

Fitch Affirms Ireland at 'AAA' on Banks' Guarantee [Ratings](#)

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Fitch Ratings-London-30 September 2008: Fitch Ratings has today affirmed Ireland's Long-term foreign and local currency Issuer Default ratings at 'AAA' with Stable Outlook, following the Irish government's issued temporary guarantee on the deposits and debt liabilities of six domestic banks.

This pro-active measure should help buttress confidence in the Irish financial system and limit the risks of a deeper-and-more prolonged-than necessary recession at a time of unusual stress in global banking markets. While the amount of liabilities covered by the guarantee is more than double Irish GDP, the government will receive fee income to help protect taxpayers against any potential costs relating to possible calls on the guarantee.

Moreover Ireland's low government debt ratio - at 25.4% of GDP at end-2007 compared to a 'AAA' median of 44.4% - gives the government significant balance-sheet headroom to absorb fiscal costs pertaining to the guarantees, should any materialise, enhancing the credibility of the measure.

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