REPUBLIC OF IRELAND

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

Rating Analysis - 8/30/22

The Irish economy has rebounded strongly from the pandemic. Largely driven by multinational enterprises (MNEs), real GDP grew an impressive 13.5% in 2021, surpassing its pre-pandemic trend. Against the backdrop of high COVID-19 vaccination rates, the full reopening of the economy has boosted a broad-based recovery. OECD expects GDP to increase by 4.8% in 2022 and 2.7% in 2023.

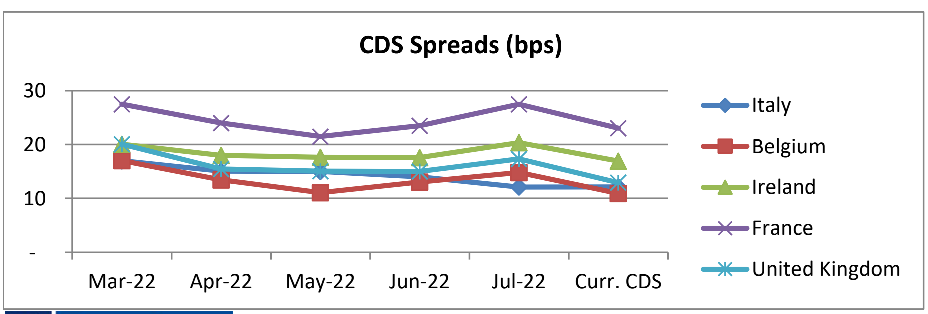
Business conditions underpin sizeable employment gains, while household excess savings and wage increases support consumer spending. However, surging inflationary pressures, caused by disruptions in global supply chains and geopolitical concerns, will cut households' real income and dampen consumption growth. Amidst current headwinds, the government acted to cushion households from high energy prices and ensure assistance to refugees. Additional fiscal measures should better target poorer households, particularly in the event of further food price increases. The fiscal deficit, at 1.9 percent of GDP, surprised on the upside due to buoyant tax revenues and somewhat lower-than-budgeted spending. Affirming.

Annual Ratios (source for past results: IMF)

CREDIT POSITION	2019	2020	2021	P2022	P2023	P2024
Debt/ GDP (%)	68.8	71.8	64.8	61.2	53.4	41.4
Govt. Sur/Def to GDP (%)	1.4	-4.2	-1.1	2.4	6.6	11.0
Adjusted Debt/GDP (%)	68.8	71.8	64.8	61.2	53.4	41.4
Interest Expense/ Taxes (%)	7.2	6.2	4.4	3.6	3.0	2.5
GDP Growth (%)	9.3	4.6	13.1	8.0	8.5	8.9
Foreign Reserves/Debt (%)	1.2	1.6	1.9	2.4	3.2	4.6
Implied Sen. Rating	AA-	A+	A+	A+	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

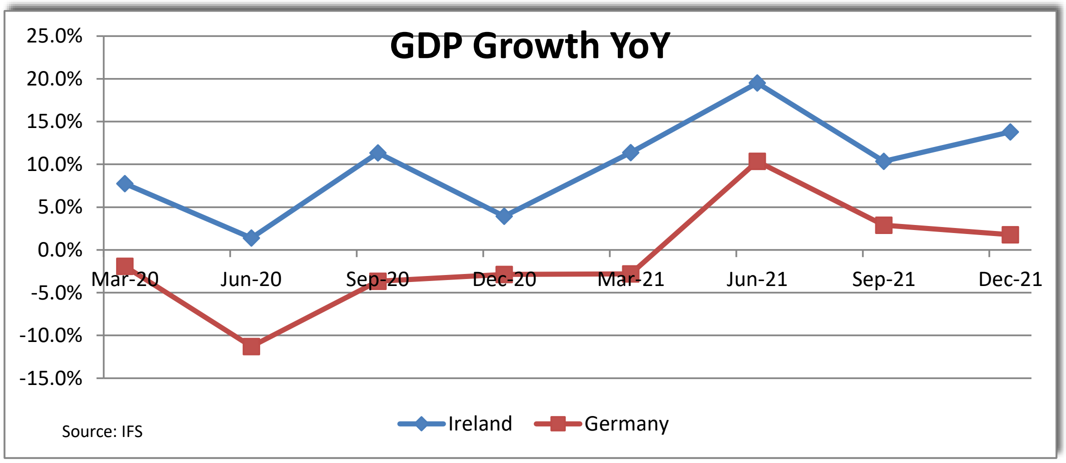
PEER RATIOS	Other NRSRO Sen.	Debt as a % GDP	Govt. Surp. Def to GDP (%)	Adjusted Debt/ GDP	Interest Expense/ Taxes %	GDP Growth (%)	Ratio-Implied Rating*
Federal Republic Of Germany	AAA	77.8	-3.6	77.8	2.4	6.0	AA
French Republic	AA	137.3	-6.0	137.3	4.6	8.2	A-
Kingdom Of Belgium	AA	128.0	-5.0	128.0	5.6	10.8	BBB
Republic Of Italy	BBB-	173.7	-7.2	173.7	11.9	7.2	BB+
United Kingdom	AA	190.8	-8.9	190.8	9.4	7.8	BBB



Country	EJR Rtg.	CDS
Italy	BBB-	12
Belgium	BBB	11
Ireland	A+	17
France	A+	23
United Kingdom	A+	13

Economic Growth

Ireland's GDP is mainly driven by the Multinational sector's performance. Irish GDP rose by 10.8% in Q1 2022, after a 6.2% contraction in Q4 2021. These figures look a little bit too good to be entirely true. Clearly, companies in the information/ communications technology, pharmaceutical and medical technology sectors are performing very well. Indigenous firms have faced a far more challenging couple of years with all the disruption from the pandemic. However, in aggregate, Ireland's economy is clearly performing well – evident in the labour market and buoyant tax receipts. Direct macroeconomic risks from the war in Ukraine are limited, as Ireland's goods trade with Russia, Ukraine and Belarus is modest. However, specific shocks could hit agriculture and some industries dependent on specialised energy inputs.



Fiscal Policy

The fiscal stance is broadly appropriate. However, in the short term, two-way fiscal flexibility is needed to strike a balance between supporting the economy and containing inflation. To mitigate the adverse impact of rapidly rising energy bills on household income, the government took support measures worth about 0.5% of 2021 GDP. According to the Central Bank of Ireland, a general government surplus is expected to emerge next year, rising to 2.0 per cent of GNI in 2024. Meanwhile General Government Debt is forecast to be 79.8 per cent of GNI in 2024.

	Surplus-to-GDP (%)	Debt-to-GDP (%)	5 Yr. CDS Spreads
Ireland	-1.09	64.82	16.94
Germany	-3.62	77.80	10.21
France	-5.97	137.28	23.02
Belgium	-4.98	128.02	10.93
Italy	-7.19	173.71	12.14
United Kingd	-8.88	190.85	12.93

Sources: Thomson Reuters and IFS

Unemployment

Employment levels are relatively unchanged in Q1 2022 from the previous quarter and remain at historical highs. A new peak of 80.8 million hours per week was recorded in Q1 22, representing a 17.6% annual increase. A number of downside risks to the labour market outlook such as the current inflationary environment and closure of the EWSS scheme in Q2 22 - are things to watch out for. Ireland's seasonally adjusted unemployment rate fell to 4.2% in July 22, improving from the downwardly revised 4.3% in the previous

Unemployment (%)	2020	2021
Ireland	5.85	6.26
Germany	3.83	3.58
France	8.03	7.88
Belgium	5.73	6.28
Italy	9.30	9.56
United Kingd	0.00	0.00

Source: Intl. Finance Statistics

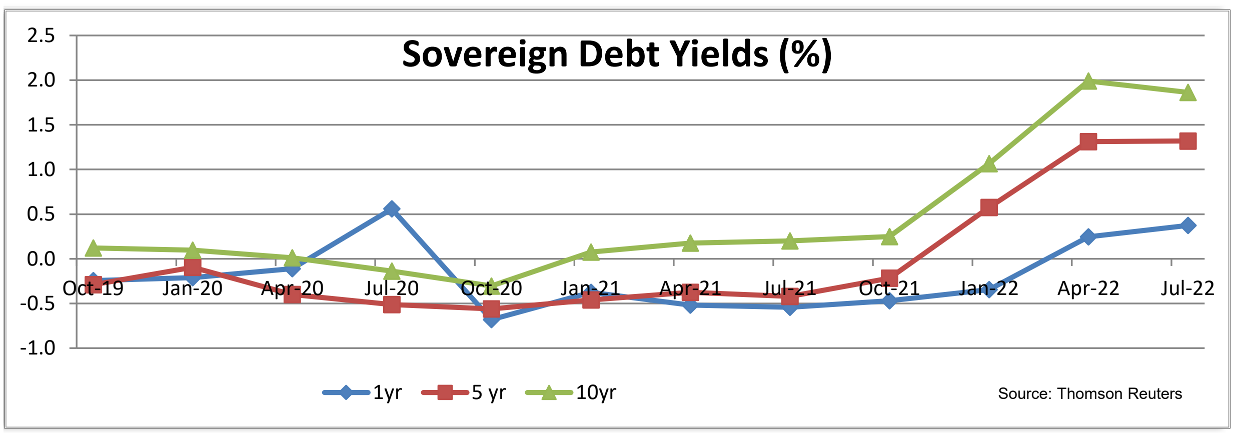
Banking Sector

Net loans at Ireland's largest banks are poised to return to or even exceed 2019 levels as economic activity continues to recover from the effects of the COVID-19 pandemic and loans they acquired recently are due to come on their balance sheets in 2022. The financial sector weathered the pandemic crisis well thanks to high capital buffers and effective policy support. The impact of the pandemic on borrowers' financial position has started to dissipate, but uncertainty remains.

Bank Assets (billions of local currency)	Assets	Mkt Cap/ Assets %
BANK OF IRELAND	155.3	4.00
ALLIED IRISH BANKS	127.9	4.58
Total	283.1	
EJR's est. of cap shortfall at 10% of assets less market cap		16.2
Ireland's GDP		421.5

Funding Costs

Ireland 10Y Bond Yield was recently trading at 1.59 percent and is expected to trade at 1.70 percent by the end of this quarter, according to Trading Economics global macro model. Market consensus expects this to trade at 2.27 percent in 12 months' time.



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*	2021 Rank	2020 Rank	Change in Rank
Overall Country Rank:	**24**	**24**	**0**
Scores:			
Starting a Business	23	23	0
Construction Permits	36	36	0
Getting Electricity	47	47	0
Registering Property	60	60	0
Getting Credit	48	48	0
Protecting Investors	13	13	0
Paying Taxes	4	4	0
Trading Across Borders	52	52	0
Enforcing Contracts	91	91	0
Resolving Insolvency	19	19	0

* 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 81.4 for Economic Freedom with 100 being best.

Heritage Foundation 2021 Index of Economic Freedom
World Rank 81.4*

	2021 Rank**	2020 Rank	Change in Rank	World Avg.
Property Rights	86.0	86.6	-0.6	53.6
Government Integrity	72.4	82.8	-10.4	45.9
Judical Effectiveness	82.0	64.4	17.6	45.4
Tax Burden	76.6	76.4	0.2	77.7
Gov't Spending	81.1	78.8	2.3	67.1
Fiscal Health	93.1	91.4	1.7	72.1
Business Freedom	81.5	82.7	-1.2	63.2
Labor Freedom	76.1	75.9	0.2	59.5
Monetary Freedom	84.4	85.3	-0.9	74.7
Trade Freedom	84.0	86.4	-2.4	70.7

*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

Credit Quality Driver: Taxes Growth:
REPUBLIC OF IRELAND has grown its taxes of 22.2% per annum in the last fiscal year which is more than the average for its peers. We expect tax revenues will grow approximately 22.2% per annum over the next couple of years and 20.0% 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%	11.6	22.2	22.2	20.0
Social Contributions Growth %	6.7	6.7	7.0	7.0
Grant Revenue Growth %	0.0	NMF		
Other Revenue Growth %	0.0	NMF		
Other Operating Income Growth%	0.0	(5.3)	(5.3)	(5.3)
Total Revenue Growth%	9.1	17.3	17.3	15.6
Compensation of Employees Growth%	3.1	5.3	5.3	5.3
Use of Goods & Services Growth%	6.6	9.0	9.0	9.0
Social Benefits Growth%	1.2	(0.4)	(0.4)	(0.4)
Subsidies Growth%	9.0	8.4		
Other Expenses Growth%	0.0			
Interest Expense	1.8	1.2	1.2	
Currency and Deposits (asset) Growth%	3.3	0.0		
Securities other than Shares LT (asset) Growth%	2.0	0.0		
Loans (asset) Growth%	(71.8)	23.9	22.2	20.0
Shares and Other Equity (asset) Growth%	(4.5)	(25.5)	2.0	2.0
Insurance Technical Reserves (asset) Growth%	2.7	0.0		
Financial Derivatives (asset) Growth%	(7.4)	(95.2)	(10.0)	(10.0)
Other Accounts Receivable LT Growth%	(1.8)	4.8	4.8	4.8
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%	2.2	3.4	3.4	3.4
Currency & Deposits (liability) Growth%	1.8	5.7	5.7	5.7
Securities Other than Shares (liability) Growth%	2.6	0.8	0.6	0.6
Loans (liability) Growth%	0.7	4.2	4.2	4.2
Insurance Technical Reserves (liability) Growth%	2.3	185.3	2.0	2.0
Financial Derivatives (liability) Growth%	0.0	547.1	28.9	26.0
Additional ST debt (1st year)(millions EUR)	0.0	0.0		

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)

	2018	2019	2020	2021	P2022	P2023
Taxes	60,534	64,611	61,327	74,963	91,605	111,941
Social Contributions	14,627	15,802	15,041	16,050	17,174	18,376
Grant Revenue						
Other Revenue						
Other Operating Income	7,899	7,596	6,279	5,948	5,948	5,948
Total Revenue	83,060	88,009	82,647	96,961	114,726	136,265
Compensation of Employees	22,117	23,434	24,645	25,950	27,324	28,771
Use of Goods & Services	11,213	12,638	14,908	16,245	17,702	19,289
Social Benefits	29,626	30,835	37,593	37,444	37,296	37,148
Subsidies	1,947	1,907	6,399	6,937	6,938	6,938
Other Expenses				6,646	6,646	6,646
Grant Expense						
Depreciation	4,376	4,736	5,032	5,032	5,032	5,032
Total Expenses excluding interest	74,967	78,448	94,400	98,254	100,937	103,825
Operating Surplus/Shortfall	8,093	9,561	-11,753	-1,293	13,789	32,440
Interest Expense	5,315	4,623	3,829	3,290	3,330	3,370
Net Operating Balance	2,777	4,939	-15,582	-4,582	10,459	29,070

ANNUAL BALANCE SHEETS

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

Base Case	ANNUAL BALANCE SHEETS (MILLIONS EUR)					
ASSETS	2018	2019	2020	2021	P2022	P2023
Currency and Deposits (asset)	21,738	24,539	26,745	39,365	50,638	60,755
Securities other than Shares LT (asset)	1,525	1,431	1,327	489	489	489
Loans (asset)	-1,200	-2,034	-485	-601	-734	-897
Shares and Other Equity (asset)	-1,238	-2,351	-1,280	-954	-973	-993
Insurance Technical Reserves (asset)		1	2	1	1	1
Financial Derivatives (asset)	387	6	252	12	11	10
Other Accounts Receivable LT	24,331	25,108	25,504	26,728	28,011	29,355
Monetary Gold and SDR's						
Other Assets					39,160	39,160
Additional Assets	44,499	45,207	39,737	39,160		
Total Financial Assets	90,042	91,907	91,802	104,200	116,602	127,880
LIABILITIES						
Other Accounts Payable	24,098	24,167	25,979	26,858	27,767	28,706
Currency & Deposits (liability)	21,648	22,220	23,733	25,076	25,076	25,076
Securities Other than Shares (liability)	146,997	149,903	170,347	171,764	172,764	173,770
Loans (liability)	50,516	49,117	47,449	49,453	38,994	9,923
Insurance Technical Reserves (liability)	4	5	34	97	99	101
Financial Derivatives (liability)	405	178	17	110	142	183
Other Liabilities						
Liabilities	243,668	245,590	267,559	273,358	275,301	257,508
Net Financial Worth	-153,626	-153,683	-175,757	-169,158	-158,699	-129,628
Total Liabilities & Equity	90,042	91,907	91,802	104,200	116,602	127,880

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 adjustmer which are reflected in the results for the projected ratings. We have assigned a rating of "A+" whereas the ratio-implied rating for th recent period is "A+"; we expect results to remain approximately the same.

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 #15a 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.

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 high quality and readily avail.

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%	22.2	26.2	18.2	AA-	AA-	AA-
Social Contributions Growth %	7.0	10.0	4.0	AA-	AA-	AA-
Other Revenue Growth %		3.0	(3.0)	AA-	AA-	AA-
Total Revenue Growth%	17.3	19.3	15.3	AA-	AA-	AA-
Monetary Gold and SDR's Growth %	4.8	6.8	2.8	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.

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: **Today's Date**

August 30, 2022

....

Subramanian NG
Senior Rating Analyst

Reviewer Signature: **Today's Date**

Steve Zhang

August 30, 2022

....

Steve Zhang
Senior Rating Analyst

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 the 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.