

Law 2515/1997

Art. 16: Mergers of credit institutions (as amended)

1. Mergers between credit institutions, in the meaning of art.2, par. 1 of Law 2076/1992, may take place either by the acquisition of an existing undertaking by another or by the formation of a new undertaking, in the meaning of Art.68 of Law 2190/1920. Actions that are defined in Art.79 of Law 2190/1920 are treated in a way equal to a merger by acquisition.

2. In the case of a merger of par. 1 the provisions of Art. 69 to 80 of Law 2190/1920 apply except than provided otherwise in the present Article.

3. The provisions of the present Article do not apply to credit institutions referred to in Art. 3, par. 2 and 3 of Law 2076/1992 and in credit institutions that are incorporated and operate in the form of a credit cooperative, according to the provisions of par. 1 of Art.5 of Law 2076/1992.

[...]

"18. a) The Minister of Development issues the decision by which the merger is approved, according to the provisions of law applying to sociétés anonyms, after the Bank of Greece has approved the merger.

Credit institutions that are about to be merged communicate to the Bank of Greece the decisions of their Board of Directors concerning the mergers, accompanied by: (I) the draft agreement of merger and the relevant reports according to Art. 69, par. 1, 2 and 4 of Law 2190/1920, as well as the reports stated in par. 4 or 5 of the present Article, depending on the case and (II) the business plan referring to the nature and the volume of activities, as well as to the administrative and accounting organization and the internal control mechanisms of the resulting credit institution.

The Bank of Greece approves the merger in a 2-month period beginning from the submission of all the data stated in the previous sentence. If the 2-month period expires and the Bank of Greece has not taken any action, it is considered that the merger has been approved by it. During the 2-month period, the Bank of Greece opposes to the merger with a justified decision, if, due to the merger: either (I) the administrative or the accounting organization or the internal control mechanisms of the resulting credit institution turn to be inadequate either (II) the resulting credit institution will not be in the position to fulfil the prudential rules that apply to credit institutions and, in particular, the rules on capital adequacy and the concentration of risks. In the case of a merger by which a new credit institution is formed, the issue of the approval of the merger by the Bank of Greece is subject to the time limit of Art. 8, par. 2 of Law 2076/1992 and, in addition, it is conditional upon the submission of the data provided for in Art.6 of Law 2076/1992. This approval is equivalent to the authorization of this new credit institution, according to the provisions of the same Law.

Permissions that are granted by the Bank of Greece to merged credit institutions are passed on ipso jure, by the merger, and apply to the receiving or the acquiring or the

newly formed credit institution, as it is the case, unless it is otherwise stated in the Bank of Greece's decision approving the merger.

b) The provisions of the present paragraph apply accordingly in the case of a division of a credit institution, according to Art. 81 to 89 of Law 2190/1920, as it is amended, provided that the assets of the receiving credit institution are increased by more than 10% or the total number of its branches is increased.

c) Similarly, a prior approval by the Bank of Greece is required in order that an operating credit institution acquires a branch of the activity or one or more of the branches of another operating credit institution, provided that this acquisition results in the increase of the acquiring credit institution's assets by more than 10% or in the increase of its total number of branches. In this case, the communication to the Bank of Greece is made by the acquiring credit institution after the decision has been taken by the competent body of the institution, abiding the remaining provisions of the present paragraph.

d) The provisions of the present paragraph, points a, b and c, apply also to undertakings referred to in [*BCC decision 564/5/1995*]¹ provided that:

(I) the acquiring or the receiving or the company, in the cases under point a,

(II) the receiving undertaking, in the case under point b,

(III) the acquiring undertaking, in the case under point c,

is a credit institution or it is a financial institution supervised by the Bank of Greece.

e) By way of derogation of the provisions in par. 3 of the present Article, the provisions of the present paragraph apply to the [*Hellenic Industrial Development Bank*], the Consignment & Loans Fund, the Postal Savings Bank, as well as to credit institutions in the form of credit cooperatives.

[...]

“21. The provisions of the present Article, as well as the provisions of Art.3 of law 2166/1993, apply also in any case where a branch established in Greece of a credit institution, which has its head office in a foreign country, is transformed in a credit institution in the form of a société anonyme established in Greece or in the case of transmission of them to a credit institution established in an EU member state.”

¹ Replaced by BCC Decision 80/15/2000.