



**Credit Institutions (Financial Support) Scheme 2008 as updated and amended by the
Credit Institutions (Eligible Liabilities Guarantee) Scheme 2009 (“the Scheme”)**

**Dividend Rules
made on 28 February 2017**

Background

1. These rules apply to “covered institutions” as defined in the Scheme.
2. Paragraph 42 of the Scheme provides that:

“A covered institution shall comply with rules governing the declaration and payment of dividends made by the Minister after consultation with the Governor and the Regulatory Authority. These rules will take into account the objective of achieving or maintaining the capital ratios referred to in paragraph 41. No new dividends shall be declared or paid by a covered institution before such rules are made.”
3. In accordance with Section 17(5) of the Central Bank Reform Act 2010, the reference in Paragraph 42 of the Scheme to the “Regulatory Authority” is now construed as a reference to the Central Bank of Ireland (the “Bank”).
4. These rules govern the declaration and payment of dividends for the purposes of paragraph 42 of the Scheme, and are made by the Minister for Finance (the “Minister”) after consultation with the Governor of the Bank and the Bank.
5. These rules are without prejudice to the obligation of any covered institution to obtain the prior consent/approval of the Bank and/or the European Central Bank to the declaration or payment of any dividend pursuant to any regulatory requirement.

Interpretation

6. Unless otherwise defined in these rules, words and expressions defined in the Scheme shall have the same meanings where used in these rules.
7. In these rules, the term “holding company” shall have the meaning given to that term by Section 8 of the Companies Act 2014 and the term “subsidiary” shall have the meaning given to that term by Section 7 of the Companies Act 2014.
8. Save where otherwise indicated, a reference in these rules to any statute or to the Scheme shall be to the statute or to the Scheme as amended or replaced from time to time.
9. Headings in these rules are for ease of reference only and shall not be used when interpreting or construing these rules.

Rules

10. Pursuant to paragraph 42 of the Scheme, the Minister makes the following rules:
 - (a) If and for so long as any agreement or deed between a covered institution or the holding company of a covered institution and the Minister provides that, or to

the effect that, a dividend may not be declared or paid by that covered institution or a subsidiary of that holding company which is itself a covered institution without the consent of the Minister and/or the National Treasury Management Agency, that covered institution or subsidiary (as the case may be) must, prior to declaring or paying any dividend, obtain the consent of the Minister to the declaration and payment of such dividend in accordance with the consent/consultation procedure set out in the relationship framework specified by the Minister from time to time in respect of the relationship between the Minister and that covered institution or that covered institution's holding company (as the case may be).

- (b) Without prejudice to paragraph 10(a) of these rules, where the relationship framework specified by the Minister from time to time in respect of the relationship between the Minister and a covered institution or the holding company of a credit institution provides that the declaration or payment of a dividend by that covered institution or a subsidiary of that holding company which is itself a covered institution is a "Matter for Consultation" (as such term is defined in that relationship framework), that covered institution or subsidiary (as the case may be) must consult with the Minister in writing in accordance with the consent/consultation procedure set out in that relationship framework before it concludes on the declaration or payment of a dividend by it.

Changes to Rules

11. The Minister may from time to time amend or supplement these rules provided that no such amendment or supplement shall vary or have the effect of varying: (i) any agreement or deed between a covered institution or the holding company of a covered institution and the Minister as referred to paragraph 10(a) of these rules; or (ii) any relationship framework specified by the Minister from time to time in respect of the relationship between the Minister and a covered institution or a covered institution's holding company. The Minister shall, as soon as reasonably practicable, notify each covered institution of any such amendment or supplement.

Governing Law

12. These rules shall be governed by and construed in accordance with the laws of Ireland.