CREDIT OPINION

19 September 2025

Update

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RATINGS

Bank of Ireland Group plc

Domicile	Dublin, Ireland
Long Term CRR	Not Assigned
Long Term Debt	A2
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 to credit analysis

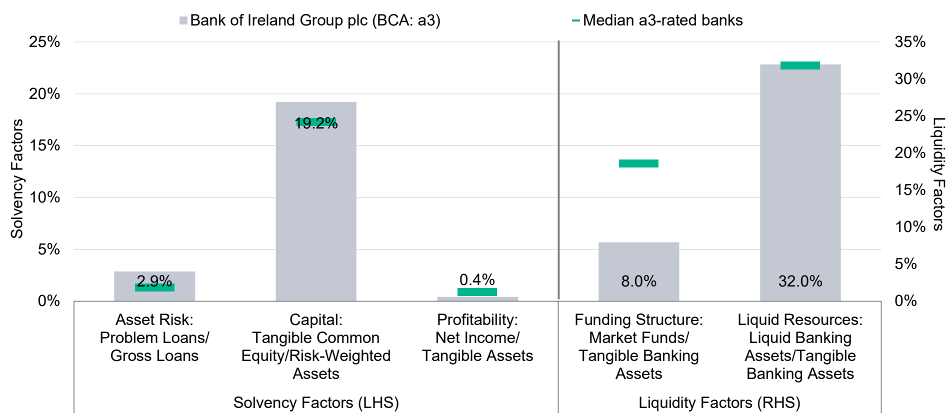
Summary

Bank of Ireland's (BOI) Aa3 long-term bank deposit and long-term senior unsecured debt ratings are driven by (1) the bank's Baseline Credit Assessment (BCA) of a3; (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 positive), which results in no additional uplift. BOI's Counterparty Risk (CR) Assessments are Aa3(cr)/Prime-1(cr) and CR Ratings (CRR) are Aa3/Prime-1.

BOI's a3 BCA reflects its (1) its leading positioning as the only bancassurer in a concentrated Irish banking system, (2) strong and improved asset quality; (3) strong capitalisation and stress capital resilience and (4) strong core profitability.

Exhibit 1

Rating Scorecard - Key financial ratios



Ratios are from Moody's banking scorecard. Capital ratio is as of the most recent period; Asset Risk and Profitability profitability ratios are the worse of the most recent year-to-date period or the average of the last three years and the most recent year-to-date; Funding Structure the funding structure and Liquid Resources liquid resources ratios are as of the most recent year-end.
Source: Moody's Ratings

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

» Strong capitalisation, supported by significantly improved core profitability and conservative capital management

» High level of stable customer deposits and sufficient liquidity buffers

Credit challenges

» Managing asset risk pressures across its loan portfolio in the volatile macroeconomic environment

» Margin pressures reflecting heightened competition and narrowing liability spreads as rates decline

» Relatively higher share of UK specialized mortgages creates roll over risk

» Leveraged commercial real estate (CRE) sector exposure elevates tail risk

Outlook

The stable outlook on BOI's long-term deposit, issuer and senior unsecured debt ratings reflect our view that the bank's financial performance will remain strong and commensurate with its current rating level over the next 12-18 months.The outlook on the BOIG long-term issuer, and senior unsecured debt ratings is also stable and reflects the stable outlooks on each holding company's operating bank entity's ratings.

Factors that could lead to an upgrade

» An additional upgrade to BOI's BCA and ratings is dependent on the bank significantly increasing the diversity of its exposures both by geography and asset class.

Factors that could lead to a downgrade

» BOI's debt and deposit ratings and BOIG's debt ratings could be downgraded if BOI's BCA was downgraded. The bank's BCA could be downgraded if the its core profitability declines significantly driven by rising asset risk pressures and reducing its capital generation. A fall in its capitalisation to below its stated target levels would also be negative for its ratings.

Key indicators

Exhibit 2
Bank of Ireland Group plc (Consolidated Financials) [1]

	06-25 [2]	12-24 [2]	12-23 [2]	12-22 [2]	12-21 [2]	CAGR/Avg. [3]
Total Assets (EUR Million)	159,190.7	158,099.0	151,161.0	144,559.0	153,301.0	1.1 [4]
Total Assets (USD Million)	186,865.4	163,711.0	166,980.8	154,280.2	173,706.3	2.1 [4]
Tangible Common Equity (EUR Million)	10,025.0	10,486.0	10,226.0	9,145.8	9,218.0	2.4 [4]
Tangible Common Equity (USD Million)	11,767.8	10,858.2	11,296.2	9,760.8	10,444.9	3.5 [4]
Problem Loans / Gross Loans (%)	2.6	2.3	3.1	3.5	5.5	3.4 [5]
Tangible Common Equity / Risk Weighted Assets (%)	19.2	19.0	19.5	19.1	19.3	19.2 [6]
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	19.5	16.4	21.8	24.6	38.2	24.1 [5]
Net Interest Margin (%)	2.1	2.3	2.5	1.6	1.5	2.0 [5]
PPI / Average RWA (%)	3.0	3.5	4.4	2.3	1.9	3.0 [6]
Net Income / Tangible Assets (%)	0.7	0.9	1.1	-1.0	1.0	0.5 [5]
Cost / Income Ratio (%)	60.2	56.2	48.7	64.5	67.7	59.5 [5]
Market Funds / Tangible Banking Assets (%)	7.5	8.0	8.4	7.3	16.4	9.5 [5]
Liquid Banking Assets / Tangible Banking Assets (%)	30.2	32.0	32.8	38.1	37.0	34.0 [5]
Gross Loans / Due to Customers (%)	79.3	81.0	80.8	73.9	84.4	79.9 [5]

[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 Ratings and company filings

Profile

The BOIG, the holding company of BOI, operates mainly in Ireland through BOI but also has around 21%[1] of its loans in the United Kingdom (Aa3 stable) via Bank of Ireland (UK) plc (BOI UK, A2 stable, baa2)[2] The group distributes its products and services through around 182 branches in Ireland, as well as branches in the UK, France, Germany, Spain and the US.

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, wealth management and credit cards.

Detailed credit considerations

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

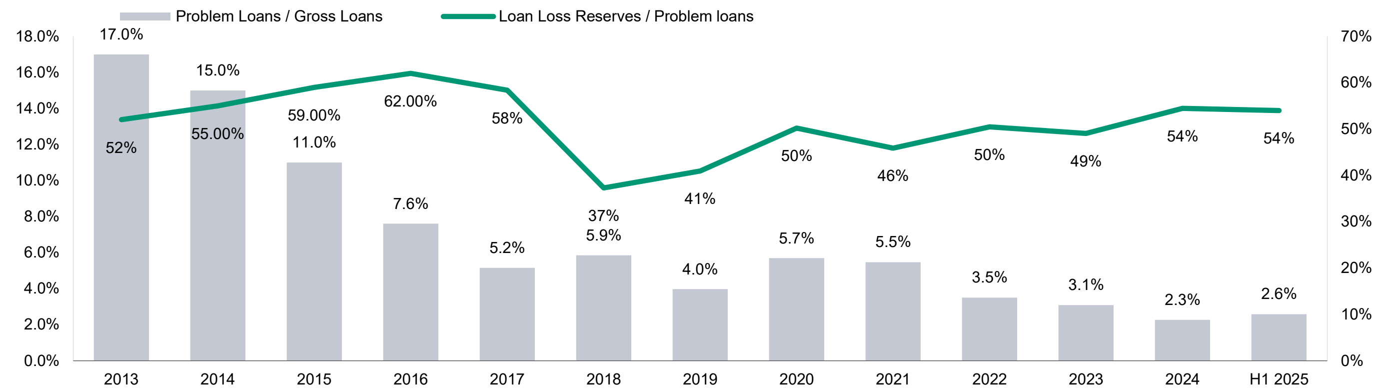
Problem loans marginally increased in H1 2025, still below historical levels

We view BOIG's Asset Risk as moderate and assign a score of baa2. This reflects the strong improvement in BOI's problem loan ratio in the last two years as well as our expectation that moderate asset risk pressures could arise from potential tail risk from its CRE exposures over the next 12-18 months, partially mitigated by low inflation and declining interest rates, supporting borrowers' debt servicing capacity.

BOI's loan exposures as of 30 June 2025 were 61% retail mortgage lending, 23% corporate and SME lending, 9% property and construction with the remaining 7% in personal loans. The bank's mortgage loan book remains of high quality with loan-to-value (LTV) of 54% which serves to offset any asset risk pressure if property prices were to decline steeply. BOI's specialty UK mortgage book also exposes the Group to some rollover risk as mortgage holders move onto higher rates in the UK, as these are only gradually declining. BOI's CRE exposure is 9% of total loans, with development only accounting for less than 1%, and carries low average LTVs that offer protection from rising asset risk.

As of 30 June 2025, BOI's problem loans ratio increased to 2.6%, up from 2.3% as of December 2024, but close to muli-year lows. The increase was largely driven by an impairment charge in the corporate portfolio, primarily the US Acquisition Finance book, partly offset by credit protection. We expect cost of risk to remain at c.30 bps in 2025, in line with the bank's updated guidance[3], and the problem loan ratio to remain at moderate levels.

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



Pre-2018 data is under IAS39, while 2018 - 2023 data is under IFRS9.
Source: Moody's Ratings

Capitalisation likely to remain strong, supported by moderate profitability

We view BOIG'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.

As of H1 2025, BOIG's fully loaded TCE ratio was 19.2% and its fully loaded CET1 ratio was 15.3%[4], up from the 14.6% reported at December 2024, comfortably exceeding its 2025 CET1 requirement of 11.38%. The bank's fully loaded leverage ratio was strong at 6.7% as of end-June 2025 (6.7% as of December 2024).

Profitability has improved significantly and will continue to be strong

We view BOI's profitability improvement in the last 12-18 months as a key credit strength. We assign a score of baa2, reflecting the expected profitability of the bank to moderate over the medium term from high levels in the last two years as interest rates begin to decline, and higher margin pressure lead to heightened competition in the mortgage market. Portfolio acquisitions which are now income generative, cheap deposit funding and credit demand will continue to support net income.

BOI reported profits after tax of €0.6 billion for H1 2025, a 30% year-on-year decrease, impacted by (1) a 8% decrease in net interest income, primarily driven by the lower interest rate environment on lending and higher funding costs, partly mitigated by loan growth and income from structural hedges, (2) a 3% increase in operating expenses driven by inflation and strategic investments, and (3) an increase in impairment charges by 174% due to defaults in acquisition finance and an increase in geopolitical risk. Reported net interest margin was 2.7%, 22 bps lever versus year-end 2024s and is reflective of the decrease in interest rate as well as the amount of tracker mortgages (12% of its mortgage book), which immediately reprice with the rate decrease undertaken by the European Central Bank (ECB).

We expect margin compression from rate decreases and heightened competition to moderately impact profitability, but will continue to be strong. Ongoing investments and inflationary pressures will increase operating expenses in FY 2025. However, this will be partially offset by the ongoing efficiency drive that helped reduce the cost-to-income ratio (CIR) to 44% as of June 2025 and BOIG have maintained their CIR guidance of less than 50% for 2025.

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 a2 score to reflect the expected trend as the bank issues modest additional MREL-eligible debt. The score also reflects the strength of the bank's deposit taking franchise as shown by Moody's calculated gross loans-to-customer deposits (LtD) ratio of 79% as of June 2025. The bank's MREL ratio of 33.7% as of June 2025 was well above requirement of 28.60%.

The bank's market funding reliance decreased slightly during the half year, with a market funds to tangible banking assets ratio of 7.5% (2024: 8.0%). The decrease is primarily due to a the repayment of Bank of England's Term Funding Scheme with additional incentives for Small and Medium-sized Enterprises (TFSME) of €0.6 billion, redemption of bonds and notes in the amount of €1.8 billion partially offset by the issuance of €0.8 billion of MREL bonds. BOIG has no outstanding TLTRO III funding [5].

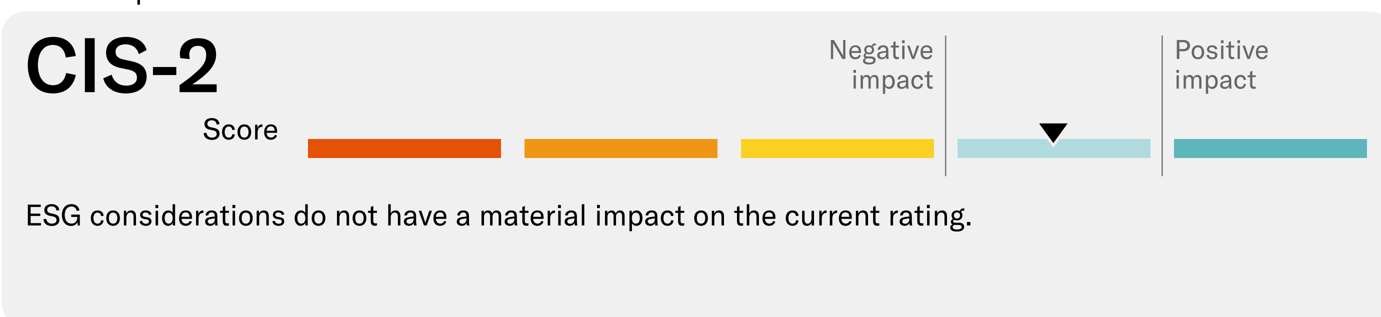
BOI has a sufficient stock of good-quality liquid assets in both Ireland and the UK and a liquid banking assets to tangible banking assets ratio of 30.2% as of June 2025. It also comfortably meets regulatory liquidity requirements, reporting a net stable funding ratio of 154%, and a liquidity coverage ratio of 194%.

We assign a Liquid Resources score of a2, to reflect our expectation that the level of liquid resources will marginally decline due to new lending and a decline in corporate and household savings rates. However, the migration of deposits from Ulster Bank Ireland DAC (UBIDAC) and KBC, who have both exited the Irish market, has strengthened the deposit funding base of the remaining incumbents.

ESG considerations

Bank of Ireland Group plc's ESG credit impact score is CIS-2

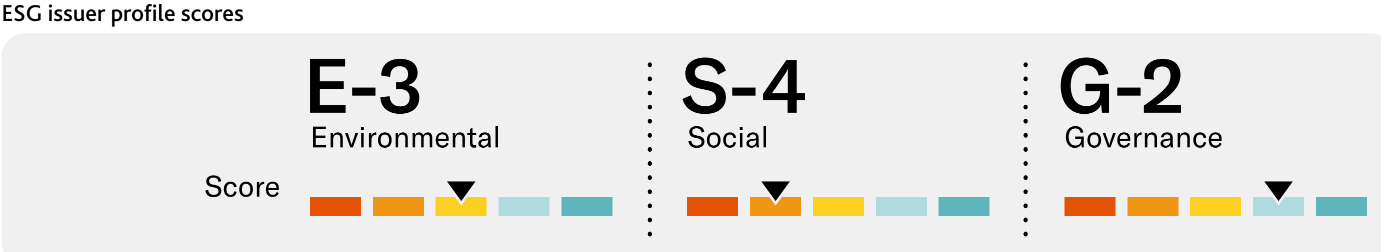
Exhibit 4
ESG credit impact score



Source: Moody's Ratings

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

Exhibit 5
ESG issuer profile scores



Source: Moody's Ratings

Environmental

BOI faces industry-average exposure to environmental risks 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 faces high social risks from customer relations, exposing banks to potential fines from regulators and litigation from customers, as well as from cyber risk and the financial and reputational implications of data breaches. Fines in relation to tracker mortgages have so far been contained with no lasting effect on the franchise. The bank's developed policies and procedures help manage associated credit risks. Fines from tracker mortgages have so far been contained with no lasting effect on the franchise.

Governance

BOI's governance risk is low. 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 aa3, 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 aa3, 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. This results in an a2 PR Assessment for the senior unsecured debt issued by the holding company to be positioned one notch above BOI's BCA.

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 CR Assessments for both deposits and senior unsecured ratings since these ratings are at the same level as Ireland's rating, resulting no rating differential between the support provider and bank's CR Assessment.

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.

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: The below scorecard's historic ratios are as of H1 2025; while our assigned scores reflect Moody's assessment and expected trends.

Rating methodology and scorecard factors

Exhibit 6
Rating Factors

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	2.9%	a2	↔	baa2	Expected trend	Sector concentration
Capital						
Tangible Common Equity / Risk Weighted Assets (Basel III - fully loaded)	19.2%	aa2	↓	a1	Expected trend	Stress capital resilience
Profitability						
Net Income / Tangible Assets	0.4%	ba1	↔	baa2	Earnings quality	Expected trend
Combined Solvency Score		a2		a3		
Liquidity						
Funding Structure						
Market Funds / Tangible Banking Assets	8.0%	a1	↑	a2	Expected trend	Deposit quality
Liquid Resources						
Liquid Banking Assets / Tangible Banking Assets	32.0%	a2	↔	a2	Expected trend	
Combined Liquidity Score		a1		a2		
Financial Profile		a2		a3		
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				a2 - baa1		
Assigned BCA				a3		
Affiliate Support notching				0		
Adjusted BCA				a3		

Balance Sheet	in-scope (EUR Million)	% in-scope	at-failure (EUR Million)	% at-failure
Other liabilities	12,676	9.7%	23,376	17.8%
Deposits	104,907	79.9%	94,206	71.7%
Preferred deposits	77,631	59.1%	73,750	56.2%
Junior deposits	27,276	20.8%	20,457	15.6%
Senior unsecured bank debt	20	0.0%	20	0.0%
Senior unsecured holding company debt	6,427	4.9%	6,427	4.9%
Dated subordinated holding company debt	1,850	1.4%	1,850	1.4%
Preference shares(holding company)	1,500	1.1%	1,500	1.1%
Equity	3,940	3.0%	3,940	3.0%
Total Tangible Banking Assets	131,320	100.0%	131,320	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	26.0%	26.0%	26.0%	26.0%	3	3	3	3	0	aa3
Counterparty Risk Assessment	26.0%	26.0%	26.0%	26.0%	3	3	3	3	0	aa3 (cr)
Deposits	26.0%	10.4%	26.0%	10.5%	3	3	3	3	0	aa3
Senior unsecured bank debt	26.0%	10.4%	10.5%	10.4%	3	2	3	3	0	aa3
Senior unsecured holding company debt	10.4%	5.6%	10.4%	5.6%	1	1	1	1	0	a2

Dated subordinated bank debt	5.6%	4.1%	5.6%	4.1%	0	0	0	-1	0	baa1
Dated subordinated holding company debt	5.6%	4.1%	5.6%	4.1%	0	0	0	-1	0	baa1
Junior subordinated bank debt	4.1%	4.1%	4.1%	4.1%	0	0	0	-1	-1	baa2
Non-cumulative bank preference shares	4.1%	3.0%	4.1%	3.0%	-1	-1	-1	-1	-2	baa3
Holding company non-cumulative preference shares	4.1%	3.0%	4.1%	3.0%	-1	-1	-1	-1	-2	baa3

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	aa3	0	Aa3	Aa3
Counterparty Risk Assessment	3	0	aa3 (cr)	0	Aa3(cr)	
Deposits	3	0	aa3	0	Aa3	Aa3
Senior unsecured bank debt	3	0	aa3	0	Aa3	Aa3
Senior unsecured holding company debt	1	0	a2	0	A2	A2
Dated subordinated bank debt	-1	0	baa1	0	(P)Baa1	
Dated subordinated holding company debt	-1	0	baa1	0	Baa1	Baa1
Junior subordinated bank debt	-1	-1	baa2	0		Baa2 (hyb)
Non-cumulative bank preference shares	-1	-2	baa3	0	Baa3 (hyb)	Baa3 (hyb)
Holding company non-cumulative preference shares	-1	-2	baa3	0	Baa3 (hyb)	

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

Ratings

Exhibit 7

Category	Moody's Rating
BANK OF IRELAND GROUP PLC	
Outlook	Stable
Issuer Rating	A2
Senior Unsecured	A2
Subordinate	Baa1
Pref. Stock Non-cumulative -Dom Curr	Baa3 (hyb)
BANK OF IRELAND (UK) PLC	
Outlook	Stable
Counterparty Risk Rating	A1/P-1
Bank Deposits	A2/P-1
Baseline Credit Assessment	baa2
Adjusted Baseline Credit Assessment	a3
Counterparty Risk Assessment	Aa3(cr)/P-1(cr)
BANK OF IRELAND	
Outlook	Stable
Counterparty Risk Rating	Aa3/P-1
Bank Deposits	Aa3/P-1
Baseline Credit Assessment	a3
Adjusted Baseline Credit Assessment	a3
Counterparty Risk Assessment	Aa3(cr)/P-1(cr)
Issuer Rating	Aa3
Senior Unsecured	Aa3
Subordinate MTN -Dom Curr	(P)Baa1
Jr Subordinate	Baa2 (hyb)
Pref. Stock Non-cumulative	Baa3 (hyb)
Commercial Paper	P-1
Other Short Term	(P)P-1

Source: Moody's Ratings

Endnotes

1 Based on BOI UK's year-end 2024 gross loans as a percentage of BOIG's year-end 2024 gross loans

2 Long-term Deposit Rating and Baseline Credit Assessment.

3 BOI's previous 2025 cost of risk guidance was low to mid 20 bps.

4 The ratio excludes H1 2025 profits. Pro forma ratio including H1 2025 profits is 16.0%.

5 €10.8 billion of TLTRO funding was repaid in the second half of 2022.

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