

## These Questions and Answers should be read in conjunction with the MFSA [public notice](#) concerning Nemea Bank plc.

### Deposits

#### 1. *Can I deposit funds in my Nemea bank account?*

No. Depositors are being instructed not to place additional deposits in their accounts.

#### 2. *Why are we prevented from depositing further funds with the bank?*

Measures are being taken with specific reference to the Bank following an on-site inspection at the Bank carried out jointly with members of the DGMSIII of the European Central Bank ('ECB') and which was finalised in April 2016. As a result of this joint inspection a number of serious regulatory shortcomings were identified. In view of this, depositors are being instructed not to place additional deposits until further notice.

#### 3. *How will future payments in my account be handled?*

You will be advised by Nemea Bank that the payment is being held in suspense. You will be instructed to provide details of an alternative account with another bank to which any future payments will be transferred at no extra cost.

#### 4. *What will happen to credit transfers which have already been initiated?*

All credit transfers whether outgoing or incoming reaching the bank by 26 April 2016 1400hrs CET will be affected. Restrictions as indicated in the MFSA press release will become effective as of 26 April 2016 1400hrs onwards following which time transfers reaching the bank will be held in suspense. You will be instructed to provide details of an alternative account with another bank to which the funds will be transferred at no extra cost.

#### 5. *What will happen if a third party attempts to credit my account?*

If the credit transfer instructions reached the bank after 26 April 2016 1400hrs CET, you will be advised by Nemea Bank that the payment is being held in suspense and will be instructed to provide details of an alternative account with another bank to which the funds will be transferred at no extra cost.

#### 6. *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. The interest can be transferred to an alternative account at your request.

# MFSA

## MALTA FINANCIAL SERVICES AUTHORITY

### **7. Will my foreign currency denominated accounts be affected? Can I deposit in/withdraw from these accounts?**

Foreign currency denominated accounts will be handled in the same manner as euro denominated accounts.

### **8. Will 'client accounts' held at Nemea Bank by any financial services licence holders be affected by these restrictions?**

Restrictions imposed by the Authority apply also to 'client accounts'.

## **Withdrawals**

### **9. Can I withdraw funds from my account(s)?**

Withdrawals are being limited to EUR250 per depositor per day.

### **10. Can I make any payment transfers from my account(s)?**

Yes, up to a maximum of €250 per depositor per day.

### **11. Will direct debits/standing orders continue to operate? If yes, how?**

Yes, subject to the restrictions on withdrawals being imposed by the Authority.

### **12. Can I break my term deposit account?**

No, the original terms of the term deposit will apply.

### **13. Can I withdraw funds following maturity of a term deposit account?**

When a term deposit account matures, the principal amount invested, together with the remaining interest payment generated, is transferred to the client's current account as happens in ordinary circumstances. Clients may transfer funds from their current account up to a maximum amount of EUR 250 per day.

## **Depositor Compensation Scheme**

### **14. What will happen to my deposit if Nemea Bank is unable to repay my deposit?**

In the event that the MFSA and ECB determine that the operations of the bank are no longer viable, the Depositor Compensation Scheme in Malta will cover deposits up to a maximum of €100K per depositor. Further details can be obtained via phone number +356 2144 1155 or email [info@compensationschemes.org.mt](mailto:info@compensationschemes.org.mt)

### **General questions**

#### ***15. What actions is the Authority taking to address the situation?***

The Authority has assigned a 'competent person' appointed in terms of Article 29 of the Banking Act (Cap371) and Article 15A of the Investments Services Act (Cap 370) to take charge of the assets of the bank and to assume control of the Bank's business to safeguard the interest of depositors and investment services clients.

The Authority will consider taking any further actions as considered necessary.

#### ***16. Are such restrictions being imposed on an indefinite basis?***

The Authority will communicate as soon as the restrictions can be lifted.

#### ***17. What will the implications on the Maltese economic and financial stability be?***

Nemea Bank is a small bank that has only recently commenced its deposit-taking operations, starting in October 2014. In view of this, the restrictions on the bank are not expected to affect the resilience of the Maltese banking sector which is highly capitalised and adequately resourced.

#### ***18. Why did the Authority appoint a competent person in terms of Article 29(1)(c) and (d) of the Banking Act (Chapter 371 of the Laws of Malta)?***

Under the provisions of the Banking Act, the Authority has wide-ranging powers to intervene in the operations of a bank to ensure that the interest of depositors and investors are safeguarded.

#### ***19. Is the Authority considering taking such measures in relation to other banks?***

No. The measures are being contemplated specifically in relation to Nemea Bank.

**Malta Financial Services Authority**

**Communications Unit**

**27th April 2016**