



National Treasury Management Agency

## **Direction orders in relation to Anglo Irish Bank and Irish Nationwide Building Society under the Credit Institutions (Stabilisation) Act 2010**

**Tuesday 8 February 2011** - The Minister for Finance has today obtained direction orders from the High Court in respect of Anglo Irish Bank Corporation Limited (Anglo) and Irish Nationwide Building Society (INBS) to:

- (i) Enable the National Treasury Management Agency (NTMA) to begin a process, in accordance with EU State aid rules, to transfer deposits and assets held by both institutions to a third-party credit institution or institutions; and
- (ii) Take the initial steps to implement the restructuring plan for Anglo and INBS as submitted to the European Commission for approval at the end of January this year.

These orders facilitate the Minister's plan to restructure the two institutions which is in accordance with the provisions of the EU/IMF Programme of Financial Support for Ireland.

The direction orders were granted by the High Court under the Credit Institutions (Stabilisation) Act 2010.

### Auction process

The NTMA will immediately commence an auction process to invite interested, fully-licensed financial institutions to tender for Anglo and INBS deposits. It is intended that this process will conclude as quickly as possible.

### Restructuring plan

The initial steps to implement the restructuring plan for Anglo and INBS will involve the deposit transfer process described above and the preparation of the INBS and Anglo loan books for their orderly work out in a manner which minimises losses. The process will also involve the amalgamation of Anglo and INBS into a merged entity regulated by the Central Bank of Ireland.

The direction orders begin the process of restructuring Anglo and INBS as envisaged in the restructuring plan in a manner that benefits from necessary legal protections and is recognised in other EU Member States.

### Depositors

Deposits will be transferred in a seamless manner and no action is required by depositors. It should be noted that the position of depositors in Anglo and INBS remains fully secure and that any transfer will take place, and be accepted by another credit institution, on the basis of the existing terms and conditions. Depositors will also continue to have full access to their funds both during and after the auction process.

### Staff

The position of employees in the business areas of Anglo and INBS that will be affected by the transfer of deposits will be safeguarded in accordance with applicable employment legislation.