

## PRESS CONFERENCE STATEMENTS ON IRELAND

2010–09-02 - Press conference

**Question:** *There is acute political concern in Ireland about the cost of rescuing Anglo Irish Bank, the nationalised lender. The cost of the rescue is now estimated at some 25 billion euro. There are people who say that your policy of not allowing any European bank to close is, in this instance, creating an unbearable level of pressure on Irish taxpayers, on whom the burden of the rescue falls. What do you say to that? And what do you say to people who say that the rescue of this bank is, in fact, undermining the market confidence in the Irish government's economic plan?*

**Trichet:** As regards your second question on the overall Irish strategy, I would encourage Ireland to continue to take the appropriate decisions, as has been done since the very beginning of the crisis with the “frontloading” of very important decisions in all domains, including in the fiscal domain, which remains a very important one. It is the responsibility of the Irish government and of the Irish authorities in general to deal with their banks. That responsibility lies very much in Dublin. And I have confidence that they will manage this difficult issue as well as possible, as they did in the past.

**Question:** *Do you not share any of the concern that there is in Dublin that the cost of bailing out this specific bank is creating an intolerable burden on the Irish state?*

**Trichet:** I already responded on this. If I am not mistaken, it is a bank which is owned by the government. So it is the responsibility of the government of Ireland and of the Irish authorities in general to take the appropriate decisions.

2010–10-07 - Press conference

**Question:** *You made an implicit reference to Ireland in your introductory statement. Two questions arise in the context of the current debate in Irish politics. The first is whether there should be a voluntary renegotiation of senior bank debt issued by the nationalised Irish banks. What considerations would arise in that particular debate?*

**Trichet:** It is a question that has to be addressed to the Irish government. I have no particular comment to make myself.

2010–11-04 - Press conference

**Question:** *Two questions relating to the situation in Ireland. The first is whether you are in any way alarmed at the quite significant rise in Irish borrowing costs this week. The yield on ten-year money was approaching 7.8% this morning shortly before noon. Are you in any way alarmed, or, in your view, is that a fair reflection of the level of risk in the Irish economy?*

**Secondly, the government in Dublin is preparing a four-year austerity programme. It has declared that the adjustment will be in the order of €15 billion over the course of the four years. Is that figure going in the right direction? Are you encouraged by it, are you encouraged by the debate that is taking place in Ireland or is there more that you would like to see, and why?**

**Trichet:** It is now 3 p.m. If I understand correctly, the Irish government will announce the details of the four-year programme this afternoon. I would only say at this stage that, in our view, the €15 billion figure you mention is currently sufficient. But, of course, you have to be permanently alert and ready to do whatever is needed. The ultimate goal, which, to my knowledge, has also been made public, is the 3% at the end of the period. I think that the market, as well as observers, savers and investors, will be looking at what the minister and the government say in a few hours time with great interest. My interpretation is that this government message, which will focus on the frontloading of the programme, is of extreme importance. At present, I have no reason to think that observers will be disappointed but, of course, I cannot say anything else. It is up to the minister to deliver the message.

#### **2010-12-02 - Press conference**

**Question:** *Irish central bank governor Patrick Honohan, who is a member of the Governing Council, had suggested an alternative to the further recapitalisation of the Irish banks. He said that his preference would be for a risk insurance scheme where Europe, or the IMF, but he asked Europe as well, would provide a guarantee to the Irish state to cover potential losses in the banks, because the Irish state itself felt that it had covered enough of the losses with the capital that it had provided already. In your view, would that be a better option or does the European Central Bank need more tools to tackle problems like capital in the banks?*

**Trichet:** We have a programme for Ireland, and the Governing Council supports this programme. I will not embark on any further discussion about that.

#### **2011-02-03 - Press conference by Mr. Trichet**

**Question :** *The Irish central bank has a large Emergency Liquidity Assistance programme for banks, with an estimated volume of €50 billion. Are you worried that this programme could disturb the ECB's future exit from non-standard measures?*

**Trichet:** As you know, this Emergency Liquidity Assistance was decided by the central bank concerned. As far as the ECB's Governing Council is concerned, we are looking at it to the extent that it has an impact on the overall functioning of our own monetary policy. The initial decision is not made by ourselves. The central bank concerned makes the initial decision. We look at its impact. As I said earlier, we are extremely clear that Ireland must apply the plan. The plan comprises a number of measures that directly concern fiscal policy as well as the measures on the Irish economy. It also comprises the reshaping of the banking sector. So, again, our message is: apply the plan!

**Question:** *I have another brief question on Ireland. As we are going into the election, some of our politicians are saying that if they get into power, they will inflict losses on senior bond holders. If they were to do that or if they were to breach the terms of our bailout deal, would that have any impact on the ECB's support of the Irish banking system?*

**Trichet:** We fully respect the functioning of our democracies. I do not want to comment on our democracies' procedures. I would only say that there is a plan. This plan has been approved by the IMF, by the international community and by the Commission in liaison with the ECB. Let's apply the plan! That is my message.

#### **2011-03-03 - Press conference by Mr. Trichet**

**Question:** *You mentioned the importance of weakened banks being recapitalised. Are you concerned that the outgoing Irish government postponed a €10 billion recapitalisation of three major Irish banks?*

**Trichet:** As regards your first question on the €10 billion, I would say that, for us, the plan is the plan. And this is in the plan.

**2011-04-07 - Press conference by Mr. Trichet**

**Question:** *I am slightly confused also because there is this talk about a facility for banks in restructuring; perhaps that would help Irish banks? Could you tell us also whether that has yet been discussed by the Governing Council and was there a decision?*

**Trichet:** On the Irish banks, we welcomed the decision of the government to recapitalise and we did that in liaison with the IMF and the European Commission. We all three welcomed the decision that was taken. And we took a decision on collateral. It seems to me that the market has understood that these were important decisions.

**Question:** *Just to follow up on what my colleague from the FT said, you did not quite answer the question fully on the Irish bank and the potential facility for medium-term funding. The Irish governor, obviously one of your policy-making team, said last week that the chance of this being put in place in the near term was unlikely. Can you confirm that? Is the programme effectively dead in the water?*

**Trichet:** On your first question I have no particular comment. We have rules and we are respecting them. And I think that the communication that accompanied the very important decision to recapitalise the bank by the government was understood by all those who are observing what this government does and what we are doing ourselves.

**Question:** *The Irish government wanted to have private investors participate in the losses of the banks, just before the stress tests. I think it was the Finance Minister in the Irish government who said that the ECB didn't want it. Is this true? And if so, why?*

I don't want to enter into details, but as far as I recall, there are subordinated bonds that are not treated in the same fashion as others. What we are permanently asking all of our partners to do is to consider the confidence of the market. Because what is important, is to go back to the market as soon as possible. When you are back in the market, you are in a normal situation. And then you don't need any more help, you don't need any abnormal refinancing, and you don't need to be placed in an abnormal situation. So there are responsibilities on the part of all governments and authorities concerned. The main message is confidence, to try to do everything that improves the confidence of the savers, the investors and the market participants

**2011-05-05 - Press conference by Mr. Trichet**

**Question:** *Just a couple of questions. The Irish package has been agreed now for several months. The yields of Irish government debt are still around 10%. People do not seem to think it is working. Does the ECB think that the Irish package is working and that it can work, and do you think that Ireland can actually repay all the debt we have, or will there need to be some form of debt restructuring/debt rescheduling, which seems to be the way that the market is betting at the moment?*

**Secondly, there were recently some comments by our former finance minister, Brian Lenihan, about the ECB's role in the Irish bailout. He claimed that the ECB bounced Ireland into a bailout and that the ECB had actually betrayed Ireland. Do you have any concerns about those comments? Is that your understanding of how things went in the run up to the bailout?**

**Trichet:** First of all, in the case of Ireland we have a plan which has been approved by the international community – the entire world – and by the Europeans and which is being implemented by the Government. We also had a plan for reshaping the banking sector which, as far as I know, was regarded by observers and by market participants as credible. And we share the view that it is credible.

As regards your second question I have no particular comment on what has been said by any speaker. I would only say that the level of commitment of the Eurosystem to Ireland has absolutely no historical precedent. So the facts speak for themselves. We are siding with Ireland in the difficult circumstances.

**2011-06-09 - Press conference by Mr. Trichet**

**Question:** *Given that the Greek bailout programme has run into such extreme difficulties, are you still confident that the Irish bailout programme can work, even in an environment of increasing interest rates? And do you still believe that Ireland will be able to return to the bond markets in 2012?*

**Trichet:** First of all, I would say that it depends very much on the country itself. Let's not forget that the countries concerned have the immense responsibility to cope with their own problems and demonstrate as clearly as possible to all partners and observers that the programme is working. I have to say that what I see from Ireland instils confidence in the capacity of the country to go in the right direction. And, it also depends on the overall environment and this is a consideration which is also of extreme importance. It is the reason why I mentioned that we must have a concept of private sector involvement much larger than the narrow concept which is presently being debated.

**2011-09-08 - Press conference by Mr. Trichet**

**Question:** *Anglo-Irish Bank senior bond holders have been coming out repeatedly backing Ireland and the government's intention to raise the issue with you to impose haircuts on that. Has your position changed on that at all in the recent weeks and months?*

**Trichet:** There is absolutely no change to anything.

**Question:** *I should like to return to the question of the senior bonds in Anglo-Irish Bank. Could you explain the ECB's opposition to the notion that the holders of these bonds should have haircuts imposed on them, because it seems to be the firm view of the Irish finance minister that it is appropriate at this point to go down that road? He has also said publicly that the IMF supports him in that stance. Are you able to explain why the ECB is so opposed to this and do you contemplate ever changing your mind on this front?*

**Trichet:** Frankly speaking, I do not understand why this topic keeps on coming up. Our reasoning in this regard was very simple: do everything possible to improve your creditworthiness, meaning of the authorities and of the banking sector. The reasoning is as simple as that: I have nothing else to add at this stage and I have no information regarding any message which may be addressed to us.

**2012-03-08 – Press conference by Mr. Draghi**

**Do you think that such a restructuring or any kind of concession on the promissory notes would help Ireland to return to the bond markets next year as planned and would also perhaps help the Irish government in its quest to pass the referendum on the fiscal compact?**

**Draghi:** On your last question, let me say that I am really confident that the referendum will pass and that the fiscal compact will be approved, because Ireland is probably one of the programme countries that has made most progress, under conditions that have been very harsh. And, in spite of these conditions, it has really delivered. We are also aware that there are certain fragilities that need to be taken care of.

**2012-04-04 - Press conference by Mr. Draghi**

**Question:** *First, do you support the Irish government's campaign to restructure the Anglo-Irish Bank promissory note scheme?*

*Second, what do you say to Irish people who are preparing to vote "No" in the forthcoming referendum on the fiscal treaty?*

**Draghi:** In answer to your first question, we take note of the scheduled end-March redemption of the promissory notes and a subsequent reduction in Emergency Liquidity Assistance provided by the Central Bank of Ireland. We expect that the future redemptions will be met according to the schedule to which the government has committed itself. As Ireland strives to regain market confidence – and frankly I have very few doubts that it will succeed – it is of the utmost importance that the commitments of the Irish State are met in line with standing contracts and agreements.

***And then, in terms of the broader restructuring, are you optimistic at this point that there is going to be some kind of broader deal and do you think that is going to materially improve Ireland's financial position?***

**Draghi:** I can respond on this specific operation that has been undertaken, and as I have just said, we have taken note of it. After all it is a completely Irish operation. The ECB is not part of it, as it is “the redemption of the promissory notes and a subsequent reduction in Emergency Liquidity Assistance provided by the Central Bank of Ireland.” Again it is of the utmost importance that the commitments of the Irish State are met in line with standing contracts and agreements. The main reason is that we really think that the Irish government has a very good chance of returning to markets.

**2012-12-06 - Press conference by Mr. Draghi**

***Question: In light of the commitments made by the Irish government and borne by the Irish people, is it reasonable or not at this point to expect that there will be an agreement to recast the Anglo-Irish Bank promissory note scheme before the next payment falls due in March, and why?***

**Draghi:** I think we have discussed this in the past. The ECB cannot undertake any agreement, cannot enter into any agreement that is being viewed as monetary financing and is forbidden by Article 123 of the Treaty. But other than that, there is plenty of good will.

**2013-02-07 - Press conference by Mr. Draghi**

On Ireland, let me say this: there was not a decision to take. The Governing Council unanimously took note of the Irish operation and I am going to refer you to the Irish government and the Irish central bank for the details of this operation, which was designed and undertaken by the Irish government and the Irish central bank. I can only say today that we took note of this. We all took note of this.

***Question: I have noted that you are unable to go into the details of the Irish bank deal, but could I ask you, because a deal has been done which will save the Irish government and the Irish people an awful lot in terms of debt repayments, what impact would you expect that to have in relation to the Irish bond market, the Irish effort to exit the bail-out programme for banking, and the reputation of Ireland in the financial markets, and also in terms of the savings? Given that the ECB is part of the Troika which is supervising the Irish bail-out, is there any understanding or any preconditions or anything like that in relation to how you expect the money which is being saved on the repayments to be used by the Irish government? And, finally, I am sure people at home in Ireland would really like to know how come it took so long do you think for an agreement to be reached?***

**Draghi:** You speak about an agreement, but I have said that there has not been any decision today. We simply took note and that is all I can say today. However, I can say that the efforts of the Irish government in this direction, but even more importantly the progress on the economic policy front and on the financial policy front, is what really matters in the end to re-establish the reputation of Ireland in the financial markets. All in all, the outlook is really positive.

**2013-03-07 - Press conference by Mr. Draghi**

***Question: Just a question on Ireland. Christine Lagarde, in an interview this morning, raised concerns about certain complacency in relation to Ireland and the risk of a relapse. Do you share these***

**concerns, and do you think Ireland does need some kind of support mechanism to help it exit the bailout? And secondly, are OMTs a suitable instrument for that?**

**Draghi:** I will respond to the second question first. You know the rules on the OMTs. You know that OMTs cannot be used to enhance a return to the market. But in principle, there are rules, and countries that comply with these rules are eligible.

The Irish government has made very significant progress and achieved very significant results on several fronts, and I never tire of saying so. Further action is needed, especially on the banking side, on the financial sector front. And I think that is probably what Madame Lagarde was suggesting to the Irish government. This is not the time to rest or be complacent. The Irish government needs to continue its efforts with the same effectiveness that has characterised its actions in the past.

**Question: Last month you said that we have not heard the last word on the Irish promissory notes. So, I wonder, when will we hear the last word?**

**Draghi:** We periodically review compliance with Article 123 by all countries. If I am not mistaken, the review should happen at the end of the year, but the Governing Council will decide in complete independence when to have this review, or a review of similar situations. I do not have a date to give you now. I think there is a date when this is going to be done, and I believe it is at the end of the year, but I cannot let you know for sure.

**2013-05-02 - Press conference by Mr. Draghi**

**Question: Just two questions: first, is there any update on when the Irish promissory note deal will be reviewed by the ECB? And second, just in terms of bank recapitalisation, I am just wondering how much is the Bank worried about the banking sectors in peripheral countries? And the Irish central bank governor said this week that Irish banks might need more capital. Do you think that a stress test is required before Ireland exits the bail-out at the end of this year? There is some talk in Ireland that perhaps it should be put back until next year as part of the EBA stress test.**

**Draghi:** On the first question, there is no change, so that it is as it was before. And, on the second question, it is too early to respond to this question. It is something that is been discussed, and there are pros and cons, there are views that are different, so that it is at a stage in which we are really putting our views together, so that we will have to see what is best for Ireland.

**2013-09-05 - Press conference by Mr. Draghi**

**Question: I just have a specific question regarding Ireland. It intends to be the first country to exit a bailout at the end of this year. Do you think it will need a precautionary credit line?**

**Draghi:** In Ireland, programme implementation is on track. Recent fiscal data have been positive overall. Market sentiment continues to improve. But challenges remain, especially in the financial sector. A decision will be taken in due time about the possible successor programme. A key consideration is that the conditions remain in place for a successful conclusion of the current programme. And Ireland is leading the way in this respect. It is crucial that an appropriate framework is in place to safeguard the achievements made and to avoid potential risks to full market access once the programme has been completed.

**Question: Just as you said there in the previous question, Greece has another whole year until the end of 2014 for its programme to finish. But in Ireland we are talking about a couple of months. Do you think it is imperative that a decision is made on a strategy for exiting the bailout quite soon, in the next two months?**

**Draghi:** That is up to the Eurogroup to decide.

**2013–11-07 - Press conference by Mr. Draghi**

***Question: I just have a question as regards Ireland. Ireland is preparing to become the first eurozone country to end the bailout programme and the Irish government has said that it may not seek a precautionary credit line. Commissioner Olli Rehn has said that it is very possible that Ireland could exit without a precautionary credit line and it seems that the Commission would be prepared to back this if Dublin decides to go it alone. Would the ECB be comfortable with Ireland exiting its programme without a precautionary credit line of some kind? And secondly, do you think a decision has to be made by 15 December on this?***

**Draghi:** First of all, I think the Irish government has to be congratulated for the progress and overall success of its actions over the last few years. The Irish programme has remained on track and progress has been made in many areas. More action is certainly needed in some areas, especially the banking sector. The decision on whether a programme is needed is entirely in the hands of the Irish government. So it is up to them to ask for a programme. The ECB and the other institutions – the IMF and the Commission – would say that it would certainly be useful to have a precautionary programme in place, although it is also true to say that the success has been quite significant. So, it is up to the Irish authorities to decide what they want to do and we certainly do not want to interfere.

**2014–02-06 - Press conference by Mr. Draghi**

***Question: Just a year ago, the Irish Government engaged in an arrangement whereby promissory notes that were used to recapitalise financial institutions were replaced by long-term bonds. At the time, the ECB took note of this but said it would have to review it to see if it was in compliance with monetary financing rules. Two questions. Number one: have you, or when will you discuss this? And number two: what kind of demands could you make from the Irish central bank if it's found that this arrangement was indeed in breach of Article 123?***

**Draghi:** Well, the second question I'll answer immediately. We will see. We don't know it in advance, we'll have to see what we find out. And, concerning your first question, we are collecting all the necessary information and the assessment of the Governing Council will be known in due course, after the completion of this monitoring exercise.

**2014–09-04 - Press conference by Mr. Draghi**

***And secondly, you're due to meet the Irish finance minister next Tuesday. Ireland wants to repay the IMF portion of its IMF loan from its bailout early. Are the European lenders comfortable with taking on the risk, the entire risk, of Ireland repaying its loans?***

**Draghi:** Well we take note of this. We will examine it in the Governing Council. And we'll certainly monitor very, very closely what is being done with the sale of assets so that the, what we call, monetary financing concerns are being properly and significantly addressed.