

## NON-RATING ACTION COMMENTARY

# PTSB Acquisition by BAWAG Could Bring Significant Synergies

Mon 20 Apr, 2026 - 09:53 ET

Fitch Ratings-Frankfurt am Main/London-20 April 2026: Permanent TSB Group Holdings plc's (PTSB) acquisition by BAWAG Group AG (not rated) provides scope for significant synergies in areas such as IT, operations, and products and services, Fitch Ratings says. We believe PTSB could benefit from being part of a larger banking group, leveraging off BAWAG's expertise and financial strength, which could be credit positive for the Irish lender.

The transaction is transformational for BAWAG as its largest acquisition. The Irish market will become key for BAWAG's business, and will likely contribute around a quarter of the group's post-acquisition revenues. This would position Ireland as second only to BAWAG's Austrian home market (about 35%) – ahead of Germany (about 20%) and other countries of operation. PTSB's large size relative to its new parent indicates that it will quickly become an integral part of the enlarged banking group, but the size could also constrain BAWAG's ability to provide support as PTSB will account for about 30% of combined group assets.

On 14 April, PTSB and BAWAG announced they had reached agreement on a cash offer of EUR1.6 billion for the full shareholding of PTSB, equivalent to about 0.8 times book value, thereby concluding the bank's formal sales process and bringing an end to the government ownership in the Irish banking sector, in place since the 2008 global financial crisis. The sale is subject to various shareholder, regulatory, and legal approvals, including from 75% of PTSB's shareholders. The Irish government, which owns 57.5% of PTSB's shares, supports the sale. The parties expect to complete the transaction in 4Q26 or 1Q27.

The terms of the offer include BAWAG maintaining PTSB's headquarters and fixed asset base, and a branch network in Ireland, for two years following the acquisition. However, the future group structure and integration plan are uncertain.

PTSB's rating is driven by its 'bbb' Viability Rating, which is underpinned by a moderate risk profile, with a business weighted toward low-risk residential mortgage loans, and satisfactory asset quality. These balance its small domestic franchise, which lacks the scale and breadth of the two dominant larger Irish banks, and its simple but undiversified business model concentrated on a small market.

Further clarity on the strength of potential support from BAWAG could lead to positive rating action. This would arise if we believed the probability of PTSB receiving shareholder support, as reflected in the assignment of a Shareholder Support Rating on transaction completion, would be higher than the bank's Viability Rating.

Contact:

Gary Hanniffy, CFA

Director

+49 69 768076 266

[gary.hanniffy@fitchratings.com](mailto:gary.hanniffy@fitchratings.com)

Fitch Ratings – a branch of Fitch Ratings Ireland Limited

Neue Mainzer Strasse 46 - 50

Frankfurt am Main D-60311

Christian Scarafia

Managing Director

+44 20 3530 1012

[christian.scarafia@fitchratings.com](mailto:christian.scarafia@fitchratings.com)

Media Relations: Tahmina Pinnington-Mannan, London, Tel: +44 20 3530 1128, Email:

[tahmina.pinnington-mannan@thefitchgroup.com](mailto:tahmina.pinnington-mannan@thefitchgroup.com)

Additional information is available on [www.fitchratings.com](http://www.fitchratings.com)

All Fitch Ratings (Fitch) credit ratings are subject to certain limitations and disclaimers.

Please read these limitations and disclaimers by following this link:

<https://www.fitchratings.com/understandingcreditratings>. In addition, the following

<https://www.fitchratings.com/rating-definitions-document> details Fitch's rating

definitions for each rating scale and rating categories, including definitions relating to

default. Published ratings, criteria, and methodologies are available from this site at all

times. Fitch's code of conduct, confidentiality, conflicts of interest, affiliate firewall, compliance, and other relevant policies and procedures are also available from the Code of Conduct section of this site. Directors and shareholders' relevant interests are available at <https://www.fitchratings.com/site/regulatory>. Fitch may have provided another permissible or ancillary service to the rated entity or its related third parties. Details of permissible or ancillary service(s) for which the lead analyst is based in an ESMA- or FCA-registered Fitch Ratings company (or branch of such a company) can be found on the entity summary page for this issuer on the Fitch Ratings website. In issuing and maintaining its ratings and in making other reports (including forecast information), Fitch relies on factual information it receives from issuers and underwriters and from other sources Fitch believes to be credible. Fitch conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction. The manner of Fitch's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors. Users of Fitch's ratings and reports should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information Fitch relies on in connection with a rating or a report will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to Fitch and to the market in offering documents and other reports. In issuing its ratings and its reports, Fitch must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings and forecasts of financial and other information are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings and forecasts can be affected by future events or conditions that were not anticipated at the time a rating or forecast was issued or affirmed.

The information in this report is provided 'as is' without any representation or warranty of any kind, and Fitch does not represent or warrant that the report or any of its contents will meet any of the requirements of a recipient of the report. A Fitch rating is an opinion as to the creditworthiness of a security. This opinion and reports made by Fitch are based on established criteria and methodologies that Fitch is continuously

evaluating and updating. Therefore, ratings and reports are the collective work product of Fitch and no individual, or group of individuals, is solely responsible for a rating or a report. The rating does not address the risk of loss due to risks other than credit risk, unless such risk is specifically mentioned. Fitch is not engaged in the offer or sale of any security. All Fitch reports have shared authorship. Individuals identified in a Fitch report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only. A report providing a Fitch rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. Ratings may be changed or withdrawn at any time for any reason in the sole discretion of Fitch. Fitch does not provide investment advice of any sort. Ratings are not a recommendation to buy, sell, or hold any security. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor, or the tax-exempt nature or taxability of payments made in respect to any security. Fitch receives fees from issuers, insurers, guarantors, other obligors, and underwriters for rating securities. Such fees generally vary from US\$1,000 to US\$750,000 (or the applicable currency equivalent) per issue. In certain cases, Fitch will rate all or a number of issues issued by a particular issuer, or insured or guaranteed by a particular insurer or guarantor, for a single annual fee. Such fees are expected to vary from US\$10,000 to US\$1,500,000 (or the applicable currency equivalent). The assignment, publication, or dissemination of a rating by Fitch shall not constitute a consent by Fitch to use its name as an expert in connection with any registration statement filed under the United States securities laws, the Financial Services and Markets Act of 2000 of the United Kingdom, or the securities laws of any particular jurisdiction. Due to the relative efficiency of electronic publishing and distribution, Fitch research may be available to electronic subscribers up to three days earlier than to print subscribers.

For Australia, New Zealand, Taiwan and South Korea only: Fitch Australia Pty Ltd holds an Australian financial services license (AFS license no. 337123) which authorizes it to provide credit ratings to wholesale clients only. Credit ratings information published by Fitch is not intended to be used by persons who are retail clients within the meaning of the Corporations Act 2001.

Fitch Ratings, Inc. is registered with the U.S. Securities and Exchange Commission as a Nationally Recognized Statistical Rating Organization (the 'NRSRO'). While certain of the NRSRO's credit rating subsidiaries are listed on Item 3 of Form NRSRO and as such are authorized to issue credit ratings on behalf of the NRSRO (see <https://www.fitchratings.com/site/regulatory>), other credit rating subsidiaries are not listed on Form NRSRO (the 'non-NRSROs') and therefore credit ratings issued by those subsidiaries are not issued on behalf of the NRSRO. However, non-NRSRO personnel may participate in determining credit ratings issued by or on behalf of the NRSRO.

Copyright © 2026 by Fitch Ratings, Inc., Fitch Ratings Ltd. and its subsidiaries. 33

Whitehall Street, NY, NY 10004. Telephone: 1-800-753-4824, (212) 908-0500.

Reproduction or retransmission in whole or in part is prohibited except by permission.

All rights reserved.