

Anglo bosses borrowed €22m

SIMON CARSWELL

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EIGHT SENIOR managers at the State-owned Anglo Irish Bank owed loans to the bank ranging from €835,000 to €7.1 million at the end of September 2008, according to internal bank records seen by *The Irish Times*.

The eight long-standing managers, who still hold senior positions, owed a total of €21.9 million, averaging €2.7 million each, at the end of Anglo's last accounting year at September 30th, 2008.

The bank's director of group finance Matt Moran, who was previously chief financial officer, and the head of the bank's Irish business, Pat Whelan, declined to comment on their borrowings.

"You will understand that I cannot engage in that," said Mr Moran when asked about his loans.

"I am never actually going to talk about my loans," said Mr Whelan.

Peter Butler, who has held the position of chief risk officer on an interim basis, confirmed that he owed €861,000 at September 2008.

Mr Butler said he was meeting his repayments. "It is certainly not an impaired loan," he said. "It is being serviced."

Attempts to contact two other long-serving senior managers proved unsuccessful.

A spokesman for the lender said that it would not comment on any customer's loans, saying employees were entitled to the same confidentiality as the customers of the bank.

The bank's board has introduced measures to ensure that loans to managers are being monitored very rigorously and that the individuals involved have no involvement in managing or the oversight of the loans.

The bank views the managers' loans as a serious matter, said sources with inside knowledge of the board's stance on the issue.

Former finance director Willie McAteer, who stepped down last January after it emerged that the bank's former chairman Sean FitzPatrick had hidden loans of up to €122 million from shareholders, owed about €8 million to the bank at the end of September 2008. His loan is not included in the €21.9 million total loans owed by existing managers.

Mr McAteer was paid €660,000 in the year to September 2008, according to Anglo's annual report.

The former executive could not be reached for comment.

Mr Whelan received pay of €650,000 during the year to September 2008, the report states. He stepped down as a director of the bank last February.

Declan Quilligan, who heads up the bank's UK business, was paid €770,000 for the year to September 30th, 2008. This was the date the Government introduced the €440 billion guarantee.

Mr Quilligan stepped down as chief operating officer following the appointment of Australian banker Mike Aynsley as Anglo chief executive earlier this month.

Mr Butler, who remains with the bank, is stepping down as acting chief risk officer and will be replaced by Peter Rossiter, a former employee of Citigroup, in November.

Anglo is expected to require further cash from the Government once loans of €28 billion are sold at a discount of more than 30 per cent to the State's "bad bank", Nama. The Government has so far invested €3.8 billion into the nationalised lender.

The losses on the €16 billion development loans and €12 billion associated loans are expected to be so large as to warrant further State cash injections to replenish its capital reserves.

The bank may require at least €4 billion more to meet the deficit in its capital base following Nama.

The Government invested €3 billion into Anglo after the bank reported a loss of €4.1 billion, the largest ever recorded in Irish corporate history, for the six months to the end of March 2009.

The bank is the subject of several investigations into Mr FitzPatrick's concealed loans, back-to-back deposits of €7.5 billion with Irish Life Permanent which flattered its balance sheet and a secretive share transaction involving a 10 per cent stake in the bank.

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