

## GOVERNOR'S ACT No. 2471/10.4.2001

### **Re: *Specification of the minimum initial capital required of credit institutions***

The Governor of the Bank of Greece, having regard to:

- a) the Statute of the Bank of Greece, in particular Article 55A thereof, as currently in force;
- b) Article 1 of Law 1266/82 re: “Authorities responsible for the conduct of monetary, credit and exchange rate policies, and other provisions” taken together with Article 12 of Law 2548/97;
- c) Articles 5, 12 paragraph 2a, 15 paragraph 1 and 18 paragraph 4 of Law 2076/92 re: “The taking up and pursuit of the business of credit institutions and other related provisions”;
- d) Article 2 paragraphs 2 and 3 of Law 1665/86 (“financial leasing contracts”), as currently in force;
- e) Article 4 paragraph 3 of Law 1905/90, as currently in force, regarding factoring contracts and other provisions;
- f) Law 2842/2000 re: “Additional measures in implementation of Council Regulations (EC) 1103/97, 974/98 and 2866/98, as currently in force, regarding the introduction of the euro”;
- g) Bank of Greece Governor’s Act 2110/20.8.1992, which specified the minimum share capital required for the establishment of a credit institution in Greece in the form of a Societe Anonyme;

- h) Bank of Greece Governor's Act 2258/2.11.1993, as currently in force, specifying a framework for the operation and supervision of credit institutions in the form of credit cooperatives of Law 1667/86, in particular Chapter B Section II of that Act, as amended by Bank of Greece Governor's Act 2413/9.7.1997, specifying the minimum capital required for the establishment and operation of cooperative banks;
- i) Currency Committee Decision 4/6/2.11.1973, as subsequently amended, specifically by Bank of Greece Governor's Act 2184/17.3.1993, Monetary and Credit Matters Committee Decision 589/3/28.2.1997 and Bank of Greece Governor's Act 2461/5.4.2000 (Chapter III paragraph 1), regarding the minimum capital required for granting authorisation to branches in Greece of credit institutions that have their registered offices outside the European Union;
- j) the advisability of adjusting the minimum initial capital required of credit institutions to the operation conditions shaped by the financial sector of the economy;

**has decided as follows:**

- A. Effective from the communication of this Act, the minimum initial capital required for the establishment and operation of credit institutions in Greece is set, for each category of credit institutions, as follows:
  - 1. For credit institutions in the form of a Societe Anonyme: eighteen million euro (€ 18,000,000) or six billion one hundred and thirty three million and five hundred thousand drachmas (GRD 6,133,500,000).

2. For credit institutions in the form of a credit cooperative under Law 1667/86, depending on their location and geographical scope of activities according to Chapter B of Bank of Greece Governor's Act 2258/2.11.1993, as currently in force (relevant provisions of Monetary and Credit Matters Committee Decision 541/2/7.4.1994 paragraph 1 and Bank of Greece Governor's Act 2413/9.7.1994):
  - a) six million euro (€6,000,000) or two billion forty four million and five hundred thousand drachmas (GRD 2,044,500,000), provided they are active in the prefecture of their registered offices;
  - b) ten million euro (€10,000,000) or three billion four hundred and seven million and five hundred thousand drachmas (GRD 3,407,500,000), provided they are also active in adjacent prefectures or in the administrative region of their registered offices;
  - c) eighteen million euro (€18,000,000) or six billion one hundred and thirty three million and five hundred thousand drachmas (GRD 6,133,500,000), provided they are active in the region of Attica, the prefecture of Thessalonica, or throughout the country.
3. For any of up to four branches of foreign credit institutions registered in countries outside the European Union: nine million euro (€9,000,000) or three billion sixty six million and seven hundred and fifty thousand drachmas (GRD 3,066,750,000).

If the aforementioned credit institutions are granted authorisation by the Bank of Greece for more than four branches, such additional capital shall be required as to cover the minimum

initial share capital applicable each time for credit institutions that have their registered offices in Greece.

4. The credit institutions' own funds must at all times during their operation be no less than the minimum specified as per case above.

B.

1. Credit institutions operating at the time this Act is communicated, as well as credit institutions that will later be authorised following an application submitted prior to the communication of this Act, are required to adjust the level of their own funds accordingly by 31 December 2002 at the latest.
2. The transitional provision of paragraph 1 above shall also apply to financial leasing companies of Law 1665/86, as currently in force, and to factoring companies of Law 1905/90, as currently in force, the minimum initial capital of which is defined as a percentage of the minimum initial capital required of credit institutions.

C. Effective from the communication of this Act:

1. The following shall be repealed:
  - a) Bank of Greece Governor's Act 2110/20.8.1992; and

b) Currency Committee Decision 4/6/2.11.1973, as amended by Bank of Greece Governor's Act 2184/17.3.1993 and Monetary and Credit Matters Committee Decision 589/3/28.2.1997.

2. The provisions of Chapters II and III of Bank of Greece Governor's Act 2461/5.4.2000 that refer to Bank of Greece Governor's Act 2184/17.3.1993 shall be replaced by the corresponding provisions hereof (Chapter A paragraph 3).

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