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Bank of Ireland Group PLC

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Bank of Ireland Group PLC

UGCP	bbb		+	Support	+1	+	Additional Factors	0
Anchor	bbb			ALAC Support	+1		Issuer Credit Rating	BBB+/Positive/A-2
Business Position	Adequate	0		GRE Support	0		Resolution Counterparty Rating	A-/--/A-2
Capital and Earnings	Strong	+1		Group Support	0		Holding Company ICR	BBB-/Positive/A-3
Risk Position	Moderate	-1		Sovereign Support	0			
Funding	Average	0						
Liquidity	Adequate							

UGCP—The unsupported group credit profile of the Bank of Ireland group. The holding company issuer credit rating (ICR) shown applies to Bank of Ireland Group PLC, and is one notch below the UGCP. The ICR and the resolution counterparty rating shown apply to the core bank operating subsidiary, Bank of Ireland.

Major Rating Factors

Issuer Credit Rating
BBB-/Positive/A-3

Strengths:	Weaknesses:
<ul style="list-style-type: none"> Better relative asset quality performance than Irish peers, which we expect to remain the case. Stable franchise in Ireland, with a high market share across business lines and better international diversity than Irish peers. Stable deposit base characterized by very low concentration risks and a low proportion of corporate deposits. 	<ul style="list-style-type: none"> More restrained earnings prospects than international peers' as the group seeks to return to loan growth and invest in the business. Still-high stock of nonperforming loans relative to similarly rated peers in other countries. Exposed to macroeconomic uncertainty in both the U.K. and Ireland following the U.K.'s referendum vote to leave the EU.

Outlook

BANK OF IRELAND GROUP PLC

The positive outlook on Bank of Ireland Group PLC (BOI) reflects its superior asset quality track record relative to domestic peers, which we believe gives it the potential to be aligned with higher rated international peers over our two-year outlook time horizon.

We could raise the UGCP, and therefore the issuer credit ratings, if asset quality metrics across the group significantly improve, while at the same time capitalization remains a ratings strength and internal capital generation improves. If we raised the UGCP we would also raise the hybrid ratings.

We could revise the outlook back to stable if the group makes slower progress than we assume, or if a severe adverse economic scenario emerges in the U.K., possibly linked to a disorderly Brexit.

BANK OF IRELAND

The positive outlook mirrors the outlook on the group.

We could also raise the ratings on Bank of Ireland if the group makes more substantial progress than expected in terms of MREL issuance (minimum requirement for own funds and eligible liabilities). This would enable us to raise the ratings if its additional loss-absorbing capacity (ALAC) buffer exceeds our 8% threshold for two notches of ALAC support within the long-term issuer credit rating, and we expect this to remain the case.

Rationale

BOI benefits from its robust domestic banking franchise, which is similar in profile to its close peer, AIB Group PLC, which we rate at the same level. However, unlike AIB, BOI also has an Irish bancassurance franchise and a larger U.K. business. Overall, the principle ratings differential between the two is BOI's better asset quality, which we reflect in a positive outlook for BOI versus a stable outlook for AIB.

Nevertheless, relative to international peers, asset quality remains a ratings weakness for now. Moreover, we believe that BOI's domestic franchise strength is adequately captured by our view of the Irish banking system. We have yet to see evidence of strong business growth that feeds through into consistent internal capital generation, which we typically observe in higher rated "national champion" peers.

In 2018, BOI outlined a new strategic plan, which aims for 20% growth in the loan book by 2021 by expanding mortgage, SME, and corporate lending in Ireland, among other initiatives. Following 10 years of de-leveraging, loan

book growth will be an important element in BOI's aim to achieve improved returns.

We compare BOI to the other rated Irish banks and a range of regional banks with a similar or stronger economic and industry risk profile: for example, Bank Hapoalim B.M. (UGCP 'bbb+'); CSOB ('a-'); Banco de Sabadell S.A. ('bbb'), Caixabank S.A. ('bbb+'); CYBG plc ('bbb'), and Santander UK Group Holdings plc ('bbb+').

Currently, BOI ranks around the middle of the peer group in terms of its unsupported GCP. As indicated by the positive outlook, we could raise our ratings on BOI.

Anchor: Ireland expected to remain the key influence despite large U.K. exposure

The starting point for our ratings on BOI is its 'bbb' anchor, which incorporates our view of the economic risks in Ireland and the U.K., where BOI predominantly operates. We base our weighted-average economic risk score for BOI on the geographic distribution of its customer loan exposures. The distribution is roughly 50% exposure to Ireland, 45% to the U.K., and 5% to the rest of the world. We score the weighted-average economic risk closer to '5' than '4' on a scale of 1-10 (where '1' is the lowest risk and '10' is the highest; our score for Ireland is '5' and for the U.K. it is '4'). BOI's planned loan book growth assumes that around two-thirds will come from its home market. The industry risk score of '4' is solely based upon its domicile in Ireland.

In our view, the economic risk trend in Ireland is stable. This reflects our assumption that Ireland's GDP growth will remain brisk, which in turn will continue to feed through to further property price appreciation and reduction in unemployment--all of which should help, at least in the short term, to improve the resilience of banks' balance sheets. We assume that the era of household and corporate deleveraging is now largely done and we would need to see evidence of a substantial further reduction in NPLs before we could consider an improved assessment. Even then, ongoing house price inflation and any potential risks to Ireland from its close trading partner, the U.K., leaving the EU may also cause us to delay a stronger assessment.

The industry risk trend is also stable. We assume that our metric of deposits to loans will remain above 75% on a sustainable basis, as lending growth revives, and that regular access to wholesale markets will persist. We also assume that net interest margin pressure will not emerge sufficiently to weigh upon statutory earnings. Banks will likely continue to invest in their operations and digital capability. Finally, we also assume that the longstanding government stakes in a large part of the banking system will only be reduced to zero during the 2020s.

Table 1

Bank of Ireland Group PLC--Key Figures					
Reporting Period	2018*	2017	2016	2015	2014
(Mil. €)					
Adjusted assets	106,216	107,354	108,783	118,154	117,862
Customer loans (gross)	78,688	78,487	82,362	90,575	89,541
Adjusted common equity	6,174	5,749	5,627	5,709	4,567
Operating revenues	1,417	3,007	3,169	3,299	3,079
Noninterest expenses	1,000	2,084	1,902	1,829	1,714
Core earnings	410	734	833	786	622

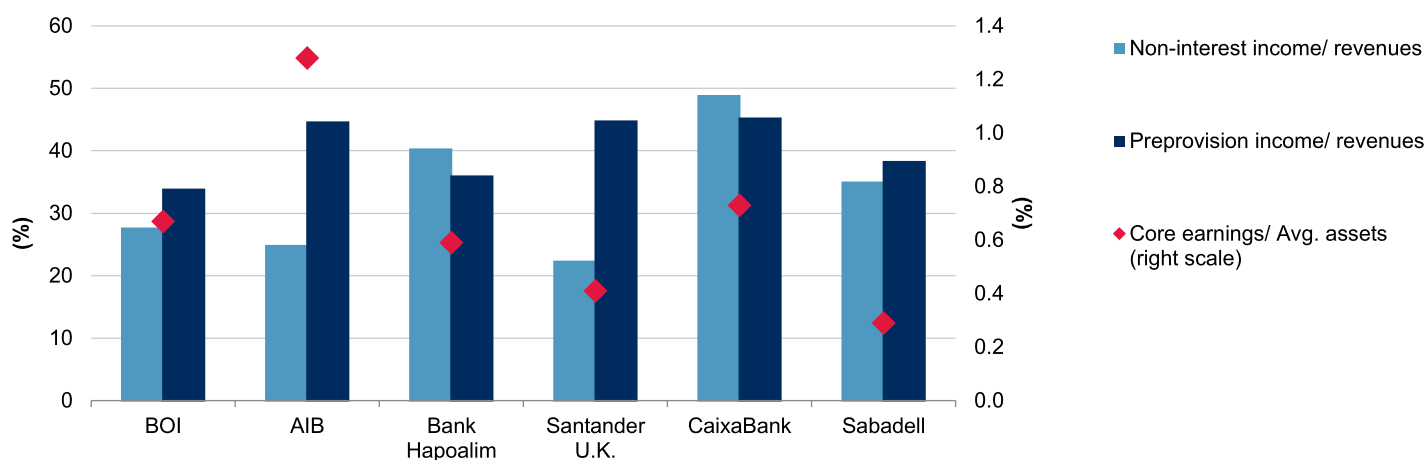
*Data as of June 30. Source: S&P Global Ratings database.

Business position: Investing for long-term growth

BOI benefits from resilient domestic franchises and high market share across all retail and commercial banking lines in Ireland. We expect this to remain the case. We recently revised this assessment to adequate from strong, following an improvement in our view of Irish industry risk, which informs our peer analysis. This revision does not reflect a fundamental deterioration in our view of BOI, rather we see no reason to raise its ratings at this time. Relative to some other "national champion" banks we think that BOI lacks scale, business growth, and its earnings prospects are more mixed.

Chart 1

BOI And Peers' Selected Metrics



Source: S&P Global Rating database. 3-year average 2016-2018 (estimate).
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We consider that BOI demonstrates good business and geographic diversity for a regional bank. We believe that its U.K. business is a predictable performer, albeit in an increasingly competitive market, and allows for long-term growth potential relative to the smaller Irish banking market. We also believe BOI's Irish life insurance division adds to its revenue diversity (though its earnings demonstrate little material evidence of growth).

In 2018 BOI outlined a new strategic plan. Key elements include:

- Group loan book expected to grow by about 20% by 2021 (the net loan book was just under €77 billion at Sept. 30, 2018);
- Completing the transformation of the bank; the investment program has been increased to €1.4 billion from €0.9 billion, with absolute cost levels declining year-on-year to 2021.
- Target by 2021 a return on tangible equity of 10%, a cost-income ratio of about 50% and a CET1 ratio in excess of 13%.

We view the strategy as a natural extension of the group's existing plans and consider that the financial targets are plausible, although loan book growth will rely on a step-up in customer loan demand in Ireland. The strong focus on

improvements to systems, the customer experience, and efficiency, sensibly addresses some of the key requirements for any bank as the banking industry adjusts to rapidly changing customer preferences.

Chart 2 highlights both the diversity of revenue by business line and the relative stability of revenues in recent years. We are not expecting significant change.

Chart 2

Total Operating Income (Net of Insurance Claims) By Division



*As reported. Net of insurance claims. Source: company accounts

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The Irish government has broadly maintained its 14% equity stake in BOI since the Irish banking system was recapitalised in 2011; we assume that this stake will disappear more quickly than its 71% stake in close peer, AIB.

Capital and earnings: Return of excess regulatory capital to shareholders appears unlikely while BOI works through its IT investment phase

We view BOI's capital and earnings as strong. We project BOI's risk-adjusted capital (RAC) ratio will be 11.0%-11.5% through end-2020.

We calculate BOI's RAC ratio to be 10.2% as of Dec. 31, 2017.

We base our RAC projection on the following key assumptions:

- Pre-provision income in 2020 around 25%-30% higher than our calculation of €923 million in 2017, principally reflecting lower operating expenses but also an improvement in revenues toward the end of the projection period. We assume a broadly stable net interest margin.

- Loan loss rate to average around 20bps-25bps through 2019-2020, following a modest net impairment gain in 2018.
- Modest impact from exceptional items.
- We have incorporated the full negative day one impact of International Financial Reporting Standard (IFRS) 9 on total adjusted capital (TAC) of €120 million.
- A gradual ramping up of dividends toward the bank's target of a 50% payout ratio by the end of the projection period.
- S&P Global Ratings RWA to be broadly flat in 2018, before rising by around 5%-6% in both 2019 and 2020, as loan growth becomes more apparent.
- We do not factor potential net new TAC eligible AT1 issuance into our forecast, until consummated.

The quality of capital is consistent with most international peers with our ratio of adjusted common equity to TAC being 92% at June 30, 2018.

BOI reported a regulatory CET1 ratio of 15.1% on Sept. 30, 2018. BOI's regulatory capital ratio does tend to demonstrate a degree of volatility related to its pension scheme.

Our assessment of capital and earnings also looks beyond the capital analysis and considers both the quality of earnings and earnings capacity. We do not view management's risk appetite in the context of its updated strategy as aggressive. We expect our calculation of BOI's earnings buffer, which measures the capacity for pre-provision income to cover our estimation of normalized credit losses through the credit cycle, to be around 70 basis points (bps) in 2018 before rising to around 85 bps in 2019. This may prove to be a bit weaker than some international peers.

Table 2

Bank of Ireland Group PLC--Capital And Earnings					
Reporting Period	2018*	2017	2016	2015	2014
(%)					
Criteria reflected in RAC ratios	2017 RAC Criteria	2017 RAC Criteria	2017 RAC Criteria	2010 RAC Criteria	2010 RAC Criteria
Tier 1 capital ratio	16.9	17.0	15.7	14.8	14.9
S&P RAC ratio before diversification	N.A.	10.2	10.1	7.3	4.7
S&P RAC ratio after diversification	N.A.	10.1	10.0	7.6	4.8
Adjusted common equity/total adjusted capital	92.3	92.2	88.0	87.9	98.9
Net interest income/operating revenues	75.9	71.6	71.4	74.1	75.4
Fee income/operating revenues	11.2	10.8	10.6	9.7	11.2
Market-sensitive income/operating revenues	2.2	7.8	8.9	7.7	5.2
Noninterest expenses/operating revenues	70.6	69.3	60.0	55.4	55.7
Preprovision operating income/average assets	0.7	0.8	1.0	1.1	1.0
Core earnings/average managed assets	0.7	0.6	0.7	0.6	0.5

*Data as of June 30. Source: S&P Global Ratings database.

Table 3

Bank of Ireland Group PLC RACF [Risk-Adjusted Capital Framework] Data					
(Mil. €)	Exposure*	Basel III RWA	Average Basel III RW (%)	S&P Global RWA	Average S&P Global RW (%)
Credit risk					
Government and central banks	18,578	313	2	502	3
Of which regional governments and local authorities	428	50	12	19	4
Institutions and CCPs	5,444	675	12	1,125	21
Corporate	22,403	17,425	78	19,111	85
Retail	54,823	15,475	28	30,088	55
Of which mortgage	47,097	11,763	25	22,157	47
Securitization§	4,116	463	11	1,935	47
Other assets†	770	850	110	1,343	174
Total credit risk	106,134	35,200	33	54,104	51
Credit valuation adjustment					
Total credit valuation adjustment	--	163	--	0	--
Market risk					
Equity in the banking book	0	0	0	0	0
Trading book market risk	--	513	--	769	--
Total market risk	--	513	--	769	--
Operational risk					
Total operational risk	--	4,625	--	6,186	--
(Mil. €)		Basel III RWA		S&P Global RWA	% of S&P Global RWA
Diversification adjustments					
RWA before diversification		44,950		61,059	100
Total Diversification/Concentration Adjustments		--		435	1
RWA after diversification		44,950		61,493	101
(Mil. €)		Tier 1 capital	Tier 1 ratio (%)	Total adjusted capital	S&P Global RAC ratio (%)
Capital ratio					
Capital ratio before adjustments		7,625	17.0	6,235	10.2
Capital ratio after adjustments‡		7,625	17.0	6,235	10.1

*Exposure at default. §Securitisation Exposure includes the securitisation tranches deducted from capital in the regulatory framework. †Other assets includes Deferred Tax Assets (DTAs) not deducted from ACE. ‡Adjustments to Tier 1 ratio are additional regulatory requirements (e.g. transitional floor or Pillar 2 add-ons). RWA--Risk-weighted assets. RW--Risk weight. RAC--Risk-adjusted capital. Sources: Company data as of Dec. 31, 2017, S&P Global.

Risk position: Clear differential remains compared to international peers

Our risk position assessment should be viewed in the context of peers with a similar economic and product mix. We consider that BOI's asset quality is generally better than its Irish peers but is weaker than international peers. We expect BOI to continue to make progress improving its asset quality but rather doubt that its metrics will approach

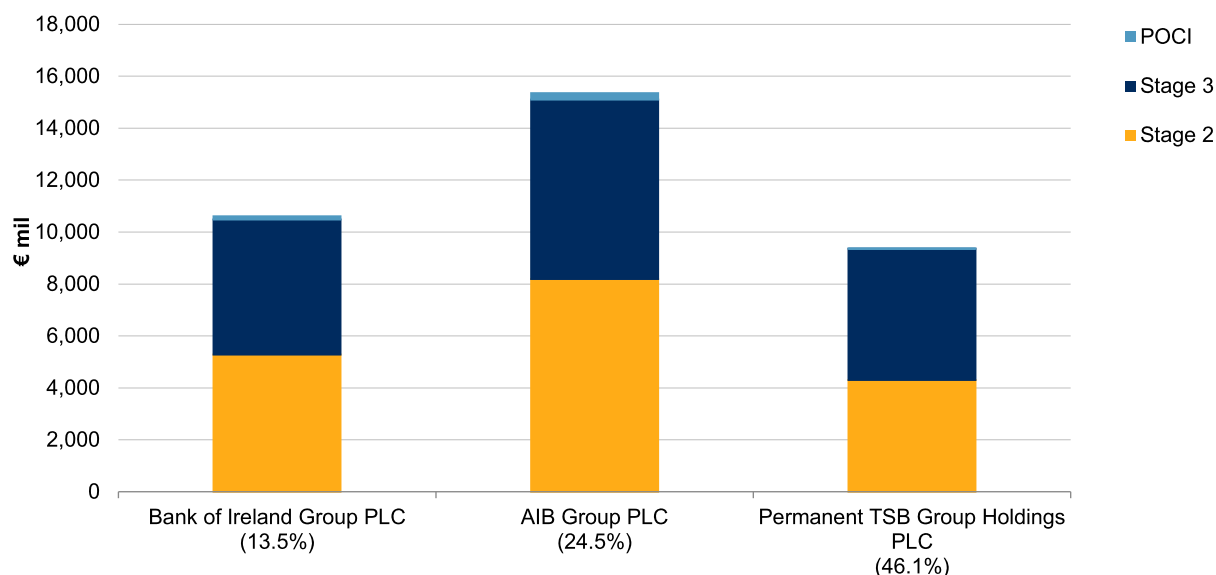
international norms in the short term, though they may do so over our two-year outlook horizon.

Relative to Irish peers, BOI benefits from a higher U.K. loan book weighting (about 45%), where asset quality is much better.

BOI stated that Stage 3 loans were €5.2 billion or 6.7% of gross loans at June 30, 2018. A broader analysis of asset quality also captures Stage 2 loans. For BOI, total Stage 2 loans were €5.3 billion or 6.6% of gross loans at the same date. These metrics are stronger than at AIB and domestic peer, Permanent TSB Group Holdings PLC (see chart 3). Expected credit loss coverage of Stage 2 and Stage 3 loans was 18.4%.

Chart 3

NPL Composition For Bank of Ireland Versus Other Irish Banks



*As of June 30, 2018. Ratio in brackets is Stage 2+Stage 3+POCI to gross loans. Source: Company accounts. Copyright © 2019 by Standard & Poor's Financial Services LLC. All rights reserved.

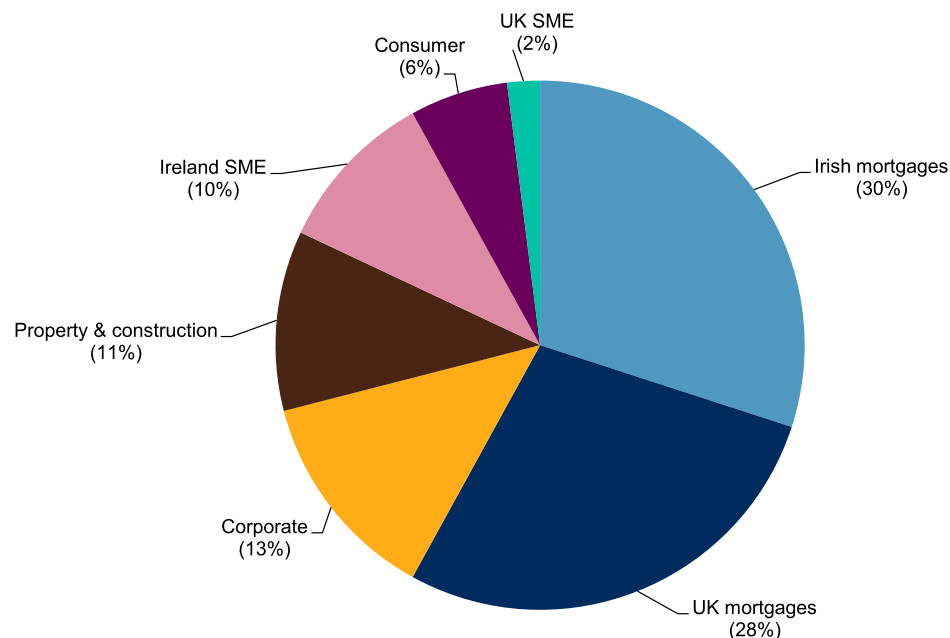
We note that Irish banks are required to use the European Banking Authority's (EBA) regulatory definition of NPEs for regulatory reporting, EBA stress testing, and for capital planning. According to BOI, the EBA's measure of NPEs post-implementation of IFRS 9 includes loans that are unlikely to pay, collateral disposals, and probationary period loans. As of June 30, 2018, BOI reported an NPE measure of €5.8 billion, 7.5% of gross loans, which compares to 12% at AIB and 25% at PTSB (though we expect the latter to be below 10% at end-2018). We assume that BOI will report a slightly improved NPE ratio at end-2018.

The loan book is dominated by residential mortgages, which were 59% of gross loans at June 30, 2018, being broadly equally spread between Irish and U.K. mortgages (chart 4). Property and construction is still an important element, at 11% of gross loans. Its relative role continues to decrease, however. It was 19% of gross loans at end-2012, for

example.

Chart 4

Gross Loan Book Composition For Bank of Ireland (€78.4 bil.)



*As of June 30, 2018. Source: company accounts

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We consider that the BOI's Irish mortgage book has generally better characteristics than Irish peers. In particular, BOI has demonstrated lower arrears than the market. For example, at June 30, 2018, 2.2% of its owner-occupier Irish mortgage book was over 90 days past due, which compares to the industry average (including BOI) of 6.6%.

We consider that BOI's U.K. loan book, notwithstanding some concentrations in Northern Ireland and legacy commercial exposures in Great Britain, compares reasonably to U.K. averages. One area of potential weakness is the relatively high weighting for buy-to-let mortgages (39% of the U.K. mortgage book at June 30, 2018) and the relatively high loan-to-value of new lending (69% in the first half 2018).

Table 4

Bank Of Ireland Group PLC--Risk Position					
Reporting Period	2018*	2017	2016	2015	2014
(%)					
Growth in customer loans	0.5	(4.7)	(9.1)	1.2	(3.5)
Total diversification adjustment / S&P RWA before diversification	N.A.	0.7	2.3	(3.8)	(1.7)
Total managed assets/adjusted common equity (x)	19.7	21.3	21.8	22.9	28.4

Table 4

Bank Of Ireland Group PLC--Risk Position (cont.)					
Reporting Period	2018*	2017	2016	2015	2014
New loan loss provisions/average customer loans	(0.21)	0.0	0.2	0.3	0.5
Net charge-offs/average customer loans	N.A.	2.0	2.5	2.3	1.8
Gross nonperforming assets§/customer loans + other real estate owned	N.A.	10.9	15.2	20.4	25.5
Loan loss reserves/gross nonperforming assets§	N.A.	27.6	31.0	31.8	32.5

*Data as of June 30. Source: S&P Global Ratings database. §Impaired loans plus 90 days past due loans and renegotiated loans.

Funding and liquidity: Balanced profiles

We consider BOI's funding to be average in the context of the Irish banking system, and we expect this to remain the case.

BOI's funding profile benefits from its strong domestic franchises and its limited reliance on short-term wholesale funding. Our calculation of BOI's stable funding ratio of 107% at June 30, 2018, supports this view. We expect little material change in this ratio at end-2018.

BOI reported a loan-to-deposit ratio of 100% at June 30, 2018, a level which has been consistent in recent years. Deposits are largely sourced from retail customers, and are granular in nature. Reflecting the strength of its domestic franchise, current account credit balances were a reported 31% of total customer deposits at June 30, 2018.

Our metric of broad liquid assets to short-term wholesale funding was a relatively high 3x at June 30, 2018. This partly reflects the relative absence of wholesale funding given BOI's multi-year deleveraging. Reported total wholesale funding was €11 billion at June 30, 2018. This compares to reported total liquid assets of €23 billion. In future years we expect BOI's profile to move more in line with international peers.

Table 5

Bank Of Ireland Group PLC--Funding And Liquidity					
Reporting Period	2018*	2017	2016	2015	2014
(%)					
Core deposits/funding base	85.0	83.5	82.6	82.8	76.4
Customer loans (net)/customer deposits	100.0	100.5	104.5	105.7	110.6
Long term funding ratio	93.8	93.3	92.7	94.6	89.4
Stable funding ratio	106.9	109.4	106.8	106.2	101.2
Short-term wholesale funding/funding base	6.8	7.3	8.1	5.9	11.4
Broad liquid assets/short-term wholesale funding (x)	3.0	3.2	2.6	3.9	2.1
Net broad liquid assets/short-term customer deposits	16.5	19.7	16.7	21.5	17.2
Short-term wholesale funding/total wholesale funding	43.8	43.0	44.1	32.6	48.2
Narrow liquid assets/3-month wholesale funding (x)	13.7	13.8	9.1	12.0	4.2

*Data as of June 30. Source: S&P Global Ratings database.

Support: Our ALAC measure is rising

Bank of Ireland completed a corporate reorganization in July 2017 that resulted in the creation of Bank of Ireland Group PLC as the listed holding company of the group. Bank of Ireland Group PLC is the ultimate holding company of

the group that it heads, and is a NOHC. We expect the NOHC to downstream issued debt and equity capital to Bank of Ireland and that, over time, it will become a key vehicle for the group's issuance of long-term instruments designed to absorb losses, whether on a going-concern or nonviability basis.

In September 2017 BOI became the first Irish NOHC to issue MREL eligible instruments--two dated subordinated instruments with a combined value of around €750 million. During 2018 the NOHC issued two senior notes with a combined value of roughly €1.2 billion, which we include in our measure of its ALAC.

As a result, since October 2018, we have incorporated one notch of uplift into the long-term rating on BOI because the group's ALAC ratio is today above our 5.0% threshold and we expect this to remain the case.

We view the Irish resolution regime as effective under our ALAC criteria because, among other factors, we believe it contains a well-defined bail-in process under which authorities would permit nonviable systemically important banks to continue critical functions as going concerns following a bail-in of eligible liabilities.

In addition to the aforementioned MREL issuance we include the majority of the legacy BOI junior and subordinated instruments in our ALAC assessment because, over our projection period, we believe they have capacity to absorb losses without triggering a default on BOI's senior obligations (see table 6). On this basis, we calculate that ALAC was 4.0% of S&P Global Ratings' RWAs at year-end 2017; we estimate this metric will be around the 5.5% mark at year-end 2018 in the light of MREL issuance in 2018.

Table 6

Summary of ALAC Calculation As Of Dec. 31, 2017

		€ mil	% of S&P Global Ratings' RWAs
A	Adjusted common equity	5,749	
B	Hybrids in TAC	486	
C (=A+B)	Total adjusted capital	6,235	10.2%
D	TAC in excess of our 10% threshold	130	0.2%
E	ALAC-eligible instruments	2,322	
	of which NOHC senior	0	
	of which dated subordinated	1,963	
	of which minimal equity content hybrids	89	
	of which other	270	
F (=D+E)	ALAC buffer	2,453	4.0%
	S&P RWA	61,053	

*Source: S&P Global Ratings db.

Additional rating factors: None

No other factors affect the ratings.

Group structure, rated subsidiaries and hybrids

We do not include notches for ALAC support in the ratings on NOHCs because we do not believe that their senior obligations would continue to receive full and timely payment in a resolution scenario. As a result of this, the NOHC is rated one notch below the 'bbb' unsupported GCP.

We rate nondeferrable subordinated debt issued by BOI two notches below the UGCP, reflecting the debt's contractual subordination as a Tier 2 instrument and our view that the Bank Recovery and Resolution Directive creates the equivalent of a contractual write-down clause. We rate similar issuance by the NOHC one notch lower, reflecting our view of structural subordination.

Resolution Counterparty Ratings

Our 'A-/A-2' resolution counterparty ratings (RCRs) on Bank of Ireland are one notch above the long-term issuer credit rating. The RCRs also reflect our jurisdiction assessment for Ireland.

An RCR is a forward-looking opinion of the relative default risk of certain senior liabilities that may be protected from default through an effective bail-in resolution process for the issuing financial institutions. RCRs apply to issuers in jurisdictions where we assess the resolution regime to be effective and we consider the issuer likely to be subject to a resolution that entails a bail-in if it reaches nonviability.

Related Criteria

- Criteria - Financial Institutions - General: Methodology For Assigning Financial Institution Resolution Counterparty Ratings, April 19, 2018
- Criteria - Financial Institutions - General: Risk-Adjusted Capital Framework Methodology, July 20, 2017
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- Criteria - Financial Institutions - Banks: Bank Rating Methodology And Assumptions: Additional Loss-Absorbing Capacity, April 27, 2015
- Criteria - Financial Institutions - Banks: Bank Hybrid Capital And Nondeferrable Subordinated Debt Methodology And Assumptions, Jan. 29, 2015
- General Criteria: Group Rating Methodology, Nov. 19, 2013
- Criteria - Financial Institutions - Banks: Quantitative Metrics For Rating Banks Globally: Methodology And Assumptions, July 17, 2013
- Criteria - Financial Institutions - Banks: Banks: Rating Methodology And Assumptions, Nov. 9, 2011
- Criteria - Financial Institutions - Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Nov. 9, 2011
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009
- Criteria - Financial Institutions - Banks: Commercial Paper I: Banks, March 23, 2004

Related Research

- Banking Industry Country Risk Assessment: Ireland, Dec. 17, 2018
- Various Positive Rating Actions Taken On Irish Banks On Improving Funding Profile, Dec. 17, 2018
- Bank of Ireland Upgraded TO 'BBB+' On Growing ALAC Buffer; Holding Company Ratings Affirmed; Outlook

Remains Positive, Oct. 3, 2018

- Merely A Win, No Grand Slam Glory For Irish Banks, March 26, 2018

Ratings Detail (As Of January 7, 2019)

Bank of Ireland Group PLC

Issuer Credit Rating	BBB-/Positive/A-3
Senior Unsecured	A-3
Senior Unsecured	BBB-
Subordinated	BB

Issuer Credit Ratings History

12-Dec-2017	BBB-/Positive/A-3
14-Jul-2017	BBB-/Stable/A-3

Sovereign Rating

Ireland	A+/Stable/A-1
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Related Entities

Bank of Ireland

Issuer Credit Rating	BBB+/Positive/A-2
Resolution Counterparty Rating	A-/--/A-2
Commercial Paper	
<i>Local Currency</i>	A-2
Junior Subordinated	BB-
Preference Stock	BB-
Senior Unsecured	A-2
Senior Unsecured	BBB+
Subordinated	BB+

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

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