

FITCH PLACES AIB, BOI, EBS AND ILP ON RWN, MAINTAINS IBRC ON RWN

Fitch Ratings-London-20 December 2011: Fitch Ratings has placed all the support-driven ratings of Allied Irish Banks plc (AIB), Bank of Ireland (BOI), Irish Life and Permanent (ILP) and their subsidiaries on Rating Watch Negative (RWN). The agency has also maintained the RWN on the support-driven ratings of Irish Bank Resolution Corporation Ltd (IBRC). The government-guaranteed debt of Irish banks has also been placed on RWN. A full list of rating actions is at the end of this comment.

The rating action follows the Irish sovereign being placed on RWN (see "Fitch Places Belgium, Spain, Slovenia, Italy, Ireland and Cyprus on Rating Watch Negative", dated 16 December 2011 on www.fitchratings.com). All Irish banks' Long term Issuer Default Ratings (IDRs) are at their Support Rating Floors, reflecting Fitch's view that the Irish authorities will continue to support the domestic banking system. However, the RWNs reflect the fact that if Ireland's sovereign rating is downgraded, the IDRs, Support Ratings and Support Rating Floors of the Irish banks' could also be downgraded. The RWN will be resolved in the coming weeks once Fitch has completed its review of the Irish sovereign rating.

In addition to sovereign concerns, the RWN on IBRC continues to reflect the ongoing political risks surrounding the issue of burden-sharing for senior unsecured creditors. However, Fitch continues to believe that the Irish authorities are likely to avoid a default or coercive burden sharing for Anglo's senior unsecured, unguaranteed creditors.

At end-Q311, IBRC had about EUR3.5bn of senior unsecured debt securities not benefiting from government guarantees. In November 2011, the bank paid in full a USD1.0bn maturity, with the next large maturities in January and June 2012 (EUR1.25bn and EUR1.1bn, respectively), after which there will be about EUR0.15bn of securities outstanding.

The rating actions are as follows:

IBRC

Long-term IDR: 'BB-'; RWN maintained

Short-term IDR: 'B'; RWN maintained

Support Rating: '3'; RWN maintained

Support Rating Floor: 'BB-'; RWN maintained

Short-term debt: 'B'; RWN maintained

Senior unsecured: 'BB-'; RWN maintained

Sovereign-guaranteed Long-term notes: 'BBB+'; placed on RWN

Sovereign-guaranteed Short-term notes: 'F2'; placed on RWN

Sovereign-guaranteed commercial paper: 'F2'; placed on RWN

Sovereign-guaranteed Long-term deposits: 'BBB+'; placed on RWN

Sovereign-guaranteed Short-term deposits: 'F2'; placed on RWN

Sovereign-guaranteed Long-term interbank liabilities: 'BBB+'; placed on RWN

Sovereign-guaranteed Short-term interbank liabilities: 'F2'; placed on RWN

IBRC Mortgage Bank

Long-term IDR: 'BB-'; RWN maintained

Short-term IDR: 'B'; RWN maintained

Support Rating: '3'; RWN maintained

AIB

Long-term IDR: 'BBB'; placed on RWN

Short-term IDR: 'F2'; placed on RWN

Viability Rating: 'ccc'; unaffected by current rating action
Individual Rating: 'E' ; unaffected by current rating action
Support Rating: '2'; placed on RWN
Support Rating Floor: 'BBB'; placed on RWN
Senior unsecured notes: 'BBB'; placed on RWN
Short-term debt: 'F2'; placed on RWN
Lower tier 2 subordinated debt: 'C'; unaffected by current rating action
Upper tier 2 subordinated notes: 'C'; unaffected by current rating action
Tier 1 notes: 'C'; unaffected by current rating action
Sovereign-guaranteed Long-term notes: 'BBB+'; placed on RWN
Sovereign-guaranteed Short-term notes: 'F2'; placed on RWN
Sovereign-guaranteed commercial paper: 'F2'; placed on RWN
Sovereign-guaranteed Long-term deposits: 'BBB+'; placed on RWN
Sovereign-guaranteed Short-term deposits: 'F2'; placed on RWN
Sovereign-guaranteed Long-term interbank liabilities: 'BBB+'; placed on RWN
Sovereign-guaranteed Short-term interbank liabilities: 'F2'; placed on RWN

AIB Group (UK) PLC

Long-term IDR: 'BBB'; placed on RWN
Short-term IDR: 'F2'; placed on RWN
Viability Rating: 'ccc'; unaffected by current rating action
Individual Rating: 'E'; unaffected by current rating action
Support Rating: '2'; placed on RWN
Sovereign-guaranteed Long-term notes: 'BBB+'; placed on RWN
Sovereign-guaranteed Short-term notes: 'F2'; placed on RWN

BOI

Long-term IDR: 'BBB'; placed on RWN
Short-term IDR: 'F2'; placed on RWN
Viability Rating: 'b-'; unaffected by current rating action
Individual Rating: 'D/E'; unaffected by current rating action
Support Rating: '2'; placed on RWN
Support Rating Floor: 'BBB'; placed on RWN
Senior unsecured notes: 'BBB'; placed on RWN
Short-term debt: 'F2'; placed on RWN
Upper tier 2 subordinated notes: 'C' unaffected by current rating action
Preference shares: 'C' unaffected by current rating action
Subordinated debt: 'C' unaffected by current rating action
Sovereign-guaranteed notes: 'BBB+'; placed on RWN
Sovereign-guaranteed Long-term deposits: 'BBB+'; placed on RWN
Sovereign-guaranteed Short-term deposits: 'F2'; placed on RWN
Sovereign-guaranteed Long-term interbank liabilities: 'BBB+'; placed on RWN
Sovereign-guaranteed Short-term interbank liabilities: 'F2'; placed on RWN

BOI Mortgage Bank

Long-term IDR: 'BBB'; placed on RWN
Short-term IDR: 'F2'; placed on RWN
Support Rating: '2'; placed on RWN

BOI UK Plc

Long-term IDR: 'BBB'; placed on RWN
Short-term IDR: 'F2'; placed on RWN
Individual Rating: 'D/E'; unaffected by current rating action
Support Rating: '2'; placed on RWN
Sovereign-guaranteed Long-term deposits: 'BBB+'; placed on RWN
Sovereign-guaranteed Short-term deposits: 'F2'; placed on RWN
Sovereign-guaranteed Long-term interbank liabilities: 'BBB+'; placed on RWN
Sovereign-guaranteed Short-term interbank liabilities: 'F2'; placed on RWN

EBS

Long-term IDR: 'BBB-'; placed on RWN

Short-term IDR: 'F3'; placed on RWN

Viability Rating: 'ccc'; unaffected by current rating action

Individual Rating: 'E'; unaffected by current rating action

Support Rating: '2', placed on RWN

Support Rating Floor: 'BBB-'; placed on RWN

Senior unsecured notes: 'BBB-'; placed on RWN

Short-term debt: 'F3'; placed on RWN

Preferences shares: 'C' unaffected by current rating action

Sovereign-guaranteed Long-term notes: 'BBB+'; placed on RWN

Sovereign-guaranteed Short-term notes: 'F2'; placed on RWN

Sovereign guaranteed commercial paper: 'F2'; placed on RWN

Sovereign-guaranteed Long-term deposits: 'BBB+'; placed on RWN

Sovereign-guaranteed Short-term deposits: 'F2'; placed on RWN

Sovereign-guaranteed Long-term interbank liabilities: 'BBB+'; placed on RWN

Sovereign-guaranteed Short-term interbank liabilities: 'F2'; placed on RWN

EBS Mortgage Finance

Long-term IDR: 'BBB-'; placed on RWN

Short-term IDR: 'F3'; placed on RWN

Support Rating: '2', placed on RWN

ILP

Viability Rating: 'ccc'; unaffected by current rating action

Individual Rating: 'E'; unaffected by current rating action

Support Rating: '2', placed on RWN

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Applicable criteria, "Global Financial Institutions Rating Criteria", dated 16 August 2011, is available at www.fitchratings.com.

Applicable Criteria and Related Research:
Global Financial Institutions Rating Criteria

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=649171

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