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Debt Guarantee Schemes – Global Comparison

Since the financial crisis intensified in September 2008, governments around the world have taken a range of steps to address bank instability and restore market confidence. As part of these measures, many governments are offering financial institutions the option to apply for a state guarantee of newly-issued debt obligations to facilitate access to funding while the market for new issues or other borrowings remains fragile.

Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, the Republic of Korea, The Netherlands, New Zealand, Portugal, Spain, Sweden, the United Kingdom and the United States have all announced state guarantee schemes for debt funding as part of their stabilisation measures.

Whilst all of the guarantee schemes have the same, overriding aim of facilitating access to funding, they are all different.

This briefing summarises available information on key features of the schemes in these 19 countries, as at 9 April 2009 (updating and replacing our earlier review dated 7 November 2008). We also contrast the coverage of the existing deposit protection schemes in these countries.

Key questions and key features

Scheme "idiosyncrasies" may have significant implications for institutions seeking to access the guarantee and, also, for investors interested in purchasing guaranteed securities. However, the same practical issues exist, irrespective of the particular scheme. These include:

Has the scheme changed since it was announced?

As with other bank stability measures, government guarantee schemes continue to evolve. The Dutch scheme, for example, is currently in its fourth iteration; the German scheme was amended by legislation passed on 3 April 2009 which will enter into force on 9 April; and amendments are due to be made to the Irish scheme, as announced by the Irish Minister for Finance on 7 April 2009 in an emergency budget statement. For the most part, revisions to schemes have been made to clarify or to broaden the scope of the scheme. In the UK, for example, changes made in December 2008 (among other things) broadened the permissible range of currencies to include Japanese yen, Australian dollars, Canadian dollars and Swiss francs.

Does the issuer qualify?

It is not, usually, too difficult to establish whether a potential issuer is an eligible institution within the meaning of a scheme, but schemes do vary greatly. Most are restricted to domestic banking institutions, in some cases including (potentially at least) local banking subsidiaries of foreign parent companies.

A few are also available to local branches of foreign banks (in some cases also extending to foreign branches of local banks). However, there are sometimes explicit or implicit limits that would restrict the ability of smaller or foreign owned institutions to take advantage of the government guarantees.

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These include requirements that participating entities have a substantial local business or are systemically important or requirements to comply with restrictions on business activities. These obligations may be less palatable for a foreign owned institution (especially if it is already dealing with corresponding restrictions in its home country).

Are there any capital requirement thresholds?

Institutions wishing to access the scheme may have to raise additional capital (from the state under a government sponsored recapitalisation scheme or in the market) in order to meet the eligibility criteria for participation in the scheme.

Are there other barriers?

There may be pre-existing restrictions that affect an issuer's ability to access its government's scheme. For example, some issuers may have previously given a covenant not to issue or borrow on a guaranteed basis (sometimes included in a bond negative pledge condition), which may prevent it issuing under the scheme.

There has also been a question under at least one government scheme as to whether the terms of the scheme itself did not create some sort of security interest in favour of the government that could result in a breach of an issuing bank's negative pledge.

What is the application process?

At a gritty, practical level, but very important for timing, all schemes have individual application requirements and timeframes. These will be particularly important on the first occasion that an institution utilises its government's scheme, when an institution may have to provide a range of documents to satisfy scheme requirements (sometimes including a business plan, a financing plan, a fee letter, a signed counter-indemnity and one or more legal opinions).

What will it cost?

The direct fees charged by the state for providing the guarantee vary considerably. A number of schemes have fees based on the individual institution's risk profile, either by linking the cost to a market measure of risk (such as the institution's median 5-year credit default swap spread or credit rating) or by individual determination. In contrast, for example, the US imposes a flat rate charge regardless of risk.

However, the fees charged represent only one element of the cost. Institutions accessing the scheme may also have to accept restrictions on their business as a condition of benefiting from the scheme.

The "*quid pro quo*" for a state guarantee may involve accepting commitments to maintain lending at particular levels, restrictions on balance sheet growth and types of business activity, restrictions on wage increases, bonus payments and executive severance packages during the guarantee period or controls over the composition of the institution's board of directors. Using the scheme may also expose the institution to other political pressures with respect to the conduct of its business.

Are the debt obligations eligible?

Some schemes (such as Ireland) provide blanket guarantees of all of the debt obligations of an eligible institution. Other schemes (such as the UK) require eligible institutions to seek a guarantee on a case-by-case basis in relation to a particular issuer or programme, sometimes limited to debt securities.

In some cases (such as the UK and the Netherlands), eligible liabilities are limited to senior unsecured CDs, commercial paper and bonds or notes, with "complex instruments" being expressly excluded from the scheme. Both schemes also exclude securities with cross default, cross acceleration or issue prepayment options (other than for taxation reasons). There may also be restrictions on the currency of the debt instruments which qualify.

What are the terms of the guarantee? And who can enforce it?

The terms of the scheme will define the beneficiaries of the guarantee. However, investors will want to know whether the guarantee is enforceable by a trustee (in the case of those issuers who customarily use a trustee structure) or only by an individual noteholder.

The terms of guarantees will usually cover all principal and interest (although in some cases subject to a cut-off date), but may not cover other amounts owing by the issuer such as trustee's fees and expenses. Investors will also focus on whether the guarantee is payable on demand (and without having first to take proceedings against a defaulting issuer), how the demand must be made and how the guarantor would make any required payments. They will also be interested in whether the terms of the guarantee effectively waive or disapply any legal defences that might otherwise be available to the guarantor as a secondary obligor and whether there might be circumstances where a guarantor might be entitled not to make payment.

Lead managers and investors may also consider whether they can obtain a legal opinion that adequately addresses all the relevant legal issues with respect to the guarantee: capacity, authorisation, execution, state aid, (where applicable, validity), enforceability (and methods of enforcement), governmental immunities and withholding tax (US issuers may have a problem here).

How long will the guarantee be available?

Most guarantees are intended to be temporary measures and are, therefore, limited in time. Some schemes are available for a limited issuance period (independent of the maturity of the underlying obligation), often expiring between April and December 2009. Other schemes have a "sunset" or termination date for the guarantee (again, independent of the maturity of the underlying covered obligation), often between September 2010 and June 2012.

Several schemes only cover obligations with a minimum maturity of 3 months. Many schemes also limit the maximum original maturity for guaranteed obligations to between three and five years.

How is the guarantee constituted or structured?

Some guarantees are created by statute; others are constituted by some form of contractual guarantee. In some cases, the guarantor is the state itself, while in others another entity acts as the guarantor (sometimes with indirect recourse to the state).

The French scheme is structured differently from other schemes, in that the guarantee is not granted to notes issued by the eligible banks. Instead, the State guarantee is granted to notes issued by a newly-created refinancing vehicle, the company for financing the French economy (*Société de Financement de l'Economie Française* - or SFEF). The issue proceeds are then on-lent to eligible banks (who pay interest at a rate equal to the cost of funds of the SFEF, plus an arms-length fee).

May the issuer include disclosure on the guarantee?

Banks taking advantage of the scheme will need to consider how to address disclosure obligations in relation to the issuance of guaranteed securities, where they are being publicly offered or listed on a stock exchange. For example, in Europe, the issuer will have to consider whether to bring the guaranteed instruments within an existing debt programme prepared under the Prospectus Directive or whether to prepare a separate disclosure document or create a separate programme for guaranteed issuance. Where the guarantor is a non-EEA state, the Committee of European Securities Regulators (CESR) issued guidance in February 2009 suggesting that full disclosure on the third country sovereign guarantor should be included in a Prospectus Directive-compliant prospectus.

What is the impact of state aid rules?

In Europe, it will be important for the institution accessing the scheme and the investors to assess the impact of state aid rules. The European Commission has already cleared a number of guarantee schemes under the state aid rules which should address concerns as to the impact of state aid rules on the institution accessing those schemes and the beneficiaries of the guarantee, provided that the schemes are implemented in the form notified to the European Commission.

More generally, the structure of individual guarantee schemes may affect the relative competitiveness of institutions in domestic and international markets where competitors benefit from different schemes or do not have access to similar schemes at all.

Can investors tell whether the securities carry a state guarantee?

Investors need to have a good understanding of the detailed operation of these schemes, so that they can identify the cases where they will or will not benefit from a guarantee.

In the absence of a suitable or reliable trading "marker" that makes clear whether a particular instrument carries a state guarantee, it may be necessary to have recourse to underlying documentation to check whether a guarantee applies to a particular instrument.

Or meet other investment criteria?

For liquidity purposes, it may also be important to investors to establish whether the securities to be issued will:

- qualify for zero risk weighting under the Basel II standardised approach for measuring capital adequacy;
- be eligible collateral for central bank liquidity operations; and
- qualify as a deliverable obligation under physically settled credit default swap transactions where the sovereign is the reference entity.

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Summary Table

The summary table below highlights certain key features of the schemes. The summary table is followed by more detailed information in respect of each scheme, as currently available.

Jurisdiction (Global scheme amount)	Scheme currently operational	Availability period	Min/max maturity of eligible liabilities	Fee
Australia (Unlimited)	Yes	There is currently no definite end date but it will be a date determined by the Commonwealth of Australia and notified to each eligible institution at least 20 business days prior to that date.	No minimum Maximum: 5 years (or in the case of foreign ADI's, 31 December 2009).	Individual fee for each institution according to the quantum of guaranteed liabilities and the credit rating of the eligible institution.
Austria (Euro 75 billion)	Yes	Until 30 June 2009	No minimum Maximum: 3 years (5 years in some cases)	The Austrian Government will charge consideration, fees and/or interest rates at the prevailing market rate.
Belgium (Unlimited)	Yes (currently only implemented for Dexia)	Until 31 October 2009 at the latest (until 9 June 2009 for Dexia)	To be determined individually for each institution, not to exceed 31 October 2011.	To be determined individually for each institution. For Dexia: 0.50% in respect of debts with a maturity of less than a year and on-demand deposits (a reduced rate of 0.25% will apply until 15 February 2009 in respect of debts with a maturity of less than a month), and the five-year CDS spread (over the period between 1 January 2007 and 31 August 2008) plus 0.50% per year in respect of longer maturities.
Canada (Unlimited)	Yes	Until 31 December 2009	Minimum: 3 months. Maximum: There is no maximum. Guarantees will apply to payments of principal and interest or discount for up to three years from the	The base annualised fee will be 110 basis points with additional surcharges depending on the borrowing institution's credit rating. All eligible institutions will be charged a

Jurisdiction (Global scheme amount)	Scheme currently operational	Availability period	Min/max maturity of eligible liabilities	Fee
			date of issue of the instrument.	surcharge of 25 basis points; however, the Government announced that this "across the board" surcharge would be waived until further notice. Eligible financial institutions rated at or above A- or equivalent by at least two rating agencies will not be charged an additional surcharge. However, there will be an additional surcharge of 25 basis points for other eligible financial institutions. A further surcharge of 20 basis points will be added to non-Canadian dollar denominated debt.
Denmark (Unlimited)	Yes, both the original scheme as well as the supplementary transition scheme with access to government guarantee for individual debt.	Until 30 September 2010 (original scheme), access to transition scheme until 31 December 2013 with possibility for the Minister to postpone the deadline.	No minimum or maximum under the original scheme, maximum 3 years under the transition scheme. Guarantee to lapse on earlier of maturity or 30 September 2010 under the original scheme, under the transition scheme on maturity only. NB. The original scheme is "all in or all out", i.e. no accession of instruments is required as all	Aggregate maximum contribution of DKK 35 billion to be paid by the Private Contingency Association (to be apportioned between members). Transition scheme: Fees to be determined individually, maximum 0.95 per cent per annum if debt in DKK.

Jurisdiction (Global scheme amount)	Scheme currently operational	Availability period	Min/max maturity of eligible liabilities	Fee
			creditors of the participating banks are covered subject only to specific exemptions set out in the legislation. The transition scheme requires individual accession.	
Finland (Euro 50 billion)	Yes	Until 31 December 2009	Minimum: 3 months Maximum: 5 years	Determined on the basis of type and maturity of liability and rating of institution.
France (Euro 360 billion in aggregate)	Yes	Until 31 December 2009	*SFEF scheme*: Debt securities with maturity of up to 5 years, to be issued by a special purpose vehicle. *SPPE scheme*: No minimum or maximum maturity.	To be determined individually for each institution.
Germany (Euro 400 billion)	Yes	Until 31 December 2009	No minimum Maximum: 3 years	To be determined individually for each institution.
Greece (Euro 15 billion)	No	Until 31 December 2009	Minimum: 3 months Maximum: 3 years	Maturity of 3-12 months; 50 bps or 25 bps, with security. Maturity of more than 1 year: institutions median 5-year CDS spread plus 50 bps (or 25 bps if security is provided).
Ireland (Unlimited)	Yes	Until 29 September 2010	No minimum or maximum Guarantee to lapse on earlier of maturity or 29 September 2010.	Fee to be determined individually for each institution.

Jurisdiction (Global scheme amount)	Scheme currently operational	Availability period	Min/max maturity of eligible liabilities	Fee
Italy (To be determined)	No	Until 31 December 2009	No minimum Maximum: 5 years	To be determined.
Republic of Korea	Yes	Until 30 June 2012	Minimum: No Maximum: 3 years and only for payment obligations due on or before 30 June 2012	0.8% per annum
The Netherlands (Euro 200 billion)	Yes	Until 31 December 2009	Minimum: 3 months Maximum: 3 years	Maturity of 1 year or less: 50 bps. Maturity of more than 1 year: institution's median 5-year CDS spread + 50 bps.
New Zealand (Unlimited)	Yes	Until “international markets return to normal”	No minimum Maximum: the earlier of 5 years or maturity	Fee charged for each issue, differentiated by credit rating of issuer and term of security guaranteed.
Portugal (Euro 20 billion)	Yes	Until 31 December 2009	Minimum: 3 months Maximum: 3 years (up to 5 years upon recommendation by the Portuguese Central Bank)	Maturity of 1 year or less: 50 bps. Maturity of more than 1 year: institution's median 5-year CDS spread + 50 bps.
Spain (2008: Euro 100 billion, additional Euro 100 billion in 2009 as approved by the 2009 budget (Law 2/2008 dated December 23))	No	Until 31 December 2009	Minimum: 3 months Maximum: 3 years (On an exceptional basis, the Ministry of Economy and Finance may guarantee operations with a term of maturity of up to 5 years, after consultation with the Bank of Spain)	Maturity of 1 year or less: 50 bps per annum. Maturity of more than 1 year: a) 50bps over the lower of the mean 5-year CDS spread for the institution or institutions with similar ratings. (The mean CDS value for AA-rated and A-rated banks is

Jurisdiction (Global scheme amount)	Scheme currently operational	Availability period	Min/max maturity of eligible liabilities	Fee
				0.365% and 0.448% per annum, respectively). b) For rated issuers where no CDS data exists or such data is not representative, 50 bps over the mean 5-year CDS spread for institutions with a similar rating. c) For other issuers, 50 bps over the mean 5-year CDS spread for A-rated banks (i.e. 0.448% per annum) plus a supplement of 0.10% per year.
Sweden (SEK 1,500 billion)	Yes	Until 31 October 2009	Minimum: 90 days Maximum: 5 years for covered bonds and 3 years for other instruments.	Maturity of 1 year or less: 50 bps. Maturity of more than 1 year: institution's CDS spread + 50 bps (CDS spread +25 bps for covered bonds).
United Kingdom (GBP 250 billion)	Yes	Until 31 December 2009	No minimum Maturity must fall before 13 April 2012 for a liability to be eligible.	Institution's median 5-year CDS spread + 50 bps. Possible incremental fee for non-sterling issuance.
United States (No limitation on the global scheme amount)	Yes	Until 30 June 2009	No minimum or maximum Guarantee to lapse on earlier of maturity or 30 June 2012.	Automatic coverage without fee until 12 November 2008, then 75 bps, unless an institution opts out of the scheme on or before 5 December 2008.

Information by Jurisdiction

Australia	
Guarantor under the scheme	Commonwealth of Australia ("**Commonwealth**").
Formal structure of guarantee under the scheme	On 20 November 2008, the Commonwealth of Australia entered into a deed of guarantee ("**Deed of Guarantee**") pursuant to which it irrevocably guarantees to certain named beneficiaries the payment by eligible institutions of guaranteed liabilities and undertakes to make such payments if the relevant eligible institution does not do so when such payments become due and payable ("**Guarantee**"). The Guarantee is effective from 28 November 2008. The Guarantee Scheme for Large Deposits and Wholesale Funding Appropriation Act 2008 ("**Act**") was assented to on 27 November 2008. The Act contains a standing appropriation for the purpose of paying claims out of the "Consolidated Revenue Fund" of the Commonwealth under the Deed of Guarantee. An opinion was issued by the Australian Government Solicitor advising on the validity and enforceability of the Deed of Guarantee under Australian law.
Current/proposed size of guarantee scheme.	The Guarantee is not expressed to be subject to a fixed monetary cap. However, there are limitations on the amount of debt that a foreign ADI can apply to have guaranteed by the Commonwealth of Australia. Press reports indicate that as at 6 March 2009, Australian banks had borrowed just under USD 49 billion under the terms of the Guarantee since the Guarantee's inception on 28 November 2008.
Types of institutions capable of accessing the guarantee scheme.	Authorised deposit-taking institutions ("**ADIs**") and foreign ADIs, which should include the following types of institutions that are authorised to carry on a banking business in Australia: • Australian owned banks; • Australian ADI subsidiaries of foreign banks; • Australian branches of foreign banks; and • credit unions and building societies. A list of eligible institutions are listed in schedule 1 of the Scheme Rules.
Types of liability capable of being covered by the guarantee scheme.	The guaranteed liabilities are those of an ADI that have been certified as such by the Commonwealth of Australia. The types of obligations that are eligible for certification vary depending upon whether the issuer ADI is either: (a) an Australian-owned ADI or an Australian-incorporated ADI subsidiary of a foreign bank; or (b) a foreign ADI. **ADIs:** Eligible instruments issued by an Australian-owned ADI or an Australian-incorporated ADI subsidiary of a foreign bank must be: • senior unsecured debt instruments; • in any currency, that are not complex; and • may be either short-term paper (bank bills, certificates of deposit, certain debentures or commercial paper in each case

	with a term to maturity of up to 15 months) or medium-term paper (such as bonds, notes or certain debentures in each case with a term to maturity of between 15 and 60 months). The Australian Government has published guidelines on the features that are likely to be regarded by the Government as "complex". These guidelines can be found at the following link: http://www.guaranteescheme.gov.au/rules/pdf/guidance-note.pdf **Foreign ADI:** Eligible instruments issued by a foreign ADI must be senior unsecured debt instruments with a maturity date not later than 31 December 2009 that are held by a person treated as an Australian resident for the purposes of Australian income taxation law. Such instruments must be bank bills, certificates of deposit, certain debentures or commercial paper.
Period in which the guarantee scheme can be accessed.	There is currently no definite end date for the Guarantee. The Guarantee came into effect on 28 November 2008 and is expressed to terminate at midnight on the date which is sixty-seven calendar months after the Final Application Date. The Final Application Date will be a date determined by the Commonwealth of Australia and notified to each eligible institution at least 20 business days prior to that date. A Final Application Date has not been announced. However, in initially announcing the Government's policy decision to guarantee wholesale funding of ADIs, the Prime Minister of Australia stated that the Guarantee 'will be withdrawn once market conditions have normalised'.
Conditions imposed on institutions seeking to access the guarantee scheme.	The Guarantee is accompanied by a published set of Scheme Rules, which essentially govern access to the protection provided by the Guarantee.
Application process for accessing the guarantee scheme.	In order to obtain the benefit of the Guarantee, an eligible institution must lodge an application for an eligibility certificate (together with all relevant required supporting evidence and materials) with the Reserve Bank of Australia in accordance with the Scheme Rules. Full details of the application process and fees are set out in the Scheme Rules.
Fees for accessing the guarantee scheme.	If an eligibility certificate is approved and issued, there are monthly reporting requirements that must be complied with and a fee is payable by the eligible institution on a monthly basis, in arrears, which is determined by reference to the quantum of guaranteed liabilities and the credit rating of the eligible institution. Full details of the application process and fees are set out in the Scheme Rules.
Depositor protection regime limit.	**Australian ADIs:** The Financial Systems Legislation Amendment (Financial Claims Scheme and Other Measures) Act 2008, which came into effect on 18 October 2008 (the "**FCSA**"), provides for a depositor protection mechanism in the form of an entitlement for a person with a protected account with an Australian ADI to be paid by the Australian Prudential Regulatory Authority an amount equal to the net credit balance of that account plus accrued but unpaid interest (subject to certain adjustments) if and only if all of the following circumstances occur: • a statutory manager has been appointed to the ADI; and • APRA has applied to the court to have the ADI wound up; and • the relevant Australian Government Minister has made a declaration that the depositor protection mechanism is to apply to that ADI.

	Foreign ADIs: Foreign ADIs may apply to have certain deposits guaranteed by the Guarantee. The deposit can be at call, in any currency and pre date the Guarantee. However, it must not have a maturity going beyond 31 December 2009. The deposit must be held by a person treated as an Australian resident for the purposes of Australian income taxation law ("**Australian Resident**").
Links:	Australian Treasury homepage: http://www.treasurer.gov.au/Main.aspx?PageID=089&min=wms Deed of Guarantee: http://www.guaranteescheme.gov.au/deed/ Scheme Rules: http://www.guaranteescheme.gov.au/rules/ List of eligible institutions: http://www.guaranteescheme.gov.au/rules/pdf/schedule-1.pdf List of guaranteed liabilities: http://www.guaranteescheme.gov.au/guaranteed-liabilities/ Guarantee Scheme for Large Deposits and Wholesale Funding Appropriation Act 2008: http://www.comlaw.gov.au/ComLaw/Legislation/Act1.nsf/0/66B59EA04717DFE6CA2575120078FFBD/$file/1292008.pdf Opinion issued by the Australian Government Solicitor: http://www.guaranteescheme.gov.au/deed/pdf/opinion.pdf

Austria	
Guarantor under the scheme	Republic of Austria
Formal structure of guarantee under the scheme	On 27 October 2008, the Austrian Interbank Market Support Act (*Interbankmarktstärkungesetz*) (**IBSG**) came into force. The Minister of Finance is authorized to guarantee (either as guarantor or surety or as deficiency surety) bond issues of credit institutions (if the respective credit institution is licensed to do so), provided that such bonds have a maximum maturity of five years. In this case, the Minister of Finance may (in consultation with the Chancellor) impose conditions and obligations under which the guarantee is granted.
Current/proposed size of guarantee scheme.	The total maximum outstanding amount involved in measures under the IBSG (which also include other measures than the one described here) must not exceed EUR 75 billion.
Types of institutions capable of accessing the guarantee scheme.	Austrian credit institutions (if the respective credit institution is licensed to do respective bond issues)
Types of liability capable of being covered by the guarantee scheme.	Notes with a tenor up to 3 years (under certain circumstances with a tenor up to 5 years) Single bond issues, bond issues under a debt issuance programme or a medium term note programme, issuance of notes under commercial paper programmes.
Period in which the guarantee scheme can be accessed.	Currently, until 30 June 2009.
Conditions imposed on institutions seeking to access the guarantee scheme.	The Austrian Minister of Finance issued a regulation (*Verordnung*) which provides more detailed conditions on the content of the "state aid" pursuant to the IBSG, the main ones are as follows: *Sustainability*: The beneficiary's business policy shall be aligned to the principle of sustainability. *Application of Funds*: The beneficiary is to be obliged, in accordance with its corporate business objective, to use the funds received under the measure also for granting loans or entering into capital investments at usual market conditions for the economy, whereby in particular small and medium-sized companies shall be supplied with credits and households shall be supplied with mortgage loans. *Remuneration:* The beneficiary is to be obliged to examine the remuneration systems with regard to their incentive impact and appropriateness and to ensure, within the possibilities provided by private law, that they do not induce the entering into inappropriate risks and that they are oriented on long-term and sustainable aims and are transparent. Furthermore, compensation of the members of the corporate bodies and (executive) employees must be limited to an appropriate extent. Moreover, within the possibilities provided by private law, the beneficiary is in certain cases also obliged to demand repayment of remuneration that has already been paid to members of corporate bodies or executive employees who have - within the scope of business policies and risk management - so far materially and adversely contributed to the beneficiary's economic situation to the extent that such remuneration would not have been appropriate and are, from an objective perspective, material. *Own Funds Requirements:* Assumptions of liability pursuant to the IBSG require that the beneficiary has adequate own funds, unless the assumption of liability is effected in order to increase the beneficiary's

	own funds. *Profit Distributions*: If Eligible Measures are used, dividends or other participations in profits may only be distributed to the beneficiary's owners in an appropriate volume, taking the beneficiary's earnings situation into account, except to the extent such dividends or other participations in profits are owed due to contract or statute. *Employment*: The beneficiary shall take adequate care to maintain jobs within its enterprise. Measures which would result in a significant reduction of jobs shall be reported. *Avoidance of Competition Distortions*: In order to avoid potential competition distortions being caused by Eligible Measures, conditions are to be imposed on the beneficiary with regard to its business conduct which seem suitable to counter such competition distortions.
Application process for accessing the guarantee scheme.	Austrian credit institutions need to apply with the Austrian Ministry of Finance.
Fees for accessing the guarantee scheme.	In the event of assumptions of liability, in general, an annual guarantee fee shall be agreed in the amount of 0.5% if the duration of the assumption of liability does not exceed one year. In all other cases on the basis of the lower of the following values plus a surcharge of 0.5% per year of the liability range that has been granted: (i) the median of the CDS-spread for debt instruments of the beneficiary with a five-year term in the reference period from 1 January 2007 until 31 August 2008; (ii) the median of the CDS-spread for debt instruments of the beneficiary's rating category with a five-year term in the reference period from 1 January 2007 until 31 August 31 2008, on the basis of a sample of large banks in the Euro area as defined by the Eurosystem.
Depositor protection regime limit.	1) With respect to deposits held by natural persons, 100% of the amount of deposits are secured by the depositor protection regime with the following limitation: (i) from 1 October 2008 until 31 December 2009 there is no maximum amount ; (ii) as of 1 January 2010 there is a maximum amount of Euro 100,000. 2) With respect to deposits held by small companies and small partnerships which fulfil the criteria as set out in Sec 221 para 1 of the Austrian Business Code (*UGB*) 90% of the amount of deposits are secured by the depositor protection regime with a maximum amount of Euro 50,000. Small companies and partnerships within the meaning of Sec 221 para 1 of the UGB are such which at most exceed one of the following thresholds: - Euro 4.84 million balance sheet total; - Euro 9.68 million turnover; - annual average 50 employees. 3) With respect to deposits held by companies and partnerships other than those referred to in (2) above, 90 % of the amount of deposits are secured by the depositor protection regime with a maximum amount of Euro 20,000.
Links:	https://www.bmf.gv.at/Finanzmarkt/ManahmenpaketzurSic_9175/aBelebungdesInterba_9176/BundeshaftungfrWert_9183/Austrian_Garantee_Scheme_for_Bank_Lending.pdf

Belgium	
Guarantor under the scheme	The Kingdom of Belgium.
Formal structure of guarantee under the scheme	The scheme is based on a law of 15 October 2008, a royal decree of 16 October 2008, and ministerial decrees or agreements adopted separately for each institution concerned.
Current/proposed size of guarantee scheme.	There is no overall maximum amount set for the scheme. The maximum guaranteed amount for each institution may be determined by the Minister of Finance separately.
Types of institutions capable of accessing the guarantee scheme.	Belgian regulated financial institutions, including banks and insurance companies, and their funding vehicles that so wish, subject to a satisfactory assessment of their solvency by the Belgian government and regulator.
Types of liability capable of being covered by the guarantee scheme.	All forms of funding obtained from other credit institutions or from institutional investors, including interbank deposits, central bank loans, deposits by institutional customers, CDs, MTNs, but excluding non-financial sector corporate investors.
Mandatory provisions relating to a guarantee/guaranteed debt instrument.	Additional restrictions may result from the individual ministerial decrees relating to each institution. The Dexia guarantees excludes covered bonds, secured and subordinated debt, hybrid debt and derivatives.
Period in which the guarantee scheme can be accessed.	The debt must be entered into or rolled over between 9 October 2008 and 31 October 2009, (or 9 June 2009 in the case of Dexia), and its maturity must not exceed 31 October 2011.
Conditions imposed on institutions seeking to access the guarantee scheme.	In the case of Dexia various behavioural constraints were imposed, relating in particular to a cap on balance sheet growth, the rates offered on retail deposits, advertising and the mix of funding maturities.
Application process for accessing the guarantee scheme	Application to the Minister of Finance, assessment of the institution's financial situation by the Minister and the CBFA, and negotiation of the terms of the guarantee.
Fees for accessing the guarantee scheme.	To be determined individually for each institution. For Dexia: 0.50% in respect of debts with a maturity of less than a year and on-demand deposits (a reduced rate of 0.25% will apply until 15 February 2009 in respect of debts with a maturity of less than a month), and the five-year CDS spread (over the period between 1 January 2007 and 31 August 2008) plus 0.50% per year in respect of longer maturities.
Depositor protection regime limit.	The limit was increased to Euro 100,000.
Links:	Law: http://www.ejustice.just.fgov.be/mopdf/2008/10/17_2.pdf#page4 Royal Decree: http://www.ejustice.just.fgov.be/mopdf/2008/10/20_3.pdf#page3

Canada	
Name of the scheme	Canadian Lenders Assurance Facility ("**CLAF**").
Guarantor under the scheme	The Government of Canada.
Formal structure of guarantee under the scheme	The CLAF provides insurance on "Eligible Instruments" issued by "Eligible Institutions" (defined below). The CLAF will be administered by the Bank of Canada as Administrative Agent for the Government of Canada. The Administrative Agent will be responsible for the operational activities of the CLAF. An Eligible Institution must submit an application to participate in the CLAF. Once approved, the standard form of participation agreement setting out the terms of the CLAF (the "**Facility Participation Agreement**"), prepared by the Department of Finance, must be executed by each Eligible Institution prior to using the CLAF. Before any certificate (the "**Guarantee Certificate**") is issued for specific instruments, each Eligible Institution must also sign a standard form indemnity agreement (the "**Indemnity Agreement**") agreeing to reimburse the Government of Canada for any amounts paid out under the guarantee. Eligible Institutions will be required to report as necessary the International Securities Identification Numbers ("**ISINs**") of guaranteed debt issued, the maturity date of the instruments and the amounts issued. The Bank of Canada will maintain a public register of guaranteed Eligible Instruments with their ISINs and guarantee expiry dates, which will be available on its website. Although the CLAF was announced in October 2008, we understand that it has not yet been utilized as rating agencies were unwilling to fully incorporate the government guarantee in their rating analysis without a formal government appropriation to honour the guarantees, if necessary, from the Consolidated Revenue Fund. On 6 February 2009, the Government of Canada introduced Bill C-10, *An Act to implement certain provisions of the budget tabled in Parliament on January 27, 2009 and related fiscal measures*, which contains the necessary authority for the Government to make payments on the guarantee. The relevant provisions of the Bill received royal assent and came into force on 12 March 2009 (cited as *Budget Implementation Act, 2009*), with retroactive effect to any contract entered into on or after 30 November 2008.
Current/proposed size of guarantee scheme.	There is no overall maximum amount set for the scheme. The maximum aggregate amount of Eligible Instruments (the "**Participation Limit**") that can be guaranteed for each Eligible Institution, at the option of the Eligible Institution, is either: (a) 125% of the contractual maturities of on-balance sheet wholesale debt instruments that have an ISIN and have been issued by the Eligible Institution, maturing during the six-month period beginning 1 November 2008, or (b) 20% of its Canadian deposits as of the end of the most recent quarter up to and including 31 October 2008. Each Eligible Institution wishing to participate in the CLAF must submit an application to the Minister of Finance (the "**Minister**"), stating the maximum Participation Limit sought under the CLAF.

<table>
<tr><td></td><td>Within 30 days of submitting this application, the Eligible Institution must send the Minister a written statement from its external auditor verifying that the amount sought is within the Participation Limit. Pending receipt of the auditor's written statement and approval of the application, the Eligible Institution may seek guarantees for a total amount of up to 50% of the Participation Limit sought. The Minister will notify the Eligible Institution of the percentage of the Participation Limit that applies to the Eligible Institution during the 30 day period.

If the auditor's statement is not provided within the 30 day period, the Eligible Institution's participation in the CLAF will be terminated.</td></tr>
<tr><td>Types of institutions capable of accessing the guarantee scheme.</td><td>The "Eligible Institutions" are:

(a) deposit-taking financial institutions incorporated, amalgamated or continued under the Bank Act (Canada) and Trust and Loan Companies Act (Canada); and

(b) associations and central cooperative credit societies regulated under the Cooperative Credit Associations Act (Canada).

The institutions included in the list above are all Canadian banks, including foreign bank subsidiaries (but not foreign bank branches), trust and loan companies that accept deposits, the Credit Union Central Canada, Concentra Financial Services Association and provincial centrals that are subject to the Cooperative Credit Associations Act (Canada).

On the approval of the Minister, certain provincially regulated central cooperative credit societies in Quebec, New Brunswick and Prince Edward Island are also eligible.

Unless approval from the Minister is obtained, where there is more than one Eligible Institution in a group of related entities, only a single Eligible Institution may participate in the CLAF.</td></tr>
<tr><td>Types of liability capable of being covered by the guarantee scheme.</td><td>The following are "Eligible Instruments" under the CLAF:

(a) newly issued commercial paper, bearer notes and senior unsecured bonds and notes, debentures or similar evidence of indebtedness and Bankers Acceptances in which the underlying debt has been issued by a related entity of the Eligible Institution; and

(b) subject to the approval of the Minister, other new senior unsecured marketable wholesale instruments.

The Eligible Instruments also have other requirements which are set out below.

1. Instruments must have a minimum term of 3 months.

2. Instruments must have an ISIN.

3. Instruments may only be denominated in Canadian Dollars, US Dollars, Euros, Sterling and Yen.

4. The minimum issuance size for a Canadian Dollar instrument is:

(a) $10 million for Eligible Institutions that have an approved maximum amount of at least $10 billion;

(b) $5 million for Eligible Institutions that have an approved maximum amount of less than $10 billion</td></tr>
</table>

	but at least $5 billion; and (c) $1 million for all other Eligible Institutions that have an approved limit of less than $5 billion. 5. Eligible Instruments denominated in non-Canadian Dollar currencies must have a minimum issuance size of $10 billion, calculated at the Bank of Canada's noon exchange rate on the day prior to the filing of an application for a Guarantee Certificate. The guarantee applies to defaults in payment of principal and accrued and unpaid interest or discount during the first three years of the term of the Eligible Instrument. If, on default, payments of principal and interest or discount are accelerated, the guarantee will cover the accelerated amount of principal, and accrued and unpaid interest or discount in that period.
Mandatory provisions relating to a guarantee/guaranteed debt instrument.	The mandatory provisions relating to the Eligible Instruments are set out below. 1. Instruments must have an ISIN, a minimum term to maturity of three months from the issuance date and may only be denominated in Canadian Dollars, US Dollars, Euros, Sterling and Yen. 2. Instruments must bear standard market terms and not be complex in the opinion of the Administrative Agent. 3. At the discretion of the Administrative Agent, instruments may contain a right of redemption at the option of the issuer. Where approval is granted to include a right of redemption, the issuer must notify the Administrative Agent when the right of redemption is exercised.
Period in which the guarantee scheme can be accessed.	The guarantee scheme can be accessed until 31 December 2009. However, the Minister may terminate the CLAF earlier than this date, with 30 days' notice.
Conditions imposed on institutions seeking to access the guarantee scheme.	None have been announced.
Application process for accessing the guarantee scheme.	An Eligible Institution that wishes to issue an Eligible Instrument that will be guaranteed under the CLAF must take the steps outlined below. 1. Submit an application to participate in the CLAF, setting out the provisional dollar value of the institution's overall issuance limit under the CLAF. 2. Within 30 days of submitting this application, the Eligible Institution must send the Minister a written statement from its external auditor verifying that the amount sought is within the Participation Limit. Pending receipt of the auditor's written statement and approval of the application, the Eligible Institution may seek guarantees for a total amount of up to 50% of the Participation Limit sought. The Minister will notify the Eligible Institution of the percentage of the Participation Limit that applies to the Eligible Institution during the 30 day period. 3. Where the application is subsequently approved by the Minister, the Eligible Institution must sign the Facility Participation Agreement and the Indemnity Agreement. 4. For each issuance, the Eligible Institution must submit a satisfactory application for a Guarantee Certificate confirming that a specified maximum value of a specific instrument will be

	guaranteed under the CLAF when issued. 5. The Eligible Institution must issue the Eligible Instrument within 30 calendar days from the date that the Guarantee Certificate has been granted. If the Eligible Instrument is issued more than 30 days from the date of the Guarantee Certificate, the Guarantee Certificate will automatically be cancelled. 6. On the date of issue of the guaranteed instrument, the Eligible Institution shall provide to the Bank of Canada written confirmation as specified in the Facility Participation Agreement, stating that the issuance is in full compliance with its description in the Guarantee Certificate granted for the instrument. 7. Where there are variances in the guaranteed instrument, the following rules apply: (a) a minimum of 10 days' notice must be provided to the Administrative Agent of any variances to the guaranteed instrument as described in the Guarantee Certificate. The Administrative Agent may consent to the variance; (b) if a variance is considered by the Administrative Agent to be a material difference, the Eligible Institution must apply for a new Guarantee Certificate; and (c) where notice of a material variance has not been given to the Administrative Agent or the Administrative Agent has not consented to the variance, the Guarantee Certificate will automatically be cancelled unless the Eligible Instrument has already been issued. However, the Government has no obligation to pay on the guarantee in respect of a guaranteed instrument that has been varied in any respect without notice to and the prior written consent of the Administrative Agent. Note that the CLAF is voluntary and allows for each Eligible Institution to decide whether or not to apply to participate in the program. Once an Eligible Institution has submitted an acceptable application, it may decide whether and when to apply for Guarantee Certificates.
Fees for accessing the guarantee scheme.	For all Eligible Institutions issuing Canadian dollar instruments, the fee will be the product of: (i) a base fee of 110 basis points with an additional surcharge of 25 basis points, (ii) the term expressed in years (or fractions of years) (up to a maximum term of three years) and (iii) the gross proceeds of the guaranteed instrument. (Note that the government of Canada has announced that the “across the board” 25 basis point surcharge will be waived until further notice.) Eligible Institutions whose senior unsecured medium-term debt obligations have a credit rating (by at least two rating agencies) at or above A- or equivalent will not be charged an additional surcharge. Eligible Institutions who do not meet this minimum credit rating will be subject to an additional surcharge of 25 basis points on the base fee. Eligible Institutions issuing instruments in one of the other permitted currencies will be subject to the same fees as above, plus an additional surcharge of 20 basis points on the base fee.
Depositor protection regime limit.	CAD 100,000.
Links:	Ministry of Finance homepage: http://www.fin.gc.ca/

	Press releases and references: http://www2.parl.gc.ca/HousePublications/Publication.aspx?Language=E&Parl=40&Ses=2&Mode=1&Pub=Bill&Doc=C-10_3 http://www.budget.gc.ca/2009/pdf/budget-planbugetaire-eng.pdf http://www.fin.gc.ca/news08/08-090_1e.html http://www.fin.gc.ca/n08/08-090-eng.asp Bank of Canada homepage: http://www.bank-banque-canada.ca/

Denmark	
Guarantor under the scheme	Under both the original and transition guarantee scheme, ultimately the Kingdom of Denmark. The statutory coverage is primarily granted by the Winding-Up Company *(in Danish: Afviklingsselskabet)*, which is to be renamed "Financial Stability". Financial Stability is a public limited company with, *inter alia*, the power to wind-up any distressed bank under the scheme or find other solutions that will prevent losses for the encompassed creditors. The Financial Stability is wholly owned by the Kingdom of Denmark which must cover any losses under the scheme. It is to be noted that the contingency association set up by the Danish financial sector, the "Private Contingency Association" or the "Danish Contingency Committee" *(in Danish: Det Private Beredskab)* contributes to the funding of Financial Stability.
Formal structure of guarantee under the scheme	The original scheme is a statutory guarantee is set out in the Danish Act on Financial Stability of 10 October 2008 as amended on 3 February 2009 (the "**Act**"). It is an "all in or all out" scheme, not an "instrument by instrument" scheme, with the effect that if a bank participates, coverage of its creditors is fully regulated by the Act and not individual accessions of specific instruments. The transition scheme requires accession of the individual loans. The framework is set out in the Act but the individual guarantees will be subject to individual contracts the details of which are to be published on the web page of Financial Stability.
Current/proposed size of guarantee scheme.	The guarantee is unlimited.
Types of institutions capable of accessing the guarantee scheme.	Under the original scheme, the Danish banks which were members of the Private Contingency Association as at 13 October 2008 (a list of the members can be found online (see "Links" below)) and their foreign branch offices, provided that the relevant country in which the branch office operates has a corresponding guarantee scheme. So far, only one bank has sought admission for one of its foreign branches located in Ireland. Virtually all Danish banks have enrolled to the Private Contingency Association prior to 13 October 2008. Members of the Private Contingency Association cannot withdraw from the guarantee scheme but may be excluded by decision of the Danish Financial Supervisory Authority (the "Danish FSA"). Such decision must be published and have a minimum notice of 8 days. Any claims as at the day of the exclusion would still be covered under the guarantee scheme. Credit institutions in existence on 13 October 2008 can no longer access the guarantee scheme. However, new banks and branches established after 13 October 2008 can, concurrently with their initial filing with the Danish FSA, apply for membership of the Private Contingency Association and participation in the guarantee scheme but may be rejected based on the risk they may be held as posing to Financial Stability. Danish branches of foreign banks can also access the scheme but will only receive coverage for a limited type of claims. Under the transition scheme, membership of the Private Contingency Association is not a condition for participation. In addition, mortgage credit institutions can apply for accession of junior covered bonds. Applicants must be in compliance with both the required statutory capital and their individual solvency requirement. Further requirements may be set.
Types of liability capable of being covered by the guarantee scheme.	Under the original scheme, all claims from depositors and creditors, be it natural or legal persons, residents or not, against institutions participating in the scheme are covered with the sole exceptions set

	out in the Act: • claims based on tier 1 and 2 capital in the form of hybrid core capital and subordinate loan capital as referred to in Sections 132 and 136 of the Danish Financial Business Act; • claims based on covered bonds as referred to in Section 16a of the Danish Financial Business Act; and • claims otherwise covered, e.g. by the general Danish Guarantee Fund for Depositors and Investors (please refer to the section "description of depositor protection regime" below). Claims that can be met with a valid defence from the bank in question, e.g. set-off, do not qualify as claims. Under the transition scheme, the above exceptions also apply except that junior covered bonds are eligible for coverage under the transition scheme. With respect to branches of foreign financial institutions located in Denmark, the original guarantee scheme only provides coverage in excess of the applicable cap for claims otherwise admissible under the Danish Guarantee Fund for Depositors and Investors.
Mandatory provisions relating to a guarantee/guaranteed debt instrument.	There are no additional requirements in addition to the eligibility criteria mentioned above. Complex instruments, instruments issued prior to 5 October 2008 and instruments which are not on standard market terms will be covered. Under the transition scheme only debt with a maturity of maximum 3 years is eligible.
Period in which the guarantee scheme can be accessed.	Until 30 September 2010. The transition scheme is to be accessible until 31 December 2010 but the Minister of Economic and Business Affairs may postpone the deadline. Coverage under the original guarantee scheme is extended if, on or before 30 September 2010: • the Danish FSA has set a deadline by which a member bank must meet the capital adequacy requirements pursuant to section 225, Subsection 1, of the Danish Financial Business Act, and the bank's capital is not restored on time; or • a bankruptcy order is made against a member bank.
Conditions imposed on institutions seeking to access the guarantee scheme.	The following conditions for participating banks have been agreed pursuant to an agreement on 5 October 2008 between most parties of the Danish Parliament, the government and the Private Contingency Association: • a ban on dividend payments (except dividend payment within foreign groups and by foreign parent companies, if the distribution from a foreign parent is not dependent on dividend payment from the Danish subsidiary), share buy backs and new stock options for management; • the banks are required to adopt a cautious approach and strengthen their balance sheets during the existence of the guarantee scheme; • a ban on mass marketing of the fact that ordinary creditors are now insured against losses; and

	• restrictions on banks undertaking a significant expansion of activities which would not have taken place in the absence of the guarantee scheme. The Minister of Economic and Business Affairs has issued Execution Order no. 13 of 13 January 2009 on the extent to which participation banks can be exposed. It contains certain objective and quantitative exposure standards, e.g. a maximum increase in loans and guarantees of 8 percentage from end September 2008 to end September 2009, and 16% to end September 2010. However, exclusion will be based on the overall development in the member's activities and exposure. Furthermore, the Act states that within the framework of their ordinary business, banks which are part of a group may freely organise their business with respect to capital and liquidity as well as exposure. Speculation in the guarantee scheme (e.g. members embarking on business activities that deviate from normal practice), can lead to exclusion even if none of the specific provisions of the Act or Execution Order no. 13 have been violated. The Danish FSA continuously monitors and reviews the participants' activities. It will, as a matter of principle, urgently investigate if the aggregate growth in balance sheet volume of the member banks exceeds: • the annual rate of growth of Danish nominal GDP in the preceding year; • the average historical growth of the balance sheets in the Danish banking sector during the period of 1987 to 2007; or • the average growth rate of the balance sheet volumes in the banking sector in the EU in the preceding six months. Restrictions under the guarantee scheme are included in the transition scheme except that the dividend payments only based on profit of the year will be allowed for issuers not restricted under the original guarantee scheme.
Application process for accessing the guarantee scheme.	The original Danish scheme is not based on individual accessions of specific instruments, but is an "all in or all out" scheme for the institutions. As of 13 October 2008, existing banks are barred from applying for participation and it is only possible for new banks to apply as a part of the procedure for establishment in Denmark. If a claim against a participating bank under the existing guarantee scheme is not settled when falling due, the bank must and the creditor may notify the Danish FSA thereof according to notices of 7 January 2009 from Financial Stability and the Danish FSA. The Danish FSA contacts Financial Stability who will fulfil the payment obligation. The statutory duty of Financial Stability to provide coverage is unconditional and thus not limited to claims that are filed. Applications for individual guarantees under the transition scheme should be submitted to Financial Stability with accounts of the assessment of the individual solvency requirement, on the financial situation and future prospects of the applicant, its latest annual report and quarterly statement, and information on whether or not it will also apply for a state tier 1 capital injection. Further information may be required.

Fees for accessing the guarantee scheme.	The Private Contingency Association will contribute a minimum amount of DKK 15 billion (approx. Euro 2.01 billion) to the original scheme as an aggregate guarantee commission payable in monthly instalments over the two-year period. The Private Contingency Association will apportion this amount among its members according to the size of their necessary base capital. In addition, the Private Contingency Association shall be directly liable for the payment of losses (including interest) of up to DKK 10 billion (approx. Euro 1.34 billion) on the liabilities guaranteed by Financial Stability. Losses in excess of DKK 10 billion are to be covered from the guarantee commission contributed by the Private Contingency Association as mentioned above. However, should the aggregate losses under the scheme exceed DKK 25 billion (approx. Euro 3.35 billion), the Private Contingency Association shall be liable for contributing an additional amount of up to DKK 10 billion to cover such losses. Ultimately, the Kingdom of Denmark will be liable to cover losses in excess of DKK 35 billion (app. Euro 4.69 billion). Under the transition scheme fees are to be determined individually with a maximum of 0.95 per cent per annum if the debt is denominated in DKK.
Regulation/documentation issues.	A bank must inform the Danish FSA if required internal reports indicate a breach of Execution Order no. 13 of 13 January 2009 on the extent to which participation banks can be exposed. Otherwise, no new disclosure requirements have been set up in addition to the existing supervising regime but the Danish Authorities must submit reports to the EU Commission every 6 months. The Danish FSA has confirmed that liabilities covered by the scheme will qualify for a zero-risk weighting for capital adequacy purposes, using the standardised approach. State aid: The European Commission cleared the original scheme on 10 October 2008. No further disclosure requirements for the issuers are included in the proposal for the transition scheme. Details of individual guarantees are to be published on the web page of Financial Stability.
Depositor protection regime limit.	<u>Cash deposits</u> Coverage up to DKK 300,000 (approx. Euro 40,000), less any liability owed to the financial institution. It is expected that Parliament will pass a proposal to increase maximum coverage to DKK 750,000 as of 1 October 2010 when the existing guarantee scheme expires. <u>Securities</u> If the financial institution is unable to return securities held in safe-custody, administered or managed by it, losses of up to Euro 20,000 per investor are covered, less any liability owed to the financial institution.

Links:	Danish Minister of Economic and Business Affairs homepage, under "News" and "Financial Stability": http://www.oem.dk/sw184.asp Scheme information in English: http://www.oem.dk/sw22992.asp List of members of the Private Contingency Association: http://www.finansraadet.dk/english/toolkit/forside/ EU decision re: State Aid: (original scheme): http://ec.europa.eu/community_law/state_aids/comp-2008/nn051-08.pdf Financial Stability: http://www.finansielstabilitet.dk/

Finland	
Guarantor under the scheme	The Finnish Government (*Valtioneuvosto*) or, upon conditions imposed by the Finnish Government, the State Treasury (*Valtionkonttori*) or the Ministry of Finance (*Valtiovarainministeriö*). Pursuant to a decision of the Finnish Government of 12 February 2009, the State Treasury has been authorised to grant and administer the guarantees, in accordance with the approval of the Finnish Parliament, decisions of the Finnish Government and the guidance of the Ministry of Finance.
Formal structure of guarantee under the scheme	State guarantees and payments collected under such guarantees are generally governed by the Act on State Lending and State Guarantees (*Fin: Laki valtion lainanannosta sekä valtiontakauksesta ja valtiontakuusta* 449/1988). The specific terms and conditions of the guarantees will be determined upon adoption by the Finnish Government or, upon conditions imposed by the Finnish Government, the State Treasury or the Ministry of Finance. A decision, setting out general terms and conditions for guarantees was published by the Finnish Government 12 February 2009.
Current/proposed size of guarantee scheme.	Euro 50 billion.
Types of institutions capable of accessing the guarantee scheme.	The guarantee scheme is only available to viable and financially sound Finnish deposit banks and mortgage credit institutions, or the Finnish parent company (with the company's registered office in Finland) of such credit institutions. The guarantee can only be granted to one entity of a group or a company of an amalgamation of cooperative banks (with the exception of guarantees for eligible liabilities of mortgage credit institutions).
Types of liability capable of being covered by the guarantee scheme.	Deposit certificates with a maturity of 3 months to 12 months; unsecured bonds with a maturity of 1 year to 3 years; and mortgage covered bonds, where the security constitutes of mortgage loans as security for the fulfilment of repayment and other obligations, with a maturity of up to 5 years. Guarantees may be granted as security for deposit certificates and bonds issued to renew liabilities due or becoming due between 17 October 2008 and 30 April 2009.
Mandatory provisions relating to a guarantee/guaranteed debt instrument.	The minimum maturity of the debt is 3 months and the maximum five years, depending on the type of liability. The maximum amount of the guarantee that the State Treasury can grant for deposit certificates is the nominal value of the relevant deposit certificates at 17 October 2008 and for bonds, the joint nominal value of the relevant bonds due between 17 October 2008 and 30 December 2009.
Period in which the guarantee scheme can be accessed.	Initially to be in force until the end of 2009, although the Government will reassess this by 30 April 2009. The current authority of the State Treasury to grant and administer guarantees is valid until 30 April 2009.
Conditions imposed on institutions seeking to access the guarantee scheme.	The use of state guarantees is subject to compliance with certain conditions related to the remuneration and other benefits of directors. The applicant must give an undertaking to comply with such conditions when making the application. The salaries and other benefits of directors will correspond with those set for directors of state-owned companies. Such include a

	requirement that the remuneration must be profit based and any bonuses payable may not exceed 40% of the base salary. In addition, redundancy agreements must be reasonable and the benefits there under must be based on the number of years in service and the reason for termination. The State Treasury may however, in individual circumstances grant guarantees even if the conditions related to remuneration and other benefits of directors are not met.
Application process for accessing the guarantee scheme.	The guarantees are granted on a discretionary basis. Applications for guarantees are made to the State Treasury. During the application process, the Finnish Financial Supervisory Authority *(Finanssivalvonta)* will give a statement to the State Treasury of the applicant's financial soundness and viability, on the basis of certain information submitted by the applicant.
Fees for accessing the guarantee scheme.	Fees for accessing the guarantee scheme are subject to a market-based fee from the recipient. The fees are generally governed by the Act on State Lending and State Guarantees (*Fin: Laki valtion lainanannosta sekä valtiontakauksesta ja valtiontakuusta* 449/1988), with specific terms and conditions for the fees to be ratified upon adoption by a Government Decree. Under the current Government Decree on fees for state guarantees for deposit banks and mortgage credit institutions (*Fin: Valtioneuvoston asetus talletuspankeille ja kiinnitysluottopankeille myönnettävistä väliaikaisista valtiontakauksista perittävistä maksuista* 67/2009) it is possible to levy an annual charge of 0.5% plus the market price for bonds with a maturity exceeding one year but no more than five years. The corresponding charge for mortgage covered bonds is 0.25% plus the market price. The market price is 0.375% or 0.43% of the guarantee, depending on the rating of the institution. The charge for debts with a maturity of one year is a flat fee of 0.50%, and for debts with a maturity less than one year, 1/12 of the aforementioned fee for each month. The fees in respect of guarantees for liabilities with a maturity of a maximum of 12 months are payable in total on the issue date and the fees in respect of guarantees for liabilities with a maturity of a minimum of 12 months one year in advance, where the first fee period commences on the issue date.
Depositor protection regime limit.	Euro 50,000.
Links:	Finnish Ministry of Finance homepage: http://www.vm.fi/vm/fi/01_etusivu/ Press release of 20 October 2008: http://www.vm.fi/vm/en/03_press_releases_and_speeches/01_press_releases/20081020Stabil/name.jsp Press release of 27 January 2009: http://www.vm.fi/vm/en/03_press_releases_and_speeches/01_press_releases/20090127Measur/name.jsp State Treasury homepage: http://www.treasuryfinland.fi

France	
Guarantor under the scheme	Under Law no. 2008-1061 for the financing of the economy (the "**Law**"), the French State is to provide guarantees for: (i) capital markets instruments to be issued by 2 special purpose vehicles, namely: • the *Société française de refinancement de l'économie française* ("**SFEF**"), a French company held at 66% by the seven largest French banks and 34% by the State, which purpose is to provide financings to credit institutions; and • the *Société de prise de participations de l'Etat* ("**SPPE**"), a state-owned company which purpose is to provide regulatory capital to financial entities (*organismes financiers*); (ii) issuances made by credit institutions provided that the French State benefits from recourse which are equivalent to the one which it enjoys under the SFEE scheme, on a case-by-case basis and under exceptional circumstances; and (iii) certain issuances of certain entities belonging to the Dexia group for a maximum amount of 36.5% of the amounts made available globally to the Dexia entities, subject to the joint exercise of the guarantee granted by Belgium and Luxembourg.
Formal structure of guarantee under the scheme	The guarantee schemes do not benefit credit institutions or *organismes financiers* directly, but, rather, apply to the financing raised or debt securities issues, as specified by the Law, by the vehicles set out pursuant to the Law (SFEF and SPPE) for the purposes of financing credit institutions (in the case of the SFEF) or reinforcing the regulatory capital of the *organismes financiers* (in the case of the SPPE). Credit institutions requiring financing or regulatory capital and which satisfy the eligibility conditions detailed below will need to enter into an agreement with the State stating the terms and conditions (including collateral and business undertakings) under which funds are to be made available to such credit institution by the SFEF (in the case of financing) or the SPPE (in the case of regulatory capital). ***Guarantees under the SFEF scheme*** The guarantees are to be issued on a case-by-case basis further to the conclusion of a satisfactory agreement with the relevant eligible institution. Two guarantees have already been issued by the French State by Ministerial Order (*arrêté*) in the form of a first demand guarantee for a maximum amount of, respectively, Euro 5 billion and Euro 25 billion. ***The SPPE guarantee scheme*** The guarantees will be issued on a case-by-case basis further to the conclusion of a satisfactory agreement with the relevant eligible institutions, and will specify its terms such as the type of guarantee, its maturity or amount guaranteed.
Current/proposed size of guarantee scheme.	An aggregate amount of Euro 360 billion.
Types of institutions capable of accessing the guarantee scheme.	***The SFEF guarantee scheme*** Credit institutions subject to the French Monetary Code (including banks, mutual or cooperative banks, municipal credit banks, finance companies or specialized financial institutions) are eligible to enter into an agreement with the State pursuant to which the proceeds of guaranteed SFEF issuances are to be made available to it for

	financing needs. ***The SPPE guarantee scheme*** The Law provides that "*organismes financiers*" (financial entities) are eligible to enter into a relevant agreement with the State to receive proceeds of guaranteed SPPE issuances. This term implies that this guarantee scheme would be available to credit institutions but also insurance companies and portfolio management companies.
Types of liability capable of being covered by the guarantee scheme.	***The SFEF guarantee scheme*** The State guarantee under this scheme will apply to debt securities (*titres de créances*) issued by the SFEF. ***The SPPE guarantee scheme*** The State guarantee under this scheme will apply to all financings raised by the SPPE.
Mandatory provisions relating to a guarantee/guaranteed debt instrument.	***The SFEF guarantee scheme*** The guarantee is limited to capital markets securities issued by the SFEF before 31 December 2009 and having a maturity of up to 5 years. ***The SPPE guarantee scheme*** The terms of the guarantee will be set on a case-by-case basis by the Minister of the Economy.
Period in which the guarantee scheme can be accessed.	***The SFEF guarantee scheme*** The guarantee scheme is available until 30 December 2009 and is anticipated to last for up to 5 years (the latest possible maturity of the guaranteed debt securities to be issued). ***The SPPE guarantee scheme*** Not specified.
Conditions imposed on institutions seeking to access the guarantee scheme.	***The SFEF guarantee scheme*** *Regulatory capital requirements* Only credit institutions meeting the requirements of regulatory capital set out by the French Monetary Code are eligible to the scheme. *Special agreement to be entered into by each credit institution and the French State* In order to benefit from the scheme, each credit institution will need to enter into a specific agreement with the State which shall specify, *inter alia*: • the financial terms of the scheme and any guarantees or collateral undertaking(s); • any specific commitment as to the distribution of credit to individuals, corporates, or local authorities. As currently implemented the banks have to undertake to maintain an annual growth of 3 to 4% of their loans origination; • any commitment of the institution and its managers/directors to comply with professional ethics rules which include, among others things, a prohibition to grant unreasonable golden parachutes.

	Eligible Collateral As mentioned above, the agreement between an eligible institution and the State will provide for collateral undertakings under which security is to be provided for the financing granted to the eligible credit institution. Such institution should provide collateral, such as mortgages and the like, real estate leasing, loans to local authorities, corporate loans with sufficient ratings and loans to individuals, all of which as described and subject to specific ratios provided for in a specific Ministerial order. ***The SPPE guarantee scheme*** Conditions mentioned above in respect of the SFEF scheme do apply, and no additional conditions are imposed by the Law.
Application process for accessing the guarantee scheme.	***The SFEF guarantee scheme*** Upon application. ***The SPPE guarantee scheme*** On a case-by-case basis.
Fees for accessing the guarantee scheme.	***The SFEF guarantee scheme*** To be determined in the special agreement with the State. ***The SPPE guarantee scheme*** On a case-by-case basis.
Regulation/documentation issues.	The following issues in relation to the SFEF guarantee scheme are currently under discussion: • the amount of collateral placed by credit institutions should be higher than the amount of the financing granted by SFEF to it; • control of the "quality" of the collateral posted by the credit institution; • control of the capital markets instruments capable of being subscribed or acquired by SFEF; • supervision by the French Banking Commission (Commission *Bancaire*) of the SFEF's rules of operating including its financial statements. State aid: The European Commission cleared the scheme on 31 October 2008.
Depositor protection regime limit.	Under the statutory deposit guarantee fund: the limit for compensation for each depositor shall be Euro 70,000. Such compensation is not affected by the guarantee schemes set out under the Law.
Additional Comments.	***The SFEF guarantee scheme*** The guarantee by the SFEF was activated for the first time on 24 October 2008 (Euro 5 billion) and 30 October 2008 (Euro 25 billion) . For the purposes of the guarantee of Euro 5 billion, the SFEF was granted a bridge loan by the French *Caisse des Depôts et Consignations* of Euro 10 billion, to be replaced in due course by a debt securities issue which shall benefit from the guarantee of the French State.

	The SPPE guarantee scheme The Ministry of Economy stated that the French State is prepared to subscribe, via the SPPE using proceeds of its own issuances, to subordinated securities (*titres super-subordonnés*) to be issued by the six major French banks for an amount of Euro 10.5 billion in order to reinforce the regulatory capital of the relevant French banks. SPPE has been used for the financing of Dexia (under the specific guarantee scheme provided for pursuant to the Law).
Links:	Ministry of Economy, Finance and Industry homepage: http://www.finances.gouv.fr/ Law document: http://ameli.senat.fr/publication_pl/2008-2009/22.html EU state aid press release: http://europa.eu/rapid/pressReleasesAction.do?reference=IP/08/1609&format=HTML&aged=0&language=EN&guiLanguage=en

Germany	
Guarantor under the scheme	The financial market stabilisation fund (*Finanzmarktstabilisierungsfonds*, also called *Sonderfonds Finanzmarktstabilisierung* ("**SoFFin**")) acting through the Financial Market Stabilisation Authority (*Finanzmarktstabilisierungsanstalt*, "**FMSA**") based on the German Financial Market Stability Act (*Finanzmarktstabilisierungsgesetz*, "**FMStG**") The German Act Amending the Financial Market Stability Act (*Finanzmarktstabilisierungsergänzungsgesetz*) was passed by the German Federal Parliament (*Bundestag*) (20 March 2009) and German Federal Council (*Bundesrat*) (3 April 2009) and will enter into force on 9 April 2009. SoFFin consists of separate trust assets and, although it has no legal personality, it can by law participate in legal transactions. The German Federal Government (*Bund*) is directly liable for the Fund's liabilities.
Formal structure of guarantee under the scheme	Contractual Guarantee under the German Financial Stability Act (*Finanzmarktstabilisierungsgesetz*, "**FMStG**") in respect of any eligible liability in respect of which the FMSA has agreed to grant a stability measure. The guarantee under the scheme is issued as a guarantee on first demand (*auf erstes Anfordern*). Noteholders may not enforce their claims directly against issuers, but have to take recourse against SoFFin. Therefore, noteholders are not in a position to lodge claims in case of insolvency of the issuer. In addition, noteholders can only draw on the guarantee if they assert their claims no later than 12 months after the occurrence of an event of default under the relevant guaranteed instrument.
Current/proposed size of guarantee scheme.	Euro 400 billion.
Types of institutions capable of accessing the guarantee scheme.	The eligible institutions are as follows: • German credit institutions (*Kreditinstitute*) within the meaning of the German Banking Act (*Kreditwesengesetz*); • financial services providers (*Finanzdienstleistungsinstitute*) within the meaning of the German Banking Act (*Kreditwesengesetz*); • German insurance companies and pensions funds (*Pensionsfonds*) within the meaning of the German Insurance Supervisory Act (*Versicherungsaufsichtsgesetz*); • German investment management companies (*Kapitalanlagegesellschaften*) within the meaning of the German Investment Act (*Investmentgesetz*); • operators of securities and commodities exchanges; and • certain parent companies of the aforementioned entities.
Types of liability capable of being covered by the guarantee scheme.	Notes issued and designated liabilities incurred by the eligible institutions between 18 October 2008 and 31 December 2009.
Period in which the guarantee scheme can be accessed.	The guarantee can be accessed until 31 December 2009.
Conditions imposed on institutions seeking to access the guarantee scheme.	The eligible institutions must have a solid and prudent business policy. SoFFin can request any eligible institution to evaluate its business policy and sustainability.

	SoFFin can request that certain risks are mitigated or transactions in certain markets or with certain products are ceased (this includes all risks mentioned in Annex V of Directive 2006/48/EC). Information and auditing rights to be addressed in agreement as well as termination rights, etc. The eligible institution has to comply with requirements for adequate own funds. The eligible notes and liabilities must have a maximum maturity of 36 months. Up to one third of the guarantees granted to one institution can have a maximum maturity of 60 months. All currency risks in connection with the guarantee must be hedged by SoFFin, with the relevant eligible institution to bear associated costs.
Application process for accessing the guarantee scheme.	Entities will provide an informal application and start negotiations with SoFFin on the conditions of the guarantee (in particular applicable guarantee fee, etc). SoFFin has published a form of guarantee agreement.
Fees for accessing the guarantee scheme.	Each eligible institution will be charged a market rate based fee consisting of a percentage rate determined individually for each eligible institution in relation to the maximum amount of the provided guarantee and the risk of default, along with an interest margin to be determined individually. Guarantees granted in the past weeks have established a per annum commitment fee of 0.5%. For drawings under the guarantee, SoFFin has established varying rates. In line with state aid rules, SoFFin has to apply a market average premium. The premium to be paid by financial institutions corresponds to at least the amount described by the European Central Bank in points 3-8 of its recommendations of 20 October 2008.
Regulation/documentation issues.	**Ad hoc disclosure** No formal disclosure requirements (ad hoc disclosure requirement may apply in individual cases). **Risk weighting in BaFin regulatory capital requirements** The Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*, "**BaFin**") has deemed that, under the Standardized Approach, guaranteed securities would qualify for zero risk weighting for capital adequacy purposes. **Eligibility of guaranteed instruments as ECB collateral** Instruments that are guaranteed under the scheme will be eligible to be delivered as collateral. There is discussion as to what haircuts should be applied. **State Aid** The European Commission cleared the German scheme on 27 October 2008. The Commission's decision states that the Commission normally considers that two years is the longest period necessary for a guarantee scheme to safeguard financial stability by facilitating the resumption of interbank lending. However, it considers that the overall amount of debt covered can actually be much lower than if the guarantee were given for newly issued debt over two years. Amendments to the scheme were cleared on 12 December 2008. This includes the possibility of extending the duration of debt guarantees of up to five years under certain circumstances.

Depositor protection regime limit.	Statutory limit: 90% of the amount of deposits held by private individuals, partnerships and small companies, and a maximum of Euro 20,000. A draft Act Amending the Deposit Guarantee and Investor Protection Act is currently being discussed by the German Federal Parliament. This amendment would raise the depositor protection limit to Euro 50,000 (as per entering into force of the amendments) and ultimately to Euro 100,000 (as per 31 December 2010). The 90% haircut would not apply any longer. A complementary regime (*Einlagensicherungsfonds des Bundesverbandes deutscher Banken e.V.*) provides that if a member bank fails, the *Einlagensicherungsfonds* covers the 10% deductible, plus deposit amounts exceeding the Euro 20,000 limit, up to the bank's individual protection ceiling of up to 30% of the bank's liable capital. Other complementary regimes exist. The German Federal Government (*Bundesregierung*) has stated that it would back the German depositary protection systems with respect to accounts of retail customers. This guarantee applies only to savings accounts, giro accounts, term money (*Termingelder*) and savings bonds (*Sparbriefe*). It does not include certificates, funds, securities or other financial products.
Links:	SoFFin homepage: www.soffin.de Financial Market Stability Act: http://dip21.bundestag.de/dip21/btd/16/106/1610600.pdf Financial Market Stability Fund Regulation: http://www.soffin.de/downloads/verordnung_fmstfv.pdf Amendment Act http://www.bundesrat.de/cln_099/SharedDocs/Drucksachen/2009/0201-300/244-09,templateId=raw,property=publicationFile.pdf/244-09.pdf European Commission State aid clearance decisions: http://europa.eu/rapid/pressReleasesAction.do?reference=IP/08/1966&format=HTML&aged=0&language=EN&guiLanguage=en http://europa.eu/rapid/pressReleasesAction.do?reference=IP/08/1589&format=HTML&aged=0&language=EN&guiLanguage=en http://ec.europa.eu/competition/state_aid/register/ii/doc/N-512-2008-WLWL-de%2027.10.2008.pdf

Greece	
Guarantor under the scheme	The Hellenic Republic.
Formal structure of guarantee under the scheme	Statutory guarantee. The mechanics and implementation rules of the scheme are included in a decision of the Minister of Economy. The guarantees will take the form of a written document signed by the Minister of Finance stating their respective terms.
Current/proposed size of guarantee scheme.	Up to Euro 15 billion. The allocation of this amount as between institutions – in the form of a limit per credit institutions - is to be determined on the basis of various financial criteria of the institutions involved.
Types of institutions capable of accessing the guarantee scheme.	All credit institutions operating under a license granted by the Bank of Greece (including subsidiaries of foreign institutions).
Types of liability capable of being covered by the guarantee scheme.	New loans and bonds to be issued or refinanced until the end of 2009.
Mandatory provisions relating to a guarantee/guaranteed debt instrument.	The debt instruments to be covered by the scheme must have a 3-month to 3-year term.
Period in which the guarantee scheme can be accessed.	Until end of 2009. However, different availability periods may be included in the individual guarantee deeds to be issued.
Conditions imposed on institutions seeking to access the guarantee scheme.	As a condition for accessing the scheme, the relevant financial institution will allow a representative of the State to participate as a member of its Board of Directors. This representative will have a veto right on decisions on profit distributions and remuneration of the Chairman of the Board, Managing Director, members of the Board of Directors and general directors, in any case where he believes that such decision may affect the rights of depositors or affect the solvency and good operation of the bank. The representative will have free access to the books and records of the bank. A limit is also placed on the total remuneration of the executive officers of the bank. A special Committee under the chairmanship of the Minister of Economy will be convened on a monthly basis to oversee the progress of the scheme and that banks will be subject to a threshold of 35% (of profits) on their yearly dividend payout. The possibility remains of revocation of the measures, in case the relevant conditions imposed are not adhered to.
Application process for accessing the guarantee scheme.	An application to be submitted to the Ministry of National Economy.
Fees for accessing the guarantee scheme.	For guarantees of duration between 3-12 months, 50bps or 25bps if collateral is provided. For longer durations, fees are assessed on the basis of CDS data for each bank i.e. the institution's median 5-year CDS spread plus 50 bps (or 25 bps if security is provided).
Depositor protection regime limit.	The coverage has recently been increased from Euro 20,000 to Euro 100,000 per depositor per bank.
Links:	Ministry of Economy and Finance homepage: http://www.mnec.gr/en/

Ireland	
Name of guarantee scheme	The Credit Institutions (Financial Support) Scheme 2008. In an emergency budget statement on 7 April 2009, the Minister for Finance confirmed the Irish Government's intention to put in place a state guarantee for the future issuance by Irish credit institutions of debt securities with a maturity of up to five years. Further details of this new guarantee are expected in due course and the proposal is subject to EU State aid approval.
Guarantor under the scheme	The Minister for Finance.
Formal structure of guarantee under the scheme	The guarantee is founded in primary and secondary legislation – the Credit Institutions (Financial Support) Act 2008 and the Credit Institutions (Financial Support) Scheme 2008. Individual institutions formally join the guarantee scheme once they have executed a "guarantee acceptance deed" and have then been specified in an order made by the Minister for Finance.
Current/proposed size of guarantee scheme.	The guarantee scheme is not specifically limited in amount. Instead it is limited by reference to named participating institutions and by reference to the types of liability covered (see below).
Types of institutions capable of accessing the guarantee scheme.	The guarantee scheme is only open to systemically important credit institutions and certain named subsidiaries of such credit institutions. Institutions covered by the guarantee scheme are listed on the website of the Department of Finance (see "Links" below). The Department of Finance has clarified that branches of covered institutions will benefit from the guarantee.
Types of liability capable of being covered by the guarantee scheme.	Liabilities covered by the guarantee scheme are known as "covered liabilities": • all retail and corporate deposits (to the extent not covered by existing deposit protection schemes in Ireland or any other jurisdiction); • interbank deposits; • senior unsecured debt; • covered bonds (including asset covered securities); and • dated subordinated debt (Lower Tier 2) (subject to certain restrictions), but excluding any intra-group borrowing and any debt due to the European Central Bank arising from Eurosystem monetary operations. The guarantee is unconditional, irrevocable and ensures timely payment of the covered liabilities of the covered institutions. In the event of any default of a covered institution in respect of a covered liability, the Minister for Finance will pay to the relevant creditor, on demand, an amount equal to the unpaid covered liabilities. Should an institution be removed from the guarantee scheme, all of its fixed term covered liabilities outstanding at that time will continue to have the full benefit of the guarantee to 29 September 2010 or their maturity, whichever is the earlier. All covered liabilities, including on-demand deposits, will be protected by notice of at least 90 days prior to any covered institution being removed from the guarantee scheme.

Mandatory provisions relating to a guarantee/guaranteed debt instrument.	No such provisions have been announced. However, the Minister may impose specific restrictions on a covered institution in respect of dated subordinated debt (Lower Tier 2) covered by the guarantee. In particular, where new dated subordinated debt is covered by the guarantee, the relevant covered institution will be required to maintain for the duration of the guarantee the solvency ratio maintained when the debt was issued.
Period in which the guarantee scheme can be accessed.	30 September 2008 to 29 September 2010 inclusive.
Conditions imposed on institutions seeking to access the guarantee scheme.	Under the guarantee scheme, the Financial Regulator, in consultation with the Minister for Finance, will impose conditions that regulate the commercial conduct and competitive behaviour of covered institutions. The conditions are described in detail in the guarantee scheme itself. Among others, covered institutions will be required to: • appropriately manage their balance sheets in a manner consistent with the purposes of the Credit Institutions (Financial Support) Act 2008; • put in place improved structures to ensure long-term funding stability; • take steps to restructure their executive management responsibilities and strengthen their management capacity and corporate governance arrangements; • improve their liquidity, solvency and capital ratios in circumstances where this is required; and/or • take measures to minimise any risk of recourse to the guarantee. There will also be restrictions on the level of permitted growth in each covered institution's balance sheet, limitations on the declaration of dividends and restrictions on share buy-backs and redemptions. The guarantee scheme contains specific requirements in relation to board representation and executive management remuneration. By way of example, covered institutions will be obliged, at the direction of the Minister for Finance and in order to promote the public interest, to appoint at least one but no more than two non-executive directors to their boards from a panel approved by the Minister. An independent committee will also be established by the Minister to oversee all remuneration plans in respect of senior executives of the covered institutions. Each covered institution will be required to prepare a plan to structure the remuneration packages of directors and executives so as to take account of the objectives of the Act. For the period of the guarantee, bonuses paid by covered institutions will have to be measurably linked to reductions in guarantee charges, a reduction in excessive risk taking and the encouragement of the long-term sustainability of the covered institution in question.
Application process for accessing the guarantee scheme.	As noted above, covered institutions must execute a guarantee acceptance deed and then be specified in an order of the Minister for Finance in order to join the guarantee scheme.
Fees for accessing the guarantee scheme.	Under the guarantee scheme, covered institutions must pay a quarterly charge to the Exchequer for the benefit of the guarantee. The estimated aggregate cost of the guarantee over the next two years is expected to be around Euro 1 billion. The aggregate amount of the charge is based on the increased debt servicing costs that Ireland will bear as a result of providing the guarantee.

	The individual charge that each covered institution will pay is expected to be based, in part, on its long-term credit rating and, as such, its risk profile. Covered institutions will be prohibited from passing the costs of the guarantee to their customers in an unwarranted fashion. By executing a guarantee acceptance deed, a covered institution will agree to indemnify the Minister in respect of any payments made, or costs incurred, by the Minister under the guarantee provided to the covered institution. However, covered institutions will not be required to cross-indemnify any covered institutions outside their own group.
Regulation/documentation issues.	The Financial Regulator has determined that, under the standardised approach, covered liabilities will qualify for zero-risk weighting for regulatory capital purposes whilst the guarantee is in effect. State aid: The European Commission cleared the scheme on 13 October 2008.
Depositor protection regime limit.	The current protection limit is Euro 100,000 per depositor per institution, which was extended on 20 September 2008 from its previous limit of Euro 20,000.
Links:	Ministry of Finance homepage: http://www.finance.gov.ie/viewdoc.asp?DocID=4 Ministry of Finance page with information relating to guarantee scheme, including legislation: http://www.finance.gov.ie/viewdoc.asp?DocID=5507 EU state aid press release: http://europa.eu/rapid/pressReleasesAction.do?reference=MEMO/08/615&format=HTML&aged=0&language=EN

Italy	
Guarantor under the scheme	Ministry of Economy and Finance.
Formal structure of guarantee under the scheme	Unspecified.
Current/proposed size of guarantee scheme.	Unspecified. Article 1, paragraph 3 of Ministerial Decree 27 November 2008 states that the size of the guarantee scheme is limited to what is strictly necessary to recover from the current market turmoil.
Types of institutions capable of accessing the guarantee scheme.	Italian banks, meaning banks having their registered office in Italy.
Types of liability capable of being covered by the guarantee scheme.	Pursuant to Article 2 of Ministerial Decree 27 November 2008, in order to be covered by the guarantee scheme, liabilities shall: a) be issued, at market rates, after the entry into force of the Ministerial Decree, with a minimum maturity of 3 months and a maximum maturity of 5 years; b) be in bullet form (that is, with reimbursment of the principal amount in a single payment at maturity); c) pay a fixed rate interest; d) be Euro denominated; e) be unsubordinated; f) not be covered bonds; g) not be structured securities or complex instruments or securities with an embedded derivative component.
Mandatory provisions relating to a guarantee/guaranteed debt instrument.	The amount of guaranteed liabilities cannot exceed the bank's regulatory capital. Liabilities which can be factored in the calculation of the regulatory capital cannot be assisted by the state guarantee. Securities with a 3 year or longer maturity issued by a bank can be assisted by the guarantee scheme only for an amount not exceeding 25% of the total amount of liabilities covered by the state guarantee issued by the same bank.
Period in which the guarantee scheme can be accessed.	The guarantee is to cover newly undertaken liabilities on or before 31 December 2009.
Conditions imposed on institutions seeking to access the guarantee scheme.	The guarantee will be provided subject of Bank of Italy's assessment of the relevant bank's capital adequacy and solvency.
Application process for accessing the guarantee scheme.	The application must be submitted on the same day both to Bank of Italy and to the Treasury Department of the Ministry of Economy and Finance, using the form prepared by Bank of Italy and the Treasury Department. Following the submission of the form, within three working days Bank of Italy notifies to the Treasury Department the results of its assessment of the capital adequacy of the applicant. The Treasury Department than notifies its decision to the applicant within ten working days.
Fees for accessing the guarantee scheme.	Fees are detailed in Article 6 of Ministerial Decree 27 November 2008. Accordingly, the fee in respect of liabilities with a 1 year or shorter maturity are equal to 50 b.p. For liabilities with longer maturities, the fee is calculated in a more complex way, based on the

	CDS spreads applicable to the guaranteed bank.
Depositor protection regime limit.	Pursuant to Decree Law no. 155/2008 the Ministry of Economy and Finance is authorized to provide state guarantee on deposits, for a 36 month period starting from the issuance of the Decree Law. No limit has been set so far for this protection, which may be provided in respect of "depositors of Italian banks". Further details in this respect are to be announced.
Links:	Government homepage: http://www.governo.it Decree-law no 155 of 9 October 2008: http://www.governo.it/Governo/Provvedimenti/dettaglio.asp?d=40576 Decree-law no 157 of 13 October 2008: http://www.governo.it/Governo/Provvedimenti/dettaglio.asp?d=40616

Republic of Korea	
Name of the scheme	State Guarantee of External Debt of Korean Banks.
Guarantor under the scheme	Republic of Korea (the "**Republic**").
Formal structure of guarantee under the scheme	The scheme is to be implemented under the Rules for the State Guarantee of External Debt of Korean Banks (Ministerial Notice No.39 of the Ministry of Strategy and Finance). These Rules have been established pursuant to the "Approval of the State Guarantee of the Foreign Currency Debt of Domestic Banks owed to Non-Residents" passed by the Korean National Assembly on 30 October 2008 in accordance with the National Finance Act, Enforcement Decree of the National Finance Act and the Rules for the Management of State Guarantees.
Current/proposed size of guarantee scheme.	The aggregate maximum guarantee amount is up to US$100 billion and individual maximum guarantee limits apply to each Domestic Bank ("**Individual Maximum Guarantee Amount**").
Types of institutions capable of accessing the guarantee scheme.	The institutions capable of accessing the guarantee scheme are: (i) Kookmin Bank, Shinhan Bank, Woori Bank, Hana Bank, Korea Exchange Bank, Citibank Korea, Standard Chartered First Bank Korea, Pusan Bank, Daegu Bank, Kwang Ju Bank, Kyongnam Bank, Jeonbuk Bank and Jeju Bank, each established under the Banking Act; (ii) the Korea Development Bank established under the Korea Development Bank Act; (iii) Industrial Bank of Korea established under the Industrial Bank of Korea Act; (iv) the Export-Import Bank of Korea established under the Export Export-Import Bank of Korea Act; (v) National Agricultural Cooperative Federation established under the Agricultural Cooperatives Act; and (vi) National Federation of Fisheries Cooperatives established under the Fisheries Cooperatives Act ("**Domestic Banks**"). "Domestic Banks" includes foreign branches of a Domestic Bank.
Types of liability capable of being covered by the guarantee scheme.	Debt denominated in a foreign currency, issued or borrowed by a Domestic Bank between 20 October 2008 and 30 June 2009 and owed to a non-Korean resident (including Korean branches of foreign banks) is eligible for the Guarantee ("**Eligible Foreign Currency Debt**").
Mandatory provisions relating to a guarantee/guaranteed debt instrument.	The relevant debt agreement must not provide for an event of default constituted by cross default or cross-acceleration.
Period in which the guarantee scheme can be accessed.	The term of the Guarantee is within 3 years from the effective date of the Eligible Foreign Currency Debt and only as to payment obligations due on or before 30 June 2012.
Conditions imposed on institutions seeking to access the guarantee scheme.	A Domestic Bank receiving state guarantee coverage (the "**Obligor**") must prepare a daily status report and submit it to the Ministry of Strategy and Finance ("**MOSF**"). The Obligor must promptly notify the MOSF of: (i) any modification of the terms, performance or termination of the Guaranteed Debt; (ii) an event of default with respect to the Guaranteed Debt or any other liability of the Obligor; or (iii) any other event that may have a material

	effect on the guarantee obligation. If the MOSF determines it is necessary in order to manage the guarantee obligations, including when a guarantee payment by the Republic is considered probable, it may demand the Obligor to (i) provide collateral having a value exceeding a certain percentage of the outstanding Guaranteed Debt or (ii) set aside reserves in an amount exceeding a certain percentage of the outstanding Guaranteed Debt. Each Obligor must enter into a memorandum of understanding relating to, among others, the improvement of foreign currency operations with an institution designated by the MOSF.
Application process for accessing the guarantee scheme.	A Domestic Bank applying for the state guarantee can apply for it within the Individual Maximum Guarantee Amount applicable to such applicant. The Ministry of Strategy and Finance will review such application and may approve the state guarantee for such debt based on its review by issuing a guarantee approval certificate ("**Guaranteed Debt**"). The applicant may enter into an agreement relating to the issuance or incurrence of the Guaranteed Debt only after it has received such guarantee approval certificate and within 90 days after the receipt of such approval. The applicant must ensure that the relevant debt agreement does not provide for an event of default constituted by cross-default or cross-acceleration.
Fees for accessing the guarantee scheme.	0.8% per annum to the daily outstanding balance of the guaranteed debt on the basis of a year of 360 days.
Depositor protection regime limit.	KRW 50 million per depositor.
Links:	Ministry of Strategy and Finance: http://www.mosf.go.kr/

Netherlands	
Name of guarantee scheme	2008 Credit Guarantee Scheme of the State of the Netherlands.
Guarantor under the scheme	The Dutch State. The Ministry of Finance has promulgated the scheme and designated the Dutch State Treasury Agency to operate the scheme.
Formal structure of guarantee under the scheme	The guarantee provided under the scheme will be issued by way of a guarantee certificate.
Current/proposed size of guarantee scheme.	Euro 200 billion.
Types of institutions capable of accessing the guarantee scheme.	To be eligible under the scheme, a financial institution: • must be a bank as defined in, be authorised to perform its banking activities pursuant to, and be registered under the Dutch Financial Supervision Act and have its corporate domicile in the Netherlands; • must have, in the opinion of the Dutch State Treasury Agency, a substantial business the Netherlands; and • must have a sufficient solvency ratio, as determined by the Dutch Central Bank (DCB) on a case-by-case basis.
Types of liability capable of being covered by the guarantee scheme.	A liability issued by an eligible institution must satisfy the following criteria: • it must be a senior unsecured debt instrument on standard market terms (and not a complex instrument), of any of the following types: certificates of deposit, commercial paper and medium term notes and it must be redeemable by its terms in one single payment and carry interest at a fixed or floating rate; • it must be issued on or after 23 October 2008 and before 31 December 2009; • it must have a tenor of no less than three months and no more than three years (the reason for choosing this tenor is to prevent overlaps with the short term liquidity facilities made available by the ECB); • it must be denominated in sterling, euro or US dollars; • the terms of the debt instrument may not provide for an event of default constituted by cross-default or cross-acceleration or a right of prepayment of principal by the issuer; • the debt instrument must fit within the liquidity requirements of the eligible institution (as tested by the DCB); and • the issue proceeds must be (and must be expressed to be) applied towards refinancing of any debt instruments or other borrowings of the relevant eligible institution with a scheduled maturity date falling on or after 23 October 2008.
Mandatory provisions relating to a guarantee/guaranteed debt instrument.	The Guarantor can request an indemnity from group companies of eligible institutions. Any claims of an eligible institution on a group company which have arisen in respect of the guaranteed debt instrument (a "**Junior Claim**") are subordinated to claims of the Guarantor on such Group Company.

Period in which the guarantee scheme can be accessed.	From 23 October 2008 to 31 December 2009.
Conditions imposed on institutions seeking to access the guarantee scheme.	In order to access the scheme, the eligible institution has to enter into various undertakings relating to the following categories: • maintenance of representations; • information on defaults or claims under Guaranteed Debt Instruments; • other information; and • conduct of business. The latter category consists of, amongst others, a best efforts undertaking to maintain a solvency ratio in line with the solvency ratio adequate for the purpose of qualifying as an eligible institution and to comply with the liquidity requirements under the Financial Supervision Act (FSA), if applicable. An eligible institution must implement and maintain a sustainable remuneration policy for its managing and executive directors and senior management in line with international standards and its incentive schemes must be linked to long term value creation taking account of risk and restricting the potential for "rewards for failure". Furthermore, it must ensure that the exit schemes or statutory compensation for its executive board shall be limited to one year's fixed salary and that remuneration shall be consistent with its long term objectives. Finally, the eligible institution must comply with all other remuneration related provisions set out in paragraph II.2 of the Dutch Corporate Governance Code.
Application process for accessing the guarantee scheme.	The Guarantor shall designate an eligible debt instrument for which an application has been made as a guaranteed debt instrument if: • a duly completed and signed application is delivered by hand to the Dutch State Treasury Agency; • the applicant qualifies as an eligible institution; • the debt instrument qualifies as an eligible debt instrument; • the applicant has provided documents or other evidence required in respect of the above criteria or, if so requested, an indemnity by a group company of the relevant eligible institution (in the form set out in the schedules to the rules of the scheme); and • any other authorisation, document, legal opinion or assurance which the Guarantor considers necessary or desirable has been provided.
	The Guarantor shall reject an application if in its opinion any requested representation or warranty is or proves to have been incorrect or incomplete; or the relevant eligible institution will not or is likely not to comply with any of the requested undertakings or obligations. If an eligible debt instrument is designated as a guaranteed debt instrument, the Guarantor will issue a guarantee certificate in respect of the same. Each eligible institution which, following receipt of the guarantee certificate, issues a guaranteed debt instrument must, within three business days, notify the Guarantor and provide various data set out in the rules (date of issue, principal amount, scheduled maturity date,

	interest rate, gross proceeds of the issue and ISIN code (if any)). Additionally, a copy of the issue documentation for that guaranteed debt instrument has to be delivered at the same time.
Fees for accessing the guarantee scheme.	**Guarantee Fee** Eligible institutions making use of the scheme must pay a guarantee fee based on the gross issue proceeds and a per annum rate of 50 basis points in case of a guaranteed debt instrument with a tenor of no more than one year. In any other case the percentage rate per annum shall be equal to the aggregate of the relevant median five year eligible institution's credit default swap spread for the sample period from (and including) 1 January 2007 to (and including) 31 August 2008 and 50 basis points. If no sufficiently representative credit default swap data is publicly available for an eligible institution, but such eligible institution has a rating from Moody's or Standard & Poor's, the median five year credit default swap spread for the sample period for banks included in a representative sample of large banks in participating Member States selected by the Eurosystem comprised of the European Central Banks of the Participating Member States shall apply. In any other case, the median five year credit default swap spread for the sample period for sample banks with a rating of no less than A (in the case of Moody's) or A− (in the case of Standard & Poor's) or such other credit default swap spread as the Guarantor may determine (taking into account the creditworthiness of the eligible institution) shall apply.
	Termination Fee If a guaranteed debt instrument has not been issued by its cut-off date (the date falling thirty days after the date of the guarantee certificate in respect of that guaranteed debt instrument), no guarantee fee shall be due and the relevant eligible institution shall pay to the Guarantor a termination fee based on the proposed gross proceeds and the period to the cut-off date. The amount of the termination fee shall be equal to the amount of the guarantee fee for the relevant guaranteed debt instrument which would have been payable if (i) the gross proceeds of the issue of the relevant guaranteed debt instrument had been equal to the principal amount of that guaranteed debt instrument as set out in the relevant application; and (ii) the scheduled maturity date of the relevant guaranteed debt instrument had fallen on the cut-off date.
Regulation/documentation issues.	State aid: The European Commission cleared the scheme on 30 October 2008.
Depositor protection regime limit.	Euro 100,000 per account holder.
Links:	Dutch State homepage: http://www.dutchstate.nl/ Scheme Rules: http://www.dsta.nl/uploads/20081127181203920_Rules Word-versie 27112008.pdf EU state aid press release: http://europa.eu/rapid/pressReleasesAction.do?reference=IP/08/1610&format=HTML&aged=0&language=EN&guiLanguage=en

New Zealand	
Name of the scheme	Wholesale Funding Guarantee Facility.
Guarantor under the scheme	The Crown (Her Majesty the Queen in right of New Zealand) - the Treasury is responsible for management of the scheme.
Formal structure of guarantee under the scheme	The scheme has been brought into effect by the Finance Minister using certain powers under the Public Finance Act 1989. The scheme operates on an opt-in basis (by institution and by instrument). Written deeds of guarantee are entered into between the Crown and each participating institution which elects to take up the guarantee on an issue by issue basis.
Current/proposed size of guarantee scheme.	No overall maximum amount is currently set for the scheme. A participating institution is not permitted to have guarantees for debt in excess of 125% of the total stock of eligible types of debt on issue prior to: • for banks: its last published General Disclosure Statement; or • for other institutions: its last published set of annual accounts for a period prior to 12 October 2008.
Types of institutions capable of accessing the guarantee scheme.	Financial institutions that have a rating of BBB- or better and have "substantial New Zealand borrowing and lending operations". Eligible institutions are required to "opt-in" to the scheme. Deposit-taking institutions wishing to opt-in will be expected to have also opted-in to the Retail Deposit Guarantee Scheme. New Zealand branches of overseas banks are eligible, but only in respect of issues of New Zealand dollar instruments. The scheme is not available to institutions which are financing a parent or related company, non-financial issuers (e.g., corporate or local authority issuers) or collective investment schemes.
Types of liability capable of being covered by the guarantee scheme.	All new issues of senior unsecured negotiable or transferable debt securities in all major currencies are eligible for coverage. Covered bonds are also eligible for coverage. Other asset-backed securities and subordinated debt issues are not eligible. Participating institutions must apply for an eligible instrument to be covered (i.e., the scheme operates on an opt-in basis for each eligible instrument rather than on the basis of automatic coverage for all eligible instruments of a participating institution). An instrument cannot be covered by both the scheme and the Retail Deposit Guarantee Scheme. Any institution which joins the scheme is required to agree that all instruments eligible for a wholesale guarantee (whether actually guaranteed or not) are *not* covered by the Retail Deposit Guarantee Scheme. The scheme covers an instrument until the earlier of: • its maturity; or • five years from the time it is issued.
Mandatory provisions relating to a guarantee/guaranteed debt instrument.	Participating institutions will be encouraged (as opposed to a mandatory requirement) to lengthen the average maturity of their funding, where possible.
Period in which the guarantee scheme can be accessed.	The scheme is currently operational. There is no fixed time period for the availability of the scheme.

	The Treasury and the Reserve Bank of New Zealand have stated in announcements that the Crown will withdraw from offering the Wholesale Funding Guarantee Facility on new instruments "as soon as the international markets return to normal". Participating institutions will be encouraged to withdraw from using the scheme "as market conditions permit".
Conditions imposed on institutions seeking to access the guarantee scheme.	The following conditions on participating institutions apply: • additional "capital buffers" for participating institutions. Locally-incorporated registered banks will be required to maintain an additional two per cent. Tier 1 capital buffer (on top of the existing four per cent. regulatory minimum). Non-bank institutions will be treated on a case-by-case basis; • registered banks will continue to be subject to prudential supervision by the Reserve Bank of New Zealand. Non-bank institutions will be subject to additional information requirements and related powers; and • all participating institutions will be required to undertake that the foreign exchange risk associated with foreign currency borrowing will be hedged and managed.
Application process for accessing the guarantee scheme	Applications by an institution to join the scheme (by entering into a deed of guarantee with the Crown) are made to the Treasury. The Crown is not obliged to offer the benefit of the scheme to any issuer or any instrument. Policy Guidelines are used by officials when assessing applications.
Fees for accessing the guarantee scheme.	A fee will be charged for each guaranteed instrument, differentiated by the credit rating of the issuer and the term of the instrument guaranteed. For institutions with a credit rating of AA- and above: • for a term of one year or less: 70 bps per annum; • for a term of more than one year: 90 bps per annum. For institutions with a credit rating of A- to A+: • for a term of one year or less: 130 bps per annum; • for a term of more than one year: 150 bps per annum. For institutions with a credit rating of BBB- to BBB+: • for a term of one year or less: 180 bps per annum; • for a term of more than one year: 200 bps per annum. The credit rating used is that applied to the participating institution without the benefit of any Crown guarantee. The guarantee fee will be reviewed regularly and may be adjusted in the future for new issues.
Depositor protection regime limit.	There is no limit on the total volume of instruments the Crown will guarantee under the scheme. All holders of guaranteed instruments are covered by the guarantee, other than related parties (including parents) of participating institutions.

Links:	The Treasury - Wholesale Funding Guarantee Facility homepage: http://www.treasury.govt.nz/economy/guarantee/wholesale Press release by the Finance Minister dated 1 November 2008: http://www.beehive.govt.nz/release/wholesale+funding+guarantee+facility Media statement by the Treasury and the Reserve Bank dated 1 November 2008: http://www.treasury.govt.nz/publications/media-speeches/media/01nov08 Operational guidelines for the Wholesale Funding Guarantee Facility: http://www.treasury.govt.nz/economy/guarantee/wholesale/operationalguidelines Information release by the Treasury dated 2 December 2008: http://www.treasury.govt.nz/publications/informationreleases/guarantee/index.htm - 4nov

Portugal	
Guarantor under the scheme	The State of Portugal.
Formal structure of guarantee under the scheme	Statutory guarantee to be granted by the Government of Portugal, upon recommendation of the Portuguese Central Bank and the Portuguese Debt Institute, in accordance with Law 60-A/2008 (20 October 2008) and Ordinance 1219-A/2008 (23 October 2008).
Current/proposed size of guarantee scheme.	Euro 20 billion.
Types of institutions capable of accessing the guarantee scheme.	Credit institutions with a registered office in Portugal.
Types of liability capable of being covered by the guarantee scheme.	Unsubordinated debt with a maturity date from 3 months to 3 years denominated in Euro. Instruments with a maturity of up to 5 years can be made eligible upon recommendation of the Portuguese Central Bank. The following types of liabilities are specifically excluded from the application of the scheme: interbank deposit operations in the money market, subordinated debt operations, operations already covered by any other type of guarantee or security and financing operations in jurisdictions not complying with internationally accepted transparency standards.
Period in which the guarantee scheme can be accessed.	Until 31 December 2009.
Conditions imposed on institutions seeking to access the guarantee scheme.	Should the Portuguese State honour a payment claim presented under the guarantee, it may, if and to the extent deemed necessary to safeguard its patrimonial interests: • convert the credit against the credit institution into share capital, including through the issuance of preferential shares, following consultation of the Portuguese Central Bank; • decide on the adoption of good corporate governance principles, on dividend policy and the remuneration of the officers of the management and supervisory bodies; • impose the appointment of one or more temporary administrators (which may replace the existing management in whole or in part), to the extent that: - the institution is under the risk of breaching its payment duties towards creditors; - the institution is in a situation of financial deterioration, which, due to its dimension or duration, seriously threatens its solvability; - the managers do not ensure a prudent management of the institution, posing a serious risks to creditors; or - its accounting organisation or internal control mechanisms present grave insufficiencies which do not allow a proper evaluation of the patrimonial situation of the institution. This compulsory administration will in such case be empowered to practice any acts legally permitted to corporate managers, as well as to (i) veto decisions of the shareholders meeting; (ii) convene the shareholders meeting and (iii) submit a report in respect of the patrimonial situation of the company to the Portuguese Government.

Application process for accessing the guarantee scheme.	An application including the following must be submitted to the Portuguese Central Bank: • the identification of the core details of the operation to be guaranteed and the reasons for such; • the identification of the parties to the financing agreement; • proof that the guarantee is essential to ensuring the applicant's ordinary funding; • the draft financing agreement or the documentation in respect of the unsubordinated debt issuance, as well as the plans for the financing utilization and amortisation and the applicable interest rates; • confirmation from the applicant that the Portuguese Central Bank may send the data received from the applicant or any other information held by the Portuguese Central Bank to the Directorate General for the Treasury and Finance and the Portuguese Debt Institute for the analysis of the application; and • proof of the verification of the requirements in law and in the articles of association necessary for the effect of the possible triggering of the guarantee. Additional information can be requested if deemed necessary to the analysis of the application.
Fees for accessing the guarantee scheme.	For liabilities with a maturity equal to or greater than 3 months but equal to or less than 1 year, a fee of 50 bps. For liabilities with a maturity greater than 1 year, a fee representing the "Relevant Credit Default Swap Spread" plus 50 bps. In connection with the calculation of the fee, the "Relevant Credit Default Swap Spread" for an institution is determined as follows: • for an institution with representative CDS data, the lower of: - the median value of 5-year CDS spreads for the relevant institution during the period from 1 January 2007 to 31 August 2008; and - the median value of 5-year CDS spreads for a representative sample of institutions with the same credit rating as the relevant institution, as defined by the Eurosystem, during the period from 1 January 2007 to 31 August 2008. • for an institution without representative CDS data: - if the institution has a credit rating of "A" or higher, the median value of 5-year CDS spreads for a representative sample of institutions with the same credit rating as the relevant institution, as defined by the Eurosystem, during the period from 1 January 2007 to 31 August 2008; - if the institution has no credit rating or a credit rating of lower than "A", the median value of 5-year CDS spreads for a representative sample of institutions, defined by the Eurosystem, with a rating of "A", during the period from 1 January 2007 to 31 August 2008.

	The Portuguese Central Bank is responsible for ascertaining whether an institution has representative CDS data. Furthermore, in the case of an institution without representative CDS data, the Portuguese Central Bank can adapt the value of the relevant CDS spread following reasoned assessment.
Regulation/documentation issues.	State aid: The European Commission cleared the scheme on 29 October 2008.
Depositor protection regime limit.	Euro 100,000 per depositor. The amount covered under the deposit guarantee was increased from Euro 25,000 to Euro 100,000 pursuant to legislation published in the Official Gazette on 3 November 2008, which also shortens the time frames applicable for payment amounts of the deposits covered.
Links:	Ministry of Finance and Public Administration homepage: http://www.min-financas.pt/ Relevant Scheme documents: http://www.min-financas.pt/download_en.asp?num_links=0&link=inf_economica/Portuguese_Guarantee_Scheme_23Oct2008.pdf EU State Aid press release: http://europa.eu/rapid/pressReleasesAction.do?reference=IP/08/1601&format=HTML&aged=0&language=EN&guiLanguage=en

Spain	
Name of guarantee scheme	*"Aval del Estado para operaciones de financiación de entidades de crédito"* (State guarantee for certain financing transactions of credit institutions).
Guarantor under the scheme	The Spanish General State Administration.
Formal structure of guarantee under the scheme	Order of the Minister of Economy and Finance granting the guarantee of the General State Administration to certain financing transactions of the relevant institution, in accordance with the provisions of royal decree-law 7/2008 of 13 October 2008, on urgent economic and financial measures related to the joint action plan of the countries in the Eurozone, and of Order EHA/3364/2008 of 21 November 2008.
Current/proposed size of guarantee scheme.	Euro 100 billion for 2008; additional Euro 100 billion in 2009 as approved by the 2009 budget (Law 2/2008 dated December 23).
Types of institutions capable of accessing the guarantee scheme.	The following entities may apply for guarantees: a) credit entities; b) consolidated groups of credit institutions; and c) credit entity groupings.
Types of liability capable of being covered by the guarantee scheme.	Transactions consisting of issues of commercial paper, bonds and obligations carried out in Spain that also fulfil the eligibility requirements set forth below.
Mandatory provisions relating to a guarantee/guaranteed debt instrument.	a) Type of transaction: Stand-alone transactions or issue programmes. b) Type of securities: Non-subordinated debt securities, which are not guaranteed by any other kind of guarantee. Inter-bank deposits shall not be guaranteed. c) Maturity: The term of maturity shall be between three months and three years after their issuance. On an exceptional basis, the Ministry of Economy and Finance may guarantee operations with a term of maturity of up to five years, after consultation with the Bank of Spain. In the case of guaranteed promissory note programmes, the final maturity date of the last obligation resulting from each of them in any event must be prior to 31 December 2010. d) Return: The interest rate may be fixed or floating. The effective interest rate shall be set within the range of market rates for issues and issuers with similar characteristics and shall be consistent with the same issuer's previous operations. Moreover, in the case of a floating interest rate, the reference rate shall be one that is widely known and used on the financial markets. e) Structure of guaranteed transactions: Redemption shall be made in a single payment (bullet). Likewise, guaranteed issues shall not include options or other derivative financial instruments, or any other element that makes it difficult to assess the risk undertaken by the guarantor f) Minimum amount: The amount of each issue shall not be less than Euro 10 million, calculated as the nominal value of the issue. In the case of programmes for the issuance of guaranteed promissory notes, the aforesaid minimum shall refer to the maximum amount of the guaranteed programme. g) Admission to trading: Securities shall be admitted to trading on Spanish official secondary markets. h) The issues guaranteed by the guarantee must have been made

	prior to 15 December 2009. i) Payments deriving from these issues to be made by the guaranteed issuing institution must be made through the paying agent appointed by the institution.
Period in which the guarantee scheme can be accessed.	The issues guaranteed by the guarantee must have been made prior to 15 December 2009.
Conditions imposed on institutions seeking to access the guarantee scheme.	Credit entities must meet the following requirements: a) to be a credit entity with registered address in Spain; b) to have a market share of at least one thousandth of the total set in subsection «*2.4. Loans and Credits. Other Sectors*» corresponding to Residents in Spain of the UEM 1 status of the Bank of Spain's Statistical Bulletin; c) to have issued securities similar to the ones that are to be guaranteed, in the five years immediately prior to the date of entry into force of Royal Decree Law 7/2008, dated 13 October, on urgent economic and financial measures in relation to the concerted action plan for Euro Zone countries.
Application process for accessing the guarantee scheme.	Entities intending to obtain the State guarantee shall submit their applications to the Directorate General for the Treasury and Financial Policy, the body in charge of processing them, completed as indicated in the sample application supplied by the Directorate General. Applications for guarantees against the General State Budget for 2008 shall be submitted prior to 3 December 2008. The deadline for submitting applications for guarantees against the General State Budget for 2009 shall be established by a decision of the Directorate General for the Treasury and Financial Policy.
Fees for accessing the guarantee scheme.	1. State guarantees shall bear, in favour of the State, the fees detailed above. (See Summary table.) 2. Fees shall accrue, for each transaction, at the moment of issuance. 3. The Directorate General for the Treasury and Financial Policy shall request the payment of the corresponding fees and provide the terms under which they shall be paid. To such end, the guaranteed entity shall account for the payment of such fee before the relevant issue is made.
Regulation/documentation issues.	State aid: The European Commission approved the Spanish guarantee scheme for credit institutions on 23 December 2008
Depositor protection regime limit.	Euro 100,000 (increased from Euro 20,000 on 13 October 2008).
Links:	Homepage of the General Directorate of the Treasury and Financial Policy on the guarantee scheme: http://www.tesoro.es/en/avales/avalesdelestado.asp EU State Aid press release: http://europa.eu/rapid/pressReleasesAction.do?reference=IP/08/2049

Sweden	
Name of guarantee scheme	Stabilisation Guarantee Program.
Guarantor under the scheme	The Swedish National Debt Office ("**SNDO**").
Formal structure of guarantee under the scheme	Written guarantees will be issued by the SNDO as authorised by the State Support for Credit Institutions Act (2008:814) and the Guarantees to Banks Ordinance (2008:819).
Current/proposed size of guarantee scheme.	The guarantee programme will initially be limited to an amount of SEK 1,500 billion of which an amount of SEK 500 billion may be utilised to guarantee debt securities with maturities of between three and five years.
Types of institutions capable of accessing the guarantee scheme.	The guarantee programme will only be available to (i) banks, (ii) housing finance institutions and (iii) credit institutions with the business of financing municipalities, in each case having its domicile in Sweden and regulated by the Swedish FSA (and indirectly to their foreign branches). The guarantee scheme will only be available for institutions which have a capital base amounting to at least the capital requirement for credit risks, market risks, and operational risks as prescribed by Chapter 2, Section 2, item 1 of the Capital Adequacy and Large Exposure Act (2006:1371) as compared with Section 5 of the Implementation Act (2006:13) relating to the above mentioned Act. The scope of eligible institutions is further limited by the requirement that support is only to be extended to reduce the risk for severe disturbance of the Swedish financial market.
Types of liability capable of being covered by the guarantee scheme.	Guarantees can be issued to cover unsubordinated debt instruments and covered bonds with a maturity between 90 days and five years. Only instruments where the income is calculated as a floating or fixed rate of interest on the nominal amount of the instrument and so called zero coupon bonds may by covered. Complex and structured products such as index linked bonds and other instruments where the bondholders' rights are dependent upon an underlying asset are explicitly excluded from the guarantee programme.
Period in which the guarantee scheme can be accessed.	Until 31 October 2009.
Conditions imposed on institutions seeking to access the guarantee scheme.	Credit institutions utilising the guarantee programme must enter into an agreement limiting salary increases, payments of bonuses and severance payments for the five members of the management of the institution with the highest remuneration. During the term of the guarantee their salaries may not be increased above their salaries as of 20 October 2008, new bonuses (including warrant based incentive programmes) may not be granted, accrued bonuses may not be paid out and severance payments may not exceed the levels stipulated in the guidance for terms of employment in state-owned companies. The compensation to the members of the board may not be increased. Furthermore, the institutions' business may not expand materially above the level it would have should the support not have been granted.
Application process for accessing the guarantee scheme.	Applications for the guarantee are to be made in writing to the SNDO. Certain information that shall be supplied in the application (e.g. information on regulatory capital) must be certified by an accountant. There is a simplified procedure for issuances under programmes where many issuances will be made under the same base prospectus. The credit institution must enter into an agreement with the SNDO setting out the conditions for the support.

Fees for accessing the guarantee scheme.	A credit institution utilising the scheme will pay a fee based on a model developed by the European Central Bank. The fee for debt instruments with a maturity of up to one year will be the same for all institutions and will be equal to 50 bps of the guaranteed amount. The fee for debt instruments with longer maturities will be risk differentiated and based on the CDS-spread for the institution's debt instrument between 1 January 2007 and 31 August 2008 plus a margin of 50 bps. The margin for covered bonds will be 25 bps. If there is no available information on the CDS-spread for the relevant institution or the relevant type of instrument, fees will be set using a standardised method based on the credit rating of the issuing institution or instrument. The relevant margin will be added to 0.24 percentage points for AAA rated institutions or instruments, 0.37 percentage points for AA rated institutions or instruments and 0.45 percentage points for A rated institutions or instruments.
Regulation/documentation issues.	When granting loans to credit institutions, the Swedish Central Bank will accept instruments covered by the guarantee as collateral, as if the guaranteed instruments had been issued by the state. The support scheme is regulated by the State Support for Credit Institutions Act (2008:814), the Guarantees to Banks Ordinance (2008:819) and the SNDO's regulation (2008:1) supplementing the Guarantees to Banks Ordinance. State aid: The European Commission cleared the scheme on 29 October 2008.
Depositor protection regime limit.	SEK 500,000 per customer and institution.
Links:	Government of Sweden homepage: http://www.sweden.gov.se/ Scheme press release: http://www.regeringen.se/sb/d/10213/a/113805 Amending press release dated 2 April 2009: http://www.sweden.gov.se/sb/d/11760/a/123819 Swedish National Debt Office: https://www.riksgalden.se/templates/RGK_Templates/TwoColumnPage____17088.aspx EU State Aid press release: http://europa.eu/rapid/pressReleasesAction.do?reference=IP/08/1600&format=HTML&aged=0&language=EN&guiLanguage=en

United Kingdom	
Name of guarantee scheme	2008 Credit Guarantee Scheme.
Guarantor under the scheme	The Commissioners of Her Majesty's Treasury.
Formal structure of guarantee under the scheme	Contractual Guarantee under a Deed of Guarantee signed on 13 October 2008 (as amended on 20 October 2008 and 6 February 2009) in respect of any eligible liability in respect of which HM Treasury has issued an eligibility certificate.
Current/proposed size of guarantee scheme.	GBP 250 billion.
Types of institutions capable of accessing the guarantee scheme.	For an institution to qualify as an eligible institution, it must: • be an authorised UK deposit-taker (including a UK incorporated subsidiary of a foreign institution) which, in the view of HM Treasury, has a substantial business in the UK or a UK building society (any other UK incorporated bank (including a UK subsidiary of a foreign institution) may apply to be invited to take part in the scheme. In reviewing these applications, the UK Government will give due regard to an institution's role in the UK banking system and in the overall economy); and • have Tier 1 capital in an amount determined by HM Treasury as at a date to be specified by HM Treasury. No more than one member of a corporate group may be an eligible institution under the Scheme (typically the primary UK deposit-taker). A list of the eligible institutions can be accessed online (see "Links" below). The scale of each participating institution's access to the scheme will be based, at the discretion of HM Treasury, on an institution's sterling eligible liabilities as calculated by the Bank of England.
Types of liability capable of being covered by the guarantee scheme.	An eligibility certificate can only be issued in respect of eligible liabilities satisfying the following criteria: • it constitutes senior unsecured debt instruments with standard market terms (and not complex instruments), being certificates of deposit, commercial paper or bonds or notes; • it is issued after 13 October 2008 and before 31 December, 2009 (subject to extension in respect of refinancings) and within 30 days of the date of the eligibility certificate relating to such liability; • pursuant to amendments to the scheme announced on 15 December 2008, the government lengthened the scheme, from 3 to 5 years, ending in April 2014. Within that period, the maximum term of individual instruments is retained as 3 years, with flexibility to roll them over, as agreed with the Treasury; • the scheme originally provided for single currency debt, denominated in sterling, euro or US dollars. The range of possible currencies was expanded in December 2008, to include Japanese Yen, Australian dollars, Canadian dollars and Swiss francs; • it contains neither any event of default constituted by cross-default or cross-acceleration nor any right of prepayment by the issuer (except prepayment right for tax reasons); and

	• the proceeds of the issue must be applied in refinancing liabilities of the Eligible Institution or of a company which is directly or indirectly owned by the Eligible Institution and incorporated in the United Kingdom, maturing after the date of commencement of the Scheme.
Period in which the guarantee scheme can be accessed.	On 19 January 2009, the UK government announced that it would extend the availability of the scheme to 31 December 2009.
Conditions imposed on institutions seeking to access the guarantee scheme.	None other than eligibility criteria mentioned above.
Application process for accessing the guarantee scheme.	Prior to the issue of any eligibility certificate, the following conditions need to be fulfilled: • a duly completed and signed application form (in the form provided) must be delivered by hand to the UK Debt Management Office; • a legal opinion in respect of the legal, valid and binding nature of the obligations from external legal advisers to the issuer must be delivered to the UK Debt Management Office (in the case of a programme, the opinion can take the form of the most recent opinion issued to the arranger of the establishment or update of the programme); • a countersigned fee letter must be delivered to the UK Debt Management Office (the determination of the amount of the fee and payment provisions are contained in the rules of the scheme); • a deed of counter-indemnity (in the form provided) executed by the eligible institution (and by any additional counter-indemnifier, if so requested by HM Treasury) must be delivered to HM Treasury; and • a legal opinion in respect of the executed counter-indemnity from external legal advisers to the issuer must be delivered to HM Treasury.
Fees for accessing the guarantee scheme.	The scheme announced on 13 October 2008 provided that the fee will be based on a per annum rate of 50 basis points plus 100% of the eligible institution's median five-year CDS spread during the twelve months to 7 October 2008, as determined by HM Treasury. The fee will be applied to the principal amount of an interest bearing debt instrument and in the case of non-interest bearing debt instrument, to the gross proceeds of issue of debt instruments. HM Treasury may apply its own estimate of an appropriate CDS spread if public data is unavailable. In addition, HM Treasury may charge an incremental fee for guarantees of non-sterling denominated issuance. The fee, which shall be payable in the currency in which the eligible liability is denominated, shall accrue from the earlier of the third business day after the date of issuance of the eligibility certificate and the date of the eligible liability issuance and is payable three-monthly in arrears and/or on maturity from the third business day after the date of the eligibility certificate. The fee may be varied at HM Treasury's discretion. On 15 December 2008, the government announced that the fee payable to HM Treasury for all guaranteed issues under the scheme (since inception on 13 October 2008) would be reduced. The fee will be based on a per annum rate of 50 basis points plus 100% of the institutions' median five-year Credit Default Swap (CDS) spread during July 2007-July 2008 as determined by HM Treasury.

Regulation/documentation issues.	**Reporting and Post-Issuance information** Each eligible institution must, within six months of 13 October 2008, submit to HM Treasury a plan for maintaining or restoring the capacity of the eligible institution to borrow in the wholesale financial markets without the benefit of the guarantee, on the terms set out in the rules of the scheme. Eligible institutions must also, within three business days of the issue of guaranteed liabilities, notify the UK Debt Management Office in writing of the details set out in the rules of the scheme in respect of the guaranteed liability (including its ISIN, principal amount and maturity date). Any description of the guarantee granted under the scheme in public disclosure shall be in the form prescribed under the rules of the scheme (or such other form as may be required by HM Treasury). Without prejudice to the above, the rules of the scheme provide that no eligible institution shall explicitly promote itself on the basis of such guarantee. **Compliance with the Prospectus Directive** Institutions choosing to amend an existing MTN programme to comply with the Prospectus Directive in relation to guaranteed debt securities need to bear in mind that the form of disclosure of the guarantee prescribed by the scheme does not satisfy the requirements of the Prospectus Directive. Consequently, the possibility of using a Prospectus Directive compliant programme for issues which benefit from the scheme is not available unless a certificate is obtained from HM Treasury under the FSMA. Therefore an institution in this position will need to prepare an alternative disclosure document which does not comply with the Prospectus Directive and either (1) amend its programme to provide for the possibility of issuance either pursuant to a Prospectus Directive base prospectus or such an alternative disclosure document or (2) create a new programme for issues which benefit from the scheme, or make such issues on a stand alone basis. **Risk weighting in FSA regulatory capital requirements** The Financial Services Authority has deemed that, under the Standardized Approach, guaranteed securities would qualify for zero risk weighting for capital adequacy purposes. **Eligibility of guaranteed instruments as collateral in the Bank of England's extended-collateral operations** The Bank of England has confirmed that instruments that are guaranteed under the scheme will be eligible to be delivered as collateral in all its extended-collateral operations, so long as the guarantee applies. The haircuts applying to these securities were published by the Bank on 15 October 2008 in a Market Notice available online (see "Links" below). **State Aid** The European Commission cleared the scheme on 13 October 2008. The Commission's decision states that institutions accessing the guarantee scheme will be subject to an aggregate cap on growth of their balance sheets at a rate in excess of the higher of historical growth over the period 1987-2007 and annual GDP growth. December amendments to the scheme were cleared on 23 December 2008. On 15 April 2009, the European Commission approved the extension of the scheme (although the Commission press release indicates extension to October 2009, rather than 31 December 2009).

Depositor protection regime limit.	GBP 50,000 (increased from GBP 35,000 on 7 October 2008).
Links:	Rules of the Scheme, the Deed of Guarantee, the list of current eligible institutions and a notice to the markets with respect to the Scheme: http://www.dmo.gov.uk/index.aspx?page=CGS/CGSIntro 15 December 2008 press release: http://www.hm-treasury.gov.uk/press_138_08.htm 19 January 2009 press release and Market Notice: http://www.hm-treasury.gov.uk/press_05_09.htm http://www.dmo.gov.uk/documentview.aspx?docname=cgs/press/pr20090119.pdf&page= Market Notice re: Eligibility of guaranteed instruments as collateral in the Bank of England's extended-collateral operations: http://www.bankofengland.co.uk European Commission State aid clearance decisions: 13 October 2008: http://ec.europa.eu/community_law/state_aids/comp-2008/n507-08-conf.pdf 23 December 2008: http://europa.eu/rapid/pressReleasesAction.do?reference=IP/08/2057&format=HTML&aged=0&language=EN&guiLanguage=en 22 December 2008: http://ec.europa.eu/community_law/state_aids/comp-2008/n650-08.pdf 15 April 2009: http://europa.eu/rapid/pressReleasesAction.do?reference=IP/09/586&format=HTML&aged=0&language=EN&guiLanguage=en

United States	
Name of guarantee scheme	The Temporary Liquidity Guarantee Program.
Guarantor under the scheme	The Federal Deposit Insurance Corporation ("**FDIC**")
Formal structure of guarantee under the scheme	To implement the program, the US Treasury invoked the systemic risk exception of the FDIC Improvement Act of 1991, permitting the FDIC to temporarily guarantee the senior unsecured debt of all FDIC-insured institutions and their holding companies ("**Debt Guarantee Program**"), as well as deposits in non-interest bearing deposit transaction accounts, regardless of dollar amount (this deposit guarantee is above the current maximum USD 250,000 limit per depositor) ("**Transaction Account Guarantee Program**").
Current/proposed size of guarantee scheme.	Under the Debt Guarantee Program, the FDIC will temporarily guarantee newly issued senior unsecured debt in a total amount up to 125 percent of the par or face value of senior unsecured debt outstanding, excluding debt extended to affiliates, as of 30 September 2008, that is scheduled to mature on or before 30 June 2009. Under the Transaction Account Guarantee Program, deposits in non-interest bearing transaction accounts would be guaranteed regardless of dollar amount.
Types of institutions capable of accessing the guarantee scheme.	FDIC-insured depository institutions, US bank holding companies, US financial holding companies, US savings and loan holding companies that engage only in activities that are permissible for financial holding companies to conduct under Section 4(k) of the Bank Holding Company Act.
Types of liability capable of being covered by the guarantee scheme.	All newly issued senior unsecured debt issued by eligible entities on or before 30 June 2009 (including promissory notes, commercial paper, interbank funding and any unsecured portion of secured debt). Deposits in non-interest bearing transaction accounts maintained at a participating entity.
Mandatory provisions relating to a guarantee/guaranteed debt instrument.	For eligible debt issued on or before 30 June 2009, coverage would only be provided for three years beyond that date (30 June 2012) regardless of whether the maturity exceeds that date.
Period in which the guarantee scheme can be accessed.	The Debt Guarantee Program will temporarily guarantee newly-issued senior unsecured debt that is issued by participating entities on or after 14 October 2008, through and including 30 June 2009. Under the Transaction Account Guarantee Program, deposits in non-interest bearing transaction accounts of participating entities would be guaranteed in full from 14 October 2008 through 31 December 2009.
Conditions imposed on institutions seeking to access the guarantee scheme.	Enhanced supervisory regime to ensure appropriate use of the guarantee. The FDIC has announced supervision to ensure that no excessive risk taking takes place.
Application process for accessing the guarantee scheme.	All eligible institutions are automatically enrolled in the program, unless they have opted out by 5 December 2008.

<table>
<tr><td>Fees for accessing the guarantee scheme.</td><td>Debt Guarantee Program:
<table><tr><th>For debt with a maturity of:</th><th>The annualized assessment rate (in basis points) is:</th></tr><tr><td>180 days or less (excluding overnight debt)</td><td>50</td></tr><tr><td>181-364 days</td><td>75</td></tr><tr><td>365 days or greater</td><td>100</td></tr></table>
The rates set forth above will be increased by 10 basis points for senior unsecured debt issued by a holding company or by a participating affiliate that is not an insured depository institution if, as of 30 September 2008, the combined assets of all insured depository institutions affiliated with such entity constitute less than 50 per cent. of consolidated holding company assets.

For the Transaction Account Guarantee Program an annualized 10-basis point surcharge would be added to an institution's current insurance assessment in order to fully cover the non-interest bearing deposit transaction accounts.</td></tr>
<tr><td>Regulation/documentation issues.</td><td>The final rule implementing the Debt Guarantee Program became effective 21 November 2008. Each entity that participates in the Program is required to notify the FDIC of any guaranteed debt issuance(s) and must report, on a monthly basis, all FDIC-guaranteed debt outstanding in accordance with the signed Master Agreements. Depository institutions that participate in the Transaction Account Guarantee Program will report the amount and number of its non-interest-bearing transaction accounts of more than USD 250,000 in their quarterly Consolidated Reports of Condition and Income.</td></tr>
<tr><td>Existing deposit protection limit and description of protected depositors.</td><td>The FDIC currently insures deposits of FDIC-insured depository institutions up to USD 250,000 per depositor.</td></tr>
<tr><td>Links:</td><td>Federal Deposit Insurance Corporation homepage: http://www.fdic.gov/

Temporary Liquidity Guarantee Program Information
http://www.fdic.gov/regulations/resources/tlgp/index.html</td></tr>
</table>

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