



## Rating Action: Moody's Ratings takes action on three banking groups in Ireland following the introduction of full depositor preference

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21 Apr 2026

London, April 21, 2026 -- Moody's Ratings (Moody's) has today taken multiple rating actions on long-term deposit and senior unsecured debt ratings as well as on other ratings derived from these, reflecting the introduction of full depositor preference across the European Union (EU), which is part of the legislative Crisis Management and Deposit Insurance (CMDI) package that EU lawmakers passed in March 2026.

In particular we have taken the following actions on banking groups domiciled in Ireland:

- 1) Long-term deposit ratings: three banking groups affirmed with unchanged outlooks.
- 2) Long-term issuer, senior unsecured debt and senior unsecured MTN programme ratings, where applicable: senior unsecured MTN programme ratings affirmed for two banking groups, long-term issuer and senior unsecured ratings affirmed with a change to a negative outlook for one bank.
- 3) Short-term certificate of deposit ratings: two rating affirmations resulted from certificates of deposit ranking pari passu with long-term senior unsecured debt under full depositor preference as compared to previously ranking pari passu with long-term deposit ratings.
- 4) Baseline Credit Assessment (BCA): Concurrently, we have affirmed the BCAs of all three banking groups.

Please click on this link: [https://www.moodys.com/viewresearchdoc.aspx?docid=PBC\\_ARFTL522309](https://www.moodys.com/viewresearchdoc.aspx?docid=PBC_ARFTL522309) for the List of Affected Credit Ratings. This list is an integral part of this Press Release and identifies each affected issuer.

### RATINGS RATIONALE

On 26 March 2026, the European Parliament passed updates to the EU Bank Recovery and Resolution Directive (BRRD) and to the Deposit Guarantee Scheme Directive (DGSD), which will result in the introduction of a widely harmonized full depositor preference over senior unsecured debt instruments across the EU which will legally take effect upon transposition into national laws. EU member states are required to conclude this step within the next two years and we expect the EU countries to apply the new creditor hierarchy uniformly.

Today's rating actions reflect our bank-specific assessment of the revised creditor hierarchy's impact on future loss severities faced by depositors and senior unsecured debt investors.

Specifically, our Advanced Loss Given Failure (LGF) analysis is now based on a unified liability waterfall applicable for all EU countries, which incorporates the general priority of any deposit not specifically earmarked for loss absorption over senior unsecured debt.

Where we affirmed deposit ratings with unchanged outlooks, we generally do not expect the additional subordination provided by senior unsecured debt to materially improve loss severities for deposits, or such deposit ratings already benefit from the maximum uplift of three notches under our Advanced LGF analysis.

The negative outlooks on senior unsecured debt and long-term issuer ratings, where relevant, reflect uncertainty as to whether the banks will successfully replenish such volume reductions over the next 12 to 18 months.

Our rating actions on BCAs are unrelated to the legislative developments and were driven by the bank-specific considerations laid out in each sub section.

For each banking group included in today's action, unless the narrative below updates our view on a particular rating component, sub-component, factor or sub-factor, or rating outlook, these considerations are unchanged.

#### BANKING GROUP-SPECIFIC CONSIDERATIONS

##### -- Bank of Ireland Group plc (BOIG) and Bank of Ireland (BOI)

The affirmation of the short-term deposit note/CD program rating of BOI reflects certificates of deposit ranking pari passu with long-term senior unsecured debt under full depositor preference. The affirmation of all other ratings and assessments of BOIG, including its senior unsecured and issuer ratings, reflects the affirmation of BOI's BCA, as well as the unchanged loss severity and government support assumptions.

The affirmation of BOI's BCA reflects the bank's leading positioning in a concentrated Irish banking system, its improved asset quality as well as strong capitalisation and profitability. BOI's large volume of stable deposits and high levels of liquidity are also key factors supporting the bank's BCA.

The stable outlook on BOIG's long-term issuer and senior unsecured debt ratings reflects the unchanged loss severity for these liabilities.

The negative outlook on BOI's long-term senior unsecured and issuer ratings indicates a potential downgrade in the absence of tangible evidence that the bank's liability structure will include sufficient subordination and senior unsecured debt volume to support our current loss severity assessment given the forthcoming depositor preference.

##### -- AIB Group plc (AIBG) and Allied Irish Banks, p.l.c. (AIB)

The affirmation of all ratings and assessments of AIBG and AIB reflects the affirmation of AIB's BCA, as well as the unchanged loss severity and government support assumptions. The affirmation of AIB's BCA reflects the bank's improved asset quality, strong capitalisation and profitability. AIB's broadly stable funding profile and high levels of liquidity are also key factors supporting the bank's BCA.

The stable outlook on AIBG's senior unsecured debt ratings reflects the unchanged loss severity for this rating class.

##### -- Hewlett-Packard International Bank DAC (HPIB)

The affirmation of all ratings and assessments of HPIB reflects the affirmation of the bank's BCA and the Adjusted BCA, as well as the unchanged loss severity and government support assumptions. The affirmation of HPIB's short-term commercial paper / certificate of deposit programme rating reflects certificates of deposit ranking pari passu with long-term senior unsecured debt under full depositor preference.

The affirmation of HPIB's BCA and Adjusted BCA reflects the bank's solid solvency underpinned by very strong capitalisation, stable profitability, low asset risk and robust residual value risk management. The BCA also incorporates our view of HPIB's confidence-sensitive deposit base, as well as the bank's monoline leasing business model, which is heavily reliant on Hewlett Packard Enterprise Company's (HPE, Baa2 stable) and HP Inc.'s (HPI, Baa2 stable) product sales and services.

#### FACTORS THAT COULD LEAD TO AN UPGRADE OR DOWNGRADE OF THE RATINGS

For each bank included in today's action, an upgrade of the Adjusted BCA could lead to an upgrade, where relevant, of long-term deposit, issuer and senior unsecured debt ratings. For instruments that do not yet benefit from the maximum uplift in our Advanced Loss Given Failure (LGF) analysis, a decrease in the loss-given-failure of the bank's instruments could also lead to an upgrade.

For each bank included in today's action, a downgrade of the Adjusted BCA could lead to a downgrade, where relevant, of long-term deposit, issuer and senior unsecured debt ratings. For instruments for which we currently have a neutral or positive notching impact under our Advanced LGF analysis, an increase in the loss-given-failure of the banks' instruments could also lead to a downgrade.

The following considerations, specific to individual entities, could lead to an upgrade or downgrade of ratings. Unless these considerations differ from our previous view of a particular factor, they are incremental to our

previous rating action press releases pertaining to that bank.

#### BANKING GROUP-SPECIFIC CONSIDERATIONS

##### -- BOIG and BOI

BOI's long-term deposit ratings would not benefit from a further improvement in the bank's liability structure because they already benefit from the highest possible uplift under our Advanced LGF analysis. The bank's BCA could be downgraded if core profitability declines significantly due to rising asset risk pressures, reducing capital generation. A fall in its capitalisation to below its stated target levels would also be negative for its ratings.

BOI's long-term issuer, long-term senior unsecured and senior unsecured MTN programme ratings could be downgraded in the absence of tangible evidence that the bank's liability structure will include sufficient subordination and senior unsecured debt volume to support our current loss severity assessment in light of the upcoming depositor preference.

##### -- AIBG and AIB

AIB's long-term deposit ratings would not benefit from a further improvement in the bank's liability structure because they already benefit from the highest possible uplift under our Advanced LGF analysis. The bank's BCA could be downgraded if its credit fundamentals deteriorate, reflected in rising asset risk and falling profitability. Significant loan growth that consumes more capital than AIB currently generates or a significant rise in less-stable funding would also be detrimental to the ratings.

AIB's senior unsecured MTN programme rating could be downgraded in the absence of tangible evidence that the bank's liability structure will include sufficient subordination and senior unsecured debt volume to support our current loss severity assessment in light of the upcoming depositor preference.

#### PRINCIPAL METHODOLOGY

The principal methodology used in these ratings was Banks published in November 2025 and available at <https://ratings.moodys.com/rmc-documents/454566>. Alternatively, please see the Rating Methodologies page on <https://ratings.moodys.com> for a copy of this methodology.

AIB's "Assigned BCA" score of a3 is set two notches below the "Financial Profile" initial score of a1 to reflect asset composition and the expected decline in the bank's capitalisation.

HPIB's "Assigned BCA" score of baa1 is set three notches below the "Financial Profile" initial score of a1 to reflect its monoline business model, as well as the Baa1 constraint on HPIB's BCA based on the long-term ratings of its parent, Hewlett Packard Enterprise Company.

For BOI, the net effect of any adjustments applied to rating factor scores or scorecard outputs under the primary methodology(ies), if any, was not material to the ratings addressed in this announcement.

#### REGULATORY DISCLOSURES

The List of Affected Credit Ratings announced here are all solicited credit ratings. For additional information, please refer to Moody's Policy for Designating and Assigning Unsolicited Credit Ratings available on its website <https://ratings.moodys.com>. Additionally, the List of Affected Credit Ratings includes additional disclosures that vary with regard to some of the ratings. Please click on this link [https://www.moodys.com/viewresearchdoc.aspx?docid=PBC\\_ARFTL522309](https://www.moodys.com/viewresearchdoc.aspx?docid=PBC_ARFTL522309) for the List of Affected Credit Ratings. This list is an integral part of this Press Release and provides, for each of the credit ratings covered, Moody's disclosures on the following items:

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For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on <https://ratings.moodys.com/rating-definitions>.

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