



ALPHA BANK

**DEPOSIT GUARANTEE
AND
INVESTORS COMPENSATION SCHEME**

March 2014

Deposit Guarantee and Investors Compensation Scheme

The Hellenic Deposit and Investment Guarantee Fund (hereinafter the "HDIGF") was established by virtue of Law 3746/2009 (Government Gazette 27/A/16 February 2009) in order to implement in Greece the deposit guarantee and investors compensation scheme. The HDIGF is successor in interest to the Hellenic Deposit Guarantee Fund "HDGF", established under Law 2832/2000 (Government Gazette 141/A/13 June 2000).

The HDIGF (the Greek initials of which are TEKE) is a legal entity of private law, based in Athens and supervised by the Minister of Finance. The HDIGF is not a public entity and does not belong to the broader public sector.

Six tenths (6/10) of the HDIGF's initial capital is covered by the Bank of Greece and the remaining four tenths (4/10) by the Hellenic Bank Association's member credit institutions.

The HDIGF's purpose is to:

- a) pay compensation to **depositors** of credit institutions that:
 - i) are licensed in Greece and
 - ii) become unable to meet their obligations towards depositors

- b) pay compensation to **investors/customers** of credit institutions that:
 - i) are licensed in Greece,
 - ii) do not participate in the Athens Exchange (ATHEX) Members' Guarantee Fund and
 - iii) become unable to meet their obligations arising out of investors' claims and have no early prospect of being able to do so

with a view to ensuring stability in the credit system.

Two separate compensation schemes are run by the HDIGF, one for deposits ("**Deposit Cover Scheme**") and one for investments ("**Investment Cover Scheme**"), each of which has separate assets, intended to meet, respectively, the claims of depositors and investors.

The HDIGF's resources derive from initial membership and annual regular contributions paid by the credit institutions. In the event that these resources are not sufficient for the compensation, further supplementary resources are provided (Law 3746/2009).

A. Deposit Cover Scheme

“Covered Deposit” means 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.

The Deposit Cover Scheme is activated if it is determined, either by court ruling or by a formal decision of the Bank of Greece, that one of its member credit institutions is unable to repay its customers’ deposits.

The coverage for the aggregate deposits of each depositor, held by a HDIGF participating credit institution amounts to a maximum of **EUR 100,000 (one hundred thousand euro)**. The aforesaid coverage should include any interest accrued up to the date on which the deposits become unavailable.

Compensation is paid in Euro and applies for the aggregate deposits of each depositor held by the same credit institution, irrespective of the number of accounts (personal or joint), the currency of denomination or the country where the branch of the credit institution with which the deposit is held operates⁽¹⁾.

In case of **joint accounts** opened in the names of two or more persons, each depositor’s share is deemed a separate deposit and is covered up to EUR 100,000.

In calculating the amount of compensation payable to depositors, the credit balance on their account(s) is set off against any counterclaims filed by the credit institution against the beneficiary-depositor, as per the terms of Articles of 440 et seq. of the Greek Civil Code (e.g. loans outstanding, credit card dues); that is, if they are of the same kind and overdue, according to the data provided to the HDIGF by the liquidator of the credit institution concerned.

For the conversion of compensation payments regarding deposits in foreign currency held in Greece or abroad into the corresponding current provisions related to Foreign Exchange and capital flows apply.

Compensation shall be paid by the HDIGF **within twenty (20) working days** of the date on which the deposits became unavailable. The deadline can be extended for **ten (10) more working days**. After the lapse of five years from the said deadline, the right to claim is barred.

Compensation payment procedure: The HDIGF draws up a list of depositors on the basis of the data provided by the credit institution concerned and announces through the press the procedure by which compensation payments will be carried out. Before this announcement, depositors do not need to take any action.

1. The HDIGF also covers the deposits kept at the Branches of the Bank in Bulgaria and at the London Branch up to the amount of 100,000 Euro.

Pursuant to Law 3746/2009, the following types of deposits **are excluded** from cover by the HDIGF:

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 the Bank of Greece Governor's Act 2587/2007.
3. Deposits arising from customer transactions in connection with which there has been a criminal conviction for money laundering or the funding of terrorism, as defined in Greek legislation or the corresponding legislative framework of other countries.
4. Deposits of Investment Services Providers for their own account, pursuant to Article 2, case 1 of Law 3606/2007.
5. Deposits of financial institutions, as defined in Article 2, case 11 of Law 3601/2007.
6. Deposits of insurance companies, as defined in Legislative Decree 400/1970, as amended.
7. Deposits of undertakings for collective investments in transferable securities (Ucits), as defined in Law 3283/2004, as amended, including their management fund companies.
8. Deposits by affiliated legal entities of the credit institution which participates in the HDIGF and becomes unable to repay customer deposits, as defined in Article 42e, paragraph 5 of the Companies Act (Codified Law 2190/1920).
9. Deposits by central government (Ministries and decentralized Government Agencies), supranational organizations, federal, prefecture, and local government authorities and agencies.
10. Deposits of Board of Directors members and senior managers (including at least individuals legally in charge of its agenda) of the credit institution concerned.
11. Deposits by shareholders whose direct or indirect participation in the capital of the credit institution concerned amounts to at least 5% of the share capital of voting rights, as well as deposits by individuals who are responsible for the audit of the credit institution's financial statements, as provided for by law.
12. Deposits by individuals who hold positions or act in a capacity corresponding to those described in cases 10 and 11 above, at the credit institution's affiliated companies, as defined in Article 42(e), paragraph 5 of the Companies Act (Law 2190/1920), as amended.
13. Deposits of relatives, up to and including the second degree by blood or marriage, and the spouses of such persons described in cases 10, 11 and 12 above, as well as third parties acting on behalf of these persons.
14. Bonds issued by the said credit institution and liabilities arising from own acceptances or promissory notes.
15. Negotiable certificates of deposits (CDs).

B. Investment Cover Scheme

Covered investment services mean any services as defined in Article 4 of Law 3606/2007 (Government Gazette 195/A/17 August 2007) paragraphs 1(a) – (d), (f), (g) as well as the ancillary service described in paragraph 2(a) of the same article. Indicatively, as covered investment services are considered (among others) the receipt, transmission and execution of orders, underwriting of financial instruments, safekeeping and administrative management of financial instruments for the customer's account, negotiation for own account of one or more financial instruments, management of customers' portfolios etc.

The Investment Cover Scheme is activated if it is determined, either by court ruling or by a formal decision of the Bank of Greece, that an HDIGF participating credit institution is unable to repay its investors'/customers' covered investment services (i.e. the funds it owes the investor are not available or it cannot deliver financial instruments that belong to them).

Compensation for the total claims per investor/customer of the credit institution concerned shall be up to a maximum of **EUR 30,000 (thirty thousand euro)** and applies irrespective of covered services, number of accounts, currency of denomination and place where the service is provided⁽²⁾.

For those investors/customers who are co-beneficiaries of the same claim deriving from covered investment services, the part of the claim corresponding to each investor/customer is deemed to be a separate claim against the credit institution, and making into consideration any other claims of the investor/customer deriving from covered investment services against the same credit institution, can be compensated up to the amount of EUR 30,000.

Compensation is paid in Euro by the HDIGF **within three (3) months** of the date on which the memorandum listing the beneficiaries of compensation is sent by the HDIGF to the Bank of Greece. This deadline can be extended **for one more 3-month period**. After the lapse of five years from the said deadline, the right to claim is barred.

Compensation payment procedure: Within a reasonable period of time following the issue of the decision of the Judicial Authority or the Bank of Greece regarding the inability of the credit institution to fulfil its obligations, the HDIGF publishes, via the Press, an invitation to investors/customers to submit a written application for their claims deriving from the covered investment services, specifying the procedure for the submission of the applications, the deadline for their submission and their content.

2.The HDIGF also covers the investment services provided at the Branches of the Bank in Bulgaria and at the London Branch up to the amount of 30,000 Euro.

Pursuant to Law 3746/2009, the following types of investment services **are excluded** from cover by the HDIGF:

1. Claims deriving from covered investment services placed by other credit institutions in their own name and for their own account, as defined in Article 2, case 1 of Law 3601/2007.
2. Claims deriving from covered investment services, arising from customer transactions in connection with which there has been a criminal conviction for money laundering or the funding of terrorism, as defined in the relevant legislative provisions applicable from time to time or the corresponding legislative framework of other countries.
3. Claims deriving from covered investment services of Investment Service Providers for own account, pursuant to Article 2, case 1 of Law 3606/2007.
4. Claims deriving from covered investment services of financial institutions, as defined in Article 2, case 11 of Law 3601/2007.
5. Claims deriving from covered investment services of insurance companies, as defined in Legislative Decree 400/1970, as amended.
6. Claims deriving from covered investment services of undertakings for collective investments in transferable securities (Ucits), as defined in Law 3283/2004, as amended, including their management fund companies.
7. Claims deriving from covered investment services by affiliated legal entities of the credit institution, as defined in Article 42(e), paragraph 5 of the Companies Act (Law 2190/1920).
8. Claims deriving from covered investment services by central government (Ministries and decentralized Government Agencies) supranational organizations, federal, prefecture and local government authorities and agencies.
9. Claims deriving from covered investment services of Board of Directors members and senior managers (including at least two individuals legally in charge of the Board of Directors' agenda) of the credit institution concerned.
10. Claims deriving from covered investment services by shareholders of the credit institution, whose direct or indirect participation in its capital amounts to at least 5% of the share capital or voting rights, as well as claims of individuals who are responsible for the audit of the credit institution's financial statements, as provided by law.
11. Claims deriving from covered investment services by individuals serving in posts or capacities corresponding to those described in cases 9 and 10 above, at the credit institution's affiliated companies, as defined in Article 42(e), paragraph 5 of the Companies Act (Law 2190/1920), as amended.

12. Claims deriving from covered investment services of relatives up to and including the second degree by blood or marriage and the spouses of those persons described in cases 9, 10 and above, as well as of third parties acting on behalf of these persons.

For further information please submit your request via our website:
www.alpha.gr

