/2010) was revised, under L. 4254/2014, and published in the Government Gazette (FEK A 85/7.4.2014).

- In the context of Dodecanese and Evia Cooperative Banks' preliminary funding gap, the Fund paid Alpha in cash the amounts of € 166m and € 63.9m respectively on 20/12/2013. On 27/06/2014 the Fund paid Alpha € 92.5m and € 41.2m respectively in cash relating to the remaining amounts of the funding gap as finalized by the BoG on 10/06/2014.