

Monday 25th May 2011

Foundation for Fiscal Studies in Ireland Conference

Standard & Poor's Ratings on the Republic of Ireland

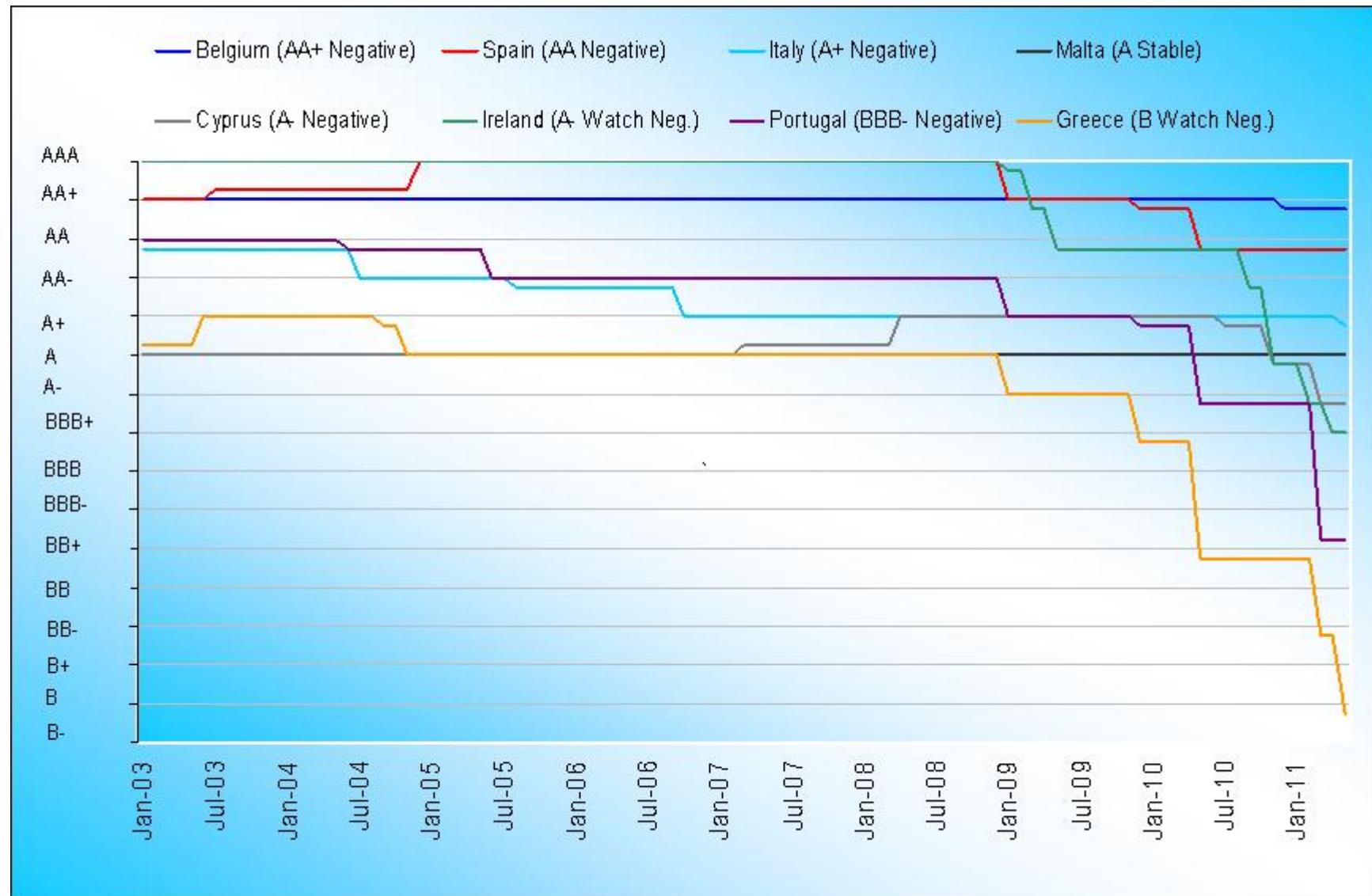
Trevor Cullinan, Director, European Sovereign Ratings

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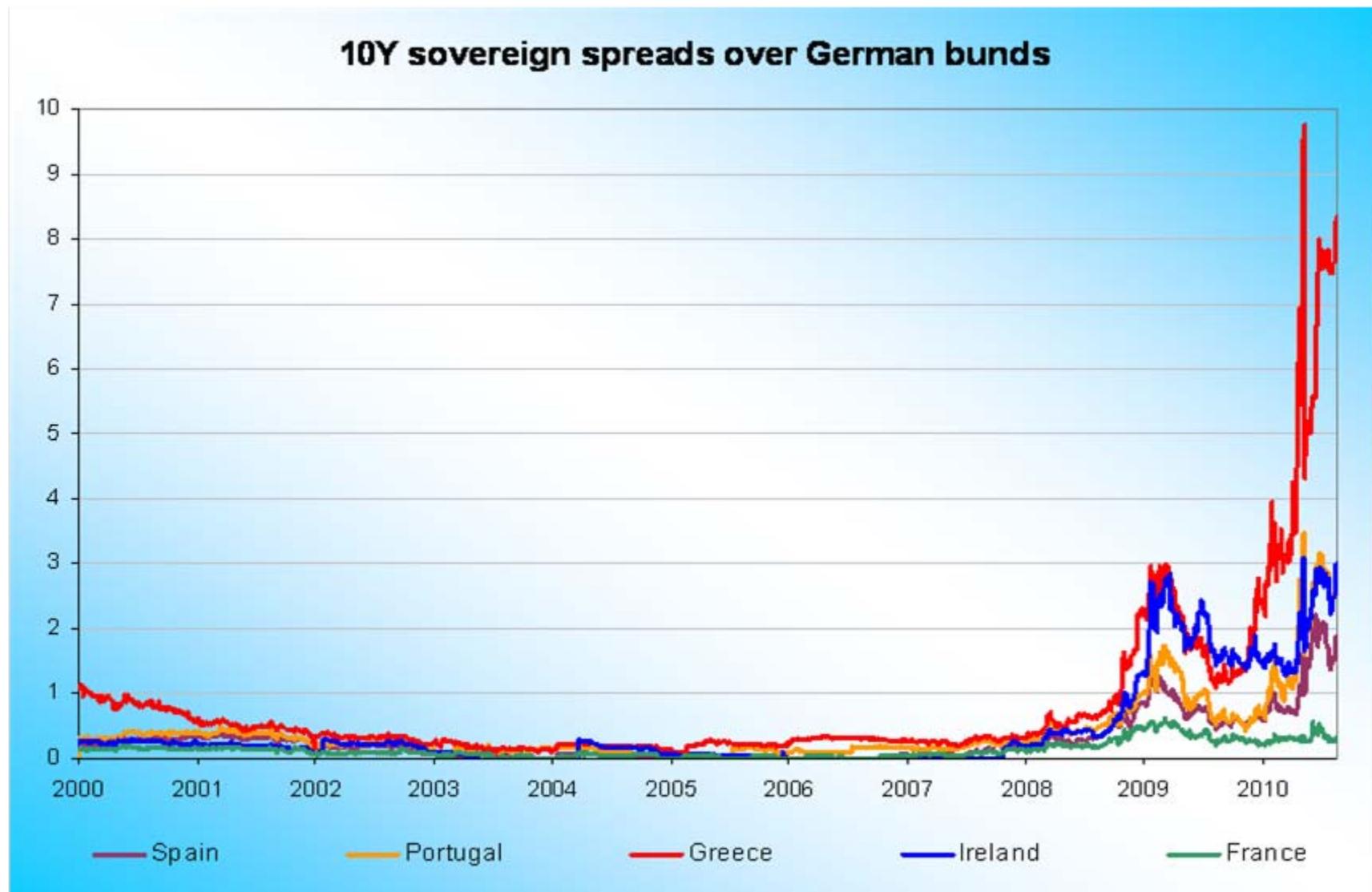
Agenda

- Ireland's Sovereign Ratings
 - 1. **Brief rating history**
 - 2. **Most recent rating decision**
 - 3. **Comparators**
 - 4. **Ratings outlook**

Selected Ratings History 2004-today



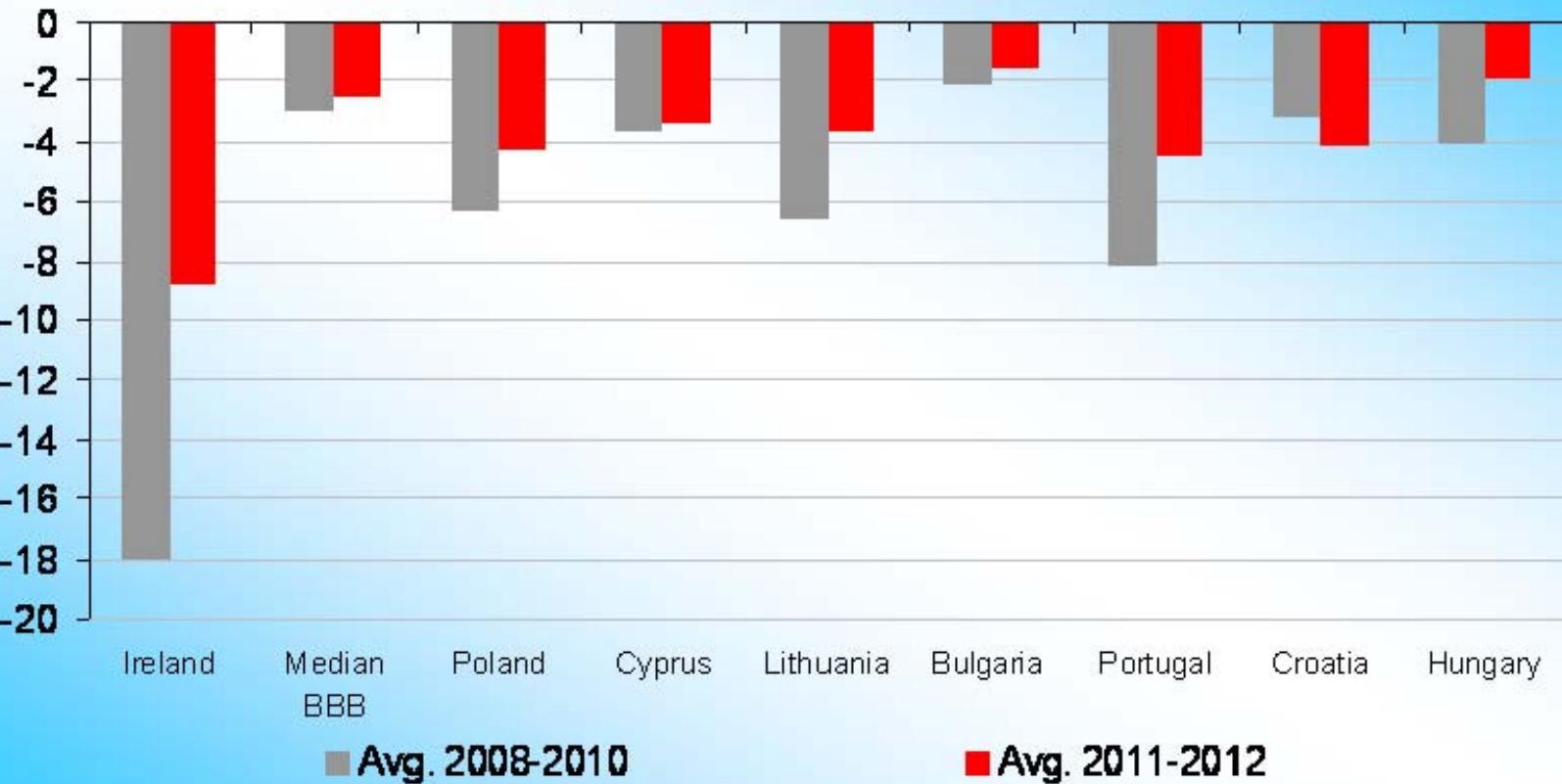
Sovereign Spreads



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Ireland: Weak Public Finances

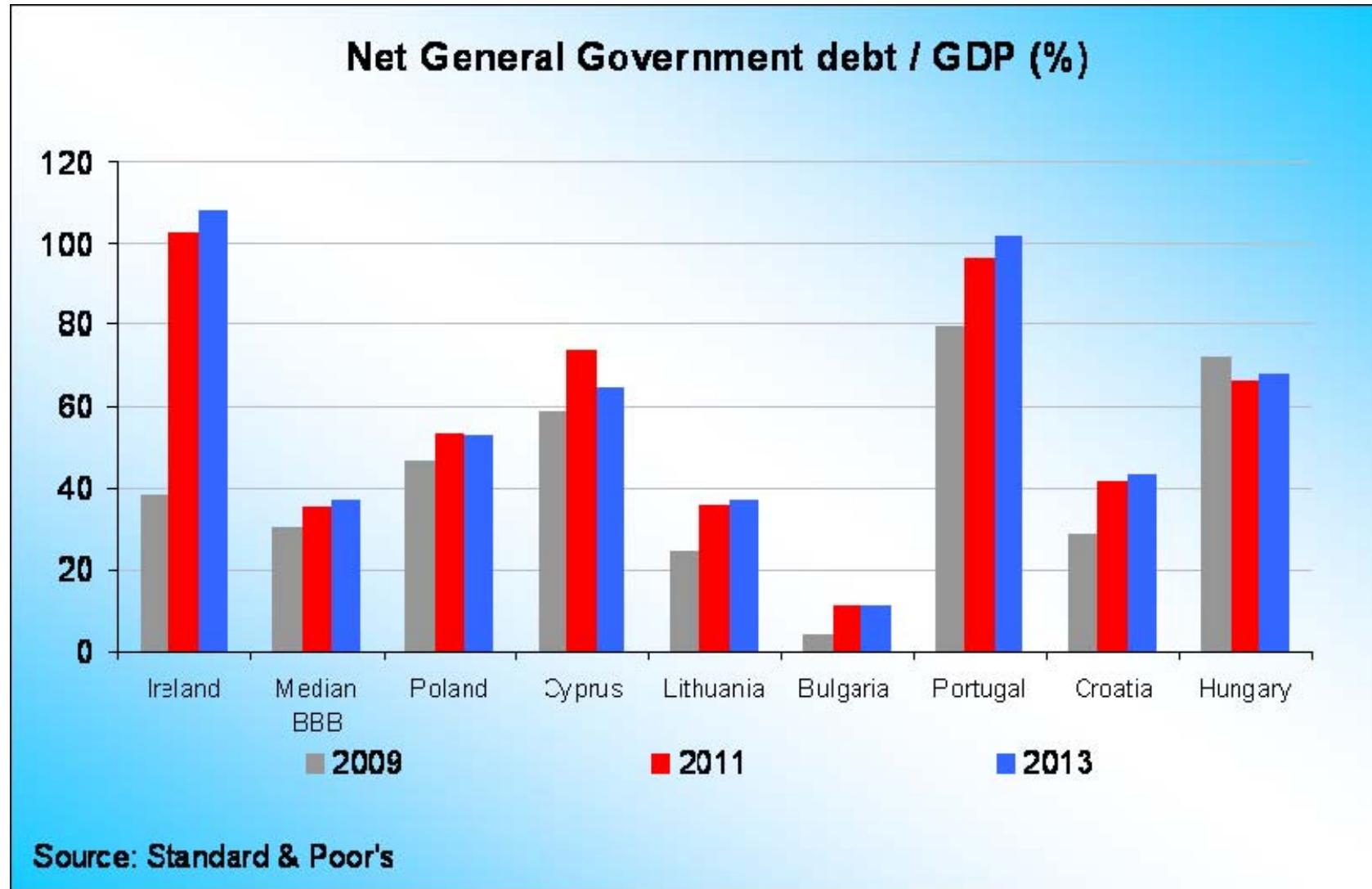
General Government balance / GDP (%)



Source: Standard & Poor's

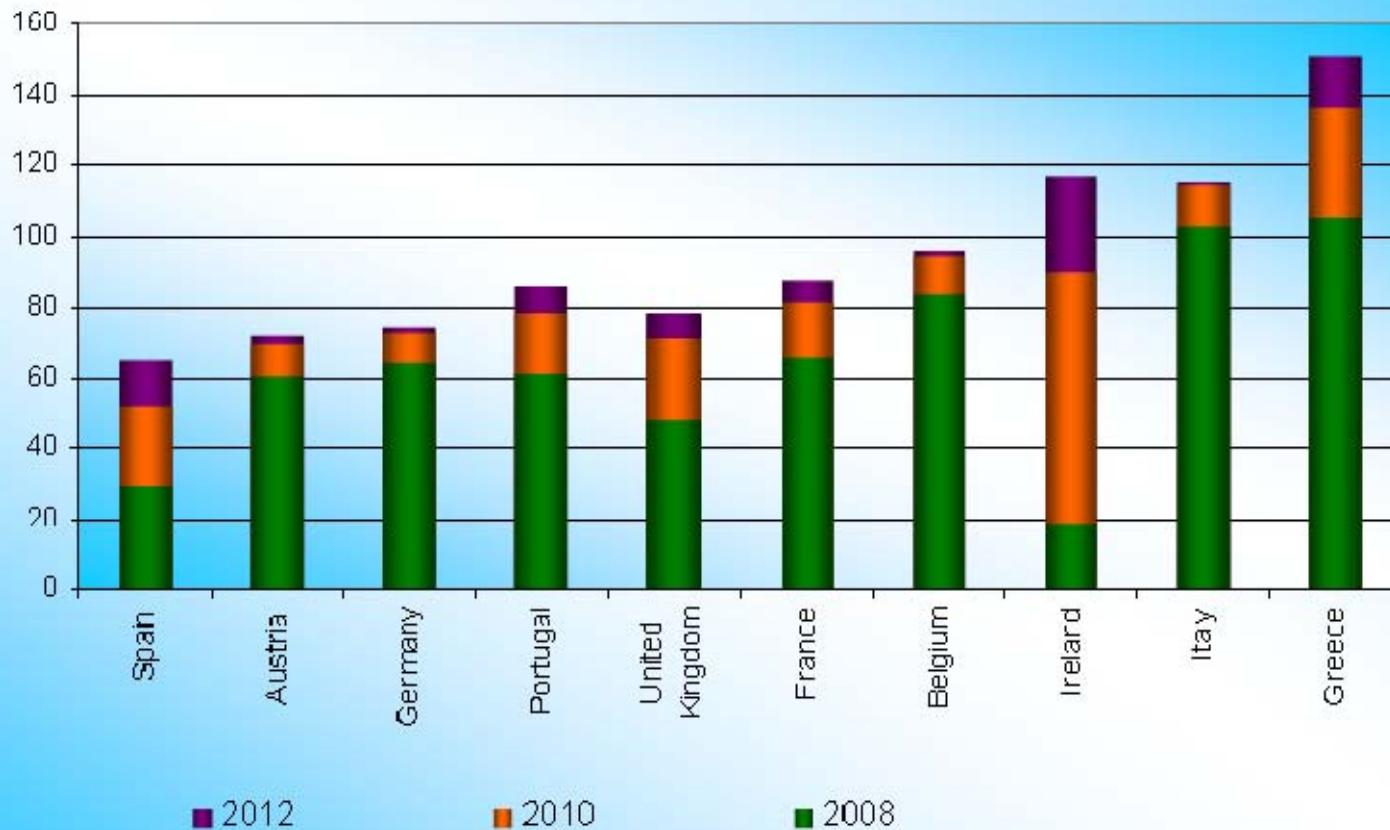
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Ireland: Heavily Indebted General Government

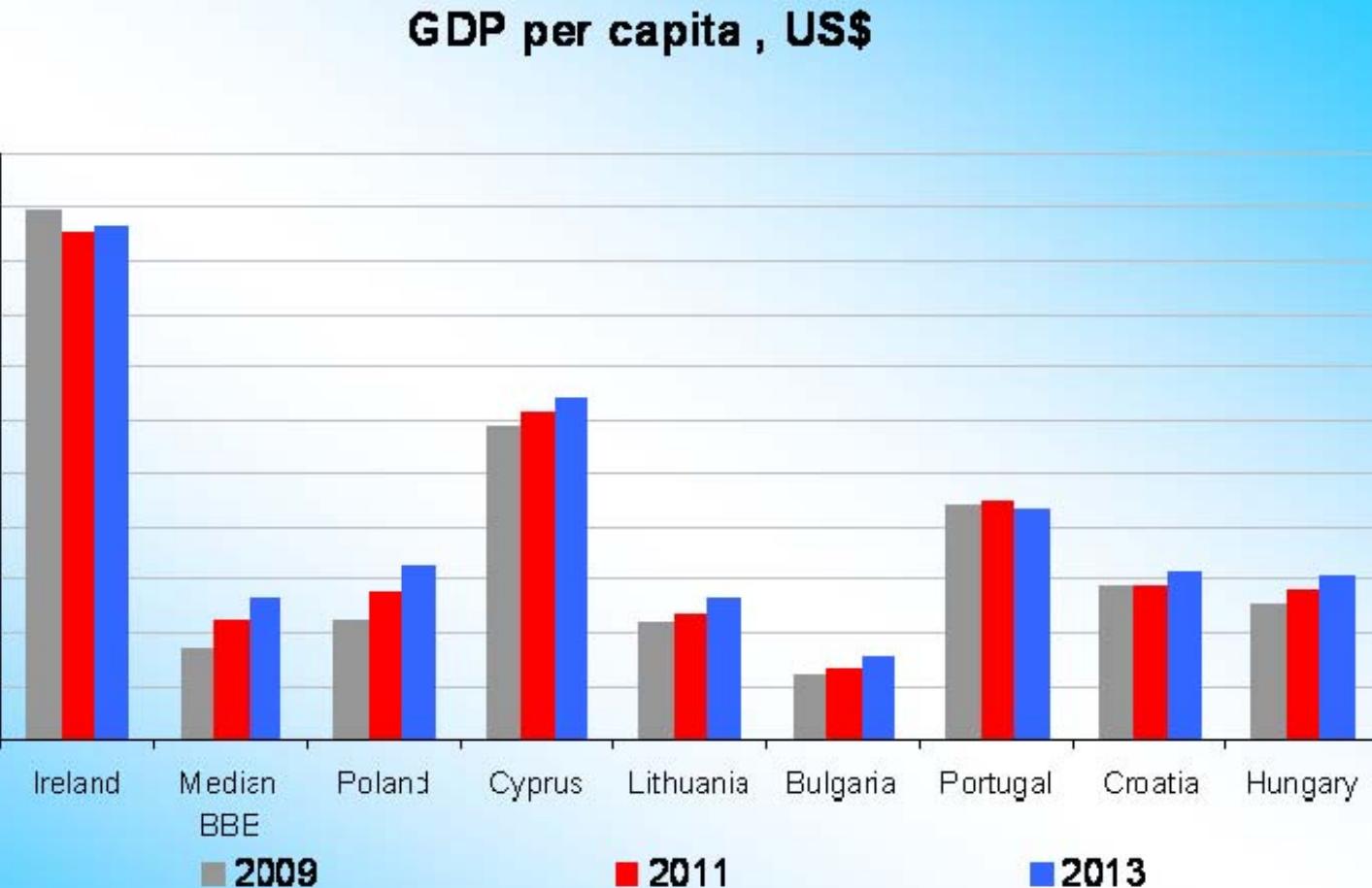


Sharp Increase In Debt Most Pronounced In Ireland

Net GG Debt (% GDP)

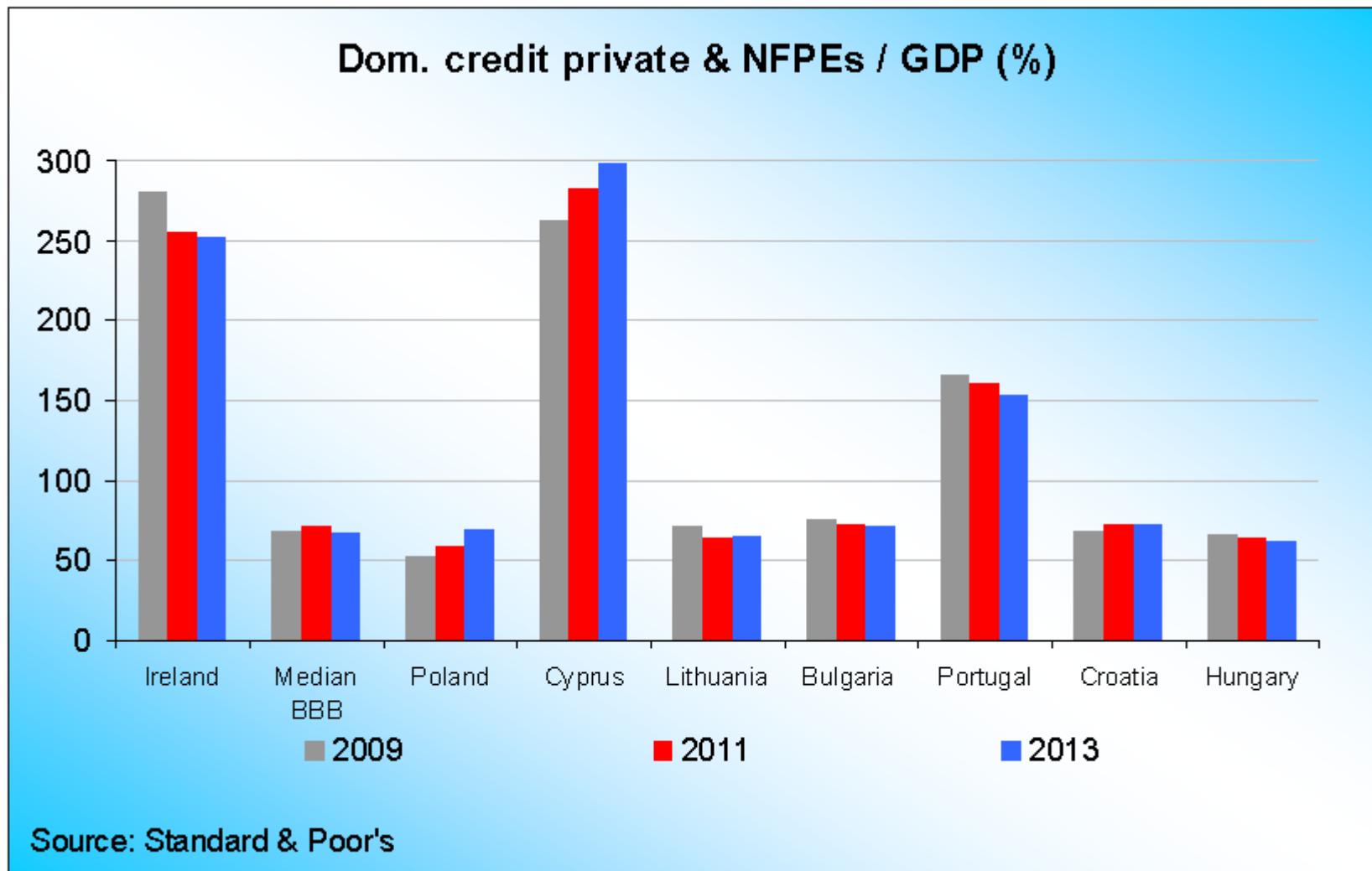


Ireland: Wealthy...



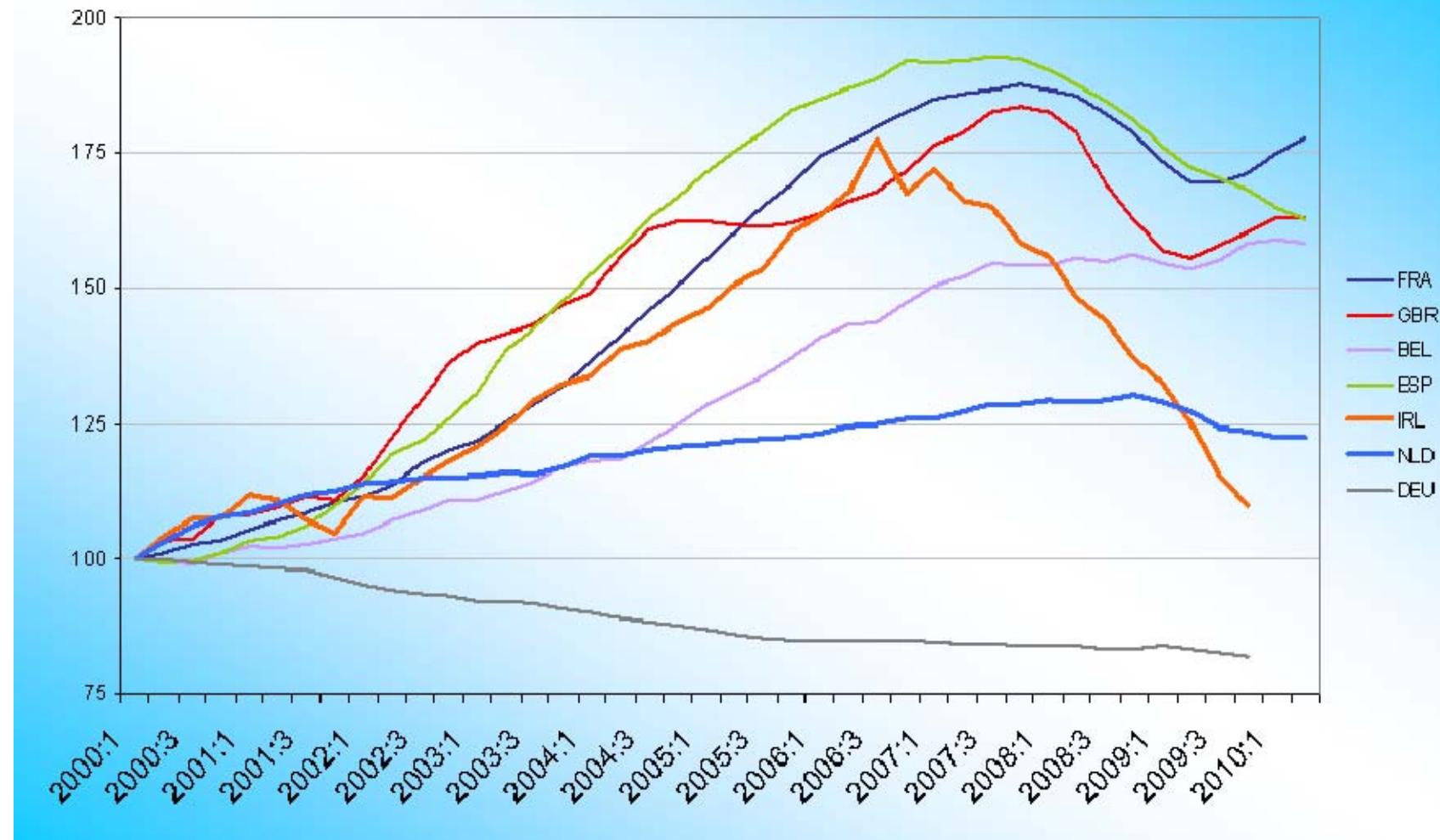
Source: Standard & Poor's

...But Heavily Indebted Economy



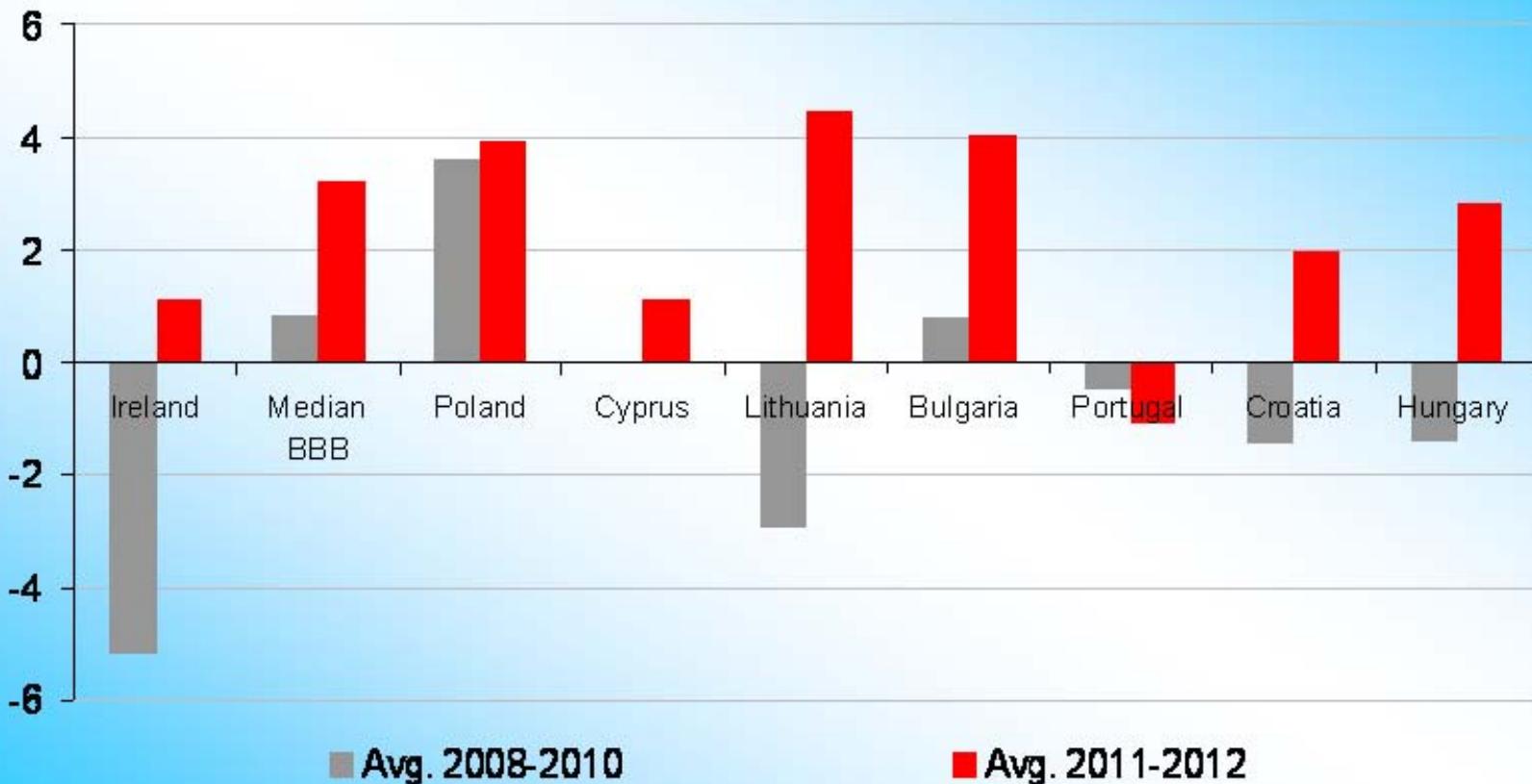
Developments In Real Estate Prices

OECD Housing Price indices (real terms, 1Q 2000=100)



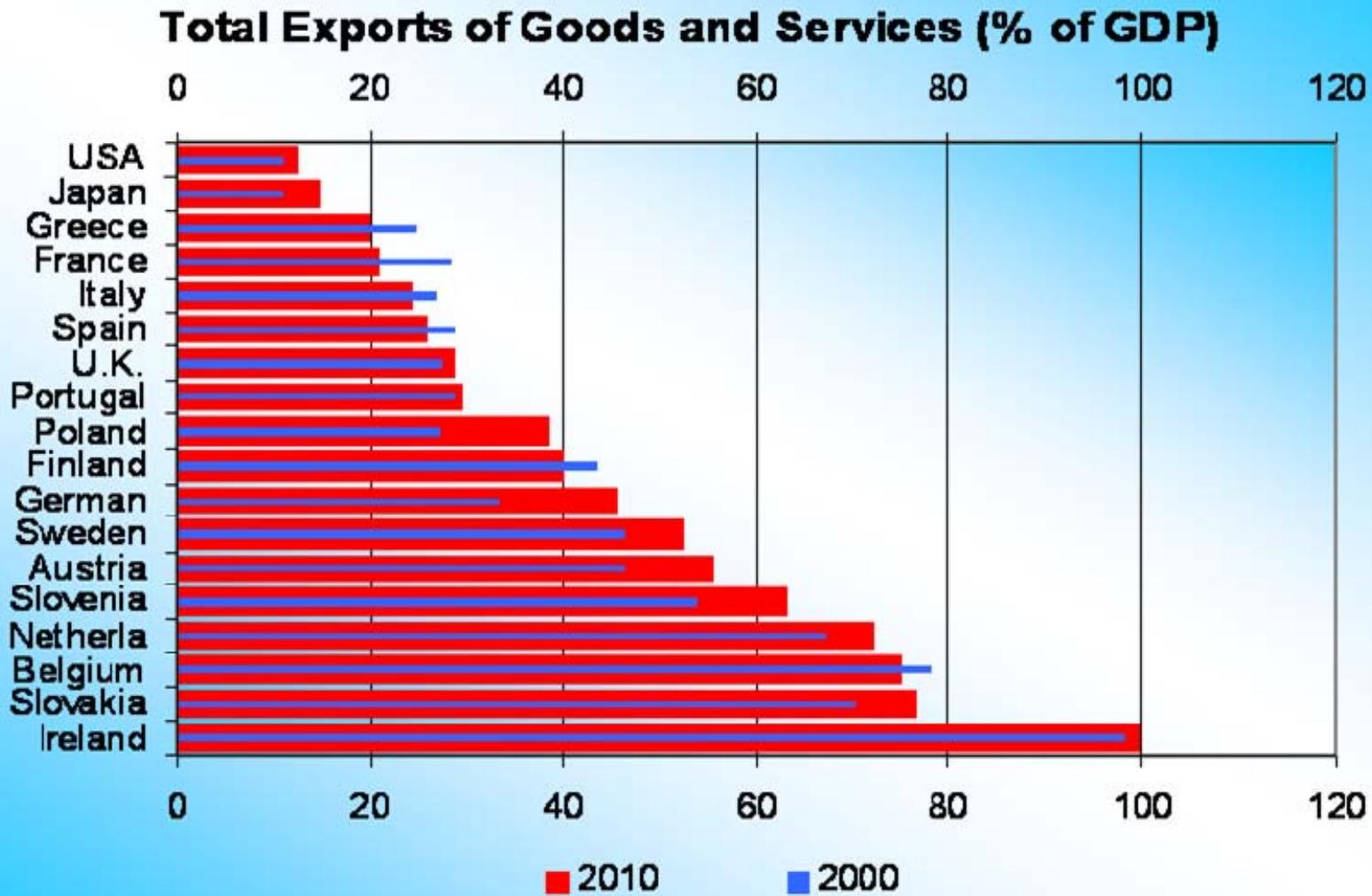
Ireland: Modest Growth Prospects

Real GDP per capita growth (%)

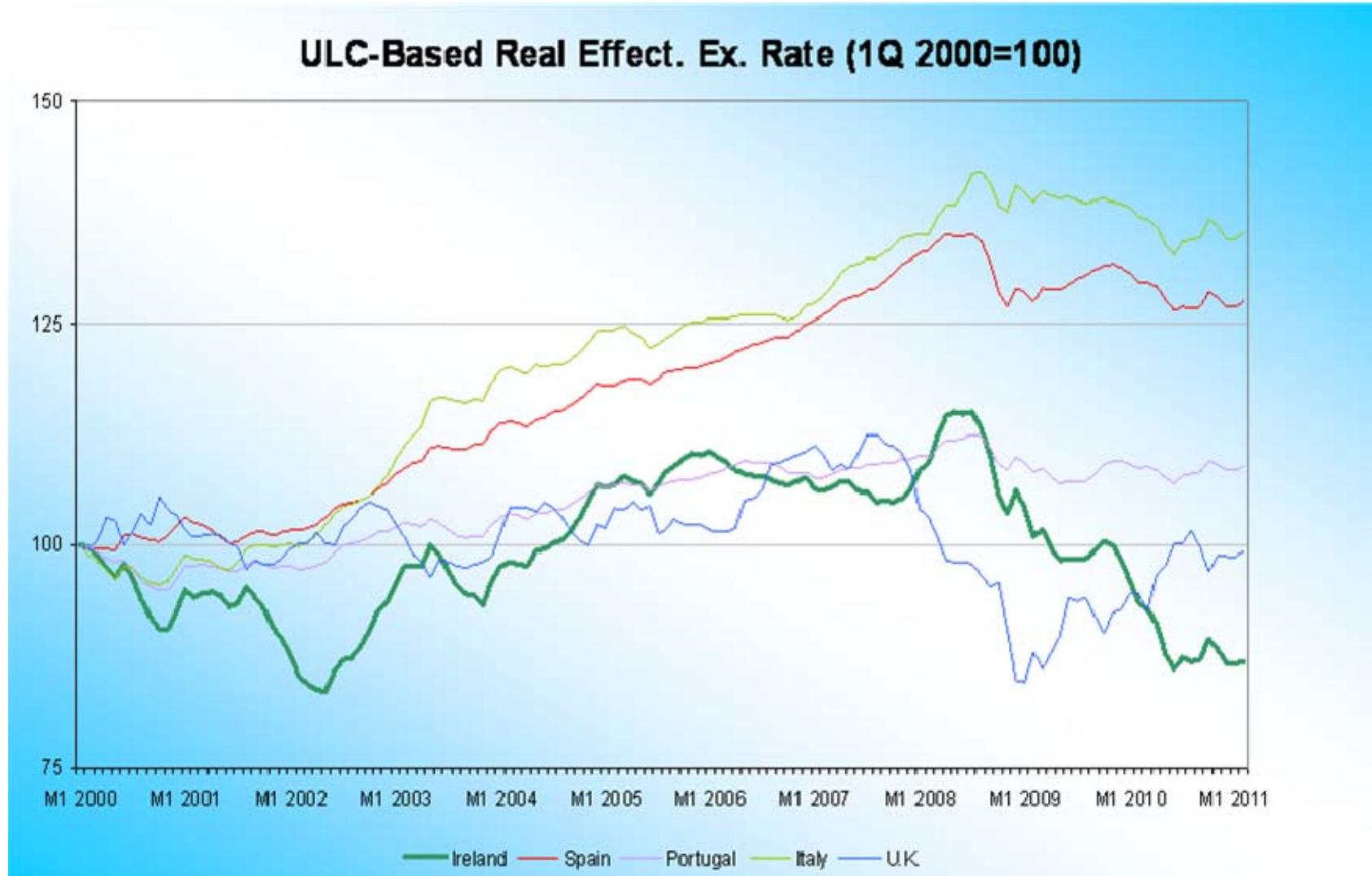


Source: Standard & Poor's

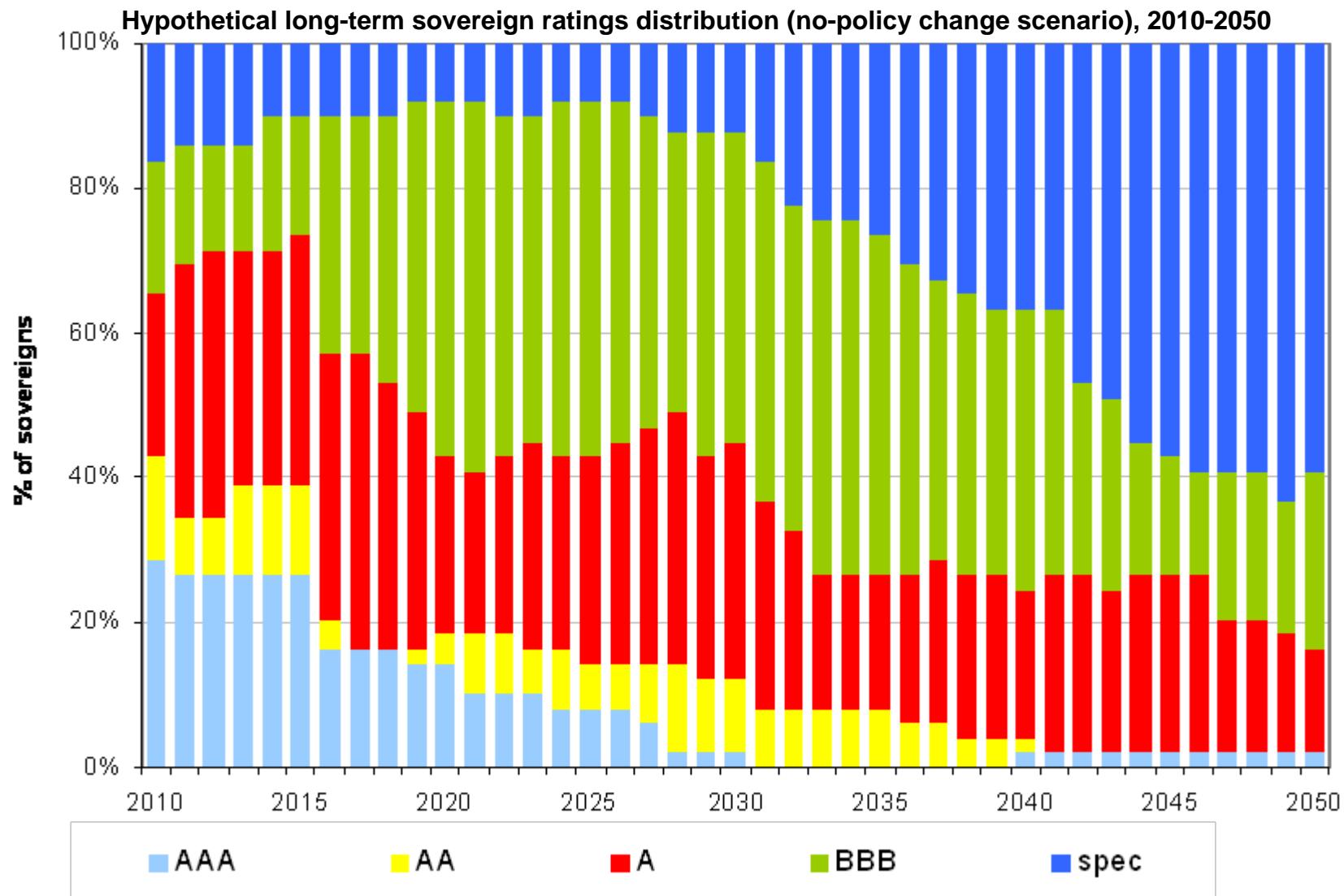
Prospects For Export-Led Growth Differ In Our View



Real Adjustment Taking Place Most Strongly In Ireland



Without policy change, sovereign ratings likely under pressure



Source: Standard & Poor's.

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