



## Financial Stability Group Meeting No. 27

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15<sup>th</sup> April 2020

Conference Call

#### Attendance:

##### Department of Finance

Derek Moran  
Emma Cunningham  
Des Carville  
Michael McGrath  
Bláithín nic Giolla Rua (Sec)

##### Central Bank

Gabriel Makhoulouf  
Sharon Donnery  
Derville Rowland  
Ed Sibley

##### NTMA

Frank O'Connor

The FSG agreed to take the documents circulated as read and to focus on key issues in the updates from each member.

#### 1. Account of previous Financial Stability Group meeting

Any changes to the account of previous meetings to be agreed by email.

#### 2. Covid-19 Update – D/Finance

D/Finance updated on developments at EU level and ongoing Government policy work, including:

- The crisis has entered a more stable phase, as the current support and forbearance measures have been in place a number of weeks.
- The focus is turning to what happens next, with 3 strands beginning to look at forward planning:
  - the new Senior Officials Group which will focus on the recovery phase met for the first time last week.
  - In the political space, Fianna Fáil and Fine Gael will publish a draft document to facilitate negotiations with other parties.
  - D/Finance and D/PER have commenced working on the possible input to a recovery plan.
- At EU level, the issues of contention at Eurogroup+ have narrowed but not gone away. Residual issues, e.g. what funding can be spent on, are still open. On 23 April European Council will discuss the SURE, EIB and ESM/ECCL proposals. Coronabonds are still on the table but scepticism remains. ECOFIN is meeting tomorrow and will discuss a Statement on banking, the EU Semester and SURE.
- D/Finance hope to publish the draft Stability Programme Update in the next fortnight pending Government approval. IFAC have endorsed the economic scenarios. The SPU will cover 2 years and be published in draft form initially to allow parliamentary oversight, as normal.

#### 3. Covid-19 – NTMA Update

The NTMA updated on sovereign bond market developments, including:

- Ireland's 7 year bench mark bond sale of €6bn last week went well. The order book was in excess of €33bn with 250 orders, with strong institutional support.
- On the sovereign bond market, after the Eurogroup+ decision Italy widened relative to Germany. Ireland remains in the semi-core space.



- On the sale of treasury bills, Spain recently paid positive rates. Ireland's T-bill market is much smaller so wouldn't be affected as much. Ireland has a T-bill sale on 16 April.

#### **4. Covid-19 Update – Central Bank**

- The Central Bank updated on Covid-19 developments in the financial sector, including:
- As part of its work on Covid-19, the Central Bank is working on and planning for the recovery.
- Central Bank is analysing the economic impacts on the financial system, including monitoring the liquidity of the banks and bigger funds. Central Bank is engaging with the insurance industry regarding their response to Covid.
- Supervision: Central Bank will publish later this week a note on supervisory requirements.
- Payment breaks: Central Bank continue to work with BPFI, banks and non-banks on the operation of the payment breaks, including on how an extension of the timeframe might be managed. Submissions from BPFI members should be received this week.
- Communications: the first of a weekly blog by the Governor will be issued today. The focus will be on Covid-19 and the response. Two economic pieces were also published today on payment data re. ATM and electronic payments also and on employment using jobs posting websites.
- Credit Unions: "The Central Bank is engaging with credit unions on the Central Credit Register and other issues. Future communications from the Central Bank will include credit unions."

#### **5. Next meeting**

It was decided that the next FSG meeting will take place on Friday 24 April at 11am and will continue at that time on Fridays going forward.