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DBRS Downgrades Irish Guaranteed Debt Issued by Anglo Irish Bank Corp Ltd to AA (high), Trend Neg

Industry: Fin.Svc.--Banks & Trusts

DBRS today has downgraded the long-term ratings of the Irish Government Guaranteed instruments issued by Anglo Irish Bank Corporation Limited (Anglo Irish or the Bank). This rating action impacts the Long-Term Deposits and Long-Term Debt maturing on or before 29 September 2010, which have been downgraded to AA (high) from AAA. The trend is Negative. Additionally, DBRS has confirmed the Short-Term Deposits and Short-Term Debt maturing on or before 29 September 2010 ratings at R-1 (high), with a Stable trend. Concurrently, the aforementioned long-term ratings have been removed from Under Review with Negative Implications where they were placed on 9 March 2009.

Today's rating action does not impact the ratings of Anglo Irish's Long-Term Deposits and Long-Term Debt maturing after 29 September 2010, which remain at A (high) with a Stable trend. For Critically Important Banking organisations (CIB) in Ireland, DBRS maintains the floor rating of A (high) for Long-Term Debt and Deposits and R-1 (middle) for Short-Term Debt and Deposits at the bank level. The trend on the floor ratings is Stable. On 9 March 2009, DBRS designated Anglo Irish as a CIB in Ireland.

The downgrade of the eligible instruments guaranteed by the Irish government, under the Credit Guarantee Scheme of 2008, reflects the outcome of DBRS's review of its internal assessment of the sovereign. The lowering of the internal assessment of the Republic of Ireland considers a sharp increase in the deficit and public debt, high government exposure to a still unstable banking sector, contingent liabilities in the form of deposit guarantees, and the likelihood of a further rise in public debt from the proposed National Asset Management Agency (NAMA). Irish Government bonds will be issued in exchange for the transfer of distressed property-related bank loans to NAMA.

The Negative trend on the long-term guaranteed debt reflects DBRS's view that although, Ireland's most recent plans to stabilise public finances, contain the economic downturn and restructure distressed bank loans through NAMA might succeed, the downside risk of further bank recapitalisation needs is high. Should significant financial sector or fiscal deterioration occur, DBRS could take further negative rating actions on the internal sovereign assessment. If on the other hand Ireland's policy measures help to stabilise bank balance sheets and restore investor confidence, DBRS would likely return the trend to Stable.

Separately, DBRS notes that the preference share ratings of Anglo Irish Capital Funding Limited



have been withdrawn, as these securities were redeemed in December 2006, at which time the rating should have been removed.

Notes:

All figures are in EUR unless otherwise noted.

The applicable methodologies are, Analytical Background and Methodology for European Bank Ratings, Second Edition and Enhanced Methodology for Bank Ratings – Intrinsic and Support Assessments, which can be found on our website under Methodologies.

This is a Corporate (Financial Institutions) rating.

Issuer	Debt Rated	Rating Action	Rating	Trend	Latest Event
Anglo Irish Bank Corporation Limited	Long-Term Debt maturing on or before 29 Sep 2010	Downgraded	AA (high)	Neg	Apr 20, 2009
Anglo Irish Bank Corporation Limited	Long-Term Deposits maturing on or before 29 Sep 2010	Downgraded	AA (high)	Neg	Apr 20, 2009
Anglo Irish Bank Corporation Limited	Dated Subordinated Debt maturing on or before 29 Sep 2010	Downgraded	AA (high)	Neg	Apr 20, 2009
Anglo Irish Bank Corporation Limited	Short-Term Debt maturing on or before 29 Sep 2010	Confirmed	R-1 (high)	Stb	Apr 20, 2009
Anglo Irish Bank Corporation Limited	Short-Term Deposits maturing on or before 29 Sep 2010	Confirmed	R-1 (high)	Stb	Apr 20, 2009
Anglo Irish Capital Funding Limited	Preference Shares	Discontinued - Repaid	--	--	Apr 20, 2009

For more information on this credit or on this industry, visit www.dbrs.com or contact us at info@dbrs.com.

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