

Hellenic Financial Stability Fund



Interim Financial Statements
For the period ended 31/03/2015
(In accordance with International Accounting Standard 34)

June 2015



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Statement of Financial Position

<i>Amounts in €</i>	Note	31/03/2015	31/12/2014
ASSETS			
Cash and balances with Banks	4	343,651,797	670,061,078
Investment securities	5	-	10,937,104,252
Financial assets at fair value through profit or loss	6	6,563,803,221	11,622,072,637
Property and equipment		124,437	136,134
Intangible assets		23,517	25,808
Accrued income receivable	12	257,841	-
Receivables from banks under liquidation	7	2,333,824,133	2,542,518,543
Other assets	8	235,312	9,135,084
Total Assets		9,241,920,258	25,781,053,536
LIABILITIES			
Derivative financial liability	9	639,708,912	1,272,010,914
Provisions and other liabilities	10	4,258,958	3,959,435
Total Liabilities		643,967,870	1,275,970,349
EQUITY			
Capital	11	38,767,097,000	49,700,000,000
Accumulated losses		(30,169,144,612)	(25,194,916,813)
Total Equity		8,597,952,388	24,505,083,187
Total Liabilities & Equity		9,241,920,258	25,781,053,536

The Notes from pages 7 to 20 form an integral part of these interim financial statements

Athens, 29 June 2015

The Deputy Chief Executive Officer

The Executive Board Member

The Acting Chief Financial & Operating
Officer

George Koutsos

Anastasios Gagales

Evangelia D. Chatzitsakou



**Statement of Comprehensive Income
For the 3 month period ended 31/03/2015**

<i>Amounts in €</i>	Note	01/01/2015 - 31/03/2015	01/01/2014 - 31/03/2014
			As restated
Interest income	12	9,290,925	18,940,173
Personnel expenses	13	(837,676)	(653,717)
General administrative & other operating expenses	14	(528,330)	(796,753)
Gain/(loss) from financial instruments at fair value through profit or loss	15	(4,425,938,503)	1,427,834,234
Gain/(loss) from investment securities	9	(306,332)	-
Depreciation and amortization of property, equipment and intangible assets		(21,135)	(28,681)
One-off expense	16	(555,886,748)	-
Other income/(expenses)		-	(1,216)
Profit/(Loss) for the period		(4,974,227,799)	1,445,294,040
Other comprehensive income/(expense)		-	-
Total comprehensive income/(expense) for the period		(4,974,227,799)	1,445,294,040

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Statement of Changes in Equity

<i>Amounts in €</i>	Capital	Reserves & accumulated profits/(losses)	Total
Balance as of 01/01/2014	49,700,000,000	(15,278,149,223)	34,421,850,777
Profit for the period from 01/01/2014 to 31/03/2014	-	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
Loss for the period from 01/04/2014 to 31/12/2014	-	(11,362,061,630)	(11,362,061,630)
Balance as of 01/01/2015	49,700,000,000	(25,194,916,813)	24,505,083,187
Capital decrease	(10,932,903,000)	-	(10,932,903,000)
Loss for the period from 01/01/2015 to 31/03/2015	-	(4,974,227,799)	(4,974,227,799)
Balance as of 31/03/2015	38,767,097,000	(30,169,144,612)	8,597,952,388

The Notes from pages 7 to 20 form an integral part of these interim financial statements



Statement of Cash Flows

<i>Amounts in €</i>	01/01/2015 - 31/03/2015	01/01/2014 - 31/03/2014
Cash flows from operating activities		
Profit/(Loss) for the period	(4,974,227,799)	1,445,294,040
Adjustments for non-cash items included in statement of comprehensive income and other adjustments:	4,426,008,129	(1,446,745,726)
Interest income	(257,841)	(18,940,173)
(Gain)/Loss from financial instruments at fair value through profit or loss	4,425,938,503	(1,427,834,234)
(Gain)/Loss from disposal of investments	306,332	-
Depreciation and amortization of property, equipment and intangible assets	21,135	28,681
Net (increase)/decrease in operating assets:	212,981,264	41,034,097
Change in receivables from banks under liquidation	208,694,410	40,011,800
Change in accrued interest receivable	4,201,252	-
Change in other assets	85,602	1,022,297
Net increase/(decrease) in operating liabilities:	(6,809)	(179,537)
Change in other liabilities	(6,809)	(179,537)
Net cash from operating activities	(335,245,215)	39,402,874
Cash flows from investing activities		
Proceeds received from warrants exercised	28,912	4,682,017
Proceeds from disposal of investments	8,814,170	-
Purchase of property, equipment and intangibles assets	(7,148)	(5,138)
Net cash from investing activities	8,835,934	4,676,879
Cash flows from financing activities		
Net cash from financing activities	-	-
Net increase/(decrease) in cash and cash equivalents	(326,409,281)	44,079,753
Cash and cash equivalents at beginning of period	670,061,078	488,766,493
Cash and cash equivalents at end of period	343,651,797	532,846,246

The Notes from pages 7 to 20 form an integral part of these interim financial statements



Notes to the Interim 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 up 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 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.

As of the date of issuance of the Fund’s interim financial statements, the Executive Board and General Council comprised of the following:

Executive Board*	Position
George Koutsos	Deputy Chief Executive Officer
Anastasios Gagales	Executive Member
General Council**	Position
George Michelis	Chairman
Pierre Mariani	Non Executive Member
Wouter Devriendt	Non Executive Member
Steven Franck	Non Executive Member
Christoforos Stratos	Non Executive Member
Elias Karakitsos	Non Executive Member
Jon Sigurgeisson	Non Executive Member
Kerasina Raftopoulou	Non Executive Member, Representative of the Ministry of Finance
Vasilios Spiliotopoulos	Non Executive Member, appointed by the BoG

* On 08/05/2015 Mrs. Anastasia Sakellariou, CEO of HFSF, submitted her resignation to the Minister of Finance, which was accepted.

** On 06/03/2015 Mrs. Kerasina Raftopoulou replaced Mr. Abraam Gounaris who was appointed on 14/01/2014 and resigned on 27/02/2015.

** On 23/03/2015 Mr. Christos Sclavounis, Chairman of General Council, on 24/03/2015 Mr. Stefan Wilcke and on 01/04/2015 Mr. John Zafiriou, non-executive members of the General Council submitted their resignations to the Minister of Finance, which were accepted.

** On 25/05/2015 Mr. George Michelis was appointed Chairman of General Council, replacing Mr. Christos Sclavounis.



*** On 18/06/2015 Mr. Elias Karakitsos and Mr. Jon Sigurgeisson were appointed as non-executive members of the General Council following the resignation of Mr. Stephan Wilcke and Mr. John Zafiriou.*

The interim financial statements were approved by the Fund's General Council on 29/06/2015.

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 31/03/2015 (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 31/12/2014, 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 whole, unless otherwise stated (i.e. "bn" stands for billion, "m" stands for million and "k" stands for thousand).

The interim financial statements have been prepared under the historical cost convention, except for financial assets held at fair value through profit or loss and derivative financial liabilities (share ownership rights – hereinafter "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 31/12/2014, after adopting the following amendments which are effective from 01/01/2015.

- **Annual Improvements to IFRS 2010-2012 Cycle** (effective for annual periods beginning on or after 1 July 2014)
- **Annual Improvements to IFRS 2011-2013 Cycle** (effective for annual periods beginning on or after 1 July 2014)

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

The adoption by the EU, by 31/12/2015, 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 01/01/2015, 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 the 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 31/12/2014.

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 is independent.

The Fund operates through the following business segments:

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. Alpha Bank ("Alpha"), Eurobank Ergasias ("Eurobank"), National Bank of Greece ("NBG") and Piraeus Bank ("Piraeus").

Transitional Credit Institutions (TCIs) & Banks under Liquidation: This segment includes a) the credit institutions, which have been derived as a result of a resolution and the incorporation of new transitional credit institutions, namely New HPB and 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 the Law 4051/2012 as amended by Law 4224/2013.

Other: This segment includes the Fund's results relating to internal operations and procedures which ensure the appropriate design and implementation of the Fund's policies and principles. It also includes unutilized cash balances and European Financial Stability Facility floating rate notes (hereinafter "EFSF FRNs").

Analysis by Operating Segment

Amounts in €	1/1/2015-31/03/2015			
	Systemic Banks	TClS & Banks under Liquidation	Other	Total
Interest income	-	-	9,290,925	9,290,925
Personnel expenses	(453,257)	(145,559)	(238,861)	(837,676)
General administrative & other operating expenses	(124,830)	(40,886)	(362,615)	(528,330)
Gain/(loss) from financial instruments at fair value through profit or loss	(4,425,938,503)	-	-	(4,425,938,503)
Gain/(loss) from investment securities	-	(306,332)	-	(306,332)
Depreciation and amortization of property, equipment and intangible assets	(14,794)	(4,227)	(2,114)	(21,135)
One-off expense	(555,600,000)	-	(286,748)	(555,886,748)
Profit/(Loss) for the period	(4,982,131,384)	(497,004)	8,400,587	(4,974,227,799)

31/03/2015				
Total segment assets	6,563,803,221	2,333,824,133	344,292,904	9,241,920,258
Total segment liabilities	639,900,580	3,798,664	268,627	643,967,870

Amounts in €	01/01-31/03/2014			
	Systemic Banks	TClS & Banks under Liquidation	Other	Total
				As restated
Interest income	-	-	18,940,173	18,940,173
Personnel expenses	(331,620)	(105,564)	(216,533)	(653,717)
General administrative & other operating expenses	(439,867)	(45,566)	(311,319)	(796,753)
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	1,427,041,454	(156,866)	18,409,453	1,445,294,040

31/12/2014				
Total segment assets	11,622,072,637	2,551,332,713	11,607,648,186	25,781,053,536
Total segment liabilities	1,272,233,203	3,494,538	242,609	1,275,970,349



Note 4 Cash and Balances with Banks

<i>Amounts in €</i>	31/03/2015	31/12/2014
Cash and balances with banks	10,138	10,958
Balances with Central Bank	34,231,881	670,050,120
Cash management account in Central Bank	309,409,778	-
Total	343,651,797	670,061,078

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.

Pursuant to the provisions of par. 4 art.3 of L.3864/2010, as amended by the art. 35 L.4320/2015, the Fund was obliged to place 90% of its available cash amounting to €309,4m. in a cash management account with BoG. Cash management account in BoG includes cash which was transferred from balances with Central Bank.

The cash in the cash management account is placed on repos, reverse repos, buy/sell back, sell/buy/back with counter party the Greek State in accordance with paragraph 11 (g) of the article 15 of the law 2469/1997.

Note 5 Investment Securities

Following a ministerial decision of 26/02/2015 (FEK B' 292/26.02.2015) and in accordance with the Master Financial Assistance Facility Agreement signed on 15/03/2012 as amended and in alignment with the Eurogroup statement of 20/02/2015, the HFSF proceeded with the re-delivery of all the unused EFSF Notes, with nominal value of € 10,932,903,000 to the EFSF on 27/02/2015 and collected all accrued interest amounted to € 13,234,336.

The Funds EFSF FRNs as of 31/03/2015 and 31/12/2014 are presented in the table below:

<i>Amounts in €</i>	ISIN	Issue Date	Interest Rate	Maturity Date	31/03/2015		31/12/2014	
					Nominal Value (€)	Fair Value (€)	Nominal Value (€)	Fair Value (€)
	EU000A1G0A57	19/12/2012	6M Euribor + 34 b.p.	19/12/2022	-	-	1,524,900,000	1,558,920,519
	EU000A1G0A65	19/12/2012	6M Euribor + 35 b.p.	19/12/2023	-	-	1,069,394,000	1,096,043,298
	EU000A1G0A73	19/12/2012	6M Euribor + 36 b.p.	19/12/2024	-	-	1,138,609,000	1,169,636,095
	EU000A1G0BE6	31/5/2013	6M Euribor + 33 b.p.	30/5/2024	-	-	3,600,000,000	3,724,344,000
	EU000A1G0BD8	31/5/2013	6M Euribor + 34 b.p.	30/5/2025	-	-	3,600,000,000	3,735,468,000
	Subtotal				-	-	10,932,903,000	11,284,411,912
	Plus: Accrued interest				-	-	4,201,252	4,201,252
	Total				-	-	10,937,104,252	11,288,613,164

The Fund had classified all EFSF FRNs received as Loans and Receivables investment securities.

The movement of the Loans and Receivables investment securities during the 3 month period ended 31/03/2015 and 31/12/2014 is as follows:



<i>Amounts in €</i>	01/01/2015 - 31/03/2015	01/01/2014 - 31/12/2014
Opening balance	10,937,104,252	10,938,032,977
Additions	-	-
Return to EFSF	(10,932,903,000)	-
Accrued interest recorded during the period from EFSF FRNs	9,033,084	4,201,252
Accrued interest received from EFSF FRNs	(13,234,336)	(5,129,977)
Closing balance	-	10,937,104,252

Note 6 Financial Assets at Fair Value through Profit or Loss

The Fund has classified under this F/S line the shares received from the participation in the share capital increases ("SCI") of the four systemic banks. The Fund has designated the shares at initial recognition at fair value through profit or loss and the gains or losses are recognized in the statement of comprehensive income. The fair value as of 31/03/2015 amounted to € 6,563.8m.

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
	31/03/2015	Level 1	Level 2	Level 3	31/12/2014
Alpha	2,326,186,384	2,326,186,384	-	-	3,958,746,283
Eurobank	546,847,073	546,847,073	-	-	973,908,596
NBG	2,224,555,117	2,224,555,117	-	-	2,972,814,566
Piraeus	1,466,214,647	1,466,214,647	-	-	3,716,603,192
Total	6,563,803,221	6,563,803,221	-	-	11,622,072,637

Fair value of shares

The fair value of the shares was determined based on the market prices in the Athens Exchange ("ATHEX") 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 participations in Banks during the 3 month period ended 31/03/2015.

<i>No of Shares</i>	Alpha	Eurobank	NBG	Piraeus
Shares held as of 31/12/2014	8,458,859,579	5,208,067,358	2,022,322,834	4,084,179,332
Additions	-	-	-	-
Disposals	-	-	-	(15,969)
Shares held as of 31/03/2015	8,458,859,579	5,208,067,358	2,022,322,834	4,084,163,363*

*Out of the total number of shares held by the Fund, 308,235,294 shares correspond to the part of the share capital increase which pertained to the Cypriot banks (€ 524m) and are freely transferrable (no warrants issued).

Following the warrants' exercise in January of 2015, the Fund disposed 15,969 Piraeus shares at a price of € 1.8105 per share. The Fund realized gains of € 1,765 from the exercise of warrants reflecting the difference between the share's exercise price and the share's issue price (€ 1.70).



The HFSF's percentage participation in the systemic banks as of 31/03/2015 and 31/12/2014 was as follows:

	Percentage Participation	
	31/03/2015	31/12/2014
Alpha	66.2%	66.2%
Eurobank	35.4%	35.4%
NBG	57.2%	57.2%
Piraeus	66.9%	66.9%

Note 7 Receivables from Banks under Liquidation

According to par. 15 of article 9 of the Law 4051/2012 (A' 40) as amended by the 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 took over the rights of the HDIGF as per par. 4 of art. 13A of Law 3746/2009. The liquidators of credit institutions under liquidation are nominated by the BoG and are subject to its monitor and control.

Further to that, recent Law 4254/2014 explicitly states that the monitoring and supervision of the actions and decisions of the bodies of the special liquidation of the credit institutions do not fall within the functions of the Fund and therefore, the Fund has no involvement or control over the liquidation process and the recovery of any amounts, but nevertheless maintains its own independent valuation estimates over amounts to be recovered. 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 gap of financial institutions, which were desolved.

During the 3 month period ended 31/03/2015 the Fund received a total amount of €208.7 million from the banks under liquidation. The total amount provided for the funding gap by the Fund reached € 13,489.0m up to 31/03/2015, of which € 486m were recovered up to 31/03/2015 and € 10,669.2m were assessed as non-recoverable. The funding gap, the cumulative impairment and collections per bank under liquidation as of 31/03/2015 are presented in the following table:

Amounts in €

Bank under Liquidation	Funding Gap	Cumulative Impairment	Cumulative Collections	Estimated Recoverable Amount
Achaiki Cooperative Bank	209,473,992	(88,213,450)	(48,000,000)	73,260,542
ATEbank	7,470,717,000	(5,550,686,960)	(315,000,000)	1,605,030,040
Dodecanese Cooperative Bank	258,547,648	(141,016,227)	(49,000,000)	68,531,421
Evia Cooperative Bank	105,178,136	(76,925,214)	(2,000,000)	26,252,922
First Business Bank	456,970,455	(395,994,829)	(7,500,000)	53,475,626
Hellenic Post Bank	3,732,554,000	(3,365,506,633)	(15,000,000)	352,047,367
Lamia Cooperative Bank	55,493,756	(25,800,825)	(10,000,000)	19,692,931
Lesvos-Limnos Cooperative Bank	55,516,733	(27,967,754)	(12,000,000)	15,548,979
Probank	562,733,502	(465,778,793)	(5,500,000)	91,454,709
Proton Bank	259,621,860	(243,612,666)	(5,018,676)	10,990,518
T-Bank	226,956,514	(224,944,714)	(2,011,800)	-
Western Macedonia Cooperative Bank	95,244,475	(62,705,397)	(15,000,000)	17,539,078
Total	13,489,008,071	(10,669,153,461)	(486,030,476)	2,333,824,133



The movement of the Fund's receivables, including impairments, from the banks under liquidation during the 3 month period ended 31/03/2015 is presented in the following table:

<i>Amounts in €</i>		01/01/2015 - 31/03/2015			
Bank under Liquidation	Opening balance	Additions	Collections	(Impairment charges)/reversals	Closing balance
Achaiki Cooperative Bank	83,260,542	-	(10,000,000)	-	73,260,542
ATEbank	1,700,030,040	-	(95,000,000)	-	1,605,030,040
Dodecanese Cooperative Bank	117,531,421	-	(49,000,000)	-	68,531,421
Evia Cooperative Bank	28,252,922	-	(2,000,000)	-	26,252,922
First Business Bank	60,975,626	-	(7,500,000)	-	53,475,626
Hellenic Post Bank	367,047,367	-	(15,000,000)	-	352,047,367
Lamia Cooperative Bank	23,692,931	-	(4,000,000)	-	19,692,931
Lesvos-Limnos Cooperative Bank	20,548,979	-	(5,000,000)	-	15,548,979
Probank	96,954,709	-	(5,500,000)	-	91,454,709
Proton Bank	11,684,928	-	(694,410)	-	10,990,518
T-Bank	-	-	-	-	-
Western Macedonia Cooperative Bank	32,539,078	-	(15,000,000)	-	17,539,078
Total	2,542,518,543	-	(208,694,410)	-	2,333,824,133

The movement of the Fund's receivables, including impairments, from the banks under liquidation during the 3 month period ended 31/03/2014 is presented in the following table:

<i>Amounts in €</i>		01/01/2014 - 31/03/2014			
Bank under Liquidation	Opening balance	Additions	Collections	(Impairment charges)/reversals	Closing balance
Achaiki Cooperative Bank	147,868,800	-	(38,000,000)	-	109,868,800
ATEbank	1,750,678,850	-	-	-	1,750,678,850
Dodecanese Cooperative Bank	166,008,901	-	-	-	166,008,901
Evia Cooperative Bank	63,939,049	-	-	-	63,939,049
First Business Bank	80,274,457	-	-	-	80,274,457
Hellenic Post Bank	380,271,150	-	-	-	380,271,150
Lamia Cooperative Bank	39,967,991	-	-	-	39,967,991
Lesvos-Limnos Cooperative Bank	26,908,340	-	-	-	26,908,340
Probank	128,782,552	-	-	-	128,782,552
Proton Bank	11,684,928	-	-	-	11,684,928
T-Bank	2,011,800	-	(2,011,800)	-	-
Western Macedonia Cooperative Bank	54,681,344	-	-	-	54,681,344
Total	2,853,078,162	-	(40,011,800)	-	2,813,066,362



Note 8 Other Assets

The balance as of 31/12/2014 includes an additional gain from the sale of New HPB that took place in 2013, due to the finalization of a contingency included in the SPA, in the third quarter of 2014 amounting to € 8.8m. The amount was received from Eurobank on 13/03/2015.

Note 9 Derivative Financial Liability

The derivative financial liability includes solely the warrants issued by the Fund and granted to the private investors participating in the capital increase of the 3 systemic Banks according to Law 3864/2010 and Cabinet Act 38/2012. The fair value of the outstanding warrants amounted to € 639.7m as of 31/03/2015.

The fair values per warrant as of 31/03/2015 and 31/12/2014 are presented below:

Amounts in €	Fair value	
	31/03/2015	31/12/2014
Alpha's warrant	511,503,089	1,073,243,089
NBG's warrant	48,903,943	39,319,753
Piraeus' warrant	79,301,880	159,448,072
Total	639,708,912	1,272,010,914

Fair value of warrants

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

The number of warrants outstanding as of 31/03/2015 and 31/12/2014, the movement during the 3 month period ended 31/03/2015 and the number of shares corresponding to 1 warrant (multiplier), if exercised, are presented below:

	Alpha	NBG	Piraeus
Warrants outstanding as of 31/12/2014	1,141,747,967	245,748,459	843,640,590
Warrants exercised	-	-	(3,568)
Warrants outstanding as of 31/03/2015	1,141,747,967	245,748,459	843,637,022
Multiplier	7.4087	8.2292	4.4758

In January 2015 the Fund received an amount of € 28,912 following the exercise of 3,568 of Piraeus's warrants.

Note 10 Provisions and Other Liabilities

Amounts in €	31/03/2015	31/12/2014
Provisions	3,718,517	3,412,185
Creditors and suppliers	271,293	145,488
Taxes payable – other than income taxes	151,252	237,822
Contributions payable to social security funds	74,231	114,498
Other expenses payable	43,665	49,442
Total	4,258,958	3,959,435



**TAMEIO
ΧΡΗΜΑΤΟΠΙΣΤΩΤΙΚΗΣ
ΣΤΑΘΕΡΟΤΗΤΑΣ**
HELLENIC FINANCIAL STABILITY FUND

The amount of € 3.7m refers to a provision regarding a legal contingency arising from the sale of New HPB to Eurobank that took place in 2013. The change in the provision in the first quarter of 2015 amounts to € 306k, reflecting the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

Note 11 Capital

Following a ministerial decision (FEK B' 292/26.02.2015) of 26/02/2015 and in accordance with the Master Financial Assistance Facility Agreement signed on 15/03/2012 as amended and in alignment with the Eurogroup statement of 20/02/2015, the HFSF proceeded with the re-delivery of the unused EFSF Notes, with nominal value of €10,932,903,000 to the EFSF on 27/02/2015. Additionally, the HFSF proceeded with the reduction of its paid in capital by the amount of € 10,932,903,000.

<i>Amounts in €</i>	Capital
Balance as of 21/07/ 2010	-
Capital increase - Cash	1,500,000,000
Balance as of 31/12/2011	1,500,000,000
Capital increase - EFSF FRNs issued on 19/04/2012	25,000,000,000
Capital increase - EFSF FRNs issued on 19/12/2012	16,000,000,000
Balance as of 31/12/2012	42,500,000,000
Capital increase - EFSF FRNs issued on 31/05/2012	7,200,000,000
Balance as of 31/12/2014	49,700,000,000
Capital decrease - EFSF FRNs returned on 27/02/2015	10,932,903,000
Balance as of 31/03/2015	38,767,097,000

Note 12 Interest Income

A breakdown of the Fund's interest income for the 3 month period ended 31/03/2015 and 31/03/2014 is provided in the table below:

<i>Amounts in €</i>	01/01/2015 - 31/03/2015	01/01/2014 - 31/03/2014
Interest income from EFSF FRNs	9,033,084	18,847,611
Interest income from deposits	-	92,562
Proceeds from cash management account	257,841	-
Total	9,290,925	18,940,173

The cash in the cash management account is placed on repos, reverse repos, buy/sell back, sell/buy/back with counter party the Greek State in accordance with paragraph 11 (g) of the article 15 of the law 2469/1997. The proceeds in the 3 month period ended 31/03/2015 are presented in the statement of financial position under the F/S line accrued income receivable.

Note 13 Personnel Expenses

The number of directors and employees under payroll by the Fund was 32 and 28 as of 31/03/2015 and 31/03/2014 respectively. The total personnel expenses for the first quarter of 2015 and 2014 are analysed as follows:



<i>Amounts in €</i>	01/01/2015 - 31/03/2015	01/01/2014 - 31/03/2014
		As restated
Salaries	(729,213)	(571,767)
Employer's contribution	(108,463)	(81,950)
Total	(837,676)	(653,717)

The average number of employees including directors during the 3 month period ended 31/03/2015 and 31/03/2014 was 32 and 23 respectively.

Note 14 General Administrative and Other Operating Expenses

<i>Amounts in €</i>	01/01/2015 - 31/03/2015	01/01/2014 - 31/03/2014
		As restated
Utilities and rentals	(87,619)	(86,509)
General Council remuneration	(103,750)	(88,750)
Lawyers' fees	(30,185)	(170,551)
Advisors' fees	(14,338)	(48,925)
Professionals' fees	(29,145)	(40,587)
Custody fees	(100,729)	(215,490)
Insurance fees	(86,392)	(47,369)
Fees to bank representatives	-	(12,833)
Other fees	(22,556)	(32,687)
Other expenses	(53,616)	(53,052)
Total	(528,330)	(796,753)

Note 15 Gain/(Loss) from Financial Instruments at Fair Value through Profit or Loss

The F/S line includes the gains or losses resulting from the revaluation of the shares held in the systemic banks and the warrants issued, as well as the results from the disposals of the shares upon the exercise of the warrants.

The breakdown of the gain or loss by financial instrument during the 3 month period ended 31/03/2015 and 31/03/2014 is presented in the table below.

<i>Amounts in €</i>	01/01/2015 - 31/03/2015	01/01/2014 - 31/03/2014
Gain/(loss) from equity instruments		
Alpha	(1,632,559,899)	749,722,494
Eurobank	(427,061,523)	(359,356,648)
NBG	(748,259,449)	182,009,144
Piraeus	(2,250,359,633)	1,930,530,644
Subtotal	(5,058,240,504)	2,502,905,634
Gain/(loss) from warrants		
Alpha	561,740,000	(771,009,825)
NBG	(9,584,190)	(27,032,344)
Piraeus	80,146,191	(277,029,232)
Subtotal	632,302,001	(1,075,071,401)
Total	(4,425,938,503)	1,427,834,234



Note 16 One-off Expense

The one-off expense relates to the pre-subscription fee amounted to € 555.6, which was paid in December 2012 by the systemic banks that have received capital support from HFSF. On 19/03/2015, according to the article 35 L. 4320/2015, HFSF contributed this amount to the Hellenic Republic and the relevant accruals amounted to € 555.9m in total.

Note 17 Commitments and Contingent Liabilities

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>	31/03/2015	31/12/2014
No later than 1 year	253,688	253,688
Later than 1 year and no later than 5 years	317,110	380,532
Total	570,798	634,220

Legal Proceedings: No legal cases of third parties against the Fund exist at the issuance date of the interim financial statements that is probable to affect negatively the Fund's financial position.

Note 18 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 3 month period ended 31/03/2015 and 31/03/2014 and the balances outstanding as of 31/03/2015 and 31/12/2014 are presented below.

Transactions with key management personnel

The members of Executive Board and General Council, as well as close relatives or companies controlled individually or jointly by them, did not enter into transactions with the Fund. The gross remuneration paid in the first quarter of 2015 amounted to € 225k (Q1-2014: € 211k). Furthermore, for the Executive Members an amount of € 12k (Q1-2014: € 14k) had been paid for social security contributions.

Transactions and balances with systemic banks

Following the contribution of EFSF FRNs to the systemic banks (Alpha, Eurobank, NBG, Piraeus) in the context of the pre-subscription 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 in IAS 24.

The market value of the shares held of the Fund as of 31/03/2015 amounted to € 6,563.8m (31/12/2014: € 11,622m). In the first quarter of 2014 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 and the amount of € 1,022,885 was reimbursed by Piraeus and Eurobank.



The custody fees, relating to shares held by HFSF, paid to the systemic banks for the 3 month period ended 31/03/2015 and 31/03/2014 amounted to € 54.4k and € 139.6k respectively.

Transactions with transitional credit institutions

In the first quarter of 2015 the Fund received the amount of € 8.8m from Eurobank following the finalization of a contingency from the sale of New HPB. Moreover, a provision of € 3.7m is recognized regarding a contingency arising from the sale of New HPB to Eurobank.

Note 19 Restatement

The amount of € 153,963 was reclassified from General Administrative and Other Operating Expenses to Personnel Expenses for the prior period ended as of 31/03/2014, for proper classification of expenses.

Note 20 Post Balance Sheet Events

Following the date of the balance sheet, the following events related to HFSF took place:

Warrants exercise

In June 2015 Alpha's fourth warrants exercise took place. There were 13,800 warrants exercised and 102,239 shares exchanged and the Fund received €49,034. Following the exercise the HFSF shareholding in Alpha remained at 66.2%.

Management Changes

On 01/04/2015 Mr. John Zafiriou, non-executive member of the General Council, submitted his resignation to the Minister of Finance, which was accepted.

On 08/05/2015 Mrs. Anastasia Sakellariou, CEO of HFSF, submitted her resignation to the Minister of Finance, which was accepted.

On 25/05/2015 Mr. George Michelis was appointed Chairman, replacing Mr. Christos Sclavounis who resigned on 23/03/2015. Mr. Pierre Mariani was the Acting Chairman of the Fund up to 25/05/2015.

On 18/06/2015 Mr. Elias Karakitsos and Mr. Jon Sigurgeisson were appointed by the Minister of Finance (Government Gazette YODD 435/18.06.2015) as non-executive members of the General Council, following the resignation of Mr. Stephan Wilcke and Mr. John Zafiriou.

Placement of HFSF's available cash into a cash management account with the BoG

According to the Law 4323/2015 (FEK A 43/27.4.2015), the Fund is obliged to deposit all its available cash in a cash management account with BoG, by way of derogation to any other general or special legal provision or procedure. Any funds that are necessary for covering the cash needs for the next fifteen days are excluded from this obligation. The Fund was obliged to place in the cash management account € 28.6m in accordance with the law 4323/2015 and taking into consideration the Fund's current cash needs.

Recent Developments

On 28/6/2015 the Greek Parliament decided to hold a referendum on July 5, 2015, as per Legislative Act 64, over the proposals submitted by the Institutions to the Greek Government associated with the financial assistance program expiring June 30, 2015. On that date, the availability period of the Loan Facility as per the third Amendment Agreement relating to the Master Financial Assistance Facility Agreement, expires as well.



Note 21 Significant Events of Systemic Banks

During the first quarter of 2015 and up to the issuance date of the Fund's interim financial statements, the following events relating to the systemic banks took place:

Alpha

In February 2015 the HFSF provided its consent to Alpha's BoD to proceed with the merge by absorption of Diners Club of Greece with the Bank, which was completed in June 2015.

On 28/05/2015 Alpha published its interim financial statements for the three month period ended 31/03/2015. Key financial information is presented in the table below:

<i>Amounts in € million</i>	Group
Total Assets	73,013
Total Liabilities	65,634
Total Equities	7,380
Profit Before Tax	(107)
Net Profit	(116)
Capital Adequacy Ratio	13.4%
Common Equity Tier I	13.1%

Eurobank

In February 2015 the HFSF provided its consent to Eurobank's BoD to proceed with management changes following the resignations of the President of the BoD, Mr. Panagiotis Thomopoulos and the CEO, Mr. Christos Megalou. The BoD decided to elect Mr. Nikolaos Karamouzis as President and Mr. Fokion Karavias as CEO.

On 26/05/2015 Eurobank published its interim financial statements for the three month period ended 31/03/2015. Key financial information is presented in the table below:

<i>Amounts in € million</i>	Group
Total Assets	77,513
Total Liabilities	71,341
Total Equities	6,172
Profit Before Tax	(111)
Net Profit	(88)
Capital Adequacy Ratio	14.5%
Common Equity Tier I	14.2%

NBG

In January 2015 the HFSF provided its consent to NBG's BoD to proceed with the reverse merger of Pangaea REIC with MIG REIC. Pangaea REIC owns 96.94% of the share capital and voting rights of MIG REIC. The proposed merger has been proposed to take place in consolidating the assets and liabilities of the above mentioned companies.

In March 2015 the HFSF provided its consent to NBG's BoD to proceed with management changes following the resignations of the Chairman of the BoD, Mr. Georgios Zalias and the CEO, Mr. Alexandros Tourkolias. The BoD decided to elect Mrs. Louka Katseli as the Chairman of the BoD and Mr. Leonidas Fragkiadakis as CEO.



On 28/05/2015 NBG published its interim financial statements for the three month period ended 31/03/2015. Key financial information is presented in the table below:

<i>Amounts in € million</i>	Group
Total Assets	119,266
Total Liabilities	108,926
Total Equities	10,340
Profit Before Tax	(128)
Net Profit	(149)
Capital Adequacy Ratio	12.2%
Common Equity Tier I	12.1%

Piraeus

On 17/04/2015 the BoG announced its decision, in the context of the resolution procedure provided for in Law 4261/2014, to transfer the assets and liabilities of Panellinia Bank to Piraeus, following an offer by the latter, which had been authorized by HFSF.

In June 2015 the HFSF provided its consent to Piraeus to dispose its stake in Piraeus Bank Egypt, its Egyptian subsidiary, to Al Ahli Bank of Kuwait.

On 27/05/2015 Piraeus published its interim financial statements for the three month period ended 31/03/2015. Key financial information is presented in the table below:

<i>Amounts in € million</i>	Group
Total Assets	88,516
Total Liabilities	81,278
Total Equities	7,238
Profit Before Tax	(55)
Net Profit	(78)
Capital Adequacy Ratio	11.7%
Common Equity Tier I	11.6%

Credit rating of the systemic banks

The long term credit ratings of the four banks in the Fund's portfolio as of the date of the approval of financial statements, provided by international credit rating agencies, are provided in the table below:

Banks	Fitch	S&P	Moody's
Alpha	RD	CCC	Caa3
Eurobank	RD	CCC	Caa3
NBG	RD	CCC	Caa3
Piraeus	RD	CCC	Caa3

Recent Developments

On 28/6/2015 the Legislative Act no 65 was issued, instituting restrictions in banking transactions and a bank holiday until and including July 6, 2015.