



July 2<sup>nd</sup>, 2015

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**ANNOUNCEMENT**

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**Interim Financial Statements  
of the Hellenic Financial Stability Fund**

The Hellenic Financial Stability Fund (HFSF) announces the issuance of its interim Financial Statements for the three month period ended March 31, 2015.

The key points of the interim financial statements are:

**A. The Fund's financial performance**

- **Interest income:** During the 3 month period ended March 31, 2015 the interest income amounted to € 9.3m versus € 18.9m in the respective period of 2014. The decrease in interest income was due to the re-delivery of the EFSF Notes on 27/02/2015. The balance in 2015, except from the coupons of EFSF Notes, includes the accrued proceeds from the cash management account with Bank of Greece (BoG) amounted to € 258k.
- **Personnel expenses:** During the 3 month period ended March 31, 2015 the personnel expenses amounted to € 838k versus € 654k in the respective period of 2014. The increase is due to the increase of the number of personnel. The average number of employees for the 3 month period ended March 31, 2015 was 32, while during the respective period of 2014 was 23.
- **General administrative and other operating expenses:** During the 3 month period ended March 31, 2015 the operating expenses decreased to € 528k from € 797k in the respective period of 2014.
- **Result from financial instruments at fair value through profit or loss (FVTPL):** The result from financial instruments at FVTPL amounted to € 4,426m loss in the 3 month period ended 31/03/2015 versus € 1,428m gain in the respective period of 2014. The result in the first quarter of 2015 pertains to a) the revaluation loss of the Fund's shareholdings in the systemic banks and the sales of shares due to the exercise of warrants (Q1 2015: € 5,058m loss versus Q1 2014: € 2,503m gain) and b) the revaluation gain of the warrants (Q1 2015: € 632m gain versus Q1 2014: € 1,075m loss).
- **One-off expense:** The one-off expense relates to the pre-subscription fee amounted to € 555.6m, 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.
- **Cash and balances with banks:** As of March 31, 2015 the account amounted to € 344m versus € 670m as of December 31, 2014. The movement of the balance

in the 3 month period ended March 31, 2015 pertains to inflows of € 231m and outflows € 557m. 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.

- **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 the EFSF Notes, with nominal value of € 10.9bn to the EFSF on 27/02/2015.
- **Financial assets at fair value through profit or loss:** As of March 31, 2015 the market value of the Fund's equity portfolio of the four systemic banks' amounted to € 6.6bn versus € 11.6bn as of December 31, 2014. This has been increased to € 7.5bn in June 26, 2015.
- **Receivables from banks under liquidation:** As of March 31, 2015 receivables amounted to € 2,334m.
- **Capital:** Following the re-delivery of the EFSF Notes on 27/2/2015, the HFSF proceeded with the reduction of its paid in capital by the amount of € 10.9bn. As of March 31, 2015 HFSF's capital amounted to € 38.8bn.

## **B. Significant events in 2015 per systemic bank**

### **Alpha Bank:**

- 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.
- 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%.

### **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 Board decided to elect Mr. Nikolaos Karamouzis as President and Mr. Fokion Karavias as CEO.

### **National Bank of Greece:**

- 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 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 Zanias 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.

**Piraeus Bank:**

- In April 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.

The full report of the Fund's interim financial statement can be found at the following link: "[Interim Financial Statements for the period ended 31 March 2015](#)"

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***Hellenic Financial Stability Fund (HFSF)***

The Hellenic Financial Stability Fund (HFSF) was founded in July 2010 under the law 3864/2010 as a private legal entity it does not belong to the public sector and has administrative and financial autonomy. The objective of the HFSF shall be to contribute to the maintenance of the stability of the Greek banking system, for the sake of public interest. The HFSF shall act in line with the relevant commitments of the Greek Republic under Law 4046/2012 (A' 28).

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