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Mr John McGuinness TD
Chairman
Joint Committee on Finance, Public Expenditure and Reform, and Taoiseach
Leinster House
Dublin 2

Re: Your ref: I 2018/649

21 December 2018

Dear Chairman

Further to the Central Bank's appearance before the Committee on 4 October 2018, and the subsequent letter from the Committee on 1 November 2018 seeking supplementary information, please find attached the Central Bank's responses to these issues.

The Central Bank trusts that the responses will assist the Committee members in their work.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Philip R. Lane'.



Central Bank of Ireland responses to the Joint Committee on Finance, Public Expenditure and Reform and Taoiseach on supplementary information for the Committee following the October Committee meeting.

Item 1: When were the final customers in this cohort of 3,200 people identified? Were they identified by June, July or last month? (Transcript reference page 10)

The Central Bank advised the Oireachtas Committee that, as at the end of August 2018, c3,000 affected customer accounts had been identified since the March 2018 update. This figure is made up of c2,000 accounts that were fully verified as impacted at end August and c1,000 accounts that had not yet been fully identified and verified as being impacted at that point. The c2,000 verified accounts were identified as affected in the period May-July 2018. With regard to the c1,000 unverified number flagged to the Committee, it is important to note that the numbers can change following the actual file review and full identification of impacted customers, and following the verification of this group, which is now fully complete, the final figure is c700. While these figures were at a point in time, the number of affected customers awaiting redress and compensation has reduced since then and the Central Bank will publish an update on the Examination in early 2019 based on end-2018 figures.

Item 2: How many cases is the Central Bank aware of that are either before the FSPO or the Courts? (Transcript reference page 12)

The Central Bank and the Financial Services and Pensions Ombudsman's Office (FSPO) engage regularly regarding the Tracker Mortgage Examination including in relation to tracker related complaints in the system. In our most recent engagement on 13 October 2018, the FSPO informed the Central Bank that it had a total of 1,026 open tracker related complaints at that date.

Based on data supplied by lenders at 31 August 2018 c70 tracker related court cases had been lodged. It should be noted that this number will likely change as the cases move through the courts process, as some of these cases have since been deemed as impacted under the Examination, and the legal proceedings may have been initiated prior to this determination.

Item 3: What regulation is in place regarding a negative credit history – a person may still be considered a credit risk 3 years after their negative rating is cleared. (Transcript reference page 62)

Credit reports issued by Central Credit Register (CCR) operated by the Central Bank of Ireland are undertaken in accordance with the Credit Reporting Act 2013 and associated regulations. Personal and credit information is held on the CCR for periods of up to 5 years. The CCR commenced collecting data from 30 June 2017.

The CCR does not score or grade credit reports or provide risk assessment to lenders.



Item 4: Is it correct to say many of the credit union deposits were actually with Anglo Irish Bank at the time of the guarantee? Are there figures for the percentages of credit union deposits that were with Anglo Irish Bank? (Transcript reference page 65)

Based on data provided by credit unions to the Central Bank via the ‘Credit Union Annual Return’, credit unions in aggregate had the following reported exposure to Anglo Irish Bank at financial year-ends 2007 and 2008:

	Sep - 2007	Sep - 2008
Total Investments	€6,923 m	€6,431 m
Anglo Investments	€818 m	€822 m
Anglo Exposure	12%	13%

As credit unions report their exposures to individual counterparties on an aggregated basis and not by investment class, these figures are not limited to deposits held with Anglo Irish Bank by credit unions and include other exposures that credit unions also had to Anglo Irish Bank.

While data provided by credit unions does not provide a breakdown of exposures to individual counterparties by investment class, data is provided by credit unions on the breakdown of total investments across investment classes which may be useful in understanding the potential exposure to deposits in Anglo Irish Bank. Data provided by credit unions to the Central Bank via the quarterly prudential return indicates that bank deposits represented 31% and 44% of credit union investments for the years 2007 and 2008 respectively (this is based on December prudential return data). It is important to note that additional bank deposits could have been held by credit unions via investments in collective investment schemes with underlying investments in bank deposits.