

BANK OF GREECE

EUROSYSTEM

SUPERVISION OF CREDIT & RELATED

FINANCIAL INSTITUTIONS DEPARTMENT

Meeting 246/28.6.2007

Topic 2: Grant to “T.C ZIRAAT BANKASI A.S” based in Turkey, an establishment and operating license for its branch in Greece.

THE COMPETENT BANKING AND CREDIT COMMITTEE, after taking into consideration the following:

- a) article 1 of law 1266/1982 “authorities of monetary, exchange rate policy and other provisions” in combination with the GA/BoG 336/29.2.1984 regarding the composition of Committees to Bank Of Greece for the exercise of implanting powers (last modification GA/BoG 2539/24.2.2004)
- b) provisions of L. 2076/1992 “undertaking and operating activities of credit institutions and other relative provisions”, as it is applicable and especially of the article 12.
- c) provisions of L.2331/1995 “prevention and suppression of the legalization of income from criminal activities and other relative criminal law provisions”, as it is applicable,
- d) the GA/BoG 2461/5.4.2000 “monitoring of credit institutions’ branches, which are established in countries outside EU”, as it is applicable,
- e) the GA/BoG 2471/10.4.2001 “determination of the minimum initial capital of credit institutions”, as it is applicable,
- f) the GA/BoG 2526/8.12.2003 “encoding and supplementation of the GA/BoG 1379/24.10.1998, as it is applicable, regarding the terms and conditions in order to grant a license for the establishment of a credit institution in Greece”, as it is applicable,
- g) the GA/BoG 2560/1.4.2005 “audit framework from Bank of Greece regarding the adequate liquidity of credit institutions”,
- h) the GA/BoG 2563/19.7.2005 “adjustment and encoding of GA/BoG 1313/9.6.1988 regarding the submission from credit institutions of data to Bank Of Greece for the control practices on financial solvency, liquidity and efficiency”, as it is applicable,
- i) the GA/BoG 2577/9.3.2006 “framework of operations principles and evaluation criteria and Internal Audit Systems of credit and bank institutions and relative responsibilities of their administrative bodies”, as it is applicable,
- j) the from 29.5.2007 application of credit institution “T.C ZIRAAT BANKASI A.S”, established in Turkey, with which it is asked from Bank of Greece to grant an establishment and operating license for two branches in Greece (Athens and Komotini), as well as the submitted business plan and the attached supporting documents, according to which it is provided, within others, the initial capital of 18.000.000,00 EURO.
- k) the 22.5.2007 and 6.8.2007 letters of Supervision and Regulatory Authority of Turkish Banking System, which consents to the expansion of “T.C ZIRAAT BANKASI A.S” operations in Greece and provides to Bank of Greece all the audit related data that concerns the bank, respectively,
- l) the 26.6.2007 relative proposal of Bank of Greece’s Supervision of Credit and Related Financial Institutions Department,

DECIDES the following:

1. It is granted to the bank "T.C Ziraat Bankasi AS" which is established in Turkey, license for the establishment and operation of two branches in Greece, according to the submitted business plan, with the condition that before the initiation of their operation:

a. a cash deposit of incoming funds will be made to an existing credit institution in Greece, according to business plan, as the above mentioned initial capital (18.000.000,00 Euro),

b. the above mentioned bank will notify to Bank of Greece (Supervision of Credit and Related Financial Institutions Department) the identity: i) of the second responsible person for branch's operation ii) of the people who are responsible for the internal audit of the branches, as well as for the compliance with provisions of L. 2331/1995, as it is applicable, (GA/BoG 2577/9.3.2006 and especially its Chapter 4).

2. The branch's supervision will be exercised by Bank of Greece according to general applicable rules. Particularly, regarding the implementation of the provisions GA/BoG 2461/5.4.2000, as it applicable, it is determined that the branch is forced to on-spot i) coverage of capital requirements for credit risk and market risks, as these capital requirements are defined according to provisions of GA/BoG 2524/2003 and GA/BoG 2397/1996, as each time are applicable, and ii) preserve the limits of big exposures, according to the provisions GA/BoG 2246/1993, as it is applicable.

3. A time limit of twelve (12) months is provided after the publication of this decision for the activation of the establishment license of the above mentioned branch, after the expiration of which, the relative license ceases.

4. The bank "T.C Ziraat Bankasi A.S" is obliged to announce its operation's initiation, within fifteen (15) days of its accomplishment, as well as the exact post address of the above mentioned business units to Bank of Greece (Supervision of Credit and Related Financial Operations Department – Internal Audit and Exchange Domestic Market Observation Department)

The current decision is to be published to Government Gazette (Journal B').