Pillar 3 Disclosures 2022

Members of the Irish Olympic Team and the Irish Paralympic Team pictured at the launch of Permanent TSB's title sponsorship of Team Ireland for the 2024 Games in Paris.

We are a community serving the community

permanent tsb
Group Holdings plc

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Introduction

These disclosures relate to Permanent TSB Group Holdings plc (hereafter ‘Permanent TSB’, ‘PTSB’, ‘the Group’ or ‘the Bank’). They provide comprehensive information on the risk profile and risk management of the Group.

The legal basis for Pillar 3 disclosures is set out in Part Eight of the Capital Requirement Regulation (EU) No 575/2013 (‘CRR’), as amended by Regulation (EU) 2019/876 (‘CRR2’). As part of the CRR2 amendments, the European Banking Authority (‘EBA’) was mandated to develop uniform disclosure formats for banks’ disclosures. The uniform formats are contained within Commission Delegated Regulation (EU) 2021/637, published in April 2021, which prescribes the format of the quantitative templates to be disclosed. The EBA have published a mapping tool between the supervisory returns and the disclosure templates to facilitate banks’ compliance with disclosure requirements with the stated aim to improve the consistency and quality of the information disclosed.

On 7 November 2022, the Group acquired ~€5.1bn of residential mortgages and 25 branch properties. The bank received permission under a permanent partial use (PPU) to apply the standardised approach to these mortgages resulting in a calculated risk weighted asset (RWA) amount of €1.8bn.

The Group has a Board-approved formal policy for its Pillar 3 disclosures as required under Article 431 (3) of the CRR. The disclosures are subject to the same level of internal verification as the unaudited information included within the Group’s Annual Report. No disclosures are omitted on the basis of proprietary or confidential information. Where appropriate, some disclosure requirements have been met by reference to the relevant disclosure in the Group’s Annual Report or on its website. The information in this report is currently published annually save for the key metrics template (‘KM1’) which is published semi-annually.

The Pillar 3 disclosure report is available on the Group’s website at the following location:
https://www.permanenttsbgroup.ie/investors/result-centre/year/2022

Information required under article 19 (5) of Commission Delegated Regulation (EU) 2021/637:

Disclosure reference date	31 December 2022
Period	1 January 2022 to 31 December 2022
Reporting Currency	Euro
Name of disclosing institution	Permanent TSB Group Holdings plc
LEI Code	635400DTNHVYGZODKQ93
Accounting Standard	IFRS
Scope of consolidation	Consolidated

A checklist outlining the CRR disclosure requirements applicable to the Group including the location of those disclosures throughout this report or in other documents is available at back of report.

Attestation by Senior Management

In line with the CRR, the Group has formal policies and internal processes, systems and controls in place to comply with the disclosure requirements. The disclosures are reviewed by risk sub committees prior to approval by the Group's Board Audit Committee (BAC).

"We confirm that PTSB's Pillar 3 disclosures, to the best of our knowledge, comply with Part Eight of the CRR and have been prepared in compliance with the Group's Board-agreed internal control framework".

Nicola O'Brien

CFO , PTSB Group

1st March 2023

Current regulatory framework

This report is part of the Basel III Framework which has been in effect in all EU member states since 1 January 2014 through the CRR and EU Directive No 2013/36 (or CRD IV), as transposed into Irish law through S.I. No. 158 of 2014. In June 2019 amendments to these rules were made through the publication of CRR2 and Directive (EU) 2019/878 ('CRD V'), subsequently transposed into Irish law at the end of 2020 through S.I. No. 710 of 2020.

The Group closely monitors any updated guidance from supervisors to ensure compliance with all requirements when applicable.

The Basel capital framework is founded upon three Pillars:

Pillar 1 refers to the minimum amount of capital required to protect the Group against losses for credit, market and operational risks over a one year time-frame and it is used to calculate the capital adequacy ratios.

Under **Pillar 2** of the Basel Framework, the Group is required to have in place sound, effective and comprehensive strategies and processes to assess and measure the amount of internal capital requirements it considers adequate to cover the nature and level of the risks to which the Group is exposed. The Group arrives at an appropriate estimation of its capital requirements for all risks through the use of an Internal SREP Requirement approach.

The Group is subject to regular reviews of its internal capital adequacy assessment process (ICAAP) through the Supervisory Review and Evaluation Process (SREP) and is subject to minimum capital requirements which exceed those set by the CRR (see Note 39 of the Group's 2022 Annual Report).

The Group's SREP capital requirements remain unchanged since last year at 13.95% of which 8.94% should be comprised of CET1. This is comprised of a Pillar 1 requirement of 8% (of which 4.5% CET1), a Pillar 2 Requirement (P2R) of 3.45% (of which 1.94% CET1) and a Capital conservation buffer (CCB) of 2.50% (all 2.50% to be made up of CET1).

Pillar 3 refers to market discipline and how the Group reports publicly and in a transparent manner, information relating to the assessment and management of risks by the Group. This includes disclosing information on the scope of application, capital, risk exposures, risk assessment and management processes, and hence the capital adequacy of the Group.

Please note the figures in this report are in millions of euro and may contain rounding differences as they are compiled using information reported to supervisors in units of euro.

Key metrics of the Group

The template below provides a comprehensive view of key prudential metrics covering capital, risk-weighted exposures, leverage ratio, liquidity coverage ratio and net stable funding ratio (NSFR).

Template EU KM1 - Key metrics template **Art 438(b), 447(a) to (g)**

		a	b	c	d
	€'M	**Dec-22**	**Jun-22**	**Dec-21**	**Jun-21**
	Available own funds (amounts)				
1	Common Equity Tier 1 (CET 1) capital	1,718	1,331	1,457	1,481
2	Tier 1 capital	2,087	1,455	1,580	1,604
3	Total capital	2,369	1,745	1,871	1,895
	Risk-weighted exposure amounts				
4	Total risk-weighted exposure amount	10,627	8,245	8,600	8,485
	Capital ratios (as a percentage of risk-weighted exposure amount)				
5	Common Equity Tier 1 ratio (%)	16.17%	16.15%	16.94%	17.45%
6	Tier 1 ratio (%)	19.63%	17.64%	18.37%	18.90%
7	Total capital ratio (%)	22.29%	21.17%	21.75%	22.33%
	Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)				
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	3.45%	3.45%	3.45%	3.45%
EU 7b	of which: to be made up of CET1 capital (percentage points)	1.94%	1.94%	1.94%	1.94%
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	2.59%	2.59%	2.59%	2.59%
EU 7d	Total SREP own funds requirements (%)	11.45%	11.45%	11.45%	11.45%

Note: The reduction in the transitional CET1 ratio (-77bps) in the year is primarily due to transitional phasing of prudential filter IFRS9 (c. -60bps), net loan book growth (c. -100bps), continued investment in software assets (c. -40bps) and other reserves movements (incl AT1 Distributions and Calendar Provisioning) (c. -40bps). This was partially offset by receipt of outstanding proceeds relating to a 2021 NPL disposal (c. +50bps), the disposal of a cohort of capital intensive Buy-to-Let mortgages (c. +90bps) and the execution of the Ulster Bank Acquisition (c. +40bps) which included the migration of €5.1bn of mortgages and 16.7% NatWest Equity Investment.

In October 2022 the Group successfully issued an Additional Tier 1 (AT1) note of €250m (€245m net of transaction costs) increasing Tier1 and Total Capital ratios.

	Combined buffer requirement (as a percentage of risk-weighted exposure amount)				
8	Capital conservation buffer (%)	2.50%	2.50%	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	-	-	-	-
9	Institution specific countercyclical capital buffer (%)	-	0.00%	0.00%	0.00%
EU 9a	Systemic risk buffer (%)	-	-	-	-
10	Global Systemically Important Institution buffer (%)	-	-	-	-
EU 10a	Other Systemically Important Institution buffer	-	-	-	-
11	Combined buffer requirement (%)	2.50%	2.50%	2.50%	2.50%
EU 11a	Overall capital requirements (%)	13.95%	13.95%	13.95%	13.95%
12	CET1 available after meeting the total SREP own funds requirements	9.53%	9.06%	9.78%	10.31%
	Leverage ratio				
13	Total exposure measure	25,979	23,937	22,323	21,587
14	Leverage ratio (%)	8.03%	6.08%	7.08%	7.43%
	Additional own funds requirements to address risks of excessive leverage (as a percentage of leverage ratio total exposure amount)				
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	-	-	-	-
EU 14b	of which: to be made up of CET1 capital (percentage points)	-	-	-	-
EU 14c	Total SREP leverage ratio requirements (%)	3.00%	3.00%	3.00%	3.00%
	Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)				
EU 14d	Leverage ratio buffer requirement (%)	-	-	-	-
EU 14e	Overall leverage ratio requirements (%)	3.00%	3.00%	3.00%	3.00%
	Liquidity Coverage Ratio				
15	Total high-quality liquid assets (HQLA) (Weighted value - average)	6,924	5,970	5,736	5,155
EU 16a	Cash outflows - Total weighted value	3,091	2,116	2,040	2,032
EU 16b	Cash inflows - Total weighted value	249	105	78	91
16	Total net cash outflows (adjusted value)	2,842	2,011	1,962	1,941
17	Liquidity coverage ratio (%)	283.49%	297.22%	293.24%	266.42%
	Net Stable Funding Ratio				
18	Total available stable funding	22,544	20,509	19,521	18,979
19	Total required stable funding	14,626	11,187	11,512	11,029
20	NSFR ratio (%)	154.13%	183.33%	169.58%	172.07%

Note: The Liquidity coverage ratio (LCR) uses the simple average of the preceding 12 monthly periods ending on the quarterly reporting date as specified in the table

Risk management objectives and policies

The following narrative information is provided in accordance with the disclosure requirements referenced in table EU OVA of Commission Implementing Regulation 2021/637.

Please note that narrative disclosures specific to Credit Risk (table EU CRA), Liquidity Risk (EU LIQA), Operational Risk (EU ORA) and Market Risk (EU MRA) are described in the relevant chapters describing those risks.

Overview of risk management in Permanent TSB

Within the boundaries of the Board-approved Risk Appetite, Permanent TSB follows an integrated approach to Risk Management, to ensure that all risks faced by the Group are appropriately identified and managed. This approach ensures that appropriate mechanisms are in place to protect and direct the Group in recognising the economic substance of its risk exposure.

The Group implements a Risk Management Process, which consists of five key steps:

(i) Risk Identification;

(ii) Risk Assessment and Measurement;

(iii) Risk Mitigation and Control;

(iv) Risk Monitoring and Testing; and

(v) Risk Reporting and Escalation

The design of the Group's Risk Management Process is underpinned by Risk Management Objectives and Principles, which are detailed in the sections below.

The risks to which the Group is, or may be, exposed are grouped into Risk Categories, within which sub-risk categories are defined at a more granular level. Risks must be identified, assessed, measured, monitored and reported in line with First or Second Line responsibilities consistent with the Three Lines of Defence Model employed by the Group.

The Key Risk Categories identified by the Bank are:

- Capital Adequacy Risk;
- Liquidity and Funding Risk;
- Market Risk;
- Credit Risk;
- Business Risk;
- Operational Risk;
- Information Technology ('IT') Risk;
- Model Risk;
- Compliance Risk;
- Conduct and Reputational Risk; and
- Climate Risk.

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

To date a definition of Climate Risk for the Bank has been developed and Climate Risk has been added as its own Risk Category within the Bank's Enterprise Risk Management Framework in early 2022. The impact of Climate Risk within each of the remaining Bank's Risk Categories is being considered as the management of Climate Risk is further embedded.

Managing Climate Risk is a key area of focus under the 'Addressing Climate Change and Supporting the Transition to a Low Carbon Economy' Pillar of the Bank's Sustainability Strategy.

A suite of supporting documentation in the form of Frameworks and Policies is maintained for key Risk Categories and Risk Processes, and reviewed at least annually. These describe the activities and tools required to support the on-going Risk Management process, and to promote a comprehensive and consistent approach to Risk Management across the Bank.

Also please refer to the Risk Management Section within the Group's 2022 Annual Report which contains significant information on material risks management objectives and policies.

Risk management strategies **Art 435.1.(a)**

The Bank's Risk Categories define the point-in-time categories of risks the Bank faces, including those that arise as a result of its revenue-generating activities and, those that are inherent to its operations and business support activities. The Risk Categories critically provide the Bank with a common language for understanding, discussing, and managing risks across the enterprise and serve as the foundation for key risk governance and organisational structures as well as core risk management processes.

The Risk Categories are comprised of (1) Key Risk Categories and (2) Sub-Risk Categories.

Key Risk Categories are the most significant risk areas which may have an individual material impact on the Bank. Sub-Risk Categories represent risk types at a more detailed level within each risk category and for which the Bank has established specific risk management practices given the nuanced nature and scale of the sub-risk type. Furthermore, Sub-Risk Categories facilitate the aggregation of risk within each key risk category.

The Risk Categories are reviewed periodically in line with the periodic review of this Framework to ensure that the delineation of Key Risk and Sub-Risk Categories reflect the nature and scale of the Bank's business and operations as well as the Bank's operating environment.

The Bank's Change Portfolio is the primary vehicle through which all Strategic Change Programmes and Projects are delivered.

The Change Portfolio is comprised of Programmes which are fundamental to the successful execution of the Bank's Strategic Vision. Regulatory & Mandatory projects are also executed and reported on via the Change Portfolio.

The Change Portfolio consists of strategic projects which may generate incremental value for the Bank, or which may accelerate delivery of the Bank's Strategy. Managing by Portfolio ensures both Senior Management and the Board have appropriate oversight of key programmes. Governance of the Change Portfolio is outlined in the Bank's Strategic Change Framework.

The Integrated Planning Process (IPP) is PTSB's annual risk management, strategic, financial, stress testing, and recovery planning process. Key stakeholders involved in the delivery of the IPP include Group Finance, Enterprise Change, the CEO Office and Group Risk. It is reliant upon input from across the Three Lines of Defence. Through the IPP, PTSB seeks to ensure the Bank maintains values maximising effective and efficient operations and that its business conduct is prudent within the context of its strategic objectives and Board-approved risk appetite.

A core component of the Bank's risk management strategy is stress testing, the starting point for which are the Risk Categories (as identified above) and an assessment of the key risks facing the Bank. The Bank conducts a wide range of stress testing, including: (i) enterprise-wide stress tests that assess the combined impact of hypothetical, forward-looking changes to more than one risk factor (and cover all of the Bank's key portfolios) on the Bank's planning assumptions, balance sheet, income statement and forecast capital and liquidity position; (ii) sensitivity analysis, which is predominantly focused on quantifying the impact of stresses applied to individual risk factors, specific portfolios and/or key assumptions, and; (iii) reverse stress testing. The Bank's ICAAP, ILAAP and Recovery Planning processes are the most significant elements within the overall stress testing programme, but are supplemented by ad-hoc scenario modelling and stress testing in other areas such as interest rate risk (e.g. IRRBB). As part of the Bank's stress testing programme a range of scenarios of varying severities are considered, encompassing both systemic and idiosyncratic stress scenarios.

The Bank's Recovery Plan sets out a range of options available to the Bank in the event of a severe capital or liquidity stress, to maintain the viability of the Bank. The Recovery Plan is informed by the stress scenarios and management actions identified as part of stress testing exercises. Results from the ICAAP and the ILAAP are used as leading indicators into the Recovery Plan early warning signals and threshold limits.

Organisation of Risk Management **Art 435.1.(b)**

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 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 Executive Committee "ExCo" may not override or modify decisions of the Assets & Liabilities Committee "ALCO" or Group Risk Committee "GRC", but may appeal decisions to the Board (or relevant Board committee). Additionally, the CRO is assigned the right of 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 & 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 should be appropriate to the Bank’s resources and business model. This should be reviewed on a regular basis and the feedback of the committee members should be sought.

The Board is responsible for the management of risk across the Bank, including oversight of the efficiency and effectiveness of the Bank’s Framework. The Board also approves the Bank’s Internal Control Framework.

The Board assesses adherence to the Bank’s Enterprise Risk Management Framework and risk policies by:

• Establishing and upholding robust risk governance structure;

• Approving systems of risk management and reporting;

• Approving and monitoring the Bank’s risk appetite;

• Reviewing Board-level risk reporting;

• Challenging the ExCo on the risk-taking activities of the Bank;

• Overseeing management decisions to ensure the appropriate balance between risk and reward; and,

• Implementing and monitoring the tone for appropriate risk culture across the Bank.

The key risk committee is the BRCC. The BRCC is responsible for overseeing and advising the Board in carrying out its responsibilities related to the Bank’s Enterprise Risk Management Framework and ensures that all current and emerging risks are properly identified, reported, assessed and controlled. The BRCC receives regular direct reporting from the Chief Risk Officer (CRO) and the Head of Compliance & Conduct Risk related to the Bank’s risk profile, its control environment, remediation efforts, and the ongoing effectiveness of its Enterprise Risk Management Framework implementation. Critically, the BRCC reviews and recommends, for approval by the Board, the Bank’s Risk Management Framework and core supporting documents, including the Risk Appetite Statement (‘RAS’), key risk category-specific frameworks and select policies, and other artefacts for which Board-level review and approval is deemed necessary. BRCC also monitors the regulatory agenda and receives updates on Management’s activities to implement new and updated regulation and on the on-going engagement with the Bank’s Regulators. More information on the responsibilities of the BRCC is described on page 134 of the Group’s Annual Report 2022.

ExCo is the Senior Management executive committee of the Bank, which is chaired by the Chief Executive Officer (CEO). ExCo is supported by several risk sub-committees, and may not override or modify decisions of these sub-committees, but may appeal decisions to the Board (or relevant Board committee). In the context of risk management, the ExCo is primarily responsible for:

• Defining the Bank’s organisational structure including that of Risk;

• Delivering the Bank’s strategic portfolio and medium term plan;

• Ensuring that all risks are within the Bank’s risk appetite and are managed effectively and prudently;

• Ensuring compliance with regulatory obligations;

• Defining the Bank's operating principles and decision rules;

• Ensuring that a robust and resilient operational framework exists within which the Bank's activities are untaken;

• Setting all Bank framework, policies and procedures; and

• Ensuring the Bank operates a sustainable business model with a focus on its Enviromental, Social and Governance obligations;

• Implementing and monitoring the tone for appropriate Risk Culture across the Bank.

The CRO maintains a right of independent access to both the Board and BRCC to facilitate the independent communication of significant or material risk matters impacting the Bank.

In addition to the ExCo, the Bank has established and maintains a set of management-level committees to support the Bank's leaders and that retain risk management-specific responsibilities. Specifically, the management-level committee structure enables the Bank to operationalise decision-making protocols and define clear lines of reporting of escalation across the Bank.

The GRC is an ExCo sub-committee, chaired by the CRO, who has unfettered access to the BRCC. GRC 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 directly under the remit of ALCO.

Three Lines of Defence

- **First Line of Defence:** Functions and teams in the first line undertake frontline commercial and operational activities. In their day-to-day activities, these teams take risks which are managed through the effective design and operation of mitigating controls. Each Head of first line function/team is responsible for ensuring that activities undertaken are within the Board-approved risk appetite and in compliance with external and internal requirements.

- **Second Line of Defence:** The Group Risk Function (incl. Compliance 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 challenging and assisting in the implementation of risk management measures by the business lines in order to ensure that the process and controls in place at the First Line of Defence are properly designed and effective. The Compliance Function monitors compliance with regulatory requirements and internal policies, provides advice on compliance to the management body and other relevant staff, and establishes policies and processes to manage compliance risks and to ensure compliance.

- **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.

The full responsibilities of the three lines of defence is described in the risk management section of the Group's Annual Report 2022.

Risk Reporting and measurement **Art 435.1.(c)**

The execution of the core risk management processes is reliant on a robust approach to establishing and maintaining systems and data. Accordingly, the Bank regularly assesses and enhances operating systems and infrastructure to optimise risk-based performance and achieve the following other outcomes:

- Informed and evidenced risk-taking and strong risk-management practices by the first line of defence;
- Effective oversight and challenge by the Risk Function and Group Internal Audit (GIA); and
- Evidence to key stakeholders that the Bank is well managed and conducts its business and operations in compliance with applicable law.

Risk Assessments enable the Bank to determine the quantitative and qualitative value of risk exposures – with respect to both individual risk categories as well as an aggregated enterprise view – related to its products, services, and processes. Through identifying current and emerging risks, assessing likelihood and impact of those risks, determining their trends, gauging the control environment the Bank has implemented to mitigate those risks, and evaluating whether additional measures are needed to mitigate or accept residual risk. Risk assessments are critical to maintaining the safety and soundness of the institution and support the achievement of the Bank's strategy and business objectives within the context of its risk appetite. Specifically, the Bank utilises risk assessment results as a means to:

- Enable the Board and Senior Management to address emerging risks at an early stage and allow them to develop and implement appropriate strategies to mitigate, transfer, or accept the risks before they have an adverse effect on the Bank's shareholders, employees, customers, and other stakeholders;
- Provide a consistent approach to ensure risks and related controls are proactively and sufficiently identified, assessed, documented, and subject to relevant oversight and challenge;
- Align its risk appetite, strategic planning, capital planning, and performance management activities related to risk and risk management;
- Inform the risk-based prioritisation and execution of risk management activities such as monitoring, testing, and training; and
- Support the continued embedding of a robust risk culture. The Bank establishes and implements a Risk Assessment Policy, for Operational, IT, Compliance, Conduct & Reputational Risks, which sets forth comprehensive and consistent approaches in conducting risk assessments.

Risk Mitigation and monitoring **Art 435.1.(d)**

Risk Mitigation strategies have been developed and implemented for all risks to which the Bank is, or may be, exposed. These strategies may include capitalisation, risk management through the deployment of robust internal controls, and risk mitigation techniques including risk transfer, as outlined below:

- Capitalisation – The Bank holds capital to ensure solvency (at a specified confidence level) in the event of a severe occurrence of the risk
- Management – Capitalisation may not be the best or most appropriate form of protection against the risk. Therefore the Bank may choose to control the causes of the risk (e.g., through the use of robust internal processes and controls) to reduce the level of the risk faced; and

• Mitigation – The Bank can choose either not to take on the risk or transfer the risk to a third party; however, it remains ultimately responsible for management of the risk.

Risk Monitoring is the execution of regular periodic analysis or continuous review of key business activities, performance levels, risks, and controls to understand the Bank's current risk profile and changes within the risk profile. Monitoring is performed by both Risk Owners and, where relevant, second line Functions.

Declaration by management body on the adequacy of risk **Art 435.1.(e)**

Information on the adequacy of risk management is contained in the Group's 2022 Annual Report within the Corporate Governance Statement on pages 118 & 119. The Chairman of the BRCC outlines in the Group's 2022 Annual Report that the Board Risk & Compliance Committee carried out a 2022 review on the effectiveness of the Group's system of risk management and internal control. While the review indicated there were areas of the Bank's control environment that required additional enhancement, the Bank's control environment during 2022 overall remained effective and the Board is satisfied that it has complied with Principle C of the UK Code which requires the Board to establish a framework of prudent and effective controls, which enable risk to be assessed and managed.

Risk Profile **Art 435.1.(f)**

The Group has a straight forward business model to deliver a full-service Retail and SME Bank with a low risk appetite exclusively focused on the Republic of Ireland. In light of this, the risk appetite is not decomposed into individual business unit-specific statements of risk appetite.

The Group's Risk Appetite Statement (RAS) describes the Group'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 Group's risk is communicated clearly and well understood by both Senior Management and Group employees so that risk management is continually embedded into the Group's culture.

The structure of the RAS enables the Group 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 Group'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 Group 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, including qualitative expressions of risk appetite as well as quantitative measures which translate the qualitative expressions of risk appetite into actionable metrics (RAS Metrics). This further outlines key risk indicators (KRIs) which can be monitored and reported to ensure prompt and proactive adherence with the Board-approved risk appetite.

Key Ratios associated with the risk profile of the Group include the following:

	31 December 2022	31 December 2021
Capital – Transitional		
Common Equity Tier 1 Ratio	16.2%	16.9%
Tier 1 Ratio	19.6%	18.4%
Total Capital Ratio	22.3%	21.8%
Leverage Ratio – Transitional	8.0%	7.1%
Liquidity		
Liquidity Coverage Ratio (LCR)	178%	274%
Net Stable Funding Ratio (NSFR)	154%	170%
Asset Encumbrance	5%	6%
Loan to Deposit Ratio	90%	75%
NPA[2]s as % of gross loans	3.4%	5.7%

Information on material transactions with related parties and intragroup transactions are disclosed in note 44 of the Group's 2022 Annual Report.

[2] Non Performing Assets

Governance Arrangements

The following narrative information for Article 435.2 CRR is provided in accordance with the disclosure requirements referenced in table EU OVB of Commission Implementing Regulation 2021/637.

Further information on the risk governance arrangements, including the role and responsibilities of the Board of Directors in relation to risk management, are set out in detail in the Risk Governance section of the 2022 Annual Report.

Directorships held by Board Members **Art 435.2.(a)**

The number of directorships held by members of the Board as at 31 December 2022 is listed in the tables below. There have been no additional directorships approved by the competent authority in respect of the Directors during the reporting period. The Board of Directors section on pages 100 to 106 of the 2022 Annual Report also contains information relating to directorships held by members of the Board of Directors.

Table 3: Board Directorships

Robert Elliott	Permanent TSB p.l.c.
	Permanent TSB Group Holdings p.l.c.
	Royal Yacht Squadron Racing Limited
	Windship Technology Limited
Eamonn Crowley	Permanent TSB p.l.c.
	Permanent TSB Group Holdings p.l.c.
	Blue Cube Personal Loans Ltd (liquidation)
	Springboard Mortgages Ltd
	Springboard Funding No.1 Ltd
	Joint Mortgage Holdings No.1 Ltd
	PTSB Finance Limited
	Banking & Payments Federation CLG
	The Institute of Bankers In Ireland CLG
Nicola O'Brien	Permanent TSB Group Holdings p.l.c.
	Permanent TSB p.l.c.
	First Home Scheme Ireland Designated Activity Company
	Irish Second-Level Students' Union Company Limited By Guarantee
Ronan O'Neill	Permanent TSB p.l.c.
	Permanent TSB Group Holdings p.l.c.
Ken Slattery	Permanent TSB p.l.c.
	Permanent TSB Group Holdings p.l.c.
	National Shared Services Office
	Home Building Finance Ireland (Lending) DAC
	Home Building Finance Ireland
	The Glencree Centre For Reconciliation

Andrew Power	Permanent TSB p.l.c.
	Permanent TSB Group Holdings p.l.c.
	Andrew Power Consultancy Ltd
	The Tennis & Rackets Association Limited
	T&RA Trading Limited
	A.M. Best Europe - Rating Services Limited
Donal Courtney	Permanent TSB Group Holdings p.l.c.
	Permanent TSB p.l.c.
	Iput Asset Services Limited
	Iput Plc
	NBC Global Finance Limited
	Special Olympics Ireland
Ruth Wandhofer	Permanent TSB p.l.c.
	Permanent TSB Group Holdings p.l.c.
	RTGS.global Ltd
	Gresham Technologies plc
	Aquis Exchange PLC
	Aquis Exchange Europe SAS
	Leximar Limited
	Sinonyx Limited
Marian Corcoran	Permanent TSB Group Holdings p.l.c.
	Permanent TSB p.l.c.
	MC2 Change
	Industrial Development Authority (IDA) Ireland
	DCU Support Services DAC
Paul Doddrell	Permanent TSB Group Holdings p.l.c.
	Permanent TSB p.l.c.
	3 to 48 Ltd
	Cabot Financial Ireland Ltd
	Rose Court Management (Truro) Ltd
	Coastline Housing Ltd
	Coastline Services Limited
Anne Bradley	Permanent TSB Group Holdings p.l.c.
	Permanent TSB p.l.c.
	Pieta House CLG
	Northern Trust International Fund Administration Services (Ireland) Limited
Celine Fitzgerald	Permanent TSB Group Holdings p.l.c.

	Permanent TSB p.l.c.
	Vhi Health And Wellbeing Designated Activity Company
	Vhi Health And Wellbeing Holdings Designated Activity Company
	Pieta House CLG

Table 4: Summary of Board Directorships

Director	Total Number of Directorships (including PTSB and PTSBGH)	CRD IV Directorships as counted under Article 91 (3) and (4) of Directive 2013/36/EU[3]
Robert Elliott	4	2
Eamonn Crowley	9	1
Nicola O'Brien	4	2
Ronan O'Neill	2	1
Ken Slattery	6	3
Andrew Power	6	2
Donal Courtney	6	3
Ruth Wanderhofer	8	4
Marian Corcoran	5	2
Paul Doddrell	7	2
Anne Bradley	4	2
Celine Fitzgerald	5	2

Number of Directorships: the first column of figures is the total number of directorships held and the second is the number of directorships as counted under Article 91(3) and (4) of Directive 2013/36/EU (for the purposes of calculating these directorships, multiple directorships within a consolidated group are counted as a single directorship and directorships in organisations which do not predominantly pursue commercial objectives are also not included). 'Personal Consultancy Directorships' are treated as Non-Commercial Directorships on the basis they are set up for the sole purpose of managing the private economic interests of the Board members or their family members and that they do not require day-to-day management by the Board member.

Criteria for the selection of Members of the Board **Art 435.2.(b)**

The responsibilities of the Nomination, Culture and Ethics Committee include reviewing and assessing Board composition on behalf of the Board, recommending the appointment of Directors, and reviewing the size, structure, composition, diversity, and skills of the Board and its Committees. The Nomination, Culture and Ethics Committee keep the refreshment needs of the Board under review and have a defined approach to succession planning to ensure that membership is refreshed at appropriate intervals.

The Nomination, Culture and Ethics Committee has approved a Board Suitability Matrix which sets out the optimal balance of knowledge, experience and skills on the Board. The Board Suitability Matrix draws on EBA Guidance but also reflects the Bank's evolving needs and objectives. The Board Suitability Matrix defines knowledge as: achievement in education, training and practice; experience as the practical and professional experience gained in previous positions; and, skills which are personal attributes, how the person is capable of

[3] Excludes non-commercial entities

behaving and acting. The Board Suitability Matrix requires the Board collectively to have appropriate knowledge and experience in such areas as retail and SME banking; accounting, audit and financial interruption; risk management; governance; IT resilience; organisational change; strategy formulation and execution; legal and regulatory landscapes; customer advocacy; culture, ethics and responsible business; and, capital markets. Further details on the knowledge, experience and skills that each director contributes to the Board is set out in the biographies section of the 2022 Annual Report on pages 100 to 106.

A Board-approved Policy for the Assessment of the Suitability of Members of the Board (Board Suitability Policy) is in place and outlines the board appointments process. The Board Suitability Policy provides guidance for the purpose of ensuring that appointments to the Board are appropriate to the circumstances of the Company and overall add to the Board's collective effectiveness. The Board Suitability Policy requires both individual and collective on-going suitability assessments to be carried out whenever there is a change to Board composition or individual responsibilities. Further details of succession planning, recruitment and planned appointments are set out on pages 130 to 132 of the 2022 Annual Report.

Board Diversity Policy **Art 435.2.(c)**

The Board recognises the benefits of having a diverse Board, which enhances the quality of decision-making by reducing the risk of group think and ensuring that the Board includes different perspectives (diversity of thought) in order to provide effective oversight to guide the business to achieve its strategic aims. The Directors view increasing diversity at Board level as an important element in maintaining a competitive advantage. A diverse Board includes and makes good use of differences in the knowledge, experience and skills, regional and industry experience, career background, nationality, gender and other qualities of directors. These differences are considered in determining the optimum composition of the Board and when possible should be balanced appropriately.

The Nomination, Culture and Ethics Committee discuss and agree annually all measurable objectives for achieving diversity on the Board and recommend them to the Board for adoption. When setting diversity objectives, the Nomination, Culture and Ethics Committee considered diversity benchmarking results and latest regulatory guidance published by competent authorities, the EBA, or other relevant international bodies or organisations. At any given time, the Nomination, Culture and Ethics committee may seek to improve one or more aspects of its diversity and measure progress accordingly.

The Board Gender Diversity target from 2023 was increased from 30% to 50% female representation (2022 year-end ratio was 42%) and the Board will encourage initiatives that promote broader inclusive gender diversity across the Bank, in line with the Organisational Culture, Diversity and Inclusion Programmes. The Bank is committed to having a diverse board, to achieving and maintaining the targets set in this regard and to ensuring an open and fair recruitment process based on merit. The Board has an objective that approximately 50% of Non-Executive Directors, including the Board Chair together with the Chairs of the Board Audit and Risk and Compliance Committees should have relevant banking and/or financial experience and this will also be taken into account when recommending appointments.

The Bank has adopted an Ireland only business model and has no operations outside of Ireland. Therefore to execute its mandate effectively, the Board is comprised of directors who understand the social, economic, business and cultural environment in which the Bank operates. However, the Board also understands the benefit of having an 'external' perspective, to draw learnings and insights from other jurisdictions and cultures to support independent and effective decision making. Therefore between 20% - 30% of the Non-Executive Directors are expected to be in a position to draw on current or recent knowledge and experience obtained from having lived outside of Ireland.

The selection process for Board candidates will continue to be conducted, and nominations/appointments made, with due regard to the benefits of diversity on the Board. All Board appointments are made on merit, in the context of the knowledge, experience and skills that the Board as a whole requires to be effective.

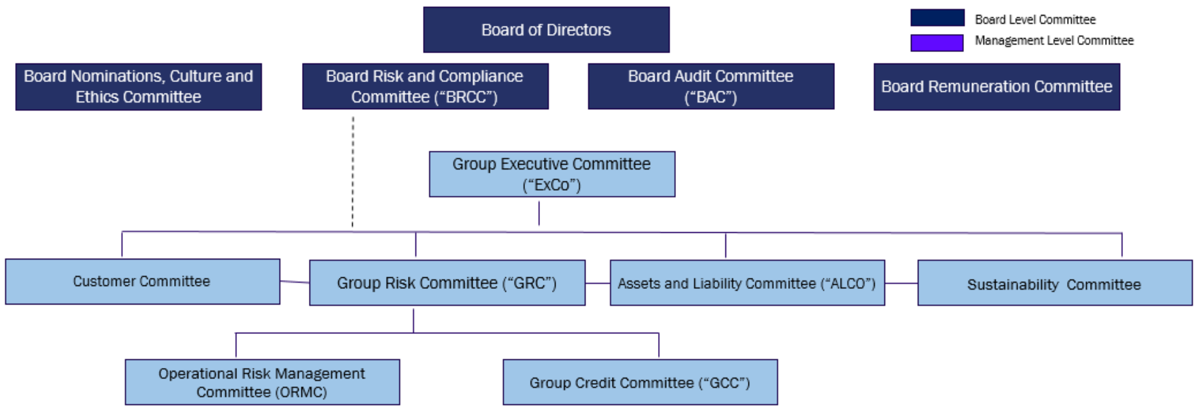
The Board Diversity Report on pages 120 to 124 of the 2022 Annual Report sets out further details on the Board Diversity Policy, its objectives, and relevant targets set out in that policy, and the extent to which these objectives and targets have been achieved.

Board Risk and Compliance Committee **Art 435.2.(d)**

The Board has established a Board Risk and Compliance Committee with responsibility for oversight and for providing advice to the Board in relation to the consolidated Group and its subsidiaries on risk governance, current and future risk exposures, risk tolerance/appetite and strategy, taking into account all other relevant risks, and for overseeing the implementation of that strategy by Senior Management. This includes strategy for capital and liquidity management, the setting of risk and compliance policies and principles, and the embedding and maintenance throughout the organisation of a supportive culture in relation to management of risk and compliance. The Board Risk and Compliance met on 14 occasions during 2022. Further details in respect of the Board Risk and Compliance Committee, including committee composition and matters considered by the Committee during the year are set out on pages 133 to 135 of the 2022 Annual Report.

Information flow to Management body **Art 435.2.(e)**

The following diagram illustrates the high-level Risk Governance Structure of the Group demonstrating the information flow on risk throughout the Group including to the Board of Directors:



- The **Board** has overall governance responsibility for the Bank. It approves the Bank's Risk Appetite, Strategic Direction, Financial MTP and Budget as part of the Integrated Planning Process.
- **Board Risk and Compliance Committee (BRCC)** is a Board Committee with responsibility for overseeing and providing advice to the Board on Risk Governance and the current and future risk exposures of the Bank. It supports the Board in carrying out its responsibilities of ensuring that risks are properly identified, reported, assessed and controlled, and that the Bank's strategy is consistent with its approved Risk Appetite.
- The **Board** delegates executive responsibility to the **CEO** for the Bank's operations, compliance and performance. The CEO is the principal executive accountable to the Board for the day-to-day management of the Bank.
- The **ExCo**, which is chaired by the CEO, is accountable to the Board for delivery of the Bank's MTP and Financial and Strategic Plans.

- ExCo has a Risk Sub-Committee (**GRC**) which includes representation of all ExCo members. GRC is chaired by the CRO and the committee has delegated accountability for Bank-wide Risk Management Issues and implementation of the Bank's Risk Appetite Statement.
- **ALCO** is chaired by the CFO and the committee is accountable to ExCo for the respective Risk Management obligations delegated to ALCO by ExCo. Relevant decisions/matters arising from ALCO are reported to the BRCC (via the CRO) for independent oversight and to ExCo (via the relevant ExCo member/Sub-Committee Chair) for information/noting, or, to raise the attention of ExCo where appropriate.
- The ExCo may not override or modify the decision of its Risk Sub-Committee (ALCO, GRC and GRC Sub-committees) but may appeal decisions to the Board (or relevant Board Committee).
- The CRO can refer any decision of ExCo or the ExCo Sub-Committees to the Board Risk and Compliance Committee (or Board) for review.
- The CRO maintains a right of **independent access** to both the Board and BRCC to facilitate the independent communication of significant or material risk matters impacting the Group.

Scope of Application

Regulatory Requirements **Art 436.(a)**

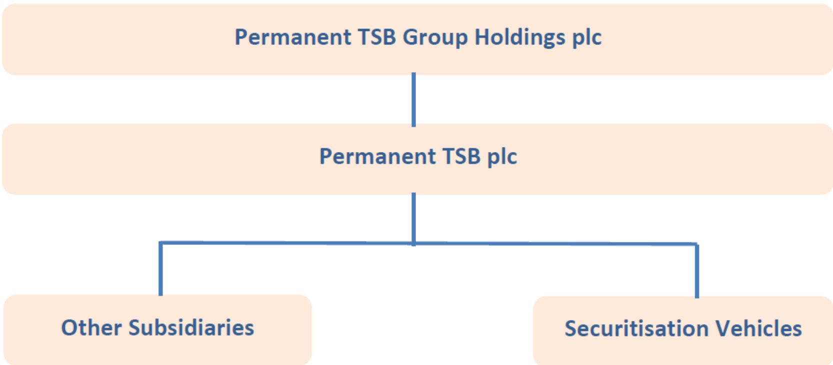
These disclosures apply to Permanent TSB Group Holdings plc which is the highest level of consolidation for prudential reporting purposes. The Group's regulatory requirements, in respect of these disclosures, are contained within the CRR, which is directly applicable in all EU countries and CRD IV transposed into Irish law through S.I. No. 158 & No. 159 of 2014 (as amended by CRD V transposed into Irish law through S.I. No 710 of 2020), 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.

The Group fulfils all of its capital requirements set out above as at 31 December 2022.

The following narrative information is provided in accordance with the disclosure requirements referenced in table EU LIA of Commission Implementing Regulation 2021/637.

Explanations of differences between accounting and regulatory exposure amounts **Art 436.(b) and (d)**

The scope of consolidation for the Group is the same for accounting and prudential purposes. The Group previously had a captive insurance company which is now in liquidation and is therefore not consolidated for accounting or prudential purposes.



The main differences between accounting exposures and regulatory exposures (see template EU LI2 below) result from adding back IRB impairment provisions and the inclusion of off-balance sheet amounts adjusted for credit conversion factors.

Currently, no assets or liabilities are subject to capital requirements for more than one risk framework listed in Part Three of the CRR (see template EU LI1 below).

The Group has no trading book and only a small portion of its balance sheet is carried at fair value. See Note 1 in the Group's 2022 Annual Report for more details on accounting policies.

Template EU LI1 - Differences between the accounting scope and the scope of prudential consolidation and mapping of financial statement categories with regulatory risk categories **Art 436.(c)**

	a	b	c	d	e	f	g
31-Dec-22			Carrying values of items				
Balance sheet category	Carrying values as reported in published financial statements	Difference in the basis of consolidation for accounting and prudential purposes	Carrying values under scope of prudential consolidation	Subject to the credit risk framework	Subject to the CCR framework	Subject to the securitisation framework	Subject to the market risk framework	Not subject to own funds requirements or subject to deduction from capital
Assets	€m	€m	€m	€m	€m	€m	€m	€m
1 Cash at bank	58	-	58	58	-	-	-	-
2 Items in the course of collection	40	-	40	40	-	-	-	-
3 Loans and advances to banks	2,123	-	2,123	2,123	-	-	-	-
4 Derivative assets	-	-	-	-	-	-	-	-
5 Other assets	1	-	1	1	-	-	-	-
6 Assets classified as held for sale	18	-	18	18	-	-	-	-
7 Debt securities	3,177	-	3,177	3,128	-	49	-	-
8 Equity securities	30	-	30	30	-	-	-	-
9 Prepayments and accrued income	207	-	207	207	-	-	-	-
10 Loans and advances to customers	19,593	-	19,593	19,593	-	-	-	-
11 Interests in associated undertakings	13	-	13	13	-	-	-	-
12 Property and equipment	204	-	204	204	-	-	-	-
13 Intangible assets	160	-	160	74	-	-	-	86
14 Deferred taxation	309	-	309	62	-	-	-	247
Total assets	**25,933**	**-**	**25,933**	**25,550**	**-**	**49**	**-**	**334**
Liabilities								
1 Deposits by banks	614	-	614	-	-	-	-	614
2 Customer accounts	21,730	-	21,730	-	-	-	-	21,730
3 Derivative liabilities	13	-	13	-	-	-	-	13
4 Debt securities in issue	658	-	658	-	-	-	-	658
5 Other liabilities	181	-	181	-	-	-	-	181
6 Accruals	6	-	6	-	-	-	-	6
7 Current tax liability	1	-	1	-	-	-	-	1
8 Provisions	80	-	80	-	-	-	-	80
9 Subordinated liabilities	252	-	252	-	-	-	-	252
Total liabilities	**23,535**	**-**	**23,535**	**-**	**-**	**-**	**-**	**23,535**
Equity								
1 Share Capital	273	-	273	-	-	-	-	273
2 Share Premium	804	-	804	-	-	-	-	804
3 Other Reserves	(791)	-	(791)	-	-	-	-	(791)
4 Retained Earnings	1,744	-	1,744	-	-	-	-	1,744
5 Shareholder's equity	2,030	-	2,030	-	-	-	-	2,030
6 Other equity instruments	368	-	368	-	-	-	-	368
Total equity	**2,398**	**-**	**2,398**	**-**	**-**	**-**	**-**	**2,398**
Total equity and liabilities	**25,933**	**-**	**25,933**	**-**	**-**	**-**	**-**	**25,933**

31-Dec-21	a		b	c	d	e	f	g
				Carrying values of items				
Balance sheet category	Carrying values as reported in published financial statements	Difference in the basis of consolidation for accounting and prudential purposes	Carrying values under scope of prudential consolidation	Subject to the credit risk framework	Subject to the CCR framework	Subject to the securitisation framework	Subject to the market risk framework	Not subject to own funds requirements or subject to deduction from capital
Assets	**€m**	**€m**	**€m**	**€m**	**€m**	**€m**	**€m**	**€m**
1 Cash at bank	57	-	57	57	-	-	-	-
2 Items in the course of collection	20	-	20	20	-	-	-	-
3 Loans and advances to banks	4,174	-	4,174	4,174	-	-	-	-
4 Derivative assets	1	-	1	-	1	-	-	-
5 Other assets	310	-	310	310	-	-	-	-
6 Assets classified as held for sale	28	-	28	28	-	-	-	-
7 Debt securities	2,494	-	2,494	2,434	-	60	-	-
8 Equity securities	26	-	26	26	-	-	-	-
9 Prepayments and accrued income	205	-	205	205	-	-	-	-
10 Loans and advances to customers	14,256	-	14,256	14,256	-	-	-	-
11 Interests in associated undertakings	2		2	2	-	-	-	-
12 Property and equipment	190	-	190	190	-	-	-	-
13 Intangible assets	122	-	122	69	-	-	-	53
14 Deferred taxation	350	-	350	100	-	-	-	250
Total assets	**22,235**	**-**	**22,235**	**21,870**	**1**	**60**	**-**	**303**
Liabilities								
1 Deposits by banks	347	-	347	-	-	-	-	347
2 Customer accounts	19,089	-	19,089	-	-	-	-	19,089
3 Derivative liabilities	-	-	-	-	-	-	-	-
4 Debt securities in issue	524	-	524	-	-	-	-	524
5 Other liabilities	170	-	170	-	-	-	-	170
6 Accruals	8	-	8	-	-	-	-	8
7 Current tax liability	1	-	1	-	-	-	-	1
8 Provisions	55	-	55	-	-	-	-	55
9 Subordinated liabilities	252	-	252	-	-	-	-	252
Total liabilities	**20,446**	**-**	**20,446**	**-**	**-**	**-**	**-**	**20,446**
Equity								
1 Share Capital	227	-	227	-	-	-	-	227
2 Share Premium	333	-	333	-	-	-	-	333
3 Other Reserves	(787)	-	(787)	-	-	-	-	(787)
4 Retained Earnings	1,893	-	1,893	-	-	-	-	1,893
5 Shareholder's equity	1,666	-	1,666	-	-	-	-	1,666
6 Other equity instruments	123	-	123	-	-	-	-	123
Total equity	**1,789**	**-**	**1,789**	**-**	**-**	**-**	**-**	**1,789**
Total equity and liabilities	**22,235**	**-**	**22,235**	**-**	**-**	**-**	**-**	**22,235**

Template EU LI2 - Main sources of differences between regulatory exposure amounts and carrying values in financial statements **Art 436.(d)**

		a	b	c	d	e
			Items subject to			
	31-Dec-22	**Total**	**Credit risk framework**	**Securitisation framework**	**CCR framework**	**Market risk framework**
		€m	**€m**	**€m**	**€m**	**€m**
1	**Assets carrying value amount under the scope of prudential consolidation (as per template EU LI1)**	**25,599**	**25,550**	**49**	**-**	**-**
2	Liabilities carrying value amount under the scope of prudential consolidation (as per template LI1)	-	-	-	-	-
3	Total net amount under the scope of prudential consolidation	25,599	25,550	49	-	-
4	Off-balance-sheet amounts	1,345	1,345	-	-	-
5	Differences in valuations					
6	Differences due to different netting rules, other than those already included in row 2					
7	Differences due to consideration of provisions	291	291	-	-	-
8	Differences due to the use of credit risk mitigation techniques (CRMs)					
9	Differences due to credit conversion factors					
10	Differences due to Securitisation with risk transfer					
11	Other differences	124	117	4	2	-
12	**Exposure amounts considered for regulatory purposes**	**27,359**	**27,303**	**53**	**2**	**-**

		a	b	c	d	e
			Items subject to			
	31-Dec-21	**Total**	**Credit risk framework**	**Securitisation framework**	**CCR framework**	**Market risk framework**
		€m	**€m**	**€m**	**€m**	**€m**
1	**Assets carrying value amount under the scope of prudential consolidation (as per template EU LI1)**	**21,932**	**21,870**	**60**	**1**	**-**
2	Liabilities carrying value amount under the scope of prudential consolidation (as per template LI1)	-	-	-	-	-
3	Total net amount under the scope of prudential consolidation	21,932	21,870	60	1	-
4	Off-balance-sheet amounts	1,231	1,231	-	-	-
5	Differences in valuations					
6	Differences due to different netting rules, other than those already included in row 2					
7	Differences due to consideration of provisions	532	532	-	-	-
8	Differences due to the use of credit risk mitigation techniques (CRMs)					
9	Differences due to credit conversion factors					
10	Differences due to Securitisation with risk transfer					
11	Other differences	29	23	1	5	-
12	**Exposure amounts considered for regulatory purposes**	**23,723**	**23,657**	**61**	**6**	**-**

The template below lists the subsidiaries and special purpose entities (SPEs) existing at year-end. All subsidiaries and SPEs and fully consolidated from an accounting and prudential perspective.

Template EU LI3 - Outline of the differences in the scopes of consolidation (entity by entity) **Art 436.(b)**

a	b	c	d	e	f	g	h
		Method of prudential consolidation					
Name of the entity	Method of accounting consolidation	Full consolidation	Proportional consolidation	Equity Method	Neither consolidated nor deducted	Deducted	Description of the entity
Permanent TSB Group Holdings plc	Full consolidation	X					Financial holding company
Permanent TSB plc	Full consolidation	X					Credit institution
PBI Ltd	Full consolidation	X					Financial corporation other than credit institution
Permanent TSB Finance Ltd	Full consolidation	X					Financial corporation other than credit institution
Springboard Mortgages Ltd	Full consolidation	X					Financial corporation other than credit institution
Joint Mortgage Holdings No1 Ltd	Full consolidation	X					Financial corporation other than credit institution
Springboard Funding No.1 Ltd	Full consolidation	X					Financial corporation other than credit institution
Fastnet Securities 11 DAC	Full consolidation	X					Securitisation vehicle
Fastnet Securities 14 DAC	Full consolidation	X					Securitisation vehicle
Fastnet Securities 15 DAC	Full consolidation	X					Securitisation vehicle
Fastnet Securities 16 DAC	Full consolidation	X					Securitisation vehicle
Fastnet Securities 17 DAC	Full consolidation	X					Securitisation vehicle
Fastnet Securities 18 DAC	Full consolidation	X					Securitisation vehicle

The following narrative information is provided in accordance with the disclosure requirements referenced in table EU LIB of Commission Implementing Regulation 2021/637.

Impediments to the transfer of financial funds **Art 436.(f)**

The Group is subject to regular reviews of its internal capital adequacy assessment process (ICAAP) through the Supervisory Review and Evaluation Process (SREP). Per the latest SREP report, there is a restriction imposed on Permanent TSB plc from paying dividends to Permanent TSB Group Holdings plc. SREP requirements are reviewed on an annual basis.

There are no entities within the Group other than Permanent TSB plc subject to minimum capital requirements.

Shortfall of own funds for subsidiaries not included in consolidation **Art 436.(g)**

There is no shortfall of own funds for subsidiaries not included in consolidation.

Use of Article 9 for individual reporting **Art 436.(h)**

The Group has availed of the discretion in Article 9 (1) of the CRR to meet its individual reporting for Permanent TSB plc on an 'amended solo' basis. This discretion treats subsidiaries of a group as if they were branches rather than separate legal entities.

Own Funds

Details of the composition of the Group's own funds and a reconciliation to the financial statements is provided below.

Template EU CC1 - Composition of regulatory own funds **Art 437 (a), (d), (e) and (f)**

		(a)	(b)	(a)
		Dec-22		Dec-21
	€'M	Amounts	Cross reference to CC2	Amounts
	Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	Capital instruments and the related share premium accounts	1,077	29 & 30	561
	of which: Ordinary Shares	273	29	227
	of which: Deferred Shares	-		-
	of which: Share Premium	804	30	333
2	Retained earnings	1,529	32	1,921
3	Accumulated other comprehensive income (and other reserves)	(791)	31	(788)
EU-3a	Funds for general banking risk	-		-
4	Amount of qualifying items referred to in Article 484 (3) and the related share premium accounts subject to phase out from CET1	-		-
5	Minority interests (amount allowed in consolidated CET1)	-		-
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	216	33	-
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**2,031**		**1,693**
	Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	(0)		(0)
8	Intangible assets (net of related tax liability) (negative amount)	(86)	14	(53)
9	Not applicable			
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	(309)	16	(347)
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	-		-
12	Negative amounts resulting from the calculation of expected loss amounts	-		-
13	Any increase in equity that results from securitised assets (negative amount)	-		-
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-		-
15	Defined-benefit pension fund assets (negative amount)	-		-

	Common Equity Tier 1 (CET1) capital: instruments and reserves			
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)	(8)	34	(8)
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-		-
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-		-
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-		-
20	Not applicable			
EU-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	-		-
EU-20b	of which: qualifying holdings outside the financial sector (negative amount)	-		-
EU-20c	of which: securitisation positions (negative amount)	-		-
EU-20d	of which: free deliveries (negative amount)	-		-
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	-		-
22	Amount exceeding the 17.65% threshold (negative amount)	-		-
23	of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	-		-
24	Not applicable			
25	of which: deferred tax assets arising from temporary differences	-		-
EU-25a	Losses for the current financial year (negative amount)	-		(20)
EU-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	-		-
26	Not applicable			
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	-		-
EU-27a	Other regulatory adjusments	91		192
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	**(312)**		**(237)**
29	**Common Equity Tier 1 (CET1) capital**	**1,718**		**1,457**

	Additional Tier 1 (AT1) capital: instruments			
30	Capital instruments and the related share premium accounts	368	35	123
31	of which: classified as equity under applicable accounting standards	368	35	123
32	of which: classified as liabilities under applicable accounting standards	-		-
33	Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1 as described in Article 486(3) of CRR	-		-
EU-33a	Amount of qualifying items referred to in Article 494a(1) subject to phase out from AT1	-		-
EU-33b	Amount of qualifying items referred to in Article 494b(1) subject to phase out from AT1	-		-
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	-		-
35	of which: instruments issued by subsidiaries subject to phase out	-		-
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	**368**		**123**
	Additional Tier 1 (AT1) capital: regulatory adjustments			
37	Direct and indirect holdings by an institution of own AT1 instruments (negative amount)	-		-
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-		-
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-		-
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-		-
41	Not applicable			
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	-		-
EU-42a	Other regulatory adjustments to AT1 capital	-		-
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**	**-**		**-**
44	**Additional Tier 1 (AT1) capital**	**368**		**123**
45	**Tier 1 capital (T1 = CET1 + AT1)**	**2,087**		**1,580**

	Tier 2 (T2) capital: instruments			
46	Capital instruments and the related share premium accounts	250	27	250
47	Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2 as described in Article 486 (4) CRR	-		-
EU-47a	Amount of qualifying items referred to in Article 494a (2) subject to phase out from T2	-		-
EU-47b	Amount of qualifying items referred to in Article 494b (2) subject to phase out from T2	-		-
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	-		-
49	of which: instruments issued by subsidiaries subject to phase out	-		-
50	Credit risk adjustments	32		40
51	**Tier 2 (T2) capital before regulatory adjustments**	**282**		**290**
	Tier 2 (T2) capital: regulatory adjustments			
52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)	-		-
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-		-
54	Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-		-
54a	Not applicable			
55	Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-		-
56	Not applicable			
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	-		-
EU-56b	Other regulatory adjusments to T2 capital	-		-
57	**Total regulatory adjustments to Tier 2 (T2) capital**	**-**		**-**
58	**Tier 2 (T2) capital**	**282**		**290**
59	**Total capital (TC = T1 + T2)**	**2,369**		**1,871**
60	**Total risk exposure amount**	**10,627**		**8,600**

	Capital ratios and requirements including buffers			
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	16.17%		16.94%
62	Tier 1 (as a percentage of total risk exposure amount)	19.63%		18.37%
63	Total capital (as a percentage of total risk exposure amount)	22.29%		21.75%
64	Institution CET1 overall capital requirements	8.94%		8.94%
65	of which: capital conservation buffer requirement	2.50%		2.50%
66	of which: countercyclical buffer requirement	-		0.00%
67	of which: systemic risk buffer requirement	-		-
EU-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	-		-
EU-67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	1.94%		1.94%
68	**Common Equity Tier 1 available to meet buffer (as a percentage of risk exposure amount)**	9.53%		9.78%
	National minima (if different from Basel III)			
69	Not applicable			
70	Not applicable			
71	Not applicable			
	Amounts below the thresholds for deduction (before risk weighting)			
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	42		28
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	-		-
74	Not applicable			
75	Deferred tax assets arising from temporary differences (amount below 17.65% threshold, net of related tax liability where the conditions in Article 38 (3) are met)	0		3
	Applicable caps on the inclusion of provisions in Tier 2			
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	-		-
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	42		14
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	72		161
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	38		40
	Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements	-		-
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-		-
82	Current cap on AT1 instruments subject to phase out arrangements	-		-
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-		-
84	Current cap on T2 instruments subject to phase out arrangements	-		-
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-		-

Template EU CC2 - reconciliation of regulatory own funds to balance sheet in the audited financial statements

Art 437 (a)

		a	b	c
		Dec-22		
		Balance sheet as in published financial statements	Under regulatory scope of consolidation	Cross reference to CC1
		As at period end	As at period end	
	Assets – *Breakdown by asset clases according to the balance sheet in the published financial statements*			
1	Cash at bank	58	58	
2	Items in the course of collection	40	40	
3	Loans and advances to banks	2,123	2,123	
4	Derivative assets	0	0	
5	Other assets	1	1	
6	Assets classified as held for sale	18	18	
7	Debt securities	3,177	3,177	
8	Equity securities	30	30	
9	Prepayments and accrued income	207	207	
10	Loans and advances to customers	19,593	19,593	
11	Interests in associated undertakings	13	13	
12	Property and equipment	204	204	
13	Intangible assets	160	160	
14	*Of which are deducted from Own funds*		*86*	8
15	Deferred taxation	309	309	
16	*Of which are deducted from Own funds*		*309*	10
17	**Total assets**	**25,933**	**25,933**	
	Liabilities - *Breakdown by liability classes according to the balance sheet in the published financial statements*			
18	Deposits by banks	614	614	
19	Customer accounts	21,730	21,730	
20	Derivative liabilities	13	13	
21	Debt securities in issue	658	658	
22	Other liabilities	181	181	
23	Accruals	6	6	
24	Current tax liability	1	1	
25	Provisions	80	80	
26	Subordinated liabilities	252	252	
27	*Of which are allowable for own funds purposes*		*250*	46
28	**Total liabilities**	**23,535**	**23,535**	
Shareholders' Equity				
29	Share capital	273	273	1
30	Share premium	804	804	1
31	Other reserves	(791)	(791)	3
32	Retained earnings	1,744	1,744	2
33	*Of which profits for the current financial year*		*223*	EU-5a
34	*Of which direct holdings of own CET1 instruments*		*(8)*	16
35	Other equity instruments	368	368	30 & 31
36	**Total shareholder's equity**	**2,398**	**2,398**	

Template EU CCA: Main features of regulatory own funds instruments and eligible liabilities instruments[4]

Art 437 (b) and (c)

1	**Issuer**	Permanent TSB Group Holdings plc	Permanent TSB Group Holdings plc	Permanent TSB Group Holdings plc	Permanent TSB Group Holdings plc	Permanent TSB Group Holdings plc
2	Unique identifier (ex CUSIP, ISIN or Bloomberg identifier for private placement)	IE00BWB8X525	IE00BWB8X525	XS2258541734	XS2538798583	XS2321520525
EU-2a	Public or private placement	Public	Public	Public	Public	Public
3	Governing law(s) of the instrument	Irish	Irish	Irish	Irish	Irish
3a	Contractual recognition of write down and conversion powers of resolution authorities	Not applicable	Not applicable	Yes	Yes	Not applicable
	Regulatory treatment					
4	Transitional CRR rules	Common Equity Tier 1	Common Equity Tier 1	Additional Tier 1	Additional Tier 1	Tier 2
5	Post-transitional CRR rules	Common Equity Tier 1	Common Equity Tier 1	Additional Tier 1	Additional Tier 1	Tier 2
6	Eligible at solo/(sub-)consolidated/ solo& (sub-) consolidated	Consolidated	Consolidated	Group and solo (the external issuance is downstreamed to PTSB plc in the AT1 format)	Group and solo (the external issuance is downstreamed to PTSB plc in the AT1 format)	Group and solo (the external issuance is downstreamed to PTSB plc)
7	Instrument type (types to be specified by each jurisdiction)	Share capital as published in Regulation (EU) No 575/2013 article 28	Share capital as published in Regulation (EU) No 575/2013 article 28	Additional Tier 1 as published in Regulation (EU) No 575/2013 article 52	Additional Tier 1 as published in Regulation (EU) No 575/2013 article 52	Tier 2 instruments as published in Regulation (EU) No 575/2013 article 63
8	Amount recognised in regulatory capital (Currency in million, as of most recent reporting date)	227	45	123	245	250
9	Nominal amount of instrument	EUR 0.50	EUR 0.50	EUR 125,000,000	EUR 250,000,000	EUR 250,000,000
EU-9a	Issue price	EUR4.50	EUR 1.70	100.00 per cent	100.00 per cent	100.00 per cent
EU-9b	Redemption price	N/A	N/A	100 per cent of prevailing principal amount plus any accrued and unpaid interest	100 per cent of prevailing principal amount plus any accrued and unpaid interest	100 per cent of nominal amount
10	Accounting classification	Shareholders' Equity	Shareholders' Equity	Shareholders' Equity	Shareholders' Equity	Liability – amortised cost
11	Original date of issuance	05.05.2015	08.11.2022	25.11.2020	26.10.2022	19.05.2021
12	Perpetual or dated	Perpetual	Perpetual	Perpetual	Perpetual	Dated
13	Original maturity date	No maturity	No maturity	No maturity	No maturity	19.08.2031
14	Issuer call subject to prior supervisory approval	No	No	Yes	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	N/A	N/A	On any day beginning 25 November 2025 and ending on 25 May 2026. 100 per cent of prevailing principal amount plus any accrued and unpaid interest In addition Tax/Regulatory call.	On any day beginning 26 October 2027 and ending on 26 April 2028. 100 per cent of prevailing principal amount plus any accrued and unpaid interest In addition Tax/Regulatory call.	The Bank may redeem the Tier 2 on any date from and including 19 May 2026 and the first reset date of 19 August 2026. The optional redemption amount is EUR1,000 per the calculation amount
16	Subsequent call dates, if applicable	N/A	N/A	25 May and 25 November annually from 2027	26 April and 26 October annually from 2028	see response to 15 above

[4] The Group is not subject to the TLAC standard

	Coupons & dividends					
17	Fixed or floating dividend/coupon	N/A	N/A	Fixed	Fixed	Fixed
18	Coupon rate and any related index	N/A	N/A	7.875%, reset reference rate: Mid-swap rate (Euribor) + margin 8.468% (converted from an annual to a semi-annual rate)	13.25% , reset reference rate: Mid-swap rate (Euribor) + margin 10.546% (converted from an annual to a semi-annual rate)	3%, first margin 3.221%, reset reference rate: Mid-swap rate (Euribor)
19	Existence of a dividend stopper	N/A	N/A	No	No	No
20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	N/A	N/A	Fully discretionary	Fully discretionary	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Full discretionary	Fully discretionary	Full discretionary	Fully discretionary	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No	No	No
22	Noncumulative or cumulative	N/A	N/A	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	N/A	N/A	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A	N/A	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A
30	Write-down features	N/A	N/A	Yes	Yes	No
31	If write-down, write-down trigger(s)	N/A	N/A	Group CET 1 Capital Ratio of the Issuer falls below 7% (regulatory basis).	Group CET 1 Capital Ratio of the Issuer falls below 7% (regulatory basis).	N/A
32	If write-down, full or partial	N/A	N/A	Fully or Partially	Fully or Partially	N/A
33	If write-down, permanent or temporary	N/A	N/A	Temporary	Temporary	N/A
34	If temporary write-down, description of write-up mechanism	N/A	N/A	Write up to Initial Principal Amount subject to any MDA requirements and Maximum Write Up Amount subject to Supervisory Permission, if required	Write up to Initial Principal Amount subject to any MDA requirements and Maximum Write Up Amount subject to Supervisory Permission, if required	N/A
EU-34a	Type of subordination (only for eligible liabilities)	N/A	N/A	N/A	N/A	N/A
EU-34b	Ranking of the instrument in normal insolvency proceedings	1	1	2(a)	2(a)	2(b)
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Most Junior. Instrument type immediately senior: Additional Tier 1	Most Junior. Instrument type immediately senior: Additional Tier 1	Ranks ahead of the holders of ordinary share capital but junior to the claims of Tier 2 investors and Senior Creditors. Instrument type immediately senior: Tier 2	Ranks ahead of the holders of ordinary share capital but junior to the claims of Tier 2 investors and Senior Creditors. Instrument type immediately senior: Tier 2	Senior to Tier 1 instruments and junior to Senior Creditors Instrument type immediately senior: Senior notes
36	Non-compliant transitioned features	No	No	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A	N/A	N/A

EU-37a Full terms and conditions of all Common Equity Tier 1, Additional Tier 1 and Tier 2 instruments

Art 437(c)

Details of the full terms and conditions of all of the above instruments can be found at the following location on the Group's website:

- For Common Equity Tier 1 instruments please refer to the Articles of Association found at the following link: https://www.permanenttsbgroup.ie/sites/tsb/files/document-centre/governance/memorandum-and-articles-of-association-190521.pdf
- For Additional Tier 1, Tier 2 and Eligible Liabilities instruments: https://www.permanenttsbgroup.ie/investors/debt-investors/unsecured-funding

Capital Requirements

The following narrative information for Article 438(a) CRR is provided in accordance with the disclosure requirements referenced in table EU OVC of Commission Implementing Regulation 2021/637.

Group's approach to assessing the adequacy of its internal capital to support current and future activities **Art 438(a)**

The Group has adopted an 'Internal SREP Requirement' approach to calculate its internal capital requirements. This approach is based on the aggregation of individually calculated internal capital requirements (a comparison to the Pillar 1 Risk capital calculations where relevant and taking the higher of those) for each material risk where capital is deemed an appropriate risk mitigant and it provides the total capital requirements for the Group at a specified point in time for a 1 year horizon.

The following table summarises the current Pillar 2 risks for which the Group has assessed internal capital requirements. The underlying approach is intended to estimate the economic loss over a one year horizon at a 99.9% confidence level for all risks with the exception of Business/Strategic Risk in respect of which a more simplified approach is used.

Pillar 2 Capital Consuming Risks

The methodology used for each material risk calculation for ICAAP under Pillar 2 is summarised below:

* Market Risk includes both Credit Spread Risk (CSR) and Foreign Exchange (FX) Risk. Due to a de minimis FX exposure and zero CSR exposure, neither risk is currently considered material from a capital consumption perspective.

Capital Quantification Methodology for Capital-Consuming Risks

Risk Category	Capital Quantification/methodology
	Credit Pillar 1 Calculation of Credit Risk Regulatory Pillar 1 Capital is for most of the portfolio based upon the advanced or, for the Treasury book, foundation IRB approaches. A Standardised portfolio also exists. Pillar 2 Similar to Pillar 1, the Economic Capital Credit Risk model estimates 1 in 1,000 year losses over a one year time horizon based upon current performing CRR IRB exposures and probabilities of default applying conservative, stressed long run average recovery rates. The model works by calculating portfolio level unexpected losses (1 standard deviation) applying conservative CRR asset correlations in a standard "variance–covariance" approach to account for diversification and then extrapolating out to the tail of the potential loss distribution using a wide-tailed Beta distribution. Projected back-book provisions above current levels, through ICAAP scenarios or losses due to expected portfolio sales, are considered a deduction from the capital supply and therefore are not included in capital requirements for unexpected losses. **Credit Concentration** Credit Concentration risk capitalises additional Credit Risk losses driven by concentrations in customers (single name), international, sectors (typically for corporate exposures), products (retail portfolio), region and vintage risk. Conceptually, there is considerable potential for overlap between Credit Concentration Risk and Credit Risk if quantified separately. However, with Asset Correlations assumed to be at CRR levels, Concentration Risks are not expressly quantified in Pillar 1 Credit Risk model and, as such, a Pillar 2 capital add-on is calculated per a standalone Concentration Risk model. For the current iteration of ICAAP, the approach for Single Name (Gordy approach), Product concentration (Variance-Covariance) and Region concentration (Variance-Covariance approach) was retained. The approach for Sector concentration (concentration in industry sectors in ROI Corporate RIP, ROI Commercial and Treasury portfolios) and International concentration (concentration by international geographical region) was also retained and this approach is based upon a PRA designed framework. A concentration risk assessment was conducted for vintage risk concentration.

Credit Risk	The Gordy Approach to Single Name concentration introduces an extension of the Basel formula that incorporates concentrations in big names and thus calculates an add-on to Pillar 1 capital. The model considers unexpected loss and LGD volatility to provide an assessment of 'lumpiness'. The Variance-covariance methodology for Region and Product is based on classic portfolio theory where correlations are included in calculations via pair-wise default correlations. Default correlations are taken from observed default behaviour within appropriately segmented portfolios. The concentration risk element of the capital is separated from the pure credit risk element by reference to the Pillar 1 current portfolio and a diversified 'Market Portfolio'. The concentration risk add-on is calculated by a Capital Multiplier. Herfindahl Hirschman Index (HHI): The key driver of risk in the PRA methodology is the Herfindahl Hirschman Index (HHI). The HHI is defined as the sum of the squares of the relative portfolio risk shares of each the borrowers, industry sectors or geographical region. A concentration risk assessment was conducted for vintage risk concentration. Four different vintages were considered based on origination time period and loan type for the performing portfolio. These were pre financial crisis capital and interest mortgage loans, pre financial crisis non-standard mortgage loans, post financial crisis capital and interest mortgage loans and post financial crisis non-standard Mortgage Loans.
Interest Rate Risk in the Banking Book (IRRBB) incl. Basis Risk	In line with the regulatory and industry standards the Bank's interest rate risk exposure is derived from both an earnings (accrual) perspective and from an economic value perspective. Assets and liabilities are bucketed according to maturity (contractual or behavioural) or re-pricing type (i.e. variable and fixed), with the interest rate shocks applied using the following methods: 1. Earnings at Risk (EaR); 2. Economic Value including Equity (EV); and 3. Economic Value excluding Equity (EVE). In relation to flooring the Bank applies the EBA prescribed floor of -1% and an ECB Base Rate floor of –0.25% within the models. The Bank runs 11 core stress scenarios through the calculation models. The stress scenarios are either prescribed through regulation (Revised Basel Standards and EBA Guidelines) or standard market practice. The suite of scenarios constitute both the normative and economic perspectives.

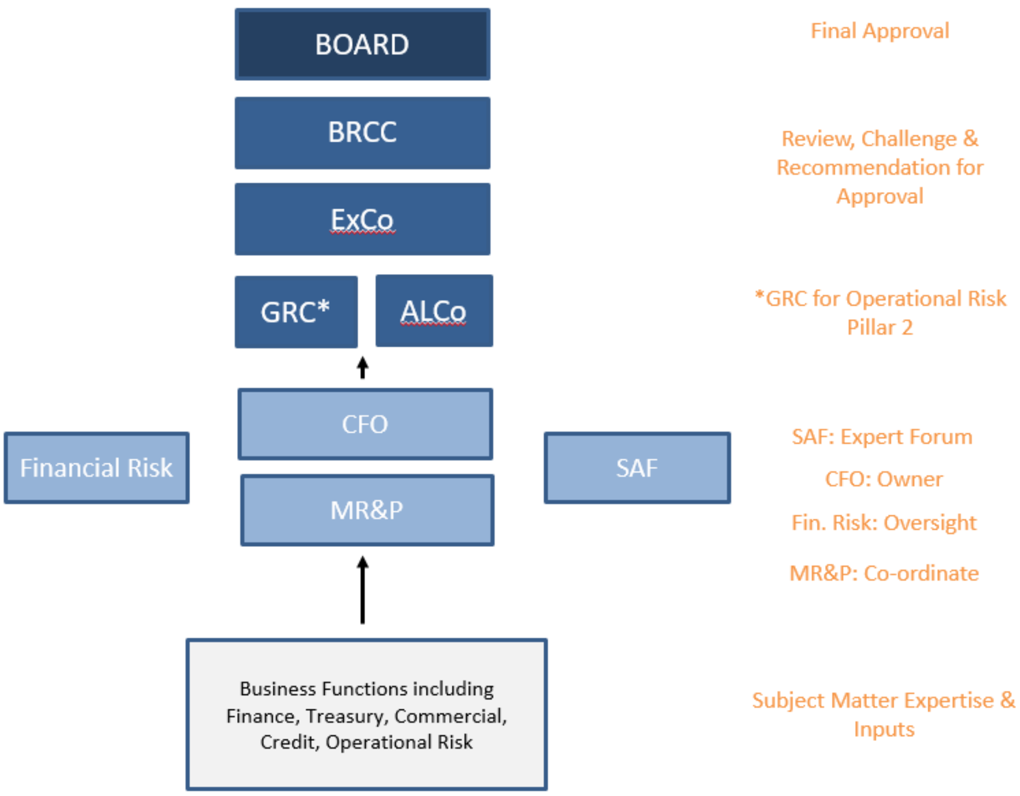
Interest Rate Risk in the Banking Book (IRRBB) incl. Basis Risk	To avoid duplication the higher of the EaR, EV or EVE calculations across the scenarios is taken to represent the Bank's IRRBB risk level. A general limitation of IRRBB models is the assumption that assets and liabilities within a time bucket re-price simultaneously and in the same direction and magnitude. This may not be the case and represents Basis risk which is the risk that two separate interest rate indices which appear to be correlated over time either cease to be correlated at all or the relationship breaks down temporarily. Consequently a matching of assets and liabilities that had appeared "hedged" breaks down and generates P&L volatility. PTSB separately calculates the contractual Basis Risk exposure through an internal model which applies an ECB Base to Euribor spread shock. In calibrating the severity of the spread widening shock Treasury have used a historical data set ranging from September 1999 to present to ensure it is long enough to capture full interest rate cycles. The risk position is added to the most severe of Economic Value or Earnings risk levels in order to ensure all material sources of Interest Rate Risk are capitalised for. The above measures are further supplemented by Net Interest Income (NII) sensitivity analysis, PV01 sensitivity and duration mismatch.
Property Risk	The Bank adopts a loss distribution model, using an external property index, to calculate an appropriate property value shock for capitalisation under Pillar 2. The modelling objective is to construct an expected loss distribution for the Bank's land and freehold property portfolio via 12 month Expected Loss and Unexpected Loss estimates at the 99.9% percentile. The derived value is then shocked against the Bank's net book value of own land and freehold property.
Operational & IT Risk	Pillar 1 The Group follows the standardised approach to calculate the Operational Risk Capital for Pillar 1. Based on this approach, operational risk capital is a direct multiple of gross income and uses a 'beta factor' (prescribed by regulation) differentiated by business line to determine capital requirements from gross income. Pillar 2 For Pillar 2 Scenario analysis is used to assess and quantify the potential impact of the most material Operational and Information Technology risks to which the Group is, or may be, exposed. Scenario analysis involves performing a 'deep-dive' into low frequency, high impact risk events with appropriate members of the business to drive-out estimates of impact and likelihood. Estimates of the expected frequency of a given scenario event, together with severity estimates, provide inputs to a statistical model which calculates an assessment of the Operational Risk Pillar 2 capital charge at a confidence level of 99.9%.

Business Risk	In the absence of reliable loss data to inform a statistical approach to modelling the impact of business risk on the Bank's income the Bank adopts a more simplified and intuitive methodology to estimate the Business Risk Pillar 2 capital requirements, based on the reported 2021 EBA stress test results The Bank shocks it's Net Interest Income (NII) and Net Fee and Commission Income (NCFI) against the reported cumulative drop in NII and NCFI for banks involved in the EU-wide EBA stress test.
Climate Risk	The Bank has instituted a programme of work to address the Bank's readiness in this regard. However, the collation of comprehensive data is a challenge and this is currently being addressed to ensure climate risk impacts can be incorporated and quantified on a more granular basis. Once these key dependencies have been overcome the Bank will be in a position to more appropriately assess the impact of Climate Risk on Capital Adequacy.

ICAAP Governance

The ICAAP is integral to the effective oversight and challenge of capital planning and, accordingly, the Group takes a disciplined approach to ICAAP governance.

Overview of the 2022 ICAAP Governance Structure



ICAAP Frequency

The Group is required to produce a full ICAAP report on an annual basis, or more frequently, if required.

Design, Execution and Documentation

The Management Reporting and Planning (MR&P) team is responsible for the co-ordination and oversight of the ICAAP. This is done in close collaboration with a range of relevant first and second-line business units. The Asset & Liability Committee (ALCO) is an ExCo sub-committee and provides the primary oversight and challenge to the ICAAP. The BRCC are responsible for reviewing and for recommending approval of the full ICAAP Report to the Board.

Stress Testing Oversight

The ALCO is responsible for maintaining an appropriate level of oversight and management of the on-going execution of solvency stress testing exercises, including those performed external to the ICAAP. Whilst the Board maintains overall responsibility for the stress testing programme, detailed execution responsibilities are delegated via ExCo to the ALCO, which is responsible for scrutinising the practical aspects including methodologies and the translation of macroeconomic variables into internal risk factors.

ALCO Review and Conclusions

The ALCO is also responsible for reviewing capital adequacy on an ongoing basis and, at a minimum, receives monthly reporting on the Group's actual and forecast capital position. As part of the review, the ALCO evaluates trends in Pillar 1 and Pillar 2 capital requirements and assesses appropriate mitigants to any escalating risks.

Template EU OV1 – Overview of total risk exposure amounts **Art 438(d)**

€'M		Total risk exposure amounts (TREA)		Total own funds requirements
		a	b	c
		Dec-22	Dec-21	Dec-22
1	**Credit risk (excluding CCR)**	**9,891**	**7,936**	**791**
2	Of which, standardised approach (SA)	3,384	1,117	271
3	Of which, the foundation IRB (FIRB) approach	151	133	12
4	Of which: slotting approach	-	-	-
EU 4a	Of which: equities under the simple riskweighted approach	173	105	14
5	Of which, the advanced IRB (AIRB) approach	6,183	6,581	495
6	**Counterparty credit risk - CCR**	**26**	**13**	**2**
7	Of which the standardised approach	-	-	-
8	Of which internal model method (IMM)	-	-	-
EU 8a	Of which exposures to a CCP	-	-	-
EU 8b	Of which credit valuation adjustment - CVA	16	6	1
9	Of which other CCR	11	7	1
10	*Not applicable*			
11	*Not applicable*			
12	*Not applicable*			
13	*Not applicable*			
14	*Not applicable*			
15	**Settlement risk**	**-**	**-**	**-**
16	**Securitisation exposures in the banking book (after the cap)**	**11**	**12**	**1**
17	Of which, SEC-IRBA approach	-	-	-
18	Of which, SEC-ERBA approach	11	12	1
19	Of which, SEC-SA approach	-	-	-
EU 19a	Of which 1250%/ deduction	-	-	-
20	**Position, foreign exchange and commodities risks (Market risk)**	**-**	**-**	**-**
21	Of which, standardised approach	-	-	-
22	Of which, IMA	-	-	-
EU 22a	**Large exposures**	**-**	**-**	**-**
23	**Operational risk**	**700**	**639**	**56**
EU 23a	Of which basic indicator approach	-	-	-
EU 23b	Of which, standardised approach	700	639	56
EU 23c	Of which advanced measurement approach	-	-	-
24	**Amounts below the thresholds for deduction (subject to 250% risk weight)**	**0**	**7**	**0**
25	*Not applicable*			
26	*Not applicable*			
27	*Not applicable*			
28	*Not applicable*			
29	**Total**	**10,627**	**8,600**	**850**

Note: The equities under the simple riskweighted approach amount of €173m includes €54m relating to equity exposures which are risk weighted at 100% per article 156 of the CRR

The December 2022 RWAs increased by €2,027m primarily driven by an increase in exposures measured under the standardised approach +€2,266m due to exposures moving from IRB to the standardised approach and the acquisition of mortgage loans. Exposures measured under the IRB approach decreased by €63m due to a loan sale and exposures moving from IRB to the standardised approach, offset by increases due to new lending volumes. Template EU CR8 on the next page provides more detail on the movement of RWA measured under the IRB approach.

Other increases were seen in Operational Risk RWAs (+€61m) and Equities (+€68m).

Template EU CR8 – RWEA flow statements of credit risk exposures under the IRB approach **Art 438(h)**

		RWA	
		Dec-22	**Dec-21**
		a	**a**
1	**Risk weighted exposure amount as at the end of the previous reporting period**	**6,819**	**6,980**
2	Asset size (+/–)	643	402
3	Asset quality (+/–)	(125)	(331)
4	Model updates (+/–)	-	-
5	Methodology and policy (+/–)	(427)	-
6	Acquisitions and disposals (+/–)	(488)	(244)
7	Foreign exchange movements (+/–)	-	-
8	Other (+/–)	86	13
9	**Risk weighted exposure amount as at the end of the reporting period**	**6,507**	**6,819**

In 2022, the 'acquisitions and disposals' flow is due to a loan sale. The 'methodology and policy' flow in 2022 resulted from the Group receiving permission under a permanent partial use (PPU) to apply the standardised approach to its Buy-To-Let non standard mortgage loans.

Template EU CR10.5 - Equity exposures under the simple risk-weighted approach **Art 438(e)**

€'M	**Dec-22**					
Categories	**On-balancesheet exposure**	**Off-balancesheet exposure**	**Risk weight**	**Exposure value**	**Risk weighted exposure amount**	**Expected loss amount**
	a	**b**	**c**	**d**	**e**	**f**
Private equity exposures	-	-	**190%**	-	-	-
Exchange-traded equity exposures	-	-	**290%**	-	-	-
Other equity exposures	32	-	**370%**	32	119	1
Total	**32**	**-**		**32**	**119**	**1**

€'M	**Dec-21**					
Categories	**On-balancesheet exposure**	**Off-balancesheet exposure**	**Risk weight**	**Exposure value**	**Risk weighted exposure amount**	**Expected loss amount**
	a	**b**	**c**	**d**	**e**	**f**
Private equity exposures	-	-	**190%**	-	-	-
Exchange-traded equity exposures	-	-	**290%**	-	-	-
Other equity exposures	28	-	**370%**	28	105	1
Total	**28**	**-**		**28**	**105**	**1**

Note: The 2022 figures exclude €54m of risk weighted exposures relating to equity exposures which are risk weighted at 100% per article 156 of the CRR

Counterparty credit risk

The following narrative information for Article 439 CRR is provided in accordance with table EU CCRA.

Internal capital allocation and credit limits for counterparty credit exposures

Art 439(a)

The Group is exposed to counterparty credit risk[5] through its portfolio of derivatives contracts, comprising mostly of interest rate and forward currency agreements. Derivative instruments are used by the Group to hedge against interest rate risk and foreign currency risk exposures.

Credit exposure arises on derivative transactions as there is a risk that the counterparty to the contract defaults prior to its maturity. If, at that time, the Group incurs a loss in order to replace the contract, this gives rise to a claim on the counterparty.

In line with Board approved policy, counterparty credit limits are approved at individual customer level by the Asset and Liability Committee (ALCO) and are based primarily on the counterparty's credit rating, internal credit review and business requirements. The Group allocates these limits using the internal ratings based (IRB) approach. The IRB grade is determined using the mid-rating for the three main rating agencies and other internal adjustments.

The capital calculation uses Probability of Default (PDs) assigned to counterparties based on their IRB ratings and the PDs are then used to calculate Risk Weighted Assets and Expected Loss.

The Group currently has no exposures to central counterparties.

Policy for securing collateral **Art 439(b)**

It is Group practice, where possible and appropriate, that Master Agreements are put in place to cover derivatives business on a counterparty specific basis. It is also Group practice in relation to wholesale market counterparties to supplement International Swaps and Derivatives Association (ISDA) documentation with a Credit Support Annex (CSA) to accommodate the reduction of net exposure on an agreed basis, and in line with market practice, by way of transferring a margin amount. As of 31 December 2022, all outstanding derivative transactions are covered by master agreements.

Acceptable collateral is predominantly cash-based, although the documentation in general allows for securities to be used as collateral. In line with market practice, the underlying transactions and the associated collateral are subject to daily/weekly mark to market calculation, with any required transfer of collateral made in line with contractual requirements. Accordingly, as at 31 December 2022, no specific credit reserves are maintained for exposures of this type.

Limitation on wrong-way exposures **Art 439(c)**

Due to both the limited and vanilla nature of the Group's derivative exposure to investment grade counterparties, wrong-way risk does not arise within the derivative portfolio. This situation is reviewed regularly.

Impact on collateralisation of a rating downgrade **Art 439(d)**

Certain counterparties require an 'independent amount', which is in addition to the minimum threshold amount, to be deposited due to the Group's credit rating. This obligation is detailed in the CSA agreements the Group entered into. While no counterparty rating triggers have been exercised at the end of 2022 any rating downgrade of the Group would not necessitate the posting of a significant amount of additional collateral due to the very limited size of the derivative book.

[5] Exposure to counterparty credit risk as referred to in Part Three, Title II, Chapter 6 of the CRR

Template EU CCR1 – Analysis of CCR exposure by approach **Art 439(f), (g), (k) and (m)**

		a	b	c	d	e	f	g	h
€'m	**Dec-22**	**Replacement cost (RC)**	**Potential future exposure (PFE)**	**EEPE**	**Alpha used for computing regulatory exposure value**	**Exposure value pre-CRM**	**Exposure value-post CRM**	**Exposure Value**	**RWEA**
EU-1	EU - Original Exposure Method (for derivatives)	-	-		1.4	-	-	-	-
EU-2	EU - Simplified SA-CCR (for derivatives)	0	2		1.4	3	3	3	1
1	SA-CCR (for derivatives)	-	-		1.4	-	-	-	-
2	IMM (for derivatives and SFTs)			-	-	-	-	-	-
2a	Of which securities financing transactions netting sets			-		-	-	-	-
2b	Of which derivatives and long settlement transactions netting sets			-		-	-	-	-
2c	Of which from contractual cross-product netting sets			-		-	-	-	-
3	Financial collateral simple method (for SFTs)					-	-	-	-
4	Financial collateral comprehensive method (for SFTs)					72	65	65	10
5	VaR for SFTs					-	-	-	-
6	**Total**					**75**	**68**	**68**	**11**

		a	b	c	d	e	f	g	h
€'m	**Dec-21**	**Replacement cost (RC)**	**Potential future exposure (PFE)**	**EEPE**	**Alpha used for computing regulatory exposure value**	**Exposure value pre-CRM**	**Exposure value-post CRM**	**Exposure Value**	**RWEA**
EU-1	EU - Original Exposure Method (for derivatives)	-	-		1.4	-	-	-	-
EU-2	EU - Simplified SA-CCR (for derivatives)	1	3		1.4	6	6	6	3
1	SA-CCR (for derivatives)	-	-		1.4	-	-	-	-
2	IMM (for derivatives and SFTs)			-	-	-	-	-	-
2a	Of which securities financing transactions netting sets			-		-	-	-	-
2b	Of which derivatives and long settlement transactions netting sets			-		-	-	-	-
2c	Of which from contractual cross-product netting sets			-		-	-	-	-
3	Financial collateral simple method (for SFTs)					-	-	-	-
4	Financial collateral comprehensive method (for SFTs)					419	19	19	4
5	VaR for SFTs					-	-	-	-
6	**Total**					**424**	**25**	**25**	**7**

Template EU CCR2 – Transactions subject to own funds requirements for CVA risk **Art 439(h)**

		Dec-22		Dec-21	
		a	b	a	b
	€'M	**Exposure value**	**RWA**	**Exposure value**	**RWA**
1	**Total transactions subject to the Advanced method**	**-**	**-**	**-**	**-**
2	(i) VaR component (including the 3× multiplier)		-		-
3	(ii) stressed VaR component (including the 3× multiplier)		-		-
4	Transactions subject to the Standardised method	68	16	25	6
EU-4	Transactions subject to the Alternative approach (Based on the Original Exposure Method)	-	-	-	-
5	**Total transactions subject to own funds requirements**	**68**	**16**	**25**	**6**

Template EU CCR4 – IRB approach – CCR exposures by exposure class and PD scale ***Art*** **439(l), 452(g)**

Dec-22

	Institutions (F-IRB)	a	b	c	d	e	f	g
	PD scale	**Exposure value**	**Exposure weighted average PD (%)**	**Number of obligors**	**Exposure weighted average LGD (%)**	**Exposure weighted average maturity (years)**	**RWEA**	**Density of risk weighted exposure amount**
1	0.00 < 0.15	67	0.06%	5	45.00%	0.5	10	15.24%
2	0.15 < 0.25	-	-	-	-	-	-	-
3	0.25 < 0.50	-	-	-	-	-	-	-
4	0.50 < 0.75	-	-	-	-	-	-	-
5	0.75 < 2.50	0	0.83%	1	45.00%	0.5	0	83.35%
6	2.50 < 10.00	-	-	-	-	-	-	-
7	10.00 < 100.00	-	-	-	-	-	-	-
8	100.00 (Default)	-	-	-	-	-	-	-
x	**Sub-total**	**68**	**0.06%**	**6**	**45.00%**	**0.5**	**11**	**15.58%**
y	**Total (all CCR relevant exposure classes)**	**68**	**0.06%**	**6**	**45.00%**	**0.5**	**11**	**15.58%**

The Bank continues to hold a very limited derivative portfolio hence the immaterial nature of the exposures above.

Dec-21

	Institutions (F-IRB)	a	b	c	d	e	f	g
	PD scale	**Exposure value**	**Exposure weighted average PD (%)**	**Number of obligors**	**Exposure weighted average LGD (%)**	**Exposure weighted average maturity (years)**	**RWEA**	**Density of risk weighted exposure amount**
1	0.00 < 0.15	8	0.06%	1	45.00%	3.0	1	14.86%
2	0.15 < 0.25	17	0.13%	2	45.00%	1.0	6	33.49%
3	0.25 < 0.50	-	-	-	-	-	-	-
4	0.50 < 0.75	-	-	-	-	-	-	-
5	0.75 < 2.50	-	-	-	-	-	-	-
6	2.50 < 10.00	-	-	-	-	-	-	-
7	10.00 < 100.00	-	-	-	-	-	-	-
8	100.00 (Default)	-	-	-	-	-	-	-
x	**Sub-total**	**25**	**0.11%**	**3**	**45.00%**	**1.6**	**7**	**27.46%**
y	**Total (all CCR relevant exposure classes)**	**25**	**0.11%**	**3**	**45.00%**	**1.6**	**7**	**27.46%**

Template EU CCR5 – Composition of collateral for CCR exposures **Art 439(e)**

Dec-22

		a	b	c	d	e	f	g	h
		Collateral used in derivative transactions				Collateral used in SFTs			
		Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received		Fair value of posted collateral	
	€'M	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
1	Cash - domestic currency	-	1	-	2	-	613	-	11
2	Cash - other currencies	-	-	-	-	-	-	-	-
3	Domestic sovereign debt	-	-	-	-	-	8	-	21
4	Other sovereign debt	-	-	-	-	-	-	-	334
5	Government agency debt	-	-	-	-	-	-	-	-
6	Corporate bonds	-	-	-	-	-	-	-	-
7	Shares	-	-	-	-	-	-	-	-
8	Other collateral	-	-	-	-	-	-	-	280
9	**Total**	**-**	**1**	**-**	**2**	**-**	**620**	**-**	**647**

Dec-21

		a	b	c	d	e	f	g	h
		Collateral used in derivative transactions				Collateral used in SFTs			
		Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received		Fair value of posted collateral	
	€'M	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
1	Cash - domestic currency	-	-	-	1	-	747	-	400
2	Cash - other currencies	-	-	-	-	-	-	-	-
3	Domestic sovereign debt	-	-	-	-	-	-	-	402
4	Other sovereign debt	-	-	-	-	-	-	-	346
5	Government agency debt	-	-	-	-	-	-	-	-
6	Corporate bonds	-	-	-	-	-	434	-	-
7	Shares	-	-	-	-	-	-	-	-
8	Other collateral	-	-	-	-	-	-	-	-
9	**Total**	**-**	**-**	**-**	**1**	**-**	**1,180**	**-**	**1,147**

Capital buffers

Information on the amount of additional capital to be held to meet its institution countercyclical buffer is provided below. During the COVID 19 pandemic many countries including Ireland reduced their buffer rates to zero therefore the amount to be held is currently nil.

Template EU CCyB2 - Amount of institution-specific countercyclical capital buffer **Art 440(b)**

	a	a
€'M	**Dec-22**	**Dec-21**
Total risk exposure amount	**10,627**	**8,600**
Institution specific countercyclical capital buffer rate	-	0.00%
Institution specific countercyclical capital buffer requirement	-	0

Template EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer **Art 440(a)**

Dec-22

	a	b	c	d	e	f	g	h	i	j	k	l	m
	General credit exposures		Relevant credit exposures – Market risk				Own fund requirements						
€'M	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Securitisation exposures Exposure value for non-trading book	Total exposure value	Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total	Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
Breakdown by country													
Ireland	5,786	15,174	-	-	53	21,013	703	-	1	704	8,796	98.44%	0.00%
United Kingdom	-	61	-	-	-	61	11	-	-	11	133	1.49%	1.00%
United States of America	-	4	-	-	-	4	0	-	-	0	1	0.01%	0.00%
Australia	-	5	-	-	-	5	0	-	-	0	2	0.02%	0.00%
Other countries (<€2M each)	-	9	-	-	-	9	0	-	-	0	3	0.02%	0.03%
of which have a buffer													
Denmark	-	0	-	-	-	0	0	-	-	0	0	-	2.00%
Hong Kong	-	0	-	-	-	0	0	-	-	0	0	-	1.00%
Luxembourg	-	0	-	-	-	0	0	-	-	0	0	-	0.50%
Sweden	-	0	-	-	-	0	0	-	-	0	0	-	1.00%
TOTAL	**5,786**	**15,253**	**-**	**-**	**53**	**21,092**	**714**	**-**	**1**	**715**	**8,936**	**100.00%**	

Dec-21

	a	b	c	d	e	f	g	h	i	j	k	l	m
	General credit exposures		Relevant credit exposures – Market risk				Own fund requirements						
€'M	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Securitisation exposures Exposure value for non-trading book	Total exposure value	Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total	Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
Breakdown by country													
Ireland	547	15,555	-	-	61	16,162	562	-	1	563	7,040	97.89%	0.00%
United Kingdom	-	80	-	-	-	80	11	-	-	11	132	1.84%	0.00%
United States of America	-	14	-	-	-	14	1	-	-	1	7	0.10%	0.00%
Australia	-	9	-	-	-	9	0	-	-	0	5	0.06%	0.00%
Germany	-	2	-	-	-	2	0	-	-	0	2	0.02%	0.00%
Other countries (<€2M each)	-	15	-	-	-	15	1	-	-	1	7	0.09%	0.01%
of which have a buffer													
Hong Kong	-	0	-	-	-	0	0	-	-	0	0	-	1.00%
Luxembourg	-	0	-	-	-	0	0	-	-	0	0	-	0.50%
TOTAL	**547**	**15,675**	**-**	**-**	**61**	**16,282**	**574**	**-**	**1**	**575**	**7,192**	**100.00%**	

Credit risk

The following narrative information for Article 435.1(a), (b), (d) and (f) CRR is provided in accordance with the disclosure requirements referenced in table EU CRA of Commission Implementing Regulation 2021/637.

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 Credit Risk Appetite framework is set within the Risk Appetite Framework, reflecting the economic and regulatory ROI environment and the Group's overall approach, including roles, responsibilities and Governance forums through which the Group's Risk Appetite is established, communicated, and monitored.

The core mortgage and unsecured lending appetite metrics are cascaded to the relevant business units and integrated in the Group's Integrated Planning Process ('IPP'). These portfolio level limits allow the 1st line business areas manage the day to day operation at individual customer level, controlled within the bank's systems and monitored regularly by both the first and second lines.

Credit Risk Management

The Group's credit risk management approach is focused on detailed credit assessment at underwriting 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 becoming defaulted. Where a borrower is in pre-arrears, arrears or default the Group will consider offering treatments/options which apply to the borrower's circumstance cognisant of affordability and sustainability. The Group's system of Portfolio Credit Risk Management incorporates the following key components:

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

Each of these components is described in detail on pages 78 to 80 of the Group's Annual Report 2022.

Design of Metrics & Limits

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 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, regulatory and economic landscape, to ensure the Group does not become an outlier in the market.

Credit Risk Appetite is considered an integral part of the annual planning / budget 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.

The structure and organisation of the credit risk management and control function

The Credit Risk function is led by the Chief Credit Officer (''CCO'') who reports to the CRO. The CCO occupies a 'Head of Credit' role and appointments to this role are subject to pre-approval under the CBI Fitness and Probity Regime.

Within Credit Risk there are certain tasks carried out which could be deemed to fall within the definition of a first line role. Where this is the case, adequate second line oversight is identified and implemented. This is a dynamic situation which continues to evolve as the business changes over time.

The **Chief Credit Officer** (**CCO)** is responsible for:

- Leading the Credit Risk team which advises on the Bank's Credit Risk profile
- Developing the Credit Risk Management Framework, internal controls, policies, systems, processes and tools, to facilitate effective Credit Risk management by the Bank;
- Providing comprehensive and timely information on the Bank's material credit risks and reporting on the Bank's Credit Risk profile;
- Ensuring Credit Risk management, monitoring and reporting processes are transparent and appropriate;
- Providing relevant and timely advice and guidance in relation to Credit Risk management to relevant stakeholders;
- Ensuring that effective and controlled decision-making processes exist within a clearly defined Credit Risk governance structure;
- Overseeing the development, adequacy and delivery of the Bank's Credit Risk Stress Testing Framework; and
- Overseeing the performance and development of the Bank's Credit Risk team.

Within the Credit risk function headed up by the CCO there are five main teams:

- **Impairment and Forecasting:** Overseeing Impairment Policy, model outputs and reporting along with forecasting/capital optimisation
- **Portfolio management**: problem debt management and credit portfolio reporting and management
- **Regulatory Models:** IRB and IFRS9 Regulatory Modelling
- **Decision science and Commercial Modelling:** Commercial Modelling and Strategy
- **Retail Credit Centre**: Underwriting of credit applications

There are a number of other areas within the wider Group Risk function that are directly involved with the ongoing management of Credit Risk within the Bank:

- Frameworks & Policy Oversight (Enterprise Risk Management & Operations)
- Credit Quality Review (CQR) (Enterprise Risk Management & Operations)
- Analytics Platforms & Processes (Central Data Office)
- Group Internal Audit
- Individual business units

The relationships between credit risk management, risk control, compliance and internal audit functions

The Group has in place a strategic framework to govern the way in which credit risk is managed over three lines of defence.

First line functions manage the customer experience and ensure all new credit applications are submitted in compliance with established procedures. They are supported by the updated policy documents and relevant calculators/ models for the assessment of applications. The backbook is managed in a similar way.

First line functions are responsible for:

- Managing all activities relating to Credit Risk at local level in a manner consistent with enterprise wide risk appetite
- Maintaining and adhering to internal controls, Credit Risk framework, Credit policies and procedures including embedding responsibility for data completeness and accuracy
- Establishing appropriate governance structures to support the implementation of the Credit Risk framework
- Identifying, monitoring, reporting and owning all risks associated with operational activities as they relate to Credit risk

Credit Risk provides key second line oversight in respect of the Credit risk activities carried out across the Bank. This is supported by BRCC, GRC and GCC. The second line consists of second line committees (for Credit risk) and the Centralised Credit Function.

Second Line Committees for Credit Risk consist of the Board Risk & Compliance Committee (“BRCC”), Group Risk Committee (“GRC”) and Group Credit Committee (“GCC”). BRCC, GRC & GCC are responsible for:

- Approving changes to credit policy
- Ensuring that the relevant business units have the appropriate resources in place to manage their credit and risk management responsibilities accordingly
- The ongoing monitoring of performance
- Approving actions necessary to ensure ongoing compliance.

The Centralised Credit Function:

- Supports the setting and design of RAS & KRI metrics in conjunction with the business for approval by the Board
- Designs and maintains the Credit Policy and accompanying credit tools, decision engines and ratings systems.
- With the support of the CQR Team in Enterprise Risk Management Operations, monitors compliance and prepares MI and insights for review by the relevant committees
- Designs discretion structures and oversees portfolio limits
- Advises, challenges and controls / escalates Credit Risk issues
- Decisions higher risk cases and monitors Credit & Underwriting Quality
- Manages action logs and remediation of action points arising from Second Line Committees, GIA etc.

The third line (GIA function) provides independent assurance to the Board in relation to Credit Risk Management.

The following narrative information for Article 442 CRR is provided in accordance with the disclosure requirements referenced in table EU CRB of Commission Implementing Regulation 2021/637.

Definition of past due and impaired **Art 442(a)**

An account is classified as **past due** where the customer is 1 day or more past due on any material credit obligation (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).

As part of the implementation of IFRS 9 on 1 January 2018, defaulted exposures are assessed as Stage 3, **credit impaired**. While the standard does not define default, it does require institutions to use the definition of default that is used internally for credit risk management purposes, noting a rebuttable presumption that exposures greater than 90 days past due will be considered as defaulted.

The Group has aligned its definition of default for IFRS 9 and capital calculation purposes and has not chosen to rebut the 90 day presumption. 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 on 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.

Approaches to determining specific credit risk adjustments **Art 442(b)**

As required under IFRS 9, Expected Credit Loss (ECL) impairment requirements apply to all financial assets classified at amortised cost, other financial assets at fair value through other comprehensive income, certain off balance sheet loan commitments and financial guarantee contracts.

ECL Impairment Model

Under IFRS 9, the Group applies a 12-month ECL to all financial instruments where there has been no significant increase in credit risk since initial recognition (Stage 1) and a lifetime ECL applies when a significant increase in credit risk has been identified (Stage 2 and Stage 3).

The Group uses a three stage impairment model to calculate ECL as follows:

- **Stage 1 -** includes financial instruments that have not had a significant increase in credit risk since initial recognition.

  A 12-month ECL is recognised for Stage 1 assets. 12-month ECL is the expected credit loss that results from default events that are possible 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 default will occur in the next 12 months.

- **Stage 2 -** includes financial instruments that have had a significant increase in credit risk since initial recognition but that does not have objective evidence of impairment.

  A lifetime ECL is recognised for Stage 2 assets, being the expected credit losses that result from all possible default events over the expected life of the financial instrument.

- **Stage 3 -** includes financial assets that have objective evidence of impairment at the reporting date, i.e. are credit-impaired.

  A lifetime ECL is recognised for Stage 3 assets.

Note 1 of the Group's Annual Report 2022, 'Corporate information, basis of preparation and significant accounting policies' provides further detail on the Group impairment methodology.

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 on those 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.

Forbearance

The Group's definition of forborne is consistent with the definitions provided in the EBA NPL guidelines.

The tables on the following pages provide details of the types of credit exposures the Group is exposed to, based on exposure at default, and any credit impairments thereon.

Template EU CQ2: Quality of forbearance **Art 442 (c)**

€'m		a	a
		Gross carrying amount of forborne exposures	Gross carrying amount of forborne exposures
		Dec-22	Dec-21
010	Loans and advances that have been forborne more than twice	24	40
020	Non-performing forborne loans and advances that failed to meet the non-performing exit criteria	157	142

Template EU CR2a: Changes in the stock of non-performing loans and advances and related net accumulated recoveries **Art 442 (c) and (f)**

	€'m	Dec-22		Dec-21	
		Gross carrying amount	Related net cumulated recoveries	Gross carrying amount	Related net cumulated recoveries
		a	b	a	b
010	**Initial stock of non-performing loans and advances**	**817**		**1,128**	
020	Inflows to non performing portfolios	207		474	
030	Outflows from non-performing portfolios	(357)		(786)	
040	Outflow to performing portfolio	(194)		(247)	
050	Outflow due to loan repayment, partial or total	(98)		(104)	
060	Outflow due to collateral liquidations	(5)	5	(9)	9
070	Outflow due to taking possession of collateral	(4)	3	(3)	3
080	Outflow due to sale of instruments	(33)	31	(371)	310
090	Outflow due to risk transfers	-	-	-	-
100	Outflows due to write-offs	(11)		(21)	
110	Outflow due to Other Situations	(13)		(30)	
120	Outflow due to reclassification as held for sale	-		-	
130	**Final stock of non-performing loans and advances**	**667**		**817**	

Template EU CR1: Performing and non-performing exposures and related provisions **Art 442(c) and (e)**

Dec-22

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
	€'M	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
			Of which, stage 1	Of which, stage 2		Of which, stage 2	Of which, stage 3		Of which, stage 1	Of which, stage 2		Of which, stage 2	Of which, stage 3			
005	Cash balances at central banks and other demand deposits	1,715	1,715	-	-	-	-	(0)	(0)	-	-	-	-	-	-	-
010	Loans and advances	19,856	17,865	1,991	667	-	666	(297)	(127)	(170)	(224)	-	(224)	-	18,464	440
020	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
030	General governments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
040	Credit institutions	408	408	-	-	-	-	(0)	(0)	-	-	-	-	-	-	-
050	Other financial corporations	0	0	0	0	-	0	(0)	(0)	(0)	(0)	-	(0)	-	-	-
060	Non-financial corporations	299	105	194	11	-	11	(36)	(2)	(34)	(5)	-	(5)	-	162	6
070	Of which SMEs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
080	Households	19,148	17,351	1,797	656	-	655	(261)	(125)	(136)	(218)	-	(218)	-	18,302	434
090	Debt securities	3,178	3,178	-	-	-	-	(1)	(1)	-	-	-	-	-	-	-
100	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110	General governments	3,128	3,128	-	-	-	-	(1)	(1)	-	-	-	-	-	-	-
120	Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
130	Other financial corporations	49	49	-	-	-	-	-	-	-	-	-	-	-	-	-
140	Non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150	Off-balance-sheet exposures	1,282	1,212	70	1	-	1	-	-	-	-	-	-	-	-	-
160	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
170	General governments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
180	Credit institutions	0	-	0	-	-	-	-	-	-	-	-	-	-	-	-
190	Other financial corporations	0	0	0	-	-	-	-	-	-	-	-	-	-	-	-
200	Non-financial corporations	27	13	14	0	-	0	-	-	-	-	-	-	-	-	-
210	Households	1,255	1,199	56	1	-	1	-	-	-	-	-	-	-	-	-
220	**Total**	**26,031**	**23,970**	**2,061**	**668**	**-**	**667**	**(298)**	**(128)**	**(170)**	**(224)**	**-**	**(224)**	**-**	**18,464**	**440**

Dec-21

	€'M	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
			Of which, stage 1	Of which, stage 2		Of which, stage 2	Of which, stage 3		Of which, stage 1	Of which, stage 2		Of which, stage 2	Of which, stage 3			
005	Cash balances at central banks and other demand deposits	3,844	3,844	-	-	-	-	(0)	(0)	-	-	-	-	-	-	-
010	Loans and advances	14,373	12,134	2,239	817	-	817	(299)	(61)	(238)	(305)	-	(305)	-	13,281	507
020	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
030	General governments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
040	Credit institutions	330	330	-	-	-	-	(0)	(0)	-	-	-	-	-	-	-
050	Other financial corporations	1	0	0	0	-	0	(0)	(0)	(0)	(0)	-	(0)	-	-	-
060	Non-financial corporations	200	60	139	36	-	36	(32)	(1)	(31)	(18)	-	(18)	-	104	18
070	Of which SMEs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
080	Households	13,842	11,743	2,100	781	-	781	(267)	(60)	(207)	(287)	-	(287)	-	13,177	489
090	Debt securities	2,494	2,494	-	-	-	-	(1)	(1)	-	-	-	-	-	-	-
100	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110	General governments	2,434	2,434	-	-	-	-	(1)	(1)	-	-	-	-	-	-	-
120	Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
130	Other financial corporations	60	60	-	-	-	-	-	-	-	-	-	-	-	-	-
140	Non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150	Off-balance-sheet exposures	1,114	1,050	64	1	-	1	-	-	-	-	-	-	-	-	-
160	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
170	General governments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
180	Credit institutions	0	-	0	-	-	-	-	-	-	-	-	-	-	-	-
190	Other financial corporations	0	0	0	-	-	-	-	-	-	-	-	-	-	-	-
200	Non-financial corporations	23	11	12	0	-	0	-	-	-	-	-	-	-	-	-
210	Households	1,091	1,039	52	1	-	1	-	-	-	-	-	-	-	-	-
220	**Total**	**21,825**	**19,522**	**2,303**	**818**	**-**	**818**	**(300)**	**(61)**	**(238)**	**(305)**	**-**	**(305)**	**-**	**13,281**	**507**

Template EU CQ1: Credit quality of forborne exposures **Art 442(c)**

Dec-22

		a	b	c	d	e	f	g	h
		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
		Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
	€'M			Of which defaulted	Of which impaired				
005	Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
010	Loans and advances	179	308	308	308	(15)	(103)	368	205
020	Central banks	-	-	-	-	-	-	-	-
030	General governments	-	-	-	-	-	-	-	-
040	Credit institutions	-	-	-	-	-	-	-	-
050	Other financial corporations	-	-	-	-	-	-	-	-
060	Non-financial corporations	2	8	8	8	(1)	(4)	5	4
070	Households	176	300	300	300	(14)	(99)	363	201
080	Debt Securities	-	-	-	-	-	-	-	-
090	Loan commitments given	-	-	-	-	-	-	-	-
100	**Total**	**179**	**308**	**308**	**308**	**(15)**	**(103)**	**368**	**205**

Dec-21

	€'M	a	b	c	d	e	f	g	h
		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
		Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
				Of which defaulted	Of which impaired				
005	Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
010	Loans and advances	256	416	416	416	(22)	(144)	504	271
020	Central banks	-	-	-	-	-	-	-	-
030	General governments	-	-	-	-	-	-	-	-
040	Credit institutions	-	-	-	-	-	-	-	-
050	Other financial corporations	-	-	-	-	-	-	-	-
060	Non-financial corporations	5	29	29	29	(1)	(14)	18	15
070	Households	251	387	387	387	(21)	(130)	486	256
080	Debt Securities	-	-	-	-	-	-	-	-
090	Loan commitments given	-	-	-	-	-	-	-	-
100	**Total**	**256**	**416**	**416**	**416**	**(22)**	**(144)**	**504**	**271**

Template EU CQ3: Credit quality of performing and non-performing exposures by past due days **Art 442(d)**

Dec-22

		a	b	c	d	e	f	g	h	i	j	k	l
		Performing exposures			Non-performing exposures								
			Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
005	Cash balances at central banks and other demand deposits	1,715	1,715	-	-	-	-	-	-	-	-	-	-
010	Loans and advances	19,856	19,836	20	667	319	21	35	114	82	5	91	667
020	Central banks	-	-	-	-	-	-	-	-	-	-	-	-
030	General governments	-	-	-	-	-	-	-	-	-	-	-	-
040	Credit institutions	408	408	-	-	-	-	-	-	-	-	-	-
050	Other financial corporations	0	0	-	0	0	-	0	-	-	-	0	0
060	Non-financial corporations	299	298	1	11	8	0	0	0	0	1	2	11
070	Of whichSMEs	-	-	-	-	-	-	-	-	-	-	-	-
080	Households	19,148	19,129	19	656	311	21	35	114	81	4	89	656
090	Debt securities	3,178	3,178	-	-	-	-	-	-	-	-	-	-
100	Central banks	-	-	-	-	-	-	-	-	-	-	-	-
110	General governments	3,128	3,128	-	-	-	-	-	-	-	-	-	-
120	Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-
130	Other financial corporations	49	49	-	-	-	-	-	-	-	-	-	-
140	Non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-
150	Off-balance-sheet exposures	1,282			1								-
160	Central banks	-			-								-
170	General governments	-			-								-
180	Credit institutions	0			-								-
190	Other financial corporations	0			-								-
200	Non-financial corporations	27			0								-
210	Households	1,255			1								-
220	**Total**	**26,031**	**24,729**	**20**	**668**	**319**	**21**	**35**	**114**	**82**	**5**	**91**	**667**

Dec-21

		a	b	c	d	e	f	g	h	i	j	k	l
		Performing exposures			Non-performing exposures								
			Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
005	Cash balances at central banks and other	3,844	3,844	-	-	-	-	-	-	-	-	-	-
010	Loans and advances	14,373	14,362	11	817	470	50	78	65	47	9	98	817
020	Central banks	-	-	-	-	-	-	-	-	-	-	-	-
030	General governments	-	-	-	-	-	-	-	-	-	-	-	-
040	Credit institutions	330	330	-	-	-	-	-	-	-	-	-	-
050	Other financial corporations	1	1	0	0	0	-	-	-	-	-	-	0
060	Non-financial corporations	200	200	0	36	31	0	0	1	0	1	3	36
070	Of whichSMEs	-	-	-	-	-	-	-	-	-	-	-	-
080	Households	13,842	13,831	11	781	439	50	78	65	47	9	95	781
090	Debt securities	2,494	2,494	-	-	-	-	-	-	-	-	-	-
100	Central banks	-	-	-	-	-	-	-	-	-	-	-	-
110	General governments	2,434	2,434	-	-	-	-	-	-	-	-	-	-
120	Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-
130	Other financial corporations	60	60	-	-	-	-	-	-	-	-	-	-
140	Non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-
150	Off-balance-sheet exposures	1,114			1								-
160	Central banks	-			-								-
170	General governments	-			-								-
180	Credit institutions	0			-								-
190	Other financial corporations	0			-								-
200	Non-financial corporations	23			0								-
210	Households	1,091			1								-
220	**Total**	**21,825**	**20,700**	**11**	**818**	**470**	**50**	**78**	**65**	**47**	**9**	**98**	**817**

Template EU CQ5: Credit quality of loans and advances to non-financial corporations by industry **Art 442(c) and (e)**

Dec-22

		a	b	c	d	e	f
		Gross carrying amount				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			of which: non-performing		of which: loans and advances subject to impairment		
	€'M			of which: defaulted			
010	Agriculture, forestry and fishing	22	0	0	22	(2)	-
020	Mining and quarrying	1	-	-	1	(0)	-
030	Manufacturing	42	0	0	42	(3)	-
040	Electricity, gas, steam and air conditioning supply	2	0	0	2	(0)	-
050	Water supply	1	-	-	1	(0)	-
060	Construction	10	0	0	10	(1)	-
070	Wholesale and retail trade	58	2	2	58	(7)	-
080	Transport and storage	29	0	0	29	(5)	-
090	Accommodation and food service activities	51	0	0	51	(9)	-
100	Information and communication	5	0	0	5	(0)	-
110	Real estate activities	-	-	-	-	-	-
120	Financial and insurance actvities	42	5	5	42	(6)	-
130	Professional, scientific and technical activities	14	0	0	14	(1)	-
140	Administrative and support service activities	1	-	-	1	(0)	-
150	Public administration and defense, compulsory social security	-	-	-	-	-	-
160	Education	4	-	-	4	(0)	-
170	Human health services and social work activities	17	0	0	17	(4)	-
180	Arts, entertainment and recreation	3	-	-	3	(0)	-
190	Other services	10	2	2	10	(2)	-
200	**Total**	**310**	**11**	**11**	**310**	**(42)**	**-**

Dec-21

		a	b	c	d	e	f
		Gross carrying amount				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-
			of which: non-performing		of which: loans and advances subject to impairment		
	€'M			of which: defaulted			
010	Agriculture, forestry and fishing	15	0	0	15	(1)	-
020	Mining and quarrying	1	-	-	1	(0)	-
030	Manufacturing	23	0	0	23	(2)	-
040	Electricity, gas, steam and air conditioning supply	1	0	0	1	(0)	-
050	Water supply	0	0	0	0	(0)	-
060	Construction	8	0	0	8	(1)	-
070	Wholesale and retail trade	50	3	3	50	(8)	-
080	Transport and storage	17	0	0	17	(3)	-
090	Accommodation and food service activities	25	19	19	25	(10)	-
100	Information and communication	5	0	0	5	(0)	-
110	Real estate activities	-	-	-	-	-	-
120	Financial and insurance actvities	57	10	10	57	(16)	-
130	Professional, scientific and technical activities	4	0	0	4	(1)	-
140	Administrative and support service activities	4	0	0	4	(1)	-
150	Public administration and defense, compulsory social security	-	-	-	-	-	-
160	Education	2	-	-	2	(0)	-
170	Human health services and social work activities	7	0	0	7	(1)	-
180	Arts, entertainment and recreation	6	-	-	6	(2)	-
190	Other services	12	2	2	12	(3)	-
200	**Total**	**235**	**36**	**36**	**235**	**(49)**	**-**

Template EU CQ6: Collateral valuation - loans and advances **Art 442(c)**

Dec-22

	€'m	a	b	c	d	e	f	g	h	i	j	k	l
		Loans and advances											
			Performing		Non Performing								
						Unlikely to pay that are not past due or past due <= 90 days	Past due > 90 days						
				of which past due > 30 days <= 90 days				of which Past due > 90 days <= 180 days	of which Past due > 180 days <= 1 year	of which Past due > 1 years <=2 years	of which Past due > 2 years <=5 years	of which Past due > 5 years <=7 years	of which Past due > 7 years
010	**Gross carrying amount**	**20,523**	**19,856**	**20**	**667**	**319**	**348**	**21**	**35**	**114**	**82**	**5**	**91**
020	Of which: secured	20,118	19,470	18	647	316	331	19	33	113	80	4	82
030	Of which: secured with Immovable property	19,709	19,062	18	647	316	331	19	33	113	80	4	82
040	Of which: instruments with LTV higher than 60% and lower or equal to 80%	5,673	5,559		115	61	53						
050	Of which: instruments with LTV higher than 80% and lower or equal to 100%	1,150	1,025		124	61	64						
060	Of which: instruments with LTV higher than 100%	311	115		196	70	126						
070	Accumulated impairment for secured assets	(484)	(277)	(1)	(207)	(87)	(121)	(3)	(6)	(31)	(28)	(2)	(51)
080	**Collateral**												
090	Of which value capped at the value of exposure	18,904	18,464	17	440	230	210	17	27	81	52	2	30
100	Of which: Immovable property	18,904	18,464	17	440	230	210	17	27	81	52	2	30
110	Of which value above the cap	31,776	30,968	54	808	437	371	-	-	-	-	-	-
120	Of which: Immovable property	31,776	30,968	54	808	437	371	-	-	-	-	-	-
130	**Financial guarantees received**	-	-	-	-	-	-	-	-	-	-	-	-
140	**Accumulated partial write-off**	-	-	-	-	-	-	-	-	-	-	-	-

Dec-21

		a	b	c	d	e	f	g	h	i	j	k	l
		Loans and advances											
			Performing		Non Performing								
						Unlikely to pay that are not past due or past due <= 90	Past due > 90 days						
	€'m			of which past due > 30 days <= 90 days				of which Past due > 90 days <= 180 days	of which Past due > 180 days <= 1 year	of which Past due > 1 years <=2 years	of which Past due > 2 years <=5 years	of which Past due > 5 years <=7 years	of which Past due > 7 years
010	**Gross carrying amount**	**15,189**	**14,373**	**11**	**817**	**470**	**347**	**50**	**78**	**65**	**47**	**9**	**98**
020	Of which: secured	14,826	14,029	8	798	463	334	48	74	64	46	9	94
030	Of which: secured with Immovable property	14,496	13,699	8	798	463	334	48	74	64	46	9	94
040	Of which: instruments with LTV higher than 60% and lower or equal to 80%	5,096	4,939		157	109	47						
050	Of which: instruments with LTV higher than 80% and lower or equal to 100%	1,243	1,079		164	97	67						
060	Of which: instruments with LTV higher than 100%	590	319		272	121	151						
070	Accumulated impairment for secured assets	(573)	(283)	(0)	(290)	(143)	(146)	(17)	(25)	(21)	(15)	(5)	(64)
080	**Collateral**												
090	Of which value capped at the value of exposure	13,788	13,281	8	507	319	188	30	49	43	31	4	30
100	Of which: Immovable property	13,788	13,281	8	507	319	188	30	49	43	31	4	30
110	Of which value above the cap	21,655	20,828	13	828	511	317	-	-	-	-	-	-
120	Of which: Immovable property	21,655	20,828	13	828	511	317	-	-	-	-	-	-
130	**Financial guarantees received**	-	-	-	-	-	-	-	-	-	-	-	-
140	**Accumulated partial write-off**	-	-	-	-	-	-	-	-	-	-	-	-

Template EU CQ8: Collateral obtained by taking possession and execution processes – vintage breakdown **Art 442(c)**

Dec-22

		a	b	c	d	e	f	g	h	i	j	k	l
		Debt balance reduction		Total collateral obtained by taking possession		Foreclosed <=2 years		Foreclosed >2 years <=5 years		Foreclosed >5 years		Of which: Non-current assets held-for-sale	
	€'m	Gross carrying amount	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes
010	Collateral obtained by taking possession classified as Property Plant and Equipment (PP&E)	-	-	-	-								
020	Collateral obtained by taking possession other than classified Property Plant and Equipment	35	(22)	12	(1)	2	(0)	2	(0)	8	(1)	12	6
030	*Residential immovable property*	35	(22)	12	(1)	2	(0)	2	(0)	8	(1)	12	6
040	*Commercial Immovable Property*	-	-	-	-	-	-	-	-	-	-	-	-
050	*Movable property (auto, shipping,*	-	-	-	-	-	-	-	-	-	-	-	-
060	*Equity and debt instruments*	-	-	-	-	-	-	-	-	-	-	-	-
070	*Other*	-	-	-	-	-	-	-	-	-	-	-	-
080	**Total**	**35**	**(22)**	**12**	**(1)**	**2**	**(0)**	**2**	**(0)**	**8**	**(1)**	**12**	**6**

Dec-21

		a	b	c	d	e	f	g	h	i	j	k	l
		Debt balance reduction		Total collateral obtained by taking possession		Foreclosed <=2 years		Foreclosed >2 years <=5 years		Foreclosed >5 years		Of which: Non-current	
	€'m	Gross carrying amount	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes
010	Collateral obtained by taking possession classified as Property Plant and Equipment (PP&E)	-	-	-	-								
020	Collateral obtained by taking possession other than classified Property Plant and Equipment	52	(31)	21	(2)	4	(0)	13	(1)	3	(1)	21	7
030	*Residential immovable property*	52	(31)	21	(2)	4	(0)	13	(1)	3	(1)	21	7
040	*Commercial Immovable Property*	-	-	-	-	-	-	-	-	-	-	-	-
050	*Movable property (auto, shipping, etc.)*	-	-	-	-	-	-	-	-	-	-	-	-
060	*Equity and debt instruments*	-	-	-	-	-	-	-	-	-	-	-	-
070	*Other*	-	-	-	-	-	-	-	-	-	-	-	-
080	**Total**	**52**	**(31)**	**21**	**(2)**	**4**	**(0)**	**13**	**(1)**	**3**	**(1)**	**21**	**7**

Template EU CQ7: Collateral obtained by taking possession and execution processes **Art 442(c)**

	€'m	Dec-22 a	Dec-22 b	Dec-21 a	Dec-21 b
		Collateral obtained by taking possession		Collateral obtained by taking possession	
		Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes
010	Property, plant and equipment (PP&E)	-	-	-	-
020	Other than PP&E	12	(1)	21	(2)
030	Residential immovable property	12	(1)	21	(2)
040	Commercial Immovable property	-	-	-	-
050	Movable property (auto, shipping, etc.)	-	-	-	-
060	Equity and debt instruments	-	-	-	-
070	Other	-	-	-	-
080	**Total**	**12**	**(1)**	**21**	**(2)**

Template EU CR1-A: Maturity of exposures **Art 442(g)**

Dec-22

	€'M	a	b	c	d	e	f
		Net exposure value					
		On demand	<= 1 year	r > 1 year <= 5 years	> 5 years	No stated maturity	Total
1	Loans and advances	960	782	553	18,989	-	21,285
2	Debt securities	-	704	1,418	1,055	-	3,177
3	**Total**	**960**	**1,486**	**1,972**	**20,044**	**-**	**24,462**

Dec-21

	€'M	a	b	c	d	e	f
		Net exposure value					
		On demand	<= 1 year	r > 1 year <= 5 years	> 5 years	No stated maturity	Total
1	Loans and advances	845	649	552	13,653	-	15,701
2	Debt securities	-	240	1,223	1,031	-	2,494
3	**Total**	**845**	**889**	**1,775**	**14,684**	**-**	**18,195**

Unencumbered Assets

Article 443

An asset is classed as encumbered when a third party that is not the owner has a claim over the asset. The Group aligns its definition of encumbrance to the regulatory reporting framework of partial encumbrance meaning that an asset is only considered encumbered when it is pledged to a third party. Encumbrance impacts the transferability of the asset by restricting its free use until the claim is lifted.

*Template EU AE1 - Encumbered and unencumbered assets**

Dec-22

		Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
			of which notionally eligible EHQLA and HQLA		of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA		of which EHQLA and HQLA
		010	030	040	050	060	080	090	100
010	**Assets of the disclosing institution**	**1,721**				**21,898**			
030	Equity instruments	-				26			
040	Debt securities	922		878		1,996		1,883	
050	of which: covered bonds	-		-		-		-	
060	of which: securitisations	-		-		55		55	
070	of which: issued by general governments	922		878		1,941		1,829	
080	of which: issued by financial corporations	-		-		55		55	
090	of which: issued by non-financial corporations	-		-		-		-	
120	**Other assets**	**-**				**-**			

Dec-21

		Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
			of which notionally eligible EHQLA and HQLA		of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA		of which EHQLA and HQLA
		010	030	040	050	060	080	090	100
010	**Assets of the disclosing institution**	**1,167**				**20,586**			
030	Equity instruments	-				27			
040	Debt securities	353		358		2,198		2,242	
050	of which: covered bonds	-		-		-		-	
060	of which: securitisations	-		-		100		103	
070	of which: issued by general governments	353		358		2,098		2,139	
080	of which: issued by financial corporations	-		-		100		103	
090	of which: issued by non-financial corporations	-		-		-		-	
120	**Other assets**	**800**				**18,361**			

*Reporting of columns 030, 050, 080 and 100 are not applicable as the Bank's asset encumbrance level is below 15% and total assets are less than €30bn during 2021 and 2022.

*Template EU AE2 - Collateral received and own debt securities issued**

Dec-22

		Fair value of encumbered collateral received or own debt securities issued		Unencumbered	
				Fair value of collateral received or own debt securities issued available for encumbrance	
			of which notionally eligible EHQLA and		of which EHQLA and HQLA
		010	030	040	060
130	**Collateral received by the disclosing institution**	**-**		**204**	
140	Loans on demand	-		-	
150	Equity instruments	-		-	
160	Debt securities	-		204	
170	of which: covered bonds	-		-	
180	of which: securitisations	-		-	
190	of which: issued by general governments	-		42	
200	of which: issued by financial corporations	-		160	
210	of which: issued by non-financial corporations	-		-	
220	Loans and advances other than loans on demand	-		-	
230	Other collateral received	-		-	
240	**Own debt securities issued other than own covered bonds or securitisations**	-		-	
241	**Own covered bonds and securitisations issued and not yet pledged**			**5,175**	
250	**TOTAL COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED**	**1,721**			

Dec-21

		Fair value of encumbered collateral received or own debt securities issued		Unencumbered	
				Fair value of collateral received or own debt securities issued available for encumbrance	
			of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA
		010	030	040	060
130	Collateral received by the disclosing institution			325	
140	Loans on demand	-		-	
150	Equity instruments	-		-	
160	Debt securities	-		325	
170	of which: covered bonds	-		-	
180	of which: securitisations	-		-	
190	of which: issued by general governments	-		-	
200	of which: issued by financial corporations	-		325	
210	of which: issued by non-financial corporations	-		-	
220	Loans and advances other than loans on	-		-	
230	Other collateral received			-	
240	**Own debt securities issued other than own covered bonds or securitisations**	-		-	
241	**Own covered bonds and securitisations issued and not yet pledged**			**3,750**	
250	**TOTAL COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED**	**1,167**			

*Reporting of columns 030 and 060 are not applicable as the Bank's asset encumbrance level is below 15% and total assets are less than €30bn during 2021 and 2022.

Template EU AE3 - Sources of encumbrance

Dec-22

		Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and securitisations encumbered
		010	030
010	Carrying amount of selected financial liabilities	1,257	1,309

Dec-21

		Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and securitisations encumbered
		010	030
010	Carrying amount of selected financial liabilities	743	785

Encumbered Assets

(narrative disclosed per table EU AE4 of Commission Implementing Regulation 2021/637)

As a retail bank encumbering assets through the use of secured funding facilities represents a standard funding channel for the Group.

The Group's encumbrance level is primarily driven by mortgage assets which are included in securitisation special purpose entities and become encumbered when the associated notes are purchased by external investors or pledged as collateral through market Repurchase Agreements or Central Bank funding facilities. There is no legal obligation to supply additional collateral to these securitisation structures. The Group does not have a covered bond programme and, as such does not have a requirement for over collateralisation.

Other sources of encumbrance include the use of sovereign bond debt securities and cash in repurchase arrangements. Sovereign bond debt securities are encumbered through repurchase arrangements primarily with third party market counterparties. Maturity dates are typically short term ranging from 1 week to 3 months. Cash encumbrance relates both to cash within securitisation structures and collateral paid under derivative and repurchase contracts.

A portion of unencumbered assets would not be deemed available for encumbrance by the Group. These include intangible assets for example deferred tax and property, plant and equipment as well as derivative assets and held for sale assets.

The Group's business model does not lead to significant currency or intragroup encumbrance.

A key objective of the Group Treasury funding strategy is to monitor the encumbrance level of the Group. A number of viable options including deleveraging, unsecured debt issuance and collateral efficiency in the securitisation programme have been identified as effective means with which to pro-actively manage encumbrance. The Asset Encumbrance ratio decreased to 5% as at 31 December 2022 from 6% as at 31 December 2021. As at 31 December 2022 the Group was 93% funded through unsecured customer deposits with the rest of the Balance Sheet funded through wholesale funding, being either MREL (minimum requirements for own funds and eligible liabilities) unsecured senior debt, subordinated debt or market issued securitisations. The underlying mortgage collateral and trapped cash within the securitisation vehicles are the primary driver of the 5% encumbrance ratio together with sovereign reverse repos. The retained securitisation vehicles had underlying assets of €7.9bn as at 31 December 2022 (€7.2bn as at 31 December 2021). None of these assets were encumbered at the year end. The Bank held €5.3bn in retained notes at 31 December 2022 that represented the fair value of available ECB eligible collateral (€5.6bn at 31 December 2021).

There is no difference between the regulatory consolidation scope used for the purpose of the disclosures on asset encumbrance and the scope retained for the application of the liquidity requirements on a consolidated basis as defined in Part One, Title II, Chapter 2, Section 2 of Regulation (EU) No 575/2013.

There is no difference between pledged and transferred assets in accordance with the applicable accounting frameworks and encumbered assets as reported by the Group.

The median is derived based on the four quarter end exposure values of the previous 12 month period. Interpolated median and median are equal in this scenario. The exposure values are in line with Annex XVI to Commission Implementing Regulation (EU) No 2021/451.

Use of the standardised approach

Article 444

The Group is primarily an IRB Bank, however, it has permission to use the standardised approach for certain classes of exposure.

The Central Bank of Ireland granted an exemption to the Group from the IRB approach for all exposures to EU central governments and central banks. This exemption allows the Group to treat all exposures to EU Sovereigns under the standardised approach and apply a 0% risk weighting assuming the exposure is denominated and funded in the currency of that central government. Consequently, External Credit Assessment Institution (ECAI) ratings are not used in the calculation of risk weights for credit exposures to EU Sovereigns.

Similarly the Group has an exemption to treat exposures to Commercial, Corporate and SME customers under the standardised approach. ECAI ratings are not used in the calculation of risk weights to these exposures.

During the year, the Group received an exemption to treat Buy-To-Let Non Standard Mortgage exposures and the acquired mortgage exposures under the standardised approach. ECAI ratings are not used in the calculation of risk weights to these exposures.

Please refer to the chapter on securitisation disclosures (article 449(k)) for details on the use of ECAIs in the Group's purchased securitisation positions.

Template EU CR5 – standardised approach **Art 444(e)**

Dec-22

	€'M	Risk Weight															Total	Of which unrated
		0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1250%	Otros		
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
1	Central governments or central banks	4,809	-	-	-	-	-	-	-	-	-	-	0	-	-	-	4,809	-
2	Regional government or local authorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	International organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Corporates	-	-	-	-	-	-	-	-	-	34	-	-	-	-	-	34	34
8	Retail	-	-	-	-	-	-	-	-	86	-	-	-	-	-	-	86	86
9	Secured by mortgages on immovable property	-	-	-	-	-	4,870	-	-	142	438	-	-	-	-	-	5,450	5,450
10	Exposures in default	-	-	-	-	-	-	-	-	-	128	55	-	-	-	-	183	183
11	Exposures associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Institutions and corporates with a short-term credit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Collective investment undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Other items	53	-	-	-	40	-	-	-	-	817	-	-	-	-	-	909	909
17	**Total**	**4,862**	**-**	**-**	**-**	**40**	**4,870**	**-**	**-**	**228**	**1,417**	**55**	**0**	**-**	**-**	**-**	**11,472**	**6,663**

Dec-21

	€'M	Risk Weight															Total	Of which unrated
		0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1250%	Otros		
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
1	Central governments or central banks	6,240	-	-	-	-	-	-	-	-	-	-	4	-	-	-	6,244	-
2	Regional government or local authorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	International organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Corporates	-	-	-	-	-	-	-	-	1	12	-	-	-	-	262	275	275
8	Retail	-	-	-	-	-	-	-	-	66	-	-	-	-	-	-	66	66
9	Secured by mortgages on immovable property	-	-	-	-	-	-	-	-	-	149	-	-	-	-	-	149	149
10	Exposures in default	-	-	-	-	-	-	-	-	0	31	0	-	-	-	0	31	31
11	Exposures associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Institutions and corporates with a short-term credit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Collective investment undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Other items	51	-	-	-	20	-	-	-	-	622	-	-	-	-	-	693	693
17	**Total**	**6,291**	**-**	**-**	**-**	**20**	**-**	**-**	**-**	**67**	**813**	**0**	**4**	**-**	**-**	**262**	**7,457**	**1,213**

Market Risk

The following narrative information for Article 435.1(a), (b), (c) and (d) CRR is provided in accordance with the disclosure requirements referenced in table EU MRA of Commission Implementing Regulation 2021/637.

The Bank does not have a trading book and is therefore not subject to the risks associated with trading book positions. The risks described below relate to the Bank's limited banking book positions.

While The Board has overall responsibility for market risk oversight and is supported in this by the BRCC and ALCO, in relation to the daily management of market risk the Bank operates a "Three Lines of Defence" model.

This model is applied as follows:

- Group Treasury (First Line) is responsible for the day-to-day management of Market Risk;

- The Financial Risk Team within Group Risk (Second Line) is responsible for oversight of compliance with the Market Risk Framework and its associated policies;

- Group Internal Audit (Third Line) provides independent assurance to the Board regarding the effective operation of the market risk governance, risk management and control processes established and maintained by the First and Second Line.

Scope and nature of risk reporting and measurement systems

PTSB monitors its market risk profile through risk appetite metric and KRI monitoring (in both First and Second Lines of Defence) as well as testing of relevant controls (through First Line of Defence testing as well as Second Line of Defence Business Control Assurance testing).

In terms of specific metrics used for the measurement of individual market risks, the following are considered.

1. Interest Rate Risk in the Banking Book (IRRBB)

The following risks are considered under this category:
- Earnings at Risk
- Economic Value
- Gap analysis
- Basis Risk
- Optionality
- NII Sensitivity
- PV01 and Duration Mismatch.

See disclosures made under article 448 below (pages 80 to 83) for more information on interest rate risk.

2. Foreign Exchange Risk

The foreign exchange position of the Group at the end of 2022 and 2021 did not exceed the 2% of total own funds threshold as laid down in Article 351 of the CRR and, therefore, the Group has no requirement to hold Pillar 1 capital against this risk.

3. Credit Spread Risk

Net impact of bond and swap curve movements on the Bank's Hold to Collect or Sell (HTCS) Reserves. This is nil at the end of December 2022.

Pillar 1 capital requirements for market risk ***(Art 445)***

The Group does not hold any capital against market risk as at 31 December 2022 or 31 December 2021 in accordance with points (b) and (c) of Article 92 (3) of the CRR.

Operational Risk

The following narrative information for Article 435.1 (a) to (d) CRR is provided in accordance with the disclosure requirements referenced in table EU ORA of Commission Implementing Regulation 2021/637.

The Operational Risk and Information Technology Risk Management Frameworks aim to set overall standards for the management of Operational and Information Technology Risks with the goals of helping protect customers, staff, business and shareholders, and of supporting the Group achieve its strategic priorities, within the Board-approved Risk Appetite.

The implementation of these Frameworks is intended to accomplish the following broad objectives, consistent with the risk management objectives outlined in the Group's Enterprise Risk Management Framework ('ERMF'), which are:

- Establishing a framework for determining the enterprise-wide statement of Operational and Information Technology Risk appetite, to describe the nature and magnitude of Operational and Information Technology Risk that the Group is willing to assume in pursuit of its business and strategic objectives and proportionate to the nature, scale and complexity of business and operations as well as the operating environment.
- Formalising and maintaining robust Operational and Information Technology Risk governance and risk management organisational structure.
- Ensuring that the Group designs and implements robust, proportionate and sustainable risk management processes that supplement the ERMF, to effectively support the identification, assessment, measurement, mitigation, control, monitoring, testing and reporting of current and emerging Operational & Information Technology Risks in a repeatable, interconnected and timely manner.

Management of Operational and Information Technology Risk

The management of Operational and Information Technology Risk is aligned to key processes and components set out in the Bank's ERMF, which identifies core risk management stages which collectively ensure that the Bank appropriately identifies and manages current and emerging risks the Bank is exposed to. At a high level, the key risk management stages are:

1. **Risk Identification and Assessment**: to identify and assess Operational and Information Technology Risks, PTSB executes: (1) scenario analysis, (2) Risk Assessments including Programmatic e.g. Risk and Control Self Assessments' (RCSAs) and point in time Risk Assessments e.g. Third Party Risk Assessments and (3) horizon scanning.
2. **Risk Mitigation and Control**: PTSB has implemented mitigation and control processes to manage the Operational and Information Technology Risks. In addition, the RCSA process enables PTSB to identify and assess additional controls or raise issues and actions that are relevant to Operational and Information Technology Risks.
3. **Risk Monitoring and Testing**: PTSB monitors its Operational and Information Technology Risk profile through Operational Risk Events, KRIs, KPIs, Risk Appetite Statements ('RAS') and the Inherent and Residual Risk ratings in the bank-wide RCSAs. Additionally, relevant controls are tested through First line of defence testing as well as through independent Second line of defence Business Control Assurance ('BCA') testing.
4. **Risk Reporting and Escalation**: PTSB regularly reports on Operational and Information Technology Risks to relevant members of Management, Management and Board-level committees and also has put in place reporting packages to enable monitoring of the Operational Risk profile across all of its sub-risk categories. PTSB follows enterprise protocols for escalation; e.g. in relation to risk appetite metrics breaches, etc.

Structure of Operational and Information Technology Risk Management function

The Bank adopts a 'Three Lines' approach to operationalise its internal control activities, inclusive of Operational and Information Technology Risk management. The ICF outlines the functional make-up of the Bank's Three Lines organisational model and the respective reporting lines that enable segregation of duties across risk-taking, risk oversight and risk assurance functions.

Reporting of Operational and Information Technology Risk

Operational and Information Technology Risk Management collates all relevant RAS, RCSA, Control Testing, Risk Event, Scenario, and KRI data/MI and formally reports these to the Head of Operational & IT Risk. These reports are presented to the Operational Risk Management Committee for oversight and challenge and then for onward submission, as set out in the ERMF. Reports are shared internally in support of Group Risk's obligation to collate and produce reporting for the CRO, relevant risk management committees and the Board.

Policies for mitigating risks

As part of the RCSA process, key controls must be identified for inherent risks, apart from where risk acceptance has been agreed through the relevant governance channel. Identifying gaps where risks materialise through weaknesses in the control environment, or missing controls, will help identify and inform our understanding of Operational and Information Technology Risk exposure. All identified key controls must be assessed for adequacy and effectiveness by the business unit, in line with the risk based approach as set out in the RCSA process document. In addition, key controls must be reassessed where relevant MI (Events, Audit reviews, and external events) highlight potential issues with the effectiveness of the control. Issues and their associated actions must be used to address risks that are not mitigated to an acceptable level. Issues should record the control gap or weakness and the action required to reduce the residual risk exposure to within an acceptable level.

Approach to Operational Risk used by the bank

The Standardised Approach is applied to calculate Own Funds Requirements for Operational Risk. Per Article 312 (1) certain criteria must be met to qualify for use of the Standardised Approach. The specific criteria referred to in Article 312 (1) are outlined in Article 320. The Group's rationale for meeting the criteria set-out in Article 320 are outlined in the 3 points below:-

1. The Group has Operational and Information Technology Risk Management Frameworks in place. These Frameworks describe the Group's approach to the management of Operational & Information Technology Risks including the approach to the identification, assessment, measurement and monitoring of such risks.

2. The Frameworks have been developed in alignment with, and as subsidiary Frameworks to, the Group's Enterprise Risk Management Framework ('ERMF'). The core risk management processes underpinning the Group's identification and management of current and emerging risks include: Risk Identification; Risk Assessment & Measurement; Risk Mitigation & Control; Risk Monitoring & Testing; and, Risk Reporting And Escalation. The management of Operational and Information Technology Risks is aligned with this approach.

3. The Group monitors and reports on its Operational and Information Technology Risk profile on a continuous basis using qualitative information and quantitative metrics. In addition to reviewing RCSA's, this involves the measurement and monitoring of the Group's Operational and Information Technology Risk Events and through the testing of internal controls.

Capital Requirements for Operational Risk **(Art 446(a))**

As per Article 317 (1), the Group calculates Own Funds Requirement by dividing activities into the 8 standardised business lines; the Group's principal business line is 'Retail Banking'. Fixed Beta coefficient are outlined in Article 317 for each specific business line. The beta coefficients applied to Retail Banking is 12%.
Additionally, as outlined in Article 317 (2), Own Funds Requirements are derived from the 3 year average Gross Income (the 'risk weighted relevant indicator') for each business line multiplied by the respective beta coefficient. Therefore movements in Own Funds requirements are essentially driven by the Group's underlying income over a 3 year period. For the 2022 calculation, the income figures are adjusted to reflect income relating to loan acquisitions and disposals.

The above approach to Own Funds Requirements resulted in an Operational Risk Requirement of €56m at 31 December 2022 (€51m at 31 December 2021).

Template EU OR1 - Operational risk own funds requirements and risk-weighted exposure amounts
Art 446(a), (b), (c)

Dec-22

	Banking activities	a	b	c	d	e
		Relevant indicator			Own funds requirements	Risk exposure amount
		Year-3	Year-2	Last year		
1	Banking activities subject to basic indicator approach (BIA)	-	-	-	-	-
2	Banking activities subject to standardised (TSA) / alternative standardised (ASA) approaches	462	449	491	56	700
3	Subject to TSA:	462	449	491		
4	Subject to ASA:	-	-	-		
5	Banking activities subject to advanced measurement approaches AMA	-	-	-	-	-

Dec-21

	Banking activities	a	b	c	d	e
		Relevant indicator			Own funds requirements	Risk exposure amount
		Year-3	Year-2	Last year		
1	Banking activities subject to basic indicator approach (BIA)	-	-	-	-	-
2	Banking activities subject to standardised (TSA) / alternative standardised (ASA) approaches	442	414	375	51	639
3	Subject to TSA:	442	414	375		
4	Subject to ASA:	-	-	-		
5	Banking activities subject to advanced measurement approaches AMA	-	-	-	-	-

Exposure to interest rate risk on positions not included in the trading book

Interest Rate Risk definition **Art 448.1(e)**

Interest rate risk arises from structural and duration mismatches between assets and liabilities in the balance sheet which generate a risk to earnings or capital caused by the movement in the absolute level of interest rates, the spread between two rates, the shape of the yield curve or any other interest rate relationship. The Bank is primarily exposed to re-price, yield curve and basis risk. In line with regulatory standards, the approved Interest Rate Risk in the Banking Book (IRRBB) framework determined that the Bank's interest rate risk exposure must be derived from both an earnings (accrual) and economic value perspective.

IRRBB management and mitigation strategies **Art 448.1(f)**

Interest rate gap analysis is used to capture re-price risk and lays the foundation for the Economic Value (EV), Economic Value of Equity (EVE) and Earnings at Risk calculations which measure yield curve risk. PTSB also applies a specific model to calculate the contractual basis risk exposure using a historic look back approach to determine the severity of the applied shock.

These measures are further supplemented by NII sensitivity analysis, PV01 sensitivity, duration mismatch and comprehensive stress testing. These measures capture all material interest rate risk associated with the Bank's assets, liabilities and off Balance-Sheet (OBS) positions in the banking book.

The Bank does not run a trading book.

Assumptions **Art 448.1(c), 448.2**

All balances are included at their contractual re-pricing profiles where applicable with behavioural assumptions applied to non-contractual balances as per the exceptions list detailed below.

1. Current Accounts (Core portion only, volatile at contractual maturity) and Equity are profiled evenly over 6 years which is currently used as the maximum asset maturity.

2. Retail Non Maturity Deposits (Core portion only, volatile at contractual maturity) are also profiled evenly over 6 years. All other non-maturity deposits are assumed to re-price in month one reflecting the variable interest rate nature of the products.

3. NPLs: These are split into Cures, Recoveries and Write Offs according to percentages updated quarterly by Credit Risk. The cash flows arising from NPLs are profiled according to a model built from credit risk input parameters (cure rate and probability of default).

4. Credit Cards and Overdrafts: These are split into revolving and borrowing balances. Those that are borrowing are profiled evenly over 1 year to reflect the relative price inelasticity and the revolving element is put in the 1 month bucket.

5. Assets held for sale: These are profiled either at their agreed sale date or evenly over 1 year (buy to let assets) or 3 years (home loan assets).

Prepayments on asset balances are applied based on the latest actual prepayment rates, calculated quarterly, and these can be varied during Stress Testing.

Term deposit early redemption assumptions, calculated quarterly, and fixed rate mortgage pipeline assumptions, updated monthly, are also applied.

EV/EVE **Art 448.1(e) (i) and (v), 448.2**

The Economic Value or Economic Value of Equity (EV/EVE) components of the IRRBB framework form a key part of the IRRBB measurement tools for the Bank.

The risk positions are calculated weekly and use the re-price profile generated within the Gap Analysis. Weighted risk factors are applied to each re-pricing time bucket to calculate the PV of the risk profile. The weighted factors for each bucket are based on a discount factor reflecting the specific stress scenario.

EVE is a specific calculation of EV where the equity balances are removed from the re-price profile.

EaR

The EaR (Earnings at Risk) component is calculated daily and measures the net exposure (assets less liabilities) of the balance sheet with respect to several reference interest rates and time bands, and measures the respective risk to net interest income under shock interest rate scenarios.

Where products are re-priced using administered rates, the Bank maintains assumptions for how the product rates are likely to move in response to a shift in market yield curves when modelling EaR risk which in turn captures a form of basis risk. These pass through assumptions are provided by the Retail Banking unit on at least an annual basis and take full consideration of customer fairness and the current market environment.

Stress Testing

The Bank stress tests IRRBB on an EV(E) and EaR basis. For each stress scenario, the risk level is taken to be the most negative of the measures or zero if they are positive.

The stress scenarios are either prescribed through regulation (EBA Guidelines 2018/02), standard market or PTSB specific in terms of balance sheet composition.

Stress scenarios **Art 448.1(e) (iii), 448.2**

1. **Parallel Up (*):** This shock consists of an upward shock in rates which varies by currency. The EUR shock is 200bps and the GBP shock is 250bps so this will generate a result similar to the Up200 shock given that the Bank's balance sheet is largely EUR.
2. **Parallel Down (*):** Like the relationship between Up200 and Dn200 shocks, this shock is the mirror image of the Parallel Up shock, subject to floors.
3. **Steepener (*):** Interest rates are shocked downwards at tenors of up to 5 years and shocked upwards for longer term rates. For this and the 3 scenarios that follow, the exact amount of the shock is determined by an exponential function that depends on the tenor of the time bucket midpoint and scalars supplied originally by the Basel Committee.
4. **Flattener (*):** Interest rates are initial shocked upwards and then downwards as the tenor lengthens, becoming a negative shock for 7 years and further out the curve.
5. **Short Up (*):** Interest rates are shocked upwards at the short end, with less of an impact out the curve, i.e. the maximum shock is for the overnight bucket.
6. **Short Down (*):** Interest rates are shocked downwards at the short end with less of an impact out the curve.
7. **Up200:** This shock is currently prescribed by the ECB for the Short Term Exercise (STE) and consists of all rates being shocked instantaneously upwards by 200bps.
8. **Dn200:** This shock is also currently prescribed by the ECB for the STE and is the opposite of the Up200, i.e. all rates are shocked 200 bps downwards, subject to applicable flooring.

9. **Up100:** This shock is often used as an indicative measure of the Bank's expected gain from a 100bps rise in rates. All rates are shocked upwards by 100bps.
10. **Dn100:** This shock demonstrates the effect of the downward pass through assumptions. All rates are shocked by 100 bps downwards, subject to applicable flooring.
11. **Inverted:** In this shock the slope of the yield curve is flipped so that the short term rates assume the values that the long term rates had and vice versa.
12. **Flat:** The current market interest rate curve is applied.
13. **Financial Crisis:** This shock applies the largest 12 month move in the ECB rate during the financial crisis immediately to all market rates.

(*) represents an EBA prescribed core scenario

The results of these scenarios are reported monthly to ALCO, EXCO and Board.

Basis Risk

Basis Risk is the risk that two separate interest rate indices which appear to be correlated over time either cease to be correlated at all or the relationship breaks down temporarily. Consequently a matching of assets and liabilities that had appeared "hedged" breaks down and generates P&L volatility.

PTSB separately assesses Basis Risk in calculating the aggregated IRRBB risk level.

The approach is to apply an ECB to Euribor spread widening by shocking the underlying reference rate products in line with the observed historic directional spread shifts i.e. upward shock for Euribor and downward for ECB Base Rate.

In calibrating the severity of the spread widening shock, Treasury have used a historical data set ranging from September 1999 to the most recent year-end to ensure it is long enough to capture full interest rate cycles and also contain the volatile Financial Crisis period which observed a period of significant divergence.

Art 448(1), point (g)

Current Accounts (Core portion only, volatile at contractual maturity) are profiled evenly over 6 years in line with the maximum asset maturity.

Retail Non Maturity Deposits (Core portion only, volatile at contractual maturity) are also profiled evenly over 6 years.

All other non-maturity deposits are assumed to re-price in month one reflecting the variable interest rate nature of the products.

Art 448.1 (e) (iv), 448.2

Group Treasury manages the Bank's IRRBB position to ensure that limits are not breached. Pre-emptive hedging actions are undertaken by Treasury when risk positions trend towards the Board approved threshold and limits.

In the first instance Treasury, to the extent that it is economically and strategically feasible, will seek to find natural/economic hedging of the interest rate risk positions. Alternatively, derivatives will be executed to mitigate interest rate risk.

Template EU IRRBB1 - Interest rate risks of non-trading book activities* **Art 448.1(a) and (b)**

	Supervisory shock scenarios	a	b	c	d
		Changes of the economic value of equity		Changes of the net interest income	
		Dec-22	Dec-21	Dec-22	Dec-21
1	Parallel up	-8.50	23.26	123.08	138.63
2	Parallel down	15.07	-13.88	-116.04	-4.44
3	Steepener	-29.33	16.48		
4	Flattener	29.72	-19.99		
5	Short rates up	23.20	-11.88		
6	Short rates down	-26.64	-16.83		

*The Bank does not have any assumptions different from those used for disclosure of template EU IRRBB1. **Art 448.1 (e) (ii), 448.2**

Explanation of the significance of the IRRBB measures and of their significant variations since previous disclosures **Art 448.1 (d)**

The Bank stress tests IRRBB on both an EV(E)and EaR basis. For each stress scenario, the risk level is taken to be the most negative of the measures or zero if they are positive.

Changes to the EVE results in 2022 are driven by a combination of the acquisition of the Ulster Bank mortgage assets and changes to the IRRBB methodology. The most material of the IRRBB methodology changes was the revised treatment of Retail Non Maturity Deposits. In prior years, these deposits were assumed to re-price in month one. However, to more accurately reflect the expected behaviour, the Bank has revised the treatment so that the core portion are profiled evenly over a 6 year period. The non-core portion is assumed to reprice in month one.

The increase in the NII supervisory shock outcome is primarily driven by the rise in interest rates on assets contractually linked to ECB rates: the tracker mortgage book and cash with the Central Bank. This has resulted in an increase in the impact of falling interest rates on the Bank's EaR position.

Exposure to securitisation positions

Key objectives of securitisation activity **Art 449(a)**

Securitisation involves the transfer of assets with an income stream to a special purpose entity (SPE) which in turn issues securities to fund the purchase of those assets. The interest and principal payments received are passed on to the purchasers of the securities.

The primary objective of the PTSB securitisation programme is funding either through external market issuances or structuring and retaining notes to increase counterbalancing capacity or as collateral to facilitate liquidity management transactions with market counterparts.

The Bank will look to use the STS framework where the assets meet the STS requirements but may issue non-STS securitisations to realise funding from non-STS eligible collateral.

The Bank may issue non-performing securitisations in order to reduce the Bank's NPL ratio, raise funding or optimise the Bank's capital ratio.

The Bank invests in traditional securitisations that offer an appropriate risk-adjusted return. The Bank does not issue or invest in synthetic securitisations.

Securitisation risks **Art 449(b)**

There are a number of risks attached to securitisations, such as credit risk, liquidity risk, market risk, operational risk and non-trading interest rate risk. These risks are identified, managed and monitored in line with Bank policy.

When the Bank originates a new securitisation, the risks are minimised through the use of standard securitisation structures, high quality counterparties to perform the structuring and oversight and governance provided by appropriately qualified experienced external and internal parties. Where the Bank has obtained Euro system eligibility on securitisation notes, the Bank is exposed to the risk of this eligibility being withdrawn through failure to comply with ECB Asset Backed Securities, or in the case of securitisations originated since 2019, STS eligibility criteria.

At the end of 2022, mortgage assets securitised by the Bank have not been derecognised for accounting or for Pillar 1 capital purposes and are classified within loans and receivables to customers, with the Bank retaining the exposure to the credit risk and interest rate risk on the underlying securitised loans.

The Bank only invests in investment grade rated tranches of securitisation positions which benefit from subordination and other structural features of standard securitisations (e.g. excess spread). Underlying assets comprise exclusively of residential mortgage loans. All the Bank's securitisation investments to date have been of non-STS securitisations.

The risks listed above apply equally to STS and non-STS positions with the exception of the Eurosystem eligibility criteria.

Securitisations originated before 2019 are exempt from compliance with the STS criteria until July 2024.

Approach used to calculate risk weighted exposure amounts **Art 449(c)**

The risk weighted exposures for the underlying mortgage loans which are not derecognised are calculated using the IRB approach to credit risk for Pillar 1 capital purposes.

The Bank calculates the risk weights of the retained element of non-performing securitisations under the Securitisation IRB Approach (SEC-IRBA). At the end of 2022 the Bank had no non-performing securitisation exposures.

The Bank calculates the risk weights of its purchased securitisations exposures using the Securitisation External Ratings Based Approach (SEC-ERBA).

The treatments mentioned above apply equally to STS and non-STS positions.

Securitisation SPEs at 31 December 2022 **Art 449(d)**

The following Securitisation SPEs are sponsored by PTSB and PTSB provides assets servicing and cash management on their behalf. In addition, these SPEs are included within the regulatory scope of consolidation.

- Fastnet Securities 11 DAC
- Fastnet Securities 14 DAC
- Fastnet Securities 15 DAC
- Fastnet Securities 16 DAC
- Fastnet Securities 17 DAC
- Fastnet Securities 18 DAC

Under the terms of these securitisations, the rights of the providers of the related funds are limited to the mortgage loans in the securitised portfolios, together with any related income generated by the portfolios and the subordinated loans provided by the Group, without further recourse to the Group.

Art 449(d)

The Group does not provide support for any other legal entities in accordance with Chapter 5 of Title II of Part Three CRR.

Art 449(f)

The Group does not have any affiliated legal entities that invest in securitisations originated by the institutions or in securitisation positions issued by SPEs sponsored by the institutions.

Summary of accounting policies **Art 449(g)**

The SPEs used to originate securitisations are generally included in the consolidated financial statements from the date that control commences until the date that control ceases. Although the Bank does not own more than half of the voting power of these SPEs, it has the power to control the relevant activities of the SPE including the ability to affect the variable returns of the investee and hence these SEs are consolidated.

Financial assets are derecognised when the right to receive cash flows from the financial assets has expired or the Bank has transferred substantially all the risks and rewards of ownership.

The Bank's investments in derecognised non-performing loan securitisations are classified as a "Purchased or originated credit impaired asset" (POCI) and recorded at fair value at original recognition and interest income is subsequently recognised on a credit-adjusted effective interest rate (EIR) basis. The Bank did not hold any such investments at the end of 2022.

The Bank's portfolio of purchased securitisation exposures is measured at amortised cost under the 'loans and advances' classification in the financial statements.

Use of External Credit Assessment Institutions (ECAIs) **Art 449(h)**

The Bank calculates the risk weights of its purchased securitisations exposures using the Securitisation External Ratings Based Approach (SEC-ERBA). The Bank uses the following ECAIs in calculating the risk weights of the purchased securitisation exposures: Fitch Ratings Services, Standard & Poor's Ratings Services, Moody's Investors Services, and Dominion Bond Rating Services.

Art 449(i)

The Group does not use the internal assessment approach.

Template EU-SEC1 - Securitisation exposures in the non-trading book **Art 449(j)**

Dec-22

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Bank acting as originator							Bank acting as sponsor				Bank acting as investor			
		Traditional				Synthetic		Sub-total	Traditional		Synthetic	Sub-total	Traditional		Synthetic	Sub-total
		STS		Non-STS			of which SRT		STS	Non-STS			STS	Non-STS		
	€'M		of which SRT		of which SRT											
1	**Total exposures**	-	-	**7,915**	-	-	-	-	-	-	-	-	-	**53**	-	-
2	**Retail (total)**	-	-	**7,915**	-	-	-	-	-	-	-	-	-	**53**	-	-
3	Residential mortgages	-	-	7,915	-	-	-	-	-	-	-	-	-	53	-	-
4	Credit card	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Other retail exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Resecuritisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	**Wholesales (total)**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Loans to corporates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Commercial mortgage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Finance leases and receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Other wholesale exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Resecuritisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Dec-21

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Bank acting as originator							Bank acting as sponsor				Bank acting as investor			
		Traditional				Synthetic		Sub-total	Traditional		Synthetic	Sub-total	Traditional		Synthetic	Sub-total
		STS		Non-STS			of which SRT		STS	Non-STS			STS	Non-STS		
	€'M		of which SRT		of which SRT											
1	**Total exposures**	-	-	**7,169**	-	-	-	-	-	-	-	-	-	**61**	-	-
2	**Retail (total)**	-	-	**7,169**	-	-	-	-	-	-	-	-	-	**61**	-	-
3	Residential mortgages	-	-	7,169	-	-	-	-	-	-	-	-	-	61	-	-
4	Credit card	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Other retail exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Resecuritisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	**Wholesales (total)**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Loans to corporates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Commercial mortgage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Finance leases and receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Other wholesale exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Resecuritisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Template EU-SEC4 - Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as investor **Art 449(k) point (ii)**

Dec-22

	€'M	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	EU-p	EU-q
		Exposure values (by RW bands/deductions)					Exposure values (by regulatory approach)				RWEA (by regulatory approach)				RWEA (by regulatory approach)			
		<= 20%	> 20% to 50%	> 50% to 100%	> 100% to 1250%	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions
1	**Total exposure**	-	-	-	-	-	-	53	-	-	-	11	-	-	-	1	-	-
2	Traditional securitisation	-	-	-	-	-	-	53	-	-	-	11	-	-	-	1	-	-
3	Securitisation	-	-	-	-	-	-	53	-	-	-	11	-	-	-	1	-	-
4	Retail underlying	-	-	-	-	-	-	53	-	-	-	11	-	-	-	1	-	-
5	*Of which STS*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	*Of which STS*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Synthetic securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	*Of which, retail underlying*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	*Of which, wholesale underlying*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Of which, resecuritisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Dec-21

	€'M	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	EU-p	EU-q
		Exposure values (by RW bands/deductions)					Exposure values (by regulatory approach)				RWEA (by regulatory approach)				RWEA (by regulatory approach)			
		<= 20%	> 20% to 50%	> 50% to 100%	> 100% to 1250%	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions
1	**Total exposure**	-	-	-	-	-	-	61	-	-	-	12	-	-	-	1	-	-
2	Traditional securitisation	-	-	-	-	-	-	61	-	-	-	12	-	-	-	1	-	-
3	Securitisation	-	-	-	-	-	-	61	-	-	-	12	-	-	-	1	-	-
4	Retail underlying	-	-	-	-	-	-	61	-	-	-	12	-	-	-	1	-	-
5	*Of which STS*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	*Of which STS*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Synthetic securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	*Of which, retail underlying*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	*Of which, wholesale underlying*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Of which, resecuritisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Template EU-SEC5 - Exposures securitised by the institution - Exposures in default and specific credit risk adjustments **Art 449(l)**

Dec-22

		a	b	c
		Exposures securitised by the institution - Institution acts as originator or as sponsor		
		Total outstanding nominal amount		Total amount of specific credit risk adjustments made during the period
	€'M		Of which exposures in default	
1	**Total exposures**	**7,915**	**74**	**14**
2	**Retail (total)**	7,915	74	14
3	residential mortgage	7,915	74	14
4	credit card	-	-	-
5	other retail exposures	-	-	-
6	re-securitisation	-	-	-
7	**Wholesale (total)**	-	-	-
8	loans to corporates	-	-	-
9	commercial mortgage	-	-	-
10	lease and receivables	-	-	-
11	other wholesale	-	-	-
12	re-securitisation	-	-	-

Dec-21

		a	b	c
		Exposures securitised by the institution - Institution acts as originator or as sponsor		
		Total outstanding nominal amount		Total amount of specific credit risk adjustments made during the period
	€'M		Of which exposures in default	
1	**Total exposures**	**7,337**	**104**	**-**
2	**Retail (total)**	7,337	104	-
3	residential mortgage	7,337	104	-
4	credit card	-	-	-
5	other retail exposures	-	-	-
6	re-securitisation	-	-	-
7	**Wholesale (total)**	-	-	-
8	loans to corporates	-	-	-
9	commercial mortgage	-	-	-
10	lease and receivables	-	-	-
11	other wholesale	-	-	-
12	re-securitisation	-	-	-

Remuneration **Article 450(1) and (2)**

The following narrative information is provided in accordance with the disclosure requirements referenced in table EU REMA of Commission Implementing Regulation 2021/637.

These disclosures summarise information regarding the Remuneration Policy at PTSB as required by Article 450(1) and 450(2) of Regulation (EU) 575/2013. This includes an overview of the decision making process and governance of remuneration, an overview of the Remuneration Policy ("the Policy") including the link between pay and performance, the identification of Material Risk Takers ("MRTs") and aggregate quantitative information on pay.

These disclosures should be read in conjunction with the Corporate Governance Statement and Directors Report on Remuneration within the Annual Report for the year ended 31 December 2022 on pages 142 to 146.

Decision making process and governance **450.1(a)**

Information Relating to the Bodies that Oversee Remuneration

Name, composition and mandate of the Remuneration Committee

While the Board retains ownership of, and responsibility for, the Remuneration Policy within PTSB, the Remuneration Committee (the "RemCo") is delegated certain responsibilities with respect to remuneration.

The RemCo recommends the Policy to the Board for approval, and monitors and evaluates its application. The CEO is ultimately responsible for the implementation of this Policy, however the HR, Risk and Compliance functions play key roles in its development prior to the RemCo's consideration.

The RemCo is currently comprised of five independent non-executive directors - Ken Slattery (Chair), Robert Elliott, Andrew Power, Ruth Wandhofer and Celine Fitzgerald.

During 2022 a total of six meetings took place.

The purpose, responsibilities and terms of membership of the RemCo are set out in its Terms of Reference which may be viewed on the Bank's website www.permanenttsbgroup.ie. The Committee reviews its terms of reference each year and recommends any changes considered necessary to the Board. The RemCo is exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the RemCo.

The Chairman of the Board (if not a member), the CEO, the HR Director, the Chief Risk Officer and any other individuals the RemCo wishes, may be invited to attend meetings of the RemCo at the request of the Chairman of the RemCo. Based on the items of business under consideration, the Chairman of the RemCo may ask these invited members to step out of the meeting for some or all items on the agenda.

The Bank's HR function is responsible for the preparation of proposals on changes to the Policy, with input from other relevant functions. The Risk and Compliance function reviews specific proposals for consideration of remuneration-related risks and compliance with applicable regulations.

The Chief Risk Officer (CRO) and Risk Function have input into the Policy and its implementation. The CRO provides an update at least annually to RemCo on risk considerations relating to remuneration matters, including the alignment of remuneration policy and risk management and the regulatory risk attaching to remuneration, and an assessment of proposed pay-outs under the variable remuneration schemes in place. The CFO provides an update annually on the impact of making variable remuneration payments on PTSB's ability to maintain all capital and liquidity ratios including buffer requirements.

In line with regulatory requirements, the implementation of this Remuneration Policy is subject to central and independent internal review for compliance with policies and procedures for remuneration adopted by the Board.

External consultant whose services have been used in relation to Remuneration Policy

The RemCo may commission independent advisors for advice on any matters in relation to the Remuneration Policy they determine is necessary.

In 2022, the RemCo was advised by Deloitte LLP, primarily in relation to executive director and senior management remuneration, components of pay, Remuneration Policy and trends in the external market, and for perspective on regulatory compliance with a strong emphasis on ensuring compliance with the fifth Capital Requirements Directive (CRD V).

During 2022, the Committee also employed the services of Willis Towers Watson who provided market benchmarking data, remuneration trend analysis and consultancy services in support of the remuneration related aspects of the Bank's acquisition of certain parts of Ulster Bank's Retail, SME and Asset Finance business.

Other Stakeholders' role in the development of the Remuneration Policy

The Policy has been designed to comply with the regulatory requirements and the specific agreements contained within the Framework Agreement between the Minister for Finance and the Bank.

PTSB operates established policies, practices and procedures that are designed to identify, document and manage conflicts of interest. These are consistent with ethical codes of conduct and are in accordance with PTSB's long term business strategy. They apply to remuneration matters as they would to all other areas of the business and include requirements for People Manager oversight and individual voluntary disclosures to be made and recorded.

Permanent TSB is a community serving a community and our customers are a core consideration when reviewing the Policy. Customer and conduct are key performance underpins for the variable remuneration scheme for staff based in our Retail Banking Division.

Scope of Remuneration Policy

The Bank has no subsidiaries or overseas branches and the Remuneration Policy applies consistently across all staff, including Material Risk Takers.

Description of Staff or Categories of Staff Whose Professional Activities Have a Material Impact on the Institutions' Risk Profile

In line with the approved definitions and interpretations set out under Commission delegated Regulation (EU) No.2021/923, the Bank's Material Risk Taker (MRT) population typically comprises all members of the Board and Executive Committee, in addition to the Heads of Control Functions (i.e. Risk, Compliance and Internal Audit), the members of relevant management committees and any other individuals whose professional activities have a material impact on the Bank's risk profile.

The identification process for MRTs, including the definitions and interpretations to be applied by the Bank was approved by the Board Risk and Compliance Committee ("the BRCC") and the RemCo.

HR is responsible for carrying out the self-assessment process in line with the approved definitions and interpretations. The Risk and Compliance functions, as well as relevant business support functions are involved in the identification process. The Executive Committee and CRO undertake a review of the list of MRTs to ensure that all individuals whose professional activities are deemed to have a material impact on an institution's risk profile are captured prior to BRCC review and subsequent RemCo approval.

During 2022, a total of 40 employees were identified as MRTs (2021: 48).

Remuneration Policy **450.1(b) to (f)**

Information relating to the design and structure of the remuneration system for identified staff

Overview of Key Features & Objectives of the Remuneration Policy

Permanent TSB's remuneration policies and practices are designed to provide fair and competitive, market-aligned, performance based remuneration that is fully compliant with regulatory requirements. We seek to reward colleagues for strengthening our corporate culture and values, our risk culture, and optimal customer outcomes. We aim to reward the delivery of the highest standards of integrity and accountability, and incentivise the progression of our environmental, social and governance agenda and individual, team and Bank-wide performance. Our intention is that pay and reward will support the Bank in achieving its strategic objectives, while ensuring we operate within the Bank's risk appetite. We seek to remunerate colleagues appropriately as they deliver long-term sustainable performance by fulfilling our responsibilities to our customers, colleagues and communities.

In this regard, we continue to embed an approach to performance management which reflects our espoused culture and links directly to pay outcomes. In reviewing performance, the Bank also ensures that there are adequate succession plans in place.

In light of the Framework Agreement between the Minister for Finance and the Bank, there have been a number of remuneration related constraints on PTSB in recent years, particularly in relation to variable pay. The extent of these constraints has restricted the Bank's ability to achieve fully the desired linkages between pay and performance. In December 2022, the Minister for Finance implemented amendments to the aforementioned Framework Agreement, including that which had restricted our ability to offer pay with a variable component. The Bank's response to these amendments will be outlined in more detail in future disclosures.

The components of the current Remuneration Policy are set out below split between fixed and variable components.

With the exception of a number of amendments required to ensure ongoing compliance with emerging regulation, no material changes were enacted following a review of the Remuneration Policy and supporting policies in 2022.

Fixed remuneration

Fixed remuneration is paid to staff to perform their individual roles as set out in their contract of employment. The main components consist of salary, pension and benefits. The Bank utilises a policy of median base pay versus market peer groups. The RemCo is cognisant of the need to attract and retain skilled management and staff. If the Bank is unable to attract, retain and motivate key skilled and qualified people its business may be negatively impacted.

PTSB has undertaken a review of all elements of remuneration against the definition of fixed remuneration set out by the European Banking Authority. All elements that have been classified as fixed have been determined to meet all relevant criteria, including that they are non-discretionary, transparent, and permanent, do not provide incentives for risk assumption and do not depend on performance.

Variable remuneration

As a result of the Framework Agreement between the Minister for Finance and PTSB, the Bank no longer operates the majority of variable remuneration arrangements which had previously been in place. There are no share based variable remuneration schemes and the only remaining cash based variable remuneration scheme in place is for staff in the Retail Banking Division which has been agreed with the Department of Finance and is summarised below.

As noted above, in December 2022, the Minister for Finance agreed certain amendments to the aforementioned Framework Agreement, including the relaxation of a remuneration related constraint which had restricted our ability to offer pay with a variable component. The Bank's response to these amendments will be outlined in more detail in future disclosures.

Branch Based Commission Scheme (BBCS)

In order to promote the development of personal banking relationships with our customers, the BBCS is designed to incentivise and reward performance in relation to (i) customer satisfaction, (ii) individual conduct and (iii) activity. This is in line with the CBI's guidance which seeks to put the customer's needs first. We recognise the importance of conduct risk and fair treatment of customers for our business, and therefore if customer and conduct thresholds are not met, individuals may not receive a payment under the scheme.

Only Territory Sales Managers, Territory Sales Staff and Branch Staff are eligible to participate in this scheme. In addition, payments under the scheme are subject to individuals achieving a satisfactory level of individual performance and may also be subject to clawback where, in the relevant period, circumstances come to light which, if known by the Bank at the date of payment of the BBCS award in question, would reasonably have led to:

- (i) a downward adjustment to the BBCS recipient's performance rating for the year in question;
- (ii) a conclusion that the BBCS recipient had engaged, prior to the BBCS payment date, in misconduct warranting a disciplinary sanction, including but not limited to material breach of any law, regulation or applicable code of practice;
- (iii) a downward adjustment or elimination of the quantum of the BBCS payment in question by reason of any computational or accounting error.

Payments under the scheme may also only be made if they do not limit PTSB's ability to strengthen its capital base or maintain all capital and liquidity ratios including buffer requirements.

Payments are made in cash after the end of the relevant financial year. It is not considered necessary to deliver a proportion of the amount in shares, or other instruments, given that no MRTs participate in the scheme.

Further details on Remuneration Policy for independent control functions

Heads of Control Functions are identified as MRTs and as such their remuneration is overseen by the RemCo. Individuals in Control Functions are remunerated through fixed remuneration only and do not participate in variable pay schemes. Heads of Control Functions have direct access to the Chair of the relevant Board Sub-Committees.

Further details on Remuneration Policy for Material Risk Takers

While the Bank's Remuneration Policy has been designed to ensure all employees are remunerated fairly and to promote the long-term success of the business, it is also designed to promote sound and effective risk management. The operation of the policy is reviewed by the Chief Risk Officer in their Annual Report on Remuneration which, inter alia, looks at the alignment of Remuneration Policy with risk management and the regulatory risk attaching to remuneration.

There are no differences in Remuneration Policy for different categories of MRTs or any differences between different geographies.

Further details on remuneration are provided in the Directors' Report on Remuneration on pages 142 to 146 of the Annual Report 2022.

Guaranteed variable remuneration

Other than the potential for sign-on payments on recruitment, PTSB's Remuneration Policy does not allow for guaranteed variable remuneration (i.e. any variable pay which is not linked to performance) to be paid to any individual, as it is not consistent with sound risk management nor the pay-for-performance principle. In practice, PTSB does not provide sign-on payments. PTSB does not use retention bonuses, other than in exceptional circumstances. No MRT received a retention bonus in 2022.

Payments on termination

Payments on termination of employment will be in accordance with the provisions of CRD V and applicable Irish legislation. In line with regulatory requirements, any payments in relation to early termination will reflect performance achieved over time and will not reward failure or misconduct. The Bank applies this principle in respect of all staff.

Given that PTSB has received State support, any payments to members of the Board made on termination of employment which are classified as variable pay under the EBA Guidelines on sound remuneration policies, may only be paid where justified.

Leavers will receive any payments required under the terms of their contracts. Any payment in respect of the BBCS is non-contractual and will be dealt with in line with the leaver policy for that scheme. If the participant has served notice or ceased employment prior to the payment date, the default position is that the individual is not eligible for a payment.

The Bank's Voluntary Severance Scheme (VSS) applies to all staff. A payment made to an MRT on termination of employment will be considered as to whether it should be subject to the variable pay cap and/or pay-out process rules. Redundancy payments in line with the Bank's Termination Framework and VSS should not, in the normal course, be subject to the variable pay cap and/or pay-out process rules.

Review of the Remuneration Policy During 2022

During 2022, and within the terms of State agreements, the Remuneration Committee kept the Bank's Remuneration Policy (including that applicable to the Directors and all other MRTs), and movements in the external market, under review.

As part of this process, the Committee reviewed the Bank's Remuneration Policy and strategy to assess the appropriateness of the approach to reward and the competitiveness of current arrangements, and future direction, to take account of market developments including amongst the Bank's peer group. The Committee also kept under review all aspects of remuneration for the Board Chairman, CEO, Executive Directors, members of the Executive Committee and the wider employee population.

With the exception of certain amendments required to ensure ongoing compliance with emerging regulation, no material changes were enacted following a review of the Remuneration Policy and supporting policies in 2022.

Description of the Ways in Which Current and Future Risks are Taken into Account in the Remuneration Processes

In light of the Framework Agreement between the Minister for Finance and the Bank, there have been a number of remuneration related constraints on PTSB in recent years, particularly in relation to variable pay. The extent of these constraints has restricted the Bank's ability to achieve fully the desired linkages between pay and performance. In December 2022, the Minister for Finance implemented amendments to the aforementioned Framework Agreement, including that which had restricted our ability to offer pay with a variable component. The Bank's response to these amendments will be outlined in more detail in future disclosures.

The Chief Risk Officer (CRO) and Risk Function have input into the Policy and its implementation. The CRO provides an update at least annually to RemCo on all material risk considerations relating to remuneration matters, including the alignment of remuneration policy and risk management and the regulatory risk attaching to remuneration and an assessment of proposed pay-outs under the variable remuneration schemes in place. The CFO provides an update annually on the impact of making variable remuneration payments on the ability of the Bank to strengthen its capital base or maintain all capital and liquidity ratios including buffer requirements.

Ratios Between Fixed and Variable Remuneration

Under CRD V, there is a 1:1 cap on the ratio between the variable and fixed components of remuneration for MRTs. The Bank's ratio is 0:1 for 2022 (0:1 for 2021). Severance payments paid under our VSS scheme, in line with the specific exemptions in respect of certain severance payments outlined in the EBA Guidelines, have been deemed not subject to the variable pay cap.

Quantitative remuneration disclosures

Remuneration of Material Risk Takers

The following tables provide information on the remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff) **450.1.(g)**

EU REM1 - Remuneration awarded for the financial year 2022

Dec-22

			a	b	c	d
			MB Supervisory function	MB Management function	Other senior management	Other identified staff
1	Fixed remneration	Number of identified staff	10	3	6	21
2		Total fixed remuneration	1.0	1.1	2.5	5.0
3		Of which: cash-based	1.0	1.1	2.5	5.0
4		(Not applicable in the EU)				
EU-4a		Of which: shares or equivalent ownership interests	-	-	-	-
5		Of which: share-linked instruments or equivalent non-cash instruments	-	-	-	-
EU-5x		Of which: other instruments	-	-	-	-
6		(Not applicable in the EU)				
7		Of which: other forms	-	-	-	-
8		(Not applicable in the EU)				
9	Variable remuneration	Number of identified staff	10	3	6	21
10		Total variable remuneration	-	-	-	0.3
11		Of which: cash-based	-	-	-	0.3
12		Of which: deferred	-	-	-	-
EU-13a		Of which: shares or equivalent ownership interest	-	-	-	-
EU-14a		Of which: deferred	-	-	-	-
EU-13b		Of which: share-linked instruments or equivalent non-cash instruments	-	-	-	-
EU-14b		Of which: deferred	-	-	-	-
EU-14x		Of which: other instruments	-	-	-	-
EU-14y		Of which: deferred	-	-	-	-
15		Of which: other forms	-	-	-	-
16		Of which: deferred	-	-	-	-
17	**Total remuneration (2 + 10)**		**1.0**	**1.1**	**2.5**	**5.3**

Notes

1. Senior Management is defined as members of the Executive Committee identified as MRTs.
2. Quantitative disclosures are calculated in accordance with the EBA guidelines on the Remuneration Benchmarking Exercise.
3. No variable remuneration was awarded to MRTs during 2022 other than severance payments under the Bank's voluntary severance scheme. Severance payments are deemed to be variable for regulatory purposes only but are not performance related payments.
4. One MRT classified as Other Indentified Staff was in receipt of a severance payment in 2022.
5. All remuneration is paid fully in cash which is not subject to deferral.

EU REM2 - Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff)

Dec-22

		a	b	c	d
		MB Supervisory function	MB Management function	Other senior management	Other identified staff
	Guaranteed variable remuneration awards				
1	Guaranteed variable remuneration awards - Number of identified staff	-	-	-	-
2	Guaranteed variable remuneration awards -Total amount	-	-	-	-
3	Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap	-	-	-	-
	Severance payments awarded in previous periods, that have been paid out during the financial year				
4	Severance payments awarded in previous periods, that have been paid out during the financial year - Number of identified staff	-	-	-	-
5	Severance payments awarded in previous periods, that have been paid out during the financial year - Total amount	-	-	-	-
	Severance payments awarded during the financial year				
6	Severance payments awarded during the financial year - Number of identified staff	-	-	-	1
7	Severance payments awarded during the financial year - Total amount	-	-	-	0.3
8	Of which paid during the financial year	-	-	-	0.3
9	Of which deferred	-	-	-	-
10	Of which severance payments paid during the financial year, that are not taken into account in the bonus cap	-	-	-	0.3
11	Of which highest payment that has been awarded to a single person	-	-	-	0.3

Notes

1. One MRT classified as 'Other Identified Staff' was in receipt of a severance payment in 2022.

EU REM3 - Deferred remuneration

There is no outstanding deferred remuneration for MRTs.

There was no deferred remuneration awarded to MRTs in 2022, paid out and reduced through performance adjustments.

EU REM4 - Remuneration of 1 million EUR or more per year

No individual was remunerated at this level in 2022.

EU REM5 - Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff) 2022

Dec-22

		a	b	c	d	e	f	g	h	i	j
		Management body remuneration			Business areas						
		MB Supervisory function	MB Management function	Total MB	Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	All other	Total
1	**Total number of identified staff**	**10**	**3**	**13**		**4**		**13**	**10**		**40**
2	Of which: members of the MB	10	3	13							13
3	Of which: other senior management					1		4	1		6
4	Of which: other identified staff					3		9	9		21
5	Total remuneration of identified staff	1.0	1.1	2.1		1.1		4.2	2.5		9.9
6	Of which: variable remuneration	-	-	-		-		0.3	-		0.3
7	Of which: fixed remuneration	1.0	1.1	2.1		1.1		3.9	2.5		9.6

Notes:

1. Senior Management is defined as members of the Executive Committee identified as MRTs.
2. The following business areas do not operate within PTSB: Investment banking and Asset Management.
3. All remuneration is paid fully in cash which is not subject to deferral.
4. Quantitative disclosures are calculated in accordance with the EBA guidelines on the Remuneration Benchmarking Exercise.

Leverage Ratio

Art 451.1(a)

The leverage ratio was introduced by Article 429 of the CRR to act as a backstop to the capital ratios. It is a non-risk based measure expressed as a percentage of Tier 1 capital to exposures; exposures being similar to balance sheet assets with certain adjustments (see reconciliation below).

The CRR2 introduced a binding leverage ratio of 3% of Tier 1 capital in June 2021.

The leverage ratio of the Group at 31 December 2022 was 8.0% on a transitional basis and 7.7% on a fully loaded basis (31 December 2021: 7.1% transitional and 6.3% fully loaded).

Template EU LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

Art 451.1.(b)

		a	a
	€'M	Applicable amount	
		Dec-22	Dec-21
1	Total assets as per published financial statements	25,933	22,235
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	-	-
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	-	-
4	(Adjustment for temporary exemption of exposures to central banks (if applicable))	-	-
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) CRR)	-	-
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	-	-
7	Adjustment for eligible cash pooling transactions	-	-
8	Adjustments for derivative financial instruments	3	6
9	Adjustment for securities financing transactions (SFTs)	29	2
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	293	264
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	-	-
EU-11a	(Adjustment for exposures excluded from total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-	-
EU-11b	(Adjustment for exposures excluded from total exposure measure in accordance with point (j) of Article 429a(1) CRR)	-	-
12	Other adjustments	(280)	(182)
13	**Total exposure measure**	**25,979**	**22,323**

Template EU LR2 - LRCom: Leverage ratio common disclosure **Art 451(1) (a),(b),(c), 451(2) and 451(3)**

		CRR leverage ratio exposures	
		a	b
		Dec-22	Dec-21
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	25,950	22,260
2	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-	-
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-
5	(General credit risk adjustments to on-balance sheet items)	-	-
6	(Asset amounts deducted in determining Tier 1 capital)	(304)	(208)
7	**Total on-balance sheet exposures (excluding derivatives and SFTs)**	**25,646**	**22,052**
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	-	-
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified	0	2
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	-	-
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified	2	4
EU-9b	Exposure determined under Original Exposure Method	-	-
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	-	-
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	-	-
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (original Exposure Method)	-	-
11	Adjusted effective notional amount of written credit derivatives	-	-
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
13	**Total derivatives exposures**	**3**	**6**
Securities financing transaction (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting	8	0
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
16	Counterparty credit risk exposure for SFT assets	29	2
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5)	-	-
17	Agent transaction exposures	-	-
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)	-	-
18	**Total securities financing transaction exposures**	**37**	**2**
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	1,328	1,172
20	(Adjustments for conversion to credit equivalent amounts)	(1,036)	(908)
21	(General provisions deducted in determining Tier 1 capital and specific provisions	-	-
22	**Off-balance sheet exposures**	**293**	**264**

Excluded exposures			
EU-22a	Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-	-
EU-22b	(Exposures exempted in accordance with point (j) of Article 429a(1) CRR (on and off balance sheet))	-	-
EU-22c	(Excluded exposures of public development banks (or units) - Public sector investments)	-	-
EU-22d	(Excluded exposures of public development banks (or units) - Promotional loans)	-	-
EU-22e	(Excluded passing-through promotional loan exposures by non-public development	-	-
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)	-	-
EU-22g	(Excluded excess collateral deposited at triparty agents)	-	-
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)	-	-
EU-22i	(Excluded CSD related services of designated institutions in accordance with point (p) of	-	-
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)	-	-
EU-22k	(Total exempted exposures)	-	-
Capital and total exposure measure			
23	**Tier 1 capital**	**2,087**	**1,580**
24	**Total exposure measure**	**25,979**	**22,323**
	Leverage ratio		
25	Leverage ratio (%)	8.03%	7.08%
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	8.03%	7.08%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	8.03%	7.08%
26	Regulatory minimum leverage ratio requirement (%)	3.00%	3.00%
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)	-	-
EU-26b	of which: to be made up of CET1 capital (percentage points)	-	-
27	Leverage ratio buffer requirement (%)	-	-
EU-27a	Overall leverage ratio requirement (%)	3.00%	3.00%
Choice on transitional arrangements and relevant exposures			
EU-27b	Choice on transitional arrangements for the definition of the capital measure	Transitional	Transitional
Disclosure of mean values			
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	-	-
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	8	0
30	Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	25,971	22,323
30a	Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	25,971	22,323
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	8.03%	7.08%
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	8.03%	7.08%

Template EU LR3 - LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures) ***Art 451.1(b)***

€'M		a Dec-22 CRR leverage ratio exposures	a Dec-21 CRR leverage ratio exposures
EU-1	**Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:**	**25,950**	**22,260**
EU-2	Trading book exposures	-	-
EU-3	Banking book exposures, of which:	25,950	22,260
EU-4	Covered bonds	-	-
EU-5	Exposures treated as sovereigns	4,810	6,244
EU-6	Exposures to regional governments, MDB, international organisations and PSE **not** treated as sovereigns	-	-
EU-7	Institutions	533	479
EU-8	Secured by mortgages of immovable properties	18,474	13,301
EU-9	Retail exposures	335	318
EU-10	Corporate	34	274
EU-11	Exposures in default	443	512
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	1,320	1,131

The following narrative information for Article 451(d) and (e) CRR is provided in accordance with the disclosure requirements referenced in table EU LRA of Commission Implementing Regulation 2021/637.

Processes used to manage the risk of excessive leverage[6] **Art 451.1(d)**

The Group monitors its leverage ratio against internal risk metrics which are set well above the regulatory minimum of 3% so that, in the event of a breach of the internal metric, the Group can implement actions within a reasonable timeframe to return it to normal levels. The Group, through the committees, has procedures in place to take remediating actions. Such measures could include actions to raise new Tier 1 capital or a sale of a loan portfolio to reduce the Bank's total assets.

Factors impacting on the leverage ratio during the period **Art 451.1(e)**

The Leverage Ratio on a transitional basis at 31 December 2022 is 8.0% (31 December 2021: 7.1%) compared to a regulatory minimum of 3%. The main factors for the increase since last year are the increase in the Tier 1 capital (numerator) due to the issuance of the AT1 instrument, capital benefit on the acquisition of mortgage exposure, and an increase in the leverage exposure value (denominator) due to the acquisition of residential mortgages.

[6] Maturity mismatches and asset encumbrance are not applicable to the Group in managing the risk of excessive leverage

Liquidity and Funding Risk

The following narrative information for Article 435.1 and Article 451a(4) CRR is provided in accordance with Table EU LIQA of Commission Implementing Regulation (EU) 2021/637

Strategies and processes in the management of the liquidity risk

The management of liquidity together with funding risk forms an integral part of the Group's Enterprise Risk Management Framework.

The exposure to liquidity and funding risk is governed by the Group's liquidity and funding policies, Risk Appetite Statement (RAS) and associated limits. The liquidity and funding 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 Framework is approved by the BRCC on the recommendation of the ALCO. The effective operation of liquidity and funding policies are delegated to the ALCO, while Group Risk and GIA functions provide further oversight and challenge to the Liquidity Risk Framework.

The Liquidity and Funding Risk 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.

Structure and organisation of the liquidity risk management function

While the Board has overall responsibility for market and liquidity risk oversight and is supported in this by the BRCC and ALCO, in relation to the daily management of market risk the Bank operates a "Three Lines of Defence" model. This model is applied as follows:

- Group Treasury (First Line) is responsible for the day-to-day management of Market and Liquidity Risk;
- The Financial Risk Team within Group Risk (Second Line) is responsible for oversight of compliance with the Market and Liquidity Risk Frameworks and their associated policies;
- Group Internal Audit (Third Line) provides independent assurance to the Board regarding the effective operation of the market risk and liquidity risk governance, risk management and control processes established and maintained by the First and Second Line.

The degree of centralisation of liquidity management and interaction between the group's units

Group Treasury (First Line) are responsible for the day to day management of the Group's liquidity position and ensuring compliance with the regulatory requirements. 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.

Scope and nature of liquidity risk reporting and measurement systems

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 Liquidity Coverage Ratio (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 to meet the liquidity needs for a 30-calendar day liquidity stress scenario.

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. NSFR became binding from a regulatory perspective in June 2021.

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. NSFR and Liquidity Stress Survivability constitute additional core liquidity and funding metrics within the overarching liquidity management framework that are measured, monitored and reported within the Group.

The Group also actively monitors a comprehensive suite of KRIs and Early Warning Indicators (EWIs) covering a range of market wide and Group specific events.

Policies for hedging and mitigating the liquidity risk and strategies and processes for monitoring the continuing effectiveness of hedges and mitigants

Group Treasury is responsible for ensuring that adequate liquid assets are available at all times to meet current and foreseeable regulatory, operational and strategic liquidity needs of the Bank's business operations. Selected risk metrics are reported daily to Treasury, Risk Management and ALCO, while remaining metrics are reported on a weekly/monthly basis.

A Contingency Funding Plan (CFP) is in place to manage risk in the event of severe strain on the Bank's liquidity. Bank Treasury monitors the Recovery Plan (RP) Indicators as a part of normal business activity. The CFP is considered for activation in response to the triggering of RAS, KRIs or RP EWIs, and/or at the behest of the CEO or other nominated executives.

An outline of the bank's contingency funding plans

The Contingency Funding Plan (CFP) outlines the strategies and action plans that may be implemented to address liquidity crisis events and periods of market stress and disruption. Liquidity stress events that may adversely impact the Bank's liquidity position are regularly modelled to help inform the CFP strategy.

The CFP identifies processes incremental to the existing daily liquidity risk management and reporting framework to assist in making timely and well-informed decisions with appropriate governance and oversight.

The CFP sets out the strategies and actions available to address liquidity shortfalls in emergency situations under a range of stress environments. It also establishes clear lines of responsibility (Contingency Management Team (CMT)), includes clear invocation and escalation procedures (Heightened Monitoring Status and Activation Mode) and must be regularly tested and updated to ensure that it is operationally robust.

Stress testing

Stress testing forms a key pillar of the overall liquidity 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, as outlined in the EBA SREP Guidelines. The stress testing framework is designed to reflect the liquidity position impact under idiosyncratic, systemic and combined stresses.

A declaration approved by the management body on the adequacy of liquidity risk management arrangements

Through the Internal Liquidity Adequacy Assessment Process (ILAAP) process, the Board attests to the adequacy of the Group's liquidity position and risk management processes on an annual basis. The Group 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.

Risk Appetite Statement for Liquidity and Funding Risk

The Risk Appetite Statement ("RAS") includes component risk appetite statements for each key risk category, including Liquidity and Funding Risk.

In relation to Liquidity and Funding Risk, three Risk Appetite Metrics are in place at present. The metrics are focussed Regulatory requirements – LCR, NSFR and the ability of the Bank to survive a Liquidity Stress Event.

The Bank's RAS describes the risk appetite at the enterprise level, which serves as a core consideration in setting the Group's Liquidity and Funding risk strategy. It enables a consistent approach to Liquidity and Funding risk management; facilitates risk reporting; supports decision making across the Bank; and ensures risks are communicated clearly and well understood by both senior management and relevant employees, so that risk management is continually embedded into the Bank's culture.

The Bank's RAS, in line with the ERMF, includes quantitative limits and thresholds defining the range of acceptable risk, including actionable metrics ("RAS Metrics") and supporting key risk indicators ("KRIs") that can be monitored and reported on to ensure adherence to the Board-approved risk appetite. The RAS also includes risk appetite thresholds ("RAS Metric Thresholds" and "KRI Thresholds") for those respective measures.

The RAS Metrics and KRIs, and associated thresholds are developed and reviewed in line with the processes set out in the ERMF. In relation to Liquidity & Funding Risk, it is the responsibility of the Assets and Liabilities Committee (ALCo) to propose the relevant metrics covering these risks (to BRCC/Board).

The Liquidity and Funding risk RAS Metrics, including the appropriateness of these thresholds, are reviewed by Group Treasury, with input and challenge from Financial Risk, on an at least annual basis and updated as necessary.

Group Treasury is responsible for monitoring the Liquidity and Funding risk metrics included in the Bank's RAS and for reporting on these, with oversight and challenge provided by Group Risk.

Template EU LIQ1 - Quantitative information of LCR **Art 451a(2)**

	a	b	c	d	e	f	g	h
Scope of consolidation (consolidated)	**Total unweighted value (average)**				**Total weighted value (average)**			
Quarter ending on (DD Month YYY)	**31 December 2022**	**30 September 2022**	**30 June 2022**	**31 March 2022**	**31 December 2022**	**30 September 2022**	**30 June 2022**	**31 March 2022**
Number of data points used in the calculation of averages	**12**	**12**	**12**	**12**	**12**	**12**	**12**	**12**
HIGH-QUALITY LIQUID ASSETS								
Total high-quality liquid assets (HQLA), after application of haircuts in line with Article 9 of regulation (EU) 2015/61					**6,924**	**6,728**	**5,970**	**5,803**
CASH - OUTFLOWS								
retail deposits and deposits from small business customers, of which:	17,137	16,512	16,034	15,659	1,079	1,025	978	939
Stable deposits	12,570	12,164	11,875	11,651	628	608	594	583
Less stable deposits	3,757	3,472	3,213	2,998	451	416	384	356
Unsecured wholesale funding	2,053	2,014	1,956	1,885	782	770	749	723
Operational deposits (all counterparties) and deposits in networks of cooperative banks	-	-	-	-	-	-	-	-
Non-operational deposits (all counterparties)	2,053	2,014	1,955	1,883	782	770	748	722
Unsecured debt	-	0	1	1	-	0	1	1
Secured wholesale funding					-	-	-	-
Additional requirements	417	412	416	418	37	37	43	44
Outflows related to derivative exposures and other collateral requirements	5	5	6	7	5	5	6	7
Outflows related to loss of funding on debt products	11	11	16	16	11	11	16	16
Credit and liquidity facilities	401	396	394	395	22	21	21	21
Other contractual funding obligations	855	450	39	36	822	416	6	5
Other contingent funding obligations	948	911	875	845	370	356	341	329
TOTAL CASH OUTFLOWS					**3,091**	**2,603**	**2,116**	**2,040**
CASH - INFLOWS								
Secured lending (e.g. reverse repos)	59	59	41	18	-	-	-	-
Inflows from fully performing exposures	125	112	97	87	110	99	83	72
Other cash inflows	139	84	22	22	139	84	22	22
(Difference between total weighted inflows and total weighted outflows arising from					-	-	-	-
(Excess inflows from a related specialised credit institution)					-	-	-	-
TOTAL CASH INFLOWS	**323**	**255**	**160**	**127**	**249**	**183**	**105**	**94**
Fully exempt inflows	-	-	-	-	-	-	-	-
Inflows subject to 90% cap	-	-	-	-	-	-	-	-
Inflows subject to 75% cap	323	255	160	127	249	183	105	94
TOTAL ADJUSTED VALUE								
LIQUIDITY BUFFER					**6,924**	**6,728**	**5,970**	**5,803**
TOTAL NET CASH OUTFLOWS					**2,842**	**2,421**	**2,011**	**1,946**
LIQUIDITY COVERAGE RATIO					**283.49%**	**308.11%**	**297.22%**	**299.18%**

Note: The Liquidity coverage ratio (LCR) uses the simple average of the preceding 12 monthly periods ending on the quarterly reporting date as specified in the table.

	a	b	c	d	e	f	g	h
Scope of consolidation (consolidated)	**Total unweighted value (average)**				**Total weighted value (average)**			
Quarter ending on (DD Month YYY)	**31 December 2021**	**30 September 2021**	**30 June 2021**	**31 March 2021**	**31 December 2021**	**30 September 2021**	**30 June 2021**	**31 March 2021**
Number of data points used in the calculation of averages	**12**	**12**	**12**	**12**	**12**	**12**	**12**	**12**
HIGH-QUALITY LIQUID ASSETS								
Total high-quality liquid assets (HQLA), after application of haircuts in line with Article 9 of					**5,736**	**5,598**	**5,155**	**4,661**
CASH - OUTFLOWS								
retail deposits and deposits from small business customers, of which:	15,325	14,970	14,623	14,298	904	874	849	825
Stable deposits	11,432	11,123	10,739	10,317	572	556	537	516
Less stable deposits	2,804	2,671	2,591	2,539	332	318	312	309
Unsecured wholesale funding	1,876	1,855	1,867	1,886	725	701	695	697
Operational deposits (all counterparties) and deposits in networks of cooperative banks	-	-	-	-	-	-	-	-
Non-operational deposits (all counterparties)	1,864	1,843	1,855	1,874	712	688	683	685
Unsecured debt	13	12	13	13	13	12	13	13
Secured wholesale funding					-	-	-	-
Additional requirements	355	258	145	45	42	37	17	13
Outflows related to derivative exposures and other collateral requirements	8	9	10	11	8	9	10	11
Outflows related to loss of funding on debt products	16	16	-	-	16	16	-	-
Credit and liquidity facilities	331	233	135	34	18	13	7	2
Other contractual funding obligations	34	32	31	30	4	4	3	1
Other contingent funding obligations	878	930	956	1,006	365	420	469	530
TOTAL CASH OUTFLOWS					**2,040**	**2,035**	**2,032**	**2,067**
CASH - INFLOWS								
Secured lending (e.g. reverse repos)	14	21	32	39	0	0	0	0
Inflows from fully performing exposures	95	98	112	124	78	79	91	103
Other cash inflows	0	0	0	0	0	0	0	0
(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					-	-	-	-
(Excess inflows from a related specialised credit institution)					-	-	-	-
TOTAL CASH INFLOWS	**109**	**120**	**144**	**164**	**78**	**79**	**91**	**104**
Fully exempt inflows	-	-	-	-	-	-	-	-
Inflows subject to 90% cap	-	-	-	-	-	-	-	-
Inflows subject to 75% cap	109	120	144	164	78	79	91	104
TOTAL ADJUSTED VALUE								
LIQUIDITY BUFFER					**5,736**	**5,598**	**5,155**	**4,661**
TOTAL NET CASH OUTFLOWS					**1,962**	**1,956**	**1,941**	**1,963**
LIQUIDITY COVERAGE RATIO					**293.24%**	**287.06%**	**266.42%**	**236.98%**

The following narrative information for Article 451a(2) CRR is provided in accordance with Table EU LIQB of Commission Implementing Regulation (EU) 2021/637

As a retail and small business bank, the main drivers of the LCR are flows relating to its customer deposits on the liability side and mortgages or other business lending on the asset side. The Bank has seen significant growth in its deposit base due to retail banks leaving the market since the start of the pandemic, which has led to an increase in HQLA in the form of cash placed with the central bank.

The Group's LCR at the end of December 2022 was reduced to 178% (274% at 31 December 2021) following the acquisition of €5.1bn residential mortgages in November 2022. The acquisition was largely funded by excess liquidity driven by continued strong growth in customer deposits which counts towards the high quality liquid asset ("HQLA") component of the LCR and to a lesser extent. The net liquidity outflows due to the stable nature to these deposits. Funding from new debt issuances also increased HQLA in the year.

The Group's funding profile consists of customer accounts, debt securities in issue and deposits by banks. Customer Accounts made up 93% of funding as at 31 December 2022 (94% at 31 December 2021) .

The liquidity buffer consists of cash including balances held with central banks, EU sovereign bonds and a number of retained ECB eligible Fastnet securitisation notes.

The Group has no bilateral netting agreements approved by the competent authority. Treatment of derivative cash flows is reflected on a gross basis. Collateral is callable based on mark to market movements.

The Group's base currency is euro and the Group does not hold any significant currency which exceeds 5% of total liabilities.

Template EU LIQ2: Net Stable Funding Ratio **Art 451a(3)**

Available stable funding (ASF) Items
€'M

		Dec-22					Dec-21				
		a	b	c	d	e	a	b	c	d	e
	(in currency amount)	Unweighted value by residual maturity				Weighted value	Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
1	**Capital items and instruments**	**2,399**	**-**	**-**	**282**	**2,681**	**1,817**	**-**	**-**	**290**	**2,107**
2	Own funds	2,399	-	-	282	2,681	1,817	-	-	290	2,107
3	Other capital instruments		-	-	-	-		-	-	-	-
4	**Retail deposits**		**18,152**	**279**	**133**	**17,413**		**15,292**	**421**	**169**	**14,923**
5	Stable deposits		13,685	149	96	13,238		12,008	239	121	11,756
6	Less stable deposits		4,467	129	38	4,174		3,284	182	48	3,167
7	**Wholesale funding:**		**3,332**	**446**	**660**	**2,188**		**3,160**	**529**	**787**	**2,265**
8	Operational deposits		-	-	-	-		-	-	-	-
9	Other wholesale funding		3,332	446	660	2,188		3,160	529	787	2,265
10	**Interdependent liabilities**		**-**	**-**	**-**	**-**		**-**	**-**	**-**	**-**
11	**Other liabilities:**	-	**7**	**-**	**262**	**262**	-	**9**	**-**	**226**	**226**
12	NSFR derivative liabilities	-					-				
13	All other liabilities and capital instruments not included in the above categories		7	-	262	262		9	-	226	226
14	**Total available stable funding (ASF)**					**22,544**					**19,521**

Required stable funding (RSF) Items
€'M

		a	b	c	d	e	a	b	c	d	e
	(in currency amount)	Unweighted value by residual maturity				Weighted value	Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
15	**Total high-quality liquid assets (HQLA)**					-					-
EU-15a	**Assets encumbered for more than 12m in cover pool**		-	-	-	-		-	-	-	-
16	**Deposits held at other financial institutions for operational purposes**		-	-	-	-		-	-	-	-
17	**Performing loans and securities:**		**601**	**508**	**18,623**	**12,963**		**749**	**617**	**13,728**	**10,018**
18	Performing securities financing transactions with financial customerscollateralised by Level 1 HQLA subject to 0% haircut		8	-	-	-		-	-	-	-
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		91	-	405	415		335	200	329	453
20	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		69	45	449	12,477		65	39	359	420
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		0	0	1	11,625		0	0	1	60
22	Performing residential mortgages, of which:		433	463	17,690	11,956		349	378	12,553	8,728
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		410	441	17,230	11,553		296	322	11,493	7,776
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		-	-	79	72		-	-	486	417
25	**Interdependent assets**		-	-	-	-		-	-	-	-
26	**Other assets:**		**237**	**18**	**1,151**	**1,273**		**574**	**28**	**1,196**	**1,469**
27	Physical traded commodities				-	-				-	-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		-	-	-	-		-	-	-	-
29	NSFR derivative assets		1			-		1			-
30	NSFR derivative liabilities before deduction of variation margin posted		13			-		0			-
31	All other assets not included in the above categories		224	18	1,151	1,272		573	28	1,196	1,468
32	**Off-balance sheet items**		**1,360**	**-**	**-**	**390**		**393**	**-**	**-**	**24**
33	**Total RSF**					**14,626**					**11,512**
34	**Net Stable Funding Ratio (%)**					**154.13%**					**169.58%**

The following narrative information for Article 451a(3) CRR is provided in accordance with Table EU LIQB of Commission Implementing Regulation (EU) 2021/637

As a retail and small business bank, the main drivers of available stable funding (“ASF”) relate to the growth in retail customer deposits. Driven by the aquistion of new residential mortgages, own funds also increased available stable funding and is also the primary driver in the increase in required stable funding (“RSF”).

The NSFR ratio which is the amount of available stable funding as a percentage of required stable funding after applying relevant ASF and RSF factors, decreased to 154% (170% 31 December 2021), primarily due to the acquisition of residential mortgages.

Use of the IRB Approach to Credit Risk

The following narrative information for Article 452 CRR is provided in accordance with Table EU CRE of Commission Implementing Regulation (EU) 2021/637

Competent authority's permission of the approach or approved transition

Art 452(a)

The Group is approved by the Central Bank of Ireland and European Central Bank to use the Internal Ratings Based Approach (IRB Approach) for its retail lending portfolios. The Group calculates own estimates of Probability of Default (PD), Loss Given Default (LGD) and Credit Conversion Factors (CCF) for these portfolios. The Group received approval from the ECB for material model changes (including default classification, PD and LGD) for its retail mortgage Homeloan and Buy-to-Let portfolios in 2018 following completion of a TRIM review on these models. The impact of the updated models is reflected in the RWAs for the Group from December 2018 onwards.

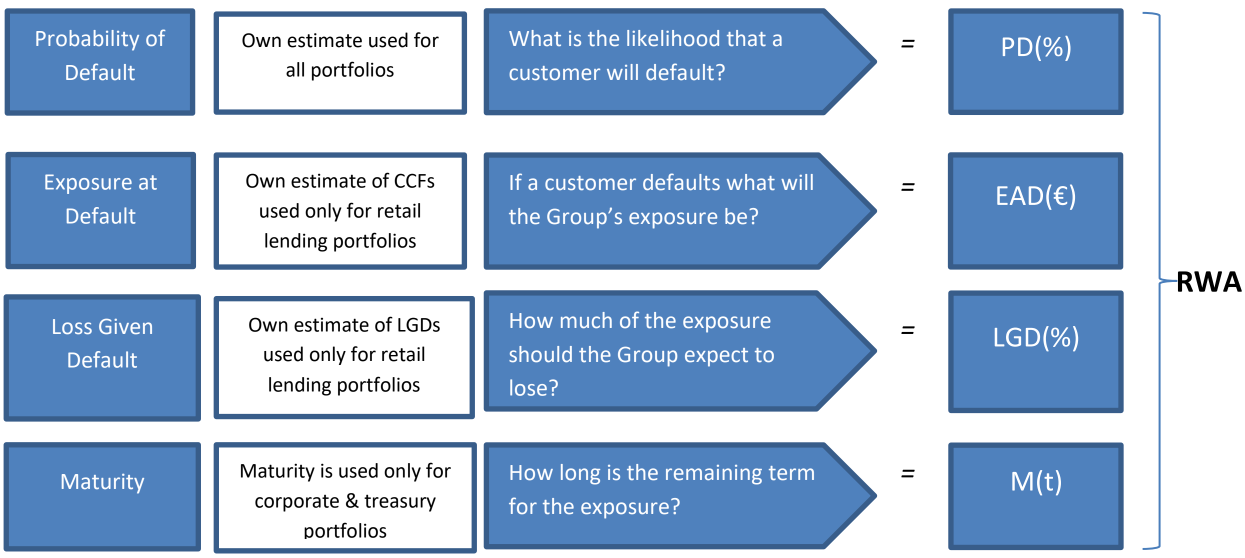
The Bank is a Foundation IRB accredited institution. IRB approaches are applied to over 70% of the Bank's lending exposures. All IRB models used to compute RWA have received regulatory approval by the relevant competent authority.

Internal ratings process **Art 452(c)**

The Bank is primarily a retail institution. All Retail IRB portfolios are made up of Probability of Default (PD) models, Exposure at Default (EAD) models and Loss Given Default (LGD) models. PD Models leverage scorecards that are generally constructed using regression analysis for all of the key portfolios. Typical scoring characteristics include financial details, bureau information, product behavioural and current account data. LGD is worked out based on the discounted realised and estimated future recoveries and associated discounted costs for all observed defaults in the dataset. Having identified relevant drivers of loss, exposures are placed into 'pools' and realised LGD is calibrated for each pool. For CCF, realised CCFs are calculated based on historic defaults. Within this process, drivers of realised CCF are identified (e.g. limit utilisation). These drivers are then used to create pools. Average realised CCFs are then applied to each pool.

The Group calculates its own estimates of certain key parameters for quantifying the credit risk on its lending portfolios. The results are combined in the Group's IRB models to produce Risk Weighted Assets (RWA) which are a key driver (denominator) of the Group's capital ratio. More detail on the calculation is illustrated on the diagram below:

Key parameters in the RWA calculation



Retail exposures

The following descriptions for retail exposures is relevant to exposures secured by immovable property (i.e. mortgages), qualified revolving credit exposures and other unsecured exposures e.g. term loans.

Probability of Default (PD)

Internal ratings are assigned as part of the credit approval process for retail exposures. The consistency and transparency of the internal ratings are ensured by the use of rating models. A rating model is a set of specified and distinct rating criteria, which assigns a grade on the basis of a set of characteristics or attributes associated with an exposure. 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 PDs, to individual exposures. PD models are developed at a portfolio level using available internal data at the time of development (usually over a 10+ year period covering at least a full economic cycle). With regard to portfolio segmentation – the Group's credit exposures have been segmented to appropriately reflect the characteristics, and risk profile, associated with different types of exposures.

Scorecards have been designed for each segment based on the drivers or characteristics of default associated with each segment. For instance, scorecards have been specifically developed for the Group's mortgage and unsecured business. Two broad types of scorecards are utilised by the Group, application scorecards & behavioural scorecards. The scorecards have been constructed using regression analysis for all of the key portfolios. Typical scoring characteristics include financial details, bureau information, product behavioural and current account data.

Scorecard output is used as part of a calibration process to determine a PD percentage for each exposure. In doing so, exposures have been calibrated to one-year default rates that are applicable for each segment based on the regulatory approved definition of default. The one-year default rates used in this calibration process have been calibrated to ensure they cater for the 'long-run' experience.

PD IRB models undergo an annual periodic validation cycle. Variances between PD and actual default rates are calculated through this periodic validation cycle and where necessary revisions to estimates are actioned.

Loss Given Default (LGD)

The Banks LGD models are developed using available default data at the time of development. Long Run and Downturn LGD is calculated based on the relevant regulations and applicable guidelines at the time of model development. Time in default is analysed as part of the model development process. During model validation these aspects are reviewed in terms of stability compared to the values at time of development.

The process splits into three key areas: estimation of 'realised' LGD per account, identification of a scorecard to quantify and rank risk, the calibration of pools to meet the requirements set out in the CRR (especially that the higher of the 'downturn' and 'long run' realised loss rates are used). Therefore, as part of the estimation process, realised LGD is worked out based on the discounted realised and expected future recoveries and associated discounted costs for all observed defaults in the dataset. Account level losses are used to identify the relevant drivers of loss, and then exposures are placed into 'pools' and realised LGD is estimated for each pool. The final step sees the calibration of each pool to appropriate downturn conditions and assessed against the long run realised loss rates.

Credit Conversion Factor (CCF)

The Banks EAD models are used to calculate CCFs. These models are developed using available default data at the time of development and undergo the same periodic validation cycle as the Banks PD and LGD IRB models. The vast majority of retail exposures operating under the IRB approach do not have "undrawn" amounts. The retail portfolios for which IRB approval has been granted are mainly structured repayment facilities (mortgages and term loans) and as outlined, proportionately not many facilities have undrawn amounts.

The Group uses a two-step approach to CCF modelling. In step one, realised CCFs are calculated based on historic defaults. Within this process, drivers of realised CCF are identified (e.g. limit utilisation). These drivers are then used to create pools. Average realised CCFs are then applied to each pool.

In the second step, the pool CCFs from step one are adjusted for a downturn / long run scenario (as required).

Institutional exposures

Probability of Default (PD)

For exposures to institutions, the internal rating process involves the selection of individual counterparty ratings from nominated ECAIs. The counterparty rating is then run through a notching process with a final IRB being determined by selecting the middle rating subject to additional criteria. The notched IRB is then mapped to a PD which is determined through the Group's calibration process.

Loss Given Default (LGD)

For exposures to other banks the Group uses the LGDs specified in article 161 of the CRR. As of 31 December 2022 all exposures were senior and therefore carried an LGD of 45%.

Credit Conversion Factor (CCF)

For exposures to other banks the Group uses the CCFs specified in the CRR.

Equity exposures

For exposures to equities in the banking book, the Group uses the simple risk weight approach.

Structure of the Group's internal rating system

All of the Group's exposures classified under the IRB approach are mapped to a 25 point rating scale. The twenty five point internal rating scale ranges from 1 to 25, where 1 represents the best risk grade or lowest PD and 25 represents the defaulted exposures or PD = 100%. The internal rating scale or masterscale is not a rating tool but is based on probability of default and is used to aggregate borrowers for comparison and reporting purposes after their rating by the underlying models as outlined earlier in the Internal Rating Process section. It should be noted that the models require recalibration at relevant intervals which can result in a change to the PD applicable to the rating grade and hence this can result in a change to the masterscale profile at a portfolio level.

The twenty five point rating scale has been summarised for presentation purposes into 5 blocks or segments as per the disclosures in the Group's financial statements, namely:

- Investment Grade – IRB ratings 1 to 7
- Excellent Risk profile – IRB ratings 8 to 16
- Satisfactory Risk profile - IRB ratings 17 to 21
- Fair Risk Profile - IRB ratings 22 to 24
- Defaulted Cases

Investment Grade categories represent strong exposures sovereigns or institutional investors.

Excellent risk profile grades would typically include performing residential mortgages.

The satisfactory risk profile grades typically include consumer finance exposures and larger mortgage exposures e.g. commercial investment property.
Fair risk profile contains the remainder of the Group's exposures which are not defaulted and includes certain cases which have not yet defaulted but are exhibiting underlying symptoms of potential default e.g. missed payments or partial payments.

The defaulted category is self-explanatory and contains those facilities which have defaulted, where default is defined as 90 days past due or where the Group considers that the customer is unlikely to pay the outstanding liability in full.

The table below shows the mapping from the internal rating scale to the Moody's rating scale, using summarised blocks from the Group's 25 point internal rating scale. As outlined earlier on the Group's masterscale, 1 is the best risk category & 25 the worst or defaulted category.

Indicative mapping of the Group's rating segments to Moody's

Internal Rating Category	Moodys Equivalent	IRB Grade
Investment	AAA - A3	1-7
Excellent	Baa1 - Ba1	8-16
Satisfactory	Ba2 - B1	17-21
Fair	B2 - C	22-24
Defaulted	D	25

The mapping of the internal ratings to the Moody's rating scale is shown for illustrative purposes and it is not intended to reflect that there is a fixed relationship between the Group's internal rating grades and the Moody's rating grades since the rating approaches differ.

Credit Risk Mitigation

The Group's principal exposure to credit risk is in respect of retail mortgage lending. The value of the collateral held is reflected in the LGD estimation process. The LGDs for the Group's retail portfolios are based on internal models and are divided into pools driven by appropriate drivers of loss. Compliance with the CRR minimum of 10% is maintained if necessary.

Please see the chapter on Credit Risk Mitigation on page 128 for more information.

The internal audit function **Art 452(c) (i)**

GIA follows a risk-based approach to independently review and provide objective assurance over the compliance of all activities, including outsourced activities, with the bank's policies and procedures and with external requirements. This is effected through the performance of risk-based and general reviews which assess the adequacy and effectiveness of risk management, governance and control arrangements in place across all areas of the bank, including First and Second Lines, and through the consequent provision of written reports and an Audit Opinion to the Board Audit Committee.

The rating system review **Art 452(c) (ii)**

The Model Validation Team (MVT) is part of the Model Risk team within Group Risk and forms part of the second line of defence function. The Head of Model Risk reports to the Chief Risk Officer.

The principal activities carried out by the MVT with respect to the Internal Ratings process include independent review and challenge of rating system developments prior to approval by the Bank's governance committee. Post implementation, the MVT is responsible for formal on-going periodic validation of IRB rating systems.

The initial validation process, carried out for all new developments or enhancements to rating systems, provides independent assurance as to the suitability of the methodologies used to develop the rating systems, as well as assessing model performance and compliance with CRD and other regulatory requirements. Any implementation of changes to rating systems are also subject to appropriate regulatory oversight in line with the materiality requirements detailed in EU 529/2014, and the Model Validation Team consider this materiality as part of the validation process.

The periodic validation process provides an on-going independent review of models and incorporates both quantitative and qualitative measures. It assesses procedures and systems to ensure the accuracy of PD, LGD and CCF estimates. The tests employed in the validation process include statistical performance tests of the rating models' discriminatory power and accuracy, comparison of PD, LGD and EAD results against realised outcomes, and assessment of conservatism levels appropriate to the rating system. Validation processes are subject to on-going enhancement to reflect industry best practice and regulatory requirements and are subject to Permanent TSB's governance process.

The results of initial validation reviews and periodic validations carried out, are reported on a regular basis in line with the Group's Governance processes. Oversight is provided to the CRO and to Group Risk Committee (GRC) as appropriate to the level of materiality involved. All outcomes and the on-going status of findings from validations are reported to GRC as part of the CRO Reporting pack.

The role of functions involved in credit risk models **Art 452(d)**

The Bank's model risk framework sets out the roles and responsibilities for management of all model risks, including internal rating models. The key principles highlighted in the framework are summarised as follows:

Governance of model risk

Board-level Committees

The Board has overall responsibility for Model Risk oversight, including oversight of the Bank's model use strategy. The Board is responsible for ensuring there is an appropriate level of resources with the right skills, knowledge and sufficient budget allocated to managing Model Risk.

The Board delegates its responsibilities to the BRCC, which is charged with reviewing Model Risk and reporting back to the Board on a regular basis. The roles and responsibilities of the BRCC are set out in its Terms of Reference ("ToR"). The BRCC is responsible for overseeing and advising the Board in carrying out its responsibilities relating to model risk, ensuring that all current and emerging risks are identified, assessed, measured, monitored, mitigated and reported. The BRCC receives regular reports from the CRO (representing the Second Line of Defence) related to the Bank's model risk profile, its control environment and the effectiveness of the Model Risk Framework. The BRCC reviews and recommends, for approval by the Board, the Bank's Model Risk Framework and core supporting documents, including the model risk components of the RAS.

In addition, the Board delegates its responsibilities to the Board Audit Committee ("BAC"), which is charged with conducting independent reviews, related to model risk management, and reporting back to the Board on a regular basis. The roles and responsibilities of the BAC are set out in its Terms of Reference. The BAC is responsible for reviewing reports from GIA on model risk related reviews and ensuring any identified weaknesses are addressed by Business Units and Functions effectively and in a timely manner.

Management-level Committees

ExCo is the Senior Management executive committee of the Bank, which is chaired by the Chief Executive Officer (''CEO''). ExCo is supported by several risk sub-committees, and may not override or modify decisions of these sub-committees, but may appeal decisions to the Board (or relevant Board committee).

The Group Risk Committee ('GRC') is an ExCo sub-committee, chaired by the Chief Risk Officer, who has unfettered access to the Board Risk and Compliance Committee ("BRCC"). GRC serves as a forum for Group-wide risk management issues and maintains oversight across all of the Bank's key Risk Categories, including Model risk.

On delegated authority from the Board Risk & Compliance Committee (BRCC), the Group's Assets and Liabilities Committee ('ALCO') reviews, and is responsible for the oversight of all activities relating to Asset & Liability Management ('ALM'), Treasury and Market Risks, (including Liquidity Risk, Interest Rate Risk, Treasury Counterparty Risk and Foreign Exchange Risk), and Capital Management. ALCO is an ExCo Sub-Committee, and is accountable to ExCo.

The Model Governance Committee (MGC) is a sub-committee of the GRC, chaired by the Head of Model Risk, and subject to delegated authority from the Asset Liability Committee (ALCo). MGC is accountable for oversight of risk assessment of all relevant models within the model inventory, and reporting of same to GRC. Specifically the MGC is accountable for all matters in relation to the approval (both internal and external) of the Group's internal rating systems. MGC includes representatives of all key model risk generating functions together with representatives of second line functions responsible for oversight of aspects of model use.

Organisation of roles and responsibilities

The model risk framework covers the Bank's enterprise operations and applies to the organisational functions and risk management practices of the Bank's Three Lines of Defence, as defined in the Bank's Internal Controls Framework (ICF):

1. Business Units and Functions which utilise models or similar predictive analytic tools in the course of their commercial and operational activities are the Bank's First Line of Defence. They are responsible for identifying, owning, managing, monitoring and mitigating model risk.

2. Risk and Compliance Function ("Risk Function"), responsible for ensuring that all risks are identified, assessed, measured, monitored, managed and properly reported on by relevant Business Units / Functions, is the Second Line Of Defence; Model Risk is a derivative risk. Models are introduced to assist in the management of a primary risk (e.g. credit risk, liquidity risk) or enhance an operational process (e.g. credit automation, digital facial recognition). The use of models does not diminish the role and responsibilities of Primary Risk teams within the Risk function as set out in the relevant risk management framework. Where models are utilised, the Model Risk team are responsible for oversight of compliance with this framework and adherence to policies for model risk management.

3. Group Internal Audit ("GIA"), which provides independent assurance to the Board over the adequacy, effectiveness and sustainability of the Bank'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 Bank, is the Third Line of Defence.

Model Owner

The Model Owner is the first line business unit or function that has identified the requirement for a model to fulfil a business need, who will be responsible for deployment and use of the model in meeting that need, and who will be accountable for managing model risk arising in relation to that use.

While the Model Owner will rely on the Model Developer to develop the model, it is essential that the Model Owner has a sufficient understanding of the design and development process so as to ensure that the purpose, design and limitations of the model are fully understood and that risks arising through all stages of the model lifecycle are appropriately mitigated.

It is the Model Owner that is utilising the model to meet a business need, not the Model Developer. It is the Model Owner that is responsible for designing the monitoring and review framework that provides him/her with assurance that the model is working in the way it was intended.

Model Developer

The Model Developer is responsible firstly for assessing whether a viable model can be developed to meet the specified business use. Once viability is confirmed the Model Developer will be responsible for all stages of the development process from design through to delivery of the functional specification for implementation. All model development activities must be completed in accordance with the Group's Model Development Policy, local business units' standards and recognised best practise.

It is essential that the Model Developer ensure that all critical limitations of the model are well documented and communicated to the Model Owner.

Model Validator

The role of the Model Validator is to independently and critically assess the key model design and development decisions to determine whether those decisions were appropriate and model risks have been mitigated to the extent possible. The Model Validator should also confirm that all key judgements and limitations have been documented by the Model Developer and made available to the Model Owner.

Template EU CR6 – IRB approach – Credit risk exposures by exposure class and PD range **Art 452(g)**

€'M												Dec-22
PD scale	Original on-balance-sheet gross exposures	Off-balance-sheet exposures pre-CCF	Average CCF	EAD post CRM and post CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RW	EL	Value adjustments and provisions
	a	b	c	d	e	f	g	h	i	j	k	l
Total AIRB												
0.00 < 0.15	2	72	108.00%	238	0.15%	433,823	68.29%	-	15	6.18%	0	(0)
0.00 to < 0.10	0	0	100.00%	0	0.08%	158	63.94%	-	0	18.35%	0	(0)
0.10 to < 0.15	2	72	108.00%	237	0.15%	433,665	68.30%	-	15	6.17%	0	(0)
0.15 < 0.25	5	86	50.00%	85	0.18%	123,286	71.46%	-	7	8.79%	0	(0)
0.25 < 0.50	27	80	53.00%	107	0.33%	135,566	68.60%	-	20	18.54%	0	(1)
0.50 < 0.75	1,376	300	84.00%	1,636	0.63%	105,610	27.80%	-	411	25.14%	3	(5)
0.75 < 2.50	10,159	577	87.28%	10,679	1.33%	213,661	23.27%	-	3,797	35.56%	33	(90)
0.75 to < 1.75	6,884	418	87.00%	7,261	1.02%	161,855	23.97%	-	2,272	31.29%	18	(34)
1.75 to < 2.50	3,275	159	88.00%	3,417	2.00%	51,806	21.78%	-	1,525	44.62%	15	(56)
2.50 < 10.00	1,132	126	80.41%	1,255	4.61%	148,291	26.53%	-	965	76.89%	16	(29)
2.50 to <5	1,078	118	82.00%	1,189	4.45%	92,815	25.43%	-	898	75.54%	13	(26)
5 to <10	54	8	56.00%	66	7.51%	55,476	46.38%	-	67	101.16%	2	(4)
10.00 < 100.00	762	15	77.83%	776	18.92%	25,171	18.92%	-	729	93.95%	28	(33)
10 to < 20	500	13	80.00%	513	10.36%	18,818	19.32%	-	459	89.60%	11	(17)
20 to < 30	193	1	72.00%	193	28.95%	3,190	17.47%	-	206	106.26%	10	(10)
30 to < 100	69	1	50.00%	70	53.96%	3,163	19.95%	-	64	91.83%	7	(6)
100.00 (Default)	392	3	56.00%	392	100.00%	11,842	32.35%	-	239	60.92%	139	(132)
Subtotal exposure class	**13,856**	**1,260**	**82.08%**	**15,167**	**4.95%**	**1,197,250**	**25.33%**	**-**	**6,183**	**40.77%**	**219**	**(291)**
Total (all exposures classes)	**13,856**	**1,260**	**82.08%**	**15,167**	**4.95%**	**1,197,250**	**25.33%**	**-**	**6,183**	**40.77%**	**219**	**(291)**

€'M												Dec-22
PD scale	Original on-balance-sheet gross exposures	Off-balance-sheet exposures pre-CCF	Average CCF	EAD post CRM and post CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RW	EL	Value adjustments and provisions
	a	b	c	d	e	f	g	h	i	j	k	l
Retail - Secured by Real Estate												
0.00 < 0.15	-	0	100.00%	-	-	-	-	-	-	-	-	(0)
0.00 to < 0.10	-	0	100.00%	-	-	-	-	-	-	-	-	(0)
0.10 to < 0.15	-	-	-	-	-	-	-	-	-	-	-	-
0.15 < 0.25	-	-	-	-	-	-	-	-	-	-	-	-
0.25 < 0.50	-	-	-	-	-	-	-	-	-	-	-	-
0.50 < 0.75	1,333	231	93.00%	1,539	0.63%	9,570	25.74%	-	384	24.92%	2	(4)
0.75 < 2.50	10,051	542	89.42%	10,515	1.33%	78,286	22.59%	-	3,682	35.02%	31	(88)
0.75 to < 1.75	6,798	385	90.00%	7,129	1.01%	51,939	23.19%	-	2,189	30.70%	17	(33)
1.75 to < 2.50	3,252	157	88.00%	3,385	2.00%	26,347	21.32%	-	1,494	44.12%	14	(55)
2.50 < 10.00	1,059	94	89.98%	1,139	4.61%	8,730	22.58%	-	859	75.37%	12	(25)
2.50 to <5	1,033	93	90.00%	1,113	4.54%	8,572	22.65%	-	837	75.19%	11	(23)
5 to <10	26	0	84.00%	26	7.67%	158	19.34%	-	22	83.16%	0	(2)
10.00 < 100.00	744	13	82.68%	755	18.82%	6,262	17.69%	-	692	91.73%	25	(31)
10 to < 20	489	12	84.00%	498	10.22%	4,066	18.05%	-	436	87.53%	9	(16)
20 to < 30	191	1	70.00%	192	29.00%	1,650	16.99%	-	202	105.24%	9	(10)
30 to < 100	65	0	55.00%	65	55.02%	546	16.94%	-	54	84.11%	6	(5)
100.00 (Default)	376	2	58.00%	376	100.00%	3,090	30.20%	-	233	62.06%	125	(118)
Subtotal exposure class	**13,563**	**881**	**90.26%**	**14,323**	**5.03%**	**105,938**	**22.87%**	**-**	**5,850**	**40.84%**	**195**	**(264)**
Total (all exposures classes)	**13,856**	**1,260**	**82.08%**	**15,167**	**4.95%**	**1,197,250**	**25.33%**	**-**	**6,183**	**40.77%**	**219**	**(291)**

PD scale	Original on-balance-sheet gross exposures	Off-balance-sheet exposures pre-CCF	Average CCF	EAD post CRM and post CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RW	EL	Value adjustments and provisions
												Dec-22
	a	b	c	d	e	f	g	h	i	j	k	l
Retail Qualifying Revolving												
0.00 < 0.15	1	72	108.00%	236	0.15%	433,597	68.32%	-	14	6.07%	0	(0)
0.00 to < 0.10	-	-	-	-	-	-	-	-	-	-	-	-
0.10 to < 0.15	1	72	108.00%	236	0.15%	433,597	68.32%	-	14	6.07%	0	(0)
0.15 < 0.25	1	86	50.00%	81	0.18%	123,012	71.94%	-	6	7.42%	0	(0)
0.25 < 0.50	9	80	53.00%	89	0.32%	134,079	69.81%	-	10	11.64%	0	(1)
0.50 < 0.75	20	69	52.00%	74	0.58%	93,746	59.93%	-	12	16.06%	0	(1)
0.75 < 2.50	17	35	60.92%	73	1.29%	122,313	71.97%	-	26	35.43%	1	(1)
0.75 to < 1.75	15	33	59.00%	62	1.15%	100,685	69.99%	-	20	31.39%	1	(1)
1.75 to < 2.50	1	2	99.00%	10	2.13%	21,628	83.89%	-	6	59.80%	0	(0)
2.50 < 10.00	42	32	55.00%	84	4.71%	134,483	65.98%	-	66	78.49%	3	(3)
2.50 to <5	23	25	55.00%	54	3.07%	80,557	66.94%	-	34	62.52%	1	(2)
5 to <10	19	7	55.00%	31	7.59%	53,926	64.29%	-	33	106.70%	1	(1)
10.00 < 100.00	10	3	56.20%	14	22.78%	17,469	62.06%	-	23	167.31%	2	(1)
10 to < 20	7	2	58.00%	9	16.26%	13,857	64.17%	-	15	159.97%	1	(1)
20 to < 30	0	0	119.00%	0	20.31%	1,265	86.58%	-	1	242.10%	0	(0)
30 to < 100	3	1	49.00%	4	38.56%	2,347	54.56%	-	7	177.27%	1	(0)
100.00 (Default)	7	1	53.00%	7	100.00%	7,678	85.19%	-	3	52.51%	6	(6)
Subtotal exposure class	**106**	**378**	**63.59%**	**657**	**2.40%**	**1,066,377**	**68.16%**	**-**	**161**	**24.47%**	**12**	**(13)**
Total (all exposures classes)	**13,856**	**1,260**	**82.08%**	**15,167**	**4.95%**	**1,197,250**	**25.33%**	**-**	**6,183**	**40.77%**	**219**	**(291)**

PD scale	Original on-balance-sheet gross exposures	Off-balance-sheet exposures pre-CCF	Average CCF	EAD post CRM and post CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RW	EL	Value adjustments and provisions
												Dec-22
	a	b	c	d	e	f	g	h	i	j	k	l
Other Retail												
0.00 < 0.15	1	0	46.00%	1	0.12%	75	63.04%	-	0	24.99%	0	(0)
0.00 to < 0.10	0	-	-	0	0.08%	7	63.94%	-	0	18.35%	0	(0)
0.10 to < 0.15	1	0	46.00%	1	0.13%	68	62.91%	-	0	25.94%	0	(0)
0.15 < 0.25	4	-	-	4	0.21%	274	62.09%	-	1	35.34%	0	(0)
0.25 < 0.50	18	-	-	18	0.38%	1,487	62.65%	-	9	52.41%	0	(0)
0.50 < 0.75	23	-	-	23	0.62%	2,294	61.97%	-	16	68.90%	0	(0)
0.75 < 2.50	91	-	-	91	1.39%	13,062	62.63%	-	89	97.30%	1	(1)
0.75 to < 1.75	70	-	-	70	1.17%	9,231	62.14%	-	64	91.84%	1	(1)
1.75 to < 2.50	22	-	-	22	2.08%	3,831	64.19%	-	25	114.87%	0	(0)
2.50 < 10.00	31	-	-	31	4.50%	5,078	63.94%	-	40	127.88%	1	(2)
2.50 to <5	22	-	-	22	3.44%	3,686	64.88%	-	27	126.35%	1	(1)
5 to <10	10	-	-	10	6.82%	1,392	61.89%	-	13	131.22%	1	(1)
10.00 < 100.00	8	-	-	8	22.03%	1,440	63.35%	-	14	182.48%	1	(1)
10 to < 20	5	-	-	5	13.97%	895	63.53%	-	8	166.88%	1	(1)
20 to < 30	1	-	-	1	24.47%	275	62.47%	-	3	205.99%	0	(0)
30 to < 100	1	-	-	1	48.00%	270	63.65%	-	3	213.11%	1	(0)
100.00 (Default)	10	-	-	10	100.00%	1,074	79.12%	-	2	23.00%	8	(8)
Subtotal exposure class	**187**	**0**	**46.00%**	**187**	**7.72%**	**24,784**	**63.66%**	**-**	**173**	**92.25%**	**12**	**(13)**
Total (all exposures classes)	**13,856**	**1,260**	**82.08%**	**15,167**	**4.95%**	**1,197,250**	**25.33%**	**-**	**6,183**	**40.77%**	**219**	**(291)**

€'M | Dec-21

PD scale	Original on-balance-sheet gross exposures	Off-balance-sheet exposures pre-CCF	Average CCF	EAD post CRM and post CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RW	EL	Value adjustments and provisions
	a	b	c	d	e	f	g	h	i	j	k	l
Total AIRB												
0.00 < 0.15	3	74	108.00%	236	0.13%	429,848	68.87%	-	14	5.78%	0	(0)
0.00 to < 0.10	0	0	50.00%	0	0.09%	136	63.80%	-	0	20.20%	0	(0)
0.10 to < 0.15	2	74	108.00%	236	0.13%	429,712	68.87%	-	14	5.77%	0	(0)
0.15 < 0.25	19	69	69.00%	101	0.20%	124,009	52.37%	-	7	7.18%	0	(0)
0.25 < 0.50	33	62	69.00%	110	0.37%	127,032	56.17%	-	19	17.20%	0	(0)
0.50 < 0.75	1,434	199	86.00%	1,613	0.63%	76,214	24.13%	-	361	22.37%	2	(10)
0.75 < 2.50	10,039	551	84.87%	10,521	1.30%	227,483	22.56%	-	3,607	34.29%	31	(117)
0.75 to < 1.75	7,091	391	84.00%	7,432	1.02%	169,143	22.57%	-	2,199	29.59%	17	(56)
1.75 to < 2.50	2,948	160	87.00%	3,088	1.98%	58,340	22.54%	-	1,408	45.60%	14	(61)
2.50 < 10.00	1,811	147	86.16%	1,952	6.19%	107,229	24.63%	-	1,672	85.65%	29	(99)
2.50 to <5	1,107	126	88.00%	1,227	4.35%	66,921	25.72%	-	954	77.76%	14	(47)
5 to <10	704	21	75.00%	725	9.30%	40,308	22.78%	-	718	99.01%	15	(52)
10.00 < 100.00	352	11	59.57%	360	31.08%	20,796	23.18%	-	449	124.91%	25	(32)
10 to < 20	83	5	64.00%	88	17.01%	12,249	33.68%	-	146	166.71%	5	(16)
20 to < 30	175	4	56.00%	177	28.43%	5,757	17.51%	-	184	103.46%	9	(5)
30 to < 100	94	1	54.00%	95	49.05%	2,790	24.10%	-	120	126.44%	11	(11)
100.00 (Default)	754	3	46.00%	754	100.00%	10,537	33.53%	-	452	59.91%	284	(274)
Subtotal exposure class	**14,443**	**1,116**	**84.55%**	**15,646**	**7.25%**	**1,123,148**	**24.65%**	**-**	**6,581**	**42.06%**	**371**	**(532)**
Total (all exposures classes)	**14,443**	**1,116**	**84.55%**	**15,646**	**7.25%**	**1,123,148**	**24.65%**	**-**	**6,581**	**42.06%**	**371**	**(532)**

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PD scale	Original on-balance-sheet gross exposures	Off-balance-sheet exposures pre-CCF	Average CCF	EAD post CRM and post CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RW	EL	Value adjustments and provisions
	a	b	c	d	e	f	g	h	i	j	k	l
Retail - Secured by Real Estate												
0.00 < 0.15	-	0	50.00%	-	-	-	-	-	-	-	-	-
0.00 to < 0.10	-	0	50.00%	-	-	-	-	-	-	-	-	-
0.10 to < 0.15	-	-	-	-	-	-	-	-	-	-	-	-
0.15 < 0.25	-	-	-	-	-	-	-	-	-	-	-	-
0.25 < 0.50	-	-	-	-	-	-	-	-	-	-	-	-
0.50 < 0.75	1,399	160	91.00%	1,538	0.63%	11,842	22.72%	-	338	21.96%	2	(9)
0.75 < 2.50	9,915	470	88.31%	10,315	1.30%	81,249	21.87%	-	3,485	33.79%	29	(114)
0.75 to < 1.75	6,998	326	88.00%	7,274	1.02%	57,120	21.85%	-	2,115	29.07%	16	(54)
1.75 to < 2.50	2,917	144	89.00%	3,040	1.98%	24,129	21.90%	-	1,370	45.07%	13	(60)
2.50 < 10.00	1,761	124	88.42%	1,867	6.26%	13,545	22.79%	-	1,588	85.09%	26	(95)
2.50 to <5	1,074	110	90.00%	1,169	4.39%	8,699	23.71%	-	901	77.09%	12	(45)
5 to <10	687	14	76.00%	698	9.39%	4,846	21.25%	-	687	98.49%	14	(50)
10.00 < 100.00	335	2	55.59%	336	31.70%	2,393	21.03%	-	415	123.26%	22	(29)
10 to < 20	74	0	55.00%	74	17.54%	198	29.71%	-	127	172.15%	4	(14)
20 to < 30	171	1	56.00%	172	28.58%	1,587	16.43%	-	175	101.77%	8	(4)
30 to < 100	91	0	55.00%	91	49.16%	608	22.63%	-	113	124.03%	10	(10)
100.00 (Default)	740	2	57.00%	740	100.00%	4,230	32.59%	-	448	60.55%	271	(261)
Subtotal exposure class	**14,150**	**757**	**88.72%**	**14,795**	**7.48%**	**113,259**	**22.59%**	**-**	**6,274**	**42.40%**	**350**	**(508)**
Total (all exposures classes)	**14,443**	**1,116**	**84.55%**	**15,646**	**7.25%**	**1,123,148**	**24.65%**	**-**	**6,581**	**42.06%**	**371**	**(532)**

Dec-21

PD scale	Original on-balance-sheet gross exposures	Off-balance-sheet exposures pre-CCF	Average CCF	EAD post CRM and post CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RW	EL	Value adjustments and provisions
	a	b	c	d	e	f	g	h	i	j	k	l
Retail Qualifying Revolving												
0.00 < 0.15	1	74	108.00%	234	0.13%	429,628	68.91%	-	13	5.62%	0	(0)
0.00 to < 0.10	-	-	-	-	-	-	-	-	-	-	-	-
0.10 to < 0.15	1	74	108.00%	234	0.13%	429,628	68.91%	-	13	5.62%	0	(0)
0.15 < 0.25	14	69	69.00%	96	0.20%	123,726	51.83%	-	6	5.77%	0	(0)
0.25 < 0.50	15	62	69.00%	91	0.36%	125,695	54.75%	-	9	10.01%	0	(0)
0.50 < 0.75	12	39	66.00%	52	0.62%	62,233	48.46%	-	7	13.47%	0	(0)
0.75 < 2.50	31	81	66.76%	113	1.37%	133,976	51.40%	-	30	26.54%	1	(2)
0.75 to < 1.75	24	66	66.00%	89	1.16%	103,468	49.24%	-	20	22.18%	1	(1)
1.75 to < 2.50	7	15	70.00%	24	2.12%	30,508	59.26%	-	10	42.38%	0	(1)
2.50 < 10.00	14	23	76.11%	50	4.57%	88,663	65.22%	-	38	76.19%	1	(2)
2.50 to <5	9	16	77.00%	34	3.44%	54,597	66.96%	-	23	66.62%	1	(1)
5 to <10	5	7	74.00%	16	7.01%	34,066	61.46%	-	15	96.88%	1	(1)
10.00 < 100.00	7	9	59.96%	14	20.94%	16,750	47.21%	-	17	122.70%	1	(2)
10 to < 20	4	5	64.00%	8	14.27%	11,116	49.21%	-	10	116.15%	1	(1)
20 to < 30	2	3	56.00%	4	24.01%	3,861	42.29%	-	5	124.89%	0	(1)
30 to < 100	1	1	54.00%	2	43.34%	1,773	48.54%	-	3	146.40%	0	(0)
100.00 (Default)	5	1	17.00%	5	100.00%	5,551	89.23%	-	2	43.66%	5	(5)
Subtotal exposure class	**99**	**359**	**76.33%**	**658**	**1.99%**	**986,222**	**59.20%**	**-**	**123**	**18.69%**	**9**	**(11)**
Total (all exposures classes)	**14,443**	**1,116**	**84.55%**	**15,646**	**7.25%**	**1,123,148**	**24.65%**	**-**	**6,581**	**42.06%**	**371**	**(532)**

Dec-21

PD scale	Original on-balance-sheet gross exposures	Off-balance-sheet exposures pre-CCF	Average CCF	EAD post CRM and post CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RW	EL	Value adjustments and provisions
	a	b	c	d	e	f	g	h	i	j	k	l
Other Retail												
0.00 < 0.15	2	0	117.00%	2	0.12%	91	63.45%	-	0	25.28%	0	(0)
0.00 to < 0.10	0	-	-	0	0.09%	7	63.80%	-	0	20.20%	0	(0)
0.10 to < 0.15	2	0	117.00%	2	0.13%	84	63.42%	-	0	25.79%	0	(0)
0.15 < 0.25	5	-	-	5	0.20%	283	63.15%	-	2	35.71%	0	(0)
0.25 < 0.50	18	-	-	18	0.38%	1,337	63.32%	-	10	53.45%	0	(0)
0.50 < 0.75	23	-	-	23	0.62%	2,139	62.94%	-	16	69.87%	0	(0)
0.75 < 2.50	93	-	-	93	1.41%	12,258	63.68%	-	92	99.49%	1	(1)
0.75 to < 1.75	69	-	-	69	1.18%	8,555	63.08%	-	64	93.40%	1	(1)
1.75 to < 2.50	24	-	-	24	2.09%	3,703	65.40%	-	28	117.13%	0	(0)
2.50 < 10.00	35	-	-	35	4.56%	5,021	64.79%	-	45	129.82%	1	(2)
2.50 to <5	23	-	-	23	3.47%	3,625	65.58%	-	30	127.83%	1	(1)
5 to <10	11	-	-	11	6.84%	1,396	63.14%	-	15	133.96%	1	(1)
10.00 < 100.00	9	-	-	9	24.13%	1,653	64.54%	-	18	187.55%	2	(1)
10 to < 20	5	-	-	5	13.82%	935	64.85%	-	9	169.45%	1	(1)
20 to < 30	2	-	-	2	24.57%	309	64.00%	-	4	211.30%	0	(0)
30 to < 100	2	-	-	2	49.47%	409	64.26%	-	4	211.30%	1	(0)
100.00 (Default)	9	-	-	9	100.00%	756	79.57%	-	1	16.23%	8	(8)
Subtotal exposure class	**193**	**0**	**117.00%**	**193**	**7.38%**	**23,538**	**64.52%**	**-**	**184**	**95.24%**	**12**	**(12)**
Total (all exposures classes)	**14,443**	**1,116**	**84.55%**	**15,646**	**7.25%**	**1,123,148**	**24.65%**	**-**	**6,581**	**42.06%**	**371**	**(532)**

Template EU CR6 – IRB approach – Credit risk exposures by exposure class and PD range (Foundation IRB) ***Art 452(g)***

Dec-22

PD scale	Original on-balance-sheet gross exposures	Off-balance-sheet exposures pre-CCF	Average CCF	EAD post CRM and post CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RW	EL	Value adjustments and provisions
	a	b	c	d	e	f	g	h	i	j	k	l
Institutions												
0.00 < 0.15	533	-	-	533	0.05%	36	45.00%	2.5	152	28.42%	0	-
0.00 to < 0.10	526	-	-	526	0.05%	34	45.00%	2.5	148	28.19%	0	-
0.10 to < 0.15	7	-	-	7	0.11%	2	45.00%	2.5	3	44.84%	0	-
0.15 < 0.25	0	-	-	0	0.17%	1	45.00%	2.5	0	57.06%	0	-
0.25 < 0.50	-	-	-	-	-	-	-	-	-	-	-	-
0.50 < 0.75	-	-	-	-	-	-	-	-	-	-	-	-
0.75 < 2.50	-	-	-	-	-	-	-	-	-	-	-	-
0.75 to < 1.75	-	-	-	-	-	-	-	-	-	-	-	-
1.75 to < 2.50	-	-	-	-	-	-	-	-	-	-	-	-
2.50 < 10.00	-	-	-	-	-	-	-	-	-	-	-	-
2.50 to <5	-	-	-	-	-	-	-	-	-	-	-	-
5 to <10	-	-	-	-	-	-	-	-	-	-	-	-
10.00 < 100.00	-	-	-	-	-	-	-	-	-	-	-	-
10 to < 20	-	-	-	-	-	-	-	-	-	-	-	-
20 to < 30	-	-	-	-	-	-	-	-	-	-	-	-
30 to < 100	-	-	-	-	-	-	-	-	-	-	-	-
100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal exposure class	**533**	**-**	**-**	**533**	**0.05%**	**37**	**45.00%**	**2.5**	**152**	**28.42%**	**0**	**-**
Total (all exposures classes)	**533**	**-**	**-**	**533**	**0.05%**	**37**	**45.00%**	**2.5**	**152**	**28.42%**	**0**	**-**

Dec-21

PD scale	Original on-balance-sheet gross exposures	Off-balance-sheet exposures pre-CCF	Average CCF	EAD post CRM and post CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RW	EL	Value adjustments and provisions
	a	b	c	d	e	f	g	h	i	j	k	l
Institutions												
0.00 < 0.15	478	-	-	478	0.05%	29	45.00%	3.0	133	27.72%	0	-
0.00 to < 0.10	473	-	-	473	0.05%	28	45.00%	3.0	130	27.54%	0	-
0.10 to < 0.15	5	-	-	5	0.11%	1	45.00%	2.0	2	44.84%	0	-
0.15 < 0.25	1	-	-	1	0.17%	5	45.00%	3.0	4	290.33%	0	-
0.25 < 0.50	-	-	-	-	-	-	-	-	-	-	-	-
0.50 < 0.75	-	-	-	-	-	-	-	-	-	-	-	-
0.75 < 2.50	-	-	-	-	-	-	-	-	-	-	-	-
0.75 to < 1.75	-	-	-	-	-	-	-	-	-	-	-	-
1.75 to < 2.50	-	-	-	-	-	-	-	-	-	-	-	-
2.50 < 10.00	-	-	-	-	-	-	-	-	-	-	-	-
2.50 to <5	-	-	-	-	-	-	-	-	-	-	-	-
5 to <10	-	-	-	-	-	-	-	-	-	-	-	-
10.00 < 100.00	-	-	-	-	-	-	-	-	-	-	-	-
10 to < 20	-	-	-	-	-	-	-	-	-	-	-	-
20 to < 30	-	-	-	-	-	-	-	-	-	-	-	-
30 to < 100	-	-	-	-	-	-	-	-	-	-	-	-
100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal exposure class	**479**	**-**	**-**	**479**	**0.05%**	**34**	**45.00%**	**3.0**	**136**	**28.40%**	**0**	**-**
Total (all exposures classes)	**479**	**-**	**-**	**479**	**0.05%**	**34**	**45.00%**	**3.0**	**136**	**28.40%**	**0**	**-**

Template EU CR6-A – Scope of the use of IRB and SA approaches **Art 452(b)**

Dec-22

		Exposure value as defined in Article 166 CRR for exposures subject to IRB approach	Total exposure value for exposures subject to the Standardised approach and to the IRB approach	Percentage of total exposure value subject to the permanent partial use of the SA (%)	Percentage of total exposure value subject to IRB Approach (%)	Percentage of total exposure value subject to a roll-out plan (%)
		a	b	c	d	e
1	**Central governments or central banks**	-	4,809	100.00%	-	-
1.1	*Of which Regional governments or local authorities*		-	-	-	-
1.2	*Of which Public sector entities*		-	-	-	-
2	**Institutions**	533	533	-	100.00%	-
3	**Corporates**	-	34	100.00%	-	-
3.1	*Of which Corporates - Specialised lending, excluding slotting approach*		-	-	-	-
3.2	*Of which Corporates - Specialised lending under slotting approach*		-	-	-	-
4	**Retail**	15,167	19,962	28.65%	71.35%	-
4.1	*of which Retail – Secured by real estate SMEs*		-	-	-	-
4.2	*of which Retail – Secured by real estate non-SMEs*		19,468	28.93%	71.07%	-
4.3	*of which Retail – Qualifying revolving*		233	-	100.00%	-
4.4	*of which Retail – Other SMEs*		-	-	-	-
4.5	*of which Retail – Other non-SMEs*		260	33.14%	66.86%	-
5	**Equity**	32	32	-	100.00%	-
6	**Other non-credit obligation assets**	-	740	100.00%	-	-
7	**Total**	15,733	26,110	43.29%	56.71%	-

Dec-21

		Exposure value as defined in Article 166 CRR for exposures subject to IRB approach	Total exposure value for exposures subject to the Standardised approach and to the IRB approach	Percentage of total exposure value subject to the permanent partial use of the SA (%)	Percentage of total exposure value subject to IRB Approach (%)	Percentage of total exposure value subject to a roll-out plan (%)
		a	b	c	d	e
1	**Central governments or central banks**	-	6,244	100.00%	-	-
1.1	*Of which Regional governments or local authorities*		-	-	-	-
1.2	*Of which Public sector entities*		-	-	-	-
2	**Institutions**	479	479	-	100.00%	-
3	**Corporates**	-	275	100.00%	-	-
3.1	*Of which Corporates - Specialised lending, excluding slotting approach*		-	-	-	-
3.2	*Of which Corporates - Specialised lending under slotting approach*		-	-	-	-
4	**Retail**	15,646	14,791	1.66%	98.34%	-
4.1	*of which Retail – Secured by real estate SMEs*		-	-	-	-
4.2	*of which Retail – Secured by real estate non-SMEs*		14,305	1.26%	98.74%	-
4.3	*of which Retail – Qualifying revolving*		239	-	100.00%	-
4.4	*of which Retail – Other SMEs*		-	-	-	-
4.5	*of which Retail – Other non-SMEs*		247	26.58%	73.42%	-
5	**Equity**	28	28	-	100.00%	-
6	**Other non-credit obligation assets**	-	693	100.00%	-	-
7	**Total**	16,154	22,509	33.13%	66.87%	-

Template CR9 –IRB approach – Back-testing of PD per exposure class (fixed PD scale) *Art 452(h)*

A-IRB — Dec-22

Retail - Secured by Real Estate	PD range	Number of obligors at the end of previous year	of which: number of obligors which defaulted in the year	Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
a	b	c	d	e	f	g	h
	0.00 to <0.15	989	3	0.30%	-	-	0.28%
	0.00 to <0.10	989	3	0.30%	-	-	0.27%
	0.10 to <0.15	-	-	-	-	-	0.34%
	0.15 to <0.25	-	-	-	-	-	0.52%
	0.25 to <0.50	-	-	-	-	-	1.59%
	0.50 to <0.75	11,197	16	0.14%	0.63%	0.63%	0.98%
	0.75 to <2.50	77,676	276	0.36%	1.33%	1.35%	1.24%
	0.75 to <1.75	54,540	144	0.26%	1.01%	1.03%	1.12%
	1.75 to <2.5	23,136	132	0.57%	2.00%	2.00%	1.98%
	2.50 to <10.00	12,928	258	2.00%	4.61%	4.60%	5.74%
	2.5 to <5	8,276	138	1.67%	4.54%	4.53%	4.70%
	5 to <10	4,652	120	2.58%	7.67%	7.96%	7.12%
	10.00 to <100.00	2,326	341	14.66%	18.82%	19.13%	19.69%
	10 to <20	194	22	11.34%	10.22%	10.16%	14.79%
	20 to <30	1,544	176	11.40%	29.00%	29.00%	17.40%
	30.00 to <100.00	588	143	24.32%	55.02%	55.14%	31.81%
	100.00 (Default)	3,945	-	-	100.00%	100.00%	-

A-IRB — Dec-22

Retail Qualifying Revolving	PD range	Number of obligors at the end of previous year	of which: number of obligors which defaulted in the year	Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
a	b	c	d	e	f	g	h
	0.00 to <0.15	439,890	848	0.19%	0.15%	0.14%	0.11%
	0.00 to <0.10	12,664	34	0.27%	-	-	-
	0.10 to <0.15	427,226	814	0.19%	0.15%	0.15%	0.11%
	0.15 to <0.25	107,944	370	0.34%	0.18%	0.18%	0.13%
	0.25 to <0.50	108,891	377	0.35%	0.32%	0.34%	0.19%
	0.50 to <0.75	49,913	118	0.24%	0.58%	0.59%	0.22%
	0.75 to <2.50	104,036	494	0.47%	1.29%	1.34%	0.43%
	0.75 to <1.75	80,024	298	0.37%	1.15%	1.15%	0.37%
	1.75 to <2.5	24,012	196	0.82%	2.13%	2.13%	0.67%
	2.50 to <10.00	75,960	2,039	2.68%	4.71%	4.92%	3.05%
	2.5 to <5	45,969	766	1.67%	3.07%	3.28%	1.38%
	5 to <10	29,991	1,273	4.24%	7.59%	7.25%	5.73%
	10.00 to <100.00	12,017	1,197	9.96%	22.78%	17.38%	14.92%
	10 to <20	8,371	710	8.48%	16.26%	14.20%	13.95%
	20 to <30	2,394	211	8.81%	20.31%	20.31%	15.58%
	30.00 to <100.00	1,252	276	22.04%	38.56%	38.56%	28.06%
	100.00 (Default)	4,896	-	-	100.00%	100.00%	69.24%

A-IRB — Dec-22

Other Retail	PD range	Number of obligors at the end of previous year	of which: number of obligors which defaulted in the year	Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
a	b	c	d	e	f	g	h
	0.00 to <0.15	837	-	-	0.12%	0.02%	0.03%
	0.00 to <0.10	753	-	-	0.08%	-	0.04%
	0.10 to <0.15	84	-	-	0.13%	0.13%	-
	0.15 to <0.25	283	-	-	0.21%	0.21%	0.05%
	0.25 to <0.50	1,337	2	0.15%	0.38%	0.39%	0.10%
	0.50 to <0.75	2,139	13	0.61%	0.62%	0.62%	0.21%
	0.75 to <2.50	12,258	180	1.47%	1.39%	1.47%	0.78%
	0.75 to <1.75	8,555	104	1.22%	1.17%	1.20%	0.60%
	1.75 to <2.5	3,703	76	2.05%	2.08%	2.09%	1.28%
	2.50 to <10.00	5,021	322	6.41%	4.50%	4.38%	3.78%
	2.5 to <5	3,625	191	5.27%	3.44%	3.41%	3.27%
	5 to <10	1,396	131	9.38%	6.82%	6.95%	4.86%
	10.00 to <100.00	1,663	524	31.51%	22.03%	23.08%	19.17%
	10 to <20	935	172	18.40%	13.97%	14.22%	10.67%
	20 to <30	309	100	32.36%	24.47%	24.23%	24.14%
	30.00 to <100.00	419	252	60.14%	48.00%	50.46%	42.57%
	100.00 (Default)	746	-	-	100.00%	100.00%	56.70%

A-IRB Dec-21

Retail - Secured by Real Estate	PD range	Number of obligors at the end of previous year	of which: number of obligors which defaulted in the year	Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
a	b	c	d	e	f	g	h
	0.00 to <0.15	41	-	-	-	-	0.04%
	0.00 to <0.10	41	-	-	-	-	-
	0.10 to <0.15	-	-	-	-	-	0.17%
	0.15 to <0.25	-	-	-	-	-	0.35%
	0.25 to <0.50	-	-	-	-	-	0.96%
	0.50 to <0.75	11,253	101	0.90%	0.63%	0.62%	1.09%
	0.75 to <2.50	77,944	725	0.93%	1.30%	1.29%	1.43%
	0.75 to <1.75	55,099	478	0.87%	1.02%	1.01%	1.30%
	1.75 to <2.5	22,845	247	1.08%	1.98%	1.95%	2.51%
	2.50 to <10.00	13,527	392	2.90%	6.26%	6.39%	7.12%
	2.5 to <5	8,250	171	2.07%	4.39%	4.37%	5.67%
	5 to <10	5,277	221	4.19%	9.39%	9.53%	8.88%
	10.00 to <100.00	2,762	475	17.20%	31.70%	31.47%	21.50%
	10 to <20	341	45	13.20%	17.54%	17.54%	15.71%
	20 to <30	1,833	261	14.24%	28.58%	28.12%	19.23%
	30.00 to <100.00	588	169	28.74%	49.16%	49.99%	35.17%
	100.00 (Default)	5,847	-	-	100.00%	100.00%	-

A-IRB Dec-21

Retail Qualifying Revolving	PD range	Number of obligors at the end of previous year	of which: number of obligors which defaulted in the year	Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
a	b	c	d	e	f	g	h
	0.00 to <0.15	414,984	103	0.02%	0.13%	0.14%	0.09%
	0.00 to <0.10	-	-	-	-	-	-
	0.10 to <0.15	414,984	103	0.02%	0.13%	0.14%	0.09%
	0.15 to <0.25	109,693	62	0.06%	0.20%	0.19%	0.07%
	0.25 to <0.50	109,524	97	0.09%	0.36%	0.37%	0.15%
	0.50 to <0.75	49,926	62	0.12%	0.62%	0.62%	0.24%
	0.75 to <2.50	102,511	310	0.30%	1.37%	1.37%	0.44%
	0.75 to <1.75	79,455	200	0.25%	1.16%	1.15%	0.38%
	1.75 to <2.5	23,056	110	0.48%	2.12%	2.16%	0.67%
	2.50 to <10.00	71,597	2,890	4.04%	4.57%	4.84%	3.01%
	2.5 to <5	44,139	483	1.09%	3.44%	3.51%	1.38%
	5 to <10	27,458	2,407	8.77%	7.01%	6.97%	5.61%
	10.00 to <100.00	13,208	2,559	19.37%	20.94%	18.00%	15.29%
	10 to <20	9,889	2,035	20.58%	14.27%	13.68%	13.93%
	20 to <30	2,183	260	11.91%	24.01%	24.20%	18.24%
	30.00 to <100.00	1,136	264	23.24%	43.34%	43.65%	31.41%
	100.00 (Default)	3,379	-	-	100.00%	100.00%	76.67%

A-IRB Dec-21

Other Retail	PD range	Number of obligors at the end of previous year	of which: number of obligors which defaulted in the year	Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
a	b	c	d	e	f	g	h
	0.00 to <0.15	103	-	-	0.12%	0.12%	-
	0.00 to <0.10	22	-	-	0.09%	0.08%	-
	0.10 to <0.15	81	-	-	0.13%	0.13%	-
	0.15 to <0.25	326	-	-	0.20%	0.20%	0.03%
	0.25 to <0.50	1,754	1	0.06%	0.38%	0.39%	0.10%
	0.50 to <0.75	2,592	4	0.15%	0.62%	0.63%	0.12%
	0.75 to <2.50	12,790	85	0.66%	1.41%	1.44%	0.69%
	0.75 to <1.75	9,379	43	0.46%	1.18%	1.20%	0.54%
	1.75 to <2.5	3,411	42	1.23%	2.09%	2.09%	1.12%
	2.50 to <10.00	4,752	135	2.84%	4.56%	4.39%	3.39%
	2.5 to <5	3,399	80	2.35%	3.47%	3.37%	2.97%
	5 to <10	1,353	55	4.07%	6.84%	6.96%	4.37%
	10.00 to <100.00	1,609	306	19.02%	24.13%	25.84%	17.65%
	10 to <20	847	80	9.45%	13.82%	13.94%	10.08%
	20 to <30	325	72	22.15%	24.57%	24.24%	22.27%
	30.00 to <100.00	437	154	35.24%	49.47%	50.08%	39.77%
	100.00 (Default)	938	-	-	100.00%	100.00%	46.07%

Template CR9.1 –IRB approach – Back-testing of PD per exposure class (only for PD estimates according to point (f) of Article 180(1) CRR) **Art 452(h)**

F-IRB **Dec-22**

Institutions	PD range	External rating equivalent			Number of obligors in the end of previous year		Observed average default rate (%)	Average PD (%)	Average historical annual default rate (%)
		Moody's	S&P	Fitch		of which: number of obligors which defaulted during the year			
a	b	c	c	c	d	e	f	g	h
	0.00 to <0.15	Aaa to A3	AAA to A-	AAA to A-	37	-	-	0.05%	-
	0.00 to <0.10	Aaa to A3	AAA to A-	AAA to A-	34	-	-	0.05%	-
	0.10 to <0.15	Aaa to A3	AAA to A-	AAA to A-	3	-	-	0.11%	-
	0.15 to <0.25	Baa1	BBB+	BBB+	5	-	-	0.17%	-
	0.25 to <0.50	Baa2	BBB	BBB	-	-	-	-	-
	0.50 to <0.75	Baa3	BBB-	BBB-	-	-	-	-	-
	0.75 to <2.50	Ba1 to Ba2	BB+ to BB	BB+ to BB	-	-	-	-	-
	0.75 to <1.75	Ba1 to Ba2	BB+ to BB	BB+ to BB	-	-	-	-	-
	1.75 to <2.5	Ba1 to Ba2	BB+ to BB	BB+ to BB	-	-	-	-	-
	2.50 to <10.00	Ba3 to B1	BB- to B+	BB- to B+	-	-	-	-	-
	2.5 to <5	Ba3 to B1	BB- to B+	BB- to B+	-	-	-	-	-
	5 to <10	Ba3 to B1	BB- to B+	BB- to B+	-	-	-	-	-
	10.00 to <100.00	B2 to C	B to C	B to C	-	-	-	-	-
	10 to <20	B2 to C	B to C	B to C	-	-	-	-	-
	20 to <30	B2 to C	B to C	B to C	-	-	-	-	-
	30.00 to <100.00	B2 to C	B to C	B to C	-	-	-	-	-
	100.00 (Default)	D	D	D	-	-	-	-	-

F-IRB **Dec-21**

Institutions	PD range	External rating equivalent			Number of obligors in the end of previous year		Observed average default rate (%)	Average PD (%)	Average historical annual default rate (%)
		Moody's	S&P	Fitch		of which: number of obligors which defaulted during the year			
a	b	c	c	c	d	e	f	g	h
	0.00 to <0.15	Aaa to A3	AAA to A-	AAA to A-	34	-	-	0.05%	-
	0.00 to <0.10	Aaa to A3	AAA to A-	AAA to A-	32	-	-	0.05%	-
	0.10 to <0.15	Aaa to A3	AAA to A-	AAA to A-	2	-	-	0.11%	-
	0.15 to <0.25	Baa1	BBB+	BBB+	4	-	-	0.17%	-
	0.25 to <0.50	Baa2	BBB	BBB	-	-	-	-	-
	0.50 to <0.75	Baa3	BBB-	BBB-	-	-	-	-	-
	0.75 to <2.50	Ba1 to Ba2	BB+ to BB	BB+ to BB	-	-	-	-	-
	0.75 to <1.75	Ba1 to Ba2	BB+ to BB	BB+ to BB	-	-	-	-	-
	1.75 to <2.5	Ba1 to Ba2	BB+ to BB	BB+ to BB	-	-	-	-	-
	2.50 to <10.00	Ba3 to B1	BB- to B+	BB- to B+	-	-	-	-	-
	2.5 to <5	Ba3 to B1	BB- to B+	BB- to B+	-	-	-	-	-
	5 to <10	Ba3 to B1	BB- to B+	BB- to B+	-	-	-	-	-
	10.00 to <100.00	B2 to C	B to C	B to C	-	-	-	-	-
	10 to <20	B2 to C	B to C	B to C	-	-	-	-	-
	20 to <30	B2 to C	B to C	B to C	-	-	-	-	-
	30.00 to <100.00	B2 to C	B to C	B to C	-	-	-	-	-
	100.00 (Default)	D	D	D	-	-	-	-	-

Use of Credit Risk Mitigation Techniques

The following narrative for article 453 points (a) to (e) is provided in accordance with table EU CRC of Commission Implementing Regulation (EU) 2021/637

Policies and processes for netting **Art 453(a)**

The Group does not currently apply contractual netting for its derivative exposures. Credit Risk Mitigation (CRM) is, however, used to calculate credit exposure for the Group's repurchase agreements. Credit exposure on these agreements is calculated using the Financial Collateral Comprehensive Method whereby regulatory volatility adjustments are applied to both sides of a transaction and the adjusted amounts are offset against each other to arrive at the Exposure at Default. The remainder of the Group's non-retail IRB and Standardised credit exposures are not impacted by CRM.

Collateral valuation and management **Art 453(b),(c)**

As the Group's principal exposure to credit risk is in respect of residential mortgages, which are calculated under the IRB approach, the value of the collateral held is reflected in its LGD estimation process.

A common way to view residential real estate collateral is to view it by loan to value (LTV). The following table summarises the overall exposure weighted indexed LTV.

Exposure weighted indexed LTV for retail mortgage portfolios

Indexed LTV	RoI Residential Mortgages	
	Owner Occupied	Buy-to-let
Dec-22	53%	76%
Dec-21	56%	74%

The LGDs for the Group's retail portfolios are based on internal models and are divided into pools driven by appropriate drivers of loss. As is required by the CRD there is currently a minimum value of 10% utilised where internal estimates are less than this value.

For non-retail IRB exposures, supervisory LGDs are used for minimum regulatory capital requirements calculation purposes as is required under CRD IV. These LGDs are not reduced through CRM and are applied directly to obligors in the calculation of risk weights.

Although the Group's derivative portfolio is typically collateralised through CSA agreements, at 31 December 2022 the Group has not received regulatory approval to recognise these agreements as CRM techniques for regulatory returns and consequently, do not reduce credit exposure. Collateral valuations are automated where possible and performed frequently by obtaining market prices from both licensed third party data providers and regulatory bodies.

Further information regarding the policies and processes for collateral valuation and management are described on page 79 of the Group's 2022 Annual Report.

The collateral taken by the group to mitigate risk is influenced by the exposure type and primarily consists of cash and real estate (for mortgage lending only).

Art 453(d)

Guarantees and credit derivatives are not used for credit protection purposes.

Risk Concentrations within credit risk mitigation **Art 453(e)**

The Group is an ROI based retail bank and due to its customer structure and operating focus in this market, the only collateral concentration risk that the Group is exposed to is the Irish residential property market.

Template EU CR3 – CRM techniques overview: Disclosure of the use of credit risk mitigation techniques
Art 453(f)

Dec-22

		Unsecured carrying amount	Secured carrying amount			
				Of which secured by collateral	Of which secured by financial guarantees	Of which secured by credit derivatives
		a	b	c	d	e
1	Loans and advances	2,813	18,904	18,904	-	-
2	Debt securities	3,178	-	-	-	
3	**Total**	**5,991**	**18,904**	**18,904**	**-**	**-**
4	*Of which non-performing exposures*	3	440	440	-	-
EU-5	*Of which defaulted*	3	440	440	-	-

Dec-21

		Unsecured carrying amount	Secured carrying amount			
				Of which secured by collateral	Of which secured by financial guarantees	Of which secured by credit derivatives
		a	b	c	d	e
1	Loans and advances	4,641	13,788	13,788	-	-
2	Debt securities	2,494	-	-	-	
3	**Total**	**7,136**	**13,788**	**13,788**	**-**	**-**
4	*Of which non-performing exposures*	5	507	507	-	-
EU-5	*Of which defaulted*	5	507	507	-	-

Note: the 2021 figures have been re-stated to align to 2022 approach

The decrease in total loans was due to an decrease in placements with the Central Bank of Ireland during 2022

Template EU CR4 – standardised approach – Credit risk exposure and CRM effects **Art 453(g),(h),(i), 444(e)**

Dec-22

	€'M	Exposures before CCF and befor CRM		Exposures post CCF and post CRM		RWAs and density RW	
	Exposure classes	On-balance-sheet amount	Off-balance-sheet amount	On-balance-sheet amount	Off-balance-sheet amount	RWAs	RW
		a	b	c	d	e	f
1	Central governments or central banks	4,809	-	4,809	-	0	0.01%
2	Regional governments or local authorities	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	-	-
4	Multilateral Development Banks	-	-	-	-	-	-
5	International Organisations	-	-	-	-	-	-
6	Institutions	-	-	-	-	-	-
7	Corporates	34	0	34	0	34	100.00%
8	Retail	68	34	68	18	65	75.00%
9	Secured by mortgages on immovable	5,434	31	5,434	16	2,249	41.27%
10	Exposures in default	183	1	183	-	211	114.99%
11	Items associated with particularly high risk	-	-	-	-	-	-
12	Covered bonds	-	-	-	-	-	-
13	Claims on institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
14	Collective investments undertakings (CIU)	-	-	-	-	-	-
15	Equity	-	-	-	-	-	-
16	Other items	909	-	909	-	825	90.69%
17	**TOTAL**	**11,438**	**67**	**11,438**	**34**	**3,384**	**29.49%**

Dec-21

	€'M	Exposures before CCF and befor CRM		Exposures post CCF and post CRM		RWAs and density RW	
	Exposure classes	On-balance-sheet amount	Off-balance-sheet amount	On-balance-sheet amount	Off-balance-sheet amount	RWAs	RW
		a	b	c	d	e	f
1	Central governments or central banks	6,244	-	6,244	-	10	0.16%
2	Regional governments or local authorities	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	-	-
4	Multilateral Development Banks	-	-	-	-	-	-
5	International Organisations	-	-	-	-	-	-
6	Institutions	-	-	-	-	-	-
7	Corporates	274	0	274	0	252	91.94%
8	Retail	49	32	49	17	49	75.00%
9	Secured by mortgages on immovable	138	21	138	11	149	100.00%
10	Exposures in default	31	0	31	-	31	100.00%
11	Items associated with particularly high risk	-	-	-	-	-	-
12	Covered bonds	-	-	-	-	-	-
13	Claims on institutions and corporates with a	-	-	-	-	-	-
14	Collective investments undertakings (CIU)	-	-	-	-	-	-
15	Equity	-	-	-	-	-	-
16	Other items	693	-	693	-	626	90.28%
17	**TOTAL**	**7,429**	**54**	**7,429**	**28**	**1,117**	**14.98%**

Template EU CR7-A – IRB approach – Disclosure of the extent of the use of CRM techniques **Art 453(g)**

Dec-22

	A-IRB	Total exposures	Credit risk Mitigation techniques											Credit risk Mitigation methods in the calculation of RWEAs	
			Funded credit Protection (FCP)									Unfunded credit Protection (UFCP)			
			Part of exposures covered by Financial Collaterals (%)	Part of exposures covered by Other eligible collaterals (%)	Part of exposures covered by Immovable property Collaterals (%)	Part of exposures covered by Receivables (%)	Part of exposures covered by Other physical collateral (%)	Part of exposures covered by Other funded credit protection (%)	Part of exposures covered by Cash on deposit (%)	Part of exposures covered by Life insurance policies (%)	Part of exposures covered by Instruments held by a third party (%)	Part of exposures covered by Guarantees (%)	Part of exposures covered by Credit Derivatives (%)	RWEA without substitution effects (reduction effects only)	RWEA with substitution effects (both reduction and sustitution effects)
		a	b	c	d	e	f	g	h	i	j	k	l	m	n
1	**Central governments and central banks**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	**Institutions**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	**Corporates**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.1	Of which Corporates – SMEs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.2	Of which Corporates – Specialised lending	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.3	Of which Corporates – Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	**Retail**	**15,167**	**-**	**87.6%**	**87.6%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**6,183**	**6,183**
4.1	Of which Retail – Immovable property SMEs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2	Of which Retail – Immovable property non-SMEs	14,323	-	92.8%	92.8%	-	-	-	-	-	-	-	-	5,850	5,850
4.3	Of which Retail – Qualifying revolving	657	-	-	-	-	-	-	-	-	-	-	-	161	161
4.4	Of which Retail – Other SMEs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.5	Of which Retail – Other non-SMEs	187	-	-	-	-	-	-	-	-	-	-	-	173	173
5	**Total**	**15,167**	**-**	**87.6%**	**87.6%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**6,183**	**6,183**

	F-IRB	Total exposures	Credit risk Mitigation techniques											Credit risk Mitigation methods in the calculation of RWEAs	
			Funded credit Protection (FCP)									Unfunded credit Protection (UFCP)			
			Part of exposures covered by Financial Collaterals (%)	Part of exposures covered by Other eligible collaterals (%)	Part of exposures covered by Immovable property Collaterals (%)	Part of exposures covered by Receivables (%)	Part of exposures covered by Other physical collateral (%)	Part of exposures covered by Other funded credit protection (%)	Part of exposures covered by Cash on deposit (%)	Part of exposures covered by Life insurance policies (%)	Part of exposures covered by Instruments held by a third party (%)	Part of exposures covered by Guarantees (%)	Part of exposures covered by Credit Derivatives (%)	RWEA without substitution effects (reduction effects only)	RWEA with substitution effects (both reduction and sustitution effects)
1	**Central governments and central banks**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	**Institutions**	**533**	-	-	-	-	-	-	-	-	-	-	-	**151**	**151**
3	**Corporates**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.1	Of which Corporates – SMEs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.2	Of which Corporates – Specialised lending	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.3	Of which Corporates – Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	**Total**	**533**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**151**	**151**

Dec-21

	A-IRB	Total exposures	Credit risk Mitigation techniques												Credit risk Mitigation methods in the calculation of RWEAs	
			Funded credit Protection (FCP)									Unfunded credit Protection (UFCP)			RWEA without substitution effects (reduction effects only)	RWEA with substitution effects (both reduction and sustitution effects)
			Part of exposures covered by Financial Collaterals (%)	Part of exposures covered by Other eligible collaterals (%)	Part of exposures covered by Immovable property Collaterals (%)	Part of exposures covered by Receivables (%)	Part of exposures covered by Other physical collateral (%)	Part of exposures covered by Other funded credit protection (%)	Part of exposures covered by Cash on deposit (%)	Part of exposures covered by Life insurance policies (%)	Part of exposures covered by Instruments held by a third party (%)	Part of exposures covered by Guarantees (%)	Part of exposures covered by Credit Derivatives (%)			
		a	b	c	d	e	f	g	h	i	j	k	l	m	n
1	**Central governments and central banks**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	**Institutions**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	**Corporates**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.1	Of which Corporates – SMEs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.2	Of which Corporates – Specialised lending	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.3	Of which Corporates – Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	**Retail**	**15,646**	-	**87.1%**	**87.1%**	-	-	-	-	-	-	-	-	**6,581**	**6,581**
4.1	Of which Retail – Immovable property SMEs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2	Of which Retail – Immovable property non-SMEs	14,795	-	92.1%	92.1%	-	-	-	-	-	-	-	-	6,274	6,274
4.3	Of which Retail – Qualifying revolving	658	-	-	-	-	-	-	-	-	-	-	-	123	123
4.4	Of which Retail – Other SMEs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.5	Of which Retail – Other non-SMEs	193	-	-	-	-	-	-	-	-	-	-	-	184	184
5	**Total**	**15,646**	-	**87.1%**	**87.1%**	-	-	-	-	-	-	-	-	**6,581**	**6,581**

	F-IRB	Total exposures	Credit risk Mitigation techniques												Credit risk Mitigation methods in the calculation of RWEAs	
			Funded credit Protection (FCP)									Unfunded credit Protection (UFCP)			RWEA without substitution effects (reduction effects only)	RWEA with substitution effects (both reduction and sustitution effects)
			Part of exposures covered by Financial Collaterals (%)	Part of exposures covered by Other eligible collaterals (%)	Part of exposures covered by Immovable property Collaterals (%)	Part of exposures covered by Receivables (%)	Part of exposures covered by Other physical collateral (%)	Part of exposures covered by Other funded credit protection (%)	Part of exposures covered by Cash on deposit (%)	Part of exposures covered by Life insurance policies (%)	Part of exposures covered by Instruments held by a third party (%)	Part of exposures covered by Guarantees (%)	Part of exposures covered by Credit Derivatives (%)			
1	**Central governments and central banks**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	**Institutions**	**479**	-	-	-	-	-	-	-	-	-	-	-	**133**	**133**
3	**Corporates**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.1	Of which Corporates – SMEs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.2	Of which Corporates – Specialised lending	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.3	Of which Corporates – Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	**Total**	**479**	-	-	-	-	-	-	-	-	-	-	-	**133**	**133**

IFRS 9 transitional arrangements

Article 473a

The IFRS 9 transitional arrangements regime was materially changed in June 2020 in response to the COVID-19 pandemic. The transitional time period was extended to 2024 from 2022 with the 'dynamic' start date reset to 1 January 2020. The IFRS 9 transitional arrangements help to mitigate the negative impact on CET1 capital arising from both the introduction of expected credit loss accounting in 2018 and also the effects of the COVID-19 pandemic in terms of increased provisioning required above and beyond the level at the end of 2019 for the Bank's performing loans.

The Group applied the IFRS 9 transitional arrangements under Article 473a of the CRR throughout 2022. The Group applied the transitional arrangements in full, including paragraph 4. The Group also applied the first subparagraph of paragraph 7a assigning a risk weight of 100 % to the total standardised addback amount as an alternative to recalculating the standardised exposure value per paragraph 7(b).

The Group did not apply the temporary treatment specified in Article 468 concerning unrealised gains and losses measured at fair value through other comprehensive income. The Group does not have any exposure to central/regional government, local authority or public sector entity debt instruments measured at fair value through other comprehensive income.

The increase in available capital amounts and capital ratios as a result of application of the IFRS 9 transitional arrangements is primarily derived (c.71%) from the 'Day 1' impact of IFRS 9 expected credit losses as at 1 January 2018 compared to IAS 39 impairment provisions at 31 December 2017. The remaining impact is derived from an increase in IFRS 9 Stage 1 and Stage 2 expected credit losses as at 1 January 2020 compared to 1 January 2018.

Template IFRS 9-FL: Template on the comparison of institutions' own funds and capital and leverage ratios with and without the application of transitional arrangements for IFRS 9 or analogous ECLs, and with and without the application of the temporary treatment in accordance with Article 468 CRR

	€'M	a Dec-22	b Dec-21
Available capital (amounts)			
1	Common Equity Tier 1 (CET1) capital	1,718	1,457
2	Common Equity Tier 1 (CET1) capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	1,678	1,363
2a	CET1 capital as if the temporary treatment of unrealised gains and losses measured at fair value through OCI (other comprehensive income) in accordance with Article 468 of the CRR had not been applied		
3	Tier 1 capital	2,087	1,580
4	Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	2,046	1,486
4a	Tier 1 capital as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied		
5	Total capital	2,369	1,871
6	Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	2,328	1,776
6a	Total capital as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied		
7	Total risk-weighted assets	10,627	8,600
8	Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	10,627	8,597
9	Common Equity Tier 1 (as a percentage of risk exposure amount)	16.17%	16.94%
10	Common Equity Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	15.79%	15.85%
10a	CET1 (as a percentage of risk exposure amount) as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied		
11	Tier 1 (as a percentage of risk exposure amount)	19.63%	18.37%
12	Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	19.25%	17.29%
12a	Tier 1 (as a percentage of risk exposure amount) as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied		
13	Total capital (as a percentage of risk exposure amount)	22.29%	21.75%
14	Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	21.91%	20.66%
14a	Total capital (as a percentage of risk exposure amount) as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied		
15	Leverage ratio total exposure measure	25,979	22,323
16	Leverage ratio	8.03%	7.08%
17	Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	7.88%	6.66%
17a	Leverage ratio as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied		

Note: The bank does not have any unrealised gains and losses accounted for as "fair value changes of debt instruments measured at FVOCI"

Information on payment breaks

The Group has no unexpired EBA payment breaks as at 31 December 2022 or 31 December 2021.

The Group did not provide new lending subject to public guarantees in the context of the COVID pandemic hence these disclosures are nil.

CRR Disclosure Requirements

Article	Applicable / Not applicable to Permanent TSB Group	ITS 2021/637 Table / Template reference	Page reference	Rationale for exclusion
Article 431	**Disclosure requirements and policies**			
431	Applicable - covered by the Bank's CRR Disclosure Policy (Pillar 3)			
Article 432	**Non-Material, proprietary or confidential information**			
432	Applicable - covered by the Bank's CRR Disclosure Policy (Pillar 3)			
Article 433	**Frequency & Scope of Disclosure**			
	Applicable - covered by the Bank's CRR Disclosure Policy (Pillar 3)			
Article 434	**Means of disclosures**			
434	Applicable - covered by the Bank's CRR Disclosure Policy (Pillar 3)			
Article 435	**Disclosure of risk management objectives and policies**			
435 (1)				
435 (1) (a)	Applicable	EU OVA , EU LIQA, EU CRA, EU ORA, EU MRA	Pages 8 & 9, 51 to 53, 75 to 79 and 103 to 105	
435 (1) (b)	Applicable	EU OVA , EU LIQA, EU CRA, EU ORA, EU MRA	Pages 9 to 11, 51 to 53, 75 to 79 and 103 to 105	
435 (1) (c)	Applicable	EU OVA , EU LIQA, EU ORA, EU MRA	Pages 12, 51 to 53, 75 to 79 and 103 to 105	
435 (1) (d)	Applicable	EU OVA , EU LIQA, EU CRA, EU ORA, EU MRA	Pages 13 ,51 to 53, 75 to 79 and 103 to 105	
435 (1) (e)	Applicable	EU OVA , EU LIQA	Pages 13 and 103 to 105	

Article	Applicable / Not applicable to Permanent TSB Group	ITS 2021/637 Table / Template reference	Page reference	Rationale for exclusion
435 (1) (f)	Applicable	EU OVA , EU LIQA, EU CRA	Pages 13 & 14, 51 to 53 and 103 to 105	
435 (2)				
435 (2) (a)	Applicable	EU OVB	Pages 15 to 17	
435 (2) (b)	Applicable	EU OVB	Pages 17 to 18	
435 (2) (c)	Applicable	EU OVB	Pages 18 to 19	
435 (2) (d)	Applicable	EU OVB	Page 19	
435 (2) (e)	Applicable	EU OVB	Pages 19 to 20	
Article 436	**Disclosure of the scope of application**			
436				
436 (a)	Applicable		Page 21	
436 (b)	Applicable	EU LIA , EU LI3, EU LI1 , EU LI2	Pages 21 to 25	
436 (c)	Applicable	EU LI1 , EU LI3	Pages 22, 23 & 25	
436 (d)	Applicable	EU LIA , EU LI2	Page 21, 24 & 25	
436 (e)	Not Applicable	EU PV1		The Bank applies the simplified approach and does not follow the core approach as outlined in Commission Delegated Regulation (EU) 2016/101.
436 (f)	Applicable	EU LIB	Page 26	
436 (g)	Applicable	EU LIB	Page 26	
436 (h)	Applicable	EU LIB	Page 26	
Article 437	**Disclosure of own funds**			
437				
437 (a)	Applicable	EU CC1, EU CC2	Pages 27 to 32	
437 (b)	Applicable	EU CCA	Pages 33 to 35	
437 (c)	Applicable	EU CCA	Pages 33 to 35	
437 (d) (i) to (iii)	Applicable	EU CC1, EU CC2	Pages 27 to 32	
437 (e)	Applicable	EU CC1, EU CC2	Pages 27 to 32	
437 (f)	Not applicable	EU CC1, EU CC2		The Bank does not disclose capital ratios calculated using elements of own funds determined on a basis other than that laid down in the CRR.
Article 437a	**Disclosure of own funds and eligible liabilities**			
437a	Not applicable			The Bank is not a G-SII.
Article 438	**Disclosure of own funds requirements and risk-weighted exposure amounts**			
438				
438 (a)	Applicable	EU OVC	Pages 36 to 41	

Article	Applicable / Not applicable to Permanent TSB Group	ITS 2021/637 Table / Template reference	Page reference	Rationale for exclusion
438 (b)	Applicable	EU KM1	Pages 5 & 6	
438 (c)	Not Applicable	EU OVC		The Bank has not been requested by the CBI to disclose the results of its ICAAP.
438 (d)	Applicable	EU OV1, EU ORA, EU OR1	Pages 42 and 77 to 79	
438 (e)	Applicable	EU CR10.5	Page 43	
438 (f)	Not Applicable	EU INS1, EU INS2		The Bank does not hold any own funds instruments in an insurance undertaking, reinsurance undertaking or insurance holding company.
438 (g)	Not Applicable	EU INS1, EU INS2		The Bank is not a financial conglomerate.
438 (h)	Applicable (EU CR8 only)	EU CR8, EU CCR7, EU MR2-B	Page 43	The Bank measures counterparty credit risk under IRB approach and market risk under standardised approaches, hence EU CCR7 and MR2-B are not applicable.
Article 439	**Disclosure of exposures to counterparty credit risk**			
439				
439 (a)	Applicable	EU CCRA	Page 44	
439 (b)	Applicable	EU CCRA	Page 44	
439 (c)	Applicable	EU CCRA	Page 44	
439 (d)	Applicable	EU CCRA	Page 44	
439 (e)	Applicable	EU CCR5	Page 48	
439 (f)	Applicable	EU CCR1	Page 45	
439 (g)	Applicable	EU CCR1	Page 45	
439 (h)	Applicable	EU CCR2	Page 46	
439 (i)	Applicable	EU CCR8		
439 (j)	Not applicable	EU CCR6		The Group has no Credit Derivatives
439 (k)	Not applicable	EU CCR1		The Group do not estimate alpha
439 (l)	Applicable (EU CCR4 only)	EU CCR3, EU CCR4	Page 47	Template EU CCR3 not applicable as the bank has no counterparty credit risk under the standardised approach.
439 (m)	Applicable	EU CCR1	Page 45	
439 (last para)	Not Applicable			The CBI does not provide any liquidity assistance to the Bank.

Article	Applicable / Not applicable to Permanent TSB Group	ITS 2021/637 Table / Template reference	Page reference	Rationale for exclusion
Article 440	**Disclosure of countercyclical capital buffers**			
440				
440 (1) (a)	Applicable	EU CCyB1	page 50	
440 (1) (b)	Applicable	EU CCyB2	page 49	
Article 441	**Disclosure of indicators of global systemic importance**			
441	Not applicable			Not applicable as PTSB is not identified as a G-SII in accordance with Article 131 of Directive 2013/36/EU
Article 442	**Disclosure of exposures to credit risk and dilution risk**			
442				
442 (a)	Applicable	EU CRB	Page 54	
442 (b)	Applicable	EU CRB	Pages 54 to 55	
442 (c)	Applicable (except EU CQ4)	EU CR1, EU CQ1, EU CQ2, EU CQ4, EU CQ5, EU CQ6, EU CQ7, EU CQ8, EU CR2a	Pages 55 to 68	EU CQ4 is not applicable as the bank has < 10% total non domestic exposures
442 (d)	Applicable	EU CQ3	Pages 61 & 62	
442 (e)	Applicable	EU CR1, EU CQ4, EU CQ5, EU CQ7,EU CQ1	Pages 57 to 60, 63 to 64 and 68	EU CQ4 is not applicable as the bank has < 10% total non domestic exposures
442 (f)	Applicable	EU CR1, EU CQ1, EU CQ2, EU CQ4, EU CQ5, EU CQ6, EU CQ7, EU CQ8, EU CR2a, EU CR2	Pages 55 to 68	EU CR2a is reported instead of CR2
442 (g) (i) to (iii)	Applicable	EU CR1-A	Page 68	
Article 443	**Disclosure of encumbered and unencumbered Assets**			
443	Applicable	EU AE1 , EU AE2, EU AE3, EU AE4	Pages 69 to 72	
Article 444	**Disclosure of the use of the Standardised Approach**			
444				The Central Bank of Ireland granted an exemption to the Group from the IRB approach for EU sovereign exposures. This exemption allows the Group to treat all exposures to Eurozone Sovereigns under the Standardised Approach and apply a 0% risk weighting. Consequently, ECAI ratings are not used in the calculation of risk weights for credit exposures to Eurozone Sovereigns. Similarly, the Group
444 (a)	Not applicable	EU CRD		
444 (b)	Not applicable	EU CRD		
444 (c)	Not applicable	EU CRD		
444 (d)	Not applicable	EU CRD		
444 (e)	Applicable (except EU CCR3)	EU CR4, EU CR5, EU CC1, EU CCR3	Pages 73 to 74 and 27 to 31	

Article	Applicable / Not applicable to Permanent TSB Group	ITS 2021/637 Table / Template reference	Page reference	Rationale for exclusion
				has an exemption to treat exposures to corporate/SME customers under the Standardised Approach, however, ECAI ratings are not used in the calculation of risk weights to these exposures.
Article 445	**Disclosure of exposure to market risk**			
445	Not applicable			The Group does not currently hold any capital against Market Risk. The Group does not have a trading book and is therefore not subject to the risks associated with trading book positions. The foreign exchange position of the Group does not currently exceed the 2% of total own funds threshold as laid down in Article 351 of the CRR and, therefore, the Group currently has no requirement to hold pillar 1 capital against this risk. This will require monitoring.
Article 446	**Disclosure of operational risk management**			
446				
446 (a)	Applicable	EU ORA, EU OR1	Pages 77 to 79	
446 (b)	Applicable	EU ORA, EU OR1	Pages 77 to 79	
446 (c)	Applicable	EU ORA, EU OR1	Pages 77 to 79	
Article 447	**Disclosure of key metrics**			
447				
447 (a)	Applicable	EU KM1	Pages 5 & 6	
447 (b)	Applicable	EU KM1	Pages 5 & 6	
447 (c)	Applicable	EU KM1	Pages 5 & 6	
447 (d)	Applicable	EU KM1	Pages 5 & 6	
447 (e)	Applicable	EU KM1	Pages 5 & 6	
447 (f)	Applicable	EU KM1	Pages 5 & 6	
447 (g)	Applicable	EU KM1	Pages 5 & 6	
447 (h)	Not Applicable	EU KM1		Article 92a and 92b relevant to G-SIIs only.
Article 448	**Disclosure of exposures to interest rate risk on positions not held in the trading book**			
448 (1)				
448 (1) (a)	Applicable	EU IRRBB1	Page 83	
448 (1) (b)	Applicable	EU IRRBB1	Page 83	
448 (1) (c)	Applicable	EU IRRBBA	Pages 80 to 82	
448 (1) (d)	Applicable	EU IRRBBA	Pages 80 to 82	
448 (1) (e) (i) to (v)	Applicable	EU IRRBBA	Pages 80 to 82	
448 (1) (f)	Applicable	EU IRRBBA	Pages 80 to 82	

Article	Applicable / Not applicable to Permanent TSB Group	ITS 2021/637 Table / Template reference	Page reference	Rationale for exclusion
448 (1) (g)	Applicable	EU IRRBBA	Pages 80 to 82	
448 (2)	Applicable	EU IRRBBA	Pages 80 to 82	
Article 449	**Disclosure of exposures to securitisation positions**			
449				
449 (a)	Applicable	EU SECA	Page 84	
449 (b)	Applicable	EU SECA	Page 84	
449 (c)	Applicable	EU SECA	Page 85	
449 (d)	Applicable	EU SECA	Page 85	
449 (e)	Not applicable	EU SECA		Not applicable as PTSB doesn't provide support for any other legal entities.
449 (f)	Not applicable	EU SECA		Not applicable as PTSB doesn't have any such affiliated legal entities.
449 (g)	Applicable	EU SECA	Page 85	
449 (h)	Applicable	EU SECA	Page 86	
449 (i)	Not applicable	EU SECA		Not applicable as PTSB doesn't use the internal assessment approach
449 (j)	Applicable (EU SEC1 non trading book only)	EU SEC1, EU SEC2	Page 87	EU SEC2 is not applicable as the Bank has no trading book
449 (k)	Applicable	EU SEC3 , EU SEC4	Page 88	EU SEC3 is not applicable as the Bank has no securitisation positions where it acts as originator or sponsor
449 (l)	Applicable	EU SEC5	Page 89	
Article 449a	**Disclosure of environmental, social and governance risks (ESG risks)**			
449a	Not applicable			The Bank is not a Large institution under Article 4 CRR (Definitions)
Article 450	**Disclosure of remuneration policy**			
450				
450 (1) (a)	Applicable	EU REMA	Pages 90 to 92	
450 (1) (b)	Applicable	EU REMA	Pages 92 to 95	
450 (1) (c)	Applicable	EU REMA	Pages 92 to 95	
450 (1) (d)	Applicable	EU REMA	Pages 92 to 95	
450 (1) (e)	Applicable	EU REMA	Pages 92 to 95	
450 (1) (f)	Applicable	EU REMA	Pages 92 to 95	
450 (1) (g)	Applicable	EU REM5	Page 95	
450 (1) (h) (i) to (vi)	Applicable	EU REM1, EU REM2, EU REM3	Pages 96 & 97	REM3 is not applicable as no deferred remuneration awarded to MRTs
450 (1) (i)	Not applicable	EU REM4		No employee has been paid in excess of EUR 1 million
450 (1) (j)	Not applicable	EU REMA		This information has not been requested from the competent authority. Executive Director remuneration is provided per individual in the annual report.

Article	Applicable / Not applicable to Permanent TSB Group	ITS 2021/637 Table / Template reference	Page reference	Rationale for exclusion
450 (1) (k)	Not Applicable	EU REMA		Not applicable given the restrictions on variable pay in PTSB.
450 (2)	Not applicable	EU REMA		The Bank does not qualify as a Large institution under Article 4 CRR (Definitions)
Article 451	**Disclosure of the leverage ratio**			
451				
451 (1) (a)	Applicable	EU LR1, EU LR2, EU LR3	Pages 99 to 102	
451 (1) (b)	Applicable	EU LR1, EU LR2, EU LR3	Pages 99 to 102	
451 (1) (c)	Applicable	EU LR1, EU LR2, EU LR3	Pages 99 to 102	
451 (1) (d)	Applicable	EU LRA	Page 102	
451 (1) (e)	Applicable	EU LRA	Page 102	
451 (2)	Not Applicable	EU LR1, EU LR2, EU LR3		PTSB is not a public development credit institution
451 (3)	Not Applicable	EU LR1, EU LR2, EU LR3		The Bank does not qualify as a Large institution under Article 4 (Definitions)
Article 451a	**Disclosure of liquidity requirements**			
451a (1)	Applicable	EU LIQA, EU LIQB, EU LIQ1,EU LIQ2	Pages 103 to 111	
451a(2)	Applicable	EU LIQB, EU LIQ1	Pages 103 to 108	
451a (3)	Applicable	EU LIQ2	Pages 109 to 111	
451a (4)	Applicable	EU LIQA	Pages 103 to 105	
Article 452	**Disclosure of the use of the IRB Approach to credit risk**			
452				
452 (a)	Applicable	EU CRE, EU CR6-A	Pages 112 & 124	
452 (b) (i) to (iv)	Applicable	EU CRE, EU CR6-A	Pages 112 & 124	
452 (c) (i) to (v)	Applicable	EU CRE, EU CR6-A	Pages 112 to 116 & 124	
452 (d)	Applicable	EU CRE, EU CR6-A	Pages 116 to 118 & 124	
452 (e) (i) to (iii)	Applicable	EU CRE, EU CR6-A	Pages 116 to 118 & 124	
452 (f)	Applicable	EU CRE, EU CR6-A	Pages 116 to 118	
452 (g)	Applicable	EU CR6	Pages 119 to 123	
452 (h)	Applicable	EU CR9 , EU CR9.1	Pages 125 to 127	
Article 453	**Disclosure of the use of credit risk mitigation techniques**			
453				

Article	Applicable / Not applicable to Permanent TSB Group	ITS 2021/637 Table / Template reference	Page reference	Rationale for exclusion
453 (a)	Applicable	EU CRC	Page 128	
453 (b)	Applicable	EU CRC	Page 128	
453 (c)	Applicable	EU CRC	Page 128	
453 (d)	Not applicable	EU CRC		Guarantees and credit derivatives are not used for credit protection purposes
453 (e)	Applicable	EU CRC	Page 129	
453 (f)	Applicable	EU CR3	Page 129	
453 (g)	Applicable	EU CR4, EU CR7-A & EU CR7	Pages 130 to 132	EU CR7 relates to exposures to credit derivatives which is not applicable
453 (h)	Applicable	EU CR4	Page 130	
453 (i)	Applicable	EU CR4	Page 130	
453 (j)	Applicable	EU CR7-A & EU CR7		CR7 is not applicable as the bank does not have credit derivative exposures
Article 454	**Disclosure of the use of the Advanced Measurement Approaches to operational risk**			
454	Not applicable			The Group does not use the Advanced Measurement Approach to operational risk.
Article 455	**Use of internal market risk model**			
455				The Group does not use any internal market risk models under article 363 of the CRR to calculate its capital requirements.
455 (a) (i) to (iv)	Not applicable			
455 (b)	Not applicable			
455 (c)	Not applicable			
455 (d) (i) to (iii)	Not applicable			
455 (e)	Not applicable			
455 (f)	Not applicable			
455 (g)	Not applicable			
Article 473a	**Introduction of IFRS 9**			
473a (10)	Applicable	IFRS9-FL	Pages 133 to 134	

Glossary of terms

Advanced IRB The Advanced Internal Ratings Based (IRB) approach allows a bank to use its own estimated risk parameters for the purpose of calculating regulatory capital for credit risk to estimate probability of default (PD), loss given default (LGD), exposure at default (EAD), maturity (M) and other parameters required to arrive at the total risk weighted assets (RWA).

Arrears Arrears relates to any interest or principal payment on a loan which has not been received on its due date. When customers are behind in fulfilling their obligations with the result that an outstanding loan is unpaid or overdue, they are said to be in arrears.

Basis point One hundredth of a per cent (0.01%), so 100 basis points is 1%. It refers to changes in interest rates and bond yields**.**

Basel III Basel III is a global, voluntary regulatory framework on bank capital adequacy, stress testing and market liquidity risk.

Buy-to-let Residential mortgage loan provided to purchase residential investment property for rental purposes.

CCF Credit Conversion Factor converts an off balance sheet exposure (e.g. guarantee or credit facility) into its credit exposure equivalent.

CET 1 ratio Ratio of a bank's common equity capital to its total risk-weighted assets.

Common Equity Tier 1 capital Common Equity Tier 1 (CET1) capital is recognised as the highest quality component of capital. It is subordinated to all other elements of funding, absorbs losses as and when they occur, has full flexibility of dividend payments and has no maturity date. It is predominately comprised of common shares; retained earnings; undistributed current year earnings; but may also include non-redeemable non-cumulative preferred stock.

Concentration risk The risk that any single (direct or indirect) exposure or group of exposures has the potential to produce losses large enough to threaten the institution's health or its ability to maintain its core business.

Contractual Maturity Date on which a scheduled payment is due for settlement and payable in accordance with the terms of a financial instrument.

CBI The Central Bank of Ireland directly supervises the bank since 1 January 2019 as a less significant institution.

CRD Capital requirements directive: Statutory law implemented by the European Union for capital adequacy. The CRD has introduced a supervisory framework in the European Union which reflects the Basel II and Basel III rules on capital measurement and capital standards.

CRR Capital Requirements Regulation is a European regulation on prudential requirements for credit institutions

Credit risk The risk of loss resulting from a counterparty being unable to meet its contractual obligations to the Group in respect of loans or other financial transactions.

Credit Risk Mitigation Methods to reduce the credit risk associated with an exposure by the application of credit risk mitigants. Examples include: collateral; guarantee; and credit protection.

CSA Credit Support Annex is an annex to an ISDA agreement which allows the exchange of cash, or other allowed collateral, between the counterparties based on the mark to market movements of their derivative contracts.

CVA Credit valuation adjustment is the difference between the risk-free portfolio value and the true portfolio value that takes into account the possibility of a counterparty's default.

Debt securities Instruments representing certificates of indebtedness of credit institutions, public bodies and other undertakings. Debt securities can be secured or unsecured.

Default When a customer fails to make timely payment of interest or principal on a debt security or to otherwise comply with the provisions of a bond indenture. Depending on the materiality of the default, if left unmanaged it can lead to loan impairment.

EAD Exposure at default Exposure at default is the gross exposure under a facility upon default of an obligor.

ECAI (External Credit Assessment Institution) means a credit rating agency registered or certified in accordance with Regulation EC 1060/2009.

Fair value 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.

Forbearance Forbearance occurs when a borrower is granted a temporary or permanent concession or agreed change to a loan, for reasons relating to the actual or apparent financial stress or distress of that borrower. Forbearance strategies are employed in order to improve the management of customer relationships, maximise collection opportunities and, if possible, avoid foreclosure or repossession. Such arrangements can include extended payment terms, a temporary reduction in interest or principal repayments, payment moratorium and other modifications.

Foundation IRB The Foundation Internal Ratings Based (IRB) Approach allows a bank to use their own estimated risk parameters for the purpose of calculating regulatory capital for credit risk to estimate probability of default (PD) to arrive at the total risk weighted assets (RWA).

GDP Gross Domestic Product is a monetary measure of the value of all final goods and services produced in a period of time (quarterly or yearly). GDP estimates are commonly used to determine the economic performance and standard of living of a whole country or region, and to make international comparisons.

Group Permanent TSB Group Holdings plc and its subsidiary undertakings.

Home loan A loan provided by a bank, secured by a borrower's primary residence or second home.

ICAAP Internal Capital Adequacy Assessment Process undertaken to ensure the Group is adequately capitalised against the risks in its business operations. The ICAAP is subject to review and evaluation by the regulatory authorities.

ILAAP Internal Liquidity Adequacy Assessment is similar to the ICAAP process but concentrates on the adequacy of a bank's liquidity rather than capital.

IRB The Internal Ratings Based Approach (IRB) Approach allows a bank to use its own estimated risk parameters for the purpose of calculating regulatory capital for credit risk to estimate probability of default (PD), loss given default (LGD), exposure at default (EAD), maturity (M) and other parameters required to arrive at the total risk weighted assets (RWA).

ISDA Master Agreements A standard agreement used in over-the-counter derivatives transactions. The ISDA Master Agreement, published by the International Swaps and Derivatives Association (ISDA), is a document that outlines the terms applied to a derivatives transaction between two parties. Once the two parties agree to the standard terms, they do not have to renegotiate each time a new transaction is entered into.

LCR Liquidity Coverage Ratio: The ratio to ensure that a bank has an adequate amount of high quality liquid assets in order to meet short-term obligations under a stress scenario lasting for 30 days. The minimum LCR requirement is 100%.

LGD Loss Given Default is the share of an asset that is lost when a borrower defaults on a loan.

Liquidity risk The risk that the Group may experience difficulty in financing its assets and / or meeting its contractual obligations as and when they fall due, without incurring excessive cost.

Loan to Deposit Ratio is a commonly used statistic for assessing a bank's liquidity by dividing the bank's total loans by its total deposits.

LTV Loan to value is a lending risk assessment ratio of mortgage amount to the value of property.

Market risk The risk of change in fair value of a financial instrument due to adverse movements in equity prices, property prices, interest rates or foreign currency exchange rates.

NPLs Non-performing loans 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 are designed to be consistent with European Banking Authority (EBA) guidance on the definition of forbearance.

Non-performing assets Non-performing assets are defined as NPLs plus foreclosed assets.

NSFR Net Stable Funding Ratio: The NSFR is defined as the amount of available stable funding (ASF) relative to the amount of required stable funding (RSF). The ASF is defined as the portion of capital and liabilities expected to be stable over the time horizon considered by the NSFR, which extends to one year. NSFR became binding from a regulatory perspective in June 2021. The minimum NSFR requirement is 100%.

Operational Risk The risks inherently present in the Group's business, including the risk of direct or indirect loss resulting from inadequate or failed internal and external processes, systems and human error, fraud, or from external events.

Own funds The sum of Tier 1 and Tier 2 capital.

Past Due Loan where repayment of interest or principal is overdue by at least one day.

PD Probability of Default is a financial term describing the likelihood that a borrower will be unable to meet its debt obligations.

PPU Permanent Partial Use is a permission received from a bank's supervisor to allow it to revert to using the standardised approach instead of the IRB approach.

RWAs Risk weighted assets is a measure of amount of bank's assets or off-balance sheet exposures which are weighted according to risk.

Securitisation Securitisation is the process of taking an illiquid asset, or group of assets, and through financial engineering, transforming them into a security.

SSM The Single Supervisory Mechanism (SSM) is a mechanism which has granted the European Central Bank (ECB) a supervisory role to monitor the financial stability of banks based in participating states. The main aims of the SSM are to ensure the safety and soundness of the European banking system and to increase financial integration and stability in Europe.

Standardised The Standardised Approach requires banks to follow prescribed steps to arrive at the total risk weighted assets (RWA) unless they have been approved to use a different approach (e.g. IRB).

Tier 1 capital A term used to describe the capital adequacy of a bank. Tier 1 capital is core capital; this includes equity capital and disclosed reserves.

Tier 2 capital Tier 2 capital is supplementary bank capital that includes items such as hybrid instruments and subordinated term debt.

Total Net Cash Outflows means total expected cash outflows, minus total expected cash inflows, in the specified stress scenario for the subsequent 30 calendar days.

Tracker mortgage A mortgage which follows the Base Rate of interest set by the European Central Bank and will be fixed at a certain percentage above this rate.

TRIM Targeted Review of Internal Models