



## Media statement

# Retail Deposit Guarantee Scheme continues as Wholesale Guarantee Facility closes

**Issue date:** Friday, 30 April 2010  
**Status:** Current  
**Corporate author:** [The Treasury \(/treasury-author-corporate/treasury\)](#)

VIEW POINT: THE TREASURY ([/TSY-VIEW-POINT/TREASURY-0](#))

---

**Publication category:** [News/media \(/tsy-publication-category/newsmedia\)](#)  
**Copyright:** [Creative Commons Attribution 4.0 International](#)  
(<https://creativecommons.org/licenses/by/4.0/>)

The New Zealand Wholesale Guarantee Facility closed today, while the separate Retail Deposit Guarantee Scheme continues to operate.

The wholesale facility was set up in November 2008 to help banks operating in New Zealand access funding during the liquidity crisis that affected global financial markets. International market conditions have improved, and continue to improve in 2010, and New Zealand banks are now raising wholesale funding without using the guarantee, which was always envisaged as a temporary measure for extraordinary times.

Since the Wholesale Guarantee Facility was set up, 24 guarantee certificates have been issued, covering \$10.3 billion of wholesale borrowing by banks. To date, no claims have been made against the Wholesale Guarantee Facility and the Treasury considers the likelihood of future claims to be remote as the existing guaranteed issues roll through to maturity.

The closure of the Wholesale Guarantee Facility does not affect the current or extended Retail Deposit Guarantee Schemes, which continue to operate. Currently, deposits totalling approximately \$133 billion

with 73 financial institutions are guaranteed under the current scheme until 12 October 2010. The extended scheme covers deposits in approved companies for the period from 12 October 2010 until 31 December 2011.

When an institution that has signed a Crown guarantee deed defaults on its obligations, then the Crown repays the eligible depositors and takes over their rights as creditors of the institution. The Crown stands by its commitment under the guarantee and has repaid money owed totalling \$69.7 million to those eligible depositors in Mascot Finance and Strata Finance who have submitted claims. The process to repay eligible depositors with Vision Securities Limited is under way and an initial communication is scheduled for mid May 2010.

### **News media contact:**

**Angus Barclay** | Senior Communications Advisor

Tel: +64 4 917 6146

Mob: +64 (0)27 337 1102

Email: [angus.barclay@treasury.govt.nz](mailto:angus.barclay@treasury.govt.nz) (<mailto:angus.barclay@treasury.govt.nz>)

Last updated: Friday, 7 May 2010