Article 1:  Purpose

Article 2:  Establishment of a Deposit Guarantee Fund (TEK)
1. A Deposit Guarantee Fund (in Greek: Tameio Engyisis Katatheseon), a legal entity governed by private law, is hereby established. The Fund shall be based in Athens and supervised by the Minister of National Economy. TEK shall not be a public entity and shall not belong to the broader public sector.

In its dealings with foreign bodies and organizations TEK will use the name “Hellenic Deposit Guarantee Fund”.

2. TEK’s purpose is to pay compensation to depositors in the event that deposits in any of the credit institutions listed in Article 42 below become unavailable, and to ensure and enhance stability in the credit system. In the case of credit institutions whose head offices are located in Greece, TEK covers also deposits of those institutions’ branches situated in another State of the European Union; it also covers branches in non-EU countries, in the event that they are not already
TEK’s Board shall judge whether such other schemes as the participating credit institutions may belong to are equivalent to its own cover, determining in each and every case the terms and conditions of cover by TEK.

3. TEK’s initial capital shall be GRD 3,000 million and shall be derived from the following sources:
   a) Bank of Greece: 60 per cent
   b) Hellenic Banks’ Association: 40 per cent

4. The true meaning of paragraph 3 above is that 40 per cent of the initial capital of TEK shall be covered by the credit institutions participating in the scheme on an obligatory basis at the outset of the scheme. This sum shall be collected by the Hellenic Banks’ Association according to the regular annual contribution of each credit institution to the total contributions of the first year of TEK’s operations. Those credit institutions which, for whatever reason, have not paid their contribution as determined by the Hellenic Banks’ Association to the initial capital of TEK at its outset shall pay their membership fee to TEK within a deadline of three months after the publication of this Law, upon notification by TEK.

Article 3: Participation of credit institutions in TEK

1. All those credit institutions specified in Article 2, Law 2076/1992 (Government Gazette A/132), which have obtained their business authorization in Greece shall participate in TEK, with the exception of the Post Office Savings Bank, the Loans and Deposits Fund, and credit cooperatives as defined by Law 1667/1986 (Government Gazette A/196).

2. Optionally, and on request, and in accordance with the provisions of Article 44 below, branches of a credit institution whose head office is located in another EU Member State may participate in TEK for supplementary cover corresponding to the cover provided in their home State, both in respect of the amount covered and the categories of deposits covered.
Participation in TEK shall be obligatory for branches of credit institutions whose head office is located outwith the European Union in the event that these branches are not already covered by equivalent deposit guarantee schemes operating in their home States. TEK’s Board shall judge whether such other schemes as the participating credit institutions may belong to are equivalent to its own cover, determining in each and every case the terms and conditions of cover by TEK.

The level and scope of the cover provided to depositors of all the above branches conducting business in Greece shall not exceed the level and scope of the cover stipulated in Article 44 below. For branches of credit institutions whose head office is located in another EU Member State this restriction applies until 31 December 1999, or such date as may be stipulated by amendments in line with further relevant EU regulations.

**Article 4: Sources and revenue of TEK**

1. TEK sources derive from:
   a) Regular annual contributions levied from the credit institutions participating in the deposit guarantee scheme. Annual contributions are calculated on the basis of the average balance of deposits in drachmas and foreign exchange held in the month of June each year, with the exception of
      i) the corresponding tax due on those deposits,
      ii) the balance of those categories of deposits listed in paragraphs 1, 2, 4, 5, 8, 9, 10 and 11 of Article 50 below,
      iii) the balance of deposits held by branches of participating credit institutions in non-EU States, provided such deposits are covered by an equivalent deposit protection scheme in the host State, and
      iv) TEK’s deposits.

In order to find the average balance of deposits in foreign exchange, the daily balances will be calculated on a drachma basis throughout the month of June using the corresponding fixing price. If there is no fixing price, the reference price will be used for the same purpose.
In the event that the credit institution ceases its operations or is liquidated before June, the average balance of deposits of the last thirty-day period prior to cessation of operations shall be used as the basis for calculating contributions. The credit institution shall pay contributions for the calendar year in which it ceases operations proportionate to the length of time it operated in the year in question.

b) Additional contributions, beyond the regular annual contributions, levied in the event that TEK’s sources are insufficient to compensate depositors covered by the scheme. Such contributions, whose payment is obligatory, are determined by decision of the Board and may be up to a maximum of three times the regular annual contribution of participating institutions paid in the year immediately prior to the specific activation of the scheme, and are offset against the regular contributions of the following years, as set out in the Board’s decision.

c) Donations made to the deposit guarantee scheme.

d) Revenue deriving from liquidation of TEK’s claims as well as from management of TEK’s assets.

2. a. In the event that TEK’s available funds, as described in paragraph 1 above, are insufficient to meet compensation payments, TEK may, by decision of the Board, borrow the required level of funds from the credit institutions participating in the scheme and/or from other sources. The levels of these loans are guaranteed by the credit institutions participating in TEK. The loans and guarantees noted above shall be exempt of tax, tariff or other charge by the government or other parties.

b. Credit institutions participating in TEK for supplementary cover in line with the guiding principles of Article 54 below may also be required to pay obligatory contributions 1b and 2a should the Board deem this necessary.

3. a) The level of the regular annual contribution of each participating credit institution is calculated on the basis of the scale below:
The ratio of total regular annual contributions to the level of deposits used as a base for calculating contributions in the first year of TEK’s operations will remain unchanged. The scales for the levels of deposits are adjusted each year by TEK’s Board so as to keep the contribution rate in the table above unchanged. These adjustments are made by super majority decision of the Board; if a super majority is not attained the adjustments are applied proportionately in order to maintain the above rates.

When a reasonable ratio between TEK’s funds and total deposits covered has been achieved, the contributions are henceforth adjusted to correspond only to variations in the levels of the credit institutions’ deposit balances. The precise level of the ratio, increases or decreases in the average contribution level, interruption or new commencement of annual payments, and possible reimbursement of contributions are decided by super majority decision of the Board.

c) The participating credit institutions shall pay half their annual contribution on the first business day of October of each calendar year, subsequent to written notification from TEK. The other half is paid on the first business day of April of the following calendar year. The method and content of the notification is determined by resolution of the Board.

In the event that the credit institution ceases operations or is liquidated, it shall pay a contribution calculated on the day of cessation of operations.

The Bank of Greece shall monitor the data submitted for the purpose of calculating contributions, whether in its capacity as Supervising Bank or upon request by the
Chairman of TEK’s Board.

In the case of the initial implementation of the provisions of the present Law, the total amount of the regular annual contribution for the year 1995 shall be paid by 1 November 1995, calculated on the basis of the level of deposits as at 31 December 1994.

c) The payment of contributions is made by crediting TEK’s accounts in the following way:

i) 20 per cent of the contribution is paid to TEK by crediting its account with the Bank of Greece. The amount that corresponds to this percentage may be invested, wholly or in part, in short-term government paper (of up to 12 months’ maturity) denominated in Greek drachmas or foreign currency, as well as in equivalent foreign securities, or it may remain, wholly or in part, in the account for the purpose of covering operating costs and other current needs, as the Board sees fit.

ii) The other 80 per cent of the contribution shall be deposited in a 3-month time deposit account held in TEK’s name with the credit institution paying the contribution, at an interest rate equivalent to that borne by Greek 3-month Treasury bills of the latest issue prior to the date above. The interest rate on such deposits shall be adjusted every three months in line with the 3-month Treasury bill rate applicable on the date of adjustment, while interest accrued shall be capitalized. In the event that 3-month Treasury-bills are no longer issued or the interest rate borne by such bills is no longer suitable, the 3-month reference rate of the interbank market will be applied. By resolution of the Board a part of the said amount may be held in foreign currency deposits carrying interest equivalent to rates borne by placements of the same duration and of the same liquidity and risk as the securities mentioned above.

iii) In the event that the scheme, in accordance with the provisions of Article 45 below, is activated, those TEK funds which are placed, as in (ii) above, with participating credit institutions, the interest earned thereon, and any other amount owed by the participating credit institutions to TEK, shall be paid directly to TEK by the management of the credit institutions concerned, notwithstanding any other
provisions of substantive or procedural law and prior to any other claims.

iv) The Board, on reaching a super majority decision in accordance with Article 51 (8) below, and on explaining fully the reasons for the decision, may decide to place its funds in securities, notwithstanding the provisions of c (i) above, if, according to its judgement: a) these placements are of equivalent risk, and b) they can be sold for cash immediately.

4. a) Credit institutions joining the scheme after 1 November 1995, including branches of credit institutions whose head office is located outwith the European Union and which are not already covered by a corresponding system in their home State, shall pay within one month of commencing operations or joining the scheme, besides their respective annual contribution, an initial membership fee equal to the amount arising from the product of the level of accumulated resources of TEK multiplied by the ratio of the new credit institution’s own funds to the total own funds of those credit institutions already participating in the scheme. The date used for the calculation of the credit institutions’ own funds and TEK’s resources shall be 31 December of the immediately preceding calendar year.

For credit institutions whose head office is located in Greece and for branches of credit institutions whose head office is located outwith the European Union ‘own funds’ are understood to be own funds as defined in Governor of Bank of Greece Acts 2053/1992 (Government Gazette A/49) and 2184/1993 (Government Gazette A/42).

b) By decision of TEK, the payment of the initial contribution as described in the preceding paragraph may be made in equal 6-monthly instalments over a maximum period of 3 years.

Payment and investment of initial contributions is conducted in accordance with the provisions of paragraph 3b and c of this Article.

5. Revenues arising from investments by TEK shall be disposed of in the following order of priority:

a) repayment of loans,

b) deposits into TEK’s accounts with the Bank of Greece (20%) and with all the participating credit institutions (80%), in proportion to the contributions paid by them.

6. In the case of branches of credit institutions whose head office is located in
another Member State of the European Union and which have supplementary cover with TEK, matters relating to the level of the annual and initial contributions and to compensation payments are determined by TEK and the respective deposit guarantee body of the home State of the credit institution concerned, according to the level and scope of the supplementary cover and according to the guiding principles set out in Article 54 below. The agreements established in accord with this paragraph are announced to the Bank of Greece, the Ministry of National Economy and the Hellenic Banks’ Association.

7. Contributions to the initial capital of TEK, and any other form of contribution by a credit institution to TEK, cannot be refunded.

**Article 5: Deposits covered by the deposit guarantee scheme**

1. For the purposes of this Law, ‘deposit’ shall mean any credit balance which results from funds left in an account or from temporary situations deriving from normal banking transactions and which a credit institution must repay under the legal and contractual conditions applicable, and any debt evidenced by a certificate issued by a credit institution.

2. a) The aggregate deposits of each depositor must be covered up to Euro 20,000 as estimated at the fixing of the date on which the deposits became unavailable. If there is no fixing price, the reference price will be used for the same purpose. This compensation is paid in drachmas and applies to the aggregate deposits of each depositor at the credit institution concerned, irrespective of the number of deposits, the currency and the location abroad. For the conversion of compensation received by depositors, whether this concerns deposits in foreign currency held in Greece or abroad, the legal provisions regarding foreign exchange and capital movements shall apply. The limit of ECU 20,000 includes also any interest accrued up to the date on which the deposit became unavailable.

   b) The level of cover is adjusted by decision of the Board in line, at any given time, with the minimum level set within the framework of the relevant EU provisions. In the event of such an adjustment, TEK’s decision to adjust annual contributions is taken by simple majority.

3. In order to calculate compensation, the credit balance of the deposit accounts are
set off against any counterclaims the credit institution may have against its depositors, in compliance with the conditions of Articles 440 et seq. of the Civil Code, according to data supplied to TEK by the official liquidator of the credit institution. In the event of payment of supplementary compensation to depositors of branches of credit institutions whose head office is located within the European Union the guiding principles of Article 54 below shall apply.

4. a) In the case of accounts that have been opened jointly in the name of two or more persons, as defined by Law 5638/1932, the part that corresponds to each depositor of the joint account shall be considered a separate deposit and is entitled to cover up to the limit prescribed in paragraph 2 of this Article in aggregate with his or her other deposits. In the event that the relative proportions of joint account holders in an account have not been specified, for the purposes of compensation each joint account holder is considered as having an equal share of the money in the account.

b) The deposit of a grouping of persons without legal personality shall be aggregated and treated as if made by a single depositor for the purpose of calculating the limits provided for in paragraph 2 of this Article.

5. The person who is absolutely entitled to compensation shall be covered by the guarantee, provided that that person has been identified or is identifiable before the date on which a deposit is determined to have become unavailable. If there are several persons who are absolutely entitled, the share of each under the arrangements subject to which the sums are managed shall be taken into account when the limits provided for in paragraph 2 above are calculated.

Article 6: Activation of the deposit guarantee scheme
1. A deposit becomes unavailable when it is due and payable but has not been paid by a credit institution under the legal and contractual conditions applicable thereto, where either:

a) the Bank of Greece has determined that the credit institution, for reasons directly related to its financial circumstances, is unable to repay the deposit and has no current prospect of doing so. The Bank of Greece shall make that determination within 21
days after first becoming satisfied that a credit institution has failed to repay deposits
which are due and payable; or
b) a judicial authority has made a ruling for reasons which are directly related to the
credit institution’s financial circumstances which has the effect of suspending
depositors’ ability to make individual claims against the credit institution, should that
occur before the aforementioned determination has been made.
2. TEK, on notification of the determination of the Bank of Greece, the judicial
authority or the competent authority of the home EU Member State, as noted in
Article 54 (b) below, of the credit institution operating a branch in Greece and
enjoying supplementary cover by TEK in accordance with Article 42, shall draw up a
list of depositors on the basis of data provided by the credit institution concerned and,
after setting off depositors’ claims against any counterclaims of the credit institution,
as described in Article 44 (3), it pays the relevant compensation within 3 months after
the day on which deposits became unavailable, according to the provisions of
paragraph 1 of this Article. The compensation paid is exempt of any fees, tax or
charge.
3. In exceptional circumstances, and after special request by TEK, the Bank of
Greece may approve, at most, two extensions to the initial deadline, each of which
cannot exceed 3 months.
4. TEK cannot invoke the deadlines of paragraphs 2 and 3 above in order to refuse
payment to a depositor who was not in a position to make a timely claim for
compensation, by virtue of the present provisions.

Article 7: Depositor compensation criteria and compensation payment
procedure
1. The depositor’s right to compensation lapses 5 years after the end of the last
extension of the time limit set for the commencement of the compensation procedure
as prescribed in Article 45 (2&3).
2. If depositors or other beneficial owners or other person having interest in funds of
such deposits, deriving from transactions in connection with which there has been an
incrimination for money laundering or other illegal activity (as defined in Law
2331/95, as amended) are subject to postponement of compensation until a judgement
is issued.

4. TEK shall notify depositors through the press of the procedure by which compensation payments will be carried out.

Article 8: Subrogation of depositors’ rights
Subject to the provisions of Article 43 (3c.iii) above, TEK is subrogated to the rights of depositors for an amount equal to the compensation payments to them, and is classed in the same category as the depositors during the liquidation of the credit institution concerned.

Article 9: Information to depositors
1. Credit institutions whose head office is located in Greece as well as branches of foreign credit institutions operating in Greece shall issue a detailed information brochure in the Greek language containing, as a minimum, the following information:
   i) the maximum levels of cover per depositor and any responsibility of the depositor under the law of the home State,
   ii) the currencies covered,
   iii) the types of deposit excluded from cover,
   iv) the requirement to set off any counterclaims of the credit institution, and
   v) the time limits for the payment of compensation.

Upon request by savers, information regarding the procedure and conditions for compensation payment shall be provided.

Furthermore, (i) branches of foreign credit institutions shall notify depositors of the location of the deposit protection scheme to which they belong, and ii) credit institutions whose head office is located in Greece shall provide the same information in those countries where they have established branches in the official language or languages of the countries concerned.

2. Credit institutions may make brief reference to the fact that they participate in TEK, or another deposit protection scheme, while credit institutions exempted from the obligation to participate in TEK shall clearly notify depositors of this fact. The nature and method of such announcements must be approved by TEK.
3. The information brochure must be published and distributed within 3 months from joining TEK in the case of credit institutions that participate in TEK or within 3 months from establishment in Greece, as to the rest of the credit institutions.

**Article 10: Compliance by credit institutions with their obligations toward TEK**

1. a) If a credit institution whose head office is located in Greece, or the branch in Greece of a credit institution whose head office is located outwith the European Union and which is obliged to participate in TEK, does not comply with the obligations incumbent on it as a member of TEK, TEK shall notify the Bank of Greece, which, within its authority, shall take appropriate measures including the imposition of sanctions prescribed in Article 8 (1A) of Law 2076/1992 (Government Gazette A/130) to ensure that the credit institution complies with its obligations.

   b) If those measures fail to secure compliance on the part of the credit institution, TEK may, with the express consent of the Bank of Greece, give not less than 12 months’ notice of its intention of excluding the credit institution from membership of the scheme. Deposits made before the expiry of the notice period shall continue to be fully covered by the scheme. If, on the expiry of the notice period, the credit institution has not complied with its obligations, TEK may, again having obtained the express consent of the Bank of Greece, proceed to exclusion. In this case, the provisions of Article 22 (1) or Article 8 (1A) of Law 2076/1992 (Government Gazette A/130) shall apply.

2. If the branch of a credit institution whose head office is located in a European Union Member State and which enjoys supplementary cover by TEK does not comply with the obligations incumbent on it as a member of the deposit guarantee scheme, TEK notifies the competent authority which issued the authorization and, in collaboration with the guarantee scheme concerned, shall take all appropriate measures to ensure that the obligations are complied with. The aforementioned notification is announced immediately also to the Bank of Greece. If those measures fail to secure the branch’s compliance with the aforementioned obligations, after an appropriate period of notice of not less than 12 months TEK may, with the consent of
the competent authority of the Member State where authorization was issued, and after notifying the Bank of Greece, exclude the branch. Deposits made before the date of exclusion shall continue to be covered by the voluntary scheme until the dates on which they fall due. Depositors shall be informed by TEK of the withdrawal of the supplementary cover.

Article 11: Deposits excluded from cover by the guarantee scheme

The following categories of deposits are excluded from cover by TEK:

1. Deposits held by other credit institutions in their own name and for their own account;
2. All instruments falling within the category of credit institutions’ ‘own funds’ as defined in Governor of Bank of Greece Act 2053/1992 (Government Gazette A/49), as amended.
3. Deposits arising from transactions in connection with which there has been a criminal conviction for money laundering or other illegal activity, as defined in Law 2331/1995, as amended, or in the relevant legislation of other States.
4. Deposits by financial institutions, as defined in Article 2 (6) of Law 2076/92 (Government Gazette A/130), insurance companies, and undertakings for collective investment in transferable securities (Ucits).
5. Deposits by central government (ministries and decentralized government agencies).
6. Deposits by a credit institution’s own managers, as defined in Article 6 (1c) of Law 2076/92 (Government Gazette A/130), members of the board of directors, direct or indirect holders of at least 5 per cent of the credit institution’s capital, persons responsible for auditing the credit institution’s accounting documents and persons of similar status in other companies having direct or indirect control over the credit institution.
7. Deposits by close relatives (spouses and children) or third parties acting on behalf of the depositors referred to in (6) above.
8. Deposits by companies in the same group, as defined in Article 42e of Codified Law 2190/1920, as amended.
9. Negotiable certificates of deposit (CDs).
10. Bonds issued by credit institutions and liabilities arising from own acceptances or promissory notes.

11. Liabilities arising from repurchase agreements (repos).

**Article 12: TEK Management - Powers of the Board**

1. TEK shall be managed by a 7-member Board. The Board shall be chaired by one of the Deputy Governors of the Bank of Greece. The other six members shall be selected from the Bank of Greece (2), the Ministry of National Economy (1), and the Hellenic Banks’ Association (3).

2. The Board, composed of members proposed by the agencies noted in paragraph 1, is appointed by the Minister of National Economy and has 5-year tenure. After the expiry of the first tenure, the Board shall be increased to 8 members, with the number of members drawn from the Hellenic Banks’ Association being increased to 4.

3. The Vice-Chairman of the Board shall be elected by the members of the Board. The Controller General of Banks may attend the meetings of the Board but has no voting rights. The members of the Board shall be persons of recognized standing and possess specialized knowledge and experience on matters relating to the banking sector. One of the members drawn from the Bank of Greece shall be a qualified legal expert and one of the members drawn from the Hellenic Banks’ Association shall be a specialist in matters relating to banking accountancy.

4. The term of office of Board members may be renewed once and for the same duration, and may be extended for a period of no more than three months until a new administration is appointed.

5. The term of office of a member may be interrupted only if, by his acts or negligence, the competence or appropriateness of that member to perform his duties is placed in doubt, or if he is unable to exercise his duties due to ill health. In the event that a Board position is vacated, for whatever reason, a new member is appointed for the remaining period of office of the Board as a whole, in the manner prescribed in this Article.

6. In the event of absence or hindrance of the Chairman of the Board, he shall be replaced in all his powers by the Vice-Chairman.
7. The Board has quorum and meets when at least 5 members are present in the case of the initial 7-member Board, and at least 6 in the case of the subsequent 8-member Board. Those present must include the Chairman or the Vice-Chairman. In the event that the number of votes cast for a decision are divided equally for and against, the view supported by the Chairman or the Vice-Chairman shall prevail.

8. A super majority of the Board of TEK is achieved when votes cast in favour of a decision are at least 5 in the case of the initial 7-member Board and at least 6 in the case of the 8-member Board.

9. The Chairman’s, the Vice-Chairman’s and the Board members’ remuneration shall be determined by the Minister of National Economy after a proposal by the Board, and they shall be paid by TEK.

10. The Board shall be competent for any matter relating to the administration and representation of TEK in Greece and abroad, the collection of funds, the management of its assets, and generally for any matter relating to its purpose and objectives.

11. The Chairman of the Board shall represent TEK before any authority and any third party, he shall be present and represent TEK in court, and he shall supervise and ensure the proper implementation of the Board’s decisions, the proper execution of TEK’s plans and budget within the framework of the task it has been set to perform, and the observance of the proper organization and conduct of TEK’s services, and of the proper operations of the Board. He shall call the Board to meetings, chair its sessions and determine the items to be included in the agenda. If the Chairman is absent or unable to attend and cannot be replaced, his duties shall be exercised by the Vice-Chairman. With the consent of the Board, the Chairman may assign the representation of TEK before any authority and any third party, as well as its judicial and extra-judicial presence and representation, to another member of the Board or to the Director of TEK, who shall be appointed by resolution of the Board.

12. TEK may request credit institutions to submit, and the credit institutions are obliged to submit to TEK, data and information necessary for TEK to carry out its objective, such as, specifically, (i) balance sheet data and other financial statements, (ii) information concerning the basis for calculating contributions, and deposits eligible or not eligible for cover, and (iii) data regarding the availability of its resources as described in Article 43.
13. a) TEK’s Board members and personnel and the auditors of its annual accounts shall maintain strict professional confidentiality with regard to the information at their disposal and with regard to confidentiality of bank deposits.
b) The prohibition on the passing of information that comes to their attention during the course of carrying out their professional duties does not apply in the case where those persons or authorities are:
(i) The Bank of Greece. The right of the Bank of Greece to release relevant information as provided for in Article 21 (6) of Law 2076/1992 (Government Gazette A/130) is extended also to the Deposit Guarantee Fund.
(ii) The Minister of National Economy.
(iii) The Chairman and Secretary General of the Hellenic Banks’ Association.
(iv) The special Parliamentary committees of inquiry in the course of exercising their duty as set out in Parliamentary Regulations.
c) It is permitted, and does not constitute a breach of professional conduct with regard to confidentiality of bank deposits, for information to be exchanged between the Deposit Guarantee Fund and the authorities responsible for the supervision of the credit institution in another Member State of the European Union, as well as the deposit guarantee schemes operating in another Member State, provided such information is deemed necessary for the exercise of their responsibilities regarding the protection of deposits.

The Deposit Guarantee Fund may conclude agreements with the respective authorities of countries outwith the European Union under these same terms and conditions.
d) In the event that the provisions of this paragraph are breached, the sanctions contained in Article 371 of the Penal Code and, correspondingly, of Article 2 of Legislative Decree 1059/1971 shall apply. Irrevocable conviction for breach of Article 2 (1) of Legislative Decree 1059/1971 automatically implies the person’s immediate removal from the post he or she holds in the Deposit Guarantee Fund.
14. The Board shall be responsible for appointing the management of the component units of TEK and shall define their powers and other matters concerning the internal organization of TEK’s activities.
Article 13: Personnel

1. The operational structure of TEK shall be determined by decision of the Minister of National Economy, after a proposal by the Board.

2. TEK’s personnel shall be composed of specialized individuals, and assistant staff, and will be employed under fixed-term and indefinite-term contracts of private law. The terms and conditions of employment of TEK personnel shall be governed by the provisions regarding grades and salary scales of Bank of Greece employees, and shall be applied accordingly. The employment of clerks coming from the Bank of Greece, the Hellenic Banks’ Association or credit institutions participating in the scheme shall continue to be governed by the employment status (insurance and promotion) applying in the agency of their origin, with the exception of the hierarchical incorporation of the employees, which shall be determined in accordance with regulations governing the status of TEK personnel.

3. Matters concerning regulations governing the manning, organization and operation of TEK, the mode of hiring TEK personnel, and the official status of TEK personnel shall be settled by decision of the Board.

Article 14: Regular Audit - Balance Sheet - publications

1. The audit of TEK’s financial affairs and its balance sheet shall be assigned by the Board to chartered accountants or an authorized auditing firm that shall file a relevant report to the Committee of Economic Affairs of the Hellenic Parliament, the Minister of National Economy, the Bank of Greece, the Hellenic Banks’ Association and TEK’s Board.

2. The fiscal year begins, with the exception of the initial period, on 1 January and expires on 31 December of each year. At the latest, at the end of October, the budget for the following fiscal year shall be drawn up, while within the first 3 months of the fiscal year the annual report for the previous fiscal year must be drawn up, submitted for approval, together with the balance sheet and auditor’s report, to the Minister of National Economy, and distributed to the persons and agencies listed in paragraph 1 above. The annual report shall contain a list of the credit institutions or branches participating in the deposit guarantee scheme. Amendments to the list shall be
announced to the persons and agencies noted in paragraph 1 above, at the latest, within one month after the date the amendment is made.

**Article 15: Guiding Principles**

In the case of supplementary cover for branches of credit institutions whose head office is located in another European Union Member State, TEK enforces, bilaterally with the home State’s deposit guarantee authority, appropriate rules and procedures for the payment of compensation to that branch’s depositors. In implementing these procedures and in determining the conditions for participation by the branch, the following guiding principles shall apply:

a) TEK shall maintain fully the right (i) to impose the participation terms and conditions applying to the other credit institutions, and (ii) to require the provision of all such information it deems necessary to carry out its task and to verify this information with the supervisory authorities of the home Member State of the branch in question.

b) TEK shall satisfy requests for supplementary compensation provided it receives a statement from the authorities of the home Member State that the deposits have become unavailable. TEK maintains fully the right to ascertain whether the depositor is eligible according to its own basic rules and procedures before paying out supplementary compensation.

c) The home Member State deposit protection scheme and TEK shall cooperate fully with each other to ensure that the depositors are swiftly compensated by the amount to which they are entitled. In particular, they shall agree as to the method by which any counterclaims giving rise to setting off within the framework of one of the two systems affects the compensation that is paid to the depositor by each scheme.

d) TEK shall be entitled to charge the branch for supplementary cover in such a way that takes into account the guarantee provided by the home Member State scheme. To facilitate charging, TEK shall consider that its liability is always restricted to the difference between the guarantee that it provides and the guarantee provided by the home Member State of the branch, irrespective of whether the home Member State in fact pays compensation for the deposits held in Greece.
Article 16
1. The Bank of Greece shall be allowed to set off the amount it contributed toward the creation of the Deposit Guarantee Fund by an amount of up to GRD 650,000,000 paid or to be paid as compensation to depositors with Arab-Hellenic Bank S.A., which is currently under liquidation.

2. The Bank of Greece assigns to TEK its claims against the proceeds arising from the liquidation of Arab-Hellenic Bank S.A., as these accrue from the payment of compensation to depositors with the Arab-Hellenic Bank. This assignment is exempt of any fees or tax, whether direct or indirect.

Article 17
1. By presidential decree and at the proposal of the Minister of National Economy, credit institutions in the form of credit cooperatives as defined by Law 1667/1986 (Government Gazette A/196) will be admitted to TEK. By this presidential decree, and in accordance with the provisions of the present Law, a number of matters shall be settled: a) the participation in TEK of the credit institutions in the form of credit cooperatives as defined in Law 1667/1986, b) their contributions to TEK, c) the deposits covered, d) the deposits exempted, e) information to depositors, and, f) generally, the obligations that attach to credit institutions as a result of their participation in TEK.

2. Articles 1 and 2 of Law 2114/1993 (Government Gazette A/4 28.1.93) shall no longer apply.