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Governmental Assistance to the Financial Sector: an Overview of the Global Responses (v2)

Governments across the world have taken, and continue to take, a variety of extraordinary measures to protect the financial sector and prevent a recession.

The measures fall into the following categories:

- guarantees of bank liabilities;
- retail deposit guarantees;
- central bank assistance measures;
- bank recapitalization through equity investments by private investors and governments; and
- open-market or negotiated acquisitions of illiquid or otherwise undesirable assets from weakened financial institutions.

The purpose of this publication is to provide an overview of the principal measures that have been taken in the major financial jurisdictions to support the financial system. The first version of this note was published on November 11, 2008. Since then Governments in some jurisdictions have adopted further measures or amended measures previously adopted. The current version of the note takes into account those measures and is based on information available to us on November 26, 2008.

This publication does not cover various new regulatory restrictions on short selling. A separate Shearman & Sterling LLP publication, "Global Clampdown on Short Selling: an Overview", deals with those measures as adopted in the major financial jurisdictions. A copy can be obtained at: http://www.shearman.com/esag_111108/.

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Five new jurisdictions have been added to the publication: Austria, Brazil, Bulgaria, Finland and Slovenia.

[1] All sections except the UAE have been updated since the first publication, published on November 12, 2008.

All additions and updates are noted in blue text.

ARGENTINA

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS	OTHER MEASURES
		The Central Bank of Argentina set forth new conditions to grant direct financial assistance to financial entities. In the event of non-compliance with these conditions, requests for financial assistance are subject to the analysis and approval of the board of directors of the Central Bank. To obtain direct financial assistance from the Central Bank, financial entities must have a liquidity ratio under 25%. The value of the assistance granted shall be the requested amount, the amount necessary to raise the liquidity ratio to a maximum of 35%, the amount of the decrease of funding sources in the previous month, 20% of the total projected assistance to the financial system described in the monetary program, or the amount arising from the difference between the net worth of the entity and the debt resulting from operations completed through the Central Bank program to assist financial entities (whichever of these is the lowest). The Central Bank assistance will be granted for 180 days, renewable for the same period, with an interest rate of 1.35 BADLAR rate (and 1.70 BADLAR rate in renewal cases). Financial entities must make	Effective November 1, 2008 the Central Bank reduced by 10% the minimum cash reserve requirement for checking account deposits in foreign currency and by 5% the minimum cash reserve requirement for demand and time deposits made upon a court order with funds arising from cases pending before the court (*amparos*). In addition, the following are the minimum cash reserve requirements for time deposits in foreign currency and holding of securities in foreign currency, as per the remaining terms: (i) up to 29 days: 20%; (ii) from 30 to 59 days: 15%; (iii) from 60 to 89 days: 10%; (iv) from 90 to 179 days: 5%; (v) from 180 to 365 days: 2%; (vi) more than 365 days: 0%. Finally, the Central Bank reduced, effective November 1, 2008, 20% of the minimum cash reserve requirement for deposits, whatever their nature, as assets of a mutual fund, in foreign currency.		The Argentine Government has reformed the private pension system and nationalized the pension assets managed by the country's private pension fund managers (AFJPs). As from January 1, 2009 the *Administradora Nacional de la Seguridad Social* ("ANSES") will manage the funds deposited in AFJPs. Argentine regulators have resolved to require the AFJPs to sell approximately 1.8 billion pesos (US$ 545 million) in Brazilian assets in order to provide liquidity to the Argentine market.

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS	OTHER MEASURES
		prepayments depending on their liquidity ratio at the time.			

AUSTRALIA

GUARANTEES OF BANK DEBT[1]	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS	OTHER MEASURES
On November 2, 2008, the Australian Government executed an Interim Deed of Guarantee ("Interim Guarantee") for certain specified wholesale borrowing and deposits of eligible Authorized Deposit-Taking Institutions ("ADIs"). This interim Guarantee will be in place until November 27, 2008. It will then be replaced with a Deed of Guarantee executed by the Australian Government on November 20, 2008 to take effect from November 28, 2008 (the "Guarantee") which puts in place the final Australian Government Guarantee Scheme for Large Deposits and Wholesale Funding ("Guarantee Scheme"). Eligible ADIs will include: ▪ Australian owned banks; ▪ Australian ADI subsidiaries of foreign banks; ▪ Australian branches of foreign ADIs; and ▪ credit unions and building societies. A copy of the Guarantee and the related rules of the Guarantee Scheme and a list of eligible institutions can be found at http://www.guaranteescheme.gov.au. The liabilities must fall into the categories of a debenture, certificate of deposit or transferable deposit, bank bill, commercial paper, bond or note issued, drawn or made by the	The Government has passed legislation to give effect to its proposal with respect to all deposits of Australian banks, building societies and credit unions and Australian subsidiaries of foreign-owned banks for a period of three years. The proposal takes effect through a "Financial Claims Scheme" ("FCS"). Under the FCS, the Australian Prudential Regulation Authority ("APRA") (as administrator of the FCS) must apply for the winding-up of an ADI and a declaration must be made by the responsible Government minister in order for the FCS to apply to that ADI (an "eligible ADI"). Under the scheme, holders of protected accounts[3] with net credit balances are entitled to payment from APRA of the balance plus accrued interest (subject to certain adjustments and compliance with the provisions of the FCS). Also, the APRA is assigned the relevant account holder's right to claim this amount from the ADI. All deposits are currently covered by the FCS. However, as of November 28, 2008 the amount of any deposit over A$1 million will only be covered	Australia's central bank (the Reserve Bank of Australia) intervened to support the Australian dollar on October 24, 2008 and then again on October 27, 2008.	No publicly announced measures at this stage. [4]	The Government doubled (to A$8 billion) its planned Residential Mortgage Backed Securities ("RMBS") purchases which will apply to new (rather than existing) issuances. The initial A$4 billion is available for the Government to act as a cornerstone investor for both bank and non-bank RMBS issuances. The additional A$4 billion is available for non-bank issuances only. The first issues under this program have taken place and further mandates for the application of these funds have been awarded.	

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eligible ADI. There are also certain restrictions on the types of liability that will be guaranteed, including that the liability have a term of 60 months or less, be unsecured and the liability must not be 'complex'. Liabilities with one or more of the following features are likely to be regarded as complex: ▪ liabilities where the principal amount of the liability is not a fixed sum but varies by reference to, or is derived from, the value of an asset, index or commodity or is linked to the credit standing of any person; ▪ subordinated debt; ▪ liabilities that may be converted into equity; ▪ liabilities that include any cross-default or acceleration clause; and ▪ liabilities that include any rights to demand prepayment of principal or permit redemption prior to their maturity date except in certain permitted circumstances. Additional conditions apply to the liabilities of the Australian branches of foreign ADIs (including that liabilities must not have a maturity after December 31, 2009 and be held by Australian tax residents). The Australian Government has released guidelines on the interpretation of what is 'not complex' for these purposes. These guidelines and the additional conditions applicable to the Australian branches of foreign ADIs	by the FCS if a fee has been paid by the eligible ADI (in line with the fee for the wholesale funding guarantee). The A$1 million threshold applies per depositor per institution. The Government has indicated that the FCS will be administered so that it applies to all deposits held in eligible ADIs by all types of legal entities, regardless of where the depositor resides. It will also apply to deposits held in any currency. The FCS will not apply to financial products that are not deposit products, such as market-linked investment products. The Interim Guarantee (referred to in the previous column) of wholesale funding includes a guarantee of liabilities of a foreign ADI to a person treated as an Australian resident for the purposes of Australian tax law ("Australian Tax Resident") in respect to a deposit in Australia (unless such a liability arose as a result of a transfer from a non-Australian Tax Resident to an Australian Tax Resident on or after October 24, 2008). This aspect of the Interim Guarantee is subject to the same expiry date of November 27, 2008. However, deposits held in foreign ADIs can be guaranteed under the Guarantee from November 28, 2008 on				

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can be found at http://www.guaranteescheme.gov.au. (See also the application of the Interim Guarantee and the Guarantee to certain deposits held in the Australian branches of foreign ADIs as set out in the next column.) No fees apply in respect to the Interim Guarantee. However, fees are payable in respect of the Guarantee, the quantum of which will be set by reference to the relevant issuer's credit rating and will be the same regardless of the tenure of the debt securities.[2]	payment of the relevant fee.				

[1] The Guarantee Scheme is not restricted to "inter-bank" debt but extends to all term funding.

[2] The current fee is 70bps for AA rated firms, 100bps for A rated firms and 150bps for BBB and unrated firms. The fee will be levied by the Reserve Bank of Australia on the eligible ADI on a periodic basis depending on the quantum of the liability.

[3] The Australian Government has indicated that its "Four Pillars" banking policy which restricts mergers between the four largest domestic ADIs will continue in force.

[4] A "protected account" is either:

- an account where the eligible ADI is required to pay the account-holder, on demand or at an agreed time, the net credit balance of the account; or
- another account or financial product prescribed by declaration. No such declaration has yet been made, and the Government has not announced whether, and if so when, such a declaration will be made.

AUSTRIA[1]

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS	OTHER MEASURES
Up to €75 billion shall be made available for state guarantees, sureties or similar assumptions of liability, down from an originally planned €85 billion. According to the IBSG, a separate entity shall be set-up as a clearing house to facilitate the refinancing of banks on the inter-bank market. The newly established entity shall borrow funds from banks or insurance companies on the inter-bank market and on-lend such funds to banks and insurance companies on arm's length terms. Recipient banks will have to pay interest, taking into account an adequate fee for state guarantees. According to the IBSG, the Federal Minister of Finance shall be entitled to (i) guarantee liabilities of the entity and (ii) assume liability for losses incurred by this entity in connection with such arrangements for a limited period of time. The proposed IBSG does not specify any maximum period of time for such state guarantees given under (i). The entity shall also be entitled to issue notes. Any issue by such entity may be guaranteed by the Austrian state. The services of this new entity are open to credit institutions	Under the Austrian banking system, banks must belong to the depositors' protection scheme of their trade association (Fachverband). Each protection scheme is financed by contributions from its respective member banks. If any protection scheme should be unable to pay out the guaranteed deposits or claims in full, the protection schemes of the other trade associations are obliged to make proportionate contributions to cover the shortfall. In cases where the protection schemes as a whole are unable to pay out guaranteed deposits (claims) in full, the protection scheme originally concerned must issue notes or, according to the proposed stability measures, take out a loan to meet the remaining payment obligations. The Federal Minister of Finance may assume liability for such issue or loan according to a special legal authorization. The stability measures provide for an amendment of the current Austrian depositor's protection scheme, in particular, an increase of the protected amount from €20,000 per depositary and bank to 100% of bank deposits of natural persons as from October 1, 2008. For claims of small companies (mainly partnerships and small corporations), the protection		Up to €15 billion (or an additional amount not utilized under the guarantee fund) is earmarked for the recapitalization of credit institutions holding a license pursuant to the BWG (including branches of foreign banks) and Austrian insurance companies. According to the FinStaG the Federal Minister of Finance shall be authorized to (i) guarantee the liabilities of the bank or insurance company, (ii) assume liability vis-à-vis the bank or insurance company, (iii) grant loans to the bank or insurance company or provide the entity with its own funds (Eigenmittel), (iv) acquire shares (whether in a capital increase or from existing shareholders) or convertible bonds and (v) take over the assets of the company by way of a merger pursuant to § 235 of the Stock Corporation Act (Aktiengesetz – AktG).[2] For all such measures a fee and interest, both in line with market conditions, shall be imposed. Once the aims of the recapitalization measures have been achieved the state shall dispose of its equity stakes to private investors. Further conditions may be imposed. The stability measures also extend the rights of the FMA, which shall be entitled to lay down rules		Minimum capital requirements: Under the amended Banking Act, the FMA has to require a higher minimum capital if an adequate limitation of the risks arising from banking transactions and banking operations of a credit institution or group of credit institutions does not exist and proper recording and limitation of those risks cannot be expected in the short term. Such higher minimum capital requirements shall be imposed by the FMA immediately in cases where it is expected that other measures will not be sufficient to ensure the proper recording and limitation of risks as well as compliance with legal regulations within due time.

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS	OTHER MEASURES
holding a license pursuant to the BWG (including branches of foreign banks) and Austrian insurance companies only. Credit institutions and insurance companies rendering services in Austria by using the EEA single passport regime will not benefit from the IBSG. Moreover, the IBSG does not confer a right on banks or insurance companies to claim any such stabilization measures from the state. According to the IBSG, any claims of such entity against the state may not be assigned or pledged to third parties and shall not be subject to an attachment (Pfändung). Any agreement made between the Federal Minister of Finance and the entity in accordance with the IBSG shall provide for an adequate fee for taking over liability, as well as reporting commitments of the entity and information rights of the Austrian state. Also, the parties can agree upon security to be given in order to secure claims of the state against the entity. The Federal Minister of Finance may also assume liability (in the form of a guarantee, surety or joint and several liability) for notes issued by banks (according to § 1 para 1 no 10 BWG) with a maturity of up to five years in order to facilitate the raising of fresh capital. § 2 para 5 FinStaG (providing	scheme's cover obligation will be increased to 90% of the guaranteed deposit in the maximum amount of €50,000 per depositary and bank. The claims of all other creditors will remain to be limited to 90% of the guaranteed deposit in the maximum amount of €20,000 per depositary and bank (subject to further exemptions, e.g. for "big" companies, claims are not guaranteed at all). Due to the Commission proposal to increase the protected amount to €100,000 from January 1, 2010 bank deposits of natural persons shall be guaranteed up to a maximum amount of €100,000. The other maximum amounts shall remain unchanged. The deposit guarantee does only apply to deposits in EEA currencies (i.e. no deposits in US$).		pursuant to which banks have to take on additional funds which are suitable for the current risk situation and which go beyond the statutory minimum requirements. In addition, the Federal Minister of Finance issued a regulation on October 30, 2008 which further specifies the terms and conditions for the assumption of liability for notes issued by banks pursuant to the IBSG and stability measures pursuant to the FinStaG. When making use of these stability measures, the Federal Minister of Finance shall enter into agreements with credit institutions / insurance companies benefiting from such measures. These agreements shall contain provisions on: ▪ the sustainability (Nachhaltigkeit) of the business model of the benefiting company; ▪ the allocation of funds provided to the benefiting company, with a particular view on the funding of small and medium sized companies and the provision of mortgage loans to private households; ▪ the remuneration of directors, employees and third parties retained for carrying out their tasks; ▪ minimum capital requirements of the benefiting company;		

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for possible conditions attached to stability measures – see below for details) shall also apply to such measures. The scheme is scheduled to expire by December 31, 2009. However, state guarantees issued under the IBSG before this date will not be affected.			▪ the distribution of dividends; ▪ the preservation of jobs at the company benefiting from the stability measures; ▪ the avoidance of distortion of competition; ▪ the calculation and amount of interest/(guarantee) fees payable by the company receiving such funds; ▪ the scope of information to be provided by the benefiting company; and ▪ the content of the declaration to be published by the directors and the supervisory board of the benefiting company (such declaration also needs to contain an undertaking to comply with such conditions).[3]		

[1] On October 13, 2008, the Austrian government announced coordinated stability measures for the financial markets following the joint declaration on the concerted European action plan of the EUR area countries on October 12, 2008. The new legislation aiming at the protection of banks and insurance companies from the possibly serious effects of the international financial crisis passed parliament on October 20/21, 2008, was published in the Federal Legal Gazette (Bundesgesetzblatt) on October 26, 2008 and, therefore, is effective as from October 27, 2008 (except for amendments on the deposit guarantee which are effective as from October 1, 2008). This reflects developments as of November 3, 2008.

[2] According to the FinStaG, any claims against the state may not be assigned or pledged to third parties and shall not be subject to an attachment (Pfändung).

If there is a risk that the bank or insurance company cannot fulfill their obligations vis-à-vis their creditors and the abovementioned measures are not sufficient or are not available in due time, the Federal Minister of Finance shall, in consultation with the Federal Chancellor, be authorized to expropriate the owners of the bank against payment of an adequate compensation where required to protect the national economy from severe disruption. The ordinance to be issued by the Federal Minister of Finance effecting the expropriation shall specify the terms and conditions for the assertion of compensation claims by the respective owners. At the request of the owners, the Federal Minister of Finance shall determine such compensation. Such decision shall be suspended in case the owner makes an application to the competent court for re-assessment of the compensation. To enhance flexibility, a separate entity may be set-up and may carry out such capital measures. The newly established entity can be formed as a direct subsidiary of the Österreichische Industrieholding AG, the Austrian investment and privatization agency owned by the state.

[3] Compliance with the above terms and conditions shall be ensured by contractual provisions (such as liquidated damages clauses etc). Contrary to the Financial Market Stabilization Funds Regulation (Finanzmarktstabilisierungsfonds-Verordnung) implementing the stability measures in the Federal Republic of Germany, the Austrian regulation does, in particular, not (i) restrict the payment of dividends to shareholders for the duration of the stability measures (as long as such dividend payments are reasonable, taking into account the financial situation of the benefiting entity) and (ii) limit the remuneration of management board members to a specified maximum amount. Such remuneration payments must rather satisfy the requirements of reasonableness and transparency.

The FinStaG does not confer a right on banks or insurance companies to claim any such stabilization measures from the state.

BELGIUM

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS OR INSTITUTIONS	OTHER MEASURES
The Belgian Government has offered to guarantee the wholesale funding of Belgian credit institutions. This is subject to a satisfactory assessment of the Belgian credit institution's solvency and payment of remuneration. The guarantee applies to any form of wholesale funding as long as the transaction is entered into or rolled over between October 8, 2008 and October 31, 2009 and its maturity is not beyond October 31, 2011. The Government has also announced plans to guarantee all new bank loans of "systemic" Belgian banks, i.e., inter-bank deposits, bonds and institutional investments. Banks will have to pay a fee for the guarantee.	The Belgian Government has announced that it will guarantee bank deposits of up to €100,000 – an increase of €80,000. This measure is applicable for one year, but may be renewed. On November 14, 2008 the Belgian Government implemented the legal background for the increase of the deposit guarantee.			Rescue of Fortis: The Belgian State bought the remaining 50% + one share of Fortis Bank from Fortis Holding for a total consideration of €4.7 billion in cash.[1] A portfolio of structured products with fair value of €10.4 billion was transferred by Fortis Bank to a separately managed entity jointly owned by the Fortis Group (66%), the Belgian State (24%) and BNP Paribas (10%). The Belgian Government reached an agreement with BNP Paribas on the subsequent transfer of 75% of Fortis Bank SA/NV in exchange for new shares to be issued by BNP Paribas[2] for a value of €8.25 billion; the Belgian State will continue to own the remaining 25% of the company. BNP Paribas will acquire 100% of Fortis Insurance Belgium for a total consideration of €5.73 billion in cash, subject to final closing adjustment. The Government of the Netherlands acquired Fortis Bank Nederland (Holding) N.V., including Fortis's interest in ABN AMRO and other operations, for a total consideration of €16.8 billion. Dexia S.A.: The Belgian, French and	On October 27, 2008, the Belgian Government announced that it will invest €3.5 billion into KBC Groep in the form of Tier 1 capital securities.

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				Luxembourg Governments and other investors invested a total of €6.4 billion in Dexia,[3] a specialist in lending to local governments in Europe. Dexia announced on October 20, 2008 that it would seek regulatory approval to create a balance sheet for its holding company and merge its three national balance sheets into one, indicating that it is intent on avoiding a break-up along national lines.	

1 More than 2,000 minority shareholders of Fortis Holding have challenged, before the Belgian courts, the validity of the decision of the board of directors of Fortis Holding to sell the shares in Fortis Bank to the Belgian State. The main objective of their legal action was to suspend the sale to the Belgian State. On November 18, 2008 the Commercial Tribunal of Brussels rejected such legal action insofar as it challenged the validity of the board of directors' decision, but appointed an expert panel to assess if the sale price is 'adequate'.

2 On October 13, 2008 the Belgian State declared that a special fund will be established to which the Belgian State will allocate a part of the possible increase in value and of the profits from its participation in BNP Paribas between the issuance of these new shares and the general assembly date of the BNP Paribas group which will decide on the 2013 dividend distribution. Natural persons which were Fortis shareholders on July 1, 2008 will have the possibility to receive shares in such fund subject to specific conditions and procedures.

3 Of the €6.4 billion, the Belgian Federal Government, the 3 Regions and the 3 institutional shareholders (namely Gemeentelijke Holding NV, Arcofin CV and Ethias) have agreed together to jointly invest €3 billion each for the following amounts: (i) the Belgian federal Government invests €1 billion, (ii) the 3 Regions invest €1 billion, and (iii) the current institutional shareholders invest €1 billion, each in the following amounts : Gemeentelijke Holding NV for €500 million, Arcofin CV for €350 million and Ethias €150 million. The Flemish government declared on November 19, 2008 that it is ready to support Gemeentelijke Holding NV by granting a guarantee of up to €200 million.

BRAZIL

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS	OTHER MEASURES
	No changes have been made to the deposit guarantees rules. In the event of a financial institutions' bankruptcy or insolvency, the Brazilian financial system currently relies on the Credit Guarantee Fund (*Fundo Garantidor de Crédito*), maintained by financial institutions, to guarantee each and all deposits in their bank accounts, with a maximum cap of R$ 60,000.00 per bank account.[1]	On September 24, 2008, the Brazilian Central Bank ("BCB") announced that the compulsory reserve deposit rates relating to leasing transactions would be kept in a 15% rate, even though a BCB rule provided for the increase to a 20% rate in September 2008.[7] BCB estimates that such measure will keep R$ 8 billions in the economy. Furthermore, on the same date, the BCB increased the reserve exemption limit (baseline) from R$ 100 million to R$ 300 million[8], which if surpassed, causes the banks to deposit in the BCB an "extra compulsory reserve" portion over the savings, spot and term time deposits. BCB estimates that such a measure would inject R$ 5.2 billion into the economy. On October 8, 2008, the BCB reduced the compulsory reserve deposit rates. The additional rates on spot and time deposits were reduced from 10% to 5% (which should inject 13.2 billion into the economy). Additionally, the reserve exemption limit was raised from R$ 300 million to R$ 700 million[9] (with an estimated impact of R$ 6.3 billion intp the economy). On October 13, 2008 the BCB announced the plans for the integral release of the reserve payments over time deposits,		On October 2, 2008 the Brazilian Central Bank (the "BCB") started to stimulate the acquisition of credit portfolios of small financial institutions by authorizing the deduction of 40% of the compulsory reserve deposits to be made by the acquiring institutions. On October 6, 2008 the Brazilian Government enacted Provisional Measure No. 442 (*Medida Provisória* 442[2]) which authorizes the BCB to buy credit portfolios of financial institutions that are facing difficulties and reduced the collateral for such an acquisition. On October 16, 2008 the BCB extended the rules for the compulsory reserve deposits. Besides selling their credit portfolios and their interests in investment funds, smaller banks will be able to sell other assets such as (i) fixed income securities, advances and other credits from individuals and non-financial and legal entities; and (ii) inter-finance deposit with warranties for the assets described in the previous item or credit operations.[3] On October 22, 2008 the Brazilian Government enacted Provisional Measure No. 443 (*Medida Provisória 443)*[4] which permits Banco do Brasil S.A. and the Brazilian Federal	Foreign Exchange Market: The BCB has intervened in the foreign exchange market (*Mercado de Câmbio*), with US$ 7.2 billion (spot transactions), US$ 5.8 billion (financing export transactions), US$ 29.4 billion (swap transactions) and US$ 5.5 billion (sale of US$ with repo obligation). Export Financing: On October 30, 2008 the National Monetary Council (the "CMN") announced the increase, from R$ 3 billion to R$ 4 billion, of the resources destined to the *Revitaliza Program*, that grants credit to Brazilian exporters. Besides increasing the amount of available funds, the CMN approved the end of the limit that restricted the access to the credit for companies with annual billing of over US$ 300 million. Furthermore, the CMN approved the agreement between the BCB and the U.S. Federal Reserve, that establishes an US$ for Reais (R$) swap line of US$ 30 billion, valid until April 30, 2009. Sale of US dollars for the financing of ACC (Advances on Foreign Exchange Agreements – Adiantamento *sobre Contrato de Câmbio*) and broadening of the PROEX (Export Financing

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		inter-finance deposits and over the additional liabilities of call and time deposits, totaling R$ 100 billion.[10] On October 14, 2008 the BCB established the reduction from 45% to 42% of the compulsory reserve deposit to be made by the financial institutions to the BCB over the spot deposits without compensation (injecting R$ 3.6 billion into the economy).[11] On October 27, 2008, the BCB allowed the deduction of the reserve payment over call deposits for banks that voluntarily advance installments of the ordinary contribution to the FGC (Fundo Garantidor de Crédito).[12] On November 13, 2008, the BCB announced a modification in the payment method of the additional enforceability of the reserves over call, time and savings deposits.[13] This payment, that was performed in cash and compensated by the SELIC tax, shall be performed in public bonds from December 1. The rates for the additional enforceability continue to be 5% for call and time deposits and 10% for savings deposits, which totalizes a total amount of R$ 40 billion. Such measure, according to the BCB, aims the recomposition of the volumes of the reserves paid in bonds that prevailed before the reserve		Savings Bank (Caixa Econômica Federal) to acquire interests in private banks and construction companies. Furthermore, the government reduced to zero the Financial Transactions Tax (IOF) rate on foreign investments in the stock market and on foreign financing. On October 31, 2008 the BCB modified the on-lending method for the compulsory reserve deposits regarding term deposits from 100% in bonds to 30% in bonds and 70% in cash. This measure aims at stimulating acquisitions of credit portfolios and other assets from small and medium sized financial institutions by large institutions.[5]	Program). R$ 10 billion was granted by National Economical and Social Development Bank (*Banco Nacional de Desenvolvimento Economico e Social-"BNDES"*) as working capital, preshipment of exports and bridge loans. Agriculture Financing: On October 14, 2008 the CMN increased from 25% to 30% the rate of mandatory application of resources in the agriculture and animal husbandry sectors, the so called rural eligibilities (*elegibilidades rurais*). Therefore, banks shall have an additional credit of R$ 4.5 billion to finance these sectors. Additionally, the following measures were taken: acceleration of Banco do Brasil S.A. disbursements; additional resources from several funds, totaling R$ 5 billion; increase of the directed credit with reserves, totaling R$ 5.5 billion; increase of the rural savings from 65% to 70%, totaling R$ 2.5 billion; permission for the indirect financing of producers by means of purchasing agro industries and trading CPRs (Rural Product Bonds); and grant a minimum price for the acquisition of products (stock formation – AGE), entitlement to producers (difference among market and minimum prices) and credits for

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		modifications announced on October 30.[14]			commercialization for the next crop. Investments and Production Financing: Aiming at the financing of investments and production, the following measures were taken: the maintenance of the BNDES goal of R$ 90 billion in credit; keeping the long term interest rate ("TJLP") at 6.25%; and granting the Merchant Marine Fund additional R$ 10 billion. Civil Construction Financing: A Working Capital Line of R$ 3 billion, of the Brazilian Federal Savings Bank has been adopted. On November 7, 2008 the Brazilian Government enacted Provisional Measure No. 445,[6] which authorizes the Brazilian Federal Savings Bank to use part of its dividends resulting from its profits in years 2008 to 2010 in a fund destined to assist the construction industry in Brazil. Auto Industry: Two measures have been taken: R$ 4 billion was granted by Banco do Brasil S.A. to banks "linked to car manufacturers" plus resources from private banks (reserve) and credit lines have been directed to the motorcycle industry.

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS	OTHER MEASURES
					Small and Medium Sized Companies: A R$ 5 billion credit line for small and medium sized companies was opened by Banco to Brasil S.A. to be used as working capital. Postponement of Tax Payment Dates and Acceleration of the Tax Credits Devolution: The payment dates of the following taxes were postponed: IPI (tax on manufactured products) payment date postponed from the 15th to 25th; PIS/COFINS (social contributions) payment date postponed from the 20th to day 25th; and Withholding Income Tax payment date postponed from the 10th to the 20th. Furthermore, there was an acceleration of the tax credits devolution.

1 For *Resolução CMN No. 3251/2004*, see https://www3.bcb.gov.br/normativo/detalharNormativo.do?N=104212266&method=detalharNormativo.

For *Resolução CMN No. 3400/2006*, see https://www3.bcb.gov.br/normativo/detalharNormativo.do?N=106276675&method=detalharNormativo.

2 For *Provisional Measure No. 442*, see: http://www.planalto.gov.br/ccivil_03/_Ato2007-2010/2008/Mpv/442.htm - to be voted in the Senate. Also see *Resolução Bacen No. 3622* https://www3.bcb.gov.br/normativo/detalharNormativo.do?N=108098613&method=detalharNormativo.

3 *Circular Bacen No. 3414*. See https://www3.bcb.gov.br/normativo/detalharNormativo.do?N=108100557&method=detalharNormativo

4 For *Provisional Measure No. 443,* see: http://www.planalto.gov.br/ccivil/_Ato2007-2010/2008/Mpv/443.htm

5 *Circular Bacen No. 3417/2008*. See https://www3.bcb.gov.br/normativo/detalharNormativo.do?N=108105748&method=detalharNormativo

6 For *Provisional Measure No. 445*, see https://www.planalto.gov.br/ccivil_03/_Ato2007-2010/2008/Mpv/445.htm.

[7] The BCB has been progressively increasing the percentage of the compulsory reserve deposits relating to leasing operations, starting from 5% rate in May, 2008 until 25% rate in January 2009 (estimated). After the crisis, the BCB kept the compulsory reserve deposits relating to leasing operations on a 15% rate, with expectations for future increases only in January, 2009.

[8] Circular Bacen No. 3405/2008. See https://www3.bcb.gov.br/normativo/detalharNormativo.do?N=108093173&method=detalharNormativo

[9] Circular Bacen No. 3408/2008. See https://www3.bcb.gov.br/normativo/detalharNormativo.do?N=108098141&method=detalharNormativo

[10] Circular Bacen No. 3412/2008. See https://www3.bcb.gov.br/normativo/detalharNormativo.do?N=108099445&method=detalharNormativo

[11] Circular Bacen No. 3413/2008. See https://www3.bcb.gov.br/normativo/detalharNormativo.do?N=108099939&method=detalharNormativo

[12] Circular Bacen No. 3416/2008. See https://www3.bcb.gov.br/normativo/detalharNormativo.do?N=108104119&method=detalharNormativo

[13] Circular Bacen No. 3419/2008. See https://www3.bcb.gov.br/normativo/detalharNormativo.do?N=108110963&method=detalharNormativo

[14] Circular Bacen No. 3417/2008. See https://www3.bcb.gov.br/normativo/detalharNormativo.do?N=108105748&method=detalharNormativo

BULGARIA

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS	OTHER MEASURES
	By means of an amendment to the guarantee of the Bank Deposits Act, effective as of November 17, 2008, the protection given to savings by the Fund for guaranteeing Bank Deposits was increased from BGN 40,000 to BGN 100,000 (approximately €50,000).	Although controversial, it is considered that Bulgaria would not suffer significantly from the recent global financial crisis due, amongst the other factors, to the Central bank tempering the credit expansion by imposing increased amount of the required minimum bank reserves up to 12 per cent.			On November 4, 2008 the Bulgarian Government decided to increase the capital of the Bulgarian Development Bank (a State-controlled bank aimed at supporting the SME and local banks) by BGN 100,000,000. The capital is to be used mainly for lending credits to the banks. A new Act on the State Fund for Guaranteeing the Stability of the State Pension System was enacted and entered into force as of November 17, 2008. The Fund is aimed at achieving and guaranteeing stability of the State pension system through accumulating, investing and transferring of additional financial means to the budget of the State pension system. The Minister of Finance as well as other members of the Government are granted leading roles in the management of the new Fund. Representatives of the national employers' and employees' organizations will also participate in the management of the Fund.

CANADA

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS	OTHER MEASURES
The Canadian Lenders Assurance Facility announced on October 23, 2008, that it will insure certain categories of senior unsecured wholesale debt with a term to maturity of at least three months issued by Canadian banks, other federally-regulated deposit-taking institutions, and the Caisse centrale Desjardins.[1] This insurance will cover principal and interest payments on eligible debt instruments for up to three years from the date of issue. The facility will charge premiums that are intended to approximate commercial terms. The facility will charge a base annualized premium of 110 basis points (the previously announced premium of 135 basis points was reduced in an effort to make the program more competitive with similar foreign programs), with surcharges depending on the credit rating of the issuing institution and an additional surcharge for debt that is not denominated in Canadian dollars (on November 13, 2008, the government of Canada announced a temporary waiver of the surcharge). Insurance will be issued until April 30, 2009. There is a limit on the amount of insurance available to each institution, based on the amount of wholesale debt of the institution maturing in the next six months, and on the amount	No changes have been announced to existing deposit guarantee programs, and public statements by the Minister of Finance suggest that no changes are presently contemplated. The Canada Deposit Insurance Corporation ("CDIC"), a federal Crown corporation, insures deposits at member institutions, which include most Canadian chartered banks, as well as various other deposit-taking institutions. The CDIC protects funds in savings and checking accounts, and term deposits with a term of less than five years, for as much as C$100,000 (US$91,470).	In coordination with other major central banks, Canada's central bank, the Bank of Canada, lowered its key lending rate by 0.5% on October 8, 2008. This was followed by a further 0.25% drop on October 21, 2008 that left the rate at 2.25%. The Bank of Canada has increased the amount of liquidity it makes available to financial institutions, has expanded the scope of institutions eligible to participate in its liquidity facilities and has expanded the types of collateral it accepts. However, Canada's central bank has had to take fewer extraordinary measures to enhance liquidity than other countries, and has not held special auctions of the U.S. dollars that the Federal Reserve supplied to Canada and other countries in mid-September.		On October 10, 2008, the Ministry of Finance announced a program to provide additional liquidity to Canadian financial institutions through the purchase of up to $25 billion of mortgage-backed securities. On November 12, 2008, the Ministry of Finance announced that the purchase program would be increased from C$25 billion to C$75 billion. Since the underlying mortgages already carry guarantees backed by the Canadian government, there is no incremental risk to the federal government in the purchase of these securities. The purchases are being undertaken through a series of competitive auctions. The first, on October 12, 2008, saw C$5 billion in purchases, followed by C$7 billion on October 23, 2008, C$7 billion on November 12, 2008 and C$6 billion on November 21, 2008.	On November 11, 2008, changes were announced to the regulatory capital requirements for banks and other federally-regulated deposit-taking institutions. Debt covered by the Canadian Lenders Assurance Facility and similar foreign programs can now be assigned the same risk weighting for regulatory capital purposes as the debt of the sovereign guarantor during the term of the guarantee even if that term is less than the term to maturity of the debt. Also, an additional 10 percent of Tier 1 capital may be composed of qualifying preferred shares (the former maximum of 30 percent has been increased to 40 percent).

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS	OTHER MEASURES
of deposits held by the institution. The Ministry of Finance has indicated that the facility was introduced in order to ensure that Canadian institutions are not disadvantaged in global capital markets relative to banks in other jurisdictions which have access to a government guarantee.					

[1] A financial institution regulated by the Province of Québec.

DENMARK

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS	OTHER MEASURES
Det Private Beredskab: DPB (Det Private Beredskab) is a Danish Banking association, whose purpose is to help wind down distressed banks, savings banks and co-operative banks, as an alternative to bankruptcy. The association is non-profit. In order to be eligible for participation in the guarantee scheme, banks must have a banking license and be a member of the DPB. Up until October 13, current DPB members could elect not to be part of the scheme and other banks including Danish branches of foreign banks could join the DPB and thus the guarantee scheme. There is a 5 years notice if an existing member wishes to withdraw for the DPB. Members of the DPB are liable for their contribution to the association, which is fixed by reference to each bank's core capital. The liability can be collected by the Board. If members are to withdraw from the DPB, they are still liable until the end of the 5 year notice period. The guarantee will cover creditors of the participating banks including holders of senior unsecured debt.	Almost all Danish banks are participating, including Danske, Nordea, Jyske and Sydbank (the 4 largest banks by market capitalisation in Denmark). Foreign branches of Danish banks may be covered if local banks are subject to a similar scheme. Denmark has guaranteed all bank deposits of members of the DPB, so that all claims by "depositors and other ordinary creditors" are covered. Some niche banks have chosen not to participate in the DPB and the guarantee scheme. These are: ▪ DnB Nord Bank A/S ▪ Dansk Autoriseret Markedsplads A/S ▪ Ekspresbank A/S ▪ Lægernes Pensionsbank A/S ▪ Leasing Fyn og Factoring Bankaktieselskab In addition, some small savings banks and many small co-operative banks have equally chosen not to participate. With the exception of Swedish Handelsbanken and Icelandic Straumur-Burdaras Investment Bank all other foreign banks with branches in Denmark have	On October 24, 2008, Denmark's central bank unexpectedly raised the benchmark lending rate by half a percentage point to an eight-year high of 5.5%, showing that policymakers will defend the krone even as the economy risks entering a recession. The Central Bank is issuing up to DKK 60 billion in Danish treasury bonds with a 4.5%. coupon aimed at a balanced, low risk investment for Danish pension funds.	The Danish Government will set up a new liquidation company that will benefit from a State guarantee which will take on defaulted obligations of a participating bank. Members of the DPB will contribute DKK 7.5 billion (c.€1 billion) per annum payable monthly as the fee for the guarantee. Additionally, DPB will initially provide DKK 10 billion to the liquidation company and is also subject to a further DKK 10 billion to meet losses, providing for a maximum of DKK 35 billion loss to the DPB over the two-year term. Any losses in excess of the funds provided by DPB will be met by the State.	The social pension fund (Den Sociale Pensionsfond) has been given a mandate to purchase up to DKK 22 billion one year property mortgage bonds at the December 2008 auction. The rationale was that the state-guaranteed mortgage bonds for social housing were expiring, and as the State bears the interest rate risk on social housing, the Social Pension Fund might as well take part in the auction. This had an immediate effect and the interest rate of the one year property mortgage bond fell. Many private homeowners enjoyed a spin-off benefit from this measure. Roskilde Bank: When a bankruptcy of the Roskilde Bank was threatening, the Danish Central Bank and the DPB decided to take over the bank. Only the healthy parts of the bank's activities were acquired, in order to be sold in pieces later on. Nordea Bank, Spar Nord Bank and Arbejdernes Landsbank, respectively acquired 9, 7 and 5 branches. The remaining part of the original bank has been declared bankrupt.	

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS	OTHER MEASURES
Legislation, which has now been passed, has confirmed that both subordinated debt (Tier 1 and Tier 2) and covered bonds are excluded from the guarantee scheme. Banks participating in the guarantee scheme may not for the duration of scheme (until December 31, 2010 with a possibility of prolongation): a. pay dividends b. set up new share buy-back programs c. establish new share option programs or extend or re-new existing share option programs or d. give notice to wave the scheme. Furthermore, participating banks must sign a statement authorising the scheme to sell banking activities to a buyer designated by the scheme. For this reason some Danish branches of foreign banks have elected not to participate.	opted not to participate.			Bank Trelleborg: Sydbank took over Bank Trel-leborg. This takeover is subject to a multi-party lawsuit launched by a group of stockholders that demanded a higher share price. Ringkjoebing Bank/Bonusbanken: Vestjysk Bank took over Bo-nusbanken, which had lost all of its equity capital. The same day, Vestjysk Bank merged with Ringkjoebing Bank, with the former being the continuing company. Forstædernes Bank: Nykredit Realkredit took over Forstædernes Bank. Spar Mors: Morsø Bank took over the Saving Bank, Spar Mors. Lokalbanken: Handelsbanken took over Lokalbanken. EBH Bank: A plan to save the bank is currently unfolding, as the bank was unable to meet solvency demand raised by the Danish FSA.	

ESTONIA

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS	OTHER MEASURES
	The Government more than doubled its bank deposit guarantee to €50,000 (US$68,000) in line with other European Union member states and introduced an investment pay-out guarantee up to 90% of the investment to be paid out, but not more than €20,000 per investor in one investment company.				

FINLAND

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS	OTHER MEASURES
On October 22, 2008, the Finnish Government requested an authority from the Parliament to provide guarantees for credit instruments issued by banks or bank holding companies. The request and Government proposal has been in reading and on November 18, 2008 the Finnish Economy Committee has given a statement regarding the wording of the proposal. According to the proposal, guarantees could only be granted to viable banks that meet all solvency requirements. The guarantees would be subject to market rates and could be drawn up to a total maximum of € 50 billion. This temporary authority to grant government guarantees would be in force to the end of 2009 and the Government would assess by April 30, 2009 whether a need for more guarantees exists.	As of October 8, 2008, the deposit guarantee limit was increased from € 25,000 to € 50,000. The higher limit shall be valid at least until the end of 2009. The Finnish Deposit Guarantee Fund protects customers' deposits in deposit banks that have a license in Finland. Deposits in branch offices of foreign banks acting in Finland are under the deposit guarantee of the home state of the relevant bank. Branch offices of foreign banks acting in Finland may apply for an additional deposit guarantee from the Finnish Deposit Guarantee Fund in order to cover a possible difference in the Finnish and foreign guarantee limit. However, in this case the maximum aggregate guarantee is the earlier limit € 25,000.				On October 20, 2008 financial supervisors in Finland and Iceland endorsed an arrangement to fund the deposits in the Finnish branch of Kaupthing Bank h.f. Nordea Bank Finland plc, OP-Pohjola Group and Sampo Bank plc granted a fixed-term commitment to finance the deposits of all Finnish Kaupthing Bank depositors (about 10,000 customers) to the full extent including interest. This was a market-based solution adopted by the private sector, whereby the said banks will bear the commercial risk and credit risk involved in the settlement. The decision did not alter the deposit protection principles in force in Finland. On October 24, 2008 the Finnish Parliament granted a state guarantee for the banks participating in the arrangement. This guarantee covers claims for deposits to a maximum of € 115 million. Finland will contribute to a rescue package for Iceland together with Sweden, Denmark and Norway in aggregate $ 2.5 billion. The amount of the Finnish contribution has not been decided yet. In Finland Glitnir Bank Ltd is no longer part of the Icelandic Glitnir Bank h.f. group. The ownership of Glitnir plc transferred to the management

					of Glitnir Bank Ltd on October 14, 2008. Thereafter the bank decided on changing its name to FIM Bank Ltd and is now acting under a Finnish license.

FRANCE

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS	OTHER MEASURES
On October 16, 2008, a new law was enacted aiming at "restoring confidence in the financial banking system and ensuring adequate financing of the French economy". Under this new law, a new government-backed entity (initially *Société de refinancement des Activités des Etablissements de Crédit* and renamed *Société de Finalment de P'Economie Francais* or "SFEF" on November 6, 2008) has been created. The French State owns 34% of its share capital, and the remaining 66% is owned by financial institutions. The *SFEF* will issue debt securities guaranteed by the French State and then lend funds to financial institutions. Any financial institution operating in France may borrow funds through the *SFEF*, provided it furnishes sufficient and adequate collateral and signs an agreement with the French State (regarding *inter alia* commitment to use the funds made available to finance individuals, companies and local public entities and regarding good corporate governance practices). This system does not provide a guarantee of inter-bank debts *per se* but allows the *SFEF* to inject liquidity into the inter-bank debt market and financial	Article L. 312-4 of the French Financial and Monetary Code and regulation n° 99-05 of the Banking Commission (*Commission Bancaire*) provides that deposits are guaranteed by a "deposit guarantee fund" up to €70,000 per depositary, per financial institution. If necessary, the French government is willing to extend the existing deposit guarantee fund.		The Ministry of Finance will use an *ad hoc* investment vehicle, the *Société de prises de participations de l'Etat (the* "*SPPE*") for recapitalization purposes. The French State will guarantee securities issued by the *SPPE*. The *SPPE* will then subscribe to securities issued by financial institutions to strengthen their capital ratios. According to the French Ministry of Finance, €40 billion out of the €360 billion made available as guarantees under the new law should benefit the *SPPE*. On October 20, 2008, the French Government announced that France's six largest banks (BNP Paribas, Société Générale, Crédit Agricole, Crédit Mutuel, Caisses d'Epargne, and Banques Populaires) would get a total of €10.5 billion from the *SPPE* in exchange for issuing deeply subordinated debt securities to the government, without voting rights. The Prime Minister also announced on November 3, 2008 that the French State is not excluding the option of directly subscribing to the capital of French banks.		Commercial Paper & CDs: As of October 15, 2008, trading in short-term commercial paper and certificates of deposit maturing in one year or less has been authorized on Euronext Paris. Banks whose commercial paper is listed on a regulated market are thus eligible for short-term refinancing operations. Fair valuation financial instruments: On October 15, 2008, the National Accounting Board (*Conseil National de la Comptabilité*), the French Financial Market Authority (*Autorité des Marchés Financiers*), the Banking Commission (*Commission Bancaire*) and the Insurance and Mutual Funds Supervisory Authority (*Autorité de Contrôle des Assurances et des Mutuelles*) issued a joint recommendation on the fair valuation of certain financial instruments due to financial market turbulence. Credit Mediation: In order to benefit from SFEF loans, the participating banks have committed themselves to respecting an annual growth objective of their outstanding loans situated between 3 and 4%, depending on the bank networks, until the end of December 2009.

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS	OTHER MEASURES
institutions to refinance themselves. Moreover, on an exceptional basis and in particular in emergency cases, the French State may directly guarantee securities issued by financial institutions, provided that the French State is assured sufficient collateral. The State guarantee will be made available at commercial rates for debt securities issued by the *SFEF* or, in emergency cases, by financial institutions in distress, before December 31, 2009, and with maturities of up to five years. All the guarantees made available by the new law (including the recapitalization measures and the Dexia Group guarantee program) shall not exceed €360 billion. According to the French Ministry of Finance, €320 billion will benefit the *SFEF* and Dexia. On October 23, 2008 and on October 30, 2008, the French government guaranteed the securities issued or those to be issued by the *SFEF* for a maximum amount of €5 billion and €25 billion, respectively. On November 12, 2008 the SFEF announced the completion of the first tranche of its issuance program for €5 billion (coupon of 3.5%, redeemable in 2011).					The French state will ensure these undertakings are kept and will make public, on a monthly basis, the amount of outstanding loans of the participating banks. Beyond the global follow-up of the commitment undertaken by the banks, the French state shall oversee that the measures which are adopted are then properly implemented in the field, in particular at the level of the corporations. The French President has appointed a "credit mediator" with the minister of economy, industry and employment. A corporation which is facing a financing or cash problem and which cannot find a solution may refer the matter to the mediator. The mediator has already received 1200 corporation requests, 600 of which are already under investigation with a possibility of mediation. Regional commissions for the financing of the economy (*commissions départementales de financement de l'économie)* have been set up by the prefects (*préfets*) and ensure the follow-up of the financing of the economy in the field, with the local economic organisations.

GERMANY[1]

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	ASSISTANCE TO INDIVIDUAL INSTITUTIONS	OTHER MEASURES
On October 17, 2008 the German parliament overwhelmingly approved a €500 billion financial rescue package (the "Stabilization Fund").[2] The Stabilization Fund includes a guarantee fund of up to €400 billion for notional bonds and inter-bank lending for up to three years to new instruments issued by December 31, 2009, where appropriate. Stabilization Fund: Via the Stabilization Fund three main types of measures may be granted on an application by a German financial sector company (including banks and insurers):[3] ▪ recapitalization of companies in the financial sector; ▪ the guarantee of bonds, debentures and deposits, each with a maturity of up to 36 months to provide companies in the financial sector access to liquidity and facilitate the refinancing in the capital markets; and ▪ the purchase by the Stabilization Fund of selected assets. The Stabilization Fund may guarantee bonds, debentures and deposits, each with a maturity of up to 36 months, issued by financial sector companies after October 17,	On October 5, 2008, the German Government announced that it will ensure the repayment of bank deposits with German banks. Such a guarantee is understood to be a "political guarantee" in addition to the statutory and industry deposit insurance schemes. There will be no additional legislation to support such "political guarantee".		A €70 billion fund (which can be increased by another €10 billion) will be created in order to recapitalize banks where necessary in the form of equity, UT2 instruments or silent participations (similar to preferred or preference shares). In return for recapitalization, the German State will take an equity or quasi-equity stake in the relevant bank, and further conditions may be imposed.	BayernLB: On October 21, 2008, BayernLB requested recapitalization measures of €5.4 billion ($6.9 billion) from the SoFFin. In addition, the owners of BayernLB (the Free State of Bavaria and the Association of Bavarian Savings Banks) announced an increase in their capital stake by an aggregate amount of €1 billion. These capital measures were intended to replace the originally planned guarantees of €2.4 billion each from its owners, the Association of Bavarian Savings banks and the Free State of Bavaria. It is now discussed in the media that BayernLB intends to withdraw its application for recapitalization measures with SoFFin and is seeking a capital increase fromy its owners, the Free State of Bavaria and the Association of Bavarain Savings Banks, of €3 billion and guarantees by SoFFin of up to €10 billion. WestLB: In spring 2008, the owners of WestLB made an announcement to provide a risk shield, including a guarantee by the owners of WestLB of up to €5 billion. On October 22, 2008 WestLB announced it was likely to apply for support from the SoFFin. WestLB intends to apply for SoFFin guarantees to cover the issuance of WestLB's debt instruments in the years	Hypo Real Estate: On September 29, 2008 and October 5/6, 2008, an agreement was reached among the German Federal Government, the German Central Bank, the German Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungs-aufsicht, "BaFin") and a consortium of the financial services industry (selected banks and insurers) on the granting to Hypo Real Estate of a €35 billion credit facility, later increased by an additional €15 billion credit facility, by the financial sector, backed by a €35 billion state guarantee. On October 30, 2008, the SoFFin granted to Hypo Real Estate Group a guarantee to cover a bank bond which Hypo Real Estate Group can pledge to draw on a special €15 billion liquidity support facility from Deutsche Bundesbank to cover Hypo Real Estate Group's short-term liquidity requirements. It is planned to refinance the liquidity provided hereunder with the liquidity facility described above. Furthermore, on October 29, 2008 Hypo Real Estate announced that it will submit an application to SoFFin for additional comprehensive support, including potential recapitalization measures. Banks: The Government has

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	ASSISTANCE TO INDIVIDUAL INSTITUTIONS	OTHER MEASURES
2008 and before December 31, 2009. Guarantees shall expire no later than December 31, 2012. Guarantees shall generally be issued in the form of guarantees on first demand (*Garantie auf erstes Anfordern*) and shall generally only be granted if the concerned financial sector company is equipped with adequate funds (*angemessene Eigenmittelausstattung*). The Stabilization Fund shall receive adequate consideration for the granting of guarantees, which will generally consist of a certain percentage of the maximum guarantee amount reflecting the default risk plus a margin. The scheme does not give German banks a broad guarantee but rather permits the Fund to be activated on a case-by-case basis for institutions deemed to be integral to the financial system.				2008 and 2009. In addition, WestLB announced that they are to examine the possibilities for strengthening their capital resources by the use of recapitalization measures from SoFFin. HSH Nordbank: On November 3, 2008, HSH Nordbank announced that it will apply to the SoFFin for a guarantee facility totalling €30 billion. Around half of this amount shall be drawn down with a view to supporting the Bank's successful business model and the second half shall be used as a precautionary measure in the event the turbulences on the financial markets make the coverage of further risks necessary. On November 21, 2008 HSH Nordbank and SoFFin entered into an agreement according to which SoFFin will provide approved HSH Nordbank with liquidity guarantees of up to €30 billion. Commerzbank: On November 3, 2008 Commerzbank announced that it had entered into an agreement with SoFFin according to which SoFFin will provide Commerzbank with silent participation instruments (Tier 1 eligible) of €8.2 billion and increasing Commerzbank's core capital ratio (Tier 1) to 11.2% and guarantees for the issuance	also passed legislation to allow banks to issue (i) up to 50% of their share capital to the Fund without shareholder ratification and (ii) non-cumulative (i.e., Tier 1 eligible) preference shares.

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	ASSISTANCE TO INDIVIDUAL INSTITUTIONS	OTHER MEASURES
				of debt instruments of up to €15 billion. The conditions of such measures are currently under review by the European Commission. LBBW: On November 21, 2008 the owners of LBBW, including the State of Baden-Wuerttemberg and the Association of Baden-Wuerttemberg Saving Banks, announced their intent to increase the equity capital of LBBW by an aggregate amount of €5 billion. In addition, LBBW is looking into a guarantee framework of between €15 and €20 billion to be provided by SoFFin or the owners as a funding reserve. Other Institutions: According to SoFFin approximately twenty banks and one smaller insurer have applied to SoFFin for assistance measures. Several financial institutions, including the banking subsidiaries of BMW and Volkswagen, have confirmed that they are investigating whether to apply for assistance measures from SoFFin.	

1 According to Finance Agency head Carl Heinz Daube in an interview on October 29, 2008 Germany plans to finance part of its €500 billion bank rescue package by issuing bonds to banks in exchange for new preferred stock. The banks will not be allowed to sell the injected government bonds. Daube also said that there had not been a huge demand for any rescue measures, but this might change in the coming weeks.

2 On October 17, 2008, the German Financial Markets Stabilization Act (the "Stabilization Act") was published in the Federal Law Gazette (*Bundesgesetzblatt*) (BGBl. I, p. 1981). The main purpose of the Stabilization Act is to restore and sustain confidence and liquidity in the German financial market. Under the Stabilization Act, a financial markets stabilization fund (*Finanzmarktstabilisierungsfonds*; the "Stabilization Fund" or "SoFFin") has been set up by the German federal state (*Bund*). The Stabilization Fund is set up as a special fund (*Sondervermögen*) of the German Federal State without its own legal personality (*nicht rechtsfähig*). The liabilities of the Stabilization Fund will be guaranteed by the German Federal State. It is administered by the Financial Markets Stabilization Agency (*Finanzmarktstabilisierungsanstalt*).

The Ministry of Finance will be given a broad spectrum of powers to determine the eligibility of institutions (who should be deemed to be integral to the financial system) to participate in the scheme. Specific requirements and conditions which may be set include: minimum capital ratios, management of the institution and provision of credit to SMEs, executive remuneration and dividend policy.

3 The details and terms of conditions of such stabilization measures are set out in the Regulation regarding the Implementation of the Financial Markets Stabilization Fund Act (*inanzmarktstabilisierungsfonds-Verordnung*; "Stabilization Fund Regulation"), which was released by the Federal Government under the Stabilization Act on October 20, 2008 and which came into force as of the same date.

The fund has an aggregate volume of €480 billion. Up to €80 billion is available for recapitalization measures and/or the purchase of troubled assets. An aggregate amount of €400 billion is available for guarantees of bonds, debentures and deposits, each with a maturity of up to 36 months, and issued by financial sector companies after October 17, 2008 and before December 31, 2009. Access to the stabilization measures shall be subject to certain conditions to be fulfilled by the financial sector company applying for the stabilization measure, including sound business policies, and, depending on the nature of the measure, the supply of loans to small and medium sized enterprises, adequate compensation for the management (a compensation of more than €500,000 is deemed to be inadequate), and restrictions to the payment of the coming week dividends.

GREECE

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS	OTHER MEASURES
Issuance Guarantee: The Enhancement Liquidity Law[1] provides that, in return for appropriate fees and collateral (to be specified by the central Bank of Greece and the Ministry of Finance)[2], the Greek Government will guarantee up to a maximum of €15 billion for loans that are concluded until December 31, 2009 (with a maturity of three months to three years). The banks must meet the capital adequacy ratios set by the Bank of Greece in order to benefit from this program. The Greek Government will have the right to participate in the board of directors of each of participating banks, through a representative who may be appointed as an additional member to the Board. This member shall have veto rights as regards decisions (either of the Board or the General Assembly) for the distribution of profits, the wages or the granting of any kind of benefits to members of the board, the managing director or senior executives and their deputies, either upon instruction of the Minister of Finance or in case he considers that such decision is endangers the rights of depositors or materially affects the solvency and the operation of the bank. In any case the aforementioned	Law 3714/7.11.2008 "For the protection of borrowers", provides that the Greek Government will increase the protection given to savings from €20,000 to €100,000. The extended guarantee is set to expire on December 12, 2011.	Securities Lending Facility: The Enhancement Liquidity Law provides that Greek State Bonds of up to €8 billion and three years of maturity may be issued until December 31, 2009 and lent to banks in return for appropriate fees and collateral (to be specified by the central Bank of Greece and the Ministry of Finance).[2] The banks must meet the capital adequcy ratios set by the Bank of Greece in order to benefit from this program. Pursuant to a relevant agreement to be concluded between the Greek State and each bank, the Bonds must be returned to the Greek Government upon their expiration and cancelled. The banks that participate in this scheme must use the funds from the disposal of the Bonds to provide competitive housing and SME loans or to finance enterprises vital to the development of the country.	Preference Shares: The Enhancement Liquidity Law provides that the Greek Government will underwrite up to €5 billion of preference shares, the specific terms of which will be determined by a decision of the Ministry of Finance.[3] Eligible banks are banks licensed by the Bank of Greece, including cooperative banks, regardless of whether they are listed or not. The general assemblies of the participating banks must resolve (irrevocably) the share capital increase by February 1, 2009, by the issuance of preference shares. The price of issuance of the shares (of each bank), must be the nominal value of the common shares of the last issuance of each bank. The Greek Government will subscribe for the new shares by December 31, 2009. The preference shares must be redeemed by the banks, at the issuance price, within no later than five years (but no sooner than July 1, 2009) following the approval of the Bank of Greece. In case the banks cannot redeem the preference shares, due to their inability to meet the capital adequacy ratios set by the Bank of Greece, the shares		Small and very Small Business: Greek banks participate in the program proposed by the Credit Guarantee Fund for Small and Very Small Enterprises (the "Fund")[4] for enhancing the liquidity of small enterprises, by the issuance of loans for working capital, 80% of which is guaranteed by the Fund, with an interest rate of Euribor+2,1, subsidized by the Fund as well, under the following terms: (a) the loan should not exceed €350,000 and should have a three year duration; (b) the loans cannot exceed 30% of the average turnover of the company for the last three years; (c) the eligible companies must have profits before amortizations for the last three years, and (d) the banks will not require any guarantees for the remaining unsecured 20% of the capital. The above program is also applicable to already issued loans under the condition that the banks waive off all other securities given by the companies.

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS	OTHER MEASURES
benefits must not exceed the total of the wages of the Governor of the Bank of Greece. Additional benefits, such as bonuses, are cancelled throughout the duration of the program and, for the same period, the distribution of dividends must not exceed 35% of the net profits of the bank, which is the minimum set by law.			may be converted to common or other category of shares, by virtue of a decision of the Ministry of Finance following the opinion of the Governor of the Bank of Greece. The preference shares are vested with a voting right to the general assembly of the holders of preferred shares cannot be transferred further by the Greek State to any third party and cannot be listed in organized markets. The preference shares carry a 10% fixed rate of interest on the subscription capital and have all characteristics as to be included in the equity of each bank. The Greek Government, as a holder of preferred shares, will have the right to participate in the board of directors of each of the participating banks through a representative who may be appointed as an additional member to the Board. This member shall have veto rights as regards decisions (either of the Board or the General Assemby) for the distribution of profits, wages or the granting of any kind of benefits to members of the board, the managing director or senior executives and their deputies, either upon instruction of the Minister of Finance or in case he considers that such decision endangers the rights of depositors or		

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS	OTHER MEASURES
			materially affects the solvency and the operation of the bank In any case, the aforementioned benefits must not exceed the total of the wages of the Governor of the Bank of Greece. Additional benefits such as bonuses are cancelled throughout the duration of the program, and, for the same period, the distribution of dividends must not exceed 35% of the net profits of the bank, which is the minimum set by law. Further, upon liquidation of a bank, the Greek State, as a holder of preference shares, has priority over the liquidation proceeds against all other shareholders.		

1 The final amended draft of the law was voted on by the Greek parliament on Tuesday, November 25, 2008.

2 The Ministry of Finance, taking into consideration (a) the provisions of the Draft law, (b) the relevant reports of the Governor of the Bank of Greece, and (c) the European Commission's communication paper No 2008/C 270/02 "The application of State aid rules to measures taken in relation to financial institutions in the context of the current global financial crisis", has issued a Ministerial Decree with the following provisions:

A. Preference Shares: The €5 billion state aid by way of participation in capital increase and the subscription of preference shares shall be allocated to the eligible credit institutions after taking into consideration the following criteria:

(i) the capital adequacy requirements for each credit institution (namely, Tier 1 must be between 8% and 10%) (such criterion weights 0,5 of the overall criteria);

(ii) the market share of each credit institution and its role to the financial stability (such criterion weights 0,4 of the overall criteria); and

(iii) the attribution of each credit institution to the housing and SME loans (such criterion weights 0,1 of the overall criteria).

The value for the subscription of preferred shares shall be the nominal value of the common shares of the credit institution as at the most recent issuance of shares of such credit institution and shall be covered by Greek State Bonds and shall bear Euribor interest rate. Such shares may be repurchased at their initial issuance value either by exchange with Greek State Bonds or their cash equivalent. Where the State's subscription is covered by Greek State Bonds a bilateral agreement will be executed between the credit institution and the Greek State.

B. Issuance Guarantee: The guarantee of up to a maximum of €15 billion for bank credit will be given to credit institutions that will submit their petition until the January 1, 2009 and each petition shall be restricted to the proportion of the guarantee that each credit institution is entitled to. The aforementioned guarantee does not cover interbank deposits. Such guarantee will be granted either with or without collateral as determined in the Ministerial Decree. Such collateral is blocked throughout the guarantee and is monitored for each credit institution separately by the Bank of Greece.

The annual fees for the guarantee, pursuant to the standards set by the European Central Bank shall be of 50 base units (if no collateral is given) or 25 base units (if collateral is given).

The €15 billion guarantee shall be allocated to the eligible credit institutions after taking into consideration the following criteria:

(i) the capital adequacy requirements for each credit institution (namely, Tier 1 must be between 8% and 10%) (such criterion weights 0,5 of the overall criteria);

(ii) the market share of each credit institution and its role to the financial stability (such criterion weights 0,3 of the overall criteria);

(iii) the size of the credit institution's liabilities on December 31, 2009 (such criterion weights 0,1 of the overall criteria); and

(iv) the attribution of each credit institution to the housing and SME loans (such criterion weights 0,1 of the overall criteria).

C. Securities lending facility: the Bonds are of no interest rate, are listed in the Athens Exchange and are issued in lots of 1,000,000 euro each. They are issued at their nominal value and transferred in return for collateral to the credit institutions by virtue of a bilateral agreement executed between the credit institution and the Greek State. The credit institutions must pay the same fees as for the Issuance Guarantee Scheme. Apart from the provisions of the Draft Law, the credit institutions must use the funds as collateral to refinancing or fixed facilities from the European Central Bank and/or as collateral for interbank financing for liquidity reasons. The credit Institutions that will participate in either of the above schemes, shall report quarterly the Bank of Greece or the use of the funds. In its turn, Bank of Greece reports accordingly the Supervisory Board that is constituted with the same Draft Law for the purpose of monitoring the overall use of the State aid by the credit institutions.

3 The Issuance Guarantee funds and the Securities Lending Facility funds may be re-allocated pursuant to a relevant decision of the Ministry of Finance and following the recommendations of the Governor of the Bank of Greece, depending on the level of the needs and the absorbency of each program, but shall not in any case exceed the maximum of € 23 billion.

4 Credit Guarantee Fund for Small and Very Small Enterprises ("TEMPME") is a societe anonyme, licensed by the Bank of Greece as a financial institution and aims to support small and very small enterprises by providing guarantees and counter-guarantees and undertaking part of their financial and commercial risk.

HONG KONG[1]

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS	OTHER MEASURES
	On October 14, 2008, following a run on the Bank of East Asia, the first bank run in more than a decade, Hong Kong announced it will fully guarantee all bank deposits until the end of 2010 and set up a fund to provide capital to local lenders to restore confidence in the banking system.[2]	Hong Kong joined the growing number of countries easing their monetary policy, when on October 9 and 30, 2008 the Hong Kong Monetary Authority cut its base rate, which now stands at 1.5%.	The financial secretary pledged that Hong Kong would set up a fund which may be used to recapitalize Hong Kong incorporated licensed banks, if necessary.		

1 Hong Kong, according to press reports, has about US$ 161 billion of foreign reserves as of the end of September 2008.

2 Previously, Hong Kong depositors had stood to receive compensation limited to HK$100,000 (US$12,800).

HUNGARY

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS	OTHER MEASURES
According to a draft legislative proposal on the strengthening of the stability of financial intermediaries (bill no. T/6765), the government would guarantee certain obligations of financial institutions arising from loans and debt securities denominated in euros, Swiss francs or forints, up to an aggregate amount of 1,500 billion forints (€5.8 billion). The draft legislative proposal is presently before parliament.	On October 15, 2008, a legislative change was enacted to increase the limit of insured deposits by the National Deposit Insurance Fund (OBA) from 6 to 13 million forints (€50,000) per financial institution, and the 10% own-risk component was removed (statutory guarantee). The funds constituting the OBA are collected from the banks. In addition, on October 15, 2008 an unlimited governmental guarantee was declared in respect of bank deposits in excess of what is insured by the OBA (governmental guarantee).	On October 22, 2008, the Central Bank of Hungary increased its base rate from 8.5% to 11.5% to defend the Hungarian forint against speculation. As the value of the local currency seems to have since stabilized and the Central Bank subsequently cut its growth and inflation forecasts for 2009 and 2010, on November 24, 2008, the Central Bank decreased its base rate from 11.5% to 11.0%. In addition, the Central Bank has introduced (i) two-way FX swap tenders with the Central Bank playing the role of intermediary by matching excess forint and euro funds offered by the banks; and (ii) an overnight FX swap facility for domestic banks, facilitated by an agreement between the Central Bank and the ECB. Furthermore, in order to restore liquidity on the public debt securities market, the Central Bank agreed with primary dealers that market makers will provide continuous quotes for certain public debt securities and increase their holdings of public debt securities by an agreed amount until the end of 2009, and the Central Bank will conduct auctions for the purchase of these securities. In addition, the Central Bank is assisting primary dealers in	According to a draft legislative proposal on the strengthening of the stability of financial intermediaries (bill no. T/6765), the government would acquire – on a consensual basis subject to an agreement with the financial institution, or unilaterally at the government's discretion – convertible dividend preference shares, voting preference shares, or, in case of a failure to satisfy capital requirements and a risk of insolvency, controlling preference shares in the financial institution. The draft legislative proposal is presently before parliament.		Hungary has obtained financial support from the IMF, the EU and the World Bank in the amount of €20 billion after Hungarian assets were battered as foreign-currency borrowing by local companies and consumers, along with slower growth, a wider budget deficit and higher government debt than elsewhere in east Europe, raised concern that the country may have difficulties in securing funding. The IMF will provide a 17-month, SDR 10.5 billion (€12.3 billion) Stand-By Arrangement under its exceptional access policy, the EU will provide €6.5 billion to facilitate fiscal consolidation, and the World Bank will provide €1 billion. Hungary has also secured a €5 billion loan from the ECB. Measures have been taken to ensure a more prudent fiscal policy: The government has submitted to parliament a revised 2009 budget aiming at a 2009 deficit of 2.6% of GDP, and on November 17, 2008 legislation was passed to limit government spending in 2009 to 2008 levels, and permitting an increase in spending in 2010 to 50% of GDP growth. The government has

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS	OTHER MEASURES
		financing purchases of the required amounts of the securities by introducing two-week loan tenders at fixed interest rates and six-month loan tenders at variable interest rates.			announced a 1,400 billion forint (€5.3 billion) two-year economic stimulus package to promote growth and provide funding for small and medium-sized businesses. The package will not involve new spending, instead it will regroup existing funds in the budget. The biggest part of the package, 680 billion forints (€2.6 billion), will be spent on providing lending guarantees primarily to SMEs, while another 260 billion forints (€1 billion) will be used to provide liquidity for lending through commercial banks. The government also plans to provide 300 billion forints (€1.1 billion) in interest rate subsidies for corporate lending, and another 140 billion (€0.5 billion) for direct loans to micro firms and SMEs.

ICELAND

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS	OTHER MEASURES
	The Government of Iceland has repeatedly (in press releases and Ministerial statements) declared that all bank deposits in domestic commercial banks, savings banks and their branches in Iceland are fully guaranteed. The statement, which does not have the force of law, only extends to domestic deposits and not to deposits with Icelandic banks held overseas.[1] On October 6, 2008, the Act on Authority for Treasury Disbursements due to Unusual Financial Market Circumstances, etc. was passed with immediate force by the Icelandic Parliament. According to the Act, all deposits shall take priority over all general and unprioritized claims against the financial undertaking. The Icelandic Financial Supervisory Authority (the "FSA") has decided to transfer a part of Landsbanki, Glitnir and Kaupthing operations to new banks that have been formed and are fully owned by the Icelandic State. The decision means, *inter alia*, that the new entities take over all of the "old" entities' deposits in Iceland. Furthermore, the decision states that the new entities will take over the obligations of the branches of the "old" entities, in Iceland due to deposits from financial undertakings, the	On October 15, 2008, the Board of Governors of the Central Bank of Iceland decided to lower the policy interest rate by 3.5% to 12%. On October 28, 2008, as a condition of the loan from the IMF, Iceland's central bank raised interest rates by a massive 6% to 18%. Iceland's central bank also said it had applied to the United States Federal Reserve and the ECB for extra funding. Iceland has already said it needs another $4 billion in loans on top of the $2 billion it is seeking from the IMF, which it is securing from some Nordic and other central banks.		Glitnir: On October 14, 2008, the FSA decided to transfer a part of Glitnir's operations to a new bank that has been formed and is fully owned by the Icelandic State, the New Glitnir. The decision means, *inter alia*, that the New Glitnir takes over all of Glitnir's deposits in Iceland, and also the bulk of the bank's assets that relate to its Icelandic operations, such as loans and other claims. An independent evaluation of the value of assets and liabilities, together with a final settlement will be made within 90 days of the transfer date. The new bank's equity will, according to information on the FSA's webpage, be ISK 110 billion and the size of the balance sheet will be around ISK 1,200 billion. Landsbanki: On October 9, 2008, the FSA decided to transfer a part of Landsbanki's operations to a new bank that has been formed and is fully owned by the Icelandic State, the New Landsbanki. The decision means, *inter alia*, that the New Landsbanki takes over all of Landsbanki's deposits in Iceland, and also the bulk of the bank's assets that relate to its Icelandic operations, such as loans and other claims. An independent evaluation of the value of assets and liabilities, together with a final settlement will be made within 30 days from	On October 24, 2008, the Icelandic Government reached an agreement *ad referendum* with a mission from the IMF on an economic stabilization program that could be supported by a stand-by arrangement with the fund. It is stated that the economic program will be supported by an SDR 1.4 billion (US$ 2 billion) loan under a two-year Stand-By-Arrangement. Iceland would be able to draw SDR 560 million (US$ 830 million) immediately after the Board approval. It is also expected that an agreement with the IMF will encourage lending from other sources. A Letter of intent was sent to the IMF on November 3, signed by the Minister of Finance and the Chairman of the Board of Governors of the Central Bank.[5] On November 19, 2008, the Executive Board of the IMF approved Iceland's request for a two year stand-by arrangement. Iceland will receive US$ 2.1 billion from the IMF. Additional loans of up to US$ 3 billion have been secured from Denmark, Finland, Norway, Sweden, Russia and Poland. The Faroe Islands have announced that they would lend Iceland US$ 50 million. The funds made available through the IMF will be used to support

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS	OTHER MEASURES
	Icelandic Central Bank and other customers. Icesave: It was reported on October 22, 2008 that the UK and Iceland are hoping to agree on a loan of up to £3 billion to cover British depositors in Icesave, the online banking unit of Landsbanki, the collapsed Icelandic bank.[3] It was reported on October 11, 2008, that the Dutch and Icelandic Governments have agreed on a solution regarding the Dutch depositors of Landsbanki IceSave savings accounts. The agreement states that the Icelandic government will compensate each Dutch depositor up to a maximum of €20,887. The Dutch Government will provide a loan to Iceland to enable this restitution and the Dutch Central Bank is to settle the depositors' claims. On November 16, 2008, the government of Iceland agreed to cover deposits of insured depositors in the so-called IceSave accounts in accordance with EEA law. They also entail that the EU, under the French Presidency, will continue to participate in finding arrangements that will allow Iceland to restore its financial system and economy. Furthermore, it was agreed to			the transfer date. The new bank's equity will, according to information on the FSA's webpage, be ISK 200 billion and the size of the balance sheet will be around ISK 2,300 billion. Kaupthing: On October 21, 2008, the FSA decided to transfer a part of Kaupthing's operations to a new bank that has been formed and is fully owned by the Icelandic State, the New Kaupthing. The decision means, *inter alia*, that the New Kaupthing takes over all of Kaupthing's deposits in Iceland, and also the bulk of the bank's assets that relate to its Icelandic operations, such as loans and other claims. An independent evaluation of the value of assets and liabilities, together with a final settlement will be made within the next 90 days from the transfer date. The new bank's equity will, according to information on the FSA's webpage, be ISK 75 billion and the size of the balance sheet will be around ISK 700 billion. Kaupthing's U.K. subsidiary, Kaupthing, Singer & Friedlander Ltd., has been placed in administration. Certain other subsidiaries of the Icelandic banks have either been sold or placed in administration by local authorities.	the currency, the Icelandic krona, which will be floated as soon as possible. It is to be expected that the currency market will stabilize soon and that international money transfers will subsequently return to normal. [6]

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS	OTHER MEASURES
	facilitate financial assistance to Iceland, including agreeing on a stabilization package from the IMF.[4]				

1 It should be noted that a significant volume of banking business by Iceland's banks is conducted overseas.

2 Icesave, the online British arm of Landsbanki, announced that its customers can no longer withdraw or deposit money. More than 300,000 British customers had around £4 billion deposited in Icesave accounts and now face the prospect of making a claim under the U.K. government deposit guarantee scheme. Depositors with more than £50,000 and non-retail depositors are not protected by this scheme.

3 The decisions of the Icelandic Financial Supervisory Authority due to unusual circumstances are posted on the following website (in English translation): http://www.fme.is/?PageID=867.

4 A press release from the Prime Minister's Office of the Agreed Guidelines Reached on Deposit Guarantees is posted on the following website (in English translation): http://eng.forsaetisraduneyti.is/news-and-articles/nr/3229.

5 The Letter of intent in English is posted on the following website: http://www.forsaetisraduneyti.is/media/Skyrslur/LOI.pdf.

6 A press release from the Prime Minister's Office is posted on the following website (in English translation): http://eng.forsaetisraduneyti.is/news-and-articles/nr/3272.

INDIA[1]

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS	OTHER MEASURES
	Deposits in Indian banks are already insured up to a maximum of Rs.100,000 per depositor.	The Reserve Bank of India ("RBI") has come up with various assistance measures in order to infuse liquidity into the system, some of which are: Banks (i) On November 1, 2008, it was decided to provide refinance facilities to all banks from RBI up to 1% of each bank's net demand and time liabilities as on October 24, 2008 at the repo rate up to a maximum period of 90 days. (ii) Further, banks have also been allowed to borrow up to 1.5% in cash from the RBI to on-lend it to Non-Banking Financial Companies and Mutual Funds to meet their funding requirements. Consequently, on November 3, 2008, a 14-day window of Rs. 600 billion has been opened to enable such funding by banks. Whilst this was initially envisaged as an ad-hoc facility, on November 15, 2008, this special term repo facility was extended till end-March 2009. Banks have been permitted to avail of this facility either on incremental or on rollover basis within their entitlement of up to 1.5 % of each bank's net demand and time liabilities. Under the extended arrangement, the RBI has also			Cash Reserve Ratio ("CRR") CRR is the minimum average daily balance that a bank is required to maintain with the RBI. In October 2008, the CRR of 9% was reduced by 250 basis points to 6.5%. On November 1, 2008, it was decided to further reduce the CRR by 1% in two phases. The CRR will stand at 6% retrospectively with effect from October 25, 2008 and at 5.5% with effect from November 8, 2008. This step is expected to release Rs. 400 billion into the system. Repo Rate Repo rate is the rate at which the banks borrow money from the RBI. On October 20, 2008, the repo rate was reduced by 100 basis points from 9% to 8%. On November 1, 2008, it was decided to reduce the repo rate further by 50 basis points to 7.5% effective November 3, 2008. Statutory Liquidity Ratio ("SLR") SLR is the amount of liquid assets in the form of cash, gold or approved securities that a bank is required to maintain in its reserves. On November 1, 2008, the RBI reduced the SLR rates by 100 basis points to 24% with effect from November 8, 2008. As a result, the banks

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS	OTHER MEASURES
		commenced a special fixed rate term repo for at 7.5% per annum against eligible securities, on a periodic basis. Foreign Institutional Investors ("FIIs") (i) On October 6, 2008, restrictions on the issue of Offshore Derivative Instruments by FIIs were removed. (ii) On October 16, 2008, limits for FII investments in corporate bonds were enhanced substantially to a cumulative level of US$ 6 billion. (iii) On October 23, 2008, restrictions requiring FIIs to purchase shares of stock exchanges and security market infrastructure companies only from the secondary market have been lifted and FIIs are now allowed to buy them even before they are listed. Non Banking Financial Companies ("NBFCs") The Government of India has opened up various fund raising options for NBFCs. (i) On October 29, 2008, systematically important non-deposit taking NBFCs (i.e., non-deposit taking Non-Banking Financial Companies having an asset size of Rs.1 billion or more) were allowed to augment their capital funds by issue of Perpetual Debt Instruments			have an option of selling Rs. 400 billion of government securities which until now formed part of their statutory investments. External Commercial Borrowings (ECBs) (i) ECBs permitted up to US$ 500 million per borrower per financial year for rupee expenditure and/or foreign currency expenditure for permissible end uses under the automatic route. (ii) The all-in-cost ceiling for ECBs for average maturity period of three years and up to five years was enhanced to 300 basis points above LIBOR and to 500 basis points above LIBOR for ECBs over five years. (iii) The requirement of minimum average maturity period of 7 years for ECBs in excess of US$ 100 million for rupee expenditure for borrowers in infrastructure sector has been dispensed with. (iv) Borrowers have been permitted to park their ECB proceeds with Indian Banks pending their utilization for permissible end-uses under the automatic route. Foreign Currency Convertible Bonds (FCCBs) On November 15, 2008, Indian companies have been permitted

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS	OTHER MEASURES
		("PDI") in the form of bonds and debentures with a minimum investment of Rs.500,000 per issue by an investor. (ii) On November 1, 2008, systematically important non-deposit taking NBFCs were further allowed to raise short-term foreign currency borrowings under the approval route up to 50% of the net owned funds or US$ 10 million, whichever is higher. Financial Institutions The RBI provided an advance of Rs.25,000 crore to financial institutions under the Agricultural Debt Waiver and Debt Relief Scheme pending release of money by the Government. Housing Finance Companies On November 15, 2008, Housing Finance Companies complying with capital adequacy norms and other prudential norms laid down by the National Housing Bank have been allowed to raise short-term foreign currency borrowings under the approval route from multilateral or bilateral financial institutions, reputed regional financial institutions and foreign equity holders with minimum direct equity holdings of 25%. The resources should be used only for the sole purpose of refinancing the short-term liabilities for a maximum maturity			to prematurely buyback their FCCBs subject to prior approval from the RBI. Such buy back must also be financed by the company's foreign currency resources held in India or abroad and/or out of fresh ECB raised in conformity with the current norms for ECBs. FCNR(B) Accounts Foreign Currency Non-Resident (Bank) accounts are accounts opened by non resident Indians with an authorized dealer in India. The rate of interest for FCNR(B) accounts have been increased with effect from November 15, 2008. The interest has to be paid within the ceiling rate of LIBOR / SWAP rates plus 100 basis points for the respective currency / corresponding maturities (as against LIBOR / SWAP rates plus 25 basis points effective from the close of business on October 15, 2008). On floating rate deposits, interest has to be paid within the ceiling of SWAP rates for the respective currency / maturities plus 100 basis points. For floating rate deposits, the interest reset period is six months. NRE Accounts Non-Resident External accounts are accounts opened by Non-

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS	OTHER MEASURES
		not exceeding three years and the maximum amount not exceeding 50% of the net owned fund of the housing finance company or US$ 10 million, whichever is higher. The all-in-cost ceiling should not exceed 6 months Libor + 200 bps (for the respective currency of borrowing or applicable benchmark) and the borrowings should be fully swapped into rupees for the entire maturity.			resident Indians and Overseas Corporate Bodies with authorized dealers and banks authorized by the RBI to maintain such accounts. The interest rates for NRE deposits maintained by banks have been increased with effect from November 15, 2008. Presently, the interest rates on fresh NRE Term Deposits for one to three years maturity as well as above three years maturity, should not exceed the LIBOR / SWAP rates plus 175 basis points, as on the last working day of the previous month, for US dollars of corresponding maturities (as against LIBOR / SWAP rates plus 100 basis points effective from the close of business on October 15, 2008). These interest rates will also apply to NRE deposits renewed after their present maturity period. Market Stabilization Scheme (MSS) In pursuance of an agreement between the RBI and the Government of India, the RBI issues instruments in the nature of treasury bills and dated securities, by way of auction, on behalf of the Government of India. The money so raised is impounded in a separate account with the RBI and is appropriated only for the

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS	OTHER MEASURES
					purpose of redemption and/or buy-back of the treasury bills and/or dated securities issued under the MSS. As a measure of infusing liquidity into the system, the RBI has put in a mechanism to buy back dated securities issued under the MSS. The securities proposed to be bought back and the timing and modalities of these operations are notified from time to time.

1 Information as at November 22, 2008.

IRELAND

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS	OTHER MEASURES
On October 20, 2008, the Minister for Finance made the Credit Institutions (Financial Support) Scheme 2008 (the "Scheme"). The Scheme gives effect to the State bank guarantee announced by the Irish Government on September 30, 2008. Under the Scheme, the Minister for Finance has guaranteed certain "covered liabilities" of "covered institutions" from September 30, 2008 to September 29, 2010 inclusive. The EU Commission has approved the Scheme as being compatible with EC Treaty State aid rules. The Scheme is only open to systemically important credit institutions and certain named subsidiaries of such credit institutions. Institutions covered by the Scheme are listed on the website of the Department of Finance (the first group of covered institutions was announced on October 24, 2008 and a further covered institution was named on November 5, 2008). Liabilities covered by the Scheme are known as "covered liabilities". They comprise all retail and corporate deposits (to the extent not covered by existing deposit protection schemes in Ireland or any other	The protection limit for Ireland's existing deposit protection scheme was extended on September 20, 2008 to €100,000 per depositor per institution, from its previous limit of €20,000. Note also that the Scheme described in the first column covers all retail, corporate and inter-bank deposits (to the extent not covered by the existing depositor protection scheme).				The Credit Institutions (Financial Support) Act 2008 (the "Act") provides the Minister for Finance with broad powers to provide financial support in respect of the borrowings, liabilities and obligations of any credit institution or subsidiary specified by order. The Act also amends Irish merger control rules. Financial support under the Act cannot be provided for any period beyond September 29, 2010. Financial support is defined as including loans, guarantees, exchange of assets and any other kind of financial accommodation or support. The Minister for Finance has power to provide support on "such commercial or other terms and conditions as the Minister thinks fit". The Scheme described in the first column was made pursuant to the Minister for Finance's powers under the Act.

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS	OTHER MEASURES
jurisdiction); inter-bank 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 ECB arising from Eurosystem monetary operations. Under the Scheme, the Irish Financial Regulator, in consultation with the Minister for Finance, will impose conditions that regulate the commercial conduct and competitive behavior of covered institutions. The conditions are described in detail in the Scheme.					

ITALY[1]

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS	OTHER MEASURES
The Government recently issued two measures for the stabilization of the credit system and the improvement of the capital adequacy of Italian banks. On October 9, 2008, the Italian Government issued Law Decree No. 155 ("Law Decree 155/2008")[2] and on October 13, 2008 Law Decree No. 157 ("Law Decree 157/2008").[3] Law Decree 157/2008 authorizes the Ministry of the Economy and Finance (the "Ministry of the Economy") to guarantee, on market terms, transactions carried out by Italian banks to obtain securities eligible for use in refinancing transactions with the Eurosystem.	Law Decree 155/2008 authorizes the Ministry of the Economy to guarantee Italian banks' depositors for a 36-month period. This guarantee is in addition to the existing deposit guarantee introduced by Legislative Decree No. 659 of December 4, 1996 which provides for a guarantee equal to a maximum of €103,291.38 per depositor. Law Decree 155/2008 does not specify the maximum amount of the guarantee.	Law Decree 155/2008 provides that in the event of severe liquidity crises, the Ministry of the Economy is authorized to guarantee loans granted by the Bank of Italy to Italian banks or the Italian branches of foreign banks. On October 13, 2008 the Bank of Italy, through a press release, announced: (i) the reduction, with immediate effect, of the minimum threshold for loans to be issued for refinancing transactions, from €1,000,000 to €500,000; and (ii) the implementation of a temporary exchange program between government securities held by the Bank of Italy and assets held by Italian banks. The temporary exchange program is capped at €40 billion.	Law Decree 155/2008 authorizes the Ministry of the Economy to subscribe for or guarantee capital increases of Italian banks that the Bank of Italy determines to be inadequately capitalized. In order to benefit from these measures, (i) the recapitalization must not have been completed prior to October 9, 2008 and (ii) the bank must adopt or have adopted a more comprehensive stabilization and financial strengthening plan covering at least the subsequent 36 months. The Bank of Italy is required to evaluate the existence of the above mentioned conditions, the adequacy of the plans and policy on dividends approved by the applicant bank. In addition to the Law Decrees No. 155/2008 and 157/2008, a press release issued on October 30, 2008, anticipated that the government is expected to establish a special fund (with €15-20 billion available) to subscribe for subordinated convertible securities issued by Italian banks. Such securities would have the benefit of being included for the purposes of capital adequacy requirements as Tier 1 capital, without entailing an immediate direct State participation in the share capital. The press article also indicated that conversion rights would be granted only to the		Law Decree 157/2008 authorizes the Ministry of the Economy to guarantee, on market terms, newly issued bank liabilities having a maturity of up to five years. Law Decree 157/2008 empowers the Ministry of the Economy to effect temporary exchanges between government securities and assets held by banks or liabilities of Italian banks having a maturity of up to five years and issued after October 13, 2008 (see also the temporary exchange program implemented by the Bank of Italy and discussed under "Special Central Bank Assistance Measures").

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS	OTHER MEASURES
			issuing bank. As of the date of this client publication, no concrete action has been taken in this respect.		

[1] Please note that the main measures that the Italian government recently adopted consist of two law decrees which require further ministerial decrees to be implemented. The law decrees provide for a 30-day term for the issuance of the ministerial decrees running, respectively, from October 9 and October 13; in the absence of the ministerial decrees no concrete action can be taken under the program. Thus far, the only measure that has already been used is the Bank of Italy's temporary exchange program between government securities held by the Bank of Italy and assets held by Italian banks (in the first round three Italian banks exchanged assets for approximately €1.9 billion of government securities).

[2] Law Decree 155/2008 provides that the Bank of Italy may grant loans secured by pledge or assignment of receivables to Italian banks to satisfy their liquidity requirements. The pledges or assignments of receivables issued in accordance with such provision are enforceable vis-à-vis any debtor and third parties and they become effective on the date of execution of the security agreement. The secured loans granted by the Bank of Italy under this provision are not subject to clawback under Italian insolvency rules.

[3] Law Decree 155/2008 and Law Decree 157/2008 are effective from October 9, 2008 and October 13, 2008 respectively, and are going through the approval process before the Italian Parliament. Both these decrees expressly require the adoption of Ministerial decrees setting forth the criteria, terms and conditions for their implementation. Such Ministerial decrees have to be issued within 30 days from the effective date.

JAPAN

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS	OTHER MEASURES
On October 21, 2008, the Japanese government announced that it was ready to support major banks with public funds, so that small and medium-sized companies would not struggle to access credit. The government has also relaxed regulations on companies buying up their own shares.	On October 13, 2008, the Japanese government said that it would consider guaranteeing all bank deposits if necessary. In Japan, currently the government-backed Deposit Insurance Corporation guarantees up to 10 million yen (US$100,000) for each deposit in Japanese banks.	The Bank of Japan (the "BoJ") will seek to improve corporate financing by increasing the frequency and size of Commercial Paper repo operations. The BoJ will accept, until April 2009, asset-backed commercial paper which is guaranteed by a BoJ financial counterparty as collateral, unless the BoJ deems it necessary to review the creditworthiness of specific assets or encounters other issues that would endanger the soundness of its assets. On November 21, 2008, the BoJ decided to continue to encourage the uncollateralized overnight call rate to remain at 0.3%. The BoJ will carry out purchases of commercial paper under repurchase agreements more flexibly to facilitate corporate financing.	Japan, China, South Korea and other Asian countries are working to form an $80 billion reserve-pool scheme from mid-2009 to boost liquidity in the region.		The BoJ has announced a series of measures to increase liquidity to the market, including lowering the target for the overnight call rate by 20 basis points on October 31, 2008 and encouraging it to remain around 0.3%. On November 21, 2008, the BoJ decided to continue to encourage the uncollateralized overnight call rate to remain at 0.3%. On October 31, 2008, the BoJ lowered the basic loan rate applicable under the complementary lending facility by 25 basis points to 0.5% and introduced the Complementary Deposit Facility, a temporary measure to pay interest on excess reserve balances in order to further facilitate the provisioning of sufficient liquidity toward the year-end. The Complementary Deposit Facility will be effective from the November 2008 reserve maintenance period to the March 2009 reserve maintenance period, and the interest rate applied will be 0.1%. Other measures include the widening of repo eligible assets to floating rate Japanese government bonds ("JGBs"), inflation-indexed JGBs and 30-year government bonds, the lowering of the minimum secured lending facility fee to

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS	OTHER MEASURES
					0.5% from 1% and the extension of the period of relaxation in conditions for conducting the secured lending facility. These measures are temporary in nature until January 16, 2009. In addition, the BoJ will introduce U.S. dollar funds-supplying operations whereby unlimited funds are provided at a fixed rate set for each operation against eligible pooled collateral. The BoJ will also start providing "sufficient" funds over the year-end earlier than usual.

LUXEMBOURG

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS	OTHER MEASURES
Following the recapitalization of the Dexia group (see the Recapitalization Measures column), a Grand-Ducal Regulation was enacted on October 10, 2008 authorizing the Luxembourg Government to grant a financial guarantee to the Dexia group (the "Regulation"). This Regulation further aims at implementing an intergovernmental agreement between the Luxembourg, Belgian and French governments which, pursuant to the common press release of these governments[1], aims to assure depositors that the Dexia group will have sufficient liquidity. Pursuant to the Regulation, the Government is authorized to guarantee, for the account of the Luxembourg State, funding obtained by the Dexia group[2] with credit institutions and institutional depositories as well as bonds and debt instruments issued by the Dexia group to institutional investors. In order to be eligible for the guarantee, this funding and the bonds and debt instruments must have been issued between October 9, 2008 and October 31, 2009 and must mature before October 31, 2011. The guarantee of the	The Luxembourg Government has adopted an amendment to the 2009 finance bill that aims at increasing the level of the protection of the deposit guarantee in Luxembourg from €20,000 to €100,000[3] as of January 1, 2009.		Fortis: the Luxembourg Government has announced, on the basis of an agreement of September 28, 2008 with the Dutch and Belgian Governments, that as a first step it would invest €2.5 billion in Fortis Banque Luxembourg S.A. ("Fortis") in the form of a convertible loan.[4] The Luxembourg Government would thus take 49% in the capital of Fortis. On October 6, 2008, the Luxembourg Government announced that it had sold 16% of Fortis to the BNP Paribas group. Under the agreement BNP Paribas will hold 67% in Fortis,[5] while the Luxembourg State will hold 33% in Fortis and will acquire 1.1% of the share capital of BNP Paribas. Dexia: the Luxembourg, Belgian and French governments and the shareholders of Dexia agreed to recapitalize the Dexia group on September 30, 2008. Pursuant to this agreement, the Luxembourg Government announced that it would subscribe to the issuance by Dexia B.I.L. S.A. of convertible bonds/loan of €376 million[6], which if converted would represent roughly 20% in Dexia B.I.L. S.A.		In a statement made to the Luxembourg Parliament on the financial crisis on October 15, 2008 Prime Minister Jean-Claude Juncker declared that "… the Luxembourg Government and the Luxembourg Central Bank will take all necessary steps to secure the liquidity of money market funds established under Luxembourg law."

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS	OTHER MEASURES
Luxembourg State cannot exceed €4.5 billion. It is granted jointly but not severally with Belgium and France.					

[1] Communiqué (Public release), Communication conjointe des gouvernements français, belge et luxembourgeois relative à Dexia, October 9, 2008, available at www.gouvernement.lu.

[2] i.e., Dexia S.A. and Dexia Banque Belgique S.A., Dexia Banque Internationale à Luxembourg S.A., Dexia Credit Local de France S.A. as well as their issuing vehicles.

[3] The text of the amendment is available at http://www.gouvernement.lu/salle_presse/actualite/2008/10-octobre/31-garantie/amendement.pdf – November 13, 2008

[4] Article d'actualité (News), Les gouvernements belge, luxembourgeois et néerlandais investissent 11,2 milliards d'euros dans Fortis, September 29, 2008, available at www.gouvernement.lu.

[5] Article d'actualité (News), Fortis Banque Luxembourg devient BGL-BNP Paribas, 06-10-2008, available at www.gouvernement.lu.

[6] Article d'actualité (News), *Les gouvernements belges, français et luxembourgeois ainsi que les actionnaires investissent 6,4 milliards d'euros dans Dexia*, September 30, 2008, available at www.gouvernement.lu

THE NETHERLANDS

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	ASSISTANCE TO INDIVIDUAL INSTITUTIONS	OTHER MEASURES
As of October 23, 2008, a Credit Guarantee scheme ("the scheme") set up by the Dutch State of €200 billion is operational for non-complex senior unsecured loans to financial institutions made by other financial institutions and institutional investors. These guarantees are available until December 31, 2009 to financial institutions with their principal place of business in the Netherlands and to subsidiaries established in the Netherlands of foreign banks with substantial business in the Netherlands.[1] Instruments eligible to be guaranteed are limited to securities denominated in EURO, US$ and GBP with maturities from 3 months to 3 years and extend only to non complex senior unsecured loans; "plain vanilla" commercial paper, certificates of deposit and medium term notes. Fees to be paid by participating financial institutions will depend on their creditworthiness and will be based on historical credit default swap spreads (or an approximation if necessary), with an addition of 50 basis points. Maturities of less than a year will have a fixed fee of 50 basis points. Participating institutions will also be required to meet certain	Since October 7, 2008, the Minster of Finance has decided to increase the guaranteed amount under the deposit guarantee scheme for a period of one year from €40,000 to €100,000 per person per bank (regardless of the number of accounts). Where two people have a joint account, either accountholder can claim payment under the deposit guarantee scheme. The maximum joint deposit covered is therefore €200,000. All Dutch banks that operate under a licence from the Dutch Central Bank (*De Nederlandsche Bank* (DNB)) are covered by the Dutch deposit guarantee scheme. DNB has activated the deposit guarantee scheme for accountholders of Icesave/Landsbanki Island hf. on October 13, 2008 and for the accountholders of N.V. De Indonesische Overzeese Bank (Indover) on November 11, 2008.	Given the persistent tensions in the money markets, the Eurosystem decided on October 8, 2008 that, for as long as needed, but at least until January 20, 2009, it will carry out the weekly main refinancing operations with full allotment at a fixed price. In addition, DNB will grant special credit to individual financial institutions against adequate collateral, if and for as long as necessary. The short-term financing of these institutions against collateral will hence be secured.	The Dutch State announced on October 9, 2008, a €20 billion fund to recapitalize financial institutions, with €13 billion already committed to individual institutions (see Assistance to Individual Institutions). Funds will be directly available for fundamentally sound and viable financial institutions that may run into liquidity or capital problems. €20 billion is available until January 20, 2009 to financial institutions and insurance companies through participation, preference shares or by any other means.	AEGON: On October 28, 2008, the Dutch State reinforced the capital position of AEGON Group by €3 billion. The government will obtain €3 billion in securities, which have largely the same features as shares. The capital reinforcement is made available to AEGON via the Association AEGON, which has been AEGON's largest shareholder. All members of the Executive Board will relinquish their bonuses over 2008, both in cash payments and in options or shares. AEGON will develop a sustainable remuneration policy. Resignation premiums will be restricted to one year's fixed annual pay. ING Groep N.V.: ING Groep N.V.("ING") announced on October 19, 2008, that it had reached an agreement with the Dutch government to strengthen its capital position. ING has issued non-voting core Tier 1 securities for a total consideration of €10 billion to the Dutch State. The transaction has brought ING's core Tier 1 ratio to around 8%, has strengthened the insurance balance sheet and has reduced	Reference is made in other columns.

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	ASSISTANCE TO INDIVIDUAL INSTITUTIONS	OTHER MEASURES
additional requirements on corporate governance with respect to bonuses and resignation premiums. LeasePlan: LeasePlan Corporation N.V. announced in a press release on November 24, 2008, that it has obtained a guarantee under the Scheme. Having obtained the government guarantee, LeasePlan will issue debt paper up to a maximum amount of €1.5 billion. The guaranteed issue will be placed with (inter)national investors in December 2008.				ING's debt/equity ratio to around 10%. The government has obtained the right to nominate two Supervisory Board members (and has already exercised this right on October 22, 2008), who will have the right to veto fundamental decisions. All members of ING's Executive Board have relinquished their bonuses over 2008, both in cash payments and in options or shares. Resignation premiums have been restricted to one year's fixed annual pay. Fortis: On October 3, 2008, the Minister of Finance took over all shares of Fortis Bank Nederland (Holding) N.V., Fortis Insurance Netherlands N.V. and Fortis Corporate Insurance N.V. The shares were acquired from the listed companies Fortis SA/NV and Fortis N.V., for a total of €16.8 billion. The Dutch State has thus become owner of the Fortis share in ABN AMRO Holding N.V. as well. SNS REAAL N.V.: On November 12, 2008, the Dutch State has reinforced the capital position of SNS REAAL N.V. (hereafter: SNS) by €750 million. The government has obtained €750 million in securities, which have largely	

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	ASSISTANCE TO INDIVIDUAL INSTITUTIONS	OTHER MEASURES
				the same features as shares. The government has obtained the right to nominate two Supervisory Board members, who will have the right to veto fundamental decisions. All members of SNS's Executive Board have relinquished their bonuses over 2008, both in cash payments and in options or shares. Resignation premiums have been restricted to one year's fixed annual pay.	

1 The Dutch Government issued specific rules on its Credit Guarantee scheme on October 21, 2008 which is administered by the Dutch State Treasury Agency (see <www.dsta.nl>). In order to be eligible to apply for the guarantee, the bank must inter alia be authorized to perform banking activities, be domiciled and conduct substantial business in the Netherlands, in addition to satisfying certain solvency ratios.

NEW ZEALAND

GUARANTEES OF BANK DEBT (WHOLESALE FACILITY)	DEPOSIT GUARANTEES (RETAIL SCHEME)	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS	OTHER MEASURES
A Wholesale Funding Guarantee Facility has been (the "Wholesale Facility") established to facilitate access to global financial markets by registered banks. The Wholesale Facility is available to financial institutions that have a rating of BBB- or better and have substantial New Zealand borrowing and lending operations. It is not available to institutions which are primarily financing a parent or related company, non-financial issuers (e.g., corporate or local authority issuers) or collective investment schemes. All newly issued senior unsecured negotiable or transferable debt securities by eligible financial institutions in all major currencies are eligible for coverage. The Wholesale Facility covers any paper issued until the earlier of its maturity or for up to five years. Eligible institutions are required to "opt-in" and must apply for an eligible instrument to be covered. A fee of between 85 bps p.a. and 250 bps p.a. will be charged on each issue differentiated upon the "riskiness" of the issue and the term of the security. Deposit-taking institutions that wish to participate will be	The New Zealand Government has guaranteed all deposits in institutions that 'opt-in' to the Retail Scheme to a limit of NZ$1 million per depositor per guaranteed institution. Institutions with total deposits at more than NZ$5 billion will be charged a 10 bps p.a. fee for guaranteed deposits in excess of NZ$5 billion. A further fee will be charged on the growth of deposits held by guaranteed institutions that have a total deposit value of less than NZ$5 billion.[1] The Retail Scheme extends beyond registered banks to non-bank deposit takers (finance companies, building societies and credit unions) and to collective investment schemes (such as unit trusts).[2] The opt-in scheme takes the form of a bilateral contractual agreement between the government and the individual institutions which take up the guarantee. The Treasury has discretion to decline applications to participate in the Retail Scheme. Participating institutions in the Retail Deposit Guarantee Scheme are exempted from certain provisions of the Securities Act 1978 and the Securities Regulations 1983,	On October 23, 2008, spurred by fears of a recession, New Zealand's central bank cut its benchmark interest rate by a record full percentage point to 6.5%, warning that financial market turmoil will further constrain the economy.	None as of November 25, 2008.	None as of November 25, 2008.	Additional liquidity facilities have been provided by the Reserve Bank of New Zealand to registered banks.

GUARANTEES OF BANK DEBT (WHOLESALE FACILITY)	DEPOSIT GUARANTEES (RETAIL SCHEME)	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS	OTHER MEASURES
expected to have opted-in to the Retail Scheme. Any institution which joins the Wholesale Facility will be required to agree that the securities eligible for a wholesale guarantee (whether actually guaranteed or not) are not covered by the Retail Scheme. Participating institutions will be required to have: additional capital buffers; prudential supervision; and undertaken that the foreign exchange risk associated with foreign currency borrowing will be hedged and managed. Approvals of applications to joint the Wholesale Scheme have yet to begin.	subject to certain conditions. The exemptions relate to required information about guarantors in registered prospectuses and advertisements. Guarantees for banks and non-bank deposit takers are currently being approved. Approvals of guarantees for collective investment schemes will follow.				

[1] The fee charged on institutions with less than $5 billion in deposits will only apply to the increase in total deposits since the scheme was announced (above the 10% allowed growth per annum). A further fee will be imposed upon non-bank deposit takers that are non-rated or rated BB (or below) of 300 bps p.a. New non-bank deposit takers wishing to join the scheme will need to be rated BBB- or better in order to be eligible.

[2] Non-bank deposit takers and collective investment schemes will be subject to stringent requirements under the Retail Scheme. In order to be eligible, non-bank deposit takers will be subject to increased reporting requirements, limitations on entering transactions with related companies and personal undertakings from directors. Collective investment schemes will access the Retail Scheme by way of a Deed of Nomination which allows those schemes to benefit from the Guarantees already in place without being subject to the $1 million cap. Each scheme will only be guaranteed if it: invests only in New Zealand Government securities or debt securities issued by institutions participating in the Retail Scheme; and does not increase investments in participating institutions (other than registered banks) beyond the levels that existed as at October 12, 2008.

The Wholesale Scheme and the Retail Scheme will be administered by the New Zealand Treasury. Further information can be found on its website: www.treasury.govt.nz.

NORWAY

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS	OTHER MEASURES
	NOK2 million per person.	Norges Bank has since October 1, 2008 made the following measures: ▪ Offered two-year fixed-rate loans particularly designed to secure funding for small banks. The loans are offered by auction on market terms to banks operating in Norway and are provided against collateral in the form of securities. The maximum bid for a two-year loan is NOK1 billion. ▪ Offered banks new three months fixed-rate loans of maximum NOK10 million and six months fixed-rate loans of up to NOK1 billion. ▪ Entered into an agreement with the US Federal Reserve under which Norges Bank may borrow up to US$ 15 billion against collateral in NOK. The agreement expires in April 2009. ▪ Offered banks NOK for € or US$ in auction based FX-swaps to banks active in the Norwegian money market. On October 29, 2008, the key policy rate was reduced by a 0.50 percentage point to 4.75%.		On October 24, 2008, the Norwegian government presented a NOK350 billion Government bond swap facility to be administered by Norges Bank on behalf of the Ministry of Finance. Under the swap arrangement government securities are exchanged in return for Norwegian covered bonds. The arrangement is governed by guidelines issued on November 3, 2008. The guidelines set out the requirements for the securities and their valuation. A number of securities and funds are preapproved and listed at the website of Norges Bank (www.norges-bank.no), but other types of collateral may be approved upon application. Bonds and short-term paper from Norwegian and foreign issuers are accepted as collateral. Norwegian bond and money market funds may be used as collateral on certain conditions. Securities issued by foreign entities must have a S&P or Moody's credit rating. Securities issued by foreign private entities are required to be listed on the stock exchange. It is required that securities in	In May 2008, Norges Bank and Sedlabanki Islands agreed on a swap facility entitling Sedlabanki Islands to borrow €500 million when and if the need arises. On November 3, 2008, Norges Bank announced that the agreement would be extended to December 31, 2009 on certain conditions. At the same time, Norges Bank expressed its willingness to offer Sedlabanki Islands a medium-term loan (5 years) of €500 million. Such loan will require a state guarantee. In a joint statement of November 20, 2008, the Ministers of Finance in Denmark, Finland, Norway and Sweden stated that these Nordic countries had decided to provide medium-term financing to Iceland within the framework of the IMF-supported program.

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS	OTHER MEASURES
				foreign currency issued by private entities have a minimum volume outstanding equivalent to at least €100 million. The bonds will be made available to the banks for periods of up to three years against collateral. Banks may surrender covered bonds, including bonds issued by a mortgage association within the bank group. The facility will be made available against a market-based premium. There will, however, be a floor price on the premium. The facility will be administered by Norges Bank on behalf of the Ministry of Finance. Bi-weekly auctions are planned as long as there is a demand for such government bonds. A bank may only pledge up to 20% of the outstanding volume of its loans and up to 35% of its total collateral in the form of securities issued by Norwegian banks. Banks' claims on mortgage companies issuing covered bonds will be eligible as collateral for loans. A bank's issued bonds or short-term paper are not accepted as collateral. The value of a security will, as a main rule, be based on the security's market value adjusted according to set rates available on the website of Norges Bank.	

PEOPLE'S REPUBLIC OF CHINA[1]

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS	OTHER MEASURES
		On October 9, 2008, the Chinese central bank, the People's Bank of China ("PBOC"), lowered the one-year benchmark deposit and lending rates by 0.27%, respectively. The interest rates of loans and deposits with other maturities were adjusted accordingly. On October 15, 2008, PBOC lowered the deposit reserve ratio by 0.5%. On October 30, 2008, PBOC further lowered the benchmark deposit and lending rates by 0.27%, respectively. PBOC also announced on November 3, 2008, that it will loosen its strict control over credit plans of PRC commercial banks to boost economic growth.	In September 2008, Central Huijin Investment Co., Ltd., an investment arm of the Chinese government, increased its shareholdings in each of Bank of China, China Construction Bank and the Industrial and Commercial Bank of China by two million shares through share purchases on the secondary market. Huijin intends to continue to increase its shareholdings in the three banks on the secondary market.		On November 9, 2008, the Chinese government announced an economic stimulus plan aimed at bolstering its weakening economy, a sweeping move that could also help fight the effects of the global slowdown. The government would spend an estimated $586 billion over the next two years in ten areas, including low-income housing, railway, highway and airport construction, electricity, water, rural infrastructure and projects aimed at environmental protection and technological innovation. The package is the largest economic stimulus effort ever undertaken by the Chinese government.

[1] China, according to press results, has about US$ 1.910 billion in foreign reserves as of the end of October 2008.

PORTUGAL

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS	OTHER MEASURES
State Guarantee: The Government of Portugal passed legislation fully effective from October 24, 2008 pursuant to which it will guarantee at its discretion the funding of credit institutions of up to €20 billion. The maturities of the covered credits may range between three months and five years. However, inter-bank 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 are excluded from this scheme. Qualifying institutions must demonstrate that the guarantee is required for the normal functioning of the institution. The guarantee is available to Portuguese credit institutions which inter alia demonstrate that the same is necessary in order to obtain funding. A fee will be paid by credit institutions amounting to (i) 50 bps where the guarantee's duration is one year or less or (ii) the institutions' median five years CDS spread plus 50 bps where the guarantee's duration	The Government has increased the coverage of the deposit guarantee scheme from € 25,000 to €100,000. Although the Portuguese Minister of Finance has represented in the media that the Portuguese State would cover all the deposits held with Portuguese credit institutions, the fact is that until now only the increase from €25,000 to €100,000 per depositor has been implemented.	Accounting of Bond Porfolios: The Bank of Portugal published Regulation nr. 6/2008 on October 14, 2008 aimed at allowing credit institutions to disregard the potential gains and losses of their bond portfolios for the calculation of their own funds, to the extent that such gains and losses are not related to impairment. This measure is of significant importance in the current financial crisis scenario since due to the low liquidity of bonds the banks are not able to sell them out of their trading portfolio, and until now have been obligated to account for them as potential gains or losses in the calculation of own funds.	Recapitalization Program: The Government has approved a recapitalization program of up to €4,000 million to be used to recapitalize banks, to help them reach an 8% Core Tier 1 ratio (a ratio that will become mandatory). The program has entered into force on 25th November. The stated purpose of this program was said to be to protect national banking institutions against hostile takeovers, and to create a level playing field for the Portuguese banking sector, since other jurisdictions have already implemented similar measures aimed at helping the financial sector. The reaction from credit institutions to this measure was favorable. The bill makes provision for two distinct regimes: (i) An increase in the equity levels of credit institutions which under the applicable legislation possess the necessary liquidity and soundness conditions; (ii) Direct state intervention in the recovery and remedial processes for credit institutions which have or are at risk of having an equity, solvency or liquidity level of less than the legal minimum.	Banco Português de Negócios: The Government announced on November 2, 2008 that it will submit, for parliamentary approval, the nationalization of BPN. In the mean time, the Bank of Portugal appointed two government administrators who are also directors of the state-owned bank CGD. Its shares will be valued by two independent entities to determine the amount that shareholders will receive as compensation for the nationalization. This measure was aimed at ensuring the safety of deposits and at preventing systemic risks. The nationalization comes after rescue plans directed at its recapitalization and asset sales have failed, which included a proposal to the State for the acquisition of preferential shares amounting to €600 million. According to public statements by the Governor of the Bank of Portugal, the financial disruption was the result of alleged doubtful operations by the bank that, until recently, had not been revealed on BPN accounts, reports and investigations aggravated by the current market situation and causing it severe losses and a serious liquidity shortfall.	Increase of Core Tier 1 Capital Requirements: The Governor of the Bank of Portugal announced on November 2, 2008, that Portuguese banks will be required to hold a minimum of 8% of Core Tier 1 capital (against the 4% previously required by the Bank of Portugal and the Portuguese market practice that sets it currently at 7%). Legislation protecting consumers: On November 3, 2008, a legislation was enacted requiring prior approval of Bank of Portugal for advertising complex financial products, establishing a duty to provide a prospectus to clients before subscription of such produts and in general broadening the duty of information and assistance to banking institution customers, primarily at the consumer credit pre-contractual stage. The Bank of Portugal has also submitted to public consultation a new regulation imposing new rules applicable to players upon opening of current and deposit accounts. New rules on disclosure of

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS	OTHER MEASURES
is more than one year. If the Portuguese State decides to honour a payment claim presented under the guarantee, it may (i) subscribe for capital issued by the credit institution; (ii) decide on various corporate matters of the credit institution, such as distribution of dividends or remuneration of managers; or (iii) impose compulsory administration. The legislation authorises the scheme to continue until December 31, 2009. Until now, Banco Privado Português has already requested an € 750,000,000 Portuguese state guarantee, and Banco Português de Investimento, Banco Comercial Português, Banco Espírito Santo, Santander Totta and Caixa Geral de Depósitos have confirmed that they intend to apply for it.			These measures will only apply to the capitalisation operations of Portuguese-based credit institutions carried out before 31 December 2009. (Re)capitalisation can be carried out through distinct transactions, including (i) acquisition of the credit institution's own shares or (ii) increase in the share capital of the credit institution through ordinary shares, preference shares which do not carry voting rights and shares which confer special rights; (iii) other capital securities which are admissible by law or the articles of the company; (iv) joint venture agreement or other contracts which have similar effects. The issue of the above financial instruments may also be destined for credit institution shareholders, the public or both, with a full or partial underwriting or placement guarantee by the state. At the duly-grounded proposal of the Bank of Portugal, a capitalisation operation may take on the nature of a debt issue (convertible to or exchangeable for ordinary or preference shares) without breaching the limits set out in the Portuguese Companies Code. The financial institutions that benefit from this aid will have certain obligations imposed on	Banco Privado Português: On November 19, Banco Privado Português requested a € 750,000,000 guarantee for a period of 3 years from the government. On November 24, the Governor of the Bank of Portugal advised the Government not to issue such a guarantee, in view of the small dimension of the Bank, and of the fact that only a fraction of its business is directed to the granting of credit to customers (the main business of this bank is private banking). More developments are excepted shortly.	information: On November 3, 2008, a legislation was passed increasing the information to be provided to the Bank of Portugal by the credit institutions, particularly in relation to (i) the risks incurred, including the exposure level of different types of financial instruments; (ii) the risk management and control practices to which they are or may be subject; (ii) the methods used in valuing their assets, in particular those which are not traded in high liquidity and transparent markets. Possible waiver / increase of requirements applicable to investment funds: The above mentioned legislation also provides for the temporary waiver of compliance with certain matters related to investment fund management, at the request of the interested parties; (i) the portfolio composition regime, its limits, techniques and instruments for investment fund management; (ii) the terms and conditions for financing investment funds; (iii) carrying out operations with related funds and entities; (iv) the vagaries which investment funds are liable to, particularly with regard to mergers, splits, transformation, liquidation and division of funds. Conversely, the same legislation

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS	OTHER MEASURES
			them, such as financing the economy, including families and SMEs, the implementation of good corporate governance practices and a pay and dividends policy as well as increased contributions to the Deposit Guarantee Fund (conditions to be set by order of the Ministry of Finance).		imposes additional duties on investment funds and their respective managers, depositaries or marketing entities in exceptional situations including turmoils in the financial instruments market. Review of the financial sector penalty regime: A legislative bill has been presented to Parliament by the Government with a view to enhancing the penalty regime for the financial sector in criminal and administrative offence matters, modernising - and bringing into line - the punitive framework and the amounts of the fines to the size and characteristics of the current financial sector.

REPUBLIC OF KOREA[1]

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS	OTHER MEASURES
On October 19, 2008, the Korean government announced that it will guarantee the foreign-currency debt of local banks borrowed up to June 30, 2009. On October 30, 2008, the National Assembly approved the Korean government's bank debt guarantee program up to a limit of US$ 100 billion. Each bank participating in this program will be subject to a 1% per annum guarantee fee. On November 14, 2008, 18 local banks executed a memorandum of understanding pertaining to the Korean government's bank debt guarantee program and the banks' plans for efficient management with the Financial Supervisory Service.	On November 6, 2008, the South Korean government published its proposal regarding amendments to the deposit insurance regulations so that foreign-currency deposits would be covered by deposit insurance.	**Foreign currency liquidity provision:** On October 6, 2008, the Korean government provided US dollar liquidity in the amount of US$ 15 billion by utilizing the foreign equalization fund. On October 19, 2008, the Korean government announced plans to provide loans of US$ 20 billion to local banks by utilizing the foreign equalization fund and the Bank of Korea announced plans to provide US$ 10 billion to local banks through swap transactions. On November 13, 2008, the Bank of Korea announced plans to provide US$ 10 billion to local banks for export financing of small and medium businesses. KRW liquidity provision: On September 18, 2008, the Bank of Korea provided KRW 6.5 trillion to the financial market through repo transactions, etc. On October 23, 2008, the Bank of Korea increased the credit line for support of small and medium businesses from KRW 6.5 trillion to KRW 9.0 trillion. On October 24, 2008, the Bank of Korea provided KRW 2.0 trillion to non-bank financial	On November 3, 2008, the Korean government announced plans to inject funds into state-run banks and other financial institutions to strength their credit extension capacity: - The Korea Development Bank: KRW 500 billion - Industrial Bank of Korea: KRW 500 billion - The Export-Import Bank of Korea: KRW 300 billion - Credit Guarantee Fund and Kibo Technology Fund: KRW 500 billion - Korea Housing Finance Corporation: KRW 100 billion		**Bond Market Stabilization Fund:** On November 13, 2008, the Korean government announced plans to set up a KRW 10 trillion bond market stabilization fund that will mainly invest in bonds issued by corporations and financial companies. Specific management plans, including how the necessary funds will be procured, will be announced shortly.

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS	OTHER MEASURES
		institutions indirectly through repo transactions with Korea Securities Finance Corp. On October 27, 2008, the Bank of Korea included bank bonds as securities eligible for repo transactions and announced that it would purchase KRW 5 trillion to 10 trillion of bank bonds through repo transactions to provide liquidity to the banking sector.			

1 As of November 21, 2008.

RUSSIA

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS	OTHER MEASURES
	With effect from October 17, 2008, the Central Bank of Russia (the "CBR") increased the maximum amount, which in accordance with the requirements and procedures established by Russian legislation, is payable by the CBR to an individual depositor having a claim against an insolvent Russian bank, from RUR 400,000 (approximately US$ 14,815) to RUR 700,000 (approximately US$ 25,925).	With effect from September 18, 2008, the CBR, aiming to stabilise the situation in the Russian financial markets and to support liquidity in the Russian banking sector, decreased interest rates on loans from the CBR secured by the pledge of promissory notes, receivables or suretyships provided by credit organisations as follows: from 8% to 7.5% per annum for rouble loans with a term of up to 90 calendar days; and from 9% to 8.5% per annum for rouble loans with a term of 91 to 180 calendar days. At the same time, the CBR raised the adjustment coefficient to calculate the value of security on the loans provided by the CBR, which is calculated based on potential fluctuations or changes in price of securities, and which is intended to decrease the CBR's risks related to the potential depreciation of the security. With effect from September 18, 2008, the CBR decreased the interest rate on collateral loans with a term of one day from 9% to 8%. In order to further improve market liquidity, in October 2008, the CBR took the following measures: (i) with effect from October 15,	As of November 19, 2008, the Russian Government had allocated approximately RUR 5.7 trillion (approximately US$ 211 billion) to stabilise the situation in the Russian markets. Of this, the Russian Government spent RUR 175 billion (US$ 6.5 billion) on highly-rated and liquid Russian shares and bonds to support liquidity in the Russian stock market. RUR 450 billion (US$ 16.6 billion) was earmarked to provide long-term subordinated loans to Russian banks on favourable terms, RUR 200 billion (US$ 7.4 billion) was allocated to VTB to provide loans to Russian enterprises to support the real economy sector and RUR 25 billion (US$ 925 million) was provided to Rosselkhozbank (a Government-owned bank active in the agricultural sector) to support its lending program. In addition, the Russian Government contributed RUR 60 billion (US$ 2.2 billion) to the charter capital of Agency for Housing Mortgage Lending thereby significantly increasing its capacity to refinance the mortgage portfolios of Russian banks. On October 13, 2008, Russia adopted the Federal Law No.173-FZ "On Additional Measures Regarding Support of the Russian Financial System",	There have been reports that Russia will acquire up to US$ 20 billion of equity in various Russian companies in order to support the stock market. A number of transactions were recently announced relating to the purchase by entities allocated with the Russian Government of shares in various Russian companies and banks. For example, the Russian Federal Agency for Management of Federal Property purchased 3.3% of the shares in a large diamond-mining company "ALROSA" and is now holding a controlling stake in the company (50.9%). A controlling stake in Svyaz-Bank was bought by Vnesheconombank (the transaction was announced on September 23, 2008). In addition, on October 27, 2008 Vnesheconombank's board of directors approved the purchase of 99% of the shares in Globex Bank for the purposes of further stabilization of the Russian banking sector. A controlling stake in KIT-Finance was bought by Russian Railways (the transaction was announced on October 8, 2008); Sobinbank was bought by Gazenergoprombank (the transaction was announced on October 15, 2008), Yarsotsbank was bought by Promsvyazbank (in October 2008), Russian Capital Bank was bought by the	On November 20, 2008, the Russian Government announced its proposed measures aimed to support Russia's real economy sector, which provide, amongst other, for certain tax advantages for businesses. In particular, with effect from January 1, 2009, profit tax will be decreased from 24% to 20%, which will leave RUR 400 billion with Russian companies. Tax for small business is expected to be decreased in Russia's regions from 15% to 5%. According to the estimates of the Russian Ministry of Finance, the announced package of tax measures will cost RUR 556.6 billion. RUR 50 billion will be provided by the Russian Government to prevent the insolvency of Russian military industrial enterprises, to increase funding of interest rate and to invest in such enterprises' capital.

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS	OTHER MEASURES
		2008, the CBR reduced its reserve requirements as follows: on liabilities to individuals (in roubles) from 1.5% to 0.5%; on credit institutions' liabilities to non-resident banks (in roubles and foreign currency) from 4.5% to 0.5%; and on credit institutions' other liabilities (in roubles and foreign currency) from 2.0% to 0.5%. This new legislation brings the CBR reserve ratios to unprecedentedly low levels. These new reserve requirements are valid until February 1, 2009. On February 1, 2009 the CBR expects to raise these requirements by one percentage point, then again by another one percentage point on March 1, 2009; (ii) the interest rate on loans from the CBR secured by the pledge of promissory notes, receivables or suretyships provided by credit organisations was decreased by 0.25% to 8.25% per annum for rouble loans having terms of between 91 and 180 calendar days; (iii) the term for secured loans was raised from 30 to 90 calendar days; and (iv) the CBR was granted the right to provide rouble loans to Russian banks with no collateral for a term of up to six months. On October 3, 2008, the CBR	pursuant to which the CBR provided Vnesheconombank (VEB) with US$ 50 billion (from the CBR's gold and currency reserves). VEB was given a mandate to refinance Russian major companies' debt to foreign banks, which arose before September 25, 2008. VEB's public criteria are to extend loans of between US$ 100 million and US$ 2.5 billion for one year at a minimum of 500 basis points above LIBOR. As of October 29, 2008, VEB had approved loans in the amount of approximately US$ 10 billion (out of applications for loans exceeding US$ 100 billion, approximately US$ 70 billion from Russian banks and approximately US$ 30 billion from Russian corporates). The CBR provided Government-owned Sberbank, which suffered an unprecedented withdrawal of retail deposits in October 2008 (approximately RUR 80 billion (US$ 2.9 billion), representing 2.5% of its retail deposits base, with a RUR 300 billion (US$ 11.1 billion) subordinated loan in addition to the RUR 150 million (US$ 5.5 billion) subordinated loan. In September 2008, the Russian Ministry of Finance, with the CBR's approval, relaxed the requirements for Russian banks to participate in state auctions	National Reserve Bank (the transaction was announced on October 23, 2008); VEB's board of directors approved the purchase of 99% of the shares in Globex Bank on October 27, 2008. According to the official announcements, these transactions were made to support the banks which had become technically insolvent and could no longer perform their obligations to the depositors and creditors.	

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS	OTHER MEASURES
		expanded the list of the assets, which can be provided as security on the loans granted by the CBR. In addition to the assets accepted by the CBR previously as security (such as promissory notes or receivables), the CBR allowed issues of bonds to be provided as security on its loans as well, provided that such bonds meet the following criteria established by the CBR: (i) the relevant issue of bonds is included into a list of issues of bonds (published in "Vestnik of the CBR"), which can be accepted by the CBR as security in accordance with the decision of the CBR's board of directors; (ii) the bonds are registered on the securities (depo) account opened with a depository; (iii) the bonds are owned by the borrowing bank, these are not charged by any other obligations of the bank and there are no disputes and/or submitted claims in respect of the bonds; (iv) the bonds have to be repaid not earlier than 6 days after the repayment date under the CBR loan; and (v) the borrowing bank is not the issuer of the bonds to be provided as security. On October 23, 2008, the Federal Law "On Additional Measures Aimed to Strengthen Stability of the Banking System for the Period until 31 December, 2011" was adopted, with effect from October 28, 2008, giving the state-run Bank	with a view to placing budgetary funds with banks more efficiently, which allowed Russian banks to attract more funds from the Russian Ministry of Finance. In particular, 25 more banks (in addition to Sberbank, VTB and Gazprombank) were allowed to participate in state auctions. The following requirements were applied to such banks: general banking licence issued by the CBR; own funds of not less than 5 billion roubles; no budgetary funds-related indebtedness; obligatory participation in the deposit insurance system; and long-term solvency rating not less than "BB-" by Fitch and Standard & Poor's and "Ba3" by Moody's. In October 2008, the Russian Ministry of Finance further relaxed these requirements to allow participation in state auctions by banks having long-term solvency rate "BBB-" and "BB+". In addition, the Russian Ministry of Finance increased the amount of temporarily available budgetary funds from RUR 668 billion (US$ 24.7 billion) to RUR 1.514 trillion (US$ 56 billion) to support the liquidity of the Russian banking sector. State corporation "Deposit Insurance Agency" (DIA) has started to apply the RUR 200 billion (US$ 7.4 billion)		

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS	OTHER MEASURES
		for Development and Foreign Economic Activities (Vnesheconombank) 1.3 trillion roubles (US$ 50 billion) to pay off or service Russian legal entities' foreign loans obtained before September 25, 2008. It came after President Dmitry Medvedev announced RUR 950 billion (US$ 36.4 billion) of long-term help for banks at an emergency Kremlin meeting on October 7, 2008. Further, this legislation provides that in order to strengthen stability of the Russian banking system and to protect creditors' interests, if a Russian bank shows any signs of financial instability threatening the legal interests of its depositors and creditors, the CBR and the state-run "Deposit Insurance Agency" (the "DIA"), are allowed to take measures to prevent such bank's insolvency. In particular, the DIA and the CBR can, amongst other things, provide loans; acquire shares or participatory interests in such bank's charter capital in such amounts as allow them to make decisions within the competence of the bank's shareholders or participants; perform functions of temporary administration on the basis of the relevant CBR decision; and arrange auctions for the bank's assets representing collateral in respect of the bank's obligations.	provided to it by the Russian Government to prevent the insolvency of Russian banks. DIA has the authority to prevent the insolvency of Russian banks, by taking measures, which include providing financial assistance to the persons that acquire shares (participation interest), assets or liabilities (or their part) of a bank; providing financial assistance to the bank (provided that DIA or investors will be purchasing shares (participation interest) of the bank in the amount, which would allow them to make decisions within the competence of the bank's shareholders (or participants). For example, on November 14, 2008, DIA entered into an agreement for Probusinessbank to acquire Gazenergobank. Under the agreement, Probusinessbank as investor will acquire Gazenergobank's shares and will elaborate a plan for the financial rehabilitation of Gazenergobank with the aim of settling Gazenergobank's creditors' claims by March 1, 2009. DIA, in turn, undertakes to provide financial assistance to Probusinessbank to assist it to fulfil its obligations under the agreement and to monitor the execution of the approved plan of Gazenergobank's financial recovery. On October 14, 2008, to support the liquidity of the Russian banking system, the CBR		

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS	OTHER MEASURES
		For the purposes of the above-mentioned law, on November 1, 2008, the CBR approved the model form of the agreement between the CBR and credit organisations, which provides for compensation by the CBR of part of the losses or expenses incurred by the credit organisation as a result of its transaction(s) made with other credit organisations (if their banking licences have been revoked) on or after October 14, 2008 until December 31, 2008 (inclusive). As of November 20, 2008, the CBR concluded such agreements with MDM Bank, Raiffeisenbank and Sberbank. The CBR also offered the same possibilities to other major Russian banks. These measures are aimed at stabilising the situation in the Russian interbank market.	increased fixed interest rates on operations with deposits, with effect from October 15, 2008, which is aimed at encouraging companies and individuals to make depositors. To decrease the outflow of capital from Russia and to restrain inflation, with effect from November 12, 2008, the CBR increased the refinancing rate (i.e. an interest rate applied by the CBR to credit organisations and depositary institutions that borrow funds from the CBR, which influences interbank market rates and deposit interest rates) by 1% to 12%. This measure is intended to increase the return on borrowed assets. The specific mechanisms of government support have not been disclosed and there are reports that the situation in Russia may be exacerbated by geo-political tensions.		

SLOVENIA

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS	OTHER MEASURES
As of November 20, 2008 Slovenia may guarantee loans granted to credit institutions with a registered seat in Slovenia up to maximum nominal amount of €12 billion. Only loans with maturities from three months to five years are eligible. The guarantee does not extend to structured financial instruments, subordinated debt and loans to related entities. Participating institutions may also be required to meet certain additional requirements on corporate governance with respect to bonuses, dividends payments and other requirements.	Slovenia has implemented the amendment of the Banking Act (OG of the RS no. 131/06 as amended) pursuant to which the amount of the guaranteed deposit is not limited anymore.[1] The measure is valid from November 20, 2008 to December 31, 2010.		The amendment of the Public Finance Act (OG of the RS no. 79/99 as amended) provides the Government with the power to recapitalize credit institutions, insurance companies, reinsurance companies and pensions companies with registered seat in Slovenia. Detailed provisions have not been adopted yet. Participating institutions may also be required to meet certain additional requirements on corporate governance with respect to bonuses, dividends payments and other requirements.	The amendment of the Public Finance Act provides the Government with power to purchase troubled financial assets of credit institutions with a registered seat in Slovenia. Credit institutions may also be required to meet certain requirements on corporate governance.	The amendment of the Public Finance Act provides the Government with power to grant loans to credit institutions, insurance companies, reinsurance companies and pensions companies with registered seat in Slovenia. The beneficiaries may also be required to meet certain requirements on corporate governance.

[1] Before the respective amendment the amount of the guaranteed deposit was limited to €22,000.

SPAIN

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS	OTHER MEASURES
The Spanish Minister of Economy and Finance has been authorized by Royal Decree to guarantee new funding operations of Spanish credit entities. In 2008, €100 billion is available for the Spanish government to guarantee issuances of debt instruments traded on official Spanish secondary markets. [1] The guarantees are available until December 31, 2009. The expiry date of the guaranteed transaction must not exceed five years. On November 21, 2008, through a Ministerial Order, the Spanish Minister of Economy and Finance has established: (i) The main features of the guarantees including among them, the irrevocable and unconditional nature of the guarantees and the waiver of the benefit of prior exhaustion of the guaranteed entity's assets. (ii) The entities eligible to adhere to the guarantee scheme: Spanish credit entities and consolidated groups of Spanish credit entities provided that (a) they have a share of at least 0,1% of the aggregate outstanding amount of loans and credits to Spanish residents and (b) have issued in the previous five years securities of like	The Spanish government has implemented the Economic and Financial Affairs Council of the Council of the European Union ("ECOFIN") agreement on raising depositor guarantee levels by increasing the maximum amount guaranteed by the Deposit Guarantee Fund and the Investment Guarantee Fund from €20,000 to €100,000 per account holder and entity. This measure is applicable to deposits of cash or securities in credit entities and investment services firms authorized to operate in Spain, including those that are subsidiaries of foreign credit entities or foreign investment services firms as well as the branches of such entities which are adhered to these funds.		The Government has also authorized the Minister of Economy and Finance until December 31, 2009, to acquire, upon request of the relevant entity, securities, preferred shares or other similar capital instruments issued by Spanish credit entities. The securities that the Government acquire will not be subject to the limitations established by the legislation for regulatory capital purposes. Purchase agreements will be finalized following the issuance of a report by the Bank of Spain. To date no entity has requested the Minister of Economy and Finance to subscribe for its securities.	In a move to drive liquidity, the Financial Assets Acquisition Fund (the "FAAF") has been established (on a temporary basis) to invest in the financial assets of credit entities or securitisation funds backed by loans granted to individuals, companies and non-financial entities. Assets backed by new credit transactions originated on or after October 7, 2008 will have priority for the purpose of its acquisition by the FAAF. The FAAF will be financed through the issuance of Government bonds. €30 billion is available and may be increased to €50 billion if required. Unlike the U.S. TARP, the FAAF targets high quality assets of the financial institutions rather than troubled assets. On October 31, 2008, the Minister of Economy and Finance issued the corresponding developing regulations governing its operation, and the General Director of the Treasury and Financial Policy, as secretary of the Governing Council of the FAAF, published the composition of the Executive Committee (the body that manages the FAAF) and the criteria for the selection of	On November 3, 2008, Spain introduced a mortgage moratorium for the unemployed. Jobless workers and pensioners with families to support will be allowed to delay half their mortgage payments for up to two years. The maximum eligible mortgage will be €170,000.

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nature to those for which the State guarantee is sought. (iii) The financing transactions that may be guaranteed, which comprise issuances of unsecured and unsubordinated commercial paper, bonds and notes in Spain with a maturity of between 3 months and 3 years (securities with a longer maturity, up to 5 years, are eligible for guarantee subject to a report by the Bank of Spain) and which meet other conditions, including the requirement of a minimum issuance amount of 10 million euros. (iv) The basis for calculation of the fees to be charged by the State for the granting of the guarantee. (v) The maximum amount of guarantees to be granted to each individual entity and the procedures to be followed for the granting of the guarantees. The State will guarantee only the principal of the loan and the ordinary interests. In the event that the issuances are made in foreign currencies, the guarantee will not cover the exchange risk which will be borne by the issuer. Finally, in the event of enforcement of the guarantee, the Government shall notify the Bank of Spain so that it can				assets eligible for purchase. The selection of assets to be purchased by the FAAF will be made by auctions to be held on or before December 31, 2009, where the bids submitted may be competitive or not-competitive. The assets in which the FAAF may invest by way of firm and definitive purchases include mortgage-backed bonds and asset-backed securitization bonds, and by way of sale and repurchase (repo) transactions the FAAF may invest in mortgage-backed bonds, asset-backed securitization bonds and mortgage-backed securitization bonds (backed by loans granted to individuals, companies and non-financial entities) provided they meet certain requirements regarding: (i) the date of issuance, (ii) admission to trading on a regulated market, (iii) credit rating, and (iv) maturity date or estimated average maturity. The results of the auctions will be published on the website of the FAAF within a maximum period of three business days, including the following details: (i) the aggregate amount of the bids received, (ii) the amount effectively allocated to the bids, (iii) the total number of bids, (iv) the number of allocated bids, (v) the marginal rate of the auction, and (vi) the weighted average rate of the auction.	

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analyze if the requirements for intervention of the guaranteed entity are met.				The first auction was held on November 20, 2008 and the acquisitions of assets were made by way of sale and repurchase (repo) transactions. The FAAF acquired assets worth €2,115 million of the €5,000 million available. The remainder €2,885 million will increase the €5,000 million set aside for the next auction, which will be held on December 11, 2008 and will be conducted by way of firm and definitive purchases of assets.	

SWEDEN[1]

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS	OTHER MEASURES
A guarantee scheme was introduced the last days of October 2008 in order to secure the medium term financing needs of Swedish banks. The total amount which may be guaranteed under the program is SEK1,500 billion; hereof 500 billion may be allocated to covered bonds with terms of three to five years. The program is open until April 30, 2009, but may be extended until December 31, 2009. Eligible under the guarantee scheme are Swedish banks, savings banks and credit market companies that have a considerable share of their lending secured by real estate pledges. Moreover, it is required that an applying bank or credit market company satisfies certain requirements regarding capital adequacy, i.e. in respect of the Tier 1 capital ratio and the capital base, and if considered sufficiently capitalised it will be eligible. Guarantee undertakings which are issued to an individual bank may not from time to time exceed the higher of (i) the aggregate of maturing debt instruments issued by the bank and (ii) 20% of bank's deposits on account from the public as at September 1, 2008. The National Debt Office (the	Effective as of October 6, 2008, Sweden has amended the Act (1995:1571) on Deposit Guarantees such that the government guarantee for deposits was increased from SEK250,000 up to a maximum amount of SEK500,000.		The Swedish Government will provide a fund to recapitalise banks if required as well as providing banks with liquidity (a capital injection will likely be in the form of preference shares). (see other columns.)	Kaupthing Bank hf.: Riksbank will loan as much as SEK5 billion (US$ 700 million) to the Swedish unit of Kaupthing Bank hf., after the subsidiary failed to meet payment obligations and was put up for sale. Swedbank: On November 4, 2008, Swedbank (the country's largest savings bank) became the first Swedish bank to seek state help to lower its funding costs by signing up for the government's SEK1,500 billion guarantee program. Swedish banks had suffered little direct impact to the credit crisis because they had little subprime exposure, but are now suffering from short-term liquidity pressures and longer-term concerns over the slowdown in the Nordic and Baltic economies. Carnegie Investment Bank: On October 26, 2008, the Swedish Riksbank granted a credit of SEK1 billion to Carnegie Investment Bank in order to avoid a possible default situation for the bank. On October 28 the credit was increased to a maximum of SEK5 billion. As security for the credit, the parent holding company D Carnegie & Co AB, pledged i.a. all of its shares in	On October 30, 2008, the Act (2008:814) on State Support to Credit Institutions came into force. Pursuant to the provisions of the Act, state support in the form of guarantees, capital contributions or otherwise may be provided to Swedish banks and credit institutions (credit market companies) if deemed necessary to prevent serious disruption to the Swedish financial system. If the support takes the form of a capital contribution to the affected institution this will be against preference shares with higher voting rights than existing shares. The State can also provide support by underwriting (and guaranteeing) a new share issue. The Act provides that any state support must be commercially sound and not distort competition. Moreover, the terms and conditions of any state support must be drafted such that the existing shareholders of the institution bear any losses incurred by the institution. The Act also gives the State the right to redeem the shares of a credit institution under certain circumstances – i.e., if the institution or its shareholders have refused to accept the

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"Debt Office") will request applying banks to enter into a Guarantee Agreement with the Debt Office. Under the terms of the Guarantee Agreement, the banks have to restrict compensation levels to the top five executives, such that their salaries must not be increased and bonuses or stock options not granted as long as the Guarantee Agreement is in force. There is also a commitment not to increase the remuneration to Board directors. Moreover, the terms of the Guarantee Agreement further provide that the relevant bank may not refer to the government guarantee when marketing credit and the bank will also have to undertake not to significantly expand its activities, if the expansion would not have taken place in the absence of the government guarantee. The Government guarantee may be issued in respect of bonds and other instruments subject to trading on the capital market. The relevant bank's debt instrument must have a term of more than 90 days but less than 3 years, except for covered bonds which may have a term of up to 5 years. A guarantee issued by the Swedish State (the Kingdom of Sweden) through the Debt Office, will be irrevocable and unconditional (subject to the terms of the guarantee). There				Carnegie Investment Bank and Max Matthiesen (insurance brokers and pension consultants). The credit was subsequently assigned to the Debt Office. On November 10 the Swedish FSA withdrew Carnegie's banking licence (for violations of banking regulations., i.a the large exposures provisions). Following the withdrawal of the banking licence, the Debt Office, under the pledge agreement, took over the title to the shares in the banking company and the insurance brokers. As a result of the takeover, the FSA reconsidered its decision and in view of the new ownership, revoked its withdrawal decision and instead issued a warning to the bank.	terms for state support; provided that the Settlement Board (for settlement of disputes concerning support provided under the Act) has declared the terms of the proposed support not to be unreasonable. The Act provides for the establishment of a stabilization fund. The fund will be financed through fees collected from the banks and credit institutions. It is expected that the fund will reach SEK150 billion within a period of 15 years. The fund will be administered by the National Debt Office. Iceland: On November 5, 2008, officials from the central banks and finance ministries of Norway, Sweden, Finland and Denmark held a meeting in Stockholm to discuss their contributions to a $6 billion rescue package for Iceland. The four Nordic nations have said that they are willing to support Iceland, but only after it agreed to design and implement an economic stabilisation plan in association with the IMF. The loans would also require approval from the respective countries' parliaments.

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is no requirement to exhaust any remedies against the bank issuer prior to making a demand under the guarantee. Banks availing themselves of the state guarantee will have to pay a fee, based on the Recommendations on Government Guarantees on bank debt issued by the European Central Bank October 20, 2008. The fee payable is based on market benchmarks and will take into account institution-specific risk (median spread for credit default swaps or credit rating) plus a mark-up of typically 50 basis points. The Swedish Government guarantee scheme has been notified and approved by the European Commission (State Aid N 533/2008). At this point in time only one major Swedish commercial bank has joined the scheme, whereas the three other major Swedish banks have indicated a reluctance to join. It is believed that the banks have issues with the (i) the fee and (ii) the restriction imposed on any expansion by the banks.					

[1] In summary, the Swedish stabilization measures include the implementation of a general framework for giving state support to ailing credit institutions, the creation of a stabilization fund and a temporary guarantee program. The guarantee program is governed by the Ordinance (2008:819) on State Guarantees for Banks and the National Debt Office Regulation (2008:1) concerning State Guarantees for Banks.

SWITZERLAND

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES[2]	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS	OTHER MEASURES
The government did not take any ad hoc measures to guarantee inter-bank debt. However, in connection with the bill seeking the approval of the UBS recapitalization measure, it expressly mentioned that it would act should the prevailing conditions require such action.	The Federal Council, the Swiss executive, has to presented a bill to increase the limit of the deposit insurance scheme. The Bill which is due to be discussed in Parliament in December, will increase the deposit guarantee to CHF 100,000 (or roughly €66,666). The system will continue to be based on an insurance but with an increased capped at CHF 6 billion (approx. €4 billion). However, in addition to this insurance system, institutions with guaranteed deposits exceeding CHF 6 billion will have to cover these deposits by holding approved securities in an amount equal to 125% of the guaranteed deposits. Whereas until now individual retirement accounts (so-called 3a accounts) were added to an individual's ordinary savings for the purposes of the deposit guarantee system, under the revised bill they will be treated as separate claimants. Thus, a given person may receive up to CHF 200,000 (or €133,333) in guaranteed deposits: half of them through its individual savings and the other half through the investment retirement account.[7] Currently the limit is set at CHF 30,000, or roughly €20,000, provided the aggregate amount paid under the deposit	The Swiss National Bank ("SNB") and the Swiss Central Bank, took several special measures to overcome the financial crisis using open market transactions: USD Auctions: Since December 2007, in conjunction with the Federal Reserve and the ECB, it repeatedly injected liquidity through several US$ auctions. CHF Liquidity Facilities: In October 2008, acting with the ECB to improve the liquidity of the Swiss Franc, the SNB entered into a EUR/CHF swap, allowing the ECB to auction Swiss Francs to Eurosystem Institutions. This measure sought to offer Swiss Francs to financial institutions that do not have access to the normal open market operations of the Swiss National Bank. To neutralize the monetary effect of this added liquidity, it issued CHF-denominated SNB Bills with a seven-day term. In November 2008, the Swiss National Bank entered into a similar arrangement with the Narodowy Bank Polski ("NBP"), the Polish central bank, allowing the NBP to offer banks in its jurisdiction Swiss Francs against	Credit Suisse Group AG: On October 16, 2008, Credit Swiss raised CHF 10 billion Tier 1 capital through a combination of a sale of treasury shares, the issuance of a mandatory convertible bond and the issuance of a non-dilutive hybrid instrument through a private placement with a group of investors, including a wholly owned subsidiary of the Qatar Investment Authority.[3] UBS AG: In December 2007, UBS raised CHF 15 billion in Tier 1 capital through the sale of treasury shares and the private placement of a CHF 13 billion mandatory convertible note with the Government of Singapore Investment Corporation Pte. Ltd., the sovereign state fund of the Government of Singapore and a private investor.[4] In June 2008, UBS AG carried out a CHF 15.97 billion rights offering.[5] On October 16, 2008, the Federal Council and the Swiss National Bank announced a concerted effort to recapitalize UBS AG. The measure is divided into two legs: First, the Federal Council, acting	*See recapitalization measures.* UBS will transfer US$ 60 billion in illiquid securities of its balance sheet. This sale will be financed by a US$ 54 billion loan from the Swiss National Bank at LIBOR plus 250 basis points. The Swiss National Bank will control the SPV and will be entitled to an equity kicker of CHF 1 billion plus 50% of any remaining equity after repayment of the loan in principal and interest.	The Federal Council, the Swiss executive, has announced in connection with the bill seeking the approval of the UBS recapitalization that it would on a case-by-case basis provide similar assistance to other banks of systemic relevance.

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES[2]	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS	OTHER MEASURES
	insurance scheme does not exceed CHF 4 billion or roughly €2.66 billion. Certain financial institutions, e.g. some cantonal banks and Post Finance, benefit from a statutory guarantee from their canton or, in the case of Post Finance, the Federal Government.	Polish Zlotys.	on the basis of its emergency powers, will subscribe a CHF 6 billion mandatory convertible note with two-and-half-year term and paying 12.5% p.a. Second, UBS AG will transfer up to US$ 60 billion in illiquid securities and other assets of its balance sheet. This transaction will be financed by a US$ 6 billion equity payment by UBS and a US$ 54 billion non-recourse 12-year loan from the Swiss National Bank. The loan will bear LIBOR plus 250 basis points. The entity will be controlled by the Swiss National Bank, which upon repayment of the loan in principal and interest, will be entitled to an equity kicker amounting to US$ 1 billion and 50% of any remaining equity.[6] The parliament will be called upon to approve the CHF 6 billion mandatory convertible bond subscribed by the Swiss government. Glarner Kantonalbank: More anecdotally, on October 29, 2008 the Parliament of the Canton of Glarus announced that it would provide an additional CHF 20 million capital to the Glarner Kantonal Bank, a bank controlled by the canton. In any case, deposits with the Glarner Kantonalbank		

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			are subject to an unlimited guarantee by the Canton of Glarus.		

1 See http://www.credit-suisse.com/news/en/media_release.jsp?ns=40924.

2 See generally http://www.snb.ch/en/ifor/media/id/media_releases.

3 See http://www.credit-suisse.com/news/en/media_release.jsp?ns=40924.

4 See http://www.ubs.com/1/e/about/news/archive/archive10?newsId=133686.

5 See http://www.ubs.com/1/e/about/news/archive/archive10?newsId=143689.

6 See http://www.snb.ch/en/mmr/reference/pre_20081016_1/source/pre_20081016_1.en.pdf;

See also http://www.efd.admin.ch/aktuell/medieninformation/00462/index.html?lang=en&msg-id=22019.

See also http://www.ubs.com/1/e/about/news.html?newsId=154213; and

See also http://www.ebk.admin.ch/e/publik/medienmit/20081016/mm-massnahmenpaket-20081016-e.pdf.

7 http://www.efd.admin.ch/00468/index.html?lang=fr&msg-id=22499

UKRAINE

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS	OTHER MEASURES
Law no.639-VI dated October 31, 2008 on immediate measures to prevent negative consequences of the financial crisis and amending certain laws of Ukraine, allows the Ukrainian government to issue state guarantees of an amount up to UHR 10 billion in 2008.	Since October 31, 2008 deposits are guaranteed for UHR 150,000 (approx. US$ 26,000). At least UHR 1 billion will be transferred annually to the Guarantee Fund of Physical Persons Deposits.	The National Bank of Ukraine adopted a special regulation on October 11, 2008 (No. 319) which has been amended several times already. The regulation boosts bank liquidity maintenance on the basis of financial recuperation programs, requires banks to make currency exchange at the official rate fixed by the National Bank of Ukraine, and restricts free remittance of currency abroad. To maintain banks'[1] liquidity under programs of financial sanitary, the National Bank of Ukraine is ready to render to such banks credits at 15% per annum for 1 year within 90% of given collateral. In case of decrease of termed deposits for 2% within 5 banking days, a bank may apply to the National Bank of Ukraine for a credit amounted up to 60% of its statutory capital for liquidity maintenance under above stated conditions. Collateral bankshares to be submitted shouild equal 51%.	Law no.639-VI introduces special procedures to accelerate banks' capitalization.	Law no.639-VI allows the Ministry of Finance to purchase shares of Ukrainian banks.	The IMF announced on October 26, 2008 that it has reached a tentative agreement with Ukraine for a US$ 16.5 billion loan. The loan is contingent on the Ukrainian government passing specific legislation to address financial sector liquidity and solvency. The National Security Council proposed limiting imports under Article 12 of GATT on October 20, 2008. The President of Ukraine (under Decree N 1046/2008 dated November 17, 2008) transferred UHR 50 billion (approx. US$ 8 billion) to the Stabilization Fund in 2009, including UHR 10 billion in the first quarter of 2009. The Stabilization Fund may be used among others to cover, re-finance a service of credits obtained before September 15, 2008 by Ukrainian banks and companies.

[1] The National Bank of Ukraine will maintain only banks organized as open joint stock companies with paid statutory fund of UHR 500 million (approximately US$ 81 million).

UNITED ARAB EMIRATES ("UAE")[1]

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS	OTHER MEASURES
The government has guaranteed inter-bank lending in local institutions. On October 14, 2008, the Prime Minister ordered the transfer of AED 70 billion to the Ministry of Finance to inject further liquidity to banks. The UAE has previously injected AED 50 billion of liquidity to banks to encourage inter-bank lending.	The government has guaranteed deposits and inter-bank lending in local institutions and on Monday, October 13, 2008 the UAE extended its three-year guarantee on deposits to foreign banks after concerns grew that the previous day's decision to guarantee such monies in local institutions could trigger runs on the 28 foreign banks operating in the emirate.	On September 22, 2008, the UAE central bank launched an emergency funding facility for its banks, pumping as much as AED 50 billion (€9.3 billion, £7.4 billion, $13.6 billion) into the banking sector in order to help the local interbank market. The UAE Ministry of Finance offered a further AED 70 billion ($19 billion) liquidity injection to domestic banks, on top of the AED 50 billion ($13.6 billion) on offer at the central bank. On October 8, 2008, the UAE central bank cut its base rate by 0.5% in a move timed to coincide with other central banks.			

1 The information in this table is up to date as of November 11, 2008.

UNITED KINGDOM

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS	OTHER MEASURES
Credit Guarantee Scheme: On October 8, 2008, the U.K. government announced that in return for an appropriate fee the U.K. government will guarantee newly issued (i.e. up to April 13, 2009) short- and medium-term unsecured debt (including certificates of deposit, commercial paper and senior unsecured bonds and notes) of participating institutions with maturities of up to three years in GBP, EUR, and US$, and to be used for refinancing maturing obligations. The aggregate notional amount of the debt to be guaranteed by HM Treasury is estimated to reach £250 billion. The fee for the guarantee will be the median five-year CDS spread for the preceding 12 months to October 7, 2008, of the specific institution plus 50bps as determined by HM Treasury at its discretion. The scheme is open to U.K. incorporated banks (including U.K. subsidiaries of foreign institutions) that have a substantial business in the U.K. and U.K. building societies. Any other U.K. incorporated bank (including U.K. subsidiaries of foreign institutions) can apply for inclusion. Within a banking group, only a single entity can participate in the scheme (and	The U.K. government has increased the protection given to savings from £35,000 to £50,000. However, Chancellor Alistair Darling announced that the U.K. would guarantee all the U.K. retail deposits of Icesave and Heritable (both branches of Icelandic Bank, Landsbanki, which has been nationalized by the Icelandic government).	Operational Standing Facilities: The Bank of England ("BoE") has set up these new facilities to replace the existing standing facilities. The rate charged on the Operational Standing Lending Facility is 25 basis points above Bank Rate, and the rate paid on the Operational Standing Deposit Facility is 25 basis points below Bank Rate. The eligible collateral for the Operational Standing Lending Facility will comprise high-quality debt securities. Transactions will be for overnight maturity. BoE will cease to publish a list of banks and building societies signed up for access to the Operational Standing Facilities and the reserves-averaging scheme. Discount Window Facility ("DWF"): The DWF is intended to provide liquidity insurance, not to tide over firms facing fundamental solvency problems. Under the DWF, BoE will swap the government securities on its balance sheet for high quality eligible collateral from banks and building societies. In exceptional circumstances, BoE may lend cash, rather than gilts, against eligible collateral under the DWF. The transactions will normally be for 30-day maturities. Gilts borrowed may	Bank Recapitalization Scheme: The U.K. government announced that it is establishing a new facility of £25 billion which will make Tier 1 capital in the form of equity (underwritten by the government) as well as preference shares (placed with the government) available at the request of eligible institutions. Eligible institutions are U.K. incorporated banks which have a substantial business in the U.K. and building societies. Applications to be included as an eligible institution will be reviewed. A further £25 billion will be available as assistance for eligible institutions for ordinary equity fund-raising. The U.K. government would not be subject to bank supervision if it acquired control of a bank through stock ownership. However, in the past the U.S. Federal Reserve has frowned on allowing institutions with capital from the government to make expansionary acquisitions in the United States. It is not clear whether the U.S. Federal Reserve might make an exception in the current circumstances. In a release on October 13, 2008, the HM Treasury stated	Northern Rock: Northern Rock was nationalized on February 21, 2008. The bank had approached the BoE for emergency funding in September 2007. As the Government subsequently failed to attract private buyers to take over the bank, it decided to nationalize it. Bradford & Bingley: Bradford & Bingley was nationalized on September 29, 2008. The Company's mortgage book was assumed by the U.K. government and the Company's retail deposit book was transferred to Abbey National plc.	Banking Bill: On October 7, 2008, the Banking Bill was introduced in the House of Commons. The bill is designed to strengthen the existing U.K. framework for financial stability and depositor protection. Part 1 introduces a permanent special resolution regime ("SRR") for dealing with banks that get into financial difficulties. HM Treasury, the Financial Services Authority and the BoE all play a role. The BoE will have the power to transfer a failing bank's business or its shares to a "bridge bank" (i.e., a company wholly owned by the BoE), with a view to restructuring it for onward sale to the private sector. It can also order a direct transfer to a private sector purchaser. The U.K. Treasury is also given the power to nationalize a failing bank. The BoE has the power to make partial transfers, i.e., to transfer healthy assets out of a failing bank and into a bridge bank. This may result in prejudice to those creditors whose claims are not transferred to the bridge bank. One of the objectives of the special resolution regime is to "protect depositors". Part 2 establishes a new bank insolvency procedure ("BIP"), based largely on existing

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this entity will normally be the primary U.K. deposit-taker). The Financial Services Authority has deemed that, under the Standardized Approach for calculating capital requirements, securities guaranteed under the scheme will qualify for zero risk weighting. Furthermore, guaranteed instruments are eligible as collateral in the BoE's extended-collateral open market operations. The description of the guarantee and the guarantor in any offering document (including listing particulars, information memorandum or offering circular) or in any other document or announcement issued by or on behalf of the issuer must be substantially in a form set out in the Rules of the Credit Guarantee Scheme. Subject to this, no institution that obtains a guarantee is permitted explicitly to promote itself on the basis of the guarantee.		not be used as collateral for Operational Standing Lending Facility borrowings but may be used as collateral in open market operations. Term Auctions: In September 2007, BoE announced that it would conduct four auctions to provide funds at three months maturity against a wider range of collateral (including U.K. residential mortgages) than that used in its weekly open market operations. Banks and building societies with reserve accounts with BoE or with access to the BoE's standing facilities were eligible to participate. On October 8, 2008, the U.K. government announced that the BoE would continue to conduct auctions against extended collateral, reviewing the size and frequency of the operations as necessary. Special Liquidity Scheme: The Scheme, launched in April 2008, enables banks and building societies with access to the BoE's standing facilities to temporarily exchange their high quality mortgage-backed and other securities for U.K. government securities. The drawdown period of the Scheme was initially six months, due to end on October 21, 2008. This period has since been extended to January 30, 2009. On October 8, 2008, the U.K.	that institutions requesting government recapitalization will, inter alia, need to: (i) limit remuneration of senior executives both for 2008 (no cash bonus for board), and, for remuneration policy going forward, limit bonuses to reduce "moral hazard" activities; (ii) agree to modify dividend policies; and (iii) maintain, over the next three years, the availability and active marketing of competitive credit to homeowners and small businesses at 2007 levels. RBS: On October 13, 2008, RBS announced the U.K. Treasury would underwrite £15 billion of ordinary shares (common stock) and purchase £5 billion of preference shares (preferred stock). The U.K. government would have representatives on the bank's board. The bank has announced that it has agreed to maintain the availability of SME and mortgage lending at 2007 levels. HBOS & Lloyds TSB: Similarly, the U.K. government will underwrite £8.5 billion of HBOS ordinary shares and purchase £3 billion of preference shares. The U.K. government will underwrite £4.5 billion of Lloyds TSB ordinary shares and purchase £1 billion of preference shares. The two banks are		liquidation provisions of the Insolvency Act 1986 as amended by the Enterprise Act 2002. The BIP provides for the orderly winding up of a failed bank, including prompt payments from the Financial Services Compensation Scheme ("FSCS") to eligible depositors. There are powers to extend the BIP to building societies and credit unions. Part 3 establishes a new bank administration procedure, based largely on existing administration provisions of the Insolvency Act 1986, as amended by the Enterprise Act 2002. This procedure is to be used where there has been a transfer of part of a failing bank's business, assets or liabilities to a bridge bank or a private sector purchaser under the SRR, leaving an insolvent residual entity. It is designed to ensure that essential services and facilities that cannot be immediately transferred to the bridge bank or private purchaser continue to be provided for a period of time. The Government subsequently published a consultation paper setting out proposed safeguards for creditors in the event of partial property transfers. These include safeguards for set-off and netting arrangements where partial transfers are made so that all contracts covered by set-off or netting agreements are protected from disruption in a

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	PURCHASES OF TROUBLED FINANCIAL ASSETS	OTHER MEASURES
		Government announced that at least £200 billion would be made available to banks (an increase from the previously indicated amount of £100 billion). Extension of Eligible Collateral: On October 3, 2008, the BoE extended the collateral eligible for use in its weekly sterling three-month repo operations to include AAA rated asset-backed securities based on some corporate and consumer loans, and approved highly-rated, asset-backed commercial paper programs, where the underlying assets would be eligible if securitized. The collateral is subject to haircuts as set out in the market notice of October 13, 2008. On November 14, 2008, the BoE announced that it would continue to hold extended-collateral three month repo open market operations twice-monthly up to and including the scheduled long-term repo operation on January 20, 2009.	currently in the process of merging. Management of the Government's investments: The Government's investments will be managed on a commercial basis by a new "arm's length" company called UK Financial Investments Limited ("UKFI"), wholly owned by the U.K. Government. UKFI will manage the investments arising from the Government's recapitalization of RBS, Lloyds TSB and HBOS, and, in due course, those arising from the nationalization of Northern Rock and Bradford & Bingley. UKFI will work to ensure that management incentives for Government assisted or acquired banks are based on "maximizing long-term value and restricting the potential for rewarding failure". However, the assisted or acquired companies will continue to have their own independent Boards and management teams, determining their own commercial strategies.		partial transfer subject to express carve-outs. Furthermore, security-holders will also be given explicit protection (including holders of floating charges). There will be new third-party compensation safeguards to ensure creditors remaining in the residual bank may not be left worse off than they would have been had the bank been subjected to ordinary insolvency procedures. The Government has indicated in the Pre-Budget Report that it intends to put forward amendments to the Banking Bill that would (a) extend HM Treasury's power to take a failing bank into temporary public ownership to include banking group holding companies, and (b) allow HM Treasury to introduce, by secondary legislation, a new special insolvency procedure for investment firms, which hold client assets or client money. EC Competition Laws: The U.K. Government has advised the European Commission of its planned support of the U.K. financial sector in relation to the government scheme for consideration under EC competition laws.

UNITED STATES OF AMERICA

GUARANTEES OF BANK DEBT	DEPOSIT GUARANTEES	SPECIAL CENTRAL BANK ASSISTANCE MEASURES	RECAPITALIZATION MEASURES	OTHER ASSISTANCE TO THE INTER-BANK MARKET OR TO OTHER MONEY MARKETS	ASSISTANCE TO INDIVIDUAL INSTITUTIONS
Temporary Liquidity Guarantee Program ("TLGP"): On October 14, 2008 the FDIC announced its temporary Liquidity Guarantee Program[14] issuing guarantees of newly issued senior unsecured debt of certain banks, thrifts and holding companies. The FDIC revised the regulations on November 21, 2008. The FDIC will fully guarantee all senior unsecured debt issued by FDIC-insured institutions, subject to the limitations discussed below, and their parent companies up to June 30, 2009, with any guarantee ceasing on June 30, 2012. Assessment rates under the Debt Guarantee Program are as follows: for debt with a maturity of 180 days or less (excluding overnight debt), 50 basis points; for debt of 181-364 days, 75 basis points; and for debt of 365 days or greater, 100 basis points. The rates set forth above will be increased by 10 basis points for senior unsecured debt issued by a holding company or another non-insured depository	FDIC Insurance Program: The FDIC will expand deposit insurance for non-interest-bearing transaction accounts. The maximum coverage under the FDIC deposit insurance program will temporarily be increased from US$ 100,000 to US$ 250,000.[13] Under the new program, the FDIC will provide full insurance coverage for non-interest-bearing accounts until the end of next year. Banks will pay a new premium to cover the expense of the program. For non-interest-bearing transaction deposit accounts (including accounts swept from a non-interest bearing transaction account into an non-interest bearing savings deposit account), a 10 basis point annual rate surcharge will be applied to non-interest-bearing transaction deposit amounts over US$ 250,000. Every institution, regardless of risk category, will be charged its normal quarterly risk-based deposit insurance assessment. That assessment will equal its assessment rate times its assessment base (which is almost equal to total domestic deposits).	Commercial Paper Funding Facility ("CPFF"): The CPFF (announced October 7, 2008) will purchase through a Special Purpose Vehicle three-month unsecured and asset-backed commercial paper ("ABCP") from eligible issuers.[6] All U.S. issuers of commercial paper are eligible. The maximum amount of a single issuer's commercial paper covered at any time will be the greatest amount of U.S. dollar-denominated commercial paper the issuer had outstanding on any day between January 1 and August 31, 2008. Liquidity Fund: The Liquidity Fund, which began on September 19, 2008 and ends on January 30, 2009, will lend funds to depository institutions and bank holding companies in order for them to purchase eligible ABCPs from money market mutual funds ("MMMF") under certain conditions.[9] Money Market Investor Funding Facility (MMIFF): A special purpose vehicles established by the private sector (PSPV) will cease purchasing assets and will enter the wind-down process on April 30, 2009,	On October 14, the U.S. Congress announced the Troubled Assets Relief Program ("TARP") Capital Purchase Program providing for direct equity investments in certain financial institutions under the Economic Emergency Stabilization Act ("EESA"). The EESA authorized the U.S. Treasury to use US$ 250 billion without further action. Another US$ 100 billion can be obtained upon the President notifying Congress. Finally, the remaining US$ 350 billion of the total US$ 700 billion can be obtained by giving notice to Congress, who then have 30 days to deny funding if they wish. The EESA has two definitions of "troubled assets", one being mortgage-related assets and the other being assets on which the Treasury believes it should spend money. It is the second definition that Treasury is using to buy stock in banks, and it has chose to spend US$ 250 billion on bank securities; the first US$ 125 billion of which went to nine banks.[15] As of November 17, 2008 thirty banks have received funds for a total of US$ 158,561,409,000.[18]	Mortgage-Backed Securities Purchase Program: The U.S. Treasury Department will be authorized to purchase up to US$ 700 billion of distressed mortgage-backed securities and other assets and then resell the mortgages to investors under the Economic Emergency Stabilization Act ("EESA").[11] On November 12, 2008 Treasury Secretary, Henry Paulson, stated "Over these past weeks we have continued to examine the relative benefits of purchasing illiquid mortgage-related assets. Our assessment at this time is that this is not the most effective way to use TARP funds, but we will continue to examine whether targeted forms of asset purchase can play a useful role, relative to other potential uses of TARP resources, in helping to strengthen our financial system and support lending. But other strategies I will outline will help to alleviate the pressure of illiquid assets."[19]	U.S. Government Loan to the Auto Industry: In late September 2008, the U.S. Congress approved a more than US$ 630 billion spending bill, which included a measure for US$ 25 billion in loans to the auto industry. These low-interest loans are intended to aid the industry in its push to build more fuel-efficient, environmentally-friendly vehicles. U.S. auto giants General Motors, Ford and Chrysler will be the primary beneficiaries. JPMorgan Chase & Co.: The Federal Reserve Bank of New York provided a US$ 29 billion credit line to JPMorgan Chase & Co. for its purchase of Bear Stearns for US$ 236 million or US$ 2 per share, subsequently raised to US$ 10 per share, to ensure the sale could move forward. JPMorgan agreed to guarantee Bear Stearns's trading obligations. American International Group ("AIG"): The Federal Reserve Bank of New York intervened after AIG was unable to secure a private-sector loan, and granted a two-year revolving credit facility of US$ 85 billion in return for an option to acquire an 80% stake

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institution affiliate that becomes an eligible and participating entity, where, as of September 30, 2008, or as of the date of eligibility, the assets of the holding company's combined insured depository institution subsidiaries constitute less than 50 percent of consolidated holding company assets. Under the Final Rule, an eligible entity that chooses to opt out of the TLGP by December 5, 2008, will not be assessed a fee for its participation in the program. However, if an eligible entity chooses to remain in the program after December 5, 2008, the entity will be subject to assessments retroactive to November 13, 2008 on all senior secured debt, other than overnight debt instruments, issued on or after October 14, 2008 and on or before December 5, 2008 that is still outstanding on December 5, 2008. Beginning on December 6, 2008, assessments accrue on all senior unsecured debt with a maturity of greater than 30 days issued by it on or after December 6, 2008.[17] In the final rule, the FDIC Board voted to include NOW accounts with interest rates of 0.5 percent or less and IOLTAs (lawyer trust accounts) in the transaction	In addition to this assessment, an institution that has not opted out of the deposit guarantee portion of the TLGP will pay 10 basis points on non-interest bearing transaction account balances in excess of US$ 250,000.	unless the Board extends the MMIFF.[5] Eligible assets include U.S. dollar-denominated certificates of deposit, bank notes and commercial paper issued by highly rated financial institutions and having remaining maturities of 90 days or less. Primary Dealer Credit Facility ("PDCF"): The PDCF, effective September 15, 2008, is an overnight loan facility that will provide funding to primary dealers, who will participate through their clearing banks, in exchange for tri-party eligible collateral.[8] Term Securities Lending Facility ("TSLF"): The TSLF is a 28-day facility that offers general Treasury collateral, such as Treasury bills, notes, bonds and inflation-indexed securities, to primary dealers of the New York Federal Reserve Bank in exchange for other eligible collateral.[7] Term Auction Facility ("TAF"): The TAF, established in December 2007, is a temporary credit facility that allows a depositary institution to place a bid for an advance from its local Federal Reserve Bank at an interest rate determined as a result of the auction. The first auction took place on	Financial institutions will have until mid November to elect into this Government recapitalization scheme which will be in the form of non-voting preferred shares which are redeemable by the issuing bank after three years. The preferred shares will pay an annual dividend of 5% during the first five years and will step-up to 9%. Warrants will also be issued to the Government based on 15% of the face value of preferred shares on issue with this halved if the preference shares are redeemed prior to the December 31, 2009.		in the insurance giant. On October 8, the Federal Reserve Board authorized the Federal Reserve Bank of New York to lend up to US$ 37.8 billion by purchasing investment-grade, fixed-income securities from certain regulated U.S. insurance subsidiaries of AIG. Fannie Mae and Freddie Mac: The U.S. government seized control of Fannie Mae and Freddie Mac and made a commitment to provide up to US$ 100 billion to each company to ensure they would not fall into bankruptcy. Together, the two companies own or guarantee nearly half the US$ 12 trillion mortgage market, and by July 2008 operated at leverage ratios of approximately 50 to 1. The seizure involved both companies being placed in a government conservatorship (analogous to a bankruptcy reorganization) and also replaced senior management. Dividends were eliminated and the U.S. government took an option to acquire 80% of each company's common stock. However, the U.S. government did not guarantee the subordinated debt or preferred stock issued by these companies, which is held on the

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account program.		December 17, 2007.[1] Federal Reserve intends to conduct bi-weekly TAF auctions as long as necessary. Only depository institutions are eligible. Foreign Exchange Swap Lines: On October 13, 2008, the U.S. Federal Reserve announced the expansion of swap lines with, among others, the BoE, the ECB[2] and the Swiss National Bank. These three European central banks will conduct tenders of U.S. dollar funding at 7-day, 28-day and 84-day maturities.[3] Swap lines with the U.S. Federal Reserve will be increased to accommodate whatever quantity of U.S. dollar funding is demanded. Temporary 23A Exemption: The U.S. Federal Reserve temporarily exempt certain bank-to-affiliate financings from limits under section 23A of the Federal Reserve Act and the Fed's regulation W.[12] Term Asset-Backed Securities Loan Facility ("TALF"): Under the TALF announced on November 25, 2008 the Federal Reserve Bank of New York ("FRBNY") will lend up to US$ 200 billion on a non-recourse basis to holders of certain AAA-			balance sheets of many banks. The U.S. Federal Reserve will also begin purchasing short-term debt obligations issued by Fannie Mae, Freddie Mac and the Federal Home Loan Banks in the secondary market. Fannie Mae, Freddie Mac and Ginne Mae: On November 24, 2008, the Federal Reserve Board announced that it will initiate a program to purchase the direct obligations of Fannie Mae, Freddie Mac, and the Federal Home Loan Banks--and mortgage-backed securities (MBS) backed by Fannie Mae, Freddie Mac, and Ginnie Mae.[20] Purchases of up to US$ 100 billion in GSE direct obligations under the program will be conducted with the Federal Reserve's primary dealers through a series of competitive auctions and will begin next week. Purchases of up to US$ 500 billion in MBS will be conducted by asset managers selected via a competitive process with a goal of beginning these purchases before year-end. Purchases of both direct obligations and MBS are expected to take place over several quarters. Government Sponsored Enterprise Credit Facility

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		rated Asset-Backed Securities ("ABS") backed by newly and recently originated consumer and small business loans. The FRBNY will lend an amount equal to the market value of the ABS less a haircut and will be secured at all times by the ABS. The U.S. Treasury Department--under the Troubled Assets Relief Program ("TARP") of the Emergency Economic Stabilization Act of 2008--will provide US$ 20 billion of credit protection to the FRBNY in connection with the TALF.[16]			("GSECF"): The lender of last resort for GSEs (Fannie Mae, Freddie Mac and FHLB) will ensure continued access to funding and ensure market stability. Citigroup: On November 23, 2008, the U.S. Treasury Department and the Federal Deposit Insurance Corporation announced that it will provide protection against the possibility of unusually large losses on an asset pool of approximately US$ 306 billion of loans and securities backed by residential and commercial real estate and other such assets, which will remain on Citigroup's balance sheet. As a fee for this arrangement, Citigroup will issue preferred shares to the Treasury and FDIC. Treasury will invest US$ 20 billion in Citigroup from the Troubled Asset Relief Program in exchange for preferred stock with an 8% dividend to the Treasury.[22]

1 In September 2008 the U.S. Federal Reserve announced (1) an increase in the size of the 84-day maturity TAF auctions from US$ 25 billion to US$ 75 billion per auction beginning on October 6, 2008; (2) two forward TAF auctions amounting to US$ 150 billion and (3) an increase in swap authorization limits with foreign central banks. See http://www.federalreserve.gov/monetarypolicy/taffaq.htm.

2 The swap line amount with the ECB was increased from US$ 120 billion to US$ 240 billion.

3 In August 2008 the ECB, in conjunction with the U.S. Federal Reserve, began operating 84-day operations in addition to its operations with a 28-day maturity.

4 Filing deadline is November 13, 2008. Comments on the new interim rule are due. See http://www.fdic.gov/news/board/TLGPreg.pdf. Organizations that do not wish to participate in the TLGP must opt out by 11:59 p.m. on November 12, 2008. See http://www.fdic.gov/news/news/financial/2008/fil08110.pdf.

5 Expires April 30, 2009. See http://www.newyorkfed.org/markets/mmiff_terms.html.

6 Expires April 30, 2009. See http://www.newyorkfed.org/markets/cpff_terms_conditions.html.

[7] Expires January 30, 2009. See http://www.newyorkfed.org/markets/tslf.html.

[8] Expires January 30, 2009. See http://www.newyorkfed.org/markets/pdcf.html.

[9] Expires January 30, 2009. See http://www.frbdiscountwindow.org/mmmf.cfm?hdrID=14.

[10] Expires December 31, 2009. See http://fpc.state.gov/documents/organization/110096.pdf.

[11] Expires December 31, 2009. See http://www.ustreas.gov/press/releases/reports/mbs_factsheet_090708hp1128.pdf.

[12] The exemption is available from September 14, 2008 until January 30, 2009. See http://edocket.access.gpo.gov/2008/pdf/E8-22701.pdf..

[13] The FDIC Insurance Program is effective from October 3, 2008 until December 31, 2009. See http://www.treas.gov/initiatives/eesa/.

[14] Invoked through the systemic risk exception provisions of the FDIC Improvement Act of 1991.

[15] The rescue package involves a plan to buy stakes of circa: US$ 25 billion each in Citigroup, JPMorgan and Wells Fargo; US$ 25 billion between Bank of America and Merrill, which agreed last month to be acquired by Bank of America; US$ 10 billion each in Goldman Sachs and Morgan Stanley; US$ 3 billion for Bank of New York Mellon; and US$ 2 billion for State Street.

[16] Expires December 31, 2009. See http://www.federalreserve.gov/newsevents/press/monetary/monetary20081125a1.pdf.

[17] The FDIC's TLGP final rules were issued on November 21, 2008. See http://www.fdic.gov/news/board/08BODtlgp.pdf.

[18] The Treasury Department has listed all completed transactions on its website. See http://www.treas.gov/initiatives/eesa/docs/TransactionReport-11172008.pdf.

[19] Secretary Paulson's full statement can be viewed at http://www.ustreas.gov/press/releases/hp1265.htm.

[20] The Federal Reserve's full press release can be viewed at http://www.federalreserve.gov/newsevents/press/monetary/20081125b.htm.

[21] The Treasury Department's full statement on the program can be viewed at http://www.ustreas.gov/press/releases/reports/gsecf_factsheet_090708.pdf.

[22] The joint press release among the Treasury Department, FDIC, and Federal Reserve on Citigroup can be viewed at http://www.federalreserve.gov/newsevents/press/bcreg/20081123a.htm.

[23] Other foreign country swap lines include: Australia, Canada, Denmark, England, Japan, New Zealand, Norway, Sweden, and Switzerland. See http://www.federalreserve.gov/newsevents/press/monetary/20081013a.htm, http://www.federalreserve.gov/newsevents/press/monetary/20080924a.htm, http://www.federalreserve.gov/newsevents/press/monetary/20081028a.htm, and http://www.federalreserve.gov/newsevents/press/monetary/20080918a.htm

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