N° 1622.

GRÈCE

Protocole pour la stabilisation de la monnaie et la liquidation des arriérés budgétaires de l'État hellénique et pour poursuivre l'œuvre d'établissement des réfugiés grecs, avec annexes. Signé à Genève, le 15 septembre 1927.

GREECE

No. 1622. — PROTOCOL ¹ FOR THE STABILISATION OF THE CURRENCY AND LIQUIDATING BUDGET ARREARS OF THE HELLENIC STATE AND FOR THE FURTHER SETTLEMENT OF GREEK REFUGEES, SIGNED AT GENEVA, SEPTEMBER 15, 1927,

Textes officiels anglais et français. Ce protocole a été enregistré par le Secrétariat, conformément à ses dispositions finales, le 12 janvier 1928, jour de son entrée en vigueur.

Whereas the Hellenic Government has requested the Council of the League of Nations to approve the issue by that Government, under the auspices of the League of Nations, of a loan the yield of which shall be applied for the purposes of stabilising the Greek currency, of liquidating budget arrears of the Hellenic State and continuing the work of the settlement of Greek refugees;
And whereas, by the declaration hereto annexed (Annex I), the Governments represented on the International Financial Commission established by the Hellenic Law of February 26th, 1898, have agreed to the performance by that body of the duties below assigned to it;
And whereas the Council has approved for this purpose the provisions of the present Protocol:
The undersigned, duly authorised for the purpose, accepts on behalf of Greece the following provisions:

Article I.

ISSUE OF A LOAN.

1. The Hellenic Government may issue a loan for the above-mentioned purposes yielding an effective sum equivalent to not more than nine millions sterling, which sum shall be integrally made available as hereinafter provided. The expenses of issue, negotiation and delivery shall be added to the capital of the loan as fixed above.

2. The capital and interest of the loan mentioned in paragraph 1 above, shall be paid by the Hellenic Government free of all deduction in respect of taxes, duties or charges present and future for the benefit of the Hellenic State.

3. The terms on which the loan is issued shall include provisions as to the amounts which, at the intervals fixed by such terms, shall be set aside by the International Financial Commission for the service of the loan, including interest, amortisation and all charges, commissions or other payments to be met by the Hellenic Government in connection therewith.

4. The conditions of the loan as to issue price, rate of interest, expenses of issue, negotiation and delivery, shall be at least as favourable to the Hellenic Government as those of the Refugee Loan of 1924. The period of amortisation shall not be less than thirty years. The agreements

¹ Ratifié par la Grèce, le 12 janvier 1928.

English and French official texts. This Protocol was registered with the Secretariat in accordance with its final provisions, January 12, 1928, the date of its entry into force.

Considérant que le Gouvernement hellénique a prié le Conseil de la Société des Nations d’approuver l’émission par ce gouvernement, sous les auspices de la Société des Nations, d’un emprunt dont le produit serait destiné à stabiliser la monnaie grecque, à liquider les arriérés budgétaires de l’État hellénique et à poursuivre l’œuvre d’établissement des réfugiés grecs ;

Considérant que, par la déclaration ci-annexée (Annexe I), les gouvernements représentés à la Commission financière internationale, créée par la loi hellénique du 26 février 1898, ont accepté que cette organisation s’acquitte des fonctions qui lui sont assignées ci-dessous :

Considérant que le Conseil a approuvé, à cette fin, les dispositions du présent protocole,

Le soussigné, dûment autorisé à cet effet, déclare accepter, au nom de la Grèce, les dispositions suivantes :

Article premier.

Émission d’un emprunt.


2. Le capital et les intérêts de l’emprunt envisagé à l’alinéa 1 ci-dessus, seront payés par le Gouvernement hellénique sans aucune déduction à titre d’impôts, droits ou charges, présents ou futurs, au bénéfice de l’État hellénique.

3. Parmi les conditions d’émission de l’emprunt devront figurer des dispositions relatives aux sommes qui, aux intervalles stipulés par ces conditions, seront prélevées par la Commission financière internationale pour le service de l’emprunt, y compris l’intérêt, l’amortissement et toutes charges, commissions ou autres paiements incombant au Gouvernement hellénique à l’occasion dudit emprunt.

4. Les conditions de l’emprunt, en ce qui concerne le cours d’émission, le taux d’intérêt, les frais d’émission, de négociation et de livraison seront au moins aussi favorables au Gouvernement hellénique que celles qui s’appliquent à l’emprunt des réfugiés de 1924. La période d’amortissement

¹ Ratified by Greece, January 12, 1928.
for the conclusion of the loan shall conform to the dispositions of the present Protocol, and a person
will be appointed by the Financial Committee to declare that the above conditions have been
fulfilled. He shall also approve the terms of any reference to the League of Nations in the
prospectus of the loan.

Article II.

Securities.

1. The Hellenic Government will furnish as securities for the loan the revenues at present
under the control of the International Financial Commission established by the Law of February
26th, 1898, in so far as the yield of these revenues is not required for the service of the loans having
a prior charge upon the said revenues at the date of signature of this Protocol and as indicated in
Annex II to this Protocol.

2. The amounts required for the service of the loan shall be and remain a charge on the
revenues mentioned in paragraph 1 above, ranking immediately after such prior charge upon the
said revenues as may be in existence at the date of signature of this Protocol, and the Hellenic
Government acknowledges that such revenues shall stand charged accordingly.

3. If it is ascertained that the yield during half of any financial year of the revenues mentioned
in paragraph 1 above has not, after deduction of the amounts required for the service of the loans
which constitute the prior charge thereon, amounted to 150 per cent of one-half of the annual sum
required to meet the service of the loan, the International Financial Commission shall require that
additional revenues or assets, to be selected by the Hellenic Government and sufficient to ensure
the immediate restoration of the yield of those revenues to an amount satisfying the above
condition, shall be assigned as security for the loan and be placed under its control; and the Hellenic
Government hereby undertakes to comply within fourteen days with the demand of the International
Financial Commission.

The Hellenic Government shall have the right of appeal to the Council of the League of Nations
within fourteen days of the notification of the demand of the International Financial Commission
on the ground that there is not the alleged deficiency in the yield of the revenues. Notwithstanding
such appeal, the Hellenic Government shall comply with the demands of the International Financial
Commission pending the decision of the Council.

If the International Financial Commission is of opinion that such additional revenues or assets
as are selected by the Hellenic Government in accordance with the foregoing provisions are not
sufficient, it may, not later than thirty days from the date on which it is informed of the selection
made by the Hellenic Government, report the matter to the Council of the League of Nations,
whose decision shall be final.

4. The service of the loan shall be assured by the International Financial Commission.
Subject to the obligations resulting from prior charges thereon, the revenues above mentioned shall
be held and applied by the International Financial Commission for the purpose of meeting the
periodical service of the loan and of making up any past defaults, should they have occurred; and
any balances shall be reimbursed to the Hellenic Government.

Article III.

Employment of the Loan.

The Hellenic Government undertakes that the yield of the loan shall be applied only for the
purposes and in strict accordance with the procedure set out in Articles IV, V, VI and VII below.
Article IV.

Bank of Issue.

1. A new and independent Bank, to be called the Bank of Greece, shall be established in Greece as soon as possible and shall commence business not later than six months after the issue of the loan, in accordance with the draft Agreement between the Hellenic Government and the National Bank of Greece and the draft Statutes annexed hereto (Annexes III and IV). The said Bank shall perform the functions assigned to it in the said agreement and statutes, and, in particular, it shall effect and maintain the stabilisation of the Greek currency in relation to gold and the centralisation at the Bank of all the receipts and payments of the State and of the State enterprises.

2. The Hellenic Government undertakes to take all necessary steps to effect the legal stabilisation of the Greek currency in relation to gold as from the day on which the Bank of Greece commences business.

3. For the purpose of stabilising the Greek currency, one-third of the yield of the loan (three millions sterling) shall be employed by the Hellenic Government in repaying part of the State debts which the Bank of Greece will take over from the National Bank of Greece.

Article V.

Budget.

1. The Hellenic Government undertakes to make, and to persist in making, every effort to keep the budget within the limit of about 9,000 million drachmas, until the end of the financial year 1929-30, and to maintain thereafter a complete equilibrium between the current revenue and current expenses of the State, current expenses being taken to mean all expenditure except such capital outlay for revenue-producing purposes as may be provided for from other sources.

2. The Hellenic Government undertakes to reimburse as soon as possible out of such part of the yield of the loan as is not allocated for other purposes under Articles IV above and VI below the liabilities enumerated in Annex V of this Protocol.

The Hellenic Government declares that the amount of its available resources, together with the said part of the loan, will suffice for the fulfilment of this undertaking.

3. The Hellenic Government shall, in accordance with Article VII below, request the issuing houses to pay the part of the loan mentioned in paragraph 2 above, directly to the National Bank of Greece for the account of the Hellenic Government until the date on which the Bank of Greece commences business and after that date to the Bank of Greece.

4. The National Bank of Greece and, after it has commenced business, the Bank of Greece will hold the sums to be used in accordance with paragraph 2 above for the Hellenic Government in a special account. On the date on which the Bank of Greece commences business, the National Bank of Greece shall transfer to the Bank of Greece any sums which it may hold on behalf of the Hellenic Government under the terms of the present article.

5. The Hellenic Government will use the sums to be used in accordance with paragraph 2 above for the payment of the liabilities described in Annex V, and the National Bank of Greece, or the Bank of Greece, as the case may be, shall not effect payments out of the account to be established in accordance with paragraph 4 above, except upon the receipt of due certificates from the independent Central Audit Office of the Hellenic State that the payments in question are in respect of the said liabilities.

6. If certain of the liabilities enumerated in Annex V shall have been reimbursed by the Treasury of the Hellenic State out of its own resources before the yield of the loan shall have become
available, the Treasury may request the National Bank, or the Bank of Greece, as the case may be, to liberate the amounts thus reimbursed on receipt of due certificates from the independent Central Audit Office, in regard to each item, that the expenditure so incurred is in respect of the reimbursement of the liabilities enumerated in the aforesaid annex.

7. The Hellenic Government undertakes to transmit, during a period of three years after the date or the signature of this Protocol, to the Council of the League of Nations every three months a report on its budget situation, and in particular a statement showing by Ministries the amounts still payable in respect of the liabilities described in Annex V, and a detailed statement by the National Bank of Greece, or the Bank of Greece as the case may be, of the amounts paid out of the aforesaid account in respect of the said liabilities.

8. Within six months of the end of each financial year, the independent Central Audit Office will check the payments made in accordance with paragraph 2 above with the relevant documents, and will issue a public statement of the results of its examination, a copy of which shall be transmitted to the Council of the League of Nations.

9. The Hellenic Government undertakes to proceed to the creation of a new system of public accounting in conformity with the principle of the unity of the State budget, and of the centralisation at the Bank of Greece of all the receipts and payments of the State and of the State enterprises. The said system shall include, in particular, cash accounting, supplemented by liability accounting and the monthly publication of statements showing the cash position of the Treasury, the receipts and expenditure on account of the budget, the position of Treasury liabilities and the position of the public debt.

The centralisation of accounts at the Bank shall be carried out in accordance with the plan set out summarily in Annex VI of the present Protocol.

Article VI.

SETTLEMENT OF REFUGEES.

One-third of the yield of the loan (three million pounds sterling) shall be employed for the settlement of Greek refugees. The said sum shall be employed by the Refugee Settlement Commission in accordance with the provisions of the Protocol signed at Geneva on September 20th, 1923, and modified 2 on September 19, 1924, and of the Organic Statutes annexed thereto, and for the purposes described in the said Protocol and Statutes and for such other purposes connected with promoting the establishment of refugees in productive work as may from time to time, on the proposal of the Refugee Settlement Commission, be approved by the Council of the League of Nations.

Article VII.

ALLOCATION OF LOAN INSTALMENTS.

1. The several instalments of the loan shall be allocated for the purposes specified in Articles IV, V and VI in the proportions resulting therefrom. The said proportions may be altered for any particular instalment by the Hellenic Government in agreement with the President of the Financial Committee, provided that the ultimate allocation of the total yield of the loan complies with the requirements of the said articles; and instructions shall be given by the Hellenic Government to the issuing houses to pay over the said instalments directly to the National Bank of Greece, or the Bank of Greece, as the case may be, and to the Refugee Settlement Commission in the proportions so determined.

1 Vol. XX, page 29, de ce recueil.
2 Vol. XXX, page 413, de ce recueil.
2. Any sums which have become available from the yield of the loan and have not been allocated in the manner provided under paragraph 1, shall be temporarily retained by the issuing houses on behalf of the Hellenic Government on such terms as may be agreed between the Hellenic Government and the said issuing houses.

Article VIII.

Issue of Treasury Bills.

The Hellenic Government undertakes not to seek short-term advances or to issue Treasury bills or other similar short-term obligations in excess of eight hundred million drachmas.

Nothing in this article shall prejudice the existing rights of the International Financial Commission.

Article IX.

Protocol Article.

1. Any difference as to the interpretation of this Protocol shall be settled by the Council of the League of Nations.

2. All decisions to be taken by the Council under the terms of this Protocol shall be taken by a majority vote.

3. This Protocol, of which the French and English texts are both authentic, shall be ratified by Greece and the ratification shall be deposited at the Secretariat of the League of Nations as soon as possible and, in any case, not later than three months from the date of its approval by the Council of the League of Nations.

In faith whereof the undersigned, duly authorised for the purpose, has signed the present Protocol.

Done at Geneva on the fifteenth day of September, nineteen hundred and twenty-seven in a single copy which shall be deposited with the Secretariat of the League of Nations and be registered by it without delay.

(Signed) G. Caphandaris.

Annex I.

Draft Declaration to be signed on Behalf of France, Great Britain and Italy.

(See the text of this Declaration on page 73 of this Volume.)
## Annex II.

### Table A. — List of Revenues Controlled by the International Financial Commission.

1. **Receipts from the Old Revenues assigned to Loans controlled by the International Financial Commission.**

Figures for the Year 1926 and Estimates for 1927.

<table>
<thead>
<tr>
<th></th>
<th>1926</th>
<th>First six months of 1927</th>
<th>Whole year 1927 Estimates</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Monopolies in Old Greece:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salt</td>
<td>42,778,402</td>
<td>22,903,343</td>
<td>45,806,686</td>
</tr>
<tr>
<td>Oil</td>
<td>109,329,312</td>
<td>55,438,168</td>
<td>110,876,336</td>
</tr>
<tr>
<td>Matches</td>
<td>50,222,177</td>
<td>25,485,829</td>
<td>50,971,658</td>
</tr>
<tr>
<td>Playing-cards</td>
<td>8,943,620</td>
<td>4,255,777</td>
<td>8,511,554</td>
</tr>
<tr>
<td>Cigarette paper</td>
<td>16,782,075</td>
<td>8,703,643</td>
<td>17,407,286</td>
</tr>
<tr>
<td>Naxos Emeri</td>
<td>24,099,788</td>
<td>10,649,524</td>
<td>21,299,048</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>252,155,374</td>
<td>127,436,284</td>
<td>254,872,568</td>
</tr>
<tr>
<td><strong>B. Old Customs Offices:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Piraeus</td>
<td>566,739,596</td>
<td>353,058,233</td>
<td>706,116,466</td>
</tr>
<tr>
<td>Laurium</td>
<td>810,460</td>
<td>354,624</td>
<td>709,248</td>
</tr>
<tr>
<td>Patras</td>
<td>67,289,305</td>
<td>47,030,947</td>
<td>94,067,894</td>
</tr>
<tr>
<td>Volo</td>
<td>49,682,976</td>
<td>32,889,580</td>
<td>65,779,160</td>
</tr>
<tr>
<td>Corfu</td>
<td>17,552,244</td>
<td>10,272,261</td>
<td>20,544,522</td>
</tr>
<tr>
<td>Salonica</td>
<td>302,765,902</td>
<td>214,418,195</td>
<td>428,836,399</td>
</tr>
<tr>
<td>Kavala</td>
<td>30,280,951</td>
<td>20,266,585</td>
<td>40,533,178</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,035,111,644</td>
<td>678,290,425</td>
<td>1,356,580,850</td>
</tr>
<tr>
<td><strong>C. Tobacco in Old Greece</strong></td>
<td>856,037,068</td>
<td>498,596,950</td>
<td>997,193,900</td>
</tr>
<tr>
<td><strong>D. Stamp duty in Old Greece</strong></td>
<td>204,543,800</td>
<td>69,516,518</td>
<td>131,033,036</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,060,580,885</td>
<td>564,113,468</td>
<td>1,128,226,936</td>
</tr>
<tr>
<td><strong>General Total</strong></td>
<td>2,347,847,903</td>
<td>1,369,840,177</td>
<td>2,739,680,354</td>
</tr>
</tbody>
</table>

2. **Receipts from the New Revenues assigned to the Refugee Loan.**

Figures for the Year 1926, and Estimates for 1927.

<table>
<thead>
<tr>
<th></th>
<th>1926</th>
<th>First six months of 1927</th>
<th>Whole year 1927 Estimates</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Monopolies in the New Provinces:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Salt</td>
<td>36,149,831</td>
<td>16,880,911</td>
<td>33,778,022</td>
</tr>
<tr>
<td>3. Playing-cards</td>
<td>2,999,614</td>
<td>1,439,484</td>
<td>2,878,968</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>73,582,202</td>
<td>36,413,553</td>
<td>72,827,106</td>
</tr>
<tr>
<td><strong>B. New Customs Offices:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Cana</td>
<td>11,315,924</td>
<td>6,524,292</td>
<td>13,049,584</td>
</tr>
<tr>
<td>2. Candia</td>
<td>17,061,868</td>
<td>9,117,400</td>
<td>18,234,800</td>
</tr>
<tr>
<td>3. Samos</td>
<td>3,858,960</td>
<td>2,786,173</td>
<td>5,572,346</td>
</tr>
<tr>
<td>4. Chios</td>
<td>13,466,102</td>
<td>8,539,678</td>
<td>17,079,356</td>
</tr>
<tr>
<td>5. Mitylene</td>
<td>18,600,487</td>
<td>10,895,397</td>
<td>21,700,794</td>
</tr>
<tr>
<td>6. Syra</td>
<td>7,935,043</td>
<td>5,793,419</td>
<td>11,580,838</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>72,238,372</td>
<td>43,656,359</td>
<td>87,312,718</td>
</tr>
<tr>
<td><strong>C. Tobacco in the New Provinces</strong></td>
<td>183,161,036</td>
<td>141,927,182</td>
<td>283,854,364</td>
</tr>
<tr>
<td><strong>D. Stamp duty in the New Provinces</strong></td>
<td>97,909,910</td>
<td>42,792,959</td>
<td>85,585,900</td>
</tr>
<tr>
<td><strong>E. Alcohol throughout Greece</strong></td>
<td>223,193,597</td>
<td>173,966,836</td>
<td>347,814,672</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>504,264,543</td>
<td>358,626,968</td>
<td>717,253,936</td>
</tr>
<tr>
<td><strong>General Total</strong></td>
<td>650,085,087</td>
<td>438,696,880</td>
<td>877,393,760</td>
</tr>
</tbody>
</table>

N° 1622
### Table B. — List of Prior and Contingent Charges on Revenue enumerated under Table A.

#### 1. Loans under the Control of the International Financial Commission.

<table>
<thead>
<tr>
<th>Name of Loan</th>
<th>Nominal amount on July 31st, 1927</th>
<th>Annual Service</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. 1833. Guaranteed by the three Powers</strong></td>
<td></td>
<td>£ 12,000 and F. Frs. 600,000</td>
<td>Maximum service, subject to diminution according to decision which may be arrived at concerning the conversion of surplus values.</td>
</tr>
<tr>
<td>Gold Frs.</td>
<td>41,346,011</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>B. Old debts in gold:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5% 1881</td>
<td>75,733,500</td>
<td>£181,068.30</td>
<td></td>
</tr>
<tr>
<td>5% 1884</td>
<td>65,493,500</td>
<td>£157,695.31</td>
<td></td>
</tr>
<tr>
<td>4% 1887 Monopolies</td>
<td>101,921,000</td>
<td>£194,276.01</td>
<td></td>
</tr>
<tr>
<td>4% 1889 Rente</td>
<td>113,395,500</td>
<td>£216,920.03</td>
<td></td>
</tr>
<tr>
<td>5% 1890 Piraeus-Larissa</td>
<td>43,282,000</td>
<td>£103,688.18</td>
<td></td>
</tr>
<tr>
<td>5% 1893 Funding</td>
<td>7,011,000</td>
<td>£16,866.96</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>£870,523.69</td>
<td></td>
</tr>
<tr>
<td><strong>C. New debts in gold:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 1/2% 1898 (Guaranteed) Gold Frs.</td>
<td>78,750,000</td>
<td>£217,124.28</td>
<td>Subject to the issue of unissued portion 164,926,000 annual service £345,000.</td>
</tr>
<tr>
<td>4% 1902 Greek Railway</td>
<td>54,282,000</td>
<td>£89,841.95</td>
<td></td>
</tr>
<tr>
<td>5% 1914 (500 millions)</td>
<td>308,200,000</td>
<td>£702,067.87</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>£1,000,034.10</td>
<td></td>
</tr>
<tr>
<td><strong>D. Debt in paper drachmas:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1885 Patriotic</td>
<td>1,266,250</td>
<td>Drs. 45,360</td>
<td></td>
</tr>
<tr>
<td>5% 1898 (consolidated)</td>
<td>71,570,000</td>
<td>3,901,981</td>
<td></td>
</tr>
<tr>
<td>5% 1900 (Pyrgos-Meligala)</td>
<td>10,555,000</td>
<td>611,794</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>4,559,135</td>
<td></td>
</tr>
<tr>
<td><strong>E. Compulsory Issue of Bank Notes</strong></td>
<td></td>
<td>40,000,000</td>
<td></td>
</tr>
<tr>
<td><strong>F. Service of Salonica-Constantinople Railway Bonds in</strong></td>
<td></td>
<td>F. Frs. 4,997,112</td>
<td></td>
</tr>
<tr>
<td>F. Frs.</td>
<td>140,825,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>G. Refugee Loan 7% 1924</strong></td>
<td></td>
<td>£750,582.42</td>
<td></td>
</tr>
<tr>
<td>Gold Frs.</td>
<td>299,910,000</td>
<td>$827,987.02</td>
<td></td>
</tr>
<tr>
<td><strong>H. Participation in Turkish Debt</strong></td>
<td></td>
<td>—</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>—</td>
<td></td>
</tr>
<tr>
<td><strong>I. Ulen Water Loan 8% 1925</strong></td>
<td></td>
<td>$1,002,500</td>
<td>Annual service not yet determined; will not exceed 150,000,000 drs.</td>
</tr>
<tr>
<td>Gold Frs.</td>
<td>40,500,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

1 Maximum future annual service subject to diminution by collection of water receipts and special taxes expected ultimately to cover entire service.
### Loans not under the Control of the International Financial Commission.

<table>
<thead>
<tr>
<th>Name of Loan</th>
<th>Nominal amount on July 31st, 1927</th>
<th>Annual Service</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Debts in Gold:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5% 1907 Def. Nat.</td>
<td>14,416,000</td>
<td>£48,347.53</td>
<td></td>
</tr>
<tr>
<td>4% 1910</td>
<td>95,069,000</td>
<td>184,474.58</td>
<td>£232,822.11</td>
</tr>
<tr>
<td><strong>B. Debts in drachmas:</strong></td>
<td>Drs.</td>
<td>Drs.</td>
<td></td>
</tr>
<tr>
<td>6% 1917 (100 mil.)</td>
<td>63,058,700</td>
<td>8,079,910</td>
<td></td>
</tr>
<tr>
<td>6% 1918 (75 mil.)</td>
<td>53,420,800</td>
<td>5,336,651</td>
<td></td>
</tr>
<tr>
<td>5% 1920 (300 mil.)</td>
<td>287,898,800</td>
<td>20,426,508</td>
<td>33,843,069</td>
</tr>
<tr>
<td><strong>C. Debt in dollars:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5% Canadian Gold frs.</td>
<td>36,900,000</td>
<td>$566,875</td>
<td></td>
</tr>
</tbody>
</table>

**Table C. — Statements of Surplus Revenues available for the New Loan.**

<table>
<thead>
<tr>
<th>A. Service of Loans under the Control of the I.F.C.</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) In Sterling:</td>
<td>12,000</td>
<td>2,642,140 × 375 = drs. 990,802,500</td>
</tr>
<tr>
<td>Loan 1833</td>
<td>870,524</td>
<td></td>
</tr>
<tr>
<td>Old debt in gold</td>
<td>1,009,634</td>
<td></td>
</tr>
<tr>
<td>New debt in gold</td>
<td>750,582</td>
<td></td>
</tr>
<tr>
<td>Refugee loan</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>990,802,500</td>
</tr>
<tr>
<td>(2) In dollars:</td>
<td>827,987</td>
<td>8,304,870 × 77 = drs. 140,947,499</td>
</tr>
<tr>
<td>Refugee loan</td>
<td>1,002,500</td>
<td></td>
</tr>
<tr>
<td>Ulen water loan</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>140,947,499</td>
</tr>
<tr>
<td>(3) In paper francs:</td>
<td>600,000</td>
<td>4,997,112</td>
</tr>
<tr>
<td>Loan 1833</td>
<td>5,597,112 × 3 = drs. 16,791,335</td>
<td></td>
</tr>
<tr>
<td>Bonds Salonica-Constantinople</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paper frs.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(4) Debt in paper drachmas</td>
<td></td>
<td>4,559,135</td>
</tr>
<tr>
<td>(5) Expenses of the I.F.C.</td>
<td></td>
<td>9,525,000</td>
</tr>
<tr>
<td>sterling</td>
<td>£25,400 × 375 = drs.</td>
<td>9,525,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>1,162,625,470</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>B. Service of Loans not under the Control of the I.F.C.</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) In sterling</td>
<td>£232,822 × 375 = drs.</td>
<td>87,308,250</td>
</tr>
<tr>
<td>(2) In dollars</td>
<td>$566,875 × 77 = drs.</td>
<td>43,649,375</td>
</tr>
<tr>
<td>(3) In paper drachmas</td>
<td></td>
<td>33,843,069</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>1,327,426,164</td>
</tr>
</tbody>
</table>

**Notes:**
1. Subject to the contingencies noted in the margin of Table B and the payment out of the revenues controlled by the International Financial Commission of £500,000 payable in a single instalment in 1927 or 1928 in accordance with the Greco-Turkish Convention on Exchange in Population.
ANNEX III.


Article 1.

In accordance with the Statutes annexed hereto a limited liability company is established under the title of “The Bank of Greece”. To the Bank thus constituted is granted the exclusive right of issuing bank notes throughout the territory of the State, as laid down in the said Statutes. The date upon which the Bank shall commence business shall be fixed by a decree and shall be a date not later than six months from that on which the loan referred to in Article I of the Protocol signed at Geneva on September ..., 1927, has been issued to the public. As from the date on which the Bank of Greece commences business, the National Bank of Greece renounces the right to issue bank notes. The National Bank will, however, continue thereafter to carry out all other operations contemplated by its Statutes or by laws and conventions that may now or in future be in force, provided that these operations are not of a nature which should properly be undertaken by a Central Bank of Issue.

Article 2.

The share capital of the Bank of Greece, as defined in Article 8 of its Statutes, is subscribed in full at par by the National Bank of Greece, and shall be paid for on the day of the commencement of business by the Bank of Greece as follows:

The whole of the capital shall be paid for by the transfer from the National Bank of Greece to the Bank of Greece of such bills and advances and other liquid assets as the latter is entitled to hold in conformity with its Statutes, and as may be agreed upon between the two Banks.

The whole of the capital of the Bank of Greece so taken over by the National Bank of Greece shall be offered at par by the latter for public subscription (with allowance, if necessary, for accrued interest at 8 per cent) in the following manner:

One-third shall be so offered not later than two months from the date on which the Bank of Greece commences business;
One-third not later than twelve months from the date on which such first issue to the public has been made;
One-third not later than twelve months from the date on which the second issue to the public has been made.

On the occasion of each public issue a preferential right of subscription to one-half of such issue shall be reserved to the shareholders of the National Bank of Greece in proportion to the number of shares held in the capital of that Bank, provided that any part of the capital of the Bank of Greece reserved to the shareholders of the National Bank of Greece and not so taken up by them shall be added to the other half of the current issue offered to public subscription.

The commission allowed to the National Bank of Greece for their services in connection with these issues shall be at the rate of not more than one-half of 1 per cent.

Such amount of the capital of the Bank of Greece as shall not have been offered for public subscription or which, notwithstanding such offer, has not been taken up and therefore remains in the possession of the National Bank of Greece shall be a single holding inscribed in the name of that Bank and represented by one certificate.

Until the third public issue referred to above has been made the National Bank of Greece shall not sell or otherwise dispose of any part of the capital of the Bank of Greece by private treaty.
1 Traduction. — Translation.

ANNEXE III

PROJET DE CONVENTION ENTRE LE GOUVERNEMENT HELLÉNIQUE ET LA BANQUE NATIONALE DE GRÈCE.

Article premier.

Conformément aux statuts annexés à la présente convention, il est créé une société à responsabilité limitée sous la raison sociale de « Banque de Grèce ». La banque ainsi constituée est investie du droit exclusif d'émettre des billets de banque sur tout le territoire de l'Etat, ainsi qu'il est stipulé dans lesdits statuts. La banque commencera ses opérations, à une date qui sera fixée par décret, et, au plus tard, six mois après la date à laquelle aura eu lieu l'émission publique de l'emprunt mentionné à l'article 1er du Protocole signé à Genève le ... septembre 1927. A partir de la date à laquelle la Banque de Grèce commencera ses opérations, la Banque nationale de Grèce renoncera à son droit d'émettre des billets de banque. Toutefois, la Banque nationale continuera à effectuer après cette date toutes les autres opérations visées par ses statuts ou par les lois et conventions qui sont maintenant, ou pourront être ultérieurement en vigueur, pourvu que ces opérations ne soient pas d'une nature telle qu'elles rentrent dans le domaine propre des opérations d'une banque centrale d'émission.

Article 2.

Le capital-actions de la Banque de Grèce, tel qu'il est fixé à l'article 8 de ses statuts, est souscrit entièrement, au pair, par la Banque nationale de Grèce et le versement en sera effectué, comme il est dit ci-dessous, à la date à laquelle la Banque de Grèce commencera ses opérations.

Le montant total du capital sera versé comme suit : la Banque nationale de Grèce transférera à la Banque de Grèce les effets, avances et autres avoirs liquides que cette dernière est autorisée à détenir conformément à ses statuts, et qui seront déterminés d'un commun accord par les deux banques.

Le montant du capital de la Banque de Grèce repris ainsi par la Banque nationale de Grèce, sera offert par cette dernière en souscription publique, au pair (compté tenu, au besoin, des intérêts courus à 8 %) comme il est dit ci-après :

Un tiers sera offert deux mois au plus tard après la date à laquelle la Banque de Grèce commencera ses opérations ;
Un tiers, douze mois au plus tard après la date à laquelle cette première émission publique aura eu lieu ;
Un tiers, douze mois au plus tard après la date à laquelle la deuxième émission publique aura eu lieu.

Lors de chaque émission publique, un droit de préférence, pour la souscription de la moitié des titres de l'émission en question, sera réservé aux actionnaires de la Banque nationale de Grèce, proportionnellement au nombre d'actions de cette banque qu'ils détiendront, sous la réserve que toute partie du capital de la Banque de Grèce, réservée aux actionnaires de la Banque nationale de Grèce et non souscrite par ces derniers, viendra s'ajouter à l'autre moitié de l'émission en cours faisant l'objet d'une souscription publique.

La commission allouée à la Banque nationale de Grèce pour les services qu'elle rendra l'occasion de ces émissions ne devra pas dépasser ½ %.

Le montant du capital de la Banque de Grèce qui n'aura pas été offert en souscription publique ou qui, quoique offert, n'aura pas été souscrit et restera, par conséquent, en la possession de la Banque nationale de Grèce, constituera une participation unique, inscrite au nom de cette banque et représentée par un seul titre.

Jusqu'au moment où la troisième émission publique mentionnée ci-dessus aura eu lieu, la Banque nationale de Grèce ne devra ni procéder à la vente ni disposer d'aucune autre manière, par un contrat privé, d'une partie quelconque du capital de la Banque de Grèce.

1 Traduit par le Secrétariat de la Société des Nations.

1 Translated by the Secretariat of the League of Nations.
After the three public issues in question have been made — that is to say after the whole of the capital has been offered to the public — any part of the capital which remains uncovered by public subscription shall be sold by the National Bank of Greece on demand at a price not above par, allowance being made for accrued interest, and with a commission of not more than one-half of 1 per cent.

Article 3.

On the date of the commencement of business by the Bank of Greece, the National Bank of Greece shall transfer to the Bank of Greece the following assets and liabilities:

Assets.

(a) Gold or foreign gold exchange of a value of £700,000.

(b) The gold and gold bonds of the Greek State described in the balance-sheet of the National Bank of Greece as cover for notes issued in conformity with Laws 656 of 1915 and 2547 of 1920, after deduction from the bonds forming part of this cover of bonds to the value of £700,000.

(c) The cover of the note issue of the National Bank of Greece issued in conformity with the Decree Law of April 23rd, 1923. This cover shall be transferred in the form of assets of the kind eligible for inclusion in the Reserve of the Bank of Greece, as provided in Article 62 of its Statutes.

(d) The silver deposited by the State as cover for the issue of subsidiary coinage.

(e) The gold deposited by the State in conformity with the Decree Law of May 11th, 1923.

(f) The following State Debts:

(1) Loans in respect of the forced circulation and provisional loans made under laws B φ Ι θ, 2547, 2577, 2855 and Decree Laws of December 10th, 1922, March 3rd, 1923, April 22nd, 1924, and August 5th, 1925 (after deducting the proportion of the Reserves constituted by Law 2577 that belong to the State and the value of the gold belonging to the State in accordance with Decree Law of May 11th, 1923).

(2) Loans arising out of law Ι Χ ΜΕ 1910 after deducting: (a) the difference on exchange dealings realised at the time when the Greek currency was at par with the United States dollar; (b) the amounts recovered from German and Austrian Banks under the Treaties of Versailles and Trianon and from a Hungarian Bank in accordance with a private agreement, in part payment of pre-war deposits with such Banks.

(3) The loan issued in accordance with the Decree Law of March 3rd, 1923, viz., 16,436,000 gold drachmas.

(4) Such other State loans or floating debt the transfer of which to the Bank of Greece may be agreed upon between the two Banks.

Liabilities.

(a) The bank notes of the National Bank of Greece in circulation.

(b) The deposits of the State and of State undertakings.

(c) The balances held for the service of State loans.

(d) Funds paid into Court.

(e) State deposits covering the issue of subsidiary coinage.

(f) The deposits of the International Financial Commission.

(g) The deposits of Greek Banks in so far as may be agreed by the depositors concerned. The National Bank shall use its best endeavours to obtain the consent of these depositors.

It is however provided that the total amount of the liabilities to be transferred to the Bank of Greece (including any credit balance that may be established in favour of the National Bank of Greece) shall be such that on the commencement of the Bank of Greece's business, its Reserve, as defined in Article 62 of its Statutes, shall be not less than 50 per cent of the notes in circulation and other demand liabilities then transferred.

The amounts taken over of the assets and liabilities mentioned above shall be those respectively outstanding in the books of the National Bank of Greece at the close of business on the day preceding that on which the Bank of Greece commences business.

The gold and silver will be taken over at a price in drachmas based on the average of the average daily prices of exportable gold and silver in the London market during the month preceding the date of commencement of business by the Bank of Greece, converted into Greek currency at the stabilisation rate.
The bonds of the Hellenic State shall be taken over at the average of the average "settlement" prices of Greek bonds on the London Stock Exchange during the three months ending September 30th, 1927, converted into Greek currency at the stabilisation rate.

The foreign exchange shall be taken over at the stabilisation rate.

The Bank of Greece shall realise as soon as practicable the silver and bonds contained in the above-mentioned assets and acquire with the proceeds thereof assets of the kind eligible for inclusion in its Reserve as defined in Article 62 of its Statutes.

Article 4.

The State will pay to the Bank of Greece, on the day on which it commences business, in foreign gold exchange, eligible for inclusion in the Reserve as defined in Article 62 of the Bank's Statutes, the equivalent of $3 millions from the proceeds of the loan issued in conformity with the Protocol signed by the Hellenic Government at Geneva on September ..., 1927, and a corresponding amount of the debt from the State to the Bank of Greece shall be cancelled simultaneously.

Article 5.

The State shall apply the under-mentioned funds annually towards the extinction of the remainder of its debts to the Bank of Greece and the National Bank of Greece as they shall exist after the repayment referred to in Article 4 has been made:

(a) During each of the first two years after the commencement of business by the Bank of Greece a sum of 200 million drachmas and thereafter 300 million drachmas.

(b) All seigniorage profits of the State derived from the issue of subsidiary coinage.

(c) All duties and taxes payable by the National Bank of Greece to the State and an amount equal to the State's participation in the profits of the Bank of Greece, less the sum required for payment of the interest on the United Six Per Cent Loan 1924 of the Hellenic State.

The total sum available from the sources described in (a), (b), (c) above, shall be divided between the two Banks in the proportion of two-thirds to the Bank of Greece and one-third to the National Bank of Greece.

After the debts of the State to the Bank of Greece has been reduced to the sum of 800 million drachmas, the State shall then apply to the amortisation of the remaining debt due to that Bank the whole of the State's participation in the profits of the Bank of Greece without making any such deduction as is provided for in (c) above, plus all seigniorage profits; and shall pay for the amortisation of the debt to the National Bank of Greece then due and outstanding, until that debt is extinguished, the sum of 100 million drachmas per annum.

For the purpose of the payments contemplated in this article the National Bank of Greece may retain the duties and taxes due by them to the State, and the Bank of Greece may retain the whole of the State's participation in the profits of the Bank of Greece.

Article 6.

That part of the net annual profits of the National Bank of Greece due to the addition to its gross profits of the dividends derived by it as shareholder of the Bank of Greece shall be free of all taxes.

Article 7.

The National Bank of Greece undertakes to maintain daily a minimum balance with the Bank of Greece equal to 7 per cent of the aggregate sight deposits payable in drachmas (including the sight deposits of the Savings Bank Department) held at its offices in Athens, the Piræus, and all centres where the Bank of Greece shall have established branches.
Article 8.

The National Bank of Greece undertakes to furnish to the Minister of Finance, not later than ten days after the close of the month to which it relates, a monthly statement of its accounts, in a form to be agreed upon with the Hellenic Government, and the Government undertakes to impose the same obligation to furnish similar statements upon all the other private Banks carrying on business in Greek territory. The Government shall thereupon supply the Bank of Greece with copies of all such statements and shall publish in the Official Gazette a summary of the statements showing the figures of each Bank.

Article 9.

On the date on which the Bank of Greece commences business all existing restrictions upon the purchase or sale of foreign exchange are abolished.

Article 10.

The present Agreement and the Statutes of the Bank of Greece annexed hereto shall come into force when they have been confirmed by a Decree Law and when a general meeting of the National Bank of Greece has approved this Agreement. No alteration in this Agreement shall be made without the consent of a general meeting of the Bank of Greece.

Article 11.

The gold content of the drachma shall be established by a decree which shall be promulgated on the day on which the Bank of Greece commences business.

The decisions fixing the maximum amount of subsidiary coinage which may at any time be in circulation, the method of its issue, and the amount for which such coins shall be legal tender shall be taken by the Government in accord with the National Bank of Greece until the Bank of Greece has commenced business and thereafter in accord with the Bank of Greece; provided that no such decisions shall be in contravention of the provisions of the Statutes of the Bank of Greece annexed thereto.

Article 12.

In case of any dispute arising between the Government, the National Bank of Greece and the Bank of Greece, or any two of them, as to the interpretation to be placed on any part of this Agreement, the question at issue shall be referred to a Commission of Arbitration, composed of one representative named by each party to the dispute and a Chairman co-opted by such representatives. Failing agreement upon the choice of a Chairman he shall be the President of the Cour de Cassation.

The Commission shall decide by a majority vote. In case of an equality of votes the Chairman shall have a second or casting vote. The Commission's decision shall be accepted as final.

ANNEX IV.

DRAFT STATUTES OF THE BANK OF GREECE.

Contents.

<table>
<thead>
<tr>
<th>Part</th>
<th>Articles</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. — General</td>
<td>1—7</td>
</tr>
<tr>
<td>II. — Capital and Reserves</td>
<td>8—10</td>
</tr>
<tr>
<td>III. — General Meetings of Shareholders</td>
<td>11—19</td>
</tr>
<tr>
<td>IV. — Administration</td>
<td>20—37</td>
</tr>
<tr>
<td>1. Board of Directors</td>
<td>20—27</td>
</tr>
<tr>
<td>2. Executive Committee</td>
<td>28</td>
</tr>
<tr>
<td>3. Governors</td>
<td>29—35</td>
</tr>
<tr>
<td>4. Board of Management</td>
<td>36—37</td>
</tr>
</tbody>
</table>
PART I. — GENERAL.

Article 1.

A limited liability Company is hereby established, under the title of "The Bank of Greece", having its registered 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 a General Meeting of its shareholders confirmed by a Decree.

Article 2.

The Bank of Greece shall have the sole right of issuing bank notes within the whole territory of the Hellenic State. The exclusive privilege of note issue shall extend until December 31st, 1960, and remain in force thereafter unless withdrawn by Law, provided that such withdrawal shall not take effect before the expiration of three years from the passing of such an Act; 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 Hellenic Government binds itself not to issue or re-issue money of any type whatever other than subsidiary coins of denominations not higher than 10 drachmas and these only to the Bank and at its request and in accordance with the Law.

Article 4.

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

Article 5.

To ensure the convertibility of its notes:

(1) The Bank, on the requisition of any person who makes a demand or offer to that effect at the Head Office of the Bank at 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 addition 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 at 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.

Part II. — Capital and Reserves.

Article 8.

The share capital of the Bank is 400 million drachmas, divided into 80,000 shares of 5,000 drachmas each, which shall be fully paid up. The National Bank of Greece takes over the 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 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-à-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 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 the Board of Directors with the like sanction.

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 the shareholders as constituted by the provisions of these Statutes is the supreme authority of the Bank and represents the whole body of the 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. Upon 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 such newspapers as the Board of Directors may decide. Not less than twenty-one days' notice shall be given of 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.

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 fifty. In case of a joint holding, only one shareholder will be permitted to attend the general meetings of shareholders.
**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 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 Board of Management not less than seven days before 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 declarations of dividends, and other disposal of 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 not be by secret ballot and each shareholder present shall be called upon separately for his vote;
(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.

I. BOARD OF DIRECTORS.

Article 20.

The general conduct of the affairs of the Bank shall be entrusted to a 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 specially reserved to the General Meeting.

Article 21.

The Board shall consist of the Governor, the Deputy Governor and nine Directors. At least three of the Directors shall be well versed and actively engaged in industrial or commercial matters, and three shall have experience in agricultural affairs.

The Governor and Deputy Governor shall be elected as provided 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.

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 Governor 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 Governor shall take oath before the President of the Republic 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, 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, a 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 shall summon meetings of the Board 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 the 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.

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 dimensions of the classes of business authorized in Article 55;
(c) Eligibility of applicants for accommodation by way of discounts 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 three 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;
(k) Writing-down of the Bank's assets;
(l) 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;
(m) Questions concerning the design, text, material, denominations and supply of bank notes, their withdrawal and cancellation, and the terms under which mutilated notes may be paid; the design, text and denominations shall, however, be fixed in agreement with the Minister of Finance;
(n) Questions regarding the liquidation of bankrupt enterprises and of debts due to the Bank;
(o) The opening or closing of branches and agencies of the Bank;
(p) The agendas for General Meetings;
(q) The signatures binding upon the Bank;
(r) 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 Committee 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, the Deputy Governor and two other members of the Board. The meetings of this Committee will be called by the Governor or, in his absence, the Deputy Governor, 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 Deputy Governor shall be elected by the General Meeting for a period of five years, shall devote their whole time to the affairs of the Bank, and shall receive such salary and allowances respectively as may be determined by the Board of Directors, provided that the Governors shall not be remunerated by any form of a commission (l’antière), or share in profits reckoned on the earnings of the Bank. The election of the Governor must receive the approval of the Government. The first Governor and Deputy Governor of the Bank shall be appointed irrevocably for five years by the Government in agreement with the National Bank of Greece. Both the Governor and the Deputy Governor shall be eligible for re-election.

Article 30.

The Governor or, in his absence, the Deputy Governor shall take the chair at meetings of the Board of Directors and Board of Management. Should both Governors be unable to be present, the chair at meetings of the Board of Directors shall be taken by a member of the Board selected for the purpose by the Board and, at meetings of the Board of Management, by the General Manager.

Article 31.

The Governor shall, on behalf of the Board of Directors, be in permanent control of the administration of the Bank’s assets and general business, taking decisions in all cases not specially 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 Governor, who in any case shall take the place of the Governor during the latter’s absence for any reason.

Article 33.

The clerical 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.

Article 34.

During their term of office, the Governor and Deputy Governor must each hold registered in his name not less than fifty shares of the Bank.
Article 35.

The Governor and Deputy Governor shall not engage in any business for their own account. No bills or notes signed by them shall be accepted for discount or as guarantee 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 Governor, General Manager, and the 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, in particular as regards discounts and advances, and shall submit its opinion on all matters referred to it by the Board of Directors.

PART V. — STAFF OF THE BANK.

Article 38.

The clerical 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.

The Bank’s managers and employees 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, provided that the managers and employees shall not be remunerated by any form of a commission (tantième) or share in profits reckoned on the earnings of the Bank.

Article 39.

Neither the managers nor any other officials or employees of the Bank shall be allowed to engage in business for their own account. No bills or notes signed by them shall be accepted for discount or as guarantee for an advance granted by the Bank.

PART VI. — DISCOUNT COMMITTEES.

Article 40.

Discount Committees shall be created 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 first 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 none the less be discounted provided that on each such occasion the bills be 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 the giving of 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 banking 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 per cent 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 by them.

The Bank shall be entrusted with the issue and management of all internal State debt, upon such terms and conditions as may be agreed upon.

Article 46.

The Bank shall not grant accommodation to the State, or State undertakings, directly or indirectly by way of discounts, loans, advances or overdrafts otherwise than is provided in Article 55 (11). Neither 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 decided 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 Cour de Cassation.

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 subjected 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 those 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 in Article 44.

Article 52.

The Bank shall draw up a Return of its assets and liabilities as on the 7th, 15th, 23rd and last day of each month, and publish it not later than a week after these dates, in the form set out in the Annex to these Statutes.

Article 53.

The Bank shall also publish annually, not later than one month before 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 bank notes.

2. Issue demand drafts and bank post bills made payable at the Bank's Head Office or branches. No such drafts or bills drawn by the Bank on itself shall be made payable to Bearer.

3. Buy and sell gold coin or bullion.

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 also discount coupons, maturing within three months, of Bonds issued or guaranteed by the Hellenic 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, within the first three years of the Bank’s existence, the rate at which such inland agricultural bills and notes shall be discounted may be a rate not more than 1 per cent below the Bank's official
minimum rate of discount for all other classes of bills, but this provision shall cease to be operative on the first occasion on which such official minimum rate shall be reduced to 7 per cent.

(6) Discount, purchase and sell Treasury bills of the Hellenic 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 together at any time exceed 400 million drachmas. The aggregate of such discounts, collateral security, and advances to the State made under authority of Section 11 below shall not exceed one-tenth of the total estimated receipts of the Ordinary Budget for the current financial year as voted by Parliament.

(7) Undertake the issue and management of the State Debt and loans of other public bodies, and operations for the State as provided for in Article 45.

(8) Buy and sell, at home and abroad, foreign currencies stabilised on gold, telegraphic transfers, cheques, bills of exchange (including Treasury bills) and drafts drawn in or on any place in a 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) 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 Hellenic 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 for hypothecation shall be chosen by a three-quarters majority vote of a meeting of the Board of Directors.

(c) Treasury bills of the Hellenic 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 Co-operative 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 staple commodities duly insured bearing at least one good signature, provided that no advance shall exceed 80 per cent of the current value of the commodities in question.

The rate of interest charged on all advances except any made under Section 11 below shall be not less than 1 per cent above the Bank's current official discount rate for three-months 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 400 million drachmas, and that all advances shall be repaid not later than at 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.
Article 56.

The Bank may not:

(1) Issue notes of a denomination less 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 so far 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 company.

(5) Pay interest on money placed on deposit or current account with the Bank except that interest may be paid to the Hellenic 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 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 maintain the provisions of Article 55 (16). 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, placing the balance remaining, 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 the insolvency of a borrower, 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 time make public the minimum rate at which it is prepared to discount bills.

PART XI. — COVER FOR NOTES AND OTHER DEMAND LIABILITIES.

Article 61.

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. By bank notes in circulation are to be understood all bank notes issued to the public and not returned to the offices of the Bank.

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 in any Mint, or in transit;

(b) Net foreign gold exchange in the unrestricted ownership of the Bank, provided that it be either:

(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

(ii) 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 (i).

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;

(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.

Temporary Provision. — During the first five years of the existence of the Bank of Greece, the Bank
may hold in its Reserve the gold bonds of the Hellenic State referred to in Article 3 ("Assets (b)")
of the Agreement to which these Statutes are annexed.

Article 63.

At the request of the Bank, the Government may suspend the operation of Article 61 subject to
the payment by the Bank to the Government of a tax.
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:

\[ 1 \frac{1}{8} \text{ per cent per annum above the published minimum current discount rate of the Bank for three-months bills if the Reserve, while less than 40 per cent, is not less than 35 per cent.} \]

\[ 2 \text{ per cent per annum above such minimum current discount rate if the Reserve, while less than 35 per cent, is not less than 30 per cent.} \]

\[ 3 \text{ per cent above such minimum current discount rate if the Reserve is less than 30 per cent.} \]

Article 64.

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 bank notes in Greece under the provisions of Articles 2, 4 and 5. It may, for
a period of five years from the date on which these Statutes come into force, issue bank notes 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 bank notes shall, unless a contrary intention
appears, apply to all bank notes of the National Bank of 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 bank notes or any other kind of paper money.

Article 66.

The bank notes issued by the Bank of Greece shall be legal tender throughout the Hellenic 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 bank notes is issued, the Bank must publish a description of them in the Official Gazette.

Article 68.

In the event of the calling in of any series of notes, 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.

Ten 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 as in circulation. Any such note subsequently presented for payment shall, however, be paid by the Bank.

Article 69.

The Bank shall exchange its notes 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 notes presented, giving a receipt in return.

Part XIII. — Appropriation of Profits.

Article 71.

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.

Part XIV. — Special Rights of the Bank.

Article 72.

The provisions of the laws regarding joint-stock companies and Banks shall not be applicable to the Bank of Greece in so far as they may be in conflict with this Act.

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 in Article 63.
PART XV. — WINDING-UP OF THE BANK.

Article 74.

In the event of the withdrawal of the note-issuing privilege (Article 2), the Bank shall be wound up, the 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 Cour de Cassation. 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 shareholder.


Assets.

1. Gold coin and bullion.
2. Foreign gold exchange (Article 62 of Statutes).
3. Other foreign exchange.
4. Subsidiary Greek coins.
5. Inland bills and notes:
   (a) Commercial bills and notes.
   (b) Treasury bills.
6. Advances:
   1. Repayable in drachmas:
      (a) Government.
      (b) Others.
   2. Repayable in foreign exchange.
7. State debt.
8. Investments.
10. Other assets.
11. Capital paid up.
12. Reserve Funds:
    (a) General Reserve Fund.
    (b) Special Reserve Funds.
14. Other sight liabilities in drachmas:
    1. Current and deposit accounts:
       (a) Government accounts.
       (b) Bankers' accounts.
       (c) Other accounts.
    2. Bank post bills and demand drafts.
15. Deposits in drachmas at notice:
    (a) Government accounts.
    (b) Bankers' accounts.
    (c) Other accounts.
16. Foreign exchange liabilities:
    (a) Foreign gold exchange (Article 62 of Statutes).
    (b) Other foreign exchange.
17. Other liabilities.

Proportion of Gold and Net Foreign Gold Exchange to Sight Liabilities.

Gold
Net foreign gold exchange
(No. 2 less No. 16.)
Reserve (as laid down in Article 62 of Statutes)

Notes
Other sight liabilities in drachmas

Proportion of Total (a) to Total (b) = %
ANNEX V.

DETAILS OF THE TREASURY ARREARS TO BE PAID OFF OUT OF THE YIELD OF THE LOAN AND OUT OF THE AVAILABLE RESOURCES OF THE HELLENIC GOVERNMENT.

1. Arrears left from 1925-26 and previous financial years:

<table>
<thead>
<tr>
<th></th>
<th>Drachmas</th>
<th>Drachmas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total arrears to be paid (estimate)</td>
<td>598,286,208.78</td>
<td></td>
</tr>
<tr>
<td>Total arrears to be collected (estimate)</td>
<td></td>
<td>30,000,000.—</td>
</tr>
<tr>
<td>Balance to be paid</td>
<td></td>
<td>568,286,208.78</td>
</tr>
</tbody>
</table>

2. Arrears left from the financial year 1926-27:

<table>
<thead>
<tr>
<th></th>
<th>Drachmas</th>
<th>Drachmas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total arrears to be paid (estimate)</td>
<td>595,367,713.—</td>
<td></td>
</tr>
<tr>
<td>Total arrears to be collected (estimate)</td>
<td></td>
<td>59,848,800.—</td>
</tr>
<tr>
<td>Balance to be paid</td>
<td></td>
<td>535,518,913.—</td>
</tr>
</tbody>
</table>

3. Value of property belonging to foreigners, and expropriated for the settlement of refugees

<table>
<thead>
<tr>
<th></th>
<th>Drachmas</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>150,000,000.—</td>
</tr>
</tbody>
</table>

4. Compensation to owners of vessels requisitioned during the war

<table>
<thead>
<tr>
<th></th>
<th>Drachmas</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>80,000,000.—</td>
</tr>
</tbody>
</table>

5. Sundry payments made by the Treasury, the settlement of which will necessitate the issue of drafts chargeable to the budget:

<table>
<thead>
<tr>
<th></th>
<th>Drachmas</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Transport service</td>
<td>129,000,000.—</td>
</tr>
<tr>
<td>(b) Sundries</td>
<td>171,000,000.—</td>
</tr>
</tbody>
</table>

6. Debt to the Refugee Settlement Commission

<table>
<thead>
<tr>
<th></th>
<th>Drachmas</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>57,000,000.—</td>
</tr>
</tbody>
</table>

7. Debt to the Refugee Settlement Commission in respect of tithe for the year 1926-27

<table>
<thead>
<tr>
<th></th>
<th>Drachmas</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>53,000,000.—</td>
</tr>
</tbody>
</table>

Total

<table>
<thead>
<tr>
<th></th>
<th>Drachmas</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,743,805,121.78</td>
</tr>
</tbody>
</table>

The payment mentioned under Nos. 3, 4, 5, 6 and 7 will be met out of the yield of the loan; the arrears, the payment of which is mentioned under Nos. 1 and 2, will be met out of the balance of the loan which is available after the former payments have been made, and out of the sum of 666 millions which is, according to the Greek Government's statement, the available surplus of the Treasury on the financial year 1926-27 and previous years and on the revenues collected since April 1st, 1927.

ANNEX VI.

SUMMARY PLAN FOR CENTRALISATION OF ACCOUNTS AT THE BANK OF GREECE.

The Hellenic Government considers that the centralising of receipts and expenditure at the Bank of Greece could be brought about in the following manner:

1. The Bank of Greece, as soon as it is created, would be responsible for all collections of money and all payments on behalf of the budget and State enterprises. The public cashiers would continue to perform all administrative acts relating to such collections and payments and would continue to be responsible for them to the Audit Office.

   This first step would result in the transfer to the Bank of Greece of the funds now held by the public cashiers, and would thus concentrate all the resources of State in the Bank.

1 The arrears mentioned under Nos. 1, 3, 4, 5, 6 and 7 above are arrears existing on April 1st, 1927, those mentioned under No. 2 above are arrears existing on August 1st, 1927.
2. As regards the operations contemplated in the first paragraph of this Sub-Appendix, the branches of the National Bank of Greece will act as agents for the Bank of Greece. Nevertheless, at points where the distance of any branch of the Bank of Greece, or of the National Bank of Greece, makes it impossible to carry out the operations contemplated in paragraph 1 above, the public cashiers will remain responsible for the operations of a State Pay Office.

The Hellenic Government will make every effort to apply the general measures described above as widely as possible. Moreover, the Hellenic Government will examine the desirability of transferring, after a certain interval, all or part of the functions of the public cashiers to the local agents of the Bank.

3. After this first reform, the various Treasury accounts not relating to the budget operations would by gradual stages be transferred to the Bank of Greece; the most important of these being the accounts of the Deposits Fund, the accounts of special funds and the accounts of communal deposits.

This second step could be completed in two years at the most after the creation of the Bank of Greece. It would leave only the budget accounts in the Treasury’s balance sheet and would make it possible to publish a monthly statement showing the stages and the nature of these transactions.