

Which banks are covered by the guarantee?

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The guarantee pledged by the Government today applies to six lenders - four banks and two building societies.

The move comes ten days after the Government increased the statutory limit for the deposit guarantee scheme for banks and building societies from €20,000 to €100,000 per depositor.

Today's move sets no limit to the funds guaranteed at the six named lenders. The guarantee expires in September 2010:

The banks and building societies covered are:

Allied Irish Bank
Bank of Ireland
Anglo Irish Bank
Irish Life and Permanent (Permanent TSB)
Irish Nationwide Building Society
Educational Building Society

The guarantee also extends to subsidiaries of these banks and building societies.

Other financial institutions, many of which are wholly owned by foreign institutions, are not covered under the new scheme.

They are:

National Irish Bank, which is owned by Danish bank Danske
ACC and Rabodirect, which are owned by Dutch bank Rabobank
Ulster Bank and First Active, which are owned by UK bank Royal Bank of Scotland
Bank of Scotland (Ireland) and Halifax, which are owned by the merged UK bank, Lloyds TSB/HBOS
IIB Bank, which is owned by Belgian bank KBC
Irish credit unions
Postbank, which is jointly owned by An Post and Belgian-Dutch bank Fortis

However, the foreign-owned financial institutions above are covered by the Government's previous Deposit Protection Scheme on sums up to €100,000 or, if they are regulated overseas (NIB and Rabodirect), they can make a request to the Financial Regulator to be covered up to this amount.

NIB has applied to increase its protection to €100,000 and confirmed today that its depositors are now covered up to this amount, while Rabo has not applied to the regulator because they feel their Dutch parent bank is financially strong enough.

- *Simon Carswell and Éanna Ó Caollaí*