

Hellenic Financial Stability Fund



Interim Financial Report

For the 6 month period ended 30/06/2014

(In accordance with International Accounting Standard 34)

September 2014



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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 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 is enhanced on the basis of transparent procedures and on the European Union (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 (here in after 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 the 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 with the paragraph 4 of Article 13A of 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 prevent nor distort 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 six month period ended 30/06/2014

Systemic banks' share capital increases

Following the completion of the Blackrock exercise, the BoG announced to the four systemic banks (Alpha Bank, Eurobank, National Bank of Greece, Piraeus Bank) the final capital needs both under the baseline scenario and the adverse scenario. The BoG requested that the banks provide a capital actions plan by mid April 2014, outlining actions towards covering the capital needs identified under the baseline scenario. All systemic banks opted for a share capital increase (hereinafter "SCI"), in combination with other capital actions. During the first months of 2014 the HFSF provided its consent for the SCIs of all four systemic banks.

Liquidations

In June 2014 the BoG issued the Resolution Committee's decision 16/10.6.2014, according to which the final difference between the value of the liabilities and the value of the assets transferred amounted to €258,547,648 for the Cooperative Bank of Dodecanese and €105,178,136 for the Cooperative Bank of Evia.

In December 2013 the HFSF had paid two thirds (2/3) of the initial difference i.e. € 166,008,901 for the Cooperative Bank of Dodecanese and € 63,939,049 for the Cooperative Bank of Evia. In June 2014 the HFSF transferred to Alpha Bank the remaining amounts of € 92,538,747 (€ 258,547,648 less € 166,008,901) for the Cooperative Bank of Dodecanese and € 41,239,087 (€ 105,178,136 less € 63,939,049) for the Cooperative Bank of Evia.

During the first half of 2014, the Fund collected via the liquidation process a total amount of € 40m (€ 38m from Achaiki Cooperative Bank and € 2m from T-Bank).

HFSF internal matters

On 7.4.2014 the HFSF Law (L.3864/2010) was revised, under L.4254/2014, and published in the Government Gazette (FEK A 85/7.4.2014).

In the first six months of 2014 the HFSF revised its Internal Rules and Organizational Structure and travelling and expenses policy and introduced policies for remuneration, communications and public affairs and the operation of a virtual data room. The Fund proceeded with the hiring of four portfolio managers, one per systemic bank. On 30/06/2014 the Fund's personnel amounted to 30 employees, of which 29 on payroll, whereas on 31/12/2013 it amounted to 26 employees, of which 22 on payroll.

The Fund's Financial Performance during the six month period ended 30/06/2014

Statement of Comprehensive Income

Interest income: During H1 2014 interest income amounted to € 38.9m versus € 129.9m in H1 2013. The decrease in interest income versus H1 2013 is due to the decrease of the amount of European Financial Stability Facility Floating Rate Notes (hereinafter "EFSF FRNs") held by the Fund due to the completion of the systemic banks' recapitalization in the end of June 2013. Further information on the above is provided in Note 10 to the interim financial statements.

Commission income: During H1 2013 commission income amounted to € 110.7m versus nil in H1 2014. The amount of commission income in H1 2013 pertained to the 1% annual underwriting fee on the nominal amount of the EFSF FRNs that the banks received for the period from the date of the capital advance until the date of the total advances' conversion into share capital in the context of recapitalization. Further information on the above is provided in Note 11 to the interim financial statements.

Personnel expenses: During H1 2014 the account amounted to € 1.4m versus € 1.2m during H1 2013. Further information on the above is provided in Note 12 to the interim financial statements.



General administrative and other operating expenses: During H1 2014 operating expenses amounted to € 16.0m versus € 5.4m in H1 2013. The main reasons for the increase in operating expenses were a) the fees for services rendered by investment banks for the systemic banks' Share Capital Increases (SCI) which amounted to € 14.2m, in compliance with the legal requirement to obtain two fairness opinions per SCI per bank. It should be noted that those fees correspond to a total amount of € 8,3bn raised by the SCIs of the systemic banks (i.e. 0,17% of capital raised). The increase in advisors' fees amounted to € 10.3m compared to the six months period of 2013 and b) the increase by € 0.3m in custody fees due to the recapitalized banks' shares acquired by the Fund at the end of June 2013. Further information on the above is provided in Note 13 to the interim financial statements.

Impairment of investments and receivables and provision charges for funding gap: The account pertains to the impairment loss for the Fund's investments, receivables from banks under liquidation, and provision charges for funding gap. During H1 2014 the account amounted to € 34.3m (Evia Cooperative bank: € 12.8m, Western Macedonia Cooperative Bank: € 21.5m) versus € 3,271.0m (Hellenic Postbank) during H1 2013. Further information on the above is provided in Note 7 to the interim financial statements.

Gain/(Loss) from Financial Instruments at Fair Value through Profit or Loss: The € 3,497m loss in H1 2014 (H1 2013: € 3,368m) is analysed to the result of the revaluation of the Fund's participations in the 4 systemic banks and the sales of shares due to the exercise of warrants (€ 2,637.5m loss in H1 2014 versus € 2,161.6 loss in H1 2013) and the revaluation loss from the warrants (€ 859.5m loss in H1 2014 versus € 1,206.4 loss in H1 2013). Further information on the above is provided in Note 14 to the interim financial statements.

Gain/(Loss) from Investment Securities: This was nil in H1 2014, while the € 386m gain incurred in H1 2013, following the completion of the three out of four systemic banks' recapitalization (Alpha Bank, Eurobank and National Bank of Greece), was due to the difference between the fair value and nominal value of the EFSF FRNs at the time of their contribution. Further information on the above is provided in Note 15 to the interim financial statements.

Other income/(expenses): The account in H1 2013 amounted to € 2.1m and it pertained to the 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.

Statement of Financial Position

Cash and balances with Central Bank: As of 30/06/2014 the account amounted to € 630.8m versus € 488.8m as of 31/12/2013. The Fund's cash balances are deposited in an account at the BoG. The movement of the account during H1 2014 pertains to outflows of € 148.2m and inflows of € 290.3m. The outflows were for the coverage of final funding gap of Dodecanese and Evia Cooperative banks (€ 133.8m) and administrative and other operating expenses amounting to € 14.4m. The inflows were from a) coupons amounting to € 38.1m received from the EFSF FRNs held by the Fund, b) € 40.0m of recoveries from the liquidators, c) € 211.2m from the exercise of warrants and d) € 1m from the reimbursement of fees. Further information on the above is provided in the statement of cash flows and Note 4 to the interim financial statements.

Investment securities: As of 30/06/2014 this account amounted to € 10,938.6m versus € 10,938m as of 31/12/2013 and includes the carrying amount of the EFSF FRNs held by the HFSF. The slight increase is due to the accrued interest which amounted to € 5,681 thousand as of 30/6/2014 versus € 5,130 thousand as of 31/12/2013. Further information on the above is provided in Note 5 to the interim financial statements.

Financial assets at fair value through profit or loss: The account includes the Fund's participations in the 4 systemic banks following the completion of their recapitalization. As of 30/06/2014 the Fund's portfolio market value stood at € 19,736.0m versus € 22,584.7m as of 31/12/2013. Further information on the above is provided in Note 6 to the interim financial statements.

Receivables from banks under liquidation: The account pertains to the estimated recoverable amount of the funding gap, which have been covered by the Fund instead of the HDIGF, and amounted to € 2,792m as of 30/06/2014 versus € 2,853.1m as of 31/12/2013. During H1 2014 the Fund recognized in the statement of comprehensive income an



impairment loss on the said receivables amounting to € 34.3m and collected a total amount of € 40m. In July 2014 the BoG decided the final funding gap of Western Macedonia Cooperative Bank that was increased by € 13.2m as compared to the preliminary funding gap. 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 Note 7 to the interim financial statements.

Liabilities for payment of funding gap: The account as of 30/06/2014 stood at € 40.6m versus € 161.1m as of 31/12/2013, representing the remaining amount for the funding gap of Western Macedonia Cooperative Bank due to Alpha Bank. Further information on the above is provided in Note 8 to the interim financial statements.

Derivative Financial Liability: The account includes the warrants at market value, which were issued by the HFSF in connection to the shares held by the HFSF in the three systemic banks following their recapitalization. The account as of 30/06/2014 stood at € 3,141.8m versus € 2,282.3m as of 31/12/2013. Further information on the above is provided in Note 9 to the interim financial statements.

Systemic banks' overview and performance

Alpha Bank S.A.

Bank overview

Alpha Bank (hereinafter "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 American depositary receipts (hereinafter "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, Independent Non-Executive Members: Paul A. Apostolidis, Evangelos J. Kaloussis, Ibrahim S. Dabdoub, Shahzad Shahbaz, Ioannis K. Lyras, Non-Executive Members: Sarantis-Evangelos G. Lolos (Greek State Representative), Panayiota Iplixian (HFSF Representative),

Significant events during 2014 and up to the issuance date of the Fund's interim financial report for the period ended 30/06/2014

In February 2014 the HFSF provided its consent to Alpha to proceed with the invitation for an Extraordinary General Meeting, to decide on a SCI, of up to €1.2bn, with cancellation of preemption rights. The SCI aimed to cover the capital needs determined by the BoG and also allow for the repayment of the preference shares held by the state. The SCI was completed on 28/03/2014 in April and the amount was fully covered by institutional investors, via a private placement at a subscription price of € 0.65 per share. The SCI took place in accordance with codified law 2190/1920. As a result of the SCI, the HFSF's shareholding in Alpha was reduced from 81.7% to 69.9%. Lazard acted as the financial advisor to the HFSF whereas Nomura provided a fairness opinion.

Following its SCI, Alpha proceeded on 17/04/2014 with the redemption of the Hellenic Republic's preference shares of Euro €940 million.

In June 2014 the HFSF approved the Restructuring Plan of Alpha which was subsequently approved by DG Competition on 09/07/2014.

In June 2014 HFSF provided Alpha with its consent to acquire Citibank's Greek Retail Banking business as well as Diners Club of Greece, together with the associated receivables, assets under management, deposits, customer relations as well as branches, employees and infrastructure.



TAMEIO ΧΡΗΜΑΤΟΠΙΣΤΩΤΙΚΗΣ ΣΤΑΘΕΡΟΤΗΤΑΣ

HELLENIC FINANCIAL STABILITY FUND

In June 2014 Alpha with the consent of the HFSF proceeded with the issuance of senior unsecured 3 years notes, under the Euro Medium Term Note (EMTN) Program of €500 million with a coupon of 3.375% and a yield of 3.5% at issuance.

In June 2014 Alpha's second warrants exercise took place. An amount of 60,899,318 warrants were exercised and 451,179,721 shares were exchanged, with the Fund receiving €206,459,840. Following the exercise the HFSF shareholding in Alpha declined from 69.9% to 66.4%.

On 15/09/2014 Alpha announced a voluntary separation scheme, which expires on 30/09/2014.

Key Financial Information (amounts in € million)

Extracts from Statement of Financial Position	30/6/2014	31/12/2013	Δ
Loans and advances to customers	50.133	51.678	-3,0%
Due to Customers	42.206	42.485	-0,7%
Total Assets	71.687	73.697	-2,7%
Total Liabilities	62.787	65.330	-3,9%
Total Equity	8.900	8.368	6,4%
Extracts from Income Statement	6 month period ended		
	30/6/2014	30/6/2013	Δ
Total Income	1.250	1.194	
Operating expenses	-667	-647	3,0%
Profit / (loss) before tax, provisions and negative goodwill	583	547	6,6%
Credit Provisions and other impairment charges	-744	-984	-24,4%
Negative goodwill from the acquisition of Emporiki Bank	0	3.283	-100,0%
Share of profit/(loss) of associates and joint ventures	-5	-11	-52,9%
Profit / (loss) before tax	-165	2,835	-105,8%
Tax benefit / (Expense)	433	578	-25,1%
Profit / (Loss) for the period	267	3,413	-92,2%
Capital Adequacy	30/6/2014	31/12/2013	
Common Equity Tier 1	16,3%	16,1%	
Total Capital Adequacy Ratio	16,6%	16,4%	
Rating Agencies	Moody's	S&P	Fitch
LT Ratings	Caa1	CCC+	B-

Information on Alpha's financials is available at <http://www.alpha.gr/page/default.asp?la=2&id=12994>

Eurobank Ergasias S.A.

Bank overview

Eurobank Ergasias S.A. (hereinafter "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

Panayotis-Aristidis A. Thomopoulos (Non-Executive Chairman), Spyros L. Lorentziadis (Vice Chairman, Non-Executive Independent Director), Christos I. Megalou (Chief Executive Officer), Fokion C. Karavias (Executive Director), Non-Executive Members: Wade Sebastian R.E. Burton, George K. Chryssikos, Non-Executive Independent Members: Jon Steven B.G. Haick, Bradley Paul L. Martin, Josh P. Seegopaul, Non-Executive Members: Dimitrios A. Georgoutsos (Greek State representative), Kenneth Howard K. Prince – Wright (Hellenic Financial Stability Fund representative).



Significant events during 2014 and up to the issuance date of the Fund's interim financial report for the period ended 30/06/2014

In March 2014 the HFSF provided its consent to Eurobank to proceed with the invitation for an Extraordinary General Meeting, which decided on a SCI, of €2,864 million, with cancellation of preemption rights. The SCI aimed to cover the capital needs determined by the BoG under the baseline scenario. The SCI took place in accordance with the revised law 3864/2010, under which the HFSF's backstop was requested. The SCI structure involved the prior commitment of a Cornerstone Investor (CI) for a specific size and a specific price. On 14/4/2014 the HFSF received only one valid binding offer at €0.30, for an amount of €1,334 million, by a consortium of investors led by Fairfax. The remaining of the amount was covered during the book building process. Due to the high demand the final offer price was set at €0.31, with the CI raising to that price the originally committed amount. The SCI process was completed on 29/04/2014 and the amount was fully covered by institutional and retail investors through a private placement and a public offering. Lazard acted as HFSF's advisor and provided a valuation opinion, while a second valuation opinion in accordance with the law was provided by Morgan Stanley. As a result of the SCI, the HFSF's shareholding in Eurobank was reduced from 95.2% to 35.4%.

On 10/04/2014 the HFSF approved the Restructuring Plan of Eurobank, which was subsequently approved by DG Competition on 29/04/2014.

In June 2014 Eurobank with HFSF's consent proceeded with the issuance of a four-year senior unsecured bond of €500 million with a coupon of 4.25% and a yield at issuance of 4.375%.

In June 2014 with HFSF's consent Eurobank sold to institutional investors with pre-agreed trades (block trades) common shares of Eurobank Properties REIC, which corresponded to approximately 13.5% of Eurobank Properties share capital. Following these trades Eurobank holds 20.48% of Eurobank Properties share capital and retains management control and fully consolidates it.

Key Financial Information (amounts in € million)

Extracts from Statement of Financial Position	30/6/2014	31/12/2013	Δ
Loans and advances to customers	43.357	45.610	-4,9%
Due to Customers	41.926	41.535	0,9%
Total Assets	74.773	77.586	-3,6%
Total Liabilities	67.619	73.063	-7,5%
Total Equity	7.154	4.523	58,2%
Extracts from Income Statement	6 month period ended		
	30/6/2014	30/6/2013	Δ
Total Income	951	670	
Operating expenses	-535	-480	11,5%
Profit / (loss) before tax and provisions	416	190	118,9%
Credit Provisions and other impairment charges	-998	-791	26,2%
Other non-recurring income/(expenses)	92	-80	-215,0%
Share of profit/(loss) of associates and joint ventures	0	-1	-100,0%
Profit / (loss) before tax	-490	-682	-28,2%
Tax benefit / (Expense)	137	174	-21,3%
Non recurring tax adjustments	82	579	-85,8%
Profit / (Loss) for the period from continuing operations	-271	71	-481,7%
Net profit/(loss) from discontinued operations	-227	-21	981,0%
Net profit/(loss)	-498	50	-1.096,0%
Capital Adequacy	30/6/2014	31/12/2013	
Common Equity Tier 1	17,8%	17,0%	
Total Capital Adequacy Ratio	18,2%	17,2%	
Rating Agencies	Moody's	S&P	Fitch
LT Ratings	Caa2	CCC+	B-

Information on Eurobank's financials is available at:

<http://www.eurobank.gr/online/home/generic.aspx?id=30&mid=360&lang=gr>



National Bank of Greece S.A.

Bank overview

National Bank of Greece (hereinafter “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 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. Zantias (Non-Executive Chairman), Executive Members: Alexandros G. Tourkolias (Chief Executive Officer), Dimitrios G. Dimopoulos (Deputy Chief Executive Officer), Paul K. Mylonas (Deputy Chief Executive Officer), Paula N. Hadjisotiriou (Deputy Chief Executive Officer), Non-Executive Members: Stavros A. Koukos, Efthymios C. Katsikas, Petros N. Christodoulou. Independent Non-Executive Members: Stefanos C. Vavalidis, Alexandra T. Papalexopoulou – Benopoulou, Petros K. Sabatacakis, Dimitrios N. Afentoulis, Spyridon J. Theodoropoulos, Non-Executive Members: Alexandros N. Makridis (Greek State representative), Charalampos A. Makkas (Hellenic Financial Stability Fund representative).

Significant events during 2014 and up to the issuance date of the Fund’s interim financial report for the period ended 30/06/2014

In February 2014 the HFSF provided its consent for NBG to proceed with the designation of the Preferred and Reserved Investor, for the sale of the shares of Astir Palace, as per the proposal submitted by NBG.

In April 2014 with HFSF’s consent NBG proceeded with the issuance of a five-year senior unsecured bond of €750 million with a coupon of 4.375% and a yield of 4.5% at issuance.

On 16/04/2014 the HFSF provided its consent for NBG to proceed with a €2.5bn SCI under codified law 2190/1920, with cancellation of preemption rights. On 10 May 2014, the extraordinary general meeting of the Bank’s shareholders approved the SCI by issuing 1,136,363,637 ordinary shares of a par value of € 0.30 per share. The SCI process was completed on May 12, 2014 and the amount was covered in full by institutional investors with a subscription price of €2.20, as it was determined by the international book-building process. Lazard acted as HFSF’s financial advisor, while JPMorgan and Nomura provided the valuation reports. Following the SCI HFSF shareholding in NBG declined from 84.4% to 57.2%.

In June 2014 the HFSF approved the Restructuring Plan of the Bank which was subsequently approved by DG Competition on 23/07/2014.

In June 2014 NBG’s second warrants exercise took place. 121 warrants were exercised and 993 shares were exchanged, with the Fund receiving €4,430.

On 20 March 2014, NBG Pangaea REIC acquired 100% of the mutual fund “Picasso—Closed End Real Estate Investment Fund Reserved to Qualified Investors”. Picasso Fund owns building offices of a total area of 33 thousand sq.m., which are located in Rome and Milan. The consideration of the acquisition amounted to €38 million out of which €37 million was paid in cash and 1 million was recognized as payable. The acquisition was part of NBG Pangaea REIC investment policy in order to increase its presence in the real estate market. On 12 August 2014, NBG Pangaea REIC purchased 11,654,011 shares in MIG Real Estate REIC (MIG) which represent 82.81% of MIG’s total paid-up share capital and voting rights. On 19 August 2014, NBG Pangaea REIC announced a tender offer to acquire the remaining shares at a price of € 3.10 per share and the acceptance period of the tender offer commenced on 24 September 2014 and expires on 22 October 2014.



Key Financial Information (amounts in € million)

Extracts from Statement of Financial Position	30/6/2014	31/12/2013	Δ
Loans and advances to customers	67.496	67.250	0,4%
Due to Customers	65.446	62.876	4%
Total Assets	111.181	110.930	0,2%
Total Liabilities	99.587	103.056	-3,4%
Total Equity	11.594	7.874	47,2%
Extracts from Income Statement	6 month period ended		
	30/6/2014	30/6/2013	Δ
Total Income	1.738	1.944	-10,6%
Operating expenses	-1.016	-1.168	-13,0%
Profit / (loss) before tax and provisions	722	776	-7,0%
Credit provisions and other impairment charges	-718	-589	21,9%
Profit / (loss) before tax	4	187	-97,9%
Tax benefit / (Expense)	1.163	156	645,5%
Profit / (Loss) for the period	1.167	343	240,2%
Capital Adequacy	30/6/2014	31/12/2013	
Common Equity Tier 1	16.2%	10.5%	
Total Capital Adequacy Ratio	16.3%	10.6%	
Rating Agencies	Moody's	S&P	Fitch
LT Ratings	Caa1	CCC+	B-

Information on NBG's financials is available at <https://www.nbg.gr/en/the-group/investor-relations>

Piraeus Bank S.A.

Bank overview

Piraeus Bank (hereinafter "Piraeus") is incorporated and domiciled in Greece and its shares are listed on Athens Exchange. The address of its registered office is 4 Amerikis st., Athens (<http://www.piraeusbankgroup.com/en/>). Piraeus and its subsidiaries (hereinafter "the Group") operates in Greece, Romania, Bulgaria, Albania, Serbia, Ukraine, Cyprus, Egypt, the UK and Germany and its services include retail banking, corporate banking and investment banking.

Board of Directors

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

Significant events during 2014 and up to the issuance date of the Fund's interim financial report for the period ended 30/06/2014

On 07/01/2014 the results of Piraeus first warrants exercise were communicated to the Fund. 603,280 warrants were exercised and 2,700,125 shares were exchanged, with the Fund receiving €4.682.017. Following the exercise, the HFSF's shareholding in Piraeus decreased from 81.01% to 80.95%.

In February 2014 the HFSF provided its consent to Piraeus to proceed with the invitation for an Extraordinary General Meeting, to decide on a SCI of up to €1.75bn, with cancellation of preemption rights. The SCI aimed to cover the capital needs determined by the BoG and also allow for the repayment of the preference shares held by the state. The SCI process was completed in April and the amount was fully covered by institutional and retail investors through a private placement and a public offering at a subscription price of € 1.70 per share. The SCI took place in accordance



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ΣΤΑΘΕΡΟΤΗΤΑΣ**

HELLENIC FINANCIAL STABILITY FUND

with codified law 2190/1920. As a result of the SCI HFSF's shareholding in Piraeus was reduced from 80.9% to 67.3%. Lazard acted as the financial advisor to the HFSF whereas Nomura provided a fairness opinion.

Following its SCI, Piraeus proceeded with the redemption of the €750 million preference shares held by the Hellenic Republic.

In March 2014 Piraeus with HFSF's consent proceeded with the issuance of a three-year senior unsecured bond of €500 million with a coupon of 5% and a yield of 5.125% at issuance.

In June 2014 the HFSF approved the Restructuring Plan of the Bank which was subsequently approved by DG Competition on 23/07/2014.

On 30/5/2014, the Board of Directors of Piraeus decided to initiate the necessary procedures for a merger with GENIKI Bank S.A. through its absorption by Piraeus, in accordance with the provisions of article 68 and following articles of codified law 2190/1920 in conjunction with article 16 par. 5 of Law 2515/1997, and the provisions of Law 2166/1993 as in force, with a common (for both merging credit institutions) transformation balance sheet date set on 31/12/2013.

On 14/8/2014, Piraeus announced the sale of 100% of ATE Insurance to ERGO Insurance Group, a subsidiary of Munich Re for a total consideration of €90m subject to customary net asset value adjustments upon closing. The transaction is subject to regulatory approvals and envisaged to be completed by the end of 2014.

Key Financial Information (amounts in € million)

Extracts from Statement of Financial Position	30/6/2014	31/12/2013	Δ
Loans and advances to customers	58.712	62.366	-5,9%
Due to Customers	54.178	54.279	-0,2%
Total Assets	88.451	92.010	-3,9%
Total Liabilities	79.085	83.467	-5,2%
Total Equity	9.366	8.543	9,6%
Extracts from Income Statement	6 month period ended		
	30/6/2014	30/6/2013	Δ
Total Income	1.374	4.766	-71,2%
Operating expenses	-726	-644	12,7%
Profit / (loss) before tax and provisions	648	4.122	-84,3%
Credit Provisions and other impairment charges	-1.084	-1.168	-7,2%
Profit / (loss) before tax	-436	2.953	-114,8%
Tax benefit / (Expense)	354	551	-35,7%
Profit / (Loss) for the period	-82	3.504	-102,3%
Capital Adequacy	30/6/2014	31/12/2013	
Common Equity Tier 1	15,00%	13,90%	
Total Capital Adequacy Ratio	15,10%	14,00%	
Rating Agencies	Moody's	S&P	Fitch
LT Ratings	Caa1	CCC+	B-

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



The Fund's activities after the reporting date

In July 2014 Piraeus' second warrants exercise took place. 4,951,260 warrants were exercised and 22,160,707 shares were exchanged, with the Fund receiving €39,180,130. The Fund realized gains of € 1,506,928 reflecting the difference between the warrant's exercise price (€ 1.768) and the share's issue price (€ 1.70). Following the exercise the HFSF shareholding in Piraeus declined from 67.3% to 66.9%.

In July 2014 the BoG issued the Resolution Committee's decision 17/14.7.2014, according to which the final difference between the value of the assets and liabilities of the Cooperative Bank of Western Macedonia transferred amounted to €95,244,475. In December 2013 the HFSF had paid two thirds of the initial difference i.e. €54,681,344 for the Cooperative Bank Western Macedonia. In July 2014 the HFSF paid in cash to Alpha the remaining amount of €40,563,131.

In the context of the Law 3864/2010 (as amended in April, 2014), HFSF on April 4, 2014 announced that it would enter into a new Relationship Framework Agreement (hereinafter "RFA") with Eurobank, in the event that the private sector participation exceeded 50% of the SCI of Eurobank that took place upon the decision of the Extraordinary Shareholders' Meeting of 12 April 2014. The RFA between Eurobank and the HFSF was signed in August 2014.

On 10/09/2014 a call for expression of interest for two new additional non-executive members of the General Council of HFSF was posted in line with the recent law amendment.

Prospects

Relationship Framework Agreements

During June and July 2013, the HFSF proceeded with the signing of the RFAs with the four systemic banks. Following the completion of the Eurobank's SCI, HFSF has restricted voting rights and entered in a new RFA with Eurobank, similar to that of the other 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 signed RFAs.

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 SCIs. 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 European Central Bank's (ECB) Asset Quality Review (AQR) and European Banking Association (EBA) stress tests, due in October 2014. The ECB's stress tests are European Union-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 utilized.



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 European Commission (EC)/European Central Bank (ECB)/International Monetary Fund (IMF).

As of the date of the publication of this Interim Financial 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
Anastasios 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 BoG

* 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. Avraam C. Gounaris replaced Ms. Eftychia Michailidou, on 14/01/2014

* 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.

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 (EC representative) and Panagiotis Strouzas from November 2010 (ECB representative). Their alternates are Karlis Bauze from the EC and Barbara Attinger from the ECB.

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, 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 determined based on the Fund's profits or revenues and
- shall follow consultation with the Euro Working Group.



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HELLENIC FINANCIAL STABILITY FUND

The members of the General Council and the Executive Board, due to their relationship with the Fund, received remuneration for the 6 month period ended 30/06/2014, as listed in the table below. Furthermore, as far as executive members are concerned, the amount of € 31,430 has been paid by the Fund as social security contribution (not included in the following table):

Name	Position on the General Council during the 6 month period ended 30/06/2014	Remuneration (€)
		01/01/2014 - 30/06/2014
Sclavounis Christos	Chairman	87,500
Mariani Pierre	Member	15,000
Wilcke Stephan	Member	15,000
Zafiriou John	Member	15,000
Devriendt Wouter (since January 2014)	Member	15,000
Michailidou Eftychia (up to January 2014)	Member, Representative of the Ministry of Finance	1,250
Gounaris Avraam (since January 2014)	Member, Representative of the Ministry of Finance	13,750
Zarkos Spyros (up to May 2014)	Member, appointed by the BoG	10,000
Spiliotopoulos Vasilios (since May 2014)	Member, appointed by the BoG	5,000

Name	Position on the Executive Committee during the 6 month period ended 30/06/2014	Remuneration (€)
		01/01/2014 - 30/06/2014
Sakellariou Anastasia	Chief Executice Officer	101,569
Koutsos George	Deputy Chief Executice Officer	85,893
Gagales Anastasios	Member	76,362



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 interim Financial Report of the Hellenic Financial Stability Fund for the financial period ended 30/06/2014, which has been prepared in accordance with IAS 34 and the International Financial Reporting Standards as adopted by the EU, presents a true and fair view of the items in the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement 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 and the significant events that took place in the 6 month period ended 30/06/2014 that affected the Fund's interim financial statements.

Athens, 25 September 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
REVIEW REPORT ON INTERIM FINANCIAL INFORMATION
To the General Council of the Private Legal Entity “Hellenic Financial Stability Fund”

Introduction

We have reviewed the accompanying condensed statement of financial position of the Private Legal Entity “Hellenic Financial Stability Fund” (Hellenic Financial Stability Fund), as of 30 June 2014, the related condensed statements of comprehensive income, changes in equity and cash flow for the six month period then ended, as well as the selective explanatory notes, which together comprise the condensed interim financial information. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Financial Reporting Standards, as adopted by the European Union and applicable to Interim Financial Reporting (International Accounting Standard “IAS” 34). Our responsibility is to express a conclusion on this condensed interim financial information based on our review.


Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, “Review of Interim Financial Information performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Athens, September 25, 2014
The Certified Public Accountant

Nikolaos K. Sofianos
RN SOEL: 12231

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>	Note	30/6/2014	31/12/2013
ASSETS			
Cash and balances with Central Bank	4	630,822,109	488,766,493
Investment securities	5	10,938,584,239	10,938,032,977
Financial assets at fair value through profit or loss	6	19,736,029,566	22,584,683,404
Property and equipment		160,300	187,766
Intangible assets		21,904	28,307
Receivables from banks under liquidation	7	2,792,013,608	2,853,078,162
Other assets		46,567	1,068,318
Total Assets		34,097,678,292	36,865,845,427
LIABILITIES			
Liabilities for payment of funding gap	8	40,563,131	161,118,506
Derivative financial liability	9	3,141,797,832	2,282,271,430
Other liabilities		3,326,639	604,713
Total Liabilities		3,185,687,602	2,443,994,649
EQUITY			
Capital		49,700,000,000	49,700,000,000
Accumulated losses		(18,788,009,310)	(15,278,149,222)
Total Equity		30,911,990,690	34,421,850,778
Total Liabilities & Equity		34,097,678,292	36,865,845,427

The Notes from pages 22 to 33 form an integral part of these interim financial statements

Athens, 25 September 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 for the 6 month period ended 30/06/2014

<i>Amounts in €</i>	Note	01/01/2014 - 30/06/2014	01/01/2013 - 30/06/2013
Interest income	10	38,936,587	129,911,853
Commission income	11	-	110,676,358
Personnel expenses	12	(1,397,498)	(1,224,159)
General administrative & other operating expenses	13	(16,045,857)	(5,374,266)
Impairment of investments and receivables and provision charges for funding gap	7	(34,275,213)	(3,270,957,624)
Gain/(loss) from financial instruments at fair value through profit or loss	14	(3,497,033,952)	(3,368,018,446)
Gain/(loss) from investment securities	15	-	386,273,927
Depreciation and amortization of property, equipment and intangible assets		(43,090)	(41,794)
Other income/(expenses)		(1,066)	2,050,000
Loss for the period		(3,509,860,088)	(6,016,704,150)
Other comprehensive income/(expenses)		-	-
Total comprehensive income/(expenses) for the period		(3,509,860,088)	(6,016,704,150)

The Notes from pages 22 to 33 form an integral part of these interim financial statements

Athens, 25 September 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 for the 3 month period ended 30/06/2014

<i>Amounts in €</i>	Note	01/04/2014 - 30/06/2014	01/04/2013 - 30/06/2013
Interest income		19,996,414	59,812,172
Commission income		-	50,021,358
Personnel expenses		(897,744)	(714,551)
General administrative & other operating expenses		(15,095,141)	(4,485,233)
Impairment of investments and receivables and provision charges for funding gap		(34,275,213)	(3,270,957,624)
Gain/(loss) from financial instruments at fair value through profit or loss		(4,924,868,185)	(3,368,018,446)
Gain/(loss) from investment securities		-	386,273,927
Depreciation and amortization of property, equipment and intangible assets		(14,410)	(26,590)
Other income/(expenses)		150	2,050,000
Loss for the period		(4,955,154,128)	(6,146,044,987)
Other comprehensive income/(expenses)		-	-
Total comprehensive income/(expenses) for the period		(4,955,154,128)	(6,146,044,987)

The Notes from pages 22 to 33 form an integral part of these interim financial statements

Athens, 25 September 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

	Capital	Reserves & accumulated profits/(losses)	Total
<i>Amounts in €</i>			
Balance as of 01/01/2013	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 period	-	(6,016,704,150)	(6,016,704,150)
Balance as of 30/06/2013	49,700,000,000	(11,687,349,626)	38,012,650,374
Loss for the period	-	(3,590,799,596)	(3,590,799,596)
Balance as of 01/01/2014	49,700,000,000	(15,278,149,222)	34,421,850,778
Loss for the period	-	(3,509,860,088)	(3,509,860,088)
Balance as of 30/06/2014	49,700,000,000	(18,788,009,310)	30,911,990,690

The Notes from pages 22 to 33 form an integral part of these interim financial statements



Cash Flow Statement

<i>Amounts in €</i>	01/01/2014 - 30/06/2014	01/01/2013 - 30/06/2013
Cash flows from operating activities		
Loss for the period	(3,509,860,088)	(6,016,704,150)
Adjustments for non-cash items included in statement of comprehensive income and other adjustments:	3,525,671,016	6,164,636,139
Depreciation and amortization of property, equipment and intangible assets	43,090	41,794
(Gain)/loss from financial instruments at fair value through profit or loss	3,497,033,952	3,368,018,446
(Gain)/Loss from disposal of investments	-	(386,273,927)
Impairment of Investments and Receivables and provision charges for funding gap	34,275,213	3,270,957,624
Interest income	(5,681,239)	(88,107,797)
Net (increase)/decrease in operating assets:	(87,614,305)	17,491,772
Change in receivables from funding gap and liquidations	(93,766,033)	(226,956,514)
Change in accrued interest receivable	5,129,977	195,433,222
Change in accrued income receivable	-	51,038,972
Other assets	1,021,751	(2,023,907)
Net increase/(decrease) in operating liabilities:	2,721,926	3,879,839
Other liabilities	2,721,926	3,879,839
Net cash from operating activities	(69,081,451)	169,303,601
Cash flow from investing activities		
Proceeds received from warrants exercised	211,146,288	-
Purchase of property, equipment and intangibles	(9,221)	(65,802)
Net cash from investing activities	211,137,067	(65,802)
Cash flows from financing activities		
Net cash inflows from financing activities	-	-
Net increase/(decrease) in cash and cash equivalents	142,055,616	169,237,800
Cash and cash equivalents at beginning of period	488,766,493	827,827,829
Cash and cash equivalents at end of period	630,822,109	997,065,628

The Notes from pages 22 to 33 form an integral part of these interim financial statements



Notes to the Interim Financial Statements

Note 1 General Information

The Hellenic Financial Stability Fund (hereinafter “HFSF” or “Fund”) was founded on 21/07/2010 (under Law 3864/2010) as a private legal entity and does not belong to the public sector, neither to the broader public sector. It has administrative and financial autonomy, operates exclusively under the rules of the private economy and is governed by the provisions of the founding law as in force. In addition, the provisions of company codified Law 2190/1920 are applied as in force, provided they are not contrary to the provisions and the objectives of the founding law of the Fund. The purely private nature of the Fund is neither affected by the fact that its entire capital is subscribed solely by the Greek State, nor by the issuance of the required decisions by the Minister of Finance. Based on the founding act the Fund’s tenor has been set 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.

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

Executive Board	Position
Anastasia Sakellariou	Chief Executive Officer
George Koutsos	Deputy Chief Executive Officer
Anastasios 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 BoG

* Mr. Wouter Devriendt replaced on 13/01/2014 Mr. Andreas Beroutsos, who submitted his resignation on 14/11/2013.

* Mr. Avraam C. Gounaris replaced Ms. Eftychia Michailidou on 14/01/2014.

* 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 interim financial statements is Mr. Nikolaos Sofianos, RN SOEL 12231.

The interim financial statements have been approved by the Fund’s General Council on 25/09/2014.



Note 2 Summary of Significant Accounting Policies

2.1 Basis of preparation

The condensed interim financial statements of the Fund as at and for the six month period ended 30/06/2014 (the “interim financial statements”) have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting”. These interim financial statements include selected explanatory notes and do not include all the information required for full annual financial statements. Therefore, the interim financial statements should be read in conjunction with the annual financial statements for the year ended 31/12/2013, which have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) as endorsed by the European Union (the “EU”). The amounts are presented in Euro rounded to the first decimal, unless otherwise stated.

The interim 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 financial liabilities (share ownership rights – hereinafter “warrants”) which have been measured at fair value.

The Fund does not prepare consolidated financial statements as these do not represent the substance of the investments of the Fund, which according to the law are aiming to contribute to the maintenance of the stability of the Greek banking system, for the sake of public interest and do not meet the needs of their users.

2.2 Adoption of International Financial Reporting Standards (IFRS)

The HFSF applied the same accounting standards as stated in the published annual financial statements for the year ended 31/12/2013, after adopting the following amendments which are effective from 01/01/2014.

- **IAS 32 “Offsetting Financial Assets and Financial Liabilities” (amendment).** The amendment provides clarifications on the application of the offsetting rules.
- **IAS 36 “Recoverable Amount Disclosures for Non-Financial Assets (amendments).** The amendments remove the requirement to disclose the recoverable amount of assets or cash-generating units to which a significant amount of goodwill or intangible assets with indefinite useful lives have been allocated, clarify the disclosures required and introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where the recoverable amount is determined using a present value technique.
- **IAS 39 “Novation of derivatives and continuation of hedge accounting”(amendment).** The amendment provides relief from discontinuing hedge accounting when a derivative designated as a hedging instrument is novated to a clearing counterparty and certain conditions are met.

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

- **IFRIC “Interpretation 21 Levies” (IFRIC 21).** IFRIC 21 clarifies that an entity recognizes a liability for a levy no earlier than when the activity that triggers payment, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be recognized before the specified minimum threshold is reached. There was no impact from the adoption of this interpretation in the interim financial statements of the Fund.

The adoption by the EU, by 31/12/2014, of new standards, interpretations or amendments, which have been issued or may be issued during the year by the International Accounting Standards Board (IASB), and their mandatory or optional adoption for periods beginning on or after 01/01/2014, may affect retrospectively the periods presented in these interim financial statements.

2.3 Critical judgments and estimates

In preparing these interim financial statements, the significant estimates, judgments and assumptions made by Management in applying the Fund’s accounting policies and the key sources of estimation uncertainty were similar to those applied in the annual financial statements for the year ended 31/12/2013.



Note 3 Segment Reporting

The Fund's operating segments are consistent with the management reporting system. Income and expenses are associated with each segment and are included in determining business segment performance. The Fund has no geographical segments as, according to its founding law, its operations are solely in Greece. The Fund has no intersegment/intragroup transactions as it does not consolidate any of its investments and each of its business segments 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. National Bank of Greece S.A. (hereinafter "NBG"), Piraeus Bank S.A. (hereinafter "Piraeus"), Alpha Bank S.A. (hereinafter "Alpha") and Eurobank Ergasias S.A. (hereinafter "Eurobank").

Transitional Credit Institutions (TCIs) & HDIGF Operations: This segment includes a) the credit institutions, which have been derived as a result of a resolution and the incorporation of new TCIs, namely New Hellenic Post Bank S.A. (hereinafter "New HPB") and New Proton Bank S.A. (hereinafter "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 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

Amounts in €		01/01-30/06/2014		
	Systemic Banks	TCIs & HDIGF Operations	Other	Total
Interest income	-	-	38,936,587	38,936,587
Personnel expenses	(736,902)	(237,511)	(423,084)	(1,397,498)
General administrative & other operating expenses	(15,065,045)	(52,291)	(928,521)	(16,045,857)
Impairment of investments and receivables and provision charges for funding gap	-	(34,275,213)	-	(34,275,213)
Gain/(loss) from financial instruments at fair value through profit or loss	(3,497,033,952)	-	-	(3,497,033,952)
Depreciation and amortization of property, equipment and intangible assets	(30,163)	(8,618)	(4,309)	(43,090)
Other income/(expenses)	(1,066)	-	-	(1,066)
Profit/(Loss) for the period	(3,512,867,128)	(34,573,633)	37,580,673	(3,509,860,088)
Other comprehensive income/(expenses)				-
Total comprehensive income /(expenses) for the period	(3,512,867,128)	(34,573,633)	37,580,673	(3,509,860,088)
30/06/14				
Total segment assets	19,736,029,566	2,792,013,608	11,569,635,118	34,097,678,292
Total segment liabilities	3,144,410,049	40,563,131	714,422	3,185,687,602



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	Systemic Banks	TCIs & HDIGF Operations	Other	Total
Interest income	104,298,643	-	25,613,210	129,911,853
Commission income	110,676,358	-	-	110,676,358
Personnel expenses	(652,463)	(220,301)	(351,394)	(1,224,159)
General administrative & other operating expenses	(3,357,987)	(983,622)	(1,032,656)	(5,374,266)
Impairment of investments and receivables and provision charges for funding gap	-	(3,270,957,624)	-	(3,270,957,624)
Gain/(loss) from financial instruments at fair value through profit or loss	(3,368,018,446)	-	-	(3,368,018,446)
Gain/(loss) from investment securities	386,273,927	-	-	386,273,927
Depreciation and amortization of property, equipment and intangible assets	(29,255)	(8,359)	(4,179)	(41,794)
Other income/(expenses)	2,050,000	-	-	2,050,000
Profit/(Loss) for the period	(2,768,759,223)	(3,272,169,906)	24,224,980	(6,016,704,150)
Other comprehensive income/(expenses)				-
Total comprehensive income /(expenses) for the period	(2,768,759,223)	(3,272,169,906)	24,224,980	(6,016,704,150)

31/12/2013

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

Note 4 Cash and Balances with Central Bank

Amounts in €

30/6/2014

31/12/2013

Cash and balances with banks	11,869	10,099
Balances with Central Bank	630,810,241	488,756,394
Total	630,822,109	488,766,493

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. The agreement was amended on 11/06/2014 following the guideline of ECB of 5 June 2014 (ECB/2014/22). According to L. 3864/2010, any other form of investment is prohibited.

Note 5 Investment Securities

The Fund has classified the EFSF FRNs received as loans and receivables. The notional amount and fair values as of 30/06/2014 and 31/12/2013 are presented in the tables below:

Amounts in €

30/06/2014

31/12/2013

ISIN	Issue Date	Interest Rate	Maturity Date	Nominal Value	Fair Value	Nominal Value	Fair Value
EU000A1G0A57	19/12/2012	6M Euribor + 34 b.p.	19/12/2022	1,524,900,000	1,557,959,832	1,524,900,000	1,541,399,418
EU000A1G0A65	19/12/2012	6M Euribor + 35 b.p.	19/12/2023	1,069,394,000	1,093,551,610	1,069,394,000	1,081,376,560
EU000A1G0A73	19/12/2012	6M Euribor + 36 b.p.	19/12/2024	1,138,609,000	1,165,844,527	1,138,609,000	1,151,691,617
EU000A1G0BE6	31/5/2013	6M Euribor + 33 b.p.	30/5/2024	3,600,000,000	3,605,400,000	3,600,000,000	3,632,580,000
EU000A1G0BD8	31/5/2013	6M Euribor + 34 b.p.	30/5/2025	3,600,000,000	3,680,892,000	3,600,000,000	3,632,796,000
Subtotal				10,932,903,000	11,103,647,969	10,932,903,000	11,039,843,595
Plus Accrued interest				5,681,239	5,681,239	5,129,977	5,129,977
Total				10,938,584,239	11,109,329,208	10,938,032,977	11,044,973,572



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

Note 6 Financial Assets at Fair Value through Profit or Loss

The Fund has classified under this caption 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 the Statement of Comprehensive Income. The fair value as of 30/06/2014 amounts to € 19,736m.

The following table presents the fair value of the shares per bank as well as the Levels of the fair value hierarchy.

<i>Amounts in €</i>	Fair value	Fair value hierarchy			Fair value
	30/06/2014	Level 1	Level 2	Level 3	31/12/2013
Alpha	5,762,379,881	5,762,379,881	-	-	5,631,843,970
Eurobank	1,921,776,855	1,921,776,855	-	-	2,880,061,249
NBG	5,399,601,967	5,399,601,967	-	-	7,785,946,734
Piraeus	6,652,270,863	6,652,270,863	-	-	6,286,831,451
Total	19,736,029,566	19,736,029,566	-	-	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 (ATHEX) at the reporting date. The Level 1 classification is based on the fact that the market prices are unadjusted quotes in an active market.

Movement of shares

The table below shows the movement of the Fund's investments in the systemic banks during the first half of 2014.

<i>No of Shares</i>	Alpha	Eurobank	NBG	Piraeus
Shares held as of 31/12/2013	8,925,267,781	5,208,067,358	2,022,323,827	4,109,040,164
Additions	-	-	-	-
Disposals	(451,179,721)	-	(993)	(2,700,125)
Shares held as of 30/06/2014	8,474,088,060	5,208,067,358	2,022,322,834	4,106,340,039*

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

In January 2014 due to the warrants' exercise, the Fund sold 2,700,125 of Piraeus shares. The Fund realized gains of € 91,804 from the said exercise reflecting the difference between the warrant's exercise price (€ 1.734) and the share's issue price (€ 1.70).

Similarly, in June 2014 the Fund sold 451,179,721 and 993 shares of Alpha and NBG respectively. The Fund realized gains of € 7,940,736 from the Alpha shares exercise and € 170 from the NBG shares exercise reflecting the difference between the warrant's exercise price (Alpha: € 0.4576, NBG: € 4.4616) and the share's issue price (Alpha: € 0.44, NBG: € 4.29).

Following the SCIs and the exercise of warrants that took place during the first half of 2014 the HFSF's percentage participation in the systemic banks was as follows:



Banks	Percentage Participation	
	30/06/2014	31/12/2013
Alpha	66.4%	81.7%
Eurobank	35.4%	95.2%
NBG	57.2%	84.4%
Piraeus	67.3%	81.0%

Note 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 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 gap of financial institutions, which were desolved.

During the first half of 2014, the Fund collected via the liquidation process a total amount of € 40m in cash from recoveries (€ 38m from Achaiki Cooperative Bank and € 2m from T-Bank).

The funding gap, the cumulative impairment and collections per bank under liquidation are presented in the following table:

Amounts in €

Bank under Liquidation	Funding Gap	Cumulative Impairment up to 30/06/2014	Cumulative Collections up to 30/06/2014	Estimated Recoverable Amount
Achaiki Cooperative Bank	209,473,992	(61,605,192)	(38,000,000)	109,868,800
Lamia Cooperative Bank	55,493,756	(9,525,765)	(6,000,000)	39,967,991
Lesvos-Limnos Cooperative Bank	55,516,733	(21,608,393)	(7,000,000)	26,908,340
Dodecanese Cooperative Bank	258,547,648	(92,538,747)	-	166,008,901
Evia Cooperative Bank	105,178,136	(54,004,936)	-	51,173,200
Western Macedonia Cooperative Bank*	95,244,475	(48,850,036)	-	46,394,439
Proton Bank	259,621,860	(243,612,666)	(4,324,266)	11,684,928
ATEbank	7,470,717,000	(5,500,038,150)	(220,000,000)	1,750,678,850
Hellenic Post Bank	3,732,554,000	(3,352,282,850)	-	380,271,150
T-Bank	226,956,514	(224,944,714)	(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	13,489,008,071	(10,419,658,397)	(277,336,066)	2,792,013,608

* The amount includes the € 13.2m which relate to the additional Funding gap decided by Resolution Committee of BoG on 14/07/2014, which is considered an adjusting event for the 6 month period ended 30/06/2014

The movement of the Fund's receivables, including impairment, from banks under liquidation during the first half of 2014 is presented in the following table:



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Bank under Liquidation	Opening balance	Additions	Collections	Impairment charges/reversals	Closing balance
Achaiki Cooperative Bank	147,868,800	-	(38,000,000)	-	109,868,800
Lamia Cooperative Bank	39,967,991	-	-	-	39,967,991
Lesvos-Limnos Cooperative Bank	26,908,340	-	-	-	26,908,340
Dodecanese Cooperative Bank	166,008,901	-	-	-	166,008,901
Evia Cooperative Bank	63,939,049	-	-	(12,765,849)	51,173,200
Western Macedonia Cooperative Bank	54,681,344	13,222,459	-	(21,509,364)	46,394,439
Proton Bank	11,684,928	-	-	-	11,684,928
ATEbank	1,750,678,850	-	-	-	1,750,678,850
Hellenic Post Bank	380,271,150	-	-	-	380,271,150
T-Bank	2,011,800	-	(2,011,800)	-	-
First Business Bank	80,274,457	-	-	-	80,274,457
Probank	128,782,552	-	-	-	128,782,552
Total	2,853,078,162	13,222,459	(40,011,800)	(34,275,213)	2,792,013,608

The movement of the Fund's receivables, including impairment, from banks under liquidation during the first half of 2013 is presented in the following table:

Amounts in €

01/01/2013 - 30/06/2013

Bank under Liquidation	Opening balance	Additions	Collections	Impairment charges/reversals	Closing balance
Achaiki Cooperative Bank	147,868,800	-	-	-	147,868,800
Lamia Cooperative Bank	47,584,890	-	-	-	47,584,890
Lesvos-Limnos Cooperative Bank	36,057,800	-	-	-	36,057,800
Proton Bank	16,009,194	-	-	-	16,009,194
ATEbank	1,970,678,850	-	-	-	1,970,678,850
Hellenic Post Bank	-	3,732,554,000	-	(3,270,957,624)	461,596,376
Total	2,218,199,534	3,732,554,000	-	(3,270,957,624)	2,679,795,910

Note 8 Liabilities for Payment of Funding Gap

Amounts in €

30/06/2014

31/12/2013

Liability for Western Macedonia Cooperative Bank funding gap	40,563,131	27,340,672
Liability for Dodecanese Cooperative Bank funding gap	-	92,538,747
Liability for Evia Cooperative Bank funding gap	-	41,239,087
Total	40,563,131	161,118,506

As of 31/12/2013 the total amount of € 161.1m pertained to a) the remaining amount of € 133.8m 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 Western Macedonia Cooperative Bank amounting to € 27.3m (the preliminary funding gap of Western Macedonia Cooperative Bank amounted to € 82.02m, originated from its liquidation as it was decided by the Resolution Committee of the BoG on 08/12/2013). On 27/06/2014 the Fund contributed € 133.8m in cash to Alpha that undertook the deposits and other transferred liabilities and assets of the Dodecanese and Evia Cooperative Banks.

As of 30/06/2014 the total amount of € 40.6m pertained to a) the 1/3 of the preliminary funding gap amounting to € 27.3m and b) the difference between the final funding gap of Western Macedonia Cooperative Bank which



amounted to € 95.24m, decided by the Resolution Committee of the BoG on 14/07/2014, and the preliminary funding gap amounted to € 82.02m. On 29/07/2014 the Fund contributed the amount of € 40.6 m in cash to Alpha.

Note 9 Derivative Financial Liability

The derivative financial liability account includes solely the warrants issued by the Fund and granted to the private investors which participated in the capital increase of the 3 systemic Banks according to Law 3864/2010 and Cabinet Act 38/2012. The fair values per bank are set out below:

Amounts in €	Fair value	
	30/06/2014	31/12/2013
Derivative Financial Liability		
Alpha's Warrant	2,116,036,536	1,349,267,193
NBG's warrant	194,141,283	285,068,353
Piraeus' warrant	831,620,013	647,935,884
Total	3,141,797,832	2,282,271,430

Fair value hierarchy of warrants

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

During the first half of 2014 the movement of the warrants outstanding and the number of shares corresponding to 1 warrant (multiplier), if exercised, are presented below:

	Alpha	NBG	Piraeus
Warrants outstanding as of 31/12/2013	1,204,702,851	245,748,580	849,195,130
Warrants exercised during the period	(60,899,318)	(121)	(603,280)
Warrants outstanding as of 30/06/2014	1,143,803,533	245,748,459	848,591,850
Multiplier	7.4087	8.2292	4.4758

In January 2014 the Fund received an amount of € 4.7m following the 1st exercise of Piraeus's warrants. In June 2014 the Fund received the amounts of € 206.5m and € 4.4 thousand from the 2nd exercise of Alpha's and NBG's warrants respectively. In July 2014 the Fund received an amount of € 39.2m from the 2nd exercise of Piraeus warrants (see note 18).

Note 10 Interest Income

A breakdown of the Fund's interest income for the first half of 2014 and 2013 is provided in the table below:

Amounts in €	01/01/2014 - 30/06/2014	01/01/2013 - 30/06/2013
Interest income from EFSF FRNs	38,651,663	129,911,853
Interest income from deposits	284,924	-
Total	38,936,587	129,911,853



Note 11 Commission Income

Following the signing of the Presubscription Agreements with the banks in 2012 and L. 3864/2010, the banks which received capital advances were obliged to pay 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 advance until the date of the total advances' conversion into share capital. No commission income existed during the 6 month period ended 30/06/2014.

The analysis of the Fund's commission income for the first half of 2014 and 2013 is provided below.

<i>Amounts in €</i>	01/01/2014 - 30/06/2014	01/01/2013 - 30/06/2013
1% annual underwriting fee		
Alpha	-	12,455,833
Eurobank	-	22,743,941
NBG	-	45,038,056
Piraeus	-	30,438,528
Total	-	110,676,358

Note 12 Personnel Expenses

The number of directors and employees under payroll by the Fund as of 30/06/2014 stood at 29. The total personnel expenses for the first half of 2014 and 2013 are analysed as follows:

<i>Amounts in €</i>	01/01/2014 - 30/06/2014	01/01/2013 - 30/06/2013
Salaries	(1,208,134)	(1,055,709)
Employer's contribution	(189,364)	(168,450)
Total	(1,397,498)	(1,224,159)

Note 13 General Administrative and Other Operating Expenses

<i>Amounts in €</i>	01/01/2014 - 30/06/2014	01/01/2013 - 30/06/2013
Utilities and rentals	(175,060)	(168,565)
General Council remuneration	(177,500)	(81,916)
Lawyers' fees	(244,429)	(230,445)
Audit firms' fees	(64,907)	(230,028)
Advisors' fees	(14,385,385)	(4,104,669)
Professionals' fees	(73,132)	(91,276)
Custody fees	(444,091)	(89,478)
Insurance fees	(197,408)	(227,791)
Fees to bank representatives	(33,916)	(31,888)
Other fees	(56,789)	(36,578)
Other expenses	(193,240)	(81,630)
Total	(16,045,857)	(5,374,266)

The main reasons for the increase in operating expenses were a) the fees for services rendered by investment banks for the systemic banks' Share Capital Increases (SCI) which amounted to € 14.2m, in compliance with the legal requirement to obtain two fairness opinions per SCI per bank. It should be noted that those fees correspond to a total



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amount of € 8,3bn raised by the SCIs of the systemic banks (i.e. 0,17% of capital raised). The increase in advisors' fees amounted to € 10.3m compared to the six months period of 2013 and b) the increase by € 0.3m in custody fees due to the recapitalized banks' shares acquired by the Fund at the end of June 2013.

Note 14 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 of the systemic banks held by the Fund and the warrants issued as well as the results from the disposals of the shares following the exercise of the warrants. The breakdown of the gain or loss by financial instrument for the first half of 2014 and 2013 is presented in the table below.

<i>Amounts in €</i>	01/01/2014 - 30/06/2014	01/01/2013 - 30/06/2013
Gain/(loss) from equity instruments		
Alpha	336,995,751	(91,386,364)
Eurobank	(958,284,394)	1,550,168,848
NBG	(2,386,340,337)	(3,620,416,834)
Piraeus	370,121,429	-
Subtotal	(2,637,507,550)	(2,161,634,350)
Gain/(loss) from warrants		
Alpha	(766,769,343)	(881,954,990)
NBG	90,927,070	(324,429,106)
Piraeus	(183,684,129)	-
Subtotal	(859,526,402)	(1,206,384,096)
Grand Total	(3,497,033,952)	(3,368,018,446)

Following Piraeus recapitalization, the Fund acquired the corresponding shares on 2 July 2013.

Note 15 Gain/(Loss) from Investment Securities

The gain from investment securities in H1 2013 was derived from the EFSF FRNs contributed in the three systemic banks (Alpha, Eurobank, NBG) in the context of recapitalization. The Fund recognized a € 386m gain reflecting 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 recapitalization.

Note 16 Commitments and Contingent Liabilities

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

<i>Amounts in €</i>	30/06/2014	31/12/2013
No later than 1 year	253,688	253,688
Later than 1 year and no later than 5 years	507,376	634,220
Total	761,064	887,907

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



Note 17 Related Party Transactions

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

The significant transactions entered into by the HFSF with related parties during the first half of 2014 and 2013 and the balances outstanding as of 30/06/2014 and 31/12/2013 are presented below.

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 the first half of 2014 amounted to € 441.3k (first half of 2013: € 370.8k). Furthermore, for the Executive Members an amount of € 31.4k (first half of 2013: € 31.4k) had been paid for social security contributions.

Transactions and balances with systemic banks

Following the contribution of EFSF FRNs to the systemic banks (Alpha, Eurobank, NBG and Piraeus) in the context of the presubscription 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 by IAS 24.

The nominal amount of the EFSF FRNs finally contributed to the 3 systemic banks (Alpha, Eurobank and NBG) in the context of the recapitalization process in the first half of 2013 amounted to € 18,151m. Additionally, in the first half of 2013 the Fund contributed an amount of € 794.8m in EFSF FRNs to Piraeus following the finalization of ATEbank's funding gap. The market value of the shares held by the Fund as of 30/06/2014 amounted to € 19,736m (31/12/2013: € 22,585m).

On 27/06/2014, the Fund contributed € 133.8m in cash to Alpha which pertained to the final funding gap of Dodecanese and Evia Cooperative Banks. Moreover, the Fund recognised a liability amounting to € 40.6m (31/12/2013: € 161.1m) to be paid to Alpha in relation to the final funding gap of Western Macedonia Cooperative Bank (Note 8).

In accordance with the presubscription agreement, the Banks which received capital advances obliged to pay to 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. The accrued commission income for the first half of 2013 amounted to € 110.7m (Note 11), of which € 80.2m was paid in cash as of 30/06/2013.

In the first half of 2013 the Fund recognized in the other income account an amount of € 2,050,000, which was reimbursed by the systemic banks and relates to expenses paid for financial advisory services in the context of recapitalization. In the first half of 2014 the Fund was reimbursed with € 419 thousand by Eurobank and € 604 thousand by Piraeus.

Transactions with transitional credit institutions

On 29/01/2013 the Fund fully covered New HPB's share capital increase in the form of EFSF FRNs with a nominal value of € 500m and contributed an amount of € 2,730.8m in the form of EFSF FRNs pertaining to the initial funding gap. Following the issuance of the BoG's decision for the determination of the final funding gap amounting to € 3,732.6m (BoG's Resolution Committee decision 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 the HDIGF, to New HPB. This amount represented part of the remaining funding gap, after the liquidation of T-Bank and the transfer of its assets and liabilities to New HPB.

No transaction took place during 2014.

Note 18 Post Balance Sheet Events

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

In July 2014 Piraeus' second warrants exercise took place. There were 4,951,260 warrants exercised and 22,160,707 shares exchanged, with the Fund receiving € 39,180,130. The Fund realized gains that amount to € 1,506,928 and reflect the difference between the warrant's exercise price (€ 1.768) and the share's issue price (€ 1.70). Following the exercise the HFSF shareholding in Piraeus declined from 67.3% to 66.9%.

In July 2014 the BoG issued the Resolution Committee's decision 17/14.7.2014, according to which the final difference between the value of the assets and liabilities of the Cooperative Bank of Western Macedonia transferred amounted to € 95,244,475. In December 2013 the HFSF had paid two thirds of the initial difference i.e. € 54,681,344 for the Cooperative Bank Western Macedonia. In July 2014 the HFSF paid in cash to Alpha the remaining amount of € 40,563,131.

In the context of the Law 3864/2010 (as amended in April, 2014), HFSF had announced on April 4, 2014 that it would enter into a new Relationship Framework Agreement (RFA) with Eurobank, in the event that private sector participation exceeded 50% of the share capital increase of Eurobank that took place upon the decision of the Extraordinary Shareholders' Meeting of 12 April 2014. The revised RFA between Eurobank and the HFSF was signed in August 2014.

On 10/09/2014 a call for expression of interest for two new additional non-executive members of the General Council of HFSF was posted in line with the recent founding law amendment.