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Pearse Doherty TD  
Teach Laighean  
Sráid Chill Dara  
Baile Átha Cliath 2

12 March 2020

**Re: COVID-19**

Dear Deputy Doherty,

I refer your letter of 10 March 2020 in relation to COVID-19 and the banking sector.

The Central Bank is acutely aware that dealing with the challenges of COVID-19 will require a co-ordinated effort across the public and private sectors. First and foremost, COVID-19 is a global public health emergency, so the front line of Ireland's response comprises of the exceptional efforts of Ireland's health professionals. It is also clear that COVID-19 has the potential to considerably disrupt economic activity, both internationally and in Ireland, with adverse implications for the financial position of households and businesses in the near term.

In line with our mission to serve the public interest by safeguarding stability and ensuring that the financial system is operating in the best interests of consumers and the wider economy, the Central Bank of Ireland continues to assess the impact on the economy and the financial system, including as more information becomes available and we are reacting as appropriate to the evolving situation. Our core focus is on ensuring that the financial system can continue to provide services to households and businesses in this difficult time and in this respect, the Central Bank expects firms to take a consumer-focused approach to their decisions.



We are also assessing the potential macro-financial impacts of COVID-19, including the possibility that constraints to the supply of lending to households and business might emerge. And we are considering actions that can be taken within our mandate and, where relevant, working with our counterparts in Europe. We also stand ready to provide economic advice to other parts of the public sector as they are considering the most appropriate and effective measures to support affected households and businesses.

In respect of the specific measures you mention in your letter, in the first instance, many of them are commercial decisions for firms and I note the statements from each of the domestic retail banks in this regard. Nonetheless, we remain in regular contact with banks and other firms across the financial system. It is our expectation that regulated firms have appropriate contingency plans in place to be able to deal with major operational events, should they occur, and we are engaged with the financial sector to ensure that firms are responding effectively to the evolving situation.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Sharon Donnery".

Sharon Donnery

Deputy Governor, Central Banking

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