REPUBLIC OF IRELAND

*EJR Sen Rating(Curr/Prj) A+/ A+

*EJR CP Rating: A1

Rating Analysis - 8/20/20

*EJR's 3 yr. Default Probability: 1.3%

Ireland's GDP contracted sharply in H1 2020 amid strict lockdown despite supportive economic policies. Tentative signs of recovery in Ireland's economy means it is likely to shrink by 9% this year if further stringent measures to contain the coronavirus are avoided but almost 14% if they are re-imposed.

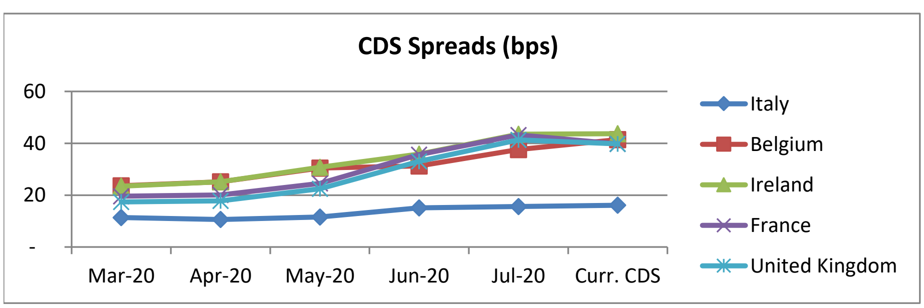
EJR positively views the government's efforts to extend support measures and provide additional liquidity to viable small and medium enterprises. This will reflect in higher fiscal stress and higher borrowings for the private and public sector enterprises as well. Ireland's central bank sees unemployment declining to 12.5% by the end of the year from 22.5% in June and an average of 7% in 2022 when output would recover to its pre-crisis level. This, recovery, largely hinges on the neighboring Britain agreeing to a free trade agreement with the European Union with no tariffs and quotas on goods applying from January 2021. Main near-term risk is obviously the coronavirus – will weigh heavily on growth this year. We are affirming.

Annual Ratios
(source for past results: IMF, CountryEconomy)

CREDIT POSITION	2017	2018	2019	P2020	P2021	P2022
Debt/ GDP (%)	67.8	63.5	58.8	55.3	51.6	47.7
Govt. Sur/Def to GDP (%)	0.1	0.8	1.5	1.8	2.2	2.4
Adjusted Debt/GDP (%)	67.8	63.5	58.8	55.3	51.6	47.7
Interest Expense/ Taxes (%)	10.7	8.8	6.9	6.7	6.4	6.2
GDP Growth (%)	9.5	9.1	7.0	2.3	2.3	2.5
Foreign Reserves/Debt (%)	0.9	1.2	1.5	1.9	2.2	2.8
Implied Sen. Rating	A+	AA-	AA-	AA-	AA-	AA-

INDICATIVE CREDIT RATIOS	AA	A	BBB	BB	B	CCC
Debt/ GDP (%)	100.0	115.0	130.0	145.0	170.0	200.0
Govt. Sur/Def to GDP (%)	2.5	0.5	-2.0	-5.0	-8.0	-10.0
Adjusted Debt/GDP (%)	95.0	110.0	125.0	140.0	160.0	190.0
Interest Expense/ Taxes (%)	9.0	12.0	15.0	22.0	26.0	35.0
GDP Growth (%)	3.5	3.0	2.0	1.0	-1.0	-5.0
Foreign Reserves/Debt (%)	3.0	2.5	2.0	1.5	1.0	0.5

PEER RATIOS	Other NRSROS	Debt as a % GDP	Govt. Surp. Def to GDP (%)	Adjusted Debt/ GDP	Interest Expense/ Taxes %	GDP Growth (%)	Ratio-Implied Rating*
Federal Republic of Germany	AAA	59.8	1.6	59.8	3.3	2.5	AA
French Republic	AA	98.1	-2.5	98.1	4.7	2.9	A+
Kingdom of Belgium	AA	98.7	-1.5	98.7	6.6	4.8	AA+
Republic of Italy	BBB-	134.8	-2.1	134.8	11.7	1.6	BBB
United Kingdom	AA	88.1	-1.2	88.1	8.0	4.3	AA+

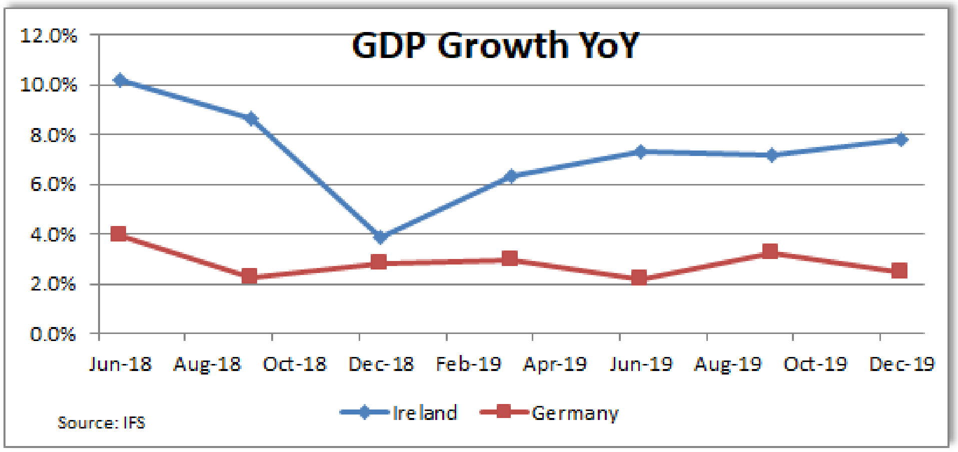


(Source: Thomson Reuters)

Country	EJR Rtg.	CDS
Italy	BBB-	16
Belgium	BBB	41
Ireland	A+	44
France	A+	40
United Kingdom	A+	40

Economic Growth

As the economy opens, consumption possibilities will expand, and some businesses will make investments that had been deferred. Ireland's industrial output rose 5.1 percent from a year earlier in June 2020 following a revised 12.7 percent slump in the previous month, boosted by production of electrical equipment (27.5 percent) and rubber and plastic (4.7 percent). AIB Ireland Manufacturing PMI jumped to 57.5 in July of 2020 from 51 a month earlier. The latest reading pointed to the strongest expansion in factory activity since August of 2018 as output rose at the fastest pace since December of 1999 while new order growth was the strongest since December of 2017 - the question being - is this sustainable?



Fiscal Policy

Ireland could post a wider budget deficit this year than its worst-case scenario of 10% of GDP, even if it fully succeeds in reopening the economy. The government has committed more than €13 billion so far to help firms, workers, and the health service cope with the coronavirus pandemic, turning a budget surplus in 2019 into an estimated deficit of at least 7.4% of gross domestic product.

	Surplus-to-GDP (%)	Debt-to-GDP (%)	5 Yr. CDS Spreads
Ireland	1.50	58.77	43.69
Germany	1.58	59.76	22.28
France	-2.53	98.12	39.75
Belgium	-1.52	98.75	41.42
Italy	-2.09	134.80	16.10
United Kingdom	-1.24	88.12	39.72

Sources: Thomson Reuters, IFS and CountryEconomy

Unemployment

Ireland's seasonally adjusted unemployment rate rose to 5 percent in July of 2020 from a downwardly revised 4.6 percent in the previous month, as the COVID-19 crisis has continued to have a significant impact on the labor market. The alternative COVID-19 adjusted unemployment rate, which includes persons in receipt of the COVID-19 unemployment payment and considered as the upper bound for the true rate of unemployment, was 16.7 percent.

Unemployment (%)

	2018	2019
Ireland	5.69	4.93
Germany	3.40	3.20
France	9.11	8.43
Belgium	5.98	5.44
Italy	10.62	9.90
United Kingdom	4.09	3.80

Source: Intl. Finance Statistics

*EJR Sen Rating(Curr/Prj) A+/ A+

*EJR CP Rating: A1

*EJR's 3 yr. Default Probability: 1.3%

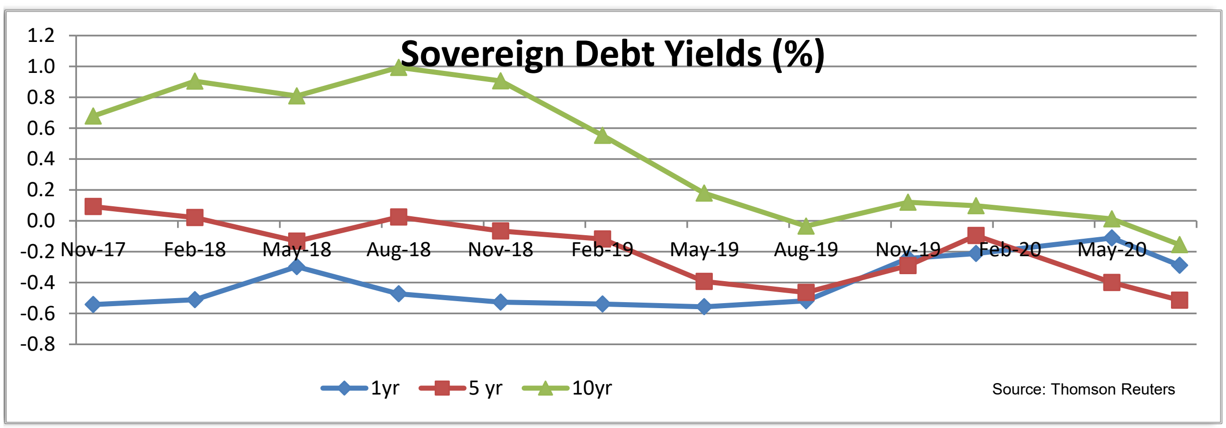
Banking Sector

Due to stringent capital requirements and liquidity capital ratio requirements implemented post-2008 Financial Crisis, banks are now better capitalized. However, recently there has been pressure on supervisor banks at European level to delay or to waive post-crisis capital and liquidity banking regulations in order to provide freed-up capital and more liquidity to businesses struggling to cope in the present economy. Money Supply M2 in Ireland increased to €269,114 Million in June from €267,346 Million in May 2020.

Bank Assets (billions of local currency)	Assets	Mkt Cap/ Assets %
ALLIED IRISH BK	131.9	1.60
BANK IRELAND	98.6	2.94
Total	230.4	
EJR's est. of cap shortfall at 10% of assets less market cap		18.0
Ireland's GDP		347.1

Funding Costs

Ireland 5 Years CDS is valued 23 which reveals a 0.38% implied probability of default, on a supposed 40% recovery rate. The Ireland 5 Years Sovereign CDS reached a maximum value of 58.5 (19 March 2020) and a minimum yield of 19.4 (20 February 2020). Interbank Rate decreased to -0.46 percent in July from -0.42 percent in June 2020.



Ease of Doing Business

Major factors for growing the economy are the ease of doing business and the economic freedom; although not the sole factor for determining economic growth, a country which makes it easy for businesses to operate and provides a reasonably free environment to conduct business has a good chance for growth. The chart on the right indicates that with an overall rank of 24 (1 is best, 189 worst) is strong.

The World Bank's Doing Business Survey*	2019 Rank	2018 Rank	Change in Rank
Overall Country Rank:	**24**	**17**	**-7**
Scores:			
Starting a Business	23	8	-15
Construction Permits	36	30	-6
Getting Electricity	47	35	-12
Registering Property	60	40	-20
Getting Credit	48	42	-6
Protecting Investors	13	10	-3
Paying Taxes	4	4	0
Trading Across Borders	52	47	-5
Enforcing Contracts	91	98	7
Resolving Insolvency	19	17	-2

* Based on a scale of 1 to 189 with 1 being the highest ranking.

Economic Freedom

As can be seen below, Ireland is strong in its overall rank of 80.9 for Economic Freedom with 100 being best.

Heritage Foundation 2020 Index of Economic Freedom
World Rank 80.9*

	2020 Rank**	2019 Rank	Change in Rank	World Avg.
Property Rights	86.6	85.8	0.8	56.6
Government Integrity	82.8	68.4	14.4	43.8
Judicial Effectiveness	64.4	78.0	-13.6	45.1
Tax Burden	76.4	76.3	0.1	77.3
Gov't Spending	78.8	77.4	1.4	66.0
Fiscal Health	91.4	89.0	2.4	69.1
Business Freedom	82.7	83.1	-0.4	63.3
Labor Freedom	75.9	75.3	0.6	59.4
Monetary Freedom	85.3	87.0	-1.7	74.6
Trade Freedom	86.4	86.0	0.4	73.8

*Based on a scale of 1-100 with 100 being the highest ranking.
**The ten economic freedoms are based on a scale of 0 (least free) to 100 (most free).
Source: The Heritage Foundation

*EJR Sen Rating(Curr/Prj) A+/ A+
*EJR CP Rating: A1
*EJR's 3 yr. Default Probability: 1.3%

Credit Quality Driver: Taxes Growth:
REPUBLIC OF IRELAND has grown its taxes of 6.4% per annum in the last fiscal year which is more than the average for its peers. We expect tax revenues will grow approximately 6.4% per annum over the next couple of years and 5.8% per annum for the next couple of years thereafter.

Credit Quality Driver: Total Revenue Growth:
REPUBLIC OF IRELAND's total revenue growth has been more than its peers and we assumed no growth in total revenue over the next two years.

Income Statement	Peer Median	Issuer Avg.	Assumptions Yr 1&2	Yr 3,4,5
Taxes Growth%	3.1	6.4	**6.4**	**5.8**
Social Contributions Growth %	3.2	7.7	**8.0**	**8.0**
Grant Revenue Growth %	0.0	NMF		
Other Revenue Growth %	0.0	NMF		
Other Operating Income Growth%	0.0	2.8	**2.8**	**2.8**
Total Revenue Growth%	2.8	6.2	**6.2**	**5.6**
Compensation of Employees Growth%	3.1	7.6	**7.6**	**7.6**
Use of Goods & Services Growth%	2.8	10.7	**10.7**	**10.7**
Social Benefits Growth%	3.2	2.5	**2.5**	**2.5**
Subsidies Growth%	7.3	(12.8)		
Other Expenses Growth%	0.0			
Interest Expense	1.8	2.2	**2.2**	**2.2**
Currency and Deposits (asset) Growth%	1.7	0.0		
Securities other than Shares LT (asset) Growth%	7.3	0.0		
Loans (asset) Growth%	0.8	(43.1)	**6.4**	**6.4**
Shares and Other Equity (asset) Growth%	7.9	(8.5)	**2.0**	**2.0**
Insurance Technical Reserves (asset) Growth%	1.8	0.0		
Financial Derivatives (asset) Growth%	7.6	(98.7)	**(10.0)**	**(10.0)**
Other Accounts Receivable LT Growth%	(0.3)	6.8	**6.4**	**6.4**
Monetary Gold and SDR's Growth %	0.0	0.0	**5.0**	**5.0**
Other Assets Growth%	0.0	0.0		
Other Accounts Payable Growth%	0.7	(1.3)	**3.0**	**3.0**
Currency & Deposits (liability) Growth%	1.0	2.6	**2.6**	**2.6**
Securities Other than Shares (liability) Growth%	7.1	(1.1)	**(0.7)**	**(0.7)**
Loans (liability) Growth%	(2.4)	(2.7)	**0.5**	**0.5**
Insurance Technical Reserves (liability) Growth%	0.0	0.0		
Financial Derivatives (liability) Growth%	5.9	(56.0)	**(10.0)**	**(10.0)**
Additional ST debt (1st year)(millions EUR)	0.0	0.0		

*EJR Sen Rating(Curr/Prj) A+/ A+
*EJR CP Rating: A1
*EJR's 3 yr. Default Probability: 1.3%

ANNUAL OPERATING STATEMENTS

Below are REPUBLIC OF IRELAND's annual income statements with the projected years based on the assumptions listed on page 5.

ANNUAL REVENUE AND EXPENSE STATEMENT
(MILLIONS EUR)

	2016	2017	2018	2019	P2020	P2021
Taxes	52,813	55,712	60,512	64,369	68,489	72,872
Social Contributions	12,053	12,651	13,474	14,512	15,673	16,927
Grant Revenue						
Other Revenue						
Other Operating Income	8,669	8,276	8,335	8,572	8,572	8,572
Total Revenue	73,535	76,639	82,321	87,453	92,734	98,371
Compensation of Employees	19,451	20,700	22,248	23,938	25,756	27,713
Use of Goods & Services	9,642	10,016	10,840	11,999	13,282	14,702
Social Benefits	28,525	29,178	29,961	30,697	31,451	32,224
Subsidies	1,753	1,818	1,919	1,674	1,674	1,674
Other Expenses				5,353	5,353	5,353
Grant Expense						
Depreciation	3,688	3,904	4,144	4,144	4,144	4,144
Total Expenses excluding interest	67,580	70,343	74,374	77,805	81,661	85,810
Operating Surplus/Shortfall	5,955	6,296	7,947	9,648	11,073	12,561
Interest Expense	6,264	5,941	5,317	4,458	4,555	4,655
Net Operating Balance	-309	355	2,629	5,190	6,518	7,906

*EJR Sen Rating(Curr/Prj) A+/ A+

*EJR CP Rating: A1

*EJR's 3 yr. Default Probability: 1.3%

ANNUAL BALANCE SHEETS

Below are REPUBLIC OF IRELAND's balance sheets with the projected years based on the assumptions listed on page 5.

	ANNUAL BALANCE SHEETS (MILLIONS EUR)					
Base Case						
ASSETS	2016	2017	2018	2019	P2020	P2021
Currency and Deposits (asset)	14,675	17,164	21,569	23,303	26,779	26,779
Securities other than Shares LT (asset)	1,891	1,768	1,525	1,431	1,431	1,431
Loans (asset)	7,078	6,320	5,118	2,913	3,099	3,298
Shares and Other Equity (asset)	45,551	42,620	37,016	33,853	34,530	35,221
Insurance Technical Reserves (asset)				1	1	1
Financial Derivatives (asset)		409	387	5	5	4
Other Accounts Receivable LT	9,509	10,617	26,300	28,094	29,892	31,805
Monetary Gold and SDR's						
Other Assets						
Additional Assets						
Total Financial Assets	78,704	78,898	91,915	89,600	95,737	98,539
LIABILITIES						
Other Accounts Payable	8,935	9,293	24,011	23,696	24,407	25,139
Currency & Deposits (liability)	21,315	21,600	21,648	22,213	22,213	22,213
Securities Other than Shares (liability)	143,057	146,554	146,998	145,448	144,374	143,309
Loans (liability)	56,651	50,068	50,544	49,175	42,657	34,752
Insurance Technical Reserves (liability)						
Financial Derivatives (liability)	1,039	558	405	178	160	144
Other Liabilities						
Liabilities	230,997	228,073	243,606	240,710	240,330	235,225
Net Financial Worth	-152,293	-149,175	-151,691	-151,110	-144,592	-136,687
Total Liabilities & Equity	78,704	78,898	91,915	89,600	95,737	98,539

Comments on the Difference between the Model and Assigned Rating

In this case, there has been little change in the recent results and therefore we have used our best judgement in making adjustments which are reflected in the results for the projected ratings. We have assigned a rating of "A+" whereas the ratio-implied rating for the most recent period is "AA-"; we expect results to decline slightly.

Changes in Indicative Ratios

We have not made any adjustment in the indicative ratios at this time.

SEC Rule 17g-7(a) Disclosure (Non-NRSRO)

Below are the disclosures as required by Paragraph (a) of Rule 17g-7.

1. The symbol in the rating scale used to denote the credit rating categories and notches within categories and the identity of the obligor, security, or money market instrument as required by Paragraph (a)(1)(ii)(A) of Rule 17g-7:

For the issuer REPUBLIC OF IRELAND with the ticker of 1266Z ID we have assigned the senior unsecured rating of A+. There are three notches in our rating categories (e.g., A- A, and A+) except for AAA and those deep into speculative grade, i.e., CC, C, and D do not have notches.

2. The version of the procedure or methodology used to determine the credit rating as required by Paragraph (a)(1)(ii)(B) of Rule 17g-7:

We are using the Methodologies for Determining Credit Ratings (Main Methodology) version #15 available via egan-jones.com under the tab at the bottom of the page "Methodologies".

3. The main assumptions and principles used in constructing the procedures and methodologies used to determine the credit rating as required by Paragraph (a)(1)(ii)(C) of Rule 17g-7:

The credit rating assigned reflects our judgement regarding the future credit quality of the issuer. Regarding the specific assumptions used, please refer to projections on pages 1, 6, and 7 of this Rating Analysis Report.

4. The potential limitations of the credit rating as required by Paragraph (a)(1)(ii)(D) of Rule 17g-7:

Our rating pertains solely to our view of current and prospective credit quality. Our rating does not address pricing, liquidity, or other risks associated with holding investments in the issuer.

5. Information on the uncertainty of the credit rating as required by Paragraph (a)(1)(ii)(E) of Rule 17g-7:

Our rating is dependent on numerous factors including the reliability, accuracy, and quality of the data relied used in determining the credit rating. The data is sourced from publicly available information from the IMF and other similar sources. In some cases, the information is limited because of issues such as the lack of reported data, a delay in reporting data, restatements, inaccurate accounting, and other issues. Such issues are not always readily apparent. EJR aims to identify such shortcomings and make adjustments using its best judgement.

6. Whether and to what extent third-party due diligence services have been used in taking the rating action as required by Paragraph (a)(1)(ii)(F) of Rule 17g-7:

EJR does not utilize third-party due diligence services.

7. How servicer or remittance reports were used, and with what frequency, to conduct surveillance of the credit rating as required by Paragraph (a)(1)(ii)(G) of Rule 17g-7:

Servicer or remittance reports normally pertain to structured finance issuers; this report does not pertain to a structured finance issuer (EJR is not an NRSRO for structured finance or sovereigns/ municipal issuers). Regarding surveillance, the minimum time period for corporation issuers is normally one year.

*EJR Sen Rating(Curr/Prj) A+/ A+

*EJR CP Rating: A1

*EJR's 3 yr. Default Probability: 1.3%

8. A description of the data that were relied upon for the purpose of determining the credit rating as required by Paragraph (a)(1)(ii)(H) of Rule 17g-7:

EJR uses publicly available information from the IMF, governmental filings, and other similar sources for ratings on sovereign issuers.

9. A statement containing an overall assessment of the quality of information available and considered in the credit rating as required by Paragraph (a)(1)(ii)(I) of Rule 17g-7:

The information is generally adequate and acceptable.

10. Information relating to conflicts of interest as required by Paragraph (a)(1)(ii)(J) of Rule 17g-7:

This rating is unsolicited.

11. An explanation or measure of the potential volatility of the credit rating as required by Paragraph (a)(1)(ii)(K) of Rule 17g-7:

Our rating aims to assess the probability of the payment of obligations in full and on-time. Factors which affect such probability, and in turn our rating include changes in the operating performance of the issuer, changes in capital structure, and merger and acquisition events.

12. Information on the content of the credit rating as required by Paragraph (a)(1)(ii)(L) of Rule 17g-7:

Regarding the historical performance of the credit rating, our rating transition matrix is available in our Form NRSRO, exhibit 1. The expected probability of default and the expected loss in the event of default is listed on the first page of this report.

13. Information on the sensitivity of the credit rating to assumptions as required by Paragraph (a)(1)(ii)(M) of Rule 17g-7:

Below is a summary of the impact of the 5 assumptions which independently would have the greatest impact on our "ratio-implied rating":

	Assumptions			Resulting Ratio-Implied Rating		
	Base	Optimistic	Pessimistic	Base	Optimistic	Pessimistic
Taxes Growth%	6.4	10.4	2.4	AA-	AA-	AA-
Social Contributions Growth %	8.0	11.0	5.0	AA-	AA-	AA-
Other Revenue Growth %	0.0	3.0	(3.0)	AA-	AA-	AA-
Total Revenue Growth%	6.2	8.2	4.2	AA-	AA-	AA-
Monetary Gold and SDR's Growth %	6.4	8.4	4.4	AA-	AA-	AA-

14. If the credit rating is assigned to an asset-backed security, a description of: (i) the representations, warranties, and enforcement mechanisms available to investors; and (ii) how they differ from the representations, warranties, and enforcement mechanisms in issuances of similar securities, as required by Paragraph (a)(1)(ii)(N) of Rule 17g-7:

This credit rating is not assigned to an asset-backed security.

*EJR Sen Rating(Curr/Prj) A+/ A+
*EJR CP Rating: A1
*EJR's 3 yr. Default Probability: 1.3%

ATTESTATION FORM

In compliance with the US Securities and Exchange Commission (SEC) Rule 17g-7(a), the Egan-Jones analyst who published the report is responsible for the rating action and to the best knowledge of the person:

1) No part of the credit rating was influenced by any other business activities,
2) The credit rating was based solely upon the merits of the obligor, security, or money market instrument being rated, and
3) The credit rating was an independent evaluation of the credit risk of the obligor, security, or money market instrument.

Analyst Signature:

………………………………………………….
Subramanian NG
Senior Rating Analyst

Today's Date

August 20, 2020
……………………………………….

Reviewer Signature:

Steve Zhang
………………………………………………….
Steve Zhang
Senior Rating Analyst

Today's Date

August 20, 2020
……………………………………….

*EJR Sen Rating(Curr/Prj) A+/ A+
*EJR CP Rating: A1
*EJR's 3 yr. Default Probability: 1.3%

Sovereign Rating Methodology (Non-NRSRO)

Scope and Limitations: Sovereign Issuer Credit Quality Ratings (CQR) are a forward-looking assessment of a sovereign's capacity and willingness to honor its existing and future obligations in full and on time. Sovereigns are assigned two CQRs: a Local-Currency CQR, which reflects the likelihood of default on debt issued and payable in the currency of the sovereign, and a Foreign-Currency CQR, which is an assessment of the credit risk associated with debt issued and payable in foreign currencies.

Key Rating Drivers: EJR's approach to sovereign risk analysis is a synthesis of quantitative and qualitative judgments. The quantitative factors EJR uses are:

- Debt in relation to GDP.
- Surplus or deficit in relation to GDP.
- Debt plus potential under-funding of major banks in relation to GDP.
- Interest expense in relation to taxes.
- GDP growth.
- Foreign reserves in relation to debt.

Debt levels for many sovereign issuers have increased at an accelerating rate over the past decade, affecting implied ratings. EJR also considers unemployment levels and funding costs. EJR recognizes that no model can fully capture all the relevant influences on sovereign creditworthiness, meaning that its sovereign ratings can and do differ from those implied by the rating model. Some of the qualitative factors that impact its ultimate assessment of credit quality include the flexibility, stability and overall strength of the economy, efficiency of tax collection, acceptance of contract law, ease of doing business, trade balances, prospects for future growth and health and monetary policy, and economic freedom. These subjective and dynamic qualitative issues are not captured by the model but affect sovereign ratings.

For additional information, please see Exhibit 2: Methodologies in EJR's Form NRSRO.