



**Report of the Hellenic Financial Stability Fund's Activities  
for the period January - June 2015**

**1) Supported Financial Institutions**

**a) *Main issues per systemic bank***

**i) NBG**

In January 2015 the HFSF provided its consent to NBG 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 September 2014 HFSF had provided its consent to NBG in order for Finansbank to proceed with a Share Capital Increase (SCI) without pre-emption rights of existing shareholders, by means of a public offering. On March 20<sup>th</sup> 2015 NBG and Finansbank announced that they have jointly taken the decision not to proceed with the offering of Finansbank shares on the Istanbul stock exchange on the existing timetable. Furthermore they announced that they intent to monitor equity capital market conditions closely with a view to potentially re-launch the transaction in H1 2015.

In June 2015 NBG postponed the offering of Finansbank shares. In July 2015 NBG announced that the relevant application has been cancelled by the Capital Markets Board of Turkey. NBG and Finansbank noted that they were continuing to work on the offering with the aim of accessing the equity capital markets, subject to market conditions and receipt of necessary approvals.

In June 2015 NBG's fourth warrants exercise took place. There were 1,844 warrants exercised and 15,174 actual shares exchanged, with the Fund receiving € 70,955. Following the exercise the HFSF shareholding in NBG declined by 0.0004% to 57.24%.

In June 2015 NBG's Annual General Meeting of Shareholders took place.

**ii) Piraeus Bank**

On April 17<sup>th</sup> 2015 the BoG announced that in the context of the resolution procedure, provided for in Law 4261/2014, and following an informal tender offer for the acquisition of assets and liabilities of Panellinia Bank, it had decided their transfer to Piraeus Bank.

In June 2015 Piraeus announced that that it has entered into a definitive agreement with Al Ahli Bank of Kuwait K.S.C.P. (“ABK”) to dispose its stake (98.5%) in Piraeus Bank Egypt S.A.E. (“PBE”), its Egyptian subsidiary, subject to Central Bank of Egypt and other regulatory approvals in Egypt, Greece and Kuwait, including the Hellenic Financial Stability Fund.

In June 2015 Piraeus Bank’s Annual General Meeting of Shareholders took place.

### iii) 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.

### iv) Alpha Bank

In June 2015 Alpha Bank’s fourth warrants exercise took place. There were 13,800 warrants exercised and 102.239 actual shares exchanged, with the Fund receiving € 49,034. Following the exercise the HFSF shareholding in Alpha declined by 0.0008% to 66.24%.

In June 2015 Alpha Bank’s Annual General Meeting of Shareholders took place.

## 2) Liquidations

i) In January, February and up to March 5th 2015 the Fund had received a total of €208.7 million from the banks under liquidation. Specifically, the Fund received from the liquidators the amounts as per the table below:

<b>Bank under Liquidation</b>	<b>Inflows from liquidations (amounts in €)</b>
Lamia Cooperative Bank	4.000.000
Proton Bank	694.410
ATEbank	95.000.000
Hellenic Post Bank	15.000.000
Probank	5.500.000
Achaiki Cooperative Bank	10.000.000
First Business Bank	7.500.000
Dodecanese Cooperative Bank	49.000.000
Evia Cooperative Bank	2.000.000
Western Macedonia Cooperative Bank	15.000.000
Lesvos-Limnos Cooperative Bank	5.000.000
<b>Total</b>	<b>208.694.410,13</b>

## **ii) Resolution process for Panellinia Bank**

In accordance with Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013, BoG declared that Panellinia Bank did not meet the minimum capital requirements, furthermore, Panellinia Bank had failed to raise the necessary funds, which had been identified in the context of the second recapitalisation exercise, following the lapse of all three deadlines granted for that purpose.

On Friday March 27<sup>th</sup> 2015 the BoG informed the four systemic Banks that it was initiating the “purchase and assumption” process for Panellinia Bank. The BoG informed the Banks that they should provide binding bids, the deadline for submission of the bids was for April 8<sup>th</sup> at 6:00 pm Greek time. On April 7<sup>th</sup> 2015 the HFSF provided its consent to the systemic banks that expressed their interest to participate in the Resolution process for Panellinia Bank.

## **3) HFSF internal issues**

### **i) Signing of the third Amendment Agreement relating to the Master Financial Assistance Facility Agreement**

Following the Eurogroup statement on Greece dated 20 February 2015, in which it was mentioned that the Euro area Member States were favorably disposed to an extension of the Greek Master Financial Assistance Facility Agreement (Master FAFA) and the letter from the Minister of Finance addressed to the ESM and to the Eurogroup, dated 18 February 2015, with the request for such an extension, an extension of the Availability Period under the Master FAFA has been agreed by the parties involved, including HFSF. The third amendment relating to the Master Financial Assistance Facility Agreement was signed on 15 March 2015.

### **ii) Return of EFSF Notes to the issuer and reduction of HFSF capital**

Following a ministerial decision of 26 February 2015 and in accordance with the Master Financial Assistance Facility Agreement signed on 15 March 2012 as amended and in alignment with the Eurogroup statement of 20 February 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 February 2015. Additionally, the HFSF proceeded with the reduction of its paid in capital by the amount of €10,932,903,000.

### **iii) Replacement of the MoF Representative in the GC**

Mrs. Kerasina Raftopoulou replaced Mr. Avraam Gounaris, on 06.03.2015, as the new member of the HFSF General Council, representing the Ministry of Finance

### **iv) Transfer to the Hellenic Republic of €555.6 million**

The HFSF received in December 2012 from the Greek banks a one-off fee of €555.6 million in accordance with the 21st December 2012 Amendment and Restatement Agreement to the Presubscription Agreement dated 28 May 2012 and the Law 4093/2012 (first article subparagraph D. 1 point 2.a). The One-off fee was considered as revenue of the Hellenic Republic on a general government consolidated basis.

On March 19<sup>th</sup> 2015 a law (L. 4320/2015 Gov. Gazette A29/19.05.2015) was passed by the Parliament that provided for the transfer of the amount of €555.6 million along with the interest generated since 21 December 2012 from its placement with the Bank of Greece to an account of the Greek state. In compliance with the law the HFSF transferred the amount of € 555.9m to the Greek state on the same date.

**v) Placement of 90% of HFSF's available cash into a cash management account with the BoG**

On March 19<sup>th</sup> 2015 a law (L. 4320/2015 Gov. Gazette A29/19.05.2015) was passed by the Parliament that provided for the amendment of HFSF's founding law (L. 3864/2010), according to which amendment the HFSF is obligated to place its available cash balances as follows: 10% in a special interest account with the Bank of Greece and 90% in a cash management account with the Bank of Greece. The cash in the cash management account will be placed on repos, reverse repos, buy/sell back, sell/buy/back with the Greek State as counter party in accordance with paragraph 11 (g) of article 15 of the law 2469/1997. On March 19<sup>th</sup> 2015 the HFSF transferred 90% of its available cash, amounting to € 309.409.778, to the cash management account with the BoG.

In line with Law 4323/2015 (GG 43/27.04.2015) and the relevant agreement with the MoF, in June 2015 HFSF transferred HFSF's remaining available cash to the Cash Management account held with the BoG.

**vi) Management Changes**

In March 2015 Mr. C. Sklavounis, Chairman of the HFSF General Council, and Mr. S. Wilcke and Mr. J. Zafiriou, Non-Executive members of the HFSF General Council, submitted their resignations to the Minister of Finance, which were accepted. A process for their replacement has been initiated, through a public call for expression of interest, on 01.04.2015. In the meantime, the General Council maintains its quorum, operating with the six remaining members.

On May 8, 2015 Mrs. Anastasia Sakellariou, CEO of HFSF, submitted her resignation to the Minister of Finance, which was accepted.

On May 25, 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 June 18, 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.

**vii) HFSF acting CFO/COO**

Following the resignation of Mr. Ioannis Kyriakopoulos, HFSF CFO/COO in June 2015 the Fund's General Council appointed Mrs. Evangelia Chatzitsakou as the HFSF acting CFO/COO.

**viii) HFSF Budget for 2015**

In March 2015 the HFSF 2015 Budget was approved by the HFSF General Council and was submitted to the MoF.

**ix) HFSF Financial Statements**

On April 30, 2015 the HFSF issued its Annual Financial Report for the year ended December 31, 2014 and on June 29, 2015 the HFSF issued its Interim Financial Statements for the three month period ended March 31, 2015.