CREDIT OPINION
28 August 2026

Update

Send Your Feedback

Permanent TSB Group Holdings plc

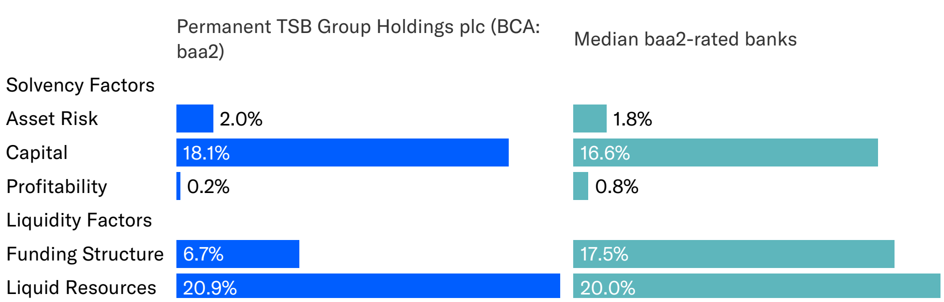
Update following outlook change to positive

Summary

Permanent tsb p.l.c.'s (PTSB) deposit and senior unsecured debt ratings are A1 and Permanent TSB Group Holdings plc's (PTSBG) senior unsecured debt rating is Baa1. These ratings reflect (1) the bank's Baseline Credit Assessment (BCA) of baa2; (2) the results of our Advanced Loss Given Failure (LGF) analysis, which results in three notches of uplift from the BCA for both PTSB's deposit and senior unsecured debt ratings, and one notch uplift for PTSBG's senior unsecured rating; and (3) our expectation of a moderate level of government support, which results in an additional one-notch of uplift for PTSB's deposit and senior unsecured debt ratings. PTSB's Counterparty Risk (CR) Assessments are A1(cr)/Prime-1(cr) and CR Ratings (CRR) are A1/Prime-1.

PTSB's baa2 BCA reflects its improved asset risk and solid capitalisation levels, improving profitability, broadly stable funding profile and moderate liquidity levels. PTSB's largely monoline business model is also a key driver of the bank's BCA.

Exhibit 1
Rating Scorecard — Key financial ratios



The scorecard ratio calculations are presented in the "Rating methodology and scorecard factors" section.
Source: Moody's Ratings

RATINGS

Permanent TSB Group Holdings plc

Domicile	Dublin, Ireland
Long Term CRR	Not Assigned
Long Term Debt	Baa1
Type	Senior Unsecured - Dom 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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CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

Credit strengths

» Sound capital levels, which provide a loss-absorbing cushion against asset stress

» Significantly improved risk profile, underpinned by high reserve levels

» Profitability will be supported by new lending growth and improving operational efficiency

» Broadly stable funding profile and moderate level of high-quality liquid resources

Credit challenges

» Weak efficiency versus higher-rated peers

» Still largely monoline business model heightens exposure to the Irish housing sector and property prices

» Managing asset risk as the bank expands into higher-risk lending segments

Outlook

The positive outlook on PTSBG's long-term senior unsecured debt and issuer ratings reflects our expectation of the potential affiliate support uplift based on BAWAG P.S.K. AG's (BAWAG, A1 stable, baa1 BCA) standalone credit fundamentals and the unchanged assumption of the low level of government support provided by the Government of Ireland (Ireland, Aa2 positive) for these rating classes if the transaction concludes.

The positive outlook on PTSB's long-term deposit ratings reflects our expectation of the potential affiliate support uplift based on BAWAG's standalone credit fundamentals and our expectation that the one-notch government support uplift on this rating class would remain unchanged.

Factors that could lead to an upgrade

» PTSB's BCA could be upgraded if its profitability sustainably improves and the bank demonstrates good control over the cost of risk as it grows and expands its business banking offering. A successful acquisition by BAWAG will likely lead to an upgrade of the Adjusted BCA by one notch.

» PTSBG's long-term senior unsecured, senior unsecured MTN programme and long-term issuer ratings could be upgraded following the completion of the acquisition by BAWAG due to a higher Adjusted BCA.

» PTSB's long-term deposit ratings could be upgraded following the completion of the acquisition by BAWAG due to a likely upgrade of PTSB's Adjusted BCA.

» PTSB's senior unsecured MTN program rating is unlikely to be upgraded 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.

Factors that could lead to a downgrade

» PTSB's deposit ratings could be downgraded if the bank's BCA is downgraded.

» PTSB's BCA could be downgraded if its core profitability declines significantly due to rising asset risk pressures, reducing capital generation.

» PTSB's senior secured MTN program rating could be downgraded if its subordination declines beyond the current level.

Key indicators

Exhibit 2

Permanent TSB Group Holdings plc (Consolidated Financials) [1]

	06-26 [2]	12-25 [2]	12-24 [2]	12-23 [2]	12-22 [2]	CAGR/Avg. [3]
Total Assets (EUR Million)	30,534.0	30,465.0	28,932.0	27,755.0	25,933.0	4.8 [4]
Total Assets (USD Million)	34,909.6	35,779.7	29,959.0	30,659.7	27,676.9	6.9 [4]
Tangible Common Equity (EUR Million)	1,832.0	1,813.2	1,769.8	1,676.5	1,662.1	2.8 [4]
Tangible Common Equity (USD Million)	2,094.6	2,129.5	1,832.6	1,852.0	1,773.8	4.9 [4]
Problem Loans / Gross Loans (%)	1.4	1.4	1.8	3.4	3.3	2.2 [5]
Tangible Common Equity / Risk Weighted Assets (%)	18.1	16.6	15.4	14.5	14.5	15.8 [6]
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	15.0	14.4	17.7	32.0	29.8	21.8 [5]
Net Interest Margin (%)	2.0	1.9	2.0	2.1	1.5	1.9 [5]
PPI / Average RWA (%)	1.1	0.8	0.8	1.1	0.0	0.7 [6]
Net Income / Tangible Assets (%)	0.2	0.4	0.4	0.1	0.8	0.4 [5]
Cost / Income Ratio (%)	82.6	84.8	86.3	80.8	100.5	87.0 [5]
Gross Loans / Due to Customers (%)	88.4	87.0	89.2	93.2	91.1	89.8 [5]
Core Banking Liquidity (HQLA) / Tangible Banking Assets (%)	--	20.9	18.2	--	--	--
Less-stable Funds (LCR) / Tangible Banking Assets (%)	--	6.7	6.9	--	--	--

[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.

Further to the publication of our revised methodology in November 2025, only ratios from annual 2024 onwards included in this report apply reported risk weights for all exposures, discontinuing our previously applied standard adjustment for certain government securities.

Sources: Moody's Ratings and company filings

Profile

Permanent tsb p.l.c.'s (PTSB, A1 positive, baa2) is an Irish retail bank based in Dublin. Its products and services include deposit accounts, current accounts, personal loans, mortgages, credit cards, SME lending and asset finance. As of June 2026, PTSBG's asset share among Irish-headquartered credit institutions was 8% (based on its total consolidated assets of €30.5 billion) and its reported mortgage market share[1] as of June 2026 was 19% (H1 2025: above 20%).

On 14 April 2026, PTSBG announced that it had agreed to a potential acquisition by Austria's BAWAG P.S.K. AG (BAWAG, A1 stable, baa1) for a total cash consideration of €1.6 billion, equivalent to around 0.82x PTSBG's tangible book value. The transaction is subject to regulatory and other approvals, and the parties expect it to complete in the fourth quarter of 2026 or the first quarter of 2027. Following completion, PTSBG would be delisted and become a wholly owned subsidiary of BAWAG. The offer has been accepted by PTSBG's board and supported by the Irish Minister for Finance, which currently holds 57% of PTSBG's shares, and has also been approved by PTSBG's shareholders.

Detailed credit considerations

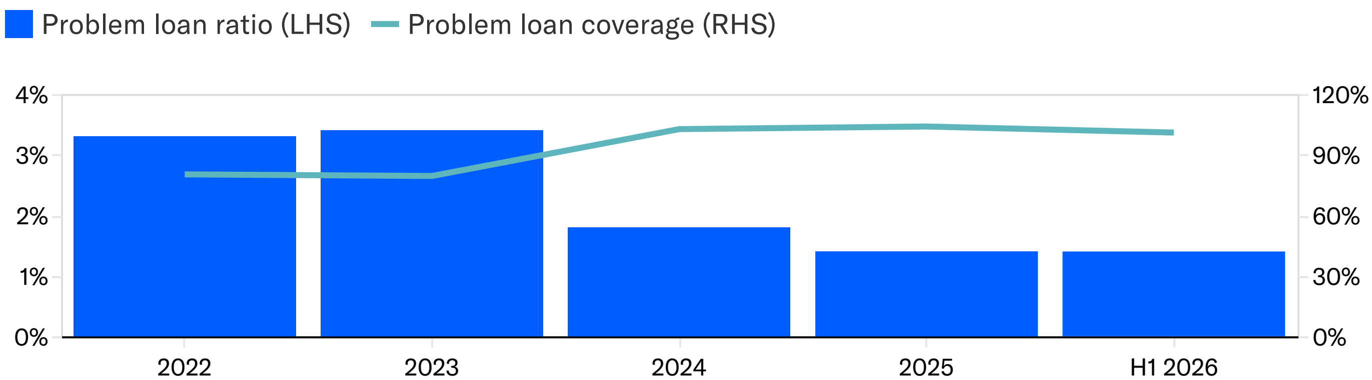
Significantly improved risk profile, underpinned by high reserve levels

We assign a baa1 Asset Risk score that reflects our Problem Loans to Gross Loans ratio of 2.0%, which we consider to be Strong, and is adjusted for tail risk from PTSB's expansion into higher-risk SME and Asset Finance lending. In the 12 months ending 30 June 2026, PTSB's Business Banking book, which includes SME and Asset Finance, increased by 11%, primarily due to growth in Asset Finance lending, increasing the bank's residual value-related risks.

The bank still maintains its medium-term commitment to a low single-digit non-performing loans (NPL) ratio. PTSB has made significant progress in improving its asset quality in recent years through workouts, NPL portfolio sales and securitisations. As of June 2026, problem loans remained flat at 1.4% as compared to December 2025. Stage 2 loans increased slightly to 12.8% of gross loans from 11.9% as of over the same period.

PTSB maintains a high level of loan-loss reserves, which were 100.9% of problem loans as of June 2026 (103.9% as of year-end 2025).

Exhibit 3
Problem loans are at all-time lows and are supported by high provisioning levels



Notes: Problem loan coverage: loan loss reserves % problem loans.
Sources: Moody's Ratings

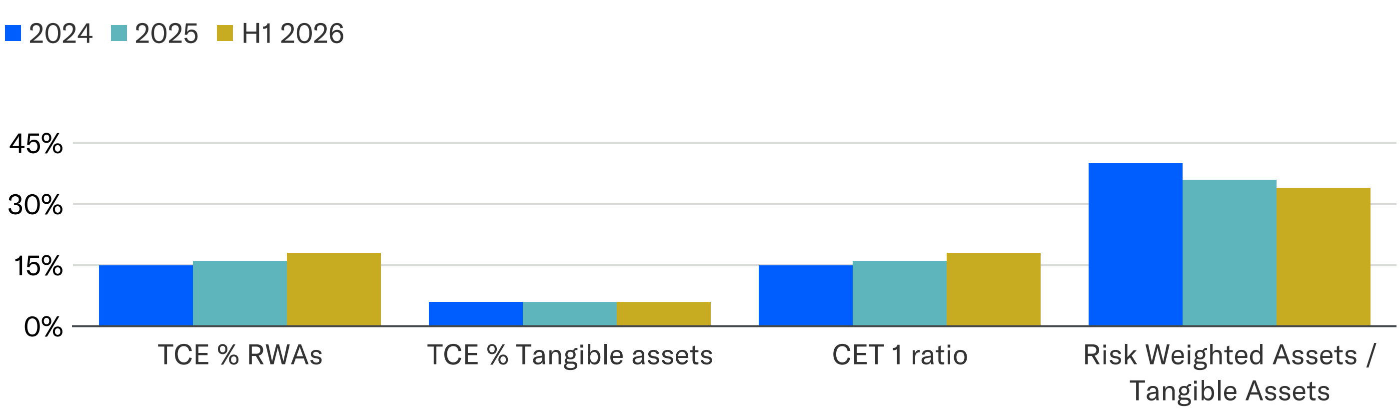
Sound capital levels, which provide a loss-absorbing cushion against asset stress

We assign an a3 Capital score that reflects our Tangible Common Equity (TCE) to Risk Weighted Assets (RWA) ratio of 18.1%, which we consider Strong, and is adjusted for RWA recognition under the internal ratings-based (IRB) approach, as well as our expectation of PTSB's capital declining marginally as its loan book grows.

In January 2026, PTSB announced that it had received an approval from the Central Bank of Ireland to implement its IRB mortgage models, effective 30 January 2026. The new models had a 150 basis point (bps) positive impact on bank's pro-forma December 2025 CET1 ratio.

As of June 2026, the bank's reported CET1 ratio was 17.7%, up from the pro-forma CET1 ratio of 17.5% as of December 2025. The increase was driven by organic capital generation, partly offset by loan growth and Additional Tier 1 (AT1) coupon. The bank's minimum CET1 requirement with fully phased-in capital buffers was 10.69% as of H1 2026, in line with year-end 2025.

Exhibit 4
PTSB's H1 2026 capital ratios benefitted from the new IRB mortgage models



Notes: TCE: Tangible Common Equity/Risk weighted assets and is calculated as ((Tangible common equity – Deferred tax assets) + minimum (Deferred tax assets, 11.1% * (Tangible common equity – Deferred tax assets))) / Risk-weighted assets TCE/Tangible assets or Nominal leverage: tangible common equity % of tangible assets. Tangible assets = Total assets minus goodwill and other intangible assets.
Source: Moody's Ratings

Profitability will be supported by new lending growth and improving operational efficiency

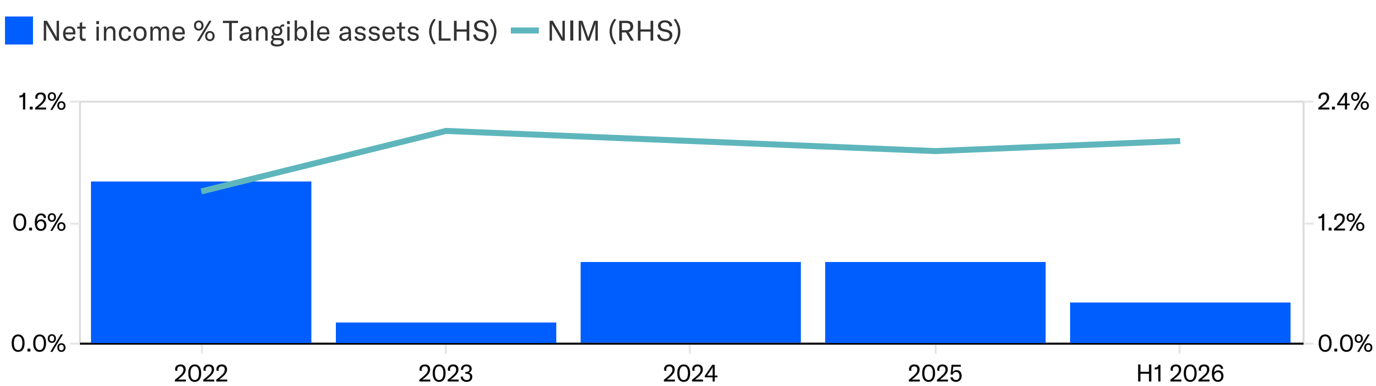
We assign a ba2 Profitability score that reflects our Net Income to Tangible Assets ratio of 0.2%, which we consider to be Weak, and is adjusted for our expectation of profitability improving, offset by a negative adjustment for PTSB's earnings volatility.

We expect PTSB's revenue generation and profitability to increase due to new lending and cost optimisation as a result of the ongoing digitisation initiatives. Revenue from growing SME and asset finance lending will support sustained margin and fee income growth in the coming years. At the same time, PTSB's earnings have remained volatile, with the bank's earnings volatility ratio[2] exceeding 50% as of June 2026, partly due to PTSB's weak, albeit improving, cost efficiency, as reflected in its reported cost-to-income ratio of 71% as of June 2026 (76% as of June 2025).

On a Moody's-adjusted basis, the bank made profits of €35 millions in H1 2026, up 57% from H1 2025. The increase was driven by higher net interest income, supported by loan book growth and lower funding costs, as well as by reduced operating expenses. The bank also recorded a net impairment charge of €6 million compared to a nil charge during the first half of 2026, reflecting current economic headwinds.

In line with peers, PTSB is focusing on upgrading their technology, increasing the use of digital platforms, as well as optimising headcount and branches to accommodate customers' evolving preferences to engage digitally. We expect PTSB's profitability to improve over the next 12-18 months, driven by the digitisation and cost optimisation initiatives, the positive impact of the new IRB model and higher earnings growth from the bank's larger and more diversified loan book.

Exhibit 5
PTSB's profits have been volatile due to weak cost efficiency



Notes: NIM: net interest margin.
Sources: Moody's Ratings

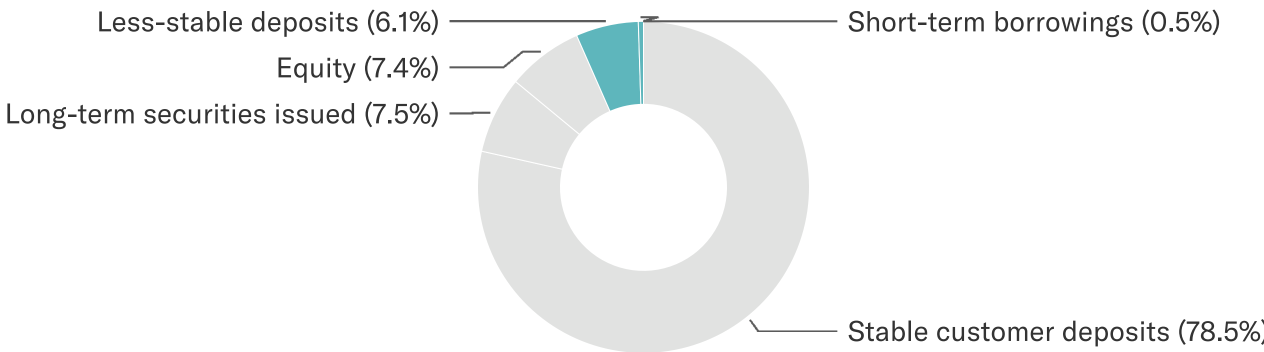
Broadly stable funding profile with ample stable deposits

We assign an aa3 Funding Structure score that reflects our Less-stable Funds to Tangible Banking Assets ratio of 6.7%, which we consider to be Very Strong, and is adjusted for our expectation of PTSB's less-stable funds relative to tangible banking assets marginally increasing.

PTSB's share of customer deposits relative to total funding has increased to 91% as of end-June 2026, from 69% as of end-December 2015. These customer deposits are primarily retail-sourced and considered less confidence-sensitive. The reported gross loan-to-deposit (LtD) ratio has been steadily improving and stood at 88% as of end-June 2026, down from 111% as of December 2016. Looking ahead, we expect the LtD ratio to increase due to higher lending growth.

Exhibit 6

Stable customer deposits support PTSB's funding profile



Notes: Less-stable funds comprise short-term borrowings and less-stable deposits. Short-term borrowings include all short-term wholesale borrowings, including the portion of long-term debt that matures in less than one year. For banks that report LCR, we calculate Less-stable deposits as follows: the sum of weighted deposit outflow components as reported in the bank's LCR disclosure.
Sources: Moody's Ratings

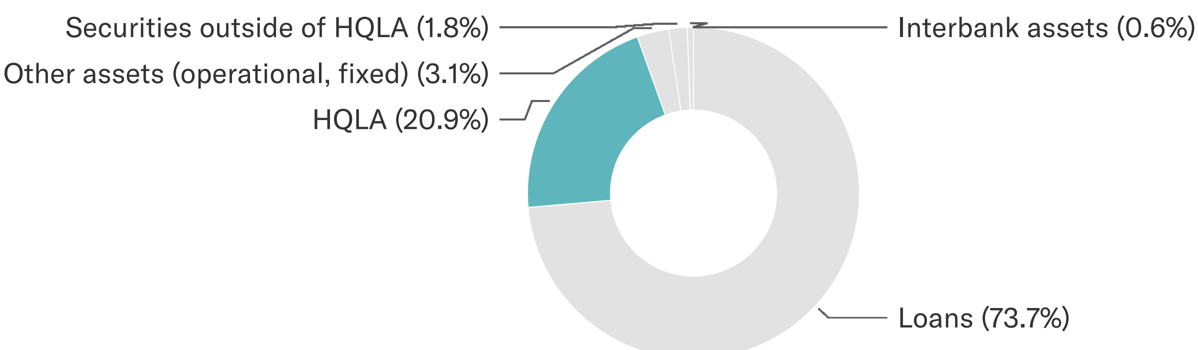
Moderate level of high-quality liquid resources

We assign an a3 Liquid Resources score that reflects our Core Banking Liquidity (CBL) to Tangible Banking Assets ratio of 20.9%, which we consider to be Moderate, to reflect our expectation of the level of PTSB's liquid resources declining only marginally due to lending growth.

The bank's CBL increased by c.270 bps in 2025 from 18.2% as of December 2024, largely due to an increase in investment securities, which mostly comprise Irish and other European government bonds. In the first half of 2026, PTSB's liquidity coverage ratio was 250%, down from 277% as of December 2025, but still very high.

Exhibit 7

Loans dominate PTSB's asset base, with HQLA comprising the bulk of liquid resources



Notes: For banks that report high quality liquid assets (HQLA), we use HQLA, as reported in the bank's financial statements or regulatory reports, as the numerator of the core banking liquidity ratio.
Sources: Moody's Ratings

Macro Profile

We assign a Strong + Macro Profile to PTSBG, reflecting its large exposure to Ireland.

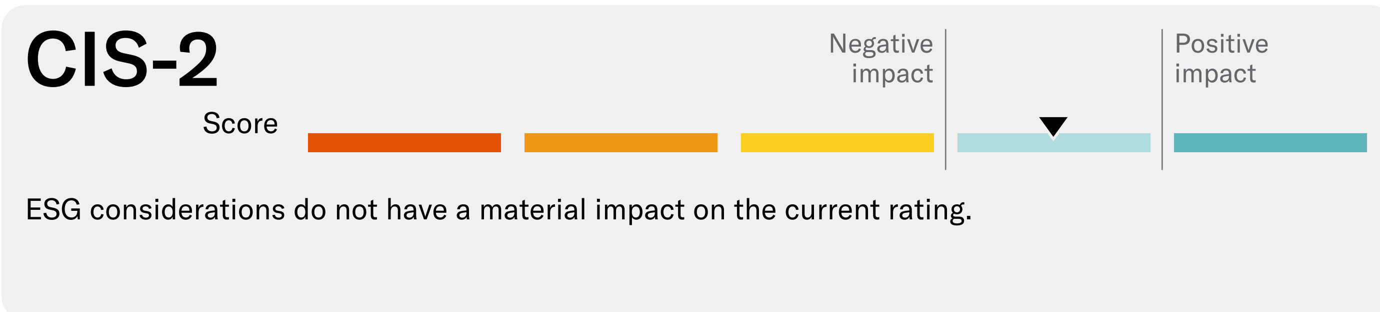
Business and geographic diversification

We assign a BCA of baa2 that includes a minus one qualitative adjustment for Business and Geographic Diversification because PTSB derives the majority its revenue from mortgage lending. A bank with a single line of business is highly vulnerable to shocks because it cannot fall back on other income streams. Hence, we consider a bank with monoline activities to be weaker than a bank with diverse businesses.

ESG considerations

Permanent TSB Group Holdings plc's ESG credit impact score is CIS-2

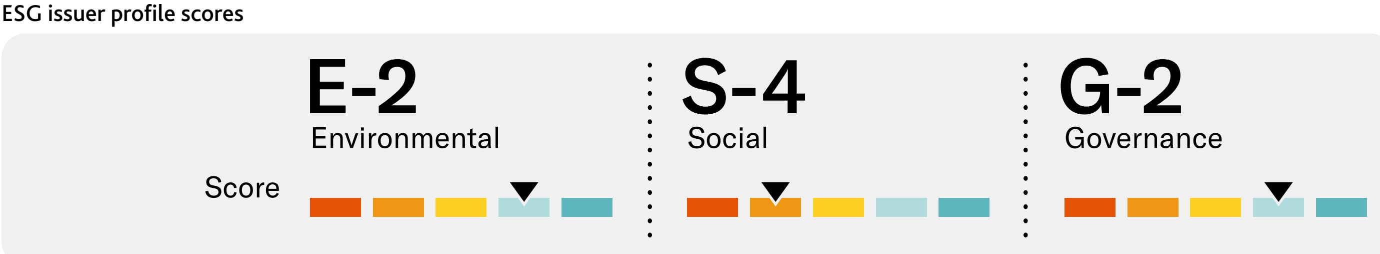
Exhibit 8
ESG credit impact score



Source: Moody's Ratings

Permanent TSB Group Holdings plc (PTSB)'s **CIS-2** indicates that ESG considerations do not have material impact on the current rating. In particular, governance risks are low, supported by sound capital, liquidity and risk management.

Exhibit 9
ESG issuer profile scores



Source: Moody's Ratings

Environmental

PTSB faces lower-than-industry-average exposure to environmental risks. The bank has limited exposure to carbon transition risks because its loan book is concentrated in Irish residential mortgages and it has negligible exposure to the corporate sector.

Social

PTSB 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.

Governance

PTSB'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. PTSB is majority-owned by the Irish government, which we consider a passive shareholder, as reflected in the diversified composition of the bank's board of directors. Ireland's developed institutional framework and the relationship management agreement in place between the Minister of Finance and PTSB ensures independence and mitigates associated governance risks.

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 (LGF) analysis

PTSB is domiciled in country Ireland, which we consider an operational resolution regime (ORR). Thus, we apply our advanced Loss Given Failure (LGF) analysis. We assume the proportion of deposits considered junior at 10%, below our standard assumption of 26%, because of the bank's largely retail-oriented depositor base. Our Advanced LGF analysis also reflects the fact that full depositor preference over senior debt creditors will be implemented in the EU by early 2028, which is reflected in the “de facto” notching in the scorecard below.

Using historical data as of June 2026, our LGF analysis indicates that PTSB's deposits and senior unsecured ratings are likely to face extremely low loss given failure, yielding three notches of uplift from the bank's baa2 Adjusted BCA. However, with the introduction of full depositor preference in Ireland, we expect PTSB's senior unsecured debt to face very low loss given failure. This would result in a two-notch uplift from PTSB's Adjusted BCA 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.

Our approach reflects the fact that the holding company has been required to issue significant volumes of external loss-absorbing capacity and that the main material subsidiaries in operational resolution regimes have been required to issue internal loss-absorbing capital to the holding company. Our approach also takes into account our view that PTSBG has adopted a resolution strategy with a credible mechanism for passing on losses to PTSBG from subsidiaries.

Government support considerations

We incorporate a Moderate probability of government support for the PTSB's deposits and senior unsecured debt, which results in one notch of uplift for both. The moderate assumption of government support reflects the bank's much-improved performance, completion of the European Commission restructuring plan in 2018, the successful inaugural MREL bond issuance in September 2019 and the bank's improving franchise position following the exit of UBIDAC and KBC Bank Ireland resulting in a more concentrated Irish banking system.

For junior securities and holding company instruments, we continue to believe that the potential for government support is low and these ratings do not, therefore, include any related uplift.

Methodology and scorecard

About Moody's Bank Scorecard

Our Bank Scorecard is designed to capture, express and explain in summary form our Rating Committee's judgment. When read in conjunction with our research, a fulsome presentation of our judgment is expressed. As a result, the output of our scorecard may materially differ from that suggested by unadjusted accounting 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 10
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	2.0%	a1	↓	baa1	Expected trend	Asset Composition
Capital						
Tangible Common Equity / Risk Weighted Assets (Basel III - fully loaded)	18.1%	aa3	↓↓	a3	Expected trend	Recognition of risk-weighted assets
Profitability						
Net Income / Tangible Assets	0.2%	b1	↑↑	ba2	Expected Trend	Earnings volatility
Combined Solvency Score		a3		baa2		
Liquidity						
Funding Structure						
Less-stable Funds / Tangible Banking Assets	6.7%	aa2	↓	aa3	Expected Trend	
Liquid Resources						
Core Banking Liquidity / Tangible Banking Assets	20.9%	a3	↔	a3	Expected trend	
Combined Liquidity Score		a1		a1		
Financial Profile		a2		baa1		
Qualitative Adjustments				Adjustment		
Business and Geographic Diversification				-1		
Complexity and Opacity				0		
Strategy, Risk Appetite and Governance				0		
Total Qualitative Adjustments				-1		
Sovereign or Affiliate constraint				Aa2		
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	1,517	5.0%	4,132	13.7%
Deposits	25,633	84.7%	23,018	76.1%
Preferred deposits	18,968	62.7%	18,020	59.6%
Junior deposits	6,665	22.0%	4,998	16.5%
Senior unsecured holding company debt	1,650	5.5%	1,650	5.5%
Dated subordinated holding company debt	300	1.0%	300	1.0%
Preference shares(holding company)	250	0.8%	250	0.8%
Equity	908	3.0%	908	3.0%
Total Tangible Banking Assets	30,258	100.0%	30,258	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	26.8%	26.8%	26.8%	26.8%	3	3	3	3	0	a2
Counterparty Risk Assessment	26.8%	26.8%	26.8%	26.8%	3	3	3	3	0	a2 (cr)
Deposits	26.8%	10.3%	26.8%	10.3%	3	3	3	3	0	a2
Senior unsecured bank debt	26.8%	10.3%	10.3%	10.3%	3	2	2	3	0	a2
Senior unsecured holding company debt	10.3%	4.8%	10.3%	4.8%	1	1	1	1	0	baa1
Dated subordinated bank debt	4.8%	3.8%	4.8%	3.8%	-1	-1	-1	-1	0	baa3
Dated subordinated holding company debt	4.8%	3.8%	4.8%	3.8%	-1	-1	-1	-1	0	baa3
Holding company non-cumulative preference shares	3.8%	3.0%	3.8%	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	1	A1	A1
Counterparty Risk Assessment	3	0	a2 (cr)	1	A1(cr)	
Deposits	3	0	a2	1	A1	A1
Senior unsecured bank debt	3	0	a2	1	(P)A1	
Senior unsecured holding company debt	1	0	baa1	0	Baa1	
Dated subordinated bank debt	-1	0	baa3	0	(P)Baa3	
Dated subordinated holding company debt	-1	0	baa3	0	Baa3	
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 Ratings

Ratings

Exhibit 11

Category	Moody's Rating
PERMANENT TSB GROUP HOLDINGS PLC	
Outlook	Positive
Issuer Rating -Dom Curr	Baa1
Senior Unsecured -Dom Curr	Baa1
Subordinate -Dom Curr	Baa3
Pref. Stock Non-cumulative -Dom Curr	Ba2 (hyb)
Other Short Term -Dom Curr	(P)P-2
PERMANENT TSB P.L.C.	
Outlook	Positive
Counterparty Risk Rating	A1/P-1
Bank Deposits	A1/P-1
Baseline Credit Assessment	baa2
Adjusted Baseline Credit Assessment	baa2
Counterparty Risk Assessment	A1(cr)/P-1(cr)
Senior Unsecured MTN -Dom Curr	(P)A1
Subordinate MTN -Dom Curr	(P)Baa3
Other Short Term -Dom Curr	(P)P-1

Source: Moody's Ratings

Endnotes

1 Stock mortgages.

2 We calculate the earnings stability ratio as a standard deviation from the mean ratio of pre-provision earnings to tangible assets for a five-year period divided by the five-year mean of the ratio of pre-provision earnings to tangible assets.

REPORT NUMBER 1494735

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454