



Yale SCHOOL OF MANAGEMENT
Program on Financial Stability

EliScholar – A Digital Platform for Scholarly Publishing at Yale

YPFS Resource Library

1-1-2013

Irish Government Guarantee Factsheet

Bank of Ireland

<https://elischolar.library.yale.edu/ypfs-documents/731>

This resource is brought to you for free and open access by the Yale Program on Financial Stability and [EliScholar](#), a digital platform for scholarly publishing provided by Yale University Library. For more information, please contact ypfs@yale.edu.

Irish Government Guarantee Schemes - Timeframe

2008	30 September	<p>CIFS commenced</p> <ul style="list-style-type: none"> ▶ Irish Government announcement to guarantee deposits and covered debt securities of covered institutions including 6 Irish banks ▶ CIFS was a blanket scheme and ran from 30 September 2008 to 29 September 2010
2009	9 December	<p>ELG Scheme commenced</p> <ul style="list-style-type: none"> ▶ A new Scheme covering new deposits and eligible debt securities up to a maximum maturity of 5 years issued within set window
2010	11 January	Bank of Ireland became a Participating Institution in ELG Scheme
	28 June	<p>ELG Scheme reviewed by EU Commission</p> <ul style="list-style-type: none"> ▶ Issuance window confirmed to 29 September 2010 ▶ Initial partial extension of ELG Scheme issuance window to 31 December 2010 excluding some <3 month liabilities
	21 July	Bank of Ireland (UK) plc (BOIUK) became a Participating Institution in ELG Scheme
	7 September	<p>Irish Government notification that ELG Scheme issuance window extended for Irish banking sector to 31 December 2010</p> <ul style="list-style-type: none"> ▶ Full extension confirmed for all eligible liabilities - deposits and eligible debt securities from overnight up to a maximum maturity of 5 years
	21 September	ELG Scheme issuance window extension to 31 December 2010, approved by EU Commission
	29 September	<p>CIFS ends</p> <ul style="list-style-type: none"> ▶ Term deposits placed with Bank of Ireland before 11 January 2010 that are yet to mature are not covered by the ELG Scheme
	19 November	<p>ELG Scheme issuance window extended to 30 June 2011</p> <p>ELG Scheme extension passed by Irish Houses of Parliament</p>
	2011	1 June
1 December		ELG Scheme extension to 31 December 2012 passed by Irish Houses of Parliament
8 December		ELG Scheme issuance window extended to 30 June 2012, approved by EU Commission
2012	30 March	<p>BOIUK limits its participation in the ELG Scheme</p> <ul style="list-style-type: none"> ▶ Since 30 March 2012 all demand and new fixed term deposits with BOIUK are solely covered by the UK's Financial Services Compensation Scheme up to £85,000
	1 June	ELG Scheme issuance window extended to 31 December 2012, approved by EU Commission
	10 August	<p>Bank of Ireland (IOM) Ltd. limits its participation in the ELG Scheme</p> <ul style="list-style-type: none"> ▶ Since 10 August 2012 all eligible net deposits (demand and new fixed term) with BOI IOM are solely covered by the Isle of Man's Depositors' Compensation Scheme up to the maximum compensation of £50,000
	29 November	ELG Scheme extension to 31 December 2013 passed by Irish Houses of Parliament
	12 December	ELG Scheme issuance window extended to 30 June 2013, approved by EU Commission

Current status of Irish Government Guarantee Schemes

Deposit Guarantee Scheme (DGS)

- ▶ Primary 'retail' deposit guarantee in Ireland covering eligible deposits of up to €100,000 per individual, per institution
- ▶ The DGS is operated by the Central Bank of Ireland and has no end date

Credit Institutions Financial Support Scheme (CIFS) - Expired

- ▶ CIFS - the original Irish Government Guarantee commenced on 30 September 2008 and expired on 29 September 2010
- ▶ CIFS was a blanket Scheme covering all deposits, senior debt, covered bonds and dated subordinated debt of the covered institutions

Eligible Liabilities Guarantee Scheme (the ELG Scheme)

- ▶ The ELG Scheme commenced on 9 December 2009 - a new scheme that moved away from the blanket nature of CIFS towards an opt-in/opt-out Guarantee
- ▶ Bank of Ireland became a Participating Institution in the ELG Scheme on 11 January 2010 with BOIUK joining the Scheme on 21 July 2010. Since 30 March 2012, BOIUK has been limiting its participation in the Scheme with relevant deposits solely covered by the UK's Financial Services Compensation Scheme. Since 10 August 2012, BOI IOM has been limiting its participation in the Scheme with eligible net deposits solely covered by the IOM's Depositors' Compensation Scheme

What is covered?

- ▶ The ELG Scheme covers deposits (to the extent not covered by deposit protection schemes in the State (see above note on DGS) or any other jurisdiction) and eligible debt securities (senior unsecured CP, CD and other senior unsecured notes and bonds in respect of which the National Treasury Management Agency has issued a guarantee certificate) up to a maximum maturity of 5 years. Since 30 March 2012, all demand and new fixed term deposits placed with BOIUK are solely covered by the UK's Financial Services Compensation Scheme. Since 10 August 2012, all eligible net deposits (demand and new fixed term) placed with BOI IOM are solely covered by the IOM's Depositors' Compensation Scheme
- ▶ The ELG Scheme does not guarantee covered bonds (ACS), subordinated debt or any senior term debt, or deposits that pre-date the Participating Institution joining the ELG Scheme. Since 30 March 2012, all demand and new fixed term deposits placed with BOIUK are solely covered by the UK's Financial Services Compensation Scheme. Since 10 August 2012, all eligible net deposits (demand and new fixed term) placed with BOI IOM are solely covered by the IOM's Depositors' Compensation Scheme
- ▶ To be eligible, deposits and debt securities must be placed / issued during the issuance window, which the EU Commission has approved to 30 June 2013 (issuance window commenced for each institution on joining the ELG Scheme)
- ▶ The ELG Scheme is irrevocable - fixed term deposits and debt securities issued under the ELG Scheme are guaranteed until their maturity (up to a maximum maturity of 5 years). Since 30 March 2012, all demand and new fixed term deposits placed with BOIUK are solely covered by the UK's Financial Services Compensation Scheme. Since 10 August 2012, all eligible net deposits (demand and new fixed term) placed with BOI IOM are solely covered by the IOM's Depositors' Compensation Scheme
- ▶ Eligible overnight / on-call deposits / current accounts are guaranteed until the ELG Scheme issuance window closes
- ▶ Participating Institutions in the ELG Scheme have the flexibility to issue unguaranteed debt securities and, since 16 November 2011, may also offer unguaranteed corporate and institutional deposits subject to the following conditions being met:
 - a) The depositor acknowledging in writing that the relevant deposit shall not be guaranteed under the ELG Scheme;
 - b) The terms of the relevant deposit state that the deposit shall not be guaranteed under the ELG Scheme; and
 - c) The deposit being made after 16 November 2011The nominal amount of the deposit must exceed €1m equivalent

ELG Scheme Extension

- ▶ In November 2012, the extension of the ELG Scheme to 31 December 2013 was approved by the Irish Houses of Parliament
- ▶ In December 2012, the EU Commission approved the extension of the ELG Scheme issuance window to 30 June 2013

For further information on the ELG Scheme please refer to:

www.finance.gov.ie
www.ntma.ie

CIFS - Credit Institutions (Financial Support) Scheme 2008

ELG Scheme - Credit Institutions (Eligible Liabilities Guarantee) Scheme 2009 (as amended)

Disclaimer

This document is for information purposes only and Bank of Ireland is not soliciting any action based upon it. Bank of Ireland is regulated by the Central Bank of Ireland. In the UK, Bank of Ireland is authorised by the Central Bank of Ireland and authorised and subject to limited regulation by the Financial Services Authority. Details about the extent of our authorisation and regulation by the Financial Services Authority are available from us on request. Bank of Ireland is incorporated in Ireland with limited liability.

Registered Office - 40 Mespil Road, Dublin 4, Ireland. Registered Number - C-1.