YIELDS ON IRISH DEBT HAVE FALLEN A LONG WAY
As recently as January 2014, Ireland was still rated sub-investment grade by Moody’s. Today we hold a “A” rating from all the major agencies, with the outlook from each either stable or positive.

### Ireland’s Credit Rating

<table>
<thead>
<tr>
<th>RATING AGENCY</th>
<th>LONG-TERM</th>
<th>SHORT-TERM</th>
<th>OUTLOOK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard &amp; Poor’s</td>
<td>A+</td>
<td>A-1</td>
<td>Stable</td>
</tr>
<tr>
<td>Fitch Ratings</td>
<td>A</td>
<td>F1</td>
<td>Stable</td>
</tr>
<tr>
<td>Moody’s</td>
<td>A3</td>
<td>P-2</td>
<td>Positive</td>
</tr>
</tbody>
</table>
FUNDING AND DEBT MANAGEMENT

OUR CREDIT STORY HAS IMPROVED

10-YR SPREAD v GERMANY
ECB has bought almost €22bn of Irish Government Bonds through QE

Regular purchaser of Irish bonds; keeps yields low

Through QE purchases, FRNs and SMP, Eurosystem now holds c. 40% of Irish Government Bonds outstanding
2016
- €8.25bn new benchmark issuance
  - Weighted average yield 0.82%; weighted average maturity 10 years
- Also issued a €100m 100-year note at a yield of 2.35%

H1 2017 - full-year targeted range of €9bn to €13bn
- €8.75bn new benchmark issuance
  - Weighted average yield of 1.29%; weighted average maturity 15+ years
- First ever inflation-linked bond; €0.6bn of 23-year debt at real yield of 0.25%

Q3 2017: Auction schedule
- Thursday 13 July 2017 (Bond auction)
- Thursday 14 September 2017 (Bond auction)
- Thursday 21 September 2017 (Treasury Bill auction)
APRIL 2017: First-ever Inflation-Linked Bond

Issuance diversification strategy; opens up new channel of investor

Issued as a private placement under EMTN Programme

Matures in 2040; annual coupon of 0.25%

Interest payments and principal repayment linked to HICP for Ireland, excluding tobacco
Declining interest bill – 2016 interest projected at over €9bn in Budget 2014; this year’s bill will be closer to €6bn.
MATURITY PROFILE IMPROVED: Compares favourably to EA average

Replacement of shorter-dated with longer term debt gives Ireland a favourable maturity profile c. 11 years
FUNDING AND DEBT MANAGEMENT

PRE-EMPTIVE ACTION TAKEN: NTMA believes the risks to interest rates are asymmetrical

- €18bn of IMF loans repaid early and replaced with cheaper, market based funding – interest savings estimated at over €1.5bn
- €3bn bond switching in last 18 months; out of shorter and into longer dated bonds
- Pre-funding; cash balances of €21.6bn at end-June
- €7.5bn of FRN purchases from CBI – locking in low interest rates; effectively taking out insurance against future rate rises
FUNDING AND DEBT MANAGEMENT

LARGE REDUCTION IN REFINANCING NEEDS: in coming years due to IMF repayments

Almost €18bn reduction in 2017 - 2020 refinancing
€40BN - In Reality, 2017 - 2020 refinancing requirement now slightly below €40bn given NTMA policy of pre-funding resulting in strong cash position
Alternate metrics - debt / revenue & interest / revenue - not as favourable compared to EU peers
The Primary Care Centres PPP, Ireland’s first healthcare PPP, involving the development of 14 new primary care centres across the country reached financial close in 2016 and construction is underway at all locations.
IRELAND STRATEGIC INVESTMENT FUND

€2.8BN DIRECTLY COMMITTED ACROSS THE ECONOMY & REGIONS

- €2.8bn committed by the Fund
- €376m Infrastructure
- €155m Energy
- €385m SME
- €133m Direct Equity
- €450m Water
- €502m Real Estate
- €120m Food & Agri
- €504m Venture
- €154m Innovation/Other
Ability to attract co-investment from private sector capital means that in total €8.1bn has been committed to Ireland as a result of ISIF’s activities - €5.3bn third party investment capital alongside ISIF’s €2.8bn.

Co-investment multiple of 1.9x the ISIF commitment against a targeted co-investment rate of 1x.
REGIONAL ECONOMIC IMPACT

21,900 JOBS
Are supported directly and indirectly by the fund’s investments

140 COMPANIES / PROJECTS
generated turnover of €1.1bn for the financial year 2016 with 28% of their turnover generated from exports.

€688m WAGES AND SALARIES
€688m in wages / salaries was earned in 2016 by employees of these companies.

€721m GVA
Gross Value Added in 2016 from ISIF investments was €721m.
INVESTMENT DECISION PROCESS

1000+ Potential Irish Opportunities

490 Initial Engagements Irish Portfolio

195 Declined / Not Suitable

295 Actively Engaged With

65 Approved Projects:
62 Closed & 3 did not proceed

120 Current Dealflow

110 Dormant at Present

13 IC Approved but not yet closed

66 Active Pipeline

41 Very Early Stage

135 Declined / Not Suitable

100 Total Opportunities

490 Initial Engagements Irish Portfolio
Establishment of a €100m MilkFlex Fund in May 2016 to facilitate the expansionary growth expected as a result of the removal of EU milk quotas.

ISIF commitment of €45m alongside strong co-investors - industry player, Glanbia Co-operative Society, international food and agri bank, Rabobank and financial services group, Finance Ireland.

The Fund will offer flexible, competitively priced loans to Glanbia milk suppliers with loan repayments which can vary according to movements in milk price.

The loans will have a standard term of eight years, but may be extended by up to a maximum of a further two years when volatility triggers are enacted.
EXAMPLE OF ISIF INVESTMENT

Ardstone Homes

Ardstone is a residential house builder, primarily in the Dublin commuter belt and also in Cork and Galway.

ISIF is one of six institutional investors in Ardstone, which has raised approx. €215m of equity capital to deliver first-time buyer / starter homes.

Ardstone has already built up a significant land portfolio – 19 sites to date with further transactions in the pipeline.

First houses (36 in Swords) launched for sale in June 2017 and sold out rapidly, price range €300k to €380k.
EXAMPLE OF ISIF INVESTMENT

- World leading vision chip technology.
- 4 ISIF backed funds invested.
- Sold to Intel.
- Now global centre of excellence for machine vision technology.
- Based in Ireland.
MANAGING A COMPLEX CLAIMS PORTFOLIO

9,000
The SCA managed almost 9,000 active claims with an estimated outstanding liability of €2.2bn at end-2016.

RESOLVING CLINICAL CLAIMS

98%
of clinical negligence cases handled by the SCA are settled without the necessity for a contested court hearing.

ENHANCING RISK MANAGEMENT

NIMS
The roll-out of NIMS continued across the public healthcare sector and other larger State authorities. Ireland is the first country worldwide to have implemented a single ICT system to support the management of risk across its public service, including the healthcare sector.
NewERA's approach is to facilitate an enhanced level of active ownership by the State as shareholder in the Portfolio bodies.