MOODY'S RATINGS

CREDIT OPINION
29 July 2025

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	Positive
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

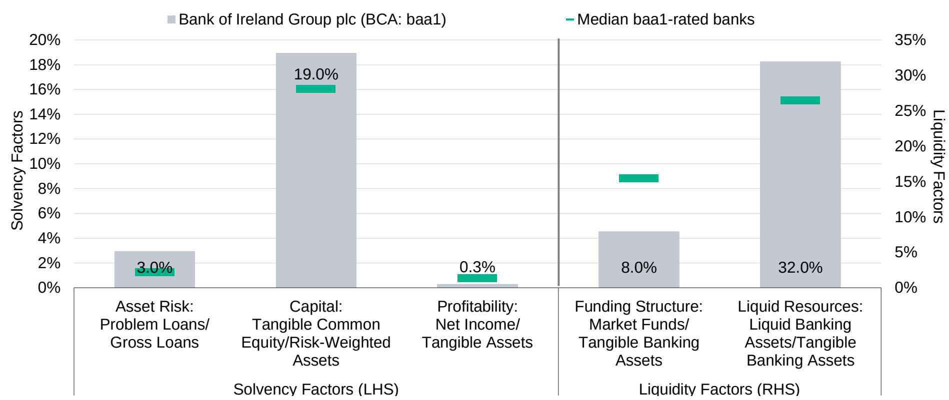
Update to credit analysis

Summary

Bank of Ireland's (BOI) 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 positive), 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) improved asset risk; (2) growing deposit franchise which supports its liquid balance sheet; (3) strong capitalisation and stress capital resilience and (4) improved profitability.

Exhibit 1
Rating Scorecard - Key financial ratios



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

- Expectation of a moderate deterioration in asset risk
- 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 outlooks on the long-term deposit, issuer and senior unsecured debt ratings of BOI, and BOIG, where applicable, are positive. Moody's expects BOIG's stronger financial performance to continue with asset quality pressure contained while strong capitalisation levels will continue to be supported by higher levels of profitability versus historical averages.

The outlook on BOI's holding company, BOIG's, long-term issuer, and senior unsecured debt ratings, where applicable, is also positive and reflects the positive outlook on the operating bank's ratings.

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 the improvement in its core profitability is maintained, capital remains relatively strong and asset quality pressures remain in check. An upgrade of the Government of Ireland's rating could also potentially result in an upgrade of BOI's long-term deposit and senior unsecured ratings by one notch.

Factors that could lead to a downgrade

- Given the positive outlook, there is limited downward pressure on BOI and BOIG's ratings.

Key indicators

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

	12-24[2]	12-23[2]	12-22[2]	12-21[2]	12-20[2]	CAGR/Avg.[3]
Total Assets (EUR Million)	158,099.0	151,161.0	144,559.0	153,301.0	131,617.0	4.7[4]
Total Assets (USD Million)	163,711.0	166,980.8	154,280.2	173,706.3	161,040.8	0.4[4]
Tangible Common Equity (EUR Million)	10,486.0	10,226.0	9,145.8	9,218.0	7,239.3	9.7[4]
Tangible Common Equity (USD Million)	10,858.2	11,296.2	9,760.8	10,444.9	8,857.7	5.2[4]
Problem Loans / Gross Loans (%)	2.3	3.1	3.5	5.5	5.7	4.0[5]
Tangible Common Equity / Risk Weighted Assets (%)	19.0	19.5	19.1	19.3	14.6	18.3[6]
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	16.4	21.8	24.6	38.2	47.1	29.6[5]
Net Interest Margin (%)	2.3	2.5	1.6	1.5	1.6	1.9[5]
PPI / Average RWA (%)	3.5	4.4	2.3	1.9	0.9	2.6[6]
Net Income / Tangible Assets (%)	0.9	1.1	-1.0	1.0	-0.1	0.4[5]
Cost / Income Ratio (%)	56.2	48.7	64.5	67.7	83.3	64.1[5]
Market Funds / Tangible Banking Assets (%)	8.0	8.4	7.3	16.4	7.6	9.5[5]
Liquid Banking Assets / Tangible Banking Assets (%)	32.0	32.8	38.1	37.0	26.5	33.3[5]
Gross Loans / Due to Customers (%)	81.0	80.8	73.9	84.4	89.3	81.9[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 Ratings and company filings

Profile

The BOIG, the holding company of BOI, operates mainly in Ireland through BOI but also has around 17%[1] of its loans in the United Kingdom (Aa3 stable) via Bank of Ireland (UK) plc (BOI UK, A3 positive, 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 was established in 1783 and, between 1922 and 1971, was the official bank of the Irish government. Effective 7 July 2017, BOIG became the group's holding company and the new parent entity of BOI following stockholders' and regulatory approvals. On 23 September 2022, the Irish government announced that it no longer retains any ownership of the Group.

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.

Asset risk has improved to more moderate levels

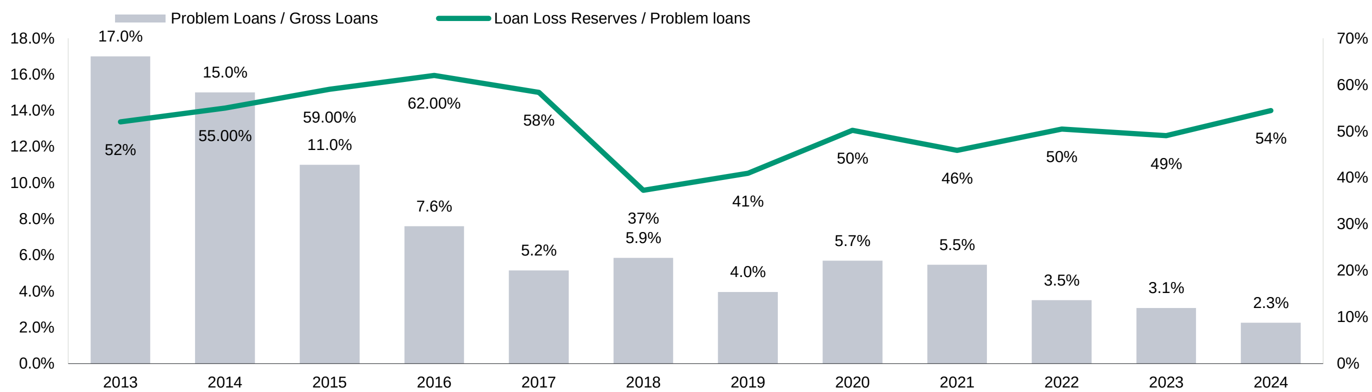
We view BOIG's Asset Risk as moderate and assign a score of baa2. This reflects the strong improvement in BOI's problem loan ratio in the last two years as well as our expectation that moderate asset risk pressures could arise from potential tail risk from its CRE exposures over the next 12-18 months,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

BOI's loan exposures as of December 2024 was 60% retail mortgage lending, 25% corporate and SME lending, 9% property and construction with the remaining 6% in personal loans. The bank's mortgage loan book remains of high quality with loan-to-value (LTV) of 52% which serves to offset any asset risk pressure if property prices were to decline steeply. BOI's speciality 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 0.7%, and carries low average LTVs that offer protection from rising asset risk.

As of 31 December 2024, BOI's problem loans (PL) ratio decreased to 2.3% from 3.1% as of year-end 2023 primarily due to disposal of non-performing loans during the period. Stage 3 loans in the Corporate book were 2.7% versus 5.6% at year-end 2023. Stage 3 loans in the Irish SME portfolio significantly decreased by 150 bps to 3.3%. The Stage 3 loans in the Property and Construction portfolio decreased to 3.6% from 5.1% as of year-end 2023. Provisioning Stage 3 coverage at BOI rhas reduced to 21% as of December 2024 from 25% in the year prior. Stage 2 loans decreased to 12.6% as of December 2024 from 15.5% at year-end 2023. In terms of cost of risk, BOI reported 26 basis points (bps) as of December 2024, down from 53bps as of December 2023.

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.

In 2024, BOIG's fully loaded TCE ratio was 19.0% and its fully loaded CET1 ratio was 14.6%, up from the 14.3% reported at December 2023, comfortably exceeding its 2024 CET1 requirement of 11.31%. The bank's fully loaded leverage ratio was strong at 6.7% as of year-end 2024 (6.3% as of December 2023).

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 €1.5 billion for 2024, a 4% year-on-year decrease, impacted by (1) a 3% decrease in net interest income, primarily driven by higher funding costs, partly mitigated by an increase in interest income resulting from loan growth, (2) a 16% increase in operating expenses driven by inflationary pressures, higher pension contributions and strategic investments, partially offset by (2) a 4% increase in business income driven primarily by an increase of Davy's[3] Assets under Management (AUM). Reported net interest margin was 2.9%, 10 bps lever versus year-end 2023 and is reflective of the decrease in interest rate as well as the amount of tracker mortgages (17% 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 2025. However, this will be partially offset by the ongoing efficiency drive that helped reduce the cost-to-income ratio (CIR) to 46% as of December 2024 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 81% as of December 2024. The bank's MREL ratio of 32.2% as of December 2024 was 365 bps above the 31 December 2024 requirement of 28.56%.

The bank's market funding reliance decreased slightly during the year, with a market funds to tangible banking assets ratio of 8.0% (2023: 8.4%). 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 €1.4 billion, partially offset by the issuance of €0.3 billion of MREL bonds. BOIG has no outstanding TLTRO III funding [4].

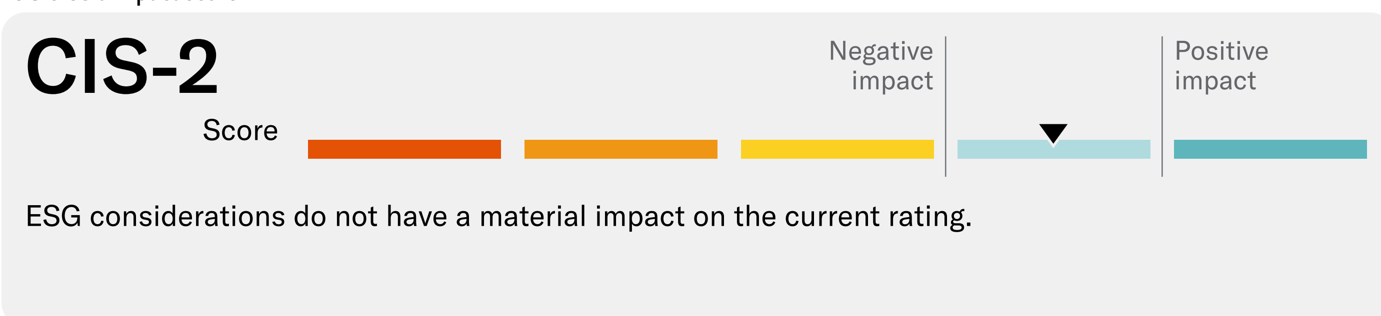
BOI has a sufficient stock of good-quality liquid assets in both Ireland and the UK and a liquid banking assets to tangible banking assets ratio of 32.0% as of December 2024. It also comfortably meets regulatory liquidity requirements, reporting a net stable funding ratio of 105%, and a liquidity coverage ratio of 202%.

We assign a Liquid Resources score of a2, to reflect our expectation that the level of liquid resources will 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

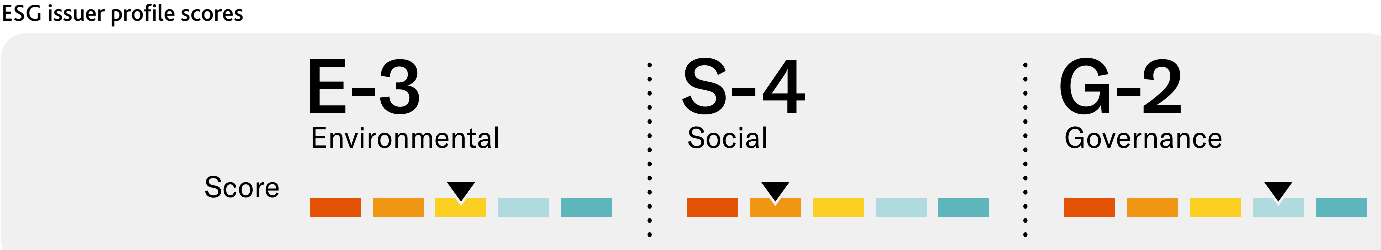
Exhibit 4
ESG credit impact score



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 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. 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.

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.

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 year-end 2024 financials; 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	3.0%	a2	↔	baa2	Expected trend	Operational risk
Capital						
Tangible Common Equity / Risk Weighted Assets (Basel III - fully loaded)	19.0%	aa2	↔	a1	Expected trend	Stress capital resilience
Profitability						
Net Income / Tangible Assets	0.3%	ba2	↔	baa2	Earnings quality	
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				baa1		
Affiliate Support notching				0		
Adjusted BCA				baa1		

Balance Sheet	**in-scope (EUR Million)**	**% in-scope**	**at-failure (EUR Million)**	**% at-failure**
Other liabilities	13,107	10.1%	23,609	18.1%
Deposits	102,955	79.1%	92,454	71.0%
Preferred deposits	76,187	58.5%	72,377	55.6%
Junior deposits	26,768	20.6%	20,076	15.4%
Senior unsecured bank debt	21	0.0%	21	0.0%
Senior unsecured holding company debt	7,010	5.4%	7,010	5.4%
Dated subordinated holding company debt	2,163	1.7%	2,163	1.7%
Preference shares(holding company)	1,069	0.8%	1,069	0.8%
Equity	3,907	3.0%	3,907	3.0%
Total Tangible Banking Assets	130,232	100.0%	130,232	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	26.3%	26.3%	26.3%	26.3%	3	3	3	3	0	a1
Counterparty Risk Assessment	26.3%	26.3%	26.3%	26.3%	3	3	3	3	0	a1 (cr)
Deposits	26.3%	10.9%	26.3%	10.9%	3	3	3	3	0	a1
Senior unsecured bank debt	26.3%	10.9%	10.9%	10.9%	3	2	3	3	0	a1
Senior unsecured holding company debt	10.9%	5.5%	10.9%	5.5%	1	1	1	1	0	a3

Dated subordinated bank debt	5.5%	3.8%	5.5%	3.8%	-1	-1	-1	-1	0	baa2
Dated subordinated holding company debt	5.5%	3.8%	5.5%	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	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 Ratings

Ratings

Exhibit 7

Category	Moody's Rating
BANK OF IRELAND GROUP PLC	
Outlook	Positive
Issuer Rating	A3
Senior Unsecured	A3
Subordinate	Baa2
Pref. Stock Non-cumulative -Dom Curr	Ba1 (hyb)
BANK OF IRELAND (UK) PLC	
Outlook	Positive
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	Positive
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 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 The group acquired Davy, an Irish provider of wealth management and capital markets services, in 2022 as a business combination and is included in BOI's Wealth and Insurance division

4 €10.8 billion of TLTRO funding was repaid in the second half of 2022.

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