



## BANK OF GREECE

EUROSYSTEM

### ANNOUNCEMENT

#### Draft amendments to articles of the Statute of the Bank of Greece

The Bank of Greece, as provided for by Article 19 paragraph 2 of Law 3556/2007, hereby announces that, in accordance with a decision of the General Council, the following amendments to Articles 1, 8, 13, 26, 28, 31, 55A and 71 to the Bank's Statute shall be submitted for approval to the 79th Annual Ordinary General Meeting of Shareholders on 24 April 2012.

Essentially, these amendments represent a shift to more collegial decision-making at the Bank of Greece and preclude any potential (although in fact unlikely) conflict of interest in the exercise of the Bank's supervisory function. Moreover, by these amendments the Hellenic Republic is fulfilling a commitment under the Annex entitled "Memorandum on Economic and Financial Policies" to Law 4046/2012.

Furthermore, the Bank's term of existence is, as always, extended in a timely fashion, and the macroprudential tasks of the Bank are specified in line with Recommendation ESRB/2011/3.

Finally, a provision is inserted to serve as the necessary legal basis for the transfer to the government of the income, specifically for the years 2012-2020, from Greek government bonds forming part of the Bank's investment portfolio on 31 December 2011, pursuant to a recent decision of the Eurogroup.

The Statute of the Bank can only be amended by decision of the General Meeting of Shareholders, which is ratified by law (Article 7).

The European Central Bank was consulted on the proposed amendments and issued its Opinion.

A draft of the amendments is provided below.

CURRENT	PROPOSED
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#### **Article 1 change of date**

A Corporation (Société Anonyme) is hereby established under the name "Bank of Greece", having its seat in Athens, and governed by this Statute. The duration of the Bank shall extend to December 31st 2020 and may be further extended by a decision of the General Meeting of its Shareholders ratified by a Decree.	A Corporation (Société Anonyme) is hereby established under the name "Bank of Greece", having its seat in Athens, and governed by this Statute. The duration of the Bank shall extend to <b>December 31st 2050</b> and may be further extended by a decision of the General Meeting of its Shareholders ratified by a Decree.
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#### **Article 8 insertion of a fifth paragraph**

The share capital of the Bank, determined upon establishment thereof at 400 million drachmae, was divided into 80,000 shares (of 5,000 drachmae each), was fully paid up by the National Bank of Greece, which took over the whole of the share capital as provided for in Article 2 of the Agreement between the Government and the National Bank of Greece, to which this Statute is annexed. The share capital of the Bank of Greece, following revaluation according to Decree 14 of 27 November 1956 on "the revaluation of the balance sheets of Sociétés	The share capital of the Bank, determined upon establishment thereof at 400 million drachmae, was divided into 80,000 shares (of 5,000 drachmae each), was fully paid up by the National Bank of Greece, which took over the whole of the share capital as provided for in Article 2 of the Agreement between the Government and the National Bank of Greece, to which this Statute is annexed. The share capital of the Bank of Greece, following revaluation according to Decree 14 of 27 November 1956 on "the revaluation of the balance sheets of Sociétés
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CURRENT	PROPOSED
<p>Anonymes", is determined as from 1 January 1957 at 168 million drachmae, divided into 80,000 shares. [Following the decision of the Bank's General Council of 17 March 2008 (Meeting No. 4), which was approved by the Act of the Council of Ministers No 8/10 June 2008 (Government Gazette A 107/11 June 2008), the share capital of the Bank now amounts to 111,243,361.60 euro, divided into 19,864,886 shares, each of a 5.60 euro nominal value.]</p> <p>The shares of the Bank are registered. The transfer of shares shall be made by the inscription thereof in a special book, and a new certificate of ownership shall be issued on the occasion of each transfer. The transfer shall be signed by the transferor, or his attorney, and the Governor of the Bank.</p> <p>Every shareholder, wherever his residence may be, shall recognise Athens as his domicile for the purpose of his relations, as shareholder, with the Bank of Greece, and shall be subject to the Greek laws and to the jurisdiction of the Courts of Athens. The ownership of a share certificate implies, ipso facto, the acceptance of the provisions of the Bank's Statute and the decisions taken in accordance therewith by the organs of the Bank. Shareholders shall be liable only to the extent of the nominal amount of their holding and shall possess, towards the Bank, only such rights as expressly granted to them by this Statute. It is forbidden in particular to the shareholders of the Bank and their creditors to apply for the sequestration or seizure of the books or assets of the Bank.</p> <p>The State, as well as public enterprises, shall not, directly or indirectly, hold shares of the Bank amounting, in the aggregate of such holdings, to more than thirty five per cent (35%) of the nominal issued share capital.</p> <p>The provisions on dematerialised registered shares listed on the Athens Stock Exchange, as from time to time in force, shall be applicable on the shares of the Bank. Entry in the dematerialisation system shall be considered as registration in the special book referred to in the second paragraph of this article. As per article 72 of the Statute, it remains in force.</p>	<p>Anonymes", is determined as from 1 January 1957 at 168 million drachmae, divided into 80,000 shares. [Following the decision of the Bank's General Council of 17 March 2008 (Meeting No. 4), which was approved by the Act of the Council of Ministers No 8/10 June 2008 (Government Gazette A 107/11 June 2008), the share capital of the Bank now amounts to 111,243,361.60 euro, divided into 19,864,886 shares, each of a 5.60 euro nominal value.]</p> <p>The shares of the Bank are registered. The transfer of shares shall be made by the inscription thereof in a special book, and a new certificate of ownership shall be issued on the occasion of each transfer. The transfer shall be signed by the transferor, or his attorney, and the Governor of the Bank.</p> <p>Every shareholder, wherever his residence may be, shall recognise Athens as his domicile for the purpose of his relations, as shareholder, with the Bank of Greece, and shall be subject to the Greek laws and to the jurisdiction of the Courts of Athens. The ownership of a share certificate implies, ipso facto, the acceptance of the provisions of the Bank's Statute and the decisions taken in accordance therewith by the organs of the Bank. Shareholders shall be liable only to the extent of the nominal amount of their holding and shall possess, towards the Bank, only such rights as expressly granted to them by this Statute. It is forbidden in particular to the shareholders of the Bank and their creditors to apply for the sequestration or seizure of the books or assets of the Bank.</p> <p>The State, as well as public enterprises, shall not, directly or indirectly, hold shares of the Bank amounting, in the aggregate of such holdings, to more than thirty five per cent (35%) of the nominal issued share capital.</p> <p><b>No shares of the Bank may be held by persons supervised by the Bank under Article 55A or a provision of law; associated and affiliated firms; members of the board of directors or administrators of such persons; their spouses and relatives up to second degree. If any shares of the Bank come to the possession of any of the persons referred to in the preceding sentence, all management and financial rights attached to such shares shall be suspended for the duration of such holding.</b></p> <p>The provisions on dematerialised registered shares listed on the Athens Stock Exchange, as from time to time in force, shall be applicable on the shares of the Bank. Entry in the dematerialisation system</p>

CURRENT	PROPOSED
	shall be considered as registration in the special book referred to in the second paragraph of this article. As per article 72 of the Statute, it remains in force.

**Article 13  
addition of a final sentence**

<p>Every shareholder, who owns at least twenty five shares and has been registered as such in the books of the Bank at the beginning of the fifth day prior to the General Meeting, shall be entitled to sit and vote at any General Meeting. Twenty-five shares shall confer upon their holder the right of one vote. Shareholders having less than twenty-five shares may appoint a shareholder as a joint representative who may sit at the General Meetings, provided that he represents at least twenty-five shares. In the event of a share split according to the third indent of article 9 hereof, the above minimum number of shares entitling shareholders to participate, be represented and vote at a General Meeting of Shareholders may be adjusted accordingly, from time to time, by a decision of the General Council.</p>	<p>Every shareholder, who owns at least twenty five shares and has been registered as such in the books of the Bank at the beginning of the fifth day prior to the General Meeting, shall be entitled to sit and vote at any General Meeting. Twenty-five shares shall confer upon their holder the right of one vote. Shareholders having less than twenty-five shares may appoint a shareholder as a joint representative who may sit at the General Meetings, provided that he represents at least twenty-five shares. In the event of a share split according to the third indent of article 9 hereof, the above minimum number of shares entitling shareholders to participate, be represented and vote at a General Meeting of Shareholders may be adjusted accordingly, from time to time, by a decision of the General Council.</p> <p><b>No shareholder other than the State and the persons referred to in Article 2 of Law 2292/1953 may exercise the right to vote in the General Meeting in respect to a number of shares that exceeds a percentage that corresponds to 2% of the Bank's share capital.</b></p>
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**Article 26  
insertion of a final paragraph**

<p>The Governor or, in his absence, the Deputy Governor replacing him as provided for in Article 32, shall summon meetings of the General Council as often as may be required, but not less frequently than once a month, and shall take the chair at these meetings. A quorum shall be met when not less than six members are present.</p> <p>Decisions shall be taken by a simple majority of votes of the members present at the meeting. In the event of a tie, the Chairman shall have a casting vote.</p> <p>The minutes of meetings of the General Council shall contain the names of the Councillors present and reference to any decisions taken thereat.</p> <p>The minutes shall be signed by the Chairman of the Meeting and a member of the General Council.</p> <p>No Councillor shall be entitled to a leave of absence extending beyond a maximum of four months</p>	<p>The Governor or, in his absence, the Deputy Governor replacing him as provided for in Article 32, shall summon meetings of the General Council as often as may be required, but not less frequently than once a month, and shall take the chair at these meetings. A quorum shall be met when not less than six members are present.</p> <p>Decisions shall be taken by a simple majority of votes of the members present at the meeting. In the event of a tie, the Chairman shall have a casting vote.</p> <p>The minutes of meetings of the General Council shall contain the names of the Councillors present and reference to any decisions taken thereat.</p> <p>The minutes shall be signed by the Chairman of the Meeting and a member of the General Council.</p> <p>No Councillor shall be entitled to a leave of absence extending beyond a maximum of four months</p>
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CURRENT	PROPOSED
<p>within the year except in the case of “vis major” justifying his absence. A Councillor who fails to attend the meetings of the General Council for a period of four months within a year, or has been absent from four consecutive meetings without being on leave or without the concurrence of a case of vis major, shall be deemed to have resigned and shall be replaced according to the stipulations of the present Statute. The second sentence of Article 35 shall also apply to the Councillors of the Bank. The General Council may decide to hold its meetings outside the Bank’s Head Office but within the Greek territory.</p>	<p>within the year except in the case of “vis major” justifying his absence. A Councillor who fails to attend the meetings of the General Council for a period of four months within a year, or has been absent from four consecutive meetings without being on leave or without the concurrence of a case of vis major, shall be deemed to have resigned and shall be replaced according to the stipulations of the present Statute. The second sentence of Article 35 shall also apply to the Councillors of the Bank. The General Council may decide to hold its meetings outside the Bank’s Head Office but within the Greek territory.</p> <p><b>In relation to urgent matters, the decision may be passed by the General Council with special composition comprising the Governor, one Deputy Governor and two other members of the Council. The decision taken in accordance with the preceding sentence shall be submitted for approval to the General Council in its immediately next meeting.</b></p>

**Article 28  
replacement**

<p>If, in case of affairs reserved to the decision of the General Council, the taking of a decision becomes urgent, such decision may be taken by an Executive Committee consisting of the Governor, one of the Deputy Governors, and two other members of the General Council. The meetings of this Committee shall be called upon by the Governor or, in his absence, by the Deputy Governor replacing him as provided for in Article 32, and a quorum shall be met when not less than three members are present; if only three members are present, the decisions of the Committee must be unanimous. All decisions taken shall be recorded in minutes and be submitted to the General Council for approval at its next meeting.</p>	<p><b>The Executive Committee shall be composed of the Governor and the Deputy Governors, shall be convened by the Governor or, in his absence, by the Deputy Governor replacing him, and shall take decisions based on a quorum and majority of two members, one of which must be the Governor, unless he is replaced as mentioned above. If no quorum is achieved, the General Council member appointed according to the last sentence of Article 32 shall also participate in the Executive Committee. The General Council shall appoint every year three of its non-executive members to monitor the work of the Executive Committee. These non-executive members may report to the Council.</b></p>
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**Article 31  
insertion of words**

<p>The Governor shall, on behalf of the General Council, be in permanent control of the management of the Bank’s assets and general business, taking decisions in all cases not specifically reserved to the General Council or the Monetary Policy Council or governed by regulations which the said Councils have issued. Except for matters assigned to the Monetary Policy</p>	<p>The Governor shall, on behalf of the General Council, be in permanent control of the management of the Bank’s assets and general business, taking decisions in all cases not specifically reserved to <b>the Executive Committee</b> or the General Council or the Monetary Policy Council or governed by regulations which the said Councils have issued.</p>
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CURRENT	PROPOSED
Council, the Governor shall decide on all other matters falling within the duties of the ESCB.	Except for matters assigned to the Monetary Policy Council, the Governor shall decide on all other matters falling within the duties of the ESCB.

**Article 55A**

**i) fourth paragraph, insertion of second and third sentences; ii) replacement of the last sentence**

<p>The Bank of Greece shall exercise prudential supervision over credit institutions, insurance companies, as well as the following categories of enterprises and institutions of the financial sector:</p> <ul style="list-style-type: none"> <li>a) financial leasing companies,</li> <li>b) factoring companies,</li> <li>c) mutual guarantee companies,</li> <li>d) counterguarantee funds,</li> <li>e) bureaux de change,</li> <li>f) money-market broker companies,</li> <li>g) payment institutions.</li> </ul> <p>Other categories of enterprises and organisations may also be brought under the prudential supervision of the Bank of Greece, as provided for by law, without prejudice to the provisions of the last paragraph of Article 5B hereof.</p> <p>The scope and content of prudential supervision for each of the above-mentioned categories of institutions, undertakings and organisations is stipulated in each case by law.</p> <p>The objectives of prudential supervision shall be to enhance the stability and effectiveness of the credit system and of the financial sector in general. Prudential supervision shall also be aimed at ensuring transparency of the procedures and terms of transactions carried out by those subject to supervision.</p> <p>In performing its supervisory tasks, the Bank may impose administrative sanctions on all persons subject to its supervision, as well as their legal representatives and managers, in cases of non-compliance with provisions pertaining to the responsibilities of the Bank of Greece.</p> <p>With the exception of violations of provisions related to the tasks of the Monetary Policy Council under Article 35A, in which case the sanctions laid down in Article 55B shall be exclusively imposed, the Bank may impose on all persons subject to its supervision administrative sanctions, as it may deem appropriate, from among those sanctions which are applicable, under the law, to credit institutions that fail to comply with legislative or regulatory provisions governing the pursuit of their activities or concerning the obstruction of control</p>	<p>The Bank of Greece shall exercise prudential supervision over credit institutions, insurance companies, as well as the following categories of enterprises and institutions of the financial sector:</p> <ul style="list-style-type: none"> <li>a) financial leasing companies,</li> <li>b) factoring companies,</li> <li>c) mutual guarantee companies,</li> <li>d) counterguarantee funds,</li> <li>e) bureaux de change,</li> <li>f) money-market broker companies,</li> <li>g) payment institutions.</li> </ul> <p>Other categories of enterprises and organisations may also be brought under the prudential supervision of the Bank of Greece, as provided for by law, without prejudice to the provisions of the last paragraph of Article 5B hereof.</p> <p>The scope and content of prudential supervision for each of the above-mentioned categories of institutions, undertakings and organisations is stipulated in each case by law.</p> <p>The objectives of prudential supervision shall be to enhance the stability and effectiveness of the credit system and of the financial sector in general. <b>In this context, the Bank of Greece shall exercise, <i>inter alia</i>, its macroprudential authority with a view to strengthening the soundness of the financial system and reducing the build-up of systemic risks. In particular, the Bank of Greece shall identify, monitor and assess these risks, as well as take the measures provided for by law.</b> Prudential supervision shall also be aimed at ensuring transparency of the procedures and terms of transactions carried out by those subject to supervision.</p> <p>In performing its supervisory tasks, the Bank may impose administrative sanctions on all persons subject to its supervision, as well as their legal representatives and managers, in cases of non-compliance with provisions pertaining to the responsibilities of the Bank of Greece.</p> <p>With the exception of violations of provisions related to the tasks of the Monetary Policy Council under Article 35A, in which case the sanctions laid down in Article 55B shall be exclusively imposed,</p>
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CURRENT	PROPOSED
<p>provided for by law; the Bank may, in addition, impose the following sanctions:</p> <ul style="list-style-type: none"> <li>- a non-interest-bearing deposit with the Bank of Greece in an amount of up to forty per cent (40%) of the amount of the violation or, if such amount cannot be determined, up to GRD 3,000,000,000 (three billion drachmae) and for up to one (1) year;</li> <li>- a fine in favour of the Greek State, calculated either as a percentage of up to forty per cent (40%) of the amount of the violation or as a lump sum of up to GRD 300,000,000 (three hundred million drachmae) and, in the event of repetition, up to GRD 500,000,000 (five hundred million drachmae).</li> </ul> <p>The maximum amounts of the non-interest-bearing deposit or of the fine may be adjusted by an Act of the Governor of the Bank of Greece.</p> <p>In respect of these violations, the Bank may also lay down further administrative sanctions and specify the details of their application as well as of the application of the other sanctions provided for in the present Article or in other legal provisions in force.</p> <p>The sanctions stipulated in the present Article may also be imposed cumulatively. The powers stipulated in the present Article shall be exercised by Acts of the Governor of the Bank of Greece or of organs empowered by the Governor to that effect.</p>	<p>the Bank may impose on all persons subject to its supervision administrative sanctions, as it may deem appropriate, from among those sanctions which are applicable, under the law, to credit institutions that fail to comply with legislative or regulatory provisions governing the pursuit of their activities or concerning the obstruction of control provided for by law; the Bank may, in addition, impose the following sanctions:</p> <ul style="list-style-type: none"> <li>- a non-interest-bearing deposit with the Bank of Greece in an amount of up to forty per cent (40%) of the amount of the violation or, if such amount cannot be determined, up to GRD 3,000,000,000 (three billion drachmae) and for up to one (1) year;</li> <li>- a fine in favour of the Greek State, calculated either as a percentage of up to forty per cent (40%) of the amount of the violation or as a lump sum of up to GRD 300,000,000 (three hundred million drachmae) and, in the event of repetition, up to GRD 500,000,000 (five hundred million drachmae).</li> </ul> <p>The maximum amounts of the non-interest-bearing deposit or of the fine may be adjusted by an Act of the Governor of the Bank of Greece.</p> <p>In respect of these violations, the Bank may also lay down further administrative sanctions and specify the details of their application as well as of the application of the other sanctions provided for in the present Article or in other legal provisions in force.</p> <p><b>The powers referred to in this paragraph shall be exercised by acts of the Executive Committee or bodies authorised by it to that effect.</b></p>

**Article 71  
insertion of a third paragraph**

<p>1. After making provision for bad and doubtful debts, depreciation in assets, contributions to Personnel and Pension Funds, and such other contingencies as are usually provided for by bankers, and after repayment, out of the net profits of the Bank, of a dividend at the rate of 12 per cent per annum on the capital, one-half of the surplus shall be allocated to the regular reserve fund, until such reserve fund is equal to the capital, and the remaining one-half shall be paid to the Government. After the reserve fund has become equal to the capital, a percentage out of the net profits may be paid to the shareholders, as</p>	<p>1. After making provision for bad and doubtful debts, depreciation in assets, contributions to Personnel and Pension Funds, and such other contingencies as are usually provided for by bankers, and after repayment, out of the net profits of the Bank, of a dividend at the rate of 12 per cent per annum on the capital, one-half of the surplus shall be allocated to the regular reserve fund, until such reserve fund is equal to the capital, and the remaining one-half shall be paid to the Government. After the reserve fund has become equal to the capital, a percentage out of the net profits may be paid to the shareholders, as</p>
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CURRENT	PROPOSED
<p>additional dividend, as from fiscal year 1973 onwards, pursuant to a decision of the 1974 General Meeting of Shareholders, and thereafter, to be taken after proposal made without fail by the General Council, such decision to be valid only for each respective year, and the balance thereof to be paid to the Government. [Such percentage, fixed pursuant to the above decision, shall never exceed that required so that the total amount of dividend received by the shareholders become equal to 12% on the overall net profits of that fiscal year.]</p> <p>2. As capital in the preceding paragraph is understood to be the amount specified in Article 8 of the Statute, as fixed from time to time.</p>	<p>additional dividend, as from fiscal year 1973 onwards, pursuant to a decision of the 1974 General Meeting of Shareholders, and thereafter, to be taken after proposal made without fail by the General Council, such decision to be valid only for each respective year, and the balance thereof to be paid to the Government. [Such percentage, fixed pursuant to the above decision, shall never exceed that required so that the total amount of dividend received by the shareholders become equal to 12% on the overall net profits of that fiscal year.]</p> <p>2. As capital in the preceding paragraph is understood to be the amount specified in Article 8 of the Statute, as fixed from time to time.</p> <p><b>3. Exceptionally for the years 2012-2020 and following a decision of the General Council made in implementation of international agreements, the income from Greek government bonds forming part of the Bank's investment portfolio on 31 December 2011 may be transferred to the Greek government. Such transfer shall be subsequent to the payment of dividend at 12% on the capital, shall be subject to the regular reserve fund having become equal to the share capital of the Bank and may not exceed the remaining amount of net profits.</b></p>

Athens, 24 April 2012  
Human Resources and Organisation Department  
Secretariat Section