

# International Deposit Insurance Survey

## Section 1: Background Information

### 1.1 Organization (deposit insurer) responsible for administering the deposit insurance system:

#### 1.1.1 Organization Name:

BANK OF GREECE

#### 1.1.2 Organization Address:

21, E. VENIZELOS AVE., 102-50, ATHENS

#### 1.1.3 Organization Telephone No:

(3010) 320-1111

#### 1.1.4 Organization Fax No:

#### 1.1.5 Organization Internet Address:

bogdup2@otenet.gr

### 1.2 Contact Person(s):

#### 1.2.1 Contact Person(s) Name:

#### 1.2.2 Contact Person(s) Address:

#### 1.2.3 Contact Person(s) Telephone:

#### 1.2.4 Contact Person(s) Fax:

#### 1.2.5 Contact Person(s) E-mail address:

#### 1.2.6 Are there other deposit insurance systems operating in your country ? (i.e. applying to other types of non-bank or non-depository institutions e.g.. insurance, securities) Please state their name(s) and contact information:

**1.3 Please provide information on other participants in your financial system safety-net:**

**1.3.1 Name of Central Bank:**

**1.3.2 Central Bank Address:**

**1.3.3 Central Bank Telephone:**

**1.3.4 Central Bank Fax:**

**1.3.5 Central Bank Internet Address:**

**1.3.6 Central Bank Contact Person:**

**1.4 Financial Supervisor:**

**1.4.1 Financial Supervisor Name:**

BANK OF GREECE

**1.4.2 Financial Supervisor Address:**

**1.4.3 Financial Supervisor Telephone:**

(3010) 320-1111

**1.4.4 Financial Supervisor Fax:**

**1.4.5 Financial Supervisor Internet Address and contact:**

bogdup2@otenet.gr

**1.5 Other related entities:**

**1.5.1 Other Related Entities Name:**

**1.5.2 Other Related Entities Address:**

### **1.5.3 Other Related Entities Telephone:**

### **1.5.4 Other Related Entities Fax:**

### **1.5.5 Other Related Entities Internet Address:**

## **Section 2: Objectives, Mandates & Powers**

### **2.1.1 When and why was the DIS established (please provide details)?**

The Hellenic Deposit Guarantee Scheme was introduced by Law 2324/95 (as amended by Law 2832/2000) coming into effect in July 1995. The law was based on the EU Directive 94/19 and established the Hellenic Deposit Guarantee Fund (TEK) as manager of the scheme which started operating at the end of the same year.

### **2.1.2 What are the stated public policy objectives or mandate for your country's DIS? When was the last time they were reviewed and changed?**

Its stated objective is to pay compensation to depositors in credit institutions whose head offices are located in Greece or in branches of non-EU based credit institutions without an equivalent guarantee system in the country of origin in the event that deposits with these institutions become unavailable.

### **2.1.3 What process was used to determine these objectives in your country?**

The Law 2832/2000 provides for the stated objectives.

### **2.1.4 What is the legal basis under which the DIS was established? Please provide a copy.**

Legislation

Law 2324/95 as amended by Law 2832/2000

### **2.1.5 Is there a formal process for a periodic review of the policy objectives/mandates?**

No

### **2.1.6 What sort of system do you have?**

Other

Government legislated and administered by a Board consisting of members from the private sector and the public sector.

### **2.1.7 Who makes decisions to pay depositor claims?**

## **2.2 Which of the following powers has been provided to the DIS in order to carry out its mandate?**

### **2.3 Authority to**

#### **2.3.1 Enter into contracts**

No

### **2.3.2 Set regulations or by-laws for conduct of its business**

Yes

Law 2832/2000 specifies terms and conditions of membership.

## **2.4 Authority over entry and exit of member deposit taking institutions**

### **2.4.1 Establish terms and conditions of membership**

Yes

If the member does not comply with the provisions of the Law.

### **2.4.2 Authority to terminate the insured status of a member institution**

Yes

## **2.5 Depositor reimbursement**

### **2.5.1 Affect reimbursement of depositors claims**

### **2.5.2 Access to depositor information**

### **2.5.3 Use various methods of reimbursing depositors claims**

Yes

## **2.6 Funding**

### **2.6.1 How funding is provided**

Yes

### **2.6.2 Terms and conditions of premiums or levies**

Yes

TEK may raise loans from participating credit institutions if ex-ante and ex-post funding is not sufficient to cover the compensation to be paid.

### **2.6.3 Borrowing authorities and limits**

Yes

Member banks are obliged to supply information regarding deposits that form the basis for premiums calculation.

## **2.7 Information Requirements**

### **2.7.1 Access to information directly from member deposit taking institutions or its auditors**

Yes

TEK cooperates with the Bank of Greece for any required information.

**2.7.2 Access to information through supervisory authorities**

No

**2.8 Enforcement and intervention**

**2.8.1 Authority to conduct examinations and/or reviews**

No

**2.8.2 Ability to set standards or guidelines for member institutions**

No

**2.8.3 Authority to take enforcement actions against members (i.e. such as the authority to require a change in institutional control and/or behaviour).**

No

**2.8.4 Authority to cancel deposit insurance of a member institution**

**2.8.5 Authority to hold officers and directors of failed institutions legally liable for the failure of the institution**

No

**2.9 Failure resolution**

**2.9.1 Authority to decide on appropriate form of failure resolution**

No

**2.9.2 Authority to provide financial assistance (e.g. in the form of a loan -- with or without security -- by purchasing assets from the institution or through some other process).**

No

**2.9.3 Authority to guarantee deposits with member institutions or guarantee loans to an institution by other parties**

**2.10 Authority to:**

**2.10.1 Undertake formal liquidation**

**2.10.2 Purchase and assumption (sale and merger)**

**2.10.3 Open assistance (bridge bank)**

## **2.10.4 Other forms of failure resolution**

## **2.11 Optimizing recoveries**

### **2.11.1 Ability to act as a receiver**

No

### **2.11.2 Ability to act as a liquidator**

Yes

In the case that an institution does not comply with the requirements set by Law.

## **Section 3: Governance Arrangements**

### **3.1.1 Is the DIS a legally separate organization from other public or private bodies? (e.g. central bank, supervisor, industry association)**

Yes

### **3.1.2 What is the form of governance used by the DIS organization?**

Board of Directors

null|null|null|null|null|

### **3.1.3 How is the governing body selected?**

It is appointed by the Ministry of Economy and Finance.

### **3.1.4 What is the composition of the governing body?**

The Board is composed by eight members and is chaired by one of the Deputy Governors of the Bank of Greece. The other seven members are selected as follows: two from the Bank of Greece, three from the Hellenic Bank's Association, one from the Ministry of Economy and Finance and one from the Hellenic Cooperative Bank's Association.

### **3.1.5 What are the duties and responsibilities of the governing body?**

It is the governing body of TEK and can decide on all issues with respect to the fulfillment of TEK's mandate and represents the Fund in any official capacity.

### **3.1.6 Is there any direct or indirect representation in the management of the DIS by member insured institutions?**

Yes

### **3.1.7 Is there any direct or indirect representation in the management of the DIS by the central bank?**

### **3.1.8 Is there any direct or indirect representation in the management of the DIS by the regulator?**

### **3.1.9 Is there any direct or indirect representation in the management of the DIS by**

**the supervisor?**

**3.1.10 Is there any direct or indirect representation in the management of the DIS by other?**

**3.1.11 Please provide a breakdown of the management structure of the DIS**

TEK comprises of the following units: an Administration Dept., an Accounting Asset Management and Compensation Dept., a Research and Relations with Credit Institutions and Deposit Guarantee Schemes Dept., a Legal Dept. and an internal Audit Service.

**3.1.12 Do you have an internal control and audit systems**

Yes

**3.1.13 Are directors and officers of the DIS and/or supervisors personally liable for their decisions in the normal course of their activities?**

No

**3.1.14 Is there an advisory committee to the DIS?**

No

**3.1.15 Has the DIS ever taken legal action against directors of failed member institutions? Or others? What position did the person(s) hold?**

No

**3.1.16 Please indicate which of the following tools are used as part of your accountability regime.**

## **Section 4: Human Resources & Infrastructure**

**4.1.1 What is the total number of employees at the DIS (e.g. full-time, part-time and contract) ?**

Eleven (11)

**4.1.2 Are the majority of DIS employees dedicated staff or do they come from other organizations (i.e. government, central bank, private sector)?**

Yes

**4.1.3 Does the DIS train and develop its own staff? If so, briefly describe programs which have been put in place for training and development?**

Yes

The staff attends seminars

**4.1.4 Is there shared training and development between the staff of the DIS and other authorities involved in financial sector supervision or regulation? (i.e. central bank, supervisor, regulator, other)**

No

**4.1.5 Are compensation and incentives offered sufficient to attract and retain skilled staff? Please elaborate.**

4

The staff has been recruited from the private sector as skilled staff and compensation granted is according to their skills.

**4.1.6 Are confidentiality provisions for employees provided for?**

**4.1.7 Do employees of the DIS receive legal protection against lawsuits for their actions taken in good faith and acting in the best interests of the DIS?**

No

**4.1.8 What percentage of the budget is spent on training and development and information technology?**

About 2%

## **Section 5: Information Sharing & Interrelationship Among Safety-Net Players**

**5.1.1 Who performs examinations of DIS member institutions?**

Central Bank

**5.1.2 Please describe the examination process that is used to evaluate member institution performance?**

On and off-side examinations

**5.1.3 What information is collected from member institutions for the DIS and other parties?**

All information required for the calculation of annual contributions

**5.1.4 What arrangements (i.e. formal or informal) are in place between organizations responsible for deposit insurance and other parties comprising the safety-net (e.g. central bank, supervisor, regulator) regarding the sharing of information concerning member institutions? Please provide details of these agreements.**

The Law provides for cooperation between the Central Bank and TEK. The Central Bank communicates to TEK the findings of its audits regarding the proper calculation of credit institutions' contributions.

**5.2 On a scale from 1 to 5, 1 being low and 5 being high, please rate both the accessibility (i.e. access to all necessary information for the DIS to fulfill its mandate) and timeliness ( i.e. information is received when needed) of information that is shared amongst members of the safety net.**

**5.2.1 accessibility**

4

## 5.2.2 timeliness

5

## 5.2.3 Is there a consistent definition/classification across authorities of problem institutions

## 5.2.4 When policy regarding the DIS and financial sector is developed or amended, are other bodies consulted and/or advised (e.g. central bank, supervisor, regulator, government, industry associations) ? If you do consult and/or advise what bodies do you do it with?

## 5.2.5 Is discussion with other bodies encouraged prior to the implementation of new policy?

## 5.2.6 How often do you contact other DIS?

Occasionally

## 5.2.7 Is the DIS consulted when the regulator, supervisor or central bank enters into an agreement with a financial institution that is experiencing problems?

No

## Section 6: Membership

### 6.1.1 What types of institutions are covered in your DIS?

Commercial banks and cooperative banks

### 6.1.2 Is membership in the DIS mandatory for designated deposit taking institutions?

Yes

### 6.1.3 Do you have terms and conditions of membership? (i.e. laws, regulations or agreements which member institutions have to abide by) If so, please explain the application process used and any conditions of membership imposed on institutions by the DIS.

### 6.1.4 Is the membership of foreign institutions (i.e. foreign bank branches and/or subsidiaries) covered in the same way as domestic institutions? If not, please describe the difference.

Yes

Yes, for branches of non-EU banks if their home country does not have an equivalent deposit guarantee scheme. Branches of EU banks may also participate for supplementary cover if the deposit guarantee scheme of their country is not equivalent to the Greek scheme in terms of level and/or scope.

**6.1.5 If more than one safety-net organization is responsible for the application process for membership, how is the application process coordinated between the parties responsible?**

TEK is the only organisation responsible for providing deposit guarantee.

**6.1.6 Are deposit-taking institutions required to re-apply for membership after a certain period of time?**

**6.1.7 How many member institutions do you have?**

At present there are 45 member institutions.

**6.1.8 What is the total level of assets, deposits and insurable deposits of all DIS member institutions?**

At 31/12/2001 assets: 380 million euros Deposits as a base of calculation of premiums: 85 billion euros  
Insurable deposits: no available data

## **Section 7: Coverage**

**7.1.1 Is there a formal definition of a deposit and or insured deposit used by your DIS? If so what is it?**

**7.1.2 What types of deposits are eligible for coverage in your DIS?**

Savings account,Chequing account,Foreign currency deposits

null|null|null|null|null|null|null|null|null|null

**7.1.3 Is coverage**

per depositor per institution

**7.1.4 What is the coverage limit per depositor?**

20,000 Euro

**7.1.5 How was this figures arrived at?**

It is stated in Law 2832/2000

**7.1.6 For eligible financial instruments with maturity dates, what is the longest contract term covered by the DIS?**

Financial instruments with maturity dates are not covered

**7.1.7 What types of depositors are not eligible for coverage in your DIS?**

Foreign (non-residents),Corporations (domestic),Corporations (foreign),Other  
Deposits by other than central government (ministries and decentralised government  
agencies)|null|null|null|

**7.1.8 Is the coverage amount indexed?**

No

### **7.1.9 What is it indexed to?**

#### **7.1.10 Does your DIS use coinsurance? If coinsurance is used please describe the approach used.**

No

#### **7.1.11 Is the public widely aware of the presence of coinsurance?**

#### **7.1.12 Are coverage levels affected by resolution methods? If so, please explain.**

No

#### **7.1.13 To what extent, is there a public expectation that the DIS coverage limit would be extended to 100% coverage in the event of a banking crisis or the failure of a very large institution? Please provide recent examples, if applicable.**

No

#### **7.1.14 How is a decision made on the insurance eligibility of new financial products?**

Are not covered

#### **7.1.15 When member institutions merge how are insured deposits treated?**

After a merger, insured deposits are treated as those of a unique institution

### **7.2 Does your country offer the following?**

#### **7.2.1 Islamic banking**

#### **7.2.2 Islamic deposit insurance**

## **Section 8: Funding & Fund Management**

### **8.1.1 What type of funding is used by the DIS?**

A combination of the above two approaches

In principle DIS uses ex-ante funding. If, however, such funding is not sufficient to compensate depositors, ex-post funding may also apply. See also answer 14 of this section.

### **8.1.2 Is the DIS funded by levying insurance premium assessments against member institutions or, by some other means such as general tax revenues?**

Other

According to the law credit institutions participating in TEK pay contributions annually, which are calculated on the average outstanding balance of their total deposits, which form the basis of the calculation

### **8.1.3 If insurance premiums are assessed, are they assessed as a flat rate or are they differential in some way, please explain? (e.g. risk based)**

The calculation of annual contributions is based on a regressive scale. The scale's thresholds are revised

each year by the Board so that the ratio of total annual contributions to total deposits used for the calculation remains unchanged at the level of the first year of TEK's operation

**8.1.4 What is the current premium rate? If there have been changes to this rate, details would be appreciated.**

The scale used for calculating the annual contributions for the year 2001 is the following: Thresholds of deposits (EUR millions) Percentage premium rate 0 – 331.6 0.1250 331.6 – 1,655.2 0.1200 1,655.2 – 4,892.1 0.1175 4,892.1 – 11,583.3 0.0205 over 11,583.3 0.0025

**8.1.5 How often is the premium assessed?**

The contributions are calculated annually.

**8.1.6 Is the premium assessed on total deposits, insured deposits or something else?**

Other

The contributions are calculated on the basis of total deposits after the deduction of certain categories of deposits stated in the law 2832/2000. The exempted categories are mainly the same with those not covered by the scheme

**8.1.7 Are premiums paid by member institutions tax deductible as a business expense?**

Yes

**8.1.8 For premiums that are differentiated please explain the risk assessment system that is used to ascertain a premium assessment.**

The annual contributions paid by member institutions are not differentiated according to risks.

**8.1.9 Does the DIS have a target with respect to the optimal size of the DIS fund? (Yes is chosen go to question 8.10 otherwise Skip the next 2 questions)**

**8.1.10 How is the optimum level (i.e. target) of the fund determined?**

The Board has not yet decided about the reasonable ratio of TEK's accumulated resources to covered deposits

**8.1.11 What investment policies (i.e. safeguards against abuse) exist concerning the use of the fund?**

**8.1.12 If a fund is not maintained, is an assessment levied on institutions after the failure of a financial institution has occurred? If so, please explain how the levies are determined and losses distributed among institutions.**

Other

Not applicable

**8.1.13 Which of the following sources of additional funding, for emergency or liquidity purposes, does the DIS have access to?**

**8.1.14 Are member institutions required by law to issue, on a regular basis, subordinated debt?**

No

## **Section 9: Reimbursing Depositors**

### **9.1.1 Please describe the procedure for reimbursing depositors used by your DIS?**

TEK, following a decision of the Bank of Greece or Court ruling that deposits of a failed institution become unavailable, must take the following action: a) Draw up a list of the depositors who are entitled to compensation, on the basis of data provided by the credit institution in question. b) Set off the depositors' claims against any counterclaims of the credit institution. c) Inform depositors through the daily press or by mail of their right to compensation. d) Pay compensation in respect of unavailable deposits.

### **9.1.2 Are depositors required to file a claim when a member institution fails? If so, what is the process?**

No

### **9.1.3 When is the DIS obligated to reimburse insured depositors?**

TEK is obligated to reimburse insured depositors if a credit institution fails to repay deposits to their owners. A credit institution's inability to repay deposits is decided by the Bank of Greece, or by a court ruling, which may theoretically be issued in advance of any decision by the Bank of Greece.

### **9.1.4 Is there an established legal basis upon which to base the reimbursement process? Please explain.**

Yes

The reimbursement process is based on Law 2832/2000

### **9.1.5 Is the DIS subject to explicit standards for prompt reimbursement? If so what are they?**

Yes

TEK pays compensation in respect of unavailable deposits within three months of the date when the deposits became unavailable. This time limit may be extended by no more than two further 3-month periods. The depositors' right to compensation lapses five years after the end of the last extension of the time limit set for the commencement of the compensation procedure

### **9.1.6 What methods of payment can be used and under what circumstances are they used?**

Methods of payments are not specified in law. Normally payments are made in cash or by checks.

### **9.1.7 Are the rules regarding clearing, set-off, trust accounts, and related issues well defined (through the legal system or formal agreement)? Please explain.**

Yes

### **9.1.8 What are financial institutions obligated to hold with respect to deposit records?**

Financial statements

### **9.1.9 When is the DIS given access to an institutions financial and depositor records?**

No

### **9.1.10 Does the DIS have the option of making advance payments to depositors in situations of dire need (i.e. in an emergency)?**

No

**9.1.11 Does the DIS make interest payments to depositors during the time taken for reimbursement? Please explain.**

No

**9.1.12 What information is communicated to depositors regarding the reimbursement process?**

The right of compensation and the amount to be reimbursed

**9.1.13 What process does the DIS use to ensure that depositor secrecy and confidentiality is maintained during the reimbursement process?**

The law is silent on this issue. General principles will apply.

**9.1.14 What steps are taken to verify, reconcile and settle insured deposit accounts?**

Compensations are paid on the basis of data provided by the respective credit institution, which must accomplish all the necessary actions.

**9.1.15 What steps are taken to ensure that an institutions depositor records are accurate, up to date and accessible?**

The Bank of Greece, which is the authority entitled to carry audits on credit institutions, communicates to TEK any findings, which are related to insured deposits

**9.1.16 Does the DIS document its experiences with respect to each reimbursement action (i.e. lessons learned) in order to allow for continuous improvement?**

Other

TEK makes reports to the competent authorities.

**9.1.17 What technologies does the DIS use to facilitate the reimbursement process?**

Computer technologies

## **Section 10: Public Information & Awareness**

**10.1.1 What obligations are there to inform the public?**

All credit institutions and foreign bank branches operating in Greece are required by law to publish a detailed brochure to inform depositors. This brochure must contain at least the following data: a) The maximum level of cover per depositor and, in the case of branches of foreign banks, any joint liability of the depositor under the law of the home country. b) The currencies covered. c) The types of deposit excluded from cover. d) The obligation to set off the credit institution's claims against the customer and the procedure, deadlines and conditions by which compensation payment is effected. The objective of this brochure is to provide the public with essentially the same information across the various credit institutions, so as to avoid confusion that could give rise to unfair competition among credit institutions. Credit institutions that join the deposit guarantee scheme at a subsequent date must publish the information brochure within three months of joining TEK.

**10.1.2 Who is responsible for communicating information about the DIS to the general public?**

DIS,Other

Both TEK and the credit institutions participating in the scheme.|null|null|null|null|null|

**10.1.3 Are these explicitly stated in policy or law?**

**10.1.4 Are the terms and conditions of DIS explained in a manner that the general public can understand fully?**

Yes

**10.1.5 If so, what methods are utilized?**

Brochures, Telephone call center, Website

Information is provided by telephone to any interested to learn about the system|null|null|null|null|

**10.1.6 At what point is information disclosed to the public about an institution that is having problems and how is information disclosed?**

Information about an institution what is having problems is not disclosed to the public.

**10.1.7 Has a survey of public awareness about the DIS been conducted? If so/ what were the results? If not why not? Please include supporting documentation.**

No

**10.1.8 Has the DIS ever embarked on a public awareness campaign to increase awareness and knowledge? If yes, how many times has this been done and when was the last time?**

Other

Every year TEK organizes a press conference aiming to provide the public with information on the deposit guarantee scheme in Greece. The last one was held last October. TEK also publishes a handbook to inform depositors about the role of TEK.

**10.1.9 Please describe the approach used; objectives, target audience, communication strategy, and timing results.**

See answer 8 above.

## **Section 11: Risk Assessment & Intervention**

**11.1.1 Does the DIS have a risk monitoring function to analyze and assess the risk of member financial institutions?**

No

**11.1.2 Does the DIS perform examinations of its member institutions? If not, who does?**

No

Supervisor

**11.1.3 Does the DIS receive information/data/statistics directly from its member institutions or from a third party, such as a regulator or supervisor? If so what information is received and how often?**

Yes

**11.1.4 What is the risk assessment approach used by the DIS to monitor financial institutions? Please describe. Please be sure to include the criteria used to determine member institution risk.**

**11.1.5 Please list and describe the actions taken by the DIS in situations where member institutions are causing concern. Please indicate when coordination occurs with other supervisory/regulatory authorities and the mechanisms used.**

Such actions fall with the responsibility of the Bank of Greece

## **Section 12: Failure Resolution**

**12.1.1 Is your DIS involved in the failure resolution of member institutions?**

No

**12.1.2 Who determines whether a member institution has failed or is insolvent?**

**12.1.3 Under what conditions can the DIS cancel/terminate the deposit insurance of a member institution?**

**12.1.4 How is the failure/non viability of a member institution determined?**

**12.1.5 How many member institutions have failed in your country in the last 20 years?**

**12.1.6 Do banks go through the regular corporate bankruptcy process? If no, what is the process used?**

**12.1.7 Is the receiver of failed institutions also the one that disposes of the institutions? If not, who does?**

**12.2 Which methods of failure resolution are used in your country to deal with failures. Also, please indicate the frequency of use of the various methods in the last 20 years.**

**12.2.1 Formal liquidation**

**12.2.2 Purchase and assumption (sale and merger)**

**12.2.3 Open bank assistance (e.g. recapitalization)**

#### **12.2.4 Bridge banks and other interim solutions**

#### **12.2.5 What criteria are used to determine the method of failure resolution?**

#### **12.2.6 Is the deposit insurer required to resolve failed or failing insured depository institutions in a manner that is least costly to the DIS?**

#### **12.2.7 Please indicate what kind of private companies, if any, are included in the failure resolution process?**

### **Section 13: Claims, Recoveries & Estate Management**

#### **13.1.1 Does the DIS play a role in the claims and recoveries process? If yes please describe this role**

No

#### **13.1.2 What is the primary objective of the DIS when dealing with claims and recoveries (i.e.. maximization of nominal and present value recoveries, financial system stability, system discipline)?**

#### **13.1.3 What role does the private sector play in the claims, recovery process?**

#### **13.1.4 What approaches and strategies are adopted by the deposit insurer to accomplish the objectives of claims and recovery activities?**

#### **13.1.5 By what standard is the DIS judged with respect to performing its function in claims and recoveries (e.g.x. Comparative private sector or DIS benchmarks, internal assessments, past experience)?**

#### **13.1.6 What assets have you found to be the hardest to recover? Why? What types of strategies have been used to recover different assets?**

#### **13.1.7 Does the DIS have rights of subrogation (i.e. the subrogation of insurance entity to the rights of insured depositors) or an equivalent arrangement?**

**13.1.8 Is there depositor priority when banks fail? (i.e. Do depositor claims rank in priority above other unsecured creditors in the liquidation of a bank?)**

**13.1.9 Are rights of set-off available or imposed in your country's legal system? Please describe the various forms set-off can take.**

## **Section 14: Other Issues**

**14.1.1 What is your view on recent trends and emerging issues in the financial sector in your country and the potential impact they might have on the DIS?**

The Greek banking sector has been undergoing substantial change in recent years as a result of its adaptation to the new conditions stemming from the deregulation of financial markets, the establishment of the single market under EMU and the internationalisation of competition. The key developments were: increase in the degree of concentration owing to mergers and acquisitions, establishment of new banks, penetration of Greek credit institutions into the wider Balkan region, and expansion of operations into new activities. The ongoing changes in the Greek banking sector do not only produce high returns but also involve higher risks. It is within this evolving framework that TEK's role in enhancing confidence and stability of the Greek banking system becomes all the more important. Furthermore, the growing presence of Greek credit institutions in the wider Balkan region implies greater cooperation between TEK and the corresponding schemes of the countries concerned.

**14.1.2 Are there any issues related to deposit insurance which you would like to see more research in?**

Investment policies of deposit guarantee systems.