MOODY'S INVESTORS SERVICE

CREDIT OPINION
7 May 2021

Update

Rate this Research

RATINGS

Bank of Ireland Group plc

Domicile	Dublin, Ireland
Long Term CRR	Not Assigned
Long Term Debt	Baa2
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

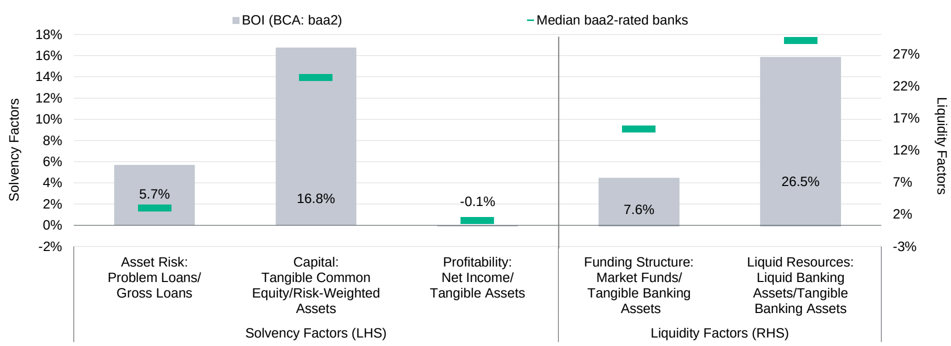
Summary

Bank of Ireland's (BOI) A2 long-term bank deposit and long-term senior unsecured debt ratings are driven by (1) the bank's Baseline Credit Assessment (BCA) of baa2; (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 (A2 stable). BOI's Counterparty Risk (CR) Assessments are A2(cr)/Prime-1(cr). Bank of Ireland Group plc's (BOI Group, the holding company of BOI) long-term senior unsecured debt ratings are Baa2.

BOI's baa2 BCA reflects its (1) reduced legacy impairments forming a sound base for the coronavirus-related asset stress; (2) moderate core profitability, though weaker due to coronavirus economic stress which we expect to recover; (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.

Exhibit 1
Rating Scorecard - Key financial ratios



Source: Moody's Banking Financial Metrics

Credit strengths

» Leading domestic franchise in Ireland and established position in the UK

» Reduced legacy impairments forms a sound base for the coronavirus-related asset stress

» Sound capitalisation, supported by sustained earnings and conservative capital management

» Ample customer deposits and sufficient liquidity buffers

Credit challenges

» Asset risk sensitive to economic downturn due to sizeable forborne loans, leveraged finance and real estate construction exposures

» Coronavirus pandemic induced macro-economic disruption constraining credit demand and revenues

» Moderate core profitability, though weaker due to coronavirus economic stress which we expect to recover

Outlook

The outlooks on BOI's and BOI Group's ratings are stable. This reflects our expectation that the bank will gradually reduce its legacy problem loans further, despite some deterioration in the near-term, while maintaining its strong capitalisation. Furthermore, the stable outlook reflects our expectation that BOI will continue to report moderate profitability, which remains structurally lower than that of its main Irish peer because of its higher share of tracker mortgages, lower share of small and medium-sized enterprise (SME) loans, and higher operating costs.

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.

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]

	12-20[2]	12-19[2]	12-18[2]	12-17[2]	CAGR/Avg.[3]
Total Assets (EUR Million)	131,617.0	129,357.0	121,784.0	120,111.0	3.1[4]
Total Assets (USD Million)	161,040.8	145,203.0	139,216.7	144,229.0	3.7[4]
Tangible Common Equity (EUR Million)	8,312.5	8,373.6	7,913.7	7,157.1	5.1[4]
Tangible Common Equity (USD Million)	10,170.8	9,399.4	9,046.4	8,594.2	5.8[4]
Problem Loans / Gross Loans (%)	5.7	4.0	5.9	5.2	5.2[5]
Tangible Common Equity / Risk Weighted Assets (%)	16.8	16.4	16.2	15.6	16.2[6]
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	42.3	33.0	47.4	42.5	41.3[5]
Net Interest Margin (%)	1.6	1.8	1.8	1.8	1.7[5]
PPI / Average RWA (%)	0.9	1.7	1.6	1.8	1.5[6]
Net Income / Tangible Assets (%)	-0.1	1.1	0.6	0.6	0.5[5]
Cost / Income Ratio (%)	82.5	70.7	72.5	71.9	74.4[5]
Market Funds / Tangible Banking Assets (%)	7.6	9.3	9.6	13.7	10.1[5]
Liquid Banking Assets / Tangible Banking Assets (%)	26.5	23.0	22.5	22.6	23.7[5]
Gross Loans / Due to Customers (%)	89.3	97.0	99.8	105.4	97.9[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 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 27% of its operations by assets in the United Kingdom (Aa3 stable) via Bank of Ireland (UK) plc (BOI UK, Baa1 stable, baa1)[1] and in international markets. It 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, 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 26 February 2021, BOI Group's largest shareholder was the Irish government, through the Ireland Strategic Investment Fund, which owned 13.95% of the bank's total share capital.

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 2020, BOI accounted for around 28% of the domestic market assets held by Irish credit institutions, based on its reported total consolidated assets of €133.8 billion.

Recent developments

All of the G-20 countries have sustained severe output losses in 2020, but the contraction in some economies was sharper than in others. According to our Global Macro Outlook 2021-22 (February 2021 Update): G-20 economies will return to growth in 2021 but recovery will not be uniform we expect real GDP in all G-20 countries to grow in 2021 compared with last year, but some countries will take longer than others to return to full capacity. Fiscal and monetary policy response, as well as pandemic management, will play a key role.

We expect Ireland's GDP to grow by 3.0% in 2021, on a par with the 3.4% in 2020, though lower than the pre-pandemic rate of 5.6% in 2019. However, according to the Central Bank of Ireland (CBI), domestic demand will expand by 2.9% in 2021 after a 7.1% contraction last year. This will drive an improvement in lending growth, tempered somewhat by an anticipated rise in unemployment as government support measures come to an end. Ultra-low interest rates will limit the repayment risk for borrowers, but will also continue to constrain banks' net interest margins.

On 16 April 2021, BOI announced that it had entered a memorandum of understanding with KBC Bank Ireland to acquire all of its performing loan assets and liabilities as KBC Group withdraws from the Irish market. KBC's performing mortgage book in Ireland totaled €8.9 billion as of year-end 2020, compared with BOI's €22.9 billion. As a result, the acquisition would increase BOI's mortgage market share to around 36% from 26%. We expect BOI's mortgage book acquisition to lower its Common Equity Tier 1 (CET1) capital ratio by 80 basis points from a reported transitional 14.9% at year-end 2020, all other things being equal.

During 2020, the Irish banks partnered with the Strategic Banking Corporation of Ireland (SBCI, A2 stable) to deliver a range of loans and working capital schemes available under COVID-19 government support measures. BOI advanced around €300 million across the following programmes: Future Growth Loan Scheme, Brexit/COVID-19 Working Capital Loan Scheme and the COVID-19 Credit Guarantee Scheme, which benefits from an 80% Government guarantee against losses.

Detailed credit considerations

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

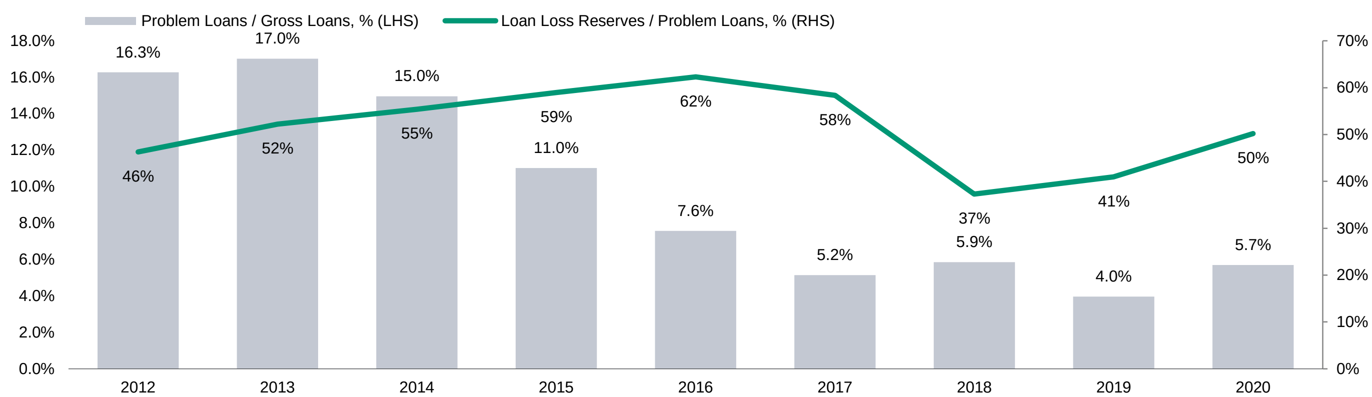
Asset risk improved to moderate levels, positioning the group better to absorb additional impairments from the coronavirus-related stress

We view BOI's Asset Risk as moderate and assign a score of ba1, one notch below the Macro-Adjusted score. The assigned score reflects our view that new problem loan formation will outweigh resumption of NPL disposals after a pandemic-induced hiatus last year. The bank's sizeable stock of forborne loans and loans in negative equity, as well as relatively higher leveraged finance and real estate construction exposures, elevates the bank's sensitivity to the adverse macroeconomic environment.

BOI's asset quality deteriorated sharply in 2020 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. The problem loans (PL) ratio also increase 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. Problem loans were unchanged in Q1 2021 compared to December 2020. We expect problem loans to further increase in 2021 as the government phases out pandemic-related support measures for borrowers.

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 low in 2013, but remain below their peak. Prices fluctuated slightly in 2020 and are prone to softening given the context of the pandemic. As a result, the proportion of negative-equity mortgages[2], which was 3.0% as end December 2020 (down from 3.2% as of December 2019), constrains our asset risk assessment. The bank reported €2.5 billion of loans in forbearance, but outside of Stage 3 assets, in December 2020, or 3.2% of gross loans, which we view as more vulnerable to economic deterioration. The corporate book recorded a nonperforming exposure (NPE) ratio of 2.3% (2019: 2.0%), while the NPE ratio for the Irish SME portfolio was 9.7% (2019: 7.5%). The property and construction portfolio which is still a weak spot, with 12.7% NPEs as of December 2020, materially increased from the 7.3% as of December 2019.

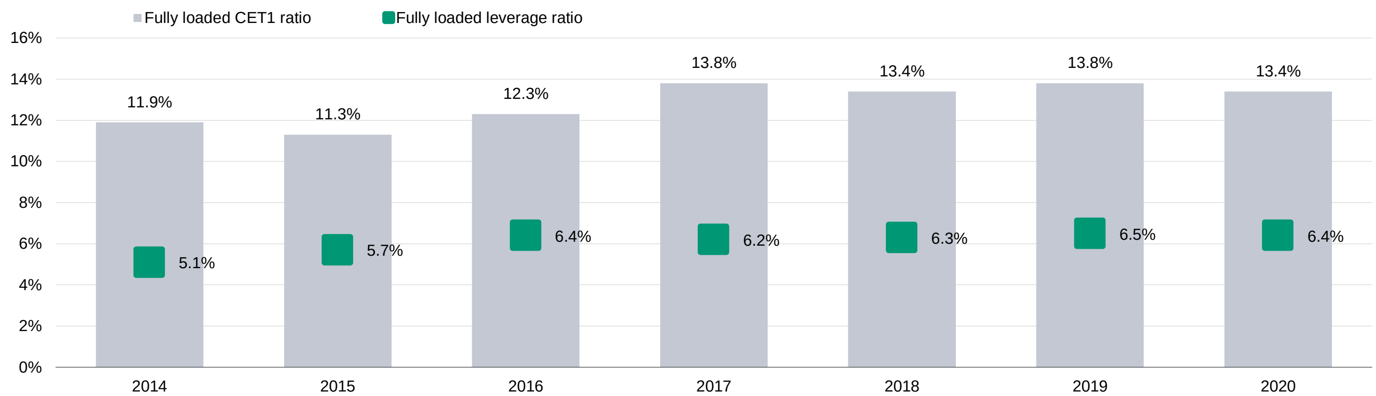
Capitalisation likely to remain strong, supported by sustained earnings

We view BOI's Capital as strong and assign an a2 score, two notches below the Macro-Adjusted score, corresponding to its tangible common equity (TCE) to risk-weighted assets (RWA) ratio of 16.8% as of end-December 2020. Our adjustment reflects our expectation that the bank will maintain a solid capital level, but also takes into account the downside risks arising from NPEs in negative equity and RWA will increase due to deterioration in credit and counterparty risk and new lending, partially offset by problem loan sales.

BOI's fully loaded CET1 ratio of 13.5% as of March 2021 has increased by 10bps from 13.4% at December 2020, reflecting organic capital generation, partially offset by on-going investment in transformation and RWA increase associated with new lending. During 2020 the ratio fell by 40bps from 13.8% at December 2019, weighed by credit quality deterioration, impact of regulatory change and costs related to the bank's transformation programme. BOI's 2020 capitalisation incorporated 40 bps of uplift related to the so-called "quick fix" to the European Union's (EU) Second Capital Requirements Regulation(CRR2) and 40 bps of uplift from the withdrawal of the 2019 dividend. In May 2020, the BOI Group issued €675 million high trigger[3] AT1 notes (Ba2(hyb)) equating to 140bps boost to capital, which replaced the lower trigger notes [4] that had a call date of June 2020. BOI Group issued a further €300 million high trigger AT1 notes in September 2020.

The change in the composition of the Pillar 2 requirement and the removal of the countercyclical buffers in Ireland and the UK driven by the coronavirus outbreak, as well as the lowered CET1 component[5] 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[6]. The group's regulatory CET1 ratio of 14.9% as of December 2020 comfortably exceeded its CET1 requirement. The bank's fully loaded leverage ratio was strong at 6.4% as of December 2020 (6.5% as of December 2019).

Exhibit 4
Regulatory capital ratios remain strong



Source: BOI financial reports

The board of BOI canceled the proposed ordinary dividend of €189 million 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 January 2021. In December 2020, the ECB revised its recommendation and asked banks to refrain from or limit dividends and share buy-backs[7] until September 2021. In 2019, BOI paid out a dividend of €173 million in respect of its 2018 earnings.

Moderate profitability to weaken due to margin pressure, higher credit costs and reduced new credit demand during coronavirus

We view BOI's Profitability as moderate but under pressure and assign a score of b1, three notches above the Macro-Adjusted score that reflects the losses reported in 2020 due to sizeable front loading of loan-loss provisions and limited new lending due to coronavirus-induced economic disruption. As a result, our assigned score reflects a more normalized bottom line and on going recovery in performance. However, the impact of the low interest rate environment on liquid-asset yields and expected higher costs of funding related to MREL issuance[8] will continue to pressure margins and we do not expect BOI's profitability to readily return to its historical level.

Net interest income (NII) the first quarter of 2021 was stable compared to the same period in 2020, reflecting higher corporate lending volumes, higher UK mortgage margins and the increased application of negative interest rates on certain deposits. This was offset by the negative impact of low interest rates on liquid assets' income and structural hedges.

BOI's revenues fell by 8% during 2020, helped by a 30% recovery in new lending during the second half of the year. This helped offset a 21% reduction in non-interest income, including wealth management and insurance revenues, during the same period. BOI's NII fell by just 2% as lower funding costs helped counterbalance a 19% decline in new lending volumes and lower lending rates. The bank expects total income in 2021 to be broadly in line with last year, with growth in non-interest income offsetting continued pressure on NII. In 2020 BOI announced that it would more than halve its branch network in Northern Ireland to 13 by the end of 2021, and invest £7 million in the remaining branches.

For year-end 2020 the bank's reported net interest margin was 2.00%, 14 bps lower compared with year-end 2019. The decline during 2020 reflected an increased proportion of low-interest bearing securities, persistently low interest rates, and the competitive pressure in the UK mortgage market.

BOI reported a loss before tax of €760 million during 2020 (Profit in 2019: €645 million) and net income/tangible assets of -0.53% (2019: 0.34%) driven by a €1,133 million coronavirus related impairment charge and also by lower pre-provision income due to reduced new lending and lower interest rates.

BOI is transforming its technology platforms and processes, which will drive efficiencies. Moody's-calculated cost-to-income ratio for the bank was weak at 82.5% in 2020, up from 70.7% a year-earlier period (vs. 64% reported by BOI, which excluded levies and regulatory charges).

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

We view BOI's Funding Structure as a relative strength, and we assign an a3 score for this factor, one notch below the Macro-Adjusted score, to reflect the expected trend as the bank issues MREL-eligible debt.

The bank's market funding reliance is relatively low, with a market funds-to-tangible banking assets ratio of 7.6% as of end-December 2020 (9.3% as of year-end 2019). We expect a gradual increase in market funding as the bank intends to issue senior debt at the holding company level towards its interim binding MREL requirements, to be met by 1 January 2022, of 24.95% on RWA basis, versus the bank's MREL ratio of 24.6% based on December 2020 RWA. In March 2021 BOI accessed €10.8 billion funding from European Central Bank's (ECB) TLTRO III which will provide buffers for BOI to withstand liquidity pressures, helping it support government-directed lending to small businesses.

The bank's gross loans-to-customer deposits (LtD) ratio was 89% in end-December 2020, 7.7% improvement since December 2019 driven by loan book contraction and higher retail deposits due to the impact of coronavirus related restrictions and lower consumer spending.

BOI has a sufficient stock of good-quality liquid assets in both Ireland and the UK. As of December 2020, the bank had a liquid banking assets-to-tangible banking assets ratio of 26.5% (23.0% as of December 2019). It also comfortably meets regulatory liquidity requirements, reporting a net stable funding ratio of 138% and a liquidity coverage ratio of 153% as at the end of 2020. We assign a Liquid Resources score of baa3, two notches below the Macro-Adjusted score, to reflect our expectation that the level of liquid resources will decline because of new lending.

Environmental, social and governance considerations

In line with our general view for the banking sector, BOI has a low exposure to environmental risks asks. See our Environmental heat map for further information.

Overall, we expect banks to face moderate social risks, which in particular applies to BOI. See our Social risks heat map, for further information. As of December 2020, BOI held a €74 million provision related to the Tracker Mortgage Examination Review (Dec 2019: €75 million). The provision represents the bank's best estimate of the redress and compensation to be paid to impacted customers and the costs related with the examination. The risk of further provisions over the outlook period is reduced but still exists.

Furthermore, the spread of the coronavirus outbreak, which we consider a social risk, is also a social consideration, given the substantial implications for public health and safety and deteriorating global economic outlook, creating a severe and extensive credit shock across many sectors, regions and markets.

Governance is highly relevant for BOI, as it is to all banks in the industry. Corporate governance weaknesses can lead to a deterioration in a bank's credit quality, while governance strengths can benefit its credit profile. Governance risks are largely internal rather than externally driven, and for BOI, we do not have any particular governance concern. The bank's risk governance infrastructure is adequate and has not shown any shortfall in recent years. Nonetheless, corporate governance remains a key credit consideration and requires ongoing monitoring.

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 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 a2, 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 a2, three notches above the BCA.

The senior unsecured debt issued by BOI Group is likely to face moderate loss-given-failure because of the small 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 baa2 PRA for the senior unsecured debt issued by the holding company to be positioned at the same level of 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 Baa3 and Ba1(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 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.

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

CR Assessments are opinions of how counterparty obligations are likely to be treated if a bank fails and are distinct from debt and deposit ratings in that they (1) consider only the risk of default rather than both the likelihood of default and the expected financial loss suffered in the event of default, and (2) apply to counterparty obligations and contractual commitments rather than debt or deposit instruments. The CR Assessment is an opinion of the counterparty risk related to a bank's covered bonds, contractual performance obligations (servicing), derivatives (for example, swaps), letters of credit, guarantees and liquidity facilities.

BOI's CR Assessment is positioned at A2(cr)/Prime-1(cr)

The CR Assessment is positioned three notches above the BOI's BCA of baa2, 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.

Counterparty Risk Ratings (CRRs)

CRRs are opinions of the ability of entities to honour the uncollateralised portion of non-debt counterparty financial liabilities (CRR liabilities) and also reflect the expected financial losses in the event such liabilities are not honoured. CRRs are distinct from ratings assigned to senior unsecured debt instruments and from issuer ratings because they reflect that, in a resolution, CRR liabilities might benefit from preferential treatment compared with senior unsecured debt. Examples of CRR liabilities include the uncollateralised portion of payables arising from derivatives transactions and the uncollateralised portion of liabilities under sale and repurchase agreements. CRRs are not applicable to funding commitments or other obligations associated with covered bonds, letters of credit, guarantees, servicer and trustee obligations, and other similar obligations that arise from a bank performing its essential operating functions.

BOI's CRRs are positioned at A2/Prime-1

The counterparty risk rating of A2 reflects the Adjusted BCA of baa2, 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.

Rating methodology and scorecard factors

Exhibit 5
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	5.7%	baa3	↓	ba1	Quality of assets	Expected trend
Capital						
Tangible Common Equity / Risk Weighted Assets (Basel III - fully loaded)	16.8%	aa3	↔	a2	Stress capital resilience	
Profitability						
Net Income / Tangible Assets	-0.1%	caa1	↑	b1	Expected trend	
Combined Solvency Score		baa2		baa3		
Liquidity						
Funding Structure						
Market Funds / Tangible Banking Assets	7.6%	a2	↔	a3	Expected trend	
Liquid Resources						
Liquid Banking Assets / Tangible Banking Assets	26.5%	baa1	↔	baa3	Expected trend	
Combined Liquidity Score		a3		baa1		
Financial Profile				baa2		
Qualitative Adjustments				Adjustment		
Business Diversification				0		
Opacity and Complexity				0		
Corporate Behavior				0		
Total Qualitative Adjustments				0		
Sovereign or Affiliate constraint				A2		
BCA Scorecard-indicated Outcome - Range				baa1 - baa3		
Assigned BCA				baa2		
Affiliate Support notching				0		
Adjusted BCA				baa2		

Balance Sheet	in-scope (EUR Million)	% in-scope	at-failure (EUR Million)	% at-failure
Other liabilities	7,057	8.7%	12,683	15.6%
Deposits	67,421	82.9%	60,544	74.4%
Preferred deposits	49,891	61.3%	47,397	58.3%
Junior deposits	17,529	21.6%	13,147	16.2%
Senior unsecured bank debt	462	0.6%	462	0.6%
Dated subordinated bank debt	286	0.4%	286	0.4%
Junior subordinated bank debt	84	0.1%	84	0.1%
Senior unsecured holding company debt	2,538	3.1%	3,288	4.0%
Dated subordinated holding company debt	1,044	1.3%	1,544	1.9%
Equity	2,440	3.0%	2,440	3.0%
Total Tangible Banking Assets	81,331	100.0%	81,331	100.0%

Debt Class	De Jure waterfall		De Facto waterfall		Notching		LGF Notching Guidance vs. Adjusted BCA	Assigned LGF notching	Additional Notching	Preliminary Rating Assessment
	Instrument volume + subordination	Sub-ordination	Instrument volume + subordination	Sub-ordination	De Jure	De Facto				
Counterparty Risk Rating	26.1%	26.1%	26.1%	26.1%	3	3	3	3	0	a2
Counterparty Risk Assessment	26.1%	26.1%	26.1%	26.1%	3	3	3	3	0	a2 (cr)
Deposits	26.1%	9.4%	26.1%	10.0%	3	3	3	3	0	a2
Senior unsecured bank debt	26.1%	9.4%	10.0%	9.4%	3	1	2	3	0	a2
Senior unsecured holding company debt	9.4%	5.4%	9.4%	5.4%	0	0	0	0	0	baa2
Dated subordinated bank debt	5.4%	3.1%	5.4%	3.1%	-1	-1	-1	-1	0	baa3
Dated subordinated holding company debt	5.4%	3.1%	5.4%	3.1%	-1	-1	-1	-1	0	baa3
Junior subordinated bank debt	3.1%	3.0%	3.1%	3.0%	-1	-1	-1	-1	-1	ba1
Non-cumulative bank preference shares	3.0%	3.0%	3.0%	3.0%	-1	-1	-1	-1	-2	ba2
Holding company non-cumulative preference shares	3.0%	3.0%	3.0%	3.0%	-1	-1	-1	-1	-2	ba2

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	a2	0	A2	A2
Counterparty Risk Assessment	3	0	a2 (cr)	0	A2(cr)	
Deposits	3	0	a2	0	A2	A2
Senior unsecured bank debt	3	0	a2	0	A2	A2
Senior unsecured holding company debt	0	0	baa2	0	Baa2	Baa2
Dated subordinated bank debt	-1	0	baa3	0	(P)Baa3	
Dated subordinated holding company debt	-1	0	baa3	0	Baa3	Baa3
Junior subordinated bank debt	-1	-1	ba1	0		Ba1 (hyb)
Non-cumulative bank preference shares	-1	-2	ba2	0	Ba2 (hyb)	Ba2 (hyb)
Holding company non-cumulative preference shares	-1	-2	ba2	0	Ba2 (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 6

Category	Moody's Rating
BANK OF IRELAND GROUP PLC	
Outlook	Stable
Issuer Rating	Baa2
Senior Unsecured	Baa2
Subordinate	Baa3
Pref. Stock Non-cumulative -Dom Curr	Ba2 (hyb)
BANK OF IRELAND (UK) PLC	
Outlook	Stable
Counterparty Risk Rating	A2/P-1
Bank Deposits	Baa1/P-2
Baseline Credit Assessment	baa1
Adjusted Baseline Credit Assessment	baa1
Counterparty Risk Assessment	A1(cr)/P-1(cr)
BANK OF IRELAND	
Outlook	Stable
Counterparty Risk Rating	A2/P-1
Bank Deposits	A2/P-1
Baseline Credit Assessment	baa2
Adjusted Baseline Credit Assessment	baa2
Counterparty Risk Assessment	A2(cr)/P-1(cr)
Issuer Rating	A2
Senior Unsecured	A2
Subordinate MTN -Dom Curr	(P)Baa3
Jr Subordinate	Ba1 (hyb)
Pref. Stock Non-cumulative	Ba2 (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 deposit rating and Baseline Credit Assessment.

2 Loan-to-value ratios above 100%.

3 The principal of the security will be written-down if BOI's Common Equity Tier 1 (CET1) ratio falls below 7%

4 The principal write-down feature triggered if the group's or the bank's Core Equity Tier 1 (CET1) capital ratio falls below 5.125%, at or close to the point of non-viability.

5 ECB announcement on 12 March allows banks to meet 56.25% of P2R in CET1 capital and 75% in Tier 1 capital, as a minimum.

6 Excluding Pillar 2 guidance, CET1 requirements consist of a Pillar 1 requirement of 4.5%, a Pillar 2 requirement 2.25% where 1.27% is composed of CET1, a capital conservation buffer of 2.50%, and an Other Systemically Important Institution (O-SII) buffer of 1.0% which will increase to 1.5% from July 2021. Countercyclical capital buffer (CCyB) is reduced to 0% from 0.3% in UK and 0.6% in Republic of Ireland

7 The ECB recommended dividends and share buy-backs to remain below 15% of cumulated 2019-20 profits or not higher than 20 basis points of CET1 ratio, whichever is lower.

8 Minimum requirement for own funds and eligible liabilities.

REPORT NUMBER 1275486

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