



Tithe an  
Oireachtais  
Houses of the  
Oireachtas

# **Joint Committee of Inquiry into the Banking Crisis**

## **Further Clarification Statement of**

### **Patrick Neary**

**Strictly Private & Confidential**

As indicated on its cover page, the document(s) contained within are confidential unless and until the Joint Committee decides otherwise including where the Joint Committee publishes such document(s). For the avoidance of doubt, “documents” include witness statements in this context. Further to section 37 of the Houses of the Oireachtas (Inquiries, Privileges and Procedures) Act 2013 (“the Act”), while the documents remain confidential, you must not disclose the document(s) or divulge in any way that you have been given the document(s), other than:

- “(a) with the prior consent in writing of the committee,
- (b) to the extent necessary for the purposes of an application to the Court, or in any proceedings of the Part 2 inquiry, or
- (c) to his or her legal practitioner.”<sup>1</sup>

Serious sanctions apply for breach of this section. In particular, your attention is drawn to section 41(4) of the Act, which makes breach of section 37(1) a criminal offence.

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<sup>1</sup> See s.37 of the Houses of the Oireachtas (Inquiries, Privileges and Procedures) Act 2013

1. I do not have any documentation or information relating to the attendance of the Central Bank at any or all of the meetings on 24<sup>th</sup> of September 2008, apart from the following personal recollections.

I accompanied the Chairman of the Irish Financial Services Regulatory Authority (IFSRA) to a meeting on 24 September 2008 in the Department of Finance with the Minister for Finance, officials from that Department, representatives from the Central Bank and from the NTMA. My recollection of that meeting is that it considered the current liquidity position of each of the banks at that time. It also determined that further work should be carried out, within the ambit of the Domestic Standing Group, to develop a range of options in readiness to address any emerging deterioration in the financial position of any of the banks.

2. I am unable to offer any clarification on the exact nature and role of the NTMA on the night of the guarantee. However, it is my understanding that the Department of Finance maintained ongoing bilateral contact with the NTMA on matters relating to the crisis. Thus, the Department should be best placed to advise the Inquiry on the role of the NTMA that night. I can advise that no view from the NTMA was communicated to the room, or referred to, throughout the time the Chairman of IFSRA and myself were present.

3. I can recall one reference by a financial institution (Allied Irish Banks) to the possibility of a full guarantee during a meeting with that bank on 20 September 2008, attended by representatives from the Central Bank and the Financial Regulatory Authority. (I do not recall any request or any meeting with a financial institution on 25 September). The context to the reference was the decision by Government, around that date, to increase the coverage of the deposit guarantee scheme to a level of €100,000. It was the view of AIB at the meeting that a very strong statement should be made by Government indicating its commitment to the Irish financial system, with wording on the lines that no creditor of any Irish licensed bank would lose or no entity would be allowed to fail. Apart from the foregoing reference, no question of seeking a full guarantee relating specifically to AIB or its depositors was raised at the meeting.

I do not recall being made aware of any financial institution making a request for a full guarantee to any officials in the Central Bank/Financial Regulatory Authority prior to 30<sup>th</sup> September 2008.