

Hellenic Financial Stability Fund



Annual Financial Report
for the year ended 31/12/2013

June 2014



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Chairman's Foreword

In last year's annual report, I expressed the view that the seeds for exiting the Greek crisis were firmly planted, notwithstanding the significant effort that still lied ahead. A year down the road, and again from a mid-year vantage point, the pace at which the perception of Greece's prospects has improved and continues to improve, is quite remarkable. A year ago, anyone predicting this turn of fortune would have appeared way too optimistic.

Whereas financial markets may be leading indicators of developments in the underlying economy, they can have a major impact in accelerating such developments as we witnessed in the early stages of the crisis. The current improved market sentiment for Greece has definitely contributed significantly to the recovery of the banking sector.

The four systemic banks under Hellenic Financial Stability Fund's (HFSF) majority ownership were able to raise a remarkable €8.3 billion in a period of less than two months, 77% in excess of the base case capital needs as determined by the Bank of Greece's latest stress tests. HFSF's participation in the four systemic banks was diluted significantly as a large number of international and domestic investors participated in the banks' capital increases. In the case of Eurobank and Alpha Bank, certain investors obtained representation on the Board of Directors. Piraeus Bank and National Bank of Greece were also able to re-open the senior funding market raising a total of € 1.25 billion of unsecured 3-5 year funding. I would therefore say that very significant steps have been made towards achieving the objective of financial stability and returning the sector to normality. Additionally, the grounds have been laid for its further and full privatization.

Strongly capitalized and with access to funding, the banking sector is now well placed to increase its focus on performing its function of providing much needed credit to the economy and dealing with its operational challenges. This can only help accelerate the recovery of the underlying economy where there is increasing evidence that the fiscal and structural adjustments undertaken are paying off. Last year the government reported a primary fiscal surplus of nearly 1% of GDP following a primary deficit of more than 10% in the beginning of the crisis. In the first quarter of 2014, GDP contracted by 0.9%, compared to a 6% contraction in the first quarter of 2013, and is expected to post a positive sign for 2014 overall. Importantly, the unemployment rate, which is a lagging indicator of economic activity, has begun to improve with a reduction to 26.6% as of March 2014, 1.1% lower from its peak in September 2013.

Keynote events during 2013 include the HFSF becoming the major shareholder of the four systemic banks, following their first round of recapitalization in May/June 2013 under the provisions of Law 3864/2010. Three of them achieved private sector participation of 10% plus, whereas Eurobank was recapitalized fully by HFSF and implemented senior management changes.

The HFSF handled successfully the sale of New Hellenic Postbank to Eurobank. It provided the necessary capital to New Proton Bank and disposed its operations to Eurobank, thus fulfilling its objective of selling the two transitional credit institutions. It also provided the necessary funding support for the resolution of Probank, FBB and three co-operative banks. Furthermore the HFSF was involved in the assumption of the Greek assets of three Cypriot banks by Piraeus Bank following the Cypriot crisis in the spring of 2013.

Following the recapitalizations in 2013, the HFSF entered into Relationship Framework Agreements (RFAs) with the four pillar banks in which it provided capital support. These define the HFSF's role as a shareholder, notably in monitoring the implementation of the banks' restructuring plans as negotiated and agreed with DG Competition, and safeguard the banks' operational independence. They also give the HFSF certain approval and veto rights. Currently, there is a review process initiated by the HFSF aiming to the revision of the RFAs based on the experience gained from a year of implementation and the recent successful recapitalizations.

The HFSF participated also in the consultation process for the amendment of the legal framework for the recapitalization of the viable banks, which defines the divestment process of HFSF's participations in the banks and the conditions under which it can provide capital support going forward.

Concluding, I would remark that 2013 and the first half of 2014 was a period full of challenges during which the HFSF has overseen significant positive developments in the banking sector, which, we believe will translate into benefits for the wider economy.



General Council and Executive Board Report

The Hellenic Financial Stability Fund

The Hellenic Financial Stability Fund (hereinafter the “Fund” or “HFSF”) was founded in July 2010 (under Law 3864/2010) as a private legal entity and does not belong to the 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 applicable. On a supplementary basis, the provisions of company codified Law 2190/1920 are applied as in force, provided that 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 its entire capital being subscribed by the Greek government, nor by the issuance of the relevant decisions by the Minister of Finance.

The purpose of the Fund is to contribute to the maintenance of the stability of the Greek banking system, for the sake of public interest. In pursuing this objective, the Fund provides capital support to credit institutions and to transitional credit institutions established under art. 142 of Law 4261/2014 (which replaced the Law 3601/2007), under terms and conditions which take into account the rules of prudent use and management of the assets of the Fund. It monitors and assesses how credit institutions, to which capital support is provided by the Fund, comply with their restructuring plans, safeguarding at the same time the business autonomy of the credit institution. The Fund ensures that such credit institutions operate on market terms and that private sector participation in them be enhanced on the basis of transparent procedures and on the EU legislation on state aid. The Fund exercises its shareholding rights deriving from its participation in the credit institutions to which capital support is provided by the Fund. It disposes in whole or partially, of financial instruments issued by the credit institutions in which it participates, according to the provisions of the Law 3864/2010. It exercises its rights on the transitional credit institutions of article 142 of Law 4261/2014 according to the provisions of the Law 3864/2010 and Law 4261/2014.

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 (Government Gazette 319/30.9.2010). On 30/01/2013 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 amended by the decisions of the Minister of Finance 04960/B1112.B (Government Gazette YODD 193/30.4.2013), 19582/B1195 (Government Gazette YODD 210/7.5.2013), 20532/B.1252 (Government Gazette YODD 215/15.5.2013), 36922/B.2149 (Government Gazette YODD 421/29.8.2013), GDOP11361EX2013/B.2183 (Government Gazette YODD 430/6.9.2013), GDOP0000276EX/B.2896 (Government Gazette YODD 4/13.1.2014), GDOP0000038EX2014/B.53 (Government Gazette YODD 6/14.1.2014), GDOP0000046EX2014/B.54 (Government Gazette YODD 9/15.1.2014) and GDOP0000569EX2014/B.793 (Government Gazette YODD 254/8.5.2014).

From the date of enactment of Law 4051/2012 (Government Gazette A 40/29.2.2012) as amended by Law 4224/2013, the Fund covers the amount that the Hellenic Deposit & Investment Guarantee Fund (hereinafter HDIGF) would have paid for the process of the resolution of the credit institutions in accordance to Law 4261/2014 until 31/12/2014. Specifically the Fund is obliged to pay the amount as per paragraph 13 of article 141 and paragraph 7 of article 142 of the aforementioned law. In this case the Fund is obliged to acquire the right and the privilege of the HDIGF in accordance to paragraph 4 of Article 13A of the Law 3746/2009.

Within the framework of accomplishing its objective, the Fund should manage its capital and its assets and exercise the rights in its capacity as shareholder in a way to protect the value of such assets, to minimize the risks for the Greek public and neither prevents nor distorts the competition in the banking sector.

The scope of the Fund does not include the provision of liquidity assistance, which is provided according to Law 3723/2008 or according to the operating framework of the Eurosystem and the Bank of Greece (hereinafter BoG).

In addition, the Fund may provide guarantees to states, international organizations or other recipients and generally, take any action required for the implementation of decisions of the Euro area bodies concerning the support of the Greek economy.



Significant Events during the Financial Year 2013

The Fund's Capital Increase

Following the Acceptance Notice signed on 23/05/2013 by the HFSF, the European Financial Stability Facility (hereinafter the "EFSF"), the Hellenic Republic and the BoG, the HFSF received EFSF Floating Rate Notes (hereinafter "FRNs") on 31/05/2013 with a nominal amount of € 7,200m and increased its capital to € 49,700m.

New Management structure of the Fund

A new management structure was established in the Fund on 01/02/2013, as provisioned in art. 4 of Law 3864/2010 as in force. The BoD was substituted by the Executive Board and the General Council.

Systemic Banks: Recapitalization and other issues

During May and June 2013 the four systemic banks completed their share capital increases (SCIs). The amount that the Fund contributed for the SCIs was lower than the one determined by the BoG, due to private sector participation in the SCIs. The nominal amount of EFSF FRNs actually disbursed amounted to € 24,998.1m, whereas the fair value of the EFSF FRNs amounted to € 25,522.2m. The fair value of the EFSF FRNs was determined by external valuers according to par. 4 of article 9 of codified Law 2190/1920.

Alpha Bank S.A.

Alpha Bank S.A. (hereinafter "Alpha") achieved the 10% private sector participation through the subscription in the bank's share capital increase with preemption rights amounting to € 457.1m and additionally a 2% private placement amounting to € 92.9m to institutional and other qualified investors. Following the aforementioned subscription of € 550m in cash and given that the bank's total capital requirements were € 4,571m the bank needed to raise € 4,021m from the HFSF. Given that the EFSF FRNs given to Alpha as an advance for its capital increase amounted to € 2,942m (nominal amount) the HFSF contributed additional EFSF FRNs of a nominal amount totaling € 1,018.5m. Therefore the total nominal amount of EFSF FRNs given to Alpha Bank was € 3,960.5 and their fair value was € 4,021m. Following the delivery of 9,138,636,364 common registered shares with restricted voting rights to the HFSF, its shareholding in Alpha reached 83.70%. It is noted that based on the number of private investors who subscribed to the share capital increase and were eligible for warrants, the number of shares per warrant issued amounted to 7.4087, i.e. a total of 1,233,503,482 warrants were issued. The first warrants exercise of Alpha took place on 10/12/2013. The exercised warrants were 28,800,631 corresponding to 213,368,583 shares which were transferred from the HFSF to the investors who paid an amount of € 95.8m to the Fund, reducing the HFSF's shareholding to 81.71%.

On 01/02/2013 Alpha completed the acquisition of Emporiki Bank S.A (hereinafter "Emporiki") and on 28/06/2013 completed the legal merger with Emporiki.

Piraeus Bank S.A.

On 06/02/2013, Piraeus Bank S.A. (hereinafter "Piraeus") announced that it is under exclusive negotiations with Millennium BCP (hereinafter "BCP"), for the acquisition of its subsidiary in Greece, Millennium Bank of Greece S.A. (hereinafter "MBG"). On 19/04/2013, the Fund gave its consent to Piraeus to proceed with the acquisition of MBG. On 19/06/2013, Piraeus announced the completion of the acquisition of the total share capital of MBG after receiving all the necessary regulatory approvals. Before the completion of the transaction, MBG's parent company BCP capitalized MBG with € 413m while it invested another € 400m in Piraeus' share capital increase in June 2013. MBG merged with Piraeus in December 2013.

Following the Eurogroup's decision on 16/03/2013, the BoG called for the expression of interest from the Greek Banks for the acquisition of the Cypriot Banks' operations in Greece. Following the relevant expression of interest, on 22/03/2013 the HFSF granted its consent to Piraeus to acquire the Cypriot Banks' operations in Greece. On 26/03/2013 Piraeus signed an agreement to acquire all of the Greek deposits, loans and branches of Bank of Cyprus (hereinafter "BoC"), Cyprus Popular Bank (hereinafter "CPB") and Hellenic Bank (hereinafter "Hellenic"). According to the BoG's decision dated 26/04/2013 the HFSF provided Piraeus with the additional capital required amounting to € 524m on 18/06/2013.

Piraeus proceeded with a share capital increase of € 8,429m, which consisted of the capital requirement of € 7,335m, the capital of € 570m needed because of ATE bank's transferred assets and the € 524m needed due to the acquisition



of the Greek assets of the Cypriot banks. Private investors subscribed € 1,444m in cash and the Fund subscribed € 6,985m in the form of EFSF FRNs. The HFSF had already contributed to Piraeus EFSF FRNs with a nominal amount of € 7,347m (€ 4,700m on 28/05/2012, € 1,553m on 21/12/2012, € 570m on 10/04/2013 and € 524m on 18/06/2013) as an advance to its capital increase. In the context of the settlement of the recapitalization, and following the fair value of the bonds given as advance, Piraeus returned to the HFSF EFSF FRNs of nominal amount € 499.5m thus reducing the nominal value of the EFSF FRNs contributed to € 6,847.5m. Following the delivery of 4,109,040,164 common registered shares with restricted voting rights the HFSF's shareholding in Piraeus reached 81.01%. Out of the total number of shares held by the Fund, 308,235,294 correspond to the part of the share capital increase which pertained to the Cypriot banks (€ 524m.) are freely transferrable (no warrants issued). It is noted that based on the number of private investors who subscribed to the share capital increase, the number of shares per warrant issued amounted to 4.4758, i.e. a total of 849,195,130 warrants were issued. The first warrants exercise of Piraeus took place on 02/01/2014. The exercised warrants amounted to 603,280 corresponding to 2,700,125 shares transferred from the HFSF to the investors who paid an amount of € 4.7m to the Fund, reducing the Fund's shareholding to 80.95%.

National Bank of Greece S.A.

In the context of National Bank of Greece S.A.'s (hereinafter NBG) recapitalization, the HFSF had already contributed EFSF FRNs with a nominal amount of € 9,756m as a capital advance (€ 7,430m on 28/05/2012 and € 2,326m on 21/12/2012). Based on the subscription in cash by private investors which reached € 1,079m (11.06% of total) and the fair valuation of the EFSF FRNs already contributed, NBG returned to the HFSF EFSF FRNs of nominal amount of € 1,291.7m. Following the delivery of 2,022,579,237 common registered shares with restricted voting rights to the HFSF, its shareholding in NBG reached 84.39%. It is noted that based on the number of private investors who subscribed to the share capital increase and were eligible for warrants, the number of shares per warrant issued amounted to 8.2292, i.e. a total of 245,779,626 warrants were issued. The first exercise of warrants took place on 27/12/2013. The exercised warrants amounted to 31,046 corresponding to 255,410 shares which were transferred from the HFSF to the investors who paid an amount of € 1.1m to the Fund. Following the warrants' exercise the Fund's shareholding in the bank decreased to 84.38%.

Eurobank Ergasias S.A.

Eurobank Ergasias S.A. (hereinafter "Eurobank") decided that its share capital increase will be subscribed solely by the Fund so that it could be fully capitalized as per the BoG's requirements. The total share capital increase amounted to € 5,839m. Given that the EFSF FRNs already held by Eurobank as an advance amounted to € 5,311m (nominal amount), the HFSF contributed additional EFSF FRNs of nominal amount € 528m to Eurobank on 30/04/2013 to cover its capital requirements. In accordance with the fair valuation performed on the contributed EFSF FRNs, Eurobank returned to the Fund EFSF FRNs with a nominal amount of € 113.2m. Following the delivery of Eurobank's shares to the HFSF (3,789,317,358 common registered shares), the HFSF's shareholding in Eurobank reached 98.56%. Following share capital increase of Eurobank in the context of an exchange of hybrid and subordinated securities for new common shares and the acquisition of New Hellenic Postbank S.A. (hereinafter "New HPB"), the Fund's shareholding in Eurobank stood at 95.23%.

Relationship Framework Agreements (RFAs)

The Fund announced on 10/07/2013 (www.hfsf.gr) that the Relationship Framework Agreements (hereinafter RFAs) have been signed between the Fund and the four systemic banks which received capital support from the HFSF. The Fund has different RFAs for transitional credit institutions, for banks where the HFSF fully exercises its voting rights (private sector participation less than 10%) and for those where the HFSF has restricted voting rights (private sector participation equal or more than 10%), as per L. 3864/2010.

These Agreements determine the relationship between each bank and the HFSF and the matters related with, amongst others, (a) the corporate governance of the Bank, (b) the development and approval of the Restructuring Plan, (c) the material obligations of the Restructuring Plan and the switch of voting rights, (d) the monitoring of the implementation of the Restructuring Plan and the Bank's risk profile and (e) the HFSF's consent rights.

Transitional Credit Institutions (TCIs)

New Hellenic Postbank S.A.

On 18/01/2013 and after an inconclusive procedure of binding offers submission for the acquisition of the assets and liabilities of Hellenic Postbank, the BoG proceeded with the resolution of Hellenic Postbank and the establishment of



a transitional credit institution, in the context of Law 4261/2014, as in force, by the legal name of New Hellenic Postbank S.A. (hereinafter “New HPB”). All deposits, the branch network, the viable business and most part of the “old” bank’s assets were transferred to New HPB. The share capital of the transitional credit institution was set to € 500m and was fully paid up by the Fund (in the form of EFSF FRNs) which became its sole shareholder. Moreover, the Fund covered instead of the HDIGF and according to the relevant Law in force (4051/2012) the funding gap. Specifically on 29/01/2013, an amount of € 2,730.8m in the form of EFSF FRNs, was disbursed to New HPB according to the provision of Law 4261/2014. Following the issuance of the BoG’s decision for the determination of the final funding gap amounting to € 3,732.6m (EME 11/21.05.2013), on 14/06/2013 the HFSF contributed the remaining EFSF FRNs with nominal amount € 1,001.8m to the New HPB.

On 14/02/2013 the Fund disbursed the amount of € 227m in cash, instead of HDIGF, to New HPB. This amount represented part of the funding gap determined by the BoG, after the liquidation of T-Bank S.A. (hereinafter “T-Bank”) and the transfer of its assets and liabilities to Hellenic Postbank, as it was temporarily determined by the BoG decision (EPATH 26/2/17.12.2011) and finally determined by the decision of EME 2/1/09.04.2012.

In June 2013 the Fund initiated the process of divesting New HPB in which all four systemic Greek banks participated but no international interest was registered. Goldman Sachs was appointed to run the process and advise the Fund’s management. On 13/07/2013, the Fund’s General Council decided to select Eurobank as the preferred bidder for the acquisition of 100% of New HPB’s share capital. The relevant agreement was signed between the two parties on 15/07/2013. The transfer of shares was completed on 30/08/2013. Eurobank’s consideration offered was € 681m in the context of a share capital increase through the issuance of 1,418,750,000 new ordinary Eurobank shares at an issue price of € 0.48 per share fully subscribed by the Fund in the form of New HPB shares.

New Proton S.A.

During the second quarter of 2013 the HFSF initiated a process to divest of New Proton S.A. (hereinafter “New Proton”), which was managed by Rothschild. Although an infopack was sent to several investors, the Fund received only two final offers for the acquisition of New Proton from Eurobank and a foreign fund of which only Eurobank’s offer was fully compliant with the BoG provisions for the sale. Therefore on 12/07/2013, the Fund selected Eurobank for the acquisition of 100% of New Proton’s share capital. The relevant Share Purchase Agreement (SPA) was signed between the two parties on 15/07/2013. The Fund committed to recapitalize New Proton with an amount of € 395m prior to the transfer of the shares to Eurobank. This commitment was fulfilled on 28/08/2013 and the transfer of the shares was completed on 30/08/2013 with Eurobank’s consideration paid being € 1.

New Proton and New HPB were absorbed by Eurobank on 22/11/2013 and 27/12/2013 respectively.

Banks under Liquidation

According to par. 15 of article 9 of Law 4051/2012 (A’ 40) as amended by Law 4224/2013, the Fund has to contribute up to 31/12/2014 the amount that the HDIGF would have covered, in the context of the resolution of financial institutions, as foreseen by par. 13 of art. 141 and par. 7 of art. 142 of Law 4261/2014. 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.

The funding gaps contributed within 2013 in addition to the funding gaps granted to the aforementioned transitional credit institutions are the following:

ATE Bank S.A.

On 28/01/2013 the BoG issued a decision, to determine the final funding gap of ATE Bank S.A. (hereinafter “ATE”) under liquidation. The final funding gap was € 7,470.7m, that is € 794.8m more than the initial one determined by the BoG and was paid to Piraeus by the HFSF on 26/03/2013 by means of EFSF FRNs. The additional regulatory capital support related to the ATE resolution was set by BoG at € 570m. This amount was paid by the Fund to Piraeus as a capital advance in the form of EFSF FRNs on 10/04/2013.



Probank S.A.

Following the BoG's decision on 26/07/2013 to proceed with the liquidation of Probank S.A. (hereinafter "Probank") and its decision to transfer the selected assets and liabilities of Probank to NBG, the Fund paid an amount of € 158.4m in cash on behalf of the HDIGF, to cover the 2/3 of the initial funding gap determined by the BoG estimated at € 237.6m. The BoG with its decision on 30/12/2013 finalised the funding gap to € 563m and the difference was covered by the Fund in cash on 31/12/2013.

First Business Bank S.A.

Following the BoG's decision on 10/05/2013 to proceed with the liquidation of First Business Bank S.A. (hereinafter "FBB") and its decision to transfer the selected assets and liabilities of FBB to NBG, the Fund disbursed on 28/06/2013 EFSF FRNs with a nominal amount of € 349.6m to cover the 2/3 of the initial funding gap estimated at € 524.3m. The BoG with its decision on 07/11/2013 finalised FBB's funding gap to the amount of € 457m, which was covered by the Fund in the form of EFSF FRNs.

Cooperative Banks of Dodecanese, West Macedonia and Evia

On 08/12/2013 Alpha acquired the deposits of three (3) cooperative banks, the "Cooperative Bank of Dodecanese", "Cooperative Bank of West Macedonia" and "Cooperative Bank of Evia" following the BoG's decision to revoke the banking licenses of the aforementioned Cooperative Banks, put them under mandatory special liquidation and transfer their deposits to Alpha Bank. On 20/12/2013 the HFSF disbursed € 284.6m in EFSF FRNs covering the 2/3 of the initial funding gap of the co-operative banks estimated at € 426.9m. On 10/06/2014 the BoG determined the final funding gap of Dodecanese and Evia Cooperative banks to the amounts of € 258.6m and € 105.2m respectively.

Collections from liquidations

In December 2013 the Fund received a total of € 237.3m from the banks under liquidation. Specifically, the Fund received € 220m for ATE, € 4.3m for Proton Bank, € 6m for the Cooperative Bank of Lamia and € 7m for the Cooperative Bank of Lesbos & Limnos. On 22/11/2013 following the decision of the T-Bank's liquidator, the Fund recovered € 2m, which was received on 18/02/2014. Moreover, the Fund received the amount of € 38m from Achaiki's liquidation on 27/02/2014.

The Fund's Financial Performance during the Financial Year 2013

Statement of Comprehensive Income

Interest income: During 2013 interest income amounted to € 167.6m versus € 232.3m for 2012. The decrease in interest income versus 2012 is due to a) the decrease of the amount of EFSF FRNs held by the Fund due to the completion of the systemic banks' recapitalization and the transfer of EFSF FRNs to cover the funding gaps of banks under liquidation, which together amounted to € 30,767.1m and b) the decrease in the EFSF FRN's base rate (6M Euribor). Further information on the above is provided in Notes 6 and 17 to the financial statements.

Commission income: During 2013 commission income amounted to € 110.7m versus € 665.8m for 2012. The amount of commission income for 2013 pertains to the 1% annual underwriting fee on the nominal amount of the EFSF FRNs that the banks received for their recapitalization, whereas, for 2012 it comprises of a) € 110.2m which pertains to the 1% annual underwriting fee on the nominal amount of the EFSF FRNs that the banks had received for their capital advance, and b) € 555.6m which pertains to the one-off presubscription fee paid by the banks in December 2012 for their capital advance as per par. 7 art. 16C of L. 3864/2010. Further information on the above is provided in Note 18 to the financial statements.

Personnel expenses: During 2013 the said account amounted to € 2.3m versus € 2m for 2012. Further information on the above is provided in Note 19 to the financial statements.

Impairments of investments and receivables and provision charges for funding gap: The said account amounted to € 4,325.8m for 2013 (2012: € 6,354.6m) and pertains to the impairment loss for the Fund's receivables from banks under liquidation and the provision charges for funding gaps.

Specifically, the impairment loss for 2013 amounted to € 4,164.7m (2012: € 5,332.8m) and pertains to the impairment of the Fund's receivables from Banks under liquidation. The impairment loss for 2013 is broken down as follows:



Cooperative Bank of Lamia (€ 1.6m), Lesvos-Limnos Cooperative Bank (€ 2.1m), HPB (€ 3,352.3m), FBB (€ 376.7m) Probank (€ 434m). An amount of € 2m was recovered from the liquidation process of T-Bank which reduced the impairment charges for the year 2013 as the receivable was fully impaired in 2012. The impairment loss of € 5,332.8m for 2012 is broken down into € 295m from the impairment of the Fund's investment in New Proton and € 5,037.8m in impairment losses from the Fund's receivables from banks under liquidation as follows: Achaiki Cooperative Bank (€ 61.6m), Cooperative Bank of Lamia (€ 7.9m), Lesvos-Limnos Cooperative Bank (€ 19.5m), Proton Bank (€ 243.6m) and ATE (€ 4,705.2m). Further information on the above is provided in Notes 6 and 11 to the financial statements. The provision charges for funding gap as of 31/12/2013 amounted to € 161.1m and pertains to a) the remaining amount of € 133.8m (Dodecanese Cooperative Bank: € 92.5m and Evia Cooperative Bank: € 41.2m) to be paid for the final funding gap as determined by the BoG on 10/06/2014 (Dodecanese Cooperative Bank final funding gap: € 258.6m and Evia Cooperative Bank final funding gap: € 105.2m), 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). For 2012 the provision charges for funding gap amounted to € 1,021.8m. The 2012 figure is analysed as follows: a) € 794.8m due to ATE's additional funding gap (paid by the HFSF in EFSF FRNS on 26/03/2013 instead of the HDIGF), and b) the € 227m remaining amount of T-Bank's funding gap (paid by the HFSF in cash on 14/02/2013 instead of the HDIGF). Further information on the above is provided in Note 13 to the financial statements.

Gain/(Loss) from Investment Securities: The € 434m gain pertains to a) a € 524.1m gain incurred following the completion of the 4 systemic banks' recapitalization in May and June 2013, which derived from the difference between the fair value and nominal value of the EFSF FRNs at the time of contribution b) a € 395m loss incurred from the sale of New Proton to Eurobank, and c) a € 304.9m profit from the sale of New HPB to Eurobank in August. Further information on the above is provided in Note 21 to the financial statements.

Gain/(Loss) from Financial Instruments at Fair Value through Profit or Loss: The € 5,982.7m loss pertains to a) the revaluation loss from the Fund's shareholdings in the 4 systemic banks (€ 3,702.3m) and the revaluation loss from the warrants (€ 2,282.3m), and b) a € 1.9m gain from the exercise of Alpha Bank's and NBG's warrants in December (selling price less acquisition cost). Further information on the above is provided in Note 22 to the financial statements.

General administrative and other operating expenses: During 2013 operating expenses amounted to € 11m versus € 2.9m for 2012. The main reasons for the increase in operating expenses are a) fees for services rendered from investment banks for the share capital increases and other transactions of the banks as well as for the sale of the transitional credit institutions, and b) custody fees for the recapitalized banks' shares held by the Fund. Further information on the above is provided in Note 20 to the financial statements.

Other income/(expenses): The said account for 2013 amounted to € 2.2m [2012: € (301)], which includes mainly income of € 2.1m due to reimbursed invoices for financial advisory services offered from investment banks for the share capital increases of the 4 systemic banks, which had initially been paid by the Fund. Further information on the above is provided in Note 23 to the financial statements.

Statement of Financial Position

Cash and balances with Central Bank: As of 31/12/2013 the said account stood at € 488.8m versus € 827.8m as of 31/12/2012. The Fund's cash balances are deposited in a special interest-bearing account at the BoG. The movement of the account during 2013 pertains to outflows of € 1,253.1m and inflows of € 914.1m. The outflows were for the coverage of funding gaps (T-Bank: € 227m and Probank: € 562.7m), the contribution of New Proton's capital (€ 395m), the cash paid to Eurobank following the finalization of New HPB's net asset value calculation (€ 54.9m) and operating expenses and various other movements amounting to € 13.5m. The inflows were mainly from a) coupons amounting to € 46.1m received from the EFSF FRNs held by the Fund, b) interest/coupon payments amounting to € 311.8m from the banks which received FRNs from the Fund for the recapitalizations as well as funding gaps, c) the payment of the 1% annual underwriting fee payment from the recapitalized banks amounting to € 220.9m, d) € 237.3m of recoveries from the liquidators, e) € 96.9m from the exercise of Alpha's and NBG's warrants and f) € 1.1m from the reimbursement of fees. The main movements of the account during 2012 pertain to outflows of € 295m for New Proton's capital increases, € 725.2m for funding gaps and inflows of € 555.6m from presubscription commissions paid



by the banks in December 2012. Further information on the above is provided in the statement of cash flows and Note 5 to the financial statements.

Investment securities - Available for sale securities: In January 2013, the share capital of the transitional credit institution New HPB was set by BoG to € 500m and was fully paid up by the Fund as its sole shareholder (in the form of EFSF FRNs). In exchange for 100% of the shares and voting rights of New HPB, Eurobank agreed to pay a total consideration of € 681m in the form of newly issued Eurobank ordinary shares in August 2013. The market value of the shares acquired amounted to € 859.8m at the date of the sale. HFSF also paid in cash an amount of € 54.9m, following the finalization of the New HPB's net asset value calculation.

As far as New Proton is concerned, in August 2013, Eurobank paid a € 1 cash consideration in exchange for 100% of the bank's shares. Prior to completion of the transaction, the HFSF covered the capital needs of New Proton by contributing € 395m in cash. The available for sale securities as of 31/12/2012 included the impaired investment in New Proton. Specifically, following an impairment test conducted based on New Proton's financial statements as of 31/12/2012, it was concluded that an impairment of the total value of the HFSF's participation of € 295m had to be made due to the bank's negative equity position. Further information on the above is provided in Note 6 to the financial statements.

Investment securities - Loans and receivables: As of 31/12/2013 this account stood at € 10,938m and included the carrying amount of the EFSF FRNs held by the HFSF, whereas as of 31/12/2012 the account stood at € 34,695.4m and included the carrying amount EFSF FRNs contributed to the banks in the context of their recapitalization as a capital advance as well as the FRNs held by the Fund. The movement during 2013 pertains to a) the Fund's € 7,200m capital increase, b) the transfer of € 24,998.1m (nominal value) for the recapitalization of the 4 systemic banks, c) the transfer of FRNs amounting to € 500m (nominal value) for capital for the transitional credit institutions, d) the transfer of € 5,269m (nominal value) to cover funding gaps of banks under liquidation, and e) the reduction of accrued interest by € 190.3m due to the decrease in the FRNs held by the Fund and the drop in the FRNs' base rate. Further information on the above is provided in Note 6 to the financial statements.

Financial assets at fair value through profit or loss: The said account includes the Fund's investments in the 4 systemic banks, namely NBG, Piraeus, Alpha and Eurobank, following the completion of their recapitalization. As of 31/12/2013 the Fund's portfolio fair value stood at € 22,584.7m (31/12/2012: 0). Further information on the above is provided in Note 7 to the financial statements.

Receivables from banks under liquidation: The said account as of 31/12/2013 stood at € 2,853.1m (31/12/2012: € 2,218.2m). For 2013, the amount pertains to the funding gaps, which have been covered by the Fund instead of the HDIGF in the form of EFSF FRNs with nominal amount € 5,269m and cash amounting to € 790m. Based on data received from the liquidators, the Fund recognized in the Statement of Comprehensive Income an impairment loss on the said receivables amounting to a total of € 4,164.7m. For 2012, the amount pertains to the funding gaps (covered by EFSF FRNs with nominal amount: € 6,530.8m and cash amounting to € 725.2m), which have been covered by the Fund, instead of the HDIGF. Based on data received from the liquidators, the Fund recognized in the Statement of Comprehensive Income an impairment loss on the said receivables amounting to a total of € 5,037.8m. It is noted that the liquidation proceeds may vary as the liquidation process is a dynamic process, its time horizon is unknown and the proceeds are subject to factors beyond the liquidators control such as the macroeconomic outlook. Further information on the above is provided in Notes 6 and 11 to the financial statements.

Derivative Financial Liability: The said liability account as of 31/12/2013 stood at € 2,282.3m (31/12/2012: 0). The account includes the warrants at fair value, which were issued by the HFSF in connection to the shares held by the HFSF in the three systemic banks following their recapitalization. Further information on the above is provided in Note 14 to the financial statements.

Capital: Following the Acceptance Notice signed on 23/05/2013 by the HFSF, the EFSF, the Hellenic Republic and the BoG, the HFSF received EFSF FRNs on 31/05/2013 with a nominal amount of € 7,200m, which resulted to the increase of HFSF's capital to € 49,700m. Further information on the above is provided in Note 16 to the financial statements.

Equity: During 2013 the loss amounted to € 9,607.5m and the accumulated deficit increased to € 15,278.1m from € 5,670.6m in 2012. Given the capital increase and the increase of the accumulated deficit the total equity decreased to € 34,421.9m in 2013 from € 36,829.4m in 2012.



Systemic Banks' Overview and performance

National Bank of Greece S.A.

Bank overview

NBG is incorporated and domiciles in Greece and its shares are listed on the Athens Exchange and on the New York Stock Exchange in the form of American Depositary Receipts (hereinafter "ADRs"). The Bank's headquarters are located at 86 Eolou Street, Athens, Greece (www.nbg.gr).

NBG and its subsidiaries provide a wide range of financial services including retail and commercial banking, asset management, brokerage, investment banking, insurance and real estate at a global level. The Group operates in Greece, Turkey, UK, South East Europe ("SEE") which includes Bulgaria, Romania, Albania, Serbia and FYROM, Cyprus, Malta, Egypt and South Africa.

Board of Directors

Georgios P. Zanias (Non-Executive Chairman), Executive Members: Alexandros G. Tourkolias (Chief Executive Officer), Petros N. Christodoulou (Deputy Chief Executive Officer), Non-Executive Members: Stavros A. Koukos, Efthymios C. Katsikas, Dimitrios N. Afendoulis. Independent Non-Executive Members: Stefanos C. Vavalidis, Alexandra T. Papalexopoulou – Benopoulou, Petros K. Sabatacakis, Maria A. Frangista, Panagiotis - Aristeidis A. Thomopoulos, Spyridon J. Theodoropoulos, Alexandros N. Makridis (Greek State representative), Charalampos A. Makkas (Hellenic Financial Stability Fund representative).

Significant events during 2013 and up to the issuance date of Fund's annual financial report

- On 15/02/2013, following NBG's voluntary share exchange offer (hereinafter "tender offer") to acquire all the outstanding ordinary registered shares issued by Eurobank at an exchange ratio of 58 NBG new ordinary registered shares for 100 Eurobank shares, 84.35% of Eurobank's shareholders offered their shares. The bank's BoD certified the share capital increase on 22/02/2013, henceforth the bank's share capital increased by € 270.5m through the issuance of 270,510,718 new ordinary shares.
- On 19/03/2013, NBG's BoD approved the commencement of the merger with Eurobank. On 07/04/2013, the BoG notified the banks that the recapitalization process for the four systemic banks should be completed by the end of April 2013. After this announcement, on 08/04/2013, NBG and Eurobank announced that they would be recapitalized fully and independently of one another and that the merger process would be suspended until the completion of the recapitalization procedure.
- On 13/05/2013 NBG absorbed the selected assets and liabilities of FBB following its resolution. The absorption of FBB's assets was accompanied by a respective € 457m injection by the HFSF in the form of EFSF FRNs to cover FBB's funding gap.
- On 31/05/2013 the bank launched a tender offer to repurchase for cash 22,500,000 out of the 25,000,000 outstanding American Depositary Shares (hereinafter "ADS") against \$ 12.50 per ADS. As of 28/06/2013, which was the expiration time of the tender offer, 12,360,169 ADSs were validly tendered, representing approximately 49.4% of the ADSs outstanding at the expiration time. Based on the results of the Offer, the aggregate purchase cost for the tendered ADSs was \$ 155m. On 03/07/2013, the purchase of the 12,360,169 ADSs was settled by the bank. The bank subsequently cancelled the 12,360,169 Non-Cumulative Preference Shares underlying the ADSs.
- In the context of NBG's € 9,756m recapitalization through a share capital increase in June 2013 with an issue price of € 4.29 per share, private investors contributed € 1,079m in cash and the HFSF contributed EFSF FRNs of fair value € 8,677m.
- On 26/07/2013, NBG acquired part of the assets and liabilities of Probank following its resolution. The absorption of Probank's assets was accompanied by a respective € 562.7m cash injection by the HFSF to NBG to cover Probank's funding gap.
- NBG signed on 25/11/2013 with Invel Real Estate (Netherlands) II BV an agreement for the sale and transfer of a 66% stake in its subsidiary National Pangaea REIC (hereinafter "Pangaea") for a total consideration of € 653m and NBG retains a 34% stake in Pangaea. In addition, it continues to control Pangaea for up to 5 years, appointing the majority of the members of the Board of Directors and the Investment Committee.



ΤΑΜΕΙΟ ΧΡΗΜΑΤΟΠΙΣΤΩΤΙΚΗΣ ΣΤΑΘΕΡΟΤΗΤΑΣ

HELLENIC FINANCIAL STABILITY FUND

- At the first exercise period in December 2013, 31,046 warrants were exercised, which represented 255,410 shares. Following the exercise the HFSF's shareholding in NBG decreased to 84.38% and the total amount of warrants outstanding stood at 245,748,580.
- NBG's voluntary retirement/exit scheme (hereinafter VRES) was completed on 30/12/2013. The total number of employees that participated in the VRES reached approximately 2,500 and the total cost for the bank amounted to € 188m.
- On 10/02/2014 NBG chose Jermyn Street Real Estate Fund IV LP as the preferred investor for the sale of its stake in Astir Palace Vouliagmeni S.A. The consideration agreed was € 400m.
- The bank issued through its subsidiary NBG Finance PLC a € 750m five-year senior unsecured bond guaranteed by NBG. The bond had a 4.5% yield at issuance, while the annual coupon is 4.375%.
- On 06/03/2014 the BoG informed NBG that its capital shortfall arising from the stress test (BlackRock) amounted to € 2,183m.
- 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 capital increase the Fund's shareholding in the bank decreased from 84.38% to 57.24%.

Financial information

Statement of Financial Position

	31/12/2013	31/12/2012	Δ
Cash and Reserves	5,910	4,500	31%
Interbank Placements	2,847	4,318	-34%
Financial Assets	20,707	13,903	49%
Loans	67,250	69,135	-3%
Tangible Assets	2,290	2,249	2%
Goodwill and Intangibles	1,709	2,138	-20%
Deferred Tax Asset	2,409	2,189	10%
Other Assets	7,808	6,366	23%
Total Assets	110,930	104,798	6%
Interbank Liabilities	27,898	33,972	-18%
Due to Customers	62,876	58,722	7%
Debt Securities in Issue	3,807	3,772	1%
Other Liabilities	8,552	10,547	-19%
Total Equity	7,795	-2,214	-452%
Total Liabilities and Equity	110,930	104,798	6%

Income Statement

	FY13	FY12	yoy%
Net Interest Income	3,157	3,365	-6%
Net Fees	530	495	7%
Other Income	217	-488	-144%
Total Income	3,905	3,373	16%
Operating expenses	-2,354	-2,336	1%
Pre-provision Earnings	1,551	1,037	50%
Loan Provision Charges	-1,627	-2,532	-36%
Core Profit	-76	-1,495	-95%
Other Impairments/reversals	521	-418	-225%
Taxes	-86	-158	-46%
Non-controlling Interests and Non-cash Charges	-23	-23	0%
Attributable Profit After Tax (before one-offs)	335	-2,093	-116%
Deferred Tax Asset & Other One-offs	474	-47	-1109%
Attributable Profit After Tax	809	-2,140	-138%



TAMEIO ΧΡΗΜΑΤΟΠΙΣΤΩΤΙΚΗΣ ΣΤΑΘΕΡΟΤΗΤΑΣ

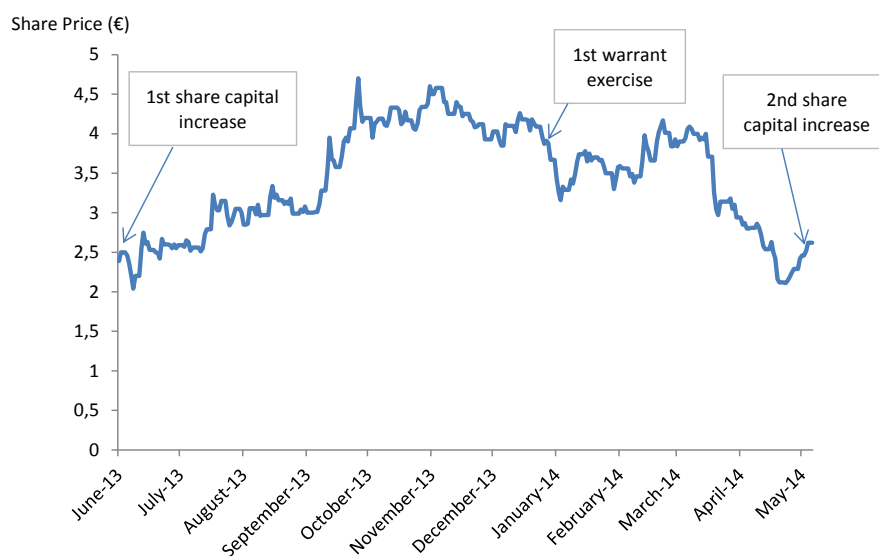
HELLENIC FINANCIAL STABILITY FUND

Key Figures

Net Interest Margin (bps)	340	374	-34
Cost to Income	60%	69%	-9%
EBA CT1	10.3%	7.8%	2.5%
Moody's	Caa1	-	-
S&P	CCC+	-	-
Fitch	B-	-	-

Information on NBG's financials is available at <http://www.nbg.gr/wps/portal/en/The-Group/Investor-Relations>.

Share price performance since the date of the recapitalization by the HFSF



Alpha Bank S.A.

Bank overview

Alpha is incorporated and domiciled in Greece and its headquarters are located on 40 Stadiou Street in Athens (www.alpha.gr). The group offers the following services: corporate and retail banking, financial services, investment banking and brokerage services, insurance services, real estate management, hotel activities and its shares are listed in the Athens Exchange and in the form of global depositary receipts (hereinafter "GDRs") and ADRs in the London Stock Exchange and the New York Stock Exchange. The group operates in Greece, Cyprus, Romania, Bulgaria, Serbia, Albania, FYROM and Great Britain.

Board of Directors

Vasilios Rapanos (Non-Executive Chairman), Minas G. Tanes (Independent Non-Executive Vice Chairman), Executive Members: Demetrios P. Mantzounis (Chief Executive Officer), Spyros N. Filaretos (Chief Operating Officer), Artemis Ch. Theodoridis, George K. Aronis, Non-Executive Members: Efthimios O. Vidalis, Ioanna E. Papadopoulou, Sarantis – Evangelos G. Lolos, Independent Non-Executive Members: Paul A. Apostolidis, Evangelos J. Kaloussis, Ibrahim S. Dabdoub, Shahzad Shahbaz, Ioannis K. Lyras, Panayiota Iplixian (HFSF Representative), Sarantis-Evangelos G. Lolos (Greek State Representative).

Significant events during 2013 and up to the issuance date of Fund's annual financial report

- On 01/02/2013 all shares of Emporiki Bank S.A. (hereinafter "Emporiki") were transferred to Alpha Bank by Credit Agricole S.A. (hereinafter "CA"), following the relevant acquisition agreement signed on 16/10/2012. Emporiki's acquisition enhanced the group's capital base due to the € 2.9 billion recapitalization of Emporiki by CA, as well as the



purchase from the latter of a € 150m bond issued by Alpha. On 28/06/2013, the merger of Emporiki with Alpha was completed, according to the merger agreement signed on 21/03/2013.

- In the context of Alpha's € 4,571m recapitalization through a share capital increase in June 2013 with an issue price of € 0.44 per share, private investors contributed € 550m in cash and the HFSF contributed EFSF FRNs with a fair value of € 4,021m.

- On 19/07/2013 the bank announced the agreement for the sale of its subsidiary JSC Astra Bank Ukraine to Delta Bank for a consideration of € 82m.

- Alpha on 08/12/2013 assumed all the deposits (€ 0.4bn) of the Western Macedonia, Evia and Dodecanese Cooperative Banks for a consideration of € 9.1m. The bank received the amount of € 284.6m in EFSF FRNs for the funding gaps of the cooperative banks (this amount represents 2/3 of the preliminary funding gap determined by the BoG).

- On 17/12/2013 28,800,631 warrants issued by the HFSF with an exercise price of € 0.45 were exercised corresponding to 213,368,583 common registered shares (1.95% of the bank's share capital). Following the said exercise the HFSF's shareholding in the bank decreased from 83.66% to 81.71%.

- 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 said capital increase the Fund's shareholding in Alpha decreased from 81.71% to 69.90%.

- On 24/04/2014, Alpha fully redeemed to the Hellenic Republic the total amount of preference shares (200,000,000 shares) of € 940m, issued to the latter by the bank and proceeded with their cancellation.

- On 29/05/2014 Mr. Ioannis Kostopoulos submitted his resignation after 42 years as the bank's Executive Chairman. Mr. Vasilios Rapanos was elected Non-Executive Chairman.

Financial information

	31/12/2013	31/12/2012	Δ
Cash and Reserves	1,688	1,437	17%
Interbank Placements	2,566	3,383	-24%
Financial Assets	10,704	7,668	40%
Loans	51,678	40,579	27%
Tangible Assets	1,683	1,481	14%
Goodwill and Intangibles	243	142	71%
Deferred Tax Asset	2,754	1,394	98%
Other Assets	2,381	2,170	10%
Total Assets	73,697	58,253	27%
Interbank Liabilities	19,083	25,215	-24%
Due to Customers	42,485	28,464	49%
Debt Securities in Issue	783	732	7%
Other Liabilities	2,979	3,094	-4%
Total Equity	8,368	748	1019%
Total Liabilities and Equity	73,697	58,253	27%

Income Statement

	FY13	FY12	yoy%
Net Interest Income	1,658	1,383	20%
Net Fees	370	272	36%
Other Income	316	-181	-
Total Income	2,344	1,474	59%
Operating expenses	-1,426	-1,152	24%
Pre-provision Earnings	918	322	185%
Impairment Losses and Provisions to Cover Credit Risk	-1,923	-1,667	15%
Core Profit	-1,005	-1,345	-25%
Negative goodwill from the acquisition of Emporiki	3,283	0	-
Taxes	701	257	173%
Non-controlling Interests	-57	6	-1065%
Attributable Profit After Tax	2,922	-1,082	-



ΤΑΜΕΙΟ ΧΡΗΜΑΤΟΠΙΣΤΩΤΙΚΗΣ ΣΤΑΘΕΡΟΤΗΤΑΣ

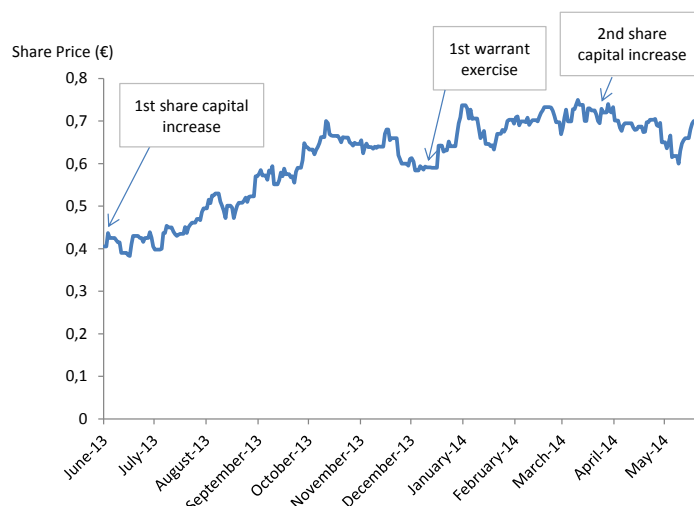
HELLENIC FINANCIAL STABILITY FUND

Key Figures

Net Interest Margin (bps)	230	240	-10
Cost to Income*	61%	78%	-17%
EBA CT1	15.9%	-	-
Moody's	Caa1	-	-
S&P	CCC+	-	-
Fitch	B-	-	-

Information on Alpha's financials is available at <http://www.alpha.gr/page/default.asp?id=11435&la=2>.

Share price performance since the date of the recapitalization by the HFSF



Piraeus Bank S.A.

Bank overview

Piraeus is incorporated and domiciled in Greece and its stock is listed on Athens Exchange. The address of its registered office is 4 Amerikis st., Athens (www.piraeusbankgroup.com). Piraeus and its subsidiaries (hereinafter "the Group") operates in Southeastern Europe, Egypt and Western Europe (Greece, Romania, Bulgaria, Albania, Serbia, Ukraine, Cyprus, the UK and Germany) and its services include retail banking, corporate banking and investment banking as well as consulting services to large corporates.

Board of Directors

Michail Sallas (Non-Executive Chairman), Iakovos Georganas (1st Non-Executive Vice-Chairman), Panagiotis Roumeliotis (Non-Executive Vice-Chairman), Executive Members: Stavros Lekakos (Managing Director and CEO), Anthimos Thomopoulos (Managing Director & Co CEO), Charikleia Apalagaki (Executive Director), Non-Executive Members: Eftichios Vassilakis, Vasileios Fourlis, Independent Non-Executive Members: Georgios Alexandridis, Eftichios Golemis, Petros Pappas, Chariton Kyriazis, Iro Athanassiou. HFSF Representative: Ekaterini Beritsi, Greek State Representative: Athanasios Tsoumas.

Significant events during 2013 and up to the issuance date of the Fund's annual financial report

- On 26/03/2013 Piraeus signed for an agreement for the acquisition of the Greek operations of Cyprus Popular Bank, Hellenic Bank and Bank of Cyprus for a total consideration of € 524m. The said amount was contributed by the HFSF in the form of EFSF FRNs.
- On 19/06/2013 Piraeus completed the acquisition of Millennium Bank of Greece S.A. (hereinafter "Millennium"), the Greek subsidiary of Millennium BCP (hereinafter "BCP"), against a consideration of € 1m. Millennium's total assets, after the injection of € 413m of capital by BCP, amounted to approx. € 5bn. BCP also invested € 400m in Piraeus capital in a private placement during the recapitalization in June 2013.



ΤΑΜΕΙΟ ΧΡΗΜΑΤΟΠΙΣΤΩΤΙΚΗΣ ΣΤΑΘΕΡΟΤΗΤΑΣ

HELLENIC FINANCIAL STABILITY FUND

- In the context of Piraeus's € 8,429m recapitalization through a share capital increase in July 2013 with an issue price of € 1.70 per share, private investors contributed € 1,444m in cash and the HFSF contributed EFSF FRNs with a fair value of € 6,985m.
- During the second half of 2013 a VRES was concluded, through which 2,115 employees from the bank and its subsidiaries opted for the early retirement, which in turn costed Piraeus € 126m at a group level.
- On 02/01/2014 603,280 warrants issued by the HFSF with an exercise price of € 1.73 were exercised corresponding to 2,700,125 common registered shares (0.05% of the bank's share capital). Following the said exercise the HFSF's shareholding in the bank decreased from 81.01% to 80.95%.
- On 18/3/2014 Piraeus issued € 500m 3-yr EMTN with a coupon rate of 5%.
- 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 capital increase the Fund's shareholding in the bank decreased from 80.95% to 67.30%.
- On 21/05/2014 Piraeus redeemed from the Greek State all of the preference shares issued by the bank (pillar I Law 3723/2008) amounting to € 750m.

Financial information

	31/12/2013	31/12/2012	Δ
Cash and Reserves	2,875	3,308	-13%
Interbank Placements	293	380	-23%
Financial Assets	1,955	5,583	-65%
Loans	62,366	44,613	40%
Debt Securities - Receivables	15,628	8,016	95%
Tangible Assets	2,988	2,847	5%
Deferred Tax Asset	2,862	1,897	51%
Goodwill and intangibles	300	410	-27%
Other Assets	2,742	3,355	-18%
Total Assets	92,010	70,408	31%
Interbank Liabilities	26,275	32,561	-19%
Due to Customers	54,279	36,971	47%
Debt Securities in Issue	305	534	-43%
Other Liabilities	2,607	2,667	-2%
Total Equity	8,543	-2,324	-468%
Total Liabilities and Equity	92,010	70,408	31%
Income Statement			
	FY13	FY12	yoy%
Net Interest Income	1,662	1,028	62%
Net Fees	287	218	32%
Other Income	186	621	-70%
Total Income	2,135	1,866	14%
Operating expenses	-1,637	-907	80%
Pre-provision Earnings	498	959	-48%
Impairment Losses and Provisions to Cover Credit Risk	-2,218	-2,043	9%
Core Profit	-1,720	-1,084	59%
Negative goodwill	3,810	351	986%
Other provisions and impairments	-314	-465	-33%
Other items	1	28	-96%
Taxes	769	663	16%
Non-controlling Interests	-15	9	-268%
Attributable Profit After Tax	2,531	-499	-608%



TAMEIO ΧΡΗΜΑΤΟΠΙΣΤΩΤΙΚΗΣ ΣΤΑΘΕΡΟΤΗΤΑΣ

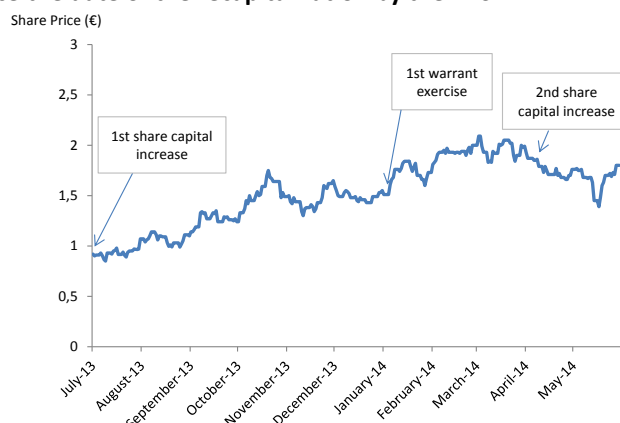
HELLENIC FINANCIAL STABILITY FUND

Key Figures

Net Interest Margin (bps)	220	210	10
Cost to Income	77%	49%	28%
EBA CT1	13.9%	-	-
Moody's	Caa1	-	-
S&P	CCC+	-	-
Fitch	B-	-	-

Information on Piraeus's financials is available at <http://www.piraeusbankgroup.com/en/investors/financials>.

Share price performance since the date of the recapitalization by the HFSF



Eurobank Ergasias S.A.

Bank overview

Eurobank and its subsidiaries are active in retail, corporate and private banking, asset management, insurance, treasury, capital markets and other services (www.eurobank.gr). The bank is incorporated and domiciled in Greece (20 Amalias Avenue, 10557, Athens) and listed on the Athens Exchange. The group operates in Greece, Luxemburg, Great Britain, Romania, Bulgaria, Serbia, Ukraine and Cyprus.

Board of Directors

George A. David (Non-Executive Chairman), George C. Gondicas (Non-Executive - Honorary Chairman), Efstratios - Georgios A. Arapoglou (Independent Non-Executive Vice Chairman), Christos. I. Megalou (Chief Executive Officer), Non-Executive Members: Dimitrios A. Georgoutsos (State Representative), Kenneth Howard K. Prince – Wright (HFSF Representative), Independent Non-Executive Members: Spyros L. Lorentziadis, Dimitri T. Papalexopoulos.

Significant events during 2013 and up to the issuance date of Fund's annual financial report

- On 15/02/2013, NBG acquired 84.35% of Eurobank's voting shares following the completion of a tender offer launched on 11/01/2013.
- On 07/04/2013, the BoG notified the banks that the recapitalization process for the four systemic banks should be completed by the end of April 2013. After this announcement Eurobank announced that it would be recapitalized fully by the HFSF.
- In the context of Eurobank's € 5,839m recapitalization through a share capital increase in May 2013 through the issuance of 3,789,317,358 new common registered shares with an issue price of € 1.54 per share the HFSF fully subscribed to it through the contribution of EFSF FRNs.
- On 03/07/2013 the bank announced a € 317m share capital increase at an issue price of € 1.54 per share through cash payment and the issuance of 205,804,664 new common registered shares, for a private placement to holders of Lower Tier 1 and Lower Tier 2 hybrid securities, with cancellation of preemption rights to existing shareholders. Following the said capital action the Fund's shareholding decreased from 98.56% to 93.55%.
- In August 2013 the Fund sold to Eurobank New Proton for € 1 and New HPB for a consideration of € 681m, in the context of a share capital increase of Eurobank, in the form of 1,418,750,000 newly issued common registered shares at an issue price of € 0.48 per share. Following the said transaction the Fund's shareholding in Eurobank increased from 93.55% to 95.23%.



- On 22/11/2013 and 27/12/2013 the legal mergers of New Proton and New HPB with Eurobank were completed.
- In November 2013 a VRES was designed and implemented for the group's employees in Greece. The VRES was offered to all employees of Eurobank and most of its subsidiaries in Greece as well as to New Proton Bank employees. The total number of employees that have opted for the scheme was 1,066, while the group's total cost for the VRES was € 86.5m, net of provisions for retirement benefits.
- On 19/06/2013, Eurobank and Fairfax Financial Holdings Limited (hereinafter "Fairfax") announced that they agreed on the principal terms of a proposed transaction aiming to further strengthen their relationship as shareholders of Eurobank Properties S.A. (hereinafter "Eurobank Properties"). Pursuant to the investment agreement, on 21/01/2014, Fairfax's subsidiaries acquired from Eurobank the 33,888,849 preemption rights regarding the share capital increase of Eurobank Properties for a total consideration of € 20m, i.e. € 0.59 per pre-emption right. The share capital increase of Eurobank Properties was fully covered through payment in cash and amounted to € 193m. As a result, on 06/02/2014, 40,260,000 new common shares were issued. Following the completion of the transaction, Eurobank group's shareholding in Eurobank Properties decreased from 55.94% to 33.95% without loss of control.
- On 10/04/2014 the HFSF approved Eurobank's restructuring plan, which was subsequently approved by the DG Competition.
- 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 capital increase the Fund's shareholding in the bank decreased from 95.23% to 35.41%.

Financial information

	31/12/2013	31/12/2012	Δ
Cash and Reserves	1,986	2,065	-4%
Interbank Placements	2,567	4,693	-45%
Financial Assets	19,097	10,187	87%
Loans	45,610	43,171	6%
Tangible Assets	1,498	1,306	15%
Goodwill and intangibles	266	406	-34%
Deferred Tax Asset	3,063	2,106	45%
Other Assets	3,499	3,719	-6%
Total Assets	77,586	67,653	15%
Interbank Liabilities	27,099	31,819	-15%
Due to Customers	41,535	30,752	35%
Debt Securities in Issue	789	1,365	-42%
Other Liabilities	3,640	4,372	-17%
Total Equity	4,523	-655	-791%
Total Liabilities and Equity	77,586	67,653	15%

Income Statement

	FY13	FY12	yoy%
Net Interest Income	1,294	1,461	-11%
Net Fees	273	262	4%
Other Income	20	33	-37%
Total Income	1,587	1,756	-10%
Operating expenses	-1,071	-1,058	1%
Pre-provision Earnings	516	698	-26%
Impairment Losses and Provisions to Cover Credit Risk	-1,920	-1,655	16%
Core Profit	-1,404	-958	47%
Other impairments	-266	-724	-63%
Other items and one-offs	-274	-98	180%
Taxes	458	335	37%
Non-recurring tax adjustments	329	0	-
Non-controlling Interests	3	-13	-123%
Attributable Profit After Tax	-1,154	-1,458	-21%



TAMEIO ΧΡΗΜΑΤΟΠΙΣΤΩΤΙΚΗΣ ΣΤΑΘΕΡΟΤΗΤΑΣ

HELLENIC FINANCIAL STABILITY FUND

Key Figures

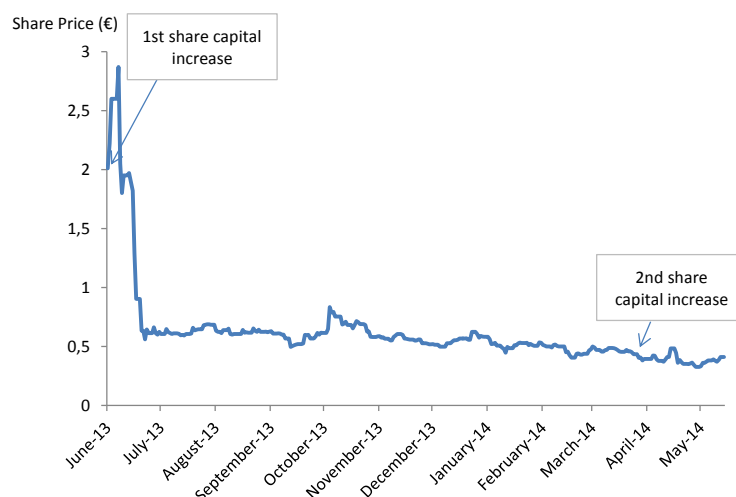
Net Interest Margin (bps)	176	205	-29
Cost to Income	67%	60%	7%
EBA CT1*	11.3%	10.8%	0.5%
Moody's	Caa2	-	-
S&P	CCC+	-	-
Fitch	B-	-	-

* 2013: Pro-forma for the adoption of I.R.B. for New HPB - 2012: After the € 5.8bn recap by the HFSF

Information on Eurobank's financials is available at:

<http://www.eurobank.gr/online/home/genericnew.aspx?code=ependites&mid=853&lang=en>.

Share price performance since the date of the recapitalization by the HFSF



Risk Management

The HFSF has organized its risk management function, in accordance with its statutory provisions and international best practices. Roles and responsibilities are clearly identified, whereas potential risks, to which the HFSF is exposed, in the course of fulfilling its mandate, are identified, assessed, monitored and effectively mitigated.

Financial Risk Management

During 2013, the HFSF held the following financial assets, as presented in each relevant Note of the financial statements:

- Financial Assets at Fair Value through Profit or Loss – Equity shares in the four systemic banks, as a result of the HFSF's participation in the share capital increases that took place in May and June of 2013.
- Investment securities – Loans and Receivables (EFSF FRNs held by the HFSF),
- Receivables from banks under liquidation (claims from the banks which have been placed under liquidation and the Fund has covered their funding gaps, on behalf of the HDIGF),
- Cash in hand and deposits at the BoG.

All of the financial assets above are denominated in Euros.

The HFSF's non-derivative financial liabilities, are those derived from the funding gaps and those classified as "Other Liabilities" (Creditors and suppliers, social security contributions payable and other expenses payable). The maturity



analysis of the non-derivative financial liabilities is less than one year. The Fund's derivative financial liabilities include the issued warrants in connection to Alpha, NBG and Piraeus. Their maturity is presented in the table below.

Months after the date of issuance	Warrant exercise dates*		
	ALPHA	NBG	Piraeus
6	10/12/2013	26/12/2013	2/1/2014
12	10/6/2014	26/6/2014	2/7/2014
18	10/12/2014	26/12/2014	2/1/2015
24	10/6/2015	26/6/2015	2/7/2015
30	10/12/2015	26/12/2015	2/1/2016
36***	10/6/2016	26/6/2016	2/7/2016
42	10/12/2016	26/12/2016	2/1/2017
48	10/6/2017	26/6/2017	2/7/2017
54	10/12/2017**	26/12/2017**	2/1/2018**

**If the foreseen exercise date does not fall on a business day, it shall be carried over to the immediately following business date, adjusting accordingly the amount of interest*

***The last exercise date is the warrants' expiry date*

****After 36 months as of the issue of the HFSF Warrants, the HFSF is entitled, subject to certain requirements, to transfer the underlying common shares to third parties without any compensation to HFSF Warrants' holders who choose not to exercise the warrants.*

The carrying values of short-term financial assets and liabilities, are not considered different from their fair value. The fair value of the EFSF FRNs is presented in Note 6 to the Financial Statements. The expected amounts to be recovered from the liquidation process are presented in Note 11.

During 2013, the HFSF was exposed to the following risks:

Interest Rate Risk

Interest Rate risk is related to potential losses arising from adverse movements in interest rates. The HFSF's exposure to interest rate risk, is mainly due to:

- Interest income expected from the EFSF FRNs (FRNs held by the HFSF) with a base rate of 6M Euribor [The EFSF FRNs were provided in the framework of the adjusting program for the purpose of supporting the financial stability of the Greek banks and no hedging is allowed according to L. 3864/2010 – these FRNs are held temporarily by the Fund for the banks' recap and if not used, will be returned to the European Stability Mechanism (ESM), according to the Acceptance Notice signed on 17/04/2012],
- Interest income expected from its deposits at the BoG.

Price Risk

Price risk is related to potential losses, arising from adverse movements related to equity and derivative prices or investment values. HFSF's price risk, is mainly attributable to:

- The value of the Fund's equity participations in the four systemic banks. These equity participations are recorded at fair value and the change in fair value is recorded in the Statement of Comprehensive Income. As of 31/12/2013, the fair values of the Fund's shareholdings in the 4 banks amounted to € 22,584.7m. A change at a range of +/- 20% in the share prices of these investments would lead to revaluation gains/(losses) of +/- € 4,516.9m in the Statement of Comprehensive Income.
- The value of the warrants that the HFSF has issued with the HFSF's shares in the three systemic banks as the underlying assets. The warrants are recorded at fair value and the change in their fair values is recorded in the Statement of Comprehensive Income. As of 31/12/2013 the derivative financial liability amounted to € 2,282.3m. A change at a range of +/- 20% in the warrant prices would lead to (losses)/gains of +/- € 456.5m in the Statement of Comprehensive Income.

Therefore, the HFSF is exposed to downside equity risk, resulting from the possible decrease in the equity prices of the four systemic banks, in which the HFSF holds equity stakes. Since the revaluations from both the warrants and the shares are recorded in the Statement of Comprehensive Income, the losses from the appreciation in the warrants' value (financial liability) are offset by gains from the appreciation of the underlying share and vice versa. However, in case of imperfect correlation between the warrant price and the respective share price, the HFSF may incur net losses.



Also, in case the price of the warrant is close or equal to zero, the HFSF is exposed to equity risk, arising from its participation in the underlying equity.

Foreign Exchange risk

All financial assets and liabilities assumed by the HFSF, are denominated in Euros. Hence, the Fund is not exposed to any foreign exchange risk.

Liquidity risk

Liquidity risk is related to the Fund's potential inability to meet its liabilities when they come due, or to meet its commitments to make payments. The HFSF is monitoring its liquidity position on a regular basis. The Fund is not exposed to material liquidity risk.

Recovery risk

Recovery risk is related to a reduction in the value of the Fund's claims against banks under liquidation. These claims arose due to the HFSF's payment, on behalf of the HDIGF, of funding gaps created, as a result of specific credit institutions' resolution process. The HFSF's payment of funding gaps is obligatory, according to Laws 4051/2012 and 4261/2014. The Fund has no direct involvement or control over the liquidation process and the recovery of any amounts, but, nevertheless monitors its recovery risk by maintaining its own independent valuation estimates over amounts to be recovered.

The liquidation proceeds may eventually change, as the liquidation process is a dynamic process, its time horizon is unknown and the proceeds are subject to factors that the Fund cannot reliably estimate.

Operational risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems, from external events and also includes legal and compliance risk. Operational risk may lead to monetary losses such as write-downs, legal liability, loss or damage to assets and forgone income in the sense of business interruption or reputational damage.

The HFSF is not exposed to any significant operational risk due to the nature of its activities and operations. Despite that, it has developed a control infrastructure to ensure that any operational risk inherent to its activities is well monitored and mitigated on a proactive basis. This is achieved through satisfactory segregation of duties, oversight functions and clearly defined processes and procedures, as well as the implementation of the "four eye principle".

The Fund's activities after the reporting date

- In the context of its receivables from funding gaps, the Fund recovered the amounts of € 38m from Achaiki's liquidation process on 27/02/2014 and € 2m from T-Bank's liquidation process on 18/02/2014.

- Warrants' exercise and the systemic banks' share capital increases:

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 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 said capital increase the Fund's shareholding in Alpha decreased from 81.71% to 69.90%.

Piraeus

- On 02/01/2014 the bank announced that 603,280 warrants were exercised at an exercise price of € 1.73, which corresponded to 2,700,125 common registered shares (0.05% of the bank's share capital). Following the said exercise, the Fund's shareholding in the bank decreased from 81.01% to 80.95%.
- 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 capital increase the Fund's shareholding in the bank decreased from 80.95% to 67.30%.



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 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).
- On 10/06/2014 the BoG determined the final funding gap of Dodecanese and Evia Cooperative Banks to the amounts of € 258.6m and € 105.2m respectively.

Prospects

Restructuring plans of systemic banks

According to the European Commission, the banks receiving state aid must submit a five year restructuring plan to the DG Comp. As a consequence of the mergers and acquisitions that took place in the banking sector, updated restructuring plans approved by the Fund will be submitted, through the Ministry of Finance, to the DG Comp for approval. Eurobank's restructuring plan has been submitted and approved by the DG Comp on 29/04/2014.

RFAs

During June and July 2013, the HFSF proceeded with the signing of the Relationship Framework Agreements (RFAs) with the four systemic banks. The RFAs regulate in essence, the relations between each Bank and the Fund as well as issues related to (a) the corporate governance of each Bank, (b) the preparation and approval of the Restructuring Plan (c) significant obligations under the Restructuring Plan and the HFSF's change in voting rights (d) the monitoring of the implementation of the Restructuring Plan and all risks undertaken thereof (e) HFSF's consent rights. Currently HFSF, is in the process of revising the RFAs signed in 2013 in consultation with the banks.

Stress tests

Following the announcement by the BoG regarding the four Greek systemic banks' capital needs, in early March 2014, as those have been derived from the Blackrock follow up stress test, the banks have successfully implemented share capital increases. As a result, the Greek banks' capital ratios stand above the minimum required regulatory thresholds. The next key challenge for the Greek banks is the outcome of the ECB's AQR (Asset Quality Review) and EBA stress tests, due on 31/10/2014. The ECB's stress tests are EU-wide and involve 124 large banks (80% of total assets in the EU), in 28 jurisdictions. In case additional capital needs arise following the result of ECB's stress test, further capital actions may be needed and the HFSF's buffer that is in excess of € 11 billion could be utilised.



Corporate Governance

Management

Up to January 2013 the HFSF was managed by a Board of Directors (BoD), which decided for any issue arising concerning the implementation of the Fund's objectives, its operations and the management of its assets. According to the provisions of Law 4051/2012 as of 01/02/2013 the General Council and the Executive Board, the Fund's decision-making bodies, replaced the BoD. With an aim of achieving its objective of contributing to the maintenance of stability in the Greek banking System, the Fund manages the capital and its assets and exercise its rights in its capacity as shareholder, in a way to protect the value of such assets, to minimize the risks for the Greek public and to neither prevent nor distort competition in the banking sector. Going forward, the Fund's objectives are based on a comprehensive banking sector strategy developed by the HFSF, the BoG and the Ministry of Finance, in cooperation with the EC/ECB/IMF.

As of the date of the publication of this Annual Report the Executive Board and the General Council of the HFSF are comprised of the following members:

Executive Board	Position
Anastasia Sakellariou	Chief Executive Officer
George Koutsos	Deputy Chief Executive Officer
Anastassios 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 Bank of Greece

**Mr. Marios Koliopoulos, former Deputy Chief Executive Officer, submitted his resignation on 01/07/2013. Mr. Koutsos was appointed Deputy Chief Executive Officer on 01/09/2013*

***Mr. Paul Koster was initially appointed Chairman until 15/03/2013 when he submitted his resignation. Mr. Christos Sclavounis was appointed Chairman on 15/05/2013.*

*** Mr. Wouter Devriendt replaced on 13/01/2014 Mr. Andreas Beroutsos who was appointed on 01/02/2013 and resigned on 14/11/2013*

*** Mr. John Zafiriou and Mr. Stephan Wilke were appointed on 06/09/2013 following the increase of the number of General Council members from 5 to 7.*

*** Mr. Avraam C. Gounaris replaced Ms. Eftychia Michailidou, on 14/01/2014, who had previously replaced Mr. George Mergos on 17/05/2013*

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

The BoD Members during January 2013 were the following:

Name	Position in the BoD	Profession
Executive Members		
Thomopoulos Panayotis	Chairman	Chairman of the BoD
Kyrkos Charalambos	Vice-Chairman	Vice Chairman of the BoD
Gagales Anastasios	Vice-Chairman	Vice Chairman of the BoD
Non-Executive Members		
Mergos Georgios (since Jul. 2012)	Non-Exec. Member	General Secretary of Ministry of Finance
Zakka Vasiliki	Non-Exec. Member (Member of Audit Committee)	Director of Supervision of Financial institutions department at BoG
Plaskovitis Ilias (until Jun. 2012)	Non-Exec. Member	General Secretary of the Ministry of Finance (until Jun.2012)
Independent / Non-Executive Members		
Tzavalis Ilias	Member (Member of Audit Committee)	University Professor in Economics
Iplixian Pepi	Member (Member of Audit Committee)	Member of the BoD



In accordance with the law the following persons have been appointed as observers and alternate observers to the BoD in the past and currently serve as such to the Executive Board and the General Council:

Peter Basch from February 2011 (European Commission representative) and Panagiotis Strouzas from November 2010 (ECB representative). Their alternates are Karlis Bauze from the European Commission and Barbara Attinger from the ECB.

Executive Board

The Executive Board consists of three members, two of which, including the Chief Executive Officer, must be persons with international experience in banking matters or in matters relating to the resolution of banks and one of which shall be a person nominated by the BoG. The members of the Executive Board are selected by a committee consisting of an equal number of representatives of the Ministry of Finance and the Bank of Greece following a public call for expressions of interest. Representatives from the European Commission and the ECB may participate in the Executive Board as observers without voting rights. The Members of the Executive Board are appointed, by the Minister of Finance for terms of five years, which may be renewed; no appointment shall extend beyond the date the tenor of the HFSF expires. In case the position of a member of the Executive Board becomes vacant the position is filled within 60 days through the appointment of a new member until the resigned member's term expires. The Euro Working Group agreement is required for appointment of members of the Executive Board, as well as for the extension of term, except for the member appointed by the BoG.

The Members of the Executive Board may be removed prior to the expiry of their term of office by decision of the Minister for Finance, on the occurrence of certain conditions articulated in Greek Law 3864/2010, as in force.

The Executive Board is charged with the preparation of the HFSF's tasks and the implementation of the decisions of its competent bodies and conduct of the operations necessary for the administration and operation, as well as, for the fulfillment of the Fund's objective. The Executive Board has, indicatively, the following specific powers and tasks under Greek Law 3864/2010, as in force:

- the Executive Board proposes and implements the decisions of the General Council, taken either upon or without proposal from the Executive Board;
- the Executive Board has the authority to take all actions required or deemed advisable for the administration or operations of the HFSF, including the HFSF's powers and responsibilities with respect to the procurement of goods and services, entering into contractual commitments on behalf of the HFSF, appointing the staff and advisors of the HFSF, and generally representing the HFSF;
- the Executive Board may delegate any of its powers or tasks to any of its members or to the HFSF's cadres, in accordance with the general terms and conditions adopted by the General Council, taking into account conflict of interest issues and provided that the Chief Executive Officer shall primarily exercise his powers pursuant to Greek Law 3864/2010;
- the Executive Board shall have such other powers and tasks as explicitly granted by this Law or any other law;
- to represent the HFSF judicially and extra judicially; and
- to exercise any other power not expressly granted to the General Council.

All powers under Greek Law 3864/2010 and any other law that are vested by the HFSF are deemed vested in the Executive Board, unless specifically reserved for the General Council.

The Executive Board meets as often as the business of the HFSF may require but not less than once a week.

Meetings of the Executive Board are convened and chaired by the Chief Executive Officer or in his/her absence by the person replacing him/her. Two members constitute a quorum for Executive Board meetings, provided that the one is the Chief Executive Officer or in his/her absence, the person substituting him/her. If a quorum is not achieved, the Chief Executive Officer, may convene an extraordinary meeting at which decisions may be taken without regard to the existence of a quorum. In order to produce legal results, decisions taken without existence of quorum must be ratified by the next regular meeting of the General Council. In the event of an emergency, or by the mutual consent of all members, a meeting may be convened at shorter notice as determined in the rules of procedure of the Executive Board.



General Council

Up to April 2014 the General Council consisted of seven members. Following the amendment to the law on 07/04/2014 two additional independent members were added to the composition of the General Council, which have not yet been appointed. Members of the General Council are the Chairman, seven persons with international experience in banking matters (the Chairman included), a representative of the Ministry of Finance and a person nominated by the BoG. The members of the General Council are selected by a committee consisting of an equal number of representatives of the Ministry of Finance and the BoG following a public call for expressions of interest. The members of the General Council are appointed by the Minister of Finance for a term of five years, which may be renewed; no appointment may extend beyond the duration of the HFSF and Members may be removed prior to the expiry of their term of office by a decision of the Minister of Finance, on the occurrence of certain conditions articulated in Greek Law 3864/2010.

In the event a position of a member in the General Council becomes vacant, this vacancy shall be filled within sixty days, by the appointment of a new member until the term of the vacated member expires. With the exception of the representative from the Ministry of Finance and the member appointed by the BoG, the appointment of members and renewal of their term in the General Council require the consent of the Euro Working Group.

The General Council shall decide on its own initiative or upon proposal of the Executive Board, on matters specified below and shall be charged with the oversight over the proper operation and fulfillment of the objective of the Fund. The specific powers and tasks of the General Council are the following:

- to oversee the Executive Board for its actions and to monitor the compliance of the Executive Board with the provisions of the present law and in particular with the principles enshrined in Article 2 of Greek Law 3864/2010;
- to decide on the related to the provision of capital support, the exercise of voting rights and the disposal of the Fund's participation under articles [6, 7, 7a and 8], of Greek Law 3864/2010;
- to approve the general policies and the by-laws and internal rules applicable to the administration and operations of the HFSF, including the HFSF's code of conduct for the members of its General Council;
- to approve the appointment of the senior management of the HFSF, including among others the Chief Internal Auditor, the Chief Risk Officer, the Chief Investment Officer, the Chief Financial Officer and the Chief Legal Counsel;
- to approve the HFSF's general terms and conditions of employment, including the remuneration policy;
- to approve the annual budget of the HFSF;
- to approve the annual report and other formal reports and the financial statements of the HFSF;
- to approve the appointment of the external auditors of the HFSF;
- to approve the establishment of one or more advisory bodies, determine their terms and conditions of appointment of their members, and determine the terms of reference of such bodies;
- to establish one or more committees consisting of members of the General Council and/or other persons, and define their responsibilities;
- to adopt the Internal Regulation of Operations for the General Council as well as the Public Procurement Regulation for goods and services for contracts not falling under Presidential Decree 60/2007; and
- to exercise such other powers and tasks as explicitly granted by Greek Law 3864/2010 or any other Law.

The Chief Executive Officer is liable to the General Council for the execution of General Council's decisions and for control of the administration and operations of the HFSF. The Chief Executive Officer, or in his/her absence the member substituting him, reports, as often as required by the General Council but not less than ten times each year, to the General Council.

The General Council meets as often as the business of the HFSF may require but not less frequently than ten times per calendar year. Meetings of the General Council called and chaired by its Chairman or in his absence by any another member of the General Council, other than the representative of the Ministry of Finance and the person appointed by the BoG. The representatives from the European Commission the ECB are entitled to request a meeting of the General Council from the Chairman. Additionally, meetings can be convened following a request from five Council members. A quorum at any meeting of the General Council consists of at least five members of the General Council. For the transitional period following the amendment of Greek Law 3864/2010 in April 2014 and for so long as the General Council consisted of seven members, quorum at the meetings of the General Council I consists of at least four



members. If a quorum is not present, the Chairman may convene an extraordinary meeting at which decisions may be taken without regard to the existence of a quorum; such decisions must be ratified at the next regular meeting of the General Council to remain in effect. Each member of the General Council has one vote and in the event of a tied vote, the person chairing the meeting casts a tie-breaking vote. Save as otherwise provided by Greek Law 3864/2010, decisions shall be adopted by a majority of the members present at the meeting.

Curricula Vitae of the Members of the General Council and Executive Board as of the Date of Approval of the Annual Report

Anastasia Sakellariou – Chief Executive Officer

Mrs. Anastasia Sakellariou is the CEO of the Hellenic Financial Stability Fund (HFSF) since February 2013. She is a seasoned international banker having started her career in London, in the field of Investment Banking. For several years, she held executive positions in major banks in London and New York, such as Deutsche Bank, Salomon Brothers and Credit Suisse.

From the beginning of her career, she specialized in the fields of credit and credit restructuring with specific focus on leverage finance, asset & liability management, underwriting and risk management. In her latest role at Credit Suisse she was a Managing Director in the Global Markets Solutions Group covering geographically Europe, Middle East and Africa so her experience on transactions is vast and diverse across geographies.

In 2009 she returned to Greece for family reasons and has held executive positions as a senior advisor to the Chairman of Piraeus, and as Chief Risk Officer in Hellenic Postbank.

She has graduated from the universities of Warwick and Reading in Great Britain and holds a postgraduate degree in International Banking & Financial Services.

George Koutsos – Deputy CEO of the Executive Board

Mr. George Koutsos brings significant international experience in investment banking, strategy consulting and private equity with particular focus in financial services.

He was Chief Investment Officer at the Hellenic Financial Stability Fund (HFSF), from July 2011 since August 2013, actively involved in the reshaping of the Greek banking sector and its recapitalization. On September 2013 he was appointed Deputy Chief Executive Officer of the HFSF.

He joined HFSF from the National Bank of Greece (NBG) where he spent eight years within the Investment Banking and Private Equity/Venture Capital business units, originally in London (NBG International) and since 2009 in Athens. Most recently he was Head of Mergers, Acquisitions and Equity Capital Markets, leading numerous cross-border deals and high profile transactions for Greek financial institutions and corporates. Prior to NBG, he was a strategy consultant at Boston Consulting Group advising international clients in Brussels and in Athens.

He is a graduate in Chemical Engineering from the National Technical University of Athens (NTUA), and he holds an MSc in Chemical Engineering and an MBA from Imperial College in London.

Anastassios Gagales – Executive Board Member

Mr. Anastassios Gagales is a Member of the Hellenic Financial Stability Fund's (HFSF's) Executive Board. Prior to joining HFSF, he was for nineteen years at the International Monetary Fund (IMF) where he worked on a wide range of countries (advanced and emerging economies, surveillance and program countries) and was involved in bank restructuring operations and Financial Sector Assessment Programs.

Earlier, he worked for eleven years in the Research Department of the Bank of Greece (BoG) and, in this capacity, represented the Bank in numerous European Union and Bank for International Settlements (BIS) committees. From



1988 to 1989 he served as Financial Attaché at the Permanent Representation of Greece at the European Union (EU) where he was involved in the negotiations for the Second Banking and Own Funds Directives.

He has a PhD in economics from the University of Rochester (U.S.A.), and a BSc (suma cum laude) from the Athens School of Economics, and is fluent in English and German.

Christos Sclavounis – Chairman of the General Council

Mr. Christos Sclavounis was appointed as Chairman of the Hellenic Financial Stability Fund (HFSF) in May 2013.

He spent the bulk of his career, from 1986 to 2013, in Investment Banking with UBS Investment Bank and predecessor organisations, starting with SG Warburg Ltd in London.

He worked in London and Paris, from 1986 to 1995, at SG Warburg's Investment Banking division, specialized in government and corporate finance advisory and capital markets roles.

In 1996, he established and run the Greek team of UBS Investment Bank out of London and Athens, which became very active in the Greek market and met with very significant success. He also established and run the European Emerging Markets (CEE) team of UBS with particular emphasis on the Balkans and Turkey from 2004 to 2009.

In this capacity, he lead the marketing and execution of a large number of landmark transactions and has wide variety of experience in sectors such as Financial Institutions, Telecoms, Transport, Energy and in government advisory work on privatisation and capital market.

He has BSc and MSc degrees in Economics from London School of Economics (LSE) and an MBA from Harvard Business School.

Wouter Devriendt – Member of the General Council

Mr. Wouter Devriendt acts as an independent advisor to the Belgian Government (Federal Participation and Investment Company) on Belgian state intervention and restructuring in the financial sector since 2011.

He is also a member of the Supervisory Board of Belfius, a Belgian bank and insurance group currently owned by the Belgian State. Moreover, Mr. Wouter Devriendt is the Chairman of Amsterdam Trade Bank, a Dutch bank with particular expertise in Central & Eastern Europe (CEE) & Commonwealth of Independent States (CIS) markets.

Prior to assuming these responsibilities, Mr. Devriendt gained over 15 years of international experience in a variety of roles across ABN AMRO's international Wholesale Banking network (Amsterdam, Czech Republic, Houston, Ecuador, Sydney and London) and Fortis (Brussels and Amsterdam), including global coverage responsibility for Financial Institutions and Public Sector clients.

Mr. Devriendt is a Belgian national and holds an MBA from the Rotterdam School of Management as well as a Master's degree in Applied Economic Sciences from the Catholic University of Leuven in Belgium.

Pierre Mariani – Member of the General Council

Mr. Pierre Mariani is a Member of the HFSF's General Council and Chairman of the HFSF Audit Committee. He is also a Member of the Board of Directors (BoD) and Chairman of the Audit Committee of Electricité de France (since 2009) and Member of the Board of Etablissement Public de la Reunion des Musees Nationaux et du Grand Palais.

He was Deputy CEO of BNP Paribas, co-head of retail banking, and from 2008 to 2012 the Director and Chief Executive Officer (CEO) of Dexia Group with board memberships in Denizbank Turkey, Dexia Banque Belgique, and Banque Internationale in Luxembourg.

He was previously Chief of Staff of Nicolas Sarkozy, Minister of Budget, in charge of the ministry of Communication and Media, government spokesman, Deputy Head of the Budget department, in charge of employment, health and



social security, Head of the budgetary and fiscal policy Office, and Head of the budget office for Transportation, General inspection of the Ministry of Finance.

He graduated from Ecole des Hautes Etudes Commerciales (1977), with a degree in Law (1978) and from Ecole Nationale d' Administration (National School of Public Service) in 1982.

Honors: Chevalier de la Légion d' honneur - Chevalier de l' Ordre National du Mérite.

Vasilios Spiliotopoulos – Member of the General Council, Appointed by the BoG

Mr. Spiliotopoulos is currently serving as the Head of the Monetary Policy Operations Section within the Financial Operations Department at the BoG, where he has been an employee since 2000.

His area of expertise is the implementation of monetary policy, while in recent years he has been heavily involved in the analysis and assessment of the liquidity profile and the funding needs of the Greek banks. He has also worked on risk management and crisis management issues. Since 2003 he has been representing the BoG in various Eurosystem task forces, working groups and committees. Prior to joining the BoG, he worked in different departments of commercial banks in Greece.

He is a graduate of the National and Kapodistrian University of Athens, Department of Mathematics and holds an MBA from the University of Newcastle upon Tyne.

Avraam C. Gounaris – Member of the General Council, Representative of the Ministry of Finance

Mr. Gounaris is the General Secretary of the Public Property at the Ministry of Finance since January 2012.

During his twenty three years of working experience he has held senior management positions and has worked in the private sector in Greek and foreign banks, at Macedonia-Thrace, Barclays and HSBC, as well as in the public sector as CEO at Electric Busses of Athens and Piraeus Area (ILPAP) from 2004 to 2007, and immediately after as CEO at the Athens Urban Transportation Organisation (OASA) until 2009. Before joining the Ministry of Finance he was the Vice President of a listed software company.

Mr. Gounaris holds a Bachelor degree (BA) in Business Administration (Finance), and an MBA from the University of Nevada, Reno, USA.

John Zafiriou – Member of the General Council

Mr. John Zafiriou is the Managing Director, Global Head and founding partner of Credit Suisse Solution Partners. His offering covers customized solutions from across the investment banking division such as Capital Markets (Fixed Income and Equities, Commodities, Interest Rate swaps, Real Estate), Wealth Structuring, Syndication, Investments and sell-side M&A.

He is also a member of Credit Suisse "Private Banking and Wealth Management" Management Committee and he is based in Zurich.

Mr. Zafiriou has held various global roles in New York, London and Milan within Credit Suisse Investment Bank including Institutional Coverage. Prior to assuming his current role in 2004, he held senior roles at Credit Suisse First Boston, including Head Fixed Income Coverage & Origination in Europe from 1998 to 2004.

Mr. Zafiriou was a founding partner of Credit Suisse Financial Products, the derivatives subsidiary of Credit Suisse First Boston. At Credit Suisse First Boston, he was Head of Derivatives Sales in Europe from 1996 to 1998, and Head of Southern Europe Coverage from 1990 to 1996. Before joining Credit Suisse, he spent twelve years at Bankers Trust in various positions, including as Head of Southern Europe Derivatives Coverage.

Mr. Zafiriou holds a B.A. in Economics from Amherst College and an MBA from New York University.



Stephan Wilcke – Member of the General Council

Mr. Stephan Wilcke currently serves as Executive Chairman of OneSavings Bank plc a mutual UK “challenger bank” with full retail deposit taking license, as a Commissioner (non-Executive) of the Jersey Financial Services Commission, a regulator, and as Chief Investment Officer (non-Executive) at EMF Capital Partners Ltd, an emerging markets focused private equity fund whose capital is mainly provided by European Development Banks.

From 2012 to 2013 Mr. Wilcke served as Vice Chairman of Nova Ljubljanska Bank d.d. (NLB), the largest bank in Slovenia at the behest of the then Government. From 2009 to 2011 he was CEO of the UK Government virtual bad bank “Asset Protection Scheme” and a senior manager at HM Treasury (the UK Finance Ministry) where his responsibilities included approving several hundred large corporate restructuring cases and disposals. From 2008 to 2009 he served in an advisory capacity to several major Central Banks focusing on the management of distressed assets resulting from the Global Financial Crisis.

Mr. Wilcke worked at Apax Partners, a private equity firm, as a Partner and Head of European Financial Services from 2000-2007. From 1993 to 2000 he worked at consultancy Oliver Wyman where he progressed to Partner level.

Mr. Wilcke holds a Master’s (MA) degree (Honors) in Philosophy, Politics and Economics from Oxford University (1993), and he received his International Baccalaureate from United World College (UWC) of the Atlantic in Wales (1990). At both Oxford and UWC he was a sponsored by a German Government Scholarship (Studienstiftung des Deutschen Volkes). He has been a UK resident since 1993.

Audit Committee

The Audit Committee assists the General Council in fulfilling its oversight responsibilities for the financial reporting process, the internal audit performance, the external auditor’s appointment, remuneration and independence and the process for monitoring compliance with laws and regulations and the code of conduct. The audit committee consists of at least two members of the General Council, one of which is the Chairman, and one external expert of recognized standing and experience in auditing.

As of 31/12/2013 the Audit Committee consisted of two members, Mr. Marianni (Chairman) and Mr. Kolokotronis (external expert), following the resignation of its third member, Mr. Beroutsos, in November 2013. The Audit Committee meets regularly, at least 4 times per year, and occasionally whenever necessary. Following relevant invitation, at the meetings of the Audit Committee, the Executive Board or Chief Officers of the Fund may be present. Six (6) Audit Committee meetings were held in 2013.

In particular, the main responsibilities of the Audit Committee are the following:

- Supervise and evaluate the effectiveness and performance of the internal audit function,
- Recommend to the General Council regarding the appointment of external auditors and the scope of their services,
- Monitor and review the independence, the objectivity and the performance of the external auditor,
- Consult with the external auditors regarding the findings of their audits,
- Review the annual financial statements as well as the disclosures, and consider whether they are complete, consistent with information known to committee members, and reflect appropriate accounting policies,
- Report to the General Council about committee activities, issues, and related recommendations.

The Audit Committee operates in accordance with article 14 of Law 3864/2010 and the Fund Internal Regulations. Over the year, the Committee has worked to fulfill its detailed responsibilities including: considering the scope and planning of the audit, the audit fee and the independence of the auditors; reviewing financial statements before submission to the General Council; agreeing the internal audit plan, and reviewing and considering the associated reports; reviewing and considering reports from the external auditors and the auditor’s management letter; and reviewing the operation and effectiveness of the Fund’s internal control systems.



Audit Committee	Role in the Audit Committee	No of participations in Audit Committee
Total Number of Meetings during 2013		
		6
Pierre Marianni	Chairman from 06/02/2013	6/6
Andreas Beroutsos	Member up to 13/11/2013	4/6
Kolokotronis Loizos	Member	6/6

Fund Personnel

Up to 31/01/2013 the Fund's personnel was appointed by a decision of the BoD following a call of interest invitation and an assessment of relevant qualifications. As of 01/02/2013, according to Law 3864/2010 as amended, the General Council approves the appointment of the Fund's senior management and the Fund's general terms and conditions of employment, including the remuneration policy. The staff of the Fund is hired by decision of the Executive Board following an invitation to express interest and an assessment of candidates' qualifications.

The majority of the Fund's personnel have a private law employment agreement of a definite period of three years, with a renewal option. There are also lawyers working on a "paid assignment" basis. Secondment of public servants is also allowed to the Fund, as well as of lawyers working on a "paid assignment" basis, staff working on a private law employment agreement for an indefinite period, either from the Public Sector or from Public Legal Entities or Private Legal Entities of the public sector, as well as employees from the BoG. The remuneration of the staff is determined by a decision of the Executive Board.

On 31/12/2013 Fund's personnel amounted to 26, of which 22 on payroll, whereas as of the date of approval of the financial statements the number of personnel amounted to 30, of which 29 on payroll (including Executive Board members).

Executive Board and General Council Remuneration

According to L. 3864/2010, the remuneration and compensation of the Members of the General Council and the Executive Board:

- shall be determined by decision of the Minister of Finance and shall be stated in the decision relating to their appointment and shall be disclosed in the Fund's annual report,
- shall be such that qualified and expert persons can be recruited and retained by the Fund,
- shall not be based on the Fund's profits or revenues,
- shall follow consultation with the Euro Working Group.

The remuneration of the BoD members, up to January 2013, was defined by the decision A.P. 44560/B.2018 of 30/09/2010. The Chairman, the Executive and the Non-Executive Members of the BoD, due to their relationship with the Fund, received remuneration for financial year 2013 and prior to their replacement, as listed in the table below. Their remuneration reflects gross compensation and their expenses. Furthermore, as far as executive members are concerned, the amount of € 60,455 has been paid by the Fund as social security contribution (not included in the following table):

Name	Position on the BoD during the financial year ended 31/12/13	BoD Remuneration & expenses
		01/01- 31/01/13 (€)
Thomopoulos Panayotis (until Jan 13)	Chairman (Executive Member)	53,839
Kyrkos Charalambos (until Jan 13)	Vice Chairman (Executive Member)	29,621
Gagales Anastasios (until Jan 13)	Vice Chairman (Executive Member)	12,540
Zakka Vasiliki (until Jan 13)	Member (Non-Executive)	2,302
Mergos Georgios (until Jan. 13)	Member (Non-Executive)	2,302
Tzavalis Ilias (until Jan 13)	Member (Independent Non-Executive)	2,302
Iplixian Pepi (until Jan 13)	Member (Independent Non-Executive)	2,302



Name	Position on the General Council during the financial year ended 31/12/13	Remuneration
		01/02 – 31/12/13 (€)
Sklavounis Christos (since May 13)	Chairman	109,374
Beroutsos Andreas (from Feb 13 – Nov 13)	Member	25,000
Mariani Pierre (since Feb 13)	Member	27,500
Wilcke Stephan (since Sept 13)	Member	10,000
Mergos Georgios (until April 13)	Member	7,500
Zafiriou John (since Sept 13)	Member	10,000
Gatzonas Efthimios (since Feb 13)	Member, appointed by the BoG	27,500
Michailidou Eftychia (since May 13)	Member, Representative of the Ministry of Finance	18,750
Name	Position on the Executive Board during the financial year ended 31/12/13	Remuneration
		01/02 – 31/12/13 (€)
Sakellariou Anastasia (since Feb 13)	Chief Executive Officer	197,894
Koutsos George (since Sep 13)*	Deputy Chief Executive Officer	66,071
Koliopoulos Marios (Feb – Jun 13)	Deputy Chief Executive Officer	77,083
Gagales Anastasios (since Feb 13)	Member	153,460

**Mr. Koutsos also received € 98,868 as the Fund's Chief Investment Officer between 01/01/2013 and 31/08/2013*

System of Internal Controls

The General Council and Executive Board are responsible for the development of an efficient and effective System of Internal Controls (SICs) in order to ensure the achievement of the Fund's objectives. The SIC constitutes the totality of detailed key controls and processes which track continuously every activity, contributing to the effective operation of the Fund. In 2013, the efforts were continued to enhance the system of internal control from the "repeatable but intuitive" level to a "defined" level, with the design and approval of the following by its governing bodies:

- Governing bodies Authorities matrix
- Audit Committee Charter
- Internal Audit Charter
- Code of Conduct and Conduct rules in Professional interactions
- Conflict of interest (including gifts acceptance) policy
- Personal Data protection
- Physical Data protection
- Information Barriers Policy
- Relationship Framework Agreements Monitoring Process
- Communication and Public Relations Policy
- Compliance Training for the HFSF staff

The General Council, with the support of the Audit Committee, had the ultimate responsibility for the oversight of the implementation of the appropriate principles and policies to ensure the effective and consistent application of the SICs. The Executive Board was responsible for the development and implementation of appropriate control mechanisms and procedures depending on the scope, the risks and the nature of work of the Fund's departments, the evaluation of weaknesses arising and the necessary remedial actions.

The SIC, the design of which is in a continuous development, aims at addressing risks to a reasonable level and not necessarily eliminating them.

The SICs of the Fund which is under development intends to safeguard the following objectives:

- Consistent implementation of the Fund's objectives, through the effective use of the available resources;
- Identification and management of all types of risks assumed by the Fund;



- Completeness and credibility of the data and information required for the accurate and timely determination of the financial condition of the Fund and the compilation of true and fair financial statements, filed with the Greek and International authorities;
- Compliance with the internal regulations, procedures and code of conduct governing the Fund's operation, as well as with the external regulations, including national and EU legal framework;
- Adoption of best practices and principles of corporate governance by the Fund and the credit institutions which have received capital support by the HFSF;
- Prevention and avoidance of erroneous actions and irregularities that could endanger the Fund's interests and reputation.

The Fund's Audit Committee is responsible for monitoring the adequacy and effectiveness of the SICs of the Fund, based on the reports received from the internal audit department and the external auditors. The Audit Committee supervises the preparation of annual financial statements of the Fund in accordance with the International Financial Reporting Standards and advises the Fund's General Council accordingly.

By decision of the General Council a person with specific competences and auditing experience is appointed as Chief Internal Auditor of the Internal Audit Department of the Fund, with a five-year term contract, which may be extended until the Fund's termination date. The Internal Auditor does not form part of the official hierarchy, enjoys full independence in the accomplishment of his/her duties and the internal audit plan and budget is approved by the Audit Committee. The Internal Auditor reports, through the Audit Committee, to the HFSF's General Council and directly to the Executive Board for administrative matters.

The Internal Audit (IA) Function of the HFSF is an independent and objective, assurance and consulting activity designed to ensure compliance with the policies and procedures so as to add value and improve the organization's operational effectiveness. It helps the organization accomplish its objectives by (a) bringing a systematic, disciplined approach in evaluating the effectiveness of risk management, control and governance processes, (b) recommending appropriate measures to improve their efficiency and effectiveness and (c) monitoring the implementation of corrective actions.



Statement of the General Council and the Executive Board

Declarations of the Members of the General Council and the Executive Board

We, in our capacity as Members of the General Council and the Executive Board of the Hellenic Financial Stability Fund, as far as we know, declare that:

1. The Financial Statements of the Hellenic Financial Stability Fund for the financial year ended 31/12/2013, which have been prepared in accordance with the International Financial Reporting Standards as adopted by the EU and present a true and fair view of the assets and liabilities, equity and statement of comprehensive income of the Fund.
2. The General Council's and Executive Board's report presents in a true manner the evolution, the performance and the position of the Fund.

Athens, 11 June, 2014

The Chief Executive Officer

The Deputy Chief Executive Officer

The Executive Board Member

Anastasia Sakellariou

George Koutsos

Anastasios Gagales

The Chairman of
the General Council

The Member of
the General Council

The Member of the General Council

Christos Sclavounis

Pierre Mariani

Wouter Devriendt

The Member of the General Council

The Member of the General Council

Stephan Wilcke

John Zafiriou

Member of the General Council, Representative of
the Ministry of Finance

Member of the General Council, appointed by the
Bank of Greece

Avraam Gounaris

Vassilios Spiliotopoulos

TRANSLATION
INDEPENDENT AUDITOR'S REPORT
To the General Council of the Private Legal Entity "Hellenic Financial Stability Fund"

Report on the Financial Statements

We have audited the accompanying financial statements of the Private Legal Entity "Hellenic Financial Stability Fund" (Hellenic Financial Stability Fund), which comprise the statement of financial position as at December 31, 2013, and the statements of comprehensive income, changes in equity and cash flow for the year then ended, as well as a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as these have been adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Hellenic Financial Stability Fund as at December 31, 2013, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as these were adopted by the European Union.

Report on Other Legal and Regulatory Requirements

We have agreed and confirmed the content and consistency of the General Council and Executive Board's Report to the accompanying financial statements according to the provisions of the articles 43a and 37 of the Codified Law 2190/1920.

Athens, June 11, 2014
The Certified Public Accountant

Nikolaos K. Sofianos
RN SOEL: 12231
Deloitte.
Hadjipavlou Sofianos & Cambanis S.A.
Assurance & Advisory Services
3a Fragoklissias & Granikou Str.
15125 Maroussi
Reg. No. SOEL: E. 120



Statement of Financial Position

<i>Amounts in €</i>	<i>Note</i>	31/12/2013	31/12/2012
ASSETS			
Cash and balances with Central Bank	5	488,766,493	827,827,829
Investment Securities	6	10,938,032,977	34,695,433,223
Financial Assets at Fair Value through Profit or Loss	7	22,584,683,404	-
Property and equipment	8	187,766	154,255
Intangible assets	9	28,307	13,102
Accrued income receivable	10	-	110,239,444
Receivables from banks under liquidation	11	2,853,078,162	2,218,199,534
Other assets	12	1,068,318	71,230
Total Assets		36,865,845,427	37,851,938,616
LIABILITIES			
Liabilities for payment of funding gaps	13	161,118,506	1,021,783,514
Derivative Financial Liability	14	2,282,271,430	-
Other liabilities	15	604,713	800,579
Total Liabilities		2,443,994,649	1,022,584,093
EQUITY			
Capital	16	49,700,000,000	42,500,000,000
Accumulated Deficit		(15,278,149,222)	(5,670,645,476)
Total equity		34,421,850,778	36,829,354,524
Total Liabilities & Equity		36,865,845,427	37,851,938,616

The Notes from pages 39 to 68 form an integral part of the financial statements

Athens, 11 June 2014

The Chief Executive Officer

The Deputy Chief
Executive Officer

The Chief Financial & Operating Officer

Anastasia Sakellariou

George Koutsos

Ioannis Kyriakopoulos



Statement of Comprehensive Income

<i>Amounts in €</i>	Note	01/01/2013 - 31/12/2013	01/01/2012 - 31/12/2012
Interest income	17	167,617,905	232,317,496
Commission income	18	110,676,358	665,839,444
Personnel expenses	19	(2,324,124)	(1,998,033)
General administrative & other operating expenses	20	(11,025,972)	(2,939,177)
Impairment of investments and receivables and provision charges for funding gap	6, 11	(4,325,802,863)	(6,354,580,321)
Gain/(loss) from investment securities	21	433,973,954	-
Gain/(loss) from financial instruments at fair value through profit or loss	22	(5,982,706,161)	-
Depreciation and amortization of property, equipment and intangible assets	8,9	(73,157)	(48,626)
Other income/(expenses)	23	2,160,314	(301)
Loss for the financial year		(9,607,503,746)	(5,461,409,519)
Other comprehensive income/(expenses)		-	-
Total comprehensive income/(expenses) for the financial year		(9,607,503,746)	(5,461,409,519)

The Notes from pages 39 to 68 form an integral part of the financial statements

Athens, 11 June 2014

The Chief Executive Officer

The Deputy Chief
Executive Officer

The Chief Financial & Operating Officer

Anastasia Sakellariou

George Koutsos

Ioannis Kyriakopoulos



Statement of Changes in Equity

<i>Amounts in €</i>	Capital	Reserves & accumulated losses	Total
Balance as of 31/12/2011	1,500,000,000	(209,235,958)	1,290,764,043
Capital increase	41,000,000,000	-	41,000,000,000
Loss for the financial year	-	(5,461,409,519)	(5,461,409,519)
Balance as of 31/12/2012	42,500,000,000	(5,670,645,476)	36,829,354,524
Capital increase	7,200,000,000	-	7,200,000,000
Loss for the financial year	-	(9,607,503,746)	(9,607,503,746)
Balance as of 31/12/2013	49,700,000,000	(15,278,149,222)	34,421,850,778

The Notes from pages 39 to 68 form an integral part of the financial statements



Statement of Cash Flows

<i>Amounts in €</i>	01/01/2013 - 31/12/2013	01/01/2012 - 31/12/2012
Cash flows from operating activities		
Loss for the financial year	(9,607,503,746)	(5,461,409,519)
Adjustments for non-cash items included in statement of comprehensive income and other adjustments:	9,869,478,250	6,128,421,475
Depreciation and amortization of property, equipment and intangible assets	73,157	48,626
(Gain)/loss from financial instruments at fair value through profit or loss	5,982,706,161	-
Impairment of Investments and Receivables and provision charges for funding gap	4,325,802,863	6,354,580,321
(Gain)/loss from disposal of investments	(433,973,954)	-
Interest income	(5,129,977)	(226,207,472)
Net (increase)/decrease in operating assets:	(247,691,921)	(835,426,719)
Change in receivables from funding gaps and liquidations	(552,367,499)	(725,222,091)
Change in accrued interest receivable	195,433,222	-
Change in accrued income receivable	110,239,444	(110,239,444)
Other assets	(997,088)	34,816
Net increase/(decrease) in operating liabilities:	(195,866)	408,119
Other liabilities	(195,866)	408,119
Net cash from operating activities	14,086,717	(168,006,644)
Cash flow from investing activities		
Participation in share capital increase of investments	(394,998,542)	(295,000,000)
Proceeds received from warrants exercised	96,877,572	-
Proceeds/(payments) for disposal of investments	(54,905,210)	-
Purchase of property, equipment and intangibles	(121,873)	(44,925)
Net cash from investing activities	(353,148,053)	(295,044,925)
Cash flows from financing activities		
Proceeds from capital increase	-	-
Net cash inflows from financing activities	-	-
Net increase/(decrease) in cash and cash equivalents	(339,061,336)	(463,051,569)
Cash and cash equivalents at beginning of period	827,827,829	1,290,879,398
Cash and cash equivalents at end of period	488,766,493	827,827,829

The Notes from pages 39 to 68 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 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 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

Anastasia Sakellariou
George Koutsos*
Anastasios Gagales

Position

Chief Executive Officer
Deputy Chief Executive Officer
Member

General Council**

Christos Sclavounis
Pierre Mariani
Wouter Devriendt
John Zafiriou
Stephan Wilcke
Avraam Gounaris
Vasilios Spiliotopoulos

Position

Chairman
Member
Member
Member
Member
Member, Representative of the Ministry of Finance
Member, appointed by the Bank of Greece

**Mr. Marios Koliopoulos, former Deputy Chief Executive Officer, submitted his resignation on 01/07/2013. Mr. Koutsos was appointed on 01/09/2013.*

***Mr. Paul Koster was initially appointed Chairman until 15/03/2013 when he submitted his resignation. Mr. Christos Sclavounis was appointed Chairman on 15/05/2013.*

*** Mr. Wouter Devriendt replaced on 13/01/2014 Mr. Andreas Beroutsos who was appointed on 01/02/2013 and resigned on 14/11/2013.*

***Mr. John Zafiriou and Mr. Stephan Wilke were appointed on 06/09/2013 following the increase of the number of the General Council Members from 5 to 7.*



*** Mr. Avraam C. Gounaris replaced Ms. Eftychia Michailidou, on 14/01/2014, who had previously replaced Mr. George Mergos on 17/05/2013*

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

The statutory auditor of the financial statements is Mr. Nikolaos Sofianos, RN SOEL 12231.

The current financial statements have been approved for issue by the Fund's General Council on 11 June 2014.

Note 2 Summary of Significant Accounting Policies

2.1 Basis of preparation

The Fund's financial statements for the year ended 31/12/2013 (the "financial statements") have been prepared in accordance with the International Financial Reporting Standards ("IFRSs") as endorsed by the European Union ("E.U."). The amounts are presented in Euro rounded to the first decimal, unless otherwise stated. Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current period.

The 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 liabilities (warrants) which have been measured at fair value. The preparation of financial statements in conformity with the IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The use of available information and the application of judgment and assumptions are inherent in the formation of estimates in the following areas: impairment of investment securities, assessment of the recoverability of receivables from entities under liquidation, fair value of financial instruments and contingencies. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

The Financial Statements cover the financial year from 01/01/2013 up to 31/12/2013. The Fund's Management has reviewed the accounting policies and believes that the accounting policies adopted are the most appropriate for the circumstances of the Fund.

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.

Following the recapitalization of the banking sector in the end of July 2013, the Fund obtained the majority of the common shares of the four systemic Banks. The Fund has restricted voting rights in Alpha Bank S.A. (hereinafter "Alpha", National Bank of Greece S.A. (hereinafter "NBG") and Piraeus Bank S.A. (hereinafter "Piraeus") given that the private sector participation was above the minimum requirement as provided by the Law. Following that, private shareholders retain their right to appoint the management of the bank, which in turn has the power to manage the financial and operating policies of the bank. The Fund can exercise its voting rights in specific decisions under the legislation in force and has the rights provided in the Relationship Framework Agreements.

In contrast the Eurobank Ergasias S.A.'s (hereinafter "Eurobank") share capital increase was subscribed solely by the Fund as the Bank was not able to attract private sector participation. Although the Fund has appointed the Management and is able to fully exercise its voting rights, the Eurobank's consolidation is exempted and instead the Fund measures its investment at fair value through profit or loss. The Fund acts within the explicit framework of the law, and its objective is the re-privatization of the recapitalized bank in accordance with the provisions of the Memorandum of Economic and Financial Policies (MEFP). Moreover, Eurobank's management preserves its independence to determine its commercial and day-to-day decisions as provided in the Relationship Framework Agreement. In line with the aforementioned, Eurobank was re-privatized in May 2014 with the Fund retaining only restricted voting rights thereafter.

2.2 Adoption of International Financial Reporting Standards (IFRS)

New standards, amendments and interpretations to existing standards applied from 1 January 2013

- **IAS 1 "Presentation of Financial Statements"** (Amendment)(effective for annual periods beginning on or after 1 July 2012). The adoption of the



amendment by the Fund had neither financial impact nor any change in the presentation of the Statement of Comprehensive Income. In particular items of OCI shall be grouped in those that will be reclassified subsequently to the profit or loss and in those that will not be reclassified in profit or loss when conditions are met.

- IFRS 7 “Financial Instruments: Disclosures” (Amendment).(Effective for annual periods beginning on or after 1 January 2013). The amendment requires information about all recognised financial instruments that are set off in accordance with paragraph 42 of IAS 32 **Financial Instruments: Presentation**. The amendment also requires disclosure of information about recognized financial instruments subject to enforceable master netting arrangements and similar agreements even if they are not set off under IAS 32. The adoption of this amendment had no impact on the financial statements of the Fund.

- IFRS 10 “Consolidated Financial Statements” (as amended), IFRS 11 “Joint Arrangements” (as amended), IFRS 12 “Disclosure of Interests in Other Entities” (as amended), IAS 27 “Separate Financial Statements” (Amendment), IAS 28 “Investments in Associates and Joint Ventures” (Amendment) (effective for annual periods beginning on or after 1 January 2014 as endorsed by the EU).

IFRS 10 provides a single consolidation model and builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. IFRS 10 changes definition of control such that an investor has control over the investee when a) it has power over the investee; b) it is exposed, or has rights, to variable returns from its involvement with the investee and c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. IFRS 10 replaces the consolidation requirements in IAS 27 “Consolidated and Separate Financial Statements” which now only deals with the requirements for separate financial statements and SIC-12 “Consolidation—Special Purpose Entities”.

IFRS 11 replaces IAS 31 “Interests in Joint Ventures” and SIC-13 “Jointly Controlled Entities—Non-monetary Contributions by Venturers”. It requires a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations by considering the structure, the

legal form of the arrangements, the contractual terms agreed by the parties to the arrangement and, when relevant, other facts and circumstances. Joint arrangements are either joint operations or joint ventures. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint venturers) have rights to the net assets of the arrangement. Unlike IAS 31, the use of “proportionate consolidation” to account for joint ventures is not permitted.

IAS 28 “Investments in Associates and Joint Ventures” (2011) supersedes IAS 28 “Investments in Associates” and prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

IFRS 12 combines, enhances and replaces the disclosure requirements for subsidiaries, joint arrangements, associates and unconsolidated structured entities.

The amendments clarify the transition guidance in IFRS 10 and introduce a requirement for investment entities to measure their investments in particular subsidiaries at fair value through profit or loss, instead of consolidating them.

The amendments also provide additional transition relief in IFRS 10, IFRS 11 and IFRS 12, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. Furthermore, for disclosures related to unconsolidated structured entities, the amendments will remove the requirement to present comparative information for periods before IFRS 12 is first applied.

The Fund has early adopted the above Standards and amendments which do not have financial impact on its financial statements.

- IFRS 13 “Fair Value Measurement” (effective for annual periods beginning on or after 1 January 2013).

- defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market between market participants at the measurement date under current market conditions (i.e. exit price);
- sets out in a single IFRS a framework for measuring fair value; and
- requires disclosures about fair value measurements.



The fair value measurement requirements of IFRS 13 apply to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurement, except for share-based payments transactions that are within the scope of IFRS 2 “Share-based Payment”, leasing transactions that are within the scope of IAS 17 “Leases”, and measurements that have some similarities to fair value but are not fair value (e.g. value in use for impairment assessment purposes). IFRS 13 does not change when fair value is used, but rather describes how to measure fair value when fair value is required or permitted by IFRS. IFRS 13 requires prospective application from 1 January 2013. In addition, based on transitional provisions, the disclosure requirements of the Standard need not be applied in comparative information provided for periods before the initial application of the Standard. In accordance with these transitional provisions, the Fund has not made any new disclosures required by IFRS 13 for the 2012 comparative period. Other than the additional disclosures which are presented in Notes 6 and 7, the application of IFRS 13 did not have a material impact on the financial statements of the Fund.

- Annual Improvements to IFRSs 2009-2011 Cycle (effective for annual periods beginning on or after 1 January 2013), which clarified:

- the requirements for comparative information in IAS 1 and IAS 34;
- the classification of certain types of equipment as property, plant and equipment in IAS 16;
- the accounting for the tax effect of distributions to holders of equity instruments in IAS 32; and
- the requirements in IAS 34 on segment information for total assets and liabilities.

The adoption of the above improvements by the Fund had no impact on its financial statements.

New standards, amendments and interpretations to existing standards effective after 2013.

- IFRS 9 “Financial Instruments” (effective for annual periods beginning on or after 1 January 2018 as issued by the IASB). IFRS 9, issued in November 2009, introduced new requirements for the classification and measurement of financial assets. IFRS 9 was amended (a) in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition and (b) in November 2013 to include the new general hedge accounting

model and allow early adoption of the requirement to present fair value changes due to own credit on liabilities designated at fair value through profit or loss to be presented in other comprehensive income. Key requirements of IFRS 9:

- all recognised financial assets that are within the scope of IAS 39 “Financial Instruments: Recognition and Measurement” are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.
- with regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability, that is attributable to changes in the credit risk of that liability, is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.
- Put in place a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.

The Fund has not applied this standard and is currently evaluating the impact of IFRS 9 on the financial



statements and the timing of its adoption given that the Fund's duration is up to 2017.

- **IAS 32 "Financial Instruments: Presentation"** (Amendment)(effective for annual periods beginning on or after 1 January 2014). The amendment provides clarifications on the application of the offsetting rules. The Fund will apply this amendment, but is not expected to have impact on the financial statements.

- **Annual Improvements to IFRSs 2010-2012 Cycle** (effective for annual periods beginning on or after 1 July 2014). The amendments impact the following standards:

IFRS 2 - Amend the definitions of 'vesting conditions' and 'market condition' and adds definitions for 'performance condition' and 'service condition' which were previously included within the definition of 'vesting conditions'.

IFRS 3 — Require contingent consideration that is classified as an asset or a liability to be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of IFRS 9 or IAS 39 or a non-financial asset or liability. Changes in fair value should be recognized in profit or loss.

IFRS 8 — Require disclosure of the judgments made by management in applying the aggregation criteria to operating segments, including a brief description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have similar economic characteristics. Clarify that reconciliations of the total of the reportable segments' assets to the entity's assets are only required if the segments' assets are regularly reported to the chief operating decision maker.

IFRS 13 — Clarify that issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the ability to measure certain short-term receivables and payables on an undiscounted basis, if the effect of discounting is not material (amends basis for conclusions only).

IAS 16 and IAS 38 — Clarify that when an item of property, plant and equipment or an intangible asset is revalued, the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortization is the difference between the gross carrying amount and the carrying amount after any impairment losses.

IAS 24 — Clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity and

how payments to entities providing management services are to be disclosed.

The Fund has not applied these amendments, but they are not expected to have a material impact on the financial statements.

- **Annual Improvements to IFRSs 2011-2013 Cycle** (effective for annual periods beginning on or after 1 July 2014). The amendments impact the following standards:

IFRS 1 — Clarify that a first-time adopter is allowed, but not required, to apply a new IFRS that is not yet mandatory if that IFRS permits early application. If an entity chooses to early apply a new IFRS, it must apply that new IFRS retrospectively throughout all periods presented unless IFRS 1 provides an exemption or an exception that permits or requires otherwise (amends basis for conclusions only).

IFRS 3 — Clarify that IFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself.

IFRS 13 — Clarify that the scope of the portfolio exception in paragraph 52 for measuring the fair value of a group of financial assets and financial liabilities on a net basis, includes all contracts that are within the scope of, and accounted for in accordance with, IAS 39 or IFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities in IAS 32 "Financial Instruments: Presentation".

IAS 40 — Clarify the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property. Consequently, an entity acquiring investment property must determine whether (a) the property meets the definition of investment property in IAS 40 and (b) the transactions meets the definition of a business combination under IFRS 3.

The Fund has not applied these amendments, but they are not expected to have a material impact on the financial statements.

There are no other IASs, IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Fund's financial statements.

2.3 Financial assets at fair value through profit or loss

This category includes the shares obtained by the Banks under the recapitalization process which the Fund has designated them at initial recognition as at fair value through profit or loss. Doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as "an accounting mismatch") that would otherwise arise if



the related derivatives (i.e. warrants) were treated as fair value through profit or loss and the underlying financial instruments were classified as available for sale and the changes in fair value are reported in other comprehensive income.

The fair value designation, once made, is irrevocable. Financial assets at fair value through profit or loss are initially recognised at fair value and subsequently re-measured at fair value.

Gains and losses realised on disposal or redemption and unrealised gains and losses from changes in the fair value are included in "Gains/(losses) from financial instruments at FVTPL".

2.4 Derivative financial liabilities

Derivative financial liabilities include the warrants issued by the Fund in the context of the systemic bank's recapitalization, which were given to private investors participating in the capital increase of the systemic Bank according to provisions of Law 3864/2010 and Cabinet Act 38/2012. The Fund designates at initial recognition respective derivative financial liabilities as at fair value through profit or loss and subsequently are re-measured at their fair value with gains/(losses) recognised in the Statement of Comprehensive Income.

Each warrant incorporates the right of its holder to purchase from HFSF shares, acquired by HFSF due to its participation in the aforementioned capital increase of the systemic bank. The warrants do not provide voting rights to holders or owners thereof.

The warrants may be exercised by the holders every six months, with the first exercise date being six months following their issuance and the last exercise date being fifty-four (54) months following their issuance.

Gains and losses realised on exercise or redemption and unrealised gains and losses from changes in the fair value are included in the financial line of "Gains/(losses) from financial instruments at FVTPL" in the statement of comprehensive income.

2.5 Investment Securities

Investment securities are initially recognised at fair value (including transaction costs) and are classified as available-for-sale or loans-and-receivables based on the securities' characteristics and management intention on purchase date. Investment securities are recognized on the trade date, which corresponds to the date during which the Fund commits to buy or sell the asset.

Available for sale investment securities are measured subsequent to initial recognition at fair value. In the

case that the fair value of equity instruments cannot be reliably and subjectively measured, then these securities are recognized at cost. Unrealized gains and losses arising from changes in the fair value of available for sale investment securities are reported in other comprehensive income (OCI), until such investment is sold, collected or otherwise disposed of in any other way, or until such investment is determined to be impaired.

When an available for sale investment security is disposed of or impaired, the accumulated unrealized gain or loss included in other comprehensive income is transferred from equity to the income statement for the period and reported as "gains/(losses) from investment securities". Gains and losses on disposal are determined using the moving weighted average cost method.

AFS equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less any identified impairment at the end of the reporting period.

Loans and receivables investment securities consist of non-derivative investment securities with fixed or determinable payments that are not quoted in an active market.

Loan and receivable investment securities are carried at amortised cost using the effective interest rate method, less any provision for impairment. Amortised cost is calculated by taking into account any fees, points paid or received, transaction costs and any discount or premium on acquisition.

Impairment: The Fund assesses at each reporting date whether there is objective evidence that an investment security or a group of such securities are impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the Fund about the loss events.

Impairment of Available-for-sale financial assets: In case of equity and debt investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the assets are impaired. If any such evidence exists for available-for-



sale financial assets, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in the Income statement) is removed from equity and recognized in the Statement of Comprehensive Income. Once an impairment loss has been recognized on an equity instrument, a reversal of that impairment is not permitted. For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. The cumulative loss (measured as the difference between the amortised cost and the recoverable amount, less any impairment loss on that receivable) is removed from other comprehensive income and recognized in the Income statement.

Impairment of loans and receivables investment securities is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. In circumstances in which there is a range of possible amounts, a loss equal to the best estimate within that range is recognized. If, in a subsequent period, the fair value of a loan or receivable increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in the income statement, the impairment loss is reversed through the statement of comprehensive income.

Interest earned while holding investment securities is reported as "interest income".

2.6 Fair value of Financial Instruments

The Fund measures the fair value of its financial instruments based on a framework for measuring fair value that categorizes financial instruments based on a three-level hierarchy of the inputs to the valuation technique, as discussed below.

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities. Level 1 assets and liabilities include financial securities and derivative contracts that are traded in an active exchange market. An active market, is a market in which transactions for assets or liabilities take place with sufficient frequency and volume to provide pricing

information on an ongoing basis and are characterized with low bid/ask spreads. Level 2: Observable inputs other than Level 1 quoted prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data (for example derived from prices) for substantially the full term of the assets or liabilities. Level 2 assets and liabilities include financial instruments with quoted prices that are traded less frequently than exchange-traded instruments, as well as financial instruments without quoted prices and certain derivative contracts whose values are determined using pricing models, discounted cash flow methodologies, or similar techniques with inputs that are observable in the market or can be derived principally from or corroborated by observable market data.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flows, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation. The level in the fair value hierarchy within which the fair value measurement is categorized in its entirety, is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety.

2.7 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 is obliged to contribute up to 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 European Financial Stability Facility (hereinafter "EFSF") Floating Rate Notes (hereinafter "FRNs") and cash, instead of the HDIGF, to cover the funding gaps of financial institutions which were resolved.

The decision of the resolution of a credit institution is made by the Bank of Greece (BoG). BoG is obliged to



decide the initial funding gap of the resolved financial institution and six months after determines the final funding gap. Upon the initial decision of the funding gap the Fund is obliged to pay the two thirds (2/3) of the amount and upon its finalisation the Fund pays the difference to the final amount. The amount paid is a receivable from the banks under liquidation and the remaining one third (1/3) is considered as the best estimate and a provision is recognized by the Fund.

In the case BoG has announced the final funding gap up to the date of issuance of Fund's financial statements, the event is considered adjusting and a liability is recognised by the Fund.

Impairment of Receivables from Banks under liquidation

The Fund assesses at each reporting date whether there is an objective evidence that the receivables from banks under liquidation are impaired.

A receivable from banks under liquidation is impaired if and only if there is objective evidence of impairment as a result of one or more events that occurred and this event has impact on the estimated cash flows of the receivable that can be reliably estimated. An impairment is recognised if there is objective evidence that the Fund will not be able to receive all the amount.

Objective evidence that a receivable is impaired included observable data that come to the attention of the Fund about the following loss events:

- (a) adverse economic and financial performance,
- (b) existence of losses of the banks under liquidation,
- (c) the existence of qualification of the audit opinion of the banks' under liquidation financial statements that might adversely affect the receivables and
- (d) legal constraints raising from liquidation process, which proves that the receivables may not be recoverable.

The impairment loss is reported through financial line "Impairment of investments and receivables and provision charges for funding gap" in the statement of comprehensive income.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed by adjusting the "Impairment of investments and receivables and provision charges for funding gap" account. The amount of the reversal is recognized in the Statement of Comprehensive Income.

Subsequent recoveries are credited to the "Impairment of investments and receivables and

provision charges for funding gap" account in the Statement of Comprehensive Income.

2.8 Recognition of deferred profit or loss on the transaction date

There are cases where the fair value of financial instruments is determined through the use of valuation models, which are based on prices or ratios, which are not always available in the market. In these cases, initially, the financial instrument is recognized by the Fund at the transaction price, which is the best indicator of fair value, although the value obtained from the relevant valuation model may differ. Such a difference between the transaction price and the model value is commonly referred to as "Day 1 profit or loss". The Fund does not recognize that initial difference, immediately in the income statement.

Deferred Day 1 profit or loss is amortised over the life of the instrument. Any unrecognized Day 1 profit or loss is immediately released to the Income statement if the fair value of the financial instrument in question can be determined either by using market observable model inputs or by reference to a quoted price for the same product in an active market or upon settlement. After entering into a transaction, the Fund measures the financial instrument at fair value, adjusted for the deferred Day 1 profit or loss. Subsequent changes in fair value are recognized immediately in the Income statement without reversal of deferred Day 1 profits and losses.

2.9 Derecognition

2.9.1. Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Fund retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Fund has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Fund has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the



asset is recognised to the extent of the Fund's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Fund could be required to repay.

2.9.2 Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Income statement.

2.10 Interest income and expense

Interest income and expense are recognised in the income statement for all interest bearing instruments using the effective interest rate method. Interest income includes interest coupons earned on floating income investment and interest-bearing cash balances with the BoG.

Fees and direct costs relating to acquiring a security are deferred and amortised to interest income over the life of the instrument using the effective interest rate method.

2.11 Fees and commissions

Fees and commissions are generally recognized on an accrual basis over the period the service is provided. Commissions and fees arising from regulatory framework are recognised upon completion of the underlying transaction.

2.12 Property and Equipment

Property and equipment include land and buildings, leasehold improvements and transportation and other equipment, held by the Fund for use in the supply of services or for administrative purposes. Property and equipment are initially recorded at cost, which includes all costs that are required to bring an asset into operating condition.

Subsequent to initial recognition, property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Costs incurred subsequent to the acquisition of an asset, which is classified as property and equipment are capitalized, only when it is probable that they will result in future economic benefits to the Fund beyond

those originally anticipated for the asset, otherwise they are expensed as incurred.

Depreciation of an item of property and equipment begins when it is available for use and ceases only when the asset is derecognized. Therefore, the depreciation of an item of property and equipment that is retired from active use does not cease unless it is fully depreciated, but its useful life is reassessed. Property and equipment are depreciated on a straight-line basis over their estimated useful lives. The estimated useful life of property and equipment relating to leasehold improvements and transportation means is until 30/06/2017 and for furniture and equipment up to 3 years.

At each reporting date the Fund assesses whether there is any indication that an item of property and equipment may be impaired. If any such indication exists, the Fund estimates the recoverable amount of the asset. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Gains and losses on disposal of property and equipment are determined by reference to their carrying amount and are taken into account in determining profit / (loss) for the year.

2.13 Software

Software includes costs that are directly associated with identifiable and unique software products that are anticipated to generate future economic benefits beyond one year. Expenditure, which enhances or extends the performance of computer software programs beyond their original specifications is recognized as a capital improvement and added to the original cost of the software.

Software is recognized under the caption "Intangible assets" and is amortized using the straight-line method over the useful life, up to 30/06/2017.

2.14 Provisions

Provisions are recognized when the Fund has a present obligation (legal or constructive) as a result of past events and it is probable that Fund will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the obligation at the end of the reporting period, taking into account the risks and the uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).



2.15 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Executive Board of the Fund, which is the chief operating decision maker responsible for the allocation of resources between the Fund's operating segments and the assessment of their performance. It is noted that the methods used to measure operating segments for the purpose of reporting to the Executive Board are not different from those required by the International Financial Reporting Standards. Income and expenses directly associated with each segment are included in determining business segment performance.

2.16 Related Party Transactions

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

2.17 Cash and Cash Equivalents

For the purpose of the Cash Flow Statement, cash and cash equivalents comprise of cash in hand, sight deposits in banks and deposits in the Central Bank, but excludes EFSF FRNs which are medium to long-term notes and are not considered as cash equivalents.

2.18 Operating Lease as a Lessee

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

2.19 Tax Regime

Law 3864/2010 establishes that the Fund shall enjoy all the administrative, financial and judicial immunities applicable to the government, being exempted from any direct or indirect taxes, contributions in favour of third parties and duties of any nature, excluding VAT.

Note 3 Critical Accounting Estimates and Assumptions in the Application of Accounting Principles

The preparation of financial statements in accordance with IFRS requires that the management makes judgments, estimates and assumptions that affect the reported amount of assets, liabilities, income and expense in the financial statements. The management believes that the judgments, estimates and assumptions used in the preparation of the financial statements are appropriate given the factual circumstances as of 31/12/2013.

The most significant areas, for which judgments, estimates and assumptions are required in applying the Fund's accounting policies, are the following:

Impairment of available for sale equity investments

The Fund determines that available-for-sale equity investments are impaired when there has been a significant or prolonged decline in the fair value of the equity investments below their cost. In determining what is significant or prolonged the Fund's management exercises judgment. In making this judgment, the Fund evaluates among other factors, the normal volatility in share price, in the case of listed equity investments. In addition, impairment may be appropriate when there is objective evidence of deterioration in the financial health of the investee, banking sector performance, operational and financing cash flows, the existence of losses, the existence of significant qualification of the audit of the entities' financial statements that might adversely affect the entities' value and situations that raise doubts as to their viability or solvency, or the existence of other circumstances of similar nature that could place in doubt the recoverability of the carrying amount of the investment.

Recoverability of receivables

The Fund assesses at each reporting date whether there is objective evidence that a receivable may not be recoverable. The Fund makes judgments as to whether there is any observable data indicating there is measurable decrease in the estimated future cash flows from the receivables. This evidence may include observable data indicating that there has been an adverse economic and financial performance, existence of losses of the banks under liquidation, the existence of qualification of the audit opinion of the banks' under liquidation financial statements that might adversely affect the receivables and legal constraints arising from liquidation process, which proves that the receivables may not be recoverable. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between estimated and realized losses.



The liquidators of credit institutions under liquidation are nominated by the Bank of Greece (“BoG”) and are subject to its monitor and control. The officers and the staff of the credit institutions under liquidation have to cooperate with the liquidator and follow the instructions of the BoG. Further to that, L. 4172/2013 provides for a Special Liquidation Committee responsible for deciding upon major issues on the liquidation process which is nominated by the BoG. Besides, the recent L. 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 the decision making bodies of the Fund shall have no authority with respect to acts or omissions of the bodies accountable for the special liquidation proceedings of credit institutions. 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.

Fair value of financial instruments

For financial assets and liabilities traded in active markets, the determination of their fair value is based on quoted, market prices. For financial instruments not traded in active markets, the determination of fair value is based on valuation techniques that include present value methods and other models based mainly on observable input parameters.

Valuation techniques were used for the determination of the fair value of the EFSF FRNs either disclosed in the Financial Statements of the Fund or contributed in kind in the context of banks recapitalization process.

Management believes the determination of the fair values are prudent and reflective of the underlying economics, based on the controls and procedural safeguards employed.

Note 4 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:

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. NBG, Piraeus, Alpha and Eurobank.

Transitional Credit Institutions (TCIs) & Hellenic Deposit and Investment Guarantee Fund (“HDIGF”) Operations: 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 of operations related to the Fund itself and unutilized cash balances and EFSF FRNs.



Analysis by Operating Segment

<i>Amounts in €</i>				
01/01-31/12/2013				
	Systemic Banks	TCIs & HDIGF Operations	Other	Total
Interest income	104,297,185	-	63,320,720	167,617,905
Commission income	110,676,358	-	-	110,676,358
Personnel expenses	(1,201,358)	(413,316)	(709,450)	(2,324,124)
General administrative & other operating expenses	(5,996,797)	(3,450,545)	(1,578,630)	(11,025,972)
Impairment of investments and receivables and provision charges for funding gap	-	(4,325,802,863)	-	(4,325,802,863)
Gain/(loss) from investment securities	524,116,664	(90,142,710)	-	433,973,954
Gain/(loss) from financial instruments at fair value through profit or loss	(5,982,706,161)	-	-	(5,982,706,161)
Depreciation and amortization of property, equipment and intangible assets	(51,210)	(14,631)	(7,316)	(73,157)
Other income/(expenses)	2,160,314	-	-	2,160,314
Profit/(Loss) for the financial year	(5,248,705,005)	(4,419,824,065)	61,025,324	(9,607,503,746)
Other comprehensive income/(expenses)				
Total comprehensive income /(expenses) for the financial year	(5,248,705,005)	(4,419,824,065)	61,025,324	(9,607,503,746)
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

<i>Amounts in €</i>				
01/01-31/12/2012				
	Systemic Banks	TCIs & HDIGF Operations	Other	Total
Interest income	192,213,556	30,774,250	9,329,690	232,317,496
Commission income	665,839,444	-	-	665,839,444
Personnel expenses	(1,288,441)	(525,529)	(184,063)	(1,998,033)
General administrative & other operating expenses	(1,992,299)	(662,263)	(284,614)	(2,939,177)
Impairment of investments and receivables and provision charges for funding gap	-	(6,354,580,321)	-	(6,354,580,321)
Depreciation and amortization of property, equipment and intangible assets	(34,038)	(9,725)	(4,863)	(48,626)
Other income/(expenses)	(211)	(60)	(30)	(301)
Profit/(Loss) for the financial year	854,738,010	(6,325,003,649)	8,856,120	(5,461,409,519)
Other comprehensive income/(expenses)				
Total comprehensive income /(expenses) for the financial year	854,738,010	(6,325,003,649)	8,856,120	(5,461,409,519)
Total segment assets	24,564,502,861	2,218,213,781	11,069,221,974	37,851,938,616
Total segment liabilities	560,405	1,021,943,630	80,058	1,022,584,093



Note 5 Cash and Balances with Central Bank

<i>Amounts in €</i>	31/12/2013	31/12/2012
Cash and balances with banks	10,099	15,618
Balances with Central Bank	488,756,394	827,812,211
Total	488,766,493	827,827,829

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 6 Investment Securities

Available for Sale Securities

Investment in New Proton

On 30/08/2013 the HFSF sold and Eurobank purchased all shares of New Proton for a consideration of € 1. Before this transaction the HFSF fully subscribed to a capital increase in New Proton Bank amounting to € 395m in cash in accordance with the Sale and Purchase Agreement with Eurobank on 15/07/2013.

Pursuant to a draft merger agreement signed between Eurobank and New Proton on 15/10/2013, New Proton was absorbed by Eurobank on 22/11/2013.

<i>Amounts in €</i>	2013	2012
Opening balance	1	1
Capital Increases	395,000,000	295,000,000
Impairment of Investment	-	(295,000,000)
Loss on sale to Eurobank (Note 21)	(395,000,001)	-
Closing balance	-	1

Investment in New HPB

On 18/01/2013 and after an inconclusive procedure of binding offers submission for the acquisition of the assets and liabilities of TT Hellenic Postbank S.A. (hereinafter HPB), the BoG proceeded with the resolution of the bank, and the establishment of a transitional credit institution, in the context of art. 142 of Law 4261/2014 – by the legal name of New Hellenic Postbank S.A. ("New HPB"). All deposits, the branch network, the viable business and most part of the "old" bank's assets were transferred to New HPB. The share capital of the transitional credit institution was set to € 500m and was fully paid up by the Fund as its sole shareholder (in the form of EFSF FRNs).

According to the MEFP, the Fund had to proceed with the divestment from New HPB until 15/07/2013. In that context, on 13/07/2013, the Fund's General Council decided to select Eurobank as the preferred bidder for the acquisition of all of New HPB's shares. The relevant agreement was signed between the two parties on 15/07/2013. The transfer of shares was completed on 30/08/2013. Eurobank's consideration was determined at € 681m in the context of a share capital increase through the issuance of 1,418,750,000 new ordinary Eurobank shares with an issue price of € 0.48 subscribed by the Fund by the contribution of New HPB shares.

Pursuant to a draft merger agreement signed between Eurobank and New HPB on 15/10/2013, New HPB was absorbed by Eurobank on 22/12/2013.



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Loans and Receivables Investment Securities

The Fund's EFSF FRNs as of 31/12/2013 and 31/12/2012 are presented in the tables below:

Amounts in €				31/12/2013		31/12/2012	
ISIN	Issue Date	Interest Rate	Maturity Date	Nominal Value (€)	Fair Value (€)	Nominal Value (€)	Fair Value (€)
EU000A1G0AL3	19/4/12	6M Eur + 46 b.p.	19/4/18	-	-	3,700,000,000	3,774,779,963
EU000A1G0AM1	19/4/12	6M Eur + 57 b.p.	19/4/19	-	-	3,700,000,000	3,794,957,652
EU000A1G0AN9	19/4/12	6M Eur + 64 b.p.	19/4/20	-	-	3,700,000,000	3,820,796,338
EU000A1G0AP4	19/4/12	6M Eur + 71 b.p.	19/4/21	-	-	3,700,000,000	3,854,767,958
EU000A1G0AQ2	19/4/12	6M Eur + 77 b.p.	19/4/22	-	-	3,700,000,000	3,882,306,603
EU000A1G0A57	19/12/12	6M Eur + 34 b.p.	19/12/22	1,524,900,000	1,541,399,418	5,000,000,000	5,037,876,952
EU000A1G0A65	19/12/12	6M Eur + 35 b.p.	19/12/23	1,069,394,000	1,081,376,560	5,000,000,000	5,037,379,077
EU000A1G0A73	19/12/12	6M Eur + 36 b.p.	19/12/24	1,138,609,000	1,151,691,617	6,000,000,000	6,027,695,270
EU000A1G0BE6	31/5/13	6M Eur + 33 b.p.	30/5/24	3,600,000,000	3,632,580,000	-	-
EU000A1G0BD8	31/5/13	6M Eur + 34 b.p.	30/5/25	3,600,000,000	3,632,796,000	-	-
Total				10,932,903,000	11,039,843,595	34,500,000,000	35,230,559,812

- Accrued interest as of 31/12/2013 and 31/12/2012 (not included in the figures above) amounts to € 5.1m and € 195.4m respectively.

- The credit rating of the EFSF which is the issuer of the FRNs as of 31/12/2013 were as follows: Fitch: AA+, S&P: AA and Moodys: Aa1.

On 17/04/2012 the HFSF signed with the EFSF, the Hellenic Republic and the BoG an Acceptance Notice for the contribution of EFSF FRNs into the Fund's account amounting to a total of € 25,000m.

On 13/12/2012, the HFSF signed with the EFSF, the Hellenic Republic and the BoG an Acceptance Notice for the contribution of EFSF FRNs into the Fund's account amounting to an additional € 16,000m.

On 23/05/2013, the HFSF signed with the EFSF, the Hellenic Republic and the BoG a third Acceptance Notice regarding for the contribution of EFSF FRNs into the Fund's account amounting to an additional € 7,200m. These were deposited in the securities account the HFSF holds at the BoG, pursuant to L. 3864/2010 (par. 2 art. 3) on 31/05/2013.

The Fund has classified all EFSF FRNs received as loans and receivables investment securities. The movement of the Loans and Receivables investment securities during the financial years 2013 and 2012 is as follows:

Amounts in €	2013	2012
Opening balance	34,695,433,222	-
Additions	7,200,000,000	41,000,000,000
EFSF FRN movements relating to banks	(30,767,097,000)	(6,530,774,250)
Transfer of EFSF FRNs for banks' recapitalization	(24,998,118,000)	-
Transfer of EFSF FRNs for funding gaps and TCIs' capital	(5,768,979,000)	(6,530,774,250)
Accrued interest receivable from EFSF FRNs	5,129,977	226,207,472
Accrued interest received from EFSF FRNs	(195,433,222)	-
Closing balance	10,938,032,977	34,695,433,223

Accrued interest on EFSF FRNs

The amount of € 195.4m in accrued interest received pertains to interest accrued during 2012 minus the accrued interest of € 30.8m on the nominal value of EFSF FRNs amounting to € 6,500m contributed to Piraeus during 2012, instead of the HDIGF to cover the preliminary funding gap of Agricultural Bank of Greece S.A. (hereinafter ATE). The reduction in the accrued interest receivable account is due to a) the reduction in the amount of EFSF FRNs held by the HFSF (31/12/2013: € 10,933m Vs 31/12/2012: € 34,500m), b) the decrease in the FRNs' underlying base rate and c) the payment of the accrued interest by the recapitalised banks during the year, which had received FRNs and the receipts of coupon payment on FRNs held by the HFSF.

The table below presents the analytical movement of the EFSF FRN nominal amount during 2013 and 2012 per bank (recapitalizations, funding gaps and TCI capital increases):



Amounts in €

EFSF FRNs		Total
FY 2012	2012 opening balance	-
	HFSF capital increases	41,000,000,000
	ATE	(6,500,000,000)
	Transfer of EFSF FRNs to cover funding gaps	(6,500,000,000)
	2012 closing balance	34,500,000,000
FY 2013	HFSF capital increase	7,200,000,000
	NBG	(8,464,264,000)
	EUROBANK	(5,725,783,000)
	PIRAEUS	(6,847,527,000)
	ALPHA	(3,960,544,000)
	Transfer of EFSF FRNs for banks' recapitalization	(24,998,118,000)
	New HPB	(500,000,000)
	Transfer of EFSF FRNs for TCIs' capital	(500,000,000)
	ATE	(794,827,000)
	HPB	(3,732,554,000)
	FBB	(456,970,000)
	Dodekanese Cooperative Bank	(166,008,000)
	Evia Cooperative Bank	(63,939,000)
	West. Macedonia Cooperative Bank	(54,681,000)
	Transfer of EFSF FRNs to cover funding gaps	(5,268,979,000)
	2013 closing balance	10,932,903,000

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.

Transfers between Level 1 and Level 2

No transfers of financial instruments between Level 1 and Level 2 occurred.

Note 7 Financial Assets at Fair Value through Profit or Loss

Under this caption the Fund classified 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 statement of comprehensive income. The fair value at the reporting date amounts to € 22,584.7m.

The following table presents the fair value of the shares per Bank together with the Levels of the fair value hierarchy.

Amounts in €	Fair values		Fair value hierarchy			Fair values
	31/12/2013		Level 1	Level 2	Level 3	31/12/2012
Equity instruments						
Alpha	5,631,843,970		5,631,843,970	-	-	-
Eurobank	2,880,061,249		2,880,061,249	-	-	-
NBG	7,785,946,734		7,785,946,734	-	-	-
Piraeus	6,286,831,451		6,286,831,451	-	-	-
Total	22,584,683,404		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.

Credit rating of the four 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:

Equities	Fitch	S&P	Moodys
NBG	B-	CCC+	Caa1
Piraeus	B-	CCC+	Caa1
Alpha	B-	CCC+	Caa1
Eurobank	B-	CCC+	Caa2

Movement of shares

The table below shows the movement of the participations in Banks within 2013.

No of shares	Alpha	NBG	Piraeus	Eurobank
Shares acquired in the Recapitalization	9,138,636,364	2,022,579,237	4,109,040,164	3,789,317,358
Additions	-	-	-	1,418,750,000
Disposals	(213,368,583)	(255,410)	-	-
Shares outstanding as of 31/12/2013	8,925,267,781	2,022,323,827	4,109,040,164	5,208,067,358

The additional shares of Eurobank were acquired in the context of the share capital increase of the bank in exchange for 100% of the shares of New HPB.

In December of 2013 due to the warrants exercise the Fund sold 213.4m and 0.26m shares of Alpha Bank and NBG respectively, as further explained in Note 14. The Fund recognized gains of € 1.9m reflecting the difference of exercise price and issue price (Note 22).

Note 8 Property and Equipment

Amounts in €	Vehicles & equipment	Leasehold improvements	Total
Balance 1 January 2012	53,289	131,696	184,985
Additions	37,434	-	37,434
Disposals and write-offs	-	-	-
Balance 31 December 2012	90,723	131,696	222,419
Accumulated depreciation	8,102	19,150	27,251
Depreciation charge	21,159	19,754	40,913
Balance - 31 December 2012	29,260	38,904	68,164
Net book value 31 December 2012	61,462	92,792	154,255
Balance 1 January 2013	90,723	131,696	222,419
Additions	70,933	25,513	96,445
Disposals and write-offs	-	-	-
Balance 31 December 2013	161,656	157,209	318,864
Accumulated depreciation	29,260	38,904	68,164
Depreciation charge	37,865	25,070	62,934
Balance - 31 December 2013	67,125	63,974	131,099
Net book value 31 December 2013	94,530	93,235	187,766



Note 9 Intangible Assets

Amounts in €

	Software
Balance as of 1 January 2012	16,819
Additions	7,492
Balance - 31 December 2012	24,311
Accumulated amortization	3,496
Amortization charge	7,713
Balance - 31 December 2012	11,209
Net book value 31 December 2012	13,102
Balance as of 1 January 2013	24,311
Additions	25,428
Balance - 31 December 2013	49,739
Accumulated amortization	11,209
Amortization charge	10,222
Balance - 31 December 2013	21,432
Net book value 31 December 2013	28,307

Note 10 Accrued Income Receivable

In accordance to the Presubscription Agreement, the Banks which received capital advances paid 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. NBG, Piraeus, Alpha and Eurobank paid the 1% underwriting fee (€ 90.5m, € 59.2m, € 24.2m and € 47m respectively) in June and July 2013 when their recapitalization was completed.

The movement of the accrued income receivable account, alongside a breakdown of the additions of the annual underwriting fee per bank for the financial year is presented in the table below:

Amounts in €	2013	2012
Opening balance	110,239,444	-
Additions	110,676,358	110,239,444
NBG	45,038,056	45,432,500
Piraeus	30,438,528	28,761,944
Alpha	12,455,833	11,742,222
Eurobank	22,743,941	24,302,778
Payments by the banks	(220,915,802)	-
Closing balance	-	110,239,444

Note 11 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. The total amount provided for funding gaps by the Fund reached € 13,314.7m up to 31/12/2013, of which € 237.3m were recovered in 2013 and € 10,224.3m were assessed as non-recoverable. Further



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to the non-recoverable amounts, the amount of € 161.1m that pertains to a) the remaining amount to be paid for 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 originating from its liquidation decided by the BoG on 08/12/2013, is not expected to be recovered.

The movements of the Fund's receivables, including impairments, from banks under liquidation are presented in the following table:

	<i>Amounts in €</i>	Opening balance	Additions	Recovered	Impairment charges/reversals	Closing balance
Financial Year 2013	-Achaiki Cooperative Bank	147,868,800	-	-	-	147,868,800
	-Lamia Cooperative Bank	47,584,890	-	(6,000,000)	(1,616,899)	39,967,991
	-Lesvos-Limnos Cooperative Bank	36,057,800	-	(7,000,000)	(2,149,460)	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	16,009,194	-	(4,324,266)	-	11,684,928
	-ATE	1,970,678,850	-	(220,000,000)	-	1,750,678,850
	-Hellenic Post Bank	-	3,732,554,000	-	(3,352,282,850)	380,271,150
	-T-Bank	-	-	-	2,011,800	2,011,800
	-First Business Bank	-	456,970,455	-	(376,695,998)	80,274,457
	-Probank	-	562,733,502	-	(433,950,950)	128,782,552
	Total	2,218,199,534	5,036,887,251	(237,324,266)	(4,164,684,357)	2,853,078,162
	Liabilities for funding gaps to be paid					
	-Evia Cooperative Bank	-	41,239,087	-	(41,239,087)	-
	-Dodecanese Cooperative Bank	-	92,538,747	-	(92,538,747)	-
	-West Macedonia Cooperative Bank	-	27,340,672	-	(27,340,672)	-
	Total	-	161,118,506	-	(161,118,506)	-
	Grand total	2,218,199,534	5,198,005,757	(237,324,266)	(4,325,802,863)	2,853,078,162
	<i>Amounts in €</i>	Opening balance	Additions	Collections	Impairment charges/reversals	Closing balance
Financial Year 2012	Receivables from funding gaps paid					
	-Achaiki Cooperative Bank	-	209,473,992	-	(61,605,192)	147,868,800
	-Lamia Cooperative Bank	-	55,493,756	-	(7,908,866)	47,584,890
	-Lesvos-Limnos Cooperative Bank	-	55,516,733	-	(19,458,933)	36,057,800
	-Proton Bank	-	259,621,860	-	(243,612,666)	16,009,194
	-ATE	-	6,675,890,000	-	(4,705,211,150)	1,970,678,850
	Total	-	7,255,996,341	-	(5,037,796,807)	2,218,199,534
	Liabilities for funding gaps to be paid					
	-ATE	-	794,827,000	-	(794,827,000)	-
	-T-Bank	-	226,956,514	-	(226,956,514)	-
	Total	-	1,021,783,514	-	(1,021,783,514)	-
	Grand total	-	8,277,779,855	-	(6,059,580,321)	2,218,199,534



The impairment loss of € 6,354.6m for 2012 is broken down into € 295m from the impairment of the Fund's investment in New Proton and € 6,059.6m from the impairment losses of the Fund's receivables from banks under liquidation and provision charges for funding gaps as it is analysed in the table above.

Impairment of receivables from liquidation of Cooperative Banks

- a) The receivable before impairment from Achaiki Cooperative Bank amounts to € 209.5m as of 31/12/2013. The amount pertains to the cash paid to NBG after the resolution of Achaiki Cooperative Bank and the transfer of its deposits to NBG, following BoG's decision on 18/03/2012. It is noted that the Fund recovered from the liquidation process € 38m in February 2014. As of 31/12/2013, the Fund estimates that the recoverable amount from the liquidation process is € 147.9m. Therefore, no impairment loss was recognised in 2013.
- b) The receivable before impairment from Lesvos-Limnos Cooperative Bank amounts to € 48.5m as of 31/12/2013, after the Fund recovered from the liquidation process € 7m in cash. The amount pertains to the cash paid to NBG after the resolution of Lesvos-Limnos Cooperative Bank and the transfer of its deposits to NBG. As of 31/12/2013, the fund estimates that the recoverable amount from the liquidation process is € 26.9m. Therefore, an impairment loss of € 2.1m was recognised in the Statement of Comprehensive Income for 2013 in addition to € 19.5m recognised in 2012.
- c) The receivable before impairment from the Lamia Cooperative Bank amounts to € 49.5m as of 31/12/2013, after the Fund recovered from the liquidation process € 6m in cash. The amount pertains to the cash paid to NBG after the resolution of the Lamia Cooperative Bank. As of 31/12/2013, the Fund estimates, that the recoverable amount from the liquidation process is € 40m. Therefore, an impairment loss of € 1.6m was recognised in the Statement of Comprehensive Income for 2013 in addition to € 7.9m recognised in 2012.
- d) The receivable before impairment from the Cooperative bank of Dodecanese amounts to € 166m as of 31/12/2013, which was paid to Alpha Bank through contribution of EFSF FRNs. The amount pertains to the two thirds (2/3) of the preliminary funding gap determined by BoG on 08/12/2013 after the resolution of Cooperative bank of Dodecanese and the transfer of its deposits to Alpha Bank. The final funding gap has been determined by the BoG on 10/06/2014 and therefore a liability of € 92.5m is recognized in the Statement of Financial Position for the remaining amount to be paid. The total amount for the liability to cover the final funding gap was charged in the Statement of Comprehensive Income in 2013 as the Fund does not expect to recover the respective amount. As of 31/12/2013, the Fund estimates that the recoverable amount from the liquidation process is € 166m. Therefore, a provision charge of € 92.5m was recognised in the Statement of Comprehensive Income in 2013.
- e) The receivable before impairment from the Cooperative bank of Evia amounts to € 63.9m as of 31/12/2013. This amount was paid to Alpha Bank through contribution of EFSF FRNs after the resolution of Cooperative bank of Evia and the transfer of its deposits to Alpha Bank and refers to the two thirds (2/3) of the initial funding gap decided by BoG on 08/12/2013. The final funding gap has been determined by the BoG on 10/06/2014 and therefore a liability of € 41.2m is recognized in the Statement of Financial Position for the remaining amount to be paid. The total amount for the liability to cover the final funding gap was charged in the Statement of Comprehensive Income in 2013 as the Fund does not expect to recover the respective amount. As of 31/12/2013, the Fund estimates that the recoverable amount from the liquidation process is € 63.9m. Therefore, a provision charge of € 41.2m was recognised in the Statement of Comprehensive Income in 2013.
- f) The receivable before impairment from the Cooperative Bank of West Macedonia amounts to € 54.7m as of 31/12/2013 which was paid to Alpha Bank through contribution of EFSF FRNs. The final funding gap has not been determined up to the date of issuance of financial statements and therefore a provision of € 27.3m is recognized in the Statement of Financial Position for the remaining one third (1/3). The total amount of the provision for the obligation to cover the funding gap was charged in the statement of comprehensive income in 2013 as the Fund does not expect to recover the respective amount. As of 31/12/2013, the Fund estimates that the recoverable amount from the liquidation process is € 54.7m. Therefore, a provision charge of € 27.3m was recognised in the Statement of Comprehensive Income in 2013.

Impairment of receivable from liquidation of Proton Bank

The receivable before impairment from Proton Bank's funding gap amounts to € 255.3m after the Fund recovered from the liquidation process € 4.3m in 2013. The HDIGF had covered the initial funding gap, amounting to € 862m to



New Proton Bank and pursuant to L. 4052/2012, as complemented with the Act of Cabinet (30/04/2012, par. 6c), the HFSF paid the amount of € 259.6m instead of the HDIGF on 14/05/2012. As of 31/12/2013, the Fund estimates that the recoverable amount from the liquidation process is € 11.7m, which represents the Fund's share (23.1%) of the funding gap provided over the total recoverable amount (€ 65.4m). Hence, further to the impairment loss of € 243.6m recognised in 2012, no impairment loss was recognised in the Statement of Comprehensive Income of 2013.

Impairment of receivable from liquidation of ATE

The receivable before impairment from ATE as of 31/12/2013 amounts to € 7,250.7 m. The amount pertains to the initial funding gap of € 6,675.9m (of which € 145.1m was paid in cash and € 6,530.8m in EFSF FRNs) and an additional amount of € 794.8m paid through contribution of EFSF FRNs to Piraeus on 26/03/2013 following the determination of the final funding gap by BoG on 27/07/2012. The Fund recovered within 2013 from the liquidation process € 220m in cash. As of 31/12/2013, the Fund estimates that the amount to be recovered from the liquidation process is € 1,750.7m. Hence, no further impairment had to be recognized during 2013 in addition to the impairment of amount € 4,705.2m and the provision charge for the liability to cover the funding gap of € 794.8m recognized in 2012.

Impairment of receivable from liquidation of HPB

The receivable before impairment from the liquidation of HPB as of 31/12/2013 amounts to € 3,732.6m and it was paid through contribution of EFSF FRNs. On 18/01/2013 and after an inconclusive procedure of binding offers submission for the acquisition of the assets and liabilities of HPB, the BoG proceeded with the resolution of the bank, and the establishment of a transitional credit institution, New HPB, in the context of art. 142 of Law 4261/2014, as currently in force. Moreover, the Fund covered instead of the HDIGF according to relevant Law in force (4051/2012) the funding gap. On 29/01/2013, an amount of € 2,730.8m in the form of EFSF FRNs, was disbursed to New HPB according to the provision of Law 4261/2014, art. 142, par. 7. Following the issuance of the BoG's decision for the determination of the final funding gap amounting to € 3,732.6m (EME 11/21.05.2013), on 14/06/2013 the HFSF contributed the remaining EFSF FRNs with nominal amount € 1,001.8m to the New HPB.

As of 31/12/2013, the Fund estimates that the amount to be recovered from the liquidation process is € 380.3m. Hence, an impairment of € 3,352.3m was recognized in the Statement of Comprehensive Income in 2013.

Impairment of receivable from liquidation of T-Bank

On 14/02/2013 the Fund disbursed the amount of € 227m in cash, instead of HDIGF, to the New HPB. This amount represented part of the preliminary funding gap (EPATH 26/2/17.12.2011), after the liquidation of T-Bank S.A. and the transfer of its assets and liabilities to New HPB, which was subsequently finalised by the BoG (decision EME 2/1/09.04.2012). The total amount of the provision for the liability to cover the funding gap was charged in the statement of comprehensive income in 2012 as the Fund did not expect to recover the respective amount. However the Fund recovered from the liquidation process € 2m in accordance with the liquidator's report dated 22/11/2013, which reduced the impairment charges of the year equivalently. The said amount was received on 14/02/2014.

Impairment of receivable from liquidation of Probank

The receivable before impairment from the liquidation of Probank as of 31/12/2013 amounts to € 562.7m. This amount was paid to NBG in cash and pertains to the funding gap determined by BoG. As of 31/12/2013, the Fund estimates that the amount to be recovered from the liquidation process is € 128.8m. Hence, an impairment of € 434m was recognized in the Statement of Comprehensive Income in 2013.

Impairment of receivable from liquidation of FBB

The receivable before impairment from the liquidation of FBB as of 31/12/2013 amounts to € 457m. This amount was paid to NBG through contribution of EFSF FRNs and pertains to the funding gap determined by BoG. As of 31/12/2013, the Fund estimates that the amount to be recovered from the liquidation process is € 80.3m. Hence, an impairment of € 376.7m was recognized in the Statement of Comprehensive Income in 2013.



Note 12 Other Assets

<i>Amounts in €</i>	31/12/2013	31/12/2012
Other receivables	1,023,760	28,126
Guarantees	44,558	43,104
Total	1,068,318	71,230

Other receivables expenses of € 1m pertained to fees for advisory services payable by Eurobank and Piraeus, which had initially been paid by the Fund.

Note 13 Liabilities for Payment of Funding Gap

<i>Amounts in €</i>	31/12/2013	31/12/2012
Liability for ATE funding gap	-	794,827,000
Liability for T-Bank funding gap	-	226,956,514
Liability for Dodecanese Coop funding gap	92,538,747	-
Liability for Evia Coop funding gap	41,239,087	-
Preliminary liability for West Macedonia Coop funding gap	27,340,672	-
Total	161,118,506	1,021,783,514

As of 31/12/2012 the amount of € 1,021.8m pertained to the finalisation of ATE's funding gap in 2013 (€ 794.8m) originating from the liquidation of ATE decided by the BoG on 27/07/2012 and the finalisation of T-Bank's funding gap (€ 227m) originating from the liquidation of T-Bank decided by the BoG on 17/12/2011. The Fund paid the said amounts on 26/03/2013 to Piraeus in the form of EFSF FRNs and on 14/02/2013 to New HPB in cash. The total amount of the provision for the liability to cover the funding gaps was charged in the Statement of Comprehensive Income in 2012 as the Fund did not expect to recover the amounts that had been contributed.

Regarding the amount of € 227m the Fund appealed to the Counsel of State asking for the annulment of the BoG decision, according to which the Fund was asked to pay it, instead of the HDIGF, based on a provision of Law 4051/2012 (Gov. Gaz. 40A'/29.02.2012) depicting that the Fund's obligation to pay instead of the HDIGF applied to the new as well as to the pending HDIGF liabilities not fulfilled until the enactment of the Law 4051/2012.

The Court's verdict for the determination of the liable entity has not been reached until the date of publication of the Fund's financial statements. New HPB has committed to the Fund, via a letter dated 11/02/2013, that in case that the Fund is vindicated in Court, the New HPB will return the amount of € 227m to the Fund.

As of 31/12/2013 the total amount of € 161.1m pertained to a) the € 133.8m remaining amount 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 amounted to € 82m, originating from its liquidation decided by the BoG on 08/12/2013). The Fund paid € 284.6m on 20/12/2013 to Alpha Bank in the form of EFSF FRNs. The total amount for the obligation to cover the funding gaps was charged in the Statement of Comprehensive Income in 2013 as the Fund does not expect to recover the aforementioned amount.

Note 14 Derivative Financial Liability

The derivative financial liability include solely the titles representing shares ownership rights (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 warrant has similar characteristics with a Bermudan style covered call warrant and gives to its holder the right but not the obligation to purchase a specific number of a bank's shares owned



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by the Fund at a specific strike price on a specific future date. The fair value of the outstanding warrants amounts to € 2,282.3m as of 31/12/2013.

The outstanding amount, the fair values and the fair value hierarchy per warrant are set out below:

<i>Amounts in €</i>	Number of warrants	Fair values	Fair value hierarchy		
	31/12/2013	31/12/2013	Level 1	Level 2	Level 3
Derivative Financial Liability					
Alpha 's Warrant	1,204,702,851	1,349,267,193	1,349,267,193	-	-
NBG's Warrant	245,748,580	285,068,353	285,068,353	-	-
Piraeus's Warrant	849,195,130	647,935,884	647,935,884	-	-
Total		2,282,271,430	2,282,271,430	-	-

Fair value of warrants

Warrants are freely transferrable securities which are listed for trading in the securities market of 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.

Exercise of warrants

The warrants may be exercised semiannually with the first exercise date being six (6) months following the issuance and the expiry date being after fifty-four (54) months following the issuance. The first exercise took place for Alpha Bank and National Bank of Greece on 10 and 27 December of 2013 respectively, whereas the Piraeus's warrants were exercised on 02/01/2014.

The exercise price is multiplied by the shares that the holder of the warrant is entitled to acquire upon exercise the warrant. The exercise price corresponding to each warrant that the Fund will receive in exchange for shares equals the issue price of the share plus accrued interest at an annual rate of 3% plus the following spread:

- 1% for the first year from the issue Date
- 2% for the second year from the issue Date
- 3% for the third year from the issue Date
- 4% for the fourth year from the issue Date
- 5% for the remaining period

After the first exercise on December 2013 the proceeds from the exercise of Alpha Bank's and NBG's warrants amounted to € 95.8m and € 1.1m respectively. On January 2014 the Fund received an amount of € 4.7m following the exercise of 603,280 of Piraeus's warrants.

The movement of warrants outstanding and the number of shares corresponding to 1 warrant (multiplier), if exercised, during 2013, are presented below:

	Alpha	NBG	Piraeus
Number of Warrants issued	1,233,503,482	245,779,626	849,195,130
Warrants exercised	(28,800,631)	(31,046)	-
Warrants Outstanding as of 31/12/2013	1,204,702,851	245,748,580	849,195,130
Multiplier ratio	7.4087	8.2292	4.4758

Note 15 Other Liabilities

<i>Amounts in €</i>	31/12/2013	31/12/2012
Creditors and suppliers	277,997	381,006
Taxes payable – other than income taxes	164,982	282,208
Payroll related accruals	137,823	107,844
Other expenses payable	23,911	29,520
Total	604,713	800,579



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Note 16 Capital

Following the Acceptance Notice signed on 23/05/2013 by the HFSF, the EFSF, the Hellenic Republic and the BoG, the HFSF received EFSF FRNs on 31/05/2013 with a nominal amount of € 7,200m.

The FRNs were deposited in the securities account the HFSF holds at the BoG (Government Securities and Management Section), pursuant to L. 3864/2010 (par. 2 art. 3). Following the contribution of the EFSF FRNs, the HFSF's capital amounted to € 49,700m.

The third tranche of EFSF FRNs the Fund received in the context of its capital increase is presented in the table below:

	ISIN	Nominal Value (€)	Issue Date	Maturity Date	Coupon
Tranche C	EU000A1G0BE6	3,600,000,000	31/5/2013	30/5/2024	Eur 6M + 33 b.p.
	EU000A1G0BD8	3,600,000,000	31/5/2013	30/5/2025	Eur 6M + 34 b.p.
		7,200,000,000			

As of 31/12/2013 the Fund's capital stood at € 49,700m (31/12/2012: € 42,500m), which can be issued in registered and restricted securities owned wholly by the Greek State.

The movement of the capital account is presented in the table below:

<i>Amounts in €</i>	
Balance as of 21 July 2010	-
Capital increase - Cash	1,500,000,000
Balance as of 31 December 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 December 2012	42,500,000,000
Capital increase - EFSF FRNs issued on 31/05/2013	7,200,000,000
Balance as of 31 December 2013	49,700,000,000

Note 17 Interest Income

A breakdown of the Fund's interest income for 2013 and 2012 is provided in the table below:

<i>Amounts in €</i>	01/01/2013 - 31/12/2013	01/01/2012 - 31/12/2012
Interest income from EFSF FRNs	167,616,082	230,455,472
Interest income from deposits	1,823	1,862,024
Total	167,617,905	232,317,496

Note 18 Commission Income

Following the signing of the Presubscription Agreements with the banks in 2012 and L. 3864/2010, commission income was attributed to the following:

- According to par. 7 art. 16C L. 3864/2010, the banks which received capital support during 2012 paid a one-off € 555.6m fee to the HFSF (according to the provisions of par. 2 art. 3 of Law 3864/2010) and the breakdown per bank was as follows: NBG: € 115.6m, Piraeus: € 133m, Alpha: € 153m and Eurobank: € 154m. The respective amounts were allocated to the four banks in their amended presubscription agreements and



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deposited to the cash account that the HFSF holds in the BoG on 21/12/2012 (according to the provisions of par. 2 art 3 L. 3864/2010.).

- b) The Banks which received capital advances were obliged to pay the HFSF a 1% annual underwriting fee (2012: € 110.2m) 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 (2013: € 110.7m). The total 1% underwriting fee amounting to € 220.9m was paid to the Fund by the recapitalized banks in June and July of 2013.

The analysis of the Fund's commission income during financial years 2013 and 2012 is provided below.

<i>Amounts in €</i>	01/01/2013 - 31/12/2013	01/01/2012 - 31/12/2012
1% annual underwriting fee	110,676,358	110,239,444
One-off presubscription fee - par.2, art. 3 L. 3864/2010	-	555,600,000
Total	110,676,358	665,839,444

**The annual underwriting fee per bank is presented in Note 10*

Note 19 Personnel Expenses

The number of directors and employees under payroll by the Fund as of 31/12/2013 stood at 22 while the respective figure as of 31/12/2012 was 20. The total personnel expenses for the financial year of 2013 and 2012 are analysed as follows:

<i>Amounts in €</i>	01/01/2013 - 31/12/2013	01/01/2012 - 31/12/2012
Salaries	2,005,248	1,774,448
Employer's contribution	318,876	223,585
Total	2,324,124	1,998,033

Note 20 General Administrative and Other Operating Expenses

<i>Amounts in €</i>	01/01/2013 - 31/12/2013	01/01/2012 - 31/12/2012
Utilities and rentals	342,047	206,431
General Council remuneration	244,833	110,496
Lawyers' fees	376,016	257,307
Audit firms' fees	298,501	839,309
Advisors' fees	8,446,354	798,881
Professionals' fees	195,320	200,406
Custody fees	498,605	109,850
Insurance fees	232,558	147,353
Fees to bank representatives	87,269	64,863
Other fees	65,741	68,759
Other expenses	238,728	135,522
Total	11,025,972	2,939,177

The increase in 2013 is mainly due to a) the advisor's fees for the share capital increases and other transactions of the four banks paid by the Fund and the sale of the transitional credit institutions amounting to € 7.4m and b) the custody fees for the shares of the banks acquired amounting to € 0.5m. An amount of € 2.1m out of the € 8.5m in advisor's fees have been reimbursed from the 4 systemic banks in accordance with the presubscription agreements.



Note 21 Gain/(Loss) from Investment Securities

The € 434m gain derives from the following transactions:

a) Gain from EFSF FRNs contributed in the Banks' recapitalization process

The amount that the Fund contributed for the SCIs in terms of their recapitalization process was lower than the one determined by the BoG, due to private sector participation in the SCIs. The nominal amount of the EFSF FRNs actually disbursed amounted to € 24,998.1m, whereas the fair value of the EFSF FRNs amounted to € 25,522.2m.

The Fund recognized a € 524.1m gain which derived from the difference between the fair value and the nominal value of the EFSF FRNs, classified as Loans and Receivables, at the time of their contribution towards the completion of the 4 systemic banks' recapitalization. The fair value of the EFSF FRNs was determined by external valuers according to par. 4 of article 9 of codified Law 2190/1920.

b) Gain from the disposal of New HPB

The Fund recognized a gain of € 304.9m resulting from the sale of 100% of the shares of New HPB to Eurobank on 30/08/2013. The consideration received by the Fund amounted to € 859.8m which was the fair value of the Eurobank's shares based on the market price at the date of sale. The capital of New HPB was € 500m and was fully paid up by the Fund in the form of EFSF FRNs, as its sole shareholder. In November 2013 the Fund paid an amount of € 54.9m in cash as settlement for the transaction following the finalization of the New HPB's Net Asset Value.

c) Loss from the disposal of New Proton

The Fund recognized a loss of € 395m resulted from the sale of New Proton to Eurobank. On 30/08/2013, Eurobank paid to HFSF a € 1 cash consideration in exchange for 100% of the New Proton's shares. Prior to the completion of the transaction, the HFSF covered the capital needs of New Proton by contributing € 395m in cash, in accordance with the sale and purchase agreement with Eurobank.

Note 22 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 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 is presented in the table below.

<i>Amounts in €</i>	31/12/2013	31/12/2012
Gain/(loss) from Equity securities		
Alpha	1,706,603,790	-
Eurobank	(3,818,701,251)	-
NBG	(889,800,442)	-
Piraeus	(698,536,828)	-
Gain/(loss) from Warrants		
Alpha	(1,349,267,193)	-
NBG	(285,068,353)	-
Piraeus	(647,935,884)	-
Total	(5,982,706,161)	-

The gain from Alpha Bank's shares is comprised of € 1,704,726,146 revaluation gain and € 1,877,644 gain from the disposal of shares following the exercise of the warrants. The revaluation loss from the NBG's shares was € 889,822,484, while a gain of € 22,042 was recorded from the disposal of shares from the exercise of warrants.



Note 23 Other Income/(Expenses)

<i>Amounts in €</i>	01/01/2013 - 31/12/2013	01/01/2012 - 31/12/2012
Expenses recovered from reimbursement of invoices by banks	2,050,000	-
Other income/(expenses)	110,314	(301)
Total	2,160,314	(301)

During 2013 the Fund paid an amount of € 2,050,000 for financial advisory services relating to the recapitalised banks. The said amounts were reimbursed by the recapitalised banks.

Note 24 Commitments and Contingent Liabilities

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

<i>Amounts in €</i>	31/12/2013	31/12/2012
No later than 1 year	253,688	253,688
Later than 1 year and no later than 5 years	634,220	887,907
Later than 5 years	-	-
Total	887,908	1,141,595

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

Note 25 Risk Management

The HFSF has organized its risk management function, in accordance with its statutory provisions and international best practices. Roles and responsibilities are clearly identified, whereas potential risks, to which the HFSF is exposed in the course of fulfilling its mandate, are identified, assessed, monitored and effectively mitigated.

Financial Risk Management

During 2013, HFSF held the following financial assets, as presented in each relevant Note:

- Financial Assets at Fair Value through Profit or Loss – Equity shares in the four systemic banks, as a result of the HFSF's participation in the share capital increases that took place in May and June of 2013.
- Investment securities – Loans and Receivables (EFSF FRNs held by the HFSF),
- Receivables from banks under liquidation (claims from the banks which have been placed under liquidation and the Fund has covered their funding gaps, on behalf of the HDIGF),
- Cash in hand and deposits at the BoG

All of the financial assets above are denominated in Euros.

The HFSF's non-derivative financial liabilities, are those derived from the funding gaps and those classified as "Other Liabilities" (Creditors and suppliers, social security contributions payable and other expenses payable). The maturity analysis of the non-derivative financial liabilities is less than one year. The Fund's derivative financial liabilities include the issued warrants in connection to Alpha, NBG and Piraeus. Their maturity is presented in the table below.



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Months after the date of issuance	Warrant exercise dates*		
	ALPHA	NBG	Piraeus
6	10/12/2013	26/12/2013	2/1/2014
12	10/6/2014	26/6/2014	2/7/2014
18	10/12/2014	26/12/2014	2/1/2015
24	10/6/2015	26/6/2015	2/7/2015
30	10/12/2015	26/12/2015	2/1/2016
36***	10/6/2016	26/6/2016	2/7/2016
42	10/12/2016	26/12/2016	2/1/2017
48	10/6/2017	26/6/2017	2/7/2017
54	10/12/2017**	26/12/2017**	2/1/2018**

**If the foreseen exercise date does not fall on a business day, it shall be carried over to the immediately following business date, adjusting accordingly the amount of interest*

***The last exercise date is the warrants' expiry date*

****After 36 months as of the issue of the HFSF Warrants, the HFSF is entitled, subject to certain requirements, to transfer the underlying common shares to third parties without any compensation to HFSF Warrants' holders who choose not to exercise the warrants.*

The carrying values of short-term financial assets and liabilities, are not considered different from their fair value. The fair value of the EFSF FRNs is presented in Note 6 to the Financial Statements. The expected amounts to be recovered from the liquidation process are presented in Note 11.

During 2013, the HFSF, was exposed to the following risks:

Interest Rate Risk

Interest Rate risk is related to potential losses arising from adverse movements in interest rates.

The HFSF's exposure to interest rate risk, is mainly due to:

- Interest income expected from the EFSF FRNs held by the HFSF with a base rate of 6M Euribor. The EFSF FRNs were provided in the framework of the adjusting program for the purpose of supporting the financial stability of the Greek banks and no hedging is allowed according to L. 3864/2010 – these FRNs are held temporarily by the Fund for the banks' recap and if not used, will be returned to the European Stability Mechanism (ESM), according to the Acceptance Notice signed on 17/04/2012,
- Interest income expected from its deposits at the BoG.

Price Risk

Price risk is related to potential losses, arising from adverse movements related to equity and derivative prices or investment values. HFSF's price risk, is mainly attributable to:

- The value of the Fund's equity participations in the four systemic banks. These equity participations are recorded at fair value and the change in fair value is recorded in the Statement of Comprehensive Income. As of 31/12/2013, the fair values of the Fund's shareholdings in the 4 banks amounted to € 22,584.7m. A change at a range of +/- 20% in the share prices of these investments would lead to revaluation gains/(losses) of +/- € 4,516.9m in the Statement of Comprehensive Income.
- The value of the warrants that the HFSF has issued with the HFSF's shares in the three systemic banks as the underlying assets. The warrants are recorded at fair value and the change in their fair values is recorded in the Statement of Comprehensive Income. As of 31/12/2013 the derivative financial liability amounted to € 2,282.3m. A change at a range of +/- 20% in the warrant prices would lead to (losses)/gains of -/+ € 456.5m in the Statement of Comprehensive Income.

Therefore, the HFSF is exposed to downside equity risk, resulting from the possible decrease in the equity prices of the four systemic banks, in which the HFSF holds equity stakes. Since the revaluations from both the warrants and the shares are recorded in the Statement of Comprehensive Income, the losses from the appreciation in the warrants' value (liability) are offset by gains from the appreciation of the underlying share and vice versa. However, in case of imperfect correlation between the warrant price and the respective share price, the HFSF may incur net losses. Also,



in case the price of the warrant is close or equal to zero, the HFSF is exposed to equity risk, arising from its participation in the underlying equity.

Foreign Exchange risk

All financial assets and liabilities assumed by HFSF, are denominated in Euros. Hence, the Fund is not exposed to any foreign exchange risk.

Liquidity risk

Liquidity risk is related to the Fund's potential inability to meet its liabilities when they come due, or to meet its commitments to make payments. HFSF is monitoring its liquidity position on a regular basis. The Fund is not exposed to material liquidity risk.

Recovery risk

Recovery risk is related to a reduction in the value of the Fund's claims against banks under liquidation. These claims arose due to HFSF's payment, on behalf of the HDIGF, of funding gaps created, as a result of specific banks' resolution process. The HFSF's payment of funding gaps is obligatory, according to Laws 4051/2012 and 4261/2014. The Fund has no direct involvement or control over the liquidation process and the recovery of any amounts, but, nevertheless monitors its recovery risk by maintaining its own independent valuation estimates over amounts to be recovered.

The liquidation proceeds may eventually change, as the liquidation process is a dynamic process, its time horizon is unknown and the proceeds are subject to factors that the Fund cannot reliably estimate.

Operational risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems, from external events and also includes legal and compliance risk. Operational risk may lead to monetary losses such as write-downs of assets, legal liability, loss or damage to assets and forgone income in the sense of business interruption or reputational damage.

HFSF is not exposed to any significant operational risk due to the nature of its activities and operations. Despite that, the Fund has developed a control infrastructure to ensure that any operational risk inherent to its activities is well monitored and mitigated on a proactive basis. This is achieved through satisfactory segregation of duties, oversight functions and clearly defined processes and procedures, as well as the implementation of the "four eye principle".

Note 26 Related Party Transactions

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

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 2013 amounted to € 934k (2012: € 681k). Furthermore, for the Executive Members an amount of € 60k (2012: € 25k) had been paid for social security contributions.

Transactions with systemic banks

Following the contribution of EFSF FRNs to the systemic banks (NBG, Eurobank, Alpha, 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 nominal amount of EFSF FRNs contributed in advance of the recapitalization to the systemic banks amounted to € 24,262m in 2012 and the final contribution of EFSF FRNs in 2013 following the recapitalization amounted to € 24,998m in nominal terms. The value of the shares acquired as per their subscription price amounted to € 25,522m, which is equal to the fair value of the EFSF FRNs provided; the market value of the shares held of the Fund at the reporting date amounted to € 22,585m.



**ΤΑΜΕΙΟ
ΧΡΗΜΑΤΟΠΙΣΤΩΤΙΚΗΣ
ΣΤΑΘΕΡΟΤΗΤΑΣ**

HELLENIC FINANCIAL STABILITY FUND

In 2013 the total funding gaps paid to systemic banks for the transfer of assets and liabilities of the banks under liquidation amounted to € 790m in cash (2012: € 756m) and € 5,269m (2012: € 6,500m) in the form of EFSF FRNs. Moreover, the Fund recognised a liability amounting to € 161.1m to be paid to Alpha Bank, 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

On 29/01/2013 the Fund fully covered the New HPB share capital increase in the form of EFSF FRNs with a nominal value of € 500m. On 28/08/2013 the Fund also fully subscribed to the capital increase of New Proton by contributing € 395m in cash. On 30/08/2013 the Fund sold to Eurobank New HPB and New Proton for a consideration of € 681m and € 1 respectively. The market value of Eurobank's shares acquired amounted to € 859.8m, while an amount of € 54.9m was paid to Eurobank as settlement of the transaction due to the change of New HPB Net Asset value. New Proton and New HPB were absorbed by Eurobank on 22/11/2013 and 27/12/2013 respectively. During 2012, the Fund received a one-off presubscription fee from the four systemic banks amounting to € 555.6m and it also received during 2013 the 1% underwriting fee for both 2012 and 2013. The tables below present the aforementioned fees per systemic bank.

<i>Amounts in €</i>	01/01/2013 - 31/12/2013	01/01/2012 - 31/12/2012
One-off presubscription fee - par.2, art. 3 L. 3864/2010		
NBG	-	115,578,000
Piraeus	-	133,003,000
Alpha	-	153,003,000
Eurobank	-	154,016,000
Total	-	555,600,000
<i>Amounts in €</i>	01/01/2013 - 31/12/2013	01/01/2012 - 31/12/2012
1% annual underwriting fee		
NBG	45,038,056	45,432,500
Piraeus	30,438,528	28,761,944
Alpha	12,455,833	11,742,222
Eurobank	22,743,941	24,302,778
Total	110,676,358	110,239,444

During 2013 the Fund paid an amount of € 2,050,000 for financial advisory services relating to the recapitalised banks. The said invoices were reimbursed by the recapitalised banks.

The analysis of the fees per bank are provided in the table below:

<i>Amounts in €</i>	01/01/2013 - 31/12/2013
NBG	699,416
Eurobank	418,603
Piraeus	604,282
Alpha	327,699
Total	2,050,000

Note 27 Independent Auditor's Fees

Deloitte Hadjipavlou Sofianos & Cambanis S.A. has served as the independent auditor for the year ended 31/12/2013. The following table presents the aggregate fees (excluding VAT) for professional audit and other services rendered to the Fund by the auditing firm Deloitte Hadjipavlou Sofianos & Cambanis S.A.



Amounts in €

	01/01/2013 - 31/12/2013	01/01/2012 - 31/12/2012
Audit fees for statutory audit of financial statements	33,000	24,000
Other audit related fees	38,440	217,440
Total	71,440	241,440

Note 28 Post Balance Sheet Events

- In the context of its receivables from funding gaps, the Fund recovered the amounts of € 38m from Achaiki's liquidation process on 27/02/2014 and € 2m from T-Bank's liquidation process on 18/02/2014.

- Warrants' exercise and the systemic banks' share capital increases:

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 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 said capital increase the Fund's shareholding in Alpha decreased from 81.71% to 69.90%.

Piraeus

- On 02/01/2014 the bank announced that 603,280 warrants were exercised at an exercise price of € 1.73, which corresponded to 2,700,125 common registered shares (0.05% of the bank's share capital). Following the said exercise, the Fund's shareholding in the bank decreased from 81.01% to 80.95%.
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 capital increase the Fund's shareholding in the bank decreased from 80.95% to 67.30%.

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 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).

- On 10/06/2014 the BoG determined the final funding gap of Dodecanese and Evia Cooperative Banks to the amounts of € 258.6m and € 105.2m respectively.