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COMPANY PROFILE

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EBS Ltd.

Dublin, Ireland

Company Overview

EBS Ltd. (EBS, formerly EBS Building Society) is an Irish bank which demutualised and incorporated as a bank as part of its July 2011 recapitalisation and acquisition by Allied Irish Banks (AIB).

The acquisition had been previously announced by the Irish Minister for Finance in March 2011 as part of the Prudential Capital Assessment Review (PCAR) process to recapitalise and restructure the Irish banking system proportionate to the size of the country's economy. The bank was acquired on 1 July 2011 for a nominal consideration of €1 and it now operates as a fully licensed, wholly-owned subsidiary of AIB, with its own branch network.

As of 31 December 2010, the bank held a 2.7% market share among the domestic credit institutions in Ireland based on total consolidated assets of €20.1 billion. It is authorised and regulated by the Central Bank of Ireland.

EBS provides residential mortgage lending, savings, credit card and life and non-life insurance products through a network of 91 outlets in Ireland comprising 14 branches, 41 tied branch agencies and 36 tied agencies. It had also previously provided commercial mortgage lending services, but ceased this activity in 2008.

Established in 1935 as The Educational (Permanent) Building Society, the society was renamed The Educational Building Society in 1949 and EBS Building Society in 1991. Since July 2011, the bank operates under the name of EBS Ltd.

Source: *Company Report (annual report Dec 2010), Company data, Moody's research*

Financial Highlights (as Reported)

Note: The financials presented below are those reported by the entity and are not adjusted for Moody's analytic purposes. For Moody's generated ratios on EBS Building Society, please see <[EBS Building Society page on moodys.com](#)>.

FIGURE 1

Latest Full-Year Results

EBS

EUR Million	31-Dec-10	31-Dec-09	31-Dec-08	% Change 10/09	% Change 09/08
Total Assets	20,087	21,506	21,378	(6.60)	0.60
Total Shareholders Equity	692	641	668	8.09	(4.15)
Shareholders' Equity excluding Minority Interest	610	395	423	54.31	(6.59)
Total Capital	1,219	1,023	1,039	19.20	(1.59)
Tier 1 Ratio (%)	9.2	6.7	7.9	252 bps	(120) bps
Net Income	(590)	(79)	(38)	N/M	N/M

Note: 1) Consolidated financials are considered

2) "Total Shareholder's Equity" is calculated by adding "Shareholders' Equity excluding Minority Interest" and "Minority Interest"

Source: Company reports (annual report Dec 2010 and Dec 2009)

Business Activities

EBS is a bank providing residential mortgage lending services, savings, credit card and life and non-life insurance products. However, the core business is concentrated on residential mortgages and retail savings. The society also has two wholly owned subsidiaries: (i) Haven Mortgages Ltd., which provides mortgage intermediary services; and (ii) EBS Mortgage Finance Unlimited (covered bonds), which is intended to raise funding through the issuance of asset covered securities.

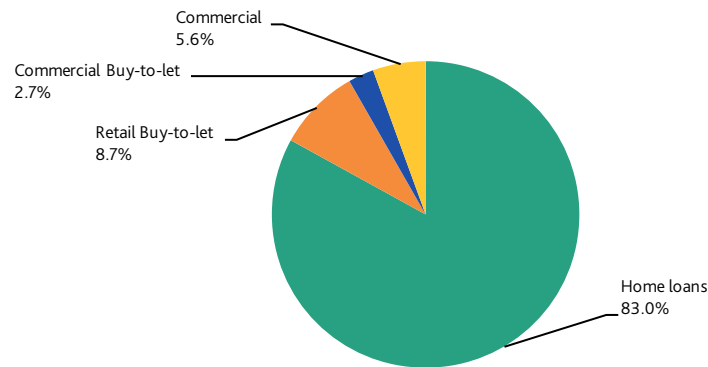
As of 31 December 2010, residential lending accounted for 94% of the society's total lending portfolio, including home lending (83% of total lending) and retail and commercial buy-to-let lending (11%). Commercial lending contributed 6% of total lending although this activity is no longer carried out.

Source: Company report (annual report Dec 2010), company data

FIGURE 2

Gross Lending

(as of 31 December 2010)



Source: Company report (annual report Dec 2010)

Distribution Capacity and Market Share

EBS distributes its products and services through 91 outlets (14 branches, 41 tied branch agencies and 36 tied agencies) in Ireland, as well as a number of alternative channels including telephone and internet (EBS Direct).

In the calendar year to 31 December 2010, EBS held an 11.1% share of retail mortgage advances¹ in Ireland. In addition, it had a 20% share of net new deposits in the country during 2010. At the same time, EBS was the largest provider of retail first-time buyer mortgages in Ireland, with a 44% market share, and the market leader in supplying mortgages for affordable housing in the country.

As of the end of 2010, the market share of EBS among the domestic credit institutions in Ireland based on data provided by Central Bank of Ireland, was as follows:

FIGURE 3

Market Share of EBS

(% Share)	Dec-10
Assets	2.7
Equity	1.0

Source: Company report (annual report Dec 2010), www.centralbank.ie, Company data, Moody's research

¹ Annual Report 2010

Ownership and Structure

EBS, previously a mutual building society, is now incorporated with a banking licence and owned by AIB. It is regulated by the Central Bank of Ireland.

Subsidiaries

As of 31 December 2010, EBS's major subsidiaries were as follows:

FIGURE 4

EBS

Subsidiary	Type of Operation	Place of Incorporation	% Held
EBS Mortgage Finance	Designated credit institution	Ireland	100
Haven Mortgages Limited	Mortgage lender	Ireland	100
EBS Capital No.1 SA	Raises external capital for the society	Luxembourg	75
Hinsona Limited	Property leasing	Ireland	100

Company Management as of Dec 2010

Board of Directors	Affiliation
Fergus Murphy	EBS: Executive Director and Chief Executive; EBS Mortgage Finance, Haven Mortgages Ltd. and Financial Services Ireland: Director
Emer Finnan	EBS: Executive Director; EBS Mortgage Finance, Haven Mortgages Ltd. and Dublin Port Company Ltd.: Director
Philip Williamson	EBS: Non-Executive Director (Chairman); Business Consultant; Investors in People UK: Director
Bernard Byrne	EBS: Non-Executive Director; AIB Group Director of Personal & Business Banking; Allied Irish Banks, plc: Director
Eamonn Hackett	EBS: Non-Executive Director; AIB Group: Treasurer; AIB Capital Markets plc: Director
Dennis O'Callaghan	EBS: Non-Executive Director; AIB Head of Branch Channels
Jim Ruane	EBS: Non-Executive Director; Business Consultant; Haven Mortgages Ltd., Ace Bermuda International Insurance (Ireland) Ltd., Ace Bermuda International Reinsurance (Ireland) Ltd., Allianz Global Life Ltd., DIT Foundation, Key Capital Private Ltd., MFXchange (Ireland) Ltd., nSpire Re Ltd., Royal Victoria Eye & Ear Hospital, Scottish Re (Dublin) Ltd. and Whitcas (Ireland) Ltd.: Director
Catherine Woods	EBS: Non-Executive Director; AIB Non-Executive Director; Business Consultant; Allied Irish Banks, plc and An Post: Director

Source: Company Report (annual report Dec 2010)

Company History

Established in 1935 as The Educational (Permanent) Building Society, the institution was renamed The Educational Building Society in 1949 and EBS Building Society in 1991.

In 2007, EBS established Haven Mortgage Limited, a wholly owned subsidiary, to provide mortgages through Ireland's broker intermediary network. In October 2008, it established EBS Mortgage Finance, a wholly owned specialist covered bond bank subsidiary, to issue covered bonds.

In July 2011, EBS demutualised and was incorporated as a bank to be acquired by AIB. The acquisition had been previously announced by the Irish Minister for Finance in March 2011 as part of the PCAR process to recapitalise and restructure the Irish banking system proportionate to the size of the country's economy. The bank now operates as a fully licensed, wholly-owned subsidiary of AIB, with its own branch network.

Source: Company reports (annual report Dec 2010 and Dec 2009), Company data

Peer Group

- » Irish Life & Permanent plc
- » KBC Bank Ireland
- » ICS Building Society
- » Principality Building Society

Related Websites and Information Sources

For additional information, please see:

- » the company's website: www.ebs.ie
- » the regulator's website: www.centralbank.ie

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Moody's Related Research

Credit Opinions:

- » [EBS Ltd.](#)
- » [Allied Irish Banks, plc](#)
- » [Ireland, Government of](#)

Banking System Outlook:

- » [Ireland, November 2011 \(137360\)](#)

Announcement:

- » [Moody's comments on Irish Banks following announcement of new capital requirements; no impact on senior ratings, 1 April 2011](#)

To access any of these reports, click on the entry above. Note that these references are current as of the date of publication of this report and that more recent reports may be available. All research may not be available to all clients.

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