

IRISH BANKING FEDERATION - DEPOSIT PROTECTION IN IRELAND

1. BACKGROUND

The Deposit Protection Scheme* in Ireland was established by the European Communities (Deposit Guarantee Schemes) Regulations, 1995. The Irish deposit protection scheme is funded by credit institutions, which are authorised by the Central Bank & Financial Services Authority of Ireland. The system is administered by the Central Bank & Financial Services Authority of Ireland. Deposits with credit institutions authorised in another European Economic Area ("EEA")† country and operating in Ireland on a branch basis are covered under that country's system. These credit institutions may opt in to the Deposit Protection Scheme in Ireland, in which case the terms set out in this leaflet apply. [Individual bank statement if the credit institution opts in to the Irish scheme]

2. ELIGIBLE DEPOSITS

Deposits eligible for cover under the deposit protection scheme are deposits denominated in any currency held at EEA branches of credit institutions authorised in Ireland.

Deposits not eligible for cover include:

- interbank deposits;
- certificates of deposit;
- items which make up the own funds or capital of the institution;
- deposits in respect of which a money laundering offence has been committed;
- deposits by a company connected to the credit institution;
- deposits by a person who had responsibility for or who profited from the failure of the credit institution;
- deposits by the directors, secretary, chief executive or their close families.
- deposits by financial institutions (as defined in the European Communities Second Banking Co-ordination Directive);
- deposits by insurance companies;
- deposits by the Governments or municipal, local, regional or provincial authorities of any State;
- deposits by collective investment schemes;
- deposits by pension and retirement funds;
- debt securities; and

deposits by large companies (as defined under companies legislation).

3. LIMITS ON COMPENSATION

The maximum amount payable to any depositor is 100 per cent‡ of the aggregate deposits held by that depositor with that institution subject to a maximum compensation payment of €100,000.

Thus, a depositor with a deposit account totalling €75,000 would receive compensation of €75,000 while a depositor with deposits of €125,000 or more would receive the maximum compensation of €100,000.

* (Footnote optional for credit institutions participating in the Credit Institutions (Financial Support) Scheme 2008) Please note that this scheme is distinct from the 'Credit Institutions (Financial Support) Scheme 2008' or Government Guarantee Scheme. For more information on this Scheme, please consult 'Information on the Credit Institutions (Financial Support) Scheme 2008' brochure available in participating banks and building societies.

† i.e. all European Union Member States and Iceland, Liechtenstein and Norway.

‡ In accordance with the Statement of the Minister for Finance of September 20th, 2008 which increased the statutory limit of eligible deposits to 100% of €100,000 per depositor per institution.

4. COMPENSATION PAYMENT PROCEDURE

Under the Regulations, the compensation payment process is initiated by:

- the Central Bank & Financial Services Authority of Ireland determining that a credit institution is unable to repay deposits due to its financial condition;
- a court making a ruling, for reasons directly related to a credit institution's financial circumstances, that suspends depositors' ability to make claims against that institution.

The Central Bank & Financial Services Authority of Ireland (or liquidator, where one has been appointed) is expected to pay compensation to depositors within three months of a determination by the Central Bank & Financial Services Authority of Ireland that deposits are unavailable, or of a ruling by the court (subject to the terms and conditions set out in the Regulations).

5. JOINT ACCOUNTS

Unless otherwise specified, joint account balances will be apportioned equally between each account holder for this purpose and aggregated with any other balances held by that account holder.

6. MULTIPLE ACCOUNTS

All balances held in the depositor's name (including balances held in a joint account) together with any interest due will be aggregated for the purpose of calculating the funds owed to the depositor by the institution.

7. CLAIMS PROCEDURE

In the event of the compensation process being initiated by a determination by the Central Bank & Financial Services Authority of Ireland or a court ruling, details of the claims procedure and of the information which must be supplied by each depositor in order to support a claim will be published by the Central Bank & Financial Services Authority of Ireland.

8. FURTHER INFORMATION

If this leaflet does not answer your question, please note that the Financial Regulator provides further information on its website at <http://www.itsyourmoney.ie/>.

This Guidance Note should not be considered to be a comprehensive summary of the Regulations. A copy of the Regulations may be obtained from the Government Publications Office, Molesworth Street, Dublin 2

