

Executive Board Minutes Meeting 27th February 2017

Attendance: Derek Moran (Chair), John Hogan, John McCarthy, Des Carville, Gary Tobin, Sean Kinsella, David Byrne, Derek Tierney (Secretary).

Apologies: Ann Nolan, Nicholas O'Brien, Aidan Carrigan, Paul Ryan, Niall O'Ceallaigh.

1. Statement of Interest

None declared.

2. Communications & Topical Matters Diary, Minutes of Previous Meeting & Matters Arising, Government Memos, & Weekly Oireachtas Schedule

In addition to the Communications & Topical Matters diary, the following was discussed:

The Minister is scheduled to attend the Cabinet Committee on Economy, Trade and Jobs and the Cabinet Committee on Housing later in the day. The Minister is also scheduled to meet with the NAMA Chairman later in the week.

The Minister of State travels to Brussels this week to meet with EC Vice President Dombrovskis before attending a European Parliament conference panel discussion on financial services. The Minister of State will also travel to London later in the week to attend IFS and Brexit-related engagements.

Members discussed the weekly schedule of business for the Oireachtas including, Oireachtas Committees, Private Members Motions, Dáil and Seanad.

Minutes and matters arising from the previous Executive Board 20th February 2017 were approved. Government Memos were discussed.

3.0 Strategic Matters

3.1 Weekly Dashboards

The Weekly Dashboards were noted.

3.2 Brexit Update

The Department is continuing work across divisions and noted recent engagement with inter-Departmental structures to ensure preparedness for negotiations. The Economics Division will publish a revised paper entitled 'UK EU Exit – An Exposure Analysis of Sectors of the Irish Economy'. This analysis was originally published by the Department alongside Budget 2017 last October, and was based on 2012 data. The Central Statistics Office has recently published a more up-to-date dataset (new data up to 2014) and as a result, the analysis is updated to account for the later data. Notwithstanding the more up-to-date data, the key results and findings of the original paper have not changed. The only changes compared with the original version are numeric, and at that, any changes are marginal.

3.3 Eurogroup/ECOFIN feedback

Members noted the update recently provided following the Eurogroup meeting where discussions included a thematic discussion on growth and jobs – Ease of doing business and the Commission's recently published winter forecast. Discussions at ECOFIN were also noted.

3.4 Bank of Ireland FY Results 2016

Members discussed the full year results for Bank of Ireland which were published last Friday. The Bank recorded new lending of €6.7bn to personal and business customers in Ireland with the growth in core loan books of €1.7bn. Non-performing loans reduced by €4.1bn (34%) yoy to €7.9 billion at the end of December 16. This represents a 50% reduction from the end of 2014 (with virtually no loan sales used to drive this reduction). The NPL coverage ratio is 49%. FY results also recorded an underlying profit of €1.071bn with NIM of 2.19%. Operating expenses remained flat year on year. The results also recorded a Fully Loaded Common Equity Tier 1 (FL CET1) ratio of 12.3%.

Regarding dividend, the Bank's aim is to have a sustainable dividend with the first payment expected in 2018 in respect of financial year 2017. A decision to delay paying its first dividend was stated as mainly due to accounting effects of volatility on the bond market surrounding the bank's pension scheme.

3.5 Switching Public Awareness Campaign

Members were advised that the public awareness campaign to promote awareness and encourage switching in retail banking markets commenced today. This campaign has been developed by Language Communications and will run on TV, radio and the internet. In this regard the campaign will direct people to a website www.switchyourbank.ie providing information on switching and encouraging people to compare financial products. This focusses on current accounts, credit cards and mortgage switching. It will have links to the Competition and Consumer Protection Commission's comparison tools who were consulted during the development of the campaign. Members noted that this campaign is funded by contributions from AIB and PTSB as a condition of the approval of their restructuring plans by the EU Commission who have been kept up to date on progress.

4. Matters for Decision

4.1 Protected Disclosures Policy

The draft amendments to the Protected Disclosures Policy following a recent review presented were agreed. It is proposed that this will be communicated to all staff through information sessions scheduled to take place over the coming weeks.

5. Corporate

Nil

6.0 AOB

Progress on the SVR Bill was discussed and noted. Members were encouraged to conclude the 2016 PMDS reviews and 2017 Goal Setting process.



Derek Moran
Secretary General