

From: John FitzGerald <John.FitzGerald@esri.ie>
To: BankingInquiry <bankinginquiry@oireachtas.ie>
Date: 16/02/2015 22.27
Subject: RE: Correspondence from the Joint Committee of Inquiry into the Banking Crisis

Dear Ms. Carroll,

I have checked my diary and it would appear that I met the two AIB economists before the completion of the 2005 Medium-Term Review on 20th October 2005. I have no other record of the meeting. My memory is that it was about more serious stress testing than was suggested by the Regulator and that I mentioned that we were doing a housing price crash scenario which would be available to them when we published and might meet their needs. You will need to check with them whether my recollection is correct and, if so, how they followed up on it. My memory is also that they said that the interest in more stringent stress tests was coming from the AIB Board. However, as my recollection of the timing of the meeting was faulty there is always the possibility that my recollection of the content of the meeting was also faulty.

My diary lists the meeting as taking place with John Beggs and Jim Nugent of AIB. Having looked at my diary, I should also add that myself and, I think, Alan Ahearne (NUIG) presented to the AIB Board on the 23rd of May 2007. I talked about the economic prospects and the dangers to the economy from the overexpansion of the building sector and the dangers from a housing collapse. I think that Alan Ahearne was also talking about the dangers in the housing market. This was subsequent to the Futureshock programme, which we both appeared- in talking about the dangers arising from a housing bubble bursting.

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