

Interim Report 2025

Permanent TSB Group Holdings plc



This document contains certain forward-looking statements with respect to Permanent TSB Group Holdings plc's Group's (the 'Group') intentions, beliefs, current goals and expectations concerning, among other things, the Group's results of operations, financial condition, performance, liquidity, prospects, growth, strategies, the banking industry and future capital requirements.

The words "expect", "anticipate", "intend", "plan", "estimate", "aim", "forecast", "project", "target", "goal", "believe", "may", "could", "will", "seek", "would", "should", "continue", "assume" and similar expressions (or their negative) identify certain forward-looking statements but their absence does not mean that a statement is not forward looking. The forward-looking statements in this document are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future.

Forward looking statements involve inherent known and unknown risks, uncertainties and contingencies because they relate to events and depend on circumstances that may or may not occur in the future and may cause the actual results, performance or achievements of the Group to be materially different from those expressed or implied by such forward looking statements. Many of these risks and uncertainties relate to factors that are beyond the Group's ability to control or estimate precisely, such as future global, national and regional economic conditions, levels of market interest rates, credit or other risks of lending and investment activities, competition and the behaviour of other market participants, the actions of regulators and other factors such as changes in the political, social and regulatory framework in which the Group operates or in economic or technological trends or conditions. Material economic assumptions underlying the forward looking statements are discussed further in Risk Management.

Past performance should not be taken as an indication or guarantee of future results, and no representation or warranty, express or implied, is made regarding future performance. Nothing in this document should be considered to be a forecast of future profitability or financial position and none of the information in this document is intended to be a profit forecast or profit estimate.

The Group expressly disclaims any obligation or undertaking to release any updates or revisions to these forward-looking statements to reflect any change in the Group's expectations with regard thereto or any change in events, assumptions, conditions or circumstances on which any statement is based after the date of this document or to update or to keep current any other information contained in this document. Accordingly, undue reliance should not be placed on the forward looking statements, which speak only as of the date of this document.

Investor and shareholder information and services including these Interim Reports, are available on-line at www.permanenttsbgroup.ie.

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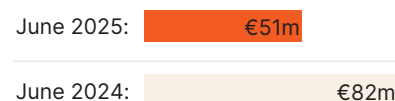
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Financial Highlights

Financial performance

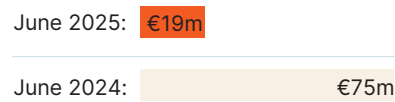
Underlying profit €m ^(a)

June 2025: €51m



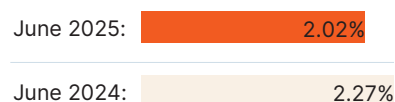
Profit before taxation €m

June 2025: €19m



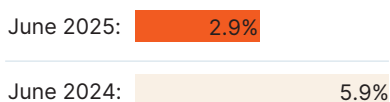
Net Interest Margin (NIM) % ^(c)

June 2025: 2.02%



Return on tangible equity % ^(d)

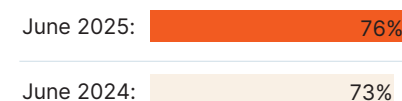
June 2025: 2.9%



Transformation and simplification

Adjusted Cost to Income Ratio ^(b)

June 2025: 76%



Customer deposits ^(e)

June 2025: €25.2bn



Capital

CET 1 Ratio ^(f)

June 2025: 15.5%



RWA ^(g)

June 2025: €10,911m



Asset Quality

NPL Ratio ^(h)

June 2025: 1.8%



(a) Operating profit before exceptional and other non-recurring items. See Management performance summary condensed consolidated income statement for a reconciliation of underlying profit to operating profit on an IFRS basis.

(b) Defined as total operating expenses (excluding exceptional items, other non-recurring items, and bank levy and regulatory charges) divided by total operating income.

(c) Defined as net interest income (NII) divided by average interest-earning assets.

(d) Defined as profit after tax less AT1 coupons paid (before exceptional and non-recurring items) expressed as a percentage of targeted CET1 capital.

(e) Defined as the sum of current accounts, retail deposits and corporate deposits.

(f) Total Common Equity Tier 1 (CET1) capital divided by total risk weighted assets (RWAs).

(g) RWAs are the Group's assets or off-balance sheet exposures, weighted according to risk.

(h) Defined as non-performing loans (NPLs) expressed as a percentage of the total gross loans of the bank.

Non-Financial Highlights

Environmental

c.€560m in green lending during H1 2025, +110% YoY, accounting for 43% of new Mortgage Lending

Submission of the Bank's Science-Based Targets (SBTs) and Carbon Reduction Plan to the Science Based Target Initiative (SBTi) for validation

100% of the Bank's electricity is energy certified as renewable

Social

€26m in Impact Lending during H1 2025, channelling finance into key social sectors

70% Colleague Engagement Index, remaining in line with target

Multi-year partnership with AslAm, Ireland's Autism Charity and a commitment to receiving Autism Friendly Branch Accreditation across our 98 branch locations by the end of 2025

Governance

Launch of the Bank's Sustainability Strategy 2025-2027 aligned to the UN Sustainable Development Goals*

MSCI ESG Rating of 'A' and a 'Low' ESG Risk Rating through Sustainalytics

50% Board Gender Balance and 38% of Senior Leadership positions are filled by Women



Our Commitment to Building a Sustainable Business

Our Purpose is to work together to build trust with our customers and communities. Our Sustainability Strategy 2025-2027 gives us an opportunity to put our Purpose into action by channelling investment and directing our impact towards areas that enhance societal wellbeing.



Ambitions of H2 2025 and Onwards

Continue to deliver PTSB's Sustainability Strategy 2025-2027 and evolve the Bank's Sustainability Maturity

Increasing our focus on ESG Risk management

Receiving validation for our SBTs and Carbon Reduction Plan from the SBTi

Elevating our social impact through lending and partnerships and continue to support local communities through our PTSB Community programming

Partnering with small businesses through our Business Banking Strategy

Ensuring strong corporate governance, compliance, and fair business conduct

* The United Nation's Sustainable Development Goals (SDGs) were launched in 2015 to provide a plan of action for people, planet and prosperity. While we recognise that we may contribute to all 17 SDGs in some way, we have identified 6 as being core to our Strategy.

Chief Executive Review

Introduction

I am pleased with the performance the Bank has delivered in H1 2025.

Since launching our new Business Strategy 2025-2027 to the market in March, we have been focused on deepening customer relationships, diversifying income and differentiating through customer experience. We will do this while driving continuous operational efficiencies and prudent cost management, so the Bank can continue to grow and prosper in a sustainable manner while rewarding shareholders.

And in our first six months of delivering this strategy, we are already making excellent progress.

Our Relationship Net Promoter Score has increased by 2 points year on year to +22, and PTSB customer consideration is strong with 71% of consumers in the Irish Market giving consideration for PTSB to meet their next financial needs, both of which demonstrate how we are deepening relationships with our customers.

We are also making excellent progress in diversifying our income, with growth in our overall Business Banking book (inclusive of SME and Asset Finance) of 14% to over €1.2 billion at end June.

And we are differentiating through customer experience by continuing to transform and invest in our digital, voice and in-person channels.

We are implementing a number of initiatives under our Strategic Business Transformation (SBT) Programme, all of which focus on transforming the Bank with a view to maximising the value the Bank delivers for our customers and colleagues in the most efficient way possible.

Initiatives include the introduction of customer correspondence via email to reduce paper usage, and a rationalisation of our software and IT suppliers.

It also includes the development of an end-to-end in-life mortgage servicing platform to enable process simplification and enhanced self-serve capabilities for customers.

We are also leveraging AI technology to introduce a new contact centre platform which enables our colleagues support our customers more efficiently, and improves the experience for both customers and colleagues alike.

We are launching new features to our PTSB app, such as our recently launched digital voluntary gambling block. This is an important initiative in promoting financial wellbeing and supporting vulnerable customers in managing gambling-related harm.

And we are continuing to make targeted investments in our nationwide network of 98 branches, including opening a new flagship location in Letterkenny, Co. Donegal earlier this year.

As we progress through the next two and a half years of Business Strategy 2025-2027, I have every confidence that we will continue to deliver, and achieve our Ambition to be Ireland's best personal and business bank through exceptional customer experiences.

Business Performance Review Funding

Customer Accounts

At 30 June 2025, customer deposits of €25.2 billion are c.€1.6 billion, or 7%, higher than 30 June 2024. Retail deposit balances of €14.1 billion have increased by €1.2 billion, while current account balances of €9.4 billion increased €0.1 billion since 30 June 2024. In line with our funding strategy, the Bank remains strongly funded by retail deposits and current accounts, making up 79% of the total funding profile and reflecting a strong liquidity and funding position.

Lending

Total gross new lending in the first half of 2025 was €1.6 billion, which is up 66% versus the same period in the previous year. There was a strong pipeline of activity across all business lines at the end of H1, and the Bank continues to demonstrate good progress in diversifying its income through growth in SME and Asset Finance lending.

New mortgage lending in H1 2025 was €1.3 billion, representing an increase of 84% year on year, as customers responded positively to the Bank's competitive mortgage offering. This was also reflected in our strong mortgage market share which increased to over 20% in H1, versus 13.5% in H1 2024. The mortgage market in Ireland is growing as we expected, recording €12.6 billion in 2024, with a consensus view estimating growth to c. €14 billion this year, and €15.2 billion in 2026.

New Business Banking lending, inclusive of both SME and Asset Finance lending, was €221 million for the first half of 2025, a 23% increase compared with H1 2024. This demonstrates our commitment to offer a meaningful alternative to business customers seeking a new banking relationship with PTSB.

The Bank recorded gross new consumer term lending pay-outs of €61 million in H1 2025. This is a decrease of 6% versus the previous year. The Bank recognises the opportunity for growth in the consumer lending market and has a strong ambition to increase our market share by providing customers with a competitive, differentiated product and service offering.

Financial Performance Review

The Bank reported an Underlying Profit Before Tax of €51m for the first half of 2025 (H1 2024: €82m).

Operating Income

Net interest income (NII) of €288m has decreased by 7% versus the prior period and our Net Interest Margin (NIM) decreased to 2.02%. Net interest income has reduced reflecting the impact of lower interest rates across our lending and treasury assets and the impact of higher term deposit costs.

Net fee and commission income is €31m for the period ended 30 June 2025, an increase of €8m on the equivalent period in 2024. While this reflects modest growth in underlying activity, it also reflects changes in current account pricing introduced in April 2024 and the favourable timing of receipts in our payments business.

Net other income was €3m for 2025, a €1m increase on the same period in 2024.

Operating Expenses

Operating expenses (excluding exceptional and other non-recurring items) of €271m are 1% lower than the prior period, reflecting the Bank's progress in reducing its cost base. The Bank remains focused on reducing its Cost Income Ratio in the coming years.

Impairment

The Bank had a Nil impairment result on loans and advances to customers for the period ended 30 June 2025, compared to a write back of €20m for the period ended 30 June 2024. The neutral impairment result reflects the strong underlying performance in the loan book.

Exceptional and Other Non-Recurring Costs

The total exceptional and non-recurring items for H1 2025 are €32m (H1 2024: €7m). Exceptional and non-recurring costs comprise a €29m charge in relation to costs associated with the Group's Voluntary Severance Scheme (VSS) and €3m relating to other items.

Non-Performing Loans (NPLs)

Non-performing loans as a percentage of gross loans were 1.8% at 30 June 2025, remaining in line with 31 December 2024.

Capital

At 30 June 2025, the regulatory CET1 was 15.5% (31 December 2024: 14.7%) and the Total Capital ratio was 21.5% (31 December 2024: 20.4%), exceeding the Group's 2025 minimum requirements of 10.83% and 15.25% respectively.

Movements in CET1 during the period included Profit after tax (+0.2%), AT1 coupons (-0.2%), Net Loan Book Growth (-0.2%), Intangible software (+0.1%) and Other (-0.2%). CRR3 also added 1.2% to CET1 at end June 2025. We previously estimated that CRR3 added c. 0.7% to CET1 on January 1st 2025.

Capital ratios remain above both management and regulatory minima.

Sustainability Business Growth

Delivering sustainable profitability and incorporating Sustainability into our business practices and strategic decisions remains a key priority for the Bank. To that end, we were delighted to launch our new Sustainability Strategy 2025-2027 to the market in May.

Our new strategy, which focuses on channelling investment and directing impact towards areas that enhance societal wellbeing, was announced as the Bank's Reflecting Business research found that 78% of Irish businesses see the sustainability market as a major growth opportunity to win more customers and increase revenues.

PTSB is focused on embedding Sustainability in a way that is not only good for society, but good for business too, and this research demonstrates that there is both a commercial and a societal benefit to Sustainability.

Strong progress is being made in delivering this strategy to date, with €26 million in Impact lending during H1 across key sectors such as energy efficiency, healthcare and access to essential services, and c.€560 million in green lending during H1 2025. This is an increase of 110% year on year, and accounts for 43% of new the Bank's total new mortgage lending for H1 2025.

Throughout the first half of the year, the Bank also submitted its Science-based targets and Carbon Reduction Plan to the Science Based Target Initiative for validation, and issued its inaugural Sustainability Statement aligned to the Corporate Sustainability Reporting Directive.

Outlook

We are operating in a new era of geo-political tensions and therefore, while we remain focused on adapting and growing in line with our Business Strategy, we are also mindful of the threats and challenges which could emerge, whether at home or abroad, and impact on our customers and our business.

Notwithstanding these challenges, I remain confident that PTSB is progressing, with momentum, in the right direction, and will continue to provide customers in the Irish market with an attractive and competitive alternative; one that is underpinned by both resilient and innovative technology, and by human support.

I will conclude by acknowledging the contributions made by my colleagues across the Bank throughout the first half of 2025. The dedication and commitment that they demonstrate each and every day will ensure we are successful in achieving our Ambition, and delivering for our customers, communities, wider Irish economy, and our shareholders.



Eamonn Crowley
Chief Executive

Financial Review

Performance Summary

The Group has delivered a strong financial performance during the first half of 2025, with continued focus on strengthening the foundations of the Bank for the future. This is underpinned by strong core balance sheet growth, which has grown by over €1bn in the first half of the year, with continued excellent asset quality and an NPL ratio remaining at 1.8%. Net lending has grown by €345m to date in 2025, with significant growth in SME and Asset Finance sectors. Although net lending has increased, net interest income has reduced and NIM tightened as a result of interest rates reducing when compared to H1 2024. This is partly offset by an increase in net fee and commission income, which was up 35% in the first half of 2025. The Group has taken significant steps to reduce long term costs during H1, with total operating expenses decreasing 1% year on year.

The impairment result on loans and advances to customers for the period ended 30 June 2025 was Nil, compared to a write-back of €20m for the period ended 30 June 2024. The neutral impairment result reflects that, while there is strong underlying performance in the loan book, emerging risks may present challenges to asset quality. Exceptional and other non-recurring items of €32m were €25m higher than the same period in 2024, due to the costs associated with

the Group's Voluntary Severance Scheme (VSS) recognised in the first half of the year. The above are the main items which result in the Group delivering an overall profit before tax for the period of €19m, which is a decrease of €56m from the same period in 2024.

The Group continued to manage its capital and liquidity positions prudently during the year. The liquidity and capital positions of the Group remain well above all minimum regulatory requirements, with CET1 and Total Capital sitting at 15.5% and 21.5% respectively.

Basis of preparation

The financial review is prepared using International Financial Reporting Standards (IFRS) and Non-IFRS measures to analyse the Group's financial performance for the half year ended 30 June 2025.

Non-IFRS measures are used by Management to assess the financial performance of the Group and to provide insights into financial and operational performance on a consistent basis across various financial reporting periods. They also provide details regarding the elements of performance, which the Group considers important in its performance assessment and which it can influence.

Non-IFRS measures are however not a substitute for IFRS measures and IFRS measures should be preferred over Non-IFRS measures where applicable.

The Group has a tightly drawn accounting policy for exceptional items and these are considered to include:

- Profit/loss on disposal of businesses;
- Gain on bargain purchase in respect of business combinations;
- Profit/loss on material deleveraging prior to 31 December 2021, including any increase in impairment arising solely due to the sale of NPLs becoming part of the Group's recovery strategy;
- Material restructuring costs; and
- Material transaction, integration and restructuring costs associated with acquisitions (including potential liquidations).

However, from time to time certain material non-recurring items occur which do not meet the definition of exceptional items as set out in the accounting policy. To assist the users of the financial statements and to ensure consistency in reporting with other financial institutions, these items are disclosed separately from underlying profit in the financial review. These items are clearly identified as non-IFRS items and reconciled back to the IFRS income statement. A reconciliation between the underlying profit and operating profit on an IFRS basis is set out on page 7.

Basis of calculation

Percentages presented throughout the financial review are calculated using absolute values and therefore the percentages may differ from those calculated using rounded numbers.

Management performance summary condensed consolidated income statement

		Half year ended	Half year ended
	Table	30 June 2025	30 June 2024
		€m	€m
Net interest income	1	288	311
Net fee and commission income		31	23
Net other income		3	2
Total operating income		322	336
Total operating expenses (excl. exceptional items and other non-recurring items, bank levy and other regulatory charges)	3	(246)	(245)
Bank levy and other regulatory charges		(25)	(29)
Total operating expenses (excl. exceptional and other non-recurring items)		271	274
Underlying profit before impairment		51	62
Impairment write-back on loans and advances to customers	4	-	20
Underlying profit before exceptional and other non-recurring items		51	82
<i>Exceptional items comprise:</i>	5	(29)	2
Impairment write-back arising from deleveraging of loans		-	2
Restructuring and other costs		(29)	-
<i>Other non-recurring items comprise:</i>	5	(3)	(9)
Impairment charge on deleveraging		-	(6)
Other items		(3)	(3)
Profit before taxation		19	75
Taxation		(4)	(12)
Profit for the period		15	63

Management performance summary consolidated income statement – key highlights

- **Total operating income** has decreased by €14m year on year primarily due to:
 - **Net interest income** decreased by €23m (7%) during 2025 to €288m. The decrease is mainly driven by lower ECB interest rates and higher interest expense on term deposits, partly offset by lower wholesale funding costs.
 - **Net fee and commission income** is €31m for the period ended 30 June 2025, an increase of €8m from prior year, due to a change in current account pricing and a difference in timing of receipts.
 - **Net other income** was €3m for the period ended 30 June 2025, a €1m increase on the same period in 2024.
- **Total operating expenses (excl. exceptional items and other non-recurring items, bank levy and other regulatory charges)** are €246m for the half year ended 30 June 2025 compared to €245m at 30 June 2024, with a reduction in other administrative expenses being offset by an increase in amortisation of intangible assets and an increase in staff costs.
- **Bank levy and other regulatory charges** amounted to €25m for the period ended 30 June 2025. The Bank Levy for 2025 was €24m (30 June 2024: €24m). DGS was Nil for 2025 (30 June 2024: €3m). Other regulatory charges of €1m (30 June 2024: €2m) include payments to the Financial Services and Pensions Ombudsman, the Competition and Consumer Protection Commission, Irish Banking Culture Board and the industry funding levy.
- **Impairment** result of Nil on loans and advances to customers for the period ended 30 June 2025, compared to a write-back of €20m for the period ended 30 June 2024. The neutral impairment result reflects that, while there is strong underlying performance in the loan book, emerging risks may present challenges to asset quality.
- **Exceptional costs** were €29m which relate to the costs associated with Group's VSS and associated programme costs.
- **Other non-recurring items** comprise a €2m charge in relation to legacy legal cases, and €1m in other items.
- **Profit before tax** of €19m for the period ended 30 June 2025, compared to a profit of €75m in the prior period, due to the increase in exceptional and non-recurring items, a neutral impairment result, and the reduction in net interest income.

Financial Review

(continued)

Net interest income	Net interest margin
€288m	2.02%

Table 1: Net interest income

	Half year ended 30 June 2025	Half year ended 30 June 2024
	€m	€m
Interest income	435	450
Interest expense	(147)	(139)
Net interest income	288	311
Net interest margin (NIM)	2.02%	2.27%

Net interest income

Net interest income of €288m for the period ended 30 June 2025 decreased by €23m (7%), compared to the prior year. This is mainly driven by the following:

- Lower interest income due to reducing ECB interest rates;
- Higher interest costs on term deposits; offset by
- Lower wholesale funding costs.

Table 2: Average balance sheet*

	Half year ended 30 June 2025			Half year ended 30 June 2024		
	Average balance	Interest	Average yield/ rate	Average balance	Interest	Average yield/ rate
	€m	€m	%	€m	€m	%
Interest-earning assets						
Loans and advances to customers	21,586	364	3.37%	21,258	375	3.53%
Debt securities	4,671	48	2.06%	3,575	27	1.51%
Loans and advances to banks	2,198	23	2.09%	2,732	48	3.51%
Total average interest-earning assets	28,455	435	3.06%	27,565	450	3.27%
Non-interest earning assets	983	-		946		
Total assets	29,438			28,511		
Interest-bearing liabilities						
Customer accounts	24,587	93	0.76%	23,234	60	0.52%
Debt securities in issue	1,645	47	5.71%	1,723	59	6.85%
Lease liabilities	33	-	2.64%	34	-	1.69%
Subordinated Liabilities	250	3	2.40%	256	4	3.13%
Loans and advances to banks**	-	1	-	-	-	-
Deposits by banks	261	3	2.30%	691	16	4.34%
Total average interest-bearing liabilities	26,776	147	1.10%	25,938	139	1.07%
Non-interest earning liabilities	184	-		154		
Total liabilities	26,960			26,092		
Total average equity attributable to owners	2,478			2,419		
Net Interest Margin			2.02%			2.27%

* Where applicable, 2025 line items include hedging derivative balances and hedging income and expense

** €1m interest expense was incurred on loans and advances to banks

Net interest margin (NIM)

NIM decreased by 25bps to 2.02% for the half year ended 30 June 2025 compared to 2.27% for the prior period. The NIM of the Group has decreased due to reduced interest income on interest earning assets and higher deposit costs, offset by lower wholesale funding costs.

Interest income/Average interest-earning assets

- Interest income on loans and advances to customers decreased by €11m due to decreased average rates across mortgage products driven by the lower interest rate environment.
- Interest income on debt securities increased by €21m due to lower yielding debt securities being replaced by higher yielding assets.
- The interest income on loans and advances to banks decreased by €25m due to lower average ECB interest rates leading to decreased yields on excess liquidity held with the Central Bank in the first half of 2025.

Interest expense/Average interest-bearing liabilities

- Interest expense increased by €33m on customer accounts due to an increase in average balances and migration to higher rate term deposit accounts.
- Interest expense on debt securities in issue decreased by €12m due to a combination of lower balances of MREL in issue during the period and favourable movements in our MTN and Tier 2 interest rate swap portfolio due a lower interest rate environment.
- The average balance of deposits by banks reduced from the prior period due to a reduction in repo activity, which has driven the decrease in interest expense. The average balance of subordinated liabilities remained at a similar level year on year, with interest expense remaining consistent.

Total operating
expenses *

€246m

Adjusted cost
income ratio

76%

* Excluding exceptional, other non-recurring items and bank levy and other regulatory charges

Table 3: Operating expenses

	Half year ended 30 June 2025	Half year ended 30 June 2024
	€m	€m
Staff costs		
Wages and salaries including commission paid to sales staff	96	95
Social insurance	11	11
Pension costs	11	10
Total staff costs	118	116
General and administrative expenses	84	90
Administrative, staff and other expenses (excluding non-recurring items)	202	206
Depreciation of property and equipment	14	14
Amortisation of intangible assets	30	25
Total operating expenses (excluding exceptional, other non-recurring items and bank levy and regulatory charges)	246	245
Bank levy and other regulatory charges	25	29
Total operating expenses (excluding exceptional and other non-recurring items items)	271	274
Headline cost to income ratio¹	84%	82%
Adjusted cost to income ratio²	76%	73%
Closing staff numbers³	3,207	3,240
Average staff numbers	3,339	3,243

1 Defined as total operating expenses (excluding exceptional and other non-recurring items) divided by total operating income

2 Defined as total operating expenses (excluding exceptional, other non-recurring items, bank levy and regulatory charges) divided by total operating income

3 Closing staff numbers are calculated on a full time equivalent (FTE) basis

Financial Review

(continued)

Operating expenses

Staff costs

Total staff costs have increased by €2m from €116m for the period ended 30 June 2024 to €118m for the period ended 30 June 2025 primarily due to performance related pay increases and vouchers paid to staff in the first half of 2025.

General and administrative expenses (excluding non-recurring items)

General and administrative expenses decreased by €6m for the period ended 30 June 2025 to €84m as a result of the Bank's strategy to reduce costs in this area.

Bank levy and other regulatory charges

The Bank levy for 2025 is €24m (30 June 2024: €24m). DGS for 2025 is nil (30 June 2024: €3m). Other regulatory charges of €1m (30 June 2024: €2m) include payments to the Financial Services and Pensions Ombudsman, the Competition and Consumer Protection Commission, Irish Banking Culture Board and the industry funding levy.

Adjusted cost income ratio

Operating costs (excluding exceptional items, other non-recurring items, and bank levy and regulatory charges) of €246m and operating income of €322m for the period ended 30 June 2025 led to an adjusted cost income ratio of 76% compared to 73% for the same period in 2024, with the increase due to lower total operating income.

Impairment

€Nil

Table 4: Impairment

	Half year ended 30 June 2025	Half year ended 30 June 2024
	€m	€m
Total impairment write-back on loans and advances to customers	-	20

The impairment write-back on loans and advances to customers for the period ended 30 June 2025 was Nil, compared to a write back of €20m for the period ended 30 June 2024. The neutral impairment result reflects that, while there is strong underlying performance in the loan book, emerging risks may present challenges to asset quality.

Exceptional and other non-recurring items

€32m

Table 5: Exceptional and other non-recurring items

	Half year ended 30 June 2025	Half year ended 30 June 2024
	€m	€m
Exceptional items		
Impairment write-back arising from deleveraging of loans	-	2
Restructuring and other costs	(29)	-
Other non-recurring items		
Impairment charge on deleveraging ¹	-	(6)
Other items ²	(3)	(3)
Exceptional and other non-recurring items	(32)	(7)

¹ included in IFRS impairment charge

² included in IFRS administrative, staff and other expenses

Summary consolidated statement of financial position

	Table	30 June 2025	31 December 2024
		€m	€m
Assets			
Home loans		19,938	19,629
Buy-to-let		365	389
Total residential mortgages		20,303	20,018
Commercial		485	443
Consumer finance		980	962
Total loans and advances to customers (net of provisions)	6	21,768	21,423
Debt securities		4,882	4,327
Remaining asset balance		3,343	3,182
Total assets		29,993	28,932
Liabilities and equity			
Current accounts		9,430	9,187
Retail deposits		14,135	13,465
Corporate and institutional deposits		1,673	1,468
Total customer accounts	8	25,238	24,120
Debt securities in issue		1,706	1,731
Remaining liability balances		523	549
Total liabilities		27,467	26,400
Total equity		2,526	2,532
Total equity and liabilities		29,993	28,932
Liquidity coverage ratio ⁽¹⁾		270%	255%
Loan to deposit ratio ⁽²⁾		86%	89%
Net stable funding ratio ⁽³⁾		163%	166%
Return on tangible equity ⁽⁴⁾		2.9%	7.5%

(1) Calculated based on the Commission Delegated Regulation (EU) 2015/61

(2) Defined as the ratio of loans and advances to customers compared to customer accounts as presented in the statement of financial position

(3) Defined as the ratio of available stable funding to required stable funding

(4) Defined as profit after tax less AT1 coupons paid (before exceptional and non-recurring items) expressed as a percentage of targeted CET1 capital

Summary consolidated statement of financial position - key highlights

Loans and advances to customers are €21,768m as at 30 June 2025, an increase of €345m from €21,423m at 31 December 2024, due to new lending volumes being in excess of contractual repayments and redemptions.

Debt securities are €4,882m at 30 June 2025, an increase of €555m from €4,327m at 31 December 2024, due to the purchase of additional government bonds in the first half of 2025.

Remaining asset balances are €3,343m at 30 June 2025, an increase of €161m from €3,182m at 31 December 2024. This is primarily due to an increase in prepayments and contract assets and an increase in loans and advances to banks.

Customer accounts are €25,238m at 30 June 2025, an increase of €1,118m (5%) from 31 December 2024, reflecting a strong performance in acquiring and retaining customer deposits, an increase of 7% (€1.6bn) since June 2024.

Debt securities in issue are €1,706m at 30 June 2025, a decrease of €25m which was due to payments of interest accrued at the end of 2024.

Remaining other liabilities decreased by €26m primarily due to a decrease in deposits by banks, partly offset by an increase in other liabilities and provisions.

Financial Review

(continued)

Table 6 (a): Summary of movement in loans and advances to customers

	30 June 2025	31 December 2024
	€m	€m
Gross loans and advances to customers 1 January	21,515	21,688
New lending ¹	1,494	2,442
Redemptions and repayments of existing loans	(1,149)	(2,252)
Write-offs and restructures	(6)	(22)
Net movement from non-performing and other ²	-	(341)
Gross loans and advances to customers	21,854	21,515

¹ New lending during the year is stated net of repayments.

² 2024 includes Glas III loan portfolio sale

Table 6 (b): Composition of loans and advances to customers

	30 June 2025	31 December 2024
	€m	€m
Residential mortgages:		
Home loans	19,845	19,539
Buy-to-let	432	464
Total residential mortgages	20,277	20,003
Commercial ¹	533	493
Consumer finance	571	553
Finance leases and hire purchase receivables	473	466
Gross loans and advances to customers	21,854	21,515
<i>Of which are reported as non-performing loans</i>	387	382
Deferred fees, discount fees and business combination related fair value adjustments	303	300
Provision for impairment losses	(389)	(392)
Total loans and advances to customers	21,768	21,423

¹ The Bank's SME mortgage lending is captured within the Commercial line above

Total loans and advances to customers (net)

€21,768m

Total gross new lending for the first half of 2025 amounted to €1,577m, up 66% from €947m in H1 2024, continuing the strong momentum shown in H2 2024. New mortgage lending of €1,294m represented 82% of gross new lending, compared to 74% in the first half of 2024, as volumes increased 84% year-on-year. The Bank recorded a strong market share of new mortgage drawdowns of over 20% for the first half of the year.

SME lending for H1 2025 was €108m, which is a 71% increase compared to the same period in 2024 (€63m). Asset finance lending was €113m, a 3% decrease compared to the prior year driven by a relatively flat market for vehicle sales, while the commercial business to business lending area continuing to perform strongly.

The Group recorded gross new personal term lending of €61m, a 6% decrease compared to H1 2024 (€65m). Digital adoption continues to grow, with 84% of new term lending drawdowns through direct channels (83% in H1 2024).

NPLs	NPLs as a % of gross loans
€387m	1.8%

Table 7: NPLs

	30 June 2025	31 December 2024
	€m	€m
Home loans	264	259
Buy-to-let	73	71
Commercial ¹	22	24
Consumer finance	21	20
Finance leases and hire purchase receivables	7	8
Non-performing loans	387	382
NPLs as % of gross loans	1.8%	1.8%
Foreclosed assets²	5	7
Non-performing assets (NPAs)³	392	389
NPAs as % of gross loans	1.8%	1.8%

¹ The Bank's SME mortgage lending is captured within the Commercial line above

² Foreclosed assets are defined as assets held on the statement of financial position which are obtained by taking possession of collateral or by calling on similar credit enhancements.

³ NPAs are defined as NPLs plus foreclosed assets

Customer accounts

€25,238m

Table 8: Customer accounts

	30 June 2025	31 December 2024
	€m	€m
Current accounts	9,430	9,187
Retail deposits	14,135	13,465
Total retail deposits (including current accounts)	23,565	22,652
Corporate deposits	1,673	1,468
Total customer deposits	25,238	24,120
Loan to deposit ratio¹	86%	89%

¹ Defined as the ratio of loans and advances to customers compared to customer accounts as presented in the statement of financial position

At 30 June 2025, customer accounts increased to €25,238m from €24,120m at 31 December 2024, reflecting a strong performance in acquiring and retaining customer deposits, an increase of 7% (€1.6bn) since June 2024 and 5% (€1.1bn) since December 2024.

This strong deposit performance has contributed to a slight decrease in the loan to deposit ratio, from 89% at end 2024 to 86% at end June 2025.

Capital Management

Capital management objectives and policies

The objective of the Group's capital management policy is to ensure that the Group has sufficient capital to cover the risks of its business, support its strategy and to comply with regulatory capital requirements at all times. The policy requires the Group to minimise refinancing risk by managing the maturity profile of non-equity capital. The capital adequacy requirements, set by the Regulator, are used by the Group as the basis for its capital management.

Regulatory Framework

The EU Capital Requirements Regulation (CRR) II / Capital Requirements Directive (CRD) IV as prescribed within EU Regulation 575/2013 ('the CRR'), is applicable to the Group. Directive 2013/36/EU ('CRD IV') has been transposed into Irish law through S.I. No. 158 of 2014, as well as various technical standards and EBA guidelines. Under these requirements, the Group's total capital for Pillar 1 must be adequate to cover its credit, market and operational risks, including capital buffers. The Group must also hold sufficient capital to cover the additional risks identified under the Pillar 2 process including any add-on's imposed on the Group as part of the supervisory SREP assessment.

Implementation of the CRD IV legislation commenced on a phased basis from 1 January 2014. The CRD IV transition rules resulted in a number of deductions from CET1 capital being introduced on a phased basis, all of which are now fully implemented. The ratios outlined in this section reflect the Group's interpretation of the CRD IV rules as published on 27 June 2013 and subsequent amendments, including CRR III, EU Directive 2019/878 (CRD V) published on 7 June 2019, EU Regulation 2020/873 published on 26 June 2020 (COVID-19 Quick Fix) and ECB regulation 2016/445 on the exercise of options and discretions.

Regulatory capital developments

In October 2021, the European Commission published a legislative proposal, in the form of amendments to the CRR and CRD, to implement the final revisions to the Basel Framework which, among other things, introduce changes to the Credit Risk and Operational Risk frameworks. The Commission expectation is that the new rules will enhance the European Union's banking sector's resilience, increase financial stability and provide the basis for stable funding of the economy. The amendments implemented the final Basel III standards, harmonised supervisory authority powers, introduced an RWA output floor for banks adopting an Internal Rating Based (IRB) approach and brought ESG considerations into risk assessment. In December 2024, the preparatory bodies of the Council and Parliament endorsed the banking package consisting of:

- a legislative act to amend the Capital Requirements Directive (Directive 2013/36/EU); and
- a legislative act to amend the Capital Requirements Regulation (Regulation No (EU) 2013/575).

The new CRR rules (CRR III) became effective on 1 January 2025 and the Group's capital ratios at 30 June 2025 are calculated on a CRR III basis.

On 26 September 2023, the Central Bank informed the Group of the outcome of the annual assessment of Other Systemically Important Institutions (O-SIIs) in Ireland. As a result of the assessment, the Central Bank assessed the Group as an O-SII and requires that the Group maintain a 0.5% O-SII buffer. This is effective since 1 January 2025.

The Group monitors these changes and other emerging developments as they relate to regulatory capital to ensure compliance with all requirements when applicable.

Regulatory capital requirements

The Group's Common Equity Tier1 (CET1) Capital minimum requirement of 10.83% (31 December 2024: 10.33%) is comprised of a Pillar 1 minimum requirement of 4.5%, P2R of 1.83%, Capital Conservation Buffer (CCB) of 2.5%, CCyB of 1.5% and, effective 1 January 2025, the application of a 0.5% O-SII buffer. The Group's Total Capital minimum requirement of 15.75% (31 December 2024: 15.25%) is comprised of a Pillar 1 minimum requirement of 8%, P2R of 3.25%, CCB of 2.5%, CCyB of 1.5% and O-SII buffer of 0.5%.

These requirements exclude Pillar 2 Guidance (P2G) which is not publicly disclosed.

Capital ratios at 30 June 2025

At 30 June 2025, the regulatory CET1 is 15.5% (31 December 2024: 14.7%) and Total Capital ratio is 21.5% (31 December 2024: 20.4%), exceeding the Group's 2025 minimum capital requirement of 10.83% CET1 and 15.75% Total Capital.

The increase in the CET1 ratio (+80bps) in the period is primarily due to the application of CRR3 which has resulted in an RWA reduction of c. -€0.9bn and CET1 uplift in 2025 of c. +1.2%.

The 30 June 2025 leverage ratio is 6.8% (31 December 2024: 7.1%). The decrease in the year is primarily due to an increasing balance sheet driven by deposits growth (c. +€1.1bn) since Dec'24.

Table 9 outlines the Group's regulatory capital positions.

Table 9: Regulatory Capital

	30 June 2025	31 December 2024
	€m	€m
Capital Resources:		
Common Equity Tier 1*	1,693	1,684
Additional Tier 1	368	368
Tier 1 Capital	2,061	2,052
Tier 2 Capital	290	292
Total Capital	2,351	2,344
Risk Weighted Assets	10,911	11,494
Capital Ratios:		
Common Equity Tier 1 Capital	15.5%	14.7%
Tier 1 Capital	18.9%	17.9%
Total Capital	21.5%	20.4%
Leverage Ratio**	6.8%	7.1%

* The 2025 Interim Profit is reflected in the Group's capital ratios calculations. The application for the inclusion of the Interim Profit in the regulatory capital metrics is being sought under Article 26 (2) of the CRR.

** The leverage ratio is calculated by dividing Tier 1 Capital by gross balance sheet exposure (total assets and off-balance sheet exposures).

Table 10 sets out a reconciliation from the statutory shareholders' funds to the Group's regulatory CET1 Capital.

Table 10: CET1 Capital

	30 June 2025	31 December 2024
	€m	€m
Total Equity	2,526	2,532
Less: AT1 Capital	(368)	(368)
Adjusted Capital	2,158	2,164
Prudential Filters:		
Intangibles	(132)	(144)
Deferred Tax	(309)	(312)
Calendar Provisioning	(17)	(17)
AT1 Distribution Accrual	(7)	(7)
Common Equity Tier 1	1,693	1,684

Regulatory Capital

The 30 June 2025 regulatory CET1 capital increased by €9m to €1,693m (31 December 2024: €1,684m). The increase is primarily due to H1 profitability (c.+ €15m Own Fund), and capital relief for software investments (c.+€12m Own Fund), partially offset by H1 AT1 coupon payment (c.- €21m Own Fund).

Capital Management

(continued)

Minimum Requirement for Own Funds and Eligible Liabilities (MREL)

The Group's fully phased in MREL Minimum Regulatory and Combined Buffer Requirement at 30 June 2025 is 28.19% (31 December 2024: 28.60%) of Total Risk Exposure Amount (TREA) and 5.91% on a Leverage Ratio basis (31 December 2024: 5.91%). The MREL Minimum Regulatory and Combined Buffer Requirement consists of minimum regulatory requirement of 23.69% and the Group's Combined Buffer Requirement of 4.5% at 30 June 2025 comprising the CCB of 2.5%, CCyB of 1.5% and O-SII buffer of 0.5%.

The Group's MREL position at 30 June 2025 is 36.9% on an RWA basis and 13.2% on a leverage basis. The Group maintains an internal management buffer over its MREL requirements at all times.

Risk weighted assets (RWAs)

Table 11 sets out the Group's RWAs at 30 June 2025 and 31 December 2024.

Table 11: Risk Weight Assets

	30 June 2025	31 December 2024
	€m	€m
RWAs		
Credit Risk	8,902	9,705
Counterparty Credit Risk*	161	112
Operational Risk	1,005	946
Other**	843	731
Total RWAs	10,911	11,494

* Counterparty credit risk includes Treasury, Repo & CVA RWAs.

** Other consists primarily of Property & Equipment, Intangible Assets and Prepayments.

The 30 June 2025 RWAs decreased by €583m to €10,911m (31 December 2024: €11,494m). The decrease is primarily driven by application of new CRR III rules resulting in an RWA reduction of c. -€0.9bn, partially offset by net Home Loan growth c. +€0.2bn.

1. Risk Management and Governance

The nature of risk taking is fundamental to a financial institution's business profile. It follows that prudent risk management forms an integral part of the Bank's governance structure.

Within the boundaries of the Board-approved Risk Appetite Statement (RAS), the Bank follows an integrated approach to Risk Management, to ensure that all key risks faced by the Group are appropriately identified, assessed and managed. This approach ensures that robust mechanisms are in place to protect and direct the Bank in recognising the economic substance of its risk exposure.

The Bank implements a Risk Management process, which consists of the following key aspects:

- Risk Identification;
- Risk Assessment and Measurement;
- Risk Mitigation and Control;
- Risk Monitoring and Testing; and
- Risk Reporting and Escalation.

Enterprise Risk Management Framework

Within the Internal Control Framework ('ICF'), the Enterprise Risk Management Framework ('ERMF') is the Group's overarching risk management framework articulating the management process governing risks within the following key risk categories: Capital Adequacy Risk; Liquidity and Funding Risk; Market Risk; Credit Risk; Business Risk; Operational Risk; Information Communication Technology ('ICT') Risk; Model Risk; Compliance Risk (including 'AML'); Conduct & Reputational Risk, Climate Related and Environmental Risk ('CRE').

The ERMF outlines the Group-wide approach to the identification; assessment and measurement; mitigation and control; monitoring and testing; and, reporting and escalation of breaches across the outlined risk categories. The Group manages, mitigates, monitors and reports its risk exposure through a set of risk management processes, activities and tools.

The Board Risk and Compliance Committee ('BRCC') provides oversight and advice to the Board on risk governance and supports the Board in carrying out its responsibilities for ensuring that risks are properly identified, assessed, mitigated, monitored and reported and that the Group's strategy is consistent with the Group's Risk Appetite.

Risk Appetite and Strategy

The Bank's Risk Appetite Statement ('RAS') documents are owned by the Board, supported by the Chief Risk Officer ('CRO'), and describe the Bank's risk appetite at the enterprise level. The RAS serves as a boundary to business, support, and control function leaders; enables a consistent approach to risk management; endorses risk discipline; and, integrates risk management into decision-making at all levels of the organisation. The RAS further ensures the Bank's risk is communicated clearly and well understood by both Senior Management and Bank employees so that risk management is continually embedded into the Bank's culture.

The structure of the RAS enables the Bank to maintain robust discussions of risk taking and risk management and provides a commonly understood baseline against which management recommendations and decisions can be debated and effectively and credibly challenged.

The RAS is an articulation of how the Bank's appetite for and tolerance of risk will be expressed. This comes in the form of qualitative statements about the nature and type of risk that the Bank will take on, and quantitative limits and thresholds that define the range of acceptable risk.

The RAS includes component risk appetite statements for each of the distinct key risk categories defined, including qualitative expressions of risk appetite as well as quantitative measures i.e., key risk indicators ('KRIs') supporting qualitative expression. KRIs are monitored and reported to ensure prompt and proactive assessment of their impact on adherence with the Board-approved risk appetite.

The Bank has a straight-forward business model, to deliver a full-service Retail and SME Bank with a medium risk appetite exclusively focused on the Republic of Ireland.

Risk Governance

The Bank's risk governance structure establishes the authority, responsibility, and accountability for risk management across the Bank and enables effective and efficient monitoring, escalation, decision-making, and oversight with respect to risks by appropriate Board and management-level governing bodies.

The responsibilities set out below relate to risk management activities. Further roles and responsibilities are documented

in the Internal Control Framework ("ICF"), the Board Manual and the Group Risk committees' Terms of Reference.

The design of the Bank's risk governance structure is informed by a set of risk governance principles that are based on relevant regulatory guidelines. These principles include:

- **Committee Structure:** The number of committees at Board and Management levels reflects the nature and types of risk faced by the Bank. Criteria for establishing risk sub-committees give due consideration to the: purpose of the committee; duration of the committee; proposed membership; committee reporting line; and flight path for outputs from the committee.
- **Board Committees:** Made up of Executive and Non-Executive Directors whose role is to support the Board in overseeing risk management and overseeing and challenging Senior Management's decisions.
- **Management Committee:** Bring together senior managers in the Bank who individually and collectively possess the requisite skills, expertise, qualifications, knowledge and experience to exercise sound, objective judgment, commensurate with the risk profile of the Bank.
- **Independence Safeguards:** The risk governance structure features safeguards to protect the independence of key relationships between Senior Executives and the Board. In this respect, the ExCo may not override or modify decisions of the Assets and Liabilities Committee (ALCo), Group Risk Committee ('GRC') or Group Credit Committee ('GCC'), but may appeal decisions to the Board (or relevant Board committee). Additionally, the CRO is assigned the right to refer/appeal planned management action agreed by ExCo risk sub-committees, where the CRO considers such action to be inconsistent with adherence to the Board-approved risk appetite.
- **Flow of Risk Information:** The risk governance structure establishes independent reporting lines which facilitate effective risk oversight by the Board via the Board Risk and Compliance Committee ('BRCC').
- **Communication of Risk Information:** Risk information is "prioritised and presented in a concise, fully contextualised manner" to enable robust challenge and informed decision-making throughout the risk governance structure.

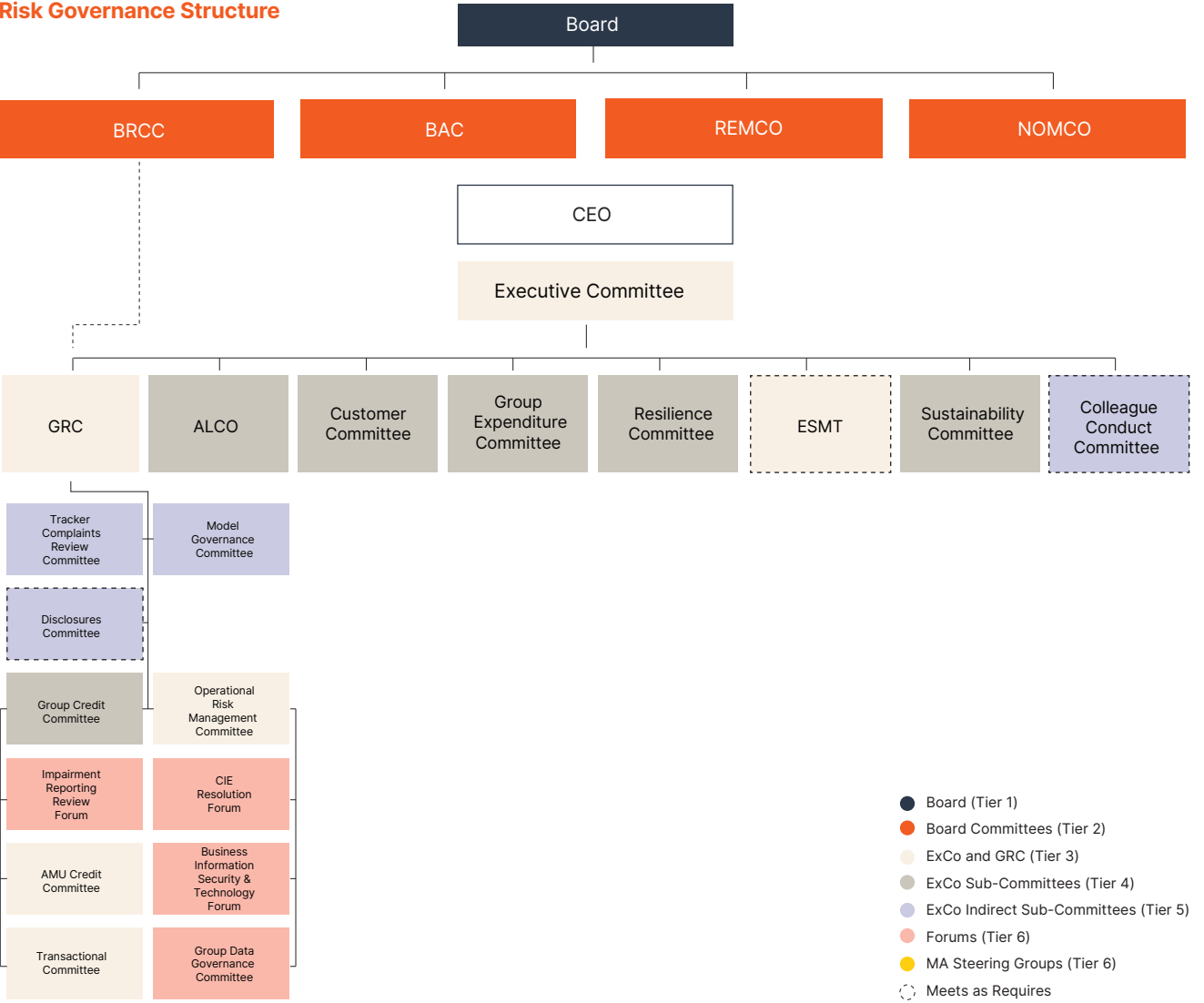
Risk Management

(continued)

- Appropriateness:** The number of overall governance committees/fora in the Bank, the length of time per meeting, the number of meetings per year, and the number of meetings each Director/Executive attends are appropriate to the Bank’s resources and business model. This should be reviewed on a regular basis and the feedback of the committee members should be sought.

The diagram below depicts the Bank’s risk governance structure.

Risk Governance Structure



Key Risk Governance Roles and Responsibilities

Committee/Role	Key Responsibilities
Board Responsible for the Bank’s business model and strategy, financial soundness, key personnel decisions, internal organisation, governance structure and practices, risk management and compliance obligations.	A key role of the Board is to ensure that risk and compliance are properly managed in the business. Key risk responsibilities of the Board include, but are not limited to: - Understanding the risks to which the Bank is exposed and establishing a documented Risk Appetite for the Bank; - Defining the strategy for the ongoing management of material risks; and - Ensuring that there is a robust and effective ICF that includes well-functioning independent internal risk management, compliance and internal audit functions as well as an appropriate financial reporting and accounting framework. The Board is collectively responsible for the governance of the Bank. Various Committees assist the Board and Executive Committee in managing and monitoring the risks and opportunities that sustainability (including CR&E Risk) present. Within the Bank, sustainability is coordinated at an enterprise-level, with the functions and business segments sharing responsibility for addressing risks and opportunities.

Committee/Role	Key Responsibilities
Board Risk and Compliance Committee (BRCC) Oversees and provides guidance to the Board on risk governance and strategy. This guidance includes recommendations to the Board on current and future risk exposure, tolerance and appetite. The committee oversees Management's implementation of risk strategy including capital and liquidity strategy, the setting of risk and compliance policies and the embedding and maintenance throughout the Bank of a supportive culture in relation to the management of risk and compliance.	The Committee supports the Board in carrying out its responsibilities of ensuring that risks are properly identified, assessed, mitigated, monitored and reported, and that the Bank is operating in line with its approved Risk Appetite. Key activities of the BRCC include, but are not limited to: • Reviewing and making recommendations to the Board on the Bank's risk profile, both current and emerging, encompassing all relevant risks categories as described in the Enterprise Risk Management Framework ('ERMF'); • Reviewing and making recommendations to the Board in relation to the Group's ERMF, RAS and the Group Recovery and Resolution Plan; • Support the Board in ensuring that strategic decisions take into account resolution-related interconnections impacting resolvability; • Oversee the achievement of the resolution objectives and the operationalisation of the bank's resolution strategy; • Monitoring and escalating positions outside Risk Appetite to the Board, within agreed timeframes and approving and overseeing proposed Remediation Plans aimed at restoring the Bank's risk profile to within the approved Risk Appetite; • Reviewing and approving the key components of the Bank's Risk Management Architecture and relevant supporting documents; • Communicating all issues of material Bank reputational and operational risk directly to the Board; • Reviewing and approving Credit Policy, Credit related strategy and any material amendments to Credit Policy; • Reviewing and making recommendations to the Board on the adequacy of capital and liquidity in the context of the Bank's current and planned activities (via reviewing relevant outputs from Internal Capital Adequacy Assessment Process (ICAAP) and Internal Liquidity Adequacy Assessment Process (ILAAP), including in relation to proposed mergers, acquisitions or disposals; • To oversee the Bank's approach to complying effectively with its legal/regulatory obligations on Anti-Money Laundering (AML) and Countering the Financing of Terrorism & Financial Sanctions (CFT/FS); • Assess the introduction and management of regulatory developments and horizon risks in relation to Operational Resilience, Digital Operational Resilience and Third Party resilience. Communicate material resilience issues to the Board as appropriate; • Review any changes to the risk strategy resulting from, changes in the business model, market developments or recommendations made by the risk management function; • Assess the impact of Climate-Related and Environmental Risk (including financial and credit risks) on the Bank's overall Risk Profile; • Review and monitor the performance, effectiveness and independence of the Risk Function and the Chief Risk Officer, to whom there shall be solid reporting lines from all Risk and Regulatory Compliance Functions across the Bank; • Review and monitor the performance, effectiveness and independence of the Compliance function and the Head of Regulatory Compliance and Conduct Risk; and • Promoting a sound Risk Culture across the Bank. The BRCC has delegated responsibility from the Board to assess the impact of CR&E risk on the Bank's overall Risk Profile. The BRCC consists of 5 Non-Executive Directors, one of whom chairs the Committee. The BRCC has approved and provides oversight on the execution of an enterprise-wide ESG Risk Strategy.

Risk Management

(continued)

Committee/Role	Key Responsibilities
Executive Committee (ExCo) ExCo is the Senior Management Executive Committee for the Bank and is the custodian of the Bank's collective Strategic Plan, Medium Term Plan and Risk Management Architecture as developed through the annual Strategic Planning Process (SPP). ExCo is the accountable body for the Bank's operations, compliance and performance; defining the Bank's organisational structure; ensuring the adoption, application and maintenance of all standards set by the Board; and a forum for Group-wide colleagues and other functional issues and ensuring that a robust and resilient operating framework exists within which the Bank's activities are undertaken. The committee is chaired by the Chief Executive Officer (CEO) who is accountable to the Board.	In the context of Risk Management, ExCo is primarily responsible for: • The oversight of strategic risk associated with the development and execution of the Group's Strategic Plan and Financial Plans. The Group Risk Committee (GRC) is a Committee of ExCo with delegated responsibility for Group-wide risk management issues. The ExCo is the ultimate point of escalation for Group-wide specific issues save for those matters reserved for the Board or its Committees; and • Ensuring that the operations, compliance and performance (through delivery of the Strategic Plan and Medium Term Plan, as well as policies, practices and decisions of the Group) are carried out appropriately, are correctly aligned to the Bank's Purpose / Ambition and to the interests of its key stakeholders (customers, colleagues, and shareholders) while operating within applicable regulatory and legal requirements • The Executive Committee (ExCo) is the ultimate management committee responsible for the development and implementation of the Bank's Sustainability Strategy and CR&E risk implementation. This will include consideration of the Bank's sustainability-related IROs.

Committee/Role	Key Responsibilities
Assets and Liabilities Committee (ALCo) On delegated authority from the Board Risk and Compliance Committee (BRCC), ALCo reviews, and is responsible for the oversight of all activities relating to Asset & Liability Management (ALM), Liquidity & Funding Risk and Market Risks (including Interest Rate Risk, Treasury Counterparty risk and Foreign Exchange Risk), and Capital Management. The Committee discharges this responsibility by providing governance over policies, methodologies and framework documents deployed to manage the above risks; and via the oversight of the activities and assumptions related to the coordination of the Bank's ICAAP, ILAAP, Recovery Plan and Resolution Planning. ALCo is the body accountable for the evaluation of other potential drivers of earnings volatility, including, but not limited to, competitive and external market pressures, and for approving optimisation and hedging strategies against those risks. In addition, ALCo is responsible for approving the pricing of new product offerings or applying material changes to the pricing of existing products. ALCo is an ExCo Sub-Committee and is accountable to ExCo.	Key roles and responsibilities of the ALCo, but are not limited to: • Provision of information to, and production of, the macro-economic assumptions; stress scenario development; and capital, liquidity & funding elements within the Bank's Medium-Term Planning Process ('MTP'). • Initial governing body responsible for developing and maintaining the Bank's recovery plan, ensuring the accurate and timely reporting of all information required for recovery and resolution purposes; the implementation of measures necessary to achieve the operationalisation of recovery and resolution planning strategies, and for overseeing the co-ordination of the Bank's compliance in those respects. • Responsible for overseeing Resolution Planning activity which involves delivering the prescribed templates/annual submissions and responding to ad hoc information requests, as well as addressing the priorities identified by the SRB/CBI in their letters to the Bank. • Provision of information to, and production of, the Internal Capital Adequacy Assessment Process (ICAAP) and Internal Liquidity Assessment Process (ILAAP); and review, challenge, provide oversight and submission onward for approval by the Board. • Monitor the minimum capital requirements set by the Bank's Regulators and the Basel III minimum Solvency rules, as implemented by the CRD IV Directive and Regulation, detailing the Pillar 1 minimum capital ratios that the Bank needs to hold. • Review the Bank's capital position, including an assessment of trends in Pillar 1 and Pillar 2 capital requirements and the Pillar 1 Plus position. • Maintain oversight and management of the on-going execution of capital-impacting stress testing exercises. While the Board maintains overall responsibility for the stress testing programme, it delegates detailed execution responsibilities to ALCo, which scrutinizes practical aspects including methodologies, translation of macro-economic variables to internal risk parameters, and assessment of risk correlations/concentrations. • Consider both the quality and quantity of capital held by the Bank, including the composition of the Bank's total capital resources (i.e., the preferred split of CET 1, Tier 1, and Tier 2 capital) while remaining within the parameters of the Risk Appetite Framework, and recommend any remedial actions to ExCo/Board accordingly. • Maintain, monitor, and enforce adherence to the Bank's Risk Management Frameworks and Policies for all Liquidity, Market, and Capital related risks. • Oversee and monitor the ALM, Treasury, and Market and Capital risks to which the Bank is exposed, and consider and approve strategies to mitigate such risks. • Maintain and assess the ALM, Treasury, and Market, and Capital Risk profiles against set limits and propose remediation plans to restore Risk Appetite where required. • Approve the pricing for new products or material changes to the pricing for existing products which have interest rate or capital implications, as recommended, including overseeing the inputs for the Bank's pricing models. • Approve Funds Transfer Pricing (FTP) methodology, ensuring the process is economically fair, transparent, and incentivizes appropriate behaviour in accordance with FTP Policy.

Risk Management

(continued)

Committee/Role	Key Responsibilities
Group Risk Committee (GRC) GRC is an ExCo sub-committee chaired by the CRO, who has unfettered access to the BRCC. It serves as a forum for Bank-wide risk management issues and maintains oversight across all of the Bank's key Risk Categories, excluding those which fall directly under the remit of the ALCo.	The GRC monitors and enforces adherence to the Group's Risk Frameworks, Risk Policies and Risk Limits. It is the guardian of the Group's Risk Register and Risk Appetite and is responsible for monitoring the total risk position of the Group. Key activities of GRC include, but are not limited to: • Measuring and monitoring the total risk position of the Bank and maintaining a Risk Register of Top and Emerging risks facing the Bank, together with an assessment of the probability and severity of those risks; • Monitoring and reporting on regulatory developments and upstream/horizon risks in relation to all relevant risk categories and communicating all material issues to the BRCC or the Board as appropriate; • Monitoring and assessing the Bank's risk profile and action trackers against risk appetite and recommending remediation plans to restore risk appetite where required; • Reporting any breaches of approved RAS thresholds in accordance with agreed Risk Appetite Framework; • Recommending proposed changes to the Bank's risk appetite for Board approval; and • Maintaining, monitoring and enforcing adherence to the ERMF, for all key risk categories excluding those which fall directly under the remit of the ALCo.
Customer Committee (CustCo) Customer Committee is a sub-committee of ExCo and is chaired by the Retail Banking Director. The purpose of the Committee is to support commercial growth while ensuring that fair customer outcomes remain at the forefront of decision making, in the context of building customer trust and executing a purpose-led, customer growth strategy.	To ensure that consideration of the customer is a key part of its decision making process, the Committee allocates sufficient time to facilitate meaningful discussions of the customer, with the aim of improving customer experience, delivering better outcomes and enabling relationship growth. It has a number of key remits, namely to: • Prioritise opportunities, resources and capabilities in order to deliver sustainable commercial growth; • Provide guidance to Executive Management (including ExCo and ExCo sub-committees) on business and commercial proposals which may have a material impact on customers and on the endorsement of such proposals; • Review and action, where required, customer performance indicators aligned to the Bank's strategy; • Review relevant significant customer events, issues and complaints, when escalated by relevant sub-committees and forums, in order to provide guidance on significant issues/events, and in order to delegate appropriate action by relevant sub-committees; • Review and action, where required, Conduct Risk indicators that exist within the Bank against the Board-approved Conduct Risk Appetite and Principles; and • Serve as the central oversight body for all significant customer matters ensuring fair treatment of customers.

Committee/Role	Key Responsibilities
Sustainability Committee (SusCo) SusCo is led by the Board, and on delegated authority from the ExCo, the SusCo is in place to provide oversight of all activity relating to the environmental, social and governance (ESG) factors that are core to operating our business in a responsible and sustainable way. The SusCo is chaired by the Chief Sustainability and Corporate Affairs Officer and includes representation from Executive Committee members and Senior Leaders representing business units across the organisation.	The SusCo is responsible for the delivery of PTSB's Sustainability Strategy by ensuring that there is sufficient governance, alignment, oversight and challenge of activity across each of the key area of focus of the Bank's Sustainability Programme. Key activities of the SusCo include, but are not limited to: • Leading on the implementation and embedding of the Bank's Board approved Sustainability Strategy, ensuring that all activity is embedded in the Bank's ambition, purpose, culture, corporate strategy and strategic priorities; • Establishment and oversight of the Bank's SBTs and delivery of the associated Carbon Reduction Plan and associated Policies; • Identifying key stakeholder groups that will be required to deliver on Sustainability Strategy objectives; • Assigning business owners to manage and deliver sustainability programming across the key areas of focus set out within the Sustainability Strategy; • Developing sustainability Key Performance Indicators (KPIs) and processes that enable the Bank to effectively measure and manage them; and • Monitoring and reporting progress to the Board and Executive Committee at regular intervals throughout the year.
Group Credit Committee (GCC) GCC oversees and is accountable for the execution and delivery of portfolio credit risk management, encompassing the identification, measurement, monitoring and reporting of Portfolio Credit Risks. GCC ensures that the appropriate operating frameworks governing the portfolio credit risk management activities of the Bank are approved and are enforced. It operates as the forum for Bank-wide portfolio credit risk management issues across the full Credit Risk Management Lifecycle. GCC is a sub-committee of GRC.	The GCC is responsible for developing and implementing portfolio credit policy within the Group. The policy addresses all material aspects of the full credit lifecycle, including Credit Risk assessment and mitigation, collateral requirements, collections and forbearance and the risk grading of individual credit exposures. Key activities of the GCC include, but are not limited to: • Recommending the relevant portfolio credit risk elements of the Bank's RAS for approval by the Board; • Recommending approval following challenge of the proposed impairment charge and approach to higher authorities (BRCC/BAC) for reporting periods; • Monitoring adherence to the Group's Credit Policy, including discretion limits and structure for underwriting, scoring, collections, recoveries and provisioning within the boundaries of the Group's RAS (as approved by the Board); • Monitoring the portfolio credit risks to which the Group is exposed; • Maintaining and assessing the portfolio credit risk profile against set limits and proposing remediation plans to restore risk appetite/limits where required; • Reporting any breaches of approved limits in accordance with agreed protocol; and • Acting as the gateway through which decisions required from higher authorities are reviewed prior to submission (e.g. BRCC/Board) and they are the forum review of Group-wide credit risk management issues.

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(continued)

Committee/Role	Key Responsibilities
Operational Risk Management Committee (ORMC) ORMC is a sub-committee of the Group Risk Committee (GRC), established with delegated authority to operate and make decisions in accordance with the Terms of Reference approved by GRC. GRC retains overall responsibility for the oversight of Operational and Information Communication Technology (ICT) risks.	ORMC is responsible for supporting GRC in monitoring the Operational and ICT risks to which the Bank is exposed and for overseeing risk mitigation performance and prioritisation related to the management and control of these risks. It supports the activities of the GRC in its monitoring and enforcing adherence to the Bank's Risk Frameworks, Policies and Limits. In fulfilling this role, the ORMC reviews and discusses the outputs and results of the Risk and Control Self-Assessment (RCSA) Process, Operational Risk Event Reporting and various other assessments (including New Product Approval (NPAP) and Third Party Risk Management (TPRM) assessments), monitoring and testing activities to create awareness of commonly experienced Operational and ICT risk matters, to share learnings and to enhance the control environment across the Bank. The key responsibilities of the ORMC include, but are not limited to: • Oversee the implementation of the Bank's Operational and ICT Risk Management Frameworks, including compliance with relevant Operational and ICT risk policies and procedures; • Monitor the implementation of policies and ensure ongoing adherence through operational controls; • Review and approve Operational and ICT Risk policies, as agreed with the Chair of GRC, (via delegated authority from GRC) and recommend approval of Operational and ICT Risk Frameworks to the GRC (and subsequently BRCC); • Review and recommend approval of qualitative and quantitative Operational and ICT Risk appetite metrics and limits/thresholds to GRC, report any breaches in accordance with the agreed process and recommend remediation plans where required; • Appraise Material Operational and ICT risk events, identify and report on the underlying root causes of these events, share lessons learned and ensure that measures or controls have been put in place to mitigate the occurrence and severity of any future Operational and ICT Risk events; • Develop, review and recommend approval of scenarios relating to potential Operational and ICT risk events in order to inform the Bank's capital assessment processes (e.g. ICAAP and Stress Testing) and submit these to the GRC for their review and approval; and • Review and evaluate Operational and ICT risk developments including peer, regulatory, and industry developments, and external incidents that may impact the Bank directly, or relate to potential risks.

Role of the Chief Risk Officer (CRO)

The CRO has independent oversight of the Bank's risk management activities across all key risk categories. The CRO is responsible for independently assessing, monitoring and reporting all material risks to which the Bank is, or may become, exposed. The CRO is a member of the ExCo and directly manages the Bank's Risk function.

The CRO has a direct reporting line to the Board and the Board Risk and Compliance Committee. In line with this reporting mandate, the Chief Risk Officer has a right of escalation and can refer any decision of ExCo or the ExCo Committees/ Sub-Committees to the Board Risk and Compliance Committee (or Board) for review.

The CRO has overall responsibility for overseeing the development and implementation of the Bank's Risk function (incl. Compliance function), including overseeing development of the Enterprise Risk Management Framework, supporting frameworks, policies, processes, models

and reports and ensuring these are sufficiently robust to support delivery of the Bank's strategic objectives and all of its risk-taking activities.

The CRO is accountable for developing and maintaining the Group's Risk Appetite Framework, which the CRO submits to GRC for recommendation to BRCC, who in turn recommend approval to the Board. The CRO is responsible for translating the approved risk appetite into risk limits which cascade throughout the Group. Together with Management, the CRO is actively engaged in monitoring the Group's performance relative to risk limit adherence and reporting this to the Board. The CRO's responsibilities also encompass independent review and participation in the Group's Strategic Planning Process (SPP), capital and liquidity planning and the development and approval of new products. Specifically, the CRO is tasked with:

- Providing Second Line Of Defence assurance to the Board across all key risk categories;

- Providing independent advice to the Board on all key risk issues, including the risk appetite and risk profile of the Group;
- Monitoring and enforcing Group-wide adherence to frameworks, policies, and procedures, with the aim of ensuring that risk-taking is in line with Board approved risk appetite;
- Monitoring material risks to which the Group is, or may become, exposed, and overseeing development of risk mitigating responses as appropriate;
- Developing and submitting the ICAAP, ILAAP, Recovery Planning and Resolution Planning for Board approval; and
- Developing and maintaining the Group's risk management structure. In connection with these responsibilities, the CRO is assigned the right of appeal over planned management action agreed by ExCo Risk Sub-Committees (such as ALCo and the GCC) when the CRO considers such action to be inconsistent with adherence to the Board approved risk appetite.

Three Lines of Defence

A 'Three Lines of Defence' model has been adopted by the Group as defined in the ICF for the effective oversight and management of risks across the Group.

Line Of Defence	High-Level Roles And Responsibilities
First Line of Defence First line functions and teams incur risks as they undertake frontline commercial and operational activities. They are responsible for identifying, owning, managing, monitoring and mitigating these risks through the effective design and operation of mitigating controls to ensure compliance with internal and external requirements. Critically, the First Line of Defence executes its business and operational activities in a manner consistent with the enterprise-wide risk appetite and managers take risks appropriately.	First Line – Business Units • Embedding the ICF and its supporting frameworks (e.g. Enterprise Risk Management Framework) and sound risk management practices into standard operating practices, including by creating clear links between maintaining and delivering robust governance and risk and control processes to performance management; • Establishing appropriate governance structures to support the implementation of the ICF and achieve the Bank's strategic, business, operational, risk, and assurance objectives; • Complying in full and within the spirit and letter of relevant regulations and legal obligations applicable to business and operational activities; • Identifying, assessing, measuring, monitoring, mitigating, reporting and owning all risks associated with business and operational activities across the Bank's risk categories in a manner consistent with the Bank's Enterprise Risk Management Framework; • Cultivating a strong risk culture that encourages prompt identification and escalation of issues and fostering an environment of continuous improvement and open engagement; • Providing assurance to relevant governance bodies on the management of risk in their functions and the effective operation and reporting of relevant controls; and • Ensuring fair customer outcomes in all aspects of the Bank's operation and decision-making.

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Line Of Defence	High-Level Roles And Responsibilities
Second Line of Defence The Group Risk Function is an independent Risk Management function, under the direction of the CRO, and is the key component of the Group's Second Line of Defence. The Group Risk Function is responsible for ensuring that all risks to which the Bank is, or may become, exposed to are identified, assessed, measured, monitored, mitigated, and reported on by the relevant units in the institution.	Second Line – Group Risk Function • Developing and monitoring the implementation of the Enterprise Risk Management Framework (ERMF), enterprise-wide Risk Appetite Statement and risk policies, systems, processes and procedures; • Assessing First Line Of Defence adherence to the ERMF, risk appetite, and risk limits to determine whether first line of defence units meet the standards for their risk management roles and responsibilities; • Reviewing, assisting, and, as appropriate, challenging the first line of defence risk management activities, and escalating issues if risk management concerns are not adequately addressed by first line of defence; • Establishing, maintaining, and delivering a program of monitoring, testing, and selected validation; • Cultivating a strong risk culture that encourages prompt identification and escalation of issues and fostering an environment of continuous improvement and open engagement; and • Providing comprehensive and understandable information, independent of the First Line of Defence, to relevant governance bodies – through ongoing risk management committee updates – on the state of the Bank's overall risk and control environment and the effectiveness of risk management, including risk issues and risk management deficiencies, and adherence to the Bank's risk appetite, limits, and enterprise risk management framework.
Third Line of Defence Group Internal Audit (GIA) comprises the Third Line of Defence. It plays a critical role by providing independent assurance to the Board over the adequacy, effectiveness and sustainability of the Group's internal control, risk management and governance systems and processes, thereby supporting both the Board and Senior Management in promoting effective and sound risk management and governance across the Group. All activities undertaken within, and on behalf of, the Group are within the scope of GIA. This includes the activities of risk and control functions established by the Group. The Head of GIA reports directly to the Chair of the Board Audit committee (BAC), thus establishing and maintaining independence of the function.	Third Line – Group Internal Audit • Developing a risk-based annual audit plan: developed in the final quarter of each year, this plan sets out the program of audit reviews to be undertaken in the following year, and is based upon a GIA's own risk assessment. This plan is cognisant of the bank's strategy and the risks both to this, and within this, strategy, and aims to provide meaningful input to assist in its controlled and well-governed execution. Accordingly, risk-based evaluation of the bank's risk identification, assessment and evaluation and risk management and mitigation approaches fall within this remit, as do assessments of adherence to policies and procedures (including methodologies and standards), along with the controls in place to ensure regulatory compliance; • Reporting on identified risk management, governance and control weaknesses: GIA reports on all identified issues to both business owners and Senior Management, and to the Board of Directors (via the Board Audit Committee); • Monitoring and reporting on the disposition of agreed remediating actions: As required under professional standards, GIA also monitors the status of all issues and actions previously raised, and reports on the progress being made by business units in implementing agreed action plans; and • Providing insights into risk, governance and control measures which may strengthen the bank's system of internal control in a carefully structured manner such that GIA's independence is preserved.

2. Principal Risks and Uncertainties

Risk registers from across the Group's First Line and Risk functions, developed through both top-down and bottom-up Risk Identification and RCSA processes, form the foundation of the Group's Top and Emerging Risks report. This report is presented to the Risk Committees for review to ensure comprehensive identification, measurement, management, and monitoring of all material risks.

The following outlines the principal risk factors that could materially impact the

Group's business, financial condition, operational resilience, and strategic delivery over the next 12 months and medium term. This list is not exhaustive and reflects a dynamic risk environment influenced by both internal transformation and external volatility.

Emerging Risks

The Group's emerging risk profile reflects a dynamic and increasingly complex operating environment shaped by geopolitical volatility, regulatory agenda, technological advances, and internal

execution pressures. These risks are not isolated, they are interconnected and have the potential to amplify one another. The following 3 themes represent the most strategically significant emerging risks for the Group over the next 12 months and into the medium term:

1. Geopolitical risk and expanding regulatory agenda

The convergence of geopolitical instability and regulatory acceleration is fundamentally reshaping the financial services landscape. Political polarisation,

global conflicts (e.g. Ukraine, Middle East, US-China tensions), and economic fragmentation are fuelling regulatory divergence, trade protectionism, and supervisory unpredictability. For small, open economies like Ireland, these dynamics pose heightened risks to financial stability and cross-border operations.

In particular, the resurgence of trade tariffs and economic nationalism, especially in the context of shifting US and EU trade policies, has introduced new layers of uncertainty. These developments may disrupt supply chains, reduce foreign direct investment and disposable income, affect corporate profitability, and heighten credit risk for banks due to business stress. Increased tariffs can contribute to inflation by raising the cost of imported goods, particularly in energy, food and construction. Higher and prolonged inflation may lead to higher interest rates, impacting mortgage affordability, increasing default risk and eroding consumer confidence. PTSB has factored the impact of geopolitical risk into its 2025 economic scenario design and stress testing techniques.

Moreover, the regulatory agenda is intensifying across multiple fronts, including SEPA SCT Inst, the Digital Operational Resilience Act (DORA), the AI Act, IFRS updates, and the upcoming Consumer Protection Code (2026). This environment presents a dual challenge: the risk of non-compliance (with associated fines, reputational damage, and supervisory intervention) and the strategic risk of being outpaced by more agile, less regulated digital competitors. The cost and complexity of compliance may constrain the Bank's ability to invest in innovation, thereby weakening its competitive positioning in a rapidly evolving market.

2. Execution risk amplified by People, Process, and Change complexity

The Bank's ability to deliver on its strategic objectives is increasingly exposed to execution risk, driven by internal complexity, high volumes of concurrent change, and growing reliance on third-party and outsourced service providers. These challenges are compounded by workforce pressures, including wage inflation, talent scarcity, and wellbeing concerns, which are particularly acute in critical areas such as technology, compliance, and data governance. The risk of transformation fatigue, capacity

shortfalls, and suboptimal change sequencing is material. Inadequate execution could result in operational disruption, customer dissatisfaction, and reputational harm. Moreover, the Bank faces cultural and behavioural risks, including challenges in innovation and the misuse of emerging technologies such as AI. These factors collectively threaten the Bank's ability to maintain operational resilience, deliver consistent customer outcomes, and realise its strategic ambitions.

3. Technological disruption and erosion of the traditional banking model

The accelerating pace of technological change with digital innovation combined with regulatory shifts such as PSD2 and the potential introduction of central bank digital currencies (CBDCs), is fundamentally challenging the role of traditional banks as financial intermediaries. Fintechs and digital-native entrants are leveraging open banking, advanced analytics, and AI to deliver hyper-personalised, 24/7 services, raising customer expectations and intensifying competitive pressure.

At the same time, the threat landscape is evolving rapidly. AI-driven cyberattacks (e.g. deepfakes, phishing, ransomware), internal misuse of AI tools, and third-party vulnerabilities are increasing the risk of data breaches, service outages, and regulatory breaches.

Economist Update Introduction

More than at any time in recent years, the economic outlook is uncertain. While domestic economic conditions remain positive, the Central Bank is concerned: "Since December 2024, the risks facing the global financial system have risen. Rising barriers to trade, and a sharp increase in economic and trade policy uncertainty, have led to a weaker growth outlook and higher market volatility. Ireland is particularly exposed to increasing trade tensions and any associated external macroeconomic shifts, due to its economic openness and high dependence on US FDI."

Economic Outlook / Growth

In light of the "escalation of trade tensions and extremely high levels of policy uncertainty", the IMF revised its forecast for global growth down from 3.3% to 2.8% for 2025. The OECD projects a similar outlook for global growth, commenting that "today's policy

uncertainty is weakening trade and investment, diminishing consumer and business confidence and curbing growth prospects." The ECB projects the Euro area's anaemic growth of recent years to continue, expecting growth of just 0.9% this year and 1.1% next year. The OECD highlights how "Russia's full-scale invasion of Ukraine and rising trade tensions have slowed down the economic recovery in Europe and emphasised the need to deepen structural reforms."

The Central Bank notes that "as a small, open economy with significant trading and investment relationships with the US and EU, Ireland is experiencing, and can be expected to further experience, the fallout from changing geoeconomic relationships and priorities." Despite the negative backdrop, its "central outlook for the domestic economy, while damped further by the effects of higher uncertainty and higher effective tariffs ... remains relatively favourable out to 2027."

The IMF concurs with the Central Bank's assessment of Ireland's growth prospects: "The domestic economy is projected to continue to grow, though at a slower pace in a highly uncertain global environment." While noting "the direct effect of the announced tariff measures is projected to be contained", it cautioned that "heightened global uncertainty would ... weigh on household and business spending decisions."

Despite the negative outlook, the Irish Manufacturing PMI stood at 52.6 in May, "but above the neutral 50.0 threshold for the fifth month running, the longest growth sequence in over two-and-a-half years." The Irish Services PMI rose to 54.7 in May, "signalling a solid rate of growth that was in line with the average over the past 12 months", but "remained below the long-run trend level of 55.1 since 2000", reflecting "ongoing business uncertainty."

Inflation Rates and Interest Rates

Inflation in the Eurozone has decreased steadily from 2.6% in May 2024 to 1.9% in May 2025, while the CSO reported that Irish inflation fell from 2.2% to 1.8% over the same period. The ECB noted that "inflation is currently at around the Governing Council's 2% medium-term target" and expects the rate to remain at this level for the next two years. The Federal Reserve stated that US inflation, though declining, was 2.3% in May, "somewhat elevated relative to our 2% longer-run goal."

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The lower inflation rate and lower “business investment and exports” due to “uncertainty surrounding trade policies” have led the ECB to reduce its interest rates consistently. The ECB deposit rate was lowered by 0.25% in June, marking the fourth reduction in 2025, and now stands at 2%, down from 4% two years prior. The markets expect the Federal Reserve to reduce rates by 0.5% in the second half of the year.

Government Finances

The Department of Finance forecasts that Ireland will achieve a general government surplus of €8.7 billion, equivalent to 2.6% of GNI*, this year and €6.3 billion next year. It expects public debt to fall to €216 billion, “the equivalent of 62.5% GNI*.” All the ratings agencies give Ireland an AA-rating.

Germany’s ten-year Bund yield has fallen to 2.5%, approximately the same level as at the start of the year. Ireland’s debt trades at about 0.3% higher, remaining stable since the beginning of the year. The NTMA anticipates paying an average interest rate of 1.5% on its debt portfolio.

The Irish Fiscal Advisory Council (IFAC) notes that while “the government budget is in surplus, ... this is purely due to remarkable levels of corporation tax being collected.” Without the surplus corporation tax receipts, Ireland would be running a deficit of €5 billion instead of a surplus of €9 billion this year, equivalent to “€2,500 per worker.” It urges the Government to “commit to a fiscal rule” that “would set a sustainable growth rate for spending”. It emphasises the need to address the “challenges ... around infrastructure, the ageing population and climate change.”

Employment

The CSO reported that there were 2.79 million people employed in Ireland at the end of March this year, 89,900 more than a year earlier, reflecting a 3.3% increase. It noted that the unemployment rate in June was 4.0%, “down from a rate of 4.4% in June 2024.” IFAC remarked that at 85%, “Ireland has never had as high a share of those in their prime working years at work.”

The CSO remarked that “average weekly earnings were €1,026.20 in Quarter 1 2025, up 5.6% from €972.20 in Q1 2024 and surpassing €1,000 for the first

time since the series began in 2008.”

The IFAC noted that “real wages have recovered after sharp price rises” and that “households and businesses have low levels of debt.” However, it cautioned that “tariff increases, rising trade tensions, and policy uncertainty cloud the outlook, slowing investment and job creation.” The Central Bank expects growth in real gross disposable income per household “to turn positive in 2025 and increase gradually out to 2027, supported by increases in wage income and moderating inflation.”

Banking

Household deposits totalled €167 billion at the end of May, reflecting a 7.6% increase compared to the previous year. Some 85.2% of these were held overnight, down from 88.6% the previous year, as depositors increasingly shifted their funds into term accounts to take advantage of higher interest rates. The average interest rate paid on new household term deposits was 1.97% in May, while overnight deposits earned 0.13%. Deposits from non-financial corporates declined by €2.2 billion to €79.4 billion over the period.

The Central Bank reported that “loans for house purchase increased by €3.5 billion, or 4.2%, in the year to end-May 2025,” continuing the “positive annual growth trend observed since May 2023.” It noted that the “weighted average interest rate on new Irish mortgage agreements in May 2025 was 3.66%”, which was 0.51% lower than that of a year earlier.

The number of principal dwelling houses (PDH) accounts in arrears for over 90 days was 25,880 at the end of March, representing a 10% decrease compared to the same period a year earlier. The Central Bank commented: “At 3.7% of all PDH accounts outstanding, this is the lowest proportion of accounts in arrears over 90 days since 2009.” It further noted that non-banks hold 75% of accounts in arrears for over 90 days.

BPFI reported that “a total of 9,190 new mortgages to the value of €2,807 million were drawn down by borrowers during the first quarter of 2025”, an “increase of 10.3% in volume and 19.1% in value on the corresponding first quarter of 2024.” It commented that in the twelve months ending May 2025, “home mortgage activity (FTB and mover purchase) climbed to new heights” as “the value of approved home mortgages exceeded €14 billion for the first time” while “the number

of home mortgages exceeded 43,000 for the first time since the data series began.”

The EBA noted that euro area “banks maintained a robust capital base, while profits were at historically high levels”, but cautioned that “increased uncertainty and financial market volatility could pose challenges for the sustainability of these.”

Housing

Housing completions are expected to decline again this year. BPFI comments: “On a rolling 12-month basis, a total of 30,356 units were completed in the twelve months ending March 2025 compared with 31,681 units during the twelve months ending March 2024.” Dwelling commencements and planning permissions decreased by 75.7% and 38.4%, respectively, in the first quarter compared to the same period a year earlier, suggesting a bleak outlook. Davy indicates this trend is likely to persist “until major reforms are fully implemented with respect to rent controls, construction costs and the planning process.”

The Central Bank forecasts housing completions “to increase to 32,500, 37,500 and 41,500 in 2025, 2026 and 2027, respectively.” It highlights the challenges facing the construction industry in increasing output, including the availability of water, electricity and skilled labour. It emphasises the need to promote “higher levels of labour productivity in the construction sector”, including “for example, greater adoption of Modern Methods of Construction (MMC).”

Sherry FitzGerald reports that “landlords continued to exit the rental market at an unsustainable pace”, noting that 30% of vendors were landlords, whereas just 10% of purchasers are landlords. It comments that “the construction of apartments has become unviable in recent years, due to the higher interest rate environment and frequently changing policies, both of which have caused private equity to exit the market.” The Government proposes to change the regulations to address the issue: “There is a critical need to attract investment into new apartments and for our rental market across the country, and what we are proposing is that rent control for new apartments constructed, following enactment of the legislation, would be linked to inflation in order to provide certainty, clarity, and encourage investment.”

House Prices

House prices continued to rise nationwide over the last year. The national Residential Property Price Index (RPPI) “increased by 7.5% in the 12 months to April 2025”, down from 7.9% a year earlier. The CSO reported that the “median price of a dwelling purchased in the 12 months to April 2025 was €365,000”. Daft stated that “in the year to March, the average listed price nationally rose by 12.3%” and commented that “such a rate hasn’t been seen in the market since the first quarter of 2015.” The RPPI was 17.8% higher in April than at its pre-crisis peak while BPFI reported that the average mortgage amount was €327,972, the highest on record.

During this period, 49,352 dwelling purchases by households were reported to the Revenue Commissioners, of which 38,686 were existing dwellings and 10,666 were new. “Of these, 18,146 (36.8%) were purchased by first-time buyer owner-occupiers, while former owner-occupiers purchased 25,907 (52.5%).” Non-occupiers acquired the remaining 5,299 (10.7%). Daft remarked: “There are simply too few homes on the market at the moment. On top of an insufficient number of new homes being built, there are also not enough second-hand homes being traded.”

The Central Bank comments: “Housing investment, while expected to increase gradually, will likely remain insufficient to bridge the gap between supply and estimated demand in that market.” It adds: “If the underlying demands in building and construction activity for new housing, retrofitting and public infrastructure were to be met at existing levels of productivity over the next three years, an estimated increase of 30% in construction sector employment would be required.” It concludes: “Overall housing investment is still forecast to remain below required levels based on population growth and household formation” over the coming years.

Overall Position

Geopolitical risks cloud the outlook for 2025. Wars in the Middle East and Ukraine discourage investment. Ireland is more exposed to tariffs than any other European country due to its close ties with the United States. Government finances are particularly vulnerable to a trade war. Ireland’s infrastructural deficit continues to carry social and economic costs.

The OECD cites the challenges facing the government: “Maintaining stable growth

and high living standards, in a context of a rapidly increasing population and rising capacity constraints, requires policies to address challenges due to population ageing, ensure adequate supply of affordable housing and combat climate change.”

However, Ireland begins from a position of strength. The Central Bank reports that the household debt-to-income ratio has declined to 91.4%, while the debt-to-assets ratio has fallen to 11.2% in Q4 2024. Similarly, Ireland’s debt-to-GNI* is among the lowest in Europe, while the Government has established two sovereign wealth funds to tackle infrastructure, demographic, and climate challenges. It is hoped that the country can continue to thrive despite the various challenges it faces.

Business Risk

Business Risk is defined as the risk that volumes may decline, margins may shrink, or management costs may increase, arising from an underperforming Business model and/or failure in the Group’s strategic ambitions.

From the Group’s perspective, Business Risk is further divided into two sub-risk categories, as follows:

- **Business Model Risk**, which is defined as the risk that the Group does not generate a short-term financial return to meet resolution tests (‘viability’) and/or is unable to deliver minimum acceptable returns to its shareholders (‘sustainability’).
- **Strategic Risk**, which is defined as the risk that results from a failure to prepare for, or respond to, changes in the external environment or market (usually linked to factors such as the activities of competitors, changing customer preferences, product obsolescence, technology developments and regulatory changes).

Business Model risk is typically assessed over a one-year horizon, while strategic risk generally relates to a longer timeframe and pertains to volatilities in earnings arising from a failure to develop and execute an appropriate strategy. Business Units are responsible for the delivery of their business plans and management of such factors as pricing, sales/lending volumes, operating expenses and other variables that may impact earnings volatility. Pricing decisions, and changes thereto, are reviewed and approved by the ALCo. The development of new markets, products and services and significant

changes to existing ones is addressed under the Group’s New Product Approval process.

Business Unit strategy is developed within the boundaries of the Group’s Strategy as well as the Group’s Risk Appetite.

Climate-Related & Environmental Risk

PTSB is committed to the management of Climate-Related & Environmental (CR&E) Risk, aided by regulatory guidance, to play our part as corporate citizens. Understanding of how best to respond to climate change is continually evolving and with this our knowledge of associated risks continues to develop.

Managing CR&E Risks and opportunities was a key area of focus under the ‘Addressing Climate Change and Supporting the Transition to a Low Carbon Economy’ Pillar of the Bank’s 2022-2026 Sustainability Strategy. Through the Bank’s new 2025-2027 Sustainability Strategy CR&E Risks and opportunities remain a focus under both the ‘Protecting our Planet’ and ‘Investing for Impact’ pillars. The Bank is working to manage and mitigate against CR&E Risk, while also finding new and innovative ways to help our stakeholders to navigate the transition to a low carbon economy. This is complemented by “Sustainable Business Growth” as one of the refreshed Strategic Priorities outlining the Bank’s commitment to building a sustainable organisation that is fit for the future.

PTSB has formally defined CR&E Risk, categorising into two Sub-Risk Categories as follows:

1. Physical Risks - The risk of economic cost and financial losses resulting from the increasing severity and frequency of:

- **Acute Physical Risk** – arises from extreme weather events such as floods, storms, droughts and heatwaves.
- **Chronic Physical Risk** – arises from longer-term gradual shifts in the climate patterns, such as increasing temperatures, sea-level rises, water stress, biodiversity loss, land use change, habitat destruction and resource scarcity.

2. Transition Risk - The risk of economic cost, financial loss or an adverse outcome related to the process of adjustment towards a low-carbon economy and more environmentally sustainable economy. Transitioning to a low-carbon economy

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(continued)

may require substantial policy, legal, technology and market changes. These changes may result in financial loss and reputational risk to organisations, with the severity of this depending on the scope and speed of change required. Transition Risk may include:

- Policy Risks that come with the evolution of policies and regulations that promote the adaptation to a less carbon intensive and more sustainable economy, and those that constrain actions that lead to climate change and harm the environment.
- Legal Risk that relates to litigation claims against institutions and their representatives who fail to mitigate and adapt to climate change, and who fail to disclose material climate and environmental information.
- Market Risks that arise through changing demand and supply for commodities, products and services.
- Reputation Risk that relates to the changing stakeholder perception of institutions' contribution to or detraction from the transition to a lower-carbon economy.

The management of CR&E risk is aligned to key processes and components set out in the Bank's Enterprise Risk Management Framework (ERMF), which identifies core risk management stages which collectively ensure that the Bank appropriately identifies and manages current and emerging risk the Bank is exposed to.

Consideration of the impact of CR&E Risk on each of the Key Risk Categories has been considered as part of the Bank's 2024 CR&E Risk Materiality Assessment. This assessment contains a detailed review of the potential impacts of CR&E risk upon the Gross Risk Profile of the Bank across these Categories defined in the ERMF. The assessment included a detailed description of the relevant transmission channels between Physical and Transition Risk drivers and ERMF defined Key Risk Categories.

The Bank has established strong governance structures surrounding CR&E Risk with the establishment of the Sustainability Programme which includes three underlying workstreams, one of which is focused on CR&E Risk Management. The Sustainability Programme is led by the Sustainability Committee (SusCo). The SusCo acts on

delegated authority from the ExCo, to provide oversight in line with supervisory expectations on the execution of the Bank's Sustainability Strategy by ensuring that there is sufficient oversight, alignment, governance and challenge of activity across key areas of focus for the Bank. Supporting the SusCo, a Sustainability Programme Steering Group is in place, consisting of members from the Bank's Senior Leadership Team with enterprise-wide representation to ensure a holistic and integrated approach to support execution.

Over the last number of years, the Bank has made progress integrating CR&E Risk considerations into operational processes and strategic decision-making. PTSB deployed resources to ensure the delivery of the CR&E Risk Implementation Plan, that has been closed and is proactive in and committed to maturing this integration into 2025 and beyond. This work established the Bank's baseline position and enabled the organisation to make progress across a number of areas.

A summary of progress includes:

- Establishing effective governance for the management of CR&E Risk across the Bank;
- Introducing the first enterprise-wide CR&E Risk Management Framework (CR&E RMF);
- Completing a CR&E Risk Qualitative Materiality Assessment to assess and understand CR&E Risk as an impact and drive of traditional Risk Categories;
- Developing CR&E Key Risk Indicators;
- Sourcing and integrating CR&E Risk data for Bank use to inform CR&E Risk analysis;
- Implementing a CR&E Risk Stress Test aligned closely with the ECB Stress Test Methodology;
- Integrating CR&E Risk into the Bank's ICAAP and ILAAP processes;
- Ensuring CR&E Risk is considered in the Bank's product development through the establishment of Green Product and Proposition Design Principles;
- Establishing a Carbon Reduction Plan and,
- Establishing a Science Based Targets for emissions reductions Programme.

The Bank has mobilised investment toward positive CR&E Risk activity by supporting customers and counterparties in navigating their transition to a low

carbon economy. CR&E Risk is considered in the Bank's product development process through establishment of Green Product and Proposition Design Principles.

The Bank has made progress, including:

- c.€423m in Green Mortgage Lending in 2025 accounting for 43% of New Mortgage Lending;
- Participation in the SBCI Growth and Sustainability Loan Scheme, offering €70 million in low-cost loans to SMEs;
- €100 million in funding allocated as part of SBCI Home Energy Upgrade Loan Scheme – the first lender to launch the Scheme; and,
- €500m Green Senior HoldCo, the first Green Bond issuance under the Bank's Green Bond Framework. The Bond issued on 10 April 2024 with maturity date 10 July 2030 (first call 10 July 2029).

These developments make up the first steps towards an envisioned suite of Sustainable Finance Product offerings, with proposition development continuing on future products.

As CR&E risk continues to evolve, the potential effect of Physical (Acute & Chronic) and Transition Risk on the Bank will be continually reviewed. The assessment of effects as set out in the CR&E Risk Materiality Assessment will develop over time as the Bank sources critical data to incorporate further quantitative analysis. This is supported by the Bank's Data Remediation Programme, which has dedicated resources in place to support and further develop CR&E Risk data availability and granularity.

While the Bank is focused on short-term action delivery and stepping up the pace in embedding CR&E risk, it is mindful of creating capacity and building a robust long-term strategic approach to CR&E risk, which aligns to best practice. This will ensure there is a comprehensive integration within Strategy, Data, Risk Management and Product Strategy, supported by enabling activities such as training and disclosures.

Credit Risk

Credit Risk is defined as the risk of financial loss due to the failure of a customer, guarantor or counterparty, to meet their financial obligations to the Bank as they fall due.

The Group's customer exposures are originated and managed in Ireland. The Group's principal exposure is to residential mortgages secured firstly by a first legal charge on the property. Economic uncertainty, as well as the socio-political environment and inflation adversely impact or cause further deterioration in the credit quality of the Group's loan portfolios. This may give rise to increased difficulties in relation to the recoverability of loans or other amounts due from borrowers, resulting in further increases in the Group's impaired loans and impairment provisions.

As losses from customer credit risk are the principal financial risk to which the Group is exposed more detailed analysis of the risks, risk management policies and current portfolio segmentation is provided in section 3.1 of the Risk Management Report.

Capital Adequacy Risk

Capital Adequacy Risk is the risk that the Group does not have sufficient capital to cover the risks of its business, support its strategy, and comply with regulatory capital requirements at all times.

The Group's business and financial condition could be negatively affected if the amount of its capital is insufficient due to:

- Materially worse than expected financial performance;
- Increases in Risk-Weighted Assets;
- Excessive growth in asset volumes;
- Changes in the prescribed regulatory framework; or
- The sales of assets.

The core objective of the Group's capital management framework is to ensure it complies with regulatory capital requirements (Capital Requirements Regulation (CRR3), Capital Requirements Directive (CRD VI) and the Banking Recovery and Resolution Directive (BRRD)) and that it maintains sufficient capital to cover its business risks and strategy.

As outlined in the Group's RAS, the Group undertakes an Internal Capital Adequacy Assessment Process (ICAAP) to ensure that it is adequately capitalised against the inherent risks to which its business operations are exposed and to maintain an appropriate level of capital to meet the minimum regulatory and Supervisory Review and Evaluation Process (capital requirements). The ICAAP is subject to

review and evaluation by the CBI as part of its Supervisory Review and Evaluation Process.

The management of capital within the Group is monitored by the BRCC, ExCo and ALCo in accordance with the Board-approved Capital Adequacy Risk Management Framework.

Government Control and Intervention

In 2011, the Minister for Finance of Ireland became the owner of 99% of the issued ordinary shares of the Group which reduced to c.75% following the successful capital raise in 2015. The completion of the first phase the Ulster Bank transaction, combined with the disposal of an additional 5% tranche in 2023, has further reduced the Minister for Finance's stake to c.57%.

The risk is that the Irish Government, through its direct majority shareholding of the Group, uses its voting rights or intervenes in the conduct and management of the business in a way that may not be in the best interests of the Group's other stakeholders.

The Minister for Finance and the Group entered into a Relationship Framework Agreement dated 23 April 2015. The Framework Agreement provides that the Minister will ensure that the investment in the Group is managed on a commercial basis and will engage with the Group, including in respect of the manner in which he exercises his voting rights, in accordance with best institutional shareholder practice in a manner proportionate to the shareholding interest of the State in the Group.

Current and future budgetary policy, taxation, the insolvency regime and other measures adopted by the State to deal with the economic situation in Ireland may have an adverse impact on the Group's customers' ability to repay their loans, the Group's ability to repossess collateral and its overall pricing policy.

Liquidity and Funding Risks

Liquidity Risk is the risk that the Group has insufficient funds to meet its financial obligations and regulatory requirements as and when they arise either through inability to access funding sources or monetise liquid assets.

Funding Risk is the risk that the Group is not able to achieve its target funding mix,

is too dependent on particular funding instruments, funding sources (retail/wholesale) or funding tenors, fails to meet regulatory requirements and, in extremis, is not able to access funding markets or can only do so at excessive cost and/or Liquidity Risk.

These risks are inherent in banking operations and can be heightened by other factors and changes in credit ratings or market dislocation. The level of Liquidity Risk further depends on the size and quality of the Group's liquid asset buffer, the maturity profile of funding, as well as broader market factors such as depositor and investor sentiment/behaviour.

It is likely that risks would be further exacerbated in times of stress. Given the nature of the Group's retail focus which stems from its business model; liquidity and funding risk will arise naturally due to the maturity transformation of primarily short term deposits into longer term loans.

The Group's Risk Appetite Statement and the associated Liquidity & Funding Risk Management Framework set out the Group's approach to the management of Liquidity & Funding Risk, including the Group's approach to risk identification, assessment, measurement, monitoring, mitigation and reporting. The Liquidity & Funding Risk Framework is approved by the BRCC on the recommendation of the ALCo.

The management of the Group's liquidity and funding risks are subject to strict internal controls and reporting procedures and are monitored by the ALCo and the BRCC on a regular basis. Group Treasury is responsible for the management of liquidity and funding risk. Group Risk and GIA provide further oversight and challenge and ensure compliance to the Group's Liquidity and Funding Risk Management Framework.

For further details on Funding and Liquidity Risk, see section 3.2.

Market Risk

Market Risk is defined as 'the risk of losses in on and off-balance sheet positions arising from adverse movements in market prices. Often market risk cannot be fully eliminated through diversification, though it can be hedged against'.

From the Group's perspective, Market Risk consists of three components being

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Interest Rate Risk, Credit Spread Risk and Foreign Exchange Risk. These risks are covered in detail in section 3.3.

The Group's Risk Appetite Statement and the associated Market Risk Framework set out the Group's approach to the management of Market Risk, including the Group's approach to Market Risk identification, assessment, measurement, monitoring, mitigation and reporting. The Market Risk Framework is approved by the BRCC on the recommendation of the ALCo.

All market risks arising within the Group are subject to strict internal controls and reporting procedures and are monitored by the ALCo and BRCC on a regular basis. Group Treasury is responsible for the management of market risk exposures on the balance sheet. Group Risk and Group Internal Audit provide further oversight and challenge of Group Treasury's compliance with the Market Risk Framework and associated Policies.

Model Risk

Model risk is defined by the Group as an adverse outcome (incorrect or unintended decision) that occurs as a direct result of weaknesses or failures in the design, implementation or use of a model. The adverse consequences include financial loss, poor business or strategic decision-making, or damage to the Group's reputation.

In terms of risk appetite, the Group expects that all material models function as intended. The key factors which influence model risk within PTSB include:

- Macroeconomic risk – the Group's suite of models is built on data that spans the period immediately prior to the Global Financial crisis through the recent recovery. The degree to which the impacts of a new economic downturn will mirror the last is uncertain. The degree of risk increases with the speed and volatility of economic change;
- Regulatory change – the pace of evolution of regulation and guidance increases the burden of maintaining the Group's regulatory models;
- Competition for skills – significant competition exists within the Irish market for those with the experience and expertise to build, implement and interpret models; and
- Data – encouraging customers to share their data, particularly in the area of environment and sustainability is a strategic area of focus for the Group in enhancing model risk management.

Model risk is managed in accordance with the Group's Model Risk Framework. This framework provides the foundation for managing and mitigating model risk within the Group. Accountability is cascaded from the Board and senior management via the Group ERMF. This provides the basis for the Group Model Risk Policy, which defines the mandatory requirements for models across the Group, including:

- the scope of models covered by the policy, including model materiality;
- roles and responsibilities, including ownership, independent oversight and approval;
- key principles and controls regarding data integrity, development, validation, implementation, ongoing maintenance and revalidation, monitoring, and the process for non-compliance; and
- the model owner taking responsibility for ensuring the fitness for purpose of the models and rating systems, supported and challenged by an independent specialist function within Risk that reports directly to the CRO.

The above ensures all models in scope of policy, including those involved in IFRS 9 and regulatory capital calculation, are developed consistently and are of sufficient quality to support business decisions and meet regulatory requirements.

The Group Model Governance Committee (MGC), a sub-committee of the GRC (Group Risk Committee), is the primary body for overseeing model risk. The Group RAS (Risk Appetite Statement) requires that key performance indicators are monitored for every model to ensure they remain fit-for-purpose or appropriate mitigation is in place. Material model issues are reported monthly to Group and Board Risk Committees with more detailed papers as necessary to focus on key issues.

Operational Risk and ICT Risk

Operational Risk is defined as the risk of loss or unplanned gains resulting from inadequate or failed processes, people, and systems or from external events. This includes: operational resilience & business continuity; third party and outsourcing; business process; fraud; legal; people; property; change and data management risk.

Information Communication Technology (ICT) Risk is defined as the risk of loss due to a breach of confidentiality,

failure of integrity of systems and data, inappropriateness or unavailability of systems and data or inability to change ICT within a reasonable time and with reasonable costs when the environment or business requirements change (i.e. agility). ICT Risk includes risks associated with poor ICT governance, oversight and risk management as well as security risks resulting from inadequate or failed internal processes or external events including cyber-attacks or inadequate physical security.

Risks from both these risk categories are inherently present in the Group's business. Any significant disruption to the Group's ICT systems, including breaches of data security or cyber security could harm the Group's reputation and adversely affect the Group's operations or financial condition materially.

The Group aims to minimise the level of serious disruption or loss caused by Operational or IT issues to its customers, employees, brand and reputation.

The Group's Operational Risk and ICT Risk Management Framework outlines the Group's approach to managing Operational and ICT risks and associated risk exposures and is applicable Group-wide. The Framework outlines the specific governance structures and processes that enable the management of the Bank's Operational & ICT Risks, it defines the roles and responsibilities for the oversight of Operational and ICT risks, along with the ownership and processes in place for the identification, assessment, mitigation, monitoring, testing and reporting of Operational and ICT risks in the Group. In support of the above, the Group utilises a Risk and Control Self-Assessment methodology to:

- Identify, measure and control Operational Risk, ICT Risk, Compliance Risk, Conduct and Reputational Risks across the Group which aids the consistent approach to risk management and aids the business in their decision making process.
- Support the ability to track any control design or operational effectiveness deficiencies that are identified through the process. This ensures that comprehensive remediation plans are created, monitored and tracked through to closure.

The ORMC monitors the Operational and ICT Risks to which the Group is exposed

to and oversees risk mitigation including performance and prioritisation related to the management and control of these risks. In fulfilling this role, The ORMC reviews and discusses the outputs and results of the Risk and Control Self-Assessment (RCSA) Process, control testing and Operational Risk Event Reporting and various other assessment, monitoring and testing activities to create awareness of commonly experienced Operational and ICT risk matters, to share learnings and to enhance the control environment across the Group. Furthermore, the ORMC reviews and monitors Operational and ICT risk RAS, the Operational and IT KRIs, emerging risks and other relevant Operational and ICT risk metrics on an ongoing basis.

ORMC also monitors the oversight of new or amended Third Party/Outsourcing relationships, new products, and/or significant changes to existing products and Strategic Change that is implemented across the bank and highlight any risks where required.

External Fraud remains at a high threat level with many customers targeted/ responding to fraudulent SMS and phone calls in circulation, divulging their credentials to fake websites. There has been a significant increase in this activity since 2020 and PTSB have been recognised as being to the fore in seeking ways to protect our customers and the bank. We continue to work on our own initiative but also collectively with many external stakeholders i.e. other FI's, BPFI, CBI, UCD Cyber Centre, Gardaí, ComReg, Telco's and Fintech to reduce impact. The creation and launch of "PTSB Protect" to our customer base and added to our app as an opt-in solution informs customers using the service of known fake SMS being received to their Smart phone. PTSB Protect is the first of such technology to be deployed by any bank. We have also enhanced our fraud monitoring capabilities in the card transactions space with the 'Foresight' fraud scoring tool being added to our strategies, this is currently proving beneficial from both a fraud prevention and customer impacting perspective. By continuing to innovate and react to the ever changing environment, we can continue to maintain best in class status, whilst maintaining a balance between providing a frictionless customer journey but also managing the risk.

The external cyber threat environment continues to evolve, and remains a focus for the Banking industry globally. Continuous improvement in our cyber defences is a strategic priority with investment accordingly to enhance the control environment. The Cyber and Information Security Strategy 2025-2027, was approved at Board Audit Committee in May 2025. This focusses on continuous improvement in our cyber defences in light of an increasingly hostile cyber threat environment, as well as further maturing and embedding of our alignment with DORA. It includes a special measures workstream to accelerate key network resilience enhancements identified following recent DDoS incidents.

Scenario testing is performed on an annual basis, as outlined in the Enterprise Risk Management Framework (ERMF), for critical processes including but not limited to: Payments Systems Failure, Information Security, Cyber Security, Internal Fraud, Business Disruption and ICT Resilience to ensure existing processes support timely recovery. Monitoring and incident management processes are in place to detect and recover from both cyber-attacks and ICT issues which may affect the availability of critical IT systems. Regular disaster recovery testing of critical systems is conducted in order to test IT resilience. Any changes made to the Group's IT systems or applications are governed by a change management process.

Internal controls are tested on a continual basis to provide assurance on the design effectiveness and operating effectiveness of controls captured in the RCSA process. This system of internal control is designed to provide reasonable, but not absolute, assurance against the risk of material errors, fraud or losses occurring. Effective controls will work to reduce the likelihood of a risk occurring and/or the impact should the risk materialise.

Independent risk based control assurance reviews are also undertaken mainly in relation to key processes to provide an assessment of how effective associated risks are controlled and managed.

Weakness in the Group's internal control system or breaches/alleged breaches of laws or regulations could result in increased regulatory supervision, enforcement actions and other disciplinary action, and could have a material adverse impact on the Group's results, financial

condition and prospects. To quantify the potential impact of weaknesses in this regard, and to strengthen the Group's system of internal controls through the consideration of unexpected events, scenario analysis and stress testing are conducted on a regular basis.

Risk culture is a component of the Bank's culture. A sound risk culture drives and supports risk awareness, desired behaviours and judgements about risk-taking. It bolsters effective risk management, promotes prudent risk-taking, and ensures that any emerging risks or risk-taking activities beyond the Bank's risk appetite are identified, assessed, escalated and managed in a timely manner. A key objective of the Group's Risk Management approach is to create a culture of risk awareness where all staff have an understanding of Operational and ICT risk and the role they each play in ensuring that any impacts/ losses are minimised.

The Group may engage the services of third parties to support delivery of its objectives or to complement its existing processes. The risk associated with these activities is categorised as 'Third Party and Outsourcing Risk' and is defined as the risk of loss or reputational damage connected with the engagement and management of Third Parties contracted internally or externally (for example, for the purposes of customer engagement, data processing, systems development, Cloud services or IT systems), including lack of third party diversification, inadequate third party business continuity plans or insufficient monitoring and oversight of the engagement.

The Group's Third Party Risk Management Policy sets out the minimum requirements and roles and responsibilities necessary to ensure consistent identification management and mitigation of Third Party and Outsourcing risks across the Group, as defined in the Group's ERMF, and Operational and IT Risk Management Framework. The policy outlines the processes and controls required for identifying, assessing, mitigating and managing these risks.

Conduct and Reputational Risk

Conduct Risk is the risk that the conduct of the Group towards customers or the market leads to poor customer outcomes, a failure to meet customers' or regulators' expectations, or breaches of regulatory rules or laws.

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Conduct Risk can occur in every aspect of the Group's activities, including through:

- The strategy of the Group and how it is executed;
- The way the Group is run and managed;
- The existence of group think or localised cultures;
- The lack of psychological safety for staff in facilitating a robust speak freely process;
- The design type and pricing of products/services offered, the customers to whom they are offered and the distribution channels used;
- The way sales are made or transactions are executed;
- The post-sales fulfilment process throughout the life of the product;
- The management of different customer cohorts recognising that some customers may require additional assistance at a point in time or on a permanent basis; and
- Interactions with customers throughout the lifetime of the relationship, including when customers make complaints either directly or through the Financial Services and Pensions Ombudsman or where customer-impacting errors occur.

The Group recognises that the management and mitigation of Conduct Risk is fundamental and intrinsically linked to the achievement of our purpose 'Working together to build trust with our customers and communities'. It recognises that Conduct Risk can occur in every aspect of the Group's activities and is committed to continuing to achieve best practice in this area.

The Group's Senior Management are responsible for the identification and management of Conduct Risk in their business areas and for ensuring fair customer outcomes, and the Regulatory Compliance function is responsible for second line Conduct Risk oversight. The Group is guided by a Conduct Risk Management Framework, including a Board-approved Risk Appetite. Its purpose is to help ensure that the Group achieves its strategic objectives by acting honestly, fairly and professionally in the best interests of its customers and the integrity of the market, and acts with due skill, care and diligence. In doing so, the Group is placing the achievement of fair outcomes for its customers at the heart of its strategy, governance and operations.

Board and Senior Management have ensured that there is regular reporting of metrics and Key Risk Indicators against the Conduct Risk Appetite as well as events that could affect or have already impacted on customers. The primary governance body responsible for Conduct issues is the Customer Committee (a sub-committee of ExCo).

Reputational Risk is the risk of brand damage and/or economic loss arising from a failure to meet stakeholders' expectations of the Group or the failure of organisational structure and governance arrangements within the Group to embed desired behaviours and culture. The reputation of PTSB is founded on trust from its employees, customers, shareholders, regulators and from the public in general. Isolated events can undermine that trust and negatively impact the Group's reputation. Negative public opinion can result from the actual or perceived manner in which the Group conducts its business activities, from the Group's financial performance, the level of direct and indirect Government support or actual or perceived practices in the banking and financial industry. It is often observed that reputational risk is in fact a consequence of other risks. Negative public opinion may adversely affect the Group's ability to keep and attract customers which in turn may adversely affect the Group's financial condition and operations.

Compliance Risk

Compliance risk is the risk of material financial loss or liability, legal or regulatory sanctions, or brand damage arising from the failure to comply with, or adequately plan for, changes to official sector policy, laws, regulations, major industry standards, compliance policies and procedures, or expectations of customers and other stakeholders.

As a financial services firm, the Group is subject to extensive and comprehensive legislation and regulation by a number of regulatory authorities. The Group is an Other Systemically Important Institution (OSII) since November 2023 and is directly supervised by the Central Bank of Ireland, as the National Competent Authority. The Board is responsible for overseeing the management of compliance risk, with

senior management having a primary responsibility to effectively manage compliance with applicable laws and regulations and for ensuring that the Group has and effectively employs the resources, procedures, systems and controls, including monitoring, necessary to ensure compliance with all existing and forthcoming legislation.

First Line Assurance teams are in place with the Regulatory Compliance function responsible for second line oversight, including the updating of the Regulatory Compliance Framework. This Framework supports the Group to achieve its strategic priorities while managing regulatory compliance risks within the Board-approved Regulatory Compliance risk appetite. In addition, it sets out how the Group manages current and emerging regulatory compliance risk, details the key principles, objectives, and primary components of the Group's approach to regulatory compliance risk management, and sets out regulatory compliance risk management responsibilities across the three lines of defence model.

The Group is exposed to many forms of risk in connection with compliance with such laws and regulations, including, but not limited to:

- The risk that changes to the laws and regulations under which the Group operates will materially impact on the Group's liquidity, capital, profitability, product range, distribution channels or markets;
- The risk that the Group is unable to respond to the scale of regulatory change and implement all required changes in full or on time, or the challenge of meeting regulatory changes will impact the Group's abilities to undertake other strategic initiatives;
- The level of costs associated with the regulatory overhead including, but not limited to, the industry funding levy, funding the resolution fund established under the Single Resolution Mechanism or levies in respect of applicable compensation schemes (including the Investor Compensation Scheme and the Deposit Guarantee Scheme (DGS));
- Non-compliance with organisational requirements, such as the requirement to have robust governance arrangements, effective processes to identify, manage, monitor and report the risks the Group is or might be exposed

to, and internal control mechanisms, including sound administrative and accounting procedures and effective control and safeguard arrangements for information processing systems;

- The possibility of mis-selling financial products or the mishandling of complaints related to the sale of such products by or attributed to an employee of the Group, including as a result of having sales practices, complaints procedures and/or reward structures in place that are determined to have been inappropriate or the risk that previous practices are deemed inappropriate when assessed against current standards;
- Breaching laws and requirements relating to data protection, the detection and prevention of money laundering, terrorist financing, sanctions, bribery, corruption and other financial crime; and
- Non-compliance with legislation relating to unfair or required contractual terms or disclosures.

Regulatory Developments

The level of regulatory change remains high and continues to be an area of focus.

In January 2025, the European Commission unveiled its Competitive Compass, a strategic roadmap aimed at revitalising Europe's economic dynamism and long-term economic growth. The Competitive Compass focuses on three core principles: closing the innovation gap, decarbonising the economy, and reducing strategic dependencies. This initiative was followed by the publication of the first Omnibus Legislative package in February, which proposed the simplification of sustainability reporting requirements including amendments to the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD). The member states transposition deadline of CSDDD has been delayed by one year with the first phase of application also postponed for one year. The European Commission has published a communication on a Savings and Investment Union, accompanied by a call for evidence in May 2025. The aim is to introduce a broad range of policy measures, including initiatives related to securitisation and retail investor participation in the capital markets.

The Central Bank of Ireland published a revised Consumer Protection Code (CPC) in March 2025. The revised CPC comprises two regulations and three guidance documents and has a 12-month implementation timeline.

The revised CPC has been modernised to:

- Align requirements with an increasingly digital financial services environment.
- Incorporate a consumer perspective in the design and delivery of financial products.
- Safeguard customers' interests by considering consumers in the development of a firm's strategy, business model, and commercial decision-making process.
- Protect consumers against fraud and scams, and support customers in vulnerable circumstances.
- Extend the requirements to other financial products.

The Access to Cash Bill has successfully passed all stages of the Oireachtas. Following its enactment into law, the CBI will establish criteria for firms to submit cash infrastructure data as of December 2022. Additionally, firms will provide data on the number of current accounts and the value of household deposits for Q1 and Q2 2025, after which designated entities will be notified. The second element of the legislation, addressing local deficiencies, will come into effect twelve months post-enactment. The Central Bank will develop guidelines for local deficiencies, with a public consultation planned for Q1 2026.

Legislative progress continues on the implementation of the Basel III reforms. The Capital Requirements Directive 6 (CRD6) is in the process of being transposed into national legislation, and will apply from 11th January 2026. Under CRD 6, Environmental, Social and Governance risks are formally integrated into the EU's prudential framework and the ESG Risk Management guidelines will also apply from January 2026. The EU payments package, which includes the introduction of a Digital Euro and other legislative proposals and policy initiatives aimed at improving the payment experience of consumers and businesses continues to progress through the EU legislative process. Further development is expected on these proposals in 2025.

Phase 2 of the Instant Credit Transfers Regulation, which pertains to outbound payment capability, will be applicable from 9th October 2025. The revised Consumer Credit Directive and the revised Distance Marketing Directive have both been published and they come into effect in 2026. The new EU Artificial Intelligence Act, which was published in June 2024, comes into effect on various dates from 2024 through to mid-2027.

Significant developments in anti-money laundering regulations are underway within the European Union as a result of the EC's Anti-Money Laundering (AML) package which entered into force in July 2024. Key components of the AML package include the establishment of a new AML Authority (AMLA) and a new AML Regulation. AMLA will become operational in mid-2025 and have direct supervision of a number of selected obliged entities in the financial sector, along with co-ordination and oversight powers of member states AML/CFT supervisors. The new AML Regulation will be effective from July 2027 and introduces significant reforms aimed at strengthening the EU's framework against money laundering and terrorist financing. AMLA are expected to publish guidelines on the implementation of the AML Regulation in 2026. From a sanctions perspective, with the continued conflict in Ukraine, Middle East, amongst other geopolitical developments, it is anticipated that the EU sanctions regime will be kept under regular review. Additionally, the EBA issued two sets of sanctions guidelines which will apply from 30th December 2025.

Regulators continue to emphasise the importance of culture, conduct risk, consumer protection risk, data protection, diversity practices, financial literacy, operational and IT resilience, cyber security, financial crime, digitalisation and climate related and environmental risk.

Group Risks

The Board has overall responsibility for the establishment and oversight of the Group Risk Management Framework (GRMF). The Board has established the BRCC, which is responsible for oversight and advice on risk governance, the current risk exposures of the Group and future risk strategy, including strategy for capital and liquidity management and the embedding and maintenance of a supportive culture

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in relation to the management of risk throughout the Group. The BRCC, in turn, delegates responsibility for the monitoring and management of specific risks to committees accountable to it such as the GRC, GCC and ALCo.

The BAC, consisting of members of the Board, oversees how Management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the Risk Management Framework in relation to the risks faced by the Group in consultation with the BRCC. The BAC is assisted in its oversight role by GIA. GIA undertakes both routine and ad hoc reviews of risk management controls and procedures, the results of which are reported to the BAC.

In line with IFRS 7, the following risks to which the Group is exposed are discussed in detail below:

- Credit Risk;
- Liquidity Risk; and
- Market Risk (including foreign currency exchange risk, credit spread risk and interest rate risk).

The key financial risks arise in the underlying subsidiary companies of Permanent TSB Group Holdings plc (PTSBGH). All of the Directors of PTSBGH are also Directors of the Board of Permanent TSB plc (PTSB).

3.1 Customer Credit Risk

Definition of Customer Credit Risk

Customer credit risk is defined as the risk of financial loss due to the failure of a customer, guarantor or counterparty, to meet their financial obligations to the Bank as they fall due. A Credit Risk can be of the following types including default risk, concentration risk, migration risk, collateral risk, country/sovereign risk and climate related and environmental risk.

Default Risk

Credit Default Risk is the risk that a customer will not be able to meet the required payments on their debt obligation to the Bank when they become due. An increase in the risk of default may be as a result of one or a number of factors including, but not limited to:

- Deterioration observed in an individual borrower's capacity to meet payments as they become due;

- Deterioration observed or expected in macroeconomic or general market conditions;
- Regulatory change; and
- Environmental factors that impact on the credit quality of the counterparty.

Concentration Risk

Concentration Risk is the risk of excessive credit concentration to an individual, counterparty, group of connected counterparties, industry sector, geographic area, type of collateral or product type leading to above normal losses.

Migration Risk

Migration Risk is the risk of loss due to a ratings (internal/external) downgrade which indicates a change in the credit quality of an exposure.

Collateral Risk

Collateral Risk is the potential risk of loss arising from a change in security value or enforceability due to errors in nature, quantity or pricing of the collateral.

Country/Sovereign Risk

The risk of having exposure to a foreign country, arising from possible changes in the business environment that may adversely affect operating profits or the value of assets related to the country.

Climate Related and Environmental Risk

Credit related Climate and Environmental Risk manifests through both physical and transition channels. This risk can lead to declines in the value of the Bank's collateral on customer loans, or elevated risk of customer default. This risk may be elevated if the Bank's borrowers do not adapt to the evolving Stakeholder, Regulatory and Legislative expectations to contribute to the transition to a low carbon economy.

Climate related risk modelling capability is still evolving and the Bank is heavily focused on improving its data to support future development. However, the Bank's portfolio is heavily weighted towards retail mortgages meaning the risks are well understood. The Bank currently has low exposure to SME lending where the direct manifestation of climate risk may be more diverse. Management deem the Bank's ECL stock at 30 June 2025 appropriately captures the current level of climate risk within the portfolio.

Lending officers consider Climate and Sustainability Risks for each SME lending application, and assessment criteria for new Residential property lending incorporate an evaluation of potential physical risks including flood, subsidence, coastal and environmental risks as part of the valuation process. Retail mortgage lending should not proceed unless the customer has obtained home insurance which covers the impacts of climate related physical risks.

Governance

Credit Risk Appetite defines the Group's tolerance for risk and its willingness to grant credit based on product type, customer type, collateral concerns and various other risk factors. The Board is ultimately responsible for the governance of credit risk across the Group, setting the Risk Appetite and ensuring that there are appropriate processes, systems and reporting lines in place to monitor and manage risks against the appetite.

The BRCC, a sub-committee of the Board provides oversight to the Board on the setting and monitoring of the Risk Appetite and risk governance. The Group Credit Risk Management Framework specifies those Credit policies that require approval by the BRCC. Under the Group Credit Risk Management Framework, the BRCC may also delegate to the GRC, who in turn delegates to the GCC, the authority to approve certain Credit policies, subject to these policies remaining within specified policy boundaries. Any amendment to policy which results in a policy breaching these boundaries requires the BRCC's approval.

The GCC is responsible for the execution and delivery of the Group's system of Portfolio Credit Risk Management. The Board has granted authority to the BRCC to approve a delegated framework of lending authority within which the GCC and Credit function operate.

Credit Risk Management

The Group's credit risk management approach is focused on detailed credit assessment at initial underwriting stage together with early borrower engagement where there are signs of pre-arrears or

delinquency with a view to taking remedial action to prevent the loan defaulting.

Where a borrower is in pre-arrears, arrears or default the Group will consider offering treatments/options which apply to the borrower's circumstance cognisant of affordability and sustainability.

The Group's system of Portfolio Credit Risk Management incorporates the following key components:

- Credit policy;
- Lending authorisation;
- Credit risk mitigation;
- Credit risk monitoring;
- Arrears management and forbearance; and
- Credit risk measurement.

Credit Policy

To aid in the management of credit risk, the Group has put in place credit policies which set out the core values and principles governing the provision and management of credit. These policies take account of the Group's Risk Appetite Statement, applicable sectorial credit limits, the Group's historical experience and resultant loan losses, the markets in which the business units operate and the products which the Group provides. Each staff member involved in assessing or managing credit has a responsibility to ensure compliance with these policies and effective procedures are in place to manage the control and monitoring of exceptions to policy.

Lending Authorisation

The Group's credit risk management systems operate through a hierarchy of lending authorities. Exposures above certain predetermined levels require approval by the Transactional Credit Committee (TCC), a subcommittee of the GCC or the GCC. Below the TCC level, a tiered level of discretion applies with individual discretion levels set to reflect the relevant staff members' level of seniority, expertise and experience and the Group's operational needs. All mortgage lending is currently approved by experienced credit risk professionals assisted by scoring models. For Group unsecured personal lending portfolios,

scoring models and automated processes are utilised to support the credit decision process for those segments that present a lower credit risk. Exposures that present a higher credit risk but remain within Risk Appetite are manually reviewed prior to approval.

Credit Risk Mitigation

The granting of a loan in the first instance is always assessed based on the borrower's repayment capacity and proven ability. Credit risk mitigation forms a key supplementary element of the credit granting process. Credit risk mitigation includes the requirement to obtain collateral, depending on the nature of the product, as set out in the Group's policies and procedures. The Group takes collateral as a secondary source, which can be called upon if the borrower is unable or unwilling to service and repay the debt as originally assessed. At portfolio level, credit risk is assessed in relation to name, sector and geographic concentration.

Collateral

The nature and level of collateral required depends on several factors including, but not limited to, the amount of the exposure, the type of facility made available, the term of the facility, the amount of the borrower's own cash input and an evaluation of the level of risk or probability of default (PD).

Various types of collateral are accepted, including property, securities, cash and guarantees etc., grouped broadly as follows:

- real estate;
- collateral financed under Asset Finance agreements;
- financial collateral (lien over deposits, shares, etc.); and
- other collateral (guarantees etc.).

Valuation Methodologies

The valuation methodologies for the Group's key mortgage portfolios of collateral held are adjusted for costs to sell, as appropriate:

Residential property valuations are based on the CSO Residential Property Price Index (RPPI) or on a recent valuation from a professional valuer. In respect of residential property securing performing loan exposures of greater than €0.5m, the Group policy is to ensure an independent valuation is updated within the last 3 years. For residential property securing NPL exposures of greater than €0.3m, the Group policy is to ensure an independent valuation is updated within the last year.

Commercial property valuations are based on opinions from professional valuers, the Investment Property Database Index, local knowledge of the properties, benchmarking similar properties and other industry-wide available information, including estimated yields discount rates. In respect of commercial property securing performing loan exposures of greater than €0.5m, the Group policy is to ensure an independent valuation is updated within the last 3 years. For commercial property securing NPL exposures of greater than €0.3m, the Group policy is to ensure an independent valuation is updated within the last year.

The valuation methodologies outlined above are determined as close to the statement of financial position date as is feasible and are therefore considered by the Group to reflect its best estimate of current values of collateral held.

The Group's requirements in respect of collateral in relation to (i) completion; (ii) taking of security; (iii) valuation; and (iv) ongoing management are set out in credit policies.

The following table details the loan balance distribution by indexed Loan to value (LTV) band for the Group's residential mortgage portfolio (home loan and buy-to-let).

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(continued)

Residential Mortgage Exposures by Indexed LTV

	Home loans	Buy-to-let	Total
30 June 2025	€m	€m	€m
Less than 70%	17,113	334	17,447
71% to 90%	2,632	48	2,680
91% to 100%	67	17	84
Subtotal	19,812	399	20,211
Greater than 100%	33	33	66
Total Residential Mortgages	19,845	432	20,277
Commercial			533
Consumer finance			571
Finance leases and hire purchase receivables			473
Total loans and advances to customers			21,854
Deferred fees, discounts and business combination related fair value adjustments			303
Gross loans and advances to customers and deferred fees			22,157

The Bank's SME mortgage lending is captured within the Commercial line above.

	Home loans	Buy-to-let	Total
31 December 2024	€m	€m	€m
Less than 70%	16,978	357	17,335
71% to 90%	2,446	50	2,496
91% to 100%	77	20	97
Subtotal	19,501	427	19,928
Greater than 100%	38	37	75
Total Residential Mortgages	19,539	464	20,003
Commercial			493
Consumer finance			553
Finance leases and hire purchase receivables			466
Total loans and advances to customers			21,515
Deferred fees, discounts and business combination related fair value adjustments			300
Gross loans and advances to customers and deferred fees			21,815

The Bank's SME mortgage lending is captured within the Commercial line above.

Credit Risk Monitoring

Credit Risk Appetite Metrics and Limits are designed to align with the strategic objectives of the Group to maintain stable earnings growth, stakeholder confidence and capital adequacy. This is achieved through setting concentration limits for higher risk product and business segments, ensuring new business meets pricing hurdle rates and through monitoring default rates and losses. Limits are also set in the context of the peer group and regulatory and economic landscape, to ensure the Group does not become an outlier in the market. Monthly updates are presented to the GCC and the BRCC which include an overview, trends, limit categories and detail on mitigation plans proposed where a particular parameter is close or at its limit.

Credit Risk Appetite is considered an integral part of the Integrated Strategic Planning Process and reviewed at various checkpoints in the year to ensure the appetite is being met and is not expected to be breached during the budget time frame.

Arrears Management and Forbearance

Forbearance occurs when a borrower is granted a temporary or permanent concession or agreed change to a loan ("forbearance measure") for reasons relating to the actual or apparent financial stress or distress of that borrower. Forbearance has not occurred where the concession or agreed change to a loan does not arise from actual or apparent financial distress. Forbearance is offered on secured and unsecured portfolios.

The Group is committed to supporting customers that are experiencing financial difficulty and seeks to work with those customers to find a sustainable solution through proactive arrears management and forbearance. Group credit policy and procedures are designed to comply with the requirements of the CBI Code of Conduct on Mortgage Arrears (CCMA), which sets out the framework that must be used when dealing with borrowers in mortgage arrears or in pre-arrears.

The Group's forbearance strategy is built on two key factors namely affordability and sustainability. The main objectives of this strategy are to ensure that arrears solutions are sustainable in the long-term, that they comply with all regulatory requirements and where possible keep customers in their home.

Types of forbearance treatment currently offered by the Group include short term temporary arrangements (such as a payment moratorium) and term appropriate treatments (such as reduced payment, arrears capitalisation and term extension). Requests for concessions in recent years are arising as a result of temporary cash flow problems and an inability to repay at contractual maturity, whereas during the 2008 financial crisis such requests reflected more in-depth long-term affordability issues. This is further reflected in the change in the volume and nature of forbearance measures availed.

A request for forbearance is a trigger event for the Group to undertake an assessment of the customer's financial circumstances prior to any decision to grant a forbearance treatment. Where a borrower has been granted a forbearance treatment, the loan is considered to have experienced a significant increase in credit risk (SICR) and is classified as Stage 2 for Expected Credit Loss (ECL) assessment purposes under IFRS 9. The customer assessment may also result in the customer being classified as Stage 3, credit impaired as a result of the requirement for a specific impairment provision.

Further deterioration in the individual circumstances of the borrower or where expected improvement in the borrower's circumstances fails to materialise may result in non-compliance with the revised terms and conditions of the forbearance measure. In such circumstances the Group may consider a further forbearance request to secure some level of repayment on the loan.

The effectiveness of forbearance measures over the lifetime of the arrangements are subject to ongoing management and review. A forbearance measure is considered to be effective if the borrower meets the modified terms and conditions over a sustained period of time resulting in an improved outcome for the borrower and the Group.

Credit Risk Measurement

Applications for credit are rated for credit quality as part of the origination and loan approval process. The risk, and consequently the credit grade, is reassessed monthly as part of a continuous assessment of account performance and other customer related factors.

Credit scoring plays a central role in the ratings process. Credit scoring combined with appropriate portfolio risk segmentation is the method used to assign grades, and in turn the PDs to individual exposures under each framework.

The Group, as approved by the Central Bank of Ireland, has adopted the standardised approach for calculation of Risk Weighted exposure amounts for the Buy-to-let non-standard mortgage, Commercial, Corporate and SME portfolios. The standardised approach has been applied to the acquired Ulster Bank residential mortgage portfolios.

The following information has not been subject to review by the Group's independent auditor.

The table below illustrates the relationship between the credit risk rating grades and PD percentages.

Credit Risk Rating Grade	PD %
Excellent	0% ≤ PD < 1.44%
Satisfactory	1.44% ≤ PD < 4.62%
Fair	4.62% ≤ PD < 100%
Non-performing	100%

IFRS 9 Stage 1 and Stage 2 classification is not dependent solely on the absolute probability of default. The IFRS 9 Stage 1 and Stage 2 classification is also dependant on the perceived significant increase in credit risk (SICR) which is the relative movement in the IFRS 9 probability of default since initial recognition. Therefore, there is no direct relationship between the credit risk rating grades and the IFRS 9 stage classification. However, the following relationship between the credit risk rating grades and the IFRS 9 stage classification can primarily be expected to exist:

- Satisfactory and Excellent risk profiles can primarily be expected to be classified as IFRS 9 Stage 1;
- Fair risk profile can primarily be expected to be classified as IFRS 9 Stage 2; and
- Non-performing will align to IFRS 9 Stage 3 or defaulted accounts.

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(continued)

Credit Exposure

Maximum exposure to credit risk before collateral held or other credit enhancements

The table below outlines the maximum exposure to credit risk before collateral held or other credit enhancements in respect of the Group's financial assets as at the statement of financial position date.

	Notes	30 June 2025 €m	31 December 2024 €m
Cash at bank	9	60	72
Items in course of collection	9	22	23
Loans and advances to banks		2,286	2,202
Derivative financial instruments	10	56	59
Other assets		7	7
Debt securities	12	4,882	4,327
Loans and advances to customers	13,14	21,768	21,423
Credit commitments	24	1,684	1,618
		30,765	29,731

Further detail on loans and advances to customers is provided in note 23, Financial Risk Management.

The following tables outline the Group's exposure to credit risk by asset class:

Debt securities

The Group is exposed to the credit risk on third parties where the Group holds debt securities (primarily sovereign debt). These exposures are subject to the limitations contained within the Board approved policies, with sovereign debt restricted to those countries that have an External Credit Assessment Institution (ECAI) rating of investment-grade.

The following table gives an indication of the level of creditworthiness of the Group's debt securities and is based on the ratings prescribed by Moody's Investor Services Limited and Standard and Poor's for Belgian covered bonds*. There are no impaired debt securities as at 30 June 2025 or at 31 December 2024, with the exception of the corporate bond.

	30 June 2025 €m	31 December 2024 €m
Rating		
Aaa	935	726
AAA*	45	-
Aa1	292	292
Aa3	2,217	2,116
A3	439	439
Baa1	737	599
Baa3	217	155
Total	4,882	4,327

The following table discloses, by country, the Group's exposure to sovereign and corporate debt as at:

	30 June 2025	31 December 2024
	€m	€m
Country		
Ireland	1,492	1,524
EU	782	658
Spain	737	599
France	691	578
Portugal	439	439
Austria	292	292
Italy	217	155
Belgium	148	82
Netherlands	84	-
Total	4,882	4,327

Loans and advances to banks

The Group has a policy to ensure that loans and advances to banks are held with investment grade counterparties, with any exceptions subject to prior approval by the BRCC. The following table gives an indication of the level of creditworthiness of the Group's loans and advances to banks and is based on the internally set rating that is equivalent to the rating prescribed by Moody's Investor Services Limited and Standard & Poors for the CBI.

	30 June 2025	31 December 2024
	€m	€m
Rating		
Aaa	2,006	1,887
Aa1	-	23
Aa2	16	6
Aa3	116	125
A1	88	90
A2	60	71
Total	2,286	2,202

Risk Management

(continued)

Asset Quality*

The following tables provide detail of asset quality by Product and IFRS 9 stage. The asset quality risk profiles are linked to IFRS 9 PD; one of several measures used to assess SICR in the portfolio.

	Home loan	Buy-to-let	Total residential mortgages	Commercial	Consumer finance	Finance leases and hire purchase receivables	Total
30 June 2025	€m	€m	€m	€m	€m	€m	€m
Stage 1							
Excellent	17,500	175	17,675	76	150	156	18,057
Satisfactory	731	12	743	52	262	283	1,340
Fair	-	-	-	-	-	-	-
	18,231	187	18,418	128	412	439	19,397
Stage 2							
Excellent	533	66	599	16	3	-	618
Satisfactory	614	89	703	360	53	-	1,116
Fair	203	17	220	7	82	27	336
	1,350	172	1,522	383	138	27	2,070
Stage 3							
Default	264	73	337	22	21	7	387
Total measured at amortised cost	19,845	432	20,277	533	571	473	21,854

The Bank's SME mortgage lending is captured within the Commercial line above.

* The information in the shaded box has not been subject to review by the Group's independent auditor.

	Home loan	Buy-to-let	Total residential mortgages	Commercial	Consumer finance	Finance leases and hire purchase receivables	Total
31 December 2024	€m	€m	€m	€m	€m	€m	€m
Stage 1							
Excellent	17,604	185	17,789	62	146	-	17,997
Satisfactory	332	10	342	64	271	414	1,091
Fair	-	-	-	-	12	-	12
	17,936	195	18,131	126	429	414	19,100
Stage 2							
Excellent	504	68	572	4	1	4	581
Satisfactory	609	110	719	333	26	13	1,091
Fair	231	20	251	6	77	27	361
	1,344	198	1,542	343	104	44	2,033
Stage 3							
Default	259	71	330	24	20	8	382
Total measured at amortised cost	19,539	464	20,003	493	553	466	21,515

The Bank's SME mortgage lending is captured within the Commercial line above.

* The information in the shaded box has not been subject to review by the Group's independent auditor.

Loan Impairment

Under IFRS 9 an entity is required to track and assess changes in credit risk on financial instruments since origination and determine whether the credit risk on those financial instruments has increased significantly since initial recognition. The change in credit risk should be based on the change in the risk of default and not changes in the amount of ECL which may be expected on a financial instrument.

The standard is a 3-stage model for impairment, based on changes in credit risk quality since initial recognition:

Stage 1

Financial assets that have not had a SICR since initial recognition are classified as Stage 1. For these assets, 12-month ECL is recognised. 12-month ECL is the expected credit losses that result from default events among the Stage 1 population within 12 months of the reporting date. It is not the expected cash shortfalls over the 12 month period but the entire credit loss on an asset weighted by the probability that the loss will occur in the next 12 months. Therefore, all financial assets in scope will have an impairment provision equal to at least 12-month ECL.

Stage 2

Financial assets that have had a SICR since initial recognition but that do not have objective evidence of impairment are classified as Stage 2. For these assets, lifetime ECL is recognised, being the expected credit losses that result from default events among the Stage 2 population over the expected life of the financial instrument.

IFRS 9 does not define SICR but incorporates a rebuttable presumption that SICR has occurred when an exposure is greater than 30 days past due. The Group did not rebut this presumption for any portfolio.

At each reporting date, the Group has relied on the following measures to identify a SICR in relation to an exposure since origination, and classification as Stage 2 within the IFRS 9 ECL framework:

- Delinquency – greater than 30 days past due;
- Forbearance – reported as currently forbore in accordance with European Banking Authority (EBA) NPL guidelines;

- Watchlist – accounts included on the Bank's Watchlist;
- Risk Grade – accounts that migrate to a risk grade which the Bank has specified as being outside its Risk Appetite for origination;
- Change in remaining lifetime PD – accounts that have a remaining lifetime PD that is in excess of the risk at which the Bank seeks to originate risk. For the purposes of this assessment, credit risk is based on an instrument's lifetime PD, not the losses expected to be incurred;
- Absolute level of 12 month PD – accounts that have a 12 month PD that is in excess of 20% at the reporting date;
- PD at maturity – non-standard mortgage exposures (i.e. interest only or part capital and interest accounts) have been identified as presenting an increased risk of default at maturity and are consequently classified as Stage 2; and
- Other Risk indicators identified by management as giving rise to a significant increase in credit risk at the balance sheet date.

The assessment of SICR is performed on a relative basis and is symmetrical in nature, allowing credit risk of financial assets to move back to Stage 1 if the increase in credit risk since origination has reduced and is no longer deemed to be significant.

Transition from Stage 3 to Stage 2

Movements between Stage 2 and Stage 3 are based on whether financial assets meet the definition of default as at the reporting date.

Certain long-term forbearance treatments may transition from Stage 3 to Stage 2 in line with the definition of default but would not be expected to transition from Stage 2 to Stage 1 without an unwind of the forbearance treatment e.g. part capital and interest treatments.

Transition from Stage 2 to Stage 1

Exposures that are no longer 30 days past due do not transition automatically to Stage 1 (i.e. without probation) and, other criteria needs to be met.

Forborne exposures where certain criteria are met transition from Stage 2 to Stage 1 (e.g. no longer classified as EBA forbore).

Stage 3

Financial assets that have objective evidence of impairment at the reporting date are classified as Stage 3, i.e. are credit impaired. For these assets, lifetime ECL is recognised.

The definition of default used in the measurement of ECL for IFRS 9 purposes is aligned to the regulatory definition of default used by the Group for credit risk management purposes, and which has been approved for use for capital management. For the Group's main Mortgage Portfolio, the definition of default approved for use under the Targeted Review of Internal Models (TRIM) from 31 December 2018 is also applied under IFRS 9. This definition of default has been designed to comply with the Regulatory requirements and guidelines on default, NPLs and forbearance.

IFRS 9 does not define default but incorporates a rebuttable presumption that default has occurred when an exposure is greater than 90 days past due. The Group did not rebut this presumption for any portfolio.

Under the Group's definition of default, an exposure is considered defaulted and is classified as Stage 3 credit-impaired where an account is greater than 90 days past due on any material credit obligation or is otherwise assessed as unlikely to pay. Where a material amount of principal or interest remains outstanding at the reporting date, the counting of days past due commences from the first date that a payment, or part thereof, met materiality thresholds and became overdue.

Key indicators of unlikely to pay include:

- Accounts that have, as a result of financial distress, received a concession from the Group with respect to terms or conditions. Such exposures will remain in Stage 3 until certain exit conditions are met and for a minimum probationary period of 12 months before moving to a performing classification;
- Accounts that have, as a result of financial distress, received a concession from the Group with respect to terms or conditions which result in a significant terminal payment. Such exposures must

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fulfil additional conditions in relation to that terminal payment before moving to a performing classification; and

- Accounts where the customer is assessed as otherwise unlikely to pay, including bankruptcy, personal insolvency, assisted voluntary sale, disposal etc.

Exception to the general three stage impairment model

Purchased or Originated Credit Impaired (POCI) are excluded from the general 3 stage impairment model in IFRS 9. POCI assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognised on a credit-adjusted effective interest rate (EIR) basis. ECLs are only recognised or released to the extent that there is a subsequent change in expected credit losses.

Low credit risk exemption

A low risk exemption can be availed for financial instruments under IFRS 9 for which the Group can demonstrate objective evidence that these financial instruments are not subject to a SICR.

The Group considers credit risk on a financial instrument low if it meets the following conditions:

- Strong capacity by the borrower to meet its contractual cash flow obligations in the near term;
- Adverse changes in economic business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations; and
- External rating of investment grade or an internal credit rating equivalent.

Modified financial assets

Where a financial asset is modified or an existing financial asset is replaced with a new one, an assessment is made to determine if the financial asset should be derecognised. If the terms are substantially different, the Group derecognises the original financial asset and recognises a new asset at fair value and recalculates a new EIR for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment

calculation purposes, including for the purpose of determining whether a SICR has occurred. However, the Group also assesses whether the new financial asset recognised is deemed to be credit impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on derecognition. If the terms are not substantially different, the modification does not result in derecognition and the date of origination continues to be used to determine SICR.

ECL Framework

The Group's IFRS 9 models leverage the systems and data that calculate risk weighted assets for IRB purposes. In particular, key concepts such as the definition of default and measurement of credit risk (i.e. ranking of exposures for risk) have been aligned across the impairment (accounting) and IRB frameworks. IFRS 9 models, however, differ from IRB models in a number of conceptual ways (e.g. the use of 'through the cycle' (TTC) for IRB versus 'point in time' for IFRS 9 inputs, 12 month ECL time horizon for IRB versus lifetime for IFRS 9 Stages 2 & 3) and, as a result, the Group did not leverage the outputs of its IRB models, but instead developed statistical models, which are based on the IRB scorecards but otherwise tailored to the requirements of IFRS 9.

Measurement

For all material portfolios, the Group has adopted an ECL framework that is cognisant of industry best practice, as set out in the Global Public Policy Committee (GPPC) paper, and reflects a component approach using PD, Loss Given Default (LGD) and Exposure at default (EAD) components calibrated for IFRS 9 purposes. To adequately capture lifetime expected loss, the Group also modelled early redemptions as a separate component in the ECL calculation.

IFRS 9 PD

For estimating 12 month and lifetime default, the Group applies a statistical model methodology that allows the Group to estimate the risk that a loan will default at a given point in time by grouping exposures with similar risk characteristics

and measuring the historic rate of default for exposures of this type. This technique effectively results in a TTC measure of likelihood of default. To translate this TTC probability to a point-in-time probability and to reflect forward looking information (FLI) at the balance sheet date, the Group calibrates the starting point for the projection to the current Observed Default Rate (ODR). The Group then applies an economic response model to reflect future expected macroeconomic conditions.

Behavioural scorecards with key loan performance indicators for each customer are used for the purpose of grouping exposures with similar risk characteristics as described above. A PD is calculated for each group (referred to as risk grades) which drives the PD for the ECL process. All components of PD, risk grade, ODR and the economic response model are independently monitored by the Group's Model Risk Team to confirm ongoing fitness for purpose.

IFRS 9 LGD

For the Group's key mortgage portfolios, LGD assumes that the Group will have recourse to collateral in the event that an exposure fails to return to a performing state. The LGD model incorporates the probability of each defaulted account returning to performing together with the estimated loss rate should they return to performing and the estimated loss rate should they fail to return to performing. The Group has the same approach for LGD estimation for both 12 month and lifetime.

IFRS 9 EAD

For performing loans, the EAD is calculated for each future period based on the projected loan balance (after expected capital and interest payments) at that future period. A Credit Conversion Factor (CCF) is then applied to calculate the percentage increase in balance from the point of observation to the point of

default including accrued missed interest payments and any related charges. The CCF is segmented by the accounts' repayment type.

Expected Life

When measuring ECL, the Group must consider the maximum contractual period over which the Group is exposed to credit risk. All contractual terms should be considered when determining the expected life, including prepayment options, extension and rollover options. For most instruments, the expected life is limited to the remaining contractual life, adjusted as applicable for expected prepayments.

For certain revolving credit facilities that do not have a fixed maturity (e.g. credit cards and overdrafts), the expected life is estimated based on the period over which the Group is exposed to credit risk and where the credit losses would not be mitigated by management actions. For instruments in Stage 2 or Stage 3, loss allowances will cover expected credit losses over the expected remaining life of the instrument.

Effective Interest Rate

The discount rate used by the Group in measuring ECL is the EIR (or 'credit-adjusted effective interest rate' for POCI financial assets) or an approximation thereof. For undrawn commitments, the EIR, or an approximation thereof, is applied when recognising the financial assets resulting from the loan commitment.

Write-off policy

The Group writes off an impaired financial asset (and the related impairment allowance), either partially or in full, when there is no realistic prospect of recovery or on foot of a negotiated settlement. Indicators that there is no prospect of recovery include the borrower being deemed unable to pay due to their financial circumstances or the cost to be incurred in seeking recovery is likely to exceed the amount of the write-off. In circumstances where the net realisable value of any collateral has been determined and there is no reasonable expectation of further recovery, write-off may be earlier than collateral realisation. Write-off on financial assets subject to enforcement activity will take place on conclusion of the enforcement process.

In subsequent periods, any recoveries of amounts previously written off are credited to the provision for credit losses in the income statement.

Governance

The Group has a detailed framework of policies governing development, monitoring and validation of models. Model Governance Committee (MGC) oversees the execution of this framework and approves model developments and notes model validation reports prior to their consideration by the GRC and/or the ALCo and the BRCC, where appropriate.

The GCC is responsible for oversight of changes to credit policies, data or management judgement in impairment model parameters and overlay adjustments to modelled ECL outcomes. The Impairment Reporting Review Forum (IRRF), a sub-committee of the GCC, is accountable for the review and recommendation for approval of the monthly and cumulative year-to-date actual impairment charge for the Group.

IFRS 9 ECL methodologies are subject to formal review by IRRF and approval by the GCC on a monthly basis and by the BRCC on a half-yearly basis. The adequacy of ECL allowance is reviewed by the BAC on a half-yearly basis.

Forward looking information (FLI)

IFRS 9 requires an unbiased and probability weighted estimate of credit losses by evaluating a range of possible outcomes that incorporates forecasts of future economic conditions. Macroeconomic factors and FLI are required to be incorporated into the measurement of ECL as well as the determination of whether there has been a SICR since origination.

Measurement of ECLs at each reporting period should reflect reasonable and supportable information.

The requirement to incorporate a range of unbiased future economic scenarios, including macroeconomic factors, is a distinctive feature of the ECL accounting framework, which increases both the level of complexity and judgement in the measurement of allowance for IFRS9 credit losses.

The Group incorporates a number of macroeconomic impacts and scenarios into the ECL models.

The process to determine the FLI applied in the ECL models leverages existing ICAAP processes while recognising that IFRS 9 scenarios are not stress scenarios. The methodology to incorporate multiple economic scenarios into the ECL models considers, amongst other things, the Group's strategic planning process, the views of policy makers on longer term economic prospects and key macroeconomic risks. The Group has referenced publicly available information for key macroeconomic indicators including the Residential Property Price Index (RPPI), unemployment, interest rates, GDP and publicly available external macroeconomic forecasts including from the Department of Finance (DoF), the Central Bank of Ireland, the ESRI, the European Commission and the IMF. The Group employs the services of an independent economist to determine forecast macroeconomic scenarios. The governance and oversight process includes the review and challenge by ALCo of FLI and its onward recommendation to the BRCC for approval.

In general, a review and update of macroeconomic variables takes place at least bi-annually. Macroeconomic scenarios were most recently updated in June 2025. There are two main changes from forward looking indicators utilised in December 2024: GDP forecasts have improved in 2025 and unemployment forecasts for 2025 and 2026 have improved reflecting outperformance in Q1'25.

The Group has adopted three macroeconomic scenarios for ECL purposes. The Group's approach applies extreme-but-plausible economic scenarios (i.e. underpinned by historical evidence) to estimate the distribution of ECL to which the Group is exposed. The central scenario is at the 50th percentile of the distribution of scenarios (implying a 50% probability that the actual outcome is worse than the central forecast and a 50% probability that the outcome is better). The Upside scenario is at the 5th percentile and the Downside scenario is at the 95th percentile. IRRF reviews the scenario probabilities and recommends to

Risk Management

(continued)

the BRCC for approval. Applying statistical techniques combined with expert credit judgement, the Group then formulates an unbiased probability weighted estimate of ECL at the reporting date (see note 1, Critical accounting estimates and judgements for further detail).

Expert Credit Judgement

In line with the requirements of the standard, the Group's ECL accounting framework methodology requires the Group to apply its experienced credit judgement in impairment model parameters and to incorporate the estimated effect of factors that are not captured in the modelled ECL results at all reporting period dates. At 30 June 2025, the impairment provision includes management judgement in respect of impairment model parameters and adjustments to modelled outcomes (see note 1, Critical accounting estimates and judgements for further detail).

3.2 Funding and Liquidity Risk

Funding Risk is the risk that the Group is not able to achieve its target funding mix, is too dependent on particular funding instruments, funding sources (retail/ wholesale) or funding tenors, fails to meet regulatory requirements and, in extremis, is not able to access funding markets or can only do so at excessive cost and/or Liquidity Risk.

Liquidity Risk is the risk that the Group has insufficient funds to meet its financial obligations and regulatory requirements as and when they arise either through inability to access funding sources or monetise liquid assets.

These risks are inherent in banking operations and can be heightened by a number of factors, including over reliance on a particular funding source or product type, changes in credit ratings or market dislocation.

The level of risk is dependent on the composition of the balance sheet, the maturity profile and the quantum and quality of the liquidity buffer. It is likely that these risks would be further exacerbated in times of stress. Given the nature of the Group's retail focus which stems from its business model, liquidity and funding risk will arise naturally due to the maturity transformation of primarily short-term deposits into longer term loans. With 84% of the balance sheet being deposit funded at the half year,

exposure to a deposit run represents the primary liquidity and funding risk.

(i) Regulatory Compliance

The Group is required to comply with the liquidity requirements of the CBI and the full spectrum of European regulatory requirements including CRR2, CRD V and associated Delegated Acts such as the Liquidity Coverage Ratio (LCR) Delegated Act.

The primary ratios calculated and reported are the LCR and the Net Stable Funding Ratio (NSFR). In addition, supplementary liquidity and funding metrics are measured and monitored on a regular basis.

Under the Bank Recovery and Resolution Directive (BRRD), the Group is required to adhere to a binding Minimum Requirement for Own Funds and Eligible Liabilities (MREL) as determined by the CBI, which represents a quantification of the eligible liabilities required to act as a buffer in the event of a resolution scenario. The Group has a senior unsecured issuance strategy to ensure ongoing compliance with the MREL requirement

(ii) Risk Management, Measurement and Monitoring

Group Treasury are responsible for the day to day management of the Group's liquidity position and ensuring compliance with the regulatory requirements. In carrying out this responsibility, the principal objective is to ensure that adequate liquid assets are available at all times to meet the operational and strategic liquidity needs of the Group under both normal and stressed conditions. Liquidity management focuses on the overall balance sheet structure together with the control of risks arising from the mismatch in contracted maturities of assets and liabilities, undrawn commitments and other contingent liabilities.

Liquidity risk is measured on a daily basis using a range of metrics against the internally as well as regulatory prescribed limit framework. The Group primarily monitors its liquidity position through the LCR. The objective of the LCR is to promote the short-term resilience of the liquidity risk profile of banks. It achieves this by ensuring that banks have an adequate stock of unencumbered high-quality liquid assets (HQLA) that can be converted easily and immediately in

private markets into cash in order to meet the liquidity needs for a 30-calendar day liquidity stress scenario.

NSFR and Liquidity Stress Survivability constitute additional core liquidity and funding metrics within the overarching Liquidity and Funding Risk Management Framework that are measured, monitored and reported within the Group.

The Group also actively monitors a comprehensive suite of Key Risk Indicators (KRIs) and Early Warning Indicators (EWIs) covering a range of market wide and Group specific events. The purpose of these metrics is to provide forewarning of any potential liquidity trigger events, ensuring the Group has sufficient time to intervene and mitigate any emerging risk.

The Contingency Funding Plan (CFP) outlines the strategy and action plan to address liquidity crisis events. The CFP identifies processes and actions incremental to the existing daily liquidity risk management and reporting framework to assist in making timely, well-informed decisions.

Stress testing forms a key pillar of the overall liquidity and funding risk framework and is conducted from both an economic and normative perspective (as guided by the EBA). Overall, the Group takes a prudent approach in setting the inflow and outflow parameters at a level which is appropriate for each stress scenario with due consideration of the Group's business model, liquidity and funding risk exposures and the liquidity risk drivers, including those outlined in the EBA SREP Guidelines. The stress testing framework is designed to reflect the liquidity and funding impact under idiosyncratic, systemic and combined stresses.

The full suite of liquidity and funding metrics and stress test results are regularly reported to the ALCo, the BRCC and the Board. In addition, the Group Internal Liquidity Adequacy Assessment Process (ILAAP) provides a holistic view of the Group's liquidity adequacy. The ILAAP examines both the short and long term liquidity position relative to the internal and regulatory limits. Through the ILAAP, the Board attests to the adequacy of the Group's liquidity position and risk management processes on an annual basis.

(iii) Liquidity Risk Management Framework

The exposure to liquidity and funding risk is governed by the Group's Liquidity and Funding Risk Management Framework and underlying policies, RAS and associated limits. The framework and policies are designed to comply with regulatory standards with the objective of ensuring the Group holds sufficient counterbalancing capacity to meet its obligations, including deposit withdrawals and funding commitments, as and when they fall due under both normal and stressed conditions. The process establishes quantitative rules and targets in relation to the measurement and monitoring of liquidity risk. The Liquidity and Funding Risk Management Framework is approved by the BRCC on the recommendation of the ALCo. The effective operation of liquidity policies are delegated to the ALCo, while Group Risk and GIA functions provide further oversight and challenge and ensure compliance with the Framework.

The Liquidity and Funding Risk Management Framework outlines the mechanisms by which liquidity and funding risk is managed within the Board approved Risk Appetite and is in line with the overarching liquidity and funding risk principles as follows:

- Liquidity: maintain a prudent liquid asset buffer above the internally determined or regulatory mandated (whichever is greater) liquidity requirement such that the Group can withstand a range of severe yet plausible stress events; and
- Funding: develop a stable, resilient and maturity-appropriate funding structure, with focus on customer deposits augmented by term wholesale funding sources.

(iv) Minimum Liquidity Levels

The Group maintains a sufficient liquidity buffer comprising both unencumbered HQLA and non-HQLA liquidity capacity to meet LCR and stress testing requirements.

The Group measures and monitors the NSFR which is designed to limit over-reliance on short-term funding and promote longer-term stable funding sources.

(v) Liquidity Risk Factors

Over-reliance and concentration on any one particular funding source can lead to a heightened liquidity impact during a period of stress. The Group relies on customer deposits to fund its loan portfolio. The ongoing availability of these deposits may be subject to fluctuations due to factors such as the confidence of depositors in the Group, and other certain factors outside the Group's control including, for example, macroeconomic conditions in Ireland, confidence of depositors in the economy in general and the financial services industry, specifically the competition for deposits from other financial institutions.

The availability and extent of deposit guarantees are of particular importance especially for a Retail bank. The Irish Deposit Guarantee Scheme (DGS) protects deposits up to a balance of €100,000. The national DGS together with the establishment of the European Deposit Insurance Fund is designed to maintain depositor confidence and protect against a potential deposit run. A significant change to the operation of the DGS could adversely affect the Group's ability to retain deposits under a severe stress event.

The Group remains active in capital markets, be it secured or unsecured transactions, and any restrictions on the Group's access to capital markets could pose a threat to the overall funding position. The inability to adequately diversify the funding base could lead to over concentration on the remaining funding sources.

The Group maintains a significant liquidity buffer split between HQLA (sovereign and covered bonds), deposits placed with the Central Bank and ECB eligible retained securitisations which can be monetised quickly to safeguard against a liquidity event. While the quantum of the buffer is sufficient to provide capacity to withstand a significant liquidity stress event there is a concentration in Irish based assets which could reduce overall capacity in the event of an idiosyncratic Irish stress event.

A clear and defined strategy has been developed to ensure an encumbrance level consistent with its economic plan is maintained by the Group. Disruption to unsecured funding sources and a requirement to revert to an overreliance on secured funding channels could potentially pose a threat to this ratio and unsecured creditors.

A series of liquidity and funding EWIs are in place in order to alert the Group to any potential liquidity trigger event therefore allowing sufficient time for mitigating actions to be taken.

(vi) Credit Ratings

The Group's credit ratings have been subject to change and may change in the future, which could affect its cost or access to sources of liquidity and funding.

The Group's credit ratings could be downgraded as a result of many factors, including a reduction in the Group's capital position, the credit strength of the Group's collateral, or the failure of the Group to implement its strategies successfully.

Any future reductions in long-term or short-term credit ratings could: increase borrowing costs; adversely affect access to liquidity; limited access to capital and money markets; and trigger additional collateral requirements in secured funding arrangements and derivatives contracts. A downgrade may result in a change in sentiment toward the Group and cause a loss of customer deposits. These issues are factored into the Group's liquidity stress testing.

In May 2025, Fitch issued a one notch upgrade to both entities. PTSB Group Holding (HoldCo) was upgraded to 'BBB'; and PTSB plc (OpCo) was upgraded to 'BBB+'. The upgrade reflects Fitch's view of the Group's satisfactory capitalisation, adequate profitability, and a funding profile underpinned by a granular and stable deposit base. Moody's maintain a stable outlook and 'Baa1' rating for HoldCo; and 'A1' for OpCo. The rating reflects balance sheet fundamentals, solid capital levels and profitability position.

PTSB Group Holdings plc and PTSB plc are rated at investment grade with both Moody's and Fitch. The rating action from both agencies have benefitted the Bank in widening the potential investor base and supporting the Bank in reducing the relative cost of future issuances.

Risk Management

(continued)

The ratings for PTSB plc are as follows:

- Moody's: Long-Term Rating "A1" with Outlook "Stable";
- Fitch: Long-Term Rating "BBB+" with Outlook "Stable".

The ratings for PTSB Group Holdings plc are as follows:

- Moody's: Long-Term Rating "Baa1" with Outlook "Stable";
- Fitch: Long-Term Rating "BBB" with Outlook "Stable".

3.3 Market Risk

Market Risk can be defined as the risk of losses in on and off-balance sheet positions arising from adverse movements in market prices. From the Group's perspective, market risk consists of three components being Interest Rate Risk, FX Risk, and Credit Spread Risk. Often market risk cannot be fully eliminated through diversification, though it can be hedged against.

The Group's RAS and the associated Market Risk Framework set out the Group's approach to management of market risk. The Framework is approved annually by the BRCC on the recommendation of the ALCo.

All market risks arising within the Group are subject to strict internal controls and reporting procedures and are monitored by the ALCo and the BRCC on a regular basis. Group Treasury is responsible for the management of the Group's market risk exposures. Group Risk and GIA provide further oversight and challenge of Group Treasury's compliance with the Market Risk framework and associated Policies.

(i) Interest rate risk

Interest rate risk is the risk to earnings or capital arising from a movement in the absolute level of interest rates, the spread between rates, the shape of the yield curve or in any other interest rate relationship. The risk may be subdivided into gap, option and basis risk. In line with regulatory standards, the approved Interest Rate Risk in the Banking Book (IRRBB) methodology determined that the Group's interest rate risk exposure must be derived from both an earnings (accrual)

(Earnings at Risk (EaR)) and economic value of equity perspective (EVE).

The Group separately calculates the contractual Basis Risk exposure which is factored into the Pillar II ICAAP process. The Basis Risk position is added to the most severe of EVE or EaR risk levels in order to ensure all material sources of Interest Rate Risk are capitalised for.

In defining the level of interest rate risk the Group applies the most severe of the six scenarios prescribed by the Basel and EBA Guidelines on the Management of IRRBB, for EVE and applies the most negative of a 200bps upwards or downwards shock for EAR models, with both calculations subject to interest rate flooring assumptions. The results are measured and reported against the Board approved risk limits.

The Group also monitors PV01 (impact of 0.01% movement in interest rates), duration mismatches and NII sensitivity when assessing interest rate risk.

The aim of modelling several types of interest rate shock scenarios is to measure the Group's vulnerability to loss under multiple stressed market conditions.

The 30 June 2025 interest rate risk level, based on the EBA's Supervisory Outlier Test (SOT) EVE calculation in the Short Up scenario (short term rates increase while long term rates stay flat), was calculated as €98m (31 December 2024: €51m in the same scenario).

The risk position under the EVE metric has increased over the year as the Bank has purchased €0.6bn of government and covered bonds, which had the effect of increasing the overall net asset exposure.

The following interest rate floors are applied in calculating EAR: 0% for the ECB Refinance Rate and Retail Deposits; -50bps for the ECB Deposit Rate.

Foreign Exchange Risk

Foreign currency exchange risk is the volatility in earnings resulting from the retranslation of foreign currency denominated assets and liabilities.

Consistent with its business model as a domestically focused Retail bank, the Group is predominantly exposed to GBP and USD positions arising from customer deposits denominated in these currencies or branch bureau activities.

Derivatives (FX swaps and forwards) are executed to minimise the FX exposure. Overnight FX positions are monitored against approved notional limits. It is the responsibility of both Group Treasury and Group Risk to measure and monitor exchange rate risk and maintain the exposure within approved limits. The aggregate euro denominated 30 June 2025 FX position was €1.3m (31 December 2024 €3.0m).

(ii) Credit Spread Risk

Credit Spread Risk in the Banking Book (CSRBB) is the risk from market-wide changes to credit and liquidity spreads for a given credit quality on an institution's banking book. It excludes idiosyncratic credit spread risks.

In line with revised regulatory standards, the CSRBB methodology the Group's credit spread risk exposure is derived on both an earnings (Earnings at Risk (EaR)) and economic value of equity perspective (EVE). This risk is measured on the Group's bond portfolio and own debt issuances.

The Group's CS01 (impact of 0.01% movement in credit spreads) as at 30 June 2025 was €1.6m.

Directors' Responsibility Statement

The Directors are responsible for preparing the interim report in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007 ("Transparency Directive"), and the Transparency Rules of the Central Bank of Ireland.

In preparing the condensed set of consolidated financial statements included within the interim report, the Directors are required to:

- prepare and present the condensed set of consolidated financial statements in accordance with IAS 34 Interim Financial Reporting as adopted by the EU, the Transparency Directive and the Transparency Rules of the Central Bank of Ireland;
- ensure the condensed set of consolidated financial statements has adequate disclosures;
- select and apply appropriate accounting policies;
- make accounting estimates that are reasonable in the circumstances; and
- assess the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for designing, implementing and maintaining such internal controls as they determine is necessary to enable the preparation of the condensed set of consolidated financial statements that is free from material misstatement whether due to fraud or error.

We confirm that to the best of our knowledge:

1. the condensed set of consolidated financial statements included within the interim report of Permanent TSB Group Holdings plc for the six months ended 30 June 2025 ("the interim financial information") which comprises the condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of financial position, condensed consolidated statement of changes in equity, condensed consolidated statement of cash flows and the related explanatory notes, have been presented and prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU, the Transparency Directive and Transparency Rules of the Central Bank of Ireland.
2. The interim financial information presented, as required by the Transparency Directive, includes:
 - a. an indication of important events that have occurred during the first 6 months of the financial year, and their impact on the condensed set of consolidated financial statements;
 - b. a description of the principal risks and uncertainties for the remaining 6 months of the financial year;
 - c. related parties' transactions that have taken place in the first 6 months of the current financial year and that have materially affected the financial position or the performance of the enterprise during that period; and
 - d. any changes in the related parties' transactions described in the last annual report that could have a material effect on the financial position or performance of the enterprise in the first 6 months of the current financial year.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board



Julie O'Neill
Chairperson

Eamonn Crowley
Chief Executive



Barry D'Arcy
Chief Financial Officer



Conor Ryan
Company Secretary

30 July 2025

Independent Review Report

to Permanent TSB Group Holdings plc

Conclusion

We have been engaged by Permanent TSB Group Holdings plc (the "Group") to review the Group's condensed set of consolidated interim financial statements in the interim financial report for the six months ended 30 June 2025 which comprises of Condensed Consolidated Income Statement, Condensed Consolidated Statement of Comprehensive Income, Condensed Consolidated Statement of Financial Position, Condensed Consolidated Statement of Changes in Equity, Condensed Consolidated Statement of Cash Flows, a summary of significant accounting policies and other explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of consolidated financial statements in the interim financial report for the six months ended 30 June 2025 is not prepared, in all material respects in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34") as adopted by the EU, the Transparency (Directive 2004/109/EC) Regulations 2007 ("Transparency Directive"), and the Central Bank (Investment Market Conduct) Rules 2019 ("Transparency Rules of the Central Bank of Ireland").

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (Ireland) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity ("ISRE (Ireland) 2410") issued for use in Ireland. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention that causes us to believe that the directors have inappropriately adopted the going concern basis of accounting, or that the directors have identified material uncertainties relating to going concern that have not been appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (Ireland) 2410. However, future events or conditions may cause the Group to cease to continue as a going concern, and the above conclusions are not a guarantee that the Group will continue in operation.

Directors' responsibilities

The interim financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim financial report in accordance with the Transparency Directive and the Transparency Rules of the Central Bank of Ireland.

The directors are responsible for preparing the condensed set of consolidated financial statements included in the interim financial report in accordance with IAS 34 as adopted by the EU.

As disclosed in note 1, the condensed set of consolidated financial statements of the Group for the period ended 30 June 2025 are prepared in accordance with International Financial Reporting Standards as adopted by the EU.

In preparing the condensed set of consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Our responsibility

Our responsibility is to express to the Group a conclusion on the condensed set of consolidated financial statements in the interim financial report based on our review.

Our conclusion, including our conclusions relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion section of this report.

The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the Group in accordance with the terms of our engagement to assist the Group in meeting the requirements of the Transparency Directive and the Transparency Rules of the Central Bank of Ireland. Our review has been undertaken so that we might state to the Group those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group for our review work, for this report, or for the conclusions we have reached.

KPMG

Chartered Accountants
1 Harbourmaster Place
IFSC
Dublin 1
Ireland

30 July 2025

Condensed Consolidated Income Statement (Unaudited)

For the half year ended 30 June 2025

	Note	Half year ended 30 June 2025 €m	Half year ended 30 June 2024 €m
Interest income calculated using effective interest method	3	422	434
Other interest income	3	13	16
Interest income		435	450
Interest expense	3	(147)	(139)
Net interest income		288	311
Fees and commission income		52	44
Fees and commission expense		(21)	(21)
Net fee and commission income		31	23
Net trading income		2	1
Net other operating income		1	1
Total operating income		322	336
Administrative, staff and other expenses (excluding exceptional items)	4	(205)	(209)
Bank levy and other regulatory charges	5	(25)	(29)
Depreciation of property and equipment		(14)	(14)
Amortisation of intangible assets		(30)	(25)
<i>Exceptional items</i>			
Restructuring and other costs	6	(29)	-
Total operating expenses		(303)	(277)
Operating profit before credit impairment and taxation		19	59
Credit impairment			
Loans and advances to customers	14	-	14
Exceptional impairment write-back from deleveraging of loans	6	-	2
Total credit impairment write-back		-	16
Operating profit before taxation		19	75
Taxation	7	(4)	(12)
Profit for the period		15	63
Attributable to:			
Equity holders of the parent		(6)	42
Other equity holders*		21	21
*Profits attributable to other equity holders reflects the coupons paid on the Group's AT1 instruments in the period.			
Earnings per ordinary share		€ Cent	€ Cent
Basic (loss)/earnings per share of €0.5 ordinary shares	8	(1.1)	7.6
Diluted (loss)/earnings per share of €0.5 ordinary shares	8	(1.1)	7.6

Condensed Consolidated Statement of Comprehensive Income (Unaudited)

For the half year ended 30 June 2025

		Half year ended 30 June 2025	Half year ended 30 June 2024
	Note	€m	€m
Profit for the period		15	63
Items that will not be reclassified to the income statement in subsequent periods			
Fair value reserve (equity instruments)		-	-
Change in fair value of equity instruments		-	-
Tax relating to items that will not be reclassified to the income statement	7	-	-
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income for the period, net of tax		15	63
Attributable to:			
Equity holders of the parent		(6)	42
Other equity holders*		21	21

* Profits attributable to Other equity holders reflects the coupons paid on the Group's AT1 instruments in the period.

Condensed Consolidated Statement of Financial Position (Unaudited)

As at 30 June 2025

	Notes	30 June 2025 €m	31 December 2024 €m
Assets			
Cash at bank	9	60	72
Items in the course of collection	9	22	23
Loans and advances to banks		2,286	2,202
Derivative financial instruments	10	56	59
Other assets		7	7
Assets classified as held for sale	11	13	12
Debt securities	12	4,882	4,327
Equity securities		2	9
Prepayments and contract assets		151	63
Loans and advances to customers	13	21,768	21,423
Interest in associated undertakings		26	21
Property and equipment		173	183
Intangible assets		232	213
Deferred taxation	15	313	316
Current tax asset		2	2
Total assets		29,993	28,932
Liabilities			
Deposits by banks		40	105
Customer accounts	16	25,238	24,120
Derivative financial instrument	10	1	-
Debt securities in issue	17	1,706	1,731
Other liabilities		155	129
Accruals		15	12
Provisions	18	52	46
Subordinated liabilities	19	260	257
Total liabilities		27,467	26,400
Equity			
Share capital	20	272	272
Share premium	20	804	804
Other reserves	20	(816)	(813)
Retained earnings	20	1,898	1,901
Shareholders' equity		2,158	2,164
Other equity instruments	20	368	368
Total equity		2,526	2,532
Total liabilities and equity		29,993	28,932

On behalf of the Board:

Julie O'Neill
Chairperson

Eamonn Crowley
Chief Executive

Barry D'Arcy
Chief Financial Officer

Conor Ryan
Company Secretary

Condensed Consolidated Statement of Changes in Equity (Unaudited)

For the half year ended 30 June 2025

	Share capital €m	Share premium €m	Revaluation reserve* €m	Fair value reserve* €m	Other capital reserve* €m	Retained earnings €m	Attributable to owners of the holding company €m	Other equity instruments €m	Total €m
Balance as at 1 January 2025	272	804	35	7	(855)	1,901	2,164	368	2,532
Profit for the half year ended 30 June 2025	-	-	-	-	-	(6)	(6)	21	15
Other comprehensive income, net of tax (note 21)	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	(6)	(6)	21	15
Transactions with owners, recorded directly in equity:									
<i>Contributions by and distributions to owners</i>									
Reclass of revaluation reserve	-	-	(3)	-	-	3	-	-	-
AT1 coupon paid (note 20)	-	-	-	-	-	-	-	(21)	(21)
Total contributions by and distributions to owners	-	-	(3)	-	-	3	-	(21)	(21)
Balance as at 30 June 2025	272	804	32	7	(855)	1,898	2,158	368	2,526

* All are included in other reserves in the statement of financial position.

Condensed Consolidated Statement of Changes in Equity (Unaudited)

For the half year ended 30 June 2024

	Share capital	Share premium	Revaluation reserve*	Fair value reserve*	Other capital reserve*	Retained earnings	Attributable to the equity owner	Other equity instruments	Total
	€m	€m	€m	€m	€m	€m	€m	€m	€m
Balance as at 1 January 2024	273	804	42	4	(856)	1,784	2,051	368	2,419
Profit for the half year ended 30 June 2024	-	-	-	-	-	42	42	21	63
Total comprehensive income for the period	-	-	-	-	-	42	42	21	63
Contributions by and distributions to owners									
AT1 coupon paid (note 20)	-	-	-	-	-	-	-	(21)	(21)
Total contributions by and distributions to owners	-	-	-	-	-	-	-	(21)	(21)
Balance as at 30 June 2024	273	804	42	4	(856)	1,826	2,093	368	2,461

* All are included in other reserves in the statement of financial position.

For the year ended December 2024

	Share capital	Share premium	Revaluation reserve*	Fair value reserve*	Other capital reserve*	Retained earnings	Attributable to equity holders of the parent	Other equity instrument	Total
	€m	€m	€m	€m	€m	€m	€m	€m	€m
Balance as at 1 January 2024	273	804	42	4	(856)	1,784	2,051	368	2,419
Profit for the year	-	-	-	-	-	119	119	43	162
Other comprehensive income, net of tax (note 21)	-	-	(7)	3	-	-	(4)	-	(4)
Total comprehensive income for the period	-	-	(7)	3	-	119	115	43	158
Transactions with owners, recorded directly in equity:									
Contributions by and distributions to owners									
Buyback of ordinary shares	(1)	-	-	-	1	(2)	(2)	-	(2)
AT1 coupon paid (note 20)	-	-	-	-	-	-	-	(43)	(43)
Total contributions by and distributions to owners	(1)	-	-	-	1	(2)	(2)	(43)	(45)
Balance as at 31 December 2024	272	804	35	7	(855)	1,901	2,164	368	2,532

*All are included in Other reserves in the statement of financial position.

Condensed Consolidated Statement of Cash Flows (Unaudited)

For the period ended 30 June 2025

	Half year ended 30 June 2025	Half year ended 30 June 2024
	€m	€m
Cash flows from operating activities:		
Operating profit before taxation	19	75
Adjusted for non-cash items and other adjustments:		
Depreciation, amortisation and impairment of property, equipment and intangibles	44	40
- Loans and advances to customers	-	(16)
Unrealised (gains)/losses on financial assets	(2)	1
Other income	-	(1)
Other mortgage related adjustments	35	36
Other provisions	33	10
Net interest income*	99	111
Other non-cash items*	(36)	(24)
	192	232
(Increase)/decrease in operating assets:		
Derivative financial instruments	8	10
Other assets	3	64
Debt securities	22	15
Prepayments and accrued income	(83)	17
Loans and advances to customers	(377)	209
Increase/(decrease) in operating liabilities:		
Deposits by banks	(68)	198
Customer accounts	1,024	579
Debt securities in issue	(76)	453
Derivative liabilities	1	2
Other liabilities and accruals	32	(7)
Provisions	(29)	(4)
	457	1,536
Net cash inflow from operating activities before tax	649	1,768
Tax paid	(1)	(4)
Net cash inflow from operating activities	648	1,764
Maturities of debt securities - HTC	93	170
Purchase of debt securities - HTC	(624)	(796)
Purchase of property and equipment	(3)	(8)
Purchase of intangible assets	(14)	(14)
Investment in associated undertakings	(5)	-
Sale of properties	4	-
Net cash flows from investing activities	(549)	(648)
Cash flows from financing activities		
Payment of lease liabilities	(3)	(4)
AT1 coupon payment	(21)	(21)
Interest paid on T2 hedging derivative	(4)	(5)
Net cash flows from financing activities	(28)	(30)
Increase in cash and cash equivalents	71	1,086
Cash and cash equivalents as at 1 January	2,297	2,162
Increase in cash and cash equivalents	71	1,086
Cash and cash equivalents as at 30 June	2,368	3,248

* For the interim period ended 30 June 2025 the Other non-cash items line item has been disaggregated to include the net interest income line item.

The net increase/(decrease) in cash and cash equivalents includes interest received of €451m (30 June 2024: €471m), interest paid of €140m (30 June 2024: €84m) and dividends paid of €21m (30 June 2024: €21m)

Reconciliation of liabilities arising from financing activities

	Subordinated Liabilities €m	Lease Liabilities €m	Tier 2 hedging derivatives €m	Total €m
1 January 2025	257	35	(6)	286
Financing Cashflows:				
Lease Liability	-	(3)	-	(3)
Interest paid on Tier 2 capital notes	-	-	-	-
Interest paid on Tier 2 hedging derivatives	-	-	(4)	(4)
Non-cash movements:				
Additions to lease liabilities	-	1	-	1
Interest accrued on Tier 2 capital notes	4	-	-	4
Hedge adjustment on Tier 2 capital notes	(1)	-	-	(1)
Interest accrued on Tier 2 hedging instrument	-	-	(1)	(1)
Fair value movement on Tier 2 hedging derivative (asset)	-	-	1	1
30 June 2025	260	33	(10)	283
1 January 2024	257	35	(6)	286
Financing Cashflows:				
Lease Liability	0	(3)	-	(3)
Interest paid on Tier 2 capital notes	-	-	-	-
Interest paid on Tier 2 hedging derivatives	-	-	(5)	(5)
Non-cash movements:				
Additions to lease liabilities	-	1	-	1
Interest accrued on Tier 2 capital notes	4	-	-	4
Hedge adjustment on Tier 2 capital notes	(4)	-	4	-
30 June 2024	257	33	(7)	283

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

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1. Corporate information, basis of preparation, material accounting policies, estimates and judgements

1.1 Corporate information

Permanent TSB Group Holdings plc (the Company) is a holding company domiciled in Ireland (registration number 474438). Its registered office is situated at 56 - 59, St. Stephen's Green, Dublin 2, Ireland. The Company's shares are listed on the main market of the Irish and London Stock Exchanges.

The Group's condensed consolidated interim financial statements include the financial statements of the Company and its subsidiaries (together referred to as 'the Group') and are prepared for the period up to the end of the half year, 30 June 2025. The condensed consolidated interim financial statements for the half year ended 30 June 2025 are unaudited, but have been reviewed by the independent auditor whose report is set out earlier in this interim report.

Permanent TSB plc (PTSB), a 100% owned subsidiary of the Company, is the main trading entity of the Group which is involved in retail banking.

These condensed consolidated interim financial statements were approved by the Board and authorised for issue by the Directors on 30 July 2025.

The accounting policies applied in the preparation of the condensed consolidated interim financial statements for the half year ended 30 June 2025 are set out below.

1.2 Basis of preparation

Statement of compliance

These condensed consolidated interim financial statements comprise the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of financial position, the condensed consolidated statement of changes in equity, the condensed consolidated statement of cash flows and the related notes have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Transparency (Directive 2004/109/EC) Regulations 2007, as amended and Part 2 (Transparency Requirements) of the Central Bank (Investment Market Conduct) Rules 2019, as issued under the 2014 Act (the "IMC Rules").

This report should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2024 which was prepared in accordance with International Financial Reporting Standards (IFRS) and the IFR Interpretations Committee (IFRIC) interpretations and with those parts of the Companies Act 2014 applicable to companies reporting under IFRS and EU (Credit Institutions: Financial Statements) Regulations 2015.

The consolidated financial statements of the Group for the year ended 31 December 2024 are available at www.permanenttsbgroup.ie.

Basis of measurement

The condensed consolidated and Company financial statements have been prepared on the historical cost basis and modified to include the fair valuation of certain financial instruments classified as HTC&S, equity securities classified as FVOCI, derivative financial instruments, assets classified as held for sale, financial assets and liabilities designated as hedged items in qualifying fair value hedge relationships, and land and buildings accounted for using the revaluation model.

The accounting policies applied in the preparation of the condensed consolidated interim financial statements for the half year ended 30 June 2025 are consistent with those used by the Group as described in note 1 of the Group's consolidated financial statements for the year ended 31 December 2024. Management have considered the impact of the new accounting standards and pronouncements, please see details on page 65.

Since the condensed consolidated interim financial statements do not include all of the annual financial statement disclosures required under IFRS, this report should be read in conjunction with the audited annual consolidated financial statements and accompanying notes for the year ended 31 December 2024.

Statutory accounts

These condensed consolidated interim financial statements do not comprise statutory financial statements within the meaning of the Companies Act 2014. The statutory accounts for the year ended 31 December 2024 were approved by the Directors on 03 March 2025, contained an unqualified audit report and will be filed with the Companies Registration Office on or before 30 September 2025.

Functional and presentation currency

These condensed consolidated interim financial statements are presented in Euro, which is the Company's functional currency. Except where otherwise indicated, financial information presented in Euro has been rounded to the nearest million (m).

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

(continued)

1. Corporate information, basis of preparation, material accounting policies, estimates and judgements (continued)

Use of estimates and judgements

The preparation of the condensed consolidated interim financial statements, in conformity with IFRS, requires Management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and related disclosures.

The significant judgements made by Management in applying the Group's accounting policies made in December 2024 remain relevant to the Group's consolidated financial statements for the period ended June 2025. Management also considered new uncertainties arising during the period, including assumptions about tariffs and their potential impact on the preparation of the Group's condensed consolidated financial statements for the current period.

While the actual results may differ from the estimates made, the Directors believe that they are reasonable in the current circumstances based on the best available information at the date of the approval of these condensed consolidated financial statements.

The critical accounting estimates are consistent with those described in the 2024 Annual Report.

Allowance for credit losses under IFRS 9

IFRS 9 requires an impairment allowance to be recorded for ECL on financial asset, regardless of whether there has been an actual loss event. There is a requirement to track and assess changes in credit risk on financial assets since origination and determine whether the credit risk on those financial instruments has increased significantly since initial recognition.

The following concepts introduce significant judgement within impairment and have a significant impact on the level of ECL allowances.

Determination of significant increase in credit risk (SICR)

The Group's criteria for assessing whether there has been a significant increase in credit risk can cause some volatility in the classification of performing exposures and amount of the recognised ECL allowances in any accounting period. This is because in line with IFRS 9, Stage 1 loans require a 12-month ECL whereas a lifetime ECL is recognised for Stage 2 loans.

Criteria to determine whether a significant increase in credit risk has occurred at the reporting date are set out in section 3.1, Risk management.

Forward-looking information (FLI)

The Group has adopted an ECL framework that reflects a component approach using PD, EAD and LGD components calibrated for IFRS 9 purposes. To adequately capture lifetime ECL, the Group also modelled early redemptions as a separate component within the ECL calculation.

Judgement is combined with statistical evidence in determining which forward-looking variables are relevant for the Group's loan portfolios and in determining the extent by which through-the-cycle parameters should be adjusted for FLI to determine point-in-time parameters.

Changes in FLI variables applied to convert through-the-cycle PD and LGD into point-in-time parameters can either increase or decrease ECL impairment allowances in a particular accounting period. On update, increases in the level of optimism in the FLI variables will cause a decrease in ECL, while increases in the level of pessimism in the FLI variables will cause an increase in ECL. These movements could be significant in the accounting period of update.

In its calculation of ECL, the Group considers multiple scenarios and possible outcomes together with their probability of occurrence. Scenarios are designed to capture a range of outcomes. Each macroeconomic scenario in the Group's ECL calculation includes a projection of all relevant macroeconomic variables applied in the models for a five-year period, subsequently reverting to long-run averages.

The Group's approach applies extreme-but-plausible economic scenarios (i.e. underpinned by historical evidence) to estimate the distribution of ECL to which the Group is exposed. Using statistical techniques combined with expert credit judgement the Group then formulates an unbiased probability weighted estimate of ECL at the reporting date. The Group's approach to economic scenario development and application will be reviewed during the redevelopment of the Group's IFRS 9 model suite over the course of the next 6 - 12 months as the Provision Models Programme progresses.

Three scenarios are considered in the Group's calculation of ECL at the reporting date. The base scenario is used for financial planning purposes. The Group considers one scenario that represents a macroeconomic environment that is more favourable to the central scenario and one scenario that represents a macroeconomic environment that is less favourable to the central scenario. Macroeconomic scenarios and associated weights are reviewed by the Asset and Liability Committee ("ALCo") before approval for use by the Board Risk and Compliance committee.

1. Corporate information, basis of preparation, material accounting policies, estimates and judgements (continued)

The following table compares the key macroeconomic variables and probability weightings used for the half-year ECL process to those used at December 2024. Macroeconomic input parameters were last updated in June 2025.

The updated Base Case scenario reflects marginal improvement in unemployment and GDP forecasts in Year 1, reflecting outperformance of the Irish economy in Q1 2025 due to lags in implementation of tariffs on Irish exports to the US. There is a 15-20% tariff assumed in the base case forecast, which is in line with December 2024.

The Upside and Downside scenarios are updated to present extreme '1-in-20' scenarios relative to the updated Base scenario. Given the severity of these scenarios (5th Percentile upside and 95th Percentile downside), their combination captures the macroeconomic uncertainty arising from the current economic environment.

	30 June 2025				31 December 2024			
	Central (Base Case) Scenario	Upside Scenario	Downside Scenario		Central (Base Case) Scenario	Upside Scenario	Downside Scenario	
	End of Year projection (Dec 25)	Average value over 5 year forecast period	Average value over 5 year forecast period	Average value over the forecast period	End of Year projection (Dec 25)	Average value over 5 year forecast period	Average value over 5 year forecast period	Average value over 5 year forecast period
Percentile		50th	5th	95th		50th	5th	95th
Scenario Probability Weighting		54%	23%	23%		54%	23%	23%
Irish Residential House Prices	3.0%	2.2%	12.4%	-9.6%	3.0%	2.2%	12.4%	-9.6%
Irish Unemployment Y/E	5.5%	5.5%	3.8%	11.9%	6.0%	5.6%	3.8%	11.9%
Irish GDP	2.5%	2.7%	5.4%	-1.9%	1.0%	2.4%	5.4%	-1.9%
Consumer Price Index	1.8%	1.9%	1.9%	4.2%	2.0%	2.0%	1.9%	4.2%
ECB Base Rate	2.2%	2.2%	0.9%	3.7%	2.2%	2.2%	0.9%	3.7%

The Base, Upside and Downside scenarios are described as follows:

Base scenario

Depending on the exchange rate and other conditions, tariffs of between 15% and 20% on US Goods Exports are included in the Base scenario.

The Irish economy's dependency on Foreign Direct Investment through the multinationals sector (MNC), particularly from the US, leaves the outlook particularly vulnerable to an aggressive US trade policy, tariffs and changes in the global tax environment. Over c\$80 billion of exports from Ireland's pharma and chemical sector are at direct risk of tariffs, with the expectation new US trade policy will lead to a retrenchment in inward investment across the IT, pharma and financial services. GDP forecasts of c2.5% in 2025, is benefiting from the export surge in Q1, which masks an increased uncertainty over the sustainability of the sizable export surplus (c33% of GDP in Ireland), with relatively minor moves in trade impacting GDP outturns.

The reduction in the deposit size required on a second time buyer transaction to 10% (from 20% of purchase price), and the increase in the income multiples for first time buyers to 4X gross income in the CBI's Mortgage Measures Framework is likely to support prices in the medium term, based on current expectations for the economy. Coupled with a more benign rate environment and the increased number of high wage earners in the economy, house prices will continue to see upward pressure, albeit at a much more modest rate.

Baseline unemployment forecast reflects a conservative assessment of the weakened outlook in global trade. Consensus expectations still lag the potential impact of change in global trade dynamics and while employment remains strong currently (4.1% in April 2025), the forecast for the latter part of 2025 (5.5% at year-end 2025), reflects both a buffer and a deterioration of the employment market driven from changes to US trade policy.

Upside scenario

The upside scenario reflects a much stronger outcome for the Irish economy than in the base scenario. While there is both historical context and statistical backing to the key forecasts it is a positive extremity.

Consistent with the longer-term nominal house price average gain of 9.3% since 1970 and 6.4% globally during that period, the HPI forecast for the extreme positive scenario, puts average HPI increases at 12.4% per annum. Average GDP growth over the forecast period is 5.4%, which is higher than the average of 3.9% for the Irish economy since 1950. The outlook reflects an extreme positive of effective full employment. Substantially below trend CPI growth returns in the Irish economy over the forecast horizon, with inflation trends remaining highly supportive of economic growth.

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

(continued)

1. Corporate information, basis of preparation, material accounting policies, estimates and judgements (continued)

Downside scenario

The Downside scenario is an extreme negative scenario backed by Irish historical context and international comparatives. The scenario captures a statistical extreme in unemployment, GDP and HPI, while maintaining credibility as a single scenario. In this scenario, there is a prolonged period of unemployment, averaging at 11.9% per annum over the forecast period. Five years of sub normal growth across the forecast horizon shows a sharp reversal from current expected growth levels and is significantly below the 3.9% average GDP growth seen in the Irish economy since 1950. The threat of CPI moving ahead at a much faster pace than expected, is a key feature of this 1 in 20 scenario for this period, acknowledging the more fragmented global supply chain and the larger scale deglobalisation impact. House price decline reflects worsened conditions.

Scenario application

Determining probability weightings of the scenarios and forecasting FLI in respect of those scenarios requires a significant degree of Management judgement. The reported ECL allowance is impacted by the probability weighting attributed to each macroeconomic scenario.

If the Group were to only use its Base Case Scenario for the measurement of ECL for the secured mortgage portfolio, excluding Management's adjustment to modelled outcomes, the ECL impairment allowance would be €91m less than reported at 30 June 2025.

Similarly, excluding overlay adjustment to modelled ECL outcomes, if the Group were to only use its Upside Scenario for the measurement of ECL for the secured mortgage portfolio, the ECL impairment allowance would be €100m less than reported at 30 June 2025. Whereas if the Group were to only use its Downside Scenario the ECL impairment allowance would be €293m greater than reported at 30 June 2025.

The BAC review the adequacy of ECL allowance on a half-yearly basis. Given the relative sizes of the portfolios, the key judgemental area for the Group is in relation to the level of ECL calculated for the residential mortgage portfolio.

Management judgement has been incorporated into the Group's impairment measurement process for the period and includes:

- Criteria applied to determine significant increase in credit risk;
- Management judgement in impairment model parameters; and
- Overlay adjustments to modelled ECL outcomes.

Criteria applied to determine significant increase in credit risk

The Group considers both quantitative and qualitative measures, including other reasonable and supportable information that would not otherwise be considered, in the assessment of whether a significant increase in credit risk (SICR) has arisen. Further details on the Group's approach to assessing SICR are set out in section 3.1, Risk management; Loan impairment.

At June 2025, a collective risk assessment has been conducted on a cohort of customers who could be disproportionately impacted by headwinds at the reporting date. This assessment has resulted in a management decision to classify €298 million of stage 1 residential mortgage loans as stage 2, with a corresponding €3 million uplift to modelled expected credit loss allowances. This does not form part of management's judgement in impairment model parameters or overlay adjustments. This cohort of customers will continue to be carefully monitored and considered in conjunction with the bank's approach to staging.

Management judgement applied to impairment model parameters

At June 2025, the residential mortgage LGD parameter utilised in the ECL calculation was updated to reflect management judgement in respect of the future resolution profile of the non-performing loans and observed model sensitivity to intense house price growth in the past 12-18 months (+€43m). Changes in individual exposure LGD does not impact staging classification. The secured LGD model is under review with an outcome expected in 2025.

Overlay adjustments to modelled ECL outcomes

Overlay adjustments approved for 30 June 2025 (with December 2024 comparisons), are set out below and categorised as follows:

- Non-performing exposures: Overlay to recognise risk of elevated loss outcomes for aged default cohorts.
- Model to be built: Application of minimum provision coverage floors where appropriate models are not yet available.
- Model Limitations: Overlay to recognise limitations associated with the Group's current IFRS 9 models.
- Forward-Looking Outlook: ECL adjustments required due to emerging risks or headwinds not captured in modelled results.

1. Corporate information, basis of preparation, material accounting policies, estimates and judgements (continued)

Overlay adjustments to modelled ECL outcomes

	30 June 2025	31 December 2024
	€m	€m
Non-performing exposures	35	35
Model to be built	11	10
Model limitations	24	26
Forward-looking outlook	31	21
Total	101	92

Non-performing Exposures (NPE)

An overlay of €35m is in place in respect of Stage 3 residential mortgage loans that are in default for a prolonged period and for which Management consider the modelled impairment to be insufficient to cover resolution. The overlay is based on the Group's assumptions around collateral realisation on defaulted assets in respect of coverage levels on non-performing loans based on years in default. Given the nature of this overlay, there is no impact on the Group's SICR assessment and assessment is determined by level of non-performing loans within loans and advances to customers at 30 June 2025. This overlay is unchanged from December 2024. The requirement for this overlay will be removed upon the implementation of a redeveloped residential mortgage LGD model, which will consider the impact of NPE vintage on loss outcomes, scheduled for completion in H2 2025.

Model to be Built

An €11m overlay has been applied in respect of portfolios which were acquired from Ulster Bank in 2023. This overlay incorporates minimum provision coverage floors, based on pre-determined benchmarks. Given the nature of these acquisitions, the overlay is applied at portfolio level which does not give rise to a staging adjustment. The development of specific impairment models for these portfolios, scheduled for completion by December 2026, is expected to remove the requirement for this overlay.

Model Limitations

Construction of the Group's IFRS9 models was based on a single economic cycle covering a period of low and stable inflation rates. Management is of the view that the modelled impairment allowance may not fully reflect expected credit losses for certain cohorts of borrowers. At the reporting date, a €24m management overlay is held for this risk. The requirement for this overlay is expected to reduce throughout H2 2025 and 2026 as key milestones in the IFRS 9 Provision Models Programme are met.

Forward-Looking Outlook

The bank is forward-looking in its risk identification process to ensure emerging risks are identified.

The threat posed by US tariffs on the Irish economy is a material consideration for ECL for June 2025. Management have responded to this heightened risk by considering several factors.

The baseline macroeconomic forecast at June 2025 assumes a 15-20% tariff on all exports to the US. This is in line with December 2024 forecasts with June 2025 forecasts marginally revised to reflect actual economic performance in Q1 '25.

It is acknowledged that not all forward-looking adjustments can be considered in IFRS9 models.

A cohort of residential mortgage customers identified as having heightened risk because of the potential tariff implementation have been reclassified to Stage 2 (€298m, with an associated ECL call up of €3m). While no deterioration has been observed year to date, the performance of this cohort will continue to be closely monitored.

Further consideration is given to geopolitical headwinds in the overlay adjustments to modelled estimates, for both business banking and residential mortgage customers:

- €15m in respect of specific non-residential customers where management consider heightened default risk associated with emerging risks not captured within modelled results (31 December 2024: €15m) with impacted obligations and associated overlay reported as Stage 2; and
- €13m in respect of Stage 2 residential mortgage accounts to reflect the potential for geopolitical headwinds to stress customer repayment capacity (31 December 2024: €3m).

In respect of performing consumer accounts, €3m is held to reflect recent default and recovery experience not yet captured within modelled ECL (31 December 2024: €3m). The ongoing requirement for this overlay will be assessed as part of the unsecured model redevelopment scheduled for 2026.

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

(continued)

1. Corporate information, basis of preparation, material accounting policies, estimates and judgements (continued)

1.3 Going Concern

In considering Management's assessment of the Group's ability to continue as a going concern, Management considered the principal risks and uncertainties as they might pertain to the going concern assumption, particularly the liquidity, profitability, and capital position. Management considered these in their current status, and future projections.

In doing so, Management considered each risk in turn, and the likelihood of the risk precipitating in the going concern assumptions becoming invalid over the period of assessment, being twelve months from the date of the approval of the financial statements for the period ended 30 June 2025. Management considered realistic alternatives, including downside scenarios applied by the Group to test assumptions and potential outcomes.

Assessment Basis

The time that the Directors and Management have considered in evaluating the appropriateness of the going concern basis in preparing the condensed consolidated interim financial statements for the six months ended 30 June 2025 is a period of twelve months from the date of approval of these financial statements (30 July 2025).

In making this assessment, the Directors and Management have considered the Group's 2025-2029 Revised Annual Forecast (RAF), profitability forecasts, funding and capital resource projections. These projections include both base and stress scenarios applied by the Group, together with a number of factors such as the Irish Economy, Government fiscal policies, the availability of collateral to access funding through third parties and the euro-system, and on-going changes in the regulatory environment.

Economic and political environment

The Irish economy continued to grow at a steady pace in 2025 and is expected to continue to grow into 2026 albeit at a slower pace. This is supported by a strong labour market, increased Government investment and increasing real wages. However, the high uncertainty and deterioration in global trading conditions are expected to detract from growth.

Irish inflation fell year on year to 1.8% in May 2025.

Further to this, the Group continues to be materially reliant on Government and EU policy, and impacted by geopolitical events; such as proposed tariffs imposed by the United States, further policy changes arising from the US administration which could impact trade, Foreign Direct Investment and public finances, uncertainty around the future trading relationship between Ireland/Eurozone and the US, ongoing global conflicts, and the introduction of the global minimum corporation tax rate to a sector of the Irish market.

The Group reassessed the financial impacts of the economic and political environment through the Group's integrated planning process and believes it is reasonably well positioned to withstand any volatility from economic events through continued management of its financial position through capital management.

Funding & Liquidity

The Group continued to have sufficient liquidity throughout the first half of 2025, and continues to undertake initiatives to improve its liquidity position in the areas of deposits, collateral optimisation and wholesale markets activity. The Directors and Management have also considered forecasts of the liquidity position over the going concern period, under a range of stress scenarios.

The Group continues to hold a significant liquidity buffer at 30 June 2025 that can be easily and readily monetised in a period of stress. The Directors and Management are aware that the Group's ability to effectively utilise its contingent counterbalancing capacity is dependent on the underlying collateral remaining eligible. However, the Directors and Management are satisfied, based on a review of funding plans, interaction with wholesale markets and deposit trends that the required liquidity and funding will be available to the Group during the period of assessment.

There are no material uncertainties, which would cast significant doubt on the ability of the Group to continue as a going concern basis over the period of assessment.

Profitability and Capital Adequacy

The Group made a profit for the period ended 30 June 2025 expects continued profitability in the medium term. Directors and Management have reviewed the MTP and based on this, the near-term macro-economic conditions of the country and the resolution of legacy issues, the Directors and Management are satisfied that the Group is well positioned to deliver profits in future years.

The Directors and Management have also considered the Group's forecast capital position, including the potential impact of a deterioration in economic conditions as might arise from an uncertainty from the Bank's principal risks. Based on the above considerations, the Directors and Management have assessed and concluded that this does not give rise to a material uncertainty, which would cast significant doubt on the ability of the Group to continue on a going concern basis for the period of assessment.

1. Corporate information, basis of preparation, material accounting policies, estimates and judgements (continued)

Conclusion

As required by IFRS as adopted by the EU, the Directors and Management have considered the principal risks and uncertainties facing the Group as outlined above. Based on the latest and projected financial performance and position, and the options available to the Group, the Directors have concluded that the Group has no material uncertainties, which would cast significant doubt on the going concern assumption and have considered it appropriate to prepare the financial statements on a going concern basis.

1.4 Comparative information

The comparative information for 2024 has been prepared on a consistent basis with 2025.

1.5 Changes in material accounting policies

The condensed consolidated interim financial statements should be read in conjunction with the Group's consolidated financial statements for 2024. The material accounting policies used in the preparation of these condensed consolidated interim financial statements are consistent with those used in the Group's consolidated financial statements for 2024 (note 1).

1.6 Impact of other accounting standards effective periods beginning on or after 1 January 2025

Accounting Standard Update	Description of Change	Key impacts for PTSB	Effective Date
Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments	The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 Financial Instruments. The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 Financial Instruments. The amendments clarify: 1. the date of derecognition for some financial liabilities settled through an electronic cash transfer system; 2. they include further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; and 3. updated disclosures for equity instruments designated at fair value through other comprehensive income and new disclosures are added for certain instruments with contractual terms that can change cash flows.	The potential impact on future reporting is expected to be minor.	Annual reporting periods beginning on or after 1 January 2026.

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

(continued)

1. Corporate information, basis of preparation, material accounting policies, estimates and judgements (continued)

Annual Improvements to IFRS Accounting Standards — Volume 11	The pronouncement comprises the following amendments: • IFRS 1: Hedge accounting by a first-time adopter • IFRS 7: Gain or loss on derecognition • IFRS 7: Disclosure of deferred difference between fair value and transaction price • IFRS 7: Introduction and credit risk disclosures • IFRS 9: Lessee derecognition of lease liabilities • IFRS 9: Transaction price • IFRS 10: Determination of a 'de facto agent' • IAS 7: Cost method	The potential impact on future reporting is expected to be minor. Further consideration will be given to the amendment closer to the first applicable reporting period if it is adopted by the EU.	Applicable to annual reporting periods beginning on or after 1 January 2026. Not yet endorsed for use in the EU.
IFRS 18 Presentation and Disclosures in Financial Statements	IFRS 18 includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements.	This amendment is likely to have a material impact on future reporting and we have begun analysing its potential impact. Known impacts of IFRS 18 1. results of associates to be shown outside operating profit 2. cash flow statement to start with operating profit 3. management defined performance measures to be disclosed in a single note to the financial statements. Enhanced guidance is provided on how to group items in the financial statements and the impact of this and other changes are still being considered.	Applicable to annual reporting periods beginning on or after 1 January 2027. Not yet endorsed for use in the EU.
IFRS 19 Subsidiaries without Public Accountability: Disclosures	IFRS 19 specifies the disclosure requirements an eligible subsidiary is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.	This amendment is expected to have no material impact on current or future reporting.	Applicable to annual reporting periods beginning on or after 1 January 2027. Not yet endorsed for use in the EU.

2. Operating segments

The Group reports one operating segment which reflects the internal management reporting structure of the Group and how the Chief Operating Decision Maker (CODM) assesses performance and allocates resources. The ExCo as the CODM is responsible for implementing the strategic management of the Group as guided by the Board. The ExCo reviews key performance indicators and internal management reports on a monthly basis.

In line with IFRS 8, the Group also reports revenue from external customers for each major group of products and services. The amount of revenue reported is based on the financial information used to produce the Group's financial statements.

The Group has assessed its operating segments and continues to be satisfied that there is only one operating segment based on reporting to the CODM, in accordance with IFRS 8.5. The requirements of IFRS 8 will continue to be assessed on an ongoing basis as the Group's business develops.

2.1 Revenue from external customers split by products and services

The sources from which the Group earns external revenue are: interest income, fee and commission income, net trading income, and other operating income. Total revenue from external customers was €490m (30 June 2024: €496m). The main products from which the Group earns external revenue include: mortgages; consumer finance; treasury assets; and wholesale funding. The interest income from these products is set out in the table below. Interest income from external customers split by product:

	30 June 2025	30 June 2024
	€m	€m
Mortgages	327	339
Consumer finance*	37	36
Treasury assets	48	27
Wholesale funding**	23	48
Total	435	450

* Consumer finance comprises income from term loans, credit cards, overdrafts and asset financing.

** Wholesale funding comprises loans and advances to other banks.

2.2 Profit for the year based on geographical location

During the half years ended 30 June 2025 and 30 June 2024, all of the Group's profits were solely generated in Ireland.

2.3 Assets and liabilities based on geographical location

All assets and liabilities were held in Ireland at 30 June 2025 and 30 June 2024.

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

(continued)

3. Net Interest Income

	Half year ended 30 June 2025 €m	Half year ended 30 June 2024 €m
Interest income		
Loans and advances to customers (excluding lease receivables)	351	359
Loans and advances to banks	23	48
Debt securities and other fixed-income securities	48	27
Interest income calculated using the effective interest rate method	422	434
Other interest income*	13	16
Interest income	435	450
Interest expense		
Deposits from banks	(3)	(16)
Due to customers	(93)	(60)
Debt securities in issue	(47)	(59)
Loans and advances to banks	(1)	-
Subordinated liabilities	(3)	(4)
Interest expense	(147)	(139)
Net interest income	288	311

* Other interest income consists of interest income on lease receivables

Loans and advances to customers interest income includes a charge of €19m (30 June 2024: €15m) in respect of deferred acquisition costs and €10m (30 June 2024: €11m) amortisation charge on the business combination related fair value adjustments. Other interest income includes a charge of €3m (30 June 2024: €1m) in respect of deferred acquisition costs and €1m (31 December 2024: €1m) amortisation charge on the business combination related fair value adjustments.

Debt securities in issue contains net interest income/(expense) of €2m on derivatives that are in hedge relationships (30 June 2024: (€6m)) and Subordinated liabilities contains net interest income/(expense) of €1m on derivatives that are in hedge relationships (30 June 2024: (€1m))

4. Administrative, staff and other expenses (excluding exceptional items)

	Half year ended 30 June 2025	Half year ended 30 June 2024
	€m	€m
Staff costs (as detailed below)	118	116
Other general and administrative expenses	87	93
Administrative, staff and other expenses (excluding exceptional items)	205	209

Administrative, staff and other expenses (excluding exceptional items) include costs of €2m relating to legacy legal cases. (30 June 2024: €3m)

Staff costs

	Half year ended 30 June 2025	Half year ended 30 June 2024
	€m	€m
Wages and salaries (including commission payable to sales staff)	106	102
Social insurance	11	11
Pension costs (payments to defined contribution pension schemes)	11	10
Total staff costs	128	123
Staff costs capitalised	(10)	(7)
Total staff costs included in the Income Statement	118	116

Staff costs of €10m (30 June 2024: €7m) have been capitalised, as the cost incurred was directly related to developing software and it is probable that future economic benefits that exceed its cost will flow from its use over more than one year. Therefore these costs are not included in this line item.

Staff numbers

Closing and average number of staff (including Executive Directors) employed during the period are as follows:

	Closing staff numbers*		Average staff numbers	
	Half year ended 30 June 2025	Half year ended 30 June 2024	Half year ended 30 June 2025	Half year ended 30 June 2024
Ireland	3,207	3,240	3,339	3,243
Total number of staff	3,207	3,240	3,339	3,243

* Closing staff numbers are calculated on a FTE basis.

5. Bank levy and other regulatory charges

	Half year ended 30 June 2025	Half year ended 30 June 2024
	€m	€m
Deposit Guarantee Scheme (DGS)	-	3
Bank levy	24	24
Other regulatory charges	1	2
Bank levy and other regulatory charges	25	29

Other regulatory charges include payments to the Financial Services and Pensions Ombudsman, the Competition and Consumer Protection Commission, Irish Banking Culture Board and the industry funding levy.

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

(continued)

6. Exceptional items

	Half year ended 30 June 2025	Half year ended 30 June 2024
	€m	€m
Restructuring and other costs (a)	29	-
Impairment arising from deleveraging of loans (b)	-	(2)
Total exceptional cost/(release)	29	(2)

(a) Restructuring and other costs of €29m (30 June 2024: €nil) relate to costs incurred as part of the Group's voluntary severance scheme. €28m relates to the voluntary severance scheme payments and €1m relates to costs of running the programme.

(b) The definition of exceptional items was refined to exclude profit or loss on material loan deleveraging post 31 December 2021 (including any increase in impairment arising solely as a result of the sale of loans) due to the sale of loans becoming part of the Group's normal recovery strategy.

During 2024, warranty provisions of €2m were released in relation to loan deleveraging transactions that the Group executed pre-31 December 2021.

The Group considers these releases as exceptional as the warranties were previously recorded through exceptional impairment. This treatment is consistent with the treatment of losses on deleveraging of loans in prior years.

7. Taxation

(a) Analysis of taxation charge

	Half year ended 30 June 2025	Half year ended 30 June 2024
	€m	€m
Current taxation		
Charge for current period	-	1
Deferred taxation		
Origination and reversal of temporary differences	4	11
Taxation charged to income statement	4	12
Effective tax rate	20%	16%

Income tax expense is recognised based on Management's best estimate of the annual income tax rate expected for the full financial year applied to the pre-tax income of the interim period.

The Group taxation charge for the half year ended 30 June 2025 is €4m (30 June 2024: €12m). This arises primarily due to a charge of €4m in relation to deferred tax on utilisation of tax losses carried forward. Please refer to Note 15 Deferred Taxation for further information.

(b) Tax effects of each component of other comprehensive income

	Gross €m	Tax €m	Net €m
Half year ended 30 June 2025			
Revaluation reserve:			
- Deferred tax on disposal of assets held for sale	(4)	1	(3)
- Current tax on disposal of assets held for sale	4	(1)	3
Balance as at 30 June 2025	-	-	-

7. Taxation (continued)

	Gross €m	Tax €m	Net €m
Half year ended 30 June 2024			
Revaluation reserve:			
- Deferred tax on disposal of assets held for sale	-	-	-
- Current tax on disposal of assets held for sale	-	-	-
Balance as at 30 June 2024	-	-	-

8. Earnings per share

(a) Basic earnings per ordinary share

	Half year ended 30 June 2025	Half year ended 30 June 2024
Weighted average number of ordinary shares in issue and ranking for dividend excluding treasury shares	544,991,596	545,584,539
Profit for the period attributable to equity holders	€15m	€63m
Less AT1 coupon paid (see note 20)	(€21m)	(€21m)
(Loss)/profit for the period attributable to equity holders less AT1 coupon paid	(€6m)	€42m
Basic (loss)/earnings per ordinary share (€ cent)	(1.1)	7.6

(b) Diluted earnings per ordinary share

	Half year ended 30 June 2025	Half year ended 30 June 2024
Weighted average number of ordinary shares excluding treasury shares held under employee benefit trust used in the calculation of diluted earnings per share	544,991,596	545,584,539
Diluted (loss)/earnings per ordinary share (€ cent)	(1.1)	7.6

Diluted earnings per ordinary share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

No adjustment to the weighted average number of ordinary shares for the effects of dilutive potential ordinary shares was required for the period end 30 June 2025 or 30 June 2024 as the AT1 securities issued in 2022 and 2020 have no conversion features.

Weighted average number of ordinary shares*

	30 June 2025	30 June 2024
Number of ordinary shares in issue at 1 January (note 20)	544,996,176	545,589,119
Treasury shares held (note 20)	(4,580)	(4,580)
Weighted average number of ordinary shares at 30 June	544,991,596	545,584,539

* When calculating the profit per share the weighted average number of ordinary shares outstanding during the period and all periods presented shall be adjusted for events other than the conversion of potential ordinary shares that have changed the number of ordinary shares without a corresponding change in reserves.

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

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9. Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	30 June 2025	31 December 2024
	€m	€m
Cash at bank	60	72
Items in the course of collection	22	23
Loans and advances to banks repayable on demand (maturity of less than 3 months)	2,286	2,202
Cash and cash equivalents per statement of cash flows	2,368	2,297

At 30 June 2025, restricted cash of €159m (31 December 2024: €181m) (which is within loans and advances to banks repayable on demand), consists of cash of €159m (December 2024: €180m) held by the Group's securitisation entities and €0m (31 December 2024: €1m) which relates to cash collateral placed with counterparties in relation to derivative positions and repurchase agreements.

The following contractual restrictions apply to our securitisation vehicles cash balances:

- each vehicle must hold an amount equal to a percentage of the outstanding notes in a reserve account on demand as part of the credit enhancement and liquidity support rules;
- these funds can only be used to fund any revenue shortfall for contractual payments and must be replenished as soon as additional funds are available; and
- when the notes are fully repaid these reserve funds can be used to pay outstanding principal on the subordinated loan.

10. Derivative financial instruments

Derivative instruments are used by the Group, for risk management purposes, to hedge against interest rate risk and foreign currency risk.

Certain derivative instruments, while being economic hedges, do not fulfil the hedge accounting criteria under IFRS 9 and are consequently classified as held for trading (HFT). All derivatives are carried at fair value.

The derivative instruments used by the Group include:

- Currency forward rate contracts, which are commitments to purchase and sell currencies, including undelivered spot transactions; and
- Interest rate swaps which involve the exchange of fixed and variable rate interest payments between two parties at specified times based on a common nominal amount and maturity date.

Further details on the Group's risk management policies in connection with Derivatives and the policy surrounding Hedge Accounting are set out in section 3.3 of the Risk Management Report in the 2024 Annual Report.

The notional amounts and fair values of derivative instruments held by the Group are set out in the table below:

	30 June 2025			31 December 2024		
	Contract/ notional amount €m	Fair value asset €m	Fair value liability €m	Contract/ notional amount €m	Fair value asset €m	Fair value liability €m
Derivatives held for hedging						
Interest rate swaps	1,910	56	-	1,900	59	-
	1,910	56	-	1,900	59	-
Derivatives held for trading						
Currency forwards	59	-	1	51	-	-
	59	-	1	51	-	-
Derivative financial instruments as per the statement of financial position	1,969	56	1	1,951	59	-

10. Derivative financial instruments (continued)

Fair value hedges of interest rate risk

The Group uses fair value hedge accounting for hedge relationships to protect against changes in the fair value of financial assets and financial liabilities due to movements in interest rates. The Group uses interest rate swaps to hedge interest rate risk. The financial instruments that are currently hedged for interest rate risk are fixed rate debt securities in issue, subordinated liabilities, fixed rate retail deposits and fixed rate retail mortgages. All hedging instruments are included within derivative financial instruments on the balance sheet and hedge ineffectiveness is included within net trading income on the income statement (30 June 2025 €nil, 31 December 2024 €nil).

The Group held the following interest rate swaps as hedging instruments in fair value hedges of interest rate risk at 30 June 2025 and 31 December 2024.

Fair value hedges - Interest rate swaps

30 June 2025	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	5 years +
Liabilities:					
Hedges of debt securities in issue*					
Nominal principal amount (€m)	-	-	-	1,650	-
Average interest rate (%)	-	-	-	2.85%	-
Hedges of subordinated debt*					
Nominal principal amount (€m)	-	-	250	-	-
Average interest rate (%)	-	-	3.48%	-	-
Hedges of retail deposits**					
Nominal principal amount (€m)	-	-	-	5	-
Average interest rate (%)	-	-	-	1.82%	-
Assets:					
Hedges of retail mortgages***					
Nominal principal amount (€m)	-	-	-	5	-
Average interest rate (%)	-	-	-	1.84%	-

31 December 2024	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	5 years +
Liabilities:					
Hedges of debt securities in issue*					
Nominal principal amount (€m)	-	-	-	1,650	-
Average interest rate (%)	-	-	-	2.85%	-
Hedges of subordinated debt*					
Nominal principal amount (€m)	-	-	-	250	-
Average interest rate (%)	-	-	-	3.48%	-
Hedges of retail deposits**					
Nominal principal amount (€m)	-	-	-	-	-
Average interest rate (%)	-	-	-	-	-
Assets:					
Hedges of retail mortgages***					
Nominal principal amount (€m)	-	-	-	-	-
Average interest rate (%)	-	-	-	-	-

* The fixed rate on the interest rate swaps detailed above are swapped out for variable 3 month Euribor. The swaps pay 3 month EURIBOR on a quarterly basis and receive fixed on an annual basis.

** The fixed rate on the interest rate swaps detailed above are swapped out for variable 1 month Euribor. The swaps pay 1 month EURIBOR on a monthly basis and receive fixed on annual basis.

*** The fixed rate on the interest rate swaps detailed above are swapped out for variable 1 month Euribor. The swaps receive 1 month EURIBOR on a monthly basis and pay fixed on annual basis.

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

(continued)

10. Derivative financial instruments (continued)

The tables below set out the amounts relating to items designated as (a) hedging instruments and (b) hedged items in fair value hedges of interest rate risk together with the related hedge ineffectiveness at 30 June 2025 and 31 December 2024:

(a) Hedging Instruments

30 June 2025	Nominal €m	Assets €m	Liabilities €m	Line item in SOPF where the hedging instrument is included	Change in fair value used for calculating hedge ineffectiveness for the year €m	Hedge ineffectiveness recognised in the income statement €m	Line item in the income statement that included hedge ineffectiveness
Interest rate swaps hedging:							
Debt securities in issue	1,650	46	-	Derivative assets	1	-	Net trading income
Subordinated debt	250	10	-	Derivative assets	(2)	-	Net trading income
Retail mortgages	5	-	-	Derivative assets	-	-	Net trading income
Retail deposits	5	-	-	Derivative liabilities	-	-	Net trading income
31 December 2024	Nominal €m	Assets €m	Liabilities €m	Line item in SOPF where the hedging instrument is included	Change in fair value used for calculating hedge ineffectiveness for the year €m	Hedge ineffectiveness recognised in the income statement €m	Line item in the income statement that included hedge ineffectiveness
Interest rate swaps hedging:							
Debt securities in issue	1,650	53	-	Derivative assets	19	-	Net trading income
Subordinated debt	250	6	-	Derivative assets	-	-	Net trading income
Retail mortgages	-	-	-	Derivative assets	-	-	Net trading income
Retail deposits	-	-	-	Derivative liabilities	-	-	Net trading income

10. Derivative financial instruments (continued)

(b) Hedged Items

30 June 2025	Carrying amount of hedged items recognised in the SOFP		Accumulated amount of fair value hedge adjustments on the hedged items included in the carrying amount of the hedged item		Line item in the SOFP where hedged item is included	Change in fair value of hedged items used for calculating hedge ineffectiveness for the year	Accumulated amount of fair value hedge adjustments remaining in the SOFP for any hedged items that have ceased to be adjusted for hedging
	Assets	Liabilities	Assets	Liabilities			
	€m	€m	€m	€m		€m	€m
Debt securities in issue		(1,706)	-	(34)	Debt securities in issue	(1)	-
Subordinated debt		(260)	-	(3)	Subordinated liabilities	2	-
Retail mortgages	5	-	0		Loans and advances to customers	0	-
Retail deposits		5	-	0	Customer accounts	0	-

31 December 2024	Carrying amount of hedged items recognised in the SOFP		Accumulated amount of fair value hedge adjustments on the hedged items included in the carrying amount of the hedged item		Line item in the SOFP where hedged item is included	Change in fair value of hedged items used for calculating hedge ineffectiveness for the year	Accumulated amount of fair value hedge adjustments remaining in the SOFP for any hedged items that have ceased to be adjusted for hedging
	Assets	Liabilities	Assets	Liabilities			
	€m	€m	€m	€m		€m	€m
Debt securities in issue	-	(1,731)	-	(33)	Debt securities in issue	(19)	-
Subordinated debt	-	(257)	-	(5)	Subordinated liabilities	-	-
Retail mortgages	-	-	-	-	Loans and advances to customers	-	-
Retail deposits	-	-	-	-	Customer accounts	-	-

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(continued)

11. Assets classified as held for sale

At 30 June 2025, assets classified as held for sale amounted to €13m (31 December 2024: €12m). This consists of the following:

- €5m (31 December 2024: €7m) relates to collateral in possession, these properties are expected to be sold within the next 12 months.
- €1m (31 December 2024: €5m) relates to one branch property (31 December 2024: three branch properties) which is no longer occupied by the Group, the sale of this property is expected to be completed within the next 12 months.
- €7m relates to Series A preference shares in Visa Inc (31 December 2024: €nil), see note 27 for further detail. They continue to be measured at FVOCI in accordance with IFRS 9.

12. Debt securities

	30 June 2025	31 December 2024
	Total HTC	Total HTC
	€m	€m
Government bonds	4,684	4,259
Covered bonds	198	68
Gross debt securities	4,882	4,327

As at 30 June 2025, all unpledged debt securities are available to be used and are eligible as collateral (though eligibility will depend on the criteria of the counterparty) in sale and repurchase agreements.

Debt securities that are managed on a Hold to Collect (HTC) business model basis are accounted for at amortised cost.

Government bonds of €4.7bn (31 December 2024: €4.3bn) comprise Irish, Spanish, Portuguese, French, Italian, Belgian, Austrian and EU government bonds which are classified as HTC.

Covered bonds of €0.2bn (31 December 2024: €0.1bn) comprise of French, Belgian and Dutch corporate bonds which are classified as HTC.

The HTC securities represent a portfolio of securities structured for the purpose of collecting contractual cashflows to maturity. The Group has no HTC&S debt securities as at 30 June 2025 and 31 December 2024.

At 30 June 2025, debt securities at amortised cost with a fair value of €311m (31 December 2024: €371m) had been pledged to third parties in sale and repurchase agreements. The Group has not derecognised any securities delivered in such sale and repurchase agreements on the statement of financial position.

(a) HTC

The movement in HTC securities is classified as follows:

	30 June 2025	31 December 2024
	HTC	HTC
	€m	€m
As at 1 January	4,327	3,256
Additions	624	1,212
Maturities/disposals	(93)	(170)
Interest net of cash receipts	8	7
Amortisation of premium/(discount)	16	22
Total	4,882	4,327

(b) Amounts arising from impairment provisioning on debt securities:

Held at amortised cost

As at 30 June 2025, the amount arising from ECL on debt securities measured at amortised cost is €0.6m (31 December 2024: €0.6m). The ECL on debt instruments measured at amortised cost is offset against the carrying amount of the assets in the statement of financial position. All debt securities at 30 June 2025 are stage 1 for ECL purposes.

13. Loans and advances to customers

Loans and advances by category are set out below:

	30 June 2025 €m	31 December 2024 €m
Residential mortgages		
- Held through special purpose entities	4,834	5,342
- Held directly	15,443	14,661
Total residential mortgages	20,277	20,003
Commercial*	533	493
Consumer finance	571	553
Finance leases and hire purchase receivables	473	466
Gross loans and advances to customers	21,854	21,515
Less: provision for impairment (note 14)	(389)	(392)
Deferred fees, discount fees and business combination related fair value adjustments	303	300
Net loans and advances to customers	21,768	21,423

*The Bank's SME mortgage lending is captured within the Commercial line above.

Loans and advances can be analysed into tracker, fixed and variable rate loans as follows:

	Gross loans and advances to customers		Net loans and advances to customers	
	30 June 2025 €m	31 December 2024 €m	30 June 2025 €m	31 December 2024 €m
Tracker rate	2,527	2,692	2,413	2,563
Variable rate	4,561	4,669	4,412	4,525
Fixed rate	14,766	14,154	14,640	14,035
Gross loans and advances to customers	21,854	21,515	21,465	21,123
Deferred fees, discount and business combination related fair value adjustments	303	300	303	300
Gross loans and advances to customers and deferred fees	22,157	21,815	21,768	21,423

The Group has established a number of securitisation entities. This involved transferring the Group's interest in pools of residential mortgages to a number of special purpose entities which issued mortgage-backed floating-rate notes to fund the purchase of the interest in the mortgage pools. The notes are secured by a first fixed charge over the residential mortgages in each pool and may be sold to investors or held by the Group and used as collateral for borrowings.

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(continued)

13. Loans and advances to customers (continued)

Details of the residential mortgage pools sold to special purpose entities and the notes issued by the special purpose entities are included below:

	30 June 2025	31 December 2024
	€m	€m
Residential mortgages held through special purpose entities	4,834	5,342
Notes issued by special purpose entities		
- rated	4,648	5,164
- unrated	262	262

The notes issued by these special purpose entities comprise the following:

	30 June 2025	31 December 2024
	€m	€m
Available collateral*	3,749	4,265
Rated notes, unavailable for collateral	899	899
Unrated notes	262	262
	4,910	5,426

* The eligibility of available collateral will depend on the criteria of the counterparty.

13. Loans and advances to customers (continued)

Loans and advances balance movement for the half year ended 30 June 2025 and the year ended 31 December 2024 is set out in the following tables:

	Non-credit impaired		Credit impaired		Total €m
	Stage 1 €m	Stage 2 €m	Stage 3 €m	POCI €m	
Balance as at 1 January 2025	19,100	2,033	382	-	21,515
New assets originated*	1,373	120	1	-	1,494
Stage Transfers:					-
Transfer from Stage 1 to Stage 2	(499)	499	-	-	-
Transfer to Stage 3	(8)	(51)	59	-	-
Transfer from Stage 2 to Stage 1	444	(444)	-	-	-
Transfer from Stage 3	1	26	(27)	-	-
Net movement arising from transfer of Stage	(62)	30	32	-	-
Redemptions and repayments	(1,014)	(113)	(22)	-	(1,149)
Decrease due to write offs	-	-	(6)	-	(6)
Disposals	-	-	-	-	-
Balance as at 30 June 2025	19,397	2,070	387	-	21,854

* Loan originations are net of repayments in the period.

	Non-credit impaired		Credit impaired		Total €m
	Stage 1 €m	Stage 2 €m	Stage 3 €m	POCI €m	
Balance as at 1 January 2024	19,057	1,913	718	-	21,688
New assets originated*	2,228	212	2	-	2,442
Stage Transfers:					-
Transfers from Stage 1 to Stage 2	(711)	711	-	-	-
Transfers to Stage 3	(36)	(96)	132	-	-
Transfers from Stage 2 to Stage 1	465	(465)	-	-	-
Transfers from Stage 3	4	57	(61)	-	-
Net movement arising from transfer of Stage	(278)	207	71	-	-
Redemptions and repayments	(1,906)	(297)	(49)	-	(2,252)
Decrease due to write offs	(1)	(2)	(19)	-	(22)
Disposals	-	-	(341)	-	(341)
Balance as at 31 December 2024	19,100	2,033	382	-	21,515

* Loan originations are net of repayments in the year.

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

(continued)

14. Impairment provisions

Loans and advances to customers

The following tables reflect non-performing loans for which ECL provisions are held and an analysis of Stage 1, Stage 2 and Stage 3 ECL provisions across the loans and advances to customer's portfolio.

The non-performing loan balance as at 30 June 2025 was €387m (31 December 2024: €382m). Refer to note 23 for further details.

30 June 2025	Loans and advances to customers €m	of which NPLs €m	NPL % of total loans %	ECL provisions			Total €m	Total ECL provisions as % of total loans %
				Stage 1 €m	Stage 2 €m	Stage 3 €m		
Residential:								
- Home loans	19,845	264	1.3%	93	47	70	210	1.1%
- Buy-to-let	432	73	16.9%	1	35	31	67	15.5%
Commercial	533	22	4.1%	5	35	8	48	9.0%
Consumer finance	571	21	3.7%	10	19	17	46	8.1%
Finance lease and hire purchase receivables	473	7	1.5%	10	3	5	18	3.8%
Total gross loans	21,854	387	1.8%	119	139	131	389	1.8%
Impairment provision	(389)							
Deferred fees, discounts and business combination related fair value adjustments	303							
Balance as at 30 June 2025	21,768							

The Bank's SME mortgage lending is captured within the Commercial line above.

31 December 2024	Loans and advances to customers €m	of which NPLs €m	NPL % of total loans %	ECL provisions			Total €m	Total ECL provisions as % of total loans %
				Stage 1 €m	Stage 2 €m	Stage 3 €m		
Residential:								
- Home loans	19,539	259	1.3%	98	38	73	209	1.1%
- Buy-to-let	464	71	15.3%	2	43	31	76	16.4%
Commercial	493	24	4.9%	5	36	9	50	10.1%
Consumer finance	553	20	3.6%	8	14	16	38	6.9%
Finance leases and hire purchase receivables	466	8	1.7%	10	3	6	19	4.1%
Total gross loans	21,515	382	1.8%	123	134	135	392	1.8%
Impairment provision	(392)							
Deferred fees, discounts and business combination related fair value adjustments	300							
Balance as at 31 December 2024	21,423							

The Bank's SME mortgage lending is captured within the Commercial line above.

14. Impairment provisions (continued)

A reconciliation of the provision for impairment losses for loans and advances is as follows:

30 June 2025	Residential mortgages	Commercial	Consumer finance	Finance leases and hire purchase receivables	Total
	€m	€m	€m	€m	€m
Total by portfolio					
ECL as at 1 January 2025	285	50	38	19	392
Redemptions and repayments	(7)	-	-	(1)	(8)
Net remeasurement of loss allowance	(16)	(7)	6	(4)	(21)
Loan originations	18	5	3	5	31
Net movement excluding derecognition	(5)	(2)	9	-	2
Derecognition-disposals	-	-	-	-	-
Derecognition-repossessions	-	-	-	-	-
Derecognition-write offs*	(3)	-	(1)	(1)	(5)
Derecognition	(3)	-	(1)	(1)	(5)
ECL as at 30 June 2025**	277	48	46	18	389
Net movement excluding derecognition (from above)					2
Interest income booked but not recognised					(4)
Other Movements***					2
Write offs net of recoveries					-
Impairment write-back on customer loans and advances for the half year ended 30 June 2025					-

The Bank's SME mortgage lending is captured within the Commercial line above.

* The Group writes off an impaired financial asset (and the related impairment allowance), either partially or in full, when there is no realistic prospect of recovery. In circumstances where the net realisable value of any collateral has been determined and there is no reasonable expectation of further recovery, write offs may be earlier than collateral realisation.

** Closing ECL incorporates ECL of €7m on loan commitments.

*** Includes provisions on loan commitments where there is no recognised financial asset (€4m) which is offset by a release of €2m in respect of deleveraging (warranty provisions were released in relation to a previous loan sale).

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

(continued)

14. Impairment provisions (continued)

31 December 2024	Residential mortgages €m	Commercial €m	Consumer finance €m	Finance leases and hire purchase receivables €m	Total €m
Total by portfolio					
ECL as at 1 January 2024	451	66	33	20	570
Redemptions and repayments	(28)	-	-	-	(28)
Net remeasurement of loss allowance	(35)	(20)	3	(8)	(60)
Loan originations	28	14	5	8	55
Net movement excluding derecognition	(35)	(6)	8	-	(33)
Derecognition-disposals	(124)	(9)	-	-	(133)
Derecognition-repossessions	-	-	-	-	-
Derecognition-write offs*	(7)	(1)	(3)	(1)	(12)
Derecognition	(131)	(10)	(3)	(1)	(145)
ECL as at 31 December 2024**	285	50	38	19	392
Net movement excluding derecognition (from above)					(33)
Income booked but not recognised.					(11)
Other Movements***					13
Write offs net of recoveries					1
Impairment write-back on loans and advances to customers for the year ended 31 December 2024					(30)

The Bank's SME mortgage lending is captured within the Commercial line above.

* The Group writes off an impaired financial asset (and the related impairment allowance), either partially or in full, when there is no realistic prospect of recovery. In circumstances where the net realisable value of any collateral has been determined and there is no reasonable expectation of further recovery, write-off may be earlier than collateral realisation.

** Closing ECL incorporates ECL of €12m on loan commitments.

*** Includes impairment charge on deleveraging (€9m) and provisions on loan commitments where there is no recognised financial asset (€4m).

14. Impairment provisions (continued)

30 June 2025	Stage 1	Stage 2	Stage 3	Total
	€m	€m	€m	€m
Total by Stage				
ECL as at 1 January 2025	123	134	135	392
Transfer to Stage 1	18	(18)		-
Transfer to Stage 2	(7)	13	(6)	-
Transfer to Stage 3	-	(6)	6	-
Stage Transfers	11	(11)	-	-
Redemptions and repayments	(3)	(3)	(2)	(8)
Net remeasurement of loss allowance	(33)	9	3	(21)
Loan originations	21	10	-	31
Net movement excluding derecognition	(15)	16	1	2
Derecognition-disposals	-	-	-	-
Derecognition-repossessions	-	-	-	-
Derecognition-write offs*	-	-	(5)	(5)
Derecognition	-	-	(5)	(5)
ECL as at 30 June 2025**	119	139	131	389
Net movement excluding derecognition (from above)				2
Interest income booked but not recognised				(4)
Other Movements***				2
Write offs net of recoveries				-
Impairment write-back on customer loans and advances for the half year ended 30 June 2025				-

* The Group writes off an impaired financial asset (and the related impairment allowance), either partially or in full, when there is no realistic prospect of recovery. In circumstances where the net realisable value of any collateral has been determined and there is no reasonable expectation of further recovery, write-off may be earlier than collateral realisation.

** Closing ECL incorporates ECL of €7m on loan commitments.

*** Includes provisions on loan commitments where there is no recognised financial asset (€4m) which is offset by a release of €2m in respect of deleveraging (warranty provisions were released in relation to a previous loan sale).

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

(continued)

14. Impairment provisions (continued)

31 December 2024	Stage 1 €m	Stage 2 €m	Stage 3 €m	Total €m
Total by Stage				
ECL as at 1 January 2024	165	164	241	570
Transfer to Stage 1	23	(22)	(1)	-
Transfer to Stage 2	(13)	22	(9)	-
Transfer to Stage 3	(1)	(10)	11	-
Stage transfers	9	(10)	1	-
Redemptions and repayments	(6)	(15)	(7)	(28)
Net remeasurement of loss allowance	(79)	(24)	43	(60)
Loan originations	34	20	1	55
Net movement excluding derecognition	(51)	(19)	37	(33)
Derecognition-disposals	-	-	(133)	(133)
Derecognition-repossessions	-	-	-	-
Derecognition-write offs*	-	(1)	(11)	(12)
Derecognition	-	(1)	(144)	(145)
ECL as at 31 December 2024**	123	134	135	392
Net movement excluding derecognition (from above)				(33)
Income booked but not recognised.				(11)
Other Movements***				13
Write offs net of recoveries				1
Impairment write-back on loans and advances to customers for the year ended 31 December 2024				(30)

* The Group writes off an impaired financial asset (and the related impairment allowance), either partially or in full, when there is no realistic prospect of recovery. In circumstances where the net realisable value of any collateral has been determined and there is no reasonable expectation of further recovery, write-off may be earlier than collateral realisation.

** Closing ECL incorporates ECL of €12m on loan commitments.

*** Includes impairment charge on deleveraging (€9m) and provisions on loan commitments where there is no recognised financial asset (€4m).

Modified Financial Assets

There have been no significant modified financial assets for which the loss allowance has changed from lifetime to 12-month ECL at 30 June 2025 and 31 December 2024.

15. Deferred taxation

	30 June 2025 €m	31 December 2024 €m
Deferred tax liabilities	(14)	(15)
Deferred tax assets	327	331
Net deferred tax assets	313	316

15. Deferred taxation (continued)

	30 June 2025	31 December 2024
	€m	€m
At 1 January	316	309
Recognised through Income statement (note 7)	(4)	4
Reclassification to current tax	1	3
30 June/31 December	313	316

At 30 June 2025, the Group had a net deferred tax asset of €313m.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. The recognition of a deferred tax asset relies on Management's judgements surrounding the probability and adequacy of future taxable profits and the reversals of existing taxable temporary differences.

The most important judgement relates to Management's assessment of the recoverability of the deferred tax asset relating to carried forward tax losses, being €319m at 30 June 2025. It should be noted that the full deferred tax asset on tax losses relates to tax losses generated in the PTSB legal entity (i.e. no deferred tax asset is being recognised on tax losses carried forward in any other Group company).

The assessment of recoverability of this asset requires significant judgements to be made about the projection of long-term profitability because of the period over which recovery extends. In addition, given PTSB's history of losses, in accordance with IAS 12, there must be convincing other evidence to underpin this assessment.

In making the assessment, the Board considered the following factors:

- The current macroeconomic environment and external forecasts for the Irish economy particularly in light of the geopolitical environment and inflationary risks;
- The current expected trajectory of the Group's financial performance;
- The impairment performance;
- The Group's projected liquidity and capital position;
- The absolute level of deferred tax assets on tax losses compared to the Group's equity;
- The quantum of profits required to be generated to utilise the tax losses and the extended period of time over which these profits are projected to be generated;
- The challenge of forecasting over an extended period and in particular taking account of external factors such as global political uncertainty, the level of competition and disruptors to the market and market size;
- Consideration of the assumptions underpinning the Group's financial projections (on which analysis of the recoverability of the deferred tax asset on tax losses are based). The key relevant assumptions considered being:
 - No material change to the Group's business activities in the medium term;
 - Further progress in addressing the Group's non-performing assets;
 - NIM is also expected to be positively impacted by the evolution of the Group's lending book as new lending volumes are added and lower yielding tracker mortgages pay down; however, further material reductions in cost of funds are considered unlikely; Continued focus on cost management; and
 - The cost of risk will continue its return to normalised levels reflecting the Group's assessment of the medium to long term average; and
- Consideration of forecasting risks, including sensitivity analysis on the financial projections, such sensitivity analysis including the effect of higher than expected impairments, cost of funds or operating expenditure, and lower than expected asset yields, new lending or ECB rates.

Taking the above factors into account, and in the absence of any expiry date for the utilisation of carried forward tax losses in Ireland, the Board have concluded that it is more likely than not that there will be sufficient taxable profits against which the losses can be utilised and on the basis of the assessment above, continue to recognise €319m of a deferred tax asset on tax losses on the statement of financial position as at 30 June 2025.

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

(continued)

15. Deferred taxation (continued)

In this regard, the Group has carried out an exercise to determine the likely number of years required to utilise the deferred tax asset arising on tax losses carried forward. Based on the Group's latest forecast plans to 2029 and assuming a level of profitability growth consistent with GDP growth of approximately 2.5%, it will take c. 11 years for the deferred tax asset on tax losses of €319m to be utilised. A level of profitability consistent with GDP growth continues to be considered by Management to be appropriate given the Group's primarily domestic retail focus and the expectation arising therefrom that, over the long-term, the Group's performance would be expected to broadly track the performance of the Irish economy, with modest GDP growth expected over the medium term. Management are of the view that a long-term assumed growth rate of 2.5% is not unreasonable in this context.

IFRS does not allow for the deferred tax asset recognised to be discounted notwithstanding that it is likely to take a number of years for it to be recovered.

The expected period of time to full utilisation of the deferred tax asset is broadly in line with that at 31 December 2024 where the DTA was expected to be utilised by 2036. Assumptions underpinning the deferred tax asset recoverability analysis are broadly in line with prior periods.

It should be further noted that the analysis of the estimated utilisation of the deferred tax asset arising on tax losses carried forward in PTSB is based on the current business model of the Group.

The recognition of this asset is dependent on the Group earning sufficient profits to utilise the tax losses. The quantum of and timing of these profits is a source of significant estimation uncertainty. However, as a principle, the Group is expecting to be profitable in the medium term. Consequently, the key uncertainty relates principally to the time period over which these profits will be earned. Whilst the Group may be more or less profitable in certain periods owing to various factors such as the interest rate environment, loan loss provisions, operating costs and the regulatory environment, Management expect that, notwithstanding these, the Group will be profitable over the long term. Consequently, any change to these factors which would ultimately impact on profitability, are highly subjective, but will only impact on the time period over which this asset is recovered.

Pillar Two – minimum effective tax rate

In 2021 the Economic Co-operation and Development (OECD) released the 15% minimum effective tax rate ("Pillar Two") Model Rules. Pillar Two legislation has been enacted in Ireland, effective 1 January 2024. The Group has performed an assessment of the Group's potential exposure to Pillar Two income taxes. Based on the assessment performed, the Group is in scope of the Pillar Two legislation for the Group's financial year beginning 1 January 2025. The Group will continue to assess the application of Pillar Two legislation for future reporting periods. The Group has applied the IAS 12 temporary exception to the accounting for deferred taxes arising from the implementation of the Pillar Two rules.

For the six-month period ended 30 June 2025, the Group has assessed its exposure to Pillar Two top-up taxes and confirms that no current tax expense has been recognised in respect of Pillar Two income taxes.

16. Customer accounts

	30 June 2025	31 December 2024
	€m	€m
Term deposits	5,927	5,104
Demand deposits	7,555	7,520
Current accounts	9,430	9,187
Notice and other accounts	2,326	2,309
Customer accounts	25,238	24,120

All customer accounts above are held at amortised cost.

At 30 June 2025, the Group held corporate deposits of €1,673m (31 December 2024: €1,468m).

An analysis of the contractual maturity profile of customer accounts is set out in the liquidity risk section of note 23 of the 2025 Interim report.

17. Debt securities in issue

	30 June 2025	31 December 2024
	€m	€m
At amortised cost		
Bonds and medium-term notes	1,706	1,731
Total debt securities in issue	1,706	1,731

	30 June 2025	31 December 2024
Maturity analysis		
Repayable in less than 1 year	29	56
Repayable in greater than 1 year but less than 5 years	1,169	1,168
Repayable in greater than 5 years	508	507
Total debt securities in issue	1,706	1,731

Bonds and medium-term notes

€1,650m of Senior Unsecured Medium Term Notes are currently hedged for fair value interest rate risk (31 December 2024: €1,650m). At 30 June 2025, debt securities in issue contains €34m hedge adjustment (31 December 2024: €33m). Further details are included in note 10 of the financial statements.

18. Provisions

	2025				2024			
	Restructuring costs	Provision for legacy, legal and compliance liabilities	Other	Total	Restructuring costs	Provision for legacy, legal and compliance liabilities	Other	Total
	€m	€m	€m	€m	€m	€m	€m	€m
As at 1 January	1	17	28	46	2	13	25	40
Provisions made during the period	29	8	-	37	-	13	5	18
Write-back of provisions during the period	-	-	(2)	(2)	-	(3)	(2)	(5)
Provisions used during the period	(19)	(10)	-	(29)	(1)	(6)	-	(7)
As at 30 June/31 December	11	15	26	52	1	17	28	46

The provision at 30 June 2025 is €52m (31 December 2024: €46m) which comprises the following:

Restructuring costs

During 2025, the Group provided €29m for a Voluntary Severance Scheme (VSS). €19m has been utilised during the first half of the year. The remaining provision is expected to be utilised by early 2026.

The Group has €0.4m provided for the Enterprise Transformation programme which began in 2020 (31 December 2024: €0.4m). This programme is expected to conclude in 2025.

The Group remains a lessee on a non-cancellable lease over a property that it no longer occupies following a restructure in 2013. The remaining Restructuring provision of €0.5m primarily relates to dilapidation costs associated with this property (31 December 2024: €0.6m).

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(continued)

18. Provisions (continued)

Provision for legacy, legal and compliance liabilities

As at 30 June 2025, the Group has provisions of €15m relating to legal, compliance and other costs of ongoing disputes in relation to legacy business issues (31 December 2024: €17m).

A provision of €8m was made during 2025 relating to legal, compliance and other costs of ongoing disputes in relation to legacy business issues. €4m of this relates to ECL (31 December 2024: €4m) held against loan commitments (see note 24 for further detail) (where the loan commitment relates to a loan already recognised as a financial asset, the ECL is recognised in Loans and advances to customers).

Management has exercised judgment in arriving at the estimated provision in respect of the potential liabilities.

Other

As at 30 June 2025, Other provisions of €26m (31 December 2024: €28m) primarily relates to indemnities and guarantees provided by the Group, together with further costs relating to the purchasing and deleveraging of asset portfolios. During 2025, warranty provisions of €2m were released in relation to loan deleveraging transactions that the Group executed in 2022.

19. Subordinated liabilities

	30 June 2025	31 December 2024
	€m	€m
At amortised cost:		
€250m Tier 2 capital notes due August 2031, Callable 2026	260	257
	260	257

	30 June 2025	31 December 2024
	€m	€m
Maturity date		
Repayable in less than 1 year	6	3
Repayable in greater than 1 year but less than 5 years	-	-
Repayable in greater than 5 years	254	254
	260	257

Tier 2 capital notes – PTSBGH

In May 2021, PTSBGH issued €250m of Tier 2 capital notes at a fixed rate of 3% per annum. The notes mature on 19 August 2031 with a call date of any date from and including 19 May 2026 to and including 19 August 2026. The call is subject to approval by the regulatory authorities, with approval conditional on meeting the requirements of the Capital Requirements Regulation.

The interest rate will be reset, in the event that the securities are not called on 19 August 2026 to Euro 5 year Mid Swap rate plus a margin of 3.221% per annum. The loan is subordinated and ranks as Tier 2 capital with interest paid annually in arrears on 19 August. The loan may be subject to the exercise of Irish Statutory loss absorption powers by the relevant resolution authority.

The Tier 2 capital notes are currently hedged for interest rate risk. At 30 June 2025, subordinated liabilities contain €3m hedge adjustment (31 December 2024: €5m). Further details on hedging are included in note 10 of the financial statements.

In the event of winding up of PTSBGH, the Tier 2 capital notes will be:

- junior in right of payment to all Senior Claims;
- pari passu with all other subordinated claims against PTSBGH which constitute, or would but for any applicable limitation on the amount of such capital constitute, Tier 2 capital notes or that rank or are expressed to rank pari passu with the obligations of PTSBGH under Tier 2 capital notes; and
- in priority to PTSBGH ordinary shares, preference shares, additional Tier 1 capital notes and junior subordinated obligations or other securities of PTSBGH which by law rank, or by their terms are expressed to rank, junior to the Tier 2 capital notes.

The Group did not have any defaults of principal and interest or other breaches with respect to its subordinated liabilities during the period ending 30 June 2025 or during the year ended 31 December 2024.

20. Share capital, reserves and other equity instruments

Share capital

Share capital is the funds raised as a result of a share issue and comprises the ordinary shares of the holding company Permanent TSB Group Holdings plc.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Bank.

All ordinary shares rank equally with regard to the Bank's residual assets.

Authorised share capital

30 June 2025	30 June 2025	
	Number of shares	€m
Ordinary shares of €0.50 each	1,550,000,000	775

31 December 2024	31 December 2024	
	Number of shares	€m
Ordinary shares of €0.50 each	1,550,000,000	775

Issued share capital

The movement in the number of paid up ordinary shares is as follows:

Balance as at 30 June 2025	€0.50 Ordinary shares	Total €m
As at 1 January 2025	544,996,176	
Movement	-	
As at 30 June 2025	544,996,176	
Issued share capital (€m)	272	272
Shares held under employee benefit trust	4,580	
% of Authorised capital issued		35%

Balance as at 31 December 2024	€0.50 Ordinary shares	Total €m
As at 1 January 2024	545,589,119	
Movement*	(592,943)	
As at 31 December 2024	544,996,176	
Issued share capital (€m)	272	272
Shares held under employee benefit trust	4,580	
% of Authorised capital issued		35%

* In 2024 Permanent TSB Group Holdings plc completed a share buyback of 592,943 ordinary shares at a price of €1.74 per ordinary share totalling €1m. The shares were recognised as treasury shares upon repurchase and were subsequently cancelled. The nominal amount, €0.3m was transferred from share capital to the capital redemption reserve with the total repurchase amount of €1m being deducted from retained earnings in addition to €1m of related transaction costs. The number of ordinary shares in issue at 31 December 2024 was 544,996,176.

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20. Share capital, reserves and other equity instruments (continued)

Share premium

The share premium reserve represents the excess of amounts received for share issues less associated issue costs over the par value of those shares of the Company.

Other reserves

Revaluation reserve (Non-distributable)

The revaluation reserve is a non-distributable reserve comprising of unrealised gains or losses, net of tax, on the revaluation of owner-occupied properties.

Fair value reserve (Non-distributable)

The fair value reserve comprises:

- the cumulative net change in the fair value of equity securities measured at FVOCI; and
 - the cumulative net change in the fair value of debt securities measured at FVOCI until the assets are derecognised or reclassified.
- This amount is increased by the amount of loss allowance and is disposed of by the end of the year.

Other capital reserves (Non-distributable)

Other capital reserves includes €1,087m capital issued by the Company net of €7m capital redemption reserve arising from the repurchase and cancellation of shares and €224m incurred in the cancellation of the share capital and share premium of PTSB on the incorporation of the Company. €1m was transferred into the capital redemption reserve during 2024 as a result of the share buyback.

Retained earnings

Retained earnings include distributable and non-distributable earnings. This reserve represents the retained earnings of the holding company and subsidiaries after consolidation adjustments.

€21m (31 December 2024: €43m) coupon interest on the AT1 securities was paid from this reserve as of 30 June 2025.

Other equity instruments - Non-distributable

Additional Tier 1 securities	30 June 2025	31 December 2024
	€m	€m
As at 1 January	368	368
Profit	21	43
AT1 Coupon Paid	(21)	(43)
Additional Tier 1 securities	368	368

On 26 October 2022, PTSBGH issued additional €250m AT1 Fixed Rate Reset Perpetual Temporary Write Down Securities. The transaction costs incurred were €5m. The first reset date for the fixed rate is 26 April 2028. The AT1 securities are perpetual and redeemable financial instruments with an interest rate of 13.25% which is paid on a semi-annual basis in arrears on 26 April and 26 October of each year, commencing on 26 April 2023. The Company may, at its sole discretion, redeem the AT1 securities in full on any day falling in the period commencing 26 October 2027 and the first reset date above and on every interest payment date thereafter (subject to the approval of the Supervisory Authority) at the prevailing principal amount together with accrued but unpaid interest. In addition, the securities are redeemable at the option of the Company for certain regulatory or tax reasons, subject to regulatory approval. On the first reset date on 26 April 2028, in the event the securities are not redeemed, interest will be reset to Euro 5 year Mid Swap rate plus a margin of 10.546% (converted from an annual to a semi-annual rate). The Company may elect at its full discretion at any time to cancel permanently (in whole or in part) the interest amount otherwise scheduled to be paid on an interest payment date.

20. Share capital, reserves and other equity instruments (continued)

On 25 November 2020, PTSBGH issued €125m nominal value of AT1 Perpetual Temporary Write Down Securities as part of a capital raise. The transaction costs incurred were €2m. The first reset date for the fixed rate is 25 May 2026. The AT1 securities are perpetual and redeemable financial instruments with an interest rate of 7.875% which is paid on a semi-annual basis in arrears on 25 May and 25 November of each year. The Company may, at its sole discretion, redeem the AT1 securities in full on any day falling in the period commencing 25 November 2025 and the first reset date above and on every interest payment date thereafter (subject to the approval of the Supervisory Authority) at the prevailing principal amount together with accrued but unpaid interest. In addition, the securities are redeemable at the option of the Company for certain regulatory or tax reasons, subject to regulatory approval. On the first reset date on 25 May 2026, in the event the securities are not redeemed, interest will be reset to Euro 5 year Mid Swap rate plus a margin of 8.468% (converted from an annual to a semi-annual rate). The Company may elect at its full discretion at any time to cancel permanently (in whole or in part) the interest amount otherwise scheduled to be paid on an interest payment date.

The Company may use such cancelled payments without restriction, including to make distributions or any other payments to the holders of its shares or any other securities issued by the Company. Any cancellation of interest payments will be permanent and on a non-cumulative basis and such cancellation will not give rise to or impose any restriction on the Company.

Under the EU (Bank Recovery and Resolution) Regulations 2015, these securities are loss absorbing at the point of non-viability.

On the occurrence of a trigger event, at any time, any accrued and unpaid interest up to (but excluding) the write down date shall be automatically and irrevocably cancelled, and the then Prevailing Principal Amount of each Security shall be automatically and irrevocably reduced by the write down amount. This will occur if the CET1 Capital Ratio of PTSB or the Group at any time falls below 7%. Subsequent to any write-down event the Company may, at its sole discretion, write-up some or all of the written-down principal amount of the AT1 instrument provided regulatory capital requirements and the securities rank behind the claims against the Group of all other subordinated and unsubordinated creditors.

21. Analysis of other comprehensive income

The analysis of other comprehensive income below provides additional analysis to the information provided in the primary statements and should be read in conjunction with the condensed consolidated statement of changes of equity.

Six months to 30 June 2025	Revaluation reserve	Fair value reserve	Retained earnings	Total
	€m	€m	€m	€m
Other comprehensive income (net of tax)				
Revaluation of property	-	-	-	-
Fair value reserve (equity instruments):				
Change in fair value of equity instruments	-	-	-	-
Total other comprehensive income, net of tax	-	-	-	-

Twelve months to 31 December 2024	Revaluation reserve	Fair value reserve	Retained earnings	Total
	€m	€m	€m	€m
Other comprehensive income (net of tax)				
Revaluation of property	(7)	-	-	(7)
Fair value reserve (equity instruments):				
Change in fair value of equity instruments	-	3	-	3
Total other comprehensive income/(expense), net of tax	(7)	3	-	(4)

Six months to 30 June 2024	Revaluation reserve	Fair value reserve	Retained earnings	Total
	€m	€m	€m	€m
Other comprehensive income (net of tax)	-	-	-	-
Revaluation of property	-	-	-	-
Fair value reserve (debt instruments):	-	-	-	-
Change in fair value of equity instruments	-	-	-	-
Total other comprehensive expense, net of tax	-	-	-	-

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22. Measurement basis and fair values of financial instruments

The table below sets out an overview of financial instruments held by the Group and their fair values. The Group classifies its financial instruments into the following categories, determined at initial recognition for each individual instrument.

(a) Measurement basis and fair value of financial instruments

30 June 2025	Note	Held at amortised cost €m	At fair value through OCI €m	At fair value through profit or loss €m	Designated as fair value hedges €m	Total carrying value €m	Fair value €m
Financial assets							
Cash at bank	9	60	-	-	-	60	60
Items in course of collection	9	22	-	-	-	22	22
Loans and advances to banks	9	2,286	-	-	-	2,286	2,286
Derivative financial instruments	10	-	-	-	56	56	56
Other assets		7	-	-	-	7	7
Debt securities	12	4,882	-	-	-	4,882	4,830
Equity securities (including Held for sale)		-	9	-	-	9	9
Loans and advances to customers	13, 14	21,768	-	-	-	21,768	22,028
Financial liabilities							
Deposits by banks		40	-	-	-	40	40
Customer accounts	16	25,238	-	-	-	25,238	25,219
Derivative financial instruments	10	-	-	1	-	1	1
Debt securities in issue	17	1,672	-	-	34	1,706	1,792
Subordinated liabilities	19	257	-	-	3	260	256
Other financial liabilities		155	-	-	-	155	155

31 December 2024	Note	Held at amortised cost €m	At fair value through OCI €m	At fair value through profit or loss €m	Designated as fair value hedges €m	Total carrying value €m	Fair value €m
Financial assets:							
Cash at bank	9	72	-	-	-	72	72
Items in course of collection	9	23	-	-	-	23	23
Loans and advances to banks		2,202	-	-	-	2,202	2,202
Derivative financial instruments	10	-	-	-	59	59	59
Other assets		7	-	-	-	7	7
Debt securities	12	4,327	-	-	-	4,327	4,253
Equity securities		-	9	-	-	9	9
Loans and advances to customers	13,14	21,423	-	-	-	21,423	21,456
Financial liabilities:							
Deposits by banks		105	-	-	-	105	105
Customer accounts	16	24,120	-	-	-	24,120	24,062
Derivative financial instruments	10	-	-	-	-	-	-
Debt securities in issue	17	1,698	-	-	33	1,731	1,822
Subordinated liabilities	19	252	-	-	5	257	250
Other financial liabilities		129	-	-	-	129	129

The fair values of financial instruments are measured according to the following fair value hierarchy:

Level 1 – financial assets and liabilities measured using quoted market prices (unadjusted).

Level 2 – financial assets and liabilities measured using valuation techniques which use observable inputs including quoted prices of financial instruments themselves or quoted prices of similar instruments in either active or inactive markets.

Level 3 – financial assets and liabilities measured using valuation techniques which use unobservable market data inputs.

22. Measurement basis and fair values of financial instruments (continued)

The following table sets out the fair value of financial instruments that the Group holds at 30 June 2025. It categorises these financial instruments into the relevant level on the fair value hierarchy.

Basis and fair value of financial instruments

30 June 2025	Note	Total carrying value €m	Level 1 €m	Level 2 €m	Level 3 €m	Total fair value €m
Financial assets:						
Cash at bank	9	60	60	-	-	60
Items in the course of collection	9	22	-	22	-	22
Loans and advances to banks		2,286	-	2,286	-	2,286
Derivative financial instruments	10	56	-	56	-	56
Debt securities	12	4,882	4,704	126	-	4,830
Equity securities (including Held for sale)		9	7	-	2	9
Loans and advances to customers	13,14	21,768	-	-	21,768	22,028
Financial liabilities:						
Deposits by banks		40	-	40	-	40
Customer accounts	16	25,238	-	25,219	-	25,219
Derivative financial instruments	10	1	-	1	-	1
Debt securities in issue	17	1,706	-	1,792	-	1,792
Subordinated liabilities	19	260	-	256	-	256
Other financial liabilities		155	-	155	-	155

31 December 2024		Total carrying value €m	Level 1 €m	Level 2 €m	Level 3 €m	Total fair value €m
Financial assets:						
Cash at bank	9	72	72	-	-	72
Items in course of collection	9	23	-	23	-	23
Loans and advances to banks		2,202	-	2,202	-	2,202
Derivative financial instruments	10	59	-	59	-	59
Debt securities	12	4,327	4,145	108	-	4,253
Equity securities		9	7	-	2	9
Loans and advances to customers	13,14	21,423	-	-	21,456	21,456
Financial liabilities:						
Deposits by banks		105	-	105	-	105
Customer accounts	16	24,120	-	24,062	-	24,062
Derivative financial instruments	10	-	-	-	-	-
Debt securities in issue	17	1,731	-	1,822	-	1,822
Subordinated liabilities	19	257	-	250	-	250
Other financial liabilities		129	-	129	-	129

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

(continued)

22. Measurement basis and fair values of financial instruments (continued)

(b) Fair value measurement principles

The Group's accounting policy on valuation of financial instruments is described in note 1 and note 2 of the consolidated financial statements for 2024 and contains details on the critical accounting estimates and judgements made by management in relation to the fair value measurement of financial instruments. The fair value of a financial instrument is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Where possible, the Group calculates fair value using observable market prices in an active market. Where market prices are not available, fair values are determined using valuation techniques. These techniques are subjective in nature and may involve assumptions which are based upon management's view of market conditions at period end, which may not necessarily be indicative of any subsequent fair value. Any minor changes in the assumptions used could have a significant impact on the resulting estimated fair values and, as a result, it may be difficult for the users to make a reasonable comparison of the fair value information disclosed in this note, against that disclosed by other financial institutions or to evaluate the Group's financial position and, therefore, are advised to exercise caution in interpreting these fair values. Also the fair values disclosed above do not represent, nor should it be interpreted to represent, the underlying value of the Group as a going concern at the reporting date.

Financial assets and financial liabilities not subsequently measured at fair value

Other than derivative financial instruments and equity securities, all other financial assets and liabilities are not measured at fair value at the reporting date. A description of the methods and assumptions used to calculate fair values of these assets and liabilities is set out below.

Cash at bank

The fair value of these financial instruments is equal to their carrying value due to these instruments being repayable on demand and short-term in nature in an active market.

Items in course of collection

The fair value of these financial instruments is equal to their carrying value due to these instruments being repayable on demand and short-term in nature.

Loans and advances to banks

For the purposes of fair value valuation, loans and advances to banks have been treated as cash and cash equivalents. These loans and advances are repayable on demand and short-term in nature; hence, the fair value of each financial instrument is equal to their carrying value.

Loans and advances to customers

Loans and advances to customers are carried net of impairments. The Group uses a discounted cash flow valuation model to estimate the fair value for the residential and commercial mortgages. Cash flows are discounted using the current weighted average interest rate based on the specific portfolio. The fair value calculation also takes into account loan impairment provisions at the balance sheet date. The carrying value of the consumer finance portfolio is considered equal to its fair value due to its short duration.

Debt securities (HTC securities)

Debt securities at 30 June 2025 are €4,882m (31 December 2024 €4,327m) and consist of HTC securities. HTC securities are derived from observable inputs through independent pricing sources such as Bloomberg.

Deposits by banks/customer accounts

The estimated fair value of deposit liabilities and current accounts with no stated maturity which are repayable on demand (including non-interest bearing deposits), approximates to their book value. The estimated fair value of fixed-interest bearing deposits and other borrowings is based on discounted cash flows using interest rates for new deposits with similar remaining maturities.

Debt securities in issue/subordinated liabilities

The fair values of debt securities in issue/subordinated liabilities are derived from observable inputs through independent pricing sources such as Bloomberg. All instruments are hedged for interest rate risk. Further details on hedging are included in note 10 of the financial statements. Where a readily available market price is unavailable in relation to the instrument, an estimated price is calculated using observable market data for similar instruments. If observable market data is not available, an appropriate credit spread linked to similar instruments, is used within the valuation technique. Since 2023, due to changes in market conditions, quoted prices in active markets are no longer available for these instruments. However, there is sufficient information available to measure the fair value of these instruments based on observable market inputs. Therefore, debt securities in issue and subordinated liabilities are now classified as Level 2 in the fair value hierarchy.

22. Measurement basis and fair values of financial instruments (continued)

Financial assets and financial liabilities subsequently measured at fair value

On initial recognition, all financial instruments are measured at fair value. Derivative financial instruments are held for trading and fair valued through the income statement.

Derivative financial instruments

The fair values of derivatives are determined using valuation techniques such as discounted cash flow and pricing models which are commonly used by market participants. These valuations are provided by third party brokers and the models used incorporate observable market inputs such as current interest rate, time to maturity, forward foreign exchange rates, yield curves and volatility measures.

Equity securities

PTSB Group holds Series A and Series B preferred stock in Visa Inc. at 30 June 2025. The Series A preferred stock was issued from Visa Inc during 2024 upon the conversion of Series B preferred stock. At 30 June 2025, PTSB Group holds Series A preferred stock with a value of €7m and Series B preferred stock with a value of €2m in Visa Inc (31 December 2024: €9m) and are recognised in the statement of financial position at FVOCI. The Series A preferred stock have been classified as assets held for sale as at 30 June 2025 (see note 11 for further details).

The fair values of the Series A preferred stock in Visa Inc. is classified as Level 1 and the fair value of the Series B preferred stock is classified as Level 3, as the valuation of these preferred stock includes inputs that are based on unobservable data.

30 June 2025	Note	Level 1 €m	Level 2 €m	Level 3 €m	Total €m
Financial assets measured at fair value					
Derivative financial instrument	10	-	56	-	56
Equity instruments (including Held for sale)		7	-	2	9

Financial liabilities measured at fair value

Derivative financial instrument	10	-	1	-	1
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31 December 2024	Note	Level 1 €m	Level 2 €m	Level 3 €m	Total €m
Financial assets measured at fair value					
Derivative financial instrument	10	-	59	-	59
Equity instruments		7	-	2	9
Financial liabilities measured at fair value					
Derivative financial instrument	10	-	-	-	-

Reconciliation of level 3 fair value measurements of financial assets

	30 June 2025 €m	31 December 2024 €m
Equity instruments		
As at 1 January	2	5
Revaluation movement in OCI – Fair value reserve (equity instruments)	-	4
Conversion of Series B preferred stock to Series A preferred stock	-	(7)
As at 30 June/31 December	2	2

There were no transfers between level 1, level 2 or level 3 of the fair value hierarchy during 2025 or 2024 for financial assets except for the conversion of Series B preferred stock to Series A preferred stock.

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

(continued)

22. Measurement basis and fair values of financial instruments (continued)

Level 3 fair value measurements of financial liabilities

There were no transfers between level 1, level 2 or level 3 of the fair value hierarchy during 2025 or 2024 for financial liabilities.

Level 3 sensitivity analysis

The table below sets out information about significant unobservable inputs used in measuring financial instruments categorised as Level 3 in the fair value hierarchy:

30 June 2025	Valuation technique	Significant unobservable inputs	Range of estimates for unobservable inputs	Fair Value	Ranges of estimates Changes in the fair value
Visa Inc. Series B Preferred Stock	Quoted market price (Discounted)*	Final share conversion rate	0 - 90%	2	0 - 90%

* Discount has been applied for illiquidity and the conversion rate variability of the Visa Inc. Series B Preferred stock.

31 December 2024	Valuation technique	Significant unobservable inputs	Range of estimates for unobservable inputs	Fair Value	Ranges of estimates Changes in the fair value
Visa Inc. Series B Preferred Stock	Quoted market price (Discounted)*	Final share conversion rate	0-90%	2	0-90%

* Discount has been applied for illiquidity and the conversion rate variability of the Visa Inc. Series B Preferred stock.

Significant unobservable inputs

Visa Inc. Series B preferred stock

The Series B preferred stock was fair valued at €2m at 30 June 2025 (31 December 2024: €2m) and is recognised in the statement of financial position at FVOCI.

Valuation Methodology: The Visa Inc. Class A Common stock price and conversion ratios were applied to the PTSB shareholding of Visa Inc. Series B preferred shares at 30 June 2025 and 31 December 2024. Future conversions are calculated using discounted cash follows. The stock was revalued at the period-end exchange rate.

Unobservable input: The unobservable inputs are the discount factor used to discount the future conversions of Series B preferred stock.

The Visa Inc. Series B preferred stock is denominated in US dollars and is exposed to FX risk.

23. Financial risk management

Maximum exposure to credit risk before collateral held or other credit enhancements

The following table outlines the maximum exposure to credit risk before collateral held or other credit enhancements in respect of the Group's financial assets as at the statement of financial position date.

	Notes	30 June 2025 €m	31 December 2024 €m
Cash at bank	9	60	72
Items in course of collection	9	22	23
Loans and advances to banks (iii)		2,286	2,202
Derivative financial instruments (ii)	10	56	59
Other assets		7	7
Debt securities (i)	12	4,882	4,327
Loans and advances to customers (iv)	13	21,768	21,423
		29,081	28,113
Commitments	24	1,684	1,618
		30,765	29,731

The following tables outline the Group's exposure to credit risk by asset class

(i) Debt securities

The Group is exposed to the credit risk on third parties where the Group holds debt securities (primarily sovereign debt). These exposures are subject to the limitations contained within Board approved policies, with sovereign debt restricted to those countries that have an External Credit Assessment Institution (ECAI) rating of investment grade.

The following table gives an indication of the level of credit worthiness of the Group's debt securities and is based on the ratings prescribed by Moody's Investor Service Limited and Standard and Poor's for Belgian covered bonds*. There are no impaired debt securities as at 30 June 2025 or at 31 December 2024, with the exception of the corporate bond.

	30 June 2025 €m	31 December 2024 €m
Rating		
Aaa	935	726
AAA*	45	-
Aa1	292	292
Aa3	2,217	2,116
A3	439	439
Baa1	737	599
Baa3	217	155
Total	4,882	4,327

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

(continued)

23. Financial risk management (continued)

The following table discloses, by country, the Group's exposure to sovereign debt and corporate debt as at:

	30 June 2025	31 December 2024
	€m	€m
Country		
Ireland	1,492	1,524
EU	782	658
Spain	737	599
France	691	578
Portugal	439	439
Austria	292	292
Italy	217	155
Belgium	148	82
Netherlands	84	-
Total	4,882	4,327

(ii) Derivative financial instruments

The Group has executed standard ISDA agreements with all of its counterparties. The Group has also executed CSAs with all of its counterparties in respect of all derivative instruments to mitigate its credit risk. As part of these agreements, the Group exchanges collateral in line with movements in the market values of derivative positions daily. FX forward derivatives are settled gross. The Group manages its collateral derivative positions with counterparties on a net basis. The uncollateralised derivative positions are held with investment grade counterparties. The cumulative positive market value of derivative assets at 30 June 2025 was €56m (31 December 2024: €59m) which relates to fair value hedge interest rate swaps used to hedge interest rate risk on fixed rate debt securities in issue, subordinated liabilities, fixed rate retail mortgages and fixed rate retail deposits. See note 10 for further detail.

(iii) Loans and advances to banks

The Group has a policy to ensure that, where possible, loans and advances to banks are held with investment grade counterparties with any exceptions subject to prior approval by the BRCC. The following table gives an indication of the level of creditworthiness of the Group's loans and advances to banks and is based on the ratings prescribed by Moody's Investor Service Limited and Standard and Poor's for the CBI.

	30 June 2025	31 December 2024
	€m	€m
Rating		
AAA	2,006	1,887
Aa1	-	23
Aa2	16	6
Aa3	116	125
A1	88	90
A2	60	71
Total	2,286	2,202

23. Financial risk management (continued)

The following sections detail additional disclosures on Asset Quality.

(iv) Loans and advances to customers

Gross customers loans and advances

The tables below outline total loans and advances to customers for the Group analysed by home loan, buy-to-let, commercial, consumer finance and finance leases and hire purchase receivables.

	30 June 2025	31 December 2024
	€m	€m
Measured at amortised cost		
Residential mortgages:		
Home loan	19,845	19,539
Buy-to-let	432	464
Total residential mortgages	20,277	20,003
Commercial	533	493
Consumer finance	571	553
Finance leases and hire purchase receivables	473	466
Total measured at amortised cost	21,854	21,515
Analysed by ECL staging:		
Stage 1	19,397	19,100
Stage 2	2,070	2,033
Stage 3	387	382
POCI	-	-
Total measured at amortised cost	21,854	21,515
Of which at the reporting date:		
Neither past due nor Stage 3	21,421	21,081
Past due but not Stage 3	46	52
Stage 3	387	382
Total measured at amortised cost	21,854	21,515
Of which are reported as non-performing loans	387	382
Deferred fees, discount fees and business combination related fair value adjustments	303	300

The Bank's SME mortgage lending is captured within the Commercial line above.

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

(continued)

23. Financial risk management (continued)

Past due but not Stage 3

The following tables provide an aged analysis of home loan, buy-to-let and commercial mortgages which are past due but not Stage 3 (excludes Consumer Finance and Finance leases and hire purchase receivables).

30 June 2025	Home loans €m	Buy-to-let €m	Commercial €m	Total €m
0-30 days	25	1	1	27
31-60 days	5	-	-	5
61-90 days	4	-	-	4
Total past due not Stage 3	34	1	1	36
Fair value of collateral held	34	1	1	36

Fair value of collateral held	Home loans €m	Buy-to-let €m	Commercial €m	Total €m
0-30 days	25	1	1	27
31-60 days	5	-	-	5
61-90 days	4	-	-	4
Total past due not Stage 3	34	1	1	36

31 December 2024	Home loans €m	Buy-to-let €m	Commercial €m	Total €m
0-30 days	24	1	2	27
31-60 days	4	-	-	4
61-90 days	7	-	-	7
Total past due not Stage 3	35	1	2	38
Fair value of collateral held	35	1	2	38

Fair value of collateral held	Home loans €m	Buy-to-let €m	Commercial €m	Total €m
0-30 days	24	1	2	27
31-60 days	4	-	-	4
61-90 days	7	-	-	7
Total past due not Stage 3	35	1	2	38

The Bank's SME mortgage lending is captured within the Commercial line above.

Collateral held against residential mortgages is principally comprised of residential properties; their fair value has been estimated based upon the last actual valuation, adjusted to take into account subsequent movement in house prices and is capped at the lower of the loan balance or the valuation amount.

23. Financial risk management (continued)

Non-performing loans

Non-performing loans (NPLs) are loans which are credit impaired or loans which are classified as defaulted in accordance with the Group's definition of default. The Group's definition of default considers objective indicators of default including the 90 days past due criterion, evidence of exercise of concessions or modifications to terms and conditions is designed to be consistent with European Banking Authority (EBA) guidance on the definition of forbearance.

Foreclosed assets are assets held on the balance sheet which are obtained by taking possession of collateral or by calling on similar credit enhancements.

Non-performing assets are defined as NPLs plus foreclosed assets.

30 June 2025	Stage 3					Total €m
	Home loans	Buy-to-let	Commercial	Consumer finance	Finance leases and hire purchase receivables	
	€m	€m	€m	€m	€m	
NPL is < 90 days	114	33	16	6	3	172
NPL is > 90 days and < 1 year past due	47	6	-	5	2	60
NPL is 1-2 years past due	41	10	1	2	1	55
NPL is 2-5 years past due	34	16	1	3	1	55
NPL is > 5 years past due	28	8	4	5	-	45
POCI	-	-	-	-	-	-
Non-performing loans	264	73	22	21	7	387
Foreclosed assets	1	4	-	-	-	5
Non-performing assets	265	77	22	21	7	392
NPLs as % of gross loans	1.3%	16.9%	4.1%	3.7%	1.5%	1.8%

The Bank's SME mortgage lending is captured within the Commercial line above.

31 December 2024	Stage 3					Total €m
	Home loans	Buy-to-let	Commercial	Consumer finance	Finance leases and hire purchase receivables	
	€m	€m	€m	€m	€m	
NPL is < 90 days	113	29	17	6	4	169
NPL is > 90 days and < 1 year past due	55	10	-	4	2	71
NPL is 1-2 years past due	34	11	2	2	1	50
NPL is 2-5 years past due	30	12	1	3	1	47
NPL is > 5 years past due	27	9	4	5	-	45
POCI	-	-	-	-	-	-
Non-performing loans	259	71	24	20	8	382
Foreclosed assets	2	5	-	-	-	7
Non-performing assets	261	76	24	20	8	389
NPLs as % of gross loans	1.3%	15.3%	4.9%	3.6%	1.7%	1.8%

The Bank's SME mortgage lending is captured within the Commercial line above.

Non-performing loans as a percentage of total loans and advances was 1.8% at 30 June 2025 (31 December 2024: 1.8%).

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

(continued)

23. Financial risk management (continued)

Total portfolio loss allowance: statement of financial position

The tables below outline the ECL loss allowance total at 30 June 2025 and 31 December 2024 in respect of total customer loans and advances.

The impairment result in respect of the total loans and advances for half year ended 30 June 2025 is nil, compared to a write-back of €30m for the year ended 31 December 2024.

	30 June 2025	31 December 2024
	€m	€m
Loss allowance - statement of financial position		
Stage 1	119	123
Stage 2	139	134
Stage 3	131	135
Total loss allowance	389	392

	30 June 2025	31 December 2024
	%	%
Provision coverage ratio*		
Stage 1	0.6%	0.6%
Stage 2	6.7%	6.6%
Stage 3	33.9%	35.4%
Total provisions/total loans	1.8%	1.8%

* Provision coverage ratio is calculated as loss allowance/impairment provision as a percentage of gross loan balance.

Loan-to-value profile

Loan-to-value (LTV) of mortgage lending (index linked):

The LTV ratio is calculated at a property level and is the average of indexed property values in proportion to the outstanding loan balance. LTV is a key input to the impairment provisioning process. The tables below outline the composition of this ratio for the residential loan portfolio.

23. Financial risk management (continued)

Actual and average LTVs across principal mortgage portfolios:

The tables below outline the weighted average LTVs for the total residential mortgage portfolios analysed across home loan and buy-to-let facilities by value. The weighted average LTV on the existing residential mortgage portfolios is 48% at 30 June 2025; 48% at 31 December 2024.

30 June 2025	Home loans	Buy-to-let	Total
	%	%	%
Less than 50%	56%	52%	55%
50% to 70%	31%	25%	31%
71% to 90%	13%	11%	13%
91% to 100%	-	4%	1%
Subtotal	100%	92%	100%
101% to 110%	-	3%	-
111% to 120%	-	1%	-
121% to 130%	-	2%	-
131% to 140%	-	-	-
141% to 150%	-	-	-
151% to 160%	-	-	-
161% to 170%	-	-	-
171% to 180%	-	-	-
Greater than 180%	-	2%	-
Subtotal	-	8%	-
Total	100%	100%	100%
Weighted average LTV:			
Stock of residential mortgages	48%	54%	48%
Residential mortgages originated in the year	68%	54%	68%
Stage 3 mortgages	53%	102%	63%

31 December 2024	Home loans	Buy-to-let	Total
	%	%	%
Less than 50%	54%	51%	54%
50% to 70%	33%	26%	33%
71% to 90%	13%	11%	12%
91% to 100%	-	4%	1%
Subtotal	100%	92%	100%
101% to 110%	-	2%	-
111% to 120%	-	2%	-
121% to 130%	-	1%	-
131% to 140%	-	-	-
141% to 150%	-	1%	-
151% to 160%	-	-	-
161% to 170%	-	-	-
171% to 180%	-	-	-
Greater than 180%	-	2%	-
Subtotal	-	8%	-
Total	100%	100%	100%
Weighted average LTV:			
Stock of residential mortgages	48%	56%	48%
Residential mortgages originated in the year	68%	51%	68%
Stage 3 mortgages	53%	106%	64%

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

(continued)

23. Financial risk management (continued)

Forbearance arrangements

The Group has provided information in respect of its key forborne portfolios at the statement of financial position date.

The Group operates a number of mechanisms which are designed to assist borrowers experiencing credit and loan repayment difficulties, which have been developed in accordance with the current Code of Conduct on Mortgages Arrears (CCMA). These are set out below.

Forbearance arrangements - mortgages

The tables below set out the volume of loans for which the Group has entered formal temporary and permanent forbearance arrangements with customers as at 30 June 2025 and 31 December 2024.

(i) Residential home loan mortgages:

The incidence of the main type of forbearance arrangements for owner occupied residential mortgages are analysed below:

30 June 2025	All loans		Stage 3	
	Number	Balances	Number	Balances
		€m		€m
Interest only	10	2	6	1
Reduced payment (less than interest only)	22	3	16	2
Reduced payment (greater than interest only)	736	104	416	61
Payment moratorium	53	7	39	5
Arrears capitalisation	482	52	329	35
Term extension	329	23	166	12
Hybrid*	159	18	120	14
Split mortgages**	74	11	74	11
Total	1,865	220	1,166	141

* Hybrid is a combination of two or more forbearance arrangements.

** Split mortgage is where a portion of outstanding debt is deferred until financial ability or circumstances improve.

31 December 2024	All loans		Stage 3	
	Number	Balances	Number	Balances
		€m		€m
Interest only	8	1	6	1
Reduced payment (less than interest only)	32	6	26	4
Reduced payment (greater than interest only)	842	117	416	61
Payment moratorium	65	9	45	6
Arrears capitalisation	550	59	348	38
Term extension	355	25	178	13
Hybrid*	150	15	118	12
Split mortgages**	74	10	74	10
Total	2,076	242	1,211	145

* Hybrid is a combination of two or more forbearance arrangements.

** Split mortgage is where a portion of outstanding debt is deferred until financial ability or circumstances improve.

The tables above reflect a decrease of 211 cases in the half year to 30 June 2025 for the Group in the number of residential home loan mortgages in forbearance arrangements, a decrease of €22m in balances. The average balance of forborne loans is €0.118m at 30 June 2025 (31 December 2024: €0.117m).

23. Financial risk management (continued)

(ii) Residential buy-to-let mortgages:

The incidence of the main type of forbearance arrangements for residential buy-to-let mortgages are analysed below:

30 June 2025	All loans		Stage 3	
	Number	Balances	Number	Balances
		€m		€m
Interest only	6	3	5	3
Reduced payment (less than interest only)	-	-	-	-
Reduced payment (greater than interest only)	40	11	31	9
Payment moratorium	1	-	1	-
Arrears capitalisation	7	2	5	1
Term extension	16	3	9	2
Hybrid*	35	11	26	8
Split mortgages**	4	1	4	1
Total	109	31	81	24

* Hybrid is a combination of two or more forbearance arrangements.

** Split mortgage is where a portion of outstanding debt is deferred until financial ability or circumstances improve.

31 December 2024	All loans		Stage 3	
	Number	Balances	Number	Balances
		€m		€m
Interest only	6	3	5	3
Reduced payment (less than interest only)	2	1	2	1
Reduced payment (greater than interest only)	46	11	34	9
Payment moratorium	4	1	4	1
Arrears capitalisation	10	3	7	2
Term extension	16	3	10	2
Hybrid*	34	11	24	7
Split mortgages**	4	1	4	1
Total	122	34	90	26

* Hybrid is a combination of two or more forbearance arrangements.

** Split mortgage is where a portion of outstanding debt is deferred until financial ability or circumstances improve.

The tables above reflect a decrease of 13 cases in the year to 30 June 2025 for the Group in the number of residential buy-to-let in forbearance arrangements, a decrease of €3m in balances. The average balance of forborne loans is €0.284m at 30 June 2025 (31 December 2024: €0.279m).

(iii) Commercial mortgages

The incidence of the main type of forbearance arrangements for total forborne commercial mortgages are analysed below:

	30 June 2025		31 December 2024	
	Number	Balances	Number	Balances
		€m		€m
Interest only	-	-	1	-
Reduced payment (greater than interest only)	4	2	4	1
Payment moratorium	-	-	-	-
Arrears capitalisation	7	1	11	1
Term extension	5	1	5	1
Hybrid*	2	-	2	1
Split mortgages**	-	-	-	-
Total	18	4	23	4

The Bank's SME mortgage lending is captured within above.

* Hybrid is a combination of two or more forbearance arrangements.

** Split mortgage is where a portion of outstanding debt is deferred until financial ability or circumstances improve.

The table above reflects a decrease of 5 cases in the half year to 30 June 2025 for the Group in the number of commercial mortgages in forbearance arrangements, with balances remaining unchanged at €4m.

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

(continued)

23. Financial risk management (continued)

Reconciliation of movement in forborne loans for all classes

The tables below provide an analysis of the movement of total forborne loans and Stage 3 forborne loans during the year. It outlines the number and balances of forbearance treatments offered, expired and loans paid down during the year.

(i) Reconciliation of movement of total forborne loans

30 June 2025	Residential mortgages				Commercial cases	Commercial balances	Total cases	Total balances
	Home loans cases	Home loans balances	Buy -to-let cases	Buy-to-let balances				
		€m		€m		€m		€m
Opening balance 1 January 2025	2,076	242	122	34	23	4	2,221	280
New forbearance extended during the period*	134	18	2	-	-	-	136	18
Deleveraged loans	-	-	-	-	-	-	-	-
Exited forbearance								
- re-classified to Stage 3 non-forborne	(7)	(1)	(1)	-	-	-	(8)	(1)
- expired forbearance treatment	(252)	(28)	(8)	(1)	(1)	-	(261)	(29)
- expired loan paid down	(86)	(7)	(6)	(1)	(4)	-	(96)	(8)
Balance shift**	-	(4)	-	(1)	-	-	-	(5)
Closing balance of loans in forbearance for half year ended 30 June 2025	1,865	220	109	31	18	4	1,992	255

The Bank's SME mortgage lending is captured within the Commercial line above.

* Balance movements are stated net of portfolio re-classification.

** Balance movements in respect of loans which are in forbearance at the start and end of the year.

31 December 2024	Residential mortgages				Commercial cases	Commercial balances	Total cases	Total balances
	Home loans cases	Home loans balances	Buy -to-let cases	Buy-to-let balances				
		€m		€m		€m		€m
Opening balance 1 January 2024	3,174	393	226	79	42	7	3,442	479
New forbearance extended during the year*	310	37	17	3	2	1	329	41
Deleveraged loans	(543)	(83)	(81)	(33)	(4)	(1)	(628)	(117)
Exited forbearance								
- re-classified to Stage 3 non-forborne	(5)	(1)	(1)	-	-	-	(6)	(1)
- expired forbearance treatment	(749)	(77)	(23)	(5)	(12)	(1)	(784)	(83)
- expired loan paid down	(111)	(17)	(16)	(9)	(5)	(2)	(132)	(28)
Balance shift**	-	(10)	-	(1)	-	-	-	(11)
Closing balance of loans in forbearance as at 31 December 2024	2,076	242	122	34	23	4	2,221	280

The Bank's SME mortgage lending is captured within the Commercial line above.

* Balance movements are stated net of portfolio re-classification.

** Balance movements in respect of loans which are in forbearance at the start and end of the year.

23. Financial risk management (continued)

(ii) Reconciliation of movement in forborne loans Stage 3

30 June 2025								
	Residential mortgages							
	Home loan cases	Home loan balances	Buy-to-let cases	Buy-to-let balances	Commercial cases	Commercial balances	Total cases	Total balances
		€m		€m		€m		€m
Opening balance 1 January 2025	1,211	145	90	26	18	4	1,319	175
New Stage 3 forbearance extended during the period*	123	17	2	1	-	-	125	18
Deleveraged loans	-	-	-	-	-	-	-	-
Exited forborne Stage 3, now performing forborne	(112)	(12)	(3)	(3)	-	-	(115)	(15)
Exited forbearance								
- re-classified to Stage 3 non-forborne	(5)	(1)	(1)	-	-	-	(6)	(1)
- expired forbearance treatment	(3)	(1)	(2)	-	-	-	(5)	(1)
- expired loan paid down	(48)	(5)	(5)	-	(1)	-	(54)	(5)
Balance shift**	-	(2)	-	-	-	-	-	(2)
Closing balance loans in forbearance for half year ended 30 June 2025	1,166	141	81	24	17	4	1,264	169

The Bank's SME mortgage lending is captured within the Commercial line above.

* Balance movements are stated net of portfolio re-classification.

** Balance movements in respect of loans which are in forbearance at the start and end of the year.

31 December 2024								
	Residential mortgages							
	Home loan cases	Home loan balances	Buy-to-let cases	Buy-to-let balances	Commercial cases	Commercial balances	Total cases	Total balances
		€m		€m		€m		€m
Opening balance 1 January 2024	1,741	236	168	61	27	6	1,936	303
New Stage 3 forbearance extended during the year*	319	38	18	5	2	1	339	44
Deleveraged loans	(542)	(83)	(81)	(33)	(4)	(1)	(627)	(117)
Exited forborne Stage 3, now performing forborne	(272)	(30)	(9)	(2)	(3)	-	(284)	(32)
Exited forbearance								
- re-classified to Stage 3 non-forborne	(3)	(1)	-	-	-	-	(3)	(1)
- expired forbearance treatment	(11)	-	-	-	-	-	(11)	-
- expired loan paid down	(21)	(11)	(6)	(5)	(4)	(2)	(31)	(18)
Balance shift**	-	(4)	-	-	-	-	-	(4)
Closing balance of loans in forbearance as at 31 December 2024	1,211	145	90	26	18	4	1,319	175

The Bank's SME mortgage lending is captured within the Commercial line above.

* Balance movements are stated net of portfolio re-classification.

** Balance movements in respect of loans which are in forbearance at the start and end of the year.

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

(continued)

23. Financial risk management (continued)

(iii) Group Portfolios: Collateral in possession

Collateral in possession occurs where the obligor either (i) voluntarily surrenders the property or (ii) the Group takes legal ownership due to the non-repayment of the loan facility. The following tables outline the main movements in this category during the year.

Stock of collateral in possession	30 June 2025		31 December 2024	
	Number	Balance outstanding at transfer of ownership €m	Number	Balance outstanding at transfer of ownership €m
Residential collateral in possession				
Home loans	7	2	8	5
Buy-to-let	21	6	30	7
Total	28	8	38	12

Collateral in possession assets are sold as soon as practicable. These assets which total €5m as at 30 June 2025 (31 December 2024: €7m) are included in assets held for sale (see note 11 for further details).

During the year no property was transferred to the Group.

30 June 2025	Number of disposals	Balance outstanding at transfer of ownership €m	Gross sales proceeds €m	Costs to sell €m	Number
					Pre provisioning loss on sale* €m
Collateral in possession					
Home loans	1	3	2	-	1
Buy-to-let	9	1	1	-	-
Period ended 30 June 2025	10	4	3	-	1

* Calculated as gross sales proceeds less balance outstanding at transfer of ownership less costs to sell. These losses are provided for as part of the impairment provisioning process.

31 December 2024	Number of disposals	Balance outstanding at transfer of ownership €m	Gross sales proceeds €m	Costs to sell €m	Pre provisioning loss on sale*
					€m
Collateral in possession					
Home loans	2	1	1	-	-
Buy-to-let	22	6	4	-	2
Year ended 31 December 2024	24	7	5	-	2

* Calculated as gross sales proceeds less balance outstanding at transfer of ownership less costs to sell. These losses are provided for as part of the impairment provisioning process.

23. Financial risk management (continued)

Funding profile

The below amount for non-derivative financial liabilities is calculated using undiscounted cash flows which include an estimate of future interest payments. Derivative liabilities include contractual undiscounted cash flows on a gross basis if the instrument is settled gross and on a net basis if settled net.

The ALCO monitors sources of funding and their respective maturities with a focus on establishing a stable and cost-effective funding profile. Excluding equity, the Group's funding profile as at 30 June 2025 can be broken down into the below component parts:

	30 June 2025	31 December 2024
	%	%
Customer accounts	93	91
Long-term debt	7	8
Short-term debt	-	1
	100	100

Long-term debt refers to debt with a maturity greater than 12 months from the period-end and short-term debt is that which has a maturity of less than 12 months from the period-end.

In accordance with IFRS 7, Financial Instruments: Disclosures, the following tables present the maturity analysis of financial liabilities on an undiscounted basis, by remaining contractual maturity at the statement of financial position date. These will not agree directly with the balances on the consolidated statement of financial position due to the inclusion of future interest payments.

30 June 2025	Up to 1 month €m	1-3 months €m	3-6 months €m	6-12 months €m	1-2 years €m	Over 2 years €m	Total €m
Liabilities							
Deposits by banks	40	-	-	-	-	-	40
Customer accounts	18,599	2,086	1,097	2,118	1,228	211	25,339
Debt securities in issue	8	16	24	49	97	1,816	2,010
Derivative financial instruments	1	-	-	-	-	-	1
Subordinated liabilities	1	1	2	4	13	309	330
Other financial liabilities	124	-	2	3	6	22	157
Total liabilities	18,773	2,103	1,125	2,174	1,344	2,358	27,877

31 December 2024	Up to 1 month €m	1-3 months €m	3-6 months €m	6-12 months €m	1-2 years €m	Over 2 years €m	Total €m
Liabilities							
Deposits by banks	105	-	-	-	-	-	105
Customer accounts	18,051	1,593	949	2,031	967	631	24,222
Debt securities in issue	8	16	24	49	97	1,864	2,058
Derivative financial instruments	-	-	-	-	-	-	-
Subordinated liabilities	1	1	2	4	7	285	300
Other financial liabilities	95	-	2	3	6	25	131
Total liabilities	18,260	1,610	977	2,087	1,077	2,805	26,816

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24. Commitments and contingencies

The table below gives the contractual amounts of irrevocable credit commitments. Even though these obligations are not recognised in the statement of financial position, they do involve credit risk. The maximum exposure to credit loss under commitments is the contractual amount of the instrument in the event of non-performance by the other party, where all counter claims, collateral or security prove worthless.

Credit commitments	30 June 2025 €m	31 December 2024 €m
Commitments and irrevocable letters of credit	2	2
Commitments to extend credit		
- less than 1 year	1,637	1,573
- 1 year and over	45	43
Total commitments to extend credit	1,682	1,616
Total credit commitments	1,684	1,618

Other contingencies

The Group, like all other banks, is subject to litigation in the normal course of its business. Based on legal advice, other than matters referred to in note 18, the Group does not believe that any such litigation will have a material effect on its income statement or SOFP.

A number of different statutory and regulatory bodies, including the CBI, commenced investigations into a series of transactions involving deposits placed by Irish Life Assurance plc with Irish Bank Resolution Corporation (formerly Anglo Irish Bank) (on 31 March 2008, 26 September 2008, 29 September 2008 and 30 September 2008). While these investigations commenced a number of years ago, they were put on hold pending the determination of criminal proceedings against a number of individuals in respect of the same transactions. The Bank understands that those criminal proceedings have concluded and so the Bank is waiting to see if the investigations, which, from the Bank's perspective, have been dormant for some time will now be re-commenced.

As part of the agreement in August 2011 to dispose of Irish Life International Limited, the Group provided certain indemnities and warranties to the purchaser under a number of identified scenarios. If the Bank is required to make any reimbursements under these identified scenarios beyond those provided for, the impact on the financial statements could be material. Based on the facts currently known, it is not practicable at this time to predict the final outcome this could have, nor the timing and possible impact on the Bank.

Like other banks, in the normal course of business, customers bring complaints to the Financial Services and Pensions Ombudsman (FSPO) in relation to a variety of issues. The Bank considers the applicability of FSPO decisions and findings to other customers in similar circumstances. The Bank provides for any issues that might arise, where based on legal advice, the directors believe that it is more likely than not that an outflow of resources embodying economic benefits, will be required to settle a present obligation arising from a past event. The Bank has no such present obligation arising from FSPO complaints but it will continue to keep FSPO complaints and decisions under review to see if they identify any issues which could be of broader impact to other customers.

ECL held against commitments and contingencies are reported under loans and advances to customers.

On 1 July 2022, The Group entered into a joint venture with First Home Scheme Ireland DAC, along with the State, AIB and Bank of Ireland. The Group committed €54m in funding to the Joint venture. €25m was recognised in the Statement of Financial Position in respect of the scheme as at 30 June 2025 (31 Dec 2024: €20m).

25. Related parties

Related parties include individuals and entities that can exercise significant influence on operational and financial policies of the Group.

The Group has a related party relationship with its Directors; Senior Executives; its associates; the Group's pension schemes; the Minister for Finance and with the Irish Government and Irish Government related entities, on the basis that the Irish Government is deemed to have control over the Group.

(a) Transactions with key management personnel

Key management personnel include Non-Executive Directors, Executive Directors and members of the Executive Committee (ExCo). The Executive Directors and members of the ExCo are set out in pages 86 to 87 and note 42 of the 2024 Annual Report. Hugh O'Donnell joined as a Non-Executive Director on 8 April 2025.

Number of key management personnel as at period end is as follows:

	30 June 2025	31 December 2024
Non-Executive Directors	10	9
Executive Directors and Senior Management	8	8
	18	17

Balances and transactions with key management personnel

There were no significant transactions with key management personnel during the first six months of 2025.

(b) Irish Government and Government related entities

The Minister for Finance continues to be the majority shareholder of the Group (and the ultimate controlling party per IAS 24). The Irish Government is recognised as a related party, as the Government is deemed to have control over the Group as defined by IAS 24. The Group has applied the amended IAS 24 which exempts an entity from the related party disclosure requirements in respect of the Government and Government related entities unless transactions are individually or collectively significant. In the normal course of business, the Group has entered into transactions with the Government and Government related entities involving deposits and senior debt.

The following are transactions and balances between the Group and the Government and Government related entities that are collectively significant:

- The Group holds securities issued by the Government and Government related entities of €1,492m (31 December 2024: €1,524m).
- The Group had an investment in associated undertakings of €25m as at 30 June 2025 (31 December 2024: €20m) involving participants that are deemed related parties due to the common ownership by the Government.
- The Group entered into banking transactions in the normal course of business with local Government and Semi-State Institutions such as Local Authorities and County Councils. These transactions principally include the granting of loans, the acceptance of deposits and clearing transactions.
- A bank levy imposed by the Government through the Finance (No.2) Act 2023 is payable in the second half of each calendar year. A bank levy payable to the Government, is provided for on the occurrence of the event identified by the legislation that triggers the obligation to pay the levy. In 2025, the amount recognised in the income statement was €24m (30 June 2024: €24m).

(c) Other related party transactions

At 30 June 2025 the Company had an intercompany balance of €1,706m (31 December 2024: €1,731m) with its principal subsidiary PTSB plc relating to the MREL issuance.

In November 2020, the Company made an additional investment of €123m in PTSB. This investment was through the issuance of AT1 securities by the Company. In October 2022, the Company made an additional investment of €245m in PTSB through the issuance of AT1 securities by the Company.

In May 2021, PTSB plc borrowed €250m from the Group at a fixed rate of 3% per annum plus a margin of 0.181% per annum which mature on 19 August 2031. The loan is subordinated and ranks as Tier 2 capital notes with interest paid annually in arrears on 19 August.

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

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25. Related parties (continued)

(d) Interest in associated undertakings

The Group owns a non-controlling interest in Clearpay DAC (33%) as at 30 June 2025. This investment is accounted for under the equity method in the condensed consolidated interim financial statements and has a carrying value of €1m at 30 June 2025 (31 December 2024: €1m). This investment will be increased or decreased by the Group's share of the profit or loss which will be assessed annually.

On 1 July 2022, the Group invested in First Home Scheme Ireland DAC along with the Irish Government, AIB and Bank of Ireland. First Home Scheme Ireland DAC is incorporated and operates in the Republic of Ireland providing equity support to future homeowners by taking a beneficial interest in residential dwellings which enables customers to purchase these residential dwellings. The participants fund these purchases, as well as costs, through a loan facility. The Group owns a non-controlling interest of 25% as 30 June 2025. This investment in associate is accounted for under the equity method in the condensed consolidated interim financial statements and has a carrying value of €25m at 30 June 2025 (31 December 2024: €20m). It was initially recognised at €11m being the Group's agreed 13.5% contribution rate. During 2025, the investment was increased by €5m (31 December 2024: €4m). Post acquisition profits of €nil were recognised in the first six months of the year (30 June 2024: €nil).

26. Reporting currency and exchange rates

The condensed consolidated financial statements are presented in millions of Euro.

The following tables show the average and closing rates used by the Group:

	30 June 2025	31 December 2024	30 June 2024
€ / £ exchange rate			
Closing	0.8555	0.8292	0.8464
Average	0.8410	0.8450	0.8535
€ / US\$ exchange rate			
Closing	1.1720	1.0389	1.0705
Average	1.1009	1.0808	1.0792

27. Events after the reporting period

At 30 June 2025, the Group classified the Series A preferred stock in Visa Inc of €7m as assets held for sale according to the provision of IFRS 5. The sale completed in July 2025.

On 15 July 2025, NatWest Group plc sold their full shareholding in Permanent TSB Group Holdings plc (approximately 11.7% of PTSB's ordinary shares).

No other items, transactions or events that would materially impact the consolidated financial statements and require adjustment or disclosure to these condensed consolidated financial statements have occurred between the reporting date of 30 June 2025 and the date of the approval of these financial statements by the Board of Directors on 30 July 2025.

Abbreviations

This information has not been subject to review by the Group's Independent Auditor.

ALCO Asset and Liability Committee
ALM Asset Liability Management
AML Anti Money Laundering
AT1 Additional Tier 1
BAC Board Audit Committee
BPFI Banking and Payments Federation of Ireland
BRCC Board Risk and Compliance Committee
BRRD Banking Recovery and Resolution Directive
CAC Capital Adequacy Committee
CBI Central Bank of Ireland
CCB Capital Conservation Buffer
CCF Credit Conversion Factor
CCMA Code of Conduct on Mortgage Arrears
CCyB Counter Cyclical Buffer
CEO Chief Executive Officer
CET1 Common Equity Tier 1
CFP Contingency Funding Plan
CODM Chief Operating Decision Maker
CPC Consumer Protection Code
CPI Consumer Price Index
CRD IV Capital Requirements Directive IV
CRO Chief Risk Officer
CRR Capital Requirements Regulation
CSAs Credit Support Annex
CSO Central Statistics Office
CVA Credit Valuation Adjustment
DGS Deposit Guarantee Scheme
DIRT Deposit Interest Retention Tax
DoF Department of Finance
EAD Exposure at Default
EAR Earnings at Risk
EBA European Banking Authority
EC European Commission
ECAI External Credit Assessment Institution
ECB European Central Bank
ECL Expected Credit Loss
EIR Effective Interest Rate
ERMF Enterprise Risk Management Framework
ESG Environmental, Social and Governance
ESRI Economic & Social Research Institute
EU European Union
EURIBOR Euro Interbank Offered Rate
EV Economic Valuation
EWI Early Warning Indicator
ExCo Executive Committee
FIA Financial Incentives Agreement
FLI Forward looking information
FSPO Financial Services and Pensions Ombudsman
FTE Full Time Equivalent
FTP Funds Transfer Pricing
FVOCI Fair value through other comprehensive income
FX Foreign Exchange

GCC Group Credit Committee
GDP Gross Domestic Product
GIA Group Internal Audit
GPPC Global Public Policy Committee
GRC Group Risk Committee
GNI Gross National Income
GRMF Group Risk Management Framework
HFT Held for Trading
HPI House Price Index
HQLA High Quality Liquid Assets
HTC Hold to Collect
HTC&S Hold to Collect and Sell
IAS International Accounting Standards
IASB International Accounting Standards Board
IBCB Irish Banking Culture Board
ICAAP Internal Capital Adequacy Assessment Process
ICF Internal Control Framework
ICT Information & Communication Technology
IFRIC International Financial Reporting Standards Interpretations Committee
IFRS International Financial Reporting Standards
ILAAP Internal Liquidity Adequacy Assessment Process
IMF International Monetary Fund
IOM Isle of Man
IPP Integrated Planning Process
IRB Internal rating based approach
IRRBB Interest Rate Risk in the Banking Book
IRRF Impairment Reporting Review Forum
ISDA International Swaps and Derivatives Association
IT Information Technology
KRI Key Risk Indicators
LCR Liquidity Coverage Ratio
LDR Loan to Deposit Ratio
LGD Loss Given Default
LSI Less Significant Institution
LTV Loan to value
MGC Model Governance Committee
MREL Minimum Requirement for own funds and Eligible Liabilities
MTM Mark to Market
MTP Medium Term Plan
NCU Newbridge Credit Union
NED Non-Executive Directors
NII Net Interest Income
NIM Net Interest Margin
NPA Non Performing Asset
NPL Non Performing Loan
NSFR Net Stable Funding Ratio
OCI Other Comprehensive Income
ODR Observed Default Rate
ORMC Operations Risk Management Committee
P2G Pillar 2 Guidance
P2R Pillar 2 Requirement
PD Probability of Default
POCI Purchased or Originated Credit Impaired

PSD2 Payment Services Directive 2
PTSB Permanent TSB plc.
PTSBGH Permanent TSB Group Holding plc.
RAS Risk Appetite Statement
RCSA Risk and Control Self-Assessment
RNPS Relationship Net Promoter Score
ROI Republic of Ireland
RPPI Residential Property Price Index
RWA Risk Weighted Assets
S&P Standard & Poor's
SBCI Strategic Banking Corporation of Ireland
SES Summer Economic Statement
SICR Significant increase in Credit Risk
SME Small and medium sized enterprises
SOFP Statement of Financial Position
SPP Strategic Performance Priorities
SREP Supervisory Review & Evaluation Process
SusCo Sustainability Committee
TRIM Targeted Review of Internal Models
TTC Through the cycle
UK United Kingdom
VIU Value in Use

