



**THIRD REPORT ON  
CORPORATE SOCIAL RESPONSIBILITY  
BY THE IRISH BANKING FEDERATION ON BEHALF  
OF MEMBERS COVERED UNDER THE  
CREDIT INSTITUTIONS (FINANCIAL SUPPORT) SCHEME**

**18 MARCH 2010**

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## 1. Statutory Instrument

Section 45 of the Credit Institutions (Financial Support) Scheme (hereafter ‘the Scheme’) as set out in Statutory Instrument 411 of 2008 specifies that:

“Each covered institution shall procure that the Irish Banking Federation, on behalf of all covered institutions, submits a bi-annual report to the Minister on goals and targets laid down by the Minister in relation to Corporate Social Responsibility (CSR), including the goals and targets with respect to the objectives of this Scheme, the delivery of the national payments strategy, the promotion of financial inclusion, the development of financial education and the implementation of the next phase of the Government’s Social Finance Initiative. This report shall also be published on each covered institution’s website within five working days of being issued”.

Following Ministerial Orders made on 24 October and 5 November 2008, the following credit institutions and subsidiaries are ‘covered institutions’ for the purposes of the Credit Institutions (Financial Support) Scheme 2008:

- 1) Allied Irish Banks, p.l.c. and its subsidiaries AIB Mortgage Bank, AIB Bank (CI) Limited, AIB Group (UK) plc and Allied Irish Banks North America Inc.;
- 2) Anglo Irish Bank Corporation Limited and its subsidiary Anglo Irish Bank Corporation (International) Limited;
- 3) The Governor and Company of the Bank of Ireland and its subsidiaries Bank of Ireland Mortgage Bank, ICS Building Society and Bank of Ireland (I.O.M.) Limited;
- 4) EBS Building Society and its subsidiary EBS Mortgage Finance;
- 5) Irish Life & Permanent plc and its subsidiary Irish Permanent (IOM) Limited;
- 6) Irish Nationwide Building Society and its subsidiary Irish Nationwide (I.O.M.) Limited;
- 7) Postbank Ireland Limited.

This report is submitted to the Minister for Finance on 18<sup>th</sup> March 2010, as the third bi-annual report in compliance with Section 45 of the Scheme.

This report will be published on each covered institution’s website within five working days of being issued.

The final bi-annual report will be submitted to the Minister for Finance in September 2010.

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## 2. Introduction

This is the third IBF Report on the CSR activities of banking institutions covered under Credit Institutions (Financial Support) Scheme.

The [first](#) and [second](#) reports were issued on March 18<sup>th</sup> 2009 and September 16<sup>th</sup> 2009 respectively and published on the websites of Covered Institutions and the Irish Banking Federation (IBF). The Reports provide a useful synopsis of some of the ongoing programmes and endeavours of member institutions which have an important social impact.

The focus of banking institutions in general is currently on adapting to the changed market environment. The banking sector is undergoing significant adjustment as institutions focus on re-structuring their business models in response to market and regulatory developments.

Since the publication of the second report in September 2009, there have been some notable sector initiatives in relation to residential mortgage arrears and repossessions. In November, IBF issued a Statement of Intent to help homeowners experiencing financial difficulties on behalf of mortgage-lending members. The commitment extends to working with customers who are genuinely having trouble meeting mortgage repayments for their home, to finding a mutually-acceptable solution. Such customers should contact their mortgage lender when financial difficulties arise, and once a revised arrangement is reached, the lender will undertake to review the arrangement after six months. Once the revised arrangement is adhered to, the lender will not take legal action against the customer in relation to their mortgage. An IBF Oversight Committee will monitor the application of the 'Statement of Intent'- the Committee is composed of representatives from the Money Advice and Budgeting Service (MABS) and IBF, and chaired by former Minister for Education and Economics Professor, Martin O' Donoghue.

The Financial Regulator's [Code of Conduct on Mortgage Arrears](#), based on an industry voluntary code, has been in place since February 2009. The Code gives protections to mortgage-holders who fall into arrears and ensures lenders engage with customers to explore the customers' options with a view to avoiding repossession proceedings. In February 2010, the Financial Regulator announced the extension of the period under which a lender is prohibited from initiating legal proceedings from six to twelve months. This means that a mortgage holder who genuinely engages with the lender in seeking a mutually-acceptable solution will not face legal proceedings until twelve months after arrears has first occurred.

In March 3<sup>rd</sup> 2010, the Financial Regulator published [data on mortgage arrears and repossessions](#) gathered from all lenders, including specialist or sub-prime lenders. While the data showed that the level of arrears had increased for mortgage lenders, the data also indicated that lenders were exercising a significant level of forbearance towards borrowers in arrears: while there were 28,603 mortgage accounts in arrears at the end of December 2009, there were just 27 properties repossessed by Court Order in the fourth quarter. Furthermore, the number of cases that went to Court fell by 52% to 233 cases compared to the third quarter. For IBF members, repossession remains a last resort and borrowers anticipating repayment difficulties are actively encouraged to contact their lender to explore their options.

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The [IBF-MABS Operational Protocol: Working Together to Manage Debt](#) has been in effect since September 2009. The Protocol enables IBF creditors and MABS money advisers acting on behalf of their clients to work together effectively to help their customers/clients deal with their debt issues. The Protocol sets out the general principles and processes for creditors and money advisers to work together and seeks to avoid legal action being taken against the debtor. It sets out five key steps to agreeing a repayment plan that is mutually acceptable, affordable and sustainable. Since its implementation, IBF, creditor members and MABS have been sharing experience on the operation of the Protocol in a joint Monitoring Group with a view to bringing about further improvements where appropriate.

Another notable development in the area of debt management came in September with the publication of the Law Reform Commission's (LRC) consultation on [Personal Debt Management and Debt Enforcement](#). The LRC offers a comprehensive and detailed assessment of the debt enforcement system in Ireland, emphasising the absence of a non-judicial debt resolution mechanism for personal debtors. IBF supports reforming the legal system to implementing alternatives to imprisonment for debtors and also the regulation of debt collection agencies and commercial debt advice agencies.

Similarly, the Financial Regulator's [Code of Conduct for Lending to Small and Medium Enterprises](#) has been in place since March 2009. IBF reaffirmed the banking sector's commitment to the SME sector in December following the publication of the second review of SME lending by independent consultants Mazars. The review noted the decrease in demand for business credit and that three out of four credit applications were approved in the seven-month period to September 2009. IBF also welcomed the establishment of the Government's Credit Review Agency which will give further reassurance to SMEs through the establishment of the credit appeals process. IBF members continue to support this vital sector of the economy having issued €2.6 billion in loans and finance and leasing in the period under review.

Also since the Second Report on CSR Activities, approval was obtained from the European Commission for the revised State Guarantee Scheme. The Credit Institutions (Eligible Liabilities) Scheme 2009 will allow participating institutions to avail of a Government Guarantee for certain liabilities for a period of up to five years. The revised Scheme is welcomed by Covered Institutions as it will assist credit institutions in accessing long-term funding and also facilitate a phasing out of their reliance on State support. Covered Institutions are very grateful for the significant State support offered since 2008.

## 2.1 Profile of Covered Institutions

The nature and scope of the CSR activities of Covered Institutions will obviously vary and depend on their structure, profile and the products and services they offer. The table below captures some of the differences between Covered Institutions such as the types of customer bases and their roles in the payments and clearing system.

COVERED INSTITUTION	CLEARING INSTITUTION? <sup>1</sup>	CUSTOMER BASE	CSR POLICY	CSR REPORTING
<b>AIB</b>	YES	Personal Customers Business Customers	YES	CSR Overview in Annual Report and Summary Report; CSR website: <a href="http://www.aibgroup.com/csr">www.aibgroup.com/csr</a>
<b>ANGLO IRISH BANK</b>	NO	Personal Customers- savings only Business Customers	Yes, CSR Policy currently under review	CSR Overview in Annual Report
<b>BANK OF IRELAND GROUP</b>	YES	Personal Customers Business Customers	Written policies on CSR-related activities	CSR Overview in Annual Report
<b>EBS BUILDING SOCIETY</b>	NO	Personal Customers <i>Primarily Savings and mortgages</i> Business Customers	YES	Yes in Annual Report and other publications
<b>IRISH LIFE &amp; PERMANENT</b>	YES	Personal Customers Business Customers	YES	<i>Annual CSR Reports published since 2004. CSR Overview in Annual Report</i>
<b>IRISH NATIONWIDE BUILDING SOCIETY</b>	NO	Personal customers- <i>Savings and mortgages only</i> Business Customers	YES	CSR included in Director's Report in Annual Report
<b>POSTBANK</b>	NO	Personal Customers	<i>CSR is embedded in the bank's overall strategy</i>	<i>Postbank is a community-based bank</i>

## 2.2 List of Covered Institutions and Web Resources

Full details of the broad range of activities covered within these programmes can be accessed through the following links:

**AIB Bank Plc**  
[www.aibgroup.com/csr](http://www.aibgroup.com/csr)

<sup>1</sup> Clearing institution defined as member of Irish Retail Electronic Clearing Company Ltd. and the Irish Paper Clearing Company Ltd.

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**Anglo Irish Bank**

[www.angloirishbank.com/Investors/Responsibility\\_Governance\\_/Corporate\\_Responsibility](http://www.angloirishbank.com/Investors/Responsibility_Governance_/Corporate_Responsibility)

**Bank of Ireland Group**

[www.bankofireland.com/about\\_us\\_new/index.html](http://www.bankofireland.com/about_us_new/index.html)

**EBS Building Society**

[www.ebs.ie](http://www.ebs.ie)

**Irish Life & Permanent**

[www.irishlifepermanent.ie/ipm/corporaterespnew/reporting](http://www.irishlifepermanent.ie/ipm/corporaterespnew/reporting)

**Irish Nationwide Building Society**

[www.inbs.ie](http://www.inbs.ie)

**Postbank**

[www.postbank.ie](http://www.postbank.ie)

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## 3. Implementation of the National Payments Strategy

### 3.1 Introduction

Electronic payments offer significant efficiencies for the Irish economy which are far from fully utilised. Irish consumers and businesses remain relatively high users of cash and cheques compared to our European peers. This is illustrated by the fact that in 2008 cheques and other payment instruments accounted for 71% of the value of non-cash payments in Ireland, compared to a European average of 3% according to the Irish Payment Services Organisation (IPSO). Similarly the volume per capita of direct debits and electronic credit transfers in Ireland remains low compared to other European countries. For instance, Ireland's average of 24 direct debits per capita per annum is less than the EU average of 41.<sup>2</sup> Advancing electronic methods as the primary methods of payment can help make businesses more efficient, offers savings to consumers and businesses, and can improve Ireland's competitiveness.

IBF has welcomed the budgetary measures by Government to reform stamp duty on ATM, debit and credit cards and would advocate that the duty is abolished entirely to encourage payment card usage.

Electronic payments offer many advantages over paper transactions including:

- better user security as payments do not have to be physically handled;
- enhanced convenience and efficiency as electronic payments are processed more speedily than paper transactions;
- certainty of payment for beneficiaries;
- reduced administrative burden for businesses and payment institutions through automated payment processes;
- less risk and thereby costs, as the requirement to transport and stock large amounts of cash is reduced;
- better for the environment; and
- the potential to advance financial inclusion.

IBF have welcomed the previous budgetary measures by Government to reform stamp duty on ATM, debit and credit cards. In the IBF/IPSO Pre-Budget Submission to Budget 2010, further reform of stamp duty on payment cards was advocated with a view to encouraging payment card usage.

### 3.2 Recent Developments

The National Payments Implementation Programme (NPIP) is tasked with developing 'a best in class payments environment which delivers efficiencies to all sectors of the economy, is inclusive of all sectors of society, and shares the benefits universally'. Prior to the publication of the Second Report on CSR Activities, the NPIP Advisory Group (a multi-stakeholder Group

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<sup>2</sup> Irish Payment Services Organisation, *Annual Review 2008*. pp. 8-10.

facilitated by the Department of Finance) made significant headway in drafting a report on Payments Strategy including recommendations to establish a Task Force with set deliverables and timelines. We understand that the report is to be put before Government shortly. The Covered Institutions endorse progress in this area which will benefit the efficiency and competitiveness of Ireland's economy. Both the IBF and IPSO support the establishment of the proposed task force at the earliest possible opportunity so that work on a national plan can commence.

### 3.3 The Single Euro Payments Area (SEPA)

The implementation of SEPA is the most significant change ever to the payments landscape in Europe. The objective of SEPA is to create a single market across Europe for payments, including cross-border payments, so that making a payment from Ireland to another European country is the same as within Ireland.

SEPA Direct Debits will also offer payment users the advantage of being able pay for services in other European countries using SEPA Direct Debits from their domestic account. Banking institutions including Covered Institutions have begun implementation of SEPA Direct Debit services which are mandatory from 2010. SEPA will facilitate more efficient and cost-effective cross-European payments for consumers and businesses and will encourage spin-off benefits such as e-invoicing, and mobile and internet payment services.

### 3.4 Progress by Covered Institutions in Advancing Payments Strategy

Covered Institutions are committed to advancing Payments Strategy and progress in terms of reducing the volume of cheques being used is outlined in the table below.

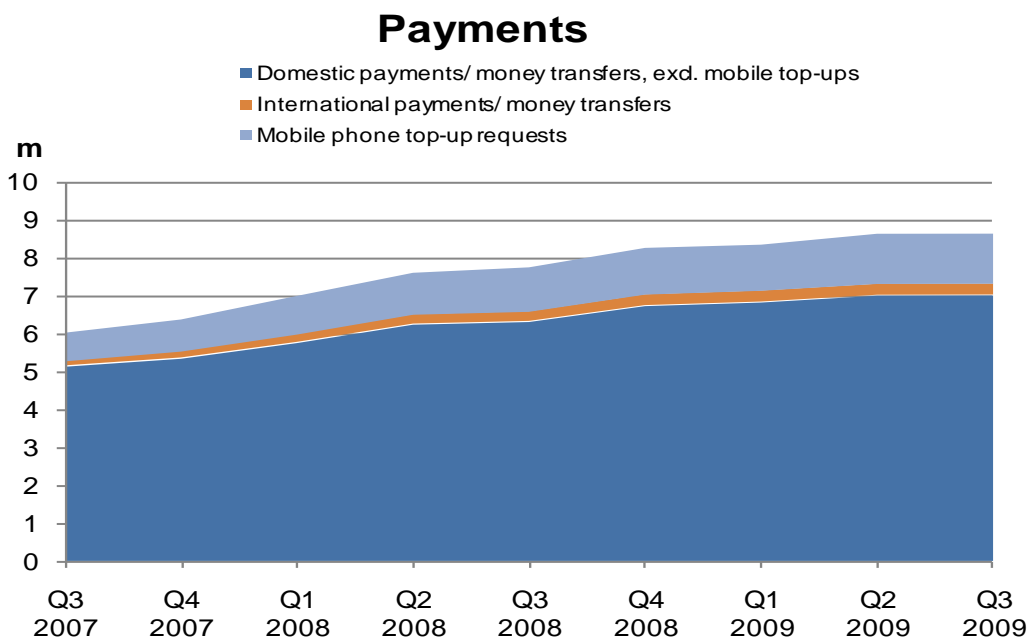
#### CHEQUE REDUCTION

INSTITUTION	%CHANGE YoY 2008				% CHANGE YoY 2009			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>AIB</b>	-8.05%	-7.33%	-7.28%	-7.85%	-13.38%	-14.73%	-19.5%	-17.5%
<b>BANK OF IRELAND GROUP</b>	-1.67%	-3.12%	-3.54%	-4.21%	-9.71%	-10.03%	-9.7%	-8.9%
<b>IRISH LIFE &amp; PERMANENT</b>	-7.90%	-5.37%	-6.07%	-7.89%	-16.01%	-17.10%	-19.1%	-23.3%

The trend of cheque reduction has been facilitated by the growth of online banking, encouraged by banking institutions, and decreased transaction volumes generally.

### 3.5 Growth of Online Banking

The growth of online banking is an important element of Payments Strategy. The most recent [IBF/IPS0 Online Personal Banking Report](#) published in January 2010 shows that 2.5 million customers were registered for online banking by the end of September 2009, an increase of 18.3% compared to a year previous. Customers accessed their bank accounts online 34.1m times in the third quarter of 2009, representing an increase of 14.5% on Q3 2008. Similarly there were 11.4% more payments made online in Q3 2009, 8.6m online payments in all, compared to the same period in 2008.



Online banking offers convenience for customers and efficiencies for Covered Institutions. Customers also benefit from ready access to their financial information immediately which makes budgeting and making payments easier. The development and growth of online banking supports the drive towards electronic payments from paper methods as per the National Payments Strategy.

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## 4. FINANCIAL INCLUSION

### 4.1 Introduction

Financial inclusion is a key element of the National Payments Strategy and the NPIP. Ensuring suitable access and actively promoting banking services such as electronic payments to vulnerable groups is an important component in terms of advancing payments strategy. Through the National Payments Strategy, vulnerable individuals can improve their financial capability and financial management skills, and benefit from exposure to other financial services and products. The NPIP is one component of financial inclusion but there are also other important aspects to ensuring that vulnerable groups are able to fully utilise and take advantage of essential everyday banking services.

As noted in the opening chapter, one of the most significant developments since the publication of the Second CSR Report was the consultation by the LRC on reforming Ireland's personal bankruptcy procedures. The *Renewed Programme for Government* states that a new mandatory system for personal debt settlement will be established which will be outside of the Courts system, operating via a central Debt Enforcement Office.

The LRC make a multitude of far-reaching recommendations for consideration by stakeholders. IBF submitted a response to the consultation in December articulating support for a review of the debt enforcement system and the proposed establishment of a mandatory debt settlement system outside of the Courts where there is a genuine inability to pay on the behalf of the debtor with little prospect of change. Dealing with the debtor outside of the Courts system offers significant benefits of speedier decisions and resolutions, greater certainty and also allows the debtor to avoid the stress of having to go to a Court.

IBF and members also support the proposed regulation of debt collection agencies and commercial debt advice firms so that debtors are adequately protected. IBF has also advocated the development of alternatives to imprisonment for debtors for non-payment of debt and fines for many years, and has supported the calls of MABS and the Free Legal Advice Centres (FLAC) in this regard.

In advance of publishing their findings arising from the consultation, the LRC have formed a working group of stakeholders to assess what recommendations are significant and suitable to a speedy delivery. IBF are represented on this group and will look to work progressively to ensure fair and accountable treatment of debtors.

### 4.2 Basic Bank Accounts

A basic bank account is considered to be a simplified current account for everyday usage with payment card functionality and no overdraft facilities, which is accessible to all. The development of basic bank accounts has been discussed in the context of the NPIP and also under the Recapitalisation Scheme. IBF supports the discussions on basic banking services which are expected to develop within the context of the National Payments Strategy. Basic bank accounts

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are included in the Report of the NPIP Advisory Group, which, as noted in Section 3.2, is anticipated to go before Government soon. The holistic and consultative approach taken by Government to Payments Strategy and financial inclusion is a welcome strategy.

### **4.3 Banking Services Accessibility**

Covered Institutions have in place numerous initiatives in relation to ensure vulnerable groups have access to banking services, as outlined in Appendices 1 and 2. The number and scope of these initiatives will vary according to each Covered Institution's size, its level of involvement in retail banking and the coverage of its branch network.

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## 5. FINANCIAL EDUCATION

### 5.1 Introduction

Financial education is crucial for consumers in developing their knowledge and understanding of financial services and products. With the appropriate level of information and familiarity, consumers can approach financial services with confidence and make informed decisions. With financial products and services continuously evolving and increased life expectancies, it is increasingly important that people have adequate and suitable tools to develop their financial capability, facilitated by co-ordinated national policy.

The Financial Regulator provides useful product-related information on specific types of financial services and products through its consumer information website [www.itsyourmoney.ie](http://www.itsyourmoney.ie). There is also a multitude of other valuable financial education resources delivered by a variety of stakeholders in existence at different levels of the educational framework. As outlined in section 5.4 below, IBF and members have developed several such financial education resources which are available online such as Money-Go-Round II and Paymaster II. However these different programmes and resources operate in isolation and there is a need to co-ordinate and further develop them in order to maximise their benefits and effectiveness.

### 5.2 Improving Financial Capability

In March 2009 the Financial Regulator published the first [Financial Capability Study](#) to measure and assess the level of financial capability in Ireland. The Study provides key insights on how consumers manage money and plan financially, and also how they assess, choose and stay informed about financial products. The Study provided the National Steering Group with valuable insights on consumer behaviours and attitudes and also assisted in the segmentation of the population with a view to targeting financial capability resources at vulnerable groups.

In July 2009, the landmark report of the National Steering Group on Financial Education was published [Improving Financial Capability- A Multi-Stakeholder Approach](#). The Steering Group was composed of a variety of stakeholders in financial education such as MABS, the National Literacy Agency (NALA), the Irish League of Credit Unions (ILCU) and the IBF. The Group's mandate was to examine current practices, both domestic and international, and provide recommendations on advancing financial education.

*Improving Financial Capability- A Multi-stakeholder Approach* is a key document as it provides direction to national policy on financial capability and also outlines key recommendations and actions to be undertaken by the various stakeholders. The Report also provides a framework for the development of new financial capability resources and materials by stakeholders to ensure a common set of learning outcomes.

The Financial Regulator has also established a dedicated website [www.financialcapability.ie](http://www.financialcapability.ie) to centralise all financial capability resources in a single source.

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*Improving Financial Capability* outlines commitments and recommendations to be undertaken by:

- the Financial Regulator,
- the Irish Insurance Federation (IIF),
- MABS,
- NALA,
- the ILCU,
- the Irish Vocational Education Association (VEA),
- Fás,
- the National Council for Curriculum and Assessment (NCCA),
- the Pensions Board
- the Department of Education and Science
- the Institute of Bankers in Ireland
- and the IBF

### **5.3 Recommendations in Improving Financial Capability- A Multi-Stakeholder Approach for IBF Members**

*Improving Financial Capability* contains a list of recommendations and actions for stakeholders, including IBF (see list below). IBF have established a working group of members, including Covered Institutions to drive forward the recommendations. Dialogue is ongoing with the Financial Regulator regarding delivery of the recommendations.

- **Recommendation in Relation to Research and Best Practice**  
IBF-member institutions variously develop consumer information/education initiatives and the very wide range of materials available is reflected in the National Audit of Personal Finance Education Resources (Ireland). The Irish Banking Federation (IBF) will continue to share with the Steering Group information on such activities and any relevant research conducted by them or their members as it becomes available.
- **Financial Competency Framework**  
The IBF commits to promoting awareness of and adoption of the Financial Competency Framework among its member institutions.
- **Direct Provision of Personal Finance Education Resources**  
The IBF will work with member institutions in making available, the people expertise to support and assist relevant stakeholders, including the Financial Regulator, in promoting financial education in Ireland. Such expertise may be provided on a volunteering or secondment basis.
- **Future Direction**  
To set up, as soon as possible, a Financial Capability fund with seed funding from the Recapitalisation Scheme.

The Recapitalisation Scheme, announced by the Government in December 2008, stipulates that:

*“The recapitalised banks will provide funding and other resources, in cooperation with the Financial Regulator, to support and develop financial education for consumers and potential consumers. The resources to be made available will take account of the Financial Regulator’s Financial Capability Study and the Report of the Steering Group on Financial Education”.*

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Preliminary discussions have taken place between the recapitalised institutions and the Financial Regulator regarding the supports to be put in place for Financial Education under the Recapitalisation Scheme.

Notwithstanding the changes to the consumer brief of the Financial Regulator and the anticipated transition of financial education and information functions to the National Consumer Agency, it is anticipated that progress can be made in terms of delivering aspects of the recommendations outlined in the Financial Capability Report during 2010.

## **5.4 Education Programmes Supported by Covered Institutions**

As mentioned in the previous CSR reports, IBF and its members support various financial education initiatives.

IBF developed the Money-Go-Round II Primary School Resource Programme in conjunction with the Department of Education, the National Council for Curriculum and Assessment, and the Irish National Teachers' Organisation. The Programme is designed to foster an early understanding of money and money management; it also looks to provide a basic introduction to financial services and to lay the basis for critical thought for students' future financial lives.

IBF, on behalf of members, also developed an internet resource for post-primary level students. Paymaster II is designed to help students understand personal finance management, budgeting, payment methods and sensible borrowing in relation to Junior Certificate Business Studies and Leaving Certificate Home Economics.

The Bank Brief, developed with teachers and students, is another IBF information resource designed to be used with business studies at post-primary level subjects on banking-related topics.

Money-Go-Round, Paymaster II and the Bank Brief are available for download at [www.ibf.ie](http://www.ibf.ie).

Covered Institutions provide support and resources for educational programmes for schools across the country. For more details on these, see Appendices 3 and 4. The scope and nature of these initiatives will depend upon the size of the Covered Institution, its involvement in the retail banking market and its geographic coverage.

## 6. Implementation of the Social Finance Initiative

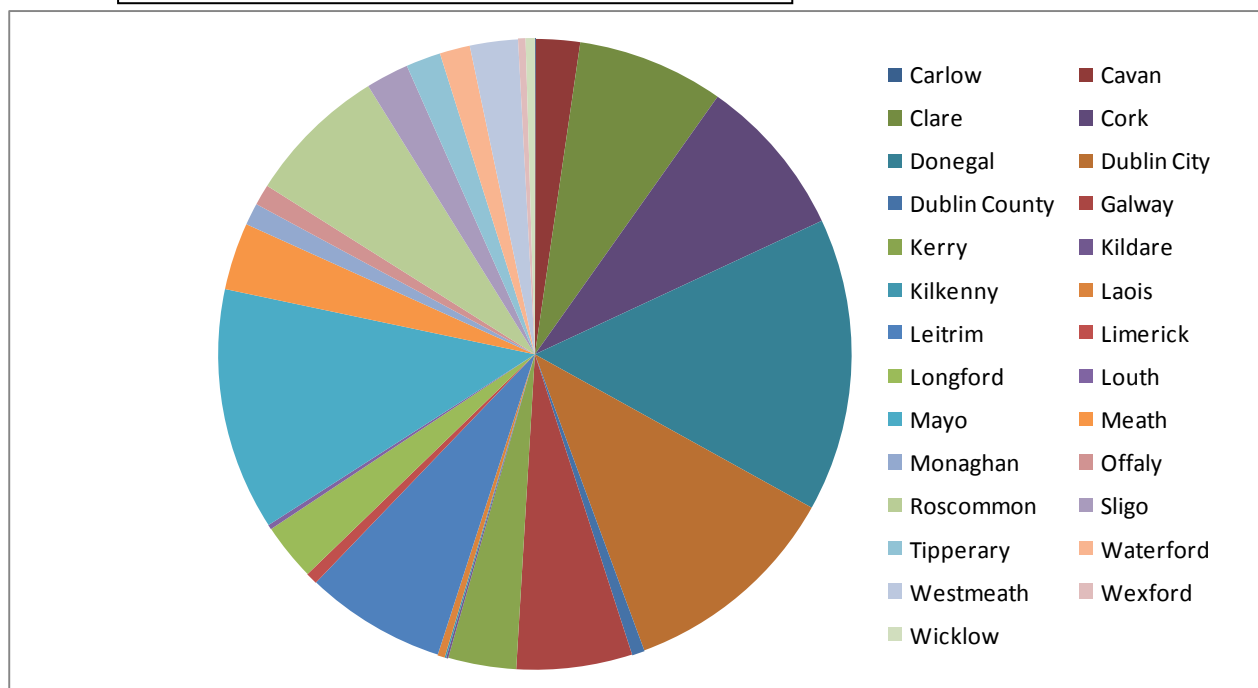
### 6.1 Introduction

Since 2006, significant progress has been made in establishing the Social Finance Initiative. The Social Finance Foundation (SFF), a not-for-profit company limited by guarantee, has become a significant wholesale supplier of funding for social finance. In April 2009, new arrangements were agreed and put in place regarding the SFF's resourcing by banking institutions. In 2007 the banking industry (including Covered Institutions, see below for contributions) together gifted €25m to establish the SFF. Two years later, a loan agreement was put in place to establish the SFF on a sustainable, long-term footing. The loan agreement involves the contributing institutions making €72m available in loans over the next 12 years at very competitive interest rates appropriate for social finance.

### 6.2 The Work of the Social Finance Foundation

The SFF provides funding to Social Lending Organisations (SLOs) who in turn provide small loans for community projects and local development initiatives (such as micro-enterprises) which have a social and financial return. The SFF takes a prudent approach to lending so that the funding can be recycled and the number of projects that can be financed is maximised. By October 2009, the SFF had approved €17m in financing, with €9m drawn down for projects.

**SFF Funding Breakdown by County**



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At the SFF's inaugural Stakeholder Meeting in October 2009, Minister of State Conor Lenihan, on behalf of the Minister for Finance, Brian Lenihan, stated:

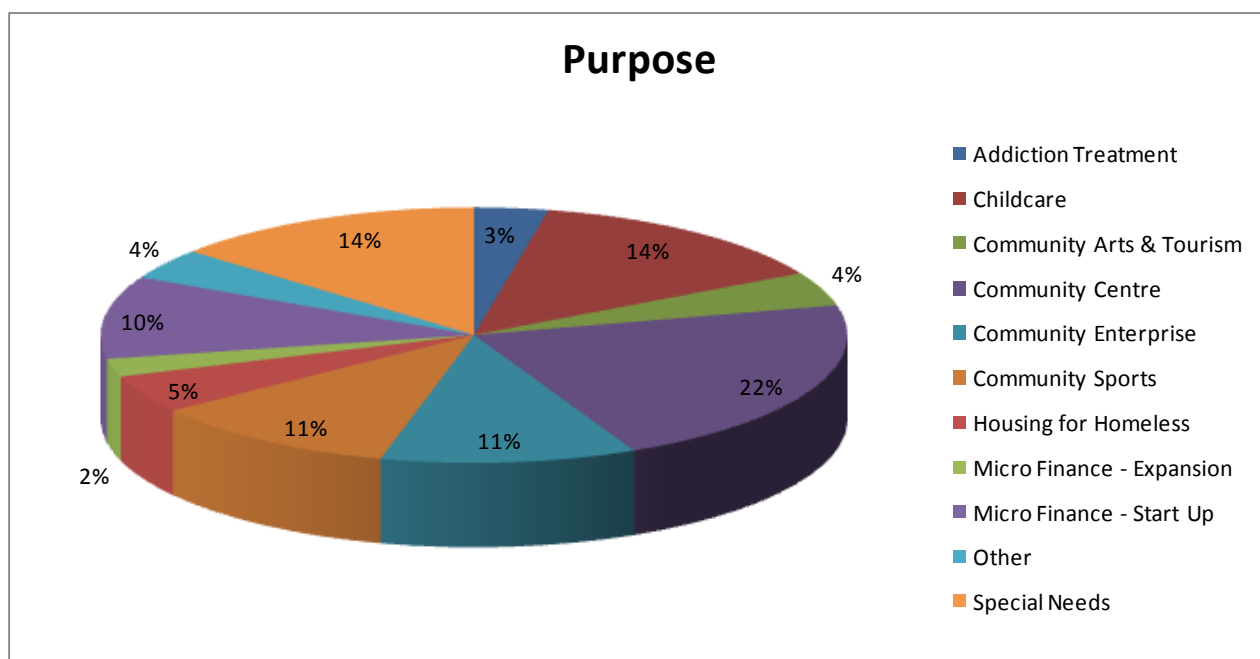
At this time of enormous economic challenge for the country, it is vital we ensure all sectors make their contribution to national recovery. I am especially pleased therefore that the Foundation has secured this funding from the financial institutions and I expect to see more projects at community level and more micro-enterprises benefiting from the support of the Foundation over the coming years.

It is very important to make the point that the establishment and ongoing development of the Social Finance Foundation has been made possible through the support of all retail credit institutions in the Irish market. It is an excellent example of the banking industry working together through its representative body to help address an important financial, economic and social need.

In this context the new funding arrangement is consistent with the specific requirements on the "covered" financial institutions in the area of corporate social responsibility under the terms of the Government Guarantee Scheme introduced in September 2008. These require the institutions concerned to work with the Irish Banking Federation to submit bi-annual reports to me on goals and targets I have set down in relation to the delivery of the National Payments Strategy, the promotion of financial inclusion, the development of financial education and the implementation of the Government's Social Finance Initiative.

Peter Quinn, SFF Chairman also articulated:

The Board of the Foundation is pleased to be able to report to our stakeholders on a successful 30 months since its inauguration. Between August 2007 and October 2009, loan facilities totalling €17m were approved, of which circa €9m has already been drawn down. This has resulted in community centres, child and elderly care facilities, sheltered housing, sports facilities, community enterprise centres and micro-enterprises coming into existence as a result of social finance being provided. We remain confident about the future of social finance in this country and are committed to playing a key role in supporting its growth and development.



### 6.3 Contributions of Covered Institutions to SFF

All seven Covered Institutions contribute to the SFF, along with another six retail banking institutions. Below outlines the commitments of Covered Institutions.

COVERED INSTITUTION	INITIAL SEED CAPITAL CONTRIBUTION (€m)	FUTURE LOAN CONTRIBUTIONS 2009-2021 (€m per annum)	TOTAL COMMITMENT (€m)
AIB	6.275	1.506	24.347
ANGLO IRISH BANK	0.950	0.228	3.686
BANK OF IRELAND GROUP	6.275	1.506	24.347
EBS BUILDING SOCIETY	0.950	0.228	3.686
IRISH LIFE & PERMANENT	3.125	0.750	12.125
IRISH NATIONWIDE BUILDING SOCIETY	0.625	0.150	2.425
POSTBANK	Prior to Postbank launch	0.048*	0.576*
<b>TOTAL FOR COVERED INSTITUTIONS</b>	<b>18.2</b>	<b>4.416</b>	<b>71.192</b>
<b>TOTAL FOR NON-COVERED INSTITUTIONS†</b>	<b>6.8</b>	<b>1.584</b>	<b>25.808</b>
<b>TOTAL SFF FUNDING</b>	<b>25.000</b>	<b>6.000</b>	<b>97.000</b>

\*To be reviewed

† Non-Covered Institutions: ACC Bank, Bank of Scotland (Ireland), KBC Bank, National Irish Bank, Ulster Bank

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## 7. Summary

As noted in the introduction, the banking sector is currently focussed on adapting to the changed market environment. This report has articulated the developments that have taken place in the areas of CSR identified in Guarantee Scheme since the publication of the Second Report in September 2009:

- In terms of National Payments Strategy and Financial Inclusion, the Report of the NPIP Advisory Group is expected to be presented to Cabinet before the end of March 2010.
- Regarding Financial Education, discussions are ongoing between IBF and the Financial Regulator on the implementation of the Recommendations of the *Report of the National Steering Group on Financial Education*.
- SFF, now on a sustainable funding footing, continues to provide finance to worthy community-based projects and microfinance initiatives with a social dividend.

Covered Institutions look forward to advancing these initiatives over the coming period, before the publication of the final report on CSR activities in September 2010.

## APPENDIX 1: INITIATIVES AIMED AT ENHANCING ACCESSIBILITY FOR CUSTOMERS WITH DISABILITIES

COVERED INSTITUTION	DESCRIPTION OF INITIATIVE	OBJECTIVES
<b>AIB</b>	AIB will on request provide Braille or large print statement and correspondence. Main points from any AIB brochures can be printed in Braille, on request.	Facilitates individuals who are visually impaired.
	All ATM's have an adopted keypad that has a raised pip on the number 5 button plus they have universal raised icons on the function keys for Enter, Clear and Cancel.	
	Induction loops for hearing aid users have been installed in 50% of AIB branch premises.	Facilitates individuals with hearing difficulties.
	AIB has piloted lower level counters and plans are in place to introduce one low-level service point into each branch refurbishment affecting counters.	Assists customers to conduct their banking at AIB branches in an easy manner.
	69% of AIB branches are accessible with 44 ramps/platform lifts having been installed since 2000 and doors to branches becoming automated.	
	80% of AIB's ATM network is wheelchair accessible and this is constantly reviewed. In certain locations providing wheelchair access may not be possible due to planning or other issues.	
	AIB Internet Banking and AIB Phone Banking are available day and night.  Customer service agent service available for non-routine services or customers who experience difficulties.	General accessibility.
AIB has an objective to make websites accessible, i.e. ensuring web site content can be navigated to and read by everyone, regardless of their location, experience or the type of computer technology used. All AIB websites should comply with WA1 accessibility standards (level 2AA) as provided by the World Wide Web Consortium.	Facilitate individuals who are visually impaired.	
For certain disabled customers, a Chip and Signature Card has been introduced. This card can be used at Point of Sale and the customer will be provided with a receipt which they can sign, in order to purchase goods or services.	Assists disabled customers to purchase goods using their Debit or Credit card.	
<b>ANGLO IRISH BANK</b>	Wheelchair access and disabled toilet facilities have been provided in fitted-out offices since 1996.	Accessibility for those with disabilities.
	Online enquiry service 'Anglo Connect' is available to all customers of the Bank and gives them 24/7 access to account information.	General Accessibility.
	Anglo Irish Bank aims to maximise the accessibility of its websites. Since March 2009, Anglo Irish Bank websites have achieved level 1 and 2 of the Web Accessibility Initiative (WAI) accessibility guidelines as provided by the World Wide Web Consortium (W3C).	Website accessibility for the visually-impaired.
<b>BANK OF IRELAND</b>	Bank statements available in Braille.	Facilitates individuals who are visually impaired.
	Hearing Loop facilities available in more Bank of Ireland modern branches.	Facilitating individuals with hearing difficulties.
	Banking 365 (online and phone) available 24/7.	General Accessibility.
	Bank of Ireland customer service agent service available 8am to midnight Mon-Fri and 10am to 2pm Saturdays.	
	All new/refurbished Bank of Ireland branches over the last 3 years (c. 40 branches) have specially designed wheelchair accessible cash counters, self service equipment and customer service counters.	Wheelchair Accessibility.
	Bank of Ireland Group Website meets the visually impaired specified standards (DDA) and W3C accessibility standards.	Website accessibility for the visually-impaired.

COVERED INSTITUTION	DESCRIPTION OF INITIATIVE	OBJECTIVES
<b>EBS BUILDING SOCIETY</b>	Online banking is available 24/7 while EBS Direct also caters for customer queries by phone Monday-Friday, 9am-6pm.	General accessibility.
	The EBS website incorporates features for those with visual impairments.  A number of high transaction offices have hearing loops.	Visual and hearing impairments.
	Since 2006, EBS has embarked on a refurbishment programme to ensure that branches are wheelchair-friendly.	Wheelchair accessibility.
<b>IRISH LIFE &amp; PERMANENT</b>	Ptsb can provide Braille or large print statements on request.  Ptsb have installed hearing aid induction loop systems in all of our branches and Head Office buildings.	Makes products and services accessible to people with disabilities.
	c.95% of Ptsb branches are wheelchair accessible. All branch refurbishments comply with Part M of the Building Regulations.  c.75% of Ptsb ATM machines meet internationally accepted guidelines for wheelchair accessibility (PIN pad not more than 950mm from floor or ground level).	Makes products and services accessible to people with accessibility issues.
	Online banking available 24/7 through "Open24". Telephone banking available Mon-Fri 8.00 am to 10.00 pm and Saturdays 10.00am to 2.00 pm (excl. Bank Holidays).	General accessibility
	Irish Life & Permanent group website complies with all of the Priority Level 1 criteria of the World Wide Web Consortium (W3C) (Web Content Accessibility Guidelines Version 1.0). We have a detailed set of accessibility standards for our Irish Life website and we are developing a similar set of standards for our permanent tsb website.  We promote the use of Browse Aloud software on our customer websites for use by people with visual impairments, low literacy levels or who do not have English as a first language.	Website accessibility for the visually-impaired.
<b>IRISH NATIONWIDE BUILDING SOCIETY</b>	INBS has a well established national branch network enabling us to provide a local and personal service to all our customers.  We also provide a telephone call service for all our customers with any queries regarding our mortgage and savings products.  We are reviewing the wheelchair accessibility status of all our branches.	General accessibility.  Wheelchair accessibility.
	Our website meets W3C accessibility standards and is currently XHTML 1.0 with a Level A - Priority One and we are working towards having Level AA - Priority Two by the end of the year.	Website accessibility for the visually-impaired.
<b>POSTBANK</b>	Postbank provide online and telephone banking.	General accessibility.
	Postbank services provided via the Post Office network, many of which are wheelchair accessible and have hearing loops.	General accessibility.

## APPENDIX 2: INITIATIVES AIMED AT VULNERABLE GROUPS

COVERED INSTITUTION	TARGET GROUP	DESCRIPTION	OBJECTIVE
<b>AIB</b>	Migrant workers	Polish website <a href="http://www.aib.ie/polska">www.aib.ie/polska</a> .  AIB International help desk staffed by 5 polish speaking staff.  Introduction of international payments facility via internet banking.	International Payments facility provides a much more efficient & economical service for moving funds abroad which is of particular help to migrant workers.
	Customers over 60 years of age	Banking free of maintenance and transaction fees, as well as waiver of certain other commission/service charges.	To support older customers in retirement.
	Students	Banking free of maintenance and transaction fees as well as waiver of certain other commission/service charges.  Interest free overdraft and reduced rate personal loans for third level students.	To support and encourage students in the use of banking services.
<b>ANGLO IRISH BANK</b>	All customer groups	Anglo Irish Bank does not apply any charges for account maintenance or payments to its customers.	To enhance accessibility.
<b>BANK OF IRELAND GROUP</b>	Customers on lower incomes	Affordable Housing Breakthrough Mortgage available since 2006 provided through an agreement between the bank and the relevant local housing authority Mortgage.	Affordable Homes Scheme.
	Non-nationals /Migrant Workers	Bank of Ireland provide Migrant business information evenings i.e. Chinese import/export information and business start up seminars.  Bank of Ireland have broad representation of migrant communities among our front-line employees, who are available if our migrant customers want to transact business in their own language.	Support for non-Irish Nationals/Migrant Workers.
	Students	Free banking.  Interest Free Loan.  Grant Advance Loan.	To empower students and support them with tailored financial products.
	Over 60's	Free banking.	To support older customers in retirement.
<b>EBS BUILDING SOCIETY</b>	Over 50s/Retiree Segment	Guaranteed acceptance – no medical check is necessary. It pays out a lump sum upon death.  EBS also offers discounts for its more senior members, for example 10% for over 50's and 15% for over 60's on its home insurance policies.  If you are a public servant, upon retirement, EBS offers an additional 1% on standard 3 month fixed savings rate.	EBS Over 50s' Life Cover  EBS Home Insurance  EBS Fixed Savings Account
	Customers on low incomes	EBS has a strong track record in the Affordable Homes Scheme, helping 1,400 First-Time Buyers obtain a home in 2008.	Affordable Homes Scheme

<b>COVERED INSTITUTION</b>	<b>TARGET GROUP</b>	<b>DESCRIPTION</b>	<b>OBJECTIVE</b>
<b>IRISH LIFE &amp; PERMANENT</b>	Non-Irish Nationals/Migrant workers	<p>Ptsb have non-Irish national employees who can assist customers who would like to transact business in their own language.</p> <p>Polish section on the permanent tsb website.</p> <p>Ptsb are in the process of developing international payments online.</p>	Support for non-Irish Nationals/Migrant Workers.
	All customers	Transaction-fee free banking.	Affordable banking
<b>IRISH NATIONWIDE BUILDING SOCIETY</b>	All customers	Irish Nationwide does not apply any charges for account maintenance or payments to its customers.	Affordable banking
	Native Irish speakers	Irish Nationwide have native Irish speakers in our Galway branch who regularly provide services to customers through Irish.	Support for native Irish speakers and non-Irish Nationals.
	Non-nationals	Irish Nationwide have non-national staff working in the branch network who can assist customers in their native language.	
<b>POSTBANK</b>	All customers	Postbank is a community-based bank. We have never distinguished differences amongst community groups/ clusters and fundamental to the bank's ethos and strategy, all of our services and products are available to everyone via the Post Office network. Postbank is built upon inclusivity of all groups including the most vulnerable.	As per the bank's logo "As simple as it should be". Our products are presented in a manner that is straightforward and with as little "small print" as possible.

### APPENDIX 3: SCHOOLS PROGRAMMES SUPPORTED BY COVERED INSTITUTIONS

COVERED INSTITUTION	PROGRAMME NAME	SCHOOL LEVEL	LOCAL/ REGIONAL / NATIONAL	PROGRAMME DESCRIPTION	PROGRAMME OBJECTIVES
<b>AIB</b>	Junior Achievement (JA)	Primary & secondary	National	JA Worldwide is a partnership between the business community, educators and volunteers. JA's approach allows AIB volunteers to deliver JA's curriculum while sharing their experiences with students.	JA programmes help to develop an entrepreneurial mindset among second-level students, prepare them for the world of work and teach financial literacy.
	AIB Junior Schools' Debating competition <a href="http://www.ucd.ie/lnh/schools">www.ucd.ie/lnh/schools</a>	Secondary school	National	This is a <a href="#">debating</a> competition for those students in their junior cycle of second level education in <a href="#">Ireland</a> - run by the Literary and Historical Society in <a href="#">University College Dublin</a> . It is the largest debating competition of its kind in the country.	This format provides for a great introduction to debating, allowing students to prepare and gain confidence while allowing for great interaction during the debates.
	AIB Kids website <a href="http://www.aib.ie/kids">www.aib.ie/kids</a>	Primary	National	This has very basic information about the bank, saving, money and games.	Teach children about finances in an easy, informative and fun way.
	AIB Build a Bank challenge	Secondary school	National	Annual event which provides transition and 5 <sup>th</sup> year students the opportunity to run their own school bank with the help of AIB.	Introduces the concept of banking and finance in a fun interactive manner.
	Spirit of Enterprise <a href="http://www.soe.ie">www.soe.ie</a>	Secondary School	National	AIB is a sponsor & partner in the Spirit of Enterprise initiative which brings business and enterprise education together to bring stories about enterprise to the classroom. This programme is supported by the Department of Education & Science.	Uses of real case studies are designed to raise awareness and engage students in the life of business enterprise. Spirit of Enterprise aims to enhance the relevance of enterprise, promotes the development of the enterprise culture and raises awareness around career choices.
	Financial Education Module	Secondary School	National	AIB has developed a generic presentation on general banking products and services, which we are presenting to schools to support 'financial education' objectives. It does not have details of AIB's products.	The aim of this presentation is to teach secondary school children about money in simple English and in a way that is accessible and understandable to them in the class room environment.
<b>ANGLO IRISH BANK</b>	Schools Business Partnership Programme	Secondary Level	Regional	As part of this integrated programme specific guidance is given to transition year students by staff of the Bank and third party advisors on financial matters such as budgeting, credit, personal finance etc.	To positively impact on educational inclusion and address key issues in areas of educational disadvantage in local areas where the Bank has a presence.
<b>BANK OF IRELAND</b>	"Learn to Earn" a co-branded programme with Junior Achievement Ireland	Transition Year (17/18 year-olds)	National	The Learn to Earn programme aims to reach students over three years and will educate transition year in areas of finance e.g. budgeting, understanding where credit is appropriate, how to compare credit offers, etc. The programme is made up of 5 sessions where the students are taught through role playing and scenario games. Approx 100 volunteers from Bank of Ireland will present the education programme to the students in the nominated schools.	The Learn to Earn programme will help students develop the ability to analyse their motivations about the uses of money and establish good financial habits which will carry over into their adult lives.
	National Student Awards	Secondary	National	The Bank of Ireland National Student Awards is a national awards scheme for 2nd level students that recognises exemplary performance in six unique categories. Each student is initially nominated by their school and can then progress through regional heats to the national finals.	This unique scheme allows secondary schools throughout the country honour their own local heroes in art, sport, entrepreneurial spirit, academic achievement, community spirit and team initiatives.

COVERED INSTITUTION	PROGRAMME NAME	SCHOOL LEVEL	LOCAL/ REGIONAL / NATIONAL	PROGRAMME DESCRIPTION	PROGRAMME OBJECTIVES
<b>BANK OF IRELAND</b>	School Banking	Secondary	National	Presentation Pack developed for School Visits.	These presentation materials have standardised and simplified the way in which we explain how banking works. It aims to educate students on general banking products and services.
	Youth Week	Primary	National	Youth week is aimed at children aged 7+ and is designed to encourage children to save. Branch Staff are trained to ensure that the first experience is memorable one for children. Youth week is promoted through schools, youth clubs and sports clubs.	Programme is designed to support families who believe in the principle of saving. Our experience shows that the earlier a child starts saving the more likely they are to continue that habit throughout their lives.
<b>EBS BUILDING SOCIETY</b>	Into Children's Handwriting Competition	Primary School	National	EBS has been sponsoring the Children's Handwriting Competition for 17 years now, and each year EBS receives around 100,000 entries from schools all around Ireland.	It is important for children to continuously improve their writing skills. While computer competence is vital, the ability to write clearly and legibly will remain a very important tool for children's future exams and indeed careers. The quality of entries has been improving each year.
	Simon Communities DVD	Secondary School – Transition Year Students	National	In May 2009, EBS launched a DVD and learning pack for transition year students around the issue of homelessness, in conjunction with the Simon Communities of Ireland.	The DVD helps to raise awareness of homelessness and its issues amongst Transition Year Students.
	EBS Community Fund	Primary and secondary schools	Local	The EBS Community Fund supports projects such as after-school homework groups, music lessons, facilitating the inclusion of students with learning difficulties, donations of football kits, laptops and computers.	The EBS Community Fund provides support for many causes, including disadvantaged schoolchildren.
<b>IRISH LIFE &amp; PERMANENT</b>	Junior Achievement	Secondary Schools	Local	The Irish Life Customer Contact Centre based in Dundalk has provided volunteers to work on the JA programme in that area.	JA programmes help to develop an entrepreneurial mindset among second-level students, prepare them for the world of work and teach financial literacy.
<b>IRISH NATIONWIDE BUILDING SOCIETY</b>	No specific programme	All	National	Services are made available through the branch network.	INBS supports education, cultural and sporting events on a local level through our national branch network.
<b>POSTBANK</b>	Junior Achievement	Primary & secondary	Local/ regional	Support and volunteers are provided to deliver defined courses to schools.	Support staff volunteers to recognised/credited program that helps create a culture of enterprise for youth.

## APPENDIX 4: OTHER EDUCATION PROGRAMMES AND RESOURCES SUPPORTED BY COVERED INSTITUTIONS

COVERED INSTITUTION	PROGRAMME NAME	LEVEL	LOCAL/ REGIONAL/ NATIONAL	PROGRAMME DESCRIPTION	PROGRAMME OBJECTIVES
<b>ANGLO IRISH BANK</b>	Access Scholarship Programmes	Third Level	Regional	Long term scholarship programmes targeting disadvantaged students wishing to complete primary or postgraduate degree programmes. These programmes are run in conjunction with the colleges' Access programmes.	To positively impact on educational inclusion and address key issues in areas of educational disadvantage in local areas where the Bank has a presence.
<b>BANK OF IRELAND</b>	Financial Advice Website  www.bankofireland.ie/studentmoney	3 <sup>rd</sup> Level	National	Newly launched financial advice website for 3 <sup>rd</sup> level students contains a host of useful features such as budgeting advice, travel tips and student branch locator. The website also features video clips offering students advice on managing their banking needs throughout their time at college.	The internet plays a huge part in the daily lives of today's 3 <sup>rd</sup> level students, and our new 3 <sup>rd</sup> level microsite allows us to provide simple, straightforward advice to our customers using a medium which is extremely popular with this audience.
	Bank of Ireland Millennium Scholars Trust	3 <sup>rd</sup> Level	National	This unique scheme awards scholarships to students experiencing barriers to further education. A donation of €12.7m established the self-liquidating Trust, which will award over 600 scholarships over a ten year period. Scholarship recipients are supported both financially and by Bank of Ireland Mentors throughout the course of their study.	Now in its final year of awarding scholarships, The Trust has made a real difference to the lives of many Scholars from disadvantaged backgrounds; they in turn have become positive role models for others from their communities, an impact which will be sustained long beyond the life of the Trust.
<b>EBS BUILDING SOCIETY</b>		Financial education	National	EBS looks to provide impartial educational tools such as informative publications on aspects of financial services, e.g. buying your first home, and seminars..	Provide objective resources on aspects of finance.
	EBS Positive Impact	Adult education	National	Support to the Adult Continuing Education (ACE) Awards in conjunction with NALA.	Support for adult education.
	Plain English	Accessible material	National	EBS is committed to working with NALA to secure the 'plain English' mark for EBS material.	Make materials accessible and cater for the needs of individuals with literacy difficulties.
<b>IRISH LIFE &amp; PERMANENT</b>	Access Scholarship Programme	Secondary Schools	Dublin	IL&P provides financial support to the TCD, UCD, and DCU access programmes to increase the participation of non-Irish National students at third level.	Recognising the additional challenges faced by non-Irish National students accessing third-level education, this programme aims to encourage and support access by these students through language support and other initiatives.
<b>IRISH NATIONWIDE BUILDING SOCIETY</b>	No specific programme	All	National	Services are made available through the branch network.	INBS supports education, cultural and sporting events on a local level through our national branch network.
<b>POSTBANK</b>	Understanding your personal finance program	Adult education	Local/ regional	Ongoing sponsorship of personal finance advice by independent expert (seminars / features in local papers).	To foster greater understanding and knowledge of personal finance manage.

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