

Déardaoin, 12 Feabhra, 2009
Thursday, 12th February, 2009

10.30 a.m.

Fógra i dtaobh Leasuithe ar Thairsceint : Notice of Amendments to Motion

9b. “That Dáil Éireann:

- commends the recapitalisation terms to be offered by the Government to Allied Irish Bank and Bank of Ireland, with €3.5 billion in capital to be provided to each bank, with an 8% annual coupon payable to the State;
- notes and commends the bank customer package which has been negotiated with the banks in the context of the recapitalisation, which provides for commitments by the banks for the mortgage and business sectors; and places the code of practice on mortgage arrears on a statutory basis;
- also notes that the banks have agreed that total remuneration for all senior executives will be reduced by at least 33%; that no performance bonuses will be paid for these senior executives and no salary increases will be made in relation to 2008 and 2009; and that the two banks have accepted that, for non-executive directors, fees will be reduced by at least 25%; and
- believes that the recapitalisation package for Allied Irish Bank and Bank of Ireland will secure the position of these banks, providing for a well-capitalised banking system, able to maintain the flow of credit to the economy.”

—*An tAire Airgeadais.*

Leasuithe:

Amendments:

I. To delete all words after “Dáil Éireann” and substitute the following:

- “ — regrets the failure of the Government to use the bank recapitalisation plan to deliver the comprehensive reform of the banking system required to ensure that the country never again has to face the financial crisis we have seen over the past six months;
- welcomes the fact that some restrictions have been placed on the remuneration package of bank executives, but believes that these are still too generous having regard, for instance, to limits being set in the United States and to the role that many executives played in creating our current problems;
- believes that the conditional twelve month moratorium on repossession orders for family homes is inadequate having regard to the warning from the Master of the High

- Court of an impending avalanche of repossession orders and the view of organisations like MABS and the St. Vincent de Paul that a period of two to three years is required;
- is concerned that the deal offers a limited return or upside to the taxpayer as the bulk of the interest in preference shares will be absorbed by increases in the cost of debt serving and the potential/optional share issue to taxpayers is too little and may never materialise;
- notes the commitment to increase credit for small and medium enterprises and hopes that this will help stem the massive job losses seen in the last 12 months and allow for the recruitment of new workers;
- has no confidence in the Government's ability to deal with the banking crisis in view of the disclosure of what appears to be a €7 billion fraudulent transaction between two banks and the failure of the Government to bring this to the attention of the House; and
- notes that this is the fifth Government attempt since September to sort out the banking crisis and notwithstanding the serious deficiencies in the Government's proposals, hopes that the plan will lead to stabilisation in the financial and banking sectors."—
Joan Burton, Eamon Gilmore, Emmet Stagg, Thomas P. Broughan, Joe Costello, Michael D. Higgins, Brendan Howlin, Ciarán Lynch, Kathleen Lynch, Liz McManus, Brian O'Shea, Jan O'Sullivan, Willie Penrose, Ruairí Quinn, Pat Rabbitte, Seán Sherlock, Róisín Shortall, Joanna Tuffy, Mary Upton, Jack Wall.

2. To delete all words after "Dáil Éireann" and substitute the following:

- condemns the regulatory failures that facilitated a deception of shareholders and the public at large;
- expresses concern that the recapitalisation proposal of Government will be insufficient to restore a strong banking system able to maintain the flow of credit to the economy;
- calls on the Government to consider other options that would put taxpayers' money for recapitalisation into new banks with clean balance sheets;
- calls on the Government to defer its decision on recapitalisation until a full set of proposals that addresses the management of impaired loans has been developed;
- calls on the Government to introduce a flat cap on remuneration of senior executives at no more than €250,000 until the Government's capital is repaid; and
- calls on the Government to publish clear performance benchmarks on loans to business, on new mortgages issued and on the handling of distressed loans on a monthly basis so that the public can see how commitments are being fulfilled."—
Richard Bruton, Enda Kenny, Bernard Allen, James Bannon, Seán Barrett, Pat Breen, Ulick Burke, Catherine Byrne, Joe Carey, Deirdre Clune, Paul Connaughton, Noel J. Coonan, Simon Coveney, Seymour Crawford, Michael Creed, Lucinda Creighton, Michael D'Arcy, John Deasy, Jimmy Deenihan, Andrew Doyle, Bernard J. Durkan, Damien English, Olwyn Enright, Frank Feighan, Charles Flanagan, Terence Flanagan, Brian Hayes, Tom Hayes, Phil Hogan, Paul Kehoe, Pádraic McCormack, Shane McEntee, Dinny McGinley, Joe McHugh, Olivia Mitchell, Denis Naughten, Dan Neville, Michael Noonan, Kieran O'Donnell, Fergus O'Dowd, Jim O'Keeffe, John O'Mahony, John Perry, James Reilly, Michael Ring, Alan Shatter, Tom Sheahan, P. J. Sheehan, David Stanton, Billy Timmins, Leo Varadkar.

3. To delete all words after "Dáil Éireann" and substitute the following:

- notes the failure of the Government to rein in banking executives and to fundamentally alter the culture of financial institutions;

- believes that recapitalisation under the current terms and conditions will not have any real impact on the systemic problems in our banking institutions and will not restore confidence in our financial system;
- affirms that confidence in our banking institutions cannot be achieved until the senior management of financial institutions and the financial regulator are removed and replaced by personnel who have had no involvement in the activities of Irish banking institutions over the past three years;
- calls for a two-year moratorium on mortgage repossession, a legally enforceable obligation on the banks to provide credit and support for business cash flow and for executive pay to be capped and all bonuses given to executives over the past three years to be surrendered to the public purse; and
- believes that proper public control of banking can only take place through nationalisation of our major banking institutions.”— *Arthur Morgan, Martin Ferris, Aengus Ó Snodaigh, Caoimhghín Ó Caoláin.*