MOODY'S INVESTORS SERVICE

CREDIT OPINION
20 June 2019

Update

Rate this Research

RATINGS

Bank of Ireland

Domicile	Dublin, Ireland
Long Term CRR	A2
Type	LT Counterparty Risk Rating - Fgn Curr
Outlook	Not Assigned
Long Term Debt	A3
Type	Senior Unsecured - Fgn Curr
Outlook	Positive
Long Term Deposit	A2
Type	LT Bank Deposits - Fgn Curr
Outlook	Stable

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

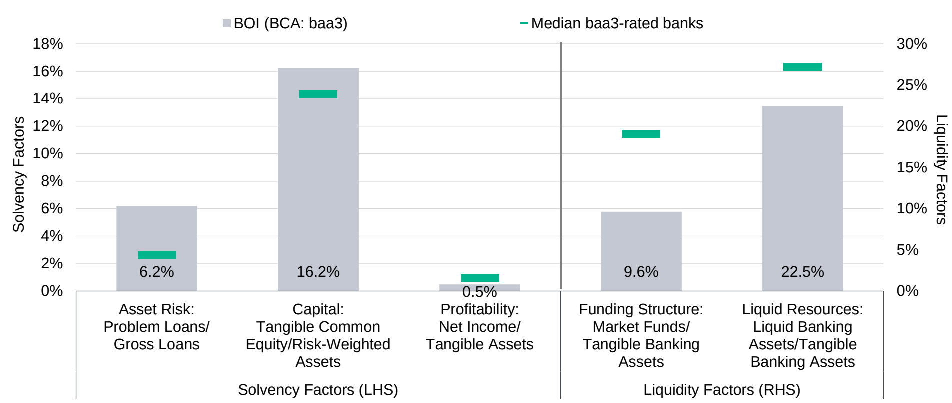
Update to credit analysis

Summary

We rate the long-term bank deposits and long-term senior unsecured debt of Bank of Ireland (BOI) A2 and A3, respectively. The ratings are driven by (1) the bank's Baseline Credit Assessment (BCA) of baa3; (2) the results of our Advanced Loss Given Failure (LGF) analysis, leading to an uplift of three notches for deposits and two notches for senior unsecured debt; and (3) our expectation of a moderate level of government support, which translates into one notch of further uplift for both the deposit and senior unsecured ratings. BOI's Counterparty Risk (CR) Assessments are A2(cr)/Prime-1(cr). The bank's short-term deposit and debt ratings are Prime-1. We rate Bank of Ireland Group plc's (the holding company of BOI) long-term senior unsecured debt Baa3 with positive outlook.

BOI's BCA of baa3 reflects its (1) improving asset quality, with the problem loan (PL) ratio standing at 5.9% as of 31 December 2018, which the bank plans to reduce to below 5% by year-end 2019; (2) sound capital ratios, with the group's regulatory fully loaded Common Equity Tier 1 (CET1) capital ratio of 13.4% as of 31 December 2018 comfortably above the regulatory CET1 2019 requirement of 10.65%; (3) stable profitability and net interest margin (NIM); and (4) strong funding profile. The BCA remains constrained by the bank's remaining sizeable stock of nonperforming loans (NPLs) in addition to a significant stock of forborne loans.

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 through partnerships with the UK Post Office and Automobile Association (AA) plc.

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

» Ample customer deposits and sufficient liquidity buffers

Credit challenges

» Sizeable stock of PLs, although declining, aided by a favourable operating environment in Ireland

» Macroeconomic uncertainties in the UK and Ireland related to the UK's exit from the EU

» Moderate profitability with NIM pressure, given the increasing pricing competition, the low interest rate environment and expected increase in funding costs

Outlook

The outlook on BOI's long-term senior unsecured debt and issuer ratings is positive, reflecting our expectation that BOI's BCA could be upgraded if the bank continues to reduce its stock of PLs, improves its profitability and maintains adequate capital levels.

The outlook on BOI's long-term deposit rating is stable as the rating currently includes one notch of government support and is in line with the ratings of the Government of Ireland (A2 stable). Should the BCA be upgraded, the deposit rating would likely be affirmed because this potential government support would no longer benefit these creditors.

Factors that could lead to an upgrade

» BOI's and BOI Group's long-term senior unsecured debt, and issuer ratings could be upgraded as a result of an upgrade in its standalone BCA or following a significant increase in its bail-in-able debt.

» The bank's BCA could be upgraded following (1) further significant reductions in PLs or an improving provisioning coverage; and (2) improving capitalisation and risk-absorption capacity, while maintaining (3) stable profitability, funding and liquidity metrics.

» BOI's and BOI Group's long-term subordinated debt and BOI's preferred stock could be upgraded following an upgrade of BOI's BCA.

Factors that could lead to a downgrade

» BOI's and BOI Group's ratings could be downgraded as a result of (1) a downgrade of its standaloned BCA, or (2) the redemption of maturing subordinated instruments without their replacement.

» BOI's BCA could be downgraded because of (1) a significant deterioration in the bank's asset quality, (2) a significant and sustained drop in the bank's capitalisation, (3) a deterioration in its core profitability metrics, or (4) a significant reduction in its liquid assets.

» BOI's and BOI Group's long-term subordinated debt and BOI's preferred stock could be downgraded following a downgrade of BOI's BCA.

Key indicators

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

	12-18[2]	12-17[2]	12-16[2]	12-15[2]	12-14[2]	CAGR/Avg.[3]
Total Assets (EUR Million)	121,784.0	120,111.0	119,032.0	127,089.0	125,540.0	(0.8)[4]
Total Assets (USD Million)	139,216.7	144,229.0	125,549.3	138,056.2	151,910.1	(2.2)[4]
Tangible Common Equity (EUR Million)	7,913.7	7,202.2	6,935.1	7,451.1	6,237.3	6.1[4]
Tangible Common Equity (USD Million)	9,046.4	8,648.4	7,314.9	8,094.1	7,547.4	4.6[4]
Problem Loans / Gross Loans (%)	5.9	5.2	7.6	11.0	15.0	8.9[5]
Tangible Common Equity / Risk Weighted Assets (%)	16.2	15.7	13.5	13.2	11.1	13.9[6]
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	47.4	42.3	57.6	74.9	98.1	64.0[5]
Net Interest Margin (%)	1.8	1.8	1.8	1.8	1.7	1.8[5]
PPI / Average RWA (%)	1.6	1.7	1.9	2.4	2.2	1.9[6]
Net Income / Tangible Assets (%)	0.5	0.5	0.9	0.6	1.1	0.7[5]
Cost / Income Ratio (%)	73.6	73.5	67.2	58.3	57.2	65.9[5]
Market Funds / Tangible Banking Assets (%)	9.6	11.1	10.5	10.0	15.4	11.3[5]
Liquid Banking Assets / Tangible Banking Assets (%)	22.5	22.6	19.9	19.6	20.1	20.9[5]
Gross Loans / Due to Customers (%)	99.7	105.3	109.6	113.0	119.6	109.5[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 due to scale of reported amounts. [4]Compound Annual Growth Rate (%) based on time period presented for the latest accounting regime. [5]Simple average of periods presented for the latest accounting regime. [6]Simple average of Basel III periods presented.
Source: Moody's Investors Service; Company Filings

Profile

The Bank of Ireland Group Plc (BOI Group, Baa3 positive), the holding company, operates mainly in Ireland through BOI but also has operations in the UK via Bank of Ireland (UK) plc (BOI UK, Baa2 stable, baa2) and internationally. It distributes its products and services through around 267 branches in Ireland and c. 11,500 branches of the Post Office in the UK (as a result of its partnership arrangement), as well as branches in France, Germany 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 22 February 2019, 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 31 December 2018, BOI accounted for 37% of the domestic market assets held by Irish credit institutions, based on its total consolidated assets of €123.7 billion.

For further information on the bank's profile, see Key Facts and Statistics - FYE December 2018.

Detailed credit considerations

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

Improving asset quality, but the stock of impaired and forborne loans remains sizeable

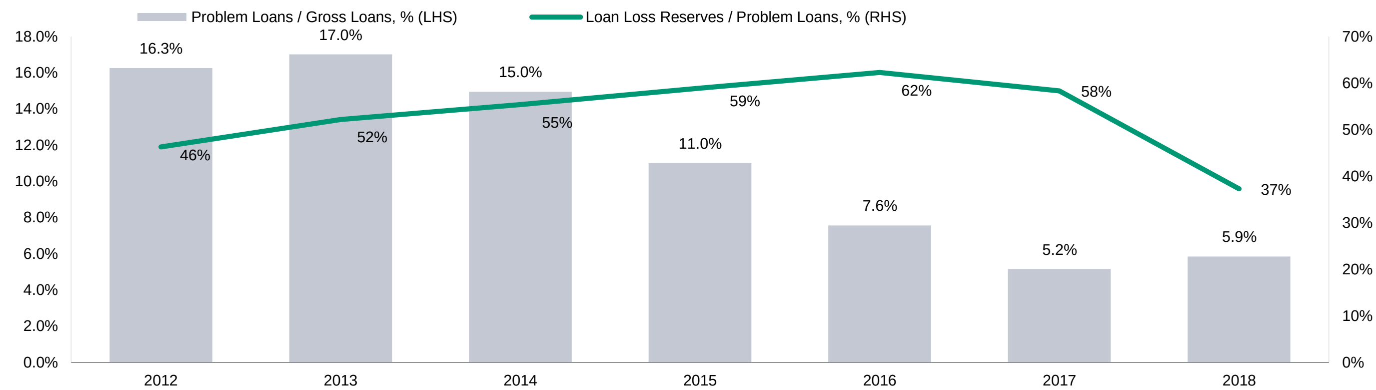
We view BOI's Asset Risk as moderate and assign a score of ba2, one notch below the Macro-Adjusted score. The assigned score reflects the overall sizeable level of impaired and forborne loans and loans in negative equity, exposing the bank to material downside risk in case of adverse macroeconomic developments.

BOI is gradually reducing its level of PLs. However, there was a slight increase to €4.5 billion as of December 2018 from €4.0 billion as of December 2017 (2016: €6.2 billion). This was because of the implementation of IFRS9 on 1 January 2018; the level of PLs increased because of the reclassification of material exposures to level 3 assets, but on a like-for-like basis, the level of PLs continued to improve in 2018.

The bank's PL ratio was thus 5.9% as ofend-2018, compared with 5.2% at end-2017 (2016: 7.6%). We expect further improvements in 2019, such as the announcement in April 2019 regarding a securitisation agreement involving €377 million of legacy nonperforming buy-to-let mortgages, which should reduce PL% to 5.4%, closer to BOI's plan to bring it below 5% by year-end 2019. Furthermore, the favourable operating environment in Ireland, leading to improvements in the labour market, and the bank's significant effort to provide sustainable restructuring solutions to troubled borrowers should support further improvements in asset risk.

Exhibit 3

Problem loans continue to decrease and are adequately provisioned



Note: Pre-2018 data is under IAS39m while 2019 data is under IFRS9
Source: Moody's Banking Financial Metrics

Following improvements in property prices in Ireland, the bank is better positioned to negotiate the restructuring of the existing PLs, assuming that positive momentum in the housing market is maintained. As a result, the proportion of the bank's portfolio in negative equity continues to decline, with the proportion of residential mortgages in Ireland with loan-to-value ratios above 100% falling to 5% as of December 2018 (down from 7% as of December 2017 and 16% as of December 2016), the lowest among its domestic peers. The bank reported €2.8 billion of loans in some form of forbearance, but outside of Stage 3 assets, in December 2018, or 3.6% of gross loans.

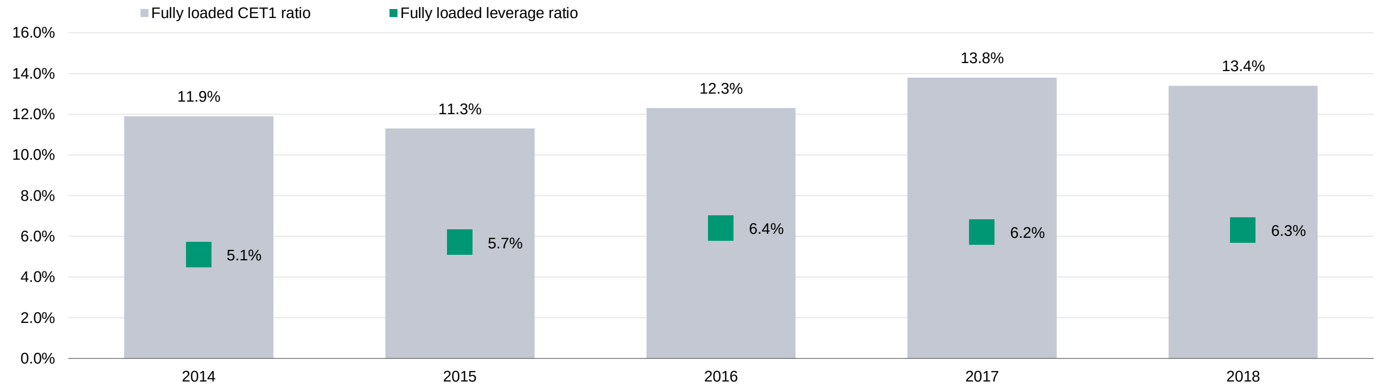
Compared with its domestic peers, the bank has historically reported lower levels of PLs, reflecting its geographic diversification because of its lending activities in the UK as well as its conservative underwriting standards. However, we believe that the bank still faces asset-quality challenges in its domestic loan book: 30% of BOI's Irish buy-to-let loans (a loan book of €3.4 billion) were classified as nonperforming as of 31 December 2018 (33% as of December 2017). The corporate book recorded a nonperforming exposure ratio of 2.6% (2017: 3.0%), while the nonperforming ratio for the Irish small and medium-sized enterprise portfolio was 11.2% (2017: 15.4%). The property and construction portfolio is still a weak spot, with 11.0% nonperforming exposures as of December 2018 (2017: 19.1%). Although, the exposure to this segment was marginally reduced to €8.3 billion as of 31 December 2018 from €8.8 billion as of year-end 2017 and the improvement in the PL ratio was driven by decline in impaired loans.

Capitalisation expected to remain strong, supported by sustained earnings generation

We view BOI's capitalisation level as strong and assign a baa1 score, four notches below the Macro-Adjusted score corresponding to its tangible common equity-to-risk-weighted assets (RWA) ratio of 16.2% reported as of 31 December 2018. Our adjustment reflects our expectation of the maintenance of a solid capital level but also takes into account the downside risks arising from a still relatively high proportion of unprovisioned PLs and NPEs in negative equity as a percentage of the bank's capital.

BOI reported a fully loaded CET1 ratio of 13.4% as of December 2018, (2017: 13.8%), driven primarily by steady organic capital generation, marginally offset by an increase in RWA, and the impact of regulatory capital demands as a consequence of TRIM[1] on Irish mortgages. The group's regulatory CET1 ratio of 15.0% as of 31 December 2018 comfortably exceeded its 2019 CET1 requirement of 10.65%[2]. The bank's fully loaded leverage ratio was strong at 6.3% as of December 2018 (6.2% as of December 2017).

Exhibit 4
Regulatory capital ratios remain strong



Source: BOI financial reports

In 2019, BOI paid out a modest dividend payments of €173 million in respect of the 2018 earnings (in 2018 BOI recommenced a dividend payment of €124m in respect of the financial year 2017). We believe the bank's demonstrated ability to generate capital organically and conservative capital management will largely mitigate any potential future volatility because of movements in the pension deficit, sterling exchange rate changes (although the impact is limited because of the hedging in place) and a potential increase in impairment charges. We therefore expect BOI to continue to maintain adequate capital levels in excess of regulatory requirements and view its capitalisation as a relative strength for the BCA.

Moderate profitability with NIM pressure, given increasing pricing competition, the low interest rate environment and expected increase in funding costs

We view BOI's profitability as moderate and assign a score of ba1, in line with the Macro-Adjusted score. The assigned score also reflects our view that profitability will remain largely stable, supported by growing lending volumes, improving efficiency, the bank's focus on higher-yielding segments, which are offset by heightened competition, investments in digital transformation, the ongoing impact of the low interest rate environment on liquid asset yields and expected higher costs of funding related to MREL issuance[3] and the normalisation of impairment charges. The macroeconomic uncertainties related to the UK's exit from the EU could elevate profitability pressure further.

BOI reported profit before tax of €835 million in 2018 (2017: €852 million) and net income over tangible assets of 0.55% (2017: 0.57% and 2016: 0.65%). The bank's Moody's-calculated NIM was 1.8% in 2018, largely in line with the levels recorded in the last two years. The rising competition in the mortgage market and the cost of securities issued in advance of TRIM[4] exert pressure on the margin; however, the bank is seeking to offset this pressure with the strategic repositioning of the UK cards portfolio, high margin new lending that replaces legacy low-yielding tracker mortgages and the disposal of nonperforming assets.

BOI's bottom line benefited from €42 million of net impairment gains in 2018, compared with €15 million of loan losses a year earlier (2016: €176 million losses), which reflects successful resolution strategies and the positive economic environment in Ireland. Although there may be further impairment gains in the short term, we expect provision releases to gradually diminish and the bank's impairment charges to stabilise at a somewhat higher level than the current one. Furthermore, BOI's profitability was reduced in 2017 by the announced additional provisions related to the Tracker Mortgage Examination Review, incurring a charge of €170 million. The additional provisioning seeks to settle this conduct issue for BOI, and there was no incremental charge in 2018. A risk of further provisions over the outlook period is reduced but still exits.

BOI is transforming its technology, which will drive efficiencies. BOI's Moody's-calculated cost-to-income ratio was weak at 74% in 2018, largely in line with that in 2017 (vs 66% reported by BOI that excluded levies and regulatory charges). The 4% decline in revenue was offset by a similar trend in operating costs. According to the current strategic plan, the bank plans to significantly improve its efficiency by 2021 mostly through personnel cost reductions, in line with the announced digital transformation plan.

Relatively low use of wholesale funding and sufficient liquidity

We view BOI's funding structure as a relative strength, and we assign an a3 score to this factor, one notch below the Macro-Adjusted score to reflect 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 9.6% as of year-end 2018 (11.12% as of year-end 2017). The use of wholesale funding decreased to €11.4 billion as of 31 December 2018 from €12.7 billion as of year-end 2017, but we expect an increase in market funding in the near future because the bank is likely to continue to issue debt at the holding company level to meet its MREL requirements of 12.9% of total liabilities and own funds, or 26.4% of the bank's RWA. The bank's gross loans-to-customer deposits ratio was 100% in December 2018, an improvement from the 105% in 2017.

BOI has a sufficient stock of good-quality liquid assets in both Ireland and the UK. As of December 2018, the bank had a liquid banking assets-to-tangible banking assets ratio of 22.5% (22.6% as of December 2017). BOI also comfortably meets regulatory liquidity requirements, reporting a net stable funding ratio of 130% and a liquidity coverage ratio of 136% as of December 2018. We assign a Liquid Resources score of baa3, one notch below the Macro-Adjusted score to reflect our expectation that the level of liquid resources will decline in support of new lending.

Support and structural considerations

Loss Given Failure

BOI is subject to the EU Bank Recovery and Resolution Directive, which we consider to be 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 Assessment of A3, three notches above the BCA.

BOI's senior unsecured debt is likely to face very 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 baa1, two notches above the BCA. This is lower than the Preliminary Rating Assessment for deposits because of the probability that we incorporate in our LGF analysis of resolution authorities taking actions to preserve deposits in a bail-in, at the expense of senior unsecured debt.

The senior unsecured debt issued by BOI Group is likely to face high 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 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, although legally pari passu to the bank's debt, will eventually fund debt which is contractually, structurally or statutorily subordinated to the operating company's external senior debt. This results in a baa3 PRA for the senior unsecured debt issued by the holding company to be positioned at the same level as 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 rating of BOI's and BOI Group's subordinated debt and BOI's junior subordinated debt is Ba1 and Ba2(hyb), respectively.

Government support

We believe that there is a moderate probability of government support for BOI should the bank fail, which leads to one notch of uplift from the Preliminary Rating Assessments for both deposits and senior unsecured ratings. We consider the probability of government support for the 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, in order to enable them 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, prior to government support, is positioned three notches above the BOI's BCA of baa3, based on the buffer against default provided to the senior obligations represented by the CR Assessment by subordinated instruments. The main difference with our Advanced LGF approach used to determine instrument ratings is that the CR Assessment captures the probability of default on certain senior obligations, rather than expected loss, therefore we focus purely on subordination and take no account of the volume of the instrument class.

The CR Assessment also benefits from one notch of government support, in line with our support assumptions on deposits and senior unsecured debt. This reflects our view that any support provided by governmental authorities to a bank which benefits senior unsecured debt or deposits is very likely to benefit operating activities and obligations reflected by the CR Assessment as well, consistent with our belief that governments are likely to maintain such operations as a going concern to reduce contagion and preserve a bank's critical functions.

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 baa3, 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 also benefits from one notch of systemic support, as an assumption of a very high likelihood of government support. 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.

Rating methodology and scorecard factors

Exhibit 5

Bank of Ireland

Macro Factors		
Weighted Macro Profile	**Strong**	**100%**

Factor	Historic Ratio	Macro Adjusted Score	Credit Trend	Assigned Score	Key driver #1	Key driver #2
Solvency						
Asset Risk						
Problem Loans / Gross Loans	6.2%	ba1	↑	ba2	Expected trend	Sector concentration
Capital						
Tangible Common Equity / Risk Weighted Assets (Basel III - fully loaded)	16.2%	aa3	←→	baa1	Stress capital resilience	
Profitability						
Net Income / Tangible Assets	0.5%	ba1	←→	ba1	Expected trend	
Combined Solvency Score		baa1		baa3		
Liquidity						
Funding Structure						
Market Funds / Tangible Banking Assets	9.6%	a2	↓	a3	Expected trend	
Liquid Resources						
Liquid Banking Assets / Tangible Banking Assets	22.5%	baa2	↓	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		
Scorecard Calculated BCA range				baa1 - baa3		
Assigned BCA				baa3		
Affiliate Support notching				0		
Adjusted BCA				baa3		

Balance Sheet	In-scope (EUR Million)	% In-scope	At failure (EUR Million)	% At failure
Other liabilities	13,264	17.4%	18,975	24.8%
Deposits	55,987	73.3%	50,276	65.8%
Preferred deposits	41,430	54.2%	39,359	51.5%
Junior Deposits	14,557	19.1%	10,917	14.3%
Senior unsecured bank debt	813	1.1%	813	1.1%
Dated subordinated bank debt	1,269	1.7%	1,269	1.7%
Junior subordinated bank debt	85	0.1%	85	0.1%
Preference shares (bank)	750	1.0%	750	1.0%
Senior unsecured holding company debt	1,187	1.6%	1,187	1.6%
Dated subordinated holding company debt	750	1.0%	750	1.0%
Equity	2,292	3.0%	2,292	3.0%
Total Tangible Banking Assets	76,397	100.0%	76,397	100.0%

Debt Class	De jure waterfall		De facto waterfall		Notching		LGF notching guidance versus 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	23.6%	23.6%	23.6%	23.6%	3	3	3	3	0	a3
Counterparty Risk Assessment	23.6%	23.6%	23.6%	23.6%	3	3	3	3	0	a3(cr)
Deposits	23.6%	8.3%	23.6%	9.4%	3	3	3	3	0	a3
Senior unsecured bank debt	23.6%	8.3%	9.4%	8.3%	3	1	2	2	0	baa1

Dated subordinated bank debt	6.7%	4.1%	6.7%	4.1%	-1	-1	-1	-1	0	ba1
Junior subordinated bank debt	4.1%	4.0%	4.1%	4.0%	-1	-1	-1	-1	-1	ba2
Cumulative bank preference shares	4.0%	3.0%	4.0%	3.0%	-1	-1	-1	-1	-2	ba3
Non-cumulative bank preference shares	4.0%	3.0%	4.0%	3.0%	-1	-1	-1	-1	-2	ba3

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	a3	1	A2	A2
Counterparty Risk Assessment	3	0	a3(cr)	1	A2(cr)	
Deposits	3	0	a3	1	A2	A2
Senior unsecured bank debt	2	0	baa1	1	A3	A3
Dated subordinated bank debt	-1	0	ba1	0	Ba1	Ba1
Junior subordinated bank debt	-1	-1	ba2	0		Ba2 (hyb)
Cumulative bank preference shares	-1	-2	ba3	0	Ba3 (hyb)	
Non-cumulative bank preference shares	-1	-2	ba3	0	Ba3 (hyb)	Ba3 (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	
Outlook	Stable(m)
Counterparty Risk Rating	A2/P-1
Bank Deposits	A2/P-1
Baseline Credit Assessment	baa3
Adjusted Baseline Credit Assessment	baa3
Counterparty Risk Assessment	A2(cr)/P-1(cr)
Issuer Rating	A3
Senior Unsecured	A3
Subordinate	Ba1
Jr Subordinate	Ba2 (hyb)
Pref. Stock -Dom Curr	Ba3 (hyb)
Pref. Stock Non-cumulative	Ba3 (hyb)
Commercial Paper	P-1
Other Short Term	(P)P-1
PARENT: BANK OF IRELAND GROUP PLC	
Outlook	Positive
Issuer Rating	Baa3
Senior Unsecured	Baa3
Subordinate	Ba1
BANK OF IRELAND (UK) PLC	
Outlook	Positive
Counterparty Risk Rating	A3/P-2
Bank Deposits	Baa2/P-2
Baseline Credit Assessment	baa2
Adjusted Baseline Credit Assessment	baa2
Counterparty Risk Assessment	A2(cr)/P-1(cr)

Source: Moody's Investors Service

Endnotes

1 Targeted Review of Internal Models.

2 CET1 requirements consists of a Pillar 1 requirement of 4.5%, a Pillar 2 requirement of 2.25%, a capital conservation buffer of 2.50% and a UK Countercyclical capital buffer (CCyB) of 0.3%. From July 2019 onward, two new buffers will apply (a Republic of Ireland [ROI] CCyB of 0.6% and an Other Systemically Important Institution [O-SII] Buffer of 0.5%).

3 Minimum requirement for own funds and eligible liabilities.

4 Targeted Review of Internal Models.

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