MOODY'S
INVESTORS SERVICE

CREDIT OPINION
1 June 2022

Update

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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.

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Bank of Ireland Group plc

Update following rating action

Summary

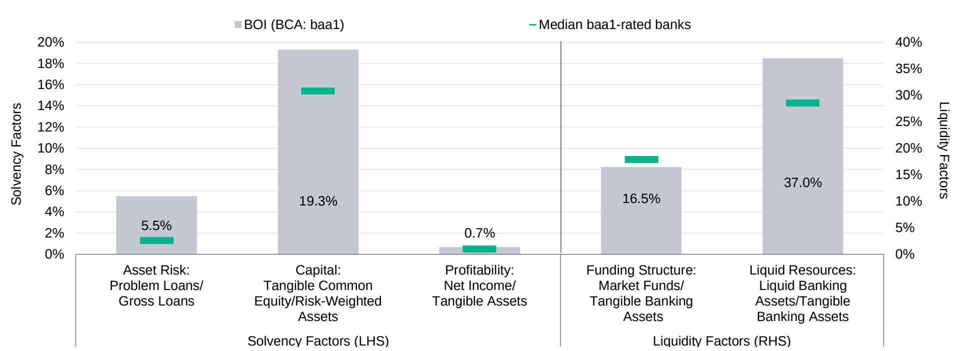
Bank of Ireland's (BOI) A1 long-term bank deposit and long-term senior unsecured debt ratings are driven by (1) the bank's Baseline Credit Assessment (BCA) of baa1; (2) the results of our Advanced Loss Given Failure (LGF) analysis, which result in an uplift of three notches; and (3) a moderate probability of government support, which results in no additional uplift, given the ratings are already at the same level as the ratings of the Government of Ireland (A1 positive). 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) moderate core profitability, which has bounced back after its decline from the coronavirus-induced economic disruption; (3) strong capitalisation and leverage; and (4) strong liquidity, with low market funding reliance.

The outlook on BOI's deposit rating and BOI Group's senior unsecured debt ratings is stable.

On 13 May 2022, we upgraded BOI's long-term deposits and senior unsecured ratings by one notch following the upgrade of the bank's BCA to baa1 from baa2. The upgrade of the BCA reflected the enhanced solvency metrics of the bank as well as the change of Ireland's Macro Profile to Strong+ from Strong on the back of significantly reduced private sector indebtedness and the increased economic resilience of Ireland.

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 reduced legacy impairments, which we expect to be maintained, lowering risk to capital in an economic downturn

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

» Ample 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

» Moderate core profitability, constrained by weak demand, excess liquidity and competition, although expected rise in interest rates should provide some relief

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 recent and planned 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 BOI Group'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.

» Despite BOI's systemic importance, an upgrade of Ireland's rating by a notch, were this to occur as reflected by the current positive outlook, would not result in any additional rating uplift.

Factors that could lead to a downgrade

» BOI's and BOI Group'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]

	12-21[2]	12-20[2]	12-19[2]	12-18[2]	12-17[2]	CAGR/Avg.[3]
Total Assets (EUR Million)	153,301.0	131,617.0	129,357.0	121,784.0	120,111.0	6.3[4]
Total Assets (USD Million)	173,706.3	161,040.8	145,203.0	139,216.7	144,229.0	4.8[4]
Tangible Common Equity (EUR Million)	9,218.0	7,239.3	8,373.6	7,913.7	7,157.1	6.5[4]
Tangible Common Equity (USD Million)	10,444.9	8,857.7	9,399.4	9,046.4	8,594.2	5.0[4]
Problem Loans / Gross Loans (%)	5.5	5.7	4.0	5.9	5.2	5.2[5]
Tangible Common Equity / Risk Weighted Assets (%)	19.3	14.6	16.4	16.2	15.6	16.4[6]
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	38.2	47.1	33.0	47.4	42.5	41.6[5]
Net Interest Margin (%)	1.6	1.6	1.8	1.8	1.8	1.7[5]
PPI / Average RWA (%)	2.0	0.9	1.7	1.6	1.8	1.6[6]
Net Income / Tangible Assets (%)	1.1	-0.1	1.1	0.6	0.6	0.6[5]
Cost / Income Ratio (%)	66.2	83.3	70.7	72.5	71.9	72.9[5]
Market Funds / Tangible Banking Assets (%)	16.5	7.6	9.3	9.6	13.7	11.3[5]
Liquid Banking Assets / Tangible Banking Assets (%)	37.0	26.5	23.0	22.5	22.6	26.3[5]
Gross Loans / Due to Customers (%)	84.3	89.3	97.0	99.8	105.4	95.2[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 Bank of Ireland Group Plc (BOI Group), the holding company of Bank of Ireland (BOI), operates mainly in Ireland through BOI but also has 18% of its operations by assets in the United Kingdom (Aa3 stable) via Bank of Ireland (UK) plc (BOI UK, Baa1 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. BOI Group's ordinary shares are listed on the Irish Stock Exchange (ticker: BIRG) and the London Stock Exchange (ticker: BIRG). As of 13 May 2022, BOI Group's fourth-largest shareholder was the Irish government, through the Ireland Strategic Investment Fund, which owned 3.996% of the bank's total share capital. The largest shareholder is BlackRock Fund Advisors who owns 6.55%.

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 year-end 2021, BOI accounted for around 33% of the domestic market assets held by Irish credit institutions, based on its reported total consolidated assets of €155.3 billion.

Recent developments

The post-pandemic economic recovery faces a complex set of challenges. Several crosscurrents have hit the global economy all at once, and will slow growth more significantly than we envisaged only a few months ago. The economic spillovers of the Russia-Ukraine military conflict are still unfolding, as is the effect on global growth from the slowdown in China (A1 stable) amid strict enforcement of its zero-COVID policy. Although we expect headline inflation rates to ease through next year, price levels remain high and will weigh on consumer demand. (see the March 2022 update of our Global Macro Outlook 2022-23 (May 2022 Update) Price pressures and financial tightening slow global economic momentum.

We forecast Ireland's GDP to grow by 6.1% in 2022, and 5.5% in 2023, down from 13.5% in 2021. The growth and domestic demand will remain comparatively robust, and we expect house prices to stay strong, supporting the mortgage market. We also foresee an increase in employment levels, despite the gradual withdrawal of pandemic related government support. High inflation, exacerbated by the Ukraine conflict, will accelerate interest rate increases. This will support banks' net interest margins, but will have a moderately negative impact on borrowers' debt servicing capacity. While Ireland has limited direct trade links with Russia and Ukraine, it remains a small, open economy prone to volatility. Operating conditions for Irish banks could therefore weaken should the Ukraine conflict or other geopolitical tensions negatively affect foreign and domestic demand.

BOI's planned acquisition of a portfolio from KBC (€8.9bn of performing mortgage loans and €4.4bn of deposits) has now received clearance from the Competition and Consumer Protection Commission (CCPC). As part of the agreement, the Group has agreed to a set of remedies. The KBC portfolio will be a significant addition to BOI's overall mortgage business - adding €8.9bn of performing mortgages (as of 31 March 2021) and €160m of incremental net interest income in FY23 (at marginal cost). As of December 2021, the acquisition is expected to support a c. 1.1% improvement to Group RoTE on a full year basis with an expected negative CET1 ratio impact of c. 120bps.

The group has completed the acquisition of Davy (market leading provider of mass affluent and high net worth wealth advisory and capital markets) with an impact of c. 80bps to CET1 capital.

Detailed credit considerations

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

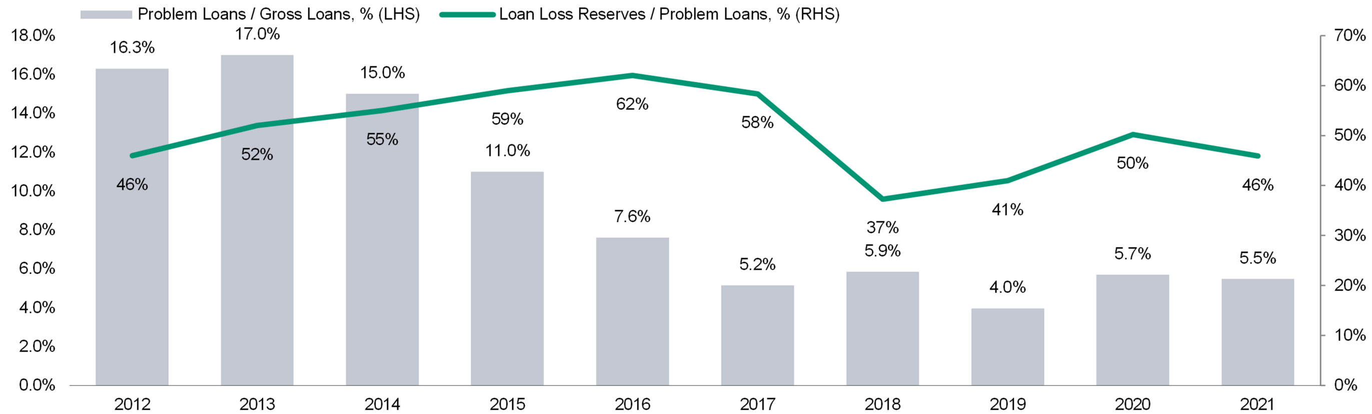
Asset risk has improved to more moderate levels, reducing risk to its capital and ability to absorb additional impairments in an economic stress

We view BOI's Asset Risk as moderate and assign a score of baa3, one notch below the Macro-Adjusted score. The assigned score reflects Moody's expectation that the default rates in the commercial sector, which have been below historical average due to the Government support measures during Covid-19, will increase. 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 5.5% in 2021 vs 5.7% in 2020 despite a loan book contraction of 1%. However, the main improvement in asset quality was in Stage 2 loans which declined to 16% from 20%, though lagging behind that of AIB. The PL ratio reflects BOI's €0.3 billion PL sale transaction resulting in a net decrease of €0.2 billion in PLs as of year end 2021, while stage 2 reflects the stronger operating environment. We expect the level of problem loans to further improve throughout 2022 and to reach closer to 4% next year through further PL sales. The rate of improvement could however be dampened by high inflationary pressures eroding borrowers purchasing power and debt servicing capacity as well as a still elevated level of stage 3 exposures in the construction and real-estate sector.

In 2020, BOI's asset quality deteriorated as the coronavirus pandemic triggered a steep economic contraction. This prompted large scale loan migration to IFRS 9 Stage 2 from Stage 1, with the proportion of Stage 2 loans increasing to 20.1% as of December 2020 from 6.9% as of December 2019 (higher than its peer AIB). The problem loans ratio also increased to 5.7% from 4.0% over the same period driven by credit migration in property and construction portfolios and the European Union's (EU) new harmonised definition of default rules, while the overall loan book contracted by 2.6% during 2020.

Exhibit 3
BOI entered covid-induced crisis with much improved problem loans ratio and adequate provisioning



Pre-2018 data is under IAS39, while 2018 and 2019 data is under IFRS9.
Source: Moody's Investors Service

Irish residential property prices have recovered strongly from their post-crisis lows of 2013, but they remain below their peak. Despite the economic slowdown during the pandemic, house prices only slightly fluctuated in 2020, benefiting from supply constraints which contained the tail risk from high LTV mortgages. This was followed by a 14% increase during 2021, which is expected to moderate to mid-single digits over 2022 and 2023. At BOI, the proportion of negative-equity mortgages[2], improved to 2% as of YE 2021 from 3.0% as end December 2020, but continues to constrain our asset risk assessment. The 80-100% LTV proportion of BOI's mortgage portfolio represents 6%.

The bank reported €3.3 billion of loans in forbearance, but outside of Stage 3 assets, in December 2021, or 4.2% of gross loans, which we view as more vulnerable to economic deterioration. The corporate book recorded a nonperforming exposure (NPE) ratio of 4.2% in 2021 versus 2.3% a year earlier due to doubling of NPEs despite 10% growth in corporate loan book. The NPE ratio for the Irish SME portfolio was steady at 10% (2019: 7.5%). The property and construction portfolio, which is still a weak spot, was 60bps lower at 12.1% NPEs as of December 2021, materially increased from the 7.3% as of December 2019.

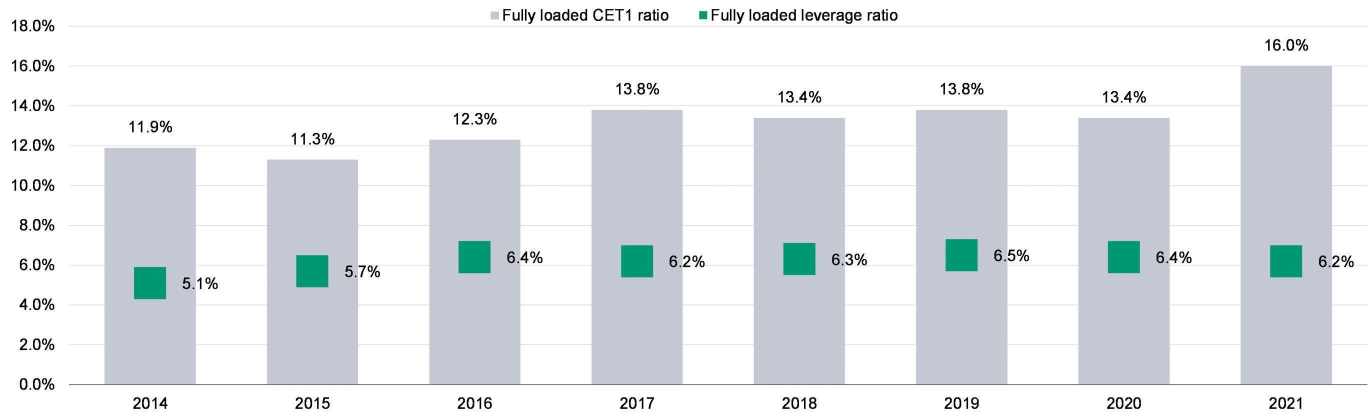
Capitalisation likely to remain strong, supported by moderate profitability

We view BOI's Capital as strong and assign an a1 score, two notches below the Macro-Adjusted 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.

At year end 2021, BOI's fully loaded TCE ratio was 19.3% and its fully loaded CET1 ratio was 16%, up from 14.6% and 13.4%, respectively, at December 2020, reflecting organic capital generation and PL sales, a decrease in RWAs due to improving credit quality and capital optimisation, partially offset by on-going investment in transformation. BOI's capital strength will enable the group to absorb c.200bps investment costs in relation to the Davy and the KBC Bank Ireland (KBCI) portfolios acquisitions as well as planned distributions of €104m. The planned resumption of distribution follows the Board's cancelation of the proposed ordinary dividend for 2019 following the ECB's recommendation, in light of the coronavirus outbreak, for European banks to suspend accrued dividends for 2019 and to not pay dividends until year-end 2020. In 2019, BOI paid out a dividend of €173 million in respect of its 2018 earnings.

The change in the composition of the Pillar 2 requirements and the removal of the countercyclical buffers in Ireland and the UK, driven by the coronavirus outbreak, as well as the lowered CET1 component of the Pillar 2 requirement, reduced the bank's minimum regulatory CET1 requirement to 9.27% as of 2020 and 9.77% from July 2021 onwards, from 10.65% in 2019. The group's regulatory CET1 ratio of 16.0% as of December 2021 comfortably exceeded its CET1 requirement. The bank's fully loaded leverage ratio was strong at 6.2% as of December 2021 (6.4% as of December 2020).

Exhibit 4
Regulatory capital ratios remain strong



Source: BOI financial reports

Profitability has recovered from its dip during the pandemic and is expected to remain steady at moderate levels

We view BOI's Profitability as moderate. We assign a score of ba1, two notches below the Macro-Adjusted score reflecting expected profitability of the bank adjusted for the one-time LLP gains that provided a boost to earnings in 2021. We expect release of high loan loss provisions will significantly decrease as credit risk normalises. However we expect that new lending and recovery in fee and commission income will boost revenues while net interest margin (NIM) pressure will ease due to higher base rates, lending growth in higher margin segments, and lower excess liquidity.

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

BOI reported profits in 2021 compared to losses in 2020 driven by (1) 5% higher net interest income (primarily driven by a reduction in cost of funds and modest increase in NI), (2) sizeable improvement in fee income and (3) valuation items benefitting from recovering bond and equity markets (€72 million income versus €61 million loss in 2020) (However, in our assigned score we exclude this due to the volatility it provides in P&L). Lower operating expenses (-4%) and significant impairment gains €194 million versus €1.1 billion charges in 2020) also contributed to the bank's return to profitability.

For year-end 2021 the bank's reported net interest margin was 1.86%, 14 bps lower compared with year-end 2020. The decline during 2021 reflected an increased proportion of low-interest bearing securities, persistently low interest rates, and the competitive pressure in the mortgage market. Having said that, 30% of BOI's mortgage book is tracker mortgages and 10% is variable rate which will provide margin relief as interest rates rise.

BOI reported a profit before tax of €1.1 billion during 2021 (loss in 2020: €707 million) and net income to tangible assets of 1.1% (2020: -0.14%) driven by a €194 million impairment gain and also by higher loan asset spreads as a result of lower cost of funds and targeted longer term refinancing operations (TLTRO) income.

BOI is transforming its technology platforms and processes. Together with the customers engagement increasingly digitalized we expect bank's efficiency to improve. Moody's-calculated cost-to-income ratio for the bank was weak at 66.2% in 2021, albeit an improvement from 83.3% in 2020. In line with the 2020 announcement, BOI more than halved its branch network in Northern Ireland to 13 by end 2021, and invested £7 million in the remaining branches to meet the needs of its customers which are increasingly preferring to engage with them in digital way.

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, in line with the Macro-Adjusted score, to reflect the expected trend as the bank issues modest additional MREL-eligible debt. The MREL ratio of 31.4% at 31 December 2021 was c.645 basis points above the 1 January 2022 requirement of 24.95%.

The bank's market funding reliance increased, with a market funds-to-tangible banking assets ratio of 16.5% as of end-December 2021 (7.6% as of year-end 2020). The increase in the ratio was due to the TLTRO III drawdowns of €10.8bn and borrowing under TFSME of €0.8bn in 2021.

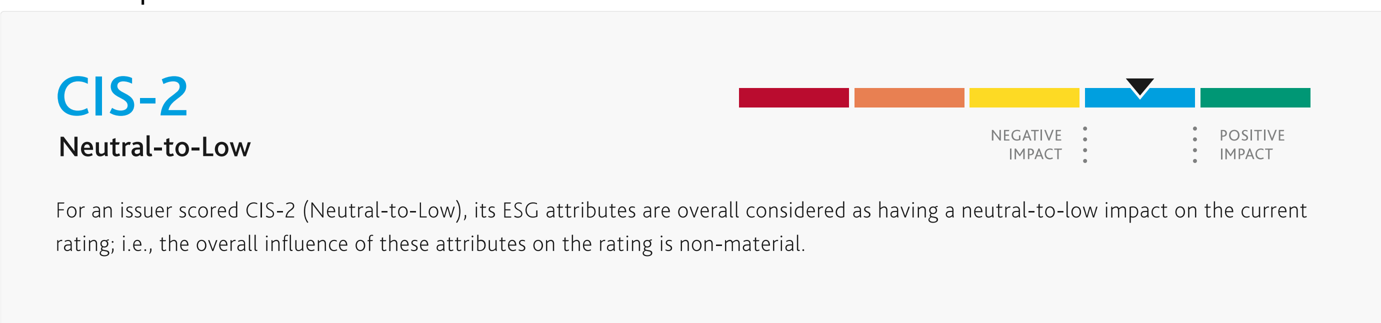
The bank's gross loans-to-customer deposits (LtD) ratio was 84% as of YE 2021 vs 89% in end-December 2020. The improvement was driven by a surge in Irish banks' deposit base and modest decline in loan book.

BOI has a sufficient stock of good-quality liquid assets in both Ireland and the UK. As of December 2021, the bank had a liquid banking assets-to-tangible banking assets ratio of 37.0% vs 26.5% as of year-end 2020 (23.0% as of December 2019). It also comfortably meets regulatory liquidity requirements, reporting a net stable funding ratio of 144% up from 138% in 2020, and a liquidity coverage ratio of 181% up from 153% as at the end of 2020. We assign a Liquid Resources score of a3, two notches below the Macro-Adjusted score, to reflect our expectation that the level of liquid resources will decline due to new lending and portfolio acquisitions as well as a gradual decline in corporate and household savings rates. Having said that, the exit of Ulster Bank Ireland DAC's (UBIDAC; A3/Prime-2 deposit and Baa1/Prime-2 issuer ratings on review for upgrade) 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.

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 BOI Group 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 a 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 BOI Group'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 BOI Group'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 already at the same level as Ireland's rating. Furthermore, an upgrade of the sovereign's rating by a notch will not result in a rating uplift due to the narrow rating differential between the support provider and bank's PR Assessment and our moderate likelihood of support assumption.

We consider the probability of government support for BOI Group'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 government support additional notch uplift given it is already positioned at the same level as Irish Government's rating.

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 government support additional notch uplift given it is already the same as that of Ireland itself. The short-term CRR is P-1.

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 2021 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	5.5%	baa2	↑	baa3	Expected trend	Operational risk
Capital						
Tangible Common Equity / Risk Weighted Assets (Basel III - fully loaded)	19.3%	aa2	↓↓	a1	Expected trend	
Profitability						
Net Income / Tangible Assets	0.7%	baa2	↓	ba1	Expected trend	
Combined Solvency Score		a3		baa1		
Liquidity						
Funding Structure						
Market Funds / Tangible Banking Assets	16.5%	a3	↔	a3	Expected trend	Deposit quality
Liquid Resources						
Liquid Banking Assets / Tangible Banking Assets	37.0%	a1	↓	a3	Expected trend	
Combined Liquidity Score		a2		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				A1		
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	31,401	23.3%	38,356	28.4%
Deposits	92,337	68.4%	82,919	61.4%
Preferred deposits	68,329	50.6%	64,913	48.1%
Junior deposits	24,008	17.8%	18,006	13.3%
Dated subordinated bank debt	289	0.2%	39	0.0%
Junior subordinated bank debt	89	0.1%	89	0.1%
Senior unsecured holding company debt	4,207	3.1%	6,869	5.1%
Dated subordinated holding company debt	1,599	1.2%	1,576	1.2%
Preference shares(holding company)	975	0.7%	1,050	0.8%
Equity	4,050	3.0%	4,050	3.0%
Total Tangible Banking Assets	134,947	100.0%	135,007	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	23.5%	23.5%	23.5%	23.5%	3	3	3	3	0	a1
Counterparty Risk Assessment	23.5%	23.5%	23.5%	23.5%	3	3	3	3	0	a1 (cr)
Deposits	23.5%	10.1%	23.5%	10.2%	3	3	3	3	0	a1
Senior unsecured bank debt	23.5%	10.1%	10.2%	10.1%	3	2	3	3	0	a1
Senior unsecured holding company debt	10.1%	5.0%	10.1%	5.0%	1	1	1	1	0	a3
Dated subordinated bank debt	5.0%	3.8%	5.0%	3.8%	-1	-1	-1	-1	0	baa2
Dated subordinated holding company debt	5.0%	3.8%	5.0%	3.8%	-1	-1	-1	-1	0	baa2
Junior subordinated bank debt	3.8%	3.8%	3.8%	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	-	A1	A1
Counterparty Risk Assessment	3	0	a1 (cr)	-	A1(cr)	
Deposits	3	0	a1	-	A1	A1
Senior unsecured bank debt	3	0	a1	-	A1	A1
Senior unsecured holding company debt	1	0	a3	-	A3	A3
Dated subordinated bank debt	-1	0	baa2	-	(P)Baa2	
Dated subordinated holding company debt	-1	0	baa2	-	Baa2	Baa2
Junior subordinated bank debt	-1	-1	baa3	-		Baa3 (hyb)
Non-cumulative bank preference shares	-1	-2	ba1	-	Ba1 (hyb)	Ba1 (hyb)
Holding company non-cumulative preference shares	-1	-2	ba1	-	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 The bank ratings shown in this report are the bank's long-term deposit rating and Baseline Credit Assessment.

2 Loan-to-value ratios above 100%.

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