



Eligible Liabilities Guarantee Scheme Frequently Asked Questions



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About the different guarantee schemes operating in Ireland

There are two types of guarantee schemes in operation in the Republic of Ireland:

- The *Deposit Guarantee Scheme (DGS)*, which is operated by the Central Bank of Ireland (CBI) and guarantees deposits of up to €100,000 per depositor per institution in a bank or credit union. The Deposit Guarantee Scheme is open-ended, with no expiry date. In general, it covers deposits held by private individuals as well as by sole traders, partnerships and small companies, among others. The DGS covers Irish banks and foreign banks operating as banks in Ireland which are regulated by the CBI. As regards branches of foreign banks operating in Ireland, the position of coverage should be checked in each case. Normally, a foreign bank branch of a bank established in another EU Member State will operate under the DGS of that State and the same €100,000 guarantee limit will apply for its depositors. For further information on the Deposit Guarantee Scheme, please go to <http://www.nca.ie/nca/deposit-guarantee-scheme>
- The Irish Government *Eligible Liabilities Guarantee (ELG) Scheme* is a temporary measure which was introduced in response to the financial crisis and guarantees (i) amounts in excess of the Deposit Guarantee Scheme threshold of €100,000 per depositor per institution held in those Irish banks that participate in the ELG Scheme and (ii) the full amount of deposits held in those banks if these deposits do not qualify for DGS coverage in the first instance.

The information in the note following is concerned mainly with the ELG Scheme. Information concerning the Deposit Guarantee Scheme is provided at <http://www.nca.ie/nca/deposit-guarantee-scheme>.

As a final point, the position as to *State Savings* should be noted. This is the umbrella name which covers the range of savings products offered by the National Treasury Management Agency (NTMA) to personal savers. It includes deposit accounts operated through the Post Office. Such products are a direct unconditional obligation of the Government of Ireland, separately to the Guarantee Schemes mentioned above. There is no upper limit on the amount that is guaranteed and no end-date for this guarantee.

Background to the ELG Scheme

The Government introduced a blanket guarantee of bank liabilities on 30th September, 2008, for a period of 2 years. When this guarantee expired on 29th September, 2010, it was succeeded by the ELG Scheme. The ELG Scheme officially commenced on 9th December, 2009, and certain eligible liabilities transferred from the original guarantee arrangement to the ELG Scheme. Not all banks or credit institutions operating in Ireland joined the ELG Scheme. Those institutions that joined the

Scheme did so on different dates in 2010 and are listed below. It is also important to note that certain legal entities within the same banking group are members of the ELG Scheme.

The following institutions are covered by the ELG Scheme:

Participating Institution	Date joined ELG Scheme
Permanent TSB plc.	04/01/2010 (Cert amended 29/06/12)
Irish Permanent (IOM) Limited	04/01/2010 (Cert ceased from 30/11/10 for new issuances)
Bank of Ireland	11/01/2010
Bank of Ireland Mortgage Bank	11/01/2010
The ICS Building Society	11/01/2010
Bank of Ireland (IOM) Limited	11/01/2010 (Cert amended 15/8/12)
Allied Irish Banks, plc.	21/01/2010
AIB Group (UK) plc.	21/01/2010 (Cert amended 20/8/12)
AIB Bank (CI) Limited	21/01/2010 (Cert amended 27/9/12)
AIB Banks North America Inc.	21/01/2010
Irish Bank Resolution Corporation Limited (formerly Anglo Irish bank Corporation and Irish Nationwide Building Society)	28/01/2010 (Cert amended 09/11/2011)
AIB International Savings Limited	28/01/2010 (Cert amended 20/09/2011)
EBS Limited	01/02/2010 (Cert amended 01/07/2011)
Irish Nationwide Building Society	03/02/2010 (Cert ceased from 9/11/11 for new issuances)
Permanent Bank International Ltd	03/02/2010 (Cert amended 15/02/2012)
Bank of Ireland (UK) plc. 21/07/2010	21/07/2010 (Cert amended 15/05/2010)

AIB – including previous Anglo Irish Bank deposits that were moved to AIB on 1 July, 2011.

EBS Limited (EBS became a subsidiary of AIB on 1 July, 2011).

Permanent TSB plc - including Irish Nationwide Building Society deposits that were moved to Irish Life and Permanent on 1 July, 2011.

Further information

The ELG Scheme operates differently for each class of customer and it is important to be familiar with the various rules in each case.

Set out below are some common FAQs that provide information on the ELG scheme. These FAQs have been organised in three Parts to provide information in relation to to:

- Part 1: Retail deposit customers,
- Part 2: Corporate and Business depositors and
- Part 3: Interbank deposits and Capital Markets transactions.

If your question or query is not covered in these FAQs or should you need further clarification, please contact the National Consumer Agency on lo-call 1890 432 432 or the Department of Finance on lo-call 1890 66 10 10.

Questions & Answers about the ELG Guarantee Scheme

Table of Frequently Asked Questions

PART ONE: Information for Retail Deposit customers	7
1. What guarantee applies for deposits up to €100,000?	7
2. What guarantee applies for deposits in excess of €100,000?	7
3. When does the ELG Scheme expire?	7
4. Does this mean the Scheme will run to at least 30 June 2013?	7
5. I am a retail/consumer with account balances of less than €100,000; would the ending of the ELG Scheme affect me?	7
6. What deposits are guaranteed by the ELG scheme?	8
7. How do I know if a deposit is covered by the ELG scheme?	8
8. I have 4 accounts with my bank – which ones are covered under the Deposit Guarantee scheme and which ones are covered under ELG scheme?	8
9. Will any change to the ELG Scheme affect the terms and conditions, rate of interest or operation of my account with my bank?	9
10. Will my bank write to me about changes to the ELG scheme?	9
11. Does the European Central Bank support the Irish Banks?	9
12. Where can I find more information about the ELG scheme and the Deposit Guarantee Schemes?	9
13. For how long will the guarantee under the ELG scheme last ?	10
14. Who runs the ELG scheme on a day-to-day basis?	10
15. Where can I find the rules of the ELG scheme?	10
16. Do institutions covered by the ELG Scheme pay a fee to the State for the benefit of the guarantee?	10
17. What types of deposit accounts are covered by the ELG Scheme?	11
18. I have a deposit in a notice account. How does the ELG scheme apply to my deposit?	11
19. Are Credit Union members covered by the ELG Scheme?	12
20. I have a foreign currency account held with a covered bank in the Republic of Ireland. Is my account covered by the ELG scheme?	12
21. I have a Sterling deposit greater than €100,000 equivalent with a UK branch of an Irish covered bank, is the account covered by the ELG Scheme?	12

PART TWO: Information for Corporate and Business Depositors.....	13
22. What guarantee applies for corporate deposits?	13
23. What are the types of eligible liabilities are covered by the ELG scheme?	13
24. For how long will the guarantee under the ELG Scheme last ?	14
25. Where can I find the rules of the ELG scheme?	14
26. Who runs the ELG Scheme on a day-to-day basis?.....	14
27. Do institutions covered by the ELG scheme pay a fee to the state for the benefit of the guarantee?	14
28. Can the Participating Institutions offer unguaranteed deposits?.....	15
29. How will I know if my deposit is guaranteed by the ELG Scheme or is unguaranteed?	15
30. Can anybody avail of the option to make unguaranteed deposits in the Participating Institutions?	15
 PART THREE: Information for Interbank deposits and Capital Markets	 16
31. Are interbank deposits covered by the ELG Scheme?	16
32. What sort of debt liabilities are covered by the ELG Scheme?.....	16
33. What are the eligibility criteria for a debt security under the ELG Scheme?	16
34. How will I know if a debt security is guaranteed by the ELG scheme?.....	16
35. I bought a debt security issued by a “covered institution” which was a “covered liability” under the 2008 CIFS Scheme. Will the debt security now be guaranteed under the ELG scheme?	17
36. Entire programmes can be guaranteed under the ELG Scheme. How does this work?	17
37. Will participating institutions prepare Prospectus Directive compliant prospectuses for guaranteed debt securities?	17
38. Will guaranteed debt securities be zero per cent risk weighted for capital adequacy purposes?.....	17
39. If the Minister for Finance has to make a payment under the ELG Scheme, will withholding tax apply?	18
40. Are dated subordinated debt and covered bonds covered by the ELG Scheme?	18
41. What has happened to the bank guarantee scheme announced in September 2008?	18
42. How long will the guarantee under the ELG Scheme last for?	18
43. Who runs the ELG Scheme on a day-to-day basis?.....	18
44. Do institutions covered by the ELG Scheme pay a fee to the State for the benefit of the guarantee?	18
45. Where can I find out more information on debt liabilities guaranteed under the ELG Scheme?	

PART ONE: Information for Retail Deposit customers

1. What guarantee applies for deposits up to €100,000?

Deposits up to a maximum of €100,000 per eligible depositor per institution are fully covered by the Deposit Guarantee Scheme (DGS). The €100,000 threshold is the same across the EU and is set down in EU law.

You can find out more about this scheme from the Central Bank of Ireland at <http://www.centralbank.ie> or <http://www.nca.ie/nca/deposit-guarantee-scheme>. Alternatively you can call Tel. no. lo-call 1890 432432.

2. What guarantee applies for deposits in excess of €100,000?

Where the deposit in question is covered under the DGS up to the existing €100,000 threshold, the ELG Scheme covers the balance of deposits over this threshold (i.e. the full amount of deposits that do not qualify for Deposit Guarantee Scheme protection).

3. When does the ELG Scheme expire?

The ELG Scheme is a temporary measure which is reviewed every 6 months by the Irish Authorities and the European Commission. Approval was recently received from the European Commission on 12 December, 2012, to maintain the Scheme until 30 June, 2013.

4. Does this mean the Scheme will run to at least 30 June, 2013?

It is the Government's intention to commence the ending of the ELG Scheme early in 2013, conditions permitting. However, if this happens, adequate notice will be given and all deposits placed up to a given date will be covered up to their maturity. It is important to emphasise that, generally, only deposits over €100,000 per customer per institution would be affected in the first instance. See Question 5 following in this regard.

5. I am a retail/consumer with account balances of less than €100,000: would the ending of the ELG Scheme affect me?

No. If your deposit or current account(s) (combined) balance totals a maximum €100,000 (€200,000 for joint accounts) per institution, then the ELG Scheme is of no relevance to your position, as deposits up to and including €100,000 are covered by the Deposit Guarantee Scheme.

You can find out more about this scheme from the Central Bank of Ireland at <http://www.centralbank.ie> or <http://www.nca.ie/nca/deposit-guarantee-scheme>. Alternatively you can call Tel. no. lo-call 1890 432432.

6. What deposits are guaranteed by the ELG Scheme?

Deposits, whether retail or corporate, in Participating Institutions and which are not already covered by the Deposit Guarantee Scheme (DGS), are covered by the ELG Scheme.

Under the DGS, qualifying deposits are guaranteed up to a maximum of €100,000 per qualifying depositor per institution. The ELG Scheme covers any balance or excess over this amount held as a deposit in the Participating Institutions. It also covers all deposits in full if these do not qualify for DGS Coverage in the first place.

7. How do I know if a deposit is covered by the ELG scheme?

All qualifying existing and future deposits made up to the existing expiry date of 30 June, 2013 (or such earlier date as may be indicated by the Minister and communicated in the national press/media) will continue to be automatically covered by the ELG scheme.

In practice, the vast majority of what may be classified as retail deposits is covered by the Deposit Guarantee Scheme, up to a limit of €100,000 per qualifying depositor per institution. It is only if this amount is exceeded in any particular case that the ELG Scheme 'kicks in' to cover the balance. If for any reason however your deposit is not covered under the DGS, then it will be covered in total by the ELG Scheme

If you are unsure of whether your account is covered by the ELG Scheme, please contact your Bank who will be able to tell you.

8. I have 4 accounts with my bank – which ones are covered under the Deposit Guarantee Scheme and which ones are covered under ELG Scheme?

Currently, if the sum of the balances on your 4 accounts is less than or equal to €100,000 (or €200,000 in the case of joint accounts), then the aggregate amount is fully covered under the Deposit Guarantee Scheme. This will not change.

If the sum of the balances on your 4 accounts is greater than €100,000 (or €200,000 in the case of joint accounts), then the amount that exceeds these thresholds is covered under the ELG Scheme until its next maturity date.

The above applies in the case of a single credit institution. It is possible however, to have accounts in more than one institution and the same threshold applies in each case.

9. Will any change to the ELG Scheme affect the terms and conditions, rate of interest or operation of my account with my bank?

No, the terms and conditions of your account are agreed between you and your bank. The ELG Scheme does not affect any of these terms and conditions or the operation of your account in any way.

Customers can be reassured that there will be no change in the terms and conditions of the financial product(s) they have, the way interest rates are set for their products(s) or the way in which they make payments in respect of their products as a result of possible changes to the ELG Scheme.

Any contracted deposits - for example those held in Fixed Term accounts or bonds – that qualify as eligible liabilities under the ELG Scheme will continue to be covered by the ELG Scheme until they mature.

10. Will my bank write to me about changes to the ELG scheme?

There will be no specific letter issued as such, but any changes in the Scheme that affect its end-date will receive widespread media coverage and notices will be published in the press. Any announcement made by the Minister for Finance in this regard will give adequate notice to depositors.

At that stage, should you have a query specific to your own accounts, please contact your local Bank branch or designated Relationship Manager.

If you have a more general query in relation to the ELG Scheme and it is not answered by your bank or by these Frequently Asked Questions, you can contact the Department of Finance, Government Buildings, and Upper Merrion Street, Dublin 2. Telephone +353-1-6767571 or you may contact the NTMA, Treasury Building, Grand Canal Street, Dublin 2. Telephone +353-1-6640800

11. Does the European Central Bank (ECB) support the Irish Banks?

Yes. The ECB supports the Irish banks and has stated that it will continue to do so. However, while the ECB continues to provide funding to the Irish covered banks, there has been a steady decrease in dependence on this funding. In addition, deposit balances in the system have stabilised and, recently, Bank of Ireland and Allied Irish Banks have been able to raise funds on the international market.

12. Where can I find more information about the ELG Scheme and the Deposit Guarantee Scheme?

Further information about both Schemes is available at www.finance.gov.ie or by contacting the Department of Finance, Government Buildings, Upper Merrion Street, Dublin 2. Telephone +353-1-6767571 or at www.ntma.ie or by contacting NTMA, Treasury Building, Grand Canal Street, Dublin 2. Telephone +353-1-6640800 or the National Consumer Agency at www.nca.ie, Telephone no. lo-call 1890 432432

13. For how long will the guarantee under the ELG Scheme last ?

The Oireachtas has prolonged the ELG Scheme until 30 June, 2013, and EU Commission approval has been received for this prolongation. Therefore, an eligible deposit, if placed or renewed with a covered bank on or before 30 June, 2013 (or on or before such earlier date as may be indicated by the Minister for Finance and communicated in the national press /media) is covered by the ELG until it matures. If the deposit matures before 30 June, 2013, you may have the option to place it again with a covered bank in the Scheme - in which case it will be guaranteed until it next matures, up to a maximum of 5 years.

If your deposit matures after 30 June, 2013, you should consult your bank or financial advisor to discuss what options are available.

14. Who runs the ELG Scheme on a day-to-day basis?

The National Treasury Management Agency (the “NTMA”) operates the ELG Scheme on a day-to-day basis on behalf of the Minister for Finance.

15. Where can I find the rules of the ELG Scheme?

The ELG Scheme and accompanying rules are available on the website of the Department of Finance at <http://www.finance.gov.ie/viewdoc.asp?fn=/documents/Publications/elg2012/rules.pdf>

16. Do institutions covered by the ELG Scheme pay a fee to the State for the benefit of the guarantee?

Yes. The participating institutions pay a fee to the Minister for Finance in respect of each class of liability guaranteed under the ELG Scheme. The fee is charged based on rules laid down by the European Authorities.

17. What types of deposit accounts are covered by the ELG Scheme?

Account Type	Amount guaranteed	Current expiry date of guarantee
Demand deposits These are accounts where you can take out your money at any time and include current accounts.	The excess over €100,000 on deposit with Participating Institutions in the ELG Scheme is guaranteed under this Scheme. The first €100,000 of your deposit with an institution is normally covered by the Deposit Guarantee Scheme. If this is not the case, then the <i>total deposit</i> is covered by the ELG Scheme alone.	30 June, 2013 (or such earlier date as may be indicated by the Minister for Finance and communicated in the national press/media)
Fixed term deposits These are accounts where you leave your money for a set period of time. If you withdraw your money before the end of the term, you will usually get less interest.	The excess over €100,000 on deposit with Participating Institutions in the ELG Scheme is guaranteed under the Scheme. The first €100,000 of your deposit with an institution is normally covered by the Deposit Guarantee Scheme. If this is not the case, then the <i>total deposit</i> is covered by the ELG Scheme alone	Fixed term deposit accounts are covered for up to five years as long as the deposit has been made in a credit institution before 30 June, 2013 (or such earlier future date as may be indicated by the Minister for Finance and communicated in the national press/media) and the institution is a member of the ELG Scheme on the date the deposit is made.
Notice deposit accounts	The excess over €100,000 on deposit with participating institutions in the ELG Scheme is guaranteed under this Scheme. The first €100,000 of your deposit with an institution is normally covered by the Deposit Guarantee Scheme. If this is not the case, then the total deposit is covered by the ELG Scheme alone.	The current end-date of the Scheme is 30 June, 2013 (or such earlier date as may be indicated by the Minister and communicated in the national press/media). However, in the case of notice accounts, the guarantee will apply until the end of the notice period even if this should fall <i>after</i> the end-date of the guarantee, so long as the notice is given before the end-date.

18. I have a deposit in a notice account. How does the ELG Scheme apply to my deposit?

If you have a notice account, your deposit is greater than Eur100,000 and the first €100,000 falls to be covered under the DGS guarantee then you will be guaranteed under the ELG Scheme (if your bank or building society is a participating institution under the ELG Scheme) in respect of the amount

in excess of €100,000 (per institution). The conditions applying to notice accounts are set out in the table under Q 17 above.

19. Are Credit Union members covered by the ELG Scheme?

No. Credit Unions are not participating institutions in the ELG Scheme and so members of credit unions are covered only by the Deposit Guarantee Scheme, for amounts up to €100,000.

20. I have a foreign currency account held with a covered bank in the Republic of Ireland. Is my account covered by the ELG Scheme?

Yes. If the account is held in the Republic of Ireland in one of the covered banks, the portion of the account in excess of €100,000 equivalent is covered by the ELG Scheme. The portion of the account less than €100,000 equivalent is protected by the Deposit Guarantee Scheme.

21. I have a Sterling deposit greater than €100,000 equivalent with a UK branch of an Irish covered bank, is the account covered by the ELG Scheme?

No. The Scheme is now closed for new UK deposits. Bank of Ireland (UK) commenced withdrawal from the Scheme effective 31 March, 2012 and Bank of Ireland (IOM) on 11 August, 2012. AIB Group (UK) and AIB Offshore commenced withdrawal effective 18 August and 30 August, 2012, respectively. However deposits opened before these dates would have been guaranteed for the remainder of their maturity.

PART TWO: Information for Corporate and Business Depositors

22. What guarantee applies for corporate deposits?

The ELG Scheme applies to all corporate deposits (of any duration up to five years) in the same way as to other qualifying deposits until 30 June, 2013 (or such earlier date as may be indicated by the Minister and communicated in the national press/media), in accordance with the terms and conditions of the scheme.

The ELG Scheme and accompanying rules are available on the website of the Department of Finance at <http://www.finance.gov.ie/viewdoc.asp?fn=/documents/Publications/elg2012/rules.pdf>

23. What are the types of eligible liabilities that are covered by the ELG Scheme?

The eligible liabilities covered are described in paragraph 11 of the Schedule to the Scheme and are generally deposits and the following categories of:

- Unsecured debt securities;
- Senior unsecured certificates of deposit;
- Senior unsecured commercial paper;
- Other senior unsecured bonds and notes; and
- Other forms of senior unsecured debt which may be specified by the Minister for Finance in accordance with State Aid rules.

To be regarded as eligible, all the liabilities mentioned must be incurred in the issuance period which runs from the date on which the Participating Institution joined the Scheme to 30 June, 2013 (or such earlier date as may be indicated by the Minister and communicated in the national press/media).

A guarantee can apply to stand-alone debt securities or to securities that are issued under programmes. The liabilities must be denominated in a specified single currency and must not contain an event of default. Their maturity must not be greater than 5 years.

In the case of eligible liabilities, the guarantee applies for the term concerned, up to a maximum of 5 years, for a contract made or rolled over after the Participating Institution joined the Scheme and up to midnight on 30 June, 2013 (or such earlier date as may be indicated by the Minister and communicated in the national press/media).

24. For how long will the guarantee under the ELG Scheme last ?

The Government has prolonged the ELG Scheme until 30 June, 2013, following EU Commission approval on 12 December, 2012. Therefore, your deposit, if placed or renewed with a covered bank on or before 30 June, 2013, (or on or before such earlier date as may be indicated by notice given by the Minister and communicated in the national press/media) is covered by the ELG Scheme until it (the deposit) matures. The reason for this proviso is that the Minister for Finance has signalled his intention to wind-down the Scheme in early 2013, conditions permitting.

If your deposit matures on or before 30 June, 2013, you may have the opportunity to place it with a covered bank – in which case it will be guaranteed until its next matures, up to a maximum of 5 years. If your deposit matures after 30 June, 2013, you should consult your bank or financial advisor to discuss what options are available.

25. Where can I find the rules of the ELG scheme?

The ELG Scheme and accompanying rules are available on the website of the Department of Finance at <http://www.finance.gov.ie/viewdoc.asp?fn=/documents/Publications/elg2012/rules.pdf>

26. Who runs the ELG Scheme on a day-to-day basis?

The National Treasury Management Agency (the “NTMA”) operates the ELG Scheme on a day-to-day basis on behalf of the Minister for Finance.

27. Do institutions covered by the ELG Scheme pay a fee to the state for the benefit of the guarantee?

Yes. The Participating Institutions pay a fee to the Minister for Finance in respect of each liability guaranteed under the ELG Scheme. For liabilities incurred before 31 December 2011, the fees are calculated by reference to the European Central Bank recommendations on Government guarantees for bank debt dated 20 October 2008, and on EU Commission recommendations set out in the Commission staff working paper dated 30 April 2010, on the ‘Application of State Aid Rules on Government Guarantee Schemes covering bank debt to be issued after 30 June 2010’.

For liabilities incurred after 1 January 2012 the fee structure is based on the Communication from the Commission on the application, from 1 January, 2012, of state aid rules to support measures in favour of banks in the context of the financial crisis’.

However, in the case of new liabilities with an initial maturity of one year or more, a new pricing structure, as set out in Paragraph 7 of annex 7 of the Rules, will be effective from 1 January, 2013, for liabilities incurred after that date.

Participating Institutions are also required to indemnify the Minister for Finance for any costs and expenses incurred by the Minister and for any payments made by the Minister under the Scheme which relate to the Participating Institution’s guarantee under the ELG Scheme.

28. Can the Participating Institutions offer unguaranteed deposits?

Yes. Following the publication of a Notice dated 16 November, 2011, (available on the NTMA website) by the Minister for Finance, unguaranteed deposits may be offered by Participating Institutions in the ELG Scheme since that date, in line with the three conditions set out in that Notice.

It is a matter for each Institution to decide on whether or not to avail of the option to offer unguaranteed deposits.

29. How will I know if my deposit is guaranteed by the ELG Scheme or is unguaranteed?

All existing and future qualifying deposits (retail and otherwise) placed/renewed on or before the 30th of June, 2013 (or on or before such new end-date as may be announced by the Minister) will continue to be automatically covered by the ELG Scheme in accordance with the terms and conditions of that Scheme.

Unguaranteed deposits are aimed mainly at corporate and institutional investors and are conditional on:

- I. The depositor acknowledging in writing that the relevant deposit shall not be guaranteed under the ELG scheme;
- II. The terms and conditions of the relevant deposit stating that the deposit shall not be guaranteed under the ELG Scheme;
- III. The deposit being made after 16th of November, 2011.

30. Can anybody avail of the option to make unguaranteed deposits in the Participating Institutions?

Unguaranteed deposits are mainly aimed at corporate and institutional investors but any deposits which are not retail deposits as defined under the Rules of the Scheme also qualify, subject to the conditions referred to above.

PART THREE: Information for Interbank deposits and Capital Markets

31. Are interbank deposits covered by the ELG Scheme?

Yes. The ELG Scheme covers interbank deposits (of any duration up to five years) in the same way as other qualifying deposits placed on or before 30 June, 2013 (or on or before such earlier date as may be indicated by the Minister and communicated in the national press/media), in accordance with the terms and conditions of the Scheme.

32. What sort of debt liabilities are covered by the ELG Scheme?

The ELG Scheme covers the following types of debt securities:

- Senior unsecured certificates of deposit;
- Senior unsecured commercial paper;
- Other senior unsecured bonds and notes; and
- Other forms of senior unsecured debt which may be specified by the Minister, consistent with EU State Aid rules and subject to prior consultation with the EU Commission.

33. What are the eligibility criteria for a debt security under the ELG Scheme?

In order to be an eligible liability, a debt security must:

- Be incurred between the period from the date the relevant participating institution joined the ELG Scheme up to and including 30 June, 2013 (or up to such earlier date as may be indicated by the Minister and communicated in the national press/media);
- Have a maturity of less than five years;
- Not contain an event of default (howsoever described or constituted) constituted by cross-default or cross-acceleration; and
- Be single-currency denominated in one of euro, sterling or US dollars or any other currency approved by the Minister for Finance. A liability issued under a programme may be issued in any currency permitted by the programme documentation.

34. How will I know if a debt security is guaranteed by the ELG Scheme?

An institution will have to apply for a guarantee certificate for each specific debt security that it issues and wishes to be guaranteed under the ELG Scheme. Details of stand-alone issues of debt-securities that have been guaranteed under the ELG Scheme are published on the website of the NTMA.

It is also possible for participating institutions to obtain a guarantee certificate for entire programmes and details of these guaranteed programmes will also be published on the NTMA website. All debt securities issued under a guaranteed programme will be guaranteed. The amount

of debt incurred under such programmes will be closely monitored and subject to control by the Minister and the NTMA (as scheme operator).

The ELG Scheme allows participating institutions to issue unguaranteed liabilities which will help reduce their reliance on State support over time as financial market conditions continue to improve. Therefore, if a participating institution issues a debt security without a guarantee certificate on either a standalone basis or off a programme which is not itself guaranteed, the debt security will not be guaranteed under the ELG Scheme.

35. I bought a debt security issued by a “covered institution” which was a “covered liability” under the 2008 CIFS Scheme. Will the debt security now be guaranteed under the ELG Scheme?

No. The ELG Scheme applies only to debt securities issued during the issuance period of the ELG Scheme. If a debt security was guaranteed under the 2008 CIFS Scheme, it was not possible for it to be also guaranteed under the ELG Scheme. Such a debt security is not guaranteed under the ELG Scheme following the expiry of the 2008 CIFS Scheme (unless the debt security in question matured and rolled-over during the ELG Scheme issuance period).

36. Entire programmes can be guaranteed under the ELG Scheme. How does this work?

It is possible for participating institutions to obtain a guaranteed certificate for an entire debt issuance programme, e.g. for EMTN, CD or CP programmes. Where an entire programme is guaranteed, each debt security issued under the programme will be guaranteed. Details of these programmes are included on the website of the NTMA.

The Department of Finance and the NTMA impose strict issuance limits on participating institutions and monitor the amount of debt issued under the guaranteed programmes.

37. Do participating institutions prepare Prospectus Directive-compliant prospectuses for guaranteed debt securities?

No, there is an exemption under the Prospectus Directive for Government guaranteed debt securities. The Department of Finance has issued a direction to participating institutions in relation to the permitted contents of any other offering materials relating to debt securities guaranteed under the ELG Scheme.

38. Are guaranteed debt securities zero per cent risk -weighted for capital adequacy purposes?

Yes. The Central Bank of Ireland has confirmed that debt securities guaranteed under the ELG Scheme are zero per cent risk-weighted for capital adequacy purposes.

39. If the Minister for Finance has to make a payment under the ELG Scheme, will withholding tax apply?

No. There will not be an obligation on the Minister for Finance to deduct withholding tax in the event of payments being made under the ELG Scheme.

40. Are dated subordinated debt and covered bonds covered by the ELG Scheme?

No. It was possible for some dated subordinated debt and covered bonds (asset covered securities) to be guaranteed under the 2008 CIFS Scheme but that Scheme has now expired.

41. What has happened to the bank guarantee scheme announced in September, 2008?

The 2008 CIFS Scheme expired on 29 September, 2010. Liabilities can now only be guaranteed under the ELG Scheme in accordance with its terms.

42. How long will the guarantee under the ELG Scheme last for?

The Government has prolonged the ELG Scheme until 30 June, 2013, following EU Commission approval on 12 December, 2012. Therefore, your deposit, if placed or renewed with a covered bank on or before 30 June, 2013 (or on or before such earlier date as may be indicated by the Minister and communicated in the national press/media) is covered by the ELG until it matures. The reason for this proviso is that the Minister for Finance has signalled his intention to wind-down the Scheme in early 2013, conditions permitting.

If your deposit matures on or before 30 June, 2013, you may have the opportunity to place it with a covered bank – in which case it will be guaranteed until its next matures, up to a maximum of 5 years. If your deposit matures after 30 June, 2013, you should consult your bank or financial advisor to discuss what options are available.

43. Who runs the ELG Scheme on a day-to-day basis?

The National Treasury Management Agency (the “NTMA”) operates the ELG Scheme on a day-to-day basis on behalf of the Minister for Finance.

44. Do institutions covered by the ELG Scheme pay a fee to the State for the benefit of the guarantee?

The participating institutions pay a fee to the Minister for Finance in respect of each liability guaranteed under the ELG Scheme. For liabilities incurred before 31 December, 2011, the fees are calculated by reference to the European Central Bank recommendations on Government guarantees for bank debt dated 20 October, 2008, and on EU Commission recommendations set out in the

Commission staff working paper dated 30 April, 2010, on the 'Application of State Aid Rules on Government Guarantee Schemes covering bank debt to be issued after 30 June, 2010'.

For liabilities incurred after 1 January, 2012, the fee structure is based on the 'Communication from the Commission on the application, from 1 January, 2012, of state aid rules to support measures in favour of banks in the context of the financial crisis'.

However, in the case of liabilities with a maturity of one year or more, a new pricing structure as set out in Paragraph 7 of annex 7 of the Rules, will be effective from 1 January, 2013.

Participating institutions are also required to indemnify the Minister for Finance for any costs and expenses incurred by the Minister and for any payments made by the Minister under the Scheme which relate to the participating institution's guarantee under the ELG Scheme.

45. Where can I find out more information on debt liabilities guaranteed under the ELG Scheme?

This information can be found on the NTMA's website at <http://www.ntma.ie/business-areas/funding-and-debt-management/eligible-liabilities-guarantee-scheme/covered-liabilities/>. The ELG Scheme and accompanying Rules are available on the website of the Department of Finance at <http://www.finance.gov.ie/viewdoc.asp?fn=/documents/Publications/elg2012/rules.pdf>