Interim Report 2026

Permanent TSB Group Holdings plc

Contents

This document contains certain forward-looking statements with respect to Permanent TSB Group Holdings plc'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 to 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.

Financial Highlights

Financial performance

Underlying profit [a]

June 2026: €68m

June 2026:	€68m
June 2025:	€51m

Profit before taxation

June 2026: €57m

June 2026:	€57m
June 2025:	€19m

Net Interest Margin (NIM) % [c]

June 2026: 2.13%

June 2026:	2.13%
June 2025:	2.02%

Return on tangible equity % [d]

June 2026: 5.0%

June 2026:	5.0%
June 2025:	2.9%

Transformation and simplification

Adjusted Cost to Income Ratio [b]

June 2026: 71%

June 2026:	71%
June 2025:	76%

Customer deposits [e]

June 2026: €25.6bn

June 2026:	€25.6bn
December 2025:	€25.6bn

Capital

CET 1 Ratio [f]

June 2026: 17.7%

June 2026:	17.7%
December 2025:	15.9%

RWA [g]

June 2026: €10,145m

June 2026:	€10,145m
December 2025:	€10,936m

Asset Quality

NPL Ratio [h]

June 2026: 1.4%

June 2026:	1.4%
December 2025:	1.4%

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

(e) Defined as the sum of current accounts, retail deposits and corporate deposits (Table 8 of Financial Review).

(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 (Table 11 of Capital Management).

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

Non-Financial Highlights

Environmental

- €620m in green mortgage lending during H1 2026, accounting for 48% of new mortgage lending (+11% YoY).
- Participation in the SBCI's Home Energy Upgrade Loan Scheme, providing €100m in funding and the introduction of a Home Upgrade Tool to support homeowners to plan, customise and finance energy efficiency upgrades based on their home's Building Energy Rating (BER).
- A new partnership with NovaUCD to launch the PTSB NovaUCD Energy Futures Accelerator Programme, supporting early-stage Irish companies operating in climate technology and renewable energy, helping them to grow and scale.

Social

- Launch of a €250 million Impact Lending Fund providing finance for businesses and organisations investing in projects that deliver positive environmental or social benefits to society.
- c.€43 million in Impact Lending* during H1 2026 across key green and social sectors aligned to the Bank's Impact Lending Principles.
- Introduction of a Financial Wellbeing Strategy focused on financial education, inclusion supports and the delivery of digital tools.

Governance

- A 'Low' ESG Risk Rating through Sustainalytics, recognising that enterprise value is considered to have a low risk of material financial impacts driven by ESG factors.
- Development of an ESG Risk Management Policy aligned to the European Banking Authority (EBA) Guidelines on the management of environmental, social and governance (ESG) risks.
- Introduction of a Human Rights Charter aligned to the UN Guiding Principles, International Bill of Human Rights and the OECD.

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 For H2 2026

Deliver on the commitments set out within PTSB's Sustainability Strategy across each of its areas of focus – Investing for Impact, Protecting our Planet and Shaping an Inclusive Future:

Investing for Impact

- Continue to support customers in making their homes more energy efficient through delivery of the Bank's green products and propositions.
- Drive growth across our Business Banking Portfolio through a focus on Impact Lending, providing finance for businesses and organisations investing in projects that deliver positive environmental or social benefits to society.

Protecting our Planet

- Enhance our ESG Risk maturity through delivery of the Bank's ESG Risk Action Plan
- Reduce the Bank's carbon emissions in line with our validated Science-based Targets ("SBTs") through delivery of PTSB's Carbon Reduction Plan

Shaping an Inclusive Future

- Improve the financial literacy of our customers through financial education, inclusion supports and the delivery of digital tools that ensure that they have the confidence to make informed financial decisions and the knowledge to plan for their future.
- Elevate our social impact through partnerships and continue to support local communities through our PTSB Community programming.

* Impact Lending has been classified in accordance with the Bank's Impact Lending Principles. As a result, the reported volume is not directly comparable with HY25 disclosures. Total reported volume includes Business Banking lending only.

Chief Executive Review

Introduction

I am pleased with the performance PTSB has delivered in H1 2026, building on the progress of last year and delivering sustainable results for our customers, colleagues and shareholders. Our performance in the first half of the year demonstrates the resilience of our business model, the strength of our balance sheet and our ongoing commitment to competing strongly in the Irish market.

The first half of 2026 included an important milestone for the Bank with the payment of the final 2025 dividend of €10 million or 1.835 cents per share to shareholders, our first since 2008. The ability to once again pay a dividend reflects the successful transformation the business has undergone over recent years which has seen the Bank rebuild and reposition for long-term sustainable growth.

In January, the Bank achieved another significant milestone with the approval of our IRB mortgage models, significantly enhancing our competitiveness and enabling sustainable business growth now and into the future. The impact of the new IRB mortgage models, which became operational from 30 January 2026, was evident in the first half of the year as it contributed to improving the Bank's profitability on new lending and further enhancing our capacity to grow and support the Irish economy.

The Bank continues to make progress across a range of metrics under our Business Strategy 2025-2027, which is focused on deepening customer relationships, diversifying income and differentiating through customer experience.

Our Relationship Net Promoter Score of 22 points remained robust and unchanged from 30 June 2025. PTSB customer consideration remained strong with 71% of consumers in the Irish market giving consideration to PTSB to meet their financial needs, an important metric as the Bank seeks to deepen its customer relationships. Customer experience 'Ease of doing business in branch' was 8.4 out of 10, up slightly on the same period last year. Similarly, customer experience 'Home buying journey and ease of doing business' also remained strong at 8.9 out of 10, up slightly on 30 June 2025.

The Bank also continued to diversify our income achieving growth across the Business Banking portfolio (SME & Asset Finance), which delivered a notably strong performance including lending up 18% and growth in the book of 11%.

New consumer term lending doubled in the period to €121 million reflecting the successful relaunch last autumn of our new online offering which has significantly increased our market share in this segment. We continued to invest in our digital channels with progress including a 64% increase in usage in our in-app chat feature.

In April, the Board of PTSB agreed the terms of a Recommended Cash Offer from BAWAG P.S.K. AG ("BAWAG") following a rigorous and competitive Formal Sale Process. Under the terms of that offer, which is unanimously recommended by the PTSB Board, BAWAG proposed to acquire the entire issued share capital of PTSB subject to shareholder, various regulatory and other approvals including in particular the approval of shareholders of PTSB on 30 July 2026, the remaining regulatory approvals and the sanction of the High Court.

These results are in line with guidance and confirm that the Bank is in a healthy position as shareholders consider the Board's recommended offer by BAWAG Group and the proposed transaction progresses through the shareholder, various regulatory and other approvals. Subject to completion, new ownership as part of a pan-European and US banking group will support the next phase of PTSB's growth, while strengthening our role as a pillar bank in the Irish retail banking market and enabling us to provide meaningful choice for customers in a market that needs greater competition.

Finally, I would like to thank my colleagues for their continued commitment to transforming the Bank and delivering for our customers.

Business Performance Review

Funding

Customer Accounts

At 30 June 2026, customer deposits of €25.6 billion were up 2% year on year. Retail deposit balances of €14.6 billion have increased by €0.1 billion year to date, while current account balances of €9.7 billion increased by €0.15 billion during the first half of the year, with a slight reduction in corporate balances providing a partial offset. Term deposits were €5.8 billion as the Bank successfully retained a large proportion of maturing higher rate deposits.

Our loan to deposit ratio was 88% at 30 June 2026, while our Liquidity Coverage Ratio was very strong at 250% (87% and 277% respectively at 31 December 2025).

Lending

Total gross new lending rose to €1,665 million in the first half of 2026, up 6% year on year. Our share of new mortgage drawdowns in H1 2026 was c. 19%, which is similar to the level recorded for full year 2025 (c. 20%). With a strong pipeline of new business, we are still comfortable with an outlook of c. 20% for the current year.

The Bank continues to deliver good progress in diversifying our income as part of our Business Strategy, including a focus on Business Banking and consumer lending.

In the first six months of 2026, new lending in Business Banking (SME and Asset Finance) increased by 18% with growth in the book of 11% to almost €1.4 billion at 30 June 2026. Meanwhile, new consumer term lending doubled to €121 million.

Financial Performance Review

The Bank reported an Underlying Profit Before Tax of €68m for the first half of 2026, up 34% compared to the first half of 2025 (30 June 2025: €51m).

Operating Income

Net interest income (NII) was €313 million which was up 9% compared to the first half of 2025, reflecting both higher margins and higher average interest earning assets. NIM was 2.13%, which compares with 2.02% for H1 2025. The increase in NIM reflects the impact of lower interest rates across deposit liabilities, particularly our term balances as these matured. In addition, we continue to benefit from a roll-over of maturing fixed rate mortgages onto higher prevailing rates. Lower average ECB rates in H1 2026 and mortgage rate reductions announced by the Bank in January 2026 contributed some offsetting impact.

The recent 0.25% rate increase announced by the ECB will have a marginally positive impact on income in the second half and as always, we will keep our rates under review.

Net fee and commission income reduced from €31 million to €30 million in H1 2026, reflecting the recognition of a one-off €1 million charge in our retail payments business, while other income in the period was also €1 million.

Operating Expenses

Total operating expenses (excluding exceptional and other non-recurring items) were 1% lower in H1 2026 at €270 million, with underlying costs excluding regulatory charges also down 1%. Regulatory charges were €25 million, in line with the figure for H1 2025. Excluding these charges, the Bank's adjusted Cost Income Ratio was 71%, down from 76%.

The Bank continues to prioritise cost optimisation and expects to generate savings through tightly managing supplier and third-party costs, change spend and natural attrition. The number of employees (Full-Time Equivalent) at the end of June 2026 was 1% lower compared to year-end and almost 7% lower than 30 June 2025.

Asset Quality and Impairment

Asset quality remains robust and we recorded a €6 million impairment charge (5bps cost of risk) in the income statement for H1 2026, compared to a nil charge for the period ended 30 June 2025.

The Bank closely monitors trends in the Irish economy and our customer base, but observed defaults remain extremely low. Non-performing loans of €323 million at 30 June 2026 were marginally higher relative to year-end in absolute terms (€308 million) largely due to a change in definition of default related to our IRB model review. They continue to represent 1.4% of gross loans.

PTSB is well provisioned and has consistently utilised conservative macro-economic scenarios in impairment modelling. Our total provisions were €326 million (coverage of 1.4%) which includes €58 million of model overlays. This compares with €320 million and €57 million respectively at year-end 2025. Meanwhile, the review of our non-mortgage IFRS9 models remains ongoing with implementation scheduled for H2 2026.

Capital

At 30 June 2026, the Bank's Common Equity Tier 1 (CET1) ratio remained strong at 17.7% compared with 15.9% at 31 December 2025 or 17.5% on a pro-forma basis when adjusted for our new IRB models. This is well in excess of our 2026 regulatory requirement of 10.69%. Total Capital ratio was 23.3% (31 December 2025: 20.9%), exceeding the Group's 2026 minimum requirements of 15.5%.

Risk weighted assets (RWAs) reduced to €10.1 billion at 30 June 2026 from €10.9 billion at the end of 2025. The Bank's new IRB mortgage models which became operational from 30 January 2026 accounted for a €0.9 billion reduction, with net loan growth providing a partial offset.

The Bank's leverage ratio at the end of June 2026 was 6.6%, compared with 6.5% at the end of December 2025 and remains strong for a bank with our high level of residential mortgage exposure.

Chief Executive Review
(continued)

Sustainable Business Growth

PTSB's Sustainability Strategy 2025-2027 is focused on channelling investment and directing impact towards areas that enhance societal wellbeing.

To that end, we were pleased to launch a €250 million Impact Lending Fund providing finance for business customers investing in projects that deliver positive environmental or social benefits to society.

The Impact Lending Fund was launched alongside the Bank's latest Reflecting Business research, which found that 7 in 10 Irish businesses are targeting sustainability opportunities for commercial growth. In addition, the findings showed a surge in businesses planning energy efficiency upgrades and other sustainability initiatives, as SMEs respond to recent global energy price shocks.

Throughout the first half of the year we made strong progress, delivering c.€43 million in Impact Lending across key green and social sectors such as sustainable energy, sustainable agriculture, sustainable transport, healthcare, education and female entrepreneurship, amongst others. Lending was categorised in line with the Bank's Impact Lending Principles.

In addition, the Bank delivered c.€620 million in green lending during H1 2026, an increase of 11% year-on-year, accounting for 48% of new mortgage lending. To further support our customers in making their homes more sustainable, our new Home Upgrade Tool was introduced earlier in the year and continues to perform strongly, supporting homeowners to plan, customise and finance energy efficiency upgrades based on their home's Building Energy Rating (BER).

Delivering sustainable profitability and embedding consideration for sustainability into our business practices and strategic decision-making remains a core priority for the Bank.

The Bank was pleased to maintain its Low ESG Risk Rating through Sustainalytics and continued to disclose our progress against strategic objectives through our Sustainability Statement aligned to the Corporate Sustainability Reporting Directive (CSRD), Pillar 3 ESG Templates and EU Taxonomy disclosures.

Outlook

The Bank performed well in the first half of 2026 and our guidance for the full year remains in line with prior market communications. Notwithstanding geopolitical uncertainties, the Irish economy has remained resilient in recent years, underpinning our business, and we remain confident that our strategy can continue to deliver for customers, shareholders and stakeholders, while supporting greater competition in the Irish banking market.

Eamonn Crowley

Eamonn Crowley

Chief Executive

Financial Review

Performance Summary

The Group delivered a strong financial performance in the first half of 2026, recording a profit before tax of €57m, an increase of €38m on the same period in 2025. This increase is mainly driven by an increase in net interest income and lower exceptional and non-recurring costs.

Net interest income increased by 9%, driven by higher average balances in interest-earning assets and improved margins supported by lower interest costs, as growth in current account and demand deposits more than offset a reduction in term deposits. Net fee and commission income and other income decreased by €3m which included a one-off charge of €1m in our retail payments business.

The Group continued to control costs, with total operating expenses (excluding exceptional and non-recurring costs) decreasing by 1% over the same period in 2025.

There was an impairment charge on loans and advances to customers for the period ended 30 June 2026 of €6m, compared to a nil charge for the period ended 30 June 2025. The impairment charge includes an increase in factors associated with current economic headwinds, including heightened geopolitical and climate risks. Exceptional and other non-recurring items of €11m were €21m lower than the same period in 2025, due to the costs associated with the Group's Voluntary Severance Scheme (VSS) recognised in the first half of the previous year.

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 17.7% and 23.3% 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 2026.

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 applies a well-defined 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;
- Material transaction, integration and restructuring costs associated with acquisitions (including potential liquidations); and
- Formal Sale Process costs.

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. Management's definition of underlying profit excludes exceptional items and other items that Management view as non-recurring. A reconciliation between the underlying profit and operating profit on an IFRS basis is set out in the table below, Management performance summary condensed consolidated income statement.

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

	Table	Half year ended 30 June 2026 €m	Half year ended 30 June 2025 €m
Net interest income	1	**313**	288
Net fee and commission income		**30**	31
Net other income		**1**	3
Total operating income		**344**	322
Total operating expenses (excl. exceptional items and other non-recurring items, bank levy and other regulatory charges)	3	**(245)**	(246)
Bank levy and other regulatory charges		**(25)**	(25)
Total operating expenses (excl. exceptional and other non-recurring items)		**(270)**	(271)
Underlying profit before impairment		**74**	51
Impairment (charge)/write-back on loans and advances to customers	4	**(6)**	-
Underlying profit before exceptional and other non-recurring items		**68**	51
Exceptional items comprise:	5	**(11)**	(29)
Voluntary severance and other		**-**	(29)
Formal Sale Process costs		**(11)**	-
Other non-recurring items comprise:	5	**-**	(3)
Legacy legal costs and other[1]		**-**	(3)
Profit before taxation		**57**	19
Taxation		**(15)**	(4)
Profit for the period		**42**	15

1 Included in IFRS administrative, staff and other expenses.

Management performance summary consolidated income statement – key highlights

- **Total operating income** has increased by €22m year on year primarily due to net interest income which increased by €25m (9%), partially offset by €3m lower net fee and commission and other income. The increase in net interest income is mainly driven by higher income from higher interest earning accounts, together with lower interest costs from higher balances in current and demand deposits and lower balances of term deposits.
- **Total operating expenses (excl. exceptional items and other non-recurring items, bank levy and other regulatory charges)** are €245m for the half year ended 30 June 2026 compared to €246m at 30 June 2025, with a reduction in staff costs and depreciation partially offset by an increase in other administrative expenses and amortisation of intangible assets.
- **Bank levy and other regulatory charges** amounted to €25m for the period ended 30 June 2026. The Bank levy for 2026 was €24m (30 June 2025: €24m). Other regulatory charges of €1m (30 June 2025: €1m) 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** charge of €6m on loans and advances to customers for the period ended 30 June 2026, compared to nil for the period ended 30 June 2025. The impairment charge includes an increase in factors associated with current economic headwinds including heightened geopolitical and climate risks.
- **Exceptional costs** were €11m which relate to the costs associated with the Formal Sale Process (FSP).
- **Other non-recurring items** were nil for the period, compared to a €3m charge in relation to legacy legal cases for the period ended 30 June 2025.
- **Profit before tax** of €57m for the period ended 30 June 2026, compared to a profit of €19m in the prior period, due to an increase in net interest income and lower exceptional and other non-recurring costs.

Net interest income	Net interest margin
€313m	2.13%

Table 1: Net interest income

	Half year ended 30 June 2026 €m	Half year ended 30 June 2025 €m
Interest income	**449**	435
Interest expense	**(136)**	(147)
Net interest income	**313**	288
Net interest margin (NIM)	**2.13%**	2.02%

Net interest income

Net interest income of €313m for the period ended 30 June 2026 increased by €25m (9%), compared to the prior year. This is mainly driven by the following:

- Higher interest income due to higher interest earning accounts; and
- Lower interest costs due to a change in deposit mix towards lower rate products.

Table 2: Average balance sheet[1]

	Half year ended 30 June 2026			Half year ended 30 June 2025		
	Average balance €m	Interest €m	Average yield/rate %	Average balance €m	Interest €m	Average yield/rate %
Interest-earning assets						
Loans and advances to customers	**22,405**	**374**	**3.36%**	21,586	364	3.37%
Debt securities	**5,432**	**60**	**2.24%**	4,671	48	2.06%
Loans and advances to banks	**1,707**	**15**	**1.76%**	2,198	23	2.09%
Total average interest-earning assets	**29,544**	**449**	**3.06%**	28,455	435	3.06%
Non-interest earning assets	**1,070**			983		
Total assets	**30,614**			29,438		
Interest-bearing liabilities						
Customer accounts	**25,688**	**84**	**0.66%**	24,587	93	0.76%
Debt securities in issue	**1,721**	**43**	**4.99%**	1,645	47	5.71%
Lease liabilities	**31**	**-**	**3.18%**	33	-	2.64%
Subordinated Liabilities	**331**	**7**	**4.21%**	250	3	2.40%
Loans and advances to banks[2]	**-**	**-**	**-**	-	1	-
Deposits by banks	**168**	**2**	**2.09%**	261	3	2.30%
Total average interest-bearing liabilities	**27,939**	**136**	**0.99%**	26,776	147	1.10%
Non-interest earning liabilities	**190**			184		
Total liabilities	**28,129**			26,960		
Total average equity attributable to owners	**2,485**			2,478		
Net Interest Margin			**2.13%**			2.02%

1 Where applicable, line items include hedging derivative balances and hedging income and expense.

2 In 2025 €1m interest expense was incurred on loans and advances to banks.

Financial Review
(continued)

Net interest margin (NIM)

NIM increased by 11bps to 2.13% for the half year ended 30 June 2026 compared to 2.02% for the prior period. The NIM of the Group has increased due to higher interest income on interest earning assets, coupled with lower deposit costs.

Interest income/Average interest-earning assets

- Interest income on loans and advances to customers increased by €10m, mainly due to an increase in average balances.
- Interest income on debt securities increased by €12m due to higher average balances and higher rates, as lower yielding debt securities were replaced by higher yielding assets.
- The interest income on loans and advances to banks decreased by €8m due to lower average balances and lower average interest rates on excess liquidity held with the Central Bank in the first half of 2026.

Interest expense/Average interest-bearing liabilities

- Interest expense decreased by €9m on customer accounts due to lower average rates with the increase in average balances driven by current accounts and demand accounts.
- Interest expense on debt securities in issue decreased by €4m, mainly due to amortisation of fair value hedge adjustments arising on the termination of interest rate swaps.
- Interest expense on deposits by banks reduced by €1m, primarily reflecting lower collateral costs resulting from improved availability of bonds in the market.
- The average balance of subordinated liabilities increased year on year, driving an increase in the interest expense by €4m with rates marginally lower year over year.

Total operating expenses*	Adjusted cost income ratio**
€270m	71%

* Excluding exceptional and other non-recurring items.

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

Table 3: Operating expenses

	Half year ended 30 June 2026 €m	Half year ended 30 June 2025 €m
Staff costs		
Wages and salaries (including commission paid to sales staff)	**91**	96
Social insurance	**11**	11
Pension costs	**11**	11
Total staff costs	**113**	118
General and administrative expenses[1]	**90**	84
Administrative, staff and other expenses (excluding non-recurring items)	**203**	202
Depreciation of property and equipment	**10**	14
Amortisation of intangible assets	**32**	30
Total operating expenses (excluding exceptional, other non-recurring items and bank levy and regulatory charges)	**245**	246
Bank levy and other regulatory charges	**25**	25
Total operating expenses (excluding exceptional and other non-recurring items)	**270**	271
Headline cost to income ratio[2]	**78%**	84%
Adjusted cost to income ratio[3]	**71%**	76%
Closing staff numbers[4,5]	**2,987**	3,207
Average staff numbers[5]	**3,025**	3,339

1 2025 excludes €3m of cost relating to legacy legal cases presented in non-recurring items.

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

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

4 Closing staff numbers are calculated on a Full Time Equivalent basis.

5 Includes staff on long-term absence, career breaks and maternity leave.

Operating expenses

Staff costs

Total staff costs have decreased by €5m from €118m for the period ended 30 June 2025 to €113m for the period ended 30 June 2026 primarily due to lower average staff numbers.

General and administrative expenses (excluding non-recurring items)

General and administrative expenses increased by €6m to €90m for the period ended 30 June 2026, primarily due to higher technology costs following increased investment in technology during 2025.

Bank levy and other regulatory charges

The Bank levy for 2026 is €24m (30 June 2025: €24m). Other regulatory charges of €1m (30 June 2025: €1m) 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 to income ratio

Operating costs (excluding exceptional items, other non-recurring items, and bank levy and regulatory charges) of €245m and operating income of €344m for the period ended 30 June 2026 led to an adjusted cost to income ratio of 71% compared to 76% for the same period in 2025, with the decrease mainly due to higher operating income.

Impairment

€6m charge

Table 4: Impairment

	Half year ended 30 June 2026 €m	Half year ended 30 June 2025 €m
Total impairment charge on loans and advances to customers	**(6)**	-

The impairment charge on loans and advances to customers for the period ended 30 June 2026 was €6m, compared to nil for the period ended 30 June 2025. The impairment charge includes an increase in factors associated with current economic headwinds, including heightened geopolitical and climate risks.

Exceptional and other non-recurring items

€11m

Table 5: Exceptional and other non-recurring items

	Half year ended 30 June 2026 €m	Half year ended 30 June 2025 €m
Exceptional items		
Voluntary severance and other	**-**	(29)
Formal Sale Process costs	**(11)**	-
Other non-recurring items		
Legacy legal costs and other[1]	**-**	(3)
Exceptional and other non-recurring items	**(11)**	(32)

1 Included in IFRS administrative, staff and other expenses.

Exceptional Items

Exceptional and other non-recurring items, as viewed by Management for the period ended 30 June 2026 is a charge of €11m which comprises:

Formal Sale Process costs

Formal Sale Process costs of €11m include legal, consultancy and other advisory costs incurred as part of the Group's Formal Sale Process.

Other non-recurring items

Legacy legal costs and other

Legacy legal costs were nil for the period compared to a €2m charge for the period ended 30 June 2025. Other costs were nil for the period compared to a €1m charge for the period ended 30 June 2025.

Summary consolidated statement of financial position

	Table	30 June 2026 €m	31 December 2025 €m
Assets			
Home loans		**20,637**	20,401
Buy-to-let		**312**	331
Total residential mortgages		**20,949**	20,732
Commercial mortgages		**520**	499
Consumer finance (including finance leases and hire purchase receivables)		**1,154**	1,018
Total loans and advances to customers (net of provisions)	6	**22,623**	22,249
Debt securities		**5,336**	5,360
Remaining asset balance		**2,575**	2,856
Total assets		**30,534**	30,465
Liabilities and equity			
Current accounts		**9,689**	9,544
Retail deposits		**14,608**	14,485
Corporate and institutional deposits		**1,336**	1,570
Total customer accounts	8	**25,633**	25,599
Debt securities in issue		**1,691**	1,723
Remaining liability balances		**714**	662
Total liabilities		**28,038**	27,984
Total equity		**2,496**	2,481
Total equity and liabilities		**30,534**	30,465
Liquidity coverage ratio[1]		**250%**	277%
Loan to deposit ratio[2]		**88%**	87%
Net stable funding ratio[3]		**160%**	163%
Return on tangible equity[4]		**5.0%**	2.9%

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 SOFP.

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

- **Net loans and advances to customers** €22,623m as at 30 June 2026, an increase of €374m from €22,249m at 31 December 2025, due to growth in new lending volumes with a strong mortgage new lending market share.
- **Debt securities** are €5,336m as at 30 June 2026, a decrease of €24m from €5,360m at 31 December 2025 due to higher maturities than additions during the first half of 2026.
- **Remaining asset balances** are €2,575m as at 30 June 2026, a decrease of €281m from €2,856m at 31 December 2025. This is primarily due to a decrease in deposits held with the CBI and lower prepayments.
- **Customer accounts** are €25,633m at 30 June 2026, an increase of €34m from 31 December 2025, due to growth in retail deposits and current accounts, partially offset by lower corporate.
- **Debt securities in issue** are €1,691m at 30 June 2026, a decrease of €32m which was due to payments of interest accrued at the end of 2025.
- **Remaining liabilities** increased by €52m due to an increase in Deposits by banks by €77m and in Provisions, Accruals and Other liabilities by €22m offset by a decrease of €47m in Subordinated Liabilities.

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

	30 June 2026 €m	31 December 2025 €m
Gross loans and advances to customers 1 January	**22,261**	21,515
New lending[1]	**1,558**	3,225
Redemptions and repayments of existing loans	**(1,173)**	(2,392)
Write-offs and restructures	**(6)**	(13)
Net movement from non-performing and other[2]	**-**	(74)
Gross loans and advances to customers	**22,640**	22,261

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

2 2025 includes Glas 3.1 portfolio sale.

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

	30 June 2026 €m	31 December 2025 €m
Residential mortgages:		
Home loans	**20,499**	20,249
Buy-to-let	**348**	376
Total residential mortgages	**20,847**	20,625
Commercial[1]	**579**	557
Consumer finance	**714**	607
Finance leases and hire purchase receivables	**500**	472
Gross loans and advances to customers	**22,640**	22,261
Of which are reported as non-performing loans	***323***	*308*
Deferred fees, discounts and business combination related fair value adjustments	**309**	308
Provision for impairment losses	**(326)**	(320)
Net loans and advances to customers	**22,623**	22,249

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

Total loans and advances to customers (net)

€22,623m

Total gross new lending for the first half of 2026 amounted to €1,665m, up 6% from €1,577m in H1 2025, continuing the strong momentum shown in H2 2025. New mortgage lending of €1,283m represented 77% of gross new lending, compared to 82% in the first half of 2025, as volumes were marginally down year-on-year. The Bank recorded a strong market share of new mortgage drawdowns for the first half of the year, with momentum shown in an improved second quarter.

SME lending for H1 2026 was €120m, an 11% increase compared to the same period in 2025 (€108m). Asset finance lending was €141m, a 25% increase compared to the prior year driven by a strong market for car sales less than one year old, while the commercial business-to-business lending portfolio continued to perform strongly.

The Group recorded gross new personal term lending of €121m, a 98% increase compared to H1 2025 (€61m) highlighting the strong performance of the new simplified product suite since the launch in September 2025.

NPLs	NPLs as a % of gross loans
€323m	1.4%

Table 7: NPLs

	30 June 2026 €m	31 December 2025 €m
Home loans	**226**	215
Buy-to-let	**44**	43
Commercial[1]	**19**	21
Consumer finance	**25**	21
Finance leases and hire purchase receivables	**9**	8
Non-performing loans	**323**	308
NPLs as % of gross loans	**1.4%**	1.4%
Foreclosed assets[2]	**4**	4
Non-performing assets (NPAs)[3]	**327**	312
NPAs as % of gross loans	**1.4%**	1.4%

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

2 Foreclosed assets are defined as assets held on the balance sheet 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

€25,633m

Table 8: Customer accounts

	30 June 2026 €m	31 December 2025 €m
Current accounts	**9,689**	9,544
Retail deposits	**14,608**	14,485
Total retail deposits (including current accounts)	**24,297**	24,029
Corporate deposits	**1,336**	1,570
Total customer deposits	**25,633**	25,599
Loan to deposit ratio[1]	**88%**	87%

1 Defined as the ratio of loans and advances to customers compared to customer accounts as presented in the SOFP.

At 30 June 2026, customer accounts increased to €25,633m from €25,599m at 31 December 2025, with growth in current account and demand deposits more than offsetting a decrease in fixed term deposits.

The loan to deposit ratio increased marginally from 87% at end 2025 to 88% at end June 2026.

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 prevailing 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. The Group seeks to maintain sufficient capital to ensure that all regulatory requirements are met.

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.

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, will see 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 have 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) have been applicable from 1 January 2025 and the Group's capital ratios are calculated on a CRR III basis.

Regulatory capital developments

The Bank's application to use new Internal Rating Based (IRB) mortgage models was approved by the Regulator in January 2026. Implemented on 30th January 2026, the models created a significant Day 1 increase to the CET ratio of c. +150bps by way of a reduction to the overall RW% of the Bank's loan book (c. –0.9bn RWAs).

Following the latest quarterly review, the Central Bank is maintaining the Countercyclical Buffer (CCyB) rate at 1.5% which has been in effect since June 2024. Within the framework for the CCyB, a rate of 1.5% is deemed appropriate for when cyclical risks are neither elevated nor subdued.

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 has assessed the Group as an O-SII and requires the Group to maintain a 0.5% O-SII buffer from 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.

Capital Management
(continued)

Regulatory capital requirements
The Group's Common Equity Tier1 (CET1) Capital minimum requirement of 10.69% (31 December 2025: 10.69%) is comprised of a Pillar 1 minimum requirement of 4.5%, P2R of 1.69%, Capital Conservation Buffer (CCB) of 2.5%, CCyB of 1.5% and, O-SII buffer of 0.5%.

The Group's Total Capital minimum requirement of 15.50% (31 December 2025: 15.50%) is comprised of a Pillar 1 minimum requirement of 8%, P2R of 3.0%, 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 2026
At 30 June 2026, the regulatory CET1 is 17.7% (31 December 2025: 15.9%) and Total Capital ratio is 23.3% (31 December 2025: 20.9%), exceeding the Group's 2026 capital requirement of 10.69% CET1 and 15.50% Total Capital.

The June YTD CET1 increase of c. +180bps is primarily due to the application of new IRB models in January 2026 (RWAs c. -0.9bn, CET1 c. +150bps), recognised YTD profit after tax of €42m (CET1 c. +40bps), partially offset by new lending volumes (RWA's c. +0.3bn, CET1 c. -40bps).

The 30 June 2026 leverage ratio is 6.6% (31 December 2025: 6.5%). The increase in the year is primarily due to increased Tier 1 Capital, partially offset by Balance Sheet growth.

Table 9 outlines the Group's regulatory capital positions.

Table 9: Regulatory Capital

	30 June 2026 €m	**31 December 2025 €m**
Capital Resources:		
Common Equity Tier 1	**1,798**	1,739
Additional Tier 1[1]	**245**	245
Tier 1 Capital	**2,043**	1,984
Tier 2 Capital	**323**	298
Total Capital	**2,366**	2,282
Risk Weighted Assets	**10,145**	10,936
Capital Ratios:		
Common Equity Tier 1 Capital	**17.7%**	15.9%
Tier 1 Capital	**20.1%**	18.2%
Total Capital	**23.3%**	20.9%
Leverage Ratio[2]	**6.6%**	6.5%

[1]The amount of Additional Tier 1 Capital and Tier 2 instruments included within the consolidated capital of the holding company is restricted within the limits laid down under the CRR. Effective 1 January 2018, these restrictions are now fully phased in.

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

The 2026 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.

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

Table 10: CET1 Capital

	30 June 2026 €m	31 December 2025 €m
Total Equity	**2,496**	2,481
Less: AT1 Capital	**(245)**	(245)
Adjusted Capital	**2,251**	2,236
Prudential Filters:		
Intangibles	**(160)**	(169)
Deferred Tax	**(287)**	(298)
Provision Coverage Capital Deduction	**-**	(13)
AT1 Distribution Accrual	**(6)**	(6)
Proposed Dividend	**-**	(10)
Other	**-**	(1)
Common Equity Tier 1	**1,798**	1,739

Regulatory Capital

The 30 June 2026 regulatory CET1 capital increased by €59m to €1798m (31 December 2025: €1,739m). The increase is primarily due to profit recognised in the year +€42m.

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 2026 is 28.08% (31 December 2025: 28.19%) of Total Risk Exposure Amount (TREA) and 5.91% on a Leverage Ratio basis (31 December 2025: 5.91%). The MREL Minimum Regulatory and Combined Buffer Requirement consists of minimum regulatory requirement of 23.58% (31 December 2025: 23.69%) and the Group's Combined Buffer Requirement of 4.5% at 30 June 2026 (31 December 2025: 4.5%) 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 2026 is 40.0% 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 2026 and 31 December 2025.

Table 11: Risk Weight Assets

	30 June 2026 €m	31 December 2025 €m
RWAs		
Credit Risk	**8,215**	8,959
Counterparty Credit Risk[1]	**86**	89
Securitisation Risk	**-**	-
Operational Risk	**1,077**	1,062
Other[2]	**767**	826
Total RWAs	**10,145**	10,936

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

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

The 30 June 2026 RWA's decreased by €791m to €10,145m (31 December 2025: €10,936m). The decrease is primarily driven by impact of new IRB models which became operational from 30 January 2026, with net loan growth providing a partial offset.

Risk Management

The information in Sections 3.1 Customer Credit Risk, 3.2 Funding and Liquidity Risk and 3.3 Market Risk in Risk Management identified as reviewed (with the exception of the boxed parts of these sections clearly identified as not reviewed), forms an integral part of the reviewed condensed consolidated interim financial statements as described in Note 1, section *1.2 Basis of preparation*. All other information in Risk Management is additional information and does not form part of the reviewed condensed consolidated interim financial statements.

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.

Risk management is delivered through the Bank's Three Lines of Defence model, where the First Line owns risk, the Second Line provides oversight and challenge, and the Third Line provides independent assurance.

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 and Communication Technology ('ICT') Risk; Model Risk; Compliance Risk (including 'Financial Crime Compliance Risk, Data Protection Risk and Upstream Regulatory Risk'); 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.

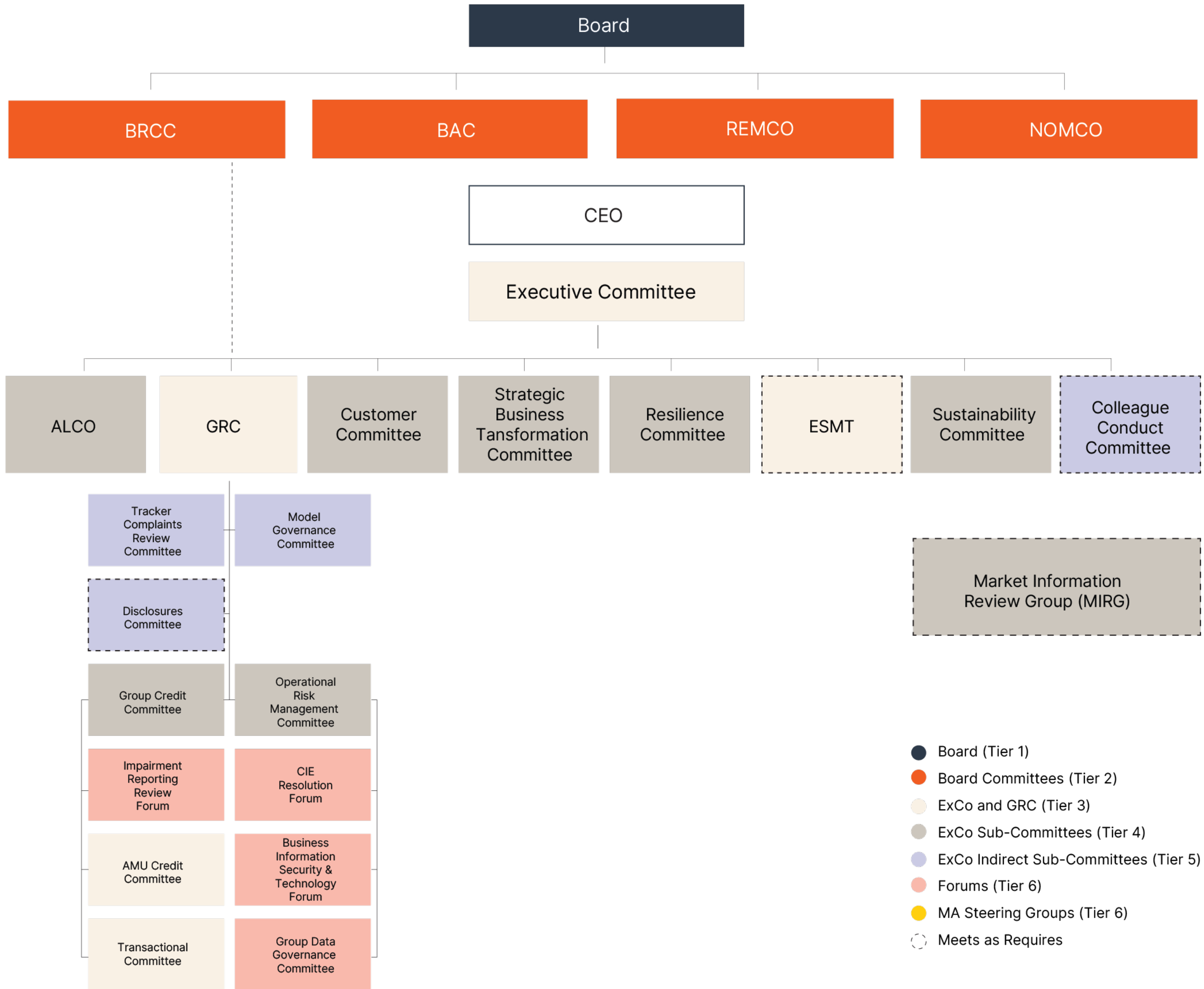
The responsibilities set out below relate to risk management activities. Further roles and responsibilities are documented in the Internal Control Framework ("ICF"), the Board Manual and the Group Risk committees' Terms of Reference.

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 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 judgement, 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.
- **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.

Risk Management
(continued)

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. A number of 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); • In conjunction with the Board Audit Committee, 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 and to provide oversight on the execution of a bank-wide ESG Risk Action Plan. The BRCC consists of 5 Non-Executive Directors, one of whom chairs the Committee.

Committee/Role	Key Responsibilities
Executive Committee (ExCo) ExCo is the Senior Management Executive Committee for the Group, and is the custodian of the Group's collective Strategic Portfolio, Medium Term Plan and Risk Management Architecture as developed through the annual Strategic Planning Process (SPP). ExCo is the accountable body for the Group's operations, compliance and performance; defining the Group'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 Group'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 frameworks 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. The committee is chaired by the Chief Financial Officer (CFO).	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'). The Committee is the initial Governing body within the Bank to provide review, challenge and oversight in supporting ExCo's recommendation and submission onward for approval by the Board. • 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 purposes; the implementation of measures necessary to achieve the operationalisation of recovery plan 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. • ALCo is the primary committee responsible for the design of the Internal Capital Adequacy Assessment Process (ICAAP) and Internal Liquidity Assessment Process (ILAAP), including review, challenge and oversight of key elements of the process and the recommendation of same for approval by the BRCC/Board. • Responsible for managing the Bank's capital position, including capital forecasting and the Bank's 'Capital Plan' as embedded in the MTP and ensuring the Bank meets its regulatory requirements and operates within its capital risk appetite. • Responsible for managing the Bank's liquidity and funding position, including liquidity and funding forecasting and the Bank's 'Funding Plan', as embedded in the MTP. Additionally, ALCo is responsible for review and challenge of the Bank's Funding Strategy and Contingency Funding Plan. • Responsible for providing inputs to the Risk Appetite Statement (RAS); for recommending changes to the Group's Treasury, Capital and Market RAS Limits for Board approval. • Approving changes to the Group's Treasury, Capital, Liquidity & Funding and Market Key Risk Indicator Limits. • 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-, Counterparty- 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.

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 Group-wide risk management issues and maintains oversight across all of the Bank's key risk categories, excluding those which fall under the remit of the ALCo.	The GRC monitors and enforces adherence to the Bank'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 Bank. 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; • Monitor and report on regulatory developments and horizon risks in relation to all relevant Risk Categories, and communicate 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 thresholds in accordance with agreed protocol; • 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 subcommittee of ExCo and is chaired by the Chief Retail Banking Officer. The purpose of the Committee is to support commercial growth while securing customer interests 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.

<table>
<tr><th>Committee/Role</th><th>Key Responsibilities</th></tr>
<tr><td>Sustainability Committee (SusCo)
The SusCo is a sub committee of the Executive Committee (ExCo) and 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.</td><td>The SusCo is responsible for the delivery of PTSB's Sustainability Strategy 2025-2027 by ensuring that there is sufficient governance, oversight, alignment and challenge of activity across each of its key areas of focus.

Key activities of the SusCo include, but are not limited to:
• Leading the implementation of the Bank's Sustainability Strategy, ensuring that all activity is embedded into the Bank's Business Strategy and Integrated Strategic Plan;
• Ensuring that Sustainability-related Impacts (identified through the Bank's Double Materiality Assessment) are appropriately considered;
• 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;
• Overseeing delivery of the Bank's Science-based Targets (SBTs), including Carbon Reduction Plan activity and associated policies;
• 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.</td></tr>
<tr><td>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.</td><td>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.</td></tr>
</table>

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 it's 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 • Consider 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 (and Compliance) 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 risk 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 RAS 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.

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. The risk factors discussed below should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties. The precise nature of all risks and uncertainties that the Group faces cannot be predicted as several of these are outside of the Group's control. As at 30 June 2026, the following are the top three emerging risks considered by the Bank:

Emerging Risks

The Group's emerging risk profile reflects a dynamic and increasingly complex operating environment shaped by macroeconomic uncertainty, accelerated AI adoption, regulatory divergence with policy volatility across major jurisdictions, and risks associated with the sale of the Group to BAWAG. The following four themes represent the most strategically significant emerging risks for the Group over the next 12 months and into the medium term.

1. Prolonged low growth macroeconomic environment

Macroeconomic conditions remain uncertain, and the economy is at risk of entering a period of low or volatile growth, characterised by weaker demand, reduced investment and elevated volatility. This would depress lending demand, reduce fee income, increase credit stress in segments that become more vulnerable, weaken investor confidence, increase funding costs and increase cost reduction impacting operations. Strategic plans would require recalibration and poorly timed efficiency programs could heighten operational risk.

Underlying drivers include persistent trade tensions and tariff exposure, tightening credit conditions, geopolitical conflict, regulatory and fiscal unpredictability and cautious consumer and business sentiment. The Group continues to monitor macro indicators as early warning signals, stress test findings, and preserve delivery flexibility so that portfolio, change and cost actions can be adjusted as conditions evolve.

2. Autonomous ("agentic") AI and information integrity

Rapid adoption of AI, particularly systems capable of initiating actions with limited human intervention raise the risk that processes operate outside intended parameters. Without strong safeguards, explainability and oversight, agentic AI can scale errors quickly, modify workflows in unintended ways, and create accountability gaps, with potential for operational disruption, customer detriment and regulatory exposure.

In parallel, broader technological change (including AI-enabled personalisation and automation across digital channels) is reducing friction in the financial system, compressing customer decision cycles, accelerating switching behaviour, and enabling near-real-time movement of funds. As payment journeys and digital propositions become more seamless, the pace of deposit outflows can increase under stress. This increases the need for Bank to be on strong operational readiness, ensure clear customer communications, and monitoring of early warning indicators that link digital channel behaviour to funding and liquidity risk management.

A related area of concern is information integrity. With the growing availability of AI generated content and reliance on unverified public datasets, there is an increased risk of inaccurate information being embed into analysis, reporting and decision making, resulting in misinformed strategies, compliance breaches, and reputational harm if disclosures or outcomes are later found to be flawed.

Clear detection and classification of AI use cases, strengthened governance across the model lifecycle, targeted controls for higher risk decisions, and proportionate assurance of third-party providers are integral to maintaining traceability, identify control failures, protecting customer outcomes, and meeting evolving supervisory expectations.

3. Policy-driven uncertainty (including relevant international policy signals)

Policy settings in major economies remain fluid, with increasingly divergent cross border requirements emerging across data, AI, privacy, cloud, and payments (including digital currency developments such as the Digital Euro). This regulatory divergence combined with policy volatility such as shifts in U.S. fiscal and trade posture, can translate into duplicated systems, region specific processes and extended delivery timelines. Abrupt rule changes risk stranding investments, driving up compliance and change costs, and contributing to delivery fatigue where programmes must be resequenced at pace.

Digital currency initiatives, particularly the Digital Euro, could further reshape the payments landscape and customer expectations, driving changes in bank operating models, customer journeys, and the competitive set. These shifts could have potential implications for funding mix, product design, and compliance and implementation costs as requirements evolve. Key channels also include uncertainty around U.S. policy that may slow or redirect investment and weaken multilateral coordination, as well as the expansion of trade barriers to digital services, which complicates cross border operating models and supplier arrangements.

4. Risks associated with the proposed sale of the Group to BAWAG

There is a risk that the proposed sale of the Group to BAWAG is delayed or does not complete, with potential implications for operational execution, customer confidence, funding, regulatory engagement and the Group's ability to deliver its Board-approved MTP. Management has considered the risk of the BAWAG transaction not progressing and is satisfied that the Group has sufficient resources and contingency arrangements in place to mitigate this risk, as referenced in the Going Concern section in note *1.3 Going Concern*.

Economist Update

Introduction

Just as the disruption to the global economy caused by tariffs began to recede, war in the Middle East has created new uncertainty. The Central Bank warns that "risks facing the domestic financial system from the global environment have intensified." It states that "the materialisation of a global energy shock will have implications for growth, inflation and financial conditions." While acknowledging that the global financial system "has so far been resilient to the shock, and markets have continued to function in an orderly manner", it cautions that "the ultimate impact will depend on the intensity and duration of the conflict in the Middle East."

Economic Outlook / Growth

In its April World Economic Outlook, the IMF noted that "headwinds from higher trade barriers and elevated uncertainty have been offset by tailwinds from technology-related investment". It projects global growth of "3.1% in 2026 and 3.2% in 2027", on the assumption that the war in the Middle East "will have limited duration, intensity, and scope." However, it cautions that "downside risks dominate the outlook."

The ECB expects "subdued economic growth as higher energy prices and greater uncertainty weigh on domestic demand", which erodes real disposable income and dampens consumer sentiment. It forecasts annual real GDP growth of 0.8% in 2026, 1.2% in 2027 and 1.5% in 2028.

The CSO reported that "GNI", a key deglobalised measure of Ireland's economic performance, expanded by 4.7% in 2025" and that "modified domestic demand (MDD), a broad measure of underlying domestic activity that covers personal, government and investment spending," also rose by 4.7%. The ESRI highlights "two conflicting factors" shaping Ireland's economic outlook: domestic economic resilience and a challenging external environment. It projects MDD to increase by just 2.6% in 2026.

Inflation Rates and Interest Rates

The IMF expects global headline inflation "to increase to 4.4% in 2026 and decline to 3.7% in 2027, marking upward revisions for both years." The ECB sees Eurozone inflation "peaking at 3.4% in the third and fourth quarters of 2026 and remaining above 3.0% until early next year, driven by a surge in energy inflation resulting from the conflict in the Middle East." The Central Statistics Office (CSO) reported that the Irish Consumer Price Index (CPI) "rose by 3.4% between June 2025 and June 2026", while the ESRI forecasts consumer price inflation of 3.7% and 3.1% in 2026 and 2027, respectively.

The ECB increased its deposit rate from 2% to 2.25% in June "to ensure that inflation stabilises at its 2% target in the medium term.".

Government Finances

The NTMA estimates that Ireland's debt-to-GNI* ratio will fall to 58% by the end of the year. The Department of Finance expects a general government surplus of €9.2 billion (2.5% of GNI*) this year and €9.0 billion next year. However, it acknowledges that "the headline balance continues to benefit from the cyclical strength of the economy and from corporation tax receipts that may prove transitory. Controlling for the latter, the underlying fiscal deficit is projected at €10.8 billion for this year and €12.3 billion next year." The Irish Fiscal Advisory Council once again warns that "the planned pace of net spending growth is faster than the sustainable growth rate of the economy" and that the Government is "missing an opportunity" to prepare for the future challenges of "population ageing and climate change."

Pillar II of the OECD's global tax reform, which implements a minimum 15% corporate tax rate, will take effect this year, increasing Ireland's corporation tax revenues by an estimated €3bn per annum. Pillar I – which reallocates taxing rights to the jurisdictions where consumers are located and is likely to reduce Ireland's corporate tax take - remains stalled.

Employment

The CSO reported that the "unemployment rate in June 2026 was 5.0%, up from 4.6% in June 2025" as the number unemployed rose by 8,900 to 145,100 over the period. It stated that "the number of persons aged 15-89 years in the labour force increased by 18,000 or 0.6% to 2,936,300 persons in the 12 months to Q1 2026", which it noted was "the lowest annual increase in five years." It reported that the employment rate fell by 1.4% to 73.3%, while the participation rate declined by 0.8% to 65.0%. It estimated that 2.79m were in employment in Q1 2026, relatively unchanged from Q1 2025.

While employment in the construction sector increased by 20,500 (11.7%) in the year to the end of March, employment in the information and communication technology (ICT) sector declined by 20,300 (10.7%), according to the CSO. The Department of Finance notes that "employment among 15–29-year-olds has fallen by over 30%" in the ICT sector between 2023 and 2025. It adds that artificial intelligence (AI) "has the potential to significantly reshape labour markets over the medium to long-term" and surmises that AI has contributed to this decline in employment. The ESRI warns "that a small economy such as Ireland could face losses in the aggregate if the occupational structure is tilted towards jobs where AI is a substitute."

Despite the challenging backdrop, IDA Ireland reported securing 190 investments in H1 2026, "supporting more than 10,400 job approvals." It noted "a strong concentration of next-generation technology projects, with global companies choosing Ireland as a European growth platform, a base for regional headquarters activity, and a location to scale and support strategic EMEA operations." The ESRI forecasts employment to reach 2.84m in 2026, just 0.8% up on the year. It expects the unemployment rate to rise to 4.9% this year and to 5.0% next year.

Real wages grew over the year ending Q1 2026: according to the CSO, while "average weekly earnings were €1,075.58 in Quarter 1 (Q1) 2026, up 4.4% from €1,029.81 in Q1 2025.", it reported that the consumer price index rose by 3.6% over the same period.

Banking

The Central Bank comments that the "domestic financial system is starting from a position of resilience, supported by ongoing domestic growth. The supportive domestic economic backdrop is expected to continue, albeit with more moderate growth given elevated external risks." However, it cautions that "Ireland's dependence on international trade and imported energy means that supply-side shocks can have large domestic consequences even when direct exposures to the origin of the shock are limited." It further notes that "a more fragmented geoeconomic environment can also affect supply-chain security, investment flows and the concentration risks associated with multinational activity across tax revenue, employment and economic activity." It comments that "consumer confidence has weakened, given elevated uncertainty and further higher costs of living, which could affect future spending", and warns that "private investment could reduce if lower or more volatile revenue forecasts or higher financing costs curb expansionary plans." While it notes that "Irish banks have limited direct exposures to private credit and AI-related investments," it suggests that they "would not be immune to second-round effects or a marked domestic economic slowdown."

It warns that "weaker growth and higher inflation could test borrower resilience" and that "credit risks could rise in a stagflationary environment through lower real incomes, weaker corporate margins and increasing debt-servicing pressures." While acknowledging that "Irish households have modest levels of indebtedness," it cautions that "some existing borrowers on variable or short-term fixed interest rates are vulnerable to refinancing at higher rates, should shocks materialise." It expects the resilience of households to remain "broadly intact" noting that "some existing borrowers are vulnerable to a combination of higher living costs, higher borrowing costs and weaker labour income growth." It notes that "mortgage credit growth has been robust in recent quarters", with over 46,500 mortgages "drawn down in the year to 2026Q1 with an aggregate value of €14.7bn, the highest rolling annual totals since 2009." First-time buyers accounted for over 60% of the value of loans written. It reported that "the weighted average interest rate on new Irish mortgage agreements fell to 3.48" in May 2026, down 0.13% year-on-year.

The Central Bank reports that "at end-March 2026, there were 698,459 private residential mortgage accounts for principal dwellings … with a total outstanding balance of €110 billion. Of the total stock, 34,996 of these accounts were in arrears. … At end-March, 3.0% (21,302 accounts) of total PDH accounts outstanding were in arrears for more than 90 days" which it notes "is the lowest share of PDH accounts in arrears over 90 days on record." It comments that at end-March 2026, while "non-bank entities accounted for 15% of the total number of PDH mortgage accounts outstanding," they held 84% of accounts more than one year in arrears.

The Central Bank reports that "annual household deposit flows remained positive at €9.6 billion in the year to end-May 2026." While "deposits with an agreed maturity up to 2 years increased by €1.9 billion", overnight deposit flows "increased by €7.1 billion." Household deposits stock stood at €175 billion at the end of May 2026. It notes that "lending to households increased by €5.7 billion, or 5.3%, in the year to end-May 2026", comprising €5.2 billion of loans for house purchase and €825 million of loans for consumption, while loans for other purposes decreased by €291 million in the same period.

The BPFI notes that "9,437 new mortgages to the value of €3,034 million were drawn down by borrowers during the first quarter of 2026 … an increase of 2.4% in volume and 7.8% in value on the corresponding first quarter of 2025." First-time buyers (FTBs) remained the single largest segment by volume (59.6%) and by value (60.6%). … These were the strongest first quarter FTB volumes since 2007 and the highest values since 2006. In contrast, mover purchase activity remained subdued, with volumes down 9.4% year on year to 1,768, the lowest first-quarter level since 2014." It highlights that "home mortgage drawdowns on new properties reached the highest Q1 levels since 2008, up 15.1% in volume and 22.3% in value year-on-year … driven mainly by FTB mortgages on new properties, which rose in volume by 18.3% to 2,252 and by 25.3% in value to more than €792 million, the highest Q1 value since 2007." It reports that "the value of mortgage approvals reached a new high of almost €17 billion in the twelve months ending March 2026" while "the value of FTB approvals reached €10.57 billion over the same period, the highest level since the series began in 2011."

House Prices and Housing

According to the CSO, the national residential property price index increased by 6.2% in the year to April 2026, compared to 7.6% a year earlier. It highlights the "acceleration in the delivery of new housing supply in the latter part of 2025, notably apartments in the greater Dublin area." The Central Bank suggests that "lower hiring rates in the younger cohorts of the labour force as well as broader adjustments in the labour market, and a moderation in the rate of inward migration may be contributing factors to recent developments in the housing markets." It suggests that "sustained efforts to increase the delivery of new housing units are needed in the medium term," but notes that "renewed cost pressures could threaten plans."

BPFI reports that housing output was up by one-third in Q1 2026 but cautions that "capacity and planning remain key risks." It expects "total completions expected to reach about 40,000 units in 2026." It notes that "employment in the construction sector increased by almost 50,000 people between the first quarter of 2020 and the first quarter of 2026" with a "marked shift towards higher density housing with the terraced housing share of FTB mortgages increasing from 20% to 27% nationally."

The Central Bank, while noting the "broad reduction in the pace of rental inflation in recent years with rents rising 2.7% year-on-year at the end of 2025, down from 5.4% a year earlier," highlights "an uptick in the growth rate of rents during the opening quarter of the year with data from the CSO showing annual rents up 4.1% in April 2026."

Overall Position
The Central Bank cautions that a further escalation in the conflict in the Middle East, or a prolonged supply-chain disruption, could trigger "multiple pre-existing vulnerabilities across the financial system, for example high AI valuations combined with debt-driven investments". It notes that "cyber risks also continue to intensify amid heightened geopolitical tensions and rapid developments in AI. The evolving cybersecurity threat landscape necessitates continued bolstering of operational resilience capabilities by the financial system to prevent a disruption to core financial services." While acknowledging that "the domestic financial system and economy remain resilient", it warns that they are vulnerable to these elevated external risks. It further highlights that "climate-related risks are an important structural risk to financial stability, with the potential to amplify existing vulnerabilities through both physical risks and the transition to a low-carbon economy."

The Central Bank comments that the "Irish banking sector enters this period of uncertainty from a strong starting position", noting that "the current capital and liquidity buffers should help banks absorb potential losses, should asset quality or financial conditions deteriorate." However, it observes that "navigating the rapidly changing environment requires looking ahead, with a clear focus on the fundamentals of finance: sound governance, effective risk management and financial and operational resilience."

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 Bank's 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 remains committed to the effective identification, management and oversight of Climate-Related & Environmental (CR&E) risk, recognising the continued evolution of market best practice and regulatory expectation. CR&E risk is a key area of focus of the Bank's Sustainability Strategy 2025-2027 under the 'Protecting our Planet' pillar.

PTSB has formally defined CR&E risk by reference to Physical and Transition Risk. Physical Risk includes both acute physical risks, such as floods, storms, droughts and heatwaves, and chronic physical risks, such as rising temperatures, sea level rise, water stress, biodiversity loss, land-use change, habitat destruction and resource scarcity. Transition Risk relates to the economic, financial loss or adverse outcomes that may arise from the transition to a low carbon and more environmentally sustainable economy, including policy, legal, market, technology and reputational drivers.

The Bank continues to monitor CR&E risk through its Risk Appetite Framework, supported by qualitative and quantitative metrics that provide oversight of Environmental risk exposures across relevant risk categories, including Credit, Operational and Compliance risk. During H1 2026, the Bank continued to mature its approach to CR&E data, metrics and reporting, including consideration of flood risk, energy efficiency indicators and portfolio-level Environmental risk exposures to support improved understanding of Environmental risk drivers and associated transmission channels across the Bank's portfolios.

In addition, the Bank also commenced a programme of work to ensure compliance with the EBA Guidelines on Environmental Scenario Analysis, building on existing ICAAP and ILAAP climate scenario analysis capabilities and supporting the continued embedding of CR&E risk into risk management process, strategic planning and decision making.

Governance of CR&E risk is overseen through the Bank's Group Risk Committee. During H1 2026, governance activities focused on the ongoing integration of CR&E risk into risk management processes, business operations and strategic decision-making.

The Bank expanded its CR&E Risk Materiality Assessment to include consideration for Nature-related risk, through the completion of a qualitative Nature-related Risk Materiality Assessment. The assessment considered how changes to nature and biodiversity could result in additional risk for the Bank using Physical and Transition sub-risk drivers. This review was conducted through the lens of how the Bank's value chain interfaces with nature (for example, the natural world and the ecosystems that underpin the economy, spanning both living and non-living components across land, air, water and biodiversity). Nature-related risk is relevant for the Bank; however, no new material risks were identified as part of this assessment. This work enhances the Bank's understanding of broader Environmental risks, supports ongoing development of risk management capabilities and aligns with emerging regulatory and industry expectations regarding broader Environmental risk assessment.

The Bank continues to support customers and counterparties in their transition to a lower-carbon economy through the delivery of products and propositions. Progress made during H1 2026 includes:

- €620m in green mortgage lending during H1 2026, accounting for 48% of new mortgage lending (+11% YoY);
- Participation in the SBCI's Growth and Sustainability Loan Scheme, offering €70m in low-cost loans to SMEs;
- Participation in the SBCI's Home Energy Upgrade Loan Scheme, providing €100m in funding; and,
- Introduction of a Home Upgrade Tool to support homeowners to plan, customise and finance energy efficiency upgrades based on their home's Building Energy Rating (BER).

Furthermore, the Bank broadened its approach to Environmental, Social and Governance (ESG) risk management in line with evolving regulatory expectations. This included the completion of the Qualitative Social and Governance Risk Materiality Assessments, finalisation of an ESG Risk Definition and the development an ESG Risk Management Policy. These enhancements support the integration of ESG risk considerations into the Bank's existing risk management framework, governance arrangements and risk appetite processes.

As the broader ESG risk landscape (which includes CR&E risk) continues to evolve, the Bank will continue to enhance its approach to risk identification, measurement, monitoring and reporting. Key priorities include advancing quantitative analysis, enhancing data quality and integrity, further maturing ESG risk management capabilities, and embedding sustainability considerations across core risk processes, governance frameworks, 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 IV (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 recent 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 (including the government's proposed savings and investment scheme) 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, the Group's funding 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 and GRC.

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, GRC 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 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 the risk of an adverse outcome arising as a direct result of weaknesses or failures in the design, implementation or use of a model. The adverse consequences may include financial loss, poor business or strategic decision-making, or damage to the Group's reputation. The Model Risk Framework also recognises Artificial Intelligence ("AI") Risk as a sub-risk of Model Risk, reflecting the additional risks that may arise from the development, deployment, use or operation of AI systems.

In terms of risk appetite, the Group has a medium risk appetite for Model Risk and expects models and AI systems to be appropriately identified, assessed, governed, validated, monitored and controlled throughout their lifecycle. The key factors which influence Model Risk and AI Risk within PTSB include:

- Macroeconomic risk – the Group's suite of models is built on historical data and assumptions which may not fully capture the impact of new or rapidly changing economic conditions. The degree of risk increases with the speed and volatility of economic change;
- Regulatory change – continued developments in prudential regulation, supervisory expectations and AI regulation, including the EU AI Act, increase the need for robust model and AI system classification, governance, documentation and oversight;
- Competition for skills – significant competition exists within the Irish market for those with the experience and expertise to build, validate, implement, monitor and interpret models and AI systems;
- Data – the availability, quality, relevance and appropriate use of data remain key drivers of model performance and AI system outcomes, particularly where models rely on large, complex or third-party data sources; and
- AI-specific risks – AI systems may introduce heightened uncertainty, reduced transparency, explainability challenges, bias, privacy, security and resilience considerations, and risks arising from inappropriate reliance on AI-generated outputs.

Model Risk and AI Risk are managed in accordance with the Group's Model Risk Framework and Model Risk Policy. The Framework sets out the Bank's approach to identifying, assessing, managing, monitoring and reporting Model Risk, including AI Risk as a sub-risk category. It also defines the key principles and responsibilities across the Three Lines of Defence. The Model Risk Policy supports the Framework by defining mandatory lifecycle controls and accountabilities for models and AI systems across the Group, including:

- The classification and categorisation of all models, including AI systems and general-purpose AI systems;
- Clear roles and responsibilities for model ownership, development, validation, approval, monitoring and independent oversight;
- A risk-based approach to model tiering, AI system categorisation, initial and ongoing risk assessment, validation, monitoring and approval;
- Lifecycle controls covering classification, initiation, categorisation, data and development, independent validation, approval, implementation, use, monitoring, exceptions, derogations and breaches; and
- Additional AI-specific controls, including consideration of Responsible AI principles, transparency, explainability, human oversight, AI-generated content labelling, high-risk AI requirements and appropriate use of general-purpose AI outputs.

The Model Governance Committee ("MGC"), a sub-committee of the Group Risk Committee ("GRC"), is the primary body for oversight of Model Risk and AI Risk. AI-related use cases are also subject to review by the AI Ethics and Governance Committee prior to model initiation approval, where applicable. Model Risk metrics are monitored through the Risk Appetite Statement and Key Risk Indicators, with reporting and escalation to relevant committees. Material model and AI system issues, breaches, exceptions and derogations are reported through established governance channels to support effective oversight and timely remediation.

Operational Risk and ICT Risk

Operational Risk is defined as the risk of loss or unplanned gains resulting from inadequate or failed processes or systems, human error or from external events. This includes: operational resilience & continuity; third party and outsourcing including sub-outsourcing; transaction and account processing; fraud; financial reporting; health, safety & physical security; 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. 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 and outsourced service providers (including sub-outsourcing) 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.

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 and Conduct Risk Principles. 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 financial 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. The Group cannot be sure that it will be successful in avoiding damage to its business from reputational risk.

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 with the complexity of change continuing to be an area of focus for the Bank. while 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, artificial intelligence and climate related and environmental risk.

From a European perspective, economic competitiveness continues to be a focus, with regulatory simplification remaining high on the agenda, along with progressing legislative changes including the implementation of Basel III reforms; progressing the EU Payments and AntiMoney Laundering packages along with the implementation of the Digital Euro. The key European Regulatory Developments are:

- Legislative implementation of the Basel III reforms continues across the EU. The CRD VI amendments became applicable from January 2026, complementing the earlier implementation of CRR III. The European Banking Authority (EBA) continues to develop a significant programme of technical standards and guidelines to support implementation across areas including ESG risks, governance, market risk and supervisory reporting;
- The EU Payments package, which includes the updated Payment Services Directive (PSD 3); the new Payment Services Regulation and the Financial Data Access Regulation (FIDA), is designed to modernise and harmonise payment services across the EU and the relevant regulations continue to progress through the EU Legislative process with implementation expected from 2028;
- The legislation to introduce the Digital Euro, which is the proposed central bank digital currency for the Euro area and is seen as a strategic move to strengthen Europe's monetary sovereignty and reduce reliance on external payment systems, is progressing through the European legislative process. Political agreement is targeted for year-end 2026 with the ECB continuing preparatory work towards a potential launch from 2029;
- The revised Consumer Credit Directive has been published and is due to apply from November 2026 following national transposition and the new EU Artificial Intelligence Act, which was published in June 2024, comes into effect on various dates from 2024 through to 2028;
- The Cyber Resilience Act (CRA) establishes a mandatory cybersecurity framework for products with digital elements. From 11 September 2026, the Bank must report serious cyber incidents and actively exploited security flaws to EU authorities including early warning within 24 hours and fuller notification within 72 hours. Full implementation is due from 11 December 2027;
- The EBA has proposed replacing its 2019 Outsourcing Guidelines with Guidelines on the sound management of third-party risk. The updated guidelines will provide a single framework covering all third-party arrangements, including non-outsourcing and intra-group service, aligning governance and risk requirements with DORA; and
- As part of the AML package, the European Anti-Money Laundering Authority (AMLA) commenced operations in mid-2025 and the new AML Regulation (AMLR) will be effective from July 2027. The AMLR introduces significant reforms aimed at strengthening the EU's framework against money laundering and terrorist financing.

At a National level, the key regulatory development relates to the Central Bank of Ireland's revised Consumer Protection Code (CPC).

The revised CPC comprises the Central Bank's Standards for Business Regulations, Consumer Protection Regulations and supporting guidance and became effective from March 2026. 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.

Other relevant national regulatory developments relate to the ongoing development of the Access to Cash Framework with the Central Bank notifying designated entities of ATM and Cash Service Point deficiencies and introducing draft consultation papers on Local Deficiency Guidelines and Access to Cash requirements for ATM Operators.

3. Group Risks

The Board has overall responsibility for the establishment and oversight of the ERMF. 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 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 the ALCo.

The BAC, consisting of members of the Board, oversees how Management monitors compliance with the Group's risk management policies and procedures 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 one 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 from climate change and nature degradation, 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 more environmentally sustainable 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. The Bank applied a €3m Climate Risk ECL overlay at 30 June 2026 consisting of an affordability assessment of customers in high flood risk areas to ensure the current level of climate risk is adequately captured within the ECL stock (see note 1, Corporate information, basis of preparation, significant accounting policies, estimates and judgements for further detail).

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 appropriateness, 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 sectoral 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 and certain hire purchase receivable 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).

Residential Mortgage Exposures by Indexed LTV

30 June 2026	Home loans €m	Buy-to-let €m	Total €m
Less than 70%	**17,761**	**301**	**18,062**
71% to 90%	**2,638**	**26**	**2,664**
91% to 100%	**77**	**7**	**84**
Subtotal	**20,476**	**334**	**20,810**
Greater than 100%	**23**	**14**	**37**
Total Residential Mortgages	**20,499**	**348**	**20,847**
Commercial*			**579**
Consumer finance			**714**
Finance leases and hire purchase receivables			**500**
Gross loans and advances to customers			**22,640**
Deferred fees, discounts and business combination related fair value adjustments			**309**
Gross loans and advances to customers and deferred fees			**22,949**
Less provision for impairment (note 14)			**(326)**
Net loans and advances to customers			**22,623**

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

31 December 2025	Home loans €m	Buy-to-let €m	Total €m
Less than 70%	17,679	320	17,999
71% to 90%	2,500	31	2,531
91% to 100%	46	9	55
Subtotal	20,225	360	20,585
Greater than 100%	24	16	40
Total Residential Mortgages	20,249	376	20,625
Commercial*			557
Consumer finance			607
Finance leases and hire purchase receivables			472
Gross loans and advances to customers			22,261
Deferred fees, discounts and business combination related fair value adjustments			308
Gross loans and advances to customers and deferred fees			22,569
Less provision for impairment (note 14)			(320)
Net loans and advances to customers			22,249

* The Group'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. Regular updates are presented to the GCC and the GRC and BRCC which include an overview, trends, limit categories and detail of 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 Conduct Requirements for Mortgage Arrears (CRMA), as detailed in the revised Consumer Protection Code 2025, 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 appropriateness, affordability and sustainability. The main objectives of this strategy are to ensure that arrears solutions are considered appropriate for the borrower, are sustainable in the long-term, that they comply with all regulatory requirements and where possible keep residential mortgage borrowers 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 mortgage, Commercial, SME, Consumer and Finance leases and hire purchase receivables 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 dependent 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.

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 2026 €m	31 December 2025 €m
Cash at bank	9	**76**	79
Loans and advances to banks		**1,611**	1,719
Derivative financial instruments	10	**1**	24
Other assets		**16**	61
Debt securities	12	**5,336**	5,360
Loans and advances to customers (in the course of collection)		**17**	11
Loans and advances to customers	13,14	**22,623**	22,249
Credit commitments	24	**1,814**	1,554
		31,495	31,057

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 (including 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 Investors Services Limited ("Moody's") and Standard and Poor's ("S&P") for the EU. There are no impaired debt securities as at 30 June 2026 or at 31 December 2025.

	30 June 2026 €m	31 December 2025 €m
Rating		
Aaa	**1,285**	1,213
Aa1	**357**	340
Aa3	**2,134**	2,429
A1	**232**	-
A3	**1,163**	1,137
Baa2	**165**	241
Total	**5,336**	5,360

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

	30 June 2026 €m	31 December 2025 €m
Country		
Ireland	**1,630**	1,604
EU	**1,087**	1,012
Spain	**856**	842
France	**571**	721
Austria	**357**	340
Portugal	**307**	295
Belgium	**279**	220
Italy	**165**	241
Netherlands	**84**	85
Total	**5,336**	5,360

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 credit ratings aligned to recognised External Credit Assessment Institutions, including Moody's and S&P.

	30 June 2026 €m	31 December 2025 €m
Rating		
Aaa	**1,312**	1,399
Aa2	**17**	38
Aa3	**127**	157
A1	**96**	66
A2	**59**	59
Total	**1,611**	1,719

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.

30 June 2026 Asset quality*	Home loan €m	Buy-to-let €m	Total residential mortgages €m	Commercial** €m	Consumer finance €m	Finance leases and hire purchase receivables €m	Total €m
Stage 1							
Excellent	**18,154**	**141**	**18,295**	**27**	**158**	**142**	**18,622**
Satisfactory	**64**	**1**	**65**	**31**	**367**	**327**	**790**
Fair	**-**	**-**	**-**	**-**	**1**	**-**	**1**
	18,218	**142**	**18,360**	**58**	**526**	**469**	**19,413**
Stage 2							
Excellent	**676**	**28**	**704**	**4**	**4**	**-**	**712**
Satisfactory	**909**	**21**	**930**	**221**	**75**	**2**	**1,228**
Fair	**470**	**113**	**583**	**277**	**84**	**20**	**964**
	2,055	**162**	**2,217**	**502**	**163**	**22**	**2,904**
Stage 3							
Defaulted	**226**	**44**	**270**	**19**	**25**	**9**	**323**
Total measured at amortised cost	**20,499**	**348**	**20,847**	**579**	**714**	**500**	**22,640**

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

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

31 December 2025 Asset quality*	Home loan €m	Buy-to-let €m	Total residential mortgages €m	Commercial** €m	Consumer finance €m	Finance leases and hire purchase receivables €m	Total €m
Stage 1							
Excellent	18,080	165	18,245	51	145	136	18,577
Satisfactory	87	7	94	10	308	307	719
Fair	-	-	-	-	-	-	-
	18,167	172	18,339	61	453	443	19,296
Stage 2							
Excellent	746	18	764	3	3	-	770
Satisfactory	669	14	683	219	38	-	940
Fair	452	129	581	253	92	21	947
	1,867	161	2,028	475	133	21	2,657
Stage 3							
Defaulted	215	43	258	21	21	8	308
Total measured at amortised cost	20,249	376	20,625	557	607	472	22,261

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

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

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 forborne 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. This includes residential mortgage accounts where the remaining lifetime PD is more than double and more than 50 basis points higher than the remaining lifetime PD at initial recognition. 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 forborne).

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 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 of 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, where possible, the systems and data that are used to calculate risk weighted assets for regulatory capital (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, and reflects a component approach using Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) components calibrated for IFRS 9 purposes. To adequately capture life-time expected loss, the Group also models 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 provides a TTC measure of likelihood of default. The Group then applies an economic response model to reflect current and 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, Observed Default Rates (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, the LGD model assumes that the Group will have recourse to collateral in the event that an exposure fails to return to a performing state. The IFRS 9 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. As part of the Group's redevelopment of the IFRS 9 Mortgage LGD model during 2025, it was determined that the chosen modelling approach, which is aligned more closely with the Group's forward looking NPL strategy, did not appropriately capture the risk of elevated loss outcomes for a legacy cohort of aged Stage 3 exposures. The ECL on this cohort is determined through a non-modelled approach by the application of a Discounted Cash Flow (DCF) measurement method which takes into account current and expected payment patterns and assumptions with respect to collateral recoverability.

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 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 of 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 subcommittee 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 IFRS 9 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 2026. The Group adopts a minimum of three macroeconomic scenarios for ECL purposes, a four scenario approach is applied for residential mortgages and a three scenario approach is maintained for non-residential mortgage portfolios (see note 1, Corporate information, basis of preparation, significant accounting policies, estimates and judgements for further detail).

IRRF reviews the scenario probabilities and recommends their use ahead of ALCo's subsequent recommendation to 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, Corporate information, basis of preparation, significant accounting policies, 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 estimating ECL. At 30 June 2026, the impairment provision includes management adjustment in respect of impairment model parameters, adjustments to modelled outcomes and ECL non-modelled measurement for a cohort of aged defaults in Stage 3 (see note 1, Corporate information, basis of preparation, significant accounting policies, 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 91% of the balance sheet being deposit funded at the half year, exposure to a deposit run represents the primary liquidity and funding risk.

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

(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 Risk Appetite metrics consisting 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 is 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 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 financing and liquidity. In particular, any future reductions in long-term or short-term credit ratings could: further increase borrowing costs; adversely affect access to liquidity; require the Group to replace funding losses arising from a downgrade, which may include a loss of customer deposits; limit access to capital and money markets; and trigger additional collateral requirements in secured funding arrangements and derivatives contracts. These issues are factored into the Group's liquidity stress testing.

In May 2026, Fitch upgraded PTSB PLC to 'A-' from 'BBB+' and assigned a 'Stable' outlook on same. This upgrade reflected Fitch's view of increased creditor protection from the large resolution buffer of the parent entity, PTSB Group Holdings PLC, whose rating was maintained at 'BBB' also with a 'Stable' outlook. This rating action follows the May 2025 Fitch upgrade of both the PTSB Group Holdings PLC (to 'BBB') and PTSB PLC (to 'BBB+'), with a 'Stable' outlook for both entities.

In September 2025, Moody's reaffirmed the existing ratings of 'Baa1' for PTSB Group Holdings and 'A1' for PTSB plc, and maintained a 'Stable' outlook for both. Moody's credit analysis highlighted the Group's low asset risk, significantly improving profitability, strong capitalisation and liquidity profile. In April 2026, following the announcement that the PTSB had agreed to a potential acquisition by BAWAG, Moody's moved the outlook for PTSB Group Holdings PLC to 'Positive' reflecting its expectation of potential affiliate support uplift based on BAWAG's standalone credit fundamentals.

Together, this reinforces PTSB Group Holdings' and PTSB plc's firmly established investment grade status with both rating agencies. This is expected to have a continued benefit to the Bank's access to potential investor base and support the Bank in reducing the relative cost of future issuances.

The table below sets out the Long-Term Credit Ratings for PTSB Group Holdings and PTSB plc.

Agency	PTSB Group Holdings	Outlook	PTSB plc	Outlook
Moody's	'Baa1'	Positive	'A1'	Stable
Fitch	'BBB'	Stable	'A-'	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 mitigated via hedging.

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.

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

In defining the level of interest rate risk the Group applies the most severe of the six scenarios prescribed by the EBA Guidelines on the Management of IRRBB, for EVE and applies the most negative of a 200bps upwards or downwards shock for EAR measurement, 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 2026 interest rate risk level, based on the EBA's Supervisory Outlier Test (SOT) EVE calculation in the "Short Up" scenario (rates increase by 250bps overnight but the shock reduces with tenor), was calculated as €181m (31 December 2025: €105m in the "Parallel Up" scenario).

The Bank implemented new IRRBB behavioural models in 2026. The most impactful of the behavioural model changes relate to the Bank's Non-Maturity Deposits (NMDs) where the maximum behavioural lives have increased from 7 years to up to 10 years. This change to the NMDs increases the Bank's exposure to short term interest rate increases in the EBA's Short Up scenario.

The Bank reduced its interest rate swap positions by €0.4bn in H1 2026 as part of its ongoing interest rate risk management.

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 2026 FX position was €0.6m (31 December 2025 €0.6m).

(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 2026 was €2.5m.

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 2026 ("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:
   - 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;
   - a description of the principal risks and uncertainties for the remaining 6 months of the financial year;
   - 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
   - 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	**Eamonn Crowley**	**Barry D'Arcy**	**Conor Ryan**
Chairperson	Chief Executive	Chief Financial Officer	Company Secretary

28 July 2026

Independent Review Report
to Permanent TSB Group Holdings plc

Conclusion
We have been engaged by the Permanent TSB Group Holdings Plc (the "Group") to review the Group's condensed set of consolidated financial statements in the interim financial report for the six months ended 30 June 2026 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, a summary of material accounting policies and other explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the Group's condensed set of consolidated financial statements in the interim financial report for the six months ended 30 June 2026 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 2026 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.

Independent Review Report
to Permanent TSB Group Holdings plc (continued)

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

28 July 2026

Condensed Consolidated Income Statement (Unaudited)

For the half year ended 30 June 2026

	Note	Half year ended 30 June 2026 €m	Half year ended 30 June 2025 €m
Interest income calculated using effective interest method	3	**434**	422
Other interest income	3	**15**	13
Interest income		**449**	435
Interest expense	3	**(136)**	(147)
Net interest income		**313**	288
Fees and commission income		**57**	52
Fees and commission expense		**(27)**	(21)
Net fee and commission income		**30**	31
Net trading income		**1**	2
Net other operating income		**-**	1
Total operating income		**344**	322
Administrative, staff and other expenses (excluding exceptional items)	4	**(203)**	(205)
Bank levy and other regulatory charges	5	**(25)**	(25)
Depreciation of property and equipment		**(10)**	(14)
Amortisation of intangible assets		**(32)**	(30)
Exceptional items			
Voluntary severance and other	6	**(11)**	(29)
Total operating expenses		**(281)**	(303)
Operating profit before credit impairment and taxation		**63**	19
Credit impairment			
Loans and advances to customers	14	**(6)**	-
Total credit impairment charge		**(6)**	-
Operating profit before taxation		**57**	19
Taxation	7	**(15)**	(4)
Profit for the period		**42**	15
Attributable to:			
Equity holders of the parent		**25**	(6)
Other equity holders*		**17**	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 earnings/(loss) share of €0.5 ordinary shares	8	**4.6**	(1.1)
Diluted earnings/(loss) share of €0.5 ordinary shares	8	**4.6**	(1.1)

Condensed Consolidated Statement of Comprehensive Income (Unaudited)

For the half year ended 30 June 2026

	Note	Half year ended 30 June 2026 €m	Half year ended 30 June 2025 €m
Profit for the period		**42**	15
Items that will not be reclassified to the income statement in subsequent periods			
Change in fair value of equity instruments		**-**	-
Other comprehensive income for the period, net of tax		**-**	-
Total comprehensive income for the period, net of tax		**42**	15
Attributable to:			
Equity holders of the parent		**25**	(6)
Other equity holders*		**17**	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 2026

	Notes	30 June 2026 €m	31 December 2025 €m
Assets			
Cash at bank	9	**76**	79
Loans and advances to banks	9	**1,611**	1,719
Derivative financial instruments	10	**1**	24
Other assets		**16**	61
Assets classified as held for sale	11	**5**	5
Debt securities	12	**5,336**	5,360
Equity securities		**1**	1
Prepayments and contract assets		**59**	168
Loans and advances to customers (in the course of collection)		**17**	11
Loans and advances to customers	13	**22,623**	22,249
Interest in associated undertakings		**39**	32
Property and equipment		**183**	189
Intangible assets		**276**	263
Deferred taxation	15	**289**	304
Current tax asset		**2**	-
Total assets		**30,534**	30,465
Liabilities			
Deposits by banks		**181**	104
Customer accounts	16	**25,633**	25,599
Derivative financial instrument	10	**4**	4
Debt securities in issue	17	**1,691**	1,723
Other liabilities		**164**	131
Accruals		**13**	12
Provisions	18	**52**	64
Subordinated liabilities	19	**300**	347
Total liabilities		**28,038**	27,984
Equity			
Share capital	20	***272***	*272*
Share premium	20	***804***	*804*
Other reserves	20	***(818)***	*(818)*
Retained earnings	20	***1,993***	*1,978*
Shareholders' equity		**2,251**	2,236
Other equity instruments	20	**245**	245
Total equity		**2,496**	2,481
Total liabilities and equity		**30,534**	30,465

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 2026

	Share capital	Share premium	Revaluation reserve*	Fair value reserve*	Other capital reserve*	Retained earnings	Attributable to owners of the holding company	Other equity instruments	Total
	€m	€m	€m	€m	€m	€m	€m	€m	€m
Balance as at 1 January 2026	**272**	**804**	**35**	**2**	**(855)**	**1,978**	**2,236**	**245**	**2,481**
Profit for the half year ended 30 June 2026	-	-	-	-	-	**25**	**25**	**17**	**42**
Other comprehensive income, net of tax (note 21)	-	-	-	-	-	-	-	-	-
Total comprehensive Income for the period	-	-	-	-	-	**25**	**25**	**17**	**42**
Transactions with owners, recorded directly in equity:									
Contributions by and distributions to owners									
AT1 coupon paid (note 20)	-	-	-	-	-	-	-	**(17)**	**(17)**
Dividends on Ordinary shares	-	-	-	-	-	**(10)**	**(10)**	-	**(10)**
Total contributions by and distributions to owners	-	-		-	-	**(10)**	**(10)**	**(17)**	**(27)**
Balance as at 30 June 2026	**272**	**804**	**35**	**2**	**(855)**	**1,993**	**2,251**	**245**	**2,496**

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

For the half year ended 30 June 2025

	Share capital	Share premium	Revaluation reserve*	Fair value reserve*	Other capital reserve*	Retained earnings	Attributable to owners of the holding company	Other equity instruments	Total
	€m	€m	€m	€m	€m	€m	€m	€m	€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:									
Contributions by and distributions to owners									
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.

For the year ended December 2025

	Share capital €m	Share premium €m	Revaluation reserve* €m	Fair value reserve* €m	Other capital reserve* €m	Retained earnings €m	Attributable to equity holders of the parent €m	Other equity instrument €m	Total €m
Balance as at 1 January 2025	272	804	35	7	(855)	1,901	2,164	368	2,532
Profit for the year	-	-	-	-	-	71	71	43	114
Other comprehensive income, net of tax (note 21)	-	-	3	-	-	-	3	-	3
Total comprehensive income for the period	-	-	3	-	-	71	74	43	117
Transactions with owners, recorded directly in equity:									
Contributions by and distributions to owners									
Redemption of other equity instruments	-	-	-	-	-	-	-	(123)	(123)
AT1 coupon paid (note 20)	-	-	-	-	-	-	-	(43)	(43)
Loss on redemption of AT1 securities	-	-	-	-	-	(2)	(2)	-	(2)
Reclassification of cumulative gain (net of tax) of equity instruments on disposal	-	-	-	(5)	-	5	-	-	-
Reclassification of cumulative gain (net of tax) of property on disposal	-	-	(3)	-	-	3	-	-	-
Total contributions by and distributions to owners	-	-	(3)	(5)	-	6	(2)	(166)	(168)
Balance as at 31 December 2025	272	804	35	2	(855)	1,978	2,236	245	2,481

*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 2026

	Half year ended 30 June 2026 €m	Half year ended 30 June 2025 €m
Cash flows from operating activities:		
Operating profit before taxation	**57**	19
Adjusted for non-cash items and other adjustments:		
Depreciation, amortisation and impairment of property, equipment and intangibles	**42**	44
- Loans and advances to customers	**6**	-
Unrealised losses/(gains) on financial assets	**1**	(2)
Other mortgage related adjustments	**37**	35
Other provisions	**1**	33
Net interest income*	**76**	99
Other non-cash items*	**(31)**	(36)
	189	192
(Increase)/decrease in operating assets:		
Derivative assets	**28**	8
Other assets	**43**	6
Debt securities	**34**	22
Prepayments and accrued income	**109**	(83)
Loans and advances to customers (in the course of collection)	**(6)**	(1)
Loans and advances to customers	**(417)**	(377)
Increase/(decrease) in operating liabilities:		
Deposits by banks (including central bank)	**75**	(68)
Customer accounts	**(50)**	1,024
Debt securities in issue	**(76)**	(76)
Derivative liabilities	**(5)**	1
Other liabilities and accruals	**34**	32
Provisions	**(13)**	(29)
	(244)	459
Net cash (outflow)/inflow from operating activities before tax	**(55)**	651
Tax paid	**(2)**	(1)
Net cash (outflow)/inflow from operating activities	**(57)**	650
Cash flows from investing activities		
Maturities of debt securities - HTC	**349**	93
Purchase of debt securities - HTC	**(298)**	(624)
Purchase of property and equipment	**(4)**	(3)
Purchase of intangible assets	**(13)**	(14)
Investment in associated undertakings	**(7)**	(5)
Sale of properties	**-**	4
Net cash from/(used in) investing activities	**27**	(549)
Cash flows from financing activities		
Dividend Payment	**(10)**	-
Redemption of Tier 2 capital note	**(51)**	-
Payment of lease liabilities	**(3)**	(3)
AT1 coupon payment	**(17)**	(21)
Interest paid on T2 capital notes	**(1)**	-
Interest paid on T2 hedging derivative	**1**	(4)
Net cash (used in) financing activities	**(81)**	(28)
(Decrease)/increase in cash and cash equivalents	**(111)**	73
Analysis of changes in cash and cash equivalents		
Cash and cash equivalents as at 1 January	**1,798**	2,274
(Decrease)/increase in cash and cash equivalents	**(111)**	73
Cash and cash equivalents as at 30 June	**1,687**	2,347

* For the interim period ended 30 June 2026 the Other non-cash items line item has been disaggregated to include the net interest income line item.

The net (decrease)/increase in cash and cash equivalents includes interest received of €503m (30 June 2025: €451m), interest paid of €151m (30 June 2025: €140m) and dividends paid of €27m (30 June 2025: €21m)

Reconciliation of liabilities arising from financing activities

	Subordinated Liabilities €m	Lease Liabilities €m	Tier 2 hedging derivatives €m	Total €m
1 January 2026	**347**	**32**	**(1)**	**378**
Financing Cashflows:				
Lease Liability	**-**	**(3)**	**-**	**(3)**
Interest paid on Tier 2 capital notes	**(1)**	**-**	**-**	**(1)**
Interest paid on Tier 2 hedging derivatives	**-**	**-**	**1**	**1**
Tier 2 partial redemption	**(51)**	**-**	**-**	**(51)**
Non-cash movements:				
Additions to lease liabilities	**-**	**1**	**-**	**1**
Interest accrued on Tier 2 capital notes	**7**	**-**	**-**	**7**
Hedge adjustment on Tier 2 capital notes	**(2)**	**-**	**-**	**(2)**
Interest accrued on Tier 2 hedging instrument	**-**	**-**	**(1)**	**(1)**
Fair value movement on Tier 2 hedging derivative (asset)	**-**	**-**	**3**	**3**
30 June 2026	**300**	**30**	**2**	**332**
1 January 2025	257	35	(6)	286
Financing Cashflows:				
Lease Liability	-	(3)	-	(3)
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

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

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 2026. The condensed consolidated interim financial statements for the half year ended 30 June 2026 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 28 July 2026.

The accounting policies applied in the preparation of the condensed consolidated interim financial statements for the half year ended 30 June 2026 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 2025 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 2025 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 2026 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 2025. Management have considered the impact of the new accounting standards and pronouncements, set out below in *1.6 Impact of other accounting standards effective periods beginning on or after 1 January 2026*.

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 2025.

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 2025 were approved by the Directors on 04 March 2026, contained an unqualified audit report and will be filed with the Companies Registration Office on or before 30 September 2026.

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).

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 2025 remain relevant to the Group's condensed consolidated interim financial statements for the period ended June 2026. 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 interim 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 interim financial statements.

The critical accounting estimates are consistent with those described in the 2025 Annual Report.

Allowance for credit losses under IFRS 9
IFRS 9 requires an impairment allowance to be recorded for ECL on financial assets regardless of whether there has been an actual loss event. There is a requirement 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 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 the 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. For long dated Non-Performing Loans, ECL is computed considering the present value of expected cashflows and expected recovery of collateral.

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, as was the case for 30 June 2026, will cause an increase in ECL. These movements could be significant in the accounting period of update.

In its calculation of ECL allowance, 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 for its residential mortgage portfolios underwent a review during 2025 as part of the redevelopment of the Group's IFRS 9 models.

Following the implementation of new residential mortgage ECL models at December 2025, four scenarios are considered in the Group's calculation of ECL allowance for residential mortgages at the reporting date. The four-scenario narrative-based approach considers current and emerging macroeconomic risks and outlook, which is the dominant approach from a market practice perspective. 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 two scenarios that represent a macroeconomic environment that is less favourable to the central scenario. One of these less favourable scenarios reflects a moderately adverse macroeconomic environment, while the other reflects a distinct extreme but plausible stress event. As such, the scenarios are based on different underlying economic shocks and assumptions, rather than representing varying degrees of severity of the same scenario.

The Group has maintained a three-scenario approach in its calculation of ECL allowance for unsecured and SME portfolios. The base scenario is identical to that used for the residential mortgage portfolios. The upside and downside scenarios represent extreme 1 in 20 scenarios. Unlike the upside and downside scenarios used in the calculation of ECL allowance for residential mortgages which are narrative based, the upside and downside scenarios for non-residential mortgage portfolios are backed by Irish historical context and international comparatives. An alignment in approach for all portfolios is expected in December 2026 following redevelopment of the Group's unsecured and SME IFRS 9 models. 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.

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)
(continued)

The following table compares the key macroeconomic variables and probability weightings used for the half-year ECL process to those used at December 2025. Macroeconomic input parameters were last updated in June 2026.

Macroeconomic scenarios and weights for the residential mortgage models:

	30 June 2026					31 December 2025				
	Base Case		Upside 1 Scenario	Downside 1 Scenario	Downside 2 Scenario	Base Case		Upside 1 Scenario	Downside 1 Scenario	Downside 2 Scenario
	Average value over Year 1	Average value over the forecast period	Average value over the forecast period	Average value over the forecast period	Average value over the forecast period	Average value over Year 1	Average value over the forecast period	Average value over the forecast period	Average value over the forecast period	Average value over the forecast period
Scenario Probability Weighting		**50%**	**5%**	**35%**	**10%**		50%	10%	30%	10%
Irish Residential House Prices	**2.5%**	**2.2%**	**4.1%**	**-1.0%**	**-3.0%**	2.5%	2.2%	4.1%	-0.4%	-3.0%
Irish Unemployment Y/E	**5.5%**	**5.0%**	**3.9%**	**7.2%**	**10.4%**	5.5%	4.8%	3.9%	6.9%	10.4%
Irish GDP	**1.0%**	**2.7%**	**3.9%**	**0.6%**	**-0.4%**	3.5%	3.2%	3.9%	0.6%	-0.4%
Consumer Price Index	**3.5%**	**2.5%**	**2.4%**	**3.2%**	**3.1%**	1.7%	1.9%	2.2%	1.8%	2.7%
ECB Base Rate	**2.7%**	**2.7%**	**2.3%**	**2.9%**	**2.6%**	2.2%	2.2%	2.3%	2.0%	2.6%

The Group has applied a four-scenario approach for residential mortgages at 30 June 2026, which is comparable with the four-scenario approach applied at 31 December 2025. The Group reallocated 5% of scenario weighting from Upside 1 to Downside 1 to reflect current geopolitical and inflationary headwinds, resulting in an increase in ECL impairment allowance of approximately €2m.

Macroeconomic scenarios and weights for the non-residential mortgage models:

	30 June 2026				31 December 2025			
	Base Case		Upside 2 Scenario	Downside 3 Scenario	Base Case		Upside 2 Scenario	Downside 3 Scenario
	Average value over Year 1	Average value over the forecast period	Average value over the forecast period	Average value over the forecast period	Average value over Year 1	Average value over the forecast period	Average value over the forecast period	Average value over the forecast period
Scenario Probability Weighting		**54%**	**23%**	**23%**		54%	23%	23%
Irish Residential House Prices	**2.5%**	**2.2%**	**12.4%**	**-9.2%**	2.5%	2.2%	12.4%	-9.2%
Irish Unemployment Y/E	**5.5%**	**5.0%**	**4.0%**	**11.6%**	5.5%	4.8%	3.8%	11.6%
Irish GDP	**1.0%**	**2.7%**	**5.4%**	**-1.5%**	3.5%	3.2%	5.4%	-1.5%
Consumer Price Index	**3.5%**	**2.5%**	**2.1%**	**4.2%**	1.7%	1.9%	1.9%	4.2%
ECB Base Rate	**2.7%**	**2.7%**	**1.0%**	**3.7%**	2.2%	2.2%	0.9%	3.7%

The Group has maintained a three-scenario approach for non-residential mortgage portfolios at 30 June 2026. Full alignment in approach for all portfolios is expected in 2026 following redevelopment of the Group's unsecured and SME IFRS 9 models.

The macroeconomic scenarios used at the reporting date are described below.

Base scenario

The base scenario for the Irish economy, which is considered in the ECL measurement of all the Group's portfolios, remains broadly aligned to year-end for House Price Growth and Unemployment Rate. GDP, CPI and ECB rate forecasts are more adverse than year-end reflecting a sharp spike in global inflation expectations as a result of continued geopolitical uncertainty.

The impact of the Iran conflict's closure of the Strait of Hormuz and the damage to energy infrastructure from the war in the region, has increased the level of uncertainty over the medium view on the Irish economy. Having performed extremely strongly through 2025, despite the significant uncertainty created by US tariffs on imported goods, the continued volatility of the geopolitical environment in 2026, has slowed momentum in the Irish economy in the early part of the year.

Despite a slowdown in several of the key indicators for the economy, Ireland is expected to continue to perform well when compared to European peers with strong household, Government and corporate balance sheets, supporting the moderating underlying growth rate

Upside 1 scenario
The upside 1 scenario used in calculation of ECL allowance for residential mortgage portfolios reflects a much stronger outcome for the Irish economy than in the base scenario and considers accelerated Irish economic recovery driven by global stability.

Downside 1 scenario
The downside 1 scenario, which is used in calculation of ECL allowance for residential mortgage portfolios, is a moderately adverse scenario that forecasts how geopolitical stress, significant energy supply shocks and a breakdown in trade agreements between EU/US, combine to drive a major spike in inflation and unemployment in 2026 and 2027.

The sharp slowdown in activity drives a mild recession in Europe, but higher than target EU inflation curtails ECB monetary stimulus, with interest rate climbing sharply to combat inflation. Initial job losses from the recession are accelerated by increased corporate use of AI driven workforce reduction. The economic slowdown, and escalating unemployment pushes a downward shift in RPP/House prices, reducing demand, despite the offsetting impact higher building costs hitting new housing supply.

Downside 2 scenario
The downside 2 scenario, which is used in calculation of ECL allowance for residential mortgage portfolios, is an extreme but plausible scenario based on a global recession. In this scenario, a sharp global recession coinciding with a debt market blow out, an extreme trade shock in Ireland, triggering a major Multinational (MNC) outflow of investment, a heavy impact on tax take, falling property markets and a significant increase in unemployment.

The major deterioration in international trade from an extensive global recession drives a sharp retraction in the domestic economy, coinciding with the debt market crisis.

Upside 2 scenario
The upside 2 scenario used in calculation of ECL allowance for unsecured and SME portfolios is an extreme 1 in 20 positive scenario developed to reflect a much stronger outcome for the Irish economy than the base scenario.

Downside 3 scenario
The downside 3 scenario, which is used in calculation of ECL allowance for unsecured and SME portfolios, is an extreme scenario backed by Irish historical context and international comparatives. The scenario captures statistical extremes in unemployment, GDP and HPI, while maintaining plausibility as a 1 in 20 scenario.

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 residential mortgage portfolios, excluding overlay adjustments to modelled ECL outcomes, the ECL impairment allowance would be €14m less than reported at 30 June 2026 (December 2025: €7m less).

Similarly, excluding overlay adjustments to modelled ECL outcomes, if the Group were to only apply its upside scenario for the measurement of ECL for the residential mortgage portfolios, the ECL impairment allowance would be €22m less than reported at 30 June 2026. Whereas, if the Group were to only use its downside 1 scenario, the ECL impairment allowance would be €11m greater than reported at 30 June 2026 and if the Group were to only use its downside 2 scenario, the ECL impairment allowance would be €42m greater than reported at 30 June 2026.

If the Group were to only use its base case scenario for the measurement of ECL for the unsecured and SME portfolios, excluding overlay adjustments to modelled ECL outcomes, the ECL impairment allowance would be €7m less than reported at 30 June 2026.

Similarly, excluding overlay adjustments to modelled ECL outcomes, if the Group were to only apply its upside scenario for the measurement of ECL for the unsecured and SME portfolios, the ECL impairment allowance would be €24m less than reported at 30 June 2026. Whereas, if the Group were to only use its downside 3 scenario, the ECL impairment allowance would be €46m greater than reported at 30 June 2026.

The BAC review the adequacy of ECL allowance on a half-yearly basis. Due to 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:

- Non-modelled ECL measurement for a cohort of aged residential mortgage defaults;
- Criteria applied to determine significant increase in credit risk;
- Management judgement in impairment model parameters; and
- Overlay adjustments to modelled ECL outcomes.

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)
(continued)

Impairment measurement

	30 June 2026 €m	31 December 2025 €m
Modelled ECL	**178**	162
Non-modelled ECL	**86**	84
Impairment loss allowance pre management adjustments	**264**	246
Management adjustments:		
Applied to impairment model parameters	**5**	17
Overlay adjustments to modelled ECL outcomes:		
- Non-performing loans	**-**	-
- Model to be built	**10**	9
- Forward-looking outlook	**35**	24
- Model limitations	**12**	24
Total management adjustments	**62**	74
Total ECL	**326**	320

Non-modelled ECL - ECL measurement for a cohort of aged residential mortgage defaults
As part of the Group's redevelopment of the IFRS 9 Mortgage LGD model in 2025 it was determined that the chosen modelling approach, which is aligned more closely with the Group's forward looking NPL strategy, did not appropriately capture the risk of elevated loss outcomes for a legacy cohort of aged Stage 3 exposures. The ECL on this cohort is now determined through the application of a Discounted Cash Flow (DCF) measurement method which takes into account current and expected payment patterns on this cohort and assumptions with respect to collateral recoverability. This measurement is expected to be retained until the aged defaults are resolved or no longer material. The total ECL on this cohort (which is included within Stage 3 ECL) is €86m (gross balance of €109m).

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.

Management Adjustments
Management judgement applied to impairment model parameters
At 30 June 2026, an LGD scalar was applied for the SME portfolio in recognition of the fact that the profile of NPL resolutions may have varied from those envisaged by the model. This resulted in an ECL impairment measurement increase of €5m (31 December 2025: €17m). The reduction from December 2025 reflects the removal of an LGD scalar applied to the residential mortgage portfolio. This scalar is no longer required following an update made to a parameter within the LGD model. The SME scalar will be removed following the implementation of the redeveloped SME model in H2 2026.

Overlay adjustments to modelled ECL outcomes
Overlay adjustments approved for 30 June 2026 (with December 2025 comparisons), are set out below and categorised as follows:

Non-performing Exposures (NPE)
Previously held overlays in respect of Stage 3 residential mortgage loans that are in default for a prolonged period are removed and have been absorbed within the Group's Non-modelled Stage 3 ECL measurement.

Model to be Built
A €10m overlay (31 December 2025: €9m) 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, planned for H2 2026, is expected to remove the requirement for this overlay.

Model Limitations
A €12m overlay (31 December 2025: €24m) has been applied to mitigate model-related risks. The reduction from December 2025 reflects the removal of the portion of the overlay held on the residential mortgage portfolios following the embedding of the new ECL models.

The overlay is held on the secured SME portfolio to capture the risk that the first iteration IFRS 9 models are built on data from a single economic cycle. A further portion of the overlay is held against the Buy to Let portfolio, in recognition of the fact that HL model parameters are being applied to the BTL model. Lastly, a portion of the overlay is held on the HL acquired portfolio due to data limitations during the development process of the new ECL models.

The requirement for this overlay is expected to further reduce in H2 2026 as these key milestones in the IFRS 9 Provision Models Programme are met.

Forward-Looking Outlook
The Group is forward-looking in its risk identification process to ensure emerging risks are identified. It acknowledges that not all forward-looking adjustments can be considered in IFRS 9 models and as a result will require reassessment on a regular basis.

A €35m overlay (31 December 2025: €24m) to reflect the uncertainty associated with the current economic headwinds comprises of:

- €22m in respect of specific commercial sectors where management consider heightened default risk associated with emerging risks not captured within modelled results (31 December 2025: €16m) with impacted obligations and associated overlay reported as Stage 2;
- €10m in respect of performing residential mortgage accounts to reflect heightened geopolitical headwinds (31 December 2025: €8m); and
- €3m in respect of climate and physical risk (31 December 2025: nil).

1.3 Going Concern
Management considered the principal risks and uncertainties relevant to the going concern assessment, including liquidity, profitability, capital adequacy and the proposed sale of the Group to BAWAG.

Management considered these in their current status, and future projections.

Management considered whether these risks could give rise to material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern over the period of assessment, being twelve months from the date of the approval of the condensed consolidated interim financial statements for the period ended 30 June 2026. 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 2026 is a period of twelve months from the date of approval of these condensed consolidated interim financial statements (28 July 2027).

In making this assessment, the Directors and Management have considered the Group's 2026-2030 Medium-Term Plan (MTP), profitability forecasts, liquidity, 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.

Sale of the Group to BAWAG
Management has considered the potential impact of the recommended offer for the Group by BAWAG, including the implications of completion, delay or non-completion of the transaction. The assessment considered the Group's ability to continue to operate on a standalone basis, the continued execution of the Board-approved MTP, the Group's forecast capital and liquidity position, and the potential operational, customer, funding and regulatory implications arising from the transaction process.

Management has also considered a downside scenario in which the transaction is delayed or does not complete. In that scenario, the Group would continue to operate under its existing strategy and Board-approved financial plan. Based on the capital and liquidity assessments performed, including severe but plausible stress scenarios, the Group is forecast to remain above applicable regulatory requirements throughout the going concern assessment period.

Management considered the proposed sale, including completion and non-completion scenarios, and concluded that it does not give rise to a material uncertainty for the going concern assessment. The going concern conclusion is not dependent on completion of the transaction.

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 increased year on year to 3.6% in May 2026 and it is expected to ease in the medium term.

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 2026 assessed against internal risk appetite metrics and regulatory requirements.

The Group 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 2026 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 2026. Directors and Management have reviewed the MTP and based on this and the near-term macro-economic conditions of the country, the Directors and Management are satisfied that the Group is well positioned to continue to deliver profits in future years.

The Directors and Management have also considered the Group's forecast capital position, and a deterioration in economic conditions as might arise from an uncertainty from the Group'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.

Conclusion
As required by IFRS as adopted by the EU, the Directors have considered the principal risks and uncertainties facing the Group as outlined above.

Based on the assessment performed, including consideration of the Group's latest financial performance, forecast profitability, capital and liquidity projections, stress scenarios and the potential implications of the proposed sale to BAWAG, the Directors and Management have concluded that there are no material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern. Accordingly, the Directors consider it appropriate to prepare the condensed consolidated interim financial statements for the six months ended 30 June 2026 on a going concern basis.

1.4 Comparative information
The comparative information for 2025 has been prepared on a consistent basis with 2026, except where comparative amounts have been reclassified to reflect the presentation requirements arising from amendments to IFRS 9 as disclosed in 1.6 Impact of other accounting standards effective for periods beginning on or after 1 January 2026, table (a). These reclassifications had no impact on profit for the period, total assets, total liabilities or total equity.

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 2025. 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 2025 (note 1), with an addition to the Exceptional items policy to include the Formal Sale Process costs.

1.6 Impact of other accounting standards effective periods beginning on or after 1 January 2026

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 clarify: 1. the date of recognition and derecognition of some financial assets and liabilities with a new exception for some financial liabilities settled through an electronic cash transfer system; 2. include further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; and 3. new disclosures are added for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets) and the amendment updates disclosures for equity instruments designated at FVOCI	1. The amendments clarify that a financial liability is derecognised on the settlement date with an exception for financial liabilities settled using an electronic payment system. These financial liabilities can be derecognised before settlement if an entity makes an accounting policy choice to do so and certain conditions are met. The conditions include that the entity has no practical ability to withdraw, stop or cancel the payment instruction; the entity has no practical ability to access the cash to be used for settlement as a result of the payment instruction; and the settlement risk associated with the electronic payment system being used to make the payment is insignificant. The Group have made this accounting policy choice. The impact on the classification of Items in the course of collection due to clarification by the amendments is shown in table (a). 2. No material impact for the SPPI test. 3. No material impact as a result of the new disclosures.	Annual reporting periods beginning on or after 1 January 2026.
Amendments to IFRS 9 and IFRS 7 regarding power purchase arrangements	The amendments aim at enabling entities to include information in their financial statements that in the IASB's view more faithfully represents contracts referencing nature-dependent electricity.	This amendment has no material impact on current or future reporting.	Applicable to annual reporting periods beginning on or after 1 January 2026.
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	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 2026.

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Accounting Standard Update	Description of Change	Key impacts for PTSB	Effective Date
IFRS 18 Presentation and Disclosures in Financial Statements	IFRS 18 Presentation and Disclosure in Financial Statements will replace IAS 1 Presentation of Financial Statements and introduces new requirements for the presentation and disclosure of information in the financial statements.	IFRS 18 introduces the following key new requirements: Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly defined operating profit subtotal. Entities' net profit will not change. Management-defined performance measures (MPMs) are required for disclosure in a single note in the financial statements. Enhanced guidance is provided on how to group information in the financial statements. In addition, all entities are required to use the operating profit subtotal as the starting point for the SOCF when presenting operating cash flows under the indirect method. The Group is still in the process of assessing the impact of the new accounting standard, particularly with respect to the structure of the Group's statement of profit or loss, the SOCF and the additional disclosures required for MPMs and Aggregation/Disaggregation. The Group is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as 'other'.	Applicable to annual reporting periods beginning on or after 1 January 2027.
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.
Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21)	The amendments clarify how companies should translate financial statements from a non-hyperinflationary currency into a hyperinflationary one.	This amendment is expected to have no material impact on current or future reporting.	Annual reporting periods beginning on or after 1 January 2027 Not yet endorsed for use in the EU

Accounting Standard Update	Description of Change	Key impacts for PTSB	Effective Date
Amendments to the Fair Value Option for Investments in Associates and Joint Ventures (Amendments to IAS 28)	The amendments provide clarity about which entities are eligible to measure investments using the fair value option in IAS 28	This amendment is expected to have no material impact on current or future reporting.	Annual reporting periods beginning on or after 1 January 2027 Not yet endorsed for use in the EU
IFRS 20 Regulatory Assets and Regulatory Liabilities	IFRS 20 requires an entity that is subject to a regulatory agreement to provide information about its regulatory assets, regulatory liabilities, regulatory income and regulatory expense.	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 2029 Not yet endorsed for use in the EU.

(a) Reconciliation of reclassification under amendments to IFRS 9

The following table reconciles the prior periods closing carrying values of Items in the course of collection to the reclassification to Cash at bank, Other assets and Loans and advances to customers (in the course of collection) under the amendments to IFRS 9 at 1 January 2026.

Assets	Classification under IFRS 9	Reclassification	Classification under amendments to IFRS 9
Items in the course of collection	**25**	**(25)**	**-**
Cash at bank	**75**	**4**	**79**
Other assets	**51**	**10**	**61**
Loans and advances to customers (in the course of collection)	**-**	**11**	**11**

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 €507m (30 June 2025: €490m). 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	Half year ended 30 June 2026 €m	Half year ended 30 June 2025 €m
Mortgages	**333**	327
Consumer finance*	**41**	37
Treasury assets	**60**	48
Wholesale funding**	**15**	23
Total	**449**	435

* 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 2026 and 30 June 2025, 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 2026 and 30 June 2025.

3. Net Interest Income

	Half year ended 30 June 2026 €m	Half year ended 30 June 2025 €m
Interest income		
Loans and advances to customers (excluding lease receivables)	**359**	351
Loans and advances to banks	**15**	23
Debt securities and other fixed-income securities	**60**	48
Interest income calculated using the effective interest rate method	**434**	422
Other interest income*	**15**	13
Interest income	**449**	435
Interest expense		
Deposits from banks	**(2)**	(3)
Due to customers	**(84)**	(93)
Debt securities in issue	**(43)**	(47)
Loans and advances to banks	**-**	(1)
Subordinated liabilities	**(7)**	(3)
Interest expense	**(136)**	(147)
Net interest income	**313**	288

* Other interest income consists of interest income on lease receivables.

Loans and advances to customers interest income includes a charge of €23m (30 June 2025: €19m) in respect of deferred acquisition costs and €9m (30 June 2025: €10m) amortisation charge on the business combination related fair value adjustments. Other interest income includes a charge of €2m (30 June 2025: €3m) in respect of deferred acquisition costs and €nil (30 June 2025: €1m) amortisation charge on the business combination related fair value adjustments.

Debt securities in issue contains net interest income of €1m on derivatives that are in hedge relationships (30 June 2025: €2m) and net interest income of €3m (30 June 2025: €nil) relating to the amortisation of cumulative fair value hedge adjustments attributable to hedged debt securities at the date of discontinuation of hedge accounting. Subordinated liabilities contains net interest income of €1m on derivatives that are in hedge relationships (30 June 2025: €1m). Retail deposits and retail mortgages also contain net interest income of €nil arising from derivatives in hedge relationships (30 June 2025: €nil). Total net interest income arising from derivatives in hedge relationships was €2m (30 June 2025: €3m).

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

	Half year ended 30 June 2026 €m	Half year ended 30 June 2025 €m
Staff costs (as detailed below)	**113**	118
Other general and administrative expenses	**90**	87
Administrative, staff and other expenses (excluding exceptional items)	**203**	205

Administrative, staff and other expenses (excluding exceptional items) includes costs of €2m relating to legacy legal cases. (30 June 2025: €2m)

Staff costs (including Executive Directors)

	Half year ended 30 June 2026 €m	Half year ended 30 June 2025 €m
Wages and salaries (including commission payable to sales staff)	**102**	106
Social insurance	**11**	11
Pension costs (payments to defined contribution pension schemes)	**11**	11
Total staff costs	**124**	128
Staff costs capitalised	**(11)**	(10)
Total staff costs included in the Income Statement	**113**	118

Staff costs of €11m (30 June 2025: €10m) 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 within the condensed consolidated interim income statement.

Voluntary severance costs are included in exceptional items in note 6 and not included in the total staff costs.

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 2026	Half year ended 30 June 2025	Half year ended 30 June 2026	Half year ended 30 June 2025
Ireland	**2,987**	3,207	**3,025**	3,339
Total number of staff	**2,987**	3,207	**3,025**	3,339

* Closing staff numbers are calculated on a FTE basis.

5. Bank levy and other regulatory charges

	Half year ended 30 June 2026 €m	Half year ended 30 June 2025 €m
Bank levy	**24**	24
Other regulatory charges	**1**	1
Bank levy and other regulatory charges	**25**	25

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.

6. Exceptional items

	Half year ended 30 June 2026 €m	Half year ended 30 June 2025 €m
Voluntary severance and other (a)	**-**	29
Formal Sale Process costs (b)	**11**	-
Total exceptional cost	**11**	29

(a) Voluntary severance costs incurred for the period were not material and are presented as €Nil (30 June 2025: €29m). The costs were incurred as part of the Group's voluntary severance scheme.

(b) Formal Sale Process costs of €11m include legal, consultancy and other advisory costs incurred as part of the Group's Formal Sale Process.

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7. Taxation
(a) Analysis of taxation charge

	Half year ended 30 June 2026 €m	Half year ended 30 June 2025 €m
Current taxation		
Charge for current period	**-**	-
Deferred taxation		
Origination and reversal of temporary differences	**15**	4
Taxation charged to income statement	**15**	4
Effective tax rate	**27%**	20%

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 2026 is €15m (30 June 2025: €4m). This arises primarily due to a charge of €10m 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

Half year ended 30 June 2026	Gross €m	Tax €m	Net €m
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 2026	**-**	**-**	**-**

Half year ended 30 June 2025	Gross €m	Tax €m	Net €m
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	-	-	-

8. Earnings per share
(a) Basic earnings per ordinary share

	Half year ended 30 June 2026	Half year ended 30 June 2025
Weighted average number of ordinary shares in issue and ranking for dividend excluding treasury shares	**544,991,596**	544,991,596
Profit for the period attributable to equity holders	**€42m**	€15m
Less AT1 coupon paid (see note 20)	**(€17m)**	(€21m)
Profit/(loss) for the period attributable to equity holders less AT1 coupon paid	**€25m**	(€6m)
Basic earnings/(loss) per ordinary share (€ cent)	**4.6**	(1.1)

(b) Diluted earnings per ordinary share

	Half year ended 30 June 2026	Half year ended 30 June 2025
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**	544,991,596
Diluted earnings/(loss) per ordinary share (€ cent)	**4.6**	(1.1)

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 2026 or 30 June 2025 as the AT1 securities issued in 2022 and 2020 have no conversion features.

Weighted average number of ordinary shares*

	Half year ended 30 June 2026	Half year ended 30 June 2025
Number of ordinary shares in issue at 1 January (note 20)	**544,996,176**	544,996,176
Treasury shares held (note 20)	**(4,580)**	(4,580)
Weighted average number of ordinary shares at 30 June	**544,991,596**	544,991,596

* 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.

9. Cash and cash equivalents

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

	30 June 2026 €m	31 December 2025 €m
Cash at bank	**76**	79
Loans and advances to banks repayable on demand (maturity of less than 3 months)	**1,611**	1,719
Cash and cash equivalents per statement of cash flows	**1,687**	1,798

As at 30 June 2026, within loans and receivables to banks repayable on demand restricted cash of €168m (31 December 2025: €158m) comprised cash of €154m (31 December 2025: €158m) held by the Group's securitisation entities and €14m (31 December 2025: €nil) 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.

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

	30 June 2026			31 December 2025		
	Contract/ notional amount	Fair value asset	Fair value liability	Contract/ notional amount	Fair value asset	Fair value liability
	€m	€m	€m	€m	€m	€m
Derivatives held for hedging						
Interest rate swaps	**810**	**1**	**(4)**	1,011	21	(4)
	810	**1**	**(4)**	1,011	21	(4)
Derivatives held for trading						
Currency forwards	**65**	**-**	**-**	49	-	-
Interest rate swaps	**-**	**-**	**-**	199	3	-
	65	**-**	**-**	248	3	-
Derivative financial instruments as per the SOFP	**875**	**1**	**(4)**	1,259	24	(4)

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 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 2026 €1m, 31 December 2025 €nil).

During 2026, interest rate swaps designated as hedging instruments for €650m of Debt Securities in Issue were terminated. In accordance with IFRS 9, hedge accounting was discontinued from the termination date, as hedging instruments ceased to exist. On the termination date, the cumulative fair value hedge adjustment attributable to the hedged debt security of €8m was calculated and incorporated into the bond's amortisation schedule. This adjustment has been reflected in the EIR and will be amortised to the income statement over the remaining contractual life of the debt security.

In May 2026, interest rate swaps designated as hedging instruments in respect of €51m of subordinated liabilities matured, along with €199 million of trading-designated interest rate swaps. Gains and losses, together with net interest income and expense arising on the trading designated swaps, were recognised within net trading income/expense.

In February 2026 the Group entered into interest rate swaps to hedge interest rate risk on fixed rate retail deposits (€250m) and fixed rate retail mortgages (€250m).

The Group held the following interest rate swaps as hedging instruments in fair value hedges of interest rate risk at 30 June 2026 and 31 December 2025.

Fair value hedges - Interest rate swaps

30 June 2026	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)	-	-	-	-	-
Average interest rate (%)	-	-	-	-	-
Hedges of subordinated debt*					
Nominal principal amount (€m)	-	-	-	**300**	-
Average interest rate (%)	-	-	-	**2.27%**	-
Hedges of retail deposits**					
Nominal principal amount (€m)	-	-	-	**5**	**250**
Average interest rate (%)	-	-	-	**1.82%**	**2.44%**
Assets:					
Hedges of retail mortgages***					
Nominal principal amount (€m)	-	-	-	**255**	-
Average interest rate (%)	-	-	-	**2.06%**	-

31 December 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)	-	-	-	650	-
Average interest rate (%)	-	-	-	3.17%	-
Hedges of subordinated debt*					
Nominal principal amount (€m)	-	-	51	300	-
Average interest rate (%)	-	-	3.48%	2.27%	-
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%	-

* 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.

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 2026 and 31 December 2025:

(a) Hedging Instruments

30 June 2026	Nominal	Assets	Liabilities	Line item in SOFP where the hedging instrument is included	Change in fair value used for calculating hedge ineffectiveness for the year	Hedge ineffectiveness recognised in the income statement	Line item in the income statement that included hedge ineffectiveness
	€m	€m	€m		€m	€m	
Interest rate swaps hedging:							
Debt securities in issue	-	-	-	Derivative assets	(9)	-	Net trading income
Subordinated debt	300	-	(2)	Derivative assets/Derivative liabilities	(2)	-	Net trading income
Retail mortgages	255	1	-	Derivative assets	3	-	Net trading income
Retail deposits	255	-	(2)	Derivative liabilities	(4)	1	Net trading income

31 December 2025	Nominal	Assets	Liabilities	Line item in SOFP where the hedging instrument is included	Change in fair value used for calculating hedge ineffectiveness for the year	Hedge ineffectiveness recognised in the income statement	Line item in the income statement that included hedge ineffectiveness
	€m	€m	€m		€m	€m	
Interest rate swaps hedging:							
Debt securities in issue	650	20	-	Derivative assets	(24)	-	Net trading income
Subordinated debt	351	1	(4)	Derivative assets/Derivative liabilities	(7)	-	Net trading income
Retail mortgages	5	5	-	Derivative assets	-	-	Net trading income
Retail deposits	5	-	(5)	Derivative liabilities	-	-	Net trading income

(b) Hedged Items

30 June 2026	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	-	-	-	-	Debt securities in issue	9	19
Subordinated debt	-	(300)	4	-	Subordinated liabilities	2	-
Retail mortgages	255	-	3	-	Loans and advances to customers	(3)	-
Retail deposits	-	(255)	-	(3)	Customer accounts	3	-

31 December 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	-	(686)	-	(9)	Debt securities in issue	24	-
Subordinated debt	-	(347)	2	-	Subordinated liabilities	7	-
Retail mortgages	5	-	-	-	Loans and advances to customers	-	-
Retail deposits	-	(5)	-	-	Customer accounts	-	-

11. Assets classified as held for sale

At 30 June 2026, assets classified as held for sale amounted to €5m (31 December 2025: €5m). This consists of the following:

- €4m (31 December 2025: €4m) relates to collateral in possession, these properties are expected to be sold within the next 12 months.
- €1m (31 December 2025: €1m) relates to one branch property (31 December 2025: one branch property) which is no longer occupied by the Group, the sale of this property is expected to be completed within the next 12 months.

12. Debt securities

	30 June 2026 Total HTC €m	31 December 2025 Total HTC €m
Government bonds	**5,138**	5,160
Covered bonds	**198**	200
Gross debt securities	**5,336**	5,360

As at 30 June 2026, 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 €5.1bn (31 December 2025: €5.2bn) comprise Irish, Spanish, Portuguese, French, Italian, Belgian, Austrian and EU government bonds which are classified as HTC.

Covered bonds of €0.2bn (31 December 2025: €0.2bn) 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 Hold to Collect and Sell ("HTC&S") debt securities as at 30 June 2026 and 31 December 2025.

At 30 June 2026, debt securities at amortised cost of €178m with a fair value of €175m (31 December 2025: €89m) 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.

All debt securities at 30 June 2026 are stage 1 for ECL purposes.

(a) HTC

The movement in HTC securities is classified as follows:

	30 June 2026 HTC €m	31 December 2025 HTC €m
As at 1 January	**5,360**	4,327
Additions	**298**	1,271
Maturities	**(349)**	(281)
Interest net of cash receipts	**5**	8
Amortisation of premium/(discount)	**22**	35
Total	**5,336**	5,360

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

Held at amortised cost

As at 30 June 2026, the amount arising from ECL on debt securities measured at amortised cost is €0.6m (31 December 2025: €0.6m). The ECL on debt instruments measured at amortised cost is offset against the carrying amount of the assets in the SOFP.

13. Loans and advances to customers

Loans and advances by category are set out below:

	30 June 2026 €m	31 December 2025 €m
Residential mortgages		
- Held through special purpose entities	**5,116**	4,404
- Held directly	**15,731**	16,221
Total residential mortgages	**20,847**	20,625
Commercial*	**579**	557
Consumer finance	**714**	607
Finance leases and hire purchase receivables	**500**	472
Gross loans and advances to customers	**22,640**	22,261
Less: provision for impairment (note 14)	**(326)**	(320)
Deferred fees, discounts and business combination related fair value adjustments	**309**	308
Net loans and advances to customers	**22,623**	22,249

*The Group'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 2026 €m	31 December 2025 €m	30 June 2026 €m	31 December 2025 €m
Tracker rate	**2,159**	2,312	**2,075**	2,219
Variable rate	**3,969**	4,307	**3,813**	4,156
Fixed rate	**16,512**	15,642	**16,426**	15,566
Gross loans and advances to customers	**22,640**	22,261	**22,314**	21,941
Deferred fees, discounts and business combination related fair value adjustments	**309**	308	**309**	308
Gross loans and advances to customers and deferred fees	**22,949**	22,569	**22,623**	22,249

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.

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 2026 €m	31 December 2025 €m
Residential mortgages held through special purpose entities	**5,116**	4,404
Notes issued by special purpose entities		
- rated	**4,887**	4,221
- unrated	**320**	262

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

	30 June 2026 €m	31 December 2025 €m
Rated notes, available for collateral*	**4,133**	3,322
Rated notes, unavailable for collateral	**754**	899
Unrated notes	**320**	262
	5,207	4,483

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

Loans and advances balance movement for the half year ended 30 June 2026 and the year ended 31 December 2025 is set out in the following tables:

	Non-credit impaired		Credit impaired		
	Stage 1 €m	**Stage 2 €m**	**Stage 3 €m**	**POCI €m**	**Total €m**
Balance as at 1 January 2026	**19,296**	**2,657**	**308**	**-**	**22,261**
New assets originated*	**1,468**	**88**	**2**	**-**	**1,558**
Stage Transfers:					
Transfer from Stage 1 to Stage 2	**(676)**	**676**	**-**	**-**	**-**
Transfer to Stage 3	**(5)**	**(58)**	**63**	**-**	**-**
Transfer from Stage 2 to Stage 1	**331**	**(331)**	**-**	**-**	**-**
Transfer from Stage 3	**-**	**27**	**(27)**	**-**	**-**
Net movement arising from transfer of Stage	**(350)**	**314**	**36**	**-**	**-**
Redemptions and repayments	**(1,001)**	**(155)**	**(17)**	**-**	**(1,173)**
Decrease due to write offs	**-**	**-**	**(6)**		**(6)**
Disposals	**-**	**-**	**-**	**-**	**-**
Balance as at 30 June 2026	**19,413**	**2,904**	**323**	**-**	**22,640**

* Loan originations are presented net of repayments in the period and are shown in the stage at half year end.

	Non-credit impaired		Credit impaired		
	Stage 1 €m	**Stage 2 €m**	**Stage 3 €m**	**POCI €m**	**Total €m**
Balance as at 1 January 2025	19,100	2,033	382	-	21,515
New assets originated*	3,015	208	2	-	3,225
Stage Transfers:					
Transfer from Stage 1 to Stage 2	(1,460)	1,460	-	-	-
Transfer to Stage 3	(25)	(77)	102	-	-
Transfer from Stage 2 to Stage 1	682	(682)	-	-	-
Transfer from Stage 3	5	46	(51)	-	-
Net movement arising from transfer of Stage	(798)	747	51	-	-
Redemptions and repayments	(2,020)	(330)	(42)	-	(2,392)
Decrease due to write offs	(1)	(1)	(11)	-	(13)
Disposals	-	-	(74)	-	(74)
Balance as at 31 December 2025	19,296	2,657	308	-	22,261

* Loan originations are presented net of repayments in the period and are shown in the stage at year end.

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 customers portfolio.

The non-performing loan balance as at 30 June 2026 was €323m (31 December 2025: €308m). Refer to note 23 (iv) for aging analysis of non-performing loans.

30 June 2026	Loans and advances to customers	of which NPLs	NPL % of total loans	ECL provisions Stage 1	Stage 2	Stage 3	Total	Total ECL provisions as % of total loans
	€m	€m	%	€m	€m	€m	€m	%
Residential:								
- Home loans	**20,499**	**226**	**1.1%**	**15**	**66**	**85**	**166**	**0.8%**
- Buy-to-let	**348**	**44**	**12.6%**	**-**	**14**	**22**	**36**	**10.3%**
Commercial*	**579**	**19**	**3.3%**	**3**	**47**	**9**	**59**	**10.2%**
Consumer finance	**714**	**25**	**3.5%**	**8**	**14**	**21**	**43**	**6.0%**
Finance lease and hire purchase receivables	**500**	**9**	**1.8%**	**12**	**3**	**7**	**22**	**4.4%**
Total gross loans	**22,640**	**323**	**1.4%**	**38**	**144**	**144**	**326**	**1.4%**
Impairment provision	**(326)**							
Deferred fees, discounts and business combination related fair value adjustments	**309**							
Balance as at 30 June 2026	**22,623**							

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

31 December 2025	Loans and advances to customers	of which NPLs	NPL % of total loans	ECL provisions Stage 1	Stage 2	Stage 3	Total	Total ECL provisions as % of total loans
	€m	€m	%	€m	€m	€m	€m	%
Residential:								
- Home loans	20,249	215	1.1%	14	61	81	156	0.8%
- Buy-to-let	376	43	11.4%	-	22	23	45	12.0%
Commercial*	557	21	3.8%	3	43	11	57	10.2%
Consumer finance	607	21	3.5%	8	17	18	43	7.1%
Finance lease and hire purchase receivables	472	8	1.7%	10	3	6	19	4.0%
Total gross loans	22,261	308	1.4%	35	146	139	320	1.4%
Impairment provision	(320)							
Deferred fees, discounts and business combination related fair value adjustments	308							
Balance as at 31 December 2025	22,249							

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

A reconciliation of the provision for impairment losses or releases for loans and advances to customers is as follows:

30 June 2026	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 2026	**201**	**57**	**43**	**19**	**320**
Redemptions and repayments	**(4)**	**(1)**	**(1)**	**(1)**	**(7)**
Net remeasurement of loss allowance	**5**	**(3)**	**(2)**	**(3)**	**(3)**
Loan originations	**2**	**7**	**5**	**7**	**21**
Net movement excluding derecognition	**3**	**3**	**2**	**3**	**11**
Derecognition-disposals	**-**	**-**	**-**	**-**	**-**
Derecognition-repossessions	**-**	**-**	**-**	**-**	**-**
Derecognition-write offs**	**(2)**	**(1)**	**(2)**	**-**	**(5)**
Derecognition	**(2)**	**(1)**	**(2)**	**-**	**(5)**
ECL as at 30 June 2026* **	**202**	**59**	**43**	**22**	**326**
Net movement excluding derecognition (from above)					**11**
Interest income booked but not recognised					**(4)**
Other Movements****					**(2)**
Write offs net of recoveries					**1**
Impairment charge on customer loans and advances for the half year ended 30 June 2026					**6**

* The Group'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 €1m on loan commitments.

**** Includes releases relating to (i) provisions on loan commitments where there is no recognised financial asset (€1m release); and (ii) deleveraging costs (€1m release).

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31 December 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	(11)	(2)	(2)	(2)	(17)
Net remeasurement of loss allowance	(45)	(4)	4	(5)	(50)
Loan originations	4	13	6	8	31
Net movement excluding derecognition	(52)	7	8	1	(36)
Derecognition-disposals	(26)	-	-	-	(26)
Derecognition-repossessions	-	-	-	-	-
Derecognition-write offs**	(6)	-	(3)	(1)	(10)
Derecognition	(32)	-	(3)	(1)	(36)
ECL as at 31 December 2025***	201	57	43	19	320
Net movement excluding derecognition (from above)					(36)
Interest income booked but not recognised					(6)
Other Movements****					3
Write offs net of recoveries					-
Impairment write-back on customer loans and advances for the year ended 31 December 2025					(39)

* The Group'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 €1m on loan commitments.

**** Includes provisions on loan commitments where there is no recognised financial asset (€2m) and costs in respect of deleveraging (€1m).

30 June 2026	Stage 1 €m	Stage 2 €m	Stage 3 €m	Total €m
Total by Stage				
ECL as at 1 January 2026	**35**	**146**	**139**	**320**
Transfer to Stage 1	**11**	**(11)**	**-**	**-**
Transfer to Stage 2	**(2)**	**9**	**(7)**	**-**
Transfer to Stage 3	**-**	**(7)**	**7**	**-**
Stage Transfers	**9**	**(9)**	**-**	**-**
Redemptions and repayments	**(1)**	**(3)**	**(3)**	**(7)**
Net remeasurement of loss allowance	**(14)**	**(1)**	**12**	**(3)**
Loan originations	**9**	**11**	**1**	**21**
Net movement excluding derecognition	**(6)**	**7**	**10**	**11**
Derecognition-disposals	**-**	**-**	**-**	**-**
Derecognition-repossessions	**-**	**-**	**-**	**-**
Derecognition-write offs*	**-**	**-**	**(5)**	**(5)**
Derecognition	**-**	**-**	**(5)**	**(5)**
ECL as at 30 June 2026**	**38**	**144**	**144**	**326**
Net movement excluding derecognition (from above)				**11**
Interest income booked but not recognised				**(4)**
Other Movements***				**(2)**
Write offs net of recoveries				**1**
Impairment charge on customer loans and advances for the half year ended 30 June 2026				**6**

* 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 €1m on loan commitments.

*** Includes releases relating to (i) provisions on loan commitments where there is no recognised financial asset (€1m release); and (ii) deleveraging costs (€1m release).

31 December 2025	Stage 1 €m	Stage 2 €m	Stage 3 €m	Total €m
Total by Stage				
ECL as at 1 January 2025	123	134	135	392
Transfer to Stage 1	20	(19)	(1)	-
Transfer to Stage 2	(12)	22	(10)	-
Transfer to Stage 3	-	(6)	6	-
Stage Transfers	8	(3)	(5)	-
Redemptions and repayments	(6)	(10)	-	(16)
Net remeasurement of loss allowance	(101)	5	44	(52)
Loan originations	11	20	1	32
Net movement excluding derecognition	(96)	15	45	(36)
Derecognition-disposals	-	-	(26)	(26)
Derecognition-repossessions	-	-	-	-
Derecognition-write offs*	-	-	(10)	(10)
Derecognition	-	-	(36)	(36)
ECL as at 31 December 2025**	35	146	139	320
Net movement excluding derecognition (from above)				(36)
Interest income booked but not recognised				(6)
Other Movements***				3
Write offs net of recoveries				-
Impairment write-back on customer loans and advances for the year ended 31 December 2025				(39)

* 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 €1m on loan commitments.

*** Includes provisions on loan commitments where there is no recognised financial asset (€2m) and costs in respect of deleveraging (€1m).

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 2026 and 31 December 2025.

15. Deferred taxation

	30 June 2026 €m	31 December 2025 €m
Deferred tax liabilities	**(14)**	(14)
Deferred tax assets	**303**	318
Net deferred tax assets	**289**	304

	30 June 2026 €m	31 December 2025 €m
At 1 January	**304**	316
Recognised through Income statement (note 7)	**(15)**	(13)
Reclassification to current tax	**-**	1
30 June/31 December	**289**	304

At 30 June 2026, the Group had a net deferred tax asset of €289m.

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 €297m at 30 June 2026. 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, 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 analyses on the financial projections, incorporating the effects of higher-than-expected impairments, cost of funds and operating expenditure, and lower-than-expected asset yields, new lending volumes and 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 €297m of a deferred tax asset on tax losses on the statement of financial position as at 30 June 2026.

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 2030 and assuming a level of profitability growth consistent with GDP growth of approximately 2%, it will take c. 9 years for the deferred tax asset on tax losses of €297m 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% 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 in line with that at 31 December 2025 where the DTA was expected to be utilised by 2034. 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 due 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 2026, 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 as a result of the application of the five year exclusion for large-scale domestic groups.

16. Customer accounts

	30 June 2026 €m	**31 December 2025 €m**
Term deposits	**5,805**	6,114
Demand deposits	**7,907**	7,717
Current accounts	**9,689**	9,544
Notice and other accounts	**2,232**	2,224
Customer accounts	**25,633**	25,599

All customer accounts above are held at amortised cost.

At 30 June 2026, the Group held corporate deposits of €1,336m (31 December 2025: €1,570m).

An analysis of the contractual maturity profile of customer accounts is set out in the liquidity risk section of note 23 of the 2026 Interim report.

17. Debt securities in issue

	30 June 2026 €m	**31 December 2025 €m**
At amortised cost		
Bonds and medium-term notes	**1,691**	1,723
Total debt securities in issue	**1,691**	1,723

	30 June 2026	**31 December 2025**
Maturity analysis		
Repayable in less than 1 year	**29**	56
Repayable in greater than 1 year but less than 5 years	**1,662**	1,667
Repayable in greater than 5 years	**-**	-
Total debt securities in issue	**1,691**	1,723

Bonds and medium-term notes

€Nil of Senior Unsecured Medium Term Notes are currently hedged for interest rate risk (31 December 2025: €650m). At 30 June 2026, debt securities in issue includes €nil hedge adjustment relating to continuing hedge relationships (31 December 2025: €9m). Further details are included in note 10 of the condensed consolidated interim financial statements.

During 2026, interest rate swaps designated as hedging instruments for €650m of Debt Securities in Issue were terminated. In accordance with IFRS 9, hedge accounting was discontinued from the termination date, as the hedging instruments ceased to exist.

On the termination date, the cumulative fair value hedge adjustment attributable to the hedged debt security of €8m was calculated and incorporated into the bond's amortisation schedule. This adjustment has been reflected in the EIR and will be amortised to the income statement over the remaining contractual life of the debt security.

In addition, debt securities in issue includes €19m of unamortised cumulative fair value hedge adjustments relating to hedged items from hedge relationships that have been discontinued (31 December 2025: €14m).

18. Provisions

	30 June 2026				31 December 2025			
	Restructuring costs €m	Provision for legacy, legal and compliance liabilities €m	Other €m	Total €m	Restructuring costs €m	Provision for legacy, legal and compliance liabilities €m	Other €m	Total €m
As at 1 January	**1**	**19**	**44**	**64**	1	17	28	46
Provisions made during the period	**-**	**2**	**1**	**3**	1	15	53	69
Write-back of provisions during the period	**-**	**(1)**	**(1)**	**(2)**	-	(1)	(4)	(5)
Provisions used during the period	**-**	**(7)**	**(6)**	**(13)**	(1)	(12)	(33)	(46)
As at 30 June/31 December	**1**	**13**	**38**	**52**	**1**	**19**	**44**	**64**

The provision at 30 June 2026 is €52m (31 December 2025: €64m) which is comprised of the following:

Restructuring costs
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 primarily relates to dilapidation costs associated with this property (31 December 2025: €0.3m).

Provision for legacy, legal and compliance liabilities
As at 30 June 2026, the Group had provisions of €13m relating to legal, compliance and other costs of ongoing disputes in relation to legacy business issues (31 December 2025: €19m).

The provision includes an amount of €2m relating to legacy business issues. €1m of this relates to customer impacting errors (31 December 2025: €1m) and €1m relates to legal costs (31 December 2025: €nil).

Write backs in H1 2026 included €1m for mortgage pipeline ECL due to a reduction in SME and asset finance balances.

Other
As at 30 June 2026, included in the provision of €38m (31 December 2025: €44m) are certain legacy indemnities and warranties provided by the Group in connection with the sale of Irish Life International Limited.

At 30 June 2026, the Group held a provision for a voluntary severance programme of €3m (31 December 2025: €6m) which is expected to be utilised in H2 2026.

19. Subordinated liabilities

	30 June 2026 €m	31 December 2025 €m
At amortised cost:		
Subordinated Tier 2 Note	**300**	347
	300	347

	30 June 2026 €m	31 December 2025 €m
Maturity date		
Repayable in less than 1 year	**6**	1
Repayable in greater than 1 year but less than 5 years	**-**	-
Repayable in greater than 5 years	**294**	346
	300	347

Tier 2 capital notes – PTSBGH
In May 2021, PTSBGH issued €250m of Tier 2 capital notes at a fixed rate of 3% per annum. In September 2025, as part of a Liability Management exercise, c. 80% of the issued Tier 2 capital notes were redeemed. The remaining nominal balance of the issuance was €51m. The notes had a maturity date of 19 August 2031 with a call date of any date from and including 19 May 2026 to and including 19 August 2026 with the call subject to approval of the regulatory authorities, with approval conditional on meeting the requirements of the Capital Requirements Regulation.

The remaining 20% nominal balance of the Tier 2 Capital notes (~€51m) were called on the first callable date of 19 May 2026.

In September 2025, PTSBGH issued €300m of Tier 2 capital notes at a fixed rate of 3.875% per annum. The notes mature on 22 December 2035 with a call date of any date from and including 22 September 2030 to and including 22 December 2030 with the call subject to approval of 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 22 December 2030 to Euro 5 year Mid Swap rate plus a margin of 1.550% per annum. The loan is subordinated and ranks as Tier 2 capital with interest paid annually in arrears on 22 December. 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 2026, subordinated liabilities contain a €4m debit hedge adjustment (31 December 2025: €2m debit). Further details on hedging are included in note 10 of the condensed consolidated interim 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 2026 or during the year ended 31 December 2025.

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.

From time to time, holders of ordinary shares are entitled to receive dividends as declared 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 2026	Number of shares	30 June 2026 €m
Ordinary shares of €0.50 each	**1,550,000,000**	**775**

31 December 2025	Number of shares	31 December 2025 €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 2026	€0.50 Ordinary shares	Total €m
As at 1 January 2026	**544,996,176**	
Movement	**-**	
As at 30 June 2026	**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 30 June 2025	€0.50 Ordinary shares	Total €m
As at 1 January 2025	544,996,176	
Movement	-	
As at 31 December 2025	544,996,176	
Issued share capital (€m)	272	272
Shares held under employee benefit trust	4,580	
% of Authorised capital issued		35%

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 changes in the fair value of equity securities measured at FVOCI.

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.

€17m (31 December 2025: €43m) coupon interest on the AT1 securities was paid from this reserve as of 30 June 2026.

Dividend distributions

A final dividend for the year ended 31 December 2025 of 1.835 cent per ordinary share, amounting to €10m, was approved by shareholders at the Annual General Meeting on 8 May 2026 and subsequently paid on 19 May 2026.

Other equity instruments - Non-distributable
Additional Tier 1 securities

	30 June 2026 €m	31 December 2025 €m
As at 1 January	**245**	368
Redemptions during the period		
Additional Tier 1 Securities (issued 2020)	**-**	(123)
Profit	**17**	43
AT1 Coupon Paid	**(17)**	(43)
Additional Tier 1 securities	**245**	245

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 mentioned 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.

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 that regulatory capital requirements are met and the securities rank behind the claims against the Group of all other subordinated and unsubordinated creditors.

On 25 November 2020, PTSBGH issued €125m nominal value of AT1 Perpetual Temporary Write Down Securities as part of a capital raise. The AT1 securities were redeemed in full on 25 November 2025, following the attainment of the required approval of the Supervisory Authority.

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 2026	Revaluation reserve €m	Fair value reserve €m	Retained earnings €m	Total €m
Other comprehensive income/(expense), net of tax				
Revaluation of property	**-**	**-**	**-**	**-**
Fair value reserve (equity instruments):				
Change in fair value of equity instruments	**-**	**-**	**-**	**-**
Total other comprehensive income/(expense), net of tax	**-**	**-**	**-**	**-**

Twelve months to 31 December 2025	Revaluation reserve €m	Fair value reserve €m	Retained earnings €m	Total €m
Other comprehensive income/(expense), net of tax				
Revaluation of property	3	-	-	3
Fair value reserve (equity instruments):				
Change in fair value of equity instruments	-	-	-	-
Total other comprehensive income/(expense), net of tax	3	-	-	3

Six months to 30 June 2025	**Revaluation reserve €m**	**Fair value reserve €m**	**Retained earnings €m**	**Total €m**
Other comprehensive income/(expense), net of tax				
Revaluation of property	-	-	-	-
Fair value reserve (equity instruments):				
Change in fair value of equity instruments	-	-	-	-
Total other comprehensive income/(expense), net of tax	-	-	-	-

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 2026	**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	**76**	**-**	**-**	**-**	**76**	**76**
Loans and advances to banks	9	**1,611**	**-**	**-**	**-**	**1,611**	**1,611**
Derivative financial instruments	10	**-**	**-**	**-**	**1**	**1**	**1**
Other assets		**16**	**-**	**-**	**-**	**16**	**16**
Debt securities	12	**5,336**	**-**	**-**	**-**	**5,336**	**5,259**
Equity securities		**-**	**1**	**-**	**-**	**1**	**1**
Loans and advances to customers (in the course of collection)		**17**	**-**	**-**	**-**	**17**	**17**
Loans and advances to customers	13, 14	**22,623**	**-**	**-**	**-**	**22,623**	**23,177**
Financial liabilities							
Deposits by banks		**181**	**-**	**-**	**-**	**181**	**181**
Customer accounts	16	**25,633**	**-**	**-**	**-**	**25,633**	**25,593**
Derivative financial instruments	10	**-**	**-**	**4**	**-**	**4**	**4**
Debt securities in issue	17	**1,691**	**-**	**-**	**-**	**1,691**	**1,742**
Other financial liabilities		**164**	**-**	**-**	**-**	**164**	**164**
Subordinated liabilities	19	**304**	**-**	**-**	**(4)**	**300**	**304**

31 December 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	79	-	-	-	79	79
Loans and advances to banks	9	1,719	-	-	-	1,719	1,719
Derivative financial instruments	10	-	-	-	24	24	24
Other assets		61	-	-	-	61	61
Debt securities	17	5,360	-	-	-	5,360	5,284
Equity securities		-	1	-	-	1	1
Loans and advances to customers (in the course of collection)		11	-	-	-	11	11
Loans and advances to customers	13, 14	22,249	-	-	-	22,249	22,810
Financial liabilities							
Deposits by banks		104	-	-	-	104	104
Customer accounts	16	25,599	-	-	-	25,599	25,581
Derivative financial instruments	10	-	-	-	4	4	4
Debt securities in issue	17	1,714	-	-	9	1,723	1,802
Other financial liabilities		131	-	-	-	131	131
Subordinated liabilities	19	349	-	-	(2)	347	352

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.

The following table sets out the fair value of financial instruments that the Group holds at 30 June 2026. It categorises these financial instruments into the relevant level on the fair value hierarchy.

Basis and fair value of financial instruments

30 June 2026	Note	Total carrying value	Level 1	Level 2	Level 3	Total fair value
		€m	€m	€m	€m	€m
Financial assets						
Cash at bank	9	**76**	**76**	**-**	**-**	**76**
Loans and advances to banks		**1,611**	**-**	**1,611**	**-**	**1,611**
Derivative financial instruments	10	**1**	**-**	**1**	**-**	**1**
Debt securities	12	**5,336**	**5,190**	**69**	**-**	**5,259**
Equity securities		**1**	**-**	**-**	**1**	**1**
Loans and advances to customers (in the course of collection)		**17**	**-**	**17**	**-**	**17**
Loans and advances to customers	13,14	**22,623**	**-**	**-**	**23,177**	**23,177**
Financial liabilities						
Deposits by banks		**181**	**-**	**181**	**-**	**181**
Customer accounts	16	**25,633**	**-**	**25,593**	**-**	**25,593**
Derivative financial instruments	10	**4**	**-**	**4**	**-**	**4**
Debt securities in issue	17	**1,691**	**-**	**1,742**	**-**	**1,742**
Other financial liabilities		**164**	**-**	**164**	**-**	**164**
Subordinated liabilities	19	**300**	**-**	**304**	**-**	**304**

31 December 2025		Total carrying value	Level 1	Level 2	Level 3	Total fair value
		€m	€m	€m	€m	€m
Financial assets						
Cash at bank	9	79	79	-	-	79
Loans and advances to banks		1,719	-	1,719	-	1,719
Derivative financial instruments	10	24	-	24	-	24
Debt securities	17	5,360	5,172	112	-	5,284
Equity securities		1	-	-	1	1
Loans and advances to customers (in the course of collection)		11	-	11	-	11
Loans and advances to customers	13,14	22,249	-	-	22,810	22,810
Financial liabilities						
Deposits by banks		104	-	104	-	104
Customer accounts	16	25,599	-	25,581	-	25,581
Derivative financial instruments	10	4	-	4	-	4
Debt securities in issue	17	1,723	-	1,802	-	1,802
Other financial liabilities		131	-	131	-	131
Subordinated liabilities	19	347	-	352	-	352

(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 2025 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.

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 2026 are €5,336m (31 December 2025 €5,360m) and consist of HTC securities (Government and Covered bonds). 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. As at 30 June 2026, €300m of Subordinated liabilities are hedged for interest rate risk. Further details on hedging are included in note 10 of the condensed concolidated interim 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.

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 fair valued through profit or loss.

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.

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)
(continued)

Equity securities
The Group holds Series B preferred stock in Visa Inc. at 30 June 2026 with a value of €1m (31 December 2025: €1m). These were fair valued at €1m at 30 June 2026 (31 December 2025: €1m) and are recognised in the SOFP at FVOCI.

The fair values 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.

Fair value measurements recognised in the SOFP

30 June 2026	Note	Level 1 €m	Level 2 €m	Level 3 €m	Total €m
Financial assets measured at fair value					
Derivative financial instrument	**10**	**-**	**1**	**-**	**1**
Equity instruments		**-**	**-**	**1**	**1**
Financial liabilities measured at fair value					
Derivative financial instrument	**10**	**-**	**4**	**-**	**4**

31 December 2025	Note	Level 1 €m	Level 2 €m	Level 3 €m	Total €m
Financial assets measured at fair value					
Derivative financial instrument	10	-	24	-	24
Equity instruments		-	-	1	1
Financial liabilities measured at fair value					
Derivative financial instrument	10	-	4	-	4

Reconciliation of level 3 fair value measurements of financial assets

	30 June 2026 €m	31 December 2025 €m
Equity instruments		
As at 1 January	**1**	2
Revaluation movement in OCI – Fair value reserve (equity instruments)	**-**	(1)
As at 30 June/31 December	**1**	1

There were no transfers between level 1, level 2 or level 3 of the fair value hierarchy during 2026 or 2025.

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 2026 or 2025 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 2026	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%	1	0 - 90%

* Discount has been applied for illiquidity and the conversion rate variability of the Visa Inc. Series B Preferred stock.

31 December 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%	1	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 €1m at 30 June 2026 (31 December 2025: €1m) 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 2026 and 31 December 2025. 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 therefore, 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 2026 €m	31 December 2025 €m
Cash at bank	9	**76**	79
Loans and advances to banks (iii)	9	**1,611**	1,719
Derivative financial instruments (ii)	10	**1**	24
Other assets		**16**	61
Debt securities (i)	12	**5,336**	5,360
Loans and advances to customers (in the course of collection)		**17**	11
Loans and advances to customers (iv)	13	**22,623**	22,249
		29,681	29,503
Commitments	24	**1,814**	1,554
		31,495	31,057

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 and S&P for Belgian covered bonds. There are no impaired debt securities as at 30 June 2026 or at 31 December 2025.

	30 June 2026 €m	31 December 2025 €m
Rating		
Aaa	**1,285**	1,213
Aa1	**357**	340
Aa3	**2,134**	2,429
A1	**232**	-
A3	**1,163**	1,137
Baa2	**165**	241
Total	**5,336**	5,360

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

	30 June 2026 €m	31 December 2025 €m
Country		
Ireland	**1,630**	1,604
EU	**1,087**	1,012
Spain	**856**	842
France	**571**	721
Austria	**357**	340
Portugal	**307**	295
Belgium	**279**	220
Italy	**165**	241
Netherlands	**84**	85
Total	**5,336**	5,360

(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 2026 was €1m (31 December 2025: €24m) which relates to fair value hedge interest rate swaps used to hedge interest rate risk on fixed rate 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 credit ratings aligned to recognised External Credit Assessment Institutions, including Moody's and S&P.

	30 June 2026 €m	31 December 2025 €m
Rating		
AAA	**1,312**	1,399
Aa2	**17**	38
Aa3	**127**	157
A1	**96**	66
A2	**59**	59
Total	**1,611**	1,719

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 2026 €m	31 December 2025 €m
Measured at amortised cost		
Residential mortgages:		
Home loan	**20,499**	20,249
Buy-to-let	**348**	376
Total residential mortgages	**20,847**	20,625
Commercial*	**579**	557
Consumer finance	**714**	607
Finance leases and hire purchase receivables	**500**	472
Total measured at amortised cost	**22,640**	22,261
Analysed by ECL staging:		
Stage 1	**19,413**	19,296
Stage 2	**2,904**	2,657
Stage 3	**323**	308
POCI	**-**	-
Total measured at amortised cost	**22,640**	22,261
Of which at the reporting date:		
Neither past due nor Stage 3	**22,276**	21,910
Past due but not Stage 3	**41**	43
Stage 3	**323**	308
Total measured at amortised cost	**22,640**	22,261
Of which are reported as non-performing loans	**323**	308
Deferred fees, discounts and business combination related fair value adjustments	**309**	308

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

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 2026	Home loans €m	Buy-to-let €m	Commercial* €m	Total €m
0-30 days	**18**	**1**	**-**	**19**
31-60 days	**5**	**1**	**-**	**6**
61-90 days	**4**	**-**	**-**	**4**
Total past due not Stage 3	**27**	**2**	**-**	**29**
Fair value of collateral held	**27**	**2**	**-**	**29**

Fair value of collateral held	Home loans €m	Buy-to-let €m	Commercial* €m	Total €m
0-30 days	**18**	**1**	**-**	**19**
31-60 days	**5**	**1**	**-**	**6**
61-90 days	**4**	**-**	**-**	**4**
Total past due not Stage 3	**27**	**2**	**-**	**29**

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

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31 December 2025	Home loans €m	Buy-to-let €m	Commercial* €m	Total €m
0-30 days	21	2	1	24
31-60 days	6	-	-	6
61-90 days	3	-	-	3
Total past due not Stage 3	30	2	1	33
Fair value of collateral held	30	2	1	33

Fair value of collateral held	Home loans €m	Buy-to-let €m	Commercial* €m	Total €m
0-30 days	21	2	1	24
31-60 days	6	-	-	6
61-90 days	3	-	-	3
Total past due not Stage 3	30	2	1	33

* The Group'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.

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 and 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 2026	Stage 3					
	Home loans €m	Buy-to-let €m	Commercial* €m	Consumer finance €m	Finance leases and hire purchase receivables €m	Total €m
NPL is < 90 days	**100**	**20**	**13**	**8**	**3**	**144**
NPL is > 90 days and < 1 year past due	**41**	**3**	**2**	**6**	**3**	**55**
NPL is 1-2 years past due	**27**	**2**	**-**	**3**	**1**	**33**
NPL is 2-5 years past due	**33**	**9**	**1**	**4**	**2**	**49**
NPL is > 5 years past due	**25**	**10**	**3**	**4**	**-**	**42**
POCI	**-**	**-**	**-**	**-**	**-**	**-**
Non-performing loans	**226**	**44**	**19**	**25**	**9**	**323**
Foreclosed assets	**1**	**3**	**-**	**-**	**-**	**4**
Non-performing assets	**227**	**47**	**19**	**25**	**9**	**327**
NPLs as % of gross loans	**1.1%**	**12.6%**	**3.3%**	**3.5%**	**1.8%**	**1.4%**

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

31 December 2025	Stage 3					
	Home loans €m	Buy-to-let €m	Commercial* €m	Consumer finance €m	Finance leases and hire purchase receivables €m	Total €m
NPL is < 90 days	98	17	15	4	3	137
NPL is > 90 days and < 1 year past due	41	1	1	6	2	51
NPL is 1-2 years past due	21	5	-	3	2	31
NPL is 2-5 years past due	30	13	1	3	1	48
NPL is > 5 years past due	25	7	4	5	-	41
POCI	-	-	-	-	-	-
Non-performing loans	215	43	21	21	8	308
Foreclosed assets	1	3	-	-	-	4
Non-performing assets	216	46	21	21	8	312
NPLs as % of gross loans	1.1%	11.4%	3.8%	3.5%	1.7%	1.4%

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

Non-performing loans as a percentage of total loans and advances was 1.4% at 30 June 2026 (31 December 2025: 1.4%).

Total portfolio loss allowance: SOFP

The tables below outline the ECL loss allowance total at 30 June 2026 and 31 December 2025 in respect of total customer loans and advances.

The impairment charge in respect of the total loans and advances for half year ended 30 June 2026 is €6m, compared to a write-back of €39m for the year ended 31 December 2025.

	30 June 2026 €m	31 December 2025 €m
Loss allowance - SOFP		
Stage 1	**38**	35
Stage 2	**144**	146
Stage 3	**144**	139
Total loss allowance	**326**	320

	30 June 2026 %	31 December 2025 %
Provision coverage ratio*		
Stage 1	**0.2%**	0.2%
Stage 2	**5.0%**	5.5%
Stage 3	**44.6%**	45.0%
Total provisions/total loans	**1.4%**	1.4%

* 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.

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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 residential mortgage portfolios is 47% at 30 June 2026 compared to 46% at 31 December 2025.

30 June 2026	Home loans %	Buy-to-let %	Total %
Less than 50%	**58%**	**63%**	**58%**
50% to 70%	**29%**	**24%**	**28%**
71% to 90%	**13%**	**7%**	**13%**
91% to 100%	**-**	**2%**	**1%**
Subtotal	**100%**	**96%**	**100%**
101% to 110%	**-**	**2%**	**-**
111% to 120%	**-**	**1%**	**-**
121% to 130%	**-**	**-**	**-**
131% to 140%	**-**	**-**	**-**
141% to 150%	**-**	**-**	**-**
151% to 160%	**-**	**-**	**-**
161% to 170%	**-**	**-**	**-**
171% to 180%	**-**	**-**	**-**
Greater than 180%	**-**	**1%**	**-**
Subtotal	**-**	**4%**	**-**
Total	**100%**	**100%**	**100%**
Weighted average LTV:			
Stock of residential mortgages	**47%**	**46%**	**47%**
Residential mortgages originated in the year	**66%**	**47%**	**66%**
Stage 3 mortgages	**50%**	**84%**	**55%**

31 December 2025	Home loans %	Buy-to-let %	Total %
Less than 50%	59%	60%	58%
50% to 70%	29%	25%	29%
71% to 90%	12%	9%	12%
91% to 100%	-	2%	1%
Subtotal	100%	96%	100%
101% to 110%	-	2%	-
111% to 120%	-	1%	-
121% to 130%	-	-	-
131% to 140%	-	-	-
141% to 150%	-	-	-
151% to 160%	-	-	-
161% to 170%	-	-	-
171% to 180%	-	-	-
Greater than 180%	-	1%	-
Subtotal	-	4%	-
Total	100%	100%	100%
Weighted average LTV:			
Stock of residential mortgages	46%	48%	46%
Residential mortgages originated in the year	65%	52%	65%
Stage 3 mortgages	50%	90%	56%

(v) 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 2026		31 December 2025	
Residential collateral in possession	**Number**	**Balance outstanding at transfer of ownership**	**Number**	**Balance outstanding at transfer of ownership**
		€m		**€m**
Home loans	**4**	**2**	5	2
Buy-to-let	**18**	**4**	18	4
Total	**22**	**6**	23	6

Collateral in possession assets are sold as soon as practicable. These assets which total €4m as at 30 June 2026 (31 December 2025: €4m) are included in assets held for sale (see note 11 for further details).

During the period ended 30 June 2026, no properties were transferred into the Group's ownership.

30 June 2026	**Number of disposals**	**Balance outstanding at transfer of ownership**	**Gross sales proceeds**	**Costs to sell**	**Number Pre provisioning loss on sale***
		€m	**€m**	**€m**	**€m**
Collateral in possession					
Home loans	**1**	**-**	**-**	**-**	**-**
Buy-to-let	**-**	**-**	**-**	**-**	**-**
Period ended 30 June 2026	**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 2025	**Number of disposals**	**Balance outstanding at transfer of ownership**	**Gross sales proceeds**	**Costs to sell**	**Pre provisioning loss on sale***
		€m	**€m**	**€m**	**€m**
Collateral in possession					
Home loans	3	3	2	-	1
Buy-to-let	12	3	1	-	2
Year ended 31 December 2025	15	6	3	-	3

* 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.

(vi) Additional disclosures on forborne loans

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 to support borrowers experiencing credit and loan repayment difficulties, which have been developed in accordance with the Conduct Requirements for Mortgage Arrears (CRMA) set out in the revised Consumer Protection Code 2025.

(a) 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 2026 and 31 December 2025.

(i) Residential home loan mortgages:
The incidence of the main types of forbearance arrangements for owner occupied residential mortgages are analysed below:

30 June 2026	All loans		Stage 3	
	Number	Balances €m	Number	Balances €m
Interest only	**17**	**2**	**13**	**2**
Reduced payment (less than interest only)	**22**	**3**	**15**	**2**
Reduced payment (greater than interest only)	**672**	**89**	**392**	**53**
Payment moratorium	**52**	**7**	**40**	**5**
Arrears capitalisation	**459**	**50**	**315**	**33**
Term extension	**286**	**18**	**125**	**8**
Hybrid*	**159**	**21**	**110**	**13**
Split mortgages**	**55**	**7**	**55**	**7**
Total	**1,722**	**197**	**1,065**	**123**

* 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 2025	All loans		Stage 3	
	Number	Balances €m	Number	Balances €m
Interest only	16	2	12	1
Reduced payment (less than interest only)	13	3	10	3
Reduced payment (greater than interest only)	607	85	337	48
Payment moratorium	58	7	39	4
Arrears capitalisation	443	48	297	31
Term extension	292	20	124	8
Hybrid*	148	18	101	11
Split mortgages**	61	8	61	8
Total	1,638	191	981	114

* 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 an increase of 84 cases in the half year to 30 June 2026 for the Group in the number of residential home loan mortgages in forbearance arrangements, an increase of €6m in balances. The average balance of forborne loans is €0.114m at 30 June 2026 (31 December 2025: €0.117m).

(ii) Residential buy-to-let mortgages:
The incidence of the main types of forbearance arrangements for residential buy-to-let mortgages are analysed below:

30 June 2026	All loans		Stage 3	
	Number	Balances €m	Number	Balances €m
Interest only	**6**	**3**	**5**	**2**
Reduced payment (less than interest only)	**-**	**-**	**-**	**-**
Reduced payment (greater than interest only)	**15**	**3**	**11**	**3**
Payment moratorium	**4**	**-**	**3**	**-**
Arrears capitalisation	**8**	**2**	**6**	**1**
Term extension	**16**	**5**	**6**	**1**
Hybrid*	**21**	**4**	**15**	**3**
Split mortgages**	**3**	**1**	**3**	**1**
Total	**73**	**18**	**49**	**11**

* 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 2025	All loans		Stage 3	
	Number	Balances €m	Number	Balances €m
Interest only	5	2	4	2
Reduced payment (less than interest only)	-	-	-	-
Reduced payment (greater than interest only)	17	4	13	3
Payment moratorium	1	-	1	-
Arrears capitalisation	5	2	4	1
Term extension	16	2	7	1
Hybrid*	23	4	18	4
Split mortgages**	3	1	3	1
Total	70	15	50	12

* 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 an increase of 3 cases in the half year to 30 June 2026 for the Group in the number of residential buy-to-let in forbearance arrangements, an increase of €3m in balances. The average balance of forborne loans is €0.247m at 30 June 2026 (31 December 2025: €0.214m).

(iii) Commercial mortgages

The incidence of the main types of forbearance arrangements for commercial mortgages are analysed below:

Commercial mortgages*	30 June 2026		31 December 2025	
	Number	Balances €m	Number	Balances €m
Interest only	**-**	**-**	-	-
Reduced payment (greater than interest only)	**3**	**1**	4	1
Payment moratorium	**1**	**-**	1	-
Arrears capitalisation	**6**	**1**	7	1
Term extension	**5**	**-**	5	1
Hybrid**	**2**	**1**	2	1
Split mortgages***	**-**	**-**	-	-
Total	**17**	**3**	19	4

* The Group's SME mortgage lending is captured within the table 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 2 cases in the half year to 30 June 2026 for the Group in the number of commercial mortgages in forbearance arrangements, a decrease of €1m in balances.

(b) 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 2026	Residential mortgages							
	Home loans cases	Home loans balances €m	Buy -to-let cases	Buy-to-let balances €m	Commercial cases	Commercial balances* €m	Total cases	Total balances €m
Opening balance 1 January 2026	**1,638**	**191**	**70**	**15**	**19**	**4**	**1,727**	**210**
New forbearance extended during the period**	**296**	**30**	**11**	**4**	**-**	**-**	**307**	**34**
Deleveraged loans	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Exited forbearance								
- re-classified to Stage 3 non-forborne	**(3)**	**-**	**-**	**-**	**(1)**	**-**	**(4)**	**-**
- expired forbearance treatment	**(137)**	**(14)**	**(3)**	**-**	**(1)**	**-**	**(141)**	**(14)**
- expired loan paid down	**(72)**	**(7)**	**(5)**	**(1)**	**-**	**-**	**(77)**	**(8)**
Balance shift***	**-**	**(3)**	**-**	**-**	**-**	**(1)**	**-**	**(4)**
Closing balance of loans in forbearance for half year ended 30 June 2026	**1,722**	**197**	**73**	**18**	**17**	**3**	**1,812**	**218**

* The Group'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 period.

31 December 2025	Residential mortgages							
	Home loans cases	Home loans balances €m	Buy -to-let cases	Buy-to-let balances €m	Commercial cases	Commercial balances* €m	Total cases	Total balances €m
Opening balance 1 January 2025	2,076	242	122	34	23	4	2,221	280
New forbearance extended during the year**	276	37	4	-	2	1	282	38
Deleveraged loans	(159)	(22)	(24)	(10)	-	-	(183)	(32)
Exited forbearance								
- re-classified to Stage 3 non-forborne	(16)	(2)	(1)	-	-	-	(17)	(2)
- expired forbearance treatment	(392)	(44)	(19)	(6)	(1)	-	(412)	(50)
- expired loan paid down	(147)	(13)	(12)	(2)	(5)	-	(164)	(15)
Balance shift***	-	(7)	-	(1)	-	(1)	-	(9)
Closing balance of loans in forbearance as at 31 December 2025	1,638	191	70	15	19	4	1,727	210

* The Group'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.

(ii) Reconciliation of movement in forborne loans Stage 3

30 June 2026	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 2026	**981**	**114**	**50**	**12**	**18**	**4**	**1,049**	**130**
New Stage 3 forbearance extended during the period**	**243**	**26**	**9**	**2**	**-**	**-**	**252**	**28**
Deleveraged loans	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Exited forborne Stage 3, now performing forborne	**(110)**	**(12)**	**(5)**	**(1)**	**(1)**	**-**	**(116)**	**(13)**
Exited forbearance								
- re-classified to Stage 3 non-forborne	**(3)**	**-**	**-**	**-**	**(1)**	**-**	**(4)**	**-**
- expired forbearance treatment	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- expired loan paid down	**(46)**	**(4)**	**(5)**	**(2)**	**-**	**-**	**(51)**	**(6)**
Balance shift***	**-**	**(1)**	**-**	**-**	**-**	**-**	**-**	**(1)**
Closing balance of loans in forbearance for half year ended 30 June 2026	**1,065**	**123**	**49**	**11**	**16**	**4**	**1,130**	**138**

* The Group'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 period.

31 December 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 year**	225	28	2	-	2	-	229	28
Deleveraged loans	(158)	(22)	(24)	(10)	-	-	(182)	(32)
Exited forborne Stage 3, now performing forborne	(221)	(26)	(7)	(3)	-	-	(228)	(29)
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	(68)	(7)	(8)	(1)	(2)	-	(78)	(8)
Balance shift***	-	(2)	-	-	-	-	-	(2)
Closing balance of loans in forbearance as at 31 December 2025	981	114	50	12	18	4	1,049	130

* The Group'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.

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(vii) 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 2026 can be broken down into the below component parts:

	30 June 2026 %	31 December 2025 %
Customer accounts	**92**	92
Long-term debt	**7**	7
Short-term debt	**1**	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 SOFP date. These will not agree directly with the balances on the consolidated SOFP due to the inclusion of future interest payments.

30 June 2026	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	**181**	**-**	**-**	**-**	**-**	**-**	**181**
Customer accounts	**19,275**	**2,188**	**1,403**	**2,207**	**413**	**210**	**25,696**
Debt securities in issue	**8**	**16**	**24**	**49**	**97**	**1,718**	**1,912**
Derivative financial instruments	**2**	**-**	**-**	**-**	**-**	**8**	**10**
Subordinated liabilities	**1**	**2**	**3**	**6**	**12**	**387**	**411**
Other financial liabilities	**135**	**-**	**2**	**3**	**5**	**19**	**164**
Total liabilities	**19,602**	**2,206**	**1,432**	**2,265**	**527**	**2,342**	**28,374**

31 December 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	104	-	-	-	-	-	104
Customer accounts	18,922	2,161	1,096	2,529	763	210	25,681
Debt securities in issue	8	16	24	49	97	1,767	1,961
Derivative financial instruments	1	-	-	-	-	3	4
Subordinated liabilities	1	2	3	7	13	449	475
Other financial liabilities	100	-	2	3	6	21	132
Total liabilities	19,136	2,179	1,125	2,588	879	2,450	28,357

24. Commitments and contingencies

The table below provides the contractual amounts of irrevocable capital commitments. Even though these obligations are not recognised in SOFP 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. The transfer of economic resources is uncertain and cannot be reasonably measured to be recognised on the SOFP.

Credit commitments	30 June 2026 €m	31 December 2025 €m
Commitments and irrevocable letters of credit	**2**	2
Commitments to extend credit		
- less than 1 year	**1,768**	1,509
- 1 year and over	**44**	43
Total commitments to extend credit	**1,812**	1,552
Total credit commitments	**1,814**	1,554

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 Group understands that those criminal proceedings have concluded and so the Group is waiting to see if the investigations, which, from the Group'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 Group is required to make any reimbursements under these identified scenarios beyond those provided for, as disclosed in note 18, 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 Group.

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 Group considers the applicability of FSPO decisions and findings to other customers in similar circumstances. The Group 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 Group 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.

As at 30 June 2026 ECL of €5m (31 December 2025: €6m) held against loan commitments are recognised in Provisions (Note 18), except where the loan commitment relates to a loan already recognised as a financial asset. In this case the ECL is recognised in Loans and advances to customers (Note 13).

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. €37m was recognised in the Statement of Financial Position in respect of the scheme as at 30 June 2026 (31 December 2025: €30m).

The Group accrued costs of €11 million in connection with the Formal Sale Process, which have been recognised as an exceptional item in the condensed consolidated income statement for the period ended 30 June 2026. In addition, contingent fees of €20 million may become payable on successful completion of the sale, subject to the fulfilment of specified contractual conditions, approvals and other contingencies. Further professional, legal, advisory and other costs may become payable depending on the progression of the Formal Sale Process. As at 30 June 2026, no provision has been recognised in respect of such amounts as the Group does not consider that a present obligation exists at the reporting date. The ultimate amount and timing of any potential future outflows remain uncertain and are dependent on the successful completion and timing of the Formal Sales Process. Accordingly, the recognition criteria for a provision under IAS 37 have not been met. The Group will continue to monitor developments in the Formal Sale Process and will reassess the accounting treatment and related disclosures as further facts and circumstances emerge.

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)
(continued)

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 73 to 78 and note 42 of the 2025 Annual Report.

Number of key management personnel as at period end is as follows:

	30 June 2026	31 December 2025
Non-Executive Directors	**9**	9
Executive Directors and Senior Management	**9**	9
	18	18

Balances and transactions with key management personnel

There were no significant transactions with key management personnel during the first six months of 2026.

(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 €1,630m (31 December 2025: €1,604m).
- The Group had an investment in associated undertakings of €39m as at 30 June 2026 (31 December 2025: €30m) 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, originally introduced by the Government through the Finance (No. 2) Act 2023 and subsequently extended by the Finance Acts 2024 and 2025, is payable in the second half of each calendar year. The levy is recognised on the occurrence of the obligating event identified in the legislation. During the six months ended 30 June 2026, €24m was recognised in the income statement in respect of the bank levy (30 June 2025: €24m).

(c) Other related party transactions

- At 30 June 2026 the Company had an intercompany balance of €1,691m (31 December 2025: €1,723m) with its principal subsidiary PTSB plc relating to the MREL issuance.
- In May 2021, PTSB plc borrowed €250m of Tier 2 capital notes at a fixed rate of 3% per annum. In September 2025, as part of a Liability Management exercise, c. 80% of the issued Tier 2 capital notes were called. The remaining nominal balance of the issuance was €51m. The notes had a maturity date of 19 August 2031 with a call date of any date from and including 19 May 2026 to and including 19 August 2026 with the call subject to approval of the regulatory authorities, with approval conditional on meeting the requirements of the Capital Requirements Regulation. The remaining 20% nominal balance of the Tier 2 Capital notes (~€51m) were called on the first callable date of 19 May 2026.
- In September 2025, PTSB plc borrowed €300m from PTSBGH at a base rate of 3.875% plus a margin of 0.180% per annum. The notes mature on 22 December 2035 with a call date of any date from and including 22 September 2030 to and including 22 December 2030 with the call subject to approval of the regulatory authorities, with approval conditional on meeting the requirements of the Capital Requirements Regulation.

(d) Interest in associated undertakings

- The Group owns a non-controlling interest in Vianova DAC (previously named Clearpay DAC) (33%) as at 31 December 2025. This investment is accounted for under the equity method in the consolidated financial statements and has a carrying value of €2m at 30 June 2026 (31 December 2025: €2m). 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 2026. This investment in associate is accounted for under the equity method in the condensed consolidated interim financial statements and has a carrying value of €37m at 30 June 2026 (31 December 2025: €30m). It was initially recognised at €11m being the Group's agreed 13.5% contribution rate. During 2026, the investment was increased by €7m (31 December 2025: €10m). There were no post acquisition profits recognised since the Group's investment on 1 July 2022. The Group's share of interest accrued for the period ended 30 June 2026 was €0.5m (30 June 2025: €0.3m).

26. Reporting currency and exchange rates

The condensed consolidated interim financial statements are presented in millions of Euro.

The following tables show the average and closing rates used by the Group:

	30 June 2026	31 December 2025	30 June 2025
€ / £ exchange rate			
Closing	**0.8618**	0.8726	0.8555
Average	**0.8677**	0.8569	0.8410
€ / US$ exchange rate			
Closing	**1.1394**	1.1750	1.1720
Average	**1.1660**	1.1318	1.1009

27. Events after the reporting period

No items, transactions or events that would materially impact the condensed consolidated interim financial statements and require adjustment or disclosure to these condensed consolidated interim financial statements have occurred between the reporting date of 30 June 2026 and the date of the approval of these condensed consolidated interim financial statements by the Board of Directors on 28 July 2026.

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

CBI Central Bank of Ireland

CCB Capital Conservation Buffer

CCF Credit Conversion Factor

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

CRMA Conduct Requirements for Mortgage Arrears

CRO Chief Risk Officer

CRR Capital Requirements Regulation

CSAs Credit Support Annex

CSO Central Statistics Office

CVA Credit Valuation Adjustment

DGS Deposit Guarantee Scheme

DoF Department of Finance

EAD Exposure at Default

EAR Earnings at Risk

EBA European Banking Authority

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

EWI Early Warning Indicator

ExCo Executive Committee

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

GRC Group Risk Committee

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

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

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

LGD Loss Given Default

LTV Loan to value

LCR Liquidity Coverage Ratio

MGC Model Governance Committee

Moody's Moody's Investors Services Limited

MREL Minimum Requirement for own funds and Eligible Liabilities

MTP Medium Term Plan

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

ORMC Operations Risk Management Committee

POCI Purchased or Originated Credit Impaired

PTSB Permanent TSB plc.

PTSBGH Permanent TSB Group Holdings plc

RAS Risk Appetite Statement

RCSA Risk and Control Self-Assessment

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 Planning Process

SREP Supervisory Review & Evaluation Process

SusCo Sustainability Committee

TRIM Targeted Review of Internal Models

TTC Through the cycle

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