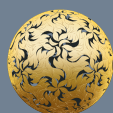


# CENTRAL BANK OF IRELAND

## STRATEGIC PLAN 2016-2018



Banc Ceannais na hÉireann  
Central Bank of Ireland

Eurosystem



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## Introduction

The Central Bank of Ireland's mandate calls on us to contribute to the well being of the people of Ireland and more widely in Europe by performing our statutory responsibilities which cover a wide range:

- price stability;
- financial stability;
- consumer protection;
- supervision and enforcement;
- regulatory policy development;
- payment, settlement and currency systems operations and oversight;
- the provision of economic advice and financial statistics; and
- the recovery and resolution of distressed financial services firms.

The Bank prepares and publishes a Strategic Plan every three years that sets out the future priorities, activities, and desired outcomes under each of our main areas of responsibility. The Central Bank Acts, 1942 to 2013, which set out our statutory objectives, also specify the framework for the Bank's Strategic Plans. This includes the plan's timeframe; the strategic objectives planned and the 'nature and scope' of the activities that will be undertaken; how the objectives will be achieved; the means to measure the Bank's performance; and, how the Bank's resources will be deployed in achieving the plan's objectives and outcomes.

## Strategic Plan 2016-2018 Framework

Our Strategic Plan 2016-2018 builds on work already underway in preceding years and being delivered in a dynamic environment of change for the central banking and financial systems in Ireland and Europe. The Bank's Mission Statement '*Safeguarding Stability, Protecting Consumers*' remains at the heart of all that we do and encapsulates the dual priorities for the Bank in delivering on its mandate. We are committed to being an independent, forthright and influential organisation with a compelling, clear and challenging vision of being '*Trusted by the Public, Respected by our Peers, Fulfilling Workplace for our People*'. Our Mission and Vision are central to our Strategic Plan and inform both what we do (our Strategic Responsibilities) and how we operate (our Strategic Enablers), each of which are set out within this document. Our Principles and Priority Behaviours, which are articulated in the previous Plan, continue to define our culture and work practices.

Our strategic framework, as illustrated below, demonstrates the interdependencies between the achievement of the Bank's Mission and Vision, and the achievement of the desired outcomes we have specified for our Strategic Enablers and Strategic Responsibilities.



	Strategic Responsibilities
	Strategic Enablers
	Vision
	Mission

This Plan will be implemented during the period 2016-2018. It serves as a guide both internally to the staff of the Bank in relation to our principal aims and objectives, but also to inform a wide range of external stakeholders about our work and the strategic priorities we have established for the period ahead.

This document identifies the outcomes we aim to achieve in delivering on our mandate and highlights some of the key actions and activities we will undertake. In the interests of transparency, we undertake to explain and report on our activities and performance. We will therefore publish a report of our progress in relation to this Strategic Plan annually, and will also take that opportunity to provide any update to our strategy as a result of events which may not have been foreseen at the commencement of the three year planning cycle.

## Reviewing our key achievements during 2013-2015

The last three years have been a period of significant challenge and change in central banking and financial regulation and considerable progress has been made on a number of issues. A review of the main achievements over the period of the last Strategic Plan highlights a number of significant developments, some of which were anticipated and others which emerged or evolved over the period.

### Domestic economic policy

- The three-year **EU-IMF Programme** was accomplished with a more favourable outcome than initially seemed possible. The Bank met all its targets relating to financial sector reform under the Programme. It played a significant role in the satisfactory financial arrangements constructed around the liquidation of IBRC, which, combined with adherence to the announced fiscal adjustment, had the effect of greatly reducing the vulnerability of the Irish sovereign in international bond markets and the return of confidence has both contributed to and benefited from the upturn in aggregate employment.
- A key policy objective of the Bank during 2014 was to avoid the risk of bank credit and house price spirals from developing. To address this, the Bank enhanced its **Macro-Prudential Policy framework** and, following a consultation process, introduced new regulations in 2015, which apply proportionate limits to mortgage lending by regulated financial firms in the Irish market.

### External economic, financial and monetary environment

- The Bank was extensively involved in the successful **Irish Presidency of the European Union** in 2013. During the presidency, the Bank contributed to the complex design and debate on legislation and very significant progress was made on a range of financial services issues with agreement achieved on key directives.
- The pace of European economic recovery since 2013 has been slow and inflation was significantly below the objective. There was evidence of complex downside risks to economic activity coming from such factors as the continuing difficulties in the euro area, the pressures on international markets and economies, and the associated financial market uncertainties following the turning point in US monetary policy. This created a heightened need for analysis and deployment of **non-standard monetary policy measures** at the euro level and required the Bank to intensify its advisory work in this area.

### Developments in our regulatory responsibilities and resolution and repair of the banking system (including credit unions)

- Banking Union was established as a response to the sovereign debt crisis. The first pillar of Banking Union was the establishment of the **Single Supervisory Mechanism (SSM)**. The Bank was closely involved in the development of the SSM during this period. Since it became operational in November 2014, the Bank works alongside the ECB and other supervisors in supervising Irish and other euro area banks.<sup>1</sup>

<sup>1</sup> To meet the new demands of the SSM, the Bank's resources for the supervision of banks were extensively reorganised during 2014.

- The second pillar of Banking Union covers bank and investment firm resolution. The **Bank Recovery and Resolution Directive (BRRD)**<sup>2</sup> establishes a new resolution framework in Europe, while the **Single Resolution Mechanism** centralises resolution responsibilities for larger banks within the euro area. The Bank has been designated as Ireland's National Resolution Authority and the new Strategic Plan sets out our future role in this area.
- Following the financial crisis of 2008-9 a major programme of **financial regulatory reform** has been undertaken. The Bank has played an important part in the development of new and revised regulations during this period. Much of this has taken place at the European level. During the Irish Presidency of the EU, the new Capital Requirements legislation (CRR/CRDIV) and the SSM Regulation were adopted, among other developments.
- The Bank has played a significant role in the work of the **European Supervisory Authorities** – EBA (Banking), ESMA (Securities and Markets), and EIOPA (Insurance) – during this period. Its work in these bodies has contributed to the development and implementation of a wide range of significant regulatory change. This has included regulations and guidance in the area of banking (CRR/CRDIV), derivatives reform (European Market Infrastructure Regulation), securities markets reform (Markets in Financial Instruments Regulation / Directive; Market Abuse Regulation / Directive), insurance (Solvency II) and consumer protection (Mortgage Credit Directive; Packaged Retail and Insurance-based Investment Products Regulation).
- The Bank worked closely with the Department of Finance in the development of draft legislation leading to the Central Bank (Supervision and Enforcement) Act 2013, which has significantly strengthened and standardised our **regulatory powers**.
- The **deposit guarantee scheme** was successfully activated in the context of the IBRC liquidation, and also paid out promptly in respect of a credit union resolution. As part of the third pillar of Banking Union, a new Deposit Guarantee Directive is expected to be transposed into Irish law in 2015.
- The EBA-SSM **Comprehensive Risk Assessment (CRA)**, including stress testing and asset quality review, dominated the recent phase of repair work on the banking system. The resolution and restructuring of credit unions were conducted in an orderly and well-managed fashion with minimal disruption to members. The Bank has continued to pro-actively communicate its views on the need for strategic reform in the sector.
- Significant progress was made with the banks towards delivering sustainable solutions for **distressed mortgage loans** through the Mortgage Arrears Resolution Strategy (MARS) / Mortgage Arrears Resolution Targets (MART) process. This also involved the effective implementation of the revised Code of Conduct for Mortgage Arrears (CCMA) protections.

2 It was transposed into Irish legislation in July 2015.

- The Bank put a strong consumer framework in place for new sectors including debt management companies and credit servicing firms for which it was given responsibility. Protections for SMEs were strengthened through a review of the relevant **Consumer Protection Codes**. The Bank worked to ensure that consumers were appropriately redressed when sold unsuitable products including Payment Protection Insurance Cover (€67m refunded) and credit card insurance products.
- The Bank's Probability Risk and Impact System (**PRISM**) provided the basis for enhanced risk-based supervision of financial firms during this period. The PRISM framework allows the Bank to determine the risk-categorisation of different firms, to adopt a coherent risk-based approach to their supervision, and to identify developing risks and risk mitigation requirements.

## Operations of the Bank

Among notable developments relating to the operations of the Bank in the period include:

- **Procuring a new site**, with construction work already underway, which is being developed to relocate city centre staff from the three existing locations into a modern, sustainable and fit for purpose campus.
- Outsourcing the hosting of the Bank's IT infrastructure to an **external Data Centre** and continued investment in new and improved IT systems capability.
- Recruiting and absorbing over **500 (gross) new staff** in the period, which represents over 35 per cent of the current staff total.
- Commencing a comprehensive review of the **organisational design and structure**; the ensuing changes will be implemented from mid-2016.
- Transitioning to the statutory **Freedom of Information** legislation, in effect from April 2015 and involving establishment of a unit to deal with the large number of information requests, which will further contribute to increased public accountability.



## Environmental Context

The Bank operates in a dynamic and changing environment and our expectation is that this will continue to be the case during the period covered by this Plan. While the legacy of the crisis will still require time and focus to work through in certain sectors of the Irish economy, the outlook points to continued growth in the near term, with consumer confidence also regaining strength. As part of our strategy development process, we have considered the likely environmental context over the next three years and the implications for our work. Some of the key considerations we have taken into account are:

### Regulation

In the aftermath of the global financial crisis, we are seeing the increasing role of international and European law and institutions in how we supervise banks, the insurance industry, and the financial markets. The impact of European/international regulatory developments, in particular: the Single Supervisory Mechanism, Solvency II, Capital Markets Union, the growth and influence of the European Supervisory Authorities, the pipeline of EU directives, regulations and technical standards will all require focus and attention during the Plan period. We will ensure that we have an influential voice both domestically and in Europe, that is fully embedded in the Eurosystem and making a significant contribution to policy development.

### Financial Services

The growth of Irish financial services is expected to continue, especially in the funds sector, as well as that of inward and outward branches, and the diversification of firm types, business models, and distribution channels, requiring a commensurate increase of supervisory approval and oversight activity both on the consumer and prudential fronts. Further technological developments and a continued increase in the recourse to and reliance on information technology by regulated firms, their customers and their suppliers create new risks and heighten the potential impact of existing ones.

### Economic

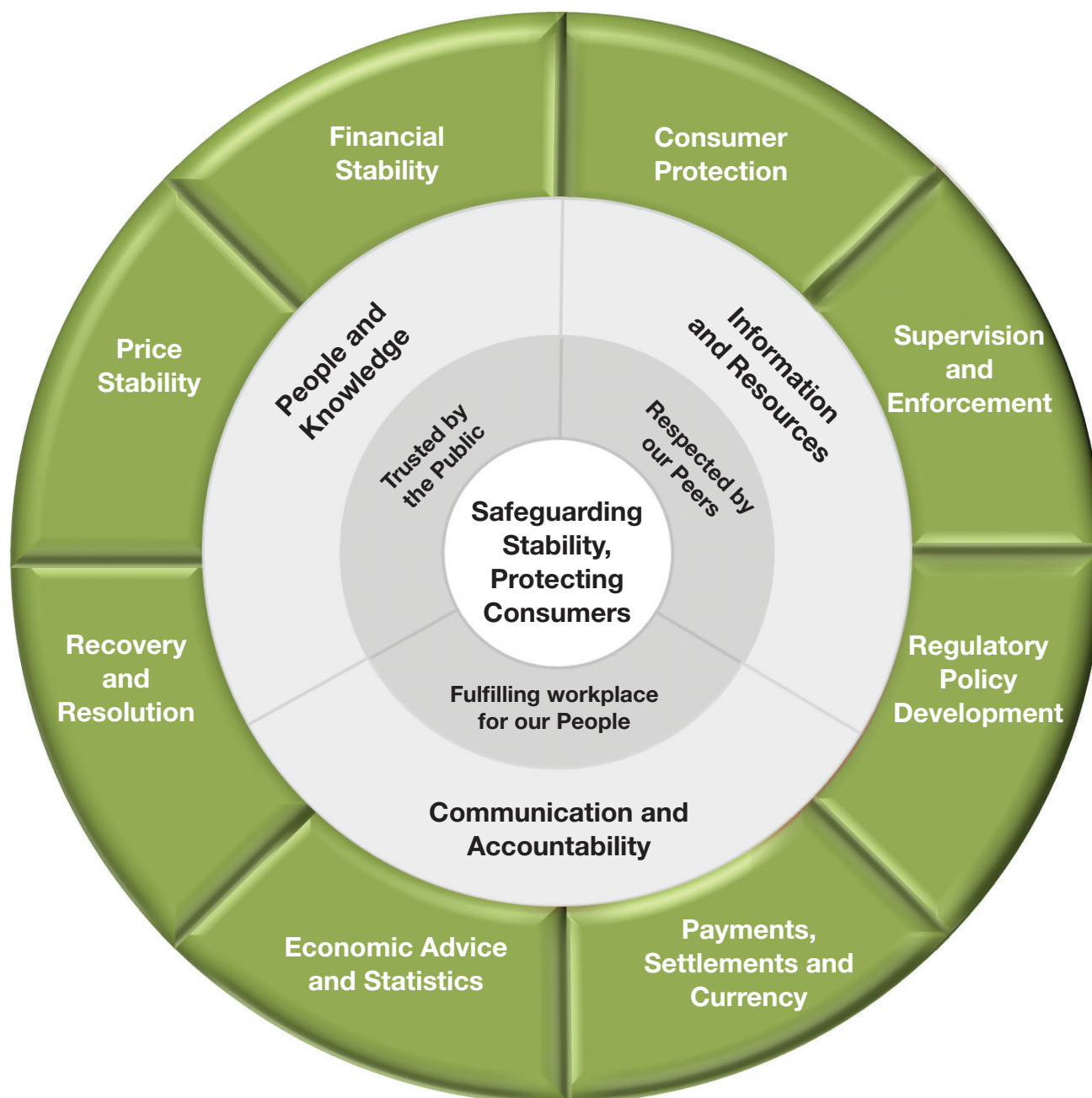
The effective management of financial stability and regulation is required for crisis avoidance, and to ensure there are no disorderly failures in the banking and wider financial system. The implications of the prolonged low yield economic environment, the impact of non standard monetary policy measures and the volatility in asset prices and exchange rates are other factors which we will need to continually consider and assess.

## Organisational

Attracting and retaining the right people with the right skills and experience will be the most significant challenge facing the operation of the bank, particularly in the light of a growing domestic economy where there will be increasing competition for appropriately skilled resources. At the same time, we recognise that, as a knowledge organisation, the way we collaborate and share information will be increasingly important to the successful achievement of our goals. This will require flexibility in our organisation structure to respond to the changing external environment in ways which remain effective and efficient. These factors will be fully taken into account as we relocate our city-centre based staff to new premises on Dublin's North Wall Quay.

## Strategic Responsibilities, Outcomes and Actions

The Bank's primary objectives have been set out in legislation. Our Strategic Responsibilities as outlined below are aligned to these objectives.



In the following pages we have identified the desired outcomes sought in each of these areas of our work and also some of the key actions and activities which we will undertake over the lifetime of the Strategic Plan 2016-2018.

## Our Strategic Responsibilities



### Desired outcome: Euro area inflation objective is achieved

The Bank is responsible for contributing to the formulation of Eurosystem monetary policy and supporting the Governor's role as a member of the Governing Council of the European Central Bank (ECB).

The primary objective of the ECB's monetary policy is to maintain price stability. In this pursuit, the ECB aims to maintain inflation rates below, but close to, 2% over the medium term. As a member of the ECB Governing Council, the Governor has direct input into the decisions on monetary policy and other major policy areas. In order to effectively support the Governor's role, it is necessary to maintain expertise on key monetary policy issues. In recent times the euro area has introduced a range of unconventional monetary policy measures to stimulate economic growth, in order to support price stability. The Bank also plays a key part in applying such ECB policies, as monetary policy is implemented on a decentralised basis by National Central Banks.

Amid this challenging environment of low inflation and the application of non-standard monetary policy measures, we will analyse and report on the issues related to the effects and conduct of monetary policy.

#### Key Actions and Activities 2016-2018

We will contribute to and assess monetary policy strategy in the context of a low inflation environment.

We will implement and assess the impact of both conventional and unconventional monetary policy measures.

## Strategic Responsibilities



### Desired outcome: The Financial System is stable

The Bank has an explicit mandate in domestic and European legislation to contribute to financial stability in Ireland and at euro area and EU levels. During the period of this Strategic Plan, we will enhance our activity in this area through:

- Enhancing the macro-prudential policy framework by further developing a suite of indicators to assess systemic risks;
- Developing macro-prudential tools to address emerging risks;
- Conducting analytical research to inform on the calibration of these tools; and
- Evaluating the effectiveness of these tools in limiting systemic risk.

One of the Government's commitments under the Financial Measures Programme was to establish a Central Credit Register (CCR). Under the Credit Reporting Act 2013, the Bank is mandated to establish and operate the CCR, which will include loans to both individuals and businesses. This will be a significant development in enhancing the Bank's insight into credit information, promoting financial stability while also contributing to the protection of consumers.

### Key Actions and Activities 2016-2018

We will take appropriate macro-prudential decisions based upon assessment of the financial system as a whole.

**We will launch and manage a new national Central Credit Register.**

## Central Credit Register

The Credit Reporting Act 2013 mandates the Bank to establish and operate a national Central Credit Register (CCR) covering loans to both individuals and businesses. The Act requires all lenders to submit personal and credit information on loan agreements of €500 or more to the CCR. Lenders will be required to check the CCR when considering a loan application for €2,000 or more. Borrowers may access their information at any time, and the first report annually is free of charge. The CCR will contribute to consumer protection and financial stability by:

- Providing lenders with more comprehensive analysis of borrowers' creditworthiness;
- Equipping borrowers with information on their financial profile;
- Giving the Bank better insight into financial markets and supporting several of its functions e.g. prudential supervision, statistics and financial stability.

The operational implementation of the credit register is a complex process and the final timeline will be influenced by the scale of technical and operational changes to be implemented by over 500 lenders within the scope of the CCR. The final detailed obligations will be set out in regulations. The initial phase of the CCR is expected to become operational in 2016. A second phase is tentatively scheduled to be operational by 2017. The Bank will become the Data Controller under data protection rules for all of the personal data held on the CCR.

## Strategic Responsibilities



### Desired outcome: Regulated firms act in the best interests of consumers

In our role as regulator of financial service providers and markets, we also have to ensure that the best interests of consumers are protected. This consumer protection mission of ‘getting it right for consumers’ is delivered through what we call the ‘5Cs Framework’,<sup>3</sup> which aims to put the consumer at its centre and to shape a consumer focused culture where the focus of regulated firms must be on delivering the right consumer outcomes.

We publish an annual Consumer Protection Outlook Report, which sets out the risks we see to our consumer protection objectives and the consumer risks we will be focusing on over the coming years under the 5Cs Framework.

#### Key Actions and Activities 2016-2018

We will prioritise the themes as set out in the Consumer Protection Outlook Report including:

- **Working to develop a positive consumer focused culture within regulated firms;**
- Ensuring the consumer protection framework remains effective by reviewing, developing and enhancing the protections in place and by influencing and shaping European and international developments; and
- Monitoring and enforcing compliance with the required standards through themed reviews and inspections.

<sup>3</sup> This framework’s objective is to protect consumers by challenging firms, improving firms’ compliance, promoting a better culture in the financial sector and helping consumers have more confidence in financial products and services.

## Developing a consumer focused culture

Culture plays a critical part in driving the behaviour of firms and individuals within them.

We can see as we engage with firms across the different sectors that a consumer-centred culture leads to more positive outcomes for consumers, as well as a more constructive engagement with the regulator. It is essential that firms get their culture right if trust and confidence is to be restored and maintained in the financial services industry. Boards and senior management have a critical role to play in ensuring that consumers are treated fairly.

- We will build on our engagement with firms' boards and senior management to ensure that there is a clear focus from the top on embedding and measuring the firms' own cultural change programmes. We intend to continue this programme of work to challenge boards and senior management to be able to demonstrate the outcomes being delivered for consumers.
- Cultural change needs to be underpinned with internal support structures within firms. We intend to monitor and challenge how firms are developing their internal consumer protection risk frameworks, including governance arrangements and implementation and monitoring of performance metrics based on a comprehensive understanding of their customers' experiences, behaviours and needs.
- Incentive structures can influence the behaviour of individuals who are engaging with consumers and reflect the inherent culture within a firm. We intend to continue our work in this area and ensure that firms are responding appropriately to the guidance we issued in 2014 on appropriate variable remuneration arrangements.



## Strategic Responsibilities



### Desired outcome: Regulated firms are financially sound and safely managed

Regulation of financial institutions and markets is undertaken through risk-based supervision, which is underpinned by credible enforcement deterrents. This mandate is delivered through a range of tools which include:

- Supervising banks within the SSM framework;
- Supervisory assessments of individual firms according to the engagement cycles set out under PRISM, our risk-based supervisory framework;
- Monitoring of regulatory returns filed with the Bank;
- Reactive supervisory work on foot of triggers including regulatory returns, market intelligence and whistleblowing complaints;
- Approval of persons under the fitness and probity standards;
- Processing of requests for authorisation and acquiring transactions; and
- Enforcement actions.

The Bank at all times aims to take a proportionate approach to its actions as an intrusive and assertive regulator. Importantly, the Bank does not seek to ensure a 'zero-failure' system of regulation and supervision, but to safeguard that any firms that fail, do so in a way that avoids significant disruption to financial services or consumers.

The Bank's approach to supervision is subject to regular scrutiny from peer regulators, the European Supervisory Authorities, the IMF and international standards-setters.

## Key Actions and Activities 2016-2018

We will enhance supervisory engagement, processes and tools in light of new powers, new mandates and upgraded international standards and use our enforcement powers effectively to achieve credible deterrence.

**We will implement the Solvency II regulatory framework for Insurance undertakings.**

We will extend our on-site inspection activities to further sectors of the industry.

## Solvency II

Solvency II is the new EU regulatory framework for insurance and reinsurance undertakings applicable from 1 January 2016. Solvency II is designed to ensure that regulatory capital requirements are commensurate with underlying business risk. The Solvency II regime enhances the governance requirements for insurance undertakings and provides an incentive for investment in risk management. The new regulatory standards will have significant implications for the insurance market in Europe and beyond. It may provide incentives for fundamental reshaping of corporate structures.

The Solvency II Directive is complemented by Level II Delegated Acts issued by the European Commission and Technical Standards issued by the European Insurance and Occupational Pensions Authority (EIOPA). EIOPA also issue Guidance to ensure consistent implementation and co-operation between regulatory authorities.

The Bank has actively engaged with European peer regulators, Insurance undertakings and Industry stakeholders to understand the many challenges posed and to effect the changes required under Solvency II. The Bank is undertaking a significant internal change programme to ensure it is fully prepared for the implementation of Solvency II in Ireland and will continue to develop and enhance the regulatory model as the Solvency II framework becomes embedded.

## Strategic Responsibilities

### Regulatory Policy Development

#### Desired outcome: Regulatory frameworks are appropriate and effective

A high quality and effective regulatory framework is essential in requiring financial firms to operate to high standards. It provides the basis for supervising and enforcing the key principles of organisational and financial soundness, consumer protection, and effectively functioning markets.

The Bank engages actively in the European regulatory policy process, contributing to the development of sound rules well adapted to the Irish context. We support the work to transpose those rules into Irish law and provide the framework for their application to Irish financial firms and markets.

The Bank ensures that the rules and regulations are maintained and implemented in such a way that their spirit and purpose is achieved on an ongoing basis having regard to the changing environment and new activities and products developed by financial firms and markets. Our policy work focuses on providing strong support to supervisors in their day-to-day engagement with regulated entities.

#### Key Actions and Activities 2016-2018

We will provide and maintain the policy framework to support effective supervision of regulated firms and markets.

We will actively contribute to the development of relevant laws, regulations and technical standards in Europe and provide the necessary guidance for regulated firms and markets in Ireland.

## Strategic Responsibilities



**Desired outcome: Payment, Settlement and Currency systems are safe, resilient and efficient**

Properly functioning payment, securities settlement and currency systems are crucial to the smooth functioning of the banking system and the economy. These systems are overseen by the Bank in collaboration with the ECB and other national competent authorities. The Bank's role in relation to the oversight of these systems operating in Ireland is aimed principally at ensuring that these are safe, efficient and effective and that access to such systems is not restricted. The Bank also has a broader European role in the development and implementation of Eurosystem policies relating to these systems, standards and requirements through its participation in a number of domestic and international fora.

A key component of our payments systems is the provision of banknotes and coins and other related currency services to the public. The second series of euro banknotes, ES2, has been designed and is entering circulation on a phased basis. We will continue to monitor and implement developments in the production and distribution of currency and ensure that our operations are managed efficiently and securely.

### Key Actions and Activities 2016-2018

We will oversee the Irish retail payment and settlement systems and monitor and react to developments in electronic payments.

We will issue the new denomination ES2 euro banknotes into circulation and implement agreed strategies for currency production.

## Strategic Responsibilities

### Economic Advice and Statistics

**Desired outcome: Economic advice is forward-looking and independent and statistics are robust and relevant**

The Bank undertakes data collection, statistical analysis, economic analysis and research designed to inform economic policy making domestically and at the euro area level. The advent of the Single Supervisory Mechanism (SSM) and other policy initiatives has led to a significant increase in statistical and analytical requirements<sup>4</sup>.

The analytical and statistical outputs are disseminated through various publications, seminars and through ongoing interactions with government departments, academia and commentators. Outputs include research papers, economic forecasting and analysis of economic and financial developments.

We will continue to provide independent commentary and analysis based on the significant and increasing range of our analytical activities, the further development of our economic models and tools and the growing volume of financial statistics collected. The provision of high quality statistics and analysis will continue to be essential in informing policy decisions both at domestic and international levels and in explaining financial market developments.

#### Key Actions and Activities 2016-2018

We will provide independent analytical contributions to support EU Committees, Governing Council briefings and domestic policy advice.

We will widen the range of data sources for statistical analysis, to include new credit card statistics and the expansion of reporting to Special Purpose Vehicles.

<sup>4</sup> This demand is both internally within the Bank and more broadly by stakeholders who depend on the Bank for these services.

## Strategic Responsibilities



### Desired outcome: Frameworks are in place to ensure failed or failing regulated firms go through orderly resolution

One of the key lessons from the recent financial crisis was the absence of a robust framework to deal with the failure of financial institutions without recourse to the taxpayer. The EU policy response was to implement a single rulebook to deal with failed or failing firms, the Bank Recovery and Resolution Directive (BRRD).

The Bank acts as Ireland's National Competent Authority, National Resolution Authority and Macro-Prudential Authority under BRRD. This requires us to ensure that:

- Banks and investment firms within scope prepare recovery plans, which set down the measures they would adopt in the event of their financial deterioration;
- Feasible and credible resolution plans are put in place by the Bank for those firms requiring
  - a preferred resolution strategy to be determined;
  - a resolvability assessment to be conducted examining the impediments to the preferred strategy; and
  - a resolution plan to be documented.

We will work in close co-operation with the Single Resolution Board (SRB), which will assume responsibility, from 1 January 2016, for resolution matters concerning the Significant and Cross Border Institutions.

A new BRRD resolution fund is being established, with bank contributions remitted to a new euro area Single Resolution Fund in 2016.

## Key Actions and Activities 2016-2018

**We will implement all aspects of the BRRD and embed the recovery and resolution planning regime domestically.**

We will fulfil our Single Resolution Mechanism (SRM) responsibilities working closely with the SRB.

We will continue to resolve failed or failing regulated firms where necessary in the interests of financial stability.

## Bank Recovery and Resolution Directive (BRRD)

The first pillar of EU Banking Union concerns the centralisation of banking supervision under the Single Supervisory Mechanism. The second pillar covers bank and investment firm resolution, a restructuring process to manage failed or failing firms in an orderly manner.

Resolution has been harmonised under a new EU-wide rulebook (BRRD), with centralised responsibility for resolution matters within the euro area under the Single Resolution Mechanism (SRM).

BRRD aims to shift the cost of financial crisis away from sovereigns and taxpayers and onto institutions, by introducing a tool to 'bail-in' shareholders and liability-holders in order to absorb losses and recapitalise a failed firm. The Bank has been designated as Ireland's National Resolution Authority (NRA) under BRRD.

Under the SRM, a new Brussels-based EU institution, the Single Resolution Board (SRB), has been established. The Bank is represented on the SRB. The SRB will manage a new Single Resolution Fund<sup>5</sup> into which firms in participating Member States will make contributions, to be gradually mutualised. The SRB will be responsible for taking resolution decisions for Significant Institutions, which will be executed via the NRA. As Ireland's National Resolution Authority, the Bank will also be responsible for taking resolution decisions for Less Significant Institutions. Both the Bank and the SRB will work collaboratively in the performance of their respective roles.

<sup>5</sup>The Fund is intended to cover the costs of future resolution actions.

## Strategic Enablers

Our strategy framework acknowledges that the achievement of our mission and vision is in large part dependent on how we organise our internal capabilities in order to address a broad and complex mandate. Within an overall context of efficiency and effectiveness we have identified a number of critical factors which we recognise must be managed at a strategic level. These Strategic Enablers are: People and Knowledge; Information and Resources; Communication and Accountability.





## Strategic Enablers

### People and Knowledge

**Desired outcome: The Bank attracts, retains and develops skilled people and collaborates through sharing knowledge across the organisation**

We recognise that as knowledge based organisation, our people are our most important asset. It is essential that we:

- Attract, develop and retain people with the appropriate skills;
- Recruit, select, motivate and develop our people in an effective way; and
- Offer a reward model to our people which is merit based and attractive.

We will continue to develop and support a learning culture and ensure that the Bank is a fulfilling place to work.

The delivery of this Strategic Plan requires a fit for purpose organisational design and additional resources. It also requires enhanced capabilities in data and information management, analytics, legal, investigative, project and change management, and other bespoke capabilities.

We will implement the outcome of the Bank's organisational review, which will inform how we motivate and manage people to deliver on our mandate and position us to deal effectively with the changing environment

#### Key Actions and Activities 2016-2018

**We will implement improvements in our organisational structure and in our work practices.**

We will develop and implement strategies for resourcing and learning and development as well as ongoing development of other talent management processes.

We will continue to identify, develop and implement the programmes needed to create a fulfilling and progressive workplace with an attractive offering for staff.

## Organisational Improvements

A comprehensive organisational review took place in 2014-15 to ensure the conditions for steady improvements in organisational effectiveness and efficiency were identified and could be addressed, managed, and embedded to contribute to the delivery of the Bank's strategic objectives. One of the objectives of the review is to improve our ability to retain and attract staff. The review has been examining a range of areas including organisational structures, ways of working, career paths, reward and recognition, and internal processes. Further work to develop the detailed design and plan for the implementation of the outcomes of the review is being completed and full implementation is likely to be completed in 2016.

## Strategic Enablers

### Information and Resources

**Desired outcome: The Bank manages its information, data and other resources effectively and efficiently**

Analysis of data and information is a core competency across all areas of our work. Data, tools and capabilities need to be available, aligned and optimised to generate effective business insight and to deliver on our mandate. In this regard, a comprehensive data and information management strategy will be developed and implemented.

City centre staff will relocate to a new head office, which will facilitate improved ways of working, collaboration and efficiency.

The Bank's investment strategy in relation to the investment and superannuation fund portfolios will seek to optimise the risk-adjusted long-term return on these. The Bank will also continue to effectively manage the share of the pooled portion of the ECB's own foreign reserves, which are managed on an agency basis.

The Bank is exposed to a broad range of risks that arise as an inevitable consequence of performing our responsibilities with regard to financial stability, regulatory supervision and monetary policy, and in the day-to-day execution of our many operational processes. Through the implementation of suitable risk management frameworks and methodologies, we aim to keep our exposure to these risks within our defined appetite and tolerances.

#### Key Actions and Activities 2016-2018

**We will develop and deploy a comprehensive data and information management strategy and digitise documents to support processes such as e-discovery, case management and effective storage and retrieval.**

We will employ appropriate risk management frameworks and methodologies and ensure the security and control environment for our data is optimal.

We will relocate to the Bank's new head office and structure the Bank in ways to maximise new ways of working, internal communication, collaboration and efficiency.

We will optimise the risk-adjusted return on the Bank's investment assets in the anticipated low yield environment.

## Data Management and Information Strategy

The Bank recognises that data and information are a corporate asset. We aim to utilise this asset to significantly improve our ability to deliver on our mandate. Our strategic intent is to invest in all aspects of Data Management over the period of the Plan, including document management, structured data<sup>6</sup> and data generated internally in the Bank. The Data Management and Information Strategy will provide a progressive framework to ensure our data, technical tools and capabilities are available, aligned, and optimised to position the Bank to meet its mandate and strategic objectives.

<sup>6</sup> Processing and analytics of data with emphasis on third party returns, Data Security and Master Data.

## Strategic Enablers

### Communications and Accountability

**Desired outcome: The Bank communicates and engages actively and reports openly and transparently on its performance**

Effective communications supports the delivery of the Bank's strategy through helping to build trust and credibility in what we do and ensuring that we are approachable, accessible and responsive to stakeholders. The Bank will develop and broaden its communication channels, including digital media, in order to promote more actively its role to internal, domestic and international audiences; and enhance its engagement with the public and relevant stakeholders.

The Bank's corporate governance framework ensures that the management structures, processes, and procedures in place are in line with best practice and enable the Bank to deliver its mandate efficiently and effectively. The Bank is publicly accountable and displays this through the publication of key reports, strategies, policies, and data. In addition, in keeping with our commitment to transparency, we will ensure that our obligations under Freedom of Information are fully met.

The Bank will prepare and publish annual performance statements, which will address both the commitments set out in this Plan and report on our Regulatory performance.

#### Key Actions and Activities 2016-2018

We will launch a new website and utilise a broad range of communication channels to share information both internally and externally.

We will develop and publish performance standards and achievements in key areas of our work

Our Strategy at a Glance

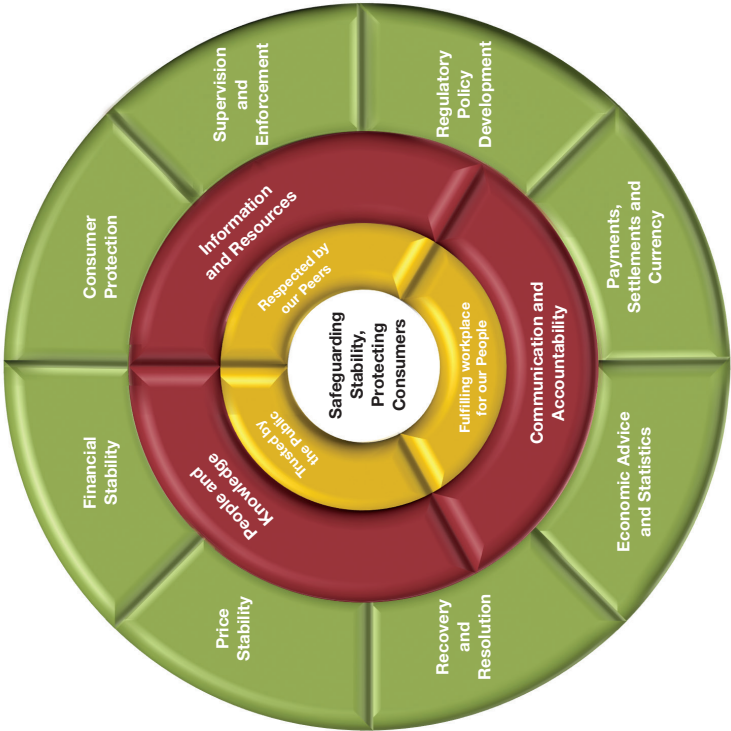
Strategic Framework

Our Mission:

Safeguarding Stability,  
Protecting Consumers

Our Vision:

Trusted by the Public  
Respected by our Peers  
Fulfilling workplace for our People

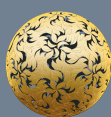


Strategic Responsibilities	Key Outcomes
Price Stability	Euro area inflation objective is achieved
Financial Stability	The Financial System is stable
Consumer Protection	Regulated firms act in the best interests of consumers
Supervision and Enforcement	Regulated firms are financially sound and safely managed
Regulatory Policy Development	Regulatory frameworks are appropriate and effective
Payments, Settlements and Currency	Payment, Settlement and Currency systems are safe, resilient and efficient
Economic Advice and Statistics	Economic advice is forward-looking and independent and statistics are robust and relevant
Recovery and Resolution	Frameworks are in place to ensure failed or failing regulated firms go through orderly resolution

Strategic Enablers	Key Outcomes
People and Knowledge	The Bank attracts, retains and develops skilled people and collaborates through sharing knowledge across the organisation.
Information and Resources	The Bank manages its information, data and other resources effectively and efficiently.
Communication and Accountability	The Bank communicates and engages actively and reports openly and transparently on its performance.



**T** +353 1 224 6278   **F** +353 1 671 6561   [www.centralbank.ie](http://www.centralbank.ie)   [publications@centralbank.ie](mailto:publications@centralbank.ie)



Banc Ceannais na hÉireann  
Central Bank of Ireland

Eurosystem

**Bosca OP 559, Sráid an Dáma, Baile Átha Cliath 2, Éire**  
**PO Box 559, Dame Street, Dublin 2, Ireland**