



Global Financial Services

Ireland – A key location in the Global Financial Services Industry



In the technologically driven, fast paced global business environment of financial services, customers, services providers and investors have gravitated towards key global locations. Ireland has emerged as one of the newest and most successful International Financial Services locations in the world.

Since the formation of the International Financial Services Center (IFSC) in 1987, Ireland's position in the international financial services industry has undergone a complete transformation, evolving from an industry serving local market needs into one of the world's leading financial hubs. It has also contributed to and mirrored Ireland's much admired economic development, particularly over the last decade.

Dublin is now internationally recognized as a choice location of the international financial services industry, ranging from banking and treasury to insurance and funds. This is largely due to Ireland's reputation for highly-skilled and experienced people, the 'can do' business attitude, responsive legislation and flexible, speedy regulatory procedures.

The listing of international financial services companies reads like a "who's who" of top global financial institutions with companies such as Citigroup, State Street, Depfa Bank, JP Morgan, HSBC, Merrill Lynch, XL, Hartford and ABN Amro managing European and global functions from Ireland. Ireland is now home to

half of the world's top 50 banks and one of the main European locations for insurance (both life and general) and an internationally recognized hub for the funds industry. Up to 24,000 professionals work directly in the industry today, with as many again employed indirectly in support services, such as legal and tax advisory services.

Some highlights which give an idea of the scale of operations in the IFSC are:-

- Bank assets of international banks are now worth over \$473 billion
- Net asset values of domiciled investment funds are €810 billion
- Cross-border life assurance premiums are €15 billion

The success of the IFSC has led to the growth of non-regulated financial services activities, expanding into locations throughout Ireland. A key element of the Irish government's strategy is to continue to encourage and support the development of financial services activities beyond the greater Dublin area, ensuring Ireland and not the IFSC alone is internationally recognized as a first-class location for the industry. A growing number of companies are already doing this by adding operations centers and back office and administrative activities, with strong clusters of these activities being developed in several regional areas across Ireland.



International financial companies in Ireland

Examples of companies choosing locations outside of Dublin include IFS and BISYS expanding their operations with new regional operations in Drogheda, Naas and Waterford, while PFPC has built on its positive experiences in Wexford and is expanding its existing facility and opening a new office in Navan. Other companies that have found success outside the IFSC include Sun Life in Waterford, Northern Trust in Limerick, State Street Bank in Kilkenny, GMAC in Mullingar, MBNA - a Bank of America company in Carrick-on-Shannon, Cigna in Galway and Pramerica and Pacificare in Letterkenny.



International Banking

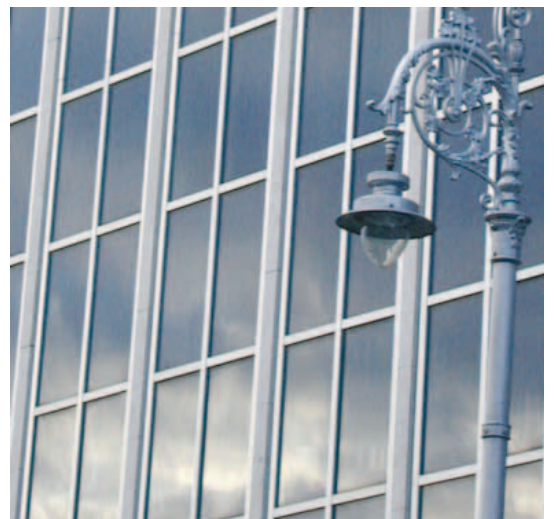
Since 1987, over 160 banks and asset financing companies have established operations in Ireland. Activities are concentrated on international lending, asset financing and securitization. Total assets of banks based in Ireland stands at around \$924 billion.

Fund Management, Custody and Administration

Ireland is firmly established as a leading international center for mutual funds, registering strong growth patterns year after year. More than \$1.26 trillion worth of funds are serviced from Ireland. Over 4,400 funds and sub-funds are managed from Ireland, with some 3,800 domiciled in the country. Ireland presents the International Mutual Funds Industry with an unparalleled set of attractions, both as a domicile for funds and as a center from which to administer, market and service funds. The advantages include the range and flexibility of fund legal structures available in Ireland. Dublin has over 265 international fund promoters from 30 different countries, including industry leaders such as Barclays, BNP Paribas, Daiwa Securities, Deutsche Bank, Fidelity, Northern Trust, Goldman Sachs, HSBC, Merrill Lynch, Pioneer and many others.

Insurance, Reinsurance, Life Assurance, Captives

Many of the world's top insurance companies are operating in Ireland, proving its attractiveness for the insurance sector. Companies including AIG, Hartford, MetLife and Sun Life have established operations in Ireland. Current figures indicate that the sector's assets are valued at \$43 billion. In the life assurance sector, world leaders such as Generali, UBS and Scottish Equitable offer protections/investment products to international clients from Ireland. Ireland is now the seventh largest reinsurance market in the world.





Corporate Financial Services:

Ireland has an excellent reputation as a European center for corporate treasury operations, both stand-alone and outsourced. It offers blue chip companies the opportunity to obtain a banking license. Companies that have chosen Dublin for stand-alone and global treasury activities include Porsche, IBM, Wyeth, Pfizer, Ericsson, Volvo, GE, HP and Volkswagen. The IFSC is a well developed hub for aircraft leasing and financing companies from the US, Europe and Asia. These include Airbus, Boeing, Babcock & Brown, GE, Orix Aviation Systems and CIT.

and activities carried out in Ireland. It is a founder member of the Euro and the only native English speaking member and common law jurisdiction in the Euro Zone.

The increasingly complex financial services industry has found a location of success in Ireland, where the activity profile has migrated from transaction based activities into sophisticated, knowledge led global financial management.

The key factor in the success and growth of Ireland's international financial services industry has been the team Ireland partnerships encompassing various government departments and agencies, the regulatory environment, the industry itself, the supporting professional services and the deep talent pool.

Irish people are widely travelled and are open to global influences. They are creative and pragmatic and have an innate ability to empathize and to influence; they are solution seekers with a 'can do' approach.

Research & Innovation in financial services in Ireland

The Irish government pursues a carefully planned, integrated R&D strategy, encompassing all of the key elements necessary to achieve world-class R&D. The creation of knowledge within the financial services industry is high on the agenda.

Recently, Citigroup announced the establishment of a Research and Development Center of Excellence at its Dublin offices in the International Financial Services Center. This is the first dedicated R&D Center established by Citigroup worldwide and the first ever R&D investment by an international financial services company in Ireland. The Center will be responsible for the development of products and services for Citigroup's Global Transaction Services unit from 'concept to commerce'. Research will initially focus on innovative solutions for the investment management industry.

Recipe for Success

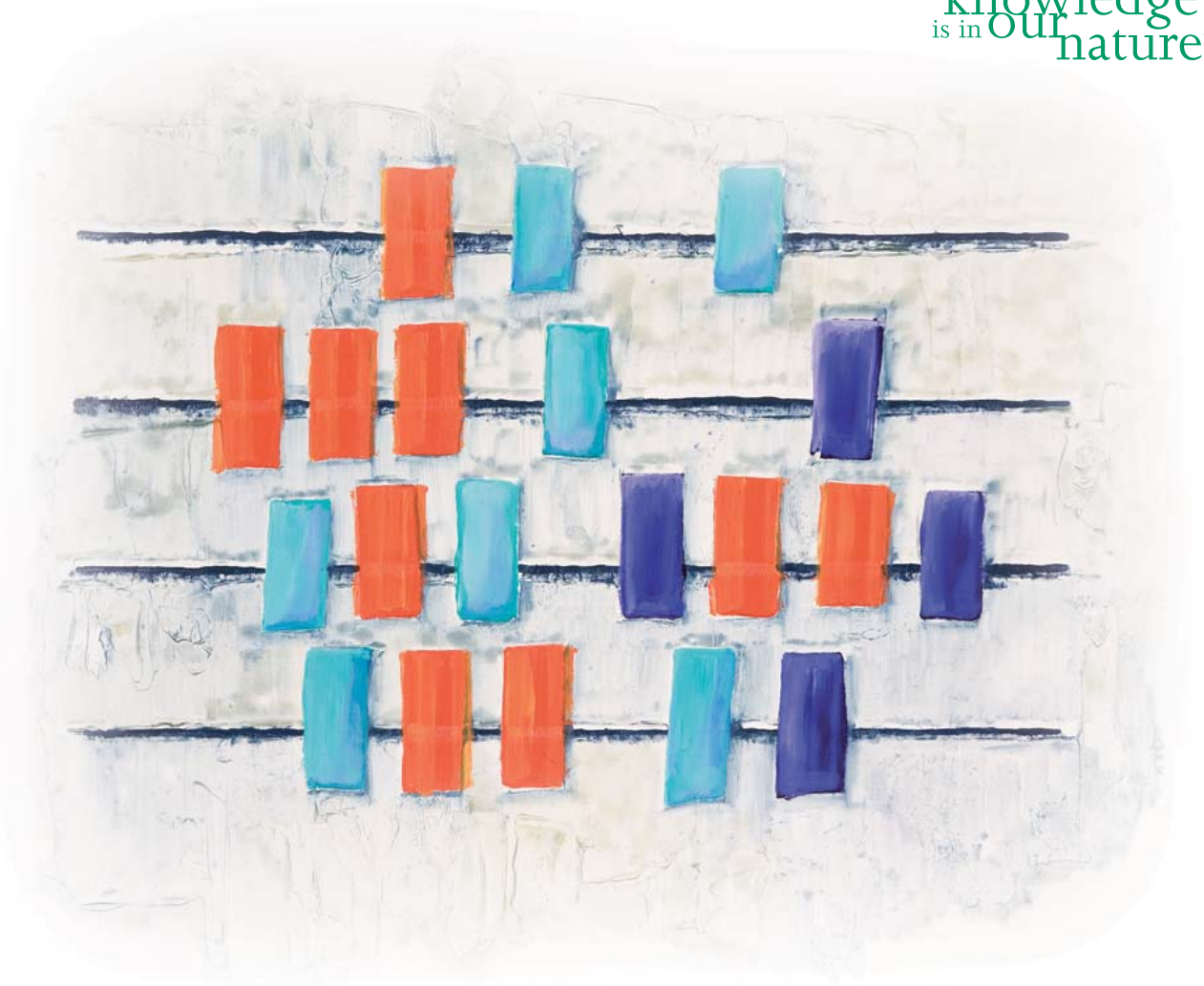
Since 2003, a corporate tax rate of 12.5% applies to corporate trading profits in all sectors

"The staff of Citigroup Ireland has demonstrated a strong ability to manage complex global banking and transaction services. A number of cross border products are today fully managed out of Ireland with a global footprint into 108 countries. We are excited by this initiative and proud to take an innovative lead in the financial services industry in Ireland. This is a significant addition to our Irish operations and firmly places Ireland as one of the most successful Citigroup locations worldwide."

Aidan Brady, Country Corporate Officer,
Citigroup Ireland



The independent
IMD World
Competitiveness
Report ranks
Ireland as one of
the best countries
in the world for
the quality of
education meeting
the needs of a
competitive
economy.



**The Irish mind.
A valuable commodity for almost 450 of
the world's premier Financial Institutions.**

The Irish. Creative. Imaginative. And flexible. Agile minds with a unique capacity to initiate, and innovate, without being directed. Always thinking on their feet. Adapting and improving. Generating new knowledge and new ideas.

Naturally, this innate flexibility pervades the ecosystem. Nowhere else will you find such close and frequently informal links between enterprise, education and research facilities, and a pro-business Government. Connected by a dynamic information infrastructure.

It's this unique set of competitive advantages that has made Ireland home to most of the world's leading Financial Institutions. You name them—chances are they're in Ireland's International Financial Services Centre, together with the leading law firms, accountancy and tax advisors that support them.

The Irish mind, with its innate knowledge and flexibility, can be the pathway to profit for your business. **To learn more, contact the Irish Government's inward investment agency, IDA Ireland, 345 Park Avenue, New York on 212 750 4300, email idaireland@ida.ie or log on to www.idaireland.com**