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Press Release:
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December 17, 2012

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Ireland: Letter of Intent, Memorandum of Economic and Financial Policies, and Technical Memorandum of Understanding

November 29, 2012

The following item is a Letter of Intent of the government of Ireland, which describes the policies that Ireland intends to implement in the context of its request for financial support from the IMF. The document, which is the property of Ireland, is being made available on the IMF website by agreement with the member as a service to users of the IMF website.

I. Ireland: Letter of Intent

Dublin, 29 November 2012

Ms. Christine Lagarde
Managing Director
International Monetary Fund
Washington, D.C. 20431

Dear Ms. Lagarde:

1. The Irish Government remains firmly committed to the programme, as illustrated by our continued strong performance in implementing the agreed policy frameworks and measures. This performance, and our preparation for Budget 2013, is against a backdrop of an increasingly adverse international economic environment. Nevertheless our government bond yields have fallen dramatically in recent months, reflecting our strong performance as well as certain positive developments in Europe, especially the euro area leaders' June 29 commitment to decouple the sovereign and banking debt issues and in this context to specifically examine the situation of the Irish financial sector with the view of improving the sustainability of Ireland's well-performing adjustment programme. The ECB's decision on Outright Monetary Transactions is another positive development. These improved market conditions enabled the launch of our first bond issue under the programme in late July and the renewal of regular Treasury bill auctions. As we enter the final year of our three year programme, we are now focusing on the measures necessary to successfully exit from the programme. Notwithstanding the external risks, our policy efforts are aimed at further deepening our access to market funding during 2013, in order to exit from reliance on official financing. Timely implementation of euro area leaders' commitments would greatly support the effectiveness of these efforts. We are sure that we can rely on the continued support of our external partners and fellow member states in this endeavour.

2. Once again, for the eighth review, we have met our commitments under the EU/IMF supported programme in terms of policy reforms as well as quantitative targets (MEFP Tables 1 and 2):

- The performance criterion for end-September 2012 on the cumulative Exchequer primary balance was met with a margin, as was the indicative target on the stock of Central Government net debt. The continuous performance criterion on non-accumulation of external payment arrears has also been met.

- We published on September 28 the Credit Union Bill 2012, which strengthens the regulatory framework of credit unions including with regards to effective governance standards and prudential requirements (end-September structural benchmark).

- We also issued on September 28 regulations to establish a levy across credit institutions to recoup over time costs of resolving vulnerable institutions (end-September structural benchmark).

3. Looking ahead, we have recently published our medium-term fiscal statement, confirming our adherence to the agreed fiscal targets for 2013–15. Notwithstanding the much weaker growth outlook, in Budget 2013, we are committed to meeting the previously agreed deficit ceiling of 7.5 percent of GDP, and will take durable, equitable and growth-friendly measures to achieve this target.

4. In the attached Memorandum of Economic and Financial Policies (MEFP), we set out in more detail our plans to further advance towards meeting the objectives laid out in our programme supported by the Extended Arrangement and by the EU. Based on the strength of these policies, and in light of our performance under the programme and our continued commitment, we request the completion of the eighth review under the Extended Arrangement. We also request that the eighth purchase in an amount equivalent to SDR 758 million becomes available at the time of completion of the review.

5. We continue to move towards the goal of fully regaining market access during 2013. The resumption of Treasury bill auctions and our initial bond issue are steps in this direction. We have also diversified our investor base through the issuance of long-term amortizing bonds targeted at domestic pension funds. We intend to maintain a strong cash buffer to support market confidence during this process of deepening market access, and propose to leave the phasing of purchases unchanged, with a total purchase amount of SDR 2,922 million in 2013.

6. We propose that quantitative performance criteria under the arrangement be established for end-March 2013, as set out in the attached MEFP (Table 3). As detailed in the MEFP, we also propose two new structural benchmarks—on requesting an external assessment of observance of the *Basel Core Principles for Effective Banking Supervision* (end-March 2013) and on undertaking a review of progress in addressing mortgage arrears (end-June 2013). The Technical Memorandum of Understanding (TMU) explains how programme targets are measured.

7. We are confident that the policies set forth in the Letters of Intent of 3 December 2010 and subsequent letters as well as this letter are adequate to achieve the objectives of our programme. At the same time, while we do not envisage that revisions will be needed, we stand ready to take any corrective actions that may become appropriate if circumstances change. As is standard under Fund-supported programmes, we will consult with the Fund on the adoption of such actions in advance in the event that revision of the policies contained in this Letter and the attached Memorandum becomes necessary, and at the same time consult with the European Commission and the ECB.

8. This letter is being copied to Messrs. Draghi, Juncker, Rehn, and Shiarly.

Sincerely,

/s/ /s/

Michael Noonan, T.D.
Minister for Finance

Patrick Honohan
Governor of the Central Bank of Ireland

II. Ireland: Memorandum of Economic and Financial Policies

A. Recent Economic Developments and Outlook

1. **Ireland's economic recovery slowed in the first half of 2012 and the outlook is for a modest pick up in growth in 2013.** Real GDP growth fell to ½ percent y/y in the first half of 2012 as net exports weakened. Net exports remained the sole driver of economic growth, with domestic demand and employment continuing to fall, and unemployment has remained elevated at 14.8 percent. At the same time, lower net income outflows boosted GNP growth to 2¼ percent y/y and the current account surplus to 2.7 percent of GDP, although a reversal of some of these gains may be seen in the second half. HICP inflation rose to 2.0 percent y/y during the first three quarters of 2012 on the back of surging energy costs and administered price increases**.** Growth strengthening to over 1 percent is projected for 2013, but this pick up may be impeded by weaker growth expected in trading partners. In addition, further domestic demand contraction is expected as financial sector weaknesses, continuing uncertainties, together with the heavy debt burdens of households and SMEs, hinder lending, drive saving, and curb investment.

2. **Ireland has started to regain access to market funding in recent months, aided by policy developments at the European level.** Irish sovereign bond yields fell dramatically over the summer, benefitting from continued strong program implementation and the June 29 summit statement, providing an opportunity to re-enter the international bond market earlier and on more favourable terms than expected. Irish bond markets were boosted further by the ECB's OMT announcement in early September, with 8-year bond yields down to below 5 percent. We recognise that continued strong policy implementation is essential. In addition, with expectations of further European support priced in by the market, timely delivery on commitments to examine the situation of the Irish financial sector with the view of improving the sustainability of Ireland's adjustment program is necessary to maintain the positive momentum and facilitate our efforts to exit from reliance on official financing.

B. Fiscal Policies

3. **We will meet the fiscal targets for 2012 and extend our track record of sound budgetary management.** The end-September targets on the exchequer primary balance and central government net debt were met with respective margins of 0.8 and 1.5 percentage points of GDP. Tax revenues are ahead of profile despite more challenging macroeconomic conditions, reflecting our prudent costing of measures and robust revenue collection efforts. Strong revenues, along with spending restraint in most areas, will compensate for overspending in health and social welfare, the latter on account of higher-than-expected unemployment. Overall, we are on track to deliver a general government deficit within the 8.6 percent of GDP target for 2012.

4. **We are alert to the overrun in current health spending, and are taking the measures necessary to unwind it.** We are committed to achieving health outcomes in an efficient manner and will contain health expenditure next year to within the €13.6 billion departmental ceiling for 2013 set in the *Comprehensive Expenditure Report 2012-14*, including by fully correcting the overrun from 2012. To this end, we have recently negotiated a significant multi-year reduction in the price of pharmaceuticals, and are seeking further durable savings, including through consideration of a range of structural reforms to:

- ***Further reduce drug costs*, including** by lowering the price of generic drugs and increasing the share of generics in prescriptions, dispensing and usage;

- ***Enhance hospital efficiency*,** by implementing major work practice and rostering reforms, reducing the average length of hospital stays, increasing the share of day treatments, and minimising unnecessary return visits for out-patients;

- ***Improve the charging regime for private patients in public hospitals and increase collection of charges*,** to fully account for costs; and

- ***Better target spending*,** particularly within the primary care re-imbursement scheme.

5. **The recently-updated *Medium-Term Fiscal Statement* (MTFS) demonstrates our continued commitment to put the public finances on a sound footing.** As set out in the table below, we will be implementing consolidation measures of at least €8.6 billion over the next three years to bring the general government deficit below 3 percent of GDP by 2015, in line with the Stability and Growth Pact targets. We consider that this adjustment path strikes the right balance between debt sustainability and protecting growth and jobs.

Fiscal Consolidation 2013–15, in € billion 1/

	2013	2014	2015
Total	3.5	3.1	2.0
Expenditure	2.25	2.0	1.3
Current	1.70	1.9	1.3
Capital	0.55	0.1	0.0
Tax	1.25	1.1	0.7

1/ The amounts above *include* estimated tax carryovers of some €0.3 billion, €0.2 billion and €0.3 billion in 2013, 2014 and 2015, respectively; but *exclude* savings arising from measures to unwind the 2012 overrun in health spending and additional general government balance improvements as set out in the MTFS.

6. **We will submit Budget 2013 to the Oireachtas on December 5 to deliver these targets for 2013 (prior action).** In order to safely achieve the general government deficit below the program ceiling of 7.5 percent of GDP, the package will include: (i) primary

current expenditure adjustments of €1.7 billion (excluding measures taken to unwind the 2012 health spending over-run); (ii) reductions in capital spending of €0.55 billion, consistent with the *Infrastructure and Capital Investment Plan 2012-16*; (iii) new tax measures of €1 billion; and (iv) additional general government balance improvements, including in respect of the local government sub-sector, as set out in the MTFS.

7. Our budget will select a balance of expenditure and tax measures to achieve the consolidation in a durable, equitable and growth-friendly manner.

Current expenditure measures:

- ***Accelerated reduction in the public sector wage bill:*** We will build on the recent overtime and sick pay reforms by targeting unjustified pay allowances for elimination, or medium-term restructuring. We are considering all options to improve the sustainability of the public sector wage bill, in order to achieve the envisaged current expenditure savings while protecting the delivery of public services.

- ***More targeted social supports and subsidies:*** We are reviewing a range of social transfers, including universal benefits, with a view to identifying savings while protecting the most vulnerable and minimising work disincentives. This review will take into account the Comprehensive Review of Expenditure and the projected increase in age-related spending, as highlighted in the recent actuarial review of the Social Insurance Fund. Student contributions to the cost of tertiary education are being raised, and a more stringent means-test for maintenance grants for undergraduates is being introduced.

Tax measures:

- ***Introduction of property tax:*** We are rolling out a recurrent tax on the value of private residences from July 1, 2013 to replace the household charge. The tax will be collected centrally by the Revenue Commissioners and will constitute an important and stable source of revenue.

- ***Tax base broadening:*** We are broadening the base for personal income taxes and pay related social insurance (PRSI) including by better targeting reliefs and tightening allowances.

- ***Raising indirect tax revenues:*** Following an intensive public consultation on environment-related taxation, we have decided to recalibrate the CO_2 band structure for vehicle registration and motor taxes. Options in relation to other indirect taxes, including excises, are also being considered.

8. At the time of Budget 2013, we will specify as far as possible the tax and spending measures for the 2014–15 consolidation. We are confident that the permanent consolidation measures outlined above will yield significant carry-over savings for 2014–15, reducing the residual consolidation to be identified. An early specification of this remaining consolidation will reduce uncertainties faced by households and businesses and thereby help support the revival of domestic demand.

9. Having completed the core institutional fiscal reforms, we are looking to advance fiscal transparency. The Fiscal Responsibility Bill will be signed into law on November 27, enshrining the independence of the Irish Fiscal Advisory Council, and establishing the fiscal rules for deficits and debt. We have published the legislation (amendment to the Ministers and Secretaries Act) to provide a statutory basis for the already operational multi-annual expenditure ceilings. We published an enhanced Exchequer statement at end-September 2012 and are seeking to further strengthen the reporting of general government accounts and fiscal risks (given the state's large asset and liability positions).

10. We will continue to press forward with major public service reforms, which will further support budgetary sustainability into the medium term. As the recent Progress Update on the November 2011 *Public Service Reform Plan* shows, major projects are being rolled out in the area of shared services, public procurement and the identification and evaluation of opportunities for external service delivery. In this overall context, the Public Service Agreement is operating as a key enabler of reform and productivity, helping to eliminate waste and to manage the ongoing reduction in public sector headcount while minimising the impact on service levels. We will step up our engagement with staff interests to ensure that all aspects of the Agreement are leveraged to enhance public sector efficiency to the fullest extent possible.

C. Financial Sector Policies

11. **The key objective of our financial sector policy is to improve the health of the banking sector and thereby revive sound lending in support of the economic recovery.** While considerable progress has been made in recapitalising and deleveraging the PCAR banks, they continue to face significant asset quality, profitability, and liquidity challenges. Accordingly, we will gear our efforts towards ensuring the banks are: (i) managing their loan portfolios to arrest the deterioration of asset quality, (ii) improving their profitability through reductions in funding and operational costs, and (iii) advancing the restructuring of the banks. The effectiveness of these efforts would be greatly facilitated by the timely delivery of further European support along the lines indicated in the euro area summit statement of June 29, 2012.

12. **We are driving forward the effective implementation of the residential mortgage arrears resolution process.** We have made the resolution of mortgage arrears a top priority for banks, and are supervising their efforts to (i) set up and grow efficient loan collection

operations; (ii) engage effectively with households in arrears; and, (iii) address unsustainable debt in a durable manner. Nonetheless, the rise in long dated arrears has continued. Banks have implemented pilots of mortgage resolution options and in some cases gone live with their strategies and we are taking the following steps to facilitate the stronger progress on implementation that is needed:

- We will closely supervise banks' progress in achieving a durable reduction in mortgage arrears. The MARS process will seek to ensure that: (i) borrowers in arrears are contacted in a timely fashion: (ii) subject to tight eligibility criteria, distressed debtors are offered sustainable loan modification options; and, (iii) other durable solutions are adopted where appropriate, including repossession proceedings, voluntary surrender, or mortgage to rent. We will monitor each bank's performance relative to already-defined key performance indicators for progress in resolving problem loans, and also against bank specific targets for reviewing new and existing individual arrears cases.
- We will continue the implementation of the framework to monitor the effectiveness of the loan modification process. We will publish banks' reported data on loan modifications, including re-defaults of modified loans, to permit analysis of the effectiveness of alternative resolution approaches in improving debt service performance.
- We will ensure appropriately prudent provisioning treatment of loan modifications. We will continue to engage with banks and review the proposed provisioning treatment for all advanced loan modification products being introduced as part of their mortgage arrears resolution strategies. In addition, we will, in consultation with staff of the EC, ECB, and the IMF, update where necessary the 2011 Impairment Provisioning and Disclosure guidelines setting out the appropriate assumptions for all categories of advanced loan modifications.
- To encourage and facilitate more active engagement with borrowers by banks, we will review the Code of Conduct for Mortgage Arrears. In particular, we will conduct the review to commence in early 2013 to take account of developments in the arrears environment such as the forthcoming Personal Insolvency legislation and the longer term loan modifications that will be rolled out by the banks.
- Having secured adequate protections for debtors' principal private residence through the enactment of the Personal Insolvency Bill, we will by end March 2013 introduce legislation remedying the issues identified by case law in the 2009 Land and Conveyancing Law Reform Act, so as to remove unintended constraints on banks to realise the value of loan collateral under certain circumstances.
- We will undertake a review of progress in addressing mortgage arrears by end-June 2013 (proposed structural benchmark).

13. **Establishing the new personal insolvency framework will support these efforts and help reduce household debt distress while maintaining debt service discipline.** The Personal Insolvency Bill has passed the committee stage in the Dáil and is expected to complete all Oireachtas stages by year-end. We will introduce further amendments ahead of its enactment including the licensing and regulation of personal insolvency practitioners. We are establishing the infrastructure to make the new insolvency framework operational by end January 2013 or very shortly thereafter. A newly appointed Director Designate of the Insolvency Service has been equipped with the resources to (i) develop the necessary IT infrastructure as early as possible in 2013, (ii) hire and train staff (iii) to publish, in particular in the context of the Debt Relief Notice process, and drawing on relevant research, guidelines for reasonable allowable household expenditures for debtors and (iv) conduct an information campaign for all likely to be concerned by the new insolvency processes. We have also completed the establishment of the Mortgage Advisory Service accessible through the internet where debtors can avail of a consultation with an independent financial advisor upon authorisation by their lender when offered advanced mortgage modification/long term forbearance under MARS.

14. **Resolving the balance sheet challenges of SMEs is critical to restoring their capacity to invest and create jobs.** We have recently launched the Temporary Partial Credit Guarantee scheme to facilitate lending to eligible SMEs. However, Irish SMEs with high indebtedness, often related to real estate investments, are often hampered in their ability to finance working capital and productive investments. Accordingly:

- **The CBI will monitor banks' implementation of arrears resolution strategies for SMEs.** The findings of the CBI review in this area were communicated to PCAR banks in August. Banks are strengthening their strategies and deploying adequate operational capacity to move away from short-term forbearance to more durable restructuring solutions.

- **We will improve the efficiency of the corporate insolvency framework for SMEs, drawing on the recommendations in the recent report by the Company Law Review Group.** In particular, by end-year we will prepare amendments to designate the Circuit Courts as competent for the examinership of companies within the EU small company thresholds (e.g., balance sheet below €4.4 million). Based on experience with the operation of the Insolvency Service in the personal insolvency reform, we will consider the appropriateness of further enhancements to the legal framework to reduce costs and achieve efficiency gains, including the potential for an administrative body to facilitate SME restructuring.

15. **We are redoubling our efforts to return PCAR banks to profitability, including by finalising a roadmap for the orderly withdrawal of the ELG Scheme**. We will continue to encourage further reductions of funding costs and urge continued operating cost savings in order to reduce their pre-provision operating losses. The strategy for weaning the

banking system off the ELG Scheme while preserving financial stability, currently being developed by the inter-agency working group led by the Department of Finance, will be finalised by end-2012.

16. **We continue to advance bank restructuring**. PTSB has undertaken its initial internal reorganisation, including separation into three discrete business units with separate management accounts. We will monitor PTSB's performance against the benchmarks proposed for the three business units. AIB and PTSB have submitted restructuring plans to the competent EC authority, with a view to restoring core profitability.

17. **We are finalising the framework to restore the viability and solvency of the credit union sector**. Drawing on the recommendations in the Report of the Commission on Credit Unions issued in March, the Credit Union Bill 2012 was published on September 28. The Bill strengthens the regulatory framework of credit unions with a focus on four areas: prudential regulation, governance, restructuring and stabilisation. We are refining the Bill, including to clarify, that, to the extent any public resources provided for the purpose of restructuring of credit unions are not reimbursed by the restructured institution, they will be recouped in full by means of a levy on the credit union industry. The restructuring process will be led by a Restructuring Board (ReBo), which will be mandated to underpin the sustainability of the credit union sector in a planned and time-bound manner. The ReBo will work with credit unions to bring forward restructuring proposals, which will be subject to CBI regulatory approval. To facilitate this restructuring process, we will transfer €250 million to a Credit Union Fund by end 2012, and we request an adjustor to the performance criterion on the exchequer primary balance and the indicative target on the stock of central government net debt.

18. **We will provide by end 2012 a report reviewing developments relative to PCAR 2011**. The review will analyse indicators of banks' financial performance versus the PCAR base and stress case assumptions, and will assess the impact of the evolution of economic drivers. These indicators will include credit quality, loan loss provisions, losses from deleveraging, and pre-provision net revenue. The analysis will take into account significant deviations from PCAR 2011 assumptions, such as in liability management exercises. The report will also provide details of the evolution of risk weighted assets.

19. **We are continuing to strengthen financial supervision and regulation**. Key deliverables will be as follows:

- ***Supervision and Enforcement Legislation***: Efforts to finalise the Central Bank (Supervision and Enforcement) Bill are on-going and the committee stage amendments are expected to be finalised shortly. We recognise the criticality of this legislation, especially with regard to strengthening the CBI's investigation, direction and enforcement powers, and are determined to move the Bill forward expeditiously.

- ***Banking supervision and securities regulation***: The CBI has begun an internal self-assessment of Ireland's observance of the recently revised *Basel Core Principles (BCP) for Effective Banking Supervision*. We will request an external BCP assessment by end March (proposed structural benchmark), with the aim to be completed by end-December 2013. We will also complete an International Organisation of Securities Commissions, (IOSCO) Objectives and Principles of Securities Regulation self-assessment, and will request an external assessment with the aim to be completed by end-December 2013.

- ***Resolution fund levy***: In September, we issued regulations for a levy on credit institutions designed to accumulate funding over the medium to long term to build a fund for resolution actions of €100m. We intend to recoup the public resources provided to the Resolution Fund mainly for the resolution of credit unions. Upon publication of the EU directive establishing a framework for the recovery and resolution of credit institutions and investment firms, we will review this regulation.

- ***Risk weighted assets***: The CBI is well advanced in enhancing its approach to Credit Risk, risk weighted asset (RWA) supervision including conducting annual model performance reviews, assessing RWA calculation and reviewing banks' approaches to RWA forecasting and stress testing in advance of PCAR 2013. The next steps will include completing the reviews and issuing mitigating actions for the banks concerned by end 2012.

20. **We will put in place an effective credit register to facilitate sound lending decisions and to aid financial supervision**. Issues of data protection have delayed finalisation of the Credit Reporting Bill 2012 that was published last September. Following the publication of the Bill at end-September 2012, a consultation process has commenced to consider potential Committee Stage amendments. Following the completion of the parliamentary process, the Central Bank, as the owner, will undertake a procurement exercise, with the goal of having the Register operational by end 2013.

D. Structural Reforms

21. Enhancing growth and job creation remains our top priority. Commencing in 2013, we are supplementing our exchequer capital expenditure programme by €1.4 billion through public-private partnerships with the European Investment Bank, the National Pension Reserve Fund, and private investors. Projects have been identified in education, transport, health care, and justice. We are also proceeding with the disposal of state assets in the energy generation and forestry sectors in 2013 as planned, while the sale of a minority stake in Aer Lingus hinges on market conditions and antitrust concerns. We will use at least half of the proceeds from these asset disposals to reduce public debt in due course, with the details on timing and implementation to be agreed. Once realised, the remaining proceeds will be reinvested in job-rich projects of a commercial nature, consistent with our fiscal targets.

22. **We are continuing to implement the Action Plan for Jobs, which aims to support employment creation through wide-ranging set of measures**. We have implemented almost 90 percent of the planned measures by end September, including: establishing new Technology Centres in Cloud Computing, Learning Technologies and Financial Services; launching of the Microfinance Fund that will provide small loans to businesses with up to 10 employees; and initiating an intra-agency partnership *Smart Futures* for promoting careers in science. To bring down the cost of doing business, we have reduced stamp duty and have introduced capital gains tax incentives for certain types of properties. We will continue to identify and implement measures to improve the business climate in 2013 and beyond, with a focus on promoting access to finance and investment by SMEs, supporting indigenous start ups and assisting indigenous business to grow, and developing and deepening the impact of foreign direct investment.

23. **We are stepping up our reforms of activation, training, and social welfare payments to help reduce unemployment over time**:

- ***Pathways to Work***. We have launched the new one-stop shop unemployment support service—Intreo—in four locations, and expect to have ten offices operational by end-2012. By combining the previously separate services of the Department of Social Protection, FAS, and the Community Welfare Service, Intreo will provide a more coherent and tailored package of employment services. Under the new system, engagement with job seekers will take place on a contractual basis with welfare payments contingent on participation in activation programs and job search efforts, where a lack of engagement would result in sanctions. We will triple the number of 'live' offices to 30 by the end of 2013, with a further 30 coming on stream before the end of 2014. This roll out will accelerate profiling of job seekers and further increase engagement at both the group and the individual level.
- ***Engagement with long term unemployed.*** We are taking steps to increase engagement with long term unemployed people through their inclusion in the Intreo activation process through greater use of the Local Employment Services Network, more targeted use of Community Employment and other work placement schemes, appropriate training schemes and through increased promotion of employer incentives encouraging the recruitment of long term unemployed people. It is anticipated that these steps, together with external contracting (see next bullet point) will enable the delivery of the targets with respect to long term unemployment set out in the Pathways to Work policy document.
- ***Involving the private sector in employment services provision, especially for the long-term unemployed***. We have established a cross-departmental working group to oversee the process of engaging private employment services firms, which will expand resources to service the needs of job seekers, helping address the current shortfall in qualified case workers. By end-February 2013 we will prepare draft remuneration contracts for the private firms that are in line with international best

practice with support from external experts. We plan to issue a tender for the provision of services by end March 2013, and these new services are expected to be operational by end-2013.

- ***Reforming the further education system, including for the unemployed.*** In order to strengthen training provision, we have recently published legislation to establish 16 Education and Training Boards, replacing the existing 33 Vocational Education Committees. The action plan for establishing SOLAS—an institution to coordinate and fund training and further education programs—will be completed by end-November, and by the end-December we will publish legislation to launch SOLAS. We have completed a financial review of the Community Employment programme, and by end-January 2013 we will prepare a comprehensive review of activation programs, which will guide us in further reforming the activation and training services provided to the unemployed.
- ***Housing assistance***. We intend to replace the current rent supplement for individuals with a long-term housing need with a new Housing Assistance Payment (HAP). Operated by the relevant housing authority, HAP will allow rent supplement to address its original objective as a short-term income support measure and will provide for the creation of an integrated social housing market. One of the benefits of HAP will be that it will be based on a differential rent, therefore enabling employment take-up by tenants who may previously have been caught in a poverty trap if they entered the workforce. Before HAP can be implemented, it will be necessary to introduce a system of non-discretionary deduction of rent. It is intended that this issue will be addressed via legislative amendments in the Social Welfare Budget Bill, 2012 (by end December 2012) to amend the Household Budgeting Scheme and the Social Welfare & Pensions Bill, 2013 in Spring 2013 (by end June 2013) to facilitate non-discretionary deduction on a wider level. It will also be necessary to enact the Housing (Miscellaneous Provisions) Bill, 2012 (summer 2013). It is the intention that HAP will be piloted in the second half of 2013 and made fully operational in 2014 with general roll out and commencement of transfers from early January 2014.

E. Programme Financing and Monitoring

24. **Our financing strategy aims to ensure the program is adequately financed and to help develop the basis for moving towards relying on market access**. Following our return to Treasury bond and bill issuances in July, we have instituted monthly Treasury bill auctions, with yields now below 1 percent, and we have also raised €1 billion in long-term funding with an initial issue of amortising bonds targeted at domestic pension funds. Building on this progress, we will seek to further broaden our investor base and increasingly move to regular bond issuances, which will account for a rising share of our financing. We will also continue to tap other sources such as amortising bonds when market conditions are favourable. In view of the external risks to our financing, we will continue to maintain a

prudent cash buffer and aim to end the programme with a buffer covering around one year of financing needs to support market confidence.

25. **Implementation of the policies under the programme will continue to be monitored through quarterly and continuous performance criteria, indicative targets, structural benchmarks, and quarterly programme reviews, as envisaged in our Letters of Intent since the inception of the arrangement on 3 December 2010 along with this letter**. The programme also continues to be in compliance with requirements under the Memorandum of Understanding on Specific Policy Conditionality. The attached Technical Memorandum of Understanding (TMU) defines the quantitative performance criteria and indicative targets under the programme. The Government's targets for the exchequer primary balance are monitored through quarterly performance criteria and net central government debt is an indicative target (Table 2). As is standard in EU/IMF arrangements, there is a continuous performance criterion on the non-accumulation of external payment arrears. Progress on implementing structural reforms is monitored through structural benchmarks (Tables 1 and 3).

26. **We authorise the IMF and the European Commission to publish the Letter of Intent and its attachments, and the related staff report**.

Table 1. Programme Monitoring

Measure	Date	Status
Quantitative Performance Criteria		
Cumulative exchequer primary balance	End-September 2012	Observed
Indicative Target		
Ceiling on the stock of central government net debt	End-September 2012	Observed
Continuous Performance Criteria		
Ceiling on the accumulation of new external payments arrears on external debt contracted or guaranteed by the central government	Continuous	Observed
Structural Benchmarks		
Define the criteria to run stringent stress tests scenarios.	End-December 2010	Observed
Agree on terms of reference for the due diligence of bank assets by internationally recognised consulting firms.	End-December 2010	Observed
The Central Bank will direct the recapitalisation of the principal banks (AIB, BoI and EBS) to achieve a capital ratio of 12 percent core tier 1.	End-February 2011	Not observed [1/]
Submit to Dáil Éireann the draft legislation on a special resolution regime.	End-February 2011	Observed [2/]
The Central Bank to complete the assessment of the banks' restructuring plans.	End-March 2011	Observed
Complete the diagnostic evaluation of banks' assets.	End-March 2011	Observed
Complete stress tests (PCAR 2011).	End-March 2011	Observed
Complete a full assessment of credit unions' loan portfolios	End-April 2011	Observed
Finalise plans for the recapitalisation of Irish Life and Permanent.	End-May 2011	Observed
Establish a Fiscal Advisory Council.	End-June 2011	Observed
Complete the recapitalisation of Allied Irish Banks, Bank of Ireland, Irish Life and Permanent and EBS Building Society.	End-July 2011	Observed
Submit the Supervision and Enforcement Bill to Oireachtas.	End-July 2011	Observed
Complete the legal merger procedures of Allied Irish Bank and EBS Building Society.	End-September 2011	Observed
Publish a memorandum of understanding governing the relationship of the Department of Finance and the Central Bank in relation to banking sector oversight.	End-October 2011	Observed [3/]
The merger of Irish Nationwide Building Society and Anglo-Irish bank.	End-December 2011	Observed
Central Bank to issue guidance to banks for the recognition of accounting losses incurred in their loan book.	End-December 2011	Observed

Table 1. Programme Monitoring (concluded)

Measure	Date	Status
Finalise a strategy to guide the development of broader legal reforms around personal insolvency, including significant amendments to the Bankruptcy Act 1998 and the creation of a new structured non-judicial debt settlement and enforcement system.	End-December 2011	Observed
Introduce a medium-term expenditure framework with binding multi-annual expenditure ceilings with broad coverage and consistent with the fiscal consolidation targets.	2012 Budget day in early December 2011	Observed
Updated restructuring plan for the PTSB detailing the actions needed to ensure viability of its core businesses.	End-June 2012	Observed
Submit to parliament, as part of the Fiscal Responsibility Bill, a legal framework for the Fiscal Advisory Council ensuring its independence.	End-September 2012	Observed
Publish legislation to strengthen the regulatory framework for credit unions, including making legislative provision for effective governance standards and prudential requirements	End-September 2012	Observed
Approve regulations to establish a charge levied across credit institutions to recoup over time the costs of resolving vulnerable institutions	End-September 2012	Observed

1/ Central Bank directions were issued within the required timeframe. However, completion of the capital injections required was postponed by the Minister for Finance until after the General Election. These directions are now superseded by the Central Bank's PCAR directions of 31 March 2011.
2/ In practice this was submitted to the Seanad as discussed in paragraph 21 of the MEFP, as the Dáil was dissolved owing to the elections.
3/ Effective end-October 2011 and posted on November 8, 2011.

Table 2. Ireland: Quantitative Performance Criteria and Indicative Targets Under the Economic Programme for 2011–13

	31-Dec-11		31-Mar-12		30-Jun-12		30-Sep-12		31-Dec-12	31-Mar-13	30-Jun 13	30-Sep-13
	Target 1/	Outcome	Target 1/	Outcome	Target 1/	Outcome	Target1/	Outcome	Target	Target	Target	Target
	(In billions of Euros)											
	Performance Criterion		Performance Criterion		Performance Criterion		Performance Criterion		Performance Criterion	Performance Criterion	Indicative Target 4/	Indicative Target 4/
1. Cumulative exchequer primary balance 2/	-22.3	-21.0	-6.9	-5.7	-9.6	-8.7	-11.4	- 10.1	-11.2	-3.7	- 4.3	- 4.9
2. Ceiling on the accumulation of new external payments arrears on external debt contracted or guaranteed by the central government 3/	0	0	0	0	0	0	0	0	0	0	0	0
	Indicative Target		Indicative Target		Indicative Target		Indicative Target		Indicative Target	Indicative Target	Indicative Target	Indicative Target
3. Ceiling on the stock of central government net debt 1/	117.2	115.7	125.0	123.0	130.1	128.2	132.5	130.0	135.5	143.1	149.2	150.4

1/ Adjusted.
2/ Measured by the exchequer balance excluding interest payments. Cumulative from the start of the relevant calendar year.
3/ Applies on a continuous basis.
4/ Exchequer primary balance targets after 31-December 2012 exclude payments in respect of the IBRC Promissory Note that have thus far – for program purposes – been considered part of exchequer non-voted capital spending.

Table 3. Ireland: Upcoming Prior Action and Structural Benchmarks under the Programme

Measure	Date	Status
Financial sector policies		
Request an external BCP assessment in support of efforts to strengthen financial supervision and regulation (MEFP ¶19).	End-March 2013	Proposed structural benchmark
Undertake a review of progress in addressing mortgage arrears (MEFP ¶12).	End-June 2013	Proposed structural benchmark
Fiscal policies		
Submit Budget 2013 to the Oireachtas (MEFP ¶6).	5 December 2012	Prior action

III. Technical Memorandum of Understanding (TMU)

November 29, 2012

1. This Technical Memorandum of Understanding (TMU) sets out the understandings regarding the definitions of the indicators subject to performance criteria and indicative targets under the arrangement supported by the Extended Fund Facility (EFF). These performance criteria and indicative targets are reported in Table 2 attached to the Memorandum of Economic and Financial Policies (MEFP). This TMU also describes the methods to be used in assessing the programme performance and the information requirements to ensure adequate monitoring of the targets.

2. For programme purposes, all foreign currency-related assets, liabilities, and flows will be evaluated at "programme exchange rates", with the exception of the items affecting the government fiscal balances, which will be measured at current exchange rates. The programme exchange rates are those that prevailed on December 30, 2011 as shown on the IMF's website (http://www.imf.org/external/np/fin/data/rms_five.aspx, accessed 19 January 2012), in particular, €1 = 1.2939 U.S. dollar and €1 = 0.842786 SDR.

I. Quantitative Performance Criteria And Indicative Targets

Floor on the Exchequer Primary Balance

3. The Exchequer balance is the traditional domestic budgetary aggregate which measures the net surplus or net deficit position of the Exchequer Account. The Exchequer Account is the single bank account of the Central Fund and is held at the Central Bank of Ireland. The annual audited accounts of the Exchequer Account produced by the Department of Finance are known as the Finance Accounts. An unaudited summary known as the Exchequer Statement is produced at the end of each month. Under the Irish Constitution, all Government receipts are paid in to the Central Fund and all Government expenditure is funded from it, unless provided otherwise by law.[1] The Exchequer balance is the difference between total receipts into, and total expenditure out of, the Exchequer Account. It measures the sum of the current and capital balances. The current balance is defined as current receipts (tax and non-tax revenue) minus current expenditure (voted expenditure and non-voted expenditure charged directly on the Central Fund, including the Sinking Fund). The capital balance is defined as capital receipts (Sinking Fund and other capital receipts) minus capital expenditure (voted and non-voted expenditure). The Sinking Fund provision is a transfer

[1] Receipts of the Central Fund comprise Exchequer tax revenues, non-tax revenues, receipts from the European Union and other capital receipts. Charges on the Central Fund include the expenditure of Government departments and offices, payments related to the servicing of the national debt, payments to the European Union Budget, the salaries, pensions and allowances of the President, judiciary, and Comptroller & Auditor General and the running costs of the Houses of the Oireachtas (Parliament). Extra-budgetary funds (including the National Pensions Reserve Fund), the Social Insurance Fund, semi-state bodies and local governments are not part of the Exchequer system.

from the current account to the capital account to reduce national debt and has no effect on the overall Exchequer balance.

4. The performance criteria are set on the Exchequer primary balance which is the Exchequer balance excluding net debt interest payments in the service of the National Debt. From January 2013 all payments related to the IBRC promissory notes are excluded from the Exchequer primary balance measure used for programme monitoring purposes.[2]

5. For the purposes of the programme, the floor on the Exchequer primary balance (quantitative performance criterion) will be adjusted

(i) downward by payments for bank restructuring carried out under the programme's banking sector support and restructuring strategy. Such payments may include, inter alia, loans to banks, investments in their equity (requited recapitalisation), unrequited recapitalisation, and purchases of troubled assets, which are carried out in line with programme objectives,

(ii) upward by the amount of proceeds from sales of bank equity held by the government or NPRF that are treated as Exchequer receipts,

(iii) upward by the amount of receipts from disposals of state assets specified in the paragraph 21 of the MEFP dated 29 November 2012,

(iv) downward by the amount of these receipts spent on growth-enhancing projects not included in Budget 2013, up to no more than half of these receipts,

(v) downward for Exchequer contributions to the Resolution Fund for the resolution of credit institutions, and upward for any Exchequer recoupment from the Resolution Fund, of such outlays.

(vi) downward for Exchequer contributions to the Credit Union Fund for the restructuring of credit unions up to €250 million cumulatively, and upward for any Exchequer recoupment, from the Credit Union Fund, of such outlays.

Any other financial operation by Government to support banks or other credit institutions including credit unions, including the issuance of guarantees or provision of liquidity, will be reported to EC, IMF, and ECB staffs.

6. The floor on the Exchequer primary balance (quantitative performance criterion) in each year will be measured cumulatively from the start of that calendar year.

[2] Net debt interest payments are as per the end-month Exchequer Statements.

Cumulative Exchequer primary balance	(In billions of Euros)
From January 1, 2012:	
End-December 2012 (performance criterion)	-11.2
From January 1, 2013	
End-March 2013 (performance criterion)	-3.7
End-June 2013 (indicative target)	-4.3
End-September 2013 (indicative target)	-4.9

7. The performance criterion on the Exchequer primary balance (floor) will be adjusted upward (downward) for the full amount of any over-performance (under-performance) in Exchequer tax revenues, pay-related social insurance contributions (PRSI) and national training fund contributions against the current projection which is listed below:[3]

II. Cumulative Exchequer tax revenue & other receipts (as outlined in 7. above)	III. (In billions of Euros)
From January 1, 2012:	
End-December 2012 (projection)	44.1
From January 1, 2013	
End-March 2013 (projection)	10.2
End-June 2013 (projection)	20.9
End-September 2013 (projection)	32.2

8. Any policy changes, including in administration and enforcement of taxes, which impact the revenue projection set out in paragraph 7 will lead to a reassessment of the adjustor in the context of program reviews.

Ceiling on the Stock of Central Government Net Debt

9. The stock of net central government debt, for the purposes of the programme, is defined as the National Debt less liquid assets of the National Pensions Reserve Fund (NPRF). The National Debt is defined as the total outstanding amount of principal borrowed by central government and not repaid as of the test date, less liquid assets available for redemption of those liabilities at the same date. These liquid assets comprise the Exchequer cash balances (including cash in the Capital Services Redemption Account), Exchequer deposits with commercial banks and other institutions, and investments in investment grade sovereign bills. For the purposes of the programme, NPRF liquid assets include the asset classes listed above, and also all marketable securities such as equities, government bonds and other listed investments. NPRF shares in domestic Irish banks, as well as the NPRF's non-liquid discretionary portfolio are excluded from the definition of liquid assets.

[3] As of November 2012, Exchequer tax receipts are comprised of income tax (including the universal social charge), value added tax (VAT), corporation tax, excise duties, stamp duties, capital gains tax, capital acquisitions, tax and customs duties and property tax (as from 2013) .

10. For the purposes of the programme, the ceiling on the central government net debt (indicative target) will be adjusted[4]

(i) upward by debt arising from payments for bank restructuring carried out under the programme's banking sector support and restructuring strategy. These payments may include, inter alia, loans to banks, investments in their equity (requited recapitalisation); unrequited recapitalisation; and purchases of troubled assets, which are carried out in line with programme objectives,

(ii) downward by the amount of proceeds from sales of bank equity held by the government or NPRF that are treated as Exchequer or NPRF receipts,

(iii) downward by the amount of receipts from disposals of state assets specified in the paragraph 21 of the MEFP dated 29 November 2012,

(iv) upward by the amount of these receipts spent on growth-enhancing projects not included in Budget 2013, up to no more than half of these receipts,

(v) upward for Exchequer contributions to the Resolution Fund for the resolution of credit institutions, and downward for any Exchequer recoupment, from the Resolution Fund, of such outlays.

(vi) upward for Exchequer contributions to the Credit Union Fund for the restructuring of credit unions up to €250 million cumulatively , and downward for any Exchequer recoupment, from the Credit Union Fund, of such outlays.

(vii) downward by the amount liquidated from the NPRF non-liquid discretionary portfolio,

(viii) downward (upward) by valuation gains (losses) in the NPRF liquid portfolio. The programme exchange rates will apply to all non-Euro denominated debt.

11. The ceiling on the outstanding stock of central government net debt will be adjusted upward (downward) by the amount of any final upward (downward) revision to the stock of end-June 2012 central government net debt.

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[4] Although all payments related to the IBRC promissory notes are excluded from the Exchequer primary balance measure used for programme monitoring purposes, they are included in the Central Government net debt measure used for programme monitoring purposes.

Central government net debt	(In billions of Euros)
Outstanding stock:	
End-September 2012 (provisional)	130.0
End-December 2012 (indicative target)	135.5
End-March 2013 (indicative target)	143.1
End-June 2013 (indicative target)	149.2
End-September 2013 (indicative target)	150.4

Non-accumulation of External Payments Arrears by Central Government

12. The central government will accumulate no external payments arrears during the programme period. For the purposes of this performance criterion, an external payment arrear will be defined as a payment by the central government on its contracted or guaranteed external debt that has not been made within five business days after falling due, excluding any contractual grace period. The performance criterion will apply on a continuous basis.

13. The stock of external payments arrears of the central government will be calculated based on the schedule of external payments obligations reported by the National Treasury Management Agency.

II. Reporting Requirements

14. Performance under the programme will be monitored using data supplied to the EC, IMF, and ECB staffs. The Irish authorities will transmit promptly any data revisions.

- The Department of Finance will report to the EC, IMF and ECB staff, with a lag of no more than seven days after the test date the following data: the Exchequer primary balance, Exchequer tax revenues, payments for bank restructuring carried out under the programme's banking sector support and restructuring strategy, proceeds from sales of bank equity held by the government or NPRF that are treated as Exchequer receipts, receipts from disposals of state assets specified in the paragraph 21 of the MEFP dated 29 November 2012 and associated outlays on growth-enhancing projects not included in Budget 2013, Exchequer outlays for the resolution and restructuring of credit unions, any return of such outlays to the Exchequer and also for the recoupment of such outlays by the Exchequer from the Resolution Fund and the Restructuring and Stabilisation Fund.

- The National Treasury Management Agency will provide provisional figures on the outstanding stock of net government debt, including an unaudited analysis of NPRF holdings, with a lag of no more than seven days after the test date. The revised figures will be provided within three months of the test date.

- The National Treasury Management Agency will provide the final stock of the central government system external payments arrears to the EC, IMF and ECB staff, with a lag of not more than seven days after the arrears arise in accordance with the definition of external payments arrears as set forth in paragraph 12 of this memorandum.

- The Central Bank of Ireland will provide on a quarterly basis, bank by bank data on the assets of government guaranteed banks, including loans and provisioning by period overdue (90+days and less than 90 days) and category of borrower, 40 working days after the end of each quarter.

IV. Ireland: Letter of Intent (European Commission)

Dublin, 29 November 2012

Mr. Mario Draghi
President
European Central Bank
Kaiserstrasse 29
60311 Frankfurt am Main
Germany

Mr. Jean-Claude Juncker
Eurogroup President
Ministère des Finances
3, rue de la Congrégation
L-1352
Luxembourg

Mr. Olli Rehn
Vice-President of the European Commission responsible for Economic and Monetary Affairs and the euro
European Commission
BERL 10/299
B-1049 Brussels
Belgium

Mr Vassos Shiarly
Minister of Finance
Michael Karaoli & Gregori Afxentiou
1439 Nicosia
Cyprus

Dear Messrs Draghi, Juncker, Rehn, and Shiarly

1. The Irish Government remains firmly committed to the programme, as illustrated by our continued strong performance in implementing the agreed policy frameworks and measures. This performance, and our preparation for Budget 2013, is against a backdrop of an increasingly adverse international economic environment. Nevertheless, yields on Irish government bonds have fallen dramatically in recent months, reflecting our strong performance as well as certain positive developments in Europe, especially the euro area

leaders' June 29 commitment to decouple the sovereign and banking debt issues and in this context to specifically examine the situation of the Irish financial sector with the view of improving the sustainability of Ireland's well-performing adjustment programme. The ECB's decision on Outright Monetary Transactions is another positive development. These improved market conditions enabled the launch of our first bond issue under the programme in late July and the renewal of regular Treasury bill auctions. As we enter the final year of our 3yr programme, we are now focusing on the measures necessary to successfully exit from the programme. Notwithstanding the external risks, our policy efforts are aimed at further deepening our access to market funding during 2013, in order to exit from reliance on official financing. Timely implementation of euro area leaders' commitments would greatly support the effectiveness of these efforts. We are sure that we can rely on continued support of the external partners and fellow member states in this endeavour.

2. For the eighth review, we have once again met our commitments under the EU/IMF supported programme in terms of policy reforms as well as quantitative targets:

- As regards our fiscal consolidation objectives, the 2012 cumulative exchequer balance through end-September was ahead of the programme profile and, for 2012 as a whole, the general government deficit is projected to be below the 8.6% of GDP programme ceiling. We are alert to the overruns experienced in the health sector, and are taking structural measures to correct them in a durable manner. We will also present Budget 2013 to the Dail on December 5, which will underpin our commitment to reduce the general government deficit in 2013 and future years in line with our agreed programme consolidation path, despite the weaker growth outlook.

- We have introduced legislation to the Dail by end-September as envisaged, including measures to: (i) reform the personal insolvency framework; (ii) establish a Central Credit Register; (iii) strengthen the Credit Union legislative framework; and provide the legal basis for, respectively, (iv) the Irish Fiscal Advisory Council and (v) the medium-term expenditure ceilings (both introduced last year on an administrative basis). We have also launched an advisory service for distressed mortgage borrowers and introduced on a statutory basis (i) the requirement, under the terms of the Deposit Guarantee Scheme, for Credit Unions to maintain an amount in the Deposit Protection account in the central bank and (ii) a levy to fund the credit institutions resolution fund. Moreover, we progressed on reforming activation policies and preparing identified non-strategic state assets for eventual disposal, and reforming the sectoral wage setting mechanisms (legislation for which has been approved). Finally, we are taking necessary steps to introduce water meters, centralize the provision of water services and ensure a sound financial footing for Irish Water according to the timeline envisaged under the programme.

- The overarching strengthening, restructuring, and right-sizing of the domestic banking and the credit union sectors are also progressing according to plan. Two out of three PCAR banks are well advanced in reaching their end-2013 asset deleverage targets, and the Central Bank has formalized to the PCAR banks non-core asset deleverage targets and has introduced an advanced monitoring framework designed to ensure the banks take actions to improve net-stable-funding and liquidity coverage ratios. Revised restructuring plans for both AIB and PTSB have been submitted to the European Commission. Further actions to address loan arrears and unsustainable debts in banks' mortgage and SME loan portfolios are being implemented.

3. In light of our performance under the programme and our continued commitment to it, we request the completion of the eighth review and the release of the eighth EFSF/EFSM disbursement of EUR 0.8 billion.

4. In the attached seventh update of the Memorandum of Understanding of Specific Economic Policy Conditionality (the MOU), as well as in the Memorandum of Economic and Financial Policies (MEFP), we set out our plans to further advance towards meeting the objectives of our economic adjustment programme. We also continue to work with staff of the European Commission, the European Central Bank and the International Monetary Fund on the follow-up to the 29 June statement by the Heads of State and Government of the euro area.

5. We consider that delivering in full our commitments under the programme, while progressing towards severing the pernicious link between the banks and the sovereign, will enable Ireland to successfully exit the programme and return to sustained private market funding.

6. We are confident that the policies set forth in the Letters of Intent of 3 December 2010 and subsequent letters as well as this letter are adequate to achieve the objectives of our Programme. At the same time, while we do not envisage that revisions will be needed, we stand ready to take any corrective actions that may become appropriate if circumstances change. We will continue to consult with staff of the European Commission, the ECB, and the IMF on the adoption of such actions in advance in the event that revision of the policies contained in this Letter and the attached Memoranda becomes necessary.

7. This letter is being copied to Mme Lagarde.

Sincerely,

/s/	/s/
Michael Noonan, T.D.	Patrick Honohan
Minister for Finance	Governor of the Central Bank of Ireland

Ireland: Memorandum of Understanding on Specific Economic Policy Conditionality (European Commission)

IRELAND

MEMORANDUM OF UNDERSTANDING
ON
SPECIFIC ECONOMIC POLICY CONDITIONALITY

(SEVENTH UPDATE)

[xx] January 2013

1. With regard to Council Regulation (EU) n° 407/2010 of 11 May 2010 establishing a European Financial Stabilisation Mechanism (EFSM), and in particular Article 3(5) thereof, this seventh update of the Memorandum of Understanding on Specific Economic Policy Conditionality (MoU) details the general economic policy conditions as embedded in Council Implementing Decision 2011/77/EU of 7 December 2010 on granting Union financial assistance to Ireland.

2. The quarterly disbursement of financial assistance from the EFSM[1] will be subject to quarterly reviews of conditionality for the duration of the programme. Release of the installments will be based on observance of quantitative performance criteria, respect for EU Council Decisions and Recommendations in the context of the excessive deficit procedure (EDP), and a positive evaluation of progress made with respect to policy criteria in the Memorandum of Economic and Financial Policies (MEFP) and this updated MoU, which details and further specifies the criteria that will be assessed for the successive reviews up to the end of 2013. If targets are expected to be missed, additional action will be taken.

3. For the duration of the EU/IMF financial assistance programme the Irish authorities will take all the necessary measures to ensure a successful implementation of the programme and minimise the costs to the taxpayers, while protecting the most vulnerable. In particular, they commit to:

   a. Rigorously implement fiscal policy consistent with the requirements of the excessive deficit procedure. In particular, the Department of Finance and

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[1] On 28 November 2010 Eurogroup and ECOFIN Ministers issued a statement clarifying that euro-area and EU financial support will be provided on the basis of the programme which has been negotiated with the Irish authorities by the Commission and the IMF, in liaison with the ECB. Further to the Union support from the EFSM, loans from the EU and its Member States will include contributions from the European Financial Stability Facility (EFSF) and bilateral lending support from the United Kingdom, Sweden, and Denmark. The Loan Facility Agreements on these financing contributions will specify that the disbursements there under are subject to the compliance with the conditions of this Memorandum.

the Department of Public Expenditure and Reform will continue to ensure effective tax collection and tight supervision of expenditure commitments by the line departments to ensure that the primary deficit target in cash (see Table 1 of MEFP and the Technical Memorandum of Understanding, TMU) and the general Government nominal budget deficit on ESA95 basis as set out in the EU Council Recommendation on excessive deficit procedures are achieved. Any additional unplanned revenues must be allocated to debt reduction. Moreover, the nominal value of Social Welfare pensions will not be increased.

b. Continue to strengthen the fiscal framework and reporting in line with EU requirements.

c. Use at least half of the proceeds from state asset sales for eventual debt reduction while also reinvesting the remainder of the total realised proceeds in projects which are of a commercial nature, meet ex-ante cost benefit criteria, enhance employment and preserve long term fiscal sustainability, including Programme and EDP fiscal targets.

d. Continuously monitor financial markets to exploit opportunities to return to commercial funding as soon as possible.

e. Ensure that activation services are enhanced, to tackle the high and persistent rate of long-term unemployment. In particular, the Department of Social Protection will take steps to improve the ratio of vacancies filled off the live register, focus on re-training the unemployed to reduce the risk of long-term unemployment and ensure appropriate incentives through the implementation of sanctions. Generally, the government will advance its plans to introduce new activation measures building on *Pathways to Work* (the government's strategy for institutional reform of the activation system).

f. Ensure that no further exemptions to the competition law framework will be granted unless they are entirely consistent with the goals of the EU/IMF Programme and the needs of the economy.

g. Ensure that NAMA: (i) maintains the highest standards of governance with appropriate accountability and transparency arrangements; (ii) reduces the costs of its operations; and (iii) constructively contributes to the restoration of the Irish property market in the course of meeting the asset disposal targets established and monitored by the NAMA Board, including redemption of €7.5 billion worth of senior bonds by end 2013.

h. Ensure that the restructuring of credit unions will underpin the financial stability and long term sustainability of the sector. The restructuring will be completed in as short a timeframe as possible under a clear plan identifying credit unions appropriate for restructuring, subject to Central

Bank regulatory approval. As regards funding, the first call should be on the credit unions concerned or the sector as a whole; any Exchequer funding should be minimised, should be provided only in the context of a restructuring plan in compliance with EU state aid rules, and should be recouped from the sector over time. In parallel, the Central Bank will continue its inspections to determine the financial condition of the weakest credit unions, and will engage its resolution powers as needed, drawing on Resolution Fund resources if required.

i. Ensure continued compliance with the minimum Core Tier 1 Capital ratio of 10.5% for all PCAR banks (AIB, BOI, and PTSB).

j. Consult ex-ante with the European Commission, the ECB and the IMF on the adoption of policies that are not included in this Memorandum but that could have a material impact on the achievement of programme objectives.

4. To facilitate programme monitoring, the authorities will provide the European Commission, the ECB and the IMF with:

a. All information required to monitor progress during programme implementation and to track the economic and financial situation.

b. A compliance report on the fulfillment of the conditionality prior to the release of the installments.

c. Reliable and regular availability of budgetary and other data as detailed in Annex 1.

1. Actions for the ninth review (actions to be completed by end Q4-2012)

Fiscal consolidation

5. The Government will publish a budget for 2013 consistent with a general government deficit ceiling of 7.5% of GDP and in line with the Council Recommendations under Ireland's excessive deficit procedure.

6. On the basis of the aggregate budgetary projections set out in the Medium Term Fiscal Statement (MTFS) of November 2011, consolidation measures for 2013 will amount to at least €3.5 billion. The following measures are proposed for 2013 on the basis of the MTFS:

- Revenue measures to raise at least €1.25 billion[2], including:

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[2] Inclusive of carryover from 2012.

- A broadening of personal income tax base.

- A value-based property tax.

- A restructuring of motor taxation.

- A reduction in general tax expenditures.

- An increase in excise duty and other indirect taxes.

  - Expenditure reductions necessary to achieve an upper limit on voted expenditure of €54.3 billion, which will involve deficit consolidation measures of €2.25 billion on the basis of the MTFS, including:

- Social expenditure reductions.

- Reduction in the total pay and pensions bill.

- Other programme expenditure, and reductions in capital expenditure.

7. Without prejudice to the minimum consolidation amount referred to in the previous paragraph and to the requirements to achieve the agreed fiscal targets, the Government may, in consultation with the staff of the European Commission, the IMF, and the ECB, substitute one or more of the above measures with others of equally good quality based on the options identified in the Comprehensive Review of Expenditure (CRE).

8. The authorities will take the measures necessary to unwind the overrun in health spending and will contain health expenditure next year to within the €13.6 billion departmental ceiling for 2013 set in the *Comprehensive Expenditure Report 2012-14*.

9. Government will publish a medium-term fiscal statement covering the period 2013-2015 consistent with a further reduction of the General Government deficit in line with the fiscal targets set out in the Council Recommendation in the context of the excessive deficit procedure.

10. DPER and DECLG will agree a protocol to ensure that the local government sector continues to be managed in balance over the medium term and in particular to ensure a balanced budget in 2013, by reference to the application of the financial management safeguards and requirements in place within the sector.

Financial sector reforms

Capital assessment

11. The authorities will provide the staff of the European Commission, the ECB and the IMF a review of developments in the PCAR banks relative to PCAR 2011. Overall results of this work will be published by end January 2013. The authorities will agree with the staff of the European Commission, the ECB and the IMF on the specific details of the review.

Deleveraging

12. The authorities, in consultation with the staff of the European Commission, the IMF, and the ECB, will assess banks' deleveraging based on the existing nominal targets for disposal and run-off of non-core assets in line with the 2011 Financial Measures Programme. Fire sales of assets will be avoided, as will any excessive deleveraging of core portfolios, so as not to impair the flow of credit to the domestic economy.

Funding and liquidity monitoring

13. The authorities will provide staff of the European Commission, the IMF, and the ECB with a detailed assessment of banks' progress towards the relevant Basel III requirements using the advanced monitoring framework.

Asset quality

14. The authorities will provide staff of the European Commission, the IMF, and the ECB with their assessment of banks' performance with the work-out of their non-performing mortgage portfolios in accordance with the agreed key performance indicators. A set of key performance indicators for SMEs will also be developed. The authorities will monitor each PCAR bank's performance relative to already-defined key performance indicators for progress in resolving problem loans, and also against bank specific targets for reviewing new and existing individual arrears cases.

15. The authorities will publish banks' reported data on loan modifications, including re-defaults of modified loans, to permit analysis of the effectiveness of alternative resolution approaches in improving debt service performance.

Reorganisation

16. The authorities will report on progress in implementing the strategy for the reorganisation of Irish credit institutions, including any steps to strengthen the credit union sector, and discuss it together with the staff of the European Commission, the IMF, and the ECB.

Financial Supervision

17. The authorities will present a comprehensive report on progress in implementing the Central Bank of Ireland's action plan for strengthening supervision of credit institutions and discuss it together with the staff of the European Commission, the ECB and the IMF.

18. The authorities will report on banks' progress with the implementation of their strategies to address loan arrears and unsustainable debts in banks' mortgage and SME loan portfolios.

19. The authorities will continue enhancing their approach to Credit Risk, risk weighted asset (RWA) supervision including conducting annual model performance reviews, assessing RWA calculation and reviewing banks' approaches to RWA forecasting and stress testing in advance of PCAR 2013. The authorities will complete the reviews and issue mitigating actions for the banks concerned.

Personal Insolvency Reform

20. The authorities will ensure that the Draft Personal Insolvency Bill will provide for the framework for the appropriate licensing and regulation of Personal Insolvency Practitioners.

Structural reforms

Enhancing access to finance for SMEs

21. The authorities will report on a survey of SMEs demand for credit covering the six months to September 2012. This will include whether or not SMEs sought credit, approval/refusal rates, conditions and criteria attached to approvals, reasons for refusals and information on use of non-bank finance, turnover, profitability and employment levels. In addition, the authorities will complete a separate study assessing the effectiveness of the Credit Review Office to ensure that SMEs are getting the support on bank lending they require.

22. The authorities will also improve the efficiency of the corporate insolvency framework for SMEs, drawing on the recommendations in the recent report by the Company Law Review Group. In particular, the authorities will prepare amendments to designate the Circuit Courts as competent for the examinership of companies within the EU small company thresholds (e.g., balance sheet below €4.4 million).

Competition

23. On the basis of a report on developments to be provided by the authorities by end Q4 2012, the authorities, in consultation with staff of the European Commission, IMF and the ECB, will review whether sufficient progress has been made toward the goal of strengthening

competition law enforcement by ensuring the availability of effective sanctions for infringements of Irish competition law and Articles 101 and 102 of the Treaty on the Functioning of the European Union and the functioning of the Competition Authority, and whether additional measures will be required.

State asset disposals

24. Government will complete, if necessary, relevant regulatory, legislative, corporate governance and financial reforms required to bring to the point of sale the assets it has identified for disposal. For each asset and/or group of assets, the government will provide a report to the staff of the European Commission, the IMF, and the ECB on progress achieved and remaining steps towards to the point of sale.

Water services reform

25. The authorities will ensure assignment of economic regulatory oversight over the water sector, including price setting powers, is provided for by way of legislation to the Commission for Energy Regulation. The Government will also ensure that interim arrangements are in place for the establishment of Irish Water.

2. Actions for the tenth review (actions to be completed by end Q1-2013)

Financial sector reforms

Capitalisation

26. The authorities will report on the evolution of regulatory capital within the PCAR banks up to the end of December 2012, and will present and discuss their findings with the staff of the European Commission, the IMF, and the ECB.

Deleveraging

27. The authorities, in consultation with the staff of the European Commission, the IMF, and the ECB, will assess banks' deleveraging based on the existing nominal targets for disposal and run-off of non-core assets in line with the 2011 Financial Measures Programme. Fire sales of assets will be avoided, as will any excessive deleveraging of core portfolios, so as not to impair the flow of credit to the domestic economy.

Funding and liquidity monitoring

28. The authorities will provide staff of the European Commission, the IMF, and the ECB with a detailed assessment of banks' progress towards the relevant Basel III requirements using the advanced monitoring framework.

29. Following finalisation of the Capital Requirements Directive legislative text, the authorities will establish draft guidance for the creation and subsequent holding of liquidity buffers by banks for issue in advance of the entry into force of the regulations.

30. In addition, the authorities will monitor the liquidity buffers held by banks in accordance with the Capital Requirements Regulation.

Asset quality

31. The authorities will provide staff of the European Commission, the IMF, and the ECB with their assessment of banks' performance with the work-out of their non-performing mortgage and SME portfolios in accordance with the agreed key performance indicators. The authorities will monitor each PCAR bank's performance relative to already-defined key performance indicators for progress in resolving problem loans, and also against bank specific targets for reviewing new and existing individual arrears cases.

32. The authorities will publish banks' reported data on loan modifications, including re-defaults of modified loans, to permit analysis of the effectiveness of alternative resolution approaches in improving debt service performance.

33. Having secured adequate protections for debtors' principal private residence through the enactment of the Personal Insolvency Bill, the authorities will introduce legislation remedying the issues identified by case law in the 2009 Land and Conveyancing Law Reform Act, so as to remove unintended constraints on banks to realise the value of loan collateral under certain circumstances.

Reorganisation

34. The authorities will report on progress in implementing the strategy for the reorganisation of Irish credit institutions, including any steps to strengthen the credit union sector, and discuss it with the staff of the European Commission, the IMF, and the ECB.

Financial supervision

35. The authorities will present a comprehensive report on progress in implementing the Central Bank of Ireland's action plan for strengthening supervision of credit institutions and discuss it with the staff of the European Commission, the IMF, and the ECB.

36. The authorities will report on banks' progress with the implementation of their strategies to address loan arrears and unsustainable debts in banks' mortgage, and SME loan portfolios.

37. The authorities will ensure appropriately prudent provisioning treatment of loan modifications. The authorities will continue to engage with banks and review the proposed provisioning treatment for all advanced loan modification products being introduced as part

of their mortgage arrears resolution strategies. In addition, the authorities will, in consultation with staff of the EC, ECB, and the IMF, update where necessary the 2011 Impairment Provisioning and Disclosure guidelines setting out the appropriate assumptions for all categories of advanced loan modifications.

Structural reforms

Health sector

38. The authorities will conduct a study to compare the cost of drugs, prescription practices and the usage of generics in Ireland with comparable EU jurisdictions.

Efficient social support expenditure

39. The authorities will complete by end January a review of the labour market activation policies in place to enable the unemployed to return to active employment against the targets set out in the 'Pathways to Work' plan, with a view to increasing the impact of the interventions made and services provided in this key area through; implementing key service elements such as profile-based activation in all offices; extending one-stop shops to more offices, bringing forward necessary steps to outsource training and activation, and broadening coverage of policy initiatives to long-term unemployed.

3. Actions for the eleventh review (actions to be completed by end Q2-2013)

Financial sector reforms

Capital assessment

40. The authorities will agree with the staff of the European Commission, the ECB and IMF on the specific features of the methodology for the PCAR 2013 stress test exercise.

Deleveraging

41. The authorities, in consultation with the staff of the European Commission, the IMF, and the ECB, will assess banks' deleveraging based on the existing nominal targets for disposal and run-off of non-core assets in line with the 2011 Financial Measures Programme. Fire sales of assets will be avoided, as will any excessive deleveraging of core portfolios, so as not to impair the flow of credit to the domestic economy.

Funding and liquidity monitoring

42. The authorities will provide staff of the European Commission, the IMF, and the ECB with a detailed assessment of banks' progress towards the relevant Basel III requirements using the advanced monitoring framework.

43. The authorities will also monitor the liquidity buffers held by banks in accordance with the Capital Requirements Regulation.

Asset quality

44. The authorities will provide staff of the European Commission, the IMF, and the ECB with their assessment of banks' performance with the work-out of their non-performing mortgage and SME portfolios in accordance with the agreed key performance indicators. The authorities will monitor each PCAR bank's performance relative to already-defined key performance indicators for progress in resolving problem loans, and also against bank specific targets for reviewing new and existing individual arrears cases.

45. The authorities will publish banks' reported data on loan modifications, including re-defaults of modified loans, to permit analysis of the effectiveness of alternative resolution approaches in improving debt service performance.

46. The authorities will undertake a review of progress in addressing mortgage arrears.

Reorganisation

47. The authorities will report on progress in implementing the strategy for the reorganisation of Irish credit institutions, including any steps to strengthen the credit union sector, and discuss it together with the staff of the European Commission, the IMF, and the ECB.

Financial supervision

48. The authorities will present a comprehensive report on progress in implementing the Central Bank of Ireland's action plan for strengthening supervision of credit institutions and discuss it together with the staff of the European Commission, the IMF, and the ECB.

49. The authorities will report on banks' progress with the implementation of their strategies to address loan arrears and unsustainable debts in banks' mortgage, and SME loan portfolios.

50. The authorities will review the implementation of the 2011 CBI Provisioning and Disclosure guidelines by the covered banks with reference to the end-2012 published financial statements.

51. Upon publication of the EU directive establishing a framework for the recovery and resolution of credit institutions and investment firms, the authorities will review the Resolution fund levy regulation.

Structural reforms

State assets

52. The authorities will report to the staff of the European Commission, the IMF, and the ECB on the quantum of the proceeds of any realised asset sales to date. For assets yet to be disposed, the authorities will report on progress made and remaining steps.

Labour market reform

53. The authorities will report to the staff of the European Commission, the IMF, and the ECB on the impact on the labour market of reforms to sectoral wage-setting mechanisms undertaken under the programme.

Water services reform

54. The Commission for Energy Regulation will carry out consultations to determine the framework for household water charges with a view to start charging by the end of the EU-IMF programme period. The CER will also conduct consultations in due course to determine the pricing methodology for the non-domestic sector.

55. The Government will publish a Water Services Bill with the aim of defining the regulatory framework for the water sector under a national public utility setting and providing for the establishment of Irish Water in its final form. There will be prior engagement with the European Commission as appropriate, in developing the legislative arrangements.

4. Actions for the twelfth review (actions to be completed by end Q3-2013)

Financial sector reforms

Capital assessment

56. The authorities will complete the PCAR 2013. Building on the outcomes from PCAR 2011 and the FMP 2012, the authorities will conduct another rigorous stress test and this will continue to be based on robust loan-loss forecasts and a high level of transparency. This stress test will draw on an assessment of the banks' calculation of risk weighted assets, loan loss forecasting, and capital modelling. Before publication, the results of the PCAR 2013 will be discussed with the staff of European Commission, the IMF, and the ECB and will be aligned with the timing of the next EBA exercise. The results and methodology will be published in full and on a bank-by-bank basis, and the authorities will accordingly ensure that banks are adequately capitalised.

57. The authorities will report on the evolution of regulatory capital up to the end of June 2013 within the banks covered by the PCAR and will present and discuss their findings with the staff of the European Commission, the IMF, and the ECB.

Deleveraging

58. The authorities, in consultation with the staff of the European Commission, the IMF, and the ECB, will assess banks' deleveraging based on the existing nominal targets for disposal and run-off of non-core assets in line with the 2011 Financial Measures Programme. Fire sales of assets will be avoided, as will any excessive deleveraging of core portfolios, so as not to impair the flow of credit to the domestic economy.

Funding and liquidity monitoring

59. The authorities will provide staff of the European Commission, the IMF, and the ECB with a detailed assessment of banks' progress towards the relevant Basel III requirements using the advanced monitoring framework.

Asset quality

60. The authorities will provide staff of the European Commission, the IMF, and the ECB with their assessment of banks' performance with the work-out of their non-performing mortgage and SME portfolios in accordance with the agreed key performance indicators. The authorities will monitor each PCAR bank’s performance relative to already-defined key performance indicators for progress in resolving problem loans, and also against bank specific targets for reviewing new and existing individual arrears cases.

61. The authorities will publish banks’ reported data on loan modifications, including re-defaults of modified loans, to permit analysis of the effectiveness of alternative resolution approaches in improving debt service performance.

Reorganisation

62. The authorities will report on progress in implementing the strategy for the reorganisation of Irish credit institutions, including any steps to strengthen the credit union sector, and discuss it together with the European Commission, the IMF, and the ECB.

Financial Supervision

63. The authorities will present a comprehensive report on progress in implementing the Central Bank of Ireland’s action plan for strengthening supervision of credit institutions and discuss it together with the staff of the European Commission, the IMF, and the ECB.

64. The authorities will report on banks' progress with the implementation of their strategies to address loan arrears and unsustainable debts in banks' mortgage and SME loan portfolios.

Structural reforms

Access to SME credit

65. Based on experience of the operation of the Insolvency Service in the personal insolvency reform, the authorities will consider the appropriateness of further enhancements to the company law framework to reduce costs and achieve efficiency gains, including the potential for an administrative body to facilitate SME restructuring.

Water services reform

66. The Government's budgetary perspective will be based on Irish Water becoming substantially self-funded over time.

5. Actions for the thirteenth review (actions to be completed by end Q4-2013)

Financial sector reforms

Deleveraging

67. The authorities will produce a final report of the banks' implementation of their deleveraging plans under the PLAR 2011. Their compliance with the asset disposal and run-off targets in nominal value terms will be discussed with the staff of the European Commission, the IMF, and the ECB.

68. The authorities will produce a final report on progress towards compliance with Basel III liquidity and funding requirements by the relevant dates.

69. The authorities will also monitor the liquidity buffers held by banks in accordance with the Capital Requirements Regulation.

Asset quality

70. The authorities will provide staff of the European Commission, the IMF, and the ECB with their assessment of banks' performance with the work-out of their non-performing mortgage and SME portfolios in accordance with the agreed key performance indicators. The authorities will monitor each PCAR bank's performance relative to already-defined key performance indicators for progress in resolving problem loans, and also against bank specific targets for reviewing new and existing individual arrears cases.

71. The authorities will publish banks’ reported data on loan modifications, including re-defaults of modified loans, to permit analysis of the effectiveness of alternative resolution approaches in improving debt service performance.

Reorganisation

72. The authorities will provide a final report on progress in implementing the strategy for the reorganisation of Irish credit institutions, including any steps to strengthen the credit union sector, and discuss it together with the European Commission, the IMF, and the ECB.

Financial Supervision

73. The authorities will present a final comprehensive report on progress in implementing the Central Bank of Ireland’s action plan for strengthening supervision of credit institutions and discuss it together with the European Commission, the IMF, and the ECB.

74. The authorities will provide a final report on banks' progress with the implementation of their strategies to address loan arrears and unsustainable debts in banks' mortgage, and SME loan portfolios.

75. The authorities will ensure that the Central Credit Register is operational.

Annex 1. Provision of data

During the programme, the following indicators and reports shall be made available to the staff of the European Commission, the IMF, and the ECB by the Irish authorities on a regular basis. The External Programme Compliance Unit (EPCU) of the Department of Finance will coordinate and collect data and information and forward to the staff of the European Commission, the IMF, and the ECB.

To be provided by the Department of Finance in consultation with the Department of Public Expenditure and Reform as appropriate		
Ref.	Report	Frequency
F.1	Monthly data on adherence to budget targets (Exchequer statement, details on Exchequer revenues and expenditure with information on Social Insurance Fund to follow as soon as practicable).	Monthly, 10 days after the end of each month
F.2	Updated monthly report on the Exchequer Balance and General Government Balance outlook for the remainder of the year which shows transition from the Exchequer Balance to the General Government Balance (using presentation in Table 1 and Table 2A of the EDP notification).	Monthly, 20 days after the end of each month
F.3	Quarterly data on main revenue and expenditure items of local Government.	Quarterly, 90 days after the end of each quarter
F.4	Quarterly data on the public service wage bill, number of employees and average wage (using the presentation of the Pay and Pension Bill with further details on pay and pension costs of local authorities).	Quarterly, 30 days after the end of each quarter
F.5	Quarterly data on general Government accounts, and general Government debt as per the relevant EU regulations on statistics.	Quarterly accrual data, 90 days after the end of each quarter
F.6	Updated annual plans of the general Government balance and its breakdown into revenue and expenditure components for the current year and the following four years, using presentation in the stability programme's standard table on general Government budgetary prospects.	30 days after EDP notifications
F.7	Data on short- and medium- /long-term debt falling due (all instruments) over the next 36 months (interest and amortisation) for Non-Commercial State Agencies	Quarterly, 30 working days after the end of each quarter
F.8	Data on short- and medium- /long-term debt falling due (all instruments) over the next 36 months (interest and amortisation) for local authorities	Quarterly, 30 working days after the end of each quarter
F.9	Data on short- and medium- /long-term debt falling due (all instruments) over the next 36 months for State- owned commercial enterprises (interest and amortisation)	Quarterly, 30 working days after the end of each quarter
F.10	Assessment report of the management of activation policies and on the outcome of job seekers' search activities and participation in labour market programmes.	Quarterly, 30 working days after the end of each quarter.
To be provided by the NTMA		
N.1	Monthly information on the central Government's cash position with indication of sources as well of number of days covered	Monthly, three working days after the end of each month
N.2	Data on below-the-line financing for central Government.	Monthly, no later than 15 working days after

		the end of each month
N.3	Data on the National Debt	Monthly, 15 working days after the end of each month
N.4	Data on short-, medium- and long-term debt falling due (all instruments) over the next 36 months (interest and amortisation) for the National Debt.	Monthly, 30 working days after the end of each month
N.5	Updated estimates of financial sources (bonds issuance, other financing sources) for the Exchequer Borrowing Requirement / National Debt in the next 12 months	Monthly, 30 working days after the end of each month
To be provided by the Central Bank of Ireland		
C.1	The Central Bank of Ireland's balance sheet.	Weekly, next working day
C.2	Individual maturity profiles (amortisation only) for each of the domestic banks will be provided as of the last Friday of each month.	Monthly, 30 working days after each month end.
C.3	Detailed financial and regulatory information (consolidated data) on domestic individual Irish banks and the banking sector in total especially regarding profitability (P&L), balance sheet, asset quality, regulatory capital; PLAR funding plan forecasts including LDR, NSFR and LCR outturns and forecasts.	Quarterly, 40 working days after the end of each quarter
C.4	Detailed information on deposits for the last Friday of each month.	Monthly, 30 working days after each month end.
C.5	Data on liabilities covered under the ELG Scheme for each of the Covered Institutions.	Monthly, 30 working days after each month end.
C.6	Deleveraging committee minutes from the banks and deleveraging sales progress sheets, detailing pricing, quantum, and other relevant result metrics.	Monthly, reflecting committee meetings held each month
C.7	Deleveraging reports including (i) progress achieved towards deleveraging in line with the 2011 Financial Measures Programme; and (ii) actual and planned asset disposals.	Quarterly, 40 working days after the end of the reference period.