

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)

Reference is made to the MFSA Public Notice dated 20 January 2017 wherein it was advised that the MFSA had proposed to the European Central Bank (ECB) to consider initiating the process to withdraw the banking licence of Nemea Bank plc. The below are aimed at answering queries relevant to developments following the Public Notice of 20 January 2017.

1. What was the action taken adopted by the MFSA since 20 January 2017 and what is the process going forward?

The Authority is carrying out an assessment in line with Regulation 8 of the Depositor Compensation Scheme Regulations S.L.371.09 of 2015 ('the Regulations'). For the time being the current moratorium on the deposits held by the Bank will remain in place, until advised otherwise by the Authority. In the meantime the Competent Person remains in charge of the assets of the Bank.

The Authority will be communicating in due course in this regard.

2. 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 the participating Member States in the Eurozone where an institution is established (in this case the MFSA as the Authority), have the right to propose the withdrawal of a banking license. NCAs can propose a withdrawal of a banking license to the ECB upon the request of the credit institution concerned or, in other cases, by the NCA concerned 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.

In the case of Nemea Bank plc this due process was carried out and has led to the ECB adopting a decision to withdraw the banking license of Nemea Bank plc.

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

For the time being, the restrictions imposed on the Bank will remain in place until further notice. See Question 2.

8. What will be my position as a depositor now that the bank's license has been withdrawn?

For the time being the current moratorium on the Bank will remain in place until advised otherwise by the Authority. In the meantime the Competent Person remains in charge of the assets of the Bank.

The Authority is carrying out an assessment in line with Regulation 8 of the Depositor Compensation Scheme Regulations S.L.371.09 of 2015 ('the Regulations'). Details relating to the Depositor Compensation Scheme may be obtained on the Maltese Depositor Compensation Scheme's website [\[link\]](#), via phone number +356 21441155 or email info@compensationschemes.org.mt.

9. 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. The terms of reference of the loan remain unchanged and legally binding. Should you have any queries in this regard, you are to contact the Competent Person.

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

You may contact the Bank's Competent Person on +356 25708100.

11. 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.

12. What are the implications on the Maltese financial system now that the ECB has decided to withdraw the Nemea Bank's licence?

Nemea Bank plc is a small bank that started its deposit-taking operations in 2011, with assets amounting to less than 60 million euro. Nemea Bank plc has minimal links with the domestic economy and financial system. The banking sector in Malta remains sound and resilient by virtue of its adequate capitalisation and ample liquidity.

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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.