

BANK OF GREECE
STATUTES
FIFTH EDITION
ATHENS
1966
INTRODUCTORY NOTE

The Statutes of the Bank of Greece, which were originally drafted as Annex IV to the Protocol concerning the loan of nine million pounds sterling, signed in Geneva on the 15th September 1927, were ratified by Law 3424/7.12.1927 (Official Gazette A 298) concerning the ratification of the Legislative Decree dated 10th November 1927, relevant to the "ratification of the Agreement dated 27th October 1927, providing for the waiving, on the part of the National Bank of Greece, of its privilege of issuing banknotes and for the establishment of a new Bank under the title of 'BANK OF GREECE' and the Statutes of the Bank of Greece attached thereto".

Article 1, paragraph b, of the aforesaid Legislative Decree of 10th November 1927, which was ratified by Law 3424, states that the provisions of the Statutes have the force of Law.

Since then and up to 31st December 1966, several amendments have been made on the basis of the following Laws:

- 1.— Law 4502/5.4.1930 (Official Gazette A 100) concerning the "ratification of the Agreement of 25th November 1929, between the Greek State and the Bank of Greece".
- 2.— Law 4731/15.5.1930 (Official Gazette A 165) concerning the "ratification of amendments of the provisions of Articles 22 and 55 of the Statutes of the Bank of Greece which were ratified by Law 3424",
- 3.— Law 5055/30.6.1931 (Official Gazette A 176) concerning the "ratification of amendments of provisions of the Statutes of the Bank of Greece".
- 4.— Law 5305/31.12.1931 (Official Gazette A 431) concerning the "ratification of amendments of provisions of the Statutes of the Bank of Greece".
- 5.— Law 5422/26.4.1932 (Official Gazette A 133) concerning the "suspension of the obligation of the Bank of Greece to purchase its banknotes and concerning the regulation of the purchase and sale of foreign exchange".
- 6.— Law 5534/17.6.1932 (Official Gazette A 192) concerning the "ratification of the amendment of provisions of the Statutes of the Bank of Greece".
- 7.— Law 5630/1.9.1932 (Official Gazette A 294) concerning the "Management of the Bank of Greece".
- 8.— Law 6294/24.9.1934 (Official Gazette A 319) concerning the "ratification of the amendment of provisions of the Statutes of the Bank of Greece".
- 9.— Emergency Law 55/31.8.1936 (Official Gazette A 384) concerning the "Management of the Bank of Greece".
- 10.— Emergency Law 1979/21.9.1939 (Official Gazette A 400) concerning the "Management of the Bank of Greece".
- 11.— Emergency Law 2601/25.10.1940 (Official Gazette A 336) concerning the "ratification of the Agreement of 9th October 1940, between the Greek State and the Bank of Greece".
- 12.— Law 18/10.11.1944 (Official Gazette A 14) concerning "monetary regulation".
- 13.— Emergency Law 233/30.3.1945 (Official Gazette A 78) concerning the "financing of enterprises by the Bank of Greece".
- 14.— Emergency Law 936/14.2.1946 (Official Gazette A 47) concerning the "abolition of the post of Deputy Governor of the Bank of Greece".

- 15.— Emergency Law 1015/9.3.1946 (Official Gazette A 90) concerning the "establishment and operation of the Currency Committee".
- 16.— Legislative Decree 1126/5.10.1949 (Official Gazette A 240) concerning the "ratification of the agreement of 28th April 1948, between the Greek State and the Bank of Greece".
- 17.— Legislative Decree 1303/31.10.1949 (Official Gazette A 304) concerning the "amendment of Article 71 of the Statutes of the Bank of Greece, ratified by Law 3424 of 7th December 1927".
- 18.— Emergency Law 1330/27.11.1949 (Official Gazette A 330) concerning the "extension of the validity of E.L.233/45 on the 'financing of enterprises by the Bank of Greece'".
- 19.— Law 2120/12.5.1952 (Official Gazette A 132) concerning the "amendment and supplement of the provisions of the Statutes of the Bank of Greece".
- 20.— Law 2134/29.5.1952 (Official Gazette A 142) concerning the "extension of the validity of E.L. 233/45 on the 'financing of enterprises by the Bank of Greece'".
- 21.— Legislative Decree 2539/27.8.1953 (Official Gazette A 226) concerning the "extension of the validity of E.L. 233/45 on the 'financing of enterprises by the Bank of Greece'".
- 22.— Law 2824/20.4.1954 (Official Gazette A 79) concerning "banknotes of new issue, minting of metal coins by the State and ratification of the Agreement dated 26th March 1954 between the State and the Bank of Greece".
- 23.— Legislative Decree 3074/9.10.1954 (Official Gazette A 242) concerning the "operation of the Currency Committee".
- 24.— Law 3123/2.2.1955 (Official Gazette A 23) concerning the "amendment of the provisions relating to the Management of the Bank of Greece".
- 25.— Legislative Decree 3608/13.10.1956 (Official Gazette A 247) concerning the "ratification of the agreement dated 30th December 1955 between the Greek State and the Bank of Greece on the 'determination of the ceiling on temporary advances by the Bank of Greece to the Greek State'".
- 26.— Law 3934/19.2.1959 (Official Gazette A 31) concerning the "minting of ten-drachma metal coins and ratification of the agreement dated 15th December 1958 between the State and the Bank of Greece".
- 27.— Legislative Decree 4022/12.11.1959 (Official Gazette A 247) concerning the "amendment of the provisions relating to the Management of the Bank of Greece".
- 28.— Royal Decree 3/11.1.1960 (Official Gazette A 2) concerning the "amendment of the Statutes of the Bank of Greece and the readjustment thereof according to the provisions of Article 1 of L.D.4022/59".
- 29.— Law 4034/15.2.1960 (Official Gazette A 14) concerning the "minting of twenty-drachma metal coins and ratification of the agreement dated 23rd December 1959 between the State and the Bank of Greece".
- 30.— Legislative Decree 4108/23.9.1960 (Official Gazette A 150) concerning the "extension of the operation of the Currency Committee".
- 31.— Law 4327/14.7.1964 (Official Gazette A 117) concerning the "ratification of Cabinet Act No 89/29th May 1963 concerning the 'ratification of the agreement dated 26th March 1963 between the State and the Bank of Greece'".
- 32.— Legislative Decree 4420/7.11.1964 (Official Gazette A 205) concerning the "issue of a domestic economic development loan (with lottery prizes) of 1,500,000,000 drachmas, and certain other provisions."

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PART I. — GENERAL

Article 1.

A Corporation (Société Anonyme) is hereby established under the title of "The Bank of Greece", having its registered Head Office in Athens, and governed by these Statutes.

The duration of the Bank shall extend to December 31st, 1970, but may be prolonged by a decision of the General Meeting of its shareholders confirmed by a Decree.

Article 2.

The Bank of Greece shall have the sole right of issuing banknotes throughout the Greek State. The said privilege shall extend until December 31st, 1960, and remain in force thereafter unless withdrawn by Law, provided that such withdrawal shall not take effect prior to the expiration of three years from the passing of such a Law; but the privilege may be revoked at any time if the Bank fails to ensure that the gold value of its notes remains stable, as laid down in Article 4.

Article 3.

During the period of the privilege granted to the Bank, the Greek Government binds itself not to issue, or re-issue, money of any type whatever, other than subsidiary coins of denominations not higher than 20 drachmas, and these, only to the Bank and at its request, and in accordance with the Law and the relevant contracts between the State and the Bank in force at the time.

Article 4.

The first duty of the Bank shall be to ensure that the gold value of its notes remains stable.¹ To this end, it shall exercise control, within the limits of its Statutes, over currency and credit in Greece.

¹ Law 5422/26.4.1932 (Official Gazette A 133) "Re: The suspension of the obligation of the Bank of Greece to purchase its notes and, re: The regulation of the purchases and sale of foreign exchange" and in particular, Article I, paragraph 1(b) of

Article 5.²

To ensure the convertibility of its notes:

1. The Bank, at the request of any person who makes a demand or offer to that effect at the Head Office of the Bank in Athens, shall be bound to sell to, or to purchase from such person, in exchange for legal-tender currency of Greece, at the rates defined in Sections 2 and 3 of this Article, respectively, the legal-tender currency of such foreign gold-standard country, or countries, as is, by law and in practice, convertible into exportable gold and such as may be notified in the Official Gazette, for immediate delivery in such foreign country or countries, provided that no person shall be entitled to demand or offer an amount of foreign currency of less value than 10,000 drachmas of legal-tender money of Greece.
2. For the purpose of determining the rate applicable to the sale of foreign currency under this Article, the amount in drachmas which represents 1,000 grammes of fine gold, in accordance with the stabilisation rate, shall be deemed to be equivalent to such sum in that foreign currency as is required to purchase 1,000 grammes of fine gold in that foreign country, at the rate at which the principal currency authority of that country is bound by law to sell gold in exchange for currency, after deduction from such sum of an amount, to be fixed by the Bank, representing the normal cost per 1,000 grammes of transferring gold bullion in bulk from Athens to that foreign country, including interest and insurance on its value during transit.
3. For the purpose of determining the rate applicable to the purchase of foreign currency under this Article, the amount in drachmas which represents 1,000 grammes of fine gold, in accordance with the stabilisation rate, shall be deemed to be equivalent to such sum in that foreign currency as is realised by the sale of 1,000 grammes of fine gold in that foreign country at the rate at which the principal currency authority is bound by law to purchase gold in exchange for currency, after addition to such sum of an amount, to be fixed by the Bank, representing the normal cost per 1,000 grammes of transferring gold bullion in bulk from that foreign country to Athens, including interest and insurance on its value during transit.
4. On the date on which the provisions of this Law become operative, the Bank shall notify, in the Official Gazette, at least one foreign gold-standard country for the purposes set forth in Section 1 of this Article. The Bank shall similarly notify any additions, or changes, of the foreign gold-standard countries to which Section 1 of this Article is to apply. The Bank shall also, from time to time, determine the equivalent rates in accordance with the provisions of Sections 2 and 3, and shall notify, in the Official Gazette, the rates so determined.

Article 6.

The Head Office of the Bank shall be in Athens.

The Bank is empowered to establish branches, or agencies, or appoint agents anywhere in Greece, and may open agencies, or appoint agents abroad, in one or more of the notified gold-standard countries referred to in Article 5 (4).

Article 7.

The present Statutes may be amended by a resolution of a General Meeting of the shareholders confirmed by law.

STATUTES PART II. — CAPITAL AND RESERVES

Article 8.

The share capital of the Bank was fixed upon establishment thereof at 400 million drachmas, divided into 80,000 shares (of 5,000 drachmas each)³, which was fully paid up by the National Bank of Greece, which took over the

same, suspended the validity of the following Articles of the Statutes of the Bank of Greece • The first sentence of Article 4, Articles 5, 61, 63, 64, and the first sentence of the first paragraph of Article 65.

² Law 5422/26.4.1932 (Official Gazette A 133) "Re: The suspension of the obligation of the Bank of Greece to purchase its notes and, re: The regulation of the purchases and sale of foreign exchange" and in particular, Article I, paragraph 1(b) of same, suspended the validity of the following Articles of the Statutes of the Bank of Greece • The first sentence of Article 4, Articles 5, 61, 63, 64, and the first sentence of the first paragraph of Article 65.

whole of the share capital as provided in Article 2 of the Agreement between the Government and the National Bank of Greece, to which these Statutes are annexed. The share capital of the Bank of Greece, following revaluation according to Decree 14/27 November 1956 concerning "the revaluation of the balance sheets of Sociétés Anonymes", is fixed as from 1st January 1957 at 168 million drachmas, divided into 80,000 shares.

The shares of the Bank are nominative. 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.

Every shareholder, wherever his residence may be, shall recognise Athens as his domicile for the purposes of his relations as shareholder with the Bank of Greece, and is subject to the Greek laws and to the jurisdiction of the Athens Courts of Law. The ownership of a share certificate implies, ipso facto, the acceptance of the provisions of the Bank's Statutes and the decisions taken in accordance therewith by the authorities of the Bank.

Shareholders are liable to the extent of the nominal amount of their holding only and possess, vis-a-vis the Bank, only such rights as are expressly granted to them by the Statutes. Shareholders of the Bank and their creditors have in particular no right to apply for the sequestration or seizure of the books or assets of the Bank.

The State, and State undertakings, shall not directly, or indirectly, hold shares of the Bank amounting, in the aggregate of such holdings, to more than one tenth of the nominal issued capital.

Article 9.

The capital of the Bank may be increased by a decision of the Board of Directors, subject to the approval of the Government. Every such increase shall be fully paid up, and the price at which such further shares shall be issued, and the manner of issue, shall be fixed by a decision of the Board of Directors, subject to the approval of the Government.

Article 10.

The General Reserve Fund (and Special Reserve Funds, if any), shall be built up out of the annual net profits as provided for in Article 71. Appropriations to the General Reserve Fund may be suspended whenever it amounts to, or exceeds, the paid-up capital of the Bank.

PART III. - GENERAL MEETINGS OF SHAREHOLDERS

Article 11.

The General Meeting of Shareholders, as constituted by the provisions of these Statutes, is the supreme authority of the Bank and represents the whole body of shareholders. Its decisions are binding upon all shareholders, including those absent from, or disqualified from, attending a meeting, or dissentient from the decisions taken thereat.

Article 12.

General Meetings shall be held as follows:

(a) A General Meeting shall be held regularly once in every year, not later than the month of April.

(b) Extraordinary general meetings shall be held as often as may be required.

General meetings, and extraordinary general meetings, shall be convened by the Board of Directors. At the request, in writing, of duly qualified shareholders, representing at least one quarter of the share capital, the Board shall call an extraordinary general meeting which shall take place within thirty days from the receipt of such request. Every such demand shall be accompanied by the motions which are to be submitted to the meeting and by a statement of arguments in support of them.

The notice calling a General Meeting, specifying place, date, time and agenda, shall be displayed in a prominent position in the Offices of the Bank and shall be published in the Official Gazette and in such newspapers as the

³ The phrase in parenthesis, "of 5,000 drachmas each" was in the original text of the Statutes and signifies the "nominal" value of the shares. The original share capital amounted to 400 million drachmas (i.e. 80,000 x 5,000) and the reason why that phrase has been put in a parenthesis is to avoid any misunderstanding of the above mentioned amount of 168 million drachmas which resulted from the revaluation (See Article 71, paragraph 2).

Board of Directors may decide. Not less than twenty-one days' notice shall be given prior to any General Meeting. In the case of the Annual General Meeting, copies of the annual report shall be obtainable by shareholders at all the Offices of the Bank.

Proposals to amend these Statutes, with the exception of increasing the capital, about which Article 9 foresees, may also be discussed at extraordinary General Meetings which shall be held for this purpose. Decisions arrived at on such subjects shall be submitted to Parliament, through the Government, for ratification.

Article 13.

Every shareholder, who has been inscribed as such in the books of the Bank for not less than three months, and who owns at least five shares, shall be entitled to speak and vote at any General Meeting. Five shares shall confer upon their holder the right of one vote, subject to the proviso that no one shareholder is entitled to more than fifty votes in his own name. As proxy for other shareholders, he may have the right to cast further votes not exceeding one hundred. In case of a joint holding, only one shareholder will be permitted to attend the general meetings of shareholders.

Shareholders having less than five shares may appoint a shareholder as a joint representative who may sit at the General Meetings, provided that he represents at least five shares.

Article 14.

The following persons shall not be entitled to exercise the rights of shareholders at General Meetings, individually or by proxy:

- (a) Persons not being Greek subjects;
- (b) Bankrupts, during the period of the limitation of their rights;
- (c) Persons who have not fulfilled their obligations towards the Bank, or whose bills, in the hands of the Bank, have been protested and are unpaid;
- (d) Persons whose civil or political rights or privileges have been curtailed or withdrawn, as a result of conviction for a criminal offence, so long as such curtailment, or withdrawal, remains in force.

Article 15.

No official or employee of the Bank may represent a shareholder at a General Meeting, except in his capacity as a relative up to the fourth degree inclusive, or as a legally appointed trustee or administrator.

Article 16

Every shareholder is entitled to transfer his right of voting at a General Meeting to some other shareholder even if owner of only one share, by proxy, subject to the limitation of voting power mentioned in Article 13 and to the provisions of Articles 14 and 15.

Article 17.

The Board of Directors shall prescribe the form in which the right of voting shall be given. The proxies must be lodged with the Secretariat not less than seven days prior to the Meeting.

Article 18.

At General Meetings the chair shall be taken by a shareholder chosen by the meeting. In case of an equality of votes, the Chairman shall have a second or casting vote.

Article 19.

The Annual General Meeting shall alone be competent to deal with the following matters:

- (a) Approval of the annual report;
- (b) Approval of the balance sheet upon the report of the Auditors;
- (c) Appropriations to reserve and other special funds; the fixing of dividends, and any other disposal of net profits;

- (d) The election or removal of members of the Board of Directors and of Auditors, and the fixing of their fees and travelling expenses;
 - (e) The discharge from all personal responsibility of members of the Board of Directors and of Auditors. The voting on this question shall be conducted by show ballot and by roll-call.
 - (f) Proposals to amend these Statutes, except increase of capital (Article 9); such proposals to be submitted to Parliament through the Government;
 - (g) Motions on other matters proposed to the meeting by the Board of Directors or shareholders.
- Subject to the provisions of these Statutes, the General Meeting will decide upon its own method of procedure.

PART IV. – ADMINISTRATION

1. Board of Directors.

Article 20.

The general conduct of the affairs of the Bank shall be entrusted to the Board of Directors responsible to the General Meeting. The Board shall be entitled to take all decisions and exercise all powers within the limits of the Statutes, which are not specifically reserved to the General Meeting.

Article 21.

The Board shall consist of the Governor, the two Deputy Governors, and nine Directors. At least five of the Directors shall be actively engaged in industrial, commercial and agricultural matters.

The Governor and Deputy Governors shall be appointed as provided for in Article 29.

The Directors shall be elected by the General Meeting for three years. The first Board of Directors of the Bank shall be appointed by the Government in agreement with the National Bank of Greece and shall retire at the Annual General Meeting in 1929. Of the Directors chosen at that Annual General Meeting, three shall serve until the General Meeting in 1930, three until the General Meeting in 1931, and three until the General Meeting in 1932. The decision as to which Directors shall retire in one, two or three years, respectively, shall be taken by lot. Directors shall be eligible for re-election.

Article 22.

All shareholders of the Bank shall be eligible as Directors with the following exceptions:

- (1) Members of the Government, or officials of the Government, or of State Institutions and Undertakings;
- (2) Members of Parliament;
- (3) Directors, officers, or employees of other Banks;
- (4) Any person whose status comes within the definitions of Article 14. The Governor and Deputy Governors may be on the Board of Directors of the Bank for International Settlements.

No two or more persons, who are associated together in a business or connected with each other by relationship up to the third degree inclusive, may at one and the same time be Governors and/or Directors of the Bank.

In the event of a vacancy occurring among the Directors in the course of the year between two Annual General Meetings, the Board shall appoint a substitute Director to hold office until the next Annual General Meeting.

The Governor, Deputy Governors, and Directors shall, on taking up office, take oath strictly and faithfully to observe the provisions of these Statutes, to promote the welfare of the Bank in all respects, to devote themselves, honourably and assiduously, to the administration of the Bank's business, and to observe secrecy with regard to the Bank's transactions. The Governor and Deputy Governors shall take oath before H.M. the King, and the Directors before the Governor at a meeting of the Board of Directors.

Article 23.

During his term of office, every Director must hold registered in his name not less than twenty-five shares of the Bank.

Article 24.

If the Governor, any Deputy Governor, or any Director, be guilty of a breach of these Statutes, divulge secrets regarding the Bank's affairs, or abuse his position for private or business purposes, the General Meeting of shareholders shall have the right to remove him from office.

Article 25.

The membership of Directors shall be honorary. Their fees and travelling expenses connected with the exercise of their duties as Directors shall be sanctioned by a General Meeting of shareholders.

Article 26.

The Governor, or in his absence, the Deputy Governor replacing him as provided for in Article 32, shall summon meetings of the Board of Directors 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 constituted when not less than six members are present. Decisions shall be adopted by a simple majority of the votes of the members present. In case of an equality of votes, the Chairman shall have a second or casting vote.

The Minutes of the Directors' meetings shall contain the names of those present and a record of any decisions taken.

The Minutes shall be signed by the Chairman of the meeting and a member of the Board.

No Director shall be entitled to a leave of absence extending beyond a maximum of four months within the year except in the case of "vis major" justifying his absence. A Director who fails to attend the meetings of the Board of Directors 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 Statutes. The second sentence of Article 35 applies also to the Directors of the Bank.

Article 27.

The following matters shall be reserved to the decision of the Board of Directors:

- (a) Rates of discount and interest;
- (b) General conditions and extent of the classes of business provided for in Article 55;
- (c) Eligibility of applicants for accommodation by way of discount or advances and the sanctioning of the credit limits proposed by the Governor for such accommodation;
- (d) The sanctioning of renewal bills, the renewal of advances for fixed periods, and the periodical review (not less than once every six months) of all credits, discounts, and advances;
- (e) The discount of bills in the circumstances referred to in Article 43;
- (f) The appointment or dismissal of managers, on the proposal of the Governor, and the general internal organisation of the Bank;
- (g) The appointment of the members of the Discount Committees at the Head Office and at the branches, and the fixing of their travelling expenses;
- (h) The issuing of regulations for a clearing-house conducted in the Bank (Article 55 (15));
- (i) Questions connected with the acquisition of immovable property required for the business of the Bank and the temporary acquisition and sale of similar property under Article 58;
- (j) The depreciation of the Bank's assets;
- (k) The appointment of foreign correspondents and the fixing of the maximum amounts of the funds which may be held by them for account of the Bank, as well as the limit of credit facilities by way of discounts or loans to be granted to them;
- (l) Questions concerning the design, text, material, denominations, and supply of banknotes, their withdrawal and cancellation, and the terms on which mutilated notes may be paid; the design, text, and denominations shall, however, be fixed in agreement with the Minister of Finance;
- (m) Questions regarding the liquidation of bankrupt enterprises and of debts due to the Bank;
- (n) The opening or closing of branches and agencies of the Bank;
- (o) The agenda for General Meetings;

(p) The signatures binding upon the Bank;

(q) The approval of the annual report and balance sheet to be submitted to the Annual General Meeting.

Subject to the provisions of these Statutes, the Board of Directors will decide upon its own method of procedure and may form itself into Committees to consider, or decide upon, such matters as may be entrusted to them by the Board.

2. Executive Committee.

Article 28.

If, in affairs reserved to the decision of the Board of Directors, 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 Board. The meetings of this Committee will be called by the Governor or, in his absence, by the Deputy Governor replacing him as provided for in Article 32, and a quorum shall be constituted when not less than three members are present, provided that, 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 Board of Directors for confirmation at its next session.

3. The Governors.

Article 29.

The Governor and the Deputy Governors, after the termination of office of the ones already appointed, shall be appointed, in the future, by an Act of the Cabinet, for a period of four years on proposal of the Board of Directors of the Bank and shall devote their whole time to the affairs of the Bank, except in cases where, by Law, they are on the Board of Directors of Legal Entities of Public Law, or of State Undertakings, or of State Advisory Bodies. They shall receive such salary and allowances as may be determined by the Board of Directors of the Bank. Their remuneration cannot take any form of commission (tantième) or share in profits reckoned on the earnings of the Bank. Both the Governor and Deputy Governors are eligible for reappointment.

University Professors of Law and Economics are eligible as members of the Management of the Bank, being at the same time entitled to perform their duties pertaining to their position as University Professors.

Article 30.

1. The Governor or, in his absence, the Deputy Governor replacing him as provided for in Article 32, shall take the chair at meetings of the Board of Directors. Should all members of the Management of the Bank be unable to be present, the chair, at meetings of the Board of Directors, shall be taken by a member of the Board selected according to Article 32.

2. The Governor shall also represent the Bank before all Courts of Law and, should he be absent or unable to be present, the Bank shall be represented by the Governor's nominee according to Article 32. In the case of affairs of Branches and Agencies, the latter may also be represented by the respective Managers or Deputy Managers thereof, or their appointed nominees.

In cases requiring the personal appearance of the Governor or his nominee before a Court or Judge, or when the Bank is put on oath, the latter shall be represented either by the Governor or his nominee, or by the Manager of the Legal Department or one of the Managers of the Bank in business concerning the Head Office thereof, or by the respective Branch or Agency Manager or Deputy Manager or their appointed nominees in business concerning such Branches or Agencies of the Bank.

Article 31.

The Governor shall, on behalf of the Board of Directors, 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 Board or governed by regulations which they have issued.

Article 32.

The Governor may delegate any of his functions to the Deputy Governors.

The senior Deputy Governor, who is second only to the Governor, shall replace him in his absence, inability to be present or inexistence, to the full extent of his duties. In the absence of both, the Governor shall be replaced by the junior Deputy Governor.

The order of seniority of the Deputy Governors is determined on the basis of the time elapsed since their initial appointment, provided that their term of office has been uninterrupted since then.

If all members of the Management of the Bank are unable to be present, the Governor is replaced by another member of the Board of Directors to be appointed at the beginning of the year to this effect.

Article 33.

The Staff of the Bank, with the exception of the Managers, shall be appointed and may be dismissed by the Governor on the proposal of the Board of Management, in accordance with Article 38.

Article 34.

During their term of office, the Governor and Deputy Governors must each hold, registered in his name, not less than fifty shares of the Bank.

Article 35.

The Governor and Deputy Governors shall not engage in any business for their own account. No bills or notes signed by them shall be accepted for discount or as guaranty for an advance granted by the Bank.

4. Board of Management.

Article 36.

A Board of Management shall be formed to ensure that uniformity of policy and procedure may be secured throughout the various Departments of the Bank. It shall consist of the Governor, Deputy Governors and Managers.

The Board shall meet at least once a week.

Article 37.

The Board of Management shall make a detailed report every month to the Board of Directors regarding the business and the position of the Bank, particularly as regards discounts and advances, and shall submit its opinion on all matters referred to it by the Board of Directors.

Article 38.

The staff of the Bank, with the exception of the Managers, shall be appointed and may be dismissed by the Governor on the proposal of the Board of Management.

Employees are appointed only to positions created by a decision of the Board of Directors. The number of employees on the Bank's staff, of any rank or category whatsoever, is fixed by the Board of Directors in accordance with the needs which may arise. No employee will be appointed, up to the rank of assistant accountant inclusive, except after an examination, details of which will, on each occasion, be specified by regulations. For the auxiliary personnel (collectors etc.), a test of the qualifications of each, as compared with the qualifications of the other candidates, will be considered sufficient. Special technical personnel may be appointed for a stipulated period of time or not, by a decision of the Board of Directors, fixing the salaries thereof. The latter may be appointed to permanent posts by a decision of the Board of Directors, following an examination.

The Managers and employees of the Bank shall be pledged to secrecy with regard to all transactions and business of the Bank.

The Managers and employees of the Bank shall receive their salaries, pensions, or any other remuneration, on terms laid down by the Board of Directors. Their remuneration cannot take any form of commission (tantième) or share in profits reckoned on the earnings of the Bank.

Article 39.

The Managers and all other officials or employees of the Bank shall not be allowed to engage in business for their own account. No bills or notes signed by them shall be accepted for discount or as guaranty for an advance granted by the Bank.

PART VI. - DISCOUNT COMMITTEES

Article 40.

Discount Committees shall be established for the purpose of scrutinising all bills presented for discount or as security for advances. A written declaration shall be made by each member of a Committee on appointment that he will carry out his duties with strict impartiality. No member of a Discount Committee shall express an opinion or give a vote, upon bills with which he is in any way connected and, while such bills are under scrutiny, he shall leave the meeting.

The proceedings of the Committees shall be confidential.

Decisions, upon the acceptance or rejection of bills, shall be adopted by a simple majority of votes, the Chairman having a second or casting vote in cases of equality of votes.

Article 41.

Discount Committees shall be appointed by the Board of Directors for the Head Office and for branches which are authorised to carry on independent discount operations, and shall consist of such number of persons as the Board may decide.

The members of these Committees shall be familiar with the commercial, industrial, and agricultural conditions of the areas with which they are concerned.

A quorum shall be constituted as decided by the Board of Directors.

Members of Discount Committees shall be appointed for two years and shall not be eligible for immediate reappointment. On the occasion, when appointments are made to any such Committee, one-half of the members shall be chosen by lot to retire after the expiration of one year.

Membership of the Committees shall be honorary. Members' expenses, incurred in the exercise of their duties, shall be sanctioned by the Board of Directors.

Relatives, up to the third degree inclusive, partners, or agents of members of the Board of Directors, shall not be eligible for appointment to a Discount Committee; nor any person who comes within the definitions of Article 14.

Article 42.

The Chairman of the Discount Committee at the Head Office shall be the manager in charge of the relevant department or, in his absence, some other member of the Board of Management. At the branches, the branch manager shall take the chair at meetings of the Discount Committee.

Article 43.

The Bank shall not be bound to discount bills accepted as suitable by the Discount Committee. Any such decision reversing that of a Discount Committee shall be taken by the Board of Management.

Bills rejected by the Discount Committee may, nonetheless, be discounted, provided that, on each such occasion, the bills are approved by a three-quarters majority vote of a meeting of the Board of Directors.

PART VII. - AUDITORS

Article 44.

The first General Meeting and, subsequently, the Annual General Meeting shall elect three qualified persons and two substitutes as Auditors to examine and report upon the balance sheet of the Bank to be presented at the next Annual General Meeting, and shall fix their fees. No Director, or other officer of the Bank, shall be eligible during his continuance in office.

The Auditors are entitled to obtain any explanation or information they may require from the Governors or managers and to examine the Bank's books and documents. The Auditors shall make a report to the shareholders upon the annual balance sheet and accounts, and in every such report they shall state whether, in their opinion, the balance sheet is a full and fair balance sheet containing all necessary particulars and properly drawn up so as to exhibit a true and correct view of the state of the Bank's affairs, and, in case they have called for any explanation or information from the Governors or managers, whether it has been given and whether it is satisfactory. Any such report made to the shareholders shall be read at the Annual General Meeting.

Auditors may, at the expense of the Bank, employ accountants or other persons to assist them in investigating the accounts of the Bank.

Apart from giving information to the General Meeting, Auditors and their assistants shall preserve strict secrecy in regard to the affairs of the Bank.

PART VIII. - RELATIONS WITH THE STATE

Article 45.

The Government shall entrust the Bank with all their money, remittance, exchange and banking transactions in Greece and elsewhere and, in particular, all bank accounts and balances of the State, including the accounts of State undertakings, shall be kept at the Bank.

No interest shall be paid by the Bank on such accounts, except that the Bank may pay, on funds held abroad, interest at a rate lower by not less than one percent per annum than the average rate earned by the Bank on such funds.

The Bank shall receive and disburse State monies and keep accounts thereof in accordance with instructions from the competent State authorities and without remuneration for such services. The responsibility of the Bank in regard to these funds shall be limited to the exact execution of the instructions received.

The Bank shall be entrusted with the issue and management of all domestic Government loans on such terms and conditions as may be agreed upon.

Article 46⁴.

The Bank shall not grant accommodation to the State, or State undertakings, directly or indirectly, by way of discount, loans, advances or overdrafts otherwise than those provided for in Article 55 (11). Nor shall the Bank guarantee Treasury bills or other obligations of the State or State undertakings.

Article 47.

The Minister of Finance may nominate a Government Commissioner who shall have the right to attend all General Meetings, and meetings of the Board of Directors, but not to vote. The salary of the Government Commissioner shall be paid by the State.

The Commissioner shall have the right to protest against any decision of the General Meeting or Board of Directors, which he considers to be contrary to these Statutes or other Laws of the State. Any such protest, if concurred in by the Minister of Finance within two days, shall have the force of a suspensive veto until the question in dispute has been resolved by a Commission of three persons, to be named within seven days on a request to that effect being made either by the Bank or the Government Commissioner, and to report within seven days of nomination. The Commission shall be composed of one nominee of the Government, one nominee of the Board of Directors, and a Chairman, who shall be chosen by the Government and the Bank jointly, or who, failing an agreement between these parties, shall be the President of the Supreme Court.

⁴ Article 4 of Legislative Decree 4420/3.11.1964 states that: " The Bank of Greece may assume responsibility for debts incurred by the Greek Government or, at the latter's request, by State Undertakings or Legal Entities of Public Law. The extent and content of the Bank's liabilities from this cause shall be defined in the application filed by the Government, which shall at all times afford corresponding surety.

Article 48.

Neither at the Head Office, nor at the branches of the Bank, shall any representative of the Government have access to the books of the Bank except that, for the purpose of the preceding Article, the Government Commissioner may require the Management of the Bank to furnish him with whatever evidence may be necessary to enable him to form his opinions. The Government Commissioner shall observe strict secrecy in regard to the affairs of the Bank.

Article 49.

Any question in dispute between the Government and the Bank, other than those leading to a suspensive veto of the Government Commissioner, shall also be settled by arbitration in the same manner as is laid down in Article 47.

Article 50.

The Bank shall not be subject to any special regulations of the Government, or of its subordinate authorities, during the period of its sole privilege of note issue, with the exception of the regulations provided for in these Statutes.

PART IX. — ACCOUNTS AND STATEMENTS

Article 51.

The financial year of the Bank shall begin on January 1st and end on December 31st. At the end of the financial year, the accounts of the Bank shall be submitted for audit to the auditors elected by the Annual General Meeting, as provided for in Article 44.

Article 52⁵.

The Bank shall draw up a Return of its assets and liabilities as on the 15th and last day of each month, and publish it not later than a week after these dates.

Article 53.

The Bank shall also publish, annually, and not later than one month prior to the date of the Annual General Meeting, its balance sheet and profit and loss account as at December 31st of the preceding year.

Article 54.

The Bank shall publish its returns, balance sheet, profit and loss account, and other notifications in the Official Gazette and in such newspapers as the Board of Directors may decide. A copy of all statements of accounts and notifications and of the annual report shall be sent to the Minister of Finance.

PART X. — BUSINESS OF THE BANK

Article 55.

The business of the Bank shall be restricted to the following operations. The Bank may:

1. Make and issue banknotes.
2. Issue demand bills and cheques made payable at its Head Office or branches. No such bills or cheques drawn by the Bank on itself shall be made payable to bearer.
3. Buy and sell gold coin or bullion.

⁵ In the original version of Article 52 of these Statutes, as ratified by Law 3424/27, it was ruled that the Bank shall draw up a return of its assets and liabilities as on the 7th, 15th, 23rd and last day of each month.

In the amendment, however, of this Article by Article 4 of Law 2120/52, it was ruled that these returns should thenceforth be drawn up on the 15th and last day of each month. It should also be noted in this respect that the last phrase in the original version of Article 52, viz., "°... according to the exhibit annexed to these Statutes", was omitted from the amendment made by Law 2120/52.

4. Accept money on current or deposit account.

5. Discount, purchase, or sell, inland bills of exchange and promissory notes, arising out of bona fide commercial transactions, bearing not less than two good signatures and maturing within three months.

The Bank may discount coupons, maturing within three months, of bonds issued or guaranteed by the Greek Government.

The Bank may also discount bonds, drawn by lot either at par or with a prize, and which bonds have either been issued or guaranteed by the Greek Government.

The Bank may further discount, purchase, or sell bona fide inland agricultural bills and notes bearing not less than two good signatures and maturing within nine months, provided that this category of bills and notes does not exceed 25 per cent of the total amount of the Bank's portfolio of inland bills and notes acquired under this section. It is further provided that the rate at which such inland agricultural bills and notes shall be discounted may be not more than 1 per cent below the Bank's official minimum rate of discount for all other classes of bills.

Within the meaning of the term "inland notes", also mentioned in section 10 (e) of the present Article, are included: the documents by which, on the basis of the particular stipulations of Greek legislation, agricultural or fictitious pledges are constituted; the deeds which prove such or similar contracts; the receipts for storage of currants (detinue coupons) as well as other similar receipts.

Buy and discount drafts maturing within a period not exceeding 3 months. Drafts for staple commodities must be accompanied by shipping documents, the goods duly insured, and the amount to be advanced cannot exceed 80 per cent of the current value of the commodities.

6. Discount, purchase, and sell Treasury bills of the Greek State maturing within three months, which are endorsed by some bank, person, or firm, whose name has been approved by the Board of Directors. The total amount of Treasury bills acquired in accordance with this provision, or accepted as collateral in accordance with section 10 (c) below, may not at any time exceed a total of 500 million drachmas.

7. Undertake the issue and management of the Government loans and loans of other legal entities of public law and operations for the State as provided for in Article 45.

8. Buy and sell, at home and abroad, foreign currencies stabilised on gold, cabled money orders, cheques, bills of exchange (including Treasury bills), and drafts drawn in or on any country whose currency is stabilised on gold, and maturing within three months, and may keep balances with banks in such currencies.

9. Act as agent for, or correspondent of, any other bank in Greece or abroad.

10.⁶ Grant advances for fixed periods not exceeding six months against the following securities: (a) Gold coin and bullion.

(b) Bonds of, or guaranteed by, the Greek Government and other Greek bonds and shares quoted on the Stock Exchange of Athens; and foreign Government bonds quoted on the Stock Exchange of any principal financial centre, the capital and interest of which are payable in the currency of a country stabilised on gold, provided that no advance shall exceed 80 per cent of the market value of any such bonds and 70 per cent of any shares pledged, and that the bonds and shares eligible as a lien shall be chosen by a three-quarters majority vote of a meeting of the Board of Directors.

(c) Treasury bills of the Greek Government within the limitations specified in section 6 of this Article.

(d) Inland bills of exchange and promissory notes arising out of bona fide commercial transactions, bearing not less than two good signatures and maturing within three months, and foreign bills of the character referred to in section 8 of this Article.

(e) Bona fide inland agricultural bills and notes bearing not less than two good signatures and maturing within nine months, provided the amount advanced on them does not exceed 25 per cent of the total advances. In case of advances made to a Cooperative Association, one good signature may be accepted in respect of the bills referred to in this and the preceding sub-section.

(f) Warehouse warrants in respect of duly insured staple commodities, bearing at least one good signature, provided that no advance shall exceed 80 per cent of the current value of the commodities in question.

⁶ See footnote to Article 75.

The rate of interest charged on all advances, except any made under section 11 below, shall be not less than 1 per cent higher than the Bank's current official discount rate for three-month bills.

11. Make temporary advances in drachmas to the Government for expenditure authorised in the annual State Budget, provided that the whole of the advances outstanding at any one time shall not exceed 500 million drachmas, and that all advances shall be repaid not later than the end of the quarter following the close of the fiscal year in respect of which such advances were made, and subject to the provisions of the last sentence of section 6 above. The rate of interest to be charged on these advances shall be agreed upon between the Bank and the Government.

12. Accept the custody and management of monies, securities and other articles of value.

13. Undertake, on behalf of third parties, the purchase and sale, collection and payment, of securities, currencies, and credit instruments at home and abroad, and the purchase or sale of gold and silver.

Guarantee bills bought for account of: other Central Banks; the Bank for International Settlements; public utility corporations; and rediscount same on the previous decision of the Board of Directors, at a commission specified thereby.

14. Invest an amount, not exceeding the paid-up capital and reserve funds of the Bank, in bonds of the Greek Government, or other bonds quoted on the Stock Exchange of Athens or other important financial centres, the capital and interest of which shall be payable in the currency of a country which is stabilised on gold, and provided that the securities are selected by a three-quarters majority vote of a meeting of the Board of Directors. Nothing in this section, however, shall be held to preclude the Bank of Greece from taking over from the National Bank of Greece, at the date when the Bank of Greece commences operations, and from holding among its assets Government bonds, as defined in Article 3 of the Agreement between the Government and the National Bank, to which the present Statutes are annexed.

The Bank of Greece is also allowed to subscribe, for its own account, to the capital of the Bank for International Settlements and to keep among its assets shares of that Bank.

15. Promote the establishment of a clearing-house and provide facilities for the conduct of its business in premises belonging to the Bank.

16. Do all such things as may be incidental to the transaction of the Bank's legitimate business, as defined in these Statutes.

17. Transact, with the Bank for International Settlements, all operations which that Bank is authorised to undertake with the view of encouraging cooperation between Central Banks and which, although they have not been particularly provided for in the present Statutes, would be in conformity to the monetary policy of the Bank of Greece.

Article 56.

The Bank may not:

1. Issue notes of, or a lower denomination than, 20 drachmas.
2. Engage in trade, or otherwise have a direct interest in any commercial, industrial or other undertaking.
3. Become the possessor of immovable property, except insofar as is necessary for its own business, and with the exception provided for in Article 58.
4. Purchase its own shares, or the shares of any other Bank, or of any business corporation, with the exception of the shares of the Bank for International Settlements.
5. Pay interest on money placed on deposit or current account with the Bank, except that interest may be paid to the Greek Government on foreign balances, as provided for in Article 45, and that interest at the rate of not more than 1 per cent per annum may be paid on the deposit or current accounts of other Banks.
6. Allow the renewal of maturing bills of exchange, purchased or discounted by or pledged to the Bank, save in exceptional circumstances and after a resolution passed by the Board of Directors (Article 27 (d)), in which case one renewal may be permitted for a period not exceeding three months.
7. Directly or indirectly make advances to the Government except as provided for in Article 55 (11).
8. Grant overdrafts, or unsecured advances or advances secured otherwise than as laid down in Article 55 (10).
9. Draw or accept bills payable otherwise than on demand.

10. Discount, or accept from any one party (unless from the Government under Article 55 (11)) as security, without a special resolution adopted by a three-quarters majority vote of a meeting of the Board of Directors, bills exceeding one-tenth of the paid-up capital of the Bank, taking into consideration the liabilities of the party to the Bank as a bill acceptor, drawer or endorser, but excluding advances made under Article 55 (10).

Article 57.

If the value of a pledged security decreases, the debtor must provide additional security of a suitable kind, or repay the loan to the extent required to adhere to the provisions of Article 55 (10). If he fails to comply with such requirements, or if the loan is not repaid when due, the Bank shall take immediate steps to recover the debt due to it and may sell the whole or part of the security which it holds to satisfy its claims for capital, interest, fees and costs, if any, entering the balance, if any, to the credit of the debtor.

Should the amount realised by the sale of the security not suffice to satisfy the claims of the Bank, the latter may take action against the debtor.

The Bank shall be under no obligation to sell any security and, if it does not do so, its claims for capital, interest, fees and costs shall remain unimpaired.

In case of insolvency of a debtor, the claims of the Bank to any securities deposited against advances shall rank before the claims of any other creditor until the repayment of the principal sum due to the Bank, together with interest, fees and costs, shall have been effected.

Article 58.

If, after an advance has been granted, the value of the security held against it diminishes, or the debt is regarded, for this or other reasons, as a doubtful one, the Bank may accept as additional security, if necessary, a mortgage on the immovable property of the debtor, or any other security approved by the Board of Directors.

In the case of failure to repay a debt due to the Bank, any immovable property coming into the possession of the Bank under this Article, shall be realised as speedily as possible by auction or private sale. No such property may be retained by the Bank for its own purposes, unless required for carrying on the business of the Bank.

Article 59.

The Bank may refuse to grant an application for the opening of a current or deposit account, or may close an account already opened, without giving any reason for so doing.

Article 60.

The Bank shall, at all times, make public the minimum rate at which it is prepared to discount bills.

PART XI. — COVER FOR NOTES AND OTHER DEMAND LIABILITIES

Article 61⁷.

The Bank shall maintain a Reserve of not less than 40 per cent of the amount of its notes in circulation and other demand liabilities. For the purpose of applying this Article, silver coins in the possession of the Bank and not exceeding the maximum limit of 150 million drachmas, will be deducted from the total demand liabilities of the Bank. By banknotes in circulation are to be understood all banknotes issued to the public and not returned to the offices of the Bank, or not annulled in accordance with Article 68, paragraph b.

Article 62.

The term "Reserve" in the preceding Article shall include only:

- (a) Gold coin and bullion in the unrestricted ownership of the Bank, and either in the custody of the Bank or deposited in another Central Bank, or at the Bank for International Settlements, or in any Mint, or in transit;
- (b) Net foreign gold exchange in the unrestricted ownership of the Bank, provided that it be either:

⁷ See footnote to Article 4 of these Statutes.

I. On a country, the currency of which, by law and in practice, is convertible, on demand, at a fixed price into exportable gold, or

11. On a country, the currency of which, by law and in practice, is convertible, on demand, at a fixed price into foreign exchange as defined in the number (I) above.

For the purposes of this Article, and subject always to the preceding paragraph (b), the term net foreign gold exchange" shall be taken to mean:

(1) Balances standing to the credit of the Bank at the Central Bank of a foreign country, or the Bank for International Settlements;

(2) Bills of exchange payable in a foreign currency, maturing within three months and bearing at least two good signatures;

(3) Treasury bills, Treasury certificates of indebtedness, or similar obligations of a foreign Government, maturing within three months; less any liabilities in foreign exchange.

In calculating the amount of the Reserve, should it be found that the liabilities in foreign exchange exceed the assets enumerated in the paragraphs numbered (1), (2) and (3) of this Article, the excess shall be deducted from the other assets of the Reserve.

(c) Loans in gold of the Greek Government, referred to in Article 3 (assets (b) and (f)) of the agreement to which these Statutes are annexed, up to the maximum amount of 650 million drachmas. The amount of the loans included in the Reserve shall be shown separately in the fortnightly⁸ returns of the Bank.

Article 63⁹

At the request of the Bank, the Government may suspend the operation of Article 61, subject to the payment of a tax by the Bank to the Government. In such a case, any temporary loan to the Government will bear interest not less than the tax which is in force on each occasion.

Suspension may be granted for a period of not more than thirty days in the first instance, and may be renewed for further periods not exceeding fifteen days at a time. The tax shall be levied on the amount by which the note circulation and other demand liabilities of the Bank exceed the maximum sum which would be admissible under Article 61.

The tax shall be calculated on the daily amount of the excess at the following rates:

11/2 per cent per annum above the published minimum current discount rate of the Bank for three-month bills if the Reserve, while less than 40 per cent, is not less than 35 per cent.

2 per cent per annum above such minimum current discount rate if the Reserve, while less than 35 per cent, is not less than 30 per cent.

3 per cent per annum above such minimum current discount rate if the Reserve is less than 30 per cent.

Article 64.¹⁰

Before applying to the Government for the suspension of Article 61, the Board of Directors shall raise the Bank's rate for discounts by not less than one per cent per annum.

PART XII. -- NOTE ISSUE

Article 65.

The Bank shall issue banknotes in Greece under the provisions of Articles 2,4 and 5¹¹. It may, for a period of five years from the date on which these Statutes come into force, issue banknotes of the National Bank of Greece supplied to it by that Bank and overprinted with the name of the Bank of Greece. The provisions of these Statutes applicable to banknotes shall, unless a contrary intention appears, apply to all banknotes of the National Bank of

⁸ Relatively, the original text of article 52 of the Statutes, as ratified by law 3424/27, referred to "weekly" returns. By Article 4 of Law 2120/52 the period was extended to a fortnight. (Sec footnote to Article 52).

⁹ See footnote to Article 4 of these Statutes.

¹⁰ See footnote to Article 4 of these Statutes.

¹¹ See footnote to Article 4 of these Statutes.

Greece in circulation when the Bank of Greece commences business, or issued by the Bank of Greece as provided above.

On and from the date upon which the Bank of Greece commences business, the National Bank of Greece shall cease to issue to the public any banknotes or any other kind of paper money.

Article 66.

The banknotes issued by the Bank of Greece shall be legal tender throughout the Greek State; that is to say that, subject to the provisions of Article 68, they shall be accepted at their face value by the State, by all corporations and individuals, in the discharge of debt.

Article 67.

Before any new form of banknotes is issued, the Bank must publish a description thereof in the Official Gazette.

Article 68.

In the event of the calling in of any series of banknotes, the Board of Directors shall determine and publicly announce the period within which the said notes should be presented for exchange. After the expiration of the period in question, the notes recalled shall cease to be legal tender except at the Bank of Greece.

Two years after the expiration of the latest date publicly announced for the calling in of a series of notes, the Bank may deduct from the note circulation account the amount of the notes of the series then outstanding and unpaid, and the notes shall no longer be considered in circulation. Ten years after the expiration of the same as above date, these notes shall be considered as having been prescribed and the bearer of same shall have no valid claim whatsoever arising therefrom.

Article 69.

The Bank shall exchange its banknotes at its Head Office and branches for notes of other denominations or subsidiary coins in such quantities as may, in the opinion of the Bank, be required for circulation.

Article 70.

The Bank shall retain any forged or altered banknotes presented, giving a receipt in return.

PART XIII. - APPROPRIATION OF PROFITS

Article 71.

1. After making provision for bad and doubtful debts, depreciation in assets, contributions to staff and superannuation funds, and such other contingencies as are usually provided for by bankers, and after payment, out of the net annual profits of the Bank, of a cumulative dividend at the rate of 8 per cent per annum on the capital, one-half of the surplus shall be allocated to the General 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, one-quarter of the surplus, or 4 per cent on the capital, whichever is less, shall be paid to the shareholders, and the balance shall be paid to the Government.

2. The cumulative dividend is hereby fixed at 4 per cent per annum. In respect of the financial years 1948 to 1955 inclusive, this dividend was calculated, not on the Bank capital of 400 million drachmas, but on the capital of 60,000 million drachmas (or 60 million drachmas of new issue) readjusted according to the Royal Decrees of 6th September 1946, 7th July 1948 and 5th April 1949, issued in execution of the Legislative Decree of 10/11th May 1946. In the financial year 1956, the cumulative 4-per cent dividend was paid on readjusted capital amounting to 114 million drachmas, while in the financial year 1957 and thereafter, such dividend is paid on capital amounting to 168 million drachmas, readjusted according to the provisions of the Royal Decree dated 14/27th November 1956.

PART XIV. — ADDITIONAL PRIVILEGES OF THE BANE

Article 72.

The provisions of the laws regarding corporations and banks shall not be applicable to the Bank of Greece insofar as they may be in conflict with these Statutes.

Article 73.

The Bank shall be exempt from all taxes or duties levied by the State: in particular, from the payment of any tax or duty on its note issue other than the tax to be imposed in certain contingencies as provided for in Article 63¹².

PART XV. — DISSOLUTION OF THE BANK

Article 74.

In the event of the withdrawal of the note-issuing privilege (Article 2), the Bank shall be dissolved, its assets and liabilities being valued by three experts. One of these shall be appointed by the Government, one by the Board of Directors, while the third shall be a person mutually agreed upon by the Government and the Board of Directors or, failing such agreement, appointed by the President of the Supreme Court. The State shall assume unimpaired the full liability previously attaching to the Bank towards its active and pensioned staff in respect of all their rights.

After having ascertained, as described above, the value of the assets and liabilities of the Bank, the nominal value of the shares shall be, in the first place, paid out to the shareholders, and any net excess in value shall be divided in the proportion of one-half to the Government and one-half to the shareholders.

PART XVI. — TRANSITORY PROVISIONS

Article 75¹³.

¹² Article 5 of Law 4502/4.4.1930 (Official Gazette, A 100), ratifying the agreement between the Greek Government and the Bank of Greece, defines the following:

"The meaning of Article 73 of the Statutes of the Bank of Greece is that the Bank is exempted from all direct or indirect taxation charges levied in the form of State tax or duty, as well as from any other compulsory contributions including postal and telegraphic dues (inland).

Building materials for the use of the Bank, imported from abroad, are not included among the above exemptions. Whenever, according to a stipulation of law or to a custom in business transactions, the tax or duty is divided among several participants in the taxable transaction, the Bank of Greece is exempted from its proportion of tax or duty".

¹³ a) At the 14th General Meeting of Shareholders of the Bank of Greece, held on 22nd November 1947, it was decided to amend the Statutes of the Bank by adding "Part XVI-Transitory Provisions", consisting of two articles, viz., Article 75, as set forth hereinabove, and Article 76.

However, Article 5 of Law 2120/52 finally included only Article 75, as set forth hereinabove. The proposed Article 76 was not ratified, but paragraph 2 of Article 6 of the above mentioned Law made the following provision:

"Emergency Law 3032/41 concerning the 'withdrawal of certain types of banknotes from circulation', Legislative Decree 1991/42 concerning the 'ratification of the amendment of provisions in the Statutes of the Bank of Greece', and Legislative Decree 2106/43 concerning the 'ratification of provisions in the Statutes of the Bank of Greece' are hereby repealed".

It should be noted that, according to Article 7 of Law 2120/52, Article 75 came into force upon its ratification by the 14th General Meeting of Shareholders of the Bank of Greece, i.e., on 22nd November 1947.

From the contents of Article 75 it arises that its validity extended up to the end of 1948.

b) Prior to the addition of Article 75 in the Statutes, the Government had issued Emergency Law 233/45 concerning the financing of enterprises by the Bank of Greece, which runs as follows: Article 1

In deviation from the provisions of these Statutes, in respect of the rate of interest, the guaranties, the period of maturity, the conditions of renewal, and the total amount of credits or discounts, and for the purpose of helping out the national economy, the Bank may, until the end of 1948, grant credits to industrial, agricultural, banking, or other enterprises or organisations, on conditions to be fixed, on each occasion, by decision of the Board of Directors.

In order to ensure that the conditions for the granting of credits are adhered to, the Board of Directors of the Bank may also impose a penalty in favour of the State, the amount of which shall be collected by the State as public revenue. In order to secure credits granted by the Bank of Greece to the Agricultural Bank, the Bank of Greece may accept pledges on existing or future claims of the debtor against third parties, without any special mention or surrender or endorsement of the relevant titles to the order of the Bank of Greece.

In deviation from the provisions of these Statutes, the Bank may also, and until the end of 1948, make advances to the State or discount bills of exchange or promissory notes, which have been issued or endorsed by the State, on conditions to be fixed by agreement between the State and the Bank.

1. In order to stimulate the country's economy, the Bank of Greece may, up to the end of 1946, grant credits to industrial, agricultural, banking and other enterprises, on terms to be determined by decision of the Board of Directors of the Bank according to the provisions set forth herein.

2. In deviation from the relevant provisions of the Statutes, the Board of Directors may also determine The following: (a) The rates of interest and guarantees on credits granted, (b) the tenor thereof, (c) the maturity date and conditions for the renewal of notes accepted by the Bank for discount or security, (d) the terms of special credits to banks, and (e) the total amount of credit granted by discounting agricultural bills and collateral instruments or by giving such paper as security.

3. In order to ensure adherence to credit terms, the Board of Directors of the Bank of Greece may also impose a penalty in favour of the State, the amount of which shall be collected as public revenue. Article 2 In order to secure credits granted by the Bank of Greece to the Agricultural Bank, the Bank of Greece may accept pledges on existing or future claims of the Agricultural Bank against third parties, without any special mention thereof and without surrender or endorsement of the relevant instruments to the order of the Bank of Greece.

Article 3

The validity of the present Law shall be retroactive as from the 11th November 1944".

Emergency Law 1330/27th Nov. 1949 extended the validity of E.L. 233/45 to the end of 1950.

It should also be noted that paragraph 2 of the first and only article of E.L. 1330 /49 added a new provision at the end of parag. 2 of Article 1 of E.L. 233/45, which came into force retroactively as from the date on which E.L. 233/45 became valid, i.e., 11th November 1945. This provision runs as follows:

"The Bank of Greece is also allowed to make advances to the State or to discount bills of exchange or promissory notes, endorsed by the State, on terms to be agreed upon between the State and the Bank". Thereafter, Law 2120/52 (Article 6, parag. 1) ratified the credits granted by the Bank of Greece by virtue of E.L. 233/45 up to the date on which Law 2120/52 was published, i.e., 12th May 1952.

The validity of E.L. 233/45 was extended by Law 2134/52 from 12th May 1952 to the end of 1952. Thereafter, L.D. 2539/53 extended the validity of E.L. 233/45 to the end of 1954. Moreover, Article 3 of L.D. 3074/54 extended the validity of E.L. 233/45 for as long as the Currency Committee continues to operate. In this connection, L.D. 4108/60 has extended the operation of the Currency Committee until such operation is terminated by the issue of a Cabinet Act, which shall be published in the Official Gazette.

Annex. — BANK OF GREECE. — FORTNIGHTLY * RETURN.

Assets.

1. Gold coin and bullion.
2. Foreign gold exchange (Article 62 of Statutes).
3. State loans in gold.
4. Other foreign exchange.
5. Subsidiary Greek coins.
6. Inland bills and notes:
 - (a) Commercial bills and notes.
 - (b) Treasury bills.
7. Advances:
 - (1) Repayable in drachmas:
 - (a) Government.
 - (b) Other.
 - (2) Repayable in foreign exchange.
8. Public debt.
9. Investments.
10. Bank buildings and equipment.
11. Other assets.

Liabilities.

12. Paid-up capital.
 13. Reserve Funds:
 - (a) General Reserve Fund.
 - (b) Special Reserve Funds.
 14. Banknotes in circulation.
 15. Other sight liabilities in drachmas:
 - (1) Current and deposit accounts:
 - (a) Government accounts.
 - (b) Bankers' accounts.
 - (c) Other accounts.
 - (2) Promissory notes and demand drafts.
 16. Time deposits in drachmas:
 - (a) Government accounts.
 - (b) Bankers' accounts.
 - (c) Other accounts.
 17. Foreign exchange liabilities:
 - (a) Foreign gold exchange (Article 62 of Statutes).
 - (b) Other foreign exchange.
 18. Other liabilities.
- Ratio of Gold and Net Foreign Gold Exchange to Sight Liabilities.
- Ratio of Total (a) to Total (b) --- %

* See footnotes to articles 52 and 62 of these Statutes. This exhibit of the originally "weekly" and subsequently "fortnightly" return (Law 2120/52) has had to be revised in actual practice and has now taken the form shown on page 35 hereof.

Gold

Net foreign gold exchange (No. 2 less No. 17(a))

State loans in gold

Reserve (as laid down in Article 62 of Statutes) Total (a)

Banknotes

Other sight liabilities in drachmas

Minus Greek subsidiary coins

Total (b)

BANK OF GREECE SUMMARY RETURN

Assets Liabilities

1. Gold and Foreign Exchange:

I. Bank holdings

II. I.C.A. holdings

2. Metal Coins

3. Bills of Exchange & Promissory Notes: Trade Bills and Notes

4. Credit:

I. Government:

a. Ordinary Accounts

1. Summary of receipts & payments

2. Current account for financing purchases of consumer goods

3. Special Advances account

b. Special Accounts

I. Advances covered from I.C.A. aid account in drachmas

2. Account for payment of value of consigned

I.C.A. goods

c. Interest-bearing Treasury bills

d. Greek Government quota to I.M.F. and I.B.R.D.:

Gold tranche

Drachma tranche

II. Other credit

IH. Other credit in foreign exchange

5. Public Corporations' holdings in interest-bearing bank deposits (E.L. 1611/50)

6. Investment

7. Bank buildings and equipment

8. Other assets

9. Paid-up Capital

10. Reserve Funds:

I. According to Article 71 of the Statutes

II. General Reserve Fund

11. Banknotes in Circulation

12. Sight Liabilities in drachmas:

I. Current and Deposit Accounts:

a. Bank accounts:

1. Bank deposits

2. Advance import deposits

3. Other accounts

b. Government accounts:

1. Government services

2. Greek Government, I.C.A. drachma account

3. Greek Government, public investment account

H. Promissory notes and sight drafts

13. Sight Liabilities in Foreign Exchange:

I. Bank Accounts

II. I.C.A. Accounts:

Proceeds of authorisation of I.C.A. purchases

14. Other Liabilities