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Ireland 2009 Recapitalization Program for Financial Institutions[1]

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Yale Program on Financial Stability Case Study
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Abstract

At the November 2008 height of the Global Financial Crisis, Ireland's Department of Finance announced a willingness to inject capital into the six largest banks. This announcement followed the issuance of a blanket guarantee of those banks' liabilities in September 2008. After broadly designing the potential investments in 2008, the Irish government came to agreements with Bank of Ireland and Allied Irish Banks in February 2009 to inject €3.5 billion ($4.5 billion) in each bank in exchange for preferred equity stakes. The government funded the investments from the funds of the National Pensions Reserve Fund, something it would secure the authority to do only in March, after the initial announcements of the recapitalization plan. This set of injections would prove to be only the first step in a multiyear recapitalization and restructuring process, eventually pushing the sovereign to a financial rescue from the International Monetary Fund and European Union.

Keywords Allied Irish Banks, Bank of Ireland, broad-based, broad-based capital injection, capital injection, Global Financial Crisis, Ireland, National Pensions Reserve Fund

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[1] This case study is part of the Yale Program on Financial Stability (YPFS) selection of New Bagehot Project modules considering the responses to the Global Financial Crisis that pertain to broad-based capital injection programs .Cases are available from the *Journal of Financial Crises* at https://elischolar.library.yale.edu/journal-of-financial-crises/.

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[3] YPFS thanks Patrick Honohan, former governor of the Central Bank of Ireland, for his very helpful comments on an earlier draft of this case study.

Ireland 2009 Recapitalization Program for Financial Institutions

At a Glance

In the wake of the failure of Lehman Brothers in the fall of 2008, Ireland faced extreme volatility in its banking system, with at least three of its six major banks on the verge of failure (Honohan 2010, 123; Tooze 2018, 185). Preceding the crisis, the Irish banking system expanded rapidly; domestic credit to the nonfinancial private sector more than doubled to 180% of gross domestic product between the end of 2002 and September 2008 (Eichengreen 2014, 354). Banks increasingly funded this expansion with short-term, foreign funding (BIS 2020, 6). The lending boom reinforced and was reinforced by a boom in real estate prices; both expansions would ultimately prove fragile (BIS 2020, 1–4). As international financial conditions became increasingly tumultuous, Ireland moved on September 30, 2008, to arrest a run on its financial institutions by guaranteeing the liabilities of its six largest domestic banks, €440 billion (then $600 billion) in total (NYT 2008; Tooze 2018, 185–86). On October 2, the Irish parliament (the Oireachtas) passed, and the president signed, the Credit Institutions (Financial Support) Act 2008, expanding the minister for finance's authorities associated with the guarantees. This law included a section granting the minister authority to take shares of any firm benefiting from such support (Oireachtas 2008).

Summary of Key Terms	
Purpose: To buttress capital levels at Irish banks to levels to protect their soundness, viability, and lending capacity—while also meeting international expectations for bank capital levels (Dept. of Finance 2008c; Dept. of Finance 2008a).	
Launch Dates	Announcement: December 14, 2008 (Dept. of Finance 2008d) Operational: March 30, 2009 (NTMA 2010, 30)
Wind-Down Dates	N/A
Program Size	Not limited
Usage	The 2009 recapitalization of two private banks via the National Pensions Reserve Fund totaled €7 billion ($9 billion) (BIS 2020, 48)
Outcomes	This capital support was the first of several rounds of capital injections of various structures and funding sources (BIS 2020, 48–49)
Ownership Structure	Owned by the government-run public pension system (NTMA 2010, 29)
Notable Features	Funded by bringing forward future national pension contributions (Oireachtas 2009)

While the guarantee was largely successful in stalling the run on Irish banks, officials soon came to realize that banks' assets were of dubious quality, and the firms faced shortages of capital (Honohan 2012, 2–3; Joint Committee 2016, 292; Tooze 2018, 185). Thus, on November 30, 2008, the Department of Finance announced a willingness to use the National Pensions Reserve Fund (NPRF) to purchase capital in these institutions (Dept. of

Finance 2008c). Using the NPRF funds for this purpose required a statutory amendment to the National Pensions Reserve Act of 2000 (Dept. of Finance 2008d).

On December 14, the government shared its intent to inject capital into three of the aforementioned six banks: Anglo Irish Bank (Anglo), Bank of Ireland (BoI), and Allied Irish Banks (AIB) (Dept. of Finance 2008d). However, it announced on January 15, 2009, that it would instead nationalize Anglo, placing it under government management (Lenihan 2009). The government announced on February 11, 2009, that it would inject €7 billion ($9 billion) into BoI and AIB—€3.5 billion each—in return for noncumulative, preferred shares (Dept. of Finance 2009; Lenihan 2009). The government was willing to use the NPRF for the BoI and AIB injections because, unlike in the case of Anglo, it expected to ultimately receive its funds back from those firms (Joint Committee 2016, 294).

Among other stipulations, the shares gave the government 25% of each bank's shareholder voting rights with respect to change of control and board appointments and warrants to purchase 25% of the banks' common shares, which came with half of the usual voting privileges (unless the government sold or otherwise transferred the shares, in which case 100% of the shares' voting authority was restored). After securing the enabling amendment and the approvals of shareholders and the European Commission, the Department effected both injections later in the spring (Dept. of Finance 2009; NTMA 2010, 30).

Summary Evaluation

The 2009 capital injections proved to be only the first step in a multiyear recapitalization and multifaceted restructuring effort (BIS 2020, 48–49). Although not intended, this incremental result with respect to the scale of the injections, while perhaps consistent with European Commission guidance, was to the detriment of the recapitalization as it created public uncertainty toward the banks' financial positions and reduced confidence in officials' management of the problem (EC 2008, 5–6; BIS 2020, 16–17). Eventually, support of Ireland's large banks, inclusive of the liability guarantees, shifted the focal point of the crisis from the banks to the government's finances, and the financial precariousness of the banks and the sovereign negatively reinforced each other (Bayoumi 2017, 208; Eichengreen 2014, 356–57). However, while incrementalism may have hindered the overall response, any dramatic upsizing of these early interventions likely would have still come up against the market-based fiscal constraints that the sovereign later faced (Honohan 2012, 5, 10–11).

Ireland Context 2008–2009	
GDP (SAAR, nominal GDP in LCU converted to USD)	\$276.4 billion in 2008 \$236.7 billion in 2009
GDP per capita (SAAR, nominal GDP in LCU converted to USD)	\$61,262 in 2008 \$52,105 in 2009
Sovereign credit rating (five-year senior debt)	As of Q4 2008: Moody's: Aaa S&P: AAA Fitch: AAA As of Q4 2009: Moody's: Aa1 S&P: AA Fitch: AA-
Size of banking system	\$469.7 billion in total assets in 2008 \$421.0 billion in total assets in 2009.
Size of banking system as a percentage of GDP	169.9% in 2008 177.9% in 2009
Size of banking system as a percentage of financial system	Data not available
Five-bank concentration of banking system	90.7% of total banking assets in 2008 90.8% of total banking assets in 2009
Foreign involvement in banking system	36.0% of total banking assets in 2008 35.0% of total banking assets in 2009.
Government ownership of banking system	Data not available
Existence of deposit insurance	Up to 100% insurance on deposits up to in 2008 Up to 100% insurance on deposits up to in 2009
Sources: Bloomberg, Oireachtas 2008, World Bank Global Financial Development Database, World Bank Regulation and Supervision Survey.	

Key Design Decisions

1. **Part of a Package: Ireland's Department of Finance announced the capital investments in a stepwise fashion in the months after issuing a blanket liability guarantee for the country's six largest banks. The legal authority for them, though, came as part of a package of new authorities.**

The Department of Finance's statement that it intended to execute capital injections did not include other measures, as was the case with later iterations of the program's details (Dept. of Finance 2008d; Dept. of Finance 2008a; Dept. of Finance 2009). However, lawmakers granted the capitalization authority to the minister for finance as part of the Credit Institutions (Financial Support) Act 2008, which also granted expanded authorities to support bank liabilities; furthermore, the capital injections were only available to banks receiving such liability support (Oireachtas 2008; Irish Times 2008). In April 2009, the Department announced its intention to create the National Asset Management Agency, an asset management firm that began purchasing assets from Irish banks in 2010 to improve their balance sheet strength (Nye 2021).

2. **Legal Authority: The Credit Institutions (Financial Support) Act 2008 granted the minister for finance the authority to purchase shares in some credit institutions. The Investment of the National Pensions Reserve Fund and Miscellaneous Provisions Act 2009 authorized the minister to use the National Pensions Reserve Fund (NPRF) for that purpose.**

The Credit Institutions (Financial Support) Act, signed into law on October 2, 2008, allowed the minister discretion to purchase shares in banks also receiving liability support under the authority of the act (Oireachtas 2008, sec. 6(9)). Ireland's parliament amended the National Pensions Reserve Act to enable the minister to use the NPRF for the injections if this was "necessary, in the public interest, to remedy a serious disturbance in the economy of the State or . . . to prevent potential serious damage to the financial system in the State and ensure the continued stability of that system" (Oireachtas 2009, sec. 8).

The capital injections were also subject to regulatory, shareholder, and European Commission (EC) approvals (Dept. of Finance 2008a). The Department of Finance announced on December 21 that it designed the recapitalization program with regard "to the recent European Commission Recapitalisation Communication" (Dept. of Finance 2008a; EC 2008). This document, released on October 25, 2008, outlined the "broad framework within which the State aid compatibility of recapitalization and guarantee schemes, and cases of application of such schemes, could be rapidly assessed" by the EC (EC 2008, 1). The guidance on recapitalizations called for using nondiscriminatory criteria for eligibility, limiting the term of the scheme and the amount of aid to the minimum necessary, and implementing safeguards against abuses and competitive distortion. It also required EC review of a restructuring plan for any institution that received capital (EC 2008, 5–6).

3. Communication: Officials described the effort as a supplement to private capitalization efforts. They also described the recipient institutions as being solvent before the additional funding.

The Department of Finance regularly referred to its recapitalization efforts as intended to “supplement” and “encourage” private capitalization efforts (Dept. of Finance 2008c; Dept. of Finance 2008d; Dept. of Finance 2008a). On December 14, 2008, the Department noted “the institutions continue to progress proposals for private investment” (Dept. of Finance 2008d). On November 30, 2008, the Department said capital injections would be for purposes of ensuring banks “remain strong and stable institutions with capital levels well above the normal regulatory minima” (Dept. of Finance 2008c). Similarly, on December 14, the Department noted, “even fundamentally sound banks may require additional capital to respond to widespread market perception that higher capital ratios are appropriate for the sector internationally” (Dept. of Finance 2008d).

4. Administration: The minister for finance directed the investments and management thereof, but the National Treasury Management Agency (NTMA) acted as the custodian of the holdings.

The NTMA, as manager of the National Pensions Reserve Fund, held the securities funded by its investments (NTMA 2010, 29–31). The NPRF, run by the NTMA, is an investment fund funded by the Exchequer (see Key Design Decision No. 5 below) that invests with the goal of “meeting as much as possible of the costs of social welfare and public service pensions from 2025 onwards”. The NTMA reports directly to the minister for finance (NTMA 2010, 6). The National Pensions Reserve Fund Commission, a board appointed by the minister for finance and including the chief executive of the NTMA, controls the NPRF and manages its investments “in accordance with its statutory investment policy,” which “requires that the NPRF be invested so as to secure the optimal total financial return provided the level of risk is acceptable to the [NPRF] Commission” (NTMA 2010, 30). However, as per the Investment of the National Pensions Reserve Fund and Miscellaneous Provisions Act 2009, the minister for finance held the authority to direct the management, exercise, and disposal of the securities and any pursuant rights attached to the shares resulting from the minister’s directed capital injections (Oireachtas 2009, sec. 19B). The Oireachtas also established the Joint Committee of Inquiry into the Banking Crisis in 2014 to investigate the government’s crisis management systems and policies, among other aspects of Ireland’s banking crisis (Joint Committee 2016, 375); the committee, comprising 11 members of the legislature, released its final report in 2016 (Joint Committee 2016).

5. Size/Timing/Source of Injections: The Department of Finance drew €7 billion from the National Pensions Reserve Fund to fund the investments in the two banks.

On December 14, 2008, the Department signaled a willingness to inject up to €10 billion of capital in Irish banks “through the National Pensions Reserve Fund or otherwise” (Dept. of Finance 2008d). However, the size ceiling was not pursuant to a specific limit on available funds or authority; one week later, the Department of Finance dropped this language, instead stating, "The Government has a substantial pool of additional capital available to underwrite and otherwise support the issuance of core tier 1 capital" (Dept. of Finance 2008a).

Using the NPRF for this purpose required a statutory amendment, and the government stated that "the National Pensions Reserve Fund Act, 2000 will be amended, as necessary" (Dept. of Finance 2008d; NTMA 2010, 30; Oireachtas 2000).

The amendment to the NPRF Act became law on March 5, 2009, as part of the Investment of the National Pensions Reserve Fund and Miscellaneous Provisions Act (Oireachtas 2009). The statutory change allowed the minister for finance to direct the NPRF's investments. It also enabled the minister for finance to bring forward scheduled NPRF investments (Oireachtas 2009, secs. 6, 8). Prior to the amendment, the minister was to contribute 1% of the gross national product to the NPRF annually from the general treasury fund (Oireachtas 2000, sec. 18).

The amendment allowed for any investment in excess of 1% to "be taken to be in satisfaction . . . of the amount required . . . to be paid into the Fund in any subsequent year" (Oireachtas 2009, sec. 6). Thus, there was no legal cap on the amount of funds the minister could inject this way; the funds were provided for out of the indefinite future stream of public pension investment.

The EC granted its approvals of the capital injections for Bank of Ireland (BoI) on March 26, 2009, and for Allied Irish Banks (AIB) on May 12, 2009 (EC 2009a; EC 2009b). After shareholder approvals, the injections followed on March 30 and May 13,[4] respectively (Irish Times 2009; NTMA 2010, 30; RTÉ 2009).

However, fiscal space ultimately proved limited, as the Irish government later lost reasonable access to the bond market (Eichengreen 2014, 356–57). Indeed, rather than fund the whole of both bank investments from pulling forward government funding of pension investments, the National Pensions Reserve Fund did liquidate €4 billion (mainly cash reserves and government bonds) of its existing assets to help fund the investment (NTMA 2010, 30–31). The remaining €3 billion came from the Exchequer pulling forward pension contributions for 2009 and 2010 (NTMA 2010, 30).

Policymakers adjusted their intended recapitalization amounts upward as the banking system's dire situation became clearer—and more tenuous (BIS 2020, 16–17). Although not intended, this incremental result with respect to the scale of the injections, while perhaps consistent with European Commission guidance, was to the detriment of the recapitalization as it created public uncertainty toward the banks' financial positions and reduced confidence in officials' management of the problem (BIS 2020, 16–17; EC 2008, 5–

[4] The National Treasury Management Agency said the minister directed the National Pensions Reserve Fund to execute the share purchase on May 12, but this seems to be inaccurate. The injection was subject to a shareholder vote, which didn't occur until the following day (Irish Times 2009). The European Commission also noted on May 12 that the injection would occur after the May 13 vote (EC 2009b, 10).

6). Over the ensuing years, the largest six institutions (merged into four) ultimately recapitalized with more than €80 billion ($103 billion), approximately 75% of which came from public sources (BIS 2020, 18); see the Appendix for the breakdown between public and private funds.

6. Eligible Institutions: The minister for finance could buy shares in any institution that was also receiving support from the liability guarantee scheme.

Eligible institutions originally included Ireland's six largest domestically controlled banks: BoI, AIB, Anglo Irish Bank (Anglo), Irish Life and Permanent (IL&P), Irish Nationwide Building Society (INBS), and the Educational Building Society (EBS) (Dept. of Finance 2008b). Competitive concerns later spurred the government to offer an expansion of the liabilities guarantee to local banking subsidiaries of foreign institutions with a broad presence in Ireland (NYT 2008). However, the newly eligible banks did not take up this offer. Policymakers addressed the capital needs of the three most financially troubled of the six firms—Anglo, BoI, and AIB—in early 2009 (Honohan 2010, 123; Tooze 2018, 185). These three firms were facing the most severe risk of failure of the six banks; Anglo's near failure prompted AIB and BoI to coordinate with the government and encourage its original intervention, the bank liability guarantee on September 30, 2008 (Honohan 2010, 123). Later in 2008, as the banks continued to experience liquidity strains and were facing increasingly large and uncertain losses, they began discussions with the government on injecting capital; the resultant injections were the outcome of extended negotiations between the two banks and the government on the terms and size of the capital injections (Honohan 2012, 2; Joint Committee 2016, 292). Ultimately, all six firms received additional government capital in 2010 and beyond, but distinct from the program described here (BIS 2020, 48).

7. Limits on Participation: There does not appear to have been any limit on individual institutions' participation.

There does not appear to have been any strict limit on individual institutions' participation. European Commission guidance, however, called for limiting the size of the injection to the minimum amount required. While the Commission noted that eligibility should be limited to "objective criteria, such as the need to ensure a sufficient level of capitalisation with respect to the solvency requirements," the Department of Finance did not specify a specific capital ratio target for recipients (EC 2008, 5–6). Ireland's banks' capital ratios were above their regulatory minima in 2008; the Department of Finance did reference market perceptions of capital ratios, saying that the injections "will ensure that capital ratios in the Irish banks will meet the expectations of international investors" (Dept. of Finance 2008c; Dept. of Finance 2008a). BoI's and AIB's restructuring plans were later subject to an 8% common equity Tier 1 capital ratio, and a 4% and 5.5% post-stress capital ratio, respectively, per the Financial Regulator's new stress tests (EC 2010, 13; EC 2014, 15). (AIB's restructuring plan was finalized several years later than BoI's; see Key Design Decision No. 11.) Furthermore, a commentator close to the program made clear to YPFS that the offer of government capital was not open-ended; rather, the government engaged in capital injection negotiations on a case-by-case basis and attempted to fit the size of the injection to the bank's capital needs.

8. Capital Characteristics: AIB and BoI received core tier 1 capital from the NPRF in the form of noncumulative, preferred shares with warrants.

AIB and BoI both received €3.5 billion in core tier 1 capital in return for noncumulative, preferred ("preference") shares. These shares with came with 25% of the firms' voting rights on issues of change of control and board appointments.

The shares also came with warrants giving the state the right to purchase 25% of the common shares of each bank after five years. The strike prices for these warrants were in each bank's case less than €1. A bank could reduce the warrants' rights by redeeming the preferred shares. If a bank redeemed up to €1.5 billion of the preferred shares by the end of 2009, the warrants' rights were to fall to as low as 15% of the common shares, on a pro rata basis (Dept. of Finance 2009). Additionally, the tranche of warrants that the bank could extinguish (by repurchasing up to €1.5 billion of the preferred shares by the end of 2009) had a materially lower strike price than the rest of the warrants; this feature aimed to encourage banks to expediently replace government capital with new private capital (EC 2009a, 7; EC 2009b, 7).

The state could not vote more than half of the votes associated with any shares it received though exercise of the warrants. If the state transferred the shares to a nonstate third party, however, full voting privileges became reinstated.

The preferred shares paid an annual dividend of 8%. If the bank could not pay the cash dividend, the terms required the bank to issue the government common shares in its place (Dept. of Finance 2009).

The Department of Finance originally proposed stricter terms for Anglo in a December 21, 2008 press release. Those terms included a 10% dividend rate on preferred shares with 75% of voting rights (Dept. of Finance 2008a). Instead, it decided the following month to nationalize Anglo and put it under government management (Lenihan 2009). As the crisis lingered, officials wound down Anglo and INBS. The government engaged in further rounds of capital support for these and other banks, including via promissory notes and common shares (BIS 2020, 14, 16). See also the Appendix.

9. Allocation of Losses: While debtholders were protected throughout the duration of the original bank liabilities guarantee, shareholders experienced material write-downs and dilution.

When it announced the capital injections for AIB and BoI, the Department of Finance stated, "The State does not intend to take control of these banks. Following this recapitalisation, the State will not hold ordinary shares in either bank".

The warrants granted the state the potential for up to 25% control of each bank. This was in addition to the specific voting privileges conferred upon the preferred shares (see Key

Design Decision No. 8), but the warrants could not be exercised for five years (Dept. of Finance 2009). When this recapitalization effort proved insufficient, however, later capitalization actions took government control in BoI and AIB to 36% and 99.8%, respectively (BIS 2020, 48–49).

While the original bank liabilities guarantee covered all debtholders, it was only available for two years, ultimately expiring and exposing some legacy debt to losses (see Key Design Decision No. 10).

10. Debt Restructuring: The government did not require the banks to undergo any debt restructuring as part of the 2009 capital injections.

Policymakers lacked clear legal authority to discriminate among various classes of creditors, inhibiting their ability to impose losses on certain debtholders outside of insolvency proceedings (BIS 2020, 13). Moreover, given Irish authorities' desire to avoid bank failures, the government's guarantee of bank liabilities implemented on September 30 included banks' subordinated debt (BIS 2020, 13; Dept. of Finance 2008b). This suggests debt restructuring was not a serious consideration as part of the recapitalization effort. According to Baudino, Murphy, and Svoronos (2020), the authorities did consider debt restructuring but came up against legal and market impediments (BIS 2020, 13).

In later years, going-concern banks engaged in voluntary (in cases where the bank was a going-concern) agreements with creditors, wherein the banks would buy back debt at a price below par, thus boosting their capital (BIS 2020, 17). The financial rescue package ultimately negotiated with the International Monetary Fund and European Union, however, called for the continued, full support of senior bank liabilities (Honohan 2012, 2).

11. Other Conditions: The recapitalized banks agreed to several nonpecuniary terms tied to receiving the capital injections.

In striking a deal for capital from the government's NPRF in early 2009, AIB and BoI each agreed to the following terms with the Irish government (Dept. of Finance 2009):

- Grant the finance minister the right to directly appoint 25% of the respective banks' boards of directors as long as any of the preferred shares were still outstanding.

- Decrease total senior executive pay by 33%, inclusive of not paying performance bonuses for 2008 or 2009 nor granting salary increases for any of these employees.

- Reduce fees for nonexecutive directors by 25%.

- Increase 2009 lending capacity to small and medium-sized enterprises by 10% and to first-time homebuyers by 30%. If the latter capacity went unused, it was to be reallocated to the former.

- Establish a €100 million environmental and clean energy innovation fund; contribute €15 million in new funding to venture capital funds; and participate in other, smaller industry and public-private initiatives surrounding credit availability.

- Avoid initiating court proceedings for home repossession until homeowners were 12 months in arrears, and generally make every effort to avoid repossession.

- Abide by prompt payment rules to make contractual payments within 30 days or face an interest charge; add such language to future customer contracts.

- Submit to the European Commission within six months a restructuring plan consistent with long-term viability and minimizing State Aid and any pursuant distortion (EC 2009a, 7–8; EC 2009b, 8).

- Refrain from marketing the capital injection as a competitive advantage (EC 2009a, 10; EC 2009b, 10).

The banks also remained subject to additional capital and strategic constraints associated with their receiving liability guarantees pursuant to the Credit Institutions (Financial Support) Act. These included an indefinite ban on dividend payments to nongovernment investors, a prohibition on share buybacks absent regulatory approval, a requirement to consult with the government before making any asset-related disclosures, and the government's right to appoint two members to each bank's board (EC 2009a, 8–9; EC 2009b, 9).

The EC approved BoI's restructuring plan on July 15, 2010. The plan called for BoI to dispose of several of its subsidiaries and wind down a number of loan books, reduce its reliance on fragile wholesale funding, raise capital, and improve its risk management processes (EC 2010, 9–15).

The EC approved AIB's plan on May 7, 2014, after ongoing discussions and several updates to its original submission in 2009 (EC 2014, 2). The restructuring plan acknowledged the progress that AIB had already made in restructuring: several business divestments, a reduction in leverage, replacement of senior bank officials, and other downsizing measures (EC 2014, 10). The 2014 restructuring plan called for AIB to continue to downsize, give greater emphasis to its domestic business, reduce reliance on European Central Bank funding, and increase its retained earnings (EC 2014, 13–15).

12. Exit Strategy: Banks could buy out the government stake at a preset price if they replaced it with new core tier 1 capital.

Banks could buy out the government shares at the purchase price, if purchased within five years. If the buyback happened after five years, the banks had to pay a 25% premium. In either case, the bank could do so only if it received approval from the Financial Regulator and replaced the capital with new core tier 1 capital (Dept. of Finance 2008a).

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Appendix: RecapitalizationTotals

Public and market-based recapitalisations of the domestic banks* — Table 1

EUR bn	AIB/EBS	BOI	IL&P	Anglo/INBS	Total
Pre-PCAR 2011					
LMEs (market)	3.35	2.47	–	4.09	9.91
Preference shares (NPRF)**	3.50	3.50	–	–	7.00
Promissory notes (Exchequer)	0.25	–	–	30.60	30.85
Special investment shares (Exchequer)***	0.63	–	–	0.1	0.73
Ordinary shares (Exchequer)	–	–	–	4.0	4.00
Ordinary shares (NPRF)	3.70	–	–	–	3.70
Subtotal	*11.43*	*5.97*	–	*38.79*	*56.19*
PCAR 2011					
Equity-raising (market)****	–	2.30	–	–	2.30
LMEs/other (market)	2.10	1.70	1.30	–	5.10
Ordinary shares (Exchequer)	–	–	2.30	–	2.30
Ordinary shares (NPRF)	5.00	–	–	–	5.00
Other (Exchequer & NPRF)*****	6.10	0.20	–	–	6.30
Contingent capital notes (Exchequer)	1.60	1.00	0.40	–	3.00
Subtotal	*14.80*	*5.20*	*4.00*	–	*24.00*
Total	26.23	11.17	4.00	38.79	80.19

* Position as at 2012. Excludes asset/business line disposals by banks, while figures are subject to rounding.

** Approximately EUR 1.6 billion of preference shares in BOI were converted into ordinary shares in 2010. The state also received EUR 500 million from the warrants relating to BOI's preference shares which are excluded from this table.

*** Special investment shares were holdings that would be converted into ordinary shares should EBS and/or INBS be converted to a limited company. In the case of EBS this occurred on 1 July 2011, when EBS was demutualised and acquired by AIB.

**** Includes debt for equity swaps.

***** Made by the Exchequer (EUR 2.30 billion) and the NPRF (EUR 3.80 billion). BOI figure represents net cost to the state following sale of shares to private investors.

Source: Authors' estimates based on data presented in Central Bank of Ireland (2012), Joint Committee (2016d, pp 33–36) and Office of the Comptroller and Auditor General (2012). The description of special investment shares is that provided in EBS (2013).

Source: BIS 2020, 18.