

IN THE MATTER OF  
IRISH BANK RESOLUTION CORPORATION LIMITED (IN LIQUIDATION)

AND IN THE MATTER OF THE  
IRISH BANK RESOLUTION CORPORATION ACT 2013

Ministerial Direction to the Special Liquidators pursuant to Sections 9 of the Irish Bank  
Resolution Corporation Act 2013

1. Pursuant to the power conferred on me by Section 9(2) of the Act and being of the opinion that it is necessary to do so for the achievement for the purposes of the Act and in particular those purposes set out in sections 3(b), (f), (h) and (i) of the Act, I hereby direct you to:
  - (a) perform a review of certain activities of IBRC (the “**Review**”) and produce a report (the “**Report**”) setting out the findings of the Review in cooperation with the independent oversight of an appropriate independent person as referred to in 1(d);
  - (b) provide the Report to me and cooperate fully with any further investigation arising from the Report by agencies of the State for these purposes;
  - (c) obtain any necessary external advices or assistance and ensure that any actual or perceived conflicts of interest which may arise are properly managed in connection with the Review;
  - (d) appoint, with the prior approval of the Minister, an appropriate independent person (i) to monitor the Review in respect of any actual or perceived conflicts of interest and (ii) to review the process pursuant to which the aforesaid Review under 1(a) and the Report under 1(a) is conducted; and
  - (e) comply with the terms of this Direction as expeditiously as possible and, in any case, before 31 August , 2015, or as soon as practicable thereafter.

2. Terms of Reference

The scope and purpose the Review shall be as follows:

(a) Scope of Review

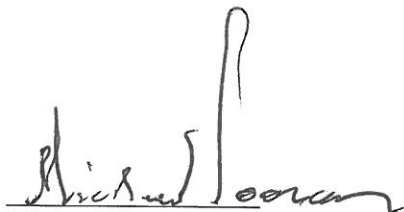
The Review shall consider all transactions, activities and management decisions, other than those relating solely to the acquisition of assets by the National Asset Management Agency, which occurred between 21 January, 2009 (being the date of the nationalisation of IBRC) and 7 February 2013 (being the date of the appointment of the Special Liquidators to IBRC) (the “**Relevant Period**”); and which either:

(A) resulted in a capital loss to IBRC of at least €10,000,000 during the Relevant Period (“**Relevant Write Offs**”); or

(B) are specifically identified by the Special Liquidators as giving rise or likely to give rise to potential public concern, in respect of the ultimate returns to the taxpayer.

(b) Purpose of Review

- (i) The Review shall investigate, in relation to each such decision, transaction and activity within the scope of the Review:
- (A) the processes procedures and controls which were operated by IBRC in relation to Relevant Writeoffs ;
  - (B) whether there is prima facie evidence of material deficiencies in the performance of their functions by those acting on behalf of IBRC, including the IBRC board, directors, management and agents, in respect of ny transactions, activities and management decisions identified under 2(a) A and B above.
  - (C) whether it can be concluded from any relevant documentation, data or interviews with relevant individuals as appropriate that any of the transactions were not commercially sound in respect of the manner in which they were conducted, the decisions made or the outcomes achieved having regard to the purposes of the Act as set out in section 3 of the Act.



**Michael Noonan TD**  
**Minister for Finance**

April 2015