# Ireland

## I. Institutional coverage

The statistics published in *Banking Statistics – Financial Statements of Banks* refer to licensed banks and building societies. At the end of 2007, there were 50 banks licensed under Section 9 of the Central bank Act, 1971, and at the end of 2008 there were 49 licensed banks. When banks with the same beneficial ownership are considered as one entity, the number of banks in 2007 is reduced to 43, and in 2008 it is reduced to 23. Of these institutions, over half are engaged almost exclusively in International Financial Services Centre (IFSC)[1] business. There were also three building societies. As the Irish banking system has developed, barriers between sectors have become less distinct for the above institutions, as they operate in much the same markets and are collectively regarded as credit institutions.

For the purpose of this survey all Irish credit institutions are considered "Commercial Banks". Where a credit institution has Total Assets in excess of 4% of the entire Irish banking sector Total Assets data, they have been classified as "Large Commercial Banks".

## II. Geographical coverage and degree of consolidation

The data for credit institutions are based on:

- branches and subsidiaries of Irish-authorised credit institutions;
- branches of non-EEA credit institutions;
- subsidiaries of international banks;
- building societies.

The data are based on consolidated accounts of the institutions concerned.

## III. Structure of the banking system

In February 2001, the Irish Government announced a new structure for the regulation of financial services in Ireland, which came into effect on 1 May 2003. Until that date, the supervisory responsibilities of the Central Bank of Ireland (the Bank) encompassed banks and building societies, investment business firms, investment intermediaries, securities exchanges and collective investment schemes.

On 1 May 2003, the Bank was restructured and renamed the Central Bank and Financial Services Authority of Ireland (CBFSAI). The Irish Financial Services Regulatory Authority – IFSC* (the Financial Regulator) was established as a "constituent part" of the CBFSAI. The Financial Regulator was given by virtue of section 33C of the Central Bank Act 1942 (as amended), the statutory function of performing the functions the CBFSAI has

* The IFSC was established in 1988.

under designated enactments and statutory instruments (the Designated Legislation). The Designated Legislation is the principal body of law, setting out the scope and terms of financial services regulation in Ireland and includes, amongst others, the Investment Intermediaries Act 1995, the Unit Trusts Act 1990, the Investment Limited Partnership Act 1994, the Insurance Acts and Regulations, the EC (Reinsurance) Regulations 2006, the EC (Markets in Financial Instruments) Regulations 2007.

On 18 June 2009, the Minister for Finance announced that the Government had agreed to make certain changes to the structure of the CBFSAI. In particular, the Government intends to repeal the provisions of the 2003 CBFSAI Act that established the Irish Financial Services Regulatory Authority (the Financial Regulator) as an autonomous part of the CBFSAI, and to replace the CBFSAI with a single, fully integrated Central Bank of Ireland with responsibilities for both central banking and financial supervision tasks. In addition, certain functions of the CBFSAI relating to consumer information that are currently the statutory responsibility of the Financial Regulator, are to become the responsibility of a statutory body established by the Consumer Protection Act 2007, the National Consumer Agency. The Central Bank Reform Bill 2010, containing these changes, was published in March 2010 and is scheduled to be enacted in the summer of 2010.

## IV. Summary description of activities of banks

### *Payment intermediation*

Until 18 February 2008, large-value payments and interbank settlements were effected using a Real-Time Gross Settlement (RTGS) System known as IRIS, which was managed and operated by the Central bank and Financial Services Authority of Ireland in co-operation with the participating credit institutions; IRIS was also part of the TARGET system. However, from that date, large-value payments have been effected using the Eurosystem's TARGET2 single shared platform (SSP). Two separately incorporated clearing companies that are owned by the main domestic banks carry out retail payment clearing functions. The use of electronic means of payment such as payment cards, ATM, telephone banking and internet banking continues to rise.

### *Deposit business*

All domestic banks and building societies offer a full range of deposit accounts to customers. IFSC banks are not involved in the small depositor market.

### *Lending business*

All domestic banks offer a wide range of credit activities. Building societies traditionally were only involved in the mortgage lending business but now compete with banks offering a full range of services. IFSC banks and the corporate lending divisions of the larger domestic groups are involved in international and syndicated lending to various corporates, sovereign and regional authorities.

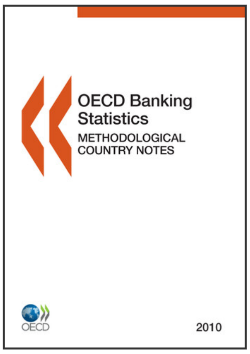
Other activities include:

- treasury business;
- money market;
- life insurance and pension broking;
- funds management;
- leasing;

- venture capital;
- credit cards.

## V. Sources

The data are compiled by the Central Bank and Financial Services Authority of Ireland, based on FINREP, published annual accounts and statistical data provided by those entities referred to in Section II.

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