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Irish Bank Recapitalization May Cost EU39.9 Billion, Glas Says 2010-08-30
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By Louisa Fahy

Aug. 30 (Bloomberg) -- Ireland's bank recapitalization may cost a total of 39.9 billion euros, according to fixed-income specialist Glas Securities.

A total cost of 39.9 billion euros is a "reasonable forecast," Dublin-based Glas said in a research note today.

The final net cost to the government will probably be 32.9 billion euros after 7 billion euros invested in Bank of Ireland Plc and Allied Irish Banks Plc is recouped.

"In a worst case scenario, and upfronting all bank recapitalization costs in 2010, we expect Ireland's 2010 annual deficit could reach 29 percent of gross domestic product," Glas said.

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