

MFSA

MALTA FINANCIAL SERVICES AUTHORITY

These Questions and Answers should be read in conjunction with the MFSA public notice concerning Nemea Bank plc

Nemea Bank plc ('the Bank')

Frequently Asked Questions (MFSA website)

1. Why has the MFSA decided to propose to the ECB to initiate the process to withdraw the Bank's license?

Please refer to the Public Notice dated 20th January 2017 issued by the MFSA, which can be accessed from the following link:

https://www.mfsa.com.mt/pages/readfile.aspx?f=/files/Announcements/PressReleases/2017/Press_Release_nembnk_EN.pdf

These measures were taken by the Authority in the interests of depositors.

2. What is the capital position of the bank?

The capital position is positive but below the regulatory requirement.

3. What is the legal process in the withdrawal of a license of a bank under the Single Supervisory Mechanism?

Both the ECB and the National Competent Authorities ('NCAs') of participating Member States in the Eurozone where an institution is established, have the right to propose the withdrawal of a banking licence. NCAs can propose a withdrawal of a banking license to the ECB upon the request of the credit institution concerned or, in other cases, on its own initiative in accordance with national legislation. The ECB can also initiate a withdrawal in cases set out in the relevant EU laws. The ECB and the relevant NCA consult on any proposals for the withdrawal of a license. Following the due consultation, the

proposing body (in this case the Authority) composes a draft decision explaining the rationale behind the proposed withdrawal of the license and reflecting the results of the consultation. Thereafter, the final decision rests with the ECB. In the course of this process the credit institution concerned will be given a right to be heard by the ECB.

The above process is expected to take a few weeks to complete.

4. What measures have been taken by the MFSA pending the process initiated with the ECB?

The current measures and directives imposed on this Bank will remain in place.

In addition, in order to preserve the current financial situation of the Bank, the MFSA has issued a Directive to the Bank not to accept any requests for further withdrawals of deposits. This will remain in force pending further notice by the MFSA.

5. Who will continue to manage the Bank pending a decision by the ECB?

The competent person who was appointed by the Authority on 27th April 2016 will continue with its duties, until further notice by the Authority.

- 6. I have a deposit at the bank. What can I do to claim back my deposit?***
- 7. Can I withdraw funds from my account?***
- 8. Can I make any payments from my accounts?***
- 9. Will direct debits/standing orders continue to operate?***
- 10. Can I withdraw funds following maturity of a term deposit account pending the ECB decision?***

Pending the ECB decision regarding the withdrawal or otherwise of the Bank's license, you will not be able to withdraw funds or make any payments or affect any direct debits / standing orders from your account.

11. What will be my position as a depositor in the eventuality that the ECB decides that the Bank's license should be withdrawn?

In the event that the ECB determines that the Bank's license should be withdrawn, the Depositor Compensation Scheme in Malta will cover deposits up to a maximum of Euro 100,000 per depositor. In case of joint account holders, each holder is allowed to receive up to a maximum of Euro 100,000 subject always to the Euro 100,000 limit applicable to all accounts held by a person.

Further details may be obtained via phone number +356 21441155 or email info@compensationschemes.org.mt.

12. I have availed myself of a loan facility from the bank. Should I continue to service the loan facility?

Yes, you are to continue to honour your commitments as agreed with the bank. Should you have any queries in this regard, you are to contact the competent person.

13. Who can I contact to make queries on my deposit account?

You may contact the Bank's competent person on +356 25708100.

14. Will interest receivable continue to accrue? If yes, where will such interest be deposited?

Yes. All interest due and any other terms and conditions relating to your account will remain unchanged.

15. What are the implications on the Maltese financial system in the eventuality that the ECB decides that the Bank's licence should be withdrawn?

Nemea Bank is a small bank that started its deposit-taking operations since 2011, with assets amounting to less than 60 million euro. In view of the small size of the bank relative to the overall Maltese banking sector, the measures adopted by the MFSA are not expected to affect the resilience of the financial sector which is highly capitalised and adequately resourced.

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You may also contact the Malta Financial Services Authority on consumerinfo@mfsa.com.mt or on +356 25485700. [Click here](#) for further assistance.

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