



December 23<sup>rd</sup>, 2016

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**PRESS RELEASE**

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

The Hellenic Financial Stability Fund (HFSF or Fund) announces the issuance of its interim financial statements, for the nine month period ended September 30<sup>th</sup>, 2016.

The main points of the interim financial statements, during the above-mentioned period, are:

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

- **Interest income:** During the nine month period ended September 30<sup>th</sup>, 2016 the interest income amounted to € 9.9m versus € 15.0m in the respective period of 2015. The decrease results from the re-delivery of the European Financial Stability Facility (EFSF) Notes held by the Fund, on February 27<sup>th</sup>, 2015. The interest income in 2016 represents interest received from cash balances deposited at the Bank of Greece.
- **Personnel expenses:** During the nine month period ended September 30<sup>th</sup>, 2016 personnel expenses amounted to € 2.1m versus € 2.2m in the respective period of 2015.
- **General administrative and other operating expenses:** During the nine month period ended September 30<sup>th</sup>, 2016 operating expenses amounted to € 4.8m versus € 1.5m in the respective period of 2015. The increase in the operating expenses is attributed mainly to the advisory fees for services provided to HFSF in relation to specific projects undertaken by HFSF as part of the commitments set in the Memorandum of Understanding (MoU) signed in August 2015 and the sale of Finansbank by National Bank of Greece.
- **Result from financial Instruments at fair value through profit or loss:** This represents the financial result from the revaluation of bank's shares, warrants and contingent convertible bonds (CoCos) held by the Fund. The € 1,166.6m loss in the nine month period of 2016 (nine months of 2015: € 8,271.7m loss) comprises of the revaluation loss of the Fund's participations in the four systemic banks (nine months of 2016: € 1,118.3m loss, nine months of 2015: € 9,505.1m loss), the revaluation gain of warrants (nine months of 2016: € 0.9m gain, nine months of 2015: € 1,233.4m gain) and the revaluation loss of CoCos (nine months of 2016: € 49.2m loss, nine months of 2015: € 0).
- **Cash and balances with Banks:** As of September 30<sup>th</sup>, 2016 the Fund's cash and balances amounted to € 375.8m versus € 349.3m as of December 31st, 2015. The increase relates mainly from the payment of € 30.0m from the liquidation of ATEBank.
- **Financial assets at fair value through profit or loss:** The balance includes the Fund's investments in the four systemic banks and the CoCos issued by National Bank of Greece and Piraeus Bank. As of September 30<sup>th</sup>, 2016 the market value of shares amounted to € 1,265.9m

versus € 2,384.2m as of December 31<sup>st</sup>, 2015. The fair value of CoCos amounted to € 4,012.3m versus € 4,061.5m as of December 31<sup>st</sup>, 2015.

- **Receivables from banks under liquidation:** The balance pertains to the estimated recoverable amount of the funding gap, which has been covered by the Fund instead of the HDIGF, and amounted to € 1,937.2m as of September 30<sup>th</sup>, 2016 versus € 2,052.3m as of December 31<sup>st</sup>, 2015.

#### **B. HFSF's significant events after the reporting date**

- **Income received from CoCos:** In December of 2016 the Fund received in cash the total amount of € 330.96m relating to the annual coupon of CoCos. Specifically, the Fund received from Piraeus Bank the amount of € 165.92m on December 2<sup>nd</sup>, 2016 and from National Bank of Greece the amount of € 165.04m on December 9<sup>th</sup>, 2016. Additionally, on December 15<sup>th</sup>, 2016 the Fund received in cash from National Bank of Greece the amount of € 2.71m relating to the accrued income of CoCos for the period from December 9<sup>th</sup>, 2016 to December 14<sup>th</sup>, 2016.
- **Redemption of CoCos by NBG:** On December 15<sup>th</sup>, 2016 the Fund received in cash the amount of € 2,029.2m following the redemption of CoCos issued by NBG on December 9<sup>th</sup>, 2015. NBG proceeded with the redemption of its CoCos in line with the Bank's commitment to its restructuring plan and following the approval by SSM.

The **Deputy Chief Executive Officer of the HFSF, Mr. Eric Turret** on the occasion of the publication of interim financial statements, for the nine month period ended September 30<sup>th</sup>, 2016 noted:

"The activity of the Fund for the first nine months of 2016 has been focused on the delivery of major initiatives as part of the implementation of the MoU signed between the Hellenic Republic and the Institutions in 2015. In particular the Fund with the assistance of an independent international consultant, performed a thorough evaluation of the Board of Directors of the four systemic banks in accordance with international best practices and prevailing European and national compliance and legal frameworks. In addition, the Fund in cooperation with the Bank of Greece, completed an assessment of non-regulatory constraints and impediments (administrative, economic, legal etc.) to the development of a dynamic NPL market in Greece. Finally, the Fund continued to work closely with the banks as part of the monitoring of the implementation of their Restructuring plans, their compliance with the Relations Framework Agreement (RFA), and the successful completion of their divestment plans. In 2017, the HFSF will continue its effort to preserve financial stability and assist Greek banks for a sustainable recovery."

The full report of the Fund's interim financial statement can be found at the following link: ["Interim Financial Statement of the Hellenic Financial Stability Fund \(HFSF\) for the nine month period ended September 30th, 2016"](#).

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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.

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