Moody's
INVESTORS SERVICE

CREDIT OPINION
30 June 2023

Update

Send Your Feedback

RATINGS

Bank of Ireland Group plc

Domicile	Dublin, Ireland
Long Term CRR	Not Assigned
Long Term Debt	A3
Type	Senior Unsecured - Fgn Curr
Outlook	Stable
Long Term Deposit	Not Assigned

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

Contacts

Farooq Khan +44.20.7772.1638
VP-Senior Analyst
farooq.khan@moodys.com

Laurie Mayers +44.20.7772.5582
Associate Managing Director
laurie.mayers@moodys.com

Christopher Tucker +44.20.7772.1357
Associate Analyst
christopher.tucker@moodys.com

Bank of Ireland Group plc

Update to credit analysis

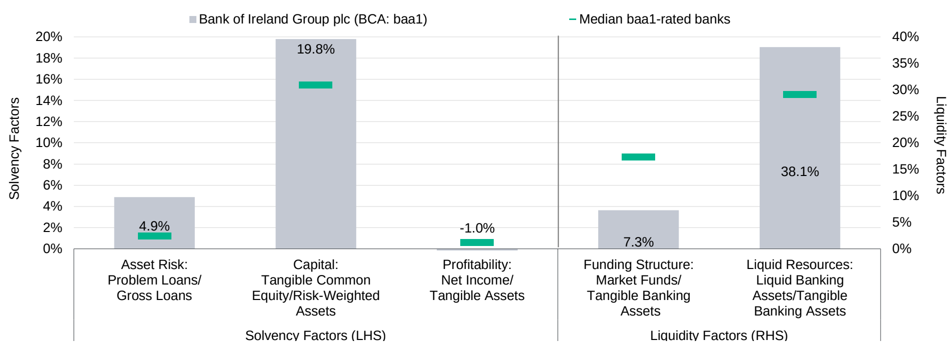
Summary

Bank of Ireland's (BOI) A1 long-term bank deposit and long-term senior unsecured debt ratings are driven by (1) the bank's Baseline Credit Assessment (BCA) of baa1; (2) the results of our Advanced Loss Given Failure (LGF) analysis, which result in an uplift of three notches; and (3) a moderate probability of government support from Government of Ireland (Aa3 stable), which results in no additional uplift. BOI's Counterparty Risk (CR) Assessments are A1(cr)/Prime-1(cr) and CR Ratings (CRR) are A1/Prime-1.

BOI's baa1 BCA reflects its (1) much reduced legacy impairments reducing risk to its capital in an economic downturn; (2) recovering core profitability as a result of higher rates and cheap deposit funding; (3) strong capitalisation and leverage; and (4) strong liquidity, with low market funding reliance.

The outlook on BOI's deposit rating and Bank of Ireland Group plc's (BOIG, A3 stable) senior unsecured debt ratings is stable.

Exhibit 1
Rating Scorecard - Key financial ratios



Source: Moody's Banking Financial Metrics

Credit strengths

» Leading franchise in Ireland and established position in the UK

» Much improved risk profile, through sale of legacy impairments, which we expect to be maintained, lowering risk to capital in an economic downturn

» Sound capitalisation, supported by improving core profitability and conservative capital management

» Ample level of stable customer deposits and sufficient liquidity buffers

Credit challenges

» Inflationary pressures will erode households' and business confidence, purchasing power and dampen economic activity, reducing the demand for credit

» Leveraged CRE sector elevates tail risk in relation to the bank's exposure to property prices

Outlook

The outlooks on the long-term deposit, issuer and senior unsecured debt ratings of BOI, and BOIG, where applicable, remain stable. Moody's expects the operational risk deriving from the recently completed acquisitions to be moderate. Additionally, Moody's expects BOI's capital to remain strong.

Factors that could lead to an upgrade

» BOI's debt and deposit ratings and BOIG's debt ratings could be upgraded if the bank's BCA were upgraded.

» The bank's BCA could be upgraded if there were (1) a significant improvement in its core profitability; and (2) an improvement in the resilience of its capitalisation under stress.

» An upgrade of Ireland's rating by a notch, which is not expected over the medium term given the current stable outlook, would likely result in a one notch uplift to BOI's long-term deposit and senior unsecured ratings.

Factors that could lead to a downgrade

» BOI's and BOIG's ratings could be downgraded if the bank's BCA were downgraded or its maturing subordinated instruments redeemed without replacement.

» BOI's BCA could be downgraded if there were a significant deterioration in the bank's solvency or liquidity profile.

Key indicators

Exhibit 2

Bank of Ireland Group plc (Consolidated Financials) [1]

	12-22[2]	12-21[2]	12-20[2]	12-19[2]	12-18[2]	CAGR/Avg.[3]
Total Assets (EUR Million)	145,194.0	153,301.0	131,617.0	129,357.0	121,784.0	4.5[4]
Total Assets (USD Million)	154,957.9	173,706.3	161,040.8	145,203.0	139,216.7	2.7[4]
Tangible Common Equity (EUR Million)	9,601.3	9,218.0	7,239.3	8,373.6	7,913.7	5.0[4]
Tangible Common Equity (USD Million)	10,246.9	10,444.9	8,857.7	9,399.4	9,046.4	3.2[4]
Problem Loans / Gross Loans (%)	3.5	5.5	5.7	4.0	5.9	4.9[5]
Tangible Common Equity / Risk Weighted Assets (%)	19.8	19.3	14.6	16.4	16.2	17.3[6]
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	23.5	38.2	47.1	33.0	47.4	37.8[5]
Net Interest Margin (%)	1.6	1.5	1.6	1.8	1.8	1.7[5]
PPI / Average RWA (%)	2.3	1.9	0.9	1.7	1.6	1.7[6]
Net Income / Tangible Assets (%)	-1.0	1.0	-0.1	1.1	0.6	0.3[5]
Cost / Income Ratio (%)	64.4	67.7	83.3	70.7	72.5	71.7[5]
Market Funds / Tangible Banking Assets (%)	7.3	16.4	7.6	9.3	9.6	10.1[5]
Liquid Banking Assets / Tangible Banking Assets (%)	38.1	37.0	26.5	23.0	22.5	29.4[5]
Gross Loans / Due to Customers (%)	73.9	84.4	89.3	97.0	99.8	88.9[5]

[-] Further to the publication of our revised methodology in July 2021, only ratios from annual 2020 onwards included in this report reflect the change in analytical treatment of the "high-trigger" Additional Tier 1 instruments. [1] All figures and ratios are adjusted using Moody's standard adjustments. [2] Basel III - fully loaded or transitional phase-in; IFRS. [3] May include rounding differences because of the scale of reported amounts. [4] Compound annual growth rate (%) based on the periods for the latest accounting regime. [5] Simple average of periods for the latest accounting regime. [6] Simple average of Basel III periods.
Sources: Moody's Investors Service and company filings

Profile

The BOIG, the holding company of BOI, operates mainly in Ireland through BOI but also has 21% of its loans in the United Kingdom (Aa3 negative) via Bank of Ireland (UK) plc (BOI UK, A3 stable, baa2)[1] The group distributes its products and services through around 169 branches in Ireland, as well as branches in the UK, France, Germany, Spain and the US.

BOI was established in 1783 and, between 1922 and 1971, was the official bank of the Irish government. Effective 7 July 2017, BOI Group became the group's holding company and the new parent entity of BOI following stockholders' and regulatory approvals. BOIG's ordinary shares are listed on the Irish Stock Exchange (ticker: BIRG) and the London Stock Exchange (ticker: BIRG). On 23 September 2022, the Irish government announced that it no longer retains any ownership of the Group. The largest shareholder is BlackRock, Inc. who, as of 6 March 2023, owned 9.02%.

BOI is an Irish retail and commercial bank. Its products and services include deposit-taking, current accounts, personal loans, business and corporate lending, leasing, international asset finance, financial advice, mortgages, foreign exchange, life assurance, pensions and credit cards. As of end-December 2022, BOI accounted for around 27% of the domestic market assets held by Irish credit institutions, based on its reported total consolidated assets of €151.3 billion.

Recent developments

Tight financing conditions will lead to a downshift in global economic growth in the second half of this year and contain recovery in 2024. For the G-20, we expect that real GDP growth will slow to 2.1% in 2023 and 2.2% in 2024, from 2.7% in 2022. Nevertheless, sticky inflation in advanced economies, political brinkmanship in the US (Aaa stable) and a slower than expected recovery in China (A1 stable) increase risks to these forecasts. Recent stress in the US banking system has also highlighted how a turn in the rate cycle can trigger otherwise latent risks in some sectors of the financial system (see the May 2023 update of our Global Macro Outlook 2023-24: Higher borrowing costs and tighter lending will slow global growth sharply this year).

The Irish economy continued to record exceptionally strong growth in 2022, with real MDD growing at 8.2% and real GDP at 12%. Still, a marked slowdown in growth in the fourth quarter of 2022 and a decline in quarterly GDP growth in Q1 2023 indicated that growth rates will be much less exceptional in 2023 and beyond. We currently forecast real GDP growth of 4.8% in 2023 and 4.5% in 2024. Private consumption has held up surprisingly well in the current inflationary environment, and was the main driver of growth in the final quarter of 2022. Total household gross disposable income remained positive in 2022, as a result of strong compensation growth in the final quarter. We expect real gross disposable income levels to continue to grow in 2023 and 2024, buoyed by persistently tight labour market conditions, supporting an ongoing positive contribution of private consumption to growth. The exceptional growth performance in 2022 was also spurred by very strong investment growth. Modified investment grew by close to 20% in 2022 on strong investment in machinery and equipment by multinationals in Ireland. While the scale of the investment growth in 2022 resulted from one-off factors, leading indicators suggest that continued expansion by multinationals in, for instance, pharmaceuticals, will keep modified investment growth positive in 2023.

On 3 February 2023, BOI closed the acquisition of €7.8 billion of predominantly performing Irish mortgages, €214 million of non-performing mortgages, €118 million of commercial and consumer loans and €1.8 billion of deposits from KBC Bank Ireland plc (KBC). The KBC portfolio is a significant addition to BOI's overall mortgage business, increasing their mortgage market lending stock by c. 35%.

In BOIG's 2022 year-end results, they announced a €350 million distribution, which included a €225 million dividend paid on 13 June 2023 and, subject to regulatory approval, a €125 million share buyback. BOI is targeting an annual c.40% payout through to 2025.

Detailed credit considerations

The financial data in the following sections are sourced from BOI Group's consolidated financial statements unless otherwise stated.

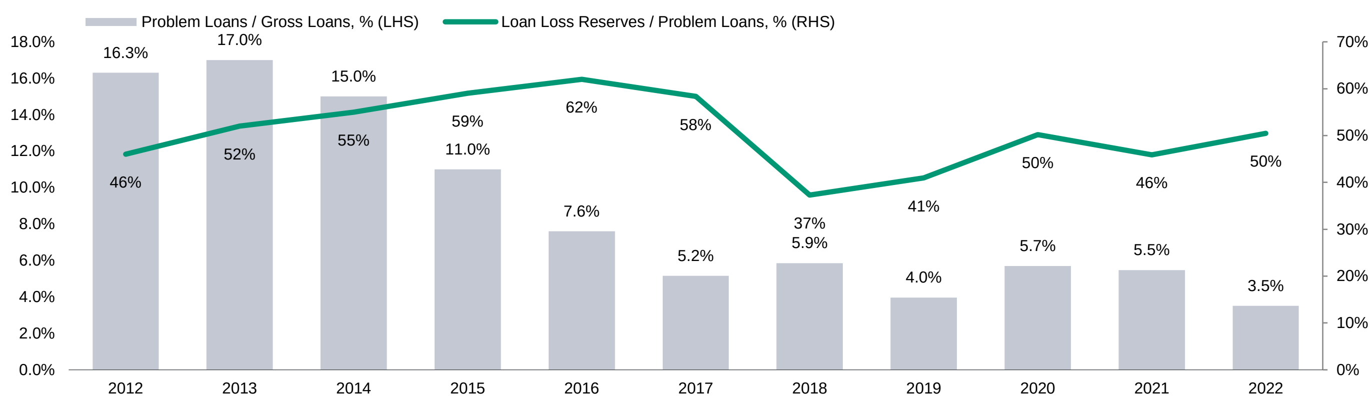
Asset risk has improved to more moderate levels, reducing risk to its capital and ability to absorb additional impairments in an economic stress

We view BOIG's Asset Risk as moderate and assign a score of baa3. The assigned score reflects Moody's expectation that the default rates in the commercial sector, will increase due to falling but still-high inflation and higher interest rates. However, the overall level of problem loans (stage 3) will in the end depend on the level of non-performing portfolio disposals undertaken, the diluting impact of performing loan book purchases from KBC as well as new lending. Overall, BOI's exposure to commercial real estate (CRE) is modest and its underwriting standards are much stronger than in the past. As a result, even though property prices are exposed to tail risk from highly leveraged CRE transactions via investment funds, Moody's expects the risk to BOI to be contained.

The problem loans (PL) ratio improved to 3.5% in 2022 vs 5.5% in 2021 despite a loan book contraction of 6%. However, stage 2 loans increased to 17.3% from 15.9%, and continue to lag behind that of AIB. The PL ratio reflects BOI's disposal of a pool of non-performing residential mortgages and business banking portfolios with a gross carrying value of €1.3 billion, while the increase in stage 2 loans reflects the deteriorating economic conditions offset by the net impact of updated Covid-19 post model adjustments. In terms of cost of risk, BOI reported 25 basis points (bps) as of year-end 2022, with 2023 guidance in the mid-30s bps.

We expect the level of problem loans to remain low although they could increase as a result of high inflationary pressures eroding borrowers purchasing power and debt servicing capacity.

Exhibit 3
Problem loans are at all-time lows and supported by adequate provisioning



Pre-2018 data is under IAS39, while 2018 - 2022 data is under IFRS9.
Source: Moody's Investors Service

Irish residential property price growth has decelerated from the highs seen 2022 and rising interest rates are expected to support this trend throughout 2023. However, a decrease in residential construction activity, from a strong prior year, could restrict housing supply which will help support house prices. At BOI, the proportion of negative-equity mortgages[2], improved to 0.5% as of 2022 from 3.0% as of end-December 2020, but continues to constrain our asset risk assessment. The 80-100% LTV proportion of BOI's ROI mortgage portfolio represents 8%, up from 6% in the prior year.

The bank reported €2.75 billion of loans in forbearance, but outside of Stage 3 assets, in 2022, or 3.8% of gross loans, which we view as more vulnerable to economic deterioration. The corporate book recorded a PL ratio of 6.8% in 2022 versus 4.2% a year earlier due to a 72% increase in NPE . The PL ratio for the Irish SME portfolio was at 7.8% (2021: 9.7%). The property and construction portfolio, was 700bps lower versus 2021, at 5.1% of NPEs as of end-December 2022, which is a material decrease from the 12% as of December 2021.

Capitalisation likely to remain strong, supported by moderate profitability

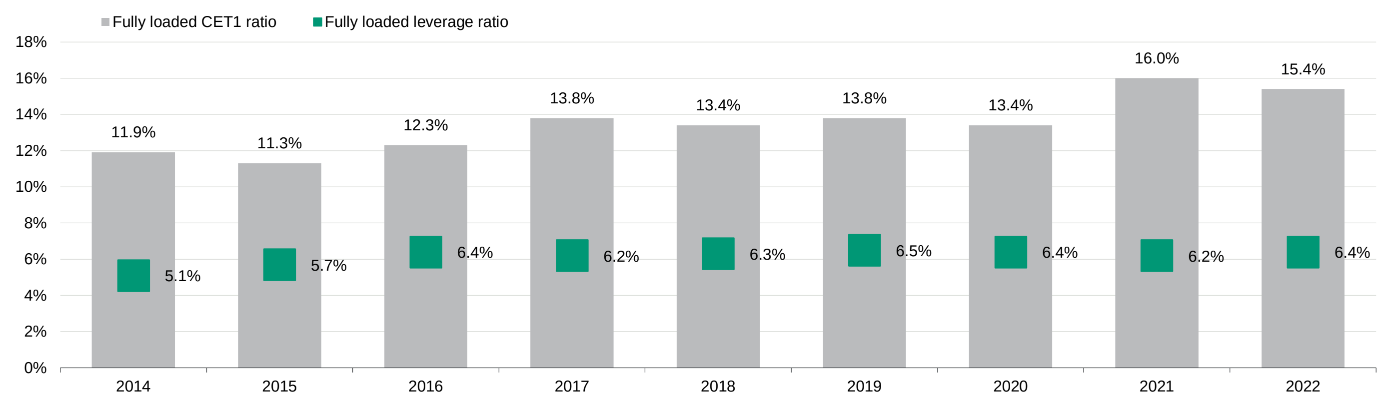
We view BOI Group's Capital as strong and assign an a1 score, corresponding to the medium term level for its tangible common equity (TCE) to risk-weighted assets (RWA) ratio including the impact of portfolio acquisitions and new lending, as well as our expectation that the bank will maintain solid capital.

In 2022, BOI Group's fully loaded TCE ratio was 19.8% and its fully loaded CET1 ratio was 15.4%, down from 16% at December 2021, reflecting 135 bps of net organic capital generation and movements in the group's defined benefit pension scheme, offset by an increase in RWAs, the Davy acquisition and the proposed dividend. BOI's capital strength will enable the group to absorb c.110 bps investment costs in relation to the KBC portfolios acquisition as well as planned distributions.

The group's regulatory CET1 ratio of 15.9% as of year-end 2022 (fully loaded CET1 - 15.4%), comfortably exceeded its CET1 requirement of 10.04%, which will increase to 10.91% in 2023 and 11.22% in 2024. The bank's fully loaded leverage ratio was strong at 6.4% as of December 2022 (6.2% as of December 2021).

Exhibit 4

Regulatory capital ratios remain strong



Source: BOI financial reports

Profitability will be supported by rising rates

We view BOI's Profitability as moderate and improving. We assign a score of ba1, reflecting expected profitability of the bank over the medium term supported by rising rates and cheap deposit funding providing a boost to net interest margin (NIM) and net income. .

The costs due to the integration of the DAVY and the KBC portfolio should be manageable and these transactions will further support interest and fee income generation and positively contribute via economies of scale to bottom line.

BOI reported profits of €897 million as of December 2022, although these were down 15% YoY, driven by (1) a 12% increase in net interest income, primarily driven by higher rates and customer balances, (2) sizeable improvement in business income and (3) offset by a negative impact from valuation items due to widening credit spreads and equity market movements resulting in the adverse fund and investment performance in Wealth and Insurance (€128 million loss versus a €34 million income in 2021. However, in our assigned score we exclude this due to the volatility it provides in P&L). Higher operating expenses (6%) and a net impairment charge of €187 million versus a €194 million gain in 2021 also contributed to the bank's lower profitability in 2022.

In the year-end 2022, the bank's reported net interest margin was 1.96%, 10bps higher compared to year-end 2021. The increase reflected an increased proportion of low-interest bearing securities, the competitive pressure in the mortgage market and lower TLTRO income as all of the group's TLTRO funding was repaid in November 2022. Additionally, as 24% of BOI's ROI mortgage book are tracker mortgages and 7% are variable rate, this will further provide positive pressure on NIM as interest rates rise.

Importantly, interest rate rises will support BOI's net interest income, particularly in light of its holding of tracker mortgages (24% of total Irish mortgages as of December 2022), which immediately reprice with the rate increases undertaken by the European Central Bank (ECB). BOIG upgraded its 2023 guidance for net interest income growth on 7 March 2023 to >12% than Q4 2022 annualised rate of c.€3 billion. The updated guidance reflects the evolving interest rate environment and will enable it to absorb any cost of risk increases it could face over the next 12-18 months.

BOI is transforming its technology platforms and processes. Together with the customer engagement becoming increasingly digitalized we expect the bank's efficiency to improve. Moody's-calculated cost-to-income ratio for the bank was weak at 62.2% in year-end 2022, albeit an improvement from 83.3% in 2020, and the bank is now targeting a cost-to-income ratio of <50%.

Strong liquidity profile with relatively low use of wholesale funding and ample liquid asset holdings

We view BOI's Funding Structure as a relative strength, and assign an a3 score to reflect the expected trend as the bank issues modest additional MREL-eligible debt. The MREL ratio of 31.5% as of December 2022 was 655 bps above the 1 January 2022 requirement of 24.95% and above the Group's future MREL requirement expected to be c. 29.5%.

The bank's market funding reliance decreased, with a market funds to tangible banking assets ratio of 7.3% as of end-December 2022 (16.4% as of year-end 2021 and 7.6% as of year-end 2020). The decrease in the ratio was due to the repayment in full of TLTRO III funding of €10.8bn. This was partially offset by the issuance of around €3.5 billion of MREL eligible senior unsecured bonds during 2022 and in 2023.

The bank's gross loans-to-customer deposits (LtD) ratio was 73% as of year-end 2022 vs 84% in year-end 2021. The improvement was driven by a surge in Irish banks' deposit base and modest decline in loan book.

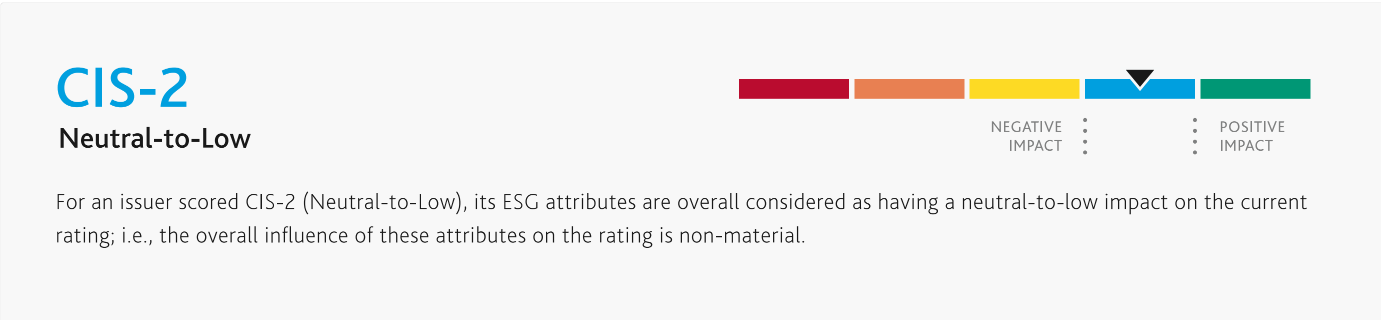
BOI has a sufficient stock of good-quality liquid assets in both Ireland and the UK. As of end-December 2022, the bank had a liquid banking assets to tangible banking assets ratio of 38.1% vs 37.0% as of end-December 2021. It also comfortably meets regulatory liquidity requirements, reporting a net stable funding ratio of 163%, up from 144% in year-end 2021, and a liquidity coverage ratio of 221% up from 181% as of December 2021.

We assign a Liquid Resources score of a3, to reflect our expectation that the level of liquid resources will decline due to new lending and portfolio acquisitions as well as a decline in corporate and household savings rates. Having said that, the exit of Ulster Bank Ireland DAC's (UBIDAC; A1 stable/Prime-1 deposit and A1 negative/Prime-1 issuer rating) from the market will result in its depositors moving to the remaining banks which will further support the strong deposit funding base of the bank. During 2022, BOI opened c.240,000 current accounts for customers versus the c.120,000 current accounts opened in the prior year. New deposit accounts opened in 2022 also grew by 43% versus 2021.

ESG considerations

Bank of Ireland Group plc's ESG Credit Impact Score is Neutral-to-Low CIS-2

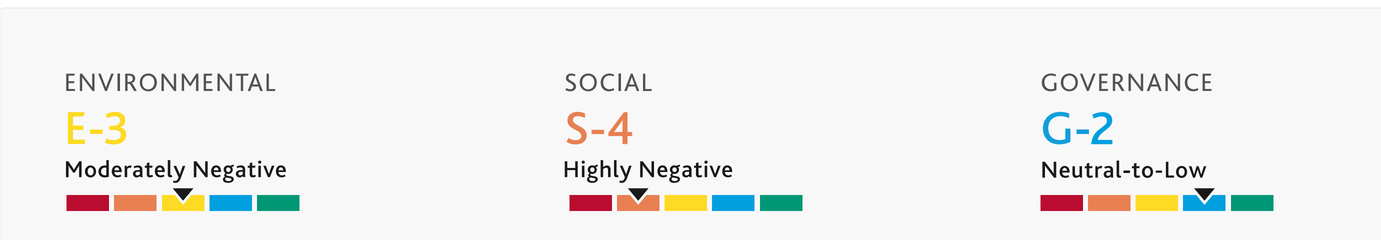
Exhibit 5
ESG Credit Impact Score



Source: Moody's Investors Service

BOI' ESG Credit Impact Score is neutral-to-low (**CIS-2**), reflecting limited credit impact from environmental and social risk factors on the ratings to date, and neutral-to-low governance risks.

Exhibit 6
ESG Issuer Profile Scores



Source: Moody's Investors Service

Environmental
BOI faces moderate exposure to environmental risks, in line with peers, primarily because of its portfolio exposure to carbon transition risk as a diversified, regional banking group. BOI is actively engaging in optimizing its loan portfolio longer-term toward less carbon intensive assets.

Social
BOI faces high industrywide social risks from customer relations (regulatory risk, litigation exposure and high compliance standards), and the area of data security and customer privacy. The group also faces industrywide moderate social risks from societal trends – in particular, digitalisation --- and the extent to which such measures may hurt earnings. BOI's ongoing IT investments and organisational measures aim to limit these risks. Furthermore, the Irish regulator's high focus on mis-selling and misrepresentation is largely offset by developed policies and procedures. Fines from tracker mortgages have so far been contained with no lasting effect on the franchise.

Governance
BOI's faces low governance risks. The bank's risk management, policies and procedures are in line with industry best practices and are suitable for its risk appetite.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Support and structural considerations

Loss Given Failure analysis

BOI is subject to the EU Bank Recovery and Resolution Directive, which we consider an operational resolution regime. We assume residual tangible common equity of 3%, post-failure losses of 8% of consolidated tangible banking assets, a 25% runoff in "junior" wholesale deposits and a 5% runoff in preferred deposits, and assign a 25% probability to deposits being preferred to senior unsecured debt. We also assume that the junior proportion of BOI's deposits is in line with our estimated EU-wide average of 26%. These are in line with our standard assumptions.

Our Advanced LGF analysis indicates that BOI's deposits are likely to face extremely low loss-given-failure because of the loss absorption provided by subordinated debt and, potentially, by senior unsecured debt should deposits be treated preferentially in a resolution, as well as the substantial volume of deposits themselves. This results in a Preliminary Rating (PR) Assessment of a1, three notches above the BCA.

BOI's senior unsecured debt is likely to face extremely low loss-given-failure because of the loss absorption provided by its own volume and the amount of debt subordinated to it. This results in a PR Assessment of a1, three notches above the BCA.

The senior unsecured debt issued by BOIG is likely to face low loss-given-failure because of the relatively large amount of debt subordinated to it. We assume that the holding company's senior obligations benefit from the subordination of both the holding company's and the bank's subordinated instruments. However, we believe that the holding company's senior unsecured debt is economically junior to the bank's senior unsecured debt, based on our forward-looking view that it will eventually fund debt which is contractually, structurally or statutorily subordinated to the operating company's external senior debt. This results in an a3 PR Assessment for the senior unsecured debt issued by the holding company to be positioned one notch above BOI's BCA.

BOI's and BOIG's subordinated instruments are likely to face high loss-given-failure according to our LGF analysis, given the relatively small volume of debt and limited protection from more subordinated instruments and residual equity. The ratings of BOI's and BOIG's subordinated debt and BOI's junior subordinated debt are Baa2 and Baa3(hyb), respectively.

Government support considerations

Given its systemic importance for Ireland, we believe that there is a moderate probability of government support for BOI should the bank fail; however, this currently does not result in any uplift from the PR Assessments for both deposits and senior unsecured ratings since these ratings are one notch below Ireland's rating resulting in a narrow rating differential between the support provider and bank's PR Assessment and our moderate likelihood of support assumption. However, an upgrade of Ireland's rating would likely result in an upgrade of BOI's deposits and senior unsecured ratings.

We consider the probability of government support for BOIG's liabilities to be low, providing no rating uplift to the assigned ratings. This is because such support, if needed, would likely only be provided to the operating entity, to enable it to maintain critical functions and mitigate risks to financial stability from its failure.

For other junior securities, we continue to believe that the probability of government support is low, and, as such, the ratings for these instruments do not include any related uplift.

Counterparty Risk (CR) Assessment and Counterparty Risk Ratings (CRRs)

BOI's CR Assessment is A1(cr)/Prime-1(cr). The CR Assessment is positioned three notches above the BOI's Adjusted BCA of baa1, based on the buffer against default provided to the senior obligations represented by the CR Assessment by subordinated instruments, without taking into account of the volume of the instrument class. The CR Assessment does not benefit from additional uplift of government support.

BOI's CRRs are A1/Prime-1. The counterparty risk rating of A1 reflects the Adjusted BCA of baa1, three notches of uplift reflecting the extremely low loss given failure from the high volume of instruments that are subordinated to CRR liabilities. The CRR does not benefit from additional uplift of government support.

Methodology and scorecard

About Moody's Bank Scorecard

Our scorecard is designed to capture, express and explain in summary form our Rating Committee's judgement. When read in conjunction with our research, a fulsome presentation of our judgement is expressed. As a result, the output of our scorecard may materially differ from that suggested by raw data alone (though it has been calibrated to avoid the frequent need for strong divergence). The scorecard output and the individual scores are discussed in rating committees and may be adjusted up or down to reflect conditions specific to each rated entity. LGF analysis includes our forward-looking assumptions.

Note: Below scorecard's historic ratios are as of year-end 2022 financials; while our assigned scores reflect Moody's assessment and expected trends.

Rating methodology and scorecard factors

Exhibit 7

Bank of Ireland Group plc

Macro Factors							
Weighted Macro Profile	**Strong +**	**100%**					

Factor	Historic Ratio	Initial Score	Expected Trend	Assigned Score	Key driver #1	Key driver #2
Solvency						
Asset Risk						
Problem Loans / Gross Loans	4.9%	baa1	↔	baa3	Expected trend	Operational risk
Capital						
Tangible Common Equity / Risk Weighted Assets (Basel III - fully loaded)	19.8%	aa2	↔	a1	Expected trend	
Profitability						
Net Income / Tangible Assets	-1.0%	caa3	↔	ba1	Expected trend	
Combined Solvency Score		baa2		baa1		
Liquidity						
Funding Structure						
Market Funds / Tangible Banking Assets	7.3%	aa3	↔	a3	Expected trend	Deposit quality
Liquid Resources						
Liquid Banking Assets / Tangible Banking Assets	38.1%	a1	↔	a3	Expected trend	
Combined Liquidity Score		aa3		a3		
Financial Profile				baa1		
Qualitative Adjustments				Adjustment		
Business Diversification				0		
Opacity and Complexity				0		
Corporate Behavior				0		
Total Qualitative Adjustments				0		
Sovereign or Affiliate constraint				Aa3		
BCA Scorecard-indicated Outcome - Range				a3 - baa2		
Assigned BCA				baa1		
Affiliate Support notching				0		
Adjusted BCA				baa1		

Balance Sheet	in-scope (EUR Million)	% in-scope	at-failure (EUR Million)	% at-failure
Other liabilities	11,028	9.0%	21,104	17.2%
Deposits	98,786	80.6%	88,710	72.4%
Preferred deposits	73,102	59.7%	69,447	56.7%
Junior deposits	25,684	21.0%	19,263	15.7%
Senior unsecured bank debt	50	0.0%	50	0.0%
Dated subordinated bank debt	37	0.0%	37	0.0%
Junior subordinated bank debt	85	0.1%	85	0.1%
Senior unsecured holding company debt	6,221	5.1%	6,221	5.1%
Dated subordinated holding company debt	1,638	1.3%	1,638	1.3%
Preference shares(holding company)	975	0.8%	975	0.8%
Equity	3,675	3.0%	3,675	3.0%
Total Tangible Banking Assets	122,494	100.0%	122,494	100.0%

Debt Class	De Jure waterfall		De Facto waterfall		Notching		LGF Notching Guidance vs. Adjusted BCA	Assigned LGF notching	Additional Notching	Preliminary Rating Assessment
	Instrument volume + subordination	Sub-ordination	Instrument volume + subordination	Sub-ordination	De Jure	De Facto				
Counterparty Risk Rating	26.1%	26.1%	26.1%	26.1%	3	3	3	3	0	a1
Counterparty Risk Assessment	26.1%	26.1%	26.1%	26.1%	3	3	3	3	0	a1 (cr)
Deposits	26.1%	10.3%	26.1%	10.4%	3	3	3	3	0	a1
Senior unsecured bank debt	26.1%	10.3%	10.4%	10.3%	3	2	3	3	0	a1
Senior unsecured holding company debt	10.3%	5.2%	10.3%	5.2%	1	1	1	1	0	a3
Dated subordinated bank debt	5.2%	3.9%	5.2%	3.9%	-1	-1	-1	-1	0	baa2
Dated subordinated holding company debt	5.2%	3.9%	5.2%	3.9%	-1	-1	-1	-1	0	baa2
Junior subordinated bank debt	3.9%	3.8%	3.9%	3.8%	-1	-1	-1	-1	-1	baa3
Non-cumulative bank preference shares	3.8%	3.0%	3.8%	3.0%	-1	-1	-1	-1	-2	ba1
Holding company non-cumulative preference shares	3.8%	3.0%	3.8%	3.0%	-1	-1	-1	-1	-2	ba1

Instrument Class	Loss Given Failure notching	Additional notching	Preliminary Rating Assessment	Government Support notching	Local Currency Rating	Foreign Currency Rating
Counterparty Risk Rating	3	0	a1	0	A1	A1
Counterparty Risk Assessment	3	0	a1 (cr)	0	A1(cr)	
Deposits	3	0	a1	0	A1	A1
Senior unsecured bank debt	3	0	a1	0	A1	A1
Senior unsecured holding company debt	1	0	a3	0	A3	A3
Dated subordinated bank debt	-1	0	baa2	0	(P)Baa2	
Dated subordinated holding company debt	-1	0	baa2	0	Baa2	Baa2
Junior subordinated bank debt	-1	-1	baa3	0		Baa3 (hyb)
Non-cumulative bank preference shares	-1	-2	ba1	0	Ba1 (hyb)	Ba1 (hyb)
Holding company non-cumulative preference shares	-1	-2	ba1	0	Ba1 (hyb)	

[1] Where dashes are shown for a particular factor (or sub-factor), the score is based on non-public information.
Source: Moody's Investors Service

Ratings

Exhibit 8

Category	Moody's Rating
BANK OF IRELAND GROUP PLC	
Outlook	Stable
Issuer Rating	A3
Senior Unsecured	A3
Subordinate	Baa2
Pref. Stock Non-cumulative -Dom Curr	Ba1 (hyb)
BANK OF IRELAND (UK) PLC	
Outlook	Stable
Counterparty Risk Rating	A2/P-1
Bank Deposits	A3/P-2
Baseline Credit Assessment	baa2
Adjusted Baseline Credit Assessment	baa1
Counterparty Risk Assessment	A1(cr)/P-1(cr)
BANK OF IRELAND	
Outlook	Stable
Counterparty Risk Rating	A1/P-1
Bank Deposits	A1/P-1
Baseline Credit Assessment	baa1
Adjusted Baseline Credit Assessment	baa1
Counterparty Risk Assessment	A1(cr)/P-1(cr)
Issuer Rating	A1
Senior Unsecured	A1
Subordinate MTN -Dom Curr	(P)Baa2
Jr Subordinate	Baa3 (hyb)
Pref. Stock Non-cumulative	Ba1 (hyb)
Commercial Paper	P-1
Other Short Term	(P)P-1

Source: Moody's Investors Service

Endnotes

1 Long-term deposit rating and Baseline Credit Assessment.

2 Loan-to-value ratios above 100%.

REPORT NUMBER 1371361

MOODY'S
INVESTORS SERVICE