



**Nemea Group**

**MS. MARIANNE SCICLUNA**  
 Director General  
 The Malta Financial Services Authority

Notabile Street  
 Mriehel BKR 3000  
 Malta

Dated 2 May 2016

**CC: MR. FABIO AXISA**, representing  
 PricewaterhouseCoopers as the  
 "Competent Person" as appointed by  
 the MFSA by its directive issued to the  
 Bank on 26 April 2016

Re: **REMOVAL OF THE EUR 250 DAILY  
 WITHDRAWAL LIMIT OF NEMEA BANK  
 PLC'S CLIENTS**

**Dear Ms. Scicluna,**

To begin with, we wish to reiterate that the appointment of a competent person to take charge of the assets of Nemea Bank plc and to assume control of its business has been an arbitrary act without any valid legal grounds.

Further, before the relevant appeal proceedings are instituted and as the immediate first measure to limit the losses that will flow from this groundless act, we request the immediate lifting of the daily withdrawal limit of EUR 250 ("Withdrawal Limit") for Nemea Bank plc's (the "Bank") clients imposed by the MFSA by its directive to the Bank dated 26 April 2016 (the "Directive").

The Withdrawal Limit is against the interests and the fundamental rights of the depositors of the Bank to own and operate a payment account at any bank of their choosing. The Withdrawal Limit prevents both retail and business clients from exercising their legal rights to use their funds. In particular, the Withdrawal Limit is highly damaging to all businesses using the account at the Bank as their primary cash and payment account, with volumes of transactions exceeding such limits by large multiples and with some of which being exclusively dependent on their ability to perform transactions through their account at the Bank, to operate their business and pay salaries.

The Withdrawal Limit is not supported by any business, regulatory, protection of retail or business customers, legal or any other applicable grounds. The Bank is fundamentally sound, solid and highly liquid. The presentation to the Bank's ALCO held on 6 April 2016 indicates that the Bank's liquidity consisting of cash, loans and advances to banks, balances with the Central Bank of Malta, Malta Government Stocks stands and maturing loans stands at ca. EUR 28.7 million for maturities of less than 30 days, which significantly exceeds both the volume of its current and savings account deposits of ca. EUR 21 million and any regulatory ratios, as indicated by Appendices 1 and 2. The up-to-date account balances and liquidity amounts are available at the Bank. As the MFSA is aware, the Bank does not have creditors (save for normal daily operational expenses of which none are overdue). The Directive therefore refers to protection of creditors which the Bank does not have.

We request to immediately reinstate the standard daily Withdrawal Limits of EUR 20,000 per individual account holder, unless agreed otherwise between the Bank and

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the client, and for business clients a limit that has been adjusted to their expected daily account turnover that has been in place so far, in case they require anything else than the EUR 20,000 default Withdrawal Limit per day.

We request you to lift this Withdrawal Limit with immediate effect and at the latest within the next 24 hours and inform us immediately of such lifting of the Directive and of the re-establishment of the previous daily security Withdrawal Limits as proposed above.

We also request you to immediately publish this letter in order to prevent any further damage to the Bank, its retail and business customers and the owners of the Bank.

As the MFSA has, by way of issuing its unfounded Directive, taken over the powers of the Bank's staff, board of directors or shareholders until further notice, none of them can accept any responsibility for any claims that the clients may present due to the Withdrawal Limit preventing them from using their funds freely. We cannot prevent any parties from making claims against MFSA and the Competent Person (as defined in the Directive) and/or demanding public inquiries. It is foreseeable that such claims will be substantial and may not be limited to compensation for damages.

The Bank and Nemea plc reserve all their rights under applicable laws. The Bank or Nemea plc will separately appeal the Directive within the applicable appeal period.

Yours sincerely,

**Nemea plc**



Mika Lehto



Heikki Niemelä

**Appendices:**

**Appendix 1:** The amount of liquidity in EUR at Nemea Bank as of from the ALCO presentation of 6 April 2016

**Appendix 2:** The volume of current and savings account deposits in EUR at Nemea Bank as of from the ALCO presentation of 6 April 2016



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**Appendix 1:** The amount of liquidity in EUR at Nemea Bank as of from the ALCO presentation of 6 April 2016

	<u>&lt;30 days</u>
EUR	<u>30</u>
Investments AFS	3,216,300
Other Investments	
Loans and advances to banks	24,612,416
Loans and advances to customers	150,294
Prepayments and accrued income	714,177.00
<b>TOTAL ASSETS</b>	<b><u>28,693,187</u></b>



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**Appendix 2:** The volume of current and savings account deposits in EUR at Nemea Bank as of from the ALCO presentation of 6 April 2016

Account Type	Total (EUR)
Current	19,869,643.23
Savings	1,148,531.82